

VILLAGE OF DOWNERS GROVE
Report for the Village Council Meeting
6/6/2017

SUBJECT:	SUBMITTED BY:
2016 Comprehensive Annual Financial 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, 2016, also known as the Comprehensive Annual Financial Report (CAFR) dated December 31, 2016 as audited by BKD, 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, 2017.

STRATEGIC PLAN ALIGNMENT

The goals for 2015-2017 include *Exceptional Municipal Services*.

FISCAL IMPACT

N/A.

RECOMMENDATION

Approval on the June 13, 2017 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, 2016 Comprehensive Annual Financial Report

RESOLUTION NO. ____**A RESOLUTION TO ACCEPT THE COMPREHENSIVE ANNUAL FINANCIAL REPORT
OF THE VILLAGE OF DOWNERS GROVE
FOR THE FISCAL YEAR JANUARY 1, 2016 THROUGH DECEMBER 31, 2016**

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, 2016 through December 31, 2016; and

WHEREAS, BKD, 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 the 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, 2016, 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, 2016, 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, 2016.

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

VILLAGE OF DOWNERS GROVE,
ILLINOIS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

As of and for the Year Ended December 31, 2016

Prepared by Finance Department

Judy Buttny
Finance Director

Carol Hogan
Assistant Finance Director

Robin Lahey
Finance Manager

Daiva Sheldon
Staff Accountant

VILLAGE OF DOWNERS GROVE, ILLINOIS

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INTRODUCTORY SECTION

Village of Downers Grove, Illinois

Principal Officials

LEGISLATIVE

Martin T. Tully, Mayor

Commissioners

Robert Barnett

William White

Nicole Walus

Marge Earl

Greg Hosé

William Waldack

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

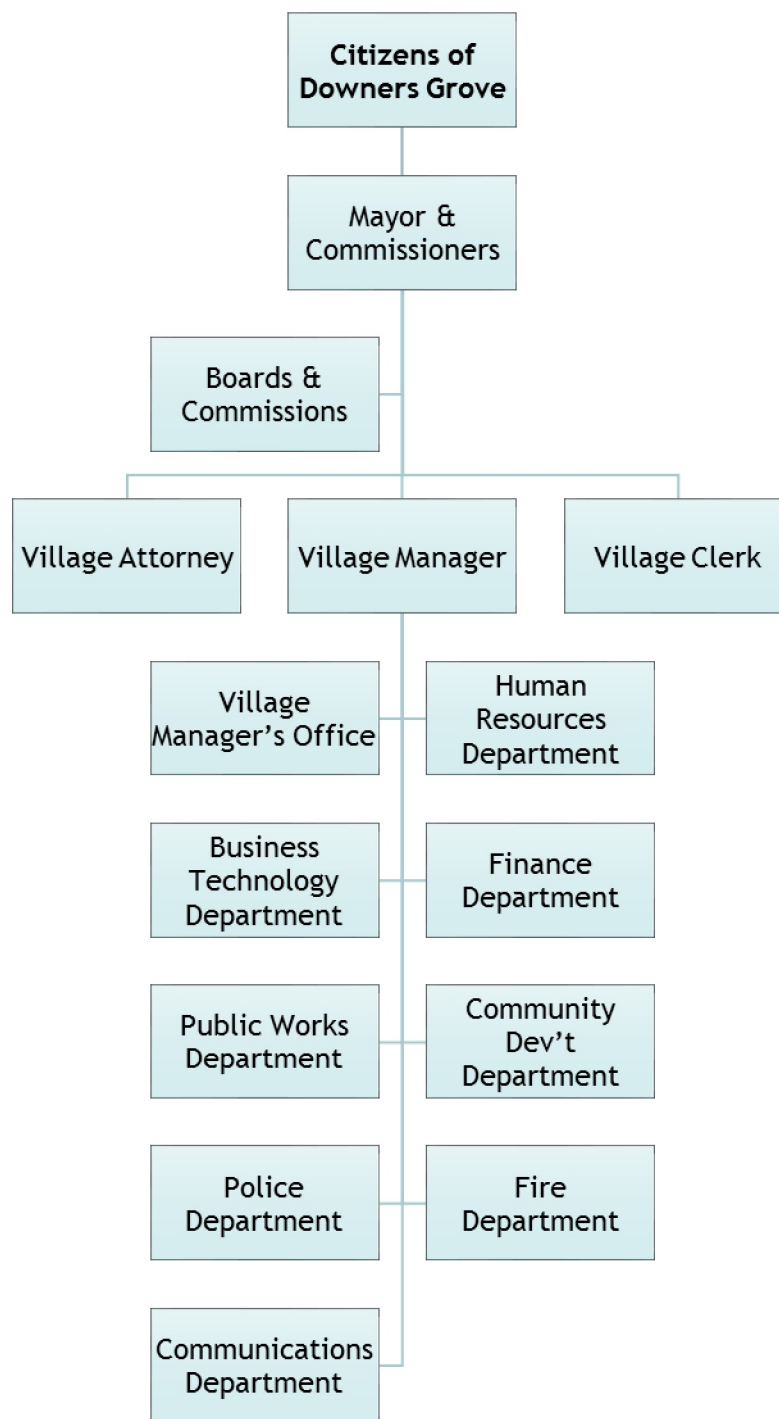
Dennis Burke, Human Resources Director

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, 2015

Executive Director/CEO



www.downers.us

June 6, 2017

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, 2016, 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 BKD, LLP, a firm of licensed certified public accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements of the Village of Downers Grove for the year ended December 31, 2016, 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, 2016, 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 \$83,513. Along with several major arterial highways, three Burlington Northern commuter train stations are located in the Village; these provide commuters about a 25-minute train ride to and from Chicago and easy access to the entire metropolitan area.

The resident population is 49,732; however, the Village's corporate business parks and shopping districts raise the daytime population and economic activity, providing the Village the benefit of a significant level of sales tax revenue. A review of the retail expenditure information suggests that the Village attracts residents from surrounding communities to support the sales tax income. The property tax base is 76 percent residential, 21 percent commercial, and 3 percent industrial. The ten leading commercial property tax payers are from a diverse economic base and account for 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, decreasing from 4.4% percent in 2015 to 4.3% percent as of December 31, 2016. The EAV for the Village was \$2,313,407,554 for the 2016 tax levy, up 6.9% 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. Building activity remains strong in both the commercial and residential markets. Although Sales tax revenues declined in 2016, 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 Downtown Redevelopment:

- Mixed-use development under construction at Main & Maple; 115 apartments.
- Burlington Station at Forest and Gilbert under construction; 89 apartments.
- Oakley Home Builders completed renovations to the former Carlson Paint building at 5216 Main Street; the second floor has company offices and the first floor was leased to a fitness center.
- Projected \$5.5 million in property tax increment revenue to Downtown TIF.

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.

2016 Economic Development Successes

- **Alter Brewing Company** completed the build out of their new craft brewery at 2300 Wisconsin
- **Burlington Coat Factory** has leased space at 1220 75th Street
- **Chipotle** opened their second location in Downers Grove at 1203 Ogden Avenue
- **Duluth Trading Company** opened their first Illinois store at 2966 Finley
- **Ensono** signed a new lease for their 115,352 sq. ft. data center at 1501 Opus Place
- **Ensono** completed the build out for their new 84,259 sq. ft. corporate headquarters at 3333 Finley
- **Five Below** opened a new store at 1554 Butterfield Road
- **Grand Appliance and TV** opened new store at 1205 Butterfield Road
- **Hirose Electric USA** relocated their North American Headquarters from San Jose California to Downers Grove at 2300 Warrenville Road
- **Kirkland's** has submitted plans to open a new home décor store at 1552 Butterfield Road
- **Lacey Creek Supportive Living** opened their new center at 4200 Lacey which features 120 residential units
- **Max Holdings LLC** broke ground on the redevelopment of 640 Ogden to construct an 11,200 sq. ft. multi-tenant building featuring three lease spaces
- **Nicholson Porter & List** received approval for a new Class A office building at 2200 Warrenville Road
- **Nossa Brazilian Grill** has leased space at 1340 Butterfield Road
- **PLZ Aerospace Corporation** is moving its corporate headquarters to 2651 Warrenville Road
- **Packey Webb Ford** broke ground for their new dealership at 1815 Ogden
- **Skechers** opened a new store at 1306 Butterfield Road
- **Star Motors** received approval for a redevelopment of their auto dealership at 1723 Ogden Avenue
- **Trio Restaurant & Banquets** will open at 980 W 75th Street
- **Weathershield LLC** completed the build out of their new office space at 1415 Centre Circle

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.

Managed General Fund:

In FY16, the Village added \$181,000 to the General Fund fund balance. Although revenues from Sales Taxes and Income Taxes dropped in 2016, net income remained positive by controlling expenses.

Refunded Stormwater Improvement Bonds:

The Village refinanced \$7.5 million in General Obligation Bonds issued for Stormwater Improvements. The refinancing saved \$1,000,000. 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.

Retained Stormwater Fees:

Downers Grove asked residents, through referendum questions, if Stormwater Management should continue to be funded through the stormwater utility fee, or property taxes. The referendum results were to continue using the stormwater utility fee.

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

There are multiple benefits to implementing a fee based system:

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

Created Plan to Increase Sales Tax Revenue:

In 2015, the Village Council identified *Create an Economic Development Plan to Enhance the Sales Tax Base* as a Top Priority Action Item. The plan was based on an AECOM Competitive Retail Alignment Study commissioned by the Downers Grove Economic Development Corporation (EDC). AECOM completed a retail market analysis and assessment of Downers Grove's performance in the trade area. Key components of the plan were:

- Recommended Retail Segments for Attraction and Retention
- Recommended Tools for Attraction and Retention
- Locations for Retail Development

Received \$536,000 in Grants:

The Village has made it a priority to seek grant funding for capital projects. A few of the grants received in 2016:

- ***Community Development Block Grant*** - \$232,000
These funds are for the purchase of land for stormwater.
- ***Department of Justice Federal Asset Forfeiture Funds*** - \$128,000
- ***Multiple Agencies*** - \$67,000
For Public Safety Programs

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:

The Village Council adopted a new Historic Preservation Ordinance in 2015. The new ordinance was the result of extensive community participation at both the Architectural Design Review Board (ADRB) / Ad Hoc Subcommittee on Historic Preservation meetings and Village Council meetings. Changes were implemented to make the preservation of historic structures easier than ever. As a result of these changes and increased public awareness, nine properties were landmarked in 2016

Launched Downtown Recycling Program:

Blue topped recycling cans were placed at locations throughout the downtown to recycle bottles, cans and paper. This program supports environmental sustainability and reduces refuse going to the landfill.

Partnerships:

Collaborated with Other Local Governments

In the spirit of furthering communication and collaboration among the governments that serve the residents of Downers Grove, the Village hosted a Super Retreat on September 14, 2016, at Downers Grove South High School. Participating agencies included:

- Community High School District 99
- Downers Grove Grade School District 58
- Downers Grove Park District
- Downers Grove Sanitary District
- Downers Grove Township
- York Township
- Downers Grove Library
- Downers Grove Economic Development Corporation (EDC)
- Village of Downers Grove.

Joined DU-COMM

In 2016, the Village became members in DuPage Public Safety Communications (DU-COMM) for the provision of emergency and related dispatching. This membership:

- Maintains the level of service currently provided to Downers Grove residents
- Achieves the Village's Top Priority Action Item Identify and Implement a Major Consolidation
- Is consistent with the State of Illinois and DuPage County consolidation efforts
- Reduces the total cost and increases the efficiency of providing emergency dispatching services at the County level
- Reduces the size and cost of the planned improvements to the Downers Grove Police Station

The transition will be complete in April 2017.

Prepared the Region for Emergency Response

On Wednesday, August 31, 2016, the Village of Downers Grove, in cooperation with the Burlington Northern Santa Fe (BNSF) and DuPage County Office of Homeland Security and Emergency Management (DuPage OHSEM), conducted a training exercise along the railroad tracks. The objective of the exercise was to demonstrate an exercise of sufficient intensity to challenge management and operations and to test the knowledge, skills and abilities of individuals and organizations involved. This exercise:

- Included collaboration with over 30 agencies
- Developed, tested and trained on Hazmat railway emergency response
- Increased public awareness of emergency response
- Complies with FEMA preparedness requirements

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.

In support of this commitment, \$15.0 million was invested in 2016:

- 8.5 miles of streets were resurfaced
- 12 stormwater improvement projects
- 885 sidewalk segments repaired
- 8,100 feet of watermain replaced

Stormwater Cost-Share Projects

The Village offers financial assistance to residents seeking to make stormwater improvements on their private property. To qualify, the proposed improvement must mitigate existing flooding conditions such as structural flooding of a house/garage or non-structural flooding over multiple properties. Flooding conditions must be present on more than one property to receive reimbursement. Reimbursements typically vary between \$1,500 and \$6,000. In 2016, the Village participated in thirteen stormwater cost-share projects, which improved local drainage for forty-four homes.

Stormwater Maintenance Projects

Ongoing maintenance is required for the Village's stormwater system. In 2016, this included 7,500 feet of re-ditching, cleaning of 18,700 feet of storm sewers and street sweeping.

Engaged the Community:

In 2016, the Village launched short-form video communications with award-winning results. Topics included

- Downtown Recycling 7,341 views
- Historic Preservation 4,250 views
- Stormwater YOUtility 3,988 views
- Learn not to Burn 3,812 views
- Snow and Ice Control Plan 2,351 views
- Night at the Firehouse 2,348 views
- Flag Retirement 2,096 views

Recognized Leadership:

Mayor Martin Tully Receives Leadership Award

Mayor Martin Tully was recognized as the 2015 Governmental Leader of the year by the DuPage Mayors and Managers Conference (DMMC). Mayor Tully served as President of the DMMC from 2014-15.

#19 Greenest Fleet in North America

Downers Grove was selected as the #19 Greenest Fleet in North America. Each year the Government Green Fleet Award ranks the top 50 fleets for their dedicated use of alternative fuel and hybrid vehicles. The award is supported by the Clean Cities Coalition, which is operated by the U.S. Department of Energy.

DuPage Mayors and Managers Conference (DMMC) Municipal Innovation Celebration Winner

Downers Grove received this award for best presentation for the Rain Barrel Sale video.

3CMA Award of Excellence

Downers Grove received this award in the category ‘TV and Video Promotional Video’ for the Rain Barrel Sale.

Sustainability Practices Award

The Village of Downers Grove was recognized with the 2016 Sustainability Practices Award by the Suburban Branch of the American Public Works Association. The award recognizes the commitment and practices the Village has taken to make sustainable practices a cornerstone of the community. The Village has used input from the Environmental Concerns Commission, as well as encouragement from management to aid in directing the organization towards these green initiatives.

Examples of these initiatives include sustainable construction practices, recycling, green fleet practices, water conservation efforts, stormwater pollution prevention, and energy conservation.

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 FY17 Budget was prepared and approved in 2016. The FY17 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 FY17 Budget:

- Balanced General Fund with Recommended Fund Balance
- No Increase for Property Tax Levy for Operations
- Property Tax Levy Increase for Required Contributions to Public Safety Pensions
- Transition to DU-COMM
- Shift Staffing to Community Development and Stormwater Management

- Funding to Implement the Facility Sustainability Plan
- Continues Investment in Infrastructure
- Stormwater Fund Revenue Decision

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.

Other Financial Policies:

Some of the more significant policies include:

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

The Village's strong financial policies are in part responsible for maintaining the Village's 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, 2015. 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 2016 Annual Budget. This is the seventh 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

VILLAGE OF DOWNERS GROVE, ILLINOIS
Management's Discussion and Analysis
For the Year Ended December 31, 2016

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

- The Village's net position increased from \$76.8 million as of December 31, 2015 to \$78.1 million as of December 31, 2016.
- Governmental revenues increased \$1.1 million. Revenue increases included property tax and grants, with decreases in sales tax, telecommunications tax and income tax revenues.
- Governmental expenses increased by \$3.2 million due primarily to pension expense and additional purchases in the Equipment Replacement Fund in 2016 that were deferred in 2015.
- Revenues for business-type activities decreased by \$1.0 million due to capital grants received in 2015; a Metra grant of \$.9 million for parking lot reconstruction, and \$.6 million from FEMA for Hazard Mitigation.
- Business-type expenses increased by \$1.4 million. This increase is due primarily to an increase in maintenance activities in the Stormwater Fund.
- No new debt was issued during the year ended December 31, 2016, and in March the Village refunded \$7.5 million General Obligation Bonds issued for stormwater improvements for a net present value savings of \$1.0 million.

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.

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, deferred outflows of resources, liabilities and deferred inflows of resources with

VILLAGE OF DOWNERS GROVE, ILLINOIS
Management's Discussion and Analysis
For the Year Ended December 31, 2016

the difference between those 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 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

VILLAGE OF DOWNERS GROVE, ILLINOIS
Management's Discussion and Analysis
For the Year Ended December 31, 2016

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 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 - 3-70)

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)

VILLAGE OF DOWNERS GROVE, ILLINOIS
Management's Discussion and Analysis
For the Year Ended December 31, 2016

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, 2016 and December 31, 2015

	Governmental Activities		Business-type Activities		Total	
	Dec. 31, 2016	Dec. 31, 2015	Dec. 31, 2016	Dec. 31, 2015	Dec. 31, 2016	Dec. 31, 2015
Current and other assets	\$ 62,794	\$ 59,548	\$ 20,813	\$ 20,845	\$ 83,607	\$ 80,393
Capital assets	126,481	127,871	68,656	67,195	195,137	195,066
Total assets	189,275	187,419	89,469	88,040	278,744	275,459
Deferred Outflows of Resources	11,611	9,389	2,257	1,361	13,868	10,750
Current liabilities	15,819	14,242	5,253	5,429	21,072	19,671
Noncurrent liabilities	140,054	138,402	32,061	30,887	172,115	169,289
Total liabilities	155,873	152,644	37,314	36,316	193,187	188,960
Deferred Inflows of Resources	21,137	20,378	147	77	21,284	20,455
Net Position						
Net investment in capital assets	80,397	77,988	38,646	37,868	119,043	115,856
Restricted	9,156	8,383	-	-	9,156	8,383
Unrestricted	(65,677)	(62,585)	15,619	15,140	(50,058)	(47,445)
Total net position	\$ 23,876	\$ 23,786	\$ 54,265	\$ 53,008	\$ 78,141	\$ 76,794

Statement of Net Position (in thousands)

The Village's combined net position increased by \$1,347 or 1.8% from 2015, to \$78,141. Governmental Activities net position increased by \$90 and business-type activities increased by \$1,257. 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

See independent auditor's report

VILLAGE OF DOWNERS GROVE, ILLINOIS
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still outstanding. This total for 2016 is \$119,043. The Unrestricted portion of net position includes, Police, Fire and IMRF pension liability.

Statement of Activities (in thousands)						
For the Years ended December 31, 2016 and December 31, 2015						
	Governmental Activities		Business-type Activities		Total	
	Year Ended Dec. 31, 2016	Year Ended Dec. 31, 2015	Year Ended Dec. 31, 2016	Year Ended Dec. 31, 2015	Year Ended Dec. 31, 2016	Year Ended Dec. 31, 2015
Revenues:						
Program revenues:						
Charges for services	\$ 7,333	\$ 7,089	\$ 20,728	\$ 20,503	\$ 28,061	\$ 27,592
Operating grants/contributions	715	702	47	47	762	749
Capital grants/contributions	1,497	1,228	232	1,493	1,729	2,721
General revenues:						
Property taxes	16,733	15,632	-	-	16,733	15,632
Sales taxes	20,543	20,811	-	-	20,543	20,811
Other taxes	12,960	13,693	-	-	12,960	13,693
Other	700	180	94	71	794	251
Total revenues	60,481	59,335	21,101	22,114	81,582	81,449
Expenses:						
General government	6,998	6,688	-	-	6,998	6,688
Public works	13,406	11,319	-	-	13,406	11,319
Community development	3,220	3,067	-	-	3,220	3,067
Public safety	34,264	33,749	-	-	34,264	33,749
Community services	904	737	-	-	904	737
Interest and fiscal charges	1,599	1,650	955	1,125	2,554	2,775
Waterworks	-	-	13,834	13,731	13,834	13,731
Parking	-	-	1,638	994	1,638	994
Stormwater Utility	-	-	3,417	2,567	3,417	2,567
Total expenses	60,391	57,210	19,844	18,417	80,235	75,627
Change in net position before transfers	90	2,125	1,257	3,697	1,347	5,822
Transfers	-	300	-	(300)	-	-
Change in net position	\$ 90	\$ 2,425	\$ 1,257	\$ 3,397	\$ 1,347	\$ 5,822
Ending Net Position:	\$ 23,876	\$ 23,786	\$ 54,265	\$ 53,008	\$ 78,141	\$ 76,794

Revenues:

For the year ended December 31, 2016, Governmental Activities Revenues totaled \$60,481, increasing about 1.9% or \$1,146. All revenue categories increased over 2015 levels with the exception of Other Taxes which decreased by \$733 and Sales Tax, which decreased by \$268.

The Village benefits from a highly diversified revenue base. Revenues from sales taxes amounted to \$20,543. The sales tax consists of a 1% state portion and 1% local home rule tax. Sales tax revenues were steady across most categories, with the exception of food and automobiles which experienced decreases. Revenues from Property Taxes totaled \$16,733. 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 increased by \$915 due to lower than expected return on plan assets. The remainder of the increase was due primarily to increases in TIF increment in the Downtown TIF (\$103) and Ogden Avenue TIF (\$45). Major items included in the category Other Taxes which decreased \$733 are state income

VILLAGE OF DOWNERS GROVE, ILLINOIS
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tax, utility taxes and use tax. State Income Taxes decreased \$443 in 2016 and Telecommunications taxes decreased \$343. Charges for Service increased \$244 due primarily to increased fees from permits and inspections. The increase in Capital Grants/contributions of \$269 is due primarily to developer contributions for infrastructure. The increase in Other Revenues (\$520) is due to the gain on sale of land (\$456) with the remaining increase from higher interest income due to higher interest rates.

For the year ended December 31, 2016, Business-Type Activities revenues totaled \$21,101 decreasing by \$1,013 from 2015. Revenues in this category include charges for providing water and stormwater operations to the residents of the village and charges for parking. Fees for these services increased by \$225 or 1%. There were no rate increases in 2016. Capital grants decreased by \$1,261. In 2015, the Village received a Metra grant of \$903 for parking lot reconstruction, and \$589 from FEMA for Hazard Mitigation. In 2016, the Village received a Community Development Block Grant for Stormwater for \$232.

Expenses:

For the year ended December 31, 2016, Governmental Activities expenses totaled \$60,391 increasing by \$3,181 or 5.6%. Increases include:

- Public Works (\$2,087)
- Public safety (\$515)
- General Government (\$310)
- Community Services (\$167)
- Community Development (\$153)

These increases were partially offset by a decrease in:

- Interest and Fiscal Charges (\$51)

Public Works expenses increased in 2016 due primarily to additional purchases in the Equipment Replacement Fund due to the deferral of 2015 purchases to reduce costs in response to the state's budget crisis, and an increase in worker's compensation costs and pension costs.

Expenses for the Village's business-type activities for the year ended 2016 are \$19,844 for an increase of \$1,427 or 7.7%. The majority of this increase was due to higher expenses in the Stormwater Fund due to increased maintenance activities for the Village's stormwater system. Also, \$340 was due to a loss taken in the Parking Fund for the sale of land.

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. Fund Balance in the General Fund increased by \$181 to \$18,881.

VILLAGE OF DOWNERS GROVE, ILLINOIS
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General Fund revenues were slightly higher than 2015 levels, and expenses were controlled due to continued cost reduction efforts.

The Downtown Redevelopment Tax Increment District fund (TIF) has a fund balance of \$1,207 compared to December 31, 2015 of \$1,060 for an increase of \$147. This fund is 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 \$4,108 is up slightly from 2015 fund balance of \$4,077. The Village continues its commitment to invest in infrastructure.

General Fund Budgetary Highlights (in thousands)

The General Fund was budgeted to break even in 2016, with revenues and expenses at \$46.3 million. Revenues in the general fund were \$549 under budget. The majority of the decrease is due to unfavorable budget variances in: income taxes (\$343), state sales taxes (\$381) and telecommunications tax (\$308). These unfavorable variances were partially offset by higher than expected revenues in charges for services (\$388).

Expenditures in the general fund were \$624 under the budget. This was due in a large part to 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, 2016 of \$195,136 (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. For more detailed information, see Notes to the Financial Statements #4.

Major capital asset activity during the current period included:

- Roadway maintenance
- Watershed improvements
- Water main replacements

VILLAGE OF DOWNERS GROVE, ILLINOIS
Management's Discussion and Analysis
For the Year Ended December 31, 2016

Capital Assets						
Net of Accumulated Depreciation						
(\$ are in thousands)						
	Governmental Activities		Business-type Activities		Total	
	Dec. 31, 2016	Dec. 31, 2015	Dec. 31, 2016	Dec. 31, 2015	Dec. 31, 2016	Dec. 31, 2015
Capital assets, not being depreciated						
Land	\$10,284	\$13,069	\$7,829	\$8,163	\$18,113	\$21,232
Construction in progress	3,855	2,310	1,127	2,145	4,982	4,455
Total Capital assets, not being depreciated	14,139	15,379	8,956	10,308	23,095	25,687
Capital assets, being depreciated						
Infrastructure	85,633	85,776	45,865	44,027	131,498	129,803
Buildings	18,343	18,831	3,488	3,609	21,831	22,440
Improvements other than buildings	2,787	2,565	10,014	8,865	12,801	11,430
Intangible Assets	193	283	23	30	216	313
Capital equipment	5,385	5,037	310	356	5,695	5,393
Total Capital assets, being depreciated	112,341	112,492	59,700	56,887	172,041	169,379
Total	\$126,480	\$127,871	\$68,656	\$67,195	\$195,136	\$195,066

Long Term Debt (in thousands)

At December 31, 2016, the Village had total bonded debt of \$74,570. Of this total, \$20,195 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. Additional information regarding debt can be found in Note 6 on page 3-35.

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, 2016

	Outstanding General Obligation Debt (in thousands)					
	Governmental Activities		Business-type Activities		Total	
	Dec. 31, 2016	Dec. 31, 2015	Dec. 31, 2016	Dec. 31, 2015	Dec. 31, 2016	Dec. 31, 2015
General Obligation Bonds						
Tax Increment Bonds	\$20,195	\$22,810	\$0	\$0	\$20,195	\$22,810
Stormwater	-	-	15,765	16,185	15,765	16,185
Fire Station #2	6,650	7,110	-	-	6,650	7,110
Fairview Resurfacing	-	75	-	-	-	75
Road Improvements	18,830	19,420	-	-	18,830	19,420
Water System Maintenance	-	-	13,130	13,765	13,130	13,765
Total	\$45,675	\$49,415	\$28,895	\$29,950	\$74,570	\$79,365

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 to a user's understanding of the basic financial statements.

VILLAGE OF DOWNERS GROVE, ILLINOIS
Statement of Net Position
December 31, 2016

	Governmental Activities	Business-type Activities	Total	Component Unit
ASSETS				
Cash and investments	\$ 35,571,848	\$ 17,140,415	\$52,712,263	\$ 3,116,071
Restricted cash	200,499	-	200,499	-
Property tax receivable	17,353,437	-	17,353,437	5,043,515
Sales tax receivable	5,536,239	-	5,536,239	-
Other taxes receivable	2,096,092	-	2,096,092	-
Accounts receivable	574,053	2,667,755	3,241,808	-
Accrued interest receivable	76,758	42,085	118,843	1,520
Other receivables (net of allowance)	845,177	699,920	1,545,097	-
Internal balances	(100,248)	100,248	-	-
Prepaid expenses	592,073	-	592,073	-
Inventory	42,085	163,457	205,542	-
Note receivable	6,499	-	6,499	-
Capital assets not being depreciated	14,139,218	8,956,053	23,095,271	222,211
Capital assets net accumulated depreciation	112,341,322	59,699,868	172,041,190	12,582,765
Total assets	<u>\$ 189,275,052</u>	<u>\$ 89,469,801</u>	<u>\$ 278,744,853</u>	<u>\$ 20,966,082</u>
DEFERRED OUTFLOWS OF RESOURCES				
Loss on refunding	732,806	1,194,618	1,927,424	26,549
Deferred outflows related to pensions	10,877,659	1,062,274	11,939,933	1,279,816
Total Deferred Outflows of Resources	<u>\$ 11,610,465</u>	<u>\$ 2,256,892</u>	<u>\$ 13,867,357</u>	<u>\$ 1,306,365</u>
LIABILITIES				
Accrued interest payable	799,786	483,700	1,283,486	2,829
Accounts payable	5,235,060	1,606,672	6,841,732	124,593
Accrued payroll	1,532,229	73,431	1,605,660	106,821
Deposits payable	-	97,329	97,329	-
Claims payable	2,602,754	-	2,602,754	-
Other payables	59,896	-	59,896	-
Unearned revenue	149,294	1,714,153	1,863,447	7,572
Debt due within 1 year	5,439,820	1,278,109	6,717,929	634,179
Debt due in more than 1 year	140,054,160	32,060,945	172,115,105	1,916,476
Total liabilities	<u>155,872,999</u>	<u>37,314,339</u>	<u>193,187,338</u>	<u>2,792,470</u>
DEFERRED INFLOWS OF RESOURCES				
Property taxes levied for future periods	17,353,437	-	17,353,437	5,043,515
Deferred inflows related to pensions	3,783,575	147,297	3,930,872	177,462
Total Deferred Inflows of Resources	<u>21,137,012</u>	<u>147,297</u>	<u>21,284,309</u>	<u>5,220,977</u>
NET POSITION				
Net investment in capital assets	80,396,881	38,645,552	119,042,433	12,216,525
Restricted for debt service	194,803	-	194,803	616,752
Restricted for economic development	6,469,191	-	6,469,191	-
Restricted for public safety	1,911,795	-	1,911,795	-
Restricted for road improvements	580,122	-	580,122	-
Unrestricted	(65,677,286)	15,619,505	(50,057,781)	1,425,723
Total net position	<u>\$ 23,875,506</u>	<u>\$ 54,265,057</u>	<u>\$ 78,140,563</u>	<u>\$ 14,259,000</u>

See accompanying notes to financial statements

VILLAGE OF DOWNERS GROVE, ILLINOIS
Statement of Activities
For the Year Ended December 31, 2016

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	\$ 6,997,773	\$ 1,443,170	\$ -	\$ -	\$ (5,554,603)	\$ -	\$ (5,554,603)	\$ -
Public works	13,405,664	220,113	43,633	1,496,690	(11,645,228)	-	(11,645,228)	-
Community development	3,219,762	1,692,277	3,209	-	(1,524,276)	-	(1,524,276)	-
Public safety	34,264,247	2,894,913	667,816	462	(30,701,056)	-	(30,701,056)	-
Community services	904,485	1,082,528	250	-	178,293	-	178,293	-
Interest and fiscal charges	1,599,570	-	-	-	(1,599,570)	-	(1,599,570)	-
Total governmental activities	<u>60,391,501</u>	<u>7,333,001</u>	<u>714,908</u>	<u>1,497,152</u>	<u>(50,846,440)</u>	<u>-</u>	<u>(50,846,440)</u>	<u>-</u>
Business-type activities								
Waterworks	14,241,261	15,286,003	-	-	-	1,044,742	1,044,742	-
Parking	1,638,354	1,616,488	46,875	-	-	25,009	25,009	-
Stormwater Utility	3,964,311	3,825,248	-	232,384	-	93,321	93,321	-
Total business-type activities	<u>19,843,926</u>	<u>20,727,739</u>	<u>46,875</u>	<u>232,384</u>	<u>-</u>	<u>1,163,072</u>	<u>1,163,072</u>	<u>-</u>
Total primary government	<u>\$ 80,235,427</u>	<u>\$ 28,060,740</u>	<u>\$ 761,783</u>	<u>\$ 1,729,536</u>	<u>\$ (50,846,440)</u>	<u>1,163,072</u>	<u>(49,683,368)</u>	<u>-</u>
Component unit								
Community services	5,755,931	-	-	-	-	-	-	(5,755,931)
Interest and fiscal charges	58,757	182,255	48,903	-	-	-	-	172,401
Total Component Unit	<u>\$ 5,814,688</u>	<u>\$ 182,255</u>	<u>\$ 48,903</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(\$5,583,530)</u>
General revenues								
Property tax					16,733,320	-	16,733,320	5,204,818
Home rule sales tax					7,959,588	-	7,959,588	-
Utility tax					5,292,003	-	5,292,003	-
Hotel tax					947,481	-	947,481	-
Personal property replacement tax					417,651	-	417,651	59,659
Local fuel tax					203,124	-	203,124	-
Other taxes					156,454	-	156,454	-
Intergovernmental								
Shared income tax					4,756,910	-	4,756,910	-
Shared sales tax					12,583,015	-	12,583,015	-
Shared local use sales tax					1,186,902	-	1,186,902	-
Investment income					243,472	94,372	337,844	6,792
Gain on sale of capital assets					456,265	-	456,265	-
Total general revenues					<u>50,936,185</u>	<u>94,372</u>	<u>51,030,557</u>	<u>5,271,269</u>
Change in net position					<u>89,745</u>	<u>1,257,444</u>	<u>1,347,189</u>	<u>(312,261)</u>
Net position - beginning					<u>23,785,761</u>	<u>53,007,613</u>	<u>76,793,374</u>	<u>14,571,261</u>
Net position - ending					<u>\$ 23,875,506</u>	<u>\$ 54,265,057</u>	<u>\$ 78,140,563</u>	<u>\$ 14,259,000</u>

See accompanying notes to financial statements

VILLAGE OF DOWNERS GROVE, ILLINOIS
Balance Sheet
Governmental Funds
December 31, 2016

ASSETS	General	Downtown Redevelopment TIF	Capital Improvements	Nonmajor	Total
Cash and investments	\$ 15,021,575	\$ 1,214,292	\$ 3,905,208	\$ 9,544,181	\$29,685,256
Restricted cash	126,124	-	-	-	126,124
Property taxes receivable	12,585,044	3,151,869	971,524	645,000	17,353,437
Sales taxes receivable	3,848,200	-	1,688,039	-	5,536,239
Other taxes receivable	1,837,254	-	122,890	135,948	2,096,092
Accounts receivable	265,792	-	-	290,102	555,894
Other receivable (net of allowance)	845,177	-	-	-	845,177
Prepaid items	22,437	-	-	-	22,437
Note receivable	6,499	-	-	-	6,499
Interest receivable	71,789	-	2,099	1,864	75,752
Total Assets	<u>34,629,891</u>	<u>4,366,161</u>	<u>6,689,760</u>	<u>10,617,095</u>	<u>56,302,907</u>
LIABILITIES					
Accounts payable	1,554,968	7,587	1,529,370	997,066	4,088,991
Accrued payroll	1,498,702	-	10,572	-	1,509,274
Other payables	29,963	-	-	1,426	31,389
Unearned revenue	79,294	-	70,000	-	149,294
Total Liabilities	<u>3,162,927</u>	<u>7,587</u>	<u>1,609,942</u>	<u>998,492</u>	<u>5,778,948</u>
DEFERRED INFLOWS OF RESOURCES					
Property taxes levied for future periods	12,585,044	3,151,869	971,524	645,000	17,353,437
Total Deferred Inflows of Resources	<u>12,585,044</u>	<u>3,151,869</u>	<u>971,524</u>	<u>645,000</u>	<u>17,353,437</u>
Total Liabilities & Deferred Inflows of Resources	<u>15,747,971</u>	<u>3,159,456</u>	<u>2,581,466</u>	<u>1,643,492</u>	<u>23,132,385</u>
FUND BALANCE					
Nonspendable	28,936	-	-	-	28,936
Restricted	126,124	1,206,705	-	7,748,707	9,081,536
Assigned	-	-	4,108,294	1,224,896	5,333,190
Unassigned	18,726,860	-	-	-	18,726,860
Total fund balances	<u>18,881,920</u>	<u>1,206,705</u>	<u>4,108,294</u>	<u>8,973,603</u>	<u>33,170,522</u>
Total Liabilities, Deferred Inflows of Resources & Fund Balance	<u>\$ 34,629,891</u>	<u>\$ 4,366,161</u>	<u>\$ 6,689,760</u>	<u>\$10,617,095</u>	<u>\$ 56,302,907</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, 2016

FUND BALANCES OF GOVERNMENTAL FUNDS	\$33,170,522
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	126,480,540
Less internal service funds	(6,108,362)
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds	(45,675,000)
Compensated absences payable are not due and payable in the current period, and, therefore, are not reported in the governmental funds	(3,732,734)
Less internal service funds	95,630
The net OPEB payable is not due and payable in the current period, and, therefore, is not reported in the governmental funds	(7,103,825)
Less internal service funds	196,031
Unamortized premium is reported as a liability on the statement of net position	(1,141,465)
The unamortized accounting loss is reported as a deferred outflow in the statement of net position	732,806
Accrued interest on long-term liabilities is reported as a liability on the statement of net position	(799,786)
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	2,673,246
Fire	2,399,713
IMRF	5,408,939
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	(2,568,550)
Fire	(410,135)
IMRF	(750,013)
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	(7,090,098)
Net Police Pension liability	(41,389,771)
Net Fire Pension liability	(38,842,319)
The net position of the internal service funds are included in the governmental activities in the statement of net position	8,430,385
Less the net position attributable to Business type activities	(100,248)
NET POSITION OF GOVERNMENTAL ACTIVITIES	\$23,875,506

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, 2016

REVENUES	Downtown		Capital Improvements	Nonmajor	Total
	General	Redevelopment TIF			
Property tax	\$ 12,176,835	\$ 2,947,562	\$ 971,524	\$ 637,399	\$ 16,733,320
Home rule sales tax	1,989,897	-	5,969,691	-	7,959,588
Utility tax	4,793,517	-	498,486	-	5,292,003
Other taxes	1,418,182	-	-	306,528	1,724,710
Licenses & permits	1,796,467	-	-	-	1,796,467
Intergovernmental	18,083,578	-	-	2,358,459	20,442,037
Charges for services & fees	4,639,296	-	11,663	218,032	4,868,991
Fines & forfeitures	667,543	-	-	-	667,543
Investment income	178,937	599	35,224	28,712	243,472
Contributions & donations	712	-	296,138	-	296,850
Total revenues	<u>45,744,964</u>	<u>2,948,161</u>	<u>7,782,726</u>	<u>3,549,130</u>	<u>60,024,981</u>
EXPENDITURES					
Current					
General government	4,814,265	-	-	1,193,492	6,007,757
Public works	5,875,105	-	876,738	1,131,314	7,883,157
Community development	2,255,534	71,475	-	319,076	2,646,085
Public safety	31,934,332	-	-	83,782	32,018,114
Community services	821,127	-	-	-	821,127
Debt service					
Principal Retirement	-	-	-	3,740,000	3,740,000
Interest and Other	-	-	-	1,654,957	1,654,957
Capital outlay					
General government	-	-	-	444,617	444,617
Public works	-	-	4,162,433	-	4,162,433
Public safety	-	-	-	27,228	27,228
Total expenditures	<u>45,700,363</u>	<u>71,475</u>	<u>5,039,171</u>	<u>8,594,466</u>	<u>59,405,475</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>44,601</u>	<u>2,876,686</u>	<u>2,743,555</u>	<u>(5,045,336)</u>	<u>619,506</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	5,761,627	5,761,627
Transfers out	(141,666)	(2,907,463)	(2,712,498)	-	(5,761,627)
Proceeds from sale of capital assets	278,602	177,663	-	-	456,265
Total other financing sources and uses	<u>136,936</u>	<u>(2,729,800)</u>	<u>(2,712,498)</u>	<u>5,761,627</u>	<u>456,265</u>
NET CHANGE IN FUND BALANCE	181,537	146,886	31,057	716,291	1,075,771
Fund balances -- beginning	18,700,383	1,059,819	4,077,237	8,257,312	32,094,751
Fund balances -- ending	<u>\$ 18,881,920</u>	<u>\$ 1,206,705</u>	<u>\$ 4,108,294</u>	<u>\$ 8,973,603</u>	<u>\$ 33,170,522</u>

See accompanying notes to financial statements

VILLAGE OF DOWNERS GROVE, ILLINOIS
 Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances
 to the Governmental Activities in the Statement of Activities
 For the Year Ended December 31, 2016

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$ 1,075,771
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	3,267,814
Less internal service funds	(2,192,704)
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.	(4,596,749)
Less internal service funds	898,669
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	3,740,000
The change in accrued interest payable on long-term debt is reported as an expense on the statement of activities	55,387
The change in the compensated absences liability is reported as an expense on the statement of activities	203,461
Add internal service funds	(6,284)
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	(753,179)
Pension expense : Fire	(1,137,946)
Pension expense : IMRF	(1,731,991)
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	(159,413)
Less internal service funds	24,711
The change in net position of certain activities of internal service funds is reported in governmental funds	1,453,455
Less the change in net position attributable to Business type activities	<u>(111,135)</u>
CHANGES IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ 89,745</u>

See accompanying notes to financial statements

VILLAGE OF DOWNERS GROVE, ILLINOIS
Statement of Net Position
Proprietary Funds
December 31, 2016

	Business-type Activities - Enterprise Funds				Internal Service
	Waterworks	Parking	Stormwater	Total	
ASSETS					
Current assets					
Cash and investments	\$ 9,451,884	\$ 1,083,395	\$ 6,605,136	\$ 17,140,415	\$ 5,886,592
Restricted cash	-	-	-	-	74,375
Accounts receivable	2,169,440	107,429	390,886	2,667,755	18,159
Other receivable (net of allowance)	-	467,536	232,384	699,920	-
Interest receivable	27,316	2,645	12,124	42,085	1,006
Prepaid expenses	-	-	-	-	569,636
Inventory	163,457	-	-	163,457	42,085
Total Current assets	<u>11,812,097</u>	<u>1,661,005</u>	<u>7,240,530</u>	<u>20,713,632</u>	<u>6,591,853</u>
Noncurrent assets					
Capital assets not being depreciated	2,215,162	323,313	6,417,578	8,956,053	931,718
Capital assets being depreciated	71,123,408	4,999,168	16,681,181	92,803,757	12,835,210
Accumulated depreciation	<u>(28,851,537)</u>	<u>(2,903,415)</u>	<u>(1,348,937)</u>	<u>(33,103,889)</u>	<u>(7,658,566)</u>
Total Noncurrent assets	<u>44,487,033</u>	<u>2,419,066</u>	<u>21,749,822</u>	<u>68,655,921</u>	<u>6,108,362</u>
Total assets	<u>56,299,130</u>	<u>4,080,071</u>	<u>28,990,352</u>	<u>89,369,553</u>	<u>12,700,215</u>
DEFERRED OUTFLOWS OF RESOURCES					
Loss on refunding	-	-	1,194,618	1,194,618	-
Deferred outflows related to pensions	603,962	68,187	390,125	1,062,274	395,761
Total Deferred Outflows of Resources	<u>603,962</u>	<u>68,187</u>	<u>1,584,743</u>	<u>2,256,892</u>	<u>395,761</u>
LIABILITIES					
Current liabilities					
Accrued interest payable	203,750	-	279,950	483,700	-
Accounts payable	1,147,058	221,895	237,719	1,606,672	1,146,069
Accrued payroll	42,097	5,047	26,287	73,431	22,955
Deposits payable	97,329	-	-	97,329	-
Claims payable	-	-	-	-	1,181,483
Other payables	-	-	-	-	28,507
Unearned revenue	77,985	1,300,781	335,387	1,714,153	-
Compensated absences	24,357	235	7,436	32,028	28,689
Debt due within 1 year	686,081	-	560,000	1,246,081	-
Total Current liabilities	<u>2,278,657</u>	<u>1,527,958</u>	<u>1,446,779</u>	<u>5,253,394</u>	<u>2,407,703</u>
Noncurrent liabilities					
Claims payable	-	-	-	-	1,421,271
Debt due in more than 1 year	13,936,071	-	16,158,942	30,095,013	-
Compensated absences	56,833	548	17,351	74,732	66,941
Other post-employment benefits	285,608	35,055	178,095	498,758	196,031
Net pension liability	791,682	89,381	511,379	1,392,442	518,768
Total Noncurrent liabilities	<u>15,070,194</u>	<u>124,984</u>	<u>16,865,767</u>	<u>32,060,945</u>	<u>2,203,011</u>
Total liabilities	<u>17,348,851</u>	<u>1,652,942</u>	<u>18,312,546</u>	<u>37,314,339</u>	<u>4,610,714</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows related to pensions	83,747	9,455	54,095	147,297	54,877
Total Deferred Inflows of Resources	<u>83,747</u>	<u>9,455</u>	<u>54,095</u>	<u>147,297</u>	<u>54,877</u>
NET POSITION					
Net investment in capital assets	30,000,988	2,419,066	6,225,498	38,645,552	6,108,362
Restricted	-	-	-	-	74,375
Unrestricted	9,469,506	66,795	5,982,956	15,519,257	2,247,648
Total net position	<u>\$ 39,470,494</u>	<u>\$ 2,485,861</u>	<u>\$ 12,208,454</u>	<u>\$ 54,164,809</u>	<u>\$ 8,430,385</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	100,248
	<u>\$ 54,265,057</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, 2016

	Business-type Activities - Enterprise Funds				Internal Service
	Waterworks	Parking	Stormwater	Total	
OPERATING REVENUES					
Sales	\$ -	\$ -	\$ -	\$ -	\$ 103,959
Charges for services, fees, fines	15,286,003	1,616,488	3,825,248	20,727,739	-
Interfund services	-	-	-	-	11,397,021
Insurance premiums	-	-	-	-	1,759,966
Other	-	-	-	-	27,166
Total operating revenues	<u>15,286,003</u>	<u>1,616,488</u>	<u>3,825,248</u>	<u>20,727,739</u>	<u>13,288,112</u>
OPERATING EXPENSES					
Personnel services	1,743,291	204,436	974,121	2,921,848	1,128,387
Supplies	8,656,792	11,414	67,358	8,735,564	1,086,697
Contractual services	601,931	229,308	480,257	1,311,496	2,120,251
Other charges and services	1,582,791	832,923	1,505,211	3,920,925	6,588,171
Depreciation	1,369,201	26,183	333,843	1,729,227	898,669
Total operating expenses	<u>13,954,006</u>	<u>1,304,264</u>	<u>3,360,790</u>	<u>18,619,060</u>	<u>11,822,175</u>
Operating income	<u>1,331,997</u>	<u>312,224</u>	<u>464,458</u>	<u>2,108,679</u>	<u>1,465,937</u>
NONOPERATING REVENUES(EXPENSES)					
Intergovernmental	-	46,875	-	46,875	10,000
Investment income	46,947	8,977	38,448	94,372	24,088
Gain/loss from disposals	-	(334,090)	-	(334,090)	(46,570)
Bond interest expense	(407,500)	-	(547,877)	(955,377)	-
Amortization of bond premium	17,110	-	40,552	57,662	-
Expense of issue costs	(8,000)	-	(96,196)	(104,196)	-
Total nonoperating revenues (expenses)	<u>(351,443)</u>	<u>(278,238)</u>	<u>(565,073)</u>	<u>(1,194,754)</u>	<u>(12,482)</u>
Income (loss) before transfers, capital contributions and donations	<u>980,554</u>	<u>33,986</u>	<u>(100,615)</u>	<u>913,925</u>	<u>1,453,455</u>
TRANSFERS					
Transfers in (out)	-	(300,000)	300,000	-	-
CAPITAL GRANTS AND CONTRIBUTIONS					
	-	-	232,384	232,384	-
CHANGE IN NET POSITION	980,554	(266,014)	431,769	1,146,309	1,453,455
NET POSITION, JANUARY 1	38,489,940	2,751,875	11,776,685	-	6,976,930
NET POSITION, DECEMBER 31	<u>\$ 39,470,494</u>	<u>\$ 2,485,861</u>	<u>\$ 12,208,454</u>	-	<u>\$ 8,430,385</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

CHANGE IN NET POSITION OF BUSINESS-TYPE ACTIVITIES

111,135
1,257,444

See accompanying notes to financial statements

VILLAGE OF DOWNERS GROVE, ILLINOIS
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2016

	Business Type Activities - Enterprise Funds				Internal Service
	Waterworks	Parking	Stormwater	Total	
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from interfund services	\$ -	\$ -	\$ -	\$ -	\$11,397,021
Receipts from customers	15,068,833	1,626,995	3,809,856	20,505,684	1,980,517
Other payments	(590,682)	(229,308)	(310,214)	(1,130,204)	(6,957,714)
Payments to employees	(1,537,937)	(179,929)	(855,217)	(2,573,083)	(962,349)
Payments for interfund services	(1,582,791)	(832,923)	(1,675,254)	(4,090,968)	-
Payments to suppliers	(8,293,332)	(640,949)	(39,189)	(8,973,470)	(2,969,584)
Net cash provided (used) by operating activities	<u>3,064,091</u>	<u>(256,114)</u>	<u>929,982</u>	<u>3,737,959</u>	<u>2,487,891</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Grant proceeds	-	-	-	-	10,000
Transfers in (out)	-	(300,000)	300,000	-	-
Net cash provided (used) by noncapital activities	<u>-</u>	<u>(300,000)</u>	<u>300,000</u>	<u>-</u>	<u>10,000</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Capital assets purchased	(2,746,038)	(80,946)	(718,746)	(3,545,730)	(2,192,704)
Proceeds from sale of capital assets	-	-	-	-	15,403
Capital grant receipts	-	470,320	56,623	526,943	-
Interest paid	(446,841)	-	(579,257)	(1,026,098)	-
Bond Issuance cost	-	-	(96,196)	(96,196)	-
Bond Premium	-	-	667,421	667,421	-
Principal paid on general obligation bonds	(635,000)	-	(475,000)	(1,110,000)	-
Paid into Escrow Account	-	-	(8,153,861)	(8,153,861)	-
IEPA loan proceeds	1,156,946	-	-	1,156,946	-
Loan issuance cost	(8,000)	-	-	(8,000)	-
Bond proceeds	-	-	7,585,000	7,585,000	-
Net cash provided (used) by capital activities	<u>(2,678,933)</u>	<u>389,374</u>	<u>(1,714,016)</u>	<u>(4,003,575)</u>	<u>(2,177,301)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest received	27,367	8,940	57,722	94,029	24,388
Net cash provided by investing activities	<u>27,367</u>	<u>8,940</u>	<u>57,722</u>	<u>94,029</u>	<u>24,388</u>
Net Increase (decrease) in cash and cash equivalents	412,525	(157,800)	(426,312)	(171,587)	344,978
Cash and investments - beginning 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>
Cash and investments - end of year	<u>\$ 9,451,884</u>	<u>\$ 1,083,395</u>	<u>\$ 6,605,136</u>	<u>\$ 17,140,415</u>	<u>\$ 5,960,967</u>
Reconciliation of operating income (loss) to net cash by operating activities					
Operating income (loss)	\$1,331,997	\$ 312,224	\$ 464,458	\$2,108,679	\$ 1,465,937
Adjustments to reconcile operating income to net cash provided (used) by operating activities:					
Depreciation	1,369,201	26,183	333,843	1,729,227	898,669
Change in assets and liabilities				-	
Accounts payable	361,096	(651,975)	28,169	(262,710)	739,608
Compensated absences	(20,573)	(486)	(1,081)	(22,140)	(6,284)
Accounts receivable	(191,560)	3,807	(41,426)	(229,179)	89,426
Other accounts receivable	-	6,700	-	6,700	-
Prepaid expenses	-	22,440	-	22,440	(564,359)
Inventory	2,364	-	-	2,364	62,115
Other post-employment benefits	18,084	1,651	(7,908)	11,827	24,711
Deposits payable	11,249	-	-	11,249	-
Other payables	-	-	-	-	3,983
Unearned revenue	(25,610)	-	26,034	424	-
Accrued payroll payable	12,040	1,203	4,582	17,825	22,955
Claims payable	-	-	-	-	(373,526)
Net pension liability	195,803	22,139	123,311	341,253	124,656
Net cash provided (used) by operating activities	<u>\$3,064,091</u>	<u>\$ (256,114)</u>	<u>\$ 929,982</u>	<u>\$ 3,737,959</u>	<u>\$ 2,487,891</u>
NON CASH TRANSACTIONS					
Loss on disposition of capital assets	-	(334,090)	-	(334,090)	(61,973)
Amortization of a loan (unearned Metra revenue)	-	46,875	-	46,875	-
Capitalized interest on IEPA loan	(1,137)	-	-	(1,137)	-
Decrease in market value on investments	(28,792)	-	(22,912)	(51,704)	-
	<u>\$ (29,929)</u>	<u>\$ (287,215)</u>	<u>\$ (22,912)</u>	<u>\$ (340,056)</u>	<u>\$ (61,973)</u>

See accompanying notes to financial statements

VILLAGE OF DOWNERS GROVE, ILLINOIS
Statement of Fiduciary Net Position
December 31, 2016

	Pension Trust	Agency
ASSETS		
Cash and cash equivalents	\$ 3,071,232	\$ 1,613,419
Investments		
U.S. and U.S. agency obligations	13,174,824	-
Corporate bonds	19,356,950	-
Foreign bonds	870,858	-
Negotiable CDs	1,683,995	-
Mutual funds - fixed income	998,102	-
Mutual funds - equity	44,641,626	-
Common and preferred stocks	4,114,982	-
Real Estate	10,649,913	-
Total investments	95,491,250	-
Prepays	15,698	-
Interest receivable	262,266	-
	98,840,446	1,613,419
Accounts payable	23,163	82,284
Deposits payable	-	1,531,135
	23,163	\$ 1,613,419
NET POSITION RESTRICTED FOR PENSION BENEFITS	\$ 98,817,283	

See accompanying notes to financial statements
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VILLAGE OF DOWNERS GROVE, ILLINOIS
Statement of Changes in Fiduciary Net Position
For the Year Ended December 31, 2016

	Pension Trust
ADDITIONS	
Contributions	
Contributions - employer	\$ 5,537,237
Contributions - employees	1,434,856
Total contributions	6,972,093
Investment earnings	
Interest earned on investments	1,994,333
Net appreciation in fair value	4,040,969
Total investment earnings	6,035,302
Less investment expense	(190,991)
Net investment earnings	5,844,311
Total additions	12,816,404
DEDUCTIONS	
Contractual services	117,789
Benefits and refunds	7,227,769
Total deductions	7,345,558
Change in Net Position	5,470,846
Net Position-- beginning of the year	93,346,437
Net Position -- end of the year	\$98,817,283

See accompanying notes to financial statements

NOTES TO FINANCIAL STATEMENTS

VILLAGE OF DOWNERS GROVE, ILLINOIS
Notes to Financial Statements
December 31, 2016

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VILLAGE OF DOWNERS GROVE, ILLINOIS

Notes to Financial Statements

December 31, 2016

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, 2016

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, 2016

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

C. Government-Wide and Fund Financial Statements

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

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

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

The Village reports the following major governmental funds:

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

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

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

The 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

VILLAGE OF DOWNERS GROVE, ILLINOIS

Notes to Financial Statements

December 31, 2016

accounted for in this fund including but not limited to administration, operations, maintenance, financing and related debt service, and billing and collection.

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

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

Additionally, the Village reports the following funds:

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

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

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

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

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Village considers revenues to be available if they are collected within 60 days of the end of the current fiscal period, except for sales

VILLAGE OF DOWNERS GROVE, ILLINOIS

Notes to Financial Statements

December 31, 2016

taxes and telecommunication taxes which use a 90 day period. Expenditures, generally, are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded when payment is due.

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

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

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

E. Cash and Cash Equivalents and Investments

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

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

F. Receivables

VILLAGE OF DOWNERS GROVE, ILLINOIS

Notes to Financial Statements

December 31, 2016

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. 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.

H. 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.

I. Capital Assets

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

VILLAGE OF DOWNERS GROVE, ILLINOIS
Notes to Financial Statements
December 31, 2016

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

J. 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.

K. Compensated Absences

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

L. Long-Term Obligations

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

VILLAGE OF DOWNERS GROVE, ILLINOIS

Notes to Financial Statements

December 31, 2016

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.

M. 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.

N. 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.

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

VILLAGE OF DOWNERS GROVE, ILLINOIS

Notes to Financial Statements

December 31, 2016

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.

O. 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.

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

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

VILLAGE OF DOWNERS GROVE, ILLINOIS
Notes to Financial Statements
December 31, 2016

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's management believes it 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, 2016:

Investment Type	Investment Maturities (in Years)			
	Fair Value	Less than 1	1-5	6-10
Municipal Bonds	\$8,044,128	\$2,632,235	\$5,411,893	\$ -
Federal Home Loan Bank Note	\$4,718,856	-	4,218,431	500,425
Federal Farm Credit Bank Note	\$1,684,655	-	1,684,655	-
Negotiable CDs	\$17,940,646	7,216,246	10,724,400	-
Total	\$32,388,285	\$9,848,481	\$22,039,379	\$ 500,425

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.

VILLAGE OF DOWNERS GROVE, ILLINOIS
Notes to Financial Statements
December 31, 2016

Investment Type	Investment ratings			
	Fair Value	AAA	AA	Not Rated
Municipal Bonds	\$8,044,128	\$2,134,148	\$5,909,980	\$ -
Federal Home Loan Bank Note	4,718,856	-	4,718,856	-
Federal Farm Credit Bank Note	1,684,655	-	1,684,655	-
Negotiable CDs	17,940,646	-	-	17,940,646
Illinois Funds	1,718,775	1,718,775	-	-
Total	\$34,107,060	\$3,852,923	\$12,313,491	\$17,940,646

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's management believes it 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 \$4,718,856 invested in Federal Home Loan Bank Notes and \$1,684,655 invested in Federal Farm Credit Banks which is over 5% of the Village's investment portfolio.

The following table presents the fair value measurements of assets and liabilities recognized in the accompanying statement of net position measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at December 31, 2016:

VILLAGE OF DOWNERS GROVE, ILLINOIS
Notes to Financial Statements
December 31, 2016

Investments Measured at Fair Value			
Investment Type	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Municipal Bonds	\$ -	\$ 8,044,128	\$ -
U.S. Agencies	6,403,511		-
Negotiable CDs	17,940,646		-
Total securities	\$ 24,344,157	\$ 8,044,128	\$ -

Level 1 includes quoted prices in active markets for an identical asset or liability that a government can access at the measurement date.

Level 2 includes inputs other than quoted prices included with Level 1, that are observable for an asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets or liabilities, quoted prices for identical or similar assets or liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 includes unobservable inputs for an asset or liability.

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. If quoted market prices are not available, then fair values are estimated by using quoted prices of securities with similar characteristics or independent asset pricing services and pricing models, the inputs of which are market-based or independently sourced market parameters, including, but not limited to, yield curves, interest rates, volatilities, prepayments, defaults, cumulative loss projections and cash flows. Such securities are classified in Level 2 of the valuation hierarchy.

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, real estate, 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).

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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%	4.30%	2.00%
Domestic Equities	35.00%	7.90%	5.60%
International Equities	10.00%	8.20%	5.90%
Real Estate	12.50%	7.10%	4.80%
Cash and Cash Equivalents	0.00%	1.90%	-0.40%

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 2016 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, 2016 are listed in the table above.

For the year ended December 31, 2016, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 6.02 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 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

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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's management believes it 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, 2016:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-5	6-10	Greater than 10
Corporate Bonds	\$ 11,712,258	\$ 174,860	\$10,284,179	\$1,253,219	\$ -
Foreign Bonds	362,198	-	362,198	-	-
U.S. Obligations	6,441,196	-	-	6,441,196	-
U.S. Agency Obligations	410,025	608	75	20,912	388,430
TOTAL	\$18,925,677	\$175,468	\$10,646,452	\$7,715,327	\$388,430

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

Investment Type	Fair Value	Investment ratings				
		AAA	AA	A	BBB	Not Rated
Corporate Bonds	\$11,712,258	\$ -	\$1,054,246	\$6,729,352	\$3,928,660	\$ -
Foreign Bonds	362,198	-	-	362,198	-	-
U.S. Obligations	6,441,196	6,441,196	-	-	-	-
U.S. Agency Obligations	410,025	410,025	-	-	-	-
Principal U.S. Property Separate Acct	5,904,445	-	-	-	-	5,904,445
TOTAL	\$24,830,122	\$6,851,221	\$1,054,246	\$7,091,550	\$3,928,660	\$5,904,445

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

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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's management believes it 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 42.5%; 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 \$5,904,445 in a real estate investment purchased through Principal Financial Group, representing 11.8% of the plan's net position.

The following table presents the fair value measurements of assets and liabilities recognized in the accompanying statement of net position measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at December 31, 2016:

Investment Type	Investments Measured at Fair Value		
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Debt securities:			
U.S. Obligations	\$ 6,441,196	\$ -	\$ -
U.S. Agencies	410,025	-	-
Corporate Bonds	-	11,712,258	-
Foreign Bonds	-	362,198	-
Total debt securities	\$ 6,851,221	\$ 12,074,456	\$ -
Equity securities:			
Common stocks	\$3,909,179	\$ -	\$ -
Foreign stocks	205,804	-	-
Mutual Funds-Equity	17,866,722	-	-
Mutual Funds-Fixed income	998,102	-	-
Total equity securities	\$22,979,807	\$ -	\$ -

Level 1 includes quoted prices in active markets for an identical asset or liability that a government can access at the measurement date.

Level 2 includes inputs other than quoted prices included with Level 1, that are observable for an asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets or liabilities, quoted prices for identical or similar assets or liabilities in markets that are not active, or other inputs that are observable or

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can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 includes unobservable inputs for an asset or liability.

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. If quoted market prices are not available, then fair values are estimated by using quoted prices of securities with similar characteristics or independent asset pricing services and pricing models, the inputs of which are market-based or independently sourced market parameters, including, but not limited to, yield curves, interest rates, volatilities, prepayments, defaults, cumulative loss projections and cash flows. Such securities are classified in Level 2 of the valuation hierarchy.

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, real estate, 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 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 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%	4.30%	2.00%
Domestic Equities	39.00%	7.90%	5.60%
International Equities	15.00%	8.20%	5.90%
Real Estate	10.00%	7.70%	5.40%
Cash and Cash Equivalents	1.00%	1.90%	-0.40%

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 2016 in which best-estimate ranges of expected future real

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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, 2016 are listed in the table above.

For the year ended December 31, 2016, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 6.73% 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 independent third-party or the Federal Reserve Bank, and evidenced by safekeeping receipts. The Village's management believes it 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, 2016:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-5	6-10	Greater than 10
Corporate Bonds	\$ 7,644,692	\$ 563,942	\$3,244,606	\$3,778,528	\$ 57,616
Foreign Bonds	508,660	-	352,160	156,500	-
U.S. Obligations	6,108,706	1,970,193	2,411,117	1,727,396	-
U.S. Agency Obligations	214,897	156	208,141	5,014	1,586
Negotiable CDs	1,683,995	-	1,683,995	-	-
TOTAL	\$16,160,950	\$2,534,291	\$7,900,019	\$5,667,438	\$59,202

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

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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	\$7,644,692	\$264,261	\$1,877,611	\$4,288,618	\$1,214,202	\$ -
Foreign Bonds	508,660	-	352,160	156,500	-	-
U.S. Obligations	6,108,706	6,108,706	-	-	-	-
U.S. Agency Obligations	214,897	214,897	-	-	-	-
Principal US Property Separate Acct	4,745,468	-	-	-	-	4,745,468
Negotiable CDs	1,683,995	-	-	-	-	1,683,995
TOTAL	\$20,906,418	\$6,587,864	\$2,229,771	\$4,445,118	\$1,214,202	\$6,429,463

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

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the Firefighters' Pension Fund will not be able to recover the value of its investments that are in possession of an outside party. To limit its exposure, the Firefighters' Pension Fund's requires all security transactions that are exposed to custodial credit risk to be processed on a delivery versus payment basis with the underlying investments held by a third-party custodian and evidenced by safekeeping receipts. Illinois Funds are not subject to custodial credit risk. The Village's management believes it 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 35%; large cap domestic equities 29%; small cap domestic equities 10%; and international equities 15%. 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 \$4,745,468 in a real estate investment purchased through Principal Financial Group, representing 9.4% of the plan's net position.

The following table presents the fair value measurements of assets and liabilities recognized in the accompanying statement of net position measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at December 31, 2016:

Investments Measured at Fair Value

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Investment Type	Quoted Prices in Active Markets for Identical Assets	Significant Other Observable Inputs	Significant Unobservable Inputs
	(Level 1)	(Level 2)	(Level 3)
Debt securities:			
U.S. Obligations	\$ 6,108,706	\$ -	\$ -
U.S. Agencies	214,897	-	-
Negotiable CD's		1,683,995	
Corporate Bonds	-	7,644,692	-
Foreign Bonds	-	508,660	-
Total debt securities	\$ 6,323,603	\$9,837,347	\$ -
Equity securities:			
Mutual Funds-Equity	\$26,774,904	\$ -	\$ -
Total equity securities	\$26,774,904	\$ -	\$ -

Level 1 includes quoted prices in active markets for an identical asset or liability that a government can access at the measurement date.

Level 2 includes inputs other than quoted prices included with Level 1, that are observable for an asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets or liabilities, quoted prices for identical or similar assets or liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 includes unobservable inputs for an asset or liability.

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. If quoted market prices are not available, then fair values are estimated by using quoted prices of securities with similar characteristics or independent asset pricing services and pricing models, the inputs of which are market-based or independently sourced market parameters, including, but not limited to, yield curves, interest rates, volatilities, prepayments, defaults, cumulative loss projections and cash flows. Such securities are classified in Level 2 of the valuation hierarchy.

3. RECEIVABLES

A. Property Taxes

Property taxes for 2016 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

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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 2016 tax levy is intended to fund expenditures for the 2017 fiscal year, these taxes are deferred as of December 31, 2016.

B. Other Receivables

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

	GOVERNMENTAL ACTIVITIES	BUSINESS TYPE ACTIVITIES
OTHER TAXES RECEIVABLE		
Telecommunications tax	\$ 737,291	\$ -
State income tax	546,764	-
Electricity tax	165,567	-
Natural gas tax	63,047	-
Local use tax	357,071	-
Auto rental tax	12,175	-
Hotel tax	78,229	-
State motor fuel tax	115,926	-
Local motor fuel tax	20,022	-
TOTAL OTHER TAXES RECEIVABLE	\$ 2,096,092	\$ -
OTHER RECEIVABLES		
Ambulance fees (net of allowance)	\$ 424,596	\$ -
Franchise fees	247,144	-
High School counselor fee	84,724	-
Grants	35,689	665,375
Parking tickets (net of allowance)	-	21,489
Passport parking fees	-	13,056
Other	53,024	-
TOTAL OTHER RECEIVABLES	\$ 845,177	\$ 699,920

4. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2016 was as follows:

A. Governmental Activities

	Balances January 1	Increases	Decreases	Balances December 31
Capital assets not being depreciated				
Land	\$13,068,538	-	2,784,693	\$10,283,845
Construction in progress	2,310,411	2,207,945	662,983	3,855,373
Total capital assets not being depreciated	15,378,949	2,207,945	3,447,676	14,139,218

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Capital assets being depreciated				
Infrastructure	114,455,491	2,883,168	-	117,338,659
Buildings	27,046,011	-	-	27,046,011
Improvements other than buildings	3,795,076	323,764	-	4,118,840
Intangible Assets	1,261,055	-	-	1,261,055
Capital equipment	17,121,438	1,300,613	1,140,562	17,281,489
Total capital assets being depreciated	163,679,071	4,507,545	1,140,562	167,046,054
Less accumulated depreciation for				
Infrastructure	28,678,827	3,027,287	-	31,706,114
Buildings	8,215,246	487,977	-	8,703,223
Improvements other than buildings	1,230,482	100,849	-	1,331,331
Intangible Assets	978,088	90,130	-	1,068,218
Capital equipment	12,083,929	890,506	1,078,589	11,895,846
Total accumulated depreciation	51,186,572	4,596,749	1,078,589	54,704,732
Total capital assets being depreciated, net	112,492,499	(89,204)	61,973	112,341,322
GOVERNMENTAL ACTIVITIES CAPITAL ASSETS, NET	\$127,871,448	\$2,118,741	\$3,509,649	\$126,480,540

B. Business-Type Activities

	Balances January 1	Increases	Decreases	Balances December 31
Capital assets not being depreciated				
Land	\$8,163,390	-	\$334,090	\$7,829,300
Construction in progress	2,144,660	3,584,630	4,602,537	1,126,753
Total capital assets not being depreciated	10,308,050	3,584,630	4,936,627	8,956,053
Capital assets being depreciated				
Infrastructure	58,122,077	2,945,570	-	61,067,647
Buildings	6,101,133	-	-	6,101,133
Improvements other than buildings	19,331,555	1,651,640	55,349	20,927,846
Intangible assets	104,081	-	-	104,081
Capital equipment	4,603,048	-	-	4,603,048
Total capital assets being depreciated	88,261,894	4,597,210	55,349	92,803,755
Less accumulated depreciation for				
Infrastructure	14,095,268	1,107,866	-	15,203,134
Buildings	2,491,988	120,734	-	2,612,722
Improvements other than buildings	10,466,618	447,574	-	10,914,192
Intangible assets	73,555	7,631	-	81,186
Capital equipment	4,247,231	45,422	-	4,292,653
Total accumulated depreciation	31,374,660	1,729,227	-	33,103,887
Total capital assets being depreciated,				

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Net	56,887,234	2,867,983	55,349	59,699,868
BUSINESS-TYPE ACTIVITIES				
CAPITAL ASSETS, NET	\$67,195,284	\$6,452,613	\$4,991,976	\$68,655,921

C. Depreciation/Amortization Expense

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

GOVERNMENTAL ACTIVITIES		
General government		\$ 547,823
Public works		3,143,823
Community development		320,539
Public safety		584,564
TOTAL DEPRECIATION/AMORTIZATION EXPENSE		<u>\$ 4,596,749</u>
BUSINESS-TYPE ACTIVITIES		
Stormwater Utility		\$ 333,843
Waterworks		1,369,201
Parking		26,183
TOTAL DEPRECIATION/AMORTIZATION EXPENSE		<u>\$ 1,729,227</u>

5. TRANSFERS

At December 31, 2016, interfund transfers consist of the following:

Fund	Transfer In	Transfer Out
Major Governmental		
Downtown Redevelopment TIF (1)	-	2,907,463
Capital Improvements (1)	-	1,912,494
Capital Improvements (2)	-	500,004
Capital Improvements (3)	-	300,000
General Fund (4)	-	141,666
Non-major Governmental		
Downtown TIF Debt Service (1)	3,207,463	-
Facilities Debt Service (1)	1,912,494	-
Municipal Buildings (2)	500,004	-
Asset Forfeiture Fund (4)	141,666	-
Enterprise		
Parking (1)	-	300,000
Stormwater (3)	300,000	-
TOTAL	<u>\$6,061,627</u>	<u>\$6,061,627</u>

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The interfund transfers reflect the following transactions: (1) transfer funds for debt service, (2) transfer to fund facilities projects, (3) transfer to fund stormwater projects, and (4) transfer prior period asset forfeiture funds

6. LONG-TERM DEBT

A. Changes in Long-Term Liabilities

Long-term liability activity for the year ended December 31, 2016, was as follows:

	Balances January 1	Additions	Reductions	Balances December 31	Current Portion
GOVERNMENTAL ACTIVITIES					
Compensated absences payable*	\$ 3,936,195	\$ 3,732,734	\$ 3,936,195	\$ 3,732,734	\$ 1,119,820
Net OPEB payable *	6,944,412	179,824	20,411	7,103,825	-
Net pension liability - Police *	40,512,814	876,957	-	41,389,771	-
Net pension liability - Fire *	37,537,259	1,305,060	-	38,842,319	-
Net pension liability- IMRF *	3,655,263	3,953,603	-	7,608,866	-
Unamortized premium	1,322,275	-	180,810	1,141,465	-
General obligation bonds payable	49,415,000	-	3,740,000	45,675,000	4,320,000
TOTAL GOVERNMENTAL ACTIVITIES	\$143,323,218	\$10,048,178	\$7,877,416	\$145,493,980	\$ 5,439,820

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

	Balances January 1	Additions	Reductions	Balances December 31	
BUSINESS-TYPE ACTIVITIES					
Compensated absences payable	\$ 128,900	\$ 106,760	\$ 128,900	\$ 106,760	\$ 32,028
Net OPEB payable	486,931	19,735	7,908	498,758	-
Net pension liability - IMRF	661,730	730,712	-	1,392,442	-
Unamortized premium	808,205	667,421	187,614	1,288,012	-
Water Fund - IEPA Loan	-	1,158,082	-	1,158,082	71,081
General obligation bonds payable	29,950,000	7,585,000	8,640,000	28,895,000	1,175,000
TOTAL BUSINESS-TYPE ACTIVITIES	\$ 32,035,766	\$ 10,267,710	\$ 8,964,422	\$ 33,339,054	\$ 1,278,109

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 2014-Refunding of Series 2008A and \$4.5 M General Obligation Refunding Bonds

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Series 2015-Refunding of Series 2008A and \$7.6 M General Obligation Refunding bonds, Series 2016 –Refunding of Series 20008A retired by the Stormwater fund; and \$10.0 M General Obligation Water Bonds, Series 2012 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-2016	Additions	Refunding/ Retirements	Balances Dec-2016	Current Portion
GOVERNMENTAL ACTIVITIES:					
\$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.	420,000	-	420,000	-	-
\$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	-
\$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.	3,825,000	-	910,000	2,915,000	940,000
\$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.	5,145,000	-	160,000	4,985,000	215,000
\$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.	4,570,000	-	240,000	4,330,000	580,000
\$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.	19,420,000	-	590,000	18,830,000	605,000
\$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.	7,185,000	-	1,380,000	5,805,000	1,500,000

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	Balances Jan-2016	Additions	Refunding/ Retirements	Balances Dec-2016	Current Portion
\$6,725,000 General Obligation Refunding Bonds, Series 2014-Refunding of Series 2007, 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	6,690,000	-	40,000	6,650,000	480,000
TOTAL GOVERNMENTAL ACTIVITIES	\$49,415,000	\$ -	\$3,740,000	\$45,675,000	\$4,320,000
BUSINESS-TYPE ACTIVITIES:					
\$25,000,000 General Obligation Bonds, Series 2008A, dated August 13, 2008, due in installments of \$400,000 to \$415,000 beginning January 1, 2010 plus interest of 4.00% due January 1, 2018.	8,730,000	-	7,915,000	815,000	400,000
\$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.	8,765,000	-	400,000	8,365,000	415,000
\$2,935,000 General Obligation Refunding Bonds, Series 2014-Refunding portion of Series 2008A, 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	2,920,000	-	25,000	2,895,000	25,000
\$5,000,000 General Obligation Bonds, Series 2015-Water, 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	-	235,000	4,765,000	200,000
\$4,535,000 General Obligation Refunding Bonds, Series 2015-Refunding portion of Series 2008A, 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	-	65,000	4,470,000	20,000
\$7,585,000 General Obligation Refunding Bonds, Series 2016-Refunding portion of Series 2008A, dated March 30, 2016, due in installments of \$115,000 to \$1,045,000 beginning January 1, 2017 plus interest ranging from 2.00% to 4.00% due January 1, 2038	-	7,585,000	-	7,585,000	115,000
TOTAL BUSINESS-TYPE ACTIVITIES	\$29,950,000	\$7,585,000	\$8,640,000	\$28,895,000	\$1,175,000
TOTAL GOVERNMENTAL AND BUSINESS-TYPE ACTIVITIES	\$79,365,000	\$7,585,000	\$12,380,000	\$74,570,000	\$ 5,495,000

VILLAGE OF DOWNERS GROVE, ILLINOIS
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On March 30, 2016, the Village issued \$7,585,000 in General Obligation Refunding Bonds, Series 2016 with interest rates ranging from 2.00% to 4.00% to advance refund \$7,530,000 of outstanding bonds, Series 2008A with interest rates ranging from 3.75% to 5.50%. The net proceeds of \$8,153,861 (after payment of \$96,196 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 \$13,016,250. The cash flow requirements on the 2016 Series refunding bonds are \$11,702,132 from January 1, 2017 through January 1, 2038. 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 \$1,011,458.

The Village defeased \$6,790,000 of the General Obligation Series 2008A debt by Refunding Debt in years 2014 and 2015. The new debt was issued and the proceeds have been used to purchase U.S. government securities that were placed in escrow accounts. The investments and fixed earnings for the investment are sufficient to fully service the defeased debt until the debt matures. For financial reporting purposes, the debt has been considered defeased; therefore, the above listed debt was removed from the Village's financial statements. The outstanding balance as of December 31, 2016 for the Series 2008A bonds was \$7,205,764.

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
2017	4,320,000	1,531,920	1,175,000	949,575
2018	4,700,000	1,397,107	1,090,000	914,575
2019	5,100,000	1,249,457	1,160,000	881,275
2020	5,575,000	1,064,155	1,190,000	848,450
2021	6,200,000	822,343	1,225,000	814,550
2022	1,240,000	666,743	1,265,000	777,050
2023	1,280,000	628,943	1,305,000	737,175
2024 - 2028	7,015,000	2,524,781	7,185,000	3,028,800
2029 - 2033	4,645,000	1,557,628	7,850,000	1,725,113
2034 - 2038	5,600,000	577,400	5,450,000	520,237
TOTAL	\$45,675,000	\$12,020,477	\$28,895,000	\$11,196,800

Business-Type Activities

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Other bonds or notes or loans payable	Date of Issue	Final Maturity	Interest rates	Original Indebtedness	December 31, 2016
Water Fund-IEPA Loan Preliminary Series 2016, Due in Bi-annual installments of \$35,541	12/8/2016	6/8/2036	1.86%	\$ 1,158,082	\$ 1,158,082
Total Business-Type activities other bonds or notes or loans payable					<u>\$ 1,158,082</u>
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, 2016, outstanding industrial, commercial and housing revenue bonds and notes approximated \$25,400,365.

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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, \$650,000 for each public safety workers' compensation claim, \$600,000 each for all other workers' compensation claims, \$10,000 for each property damage claim, and \$150,000 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, 2015	Fiscal Year Ended December 31, 2016
CLAIMS PAYABLE, BEGINNING	\$ 3,355,825	\$ 2,976,280
Incurred claims (including IBNR)	5,944,577	5,594,443
Less claims paid	(6,324,122)	(5,967,969)
CLAIMS PAYABLE, ENDING	<u>\$ 2,976,280</u>	<u>\$ 2,602,754</u>

8. COMMITMENTS

A. DuPage Water Commission (DWC)

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

Fiscal Year Ending December 31	Amount
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2017	267,473
2018	267,473
2019	267,473
2020	267,473
2021	267,473
2022-2024	802,419

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

B. Sales Tax rebates

The Village has 8 sales tax rebate agreements with local businesses to develop and expand their business in the Village. According to 65 ILCS 5/8-11-20 the Village may enter into an economic incentive agreement relating to the development or redevelopment of land within the corporate limits of the municipality. The agreement is made to rebate any portion of retailer's occupational taxes received by the Village that were generated by the development or redevelopment over a finite period of time. Each sales tax rebate agreement was negotiated on an individual basis and approved by Council Resolution. The tax rebates are payable to the vendors tri-annually 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, 2016 amounted to \$619,630 and has been reported in the Tax Rebate Fund. The Village has elected to disclose all such agreements below.

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. Total sales tax rebates for 2016 amounted to \$161,377. As of December 31, 2016, the Village has zero 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. Total sales tax rebates for 2016 amounted to \$152,622. As of December 31, 2016, sales tax rebates of \$83,685 were 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

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of not less than ten years. Total sales tax rebates for 2016 amounted to \$283,420. As of December 31, 2016, sales tax rebates of \$65,486 were 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. Total sales tax rebates for 2016 amounted to \$18,627. As of December 31, 2016, sales tax rebates of \$11,732 were 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. Total sales tax rebates for 2016 amounted to \$138,765. As of December 31, 2016, sales tax rebates of \$172,556 were not yet remitted to the vendor.

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. Total sales tax rebates for 2016 amounted to \$78,354. As of December 31, 2016, sales tax rebates of \$82,411 were 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. Total sales tax rebates for 2016 amounted to \$29,712. As of December 31, 2016, sales tax rebates of \$34,061 were 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. Total sales tax rebates for 2016 amounted to \$276,566. As of December 31, 2016, the sales tax rebates of \$169,699 were 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 \$825,000.

B. DuPage Water Commission (DWC)

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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, 93 retirees and spouses meet those eligibility requirements with 308 active members. The employee pays 100% of the cost of the health and life insurance premiums for the post employment benefits with the exception of health benefits for retirees that have reached 65. Once an employee reached 65 years of age, the Village subsidized 50% of the health insurance premium. For new retirees after September 1, 2009, the retiree pays 100% of the cost of the health and life insurance premiums. All health care benefits are provided through the Village's self-insured health plan. The benefit levels are the same as those afforded to active employees. The Village first had an actuarial valuation as of December 31, 2007. The Village's net OPEB obligation was \$7,602,583 as of December 31, 2016.

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, 2016 was 30 years. The funded status of the plan was as follows:

The net OPEB obligation was calculated as follows:

Annual Required Contribution	\$ 533,338
Interest on Net OPEB Obligation	297,254
Adjustment to Annual Required Contribution	<u>(247,713)</u>
Annual OPEB Cost	582,879
Contributions Made	<u>(411,639)</u>
Increase in Net OPEB Obligation	171,240
Net OPEB Obligation, Beginning of Year	<u>7,431,343</u>
Net OPEB Obligation, End of Year	<u>\$7,602,583</u>

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Fiscal Year Ended December 31	Annual OPEB Cost	Percentage Contributed	Net OPEB Obligation
2016	\$582,879	70.62%	\$7,602,583
2015	763,644	51.30%	7,431,343
2014	549,313	68.10%	7,059,593

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, 2016 was as follows:

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	\$24,972,329
UAAL as a Percentage of Covered Payroll	46.3%

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 at www.IMRF.org.

A. Illinois Municipal Retirement Fund

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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 \$111,570) 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 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, 2015, the measurement date, membership in the plans were as follows:

Retirees and beneficiaries	269
Inactive, non-retired members	197
Active members	<u>207</u>
Total	<u><u>673</u></u>

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 2016 was 12.46% of annual covered payroll. The Village and Library also contribute for disability benefits, death

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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. The net pension liability was measured as of December 31, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Summary of Significant Accounting Policies. For purposes of measuring the net pension liability, 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.

Actuarial Assumptions. The total pension liability for IMRF 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 of assets
Actuarial assumptions	
Investment rate of return	7.48%
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

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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	38.00%	8.85%	7.39%
International equities	17.00%	9.55%	7.59%
Fixed income	27.00%	3.05%	3.00%
Real estate	8.00%	7.20%	6.00%
Alternatives	4.50%		
Private equity		13.15%	8.15%
Hedge funds		5.55%	5.25%
Commodities		4.40%	2.75%
Cash equivalents	1.00%	2.25%	2.25%

Discount rate. The discount rates used to measure the total pension liability for IMRF was 7.48%. The discount rate calculated using the December 31, 2014 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 3.57% for tax exempt 20-year general obligation municipal bonds with an average AA credit rating at December 31, 2015 to arrive at a discount rate of 7.48% used to determine the total pension liability. The year ending December 31, 2085 is the last year in the 2016 to 2115 projection period for which projected benefit payments are fully funded.

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 of the Village and Library calculated using the discount rate of 7.48% 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 (6.48%) or 1 percentage point higher (8.48%) than the current rate:

1% Decrease	Current Discount Rate	1% Increase
6.48%	7.48%	8.48%

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Village:			
Total pension liability	\$86,289,077	\$ 76,208,831	\$67,959,694
Plan fiduciary net position	67,207,523	67,207,523	67,207,523
Net pension liability	<u>\$19,081,554</u>	<u>\$ 9,001,308</u>	<u>\$752,171</u>
Library:			
Total pension liability	15,116,316	\$13,350,436	\$11,905,333
Plan fiduciary net position	11,672,838	11,672,838	11,672,838
Net pension liability	<u>\$3,443,478</u>	<u>\$1,677,598</u>	<u>\$232,495</u>
Total:			
Total pension liability	\$101,405,393	\$89,559,267	\$79,865,027
Plan fiduciary net position	78,880,361	78,880,361	78,880,361
Net pension liability	<u>\$22,525,032</u>	<u>\$10,678,906</u>	<u>\$984,666</u>

Changes in net pension liability. The Village's and Library's changes in net pension liability for the calendar year ended December 31, 2016 were as follows:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) – (b)
Village:			
Balances at December 31, 2014	\$73,363,797	\$69,046,803	\$4,316,994
Service cost	1,292,677	-	1,292,677
Interest on total pension liability	5,381,059	-	5,381,059
Differences between expected and actual experience of the total pension liability	(924,724)	-	(924,724)
Change of assumptions	183,725	-	183,725
Benefit payments, including refunds of employee contributions	(3,087,703)	(3,087,703)	-
Contributions – employer	-	1,481,506	(1,481,506)
Contributions – employee	-	549,971	549,971
Net investment income	-	339,210	339,210
Other (net transfer)	-	(1,122,264)	(1,122,264)
Balances at December 31, 2015	<u>\$76,208,831</u>	<u>\$67,207,523</u>	<u>\$9,001,308</u>
Library:			
Balances at December 31, 2014	\$12,820,200	\$12,065,813	\$754,387
Service cost	240,920	-	240,920
Interest on total pension liability	1,002,882	-	1,002,882
Differences between expected and actual experience of the total pension liability	(172,343)	-	(172,343)
Change of assumptions	34,241	-	34,241
Benefit payments, including refunds of	(575,464)	(575,464)	-

VILLAGE OF DOWNERS GROVE, ILLINOIS
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employee contributions			
Contributions – employer	-	276,112	276,112
Contributions – employee	-	102,500	102,500
Net investment income	-	63,220	63,220
Other (net transfer)	-	(259,343)	(259,343)
Balances at December 31, 2015	\$13,350,436	\$11,672,838	\$1,677,598
Total:			
Balances at December 31, 2014	\$86,183,997	\$81,112,616	\$5,071,381
Service cost	1,533,597	-	1,533,597
Interest on total pension liability	6,383,941	-	6,383,941
Differences between expected and actual experience of the total pension liability	(1,097,067)	-	(1,097,067)
Change of assumptions	217,966	-	217,966
Benefit payments, including refunds of employee contributions	(3,663,167)	(3,663,167)	-
Contributions – employer	-	1,757,618	(1,757,618)
Contributions – employee	-	652,471	(652,471)
Net investment income	-	402,430	(402,430)
Other (net transfer)	-	(1,381,607)	1,381,607
Balances at December 31, 2015	\$89,559,267	\$78,880,361	\$10,678,906

Pension expense and deferred outflows of resources and deferred inflows of resources related to pensions. For the year ended December 31, 2016, the Village and Library recognized pension expense of \$4,303,077. 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
<i>Village:</i>		
Difference between expected and actual experience	\$ -	\$ 952,187
Assumption changes	1,142,095	-
Net difference between projected and actual earnings on pension plan investments	4,304,397	-
Contributions subsequent to the measurement date	1,420,482	-
Total	\$6,866,974	\$952,187
<i>Library:</i>		
Difference between expected and actual experience	\$ -	\$ 177,462
Assumption changes	212,855	-

VILLAGE OF DOWNERS GROVE, ILLINOIS
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Net difference between projected and actual earnings on pension plan investments	802,222	-
Contributions subsequent to the measurement date	264,739	-
Total	\$1,279,816	\$177,462

Total:

Difference between expected and actual experience	\$ -	\$1,129,649
Assumption changes	1,354,950	-
Net difference between projected and actual earnings on pension plan investments	5,106,619	-
Contributions subsequent to the measurement date	1,685,221	-
Total	\$8,146,790	\$1,129,649

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 for the year ending December 31, 2017. The remaining amounts reported as deferred outflows and inflows of resources related to pensions (\$5,331,920) will be recognized in pension expense as follows:

Year Ending December 31,	Village	Library	Total
2017	\$1,383,249	\$257,800	\$1,641,049
2018	1,139,469	212,366	1,351,835
2019	1,030,530	192,062	1,222,592
2020	941,057	175,387	1,116,444
Total	\$4,494,305	\$837,615	\$5,331,920

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.

VILLAGE OF DOWNERS GROVE, ILLINOIS

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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, 2016, the Police Pension Plan membership consisted of:

Retirees and beneficiaries	65
Inactive, non-retired members	3
Active members	<u>69</u>
Total	<u>137</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 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, 2016 was 41.31% of annual covered payroll.

Net pension liability. The net pension liability was measured as of December 31, 2016, and the total pension liability used to calculate the net pension liability 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.

VILLAGE OF DOWNERS GROVE, ILLINOIS
Notes to Financial Statements
December 31, 2016

Actuarial assumptions. The total pension liability was determined by an actuarial valuation performed as of December 31, 2016 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, 2016 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 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	\$ 104,925,322	91,476,813	\$80,542,101
Plan fiduciary net position	50,087,042	50,087,042	50,087,042
Net pension liability	\$ 54,838,280	\$ 41,389,771	\$30,455,059

Changes in net pension liability. The Village's changes in net pension liability for the year ended December 31, 2016 was as follows:

VILLAGE OF DOWNERS GROVE, ILLINOIS
Notes to Financial Statements
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	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) – (b)
Balances at December 31, 2015	\$ 88,165,677	\$ 47,652,863	\$ 40,512,814
Changes for the year:			
Service cost	1,188,341	-	1,188,341
Interest on total pension liability	6,255,335	-	6,255,335
Differences between expected and actual experience of the total pension liability	(113,300)	-	(113,300)
Change of assumptions	(248,849)	-	(248,849)
Benefit payments, including refunds of employee contributions	(3,770,391)	(3,770,391)	-
Contributions – employer	-	2,689,713	(2,689,713)
Contributions – employee	-	772,223	(772,223)
Net investment income	-	2,811,623	2,811,623
Administrative expense	-	(68,989)	68,989
Net changes for the year:	<u>3,311,136</u>	<u>2,434,179</u>	<u>876,957</u>
Balances at December 31, 2016	<u>\$ 91,476,813</u>	<u>\$ 50,087,042</u>	<u>41,389,771</u>

Pension expense and deferred outflows of resources and deferred inflows of resources related to pensions. For the year ended December 31, 2016, the Village recognized pension expense of \$753,179. 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	\$ -	\$2,173,558
Assumption changes	-	394,992
Net difference between projected and actual earnings on pension plan investments	2,673,246	-
Total	<u>\$2,673,246</u>	<u>\$2,568,550</u>

The amounts reported as deferred outflows and inflows of resources related to pension of \$104,696 will be recognized in pension expense as follows:

Year Ending December 31,	Amount
2017	143,601
2018	143,601
2019	143,601
2020	(305,613)
2021	(20,494)
Total	<u>\$ 104,696</u>

VILLAGE OF DOWNERS GROVE, ILLINOIS
Notes to Financial Statements
December 31, 2016

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 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, 2016, the Firefighters' Pension Plan membership consisted of:

Retirees and beneficiaries	77
Inactive, non-retired members	5
Active members	75
	<hr/>
Total	157
	<hr/> <hr/>

VILLAGE OF DOWNERS GROVE, ILLINOIS
Notes to Financial Statements
December 31, 2016

Contributions. Participants contribute a fixed percentage of their base salary to the plans. At December 31, 2016, 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, 2016 was 40.7% of annual covered payroll.

Net pension liability. The net pension liability was measured as of December 31, 2016, and the total pension liability used to calculate the net pension liability 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.

Actuarial assumptions. The total pension liability was determined by an actuarial valuation performed as of December 31, 2016 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, 2016 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.

VILLAGE OF DOWNERS GROVE, ILLINOIS
Notes to Financial Statements
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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:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Total pension liability	\$ 100,460,029	\$ 87,572,560	\$77,087,317
Plan fiduciary net position	48,730,241	48,730,241	48,730,241
Net pension liability	\$ 51,729,788	\$ 38,842,319	\$28,357,076

Changes in net pension liability. The Village's changes in net pension liability for the year ended December 31, 2016 was as follows:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) – (b)
Balances at December 31, 2015	\$ 83,230,834	\$ 45,693,575	\$ 37,537,259
Changes for the year:			
Service cost	1,379,081	-	1,379,081
Interest on total pension liability	5,908,905	-	5,908,905
Differences between expected and actual experience of the total pension liability	256,883	-	256,883
Change of assumptions	254,235	-	254,235
Benefit payments, including refunds of employee contributions	(3,457,378)	(3,457,378)	-
Contributions – employer	-	2,847,524	(2,847,524)
Contributions – employee	-	662,633	(662,633)
Net investment income	-	3,032,688	(3,032,688)
Administrative expense	-	(48,801)	48,801
Other (net transfer)	-	-	-
Net changes for the year	4,341,726	3,036,667	1,305,059

VILLAGE OF DOWNERS GROVE, ILLINOIS
Notes to Financial Statements
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Balances at December 31, 2016

\$ 87,572,560	\$ 48,730,241	\$ 38,842,319
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Pension expense and deferred outflows of resources and deferred inflows of resources related to pensions. For the year ended December 31, 2016, the Village recognized pension expense of \$1,137,946. 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	\$ 221,401	\$ 292,848
Assumption changes	219,119	117,287
Net difference between projected and actual earnings on pension plan investments	1,959,193	-
Total	\$ 2,399,713	\$ 410,135

The amounts reported as deferred outflows and inflows of resources related to pension (\$1,989,578) will be recognized in pension expense as follows:

Year Ending December 31,	Amount
2017	624,244
2018	624,244
2019	624,243
2020	45,910
2021	(10,138)
Thereafter	81,075
Total	\$ 1,989,578

D. Schedules for the Police and Firefighters' Plans

	Police Pension	Firefighters' Pension	Total
ASSETS			
Cash and cash equivalents	\$2,130,401	\$940,831	\$3,071,232
Investments			
U.S. obligations and US agency	6,851,221	6,323,603	13,174,824
Corporate bonds	11,712,258	7,644,692	19,356,950
Foreign bonds	362,198	508,660	870,858
Negotiable CDs	-	1,683,995	1,683,995
Mutual funds - fixed income	998,102	-	998,102
Mutual funds - equity	17,866,722	26,774,904	44,641,626
Common and Preferred Stocks	4,114,982	-	4,114,982
Real Estate	5,904,445	4,745,468	10,649,913
Prepays	8,349	7,349	15,698

VILLAGE OF DOWNERS GROVE, ILLINOIS
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Interest receivable	155,958	106,308	262,266
Total assets	50,104,636	48,735,810	98,840,446
LIABILITIES			
Accounts payable	17,594	5,569	23,163
Total liabilities	17,594	5,569	23,163
NET POSITION			
Restricted for pension benefits	\$50,087,042	\$48,730,241	\$98,817,283
	Police Pension	Firefighters' Pension	Total
ADDITIONS			
Contributions – employer	\$2,689,713	\$2,847,524	\$5,537,237
Contributions – employees	772,223	662,633	1,434,856
Investment income	2,811,623	3,032,688	5,844,311
Total additions	6,273,559	6,542,845	12,816,404
DEDUCTIONS			
Contractual services	68,989	48,800	117,789
Benefits and refunds	3,770,391	3,457,378	7,227,769
Total deductions	3,839,380	3,506,178	7,345,558
NET INCREASE			
	2,434,179	3,036,667	5,470,846

12. GOVERNMENTAL FUND BALANCES

Governmental fund balances reported on the Balance Sheet for the Governmental Funds at December 31, 2016, include the following:

	General	Downtown Redevelopment TIF	Capital Improvements	Nonmajor	Total
Fund Balances					
Nonspendable:					
Note receivable	\$ 6,499	-	-	-	\$ 6,499
Prepaid items	22,437	-	-	-	22,437
Total Nonspendable	28,936	-	-	-	28,936
Restricted for:					
Economic Development	126,124	1,206,705	-	5,061,987	6,394,816
Road Improvements	-	-	-	580,122	580,122

VILLAGE OF DOWNERS GROVE, ILLINOIS
Notes to Financial Statements
December 31, 2016

Public Safety	-	-	-	1,911,795	1,911,795
Debt Service	-	-	-	194,803	194,803
Total Restricted	126,124	1,206,705	-	7,748,707	9,081,536
Assigned to:					
Capital Projects	-	-	4,108,294	1,223,608	5,331,902
Debt Service	-	-	-	1,288	1,288
Total Assigned	-	-	4,108,294	1,224,896	5,333,190
Unassigned:	18,726,860	-	-	-	18,726,860
Total Fund Balances	<u>\$ 18,881,920</u>	<u>\$ 1,206,705</u>	<u>\$ 4,108,294</u>	<u>\$ 8,973,603</u>	<u>\$ 33,170,522</u>

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

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

- Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans: GASB 74 addresses the reporting requirements for Other Postemployment Benefit (OPEB) plans that administer benefits on behalf of governments. GASB 74 replaces GASB Statement No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans* and addresses the financial reporting of OPEB plans that are administered through trusts that meet certain criteria. GASB 74 requires the inclusion of a statement of fiduciary net position and a statement of changes in fiduciary net position in the financial reporting for the plan. GASB 74 also requires more extensive note disclosures and required supplementary information (RSI) related to the measurement of the OPEB liabilities and sets forth note disclosure requirements for defined contribution OPEB plans. GASB 74 is effective for financial statements for fiscal years beginning after June 15, 2016.
- Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions: GASB 75 replaces the requirements of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. GASB 75 requires governments to report a liability on the face of the financial statements, in accordance with the following:
 - Employers that are responsible only for OPEB liabilities for their own employees and that provide OPEB through a defined benefit OPEB plan administers through a trust that meets specified criteria will report a net OPEB liability (the difference between the total OPEB liability and the assets accumulated in trust to make the benefit payments)
 - Employers that participate in a cost-sharing OPEB plan that is administered through a trust that meets specified criteria will report a liability equal to the employer's proportionate share for the collective OPEB liability for all employers participating in the plan
 - Employers that do not provide OPEB through a trust that meets specified criteria will report the total OPEB liability for their own employees

GASB 75 requires more extensive note disclosures and required supplementary information (RSI) about the OPEB liabilities. GASB 75 is effective for fiscal years

VILLAGE OF DOWNERS GROVE, ILLINOIS
Notes to Financial Statements
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beginning after June 15, 2017 and requires restatement of any prior years presented, if practical.

- Statement No. 80, Blending Requirements for Certain Component Units – an amendment of GASB Statement No. 14: GASB 80 amends Statement No. 14, *The Financial Reporting Entity*, to add an additional criterion for reporting a component unit through the blending method. If a component unit is a not-for-profit corporation and the primary government is the sole corporate member, the component unit should be blended. GASB 80 is effective for financial statements for fiscal years beginning after June 15, 2016.
- Statement No. 82, Pension Issues – an amendment of GASB Statements No. 67, No. 68, and No. 73: GASB 82 addresses the presentation of payroll-related measures in RSI, the selection of assumptions and the treatment of deviations from guidance in Actuarial Standards of Practice for financial reporting purposes and the classification of payments made by employers to satisfy plan member contribution requirements. GASB 82 is effective for financial statements for fiscal years beginning after June 15, 2016, with certain exceptions pertaining to the assumption guidance.
- GASB Statement No. 83, Certain Asset Retirement Obligations (GASB 83): GASB 83 Standardizes requirements on the recognition and measurement for asset retirement obligations, other than landfills, to reduce inconsistency in financial reporting and enhance comparability. GASB 83 is effective for financial statements for fiscal years beginning after June 15, 2018.
- GASB Statement No. 84, Fiduciary Activities (GASB 84): GASB 84 clarifies when a government has a fiduciary responsibility and is required to present fiduciary fund financial statements. GASB 84 is effective for financial statements for fiscal years beginning after December 15, 2018.
- GASB Statement No. 85, Omnibus 2017 (GASB 85): GASB 85 includes amendments to certain existing literature. GASB 85 is effective for financial statements for fiscal years beginning after June 15, 2017.

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

14. COMPONENT UNIT - DOWNERS GROVE PUBLIC LIBRARY

A. Summary of Significant Accounting Policies

The statements for the component unit, Downers Grove Public Library (the Library), have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental

VILLAGE OF DOWNERS GROVE, ILLINOIS

Notes to Financial Statements

December 31, 2016

Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

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

1. Fund Accounting

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

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

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

2. Government-Wide and Fund Financial Statements

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

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

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

The Library reports the following major governmental funds:

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

VILLAGE OF DOWNERS GROVE, ILLINOIS

Notes to Financial Statements

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

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

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

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

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

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

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

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

VILLAGE OF DOWNERS GROVE, ILLINOIS
Notes to Financial Statements
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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:

- 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. The Village has two items that qualify for reporting in this category: the deferred outflows related to pensions, which represents pension items that will be recognized as pension expense in future periods, and the unamortized loss on refunding.

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

VILLAGE OF DOWNERS GROVE, ILLINOIS
Notes to Financial Statements
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the original term of the refunded debt. The unamortized amount is reported as a deferred outflow of resources in the government-wide and proprietary fund.

8. Compensated Absences

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

9. Long-Term Obligations

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

10. Deferred Inflows of Resources

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

11. Fund Balances/Net Position

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

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

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

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

d. Assigned – Includes spendable fund balance amounts that are intended to be used for specific purposes that are not considered restricted or committed. Fund balance may be assigned through the following: 1) the Village Council and Library Board assign amounts for a specific purpose. 2) All remaining positive spendable amounts

VILLAGE OF DOWNERS GROVE, ILLINOIS

Notes to Financial Statements

December 31, 2016

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

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

12. Use of Estimates

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

B. Deposits and Investments

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

Library Deposits and Investments

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

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

VILLAGE OF DOWNERS GROVE, ILLINOIS

Notes to Financial Statements

December 31, 2016

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

Deposits with Financial Institutions

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

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

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.

VILLAGE OF DOWNERS GROVE, ILLINOIS
Notes to Financial Statements
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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 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. The County collects such taxes and remits them periodically. Management has determined that an allowance for uncollectible accounts is not necessary. As the 2016 tax levy is intended to fund expenditures for the 2017 fiscal year, these taxes are deferred as of December 31, 2016.

D. Capital Assets

Capital asset activity for the year ended December 31, 2016 was as follows:

	Balances January 1	Increases	Decreases	Balances December 31
GOVERNMENTAL ACTIVITIES				
Capital assets not being depreciated				
Land	\$ 222,211	\$ -	\$ -	\$ 222,211
Total capital assets not being depreciated	222,211	-	-	222,211
Capital assets being depreciated				
Buildings	11,782,195	108,741	-	11,890,936
Capital equipment	6,466,646	476,892	1,087,768	5,855,770
Total capital assets being depreciated	18,248,841	585,633	1,087,768	17,746,706
Less accumulated depreciation for				
Buildings	2,434,582	235,930	-	2,670,512
Capital equipment	2,958,942	467,036	932,549	2,493,429
Total accumulated depreciation	5,393,524	702,966	932,549	5,163,941
Total capital assets being depreciated, net	12,855,317	(117,333)	155,219	12,582,765
GOVERNMENTAL ACTIVITIES				
CAPITAL ASSETS, NET	\$ 13,077,528	\$ (117,333)	\$ 155,219	\$ 12,804,976

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

GOVERNMENTAL ACTIVITIES	
Community services	<u>\$ 702,966</u>

VILLAGE OF DOWNERS GROVE, ILLINOIS
Notes to Financial Statements
December 31, 2016

E. Long-Term Debt

Changes in Long-Term Liabilities

Long-term liability activity for the year ended December 31, 2016, was as follows:

	Balances January 1	Additions	Reductions	Balances December 31	Current Portion
Compensated absences payable*	\$ 36,672	\$ 63,930	\$ 36,672	\$ 63,930	\$ 19,179
Net OPEB payable *	176,841	17,286	-	194,127	-
General obligation bonds payable	1,230,000	-	615,000	615,000	615,000
Net Pension liability –IMRF*	754,388	923,210	-	1,677,598	-
TOTAL	\$ 2,197,901	\$1,004,426	\$ 651,672	\$ 2,550,655	\$ 634,179

* 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.	\$ 1,230,000	\$ -	\$ 615,000	\$ 615,000	\$ 615,000
TOTAL	\$ 1,230,000	\$ -	\$ 615,000	\$ 615,000	\$ 615,000

Debt Service Requirements and Maturities

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

Fiscal Year Ending December 31	Governmental Activities	
2017	Principal	Interest
TOTAL	615,000	2,829
	\$ 615,000	\$ 2,829

F. Risk Management

VILLAGE OF DOWNERS GROVE, ILLINOIS
Notes to Financial Statements
December 31, 2016

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

G. Contingent Liabilities

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

H. Post Employment Benefits

In addition to providing pension benefits, the Village provides post employment health care and life insurance benefits (OPEB), in accordance with the personnel policy manual, to all employees who meet the eligibility requirements under the applicable retirement system. Currently, 27 active members with 3 retirees and spouses 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 \$194,127.

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, 2016 was 30 years.

The net OPEB obligation as of December 31, 2016 was calculated as follows:

Annual Required Contribution	\$ 22,199
Interest on Net OPEB Obligation	7,074
Adjustment to Annual Required Contribution	<u>(5,895)</u>
Annual OPEB Cost	23,378
Contributions Made	<u>(6,092)</u>
Increase (Decrease) in Net OPEB Obligation	17,286
Net OPEB Obligation, Beginning of Year	<u>176,841</u>
Net OPEB Obligation, End of Year	\$ <u>194,127</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

VILLAGE OF DOWNERS GROVE, ILLINOIS
Notes to Financial Statements
December 31, 2016

estimates are made about the future. The funded status of the plan as of December 31, 2016 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	\$ 1,626,486
UAAL as a Percentage of Covered Payroll	15.6%

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 Balance - Budget and Actual
 For the Year Ended December 31, 2016

	Budgeted Amounts		Actual	Variance
	Original	Final		
REVENUES				
Home Rule Sales Tax	\$ 1,950,000	\$ 1,950,000	\$ 1,989,897	\$ 39,897
Property tax	12,074,060	12,074,060	12,176,835	102,775
Utility tax	5,215,000	5,215,000	4,793,517	(421,483)
Other taxes	1,460,000	1,460,000	1,418,182	(41,818)
Licenses & permits	1,822,850	1,822,850	1,796,467	(26,383)
Intergovernmental				
Income tax	5,100,000	5,100,000	4,756,910	(343,090)
Sales tax	11,850,000	11,850,000	11,468,741	(381,259)
Local use tax	1,017,000	1,017,000	1,186,902	169,902
Grants	657,500	657,500	671,025	13,525
Charges for services & fees	4,251,203	4,251,203	4,639,296	388,093
Fines & forfeitures	726,600	726,600	667,543	(59,057)
Investment income	170,000	170,000	178,937	8,937
Contributions and donations	-	-	712	712
Total revenues	<u>46,294,213</u>	<u>46,294,213</u>	<u>45,744,964</u>	<u>(549,249)</u>
EXPENDITURES				
Current				
General government	5,066,368	5,066,368	4,814,265	(252,103)
Public works	6,117,465	6,117,465	5,875,105	(242,360)
Community development	2,318,315	2,318,315	2,255,534	(62,781)
Public safety	32,014,221	32,014,221	31,934,332	(79,889)
Community services	807,714	807,714	821,127	13,413
Total expenditures	<u>46,324,083</u>	<u>46,324,083</u>	<u>45,700,363</u>	<u>(623,720)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(29,870)</u>	<u>(29,870)</u>	<u>44,601</u>	<u>74,471</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	-	-	(141,666)	(141,666)
Proceeds from sale of capital assets	69,383	69,383	278,602	209,219
Total other financing sources (uses)	<u>69,383</u>	<u>69,383</u>	<u>136,936</u>	<u>67,553</u>
Net change in fund balance	39,513	39,513	181,537	<u>142,024</u>
Fund balance -- beginning	18,700,383	18,700,383	18,700,383	
Fund balance -- ending	<u>\$ 18,739,896</u>	<u>\$ 18,739,896</u>	<u>18,881,920</u>	

(See independent auditor's 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 balance - Budget and Actual
 For the Year Ended December 31, 2016

	Budgeted Amounts		Actual	Variance
	Original	Final		
REVENUES				
Property tax	\$ 2,893,292	\$ 2,893,292	\$ 2,947,562	\$ 54,270
Investment income	-	-	599	599
Total revenues	<u>2,893,292</u>	<u>2,893,292</u>	<u>2,948,161</u>	<u>54,869</u>
EXPENDITURES				
Current				
Community Development	77,060	77,060	71,475	(5,585)
Total current	<u>77,060</u>	<u>77,060</u>	<u>71,475</u>	<u>(5,585)</u>
Total expenditures	<u>77,060</u>	<u>77,060</u>	<u>71,475</u>	<u>(5,585)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,816,232</u>	<u>2,816,232</u>	<u>2,876,686</u>	<u>60,454</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(2,907,463)	(2,907,463)	(2,907,463)	-
Proceeds from sale of capital assets	-	-	177,663	177,663
Total other financing sources (uses)	<u>(2,907,463)</u>	<u>(2,907,463)</u>	<u>(2,729,800)</u>	<u>177,663</u>
Net change in fund balance	(91,231)	(91,231)	146,886	<u>\$ 238,117</u>
Fund balance -- beginning	<u>1,059,819</u>	<u>1,059,819</u>	<u>1,059,819</u>	
Fund balance -- ending	<u>\$ 968,588</u>	<u>\$ 968,588</u>	<u>\$ 1,206,705</u>	

(See independent auditor's 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)
12/31/2011	-	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%
12/31/2016	-	11,565,434	11,565,434	0.00%	24,972,329	46.3%

Note: This schedule includes the Library.

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

VILLAGE OF DOWNERS GROVE, ILLINOIS
 Required Supplementary Information
 Illinois Municipal Retirement Fund
 Schedule of Employer Contributions
 Last Two Calendar Years

	2015			2016		
	Primary Government	Library	Total	Primary Government	Library	Total
Actuarially Determined Contribution	\$ 1,880,820	\$ 328,670	\$ 2,209,490	\$ 1,478,804	\$ 275,609	\$ 1,754,413
Contributions in Relation to the Actuarially determined Contribution	(1,481,506)	(276,112)	(1,757,618)	(1,420,482)	(254,037)	(1,674,519)
Contribution Deficiency (Excess)	<u>\$ 399,314</u>	<u>\$ 52,558</u>	<u>\$ 451,872</u>	<u>\$ 58,322</u>	<u>\$ 21,572</u>	<u>\$ 79,894</u>
Covered-Employee Payroll			\$ 14,102,999			\$ 14,226,974
Contributions as a Percentage of Covered-Employee Payroll			12.46%			11.77%

Notes to Schedule

The Village implemented GASB Statement No. 68 in fiscal year 2015. Additional years information will be displayed as it becomes 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	28 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 auditor's 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

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Actuarially Determined Contribution	\$ 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	\$ 2,664,454
Contributions in relation to the Actuarially determined contribution	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	2,689,713
Contribution deficiency (excess)	\$ (11,657)	\$ 1,116	\$ (9,621)	\$ (13,871)	\$ (12,742)	\$ (26,173)	\$ (4,352)	\$ (24,500)	\$ (13,439)	\$ (25,259)
Covered-employee payroll	\$ 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	\$ 7,696,273
Contributions as a percentage of covered-employee payroll	18.6%	18.2%	19.1%	27.6%	29.0%	24.4%	29.2%	34.6%	34.6%	34.9%

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 auditor's 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

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Actuarially Determined Contribution	\$ 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	\$ 2,820,461
Contributions in relation to the Actuarially determined contribution	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	2,847,524
Contribution deficiency (excess)	\$ 458	\$ (13,285)	\$ (6,958)	\$ (17,707)	\$ (13,379)	\$ (159,643)	\$ (66,223)	\$ (27,138)	\$ (14,082)	\$ (27,063)
Covered-employee payroll	\$ 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	\$ 8,034,062
Contributions as a percentage of covered-employee payroll	25.5%	16.4%	25.4%	30.4%	34.5%	33.5%	33.6%	35.5%	33.6%	35.4%

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 auditor's 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

Calendar Year	Employer Contributions	Annual Required Contributions (ARC)	Percentage of ARC Contributed
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%
2016	417,730	555,537	75.19%

Note: This schedule includes the Library.

(See independent auditor's 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
 Last Two Calendar Years

	2015			2016		
	Primary Government	Library	Total	Primary Government	Library	Total
Total Pension Liability						
Service Cost	1,399,755	244,605	1,644,360	1,292,677	240,920	1,533,597
Interest on Total Pension Liability	5,048,517	882,220	5,930,737	5,381,059	1,002,882	6,383,941
Differences Between Expected and Actual Experience of the Total Pension Liability	(704,694)	(123,144)	(827,838)	(924,724)	(172,343)	(1,097,067)
Change of Assumptions	2,393,221	418,211	2,811,432	183,725	34,241	217,966
Benefit Payments, Including Refunds of Employee Contributions	(2,773,367)	(484,641)	(3,258,008)	(3,087,703)	(575,464)	(3,663,167)
Net Change in Total Pension Liability	5,363,432	937,251	6,300,683	2,845,034	530,236	3,375,270
Total Pension Liability - Beginning	68,000,365	11,882,949	79,883,314	73,363,797	12,820,200	86,183,997
Total Pension Liability - Ending	73,363,797	12,820,200	86,183,997	76,208,831	13,350,436	89,559,267
Plan Fiduciary Net Position						
Contributions - Employer	1,880,820	328,670	2,209,490	1,481,506	276,112	1,757,618
Contributions - Employee	539,585	94,292	633,877	549,971	102,500	652,471
Net Investment Income	3,989,810	697,213	4,687,023	339,210	63,220	402,430
Benefit Payments, Including Refunds of Employee Contributions	(2,773,367)	(484,641)	(3,258,008)	(3,087,703)	(575,464)	(3,663,167)
Other (Net Transfer)	(173,248)	(30,275)	(203,523)	(1,122,264)	(259,343)	(1,381,607)
Net Change in Plan Fiduciary Net Position	3,463,600	605,259	4,068,859	(1,839,280)	(392,975)	(2,232,255)
Plan Fiduciary Net Position - Beginning	65,583,203	11,460,554	77,043,757	69,046,803	12,065,813	81,112,616
Plan Fiduciary Net Position - Ending	69,046,803	12,065,813	81,112,616	67,207,523	11,672,838	78,880,361
Employer's Net Pension Liability - Ending	4,316,994	754,387	5,071,381	9,001,308	1,677,598	10,678,906
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability			94.12%			88.08%
Covered-Employee Payroll			14,001,840			14,102,999
Employer's Net Pension Liability as a Percentage of Covered-Employee Payroll			36.22%			75.72%

Notes to Schedule

The Village implemented GASB Statement No. 68 in fiscal year 2015. Additional years information will be displayed as it becomes available.

Changes in assumptions related to retirement age and mortality were made since the prior measurement date.

(See independent auditor's 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 Three Calendar Years

	2014	2015	2016
TOTAL PENSION LIABILITY			
Service cost	\$ 1,393,865	\$ 1,101,137	\$ 1,188,341
Interest Changes of benefit terms	5,622,939	6,244,771	6,255,335
Differences between expected and actual experience	141,731	(3,247,820)	(113,300)
Changes of assumptions	4,756,031	(301,276)	(248,849)
Benefit payments, including refunds of member contributions	(3,143,338)	(3,531,805)	(3,770,391)
Net change in total pension liability	8,771,228	265,007	3,311,136
Total pension liability - beginning	79,129,442	87,900,670	88,165,677
TOTAL PENSION LIABILITY-ENDING	<u>\$ 87,900,670</u>	<u>\$ 88,165,677</u>	<u>\$ 91,476,813</u>
PLAN FIDUCIARY NET POSITION			
Employer contributions	\$ 2,328,358	\$ 2,274,955	\$ 2,689,713
Employee contributions	723,877	669,478	772,223
Net investment income	1,527,392	(159,155)	2,811,623
Benefit payments, including refunds of member contributions	(3,143,338)	(3,531,805)	(3,770,391)
Administrative expense	(37,674)	(45,154)	(68,989)
Net change in plan fiduciary net position	1,398,615	(791,681)	2,434,179
Plan fiduciary net position - beginning	47,045,929	48,444,544	47,652,863
PLAN FIDUCIARY NET POSITION-ENDING	<u>\$ 48,444,544</u>	<u>\$ 47,652,863</u>	<u>\$ 50,087,042</u>
EMPLOYER'S NET PENSION LIABILITY	<u>\$ 39,456,126</u>	<u>\$ 40,512,814</u>	<u>\$ 41,389,771</u>
Plan fiduciary net position as a percentage of the total pension liability	55.11%	54.05%	54.75%
Covered-employee payroll	\$ 6,736,518	\$ 6,569,302	\$ 7,696,273
Village's net pension liability as a percentage of covered-employee payroll	585.71%	616.70%	537.79%

Notes to Schedule:

The Village implemented GASB Statement No. 68 in fiscal year 2014. Additional years information will be displayed as it becomes available.

Changes in assumptions related to salary increases, inflation, retirement age, disability rates, termination and mortality were made since the prior measurement date.

(See independent auditor's 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 Three Calendar Years

	2014	2015	2016
TOTAL PENSION LIABILITY			
Service cost	\$ 1,590,174	\$ 1,366,967	\$ 1,379,081
Interest Changes of benefit terms	4,954,245	5,676,970	5,908,905
Differences between expected and actual experience	2,431,084	(408,144)	256,883
Changes of assumptions	4,037,822	(163,463)	254,235
Benefit payments, including refunds of member contributions	(3,000,329)	(3,089,065)	(3,457,378)
Net change in total pension liability	10,012,996	3,383,265	4,341,726
Total pension liability - beginning	69,834,573	79,847,569	83,230,834
TOTAL PENSION LIABILITY-ENDING	<u>\$ 79,847,569</u>	<u>\$ 83,230,834</u>	<u>\$ 87,572,560</u>
PLAN FIDUCIARY NET POSITION			
Employer contributions	\$ 2,494,658	\$ 2,344,190	\$ 2,847,524
Employee contributions	654,851	658,542	662,633
Net investment income	2,265,575	370,944	3,032,688
Benefit payments, including refunds of member contributions	(3,000,329)	(3,089,065)	(3,457,378)
Administrative expense	(48,593)	(58,394)	(48,801)
Net change in plan fiduciary net position	2,366,162	226,217	3,036,666
Plan fiduciary net position - beginning	43,101,196	45,467,358	45,693,575
PLAN FIDUCIARY NET POSITION-ENDING	<u>\$ 45,467,358</u>	<u>\$ 45,693,575</u>	<u>\$ 48,730,241</u>
EMPLOYER'S NET PENSION LIABILITY	<u>\$ 34,380,211</u>	<u>\$ 37,537,259</u>	<u>\$ 38,842,319</u>
Plan fiduciary net position as a percentage of the total pension liability	56.94%	54.90%	55.65%
Covered-employee payroll	\$ 7,029,608	\$ 6,981,874	\$ 8,034,062
Village's net pension liability as a percentage of covered-employee payroll	489.08%	537.64%	483.47%

Notes to Schedule:

The Village implemented GASB Statement No. 68 in fiscal year 2014. Additional years information will be displayed as it becomes available.

Changes in assumptions related to salary increases, inflation, retirement age, disability rates, termination and mortality were made since the prior measurement date.

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

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

	2014	2015	2016
Annual money-weighted rate of return, net of investment expense	3.40%	-0.24%	6.02%

Notes to Schedule:

The Village implemented GASB Statement No. 67 in fiscal year 2014.
 Additional years information will be displayed as it becomes available.

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

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

	2014	2015	2016
Annual money-weighted rate of return, net of investment expense	5.40%	0.91%	6.73%

Notes to Schedule:

The Village implemented GASB Statement No. 67 in fiscal year 2014. Additional years information will be displayed as it becomes available.

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

VILLAGE OF DOWNERS GROVE, ILLINOIS

Notes to Required Supplementary Information

December 31, 2016

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, 2016

	Original Budget	Final Budget	Actual	Variance
Home rule sales tax	\$ 1,950,000	\$ 1,950,000	\$ 1,989,897	\$ 39,897
Property taxes				
General	5,847,145	5,847,145	5,912,320	65,175
Pension	5,484,915	5,484,915	5,534,008	49,093
Special service areas	317,000	317,000	308,387	(8,613)
Township road and bridge	425,000	425,000	422,120	(2,880)
Total property taxes	12,074,060	12,074,060	12,176,835	102,775
Utility taxes				
Natural gas use tax	515,000	515,000	437,621	(77,379)
Electricity tax	1,900,000	1,900,000	1,863,488	(36,512)
Telecommunications tax	2,800,000	2,800,000	2,492,408	(307,592)
Total utility taxes	5,215,000	5,215,000	4,793,517	(421,483)
Other taxes				
Hotel tax	950,000	950,000	947,481	(2,519)
Personal property replacement tax	470,000	470,000	417,651	(52,349)
Other local taxes	40,000	40,000	53,050	13,050
Total other taxes	1,460,000	1,460,000	1,418,182	(41,818)
Licenses & permits				
Building and related	1,400,000	1,400,000	1,369,786	(30,214)
Alcoholic beverage	235,000	235,000	252,580	17,580
Professional and occupational	132,000	132,000	49,471	(82,529)
Other licenses and permits	55,850	55,850	124,630	68,780
Total licenses & permits	1,822,850	1,822,850	1,796,467	(26,383)
Intergovernmental				
Income tax	5,100,000	5,100,000	4,756,910	(343,090)
Sales tax	11,850,000	11,850,000	11,468,741	(381,259)
Local use tax	1,017,000	1,017,000	1,186,902	169,902
Grants	657,500	657,500	671,025	13,525
Total intergovernmental	18,624,500	18,624,500	18,083,578	(540,922)

VILLAGE OF DOWNERS GROVE, ILLINOIS
 General Fund
 Schedule of Revenues - Budget and Actual (Continued)
 For the Year Ended December 31, 2016

	Original Budget	Final Budget	Actual	Variance
Charges for services & fees				
Ambulance user fee - resident	\$ 830,000	\$ 830,000	\$ 927,584	\$ 97,584
Ambulance user fee - nonresident	365,000	365,000	414,418	49,418
Review and inspection fees	237,000	237,000	318,505	81,505
Cable franchise fees	915,000	915,000	1,031,102	116,102
Cellular antenna rental	1,173,120	1,173,120	1,061,783	(111,337)
Other fees & charges	731,083	731,083	885,904	154,821
Total charges for services & fees	4,251,203	4,251,203	4,639,296	388,093
Fines & forfeitures				
Administrative booking and towing fees	150,000	150,000	157,075	7,075
Fines	576,600	576,600	510,468	(66,132)
Total fines & forfeitures	726,600	726,600	667,543	(59,057)
Investment income	170,000	170,000	178,937	8,937
Contributions and donations	-	-	712	712
TOTAL REVENUES	\$ 46,294,213	\$ 46,294,213	\$ 45,744,964	\$ (549,249)

VILLAGE OF DOWNERS GROVE, ILLINOIS
 General Fund
 Schedule of Expenditures - Budget and Actual
 For the Year Ended December 31, 2016

	Original Budget	Final Budget	Actual	Variance
General government				
Personnel services	\$ 3,581,348	\$ 3,581,348	\$ 3,374,038	\$ (207,310)
Supplies	102,206	102,206	99,204	(3,002)
Contractual services	761,113	761,113	717,467	(43,646)
Other charges and services	621,701	621,701	623,556	1,855
Total general government	<u>5,066,368</u>	<u>5,066,368</u>	<u>4,814,265</u>	<u>(252,103)</u>
Public works				
Personnel services	3,135,070	3,135,070	2,952,182	(182,888)
Supplies	589,450	589,450	641,654	52,204
Contractual services	1,099,286	1,099,286	937,386	(161,900)
Other charges and services	1,293,659	1,293,659	1,343,883	50,224
Total public works	<u>6,117,465</u>	<u>6,117,465</u>	<u>5,875,105</u>	<u>(242,360)</u>
Community development				
Personnel services	1,489,577	1,489,577	1,462,013	(27,564)
Supplies	9,765	9,765	13,604	3,839
Contractual services	178,435	178,435	108,884	(69,551)
Other charges and services	640,538	640,538	671,033	30,495
Total community development	<u>2,318,315</u>	<u>2,318,315</u>	<u>2,255,534</u>	<u>(62,781)</u>
Public safety				
Personnel services	27,438,428	27,438,428	27,021,146	(417,282)
Supplies	358,273	358,273	334,127	(24,146)
Contractual services	835,723	835,723	788,984	(46,739)
Other charges and services	3,381,797	3,381,797	3,790,075	408,278
Total public safety	<u>32,014,221</u>	<u>32,014,221</u>	<u>31,934,332</u>	<u>(79,889)</u>
Community services				
Personnel services	530,101	530,101	528,059	(2,042)
Supplies	18,864	18,864	12,793	(6,071)
Contractual services	250,639	250,639	197,498	(53,141)
Other charges and services	8,110	8,110	82,777	74,667
Total community services	<u>807,714</u>	<u>807,714</u>	<u>821,127</u>	<u>13,413</u>
TOTAL EXPENDITURES	<u>\$ 46,324,083</u>	<u>\$ 46,324,083</u>	<u>\$ 45,700,363</u>	<u>\$ (623,720)</u>

VILLAGE OF DOWNERS GROVE, ILLINOIS
 Capital Improvements Fund
 Schedule of Revenues, Expenditures, and Changes in Fund balance - Budget and Actual
 For the Year Ended December 31, 2016

	Budgeted Amounts		Actual	Variance
	Original	Final		
REVENUES				
Property tax	\$ 971,524	\$ 971,524	\$ 971,524	\$ -
Home rule sales tax	5,850,000	5,850,000	5,969,691	119,691
Utility tax	560,000	560,000	498,486	(61,514)
Charges for services and fees	-	-	11,663	11,663
Investment income	10,000	10,000	35,224	25,224
Contributions and donations	30,000	30,000	296,138	266,138
Total revenues	<u>7,421,524</u>	<u>7,421,524</u>	<u>7,782,726</u>	<u>361,202</u>
EXPENDITURES				
Current				
Public works	1,009,534	1,009,534	876,738	(132,796)
Total current	<u>1,009,534</u>	<u>1,009,534</u>	<u>876,738</u>	<u>(132,796)</u>
Capital outlay				
Public works	6,186,000	6,186,000	4,162,433	(2,023,567)
Total capital outlay	<u>6,186,000</u>	<u>6,186,000</u>	<u>4,162,433</u>	<u>(2,023,567)</u>
Total expenditures	<u>7,195,534</u>	<u>7,195,534</u>	<u>5,039,171</u>	<u>(2,156,363)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>225,990</u>	<u>225,990</u>	<u>2,743,555</u>	<u>2,517,565</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(2,712,494)	(2,712,494)	(2,712,498)	(4)
Total other financing sources (uses)	<u>(2,712,494)</u>	<u>(2,712,494)</u>	<u>(2,712,498)</u>	<u>(4)</u>
Net change in fund balance	(2,486,504)	(2,486,504)	31,057	<u>\$ 2,517,561</u>
Fund balance -- beginning	<u>4,077,237</u>	<u>4,077,237</u>	<u>4,077,237</u>	
Fund balance -- ending	<u>\$ 1,590,733</u>	<u>\$ 1,590,733</u>	<u>\$ 4,108,294</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 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, 2016

	Special Revenue	Debt Service	Capital Projects	Total
ASSETS				
Cash and investments	\$ 8,309,370	\$ 196,091	\$1,038,720	\$ 9,544,181
Property taxes receivable	645,000	-	-	645,000
Other taxes receivable	115,926	-	20,022	135,948
Interest receivable	1,864	-	-	1,864
Accounts receivable	-	-	290,102	290,102
Total Assets	<u>9,072,160</u>	<u>196,091</u>	<u>1,348,844</u>	<u>10,617,095</u>
LIABILITIES				
Accounts payable	873,256	-	123,810	997,066
Deposits payable	-	-	1,426	1,426
Total Liabilities	<u>873,256</u>	<u>-</u>	<u>125,236</u>	<u>998,492</u>
DEFERRED INFLOWS OF RESOURCES				
Property taxes levied for future periods	645,000	-	-	645,000
Total Liabilities & Deferred Inflows of Resources	<u>1,518,256</u>	<u>-</u>	<u>125,236</u>	<u>1,643,492</u>
FUND BALANCE				
Restricted	7,553,904	194,803	-	7,748,707
Assigned	-	1,288	1,223,608	1,224,896
Total fund balance	<u>7,553,904</u>	<u>196,091</u>	<u>1,223,608</u>	<u>8,973,603</u>
Total Liabilities, Deferred Inflows of Resources & Fund Balance	<u>\$ 9,072,160</u>	<u>\$ 196,091</u>	<u>\$ 1,348,844</u>	<u>\$ 10,617,095</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, 2016

	Special Revenue	Debt Service	Capital Projects	Total
REVENUES				
Property tax	\$ 637,399	\$ -	\$ -	\$ 637,399
Other taxes	103,404	51,078	152,046	306,528
Intergovernmental	2,358,459	-	-	2,358,459
Charges for services & fees	197,320	-	20,712	218,032
Investment income	25,644	1,055	2,013	28,712
Total revenues	<u>3,322,226</u>	<u>52,133</u>	<u>174,771</u>	<u>3,549,130</u>
EXPENDITURES				
Current				
General government	1,114,274	-	79,218	1,193,492
Public works	1,131,314	-	-	1,131,314
Community development	319,076	-	-	319,076
Public safety	83,782	-	-	83,782
Capital outlay				
General government	-	-	444,617	444,617
Public safety	27,228	-	-	27,228
Debt service				
Principal retirement	-	3,740,000	-	3,740,000
Interest and other	-	1,654,957	-	1,654,957
Issuance costs	-	-	-	-
Total expenditures	<u>2,675,674</u>	<u>5,394,957</u>	<u>523,835</u>	<u>8,594,466</u>
Excess (deficiency) of revenues over (under) expenditures	<u>646,552</u>	<u>(5,342,824)</u>	<u>(349,064)</u>	<u>(5,045,336)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	<u>141,666</u>	<u>5,119,957</u>	<u>500,004</u>	<u>5,761,627</u>
Total other financing sources (uses)	<u>141,666</u>	<u>5,119,957</u>	<u>500,004</u>	<u>5,761,627</u>
Net change in fund balance	788,218	(222,867)	150,940	716,291
Fund balance -- beginning	<u>6,765,686</u>	<u>418,958</u>	<u>1,072,668</u>	<u>8,257,312</u>
Fund balance -- ending	<u>\$ 7,553,904</u>	<u>\$ 196,091</u>	<u>\$ 1,223,608</u>	<u>\$ 8,973,603</u>

VILLAGE OF DOWNERS GROVE, ILLINOIS
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2016

	Motor Fuel Tax	Foreign Fire	Ogden TIF	Tax Rebate	Asset Forfeiture	Total
ASSETS						
Cash and investments	\$ 464,196	\$ 332,163	\$5,285,123	\$619,630	\$ 1,608,258	\$ 8,309,370
Property taxes receivable	-	-	645,000	-	-	645,000
Other taxes receivable	115,926	-	-	-	-	115,926
Interest receivable	-	-	1,864	-	-	1,864
Total assets	<u>580,122</u>	<u>332,163</u>	<u>5,931,987</u>	<u>619,630</u>	<u>1,608,258</u>	<u>9,072,160</u>
LIABILITIES						
Accounts payable	-	28,626	225,000	619,630	-	873,256
Total liabilities	<u>-</u>	<u>28,626</u>	<u>225,000</u>	<u>619,630</u>	<u>-</u>	<u>873,256</u>
DEFERRED INFLOWS OF RESOURCES						
Property taxes levied for future periods	-	-	645,000	-	-	645,000
Total Liabilities & Deferred Inflows of Resources	<u>-</u>	<u>28,626</u>	<u>870,000</u>	<u>619,630</u>	<u>-</u>	<u>1,518,256</u>
FUND BALANCE						
Restricted	580,122	303,537	5,061,987	-	1,608,258	7,553,904
Total fund balance	<u>580,122</u>	<u>303,537</u>	<u>5,061,987</u>	<u>-</u>	<u>1,608,258</u>	<u>7,553,904</u>
Total Liabilities, Deferred Inflows of Resources & Fund Balance	<u>\$ 580,122</u>	<u>\$ 332,163</u>	<u>\$ 5,931,987</u>	<u>\$ 619,630</u>	<u>\$ 1,608,258</u>	<u>\$ 9,072,160</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, 2016

	Motor Fuel Tax	Foreign Fire	Odgen TIF	Tax Rebate	Asset Forfeiture	Total
REVENUES						
Property tax	\$ -	\$ -	\$ 637,399	\$ -	\$ -	\$ 637,399
Other taxes	-	103,404	-	-	-	103,404
Intergovernmental	1,244,185	-	-	1,114,274	-	2,358,459
Charges for services & fees	-	-	-	-	197,320	197,320
Investment income	3,488	92	17,409	-	4,655	25,644
Total revenues	<u>1,247,673</u>	<u>103,496</u>	<u>654,808</u>	<u>1,114,274</u>	<u>201,975</u>	<u>3,322,226</u>
EXPENDITURES						
Current						
General government	-	-	-	1,114,274	-	1,114,274
Public works	1,130,000	-	1,314	-	-	1,131,314
Community development	-	-	319,076	-	-	319,076
Public safety	-	71,124	-	-	12,658	83,782
Capital Outlay						
Public safety	-	14,031	-	-	13,197	27,228
Total expenditures	<u>1,130,000</u>	<u>85,155</u>	<u>320,390</u>	<u>1,114,274</u>	<u>25,855</u>	<u>2,675,674</u>
Excess (deficiency) of revenues over (under) expenditures	<u>117,673</u>	<u>18,341</u>	<u>334,418</u>	<u>-</u>	<u>176,120</u>	<u>646,552</u>
Other Financing Sources (Uses)						
Transfers in	-	-	-	-	141,666	141,666
Total other fin sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>141,666</u>	<u>141,666</u>
Net Change in fund balances	117,673	18,341	334,418	-	317,786	788,218
Fund balances (deficit) -- beginning	462,449	285,196	4,727,569	-	1,290,472	6,765,686
Fund balances -- ending	<u>\$ 580,122</u>	<u>\$ 303,537</u>	<u>\$ 5,061,987</u>	<u>-</u>	<u>\$ 1,608,258</u>	<u>\$ 7,553,904</u>

VILLAGE OF DOWNERS GROVE, ILLINOIS
 Motor Fuel Tax Fund
 Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
 For the Year Ended December 31, 2016

	Budgeted Amounts		Actual	Variance
	Original	Final		
REVENUES				
Intergovernmental	\$ 1,130,000	\$ 1,130,000	\$ 1,244,185	\$ 114,185
Investment income	50	50	3,488	3,438
Total revenues	<u>1,130,050</u>	<u>1,130,050</u>	<u>1,247,673</u>	<u>117,623</u>
EXPENDITURES				
Public works	<u>1,130,000</u>	<u>1,130,000</u>	<u>1,130,000</u>	-
Total current	<u>1,130,000</u>	<u>1,130,000</u>	<u>1,130,000</u>	-
Total expenditures	<u>1,130,000</u>	<u>1,130,000</u>	<u>1,130,000</u>	-
Net change in fund balance	50	50	117,673	<u>\$ 117,623</u>
Fund balance -- beginning	<u>462,449</u>	<u>462,449</u>	<u>462,449</u>	
Fund balance -- ending	<u>\$ 462,499</u>	<u>\$ 462,499</u>	<u>\$ 580,122</u>	

VILLAGE OF DOWNERS GROVE, ILLINOIS
 Foreign Fire Insurance Fund
 Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
 For the Year Ended December 31, 2016

	Budgeted Amounts		Actual	Variance
	Original	Final		
REVENUES				
Foreign fire insurance tax	\$ 78,000	\$ 78,000	\$ 103,404	\$ 25,404
Investment income	300	300	92	(208)
Total revenues	<u>78,300</u>	<u>78,300</u>	<u>103,496</u>	<u>25,196</u>
EXPENDITURES				
Current				
Public safety	149,950	149,950	71,124	78,826
Total current	<u>149,950</u>	<u>149,950</u>	<u>71,124</u>	<u>78,826</u>
Capital Outlay				
Public safety	30,000	30,000	14,031	15,969
Total capital outlay	<u>30,000</u>	<u>30,000</u>	<u>14,031</u>	<u>15,969</u>
Total expenditures	<u>179,950</u>	<u>179,950</u>	<u>85,155</u>	<u>94,795</u>
Net change in fund balance	(101,650)	(101,650)	18,341	<u>\$ 119,991</u>
Fund balance -- beginning	<u>285,196</u>	<u>285,196</u>	<u>285,196</u>	
Fund balance -- ending	<u>\$ 183,546</u>	<u>\$ 183,546</u>	<u>\$ 303,537</u>	

VILLAGE OF DOWNERS GROVE, ILLINOIS
 Odgen TIF Fund
 Schedule of Revenues, Expenditures, and Changes in Fund balance - Budget and Actual
 For the Year Ended December 31, 2016

	Budgeted Amounts		Actual	Variance
	Original	Final		
REVENUES				
Property tax	\$ 608,385	\$ 608,385	\$ 637,399	\$ 29,014
Investment income	3,000	3,000	17,409	14,409
Total revenues	<u>611,385</u>	<u>611,385</u>	<u>654,808</u>	<u>43,423</u>
EXPENDITURES				
Current				
Public works	690,000	690,000	1,314	688,686
Community development	2,611,163	2,611,163	319,076	2,292,087
Total current	<u>3,301,163</u>	<u>3,301,163</u>	<u>320,390</u>	<u>2,980,773</u>
Total expenditures	<u>3,301,163</u>	<u>3,301,163</u>	<u>320,390</u>	<u>2,980,773</u>
Net change in fund balance	(2,689,778)	(2,689,778)	334,418	<u>\$ 3,024,196</u>
Fund balance -- beginning	<u>4,727,569</u>	<u>4,727,569</u>	<u>4,727,569</u>	
Fund balance -- ending	<u>\$ 2,037,791</u>	<u>\$ 2,037,791</u>	<u>\$ 5,061,987</u>	

VILLAGE OF DOWNERS GROVE, ILLINOIS
Sales Tax Rebate Fund
Schedule of Revenues, Expenditures, and Changes in Fund balance - Budget and Actual
For the Year Ended December 31, 2016

	Budgeted Amounts		Actual	Variance
	Original	Final		
REVENUES				
Sales tax	\$ 1,300,000	\$ 1,300,000	\$ 1,114,274	\$ (185,726)
Total revenues	<u>1,300,000</u>	<u>1,300,000</u>	<u>1,114,274</u>	<u>(185,726)</u>
EXPENDITURES				
Current				
General government	1,300,000	1,300,000	1,114,274	185,726
Total current	<u>1,300,000</u>	<u>1,300,000</u>	<u>1,114,274</u>	<u>185,726</u>
Total expenditures	<u>1,300,000</u>	<u>1,300,000</u>	<u>1,114,274</u>	<u>185,726</u>
Net change in fund balance	-	-	-	<u><u>\$ -</u></u>
Fund balance -- beginning	<u>-</u>	<u>-</u>	<u>-</u>	
Fund balance -- ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	

VILLAGE OF DOWNERS GROVE, ILLINOIS
 Asset Forfeiture
 Schedule of Revenues, Expenditures, and Changes in Fund balance - Budget and Actual
 For the Year Ended December 31, 2016

	Budgeted Amounts		Actual	Variance
	Original	Final		
REVENUES				
Charges for srvc's, fees, fines	\$ 500,000	\$ 500,000	\$ 197,320	\$ (302,680)
Investment Income	-	-	4,655	4,655
Total revenues	<u>500,000</u>	<u>500,000</u>	<u>201,975</u>	<u>(298,025)</u>
EXPENDITURES				
Current				
Public safety	35,000	35,000	12,658	22,342
Total current	<u>35,000</u>	<u>35,000</u>	<u>12,658</u>	<u>22,342</u>
Capital Outlay				
Public safety	1,525,000	1,525,000	13,197	1,511,803
Total capital outlay	<u>1,525,000</u>	<u>1,525,000</u>	<u>13,197</u>	<u>1,511,803</u>
Total expenditures	<u>1,560,000</u>	<u>1,560,000</u>	<u>25,855</u>	<u>1,534,145</u>
Excess (deficiency) of revenues (under) expenditures	<u>(1,060,000)</u>	<u>(1,060,000)</u>	<u>176,120</u>	<u>1,236,120</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	141,666	141,666
Total other financing sources	<u>-</u>	<u>-</u>	<u>141,666</u>	<u>141,666</u>
Net change in fund balance	(1,060,000)	(1,060,000)	317,786	<u>\$ 1,377,786</u>
Fund balance -- beginning	<u>1,290,472</u>	<u>1,290,472</u>	<u>1,290,472</u>	
Fund balance --ending	<u>\$ 230,472</u>	<u>\$ 230,472</u>	<u>\$ 1,608,258</u>	

VILLAGE OF DOWNERS GROVE, ILLINOIS
Combining Balance Sheet
Nonmajor Debt Service Funds
December 31, 2016

	Fairview Avenue	Downtown TIF	Capital/ Facilities	Total
ASSETS				
Cash and investments	\$ -	194,803	\$ 1,288	\$ 196,091
Total assets	<u>-</u>	<u>194,803</u>	<u>1,288</u>	<u>196,091</u>
LIABILITIES				
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Restricted for debt service	-	194,803	-	194,803
Assigned	-	-	1,288	1,288
Total fund balances	<u>-</u>	<u>194,803</u>	<u>1,288</u>	<u>196,091</u>
Total liabilities and fund balances	<u>\$ -</u>	<u>\$ 194,803</u>	<u>\$ 1,288</u>	<u>\$ 196,091</u>

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, 2016

	Fairview Avenue	Downtown TIF	Capital/ Facilities	Total
REVENUES				
Local fuel tax	\$ 51,078	\$ -	\$ -	\$ 51,078
Investment income	-	1,055	-	1,055
Total revenues	<u>51,078</u>	<u>1,055</u>	<u>-</u>	<u>52,133</u>
EXPENDITURES				
Debt service				
Principal retirement	75,000	2,615,000	1,050,000	3,740,000
Interest and other	-	792,463	862,494	1,654,957
Total expenditures	<u>75,000</u>	<u>3,407,463</u>	<u>1,912,494</u>	<u>5,394,957</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(23,922)</u>	<u>(3,406,408)</u>	<u>(1,912,494)</u>	<u>(5,342,824)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	3,207,463	1,912,494	5,119,957
Total other financing sources (uses)	<u>-</u>	<u>3,207,463</u>	<u>1,912,494</u>	<u>5,119,957</u>
Net change in fund balances	(23,922)	(198,945)	-	(222,867)
Fund balances -- beginning	<u>23,922</u>	<u>393,748</u>	<u>1,288</u>	<u>418,958</u>
Fund balances -- ending	<u>- \$</u>	<u>194,803 \$</u>	<u>1,288 \$</u>	<u>196,091</u>

VILLAGE OF DOWNERS GROVE, ILLINOIS
 Fairview Avenue Debt Service Fund
 Schedule of Revenues, Expenditures, and Changes in Fund balance - Budget and Actual
 For the Year Ended December 31, 2016

	Budgeted Amounts		Actual	Variance
	Original	Final		
REVENUES				
Local fuel tax	\$ 200,000	\$ 200,000	\$ 51,078	\$ (148,922)
Total revenues	<u>200,000</u>	<u>200,000</u>	<u>51,078</u>	<u>(148,922)</u>
EXPENDITURES				
Debt service				
Principal retirement	75,000	75,000	75,000	-
Total debt service	<u>75,000</u>	<u>75,000</u>	<u>75,000</u>	<u>-</u>
Total expenditures	<u>75,000</u>	<u>75,000</u>	<u>75,000</u>	<u>-</u>
Net change in fund balance	125,000	125,000	(23,922)	<u>\$ (148,922)</u>
Fund balance -- beginning	<u>23,922</u>	<u>23,922</u>	<u>23,922</u>	
Fund balance -- ending	<u>\$ 148,922</u>	<u>\$ 148,922</u>	<u>-</u>	

VILLAGE OF DOWNERS GROVE, ILLINOIS
Downtown Redevelopment TIF Debt Service Fund
Schedule of Revenues, Expenditures, and Changes in Fund balance - Budget and Actual
For the Year Ended December 31, 2016

	Budgeted Amounts		Actual	Variance
	Original	Final		
REVENUES				
Interest earned on investments	\$ -	\$ -	\$ 1,055	\$ 1,055
Total revenues	<u>-</u>	<u>-</u>	<u>1,055</u>	<u>1,055</u>
EXPENDITURES				
Debt service				
Principal retirement	2,615,000	2,615,000	2,615,000	-
Interest and other	<u>792,463</u>	<u>792,463</u>	<u>792,463</u>	<u>-</u>
Total debt service	<u>3,407,463</u>	<u>3,407,463</u>	<u>3,407,463</u>	<u>-</u>
Total expenditures	<u>3,407,463</u>	<u>3,407,463</u>	<u>3,407,463</u>	<u>-</u>
Excess (deficiency) of revenues (under) expenditures	<u>(3,407,463)</u>	<u>(3,407,463)</u>	<u>(3,406,408)</u>	<u>1,055</u>
OTHER FINANCING SOURCES				
Transfers in	<u>3,207,463</u>	<u>3,207,463</u>	<u>3,207,463</u>	<u>-</u>
Total other financing sources	<u>3,207,463</u>	<u>3,207,463</u>	<u>3,207,463</u>	<u>-</u>
Net change in fund balance	(200,000.00)	(200,000.00)	(198,945)	<u>\$ 1,055</u>
Fund balance -- beginning	<u>393,748</u>	<u>393,748</u>	<u>393,748</u>	
Fund balance -- ending	<u>\$ 193,748</u>	<u>\$ 193,748</u>	<u>\$ 194,803</u>	

VILLAGE OF DOWNERS GROVE, ILLINOIS
 Capital Debt Service Fund
 Schedule of Revenues, Expenditures, and Changes in Fund balance - Budget and Actual
 For the Year Ended December 31, 2016

	Budgeted Amounts		Actual	Variance
	Original	Final		
EXPENDITURES				
Debt service				
Principal retirement	\$ 1,050,000	\$ 1,050,000	\$ 1,050,000	\$ -
Interest and other	862,494	862,494	862,494	-
Total debt service	<u>1,912,494</u>	<u>1,912,494</u>	<u>1,912,494</u>	<u>-</u>
Total expenditures	<u>1,912,494</u>	<u>1,912,494</u>	<u>1,912,494</u>	<u>-</u>
OTHER FINANCING SOURCES/(USES)				
Transfers in	<u>1,912,494</u>	<u>1,912,494</u>	<u>1,912,494</u>	<u>-</u>
Total other financing sources	<u>1,912,494</u>	<u>1,912,494</u>	<u>1,912,494</u>	<u>-</u>
Net change in fund balance	-	-	-	<u>\$ -</u>
Fund balance -- beginning	<u>1,288</u>	<u>1,288</u>	<u>1,288</u>	
Fund balance -- 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, 2016

	Municipal Buildings	Real Estate	Total
ASSETS			
Cash and investments	\$ 986,579	\$ 52,141	\$ 1,038,720
Accounts receivable	288,646	1,456	290,102
Local fuel tax receivable	20,022	-	20,022
Total assets	1,295,247	53,597	1,348,844
LIABILITIES			
Accounts payable	121,561	2,249	123,810
Deposits payable	-	1,426	1,426
Total liabilities	121,561	3,675	125,236
FUND BALANCES			
Assigned for Capital Projects	1,173,686	49,922	1,223,608
 Total liabilities and fund balances	 \$ 1,295,247	 \$ 53,597	 \$ 1,348,844

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, 2016

	Municipal Buildings	Real Estate	Total
REVENUES			
Charges for services & fees	\$ -	\$ 20,712	\$ 20,712
Local fuel tax	152,046	-	152,046
Investment income	1,822	191	2,013
Total revenues	<u>153,868</u>	<u>20,903</u>	<u>174,771</u>
EXPENDITURES			
Current			
General government	5,479	73,739	79,218
Total current	<u>5,479</u>	<u>73,739</u>	<u>79,218</u>
Capital Outlay			
General government	444,617	-	444,617
Total capital outlay	<u>444,617</u>	<u>-</u>	<u>444,617</u>
Total expenditures	<u>450,096</u>	<u>73,739</u>	<u>523,835</u>
Excess (deficiency) of	<u>(296,228)</u>	<u>(52,836)</u>	<u>(349,064)</u>
OTHER FINANCING SOURCES (USES)			
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	203,776	(52,836)	150,940
Fund balances -- beginning	969,910	102,758	1,072,668
Fund balances -- ending	<u>\$ 1,173,686</u>	<u>\$ 49,922</u>	<u>\$ 1,223,608</u>

VILLAGE OF DOWNERS GROVE, ILLINOIS
Municipal Buildings Fund
Schedule of Revenues, Expenditures, and Changes in Fund balance - Budget and Actual
For the Year Ended December 31, 2016

	Budgeted Amounts		Actual	Variance
	Original	Final		
REVENUES				
Local fuel tax	\$ -	\$ -	\$ 152,046	\$ 152,046
Investment income	-	-	1,822	1,822
Total revenues	<u>-</u>	<u>-</u>	<u>153,868</u>	<u>153,868</u>
EXPENDITURES				
Current				
General government	50,000	50,000	5,479	(44,521)
Total current	<u>50,000</u>	<u>50,000</u>	<u>5,479</u>	<u>(44,521)</u>
Capital outlay				
General government	651,000	651,000	444,617	(206,383)
Total capital outlay	<u>651,000</u>	<u>651,000</u>	<u>444,617</u>	<u>(206,383)</u>
Total expenditures	<u>701,000</u>	<u>701,000</u>	<u>450,096</u>	<u>(250,904)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(701,000)</u>	<u>(701,000)</u>	<u>(296,228)</u>	<u>404,772</u>
Transfers in	500,000	500,000	500,004	4
Total other financing sources	<u>500,000</u>	<u>500,000</u>	<u>500,004</u>	<u>4</u>
Net change in fund balance	(201,000)	(201,000)	203,776	<u>\$ 404,776</u>
Fund balance -- beginning	<u>969,910</u>	<u>969,910</u>	<u>969,910</u>	
Fund balance -- ending	<u>\$ 768,910</u>	<u>\$ 768,910</u>	<u>\$ 1,173,686</u>	

VILLAGE OF DOWNERS GROVE, ILLINOIS
Real Estate Fund
Schedule of Revenues, Expenditures, and Changes in Fund balance - Budget and Actual
For the Year Ended December 31, 2016

	Budgeted Amounts		Actual	Variance
	Original	Final		
REVENUES				
Charges for services & fees	\$ 20,800	\$ 20,800	\$ 20,712	\$ (88)
Investment income	-	-	191	191
Total revenues	<u>20,800</u>	<u>20,800</u>	<u>20,903</u>	<u>103</u>
EXPENDITURES				
Current				
General government	79,545	79,545	73,739	(5,806)
Total current	<u>79,545</u>	<u>79,545</u>	<u>73,739</u>	<u>(5,806)</u>
Total expenditures	<u>79,545</u>	<u>79,545</u>	<u>73,739</u>	<u>(5,806)</u>
Net change in fund balance	(58,745)	(58,745)	(52,836)	<u>\$ 5,909</u>
Fund balance -- beginning	<u>102,758</u>	<u>102,758</u>	<u>102,758</u>	
Fund balance -- ending	<u>\$ 44,013</u>	<u>\$ 44,013</u>	<u>\$ 49,922</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, 2016

	Original Budget	Final Budget	Actual	Variance
OPERATING EXPENSES				
Water financial services				
Personnel services	\$ 112,417	\$ 112,417	\$ 120,986	\$ 8,569
Supplies	2,000	2,000	355	(1,645)
Contractual services	79,100	79,100	78,458	(642)
Total	<u>193,517</u>	<u>193,517</u>	<u>199,799</u>	<u>6,282</u>
Water administration				
Personnel services	504,513	504,513	514,090	9,577
Supplies	8,695	8,695	3,815	(4,880)
Contractual services	28,608	28,608	27,535	(1,073)
Other charges and services	1,418,579	1,418,579	1,418,592	13.00
Total	<u>1,960,395</u>	<u>1,960,395</u>	<u>1,964,032</u>	<u>3,637</u>
Water pumping and treatment				
Personnel services	108,192	108,192	120,054	11,862
Supplies	8,632	8,632	8,443	(189)
Contractual services	142,190	142,190	83,327	(58,863)
Other charges and services	11,272	11,272	11,268	(4)
Capital outlay	16,500	16,500	3,616	(12,884)
Total	<u>286,786</u>	<u>286,786</u>	<u>226,708</u>	<u>(60,078)</u>
Water transmission and distribution				
Personnel services	869,381	869,381	988,161	118,780
Supplies	233,387	233,387	242,638	9,251
Contractual services	653,175	653,175	412,611	(240,564)
Other charges and services	73,291	73,291	73,284	(7)
Capital Outlay	5,000	5,000	7,139	2,139
Total	<u>1,834,234</u>	<u>1,834,234</u>	<u>1,723,833</u>	<u>(110,401)</u>
DuPage Water Commission				
Capital outlay	8,971,794	8,971,794	8,401,541	(570,253)
Total	<u>4,080,000</u>	<u>4,080,000</u>	<u>2,816,067</u>	<u>(1,263,933)</u>
Total Non-GAAP operating expenses	17,326,726	17,326,726	15,331,980	(1,994,746)
Depreciation	-	-	1,369,201	1,369,201
Less assets capitalized	-	-	(2,747,175)	(2,747,175)
Total GAAP operating expenses	<u>\$ 17,326,726</u>	<u>\$ 17,326,726</u>	<u>\$ 13,954,006</u>	<u>\$ (3,372,720)</u>

VILLAGE OF DOWNERS GROVE, ILLINOIS
 Parking Fund
 Non GAAP Schedule of Operating Expenses - Budget and Actual
 For the Year Ended December 31, 2016

	Original Budget	Final Budget	Actual	Variance
OPERATING EXPENSES				
Non-deck parking operations				
Supplies	\$ 8,900	\$ 8,900	\$ 8,265	\$ (635)
Contractual services	136,266	136,266	173,718	37,452
Other charges and services	-	-	-	0
Capital outlay	863,000	863,000	261,495	(601,505)
Total	<u>1,008,166</u>	<u>1,008,166</u>	<u>443,478</u>	<u>(564,688)</u>
	1,576,572			
Parking deck operations				
Supplies	2,500	2,500	2,052	(448)
Contractual services	78,340	78,340	55,590	(22,750)
Other charges and services	-	-	-	0
Total	<u>80,840</u>	<u>80,840</u>	<u>57,642</u>	<u>(23,198)</u>
Enforcement				
Personnel services	181,613	181,613	204,436	22,823
Supplies	1,188	1,188	1,097	(91)
Contractual services	12,000	12,000	-	(12,000)
Other charges and services	571,441	571,441	571,428	(13)
Total	<u>766,242</u>	<u>766,242</u>	<u>776,961</u>	<u>10,719</u>
Total Non-GAAP operating expenses	1,855,248	1,855,248	1,278,081	(577,167)
Depreciation	-	-	26,183	26,183
Less assets capitalized	-	-	253,144	253,144
Total GAAP operating expenses	<u>\$ 1,855,248</u>	<u>\$ 1,855,248</u>	<u>\$ 1,557,408</u>	<u>\$ (297,840)</u>

VILLAGE OF DOWNERS GROVE, ILLINOIS
Stormwater Utility Fund
Non GAAP Schedule of Operating Expenses - Budget and Actual
For the Year Ended December 31, 2016

	Original Budget	Final Budget	Actual	Variance
OPERATING EXPENSES				
Stormwater financial services				
Personnel services	\$ 43,087	\$ 43,087	\$ 42,008	\$ (1,079)
Contractual services	48,000	48,000	35,206	(12,794)
Other charges and services	-	-	1,547	1,547
Total	<u>91,087</u>	<u>91,087</u>	<u>78,761</u>	<u>(12,326)</u>
Stormwater Design Engineering				
Personnel services	377,758	377,758	329,073	(48,685)
Supplies	400	400	207	(193)
Contractual services	48,715	48,715	22,863	(25,852)
Capital outlay	-	-	-	0
Total	<u>426,873</u>	<u>426,873</u>	<u>352,143</u>	<u>(74,730)</u>
Stormwater Maintenance				
Personnel services	514,817	514,817	603,040	88,223
Supplies	68,195	68,195	67,151	(1,044)
Contractual services	424,390	424,390	420,641	(3,749)
Other charges and services	498,271	498,271	498,252	(19)
Capital outlay	4,292,000	4,292,000	1,702,794	(2,589,206)
Total	<u>5,797,673</u>	<u>5,797,673</u>	<u>3,291,878</u>	<u>(2,505,795)</u>
Total Non-GAAP operating expenses	6,315,633	6,315,633	3,722,782	(2,592,851)
Depreciation	-	-	333,843	333,843
Less assets capitalized	-	-	(695,835)	(695,835)
Total GAAP operating expenses	<u>\$ 6,315,633</u>	<u>\$ 6,315,633</u>	<u>\$ 3,360,790</u>	<u>\$ (2,954,843)</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, 2016

	Equipment Replacement	Fleet Services	Health Insurance	Risk Management	Total
ASSETS					
Current assets					
Cash and investments	\$ 2,584,943	\$ 704,918	\$ 1,995,798	\$ 600,933	\$ 5,886,592
Restricted cash	74,375	-	-	-	74,375
Prepays	1,524	-	-	568,112	569,636
Accounts receivable	10,000	4,388	3,771	-	18,159
Interest receivable	687	-	319	-	1,006
Inventory	-	42,085	-	-	42,085
Total Current assets	<u>2,671,529</u>	<u>751,391</u>	<u>1,999,888</u>	<u>1,169,045</u>	<u>6,591,853</u>
Noncurrent assets					
Capital assets not being depreciated	931,718	-	-	-	931,718
Capital assets being depreciated	11,807,512	1,027,698	-	-	12,835,210
Accumulated depreciation	(6,785,361)	(873,205)	-	-	(7,658,566)
Total Noncurrent assets	<u>5,953,869</u>	<u>154,493</u>	<u>-</u>	<u>-</u>	<u>6,108,362</u>
Total Assets	<u>8,625,398</u>	<u>905,884</u>	<u>1,999,888</u>	<u>1,169,045</u>	<u>12,700,215</u>
DEFERRED OUTFLOWS OF RESOURCES					
Deferred outflows related to pensions	-	290,766	48,222	56,773	395,761
Total Deferred Outflows of Resources	<u>-</u>	<u>290,766</u>	<u>48,222</u>	<u>56,773</u>	<u>395,761</u>
LIABILITIES					
Current liabilities					
Accounts payable	956,567	155,482	7,580	26,440	1,146,069
Accrued payroll	-	19,088	-	3,867	22,955
Other payables	-	-	28,507	-	28,507
Compensated absences	-	14,760	13,200	729	28,689
Claims payable	-	-	572,367	609,116	1,181,483
Total Current liabilities	<u>956,567</u>	<u>189,330</u>	<u>621,654</u>	<u>640,152</u>	<u>2,407,703</u>
Noncurrent liabilities					
Claims payable	-	-	-	1,421,271	1,421,271
Other post-employment benefits	-	139,667	13,630	42,734	196,031
Compensated absences	-	34,440	30,801	1,700	66,941
Net pension liability	-	381,139	63,210	74,419	518,768
Total Noncurrent liabilities	<u>-</u>	<u>555,246</u>	<u>107,641</u>	<u>1,540,124</u>	<u>2,203,011</u>
Total Liabilities	<u>956,567</u>	<u>744,576</u>	<u>729,295</u>	<u>2,180,276</u>	<u>4,610,714</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows related to pensions	-	40,318	6,687	7,872	54,877
Total Deferred Inflows of Resources	<u>-</u>	<u>40,318</u>	<u>6,687</u>	<u>7,872</u>	<u>54,877</u>
NET POSITION					
Net investment in capital assets	5,953,869	154,493	-	-	6,108,362
Restricted	74,375	-	-	-	74,375
Unrestricted (deficit)	1,640,587	257,263	1,312,128	(962,330)	2,247,648
Total Net Position	<u>\$ 7,668,831</u>	<u>\$ 411,756</u>	<u>\$ 1,312,128</u>	<u>\$ (962,330)</u>	<u>\$ 8,430,385</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, 2016

	Equipment Replacement	Fleet Services	Health Insurance	Risk Management	Total
Operating revenues					
Sales	\$ -	\$ 103,959	\$ -	\$ -	\$ 103,959
Interfund services	1,628,119	1,622,004	5,234,702	2,912,196	11,397,021
Insurance premiums	-	-	1,759,966	-	1,759,966
Other	15,000	-	9,241	2,925	27,166
Total operating revenues	<u>1,643,119</u>	<u>1,725,963</u>	<u>7,003,909</u>	<u>2,915,121</u>	<u>13,288,112</u>
Operating expenses					
Personnel services	-	831,736	137,191	159,460	1,128,387
Supplies	442,821	643,066	164	646	1,086,697
Contractual services	-	193,599	1,290,405	636,247	2,120,251
Other charges and services	-	211,060	4,835,630	1,541,481	6,588,171
Depreciation	860,870	37,799	-	-	898,669
Total operating expenses	<u>1,303,691</u>	<u>1,917,260</u>	<u>6,263,390</u>	<u>2,337,834</u>	<u>11,822,175</u>
Operating Income (loss)	<u>339,428</u>	<u>(191,297)</u>	<u>740,519</u>	<u>577,287</u>	<u>1,465,937</u>
Nonoperating revenues					
Intergovernmental	10,000	-	-	-	10,000
Investment income	14,460	971	8,657	-	24,088
Gain from disposals	(46,570)	-	-	-	(46,570)
Total non operating revenues (expenses)	<u>(22,110)</u>	<u>971</u>	<u>8,657</u>	<u>-</u>	<u>(12,482)</u>
Change in net position	317,318	(190,326)	749,176	577,287	1,453,455
Total net position -- beginning	7,351,513	602,082	562,952	(1,539,617)	6,976,930
Total net position -- ending	<u>\$ 7,668,831</u>	<u>\$ 411,756</u>	<u>\$ 1,312,128</u>	<u>(\$ 962,330)</u>	<u>\$ 8,430,385</u>

VILLAGE OF DOWNERS GROVE, ILLINOIS
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended December 31, 2016

	Equipment Replacement	Fleet	Health	Risk Management	Total
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from interfund services	\$1,628,119	1,622,004	\$5,234,702	\$2,912,196	\$11,397,021
Receipts from customers	9,630	108,838	1,772,759	89,290	1,980,517
Other payments	-	(211,060)	(4,996,956)	(1,749,698)	(6,957,714)
Payments to employees	-	(719,067)	(118,594)	(124,688)	(962,349)
Payments for interfund services	-	-	-	-	-
Payments to suppliers	517,221	(705,621)	(1,349,431)	(1,431,753)	(2,969,584)
Net cash provided (used) by operating activities	<u>2,154,970</u>	<u>95,094</u>	<u>542,480</u>	<u>(304,653)</u>	<u>2,487,891</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Grant proceeds	10,000	-	-	-	10,000
Net cash provided (used) by noncapital activities	<u>10,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,000</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Capital assets purchased	(2,192,704)	-	-	-	(2,192,704)
Proceeds from sale of capital assets	15,403	-	-	-	15,403
Net cash provided (used) by capital activities	<u>(2,177,301)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,177,301)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest received	14,756	971	8,661	-	24,388
Net cash provided by investing activities	<u>14,756</u>	<u>971</u>	<u>8,661</u>	<u>-</u>	<u>24,388</u>
Net Increase (decrease) in cash and cash equivalents	<u>2,425</u>	<u>96,065</u>	<u>551,141</u>	<u>(304,653)</u>	<u>344,978</u>
Cash and investments - beginning of year	2,656,893	608,853	1,444,657	905,586	5,615,989
Cash and investments - end of year	<u>2,659,318</u>	<u>704,918</u>	<u>1,995,798</u>	<u>600,933</u>	<u>5,960,967</u>
Reconciliation of operating income (loss) to net cash by operating activities					
Operating income (loss)	339,428	(191,297)	740,519	577,287	1,465,937
Adjustments to reconcile operating income to net cash provided (used) by operating activities:					
Depreciation	860,870	37,799	-	-	898,669
Change in assets and liabilities					
Accounts payable	956,289	68,929	(58,862)	(226,748)	739,608
Accrued payroll	-	19,088	-	3,867	22,955
Compensated absences	-	(6,694)	1,515	(1,105)	(6,284)
Accounts receivable	(5,370)	4,879	3,552	86,365	89,426
Inventory	-	62,115	-	-	62,115
Prepaid expenses	3,753	-	-	(568,112)	(564,359)
Other post-employment benefits	-	9,495	1,523	13,693	24,711
Other payables	-	-	3,983	-	3,983
Claims payable	-	-	(165,309)	(208,217)	(373,526)
Net pension liability	-	90,780	15,559	18,317	124,656
Net cash provided (used) by operating activities	<u>\$2,154,970</u>	<u>\$95,094</u>	<u>\$542,480</u>	<u>(\$304,653)</u>	<u>\$2,487,891</u>
NON CASH TRANSACTIONS					
Loss on disposition of capital asset	<u>\$ (61,973)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (61,973)</u>

VILLAGE OF DOWNERS GROVE, ILLINOIS
 Equipment Replacement Fund
 Non GAAP Schedule of Operating Expenses - Budget and Actual
 For the Year Ended December 31, 2016

	Original Budget	Final Budget	Actual	Variance
OPERATING EXPENSES				
Capital outlay	\$ 2,869,625	\$ 2,869,625	\$ 2,635,525	\$ (234,100)
Less assets capitalized	-	-	(2,192,704)	(2,192,704)
Total Non GAAP operating expenses	2,869,625	2,869,625	442,821	(2,426,804)
Depreciation	-	-	860,870	860,870
Total GAAP operating expenses	\$ 2,869,625	\$ 2,869,625	\$ 1,303,691	\$(1,565,935)

VILLAGE OF DOWNERS GROVE, ILLINOIS
 Fleet Services Fund
 Non GAAP Schedule of Operating Expenses - Budget and Actual
 For the Year Ended December 31, 2016

	Original Budget	Final Budget	Actual	Variance
OPERATING EXPENSES				
Personnel services	\$ 751,535	\$ 751,535	\$ 831,736	\$ 80,201
Supplies	689,941	689,941	643,066	(46,875)
Contractual services	233,771	233,771	193,599	(40,172)
Other charges and services	164,200	164,200	211,060	46,860
Total Non GAAP expenses	1,839,447	1,839,447	1,879,461	40,014
Depreciation	-	-	37,799	37,799
Total GAAP operating expenses	\$ 1,839,447	\$ 1,839,447	\$ 1,917,260	\$ 77,813

VILLAGE OF DOWNERS GROVE, ILLINOIS
 Health Insurance Fund
 Schedule of Operating Expenses - Budget and Actual
 For the Year Ended December 31, 2016

	Original Budget	Final Budget	Actual	Variance
OPERATING EXPENSES				
Health administration				
Personnel services	\$ 125,630	\$ 125,630	\$ 137,191	\$ 11,561
Supplies	-	-	164	164
Contractual services	112,470	112,470	109,875	(2,595)
Other charges and services	1,456	1,456	3,140	1,684
Total	<u>239,556</u>	<u>239,556</u>	<u>250,370</u>	<u>10,814</u>
Vision insurance				
Contractual services	45,600	45,600	31,758	(13,842)
Total	<u>45,600</u>	<u>45,600</u>	<u>31,758</u>	<u>(13,842)</u>
Medical insurance				
Contractual services	995,854	995,854	1,128,832	132,978
Other charges and services	5,820,089	5,820,089	4,476,720	(1,343,369)
Total	<u>6,815,943</u>	<u>6,815,943</u>	<u>5,605,552</u>	<u>(1,210,391)</u>
Dental insurance				
Contractual services	20,603	20,603	19,940	(663)
Other charges and services	456,941	456,941	355,770	(101,171)
Total	<u>477,544</u>	<u>477,544</u>	<u>375,710</u>	<u>(101,834)</u>
 Total operating expenses	 <u>\$ 7,578,643</u>	 <u>\$ 7,578,643</u>	 <u>\$ 6,263,390</u>	 <u>\$ (1,315,253)</u>

VILLAGE OF DOWNERS GROVE, ILLINOIS
 Risk Management Fund
 Schedule of Operating Expenses - Budget and Actual
 For the Year Ended December 31, 2016

	Original Budget	Final Budget	Actual	Variance
OPERATING EXPENSES				
Personnel services	\$ 128,991	\$ 128,991	\$ 159,460	\$ 30,469
Supplies	1,050	1,050	646	(404)
Contractual services	750,418	750,418	636,247	(114,171)
Other charges and services	1,831,463	1,831,463	1,541,481	(289,982)
Total operating expenses	\$ 2,711,922	\$ 2,711,922	\$ 2,337,834	\$ (374,088)

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, 2016

	Police Pension	Firefighters' Pension	Total
ASSETS			
Cash and cash equivalents	\$ 2,130,401	\$ 940,831	\$ 3,071,232
Investments			
U.S. obligations	6,851,221	6,323,603	13,174,824
Corporate bonds	11,712,258	7,644,692	19,356,950
Foreign bonds	362,198	508,660	870,858
Negotiable CDs	-	1,683,995	1,683,995
Mutual funds - fixed income	998,102	-	998,102
Mutual funds - equity	17,866,722	26,774,904	44,641,626
Common and Preferred Stocks	4,114,982	-	4,114,982
Real Estate	5,904,445	4,745,468	10,649,913
Prepays	8,349	7,349	15,698
Interest receivable	155,958	106,308	262,266
	<hr/>		
Total assets	50,104,636	48,735,810	98,840,446
LIABILITIES			
Accounts payable	17,594	5,569	23,163
	<hr/>		
Total liabilities	17,594	5,569	23,163
NET POSITION			
Restricted for pension benefits	\$ 50,087,042	\$ 48,730,241	\$ 98,817,283
	<hr/> <hr/>		

VILLAGE OF DOWNERS GROVE, ILLINOIS
Combining Statement of Changes in Net Position
Pension Trust Funds
For the Year Ended December 31, 2016

	Police Pension	Firefighters' Pension	Total
ADDITIONS			
Contributions			
Contributions - employer	\$ 2,689,713	\$ 2,847,524	\$ 5,537,237
Contributions - employees	772,223	662,633	1,434,856
Total contributions	<u>3,461,936</u>	<u>3,510,157</u>	<u>6,972,093</u>
Investment earnings			
Net appreciation in fair value of investments	1,863,284	2,177,685	4,040,969
Interest earned on investments	1,061,240	933,093	1,994,333
Less investment expense	(112,901)	(78,090)	(190,991)
Net investment earnings (loss)	<u>2,811,623</u>	<u>3,032,688</u>	<u>5,844,311</u>
Total additions	<u>6,273,559</u>	<u>6,542,845</u>	<u>12,816,404</u>
DEDUCTIONS			
Contractual services	68,989	48,800	117,789
Benefits and refunds	3,770,391	3,457,378	7,227,769
Total deductions	<u>3,839,380</u>	<u>3,506,178</u>	<u>7,345,558</u>
Change in Net Position	2,434,179	3,036,667	5,470,846
Net Position - beginning of the year	<u>47,652,863</u>	<u>45,693,574</u>	<u>93,346,437</u>
Net Position - end of the year	<u>\$ 50,087,042</u>	<u>\$ 48,730,241</u>	<u>\$ 98,817,283</u>

VILLAGE OF DOWNERS GROVE, ILLINOIS
 Police Pension Fund
 Schedule of Changes in Net Position - Budget and Actual
 For the Year Ended December 31, 2016

	Original Budget	Final Budget	Actual	Variance
ADDITIONS				
Contributions - employer	\$ 2,664,453	\$ 2,664,453	\$ 2,689,713	\$ 25,260
Contributions - employees	725,000	725,000	772,223	47,223
Total contributions	<u>3,389,453</u>	<u>3,389,453</u>	<u>3,461,936</u>	<u>72,483</u>
Investment earnings				
Net appreciation in fair value of investments	500,000	500,000	1,863,284	1,363,284
Interest earned on investments	1,000,000	1,000,000	1,061,240	61,240
Less investment expense	(129,700)	(129,700)	(112,901)	16,799
Net investment earnings (loss)	<u>1,370,300</u>	<u>1,370,300</u>	<u>2,811,623</u>	<u>1,441,323</u>
Total additions	<u>4,759,753</u>	<u>4,759,753</u>	<u>6,273,559</u>	<u>1,513,806</u>
DEDUCTIONS				
Administrative expense	63,525	63,525	68,989	(5,464)
Benefits and refunds	3,958,300	3,958,300	3,770,391	187,909
Total deductions	<u>4,021,825</u>	<u>4,021,825</u>	<u>3,839,380</u>	<u>182,445</u>
Net Change in Net Position	<u>\$ 737,928</u>	<u>\$ 737,928</u>	<u>2,434,179</u>	<u>\$ 1,696,251</u>
Net position restricted for pension benefits				
Beginning			<u>47,652,863</u>	
Ending			<u>\$ 50,087,042</u>	

VILLAGE OF DOWNERS GROVE, ILLINOIS
 Firefighters' Pension Fund
 Schedule of Changes in Net Position - Budget and Actual
 For the Year Ended December 31, 2016

	Original Budget	Final Budget	Actual	Variance
ADDITIONS				
Contributions - employer	\$ 2,820,461	\$ 2,820,461	\$ 2,847,524	\$ 27,063
Contributions - employees	725,000	725,000	662,633	(62,367)
Total contributions	<u>3,545,461</u>	<u>3,545,461</u>	<u>3,510,157</u>	<u>(35,304)</u>
Investment earnings				
Net appreciation in fair value of investments	300,000	300,000	2,177,685	1,877,685
Interest earned on investments	1,000,000	1,000,000	933,093	(66,907)
Less investment expense	(91,500)	(91,500)	(78,090)	13,410
Net investment earnings (loss)	<u>1,208,500</u>	<u>1,208,500</u>	<u>3,032,688</u>	<u>1,824,188</u>
Total additions	<u>4,753,961</u>	<u>4,753,961</u>	<u>6,542,845</u>	<u>1,788,884</u>
DEDUCTIONS				
Contractual services	78,800	78,800	48,800	30,000
Benefits and refunds	3,656,841	3,656,841	3,457,378	199,463
Total deductions	<u>3,735,641</u>	<u>3,735,641</u>	<u>3,506,178</u>	<u>229,463</u>
Net Change in Net Position	<u>\$ 1,018,320</u>	<u>\$ 1,018,320</u>	<u>3,036,667</u>	<u>\$ 2,018,347</u>
Net position restricted for pension benefits				
Beginning			<u>45,693,574</u>	
Ending			<u>\$ 48,730,241</u>	

VILLAGE OF DOWNERS GROVE, ILLINOIS
 Construction Deposit Fund
 Schedule of Changes in Assets and Liabilities
 For the Year Ended December 31, 2016

	Balances January 1	Additions	Deductions	Balances December 31
ASSETS				
Cash and investments	\$ 1,655,116	\$ 3,297,084	\$ 3,338,781	\$ 1,613,419
Total assets	1,655,116	3,297,084	3,338,781	1,613,419
LIABILITIES				
Accounts payable	234,612	1,867,347	2,019,675	82,284
Deposits payable	1,420,504	1,424,837	1,314,206	1,531,135
Total liabilities	\$ 1,655,116	\$ 3,292,184	\$ 3,333,881	\$ 1,613,419

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, 2016

	General	Debt Service	Total	Adjustments	Statement of Net Position
Assets					
Cash and investments	\$ 2,496,490	\$ 619,581	\$ 3,116,071	-	\$ 3,116,071
Property tax receivable	5,043,515	-	5,043,515	-	5,043,515
Accounts receivable	1,520	-	1,520	-	1,520
Capital assets not being depreciated	-	-	-	222,211	222,211
Capital assets net accumulated depreciation	-	-	-	12,582,765	12,582,765
Total Assets	<u>7,541,525</u>	<u>619,581</u>	<u>8,161,106</u>	<u>12,804,976</u>	<u>20,966,082</u>
Deferred outflow of resources					
Loss on refunding	-	-	-	26,549	26,549
Deferred outflows related to pensions	-	-	-	1,279,816	1,279,816
Total Deferred Outflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,306,365</u>	<u>1,306,365</u>
Liabilities					
Current liabilities					
Accrued interest payable	-	-	-	2,829	2,829
Accrued payroll	106,821	-	106,821	-	106,821
Accounts payable	124,593	-	124,593	-	124,593
Unearned revenue	7,572	-	7,572	-	7,572
Debt due within 1 year	-	-	-	634,179	634,179
Total Current liabilities	<u>238,986</u>	<u>-</u>	<u>238,986</u>	<u>637,008</u>	<u>875,994</u>
Debt due in more than 1 year	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,916,476</u>	<u>1,916,476</u>
Deferred inflow of resources					
Property taxes levied for future periods	5,043,515	-	5,043,515	-	5,043,515
Deferred inflows related to pensions	-	-	-	177,462	177,462
Total Deferred Inflows of Resources	<u>5,043,515</u>	<u>-</u>	<u>5,043,515</u>	<u>177,462</u>	<u>5,220,977</u>
Fund Balance / Net Position					
Net investment in capital assets	-	-	-	12,216,525	12,216,525
Restricted for Debt Service	-	619,581	619,581	(2,829)	616,752
Unassigned/Unrestricted	2,259,024	-	2,259,024	(833,301)	1,425,723
Total fund balances/net position	<u>\$ 2,259,024</u>	<u>\$ 619,581</u>	<u>\$ 2,878,605</u>	<u>\$ 11,380,395</u>	<u>\$ 14,259,000</u>

DOWNERS GROVE PUBLIC LIBRARY, ILLINOIS
 Component Unit
 Statement of Activities and Governmental Funds
 Combining Statement of Revenues, Expenditures & Changes in Fund Balances/Net Position
 For the Year Ended December 31, 2016

	General	Debt Service	Total	Adjustments	Statement of Activities
REVENUES					
Property taxes	\$ 4,876,235	\$ 328,583	\$ 5,204,818	\$ -	\$ 5,204,818
Personal property repl tax	59,659	-	59,659	-	59,659
Intergovernmental	37,936	-	37,936	-	37,936
Charges for services	89,723	-	89,723	-	89,723
Fines	92,532	-	92,532	-	92,532
Investment income	5,312	1,480	6,792	-	6,792
Contributions & donations	10,967	-	10,967	-	10,967
Total revenues	<u>5,172,364</u>	<u>330,063</u>	<u>5,502,427</u>	<u>-</u>	<u>5,502,427</u>
EXPENDITURES					
Current					
Community services	4,148,175	-	4,148,175	1,607,756	5,755,931
Capital outlay	870,701	-	870,701	(870,701)	-
Debt service					
Principal retirement	-	615,000	615,000	(615,000)	-
Interest and fiscal charges	-	8,487	8,487	50,270	58,757
Total expenditures	<u>5,018,876</u>	<u>623,487</u>	<u>5,642,363</u>	<u>172,325</u>	<u>5,814,688</u>
Net change in fund balance/net position	153,488	(293,424)	(139,936)	(172,325)	(312,261)
Fund balance/net position, beginning	<u>2,105,536</u>	<u>913,005</u>	<u>3,018,541</u>	<u>11,552,720</u>	<u>14,571,261</u>
Fund balance/net position, ending	<u>\$ 2,259,024</u>	<u>\$ 619,581</u>	<u>\$ 2,878,605</u>	<u>\$ 11,380,395</u>	<u>\$ 14,259,000</u>

DOWNERS GROVE PUBLIC LIBRARY, ILLINOIS
 Component Unit
 Schedule of Revenues, Expenditures, and Changes in Fund balance - Budget and Actual
 For the Year Ended December 31, 2016

	Budgeted Amounts		Actual	Variance
	Original	Final		
REVENUES				
Property tax	\$ 4,826,100	\$ 4,826,100	\$ 4,876,235	\$ 50,135
Personal property repl tax	50,000	50,000	59,659	9,659
Intergovernmental	60,000	60,000	37,936	(22,064)
Charges for services & fees	78,000	78,000	89,723	11,723
Fines	82,000	82,000	92,532	10,532
Investment income	2,100	2,100	5,312	3,212
Contributions & donations	10,000	10,000	10,967	967
Total revenues	<u>5,108,200</u>	<u>5,108,200</u>	<u>5,172,364</u>	<u>64,164</u>
EXPENDITURES				
Current				
Community services	<u>4,342,132</u>	<u>4,342,132</u>	<u>4,148,175</u>	<u>(193,957)</u>
Total current	<u>4,342,132</u>	<u>4,342,132</u>	<u>4,148,175</u>	<u>(193,957)</u>
Capital outlay	<u>873,500</u>	<u>873,500</u>	<u>870,701</u>	<u>(2,799)</u>
Total expenditures	<u>5,215,632</u>	<u>5,215,632</u>	<u>5,018,876</u>	<u>(196,756)</u>
Net change in fund balance	(107,432)	(107,432)	153,488	<u>\$ 260,920</u>
Fund balance -- beginning	<u>2,105,536</u>	<u>2,105,536</u>	<u>2,105,536</u>	
Fund balance -- ending	<u>\$ 1,998,104</u>	<u>\$ 1,998,104</u>	<u>\$ 2,259,024</u>	

DOWNERS GROVE PUBLIC LIBRARY, ILLINOIS
 Component Unit
 Library Debt Service Fund
 Schedule of Revenues, Expenditures, and Changes in Fund balance - Budget and Actual
 For the Year Ended December 31, 2016

	<u>Budgeted Amounts</u>		Actual	Variance
	Original	Final		
REVENUES				
Property tax	\$ 328,583	\$ 328,583	\$ 328,583	\$ -
Investment income	-	-	1,480	1,480
Total revenues	<u>328,583</u>	<u>328,583</u>	<u>330,063</u>	<u>1,480</u>
EXPENDITURES				
Debt service				
Principal retirement	615,000	615,000	615,000	-
Interest	8,487	8,487	8,487	-
Total debt service	<u>623,487</u>	<u>623,487</u>	<u>623,487</u>	<u>-</u>
Total expenditures	<u>623,487</u>	<u>623,487</u>	<u>623,487</u>	<u>-</u>
Net change in fund balance	<u>(294,904.00)</u>	<u>(294,904)</u>	<u>(293,424)</u>	<u>\$ (588,328)</u>
Fund balance -- beginning	<u>913,005</u>	<u>913,005</u>	<u>913,005</u>	
Fund balance -- ending	<u>\$ 618,101</u>	<u>\$ 618,101</u>	<u>\$ 619,581</u>	

SECTION 7

SUPPLEMENTAL INFORMATION

Other supplemental 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, 2016

Insurance Company	Term	Description of Coverage
Chubb	12/31/15 - 12/31/16	All Risk Property \$101,336,427 Insured Value, Excess of \$10,000
Safety National	12/31/15 - 12/31/16	Excess GL/Auto/Public Officials & Employment Practice Excess up to \$10,000,000, Retained Limit of \$1,000,000
Markel Insurance	12/31/15 - 12/31/16	Umbrella GL/Auto/Public Officials & Employment Practice Excess up to \$25,000,000, Retained Limit of \$10,000,000
Safety National	12/31/15 - 12/31/16	Workers' Compensation Full Statutory Benefits Excess of \$600,000 - \$650,000
Travelers Insurance	12/31/15 - 12/31/16	Crime Coverage Limit \$1,000,000
Ace	12/31/15 - 12/31/16	Pollution Liability Limit \$2,000,000

VILLAGE OF DOWNERS GROVE, ILLINOIS
 Long-Term Debt Requirements
 General Obligation Bonds, Series 2008A
 December 31, 2016

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
2017	400,000	24,600	424,600	2017	16,300	2017	8,300
2018	415,000	8,300	423,300	2018	8,300	2018	-
	<u>\$ 815,000</u>	<u>\$ 32,900</u>	<u>\$ 847,900</u>		<u>\$ 24,600</u>		<u>\$ 8,300</u>

VILLAGE OF DOWNERS GROVE, ILLINOIS
 Long-Term Debt Requirements
 General Obligation Refunding Bonds, Series 2008B
 December 31, 2016

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
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>\$ 433,248</u>	<u>\$ 2,593,248</u>		<u>\$ 243,624</u>		<u>\$ 189,624</u>

VILLAGE OF DOWNERS GROVE, ILLINOIS
 Long-Term Debt Requirements
 General Obligation Refunding Bonds, Series 2009
 December 31, 2016

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
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>\$ 2,915,000</u>	<u>\$ 171,514</u>	<u>\$ 3,086,514</u>		<u>\$ 113,126</u>		<u>\$ 58,388</u>

VILLAGE OF DOWNERS GROVE, ILLINOIS
 Long-Term Debt Requirements
 General Obligation Refunding Bonds, Series 2010A
 December 31, 2016

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
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>\$ 4,985,000</u>	<u>\$ 868,775</u>	<u>\$ 5,853,775</u>		<u>\$ 490,175</u>		<u>\$ 378,600</u>

VILLAGE OF DOWNERS GROVE, ILLINOIS
 Long-Term Debt Requirements
 General Obligation Refunding Bonds, Series 2010B
 December 31, 2016

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
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>\$ 4,330,000</u>	<u>\$ 494,800</u>	<u>\$ 4,824,800</u>		<u>\$ 290,700</u>		<u>\$ 204,100</u>

VILLAGE OF DOWNERS GROVE, ILLINOIS
 Long-Term Debt Requirements
 General Obligation Bonds, Series 2012 Roads
 December 31, 2016

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
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>\$ 18,830,000</u>	<u>\$ 8,498,652</u>	<u>\$ 27,328,652</u>		<u>\$ 4,412,333</u>		<u>\$ 4,086,319</u>

VILLAGE OF DOWNERS GROVE, ILLINOIS
 Long-Term Debt Requirements
 General Obligation Bonds, Series 2012 Water
 December 31, 2016

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
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>\$ 8,365,000</u>	<u>\$ 2,361,775</u>	<u>\$ 10,726,775</u>		<u>\$ 1,247,237</u>		<u>\$ 1,114,538</u>

VILLAGE OF DOWNERS GROVE, ILLINOIS
 Long-Term Debt Requirements
 General Obligation Refunding Bonds, Series 2013
 December 31, 2016

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
2017	615,000	2,829	617,829	2017	2,829	2017	-
	<u>\$ 615,000</u>	<u>\$ 2,829</u>	<u>\$ 617,829</u>		<u>\$ 2,829</u>		<u>\$ -</u>

VILLAGE OF DOWNERS GROVE, ILLINOIS
 Long-Term Debt Requirements
 General Obligation Refunding Bonds, Series 2013A
 December 31, 2016

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
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>\$ 5,805,000</u>	<u>\$ 256,200</u>	<u>\$ 6,061,200</u>		<u>\$ 164,112</u>		<u>\$ 92,088</u>

VILLAGE OF DOWNERS GROVE, ILLINOIS
 Long-Term Debt Requirements
 General Obligation Refunding Bonds, Series 2014A
 December 31, 2016

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
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>\$ 6,650,000</u>	<u>\$ 1,297,288</u>	<u>\$ 7,947,288</u>		<u>\$ 696,068</u>		<u>\$ 601,220</u>

VILLAGE OF DOWNERS GROVE, ILLINOIS
 Long-Term Debt Requirements
 General Obligation Refunding Bonds, Series 2014B
 December 31, 2016

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
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>\$ 2,895,000</u>	<u>\$ 903,250</u>	<u>\$ 3,798,250</u>		<u>\$ 474,613</u>		<u>\$ 428,637</u>

VILLAGE OF DOWNERS GROVE, ILLINOIS
 Long-Term Debt Requirements
 General Obligation Bonds, Series 2015A
 December 31, 2016

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
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>\$ 4,765,000</u>	<u>\$ 1,618,575</u>	<u>\$ 6,383,575</u>		<u>\$ 844,811</u>		<u>\$ 773,764</u>

VILLAGE OF DOWNERS GROVE, ILLINOIS
 Long-Term Debt Requirements
 General Obligation Refunding Bonds, Series 2015B
 December 31, 2016

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
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	-
Total	\$ 4,470,000	\$ 2,234,300	\$ 6,704,300		\$ 1,155,635		\$ 1,078,665

VILLAGE OF DOWNERS GROVE, ILLINOIS
 Long-Term Debt Requirements
 General Obligation Refunding Bonds, Series 2016
 December 31, 2016

Date of Issue	March 16, 2016
Date of Maturity	January 01, 2038
Authorized Issue	\$7,585,000
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	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
2017	115,000	280,250	173,750	2017	140,700	2017	139,550
2018	-	279,100	173,350	2018	139,550	2018	139,550
2019	465,000	272,125	172,950	2019	139,550	2019	132,575
2020	480,000	257,950	172,550	2020	132,575	2020	125,375
2021	495,000	243,325	172,150	2021	125,375	2021	117,950
2022	510,000	225,700	176,700	2022	117,950	2022	107,750
2023	530,000	207,550	176,075	2023	107,750	2023	99,800
2024	545,000	188,700	175,325	2024	99,800	2024	88,900
2025	-	177,800	174,575	2025	88,900	2025	88,900
2026	-	177,800	173,825	2026	88,900	2026	88,900
2027	-	177,800	173,075	2027	88,900	2027	88,900
2028	-	177,800	172,263	2028	88,900	2028	88,900
2029	-	177,800	755,975	2029	88,900	2029	88,900
2030	-	177,800	871,825	2030	88,900	2030	88,900
2031	-	177,800	874,700	2031	88,900	2031	88,900
2032	-	177,800	876,525	2032	88,900	2032	88,900
2033	-	177,800	872,387	2033	88,900	2033	88,900
2034	500,000	167,800	872,387	2034	88,900	2034	78,900
2035	930,000	139,200	872,387	2035	78,900	2035	60,300
2036	965,000	101,300	872,387	2036	60,300	2036	41,000
2037	1,005,000	61,900	872,387	2037	41,000	2037	20,900
2038	1,045,000	20,900	872,387	2038	20,900	2038	-
Total	\$ 7,585,000	\$ 4,046,000	\$ 10,699,935		\$ 2,093,350		\$ 1,952,650

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>Financial Trends These schedules contain trend information to help the reader understand how the Village's financial performance and well-being have changed over time.</p>	8-1 - 8-5
<p>Revenue Capacity 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>Debt Capacity These schedules present information to help the reader assess the affordability of the Village's current levels of outstanding debt and the Village's ability to issue additional debt in the future.</p>	8-12 - 8-14
<p>Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the Village's financial activities take place.</p>	8-15 - 8-16
<p>Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the Village's financial report relates to the services the Village provides and the activities it performs.</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

	as restated for pensions									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Governmental Activities										
Net investment in capital assets	\$ 66,275	\$ 70,743	\$ 66,960	\$ 64,610	\$ 69,272	\$ 67,608	\$ 70,277	\$ 71,753	\$ 80,121	\$ 80,397
Restricted	4,007	35,838	31,785	4,795	6,051	6,806	7,473	8,127	10,516	9,156
Unrestricted	19,581	(13,944)	(9,618)	24,820	25,138	27,814	16,372	(58,519)	(66,851)	(65,677)
Total Governmental Activities	89,863	92,637	89,127	94,225	100,461	102,228	94,122	21,361	23,786	23,876
Business-type Activities										
Net investment in capital assets	25,279	29,197	32,272	32,691	32,663	32,169	33,734	38,495	37,868	38,646
Unrestricted	7,746	4,911	1,545	1,304	2,192	3,861	13,469	11,116	15,140	15,619
Total Business-type Activities	33,025	34,108	33,817	33,995	34,855	36,030	47,203	49,611	53,008	54,265
Primary Government										
Net investment in capital assets	91,554	99,939	99,232	97,301	101,935	99,777	104,010	110,248	117,989	119,043
Restricted	4,007	35,838	31,785	4,795	6,051	6,806	7,472	8,127	10,516	9,156
Unrestricted	27,327	(9,033)	(8,073)	26,124	27,330	31,675	29,842	(47,403)	(51,711)	(50,058)
Total Primary Government	\$ 122,888	\$ 126,744	\$ 122,944	\$ 128,220	\$ 135,316	\$ 138,258	\$ 141,324	\$ 70,972	\$ 76,794	\$ 78,141

Notes

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

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Expenses										
Governmental Activities										
General government	\$ 5,637	\$ 6,360	\$ 4,841	\$ 5,362	\$ 5,971	\$ 6,222	\$ 6,573	\$ 6,980	\$ 6,688	\$ 6,998
Public works	11,041	13,561	15,701	11,855	13,867	18,272	13,409	13,992	11,319	13,406
Community development	4,200	3,229	2,805	2,539	2,458	2,635	2,996	2,681	3,067	3,220
Public safety	26,588	28,591	27,635	26,768	27,317	27,663	28,747	30,271	33,749	34,264
Community services	2,991	2,036	1,882	836	745	756	773	799	737	904
Interest and fiscal charges	2,010	2,349	2,956	2,774	2,514	2,735	2,691	1,898	1,650	1,599
Total Governmental Activities Expenses	52,467	56,126	55,820	50,134	52,872	58,283	55,189	56,621	57,210	60,391
Business-type Activities										
Waterworks	7,863	6,777	7,710	8,248	8,765	11,256	11,726	12,752	14,157	14,241
Parking	977	940	946	847	966	952	945	1,045	994	1,639
Stormwater Utility	-	-	-	-	-	-	5,285	2,667	3,266	3,964
Total Business-type Activities Expenses	8,840	7,717	8,656	9,095	9,731	12,208	17,956	16,464	18,417	19,844
Total Primary Government Expenses	61,307	63,843	64,476	59,229	62,603	70,491	73,145	73,085	75,627	80,235
Program Revenues										
Governmental Activities										
Charges for Services										
General government	1,577	1,793	2,052	1,576	1,567	1,614	1,643	1,679	1,576	1,443
Public works	249	174	192	220	383	292	313	139	108	220
Community development	2,107	1,334	955	1,123	1,187	1,546	1,339	1,477	1,548	1,692
Public safety	2,181	2,728	2,506	2,606	2,655	2,793	3,434	2,920	2,854	2,895
Community services	825	1,045	1,059	793	848	883	914	979	1,003	1,083
Operating Grants and Contributions	1,898	1,844	374	206	617	1,073	1,020	969	702	715
Capital Grants and Contributions	1,216	2,810	1,582	1,611	2,976	2,010	1,405	1,731	1,228	1,497
Total Governmental Activities Program Revenues	10,053	11,728	8,720	8,135	10,233	10,211	10,068	9,894	9,019	9,545
Business-type Activities										
Charges for Services										
Waterworks	7,799	7,372	7,473	8,143	9,475	12,271	13,197	13,787	15,153	15,286
Parking	1,289	1,209	1,242	1,287	1,298	1,265	1,425	1,469	1,579	1,617
Stormwater Utility	-	-	-	-	-	-	3,375	3,853	3,771	3,825
Operating Grants and Contributions	1	47	120	47	47	47	47	47	47	47
Capital Grants and Contributions	-	130	-	30	10	80	(10)	1	1,493	232
Total Business-type Activities Program Revenues	9,089	8,758	8,835	9,507	10,830	13,663	18,034	19,157	22,043	21,007
Total Primary Government Program Revenues	\$ 19,142	\$ 20,486	\$ 17,555	\$ 17,642	\$ 21,063	\$ 23,874	\$ 28,102	\$ 29,051	\$ 31,062	\$ 30,552

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

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Net Revenue (Expense)										
Governmental activities	\$ (42,414)	\$ (44,398)	\$ (47,100)	\$ (41,999)	\$ (42,639)	\$ (48,072)	\$ (45,121)	\$ (46,727)	\$ (48,191)	\$ (50,846)
Business-type activities	249	1,041	180	412	1,099	1,455	78	2,693	3,626	1,163
Total Primary Government Net Revenue (Expense)	(42,165)	(43,357)	(46,920)	(41,587)	(41,540)	(46,617)	(45,043)	(44,034)	(44,565)	(49,683)
General Revenues and Other Changes in Net Position										
Governmental Activities										
Taxes										
Property	10,868	14,079	14,819	16,609	17,298	17,208	15,088	15,775	15,632	16,733
Sales	17,549	16,917	16,330	17,374	18,560	19,019	19,762	20,961	21,898	20,543
Utility	6,269	7,541	6,371	6,001	6,209	6,366	5,841	5,711	5,635	5,292
Income	4,313	4,612	3,960	3,835	3,787	4,203	4,558	4,580	5,200	4,757
Other	2,496	2,588	2,127	2,285	2,330	2,434	2,569	1,836	1,771	2,912
Investment earnings	1,730	1,222	1,073	737	416	234	203	(287)	180	243
Miscellaneous	43	7	38	-	24	74	18	-	-	456
Special items	-	-	-	-	-	-	-	-	-	-
Transfers	178	208	570	256	250	300	(11,024)	300	300	-
Total Governmental Activities	43,446	47,174	45,288	47,097	48,874	49,838	37,015	48,876	50,616	50,936
Business-type Activities										
Investment earnings	304	250	99	22	10	21	70	57	71	94
Miscellaneous	3,013	-	-	-	-	-	-	-	-	-
Transfers	(178)	(208)	(570)	(256)	(250)	(300)	11,024	(300)	(300)	-
Total Business-type Activities	3,139	42	(471)	(234)	(240)	(279)	11,094	(243)	(229)	94
Total Primary Government	46,585	47,216	44,817	46,863	48,634	49,559	48,109	48,633	50,387	51,030
Change in net position										
Governmental activities	1,031	2,774	(1,813)	5,098	6,235	1,766	(8,106)	2,149	2,425	90
Business-type activities	3,388	1,083	(291)	178	859	1,176	11,172	2,450	3,397	1,257
Total Primary Government Change in Net Position	\$ 4,419	\$ 3,857	\$ (2,104)	\$ 5,276	\$ 7,094	\$ 2,942	\$ 3,066	\$ 4,599	\$ 5,822	\$ 1,347

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

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Fund										
Reserved	\$ 89	\$ 89	\$ 66	\$ 2,026	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	16,962	15,688	15,377	13,656	-	-	-	-	-	-
Nonspendable	-	-	-	-	2,043	2,009	2,574	48	39	29
Restricted	-	-	-	-	-	-	-	-	163	126
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	15,141	17,193	17,858	17,165	18,498	18,727
Total General Fund	17,051	15,776	15,443	15,682	17,184	19,202	20,432	17,213	18,700	18,882
Reserved	5,908	-	-	-	-	-	-	-	-	-
Unreserved, reported in										
Debt Service Funds	-	714	856	259	-	-	-	-	-	-
Special Revenue Funds	(1,284)	1,681	1,275	2,850	-	-	-	-	-	-
Debt Service Funds	-	-	-	-	-	-	-	-	-	-
Capital Project Funds	5,524	31,668	27,701	23,031	-	-	-	-	-	-
Nonspendable	-	-	-	-	-	-	-	-	-	-
Restricted	-	-	-	-	6,051	22,243	15,251	8,127	10,353	8,956
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	19,534	21,335	8,917	9,430	3,042	5,333
Unassigned	-	-	-	-	(1,922)	(1,905)	(1,840)	-	-	-
Total All Other Governmental Funds	\$ 10,148	\$ 34,063	\$ 29,832	\$ 26,140	\$ 23,663	\$ 41,673	\$ 22,328	\$ 17,557	\$ 13,395	\$ 14,289
Total Governmental Funds	\$ 27,199	\$ 49,839	\$ 45,275	\$ 41,822	\$ 40,847	\$ 60,875	\$ 42,760	\$ 34,770	\$ 32,095	\$ 33,171

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

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Revenues										
Sales tax	\$ 17,549	\$ 16,917	\$ 16,330	\$ 17,374	\$ 18,559	\$ 19,019	\$ 19,762	\$ 20,961	\$ 21,898	\$ 20,543
Property tax	10,868	14,079	14,819	16,609	17,298	17,209	15,088	15,775	15,632	16,733
Utility tax	6,269	7,541	6,371	6,001	6,209	6,367	5,841	5,711	5,635	5,292
Income tax	4,313	4,612	3,960	3,835	3,787	4,203	4,558	4,580	5,200	4,757
Other taxes	2,839	2,586	2,127	2,284	2,331	2,434	2,569	1,836	1,771	1,725
Licenses and permits	2,091	1,345	1,148	1,439	1,518	1,863	1,731	1,689	1,769	1,796
Intergovernmental	2,098	3,184	1,748	1,754	3,513	2,907	2,422	2,696	1,930	3,102
Charges for services & fees	4,123	4,065	4,565	3,773	4,096	4,276	4,868	4,593	4,660	4,869
Fines & forfeitures	676	1,264	1,246	1,106	1,027	988	1,044	911	660	668
Investment income	1,569	1,222	1,073	737	416	234	203	(287)	180	243
Miscellaneous	99	1,469	207	63	79	176	3	5	-	297
Total revenues	52,494	58,286	53,595	54,976	58,833	59,676	58,089	58,470	59,335	60,025
Expenditures										
General government	5,027	6,008	4,536	4,662	5,296	5,646	5,884	8,108	5,887	6,008
Public works	8,920	9,934	10,881	7,816	8,902	8,805	8,102	8,446	7,456	7,883
Community development	3,842	2,745	2,344	2,158	2,109	2,329	2,687	2,372	2,695	2,646
Public safety	25,060	26,053	25,518	26,826	27,244	27,970	28,621	29,392	31,172	32,018
Community services	3,042	1,966	1,831	865	750	750	767	794	708	821
Capital outlay	10,216	11,095	9,433	8,347	7,939	12,571	9,384	11,112	7,771	4,634
Debt service										
Principal	765	1,000	1,245	4,810	5,140	4,865	12,750	4,630	4,865	3,740
Interest and fiscal charges	70	2,198	2,854	3,175	2,502	2,372	2,661	1,993	1,756	1,655
Total expenditures	56,942	60,999	58,642	58,660	59,882	65,308	70,856	66,847	62,310	59,405
Excess of Revenues over (under)	(4,448)	(2,713)	(5,047)	(3,684)	(1,049)	(5,632)	(12,767)	(8,377)	(2,975)	620
Other Financing Sources (Uses)										
Transfers in	410	2,067	4,755	7,260	7,442	7,102	6,797	8,722	6,921	5,762
Transfers out	(30)	(2,109)	(4,435)	(7,204)	(7,392)	(7,002)	(20,755)	(8,422)	(6,621)	(5,762)
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	-	7	38	-	24	277	18	-	-	456
Total other financing sources (uses)	380	25,354	483	230	74	25,661	(5,347)	386	300	456
Net Change in Fund Balances	\$ (4,068)	\$ 22,641	\$ (4,564)	\$ (3,454)	\$ (975)	\$ 20,029	\$ (18,114)	\$ (7,991)	\$ (2,675)	\$ 1,076
Debt Service as a Percentage of Noncapital Expenditures	1.86%	6.27%	7.94%	15.21%	14.28%	13.02%	24.16%	11.28%	11.54%	9.61%

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
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%
2016	1,765,196,431	481,187,314	67,023,809	2,313,407,554	0.56	6,940,222,662	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	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Village Direct Rates										
Corporate	0.1146	0.1068	0.1264	0.1601	0.1697	0.1414	0.1482	0.1470	0.1399	0.1309
Firefighter's Pension	0.0427	0.0626	0.0785	0.0925	0.0945	0.1059	0.1221	0.1151	0.1317	0.1337
Police Pension	0.0479	0.0501	0.0676	0.0790	0.0698	0.0917	0.1140	0.1117	0.1244	0.1273
Debt Service	0.0330	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Fire Protection	0.1158	0.1138	0.1137	0.1205	0.1277	0.1354	0.1419	0.1417	0.1339	0.1253
Stormwater	0.1090	0.1090	0.1090	0.1104	0.1170	0.0000	0.0000	0.0000	0.0000	0.0000
Capital						0.0458	0.0481	0.0490	0.0453	0.0424
Total Direct Rate	0.4630	0.4423	0.4952	0.5625	0.5787	0.5202	0.5743	0.5645	0.5752	0.5596
Overlapping Rates										
Library District	0.1795	0.1773	0.1832	0.1966	0.2136	0.2324	0.2502	0.2612	0.2407	0.2202
Downers Grove Park District	0.2932	0.2781	0.2699	0.2900	0.3077	0.3434	0.3691	0.3765	0.3624	0.3425
Downers Grove Sanitary District	0.0303	0.0301	0.0305	0.0336	0.0363	0.0405	0.0436	0.0448	0.0434	0.0413
Special Service Area #1	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Special Service Area #2	1.4161	1.5000	1.5000	1.5000	1.5000	1.5000	1.5000	1.5000	1.5000	1.5000
Special Service Area #3	0.3315	0.3140	0.3151	0.3366	0.3345	0.0000	0.0000	0.0000	0.0000	0.0000
Special Service Area #6							0.2950	0.2680	0.2430	0.2477
Downers Grove Township	0.0256	0.0254	0.0256	0.0281	0.0307	0.0343	0.0368	0.0378	0.0368	0.0350
Downers Grove Township Road	0.0382	0.0379	0.0382	0.0420	0.0439	0.0512	0.0549	0.0564	0.0550	0.0524
DuPage County	0.1651	0.1557	0.1554	0.1659	0.1773	0.1929	0.2040	0.2057	0.1971	0.1848
DuPage County Forest Preserve	0.1187	0.1206	0.1217	0.1321	0.1414	0.1542	0.1657	0.1691	0.1622	0.1514
Dupage Airport Authority	0.0170	0.0160	0.0148	0.0158	0.0169	0.0168	0.0178	0.0196	0.0188	0.0176
College of DuPage	0.1888	0.1858	0.2127	0.2349	0.2495	0.2681	0.2956	0.2975	0.2786	0.2626
Grade School District No. 58	1.5816	1.5713	1.6304	1.6991	1.8851	2.0981	2.2613	2.3051	2.2175	2.0984
High School District No. 99	1.4269	1.4214	1.4679	1.6105	1.7271	1.9209	2.0729	2.1079	2.0666	1.9648

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	2016			2006		
	Taxable Assessed Value	Rank	% of Total Village Taxable Assessed Value	Taxable Assessed Value	Rank	% of Total Village Taxable Assessed Value
Hamilton Partners	\$ 36,521,266	1	1.58	\$ 51,411,454	1	2.92
BRE COH IL LLC	18,891,760	2	0.82			
PTA - K 225	16,566,720	3	0.72			
LSREF4 Turtle LLC	13,606,260	4	0.59			
Bristol Club LP	12,847,810	5	0.56			
Grove Residential LLC	12,689,730	6	0.55			
James Campbell Co LLC	12,476,460	7	0.54			
Adventus US Realty 9 LP	11,583,720	8	0.50			
PBH Prentiss Creek LLC	11,537,700	9	0.50			
Highland Owner LLC	11,346,280	10	0.49			
Duke Realty Corp			-	30,090,840	2	1.71
Alter Asset Management			-	12,494,751	3	0.71
Federal Realty Investment			-	8,388,900	4	0.48
Wells Reit II - Opus			-	8,196,420	5	0.47
Robin Realty			-	8,121,960	6	0.46
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
Arun Enterprises			-	5,697,460	10	0.32
Total	\$ 158,067,706			\$ 143,689,095		

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			
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	12,304	100%	-	12,304	100%
2016	12,795	*	*	*	*	*

Note

* First installment of property taxes due June 1, 2017
Excludes library

Data Source

Office of the County Clerk

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

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General merchandise	\$ 47,422	\$ 45,551	\$ 45,421	\$ 45,838	\$ 46,226	\$ 46,460	\$ 44,477	\$ 44,570	\$ 44,612	\$ 45,285
Food	108,625	108,175	117,287	119,168	117,780	116,207	122,457	134,094	143,285	125,871
Drinking and eating places	124,257	120,557	117,822	119,328	125,270	128,369	132,809	137,168	143,236	150,194
Apparel	23,659	25,415	26,835	26,010	25,538	24,759	24,595	29,118	29,393	34,732
Furniture and H.H. and radio	175,640	149,089	131,925	140,830	129,562	123,362	118,549	102,900	129,848	142,386
Lumber, building hardware	86,289	72,964	56,650	51,722	52,924	51,282	60,109	56,928	60,716	62,990
Automobile and filling stations	330,411	302,593	241,735	243,306	255,657	287,058	314,197	328,130	326,191	299,589
Drugs and miscellaneous retail	262,424	225,512	229,575	220,676	234,131	242,003	252,471	269,609	256,501	268,686
Agriculture and all others	131,947	122,317	99,973	111,240	111,100	124,306	130,917	128,014	147,793	99,656
Manufacturers	20,027	20,785	19,192	13,263	15,852	13,029	11,706	10,474	10,725	15,084
TOTAL	\$ 1,310,701	\$ 1,192,958	\$ 1,086,415	\$ 1,091,381	\$ 1,114,040	\$ 1,156,835	\$ 1,212,287	\$ 1,241,005	\$ 1,292,300	\$ 1,244,473

Data Source

Illinois Department of Revenue

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

Year	Village Direct Rate	Total Sales Tax Rate
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%
2016	2.00%	8.00%

Data Source

IL Department of Revenue 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	
	General Obligation Bonds	Note Payable	General Obligation Bonds	Note Payable		Personal Income*	Per Capita*
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
2016	46,816	-	28,895	1,158	76,869	3.58%	1,779.75

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
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	3.50%	1,905.97
2016	75,711	196	75,515	3.26%	1,748.40

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, 2016

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	\$ 46,816	100.00%	\$ 46,816
DuPage County	221,573	6.46%	14,314
Dupage County Forest Preserve	126,024	6.46%	8,141
Dupage Water Commission	0	7.15%	0
Downers Grove Park District	14,348	99.66%	14,299
Downers Grove Public Library	615	100.00%	615
Schools			
Grade School			
District No. 44	6,988	4.99%	349
District No. 58	10,870	81.79%	8,891
District No. 61	5,525	11.48%	634
District No. 66	1,710	3.91%	67
District No. 68	0	5.41%	0
High School			
District No. 87	73,445	1.07%	786
District No. 99	29,844	53.47%	15,958
Unit School District			
District No. 201	12,550	0.56%	70
District No. 202	4,145	5.12%	212
Total Overlapping	<u>507,637</u>		<u>64,336</u>
Total Direct and Overlapping	<u>\$ 554,453</u>		<u>\$ 111,152</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

Calendar Year	(1) Population	Total Personal Income	(1) Per Capita Personal Income	(2) Unemployment Rate
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%
2016	49,732	2,147,974,812	43,191	4.3%

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	2016			2009		
	Rank	% of Total City Population	# of Employees	Rank	% of Total City Population	# of Employees
Advocate Good Samaritan Hospital	1	5.43%	2,700	2	5.05%	2,500
GCA Services	2	3.02%	1,500	3	4.04%	2,000
University Subscription Services/ Unique Mailing Svc Inc.	3	2.11%	1,050			
Midwestern University	4	2.01%	1,000	6	1.14%	566
DeVry Inc.	5	1.71%	850			
First Health Group Corp	6	1.61%	800	4	1.41%	700
Acxiom/May & Speh Inc.	7	1.41%	700			
Ambitech Engineering Corp.	7	1.41%	700			
State Farm	8	1.21%	600			
FTD Inc.	9	1.01%	500	7	1.03%	509
Advocate Health Care	10	0.90%	450			
HMOS of Blue Cross Blue Shied of Ill	11	0.84%	420	8	0.85%	420
Dover Corporation	12	0.80%	400			
Havi Global Solutions, LLC	12	0.80%	400	10	0.71%	350
Pepperidge Farm, Inc.	13	0.75%	375	9	0.81%	400
JP Morgan Chase	14	0.60%	300			
Sara Lee Corporation				1	5.85%	2,900
RR Donnelly and Sons Co				5	1.21%	600

Data Source

Downers Grove Economic Development Corporation

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

Program #	Function/Program	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Government										
111	Clerk's Office	2.00	2.50	2.50	2.50	2.75	2.75	2.75	2.75	2.75
121	Manager's Office	7.50	7.60	6.60	4.60	5.60	4.60	4.60	5.00	6.00
131	Legal	3.00	3.75	3.75	3.00	3.50	3.75	3.75	4.00	4.00
142	Building services	8.75	9.25	9.25	8.25	8.00	8.00	8.25	8.25	8.25
151	Human resources	4.50	4.50	4.50	3.50	3.50	3.60	3.60	3.00	3.00
171	Information services	9.00	8.75	8.00	8.00	8.00	8.00	8.50	8.50	8.50
200	Finance	12.70	13.18	13.18	12.18	12.18	12.20	12.20	12.20	12.00
300	Public Works									
	Public works administrative	6.00	5.00	5.00	5.50	5.50	6.00	5.35	5.35	5.75
	Engineering/Stormwater	16.00	13.00	14.00	12.00	12.00	15.00	16.00	17.00	10.50
	Forestry and grounds	7.00	7.00	6.00	10.75	6.00	6.00	7.00	7.00	8.50
	Streets	30.15	36.00	30.75	26.00	26.00	22.50	23.50	23.50	24.10
	Water	11.00	10.00	12.00	10.00	11.00	10.00	10.50	10.50	14.25
	Fleet	7.00	7.50	10.00	10.00	7.50	10.00	10.00	10.00	6.85
Community Development										
411	Planning	2.00	2.00	3.00	3.00	3.00	3.00	3.00	2.00	3.00
421	Economic Development	-	-	-	-	-	-	-	-	-
411	Code services	19.50	17.50	15.50	13.50	12.50	12.50	12.50	13.50	11.50
Public Safety										
600	Police									
	Officers	81.00	81.00	81.00	79.00	74.00	74.00	74.00	74.00	74.00
	Civilians	23.40	23.60	23.60	20.60	19.60	19.60	19.60	19.60	19.60
	Voc	17.00	16.00	16.00	15.00	17.00	17.00	17.00	17.00	17.00
700	Fire									
	Firefighters and officers	81.00	82.00	79.00	77.00	77.00	77.00	77.00	77.00	77.00
	Civilians	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	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	-
840	Public information	3.25	3.25	2.25	1.75	2.25	3.25	3.25	3.00	3.25
841	Cable television	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	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	2008	2009	2010	2011	2012	2013	2014	2015
Public Safety								
Police								
Physical arrests	1,632	1,922	1,881	1,743	1,792	1,491	1,342	1,190
Parking violations	10,427	7,830	8,743	10,002	6,530	9,144	2,387	8,686
Traffic violations	11,335	12,235	11,811	10,684	10,898	10,811	9,406	9,454
Fire								
EMS calls	3,736	2,605	2,350	2,253	3,599	2,307	3,561	3,994
Fire calls	2,075	2,399	3,064	3,383	5,696	3,585	2,332	1,858
Fires extinguished	71	39	47	62	71	77	76	51
Community Development								
Permits issued	1,545	1,339	1,634	1,861	1,853	2,097	2,154	2,056
Inspections conducted	3,850	2,677	2,932	3,335	4,414	3,668	4,317	4,452
Water								
Water main breaks	70	62	67	78	81	77	85	55
Water pumped (gallons)	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	5,403,600	5,317,704	5,257,855	5,276,920	5,600,000	5,017,000	4,863,000	4,800,000
Peak daily consumption	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	2009	2010	2011	2012	2013	2014	2015
General Government							
Vehicles	7	8	8	8	7	9	7
Community Development							
Vehicles	7	5	5	5	5	5	5
Public Safety							
Police							
Stations	1	1	1	1	1	1	1
Vehicles/Equipment	49	48	43	43	44	43	44
Fire							
Fire stations	4	4	4	4	4	4	4
Vehicles/Equipment	35	36	34	34	33	33	34
Public Works							
Traffic signals	67	66	66	64	64	64	64
Vehicles/Equipment	84	81	84	84	82	80	83
Buses	7	7	6	6	1	1	-
Water							
Water mains (miles)	207	213	215	207	208	233	217
Fire hydrants	3,053	3,183	3,145	3,180	3,126	3,280	2,776
Vehicles/Equipment	10	11	10	10	9	9	9

Data Source

Various village departments