

VILLAGE OF DOWNERS GROVE
Report for the Village
6/12/2018

| | |
|--|---------------------------------|
| SUBJECT: | SUBMITTED BY: |
| 2017 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, 2017, also known as the Comprehensive Annual Financial Report (CAFR) dated December 31, 2017 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, 2018.

STRATEGIC PLAN ALIGNMENT

The goals for 2017-2019 include *Steward of Financial, Environmental and Neighborhood Sustainability*.

FISCAL IMPACT

N/A

UPDATE & RECOMMENDATION

This item was discussed at the June 5, 2018 Village Council meeting. Staff recommends approval on the June 12, 2018 consent 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, 2017 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, 2017 THROUGH DECEMBER 31, 2017**

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, 2017 through December 31, 2017; 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, 2017, 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, 2017, 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, 2017.

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, 2017

Prepared by Finance Department

Judy Buttny
Finance Director

Carol Hogan
Assistant Finance Director

Robin Lahey
Finance Manager

Daiva Sheldon
Staff Accountant

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INTRODUCTORY SECTION

Village of Downers Grove, Illinois

Principal Officials

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

Jeff Pindelski, Fire Chief

Shanon Gillette, Police Chief

Doug Kozlowski, Communications Director

Jenny Rizzo, Emergency Management Coordinator

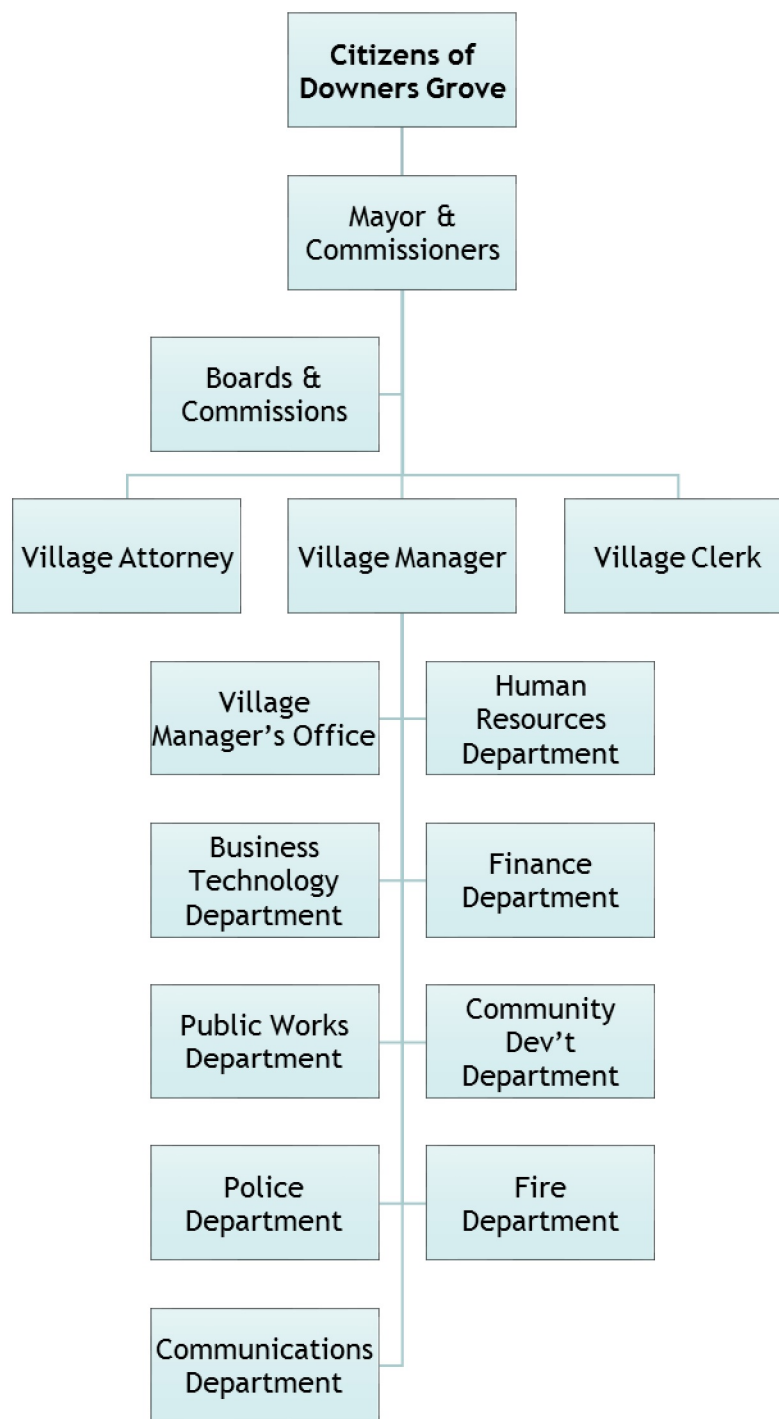
Dennis Burke, Human Resources Director

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, 2016

Christopher P. Morill

Executive Director/CEO



June 1, 2018

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, 2017, 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, 2017, 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, 2017, 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 3-13. 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 48,867; however, the Village's corporate business parks and shopping districts raise the daytime population and economic activity, providing the Village the benefit of a significant level of sales tax revenue. A review of the retail expenditure information suggests that the Village attracts residents from surrounding communities to support the sales tax income. The property tax base is 77 percent residential, 20 percent commercial, and 3 percent industrial. The ten leading commercial property tax payers are from a diverse economic base and account for about 6.5% percent of the total tax base.

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



police and fire protection; building code and fire prevention inspection services; emergency 911 dispatch service; paramedic services; water services; a commuter 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 4.3% percent in 2016 to 3.8% percent as of December 31, 2017. The EAV for the Village was \$2,440,178,636 for the 2017 tax levy, up 5.5% from a year ago. EAVs are expected to continue to increase for the next several years.

The Village of Downers Grove maintained a strong financial position during the year. Building activity was very strong in both the commercial and residential markets with permit revenues at historic highs. Although Sales tax revenues have flattened, the Village continues to provide municipal services in a fiscally responsible manner, identifying and implementing innovative ideas throughout the organization. The Village's financial policies and programs have resulted in the retention and expansion of existing businesses in the community as well as attracting new businesses.

Economic Development:

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

2017 Economic Development Successes

- **3 Corners Grill & Tap** held a grand opening in May for their new restaurant at 7231 Lemont Road in the Downers Park Plaza Shopping Center.
- **Advocate Good Samaritan Hospital** held a grand opening in March for their new 110,000 sq. ft. West pavilion project, which created 96 private patient rooms and two

- progressive care units. In addition, the hospital completed the expansion of the Bhorade Cancer Center. The total investment in these new projects is \$92 million.
- **Allant Group LLC** completed the move of their corporate headquarters to Downers Grove. The marketing technology services provider leased 26,000 sq. ft. in the Corridors II tower at 2655 Warrenville Road.
 - **Ashley Furniture Homestore** held a grand opening in December for their new store in the former Savers site at 2900 Highland.
 - **BMO Harris Bank** completed the build out of their new location in the multi-tenant building on the southeast corner of Ogden Avenue and Saratoga
 - **Bridge Development Partners, Inc.** received Village approval in December for the development of a 680,000 sq. ft. industrial/office project on the west side of Finley Road, north of Warrenville Road.
 - **Catholic Charities** opened their new DuPage County office at 3130 Finley in Downers Grove.
 - **Draper & Kramer Mortgage Corporation** completed the move of their corporate headquarters to 1431 Opus Place in Downers Grove.
 - **Ensono** opened their new 84,259 sq. ft. corporate headquarters at 3333 Finley.
 - **Federal Deposit Insurance Corporation** signed a lease to move their Chicago Field Office to 1431 Opus Place in Downers Grove.
 - **Flavorchem** received Village approval in September for the creation of a corporate campus in the Oak Grove Commons Business Park. The redevelopment master plan includes the eight existing buildings totaling 220,000 sq. ft. of office, laboratories and manufacturing. Flavorchem will construct a new corporate headquarters in Downers Grove.
 - **Frontline Real Estate Partners** received approval from the Village for the development of a new Walgreens in the Meadowbrook Shopping Center.
 - **Glanbia Performance Nutrition, Inc.**, a subsidiary of Dublin, Ireland-based Glanbia PLC, completed a 27,000 expansion of their North American headquarters at 3500 Lacey Road in Esplanade at Locust Point. The company opened their North American headquarters in 2015.
 - **Greencore Group plc** completed the move of their North American headquarters to Downers Grove. The Dublin, Ireland-based food manufacturing company leased 24,000 sq. ft. at 3333 Finley in the Finley Point building.
 - **Home & Manor Design Center** held the grand opening in November for their new store at 7325 Lemont Road in the Downers Park Plaza shopping center.
 - **IRC Retail Centers** received approval from the Village for the creation of an out lot in the Downers Market shopping center, at the northwest corner of Ogden Avenue and Williams. Starbucks has signed a lease to move into one of the two lease spaces in the new building.
 - **Kirkland's** opened a new home décor store at 1552 Butterfield Road.
 - **Lincoln** began construction for their new pre-owned certified dealership in Downers

- Grove. Westmont Lincoln LLC is relocating the dealership to the closed motorcycle dealership at 216 Ogden Avenue.
- **Max Holdings LLC** is constructing their new commercial project at 640 Ogden, the site of the now demolished Duellman's Motel. The company is building an 11,200 sq. ft. multi-tenant building featuring three lease spaces.
 - **MedExpress** broke ground on a new medical office building at 1560 75th Street in Downers Grove. The 4,737 sq. ft. building is being built on a one acre lot, and is replacing the now demolished Pizza Hut restaurant.
 - **Midwestern University** is constructing a new 62,400 sq. ft. state of the art classroom and laboratory facility on their main campus in Downers Grove.
 - **Mission BBQ** is constructing a new restaurant in the Finley Square shopping center. The Maryland-based restaurant chain will be opening one of their first Illinois restaurants in Downers Grove. Mission BBQ will replace the closed Ruby Tuesday location.
 - **NEC Display Solutions of America, Inc.** has leased 47,714 sq. ft. at 3250 Butterfield Road in Downers Grove for their new corporate headquarters. The company expects to open their new headquarters at Esplanade at Locust Point in May 2018. The project will include a 5,000 sq. ft. advanced research and development lab.
 - **Nossa Brazilian Grill** completed the build out for their new restaurant at 1340 Butterfield Road in the Butterfield Plaza shopping center.
 - **Outback Steakhouse** has begun construction of their new restaurant at 2960 Finley in the Main Street Square shopping center. Outback is remodeling the 6,882 sq. ft. building that is the former location for Cheeseburger in Paradise.
 - **PLZ Aerospace Corporation** completed the move of its corporate headquarters to Downers Grove. The company leased 24,400 sq. ft. in the Corridors I office building, at 2651 Warrenville Road. PLZ Aerospace is the largest manufacturer of specialty aerosol products in North America.
 - **Packey Webb Ford** opened their new dealership at 1815 Ogden at Lacey Road in November. The 53,759 sq. ft. facility was built on the 9.75-acre site that had been vacant for decades.
 - **Pugi** received approval from the Village for a five year extension of their current sales tax agreement, which expires in 2023. Pugi is making improvements to the interior and exterior of their Mazda dealership on Ogden Avenue.
 - **Rexnord Corporation** broke ground in October on their new 248,000 sq. ft. manufacturing facility and Aerospace Division headquarters in the Ellsworth Business Park. Rexnord is redeveloping its existing site at 2400 Curtiss.
 - **Star Motors** has begun the process to redevelopment their auto dealership at the southwest corner of Ogden and Lee, 1723 Ogden Avenue. The project includes expanding the dealership onto the adjacent property at 1731 Ogden Avenue.
 - **Toyota Financial Services** has leased third floor space at 2650 Warrenville Road in the Corridors III tower. Toyota Financial is moving their Central U.S. Regional

- office to Downers Grove.
- **US Bank** has begun construction on their new facility at 1512 Ogden Avenue in Downers Grove. US Bank is redeveloping the former Phillips Flowers site. The new bank will replace their former location on Ogden Avenue, just west of Main Street.
 - **United Healthcare** has relocated their Chicago regional office to Downers Grove. The company leased three floors totaling 90,000 sq. ft. at 2655 Warrenville Road in the Corridors II tower.
 - **Vequity Real Estate** broke ground in October on Downers Grove Town Center, the redevelopment project at the northwest corner of Ogden Avenue and Main Street. Downers Grove Town Center will feature four national restaurant tenants: **Panda Express, Mod Pizza, CoreLife Eatery, and City Barbeque.**
 - **Yang Ming America Corporation** has leased the 8th floor of Highland Landmark II, at 3025 Highland Parkway in Downers Grove. The Taiwan-based transportation company operates 98 vessels, mostly container ships, around the globe.

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 FY17, the Village added \$13,000 to the General Fund fund balance. The General Fund was budgeted to break even in 2017. Revenues from Sales Taxes, Income Taxes and Utility taxes were below budgeted levels. This was partially offset by very strong performance in

building permit activity in 2017. Net income remained positive by controlling expenses.

Grants:

The Village has made it a priority to seek grant funding for capital projects. A few of the grants received in 2017:

- ***Hydraulic rescue tools***
Used by the Fire Department to disentangle vehicle crash victims, as well as perform functions in specialized rescue situations.
- ***Bulletproof Vests***
- ***Flooring Replacement at the Main Street Train Station***

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 Downers Grove History:

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, the Village landmarked 9 properties in 2017 bringing the total to 20.

Comprehensive Plan:

In June 2017, the Village Council updated the Comprehensive Plan which serves as the roadmap for future developments and community investment. The review process occurred over a 16-month period with valuable assistance from the Comprehensive Planning Ad Hoc Committee.

Updated Building Codes:

Building codes provide a basic level of safety for the homes and businesses people use every day. Better construction also makes buildings more resilient to catastrophes. This can result in less damage and potentially lower insurance costs. Having reliable construction quality standards makes the community more attractive to potential investors. The Village updated building codes to ensure that standards are up to date with current construction and safety practices. In addition, staff took the opportunity to create clearer, more user-friendly requirements.

Mobile Food Vendors:

In 2017, the Village engaged with mobile food vendors and other stakeholders to evaluate the Mobile Food Vendor permit process. As a result, the Village amended the ordinance to simplify the permit process and encourage more mobile food vendors to apply in Downers Grove.

Community Response Center (CRC) App:

This app was launched to communicate directly with the Village and report issues quickly using text or photos, with a mapping tool to pinpoint the exact location. The app also links to the Village website, Facebook, Twitter, and YouTube pages.

Partnering With Others:

The Village partnered with the Indian Boundary YMCA to install 3 picnic tables at the Main Street Station to be used for the Downtown Market, car show, and all other downtown activities.

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, \$10.6 million was invested in 2017:

- Streets and Sidewalks-\$5.7 million
- Stormwater Systems-\$2.3 million
- Water Systems-\$2.7 million

Recognized Leadership:***One of the Greenest Fleets in North America***

For the past five years, Downers Grove has consistently won awards for having one of the TOP 50 Greenest Government Fleets in North America. Considering there are nearly 38,000 qualifying fleets, Downers Grove has set a benchmark for municipal fleets.

Top Honors for Fire Department Educator

Marsha Giesler, recipient of the Dr. Anne W. Phillips Award for leadership in Fire Safety Education, presented by Congressional Fire Services Institute and the International Fire Training Association.

First Place Savvy Award

Downers won a first place award for marketing and communications. The award honored the

work performed by the Village to educate the public about the 2016 stormwater referendum. The Village branded a Stormwater Youtility campaign comprised of a video series, an interactive utility calculator and strong social media content.

100 Club Recognizes Class Act of Valor

The 100 Club of DuPage County presented Downers Grove Firefighter Paramedics Quinn Triplett, Scott Sohn and Andrew Hoff with the Award of Valor for an interior rescue in the face of personal injury and risk of life in extreme fire conditions.

American Heart Association “Mission:Lifeline” Gold Status

Mission: Lifeline is an American Heart Association coordinated, proactive system of care that turns first responders, hospitals and other healthcare providers into a team that uses proven guidelines and best practices to treat patients suffering from acute coronary syndrome, including heart attacks. The goal: help save lives and improve patient outcomes, from symptom onset all the way through cardiac rehabilitation.

In order to achieve Gold Status, the Downers Grove Fire Department had to provide statistics for patients served that were suffering from heart attacks and strokes. The American Heart Association states that patients having a heart attack should have a 90-minute EMS to balloon time, which is the time period from when responders arrive to when the patient receives definitive treatment at the hospital. The team must meet that benchmark a certain percentage of the tie to qualify and maintain Gold Status.

Illinois Metropolitan Enforcement Group Director’s Award

An officer in the Downers Grove Police Department received this prestigious honor for his contributions in wide-scale undercover investigations. The officer has received four certificates of recognition since their involvement with the DuPage Metropolitan Enforcement Group. The action of this officer and colleagues resulted in keeping illegal drugs off the streets and the incarceration of dangerous criminals.

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 FY18 Budget was prepared and approved in 2017. The FY18 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 FY18 Budget:

- Balanced General Fund with Recommended Fund Balance
- Revenue for newly implemented Food & Beverage Tax

- No Increase for Property Tax Levy for Operations
- Property Tax Levy Increase for Required Contributions to Public Safety Pensions
- Reduction in Staffing
- Funding to Implement the Facilities Plan Direction
- Contribution to Other Post-Employment Benefits (OPEB) Unfunded Liability
- Continued Investment in Infrastructure

Capital Planning:

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

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, 2016. 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 2017 Annual Budget. This is the eighth consecutive year that the Village has been honored with this significant achievement, which reflects the commitment to meeting the highest principles of governmental budgeting.

Village has been honored with this significant achievement, which reflects the commitment to meeting the highest principles of governmental budgeting.

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

Submitted by:



Dave Fieldman
Village Manager



Judy Buttny
Finance Director

FINANCIAL SECTION

Independent Auditor's Report

Honorable Mayor and Village Council
Village of Downers Grove, Illinois

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information for the Village of Downers Grove, Illinois, as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Honorable Mayor and Village Council
Village of Downers Grove, Illinois
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Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the Village of Downers Grove, Illinois as of December 31, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Downers Grove, Illinois' basic financial statements. The introductory section, combining and individual fund financial statements and schedules, supplemental information and the statistical section as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The 2017 combining, individual fund, capital asset financial statements and schedules, component unit – Downers Grove Library, and supplemental information are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining, individual fund, capital asset financial statements and schedules, component unit – Downers

Honorable Mayor and Village Council
Village of Downers Grove, Illinois
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Grove Library, and supplemental information are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

BKD, LLP

Oakbrook Terrace, Illinois
June 1, 2018

VILLAGE OF DOWNERS GROVE, ILLINOIS
Management's Discussion and Analysis
For the Year Ended December 31, 2017

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 \$78.1 million as of December 31, 2016 to \$80.1 million as of December 31, 2017.
- Governmental revenues increased \$.5 million. Revenue increases included property tax and permits, with decreases in telecommunications tax and income tax revenues.
- Governmental expenses increased by \$.5 million due primarily to pension expense and the sale of property in the downtown offset by decreases in snow and community development expenses.
- Revenues for business-type activities increased by \$.7 million due to an increase in revenues for stormwater and water.
- Business-type expenses were flat year on year. Increases in the Water fund in 2017 for the purchase of water were offset by decreases in Parking for deck rehabilitation done in 2016.
- No new debt was issued during the year ended December 31, 2017, however in 2017 the Village refunded \$2.3 million General Obligation Bonds issued for the Downtown TIF for a net present value savings of \$123,000.

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/deferred inflows of resources with the difference between those reported as net position. Over time, increases or decreases in net

VILLAGE OF DOWNERS GROVE, ILLINOIS
Management's Discussion and Analysis
For the Year Ended December 31, 2017

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 and outflows of spendable resources, as well as balances of spendable resources available

VILLAGE OF DOWNERS GROVE, ILLINOIS
Management's Discussion and Analysis
For the Year Ended December 31, 2017

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 - 3-71)

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 - 4-13)

In addition to the basic financial statements and notes, this report also presents required supplementary information concerning the Village's budgetary comparisons of the

VILLAGE OF DOWNERS GROVE, ILLINOIS
Management's Discussion and Analysis
For the Year Ended December 31, 2017

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 - 5-36) are presented following the supplementary information on pensions.

Supplemental information (pages 7-1 - 7-14) 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.

Statement of Net Position (in thousands)
December 31, 2017 and December 31, 2016

| | Governmental Activities | | Business-type Activities | | Total | |
|----------------------------------|-------------------------|---------------|--------------------------|---------------|---------------|---------------|
| | Dec. 31, 2017 | Dec. 31, 2016 | Dec. 31, 2017 | Dec. 31, 2016 | Dec. 31, 2017 | Dec. 31, 2016 |
| Current and other assets | \$ 64,255 | \$ 62,794 | \$ 19,980 | \$ 20,813 | \$ 84,235 | \$ 83,607 |
| Capital assets | 122,681 | 126,481 | 71,893 | 68,656 | 194,574 | 195,137 |
| Total assets | 186,936 | 189,275 | 91,873 | 89,469 | 278,809 | 278,744 |
| Deferred outflows of resources | 10,738 | 11,611 | 1,975 | 2,257 | 12,713 | 13,868 |
| Current liabilities | 14,391 | 15,819 | 5,793 | 5,253 | 20,184 | 21,072 |
| Noncurrent liabilities | 136,479 | 140,054 | 31,963 | 32,061 | 168,442 | 172,115 |
| Total liabilities | 150,870 | 155,873 | 37,756 | 37,314 | 188,626 | 193,187 |
| Deferred inflows of resources | 22,649 | 21,137 | 158 | 147 | 22,807 | 21,284 |
| Net Position | | | | | | |
| Net investment in capital assets | 80,884 | 80,397 | 41,442 | 38,646 | 122,326 | 119,043 |
| Restricted | 9,830 | 9,156 | - | - | 9,830 | 9,156 |
| Unrestricted | (66,559) | (65,677) | 14,492 | 15,619 | (52,067) | (50,058) |
| Total net position | \$ 24,155 | \$ 23,876 | \$ 55,934 | \$ 54,265 | \$ 80,089 | \$ 78,141 |

Statement of Net Position (in thousands)

The Village's combined net position increased by \$1,948 or 1.8% from 2016, to \$80,089. Governmental Activities net position increased by \$279 and business-type activities increased by \$1,669. 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

VILLAGE OF DOWNERS GROVE, ILLINOIS
Management's Discussion and Analysis
For the Year Ended December 31, 2017

still outstanding. This total for 2017 is \$122,326. The Unrestricted portion of net position includes, Police, Fire and IMRF pension liability.

Statement of Activities (in thousands)
For the Years ended December 31, 2017 and December 31, 2016

| | Governmental Activities | | Business-type Activities | | Total | |
|---|-------------------------|---------------|--------------------------|---------------|---------------|---------------|
| | Year Ended | Year Ended | Year Ended | Year Ended | Year Ended | Year Ended |
| | Dec. 31, 2017 | Dec. 31, 2016 | Dec. 31, 2017 | Dec. 31, 2016 | Dec. 31, 2017 | Dec. 31, 2016 |
| Revenues: | | | | | | |
| Program revenues: | | | | | | |
| Charges for services | \$ 8,049 | \$ 7,333 | \$ 21,585 | \$ 20,728 | \$ 29,634 | \$ 28,061 |
| Operating grants/contributions | 786 | 715 | 47 | 47 | 833 | 762 |
| Capital grants/contributions | 1,247 | 1,497 | 17 | 232 | 1,264 | 1,729 |
| General revenues: | | | | | | |
| Property taxes | 17,476 | 16,733 | - | - | 17,476 | 16,733 |
| Sales taxes | 20,566 | 20,543 | - | - | 20,566 | 20,543 |
| Other taxes | 12,534 | 12,960 | - | - | 12,534 | 12,960 |
| Other | 298 | 700 | 164 | 94 | 462 | 794 |
| Total revenues | 60,956 | 60,481 | 21,813 | 21,101 | 82,769 | 81,582 |
| Expenses: | | | | | | |
| General government | 7,984 | 6,998 | - | - | 7,984 | 6,998 |
| Public works | 13,142 | 13,406 | - | - | 13,142 | 13,406 |
| Community development | 2,835 | 3,220 | - | - | 2,835 | 3,220 |
| Public safety | 34,804 | 34,264 | - | - | 34,804 | 34,264 |
| Community services | 773 | 904 | - | - | 773 | 904 |
| Interest and fiscal charges | 1,439 | 1,599 | 1,023 | 955 | 2,462 | 2,554 |
| Waterworks | - | - | 14,397 | 13,834 | 14,397 | 13,834 |
| Parking | - | - | 1,129 | 1,638 | 1,129 | 1,638 |
| Stormwater Utility | - | - | 3,295 | 3,417 | 3,295 | 3,417 |
| Total expenses | 60,977 | 60,391 | 19,844 | 19,844 | 80,821 | 80,235 |
| Change in net position before transfers | (21) | 90 | 1,969 | 1,257 | 1,948 | 1,347 |
| Transfers | 300 | - | (300) | - | - | - |
| Change in net position | \$ 279 | \$ 90 | \$ 1,669 | \$ 1,257 | \$ 1,948 | \$ 1,347 |
| Ending Net Position: | \$ 24,155 | \$ 23,876 | \$ 55,934 | \$ 54,265 | \$ 80,089 | \$ 78,141 |

Revenues:

For the year ended December 31, 2017, Governmental Activities Revenues totaled \$60,956, increasing about 0.7% or \$475. Revenue categories that increased over 2016 levels include Property Taxes \$743, Charges for Services \$716 and Operating Grants/Contributions \$71. Revenues that decreased were Capital Grants/Contributions \$250, Other Taxes \$426 and Other Revenues \$402. Sales taxes were flat year on year.

The Village benefits from a highly diversified revenue base. Revenues from sales taxes amounted to \$20,566. The sales tax consists of a 1% state portion and 1% local home rule tax. Sales tax revenues declined in most categories, however Drinking & Eating Places, Lumber Building and Hardware, and Agriculture offset these decreases. Revenues from Property Taxes totaled \$17,476. 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 \$491 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 (\$168)

VILLAGE OF DOWNERS GROVE, ILLINOIS
Management's Discussion and Analysis
For the Year Ended December 31, 2017

and Ogden Avenue TIF (\$75). Charges for Service increased \$716 due primarily to increased fees from permits and inspections and an increase in revenues from asset forfeitures. Major items included in the category Other Taxes which decreased \$426 are state income tax, utility taxes and use tax. State Income Taxes decreased \$269 in 2017 and Telecommunications taxes decreased \$204. The decrease in Capital Grants/contributions of \$250 is due primarily to developer contributions for infrastructure in 2016. The decrease in Other Revenues (\$402) is due to the gain on sale of land (\$456) in 2016.

For the year ended December 31, 2017, Business-Type Activities revenues totaled \$21,813 increasing by \$712 from 2016. 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 4.1%. There were rate increases in all systems in 2016. Capital grants decreased by \$215. In 2016, the Village received a Community Development Block Grant for Stormwater for \$232. Other revenue is from interest income, which increased in 2017 due to higher interest rates.

Expenses:

For the year ended December 31, 2017, Governmental Activities expenses totaled \$60,977 increasing by \$586 or 0.97%. Increases include:

- General Government (\$986)
- Public Safety (\$540)

These increases were partially offset by a decrease in:

- Community Development (\$385)
- Public Works (\$264)
- Interest and Fiscal Charges (\$160)
- Community Services (\$131)

The increase in General Government is due primarily to the sale of property on Main Street. Public Safest costs increase due to pensions. Community Development costs were lower in 2017 since 2016 included costs related to the redevelopment agreement for Main and Ogden. Public Works expenses decreased in 2017 due to lower snow removal costs.

- Expenses for the Village's business-type activities for the year ended 2017 are \$19,844 which is the same amount for the year ended 2016. Increases in the Water fund in 2017 for the purchase of water were offset by decreases in Parking for deck rehabilitation done in 2016.

VILLAGE OF DOWNERS GROVE, ILLINOIS
Management's Discussion and Analysis
For the Year Ended December 31, 2017

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 \$13 to \$18,895. Increases in Property Taxes for Public Safety Pensions and permits for construction activity were partially offset by decreases in Income, Telecommunications Tax. Expenses were controlled due to continued cost reduction efforts.

The Downtown Redevelopment Tax Increment District fund (TIF) has a fund balance of \$827 compared to December 31, 2016 of \$1,207 for a decrease of \$380. 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 \$4,842 is up from 2016 fund balance of \$4,108. The Village continues its commitment to invest in infrastructure.

General Fund Budgetary Highlights (in thousands)

The General Fund was budgeted to break even in 2017, with revenues and expenses at \$46.9 million. Revenues in the general fund were \$597 under budget. The majority of the decrease is due to unfavorable budget variances in: utility tax (\$567), income taxes (\$512), state sales taxes (\$647). These unfavorable variances were partially offset by higher than expected revenues in licenses and permits (\$679), grants (\$234) and charges for services (\$181).

Expenditures in the general fund were \$589 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, 2017 of \$194,574 (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 Note 4 starting on page 3-33.

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, 2017

| | Capital Assets Net of Accumulated Depreciation (\$ are in thousands) | | | | | |
|--|--|------------------|--------------------------|-----------------|------------------|------------------|
| | Governmental Activities | | Business-type Activities | | Total | |
| | Dec. 31, 2017 | Dec. 31, 2016 | Dec. 31, 2017 | Dec. 31, 2016 | Dec. 31, 2017 | Dec. 31, 2016 |
| Capital assets, not being depreciated | | | | | | |
| Land | \$9,196 | \$10,284 | \$8,163 | \$7,829 | \$17,359 | \$18,113 |
| Construction in progress | 360 | 3,855 | 2,674 | 1,127 | 3,034 | 4,982 |
| Total Capital assets, not being depreciated | 9,556 | 14,139 | 10,837 | 8,956 | 20,393 | 23,095 |
| Capital assets, being depreciated | | | | | | |
| Infrastructure | 86,346 | 85,633 | 47,816 | 45,865 | 134,162 | 131,498 |
| Buildings | 17,801 | 18,343 | 3,368 | 3,488 | 21,169 | 21,831 |
| Improvements other than buildings | 2,706 | 2,787 | 9,569 | 10,014 | 12,275 | 12,801 |
| Intangible Assets | 119 | 193 | 15 | 23 | 134 | 216 |
| Capital equipment | 6,153 | 5,385 | 288 | 310 | 6,441 | 5,695 |
| Total Capital assets, being depreciated | 113,125 | 112,341 | 61,056 | 59,700 | 174,181 | 172,041 |
| Total | \$122,681 | \$126,480 | \$71,893 | \$68,656 | \$194,574 | \$195,136 |

Long Term Debt (in thousands)

At December 31, 2017, the Village had total bonded debt of \$69,170. Of this total, \$17,055 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 starting 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, 2017

Outstanding General Obligation Debt (in thousands)

| | Governmental Activities | | Business-type Activities | | Total | |
|--------------------------|-------------------------|---------------|--------------------------|---------------|---------------|---------------|
| | Dec. 31, 2017 | Dec. 31, 2016 | Dec. 31, 2017 | Dec. 31, 2016 | Dec. 31, 2017 | Dec. 31, 2016 |
| General Obligation Bonds | | | | | | |
| Tax Increment Bonds | \$17,055 | \$20,195 | \$0 | \$0 | \$17,055 | \$20,195 |
| Stormwater | - | - | 15,205 | 15,765 | 15,205 | 15,765 |
| Fire Station #2 | 6,170 | 6,650 | - | - | 6,170 | 6,650 |
| Fairview Resurfacing | - | - | - | - | - | - |
| Road Improvements | 18,225 | 18,830 | - | - | 18,225 | 18,830 |
| Water System Maintenance | - | - | 12,515 | 13,130 | 12,515 | 13,130 |
| Total | \$41,450 | \$45,675 | \$27,720 | \$28,895 | \$69,170 | \$74,570 |

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). Guided by the LRP, the Village has responded to flattening/declining sales taxes and income taxes by reducing expenditures and increasing revenues by implementing a Food & Beverage Tax effective January 1, 2018 to ensure that essential Village services continue to be delivered without interruption. 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, 2017

| | Governmental Activities | Business-type Activities | Total | Component Unit |
|---|----------------------------|-----------------------------|----------------------|----------------------|
| ASSETS | | | | |
| Cash and investments | \$ 37,326,865 | \$ 16,855,358 | \$54,182,223 | \$ 2,743,362 |
| Restricted cash | 234,492 | - | 234,492 | - |
| Property tax receivable | 18,304,899 | - | 18,304,899 | 5,182,314 |
| Sales tax receivable | 5,666,254 | - | 5,666,254 | - |
| Other taxes receivable | 1,470,650 | - | 1,470,650 | - |
| Accounts receivable | 401,826 | 2,665,829 | 3,067,655 | 1,072 |
| Accrued interest receivable | 128,246 | 46,528 | 174,774 | - |
| Other receivables (net of allowance) | 641,549 | 55,285 | 696,834 | 38,211 |
| Internal balances | (82,214) | 82,214 | - | - |
| Prepaid expenses | 118,908 | - | 118,908 | - |
| Inventory | 36,606 | 274,933 | 311,539 | - |
| Note receivable | 6,499 | - | 6,499 | - |
| Capital assets not being depreciated | 9,556,460 | 10,837,135 | 20,393,595 | 222,211 |
| Capital assets net accumulated depreciation | 113,124,777 | 61,056,042 | 174,180,819 | 12,007,666 |
| Total assets | <u>186,935,817</u> | <u>91,873,324</u> | <u>278,809,141</u> | <u>20,194,836</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | | | |
| Loss on refunding | 593,381 | 1,125,847 | 1,719,228 | - |
| Deferred outflows related to pensions | 10,144,774 | 849,497 | 10,994,271 | 979,698 |
| Total deferred outflows of resources | <u>10,738,155</u> | <u>1,975,344</u> | <u>12,713,499</u> | <u>979,698</u> |
| LIABILITIES | | | | |
| Accrued interest payable | 687,615 | 465,875 | 1,153,490 | - |
| Accounts payable | 3,617,655 | 2,147,637 | 5,765,292 | 143,153 |
| Accrued payroll | 1,350,727 | 89,841 | 1,440,568 | 105,552 |
| Deposits payable | - | 195,441 | 195,441 | - |
| Claims payable | 2,818,848 | - | 2,818,848 | - |
| Other payables | 55,812 | - | 55,812 | - |
| Unearned revenue | 86,316 | 1,700,378 | 1,786,694 | - |
| Debt due within 1 year | 5,774,372 | 1,193,751 | 6,968,123 | 8,033 |
| Debt due in more than 1 year | 136,479,149 | 31,963,291 | 168,442,440 | 1,742,906 |
| Total liabilities | <u>150,870,494</u> | <u>37,756,214</u> | <u>188,626,708</u> | <u>1,999,644</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | |
| Property taxes levied for future periods | 18,304,899 | - | 18,304,899 | 5,182,314 |
| Deferred inflows related to pensions | 4,344,127 | 158,240 | 4,502,367 | 182,494 |
| Total deferred inflows of resources | <u>22,649,026</u> | <u>158,240</u> | <u>22,807,266</u> | <u>5,364,808</u> |
| NET POSITION | | | | |
| Net investment in capital assets | 80,884,186 | 41,442,172 | 122,326,358 | 12,195,324 |
| Restricted for debt service | 457 | - | 457 | - |
| Restricted for economic development | 6,798,602 | - | 6,798,602 | - |
| Restricted for public safety | 2,388,179 | - | 2,388,179 | - |
| Restricted for road improvements | 641,524 | - | 641,524 | - |
| Unrestricted | (66,558,496) | 14,492,042 | (52,066,454) | 1,614,758 |
| Total net position | <u>\$ 24,154,452</u> | <u>\$ 55,934,214</u> | <u>\$ 80,088,666</u> | <u>\$ 13,810,082</u> |

See accompanying notes to financial statements

VILLAGE OF DOWNERS GROVE, ILLINOIS
Statement of Activities
For the Year Ended December 31, 2017

| Functions/Programs | Expenses | Program Revenues | | | Net (Expense) Revenue and Changes in Net Position | | | |
|-----------------------------------|----------------------|----------------------|----------------------------------|--------------------------------|---|--------------------------|----------------------|----------------------|
| | | Charges for Services | Operating Grants & Contributions | Capital Grants & Contributions | Governmental Activities | Business-type Activities | Primary Government | Component Unit |
| Primary government | | | | | | | | |
| Governmental activities | | | | | | | | |
| General government | \$ 7,984,144 | \$ 1,523,794 | \$ 135,000 | \$ - | \$ (6,325,350) | \$ - | \$ (6,325,350) | \$ - |
| Public works | 13,142,194 | 170,215 | 45,159 | 1,246,430 | (11,680,390) | - | (11,680,390) | - |
| Community development | 2,835,341 | 2,204,672 | 6,500 | - | (624,169) | - | (624,169) | - |
| Public safety | 34,803,633 | 3,098,908 | 598,903 | - | (31,105,822) | - | (31,105,822) | - |
| Community services | 772,901 | 1,051,703 | 750 | - | 279,552 | - | 279,552 | - |
| Interest and fiscal charges | 1,439,327 | - | - | - | (1,439,327) | - | (1,439,327) | - |
| Total governmental activities | <u>60,977,540</u> | <u>8,049,292</u> | <u>786,312</u> | <u>1,246,430</u> | <u>(50,895,506)</u> | <u>-</u> | <u>(50,895,506)</u> | <u>-</u> |
| Business-type activities | | | | | | | | |
| Waterworks | 14,809,534 | 15,865,916 | - | - | - | 1,056,382 | 1,056,382 | - |
| Parking | 1,129,021 | 1,628,957 | 46,875 | - | - | 546,811 | 546,811 | - |
| Stormwater Utility | 3,905,290 | 4,090,431 | - | 17,231 | - | 202,372 | 202,372 | - |
| Total business-type activities | <u>19,843,845</u> | <u>21,585,304</u> | <u>46,875</u> | <u>17,231</u> | <u>-</u> | <u>1,805,565</u> | <u>1,805,565</u> | <u>-</u> |
| Total primary government | <u>\$ 80,821,385</u> | <u>\$ 29,634,596</u> | <u>\$ 833,187</u> | <u>\$ 1,263,661</u> | <u>\$ (50,895,506)</u> | <u>1,805,565</u> | <u>(49,089,941)</u> | <u>-</u> |
| Component unit | | | | | | | | |
| Community services | 5,790,989 | 132,933 | 41,175 | - | - | - | - | (5,616,881) |
| Total Component Unit | <u>\$ 5,790,989</u> | <u>\$ 132,933</u> | <u>\$ 41,175</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>(\$5,616,881)</u> |
| General revenues | | | | | | | | |
| Property tax | | | | | 17,476,504 | - | 17,476,504 | 5,083,377 |
| Home rule sales tax | | | | | 7,912,189 | - | 7,912,189 | - |
| Utility tax | | | | | 4,997,799 | - | 4,997,799 | - |
| Hotel tax | | | | | 931,567 | - | 931,567 | - |
| Personal property replacement tax | | | | | 494,239 | - | 494,239 | 70,606 |
| Local fuel tax | | | | | 201,974 | - | 201,974 | - |
| Other taxes | | | | | 155,584 | - | 155,584 | - |
| Intergovernmental | | | | | | | | |
| Shared income tax | | | | | 4,488,393 | - | 4,488,393 | - |
| Shared sales tax | | | | | 12,653,969 | - | 12,653,969 | - |
| Shared local use sales tax | | | | | 1,264,020 | - | 1,264,020 | - |
| Investment income | | | | | 292,273 | 163,592 | 455,865 | 13,980 |
| Gain on sale of capital assets | | | | | 5,941 | - | 5,941 | - |
| Transfers | | | | | 300,000 | (300,000) | - | - |
| Total general revenues | | | | | <u>51,174,452</u> | <u>(136,408)</u> | <u>51,038,044</u> | <u>5,167,963</u> |
| Change in net position | | | | | 278,946 | 1,669,157 | 1,948,103 | (448,918) |
| Net position - beginning | | | | | <u>23,875,506</u> | <u>54,265,057</u> | <u>78,140,563</u> | <u>14,259,000</u> |
| Net position - ending | | | | | <u>\$ 24,154,452</u> | <u>\$ 55,934,214</u> | <u>\$ 80,088,666</u> | <u>\$ 13,810,082</u> |

See accompanying notes to financial statements

VILLAGE OF DOWNERS GROVE, ILLINOIS
Balance Sheet
Governmental Funds
December 31, 2017

| ASSETS | General | Downtown Redevelopment TIF | Capital Improvements | Nonmajor | Total |
|---|----------------------|-------------------------------|-------------------------|----------------------|----------------------|
| Cash and investments | \$ 14,666,967 | \$ 826,753 | \$ 4,146,050 | \$ 11,801,519 | \$31,441,289 |
| Restricted cash | 160,117 | - | - | - | 160,117 |
| Property taxes receivable | 13,153,375 | 3,450,000 | 971,524 | 730,000 | 18,304,899 |
| Sales taxes receivable | 3,982,182 | - | 1,684,072 | - | 5,666,254 |
| Other taxes receivable | 1,232,901 | - | 111,065 | 126,684 | 1,470,650 |
| Accounts receivable | 257,632 | - | 135,000 | 3,084 | 395,716 |
| Other receivable (net of allowance) | 641,549 | - | - | - | 641,549 |
| Prepaid items | 107,241 | - | - | - | 107,241 |
| Note receivable | 6,499 | - | - | - | 6,499 |
| Interest receivable | 76,715 | - | 6,948 | 42,744 | 126,407 |
| Total Assets | <u>34,285,178</u> | <u>4,276,753</u> | <u>7,054,659</u> | <u>12,704,031</u> | <u>58,320,621</u> |
| | | | | | |
| LIABILITIES | | | | | |
| Accounts payable | 884,626 | - | 1,159,789 | 1,398,651 | 3,443,066 |
| Accrued payroll | 1,310,470 | - | 11,388 | - | 1,321,858 |
| Other payables | 25,173 | - | - | 1,426 | 26,599 |
| Unearned revenue | 16,316 | - | 70,000 | - | 86,316 |
| Total Liabilities | <u>2,236,585</u> | <u>-</u> | <u>1,241,177</u> | <u>1,400,077</u> | <u>4,877,839</u> |
| | | | | | |
| DEFERRED INFLOWS OF RESOURCES | | | | | |
| Property taxes levied for future periods | 13,153,375 | 3,450,000 | 971,524 | 730,000 | 18,304,899 |
| Total Deferred Inflows of Resources | <u>13,153,375</u> | <u>3,450,000</u> | <u>971,524</u> | <u>730,000</u> | <u>18,304,899</u> |
| | | | | | |
| Total Liabilities & Deferred Inflows of Resources | <u>15,389,960</u> | <u>3,450,000</u> | <u>2,212,701</u> | <u>2,130,077</u> | <u>23,182,738</u> |
| | | | | | |
| FUND BALANCE | | | | | |
| Nonspendable | 113,740 | - | - | - | 113,740 |
| Restricted | 160,117 | 826,753 | - | 8,767,517 | 9,754,387 |
| Assigned | - | - | 4,841,958 | 1,806,437 | 6,648,395 |
| Unassigned | 18,621,361 | - | - | - | 18,621,361 |
| Total fund balances | <u>18,895,218</u> | <u>826,753</u> | <u>4,841,958</u> | <u>10,573,954</u> | <u>35,137,883</u> |
| | | | | | |
| Total Liabilities, Deferred Inflows of Resources & Fund Balance | <u>\$ 34,285,178</u> | <u>\$ 4,276,753</u> | <u>\$ 7,054,659</u> | <u>\$ 12,704,031</u> | <u>\$ 58,320,621</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, 2017

| | |
|---|--------------|
| FUND BALANCES OF GOVERNMENTAL FUNDS | \$35,137,883 |
| 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 | 122,681,237 |
| Less internal service funds | (5,920,986) |
| Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds | (41,450,000) |
| Compensated absences payable are not due and payable in the current period, and, therefore, are not reported in the governmental funds | (3,531,241) |
| Less internal service funds | 54,247 |
| The net OPEB payable is not due and payable in the current period, and, therefore, is not reported in the governmental funds | (7,161,496) |
| Less internal service funds | 206,298 |
| Unamortized premium is reported as a liability on the statement of net position | (926,983) |
| The unamortized accounting loss is reported as a deferred outflow in the statement of net position | 593,381 |
| Accrued interest on long-term liabilities is reported as a liability on the statement of net position | (687,615) |
| 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 | 2,642,093 |
| Fire | 3,135,357 |
| IMRF | 4,367,324 |
| Less internal service funds | (303,030) |
| 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 | (2,097,630) |
| Fire | (1,432,971) |
| IMRF | (813,526) |
| Less internal service funds | 56,447 |
| 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 Police Pension liability | (42,763,556) |
| Net Fire Pension liability | (39,585,949) |
| Net IMRF Pension liability | (6,834,296) |
| Less internal service funds | 474,203 |
| The net position of the internal service funds are included in the governmental activities in the statement of net position | 8,397,475 |
| Less the net position attributable to Business type activities | (82,214) |
| NET POSITION OF GOVERNMENTAL ACTIVITIES | \$24,154,452 |

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, 2017

| REVENUES | Downtown | | Capital Improvements | Nonmajor | Total |
|--|----------------------|----------------------|-------------------------|----------------------|----------------------|
| | General | Redevelopment TIF | | | |
| Property tax | \$ 12,677,308 | \$ 3,115,275 | \$ 971,524 | \$ 712,397 | \$ 17,476,504 |
| Home rule sales tax | 1,978,047 | - | 5,934,142 | - | 7,912,189 |
| Utility tax | 4,533,442 | - | 464,357 | - | 4,997,799 |
| Other taxes | 1,478,692 | - | - | 304,672 | 1,783,364 |
| Licenses & permits | 2,338,815 | - | - | - | 2,338,815 |
| Intergovernmental | 18,010,315 | - | - | 2,247,768 | 20,258,083 |
| Charges for services & fees | 4,513,528 | - | - | 629,054 | 5,142,582 |
| Fines & forfeitures | 567,895 | - | - | - | 567,895 |
| Investment income | 179,660 | 1,442 | 35,204 | 75,967 | 292,273 |
| Contributions & donations | 882 | - | 180,159 | - | 181,041 |
| Total revenues | <u>46,278,584</u> | <u>3,116,717</u> | <u>7,585,386</u> | <u>3,969,858</u> | <u>60,950,545</u> |
| EXPENDITURES | | | | | |
| Current | | | | | |
| General government | 4,838,628 | - | - | 1,071,295 | 5,909,923 |
| Public works | 5,518,039 | - | 748,939 | 1,195,000 | 7,461,978 |
| Community development | 2,338,577 | 58,219 | - | 86,758 | 2,483,554 |
| Public safety | 32,845,601 | - | - | 122,634 | 32,968,235 |
| Community services | 724,441 | - | - | - | 724,441 |
| Debt service | | | | | |
| Principal Retirement | - | - | - | 4,320,000 | 4,320,000 |
| Interest and Other | - | - | - | 1,572,555 | 1,572,555 |
| Capital outlay | | | | | |
| General government | - | - | 224,982 | 79,715 | 304,697 |
| Public works | - | - | 3,466,267 | - | 3,466,267 |
| Public safety | - | - | - | 118,475 | 118,475 |
| Total expenditures | <u>46,265,286</u> | <u>58,219</u> | <u>4,440,188</u> | <u>8,566,432</u> | <u>59,330,125</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | <u>13,298</u> | <u>3,058,498</u> | <u>3,145,198</u> | <u>(4,596,574)</u> | <u>1,620,420</u> |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Transfers in | - | - | - | 6,155,925 | 6,155,925 |
| Transfers out | - | (3,444,391) | (2,411,534) | - | (5,855,925) |
| Refunding Bonds issued | - | - | - | 2,255,000 | 2,255,000 |
| Payment to Escrow Agent | - | - | - | (2,214,000) | (2,214,000) |
| Proceeds from sale of capital assets | - | 5,941 | - | - | 5,941 |
| Total other financing sources and uses | <u>-</u> | <u>(3,438,450)</u> | <u>(2,411,534)</u> | <u>6,196,925</u> | <u>346,941</u> |
| NET CHANGE IN FUND BALANCE | 13,298 | (379,952) | 733,664 | 1,600,351 | 1,967,361 |
| Fund balances -- beginning | 18,881,920 | 1,206,705 | 4,108,294 | 8,973,603 | 33,170,522 |
| Fund balances -- ending | <u>\$ 18,895,218</u> | <u>\$ 826,753</u> | <u>\$ 4,841,958</u> | <u>\$ 10,573,954</u> | <u>\$ 35,137,883</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, 2017

| | |
|---|---------------------------|
| NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS | \$ 1,967,361 |
| 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 | |
| Capital outlays capitalized | 1,697,594 |
| Loss on disposal of assets | (1,204,927) |
| Less internal service funds | (1,049,033) |
| Some expenses in the statement of activities (e.g., depreciation) do not require the use of current financial resources and, therefore, are not reported as expenditure in the governmental funds. | |
| Less internal service funds | (4,197,083) 1,141,522 |
| The issuance of long-term debt and related costs are shown as other financing sources(uses) and current expenditures, but are recorded as long term liabilities and deferred outflows of resources on the government wide statements | |
| Issuance of refunding bonds | (2,255,000) |
| Payment to escrow agent | 2,214,000 |
| The repayment of the principal portion of long-term debt is reported as an expenditure when paid, but is a reductions of principal outstanding in the statement of net position | |
| | 4,320,000 |
| The change in accrued interest payable on long-term debt is reported as an expense on the statement of activities | |
| | 112,171 |
| The change in the compensated absences liability is reported as an expense on the statement of activities | |
| Less internal service funds | 201,493 (41,383) |
| In the Statement of Activities, operating expenses are measured by the amounts incurred during the year. However, some of these items are included in the governmental funds only to the extent they require the expenditure of current financial resources. Additionally, the effect of changes in deferred inflows and deferred outflows for pensions are only recorded in the statement of activities, | |
| Police pension plan | (934,018) |
| Fire pension plan | (1,030,822) |
| IMRF | (621,706) |
| Accounting losses on refundings are deferred and amortized as an expense in the statement of activities | |
| | (140,261) |
| The amortization of the premium on long-term debt is reported as a reduction of expense on the statement of activities | |
| | 161,318 |
| The increase in OPEB payable is reported as a increase in expense on the statement of activities | |
| Less internal service funds | (57,671) 10,267 |
| The change in net position of certain activities of internal service funds is reported in governmental funds | |
| Less the change in net position attributable to Business type activities | (32,910) <u>18,034</u> |
| CHANGES IN NET POSITION OF GOVERNMENTAL ACTIVITIES | <u>\$ 278,946</u> |

See accompanying notes to financial statements

VILLAGE OF DOWNERS GROVE, ILLINOIS
Statement of Net Position
Proprietary Funds
December 31, 2017

| | Business-type Activities - Enterprise Funds | | | | Internal Service |
|---------------------------------------|---|---------------------|----------------------|----------------------|---------------------|
| | Waterworks | Parking | Stormwater | Total | |
| ASSETS | | | | | |
| Current assets | | | | | |
| Cash and investments | \$ 10,450,046 | \$ 1,788,424 | \$ 4,616,888 | \$ 16,855,358 | \$ 5,885,576 |
| Restricted cash | - | - | - | - | 74,375 |
| Accounts receivable | 2,134,243 | 108,480 | 423,106 | 2,665,829 | 6,110 |
| Other receivable (net of allowance) | - | 38,054 | 17,231 | 55,285 | - |
| Interest receivable | 31,836 | 3,747 | 10,945 | 46,528 | 1,839 |
| Prepaid expenses | - | - | - | - | 11,667 |
| Inventory | <u>274,933</u> | <u>-</u> | <u>-</u> | <u>274,933</u> | <u>36,606</u> |
| Total current assets | <u>12,891,058</u> | <u>1,938,705</u> | <u>5,068,170</u> | <u>19,897,933</u> | <u>6,016,173</u> |
| Noncurrent assets | | | | | |
| Capital assets not being depreciated | 2,230,699 | 323,813 | 8,282,623 | 10,837,135 | - |
| Capital assets being depreciated | 71,557,616 | 4,999,168 | 17,343,881 | 93,900,665 | 14,140,229 |
| Accumulated depreciation | <u>(28,195,705)</u> | <u>(2,967,709)</u> | <u>(1,681,209)</u> | <u>(32,844,623)</u> | <u>(8,219,243)</u> |
| Total noncurrent assets | <u>45,592,610</u> | <u>2,355,272</u> | <u>23,945,295</u> | <u>71,893,177</u> | <u>5,920,986</u> |
| Total assets | <u>58,483,668</u> | <u>4,293,977</u> | <u>29,013,465</u> | <u>91,791,110</u> | <u>11,937,159</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | | | | |
| Loss on refunding | - | - | 1,125,847 | 1,125,847 | - |
| Deferred outflows related to pensions | <u>480,865</u> | <u>54,247</u> | <u>314,385</u> | <u>849,497</u> | <u>303,030</u> |
| Total deferred outflows of resources | <u>480,865</u> | <u>54,247</u> | <u>1,440,232</u> | <u>1,975,344</u> | <u>303,030</u> |
| LIABILITIES | | | | | |
| Current liabilities | | | | | |
| Accrued interest payable | 195,525 | - | 270,350 | 465,875 | - |
| Accounts payable | 1,481,840 | 220,088 | 445,709 | 2,147,637 | 174,589 |
| Accrued payroll | 54,044 | 5,366 | 30,431 | 89,841 | 28,869 |
| Deposits payable | 195,441 | - | - | 195,441 | - |
| Claims payable | - | - | - | - | 1,403,452 |
| Other payables | - | - | - | - | 29,213 |
| Unearned revenue | 72,437 | 1,253,906 | 374,035 | 1,700,378 | - |
| Compensated absences | 26,619 | 780 | 7,286 | 34,685 | 16,274 |
| Debt due within 1 year | <u>694,066</u> | <u>-</u> | <u>465,000</u> | <u>1,159,066</u> | <u>-</u> |
| Total current liabilities | <u>2,719,972</u> | <u>1,480,140</u> | <u>1,592,811</u> | <u>5,792,923</u> | <u>1,652,397</u> |
| Noncurrent liabilities | | | | | |
| Claims payable | - | - | - | - | 1,415,396 |
| Debt due in more than 1 year | 14,400,526 | - | 15,650,621 | 30,051,147 | - |
| Compensated absences | 62,110 | 1,820 | 17,000 | 80,930 | 37,973 |
| Other post-employment benefits | 296,667 | 35,169 | 170,026 | 501,862 | 206,298 |
| Net pension liability | <u>752,492</u> | <u>84,890</u> | <u>491,970</u> | <u>1,329,352</u> | <u>474,203</u> |
| Total noncurrent liabilities | <u>15,511,795</u> | <u>121,879</u> | <u>16,329,617</u> | <u>31,963,291</u> | <u>2,133,870</u> |
| Total liabilities | <u>18,231,767</u> | <u>1,602,019</u> | <u>17,922,428</u> | <u>37,756,214</u> | <u>3,786,267</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | | |
| Deferred inflows related to pensions | <u>89,574</u> | <u>10,105</u> | <u>58,561</u> | <u>158,240</u> | <u>56,447</u> |
| Total deferred inflows of resources | <u>89,574</u> | <u>10,105</u> | <u>58,561</u> | <u>158,240</u> | <u>56,447</u> |
| NET POSITION | | | | | |
| Net investment in capital assets | 30,399,868 | 2,355,272 | 8,687,032 | 41,442,172 | 5,920,986 |
| Restricted for economic development | - | - | - | - | 74,375 |
| Unrestricted | <u>10,243,324</u> | <u>380,828</u> | <u>3,785,676</u> | <u>14,409,828</u> | <u>2,402,114</u> |
| Total net position | <u>\$ 40,643,192</u> | <u>\$ 2,736,100</u> | <u>\$ 12,472,708</u> | <u>\$ 55,852,000</u> | <u>\$ 8,397,475</u> |

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

| | |
|---|----------------------|
| Portion of internal service fund net position reported in the business-type activities as an internal balance | <u>82,214</u> |
| | <u>\$ 55,934,214</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, 2017

| | Business-type Activities - Enterprise Funds | | | | Internal Service |
|--|---|---------------------|----------------------|-------------------|---------------------|
| | Waterworks | Parking | Stormwater | Total | |
| OPERATING REVENUES | | | | | |
| Sales | \$ - | \$ - | \$ - | \$ - | \$ 113,413 |
| Charges for services, fees, fines | 15,865,916 | 1,628,957 | 4,090,431 | 21,585,304 | - |
| Interfund services | - | - | - | - | 10,825,580 |
| Insurance premiums | - | - | - | - | 1,831,892 |
| Other | - | - | - | - | 11,679 |
| Total operating revenues | <u>15,865,916</u> | <u>1,628,957</u> | <u>4,090,431</u> | <u>21,585,304</u> | <u>12,782,564</u> |
| OPERATING EXPENSES | | | | | |
| Personnel services | 1,709,371 | 193,360 | 966,000 | 2,868,731 | 1,020,997 |
| Supplies | 9,030,050 | 126,414 | 62,392 | 9,218,856 | 680,927 |
| Contractual services | 626,335 | 185,544 | 701,240 | 1,513,119 | 2,206,004 |
| Other charges and services | 1,649,989 | 564,864 | 1,277,236 | 3,492,089 | 7,804,139 |
| Depreciation | 1,381,564 | 64,295 | 332,272 | 1,778,131 | 1,141,522 |
| Total operating expenses | <u>14,397,309</u> | <u>1,134,477</u> | <u>3,339,140</u> | <u>18,870,926</u> | <u>12,853,589</u> |
| Operating income | <u>1,468,607</u> | <u>494,480</u> | <u>751,291</u> | <u>2,714,378</u> | <u>(71,025)</u> |
| NONOPERATING REVENUES(EXPENSES) | | | | | |
| Intergovernmental | - | 46,875 | - | 46,875 | - |
| Investment income | 92,826 | 8,884 | 61,882 | 163,592 | 37,358 |
| Gain/loss from disposals | 5,456 | - | - | 5,456 | 757 |
| Bond interest expense | (413,298) | - | (609,471) | (1,022,769) | - |
| Amortization of bond premium | 19,107 | - | 43,321 | 62,428 | - |
| Total nonoperating revenues (expenses) | <u>(295,909)</u> | <u>55,759</u> | <u>(504,268)</u> | <u>(744,418)</u> | <u>38,115</u> |
| Income (loss) before transfers, capital contributions and donations | <u>1,172,698</u> | <u>550,239</u> | <u>247,023</u> | <u>1,969,960</u> | <u>(32,910)</u> |
| TRANSFERS | | | | | |
| Transfers out | - | (300,000) | - | (300,000) | - |
| CAPITAL GRANTS AND CONTRIBUTIONS | | | | | |
| | - | - | 17,231 | 17,231 | - |
| CHANGE IN NET POSITION | 1,172,698 | 250,239 | 264,254 | 1,687,191 | (32,910) |
| NET POSITION, BEGINNING OF YEAR | 39,470,494 | 2,485,861 | 12,208,454 | | 8,430,385 |
| NET POSITION, END OF YEAR | <u>\$ 40,643,192</u> | <u>\$ 2,736,100</u> | <u>\$ 12,472,708</u> | | <u>\$ 8,397,475</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

(18,034)

1,669,157

See accompanying notes to financial statements

VILLAGE OF DOWNERS GROVE, ILLINOIS
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2017

| | Business Type Activities - Enterprise Funds | | | | Internal Service |
|--|---|---------------------|---------------------|--------------------|---------------------|
| | Waterworks | Parking | Stormwater | Total | |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | | |
| Receipts from interfund services | \$ - | \$ - | \$ - | \$ - | \$10,825,580 |
| Receipts from customers | 15,895,565 | 2,057,388 | 4,329,243 | 22,282,196 | 1,969,033 |
| Other payments | (528,223) | (210,479) | (701,240) | (1,439,942) | (7,587,339) |
| Payments to employees | (1,589,092) | (181,011) | (909,629) | (2,679,732) | (996,463) |
| Payments for interfund services | (1,649,989) | (564,864) | (1,277,236) | (3,492,089) | - |
| Payments to suppliers | (8,806,744) | (103,286) | 145,598 | (8,764,432) | (3,294,962) |
| Net cash provided by operating activities | <u>3,321,517</u> | <u>997,748</u> | <u>1,586,736</u> | <u>5,906,001</u> | <u>915,849</u> |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | | | | |
| Transfers out | - | (300,000) | - | (300,000) | - |
| Net cash used by noncapital activities | <u>-</u> | <u>(300,000)</u> | <u>-</u> | <u>(300,000)</u> | <u>-</u> |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | | | | |
| Capital assets purchased | (2,490,102) | (500) | (2,527,744) | (5,018,346) | (1,049,033) |
| Proceeds from sale of capital assets | 9,356 | - | - | 9,356 | 95,643 |
| Interest paid | (421,523) | - | (550,301) | (971,824) | - |
| Principal paid on general obligation bonds | (615,000) | - | (560,000) | (1,175,000) | - |
| IEPA loan proceeds | 1,157,605 | - | - | 1,157,605 | - |
| IEPA loan payments | (51,997) | - | - | (51,997) | - |
| Net cash used by capital activities | <u>(2,411,661)</u> | <u>(500)</u> | <u>(3,638,045)</u> | <u>(6,050,206)</u> | <u>(953,390)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | |
| Interest received | 88,306 | 7,781 | 63,061 | 159,148 | 36,525 |
| Net cash provided by investing activities | <u>88,306</u> | <u>7,781</u> | <u>63,061</u> | <u>159,148</u> | <u>36,525</u> |
| Net Increase (decrease) in cash and cash equivalents | 998,162 | 705,029 | (1,988,248) | (285,057) | (1,016) |
| Cash and investments - beginning 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> |
| Cash and investments - end of year | <u>\$ 10,450,046</u> | <u>\$ 1,788,424</u> | <u>\$ 4,616,888</u> | <u>16,855,358</u> | <u>\$ 5,959,951</u> |
| Reconciliation of operating income (loss) to net cash by operating activities | | | | | |
| Operating income (loss) | \$1,468,607 | \$ 494,480 | \$ 751,291 | \$2,714,378 | \$ (71,025) |
| Adjustments to reconcile operating income to net cash provided (used) by operating activities: | | | | | |
| Depreciation | 1,381,564 | 64,295 | 332,272 | 1,778,131 | 1,141,522 |
| Change in assets, deferred outflows, liabilities and deferred inflows | | | | | |
| Accounts payable | 334,782 | (1,807) | 207,990 | 540,965 | (971,480) |
| Compensated absences | 7,539 | 1,817 | (501) | 8,855 | (41,383) |
| Accounts receivable | 35,197 | (1,051) | (32,220) | 1,926 | 12,049 |
| Other accounts receivable | - | 429,482 | 232,384 | 661,866 | - |
| Deferred outflows related to pensions | 123,097 | 13,940 | 75,740 | 212,777 | 92,731 |
| Prepaid expenses | - | - | - | - | 557,970 |
| Inventory | (111,476) | - | - | (111,476) | 5,479 |
| Other post-employment benefits | 11,059 | 114 | (8,069) | 3,104 | 10,267 |
| Deposits payable | 98,112 | - | - | 98,112 | - |
| Other payables | - | - | - | - | 706 |
| Unearned revenue | (5,548) | - | 38,648 | 33,100 | - |
| Deferred inflows related to pensions | 5,827 | 650 | 4,466 | 10,943 | 1,570 |
| Accrued payroll payable | 11,947 | 319 | 4,144 | 16,410 | 5,914 |
| Claims payable | - | - | - | - | 216,094 |
| Net pension liability | (39,190) | (4,491) | (19,409) | (63,090) | (44,565) |
| Net cash provided by operating activities | <u>\$3,321,517</u> | <u>\$ 997,748</u> | <u>\$ 1,586,736</u> | <u>5,906,001</u> | <u>\$ 915,849</u> |
| NON CASH TRANSACTIONS | | | | | |
| Loss on disposition of capital assets | (3,900) | - | - | (3,900) | (94,886) |
| Amortization of a loan (unearned Metra revenue) | - | 46,875 | - | 46,875 | - |
| Loss on refunding | - | - | (68,770) | (68,770) | - |
| Amortization of bond premium | 19,107 | - | 43,321 | 62,428 | - |
| Capitalized interest on IEPA loan | (939) | - | - | (939) | - |
| TOTAL NON CASH TRANSACTIONS | <u>\$ 14,268</u> | <u>\$ 46,875</u> | <u>\$ (25,449)</u> | <u>\$ 35,694</u> | <u>\$ (94,886)</u> |

See accompanying notes to financial statements

VILLAGE OF DOWNERS GROVE, ILLINOIS
Statement of Fiduciary Net Position
December 31, 2017

| | <u>Pension Trust</u> | <u>Agency</u> |
|---|----------------------------------|-------------------------|
| ASSETS | | |
| Cash and cash equivalents | \$ 3,202,594 | \$ 1,730,987 |
| Investments | | |
| U.S. and U.S. agency obligations | 16,210,262 | - |
| Corporate bonds | 17,800,087 | - |
| Foreign bonds | 1,560,531 | - |
| Negotiable CDs | 1,817,701 | - |
| Mutual funds - equity | 52,997,775 | - |
| Common and preferred stocks | 5,288,778 | - |
| Real Estate | 11,492,454 | - |
| Total investments | <u>107,167,588</u> | <u>-</u> |
| Prepays | 14,933 | - |
| Interest receivable | <u>280,743</u> | <u>-</u> |
| Total assets | <u>110,665,858</u> | <u>1,730,987</u> |
| Accounts payable | 34,128 | 340 |
| Deposits payable | <u>-</u> | <u>1,730,647</u> |
| Total liabilities | <u>34,128</u> | <u>\$ 1,730,987</u> |
| NET POSITION RESTRICTED FOR PENSION BENEFITS | <u><u>\$ 110,631,730</u></u> | |

See accompanying notes to financial statements

VILLAGE OF DOWNERS GROVE, ILLINOIS
Statement of Changes in Fiduciary Net Position
For the Year Ended December 31, 2017

| | <u>Pension Trust</u> |
|--------------------------------------|------------------------------|
| ADDITIONS | |
| Contributions | |
| Contributions - employer | \$ 6,025,296 |
| Contributions - employees | 1,374,752 |
| Total contributions | <u>7,400,048</u> |
| Investment earnings | |
| Interest earned on investments | 2,407,532 |
| Net appreciation in fair value | 10,297,148 |
| Total investment earnings | <u>12,704,680</u> |
| Less investment expense | <u>(202,649)</u> |
| Net investment earnings | <u>12,502,031</u> |
| Total additions | <u>19,902,079</u> |
| DEDUCTIONS | |
| Contractual services | 108,934 |
| Benefits and refunds | <u>7,978,698</u> |
| Total deductions | <u>8,087,632</u> |
| Change in Net Position | 11,814,447 |
| Net Position-- beginning of the year | 98,817,283 |
| Net Position -- end of the year | <u><u>\$ 110,631,730</u></u> |

See accompanying notes to financial statements

NOTES TO FINANCIAL STATEMENTS

VILLAGE OF DOWNERS GROVE, ILLINOIS
Notes to Financial Statements
December 31, 2017

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VILLAGE OF DOWNERS GROVE, ILLINOIS
Notes to Financial Statements
December 31, 2017

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 2 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, 2017

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, 2017

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, 2017

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, 2017

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.

VILLAGE OF DOWNERS GROVE, ILLINOIS
Notes to Financial Statements
December 31, 2017

F. Receivables

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

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

G. 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
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| 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
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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
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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
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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 as of December 31, 2017:

| Investment Type | Investment Maturities (in Years) | | | |
|-------------------------------|----------------------------------|--------------------|---------------------|-------------|
| | Fair Value | Less than 1 | 1-5 | 6-10 |
| Municipal Bonds | \$6,950,335 | \$2,486,469 | \$4,463,866 | \$ - |
| Federal Home Loan Bank Note | \$5,465,775 | 498,205 | 4,967,570 | - |
| Federal Farm Credit Bank Note | \$2,424,341 | 448,371 | 1,975,970 | - |
| Negotiable CDs | \$18,254,425 | 6,435,597 | 11,818,828 | - |
| Total | \$33,094,876 | \$9,868,642 | \$23,226,234 | \$ - |

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
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| Investment Type | Fair Value | Investment ratings | | | |
|-------------------------------|---------------------|--------------------|---------------------|------------------|---------------------|
| | | AAA | AA | A | Not Rated |
| Municipal Bonds | \$6,950,335 | \$1,486,076 | \$5,181,436 | \$282,823 | \$ - |
| Federal Home Loan Bank Note | 5,465,775 | - | 5,465,775 | - | - |
| Federal Farm Credit Bank Note | 2,424,341 | - | 2,424,341 | - | - |
| Negotiable CDs | 18,254,425 | - | - | - | 18,254,425 |
| Illinois Funds | 2,277,094 | 2,277,094 | - | - | - |
| Total | \$35,371,970 | \$3,763,170 | \$13,071,552 | \$282,823 | \$18,254,425 |

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 \$5,465,775 invested in Federal Home Loan Bank Notes and \$2,424,341 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, 2017:

VILLAGE OF DOWNERS GROVE, ILLINOIS
Notes to Financial Statements
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| 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 | \$ - | \$ 6,950,335 | \$ - |
| U.S. Agencies | - | 7,890,116 | - |
| Negotiable CDs | - | 18,254,425 | - |
| Total investments | \$ - | \$ 33,094,876 | \$ - |

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% | 4.40% | 2.10% |
| Domestic Equities | 35.00% | 7.90% | 5.60% |
| International Equities | 10.00% | 8.10% | 5.80% |
| Commodities | 2.5% | 4.30% | 2.00% |
| Real Estate | 10.00% | 7.50% | 5.20% |
| Cash and Cash Equivalents | 0.00% | 2.70% | 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 2017 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, 2017 are listed in the table above.

For the year ended December 31, 2017, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 12.30 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.

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Deposits with Financial Institutions

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

Investments

The following table presents the investments and maturities of the Police Pension Fund as of December 31, 2017:

| Investment Type | Fair Value | Investment Maturities (in Years) | | | |
|-------------------------|---------------------|----------------------------------|--------------------|--------------------|-----------------|
| | | Less than 1 | 1-5 | 6-10 | Greater than 10 |
| Corporate Bonds | \$ 10,132,834 | \$ 957,089 | \$3,286,087 | \$5,889,658 | \$ - |
| Foreign Bonds | 913,145 | - | 913,145 | - | - |
| U.S. Obligations | 8,583,985 | 3,111,845 | 1,807,871 | 3,664,269 | - |
| U.S. Agency Obligations | 18,691 | - | 1,345 | 17,346 | - |
| TOTAL | \$19,648,655 | \$4,068,934 | \$6,008,448 | \$9,571,273 | \$ - |

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 | \$10,132,834 | \$ - | \$720,352 | \$6,021,229 | \$3,391,253 | \$ - |
| Foreign Bonds | 913,145 | - | - | 709,985 | 203,160 | - |
| U.S. Obligations | 8,583,985 | 8,583,985 | - | - | - | - |
| U.S. Agency Obligations | 18,691 | 18,691 | - | - | - | - |
| Principal U.S. Property Separate Acct | 6,371,560 | - | - | - | - | 6,371,560 |
| TOTAL | \$26,020,215 | \$8,602,676 | \$720,352 | \$6,731,214 | \$3,594,413 | \$6,371,560 |

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

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value of its investments that are in possession of an outside party. To limit its exposure, the Police Pension Fund's investment policy requires all security transactions that are exposed to custodial credit risk to be processed on a delivery versus payment basis with the underlying investments held by a third-party custodian and evidenced by safekeeping receipts. Illinois Funds are not subject to custodial credit risk. The Village'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 \$6,371,560 in a real estate investment purchased through Principal Financial Group, representing 11.5% of the plan's net position.

The valuation method for investments measured at the net asset value (NAV) per share (or its equivalent) is presented in the following table.

| | Fair Value | Unfunded Commitments | Redemption Frequency (if Currently Eligible) | Redemption Notice Period |
|---------------------------|--------------|-------------------------|---|-----------------------------|
| Annuity-Real Estate Funds | \$ 6,371,560 | - | N/A | N/A |

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, 2017:

| 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 | \$ - | \$ 8,583,985 | \$ - |
| U.S. Agencies | - | 18,691 | - |
| Corporate Bonds | - | 10,132,834 | - |
| Foreign Bonds | - | 913,145 | - |
| Total debt securities | \$ - | \$ 19,648,655 | \$ - |

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| | | | | |
|-------------------------|--------------|----|---|------|
| Equity securities: | | | | |
| Common stocks | \$5,288,778 | \$ | - | \$ - |
| Mutual Funds-Equity | 22,363,404 | | - | - |
| Total equity securities | \$27,652,182 | \$ | - | \$ - |

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.

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:

VILLAGE OF DOWNERS GROVE, ILLINOIS
Notes to Financial Statements
December 31, 2017

| Asset Class | Target | Expected Rate of Return Assumption | Real Rate of Return Assumption |
|---------------------------|--------|---------------------------------------|-----------------------------------|
| Fixed Income | 35.00% | 4.40% | 2.10% |
| Domestic Equities | 39.00% | 7.90% | 5.60% |
| International Equities | 15.00% | 8.10% | 5.80% |
| Real Estate | 10.00% | 7.50% | 5.20% |
| Cash and Cash Equivalents | 1.00% | 2.70% | 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 2017 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, 2017 are listed in the table above.

For the year ended December 31, 2017, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 13.37 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.

VILLAGE OF DOWNERS GROVE, ILLINOIS
Notes to Financial Statements
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Investments

The following table presents the investments and maturities of the Firefighters' Pension Fund as of December 31, 2017:

| Investment Type | Fair Value | Investment Maturities (in Years) | | | |
|-------------------------|---------------------|----------------------------------|---------------------|--------------------|------------------|
| | | Less than 1 | 1-5 | 6-10 | Greater than 10 |
| Corporate Bonds | \$ 7,667,253 | \$ 697,149 | \$4,074,490 | \$2,793,586 | \$ 102,028 |
| Foreign Bonds | 647,386 | 51,970 | 354,653 | 240,763 | - |
| U.S. Obligations | 5,310,593 | - | 3,726,013 | 1,584,580 | - |
| U.S. Agency Obligations | 2,296,993 | - | 2,037,501 | 259,492 | - |
| Negotiable CDs | 1,817,701 | 239,610 | 1,578,091 | - | - |
| TOTAL | \$17,739,926 | \$988,729 | \$11,770,748 | \$4,878,421 | \$102,028 |

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

| Investment Type | Fair Value | Investment ratings | | | | |
|-------------------------------------|---------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| | | AAA | AA | A | BBB | Not Rated |
| Corporate Bonds | \$7,667,253 | \$329,394 | \$1,097,639 | \$4,720,799 | \$1,519,421 | \$ - |
| Foreign Bonds | 647,386 | - | 182,426 | 429,814 | 35,146 | - |
| U.S. Obligations | 5,310,593 | 5,310,593 | - | - | - | - |
| U.S. Agency Obligations | 2,296,993 | 2,296,993 | - | - | - | - |
| Principal US Property Separate Acct | 5,120,894 | - | - | - | - | 5,120,894 |
| Negotiable CDs | 1,817,701 | - | - | - | - | 1,817,701 |
| TOTAL | \$22,860,820 | \$7,936,980 | \$1,280,065 | \$5,150,613 | \$1,554,567 | \$6,938,595 |

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.

VILLAGE OF DOWNERS GROVE, ILLINOIS
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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 \$5,120,894 in a real estate investment purchased through Principal Financial Group, representing 9.3% of the plan's net position.

The valuation method for investments measured at the net asset value (NAV) per share (or its equivalent) is presented in the following table.

| | Fair Value | Unfunded Commitments | Redemption Frequency (if Currently Eligible) | Redemption Notice Period |
|---------------------------|--------------|-------------------------|--|-----------------------------|
| Annuity-Real Estate Funds | \$ 5,120,894 | - | N/A | N/A |

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, 2017:

| 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 | \$ - | \$ 5,310,593 | \$ - |
| U.S. Agencies | - | 2,296,993 | - |
| Corporate Bonds | - | 7,667,253 | - |
| Foreign Bonds | - | 647,386 | - |
| Negotiable CD's | - | 1,817,701 | - |
| Total | \$ - | \$ 17,739,926 | \$ - |
| Equity securities: | | | |
| Mutual Funds-Equity | \$30,634,371 | \$ - | \$ - |
| Total equity securities | \$30,634,371 | \$ - | \$ - |

VILLAGE OF DOWNERS GROVE, ILLINOIS
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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 2017 attach as an enforceable lien on January 1 of the year of the levy on property values assessed as of the same date. Taxes are levied by December of the subsequent fiscal year (by passage of a Tax Levy Ordinance). Tax bills are payable in two installments, on or about June 1 and September 1. Tax Increment Financing (TIF) property taxes receipts are received in two installments similar to levied taxes described above. TIF property taxes are not levied, but are paid by the County from incremental property tax receipts of all taxing bodies within a TIF District. The County collects such taxes and remits them periodically. Management has determined that an allowance for uncollectible accounts is not necessary. As the 2017 tax levy is intended to fund expenditures for the 2018 fiscal year, these taxes are deferred as of December 31, 2017.

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 | \$ 666,345 | \$ - |
| Electricity tax | 155,057 | - |
| Natural gas tax | 57,926 | - |
| Local use tax | 386,740 | - |

VILLAGE OF DOWNERS GROVE, ILLINOIS
Notes to Financial Statements
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| | | | |
|---------------------------------------|-----------|------------------|------------------|
| Auto rental tax | | 12,783 | - |
| Hotel tax | | 65,115 | - |
| State motor fuel tax | | 107,979 | - |
| Local motor fuel tax | | 18,705 | - |
| TOTAL OTHER TAXES RECEIVABLE | \$ | 1,470,650 | \$ - |
| OTHER RECEIVABLES | | | |
| Ambulance fees (net of allowance) | \$ | 263,271 | \$ - |
| Franchise fees | | 238,939 | - |
| High School counselor fee | | 35,541 | - |
| Grants | | 24,213 | 17,231 |
| Parking tickets (net of allowance) | | - | 23,364 |
| Passport & Parquex mobil parking fees | | - | 14,690 |
| Other | | 79,549 | - |
| TOTAL OTHER RECEIVABLES | \$ | 641,549 | \$ 55,285 |

4. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2017 was as follows:

A. Governmental Activities

| | Balances January 1 | Increases | Decreases | Balances December 31 |
|--|-----------------------|------------------|------------------|-------------------------|
| Capital assets not being depreciated | | | | |
| Land | 10,283,845 | | 1,087,518 | 9,196,327 |
| Construction in progress | 3,855,373 | 804,288 | 4,299,528 | 360,133 |
| Total capital assets not being depreciated | 14,139,218 | 804,288 | 5,387,046 | 9,556,460 |
| Capital assets being depreciated | | | | |
| Infrastructure | 117,338,659 | 3,072,853 | - | 120,411,512 |
| Buildings | 27,046,011 | - | 65,600 | 26,980,411 |
| | 4,118,840 | 14,404 | | 4,133,244 |
| Improvements other than buildings | | | - | |
| Intangible Assets/Computers | 1,261,055 | - | 111,098 | 1,149,957 |
| Capital equipment | 17,281,489 | 2,010,690 | 687,630 | 18,604,549 |
| Total capital assets being depreciated | 167,046,054 | 5,097,947 | 864,328 | 171,279,673 |
| Less accumulated depreciation for | | | | |
| Infrastructure | 31,706,114 | 2,358,934 | | 34,065,048 |
| Buildings | 8,703,223 | 519,002 | 43,076 | 9,179,149 |
| Improvements other than buildings | 1,331,331 | 95,586 | - | 1,426,917 |
| Intangible Assets | 1,068,218 | 74,018 | 111,098 | 1,031,138 |
| Capital equipment | 11,895,846 | 1,149,543 | 592,745 | 12,452,644 |
| Total accumulated depreciation | 54,704,732 | 4,197,083 | 746,919 | 58,154,896 |
| Total capital assets being depreciated, net | 112,341,322 | 900,864 | 117,409 | 113,124,777 |
| GOVERNMENTAL ACTIVITIES | | | | |
| CAPITAL ASSETS, NET | 126,480,540 | 1,705,152 | 5,504,455 | 122,681,237 |

VILLAGE OF DOWNERS GROVE, ILLINOIS
Notes to Financial Statements
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B. Business-Type Activities

| | Balances January 1 | Increases | Decreases | Balances December 31 |
|---|-----------------------|------------------|------------------|-------------------------|
| Capital assets not being depreciated | | | | |
| Land | 7,829,300 | 333,470 | - | 8,162,770 |
| Construction in progress | 1,126,753 | 5,252,778 | 3,705,166 | 2,674,365 |
| Total capital assets not being depreciated | <u>8,956,053</u> | <u>5,586,248</u> | <u>3,705,166</u> | <u>10,837,135</u> |
| Capital assets being depreciated | | | | |
| Infrastructure | 61,067,650 | 3,171,069 | 59,989 | 64,178,730 |
| Buildings | 6,101,133 | - | - | 6,101,133 |
| Improvements other than buildings | 20,927,846 | - | - | 20,927,846 |
| Intangible assets | 104,081 | - | - | 104,081 |
| Capital equipment | 4,603,048 | 27,123 | 2,041,296 | 2,588,875 |
| Total capital assets being depreciated | <u>92,803,758</u> | <u>3,198,192</u> | <u>2,101,285</u> | <u>93,900,665</u> |
| Less accumulated depreciation for | | | | |
| Infrastructure | 15,203,136 | 1,159,305 | - | 16,362,441 |
| Buildings | 2,612,722 | 120,505 | - | 2,733,227 |
| Improvements other than buildings | 10,914,192 | 445,268 | - | 11,359,460 |
| Intangible Assets | 81,186 | 7,631 | - | 88,817 |
| Capital equipment | 4,292,653 | 45,421 | 2,037,396 | 2,300,678 |
| Total accumulated depreciation | <u>33,103,889</u> | <u>1,778,130</u> | <u>2,037,396</u> | <u>32,844,623</u> |
| Total capital assets being depreciated, net | <u>59,699,869</u> | <u>1,420,062</u> | <u>63,889</u> | <u>61,056,042</u> |
| BUSINESS-TYPE ACTIVITIES | | | | |
| CAPITAL ASSETS, NET | <u>68,655,922</u> | <u>7,006,310</u> | <u>3,769,055</u> | <u>71,893,177</u> |

C. Depreciation/Amortization Expense

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

| | |
|--|------------------|
| GOVERNMENT ACTIVITIES | |
| General government | 567,543 |
| Public Works | 2,547,573 |
| Community Development | 320,539 |
| Public Safety | 761,428 |
| TOTAL DEPRECIATION/AMORTIZATION EXPENSE | <u>4,197,083</u> |
| BUSINESS TYPE ACTIVITIES | |
| Stormwater Utility | 332,272 |
| Waterworks | 1,381,563 |
| Parking | 64,295 |
| TOTAL DEPRECIATION/AMORTIZATION EXPENSE | <u>1,778,130</u> |

VILLAGE OF DOWNERS GROVE, ILLINOIS
Notes to Financial Statements
December 31, 2017

5. TRANSFERS

At December 31, 2017, interfund transfers consist of the following:

| Fund | Transfer In | Transfer Out |
|--------------------------------|--------------------|--------------------|
| Major Governmental | | |
| Downtown Redevelopment TIF (1) | - | 3,444,391 |
| Capital Improvements (1) | - | 1,911,530 |
| Capital Improvements (2) | - | 500,004 |
| Non-major Governmental | | |
| Downtown TIF Debt Service (1) | 3,744,391 | - |
| Capital Debt Service (1) | 1,911,530 | - |
| Municipal Buildings (2) | 500,004 | - |
| Enterprise | | |
| Parking (1) | - | 300,000 |
| TOTAL | \$6,155,925 | \$6,155,925 |

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

6. LONG-TERM DEBT

A. Changes in Long-Term Liabilities

Long-term liability activity for the year ended December 31, 2017, was as follows:

| | Balances January 1 | Additions | Reductions | Balances December 31 | Current Portion |
|--|-----------------------|--------------------|---------------------|-------------------------|---------------------|
| GOVERNMENTAL ACTIVITIES | | | | | |
| Compensated absences payable* | \$ 3,732,734 | \$ 3,531,241 | \$ 3,732,734 | \$ 3,531,241 | \$ 1,059,372 |
| Net OPEB payable * | 7,103,825 | 57,671 | - | 7,161,496 | - |
| Net pension liability - Police * | 41,389,771 | 1,373,785 | - | 42,763,556 | - |
| Net pension liability – Fire * | 38,842,319 | 743,630 | - | 39,585,949 | - |
| Net pension liability– IMRF * | 7,608,866 | - | 774,570 | 6,834,296 | - |
| Unamortized premium | 1,141,465 | - | 214,482 | 926,983 | - |
| General obligation bonds payable | 45,675,000 | 2,255,000 | 6,480,000 | 41,450,000 | 4,715,000 |
| TOTAL GOVERNMENTAL ACTIVITIES | \$145,493,980 | \$7,961,327 | \$11,201,786 | \$142,253,521 | \$ 5,774,372 |

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

VILLAGE OF DOWNERS GROVE, ILLINOIS
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| | Balances January 1 | Additions | Reductions | Balances December 31 | Current Portion |
|-----------------------------------|-----------------------|--------------|--------------|-------------------------|--------------------|
| BUSINESS-TYPE ACTIVITIES | | | | | |
| Compensated absences payable | \$ 106,760 | \$ 115,615 | \$ 106,760 | \$ 115,615 | \$ 34,685 |
| Net OPEB payable | 498,758 | 3,104 | - | 501,862 | - |
| Net pension liability – IMRF | 1,392,442 | - | 63,090 | 1,329,352 | - |
| Unamortized premium | 1,288,012 | - | 62,428 | 1,225,584 | - |
| Water Fund - IEPA Loan | 1,158,082 | 1,158,544 | 51,997 | 2,264,629 | 69,066 |
| General obligation bonds payable | 28,895,000 | - | 1,175,000 | 27,720,000 | 1,090,000 |
| TOTAL BUSINESS-TYPE ACTIVITIES | \$ 33,339,054 | \$ 1,277,263 | \$ 1,459,275 | \$ 33,157,042 | \$ 1,193,751 |

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 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-2017 | Additions | Refunding/ Retirements | Balances Dec-2017 | Current Portion |
|---|----------------------|-----------|---------------------------|----------------------|-----------------|
| GOVERNMENTAL ACTIVITIES: | | | | | |
| \$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. | 2,915,000 | - | 940,000 | 1,975,000 | 970,000 |
| \$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. | 4,985,000 | - | 215,000 | 4,770,000 | 200,000 |

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| | | | | | |
|---|---------------------|---------------------|--------------------|---------------------|--------------------|
| \$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. | 4,330,000 | - | 580,000 | 3,750,000 | 705,000 |
| \$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. | 18,830,000 | - | 605,000 | 18,225,000 | 625,000 |
| \$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. | 5,805,000 | - | 1,500,000 | 4,305,000 | 1,715,000 |
| \$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 | 6,650,000 | - | 480,000 | 6,170,000 | 485,000 |
| \$2,255,000 General Obligation Refunding Bonds, Series 2017 – Refunding of Series 2008B, dated October 3, 2017, due in installments of \$15,000 to \$1,110,000 beginning January 1, 2018 plus interest of 1.720% due January 1, 2021. | - | 2,255,000 | - | 2,255,000 | 15,000 |
| TOTAL GOVERNMENTAL ACTIVITIES | \$45,675,000 | \$ 2,255,000 | \$6,480,000 | \$41,450,000 | \$4,715,000 |

| Balances Jan-2017 | Additions | Refunding/ Retirements | Balances Dec-2017 | Current Portion |
|----------------------|-----------|---------------------------|----------------------|-----------------|
|----------------------|-----------|---------------------------|----------------------|-----------------|

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. | 815,000 | - | 400,000 | 415,000 | 415,000 |
| \$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. | 8,365,000 | - | 415,000 | 7,950,000 | 425,000 |
| \$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 | 2,895,000 | - | 25,000 | 2,870,000 | 30,000 |

VILLAGE OF DOWNERS GROVE, ILLINOIS
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| | | | | | |
|--|---------------------|--------------------|--------------------|---------------------|---------------------|
| \$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 | 4,765,000 | - | 200,000 | 4,565,000 | 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 | 4,470,000 | - | 20,000 | 4,450,000 | 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 | - | 115,000 | 7,470,000 | - |
| TOTAL BUSINESS-TYPE ACTIVITIES | \$28,895,000 | \$ - | \$1,175,000 | \$27,720,000 | \$1,090,000 |
| TOTAL GOVERNMENTAL AND BUSINESS-TYPE ACTIVITIES | \$74,570,000 | \$2,255,000 | \$7,655,000 | \$69,170,000 | \$ 5,805,000 |

On October 3, 2017, the Village issued \$2,255,000 in General Obligation Refunding Bonds, Series 2017 with an interest rate of 1.720%. The proceeds were used to current refund \$2,160,000 of outstanding Series 2008B Bonds which had interest rates ranging from 3.00% to 5.00%. The net proceeds of \$2,214,000 (after payment of \$40,638 in underwriting fees, and other issuance costs) were deposited in an irrevocable trust with an escrow agent to provide for future debt service payments on the refunded bonds. The 2008B bonds were called on January 1, 2018. As a result, the above referenced bonds are considered defeased and the liability for those bonds has been removed from the Statement of Net Position. The cash flow requirements on the refunded bonds prior to the advance refunding was \$2,485,250. The cash flow requirements on the 2017 Series refunding bonds are \$2,360,027 from January 1, 2018 through January 1, 2021, a difference of \$125,223. 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 \$122,646 and an accounting loss of \$36,283.

The Village defeased \$14,320,000 of the General Obligation Series 2008A debt by Refunding Debt in years 2014, 2015 and 2016. 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, 2017 for the Series 2008A bonds was \$14,320,000.

C. Debt Service Requirements and Maturities

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

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| Year Ending December 31 | Governmental Activities | | Business-Type Activities | |
|----------------------------|--------------------------|---------------------|--------------------------|---------------------|
| | General Obligation Bonds | | General Obligation Bonds | |
| | Principal | Interest | Principal | Interest |
| 2018 | 4,715,000 | 1,317,852 | 1,090,000 | 914,575 |
| 2019 | 5,135,000 | 1,179,684 | 1,160,000 | 881,275 |
| 2020 | 5,615,000 | 1,011,040 | 1,190,000 | 848,450 |
| 2021 | 6,205,000 | 804,265 | 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 | \$41,450,000 | \$10,268,336 | \$27,720,000 | \$10,247,225 |

Business-Type Activities

| Other bonds or notes or loans payable | Date of Issue | Final Maturity | Interest rates | Original Indebtedness | December 31, 2017 |
|--|------------------|-------------------|-------------------|--------------------------|----------------------|
| 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 | \$ 1,206,973 |
| Water Fund-IEPA Loan Preliminary Series 2017, Due in Bi-annual installments of \$19,162 | 9/29/2017 | 9/28/2037 | 1.64% | \$ 1,057,656 | \$ 1,057,656 |
| Total Business-Type activities other bonds or notes or loans payable | | | | | <u>\$ 2,264,629</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

VILLAGE OF DOWNERS GROVE, ILLINOIS

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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, 2017, outstanding industrial, commercial and housing revenue bonds and notes approximated \$25,142,451.

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

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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, 2016 | Fiscal Year Ended December 31, 2017 |
|----------------------------------|--|--|
| CLAIMS PAYABLE, BEGINNING | \$ 2,976,280 | \$ 2,602,754 |
| Incurred claims (including IBNR) | 5,594,443 | 7,127,902 |
| Less claims paid | (5,967,969) | (6,911,808) |
| CLAIMS PAYABLE, ENDING | <u>\$ 2,602,754</u> | <u>\$ 2,818,848</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 |
|-----------------------------------|---------|
| 2018 | 267,473 |
| 2018 | 267,473 |
| 2019 | 267,473 |
| 2020 | 267,473 |
| 2022 | 267,473 |
| 2023-2024 | 534,946 |

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

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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, 2017 amounted to \$621,211 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 2017 amounted to \$143,970. As of December 31, 2017, 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 2017 amounted to \$171,306. As of December 31, 2017, sales tax rebates of \$93,467 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 of not less than ten years. Total sales tax rebates for 2017 amounted to \$246,606. As of December 31, 2017, sales tax rebates of \$69,911 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 2017 amounted to \$144,295. As of December 31, 2017, sales tax rebates of \$178,986 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 2017 amounted to \$85,415. As of December 31, 2017, sales tax rebates of \$88,497 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 2017 amounted to \$41,676. As of December 31, 2017, sales tax rebates of \$47,700 were not yet remitted to the retailer.

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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 2017 amounted to \$232,205. As of December 31, 2017, the sales tax rebates of \$142,649 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 \$100,000.

B. DuPage Water Commission (DWC)

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

C. Grants

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

10. POSTEMPLOYMENT BENEFITS

In addition to providing pension benefits, the Village provides post employment health care and life insurance benefits (OPEB), in accordance with the personnel policy manual, to all employees who meet the eligibility requirements under the applicable retirement system. Currently, 106 retirees and spouses meet those eligibility requirements with 272 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 \$7,663,358 as of December 31, 2017.

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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 3.5% investment rate of return and an annual healthcare cost trend rate of 0%, a reduction from 4.4% a year ago. Both rates include a 3% inflation assumption. The remaining open amortization period at December 31, 2017 was 30 years. The funded status of the plan was as follows:

The net OPEB obligation was calculated as follows:

| | |
|--|--------------------|
| Annual Required Contribution | \$ 578,157 |
| Interest on Net OPEB Obligation | 266,091 |
| Adjustment to Annual Required Contribution | <u>(243,422)</u> |
| Annual OPEB Cost | 590,826 |
| Contributions Made | <u>(530,051)</u> |
| Increase in Net OPEB Obligation | 60,775 |
| Net OPEB Obligation, Beginning of Year | <u>7,602,583</u> |
| Net OPEB Obligation, End of Year | <u>\$7,663,358</u> |

| Fiscal Year Ended December 31 | Annual OPEB Cost | Percentage Contributed | Net OPEB Obligation |
|-------------------------------------|---------------------|---------------------------|------------------------|
| 2017 | 590,826 | 89.71% | \$7,663,358 |
| 2016 | 582,879 | 70.62% | 7,602,583 |
| 2015 | 763,644 | 51.30% | 7,431,343 |

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, 2017 was as follows:

| | |
|---|--------------|
| Actuarial Accrued Liability (AAL) | \$11,885,761 |
| Actuarial Value of Assets | - |
| Unfunded Actuarial Accrued Liability (UAAL) | 11,885,761 |
| Funded Ratio (Actuarial Value of Plan Assets/AAL) | 0.0% |
| Covered Payroll | \$25,159,981 |
| UAAL as a Percentage of Covered Payroll | 47.2% |

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

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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

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 \$112,408) 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.

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Plan membership. At December 31, 2016, the measurement date, membership in the plans were as follows:

| | |
|-------------------------------|-----|
| Retirees and beneficiaries | 275 |
| Inactive, non-retired members | 195 |
| Active members | 207 |
| Total | 677 |

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 11.77% of annual covered payroll. For the year ended December 31, 2017 the Village contributed \$1,603,981 to the plan (\$1,350,385 for the Village and \$253,596 for the Library). The Village and Library also contribute for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Net Pension Liability. 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 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, 2016 using the following actuarial methods and assumptions:

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

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Mortality. For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). 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 2012). 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 2012). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

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

| Asset Class | Target Allocation | Projected Returns/Risks | |
|------------------------|-------------------|-------------------------|--------------------|
| | | One Year Arithmetic | Ten Year Geometric |
| Equities | 38.00% | 8.30% | 6.85% |
| International equities | 17.00% | 8.45% | 6.75% |
| Fixed income | 27.00% | 3.05% | 3.00% |
| Real estate | 8.00% | 6.90% | 5.75% |
| Alternatives | 9.00% | | |
| Private equity | | 12.45% | 7.35% |
| Hedge funds | | 5.35% | 5.25% |
| Commodities | | 4.25% | 2.65% |
| Cash equivalents | 1.00% | 2.25% | 2.25% |

Discount rate. The discount rates used to measure the total pension liability for IMRF was 7.50%. The discount rate calculated using the December 31, 2015 measurement date was 7.48%. 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 3.78% for tax exempt 20-year general obligation municipal bonds with an average AA credit rating at December 31, 2016

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to arrive at a discount rate of 7.50% used to determine the total pension liability. The year ending December 31, is the last year in the 2017 to 2116 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 7.50% 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 (6.50%) or 1 percentage point higher (8.50%) than the current rate:

| | 1% Decrease 6.50% | Current Discount rate 7.50% | 1% Increase 8.50% |
|-------------------------------|----------------------|--------------------------------|----------------------|
| Village: | | | |
| Total pension liability | 89,662,913 | 79,336,372 | 70,865,603 |
| Plan fiduciary net position | 71,161,938 | 71,161,938 | 71,161,938 |
| Net pension liability/(asset) | 18,500,975 | 8,174,434 | (296,335) |
| Library: | | | |
| Total pension liability | 15,751,937 | 13,937,775 | 12,449,634 |
| Plan fiduciary net position | 12,415,460 | 12,415,460 | 12,415,460 |
| Net pension liability/(asset) | 3,336,477 | 1,522,315 | 34,174 |
| Total: | | | |
| Total pension liability | 105,414,850 | 93,274,147 | 83,315,237 |
| Plan fiduciary net position | 83,577,398 | 83,577,398 | 83,577,398 |
| Net pension liability/(asset) | 21,837,452 | 9,696,749 | (262,161) |

Changes in net pension liability. The Village's and Library's changes in net pension liability for the calendar year ended December 31, 2017 were as follows:

| | Increase (Decrease) | | |
|---|-----------------------------------|---------------------------------------|---|
| | Total Pension Liability (a) | Plan Fiduciary Net Position (b) | Net Pension Liability/(Asset) (a) – (b) |
| Village: | | | |
| Balances at December 31, 2016 | \$76,208,831 | \$67,207,523 | \$9,001,308 |
| Service cost | 1,273,409 | - | 1,273,409 |
| Interest on total pension liability | 5,574,540 | - | 5,574,540 |
| Differences between expected and actual experience of the total pension liability | (510,690) | - | (510,690) |
| Change of assumptions | (189,119) | - | (189,119) |
| Benefit payments, including refunds of employee contributions | (3,020,599) | (3,020,599) | - |
| Contributions – employer | - | 1,409,766 | (1,409,766) |

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| | | | |
|-------------------------------|---------------------|---------------------|--------------------|
| Contributions – employee | - | 572,935 | (572,935) |
| Net investment income | - | 4,608,713 | (4,608,713) |
| Other (net transfer) | - | 394,386 | (394,386) |
| Balances at December 31, 2017 | <u>\$79,336,372</u> | <u>\$71,172,724</u> | <u>\$8,163,648</u> |

Library:

| | | | |
|---|---------------------|---------------------|--------------------|
| Balances at December 31, 2016 | \$13,350,436 | \$11,672,838 | \$1,677,598 |
| Service cost | 239,141 | - | 239,141 |
| Interest on total pension liability | 1,046,877 | - | 1,046,877 |
| Differences between expected and actual experience of the total pension liability | (95,906) | - | (95,906) |
| Change of assumptions | (35,516) | - | (35,516) |
| Benefit payments, including refunds of employee contributions | (567,257) | (567,257) | - |
| Contributions – employer | - | 264,748 | (264,748) |
| Contributions – employee | - | 107,595 | (107,595) |
| Net investment income | - | 865,498 | (865,498) |
| Other (net transfer) | - | 61,252 | (61,252) |
| Balances at December 31, 2017 | <u>\$13,937,775</u> | <u>\$12,404,674</u> | <u>\$1,533,101</u> |

Total:

| | | | |
|---|---------------------|---------------------|--------------------|
| Balances at December 31, 2016 | \$89,559,267 | \$78,880,361 | \$10,678,906 |
| Service cost | 1,512,550 | - | 1,512,550 |
| Interest on total pension liability | 6,621,417 | - | 6,621,417 |
| Differences between expected and actual experience of the total pension liability | (606,596) | - | (606,596) |
| Change of assumptions | (224,635) | - | (224,635) |
| Benefit payments, including refunds of employee contributions | (3,587,856) | (3,587,856) | - |
| Contributions – employer | - | 1,674,514 | (1,674,514) |
| Contributions – employee | - | 680,530 | (680,530) |
| Net investment income | - | 5,474,211 | (5,474,211) |
| Other (net transfer) | - | 455,638 | (455,638) |
| Balances at December 31, 2017 | <u>\$93,274,147</u> | <u>\$83,577,398</u> | <u>\$9,696,749</u> |

Pension expense and deferred outflows of resources and deferred inflows of resources related to pensions. For the year ended December 31, 2017, the Village recognized pension expense of \$2,177,412 and the Library recognized pension expense of \$408,588 for a total pension expense of \$2,586,000. The Village and Library reported deferred outflows and inflows of resources related to pension from the following sources:

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| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|--------------------------------------|-------------------------------------|
| Village: | | |
| Difference between expected and actual experience | \$ - | \$ 839,184 |
| Assumption changes | 409,026 | 132,582 |
| Net difference between projected and actual earnings on pension plan investments | 3,457,410 | - |
| Contributions subsequent to the Measurement date | 1,350,385 | - |
| Total | \$5,216,821 | \$971,766 |
| Library: | | |
| Difference between expected and actual experience | \$ - | \$ 157,596 |
| Assumption changes | 76,813 | 24,898 |
| Net difference between projected and actual earnings on pension plan investments | 649,288 | - |
| Contributions subsequent to the Measurement date | 253,597 | - |
| Total | \$979,698 | \$182,494 |
| Total: | | |
| Difference between expected and actual experience | \$ - | \$996,780 |
| Assumption changes | 485,839 | 157,480 |
| Net difference between projected and actual Earnings on pension plan investments | 4,106,698 | - |
| Contributions subsequent to the Measurement date | 1,603,982 | - |
| Total | \$6,196,519 | \$1,154,260 |

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 (\$3,438,277) will be recognized in pension expense as follows:

| Year Ending December 31, | Village | Library | Total |
|-----------------------------|--------------------|------------------|--------------------|
| 2018 | 998,378 | 187,492 | 1,185,870 |
| 2019 | 889,570 | 167,057 | 1,056,627 |
| 2020 | 937,235 | 176,009 | 1,113,244 |
| 2021 | 69,487 | 13,049 | 82,536 |
| Total | \$2,894,670 | \$543,607 | \$3,438,277 |

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B. Police Pension Plan

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

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

Tier 1 – Covered employees attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive an annual retirement benefit of one half of the salary attached to the rank on the last day of service, or for one year prior to the last day, whichever is greater. The pension shall be increased by 2.5% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least 8 years but less than 20 years of credited service may retire at or after age 60 and receive a reduced retirement benefit. The monthly pension of a police officer who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and paid upon reaching at least the age 55, by 3% of the original pension and 3% compounded annually thereafter.

Tier 2 – Covered employees attaining the age of 55 or more with 10 or more years of creditable service are entitled to receive a monthly pension of 2.5% of the final average salary for each year of creditable service. The salary is initially capped at \$112,408 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, 2017, 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

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interest. The Village is required to contribute the remaining amounts necessary to finance the plans as actuarially determined by an enrolled actuary. Effective January 1, 2011, the Village's contributions must accumulate to the point where the past service cost for the Police Pension Plan is 90% funded by the year 2040. The Village's actuarially determined contribution rate for the fiscal year ending December 31, 2017 was 36.89% of annual covered payroll. For the year ended December 31, 2017 the Village contributed \$2,938,808 to the plan.

Net pension liability. The net pension liability was measured as of December 31, 2017, 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.

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 | 7.00% |
| Salary increases | 4.00%-8.61% |
| Inflation | 2.50% |
| 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 reduced from 7.25% to 7.00% comparing to last year. 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

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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 7.00% 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 (6.00%) or 1 percentage point higher (8.00%) than the current rate:

| | 1% Decrease (6.00%) | Current Discount Rate (7.00%) | 1% Increase (8.00%) |
|-------------------------------|------------------------|----------------------------------|------------------------|
| Total pension liability | \$ 112,939,420 | \$ 98,372,229 | \$86,540,579 |
| Plan fiduciary net position | 55,608,673 | 55,608,673 | 55,608,673 |
| Net pension liability/(asset) | \$ 57,330,747 | \$ 42,763,556 | \$30,931,906 |

Changes in net pension liability. The Village's changes in net pension liability for the year ended December 31, 2017 was as follows:

| | Increase (Decrease) | | |
|---|-----------------------------------|---------------------------------------|---|
| | Total Pension Liability (a) | Plan Fiduciary Net Position (b) | Net Pension Liability/(Asset) (a) – (b) |
| Balances at December 31, 2016 | \$ 91,476,813 | \$ 50,087,042 | \$ 41,389,771 |
| Changes for the year: | | | |
| Service cost | 1,274,496 | - | 1,274,496 |
| Interest on total pension liability | 6,482,777 | - | 6,482,777 |
| Differences between expected and actual experience of the total pension liability | 69,531 | - | 69,531 |
| Change of assumptions | 3,187,004 | - | 3,187,004 |
| Benefit payments, including refunds of employee contributions | (4,118,392) | (4,118,392) | - |
| Contributions – employer | - | 2,938,808 | (2,938,808) |
| Contributions – employee | - | 703,712 | (703,712) |
| Net investment income | - | 6,060,635 | (6,060,635) |
| Administrative expense | - | (63,132) | 63,132 |
| Other (net transfer) | - | - | - |
| Net changes for the year | 6,895,416 | 5,521,631 | 1,373,785 |
| Balances at December 31, 2017 | \$ 98,372,229 | \$ 55,608,673 | \$ 42,763,556 |

Pension expense and deferred outflows of resources and deferred inflows of resources related to pensions. For the year ended December 31, 2017, the Village recognized pension expense of \$3,872,826. The Village reported deferred outflows and inflows of resources related to pension from the following sources:

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| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|--------------------------------------|-------------------------------------|
| Difference between expected and actual experience | \$ 56,411 | \$ 1,569,088 |
| Assumption changes | 2,585,682 | 293,949 |
| Net difference between projected and actual earnings on pension plan investments | - | 234,593 |
| Total | \$ 2,642,093 | \$ 2,097,630 |

The amounts reported as deferred outflows and inflows of resources related to pension of \$544,463 will be recognized in pension expense as follows:

| Year Ending December 31, | Amount |
|--------------------------|-------------------|
| 2018 | 243,361 |
| 2019 | 243,361 |
| 2020 | (205,853) |
| 2021 | (79,269) |
| 2022 | 184,325 |
| Total | \$ 544,463 |

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

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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 \$112,408 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, 2017, the Firefighters' Pension Plan membership consisted of:

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

Contributions. Participants contribute a fixed percentage of their base salary to the plans. At December 31, 2017, 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, 2017 was 37.1% of annual covered payroll. For the year ending December 31, 2017 the Village contributed \$3,086,488 to the plan.

Net pension liability. The net pension liability was measured as of December 31, 2017, 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.

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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 | 7.00% |
| Salary increases | 4.00%-9.96% |
| Inflation | 2.50% |
| 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.

Discount rate. The discount rate used to measure the total pension liability for the Firefighters' Pension Plan was reduced from 7.25% to 7.00% comparing to last year. 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 7.00% 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 (6.00%) or 1 percentage point higher (8.00%) than the current rate:

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| | 1% Decrease (6.00%) | Current Discount Rate (7.00%) | 1% Increase (8.00%) |
|-------------------------------|------------------------|----------------------------------|------------------------|
| Total pension liability | \$108,624,445 | \$ 94,609,006 | \$83,217,544 |
| Plan fiduciary net position | 55,023,057 | 55,023,057 | 55,023,057 |
| Net pension liability/(asset) | \$ 53,601,388 | \$ 39,585,949 | \$28,194,487 |

Changes in net pension liability. The Village's changes in net pension liability for the year ended December 31, 2017 was as follows:

| | Increase (Decrease) | | |
|---|-----------------------------------|---------------------------------------|---|
| | Total Pension Liability (a) | Plan Fiduciary Net Position (b) | Net Pension Liability/(Asset) (a) – (b) |
| Balances at December 31, 2016 | \$ 87,572,560 | \$ 48,730,241 | \$ 38,842,319 |
| Changes for the year: | | | |
| Service cost | 1,479,064 | - | 1,479,064 |
| Interest on total pension liability | 6,209,074 | - | 6,209,074 |
| Differences between expected and actual experience of the total pension liability | 140,903 | - | 140,903 |
| Change of assumptions | 3,067,711 | - | 3,067,711 |
| Benefit payments, including refunds of employee contributions | (3,860,306) | (3,860,306) | - |
| Contributions – employer | - | 3,086,488 | (3,086,488) |
| Contributions – employee | - | 671,040 | (671,040) |
| Net investment income | - | 6,441,396 | (6,441,396) |
| Administrative expense | - | (45,802) | 45,802 |
| Other (net transfer) | - | - | - |
| Net Changes for the year | 7,036,446 | 6,292,816 | 743,630 |
| Balances at December 31, 2017 | \$ 94,609,006 | \$ 55,023,057 | \$ 39,585,949 |

Pension expense and deferred outflows of resources and deferred inflows of resources related to pensions. For the year ended December 31, 2017, the Village recognized pension expense of \$4,117,310. 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 | \$ 307,360 | \$ 235,200 |
| Assumption changes | 2,827,997 | 94,199 |

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| | | |
|--|--------------|--------------|
| Net difference between projected and actual earnings on pension plan investments | - | 1,103,572 |
| Total | \$ 3,135,357 | \$ 1,432,971 |

The amounts reported as deferred outflows and inflows of resources related to pension (\$1,702,386) will be recognized in pension expense as follows:

| Year Ending December 31, | Amount |
|--------------------------|--------------|
| 2018 | 460,327 |
| 2019 | 460,326 |
| 2020 | (118,007) |
| 2021 | (174,054) |
| 2022 | 507,322 |
| Thereafter | 566,472 |
| Total | \$ 1,702,386 |

D. Schedules for the Police and Firefighters' Plans

| | Police Pension | Firefighters' Pension | Total |
|-----------------------------|-------------------|--------------------------|--------------|
| ASSETS | | | |
| Cash and cash equivalents | \$ 1,788,140 | \$ 1,414,454 | \$ 3,202,594 |
| Investments | | | |
| U.S. obligations | 8,602,676 | 7,607,586 | 16,210,262 |
| Corporate bonds | 10,132,834 | 7,667,253 | 17,800,087 |
| Foreign bonds | 913,145 | 647,386 | 1,560,531 |
| Negotiable CDs | - | 1,817,701 | 1,817,701 |
| Mutual funds - equity | 22,363,404 | 30,634,371 | 52,997,775 |
| Common and Preferred Stocks | 5,288,778 | - | 5,288,778 |
| Real Estate | 6,371,560 | 5,120,894 | 11,492,454 |
| Prepays | 8,367 | 6,566 | 14,933 |
| Interest receivable | 166,894 | 113,849 | 280,743 |
| Total assets | 55,635,798 | 55,030,060 | 110,665,858 |
| LIABILITIES | | | |
| Accounts payable | 27,125 | 7,003 | 34,128 |

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| Total liabilities | 27,125 | 7,003 | 34,128 |
|---|-------------------|--------------------------|----------------|
| NET POSITION | | | |
| Restricted for pension benefits | \$ 55,608,673 | \$ 55,023,057 | \$ 110,631,730 |
| | Police Pension | Firefighters' Pension | Total |
| ADDITIONS | | | |
| Contributions | | | |
| Contributions - employer | \$ 2,938,808 | \$ 3,086,488 | \$ 6,025,296 |
| Contributions - employees | 703,712 | 671,040 | 1,374,752 |
| Total contributions | 3,642,520 | 3,757,528 | 7,400,048 |
| Investment earnings | | | |
| Net appreciation in fair value of investments | 5,026,450 | 5,270,698 | 10,297,148 |
| Interest earned on investments | 1,156,589 | 1,250,943 | 2,407,532 |
| Less investment expense | (122,404) | (80,245) | (202,649) |
| Net investment earnings | 6,060,635 | 6,441,396 | 12,502,031 |
| Total additions | 9,703,155 | 10,198,924 | 19,902,079 |
| DEDUCTIONS | | | |
| Contractual services | 63,132 | 45,802 | 108,934 |
| Benefits and refunds | 4,118,392 | 3,860,306 | 7,978,698 |
| Total deductions | 4,181,524 | 3,906,108 | 8,087,632 |
| Change in Net Position | 5,521,631 | 6,292,816 | 11,814,447 |

12. GOVERNMENTAL FUND BALANCES

Governmental fund balances reported on the Balance Sheet for the Governmental Funds at December 31, 2017, include the following:

| | General | Downtown Redevelopment TIF | Capital Improvements | Nonmajor | Total |
|----------------------|----------|----------------------------------|-------------------------|-----------|-----------|
| Fund Balances | | | | | |
| Nonspendable: | | | | | |
| Note receivable | \$ 6,499 | - | - | - | \$ 6,499 |
| Prepaid items | 107,241 | - | - | - | 107,241 |
| Total Nonspendable | 113,740 | - | - | - | 113,740 |
| Restricted for: | | | | | |
| Economic Development | 160,117 | 826,753 | - | 5,737,357 | 6,724,227 |
| Road Improvements | - | - | - | 641,524 | 641,524 |
| Public Safety | - | - | - | 2,388,179 | 2,388,179 |

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| | | | | | |
|---------------------|---------------|------------|--------------|---------------|---------------|
| Debt Service | - | - | - | 457 | 457 |
| Total Restricted | 160,117 | 826,753 | - | 8,767,517 | 9,754,387 |
| Assigned to: | | | | | |
| Capital Projects | - | - | 4,841,958 | 1,806,437 | 6,648,395 |
| Debt Service | - | - | - | - | - |
| Total Assigned | - | - | 4,841,958 | 1,806,437 | 6,648,395 |
| Unassigned: | 18,621,361 | - | - | - | 18,621,361 |
| Total Fund Balances | \$ 18,895,218 | \$ 826,753 | \$ 4,841,958 | \$ 10,573,954 | \$ 35,137,883 |

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

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

- Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, replaces the requirements of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions* and requires governments to report a liability on the face of the financial statements for the other postemployment benefits (OPEB) that they provide. Statement No. 75 requires governments in all types of OPEB plans to present more extensive note disclosures and required supplementary information (RSI) about their OPEB benefits. Among the new note disclosures is a description of the effect on the reported OPEB liability of using a discount rate and a healthcare cost trend rate that are one percentage point higher and one percentage point lower than assumed by the government. The new RSI includes a schedule showing the causes of increases and decreases in the OPEB liability and a schedule comparing a government's actual OPEB contributions to its contribution requirements. The provisions of this statement are effective for financial statements for the Village's fiscal year ending December 31, 2018.
- GASB Statement No. 83, Certain Asset Retirement Obligations (GASB 83), addresses accounting and financial reporting for certain asset retirement obligations (ARO). This statement establishes criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources for asset retirement obligations. This statement requires that recognition occurs when the liability is both incurred and reasonably estimable, and it also requires the measurement of an ARO be based on the best estimate of the current value of outlays expected to be incurred. This statement also requires disclosure about the nature of a government's AROs, the methods and assumptions used for the estimated of the liabilities, and the estimated remaining useful life of the associated tangible capital asset. The provisions of this statement are effective for financial statements for the Village's fiscal year ending December 31, 2019.
- GASB Statement No. 84, Fiduciary Activities, establishes criteria for identifying fiduciary activities of all state and local governments. An activity meeting the criteria

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- GASB Statement No. 84, Fiduciary Activities, establishes criteria for identifying fiduciary activities of all state and local governments. An activity meeting the criteria should be reported in a fiduciary fund in the basic financial statements. Governments with activities meeting the criteria should present a statement of fiduciary net position and a statement of changes in fiduciary net position. An exception to that requirement is provided for a business-type activity that normally expects to hold custodial assets for three months or less. The requirements of this Statement will enhance consistency and comparability by establishing specific criteria for identifying activities that should be reported as fiduciary activities and clarifying whether and how business-type activities should report their fiduciary activities. The provisions of this statement are effective for financial statements for the Village's fiscal year ending December 31, 2019.
- GASB Statement No. 85, Omnibus 2017, addresses practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits. The provisions of this statement are effective for financial statements for the Village's fiscal year ending December 31, 2018.
- GASB Statement No. 86, Certain Debt Extinguishment Issues, establishes accounting and financial reporting guidance for transactions in which cash and other monetary assets acquired with only existing resources (resources other than the proceeds of refunding debt), are placed in an irrevocable trust for the sole purpose of extinguishing debt. When debt is defeased in substance, the debt, cash, and other monetary assets placed in trust are no longer reported in the financial statements. But governments are required to disclose information in the notes to the financial statements about debt that has been defeased in substance. Statement 86 also provides guidance relating to prepaid insurance on debt that is extinguished. When governments extinguish debt, whether through a legal extinguishment or through an in substance defeasance, this statement will require that any remaining prepaid insurance related to the extinguished debt be included in the net carrying amount of that debt for the purpose of calculating the difference between the reacquisition price and the net carrying amount of the debt. The provisions of this statement are effective for financial statements for the Village's fiscal year ending December 31, 2018.
- GASB Statement No. 87, Leases, establishes a single approach to accounting for and reporting leases by state and local governments. The standard addresses the reporting for governments that are lessors or lessees. The provisions of this statement are effective for financial statements for the Village's fiscal year ending December 31, 2020.

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

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14. COMPONENT UNIT - DOWNERS GROVE PUBLIC LIBRARY

A. Summary of Significant Accounting Policies

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

The more significant of the 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.

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The Library reports the following major governmental funds:

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

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

The *Library Constuction Fund* is used to provide for capital needs or emergency expenditures.

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.

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

4. Cash and Cash Equivalents and Investments

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

5. Receivables

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

- 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 Library has one item that

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qualifies 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.

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

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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
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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.

| Investment Type | Fair Value | Investment ratings | | | |
|-----------------|-------------|--------------------|----|---|-----------|
| | | AAA | AA | A | Not Rated |
| Illinois Funds | \$1,406,081 | \$1,406,081 | - | - | - |

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

VILLAGE OF DOWNERS GROVE, ILLINOIS
Notes to Financial Statements
December 31, 2017

investment policy requires all security transactions that are exposed to custodial credit risk to be processed on a delivery versus payment basis with the underlying investments held by an independent third-party custodian and evidenced by safekeeping receipts and a written custodial agreement. Illinois Funds are not subject to custodial credit risk.

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

C. Receivables

Property taxes for 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. The County collects such taxes and remits them periodically. Management has determined that an allowance for uncollectible accounts is not necessary. As the 2017 tax levy is intended to fund expenditures for the 2018 fiscal year, these taxes are deferred as of December 31, 2017.

D. Capital Assets

Capital asset activity for the year ended December 31, 2017 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 | 11,890,936 | - | - | 11,890,936 |
| Capital equipment | 5,855,770 | 522,078 | 1,284,897 | 5,092,951 |
| Total capital assets being depreciated | 17,746,706 | 522,078 | 1,284,897 | 16,983,887 |
| Less accumulated depreciation for | | | | |
| Buildings | 2,670,512 | 238,105 | - | 2,908,617 |
| Capital equipment | 2,493,429 | 428,010 | 853,835 | 2,067,604 |
| Total accumulated depreciation | 5,163,941 | 666,115 | 853,835 | 4,976,221 |
| Total capital assets being depreciated, net | 12,582,765 | (144,037) | 431,062 | 12,007,666 |
| GOVERNMENTAL ACTIVITIES | | | | |
| CAPITAL ASSETS, NET | \$ 12,804,976 | \$ (144,037) | \$ 431,062 | \$ 12,229,877 |

VILLAGE OF DOWNERS GROVE, ILLINOIS
Notes to Financial Statements
December 31, 2017

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

| | |
|-------------------------|------------|
| GOVERNMENTAL ACTIVITIES | |
| Community services | \$ 666,115 |

E. Long-Term Debt

Changes in Long-Term Liabilities

Long-term liability activity for the year ended December 31, 2017, was as follows:

| | Balances January 1 | Additions | Reductions | Balances December 31 | Current Portion |
|----------------------------------|-----------------------|-----------|------------|-------------------------|--------------------|
| Compensated absences payable* | \$ 63,930 | \$ 26,776 | \$ 63,930 | \$ 26,776 | \$ 8,033 |
| Net OPEB payable * | 194,127 | - | 3,065 | 191,062 | - |
| General obligation bonds payable | 615,000 | - | 615,000 | - | - |
| Net Pension liability –IMRF* | 1,677,598 | - | 144,497 | 1,533,101 | - |
| TOTAL | \$ 2,550,655 | \$26,776 | \$ 826,492 | \$ 1,750,939 | \$ 8,033 |

* 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. | 615,000 | \$ - | \$ 615,000 | \$ - | \$ - |
| TOTAL | \$ 615,000 | \$ - | \$ 615,000 | \$ - | \$ - |

F. Risk Management

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

VILLAGE OF DOWNERS GROVE, ILLINOIS
Notes to Financial Statements
December 31, 2017

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, 25 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 2017 was \$20,127. 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, 2017 was \$191,062.

In the actuarial valuations, the entry-age normal actuarial cost method was used. The actuarial assumptions included 3.5% investment rate of return and an annual healthcare cost trend rate of 0%, a reduction from 4.4% a year ago. Both rates include a 3% inflation assumption. The remaining amortization period at December 31, 2017 was 30 years.

The net OPEB obligation as of December 31, 2017 was calculated as follows:

| | |
|--|-------------------|
| Annual Required Contribution | \$ 20,127 |
| Interest on Net OPEB Obligation | 6,794 |
| Adjustment to Annual Required Contribution | <u>(6,471)</u> |
| Annual OPEB Cost | 20,450 |
| Contributions Made | <u>(23,515)</u> |
| Increase (Decrease) in Net OPEB Obligation | (3,065) |
| Net OPEB Obligation, Beginning of Year | <u>194,127</u> |
| Net OPEB Obligation, End of Year | \$ <u>191,062</u> |

Actuarial valuations include estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the ARCs of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The funded status of the plan as of December 31, 2017 was as follows:

VILLAGE OF DOWNERS GROVE, ILLINOIS
Notes to Financial Statements
December 31, 2017

| | |
|---|--------------|
| Actuarial Accrued Liability (AAL) | \$ 274,434 |
| Actuarial Value of Assets | 0 |
| Unfunded Actuarial Accrued Liability (UAAL) | 274,434 |
| Funded Ratio (Actuarial Value of Plan Assets/AAL) | 0.0% |
| Covered Payroll | \$ 1,639,836 |
| UAAL as a Percentage of Covered Payroll | 16.7% |

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 Schedule-General Fund
- Budgetary Comparison Schedule-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, 2017

| | Budgeted Amounts | | Actual | Variance |
|--|----------------------|----------------------|----------------------|-------------------|
| | Original | Final | | |
| REVENUES | | | | |
| Home Rule Sales Tax | \$ 2,050,000 | \$ 2,050,000 | \$ 1,978,047 | \$ (71,953) |
| Property tax | 12,580,460 | 12,580,460 | 12,677,308 | 96,848 |
| Utility tax | 5,100,000 | 5,100,000 | 4,533,442 | (566,558) |
| Other taxes | 1,440,000 | 1,440,000 | 1,478,692 | 38,692 |
| Licenses & permits | 1,659,950 | 1,659,950 | 2,338,815 | 678,865 |
| Intergovernmental | | | | |
| Income tax | 5,000,000 | 5,000,000 | 4,488,393 | (511,607) |
| Sales tax | 12,300,000 | 12,300,000 | 11,652,631 | (647,369) |
| Local use tax | 1,200,000 | 1,200,000 | 1,264,020 | 64,020 |
| Grants | 371,291 | 371,291 | 605,271 | 233,980 |
| Charges for services & fees | 4,332,700 | 4,332,700 | 4,513,528 | 180,828 |
| Fines & forfeitures | 650,700 | 650,700 | 567,895 | (82,805) |
| Investment income | 190,000 | 190,000 | 179,660 | (10,340) |
| Contributions and donations | - | - | 882 | 882 |
| Total revenues | <u>46,875,101</u> | <u>46,875,101</u> | <u>46,278,584</u> | <u>(596,517)</u> |
| EXPENDITURES | | | | |
| Current | | | | |
| General government | 5,106,622 | 5,106,622 | 4,838,628 | (267,994) |
| Public works | 6,078,078 | 6,078,078 | 5,518,039 | (560,039) |
| Community development | 2,490,483 | 2,490,483 | 2,338,577 | (151,906) |
| Public safety | 32,332,114 | 32,332,114 | 32,845,601 | 513,487 |
| Community services | 846,811 | 846,811 | 724,441 | (122,370) |
| Total expenditures | <u>46,854,108</u> | <u>46,854,108</u> | <u>46,265,286</u> | <u>(588,822)</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | | | | |
| | <u>20,993</u> | <u>20,993</u> | <u>13,298</u> | <u>(7,695)</u> |
| Net change in fund balance | 20,993 | 20,993 | 13,298 | <u>\$ (7,695)</u> |
| Fund balance -- beginning | <u>18,881,920</u> | <u>18,881,920</u> | <u>18,881,920</u> | |
| Fund balance -- ending | <u>\$ 18,902,913</u> | <u>\$ 18,902,913</u> | <u>\$ 18,895,218</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, 2017

| | <u>Budgeted Amounts</u> | | Actual | Variance |
|--|-------------------------|--------------------|--------------------|-------------------|
| | <u>Original</u> | <u>Final</u> | | |
| REVENUES | | | | |
| Property tax | \$ 3,151,869 | \$ 3,151,869 | \$ 3,115,275 | \$ (36,594) |
| Investment income | - | - | 1,442 | 1,442 |
| Total revenues | <u>3,151,869</u> | <u>3,151,869</u> | <u>3,116,717</u> | <u>(35,152)</u> |
| EXPENDITURES | | | | |
| Current | | | | |
| Community Development | 77,200 | 77,200 | 58,219 | (18,981) |
| Total expenditures | <u>77,200</u> | <u>77,200</u> | <u>58,219</u> | <u>(18,981)</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>3,074,669</u> | <u>3,074,669</u> | <u>3,058,498</u> | <u>(16,171)</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers out | (3,445,353) | (3,445,353) | (3,444,391) | 962 |
| Proceeds from sale of capital assets | - | - | 5,941 | 5,941 |
| Total other financing sources (uses) | <u>(3,445,353)</u> | <u>(3,445,353)</u> | <u>(3,438,450)</u> | <u>6,903</u> |
| Net change in fund balance | (370,684) | (370,684) | (379,952) | <u>\$ (9,268)</u> |
| Fund balance -- beginning | 1,206,705 | 1,206,705 | 1,206,705 | |
| Fund balance -- ending | <u>\$ 836,021</u> | <u>\$ 836,021</u> | <u>\$ 826,753</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) |
| 12/31/2012 | - | 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% | 26,598,815 | 43.5% |
| 12/31/2017 | - | 11,885,761 | 11,885,761 | 0.00% | 26,799,817 | 44.4% |

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 Three Calendar Years

| | 2015 | | | 2016 | | | 2017 | | |
|---|-----------------------|--------------|---------------|-----------------------|--------------|---------------|-----------------------|--------------|---------------|
| | Primary Government | Library | Total | Primary Government | Library | Total | Primary Government | Library | Total |
| Actuarially Determined Contribution | \$ 1,493,437 | \$ 260,976 | \$ 1,754,413 | \$ 1,411,629 | \$ 262,886 | \$ 1,674,515 | \$ 1,350,385 | \$ 253,596 | \$ 1,603,981 |
| Contributions in Relation to the Actuarially determined Contribution | (1,496,165) | (261,453) | (1,757,618) | (1,409,766) | (264,748) | (1,674,514) | (1,350,385) | (253,596) | (1,603,981) |
| Contribution Deficiency (Excess) | \$ (2,728) | \$ (477) | \$ (3,205) | \$ 1,863 | \$ (1,862) | \$ 1 | \$ - | \$ - | \$ - |
| Covered-Employee Payroll | \$ 12,005,119 | \$ 2,097,880 | \$ 14,102,999 | \$ 11,977,627 | \$ 2,249,347 | \$ 14,226,974 | \$ 11,621,210 | \$ 2,133,339 | \$ 13,754,549 |
| Contributions as a Percentage of Covered-Employee Payroll | 12.46% | 12.46% | 12.46% | 11.77% | 11.77% | 11.77% | 11.62% | 11.89% | 11.66% |

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 | 27 years |
| Asset valuation period | 5-Year smoothed market; 20% corridor |
| Inflation | 3.50% |
| Salary increases | 3.75% to 14.50% including inflation |
| Investment rate of return | 7.50% |
| Retirement age | Experience-based table of rates that are specific to the type of eligibility |
| Mortality | RP-2014 and MP-2014 Mortality Tables |

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

| | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Actuarially Determined Contributic | \$ 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 | \$ 2,915,699 |
| Contributions in relation to the Actuarially determined contribution | 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 | 2,938,808 |
| Contribution deficiency (excess) | \$ 1,116 | \$ (9,621) | \$ (13,871) | \$ (12,742) | \$ (26,173) | \$ (4,352) | \$ (24,500) | \$ (13,439) | \$ (25,259) | \$ (23,109) |
| Covered-employee payroll | \$ 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 | \$ 7,965,643 |
| Contributions as a percentage of co employee payroll | 18.2% | 19.1% | 27.6% | 29.0% | 24.4% | 29.2% | 34.6% | 34.6% | 34.9% | 36.9% |

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 | 23 years (The funding schedule was reset to end in 2040 in 2011) |
| Asset valuation method | Market |
| Inflation | 2.5% |
| Salary increases | 4.00%-8.61%(Tier 1: 3% per year, compounded; Tier2: 2% per year, simple), including inflation |
| Investment rate of return | 7.00% |
| 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

| | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Actuarially Determined Contribution | \$ 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 | \$ 3,060,616 |
| Contributions in relation to the Actuarially determined contribution | 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 | 3,086,488 |
| Contribution deficiency (excess) | \$ (13,285) | \$ (6,958) | \$ (17,707) | \$ (13,379) | \$ (159,643) | \$ (66,223) | \$ (27,138) | \$ (14,082) | \$ (27,063) | \$ (25,872) |
| Covered-employee payroll | \$ 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 | \$ 8,315,255 |
| Contributions as a percentage of covered-employee payroll | 16.4% | 25.4% | 30.4% | 34.5% | 33.5% | 33.6% | 35.5% | 33.6% | 35.4% | 37.1% |

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 | 23 years (The funding schedule was reset to end in 2040 in 2011) |
| Asset valuation method | Market |
| Inflation | 2.5% |
| Salary increases | 4.00%-9.96% (Tier 1: 3% per year, compounded; Tier2: 2% per year, simple), including inflation |
| Investment rate of return | 7.00% |
| 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 |
|--------------------------|-----------------------------------|--|--|
| 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% |
| 2017 | 553,566 | 598,284 | 92.53% |

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 Three Calendar Years

| | 2015 | | | 2016 | | | 2017 | | |
|---|--------------------|-------------------|-------------------|--------------------|-------------------|--------------------|--------------------|-------------------|-------------------|
| | Primary Government | Library | Total | 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 | 1,273,409 | 239,141 | 1,512,550 |
| Interest on Total Pension Liability | 5,048,517 | 882,220 | 5,930,737 | 5,381,059 | 1,002,882 | 6,383,941 | 5,574,540 | 1,046,877 | 6,621,417 |
| Differences Between Expected and Actual Experience of the Total Pension Liability | (704,694) | (123,144) | (827,838) | (924,724) | (172,343) | (1,097,067) | (510,690) | (95,906) | (606,596) |
| Change of Assumptions | 2,393,221 | 418,211 | 2,811,432 | 183,725 | 34,241 | 217,966 | (189,119) | (35,516) | (224,635) |
| Benefit Payments, Including Refunds of Employee Contributions | (2,773,367) | (484,641) | (3,258,008) | (3,087,703) | (575,464) | (3,663,167) | (3,020,599) | (567,257) | (3,587,856) |
| Net Change in Total Pension Liability | 5,363,432 | 937,251 | 6,300,683 | 2,845,034 | 530,236 | 3,375,270 | 3,127,541 | 587,339 | 3,714,880 |
| Total Pension Liability - Beginning | 68,000,365 | 11,882,949 | 79,883,314 | 73,363,797 | 12,820,200 | 86,183,997 | 76,208,831 | 13,350,436 | 89,559,267 |
| Total Pension Liability - Ending | 73,363,797 | 12,820,200 | 86,183,997 | 76,208,831 | 13,350,436 | 89,559,267 | 79,336,372 | 13,937,775 | 93,274,147 |
| Plan Fiduciary Net Position | | | | | | | | | |
| Contributions - Employer | 1,880,820 | 328,670 | 2,209,490 | 1,481,506 | 276,112 | 1,757,618 | 1,409,766 | 264,748 | 1,674,514 |
| Contributions - Employee | 539,585 | 94,292 | 633,877 | 549,971 | 102,500 | 652,471 | 572,935 | 107,595 | 680,530 |
| Net Investment Income | 3,989,810 | 697,213 | 4,687,023 | 339,210 | 63,220 | 402,430 | 4,608,713 | 865,498 | 5,474,211 |
| Benefit Payments, Including Refunds of Employee Contributions | (2,773,367) | (484,641) | (3,258,008) | (3,087,703) | (575,464) | (3,663,167) | (3,020,599) | (567,257) | (3,587,856) |
| Other (Net Transfer) | (173,248) | (30,275) | (203,523) | (1,122,264) | (259,343) | (1,381,607) | 394,386 | 61,252 | 455,638 |
| Net Change in Plan Fiduciary Net Position | 3,463,600 | 605,259 | 4,068,859 | (1,839,280) | (392,975) | (2,232,255) | 3,965,201 | 731,836 | 4,697,037 |
| Plan Fiduciary Net Position - Beginning | 65,583,203 | 11,460,554 | 77,043,757 | 69,046,803 | 12,065,813 | 81,112,616 | 67,207,523 | 11,672,838 | 78,880,361 |
| Plan Fiduciary Net Position - Ending | 69,046,803 | 12,065,813 | 81,112,616 | 67,207,523 | 11,672,838 | 78,880,361 | 71,172,724 | 12,404,674 | 83,577,398 |
| Employer's Net Pension Liability - Ending | 4,316,994 | 754,387 | 5,071,381 | 9,001,308 | 1,677,598 | 10,678,906 | 8,163,648 | 1,533,101 | 9,696,749 |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 94.12% | 94.12% | 94.12% | 88.19% | 87.43% | 88.08% | 89.71% | 89.00% | 89.60% |
| Covered-Employee Payroll | 11,919,013 | 2,082,827 | 14,001,840 | 12,005,119 | 2,097,880 | 14,102,999 | 11,977,627 | 2,249,347 | 14,226,974 |
| Employer's Net Pension Liability as a Percentage of Covered-Employee Payroll | 36.22% | 36.22% | 36.22% | 74.98% | 79.97% | 75.72% | 68.16% | 68.16% | 68.16% |

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, discount rate 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 the Employer's Net Pension Liability and Related Ratios
 Last Four Calendar Years

| | 2014 | 2015 | 2016 | 2017 |
|---|----------------------|----------------------|----------------------|----------------------|
| TOTAL PENSION LIABILITY | | | | |
| Service cost | \$ 1,393,865 | \$ 1,101,137 | \$ 1,188,341 | \$ 1,274,496 |
| Interest Changes of benefit terms | 5,622,939 | 6,244,771 | 6,255,335 | 6,482,777 |
| Differences between expected and actual experience | 141,731 | (3,247,820) | (113,300) | 69,531 |
| Changes of assumptions | 4,756,031 | (301,276) | (248,849) | 3,187,004 |
| Benefit payments, including refunds of member contributions | (3,143,338) | (3,531,805) | (3,770,391) | (4,118,392) |
| Net change in total pension liability | 8,771,228 | 265,007 | 3,311,136 | 6,895,416 |
| Total pension liability - beginning | 79,129,442 | 87,900,670 | 88,165,677 | 91,476,813 |
| TOTAL PENSION LIABILITY-ENDING | <u>\$ 87,900,670</u> | <u>\$ 88,165,677</u> | <u>\$ 91,476,813</u> | <u>\$ 98,372,229</u> |
| PLAN FIDUCIARY NET POSITION | | | | |
| Employer contributions | \$ 2,328,358 | \$ 2,274,955 | \$ 2,689,713 | \$ 2,938,808 |
| Employee contributions | 723,877 | 669,478 | 772,223 | 703,712 |
| Net investment income | 1,527,392 | (159,155) | 2,811,623 | 6,060,635 |
| Benefit payments, including refunds of member contributions | (3,143,338) | (3,531,805) | (3,770,391) | (4,118,392) |
| Administrative expense | (37,674) | (45,154) | (68,989) | (63,132) |
| Net change in plan fiduciary net position | 1,398,615 | (791,681) | 2,434,179 | 5,521,631 |
| Plan fiduciary net position - beginning | 47,045,929 | 48,444,544 | 47,652,863 | 50,087,042 |
| PLAN FIDUCIARY NET POSITION-ENDING | <u>\$ 48,444,544</u> | <u>\$ 47,652,863</u> | <u>\$ 50,087,042</u> | <u>\$ 55,608,673</u> |
| EMPLOYER'S NET PENSION LIABILITY | <u>\$ 39,456,126</u> | <u>\$ 40,512,814</u> | <u>\$ 41,389,771</u> | <u>\$ 42,763,556</u> |
| Plan fiduciary net position as a percentage of the total pension liability | 55.11% | 54.05% | 54.75% | 56.53% |
| Covered-employee payroll | \$ 6,736,518 | \$ 6,569,302 | \$ 7,696,273 | 7,965,643 |
| Village's net pension liability as a percentage of covered-employee payroll | 585.71% | 616.70% | 537.79% | 536.85% |

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, discount rate, 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 the Employer's Net Pension Liability and Related Ratios
 Last Four Calendar Years

| | 2014 | 2015 | 2016 | 2017 |
|---|----------------------|----------------------|----------------------|----------------------|
| TOTAL PENSION LIABILITY | | | | |
| Service cost | \$ 1,590,174 | \$ 1,366,967 | \$ 1,379,081 | \$ 1,479,064 |
| Interest Changes of benefit terms | 4,954,245 | 5,676,970 | 5,908,905 | 6,209,074 |
| Differences between expected and actual experience | 2,431,084 | (408,144) | 256,883 | 140,903 |
| Changes of assumptions | 4,037,822 | (163,463) | 254,235 | 3,067,711 |
| Benefit payments, including refunds of member contributions | (3,000,329) | (3,089,065) | (3,457,378) | (3,860,306) |
| Net change in total pension liability | 10,012,996 | 3,383,265 | 4,341,726 | 7,036,446 |
| Total pension liability - beginning | 69,834,573 | 79,847,569 | 83,230,834 | 87,572,560 |
| TOTAL PENSION LIABILITY-ENDING | <u>\$ 79,847,569</u> | <u>\$ 83,230,834</u> | <u>\$ 87,572,560</u> | <u>\$ 94,609,006</u> |
| PLAN FIDUCIARY NET POSITION | | | | |
| Employer contributions | \$ 2,494,658 | \$ 2,344,190 | \$ 2,847,524 | \$ 3,086,488 |
| Employee contributions | 654,851 | 658,542 | 662,633 | 671,040 |
| Net investment income | 2,265,575 | 370,944 | 3,032,688 | 6,441,396 |
| Benefit payments, including refunds of member contributions | (3,000,329) | (3,089,065) | (3,457,378) | (3,860,306) |
| Administrative expense | (48,593) | (58,394) | (48,801) | (45,802) |
| Net change in plan fiduciary net position | 2,366,162 | 226,217 | 3,036,666 | 6,292,816 |
| Plan fiduciary net position - beginning | 43,101,196 | 45,467,358 | 45,693,575 | 48,730,241 |
| PLAN FIDUCIARY NET POSITION-ENDING | <u>\$ 45,467,358</u> | <u>\$ 45,693,575</u> | <u>\$ 48,730,241</u> | <u>\$ 55,023,057</u> |
| EMPLOYER'S NET PENSION LIABILITY | <u>\$ 34,380,211</u> | <u>\$ 37,537,259</u> | <u>\$ 38,842,319</u> | <u>\$ 39,585,949</u> |
| Plan fiduciary net position as a percentage of the total pension liability | 56.94% | 54.90% | 55.65% | 58.16% |
| Covered-employee payroll | \$ 7,029,608 | \$ 6,981,874 | \$ 8,034,062 | \$ 8,315,255 |
| Village's net pension liability as a percentage of covered-employee payroll | 489.08% | 537.64% | 483.47% | 476.06% |

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, discount rate, 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 Four Calendar Years

| | 2014 | 2015 | 2016 | 2017 |
|--|-------|--------|-------|--------|
| Annual money-weighted rate of return, net of investment expense | 3.40% | -0.24% | 6.02% | 12.30% |

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 Four Calendar Years

| | 2014 | 2015 | 2016 | 2017 |
|--|-------|-------|-------|--------|
| Annual money-weighted rate of return, net of investment expense | 5.40% | 0.91% | 6.73% | 13.37% |

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, 2017

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, 2017

| | Original Budget | Final Budget | Actual | Variance |
|-----------------------------------|--------------------|-----------------|--------------|-------------|
| Home rule sales tax | \$ 2,050,000 | \$ 2,050,000 | \$ 1,978,047 | \$ (71,953) |
| Property taxes | | | | |
| General | 5,847,145 | 5,847,145 | 5,903,486 | 56,341 |
| Pension | 5,976,315 | 5,976,315 | 6,024,761 | 48,446 |
| Special service areas | 322,000 | 322,000 | 317,305 | (4,695) |
| Township road and bridge | 435,000 | 435,000 | 431,756 | (3,244) |
| Total property taxes | 12,580,460 | 12,580,460 | 12,677,308 | 96,848 |
| Utility taxes | | | | |
| Natural gas use tax | 500,000 | 500,000 | 442,296 | (57,704) |
| Electricity tax | 1,900,000 | 1,900,000 | 1,769,407 | (130,593) |
| Telecommunications tax | 2,700,000 | 2,700,000 | 2,321,739 | (378,261) |
| Total utility taxes | 5,100,000 | 5,100,000 | 4,533,442 | (566,558) |
| Other taxes | | | | |
| Hotel tax | 1,050,000 | 1,050,000 | 931,567 | (118,433) |
| Personal property replacement tax | 350,000 | 350,000 | 494,239 | 144,239 |
| Other local taxes | 40,000 | 40,000 | 52,886 | 12,886 |
| Total other taxes | 1,440,000 | 1,440,000 | 1,478,692 | 38,692 |
| Licenses & permits | | | | |
| Building and related | 1,305,000 | 1,305,000 | 1,874,437 | 569,437 |
| Alcoholic beverage | 245,000 | 245,000 | 270,749 | 25,749 |
| Professional and occupational | 27,000 | 27,000 | 46,144 | 19,144 |
| Other licenses and permits | 82,950 | 82,950 | 147,485 | 64,535 |
| Total licenses & permits | 1,659,950 | 1,659,950 | 2,338,815 | 678,865 |
| Intergovernmental | | | | |
| Income tax | 5,000,000 | 5,000,000 | 4,488,393 | (511,607) |
| Sales tax | 12,300,000 | 12,300,000 | 11,652,631 | (647,369) |
| Local use tax | 1,200,000 | 1,200,000 | 1,264,020 | 64,020 |
| Grants | 371,291 | 371,291 | 605,271 | 233,980 |
| Total intergovernmental | 18,871,291 | 18,871,291 | 18,010,315 | (860,976) |

VILLAGE OF DOWNERS GROVE, ILLINOIS
 General Fund
 Schedule of Revenues - Budget and Actual (Continued)
 For the Year Ended December 31, 2017

| | Original Budget | Final Budget | Actual | Variance |
|---|----------------------|----------------------|----------------------|---------------------|
| Charges for services & fees | | | | |
| Ambulance user fee - resident | \$ 880,000 | \$ 880,000 | \$ 803,922 | \$ (76,078) |
| Ambulance user fee - nonresident | 385,000 | 385,000 | 322,237 | (62,763) |
| Review and inspection fees | 269,000 | 269,000 | 325,898 | 56,898 |
| Cable franchise fees | 945,000 | 945,000 | 995,853 | 50,853 |
| Cellular antenna rental | 1,100,000 | 1,100,000 | 1,112,947 | 12,947 |
| Other fees & charges | 753,700 | 753,700 | 952,671 | 198,971 |
| Total charges for services & fees | 4,332,700 | 4,332,700 | 4,513,528 | 180,828 |
| Fines & forfeitures | | | | |
| Administrative booking and towing fees | 150,000 | 150,000 | 123,350 | (26,650) |
| Fines | 500,700 | 500,700 | 444,545 | (56,155) |
| Total fines & forfeitures | 650,700 | 650,700 | 567,895 | (82,805) |
| Investment income | 190,000 | 190,000 | 179,660 | (10,340) |
| Contributions and donations | - | - | 882 | 882 |
| TOTAL REVENUES | \$ 46,875,101 | \$ 46,875,101 | \$ 46,278,584 | \$ (596,517) |

VILLAGE OF DOWNERS GROVE, ILLINOIS
 General Fund
 Schedule of Expenditures - Budget and Actual
 For the Year Ended December 31, 2017

| | Original Budget | Final Budget | Actual | Variance |
|------------------------------------|----------------------|----------------------|----------------------|---------------------|
| General government | | | | |
| Personnel services | \$ 3,565,855 | \$ 3,565,855 | \$ 3,550,932 | \$ (14,923) |
| Supplies | 100,791 | 100,791 | 78,107 | (22,684) |
| Contractual services | 825,350 | 825,350 | 612,655 | (212,695) |
| Other charges and services | 614,626 | 614,626 | 596,934 | (17,692) |
| Total general government | 5,106,622 | 5,106,622 | 4,838,628 | (267,994) |
| Public works | | | | |
| Personnel services | 3,109,478 | 3,109,478 | 2,991,994 | (117,484) |
| Supplies | 583,070 | 583,070 | 356,732 | (226,338) |
| Contractual services | 1,127,368 | 1,127,368 | 875,752 | (251,616) |
| Other charges and services | 1,258,162 | 1,258,162 | 1,293,561 | 35,399 |
| Total public works | 6,078,078 | 6,078,078 | 5,518,039 | (560,039) |
| Community development | | | | |
| Personnel services | 1,688,667 | 1,688,667 | 1,600,515 | (88,152) |
| Supplies | 15,850 | 15,850 | 10,155 | (5,695) |
| Contractual services | 80,600 | 80,600 | 60,960 | (19,640) |
| Other charges and services | 705,366 | 705,366 | 666,947 | (38,419) |
| Total community development | 2,490,483 | 2,490,483 | 2,338,577 | (151,906) |
| Public safety | | | | |
| Personnel services | 26,791,157 | 26,791,157 | 27,251,565 | 460,408 |
| Supplies | 348,100 | 348,100 | 295,050 | (53,050) |
| Contractual services | 1,730,164 | 1,730,164 | 1,756,420 | 26,256 |
| Other charges and services | 3,462,693 | 3,462,693 | 3,542,566 | 79,873 |
| Total public safety | 32,332,114 | 32,332,114 | 32,845,601 | 513,487 |
| Community services | | | | |
| Personnel services | 577,905 | 577,905 | 511,552 | (66,353) |
| Supplies | 23,264 | 23,264 | 6,065 | (17,199) |
| Contractual services | 227,552 | 227,552 | 199,144 | (28,408) |
| Other charges and services | 18,090 | 18,090 | 7,680 | (10,410) |
| Total community services | 846,811 | 846,811 | 724,441 | (122,370) |
| TOTAL EXPENDITURES | \$ 46,854,108 | \$ 46,854,108 | \$ 46,265,286 | \$ (588,822) |

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, 2017

| | Budgeted Amounts | | Actual | Variance |
|--|---------------------|---------------------|---------------------|---------------------|
| | Original | Final | | |
| REVENUES | | | | |
| Property tax | \$ 971,524 | \$ 971,524 | \$ 971,524 | \$ - |
| Home rule sales tax | 6,150,000 | 6,150,000 | 5,934,142 | (215,858) |
| Utility tax | 540,000 | 540,000 | 464,357 | (75,643) |
| Intergovernmental | 1,017,750 | 1,017,750 | - | (1,017,750) |
| Investment income | 10,000 | 10,000 | 35,204 | 25,204 |
| Contributions and donations | 30,000 | 30,000 | 180,159 | 150,159 |
| Total revenues | <u>8,719,274</u> | <u>8,719,274</u> | <u>7,585,386</u> | <u>(1,133,888)</u> |
| EXPENDITURES | | | | |
| Current | | | | |
| Public works | 990,279 | 990,279 | 748,939 | (241,340) |
| Total current | <u>990,279</u> | <u>990,279</u> | <u>748,939</u> | <u>(241,340)</u> |
| Capital outlay | | | | |
| General government | - | - | 224,982 | 224,982 |
| Public works | 6,416,850 | 6,416,850 | 3,466,267 | (2,950,583) |
| Total capital outlay | <u>6,416,850</u> | <u>6,416,850</u> | <u>3,691,249</u> | <u>(2,725,601)</u> |
| Total expenditures | <u>7,407,129</u> | <u>7,407,129</u> | <u>4,440,188</u> | <u>(2,966,941)</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>1,312,145</u> | <u>1,312,145</u> | <u>3,145,198</u> | <u>1,833,053</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers out | (2,411,531) | (2,411,531) | (2,411,534) | (3) |
| Total other financing sources (uses) | <u>(2,411,531)</u> | <u>(2,411,531)</u> | <u>(2,411,534)</u> | <u>(3)</u> |
| Net change in fund balance | (1,099,386) | (1,099,386) | 733,664 | <u>\$ 1,833,050</u> |
| Fund balance -- beginning | <u>4,108,294</u> | <u>4,108,294</u> | <u>4,108,294</u> | |
| Fund balance -- ending | <u>\$ 3,008,908</u> | <u>\$ 3,008,908</u> | <u>\$ 4,841,958</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

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, 2017

| | Special Revenue | Debt Service | Capital Projects | Total |
|---|----------------------|-----------------|---------------------|----------------------|
| ASSETS | | | | |
| Cash and investments | \$ 10,007,175 | \$ 457 | \$1,793,887 | \$ 11,801,519 |
| Property taxes receivable | 730,000 | - | - | 730,000 |
| Other taxes receivable | 107,979 | - | 18,705 | 126,684 |
| Interest receivable | 42,744 | - | - | 42,744 |
| Accounts receivable | 2,078 | - | 1,006 | 3,084 |
| Total Assets | <u>10,889,976</u> | <u>457</u> | <u>1,813,598</u> | <u>12,704,031</u> |
| LIABILITIES | | | | |
| Accounts payable | 1,392,916 | - | 5,735 | 1,398,651 |
| Deposits payable | - | - | 1,426 | 1,426 |
| Total Liabilities | <u>1,392,916</u> | <u>-</u> | <u>7,161</u> | <u>1,400,077</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | |
| Property taxes levied for future periods | <u>730,000</u> | <u>-</u> | <u>-</u> | <u>730,000</u> |
| Total Liabilities & Deferred Inflows of Resources | <u>2,122,916</u> | <u>-</u> | <u>7,161</u> | <u>2,130,077</u> |
| FUND BALANCE | | | | |
| Restricted | 8,767,060 | 457 | - | 8,767,517 |
| Assigned | - | - | 1,806,437 | 1,806,437 |
| Total fund balance | <u>8,767,060</u> | <u>457</u> | <u>1,806,437</u> | <u>10,573,954</u> |
| Total Liabilities, Deferred Inflows of Resources & Fund Balance | <u>\$ 10,889,976</u> | <u>\$ 457</u> | <u>\$ 1,813,598</u> | <u>\$ 12,704,031</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, 2017

| | Special Revenue | Debt Service | Capital Projects | Total |
|--|---------------------|--------------------|---------------------|---------------------|
| REVENUES | | | | |
| Property tax | \$ 712,397 | \$ - | \$ - | \$ 712,397 |
| Other taxes | 102,698 | - | 201,974 | 304,672 |
| Intergovernmental | 2,247,768 | - | - | 2,247,768 |
| Charges for services & fees | 609,738 | - | 19,316 | 629,054 |
| Investment income | 64,760 | - | 11,207 | 75,967 |
| Total revenues | <u>3,737,361</u> | <u>-</u> | <u>232,497</u> | <u>3,969,858</u> |
| EXPENDITURES | | | | |
| Current | | | | |
| General government | 1,001,338 | - | 69,957 | 1,071,295 |
| Public works | 1,195,000 | - | - | 1,195,000 |
| Community development | 86,758 | - | - | 86,758 |
| Public safety | 122,634 | - | - | 122,634 |
| Capital outlay | | | | |
| General government | - | - | 79,715 | 79,715 |
| Public safety | 118,475 | - | - | 118,475 |
| Debt service | | | | |
| Principal retirement | - | 4,320,000 | - | 4,320,000 |
| Interest and other | - | 1,531,918 | - | 1,531,918 |
| Issuance costs | - | 40,637 | - | 40,637 |
| Total expenditures | <u>2,524,205</u> | <u>5,892,555</u> | <u>149,672</u> | <u>8,566,432</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>1,213,156</u> | <u>(5,892,555)</u> | <u>82,825</u> | <u>(4,596,574)</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | - | 5,655,921 | 500,004 | 6,155,925 |
| Refunding bonds issued | - | 2,255,000 | - | 2,255,000 |
| Payment to Escrow Agent | - | (2,214,000) | - | (2,214,000) |
| Total other financing sources (uses) | <u>-</u> | <u>5,696,921</u> | <u>500,004</u> | <u>6,196,925</u> |
| Net change in fund balance | 1,213,156 | (195,634) | 582,829 | 1,600,351 |
| Fund balance -- beginning | <u>7,553,904</u> | <u>196,091</u> | <u>1,223,608</u> | <u>8,973,603</u> |
| Fund balance -- ending | <u>\$ 8,767,060</u> | <u>\$ 457</u> | <u>\$ 1,806,437</u> | <u>\$10,573,954</u> |

VILLAGE OF DOWNERS GROVE, ILLINOIS
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2017

| | Motor Fuel Tax | Foreign Fire | Ogden TIF | Sales Tax Rebate | Asset Forfeiture | Total |
|---|---------------------|-------------------|---------------------|---------------------|---------------------|----------------------|
| ASSETS | | | | | | |
| Cash and investments | \$1,299,329 | \$ 326,344 | \$5,694,651 | \$621,211 | \$ 2,065,640 | \$10,007,175 |
| Property taxes receivable | - | - | 730,000 | - | - | 730,000 |
| Other taxes receivable | 107,979 | - | - | - | - | 107,979 |
| Interest receivable | - | 38 | 42,706 | - | - | 42,744 |
| Accounts receivable | - | - | - | - | 2,078 | 2,078 |
| Total assets | <u>1,407,308</u> | <u>326,382</u> | <u>6,467,357</u> | <u>621,211</u> | <u>2,067,718</u> | <u>10,889,976</u> |
| LIABILITIES | | | | | | |
| Accounts payable | <u>765,784</u> | <u>2,116</u> | - | <u>621,211</u> | <u>3,805</u> | <u>1,392,916</u> |
| Total liabilities | <u>765,784</u> | <u>2,116</u> | - | <u>621,211</u> | <u>3,805</u> | <u>1,392,916</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | | | |
| Property taxes levied for future periods | - | - | 730,000 | - | - | 730,000 |
| Total Liabilities & Deferred Inflows of Resources | <u>765,784</u> | <u>2,116</u> | <u>730,000</u> | <u>621,211</u> | <u>3,805</u> | <u>2,122,916</u> |
| FUND BALANCE | | | | | | |
| Restricted | <u>641,524</u> | <u>324,266</u> | <u>5,737,357</u> | - | <u>2,063,913</u> | <u>8,767,060</u> |
| Total fund balance | <u>641,524</u> | <u>324,266</u> | <u>5,737,357</u> | - | <u>2,063,913</u> | <u>8,767,060</u> |
| Total Liabilities, Deferred Inflows of Resources & Fund Balance | <u>\$ 1,407,308</u> | <u>\$ 326,382</u> | <u>\$ 6,467,357</u> | <u>\$ 621,211</u> | <u>\$ 2,067,718</u> | <u>\$ 10,889,976</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, 2017

| | Motor Fuel Tax | Foreign Fire | Odgen TIF | Sales Tax Rebate | Asset Forfeiture | Total |
|--------------------------------------|-------------------|-------------------|---------------------|------------------|---------------------|---------------------|
| REVENUES | | | | | | |
| Property tax | \$ - | \$ - | \$ 712,397 | \$ - | \$ - | \$ 712,397 |
| Other taxes | - | 102,698 | - | - | - | 102,698 |
| Intergovernmental | 1,246,430 | - | - | 1,001,338 | - | 2,247,768 |
| Charges for services & fees | - | - | - | - | 609,738 | 609,738 |
| Investment income | 9,972 | 370 | 49,731 | - | 4,687 | 64,760 |
| Total revenues | <u>1,256,402</u> | <u>103,068</u> | <u>762,128</u> | <u>1,001,338</u> | <u>614,425</u> | <u>3,737,361</u> |
| EXPENDITURES | | | | | | |
| Current | | | | | | |
| General government | - | - | - | 1,001,338 | - | 1,001,338 |
| Public works | 1,195,000 | - | - | - | - | 1,195,000 |
| Community development | - | - | 86,758 | - | - | 86,758 |
| Public safety | - | 48,346 | - | - | 74,288 | 122,634 |
| Capital Outlay | | | | | | |
| Public safety | - | 33,993 | - | - | 84,482 | 118,475 |
| Total expenditures | <u>1,195,000</u> | <u>82,339</u> | <u>86,758</u> | <u>1,001,338</u> | <u>158,770</u> | <u>2,524,205</u> |
| Net Change in fund balances | 61,402 | 20,729 | 675,370 | - | 455,655 | 1,213,156 |
| Fund balances (deficit) -- beginning | <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> |
| Fund balances -- ending | <u>\$ 641,524</u> | <u>\$ 324,266</u> | <u>\$ 5,737,357</u> | <u>-</u> | <u>\$ 2,063,913</u> | <u>\$ 8,767,060</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, 2017

| | Budgeted Amounts | | Actual | Variance |
|----------------------------|-------------------|-------------------|-------------------|-------------------|
| | Original | Final | | |
| REVENUES | | | | |
| Intergovernmental | \$ 1,150,000 | \$ 1,150,000 | \$ 1,246,430 | \$ 96,430 |
| Investment income | 100 | 100 | 9,972 | 9,872 |
| Total revenues | <u>1,150,100</u> | <u>1,150,100</u> | <u>1,256,402</u> | <u>106,302</u> |
| EXPENDITURES | | | | |
| Public works | <u>1,195,000</u> | <u>1,195,000</u> | <u>1,195,000</u> | - |
| Total current | <u>1,195,000</u> | <u>1,195,000</u> | <u>1,195,000</u> | - |
| Total expenditures | <u>1,195,000</u> | <u>1,195,000</u> | <u>1,195,000</u> | - |
| Net change in fund balance | (44,900) | (44,900) | 61,402 | <u>\$ 106,302</u> |
| Fund balance -- beginning | <u>580,122</u> | <u>580,122</u> | <u>580,122</u> | |
| Fund balance -- ending | <u>\$ 535,222</u> | <u>\$ 535,222</u> | <u>\$ 641,524</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, 2017

| | Budgeted Amounts | | Actual | Variance |
|----------------------------|-------------------|-------------------|-------------------|-------------------|
| | Original | Final | | |
| REVENUES | | | | |
| Foreign fire insurance tax | \$ 80,000 | \$ 80,000 | \$ 102,698 | \$ 22,698 |
| Investment income | - | - | 370 | 370 |
| Total revenues | <u>80,000</u> | <u>80,000</u> | <u>103,068</u> | <u>23,068</u> |
| EXPENDITURES | | | | |
| Current | | | | |
| Public safety | <u>164,450</u> | <u>164,450</u> | <u>48,346</u> | <u>116,104</u> |
| Total current | <u>164,450</u> | <u>164,450</u> | <u>48,346</u> | <u>116,104</u> |
| Capital Outlay | | | | |
| Public safety | <u>30,000</u> | <u>30,000</u> | <u>33,993</u> | <u>(3,993)</u> |
| Total capital outlay | <u>30,000</u> | <u>30,000</u> | <u>33,993</u> | <u>(3,993)</u> |
| Total expenditures | <u>194,450</u> | <u>194,450</u> | <u>82,339</u> | <u>112,111</u> |
| Net change in fund balance | (114,450) | (114,450) | 20,729 | <u>\$ 135,179</u> |
| Fund balance -- beginning | <u>303,537</u> | <u>303,537</u> | <u>303,537</u> | |
| Fund balance -- ending | <u>\$ 189,087</u> | <u>\$ 189,087</u> | <u>\$ 324,266</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, 2017

| | Budgeted Amounts | | Actual | Variance |
|----------------------------|---------------------|---------------------|---------------------|-------------------|
| | Original | Final | | |
| REVENUES | | | | |
| Property tax | \$ 645,000 | \$ 645,000 | \$ 712,397 | \$ 67,397 |
| Investment income | - | - | 49,731 | 49,731 |
| Intergovernmental | 360,000 | 360,000 | - | (360,000) |
| Total revenues | <u>1,005,000</u> | <u>1,005,000</u> | <u>762,128</u> | <u>(242,872)</u> |
| EXPENDITURES | | | | |
| Current | | | | |
| Public works | 455,000 | 455,000 | - | 455,000 |
| Community development | 836,313 | 836,313 | 86,758 | 749,555 |
| Total current | <u>1,291,313</u> | <u>1,291,313</u> | <u>86,758</u> | <u>1,204,555</u> |
| Total expenditures | <u>1,291,313</u> | <u>1,291,313</u> | <u>86,758</u> | <u>1,204,555</u> |
| Net change in fund balance | (286,313) | (286,313) | 675,370 | <u>\$ 961,683</u> |
| Fund balance -- beginning | <u>5,061,987</u> | <u>5,061,987</u> | <u>5,061,987</u> | |
| Fund balance -- ending | <u>\$ 4,775,674</u> | <u>\$ 4,775,674</u> | <u>\$ 5,737,357</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, 2017

| | Budgeted Amounts | | Actual | Variance |
|----------------------------|--------------------|--------------------|--------------------|--------------------|
| | Original | Final | | |
| REVENUES | | | | |
| Sales tax | \$ 1,500,000 | \$ 1,500,000 | \$ 1,001,338 | \$ (498,662) |
| Total revenues | <u>1,500,000</u> | <u>1,500,000</u> | <u>1,001,338</u> | <u>(498,662)</u> |
| EXPENDITURES | | | | |
| Current | | | | |
| General government | 1,500,000 | 1,500,000 | 1,001,338 | 498,662 |
| Total current | <u>1,500,000</u> | <u>1,500,000</u> | <u>1,001,338</u> | <u>498,662</u> |
| Total expenditures | <u>1,500,000</u> | <u>1,500,000</u> | <u>1,001,338</u> | <u>498,662</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, 2017

| | Budgeted Amounts | | Actual | Variance |
|--------------------------------|-------------------|-------------------|---------------------|---------------------|
| | Original | Final | | |
| REVENUES | | | | |
| Charges for srvcs, fees, fines | \$ 310,000 | \$ 310,000 | \$ 609,738 | \$ 299,738 |
| Investment Income | - | - | 4,687 | 4,687 |
| Total revenues | <u>310,000</u> | <u>310,000</u> | <u>614,425</u> | <u>304,425</u> |
| EXPENDITURES | | | | |
| Current | | | | |
| Public safety | 35,000 | 35,000 | 74,288 | (39,288) |
| Total current | <u>35,000</u> | <u>35,000</u> | <u>74,288</u> | <u>(39,288)</u> |
| Capital Outlay | | | | |
| Public safety | 1,775,000 | 1,775,000 | 84,482 | 1,690,518 |
| Total capital outlay | <u>1,775,000</u> | <u>1,775,000</u> | <u>84,482</u> | <u>1,690,518</u> |
| Total expenditures | <u>1,810,000</u> | <u>1,810,000</u> | <u>158,770</u> | <u>1,651,230</u> |
| Net change in fund balance | (1,500,000) | (1,500,000) | 455,655 | <u>\$ 1,955,655</u> |
| Fund balance -- beginning | <u>1,608,258</u> | <u>1,608,258</u> | <u>1,608,258</u> | |
| Fund balance -- ending | <u>\$ 108,258</u> | <u>\$ 108,258</u> | <u>\$ 2,063,913</u> | |

VILLAGE OF DOWNERS GROVE, ILLINOIS
 Combining Balance Sheet
 Nonmajor Debt Service Funds
 December 31, 2017

| | Downtown TIF | Capital/ Facilities | Total |
|-------------------------------------|-----------------|------------------------|--------|
| ASSETS | | | |
| Cash and investments | \$ 457 | \$ - | \$ 457 |
| Total assets | 457 | - | 457 |
| LIABILITIES | | | |
| Total liabilities | - | - | - |
| FUND BALANCES | | | |
| Restricted for debt service | 457 | - | 457 |
| Total fund balances | 457 | - | 457 |
| Total liabilities and fund balances | \$ 457 | \$ - | \$ 457 |

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, 2017

| | Downtown TIF | Capital/ Facilities | Total |
|--|-----------------|------------------------|-------------|
| REVENUES | | | |
| Local fuel tax | \$ - | \$ - | \$ - |
| Investment income | - | - | - |
| Total revenues | - | - | - |
| EXPENDITURES | | | |
| Debt service | | | |
| Principal retirement | 3,235,000 | 1,085,000 | 4,320,000 |
| Interest and other | 704,100 | 827,818 | 1,531,918 |
| Issuance costs | 40,637 | - | 40,637 |
| Total expenditures | 3,979,737 | 1,912,818 | 5,892,555 |
| Excess (deficiency) of revenues over (under) expenditures | (3,979,737) | (1,912,818) | (5,892,555) |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers in | 3,744,391 | 1,911,530 | 5,655,921 |
| Refunding bonds issued | 2,255,000 | - | 2,255,000 |
| Payment to escrow agent | (2,214,000) | - | (2,214,000) |
| Total other financing sources (uses) | 3,785,391 | 1,911,530 | 5,696,921 |
| Net change in fund balances | (194,346) | (1,288) | (195,634) |
| Fund balances -- beginning | 194,803 | 1,288 | 196,091 |
| Fund balances -- ending | \$ 457 | \$ - | \$ 457 |

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, 2017

| | Budgeted Amounts | | Actual | Variance |
|---|--------------------|-----------------------|--------------------|---------------------|
| | Original | Final | | |
| EXPENDITURES | | | | |
| Debt service | | | | |
| Principal retirement | \$ 3,235,000 | \$ 3,235,000 | \$ 3,235,000 | \$ - |
| Interest and other | 704,101 | 704,101 | 704,100 | (1) |
| Issuance costs | - | 86,000 | 40,637 | (45,363) |
| Total debt service | <u>3,939,101</u> | <u>4,025,101</u> | <u>3,979,737</u> | <u>(45,364)</u> |
| Total expenditures | <u>3,939,101</u> | <u>4,025,101</u> | <u>3,979,737</u> | <u>(45,364)</u> |
| Excess (deficiency) of revenues (under) expenditures | <u>(3,939,101)</u> | <u>(4,025,101)</u> | <u>(3,979,737)</u> | <u>45,364</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | 3,745,353 | 3,745,353 | 3,744,391 | (962) |
| Refunding bonds issued | - | - | 2,255,000 | 2,255,000 |
| Payment to escrow agent | - | (2,214,000) | (2,214,000) | - |
| Total other financing sources (uses) | <u>3,745,353</u> | <u>1,531,353</u> | <u>3,785,391</u> | <u>2,254,038</u> |
| Net change in fund balance | (193,748) | (2,493,748) | (194,346) | <u>\$ 2,299,402</u> |
| Fund balance -- beginning | <u>194,803</u> | <u>194,803</u> | <u>194,803</u> | |
| Fund balance -- ending | <u>\$ 1,055</u> | <u>(\$ 2,298,945)</u> | <u>\$ 457</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, 2017

| | <u>Budgeted Amounts</u> | | Actual | Variance |
|--------------------------------|-------------------------|------------------|------------------|-------------|
| | <u>Original</u> | <u>Final</u> | | |
| EXPENDITURES | | | | |
| Debt service | | | | |
| Principal retirement | \$ 1,085,000 | \$ 1,085,000 | \$ 1,085,000 | \$ - |
| Interest and other | 827,819 | 827,819 | 827,818 | (1) |
| Total debt service | <u>1,912,819</u> | <u>1,912,819</u> | <u>1,912,818</u> | <u>(1)</u> |
| Total expenditures | <u>1,912,819</u> | <u>1,912,819</u> | <u>1,912,818</u> | <u>(1)</u> |
| OTHER FINANCING SOURCES | | | | |
| Transfers in | <u>1,911,531</u> | <u>1,911,531</u> | <u>1,911,530</u> | <u>(1)</u> |
| Total other financing sources | <u>1,911,531</u> | <u>1,911,531</u> | <u>1,911,530</u> | <u>(1)</u> |
| Net change in fund balance | (1,288) | (1,288) | (1,288) | <u>\$ -</u> |
| Fund balance -- beginning | <u>1,288</u> | <u>1,288</u> | <u>1,288</u> | |
| Fund balance -- ending | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | |

VILLAGE OF DOWNERS GROVE, ILLINOIS
Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2017

| | Municipal Buildings | Real Estate | Total |
|-------------------------------------|------------------------|-------------|--------------|
| ASSETS | | | |
| Cash and investments | \$ 1,753,652 | \$ 40,235 | \$ 1,793,887 |
| Accounts receivable | - | 1,006 | 1,006 |
| Local fuel tax receivable | 18,705 | - | 18,705 |
| Total assets | 1,772,357 | 41,241 | 1,813,598 |
| | | | |
| LIABILITIES | | | |
| Accounts payable | 4,410 | 1,325 | 5,735 |
| Deposits payable | - | 1,426 | 1,426 |
| Total liabilities | 4,410 | 2,751 | 7,161 |
| | | | |
| FUND BALANCES | | | |
| Assigned for Capital Projects | 1,767,947 | 38,490 | 1,806,437 |
| | | | |
| Total liabilities and fund balances | \$ 1,772,357 | \$ 41,241 | \$ 1,813,598 |

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, 2017

| | Municipal Buildings | Real Estate | Total |
|--|------------------------|------------------|---------------------|
| REVENUES | | | |
| Charges for services & fees | \$ - | \$ 19,316 | \$ 19,316 |
| Local fuel tax | 201,974 | - | 201,974 |
| Investment income | 10,830 | 377 | 11,207 |
| Total revenues | <u>212,804</u> | <u>19,693</u> | <u>232,497</u> |
| EXPENDITURES | | | |
| Current | | | |
| General government | 38,832 | 31,125 | 69,957 |
| Total current | <u>38,832</u> | <u>31,125</u> | <u>69,957</u> |
| Capital Outlay | | | |
| General government | 79,715 | - | 79,715 |
| Total capital outlay | <u>79,715</u> | <u>-</u> | <u>79,715</u> |
| Total expenditures | <u>118,547</u> | <u>31,125</u> | <u>149,672</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>94,257</u> | <u>(11,432)</u> | <u>82,825</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 | 594,261 | (11,432) | 582,829 |
| Fund balances -- beginning | <u>1,173,686</u> | <u>49,922</u> | <u>1,223,608</u> |
| Fund balances -- ending | <u>\$ 1,767,947</u> | <u>\$ 38,490</u> | <u>\$ 1,806,437</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, 2017

| | <u>Budgeted Amounts</u> | | Actual | Variance |
|--|-------------------------|---------------------|---------------------|-------------------|
| | Original | Final | | |
| REVENUES | | | | |
| Local fuel tax | \$ 200,000 | \$ 200,000 | \$ 201,974 | \$ 1,974 |
| Investment income | - | - | 10,830 | 10,830 |
| Total revenues | <u>200,000</u> | <u>200,000</u> | <u>212,804</u> | <u>12,804</u> |
| EXPENDITURES | | | | |
| Current | | | | |
| General government | - | - | 38,832 | 38,832 |
| Total current | <u>-</u> | <u>-</u> | <u>38,832</u> | <u>38,832</u> |
| Capital outlay | | | | |
| General government | 374,500 | 374,500 | 79,715 | (294,785) |
| Total capital outlay | <u>374,500</u> | <u>374,500</u> | <u>79,715</u> | <u>(294,785)</u> |
| Total expenditures | <u>374,500</u> | <u>374,500</u> | <u>118,547</u> | <u>(255,953)</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(174,500)</u> | <u>(174,500)</u> | <u>94,257</u> | <u>268,757</u> |
| OTHER FINANCING SOURCES | | | | |
| 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 | 325,500 | 325,500 | 594,261 | <u>\$ 268,761</u> |
| Fund balance -- beginning | <u>1,173,686</u> | <u>1,173,686</u> | <u>1,173,686</u> | |
| Fund balance -- ending | <u>\$ 1,499,186</u> | <u>\$ 1,499,186</u> | <u>\$ 1,767,947</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, 2017

| | Budgeted Amounts | | Actual | Variance |
|-----------------------------|------------------|------------------|------------------|-----------------|
| | Original | Final | | |
| REVENUES | | | | |
| Charges for services & fees | \$ 20,712 | \$ 20,712 | \$ 19,316 | \$ (1,396) |
| Investment income | - | - | 377 | 377 |
| Total revenues | <u>20,712</u> | <u>20,712</u> | <u>19,693</u> | <u>(1,019)</u> |
| EXPENDITURES | | | | |
| Current | | | | |
| General government | 40,000 | 40,000 | 31,125 | (8,875) |
| Total current | <u>40,000</u> | <u>40,000</u> | <u>31,125</u> | <u>(8,875)</u> |
| Total expenditures | <u>40,000</u> | <u>40,000</u> | <u>31,125</u> | <u>(8,875)</u> |
| Net change in fund balance | (19,288) | (19,288) | (11,432) | <u>\$ 7,856</u> |
| Fund balance -- beginning | <u>49,922</u> | <u>49,922</u> | <u>49,922</u> | |
| Fund balance -- ending | <u>\$ 30,634</u> | <u>\$ 30,634</u> | <u>\$ 38,490</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, 2017

| | Original Budget | Final Budget | Actual | Variance |
|-------------------------------------|----------------------|----------------------|----------------------|-----------------------|
| OPERATING EXPENSES | | | | |
| Water financial services | | | | |
| Personnel services | \$ 113,786 | \$ 113,786 | \$ 120,162 | \$ 6,376 |
| Supplies | 2,000 | 2,000 | 151 | (1,849) |
| Contractual services | 77,200 | 77,200 | 80,484 | 3,284 |
| Total | <u>192,986</u> | <u>192,986</u> | <u>200,797</u> | <u>7,811</u> |
| Water administration | | | | |
| Personnel services | 507,977 | 507,977 | 522,774 | 14,797 |
| Supplies | 8,695 | 8,695 | 5,027 | (3,668) |
| Contractual services | 29,755 | 29,755 | 18,871 | (10,884) |
| Other charges and services | 1,394,740 | 1,394,740 | 1,394,736 | (4.00) |
| Total | <u>1,941,167</u> | <u>1,941,167</u> | <u>1,941,408</u> | <u>241</u> |
| Water pumping and treatment | | | | |
| Personnel services | 117,216 | 117,216 | 121,355 | 4,139 |
| Supplies | 8,632 | 8,632 | 8,954 | 322 |
| Contractual services | 176,140 | 176,140 | 123,335 | (52,805) |
| Other charges and services | 15,212 | 15,212 | 15,216 | 4 |
| Capital outlay | 16,500 | 16,500 | 65,423 | 48,923 |
| Total | <u>333,700</u> | <u>333,700</u> | <u>334,283</u> | <u>583</u> |
| Water transmission and distribution | | | | |
| Personnel services | 818,816 | 818,816 | 945,080 | 126,264 |
| Supplies | 248,225 | 248,225 | 267,216 | 18,991 |
| Contractual services | 627,873 | 627,873 | 403,645 | (224,228) |
| Other charges and services | 66,575 | 66,575 | 66,480 | (95) |
| Capital Outlay | 13,200 | 13,200 | 6,081 | (7,119) |
| Total | <u>1,774,689</u> | <u>1,774,689</u> | <u>1,688,502</u> | <u>(86,187)</u> |
| DuPage Water Commission | | | | |
| Capital outlay | 8,418,814 | 8,418,814 | 8,748,702 | 329,888 |
| | <u>5,668,000</u> | <u>5,668,000</u> | <u>2,607,764</u> | <u>(3,060,236)</u> |
| Total Non-GAAP operating expenses | 18,329,356 | 18,329,356 | 15,521,456 | (2,807,900) |
| Depreciation | - | - | 1,381,564 | 1,381,564 |
| Less assets capitalized | - | - | (2,505,711) | (2,505,711) |
| Total GAAP operating expenses | <u>\$ 18,329,356</u> | <u>\$ 18,329,356</u> | <u>\$ 14,397,309</u> | <u>\$ (3,932,047)</u> |

VILLAGE OF DOWNERS GROVE, ILLINOIS
 Parking Fund
 Non GAAP Schedule of Operating Expenses - Budget and Actual
 For the Year Ended December 31, 2017

| | Original Budget | Final Budget | Actual | Variance |
|-----------------------------------|---------------------|---------------------|---------------------|--------------------|
| OPERATING EXPENSES | | | | |
| Non-deck parking operations | | | | |
| Supplies | \$ 3,000 | \$ 3,000 | \$ 3,040 | \$ 40 |
| Contractual services | 65,225 | 65,225 | 62,970 | (2,255) |
| Capital outlay | 20,000 | 20,000 | - | (20,000) |
| Total | <u>88,225</u> | <u>88,225</u> | <u>66,010</u> | <u>(22,215)</u> |
| Parking deck operations | | | | |
| Supplies | 8,900 | 8,900 | 26,289 | 17,389 |
| Contractual services | 140,942 | 140,942 | 122,206 | (18,736) |
| Capital outlay | 205,000 | 205,000 | 96,350 | (108,650) |
| Total | <u>354,842</u> | <u>354,842</u> | <u>244,845</u> | <u>(109,997)</u> |
| Enforcement | | | | |
| Personnel services | 183,643 | 183,643 | 193,360 | 9,717 |
| Supplies | 1,188 | 1,188 | 1,235 | 47 |
| Contractual services | - | - | 368 | 368 |
| Other charges and services | 564,859 | 564,859 | 564,864 | 5 |
| Total | <u>749,690</u> | <u>749,690</u> | <u>759,827</u> | <u>10,137</u> |
| Total Non-GAAP operating expenses | 1,192,757 | 1,192,757 | 1,070,682 | (122,075) |
| Depreciation | - | - | 64,295 | 64,295 |
| Less assets capitalized | - | - | (500) | (500) |
| Total GAAP operating expenses | <u>\$ 1,192,757</u> | <u>\$ 1,192,757</u> | <u>\$ 1,134,477</u> | <u>\$ (58,280)</u> |

VILLAGE OF DOWNERS GROVE, ILLINOIS
Stormwater Utility Fund
Non GAAP Schedule of Operating Expenses - Budget and Actual
For the Year Ended December 31, 2017

| | Original Budget | Final Budget | Actual | Variance |
|-----------------------------------|---------------------|---------------------|---------------------|-----------------------|
| OPERATING EXPENSES | | | | |
| Stormwater financial services | | | | |
| Personnel services | \$ 43,523 | \$ 43,523 | \$ 40,842 | \$ (2,681) |
| Contractual services | 38,500 | 38,500 | 29,272 | (9,228) |
| Other charges and services | 10,000 | 10,000 | 7,120 | (2,880) |
| Total | <u>92,023</u> | <u>92,023</u> | <u>77,234</u> | <u>(14,789)</u> |
| Stormwater Design Engineering | | | | |
| Personnel services | 380,075 | 380,075 | 357,110 | (22,965) |
| Supplies | 800 | 800 | - | (800) |
| Contractual services | 47,805 | 47,805 | 22,670 | (25,135) |
| Total | <u>428,680</u> | <u>428,680</u> | <u>379,780</u> | <u>(48,900)</u> |
| Stormwater Maintenance | | | | |
| Personnel services | 497,486 | 497,486 | 568,048 | 70,562 |
| Supplies | 68,395 | 68,395 | 62,392 | (6,003) |
| Contractual services | 338,280 | 338,280 | 649,298 | 311,018 |
| Other charges and services | 401,608 | 401,608 | 1,126,604 | 724,996 |
| Capital outlay | 3,835,000 | 3,835,000 | 2,749,260 | (1,085,740) |
| Total | <u>5,140,769</u> | <u>5,140,769</u> | <u>5,155,602</u> | <u>14,833</u> |
| Total Non-GAAP operating expenses | 5,661,472 | 5,661,472 | 5,612,616 | (48,856) |
| Depreciation | - | - | 332,272 | 332,272 |
| Less assets capitalized | - | - | <u>(2,605,748)</u> | <u>(2,605,748)</u> |
| Total GAAP operating expenses | <u>\$ 5,661,472</u> | <u>\$ 5,661,472</u> | <u>\$ 3,339,140</u> | <u>\$ (2,322,332)</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, 2017

| | Equipment Replacement | Fleet Services | Health Insurance | Risk Management | Total |
|---------------------------------------|--------------------------|-------------------|---------------------|---------------------|---------------------|
| ASSETS | | | | | |
| Current assets | | | | | |
| Cash and investments | \$ 1,976,893 | \$ 471,987 | \$ 1,828,401 | \$ 1,608,295 | \$ 5,885,576 |
| Restricted cash | 74,375 | - | - | - | 74,375 |
| Prepays | - | - | - | 11,667 | 11,667 |
| Accounts receivable | - | 1,243 | 4,867 | - | 6,110 |
| Interest receivable | 687 | - | 552 | 600 | 1,839 |
| Inventory | - | 36,606 | - | - | 36,606 |
| Total Current assets | <u>2,051,955</u> | <u>509,836</u> | <u>1,833,820</u> | <u>1,620,562</u> | <u>6,016,173</u> |
| Noncurrent assets | | | | | |
| Capital assets being depreciated | 13,112,531 | 1,027,698 | - | - | 14,140,229 |
| Accumulated depreciation | (7,321,597) | (897,646) | - | - | (8,219,243) |
| Total Noncurrent assets | <u>5,790,934</u> | <u>130,052</u> | <u>-</u> | <u>-</u> | <u>5,920,986</u> |
| Total Assets | <u>7,842,889</u> | <u>639,888</u> | <u>1,833,820</u> | <u>1,620,562</u> | <u>11,937,159</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | | | | |
| Deferred outflows related to pensions | - | 218,024 | 39,320 | 45,686 | 303,030 |
| Total Deferred Outflows of Resources | <u>-</u> | <u>218,024</u> | <u>39,320</u> | <u>45,686</u> | <u>303,030</u> |
| LIABILITIES | | | | | |
| Current liabilities | | | | | |
| Accounts payable | 24,700 | 82,463 | 16,242 | 51,184 | 174,589 |
| Accrued payroll | - | 24,643 | - | 4,226 | 28,869 |
| Other payables | - | - | 29,213 | - | 29,213 |
| Compensated absences | - | 15,006 | 698 | 570 | 16,274 |
| Claims payable | - | - | 796,854 | 606,598 | 1,403,452 |
| Total Current liabilities | <u>24,700</u> | <u>122,112</u> | <u>843,007</u> | <u>662,578</u> | <u>1,652,397</u> |
| Noncurrent liabilities | | | | | |
| Claims payable | - | - | - | 1,415,396 | 1,415,396 |
| Other post-employment benefits | - | 136,403 | 14,174 | 55,721 | 206,298 |
| Compensated absences | - | 35,013 | 1,629 | 1,331 | 37,973 |
| Net pension liability | - | 341,180 | 61,530 | 71,493 | 474,203 |
| Total Noncurrent liabilities | <u>-</u> | <u>512,596</u> | <u>77,333</u> | <u>1,543,941</u> | <u>2,133,870</u> |
| Total Liabilities | <u>24,700</u> | <u>634,708</u> | <u>920,340</u> | <u>2,206,519</u> | <u>3,786,267</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | | |
| Deferred inflows related to pensions | - | 40,613 | 7,324 | 8,510 | 56,447 |
| Total Deferred Inflows of Resources | <u>-</u> | <u>40,613</u> | <u>7,324</u> | <u>8,510</u> | <u>56,447</u> |
| NET POSITION | | | | | |
| Net investment in capital assets | 5,790,934 | 130,052 | - | - | 5,920,986 |
| Restricted | 74,375 | - | - | - | 74,375 |
| Unrestricted (deficit) | 1,952,880 | 52,539 | 945,476 | (548,781) | 2,402,114 |
| Total Net Position | <u>\$ 7,818,189</u> | <u>\$ 182,591</u> | <u>\$ 945,476</u> | <u>\$ (548,781)</u> | <u>\$ 8,397,475</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, 2017

| | Equipment Replacement | Fleet Services | Health Insurance | Risk Management | Total |
|---|--------------------------|-------------------|---------------------|---------------------|---------------------|
| Operating revenues | | | | | |
| Sales | \$ - | \$ 113,413 | \$ - | \$ - | \$ 113,413 |
| Interfund services | 1,400,412 | 1,322,012 | 5,145,880 | 2,957,276 | 10,825,580 |
| Insurance premiums | - | - | 1,831,892 | - | 1,831,892 |
| Other | - | - | 9,198 | 2,481 | 11,679 |
| Total operating revenues | <u>1,400,412</u> | <u>1,435,425</u> | <u>6,986,970</u> | <u>2,959,757</u> | <u>12,782,564</u> |
| Operating expenses | | | | | |
| Personnel services | - | 746,732 | 122,419 | 151,846 | 1,020,997 |
| Supplies | 150,297 | 530,341 | - | 289 | 680,927 |
| Contractual services | - | 186,267 | 1,361,697 | 658,040 | 2,206,004 |
| Other charges and services | - | 180,743 | 5,880,493 | 1,742,903 | 7,804,139 |
| Depreciation | 1,117,081 | 24,441 | - | - | 1,141,522 |
| Total operating expenses | <u>1,267,378</u> | <u>1,668,524</u> | <u>7,364,609</u> | <u>2,553,078</u> | <u>12,853,589</u> |
| Operating Income (loss) | <u>133,034</u> | <u>(233,099)</u> | <u>(377,639)</u> | <u>406,679</u> | <u>(71,025)</u> |
| Nonoperating revenues | | | | | |
| Investment income | 15,567 | 3,934 | 10,987 | 6,870 | 37,358 |
| Gain from disposals | 757 | - | - | - | 757 |
| Total non operating revenues (expenses) | <u>16,324</u> | <u>3,934</u> | <u>10,987</u> | <u>6,870</u> | <u>38,115</u> |
| Change in net position | 149,358 | (229,165) | (366,652) | 413,549 | (32,910) |
| Total net position -- beginning | 7,668,831 | 411,756 | 1,312,128 | (962,330) | 8,430,385 |
| Total net position -- ending | <u>\$ 7,818,189</u> | <u>\$ 182,591</u> | <u>\$ 945,476</u> | <u>(\$ 548,781)</u> | <u>\$ 8,397,475</u> |

VILLAGE OF DOWNERS GROVE, ILLINOIS
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended December 31, 2017

| | Equipment Replacement | Fleet | Health | Risk Management | Total |
|--|--------------------------|--------------------|--------------------|--------------------|--------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | | |
| Receipts from interfund services | \$1,400,412 | 1,322,012 | \$5,145,880 | \$2,957,276 | \$10,825,580 |
| Receipts from customers | 10,000 | 116,558 | 1,839,994 | 2,481 | 1,969,033 |
| Other payments | - | (180,743) | (5,655,300) | (1,751,296) | (7,587,339) |
| Payments to employees | - | (710,544) | (155,690) | (130,229) | (996,463) |
| Payments to suppliers | (1,080,639) | (784,148) | (1,353,035) | (77,140) | (3,294,962) |
| Net cash provided (used) by operating activities | <u>329,773</u> | <u>(236,865)</u> | <u>(178,151)</u> | <u>1,001,092</u> | <u>915,849</u> |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | | | | |
| Capital assets purchased | (1,049,033) | - | - | - | (1,049,033) |
| Proceeds from sale of capital assets | 95,643 | - | - | - | 95,643 |
| Net cash provided (used) by capital activities | <u>(953,390)</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(953,390)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | |
| Interest received | 15,567 | 3,934 | 10,754 | 6,270 | 36,525 |
| Net cash provided by investing activities | <u>15,567</u> | <u>3,934</u> | <u>10,754</u> | <u>6,270</u> | <u>36,525</u> |
| Net Increase (decrease) in cash and cash equivalents | <u>(608,050)</u> | <u>(232,931)</u> | <u>(167,397)</u> | <u>1,007,362</u> | <u>(1,016)</u> |
| Cash and investments - beginning of year | 2,659,318 | 704,918 | 1,995,798 | 600,933 | 5,960,967 |
| Cash and investments - end of year | <u>2,051,268</u> | <u>471,987</u> | <u>1,828,401</u> | <u>1,608,295</u> | <u>5,959,951</u> |
| Reconciliation of operating income (loss) to net cash by operating activities | | | | | |
| Operating income (loss) | 133,034 | (233,099) | (377,639) | 406,679 | (71,025) |
| Adjustments to reconcile operating income to net cash provided (used) by operating activities: | | | | | |
| Depreciation | 1,117,081 | 24,441 | - | - | 1,141,522 |
| Change in assets, deferred outflows, liabilities and deferred inflows | | | | | |
| Accounts payable | (931,867) | (73,019) | 8,662 | 24,744 | (971,480) |
| Accrued payroll | - | 5,555 | - | 359 | 5,914 |
| Compensated absences | - | 819 | (41,674) | (528) | (41,383) |
| Accounts receivable | 10,000 | 3,145 | (1,096) | - | 12,049 |
| Inventory | - | 5,479 | - | - | 5,479 |
| Prepaid expenses | 1,525 | - | - | 556,445 | 557,970 |
| Deferred outflows related to pensions | - | 72,742 | 8,902 | 11,087 | 92,731 |
| Other post-employment benefits | - | (3,264) | 544 | 12,987 | 10,267 |
| Other payables | - | - | 706 | - | 706 |
| Claims payable | - | - | 224,487 | (8,393) | 216,094 |
| Deferred inflows related to pensions | - | 295 | 637 | 638 | 1,570 |
| Net pension liability | - | (39,959) | (1,680) | (2,926) | (44,565) |
| Net cash provided (used) by operating activities | <u>\$329,773</u> | <u>(\$236,865)</u> | <u>(\$178,151)</u> | <u>\$1,001,092</u> | <u>\$915,849</u> |
| NON CASH TRANSACTIONS | | | | | |
| Loss on disposition of capital asset | <u>\$ (94,886)</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ (94,886)</u> |

VILLAGE OF DOWNERS GROVE, ILLINOIS
 Equipment Replacement Fund
 Non GAAP Schedule of Operating Expenses - Budget and Actual
 For the Year Ended December 31, 2017

| | Original Budget | Final Budget | Actual | Variance |
|-----------------------------------|---------------------|---------------------|---------------------|---------------------|
| OPERATING EXPENSES | | | | |
| Capital outlay | \$ 2,207,800 | \$ 2,207,800 | \$ 1,199,330 | \$(1,008,470) |
| Less assets capitalized | - | - | (1,049,033) | (1,049,033) |
| Total Non GAAP operating expenses | 2,207,800 | 2,207,800 | 150,297 | (2,057,503) |
| Depreciation | - | - | 1,117,081 | 1,117,081 |
| Total GAAP operating expenses | <u>\$ 2,207,800</u> | <u>\$ 2,207,800</u> | <u>\$ 1,267,378</u> | <u>\$ (940,423)</u> |

VILLAGE OF DOWNERS GROVE, ILLINOIS
 Fleet Services Fund
 Non GAAP Schedule of Operating Expenses - Budget and Actual
 For the Year Ended December 31, 2017

| | Original Budget | Final Budget | Actual | Variance |
|-------------------------------|--------------------|-----------------|--------------|--------------|
| OPERATING EXPENSES | | | | |
| Personnel services | \$ 738,602 | \$ 738,602 | \$ 746,732 | \$ 8,130 |
| Supplies | 755,776 | 755,776 | 530,341 | (225,435) |
| Contractual services | 214,956 | 214,956 | 186,267 | (28,689) |
| Other charges and services | 184,130 | 184,130 | 180,743 | (3,387) |
| Total Non GAAP expenses | 1,893,464 | 1,893,464 | 1,644,083 | (249,381) |
| Depreciation | - | - | 24,441 | 24,441 |
| Total GAAP operating expenses | \$ 1,893,464 | \$ 1,893,464 | \$ 1,668,524 | \$ (224,940) |

VILLAGE OF DOWNERS GROVE, ILLINOIS
 Health Insurance Fund
 Schedule of Operating Expenses - Budget and Actual
 For the Year Ended December 31, 2017

| | Original Budget | Final Budget | Actual | Variance |
|------------------------------|-------------------------|-------------------------|-------------------------|------------------------|
| OPERATING EXPENSES | | | | |
| Health administration | | | | |
| Personnel services | \$ 120,949 | \$ 120,949 | \$ 122,419 | \$ 1,470 |
| Contractual services | 116,300 | 116,300 | 109,459 | (6,841) |
| Other charges and services | 1,920 | 1,920 | 1,988 | 68 |
| Total | <u>239,169</u> | <u>239,169</u> | <u>233,866</u> | <u>(5,303)</u> |
| Vision insurance | | | | |
| Contractual services | 36,000 | 36,000 | 31,612 | (4,388) |
| Total | <u>36,000</u> | <u>36,000</u> | <u>31,612</u> | <u>(4,388)</u> |
| Medical insurance | | | | |
| Contractual services | 1,078,432 | 1,078,432 | 1,200,816 | 122,384 |
| Other charges and services | 5,600,509 | 5,600,509 | 5,486,907 | (113,602) |
| Total | <u>6,678,941</u> | <u>6,678,941</u> | <u>6,687,723</u> | <u>8,782</u> |
| Dental insurance | | | | |
| Contractual services | 21,221 | 21,221 | 19,810 | (1,411) |
| Other charges and services | 470,649 | 470,649 | 391,598 | (79,051) |
| Total | <u>491,870</u> | <u>491,870</u> | <u>411,408</u> | <u>(80,462)</u> |
| Total operating expenses | <u>\$ 7,445,980</u> | <u>\$ 7,445,980</u> | <u>\$ 7,364,609</u> | <u>\$ (81,371)</u> |

VILLAGE OF DOWNERS GROVE, ILLINOIS
 Risk Management Fund
 Schedule of Operating Expenses - Budget and Actual
 For the Year Ended December 31, 2017

| | Original Budget | Final Budget | Actual | Variance |
|----------------------------|--------------------|-----------------|--------------|--------------|
| OPERATING EXPENSES | | | | |
| Personnel services | \$ 130,801 | \$ 130,801 | \$ 151,846 | \$ 21,045 |
| Supplies | 800 | 800 | 289 | (511) |
| Contractual services | 802,427 | 802,427 | 658,040 | (144,387) |
| Other charges and services | 1,831,066 | 1,831,066 | 1,742,903 | (88,163) |
| Total operating expenses | \$ 2,765,094 | \$ 2,765,094 | \$ 2,553,078 | \$ (212,016) |

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.

Construction Deposit Fund accounts for construction and site management bonds, which are being paid back after work is done.

VILLAGE OF DOWNERS GROVE, ILLINOIS
Pension Trust Funds
Combining Statement of Net Position
December 31, 2017

| | Police Pension | Firefighters' Pension | Total |
|---------------------------------|-------------------|--------------------------|--------------------|
| ASSETS | | | |
| Cash and cash equivalents | \$ 1,788,140 | \$ 1,414,454 | \$ 3,202,594 |
| Investments | | | |
| U.S. obligations | 8,602,676 | 7,607,586 | 16,210,262 |
| Corporate bonds | 10,132,834 | 7,667,253 | 17,800,087 |
| Foreign bonds | 913,145 | 647,386 | 1,560,531 |
| Negotiable CDs | - | 1,817,701 | 1,817,701 |
| Mutual funds - equity | 22,363,404 | 30,634,371 | 52,997,775 |
| Common and Preferred Stocks | 5,288,778 | - | 5,288,778 |
| Real Estate | 6,371,560 | 5,120,894 | 11,492,454 |
| Prepays | 8,367 | 6,566 | 14,933 |
| Interest receivable | 166,894 | 113,849 | 280,743 |
| Total assets | 55,635,798 | 55,030,060 | 110,665,858 |
| LIABILITIES | | | |
| Accounts payable | 27,125 | 7,003 | 34,128 |
| Total liabilities | 27,125 | 7,003 | 34,128 |
| NET POSITION | | | |
| Restricted for pension benefits | \$ 55,608,673 | \$ 55,023,057 | \$ 110,631,730 |

VILLAGE OF DOWNERS GROVE, ILLINOIS
Combining Statement of Changes in Net Position
Pension Trust Funds
For the Year Ended December 31, 2017

| | Police Pension | Firefighters' Pension | Total |
|--|----------------------|--------------------------|-----------------------|
| ADDITIONS | | | |
| Contributions | | | |
| Contributions - employer | \$ 2,938,808 | \$ 3,086,488 | \$ 6,025,296 |
| Contributions - employees | 703,712 | 671,040 | 1,374,752 |
| Total contributions | <u>3,642,520</u> | <u>3,757,528</u> | <u>7,400,048</u> |
| Investment earnings | | | |
| Net appreciation in fair value of investments | 5,026,450 | 5,270,698 | 10,297,148 |
| Interest earned on investments | 1,156,589 | 1,250,943 | 2,407,532 |
| Less investment expense | (122,404) | (80,245) | (202,649) |
| Net investment earnings (loss) | <u>6,060,635</u> | <u>6,441,396</u> | <u>12,502,031</u> |
| Total additions | <u>9,703,155</u> | <u>10,198,924</u> | <u>19,902,079</u> |
| DEDUCTIONS | | | |
| Contractual services | 63,132 | 45,802 | 108,934 |
| Benefits and refunds | 4,118,392 | 3,860,306 | 7,978,698 |
| Total deductions | <u>4,181,524</u> | <u>3,906,108</u> | <u>8,087,632</u> |
| Change in Net Position | 5,521,631 | 6,292,816 | 11,814,447 |
| Net Position - beginning of the year | <u>50,087,042</u> | <u>48,730,241</u> | <u>98,817,283</u> |
| Net Position - end of the year | <u>\$ 55,608,673</u> | <u>\$ 55,023,057</u> | <u>\$ 110,631,730</u> |

VILLAGE OF DOWNERS GROVE, ILLINOIS
 Police Pension Fund
 Schedule of Changes in Net Position - Budget and Actual
 For the Year Ended December 31, 2017

| | Original Budget | Final Budget | Actual | Variance |
|--|--------------------|-------------------|----------------------|---------------------|
| ADDITIONS | | | | |
| Contributions - employer | \$ 2,915,699 | \$ 2,915,699 | \$ 2,938,808 | \$ 23,109 |
| Contributions - employees | 719,999 | 719,999 | 703,712 | (16,287) |
| Total contributions | <u>3,635,698</u> | <u>3,635,698</u> | <u>3,642,520</u> | <u>6,822</u> |
| Investment earnings | | | | |
| Net appreciation in fair value of investments | 500,000 | 500,000 | 5,026,450 | 4,526,450 |
| Interest earned on investments | 943,606 | 943,606 | 1,156,589 | 212,983 |
| Less investment expense | (126,665) | (126,665) | (122,404) | 4,261 |
| Net investment earnings (loss) | <u>1,316,941</u> | <u>1,316,941</u> | <u>6,060,635</u> | <u>4,743,694</u> |
| Total additions | <u>4,952,639</u> | <u>4,952,639</u> | <u>9,703,155</u> | <u>4,750,516</u> |
| DEDUCTIONS | | | | |
| Administrative expense | 66,010 | 66,010 | 63,132 | 2,878 |
| Benefits and refunds | 4,267,676 | 4,267,676 | 4,118,392 | 149,284 |
| Total deductions | <u>4,333,686</u> | <u>4,333,686</u> | <u>4,181,524</u> | <u>152,162</u> |
| Net Change in Net Position | <u>\$ 618,953</u> | <u>\$ 618,953</u> | <u>5,521,631</u> | <u>\$ 4,902,678</u> |
| Net position restricted for pension benefits | | | | |
| Beginning | | | <u>50,087,042</u> | |
| Ending | | | <u>\$ 55,608,673</u> | |

VILLAGE OF DOWNERS GROVE, ILLINOIS
 Firefighters' Pension Fund
 Schedule of Changes in Net Position - Budget and Actual
 For the Year Ended December 31, 2017

| | Original Budget | Final Budget | Actual | Variance |
|--|---------------------|---------------------|----------------------|---------------------|
| ADDITIONS | | | | |
| Contributions - employer | \$ 3,060,616 | \$ 3,060,616 | \$ 3,086,488 | \$ 25,872 |
| Contributions - employees | 676,195 | 676,195 | 671,040 | (5,155) |
| Total contributions | <u>3,736,811</u> | <u>3,736,811</u> | <u>3,757,528</u> | <u>20,717</u> |
| Investment earnings | | | | |
| Net appreciation in fair value of investments | 700,000 | 700,000 | 5,270,698 | 4,570,698 |
| Interest earned on investments | 824,000 | 824,000 | 1,250,943 | 426,943 |
| Less investment expense | (87,615) | (87,615) | (80,245) | 7,370 |
| Net investment earnings | <u>1,436,385</u> | <u>1,436,385</u> | <u>6,441,396</u> | <u>5,005,011</u> |
| Total additions | <u>5,173,196</u> | <u>5,173,196</u> | <u>10,198,924</u> | <u>5,025,728</u> |
| DEDUCTIONS | | | | |
| Contractual services | 74,942 | 74,942 | 45,802 | 29,140 |
| Benefits and refunds | 3,993,478 | 3,993,478 | 3,860,306 | 133,172 |
| Total deductions | <u>4,068,420</u> | <u>4,068,420</u> | <u>3,906,108</u> | <u>162,312</u> |
| Net Change in Net Position | <u>\$ 1,104,776</u> | <u>\$ 1,104,776</u> | <u>6,292,816</u> | <u>\$ 5,188,040</u> |
| Net position restricted for pension benefits | | | | |
| Beginning | | | <u>48,730,241</u> | |
| Ending | | | <u>\$ 55,023,057</u> | |

VILLAGE OF DOWNERS GROVE, ILLINOIS
 Construction Deposit Fund
 Schedule of Changes in Assets and Liabilities
 For the Year Ended December 31, 2017

| | Balances January 1 | Additions | Deductions | Balances December 31 |
|----------------------|-----------------------|--------------|--------------|-------------------------|
| ASSETS | | | | |
| Cash and investments | \$ 1,613,419 | \$ 3,637,384 | \$ 3,519,816 | \$ 1,730,987 |
| Total assets | 1,613,419 | 3,637,384 | 3,519,816 | 1,730,987 |
| LIABILITIES | | | | |
| Accounts payable | 82,284 | 1,878,810 | 1,960,754 | 340 |
| Deposits payable | 1,531,135 | 2,166,241 | 1,966,729 | 1,730,647 |
| Total liabilities | \$ 1,613,419 | \$ 4,045,051 | \$ 3,927,483 | \$ 1,730,987 |

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, 2017

| | General | Debt Service | Construction | Total | Adjustments | Statement of Net Position |
|---|--------------------|--------------|--------------------|---------------------|---------------------|------------------------------|
| Assets | | | | | | |
| Cash and investments | \$1,339,869 | - | \$1,403,493 | \$ 2,743,362 | - | \$ 2,743,362 |
| Property tax receivable | 5,182,314 | - | - | 5,182,314 | - | 5,182,314 |
| Accounts receivable | 1,072 | - | - | 1,072 | - | 1,072 |
| Other receivables (net of allowance) | 38,211 | - | - | 38,211 | - | 38,211 |
| Capital assets not being depreciated | - | - | - | - | 222,211 | 222,211 |
| Capital assets net accumulated depreciation | - | - | - | - | 12,007,666 | 12,007,666 |
| Total Assets | <u>6,561,466</u> | <u>-</u> | <u>1,403,493</u> | <u>7,964,959</u> | <u>12,229,877</u> | <u>20,194,836</u> |
| Deferred outflow of resources | | | | | | |
| Deferred outflows related to pensions | - | - | - | - | 979,698 | 979,698 |
| Total Deferred Outflows of Resources | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>979,698</u> | <u>979,698</u> |
| Liabilities | | | | | | |
| Current liabilities | | | | | | |
| Accrued payroll | 105,552 | - | - | 105,552 | - | 105,552 |
| Accounts payable | 143,153 | - | - | 143,153 | - | 143,153 |
| Debt due within 1 year | - | - | - | - | 8,033 | 8,033 |
| Total Current liabilities | <u>248,705</u> | <u>-</u> | <u>-</u> | <u>248,705</u> | <u>8,033</u> | <u>256,738</u> |
| Debt due in more than 1 year | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>1,742,906</u> | <u>1,742,906</u> |
| Deferred inflow of resources | | | | | | |
| Property taxes levied for future periods | 5,182,314 | - | - | 5,182,314 | - | 5,182,314 |
| Deferred inflows related to pensions | - | - | - | - | 182,494 | 182,494 |
| Total Deferred Inflows of Resources | <u>5,182,314</u> | <u>-</u> | <u>-</u> | <u>5,182,314</u> | <u>182,494</u> | <u>5,364,808</u> |
| Fund Balance / Net Position | | | | | | |
| Net investment in capital assets | - | - | - | - | 12,195,324 | 12,195,324 |
| Restricted for Debt Service | - | - | - | - | - | - |
| Assigned for Construction | - | - | 1,403,493 | 1,403,493 | (1,403,493) | - |
| Unassigned/Unrestricted | 1,130,447 | - | - | 1,130,447 | 484,311 | 1,614,758 |
| Total fund balances/net position | <u>\$1,130,447</u> | <u>\$ -</u> | <u>\$1,403,493</u> | <u>\$ 2,533,940</u> | <u>\$11,276,142</u> | <u>\$ 13,810,082</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, 2017

| | General | Debt Service | Construction | Total | Adjustments | Statement of Activities |
|---|---------------------|------------------|---------------------|---------------------|----------------------|----------------------------|
| REVENUES | | | | | | |
| Property taxes | \$ 5,083,377 | \$ - | \$ - | \$ 5,083,377 | \$ - | \$ 5,083,377 |
| Personal property repl tax | 70,606 | - | - | 70,606 | - | 70,606 |
| Intergovernmental | 38,211 | - | - | 38,211 | - | 38,211 |
| Charges for services | 70,983 | - | - | 70,983 | - | 70,983 |
| Fines | 61,950 | - | - | 61,950 | - | 61,950 |
| Investment income | 10,479 | 8 | 3,493 | 13,980 | - | 13,980 |
| Contributions & donations | 2,964 | - | - | 2,964 | - | 2,964 |
| Total revenues | <u>5,338,570</u> | <u>8</u> | <u>3,493</u> | <u>5,342,071</u> | <u>-</u> | <u>5,342,071</u> |
| EXPENDITURES | | | | | | |
| Current | | | | | | |
| Community services | 4,195,169 | - | - | 4,195,169 | 1,569,271 | 5,764,440 |
| Capital outlay | 873,738 | - | - | 873,738 | (873,738) | - |
| Debt service | | | | | | |
| Principal retirement | - | 615,000 | - | 615,000 | (615,000) | - |
| Interest and fiscal charges | - | 2,829 | - | 2,829 | 23,720 | 26,549 |
| Total expenditures | <u>5,068,907</u> | <u>617,829</u> | <u>-</u> | <u>5,686,736</u> | <u>104,253</u> | <u>5,790,989</u> |
| Excess (deficiency) of revenues (under) expenditures | <u>269,663</u> | <u>(617,821)</u> | <u>3,493</u> | <u>(344,665)</u> | <u>(104,253)</u> | <u>(448,918)</u> |
| OTHER FINANCING SOURCES | | | | | | |
| Transfers in | - | - | 1,400,000 | 1,400,000 | (1,400,000) | - |
| Transfers out | (1,398,240) | (1,760) | - | (1,400,000) | 1,400,000 | - |
| Total other financing sources (uses) | <u>(1,398,240)</u> | <u>(1,760)</u> | <u>1,400,000</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net change in fund balance/net position | (1,128,577) | (619,581) | 1,403,493 | (344,665) | (104,253) | (448,918) |
| Fund balance/net position, beginning | <u>2,259,024</u> | <u>619,581</u> | <u>-</u> | <u>2,878,605</u> | <u>11,380,395</u> | <u>14,259,000</u> |
| Fund balance/net position, ending | <u>\$ 1,130,447</u> | <u>\$ -</u> | <u>\$ 1,403,493</u> | <u>\$ 2,533,940</u> | <u>\$ 11,276,142</u> | <u>\$ 13,810,082</u> |

DOWNERS GROVE PUBLIC LIBRARY, ILLINOIS
 Component Unit
 General Fund
 Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
 For the Year Ended December 31, 2017

| | Budgeted Amounts | | Actual | Variance |
|--|--------------------|--------------------|---------------------|-------------------|
| | Original | Final | | |
| REVENUES | | | | |
| Property tax | \$ 5,043,615 | \$ 5,043,615 | \$ 5,083,377 | \$ 39,762 |
| Personal property repl tax | 55,000 | 55,000 | 70,606 | 15,606 |
| Intergovernmental | 36,910 | 36,910 | 38,211 | 1,301 |
| Charges for services & fees | 88,000 | 88,000 | 70,983 | (17,017) |
| Fines | 85,000 | 85,000 | 61,950 | (23,050) |
| Investment income | 2,000 | 2,000 | 10,479 | 8,479 |
| Contributions & donations | 5,000 | 5,000 | 2,964 | (2,036) |
| Total revenues | <u>5,315,525</u> | <u>5,315,525</u> | <u>5,338,570</u> | <u>23,045</u> |
| EXPENDITURES | | | | |
| Current | | | | |
| Community services | 4,424,445 | 4,424,445 | 4,195,169 | (229,276) |
| Total current | <u>4,424,445</u> | <u>4,424,445</u> | <u>4,195,169</u> | <u>(229,276)</u> |
| Capital outlay | 889,700 | 889,700 | 873,738 | (15,962) |
| Total expenditures | <u>5,314,145</u> | <u>5,314,145</u> | <u>5,068,907</u> | <u>(245,238)</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>1,380</u> | <u>1,380</u> | <u>269,663</u> | <u>268,283</u> |
| OTHER FINANCING USES | | | | |
| Transfers out | (1,400,000) | (1,400,000) | (1,398,240) | 1,760 |
| Total other financing uses | <u>(1,400,000)</u> | <u>(1,400,000)</u> | <u>(1,398,240)</u> | <u>1,760</u> |
| Net change in fund balance | (1,398,620) | (1,398,620) | (1,128,577) | <u>\$ 270,043</u> |
| Fund balance -- beginning | <u>2,259,024</u> | <u>2,259,024</u> | <u>2,259,024</u> | |
| Fund balance -- ending | <u>\$ 860,404</u> | <u>\$ 860,404</u> | <u>\$ 1,130,447</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, 2017

| | <u>Budgeted Amounts</u> | | Actual | Variance |
|---|-------------------------|------------------|------------------|-------------------|
| | Original | Final | | |
| REVENUES | | | | |
| Investment income | \$ - | \$ - | \$ 8 | \$ 8 |
| Total revenues | <u>-</u> | <u>-</u> | <u>8</u> | <u>8</u> |
| EXPENDITURES | | | | |
| Debt service | | | | |
| Principal retirement | 615,000 | 615,000 | 615,000 | - |
| Interest | <u>2,829</u> | <u>2,829</u> | <u>2,829</u> | <u>-</u> |
| Total debt service | <u>617,829</u> | <u>617,829</u> | <u>617,829</u> | <u>-</u> |
| Total expenditures | <u>617,829</u> | <u>617,829</u> | <u>617,829</u> | <u>-</u> |
| Excess (Deficiency) of revenues (under) expenditures | <u>(617,829)</u> | <u>(617,829)</u> | <u>(617,821)</u> | <u>8</u> |
| OTHER FINANCING SOURCES | | | | |
| Transfers out | <u>-</u> | <u>(1,760)</u> | <u>(1,760)</u> | <u>-</u> |
| Total other financing sources | <u>-</u> | <u>(1,760)</u> | <u>(1,760)</u> | <u>-</u> |
| Net change in fund balance | <u>(617,829)</u> | <u>(619,589)</u> | <u>(619,581)</u> | <u>\$ (1,752)</u> |
| Fund balance -- beginning | <u>619,581</u> | <u>619,581</u> | <u>619,581</u> | |
| Fund balance -- ending | <u>\$ 1,752</u> | <u>(\$ 8)</u> | <u>-</u> | |

DOWNERS GROVE PUBLIC LIBRARY, ILLINOIS
 Component Unit
 Library Construction Fund
 Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
 For the Year Ended December 31, 2017

| | <u>Budgeted Amounts</u> | | Actual | Variance |
|---|-------------------------|-------------------|---------------------|-------------------|
| | Original | Final | | |
| REVENUES | | | | |
| Investment income | \$ - | \$ - | \$ 3,493 | \$ 3,493 |
| Total revenues | <u>-</u> | <u>-</u> | <u>3,493</u> | <u>3,493</u> |
| EXPENDITURES | | | | |
| Capital outlay | | | | |
| Capital outlay | 600,000 | 600,000 | - | (600,000) |
| Total capital outlay | <u>600,000</u> | <u>600,000</u> | <u>-</u> | <u>(600,000)</u> |
| Total expenditures | <u>600,000</u> | <u>600,000</u> | <u>-</u> | <u>(600,000)</u> |
| Excess (Deficiency) of revenues (under) expenditures | <u>(600,000)</u> | <u>(600,000)</u> | <u>3,493</u> | <u>603,493</u> |
| OTHER FINANCING SOURCES | | | | |
| Transfers in | 1,400,000 | 1,400,000 | 1,400,000 | - |
| Total other financing sources | <u>1,400,000</u> | <u>1,400,000</u> | <u>1,400,000</u> | <u>-</u> |
| Net change in fund balance | <u>800,000</u> | <u>800,000</u> | <u>1,403,493</u> | <u>\$ 603,493</u> |
| Fund balance -- beginning | <u>-</u> | <u>-</u> | <u>-</u> | |
| Fund balance -- ending | <u>\$ 800,000</u> | <u>\$ 800,000</u> | <u>\$ 1,403,493</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, 2017

| Insurance Company | Term | Description of Coverage |
|---------------------|------------------------|--|
| Chubb | 12/31/16 - 12/31/17 | All Risk Property \$101,336,427 Insured Value, Excess of \$10,000 |
| Safety National | 12/31/16 - 12/31/17 | Excess GL/Auto/Public Officials & Employment Practice Excess up to \$10,000,000, Retained Limit of \$1,000,000 |
| Markel Insurance | 12/31/16 - 12/31/17 | Umbrella GL/Auto/Public Officials & Employment Practice Excess up to \$25,000,000, Retained Limit of \$10,000,000 |
| Safety National | 12/31/16 - 12/31/17 | Workers' Compensation Full Statutory Benefits Excess of \$600,000 - \$650,000 |
| Travelers Insurance | 12/31/16 - 12/31/17 | Crime Coverage Limit \$1,000,000 |
| Ace | 12/31/16 - 12/31/17 | Pollution Liability Limit \$2,000,000 |

VILLAGE OF DOWNERS GROVE, ILLINOIS
 Long-Term Debt Requirements
 General Obligation Bonds, Series 2008A
 December 31, 2017

| | |
|--------------------------|---------------------------------|
| 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 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 |
| 2018 | 415,000 | 8,300 | 423,300 | 2018 | 8,300 | 2018 | - |
| | <u>\$ 415,000</u> | <u>\$ 8,300</u> | <u>\$ 423,300</u> | | <u>\$ 8,300</u> | | <u>\$ -</u> |

VILLAGE OF DOWNERS GROVE, ILLINOIS
 Long-Term Debt Requirements
 General Obligation Refunding Bonds, Series 2009
 December 31, 2017

| | |
|--------------------------|---|
| 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 |
| 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>\$ 1,975,000</u> | <u>\$ 78,488</u> | <u>\$ 2,053,488</u> | | <u>\$ 58,388</u> | | <u>\$ 20,100</u> |

VILLAGE OF DOWNERS GROVE, ILLINOIS
 Long-Term Debt Requirements
 General Obligation Refunding Bonds, Series 2010A
 December 31, 2017

| | |
|--------------------------|--|
| 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 |
| 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>\$ 4,770,000</u> | <u>\$ 648,850</u> | <u>\$ 5,418,850</u> | | <u>\$ 378,600</u> | | <u>\$ 270,250</u> |

VILLAGE OF DOWNERS GROVE, ILLINOIS
 Long-Term Debt Requirements
 General Obligation Refunding Bonds, Series 2010B
 December 31, 2017

| | |
|--------------------------|-----------------------------------|
| 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 |
| 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>\$ 3,750,000</u> | <u>\$ 333,200</u> | <u>\$ 4,083,200</u> | | <u>\$ 204,100</u> | | <u>\$ 129,100</u> |

VILLAGE OF DOWNERS GROVE, ILLINOIS
 Long-Term Debt Requirements
 General Obligation Bonds, Series 2012 Roads
 December 31, 2017

| | |
|--------------------------|----------------------------|
| 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 |
| 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>\$ 18,225,000</u> | <u>\$ 7,855,708</u> | <u>\$ 26,080,708</u> | | <u>\$ 4,086,323</u> | | <u>\$ 3,769,385</u> |

VILLAGE OF DOWNERS GROVE, ILLINOIS
 Long-Term Debt Requirements
 General Obligation Bonds, Series 2012 Water
 December 31, 2017

| | |
|--------------------------|--------------------------------|
| 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 |
| 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>\$ 7,950,000</u> | <u>\$ 2,102,600</u> | <u>\$ 10,052,600</u> | | <u>\$ 1,114,537</u> | | <u>\$ 988,063</u> |

VILLAGE OF DOWNERS GROVE, ILLINOIS
 Long-Term Debt Requirements
 General Obligation Refunding Bonds, Series 2013A
 December 31, 2017

| | |
|--------------------------|---|
| 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 |
| 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>\$ 4,305,000</u> | <u>\$ 134,650</u> | <u>\$ 4,439,650</u> | | <u>\$ 92,087</u> | | <u>\$ 42,563</u> |

VILLAGE OF DOWNERS GROVE, ILLINOIS
 Long-Term Debt Requirements
 General Obligation Refunding Bonds, Series 2014A
 December 31, 2017

| | |
|--------------------------|---------------------------------------|
| 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 |
| 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>\$ 6,170,000</u> | <u>\$ 1,112,413</u> | <u>\$ 7,282,413</u> | | <u>\$ 601,230</u> | | <u>\$ 511,183</u> |

VILLAGE OF DOWNERS GROVE, ILLINOIS
 Long-Term Debt Requirements
 General Obligation Refunding Bonds, Series 2014B
 December 31, 2017

| | |
|--------------------------|---|
| 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 |
| 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>\$ 2,870,000</u> | <u>\$ 811,550</u> | <u>\$ 3,681,550</u> | | <u>\$ 428,638</u> | | <u>\$ 382,912</u> |

VILLAGE OF DOWNERS GROVE, ILLINOIS
 Long-Term Debt Requirements
 General Obligation Bonds, Series 2015A
 December 31, 2017

| | |
|--------------------------|----------------------------|
| 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 |
| 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>\$ 4,565,000</u> | <u>\$ 1,478,475</u> | <u>\$ 6,043,475</u> | | <u>\$ 773,761</u> | | <u>\$ 704,714</u> |

VILLAGE OF DOWNERS GROVE, ILLINOIS
 Long-Term Debt Requirements
 General Obligation Refunding Bonds, Series 2015B
 December 31, 2017

| | |
|--------------------------|--|
| 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 |
| 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 | <u>\$ 4,450,000</u> | <u>\$ 2,080,550</u> | <u>\$ 6,530,550</u> | | <u>\$ 1,078,660</u> | | <u>\$ 1,001,890</u> |

VILLAGE OF DOWNERS GROVE, ILLINOIS
 Long-Term Debt Requirements
 General Obligation Refunding Bonds, Series 2016
 December 31, 2017

| | |
|--------------------------|--|
| 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 |
| 2018 | - | 279,100 | 279,100 | 2018 | 139,550 | 2018 | 139,550 |
| 2019 | 465,000 | 272,125 | 737,125 | 2019 | 139,550 | 2019 | 132,575 |
| 2020 | 480,000 | 257,950 | 737,950 | 2020 | 132,575 | 2020 | 125,375 |
| 2021 | 495,000 | 243,325 | 738,325 | 2021 | 125,375 | 2021 | 117,950 |
| 2022 | 510,000 | 225,700 | 735,700 | 2022 | 117,950 | 2022 | 107,750 |
| 2023 | 530,000 | 207,550 | 737,550 | 2023 | 107,750 | 2023 | 99,800 |
| 2024 | 545,000 | 188,700 | 733,700 | 2024 | 99,800 | 2024 | 88,900 |
| 2025 | - | 177,800 | 177,800 | 2025 | 88,900 | 2025 | 88,900 |
| 2026 | - | 177,800 | 177,800 | 2026 | 88,900 | 2026 | 88,900 |
| 2027 | - | 177,800 | 177,800 | 2027 | 88,900 | 2027 | 88,900 |
| 2028 | - | 177,800 | 177,800 | 2028 | 88,900 | 2028 | 88,900 |
| 2029 | - | 177,800 | 177,800 | 2029 | 88,900 | 2029 | 88,900 |
| 2030 | - | 177,800 | 177,800 | 2030 | 88,900 | 2030 | 88,900 |
| 2031 | - | 177,800 | 177,800 | 2031 | 88,900 | 2031 | 88,900 |
| 2032 | - | 177,800 | 177,800 | 2032 | 88,900 | 2032 | 88,900 |
| 2033 | - | 177,800 | 177,800 | 2033 | 88,900 | 2033 | 88,900 |
| 2034 | 500,000 | 167,800 | 667,800 | 2034 | 88,900 | 2034 | 78,900 |
| 2035 | 930,000 | 139,200 | 1,069,200 | 2035 | 78,900 | 2035 | 60,300 |
| 2036 | 965,000 | 101,300 | 1,066,300 | 2036 | 60,300 | 2036 | 41,000 |
| 2037 | 1,005,000 | 61,900 | 1,066,900 | 2037 | 41,000 | 2037 | 20,900 |
| 2038 | 1,045,000 | 20,900 | 1,065,900 | 2038 | 20,900 | 2038 | - |
| Total | \$ 7,470,000 | \$ 3,765,750 | \$ 11,235,750 | | \$ 1,952,650 | | \$ 1,813,100 |

Village of Downers Grove
 Long-Term Debt Requirements
 General Obligation Refunding Bonds, Series 2017
 December 31, 2017

| | |
|--------------------------|---|
| Date of Issue | October 3, 2017 |
| Date of Maturity | January 1, 2021 |
| Authorized Issue | \$2,255,000 |
| Denomination of Bonds | \$5,000 |
| Interest Rates | 1.720% |
| Interest Dates | January 1 and July 1 |
| Principal Maturity Dates | January 1 |
| Payable At | PNC |
| Purpose of Issuance | Portion that refunded 2008B Refunding Bonds |

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

| Fiscal Year | Debt Service | | | Interest Due On | | | |
|----------------|---------------------|-------------------|---------------------|-----------------|------------------|--------|------------------|
| | Principal | Interest | Totals | January 1 | Amount | July 1 | Amount |
| 2018 | 15,000 | 28,745 | 43,745 | 2018 | 9,481 | 2018 | 19,264 |
| 2019 | 35,000 | 38,227 | 73,227 | 2019 | 19,264 | 2019 | 18,963 |
| 2020 | 1,095,000 | 28,509 | 1,123,509 | 2020 | 18,963 | 2020 | 9,546 |
| 2021 | 1,110,000 | 9,546 | 1,119,546 | 2021 | 9,546 | 2021 | - |
| | <u>\$ 2,255,000</u> | <u>\$ 105,027</u> | <u>\$ 2,360,027</u> | | <u>\$ 57,254</u> | | <u>\$ 47,773</u> |

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 | | | | | | | | | |
|---------------------------------------|-----------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|------------------|------------------|------------------|------------------|
| | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
| Governmental Activities | | | | | | | | | | |
| Net investment in capital assets | \$ 70,743 | \$ 66,960 | \$ 64,610 | \$ 69,272 | \$ 67,608 | \$ 70,277 | \$ 71,753 | \$ 80,121 | \$ 80,397 | \$ 80,897 |
| Restricted | 35,838 | 31,785 | 4,795 | 6,051 | 6,806 | 7,473 | 8,127 | 10,516 | 9,156 | 9,830 |
| Unrestricted | (13,944) | (9,618) | 24,820 | 25,138 | 27,814 | 16,372 | (58,519) | (66,851) | (65,677) | (66,572) |
| Total Governmental Activities | 92,637 | 89,127 | 94,225 | 100,461 | 102,228 | 94,122 | 21,361 | 23,786 | 23,876 | 24,155 |
| Business-type Activities | | | | | | | | | | |
| Net investment in capital assets | 29,197 | 32,272 | 32,691 | 32,663 | 32,169 | 33,734 | 38,495 | 37,868 | 38,646 | 41,809 |
| Unrestricted | 4,911 | 1,545 | 1,304 | 2,192 | 3,861 | 13,469 | 11,116 | 15,140 | 15,619 | 14,125 |
| Total Business-type Activities | 34,108 | 33,817 | 33,995 | 34,855 | 36,030 | 47,203 | 49,611 | 53,008 | 54,265 | 55,934 |
| Primary Government | | | | | | | | | | |
| Net investment in capital assets | 99,939 | 99,232 | 97,301 | 101,935 | 99,777 | 104,010 | 110,248 | 117,989 | 119,043 | 122,706 |
| Restricted | 35,838 | 31,785 | 4,795 | 6,051 | 6,806 | 7,472 | 8,127 | 10,516 | 9,156 | 9,830 |
| Unrestricted | (9,033) | (8,073) | 26,124 | 27,330 | 31,675 | 29,842 | (47,403) | (51,711) | (50,058) | (52,447) |
| Total Primary Government | \$ 126,744 | \$ 122,944 | \$ 128,220 | \$ 135,316 | \$ 138,258 | \$ 141,324 | \$ 70,972 | \$ 76,794 | \$ 78,141 | \$ 80,089 |

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

| | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
|--|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Expenses | | | | | | | | | | |
| Governmental Activities | | | | | | | | | | |
| General government | \$ 6,360 | \$ 4,841 | \$ 5,362 | \$ 5,971 | \$ 6,222 | \$ 6,573 | \$ 6,980 | \$ 6,688 | \$ 6,998 | \$ 7,984 |
| Public works | 13,561 | 15,701 | 11,855 | 13,867 | 18,272 | 13,409 | 13,992 | 11,319 | 13,406 | 13,142 |
| Community development | 3,229 | 2,805 | 2,539 | 2,458 | 2,635 | 2,996 | 2,681 | 3,067 | 3,220 | 2,835 |
| Public safety | 28,591 | 27,635 | 26,768 | 27,317 | 27,663 | 28,747 | 30,271 | 33,749 | 34,264 | 34,804 |
| Community services | 2,036 | 1,882 | 836 | 745 | 756 | 773 | 799 | 737 | 904 | 773 |
| Interest and fiscal charges | 2,349 | 2,956 | 2,774 | 2,514 | 2,735 | 2,691 | 1,898 | 1,650 | 1,599 | 1,439 |
| Total Governmental Activities Expenses | 56,126 | 55,820 | 50,134 | 52,872 | 58,283 | 55,189 | 56,621 | 57,210 | 60,391 | 60,977 |
| Business-type Activities | | | | | | | | | | |
| Waterworks | 6,777 | 7,710 | 8,248 | 8,765 | 11,256 | 11,726 | 12,752 | 14,157 | 14,241 | 14,810 |
| Parking | 940 | 946 | 847 | 966 | 952 | 945 | 1,045 | 994 | 1,639 | 1,129 |
| Stormwater Utility | - | - | - | - | - | 5,285 | 2,667 | 3,266 | 3,964 | 3,905 |
| Total Business-type Activities Expenses | 7,717 | 8,656 | 9,095 | 9,731 | 12,208 | 17,956 | 16,464 | 18,417 | 19,844 | 19,844 |
| Total Primary Government Expenses | 63,843 | 64,476 | 59,229 | 62,603 | 70,491 | 73,145 | 73,085 | 75,627 | 80,235 | 80,821 |
| Program Revenues | | | | | | | | | | |
| Governmental Activities | | | | | | | | | | |
| Charges for Services | | | | | | | | | | |
| General government | 1,793 | 2,052 | 1,576 | 1,567 | 1,614 | 1,643 | 1,679 | 1,576 | 1,443 | 1,524 |
| Public works | 174 | 192 | 220 | 383 | 292 | 313 | 139 | 108 | 220 | 170 |
| Community development | 1,334 | 955 | 1,123 | 1,187 | 1,546 | 1,339 | 1,477 | 1,548 | 1,692 | 2,205 |
| Public safety | 2,728 | 2,506 | 2,606 | 2,655 | 2,793 | 3,434 | 2,920 | 2,854 | 2,895 | 3,099 |
| Community services | 1,045 | 1,059 | 793 | 848 | 883 | 914 | 979 | 1,003 | 1,083 | 1,052 |
| Operating Grants and Contributions | 1,844 | 374 | 206 | 617 | 1,073 | 1,020 | 969 | 702 | 715 | 786 |
| Capital Grants and Contributions | 2,810 | 1,582 | 1,611 | 2,976 | 2,010 | 1,405 | 1,731 | 1,228 | 1,497 | 1,246 |
| Total Governmental Activities Program Revenues | 11,728 | 8,720 | 8,135 | 10,233 | 10,211 | 10,068 | 9,894 | 9,019 | 9,545 | 10,082 |
| Business-type Activities | | | | | | | | | | |
| Charges for Services | | | | | | | | | | |
| Waterworks | 7,372 | 7,473 | 8,143 | 9,475 | 12,271 | 13,197 | 13,787 | 15,153 | 15,286 | 15,866 |
| Parking | 1,209 | 1,242 | 1,287 | 1,298 | 1,265 | 1,425 | 1,469 | 1,579 | 1,617 | 1,629 |
| Stormwater Utility | - | - | - | - | - | 3,375 | 3,853 | 3,771 | 3,825 | 4,090 |
| Operating Grants and Contributions | 47 | 120 | 47 | 47 | 47 | 47 | 47 | 47 | 47 | 47 |
| Capital Grants and Contributions | 130 | - | 30 | 10 | 80 | (10) | 1 | 1,493 | 232 | 17 |
| Total Business-type Activities Program Revenues | 8,758 | 8,835 | 9,507 | 10,830 | 13,663 | 18,034 | 19,157 | 22,043 | 21,007 | 21,649 |
| Total Primary Government Program Revenues | \$ 20,486 | \$ 17,555 | \$ 17,642 | \$ 21,063 | \$ 23,874 | \$ 28,102 | \$ 29,051 | \$ 31,062 | \$ 30,552 | \$ 31,731 |

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

| | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Net Revenue (Expense) | | | | | | | | | | |
| Governmental activities | \$ (44,398) | \$ (47,100) | \$ (41,999) | \$ (42,639) | \$ (48,072) | \$ (45,121) | \$ (46,727) | \$ (48,191) | \$ (50,846) | \$ (50,895) |
| Business-type activities | 1,041 | 180 | 412 | 1,099 | 1,455 | 78 | 2,693 | 3,626 | 1,163 | 1,805 |
| Total Primary Government Net Revenue (Expense) | (43,357) | (46,920) | (41,587) | (41,540) | (46,617) | (45,043) | (44,034) | (44,565) | (49,683) | (49,090) |
| General Revenues and Other Changes in Net Position | | | | | | | | | | |
| Governmental Activities | | | | | | | | | | |
| Taxes | | | | | | | | | | |
| Property | 14,079 | 14,819 | 16,609 | 17,298 | 17,208 | 15,088 | 15,775 | 15,632 | 16,733 | 17,477 |
| Sales | 16,917 | 16,330 | 17,374 | 18,560 | 19,019 | 19,762 | 20,961 | 21,898 | 20,543 | 20,566 |
| Utility | 7,541 | 6,371 | 6,001 | 6,209 | 6,366 | 5,841 | 5,711 | 5,635 | 5,292 | 4,998 |
| Income | 4,612 | 3,960 | 3,835 | 3,787 | 4,203 | 4,558 | 4,580 | 5,200 | 4,757 | 4,488 |
| Other | 2,588 | 2,127 | 2,285 | 2,330 | 2,434 | 2,569 | 1,836 | 1,771 | 2,912 | 3,047 |
| Investment earnings | 1,222 | 1,073 | 737 | 416 | 234 | 203 | (287) | 180 | 243 | 292 |
| Miscellaneous | 7 | 38 | - | 24 | 74 | 18 | - | - | 456 | 6 |
| Special items | - | - | - | - | - | - | - | - | - | - |
| Transfers | 208 | 570 | 256 | 250 | 300 | (11,024) | 300 | 300 | - | 300 |
| Total Governmental Activities | 47,174 | 45,288 | 47,097 | 48,874 | 49,838 | 37,015 | 48,876 | 50,616 | 50,936 | 51,174 |
| Business-type Activities | | | | | | | | | | |
| Investment earnings | 250 | 99 | 22 | 10 | 21 | 70 | 57 | 71 | 94 | 164 |
| Transfers | (208) | (570) | (256) | (250) | (300) | 11,024 | (300) | (300) | - | (300) |
| Total Business-type Activities | 42 | (471) | (234) | (240) | (279) | 11,094 | (243) | (229) | 94 | (136) |
| Total Primary Government | 47,216 | 44,817 | 46,863 | 48,634 | 49,559 | 48,109 | 48,633 | 50,387 | 51,030 | 51,038 |
| Change in net position | | | | | | | | | | |
| Governmental activities | 2,774 | (1,813) | 5,098 | 6,235 | 1,766 | (8,106) | 2,149 | 2,425 | 90 | 279 |
| Business-type activities | 1,083 | (291) | 178 | 859 | 1,176 | 11,172 | 2,450 | 3,397 | 1,257 | 1,669 |
| Total Primary Government Change in Net Position | \$ 3,857 | \$ (2,104) | \$ 5,276 | \$ 7,094 | \$ 2,942 | \$ 3,066 | \$ 4,599 | \$ 5,822 | \$ 1,347 | \$ 1,948 |

Data Source
Audited Financial Statements

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

| | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
|---|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| General Fund | | | | | | | | | | |
| Reserved | \$ 89 | \$ 66 | \$ 2,026 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Unreserved | 15,688 | 15,377 | 13,656 | - | - | - | - | - | - | - |
| Nonspendable | - | - | - | 2,043 | 2,009 | 2,574 | 48 | 39 | 29 | 114 |
| Restricted | - | - | - | - | - | - | - | 163 | 126 | 160 |
| Committed | - | - | - | - | - | - | - | - | - | - |
| Assigned | - | - | - | - | - | - | - | - | - | - |
| Unassigned | - | - | - | 15,141 | 17,193 | 17,858 | 17,165 | 18,498 | 18,727 | 18,621 |
| Total General Fund | 15,776 | 15,443 | 15,682 | 17,184 | 19,202 | 20,432 | 17,213 | 18,700 | 18,882 | 18,895 |
| Reserved | - | - | - | - | - | - | - | - | - | - |
| Unreserved, reported in | | | | | | | | | | |
| Debt Service Funds | 714 | 856 | 259 | - | - | - | - | - | - | - |
| Special Revenue Funds | 1,681 | 1,275 | 2,850 | - | - | - | - | - | - | - |
| Debt Service Funds | - | - | - | - | - | - | - | - | - | - |
| Capital Project Funds | 31,668 | 27,701 | 23,031 | - | - | - | - | - | - | - |
| Nonspendable | - | - | - | - | - | - | - | - | - | - |
| Restricted | - | - | - | 6,051 | 22,243 | 15,251 | 8,127 | 10,353 | 8,956 | 9,595 |
| Committed | - | - | - | - | - | - | - | - | - | - |
| Assigned | - | - | - | 19,534 | 21,335 | 8,917 | 9,430 | 3,042 | 5,333 | 6,648 |
| Unassigned | - | - | - | (1,922) | (1,905) | (1,840) | - | - | - | - |
| Total All Other Governmental Funds | \$ 34,063 | \$ 29,832 | \$ 26,140 | \$ 23,663 | \$ 41,673 | \$ 22,328 | \$ 17,557 | \$ 13,395 | \$ 14,289 | \$ 16,243 |
| Total Governmental Funds | \$ 49,839 | \$ 45,275 | \$ 41,822 | \$ 40,847 | \$ 60,875 | \$ 42,760 | \$ 34,770 | \$ 32,095 | \$ 33,171 | \$ 35,138 |

Notes

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

| | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
|--|------------------|-------------------|-------------------|-----------------|------------------|--------------------|-------------------|-------------------|-----------------|-----------------|
| Revenues | | | | | | | | | | |
| Sales tax | \$ 16,917 | \$ 16,330 | \$ 17,374 | \$ 18,559 | \$ 19,019 | \$ 19,762 | \$ 20,020 | \$ 20,811 | \$ 20,543 | \$ 20,566 |
| Property tax | 14,079 | 14,819 | 16,609 | 17,298 | 17,209 | 15,088 | 15,775 | 15,632 | 16,733 | 17,477 |
| Utility tax | 7,541 | 6,371 | 6,001 | 6,209 | 6,367 | 5,841 | 5,711 | 5,635 | 5,292 | 4,998 |
| Income tax | 4,612 | 3,960 | 3,835 | 3,787 | 4,203 | 4,558 | 4,580 | 5,200 | 4,757 | 4,488 |
| Other taxes | 2,586 | 2,127 | 2,284 | 2,331 | 2,434 | 2,569 | 2,777 | 2,858 | 2,912 | 3,047 |
| Licenses and permits | 1,345 | 1,148 | 1,439 | 1,518 | 1,863 | 1,731 | 1,689 | 1,769 | 1,796 | 2,339 |
| Intergovernmental | 3,184 | 1,748 | 1,754 | 3,513 | 2,907 | 2,422 | 2,696 | 1,930 | 1,915 | 1,851 |
| Charges for services & fees | 4,065 | 4,565 | 3,773 | 4,096 | 4,276 | 4,868 | 4,593 | 4,660 | 4,869 | 5,143 |
| Fines & forfeitures | 1,264 | 1,246 | 1,106 | 1,027 | 988 | 1,044 | 911 | 660 | 668 | 568 |
| Investment income | 1,222 | 1,073 | 737 | 416 | 234 | 203 | (287) | 180 | 243 | 292 |
| Miscellaneous | 1,469 | 207 | 63 | 79 | 176 | 3 | 5 | - | 297 | 181 |
| Total revenues | 58,286 | 53,595 | 54,976 | 58,833 | 59,676 | 58,089 | 58,470 | 59,335 | 60,025 | 60,950 |
| Expenditures | | | | | | | | | | |
| General government | 6,008 | 4,536 | 4,662 | 5,296 | 5,646 | 5,884 | 8,108 | 5,887 | 6,008 | 5,910 |
| Public works | 9,934 | 10,881 | 7,816 | 8,902 | 8,805 | 8,102 | 8,446 | 7,456 | 7,883 | 7,462 |
| Community development | 2,745 | 2,344 | 2,158 | 2,109 | 2,329 | 2,687 | 2,372 | 2,695 | 2,646 | 2,484 |
| Public safety | 26,053 | 25,518 | 26,826 | 27,244 | 27,970 | 28,621 | 29,392 | 31,172 | 32,018 | 32,968 |
| Community services | 1,966 | 1,831 | 865 | 750 | 750 | 767 | 794 | 708 | 821 | 724 |
| Capital outlay | 11,095 | 9,433 | 8,347 | 7,939 | 12,571 | 9,384 | 11,112 | 7,771 | 4,634 | 3,889 |
| Debt service | | | | | | | | | | |
| Principal | 1,000 | 1,245 | 4,810 | 5,140 | 4,865 | 12,750 | 4,630 | 4,865 | 3,740 | 4,320 |
| Interest and fiscal charges | 2,198 | 2,854 | 3,175 | 2,502 | 2,372 | 2,661 | 1,993 | 1,756 | 1,655 | 1,573 |
| Total expenditures | 60,999 | 58,642 | 58,660 | 59,882 | 65,308 | 70,856 | 66,847 | 62,310 | 59,405 | 59,330 |
| Excess of Revenues over (under) | (2,713) | (5,047) | (3,684) | (1,049) | (5,632) | (12,767) | (8,377) | (2,975) | 620 | 1,620 |
| Other Financing Sources (Uses) | | | | | | | | | | |
| Transfers in | 2,067 | 4,755 | 7,260 | 7,442 | 7,102 | 6,797 | 8,722 | 6,921 | 5,762 | 6,156 |
| Transfers out | (2,109) | (4,435) | (7,204) | (7,392) | (7,002) | (20,755) | (8,422) | (6,621) | (5,762) | (5,856) |
| Issuance of debt | 28,900 | 9,030 | 10,955 | - | 25,000 | 8,360 | 6,725 | - | - | 2,255 |
| Payment to the refunded bond escrow agent | (3,992) | (9,144) | (11,790) | - | - | - | (6,888) | - | - | (2,214) |
| Bond issue premium | 481 | 239 | 1,009 | - | 284 | 233 | 249 | - | - | - |
| Proceeds from disposal of capital assets | 7 | 38 | - | 24 | 277 | 18 | - | - | 456 | 6 |
| Total other financing sources (uses) | 25,354 | 483 | 230 | 74 | 25,661 | (5,347) | 386 | 300 | 456 | 347 |
| Net Change in Fund Balances | \$ 22,641 | \$ (4,564) | \$ (3,454) | \$ (975) | \$ 20,029 | \$ (18,114) | \$ (7,991) | \$ (2,675) | \$ 1,076 | \$ 1,967 |
| Debt Service as a Percentage of Noncapital Expenditures | 6.53% | 8.43% | 15.46% | 14.23% | 12.28% | 25.20% | 11.08% | 12.23% | 9.90% | 10.00% |

NotesData Source

Audited Financial Statements

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

| Levy Year | Residential Property | Commercial Property | Industrial Property | Total Taxable Assessed Value | Total Direct Tax Rate | Estimated Actual Taxable Value | Assessed Value as a % of Market |
|-----------|----------------------|---------------------|---------------------|------------------------------|-----------------------|--------------------------------|---------------------------------|
| 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% |
| 2017 | 1,873,549,481 | 496,966,573 | 69,662,582 | 2,440,178,636 | 0.56 | 7,320,535,908 | 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 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
|---------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Village Direct Rates | | | | | | | | | | |
| Corporate | 0.1068 | 0.1264 | 0.1601 | 0.1697 | 0.1414 | 0.1482 | 0.1470 | 0.1399 | 0.1309 | 0.1241 |
| Firefighter's Pension | 0.0626 | 0.0785 | 0.0925 | 0.0945 | 0.1059 | 0.1221 | 0.1151 | 0.1317 | 0.1337 | 0.1408 |
| Police Pension | 0.0501 | 0.0676 | 0.0790 | 0.0698 | 0.0917 | 0.1140 | 0.1117 | 0.1244 | 0.1273 | 0.1296 |
| Fire Protection | 0.1138 | 0.1137 | 0.1205 | 0.1277 | 0.1354 | 0.1419 | 0.1417 | 0.1339 | 0.1253 | 0.1187 |
| Stormwater | 0.1090 | 0.1090 | 0.1104 | 0.1170 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 |
| Capital | | | | | 0.0458 | 0.0481 | 0.0490 | 0.0453 | 0.0424 | 0.0402 |
| Total Direct Rate | 0.4423 | 0.4952 | 0.5625 | 0.5787 | 0.5202 | 0.5743 | 0.5645 | 0.5752 | 0.5596 | 0.5534 |
| Overlapping Rates | | | | | | | | | | |
| Library District | 0.1773 | 0.1832 | 0.1966 | 0.2136 | 0.2324 | 0.2502 | 0.2612 | 0.2407 | 0.2202 | 0.2145 |
| Downers Grove Park District | 0.2781 | 0.2699 | 0.2900 | 0.3077 | 0.3434 | 0.3691 | 0.3765 | 0.3624 | 0.3425 | 0.3360 |
| Downers Grove Sanitary District | 0.0301 | 0.0305 | 0.0336 | 0.0363 | 0.0405 | 0.0436 | 0.0448 | 0.0434 | 0.0413 | 0.0404 |
| 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 | 1.5000 | 1.5000 | 1.5000 | 1.5000 | 1.5000 | 1.5000 | 1.5000 | 1.5000 | 1.5000 | 1.5000 |
| Special Service Area #3 | 0.3140 | 0.3151 | 0.3366 | 0.3345 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 |
| Special Service Area #6 | | | | | | 0.2950 | 0.2680 | 0.2430 | 0.2477 | 0.2461 |
| Downers Grove Township | 0.0254 | 0.0256 | 0.0281 | 0.0307 | 0.0343 | 0.0368 | 0.0378 | 0.0368 | 0.0350 | 0.0331 |
| Downers Grove Township Road | 0.0379 | 0.0382 | 0.0420 | 0.0439 | 0.0512 | 0.0549 | 0.0564 | 0.0550 | 0.0524 | 0.0512 |
| DuPage County | 0.1557 | 0.1554 | 0.1659 | 0.1773 | 0.1929 | 0.2040 | 0.2057 | 0.1971 | 0.1848 | 0.1749 |
| DuPage County Forest Preserve | 0.1206 | 0.1217 | 0.1321 | 0.1414 | 0.1542 | 0.1657 | 0.1691 | 0.1622 | 0.1514 | 0.1306 |
| Dupage Airport Authority | 0.0160 | 0.0148 | 0.0158 | 0.0169 | 0.0168 | 0.0178 | 0.0196 | 0.0188 | 0.0176 | 0.0166 |
| College of DuPage | 0.1858 | 0.2127 | 0.2349 | 0.2495 | 0.2681 | 0.2956 | 0.2975 | 0.2786 | 0.2626 | 0.2431 |
| Grade School District No. 58 | 1.5713 | 1.6304 | 1.6991 | 1.8851 | 2.0981 | 2.2613 | 2.3051 | 2.2175 | 2.0984 | 2.0489 |
| High School District No. 99 | 1.4214 | 1.4679 | 1.6105 | 1.7271 | 1.9209 | 2.0729 | 2.1079 | 2.0666 | 1.9648 | 1.9184 |

Data Source

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

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

| Taxpayer | 2017 | | | 2008 | | |
|------------------------|------------------------|------|---|------------------------|------|---|
| | Taxable Assessed Value | Rank | % of Total Village Taxable Assessed Value | Taxable Assessed Value | Rank | % of Total Village Taxable Assessed Value |
| Esplanade I SPE LLC | \$ 23,151,200 | 1 | 0.95 | | | |
| BRE COH IL LLC | 20,526,030 | 2 | 0.84 | | | |
| PTA - K 225 | 19,738,610 | 3 | 0.81 | 23,701,470 | 3 | 0.97 |
| Hamilton Partners Inc | 17,573,972 | 4 | 0.72 | 47,113,358 | 1 | 1.93 |
| Grove Residential LLC | 14,458,870 | 5 | 0.59 | | | |
| Bristol Club LP | 14,154,720 | 6 | 0.58 | | | |
| James Campbell Co LLC | 12,974,210 | 7 | 0.53 | | | |
| PBH Prentiss Creek LLC | 12,711,340 | 8 | 0.52 | | | |
| Highland Owner LLC | 12,533,870 | 9 | 0.51 | 15,500,000 | 5 | 0.64 |
| LSREF4 Turtle LLC | 11,192,290 | 10 | 0.46 | | | |
| Real Estate Advisors | | | - | 30,805,000 | 2 | 1.26 |
| MJH Downers Grove LLC | | | - | 16,661,290 | 4 | 0.68 |
| GLL BVK Properties | | | - | 15,333,330 | 6 | 0.63 |
| Wells REIT II/Lincoln | | | - | 14,488,260 | 7 | 0.59 |
| TA Associates Realty | | | - | 13,412,460 | 8 | 0.55 |
| Corridors I & II | | | - | 13,369,000 | 9 | 0.55 |
| Arun Enterprises | | | - | 13,108,180 | 10 | 0.54 |
| Total | \$ 159,015,112 | | 6.52% | \$ 203,492,348 | | 7.99% |

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 | | | |
| 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 | 12,795 | 100% | - | 12,795 | 100% |
| 2017 | 13,349 | 13,349 | 100% | - | 13,349 | 100% |

Note

* First installment of property taxes due June 1, 2018
Excludes library

Data Source

Office of the County Clerk

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

| | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
|---------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| General merchandise | \$ 45,551 | \$ 45,421 | \$ 45,838 | \$ 46,226 | \$ 46,460 | \$ 44,477 | \$ 44,570 | \$ 44,612 | \$ 45,285 | \$ 44,724 |
| Food | 108,175 | 117,287 | 119,168 | 117,780 | 116,207 | 122,457 | 134,094 | 143,285 | 125,871 | 113,296 |
| Drinking and eating places | 120,557 | 117,822 | 119,328 | 125,270 | 128,369 | 132,809 | 137,168 | 143,236 | 150,194 | 153,040 |
| Apparel | 25,415 | 26,835 | 26,010 | 25,538 | 24,759 | 24,595 | 29,118 | 29,393 | 34,732 | 33,817 |
| Furniture and H.H. and radio | 149,089 | 131,925 | 140,830 | 129,562 | 123,362 | 118,549 | 102,900 | 129,848 | 142,386 | 140,262 |
| Lumber, building hardware | 72,964 | 56,650 | 51,722 | 52,924 | 51,282 | 60,109 | 56,928 | 60,716 | 62,990 | 69,184 |
| Automobile and filling stations | 302,593 | 241,735 | 243,306 | 255,657 | 287,058 | 314,197 | 328,130 | 326,191 | 299,589 | 295,252 |
| Drugs and miscellaneous retail | 225,512 | 229,575 | 220,676 | 234,131 | 242,003 | 252,471 | 269,609 | 256,501 | 268,686 | 254,442 |
| Agriculture and all others | 122,317 | 99,973 | 111,240 | 111,100 | 124,306 | 130,917 | 128,014 | 147,793 | 99,656 | 136,626 |
| Manufacturers | 20,785 | 19,192 | 13,263 | 15,852 | 13,029 | 11,706 | 10,474 | 10,725 | 15,084 | 13,138 |
| TOTAL | \$ 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 | \$ 1,253,780 |

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 |
|------|------------------------|-------------------------|
| 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% |
| 2017 | 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 Personal Income* Per Capita* | |
|-------------------------|--------------------------------|-----------------|----------------------------------|--------------------------------|-----------------|--------------------------------|---|----------------|
| | General Obligation Bonds | Note Payable | Special Assessment Payable | General Obligation Bonds | Note Payable | | Personal Income* | Per Capita* |
| 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 | - | - | 30,183 | 1,158 | 78,157 | 3.64% | 1,809.57 |
| 2017 | 42,377 | - | - | 28,946 | 2,265 | 73,588 | 3.36% | 1,661.05 |

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.

* 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 |
|----------------|--------------------------------|---|--------|--|---------------|
| 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 | 76,999 | 196 | 76,803 | 3.32% | 1,778.22 |
| 2017 | 71,323 | - | 71,323 | 2.92% | 1,609.93 |

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.

* 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, 2017

| 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 | \$ 42,377 | 100.00% | \$ 42,377 |
| DuPage County | 199,572 | 6.47% | 12,912 |
| Dupage County Forest Preserve | 126,911 | 6.47% | 8,211 |
| Dupage Water Commission | - | 7.16% | - |
| Downers Grove Park District | 13,165 | 99.66% | 13,120 |
| Downers Grove Public Library | - | 100.00% | - |
| Schools | | | |
| Grade School | | | |
| District No. 44 | 12,229 | 4.91% | 600 |
| District No. 58 | 9,870 | 81.82% | 8,076 |
| District No. 61 | 4,230 | 11.58% | 490 |
| District No. 66 | 5,605 | 3.94% | 221 |
| District No. 68 | - | 5.39% | - |
| High School | | | |
| District No. 87 | 67,650 | 1.05% | 710 |
| District No. 99 | 21,525 | 53.57% | 11,531 |
| Unit School District | | | |
| District No. 201 | 11,665 | 0.55% | 64 |
| District No. 202 | 2,730 | 5.28% | 144 |
| Total Overlapping | <u>475,152</u> | | <u>56,079</u> |
| Total Direct and Overlapping | <u>\$ 517,529</u> | | <u>\$ 98,456</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 |
|------------------|-------------------|-----------------------------|--|-----------------------------|
| 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% |
| 2017 | 49,473 | 2,191,752,846 | 44,302 | 3.8% |

Data Source

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

(2) Bureau of Labor Statistics

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

| Employer | 2017 | | | 2008 | | |
|--|------|----------------------------------|-------------------|------|----------------------------------|-------------------|
| | Rank | % of Total City Population | # of Employees | Rank | % of Total City Population | # of Employees |
| Advocate Good Samaritan Hospital | 1 | 5.05% | 2,500 | 1 | 5.10% | 2,525 |
| GCA Services | 2 | 3.03% | 1,500 | 2 | 3.03% | 1,500 |
| University Subscription Services/ Unique Mailing Svc Inc. | 3 | 2.12% | 1,050 | 3 | 2.02% | 1,000 |
| Midwestern University | 4 | 2.02% | 1,000 | 3 | 2.02% | 1,000 |
| State Farm | 4 | 2.02% | 1,000 | | | |
| Acxiom/May & Speh Inc. | 5 | 1.62% | 800 | 4 | 1.61% | 800 |
| Aramark Servicemaster | | | | 4 | 1.61% | 800 |
| Sara Lee Corporation | | | | 4 | 1.61% | 800 |
| First Health Corporation/Coventry Health Care | 5 | 1.62% | 800 | 5 | 1.41% | 700 |
| Adtalem Education Group formerly DeVry | 6 | 1.41% | 700 | | | |
| Ambitech Engineering Corp. | 6 | 1.41% | 700 | | | |
| RR Donnelly and Sons Co | | | | 6 | 1.06% | 527 |
| Invesco | 7 | 1.21% | 600 | | | |
| FTD Inc. | 8 | 1.01% | 500 | 7 | 1.01% | 500 |
| Downers Grove South High School | | | | 8 | 0.81% | 400 |
| Advocate Health Care | 9 | 0.91% | 450 | | | |
| Downers Grove North High School | | | | 9 | 0.66% | 325 |
| SAP America, Inc | 10 | 0.86% | 425 | | | |
| Hub Group, Inc | | | | 10 | 0.61% | 300 |
| HMOs of Blue Cross Blue Shield of Illinois | 11 | 0.85% | 420 | | | |
| Havi Global Solutions, LLC | 12 | 0.81% | 400 | | | |
| Pepperidge Farm, Inc. | 13 | 0.76% | 375 | | | |
| JP Morgan Chase | 14 | 0.61% | 300 | | | |

Data Source

Downers Grove Economic Development Corporation

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

| Program # | Function/Program | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
|-----------------------|--------------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| General Government | | | | | | | | | | | |
| 111 | Clerk's Office | 2.50 | 2.50 | 2.50 | 2.75 | 2.75 | 2.75 | 2.75 | 2.75 | 2.00 | 2.00 |
| 121 | Manager's Office | 7.60 | 6.60 | 4.60 | 5.60 | 4.60 | 4.60 | 5.00 | 6.00 | 5.00 | 4.50 |
| 131 | Legal | 3.75 | 3.75 | 3.00 | 3.50 | 3.75 | 3.75 | 4.00 | 4.00 | 4.00 | 4.00 |
| 142 | Building services | 9.25 | 9.25 | 8.25 | 8.00 | 8.00 | 8.25 | 8.25 | 8.25 | 8.25 | 8.25 |
| 151 | Human resources | 4.50 | 4.50 | 3.50 | 3.50 | 3.60 | 3.60 | 3.00 | 3.00 | 3.00 | 3.00 |
| 171 | Information services | 8.75 | 8.00 | 8.00 | 8.00 | 8.00 | 8.50 | 8.50 | 8.50 | 8.50 | 8.75 |
| 200 | Finance | 13.18 | 13.18 | 12.18 | 12.18 | 12.20 | 12.20 | 12.20 | 12.00 | 11.00 | 10.50 |
| 300 | Public Works | | | | | | | | | | |
| | Public works administrative | 5.00 | 5.00 | 5.50 | 5.50 | 6.00 | 5.35 | 5.35 | 5.75 | 6.00 | 5.90 |
| | Engineering/Stormwater | 13.00 | 14.00 | 12.00 | 12.00 | 15.00 | 16.00 | 17.00 | 10.50 | 9.50 | 9.75 |
| | Forestry and grounds | 7.00 | 6.00 | 10.75 | 6.00 | 6.00 | 7.00 | 7.00 | 8.50 | 8.50 | 8.50 |
| | Streets | 36.00 | 30.75 | 26.00 | 26.00 | 22.50 | 23.50 | 23.50 | 24.10 | 24.10 | 23.60 |
| | Water | 10.00 | 12.00 | 10.00 | 11.00 | 10.00 | 10.50 | 10.50 | 14.25 | 14.75 | 14.25 |
| | Fleet | 7.50 | 10.00 | 10.00 | 7.50 | 10.00 | 10.00 | 10.00 | 6.85 | 6.25 | 6.25 |
| Community Development | | | | | | | | | | | |
| 411 | Planning | 2.00 | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 | 2.00 | 3.00 | 4.00 | 4.00 |
| 421 | Economic Development | - | - | - | - | - | - | - | - | - | - |
| 411 | Code services | 17.50 | 15.50 | 13.50 | 12.50 | 12.50 | 12.50 | 13.50 | 11.50 | 11.50 | 13.00 |
| Public Safety | | | | | | | | | | | |
| 600 | Police | | | | | | | | | | |
| | Officers | 81.00 | 81.00 | 79.00 | 74.00 | 74.00 | 74.00 | 74.00 | 74.00 | 74.00 | 74.00 |
| | Civilians | 23.60 | 23.60 | 20.60 | 19.60 | 19.60 | 19.60 | 19.60 | 19.60 | 19.23 | 19.23 |
| | Voc | 16.00 | 16.00 | 15.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 1.00 |
| 700 | Fire | | | | | | | | | | |
| | Firefighters and officers | 82.00 | 79.00 | 77.00 | 77.00 | 77.00 | 77.00 | 77.00 | 77.00 | 77.00 | 77.00 |
| | Civilians | 9.75 | 9.75 | 8.75 | 8.00 | 7.00 | 6.50 | 6.50 | 6.50 | 6.50 | 6.50 |
| Community Services | | | | | | | | | | | |
| 821 | Counseling and social services | 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 | - | - | - |
| 840 | Public information | 3.25 | 2.25 | 1.75 | 2.25 | 3.25 | 3.25 | 3.00 | 3.25 | 2.50 | 2.50 |
| 841 | Cable television | 4.50 | 3.75 | 3.75 | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 |
| 864 | Tourism and events | 3.00 | 3.00 | 1.00 | - | - | - | - | - | - | - |
| Grand Total | | 374.78 | 366.53 | 340.88 | 329.13 | 329.00 | 332.10 | 332.90 | 329.30 | 325.58 | 309.48 |

VILLAGE OF DOWNERS GROVE, ILLINOIS
OPERATING INDICATORS
Last Nine Years

| Function/Program | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
|---------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Public Safety | | | | | | | | | |
| Police | | | | | | | | | |
| Physical arrests | 1,922 | 1,881 | 1,743 | 1,792 | 1,491 | 1,342 | 1,190 | 1,060 | 1,014 |
| Parking violations | 7,830 | 8,743 | 10,002 | 6,530 | 9,144 | 2,387 | 8,686 | 7,665 | 7,110 |
| Traffic violations | 12,235 | 11,811 | 10,684 | 10,898 | 10,811 | 9,406 | 9,454 | 8,082 | 6,502 |
| Fire | | | | | | | | | |
| EMS calls | 2,605 | 2,350 | 2,253 | 3,599 | 2,307 | 3,561 | 3,994 | 4,125 | 4,319 |
| Fire calls | 2,399 | 3,064 | 3,383 | 5,696 | 3,585 | 2,332 | 1,858 | 1,928 | 2,033 |
| Fires extinguished | 39 | 47 | 62 | 71 | 77 | 76 | 51 | 43 | 69 |
| Community Development | | | | | | | | | |
| Permits issued | 1,339 | 1,634 | 1,861 | 1,853 | 2,097 | 2,154 | 2,056 | 2,199 | 2,205 |
| Inspections conducted | 2,677 | 2,932 | 3,335 | 4,414 | 3,668 | 4,317 | 4,452 | 3,972 | 4,757 |
| Water | | | | | | | | | |
| Water main breaks | 62 | 67 | 78 | 81 | 77 | 85 | 55 | 59 | 61 |
| Water pumped (gallons) | 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 | 1,720,147,000 | 1,749,224,000 |
| Average daily consumption | 5,317,704 | 5,257,855 | 5,276,920 | 5,600,000 | 5,017,000 | 4,863,000 | 4,800,000 | 4,698,000 | 4,789,000 |
| Peak daily consumption | 7,358,000 | 8,974,000 | 9,465,000 | 9,003,000 | 7,615,000 | 6,699,000 | 7,242,000 | 6,787,000 | 7,563,000 |

Data Source

Village budget office

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

| Function/Program | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
|-----------------------|-------|-------|-------|-------|-------|-------|-------|-------|
| General Government | | | | | | | | |
| Vehicles | 8 | 8 | 8 | 7 | 9 | 7 | 5 | 5 |
| Community Development | | | | | | | | |
| Vehicles | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 |
| Public Safety | | | | | | | | |
| Police | | | | | | | | |
| Stations | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Vehicles/Equipment | 48 | 43 | 43 | 44 | 43 | 44 | 45 | 46 |
| Fire | | | | | | | | |
| Fire stations | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 |
| Vehicles/Equipment | 36 | 34 | 34 | 33 | 33 | 34 | 31 | 31 |
| Public Works | | | | | | | | |
| Traffic signals | 66 | 66 | 64 | 64 | 64 | 64 | 75 | 75 |
| Vehicles/Equipment | 81 | 84 | 84 | 82 | 80 | 83 | 84 | 84 |
| Buses | 7 | 6 | 6 | 1 | 1 | - | 0 | 0 |
| Water | | | | | | | | |
| Water mains (miles) | 213 | 215 | 207 | 208 | 233 | 217 | 233 | 233 |
| Fire hydrants | 3,183 | 3,145 | 3,180 | 3,126 | 3,280 | 2,776 | 2,776 | 2,798 |
| Vehicles/Equipment | 11 | 10 | 10 | 9 | 9 | 9 | 9 | 10 |

Data Source

Various village departments

Village Council and Management
Village of Downers Grove
Downers Grove, Illinois

As part of our audit of the financial statements of Village of Downers Grove as of and for the year ended December 31, 2017, we wish to communicate the following to you.

Auditor's Responsibility Under Auditing Standards Generally Accepted in the United States of America

An audit performed in accordance with auditing standards generally accepted in the United States of America is designed to obtain reasonable, rather than absolute, assurance about the financial statements. In performing auditing procedures, we establish scopes of audit tests in relation to the financial statements taken as a whole. Our engagement does not include a detailed audit of every transaction. Our engagement letter more specifically describes our responsibilities.

These standards require communication of significant matters related to the financial statement audit that are relevant to the responsibilities of those charged with governance in overseeing the financial reporting process. Such matters are communicated in the remainder of this letter or have previously been communicated during other phases of the audit. The standards do not require the auditor to design procedures for the purpose of identifying other matters to be communicated with those charged with governance.

An audit of the financial statements does not relieve management or those charged with governance of their responsibilities. Our engagement letter more specifically describes your responsibilities.

Qualitative Aspects of Significant Accounting Policies and Practices

Significant Accounting Policies

The Company's significant accounting policies are described in Note 1 of the audited financial statements.

Alternative Accounting Treatments

We had discussions with management regarding alternative accounting treatments within accounting principles generally accepted in the United States of America for policies and practices for material items, including recognition, measurement and disclosure considerations related to the accounting for specific transactions as well as general accounting policies, as follows:

No matters are reportable.

-2-

Management Judgments and Accounting Estimates

Accounting estimates are an integral part of financial statement preparation by management, based on its judgments. The following areas involve significant estimates for which we are prepared to discuss management's estimation process and our procedures for testing the reasonableness of those estimates:

- Depreciation expense based on estimated useful lives for assets
- Insurance claims payable
- Net pension liabilities
- Other post-employment benefit obligation

Financial Statement Disclosures

The following areas involve particularly sensitive financial statement disclosures for which we are prepared to discuss the issues involved and related judgments made in formulating those disclosures:

- Long-term debt obligations of the Village, including future maturities
- Activity and liability for other post-employment and pension benefits under Illinois Municipal Retirement Fund and the Village's Police and Firefighters' Pension Funds.

Audit Adjustments

During the course of any audit, an auditor may propose adjustments to financial statement amounts. Management evaluates our proposals and records those adjustments which, in its judgment, are required to prevent the financial statements from being materially misstated. Some adjustments proposed were not recorded because their aggregate effect is not currently material; however, they involve areas in which adjustments in the future could be material, individually or in the aggregate.

Proposed Audit Adjustments Not Recorded

- Attached is a summary of uncorrected misstatements we aggregated during the current engagement and pertaining to the latest period presented that were determined by management to be immaterial, both individually and in the aggregate, to the financial statements as a whole.

Auditor's Judgments About the Quality of the Entity's Accounting Principles

During the course of the audit, we made the following observations regarding the Company's application of accounting principles:

List comments here, such as:

- No matters are reportable.

Other Material Communications

Listed below are other material communications between management and us related to the audit:

List communications here, such as:

- Management representation letter (attached)
- We orally communicated to management other deficiencies in internal control identified during our audit that are not considered material weaknesses or significant deficiencies

Although not considered material weaknesses, significant deficiencies or deficiencies in internal control over financial reporting, we observed the following matters and offer these comments and suggestions with respect to matters which came to our attention during the course of the audit of the financial statements. Our audit procedures are designed primarily to enable us to form an opinion on the financial statements and, therefore, may not bring to light all weaknesses in policies and procedures that may exist. However, these matters are offered as constructive suggestions for the consideration of management as part of the ongoing process of modifying and improving financial and administrative practices and procedures. We can discuss these matters further at your convenience and may provide implementation assistance for changes or improvements.

Vendor Fraud – Business Email Compromise

The latest wave of business fraud takes the form of email impersonation schemes, in which perpetrators attempt to fraudulently induce employees of a business entity to execute a wire transfer. In business email compromise (BEC) schemes fraudsters masquerade as an approved vendor or business partner. For example, a person with authority to initiate or execute a transaction (*e.g.*, a C-level executive) within the victim organization receives an email via their business account purportedly from a vendor requesting a wire transfer to a designated bank account. The innocent looking email fools the employee receiving it because it appears to be coming from a legitimate business relationship. The emails are “spoofed” by adding, removing or changing characters in the email address that make it difficult to distinguish the perpetrator’s email address from the legitimate email address. Unbeknownst to the victims, the wires are typically made to overseas bank accounts (typically in China, South Africa, Turkey and Japan).

The Internet Crime Compliant Center (IC3) reported receiving complaints of similar schemes from every U.S. state and 45 countries. The combined number of victims totaled 2,126 with a combined dollar loss of approximately \$214,970,000. The FBI estimates since January 2015, there has been a 1,300% increase in losses related to BEC scams which total \$3.1 billion during that period. Approximately 56% of all victims are located in the United States and vary in size. It is unknown how victims are selected, but it appears that the fraudsters study their victims prior to initiating the BEC scam.

It is important to note that this type of fraud could occur even when all standard internal controls and protocols are followed by victim organizations and their employees. Therefore, this type of fraud is particularly difficult to prevent. Spam filters and anti-virus

software are not designed to protect against clever engineered impersonation. The human element is vitally important. We recommend conducting employee training on BEC for all employees with ability to issue payments. We further recommend, if possible, two-person verification for all bank wires and ACH payments.

New Accounting Pronouncements

GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pension (GASB 75)

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 administered 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 beginning after June 15, 2017, and requires restatement of any prior years presented, if practical.

While not effective in the short term, we recommend the Village begin assessing the potential impact on the financial statements of both of these statements and begin the process of communicating this impact with those charged with governance and other stakeholders. Similar to the adoption of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, the adoption of GASB 75 will require advance coordination with plans and actuaries so that the required information is available.

GASB Statement No. 84, Fiduciary Activities (GASB 84)

GASB 84 establishes criteria for identifying fiduciary activities. It presents separate criteria for evaluating component units, pension and other postemployment benefit arrangements and other fiduciary activities. The focus is on a government controlling the assets of the fiduciary activity and identification of the beneficiaries of those assets. Fiduciary activities are reported in one of four types of funds: pension (and other employee benefit) trust funds, investment trust funds, private-purpose trust funds or custodial funds. Custodial funds are used to report fiduciary activities that are not held in a trust. The agency fund designation will no longer be used. GASB 84 also provides guidance on fiduciary fund statements and timing of recognition of a liability to beneficiaries.

GASB 84 is effective for financial statements for fiscal years beginning after December 15, 2018. Earlier application is encouraged.

GASB Statement No. 87, Leases (GASB 87)

In June 2017, GASB published Statement No. 87, Leases. The standard was the result of a multi-year project to reexamine the accounting and financial reporting for leases. The new standard establishes a single model for lease accounting based on the principle that leases represent the financing of the right to use an underlying asset. Specifically, GASB 87 includes the following accounting guidance for lessees and lessors:

Lessee Accounting - A lessee will recognize a liability measured at the present value of payments expected to be made for the lease term, and an intangible asset measured at the amount of the initial lease liability, plus any payments made to the lessor at or before the beginning of the lease and certain indirect costs. A lessee will reduce the liability as payments are made and recognize an outflow of resources for interest on the liability. The asset will be amortized by the lessee over the shorter of the lease term or the useful life of the asset.

Lessor Accounting - A lessor will recognize a receivable measured at the present value of the lease payments expected for the lease term and a deferred inflow of resources measured at the value of the lease receivable plus any payments received at or prior to the beginning of the lease that relate to future periods. The lessor will reduce the receivable as payments are received and recognize an inflow of resources from the deferred inflow of resources in a systematic and rational manner over the term of the lease. A lessor will not derecognize the asset underlying the lease. There is an exception for regulated leases for which certain criteria are met, such as airport-aeronautical agreements.

The lease term used to measure the asset or liability is based on the period in which the lessee has the noncancelable right to use the underlying asset. The lease term also contemplates any lease extension or termination option that is reasonably certain of being exercised.

GASB 87 does not apply to leases for intangible assets, biological assets (*i.e.*, timber and living plants and animals), service concession agreements or leases in which the underlying asset is financed with conduit debt that is reported by the lessor. Additionally, leases with a maximum possible term of 12 months or less are excluded.

The effective date is for periods beginning after December 15, 2019. It is anticipated that leases would be recognized using the facts and circumstances in effect at the beginning of the period of implementation.

This letter is intended solely for the information and use of the Village Council and management and is not intended to be and should not be used by anyone other than these specified parties.

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Village of Downers Grove

ATTACHMENT

This analysis and the attached "Schedule of Uncorrected Misstatements (Adjustments Passed)" reflects the effects on the financial statements if the uncorrected misstatements identified were corrected.

Governmental Activities (Government-Wide Statements)

QUANTITATIVE ANALYSIS

| | Before Misstatements | Misstatements | Subsequent to Misstatements | % Change |
|--------------------------------------|-------------------------|---------------|--------------------------------|----------|
| Total Assets & Deferred Outflows | 197,673,972 | 347,918 | 198,021,890 | 0.18% |
| Total Liabilities & Deferred Inflows | (173,519,520) | 338,268 | (173,181,252) | -0.19% |
| Total Net Position | (24,154,452) | (686,186) | (24,840,638) | 2.84% |
| General Revenues & Transfers | (51,174,452) | | (51,174,452) | |
| Net Program Revenues/ Expenses | 50,895,506 | (860,230) | 50,035,276 | -1.69% |
| Change in Net Position | (278,946) | (860,230) | (1,139,176) | 308.39% |

Verify Debits and Credits have been entered correctly on the Menu-GA Tab

Client: Village of Downers Grove
Period Ending: December 31, 2017

Governmental Activities (Government-Wide Statements)
SCHEDULE OF UNCORRECTED MISSTATEMENTS (ADJUSTMENTS PASSED)

| Description | Financial Statement Line Item | Factual (F), Judgmental (J), Projected (P) | Assets | | Liabilities | | General Revenues & Transfers | | Net Program Revenues/ Expenses | | Net Position | | Net Effect on Following Year | | | | | |
|---|-------------------------------|--|---------|---------|-------------|---------|---------------------------------|------|--------------------------------------|-----------|---|---------|------------------------------|------|--------------|------|---|--|
| | | | DR (CR) | | DR (CR) | | DR (CR) | | DR (CR) | | DR (CR) | | Change in Net Position | | Net Position | | | |
| | | | DR | (CR) | DR | (CR) | DR | (CR) | DR | (CR) | DR | (CR) | DR | (CR) | DR | (CR) | | |
| To adjust for differences between actuary report and audit per IMRF related GASB 68 balances. | | Factual | | 347,918 | | 338,268 | | 0 | | (686,186) | | 0 | | | 0 | | 0 | |
| Turnaround effect from prior year PAJE to reverse prior year accrual for workers comp | | | | 0 | | 0 | | 0 | | (174,044) | | 174,044 | | | 0 | | 0 | |
| | | | | 0 | | 0 | | 0 | | 0 | | 0 | | | 0 | | 0 | |
| | | | | 0 | | 0 | | 0 | | 0 | | 0 | | | 0 | | 0 | |
| | | | | 0 | | 0 | | 0 | | 0 | | 0 | | | 0 | | 0 | |
| | | | | 0 | | 0 | | 0 | | 0 | | 0 | | | 0 | | 0 | |
| Total passed adjustments | | | | 347,918 | | 338,268 | | 0 | | (860,230) | | 174,044 | | | 0 | | 0 | |
| | | | | | | | | | | | Impact on Change in Net Position | | (860,230) | | | | | |
| | | | | | | | | | | | Impact on Net Position | | (686,186) | | | | | |

Village of Downers Grove

ATTACHMENT

This analysis and the attached "Schedule of Uncorrected Misstatements (Adjustments Passed)" reflects the effects on the financial statements if the uncorrected misstatements identified were corrected.

Business Type Activities (Government-Wide Statements)

QUANTITATIVE ANALYSIS

| | Before Misstatements | Misstatements | Subsequent to Misstatements | % Change |
|--------------------------------------|-------------------------|---------------|--------------------------------|----------|
| Total Assets & Deferred Outflows | 93,848,668 | 68,336 | 93,917,004 | 0.07% |
| Total Liabilities & Deferred Inflows | (37,914,454) | 70,706 | (37,843,748) | -0.19% |
| Total Net Position | (55,934,214) | (139,042) | (56,073,256) | 0.25% |
| General Revenues & Transfers | 136,408 | | 136,408 | |
| Net Program Revenues/ Expenses | (1,805,565) | (139,042) | (1,944,607) | 7.70% |
| Change in Net Position | (1,669,157) | (139,042) | (1,808,199) | 8.33% |

Verify Debits and Credits have been entered correctly on the Menu-GA Tab

Client: Village of Downers Grove
Period Ending: December 31, 2017

Business-Type Activities (Government-Wide Statements)

SCHEDULE OF UNCORRECTED MISSTATEMENTS (ADJUSTMENTS PASSED)

| Description | Financial Statement Line Item | Factual (F), Judgmental (J), Projected (P) | Assets | | Liabilities | | General Revenues & Transfers | | Net Program Revenues/ Expenses | | Net Position | | Net Effect on Following Year | | | |
|---|-------------------------------|--|---------|--------|-------------|--------|------------------------------|----|--------------------------------|-----------|---|----|------------------------------|----|--------------|----|
| | | | DR (CR) | | DR (CR) | | DR (CR) | | DR (CR) | | DR (CR) | | Change in Net Position | | Net Position | |
| | | | DR | CR | DR | CR | DR | CR | DR | CR | DR | CR | DR | CR | DR | CR |
| To adjust for differences between actuary report and audit per IMRF related GASB 68 balances. | | Factual | | 68,336 | | 70,706 | | 0 | | (139,042) | | 0 | | 0 | | 0 |
| | | | | 0 | | 0 | | 0 | | 0 | | 0 | | 0 | | 0 |
| | | | | 0 | | 0 | | 0 | | 0 | | 0 | | 0 | | 0 |
| | | | | 0 | | 0 | | 0 | | 0 | | 0 | | 0 | | 0 |
| | | | | 0 | | 0 | | 0 | | 0 | | 0 | | 0 | | 0 |
| | | | | 0 | | 0 | | 0 | | 0 | | 0 | | 0 | | 0 |
| Total passed adjustments | | | | 68,336 | | 70,706 | | 0 | | (139,042) | | 0 | | 0 | | 0 |
| | | | | | | | | | | | Impact on Change in Net Position | | (139,042) | | | |
| | | | | | | | | | | | Impact on Net Position | | (139,042) | | | |

Village of Downers Grove

ATTACHMENT

This analysis and the attached "Schedule of Uncorrected Misstatements (Adjustments Passed)" reflects the effects on the financial statements if the uncorrected misstatements identified were corrected.

Discretely Presented Component Units (Government-Wide Statements)

QUANTITATIVE ANALYSIS

| | Before Misstatements | Misstatements | Subsequent to Misstatements | % Change |
|--------------------------------------|-------------------------|---------------|--------------------------------|----------|
| Total Assets & Deferred Outflows | 21,174,534 | 82,329 | 21,256,863 | 0.39% |
| Total Liabilities & Deferred Inflows | (7,364,452) | 81,537 | (7,282,915) | -1.11% |
| Total Net Position | (13,810,082) | (163,866) | (13,973,948) | 1.19% |
| | | | | |
| General Revenues & Transfers | (5,167,963) | | (5,167,963) | |
| Net Program Revenues/ Expenses | 5,616,881 | (163,866) | 5,453,015 | -2.92% |
| Change in Net Position | 448,918 | (163,866) | 285,052 | -36.50% |

Verify Debits and Credits have been entered correctly on the Menu-GA Tab

Client: Village of Downers Grove
Period Ending: December 31, 2017

Governmental Activities (Government-Wide Statements)
SCHEDULE OF UNCORRECTED MISSTATEMENTS (ADJUSTMENTS PASSED)

| Description | Financial Statement Line Item | Factual (F), Judgmental (J), Projected (P) | Assets | | Liabilities | | General Revenues & Transfers | | Net Program Revenues/ Expenses | | Net Position | | Net Effect on Following Year | | | | |
|---|-------------------------------|--|---------|--------|-------------|--------|---------------------------------|------|--------------------------------------|-----------|---|------|------------------------------|------|--------------|------|---|
| | | | DR (CR) | | DR (CR) | | DR (CR) | | DR (CR) | | DR (CR) | | Change in Net Position | | Net Position | | |
| | | | DR | (CR) | DR | (CR) | DR | (CR) | DR | (CR) | DR | (CR) | DR | (CR) | DR | (CR) | |
| To adjust for differences between actuary report and audit per IMRF related GASB 68 balances. | | Factual | | 82,329 | | 81,537 | | 0 | | (163,866) | | 0 | | | 0 | | 0 |
| | | | | 0 | | 0 | | 0 | | 0 | | 0 | | | 0 | | 0 |
| | | | | 0 | | 0 | | 0 | | 0 | | 0 | | | 0 | | 0 |
| | | | | 0 | | 0 | | 0 | | 0 | | 0 | | | 0 | | 0 |
| | | | | 0 | | 0 | | 0 | | 0 | | 0 | | | 0 | | 0 |
| Total passed adjustments | | | | 82,329 | | 81,537 | | 0 | | (163,866) | | 0 | | | 0 | | 0 |
| | | | | | | | | | | | Impact on Change in Net Position | | (163,866) | | | | |
| | | | | | | | | | | | Impact on Net Position | | (163,866) | | | | |

Village of Downers Grove

ATTACHMENT

This analysis and the attached "Schedule of Uncorrected Misstatements (Adjustments Passed)" reflects the effects on the financial statements if the uncorrected misstatements identified were corrected.

Parking

QUANTITATIVE ANALYSIS

| | Before Misstatements | Misstatements | Subsequent to Misstatements | % Change |
|--|-------------------------|---------------|--------------------------------|----------|
| Current Assets | 1,938,705 | | 1,938,705 | |
| Non-Current Assets & Deferred Outflows | 2,409,519 | 4,402 | 2,413,921 | 0.18% |
| Current Liabilities | (1,480,140) | | (1,480,140) | |
| Non-Current Liabilities & Deferred Inflows | (131,984) | 4,539 | (127,445) | -3.44% |
| Current Ratio | 1.310 | | 1.310 | |
| Total Assets & Deferred Outflows | 4,348,224 | 4,402 | 4,352,626 | 0.10% |
| Total Liabilities & Deferred Inflows | (1,612,124) | 4,539 | (1,607,585) | -0.28% |
| Total Net Position | (2,736,100) | (8,941) | (2,745,041) | 0.33% |
| Operating Revenues | (1,628,957) | | (1,628,957) | |
| Operating Expenses | 1,134,477 | (8,941) | 1,125,536 | -0.79% |
| Nonoperating (Revenues) Exp | (55,759) | | (55,759) | |
| Change in Net Position | (250,239) | (8,941) | (259,180) | 3.57% |

Client: Village of Downers Grove
Period Ending: December 31, 2017

Parking

SCHEDULE OF UNCORRECTED MISSTATEMENTS (ADJUSTMENTS PASSED)

| Description | Financial Statement Line Item | Factual (F), Judgmental (J), Projected (P) | Assets & Deferred Outflows | | | | Liabilities & Deferred Inflows | | | | Operating | | | | Net Effect on Following Year | | | | | |
|---|-------------------------------|--|----------------------------|-------|-------------|-------|--------------------------------|---------|-------------|------|---|------|----------------|------|------------------------------|------|--------------|------|------------------------|------|
| | | | Current | | Non-Current | | Current | | Non-Current | | Revenues | | Expenses | | Nonoperating (Revenues) Exp | | Net Position | | Change in Net Position | |
| | | | DR | (CR) | DR | (CR) | DR | (CR) | DR | (CR) | DR | (CR) | DR | (CR) | DR | (CR) | DR | (CR) | DR | (CR) |
| To adjust for differences between actuary report and audit per IMRF related GASB 68 balances. | | Factual | 0 | 4,402 | 0 | 4,539 | 0 | (8,941) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| Total passed adjustments | | | 0 | 4,402 | 0 | 4,539 | 0 | (8,941) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| | | | | | | | | | | | Impact on Change in Net Position | | (8,941) | | | | | | | |
| | | | | | | | | | | | Impact on Net Position | | (8,941) | | | | | | | |

Village of Downers Grove

ATTACHMENT

This analysis and the attached "Schedule of Uncorrected Misstatements (Adjustments Passed)" reflects the effects on the financial statements if the uncorrected misstatements identified were corrected.

Water

QUANTITATIVE ANALYSIS

| | Before Misstatements | Misstatements | Subsequent to Misstatements | % Change |
|--|-------------------------|---------------|--------------------------------|----------|
| Current Assets | 12,891,058 | | 12,891,058 | |
| Non-Current Assets & Deferred Outflows | 46,073,475 | 38,832 | 46,112,307 | 0.08% |
| Current Liabilities | (2,719,972) | | (2,719,972) | |
| Non-Current Liabilities & Deferred Inflows | (15,601,369) | 40,021 | (15,561,348) | -0.26% |
| Current Ratio | 4.739 | | 4.739 | |
| Total Assets & Deferred Outflows | 58,964,533 | 38,832 | 59,003,365 | 0.07% |
| Total Liabilities & Deferred Inflows | (18,321,341) | 40,021 | (18,281,320) | -0.22% |
| Total Net Position | (40,643,192) | (78,853) | (40,722,045) | 0.19% |
| Operating Revenues | (15,865,916) | | (15,865,916) | |
| Operating Expenses | 14,397,309 | (78,853) | 14,318,456 | -0.55% |
| Nonoperating (Revenues) Exp | 295,909 | | 295,909 | |
| Change in Net Position | (1,172,698) | (78,853) | (1,251,551) | 6.72% |

Client: Village of Downers Grove

Period Ending: December 31, 2017

Water

SCHEDULE OF UNCORRECTED MISSTATEMENTS (ADJUSTMENTS PASSED)

| Description | Financial Statement Line Item | Factual (F), Judgmental (J), Projected (P) | Assets & Deferred Outflows | | Liabilities & Deferred Inflows | | Operating | | | | Net Effect on Following Year | | | |
|---|-------------------------------|--|----------------------------|--------|--------------------------------|--------|---|----------|----------|------|------------------------------|------|--------------|------|
| | | | Current | | Non-Current | | Revenues | | Expenses | | (Revenues) Exp | | Net Position | |
| | | | DR | (CR) | DR | (CR) | DR | (CR) | DR | (CR) | DR | (CR) | DR | (CR) |
| To adjust for differences between actuary report and audit per IMRF related GASB 68 balances. | | Factual | 0 | 38,832 | 0 | 40,021 | 0 | (78,853) | 0 | 0 | 0 | 0 | 0 | |
| | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| Total passed adjustments | | | 0 | 38,832 | 0 | 40,021 | 0 | (78,853) | 0 | 0 | 0 | 0 | 0 | |
| | | | | | | | Impact on Change in Net Position | | | | (78,853) | | | |
| | | | | | | | Impact on Net Position | | | | (78,853) | | | |

Village of Downers Grove

ATTACHMENT

This analysis and the attached "Schedule of Uncorrected Misstatements (Adjustments Passed)" reflects the effects on the financial statements if the uncorrected misstatements identified were corrected.

Stormwater

QUANTITATIVE ANALYSIS

| | Before Misstatements | Misstatements | Subsequent to Misstatements | % Change |
|--|-------------------------|---------------|--------------------------------|----------|
| Current Assets | 5,068,170 | | 5,068,170 | |
| Non-Current Assets & Deferred Outflows | 25,385,527 | 25,102 | 25,410,629 | 0.10% |
| Current Liabilities | (1,592,811) | | (1,592,811) | |
| Non-Current Liabilities & Deferred Inflows | 26,991,114 | 26,148 | 27,017,262 | 0.10% |
| Current Ratio | 3.182 | | 3.182 | |
| Total Assets & Deferred Outflows | 30,453,697 | 25,102 | 30,478,799 | 0.08% |
| Total Liabilities & Deferred Inflows | 25,398,303 | 26,148 | 25,424,451 | 0.10% |
| Total Net Position | (55,852,000) | (51,250) | (55,903,250) | 0.09% |
| Operating Revenues | (4,090,431) | | (4,090,431) | |
| Operating Expenses | 3,339,140 | (51,250) | 3,287,890 | -1.53% |
| Nonoperating (Revenues) Exp | 504,268 | | 504,268 | |
| Change in Net Position | (264,254) | (51,250) | (315,504) | 19.39% |

Client: Village of Downers Grove
Period Ending: December 31, 2017

Stormwater
SCHEDULE OF UNCORRECTED MISSTATEMENTS (ADJUSTMENTS PASSED)

| Description | Financial Statement Line Item | Factual (F), Judgmental (J), Projected (P) | Assets & Deferred Outflows | | | | Liabilities & Deferred Inflows | | | | Operating | | | | Net Effect on Following Year | | | |
|---|-------------------------------|--|----------------------------|--------|-------------|--------|--------------------------------|----------|-------------|---|-----------|-----------------|----------|------|------------------------------|------|--------------|------|
| | | | Current | | Non-Current | | Current | | Non-Current | | Revenues | | Expenses | | Nonoperating (Revenues) Exp | | Net Position | |
| | | | DR | (CR) | DR | (CR) | DR | (CR) | DR | (CR) | DR | (CR) | DR | (CR) | DR | (CR) | DR | (CR) |
| To adjust for differences between actuary report and audit per IMRF related GASB 68 balances. | | Factual | 0 | 25,102 | 0 | 26,148 | 0 | (51,250) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| Total passed adjustments | | | 0 | 25,102 | 0 | 26,148 | 0 | (51,250) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| | | | | | | | | | | Impact on Change in Net Position | | (51,250) | | | | | | |
| | | | | | | | | | | Impact on Net Position | | (51,250) | | | | | | |

Village of Downers Grove

ATTACHMENT

This analysis and the attached "Schedule of Uncorrected Misstatements (Adjustments Passed)" reflects the effects on the financial statements if the uncorrected misstatements identified were corrected.

Aggregate Remaining Funds

QUANTITATIVE ANALYSIS

| | Before Misstatements | Misstatements | Subsequent to Misstatements | % Change |
|--------------------------------------|-------------------------|---------------|--------------------------------|----------|
| Total Assets & Deferred Outflows | 137,341,065 | | 137,341,065 | |
| Total Liabilities & Deferred Inflows | (7,737,906) | | (7,737,906) | |
| Total Fund Balance | (129,636,069) | | (129,636,069) | |
| Revenues | (36,692,614) | | (36,692,614) | |
| Expenditures | 29,507,651 | (174,044) | 29,333,607 | -0.59% |
| Change in Fund Balance | (13,381,888) | (174,044) | (13,555,932) | 1.30% |

Total Assets ≠ Total Liabilities + Total Fund Balance (Adjust Menu-M'Main Men

Client: Village of Downers Grove
Period Ending: December 31, 2017

Aggregate Remaining Funds

SCHEDULE OF UNCORRECTED MISSTATEMENTS (ADJUSTMENTS PASSED)

| Description | Financial Statement Line Item | Factual (F), Judgmental (J), Projected (P) | Assets & Deferred | | Liabilities & | | Revenues | | | Expenditures | | | Fund Balance | | Net Effect on Following Year | | | | |
|---|-------------------------------|--|-------------------|----------|------------------|----------|----------|----------|----|------------------|----|--|--------------|------------------|------------------------------|----------|--------------|----------|--|
| | | | Outflows | | Deferred Inflows | | Revenues | | | Expenditures | | | Fund Balance | | Change in Fund Balance | | Fund Balance | | |
| | | | DR | (CR) | DR | (CR) | DR | (CR) | DR | (CR) | DR | (CR) | DR | (CR) | DR | (CR) | DR | (CR) | |
| Turnaround effect from prior year PAJE to reverse prior year accrual for workers comp | | P | | 0 | | 0 | | 0 | | (174,044) | | 174,044 | | 0 | | 0 | | 0 | |
| | | | | 0 | | 0 | | 0 | | 0 | | 0 | | 0 | | 0 | | 0 | |
| | | | | 0 | | 0 | | 0 | | 0 | | 0 | | 0 | | 0 | | 0 | |
| | | | | 0 | | 0 | | 0 | | 0 | | 0 | | 0 | | 0 | | 0 | |
| | | | | 0 | | 0 | | 0 | | 0 | | 0 | | 0 | | 0 | | 0 | |
| Total passed adjustments | | | | <u>0</u> | | <u>0</u> | | <u>0</u> | | <u>(174,044)</u> | | <u>174,044</u> | | <u>0</u> | | <u>0</u> | | <u>0</u> | |
| | | | | | | | | | | | | Impact on Change in Fund Balance: | | (174,044) | | | | | |
| | | | | | | | | | | | | Impact on Fund Balance | | 0 | | | | | |