

VILLAGE OF DOWNERS GROVE
Report for the Village
6/11/2019

SUBJECT:	SUBMITTED BY:
2018 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 ending December 31, 2018, also known as the Comprehensive Annual Financial Report (CAFR) dated December 31, 2018 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, 2019.

STRATEGIC PLAN ALIGNMENT

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

FISCAL IMPACT

N/A

UPDATE & RECOMMENDATION

This item was discussed at the June 4, 2019 Village Council meeting. Staff recommends approval on the June 11, 2019 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

Auditor Communication

Year Ended December 31, 2018 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, 2018 THROUGH DECEMBER 31, 2018**

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, 2018 through December 31, 2018; 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, 2018, 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, 2018, 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, 2018.

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



1901 S. Meyers Road, Suite 500 | Oakbrook Terrace, IL 60181-5209
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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 (Village) as of and for the year ended December 31, 2018, we wish to communicate the following to you.

AUDIT SCOPE AND RESULTS

Auditor's Responsibility Under Auditing Standards Generally Accepted in the United States of America and the Standards Applicable to Financial Audits Contained in *Government Auditing Standards* Issued by the Comptroller General of the United States

An audit performed in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States 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 opinion unit being audited. 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 Village's significant accounting policies are described in Note 1 of the audited financial statements.

As discussed in Note 13 of the audited financial statements, for 2018 the Village adopted GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

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Village of Downers Grove
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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.

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
- Total other postemployment benefit liability

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 benefits, 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.

Village Council and Management
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Auditor's Judgments About the Quality of the Village's Accounting Principles

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

- No matters are reportable.

Other Material Communications

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

- 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.

OTHER MATTERS

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. 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.

GASB Statement No. 88, Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements (GASB 88)

GASB 88 provides a definition of “debt” for the purposes of note disclosures. That definition is “a liability that arises from a contractual obligation to pay cash (or other assets that may be used in lieu of cash) in one or more payments to settle an amount that is fixed at the date the contractual obligation is established.” This definition is key to knowing what liabilities are included in the disclosure requirements.

The new disclosure requirements include, if material, the amount of unused lines of credit, assets pledged as collateral for debt and certain debt agreement terms. In addition, the standard requires separate disclosures for direct borrowings from other debt. A nonauthoritative, illustrative disclosure is included in an appendix to the Statement.

The requirements of this Statement are effective for periods beginning after June 15, 2018. Earlier application is encouraged.

GASB Statement No. 89, Accounting for Interest Cost Incurred before the End of a Construction Period (GASB 89)

GASB 89 requires financial statements prepared using the economic resources measurement focus to recognize interest cost incurred before the end of a construction period as an expense in the period in which the cost is incurred. Such interest cost will not be capitalized as part of the historical cost of a capital asset.

It also requires that in financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period is to be recognized as an expenditure on a basis consistent with governmental fund accounting principles.

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GASB 89 is effective for reporting periods beginning after December 15, 2019. Earlier application is encouraged.

GASB Statement No. 90, *Majority Equity Interests - an Amendment of GASE Statements No. 14 and No. 61 (GASE 90)*

GASB 90 defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment.

For all other holdings of a majority equity interest in a legally separate organization, a government should report the legally separate organization as a component unit, and the government or fund that holds the equity interest should report an asset related to the majority equity interest using the equity method.

This Statement also provides guidance for a component unit in which a government has a 100% equity interest.

GASB 90 is effective for reporting periods beginning after December 15, 2018. Earlier application is encouraged.

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.

BKD, LLP

May 31, 2019
Oakbrook Terrace, Illinois

May 31, 2019

BKD, LLP
Certified Public Accountants
1901 S Meyers Road, Suite 500
Oakbrook Terrace, Illinois 60181

We are providing this letter in connection with your audits of our financial statements (the basic financial statements, the Downtown Redevelopment Tax Increment Financing Fund's financial statements and the Ogden Avenue Corridor Tax Increment Financing Fund's financial statements) as of and for the year ended December 31, 2018. We confirm that we are responsible for the fair presentation of the financial statements in conformity with accounting principles generally accepted in the United States of America. We are also responsible for adopting sound accounting policies, establishing and maintaining effective internal control over financial reporting, operations and compliance, and preventing and detecting fraud.

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

We confirm, to the best of our knowledge and belief, the following:

1. We have fulfilled our responsibilities, as set out in the terms of our engagement letter dated December 7, 2018 and the addendum letter of additional procedures dated April 3, 2019, for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America.
2. We acknowledge our responsibility for 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.
3. We acknowledge our responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud.

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4. We have provided you with:
 - (a) Access to all information of which we are aware that is relevant to the preparation and fair presentation of the financial statements such as records, documentation and other matters.
 - (b) Additional information that you have requested from us for the purpose of the audit.
 - (c) Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
 - (d) All minutes of meetings of the governing body held through the date of this letter.
 - (e) All significant contracts and grants.
5. All transactions have been recorded in the accounting records and are reflected in the financial statements.
6. We have informed you of all current risks of a material amount that are not adequately prevented or detected by entity procedures with respect to:
 - (a) Misappropriation of assets.
 - (b) Misrepresented or misstated assets, liabilities or net position.
7. We believe the effects of the uncorrected financial statement misstatements summarized in the attached schedule are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.
8. We have no knowledge of any known or suspected:
 - (a) Fraudulent financial reporting or misappropriation of assets involving management or employees who have significant roles in internal control.
 - (b) Fraudulent financial reporting or misappropriation of assets involving others that could have a material effect on the financial statements.
9. We have no knowledge of any allegations of fraud or suspected fraud affecting the Village received in communications from employees, customers, regulators, suppliers or others.
10. We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware. Related party relationships and transactions have been appropriately accounted for and disclosed

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in accordance with accounting principles generally accepted in the United States of America. We understand that the term related party refers to an affiliate; management, and members of their immediate families, component units; and any other party with which the entity may deal if it can significantly influence, or be influenced by, the management or operating policies of the other. The term affiliate refers to a party that directly or indirectly controls, or is controlled by, or is under common control with us.

11. Except as reflected in the financial statements, there are no:
 - (a) Plans or intentions that may materially affect carrying values or classifications of assets and liabilities.
 - (b) Material transactions omitted or improperly recorded in the financial statements.
 - (c) Material gain/loss contingencies requiring accrual or disclosure, including those arising from environmental remediation obligations.
 - (d) Events occurring subsequent to the balance sheet date through the date of this letter requiring adjustment or disclosure in the financial statements.
 - (e) Agreements to purchase assets previously sold.
 - (f) Restrictions on cash balances or compensating balance agreements.
 - (g) Guarantees, whether written or oral, under which the Village is contingently liable.
12. We have disclosed to you all known instances of noncompliance or suspected noncompliance with laws and regulations whose effects should be considered when preparing financial statements.
13. We have no reason to believe the Village owes any penalties or payments under the Employer Shared Responsibility Provisions of the Patient Protection and Affordable Care Act nor have we received any correspondence from the IRS or other agencies indicating such payments may be due.
14. We have disclosed to you all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements. The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with accounting principles generally accepted in the United States of America.

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15. Adequate provisions and allowances have been accrued for any material losses from:
 - (a) Uncollectible receivables.
 - (b) Reducing obsolete or excess inventories to estimated net realizable value.
 - (c) Sales commitments, including those unable to be fulfilled.
 - (d) Purchase commitments in excess of normal requirements or above prevailing market prices.
16. Except as disclosed in the financial statements, we have:
 - (a) Satisfactory title to all recorded assets, and they are not subject to any liens, pledges or other encumbrances.
 - (b) Complied with all aspects of contractual and grant agreements, for which noncompliance would materially affect the financial statements.
17. We have not been designated as a potentially responsible party (PRP or equivalent status) by the Environmental Protection Agency (EPA) or other cognizant regulatory agency with authority to enforce environmental laws and regulations.
18. With regard to deposit and investment activities:
 - (a) All deposit, repurchase and reverse repurchase agreements and investment transactions have been made in accordance with legal and contractual requirements.
 - (b) Disclosures of deposit and investment balances and risks in the financial statements are consistent with our understanding of the applicable laws regarding enforceability of any pledges of collateral.
 - (c) We understand that your audit does not represent an opinion regarding the enforceability of any collateral pledges.
19. With respect to any nonattest services you have provided us during the year, including preparation of the TIF financial statements:
 - (a) We have designated a qualified management-level individual to be responsible and accountable for overseeing the nonattest services.
 - (b) We have established and monitored the performance of the nonattest services to ensure that they meet our objectives.

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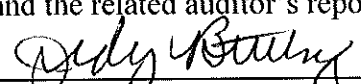
- (c) We have made any and all decisions involving management functions with respect to the nonattest services and accept full responsibility for such decisions.
 - (d) We have evaluated the adequacy of the services performed and any findings that resulted.
- 20. We acknowledge that we are responsible for compliance with applicable laws, regulations and provisions of contracts and grant agreements.
- 21. We have identified and disclosed to you all laws, regulations and provisions of contracts and grant agreements that have a direct and material effect on the determination of amounts in our financial statements or other financial data significant to the audit objectives.
- 22. We have identified and disclosed to you any violations or possible violations of laws, regulations and provisions of contracts and grant agreements whose effects should be considered for recognition and/or disclosure in the financial statements or for your reporting on noncompliance.
- 23. We have taken or will take timely and appropriate steps to remedy any fraud, abuse, illegal acts or violations of provisions of contracts or grant agreements that you or other auditors report.
- 24. We have a process to track the status of audit findings and recommendations.
- 25. We have identified to you any previous financial audits, attestation engagements, performance audits or other studies related to the objectives of your audit and the corrective actions taken to address any significant findings and recommendations made in such audits, attestation engagements or other studies.
- 26. We have provided our views on any findings, conclusions and recommendations, as well as our planned corrective actions with respect thereto, to you for inclusion in the findings and recommendations referred to in your report on internal control over financial reporting and on compliance and other matters based on your audit of the financial statements performed in accordance with *Government Auditing Standards*.
- 27. The financial statements disclose all significant estimates and material concentrations known to us. Significant estimates are estimates at the balance sheet date which could change materially within the next year. Concentrations refer to volumes of business, revenues, available sources of supply, or markets for which events could occur which would significantly disrupt normal finances within the next year. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.

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28. The fair values of financial and nonfinancial assets and liabilities, if any, recognized in the financial statements or disclosed in the notes thereto are reasonable estimates based on the methods and assumptions used. The methods and significant assumptions used result in measurements of fair value appropriate for financial statement recognition and disclosure purposes and have been applied consistently from period to period, taking into account any changes in circumstances. The significant assumptions appropriately reflect market participant assumptions.
29. The supplementary information required by the Governmental Accounting Standards Board, consisting of management's discussion and analysis, (budgetary comparisons, pension and other postemployment benefit information), has been prepared and is measured and presented in conformity with the applicable GASB pronouncements, and we acknowledge our responsibility for the information. The information contained therein is based on all facts, decisions and conditions currently known to us and is measured using the same methods and assumptions as were used in the preparation of the financial statements. We believe the significant assumptions underlying the measurement and/or presentation of the information are reasonable and appropriate. There has been no change from the preceding period in the methods of measurement and presentation.
30. With regard to supplementary information:
- (a) We acknowledge our responsibility for the presentation of the supplementary information in accordance with the applicable criteria.
 - (b) We believe the supplementary information is fairly presented, both in form and content, in accordance with the applicable criteria.
 - (c) The methods of measurement and presentation of the supplementary information are unchanged from those used in the prior period.
 - (d) We believe the significant assumptions or interpretations underlying the measurement and/or presentation of the supplementary information are reasonable and appropriate.
 - (e) If the supplementary information is not presented with the audited financial statements, we acknowledge we will make the audited financial statements readily available to intended users of the supplementary information no later than the date such information and the related auditor's report are issued.



David Fieldman, Village Manager



Judy Buttny, Finance Director

Comprehensive Annual Financial Report

For the fiscal year ended December 31, 2018

The Village of Downers Grove

DuPage County

801 Burlington Avenue

Downers Grove, Illinois 60515-4782

630-434-5500



VILLAGE OF DOWNERS GROVE,
ILLINOIS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

As of and for the Year Ended December 31, 2018

Prepared by Finance Department

Judy Buttny
Finance Director

Carol Hogan
Assistant Finance Director

Robin Lahey
Finance Manager

Cari Mertes
Staff Accountant

VILLAGE OF DOWNERS GROVE, ILLINOIS

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VILLAGE OF DOWNERS GROVE, ILLINOIS

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INTRODUCTORY SECTION

Village of Downers Grove, Illinois

Principal Officials

LEGISLATIVE

Martin T. Tully, Mayor

Commissioners

Robert Barnett

William White

Nicole Walus

Marge Earl

Greg José

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

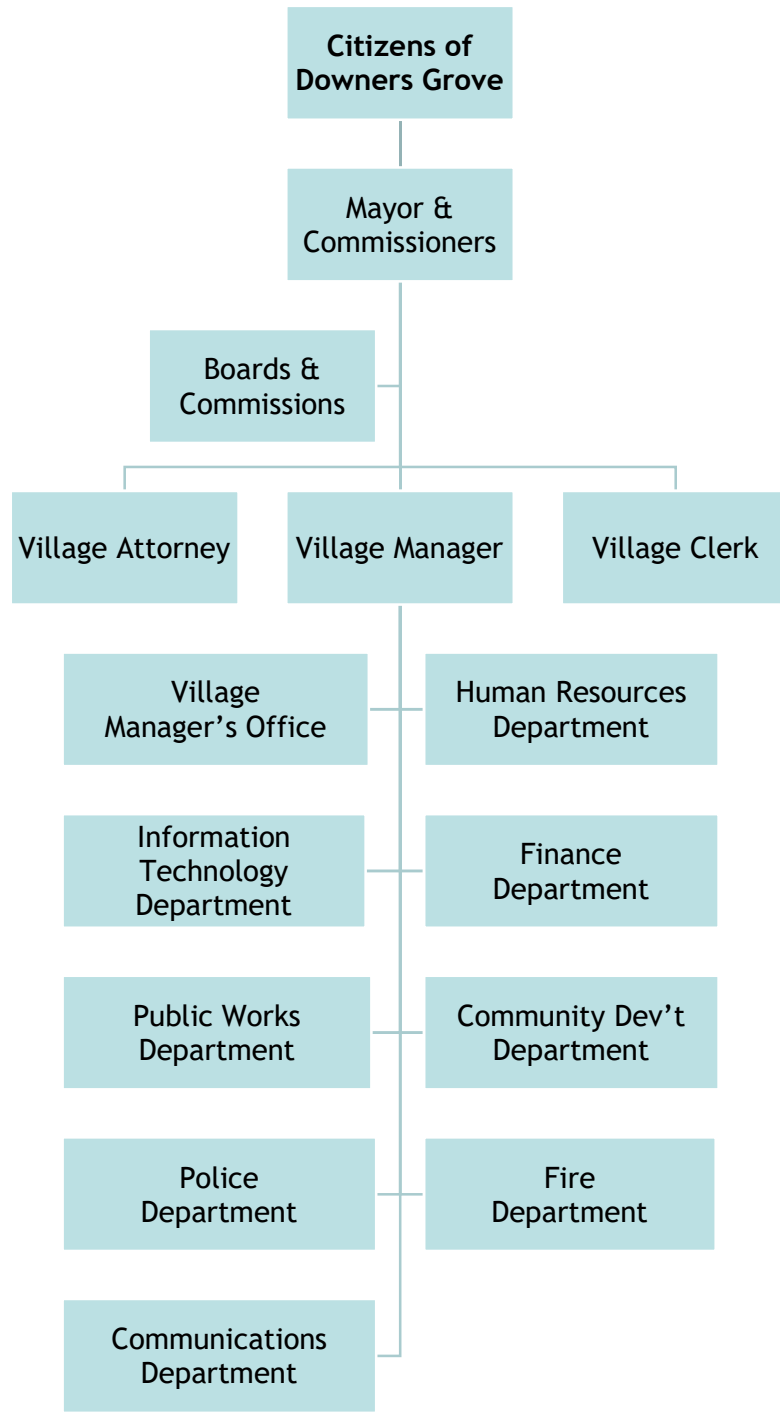
Jenny Rizzo, Emergency Management Coordinator

Dennis Burke, Human Resources Director

Chanay Mackey, Risk Manager

David Kenny, Information Technology Director

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, 2017

Christopher P. Morrill

Executive Director/CEO



www.downers.us

May 31, 2019

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, 2018, 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, 2018, 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, 2018, 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 \$85,546. 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 Village is a premier location for business, a home to many corporate and regional headquarters. Advocate Good Samaritan Hospital, the only Level One trauma center in DuPage County is also located in Downers Grove. 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; paramedic services; water and stormwater utilities; 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, state income taxes and a food and beverage tax. The Village has a mixture of office, retail and industrial employment. The unemployment rate in the Village has been declining, decreasing from 3.8% percent in 2017 to 2.8% percent as of December 31, 2018. The EAV for the Village was \$2,554,345,132 for the 2018 tax levy, up 4.7% 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.

2018 Economic Development Successes

The Downers Grove economy continues to be strong and growing. In 2018:

- 204 new apartments were constructed
- 68 new single family homes were constructed
- 1.1 million square feet of industrial space was completed or is under construction
- Over 235,000 square feet of new office tenants were added
- 5 new or expanded car dealerships
- 12 new restaurants

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 FY18, the Village added \$77,000 to the General Fund fund balance. The General Fund was budgeted to break even in 2018. General Fund revenues exceeded budgeted levels by \$1,600,000 in 2018. Very strong performance in building permit activity and the Food & Beverage Tax were the primary drivers of this favorable performance. As a result, \$800,000 was transferred to the Municipal Buildings Fund to be used on the future facilities plan for the Police Department and Village Hall and \$800,000 to the Health Fund for OPEB costs. General Fund expenses performed as budgeted.

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 4 properties in 2018 bringing the total to 24.

Downtown Rezoning:

The Village Council approved the rezoning of 77 properties in the downtown, achieving the Long-Range Plan goal of Update Downtown Zoning Regulations, as recommended in the Comprehensive Plan. The rezoning was the culmination of a two-and-a-half year public planning process to establish zoning standards that ensure future development meets the community's vision for the downtown.

Partnership Lowers Emergency Medical Response Times:

The Downers Grove Fire Department and Darien Woodridge Fire District began a partnership in May to improve response times for emergency medical services in areas that have provided challenges for timely response. The new approach has proven effective at getting trained paramedics quickly to patients who are in need of urgent care.

New Training Tower:

The Downers Grove Fire Department conducted a ribbon-cutting ceremony for the new Fire Training Tower at Fire Station 1. The tower is made of shipping containers. It is three stories tall and a little over 3,040 square feet. It offers a stainless steel burn room in the center of the first floor, which allows for live fire training in a controlled environment. It offers personnel the opportunity to train more frequently, which will result in better and safer job performance.

Managing a Top Performing Police Department:

The Police Department maximized a unique opportunity to analyze and redesign several open positions created by retirements. Although the department has fewer overall employees today than it had in previous years they continue to achieve new milestones, including the recent meritorious award of re-accreditation with excellence through CALEA, the Commission on Accreditation for Law Enforcement Agencies. The redesign was accomplished by reassigning support services to non-sworn employees. This creates efficiencies and ensures that police officers are available to perform public safety duties that require sworn law enforcement personnel, including emergency response and criminal investigations.

New Peer Jury to Begin Hearing Cases:

In 2018, the Village Council directed staff to operate a peer jury program for qualifying cases from municipalities nearby Downers Grove, which previously participated in the Downers Grove Township program. This cooperative effort includes Burr Ridge, Clarendon Hills, Darien, Dower Grove, Hinsdale, Oak Brook and Willowbrook. A Peer Jury is an alternative to court for first-time juvenile offenders of non-serious offenses, such as theft, vandalism, disorderly conduct, tobacco possession or underage drinking. The purpose of the program is to provide a means for young offenders to account for their behavior to a group of peers and repair any harm caused to victims and the surrounding community.

Tobacco 21:

The Village Council adopted an ordinance prohibiting the purchase and possession of tobacco and alternative nicotine products by anyone under the age of 21. The ordinance also prohibits the sale of tobacco and alternative nicotine products to anyone under 21 years of age.

Village Strengthens Stormwater Regulations:

To reduce the negative impacts of stormwater runoff caused by development activities, while continuing to accommodate residential development and additions to existing single-family homes, the Village Council strengthened stormwater regulations in 2018. The approved amendments are intended to mitigate the negative impacts of stormwater runoff caused by new residential development and to maintain a permitting process which accommodates residential renovation and development.

Pollinator Garden Takes Root:

The Village was awarded a grant through Com Ed's Green Region program which assists local communities in protecting and improving public spaces. Funds were used to establish a pollinator garden in the open areas near the Belmont Metra Station. The Conservation Foundation partnered with the Village on the project, providing their Pollinator Meadow Mix to seed the land. The mix is a blend of sustainable native plants designed to attract and provide a habitat for pollinators.

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. The Village had dedicated revenue streams to support the investment in infrastructure. Specific performance and maintenance standards have been identified for each infrastructure system. The Village continues to invest in all infrastructure systems so that each systems meets or exceeds performance and maintenance standards. Doing so allows the Village to maintain infrastructure at the lowest cost possible.

In support of this commitment, \$14.6 million was invested in 2018:

- Streets and Sidewalks-\$5.4 million

- Stormwater Systems-\$4.6 million
- Water Systems-\$4.6 million

Recognized Leadership:

One of the Greenest Fleets in North America

For the past six 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 Public Works Director

Nan Newlon was chosen as a 2018 Top Ten Public Works Leader by the American Public Works Association (APWA). Each year the award is given to honor excellence and dedication in public service by recognizing career service achievements of individual public works professionals and officials, in both the public and private sectors.

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 time to qualify and maintain Gold Status. Gold Status was also awarded to the Department in 2017.

Police Department Achieves Gold Standard Accreditation

The Police Department was awarded Gold Standard Accreditation with Excellence through the Commission of Accreditation for Law Enforcement Agencies (CALEA). The Department also received the Meritorious Award for achieving 15 or more consecutive years of accreditation. This is the highest level of recognition awarded by the Commission. Only about 4% of law enforcement agencies in the United States have achieved accreditation through CALEA. The excellence designation places the Village among a select few which meet CALEA’s rigorous professional standards.

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 FY19 Budget was prepared and approved in 2018. The FY19 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 FY19 Budget:

- Balanced General Fund with Recommended Fund Balance
- No Increase for Property Tax Levy for Operations
- Property Tax Levy Increase for Required Contributions to Public Safety Pensions
- Reduction in Staffing
- 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
- Debt Policy-to help ensure the Village's credit worthiness and to provide a functional tool for debt management and capital planning.

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, 2017. 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 2018 Annual Budget. This is the ninth consecutive year that the Village has been honored with this significant achievement, which reflects the commitment to meeting the highest principles of governmental budgeting.

The preparation of this report could not have been accomplished without the efficient and dedicated services of the entire Finance department. We want to take this opportunity to thank Carol Hogan, Assistant Finance Director, Robin Lahey, Finance Manager, Cari Mertes, 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, 2018, 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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
Page 2

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, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 13 to the financial statements, for 2018 the Village adopted GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis 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 2018 combining, individual fund, capital asset financial statements and schedules, component unit – Downers Grove Library financial statements and schedules, 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

Honorable Mayor and Village Council
Village of Downers Grove, Illinois
Page 3

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 Grove Library financial statements and schedules, 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 31, 2019, on our consideration of the Village's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.

BKD, LLP

Oakbrook Terrace, Illinois
May 31, 2019

VILLAGE OF DOWNERS GROVE, ILLINOIS
Management's Discussion and Analysis
For the Year Ended December 31, 2018

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 \$77.0 million as of December 31, 2017, as restated to \$78.5 million as of December 31, 2018.
- Governmental revenues increased \$2.9 million. Revenue increases included property tax, the newly implemented food and beverage tax, income tax, use tax, investment income and permit fees, with decreases in operating grants, sales tax and telecommunication tax revenues.
- Governmental expenses increased by \$4.6 million due primarily to payments for redevelopment agreements in the Ogden TIF and pension expense.
- Revenues for business-type activities increased by \$169,000 due primarily to a stormwater grant received in 2018 (\$196,000), an increase in revenues for stormwater, offset by decreased water revenues due to a decrease in consumption.
- Business-type expenses decreased by \$1.1 million. This decrease was due primarily to a claim paid from the Stormwater Fund in 2017 (\$725,000) and a decrease in the purchase of water.
- No new GO debt was issued during the years ended December 31, 2017 or 2018, 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.
- For 2018, the Village adopted Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The Village's 2017 comparative information contained herein has not been restated for the adoption of GASB 75.

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-

VILLAGE OF DOWNERS GROVE, ILLINOIS
Management's Discussion and Analysis
For the Year Ended December 31, 2018

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 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.

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

These funds are used to account for essentially the same functions reported as activities in the Government-wide financial statements. However, unlike the government-wide financial statements, government fund financial statements focus on near-term inflows and outflows of spendable resources, as well as balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Proprietary funds (pages 3-7 - 3-9)

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

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

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

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Notes to the Financial Statements (pages 3-12 - 3-77)

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

Required Supplementary Information (pages 4-1 - 4-12)

In addition to the basic financial statements and notes, this report also presents required supplementary information concerning the Village's budgetary comparisons of the general and major special revenue fund and status in funding its obligations to provide pension and other postemployment 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 - 7-13) provides a schedule of insurance in force and schedules of long term debt requirements.

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

Table 1
Statement of Net Position (in thousands)
December 31, 2018 and December 31, 2017

	Governmental Activities		Business-type Activities		Total	
	Dec. 31, 2018	Dec. 31, 2017	Dec. 31, 2018	Dec. 31, 2017	Dec. 31, 2018	Dec. 31, 2017
Current and other assets	\$ 64,312	\$ 64,255	\$ 19,627	\$ 19,980	\$ 83,939	\$ 84,235
Capital assets	120,756	122,681	77,644	71,893	198,400	194,574
Total assets	185,068	186,936	97,271	91,873	282,339	278,809
Deferred outflows of resources	16,307	10,738	1,293	1,975	17,600	12,713
Current liabilities	14,239	14,391	5,861	5,793	20,100	20,184
Noncurrent liabilities	141,219	136,479	32,998	31,963	174,217	168,442
Total liabilities	155,458	150,870	38,859	37,756	194,317	188,626
Deferred inflows of resources	26,071	22,649	1,054	158	27,125	22,807
Net Position						
Net investment in capital assets	83,741	80,884	44,057	41,442	127,798	122,326
Restricted	4,852	9,830	-	-	4,852	9,830
Unrestricted	(68,747)	(69,448)	14,594	14,260	(54,153)	(55,188)
Total net position	\$ 19,846	\$ 21,266	\$ 58,651	\$ 55,702	\$ 78,497	\$ 76,968

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Statement of Net Position (in thousands)

The Village's combined net position increased by \$1,529 or 2.0% from 2017, to \$78,497. Governmental Activities net position decreased by \$1,420 and business-type activities increased by \$2,949. Government-wide net position decreased due to revenue growth offset by payments for redevelopment agreements in the Ogden TIF. Business-type net position increased due to continued investment in infrastructure.

The Village continues to aggressively invest in infrastructure. The largest portion of the Village's net position reflects its investment in capital assets (infrastructure, buildings, machinery, equipment and land), less any related debt used to acquire those assets that is still outstanding. This total for 2018 is \$127,798. The Unrestricted portion of net position includes pension liability for Police, Fire and IMRF; and OPEB liability.

Table 2
Statement of Activities (in thousands)
For the Years ended December 31, 2018 and December 31, 2017

	Governmental Activities		Business-type Activities		Total	
	Year Ended Dec. 31, 2018	Year Ended Dec. 31, 2017	Year Ended Dec. 31, 2018	Year Ended Dec. 31, 2017	Year Ended Dec. 31, 2018	Year Ended Dec. 31, 2017
Revenues:						
Program revenues:						
Charges for services	\$ 8,425	\$ 8,049	\$ 21,545	\$ 21,585	\$ 29,970	\$ 29,634
Operating grants/contributions	128	786	57	47	185	833
Capital grants/contributions	1,251	1,247	196	17	1,447	1,264
General revenues:						
Property taxes	18,560	17,476	-	-	18,560	17,476
Sales taxes	20,379	20,566	-	-	20,379	20,566
Other taxes	14,620	12,534	-	-	14,620	12,534
Other	531	298	184	164	715	462
Total revenues	63,894	60,956	21,982	21,813	85,876	82,769
Expenses:						
General government	4,635	7,984	-	-	4,635	7,984
Public works	12,982	13,142	-	-	12,982	13,142
Community development	8,222	2,835	-	-	8,222	2,835
Public safety	37,901	34,804	-	-	37,901	34,804
Community services	668	773	-	-	668	773
Interest and fiscal charges	1,206	1,439	942	1,023	2,148	2,462
Waterworks	-	-	14,262	14,397	14,262	14,397
Parking	-	-	1,169	1,129	1,169	1,129
Stormwater Utility	-	-	2,360	3,295	2,360	3,295
Total expenses	65,614	60,977	18,733	19,844	84,347	80,821
Change in net position before transfers	(1,720)	(21)	3,249	1,969	1,529	1,948
Transfers	300	300	(300)	(300)	-	-
Change in net position	\$ (1,420)	\$ 279	\$ 2,949	\$ 1,669	\$ 1,529	\$ 1,948
Net position, at beginning of year, as previously reported	\$ 24,154	\$ 23,875	\$ 55,934	\$ 54,265	80,088	78,140
Restatement, see note 13	\$ (2,888)		\$ (232)		(3,120)	-
Ending Net Position (as restated):	\$ 19,846	\$ 24,154	\$ 58,651	\$ 55,934	\$ 78,497	\$ 80,088

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Revenues:

For the year ended December 31, 2018, Governmental Activities Revenues totaled \$63,894, increasing about 4.8% or \$2,938. Revenue categories that increased over 2017 levels include Other taxes \$2,086, Property Taxes \$1,084, Charges for Services \$376 and Other Revenues \$233. Revenues that decreased were Operating Grants/Contributions \$658, and Sales Taxes \$187. Capital Grants/Contributions were relatively flat year on year.

The Village benefits from a highly diversified revenue base. Revenues from sales taxes amounted to \$20,379. The sales tax consists of a 1% state portion and 1% local home rule tax. Sales tax revenues increased in Automobile and Filling stations, Drug and Miscellaneous Retail, Drinking & Eating Places and Manufacturers. Sales were up year on year by 1.66%, however a prior period adjustment from the state of Illinois Department of Revenue in the amount of \$356 accounted for the drop in sales tax revenues. Revenues from property taxes totaled \$18,560. 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 \$567. The remainder of the increase was due primarily to increases in TIF increment in the Downtown TIF (\$364) and Ogden Avenue TIF (\$125). Major items included in the category Other Taxes which increased \$2,086 are state income tax, utility taxes, use tax and the newly created food & beverage tax. The new food & beverage tax accounted for \$1,854 of the increase. Other increases included state income taxes (\$192), and use tax (\$171). Telecommunications taxes decreased \$167. The increase in other revenues of \$233 is attributed primarily to investment income (\$210) due to an increase in rates on investments. For the Program revenues, Charges for service increased \$376 due primarily to increased fees from permits and inspections and an increase in revenues from ambulance billing due to an increase in calls for service. The decrease in Operating Grants/contributions of \$658 is due to a reduction in revenues from the termination of the Intergovernmental Agreement with Westmont for dispatch services. These services are now provided by DuPage Public Safety Communications (DuComm).

For the year ended December 31, 2018, Business-Type Activities revenues totaled \$21,982 increasing by \$169 from 2017. 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 decreased by \$40. Water revenues decreased \$445 due to a decrease in consumption, partially offset by an increase in stormwater fees of \$362 from a rate increase, and \$60 from parking fees. Capital grants increased by \$179. In 2018, the Village received a Hazard Mitigation Grant for Stormwater for \$196. Other revenue is from interest income, which increased in 2018 (\$20) due to higher interest rates.

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Expenses:

For the year ended December 31, 2018, Governmental Activities expenses totaled \$65,614 increasing by \$4,637 or 7.6%. Increases include:

- Community Development \$5,387
- Public Safety \$3,097

These increases were partially offset by a decrease in:

- General Government \$3,349
- Interest and Fiscal Charges \$233
- Public Works \$160
- Community Services \$105

The increase in Community Development is due primarily to payments for Ogden TIF redevelopment agreements to Packey Webb (\$5,000) and Vequity (\$410). Public Safety costs increased due to pensions. General Government decreased due to transfers for Health and Risk and the \$1,100 loss on the sale of property on Main Street in 2017.

Expenses for the Village's business-type activities for the year ended 2018 are \$18,733 which is a decrease of \$1,111 from 2017. This decrease was due primarily to a claim paid from the Stormwater Fund in 2017 of \$725 and a decrease in the purchase of water.

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 \$77 to \$18,972. Increases in the new food & beverage tax, property taxes for Public Safety Pensions, permits for construction activity, ambulance billing, income tax, use tax and investment income were partially offset by decreases in telecommunications tax and a decrease in operating grants from the termination of the intergovernmental agreement with Westmont. Expenses were controlled due to continued cost reduction efforts.

The Downtown Redevelopment Tax Increment District fund (TIF) has a fund balance of \$423 compared to December 31, 2017 of \$826 for a decrease of \$403. 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 \$5,229 is up from 2017 fund balance of \$4,842. The Village continues its commitment to invest in infrastructure.

General Fund Budgetary Highlights (in thousands)

The General Fund was budgeted to break even in 2018, with revenues and expenses at \$47.4 million. Revenues in the general fund were \$1,631 over budget. The majority of

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(\$185). These favorable variances were partially offset by lower than expected revenues in utility tax (\$345), and other taxes (\$244).

Expenditures in the general fund were at budgeted levels. Due to the favorable performance of the General Fund Revenues, the Village Council approved \$800,000 in transfers out of the General Fund for OPEB costs and \$800,000 for future facilities expenses. These transfers were reflected in the amended budget.

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, 2018 of \$198,400 (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 3-34.

Major capital asset activity during the current period included:

- Roadway maintenance
- Watershed improvements
- Water main replacements

	Capital Assets					
	Net of Accumulated Depreciation					
	(\$ are in thousands)					
	Governmental Activities		Business-type Activities		Total	
	Dec. 31, 2018	Dec. 31, 2017	Dec. 31, 2018	Dec. 31, 2017	Dec. 31, 2018	Dec. 31, 2017
Capital assets, not being depreciated						
Land	\$9,196	\$9,196	\$8,189	\$8,163	\$17,385	\$17,359
Construction in progress	940	360	6,681	2,674	7,621	3,034
Total Capital assets, not being depreciated	10,136	9,556	14,870	10,837	25,006	20,393
Capital assets, being depreciated						
Infrastructure	84,434	86,346	50,095	47,816	134,529	134,162
Buildings	17,304	17,801	3,247	3,368	20,551	21,169
Improvements other than buildings	2,617	2,706	9,154	9,569	11,771	12,275
Intangible Assets	59	119	8	15	67	134
Capital equipment	6,206	6,153	270	288	6,476	6,441
Total Capital assets, being depreciated	110,620	113,125	62,774	61,056	173,394	174,181
Total	\$120,756	\$122,681	\$77,644	\$71,893	\$198,400	\$194,574

Long Term Debt (in thousands)

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For the Year Ended December 31, 2018

Long Term Debt (in thousands)

At December 31, 2018, the Village had total bonded debt of \$63,365. Of this total, \$13,450 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 3-36.

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

Outstanding General Obligation Debt (in thousands)

	Governmental Activities		Business-type Activities		Total	
	Dec. 31, 2018	Dec. 31, 2017	Dec. 31, 2018	Dec. 31, 2017	Dec. 31, 2018	Dec. 31, 2017
General Obligation Bonds						
Tax Increment Bonds	\$13,450	\$17,055	\$0	\$0	\$13,450	\$17,055
Stormwater	-	-	14,740	15,205	14,740	15,205
Fire Station #2	5,685	6,170	-	-	5,685	6,170
Road Improvements	17,600	18,225	-	-	17,600	18,225
Water System Maintenance	-	-	11,890	12,515	11,890	12,515
Total	\$36,735	\$41,450	\$26,630	\$27,720	\$63,365	\$69,170

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, 2018

	Governmental Activities	Business-type Activities	Total	Component Unit
ASSETS				
Cash and investments	\$ 35,674,818	\$ 16,528,736	\$52,203,554	\$ 2,870,915
Restricted cash	264,706	-	264,706	-
Property tax receivable	19,561,369	-	19,561,369	5,337,785
Sales tax receivable	5,318,546	-	5,318,546	-
Other taxes receivable	1,697,411	-	1,697,411	-
Accounts receivable	389,533	2,587,177	2,976,710	731
Accrued interest receivable	108,290	42,649	150,939	-
Other receivables (net of allowance)	827,527	43,197	870,724	-
Internal balances	(128,726)	128,726	-	-
Prepaid expenses	186,520	-	186,520	-
Inventory	29,436	211,185	240,621	-
Net pension asset	383,390	85,135	468,525	89,219
Capital assets not being depreciated	10,135,840	14,870,125	25,005,965	222,211
Capital assets net accumulated depreciation	110,619,808	62,773,747	173,393,555	12,031,869
Total assets	<u>185,068,468</u>	<u>97,270,677</u>	<u>282,339,145</u>	<u>20,552,730</u>
DEFERRED OUTFLOWS OF RESOURCES				
Loss on refunding	461,661	1,057,077	1,518,738	-
Deferred outflows related to pensions	15,844,925	236,893	16,081,818	248,257
Total deferred outflows of resources	<u>16,306,586</u>	<u>1,293,970</u>	<u>17,600,556</u>	<u>248,257</u>
LIABILITIES				
Accrued interest payable	630,236	485,476	1,115,712	-
Accounts payable	4,125,100	1,918,457	6,043,557	352,436
Accrued payroll	1,315,026	98,642	1,413,668	127,188
Deposits payable	-	291,442	291,442	-
Claims payable	2,070,816	-	2,070,816	-
Other payables	44,579	-	44,579	-
Unearned revenue	83,070	1,653,414	1,736,484	-
Debt due within 1 year	5,969,889	1,413,360	7,383,249	10,173
Debt due in more than 1 year	141,218,839	32,998,254	174,217,093	216,234
Total liabilities	<u>155,457,555</u>	<u>38,859,045</u>	<u>194,316,600</u>	<u>706,031</u>
DEFERRED INFLOWS OF RESOURCES				
Property taxes levied for future periods	19,561,369	-	19,561,369	5,337,785
Deferred inflows related to OPEB	530,416	38,732	569,148	7,861
Deferred inflows related to pensions	5,979,619	1,015,575	6,995,194	1,064,293
Total deferred inflows of resources	<u>26,071,404</u>	<u>1,054,307</u>	<u>27,125,711</u>	<u>6,409,939</u>
NET POSITION				
Net investment in capital assets	83,741,266	44,056,950	127,798,216	11,937,335
Restricted for economic development	1,679,673	-	1,679,673	-
Restricted for public safety	2,564,944	-	2,564,944	-
Restricted for road improvements	606,832	-	606,832	-
Unrestricted	(68,746,620)	14,594,345	(54,152,275)	1,747,682
Total net position	<u>\$ 19,846,095</u>	<u>\$ 58,651,295</u>	<u>\$ 78,497,390</u>	<u>\$ 13,685,017</u>

See accompanying notes to financial statements

VILLAGE OF DOWNERS GROVE, ILLINOIS
Statement of Activities
For the Year Ended December 31, 2018

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			Component Unit
		Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	Governmental Activities	Business-type Activities	Primary Government	
Primary government								
Governmental activities								
General government	\$ 4,634,610	\$ 1,503,905	\$ -	\$ -	\$ (3,130,705)	\$ -	\$ (3,130,705)	\$ -
Public works	12,982,169	241,360	53,404	1,250,784	(11,436,621)	-	(11,436,621)	-
Community development	8,222,430	2,230,500	4,697	-	(5,987,233)	-	(5,987,233)	-
Public safety	37,900,895	3,467,075	69,802	-	(34,364,018)	-	(34,364,018)	-
Community services	667,480	982,126	-	-	314,646	-	314,646	-
Interest and fiscal charges	1,206,253	-	-	-	(1,206,253)	-	(1,206,253)	-
Total governmental activities	<u>65,613,837</u>	<u>8,424,966</u>	<u>127,903</u>	<u>1,250,784</u>	<u>(55,810,184)</u>	<u>-</u>	<u>(55,810,184)</u>	<u>-</u>
Business-type activities								
Waterworks	14,653,008	15,405,634	-	-	-	752,626	752,626	-
Parking	1,168,772	1,684,604	46,875	-	-	562,707	562,707	-
Stormwater Utility	2,911,010	4,454,577	10,000	196,388	-	1,749,955	1,749,955	-
Total business-type activities	<u>18,732,790</u>	<u>21,544,815</u>	<u>56,875</u>	<u>196,388</u>	<u>-</u>	<u>3,065,288</u>	<u>3,065,288</u>	<u>-</u>
Total primary government	<u>\$ 84,346,627</u>	<u>\$ 29,969,781</u>	<u>\$ 184,778</u>	<u>\$ 1,447,172</u>	<u>\$ (55,810,184)</u>	<u>\$ 3,065,288</u>	<u>\$ (52,744,896)</u>	<u>\$ -</u>
Component unit								
Community services	5,619,893	118,770	69,565	-	-	-	-	(5,431,558)
Total Component Unit	<u>\$ 5,619,893</u>	<u>\$ 118,770</u>	<u>\$ 69,565</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(\$5,431,558)</u>
General revenues								
Property tax					18,559,619	-	18,559,619	5,226,934
Home rule sales tax					7,645,539	-	7,645,539	-
Utility tax					4,961,447	-	4,961,447	-
Food and beverage tax					1,854,362	-	1,854,362	-
Hotel tax					946,160	-	946,160	-
Personal property replacement tax					400,448	-	400,448	57,207
Local fuel tax					205,121	-	205,121	-
Other taxes					136,767	-	136,767	-
Intergovernmental								
Shared income tax					4,679,801	-	4,679,801	-
Shared sales tax					12,733,584	-	12,733,584	-
Shared local use sales tax					1,435,492	-	1,435,492	-
Investment income					502,065	183,753	685,818	44,039
Gain on sale of capital assets					29,445	-	29,445	-
Transfers					300,000	(300,000)	-	-
Total general revenues					<u>54,389,849</u>	<u>(116,247)</u>	<u>54,273,602</u>	<u>5,328,180</u>
Change in net position					<u>(1,420,335)</u>	<u>2,949,041</u>	<u>1,528,706</u>	<u>(103,378)</u>
Net position, at beginning of year, as previously reported					24,154,452	55,934,214	80,088,666	13,810,082
Restatement, see note 13					<u>(2,888,022)</u>	<u>(231,960)</u>	<u>(3,119,982)</u>	<u>(21,687)</u>
Net position, at beginning of year, as restated					<u>21,266,430</u>	<u>55,702,254</u>	<u>76,968,684</u>	<u>13,788,395</u>
Net position - ending					<u>\$ 19,846,095</u>	<u>\$ 58,651,295</u>	<u>\$ 78,497,390</u>	<u>\$ 13,685,017</u>

See accompanying notes to financial statements

VILLAGE OF DOWNERS GROVE, ILLINOIS
Balance Sheet
Governmental Funds
December 31, 2018

ASSETS	General	Downtown Redevelopment TIF	Capital Improvements	Nonmajor	Total
Cash and investments	\$ 14,755,711	\$ 423,450	\$ 5,396,750	\$ 7,601,067	\$ 28,176,978
Restricted cash	167,981	-	-	-	167,981
Property taxes receivable	13,609,845	4,100,000	971,524	880,000	19,561,369
Sales taxes receivable	3,800,715	-	1,517,831	-	5,318,546
Other taxes receivable	1,467,864	-	106,712	122,835	1,697,411
Accounts receivable	302,193	-	11,520	1,006	314,719
Other receivable (net of allowance)	827,527	-	-	-	827,527
Prepaid items	138,306	-	-	9,200	147,506
Interest receivable	93,168	-	10,401	676	104,245
Total Assets	<u>35,163,310</u>	<u>4,523,450</u>	<u>8,014,738</u>	<u>8,614,784</u>	<u>56,316,282</u>
LIABILITIES					
Accounts payable	1,268,457	-	1,730,778	856,674	3,855,909
Accrued payroll	1,273,795	-	13,648	-	1,287,443
Other payables	25,727	-	-	1,426	27,153
Unearned revenue	13,070	-	70,000	-	83,070
Total Liabilities	<u>2,581,049</u>	<u>-</u>	<u>1,814,426</u>	<u>858,100</u>	<u>5,253,575</u>
DEFERRED INFLOWS OF RESOURCES					
Property taxes levied for future periods	13,609,845	4,100,000	971,524	880,000	19,561,369
Total Deferred Inflows of Resources	<u>13,609,845</u>	<u>4,100,000</u>	<u>971,524</u>	<u>880,000</u>	<u>19,561,369</u>
Total Liabilities & Deferred Inflows of Resources	<u>16,190,894</u>	<u>4,100,000</u>	<u>2,785,950</u>	<u>1,738,100</u>	<u>24,814,944</u>
FUND BALANCES					
Nonspendable	138,306	-	-	9,200	147,506
Restricted	167,981	423,450	-	4,154,093	4,745,524
Assigned	-	-	5,228,788	2,713,391	7,942,179
Unassigned	18,666,129	-	-	-	18,666,129
Total fund balances	<u>18,972,416</u>	<u>423,450</u>	<u>5,228,788</u>	<u>6,876,684</u>	<u>31,501,338</u>
Total Liabilities, Deferred Inflows of Resources & Fund Balances	<u>\$ 35,163,310</u>	<u>\$ 4,523,450</u>	<u>\$ 8,014,738</u>	<u>\$ 8,614,784</u>	<u>\$ 56,316,282</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, 2018

FUND BALANCES OF GOVERNMENTAL FUNDS	\$31,501,338
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	120,755,648
Less internal service funds	(5,818,532)
The net pension asset for IMRF is included in the governmental activities in the statement of net assets	383,390
Less internal service funds	(28,759)
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds	(36,735,000)
Compensated absences payable are not due and payable in the current period, and, therefore, are not reported in the governmental funds	(2,674,022)
Less internal service funds	58,335
Unamortized premium is reported as a liability on the statement of net position	(741,043)
The unamortized accounting loss is reported as a deferred outflow in the statement of net position	461,661
Accrued interest on long-term liabilities is reported as a liability on the statement of net position	(630,236)
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	6,551,033
Fire	8,227,093
IMRF	1,066,799
Less internal service funds	(80,024)
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	(1,157,524)
Fire	(248,663)
IMRF	(4,573,432)
Less internal service funds	343,068
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	(49,711,097)
Net Fire Pension liability	(47,915,901)
Other Post Employment Benefits	(9,411,665)
Less internal service funds	259,488
Deferred inflows of resources related to Other Post Employment Benefits do not relate to current financial resources and are not reported in the Governmental Funds Balance Sheet	(530,416)
Less internal service funds	14,624
The net position of the internal service funds are included in the governmental activities in the statement of net position	10,608,658
Less the net position attributable to Business type activities	(128,726)
NET POSITION OF GOVERNMENTAL ACTIVITIES	\$19,846,095

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, 2018

REVENUES	General	Downtown Redevelopment TIF	Capital Improvements	Nonmajor	Total
Home rule sales tax	\$ 1,911,385	\$ -	\$ 5,734,154	\$ -	\$ 7,645,539
Food and beverage tax	1,854,362	-	-	-	1,854,362
Property tax	13,271,569	3,479,511	971,524	837,015	18,559,619
Utility tax	4,524,932	-	436,515	-	4,961,447
Other taxes	1,406,118	-	-	282,378	1,688,496
Licenses & permits	2,399,065	-	-	-	2,399,065
Intergovernmental	17,716,204	-	-	2,457,906	20,174,110
Charges for services & fees	5,016,713	-	-	468,943	5,485,656
Fines & forfeitures	540,243	-	-	-	540,243
Investment income	361,402	3,175	58,957	78,531	502,065
Contributions & donations	50	-	53,404	-	53,454
Total revenues	<u>49,002,043</u>	<u>3,482,686</u>	<u>7,254,554</u>	<u>4,124,773</u>	<u>63,864,056</u>
EXPENDITURES					
Current					
General government	5,932,152	-	-	1,226,881	7,159,033
Public works	5,593,566	-	1,109,795	1,300,000	8,003,361
Community development	2,351,702	63,313	-	5,596,758	8,011,773
Public safety	33,593,222	-	-	125,783	33,719,005
Community services	665,648	-	-	-	665,648
Debt service					
Principal Retirement	-	-	-	4,715,000	4,715,000
Interest and Other	-	-	-	1,317,852	1,317,852
Capital outlay					
General government	-	-	-	129,523	129,523
Public works	-	-	3,848,210	-	3,848,210
Public safety	-	-	-	260,641	260,641
Total expenditures	<u>48,136,290</u>	<u>63,313</u>	<u>4,958,005</u>	<u>14,672,438</u>	<u>67,830,046</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>865,753</u>	<u>3,419,373</u>	<u>2,296,549</u>	<u>(10,547,665)</u>	<u>(3,965,990)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	6,832,395	6,832,395
Transfers out	(800,000)	(3,822,676)	(1,909,719)	-	(6,532,395)
Proceeds from sale of capital assets	11,445	-	-	18,000	29,445
Total other financing sources and uses	<u>(788,555)</u>	<u>(3,822,676)</u>	<u>(1,909,719)</u>	<u>6,850,395</u>	<u>329,445</u>
NET CHANGE IN FUND BALANCES	77,198	(403,303)	386,830	(3,697,270)	(3,636,545)
Fund balances -- beginning	18,895,218	826,753	4,841,958	10,573,954	35,137,883
Fund balances -- ending	<u>\$ 18,972,416</u>	<u>\$ 423,450</u>	<u>\$ 5,228,788</u>	<u>\$ 6,876,684</u>	<u>\$ 31,501,338</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, 2018

NET CHANGE IN FUND BALANCES -	
TOTAL GOVERNMENTAL FUNDS	\$ (3,636,545)
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	1,428,380
Less internal service funds	(156,298)
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	(4,175,999) 1,080,782
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	
	4,715,000
The change in accrued interest payable on long-term debt is reported as an expense on the statement of activities	
	57,380
The change in the compensated absences liability is reported as an expense on the statement of activities	
Less internal service funds	857,219 4,088
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	(2,098,495)
Fire pension plan	(2,053,908)
IMRF	163,919
Accounting losses on refundings are deferred and amortized as an expense in the statement of activities	
	(131,720)
The amortization of the premium on long-term debt is reported as a reduction of expense on the statement of activities	
	185,940
The decrease in the total OPEB liability is reported as a decrease in expense on the statement of activities	
Less internal service funds	637,854 (17,586)
The effect of changes in deferred inflows for OPEB are only recorded in the statement of activities	
Less internal service funds	(530,417) 14,624
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	2,281,959 (46,512)
CHANGES IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ (1,420,335)</u>

See accompanying notes to financial statements

VILLAGE OF DOWNERS GROVE, ILLINOIS
Statement of Net Position
Proprietary Funds
December 31, 2018

	Business-type Activities - Enterprise Funds				Internal Service
	Waterworks	Parking	Stormwater	Total	
ASSETS					
Current assets					
Cash and investments	\$ 11,020,043	\$ 1,854,390	\$ 3,654,303	\$ 16,528,736	\$ 7,497,840
Restricted cash	-	-	-	-	96,725
Accounts receivable	2,033,726	105,523	447,928	2,587,177	74,814
Other receivable (net of allowance)	-	43,197	-	43,197	-
Interest receivable	34,450	3,747	4,452	42,649	4,045
Prepaid expenses	-	-	-	-	39,014
Net pension asset	49,170	5,055	30,910	85,135	28,759
Inventory	211,185	-	-	211,185	29,436
Total current assets	<u>13,348,574</u>	<u>2,011,912</u>	<u>4,137,593</u>	<u>19,498,079</u>	<u>7,770,633</u>
Noncurrent assets					
Capital assets not being depreciated	3,194,472	325,582	11,350,071	14,870,125	-
Capital assets being depreciated	75,058,931	5,039,937	17,343,880	97,442,748	14,296,527
Accumulated depreciation	<u>(29,615,826)</u>	<u>(3,025,241)</u>	<u>(2,027,934)</u>	<u>(34,669,001)</u>	<u>(8,477,995)</u>
Total noncurrent assets	<u>48,637,577</u>	<u>2,340,278</u>	<u>26,666,017</u>	<u>77,643,872</u>	<u>5,818,532</u>
Total assets	<u>61,986,151</u>	<u>4,352,190</u>	<u>30,803,610</u>	<u>97,141,951</u>	<u>13,589,165</u>
DEFERRED OUTFLOWS OF RESOURCES					
Loss on refunding	-	-	1,057,077	1,057,077	-
Deferred outflows related to pensions	136,819	14,066	86,008	236,893	80,024
Total deferred outflows of resources	<u>136,819</u>	<u>14,066</u>	<u>1,143,085</u>	<u>1,293,970</u>	<u>80,024</u>
LIABILITIES					
Current liabilities					
Accrued interest payable	223,926	-	261,550	485,476	-
Accounts payable	1,072,627	32,042	813,788	1,918,457	269,191
Accrued payroll	55,044	7,050	36,548	98,642	27,583
Deposits payable	291,442	-	-	291,442	-
Claims payable	-	-	-	-	1,200,443
Other payables	-	-	-	-	17,426
Unearned revenue	54,843	1,207,031	391,540	1,653,414	-
Compensated absences	30,959	1,056	6,725	38,740	17,500
Debt due within 1 year	859,620	-	515,000	1,374,620	-
Total current liabilities	<u>2,588,461</u>	<u>1,247,179</u>	<u>2,025,151</u>	<u>5,860,791</u>	<u>1,532,143</u>
Noncurrent liabilities					
Claims payable	-	-	-	-	870,373
Debt due in more than 1 year	17,125,836	-	15,094,780	32,220,616	-
Compensated absences	72,237	2,464	15,692	90,393	40,835
Other postemployment benefits	408,192	47,884	231,169	687,245	259,488
Total noncurrent liabilities	<u>17,606,265</u>	<u>50,348</u>	<u>15,341,641</u>	<u>32,998,254</u>	<u>1,170,696</u>
Total liabilities	<u>20,194,726</u>	<u>1,297,527</u>	<u>17,366,792</u>	<u>38,859,045</u>	<u>2,702,839</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows related to OPEB	23,005	2,699	13,028	38,732	14,624
Deferred inflows related to pensions	586,551	60,304	368,720	1,015,575	343,068
Total deferred inflows of resources	<u>609,556</u>	<u>63,003</u>	<u>381,748</u>	<u>1,054,307</u>	<u>357,692</u>
NET POSITION					
Net investment in capital assets	30,302,368	2,340,279	11,414,303	44,056,950	5,818,532
Restricted for economic development	-	-	-	-	96,725
Unrestricted	11,016,320	665,447	2,783,852	14,465,619	4,695,178
Total net position	<u>\$ 41,318,688</u>	<u>\$ 3,005,726</u>	<u>\$ 14,198,155</u>	<u>\$ 58,522,569</u>	<u>\$ 10,608,658</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	128,726
	<u>\$ 58,651,295</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, 2018

	Business-type Activities - Enterprise Funds				Internal Service
	Waterworks	Parking	Stormwater	Total	
OPERATING REVENUES					
Sales	\$ -	\$ -	\$ -	\$ -	\$ 105,271
Charges for services, fees, fines	15,405,634	1,684,604	4,454,577	21,544,815	-
Interfund services	-	-	-	-	12,561,417
Insurance premiums	-	-	-	-	1,967,203
Other	-	-	-	-	55,936
Total operating revenues	<u>15,405,634</u>	<u>1,684,604</u>	<u>4,454,577</u>	<u>21,544,815</u>	<u>14,689,827</u>
OPERATING EXPENSES					
Personnel services	1,719,983	188,155	941,289	2,849,427	997,278
Supplies	9,070,719	131,181	68,506	9,270,406	1,164,764
Contractual services	723,111	222,805	388,105	1,334,021	2,330,957
Other charges and services	1,315,458	569,100	615,354	2,499,912	7,014,500
Depreciation	1,435,727	57,531	346,726	1,839,984	1,080,782
Total operating expenses	<u>14,264,998</u>	<u>1,168,772</u>	<u>2,359,980</u>	<u>17,793,750</u>	<u>12,588,281</u>
Operating income	<u>1,140,636</u>	<u>515,832</u>	<u>2,094,597</u>	<u>3,751,065</u>	<u>2,101,546</u>
NONOPERATING REVENUES(EXPENSES)					
Intergovernmental	-	46,875	10,000	56,875	-
Investment income	108,572	22,879	52,302	183,753	62,284
Gain/loss from disposals	-	-	-	-	118,129
Bond interest expense	(450,464)	-	(591,871)	(1,042,335)	-
Amortization of bond premium	15,942	-	40,841	56,783	-
Total nonoperating revenues (expenses)	<u>(325,950)</u>	<u>69,754</u>	<u>(488,728)</u>	<u>(744,924)</u>	<u>180,413</u>
Income (loss) before transfers, capital contributions and donations	<u>814,686</u>	<u>585,586</u>	<u>1,605,869</u>	<u>3,006,141</u>	<u>2,281,959</u>
TRANSFERS					
Transfers out	-	(300,000)	-	(300,000)	-
CAPITAL GRANTS AND CONTRIBUTIONS					
	-	-	196,388	196,388	-
CHANGE IN NET POSITION					
Total net position, beginning of year (as previously reported)	40,643,192	2,736,100	12,472,708	55,852,000	8,397,475
Restatement	(139,190)	(15,960)	(76,810)	(231,960)	(70,776)
Net position, beginning of year (as restated)	<u>40,504,002</u>	<u>2,720,140</u>	<u>12,395,898</u>	<u>55,620,040</u>	<u>8,326,699</u>
Net position, end of year	<u>\$ 41,318,688</u>	<u>\$ 3,005,726</u>	<u>\$ 14,198,155</u>	<u>\$ 58,522,569</u>	<u>\$ 10,608,658</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

46,512
2,949,041

See accompanying notes to financial statements

VILLAGE OF DOWNERS GROVE, ILLINOIS
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2018

	Business Type Activities - Enterprise Funds				Internal Service
	Waterworks	Parking	Stormwater	Total	
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from interfund services	\$ -	\$ -	\$ -	\$ -	\$ 12,561,417
Receipts from customers	15,488,557	1,682,418	4,464,491	21,635,466	2,059,706
Other payments	(627,110)	(222,805)	(388,105)	(1,238,020)	(7,774,319)
Payments to employees	(1,669,815)	(185,662)	(924,024)	(2,779,501)	(990,772)
Payments for interfund services	(1,315,458)	(569,100)	(615,354)	(2,499,912)	-
Payments to suppliers	(9,416,173)	(319,226)	299,572	(9,435,827)	(3,421,297)
Net cash provided by operating activities	<u>2,460,001</u>	<u>385,625</u>	<u>2,836,580</u>	<u>5,682,206</u>	<u>2,434,735</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Grant proceeds	-	-	10,000	10,000	-
Transfers out	-	(300,000)	-	(300,000)	-
Net cash used by noncapital activities	<u>-</u>	<u>(300,000)</u>	<u>10,000</u>	<u>(290,000)</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Capital assets purchased	(4,480,694)	(42,538)	(3,067,447)	(7,590,679)	(1,055,933)
Proceeds from sale of capital assets	-	-	-	-	195,734
Capital grant receipts	-	-	196,388	196,388	-
Interest paid	(422,074)	-	(531,901)	(953,975)	-
Principal paid on general obligation bonds	(625,000)	-	(465,000)	(1,090,000)	-
IEPA loan proceeds	3,632,556	-	-	3,632,556	-
IEPA loan payments	(100,750)	-	-	(100,750)	-
Net cash used by capital activities	<u>(1,995,962)</u>	<u>(42,538)</u>	<u>(3,867,960)</u>	<u>(5,906,460)</u>	<u>(860,199)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest received	105,958	22,879	58,795	187,632	60,078
Net cash provided by investing activities	<u>105,958</u>	<u>22,879</u>	<u>58,795</u>	<u>187,632</u>	<u>60,078</u>
Net Increase (decrease) in cash and cash equivalents	569,997	65,966	(962,585)	(326,622)	1,634,614
Cash and investments - beginning 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>
Cash and investments - end of year	<u>\$ 11,020,043</u>	<u>\$ 1,854,390</u>	<u>\$ 3,654,303</u>	<u>\$ 16,528,736</u>	<u>\$ 7,594,565</u>
Reconciliation of operating income to net cash provided by operating activities					
Operating income	\$ 1,140,636	\$ 515,832	\$ 2,094,597	\$ 3,751,065	\$ 2,101,546
Adjustments to reconcile operating income to net cash provided by operating activities:					
Depreciation	1,435,727	57,531	346,726	1,839,984	1,080,782
Change in assets, deferred outflows, liabilities and deferred inflows					
Accounts payable	(409,202)	(188,045)	368,078	(229,169)	94,602
Compensated absences	14,467	920	(1,869)	13,518	4,088
Accounts receivable	100,517	2,957	(24,822)	78,652	(68,704)
Other accounts receivable	-	(5,143)	17,231	12,088	-
Deferred outflows related to pensions	344,046	40,181	228,377	612,604	223,006
Prepaid expenses	-	-	-	-	(27,348)
Net pension asset	(49,170)	(5,055)	(30,910)	-	(28,759)
Inventory	63,748	-	-	63,748	7,170
Other postemployment benefits	(27,665)	(3,245)	(15,667)	(46,577)	(17,586)
Deposits payable	96,001	-	-	96,001	-
Other payables	-	-	-	-	(11,787)
Unearned revenue	(17,594)	-	17,505	(89)	-
Deferred inflows related to OPEB	23,005	2,699	13,028	38,732	14,624
Deferred inflows related to pensions	496,977	50,199	310,159	857,335	286,622
Accrued payroll payable	1,000	1,684	6,117	8,801	(1,286)
Claims payable	-	-	-	-	(748,032)
Net pension liability	(752,492)	(84,890)	(491,970)	(1,329,352)	(474,203)
Net cash provided by operating activities	<u>\$ 2,460,001</u>	<u>\$ 385,625</u>	<u>\$ 2,836,580</u>	<u>\$ 5,767,341</u>	<u>\$ 2,434,735</u>
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES					
Loss on disposition of capital assets	-	-	-	-	(77,605)
Amortization of a loan (unearned Metra revenue)	-	46,875	-	46,875	-
Loss on refunding	-	-	(68,770)	(68,770)	-
Amortization of bond premium	15,942	-	40,841	56,783	-
Capitalized interest on IEPA loan	(15,446)	-	-	(15,446)	-
TOTAL NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES	<u>\$ 496</u>	<u>\$ 46,875</u>	<u>\$ (27,929)</u>	<u>\$ 19,442</u>	<u>\$ (77,605)</u>

See accompanying notes to financial statements

VILLAGE OF DOWNERS GROVE, ILLINOIS
Statement of Fiduciary Net Position
December 31, 2018

	Pension Trust	Agency
ASSETS		
Cash and cash equivalents	\$ 2,852,260	\$ 1,781,650
Investments		
U.S. and U.S. agency obligations	19,208,265	-
Corporate bonds	16,844,142	-
Foreign bonds	626,958	-
Negotiable CDs	2,232,518	-
Mutual funds - equity	47,272,685	-
Common and preferred stocks	3,370,026	-
Real Estate	12,405,074	-
Total investments	<u>101,959,668</u>	-
Prepays	23,348	-
Interest receivable	<u>259,491</u>	-
 Total assets	 <u>105,094,767</u>	 <u>1,781,650</u>
 Accounts payable	 33,653	 700
Deposits payable	<u>-</u>	<u>1,780,950</u>
 Total liabilities	 <u>33,653</u>	 <u>\$ 1,781,650</u>
 NET POSITION RESTRICTED FOR PENSIONS	 <u><u>\$ 105,061,114</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, 2018

	Pension Trust
ADDITIONS	
Contributions	
Contributions - employer	\$ 6,591,863
Contributions - employees	1,380,458
Total contributions	7,972,321
Investment earnings	
Interest earned on investments	2,463,532
Net appreciation in fair value	(6,713,506)
Total investment earnings	(4,249,974)
Less investment expense	(208,568)
Net investment earnings	(4,458,542)
Total additions	3,513,779
DEDUCTIONS	
Contractual services	132,517
Benefits and refunds	8,951,878
Total deductions	9,084,395
Change in Net Position	(5,570,616)
Net Position restricted for pensions -- beginning of the year	110,631,730
Net Position restricted for pensions -- end of the year	\$ 105,061,114

See accompanying notes to financial statements

NOTES TO FINANCIAL STATEMENTS

VILLAGE OF DOWNERS GROVE, ILLINOIS
Notes to Financial Statements
December 31, 2018

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VILLAGE OF DOWNERS GROVE, ILLINOIS
Notes to Financial Statements
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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

A. Reporting Entity

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

The Village's financial statements include 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

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

Discretely Presented Component Unit - Downers Grove Public Library

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

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

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

B. Fund Accounting

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

Governmental funds are used to account for substantially all of the Village's general activities, including the collection and disbursement of earmarked monies (special revenue funds), the acquisition or construction of general capital assets (capital projects funds), and the servicing of general long-term liabilities (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, 2018

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, 2018

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 OPEB, and fleet management services provided to other departments or agencies of the government, or to other governments, on a cost reimbursement basis.

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

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

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

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Village considers revenues to be available if they are collected within 60 days of the end of the current fiscal period, except for sales taxes and telecommunication taxes which use a 90 day period. Expenditures,

VILLAGE OF DOWNERS GROVE, ILLINOIS
Notes to Financial Statements
December 31, 2018

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, and municipal bonds. 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
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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 cost (first-in, first-out). 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.

VILLAGE OF DOWNERS GROVE, ILLINOIS
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Capital assets are depreciated using the straight-line method over the following estimated useful lives:

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

J. Deferred Outflows of Resources

A deferred outflow of resources represents a consumption of net position that applies to a future reporting period and will not be recognized as an outflow of resources (expense/expenditure) until that future time. The Village has deferred outflows related to pensions, which represents pension items that will be recognized as pension expense in future periods.

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 liabilities and other long-term obligations are reported as liabilities in the applicable governmental activities or business-type activities

VILLAGE OF DOWNERS GROVE, ILLINOIS
Notes to Financial Statements
December 31, 2018

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

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

M. Deferred Inflows of Resources

A deferred inflow of resources represents an acquisition of net position that applies to a future reporting period and therefore will not be recognized as an inflow resource (revenue) until that future time. The Village has deferred inflows related to pensions and OPEB, which represents pension and OPEB items that will be recognized as a reduction to pension and OPEB expense in future periods.

N. Pensions

For purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, have been determined on the same basis as they are reported by the OPEB Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms.

O. Postemployment Benefits Other than Pensions

For purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense have been determined on the same basis as they are reported by the OPEB Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms.

P. 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

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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 capital assets represents the book value of capital assets less any long-term liabilities outstanding issued to acquire or construct the capital assets.

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

Q. 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.

R. Use of Estimates

In preparing financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources, 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

VILLAGE OF DOWNERS GROVE, ILLINOIS

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December 31, 2018

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.

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

VILLAGE OF DOWNERS GROVE, ILLINOIS
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December 31, 2018

The following table presents the investments and maturities of the Village as of December 31, 2018:

Investment Maturities (in Years)				
Investment Type	Fair Value	Less than 1	1-5	6-10
Municipal Bonds	\$ 5,371,544	\$ 2,134,796	\$ 3,236,748	\$ -
Federal Home Loan Bank Note	7,252,985	-	7,252,985	-
Federal Farm Credit Bank Note	2,477,615	746,383	1,731,232	-
Negotiable CDs	18,150,797	3,427,460	14,723,337	-
Total	\$ 33,252,941	\$ 6,308,639	\$ 26,944,302	\$ -

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

Investment Ratings					
Investment Type	Fair Value	AAA	AA	A	Not Rated
Municipal Bonds	\$ 5,371,544	\$ 745,413	\$4,249,875	\$376,256	\$ -
Federal Home Loan Bank Note	7,252,985	7,252,985	-	-	-
Federal Farm Credit Bank Note	2,477,615	2,477,615	-	-	-
Negotiable CDs	18,150,797	-	-	-	18,150,797
Illinois Funds	2,524,512	2,524,512	-	-	-
Total	\$ 35,777,453	\$ 13,000,525	\$4,249,875	\$376,256	\$18,150,797

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.

VILLAGE OF DOWNERS GROVE, ILLINOIS
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December 31, 2018

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 \$7,252,985 invested in Federal Home Loan Bank Notes and \$2,477,615 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, 2018:

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)
Municipal Bonds	\$ -	\$ 5,371,544	\$ -
U.S. Agencies	-	9,730,600	-
Negotiable CDs	-	18,150,797	-
Total Investments	\$ -	\$ 33,252,941	\$ -

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, which 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

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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).

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	38.00%	4.40%	2.10%
Domestic Equities	35.00%	7.90%	5.60%
International Equities	14.00%	8.10%	5.80%
Commodities	3.00%	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 2018 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

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return for each major asset class included in the Fund's target asset allocation as of December 31, 2018 are listed in the table above.

For the year ended December 31, 2018, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was -4.20 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

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

Deposits with Financial Institutions

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, 2018:

Investment Type	Investment Maturities (in Years)				
	Fair Value	Less than 1	1-5	6-10	Greater than 10
Corporate Bonds	\$ 9,343,515	\$ 336,954	\$ 3,112,079	\$ 5,894,482	\$ -
U.S. Obligations	10,294,966	6,780,709	-	3,514,257	-
U.S. Agency Obligations	15,158	-	1,587	13,571	-
Total	\$ 19,653,639	\$ 7,117,663	\$ 3,113,666	\$ 9,422,310	\$ -

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

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Investment Type	Fair Value	Investment Ratings				
		AAA	AA	A	BBB	Not Rated
Corporate Bonds	\$ 9,343,515	\$ -	-	\$4,714,658	\$4,628,857	\$ -
U.S. Obligations	10,294,966	10,294,966	-	-	-	-
U.S. Agency Obligations	15,158	15,158	-	-	-	-
Principal U.S. Property Separate Acct	6,877,528	-	-	-	-	6,877,528
Total	\$26,531,167	\$10,310,124	\$ -	\$4,714,658	\$4,628,857	\$6,877,528

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

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the Police Pension Fund will not be able to recover the value of its investments that are in possession of an outside party. To limit its exposure, the Police Pension Fund's investment policy requires all security transactions that are exposed to custodial credit risk to be processed on a delivery versus payment basis with the underlying investments held by a third-party custodian and evidenced by safekeeping receipts. Illinois Funds are not subject to custodial credit risk. The Village'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 38%; large cap domestic equities 25%; small cap domestic equities 10%; and international equities 14%. 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 \$6,877,528 in a real estate investment purchased through Principal Financial Group, representing 13.1% 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	\$ 6,877,528	-	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, 2018:

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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	\$ -	\$ 10,294,966	\$ -
U.S. Agencies	-	15,158	-
Corporate Bonds	-	9,343,515	-
Total debt securities	\$ -	\$ 19,653,639	\$ -
Equity securities:			
Common stocks	\$ 3,147,110	\$ -	\$ -
Foreign stocks	222,916	-	-
Mutual Funds-Equity	20,366,052	-	-
Total equity securities	\$23,513,162	\$ -	\$ -

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, which 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,

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repurchase agreements, short-term commercial paper rated within the three highest classifications by at least two standard rating services, and Illinois Funds (created the Illinois state legislature under the control of the State Comptroller that maintains a \$1 per share value which is equal to the participants fair value). The firefighters' pension fund allows funds to be invested in any type of security authorized by the Illinois Pension Code. The firefighters' pension fund's investment policy, in accordance with Illinois Statutes, establishes the following target allocation across asset classes:

Asset Class	Target	Expected Rate of Return Assumption	Real Rate of Return Assumption
Fixed Income	35.00%	4.40%	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 2018 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, 2018 are listed in the table above.

For the year ended December 31, 2018, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was -3.69 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.

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

Investments

The following table presents the investments and maturities of the Firefighters' Pension Fund as of December 31, 2018:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-5	6-10	Greater than 10
Corporate Bonds	\$ 7,500,627	\$ 341,122	\$ 4,509,180	\$2,650,325	\$ -
Foreign Bonds	626,958	-	376,379	250,579	-
U.S. Obligations	2,760,504	-	2,097,810	662,694	-
U.S. Agency Obligations	6,137,637	-	2,916,736	3,170,864	50,037
Negotiable CDs	2,232,518	-	2,037,413	195,105	-
Total	\$19,258,244	\$ 341,122	\$11,937,518	\$6,929,567	\$ 50,037

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	\$ 7,500,627	\$ 323,221	\$ 988,855	\$3,955,542	\$2,233,009	\$ -
Foreign Bonds	626,958	-	272,966	204,428	149,564	-
U.S. Obligations	2,760,504	2,760,504	-	-	-	-
U.S. Agency Obligations	6,137,637	6,137,637	-	-	-	-
Principal US Property Separate Acct	5,527,546	-	-	-	-	5,527,546
Negotiable CDs	2,232,518	-	-	-	-	2,232,518
Total	\$24,785,790	\$9,221,362	\$1,261,821	\$4,159,970	\$2,382,574	\$7,760,064

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

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investing U.S. Government securities which are rated AAA, and other obligations which are rated BBB or better by a national rating agency.

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

Concentration of credit risk is the risk that the Firefighters' Pension Fund has a high percentage of its investments invested in one type of investment. The Firefighters' Pension Fund's investment policy requires diversification of investment to avoid unreasonable risk. Target percentages are fixed income 35%; large cap domestic equities 29%; small cap domestic equities 10%; and international equities 15%. In the Fire Pension, more than 5 percent of the plan's net position is invested in a mutual fund/insurance contract purchased through Principal Financial Group. The Fire Pension holds \$5,527,546 in a real estate investment purchased through Principal Financial Group, representing 10.5% 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	\$ 5,527,546	-	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, 2018:

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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	\$ -	\$ 2,760,504	\$ -
U.S. Agencies	-	6,137,637	-
Corporate Bonds	-	7,500,627	-
Foreign Bonds	-	626,958	-
Negotiable CD's	-	2,232,518	-
Total	\$ -	\$ 19,258,244	\$ -
Equity securities:			
Mutual Funds-Equity	\$ 26,906,633	\$ -	\$ -
Total equity securities	\$ 26,906,633	\$ -	\$ -

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, which 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.

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3. RECEIVABLES

A. Property Taxes

Property taxes for 2018 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 2018 tax levy is intended to fund expenditures for the 2019 fiscal year, these taxes are deferred as of December 31, 2018.

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	\$ 640,274	\$ -
Electricity tax	153,613	-
Natural gas tax	61,090	-
Local use tax	454,637	-
Auto rental tax	10,809	-
Hotel tax	61,589	-
State motor fuel tax	106,137	-
Local motor fuel tax	16,697	-
Food and beverage tax	192,565	-
Total Other Taxes Receivable	\$ 1,697,411	\$ -
OTHER RECEIVABLES		
Ambulance fees (net of allowance)	\$ 528,058	\$ -
Franchise fees	241,562	-
High School counselor fee	33,792	-
Grants	24,115	-
Parking tickets (net of allowance)	-	26,353
Passport & Parquex mobile parking fees	-	16,844
Total Other Receivables	\$ 827,527	\$ 43,197

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4. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2018 was as follows:

A. Governmental Activities

	Balances January 1	Increases	Decreases	Balances December 31
Capital assets not being depreciated				
Land	\$ 9,196,327	\$ -	\$ -	\$ 9,196,327
Construction in progress	360,133	688,151	108,771	939,513
Total capital assets not being depreciated	<u>9,556,460</u>	<u>688,151</u>	<u>108,771</u>	<u>10,135,840</u>
Capital assets being depreciated				
Infrastructure	120,411,512	507,752	-	120,919,264
Buildings	26,980,411	-	-	26,980,411
Improvements other than buildings	4,133,244	-	-	4,133,244
Intangible Assets/Computers	1,149,957	-	26,727	1,123,230
Capital equipment	18,604,549	1,240,883	872,908	18,972,524
Total capital assets being depreciated	<u>171,279,673</u>	<u>1,748,635</u>	<u>899,635</u>	<u>172,128,673</u>
Less accumulated depreciation for				
Infrastructure	34,065,048	2,420,391	-	36,485,439
Buildings	9,179,149	497,261	-	9,676,410
Improvements other than buildings	1,426,917	89,267	-	1,516,184
Intangible Assets	1,031,138	59,411	26,727	1,063,822
Capital equipment	12,452,644	1,109,669	795,303	12,767,010
Total accumulated depreciation	<u>58,154,896</u>	<u>4,175,999</u>	<u>822,030</u>	<u>61,508,865</u>
Total capital assets being depreciated, net	<u>113,124,777</u>	<u>(2,427,364)</u>	<u>77,605</u>	<u>110,619,808</u>
GOVERNMENTAL ACTIVITIES CAPITAL ASSETS, NET	<u>\$122,681,237</u>	<u>(\$ 1,739,213)</u>	<u>\$ 186,376</u>	<u>\$120,755,648</u>

B. Business-Type Activities

	Balances January 1	Increases	Decreases	Balances December 31
Capital assets not being depreciated				
Land	\$ 8,162,770	\$ 26,523	\$ -	\$ 8,189,293
Construction in progress	2,674,365	4,010,920	4,453	6,680,832
Total capital assets not being depreciated	<u>10,837,135</u>	<u>4,037,443</u>	<u>4,453</u>	<u>14,870,125</u>
Capital assets being depreciated				
Infrastructure	64,178,730	3,490,937	-	67,669,667
Buildings	6,101,133	-	15,606	6,085,527
Improvements other than buildings	20,927,846	40,769	-	20,968,615
Intangible assets	104,081	-	-	104,081
Capital equipment	2,588,875	25,983	-	2,614,858
Total capital assets being depreciated	<u>93,900,665</u>	<u>3,557,689</u>	<u>15,606</u>	<u>97,442,748</u>

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Less accumulated depreciation for				
Infrastructure	16,362,441	1,212,443	-	17,574,884
Buildings	2,733,227	120,277	15,606	2,837,898
Improvements other than buildings	11,359,460	455,551	-	11,815,011
Intangible Assets	88,817	7,631	-	96,448
Capital equipment	2,300,678	44,082	-	2,344,760
Total accumulated depreciation	<u>32,844,623</u>	<u>1,839,984</u>	<u>15,606</u>	<u>34,669,001</u>
Total capital assets being depreciated, net	<u>61,056,042</u>	<u>1,717,705</u>	<u>-</u>	<u>62,773,747</u>
 BUSINESS-TYPE ACTIVITIES				
CAPITAL ASSETS, NET	<u>\$71,893,177</u>	<u>\$5,755,148</u>	<u>\$ 4,453</u>	<u>\$77,643,872</u>

C. Depreciation/Amortization Expense

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

GOVERNMENT ACTIVITIES	
General Government	\$ 587,740
Public Works	2,593,550
Community Development	320,539
Public Safety	<u>674,170</u>
TOTAL DEPRECIATION/AMORTIZATION EXPENSE	<u>\$4,175,999</u>
 BUSINESS TYPE ACTIVITIES	
Stormwater Utility	\$ 346,726
Waterworks	1,435,727
Parking	<u>57,531</u>
TOTAL DEPRECIATION/AMORTIZATION EXPENSE	<u>\$1,839,984</u>

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5. TRANSFERS

At December 31, 2018, interfund transfers consist of the following:

Fund	Transfer In	Transfer Out
Major Governmental		
Downtown Redevelopment TIF (1)	\$ -	\$3,822,676
Capital Improvements (1)	-	1,909,719
General Fund (2)	-	800,000
Non-major Governmental		
Downtown TIF Debt Service (1)	4,122,676	-
Capital Debt Service (1)	1,909,719	-
Municipal Buildings (2)	800,000	-
Enterprise		
Parking (1)	-	300,000
Total	<u>\$ 6,832,395</u>	<u>\$6,832,395</u>

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

6. LONG-TERM LIABILITIES

A. Changes in Long-Term Liabilities

Long-term liability activity for the year ended December 31, 2018, was as follows:

	Balances January 1 (as restated)	Additions	Reductions	Balances December 31	Current Portion
GOVERNMENTAL ACTIVITIES					
Compensated absences payable*	\$ 3,531,241	\$ 2,674,022	\$ 3,531,241	\$ 2,674,022	\$ 834,889
Total OPEB liability* (as restated)	10,049,519	488,849	1,126,703	9,411,665	-
Net pension liability - Police*	42,763,556	6,947,541	-	49,711,097	-
Net pension liability - Fire*	39,585,949	8,329,952	-	47,915,901	-
Net pension liability- IMRF*	6,834,296	-	6,834,296	-	-
Unamortized premium	926,983	-	185,940	741,043	-
General obligation bonds payable	41,450,000	-	4,715,000	36,735,000	5,135,000
TOTAL GOVERNMENTAL ACTIVITIES	<u>\$145,141,544</u>	<u>\$18,440,364</u>	<u>\$16,393,180</u>	<u>\$147,188,728</u>	<u>\$ 5,969,889</u>

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

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	Balances January 1 (as restated)	Additions	Reductions	Balances December 31	Current Portion
BUSINESS-TYPE ACTIVITIES					
Compensated absences payable	\$ 115,615	\$ 129,133	\$ 115,615	\$ 129,133	\$ 38,740
Total OPEB liability (as restated)	733,821	-	46,576	687,245	-
Net pension liability – IMRF	1,329,352	-	1,329,352	-	-
Unamortized premium	1,225,584	-	56,783	1,168,801	-
Water Fund - IEPA Loan	2,264,629	3,632,556	100,750	5,796,435	214,620
General obligation bonds payable	27,720,000	-	1,090,000	26,630,000	1,160,000
TOTAL BUSINESS-TYPE ACTIVITIES	\$ 33,389,001	\$ 3,761,689	\$ 2,739,076	\$ 34,411,614	\$ 1,413,360

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-2018	Additions	Refunding/ Retirements	Balances Dec-2018	Current Portion
GOVERNMENTAL ACTIVITIES:					
\$9,030,000 General Obligation Refunding Bonds, Series 2009, dated April 9, 2009, due in installments of \$880,000 to \$1,130,000 beginning January 1, 2011 plus interest ranging from 2.50% to 5.00% due January 1, 2019.	\$1,975,000	\$ -	\$970,000	\$1,005,000	\$1,005,000
\$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.	4,770,000	-	200,000	4,570,000	335,000
\$5,150,000 General Obligation Refunding Bonds, Series 2010B, dated November 10, 2010, due in installments of \$200,000 to \$1,210,000 beginning January 1, 2014 plus interest ranging from 3.00% to 4.00% due January 1, 2021.	3,750,000	-	705,000	3,045,000	845,000
\$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.	18,225,000	-	625,000	17,600,000	640,000

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\$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.	4,305,000	-	1,715,000	2,590,000	1,775,000
\$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	6,170,000	-	485,000	5,685,000	500,000
\$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	-	15,000	2,240,000	35,000
TOTAL GOVERNMENTAL ACTIVITIES	\$41,450,000	\$ -	\$4,715,000	\$36,735,000	\$5,135,000

	Balances Jan-2018	Additions	Refunding/ Retirements	Balances Dec-2018	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.	\$ 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.	7,950,000	-	425,000	7,525,000	440,000
\$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	2,870,000	-	30,000	2,840,000	30,000
\$5,000,000 General Obligation Bonds, Series 2015-Water, dated April 15, 2015, due in installments of \$200,000 to \$330,000 beginning January 1, 2016 plus interest ranging from 2.00% to 3.50% due January 1, 2035	4,565,000	-	200,000	4,365,000	205,000

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\$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	4,450,000	-	20,000	4,430,000	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	7,470,000	-	-	7,470,000	465,000
TOTAL BUSINESS-TYPE ACTIVITIES	\$27,720,000	\$ -	\$1,090,000	\$26,630,000	\$1,160,000
TOTAL GOVERNMENTAL AND BUSINESS-TYPE ACTIVITIES	\$69,170,000	\$ -	\$5,805,000	\$63,365,000	\$6,295,000

C. Debt Service Requirements and Maturities

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

Year Ending December 31	Governmental Activities		Business-Type Activities	
	General Obligation Bonds		General Obligation Bonds	
	Principal	Interest	Principal	Interest
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	<u>\$36,735,000</u>	<u>\$ 8,950,484</u>	<u>\$26,630,000</u>	<u>\$ 9,332,650</u>

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Business-Type Activities

Other bonds or notes or loans payable	Date of Issue	Final Maturity	Interest rates	Original Indebtedness	December 31, 2018
Water Fund-IEPA Loan Series 2016, Due in Bi-annual installments of \$38,705	12/8/2016	6/8/2036	1.86%	\$ 1,258,969	\$ 1,151,758
Water Fund-IEPA Loan Series 2017, Due in Bi-annual installments of \$48,238	9/28/2017	9/28/2037	1.64%	\$ 1,615,009	\$ 1,569,474
Water Fund-IEPA Loan Preliminary Series 2018, Due in Bi-annual installments of \$104,062	4/12/2018	12/12/2038	1.76%	\$ 3,454,098	\$ 3,075,203
Total Business-Type activities other bonds or notes or loans payable					<u>\$ 5,796,435</u>

D. Legal Debt Margin

The Village is a home rule municipality.

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

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

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

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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, 2018, outstanding industrial, commercial and housing revenue bonds and notes approximated \$24,663,335.

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 Management Fund and a Health Insurance Fund (the Funds), for all risks. They are accounted for as internal service funds where assets are set aside for claim settlements. Under this program, the Funds provides coverage up to a maximum of \$1,000,000 for each general liability claim, \$650,000 for each public safety workers' compensation claim, \$600,000 each for all other workers' compensation claims, \$10,000 for each property damage claim, and \$150,000 for each health claim. The Village purchases commercial insurance for claims in excess of the coverage provided by the Funds up to \$35,000,000. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

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

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	Fiscal Year Ended December 31, 2017	Fiscal Year Ended December 31, 2018
Claims Payable, Beginning	\$ 2,602,754	\$ 2,818,848
Incurred claims (including IBNR)	7,127,902	5,796,605
Less claims paid	(6,911,808)	(6,544,637)
Claims Payable, Ending	<u>\$ 2,818,848</u>	<u>\$ 2,070,816</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
2019	267,473
2020	267,473
2021	267,473
2022	267,473
2023	267,473
2024	267,473

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

B. Sales Tax Rebates

The Village has 8 sales tax rebate agreements with local businesses to develop and expand their business in the Village. According to 65 ILCS 5/8-11-20 the Village may enter into an economic incentive agreement relating to the development or redevelopment of land within the corporate limits of the municipality. The agreement is made to rebate any portion of retailer's occupational taxes received by the Village that were generated by the development or redevelopment over a finite period of time. Each sales tax rebate agreement was negotiated on an individual basis and approved by Council Resolution. The tax rebates are payable to the vendors tri-annually based on information received by the Village from the State of Illinois Department of Revenue.

All of the Village's liability as of December 31, 2018 amounted to \$429,500 and has been reported in the Tax Rebate Fund. The Village has elected to disclose all such agreements below.

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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 2018 amounted to \$128,720. As of December 31, 2018, 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 2018 amounted to \$192,805. As of December 31, 2018, sales tax rebates of \$102,608 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 2018 amounted to \$297,952. As of December 31, 2018, sales tax rebates of \$72,575 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 2018 amounted to \$253,093. As of December 31, 2018, sales tax rebates of \$276,757 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 2018 amounted to \$114,002. As of December 31, 2018, sales tax rebates of \$113,164 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 2018 amounted to \$79,672. As of December 31, 2018, sales tax rebates of \$89,934 were not yet remitted to the retailer.

The Village has a sales tax rebate agreement dated April 18, 2017 with a local auto dealership to rebate sales taxes on annual sales beginning in 2018. 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 2018 amounted to \$22,371. As of December 31, 2018, sales tax rebates of \$22,371 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 2018 amounted to \$209,608. As of December 31, 2018, the sales tax rebates of \$129,151 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 \$200,000.

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

A. Plan Description

In addition to providing pension benefits, the Village provides postemployment health care and life insurance benefits (OPEB) for retirees and certain disabled employees through a single-employer defined benefit plan. The benefits, benefit levels, employee contributions and any employer contributions are governed by the Village and can be amended by the Village through its regulations and policies. No assets are accumulated in a trust that meets the criteria in Paragraph 4 of GASB Statement No. 75.

B. Benefits Provided

The Village provides postemployment health care benefits to its retirees and certain disabled employees. For certain disabled employees who qualify for health insurance benefits under the Public Safety Employee Benefits Act (PSEBA), the Village is required to pay 100% of the cost of basic health insurance for the employee and their dependents for their lifetime. As of December 31, 2018, the Village had 9 disabled retirees receiving benefits under this statute. The employee pays 100% of the cost of the health and life insurance premiums for the postemployment benefits with the exception of health benefits for retirees that have reached

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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. 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. Benefits include general inpatient and outpatient medical services; mental, nervous and substance abuse care; vision care; dental care; and prescriptions. Eligibility in the Village sponsored health care plans is discontinued upon eligibility for federally sponsored health care benefits.

C. Employees Covered by Benefit Terms

At December 31, 2018, the following Village employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	107
Active employees	<u>271</u>
Total	<u>378</u>

D. Total OPEB Liability

The Village's total OPEB liability of \$10,098,910 was measured as of December 31, 2018 and was determined by an actuarial valuation as of January 1, 2018, rolled forward to December 31, 2018 for the addition of one new PSEBA recipient.

E. Changes in the Total OPEB Liability

	Total OPEB Liability
Balances at January 1, 2018	\$ 10,783,340
Changes for the period	
Service cost	163,250
Interest	361,295
Changes of Assumptions	(634,566)
Benefit Payments	<u>(574,409)</u>
Net change in Total OPEB Liability	<u>(684,430)</u>
Balances at December 31, 2018	\$ <u>10,098,910</u>

Changes of assumptions reflect a change in the discount rate from 3.44% in 2017 to 4.10% in 2018.

F. OPEB Expense and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2018, the Village recognized OPEB expense of \$472,209. At December 31, 2018, the Village reported deferred inflows of resources related to OPEB from the following source:

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	Deferred Inflows of Resources
Changes of Assumptions	\$ <u>569,148</u>

Amounts reported as deferred inflows of resources will be recognized in OPEB expense as follows:

Year Ending December 31,		
2019	\$	(65,419)
2020		(65,419)
2021		(65,419)
2022		(65,419)
2023		(65,419)
Thereafter		(242,053)

G. Actuarial Assumptions and Other Inputs

The total OPEB liability in the January 1, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Actuarial cost method	Entry age
Salary increases	3.50%
Discount rate	
Beginning of Year	3.44%
End of Year	4.10%
Healthcare cost trend rates	3.00% initial, 6.50% second year 5.00% ultimate
Retirees share of benefit – related costs	100% regular plan 0% PSEBA plan

The discount rate was based on the Bond Buyer 20-Bond GO Index at December 28, 2017 and December 27, 2018.

Mortality rates

Active IMRF follows the Sex Distinct Raw Rates as Developed in the RP-2014 Study. These rates are Improved Generationally using MP-2017 Improvement Rates and Weighted based on the IMRF December 31, 2017 Actuarial Valuation.

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Retiree and Spousal IMRF Mortality follows the Sex Distinct Raw Rates as Developed in the RP-2014 Study, with Blue Collar Adjustment. These rates are Improved Generationally using MP-2017 Improvement Rates.

Active Firefighter and Police Officer Mortality follows the Sex Distinct Raw Rates as Developed in the RP-2014 Study, with Blue Collar Adjustment. These rates are Improved Generationally using MP-2016 Improvement Rates.

Retiree Firefighter Mortality follows the Lauterbach & Amen Assumption Study for Firefighters 2016. Retiree Police Officers follow the Lauterbach & Amen Assumption Study for Police 2016. These rates are Experience Weighted with the Raw Rates as Developed in the RP-2014 Study, with Blue Collar Adjustment and Improved Generationally using MP-2016 Improvement Rates.

Disabled Mortality follows the Sex Distinct Raw Rates as Developed in the RP-2014 Study for Disabled Participants, with Blue Collar Adjustment. These rates are Improved Generationally using MP-2016 Improvement Rates.

Firefighter and Police Spousal Mortality follows the Sex Distinct Raw Rates as Developed in the RP-2014 Study. These rates are Improved Generationally using MP-2016 Improvement Rates.

H. Rate Sensitivity

The following is a sensitivity analysis of the total OPEB liability to changes in the discount rate and healthcare cost trend rates. The table below presents the total OPEB liability of the Village calculated using the discount rate of 4.10% as well as what the Village's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.10%) or 1 percentage point higher (5.10%) the current rate:

	1% Decrease (3.10%)	Current Discount rate (4.10%)	1% Increase (5.10%)
Village's Total OPEB Liability	\$11,188,723	\$10,098,910	\$9,161,285

The table below illustrates the sensitivity of the Total OPEB Liability to the Healthcare Cost Trend Rates assumption for a 1% decrease and a 1% increase in the rates.

	1% Decrease (Varies)	Healthcare Cost Trend Rates (Varies)	1% Increase (Varies)
Village's Total OPEB Liability	\$9,069,564	\$10,098,910	\$11,305,627

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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, 2017, the measurement date, membership in the plans were as follows:

Retirees and beneficiaries	287
Inactive, non-retired members	203
Active members	196
Total	686

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 2017 was 11.70% of annual covered payroll. For the year ended December 31, 2018 the Village contributed \$1,525,305 to the plan (\$1,281,310 for the Village and \$243,995 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, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions. The total pension liability for IMRF was determined by an actuarial valuation performed as of December 31, 2017 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%
Salary increases	3.39% to 14.25%
	Including inflation
Price inflation	2.50%

Mortality. For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). 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-2017 (base year 2015). 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

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projection scale MP-2017 (base year 2015). 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	37.00%	8.30%	6.85%
International equities	18.00%	8.45%	6.75%
Fixed income	28.00%	3.05%	3.00%
Real estate	9.00%	6.90%	5.75%
Alternatives	7.00%		
Private equity		12.45%	7.35%
Hedge funds		5.35%	5.05%
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 at December 31, 2017 was 7.50%. The discount rate calculated using the December 31, 2016 measurement date was 7.50%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that Village and Library contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the fiduciary net position was projected not to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on investments of 7.50% was blended with the index rate of 3.31% for tax exempt 20-year general obligation municipal bonds with an average AA credit rating at December 31, 2017 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 2018 to 2117 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:

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	1% Decrease 6.50%	Current Discount rate 7.50%	1% Increase 8.50%
Village:			
Total pension liability	\$89,932,664	\$80,234,919	\$72,239,666
Plan fiduciary net position	80,703,444	80,703,444	80,703,444
Net pension liability/(asset)	\$ 9,229,220	\$ (468,525)	\$ (8,463,778)
Library:			
Total pension liability	\$15,814,177	\$14,108,881	\$12,702,959
Plan fiduciary net position	14,198,100	14,198,100	14,198,100
Net pension liability/(asset)	\$ 1,616,077	\$ (89,219)	\$ (1,495,141)
Total:			
Total pension liability	\$105,746,841	\$94,343,800	\$84,942,625
Plan fiduciary net position	94,901,544	94,901,544	94,901,544
Net pension liability/(asset)	\$ 10,845,297	\$ (557,744)	\$ (9,958,919)

Changes in net pension liability. The Village's and Library's changes in net pension liability for the calendar year ended December 31, 2018 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, 2017	\$79,336,372	\$71,172,724	\$ 8,163,648
Service cost	1,273,841	-	1,273,841
Interest on total pension liability	5,801,486	-	5,801,486
Differences between expected and actual experience of the total pension liability	(535,168)	-	(535,168)
Change of assumptions	(2,366,813)	-	(2,366,813)
Benefit payments, including refunds of employee contributions	(3,274,799)	(3,274,799)	-
Contributions – employer	-	1,351,600	(1,351,600)
Contributions – employee	-	527,603	(527,603)
Net investment income	-	12,004,901	(12,004,901)
Other (net transfer)	-	(1,078,585)	1,078,585
Balances at December 31, 2018	\$80,234,919	\$80,703,444	\$ (468,525)
Library:			
Balances at December 31, 2017	\$13,937,775	\$12,404,674	\$ 1,533,101
Service cost	242,572	-	242,572
Interest on total pension liability	1,104,750	-	1,104,750

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Differences between expected and actual experience of the total pension liability	(101,910)	-	(101,910)
Change of assumptions	(450,701)	-	(450,701)
Benefit payments, including refunds of employee contributions	(623,605)	(623,605)	-
Contributions – employer	-	257,379	(257,379)
Contributions – employee	-	100,469	(100,469)
Net investment income	-	2,286,036	(2,286,036)
Other (net transfer)	-	(226,853)	226,853
Balances at December 31, 2018	\$14,108,881	\$14,198,100	\$ (89,219)
Total:			
Balances at December 31, 2017	\$93,274,147	\$83,577,398	\$ 9,696,749
Service cost	1,516,413	-	1,516,413
Interest on total pension liability	6,906,236	-	6,906,236
Differences between expected and actual experience of the total pension liability	(637,078)	-	(637,078)
Change of assumptions	(2,817,514)	-	(2,817,514)
Benefit payments, including refunds of employee contributions	(3,898,404)	(3,898,404)	-
Contributions – employer	-	1,608,979	(1,608,979)
Contributions – employee	-	628,072	(628,072)
Net investment income	-	14,290,937	(14,290,937)
Other (net transfer)	-	(1,305,438)	1,305,438
Balances at December 31, 2018	\$94,343,800	\$94,901,544	\$ (557,744)

Pension expense and deferred outflows of resources and deferred inflows of resources related to pensions. For the year ended December 31, 2018, the Village recognized pension expense of \$1,192,312 and the Library recognized pension expense of \$227,107 for a total pension expense of \$1,419,419. The Village and Library reported deferred outflows and inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
<i>Village:</i>		
Difference between expected and actual experience	\$ -	\$ 684,998
Assumption changes	22,382	1,700,950
Net difference between projected and actual earnings on pension plan investments	-	3,203,059
Contributions subsequent to the Measurement date	1,281,310	-
Total	\$ 1,303,692	\$ 5,589,007

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Library:

Difference between expected and actual experience	\$ -	\$ 130,442
Assumption changes	4,262	323,905
Net difference between projected and actual earnings on pension plan investments	-	609,946
Contributions subsequent to the Measurement date	243,995	-
Total	\$ 248,257	\$ 1,064,293

Total:

Difference between expected and actual experience	\$ -	\$ 815,440
Assumption changes	26,644	2,024,855
Net difference between projected and actual Earnings on pension plan investments	-	3,813,005
Contributions subsequent to the Measurement date	1,525,305	-
Total	\$ 1,551,949	\$ 6,653,300

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, 2018. The remaining amounts reported as deferred outflows and inflows of resources related to pensions (\$6,626,656) will be recognized in pension expense as follows:

Year Ending December 31,	Village	Library	Total
2019	\$ (1,388,401)	\$ (264,388)	\$(1,652,789)
2020	(1,340,841)	(255,331)	(1,596,172)
2021	(1,470,831)	(280,085)	(1,750,916)
2022	(1,366,552)	(260,227)	(1,626,779)
Total	\$(5,566,625)	\$(1,060,031)	\$(6,626,656)

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

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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, 2018, the Police Pension Plan membership consisted of:

Retirees and beneficiaries	66
Inactive, non-retired members	3
Active members	<u>71</u>
Total	<u>140</u>

Contributions. Covered employees are required to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The Village is required to contribute the remaining amounts necessary to finance the plans as actuarially determined by an enrolled actuary. Effective January 1, 2011, the Village's contributions must accumulate to the point where the past service cost for the Police Pension Plan is 90% funded by the year 2040. The Village's actuarially determined contribution rate for the fiscal year ending December 31, 2018 was 52.21% of annual covered payroll. For the year ended December 31, 2018 the Village contributed \$3,159,441 to the plan.

Net pension liability. The net pension liability was measured as of December 31, 2018, and the total pension liability used to calculate the net pension liability was determined by an annual actuarial valuation as of January 1, 2018.

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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 January 1, 2018 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 2017 Mortality Table for Illinois Police Officers. The actuarial assumptions used in the December 31, 2017 valuation were based on the results of actuarial experience studies conducted by the Illinois Department of Insurance dated September 26, 2012.

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

Discount rate. The discount rate used to measure the total pension liability for the Police Pension Plan was 7.00%, the same as the prior valuation. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that Village contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the Police Pension Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Discount rate sensitivity. The following is a sensitivity analysis of the net pension liability to changes in the discount rate. The table below presents the pension liability calculated using the discount rates of 7.00% 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:

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	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Net pension liability	\$ 65,134,154	\$ 49,711,097	\$ 37,231,245

Changes in net pension liability. The Village's changes in net pension liability for the year ended December 31, 2018 was as follows:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/(Asset) (a) – (b)
	Balances at December 31, 2017	\$ 98,372,229	\$ 55,608,673
Changes for the year:			
Service cost	1,473,192	-	1,473,192
Interest on total pension liability	6,726,501	-	6,726,501
Differences between expected and actual experience of the total pension liability	100,268	-	100,268
Change of assumptions	-	-	-
Benefit payments, including refunds of employee contributions	(4,558,715)	(4,558,715)	-
Contributions – employer	-	3,159,441	(3,159,441)
Contributions – employee	-	663,568	(663,568)
Net investment income	-	(2,395,499)	2,395,499
Administrative expense	-	(75,090)	75,090
Other (net transfer)	-	-	-
Net changes for the year	3,741,246	(3,206,295)	6,947,541
Balances at December 31, 2018	\$ 102,113,475	\$ 52,402,378	\$ 49,711,097

Pension expense and deferred outflows of resources and deferred inflows of resources related to pensions. For the year ended December 31, 2018, the Village recognized pension expense of \$5,257,936. 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	\$ 127,916	\$ 964,618
Assumption changes	1,984,360	192,906
Net difference between projected and actual earnings on pension plan investments	4,438,757	-
Total	\$ 6,551,033	\$ 1,157,524

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The amounts reported as deferred outflows and inflows of resources related to pension of \$5,393,509 will be recognized in pension expense as follows:

Year Ending December 31,	Amount
2019	\$ 1,510,950
2020	1,061,736
2021	1,346,858
2022	1,451,912
2023	15,643
Thereafter	6,410
Total	\$ 5,393,509

C. Firefighters' Pension Plan

Plan description. Fire sworn personnel are covered by the Firefighters' Pension Plan, which is a defined benefit single-employer pension plan. Although this is a single-employer pension plan, the defined benefits and employee contribution levels are governed by Illinois State Statutes (Chapter 40 ILCS 5/4) and may be amended only by the Illinois legislature. The Village accounts for the plan as a pension trust fund.

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

Tier 1 – Covered employees attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive a monthly retirement benefit of one half of the monthly salary attached to the rank held in the fire service at the date of retirement. The monthly pension shall be increased by one twelfth of 2.5% of such monthly salary for each additional month over 20 years of service through 30 years of service to a maximum of 75% of such monthly salary. Employees with at least 10 years but less than 20 years of credited service may retire at or after age 60 and receive a reduced retirement benefit. The monthly pension of a firefighter who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and paid upon reaching at least the age 55, by 3% of the original pension and 3% compounded annually thereafter.

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

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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, 2018, the Firefighters' Pension Plan membership consisted of:

Retirees and beneficiaries	80
Inactive, non-retired members	5
Active members	75
Total	160

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, 2018 was 52.42% of annual covered payroll. For the year ending December 31, 2018 the Village contributed \$3,432,422 to the plan.

Net pension liability. The net pension liability was measured as of December 31, 2018, and the total pension liability used to calculate the net pension liability was determined by an annual actuarial valuation as of January 1, 2018.

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

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

Actuarial assumptions. The total pension liability was determined by an actuarial valuation performed as of January 1, 2018 using the following actuarial methods and assumptions:

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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 2017 study for Illinois Firefighters. The actuarial assumptions used in the December 31, 2017 valuation were based on the results of actuarial experience studies conducted by the Illinois Department of Insurance dated September 26, 2012.

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

Discount rate. The discount rate used to measure the total pension liability for the Firefighters' Pension Plan was 7.00%, the same as the prior valuation. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that Village contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the Firefighters' Pension Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Discount rate sensitivity. The following is a sensitivity analysis of the net pension liability to changes in the discount rate. The table below presents the pension liability calculated using the discount rates of 7.00% 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:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Net pension liability	\$ 62,713,175	\$ 47,915,901	\$ 35,897,385

Changes in net pension liability. The Village's changes in net pension liability for the year ended December 31, 2018 was as follows:

Increase (Decrease)

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	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/(Asset) (a) – (b)
Balances at December 31, 2017	\$ 94,609,006	\$ 55,023,057	\$ 39,585,949
Changes for the year:			
Service cost	1,563,765	-	1,563,765
Interest on total pension liability	6,468,870	-	6,468,870
Differences between expected and actual experience of the total pension liability	2,326,159	-	2,326,159
Change of assumptions	-	-	-
Benefit payments, including refunds of employee contributions	(4,393,163)	(4,393,163)	-
Contributions – employer	-	3,432,422	(3,432,422)
Contributions – employee	-	716,890	(716,890)
Net investment income	-	(2,063,043)	2,063,043
Administrative expense	-	(57,427)	57,427
Other (net transfer)	-	-	-
Net Changes for the year	5,965,631	(2,364,321)	8,329,952
Balances at December 31, 2018	\$ 100,574,637	\$ 52,658,736	\$ 47,915,901

Pension expense and deferred outflows of resources and deferred inflows of resources related to pensions. For the year ended December 31, 2018, the Village recognized pension expense of \$5,486,330. The Village reported deferred outflows and inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 2,265,498	\$ 177,552
Assumption changes	2,369,164	71,111
Net difference between projected and actual earnings on pension plan investments	3,592,431	-
Total	\$ 8,227,093	\$ 248,663

The amounts reported as deferred outflows and inflows of resources related to pension (\$7,978,430) will be recognized in pension expense as follows:

Year Ending December 31,	Amount
2019	\$ 1,954,226
2020	1,375,893
2021	1,319,846
2022	2,001,219

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	2023		773,188
	Thereafter		554,058
Total			\$ 7,978,430

D. Schedules for the Police and Firefighters' Plans

	Police Pension	Firefighters' Pension	Total
ASSETS			
Cash and cash equivalents	\$ 2,008,868	\$ 843,392	\$ 2,852,260
Investments			
U.S. obligations	10,310,124	8,898,141	19,208,265
Corporate bonds	9,343,515	7,500,627	16,844,142
Foreign bonds	-	626,958	626,958
Negotiable CDs	-	2,232,518	2,232,518
Mutual funds - equity	20,366,052	26,906,633	47,272,685
Common and Preferred	3,370,026	-	3,370,026
Real Estate	6,877,528	5,527,546	12,405,074
Prepays	16,554	6,794	23,348
Interest receivable	136,388	123,103	259,491
	52,429,055	52,665,712	105,094,767
LIABILITIES			
Accounts payable	26,677	6,976	33,653
	26,677	6,976	33,653
NET POSITION			
Restricted for pension benefits	\$ 52,402,378	\$ 52,658,736	\$ 105,061,114
	\$ 52,402,378	\$ 52,658,736	\$ 105,061,114

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	Police Pension	Firefighters' Pension	Total
ADDITIONS			
Contributions - employer	\$ 3,159,441	\$ 3,432,422	\$ 6,591,863
Contributions - employees	663,568	716,890	1,380,458
Total contributions	3,823,009	4,149,312	7,972,321
Investment earnings			
Net appreciation in fair value of investments	(3,418,395)	(3,295,111)	(6,713,506)
Interest earned on investments	1,150,719	1,312,813	2,463,532
Less investment expense	(127,823)	(80,745)	(208,568)
Net investment earnings	(2,395,499)	(2,063,043)	(4,458,542)
Total additions	1,427,510	2,086,269	3,513,779
DEDUCTIONS			
Contractual services	75,090	57,427	132,517
Benefits and refunds	4,558,715	4,393,163	8,951,878
Total deductions	4,633,805	4,450,590	9,084,395
Change in Net Position	(\$ 3,206,295)	(\$ 2,364,321)	(\$ 5,570,616)

12. GOVERNMENTAL FUND BALANCES

Governmental fund balances reported on the Balance Sheet for the Governmental Funds at December 31, 2018, include the following:

Fund Balances	General	Downtown Redevelopment TIF	Capital Improvements	Nonmajor	Total
Nonspendable:					
Prepaid items	\$ 138,306	-	-	\$ 9,200	\$ 147,506
Total Nonspendable	138,306	-	-	9,200	147,506
Restricted for:					
Economic Development	167,981	423,450	-	991,517	1,582,948
Road Improvements	-	-	-	606,832	606,832
Public Safety	-	-	-	2,555,744	2,555,744
Total Restricted	167,981	423,450	-	4,154,093	4,745,524
Assigned to:					
Capital Projects	-	-	5,228,788	2,713,391	7,942,179
Total Assigned	-	-	5,228,788	2,713,391	7,942,179
Unassigned:	18,666,129	-	-	-	18,666,129
Total Fund Balances	\$ 18,972,416	\$ 423,450	\$ 5,228,788	\$ 6,876,684	\$ 31,501,338

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13. RESTATEMENT OF NET POSITION

The Village adopted the provisions of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, for fiscal year ended December 31, 2018. As a result of the adoption of the provisions of this statement, the village has restated beginning net position as follows:

	Governmental Activities	Business-type Activities	Total
Net position – January 1, 2018 (as previously reported)	\$24,154,452	\$55,934,214	\$80,088,666
Adjustment to remove the OPEB obligation reported as of January 1, 2018 under GASB 45	7,161,496	501,862	7,663,358
Adjustment to record the total OPEB liability as of January 1, 2018 under GASB 75	(10,049,518)	(733,822)	(10,783,340)
Adjustment to beginning net position for GASB 75 implementation	(2,888,022)	(231,960)	(3,119,982)
Net position – January 1, 2018 (as restated)	\$21,266,430	\$55,702,254	\$76,968,684

	Waterworks Fund	Parking Fund	Stormwater Fund	Total Enterprise Funds
Net position – January 1, 2018 (as previously reported)	\$40,643,192	\$2,736,100	\$12,472,708	\$55,852,000
Adjustment to remove the OPEB obligation reported as of January 1, 2018 under GASB 45	296,667	35,169	170,026	501,862
Adjustment to record the total OPEB liability as of January 1, 2018 under GASB 75	(435,857)	(51,129)	(246,836)	(733,822)
Adjustment to beginning net position for GASB 75 implementation	(139,190)	(15,960)	(76,810)	(231,960)
Net position – January 1, 2018 (as restated)	\$40,504,002	\$2,720,140	\$12,395,898	\$55,620,040

	Fleet Service Fund	Health Insurance Fund	Risk Management Fund	Total Internal Service Funds
Net position – January 1, 2018 (as previously reported)	\$182,591	\$945,476	\$(548,781)	\$579,286
Adjustment to remove the OPEB obligation reported as of January 1, 2018 under GASB 45	136,403	14,174	55,721	206,298
Adjustment to record the total OPEB liability as of January 1, 2018 under GASB 75	(198,365)	(33,672)	(45,037)	(277,074)

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Adjustment to beginning net position for GASB 75 implementation	(61,962)	(19,498)	10,684	(70,776)
Net position – January 1, 2018 (as restated)	\$120,629	\$925,978	\$(538,097)	\$508,510

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

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

- *GASB Statement No. 83, Certain Asset Retirement Obligations*, 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 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. 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. GASB 87 is effective for financial statements for the Village's fiscal year ending December 31, 2020.
- *GASB Statement No. 88, Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*, improves information that is disclosed in notes to government financial statements related to debt, including direct borrowing and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. GASB 88 is effective for financial statements for the Village's fiscal year ending December 31, 2019.

VILLAGE OF DOWNERS GROVE, ILLINOIS

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December 31, 2018

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- *GASB Statement No. 89, Accounting for Interest Cost Incurred before the End of a Construction Period*, establishes accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraphs 5–22 of Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, which are superseded by this Statement. GASB 89 is effective for financial statements for the Village’s fiscal year ending December 31, 2020.
 - *GASB Statement No. 90, Majority Equity Interests-an amendment of GASB Statements No. 14 and No. 61*, establishes consistency and comparability of reporting a government’s majority equity interest in a legally separate organization and improves the relevance of financial statement information for certain component units. GASB 90 is effective for financial statements for the Village’s fiscal year ending December 31, 2019.

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

15. SUBSEQUENT EVENT

On April 23, 2019, the Village issued \$7,000,000 of General Obligation Bonds to be used to fund Stormwater improvements. The bonds are due in installments of \$280,000 to \$475,000, with an interest rate of 3.0%, and maturing on January 1, 2039.

16. 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 government 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.

VILLAGE OF DOWNERS GROVE, ILLINOIS

Notes to Financial Statements

December 31, 2018

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

2. Government-Wide and Fund Financial Statements

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

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

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

The Library reports the following major governmental funds:

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

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

The *Library Capital Replacement 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.

VILLAGE OF DOWNERS GROVE, ILLINOIS
Notes to Financial Statements
December 31, 2018

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

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

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

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

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

4. Cash and Cash Equivalents and Investments

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

5. Receivables

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

VILLAGE OF DOWNERS GROVE, ILLINOIS

Notes to Financial Statements

December 31, 2018

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

6. Capital Assets

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

Description	Years
Buildings	50 – 65
Capital equipment	5 – 15

7. Deferred Outflows of Resources

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

VILLAGE OF DOWNERS GROVE, ILLINOIS
Notes to Financial Statements
December 31, 2018

A deferred inflow of resources represents an acquisition of net position that applies to a future reporting period and therefore will not be recognized as an inflow resource (revenue) until that future time. The library has two items that qualify for reporting in this category: the deferred inflows related to pensions and OPEB, which represents pension and OPEB items that will be recognized as a reduction to pension and OPEB expense in future periods.

11. Fund Balances/Net Position

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

- a. Nonspendable – Includes fund balance amounts that cannot be spent either because they are not in spendable form or because legal or contractual requirements require them to be maintained intact.
- b. Restricted – Consists of fund balances with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or 2) law through constitutional provisions or enabling legislation.
- c. Committed – Includes fund balance amounts that are constrained for specific purposes that are internally imposed by the Library through formal action of the Library Board. Fund balance amounts are committed through a motion of the Library Board. This motion must occur prior to the end of the reporting period, but the amount of the commitment, which will be subject to the constraints, may be determined in the subsequent period. Any changes to the constraints imposed require another motion of the Library Board.
- d. Assigned – Includes spendable fund balance amounts that are intended to be used for specific purposes that are not considered restricted or committed. Fund balance may be assigned through the following: 1) the Village Council and Library Board assign amounts for a specific purpose. 2) All remaining positive spendable amounts in governmental funds, other than the general fund, that are neither restricted nor committed. Assignments may take place after the end of the reporting period.
- e. Unassigned – Includes residual positive fund balance within the general fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those purposes.

The 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 liabilities outstanding issued to acquire or construct the capital assets.

12. Use of Estimates

VILLAGE OF DOWNERS GROVE, ILLINOIS

Notes to Financial Statements

December 31, 2018

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

B. Deposits and Investments

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

Library Deposits and Investments

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

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

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

Deposits with Financial Institutions

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

VILLAGE OF DOWNERS GROVE, ILLINOIS

Notes to Financial Statements

December 31, 2018

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	\$2,870,615	\$2,870,615	-	-	-

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

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

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

C. Receivables

VILLAGE OF DOWNERS GROVE, ILLINOIS
Notes to Financial Statements
December 31, 2018

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. The County collects such taxes and remits them periodically. Management has determined that an allowance for uncollectible accounts is not necessary. As the 2018 tax levy is intended to fund expenditures for the 2019 fiscal year, these taxes are deferred as of December 31, 2018.

D. Capital Assets

Capital asset activity for the year ended December 31, 2018 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	629,508	-	12,520,444
Capital equipment	5,092,951	582,626	1,308,843	4,366,734
Total capital assets being depreciated	16,983,887	1,212,134	1,308,843	16,887,178
Less accumulated depreciation for				
Buildings	2,908,617	238,105	-	3,146,722
Capital equipment	2,067,604	403,481	762,498	1,708,587
Total accumulated depreciation	4,976,221	641,586	762,498	4,855,309
Total capital assets being depreciated, net	12,007,666	570,548	546,345	12,031,869
GOVERNMENTAL ACTIVITIES CAPITAL ASSETS, NET	\$ 12,229,877	\$ 570,548	\$ 546,345	\$ 12,254,080

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

GOVERNMENTAL ACTIVITIES		
Community services		\$ 641,586
Long-Term Liabilities		

Changes in Long-Term Liabilities

Long-term liability activity for the year ended December 31, 2018, was as follows:

	Balances January 1 (as restated)	Additions	Reductions	Balances December 31	Current Portion
Compensated absences payable*	\$ 26,776	\$ 33,909	\$ 26,776	\$ 33,909	\$ 10,173
Total OPEB liability* (as restated)	212,749	13,124	33,375	192,498	-
Net Pension liability –IMRF*	1,533,101	-	1,533,101	-	-
Total (as restated)	\$ 1,772,626	\$ 47,033	\$ 1,593,252	\$ 226,407	\$ 10,173

VILLAGE OF DOWNERS GROVE, ILLINOIS

Notes to Financial Statements

December 31, 2018

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

F. Risk Management

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

G. Contingent Liabilities

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

H. Postemployment Benefits

Plan Description

In addition to providing pension benefits, the Village provides postemployment health care and life insurance benefits (OPEB) for retirees and certain disabled employees through the Village's single-employer defined benefit plan. The benefits, benefit levels, employee contributions and any employer contributions are governed by the Village and can be amended by the Village through its regulations and policies. No assets are accumulated in a trust that meets the criteria in Paragraph 4 of GASB Statement No. 75.

Benefits Provided

The Library provides postemployment health care benefits to its retirees and certain disabled employees. The employee pays 100% of the cost of the health and life insurance premiums for the postemployment benefits with the exception of health benefits for retirees that have reached 65. Once an employee reaches 65 years of age, the Library 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. 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. Benefits include general inpatient and outpatient medical services; mental, nervous and substance abuse care; vision care; dental care; and prescriptions. Eligibility in the Village sponsored health care plans is discontinued upon eligibility for federally sponsored health care benefits.

Employees Covered by Benefit Terms

At December 31, 2018, the following Library employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	3
Active employees	<u>25</u>
Total	<u>28</u>

VILLAGE OF DOWNERS GROVE, ILLINOIS
Notes to Financial Statements
December 31, 2018

The Library's total OPEB liability of \$192,498 was measured as of December 31, 2018 and was determined by an actuarial valuation as of January 1, 2018, rolled forward to December 31, 2018.

Changes in the Total OPEB Liability

	Total OPEB Liability
Balances at January 1, 2018	\$ 212,749
Changes for the period	
Service cost	6,224
Interest	6,899
Changes of Assumptions	(8,764)
Benefit Payments	<u>(24,610)</u>
Net change in Total OPEB Liability	<u>(20,251)</u>
Balances at December 31, 2018	\$ <u>192,498</u>

Changes of assumptions reflect a change in the discount rate from 3.44% in 2017 to 4.10% in 2018.

OPEB Expense and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2018, the Library recognized OPEB expense of \$9,001. At December 31, 2018, the Library reported deferred inflows of resources related to OPEB from the following source:

	Deferred Inflows of Resources
	<u> </u>
Changes of Assumptions	\$ 7,861

Amounts reported as deferred inflows of resources will be recognized in OPEB expense as follows:

<u>Year Ending December 31,</u>	
2019	\$ (904)
2020	(904)
2021	(904)
2022	(904)
2023	(904)
Thereafter	\$ (3,341)

VILLAGE OF DOWNERS GROVE, ILLINOIS
Notes to Financial Statements
December 31, 2018

Actuarial Assumptions and Other Inputs

Total OPEB liability in the January 1, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Actuarial cost method	Entry age
Salary increases	3.50%
Discount rate	
Beginning of Year	3.44%
End of Year	4.10%
Healthcare cost trend rates	3.00% initial, 6.50% second year 5.00% ultimate
Retirees share of benefit – related costs	100.00% regular plan 0.00% PSEBA plan

The discount rate was based on the Bond Buyer 20-Bond GO Index at December 28, 2017 and December 27, 2018.

Mortality Rates

Active IMRF follows the Sex Distinct Raw Rates as Developed in the RP-2014 Study. These rates are Improved Generationally using MP-2017 Improvement Rates and Weighted based on the IMRF December 31, 2017 Actuarial Valuation.

Retiree and Spousal IMRF Mortality follows the Sex Distinct Raw Rates as Developed in the RP-2014 Study, with Blue Collar Adjustment. These rates are Improved Generationally using MP-2017 Improvement Rates.

Active Firefighter and Police Officer Mortality follows the Sex Distinct Raw Rates as Developed in the RP-2014 Study, with Blue Collar Adjustment. These rates are Improved Generationally using MP-2016 Improvement Rates.

Retiree Firefighter Mortality follows the Lauterbach & Amen Assumption Study for Firefighters 2016. Retiree Police Officers follow the Lauterbach & Amen Assumption Study for Police 2016. These rates are Experience Weighted with the Raw Rates as Developed in the RP-2014 Study, with Blue Collar Adjustment and Improved Generationally using MP-2016 Improvement Rates.

VILLAGE OF DOWNERS GROVE, ILLINOIS
Notes to Financial Statements
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Disabled Mortality follows the Sex Distinct Raw Rates as Developed in the RP-2014 Study for Disabled Participants, with Blue Collar Adjustment. These rates are Improved Generationally using MP-2016 Improvement Rates.

Firefighter and Police Spousal Mortality follows the Sex Distinct Raw Rates as Developed in the RP-2014 Study. These rates are Improved Generationally using MP-2016 Improvement Rates.

Rate Sensitivity

The following is a sensitivity analysis of the total OPEB liability to changes in the discount rate and healthcare cost trend rates. The table below presents the total OPEB liability of the Library calculated using the discount rate of 4.10% as well as what the Library's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.10%) or 1 percentage point higher (5.10%) the current rate:

	1% Decrease (3.10%)	Current Discount rate (4.10%)	1% Increase (5.10%)
Library's Total OPEB Liability	\$ 213,271	\$ 192,498	\$ 174,626

The table below illustrates the sensitivity of the Total OPEB Liability to the Healthcare Cost Trend Rates assumption for a 1% decrease and a 1% increase in the rates.

	1% Decrease (Varies)	Healthcare Cost Trend Rates (Varies)	1% Increase (Varies)
Library's Total OPEB Liability	\$ 172,877	\$ 192,498	\$ 215,500

I. Restatement of Net Position

	Downers Grove Public Library
Net position – January 1, 2018 (as reported)	\$13,810,082
Adjustment to remove the OPEB obligation reported as of January 1, 2018 under GASB 45	191,062
Adjustment to record the total OPEB liability as of January 1, 2018 under GASB 75	<u>(212,749)</u>
Adjustment to beginning net position for GASB 75 implementation	<u>(21,687)</u>
Net position – January 1, 2018 (as restated)	<u><u>\$13,788,395</u></u>

VILLAGE OF DOWNERS GROVE, ILLINOIS
Notes to Financial Statements
December 31, 2018

J. 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 Changes in the Village's Total OPEB Liability and Related Ratios
- Schedule of Employer Contributions
 - > Illinois Municipal Retirement Fund (IMRF)
 - > Police Pension Fund
 - > Firefighters' Pension Fund
 - > Other Postemployment 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, 2018

	Budgeted Amounts		Actual	Variance
	Original	Final		
REVENUES				
Home rule sales tax	\$ 1,950,000	\$ 1,950,000	\$ 1,911,385	\$ (38,615)
Food and beverage tax	1,500,000	1,500,000	1,854,362	354,362
Property tax	13,144,310	13,144,310	13,271,569	127,259
Utility tax	4,870,000	4,870,000	4,524,932	(345,068)
Other taxes	1,650,000	1,650,000	1,406,118	(243,882)
Licenses & permits	1,765,500	1,765,500	2,399,065	633,565
Intergovernmental				
Income tax	4,400,000	4,400,000	4,679,801	279,801
Sales tax	11,400,000	11,400,000	11,526,462	126,462
Local use tax	1,250,000	1,250,000	1,435,492	185,492
Grants	30,000	30,000	74,450	44,450
Charges for services & fees	4,468,650	4,468,650	5,016,713	548,063
Fines & forfeitures	663,000	663,000	540,243	(122,757)
Investment income	280,000	280,000	361,402	81,402
Contributions and donations	-	-	50	50
Total revenues	<u>47,371,460</u>	<u>47,371,460</u>	<u>49,002,043</u>	<u>1,630,583</u>
EXPENDITURES				
Current				
General government	5,214,469	6,014,469	5,932,152	(82,317)
Public works	5,608,152	5,608,152	5,593,566	(14,586)
Community development	2,504,051	2,504,051	2,351,702	(152,349)
Public safety	33,277,404	33,277,404	33,593,222	315,818
Community services	771,549	771,549	665,648	(105,901)
Total expenditures	<u>47,375,625</u>	<u>48,175,625</u>	<u>48,136,290</u>	<u>(39,334)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(4,165)</u>	<u>(804,165)</u>	<u>865,753</u>	<u>1,669,917</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	-	(800,000)	(800,000)	-
Proceeds from sale of capital assets	-	-	11,445	11,445
Total other financing sources (uses)	<u>-</u>	<u>(800,000)</u>	<u>(788,555)</u>	<u>11,445</u>
Net change in fund balance	<u>(4,165)</u>	<u>(1,604,165)</u>	<u>77,198</u>	<u>\$ 1,681,362</u>
Fund balance -- beginning	<u>18,895,218</u>	<u>18,895,218</u>	<u>18,895,218</u>	
Fund balance -- ending	<u>\$ 18,891,053</u>	<u>\$ 17,291,053</u>	<u>\$ 18,972,416</u>	

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, 2018

	Budgeted Amounts		Actual	Variance
	Original	Final		
REVENUES				
Property tax	\$ 3,450,000	\$ 3,450,000	\$ 3,479,511	\$ 29,511
Investment income	-	-	3,175	3,175
Total revenues	<u>3,450,000</u>	<u>3,450,000</u>	<u>3,482,686</u>	<u>32,686</u>
EXPENDITURES				
Current				
Community Development	<u>86,550</u>	<u>86,550</u>	<u>63,313</u>	<u>(23,237)</u>
Total expenditures	<u>86,550</u>	<u>86,550</u>	<u>63,313</u>	<u>(23,237)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>3,363,450</u>	<u>3,363,450</u>	<u>3,419,373</u>	<u>55,923</u>
OTHER FINANCING (USES)				
Transfers out	<u>(3,823,133)</u>	<u>(3,823,133)</u>	<u>(3,822,676)</u>	<u>457</u>
Total other financing (uses)	<u>(3,823,133)</u>	<u>(3,823,133)</u>	<u>(3,822,676)</u>	<u>457</u>
Net change in fund balance	<u>(459,683)</u>	<u>(459,683)</u>	<u>(403,303)</u>	<u>\$ 56,380</u>
Fund balance -- beginning	<u>826,753</u>	<u>826,753</u>	<u>826,753</u>	
Fund balance -- ending	<u>\$ 367,070</u>	<u>\$ 367,070</u>	<u>\$ 423,450</u>	

VILLAGE OF DOWNERS GROVE, ILLINOIS
 Required Supplementary Information
 Schedule of Changes in Total OPEB Liability and Related Ratios
 For the Year Ended December 31, 2018

TOTAL OPEB LIABILITY	Village 2018	Library 2018	Total 2018
Service Cost	\$ 163,250	\$ 6,224	\$ 169,474
Interest	361,295	6,899	368,194
Changes of Assumptions	(634,566)	(8,764)	(643,330)
Benefit Payments	(574,409)	(24,610)	(599,019)
Net Change in Total OPEB Liability	<u>(684,430)</u>	<u>(20,251)</u>	<u>(704,681)</u>
Total OPEB Liability - Beginning	<u>10,783,340</u>	<u>212,749</u>	<u>10,996,089</u>
Total OPEB Liability - Ending	<u>\$ 10,098,910</u>	<u>\$ 192,498</u>	<u>\$ 10,291,408</u>
Covered-Employee Payroll	\$ 23,155,317	\$ 1,450,152	\$ 24,605,469
Employer's Total OPEB Liability as a Percentage of the Covered-Employee Payroll	43.61%	13.27%	41.83%

Notes to Schedule:

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB No. 75.

Changes of assumptions relate to changes in the discount rate from 3.44% to 4.10%.

*GASB 75 requires presentation of ten years. As of December 31, 2018, only one year of information is available.

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

	2015			2016			2017			2018		
	Primary Government	Library	Total	Primary Government	Library	Total	Primary Government	Library	Total	Primary Government	Library	Total
Actuarially Determined Contribution Contributions in Relation to the 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	\$ 1,281,310	\$ 243,995	\$ 1,525,305
Contribution Deficiency (Excess)	<u>(1,496,165)</u>	<u>(261,453)</u>	<u>(1,757,618)</u>	<u>(1,409,766)</u>	<u>(264,748)</u>	<u>(1,674,514)</u>	<u>(1,351,600)</u>	<u>(257,379)</u>	<u>(1,608,979)</u>	<u>(1,281,310)</u>	<u>(243,995)</u>	<u>(1,525,305)</u>
	<u>\$ (2,728)</u>	<u>\$ (477)</u>	<u>\$ (3,205)</u>	<u>\$ 1,863</u>	<u>\$ (1,862)</u>	<u>\$ 1</u>	<u>\$ (1,215)</u>	<u>\$ (3,783)</u>	<u>\$ (4,998)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered 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	\$ 11,453,731	\$ 2,133,339	\$ 13,587,070
Contributions as a Percentage of Covered Payroll	12.46%	12.46%	12.46%	11.77%	11.77%	11.77%	11.63%	12.06%	11.70%	11.19%	11.44%	11.23%

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

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	26 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 condition
Mortality	RP-2014 and MP-2014 Mortality Tables

Other information:

There were no benefit changes during the year.

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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Actuarially Determined Contribution	\$ 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	\$ 3,305,442
Contributions in relation to the Actuarially determined contribution	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	3,159,441
Contribution deficiency (excess)	<u>\$ (9,621)</u>	<u>\$ (13,871)</u>	<u>\$ (12,742)</u>	<u>\$ (26,173)</u>	<u>\$ (4,352)</u>	<u>\$ (24,500)</u>	<u>\$ (13,439)</u>	<u>\$ (25,259)</u>	<u>\$ (23,109)</u>	<u>\$ 146,001</u>
Covered payroll	\$ 6,649,392	\$ 6,237,227	\$ 6,536,221	\$ 6,541,826	\$ 6,678,953	\$ 6,736,518	\$ 6,569,302	\$ 6,001,480	\$ 6,228,466	\$ 6,051,308
Contributions as a percentage of covered payroll	19.1%	27.6%	29.0%	24.4%	29.2%	34.6%	34.6%	44.8%	47.2%	52.2%

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	22 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.

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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Actuarially Determined Contribution	\$ 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	\$ 3,400,165
Contributions in relation to the Actuarially determined contribution	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	3,432,422
Contribution deficiency (excess)	\$ (6,958)	\$ (17,707)	\$ (13,379)	\$ (159,643)	\$ (66,223)	\$ (27,138)	\$ (14,082)	\$ (27,063)	\$ (25,872)	\$ (32,257)
Covered payroll	\$ 6,230,701	\$ 6,564,530	\$ 6,416,127	\$ 6,443,319	\$ 6,695,413	\$ 7,029,608	\$ 6,981,874	\$ 6,556,110	\$ 6,197,574	\$ 6,548,485
Contributions as a percentage of covered payroll	25.4%	30.4%	34.5%	33.5%	33.6%	35.5%	33.6%	43.4%	49.8%	52.4%

Notes to Schedule:

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

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

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry-age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	22 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.

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 Four Calendar Years

	2015			2016			2017			2018		
	Primary Government	Library	Total	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	1,273,841	242,572	1,516,413
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	5,801,486	1,104,750	6,906,236
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)	(535,168)	(101,910)	(637,078)
Change of Assumptions	2,393,221	418,211	2,811,432	183,725	34,241	217,966	(189,119)	(35,516)	(224,635)	(2,366,813)	(450,701)	(2,817,514)
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)	(3,274,799)	(623,605)	(3,898,404)
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	898,547	171,106	1,069,653
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	79,336,372	13,937,775	93,274,147
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	80,234,919	14,108,881	94,343,800
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	1,351,600	257,379	1,608,979
Contributions - Employee	539,585	94,292	633,877	549,971	102,500	652,471	572,935	107,595	680,530	527,603	100,469	628,072
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	12,004,901	2,286,036	14,290,937
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)	(3,274,799)	(623,605)	(3,898,404)
Other (Net Transfer)	(173,248)	(30,275)	(203,523)	(1,122,264)	(259,343)	(1,381,607)	394,386	61,252	455,638	(1,078,585)	(226,853)	(1,305,438)
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	9,530,720	1,793,426	11,324,146
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	71,172,724	12,404,674	83,577,398
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	80,703,444	14,198,100	94,901,544
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	(468,525)	(89,219)	(557,744)
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%	100.58%	100.63%	100.59%
Covered 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	11,621,210	2,133,339	13,754,549
Employer's Net Pension Liability as a Percentage of Covered Payroll	36.22%	36.22%	36.22%	74.98%	79.97%	75.72%	68.16%	68.16%	68.16%	-4.03%	-4.18%	-4.05%

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 of assumptions related to retirement age, discount rate and mortality were made since the prior measurement date.

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 Five Calendar Years

	2014	2015	2016	2017	2018
TOTAL PENSION LIABILITY					
Service cost	\$ 1,393,865	\$ 1,101,137	\$ 1,188,341	\$ 1,274,496	\$ 1,473,192
Interest	5,622,939	6,244,771	6,255,335	6,482,777	6,726,501
Differences between expected and actual experience	141,731	(3,247,820)	(113,300)	69,531	100,268
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)	(4,558,715)
Net change in total pension liability	8,771,228	265,007	3,311,136	6,895,416	3,741,246
Total pension liability - beginning	79,129,442	87,900,670	88,165,677	91,476,813	98,372,229
TOTAL PENSION LIABILITY-ENDING	<u>\$ 87,900,670</u>	<u>\$ 88,165,677</u>	<u>\$ 91,476,813</u>	<u>\$ 98,372,229</u>	<u>\$ 102,113,475</u>
PLAN FIDUCIARY NET POSITION					
Employer contributions	\$ 2,328,358	\$ 2,274,955	\$ 2,689,713	\$ 2,938,808	\$ 3,159,441
Employee contributions	723,877	669,478	772,223	703,712	663,568
Net investment income	1,527,392	(159,155)	2,811,623	6,060,635	(2,395,499)
Benefit payments, including refunds of member contributions	(3,143,338)	(3,531,805)	(3,770,391)	(4,118,392)	(4,558,715)
Administrative expense	(37,674)	(45,154)	(68,989)	(63,132)	(75,090)
Net change in plan fiduciary net position	1,398,615	(791,681)	2,434,179	5,521,631	(3,206,295)
Plan fiduciary net position - beginning	47,045,929	48,444,544	47,652,863	50,087,042	55,608,673
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>	<u>\$ 52,402,378</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>	<u>\$ 49,711,097</u>
Plan fiduciary net position as a percentage of the total pension liability	55.11%	54.05%	54.75%	56.53%	51.32%
Covered payroll	\$ 6,736,518	\$ 6,569,302	\$ 6,001,480	\$ 6,228,466	\$ 6,051,308
Village's net pension liability as a percentage of covered payroll	585.71%	616.70%	689.66%	686.58%	821.49%

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

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 Five Calendar Years

	2014	2015	2016	2017	2018
TOTAL PENSION LIABILITY					
Service cost	\$ 1,590,174	\$ 1,366,967	\$ 1,379,081	\$ 1,479,064	\$ 1,563,765
Interest	4,954,245	5,676,970	5,908,905	6,209,074	6,468,870
Differences between expected and actual experience	2,431,084	(408,144)	256,883	140,903	2,326,159
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)	(4,393,163)
Net change in total pension liability	10,012,996	3,383,265	4,341,726	7,036,446	5,965,631
Total pension liability - beginning	69,834,573	79,847,569	83,230,834	87,572,560	94,609,006
TOTAL PENSION LIABILITY-ENDING	<u>\$ 79,847,569</u>	<u>\$ 83,230,834</u>	<u>\$ 87,572,560</u>	<u>\$ 94,609,006</u>	<u>\$ 100,574,637</u>
PLAN FIDUCIARY NET POSITION					
Employer contributions	\$ 2,494,658	\$ 2,344,190	\$ 2,847,524	\$ 3,086,488	\$ 3,432,422
Employee contributions	654,851	658,542	662,633	671,040	716,890
Net investment income	2,265,575	370,944	3,032,688	6,441,396	(2,063,043)
Benefit payments, including refunds of member contributions	(3,000,329)	(3,089,065)	(3,457,378)	(3,860,306)	(4,393,163)
Administrative expense	(48,593)	(58,394)	(48,801)	(45,802)	(57,427)
Net change in plan fiduciary net position	2,366,162	226,217	3,036,666	6,292,816	(2,364,321)
Plan fiduciary net position - beginning	43,101,196	45,467,358	45,693,575	48,730,241	55,023,057
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>	<u>\$ 52,658,736</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>	<u>\$ 47,915,901</u>
Plan fiduciary net position as a percentage of the total pension liability	56.94%	54.90%	55.65%	58.16%	52.36%
Covered payroll	\$ 7,029,608	\$ 6,981,874	\$ 6,556,110	\$ 6,197,574	\$ 6,548,485
Village's net pension liability as a percentage of covered payroll	489.08%	537.64%	592.46%	638.73%	731.71%

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

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

	2014	2015	2016	2017	2018
Annual money-weighted rate of return, net of investment expense	3.40%	-0.24%	6.02%	12.30%	-4.20%

Notes to Schedule:

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

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

	2014	2015	2016	2017	2018
Annual money-weighted rate of return, net of investment expense	5.40%	0.91%	6.73%	13.37%	-3.69%

Notes to Schedule:

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

VILLAGE OF DOWNERS GROVE, ILLINOIS

Notes to Required Supplementary Information

December 31, 2018

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. One budget amendment was 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, 2018

	Original Budget	Final Budget	Actual	Variance
Home rule sales tax	\$ 1,950,000	\$ 1,950,000	\$ 1,911,385	\$ (38,615)
Food and beverage tax	1,500,000	1,500,000	1,854,362	354,362
Property taxes				
General	5,847,145	5,847,145	5,906,795	59,650
Pension	6,530,165	6,530,165	6,591,751	61,586
Special service areas	322,000	322,000	323,259	1,259
Township road and bridge	445,000	445,000	449,764	4,764
Total property taxes	13,144,310	13,144,310	13,271,569	127,259
Utility taxes				
Natural gas use tax	450,000	450,000	511,946	61,946
Electricity tax	1,900,000	1,900,000	1,830,412	(69,588)
Telecommunications tax	2,520,000	2,520,000	2,182,574	(337,426)
Total utility taxes	4,870,000	4,870,000	4,524,932	(345,068)
Other taxes				
Hotel tax	950,000	950,000	946,160	(3,840)
Personal property replacement tax	450,000	450,000	400,448	(49,552)
Other local taxes	250,000	250,000	59,510	(190,490)
Total other taxes	1,650,000	1,650,000	1,406,118	(243,882)
Licenses & permits				
Building and related	1,346,000	1,346,000	1,932,791	586,791
Alcoholic beverage	267,800	267,800	281,785	13,985
Professional and occupational	40,350	40,350	43,029	2,679
Other licenses and permits	111,350	111,350	141,461	30,111
Total licenses & permits	1,765,500	1,765,500	2,399,065	633,565
Intergovernmental				
Income tax	4,400,000	4,400,000	4,679,801	279,801
Sales tax	11,400,000	11,400,000	11,526,462	126,462
Local use tax	1,250,000	1,250,000	1,435,492	185,492
Grants	30,000	30,000	74,450	44,450
Total intergovernmental	\$ 17,080,000	\$ 17,080,000	\$ 17,716,204	\$ 636,204

VILLAGE OF DOWNERS GROVE, ILLINOIS
 General Fund
 Schedule of Revenues - Budget and Actual (Continued)
 For the Year Ended December 31, 2018

	Original Budget	Final Budget	Actual	Variance
Charges for services & fees				
Ambulance user fee - resident	\$ 930,000	\$ 930,000	\$ 1,165,584	\$ 235,584
Ambulance user fee - nonresident	410,000	410,000	502,315	92,315
Review and inspection fees	272,000	272,000	453,950	181,950
Cable franchise fees	950,000	950,000	941,117	(8,883)
Cellular antenna rental	1,144,000	1,144,000	1,110,681	(33,319)
Other fees & charges	762,650	762,650	843,067	80,417
Total charges for services & fees	4,468,650	4,468,650	5,016,713	548,063
Fines & forfeitures				
Administrative booking and tow fees	150,000	150,000	128,974	(21,026)
Fines	513,000	513,000	411,269	(101,731)
Total fines & forfeitures	663,000	663,000	540,243	(122,757)
Investment income	280,000	280,000	361,402	81,402
Contributions and donations	-	-	50	50
TOTAL REVENUES	\$ 47,371,460	\$ 47,371,460	\$ 49,002,043	\$ 1,630,583

VILLAGE OF DOWNERS GROVE, ILLINOIS
 General Fund
 Schedule of Expenditures - Budget and Actual
 For the Year Ended December 31, 2018

	Original Budget	Final Budget	Actual	Variance
General government				
Personnel services	\$ 3,663,092	\$ 3,663,092	\$ 3,757,020	\$ 93,928
Supplies	102,042	102,042	90,748	(11,294)
Contractual services	792,802	792,802	613,450	(179,352)
Other charges and services	656,533	1,456,533	1,470,934	14,401
Total general government	5,214,469	6,014,469	5,932,152	(82,317)
Public works				
Personnel services	3,002,148	3,002,148	2,932,116	(70,032)
Supplies	556,905	556,905	749,576	192,671
Contractual services	1,149,928	1,149,928	1,023,754	(126,174)
Other charges and services	899,171	899,171	888,120	(11,051)
Total public works	5,608,152	5,608,152	5,593,566	(14,586)
Community development				
Personnel services	1,681,022	1,681,022	1,569,695	(111,327)
Supplies	13,600	13,600	6,254	(7,346)
Contractual services	108,500	108,500	111,676	3,176
Other charges and services	700,929	700,929	664,078	(36,851)
Total community development	2,504,051	2,504,051	2,351,702	(152,349)
Public safety				
Personnel services	27,314,235	27,314,235	27,721,877	407,643
Supplies	370,822	370,822	357,669	(13,153)
Contractual services	1,975,384	1,975,384	1,907,500	(67,883)
Other charges and services	3,616,964	3,616,964	3,606,176	(10,788)
Total public safety	33,277,404	33,277,404	33,593,222	315,818
Community services				
Personnel services	499,500	499,500	476,874	(22,626)
Supplies	21,014	21,014	10,534	(10,480)
Contractual services	226,131	226,131	163,732	(62,399)
Other charges and services	24,904	24,904	14,508	(10,396)
Total community services	771,549	771,549	665,648	(105,901)
TOTAL EXPENDITURES	\$ 47,375,625	\$ 48,175,625	\$ 48,136,290	\$ (39,334)

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, 2018

	Budgeted Amounts		Actual	Variance
	Original	Final		
REVENUES				
Home rule sales tax	\$ 5,850,000	\$ 5,850,000	\$ 5,734,154	\$ (115,846)
Property tax	971,524	971,524	971,524	-
Utility tax	360,000	360,000	436,515	76,515
Intergovernmental	922,400	922,400	-	(922,400)
Investment income	10,000	10,000	58,957	48,957
Contributions and donations	30,000	30,000	53,404	23,404
Total revenues	<u>8,143,924</u>	<u>8,143,924</u>	<u>7,254,554</u>	<u>(889,370)</u>
EXPENDITURES				
Current				
Public works	1,294,288	1,294,288	1,109,795	(184,493)
Total current	<u>1,294,288</u>	<u>1,294,288</u>	<u>1,109,795</u>	<u>(184,493)</u>
Capital outlay				
Public works	5,816,300	5,816,300	3,848,210	(1,968,090)
Total capital outlay	<u>5,816,300</u>	<u>5,816,300</u>	<u>3,848,210</u>	<u>(1,968,090)</u>
Total expenditures	<u>7,110,588</u>	<u>7,110,588</u>	<u>4,958,005</u>	<u>(2,152,583)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,033,336</u>	<u>1,033,336</u>	<u>2,296,549</u>	<u>1,263,213</u>
OTHER FINANCING USES				
Transfers out	(1,909,719)	(1,909,719)	(1,909,719)	-
Total other financing uses	<u>(1,909,719)</u>	<u>(1,909,719)</u>	<u>(1,909,719)</u>	<u>-</u>
Net change in fund balance	(876,383)	(876,383)	386,830	<u>\$ 1,263,213</u>
Fund balance -- beginning	4,841,958	4,841,958	4,841,958	
Fund balance -- ending	<u>\$ 3,965,575</u>	<u>\$ 3,965,575</u>	<u>\$ 5,228,788</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, 2018

	Special Revenue	Debt Service	Capital Projects	Total
ASSETS				
Cash and investments	\$ 4,895,263	\$ -	\$ 2,705,804	\$ 7,601,067
Property taxes receivable	880,000	-	-	880,000
Other taxes receivable	106,138	-	16,697	122,835
Interest receivable	676	-	-	676
Prepaid items	9,200	-	-	9,200
Accounts receivable	-	-	1,006	1,006
Total Assets	<u>5,891,277</u>	<u>-</u>	<u>2,723,507</u>	<u>8,614,784</u>
LIABILITIES				
Accounts payable	847,984	-	8,690	856,674
Deposits payable	-	-	1,426	1,426
Total Liabilities	<u>847,984</u>	<u>-</u>	<u>10,116</u>	<u>858,100</u>
DEFERRED INFLOWS OF RESOURCES				
Property taxes levied for future periods	880,000	-	-	880,000
Total Liabilities & Deferred Inflows of Resources	<u>1,727,984</u>	<u>-</u>	<u>10,116</u>	<u>1,738,100</u>
FUND BALANCE				
Nonspendable	9,200	-	-	9,200
Restricted	4,154,093	-	-	4,154,093
Assigned	-	-	2,713,391	2,713,391
Total fund balance	<u>4,163,293</u>	<u>-</u>	<u>2,713,391</u>	<u>6,876,684</u>
Total Liabilities, Deferred Inflows of Resources & Fund Balance	<u>\$ 5,891,277</u>	<u>\$ -</u>	<u>\$ 2,723,507</u>	<u>\$ 8,614,784</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, 2018

	Special Revenue	Debt Service	Capital Projects	Total
REVENUES				
Property tax	\$ 837,015	\$ -	\$ -	\$ 837,015
Other taxes	77,257	-	205,121	282,378
Intergovernmental	2,457,906	-	-	2,457,906
Charges for services & fees	448,231	-	20,712	468,943
Investment income	48,128	-	30,403	78,531
Total revenues	<u>3,868,537</u>	<u>-</u>	<u>256,236</u>	<u>4,124,773</u>
EXPENDITURES				
Current				
General government	1,207,122	-	19,759	1,226,881
Public works	1,300,000	-	-	1,300,000
Community development	5,596,758	-	-	5,596,758
Public safety	125,783	-	-	125,783
Capital outlay				
General government	-	-	129,523	129,523
Public safety	260,641	-	-	260,641
Debt service				
Principal retirement	-	4,715,000	-	4,715,000
Interest and other	-	1,317,852	-	1,317,852
Total expenditures	<u>8,490,304</u>	<u>6,032,852</u>	<u>149,282</u>	<u>14,672,438</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(4,621,767)</u>	<u>(6,032,852)</u>	<u>106,954</u>	<u>(10,547,665)</u>
OTHER FINANCING SOURCES				
Transfers in	-	6,032,395	800,000	6,832,395
Proceeds from sale of capital assets	18,000	-	-	18,000
Total other financing sources	<u>18,000</u>	<u>6,032,395</u>	<u>800,000</u>	<u>6,850,395</u>
Net change in fund balance	(4,603,767)	(457)	906,954	(3,697,270)
Fund balance -- beginning	<u>8,767,060</u>	<u>457</u>	<u>1,806,437</u>	<u>10,573,954</u>
Fund balance -- ending	<u>\$ 4,163,293</u>	<u>\$ -</u>	<u>\$ 2,713,391</u>	<u>\$ 6,876,684</u>

VILLAGE OF DOWNERS GROVE, ILLINOIS
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2018

	Motor Fuel Tax	Foreign Fire	Ogden TIF	Sales Tax Rebate	Asset Forfeiture	Total
ASSETS						
Cash and investments	\$ 500,694	\$ 170,590	\$ 1,090,880	\$ 706,560	\$ 2,426,539	\$ 4,895,263
Property taxes receivable	-	-	880,000	-	-	880,000
Other taxes receivable	106,138	-	-	-	-	106,138
Interest receivable	-	39	637	-	-	676
Prepaid items	-	-	-	-	9,200	9,200
Total assets	<u>606,832</u>	<u>170,629</u>	<u>1,971,517</u>	<u>706,560</u>	<u>2,435,739</u>	<u>5,891,277</u>
LIABILITIES						
Accounts payable	-	5,196	100,000	706,560	36,228	847,984
Total liabilities	<u>-</u>	<u>5,196</u>	<u>100,000</u>	<u>706,560</u>	<u>36,228</u>	<u>847,984</u>
DEFERRED INFLOWS OF RESOURCES						
Property taxes levied for future periods	-	-	880,000	-	-	880,000
Total Liabilities & Deferred Inflows of Resources	<u>-</u>	<u>5,196</u>	<u>980,000</u>	<u>706,560</u>	<u>36,228</u>	<u>1,727,984</u>
FUND BALANCE						
Nonspendable	-	-	-	-	9,200	9,200
Restricted	606,832	165,433	991,517	-	2,390,311	4,154,093
Total fund balance	<u>606,832</u>	<u>165,433</u>	<u>991,517</u>	<u>-</u>	<u>2,399,511</u>	<u>4,163,293</u>
Total Liabilities, Deferred Inflows of Resources & Fund Balance	<u>\$ 606,832</u>	<u>\$ 170,629</u>	<u>\$ 1,971,517</u>	<u>\$ 706,560</u>	<u>\$ 2,435,739</u>	<u>\$ 5,891,277</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, 2018

	Motor Fuel Tax	Foreign Fire	Odgen TIF	Sales Tax Rebate	Asset Forfeiture	Total
REVENUES						
Property tax	\$ -	\$ -	\$ 837,015	\$ -	\$ -	\$ 837,015
Other taxes	-	77,257	-	-	-	77,257
Intergovernmental	1,250,784	-	-	1,207,122	-	2,457,906
Charges for services & fees	-	-	-	-	448,231	448,231
Investment income	14,524	381	13,903	-	19,320	48,128
Total revenues	<u>1,265,308</u>	<u>77,638</u>	<u>850,918</u>	<u>1,207,122</u>	<u>467,551</u>	<u>3,868,537</u>
EXPENDITURES						
Current						
General government	-	-	-	1,207,122	-	1,207,122
Public works	1,300,000	-	-	-	-	1,300,000
Community development	-	-	5,596,758	-	-	5,596,758
Public safety	-	47,174	-	-	78,609	125,783
Capital Outlay						
Public safety	-	189,297	-	-	71,344	260,641
Total expenditures	<u>1,300,000</u>	<u>236,471</u>	<u>5,596,758</u>	<u>1,207,122</u>	<u>149,953</u>	<u>8,490,304</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(34,692)</u>	<u>(158,833)</u>	<u>(4,745,840)</u>	<u>-</u>	<u>317,598</u>	<u>(4,621,767)</u>
Other Financing Sources						
Proceeds from sale of capital assets	-	-	-	-	18,000	18,000
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>18,000</u>	<u>18,000</u>
Net Change in fund balances	(34,692)	(158,833)	(4,745,840)	-	335,598	(4,603,767)
Fund balances (deficit) -- beginning	641,524	324,266	5,737,357	-	2,063,913	8,767,060
Fund balances -- ending	<u>\$ 606,832</u>	<u>\$ 165,433</u>	<u>\$ 991,517</u>	<u>\$ -</u>	<u>\$ 2,399,511</u>	<u>\$ 4,163,293</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, 2018

	Budgeted Amounts		Actual	Variance
	Original	Final		
REVENUES				
Intergovernmental	\$ 1,200,000	\$ 1,200,000	\$ 1,250,784	\$ 50,784
Investment income	5,000	5,000	14,524	9,524
Total revenues	<u>1,205,000</u>	<u>1,205,000</u>	<u>1,265,308</u>	<u>60,308</u>
EXPENDITURES				
Public works	<u>1,300,000</u>	<u>1,300,000</u>	<u>1,300,000</u>	<u>-</u>
Total current	<u>1,300,000</u>	<u>1,300,000</u>	<u>1,300,000</u>	<u>-</u>
Total expenditures	<u>1,300,000</u>	<u>1,300,000</u>	<u>1,300,000</u>	<u>-</u>
Net change in fund balance	(95,000)	(95,000)	(34,692)	<u>\$ 60,308</u>
Fund balance -- beginning	<u>641,524</u>	<u>641,524</u>	<u>641,524</u>	
Fund balance -- ending	<u>\$ 546,524</u>	<u>\$ 546,524</u>	<u>\$ 606,832</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, 2018

	Budgeted Amounts		Actual	Variance
	Original	Final		
REVENUES				
Foreign fire insurance tax	\$ 100,000	\$ 100,000	\$ 77,257	\$ (22,743)
Investment income	-	-	381	381
Total revenues	<u>100,000</u>	<u>100,000</u>	<u>77,638</u>	<u>(22,362)</u>
EXPENDITURES				
Current				
Public safety	<u>140,500</u>	<u>140,500</u>	<u>47,174</u>	<u>93,326</u>
Total current	<u>140,500</u>	<u>140,500</u>	<u>47,174</u>	<u>93,326</u>
Capital Outlay				
Public safety	<u>215,000</u>	<u>215,000</u>	<u>189,297</u>	<u>25,703</u>
Total capital outlay	<u>215,000</u>	<u>215,000</u>	<u>189,297</u>	<u>25,703</u>
Total expenditures	<u>355,500</u>	<u>355,500</u>	<u>236,471</u>	<u>119,029</u>
Net change in fund balance	(255,500)	(255,500)	(158,833)	<u>\$ 96,667</u>
Fund balance -- beginning	<u>324,266</u>	<u>324,266</u>	<u>324,266</u>	
Fund balance -- ending	<u>\$ 68,766</u>	<u>\$ 68,766</u>	<u>\$ 165,433</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, 2018

	Budgeted Amounts		Actual	Variance
	Original	Final		
REVENUES				
Property tax	\$ 730,000	\$ 730,000	\$ 837,015	\$ 107,015
Investment income	-	-	13,903	13,903
Total revenues	<u>730,000</u>	<u>730,000</u>	<u>850,918</u>	<u>120,918</u>
EXPENDITURES				
Current				
Public works	300,000	300,000	-	300,000
Community development	5,496,813	5,496,813	5,596,758	(99,945)
Total current	<u>5,796,813</u>	<u>5,796,813</u>	<u>5,596,758</u>	<u>200,055</u>
Total expenditures	<u>5,796,813</u>	<u>5,796,813</u>	<u>5,596,758</u>	<u>200,055</u>
Net change in fund balance	(5,066,813)	(5,066,813)	(4,745,840)	<u>\$ 320,973</u>
Fund balance -- beginning	<u>5,737,357</u>	<u>5,737,357</u>	<u>5,737,357</u>	
Fund balance -- ending	<u>\$ 670,544</u>	<u>\$ 670,544</u>	<u>\$ 991,517</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, 2018

	Budgeted Amounts		Actual	Variance
	Original	Final		
REVENUES				
Sales tax	\$ 1,400,000	\$ 1,400,000	\$ 1,207,122	\$ (192,878)
Total revenues	<u>1,400,000</u>	<u>1,400,000</u>	<u>1,207,122</u>	<u>(192,878)</u>
EXPENDITURES				
Current				
General government	1,400,000	1,400,000	1,207,122	192,878
Total current	<u>1,400,000</u>	<u>1,400,000</u>	<u>1,207,122</u>	<u>192,878</u>
Total expenditures	<u>1,400,000</u>	<u>1,400,000</u>	<u>1,207,122</u>	<u>192,878</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, 2018

	Budgeted Amounts		Actual	Variance
	Original	Final		
REVENUES				
Charges for srvcs, fees, fines	\$ -	\$ -	\$ 448,231	\$ 448,231
Investment Income	-	-	19,320	19,320
Total revenues	<u>-</u>	<u>-</u>	<u>467,551</u>	<u>467,551</u>
EXPENDITURES				
Current				
Public safety	75,000	75,000	78,609	(3,609)
Total current	<u>75,000</u>	<u>75,000</u>	<u>78,609</u>	<u>(3,609)</u>
Capital Outlay				
Public safety	75,000	75,000	71,344	3,656
Total capital outlay	<u>75,000</u>	<u>75,000</u>	<u>71,344</u>	<u>3,656</u>
Total expenditures	<u>150,000</u>	<u>150,000</u>	<u>149,953</u>	<u>47</u>
Excess (deficiency) of revenues (under) expenditures	<u>(150,000)</u>	<u>(150,000)</u>	<u>317,598</u>	<u>467,598</u>
OTHER FINANCING SOURCES				
Proceeds from sale of capital assets	-	-	18,000	18,000
Total other financing sources	<u>-</u>	<u>-</u>	<u>18,000</u>	<u>18,000</u>
Net change in fund balance	(150,000)	(150,000)	335,598	<u>\$ 485,598</u>
Fund balance -- beginning	<u>2,063,913</u>	<u>2,063,913</u>	<u>2,063,913</u>	
Fund balance -- ending	<u>\$ 1,913,913</u>	<u>\$ 1,913,913</u>	<u>\$ 2,399,511</u>	

VILLAGE OF DOWNERS GROVE, ILLINOIS
Combining Balance Sheet
Nonmajor Debt Service Funds
December 31, 2018

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

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, 2018

	Downtown TIF	Capital/ Facilities	Total
REVENUES			
Total revenues	\$ -	\$ -	\$ -
EXPENDITURES			
Debt service			
Principal retirement	3,605,000	1,110,000	4,715,000
Interest and other	518,133	799,719	1,317,852
Total expenditures	4,123,133	1,909,719	6,032,852
Excess (deficiency) of revenues over (under) expenditures	(4,123,133)	(1,909,719)	(6,032,852)
OTHER FINANCING SOURCES			
Transfers in	4,122,676	1,909,719	6,032,395
Total other financing sources	4,122,676	1,909,719	6,032,395
Net change in fund balances	(457)	-	(457)
Fund balances -- beginning	457	-	457
Fund balances -- ending	\$ -	\$ -	\$ -

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, 2018

	Budgeted Amounts		Actual	Variance
	Original	Final		
EXPENDITURES				
Debt service				
Principal retirement	\$ 3,605,000	\$ 3,605,000	\$ 3,605,000	\$ -
Interest and other	518,133	518,133	518,133	-
Total debt service	<u>4,123,133</u>	<u>4,123,133</u>	<u>4,123,133</u>	<u>-</u>
Total expenditures	<u>4,123,133</u>	<u>4,123,133</u>	<u>4,123,133</u>	<u>-</u>
Excess (deficiency) of revenues (under) expenditures	<u>(4,123,133)</u>	<u>(4,123,133)</u>	<u>(4,123,133)</u>	<u>-</u>
OTHER FINANCING SOURCES				
Transfers in	<u>4,123,133</u>	<u>4,123,133</u>	<u>4,122,676</u>	<u>(457)</u>
Total other financing sources	<u>4,123,133</u>	<u>4,123,133</u>	<u>4,122,676</u>	<u>(457)</u>
Net change in fund balance	-	-	(457)	<u>\$ (457)</u>
Fund balance -- beginning	<u>457</u>	<u>457</u>	<u>457</u>	
Fund balance -- ending	<u>\$ 457</u>	<u>\$ 457</u>	<u>\$ -</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, 2018

	Budgeted Amounts		Actual	Variance
	Original	Final		
EXPENDITURES				
Debt service				
Principal retirement	\$ 1,110,000	\$ 1,110,000	\$ 1,110,000	\$ -
Interest and other	799,719	799,719	799,719	-
Total debt service	<u>1,909,719</u>	<u>1,909,719</u>	<u>1,909,719</u>	<u>-</u>
Total expenditures	<u>1,909,719</u>	<u>1,909,719</u>	<u>1,909,719</u>	<u>-</u>
OTHER FINANCING SOURCES				
Transfers in	<u>1,909,719</u>	<u>1,909,719</u>	<u>1,909,719</u>	<u>-</u>
Total other financing sources	<u>1,909,719</u>	<u>1,909,719</u>	<u>1,909,719</u>	<u>-</u>
Net change in fund balance	-	-	-	<u>\$ -</u>
Fund balance -- beginning	<u>-</u>	<u>-</u>	<u>-</u>	
Fund balance -- ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	

VILLAGE OF DOWNERS GROVE, ILLINOIS
Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2018

	Municipal Buildings	Real Estate	Total
ASSETS			
Cash and investments	\$ 2,662,066	\$ 43,738	\$ 2,705,804
Accounts receivable	-	1,006	1,006
Local fuel tax receivable	16,697	-	16,697
Total assets	<u>2,678,763</u>	<u>44,744</u>	<u>2,723,507</u>
LIABILITIES			
Accounts payable	7,272	1,418	8,690
Deposits payable	-	1,426	1,426
Total liabilities	<u>7,272</u>	<u>2,844</u>	<u>10,116</u>
FUND BALANCES			
Assigned for Capital Projects	<u>2,671,491</u>	<u>41,900</u>	<u>2,713,391</u>
Total liabilities and fund balances	<u>\$ 2,678,763</u>	<u>\$ 44,744</u>	<u>\$ 2,723,507</u>

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, 2018

	<u>Municipal Buildings</u>	<u>Real Estate</u>	<u>Total</u>
REVENUES			
Charges for services & fees	\$ -	\$ 20,712	\$ 20,712
Local fuel tax	205,121	-	205,121
Investment income	29,483	920	30,403
Total revenues	<u>234,604</u>	<u>21,632</u>	<u>256,236</u>
EXPENDITURES			
Current			
General government	1,537	18,222	19,759
Total current	<u>1,537</u>	<u>18,222</u>	<u>19,759</u>
Capital Outlay			
General government	129,523	-	129,523
Total capital outlay	<u>129,523</u>	<u>-</u>	<u>129,523</u>
Total expenditures	<u>131,060</u>	<u>18,222</u>	<u>149,282</u>
Excess (deficiency) of revenues over (under) expenditures	<u>103,544</u>	<u>3,410</u>	<u>106,954</u>
OTHER FINANCING SOURCES			
Transfers in	800,000	-	800,000
Total Other Financing Sources	<u>800,000</u>	<u>-</u>	<u>800,000</u>
Net change in fund balance	903,544	3,410	906,954
Fund balances -- beginning	<u>1,767,947</u>	<u>38,490</u>	<u>1,806,437</u>
Fund balances -- ending	<u>\$ 2,671,491</u>	<u>\$ 41,900</u>	<u>\$ 2,713,391</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, 2018

	Budgeted Amounts		Actual	Variance
	Original	Final		
REVENUES				
Local fuel tax	\$ -	\$ -	\$ 205,121	\$ 205,121
Investment income	-	-	29,483	29,483
Total revenues	<u>-</u>	<u>-</u>	<u>234,604</u>	<u>234,604</u>
EXPENDITURES				
Current				
General government	-	-	1,537	1,537
Total current	<u>-</u>	<u>-</u>	<u>1,537</u>	<u>1,537</u>
Capital outlay				
General government	511,000	511,000	129,523	(381,477)
Total capital outlay	<u>511,000</u>	<u>511,000</u>	<u>129,523</u>	<u>(381,477)</u>
Total expenditures	<u>511,000</u>	<u>511,000</u>	<u>131,060</u>	<u>(379,940)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(511,000)</u>	<u>(511,000)</u>	<u>103,544</u>	<u>614,544</u>
OTHER FINANCING SOURCES				
Transfers in	-	-	800,000	800,000
Total other financing sources	<u>-</u>	<u>-</u>	<u>800,000</u>	<u>800,000</u>
Net change in fund balance	(511,000)	(511,000)	903,544	<u>\$ 1,414,544</u>
Fund balance -- beginning	<u>1,767,947</u>	<u>1,767,947</u>	<u>1,767,947</u>	
Fund balance -- ending	<u>\$ 1,256,947</u>	<u>\$ 1,256,947</u>	<u>\$ 2,671,491</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, 2018

	Budgeted Amounts		Actual	Variance
	Original	Final		
REVENUES				
Charges for services & fees	\$ 20,712	\$ 20,712	\$ 20,712	\$ -
Investment income	-	-	920	920
Total revenues	<u>20,712</u>	<u>20,712</u>	<u>21,632</u>	<u>920</u>
EXPENDITURES				
Current				
General government	<u>37,000</u>	<u>37,000</u>	<u>18,222</u>	<u>(18,778)</u>
Total current	<u>37,000</u>	<u>37,000</u>	<u>18,222</u>	<u>(18,778)</u>
Total expenditures	<u>37,000</u>	<u>37,000</u>	<u>18,222</u>	<u>(18,778)</u>
Net change in fund balance	(16,288)	(16,288)	3,410	<u>\$ 19,698</u>
Fund balance -- beginning	<u>38,490</u>	<u>38,490</u>	<u>38,490</u>	
Fund balance -- ending	<u>\$ 22,202</u>	<u>\$ 22,202</u>	<u>\$ 41,900</u>	

MAJOR ENTERPRISE FUNDS

MAJOR ENTERPRISE 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, 2018

	Original Budget	Final Budget	Actual	Variance
OPERATING EXPENSES				
Water Financial Services				
Personnel services	\$ 116,002	\$ 116,002	\$ 116,319	\$ 317
Supplies	2,000	2,000	206	(1,794)
Contractual services	77,900	77,900	79,604	1,704
Total	<u>195,902</u>	<u>195,902</u>	<u>196,129</u>	<u>227</u>
Water Administration				
Personnel services	598,314	598,314	520,861	(77,453)
Supplies	8,695	8,695	5,203	(3,492)
Contractual services	34,480	34,480	22,859	(11,621)
Other charges and services	1,131,969	1,131,969	1,131,972	3
Capital outlay	2,000	2,000	2,627	627
Total	<u>1,775,458</u>	<u>1,775,458</u>	<u>1,683,522</u>	<u>(91,936)</u>
Water Pumping and Treatment				
Personnel services	119,689	119,689	121,832	2,143
Supplies	6,800	6,800	7,796	996
Contractual services	191,068	191,068	116,594	(74,474)
Other charges and services	14,549	14,549	14,555	6
Capital outlay	20,500	20,500	10,948	(9,552)
Total	<u>352,606</u>	<u>352,606</u>	<u>271,725</u>	<u>(80,881)</u>
Water Transmission and Distribution				
Personnel services	841,609	841,609	960,971	119,362
Supplies	244,913	244,913	375,839	130,926
Contractual services	642,630	642,630	504,054	(138,576)
Other charges and services	65,775	65,775	65,772	(3)
Capital outlay	27,200	27,200	7,814	(19,386)
Total	<u>1,822,127</u>	<u>1,822,127</u>	<u>1,914,450</u>	<u>92,323</u>
DuPage Water Commission				
Water purchase	8,485,089	8,485,089	8,681,675	196,586
Capital outlay	8,632,000	8,632,000	4,546,859	(4,085,141)
Total Non-GAAP operating expenses	<u>21,263,182</u>	<u>21,263,182</u>	<u>17,294,360</u>	<u>(3,968,822)</u>
Depreciation	<u>-</u>	<u>-</u>	<u>1,435,727</u>	<u>1,435,727</u>
Less assets capitalized	<u>-</u>	<u>-</u>	<u>(4,465,089)</u>	<u>(4,465,089)</u>
Total GAAP operating expenses	<u>\$ 21,263,182</u>	<u>\$ 21,263,182</u>	<u>\$ 14,264,998</u>	<u>\$ (6,998,184)</u>

VILLAGE OF DOWNERS GROVE, ILLINOIS
 Parking Fund
 Non GAAP Schedule of Operating Expenses - Budget and Actual
 For the Year Ended December 31, 2018

	Original Budget	Final Budget	Actual	Variance
OPERATING EXPENSES				
Parking Operations (Non-Deck)				
Supplies	\$ 4,500	\$ 4,500	\$ 1,280	\$ (3,220)
Contractual services	68,310	68,310	61,555	(6,755)
Capital outlay	20,000	20,000	-	(20,000)
Total	<u>92,810</u>	<u>92,810</u>	<u>62,835</u>	<u>(29,975)</u>
Parking Deck Operations				
Supplies	9,050	9,050	4,968	(4,082)
Contractual services	171,005	171,005	159,452	(11,553)
Capital outlay	600,000	600,000	166,220	(433,780)
Total	<u>780,055</u>	<u>780,055</u>	<u>330,640</u>	<u>(449,415)</u>
Parking Enforcement				
Personnel services	190,546	190,546	188,155	(2,391)
Supplies	1,188	1,188	1,251	63
Contractual services	9,000	9,000	1,798	(7,202)
Other charges and services	568,181	568,181	569,100	919
Total	<u>768,915</u>	<u>768,915</u>	<u>760,304</u>	<u>(8,611)</u>
Total Non-GAAP operating expenses	1,641,780	1,641,780	1,153,779	(488,001)
Depreciation	-	-	57,531	57,531
Less assets capitalized	-	-	(42,538)	(42,538)
Total GAAP operating expenses	<u>\$ 1,641,780</u>	<u>\$ 1,641,780</u>	<u>\$ 1,168,772</u>	<u>\$ (473,008)</u>

VILLAGE OF DOWNERS GROVE, ILLINOIS
Stormwater Utility Fund
Non GAAP Schedule of Operating Expenses - Budget and Actual
For the Year Ended December 31, 2018

	Original Budget	Final Budget	Actual	Variance
OPERATING EXPENSES				
Stormwater Financial Services				
Personnel services	\$ 40,531	\$ 40,531	\$ 40,260	\$ (271)
Contractual services	36,000	36,000	29,231	(6,769)
Other charges and services	10,000	10,000	1,373	(8,627)
Total	<u>86,531</u>	<u>86,531</u>	<u>70,864</u>	<u>(15,667)</u>
Stormwater Design Engineering				
Personnel services	488,528	488,528	395,195	(93,333)
Supplies	200	200	126	(74)
Contractual services	47,985	47,985	18,245	(29,740)
Capital outlay	-	-	1,313	1,313
Total	<u>536,713</u>	<u>536,713</u>	<u>414,879</u>	<u>(121,834)</u>
Stormwater Maintenance				
Personnel services	526,357	526,357	505,834	(20,523)
Supplies	71,845	71,845	68,380	(3,465)
Contractual services	342,320	342,320	340,629	(1,691)
Other charges and services	409,644	409,644	409,643	(1)
Capital outlay	3,540,500	3,540,500	3,274,926	(265,574)
Total	<u>4,890,666</u>	<u>4,890,666</u>	<u>4,599,412</u>	<u>(291,254)</u>
Total Non-GAAP operating expenses	5,513,910	5,513,910	5,085,155	(428,755)
Depreciation	-	-	346,726	346,726
Less assets capitalized	-	-	(3,071,901)	(3,071,901)
Total GAAP operating expenses	<u>\$ 5,513,910</u>	<u>\$ 5,513,910</u>	<u>\$ 2,359,980</u>	<u>\$ (3,153,930)</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

OPEB Fund accounts for the initial funding for an OPEB Trust Fund to be established in 2019.

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, 2018

	Equipment Replacement	Fleet Services	OPEB	Health Insurance	Risk Management	Total
ASSETS						
Current assets						
Cash and investments	\$ 2,141,768	\$ 347,474	\$ 302,931	\$ 3,259,713	\$ 1,445,954	\$ 7,497,840
Restricted cash	96,725	-	-	-	-	96,725
Prepays	-	-	-	27,347	11,667	39,014
Accounts receivable	7,264	5,168	-	62,382	-	74,814
Interest receivable	3,318	-	-	127	600	4,045
Net pension asset	-	21,407	-	3,152	4,200	28,759
Inventory	-	29,436	-	-	-	29,436
Total Current assets	<u>2,249,075</u>	<u>403,485</u>	<u>302,931</u>	<u>3,352,721</u>	<u>1,462,421</u>	<u>7,770,633</u>
Noncurrent assets						
Capital assets being depreciated	13,268,829	1,027,698	-	-	-	14,296,527
Accumulated depreciation	(7,562,586)	(915,409)	-	-	-	(8,477,995)
Total Noncurrent assets	<u>5,706,243</u>	<u>112,289</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,818,532</u>
Total Assets	<u>7,955,318</u>	<u>515,774</u>	<u>302,931</u>	<u>3,352,721</u>	<u>1,462,421</u>	<u>13,589,165</u>
DEFERRED OUTFLOWS OF RESOURCES						
Deferred outflows related to pensions	-	59,568	-	8,769	11,687	80,024
Total Deferred Outflows of Resources	<u>-</u>	<u>59,568</u>	<u>-</u>	<u>8,769</u>	<u>11,687</u>	<u>80,024</u>
LIABILITIES						
Current liabilities						
Accounts payable	75,261	114,806	-	17,468	61,656	269,191
Accrued payroll	-	22,617	-	-	4,966	27,583
Other payables	-	-	-	17,426	-	17,426
Compensated absences	-	16,206	-	573	721	17,500
Claims payable	-	-	-	827,426	373,017	1,200,443
Total Current liabilities	<u>75,261</u>	<u>153,629</u>	<u>-</u>	<u>862,893</u>	<u>440,360</u>	<u>1,532,143</u>
Noncurrent liabilities						
Claims payable	-	-	-	-	870,373	870,373
Other postemployment benefits	-	185,775	-	31,534	42,179	259,488
Compensated absences	-	37,815	-	1,337	1,683	40,835
Total Noncurrent liabilities	<u>-</u>	<u>223,590</u>	<u>-</u>	<u>32,871</u>	<u>914,235</u>	<u>1,170,696</u>
Total Liabilities	<u>75,261</u>	<u>377,219</u>	<u>-</u>	<u>895,764</u>	<u>1,354,595</u>	<u>2,702,839</u>
DEFERRED INFLOWS OF RESOURCES						
Deferred inflows related to OPEB	-	10,470	-	1,777	2,377	14,624
Deferred inflows related to pensions	-	255,374	-	37,596	50,098	343,068
Total Deferred Inflows of Resources	<u>-</u>	<u>265,844</u>	<u>-</u>	<u>39,373</u>	<u>52,475</u>	<u>357,692</u>
NET POSITION						
Net investment in capital assets	5,706,243	112,289	-	-	-	5,818,532
Restricted	96,725	-	-	-	-	96,725
Unrestricted (deficit)	2,077,089	(180,010)	302,931	2,428,130	67,038	4,695,178
Total Net Position	<u>\$ 7,880,057</u>	<u>\$ (67,721)</u>	<u>\$ 302,931</u>	<u>\$ 2,426,353</u>	<u>\$ 67,038</u>	<u>\$ 10,608,658</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, 2018

	Equipment Replacement	Fleet Services	OPEB	Health Insurance	Risk Management	Total
Operating revenues						
Sales	\$ -	\$ 105,271	\$ -	\$ -	\$ -	\$ 105,271
Interfund services	1,399,992	1,598,112	300,000	6,940,353	2,322,960	12,561,417
Insurance premiums	-	-	-	1,967,203	-	1,967,203
Other	29,613	-	-	10,088	16,235	55,936
Total operating revenues	<u>1,429,605</u>	<u>1,703,383</u>	<u>300,000</u>	<u>8,917,644</u>	<u>2,339,195</u>	<u>14,689,827</u>
Operating expenses						
Personnel services	-	767,961	-	96,158	133,159	997,278
Supplies	447,564	716,334	-	-	866	1,164,764
Contractual services	-	204,549	-	1,484,246	642,162	2,330,957
Other charges and services	-	191,274	-	5,858,961	964,265	7,014,500
Depreciation	1,063,019	17,763	-	-	-	1,080,782
Total operating expenses	<u>1,510,583</u>	<u>1,897,881</u>	<u>-</u>	<u>7,439,365</u>	<u>1,740,452</u>	<u>12,588,281</u>
Operating Income (loss)	<u>(80,978)</u>	<u>(194,498)</u>	<u>300,000</u>	<u>1,478,279</u>	<u>598,743</u>	<u>2,101,546</u>
Nonoperating revenues						
Investment income	24,717	6,148	2,931	22,096	6,392	62,284
Gain from disposals	118,129	-	-	-	-	118,129
Total non operating revenues (expenses)	<u>142,846</u>	<u>6,148</u>	<u>2,931</u>	<u>22,096</u>	<u>6,392</u>	<u>180,413</u>
Change in net position	61,868	(188,350)	302,931	1,500,375	605,135	2,281,959
Total net position, beginning of year (as previously reported)	7,818,189	182,591	-	945,476	(548,781)	8,397,475
Restatement	-	(61,962)	-	(19,498)	10,684	(70,776)
Total net position, beginning of year (as restated)	<u>7,818,189</u>	<u>120,629</u>	<u>-</u>	<u>925,978</u>	<u>(538,097)</u>	<u>8,326,699</u>
Total net position, end of year	<u>\$ 7,880,057</u>	<u>\$ (67,721)</u>	<u>\$ 302,931</u>	<u>\$ 2,426,353</u>	<u>\$ 67,038</u>	<u>\$ 10,608,658</u>

VILLAGE OF DOWNERS GROVE, ILLINOIS
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended December 31, 2018

	Equipment Replacement	Fleet Services	OPEB	Health Insurance	Risk Management	Total
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts from interfund services	\$ 1,399,992	\$ 1,598,112	\$ 300,000	\$ 6,940,353	\$ 2,322,960	\$ 12,561,417
Receipts from customers	22,349	101,346	-	1,919,776	16,235	2,059,706
Other payments	-	(191,274)	-	(5,840,176)	(1,742,869)	(7,774,319)
Payments to employees	-	(757,475)	-	(100,794)	(132,503)	(990,772)
Payments to suppliers	(397,003)	(881,370)	-	(1,510,368)	(632,556)	(3,421,297)
Net cash provided (used) by operating activities	<u>1,025,338</u>	<u>(130,661)</u>	<u>300,000</u>	<u>1,408,791</u>	<u>(168,733)</u>	<u>2,434,735</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Capital assets purchased	(1,055,933)	-	-	-	-	(1,055,933)
Proceeds from sale of capital assets	195,734	-	-	-	-	195,734
Net cash provided (used) by capital activities	<u>(860,199)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(860,199)</u>
CASH FLOWS FROM INVESTING ACTIVITIES						
Interest received	22,086	6,148	2,931	22,521	6,392	60,078
Net cash provided by investing activities	<u>22,086</u>	<u>6,148</u>	<u>2,931</u>	<u>22,521</u>	<u>6,392</u>	<u>60,078</u>
Net Increase (decrease) in cash and cash equivalents	<u>187,225</u>	<u>(124,513)</u>	<u>302,931</u>	<u>1,431,312</u>	<u>(162,341)</u>	<u>1,634,614</u>
Cash and investments - beginning of year	2,051,268	471,987	-	1,828,401	1,608,295	5,959,951
Cash and investments - end of year	<u>\$ 2,238,493</u>	<u>\$ 347,474</u>	<u>\$ 302,931</u>	<u>\$ 3,259,713</u>	<u>\$ 1,445,954</u>	<u>\$ 7,594,565</u>
Reconciliation of operating income (loss) to net cash by operating activities						
Operating income (loss)	(80,978)	(194,498)	300,000	1,478,279	598,743	2,101,546
Adjustments to reconcile operating income to net cash provided (used) by operating activities:						
Depreciation	1,063,019	17,763	-	-	-	1,080,782
Change in assets, deferred outflows, liabilities and deferred inflows						
Accounts payable	50,561	32,343	-	1,226	10,472	94,602
Accrued payroll	-	(2,026)	-	-	740	(1,286)
Compensated absences	-	4,002	-	(417)	503	4,088
Accounts receivable	(7,264)	(3,925)	-	(57,515)	-	(68,704)
Net pension asset	-	(21,407)	-	(3,152)	(4,200)	(28,759)
Inventory	-	7,170	-	-	-	7,170
Prepaid expenses	-	-	-	(27,348)	-	(27,348)
Deferred outflows related to pensions	-	158,456	-	30,551	33,999	223,006
Other postemployment benefits	-	(12,590)	-	(2,138)	(2,858)	(17,586)
Other payables	-	-	-	(11,787)	-	(11,787)
Claims payable	-	-	-	30,572	(778,604)	(748,032)
Deferred inflows related to OPEB	-	10,470	-	1,777	2,377	14,624
Deferred inflows related to pensions	-	214,761	-	30,273	41,588	286,622
Net pension liability	-	(341,180)	-	(61,530)	(71,493)	(474,203)
Net cash provided (used) by operating activities	<u>\$ 1,025,338</u>	<u>\$ (130,661)</u>	<u>\$ 300,000</u>	<u>\$ 1,408,791</u>	<u>\$ (168,733)</u>	<u>\$ 2,434,735</u>
NON CASH TRANSACTIONS						
Loss on disposition of capital asset	<u>\$ (77,605)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (77,605)</u>

VILLAGE OF DOWNERS GROVE, ILLINOIS
 Equipment Replacement Fund
 Non GAAP Schedule of Operating Expenses - Budget and Actual
 For the Year Ended December 31, 2018

	Original Budget	Final Budget	Actual	Variance
OPERATING EXPENSES				
Capital outlay	\$ 1,797,050	\$ 1,797,050	\$ 1,503,497	\$ (293,553)
Less assets capitalized	-	-	(1,055,933)	(1,055,933)
Total Non GAAP operating expenses	<u>1,797,050</u>	<u>1,797,050</u>	447,564	(1,349,486)
Depreciation	-	-	1,063,019	1,063,019
Total GAAP operating expenses	<u><u>\$ 1,797,050</u></u>	<u><u>\$ 1,797,050</u></u>	<u><u>\$ 1,510,583</u></u>	<u><u>\$ (286,468)</u></u>

VILLAGE OF DOWNERS GROVE, ILLINOIS
 Fleet Services Fund
 Non GAAP Schedule of Operating Expenses - Budget and Actual
 For the Year Ended December 31, 2018

	Original Budget	Final Budget	Actual	Variance
OPERATING EXPENSES				
Personnel services	\$ 735,771	\$ 735,771	\$ 767,961	\$ 32,190
Supplies	693,401	693,401	716,334	22,933
Contractual services	222,156	222,156	204,549	(17,607)
Other charges and services	263,044	263,044	191,274	(71,770)
Total Non GAAP expenses	1,914,372	1,914,372	1,880,118	(34,254)
 Depreciation	 -	 -	 17,763	 17,763
Total GAAP operating expenses	\$ 1,914,372	\$ 1,914,372	\$ 1,897,881	\$ (16,491)

VILLAGE OF DOWNERS GROVE, ILLINOIS
 Health Insurance Fund
 Schedule of Operating Expenses - Budget and Actual
 For the Year Ended December 31, 2018

	Original Budget	Final Budget	Actual	Variance
OPERATING EXPENSES				
Health administration				
Personnel services	\$ 99,547	\$ 99,547	\$ 96,158	\$ (3,389)
Contractual services	113,400	113,400	105,623	(7,777)
Other charges and services	1,964	1,964	2,090	126
Total	<u>214,911</u>	<u>214,911</u>	<u>203,871</u>	<u>(11,040)</u>
Vision insurance				
Contractual services	36,000	36,000	30,849	(5,151)
Total	<u>36,000</u>	<u>36,000</u>	<u>30,849</u>	<u>(5,151)</u>
Medical insurance				
Contractual services	1,219,356	1,219,356	1,328,087	108,731
Other charges and services	5,884,903	5,884,903	5,463,929	(420,974)
Total	<u>7,104,259</u>	<u>7,104,259</u>	<u>6,792,016</u>	<u>(312,243)</u>
Dental insurance				
Contractual services	21,221	21,221	19,687	(1,534)
Other charges and services	400,000	400,000	392,942	(7,058)
Total	<u>421,221</u>	<u>421,221</u>	<u>412,629</u>	<u>(8,592)</u>
Total operating expenses	<u>\$ 7,776,390</u>	<u>\$ 7,776,390</u>	<u>\$ 7,439,365</u>	<u>\$ (337,025)</u>

VILLAGE OF DOWNERS GROVE, ILLINOIS
 Risk Management Fund
 Schedule of Operating Expenses - Budget and Actual
 For the Year Ended December 31, 2018

	Original Budget	Final Budget	Actual	Variance
OPERATING EXPENSES				
Personnel services	\$ 133,426	\$ 133,426	\$ 133,159	\$ (267)
Supplies	800	800	866	66
Contractual services	767,619	767,619	642,162	(125,457)
Other charges and services	1,831,063	1,831,063	964,265	(866,798)
Total operating expenses	<u>\$ 2,732,908</u>	<u>\$ 2,732,908</u>	<u>\$ 1,740,452</u>	<u>\$ (992,456)</u>

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, 2018

	Police Pension	Firefighters' Pension	Total
ASSETS			
Cash and cash equivalents	\$ 2,008,868	\$ 843,392	\$ 2,852,260
Investments			
U.S. obligations	10,310,124	8,898,141	19,208,265
Corporate bonds	9,343,515	7,500,627	16,844,142
Foreign bonds	-	626,958	626,958
Negotiable CDs	-	2,232,518	2,232,518
Mutual funds - equity	20,366,052	26,906,633	47,272,685
Common and Preferred Stocks	3,370,026	-	3,370,026
Real Estate	6,877,528	5,527,546	12,405,074
Prepays	16,554	6,794	23,348
Interest receivable	136,388	123,103	259,491
	<u>52,429,055</u>	<u>52,665,712</u>	<u>105,094,767</u>
LIABILITIES			
Accounts payable	26,677	6,976	33,653
	<u>26,677</u>	<u>6,976</u>	<u>33,653</u>
NET POSITION			
Restricted for pension benefits	<u>\$ 52,402,378</u>	<u>\$ 52,658,736</u>	<u>\$ 105,061,114</u>

VILLAGE OF DOWNERS GROVE, ILLINOIS
Combining Statement of Changes in Net Position
Pension Trust Funds
For the Year Ended December 31, 2018

	Police Pension	Firefighters' Pension	Total
ADDITIONS			
Contributions - employer	\$ 3,159,441	\$ 3,432,422	\$ 6,591,863
Contributions - employees	663,568	716,890	1,380,458
Total contributions	<u>3,823,009</u>	<u>4,149,312</u>	<u>7,972,321</u>
Investment earnings			
Net appreciation in fair value of investments	(3,418,395)	(3,295,111)	(6,713,506)
Interest earned on investments	1,150,719	1,312,813	2,463,532
Less investment expense	(127,823)	(80,745)	(208,568)
Net investment earnings (loss)	<u>(2,395,499)</u>	<u>(2,063,043)</u>	<u>(4,458,542)</u>
Total additions	<u>1,427,510</u>	<u>2,086,269</u>	<u>3,513,779</u>
DEDUCTIONS			
Contractual services	75,090	57,427	132,517
Benefits and refunds	4,558,715	4,393,163	8,951,878
Total deductions	<u>4,633,805</u>	<u>4,450,590</u>	<u>9,084,395</u>
Change in Net Position	(3,206,295)	(2,364,321)	(5,570,616)
Net Position - beginning of the year	<u>55,608,673</u>	<u>55,023,057</u>	<u>110,631,730</u>
Net Position - end of the year	<u>\$ 52,402,378</u>	<u>\$ 52,658,736</u>	<u>\$ 105,061,114</u>

VILLAGE OF DOWNERS GROVE, ILLINOIS
 Police Pension Fund
 Schedule of Changes in Net Position - Budget and Actual
 For the Year Ended December 31, 2018

	Original Budget	Final Budget	Actual	Variance
ADDITIONS				
Contributions - employer	\$ 3,130,000	\$ 3,130,000	\$ 3,159,441	\$ 29,441
Contributions - employees	726,344	726,344	663,568	(62,776)
Total contributions	<u>3,856,344</u>	<u>3,856,344</u>	<u>3,823,009</u>	<u>(33,335)</u>
Investment earnings				
Net appreciation in fair value of investments	500,000	500,000	(3,418,395)	(3,918,395)
Interest earned on investments	1,000,000	1,000,000	1,150,719	150,719
Less investment expense	(129,925)	(129,925)	(127,823)	2,102
Net investment earnings (loss)	<u>1,370,075</u>	<u>1,370,075</u>	<u>(2,395,499)</u>	<u>(3,765,574)</u>
Total additions	<u>5,226,419</u>	<u>5,226,419</u>	<u>1,427,510</u>	<u>(3,798,909)</u>
DEDUCTIONS				
Administrative expense	68,168	68,168	75,090	(6,922)
Benefits and refunds	4,684,263	4,684,263	4,558,715	125,548
Total deductions	<u>4,752,431</u>	<u>4,752,431</u>	<u>4,633,805</u>	<u>118,626</u>
Net Change in Net Position	<u>\$ 473,988</u>	<u>\$ 473,988</u>	<u>(3,206,295)</u>	<u>\$ (3,680,283)</u>
Net position restricted for pension benefits				
Beginning			<u>55,608,673</u>	
Ending			<u>\$ 52,402,378</u>	

VILLAGE OF DOWNERS GROVE, ILLINOIS
 Firefighters' Pension Fund
 Schedule of Changes in Net Position - Budget and Actual
 For the Year Ended December 31, 2018

	Original Budget	Final Budget	Actual	Variance
ADDITIONS				
Contributions - employer	\$ 3,400,165	\$ 3,400,165	\$ 3,432,422	\$ 32,257
Contributions - employees	698,958	698,958	716,890	17,932
Total contributions	4,099,123	4,099,123	4,149,312	50,189
Investment earnings				
Net appreciation in fair value of investments	500,000	500,000	(3,295,111)	(3,795,111)
Interest earned on investments	789,853	789,853	1,312,813	522,960
Less investment expense	(87,615)	(87,615)	(80,745)	6,870
Net investment earnings	1,202,238	1,202,238	(2,063,043)	(3,265,281)
Total additions	5,301,361	5,301,361	2,086,269	(3,215,092)
DEDUCTIONS				
Contractual services	73,555	74,942	57,427	17,515
Benefits and refunds	4,499,540	4,499,540	4,393,163	106,377
Total deductions	4,573,095	4,574,482	4,450,590	123,892
Net Change in Net Position	\$ 728,266	\$ 726,879	\$ (2,364,321)	\$ (3,091,200)
Net position restricted for pension benefits				
Beginning			<u>55,023,057</u>	
Ending			<u>\$ 52,658,736</u>	

VILLAGE OF DOWNERS GROVE, ILLINOIS
 Construction Deposit Fund
 Schedule of Changes in Assets and Liabilities
 For the Year Ended December 31, 2018

	Balances January 1	Additions	Deductions	Balances December 31
ASSETS				
Cash and investments	\$ 1,730,987	\$ 2,996,009	\$ 2,945,346	\$ 1,781,650
Total assets	1,730,987	2,996,009	2,945,346	1,781,650
LIABILITIES				
Accounts payable	340	1,385,462	1,385,102	700
Deposits payable	1,730,647	1,525,120	1,474,817	1,780,950
Total liabilities	\$ 1,730,987	\$ 2,910,582	\$ 2,859,919	\$ 1,781,650

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, 2018

	General	Capital Replacement	Total	Adjustments	Statement of Net Position
Assets					
Cash and investments	\$1,468,403	\$ 1,402,512	\$ 2,870,915	\$ -	\$ 2,870,915
Property tax receivable	5,337,785	-	5,337,785	-	5,337,785
Accounts receivable	731	-	731	-	731
Net pension asset	-	-	-	89,219	89,219
Capital assets not being depreciated	-	-	-	222,211	222,211
Capital assets net accumulated depreciation	-	-	-	12,031,869	12,031,869
Total Assets	<u>6,806,919</u>	<u>1,402,512</u>	<u>8,209,431</u>	<u>12,343,299</u>	<u>20,552,730</u>
Deferred outflow of resources					
Deferred outflows related to pensions	-	-	-	248,257	248,257
Total Deferred Outflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>248,257</u>	<u>248,257</u>
Liabilities					
Current liabilities					
Accrued payroll	127,188	-	127,188	-	127,188
Accounts payable	65,032	287,404	352,436	-	352,436
Debt due within 1 year	-	-	-	10,173	10,173
Total Current liabilities	<u>192,220</u>	<u>287,404</u>	<u>479,624</u>	<u>10,173</u>	<u>489,797</u>
Debt due in more than 1 year	<u>-</u>	<u>-</u>	<u>-</u>	<u>216,234</u>	<u>216,234</u>
Deferred inflow of resources					
Property taxes levied for future periods	5,337,785	-	5,337,785	-	5,337,785
Deferred inflows related to OPEB	-	-	-	7,861	7,861
Deferred inflows related to pensions	-	-	-	1,064,293	1,064,293
Total Deferred Inflows of Resources	<u>5,337,785</u>	<u>-</u>	<u>5,337,785</u>	<u>1,072,154</u>	<u>6,409,939</u>
Fund Balance / Net Position					
Net investment in capital assets	-	-	-	11,937,335	11,937,335
Assigned for Construction	-	1,115,108	1,115,108	(1,115,108)	-
Unassigned/Unrestricted	1,276,914	-	1,276,914	470,768	1,747,682
Total fund balances/net position	<u>\$1,276,914</u>	<u>\$ 1,115,108</u>	<u>\$ 2,392,022</u>	<u>\$11,292,995</u>	<u>\$ 13,685,017</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, 2018

	Capital				Statement
	General	Replacement	Total	Adjustments	of Activities
REVENUES					
Property taxes	\$ 5,226,934	\$ -	\$ 5,226,934	\$ -	\$ 5,226,934
Personal property repl tax	57,207	-	57,207	-	57,207
Intergovernmental	61,516	-	61,516	-	61,516
Charges for services	83,637	-	83,637	-	83,637
Fines	35,133	-	35,133	-	35,133
Investment income	12,902	31,137	44,039	-	44,039
Contributions & donations	8,049	-	8,049	-	8,049
Total revenues	<u>5,485,378</u>	<u>31,137</u>	<u>5,516,515</u>	<u>-</u>	<u>5,516,515</u>
EXPENDITURES					
Current					
Community services	4,128,377	-	4,128,377	1,491,516	5,619,893
Capital outlay	860,534	669,522	1,530,056	(1,530,056)	-
Total expenditures	<u>4,988,911</u>	<u>669,522</u>	<u>5,658,433</u>	<u>(38,540)</u>	<u>5,619,893</u>
Excess (deficiency) of revenues (under) expenditures	<u>496,467</u>	<u>(638,385)</u>	<u>(141,918)</u>	<u>38,540</u>	<u>(103,378)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	350,000	350,000	(350,000)	-
Transfers out	(350,000)	-	(350,000)	350,000	-
Total other financing sources (uses)	<u>(350,000)</u>	<u>350,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance/net position	146,467	(288,385)	(141,918)	38,540	(103,378)
Fund balance/net position, beginning (as restated)	<u>1,130,447</u>	<u>1,403,493</u>	<u>2,533,940</u>	<u>11,254,455</u>	<u>13,788,395</u>
Fund balance/net position, ending	<u>\$ 1,276,914</u>	<u>\$ 1,115,108</u>	<u>\$ 2,392,022</u>	<u>\$ 11,292,995</u>	<u>\$ 13,685,017</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, 2018

	Budgeted Amounts		Actual	Variance
	Original	Final		
REVENUES				
Property tax	\$ 5,182,414	\$ 5,182,414	\$ 5,226,934	\$ 44,520
Personal property repl tax	60,000	60,000	57,207	(2,793)
Intergovernmental	36,910	36,910	61,516	24,606
Charges for services & fees	60,500	60,500	83,637	23,137
Fines	42,000	42,000	35,133	(6,867)
Investment income	2,000	2,000	12,902	10,902
Contributions & donations	5,000	5,000	8,049	3,049
Total revenues	<u>5,388,824</u>	<u>5,388,824</u>	<u>5,485,378</u>	<u>96,554</u>
EXPENDITURES				
Current				
Community services	4,532,158	4,532,158	4,128,377	(403,781)
Total current	<u>4,532,158</u>	<u>4,532,158</u>	<u>4,128,377</u>	<u>(403,781)</u>
Capital outlay	884,500	884,500	860,534	(23,966)
Total expenditures	<u>5,416,658</u>	<u>5,416,658</u>	<u>4,988,911</u>	<u>(427,747)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(27,834)</u>	<u>(27,834)</u>	<u>496,467</u>	<u>524,301</u>
OTHER FINANCING USES				
Transfers out	(350,000)	(350,000)	(350,000)	-
Total other financing uses	<u>(350,000)</u>	<u>(350,000)</u>	<u>(350,000)</u>	<u>-</u>
Net change in fund balance	(377,834)	(377,834)	146,467	<u>\$ 524,301</u>
Fund balance -- beginning	<u>1,130,447</u>	<u>1,130,447</u>	<u>1,130,447</u>	
Fund balance -- ending	<u>\$ 752,613</u>	<u>\$ 752,613</u>	<u>\$ 1,276,914</u>	

DOWNERS GROVE PUBLIC LIBRARY, ILLINOIS
 Component Unit
 Library Capital Replacement Fund
 Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
 For the Year Ended December 31, 2018

	<u>Budgeted Amounts</u>			Variance
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Investment income	\$ -	\$ -	\$ 31,137	\$ 31,137
Total revenues	<u>-</u>	<u>-</u>	<u>31,137</u>	<u>31,137</u>
EXPENDITURES				
Capital outlay				
Capital outlay	660,000	660,000	669,522	9,522
Total capital outlay	<u>660,000</u>	<u>660,000</u>	<u>669,522</u>	<u>9,522</u>
Total expenditures	<u>660,000</u>	<u>660,000</u>	<u>669,522</u>	<u>9,522</u>
Excess (Deficiency) of revenues (under) expenditures	<u>(660,000)</u>	<u>(660,000)</u>	<u>(638,385)</u>	<u>21,615</u>
OTHER FINANCING SOURCES				
Transfers in	350,000	350,000	350,000	-
Total other financing sources	<u>350,000</u>	<u>350,000</u>	<u>350,000</u>	<u>-</u>
Net change in fund balance	<u>(310,000)</u>	<u>(310,000)</u>	<u>(288,385)</u>	<u>\$ 21,615</u>
Fund balance -- beginning	<u>1,403,493</u>	<u>1,403,493</u>	<u>1,403,493</u>	
Fund balance -- ending	<u>\$ 1,093,493</u>	<u>\$ 1,093,493</u>	<u>\$ 1,115,108</u>	

VILLAGE OF DOWNERS GROVE, ILLINOIS
 Schedule of Insurance in Force
 December 31, 2018

Insurance Company	Term	Description of Coverage
Chubb	12/31/17 - 12/31/18	All Risk Property \$101,336,427 Insured Value, Excess of \$10,000
Safety National	12/31/17 - 12/31/18	Excess GL/Auto/Public Officials & Employment Practice Excess up to \$10,000,000, Retained Limit of \$1,000,000
Markel Insurance	12/31/17 - 12/31/18	Umbrella GL/Auto/Public Officials & Employment Practice Excess up to \$25,000,000, Retained Limit of \$10,000,000
Safety National	12/31/17 - 12/31/18	Workers' Compensation Full Statutory Benefits Excess of \$600,000 - \$650,000
Travelers Insurance	12/31/17 - 12/31/18	Crime Coverage Limit \$1,000,000
Ace	12/31/17 - 12/31/18	Pollution Liability Limit \$1,000,000

VILLAGE OF DOWNERS GROVE, ILLINOIS
 Long-Term Debt Requirements
 General Obligation Refunding Bonds, Series 2009
 December 31, 2018

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
2019	1,005,000	20,100	1,025,100	2019	20,100	2019	-
	<u>\$ 1,005,000</u>	<u>\$ 20,100</u>	<u>\$ 1,025,100</u>		<u>\$ 20,100</u>		<u>\$ -</u>

VILLAGE OF DOWNERS GROVE, ILLINOIS
 Long-Term Debt Requirements
 General Obligation Refunding Bonds, Series 2010A
 December 31, 2018

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
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>\$ 4,570,000</u>	<u>\$ 435,650</u>	<u>\$ 5,005,650</u>		<u>\$ 270,250</u>		<u>\$ 165,400</u>

VILLAGE OF DOWNERS GROVE, ILLINOIS
 Long-Term Debt Requirements
 General Obligation Refunding Bonds, Series 2010B
 December 31, 2018

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
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>\$ 3,045,000</u>	<u>\$ 197,300</u>	<u>\$ 3,242,300</u>		<u>\$ 129,100</u>		<u>\$ 68,200</u>

VILLAGE OF DOWNERS GROVE, ILLINOIS
 Long-Term Debt Requirements
 General Obligation Bonds, Series 2012 Roads
 December 31, 2018

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
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>\$ 17,600,000</u>	<u>\$ 7,231,214</u>	<u>\$ 24,831,214</u>		<u>\$ 3,769,388</u>		<u>\$ 3,461,826</u>

VILLAGE OF DOWNERS GROVE, ILLINOIS
 Long-Term Debt Requirements
 General Obligation Bonds, Series 2012 Water
 December 31, 2018

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
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>\$ 7,525,000</u>	<u>\$ 1,856,025</u>	<u>\$ 9,381,025</u>		<u>\$ 988,062</u>		<u>\$ 867,963</u>

VILLAGE OF DOWNERS GROVE, ILLINOIS
 Long-Term Debt Requirements
 General Obligation Refunding Bonds, Series 2013A
 December 31, 2018

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
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>\$ 2,590,000</u>	<u>\$ 52,750</u>	<u>\$ 2,642,750</u>		<u>\$ 42,562</u>		<u>\$ 10,188</u>

VILLAGE OF DOWNERS GROVE, ILLINOIS
 Long-Term Debt Requirements
 General Obligation Refunding Bonds, Series 2014A
 December 31, 2018

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
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>\$ 5,685,000</u>	<u>\$ 937,188</u>	<u>\$ 6,622,188</u>		<u>\$ 511,192</u>		<u>\$ 425,996</u>

VILLAGE OF DOWNERS GROVE, ILLINOIS
 Long-Term Debt Requirements
 General Obligation Refunding Bonds, Series 2014B
 December 31, 2018

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
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>\$ 2,840,000</u>	<u>\$ 720,400</u>	<u>\$ 3,560,400</u>		<u>\$ 382,913</u>		<u>\$ 337,487</u>

VILLAGE OF DOWNERS GROVE, ILLINOIS
 Long-Term Debt Requirements
 General Obligation Bonds, Series 2015A
 December 31, 2018

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
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>\$ 4,365,000</u>	<u>\$ 1,342,375</u>	<u>\$ 5,707,375</u>		<u>\$ 704,711</u>		<u>\$ 637,664</u>

VILLAGE OF DOWNERS GROVE, ILLINOIS
 Long-Term Debt Requirements
 General Obligation Refunding Bonds, Series 2015B
 December 31, 2018

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
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>\$ 4,430,000</u>	<u>\$ 1,927,200</u>	<u>\$ 6,357,200</u>		<u>\$ 1,001,885</u>		<u>\$ 925,315</u>

VILLAGE OF DOWNERS GROVE, ILLINOIS
 Long-Term Debt Requirements
 General Obligation Refunding Bonds, Series 2016
 December 31, 2018

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
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	<u>\$ 7,470,000</u>	<u>\$ 3,486,650</u>	<u>\$ 10,956,650</u>		<u>\$ 1,813,100</u>		<u>\$ 1,673,550</u>

VILLAGE OF DOWNERS GROVE, ILLINOIS
 Long-Term Debt Requirements
 General Obligation Refunding Bonds, Series 2017
 December 31, 2018

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
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>\$ 2,240,000</u>	<u>\$ 76,282</u>	<u>\$ 2,316,282</u>		<u>\$ 47,773</u>		<u>\$ 28,509</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		as restated for OPEB		
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Governmental Activities										
Net investment in capital assets	\$ 66,960	\$ 64,610	\$ 69,272	\$ 67,608	\$ 70,277	\$ 71,753	\$ 80,121	\$ 80,397	\$ 80,897	\$ 83,741
Restricted	31,785	4,795	6,051	6,806	7,473	8,127	10,516	9,156	9,830	4,852
Unrestricted	(9,618)	24,820	25,138	27,814	16,372	(58,519)	(66,851)	(65,677)	(66,572)	(68,747)
Total Governmental Activities	89,127	94,225	100,461	102,228	94,122	21,361	23,786	23,876	24,155	19,846
Business-type Activities										
Net investment in capital assets	32,272	32,691	32,663	32,169	33,734	38,495	37,868	38,646	41,809	44,057
Unrestricted	1,545	1,304	2,192	3,861	13,469	11,116	15,140	15,619	14,125	14,594
Total Business-type Activities	33,817	33,995	34,855	36,030	47,203	49,611	53,008	54,265	55,934	58,651
Primary Government										
Net investment in capital assets	99,232	97,301	101,935	99,777	104,010	110,248	117,989	119,043	122,706	127,798
Restricted	31,785	4,795	6,051	6,806	7,472	8,127	10,516	9,156	9,830	4,852
Unrestricted	(8,073)	26,124	27,330	31,675	29,842	(47,403)	(51,711)	(50,058)	(52,447)	(54,153)
Total Primary Government	\$ 122,944	\$ 128,220	\$ 135,316	\$ 138,258	\$ 141,324	\$ 70,972	\$ 76,794	\$ 78,141	\$ 80,089	\$ 78,497

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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Expenses										
Governmental Activities										
General government	\$ 4,841	\$ 5,362	\$ 5,971	\$ 6,222	\$ 6,573	\$ 6,980	\$ 6,688	\$ 6,998	\$ 7,984	\$ 4,635
Public works	15,701	11,855	13,867	18,272	13,409	13,992	11,319	13,406	13,142	12,982
Community development	2,805	2,539	2,458	2,635	2,996	2,681	3,067	3,220	2,835	8,222
Public safety	27,635	26,768	27,317	27,663	28,747	30,271	33,749	34,264	34,804	37,901
Community services	1,882	836	745	756	773	799	737	904	773	668
Interest and fiscal charges	2,956	2,774	2,514	2,735	2,691	1,898	1,650	1,599	1,439	1,206
Total Governmental Activities Expenses	55,820	50,134	52,872	58,283	55,189	56,621	57,210	60,391	60,977	65,614
Business-type Activities										
Waterworks	7,710	8,248	8,765	11,256	11,726	12,752	14,157	14,241	14,810	14,653
Parking	946	847	966	952	945	1,045	994	1,639	1,129	1,169
Stormwater Utility	-	-	-	-	5,285	2,667	3,266	3,964	3,905	2,911
Total Business-type Activities Expenses	8,656	9,095	9,731	12,208	17,956	16,464	18,417	19,844	19,844	18,733
Total Primary Government Expenses	64,476	59,229	62,603	70,491	73,145	73,085	75,627	80,235	80,821	84,347
Program Revenues										
Governmental Activities										
Charges for Services										
General government	2,052	1,576	1,567	1,614	1,643	1,679	1,576	1,443	1,524	1,504
Public works	192	220	383	292	313	139	108	220	170	241
Community development	955	1,123	1,187	1,546	1,339	1,477	1,548	1,692	2,205	2,231
Public safety	2,506	2,606	2,655	2,793	3,434	2,920	2,854	2,895	3,099	3,467
Community services	1,059	793	848	883	914	979	1,003	1,083	1,052	982
Operating Grants and Contributions	374	206	617	1,073	1,020	969	702	715	786	128
Capital Grants and Contributions	1,582	1,611	2,976	2,010	1,405	1,731	1,228	1,497	1,246	1,251
Total Governmental Activities Program Revenues	8,720	8,135	10,233	10,211	10,068	9,894	9,019	9,545	10,082	9,804
Business-type Activities										
Charges for Services										
Waterworks	7,473	8,143	9,475	12,271	13,197	13,787	15,153	15,286	15,866	15,406
Parking	1,242	1,287	1,298	1,265	1,425	1,469	1,579	1,617	1,629	1,685
Stormwater Utility	-	-	-	-	3,375	3,853	3,771	3,825	4,090	4,454
Operating Grants and Contributions	120	47	47	47	47	47	47	47	47	57
Capital Grants and Contributions	-	30	10	80	(10)	1	1,493	232	17	196
Total Business-type Activities Program Revenues	8,835	9,507	10,830	13,663	18,034	19,157	22,043	21,007	21,649	21,798
Total Primary Government Program Revenues	\$ 17,555	\$ 17,642	\$ 21,063	\$ 23,874	\$ 28,102	\$ 29,051	\$ 31,062	\$ 30,552	\$ 31,731	\$ 31,602

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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Net Revenue (Expense)										
Governmental activities	\$ (47,100)	\$ (41,999)	\$ (42,639)	\$ (48,072)	\$ (45,121)	\$ (46,727)	\$ (48,191)	\$ (50,846)	\$ (50,895)	\$ (55,810)
Business-type activities	180	412	1,099	1,455	78	2,693	3,626	1,163	1,805	3,065
Total Primary Government Net Revenue (Expense)	(46,920)	(41,587)	(41,540)	(46,617)	(45,043)	(44,034)	(44,565)	(49,683)	(49,090)	(52,745)
General Revenues and Other Changes in Net Position										
Governmental Activities										
Taxes										
Property	14,819	16,609	17,298	17,208	15,088	15,775	15,632	16,733	17,477	18,560
Sales	16,330	17,374	18,560	19,019	19,762	20,961	21,898	20,543	20,566	20,379
Utility	6,371	6,001	6,209	6,366	5,841	5,711	5,635	5,292	4,998	4,961
Income	3,960	3,835	3,787	4,203	4,558	4,580	5,200	4,757	4,488	4,680
Food and beverage	-	-	-	-	-	-	-	-	-	1,854
Other	2,127	2,285	2,330	2,434	2,569	1,836	1,771	2,912	3,047	3,124
Investment earnings	1,073	737	416	234	203	(287)	180	243	292	502
Miscellaneous	38	-	24	74	18	-	-	456	6	30
Special items	-	-	-	-	-	-	-	-	-	-
Transfers	570	256	250	300	(11,024)	300	300	-	300	300
Total Governmental Activities	45,288	47,097	48,874	49,838	37,015	48,876	50,616	50,936	51,174	54,390
Business-type Activities										
Investment earnings	99	22	10	21	70	57	71	94	164	184
Transfers	(570)	(256)	(250)	(300)	11,024	(300)	(300)	-	(300)	(300)
Total Business-type Activities	(471)	(234)	(240)	(279)	11,094	(243)	(229)	94	(136)	(116)
Total Primary Government	44,817	46,863	48,634	49,559	48,109	48,633	50,387	51,030	51,038	54,274
Change in net position										
Governmental activities	(1,813)	5,098	6,235	1,766	(8,106)	2,149	2,425	90	279	(1,420)
Business-type activities	(291)	178	859	1,176	11,172	2,450	3,397	1,257	1,669	2,949
Total Primary Government Change in Net Position	\$ (2,104)	\$ 5,276	\$ 7,094	\$ 2,942	\$ 3,066	\$ 4,599	\$ 5,822	\$ 1,347	\$ 1,948	\$ 1,529

Data Source
Audited Financial Statements

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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Fund										
Reserved	\$ 66	\$ 2,026	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	15,377	13,656	-	-	-	-	-	-	-	-
Nonspendable	-	-	2,043	2,009	2,574	48	39	29	114	138
Restricted	-	-	-	-	-	-	163	126	160	168
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	15,141	17,193	17,858	17,165	18,498	18,727	18,621	18,666
Total General Fund	15,443	15,682	17,184	19,202	20,432	17,213	18,700	18,882	18,895	18,972
All Other Governmental Funds										
Reserved	-	-	-	-	-	-	-	-	-	-
Unreserved, reported in										
Debt Service Funds	856	259	-	-	-	-	-	-	-	-
Special Revenue Funds	1,275	2,850	-	-	-	-	-	-	-	-
Debt Service Funds	-	-	-	-	-	-	-	-	-	-
Capital Project Funds	27,701	23,031	-	-	-	-	-	-	-	-
Nonspendable	-	-	-	-	-	-	-	-	-	9
Restricted	-	-	6,051	22,243	15,251	8,127	10,353	8,956	9,595	4,578
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	19,534	21,335	8,917	9,430	3,042	5,333	6,648	7,942
Unassigned	-	-	(1,922)	(1,905)	(1,840)	-	-	-	-	-
Total All Other Governmental Funds	29,832	26,140	23,663	41,673	22,328	17,557	13,395	14,289	16,243	12,529
Total Governmental Funds	\$ 45,275	\$ 41,822	\$ 40,847	\$ 60,875	\$ 42,760	\$ 34,770	\$ 32,095	\$ 33,171	\$ 35,138	\$ 31,501

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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Revenues										
Sales tax	\$ 16,330	\$ 17,374	\$ 18,559	\$ 19,019	\$ 19,762	\$ 20,020	\$ 20,811	\$ 20,543	\$ 20,566	\$ 20,379
Property tax	14,819	16,609	17,298	17,209	15,088	15,775	15,632	16,733	17,477	18,560
Utility tax	6,371	6,001	6,209	6,367	5,841	5,711	5,635	5,292	4,998	4,961
Income tax	3,960	3,835	3,787	4,203	4,558	4,580	5,200	4,757	4,488	4,680
Food and beverage tax	-	-	-	-	-	-	-	-	-	1,854
Other taxes	2,127	2,284	2,331	2,434	2,569	2,777	2,858	2,912	3,047	3,124
Licenses and permits	1,148	1,439	1,518	1,863	1,731	1,689	1,769	1,796	2,339	2,399
Intergovernmental	1,748	1,754	3,513	2,907	2,422	2,696	1,930	1,915	1,851	1,325
Charges for services & fees	4,565	3,773	4,096	4,276	4,868	4,593	4,660	4,869	5,143	5,486
Fines & forfeitures	1,246	1,106	1,027	988	1,044	911	660	668	568	540
Investment income	1,073	737	416	234	203	(287)	180	243	292	502
Miscellaneous	207	63	79	176	3	5	-	297	181	54
Total revenues	53,595	54,976	58,833	59,676	58,089	58,470	59,335	60,025	60,950	63,864
Expenditures										
General government	4,536	4,662	5,296	5,646	5,884	8,108	5,887	6,008	5,910	7,159
Public works	10,881	7,816	8,902	8,805	8,102	8,446	7,456	7,883	7,462	8,003
Community development	2,344	2,158	2,109	2,329	2,687	2,372	2,695	2,646	2,484	8,012
Public safety	25,518	26,826	27,244	27,970	28,621	29,392	31,172	32,018	32,968	33,719
Community services	1,831	865	750	750	767	794	708	821	724	666
Capital outlay	9,433	8,347	7,939	12,571	9,384	11,112	7,771	4,634	3,889	4,238
Debt service										
Principal	1,245	4,810	5,140	4,865	12,750	4,630	4,865	3,740	4,320	4,715
Interest and fiscal charges	2,854	3,175	2,502	2,372	2,661	1,993	1,756	1,655	1,573	1,318
Total expenditures	58,642	58,660	59,882	65,308	70,856	66,847	62,310	59,405	59,330	67,830
Excess of Revenues over (under)										
Expenditures	(5,047)	(3,684)	(1,049)	(5,632)	(12,767)	(8,377)	(2,975)	620	1,620	(3,966)
Other Financing Sources (Uses)										
Transfers in	4,755	7,260	7,442	7,102	6,797	8,722	6,921	5,762	6,156	6,832
Transfers out	(4,435)	(7,204)	(7,392)	(7,002)	(20,755)	(8,422)	(6,621)	(5,762)	(5,856)	(6,532)
Issuance of debt	9,030	10,955	-	25,000	8,360	6,725	-	-	2,255	-
Payment to the refunded bond escrow agent	(9,144)	(11,790)	-	-	-	(6,888)	-	-	(2,214)	-
Bond issue premium	239	1,009	-	284	233	249	-	-	-	-
Proceeds from disposal of capital assets	38	-	24	277	18	-	-	456	6	29
Total other financing sources (uses)	483	230	74	25,661	(5,347)	386	300	456	347	329
Net Change in Fund Balances	\$ (4,564)	\$ (3,454)	\$ (975)	\$ 20,029	\$ (18,114)	\$ (7,991)	\$ (2,675)	\$ 1,076	\$ 1,967	\$ (3,637)
Debt Service as a Percentage of										
Noncapital Expenditures	7.94%	15.21%	14.28%	13.02%	24.16%	11.28%	11.54%	9.61%	10.23%	9.09%

Notes

Data 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
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%
2018	1,965,000,708	510,474,704	78,869,720	2,554,345,132	0.55	7,663,035,396	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	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	% change
Village Direct Rates											
Corporate	0.1264	0.1601	0.1697	0.1414	0.1482	0.1470	0.1399	0.1309	0.1241	0.1186	-4.43%
Firefighter's Pension	0.0785	0.0925	0.0945	0.1059	0.1221	0.1151	0.1317	0.1337	0.1408	0.1428	1.42%
Police Pension	0.0676	0.0790	0.0698	0.0917	0.1140	0.1117	0.1244	0.1273	0.1296	0.1333	2.85%
Fire Protection	0.1137	0.1205	0.1277	0.1354	0.1419	0.1417	0.1339	0.1253	0.1187	0.1134	-4.47%
Stormwater	0.1090	0.1104	0.1170	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.00%
Capital	0.0000	0.0000	0.0000	0.0458	0.0481	0.0490	0.0453	0.0424	0.0402	0.0384	-4.48%
Total Direct Rate	0.4952	0.5625	0.5787	0.5202	0.5743	0.5645	0.5752	0.5596	0.5534	0.5465	-1.25%
Overlapping Rates											
Library District	0.1832	0.1966	0.2136	0.2324	0.2502	0.2612	0.2407	0.2202	0.2145	0.2111	-1.59%
Downers Grove Park District	0.2699	0.2900	0.3077	0.3434	0.3691	0.3765	0.3624	0.3425	0.3360	0.3256	-3.10%
Downers Grove Sanitary District	0.0305	0.0336	0.0363	0.0405	0.0436	0.0448	0.0434	0.0413	0.0404	0.0398	-1.49%
Special Service Area #1	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.00%
Special Service Area #2	1.5000	1.5000	1.5000	1.5000	1.5000	1.5000	1.5000	1.5000	1.5000	1.5000	0.00%
Special Service Area #3	0.3151	0.3366	0.3345	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.00%
Special Service Area #6	0.0000	0.0000	0.0000	0.0000	0.2950	0.2680	0.2430	0.2477	0.2461	0.2461	0.00%
Downers Grove Township	0.0256	0.0281	0.0307	0.0343	0.0368	0.0378	0.0368	0.0350	0.0331	0.0318	-3.93%
Downers Grove Township Road	0.0382	0.0420	0.0439	0.0512	0.0549	0.0564	0.0550	0.0524	0.0512	0.0510	-0.39%
DuPage County	0.1554	0.1659	0.1773	0.1929	0.2040	0.2057	0.1971	0.1848	0.1749	0.1673	-4.35%
DuPage County Forest Preserve	0.1217	0.1321	0.1414	0.1542	0.1657	0.1691	0.1622	0.1514	0.1306	0.1278	-2.14%
Dupage Airport Authority	0.0148	0.0158	0.0169	0.0168	0.0178	0.0196	0.0188	0.0176	0.0166	0.0146	-12.05%
College of DuPage	0.2127	0.2349	0.2495	0.2681	0.2956	0.2975	0.2786	0.2626	0.2431	0.2317	-4.69%
Grade School District No. 58	1.6304	1.6991	1.8851	2.0981	2.2613	2.3051	2.2175	2.0984	2.0489	2.0182	-1.50%
High School District No. 99	1.4679	1.6105	1.7271	1.9209	2.0729	2.1079	2.0666	1.9648	1.9184	1.9500	1.65%

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	2018			2009		
	Taxable Assessed Value	Rank	% of Total Village Taxable Assessed Value	Taxable Assessed Value	Rank	% of Total Village Taxable Assessed Value
Esplanade I SPE LLC	\$ 24,290,400	1	0.95			
Executive Towers II Realt	22,084,890	2	0.86			
PTA - K 225	21,502,530	3	0.84	23,701,461	3	0.93
Hamilton Partners Inc	16,962,255	4	0.66	47,313,820	1	1.86
FPA6 Grove LLC	15,173,140	5	0.59			
Bristol Club LP	14,745,110	6	0.58	13,055,960	7	0.51
Highland Owner LLC	13,182,650	7	0.52			
PBH Prentiss Creek LLC	13,154,960	8	0.52			
James Campbell Co LLC	12,974,210	9	0.51	14,568,350	5	0.57
Accesso Partners LLC	11,886,050	10	0.47			
Real Estate Advisors			-	24,127,940	2	0.95
Corridors I & II			-	14,814,250	4	0.58
GLL BVK Properties			-	13,216,790	6	0.52
Wells REIT II/Lincoln			-	12,923,180	8	0.51
MJH Downers Grove LLC			-	12,600,000	9	0.49
Arun Enterprises			-	12,541,660	10	0.49
Total	<u>\$ 165,956,195</u>		<u>6.50%</u>	<u>\$ 188,863,411</u>		<u>7.41%</u>

Note

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

Data Source

Office of the County Clerk

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

Levy Year	Tax Levied	Collected within the Fiscal Year of the Levy		Subsequent Collections	Total	
		Amount	Percentage of Levy		Amount	Percentage
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%
2018	13,800	13,800	100%	-	13,800	100%

Note

* First installment of property taxes due June 1, 2019
Excludes library

Data Source

Office of the County Clerk

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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General merchandise	\$ 45,421	\$ 45,838	\$ 46,226	\$ 46,460	\$ 44,477	\$ 44,570	\$ 44,612	\$ 45,285	\$ 44,724	\$ 44,674
Food	117,287	119,168	117,780	116,207	122,457	134,094	143,285	125,871	113,296	108,196
Drinking and eating places	117,822	119,328	125,270	128,369	132,809	137,168	143,236	150,194	153,040	156,307
Apparel	26,835	26,010	25,538	24,759	24,595	29,118	29,393	34,732	33,817	31,864
Furniture and H.H. and radio	131,925	140,830	129,562	123,362	118,549	102,900	129,848	142,386	140,262	138,003
Lumber, building hardware	56,650	51,722	52,924	51,282	60,109	56,928	60,716	62,990	69,184	63,833
Automobile and filling stations	241,735	243,306	255,657	287,058	314,197	328,130	326,191	299,589	295,252	328,217
Drugs and miscellaneous retail	229,575	220,676	234,131	242,003	252,471	269,609	256,501	268,686	254,442	267,134
Agriculture and all others	99,973	111,240	111,100	124,306	130,917	128,014	147,793	99,656	136,626	122,509
Manufacturers	19,192	13,263	15,852	13,029	11,706	10,474	10,725	15,084	13,138	13,873
TOTAL	\$ 1,086,415	\$ 1,091,381	\$ 1,114,040	\$ 1,156,835	\$ 1,212,287	\$ 1,241,005	\$ 1,292,300	\$ 1,244,473	\$ 1,253,781	\$ 1,274,610

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
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%
2018	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*	
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	
2018	37,476	-	-	27,799	5,796	71,071	3.13%	1,550.72	

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
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
2018	65,275	-	65,275	2.56%	1,424.25

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, 2018

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	37,476	100.00%	\$ 37,476
DuPage County	186,445	6.51%	12,138
Dupage County Forest Preserve	127,639	6.51%	8,309
Dupage Water Commission	-	7.20%	-
Downers Grove Park District	12,230	99.67%	12,190
Downers Grove Public Library	-	100.00%	-
Schools			
Grade School			
District No. 44	9,700	4.91%	476
District No. 58	12,150	82.06%	9,970
District No. 61	4,230	11.61%	491
District No. 66	14,405	3.84%	553
District No. 68	-	5.33%	-
High School			
District No. 87	62,970	1.05%	661
District No. 99	24,273	53.76%	13,049
Unit School District			
District No. 201	11,665	0.56%	65
District No. 202	1,285	5.39%	69
Total Overlapping	<u>466,992</u>		<u>57,971</u>
Total Direct and Overlapping	<u><u>504,468</u></u>		<u><u>\$ 95,447</u></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
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%
2018	49,540	2,270,467,740	45,831	2.9%

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	2018			2009		
	Rank	% of Total City Population	# of Employees	Rank	% of Total City Population	# of Employees
Advocate Good Samaritan Hospital	1	5.05%	2,500	2	5.05%	2,500
GCA Services	2	3.03%	1,500	3	4.04%	2,000
University Subscription Services/ Unique Mailing Svc Inc.	3	2.12%	1,050			
Midwestern University	4	2.02%	1,000	6	1.14%	566
State Farm	4	2.02%	1,000			
Acxiom/May & Speh Inc.	5	1.62%	800			
First Health Corporation/Coventry Health Care	5	1.62%	800	4	1.41%	700
Ambitech Engineering Corp.	6	1.41%	700			
Invesco	7	1.21%	600			
Adtalem Education Group formerly DeVry	8	1.01%	500			
FTD Inc.	8	1.01%	500	7	1.03%	509
Advocate Health Care	9	0.91%	450			
SAP America, Inc	10	0.86%	425			
Sara Lee Corporation				1	5.85%	2900
RR Donnelly and Sons Co				5	1.21%	600
HMOS Blue Cross & Blue Shield of IL				8	0.85%	420
Pepperidge Farm, Inc.				9	0.81%	400
Havi Global Solutions, LLC				10	0.71%	350

Data Source

Downers Grove Economic Development Corporation

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

Program #	Function/Program	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Government											
111	Clerk's Office	2.50	2.50	2.75	2.75	2.75	2.75	2.75	2.00	2.00	2.00
121	Manager's Office	6.60	4.60	5.60	4.60	4.60	5.00	6.00	5.00	4.50	4.50
131	Legal	3.75	3.00	3.50	3.75	3.75	4.00	4.00	4.00	4.00	4.00
142	Building services	9.25	8.25	8.00	8.00	8.25	8.25	8.25	8.25	8.25	7.25
151	Human resources	4.50	3.50	3.50	3.60	3.60	3.00	3.00	3.00	3.00	3.00
171	Information services	8.00	8.00	8.00	8.00	8.50	8.50	8.50	8.50	8.75	8.75
200	Finance	13.18	12.18	12.18	12.20	12.20	12.20	12.00	11.00	10.50	11.00
300	Public Works										
	Public works administrative	5.00	5.50	5.50	6.00	5.35	5.35	5.75	6.00	5.90	5.90
	Engineering/Stormwater	14.00	12.00	12.00	15.00	16.00	17.00	10.50	9.50	9.75	10.75
	Forestry and grounds	6.00	10.75	6.00	6.00	7.00	7.00	8.50	8.50	8.50	8.50
	Streets	30.75	26.00	26.00	22.50	23.50	23.50	24.10	24.10	23.60	21.60
	Water	12.00	10.00	11.00	10.00	10.50	10.50	14.25	14.75	14.25	15.25
	Fleet	10.00	10.00	7.50	10.00	10.00	10.00	6.85	6.25	6.25	6.25
Community Development											
411	Planning	3.00	3.00	3.00	3.00	3.00	2.00	3.00	4.00	4.00	4.00
421	Economic Development	-	-	-	-	-	-	-	-	-	-
411	Code services	15.50	13.50	12.50	12.50	12.50	13.50	11.50	11.50	13.00	12.50
Public Safety											
600	Police										
	Officers	81.00	79.00	74.00	74.00	74.00	74.00	74.00	74.00	74.00	74.00
	Civilians	23.60	20.60	19.60	19.60	19.60	19.60	19.60	19.23	19.23	19.23
	Voc	16.00	15.00	17.00	17.00	17.00	17.00	17.00	17.00	1.00	1.00
700	Fire										
	Firefighters and officers	79.00	77.00	77.00	77.00	77.00	77.00	77.00	77.00	77.00	77.00
	Civilians	9.75	8.75	8.00	7.00	6.50	6.50	6.50	6.50	6.50	6.50
Community Services											
821	Counseling and social services	3.90	1.00	1.00	-	-	-	-	-	-	-
823	Alcohol and tobacco control	0.25	0.25	0.25	0.25	0.25	0.25	-	-	-	-
840	Public information	2.25	1.75	2.25	3.25	3.25	3.00	3.25	2.50	2.50	1.50
841	Cable television	3.75	3.75	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
864	Tourism and events	3.00	1.00	-	-	-	-	-	-	-	-
Grand Total		366.53	340.88	329.13	329.00	332.10	332.90	329.30	325.58	309.48	307.48

VILLAGE OF DOWNERS GROVE, ILLINOIS
OPERATING INDICATORS
Last Nine Years

Function/Program	2010	2011	2012	2013	2014	2015	2016	2017	2018
Public Safety									
Police									
Physical arrests	1,881	1,743	1,792	1,491	1,342	1,190	1,060	1,014	1,143
Parking violations	8,743	10,002	6,530	9,144	2,387	8,686	7,665	7,110	9,137
Traffic violations	11,811	10,684	10,898	10,811	9,406	9,454	8,082	6,502	6,243
Fire									
EMS calls	2,350	2,253	3,599	2,307	3,561	3,994	4,125	4,319	4,431
Fire calls	3,064	3,383	5,696	3,585	2,332	1,858	1,928	2,033	2,333
Fires extinguished	47	62	71	77	76	51	43	69	62
Community Development									
Permits issued	1,634	1,861	1,853	2,097	2,154	2,056	2,199	2,205	2,204
Inspections conducted	2,932	3,335	4,414	3,668	4,317	4,452	3,972	4,757	5,229
Water									
Water main breaks	67	78	81	77	85	55	59	61	82
Water pumped (gallons)	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	1,774,815,000
Average daily consumption	5,257,855	5,276,920	5,600,000	5,017,000	4,863,000	4,800,000	4,698,000	4,789,000	4,857,000
Peak daily consumption	8,974,000	9,465,000	9,003,000	7,615,000	6,699,000	7,242,000	6,787,000	7,563,000	7,148,000

Data Source

Village budget office

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

Function/Program	2011	2012	2013	2014	2015	2016	2017	2018
General Government								
Vehicles	8	8	7	9	7	5	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	43	43	44	43	44	45	46	46
Fire								
Fire stations	4	4	4	4	4	4	4	4
Vehicles/Equipment	34	34	33	33	34	31	31	31
Public Works								
Traffic signals	66	64	64	64	64	75	75	75
Vehicles/Equipment	84	84	82	80	83	84	84	84
Buses	6	6	1	1	-	-	-	-
Water								
Water mains (miles)	215	207	208	233	217	233	233	233
Fire hydrants	3,145	3,180	3,126	3,280	2,776	2,776	2,798	2,808
Vehicles/Equipment	10	10	9	9	9	9	10	10

Data Source

Various village departments