

City of Des Plaines, IL

Comprehensive Annual Financial Report

For the Fiscal Year Ended December 31, 2011

City of Des Plaines

1420 Miner Street
Des Plaines, IL 60016
(847) 391-5300

www.desplaines.org

CITY OF DES PLAINES, ILLINOIS

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

December 31, 2011

Prepared by the Finance Department

Dorothy Wisniewski
Director of Finance

CITY OF DES PLAINES, ILLINOIS
December 31, 2011

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INTRODUCTORY SECTION



City of Des Plaines
1420 Miner Street
Des Plaines, IL 60016
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June 30, 2012

To the Honorable Mayor, Members of the City Council
Citizens of the City of Des Plaines:

State law requires that every general-purpose local government publish within six months of the close of each fiscal year a complete set of audited financial statements. This report is published to fulfill that requirement for the fiscal year ended December 31, 2011.

Management staff assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management staff has established a comprehensive internal control framework that is designed to protect the government's assets from loss, theft, or misuse. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable assurance, rather than absolute assurance, that the financial statements will be free of any material misstatements. As management staff, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City's financial statements have been audited by Crowe Horwath LLP, a firm of independent certified public accountants. The independent auditor concluded that there was a reasonable basis for rendering an unqualified ("clean") opinion on the City of Des Plaines' financial statements for the year ended December 31, 2011. The independent auditor's report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview and analysis of the basic financial statements. The MD&A and this letter of transmittal should be read in conjunction.

Profile of the City of Des Plaines

The City of Des Plaines was incorporated in 1857 and operates under the City Manager form of government approved by voter referendum on November 2, 2004. It is a home rule municipality as defined by the Illinois Constitution. The City is located in northwestern Cook County and covers an area of approximately 15 square miles. The 2010 Decennial Census reported a population of 58,364, a slight decrease from the 2000 Census population of 58,720. The Chicago Metropolitan Agency for Planning (CMAP) population projection for 2040 is 79,389.

The City is located approximately 17 miles northwest of downtown Chicago with O'Hare International Airport bordering on the south. The combination of superior air transportation, good railroads, and a network of expressways continues to foster full development of Des Plaines. O'Hare International Airport provides excellent domestic or international travel opportunities for pleasure, trade, and business. Bus, subway, rail commuter, and freight services are all accessible to and from Des Plaines. As it has throughout its history, Des Plaines continues to be a central hub for transportation.

The City has an above average residential base that is supplemented by substantial commercial and industrial real estate development. Approximately 23.6% of the City's land used is comprised of diversified commercial and light industrial properties.

The City's governing body is the City Council, consisting of the Mayor and eight Aldermen. This governing body is responsible for passing ordinances, adopting the budget, appointing committees, and other related duties. The Mayor, upon the advice and consent of City Council, appoints the City Manager. The City Manager is responsible for carrying out the policies and ordinances of the City Council, for overseeing the day-to-day operations of the City and for appointing the City's department heads. The Mayor and the City Clerk are elected at large for four-year terms, while the Aldermen are elected from eight wards for staggered four-year terms.

The City provides a full range of municipal services. These services include police, fire, highways and streets, community development, planning and zoning, engineering and inspection, certain social services, and general administrative services. The City operates its own water system providing Lake Michigan water purchased from the City of Chicago, with sewage treatment provided by the Metropolitan Water Reclamation District. The Des Plaines Park District, a separate governmental entity, primarily provides recreational opportunities. The Mt. Prospect Park District serves a small portion of the City. The Des Plaines Public Library is a component unit of the City and its financial statements are included in this report.

Local Economy

Major employers located within the City's boundaries or in close proximity include Universal Oil Products, a chemical engineering company, Sysco Food Systems, Rivers Casino, Holy Family Medical Center and Oakton Community College. Des Plaines is home to over 1400 licensed commercial establishments of which 225 are retail. Over 36,651 jobs were generated by Des Plaines based businesses attesting to its economic strength (2011, IDES, Where Workers Work). Of those jobs, 17 percent are in the manufacturing sector, 17 percent are in the wholesale and retail trade and 14 percent are in the healthcare and social assistance.

Des Plaines' current not seasonally adjusted unemployment rate is 9 percent (IDES, April, 2012). It generally decreased between 2001 through 2007, from 6.8 to 4.5 percent, respectively. However, it experienced a spike between 2008 and 2009, from 5.9 to 10.1 percent, respectively due to the economic recession. Between 2000 and 2011, the average annual unemployment rate was 6.8 percent with a high of 10.3 percent (2010) and a low of 4.2 percent (2006).

The national and local economic climate during 2011 continued to define the level of development activity. There was a decline in building permit activity from \$189 million in 2010 to \$50 million in 2011; however the number of permits was 25% higher than permits issued in 2009. The increased level of activity in 2010 was due in part because of a major hail storm that resulted in an additional 5,415 roof and siding permits as well as the construction of Rivers Casino.

Long-term Financial Planning

The City utilizes a 5 year Capital Improvement Program (CIP) to address major capital and infrastructure improvements. For a project to be included in the CIP, it must involve the creation or purchase of a tangible asset with an original cost of at least \$25,000 and a useful life of more than one year. Projects that are programmed for the first year of the CIP (i.e., the upcoming budget year) are most closely scrutinized in the capital planning process because associated funding must be provided in that budget. Until recently, the City had primarily followed a "pay-as-you-go" funding strategy for maintenance and replacement of assets and had issued limited debt for new projects. Starting with 2011 the City established a funding process necessary to replace the City's vehicles and equipment based on a pre-defined schedule. In addition, capital grants are sought at the state and local level for eligible projects on an on-going basis.

Maintaining a healthy fund balance to insure City's financial strength remains one of the City Council's long-term financial goals. At the close of the fiscal year 2011, the City's total General Fund balance was \$29.2 million, of which the unassigned fund balance was \$21.1 million or 38.9% of the General Fund expenditures.

However, the Water and Sewer fund, City's major enterprise fund that accounts for revenues and expenses associated with the sale of water and the sanitary sewer system continues to decline. In 2008 expenditures began outpacing revenues and at the end of 2011 the unrestricted net assets were \$3.5 million or 27.8% of the operating expenses. In response, the City commissioned a water rate study in an effort to reverse the operating spending deficit and preserve the enterprise fund reserves as well as provide funding for investment in equipment and infrastructure renewal and improve quality of water and sewer service for the long term. As a result, the City Council approved a 19% water rate increase and a 30% sanitary sewer rate increase effective in the 2012 Budget year.

The most notable change in the City's long term planning is the addition of a Gaming Tax fund. This fund has been established to account for the revenues and expenditures related to receipts and obligations associated with the operation of the new Rivers Casino which opened July 15, 2011. It is important to stress that future expenditures from the Gaming Tax fund be reserved for capital infrastructure improvements, debt repayment, and other appropriate non-operating expenses.

Relevant Financial Policies

To help ensure its continual ability to meet immediate and long-term service objectives, the City adopted and adheres to several financial policies. These policies govern the allocation and management of resources. Some of the more prominent policies include the following:

- An investment policy, providing for a high investment return while protecting principal;
- A purchasing policy, setting forth the procedures for ensuring that the best products and services are received at the lowest possible price;
- A policy requiring a quarterly review of revenues and expenditures compared to budget, ensuring that the City Council is aware of major variances;
- A capital policy, setting forth the thresholds for capital assets; and providing guidelines in formulating and adopting the Capital Improvement program;
- An operating budget policy, establishing guidelines in formulating and adopting the operating budget and incorporating GFOA practices;
- A fund balance policy, setting forth the benchmark reserve levels to be maintained in the various funds to ensure proper working capital; i.e. rainy-day funds are maintained to protect against unforeseen economic events.
- A gaming tax policy, restricting use of funds primarily for infrastructure improvements and debt repayment.

Major Initiatives

During the past several years, the City's priority remains long-term financial stability coupled with continued investment in the City's aging infrastructure, enhanced beautification, and flood mitigation projects. The City Council has also been maintaining a direction that favors a minimal property tax increase to residents and keeping the City services affordable to the average taxpayer.

Staff recently conducted selection and implementation of the new Enterprise Resource Program (ERP). On September 1, 2011 staff completed first phase of the conversion by creating a new chart of accounts and going live with the financial management and reporting as well as purchasing and accounts payable functions. The new system was used to generate 2012 Budget and on January 1, 2012 integrated payroll and human resources functions. Later this year the staff is planning to complete the second phase of the conversion by going live with the utility billing and cash processing functions.

The Construction of Rivers Casino transcended the impact on the City of Des Plaines and helped to shape the community for years to come. The City continues to work on new redevelopment planning efforts, particularly in transitional commercial areas such as the Lee and Oakton nexus district, the Five Corners area and promotion of the incentives available for business improvements in TIF #1 as well as redevelopment in TIF #6 for City owned properties.

Awards

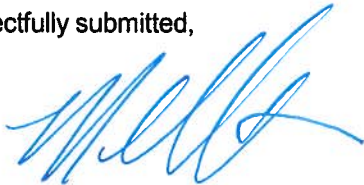
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Des Plaines for its comprehensive annual financial report for the fiscal year ended December 31, 2010. This was the thirty first consecutive year the City has achieved this prestigious award. This award is nationally recognized and represents a significant accomplishment for the City and its management. 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 our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to GFOA to determine eligibility for another certificate.

Acknowledgments

The preparation of this report on a timely basis could not be accomplished without the efficient and dedicated services of the Finance Department staff. Timely and fairly presented financial statements and reports are essential to legislative compliance, creditors, financial analysts, the general public and others having need for government financial information. We would like to thank the City Council and Management Staff for their support in planning and conducting the financial operations of the City in a professional and responsible manner.

Respectfully submitted,



Michael G. Bartholomew
City Manager



Dorothy Wisniewski
Director of Finance

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Des Plaines
Illinois

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2010

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



Linda C. Davison

President

Jeffrey R. Emer

Executive Director



Legislative

Martin J. Moylan, Mayor

Gloria J. Ludwig, City Clerk

City Council

Patricia Haugeberg – First Ward

James Brookman – Fifth Ward

John Robinson – Second Ward

Mark Walsten – Sixth Ward

Matthew Bogusz – Third Ward

Dan W. Wilson – Seventh Ward

Dick Sayad – Fourth Ward

Mike Charewicz – Eighth Ward

Administration

City ManagerMichael G. Bartholomew

City AttorneyDavid R. Wiltse

Director of Finance Dorothy Wisniewski

Acting Chief of PoliceMike Kozak

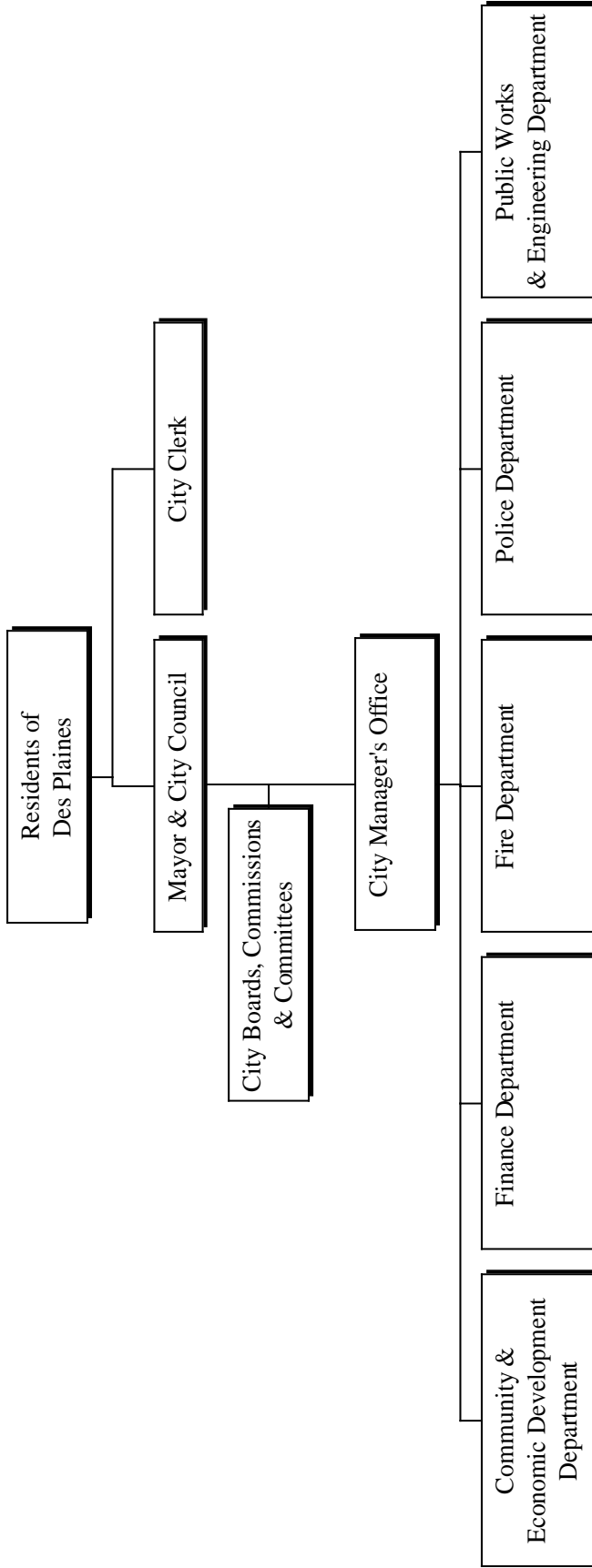
Fire Chief Alan Wax

Director of Public Works & Engineering Timothy Oakley

Director of Community & Economic Development..... Vacant



City of Des Plaines



FINANCIAL SECTION

REPORT OF INDEPENDENT AUDITORS

INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor
And Members of the City Council
City of Des Plaines, Illinois
Des Plaines, Illinois 60016

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Des Plaines, Illinois ("City"), as of and for the year ended December 31, 2011, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. 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 of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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 City, as of December 31, 2011, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In February 2009, the GASB released Statement No. 54, "*Fund Balance Reporting and Governmental Fund Type Definitions*." This statement is effective for fiscal periods beginning after June 15, 2010. As discussed in Note 1 in the Notes to the Financial Statements, the City has implemented this statement retrospectively as of their fiscal year ended December 31, 2011. The statement addresses the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions as well as establishing fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds.

In accordance with *Government Auditing Standards*, we have also issued our report dated the same date as this report on our consideration of the City'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 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 12 and the schedules of revenues, expenditures and changes in fund balance – budget and actual for the general fund, TIF #1 fund, and TIF #6 fund, schedules of funding progress and schedule of employer contributions on pages 71 through 80 be presented to supplement the financial statements. Such information, although not a part of the financial statements, is required by the Government Accounting Standards Board who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Des Plaines' financial statements. The accompanying introductory section, combining and individual fund financial statements and schedules, other supplementary schedules, statistical section, and other information are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The 2011 combining and individual fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules are fairly stated in all material respects in relation to the financial statements as a whole. The introductory section, 2010 combining and individual fund financial statements and schedules, other supplementary schedules, statistical section, and other information have not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.


Crowe Horwath LLP

Oak Brook, Illinois
June 30, 2012

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF DES PLAINES, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2011

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

Since the MD&A is designed to focus on the current year's activities, resulting changes, and currently known facts, please read it in conjunction with the Transmittal Letter and the City's financial statements.

FINANCIAL HIGHLIGHTS

- The City's General Fund ended the year with total revenues exceeding total expenditures by \$6.4 million. Combined with other financing net uses of (\$2.4) million and adjusted for special items (close out of the compensated absences fund) of \$1.9 million, the December 31, 2011 fund balance increased by \$5.8 million.
- Economy sensitive revenues, i.e. sales, income and hotel/motel taxes rebounded from prior year's decrease.
- Building permit revenue declined by almost \$1.0 million from prior year's revenue due to the permits issued for the Rivers Casino (one time revenue source) that opened in July of 2011.
- The local use tax, liquor license fees, food and beverage tax and parking fees (new revenue source) were almost \$300 thousand higher than prior year actual revenue.
- The City collected \$10.8 million in gaming taxes with expenditures of \$7.1 million due to the State of Illinois and 10 benefiting communities.
- The City retired \$11.7 million of general obligation debt during the year and issued \$3.5 million of new general obligation refunding debt for interest rate savings. The total balance of general obligation debt outstanding as of December 31, 2011 was \$63.6 million.
- The City finished a \$14.7 million Des Plaines River Road two-year re-construction project, of which \$12.4 million was funded by the Illinois Department of Transportation (IDOT), and a \$1.6 million donation from the Rivers Casino.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities provide information about the activities of the City as a whole and present a longer-term view of the City's finances. For governmental activities, these statements tell how these services were financed in the short term as well as what is available for future spending. Fund financial statements also report the City's operations in more detail than the government-wide statements by providing information about the City's most significant funds. The remaining statements provide financial information about activities for which the City acts solely as a trustee or agent for the benefit of those outside of the government. Both perspectives (government-wide and major fund) allow the user to address relevant questions, broaden a basis for comparison (year to year or government to government), and enhance the City's accountability.

Reporting the City as a Whole

The Statement of Net Assets and the Statement of Activities

Our analysis of the City as a whole begins with the Statement of Net Assets. One of the most important questions asked about the City's finances is, "Is the City as a whole better off or worse off as a result of the year's activities?" The Statement of Net Assets and the Statement of Activities report information about the City as a whole and about its activities in a way that helps answer this question.

(See independent auditor's report)

CITY OF DES PLAINES, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2011

The focus of the Statement of Net Assets (the "Unrestricted Net Assets") is designed to be similar to bottom line results for the City and its governmental and business-type activities. This statement consolidates governmental funds' current financial resources (short-term spendable resources) with capital assets and long-term obligations using the accrual basis of accounting and economic resources measurement focus. Over time, increases or decreases in net assets may serve as a useful indicator of whether or not the financial position of the City is improving.

The Statement of Activities presents information showing how the City's net assets changed during the most recent fiscal year and is focused on both the gross and net cost of various activities (including governmental and business-type), which are supported by the City's general taxes and other resources. This is intended to summarize and simplify the user's analysis of the cost of various government services and/or subsidy to various business-type activities.

These two statements report the City's *net assets* and changes in them. You can think of the City's net assets, the difference between assets and liabilities, as one way to measure the City's financial health, or *financial position*. Over time, increases or decreases in the City's net assets are one indicator of whether its *financial* health is improving or deteriorating. You will need to consider other non-financial factors, however, such as changes in the City's property tax base or the condition of the city's roads, to assess the *overall health* of the City.

In the Statement of Net Assets and the Statement of Activities we divide the City into three kinds of activities:

- Governmental activities – Most of the City's basic services are reported here, including the police, fire, public works, and general administration. Taxes (property, sales, income, utility, as well as new this year; gaming tax) and state and federal grants finance most of these activities.
- Business-type activities – The City charges a fee to customers to help it cover all or most of the cost of certain services it provides. The City's water/sewer system and parking facilities are reported here.
- Component units – The Des Plaines Public Library is the City's only discretely presented component unit. Although legally separate, this "component unit" is important because the City is financially accountable for its operations.

Reporting the City's Most Significant Funds

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 Fund Financial Statements allow the demonstration of sources and uses and/or budgeting compliance associated therewith. Traditional users of governmental financial statements will find the Fund Financial Statements presentation more familiar. The focus is now on major funds, rather than fund types. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

- ***Governmental Funds***

The Governmental Major Funds (General, TIF #1, TIF #6, Gaming Tax and Capital Projects) are presented on a sources and uses of liquid resources basis. This is the manner in which the financial plan (the budget) is typically developed. The flow and availability of liquid resources is a clear and appropriate focus of any analysis of a government. The focus of governmental funds is narrower than that of the Government-Wide Financial Statements. The Governmental Fund Balance Sheet and the Governmental Fund Statement of

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Revenues, Expenditures, and Changes in Fund Balance provide a reconciliation to facilitate the comparison between governmental funds and governmental activities. The Governmental Major Funds Total column requires reconciliation because of the different measurement focus (current financial resources versus total economic resources), which is reflected. The flow of current financial resources reflects bond proceeds and inter-fund transfers as other financial sources as well as capital expenditures and bond principal payments as expenditures. The reconciliation eliminates these transactions and incorporates the capital assets and long-term obligation (bond and others) into the Governmental Activities column (in the Government-Wide Statements).

The City maintains multiple individual governmental funds. Information is presented separately in the Governmental Fund Balance Sheet and in the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund, TIF #1 (Downtown), TIF #6 (Mannheim/Higgins), Gaming Tax and the Capital Projects Fund, which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

- *Proprietary Funds*

The City maintains two different types of proprietary funds. Enterprise Funds are used to report the same functions presented in Business-Type Activities in the Government-Wide Financial Statements. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its risk management and health benefits. Each internal service fund serves governmental rather than business-type functions and has been included with Governmental Activities in the Government-Wide Financial Statements.

Proprietary Fund Financial Statements provide the same type of information as the Government-Wide Financial Statements, only in more detail. Each of the two propriety funds is considered a major fund of the City and is presented in a separate column in the Fund Financial Statements. The internal service funds are combined in a single, aggregate presentation in the Proprietary Fund Financial Statements. Individual fund data for the internal service funds is presented elsewhere in the report.

- *Fiduciary Funds*

The Fund Financial Statements also allow the government to address its Fiduciary Funds (Police Pension Fund and Firefighters Pension Fund). While these funds represent trust responsibilities of the government, these 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 Statements.

- *Notes to the financial statements*

The notes provide additional information that is essential to a full understanding of the data provided in the Government-Wide and Fund Financial Statements.

- *Other information.*

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's progress in funding its obligation to provide pension benefits to its employees.

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THE CITY AS A WHOLE

Statement of Net Assets

The Statement of Net Assets serves as a useful indicator of a government's financial position. In the case of the City of Des Plaines, assets exceeded liabilities by \$196.4 million as of December 31, 2011. The following table reflects the condensed Statement of Net Assets:

Table 1: Statement of Net Assets As of December 31, 2011

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total Primary Government</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Assets						
Current & Other Assets	\$ 87,770,147	\$ 76,996,076	\$ 5,565,487	\$ 6,897,078	\$ 93,335,634	\$ 83,893,154
Capital Assets	184,186,898	177,083,107	31,054,873	31,447,254	215,241,771	208,530,361
Total Assets	<u>271,957,045</u>	<u>254,079,183</u>	<u>36,620,360</u>	<u>38,344,332</u>	<u>308,577,405</u>	<u>292,423,515</u>
Liabilities						
Current Liabilities	42,202,836	35,441,167	1,064,633	926,655	43,267,469	36,367,822
Long-term Liabilities	67,899,096	74,556,357	1,039,410	1,383,603	68,938,506	75,939,960
Total Liabilities	<u>110,101,932</u>	<u>109,997,524</u>	<u>2,104,043</u>	<u>2,310,258</u>	<u>112,205,975</u>	<u>112,307,782</u>
Net Assets						
Invested in Capital Assets,						
Net of Debt	116,287,802	120,440,844	30,336,201	30,365,465	146,624,003	150,806,309
Restricted	9,031,827	6,995,311	-	-	9,031,827	6,995,311
Unrestricted	36,535,484	16,645,504	4,180,116	5,668,609	40,715,600	22,314,113
Total Net Assets	<u>\$ 161,855,113</u>	<u>\$ 144,081,659</u>	<u>\$ 34,516,317</u>	<u>\$ 36,034,074</u>	<u>\$ 196,371,430</u>	<u>\$ 180,115,733</u>

The City's combined net assets increased to \$196.4 million from \$180.1 million; this represents an increase of \$16.3 million from the prior year. The City's total net assets for Governmental Activities increased by \$17.8 million due to increase in current assets related to gaming tax revenues of \$10.8 million and capital assets from River Road reconstruction of \$14.4 million while the Governmental Activities liabilities remained relatively consistent from year to year.

The City's Business-type Activities net assets decreased by \$1.5 million since the revenues generated from user fees are not able to cover the operational and capital expenditures of the water/sewer and parking programs.

By far the largest portion of the City's total net assets \$146.6 million (74.7%) reflects its investment in capital assets (e.g. land, buildings, equipment and infrastructure); less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

For more detailed information see the Statement of Net Assets (page 13).

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Changes in Net Assets

The Statement of Activities presents information showing how the City's net assets changed during the fiscal year.

The following chart shows the revenue and expenses of the City's activities and their impact on change in net assets:

Table 2: Changes in Net Assets for the Fiscal Year Ended December 31, 2011

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total Primary Government</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Revenues						
Program Revenues						
Charges for Services	\$ 16,114,334	\$ 17,911,278	\$ 11,570,134	\$ 11,818,627	\$ 27,684,468	\$ 29,729,905
Operating Grants	3,797,791	3,322,252	4,691	132,274	3,802,482	3,454,526
Capital Grants	4,851,117	11,294,273	-	235,119	4,851,117	11,529,392
General Revenues						
Property Taxes	29,671,822	29,117,255	-	-	29,671,822	29,117,255
Other Taxes	42,824,551	31,977,152	-	-	42,824,551	31,977,152
Investment Income	82,369	74,589	1,519	-	83,888	74,589
Miscellaneous Revenue	<u>783,626</u>	<u>479,138</u>	<u>845</u>	<u>30,217</u>	<u>784,471</u>	<u>509,355</u>
Total Revenues	<u>98,125,610</u>	<u>94,175,937</u>	<u>11,577,189</u>	<u>12,216,237</u>	<u>109,702,799</u>	<u>106,392,174</u>
Expenses						
General Government	18,270,898	8,939,465	-	-	18,270,898	8,939,465
Public Safety	38,529,145	35,365,323	-	-	38,529,145	35,365,323
Public Works	8,537,753	7,550,803	-	-	8,537,753	7,550,803
Streets and Highways	10,341,746	9,499,575	-	-	10,341,746	9,499,575
Economic Development	1,161,997	1,487,301	-	-	1,161,997	1,487,301
Interest	3,274,304	3,631,361	-	-	3,274,304	3,631,361
Water/Sewer	-	-	12,528,325	11,912,298	12,528,325	11,912,298
Parking	-	-	<u>802,934</u>	<u>803,475</u>	<u>802,934</u>	<u>803,475</u>
Total Expenses	<u>80,115,843</u>	<u>66,473,828</u>	<u>13,331,259</u>	<u>12,715,773</u>	<u>93,447,102</u>	<u>79,189,601</u>
Excess (deficiency)						
Before Transfers	18,009,767	27,702,109	(1,754,070)	(499,536)	16,255,697	27,202,573
Transfers	<u>(236,313)</u>	<u>262,432</u>	<u>236,313</u>	<u>(262,432)</u>	<u>-</u>	<u>-</u>
Changes in Net Assets	17,773,454	27,964,541	(1,517,757)	(761,968)	16,255,697	27,202,573
Beginning Net Assets	<u>144,081,659</u>	<u>116,117,118</u>	<u>36,034,074</u>	<u>36,796,042</u>	<u>180,115,733</u>	<u>152,913,160</u>
Ending Net Assets	<u>\$ 161,855,113</u>	<u>\$ 144,081,659</u>	<u>\$ 34,516,317</u>	<u>\$ 36,034,074</u>	<u>\$ 196,371,430</u>	<u>\$ 180,115,733</u>

Current Year Impacts

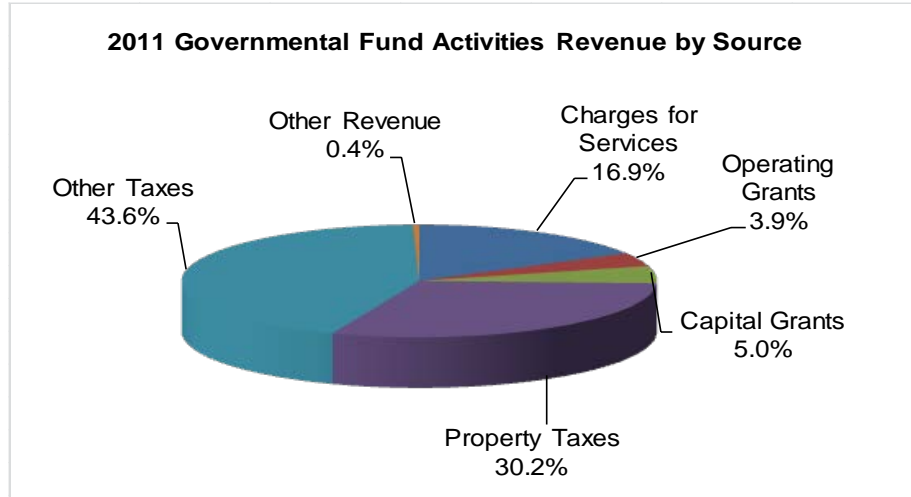
Governmental Activities

Revenues:

For the fiscal year ended December 31, 2011, revenues from Governmental Activities totaled \$98.1 million. During the fiscal year property taxes continue to be the City's single largest yearly revenue source coming in at \$29.7 million and only slightly above last year due to a 0% property tax levy increase over the prior year's tax extension. Other taxes increased due to the new Gaming tax revenue of \$10.8 million.

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The 2010 equalized assessed value (EAV) was reduced by (5.29%) from the 2009 EAV following the decline in market value of property in Cook County, IL.

Equalized Assessed Valuation

<u>Levy Year</u>	<u>Total</u>
2010	\$ 2,394,677,264
2009	<u>2,528,425,146</u>
(Decrease)	<u>\$ (133,747,882)</u>
% of (Decrease)	-5.29%

The General Fund state-per-capita shared revenues from income tax and use tax remained unchanged due to the slight decrease in population offset by higher use tax revenues.

<u>State-Shared Tax</u>	<u>Fiscal Year</u> <u>2011</u>	<u>Fiscal Year</u> <u>2010</u>	<u>Increase /</u> <u>(Decrease)</u>	<u>Percent</u> <u>Change</u>
State Income Tax	\$ 4,515,411	\$ 4,580,927	\$ (65,516)	-1.4%
Use Tax	<u>852,309</u>	<u>772,229</u>	<u>80,080</u>	10.4%
Total	<u>\$ 5,367,720</u>	<u>\$ 5,353,156</u>	<u>\$ 14,564</u>	0.3%

The City's sales tax revenue (one percent share of the State collected tax and one percent home rule sales tax) increased 1.2% during the fiscal year.

<u>Fiscal</u> <u>Year</u>	<u>Accrued</u> <u>Amount</u> <u>Received</u>	<u>Change</u>	<u>Percent</u> <u>Change</u>
2010	\$ 8,589,981	\$ 318,153	3.8%
2011	8,690,828	100,847	1.2%

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Expenses:

For the fiscal year ended December 31, 2011, expenses from Governmental Activities totaled \$80.1 million, a \$13.6 million increase primarily due to \$7.1 million accrued gaming tax revenue share agreements payable to the State of Illinois and 10 benefiting communities. Public Safety expenditures increased by \$3.2 million due to the rise in police and fire pension contribution as well as personnel costs. Streets and highways expenditures increased by \$0.8 million due to an increase in routine street maintenance projects that were not capitalized.

Business-Type Activities

- In 2011 the City had no water or sewer rate increase resulting in a \$0.2 million or (2%) decline in revenue due to the lower than expected number of units billed. However the operating expenses increased by \$0.6 million or (5%) primarily due to higher personnel costs and an increase in consumption and depreciation expenses.
- The Parking System revenues slightly decreased due to the less than projected reimbursement for the maintenance of the Library parking deck. Operating expenses remained approximately the same as last year.

FINANCIAL HIGHLIGHTS

Governmental Funds

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financial requirements. This year's report has been updated to implement the GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Types. For the fiscal year ended December 31, 2011; the Governmental Funds reported a combined fund balance of approximately \$38 million. This was an increase of \$5.6 million, or 17.5% primarily due to the increase in General Fund revenues as well as revenues generated from the Gaming Tax.

The General Fund is the main operating fund of the City. At the end of the current fiscal year the General Fund balance increased by \$5.8 million or 25%. The \$8.2 million of the General Fund Balance was classified as nonspendable to cover the advances to TIF #6 and TIF #3 funds that had negative fund balances. The unassigned \$21.1 million balance of the General Fund can be used to cover the day-to-day service delivery and was at 38.9% of total 2011 General Fund expenditures.

General Fund revenues increased by \$1.2 million or 2.0% over 2010 primarily due to the increase in property tax collections from prior years as well as a full year revenues from the red light cameras fines implemented late 2010. Total General Fund expenditures increased by \$3.7 million or 7.4% mostly as a result of contractual increases in Public Safety, and Public Works salaries and benefits.

The City maintains five separate funds created to account for the revenues and expenditures related to the City's tax increment financing (TIF) redevelopment areas. TIF #1 (Downtown) and TIF #6 (Mannheim/Higgins) are considered major governmental funds this year with fund balances of \$3.5 and \$(5.2) million respectively. The negative impact on the City's 2011 total governmental fund balance is primarily due to a deficit fund balance in TIF #6 related to debt service costs for land purchased in 2007 for a redevelopment project. A new agreement for a redevelopment project was approved by the City Council in early 2012.

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The Gaming Tax fund was created to account for the revenues and contractual obligation expenses related to Rivers Casino which opened in 2011. The fund balance at the end of 2011 was \$3.7 million. This fund balance represents the City's portion of the gaming tax revenue after payments were made to the State of Illinois and other benefiting communities based on a contractual obligation.

The Capital Projects fund was created to account for the acquisition and construction of major capital facilities and improvements and is classified as a major governmental fund in 2011. The Capital Projects fund balance decreased by (\$4.8) million primarily due to State funds received in 2010 for the River Road construction project which spanned over a two year period that was completed in 2011.

Proprietary Funds

The City's proprietary funds statements provide the same type of information found in the government-wide financial statements, but in more detail. The City reports the Water/Sewer and Parking System Funds as Major Enterprise Funds. At December 31, 2011 the Enterprise Funds total net assets were \$34.0 million, a drop of (\$1.5) or (4.3%).

The Water/Sewer Fund Net Assets decrease by (\$0.9) million primarily due to the operating losses and increase in depreciation expense. The City's operating expenses continued to increase while the revenues continue to decline as a result of reduced consumption and no service charge increases in 2011. However, a water /sewer rate study was completed in 2011 and a fee increase was approved in 2012.

The Parking System Fund reported Net Assets of \$13.0 million, a decrease of (\$0.6) million since the revenue from charges for services only covers the operating expenses and payments related to the outstanding debt resulting in a deficit due to depreciation expense.

GENERAL FUND BUDGETARY HIGHLIGHTS

Table 3: 2011 General Fund Budgetary Highlights

	Original and Final <u>Budget</u>	<u>Actual</u>	Variance from Fund Budget <u>Positive (Negative)</u>
Revenues	\$ 55,203,630	\$ 60,513,308	\$ 5,309,678
Expenditures	<u>53,792,486</u>	<u>54,109,976</u>	<u>(317,490)</u>
Excess of Revenues Over Expenditures	<u>1,411,144</u>	<u>6,403,332</u>	<u>4,992,188</u>
Other Financing Sources (Uses)	(1,151,461)	(2,420,042)	(1,268,581)
Special Items	<u>-</u>	<u>1,865,857</u>	<u>1,865,857</u>
Net Changes in Fund Balance	<u>\$ 259,683</u>	<u>\$ 5,849,147</u>	<u>\$ 5,589,464</u>

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General Fund actual revenues were \$5.3 million or 9.6% greater than the budgeted amount while General Fund actual expenditures were (\$0.3) million or 0.6% higher than the budgeted amount. The revenues from local taxes, intergovernmental payments as well as charges for services, fines and fees were higher than anticipated. The expenditures remained within the budget expectations based on the City's conservative approach to spending. The Special Items revenue reflects \$1.9 million adjustment to the compensated absences expenditures which was a one-time adjustment and will not continue into future fiscal years.

CAPITAL ASSETS

The City's investment in capital assets net of the accumulated depreciation from the Governmental Activities was \$184.2 million and from the Business-Type Activities \$31.1 million as of December 31, 2011. The investment in capital assets includes land, buildings, intangible assets, equipment, improvements, vehicles and infrastructure. Major governmental activities capital asset events during the current fiscal year included the River Road construction as well as alley reconstruction and storm sewer improvements.

The City implemented a new financial software package and capitalized over \$0.6 million in intangible assets. Most of the Business-type capital assets activities included reconstruction of the water mains and sanitary sewer improvements. Detailed information regarding the change in capital assets for Governmental and Business-Type activities is included in the Capital Assets Note on pages 45-46 of 2011 CAFR.

DEBT OUTSTANDING

The City, under its home rule authority, does not have a legal debt limit. In March 2010 Moody's recalibrated its long-term US municipal ratings to its global rating scale and assigned an "Aa2" rating to the City's outstanding municipal bond issues. The City's outstanding general obligation debt rating of "Aa2" has been reaffirmed in November 2011 by Moody's Investors Service. The City continues to plan to issue bonds for economic development purposes.

Existing Debt

The City has \$63.6 million in principal outstanding General Obligation Bonds, of which \$62.8 million or over 98.7% is self-supporting from water system revenues, TIF revenues, sales and utility taxes, sewer fees and other fees and only \$0.9 million or 1.3% is supported by property tax revenue.

During the current fiscal year, the City issued \$3.5 million in Series 2011 General Obligation (G.O.) Refunding Bonds to partially pay off the G.O. Bonds, Series 2003A and to take the advantage of the interest rate savings. The City used the General Fund balance to pay off \$0.8 million of the property tax supported portion of the G.O. Bonds, Series 2003A (Fire Station Portion). The City's net direct debt ratio to equalized assessed value (EAV) continues to be less than 1%. Additional information of the City's long-term debt can be found in Note III-F Long-Term Obligations on pages 49-55 to the Financial Statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The national economic slowdown continues to affect the local micro-economy. Over the past several years the City has been keeping tax increases to a minimum in order to minimize the tax burden to the residents. In August 2011 Cook County home sales were down 9.2% from the same time a year ago and median sales prices for the same period dropped 7.8%. The unemployment rate for the City of Des Plaines declined to 9.3% which is slightly below the state unemployment rate of 9.7% in 2011.

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Recent changes in pension legislation allows municipalities' additional time until 2040 to fund 90% of their respective pension obligations. In 2011, the City adjusted its actuarial rate by lowering it from 8% to 7.75% and allowing the City to restructure the investment portfolio to meet future pension obligations. During the 2012 Budget process the City lowered its actuarial rate to 7% and 100% funding by 2040 for Police and Fire pensions to fully comply with state statute.

Following two years of declining revenues many revenue sources have stabilized or have even seen a slight increase. The relatively flat revenue poses a challenge for the City as costs of doing business continue to increase. Total revenues in the 2012 Budget are \$114.6 million, a 17.2% increase from the 2011 Budget, mostly due to an influx of revenue associated with the opening of the Rivers Casino and entertainment complex in Des Plaines. The City continues to be committed to its goal to have low or no property tax increases. In 2012 the tax levy is \$23.2 million or 0% increase over the prior year's tax levy.

Total City spending for the 2012 Budget is \$114.8 million, a \$16.0 million or 16.2% increase over the 2011 Budget amount. The vast majority of this increase is entirely due to the City's obligations under the business development agreement with Midwest Gaming as well as the investment in infrastructure projects within the City's five TIF districts. Prior to 2011 the City did not have a funding mechanism for major capital equipment purchases and in some instances was forced to issue a debt in order to fund these types of purchases. In 2011 the City amended its Capital Equipment Replacement policy to accumulate funding necessary to replace the City's vehicles and equipment based on a pre-defined schedule. This important step in the long-term fiscal health of the City eliminates the need to issue debt and incur expensive borrowing costs. It also allows the City to better plan for these types of purchases on a consistent, regular basis.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, customers, investors, and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the money it receives. Questions concerning this report or requests for additional financial information should be directed to the Director of Finance, City of Des Plaines, 1420 Miner Street, Des Plaines, IL 60016 or access the City's website at www.desplaines.org.

BASIC FINANCIAL STATEMENTS

CITY OF DES PLAINES, ILLINOIS
STATEMENT OF NET ASSETS
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	Primary Government			Component Unit (Library)
	Governmental Activities	Business-type Activities	Total Primary Government	
ASSETS				
Cash and Investments	\$ 39,425,620	\$ 1,466,827	\$ 40,892,447	\$ 4,176,070
Receivables (Net)				
Property Taxes	29,847,630	-	29,847,630	6,375,824
Accounts	4,596,737	3,124,643	7,721,380	-
Accrued Interest	1,057	-	1,057	-
Other Taxes	1,402,193	-	1,402,193	-
Other	956,093	253,744	1,209,837	-
Prepaid Items	3,261,796	-	3,261,796	-
Inventories	-	237,377	237,377	-
Due from Other Governmental Units	6,817,175	-	6,817,175	-
Internal Balances	(477,562)	477,562	-	-
Deferred Charges	695,100	5,334	700,434	-
Net Pension Asset	1,244,308	-	1,244,308	-
Capital Assets Not Being Depreciated	72,860,664	1,891,770	74,752,434	-
Capital Assets Being Depreciated, Net	111,326,234	29,163,103	140,489,337	814,501
TOTAL ASSETS	<u>271,957,045</u>	<u>36,620,360</u>	<u>308,577,405</u>	<u>11,366,395</u>
LIABILITIES				
Accounts Payable	10,757,252	895,699	11,652,951	165,202
Accrued Payroll	1,236,079	108,877	1,344,956	50,800
Accrued Liabilities	135,308	-	135,308	-
Accrued Interest Payable	180,585	2,433	183,018	-
Unearned Revenue	29,845,858	57,624	29,903,482	6,295,505
Deposits Payable	47,754	-	47,754	-
Long-term Obligations				
Due Within One Year	6,416,581	505,843	6,922,424	120,239
Due in More Than One Year	61,482,515	533,567	62,016,082	280,013
TOTAL LIABILITIES	<u>110,101,932</u>	<u>2,104,043</u>	<u>112,205,975</u>	<u>6,911,759</u>
NET ASSETS				
Invested in Capital Assets, Net of Related Debt	116,287,802	30,336,201	146,624,003	814,501
Restricted for				
Streets and Highways	1,768,708	-	1,768,708	-
Public Safety	2,266,416	-	2,266,416	-
Economic Development	4,756,587	-	4,756,587	-
Debt Service	240,116	-	240,116	3,640,135
Unrestricted	36,535,484	4,180,116	40,715,600	-
TOTAL NET ASSETS	<u>\$ 161,855,113</u>	<u>\$ 34,516,317</u>	<u>\$ 196,371,430</u>	<u>\$ 4,454,636</u>

CITY OF DES PLAINES, ILLINOIS
STATEMENT OF ACTIVITIES
Year Ended December 31, 2011

Functions/Programs	Expenses	Program Revenues		
		Fees, Fines & Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental Activities				
General Government	\$ 18,270,898	\$ 6,223,077	\$ 1,246,707	\$ 322,026
Public Safety	38,529,145	3,740,733	829,383	-
Public Works	8,537,753	3,826,957	-	245,506
Streets and Highways	10,341,746	2,323,567	1,721,701	4,283,585
Economic Development	1,161,997	-	-	-
Interest and Fiscal Charges	3,274,304	-	-	-
Total Governmental Activities	<u>80,115,843</u>	<u>16,114,334</u>	<u>3,797,791</u>	<u>4,851,117</u>
Business-type Activities				
Water	12,528,325	11,286,580	4,691	-
Parking System	802,934	283,554	-	-
Total Business-type Activities	<u>13,331,259</u>	<u>11,570,134</u>	<u>4,691</u>	<u>-</u>
Total Primary Government	<u>\$ 93,447,102</u>	<u>\$ 27,684,468</u>	<u>\$ 3,802,482</u>	<u>\$ 4,851,117</u>
Component Unit:				
Library	<u>\$ 5,798,824</u>	<u>\$ 147,023</u>	<u>\$ 64,080</u>	<u>\$ -</u>

General Revenues
 Taxes
 Property Taxes
 Replacement Taxes
 Sales Taxes
 Utility Taxes
 Income Taxes
 Home Rule Sales Taxes
 Food and Beverage Taxes
 Hotel/Motel Taxes
 Real Estate Transfer Taxes
 Local Option Motor Fuel Taxes
 Gaming Taxes
 Other Taxes
 Investment Income
 Miscellaneous
 Transfers

Total General Revenues and Transfers

Change in Net Assets
 Net Assets, January 1, 2011

Net Assets, December 31, 2011

Net (Expense) Revenue and Changes in Net Assets			
Primary Government			Component Unit
Governmental Activities	Business-type Activities	Total Primary Government	Library
\$ (10,479,088)		\$ (10,479,088)	\$ -
(33,959,029)		(33,959,029)	-
(4,465,290)		(4,465,290)	-
(2,012,893)		(2,012,893)	-
(1,161,997)		(1,161,997)	-
(3,274,304)		(3,274,304)	-
<u>(55,352,601)</u>		<u>(55,352,601)</u>	<u>-</u>
	\$ (1,237,054)	(1,237,054)	-
	(519,380)	(519,380)	-
	<u>(1,756,434)</u>	<u>(1,756,434)</u>	<u>-</u>
<u>(55,352,601)</u>	<u>(1,756,434)</u>	<u>(57,109,035)</u>	<u>-</u>
-	-	-	(5,587,721)
29,671,822	-	29,671,822	6,625,483
1,207,737	-	1,207,737	92,988
8,690,828	-	8,690,828	-
3,401,735	-	3,401,735	-
4,515,411	-	4,515,411	-
5,034,311	-	5,034,311	-
1,059,647	-	1,059,647	-
1,440,269	-	1,440,269	-
393,417	-	393,417	-
1,719,941	-	1,719,941	-
10,819,591	-	10,819,591	-
4,541,664	-	4,541,664	-
82,369	1,519	83,888	2,434
783,626	845	784,471	32,010
<u>(236,313)</u>	<u>236,313</u>	<u>-</u>	<u>-</u>
<u>73,126,055</u>	<u>238,677</u>	<u>73,364,732</u>	<u>6,752,915</u>
17,773,454	(1,517,757)	16,255,697	1,165,194
<u>144,081,659</u>	<u>36,034,074</u>	<u>180,115,733</u>	<u>3,289,442</u>
<u>\$ 161,855,113</u>	<u>\$ 34,516,317</u>	<u>\$ 196,371,430</u>	<u>\$ 4,454,636</u>

CITY OF DES PLAINES, ILLINOIS
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2011

	Major Governmental Funds			
	General	TIF #1 (Downtown)	TIF #6 (Mannheim/Higgins)	Gaming Tax
ASSETS				
Cash	\$ 17,109,909	\$ 3,621,915	\$ -	\$ 8,246,829
Receivables (net)				
Property Tax Receivable	23,006,473	5,363,517	111,885	-
Other Taxes	1,256,378	-	-	-
Accounts Receivable	1,404,139	-	-	-
Accrued Interest	451	-	-	-
Other	439,754	-	-	2,573,612
Due from Other Governments	5,055,974	-	-	-
Due from Other Funds	421,135	-	-	-
Advances from Other Funds	8,162,664	-	-	-
TOTAL ASSETS	<u>\$ 56,856,877</u>	<u>\$ 8,985,432</u>	<u>\$ 111,885</u>	<u>\$ 10,820,441</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts Payable	\$ 1,649,263	\$ 204,136	\$ 5,316	\$ 7,122,357
Accrued Payroll	1,220,715	-	-	-
Accrued Liabilities	111,498	-	-	-
Deposits Payable	-	18,737	-	-
Due to Other Funds	-	-	-	-
Advances to Other Funds	-	-	5,223,621	-
Deferred Revenue	24,632,188	5,256,596	98,051	-
Total Liabilities	<u>27,613,664</u>	<u>5,479,469</u>	<u>5,326,988</u>	<u>7,122,357</u>
Fund Balances				
Nonspendable				
Long-term Interfund Advances	8,162,664	-	-	-
Restricted				
Economic Development	-	3,505,963	-	-
Debt Retirement/Infrastructure	-	-	-	3,698,084
Streets & Highways	-	-	-	-
Public Safety	-	-	-	-
Debt Service	-	-	-	-
Assigned				
Infrastructure	-	-	-	-
Capital Acquisitions	-	-	-	-
Unassigned	21,080,549	-	(5,215,103)	-
Total Fund Balances	<u>29,243,213</u>	<u>3,505,963</u>	<u>(5,215,103)</u>	<u>3,698,084</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 56,856,877</u>	<u>\$ 8,985,432</u>	<u>\$ 111,885</u>	<u>\$ 10,820,441</u>

Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
\$ 1,896,253	\$ 7,304,592	\$ 38,179,498
25,909	1,339,846	29,847,630
145,815	-	1,402,193
618,986	-	2,023,125
-	606	1,057
502,784	13,555	3,529,705
980,900	780,301	6,817,175
-	-	421,135
-	-	8,162,664
<u>\$ 4,170,647</u>	<u>\$ 9,438,900</u>	<u>\$ 90,384,182</u>
\$ 1,029,541	\$ 675,202	\$ 10,685,815
15,364	-	1,236,079
-	-	111,498
5,337	23,680	47,754
-	421,135	421,135
-	2,939,043	8,162,664
25,952	1,750,261	31,763,048
<u>1,076,194</u>	<u>5,809,321</u>	<u>52,427,993</u>
-	-	8,162,664
-	1,250,624	4,756,587
-	-	3,698,084
1,308,695	460,013	1,768,708
-	2,266,416	2,266,416
-	420,701	420,701
1,785,758	-	1,785,758
-	2,490,426	2,490,426
-	(3,258,601)	12,606,845
<u>3,094,453</u>	<u>3,629,579</u>	<u>37,956,189</u>
<u>\$ 4,170,647</u>	<u>\$ 9,438,900</u>	<u>\$ 90,384,182</u>

CITY OF DES PLAINES, ILLINOIS
RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
December 31, 2011

Total Fund Balances - Governmental Funds \$ 37,956,189

Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds:

Capital Assets	\$ 274,764,235	
Accumulated Depreciation	<u>(90,577,337)</u>	
Net Capital Assets		184,186,898

Some receivables that are not currently available are reported as deferred revenues in the fund financial statements but are recognized as revenue when earned in the government-wide statements. 1,917,190

Costs related to the issuance of long-term debt are recorded as expenditures when incurred in governmental funds, but are capitalized and amortized over the life of the debt issue in the statement of net assets. 695,100

Generally, interest on long-term debt is not accrued in governmental funds, but rather is recognized when due. (180,585)

The net pension assets of the police and firefighters pension funds are included in the governmental activities in the statement of net assets. 1,244,308

Some liabilities reported in the statement of net assets do not require the use of current financial resources and therefore are not reported as liabilities in governmental funds. These liabilities consist of:

Compensated Absences Payable	(1,844,457)	
General Obligation Bonds Payable	(23,805,000)	
TIF General Obligation Bonds Payable	(39,105,477)	
TIF Revenue Bonds Payable	(591,330)	
Unamortized Bond Premiums, Discounts, & Loss on Refunding	784,902	
Installment Notes Payable	(268,651)	
Other Post Employment Benefits (OPEB)	(2,149,785)	
Net Pension Obligation - IMRF	<u>(187,080)</u>	
Total Long-term Liabilities		(67,166,878)

Internal service funds are reported in the Statement of Net Assets as Governmental Activities. 3,202,891

Net Assets of Governmental Activities \$ 161,855,113

CITY OF DES PLAINES, ILLINOIS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended December 31, 2011

	Major Governmental Funds			
	General	TIF #1 (Downtown)	TIF #6 (Mannheim/Higgins)	Gaming Tax
Revenues				
Property Taxes	\$ 22,356,628	\$ 4,954,697	\$ 118,942	\$ -
Other Taxes	11,743,198	-	-	10,819,591
Licenses and Permits	3,086,311	-	-	-
Intergovernmental	15,010,880	25,000	-	-
Public Charges for Services	6,344,524	-	-	-
Fines, Forfeitures and Penalties	1,370,186	-	-	-
Developer Contributions	-	-	-	-
Investment Income	41,617	2,186	19	850
Miscellaneous	559,964	2,600	-	-
Total Revenues	<u>60,513,308</u>	<u>4,984,483</u>	<u>118,961</u>	<u>10,820,441</u>
Expenditures				
Current				
General Government	6,821,598	-	-	7,122,357
Public Safety	36,561,253	-	-	-
Public Works	5,943,764	-	-	-
Streets and Highways	4,412,015	-	-	-
Economic Development	371,346	541,600	41,927	-
Debt Service				
Principal	-	2,344,430	25,000	-
Interest and Fiscal Charges	-	626,583	12,397	-
Payment to Refunding Bond Escrow	-	-	-	-
Capital Outlay	-	413,669	-	-
Total Expenditures	<u>54,109,976</u>	<u>3,926,282</u>	<u>79,324</u>	<u>7,122,357</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>6,403,332</u>	<u>1,058,201</u>	<u>39,637</u>	<u>3,698,084</u>
Other Financing Sources (Uses)				
Transfer In	399,838	-	-	-
Transfer Out	(2,819,880)	(174,268)	(27,990)	-
Issuance of Debt	-	-	-	-
Payment to Refunding Bond Escrow	-	-	-	-
Premium on Bond Issuance	-	-	-	-
Total Other Financing Sources (Uses)	<u>(2,420,042)</u>	<u>(174,268)</u>	<u>(27,990)</u>	<u>-</u>
Special Items	<u>1,865,857</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	5,849,147	883,933	11,647	3,698,084
Fund Balances at Beginning of Year	<u>23,394,066</u>	<u>2,622,030</u>	<u>(5,226,750)</u>	<u>-</u>
Fund Balances at End of Year	<u>\$ 29,243,213</u>	<u>\$ 3,505,963</u>	<u>\$ (5,215,103)</u>	<u>\$ 3,698,084</u>

Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
\$ 26,647	\$ 2,214,908	\$ 29,671,822
5,495,674	90,053	28,148,516
-	-	3,086,311
2,191,825	4,022,695	21,250,400
2,323,567	-	8,668,091
-	235,434	1,605,620
848,601	-	848,601
4,000	33,039	81,711
41,722	49,568	653,854
<u>10,932,036</u>	<u>6,645,697</u>	<u>94,014,926</u>
-	350,258	14,294,213
-	620,146	37,181,399
1,421,980	-	7,365,744
-	630,640	5,042,655
-	240,738	1,195,611
3,100,000	1,683,169	7,152,599
1,079,019	644,197	2,362,196
-	815,034	815,034
<u>9,951,582</u>	<u>4,695,728</u>	<u>15,060,979</u>
<u>15,552,581</u>	<u>9,679,910</u>	<u>90,470,430</u>
<u>(4,620,545)</u>	<u>(3,034,213)</u>	<u>3,544,496</u>
-	3,400,377	3,800,215
(200,535)	(414,843)	(3,637,516)
-	3,540,000	3,540,000
-	(3,541,973)	(3,541,973)
-	40,452	40,452
<u>(200,535)</u>	<u>3,024,013</u>	<u>201,178</u>
<u>33,138</u>	<u>1,751</u>	<u>1,900,746</u>
(4,787,942)	(8,449)	5,646,420
<u>7,882,395</u>	<u>3,638,028</u>	<u>32,309,769</u>
<u>\$ 3,094,453</u>	<u>\$ 3,629,579</u>	<u>\$ 37,956,189</u>

CITY OF DES PLAINES, ILLINOIS
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
Year Ended December 31, 2011

Net Change in Fund Balances - Total Governmental Funds \$ 5,646,420

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation and other transactions that impact capital assets in the current year.

Capital Expenditures	\$ 12,127,636	
Contributed Assets	983,928	
Transfer from Enterprise Funds	40,484	
Transfer to Enterprise Funds	(439,496)	
Depreciation	<u>(5,608,761)</u>	
Capital Expenditures in Excess of Depreciation		7,103,791

Some revenues were not collected for several months after the close of the fiscal year and therefore were not considered to be "available" and are not reported as revenue in the governmental funds. (64,196)

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported in the governmental funds.

Increase in Compensated Absences Liability	56,289	
Accretion of Interest on Capital Appreciation Bonds	(491,232)	
Decrease in Accrued Interest Payable	29,620	
Increase in Net Pension Obligation - IMRF	(187,080)	
Increase in Other Post Employment Benefits (OPEB)	(542,396)	
Increase in Net Pension Asset	<u>306,480</u>	
Total Expenses of Non-current Resources		(828,319)

The issuance of long-term debt provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Bonds Issued	(3,540,000)	
Premium on Bonds Issued	(40,452)	
Bond Issuance Costs	36,315	
Repayments:		
General Obligation Bonds Payable	4,320,000	
TIF General Obligation Bonds Payable	2,685,000	
TIF Revenue Bonds Payable	50,430	
Installment Notes Payable	97,169	
Payment to Refunding Escrow	4,357,007	
Amortization of Deferred Bond Issuance Costs, Premiums, Discounts, & Loss on Refunding	<u>(573,110)</u>	
Net Adjustment		7,392,359

Transactions reported in the governmental funds statements as special items did not impact the current year recognition of revenue in the statement of activities. (1,900,746)

Internal service funds are used by management to charge self insurance costs to individual funds. The change in net assets of the internal service fund (net of current look back adjustment) reported with the governmental activities. 424,145

Change in Net Assets of Governmental Activities \$ 17,773,454

CITY OF DES PLAINES, ILLINOIS
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
December 31, 2011

	Business-Type Activities - Enterprise Funds			Governmental Activities
	Water/Sewer	Parking System	Total Enterprise Funds	Internal Service Funds
ASSETS				
Current Assets				
Cash and Investments	\$ 1,201,698	\$ 265,129	\$ 1,466,827	\$ 1,246,122
Receivables (Net)				
Accounts	3,124,643	-	3,124,643	-
Other	196,120	57,624	253,744	-
Prepaid Items	-	-	-	3,261,796
Inventories	237,377	-	237,377	-
Total Current Assets	<u>4,759,838</u>	<u>322,753</u>	<u>5,082,591</u>	<u>4,507,918</u>
Noncurrent Assets				
Capital Assets				
Capital Assets Not Being Depreciated	233,828	1,657,942	1,891,770	-
Capital Assets Being Depreciated, Net	18,009,116	11,153,987	29,163,103	-
Deferred Charges	5,334	-	5,334	-
Total Noncurrent Assets	<u>18,248,278</u>	<u>12,811,929</u>	<u>31,060,207</u>	<u>-</u>
TOTAL ASSETS	<u>23,008,116</u>	<u>13,134,682</u>	<u>36,142,798</u>	<u>4,507,918</u>
LIABILITIES				
Current Liabilities				
Accounts Payable	859,717	35,982	895,699	71,437
Accrued Liabilities	108,877	-	108,877	23,810
Accrued Interest Payable	2,433	-	2,433	-
Unearned Revenue	-	57,624	57,624	-
Long-term Obligations, Due Within One Year				
Compensated Absences	140,843	-	140,843	-
Early Retirement Incentive Program Payable	-	-	-	360,934
General Obligation Debt Payable	365,000	-	365,000	-
Total Current Liabilities	<u>1,476,870</u>	<u>93,606</u>	<u>1,570,476</u>	<u>456,181</u>
Noncurrent Liabilities				
Long-term Obligations, Due in More Than One Year				
Net OPEB Obligation	40,068	-	40,068	-
Net IMRF Obligation	63,834	-	63,834	-
Compensated Absences	75,993	-	75,993	-
Early Retirement Incentive Program Payable	-	-	-	371,284
General Obligation Debt Payable	353,672	-	353,672	-
Total Noncurrent Liabilities	<u>533,567</u>	<u>-</u>	<u>533,567</u>	<u>371,284</u>
TOTAL LIABILITIES	<u>2,010,437</u>	<u>93,606</u>	<u>2,104,043</u>	<u>827,465</u>
NET ASSETS				
Invested in Capital Assets, Net of Related Debt	17,524,272	12,811,929	30,336,201	-
Unrestricted	3,473,407	229,147	3,702,554	3,680,453
TOTAL NET ASSETS	<u>\$ 20,997,679</u>	<u>\$ 13,041,076</u>	<u>34,038,755</u>	<u>\$ 3,680,453</u>
Adjustment to Reflect the Consolidation of Internal Service Funds Activities				
Related to Enterprise Funds			477,562	
Net Assets of Business-type Activities			<u>\$ 34,516,317</u>	

CITY OF DES PLAINES, ILLINOIS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
PROPRIETARY FUNDS
Year Ended December 31, 2011

	Business-Type Activities - Enterprise Funds			Governmental Activities
	Water/Sewer	Parking System	Total Enterprise Funds	Internal Service Funds
Operating Revenues				
Charges for Services	\$ 11,286,580	\$ 283,554	\$ 11,570,134	\$ 11,350,611
Miscellaneous	845	-	845	202,813
Total Operating Revenues	<u>11,287,425</u>	<u>283,554</u>	<u>11,570,979</u>	<u>11,553,424</u>
Operating Expenses				
Salaries	2,913,736	-	2,913,736	-
Benefits	1,588,923	-	1,588,923	-
Contractual Services	753,514	23,818	777,332	-
Commodities	5,722,046	128,811	5,850,857	-
Capital Outlay	576,874	-	576,874	-
Claims Expense	-	-	-	7,750,704
Insurance and Processing Fees	-	-	-	2,952,234
Miscellaneous	-	-	-	414,085
Depreciation	934,384	650,189	1,584,573	-
Total Operating Expenses	<u>12,489,477</u>	<u>802,818</u>	<u>13,292,295</u>	<u>11,117,023</u>
Operating Income (Loss)	<u>(1,202,052)</u>	<u>(519,264)</u>	<u>(1,721,316)</u>	<u>436,401</u>
Nonoperating Revenues and (Expenses)				
Intergovernmental	4,691	-	4,691	-
Investment Income	1,519	-	1,519	658
Interest Expense	(51,878)	-	(51,878)	-
Other Expenses	(40,484)	-	(40,484)	-
Total Nonoperating Revenues and (Expenses)	<u>(86,152)</u>	<u>-</u>	<u>(86,152)</u>	<u>658</u>
Income (Loss) Before Transfers and Capital Contributions	<u>(1,288,204)</u>	<u>(519,264)</u>	<u>(1,807,468)</u>	<u>437,059</u>
Transfers				
Transfers In	9,570	-	9,570	-
Transfers Out	(98,390)	(73,879)	(172,269)	-
Total Transfers	<u>(88,820)</u>	<u>(73,879)</u>	<u>(162,699)</u>	<u>-</u>
Capital Contributions	<u>439,496</u>	<u>-</u>	<u>439,496</u>	<u>-</u>
Change in Net Assets	(937,528)	(593,143)	(1,530,671)	437,059
Net Assets at Beginning of Year	<u>21,935,207</u>	<u>13,634,219</u>	<u>35,569,426</u>	<u>3,243,394</u>
Net Assets at End of Year	<u>\$ 20,997,679</u>	<u>\$ 13,041,076</u>	<u>\$ 34,038,755</u>	<u>\$ 3,680,453</u>
Adjustment to Reflect the Consolidation of Internal Service Funds Activities Related to Enterprise Funds			<u>12,914</u>	
Change in Net Assets of Business-type Activities			<u>\$ (1,517,757)</u>	

CITY OF DES PLAINES, ILLINOIS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended December 31, 2011

	Business-Type Activities - Enterprise Funds			Governmental Activities
	Water/Sewer	Parking System	Total Enterprise Funds	Internal Service Funds
Cash Flows from Operating Activities				
Cash Received from Customers	\$ 11,243,649	\$ 332,686	\$ 11,576,335	\$ 11,368,754
Receipts from Miscellaneous Revenues	845	-	845	202,813
Cash Payments to Suppliers for Good and Services	(7,111,223)	(136,373)	(7,247,596)	(11,385,170)
Cash Payments to Employees for Services	(4,416,554)	-	(4,416,554)	-
Net Cash Provided/(Used) by Operating Activities	<u>(283,283)</u>	<u>196,313</u>	<u>(86,970)</u>	<u>186,397</u>
Cash Flows from Noncapital Financing Activities				
Transfers In	9,570	-	9,570	-
Transfers Out	(98,390)	(73,879)	(172,269)	-
Loans Issued	(28,151)	-	(28,151)	-
Proceeds from Operating Grants	4,691	-	4,691	-
Net Cash Provided/(Used) by Noncapital Financing Activities	<u>(112,280)</u>	<u>(73,879)</u>	<u>(186,159)</u>	<u>-</u>
Cash Flows from Capital and Related Financing Activities				
Principal Payments - Bonds	(370,000)	-	(370,000)	-
Acquisition and Construction of Capital Assets	(793,180)	-	(793,180)	-
Interest Paid	(43,485)	-	(43,485)	-
Net Cash Provided/(Used) by Capital and Related Financing Activities	<u>(1,206,665)</u>	<u>-</u>	<u>(1,206,665)</u>	<u>-</u>
Cash Flows from Investing Activities				
Investment Income	1,519	-	1,519	658
Net Cash Provided/(Used) by Investing Activities	<u>1,519</u>	<u>-</u>	<u>1,519</u>	<u>658</u>
Net Increase (Decrease) in Cash & Investments	(1,600,709)	122,434	(1,478,275)	187,055
Cash & Investments, Beginning of Year	2,802,407	142,695	2,945,102	1,059,067
Cash & Investments, End of Year	<u>\$ 1,201,698</u>	<u>\$ 265,129</u>	<u>\$ 1,466,827</u>	<u>\$ 1,246,122</u>
Reconciliation of Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities				
Operating Income/(Loss)	\$ (1,202,052)	\$ (519,264)	\$ (1,721,316)	\$ 436,401
Adjustments to Reconcile Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities				
Depreciation	934,384	650,189	1,584,573	-
Decrease (Increase) in Receivables	(42,931)	25,619	(17,312)	24,314
Decrease (Increase) in Prepaid Items	-	-	-	107,499
Decrease (Increase) in Inventories	(90,976)	-	(90,976)	-
(Decrease) Increase in Accounts Payable	32,187	16,256	48,443	35,519
(Decrease) Increase in Accrued Liabilities	67,179	-	67,179	(52,457)
(Decrease) Increase in Unearned Revenue	-	23,513	23,513	(6,171)
(Decrease) Increase in Net OPEB Obligation	20	-	20	-
(Decrease) Increase in Net IMRF Obligation	63,834	-	63,834	-
(Decrease) Increase in Compensated Absences Payable	(44,928)	-	(44,928)	-
(Decrease) Increase in Early Retirement Incentive Program Payable	-	-	-	(358,708)
Total Adjustments	<u>918,769</u>	<u>715,577</u>	<u>1,634,346</u>	<u>(250,004)</u>
Net Cash Provided/(Used) by Operating Activities	<u>\$ (283,283)</u>	<u>\$ 196,313</u>	<u>\$ (86,970)</u>	<u>\$ 186,397</u>
Noncash Capital and Related Financing Activities				
Intra-Government Net Capital Assets Transfers	\$ 399,012	\$ -	\$ 399,012	\$ -

See accompanying notes to the financial statements.

CITY OF DES PLAINES, ILLINOIS
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
December 31, 2011

	Pension Trust Funds	Agency Funds
ASSETS		
Cash and Cash Equivalents	\$ 5,498,810	\$ 609,188
Investments		
U.S. Government and Agency Obligations	33,475,886	-
Mutual Funds	23,436,867	-
Corporate Bonds	18,186,400	-
Stocks	24,539,241	-
State and Local Obligations	2,711,700	-
Insurance Contracts	1,457	-
Receivables (Net)		
Accrued Interest	487,498	-
Other	-	37,846
Prepaid Items	14,016	-
TOTAL ASSETS	\$ 108,351,875	\$ 647,034
 LIABILITIES AND NET ASSETS		
Liabilities		
Accounts Payable	\$ 68,143	\$ 19,285
Accrued Liabilities	-	77,415
Deposits Payable	-	550,334
Total Liabilities	68,143	\$ 647,034
 Net Assets		
Held in Trust for Pension Benefits	108,283,732	
TOTAL LIABILITIES AND NET ASSETS	\$ 108,351,875	

CITY OF DES PLAINES, ILLINOIS
STATEMENT OF CHANGES IN PLAN NET ASSETS
PENSION TRUST FUNDS
Year Ended December 31, 2011

	<u>Pension Trust Funds</u>
Additions	
Contributions	
Employer	\$ 7,573,520
Plan Members	<u>1,608,771</u>
Total Contributions	<u>9,182,291</u>
Investment Income	2,617,609
Less Investment Expense	<u>(454,145)</u>
Net Investment Income	<u>2,163,464</u>
Total Additions	<u>11,345,755</u>
Deductions	
Administration	185,149
Benefits and Refunds	<u>10,690,836</u>
Total Deductions	<u>10,875,985</u>
Change in Plan Net Assets	469,770
Plan Net Assets at Beginning of Year	<u>107,813,962</u>
Plan Net Assets at End of Year	<u>\$ 108,283,732</u>

CITY OF DES PLAINES, ILLINOIS
INDEX TO NOTES TO FINANCIAL STATEMENTS
December 31, 2011

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NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Des Plaines, Illinois (the "City") was incorporated in 1857. The City is a home rule municipality, under the 1970 Illinois Constitution, located in Cook County, Illinois. The City operates under a City Manager form of government and provides the following services as authorized by its charter: public safety (police and fire protection), highways and streets, sanitation (water and sewer), health and social services, public improvements, planning and zoning, civic and cultural, and general administrative services.

The accounting policies of the City of Des Plaines, Illinois conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The accepted standard setting body for establishing governmental accounting and financial reporting principles is the Governmental Accounting Standards Board (GASB).

Reporting Entity: This report includes all of the funds of the City of Des Plaines. The reporting entity for the City consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading or incomplete. A legally separate organization should be reported as a component unit if the elected officials of the primary government are financially accountable for the organization. The primary government is financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to or burdens on the primary government. The primary government may be financially accountable if an organization is fiscally dependent on the primary government.

A legally separate, tax exempt organization should be reported as a component unit of a reporting entity if all of the following criteria are met: (1) The economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents; (2) The primary government is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization; (3) The economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government. Component units that are fiduciary in nature are reported in the primary government's fund financial statements only. Blended component units, although legally separate entities, are, in substance, part of the government's operations and are reported with similar funds of the primary government. The discretely presented component unit is reported in a separate column in the government-wide financial statements (see note below for description) to emphasize that it is legally separate from the primary government.

Fiduciary Component Units – Police and Firefighters' Pension Funds - The Police Pension Employees Retirement System (PPERS) is established for the City's police employees. PPERS functions for the benefit of these employees and is governed by a five member pension board. Two members appointed by the City's Mayor, one pension beneficiary elected by the membership, and two police employees elected by the membership constitute the pension board. The City and the PPERS participants are obligated to fund all PPERS costs based upon actuarial valuations. The State of Illinois is authorized to establish benefit levels and the City is authorized to approve the actuarial assumptions used in the determination of contribution levels. Although it possesses many characteristics of a legally separate government, PPERS is reported as if it were part of the primary government because its sole purpose is to finance and administer the pensions of the City's police employees and because of the fiduciary nature of such activities. PPERS is reported as a pension trust fund. No separate annual financial report is issued for the PPERS.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Firefighters' Pension Employees Retirement System (FPERS) is established for the City's firefighters. FPERS functions for the benefit of these employees and is governed by a five member pension board. Two members appointed by the City's Mayor, one pension beneficiary elected by the membership, and two firefighter employees elected by the membership constitute the pension board. The City and the FPERS participants are obligated to fund all FPERS costs based upon actuarial valuations. The State of Illinois is authorized to establish benefit levels and the City 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, FPERS is reported as if it were part of the primary government because its sole purpose is to finance and administer the pensions of the City's firefighters because of the fiduciary nature of such activities. FPERS is reported as a pension trust fund. No separate annual financial report is issued for the FPERS.

Discretely Presented Component Unit – Des Plaines Public Library – The government-wide financial statements include the Des Plaines Public Library (Library) as a component unit. The Library is a legally separate organization. The board of the Library is appointed by the City Council. Illinois Statutes provide for circumstances whereby the City can impose its will on the Library, and also create a potential financial benefit to or burden on the City. See Note III. I. As a component unit, the Library's financial statements have been presented as a discrete column in the financial statements. The Library does not issue a separate audit report.

Government-Wide and Fund Financial Statements:

Government-wide Financial Statements – The statement of net assets and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business type activities are financed in whole or in part by fees charged to external parties for goods or services. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. The City does not allocate indirect expenses to functions in the statement of activities. 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 included among program revenues are reported as general revenues. Internally dedicated resources are reported as general revenues rather than as program revenues.

Fund Financial Statements – Financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts, which constitute its assets, liabilities, net assets/fund equity, revenues, and expenditure/expenses.

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

(Continued)

CITY OF DES PLAINES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Funds are organized as major funds or non-major funds within the governmental and proprietary statements. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the City or meets the following criteria:

- a. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type, and
- b. The same element of the individual governmental fund or enterprise fund that met the 10 percent test is at least 5 percent of the corresponding total for all governmental and enterprise funds combined.
- c. In addition, any other governmental or enterprise fund that the City believes is particularly important to financial statement users may be reported as a major fund.

The City reports the following major governmental funds:

- General: Accounts for the City's primary operating activities. It is used to account for all financial resources except those required to be accounted for in another fund.
- TIF #1 (Downtown) Special Revenue Fund: Accounts for resources legally restricted to supporting expenditures for the Downtown Redevelopment program.
- TIF #6 (Mannheim/Higgins) Special Revenue Fund: Accounts for resources legally restricted to supporting expenditures for the Mannheim/Higgins Redevelopment program.
- Gaming Tax: Accounts for the revenues that are legally restricted for contractual obligations related to the Rivers Casino in Des Plaines, Illinois.
- Capital Projects: Accounts for resources legally restricted to supporting expenditures for the capital projects program.

The City reports the following major enterprise funds:

- Water/Sewer: Accounts for operations of the water and sewer system. The fund accounts for the provision of water and sewer to the residents and businesses of the City. All activities necessary to provide such services are accounted for in this fund including administration, operations, maintenance, debt service, financing, billing and collection.
- Parking System: Accounts for operations of the Parking System. The fund accounts for provision of parking in the City. All activities necessary to provide such services are accounted for in this fund including administration, operations, maintenance and related debt service, billing and collection.

The City reports the following non major governmental funds:

- Special Revenue Funds: Used to account for the proceeds of specific revenue sources (other than debt service and major capital projects) that are legally restricted to expenditures for specified purposes.

- Motor Fuel Tax
- Community Development Block Grant
- Asset Seizure
- Foreign Fire Insurance Tax
- TIF #3 (Wille Road)
- TIF #4 (Five Corners)
- TIF #5 (Perry/Lee)
- Grant Funded Projects

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- **Debt Service Funds:** Used to account for the accumulation of resources for, and the payment of, general long term debt principal, interest, and related costs.

- Debt Service
 - 1996A
 - 2001 (Risk Management)
 - 2002A (Partial Refunding 1993)
 - 2003A (Fire Station)
 - 2003B (Partial Refunding 1993)
 - 2007A (Partial Refunding 2001A)
 - 2007B (Partial Refunding 2001B)

- **Capital Projects Funds:** Used to account for financial resources to be used for the acquisition or construction of equipment and/or major capital facilities.

- Equipment Replacement
 - I.T. Replacement

In addition, the City reports the following fund types:

- Internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the City, on a cost reimbursement basis.

- Risk Management
 - Health Benefits

- Pension (and other employee benefit) trust funds are used to report resources that are required to be held in trust for the members and beneficiaries of defined benefit pension plans, defined contribution plans, other postemployment benefit plans, or other employee benefit plans.

- Firefighters' Pension
 - Police Pension

- Agency funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, and/or other governmental units.

- Compliance Bond
 - Section 125 Plan

Measurement Focus, Basis of Accounting, and Financial Statement Presentation:

Government-wide Financial Statements – The government-wide statement of net assets and statement of activities are reported using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange like transactions are recognized when the exchange takes place. Property taxes are recognized as revenues in the year for which they are levied. Taxes receivable for the following year are recorded as receivables and unearned revenue. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider are met. Unbilled receivables are recorded as revenues when services are provided.

(Continued)

CITY OF DES PLAINES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The business type activities follow all pronouncements of the Governmental Accounting Standards Board, and have elected not to follow Financial Accounting Standards Board guidance issued after November 30, 1989.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. However, the interfund services provided and used are not eliminated in the process of consolidation.

Fund Financial Statements – Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recorded when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period, with the exception of sales taxes, which the City considers revenues to be available if they are collected within 90 days. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on long term debt, claims, judgments, compensated absences, and pension expenditures, which are recorded as a fund liability when expected to be paid with expendable available financial resources.

Property taxes are recorded in the year levied as receivables and deferred revenues. They are recognized as revenues in the succeeding year when services financed by the levy are being provided.

Intergovernmental aids and grants are recognized as revenues in the period the City is entitled the resources and the amounts are available. Amounts owed to the City which are not available are recorded as receivables and deferred revenues. Amounts received prior to the entitlement period are also recorded as deferred revenues.

Revenues susceptible to accrual include property taxes, miscellaneous taxes, public charges for services, and interest. Other general revenues such as fines and forfeitures, inspection fees, and miscellaneous revenues are recognized when received in cash or when measurable and available under the criteria described above.

For the year ended December 31, 2011, a portion of the City's share of the State Income Tax was received past 60 days of year end due to the current fiscal issues facing the State of Illinois. As such, the City elected to recognize the portion received after 60 days as revenue, or \$474,693 in order to properly present 12 months of revenue on the financial statements.

The City reports deferred and unearned revenues on its financial statements. Unearned revenues arise from taxes levied in the current year which are for subsequent year's operations. For governmental fund financial statements, deferred revenues arise when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Unearned revenues also arise when resources are received before the City 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 City has a legal claim to the resources, the liability for deferred and unearned revenue is removed from the balance sheet or statement of net assets and revenue is recognized.

Proprietary and fiduciary fund financial statements (other than agency funds) are reported using the economic resources measurement focus and the accrual basis of accounting, as described previously in this note. Agency funds follow the accrual basis of accounting, and do not have a measurement focus.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The enterprise funds follow all pronouncements of the Governmental Accounting Standards Board, and have elected not to follow Financial Accounting Standards Board guidance issued after November 30, 1989. The proprietary funds distinguish operating revenues and expenses from non-operating 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 Water/Sewer and Parking System funds are charges to customers for sales and services. Operating expenses for proprietary 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 non-operating revenues and expenses.

All Financial Statements: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

Assets, Liabilities, and Net Assets or Equity:

Deposits and Investments: For purposes of the statement of cash flows, the City considers all highly liquid investments with an initial maturity of three months or less when acquired to be cash equivalents.

The City has adopted an investment policy. That policy follows the state statute for allowable investments.

Illinois Statutes authorize the City to make 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 agreement 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 the Illinois Funds Investment Pool.

Pension Funds may also invest in certain non U.S. obligations, Illinois municipal corporations tax anticipation warrants, veteran's loans, obligations of the State of Illinois and its political subdivisions, and the Illinois insurance company general and separate accounts, mutual funds and equity securities. The Police Pension Fund's investment policy allows investments in all of the above listed accounts, but does exclude any repurchase agreements. The Firefighters' Pension Fund allows funds to be invested in any type of security authorized by the Illinois Pension Code.

Additional restrictions may arise from local charters, ordinances, resolutions and grant resolutions.

The Police and Firefighter's Pension Funds' policies are to maintain long term focus on its investment decision making process. Specifically, the Pension Fund's benefit liabilities extend many years into the future. As such, the investment focus should be on long term results.

Interest Rate Risk: The City's and Pension Funds' investment policies seek to ensure preservation of capital in the City's and Pension Funds' overall portfolio. Return on investment is of secondary importance to safety of principal and liquidity. The City's and Pension Funds' policy does not limit investment maturities except as part of statutory requirements, as a means of managing its exposure to fair value losses arising from increasing interest rates. However, all of the policies require the City's and Pension Funds' investment portfolio to be sufficiently liquid to enable the City and Pension Funds to meet all operating requirements as they come due.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The City will minimize interest risk that the market value of securities in the portfolio will fall due to changes in general interest rates by: (1) structuring the investment portfolio so that securities mature meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity, and (2) investing operating funds primarily in short term securities or investment pools.

Credit Risk: State Statutes limit the investments in commercial paper to the top three ratings of two nationally recognized statistical rating organizations (NRSRO's). The City's and Pension Funds' investment policy authorizes investments in any type of security allowed for in Illinois statutes regarding the investment of public funds.

The City's general investment policy is to apply the prudent person rule: Investments are made as a prudent person would be expected to act, with discretion and intelligence, to seek reasonable income, preserve capital, and, in general, avoid speculative investments. The City's investment policy minimizes credit risk by: (1) limiting investments to the safest type of securities: (2) pre-qualifying the financial institutions, brokers/dealers, intermediaries, and advisors with which the City will do business, and (3) diversifying the investment portfolio so that potential losses on individual securities will be minimized.

The Police and Firefighters' Pension Funds' policies require all fixed income investments to be of investment grade quality or higher at purchase. Also, according to the provisions of the Illinois Compiled Statutes, fixed income purchases shall be limited to obligations issued or guaranteed as to principal and interest by the U.S. government or any agency or instrumentality thereof, or to corporate and municipal issues. All securities shall be of "investment grade" quality; that is, at the time of purchases, rated no lower than "Baa" by Moody's and no lower than "BBB" by Standard and Poor's. The Boards, at their discretion, may impose a higher standard on an individual investment manager basis as circumstances or investment objectives dictate.

Concentration of Credit Risk: The City's and Pension Funds' investment policies require diversification of the investment portfolio to minimize risk of loss resulting from over concentration in a particular type of security, risk factor, issuer, or maturity. The City's and Police Pension Fund's policy further states that no financial institution shall hold more than 50% of the City's investment portfolio at the current time of investment placement. The City operates its investments as an internal investment pool where each fund reports it's pro rata share of the investments made by the City. In this internal investment pool there were no investments which are subject to concentration of credit risk that represent more than 50% of the portfolio as of December 31, 2011.

Per the investment policy, no financial institution shall have more than 50% of the City's investment portfolio. No more than 33% of the City's investments may be commercial paper. No more than 25% of the City's investment portfolio may be brokered in certificates of deposit. Illinois funds and money market mutual funds shall not exceed 25% and IMET 15% of the City's investment portfolio. As of December 31, 2011, the City's investment in Illinois Funds and money market mutual funds was 20%, certificates of deposit was 11%, and IMET was 6% of total investments.

The Police Pension Fund places no limit on the amount that may be invested in any one issuer. The policy does place a maximum of 30% concentration on cash, a minimum of 60% and maximum of 100% on fixed income securities, and a minimum of 20% and maximum of 35% on equities. As of December 31, 2011, the Police Pension Trust Fund had 6% invested in cash, 75% invested in fixed income securities, and 19% in equities.

The Firefighters' Pension Fund investment policy does not place any limits on the amount that may be invested in any one issuer for fixed income securities.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Custodial Credit Risk – Deposits: The City's and Pension Funds' investment policies limit the exposure to deposit custodial credit risk by requiring all deposits in excess of FDIC insurable limits to be secured with collateralization pledged by the applicable financial institution to the extent of 100% of the value of the deposit. The Firefighters' Pension Fund's investment policy limits exposure to deposit custodial credit risk by requiring deposits in excess of FDIC insurable limits to be collateralized.

Custodial Credit Risk – Investments: Custodial credit risk is the risk that, in the event of the failure of the counterparty, the City and Pension Funds will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City's and Pension Funds' investment policies require that all amounts in excess of any insurance limits be collateralized by securities eligible for City and Pension Funds investment or any other high quality, interest bearing security rated at least AA/Aa by one or more standard rating service to include Standard & Poor's, Moody's or Fitch. The market value of the pledged securities shall equal or exceed the portion of the deposit requiring collateralization.

The City's and Police Pension Fund's investment policies require all securities to be held by a third party custodian designated by the Treasurer and evidenced by safekeeping receipts. The Firefighters' Pension Fund's investment policy does not specifically address these risks.

Investments are stated at fair value, which is the amount at which an investment could be exchanged in a current transaction between willing parties. Fair values are based on quoted market prices. No investments are reported at amortized cost. Adjustments necessary to record investments at fair value are recorded in the operating statement as increases or decreases in investment income. Investment income on commingled investments of municipal accounting funds is allocated based on average balances. The difference between the bank balance and carrying value is due to outstanding checks and/or deposits in transit.

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 the investments could be sold.

See Note 3 for further information.

Receivables: Property taxes for levy year 2011 attach as an enforceable lien on January 1, 2011, on property values assessed as of the same date. Taxes are levied by December following the lien date (by passage of a Tax Levy Ordinance).

Tax bills are prepared by the County and issued on or about February 1, 2011 and September 1, 2011, and are payable in two installments, on or about March 1, 2011 and October 1, 2011 or within 30 days of the tax bills being issued.

The County collects such taxes and remits them periodically. The 2011 property tax levy is recognized as a receivable and deferral in fiscal year 2011, net the allowance for uncollectible. As the taxes become available to finance current expenditures, they are recognized as revenues. At December 31, 2011, the property taxes receivable and deferred tax revenue consisted of the estimated amount collectible from the 2011 levy, as well as portion of the second installment of the 2010 levy, due to the late issuance of tax bills.

(Continued)

CITY OF DES PLAINES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The property tax receivable is shown net of an allowance for uncollectibles. The allowance is equal to 1% of outstanding property taxes at December 31, 2011.

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

Inventories and Prepaid Items: Governmental fund inventories, if material, are recorded at cost based on the FIFO method using the purchases method of accounting. Proprietary fund inventories are generally used for construction and/or for operation and maintenance work. They are not for resale. They are valued at cost based on weighted average, and charged to construction and/or operation and maintenance expense when used.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

Capital Assets:

Government-wide Statements – Capital assets, which include property, plant and equipment, are reported in the government-wide financial statements. Capital assets are defined by the government as assets with an initial cost of more than \$25,000 for general capital assets and \$25,000 for infrastructure assets, and an estimated useful life in excess of 1 year. All capital assets are valued at historical cost, or estimated historical cost if actual amounts are unavailable. Donated capital assets are recorded at their estimated fair value at the date of donation.

Additions to and replacements of capital assets of business type activities are recorded at original cost, which includes material, labor, overhead, and an allowance for the cost of funds used during construction when significant. For tax exempt debt, the amount of interest capitalized equals the interest expense incurred during construction netted against any interest revenue from temporary investment of borrowed fund proceeds. No net interest was capitalized during the current year. The cost of renewals and betterments relating to retirement units is added to plant accounts. The cost of property replaced, retired or otherwise disposed of, is deducted from plant accounts and, generally, together with removal costs less salvage, is charged to accumulated depreciation.

Included with the City's *Equipment* capital assets, the City has capitalized an intangible asset, computer software. The City follows the same capitalization policy and estimated useful life for its intangible asset as it does for its *Equipment* capital assets. The City also amortizes the intangible asset utilizing the straight-line method.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation reflected in the statement of net assets. Depreciation is provided over the assets' estimated useful lives using the straight line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Building, improvements and infrastructure	30 - 50 Years
Equipment	5 - 25 Years
Vehicles	5 - 20 Years

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Financial Statements – In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same way as in the government-wide statements.

Deferred Charges: In governmental funds, debt issuance costs are recognized as expenditures in the current period. For the government-wide and the proprietary fund type financial statements, debt issuance costs are deferred and amortized over the term of the debt issue.

Compensated Absences: The liability for vested or accumulated vacation leave of the City (primary government), including related Social Security and Medicare, at December 31, 2011 of \$2,061,293, is recorded in the government-wide financial statements.

For governmental fund financial statements, the portion of the liability which has matured and is currently due and payable, such as a result of employee resignations and retirements, is recorded as a liability in the appropriate fund. The government-wide financial statements record unused vacation and sick leave as expenses and liabilities when earned by employees. The long term portion of compensated absences will be paid from the fund which the employee is paid.

The accumulated vacation and sick leave time liability of employees charged to the proprietary funds types is reported as an expense and as a liability of those funds as the benefits accrue to the employees.

In accordance with the provisions of Governmental Accounting Standards Board Statement No. 16, Accounting for Compensated Absences, no liability is recorded for non-vesting accumulating rights to receive sick pay benefits. However, a liability is recognized for that portion of accumulating sick leave benefits that is estimated will be taken as "terminal leave" prior to retirement.

During 2011, the City closed their internal service compensated absences fund. The accumulated amount owed to this fund by the general, capital projects, and community development block grant funds for vested compensated absences was removed resulting in the reporting of special items in these funds.

Long-Term Obligations: All long term obligations to be repaid from governmental and business type resources are reported as liabilities in the government-wide statements. The long term obligations consist primarily of notes and bonds payable and accrued compensated absences.

Long term obligations for governmental funds are not reported as liabilities in the fund financial statements. The face value of debts (plus any premiums) are reported as other financing sources and payments of principal and interest are reported as expenditures. The accounting in proprietary funds is the same as it is in the government-wide statements.

For the government-wide statements and proprietary fund statements, bond premiums and discounts are deferred and amortized over the life of the issue using the effective interest method. Gains or losses on prior refundings are amortized over the remaining life of the old debt, or the life of the new debt, whichever is shorter. The balance at year end for both premiums/discounts and gains/losses, as applicable, is shown as an increase or decrease in the liability section of the statement of net assets.

Claims and Judgments: Claims and judgments are recorded as liabilities if all the conditions of Governmental Accounting Standards Board pronouncements are met. The liability and expenditure for claims and judgments are only reported in governmental funds if it has matured. Claims and judgments are recorded in the government-wide statements and proprietary funds as expenses when the related liabilities are incurred. Refer to Note 11 on commitments and contingencies.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Equity Classifications:

Government-wide Statements – Equity is classified as net assets and displayed in three components:

- Invested in Capital Assets, Net of Related Debt – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances (excluding unspent bond proceeds) of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- Restricted Net Assets – Consists of net assets 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.
- Unrestricted Net Assets – All other net assets that do not meet the definitions of "restricted" or "invested in capital assets, net of related debt."

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

Governmental Funds Statements – In order to comply with the Governmental Accounting Standard Board's (GASB) Statement No. 54, *Fund Balance Reporting and Government Fund Type Definitions*, the fund balance section of the balance sheet of the governmental funds has been modified from prior years. Previously, the fund balance section focused on whether these resources were available for spending. It also distinguished the unreserved fund balance from the reserved fund balance. In order to show compliance with GASB Statement No. 54, however, the components of the new fund balance include the following line items:

- a) Nonspendable fund balance is inherently nonspendable, such as portions of net resources that cannot be spent because of their form and portions of net resources that cannot be spent because they must be maintained intact.
- b) Restricted fund balance is externally enforceable limitations on use, such as limitations imposed by creditors, grantors, contributors, or laws and regulations of other government as well as limitations imposed by law through constitutional provision or enabling legislation. Restricted fund balances reported on the City's Governmental Funds Balance Sheet mainly include restricted property tax levies, bond proceeds, and grant awards.
- c) Committed fund balance has self-imposed limitations set in place prior to the end of the period. The limitations are imposed at the highest level of decision making that requires formal action at the same level to remove. For the City, the City Council is the highest level of decision making. As of December 31, 2011, the City does not have any commitments of fund balance.
- d) Assigned fund balance has limitations resulting from intended use consisting of amounts where the intended use is established by the City Council designated for that purpose. The intended use is established by an official designated for that purpose. The City has not designated anyone for this purpose. However, GASB 54 has outlined that fund balance outside of the general fund is to fall in this category if there is not a deficit fund balance for the fund.
- e) Unassigned fund balance is the total fund balance in the general fund in excess of nonspendable, restricted, committed, and assigned fund balance. In addition, if there is a deficit balance in another governmental fund, it will be reported as a negative amount in that fund's unassigned classification.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The implementation of these new components is intended to decrease confusion and help serve the needs of the financial statement users.

In circumstances where an expenditure is to be made for a purpose for which amounts are available in multiple fund balance classifications, the order in which resources will be expended is as follows: restricted fund balance, followed by committed fund balance, assigned fund balance, and lastly, unassigned fund balance.

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

Fiduciary fund equity is classified as held in trust for agency funds on the statement of fiduciary net assets. Various donor restrictions apply, including authorizing and spending trust income, and the City believes it is in compliance with all significant restrictions.

NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgetary Information: Annual budgets are adopted. Budget amounts are as originally adopted by the City Council. All annual appropriations lapse at fiscal year end.

Prior to December 31, the City Director of Finance submits to the City Council a proposed operating budget for the fiscal year commencing January 1. The operating budget includes proposed expenditures and the means of financing them. Public hearings are conducted to obtain taxpayer comments. Prior to March 31, the budget is legally enacted through passage of an ordinance. Formal budgetary integration is employed as a management control device during the year of the general fund and special revenue funds.

The City is authorized to change budgeted amounts within any fund; however, revision must be approved by two thirds of the members of the City Council. No revisions can be made increasing the budget unless funding is available for the purpose of the revision. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the fund level. The appropriated budget is prepared by fund, function, and department. The City Director of Finance is authorized to transfer budget amounts between departments within any fund; however, the City Council must approve revisions that alter the total expenditures of any fund.

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America and modified accrual basis of accounting for all governmental funds and accrual basis of accounting for all proprietary funds, except the Asset Seizure, and Foreign Fire Insurance funds which are not budgeted. The 1996A, 2001, 2002A, 2003A, 2003B, 2007A and 2007B funds were closed during 2011 and hence were included in the Debt Service fund budget.

(Continued)

CITY OF DES PLAINES, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2011

NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (Continued)

Excess Expenditures Over Appropriations:

<u>Funds</u>	<u>Budgeted Expenditures</u>	<u>Actual Expenditures</u>	<u>Excess Expenditures Over Budget</u>
General Fund	\$ 53,792,486	\$ 54,109,976	\$ 317,490
TIF #1 (Downtown)	3,894,029	3,926,282	32,253
Capital Projects	7,317,868	15,552,581	8,234,713
Motor Fuel Tax	1,529,500	1,886,314	356,814
Grant Funded Projects	1,896,362	2,115,513	219,151
Debt Service	1,341,202	2,192,034	850,832
Equipment Replacement	437,801	475,720	37,919
I.T. Replacement	212,660	793,793	581,133
Water/Sewer Fund	12,268,731	12,489,477	220,746
Parking System	170,227	802,818	632,591
Risk Management	2,719,400	2,723,325	3,925

The City controls expenditures at the object level. Some individual departments experienced expenditures which exceeded appropriations. The detail of those items can be found in the City's year end budget to actual report.

Deficit Balances: Generally accepted accounting principles require disclosure of individual funds that have deficit balances at year end.

As of December 31, 2011, the following individual funds held a deficit balance:

<u>Fund</u>	<u>Amount</u>
TIF #3 (Wille Road)	\$ 2,939,043
Grant Funded projects	319,558
TIF #6 (Mannheim/Higgins)	5,215,103

T.I.F. District deficits are anticipated to be funded with future incremental taxes levied over the life of the districts. Grant Funded projects deficits are expected to be funded with future grant revenue.

(Continued)

CITY OF DES PLAINES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2011

NOTE 3 – DEPOSITS AND INVESTMENTS

The City's deposits and investments at year end were comprised of the following:

	<u>Carrying</u> <u>Value</u>	<u>Statement</u> <u>Balance</u>	<u>Associated Risks</u>
Petty cash	\$ 2,250	\$ 2,250	N/A
Deposits	27,583,205	28,398,171	Custodial
Illinois funds	8,130,178	8,083,699	Credit, interest rate
U.S. government and agency obligations	33,475,886	33,475,886	Custodial, credit, interest rate concentration of credit
State and local obligations	6,055,042	6,055,042	Custodial, interest rate, concentration of credit
Money market mutual funds	7,941,470	7,941,470	Credit, interest rate
Mutual funds	23,436,867	23,436,867	Credit, Custodial, credit, interest rate
Corporate bonds	18,186,400	18,186,400	concentration of credit
Common and preferred stock	24,539,241	24,539,241	Custodial, concentration of credit
Insurance contracts	<u>1,457</u>	<u>1,457</u>	Custodial, credit, concentration of credit
Total deposits and investments	<u>\$ 149,351,996</u>	<u>\$ 150,120,483</u>	

Reconciliation To Financial Statements:

Per statement of net assets	
Cash and investments	\$ 40,892,447
Per statement of net assets - fiduciary funds	
Cash - agency	609,188
Cash - pension	5,498,810
U.S. government and agency obligations	33,475,886
Mutual funds	23,436,867
Corporate bonds	18,186,400
Stocks	24,539,241
Insurance contracts	1,457
State and local obligations	<u>2,711,700</u>
Total deposits and investments	<u>\$149,351,996</u>

(Continued)

NOTE 3 – DEPOSITS AND INVESTMENTS (Continued)

Investments: For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

The City does not have any investments exposed to custodial credit risk.

Credit Risk: Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations.

As of December 31, 2011, the City's investments were all rated A1 by Moody's and A+ by Standard's and Pooors.

Concentration of Credit Risk: Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer.

At December 31, 2011, More than 5% of the Firefighters' Pension investments (other than investments in United States Government and United States Government Guaranteed Obligations, investment pools, and mutual funds) are invested in the Federal National Mortgage Association (5.3%).

(Continued)

CITY OF DES PLAINES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2011

NOTE 3 – DEPOSITS AND INVESTMENTS (Continued)

Interest Rate Risk: Interest rate risk is the risk that changes in interest rates will adversely affect the value of an investment.

As of December 31, 2011, the City's investments and pensions were as follows:

<u>Investment Type</u>	<u>Maturity (in years)</u>			
	<u>Fair Value</u>	<u>Less Than One Year</u>	<u>One to Five Years</u>	<u>Over Five Years</u>
City				
Illinois municipal bonds	\$ 3,343,342	\$ 1,064,443	\$ 2,278,899	\$ -
Money market mutual fund	2,458,762	2,458,762	-	-
Illinois funds	8,130,178	8,130,178	-	-
City investment total	13,932,282	11,653,383	2,278,899	-
Police Pension				
U.S. Treasuries	12,018,285	-	4,006,247	8,012,038
State and local obligations	1,341,964	-	220,798	1,121,166
Money market mutual funds	3,036,210	3,036,210	-	-
Mortgage-backed securities	998,663	150,128	-	848,535
Other U.S. government agencies	2,385,782	201,302	1,536,333	648,147
Corporate bonds	9,078,743	9,078,743	-	-
Insurance contract holdings	1,457	1,457	-	-
Police pension investment total	28,861,104	12,467,840	5,763,378	10,629,886
Fire Pension				
U.S. Treasuries	13,198,431	-	3,820,198	9,378,233
State and local obligations	1,369,736	-	198,718	1,171,018
Money market mutual funds	2,446,498	2,446,498	-	-
Mortgage-backed securities	3,571,384	727,134	735,362	2,108,888
Other U.S. government agencies	1,303,341	-	1,303,341	-
Corporate bonds	9,107,657	9,107,657	-	-
Fire pension investment total	30,997,047	12,281,289	6,057,619	12,658,139
Totals	\$ 73,790,433	\$ 36,402,512	\$ 14,099,896	\$ 23,288,025

See Note 1 for further information on deposit and investment policies.

(Continued)

CITY OF DES PLAINES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2011

NOTE 4 - RECEIVABLES

All of the receivables on the balance sheet are expected to be collected within one year.

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Property taxes levied for the subsequent year are not earned and cannot be used to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of deferred revenue and unearned revenue reported in the governmental funds were as follows:

	<u>Unavailable</u>	<u>Unearned</u>	<u>Totals</u>
Property taxes receivable for subsequent year	\$ -	\$ 29,410,283	\$ 29,410,283
Other receivables	1,451,462	435,575	1,887,037
Grant receivables	<u>465,728</u>	<u>-</u>	<u>465,728</u>
 Total deferred/unearned revenue for governmental funds	 <u>\$ 1,917,190</u>	 <u>\$ 29,845,858</u>	 <u>\$ 31,763,048</u>

(Continued)

CITY OF DES PLAINES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2011

NOTE 5 – CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2011, was as follows:

	<u>Beginning Balance</u>	<u>Additions/ Transfers In</u>	<u>Deletions/ Transfers Out</u>	<u>Ending Balance</u>
<u>Governmental Activities</u>				
Capital assets not being depreciated				
Land	\$ 19,561,015	\$ -	\$ -	\$ 19,561,015
Construction in progress	5,764,685	-	5,764,685	-
Land right of way	53,299,649	-	-	53,299,649
Total capital assets not being depreciated	<u>78,625,349</u>	<u>-</u>	<u>5,764,685</u>	<u>72,860,664</u>
Capital assets being depreciated				
Buildings	21,792,634	-	-	21,792,634
Improvements	39,878,589	2,552,365	-	42,430,954
Equipment	2,757,087	879,514	208,953	3,427,648
Vehicles	7,992,611	53,979	1,362,185	6,684,405
Infrastructure	112,153,955	15,444,370	-	127,598,325
Total capital assets being depreciated	<u>184,574,876</u>	<u>18,930,228</u>	<u>1,571,138</u>	<u>201,933,966</u>
Total capital assets	<u>263,200,225</u>	<u>18,930,228</u>	<u>7,335,823</u>	<u>274,794,630</u>
Less accumulated depreciation for				
Buildings	(7,886,930)	(445,931)	-	(8,332,861)
Improvements	(14,047,682)	(1,001,126)	-	(15,048,808)
Equipment	(1,913,372)	(221,445)	(133,547)	(2,001,270)
Vehicles	(4,683,413)	(325,720)	(998,095)	(4,011,038)
Infrastructure	(57,585,721)	(3,628,034)	-	(61,213,755)
Total accumulated depreciation	<u>(86,117,118)</u>	<u>(5,622,256)</u>	<u>(1,131,642)</u>	<u>(90,607,732)</u>
Net capital assets being depreciated	<u>98,457,758</u>	<u>13,307,972</u>	<u>439,496</u>	<u>111,326,234</u>
Total governmental activities capital assets, net of accumulated depreciation	<u>\$ 177,083,107</u>	<u>\$ 13,307,972</u>	<u>\$ 6,204,181</u>	<u>\$ 184,186,898</u>

Depreciation expense was charged to functions as follows:

<u>Governmental activities</u>	
General government	\$ 59,799
Public safety	241,225
Public works	1,451,055
Streets and highways	3,784,681
Economic development	<u>72,001</u>
Total	<u>\$ 5,608,761</u>

(Continued)

CITY OF DES PLAINES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2011

NOTE 5 – CAPITAL ASSETS (Continued)

	<u>Beginning Balance</u>	<u>Additions/ Transfers In</u>	<u>Deletions/ Transfers Out</u>	<u>Ending Balance</u>
<u>Business-type Activities</u>				
Capital assets not being depreciated				
Land	\$ 1,891,770	\$ -	\$ -	\$ 1,891,770
Construction in progress	380,175	-	380,175	-
Total capital assets not being depreciated	<u>2,271,945</u>	<u>-</u>	<u>380,175</u>	<u>1,891,770</u>
Capital assets being depreciated				
Buildings	18,966,509	-	-	18,966,509
Improvements	29,893,426	1,173,355	-	31,066,781
Equipment	305,833	208,953	-	514,786
Vehicles	181,810	1,362,185	53,979	1,490,016
Total capital assets being depreciated	<u>49,347,578</u>	<u>2,744,493</u>	<u>53,979</u>	<u>52,038,092</u>
Total capital assets	<u>51,619,523</u>	<u>2,744,493</u>	<u>434,154</u>	<u>53,929,862</u>
Less accumulated depreciation for				
Buildings	(6,873,027)	(673,278)	-	(7,546,305)
Improvements	(12,974,371)	(783,120)	-	(13,757,491)
Equipment	(277,302)	(148,953)	-	(426,255)
Vehicles	(47,569)	(1,110,864)	(13,495)	(1,144,938)
Total accumulated depreciation	<u>(20,172,269)</u>	<u>(2,716,215)</u>	<u>(13,495)</u>	<u>(22,874,989)</u>
Net capital assets being depreciated	<u>29,175,309</u>	<u>28,278</u>	<u>40,484</u>	<u>29,163,103</u>
Total business-type activities capital assets, net of accumulated depreciation	<u>\$ 31,447,254</u>	<u>\$ 28,278</u>	<u>\$ 420,659</u>	<u>\$ 31,054,873</u>

Depreciation expense was charged to functions as follows:

<u>Business-type Activities</u>	
Parking	\$ 650,189
Water	<u>934,384</u>
Total	<u>\$ 1,584,573</u>

Capital assets were transferred to business-type activities from governmental activities during 2011 with related accumulated depreciation of \$1,131,642. This amount is included in the *Additions/Transfers In* amount included in the business-type activities capital asset activity schedule. Capital assets were transferred to governmental activities from business-type activities during 2011 with related accumulated depreciation of \$13,495. This amount is included in the *Additions/Transfers In* amount included in the governmental activities capital asset activity schedule.

(Continued)

CITY OF DES PLAINES, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2011

NOTE 6 – INTERFUND RECEIVABLES/PAYABLES, ADVANCES AND TRANSFERS

Interfund Receivables/Payables and Advances: The following is a schedule of interfund receivables, payables, and advances including any overdrafts on pooled cash and investment accounts:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>	<u>Advances To/From Amount Not Due Within One Year</u>	<u>Due To/From Amount Due Within One Year</u>
General	Non-major governmental	\$ 3,360,178	\$ 2,939,043	\$ 421,135
General	TIF #6 (Mannheim/Higgins)	<u>5,223,621</u>	<u>5,223,621</u>	<u>-</u>
Total - fund financial statements		<u>8,583,799</u>	<u>\$ 8,162,664</u>	<u>\$ 421,135</u>
Less: Fund eliminations		(8,583,799)		
Less: Interfund receivables created with internal service fund eliminations		<u>(477,562)</u>		
Total internal balances - government-wide statement of net assets		<u>\$ (477,562)</u>		

\$3,360,178 due from Non major Governmental Funds to the General Fund for cash overdrafts in Non major Governmental Funds.

\$5,223,621 due from the TIF #6 (Mannheim/Higgins) Fund to the General Fund for cash overdrafts in the TIF #6 (Mannheim/Higgins) Fund.

For the statement of net assets, interfund balances, which are owed within the governmental activities or business-type activities, are netted and eliminated.

(Continued)

CITY OF DES PLAINES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2011

NOTE 6 – INTERFUND RECEIVABLES/PAYABLES, ADVANCES AND TRANSFERS (Continued)

The following is a schedule of interfund transfers:

<u>Transferred To</u>	<u>Transferred From</u>	<u>Amount</u>	<u>Principal Purpose</u>
<u>Fund financial statements</u>			
General	TIF #1 (Downtown)	\$ 174,268	To reimburse general operating expenditures of the fund
General	TIF #6 (Mannheim/Higgins)	27,990	To reimburse general operating expenditures of the fund
General	Capital projects	25,000	To reimburse for capital outlay purchases
General	Non-major governmental	37,776	To reimburse general operating expenditures of the fund
General	Parking system	36,414	To reimburse general operating expenditures of the fund
General	Water fund	98,390	To reimburse general operating expenditures of the fund
Non-major governmental	General	928,980	To cover current year debt service payments
Non-major governmental	General	7,700	To reimburse general operating expenditures of the fund
Non-major governmental	General	1,883,200	Transfer per budget
Non-major governmental	Capital projects	175,535	To cover City's share of grant expenses
Non-major governmental	Non-major governmental	377,067	To close out funds to single debt service fund
Non-major governmental	Parking system	27,895	To reimburse general operating expenditures of the fund
Water fund	Parking system	<u>9,570</u>	To reimburse general operating expenditures of the fund
Total - fund financial statements		3,809,785	
Less: Fund eliminations		(3,647,086)	
<u>Government-wide financial statements</u>			
Governmental activities	Business-type activities	(439,496)	To transfer capital assets
Business-type activities	Governmental activities	<u>40,484</u>	To transfer capital assets
Total - government-wide statement of activities		<u>\$ (236,313)</u>	

(Continued)

CITY OF DES PLAINES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2011

NOTE 6 – INTERFUND RECEIVABLES/PAYABLES, ADVANCES AND TRANSFERS (Continued)

Generally, transfers are used to (1) move revenues from the fund that collects them to the fund that the budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

For the statement of activities, interfund transfers within the governmental activities or business-type activities are netted and eliminated.

Capital contributions of \$439,496 received by the enterprise funds from other governmental funds of the City are reported as *capital contributions* in the last section of the statement of revenues, expenses, and changes in net assets. In the statement of activities, both sides of the capital asset transfer are reported as *transfers*.

Transfers of capital assets with a net book value of \$40,484 from the enterprise funds to other governmental funds of the City are reported as *other expenses* in the statement of revenues, expenses, and changes in net assets. In the statement of activities, both sides of the capital asset transfer are reported as *transfers*.

NOTE 7 – DEBT ACTIVITY

Long-Term Obligations: Long term obligations activity for the year ended December 31, 2011, was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
<u>Governmental Activities</u>					
Bonds and loans payable					
General obligation debt	\$ 70,214,245	\$ 4,031,232	\$ 11,335,000	\$ 62,910,477	\$ 4,985,000
Tax increment financing					
revenue bonds	641,760	-	50,430	591,330	53,078
Loans payable	365,820	-	97,169	268,651	56,151
Add/(subtract) deferred amounts for					
(Discounts)/premiums	426,100	40,452	60,389	406,163	-
Refundings - gains/(losses)	<u>(1,690,629)</u>	<u>(69,805)</u>	<u>(569,369)</u>	<u>(1,191,065)</u>	<u>-</u>
Total bonds and loans payable	69,957,296	4,001,879	10,973,619	62,985,556	5,094,229
<u>Other liabilities</u>					
Vested compensated absences	1,900,746	940,075	996,364	1,844,457	961,418
Early retirement incentive program	1,090,926	-	358,708	732,218	360,934
Net pension obligation - IMRF	-	187,080	-	187,080	-
Net other post-retirement benefit					
liability	<u>1,607,389</u>	<u>542,396</u>	<u>-</u>	<u>2,149,785</u>	<u>-</u>
Total other liabilities	<u>4,599,061</u>	<u>1,669,551</u>	<u>1,355,072</u>	<u>4,913,540</u>	<u>1,322,352</u>
Total governmental activities					
long-term liabilities	<u>\$ 74,556,357</u>	<u>\$ 5,671,430</u>	<u>\$ 12,328,691</u>	<u>\$ 67,899,096</u>	<u>\$ 6,416,581</u>

(Continued)

CITY OF DES PLAINES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2011

NOTE 7 – DEBT ACTIVITY (Continued)

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
<u>Business-Type Activities</u>					
Bonds payable					
General obligation debt	\$ 1,100,000	\$ -	\$ 370,000	\$ 730,000	\$ 365,000
Add/(subtract) deferred amounts for (Discounts)/premiums	3,528	-	366	3,162	-
Refundings - gains/(losses)	<u>(21,737)</u>	<u>-</u>	<u>(7,247)</u>	<u>(14,490)</u>	<u>-</u>
Total bonds payable	1,081,791	-	363,119	718,672	365,000
Other liabilities					
Vested compensated absences	261,764	148,745	193,673	216,836	140,843
Net pension obligation - IMRF	-	63,834	-	63,834	-
Net other post-retirement benefit liability	<u>40,048</u>	<u>20</u>	<u>-</u>	<u>40,068</u>	<u>-</u>
Total other liabilities	<u>301,812</u>	<u>212,599</u>	<u>193,673</u>	<u>320,738</u>	<u>140,843</u>
Total business-type activities					
long-term liabilities	<u>\$ 1,383,603</u>	<u>\$ 212,599</u>	<u>\$ 556,792</u>	<u>\$ 1,039,410</u>	<u>\$ 505,843</u>

Governmental activities general obligation debt increases includes \$169,658 of accretion of the 2009A capital appreciation bonds and \$321,574 of accretion of the 2010B capital appreciation bonds.

General Obligation Debt: All general obligation notes and bonds payable are backed by the full faith and credit of the City. Notes and bonds in the governmental funds will be retired by future property tax levies or tax increments accumulated by the debt service fund. Business type activities debt is payable by revenues from user fees of those funds or, if the revenues are not sufficient, by future tax levies.

	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance December 31, 2011</u>
Governmental Activities					
<u>General Obligation Debt</u>					
Series 2003C Taxable GO Bonds, due in annual installments of \$25,000 to \$250,000					
• debt retired by TIF #6 fund	September 1, 2003	December 1, 2021	4.70% to 5.50%	\$ 2,250,000	\$ 2,115,000
Series 2004A GO Bonds, due in annual installments of \$265,000 to \$705,000					
• debt retired by TIF #1 fund	June 3, 2004	December 1, 2020	4.00% to 4.50%	8,400,000	4,115,000
• debt retired by capital projects fund					1,285,000
Series 2004B Taxable GO Bonds, due in annual installments of \$120,000 to \$575,000					
• debt retired by TIF #3 fund	June 3, 2004	December 1, 2021	4.80% to 5.85%	8,900,000	675,000
• debt retired by TIF #6 fund					4,860,000

(Continued)

CITY OF DES PLAINES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2011

NOTE 7 – DEBT ACTIVITY (Continued)

	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance December 31, 2011</u>
Series 2005A GO Bonds, due in annual installments of \$275,000 to \$500,000					
• debt retired by TIF #3 fund	January 1, 2005	December 1, 2022	3.00% to 5.25%	\$ 5,550,000	\$ 2,670,000
Series 2005D GO Refunding Bonds, due in annual installments of \$45,000 to \$1,610,000					
• debt retired by capital projects fund	February 1, 2005	December 1, 2018	2.25% to 5.00%	14,650,000	1,450,000
• debt retired by capital projects fund - sewer portion					4,980,000
• debt retired by capital projects fund - library portion					3,470,000
Series 2005E GO Bonds, due in annual installments of \$215,000 to \$1,290,000					
• debt retired by TIF #1 fund	June 1, 2005	December 1, 2022	3.60% to 4.25%	12,800,000	760,000
• debt retired by capital projects fund					4,400,000
Series 2005F Taxable GO Bonds, due in annual installments of \$115,000 to \$505,000					
• debt retired by TIF #1 fund	June 1, 2005	December 1, 2020	4.75%	4,725,000	3,710,000
Series 2005G Taxable GO Bonds, due in annual installments of \$25,000 to \$165,000					
• debt retired by TIF #3 fund	June 1, 2005	December 1, 2015	4.75%	500,000	375,000
Series 2007A GO Refunding Bonds, due in annual installments of \$45,000 to \$700,000					
• debt retired from capital project fund	October 23, 2007	December 1, 2021	3.80%	6,065,000	4,635,000
Series 2007B GO Refunding Bonds, due in annual installments of \$85,000 to \$150,000					
• debt retired from debt service fund	October 23, 2007	December 1, 2021	3.80%	1,660,000	875,000
• debt retired from TIF #1 fund					305,000
Series 2008A GO Refunding Bonds, due in annual installments of \$125,000 to \$275,000					
• debt retired from TIF #1 fund	April 1, 2008	December 1, 2016	3.25% to 5.25%	2,575,000	815,000
• debt retired from the TIF #3 fund				-	995,000
Series 2009A Taxable GO Refunding (Capital Appreciation) Bonds, due in annual installments of \$170,000 to \$1,575,000					
• debt retired from TIF #6 fund	November 3, 2009	December 1, 2023	3.00% to 5.80%	5,430,000	3,516,183

(Continued)

CITY OF DES PLAINES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2011

NOTE 7 – DEBT ACTIVITY (Continued)

	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance December 31, 2011</u>
Series 2009B GO Refunding Bonds, due in annual installments of \$200,000 to \$865,000 • debt retired from capital projects fund	November 3, 2009	December 1, 2018	3.00% to 3.75%	\$ 4,175,000	\$ 2,710,000
Series 2010A GO Refunding Bonds, due in annual installments of \$295,000 to \$435,000 • debt retired from TIF # 3 fund	January 6, 2010	December 1, 2028	3.625% to 4.25%	3,945,000	3,945,000
Series 2010B GO Refunding Bonds, due in annual installments of \$266,906 to \$807,030 • debt retired from TIF # 3 fund	January 6, 2010	December 1, 2026	4.0% to 5.35%	6,110,760	6,709,294
Series 2011A GO Refunding Bonds, due in annual installments of \$275,000 to \$465,000 • debt retired from TIF # 1 fund • debt retired from TIF #3 fund • debt retired from TIF #5 fund • debt retired from TIF #6 fund	December 22, 2011	December 1, 2021	2.0% to 2.50%	3,540,000	1,555,000 755,000 980,000 <u>250,000</u>
Total governmental activities general obligation debt					<u>\$ 62,910,477</u>

A portion of the December 31, 2011 balance for the 2010B and 2009A bonds represents accretion on debt from the date of issuance until 12/31/2011.

	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance December 31, 2011</u>
Business type Activities <u>General Obligation Debt</u> Series 2005C GO Refunding Bonds, due in annual installments of \$165,000 to \$370,000 • debt retired by water/sewer fund	January 1, 2005	December 1, 2013	2.50% to 4.00%	\$ 2,330,000	<u>\$ 730,000</u>
Total business-type activities general obligation debt					<u>\$ 730,000</u>

Debt service requirements to maturity are as follows (Principal Totals for Governmental Activities differs from the outstanding balance noted above in the amount of \$7,199,523, due to the future accretion on the 2009A and 2010A Capital Appreciation Bonds):

(Continued)

CITY OF DES PLAINES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2011

NOTE 7 – DEBT ACTIVITY (Continued)

<u>Years</u>	<u>Governmental Activities</u> <u>General Obligation Debt</u>		<u>Business-Type Activities</u> <u>General Obligation Debt</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2012	\$ 4,985,000	\$ 1,994,433	\$ 365,000	\$ 29,200
2013	5,630,000	2,083,344	365,000	14,600
2014	5,455,000	1,857,257	-	-
2015	5,640,000	1,651,312	-	-
2016	5,260,000	1,432,606	-	-
2017-2021	29,080,000	3,592,895	-	-
2022-2026	13,210,000	433,624	-	-
2027-2028	<u>850,000</u>	<u>54,612</u>	<u>-</u>	<u>-</u>
Totals	<u>\$ 70,110,000</u>	<u>\$ 13,100,083</u>	<u>\$ 730,000</u>	<u>\$ 43,800</u>

Tax Increment Financing Notes: Tax increment financing bonds are payable from incremental taxes derived from a separately created tax increment financing district.

The City has issued notes where the City pledges incremental taxes derived from a separately created tax increment financing district. These notes are not a general obligation of the City and are secured only by the incremental revenues generated by the TIF district. During 2011, TIF #1 generated a tax increment of \$4,954,697. The City has pledged future incremental tax revenues, net of specified operating expenses, to repay \$591,330 in revenue notes issued in 2002 - 2003. Proceeds from the notes provided financing for capital development within the tax increment financing district. The notes are payable solely from incremental tax revenues and are payable through 2020. Annual principal and interest payments on the notes are expected to require 1.6% of net revenues. The total principal and interest remaining to be paid on the notes is \$757,107. Principal and interest paid for the current year were \$50,430 and \$33,693, respectively.

Tax Increment Financing Notes at December 31, 2011, consists of the following:

	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance December 31, 2011</u>
Series 2002 Tax Increment Revenue Note, due in annual installments of \$14,547 to \$38,840					
• debt retired by TIF #1 fund	May 1, 2002	June 1, 2020	5.25%	\$ 462,389	\$ 287,353
Series 2003 Tax Increment Revenue Note, due in annual installments of \$12,096 to \$41,087					
• debt retired by TIF #1 fund	October 6, 2003	June 1, 2020	5.25%	471,000	<u>303,977</u>
Total governmental activities tax increment financing notes					<u>\$ 591,330</u>

(Continued)

CITY OF DES PLAINES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2011

NOTE 7 – DEBT ACTIVITY (Continued)

Debt service requirements to maturity are as follows:

<u>Years</u>	<u>Governmental Activities</u> <u>Tax Increment Financing Notes</u>	
	<u>Principal</u>	<u>Interest</u>
2012	\$ 53,078	\$ 31,045
2013	55,865	28,258
2014	58,797	25,326
2015	61,884	22,239
2016	65,133	18,990
2017-2020	<u>296,573</u>	<u>39,919</u>
Totals	<u>\$ 591,330</u>	<u>\$ 165,777</u>

Loans Payable: Loans Payable at December 31, 2011 consist of the following:

	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance December 31, 2011</u>
Series 2007 equipment loan (tower ladder fire truck), due in annual installments of \$37,490 to \$84,669					
• debt retired by equipment replacement fund	June 29, 2007	June 1, 2012	4.11%	\$ 400,000	\$ 43,651
Series 2009 equipment loan (fire engine), due in annual installments of \$12,500					
• debt retired by equipment replacement fund	April 7, 2009	November 1, 2029	0.00%	250,000	<u>225,000</u>
Total governmental activities loans payable					<u>\$ 268,651</u>

Debt service requirements to maturity are as follows:

<u>Years</u>	<u>Governmental Activities</u> <u>Loans Payable</u>	
	<u>Principal</u>	<u>Interest</u>
2012	\$ 56,151	\$ 674
2013	12,500	-
2014	12,500	-
2015	12,500	-
2016	12,500	-
2017-2021	62,500	-
2022-2026	62,500	-
2027-2029	<u>37,500</u>	<u>-</u>
Totals	<u>\$ 268,651</u>	<u>\$ 674</u>

(Continued)

CITY OF DES PLAINES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2011

NOTE 7 – DEBT ACTIVITY (Continued)

Other Debt Information - Conduit Debt: The City has issued Industrial Development bonds for the benefit of various organizations. The issuance of Industrial Development Revenue Bonds by the City 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 City. Industrial Development Revenue Bonds are not a debt of the City and the City is not obligated in any manner for the repayment. The entity using the bond proceeds to finance a construction or improvement project is liable for the bonds. Since the City does not act as an agent for Industrial Revenue Bonds, the transactions relating to the bonds and property do not appear in the City's financial statements. In 2006, the City issued \$7.7 million of Industrial Revenue Bonds for the Science and Arts Academy expansion. The outstanding balance as of December 31, 2011 is \$7,189,689.

Advance Refunding: On December 22, 2011, the city issued \$3,540,000 in general obligation 2011A series bonds with interest rates of 2.0-2.5 percent to partially refund \$3,520,000 of outstanding 2003A series bonds with an average interest rate of 3.5. The net proceeds of the bonds, net of underwriting fees, insurance and other issuance costs, were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments. As a result, the bonds are considered to be defeased and the liability for those bonds has been removed from these financial statements.

The city cash flow requirements on the refunded 2003A series bonds prior to the advance refunding was \$4,428,205 from 2012 through 2021. The cash flow requirements on the 2011A series refunding bonds are \$4,014,190 from 2012 through 2021. The advance refunding resulted in an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$378,173.

Prior Year Defeasance of Debt: In prior years, the City defeased certain general obligation and other bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the City's financial statements. At December 31, 2011, \$11,635,000 of bonds outstanding are considered defeased.

Legal Debt Margin: The City 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 if its population is more than 25,000 and less than 500,000 an aggregate of one percent; indebtedness which is outstanding effective date (July 1, 1971) of this constitution or which is thereafter approval by referendum shall not be included in the foregoing percentage amounts."

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

Net Pension and Other Postemployment Benefit Obligations: The general fund has typically been used to liquidate the net pension obligation and other postemployment benefit obligations. See notes 9 and 13 for more information.

(Continued)

CITY OF DES PLAINES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2011

NOTE 8 – COMPONENT UNIT

Component Unit:

Des Plaines Public Library – This report contains the Des Plaines Public Library (the "Library"), which is included as a component unit. Financial information is presented as a discrete column in the statement of net assets, statement of activities.

In addition to the basic financial statements and the preceding notes to financial statements which apply, the following additional disclosures are considered necessary for a fair presentation.

Basis of Accounting/Measurement Focus: The Library follows the modified accrual basis of accounting and the flow of current financial resources measurement focus.

Deposits and Investments:

	<u>Carrying Value</u>	<u>Statement Balance</u>	<u>Associated Risks</u>
Deposits	\$ 273,479	\$ 381,312	Custodial
Illinois funds	3,902,091	3,902,091	Credit, interest rate
Petty cash	<u>500</u>	<u>-</u>	N/A
 Total deposits and investments	 <u>\$ 4,176,070</u>	 <u>\$ 4,283,403</u>	

Deposits: Statutes authorize the Des Plaines Public Library (the "Library") to make deposits/invest 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 the Illinois Funds.

Cash: The carrying amount of deposits was \$273,479 at December 31, 2011, while the bank balances were \$381,312. All deposits were either insured by the Federal Deposit Insurance Corporation (FDIC) for \$250,000, or collateralized with securities of the U.S. Government or with letters of credit issued by the Federal Home Loan Bank held in the Library's name by financial institutions acting as the Library's agent.

Investments: Illinois Statutes authorize the Library to make 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 agreement 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 the Illinois Funds Investment Pool. As of December 31, 2011, the Library did not maintain an investment balance.

Interest Rate Risk. The Library does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. At year end, the Illinois Funds balance of \$3,902,091 was due upon demand.

(Continued)

CITY OF DES PLAINES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2011

NOTE 8 – COMPONENT UNIT (Continued)

Credit Risk. The Library's general investment policy is to apply the prudent person rule: Investments are made as a prudent person would be expected to act, with discretion and intelligence, to seek reasonable income, preserve capital, and, in general, avoid speculative investments.

Custodial Credit Risk. For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Library will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Library's investment policy requires that all amounts in excess of any insurance limits be collateralized by securities eligible for Library investment or any other high quality, interest bearing security rated at least AA/Aa by one or more standard rating service to include Standard & Poor's, Moody's or Fitch. The market value of the pledge securities shall equal or exceed the portion of the deposit requiring collateralization.

Concentration of Credit Risk. The Library places no limit on the amount that may be invested in any one issuer.

Receivables and Deferrals: Property taxes for 2011 attach as an enforceable lien on January 1, 2011, on property values assessed as of the same date. Taxes are levied by December of the fiscal year (by passage of a Tax Levy Ordinance). Tax bills are prepared by the County and issued on or about February 1, 2011 and August 1, 2011 and are payable in two installments, on or about March 1, 2011 and October 1, 2011. The County collects such taxes and remits them periodically.

The Library recognizes property tax revenues when they become both measurable and available in the fiscal year that the tax levy is intended to finance. Therefore, the entire 2011 tax levy has been recorded as deferred revenue on the balance sheet.

Prepaid Items: Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

Capital Assets:

<u>Component Unit</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Capital assets being depreciated				
Improvements	\$ 235,874	\$ -	\$ -	\$ 235,874
Equipment	869,440	-	-	869,440
Vehicles	161,448	-	-	161,448
Total capital assets being depreciated	<u>1,266,762</u>	<u>-</u>	<u>-</u>	<u>1,266,762</u>
Less accumulated depreciation for				
Improvements	(20,206)	(5,021)	-	(25,227)
Equipment	(245,759)	(24,533)	-	(270,292)
Vehicles	(147,491)	(9,251)	-	(156,742)
Total accumulated depreciation	<u>(413,456)</u>	<u>(38,805)</u>	<u>-</u>	<u>(452,261)</u>
Total component unit capital assets, net of accumulated depreciation	<u>\$ 853,306</u>	<u>\$ (38,805)</u>	<u>\$ -</u>	<u>\$ 814,501</u>

(Continued)

CITY OF DES PLAINES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2011

NOTE 8 – COMPONENT UNIT (Continued)

The title to the Library land and building is in the name of the City and is reported in the City's capital assets used in governmental activities.

Compensated Absences: The liability balance as of December 31, 2010 was \$182,330. During 2011, there were additions of \$209,496 and reductions of \$119,735 leaving the liability balance as of December 31, 2011 of \$272,091. The current portion of this liability is \$120,239.

Net Other Postemployment Benefits Obligation: The liability balance as of December 31, 2010 was \$52,114. During 2011, there were annual OPEB costs of \$33,852 and contributions of \$10,547 leaving the liability balance as of December 31, 2011 of \$75,419. See Note 13 for further details on the Retiree Health Plan.

Illinois Municipal Retirement Fund: The liability balance as of December 31, 2010 was \$0. During 2011, there were annual pension costs of \$290,868 and contributions of \$238,126 leaving the liability balance as of December 31, 2011 of \$52,742. See Note 9 for further details on the Illinois Municipal Retirement Fund.

Operating Leases: The Library leases copier equipment under a noncancelable operating lease. Total costs for such lease was \$24,060 for the year ended December 31, 2011. At December 31, 2011, future minimum lease payments for this lease total \$24,060 and are due in 2012.

NOTE 9 – EMPLOYEES' RETIREMENT SYSTEM

Plan Descriptions: The City 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 a single employer pension plan. The benefits, benefits levels, employee contributions and employer contributions for the plans are governed by Illinois Compiled Statutes and can only be amended by the Illinois General Assembly. The Police Pension Plan and the Firefighters' Pension Plan do not issue separate reports on the pension plans. IMRF does issue a publicly available report that includes financial statements and supplementary information for the plan as a whole, but not for individual employers. That report can be obtained on-line at www.imrf.org.

Illinois Municipal Retirement Fund: All employees hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. IMRF provides two tiers of pension benefits. Employees hired prior to January 1, 2011, are eligible for Tier 1 benefits. For Tier 1 employees, pension benefits vest after eight years of service. Participating members who retire at age 55 (reduced benefits) or after age 60 (full benefits) with eight years of credited 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, for each year of credited service up to 15 years, and 2% for each year thereafter.

Employees hired on or after January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating members who retire at age 62 (reduced benefits) or after age 67 (full benefits) with ten years of credited 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, for each year of credited service up to 15 years, and 2% for year thereafter.

(Continued)

CITY OF DES PLAINES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2011

NOTE 9 – EMPLOYEES’ RETIREMENT SYSTEM (Continued)

Funding Policy: As set by statute, plan members are required to contribute 4.50% of their annual covered salary. The statutes require employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer contribution rate for 2011 used by the employer was 12.02% of the annual covered payroll. The employer annual required contribution rate for 2011 was 12.84%. The City also contributes 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.

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

At December 31, 2011, the Police Pension Plan membership consisted of:

Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them	104
Current employees:	
Vested	68
Non vested	<u>23</u>
 Total	 <u>195</u>

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

The police pension fund provides retirement benefits as well as death and disability benefits. Tier 1 employees (those hired prior to January 1, 2011) attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit equal to one-half of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The annual benefit 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 eight years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit of 2.5% of final salary for each year of service.

The monthly benefit of a police officer who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3.0% of the original pension and 3.0% compounded annually thereafter.

Tier 2 employees (those hired on or after January 1, 2011) attaining the age of 55 or older with ten or more years of creditable service are entitled to receive an annual retirement benefit equal to the average monthly salary obtained by dividing the total salary of the police officer during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. Police officers’ salary for pension purposes shall not exceed \$106,800 however, that amount shall increase annually by the lesser of ½ of the annual change in the Consumer Price Index or 3.0% compounded. The annual benefit 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 75.0% of such salary. Employees with at least ten years may retire at or after age 50 and receive a reduced benefit (i.e. ½% for each month under 55).

(Continued)

CITY OF DES PLAINES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2011

NOTE 9 – EMPLOYEES’ RETIREMENT SYSTEM (Continued)

The monthly benefit of a Tier 2 police officer shall be increased annually at age 60 on the January 1st after the police officer retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3.0% or ½ of the change in the Consumer Price Index for the proceeding calendar year.

Funding Policy. Covered employees are required to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The City is required to contribute the remaining amounts necessary to finance the plans as actuarially determined by an enrolled actuary. Effective January 1, 2011, the City has until the year 2040 to fund 90% of the past service costs for the Police Pension Plan. For the year ended December 31, 2011, the City's contribution was 47.03% of covered payroll.

Firefighters' Pension Plan: Fire sworn personnel are covered by the Firefighters' Pension Plan, which is a defined benefit single employer pension plan. Although this is a single employer pension plan, the defined benefits 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. Administrative costs are financed with current investment income. The City accounts for the plan as a pension trust fund.

At December 31, 2011, the Firefighters' Pension Plan membership consisted of:

Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them	95
Current employees:	
Vested	58
Non vested	<u>37</u>
 Total	 <u>190</u>

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

The Firefighters' Pension Plan provides retirement benefits as well as death and disability benefits. Tier 1 employees (those hired prior to January 1, 2011) attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit equal to one-half of the salary attached to the rank held on the last day of service. The annual benefit 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 ten years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit.

The monthly benefit of a covered employee who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3.0% of the original pension and 3.0% compounded annually thereafter.

Tier 2 employees (those hired on or after January 1, 2011) attaining the age of 55 or older with ten or more years of creditable service are entitled to receive an annual retirement benefit equal to the average monthly salary obtained by dividing the total salary of the firefighter during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. Firefighters' salary for pension purposes is capped at \$106,800 plus the lesser of ½ of the annual change in the Consumer Price Index or 3.0% compounded. The annual benefit

(Continued)

CITY OF DES PLAINES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2011

NOTE 9 – EMPLOYEES’ RETIREMENT SYSTEM (Continued)

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 75.0% of such salary. Employees with at least ten years may retire at or after age 50 and receive a reduced benefit (i.e. ½% for each month under 55).

The monthly benefit of a Tier 2 firefighter shall be increased annually at age 60 on the January 1st after the firefighter retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3.0% or ½ of the change in the Consumer Price Index for the proceeding calendar year.

Participants contribute a fixed percentage of their base salary to the plans. At December 31, 2011, 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 City is required to contribute the remaining amounts necessary to finance the plans as actuarially determined by an enrolled actuary. Effective January 1, 2011, the City has until the year 2040 to fund 90% of the past service costs for the Firefighters’ Pension Plan. For the year ended December 31, 2011, the City’s contribution was 46.37% of covered payroll.

Summary of Significant Accounting Policies:

Police and Firefighters’ Pension Plans – Basis of Accounting: The financial statements of the pension fund are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which contributions are due. The City’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.

Method Used to Value Investments: 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.

Annual Pension Cost: The City annual pension cost for the current year and related information for each plan is as follows:

	<u>Illinois Municipal Retirement</u>	<u>Police Pension</u>	<u>Firefighters’ Pension</u>
Actuarial valuation date	December 31, 2009	December 31, 2010	December 31, 2010
ARC is based on			
Contribution rates:			
Employer	12.02%	37.01%	33.63%
Employee	4.50%	9.91%	9.46%
Annual pension cost	\$2,330,839	\$3,305,117	\$3,388,116
Contributions made	\$1,948,306	\$3,755,364	\$3,798,156
Actuarial cost method	Entry age normal	Entry age normal	Entry age normal
Asset valuation method	5 year smoothed market	Market	Market
Amortization method	Level percentage of payroll	Level percentage of payroll	Level percentage of payroll
Amortization period	30 years, open	29 years, closed	29 years, closed
Actuarial assumptions:			
Investment rate of return	7.50%	7.00%	7.00%
	Compounded annually	Compounded annually	Compounded annually
Projected salary increases	.4 to 10.0%	5.00%	5.00%
Inflation rate included	4.00%	3.00%	3.00%
Cost of living adjustments	3.00%	3.00%	3.00%

(Continued)

CITY OF DES PLAINES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2011

NOTE 9 – EMPLOYEES’ RETIREMENT SYSTEM (Continued)

Net Pension (Asset): The following is the net pension (asset) calculation:

<u>Net Pension Obligation (Asset)</u>	<u>Illinois Municipal Retirement</u>	<u>Police Pension</u>	<u>Firefighters' Pension</u>
Annual required contribution	\$ 2,330,839	\$ 3,307,583	\$ 3,395,608
Interest on net pension obligation	-	(6,657)	(20,224)
Adjustment to annual required contribution	-	4,191	12,732
Annual pension cost	2,330,839	3,305,117	3,388,116
Contributions made	1,948,306	3,755,364	3,798,156
Change in net pension obligation	382,533	(450,247)	(410,040)
Net pension obligation (asset)			
Beginning of year	-	(95,102)	(288,919)
End of year	<u>\$ 382,533</u>	<u>\$ (545,349)</u>	<u>\$ (698,959)</u>
 <u>As reported in</u>			
City's governmental activities	\$ 187,080	\$ (545,349)	\$ (698,959)
City's business-type activities	63,834	-	-
Library	52,742	-	-
Joint Emergency Telephone System (Note 12)	78,877	-	-
	<u>\$ 382,533</u>	<u>\$ (545,349)</u>	<u>\$ (698,959)</u>

Trend Information: Trend information gives an indication of the progress made in accumulating sufficient assets to pay benefits when due.

	<u>Year</u>	<u>Illinois Municipal Retirement</u>	<u>Police Pension</u>	<u>Firefighters' Pension</u>
Annual pension cost (APC)	2011	\$ 2,330,839	\$ 3,305,117	\$ 3,388,116
	2010	2,148,148	3,233,192	3,030,530
	2009	1,914,683	2,532,967	2,088,937
Contributions made	2011	\$ 1,948,306	\$ 3,755,364	\$ 3,798,156
	2010	2,148,148	2,955,719	2,754,196
	2009	1,914,683	2,674,179	2,158,326
Percentage of APC contributed	2011	83.59%	113.60%	112.10%
	2010	100.00%	91.40%	90.90%
	2009	100.00%	105.60%	103.30%
Net pension obligation (asset)	2011	\$ 382,533	\$ (545,349)	\$ (698,959)
	2010	-	(95,102)	(288,919)
	2009	-	(372,575)	(565,253)

(Continued)

CITY OF DES PLAINES, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2011

NOTE 9 – EMPLOYEES’ RETIREMENT SYSTEM (Continued)

Funded Status and Funding Progress: The City's actuarial value of plan assets for the current year and related information is as follows:

	<u>Illinois Municipal Retirement</u>	<u>Police Pension</u>	<u>Firefighters’ Pension</u>
Actuarial Valuation Date	December 31, 2011	December 31, 2010	December 31, 2010
Actuarial Valuation of Assets (a)	\$ 33,063,104	\$ 52,803,116	\$ 55,010,846
Actuarial Accrued Liability (AAL) Entry Age (b)	\$ 48,680,023	\$ 105,556,583	\$ 101,349,056
Unfunded AAL (UAAL) (b-a)	\$ 15,616,919	\$ 52,753,467	\$ 46,338,210
Funded Ratio (a/b)	67.92%	50.00%	54.30%
Covered Payroll (c)	\$ 16,321,980	\$ 7,985,770	\$ 8,190,774
UAAL as a percentage of Covered Payroll ((b-a)/c)	95.68%	660.60%	565.70%

The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

(Continued)

CITY OF DES PLAINES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2011

NOTE 9 – EMPLOYEES’ RETIREMENT SYSTEM (Continued)

Pension Information:

Fiduciary Net Assets:

	<u>Pension Trust</u>		<u>Totals</u>
	<u>Firefighters’ Pension</u>	<u>Police Pension</u>	
Assets			
Cash and cash equivalents	\$ 2,455,377	\$ 3,043,433	\$ 5,498,810
Investments			
U.S. government and agency obligations	18,073,156	15,402,730	33,475,886
Mutual funds	9,945,617	13,491,250	23,436,867
Corporate bonds	9,107,657	9,078,743	18,186,400
Stocks	14,643,196	9,896,045	24,539,241
State and local obligations	1,369,736	1,341,964	2,711,700
Insurance contracts	-	1,457	1,457
Accrued interest	247,407	240,091	487,498
Prepaid items	1,675	12,341	14,016
Total assets	<u>55,843,821</u>	<u>52,508,054</u>	<u>108,351,875</u>
Liabilities			
Accounts payable	<u>33,222</u>	<u>34,921</u>	<u>68,143</u>
Total liabilities	<u>33,222</u>	<u>34,921</u>	<u>68,143</u>
Net assets	<u>\$ 55,810,599</u>	<u>\$ 52,473,133</u>	<u>\$ 108,283,732</u>

(Continued)

CITY OF DES PLAINES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2011

NOTE 9 – EMPLOYEES’ RETIREMENT SYSTEM (Continued)

Changes in Plan Net Assets:

	Pension Trust		<u>Totals</u>
	<u>Firefighters’ Pension</u>	<u>Police Pension</u>	
Additions			
Contributions			
Employer	\$ 3,798,156	\$ 3,775,364	\$ 7,573,520
Plan members	<u>822,628</u>	<u>786,143</u>	<u>1,608,771</u>
Total contributions	<u>4,620,784</u>	<u>4,561,507</u>	<u>9,182,291</u>
Investment Income	1,711,649	905,960	2,617,609
Less investment expense	<u>(231,862)</u>	<u>(222,283)</u>	<u>(454,145)</u>
Net investment income	<u>1,479,787</u>	<u>683,677</u>	<u>2,163,464</u>
Total additions	<u>6,100,571</u>	<u>5,245,184</u>	<u>11,345,755</u>
Deductions			
Administration	78,425	106,724	185,149
Benefits and refunds	<u>5,222,393</u>	<u>5,468,443</u>	<u>10,690,836</u>
Total deductions	<u>5,300,818</u>	<u>5,575,167</u>	<u>10,875,985</u>
Change in plan net assets	799,753	(329,983)	469,770
Plan net assets, beginning of year	<u>55,010,846</u>	<u>52,803,116</u>	<u>107,813,962</u>
Plan net assets, end of year	<u>\$ 55,810,599</u>	<u>\$ 52,473,133</u>	<u>\$ 108,283,732</u>

NOTE 10 – RISK MANAGEMENT

Risk Management: The City is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; workers compensation; and health care of its employees. The City participates in a public entity risk pool to provide coverage for losses from torts; theft of, damage to, or destruction of assets; errors and omissions; workers compensation and health insurance. The City is self-insured for Dental. These risks are accounted for and financed by the City in its internal service funds – the Risk Management Fund and Health Benefits Fund. Settled claims have not exceeded coverage for the past 3 years. There was no significant reduction in coverage from the prior year.

Self-Insurance: For dental claims, the City offers optional dental insurance to all of its employees and any dependents. Employees opting for this coverage pay 10% of the premium. The annual maximum benefit is \$1,500 per employee.

All funds of the City participate in the risk management program. Amounts payable to the fund are based on actuarial estimates of the amounts necessary to pay prior and current year claims and to establish a reserve for catastrophic losses.

(Continued)

CITY OF DES PLAINES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2011

NOTE 10 – RISK MANAGEMENT (Continued)

A liability for a claim is established if information indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss is reasonably estimable. Liabilities include an amount for claims that have been incurred but not reported. The City does not allocate overhead costs or other non-incremental costs to the claims liability.

	<u>Prior Year</u>	<u>Current Year</u>
Unpaid claims - beginning of year	\$ 25,381	\$ 76,267
Current year claims and changes in estimates	586,649	341,848
Claim payments	<u>(535,763)</u>	<u>(394,305)</u>
 Unpaid claims - end of year	 <u>\$ 76,267</u>	 <u>\$ 23,810</u>

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; illness of employees; and natural disasters.

Intergovernmental Personnel Benefit Cooperative: The Health Benefits Fund was established to account for the financial transactions of self-insured employee and retiree health benefits. In 2003 the City joined the Intergovernmental Personnel Benefit Cooperative (IPBC), a self-insured governmental insurance pool consisting of 61 municipalities located primarily in the Chicago area. The IPBC provides the City with consulting, legal, and auditing services for its health (i.e., PPO and HMO) and life insurance programs. The City pays premiums to IPBC based upon current employee participation and its prior experience factor with the pool. Management consists of a Board of Directors comprised of one appointed representative from each member.

The City continues to be self-insured for dental benefits on an individual contract basis outside of the IPBC.

Municipal Insurance Cooperative Agency: The City Participates in the Municipal Insurance Cooperative Agency (MICA). MICA is a public entity risk pool whose members are Illinois municipalities. MICA manages and funds first party property losses, third party liability claims, workers' compensation claims and public officials' liability claims of its members. MICA provides \$2,000,000 of coverage after a \$1,000 deductible. The City pays an annual premium to MICA based upon the City's share of liability exposure and prior experience within the pool to cover potential claims to the total loss aggregate. Amounts paid into the pool in excess of claims for any coverage year are rebated back to members in subsequent periods. The City records such rebates as miscellaneous revenue in the Risk Management Fund in the year in which they are received.

High Level Excess Liability Pool: The City participates in the High Level Excess Liability Pool (HELP). HELP is a public entity risk pool established by certain municipalities (the Members) in Illinois to provide excess liability coverage (\$10,000,000 of coverage after the \$2,000,000 coverage provided by MICA). It consists of 13 municipalities. HELP provides excess reinsurance of \$4,000,000 per occurrence for claims in excess of \$6,000,000.

(Continued)

CITY OF DES PLAINES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2011

NOTE 10 – RISK MANAGEMENT (Continued)

HELP was organized on April 1, 1987. The Village of Elk Grove, Illinois (the initial Host Member) issued \$5,000,000 of general obligation bonds in 1987 to provide initial funding for HELP. The bond proceeds were put into escrow with LaSalle National Bank as escrow agent. An intergovernmental agreement among HELP, the Village of Elk Grove, and the members provides that HELP and its members are obligated to the Village of Elk Grove for payment of principal and interest on the bonds until such bonds have been retired. The bonds were retired December 1, 1995. The purpose of HELP is to act as a joint self-insurance pool for the purpose of seeking the prevention or lessening of liability claims for injuries to persons or property or claims for errors and omissions made against the Members and other parties included within the scope of coverage of HELP.

HELP is governed by a Board of Directors, which consists of one appointed representative from each member municipality. Each director has an equal vote. The officers of HELP are appointed by the Board of Directors. The Board of Directors determines the general policy of HELP; makes all appropriations; approves contracts; adopts resolutions providing for the issuance of debt by help; adopts bylaws; rules and regulations; and exercises such powers and preforms such duties as may be prescribed in the Agency Agreement or the bylaws.

The City has committed to purchase excess liability insurance from the pool through the term of the Agreement. Annual premiums are calculated based on a formula which specifies the following four criteria: (1) miles of streets, (2) full time equivalent employees, (3) number of motor vehicles, and (4) operating revenues.

Based upon the allocations for the year ended April 30, the City expects to pay a minimum of \$90,000 per year over the remaining term of the agreement.

NOTE 11 – COMMITMENTS AND CONTINGENCIES

Construction Contracts

The City has entered into various contracts for construction within the City. Below is a schedule outlining the various projects that are currently under contract.

<u>Project Description</u>	<u>Expended To Date</u>	<u>Remaining Commitment</u>
River Road Reconstruction	\$ 12,813,688	\$ 1,308,695
Storm Sewer Improvement - Contract A	1,473,438	19,969
Street Resurfacing - MFT 11-00214-00-RS	1,148,906	60,505
Street Resurfacing - MFT 11-00216-00-RS	445,164	64,836
Concrete Program (sidewalk & curb replacement) MFT 11-00215-00-RP	645,629	13,203
Rear Yard Drainage Program - Contract B	<u>214,469</u>	<u>23,830</u>
 Total	 <u>\$ 16,741,294</u>	 <u>\$ 1,491,038</u>

(Continued)

NOTE 11 – COMMITMENTS AND CONTINGENCIES (Continued)

From time to time, the City is party to various pending claims and legal proceedings. Although the outcome of such matters cannot be forecasted with certainty, it is the opinion of management and the City attorney that the likelihood is remote that any such claims or proceedings will have a material adverse effect on the City's financial position or results of operations.

NOTE 12 – JOINT VENTURES

Joint Emergency Telephone System: The City of Des Plaines, the Village of Morton Grove, the Village of Niles and the City of Park Ridge jointly operate the local dispatch center, which is called the Joint Emergency Telephone System (JETS) and provides public safety communications services.

The governing body is made up of the respective municipalities Manager's/Administrator's and Police and Fire Chiefs. The City made a payment totaling \$1,966,545 to JETS for 2011. The City believes that JETS will continue to provide services in the future at similar rates.

Financial information of the Joint Emergency Telephone System as of December 31, 2011 is available directly from the Joint Emergency Telephone System office.

The City does not have an equity interest in the Joint Emergency Telephone System.

NOTE 13 – OTHER POSTEMPLOYMENT BENEFITS

Other Postemployment Benefits: The City administers a single employer defined benefit healthcare plan "the Retiree Health Plan" The plan provides health insurance contributions for eligible retirees and their spouses through the City's group health insurance plan which covers both active and retired members. A retiree is eligible to receive benefits if they fall into any one of four categories. IMRF participants are eligible at age 55 with at least 8 years of service, or if they are totally and permanently disabled. Police officers and firefighters are eligible at age 50 with 20 years of service, or if they are medically disabled and unable to perform the duties as a police officer or firefighter. Police officers are eligible for a reduced benefit at age 60 with at least 10 years of service, but less than 20 years. Police officers and firefighters that terminate with a vested benefit are eligible for post-retirement healthcare benefits commencing at the time of separation. Spouses and dependents of retirees are eligible to continue healthcare coverage while the retiree is alive if they were enrolled at the time of retirement. Surviving spouses of employees are eligible for COBRA coverage. Surviving spouses and dependent children of police officers and firefighters that were injured in the line of duty, during an emergency, and surviving spouses of all retirees are eligible to continue healthcare coverage. Retirees, spouses, and dependents opting out of the retiree health program cannot re-enter into the program.

Contribution requirements are established through personnel policy guidelines and may be amended by the action of the governing body. The City makes the same monthly health insurance contribution on behalf of the retiree as it makes on behalf of all other active employees during that year. Plan members receiving benefits contribute 100% of their premium costs. The City pays 100% of the healthcare premiums for police officers and firefighters, their dependents and their surviving spouses and dependent children if they were injured or killed in the line of duty during an emergency. Healthcare premiums for surviving spouses are payable by the City until remarriage. Any amounts payable under the City's health plan will be reduced by the amounts payable under Medicare for those expenses which are covered by Medicare. For fiscal year 2011, total member contributions were \$1,242,683. Administrative costs of the plan are paid by the City.

(Continued)

NOTE 13 – OTHER POSTEMPLOYMENT BENEFITS (Continued)

Actuarial valuations of an ongoing plan involve estimates for the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan is understood by the employer and plan members) and includes the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employer and plan members to that point. The methods and assumptions used include techniques that are designed to reduce short term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long term perspective of the calculations.

In the December 31, 2010 actuarial valuation, the entry age actuarial cost method was used. The actuarial assumptions include a 4.00 percent investment rate of return and an annual healthcare cost trend rate of 4.74 percent initially, reduced by decrements to an ultimate rate of 4.50 percent after 10 years. Both rates include a 4.00 percent inflation assumption. The plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll 30-year open amortization period for all employee groups except Public Works and the cost of the ERI. For the Public Works employee group, a 10-year open level-percentage-of-pay amortization period is being used and a 5-year closed level-percentage-of-pay amortization period is used for the ERI cost.

NOTE 14 – TERMINATION BENEFITS

In 2009, the City offered early retirement incentives to all City workers who would agree to terminate in 2009 and 2010. Twenty two City employees accepted the City's offer. The estimated cost of the cash payments, reported in the proprietary statement of net assets by function, is \$732,218. Due to the small scale of the health care benefits, unadjusted unpaid premiums as of December 31, 2011 were used to calculate liabilities.

NOTE 15 – TAX INCREMENT FINANCING DISTRICT

Tax Increment Financing District: The City of Des Plaines has established several Tax Increment Redevelopment Project Areas (RPA's) to encourage redevelopment of certain sites for more market oriented commercial uses of the properties that will enhance their value and improve their contributions to the City and its surrounding areas. As part of the redevelopment plans, the City has made significant improvements to utilities, public parking, intersections, and traffic signalization, streets and landscaping. The redevelopment plans also include site preparation, land acquisition and assembly, and demolition/clearance.

Several funds have been established to record the revenues generated in the RPA's that relate directly to servicing the debt issued to make public improvements in the RPA's.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF DES PLAINES, ILLINOIS
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 GENERAL FUND
 Year Ended December 31, 2011
 With Comparative Actual Amounts for the Year Ended December 31, 2010

	2011		Variance from Final Budget Positive (Negative)	2010 Actual
	Original and Final Budget	Actual		
Revenues				
Property Taxes				
Property Taxes	\$ 15,273,223	\$ 15,522,762	\$ 249,539	\$ 15,088,584
Police Pension	3,338,189	3,392,606	54,417	3,293,584
Fire Pension	3,395,608	3,441,260	45,652	3,079,756
Total Property Taxes	<u>22,007,020</u>	<u>22,356,628</u>	<u>349,608</u>	<u>21,461,924</u>
Local Taxes				
Utility Taxes	3,050,000	3,401,735	351,735	3,353,950
Gas and Use Tax	450,000	353,610	(96,390)	320,867
Franchise Tax	504,100	594,709	90,609	533,469
Food and Beverage Tax	810,000	1,059,647	249,647	911,865
Telecommunication Tax	3,200,000	3,068,285	(131,715)	3,177,979
Hotel/Motel Tax	1,004,000	1,440,269	436,269	1,387,872
Auto Rental Tax	55,000	117,024	62,024	94,675
Parking Tax	-	55,924	55,924	-
Real Estate Transfer Tax	230,000	393,417	163,417	399,853
Home Rule Sales Tax	1,125,000	1,258,578	133,578	1,208,656
Total Local Taxes	<u>10,428,100</u>	<u>11,743,198</u>	<u>1,315,098</u>	<u>11,389,186</u>
Licenses				
Business	450,000	472,844	22,844	464,999
Liquor	195,000	286,895	91,895	224,411
Vehicle	1,150,000	1,276,450	126,450	1,296,378
Other Licenses	114,800	163,681	48,881	147,792
Total Licenses	<u>1,909,800</u>	<u>2,199,870</u>	<u>290,070</u>	<u>2,133,580</u>
Permits				
Building	450,000	586,643	136,643	1,546,240
Other Permits	248,000	299,798	51,798	374,863
Total Permits	<u>698,000</u>	<u>886,441</u>	<u>188,441</u>	<u>1,921,103</u>
Intergovernmental				
State Income Tax	3,933,570	4,645,626	712,056	4,513,561
Local Use Tax	745,617	852,309	106,692	772,229
Personal Property Replacement Tax	1,070,000	1,207,737	137,737	1,296,063
Municipal Sales Tax	7,250,000	7,814,706	564,706	7,827,066
Road and Bridge Tax	150,000	215,374	65,374	167,465
Federal, State, and Local Grants	17,500	118,402	100,902	183,453
Other State Payments	112,560	156,726	44,166	88,061
Total Intergovernmental	<u>13,279,247</u>	<u>15,010,880</u>	<u>1,731,633</u>	<u>14,847,898</u>
Charges for Services				
Ambulance Fees	1,045,000	1,292,039	247,039	1,153,563
Refuse Collection	3,600,000	3,826,957	226,957	3,694,457
Other Fees	282,050	402,517	120,467	448,463
E-911 Fees	756,000	823,011	67,011	837,154
Total Charges for Services	<u>5,683,050</u>	<u>6,344,524</u>	<u>661,474</u>	<u>6,133,637</u>

(Continued)

CITY OF DES PLAINES, ILLINOIS
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 GENERAL FUND
 Year Ended December 31, 2011
 With Comparative Actual Amounts for the Year Ended December 31, 2010

	2011		Variance from Final Budget Positive (Negative)	2010 Actual
	Original and Final Budget	Actual		
Fines and Forfeits				
Court Costs, Fees & Charges	\$ 580,000	\$ 608,772	\$ 28,772	\$ 633,839
Other Fines and Forfeits	<u>224,200</u>	<u>761,414</u>	<u>537,214</u>	<u>257,544</u>
Total Fines and Forfeits	<u>804,200</u>	<u>1,370,186</u>	<u>565,986</u>	<u>891,383</u>
Investment Income				
Investment Income	<u>10,000</u>	<u>41,617</u>	<u>31,617</u>	<u>23,469</u>
Miscellaneous				
Miscellaneous	<u>384,213</u>	<u>559,964</u>	<u>175,751</u>	<u>506,206</u>
Total Revenues	<u>55,203,630</u>	<u>60,513,308</u>	<u>5,309,678</u>	<u>59,308,386</u>
Expenditures				
General Government				
Elected Office				
Salaries	218,956	203,164	15,792	211,105
Benefits	151,775	149,578	2,197	142,013
Contractual Services	153,914	156,677	(2,763)	137,118
Commodities	11,350	16,282	(4,932)	12,926
Capital Outlay	-	339	(339)	5,939
Total Elected Office	<u>535,995</u>	<u>526,040</u>	<u>9,955</u>	<u>509,101</u>
City Manager Division				
Salaries	248,727	209,266	39,461	289,152
Benefits	76,537	73,515	3,022	87,047
Contractual Services	8,512	23,850	(15,338)	8,045
Commodities	2,550	3,146	(596)	1,837
Total City Manager Division	<u>336,326</u>	<u>309,777</u>	<u>26,549</u>	<u>386,081</u>
Media Services				
Salaries	155,333	147,383	7,950	129,234
Benefits	58,698	59,990	(1,292)	54,051
Contractual Services	51,404	50,845	559	46,170
Commodities	36,160	34,040	2,120	36,832
Capital Outlay	7,500	14,950	(7,450)	-
Total Media Services	<u>309,095</u>	<u>307,208</u>	<u>1,887</u>	<u>266,287</u>
Legal Department				
Salaries	240,698	220,079	20,619	211,018
Benefits	85,577	83,917	1,660	123,238
Contractual Services	220,619	284,122	(63,503)	200,072
Commodities	7,900	8,257	(357)	8,641
Capital Outlay	-	4,474	(4,474)	5,018
Total Legal Department	<u>554,794</u>	<u>600,849</u>	<u>(46,055)</u>	<u>547,987</u>

(Continued)

CITY OF DES PLAINES, ILLINOIS
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 GENERAL FUND
 Year Ended December 31, 2011
 With Comparative Actual Amounts for the Year Ended December 31, 2010

	2011		Variance from Final Budget Positive (Negative)	2010
	Original and Final Budget	Actual		Actual
Department of Finance - Fiscal Services				
Salaries	\$ 601,202	\$ 575,345	\$ 25,857	\$ 563,833
Benefits	256,641	257,262	(621)	235,969
Contractual Services	109,192	111,851	(2,659)	106,254
Commodities	32,710	28,195	4,515	28,541
Capital Outlay	1,000	67	933	1,944
Total Department of Finance - Fiscal Services	<u>1,000,745</u>	<u>972,720</u>	<u>28,025</u>	<u>936,541</u>
Information Technologies				
Salaries	375,794	358,775	17,019	361,197
Benefits	163,071	160,903	2,168	149,634
Contractual Services	251,820	142,537	109,283	171,736
Commodities	54,225	44,281	9,944	42,627
Total Information Technologies	<u>844,910</u>	<u>706,496</u>	<u>138,414</u>	<u>725,194</u>
Overhead Division - Contractual Services				
Contractual Services	495,381	464,013	31,368	407,935
Commodities	65,550	43,188	22,362	48,842
Total Overhead Division - Contractual Services	<u>560,931</u>	<u>507,201</u>	<u>53,730</u>	<u>456,777</u>
Building Code Enforcement				
Salaries	936,447	933,205	3,242	1,006,784
Benefits	427,643	428,267	(624)	455,543
Contractual Services	70,931	97,330	(26,399)	76,890
Commodities	9,250	13,055	(3,805)	15,507
Capital Outlay	-	399	(399)	-
Total Building Code Enforcement	<u>1,444,271</u>	<u>1,472,256</u>	<u>(27,985)</u>	<u>1,554,724</u>
Planning and Zoning				
Salaries	290,443	308,257	(17,814)	240,457
Benefits	113,939	107,827	6,112	82,843
Contractual Services	20,013	20,072	(59)	73,436
Commodities	2,350	1,460	890	1,236
Total Planning and Zoning	<u>426,745</u>	<u>437,616</u>	<u>(10,871)</u>	<u>397,972</u>
Human Resources				
Salaries	266,440	256,551	9,889	250,918
Benefits	92,838	92,229	609	79,910
Contractual Services	55,426	39,615	15,811	44,144
Commodities	5,200	6,885	(1,685)	6,137
Total Human Resources	<u>419,904</u>	<u>395,280</u>	<u>24,624</u>	<u>381,109</u>
Health and Human Services				
Salaries	149,776	147,531	2,245	135,956
Benefits	46,278	46,024	254	49,319
Contractual Services	198,298	197,120	1,178	192,891
Commodities	7,575	4,717	2,858	6,873
Capital Outlay	-	258	(258)	-
Total Health and Human Services	<u>401,927</u>	<u>395,650</u>	<u>6,277</u>	<u>385,039</u>

(Continued)

CITY OF DES PLAINES, ILLINOIS
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 GENERAL FUND
 Year Ended December 31, 2011
 With Comparative Actual Amounts for the Year Ended December 31, 2010

	2011		Variance from Final Budget Positive (Negative)	2010
	Original and Final Budget	Actual		Actual
Geographic Information Systems (GIS)				
Contractual Services	\$ 234,700	\$ 190,296	\$ 44,404	\$ 208,235
Commodities	750	209	541	450
Total Geographic Information Systems (GIS)	<u>235,450</u>	<u>190,505</u>	<u>44,945</u>	<u>208,685</u>
Total General Government	<u>7,071,093</u>	<u>6,821,598</u>	<u>249,495</u>	<u>6,755,497</u>
Public Safety				
Police Department - Administration				
Salaries	434,194	422,651	11,543	375,669
Benefits	331,441	283,857	47,584	270,532
Contractual Services	32,260	13,383	18,877	26,371
Commodities	17,300	5,713	11,587	9,470
Total Police Department - Administration	<u>815,195</u>	<u>725,604</u>	<u>89,591</u>	<u>682,042</u>
Police Department - Uniformed Patrol				
Salaries	6,403,452	6,405,482	(2,030)	6,205,006
Benefits	3,460,514	4,091,869	(631,355)	3,557,462
Contractual Services	1,912,396	1,876,963	35,433	2,007,444
Commodities	17,750	18,160	(410)	11,625
Total Police Department - Uniformed Patrol	<u>11,794,112</u>	<u>12,392,474</u>	<u>(598,362)</u>	<u>11,781,537</u>
Police Department - Criminal Investigation				
Salaries	2,102,226	1,904,784	197,442	2,030,836
Benefits	1,162,602	1,401,225	(238,623)	1,150,721
Contractual Services	68,776	59,981	8,795	56,135
Commodities	4,405	2,014	2,391	2,663
Total Police Department - Criminal Investigation	<u>3,338,009</u>	<u>3,368,004</u>	<u>(29,995)</u>	<u>3,240,355</u>
Police Department - Supporting Services				
Salaries	1,869,523	1,731,873	137,650	1,636,101
Benefits	1,231,031	941,091	289,940	853,415
Contractual Services	129,275	126,876	2,399	106,415
Commodities	134,070	115,947	18,123	126,827
Capital Outlay	-	1,768	(1,768)	930
Total Police Department - Supporting Services	<u>3,363,899</u>	<u>2,917,555</u>	<u>446,344</u>	<u>2,723,688</u>
Fire Department - Administration				
Salaries	642,605	707,818	(65,213)	677,206
Benefits	495,381	578,808	(83,427)	416,857
Contractual Services	28,494	33,321	(4,827)	26,724
Commodities	4,150	1,874	2,276	2,613
Capital Outlay	-	290	(290)	-
Total Fire Department - Administration	<u>1,170,630</u>	<u>1,322,111</u>	<u>(151,481)</u>	<u>1,123,400</u>
Fire Department - Emergency Services				
Salaries	8,329,438	8,196,648	132,790	7,674,905
Benefits	5,956,383	6,397,400	(441,017)	5,489,490
Contractual Services	417,369	396,483	20,886	425,314
Commodities	131,809	112,839	18,970	121,330
Total Fire Department - Emergency	<u>14,834,999</u>	<u>15,103,370</u>	<u>(268,371)</u>	<u>13,711,039</u>

(Continued)

CITY OF DES PLAINES, ILLINOIS
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 GENERAL FUND
 Year Ended December 31, 2011
 With Comparative Actual Amounts for the Year Ended December 31, 2010

	2011		Variance from Final Budget Positive (Negative)	2010 Actual
	Original and Final Budget	Actual		
Fire Department - Fire Prevention Services				
Salaries	\$ 384,631	\$ 332,393	\$ 52,238	\$ 426,582
Benefits	268,585	289,921	(21,336)	274,700
Contractual Services	17,878	18,794	(916)	11,212
Commodities	7,055	8,411	(1,356)	7,421
Total Fire Department - Fire Prevention	<u>678,149</u>	<u>649,519</u>	<u>28,630</u>	<u>719,915</u>
Emergency Management Agency				
Salaries	51,621	18,186	33,435	16,695
Benefits	10,418	9,600	818	9,082
Contractual Services	27,604	23,568	4,036	30,890
Commodities	19,150	18,309	841	17,790
Total Emergency Management Agency	<u>108,793</u>	<u>69,663</u>	<u>39,130</u>	<u>74,457</u>
Board of Police and Fire Commission				
Contractual Services	17,730	12,921	4,809	22,478
Commodities	850	32	818	39
Total Board of Police and Fire Commission	<u>18,580</u>	<u>12,953</u>	<u>5,627</u>	<u>22,517</u>
Total Public Safety	<u>36,122,366</u>	<u>36,561,253</u>	<u>(438,887)</u>	<u>34,078,950</u>
Public Works				
Vehicle Maintenance Division				
Salaries	480,667	478,812	1,855	420,401
Benefits	234,938	240,521	(5,583)	210,169
Contractual Services	82,213	87,583	(5,370)	55,686
Commodities	637,750	753,430	(115,680)	559,727
Total Vehicle Maintenance Division	<u>1,435,568</u>	<u>1,560,346</u>	<u>(124,778)</u>	<u>1,245,983</u>
Public Works Administration				
Salaries	131,343	113,560	17,783	181,784
Benefits	52,904	44,995	7,909	69,767
Contractual Services	3,730,314	4,207,340	(477,026)	3,352,539
Commodities	29,400	17,523	11,877	22,120
Total Public Works Administration	<u>3,943,961</u>	<u>4,383,418</u>	<u>(439,457)</u>	<u>3,626,210</u>
Total Public Works	<u>5,379,529</u>	<u>5,943,764</u>	<u>(564,235)</u>	<u>4,872,193</u>
Streets and Highways				
Engineering Department				
Salaries	523,399	521,673	1,726	464,469
Benefits	193,236	193,971	(735)	177,174
Contractual Services	23,820	17,397	6,423	27,284
Commodities	4,700	3,799	901	2,651
Capital Outlay	-	458	(458)	-
Total Engineering Department	<u>745,155</u>	<u>737,298</u>	<u>7,857</u>	<u>671,578</u>

(Continued)

CITY OF DES PLAINES, ILLINOIS
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 GENERAL FUND
 Year Ended December 31, 2011
 With Comparative Actual Amounts for the Year Ended December 31, 2010

	2011		Variance from Final Budget Positive (Negative)	2010
	Original and Final Budget	Actual		Actual
Street Department				
Salaries	\$ 1,906,169	\$ 1,608,972	\$ 297,197	\$ 1,474,785
Benefits	917,502	857,085	60,417	955,618
Contractual Services	922,628	793,113	129,515	795,439
Commodities	361,600	405,722	(44,122)	338,713
Capital Outlay	-	9,825	(9,825)	15,502
Total Street Department	<u>4,107,899</u>	<u>3,674,717</u>	<u>433,182</u>	<u>3,580,057</u>
Total Streets and Highways	<u>4,853,054</u>	<u>4,412,015</u>	<u>441,039</u>	<u>4,251,635</u>
Economic Development				
Economic Development				
Salaries	-	385	(385)	16,963
Benefits	-	169	(169)	7,228
Contractual Services	364,344	370,392	(6,048)	350,103
Commodities	2,100	400	1,700	27
Total Economic Development	<u>366,444</u>	<u>371,346</u>	<u>(4,902)</u>	<u>374,321</u>
Total Economic Development	<u>366,444</u>	<u>371,346</u>	<u>(4,902)</u>	<u>374,321</u>
Debt Service				
Interest and Fiscal Charges	-	-	-	36,026
Total Debt Service	<u>-</u>	<u>-</u>	<u>-</u>	<u>36,026</u>
Total Expenditures	<u>53,792,486</u>	<u>54,109,976</u>	<u>(317,490)</u>	<u>50,368,622</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>1,411,144</u>	<u>6,403,332</u>	<u>4,992,188</u>	<u>8,939,764</u>
Other Financing Sources (Uses)				
Transfer In	498,228	399,838	(98,390)	1,603,573
Transfer Out	(1,649,689)	(2,819,880)	(1,170,191)	(135,496)
Total Other Financing Sources (Uses)	<u>(1,151,461)</u>	<u>(2,420,042)</u>	<u>(1,268,581)</u>	<u>1,468,077</u>
Special Items	-	1,865,857	1,865,857	-
Net Change in Fund Balances	<u>\$ 259,683</u>	<u>5,849,147</u>	<u>\$ 5,589,464</u>	<u>10,407,841</u>
Fund Balances at Beginning of Year		<u>23,394,066</u>		<u>12,986,225</u>
Fund Balances at End of Year		<u>\$ 29,243,213</u>		<u>\$ 23,394,066</u>

CITY OF DES PLAINES, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
TIF #1 (DOWNTOWN) FUND
Year Ended December 31, 2011
With Comparative Actual Amounts from Year Ended December 31, 2010

	2011		Variance from Final Budget Positive (Negative)	2010 Actual
	Original and Final Budget	Actual		
Revenues				
Property Taxes	\$ 5,006,567	\$ 4,954,697	\$ (51,870)	\$ 5,168,323
Intergovernmental	-	25,000	25,000	-
Investment Income	3,000	2,186	(814)	2,421
Miscellaneous	-	2,600	2,600	-
Total Revenues	<u>5,009,567</u>	<u>4,984,483</u>	<u>(25,084)</u>	<u>5,170,744</u>
Expenditures				
Economic Development				
Salaries	-	7,013	(7,013)	20,355
Benefits	-	169	(169)	6,962
Contractual Services	337,691	440,347	(102,656)	221,897
Commodities	99,150	94,071	5,079	68,175
Capital Outlay	485,000	413,669	71,331	41,512
Total Economic Development	<u>921,841</u>	<u>955,269</u>	<u>(33,428)</u>	<u>358,901</u>
Debt Service				
Principal	2,344,430	2,344,430	-	2,245,915
Interest and Fiscal Charges	627,758	626,583	1,175	727,768
Total Debt Service	<u>2,972,188</u>	<u>2,971,013</u>	<u>1,175</u>	<u>2,973,683</u>
Total Expenditures	<u>3,894,029</u>	<u>3,926,282</u>	<u>(32,253)</u>	<u>3,332,584</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>1,115,538</u>	<u>1,058,201</u>	<u>(57,337)</u>	<u>1,838,160</u>
Other Financing Sources (Uses)				
Transfer Out	(208,919)	(174,268)	34,651	(239,723)
Total Other Financing Sources (Uses)	<u>(208,919)</u>	<u>(174,268)</u>	<u>34,651</u>	<u>(239,723)</u>
Net Change in Fund Balances	<u>\$ 906,619</u>	883,933	<u>\$ (22,686)</u>	1,598,437
Fund Balances at Beginning of Year		<u>2,622,030</u>		<u>1,023,593</u>
Fund Balances at End of Year		<u>\$ 3,505,963</u>		<u>\$ 2,622,030</u>

CITY OF DES PLAINES, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
TIF #6 (MANHEIM/HIGGINS) FUND
Year Ended December 31, 2011
With Comparative Actual Amounts from Year Ended December 31, 2010

	2011		Variance from Final Budget Positive (Negative)	2010 Actual
	Original and Final Budget	Actual		
Revenues				
Property Taxes	\$ 80,610	\$ 118,942	\$ 38,332	\$ 146,038
Investment Income	25	19	(6)	30
Miscellaneous	35,000	-	(35,000)	6,165
Total Revenues	<u>115,635</u>	<u>118,961</u>	<u>3,326</u>	<u>152,233</u>
Expenditures				
Economic Development				
Salaries	-	-	-	20,355
Benefits	-	169	(169)	6,962
Contractual Services	140,198	41,728	98,470	19,604
Commodities	-	30	(30)	-
Capital Outlay	200,000	-	200,000	-
Total Economic Development	<u>340,198</u>	<u>41,927</u>	<u>298,271</u>	<u>46,921</u>
Debt Service				
Principal	25,000	25,000	-	25,000
Interest and Fiscal Charges	11,826	12,397	(571)	13,322
Total Debt Service	<u>36,826</u>	<u>37,397</u>	<u>(571)</u>	<u>38,322</u>
Total Expenditures	<u>377,024</u>	<u>79,324</u>	<u>297,700</u>	<u>85,243</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>(261,389)</u>	<u>39,637</u>	<u>301,026</u>	<u>66,990</u>
Other Financing Sources (Uses)				
Transfer Out	(27,990)	(27,990)	-	(38,482)
Total Other Financing Sources (Uses)	<u>(27,990)</u>	<u>(27,990)</u>	<u>-</u>	<u>(38,482)</u>
Net Change in Fund Balances	<u>\$ (289,379)</u>	<u>11,647</u>	<u>\$ 301,026</u>	<u>28,508</u>
Fund Balances at Beginning of Year		<u>(5,226,750)</u>		<u>(5,255,258)</u>
Fund Balances at End of Year		<u>\$ (5,215,103)</u>		<u>\$ (5,226,750)</u>

CITY OF DES PLAINES, ILLINOIS
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULES OF FUNDING PROGRESS
 December 31, 2011

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability - Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
IMRF						
12/31/2011	\$ 33,063,104	\$ 48,680,023	\$ 15,616,919	67.92 %	\$ 16,321,980	95.68 %
12/31/2010	33,164,350	46,681,007	13,516,657	71.04	16,588,014	81.48
12/31/2009	34,585,843	47,271,673	12,685,830	73.16	18,901,116	67.12
12/31/2008	35,165,730	47,594,270	12,428,540	73.89	17,751,122	70.02
12/31/2007	40,901,953	44,037,074	3,135,121	92.88	17,293,584	18.13
12/31/2006	39,113,543	42,269,133	3,155,590	92.53	16,262,330	19.40
Police Pension						
12/31/2010	\$ 52,803,116	\$ 105,556,583	\$ 52,753,467	50.02 %	\$ 7,985,770	660.59 %
12/31/2009	48,909,486	92,023,460	43,113,974	53.15	8,182,297	526.92
12/31/2008	43,143,575	86,979,445	43,835,870	49.60	7,965,425	550.33
12/31/2007	50,160,219	82,869,248	32,709,029	60.53	7,817,392	418.41
12/31/2006	48,022,254	78,672,617	30,650,363	61.04	7,557,675	405.55
12/31/2005	44,382,067	73,847,519	29,465,452	60.10	7,022,866	419.56
Firefighters' Pension						
12/31/2010	\$ 55,010,846	\$ 101,349,056	\$ 46,338,210	54.28 %	\$ 8,190,774	565.74 %
12/31/2009	51,578,742	90,690,929	39,112,187	56.87	7,952,536	491.82
12/31/2008	47,701,104	82,859,995	35,158,891	57.57	8,296,833	423.76
12/31/2007	56,500,713	77,492,079	20,991,366	72.91	7,961,049	263.68
12/31/2006	54,319,622	73,350,611	19,030,989	74.05	7,152,419	266.08
12/31/2005	50,461,289	69,565,319	19,104,030	72.54	6,858,908	278.53
Retiree's Health Plan						
12/31/2010	\$ -	\$ 13,581,821	\$ 13,581,821	0.00 %	\$ 26,176,392	51.89 %
12/31/2008	-	12,898,052	12,898,052	0.00	31,327,381	41.17

CITY OF DES PLAINES, ILLINOIS
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULES OF EMPLOYER CONTRIBUTIONS
 December 31, 2011

Fiscal Year Ended	Employer Contributions	Annual Required Contribution (ARC)	Percentage Contributed
IMRF			
12/31/2011	\$ 1,948,306	\$ 2,330,839	84%
12/31/2010	2,148,148	2,148,148	100%
12/31/2009	1,914,683	1,914,683	100%
12/31/2008	1,792,863	1,792,863	100%
12/31/2007	1,822,744	1,822,744	100%
12/31/2006	1,822,744	1,822,744	100%
Police Pension			
12/31/2011	\$ 3,755,364	\$ 3,307,583	114%
12/31/2010	2,955,719	3,240,960	91%
12/31/2009	2,674,204	2,538,400	105%
12/31/2008	2,421,918	2,352,290	103%
12/31/2007	2,040,614	2,213,487	92%
12/31/2006	2,674,594	2,043,720	131%
Firefighters' Pension			
12/31/2011	\$ 3,798,156	\$ 3,395,608	112%
12/31/2010	2,754,196	3,042,315	91%
12/31/2009	2,158,347	2,100,581	103%
12/31/2008	2,017,392	1,831,495	110%
12/31/2007	1,631,300	1,772,574	92%
12/31/2006	2,161,596	1,646,374	131%
Retiree's Health Plan			
12/31/2011	\$ 916,213	\$ 1,481,391	62%
12/31/2010	819,804	1,420,390	58%
12/31/2009	599,828	1,120,637	54%
12/31/2008	572,023	1,142,333	50%

BUDGETARY INFORMATION

Budgetary information is derived from the annual operating budget and is presented using accounting principles generally accepted in the United States of America and the modified accrual basis of accounting.

**COMBINING AND INDIVIDUAL FUND
FINANCIAL STATEMENTS AND SCHEDULES**

CITY OF DES PLAINES, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
CAPITAL PROJECTS FUND
Year Ended December 31, 2011
With Comparative Actual Amounts from Year Ended December 31, 2010

	2011		Variance from Final Budget Positive (Negative)	2010 Actual
	Original and Final Budget	Actual		
Revenues				
Property Taxes	\$ 28,214	\$ 26,647	\$ (1,567)	\$ 26,655
Home Rule Option Sales Tax - General	2,250,000	2,517,155	267,155	2,417,312
Home Rule Option Sales Tax - Library				
Debt Service	1,125,000	1,258,578	133,578	1,208,656
Local Use	1,500,000	1,719,941	219,941	1,683,503
Intergovernmental	-	2,191,825	2,191,825	11,216,392
Storm Sewers	1,900,000	2,323,567	423,567	2,376,318
Developer Contributions	-	848,601	848,601	654,060
Investment Income	500	4,000	3,500	10,264
Miscellaneous	2,000	41,722	39,722	6,879
Total Revenues	<u>6,805,714</u>	<u>10,932,036</u>	<u>4,126,322</u>	<u>19,600,039</u>
Expenditures				
Streets and Highways				
Salaries	283,065	246,859	36,206	295,726
Benefits	124,513	125,549	(1,036)	122,606
Contractual Services	107,734	1,026,132	(918,398)	480,262
Commodities	73,000	23,440	49,560	60,663
Capital Outlay	2,550,000	9,951,582	(7,401,582)	6,994,059
Total Streets and Highways	<u>3,138,312</u>	<u>11,373,562</u>	<u>(8,235,250)</u>	<u>7,953,316</u>
Debt Service				
Principal	3,100,000	3,100,000	-	2,870,000
Interest and Fiscal Charges	1,079,556	1,079,019	537	1,190,267
Total Debt Service	<u>4,179,556</u>	<u>4,179,019</u>	<u>537</u>	<u>4,060,267</u>
Total Expenditures	<u>7,317,868</u>	<u>15,552,581</u>	<u>(8,234,713)</u>	<u>12,013,583</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>(512,154)</u>	<u>(4,620,545)</u>	<u>(4,108,391)</u>	<u>7,586,456</u>
Other Financing Sources (Uses)				
Transfers In	-	-	-	943,832
Transfers Out	(187,000)	(200,535)	(13,535)	(172,997)
Total Other Financing Sources (Uses)	<u>(187,000)</u>	<u>(200,535)</u>	<u>(13,535)</u>	<u>770,835</u>
Special Items	<u>-</u>	<u>33,138</u>	<u>33,138</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ (699,154)</u>	<u>(4,787,942)</u>	<u>\$ (4,088,788)</u>	<u>8,357,291</u>
Fund Balance at Beginning of Year		<u>7,882,395</u>		<u>(474,896)</u>
Fund Balance at End of Year		<u>\$ 3,094,453</u>		<u>\$ 7,882,395</u>

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds are governmental funds used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for particular purposes.

- Motor Fuel Tax Fund – to account for the City's share of restricted state gasoline taxes. All projects require the advance approval of the Illinois Department of Transportation.
- Community Development Block Grant Fund - to account for the disbursement of the restricted Federal Community Block Grant. Financing is provided by the Federal Government.
- Asset Seizure Fund – to account for the restricted monies received from the federal, state, and county related to the seizure of assets by the Des Plaines Police Department.
- Foreign Fire Insurance Tax Fund – to account for restricted monies received from the foreign fire insurance tax, and disbursements by the Foreign Fire Insurance Tax Board.
- TIF Tax Allocation #3 Fund – to account for restricted revenues and expenditures related to the tax increment finance district located near Wille Road.
- TIF Tax Allocation #4 Fund – to account for restricted revenues and expenditures related to the tax increment finance district located near Five Corners.
- TIF Tax Allocation #5 Fund – to account for restricted revenues and expenditures related to the tax increment finance district located near Lee and Perry Streets in downtown Des Plaines.
- Grant Funded Projects Fund – to account for restricted revenues and expenditures related to the Public Safety, Capital and other miscellaneous grants.

Debt Service Funds are governmental funds used to account for the accumulation of resources and the payment of general long-term debt principal, interest, and related costs.

- Debt Service Fund – to accumulate monies for payment of principal and interest on long-term general obligation debt of governmental funds.
- 1996A Fund – to accumulate monies for payment of the bond, issued in the amount of \$9,500,000, with interest rates from 4.00% to 5.05%. These are serial bonds due in annual installments of \$400,000 to \$1,305,000 plus interest beginning December 1, 1997 until maturity in 2008. Proceeds were used to refund several previous bonds.
- 2001 Risk Management Fund – to accumulate monies for payment of the bond, issued in the amount of \$770,000, with interest rates from 4.00% to 5.00%. These are serial bonds due in annual installments of \$45,000 to \$95,000 plus interest beginning December 1, 2002 until maturity in 2010. Proceeds were used for payment of a lawsuit settlement.
- 2002A (Partial Refunding 1993) – to accumulate monies for payment of the bond, issued in the amount of \$4,800,000, with interest rates from 2.00% and 4.50%. These are serial bonds due in annual installments of \$140,000 to \$1,000,000 plus interest beginning in December 1, 2002 until maturity in 2011. Proceeds were used to refund a portion of the 1993 bond issue.
- 2003A (Fire Station) Fund – to accumulate monies for payment of the bond, issued in the amount of \$7,835,000, with interest rates from 2.50% and 4.50%. These are serial bonds due in annual installment of \$245,000 to \$585,000 plus interest beginning December 1, 2004 until maturity in 2021. Proceeds were used to finance additional costs for the proposed new south side fire station and land acquisition and infrastructure improvement within tax increment financing districts number one, three, five, and six.

NONMAJOR GOVERNMENTAL FUNDS

(Continued)

- 2003B (Partial Refunding 1993) Fund – to accumulate monies for payment of the bond, issued in the amount of \$2,355,000, with interest rates from 2.00% and 2.60%. These are serial bonds due in annual installments of \$15,000 to \$615,000 plus interest beginning December 1, 2003 until maturity in 2008. Proceeds were used to refund a portion of the 1993 bond issue.
- 2007A (Partial Refunding 2001A) Fund – to accumulate monies for payment of the bond, issued in the amount of \$6,065,000, with interest rated 3.80%. These are serial bonds due in annual installments of \$45,000 to \$700,000 plus interest beginning in December 1, 2008 until maturity in 2020. Proceeds were used to refund a portion of the 2000 and 2001 bond issues. The portion of the issuance that is paid from this fund will mature in 2011'
- 2007B (Partial Refunding 2001B) Fund – to accumulate monies for payment of the bond, issued in the amount of \$1,660,000, with interest rated 3.80%. These are serial bonds due in annual installments of \$85,000 to \$150,000 plus interest beginning in December 1, 2008 until maturity in 2020. Proceeds were used to refund a portion of the 2001B bond issue.

Capital Project Funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds and trust funds.

- Equipment Replacement Fund – to account for the acquisition of major capital equipment (rolling stock).
- IT Replacement Fund – to account for the replacement of the City's computer and copier equipment.

CITY OF DES PLAINES, ILLINOIS
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 December 31, 2011

	Special Revenue Funds			
	Motor Fuel Tax	Community Development Block Grant	Asset Seizure	Foreign Fire Insurance Tax
ASSETS				
Cash and Investments	\$ 669,146	\$ 135,050	\$ 1,831,633	\$ 485,707
Receivables (Net)				
Property Taxes	-	-	-	-
Accrued Interest	-	-	553	-
Other	-	-	6,182	-
Due from Other Governments	124,390	30,109	19,885	-
TOTAL ASSETS	<u>\$ 793,536</u>	<u>\$ 165,159</u>	<u>\$ 1,858,253</u>	<u>\$ 485,707</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts Payable	\$ 113,622	\$ 34,925	\$ 17,913	\$ -
Deposits Payable	-	-	23,680	-
Due to Other Funds	218,271	3,248	35,951	-
Advances to Other Funds	-	-	-	-
Deferred Revenue	1,630	16,125	-	-
Total Liabilities	<u>333,523</u>	<u>54,298</u>	<u>77,544</u>	<u>-</u>
Fund Balances				
Restricted				
Economic Development	-	110,861	-	-
Streets & Highways	460,013	-	-	-
Public Safety	-	-	1,780,709	485,707
Debt Service	-	-	-	-
Assigned				
Capital Acquisitions	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	<u>460,013</u>	<u>110,861</u>	<u>1,780,709</u>	<u>485,707</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 793,536</u>	<u>\$ 165,159</u>	<u>\$ 1,858,253</u>	<u>\$ 485,707</u>

Special Revenue Funds				Debt Service Funds		
TIF #3 (Wille Road)	TIF #4 (Five Corners)	TIF #5 (Perry/Lee)	Grant Funded Projects	Debt Service	1996A	2001 (Risk Management)
\$ -	\$ 1,001,695	\$ 99,932	\$ -	\$ 403,524	\$ -	\$ -
498,755	514,375	104,748	-	221,968	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	605,917	-	-	-
<u>\$ 498,755</u>	<u>\$ 1,516,070</u>	<u>\$ 204,680</u>	<u>\$ 605,917</u>	<u>\$ 625,492</u>	<u>\$ -</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ 313,837	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	163,665	-	-	-
2,939,043	-	-	-	-	-	-
498,755	476,239	104,748	447,973	204,791	-	-
<u>3,437,798</u>	<u>476,239</u>	<u>104,748</u>	<u>925,475</u>	<u>204,791</u>	<u>-</u>	<u>-</u>
-	1,039,831	99,932	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	420,701	-	-
-	-	-	-	-	-	-
(2,939,043)	-	-	(319,558)	-	-	-
<u>(2,939,043)</u>	<u>1,039,831</u>	<u>99,932</u>	<u>(319,558)</u>	<u>420,701</u>	<u>-</u>	<u>-</u>
<u>\$ 498,755</u>	<u>\$ 1,516,070</u>	<u>\$ 204,680</u>	<u>\$ 605,917</u>	<u>\$ 625,492</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF DES PLAINES, ILLINOIS
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 December 31, 2011

	Debt Service Funds			
	2002A (Partial Refunding 1993)	2003A (Fire Station)	2003B (Partial Refunding 1993)	2007A (Partial Refunding 2001A)
ASSETS				
Cash and Investments	\$ -	\$ -	\$ -	\$ -
Receivables (Net)				
Property Taxes	-	-	-	-
Accrued Interest	-	-	-	-
Other	-	-	-	-
Due from Other Governments	-	-	-	-
TOTAL ASSETS	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Deposits Payable	-	-	-	-
Due to Other Funds	-	-	-	-
Advances to Other Funds	-	-	-	-
Deferred Revenue	-	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances				
Restricted				
Economic Development	-	-	-	-
Streets & Highways	-	-	-	-
Public Safety	-	-	-	-
Debt Service	-	-	-	-
Assigned				
Capital Acquisitions	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

2007B (Partial Refunding 2001B)	Capital Projects Funds		Total Nonmajor Governmental Funds
	Equipment Replacement	I.T. Replacement	
\$ -	\$ 2,103,660	\$ 574,245	\$ 7,304,592
-	-	-	1,339,846
-	53	-	606
-	-	7,373	13,555
-	-	-	780,301
<u>\$ -</u>	<u>\$ 2,103,713</u>	<u>\$ 581,618</u>	<u>\$ 9,438,900</u>
\$ -	\$ 87,535	\$ 107,370	\$ 675,202
-	-	-	23,680
-	-	-	421,135
-	-	-	2,939,043
-	-	-	1,750,261
<u>-</u>	<u>87,535</u>	<u>107,370</u>	<u>5,809,321</u>
-	-	-	1,250,624
-	-	-	460,013
-	-	-	2,266,416
-	-	-	420,701
-	2,016,178	474,248	2,490,426
-	-	-	(3,258,601)
<u>-</u>	<u>2,016,178</u>	<u>474,248</u>	<u>3,629,579</u>
<u>\$ -</u>	<u>\$ 2,103,713</u>	<u>\$ 581,618</u>	<u>\$ 9,438,900</u>

CITY OF DES PLAINES, ILLINOIS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 Year Ended December 31, 2011

	Special Revenue Funds			
	Motor Fuel Tax	Community Development Block Grant	Asset Seizure	Foreign Fire Insurance Tax
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ 90,053
Intergovernmental	1,721,701	337,329	-	-
Fines, Forfeitures and Penalties	-	-	235,434	-
Investment Income	498	-	4,357	4,578
Miscellaneous	-	8,100	21,043	-
Total Revenues	<u>1,722,199</u>	<u>345,429</u>	<u>260,834</u>	<u>94,631</u>
Expenditures				
Current:				
General Government	-	-	-	-
Public Safety	-	-	593,610	26,536
Streets and Highways	630,640	-	-	-
Economic Development	-	234,341	-	-
Debt Service				
Principal	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
Payment to Refunding Bond Escrow	-	-	-	-
Capital Outlay	1,255,674	85,584	420,851	-
Total Expenditures	<u>1,886,314</u>	<u>319,925</u>	<u>1,014,461</u>	<u>26,536</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>(164,115)</u>	<u>25,504</u>	<u>(753,627)</u>	<u>68,095</u>
Other Financing Sources (Uses)				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Issuance of Debt	-	-	-	-
Payment to Refunding Bond Escrow	-	-	-	-
Premium on Bond Issuance	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Special Items	<u>-</u>	<u>1,751</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(164,115)	27,255	(753,627)	68,095
Fund Balances at Beginning of Year	<u>624,128</u>	<u>83,606</u>	<u>2,534,336</u>	<u>417,612</u>
Fund Balances at End of Year	<u>\$ 460,013</u>	<u>\$ 110,861</u>	<u>\$ 1,780,709</u>	<u>\$ 485,707</u>

Special Revenue Funds				Debt Service Funds		
TIF #3 (Wille Road)	TIF #4 (Five Corners)	TIF #5 (Perry/Lee)	Grant Funded Projects	Debt Service	1996A	2001 (Risk Management)
\$ 406,695	\$ 469,298	\$ 122,069	\$ -	\$ 1,216,846	\$ -	\$ -
-	-	-	1,940,197	23,468	-	-
-	-	-	-	-	-	-
100	339	17	-	-	-	-
-	-	-	-	-	-	-
<u>406,795</u>	<u>469,637</u>	<u>122,086</u>	<u>1,940,197</u>	<u>1,240,314</u>	<u>-</u>	<u>-</u>
-	-	-	313,593	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
66	6,331	-	-	-	-	-
286,000	-	80,000	-	1,220,000	-	-
439,735	-	43,482	-	157,000	-	-
-	-	-	-	815,034	-	-
-	-	-	1,801,920	-	-	-
<u>725,801</u>	<u>6,331</u>	<u>123,482</u>	<u>2,115,513</u>	<u>2,192,034</u>	<u>-</u>	<u>-</u>
<u>(319,006)</u>	<u>463,306</u>	<u>(1,396)</u>	<u>(175,316)</u>	<u>(951,720)</u>	<u>-</u>	<u>-</u>
-	-	-	183,235	1,333,942	-	-
(2,030)	(35,746)	-	-	-	(13,780)	(28,501)
-	-	-	-	3,540,000	-	-
-	-	-	-	(3,541,973)	-	-
-	-	-	-	40,452	-	-
<u>(2,030)</u>	<u>(35,746)</u>	<u>-</u>	<u>183,235</u>	<u>1,372,421</u>	<u>(13,780)</u>	<u>(28,501)</u>
-	-	-	-	-	-	-
(321,036)	427,560	(1,396)	7,919	420,701	(13,780)	(28,501)
<u>(2,618,007)</u>	<u>612,271</u>	<u>101,328</u>	<u>(327,477)</u>	<u>-</u>	<u>13,780</u>	<u>28,501</u>
<u>\$ (2,939,043)</u>	<u>\$ 1,039,831</u>	<u>\$ 99,932</u>	<u>\$ (319,558)</u>	<u>\$ 420,701</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF DES PLAINES, ILLINOIS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 Year Ended December 31, 2011

	Debt Service Funds			
	2002A (Partial Refunding 1993)	2003A (Fire Station)	2003B (Partial Refunding 1993)	2007A (Partial Refunding 2001A)
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Fines, Forfeitures and Penalties	-	-	-	-
Investment Income	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Streets and Highways	-	-	-	-
Economic Development	-	-	-	-
Debt Service				
Principal	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
Payment to Refunding Bond Escrow	-	-	-	-
Capital Outlay	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other Financing Sources (Uses)				
Transfers In	-	-	-	-
Transfers Out	(216,684)	(20,124)	(42,281)	(6,409)
Issuance of Debt	-	-	-	-
Payment to Refunding Bond Escrow	-	-	-	-
Premium on Bond Issuance	-	-	-	-
Total Other Financing Sources (Uses)	<u>(216,684)</u>	<u>(20,124)</u>	<u>(42,281)</u>	<u>(6,409)</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(216,684)	(20,124)	(42,281)	(6,409)
Fund Balances at Beginning of Year	<u>216,684</u>	<u>20,124</u>	<u>42,281</u>	<u>6,409</u>
Fund Balances at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

2007B (Partial Refunding 2001B)	Capital Projects Funds		Total Nonmajor Governmental Funds
	Equipment Replacement	I.T. Replacement	
\$ -	\$ -	\$ -	\$ 2,304,961
-	-	-	4,022,695
-	-	-	235,434
-	23,083	67	33,039
-	20,425	-	49,568
-	43,508	67	6,645,697
-	-	36,665	350,258
-	-	-	620,146
-	-	-	630,640
-	-	-	240,738
-	97,169	-	1,683,169
-	3,980	-	644,197
-	-	-	815,034
-	374,571	757,128	4,695,728
-	475,720	793,793	9,679,910
-	(432,212)	(793,726)	(3,034,213)
-	866,800	1,016,400	3,400,377
(49,288)	-	-	(414,843)
-	-	-	3,540,000
-	-	-	(3,541,973)
-	-	-	40,452
(49,288)	866,800	1,016,400	3,024,013
-	-	-	1,751
(49,288)	434,588	222,674	(8,449)
49,288	1,581,590	251,574	3,638,028
\$ -	\$ 2,016,178	\$ 474,248	\$ 3,629,579

CITY OF DES PLAINES, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
MOTOR FUEL TAX FUND
Year Ended December 31, 2011
With Comparative Actual Amounts from Year Ended December 31, 2010

	2011		Variance from Final Budget Positive (Negative)	2010 Actual
	Original and Final Budget	Actual		
Revenues				
Intergovernmental	\$ 1,502,976	\$ 1,721,701	\$ 218,725	\$ 2,509,183
Investment Income	500	498	(2)	741
Total Revenues	<u>1,503,476</u>	<u>1,722,199</u>	<u>218,723</u>	<u>2,509,924</u>
Expenditures				
Streets and Highways				
Contractual Services	147,500	94,373	53,127	102,778
Commodities	582,000	536,267	45,733	551,634
Capital Outlay	<u>800,000</u>	<u>1,255,674</u>	<u>(455,674)</u>	<u>1,383,586</u>
Total Expenditures	<u>1,529,500</u>	<u>1,886,314</u>	<u>(356,814)</u>	<u>2,037,998</u>
Net Change in Fund Balance	<u>\$ (26,024)</u>	(164,115)	<u>\$ 575,537</u>	471,926
Fund Balance at Beginning of Year		<u>624,128</u>		<u>152,202</u>
Fund Balance at End of Year		<u>\$ 460,013</u>		<u>\$ 624,128</u>

CITY OF DES PLAINES, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
COMMUNITY DEVELOPMENT BLOCK GRANT FUND
Year Ended December 31, 2011
With Comparative Actual Amounts from Year Ended December 31, 2010

	2011		Variance from Final Budget Positive (Negative)	2010 Actual
	Original and Final Budget	Actual		
Revenues				
Intergovernmental	\$ 412,325	\$ 337,329	\$ (74,996)	\$ 271,898
Investment Income	-	-	-	34
Miscellaneous	-	8,100	8,100	38,123
Total Revenues	<u>412,325</u>	<u>345,429</u>	<u>(66,896)</u>	<u>310,055</u>
Expenditures				
Economic Development				
Salaries	54,354	54,949	(595)	57,777
Benefits	17,116	18,478	(1,362)	17,777
Contractual Services	295,240	160,840	134,400	220,713
Commodities	-	74	(74)	20
Capital Outlay	45,615	85,584	(39,969)	2,125
Total Expenditures	<u>412,325</u>	<u>319,925</u>	<u>92,400</u>	<u>298,412</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>-</u>	<u>25,504</u>	<u>25,504</u>	<u>11,643</u>
Special Items	<u>-</u>	<u>1,751</u>	<u>1,751</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>27,255</u>	<u>\$ 27,255</u>	<u>11,643</u>
Fund Balance at Beginning of Year		<u>83,606</u>		<u>71,963</u>
Fund Balance at End of Year		<u>\$ 110,861</u>		<u>\$ 83,606</u>

CITY OF DES PLAINES, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
TIF #3 (WILLE ROAD) FUND
Year Ended December 31, 2011
With Comparative Actual Amounts from Year Ended December 31, 2010

	2011		Variance from Final Budget Positive (Negative)	2010 Actual
	Original and Final Budget	Actual		
Revenues				
Taxes	\$ 444,227	\$ 406,695	\$ (37,532)	\$ 511,343
Investment Income	200	100	(100)	949
Total Revenues	<u>444,427</u>	<u>406,795</u>	<u>(37,632)</u>	<u>512,292</u>
Expenditures				
Economic Development				
Contractual Services	5,066	66	5,000	13,355
Total Economic Development	<u>5,066</u>	<u>66</u>	<u>5,000</u>	<u>13,355</u>
Debt Service				
Principal	286,000	286,000	-	272,000
Interest and Fiscal Charges	439,546	439,735	(189)	741,220
Total Debt Service	<u>725,546</u>	<u>725,735</u>	<u>(189)</u>	<u>1,013,220</u>
Total Expenditures	<u>730,612</u>	<u>725,801</u>	<u>4,811</u>	<u>1,026,575</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>(286,185)</u>	<u>(319,006)</u>	<u>(32,821)</u>	<u>(514,283)</u>
Other Financing Sources (Uses)				
Refunding Debt Issue	-	-	-	10,055,760
Transfer to Escrow	-	-	-	(9,123,820)
Transfers Out	(2,030)	(2,030)	-	(7,756)
Total Other Financing Sources (Uses)	<u>(2,030)</u>	<u>(2,030)</u>	<u>-</u>	<u>924,184</u>
Net Change in Fund Balance	<u>\$ (288,215)</u>	<u>(321,036)</u>	<u>\$ (32,821)</u>	<u>409,901</u>
Fund Balance at Beginning of Year		<u>(2,618,007)</u>		<u>(3,027,908)</u>
Fund Balance at End of Year		<u>\$ (2,939,043)</u>		<u>\$ (2,618,007)</u>

CITY OF DES PLAINES, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
TIF #4 (FIVE CORNERS) FUND
Year Ended December 31, 2011
With Comparative Actual Amounts from Year Ended December 31, 2010

	2011		Variance from Final Budget Positive (Negative)	2010 Actual
	Original and Final Budget	Actual		
Revenues				
Taxes	\$ 463,520	\$ 469,298	\$ 5,778	\$ 380,327
Investment Income	180	339	159	101
Total Revenues	<u>463,700</u>	<u>469,637</u>	<u>5,937</u>	<u>380,428</u>
Expenditures				
Economic Development				
Salaries	-	-	-	20,355
Benefits	-	140	(140)	6,962
Contractual Services	55,445	3,051	52,394	18,975
Commodities	50,000	3,140	46,860	3,863
Capital Outlay	25,000	-	25,000	-
Total Expenditures	<u>130,445</u>	<u>6,331</u>	<u>124,114</u>	<u>50,155</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>333,255</u>	<u>463,306</u>	<u>130,051</u>	<u>330,273</u>
Other Financing Sources (Uses)				
Transfers Out	(35,746)	(35,746)	-	(59,418)
Total Other Financing Sources (Uses)	<u>(35,746)</u>	<u>(35,746)</u>	<u>-</u>	<u>(59,418)</u>
Net Change in Fund Balance	<u>\$ 297,509</u>	427,560	<u>\$ 130,051</u>	270,855
Fund Balance at Beginning of Year		<u>612,271</u>		<u>341,416</u>
Fund Balance at End of Year		<u>\$ 1,039,831</u>		<u>\$ 612,271</u>

CITY OF DES PLAINES, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
TIF #5 (PERRY/LEE) FUND
Year Ended December 31, 2011
With Comparative Actual Amounts from Year Ended December 31, 2010

	2011		Variance from Final Budget Positive (Negative)	2010 Actual
	Original and Final Budget	Actual		
Revenues				
Taxes	\$ 152,146	\$ 122,069	\$ (30,077)	\$ 169,845
Investment Income	20	17	(3)	9
Total Revenues	<u>152,166</u>	<u>122,086</u>	<u>(30,080)</u>	<u>169,854</u>
Expenditures				
Economic Development				
Contractual Services	-	-	-	10
Total Economic Development	-	-	-	10
Debt Service				
Principal	80,000	80,000	-	75,000
Interest and Fiscal Charges	43,500	43,482	18	46,258
Total Debt Service	123,500	123,482	18	121,258
Total Expenditures	<u>123,500</u>	<u>123,482</u>	<u>18</u>	<u>121,268</u>
Net Change in Fund Balance	<u>\$ 28,666</u>	<u>(1,396)</u>	<u>\$ (30,098)</u>	<u>48,586</u>
Fund Balance at Beginning of Year		<u>101,328</u>		<u>52,742</u>
Fund Balance at End of Year		<u>\$ 99,932</u>		<u>\$ 101,328</u>

CITY OF DES PLAINES, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GRANT FUNDED PROJECTS FUND
Year Ended December 31, 2011
With Comparative Actual Amounts from Year Ended December 31, 2010

	2011		Variance from Final Budget Positive (Negative)	2010 Actual
	Original and Final Budget	Actual		
Revenues				
Intergovernmental	\$ 1,663,968	\$ 1,940,197	\$ 276,229	\$ 574,120
Total Revenues	<u>1,663,968</u>	<u>1,940,197</u>	<u>276,229</u>	<u>574,120</u>
Expenditures				
General Government				
Salaries	36,000	202,161	(166,161)	186,627
Contractual Services	155,743	82,251	73,492	161,462
Commodities	5,900	29,181	(23,281)	17,672
Capital Outlay	<u>1,698,719</u>	<u>1,801,920</u>	<u>(103,201)</u>	<u>699,897</u>
Total Expenditures	<u>1,896,362</u>	<u>2,115,513</u>	<u>(219,151)</u>	<u>1,065,658</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>(232,394)</u>	<u>(175,316)</u>	<u>57,078</u>	<u>(491,538)</u>
Other Financing Sources (Uses)				
Transfers In	<u>232,394</u>	<u>183,235</u>	<u>(49,159)</u>	<u>164,061</u>
Total Other Financing Sources (Uses)	<u>232,394</u>	<u>183,235</u>	<u>(49,159)</u>	<u>164,061</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>7,919</u>	<u>\$ 7,919</u>	<u>(327,477)</u>
Fund Balance at Beginning of Year		<u>(327,477)</u>		<u>-</u>
Fund Balance at End of Year		<u>\$ (319,558)</u>		<u>\$ (327,477)</u>

CITY OF DES PLAINES, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
DEBT SERVICE FUND
Year Ended December 31, 2011
With Comparative Actual Amounts from Year Ended December 31, 2010

	2011		Variance from Final Budget Positive (Negative)	2010 Actual
	Original and Final Budget	Actual		
Revenues				
Taxes	\$ 1,174,741	\$ 1,216,846	\$ 42,105	\$ -
Intergovernmental	51,364	23,468	(27,896)	-
Total Revenues	<u>1,226,105</u>	<u>1,240,314</u>	<u>14,209</u>	<u>-</u>
Expenditures				
Debt Service				
Principal	1,220,000	1,220,000	-	-
Interest and Fiscal Charges	121,202	157,000	(35,798)	-
Payment to Refunding Bond Escrow	-	815,034	(815,034)	-
Total Expenditures	<u>1,341,202</u>	<u>2,192,034</u>	<u>(850,832)</u>	<u>-</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>(115,097)</u>	<u>(951,720)</u>	<u>(836,623)</u>	<u>-</u>
Other Financing Sources (Uses)				
Transfers In	113,946	1,333,942	1,219,996	-
Issuance of Debt	-	3,540,000	3,540,000	-
Payment to Refunding Bond Escrow	-	(3,541,973)	(3,541,973)	-
Premium on Bond Issuance	-	40,452	40,452	-
Total Other Financing Sources (Uses)	<u>113,946</u>	<u>1,372,421</u>	<u>1,258,475</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ (1,151)</u>	420,701	<u>\$ 421,852</u>	-
Fund Balance at Beginning of Year		-		-
Fund Balance at End of Year		<u>\$ 420,701</u>		<u>\$ -</u>

CITY OF DES PLAINES, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
EQUIPMENT REPLACEMENT FUND
Year Ended December 31, 2011
With Comparative Actual Amounts from Year Ended December 31, 2010

	2011		Variance from Final Budget Positive (Negative)	2010 Actual
	Original and Final Budget	Actual		
Revenues				
Investment Income	\$ 5,000	\$ 23,083	\$ 18,083	\$ 11,795
Miscellaneous	50,000	20,425	(29,575)	91,960
Total Revenues	<u>55,000</u>	<u>43,508</u>	<u>(11,492)</u>	<u>103,755</u>
Expenditures				
General Government				
Contractual Services	33,813	-	33,813	-
Capital Outlay	302,839	374,571	(71,732)	284,913
Total General Government	<u>336,652</u>	<u>374,571</u>	<u>(37,919)</u>	<u>284,913</u>
Debt Service				
Principal	97,169	97,169	-	93,777
Interest and Fiscal Charges	3,980	3,980	-	7,372
Total Debt Service	<u>101,149</u>	<u>101,149</u>	<u>-</u>	<u>101,149</u>
Total Expenditures	<u>437,801</u>	<u>475,720</u>	<u>(37,919)</u>	<u>386,062</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>(382,801)</u>	<u>(432,212)</u>	<u>(49,411)</u>	<u>(282,307)</u>
Other Financing Sources (Uses)				
Transfers In	1,250,000	866,800	(383,200)	-
Total Other Financing Sources (Uses)	<u>1,250,000</u>	<u>866,800</u>	<u>(383,200)</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ 867,199</u>	434,588	<u>\$ (432,611)</u>	(282,307)
Fund Balance at Beginning of Year		<u>1,581,590</u>		<u>1,863,897</u>
Fund Balance at End of Year		<u>\$ 2,016,178</u>		<u>\$ 1,581,590</u>

CITY OF DES PLAINES, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
I.T. REPLACEMENT FUND
Year Ended December 31, 2011
With Comparative Actual Amounts from Year Ended December 31, 2010

	2011		Variance from Final Budget Positive (Negative)	2010 Actual
	Original and Final Budget	Actual		
Revenues				
Investment Income	\$ 100	\$ 67	\$ (33)	\$ 803
Total Revenues	<u>100</u>	<u>67</u>	<u>(33)</u>	<u>803</u>
Expenditures				
General Government				
Contractual Services	37,200	33,425	3,775	33,108
Commodities	3,360	3,240	120	2,526
Capital Outlay	<u>172,100</u>	<u>757,128</u>	<u>(585,028)</u>	<u>178,726</u>
Total Expenditures	<u>212,660</u>	<u>793,793</u>	<u>(581,133)</u>	<u>214,360</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>(212,560)</u>	<u>(793,726)</u>	<u>(581,166)</u>	<u>(213,557)</u>
Other Financing Sources (Uses)				
Transfers In	<u>250,000</u>	<u>1,016,400</u>	<u>766,400</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>250,000</u>	<u>1,016,400</u>	<u>766,400</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ 37,440</u>	<u>222,674</u>	<u>\$ 185,234</u>	<u>(213,557)</u>
Fund Balance at Beginning of Year		<u>251,574</u>		<u>465,131</u>
Fund Balance at End of Year		<u>\$ 474,248</u>		<u>\$ 251,574</u>

ENTERPRISE FUNDS

Enterprise Funds are established to account for the financing of self-supporting activities of the City that render services on a user-charge basis.

- Water/Sewer Fund – to account for the provision of water and sewer services to the residents of the City. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, and improvements.
- Parking System Fund – to account for the operation of the City's parking lots, garages and monies received from permit sales. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, and improvements.

CITY OF DES PLAINES, ILLINOIS
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
BUDGET AND ACTUAL
WATER/SEWER FUND
Year Ended December 31, 2011
With Comparative Actual Amounts from Year Ended December 31, 2010

	2011		Variance from Final Budget Positive (Negative)	2010
	Original and Final Budget	Actual		Actual
Operating Revenues				
Charges for Services				
Water Sales	\$ 9,107,500	\$ 9,437,415	\$ 329,915	\$ 9,637,628
Sewer Sales	1,620,000	1,786,626	166,626	1,812,947
Sales of Water Meters	19,000	19,350	350	21,015
Water Permit Fees	8,500	19,550	11,050	14,975
Service Charges, Cut Off and Connector Fees	22,000	14,904	(7,096)	19,592
Other Charges for Services	2,500	8,735	6,235	3,158
Total Charges for Services	<u>10,779,500</u>	<u>11,286,580</u>	<u>507,080</u>	<u>11,509,315</u>
Miscellaneous	-	845	845	13,600
Total Operating Revenues	<u>10,779,500</u>	<u>11,287,425</u>	<u>507,925</u>	<u>11,522,915</u>
Operating Expenses				
Salaries	3,086,231	2,913,736	172,495	2,866,962
Benefits	1,516,578	1,588,923	(72,345)	1,475,602
Contractual Services	893,003	753,514	139,489	668,286
Commodities	5,398,850	5,722,046	(323,196)	5,209,024
Capital Outlay	1,374,069	576,874	797,195	852,949
Depreciation	-	934,384	(934,384)	806,587
Total Operating Expenses	<u>12,268,731</u>	<u>12,489,477</u>	<u>(220,746)</u>	<u>11,879,410</u>
Operating Income (Loss)	<u>(1,489,231)</u>	<u>(1,202,052)</u>	<u>287,179</u>	<u>(356,495)</u>
Nonoperating Revenues and (Expenses)				
Intergovernmental	-	4,691	4,691	145,007
Investment Income	1,500	1,519	19	2,644
Interest Expense	(43,524)	(51,878)	(8,354)	(68,649)
Miscellaneous Revenue	-	-	-	1,235
Other Expenses	-	(40,484)	(40,484)	-
Total Nonoperating Revenues and (Expenses)	<u>(42,024)</u>	<u>(86,152)</u>	<u>(44,128)</u>	<u>80,237</u>
Income (Loss) Before Transfers and Capital Contributions	<u>(1,531,255)</u>	<u>(1,288,204)</u>	<u>243,051</u>	<u>(276,258)</u>
Transfers				
Transfers In	-	9,570	9,570	9,570
Transfers Out	(196,780)	(98,390)	98,390	(196,780)
Total Transfers	<u>(196,780)</u>	<u>(88,820)</u>	<u>107,960</u>	<u>(187,210)</u>
Capital Contributions	-	439,496	439,496	235,119
Change in Net Assets	<u>\$ (1,728,035)</u>	<u>(937,528)</u>	<u>\$ 790,507</u>	<u>(228,349)</u>
Net Assets at Beginning of Year		<u>21,935,207</u>		<u>22,163,556</u>
Net Assets at End of Year		<u>\$ 20,997,679</u>		<u>\$ 21,935,207</u>

CITY OF DES PLAINES, ILLINOIS
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
BUDGET AND ACTUAL
PARKING SYSTEM FUND
Year Ended December 31, 2011
With Comparative Actual Amounts from Year Ended December 31, 2010

	2011		Variance from Final Budget Positive (Negative)	2010
	Original and Final Budget	Actual		Actual
Operating Revenues				
Charges for Services				
Parking Lots, Garages, Permits, and Other	\$ 298,600	\$ 283,554	\$ (15,046)	\$ 309,312
Total Operating Revenues	<u>298,600</u>	<u>283,554</u>	<u>(15,046)</u>	<u>309,312</u>
Operating Expenses				
Contractual Services	33,452	23,818	9,634	23,608
Commodities	136,775	128,811	7,964	114,644
Capital Outlay	-	-	-	9,485
Depreciation	-	650,189	(650,189)	655,867
Total Operating Expenses	<u>170,227</u>	<u>802,818</u>	<u>(632,591)</u>	<u>803,604</u>
Operating Income (Loss)	<u>128,373</u>	<u>(519,264)</u>	<u>(647,637)</u>	<u>(494,292)</u>
Nonoperating Revenues and (Expenses)				
Investment Income	100	-	(100)	5
Total Nonoperating Revenues and (Expenses)	<u>100</u>	<u>-</u>	<u>(100)</u>	<u>5</u>
Income (Loss) Before Transfers	<u>128,473</u>	<u>(519,264)</u>	<u>(647,737)</u>	<u>(494,287)</u>
Transfers				
Transfers Out	(73,879)	(73,879)	-	(75,222)
Total Transfers	<u>(73,879)</u>	<u>(73,879)</u>	<u>-</u>	<u>(75,222)</u>
Change in Net Assets	<u>\$ 54,594</u>	(593,143)	<u>\$ (647,737)</u>	(569,509)
Net Assets at Beginning of Year		<u>13,634,219</u>		<u>14,203,728</u>
Net Assets at End of Year		<u>\$ 13,041,076</u>		<u>\$ 13,634,219</u>

INTERNAL SERVICE FUNDS

Internal Service Funds are used to account for the financing of goods and services provided by one department or agency of a government to other departments or agencies on a cost- reimbursement basis.

- Risk Management Fund – to account for the servicing and payment of claims for liability and workmen's compensation. Financing is provided via self-imposed premiums and investment earnings.
- Health Benefits Fund – to account for the operations of the City's self-insured medical plan. Financing is provided via self-imposed premiums and investment earnings.

CITY OF DES PLAINES, ILLINOIS
 COMBINING STATEMENT OF NET ASSETS
 INTERNAL SERVICE FUNDS
 December 31, 2011

	Risk Management	Health Benefits	Total Internal Service Funds
ASSETS			
Current Assets			
Cash and Investments	\$ 520,270	\$ 725,852	\$ 1,246,122
Prepaid Items	784,319	2,477,477	3,261,796
Total Current Assets	<u>1,304,589</u>	<u>3,203,329</u>	<u>4,507,918</u>
TOTAL ASSETS	<u>1,304,589</u>	<u>3,203,329</u>	<u>4,507,918</u>
LIABILITIES			
Current Liabilities			
Accounts Payable	71,221	216	71,437
Accrued Liabilities	-	23,810	23,810
Long-term Obligations, Due Within One Year			
Early Retirement Incentive Program Payable	<u>-</u>	<u>360,934</u>	<u>360,934</u>
Total Current Liabilities	<u>71,221</u>	<u>384,960</u>	<u>456,181</u>
Noncurrent Liabilities:			
Long-term Obligations, Due in More Than One Year:			
Early Retirement Incentive Program Payable	<u>-</u>	<u>371,284</u>	<u>371,284</u>
Total Noncurrent Liabilities	<u>-</u>	<u>371,284</u>	<u>371,284</u>
TOTAL LIABILITIES	<u>71,221</u>	<u>756,244</u>	<u>827,465</u>
NET ASSETS			
Unrestricted	<u>1,233,368</u>	<u>2,447,085</u>	<u>3,680,453</u>
TOTAL NET ASSETS	<u>\$ 1,233,368</u>	<u>\$ 2,447,085</u>	<u>\$ 3,680,453</u>

CITY OF DES PLAINES, ILLINOIS
 COMBINING STATEMENT OF REVENUES, EXPENSES
 AND CHANGES IN NET ASSETS
 INTERNAL SERVICE FUNDS
 Year Ended December 31, 2011

	<u>Risk Management</u>	<u>Health Benefits</u>	<u>Total Internal Service Funds</u>
Operating Revenues			
Charges for Services	\$ 2,485,042	\$ 8,865,569	\$ 11,350,611
Miscellaneous	202,813	-	202,813
Total Operating Revenues	<u>2,687,855</u>	<u>8,865,569</u>	<u>11,553,424</u>
Operating Expenses			
Claims Expense	89,977	7,660,727	7,750,704
Insurance and Processing Fees	2,418,785	533,449	2,952,234
Miscellaneous	214,563	199,522	414,085
Total Operating Expenses	<u>2,723,325</u>	<u>8,393,698</u>	<u>11,117,023</u>
Operating Income (Loss)	<u>(35,470)</u>	<u>471,871</u>	<u>436,401</u>
Nonoperating Revenues and (Expenses)			
Investment Income	88	570	658
Total Nonoperating Revenues and (Expenses)	<u>88</u>	<u>570</u>	<u>658</u>
Change in Net Assets	(35,382)	472,441	437,059
Net Assets at Beginning of Year	<u>1,268,750</u>	<u>1,974,644</u>	<u>3,243,394</u>
Net Assets at End of Year	<u>\$ 1,233,368</u>	<u>\$ 2,447,085</u>	<u>\$ 3,680,453</u>

CITY OF DES PLAINES, ILLINOIS
 COMBINING STATEMENT OF CASH FLOWS
 INTERNAL SERVICE FUNDS
 Year Ended December 31, 2011

	<u>Risk Management</u>	<u>Health Benefits</u>	<u>Total Internal Service Funds</u>
Cash Flows from Operating Activities			
Cash Received from Customers	\$ 2,496,738	\$ 8,872,016	\$ 11,368,754
Receipts from Miscellaneous Revenues	202,813	-	202,813
Cash Payments to Suppliers for Good and Services	<u>(2,734,757)</u>	<u>(8,650,413)</u>	<u>(11,385,170)</u>
Net Cash Provided/(Used) by Operating Activities	<u>(35,206)</u>	<u>221,603</u>	<u>186,397</u>
Cash Flows from Investing Activities			
Investment Income	<u>88</u>	<u>570</u>	<u>658</u>
Net Cash Provided/(Used) by Investing Activities	<u>88</u>	<u>570</u>	<u>658</u>
Net Increase (Decrease) in Cash & Investments	(35,118)	222,173	187,055
Cash & Investments, Beginning of Year	<u>555,388</u>	<u>503,679</u>	<u>1,059,067</u>
Cash & Investments, End of Year	<u>\$ 520,270</u>	<u>\$ 725,852</u>	<u>\$ 1,246,122</u>
Reconciliation of Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities			
Operating Income/(Loss)	\$ (35,470)	\$ 471,871	\$ 436,401
Adjustments to Reconcile Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities			
Decrease (Increase) in Receivables	11,696	12,618	24,314
Decrease (Increase) in Prepaid Items	(46,735)	154,234	107,499
(Decrease) Increase in Accounts Payable	35,303	216	35,519
(Decrease) Increase in Accrued Liabilities	-	(52,457)	(52,457)
(Decrease) Increase in Unearned Revenue	-	(6,171)	(6,171)
(Decrease) Increase in Early Retirement Incentive Program Payable	<u>-</u>	<u>(358,708)</u>	<u>(358,708)</u>
Total Adjustments	<u>264</u>	<u>(250,268)</u>	<u>(250,004)</u>
Net Cash Provided/(Used) by Operating Activities	<u>\$ (35,206)</u>	<u>\$ 221,603</u>	<u>\$ 186,397</u>

CITY OF DES PLAINES, ILLINOIS
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
BUDGET AND ACTUAL
RISK MANAGEMENT FUND
Year Ended December 31, 2011
With Comparative Actual Amounts from Year Ended December 31, 2010

	2011		Variance from Final Budget Positive (Negative)	2010
	Original and Final Budget	Actual		Actual
Operating Revenues				
Charges for Services	\$ 2,389,738	\$ 2,485,042	\$ 95,304	\$ 2,808,348
Miscellaneous	155,000	202,813	47,813	168,143
Total Operating Revenues	<u>2,544,738</u>	<u>2,687,855</u>	<u>143,117</u>	<u>2,976,491</u>
Operating Expenses				
Claims Expense				
Unemployment Claims	115,000	58,974	56,026	133,899
Workers' Compensation Claims	46,000	31,003	14,997	34,333
Total Claims Expense	<u>161,000</u>	<u>89,977</u>	<u>71,023</u>	<u>168,232</u>
Insurance and Processing Fees				
Claims Administrative Fees	5,900	2,488	3,412	1,570
Insurance Premiums	130,000	102,227	27,773	106,090
MICA Loss Fund	2,325,000	2,306,222	18,778	2,168,420
MICA Deductible	30,000	7,848	22,152	14,032
Total Insurance and Processing Fees	<u>2,490,900</u>	<u>2,418,785</u>	<u>72,115</u>	<u>2,290,112</u>
Miscellaneous				
City-wide Substance Abuse Program	5,000	1,840	3,160	2,561
Self-insurance Losses	55,000	212,228	(157,228)	54,746
Miscellaneous Contractual Services	7,500	495	7,005	131
Total Miscellaneous	<u>67,500</u>	<u>214,563</u>	<u>(147,063)</u>	<u>57,438</u>
Total Operating Expenses	<u>2,719,400</u>	<u>2,723,325</u>	<u>(3,925)</u>	<u>2,515,782</u>
Operating Income (Loss)	<u>(174,662)</u>	<u>(35,470)</u>	<u>139,192</u>	<u>460,709</u>
Nonoperating Revenues and (Expenses)				
Investment Income	1,000	88	(912)	525
Total Nonoperating Revenues and (Expenses)	<u>1,000</u>	<u>88</u>	<u>(912)</u>	<u>525</u>
Income (Loss) Before Transfers	<u>(173,662)</u>	<u>(35,382)</u>	<u>138,280</u>	<u>461,234</u>
Transfers				
Transfers Out	-	-	-	(550,000)
Total Transfers	<u>-</u>	<u>-</u>	<u>-</u>	<u>(550,000)</u>
Change in Net Assets	<u>\$ (173,662)</u>	<u>(35,382)</u>	<u>\$ 138,280</u>	<u>(88,766)</u>
Net Assets at Beginning of Year		<u>1,268,750</u>		<u>1,357,516</u>
Net Assets at End of Year		<u>\$ 1,233,368</u>		<u>\$ 1,268,750</u>

CITY OF DES PLAINES, ILLINOIS
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
BUDGET AND ACTUAL
HEALTH BENEFITS FUND
Year Ended December 31, 2011
With Comparative Actual Amounts from Year Ended December 31, 2010

	2011		Variance from Final Budget Positive (Negative)	2010 Actual
	Original and Final Budget	Actual		
Operating Revenues				
Charges for Services	\$ 8,694,836	\$ 8,865,569	\$ 170,733	\$ 9,171,505
Terminal Reserve Revenue	-	-	-	864,733
Total Operating Revenues	<u>8,694,836</u>	<u>8,865,569</u>	<u>170,733</u>	<u>10,036,238</u>
Operating Expenses				
Claims Expense				
Claims Paid - City - PPO	6,417,474	6,075,504	341,970	6,617,948
Claims Paid - City - HMO	1,596,134	1,585,223	10,911	1,653,307
Total Claims Expense	<u>8,013,608</u>	<u>7,660,727</u>	<u>352,881</u>	<u>8,271,255</u>
Insurance and Processing Fees				
Dental Claims and Administration Fee	454,222	394,305	59,917	535,763
Life Insurance Premium	111,154	139,144	(27,990)	128,698
Total Insurance and Processing Fees	<u>565,376</u>	<u>533,449</u>	<u>31,927</u>	<u>664,461</u>
Miscellaneous	24,485	199,522	(175,037)	1,071,649
Total Operating Expenses	<u>8,603,469</u>	<u>8,393,698</u>	<u>209,771</u>	<u>10,007,365</u>
Operating Income (Loss)	<u>91,367</u>	<u>471,871</u>	<u>380,504</u>	<u>28,873</u>
Nonoperating Revenues and (Expenses)				
Investment Income	4,500	570	(3,930)	2,954
Total Nonoperating Revenues and (Expenses)	<u>4,500</u>	<u>570</u>	<u>(3,930)</u>	<u>2,954</u>
Income (Loss) Before Transfers	<u>95,867</u>	<u>472,441</u>	<u>376,574</u>	<u>31,827</u>
Transfers				
Transfers Out	-	-	-	(450,000)
Total Transfers	<u>-</u>	<u>-</u>	<u>-</u>	<u>(450,000)</u>
Change in Net Assets	<u>\$ 95,867</u>	<u>472,441</u>	<u>\$ 376,574</u>	<u>(418,173)</u>
Net Assets at Beginning of Year		<u>1,974,644</u>		<u>2,392,817</u>
Net Assets at End of Year		<u>\$ 2,447,085</u>		<u>\$ 1,974,644</u>

FIDUCIARY FUNDS

Fiduciary Funds are used to account for assets held by the City in a trustee capacity for individuals, governmental entities and non-public organizations.

Pension Trust

- Firefighters' and Police Pension Funds – Pension Trust Funds used to account for the accumulation of resources and administration costs to be used for retirement annuity payments at appropriate amounts and times in the future. Resources are contributed by employees at rates fixed by law and by the City at amounts determined by an annual actuarial study.

Agency

- Compliance Bond Fund – an agency fund used to account for the collection and repayment of deposits made in conformance with local ordinances to ensure that work performed meets local code requirements. Fund also includes other smaller miscellaneous agency funds related to the City.
- Section 125 Plan Fund – an agency fund used to account for a Section 125 Benefit Plan administered by the City.

CITY OF DES PLAINES, ILLINOIS
 COMBINING STATEMENT OF FIDUCIARY NET ASSETS
 PENSION TRUST FUNDS
 December 31, 2011

	Firefighters' Pension	Police Pension	Total Pension Trust Funds
ASSETS			
Cash and Cash Equivalents	\$ 2,455,377	\$ 3,043,433	\$ 5,498,810
Investments			
U.S. Government and Agency Obligations	18,073,156	15,402,730	33,475,886
Mutual Funds	9,945,617	13,491,250	23,436,867
Corporate Bonds	9,107,657	9,078,743	18,186,400
Stocks	14,643,196	9,896,045	24,539,241
State and Local Obligations	1,369,736	1,341,964	2,711,700
Insurance Contracts	-	1,457	1,457
Receivables (Net)			
Accrued Interest	247,407	240,091	487,498
Prepaid Items	1,675	12,341	14,016
TOTAL ASSETS	<u>\$ 55,843,821</u>	<u>\$ 52,508,054</u>	<u>\$ 108,351,875</u>
LIABILITIES AND NET ASSETS			
Liabilities			
Accounts Payable	\$ 33,222	\$ 34,921	\$ 68,143
Total Liabilities	<u>33,222</u>	<u>34,921</u>	<u>68,143</u>
Net Assets			
Held in Trust for Pension Benefits	<u>55,810,599</u>	<u>52,473,133</u>	<u>108,283,732</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 55,843,821</u>	<u>\$ 52,508,054</u>	<u>\$ 108,351,875</u>

CITY OF DES PLAINES, ILLINOIS
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
 PENSION TRUST FUNDS
 December 31, 2011

	Firefighters' Pension	Police Pension	Total Pension Trust Funds
Additions			
Contributions			
Employer	\$ 3,798,156	\$ 3,775,364	\$ 7,573,520
Plan Members	822,628	786,143	1,608,771
Total Contributions	<u>4,620,784</u>	<u>4,561,507</u>	<u>9,182,291</u>
Investment Income	1,711,649	905,960	2,617,609
Less Investment Expense	<u>(231,862)</u>	<u>(222,283)</u>	<u>(454,145)</u>
Net Investment Income	<u>1,479,787</u>	<u>683,677</u>	<u>2,163,464</u>
Total Additions	<u>6,100,571</u>	<u>5,245,184</u>	<u>11,345,755</u>
Deductions			
Administration	78,425	106,724	185,149
Benefits and Refunds	<u>5,222,393</u>	<u>5,468,443</u>	<u>10,690,836</u>
Total Deductions	<u>5,300,818</u>	<u>5,575,167</u>	<u>10,875,985</u>
Change in Plan Net Assets	799,753	(329,983)	469,770
Plan Net Assets at Beginning of Year	<u>55,010,846</u>	<u>52,803,116</u>	<u>107,813,962</u>
Plan Net Assets at End of Year	<u>\$ 55,810,599</u>	<u>\$ 52,473,133</u>	<u>\$ 108,283,732</u>

CITY OF DES PLAINES, ILLINOIS
 COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
 AGENCY FUNDS
 December 31, 2011

	Compliance Bond	Section 125 Plan	Total Agency Funds
ASSETS			
Cash and Cash Equivalents	\$ 538,672	\$ 70,516	\$ 609,188
Other Receivable	37,846	-	37,846
TOTAL ASSETS	\$ 576,518	\$ 70,516	\$ 647,034
 LIABILITIES			
Accounts Payable	\$ 19,285	\$ -	\$ 19,285
Accrued Liabilities	6,899	70,516	77,415
Deposits Payable	550,334	-	550,334
TOTAL LIABILITIES	\$ 576,518	\$ 70,516	\$ 647,034

CITY OF DES PLAINES, ILLINOIS
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 AGENCY FUNDS
 December 31, 2011

	Balances January 1	Additions	Deductions	Balances December 31
Compliance Bond Fund				
ASSETS				
Cash and Cash Equivalents	\$ 1,832,912	\$ 158,887	\$ 1,453,127	\$ 538,672
Other Receivable	26,888	37,846	26,888	37,846
TOTAL ASSETS	<u>\$ 1,859,800</u>	<u>\$ 196,733</u>	<u>\$ 1,480,015</u>	<u>\$ 576,518</u>
LIABILITIES				
Accounts Payable	\$ 12,456	\$ 320,926	\$ 314,097	\$ 19,285
Accrued Liabilities	3,493	6,899	3,493	6,899
Deposits Payable	1,843,851	83,728	1,377,245	550,334
TOTAL LIABILITIES	<u>\$ 1,859,800</u>	<u>\$ 411,553</u>	<u>\$ 1,694,835</u>	<u>\$ 576,518</u>
Section 125 Plan Fund				
ASSETS				
Cash and Cash Equivalents	\$ 60,304	\$ 93,304	\$ 83,092	\$ 70,516
TOTAL ASSETS	<u>\$ 60,304</u>	<u>\$ 93,304</u>	<u>\$ 83,092</u>	<u>\$ 70,516</u>
LIABILITIES				
Accrued Liabilities	\$ 54,984	\$ 99,105	\$ 83,573	\$ 70,516
Due to Participants	5,320	-	5,320	-
TOTAL LIABILITIES	<u>\$ 60,304</u>	<u>\$ 99,105</u>	<u>\$ 88,893</u>	<u>\$ 70,516</u>
All Funds				
ASSETS				
Cash and Cash Equivalents	\$ 1,893,216	\$ 252,191	\$ 1,536,219	\$ 609,188
Other Receivable	26,888	37,846	26,888	37,846
TOTAL ASSETS	<u>\$ 1,920,104</u>	<u>\$ 290,037</u>	<u>\$ 1,563,107</u>	<u>\$ 647,034</u>
LIABILITIES				
Accounts Payable	\$ 12,456	\$ 320,926	\$ 314,097	\$ 19,285
Accrued Liabilities	58,477	106,004	87,066	77,415
Deposits Payable	1,843,851	83,728	1,377,245	550,334
Due to Participants	5,320	-	5,320	-
TOTAL LIABILITIES	<u>\$ 1,920,104</u>	<u>\$ 510,658</u>	<u>\$ 1,783,728</u>	<u>\$ 647,034</u>

COMPONENT UNIT

The Component Unit operates and maintains the public library within the governmental unit.

CITY OF DES PLAINES, ILLINOIS
 COMPONENT UNIT - LIBRARY
 STATEMENT OF NET ASSETS AND GOVERNMENTAL FUNDS
 COMBINING BALANCE SHEET
 December 31, 2011

	General	Capital Projects	Total
ASSETS			
Cash	\$ 3,864,563	\$ 311,507	\$ 4,176,070
Property Tax Receivable	6,375,824	-	6,375,824
Due from Other Funds	-	-	-
Capital Assets, Net	-	-	-
TOTAL ASSETS	<u>\$ 10,240,387</u>	<u>\$ 311,507</u>	<u>\$ 10,551,894</u>
LIABILITIES AND FUND BALANCES/NET ASSETS			
Liabilities			
Accounts Payable	\$ 165,202	\$ -	\$ 165,202
Accrued Payroll	50,800	-	50,800
Due to Other Funds	272,091	-	272,091
Deferred Revenue	6,295,505	-	6,295,505
Noncurrent Liabilities			
Due within One Year	-	-	-
Due in More than One Year	-	-	-
Total Liabilities	<u>6,783,598</u>	<u>-</u>	<u>6,783,598</u>
Fund Balances/Net Assets			
Invested in Capital Assets	-	-	-
Restricted for Culture and Recreation	3,456,789	311,507	3,768,296
Total Fund Balances/Net Assets	<u>3,456,789</u>	<u>311,507</u>	<u>3,768,296</u>
TOTAL LIABILITIES AND FUND BALANCES/NET ASSETS	<u>\$ 10,240,387</u>	<u>\$ 311,507</u>	<u>\$ 10,551,894</u>

The assets and liabilities of the internal service fund are included in the governmental activities in the statement of net assets

Some liabilities reported in the statement of net assets do not require the use of current financial resources and therefore are not reported as liabilities in governmental funds.

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds

Adjustments

Internal Service Fund Compensated Absences	Internal Balances	Net OPEB Obligation	Net IMRF Obligation	Long-term Assets	Statement of Net Assets
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,176,070
-	-	-	-	-	6,375,824
272,091	(272,091)	-	-	-	-
-	-	-	-	814,501	814,501
<u>\$ 272,091</u>	<u>\$ (272,091)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 814,501</u>	<u>\$ 11,366,395</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 165,202
-	-	-	-	-	50,800
-	(272,091)	-	-	-	-
-	-	-	-	-	6,295,505
120,239	-	-	-	-	120,239
<u>151,852</u>	<u>-</u>	<u>75,419</u>	<u>52,742</u>	<u>-</u>	<u>280,013</u>
<u>272,091</u>	<u>(272,091)</u>	<u>75,419</u>	<u>52,742</u>	<u>-</u>	<u>6,911,759</u>
-	-	-	-	814,501	814,501
<u>-</u>	<u>-</u>	<u>(75,419)</u>	<u>(52,742)</u>	<u>-</u>	<u>3,640,135</u>
<u>-</u>	<u>-</u>	<u>(75,419)</u>	<u>(52,742)</u>	<u>814,501</u>	<u>4,454,636</u>
<u>\$ 272,091</u>	<u>\$ (272,091)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 814,501</u>	<u>\$ 11,366,395</u>
<u>\$ 272,091</u>	<u>\$ (272,091)</u>				
		<u>\$ 75,419</u>	<u>\$ 52,742</u>		
				<u>\$ 814,501</u>	

CITY OF DES PLAINES, ILLINOIS
 COMPONENT UNIT - LIBRARY
 STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES/NET ASSETS
 December 31, 2011

	General	Capital Projects	Total
Revenues			
Property Taxes	\$ 6,625,483	\$ -	\$ 6,625,483
Intergovernmental	157,068	-	157,068
Charges for Services	33,883	-	33,883
Fines	113,140	-	113,140
Investment Income	2,434	-	2,434
Miscellaneous	32,010	-	32,010
Total Revenues	<u>6,964,018</u>	<u>-</u>	<u>6,964,018</u>
Expenditures			
Civic and Cultural	5,530,607	-	5,530,607
Capital Outlay	112,099	41,266	153,365
Total Expenditures	<u>5,642,706</u>	<u>41,266</u>	<u>12,680,000</u>
Excess (Deficiency) of Revenues over (under) Expenditures	1,321,312	(41,266)	1,280,046
Other Financing Sources (Uses)			
Transfers in	-	200,000	200,000
Transfers out	(200,000)	-	(200,000)
Total Other Financing Sources (Uses)	<u>(200,000)</u>	<u>200,000</u>	<u>1,280,046</u>
Net Change in Fund Balance/Net Assets	1,121,312	158,734	1,280,046
Fund Balance/Net Assets, Beginning of Year	<u>2,335,477</u>	<u>152,773</u>	<u>2,488,250</u>
Fund Balance/Net Assets, End of Year	<u>\$ 3,456,789</u>	<u>\$ 311,507</u>	<u>\$ 3,768,296</u>

Governmental funds report capital outlays as expenditures. However, in the statement of net assets the costs of these assets is capitalized and they are depreciated over their estimated useful lives and reported as depreciation expense in the statement of activities. Adjustment necessary to record depreciation and to reclassify capital outlay that did not have an initial cost of \$25,000 to civic and cultural expense function.

In the Statement of Activities, operating expenses are measured by the amounts incurred during the year. However, certain of these items are included in the governmental funds only to the extent that they require the expenditure of current financial resources.

Capital-related Items	Adjustments			Statement of Activities
	Internal Balances	Net OPEB Obligation	Net IMRF Obligation	
\$ -	\$ -	\$ -	\$ -	\$ 6,625,483
-	-	-	-	157,068
-	-	-	-	33,883
-	-	-	-	113,140
-	-	-	-	2,434
-	-	-	-	32,010
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,964,018</u>
192,170	-	23,305	52,742	5,798,824
(153,365)	-	-	-	-
<u>38,805</u>	<u>-</u>	<u>23,305</u>	<u>52,742</u>	<u>5,798,824</u>
(38,805)	-	(23,305)	(52,742)	1,165,194
-	(200,000)	-	-	-
<u>-</u>	<u>200,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
(38,805)	-	(23,305)	(52,742)	1,165,194
<u>853,306</u>	<u>-</u>	<u>(52,114)</u>	<u>-</u>	<u>3,289,442</u>
<u>\$ 814,501</u>	<u>\$ -</u>	<u>\$ (75,419)</u>	<u>\$ (52,742)</u>	<u>\$ 4,454,636</u>

\$ (38,805)

\$ (23,305) \$ (52,742)

CITY OF DES PLAINES, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
LIBRARY - GENERAL FUND
Year Ended December 31, 2011
With Comparative Actual Amounts from Year Ended December 31, 2010

	2011		Variance from Final Budget Positive (Negative)	2010 Actual
	Original and Final Budget	Actual		
Revenues				
Property Taxes	\$ 6,749,096	\$ 6,625,483	\$ (123,613)	\$ 6,352,938
Replacement Taxes	92,988	92,988	-	46,494
State Grants	56,000	64,080	8,080	59,949
Charges for Services	33,300	33,883	583	44,385
Fines	150,450	113,140	(37,310)	122,112
Investment Income	3,500	2,434	(1,066)	4,164
Miscellaneous	14,500	32,010	17,510	37,768
Total Revenues	<u>7,099,834</u>	<u>6,964,018</u>	<u>(135,816)</u>	<u>6,667,810</u>
Expenditures				
Civic and Cultural				
Salaries	2,911,776	2,839,038	72,738	2,985,922
Benefits	977,660	852,571	125,089	1,018,431
Contractual Services	1,053,206	963,915	89,291	924,567
Commodities	1,002,205	875,083	127,122	804,190
Total Civic and Cultural	<u>5,944,847</u>	<u>5,530,607</u>	<u>414,240</u>	<u>5,733,110</u>
Capital Outlay	188,265	112,099	76,166	132,878
Total Expenditures	<u>6,133,112</u>	<u>5,642,706</u>	<u>490,406</u>	<u>5,865,988</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>966,722</u>	<u>1,321,312</u>	<u>354,590</u>	<u>801,822</u>
Other Financing Sources (Uses)				
Transfers Out	(200,000)	(200,000)	-	-
Total Other Financing Sources (Uses)	<u>(200,000)</u>	<u>(200,000)</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ 766,722</u>	1,121,312	<u>\$ 354,590</u>	801,822
Fund Balance at Beginning of Year		<u>2,335,477</u>		<u>1,533,655</u>
Fund Balance at End of Year		<u>\$ 3,456,789</u>		<u>\$ 2,335,477</u>

CITY OF DES PLAINES, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
LIBRARY - CAPITAL PROJECTS FUND
Year Ended December 31, 2011
With Comparative Actual Amounts from Year Ended December 31, 2010

	2011		Variance from Final Budget Positive (Negative)	2010 Actual
	Original and Final Budget	Actual		
Revenues				
Investment Income	\$ 2,500	\$ -	\$ (2,500)	\$ 3
Total Revenues	<u>2,500</u>	<u>-</u>	<u>(2,500)</u>	<u>3</u>
Expenditures				
Capital Outlay	48,200	41,266	6,934	70,613
Total Expenditures	<u>48,200</u>	<u>41,266</u>	<u>6,934</u>	<u>70,613</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>(45,700)</u>	<u>(41,266)</u>	<u>4,434</u>	<u>(70,610)</u>
Other Financing Sources (Uses)				
Transfers In	200,000	200,000	-	-
Total Other Financing Sources (Uses)	<u>200,000</u>	<u>200,000</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ 154,300</u>	158,734	<u>\$ 4,434</u>	(70,610)
Fund Balance at Beginning of Year		<u>152,773</u>		<u>223,383</u>
Fund Balance at End of Year		<u>\$ 311,507</u>		<u>\$ 152,773</u>

OTHER SUPPLEMENTARY SCHEDULES

CITY OF DES PLAINES, ILLINOIS
LONG TERM DEBT REQUIREMENTS
TAXABLE GENERAL OBLIGATION BONDS, SERIES 2003C (TIF #6)
December 31, 2011

Date of issue	September 1, 2003
Date of maturity	December 1, 2021
Authorized issue	\$ 2,250,000
Denomination of bonds	\$ 5,000
Interest rates	4.70% to 5.50%

Interest dates	June 1 and December 1
Principal maturity date	December 1
Payable at	Amalgamated Bank of Chicago

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year Ending December 31	Requirements			Interest Due			
	Principal	Interest	Total	June 1	Amount	December 1	Amount
2012	\$ 75,000	\$ 117,742	\$ 192,742	2012	\$ 58,871	2012	\$ 58,871
2013	100,000	113,918	213,918	2013	56,959	2013	56,959
2014	125,000	108,818	233,818	2014	54,409	2014	54,409
2015	165,000	102,442	267,442	2015	51,221	2015	51,221
2016	190,000	93,862	283,862	2016	46,931	2016	46,931
2017	220,000	83,792	303,792	2017	41,896	2017	41,896
2018	250,000	71,912	321,912	2018	35,956	2018	35,956
2019	290,000	58,162	348,162	2019	29,081	2019	29,081
2020	325,000	41,126	366,126	2020	20,563	2020	20,563
2021	375,000	22,032	397,032	2021	11,016	2021	11,016
	\$ 2,115,000	\$ 813,806	\$ 2,928,806		\$ 406,903		\$ 406,903

CITY OF DES PLAINES, ILLINOIS
LONG TERM DEBT REQUIREMENTS
GENERAL OBLIGATION BONDS, SERIES 2004A (TOTAL ISSUE)
December 31, 2011

Date of issue	June 3, 2004
Date of maturity	December 1, 2020
Authorized issue	\$ 8,400,000
Denomination of bonds	\$ 5,000
Interest rates	4.00% to 4.50%
Interest dates	June 1 and December 1
Principal maturity date	December 1
Payable at	Amalgamated Bank of Chicago

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year Ending December 31	Requirements			Interest Due			
	Principal	Interest	Total	June 1	Amount	December 1	Amount
2012	\$ 510,000	\$ 226,144	\$ 736,144	2012	\$ 113,072	2012	\$ 113,072
2013	530,000	205,744	735,744	2013	102,872	2013	102,872
2014	550,000	184,544	734,544	2014	92,272	2014	92,272
2015	570,000	162,544	732,544	2015	81,272	2015	81,272
2016	595,000	139,742	734,742	2016	69,871	2016	69,871
2017	620,000	115,200	735,200	2017	57,600	2017	57,600
2018	645,000	89,160	734,160	2018	44,580	2018	44,580
2019	675,000	61,424	736,424	2019	30,712	2019	30,712
2020	705,000	31,726	736,726	2020	15,863	2020	15,863
	\$ 5,400,000	\$ 1,216,228	\$ 6,616,228		\$ 608,114		\$ 608,114

CITY OF DES PLAINES, ILLINOIS
LONG TERM DEBT REQUIREMENTS
GENERAL OBLIGATION BONDS, SERIES 2004A (TIF #1 PORTION)
December 31, 2011

Date of issue	June 3, 2004
Date of maturity	December 1, 2020
Authorized issue	\$ 6,400,000
Denomination of bonds	\$ 5,000
Interest rates	4.00% to 4.50%
Interest dates	June 1 and December 1
Principal maturity date	December 1
Payable at	Amalgamated Bank of Chicago

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year Ending December 31	Requirements			Interest Due			
	Principal	Interest	Total	June 1	Amount	December 1	Amount
2012	\$ 390,000	\$ 172,314	\$ 562,314	2012	\$ 86,157	2012	\$ 86,157
2013	405,000	156,714	561,714	2013	78,357	2013	78,357
2014	420,000	140,514	560,514	2014	70,257	2014	70,257
2015	435,000	123,714	558,714	2015	61,857	2015	61,857
2016	455,000	106,314	561,314	2016	53,157	2016	53,157
2017	470,000	87,546	557,546	2017	43,773	2017	43,773
2018	490,000	67,806	557,806	2018	33,903	2018	33,903
2019	515,000	46,736	561,736	2019	23,368	2019	23,368
2020	535,000	24,074	559,074	2020	12,037	2020	12,037
	\$ 4,115,000	\$ 925,732	\$ 5,040,732		\$ 462,866		\$ 462,866

CITY OF DES PLAINES, ILLINOIS
LONG TERM DEBT REQUIREMENTS
GENERAL OBLIGATION BONDS, SERIES 2004A (CITY STREETS PORTION)
December 31, 2011

Date of issue	June 3, 2004
Date of maturity	December 1, 2020
Authorized issue	\$ 2,000,000
Denomination of bonds	\$ 5,000
Interest rates	4.00% to 4.50%
Interest dates	June 1 and December 1
Principal maturity date	December 1
Payable at	Amalgamated Bank of Chicago

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year Ending December 31	Requirements			Interest Due			
	Principal	Interest	Total	June 1	Amount	December 1	Amount
2012	\$ 120,000	\$ 53,830	\$ 173,830	2012	\$ 26,915	2012	\$ 26,915
2013	125,000	49,030	174,030	2013	24,515	2013	24,515
2014	130,000	44,030	174,030	2014	22,015	2014	22,015
2015	135,000	38,830	173,830	2015	19,415	2015	19,415
2016	140,000	33,430	173,430	2016	16,715	2016	16,715
2017	150,000	27,654	177,654	2017	13,827	2017	13,827
2018	155,000	21,354	176,354	2018	10,677	2018	10,677
2019	160,000	14,690	174,690	2019	7,345	2019	7,345
2020	170,000	7,648	177,648	2020	3,824	2020	3,824
	\$ 1,285,000	\$ 290,496	\$ 1,575,496		\$ 145,248		\$ 145,248

CITY OF DES PLAINES, ILLINOIS
LONG TERM DEBT REQUIREMENTS
TAXABLE GENERAL OBLIGATION BONDS, SERIES 2004B (TOTAL ISSUE)
December 31, 2011

Date of issue	June 3, 2004
Date of maturity	December 1, 2021
Authorized issue	\$ 8,900,000
Denomination of bonds	\$ 5,000
Interest rates	4.80% to 5.85%
Interest dates	June 1 and December 1
Principal maturity date	December 1
Payable at	Amalgamated Bank of Chicago

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year Ending December 31	Requirements			Interest Due			
	Principal	Interest	Total	June 1	Amount	December 1	Amount
2012	\$ 50,000	\$ 38,108	\$ 88,108	2012	\$ 19,054	2012	\$ 19,054
2013	485,000	311,908	796,908	2013	155,954	2013	155,954
2014	510,000	286,204	796,204	2014	143,102	2014	143,102
2015	535,000	258,662	793,662	2015	129,331	2015	129,331
2016	570,000	228,704	798,704	2016	114,352	2016	114,352
2017	600,000	196,784	796,784	2017	98,392	2017	98,392
2018	640,000	162,282	802,282	2018	81,141	2018	81,141
2019	670,000	125,482	795,482	2019	62,741	2019	62,741
2020	715,000	86,284	801,284	2020	43,142	2020	43,142
2021	760,000	44,456	804,456	2021	22,228	2021	22,228
	\$ 5,535,000	\$ 1,738,874	\$ 7,273,874		\$ 869,437		\$ 869,437

CITY OF DES PLAINES, ILLINOIS
LONG TERM DEBT REQUIREMENTS
TAXABLE GENERAL OBLIGATION BONDS, SERIES 2004B (TIF #3 LEASE BUYOUT PORTION)
December 31, 2011

Date of issue	June 3, 2004
Date of maturity	December 1, 2021
Authorized issue	\$ 900,000
Denomination of bonds	\$ 5,000
Interest rates	4.80% to 5.85%
Interest dates	June 1 and December 1
Principal maturity date	December 1
Payable at	Amalgamated Bank of Chicago

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year Ending December 31	Requirements			Interest Due			
	Principal	Interest	Total	June 1	Amount	December 1	Amount
2012	\$ 50,000	\$ 38,108	\$ 88,108	2012	\$ 19,054	2012	\$ 19,054
2013	55,000	35,532	90,532	2013	17,766	2013	17,766
2014	60,000	32,618	92,618	2014	16,309	2014	16,309
2015	60,000	29,378	89,378	2015	14,689	2015	14,689
2016	65,000	26,018	91,018	2016	13,009	2016	13,009
2017	70,000	22,378	92,378	2017	11,189	2017	11,189
2018	75,000	18,352	93,352	2018	9,176	2018	9,176
2019	75,000	14,040	89,040	2019	7,020	2019	7,020
2020	80,000	9,650	89,650	2020	4,825	2020	4,825
2021	85,000	4,970	89,970	2021	2,485	2021	2,485
	\$ 675,000	\$ 231,044	\$ 906,044		\$ 115,522		\$ 115,522

CITY OF DES PLAINES, ILLINOIS
LONG TERM DEBT REQUIREMENTS
TAXABLE GENERAL OBLIGATION BONDS, SERIES 2004B (TIF #6 PORTION)
December 31, 2011

Date of issue	June 3, 2004
Date of maturity	December 1, 2021
Authorized issue	\$ 7,500,000
Denomination of bonds	\$ 5,000
Interest rates	4.80% to 5.85%
Interest dates	June 1 and December 1
Principal maturity date	December 1
Payable at	Amalgamated Bank of Chicago

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year Ending December 31	Requirements			Interest Due			
	Principal	Interest	Total	June 1	Amount	December 1	Amount
2012	\$ -	\$ -	\$ -	2012	\$ -	2012	\$ -
2013	430,000	276,376	706,376	2013	138,188	2013	138,188
2014	450,000	253,586	703,586	2014	126,793	2014	126,793
2015	475,000	229,284	704,284	2015	114,642	2015	114,642
2016	505,000	202,686	707,686	2016	101,343	2016	101,343
2017	530,000	174,406	704,406	2017	87,203	2017	87,203
2018	565,000	143,930	708,930	2018	71,965	2018	71,965
2019	595,000	111,442	706,442	2019	55,721	2019	55,721
2020	635,000	76,634	711,634	2020	38,317	2020	38,317
2021	675,000	39,486	714,486	2021	19,743	2021	19,743
	\$ 4,860,000	\$ 1,507,830	\$ 6,367,830		\$ 753,915		\$ 753,915

CITY OF DES PLAINES, ILLINOIS
LONG TERM DEBT REQUIREMENTS
GENERAL OBLIGATION BONDS, SERIES 2005A (TIF #3)
December 31, 2011

Date of issue	January 1, 2005
Date of maturity	December 1, 2022
Authorized issue	\$ 5,550,000
Denomination of bonds	\$ 5,000
Interest rates	3.00% to 5.25%
Interest dates	June 1 and December 1
Principal maturity date	December 1
Payable at	Amalgamated Bank of Chicago

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year Ending <u>December 31</u>	Requirements			Interest Due			
	Principal	Interest	Total	June 1	Amount	December 1	Amount
2012	\$ -	\$ 132,825	\$ 132,825	2012	\$ 66,413	2012	\$ 66,412
2013	-	132,825	132,825	2013	66,413	2013	66,412
2014	-	132,825	132,825	2014	66,413	2014	66,412
2015	-	132,825	132,825	2015	66,413	2015	66,412
2016	-	132,825	132,825	2016	66,413	2016	66,412
2017	390,000	132,825	522,825	2017	66,413	2017	66,412
2018	410,000	112,350	522,350	2018	56,175	2018	56,175
2019	435,000	90,824	525,824	2019	45,412	2019	45,412
2020	455,000	67,988	522,988	2020	33,994	2020	33,994
2021	480,000	44,100	524,100	2021	22,050	2021	22,050
2022	500,000	22,500	522,500	2022	11,250	2022	11,250
	\$ 2,670,000	\$ 1,134,712	\$ 3,804,712		\$ 567,359		\$ 567,353

CITY OF DES PLAINES, ILLINOIS
LONG TERM DEBT REQUIREMENTS
GENERAL OBLIGATION REFUNDING BONDS, SERIES 2005C (WATER)
December 31, 2011

Date of issue	January 1, 2005
Date of maturity	December 1, 2013
Authorized issue	\$ 2,330,000
Denomination of bonds	\$ 5,000
Interest rates	2.50% to 4.00%
Interest dates	June 1 and December 1
Principal maturity date	December 1
Payable at	Amalgamated Bank of Chicago

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year Ending <u>December 31</u>	Requirements			Interest Due			
	Principal	Interest	Total	June 1	Amount	December 1	Amount
2012	\$ 365,000	\$ 29,200	\$ 394,200	2012	\$ 14,600	2012	\$ 14,600
2013	365,000	14,600	379,600	2013	7,300	2013	7,300
	\$ 730,000	\$ 43,800	\$ 773,800		\$ 21,900		\$ 21,900

CITY OF DES PLAINES, ILLINOIS
LONG TERM DEBT REQUIREMENTS
GENERAL OBLIGATION REFUNDING BONDS, SERIES 2005D (TOTAL ISSUE)
December 31, 2011

Date of issue	February 1, 2005
Date of maturity	December 1, 2018
Authorized issue	\$ 14,650,000
Denomination of bonds	\$ 5,000
Interest rates	2.25% to 5.00%
Interest dates	June 1 and December 1
Principal maturity date	December 1
Payable at	Amalgamated Bank of Chicago

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year Ending December 31	Requirements			Interest Due			
	Principal	Interest	Total	June 1	Amount	December 1	Amount
2012	\$ 1,240,000	\$ 460,460	\$ 1,700,460	2012	\$ 230,230	2012	\$ 230,230
2013	1,295,000	398,460	1,693,460	2013	199,230	2013	199,230
2014	1,360,000	333,710	1,693,710	2014	166,855	2014	166,855
2015	1,405,000	283,390	1,688,390	2015	141,695	2015	141,695
2016	1,460,000	230,000	1,690,000	2016	115,000	2016	115,000
2017	1,530,000	157,000	1,687,000	2017	78,500	2017	78,500
2018	1,610,000	80,500	1,690,500	2018	40,250	2018	40,250
	\$ 9,900,000	\$ 1,943,520	\$ 11,843,520		\$ 971,760		\$ 971,760

CITY OF DES PLAINES, ILLINOIS
LONG TERM DEBT REQUIREMENTS
GENERAL OBLIGATION REFUNDING BONDS, SERIES 2005D (STREET PORTION)
December 31, 2011

Date of issue	February 1, 2005
Date of maturity	December 1, 2013
Authorized issue	\$ 4,090,000
Denomination of bonds	\$ 5,000
Interest rates	2.25% to 5.00%
Interest dates	June 1 and December 1
Principal maturity date	December 1
Payable at	Amalgamated Bank of Chicago

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year Ending <u>December 31</u>	Requirements			Interest Due			
	Principal	Interest	Total	June 1	Amount	December 1	Amount
2012	\$ 710,000	\$ 72,500	\$ 782,500	2012	\$ 36,250	2012	\$ 36,250
2013	740,000	37,000	777,000	2013	18,500	2013	18,500
	\$ 1,450,000	\$ 109,500	\$ 1,559,500		\$ 54,750		\$ 54,750

CITY OF DES PLAINES, ILLINOIS
LONG TERM DEBT REQUIREMENTS
GENERAL OBLIGATION REFUNDING BONDS, SERIES 2005D (SEWER PORTION)
December 31, 2011

Date of issue	February 1, 2005
Date of maturity	December 1, 2018
Authorized issue	\$ 6,985,000
Denomination of bonds	\$ 5,000
Interest rates	2.25% to 5.00%
Interest dates	June 1 and December 1
Principal maturity date	December 1
Payable at	Amalgamated Bank of Chicago

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year Ending December 31	Requirements			Interest Due			
	Principal	Interest	Total	June 1	Amount	December 1	Amount
2012	\$ 520,000	\$ 230,174	\$ 750,174	2012	\$ 115,087	2012	\$ 115,087
2013	545,000	204,174	749,174	2013	102,087	2013	102,087
2014	765,000	176,924	941,924	2014	88,462	2014	88,462
2015	740,000	148,620	888,620	2015	74,310	2015	74,310
2016	760,000	120,500	880,500	2016	60,250	2016	60,250
2017	800,000	82,500	882,500	2017	41,250	2017	41,250
2018	850,000	42,500	892,500	2018	21,250	2018	21,250
	\$ 4,980,000	\$ 1,005,392	\$ 5,985,392		\$ 502,696		\$ 502,696

CITY OF DES PLAINES, ILLINOIS
LONG TERM DEBT REQUIREMENTS
GENERAL OBLIGATION REFUNDING BONDS, SERIES 2005D (LIBRARY PORTION)
December 31, 2011

Date of issue	February 1, 2005
Date of maturity	December 1, 2018
Authorized issue	\$ 3,575,000
Denomination of bonds	\$ 5,000
Interest rates	2.25% to 5.00%
Interest dates	June 1 and December 1
Principal maturity date	December 1
Payable at	Amalgamated Bank of Chicago

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year Ending <u>December 31</u>	Requirements			Interest Due			
	Principal	Interest	Total	<u>June 1</u>	Amount	<u>December 1</u>	Amount
2012	\$ 10,000	\$ 157,786	\$ 167,786	2012	\$ 78,893	2012	\$ 78,893
2013	10,000	157,284	167,284	2013	78,642	2013	78,642
2014	595,000	156,786	751,786	2014	78,393	2014	78,393
2015	665,000	134,770	799,770	2015	67,385	2015	67,385
2016	700,000	109,500	809,500	2016	54,750	2016	54,750
2017	730,000	74,500	804,500	2017	37,250	2017	37,250
2018	760,000	38,000	798,000	2018	19,000	2018	19,000
	\$ 3,470,000	\$ 828,626	\$ 4,298,626		\$ 414,313		\$ 414,313

CITY OF DES PLAINES, ILLINOIS
LONG TERM DEBT REQUIREMENTS
GENERAL OBLIGATION BONDS, SERIES 2005E (TOTAL ISSUE)
December 31, 2011

Date of issue	June 1, 2005
Date of maturity	December 1, 2022
Authorized issue	\$ 12,800,000
Denomination of bonds	\$ 5,000
Interest rates	3.60% to 4.25%
Interest dates	June 1 and December 1
Principal maturity date	December 1
Payable at	Amalgamated Bank of Chicago

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year Ending December 31	Requirements			Interest Due			
	Principal	Interest	Total	June 1	Amount	December 1	Amount
2012	\$ 485,000	\$ 207,314	\$ 692,314	2012	\$ 103,657	2012	\$ 103,657
2013	505,000	189,127	694,127	2013	94,563	2013	94,564
2014	525,000	168,927	693,927	2014	84,463	2014	84,464
2015	545,000	147,926	692,926	2015	73,963	2015	73,963
2016	570,000	126,125	696,125	2016	63,063	2016	63,062
2017	595,000	103,327	698,327	2017	51,664	2017	51,663
2018	615,000	79,527	694,527	2018	39,764	2018	39,763
2019	645,000	54,618	699,618	2019	27,309	2019	27,309
2020	675,000	28,012	703,012	2020	14,006	2020	14,006
	\$ 5,160,000	\$ 1,104,903	\$ 6,264,903		\$ 552,452		\$ 552,451

CITY OF DES PLAINES, ILLINOIS
LONG TERM DEBT REQUIREMENTS
GENERAL OBLIGATION BONDS, SERIES 2005E (TIF #1 PORTION)
December 31, 2011

Date of issue	June 1, 2005
Date of maturity	December 1, 2020
Authorized issue	\$ 1,000,000
Denomination of bonds	\$ 5,000
Interest rates	3.625% to 4.15%
Interest dates	June 1 and December 1
Principal maturity date	December 1
Payable at	Amalgamated Bank of Chicago

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year Ending December 31	Requirements			Interest Due			
	Principal	Interest	Total	June 1	Amount	December 1	Amount
2012	\$ 70,000	\$ 30,539	\$ 100,539	2012	\$ 15,270	2012	\$ 15,269
2013	75,000	27,914	102,914	2013	13,957	2013	13,957
2014	75,000	24,914	99,914	2014	12,457	2014	12,457
2015	80,000	21,914	101,914	2015	10,957	2015	10,957
2016	85,000	18,713	103,713	2016	9,357	2016	9,356
2017	90,000	15,314	105,314	2017	7,657	2017	7,657
2018	90,000	11,714	101,714	2018	5,857	2018	5,857
2019	95,000	8,068	103,068	2019	4,034	2019	4,034
2020	100,000	4,150	104,150	2020	2,075	2020	2,075
	\$ 760,000	\$ 163,240	\$ 923,240		\$ 81,621		\$ 81,619

CITY OF DES PLAINES, ILLINOIS
LONG TERM DEBT REQUIREMENTS
GENERAL OBLIGATION BONDS, SERIES 2005E (INFRASTRUCTURE PORTION)
December 31, 2011

Date of issue	June 1, 2005
Date of maturity	December 1, 2020
Authorized issue	\$ 6,500,000
Denomination of bonds	\$ 5,000
Interest rates	3.60% to 4.15%
Interest dates	June 1 and December 1
Principal maturity date	December 1
Payable at	Amalgamated Bank of Chicago

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year Ending December 31	Requirements			Interest Due			
	Principal	Interest	Total	June 1	Amount	December 1	Amount
2012	\$ 415,000	\$ 176,775	\$ 591,775	2012	\$ 88,387	2012	\$ 88,388
2013	430,000	161,213	591,213	2013	80,606	2013	80,607
2014	450,000	144,013	594,013	2014	72,006	2014	72,007
2015	465,000	126,012	591,012	2015	63,006	2015	63,006
2016	485,000	107,412	592,412	2016	53,706	2016	53,706
2017	505,000	88,013	593,013	2017	44,007	2017	44,006
2018	525,000	67,813	592,813	2018	33,907	2018	33,906
2019	550,000	46,550	596,550	2019	23,275	2019	23,275
2020	575,000	23,862	598,862	2020	11,931	2020	11,931
	\$ 4,400,000	\$ 941,663	\$ 5,341,663		\$ 470,831		\$ 470,832

CITY OF DES PLAINES, ILLINOIS
LONG TERM DEBT REQUIREMENTS
TAXABLE GENERAL OBLIGATION BONDS, SERIES 2005F (TIF #1)
December 31, 2011

Date of issue	June 1, 2005
Date of maturity	December 1, 2020
Authorized issue	\$ 4,725,000
Denomination of bonds	\$ 5,000
Interest rates	4.75%
Interest dates	June 1 and December 1
Principal maturity date	December 1
Payable at	Amalgamated Bank of Chicago

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year Ending December 31	Requirements			Interest Due			
	Principal	Interest	Total	June 1	Amount	December 1	Amount
2012	\$ 330,000	\$ 176,226	\$ 506,226	2012	\$ 88,113	2012	\$ 88,113
2013	350,000	160,550	510,550	2013	80,275	2013	80,275
2014	365,000	143,924	508,924	2014	71,962	2014	71,962
2015	385,000	126,588	511,588	2015	63,294	2015	63,294
2016	410,000	108,300	518,300	2016	54,150	2016	54,150
2017	430,000	88,824	518,824	2017	44,412	2017	44,412
2018	455,000	68,400	523,400	2018	34,200	2018	34,200
2019	480,000	46,788	526,788	2019	23,394	2019	23,394
2020	505,000	23,986	528,986	2020	11,993	2020	11,993
	\$ 3,710,000	\$ 943,586	\$ 4,653,586		\$ 471,793		\$ 471,793

CITY OF DES PLAINES, ILLINOIS
LONG TERM DEBT REQUIREMENTS
TAXABLE GENERAL OBLIGATION BONDS, SERIES 2005G (TIF #3)
December 31, 2011

Date of issue	June 1, 2005
Date of maturity	December 1, 2015
Authorized issue	\$ 500,000
Denomination of bonds	\$ 5,000
Interest rates	4.75%
Interest dates	June 1 and December 1
Principal maturity date	December 1
Payable at	Amalgamated Bank of Chicago

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year Ending <u>December 31</u>	Requirements			Interest Due			
	Principal	Interest	Total	June 1	Amount	December 1	Amount
2012	\$ 25,000	\$ 17,812	\$ 42,812	2012	\$ 8,906	2012	\$ 8,906
2013	25,000	16,624	41,624	2013	8,312	2013	8,312
2014	160,000	15,438	175,438	2014	7,719	2014	7,719
2015	165,000	7,838	172,838	2015	3,919	2015	3,919
	\$ 375,000	\$ 57,712	\$ 432,712		\$ 28,856		\$ 28,856

CITY OF DES PLAINES, ILLINOIS
LONG TERM DEBT REQUIREMENTS
GENERAL OBLIGATION REFUNDING BONDS, SERIES 2007A (TOTAL ISSUE)
December 31, 2011

Date of issue	October 23, 2007
Date of maturity	December 1, 2021
Authorized issue	\$ 6,065,000
Denomination of bonds	\$ 5,000
Interest rates	3.80%
Interest dates	June 1 and December 1
Principal maturity date	December 1
Payable at	Amalgamated Bank of Chicago

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year Ending December 31	Requirements			Interest Due			
	Principal	Interest	Total	June 1	Amount	December 1	Amount
2012	\$ 615,000	\$ 176,130	\$ 791,130	2012	\$ 88,065	2012	\$ 88,065
2013	650,000	152,760	802,760	2013	76,380	2013	76,380
2014	675,000	128,060	803,060	2014	64,030	2014	64,030
2015	700,000	102,410	802,410	2015	51,205	2015	51,205
2016	305,000	75,810	380,810	2016	37,905	2016	37,905
2017	310,000	64,220	374,220	2017	32,110	2017	32,110
2018	325,000	52,440	377,440	2018	26,220	2018	26,220
2019	340,000	40,090	380,090	2019	20,045	2019	20,045
2020	350,000	27,170	377,170	2020	13,585	2020	13,585
2021	365,000	13,870	378,870	2021	6,935	2021	6,935
	\$ 4,635,000	\$ 832,960	\$ 5,467,960		\$ 416,480		\$ 416,480

CITY OF DES PLAINES, ILLINOIS
LONG TERM DEBT REQUIREMENTS
GENERAL OBLIGATION REFUNDING BONDS, SERIES 2007A (REFUNDING 2000 PORTION)
December 31, 2011

Date of issue	October 23, 2007
Date of maturity	December 1, 2015
Authorized issue	\$ 2,570,000
Denomination of bonds	\$ 5,000
Interest rates	3.80%
Interest dates	June 1 and December 1
Principal maturity date	December 1
Payable at	Amalgamated Bank of Chicago

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year Ending <u>December 31</u>	Requirements			Interest Due			
	Principal	Interest	Total	June 1	Amount	December 1	Amount
2012	\$ 360,000	\$ 58,710	\$ 418,710	2012	\$ 29,355	2012	\$ 29,355
2013	380,000	45,030	425,030	2013	22,515	2013	22,515
2014	395,000	30,590	425,590	2014	15,295	2014	15,295
2015	410,000	15,580	425,580	2015	7,790	2015	7,790
	\$ 1,545,000	\$ 149,910	\$ 1,694,910		\$ 74,955		\$ 74,955

CITY OF DES PLAINES, ILLINOIS
LONG TERM DEBT REQUIREMENTS
GENERAL OBLIGATION REFUNDING BONDS, SERIES 2007A (STREET PORTION)
December 31, 2011

Date of issue	October 23, 2007
Date of maturity	December 1, 2021
Authorized issue	\$ 3,395,000
Denomination of bonds	\$ 5,000
Interest rates	3.80%
Interest dates	June 1 and December 1
Principal maturity date	December 1
Payable at	Amalgamated Bank of Chicago

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year Ending December 31	Requirements			Interest Due			
	Principal	Interest	Total	June 1	Amount	December 1	Amount
2012	\$ 255,000	\$ 117,420	\$ 372,420	2012	\$ 58,710	2012	\$ 58,710
2013	270,000	107,730	377,730	2013	53,865	2013	53,865
2014	280,000	97,470	377,470	2014	48,735	2014	48,735
2015	290,000	86,830	376,830	2015	43,415	2015	43,415
2016	305,000	75,810	380,810	2016	37,905	2016	37,905
2017	310,000	64,220	374,220	2017	32,110	2017	32,110
2018	325,000	52,440	377,440	2018	26,220	2018	26,220
2019	340,000	40,090	380,090	2019	20,045	2019	20,045
2020	350,000	27,170	377,170	2020	13,585	2020	13,585
2021	365,000	13,870	378,870	2021	6,935	2021	6,935
	\$ 3,090,000	\$ 683,050	\$ 3,773,050		\$ 341,525		\$ 341,525

CITY OF DES PLAINES, ILLINOIS
LONG TERM DEBT REQUIREMENTS
GENERAL OBLIGATION REFUNDING BONDS, SERIES 2007B (TOTAL ISSUE)
December 31, 2011

Date of issue	October 23, 2007
Date of maturity	December 1, 2021
Authorized issue	\$ 1,660,000
Denomination of bonds	\$ 5,000
Interest rates	3.80%

Interest dates	June 1 and December 1
Principal maturity date	December 1
Payable at	Amalgamated Bank of Chicago

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year Ending December 31	Requirements			Interest Due			
	Principal	Interest	Total	June 1	Amount	December 1	Amount
2012	\$ 130,000	\$ 44,840	\$ 174,840	2012	\$ 22,420	2012	\$ 22,420
2013	135,000	39,900	174,900	2013	19,950	2013	19,950
2014	140,000	34,770	174,770	2014	17,385	2014	17,385
2015	150,000	29,450	179,450	2015	14,725	2015	14,725
2016	150,000	23,750	173,750	2016	11,875	2016	11,875
2017	85,000	18,050	103,050	2017	9,025	2017	9,025
2018	90,000	14,820	104,820	2018	7,410	2018	7,410
2019	95,000	11,400	106,400	2019	5,700	2019	5,700
2020	100,000	7,790	107,790	2020	3,895	2020	3,895
2021	105,000	3,990	108,990	2021	1,995	2021	1,995
	1,180,000	228,760	1,408,760		114,380		114,380

CITY OF DES PLAINES, ILLINOIS
LONG TERM DEBT REQUIREMENTS
GENERAL OBLIGATION REFUNDING BONDS, SERIES 2007B (TIF#1 PORTION)
December 31, 2011

Date of issue	October 23, 2007
Date of maturity	December 1, 2016
Authorized issue	\$ 510,000
Denomination of bonds	\$ 5,000
Interest rates	3.80%

Interest dates	June 1 and December 1
Principal maturity date	December 1
Payable at	Amalgamated Bank of Chicago

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year Ending December 31	Requirements			Interest Due			
	Principal	Interest	Total	June 1	Amount	December 1	Amount
2012	\$ 55,000	\$ 11,590	\$ 66,590	2012	\$ 5,795	2012	\$ 5,795
2013	60,000	9,500	69,500	2013	4,750	2013	4,750
2014	60,000	7,220	67,220	2014	3,610	2014	3,610
2015	65,000	4,940	69,940	2015	2,470	2015	2,470
2016	65,000	2,470	67,470	2016	1,235	2016	1,235
	\$ 305,000	\$ 35,720	\$ 340,720		\$ 17,860		\$ 17,860

CITY OF DES PLAINES, ILLINOIS
LONG TERM DEBT REQUIREMENTS
GENERAL OBLIGATION REFUNDING BONDS, SERIES 2007B (FIRE STATION PORTION)
December 31, 2011

Date of issue	October 23, 2007
Date of maturity	December 1, 2021
Authorized issue	\$ 1,150,000
Denomination of bonds	\$ 5,000
Interest rates	3.80%

Interest dates	June 1 and December 1
Principal maturity date	December 1
Payable at	Amalgamated Bank of Chicago

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year Ending December 31	Requirements			Interest Due			
	Principal	Interest	Total	June 1	Amount	December 1	Amount
2012	\$ 75,000	\$ 33,250	\$ 108,250	2012	\$ 16,625	2012	\$ 16,625
2013	75,000	30,400	105,400	2013	15,200	2013	15,200
2014	80,000	27,550	107,550	2014	13,775	2014	13,775
2015	85,000	24,510	109,510	2015	12,255	2015	12,255
2016	85,000	21,280	106,280	2016	10,640	2016	10,640
2017	85,000	18,050	103,050	2017	9,025	2017	9,025
2018	90,000	14,820	104,820	2018	7,410	2018	7,410
2019	95,000	11,400	106,400	2019	5,700	2019	5,700
2020	100,000	7,790	107,790	2020	3,895	2020	3,895
2021	105,000	3,990	108,990	2021	1,995	2021	1,995
	875,000	193,040	1,068,040		96,520		96,520

CITY OF DES PLAINES, ILLINOIS
LONG TERM DEBT REQUIREMENTS
TAXABLE GENERAL OBLIGATION REFUNDING BONDS, SERIES 2008A (TOTAL ISSUE)
December 31, 2011

Date of issue	April 1, 2008
Date of maturity	December 1, 2021
Authorized issue	\$ 2,575,000
Denomination of bonds	\$ 5,000
Interest rates	3.25% to 5.25%
Interest dates	June 1 and December 1
Principal maturity date	December 1
Payable at	Amalgamated Bank of Chicago

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year Ending December 31	Requirements			Interest Due			
	Principal	Interest	Total	June 1	Amount	December 1	Amount
2012	\$ 230,000	\$ 82,614	\$ 312,614	2012	\$ 41,307	2012	\$ 41,307
2013	245,000	73,414	318,414	2013	36,707	2013	36,707
2014	250,000	63,370	313,370	2014	31,685	2014	31,685
2015	260,000	52,621	312,621	2015	26,311	2015	26,311
2016	275,000	40,920	315,920	2016	20,460	2016	20,460
2017	100,000	27,996	127,996	2017	13,998	2017	13,998
2018	100,000	23,094	123,094	2018	11,547	2018	11,547
2019	110,000	18,096	128,096	2019	9,048	2019	9,048
2020	115,000	12,486	127,486	2020	6,243	2020	6,243
2021	125,000	6,562	131,562	2021	3,281	2021	3,281
	1,810,000	401,173	2,211,173		200,587		200,587

CITY OF DES PLAINES, ILLINOIS
LONG TERM DEBT REQUIREMENTS
TAXABLE GENERAL OBLIGATION REFUNDING BONDS, SERIES 2008A (TIF#1 PORTION)
December 31, 2011

Date of issue	April 1, 2008
Date of maturity	December 1, 2016
Authorized issue	\$ 1,334,000
Denomination of bonds	\$ 5,000
Interest rates	3.25% to 4.70%
Interest dates	June 1 and December 1
Principal maturity date	December 1
Payable at	Amalgamated Bank of Chicago

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year Ending <u>December 31</u>	Requirements			Interest Due			
	Principal	Interest	Total	June 1	Amount	December 1	Amount
2012	\$ 149,000	\$ 35,324	\$ 184,324	2012	\$ 17,662	2012	\$ 17,662
2013	160,000	29,364	189,364	2013	14,682	2013	14,682
2014	161,000	22,804	183,804	2014	11,402	2014	11,402
2015	167,000	15,881	182,881	2015	7,941	2015	7,941
2016	178,000	8,366	186,366	2016	4,183	2016	4,183
	\$ 815,000	\$ 111,739	\$ 926,739		\$ 55,870		\$ 55,870

CITY OF DES PLAINES, ILLINOIS
LONG TERM DEBT REQUIREMENTS
TAXABLE GENERAL OBLIGATION REFUNDING BONDS, SERIES 2008A (TIF#3 PORTION)
December 31, 2011

Date of issue	April 1, 2008
Date of maturity	December 1, 2021
Authorized issue	\$ 1,241,000
Denomination of bonds	\$ 5,000
Interest rates	3.25% to 5.25%
Interest dates	June 1 and December 1
Principal maturity date	December 1
Payable at	Amalgamated Bank of Chicago

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year Ending December 31	Requirements			Interest Due			
	Principal	Interest	Total	June 1	Amount	December 1	Amount
2012	\$ 81,000	\$ 47,290	\$ 128,290	2012	\$ 23,645	2012	\$ 23,645
2013	85,000	44,050	129,050	2013	22,025	2013	22,025
2014	89,000	40,566	129,566	2014	20,283	2014	20,283
2015	93,000	36,740	129,740	2015	18,370	2015	18,370
2016	97,000	32,554	129,554	2016	16,277	2016	16,277
2017	100,000	27,996	127,996	2017	13,998	2017	13,998
2018	100,000	23,094	123,094	2018	11,547	2018	11,547
2019	110,000	18,096	128,096	2019	9,048	2019	9,048
2020	115,000	12,486	127,486	2020	6,243	2020	6,243
2021	125,000	6,562	131,562	2021	3,281	2021	3,281
	\$ 995,000	\$ 289,434	\$ 1,284,434		\$ 144,717		\$ 144,717

CITY OF DES PLAINES, ILLINOIS
LONG TERM DEBT REQUIREMENTS
TAXABLE GENERAL OBLIGATION REFUNDING BONDS, SERIES 2009A (CAPITAL APPRECIATION)
December 31, 2011

Date of issue	November 3, 2009
Date of maturity	December 1, 2023
Authorized issue	\$ 5,430,000
Denomination of bonds	\$ 5,000
Interest rates	3.00% to 5.80%
Interest dates	December 1
Principal maturity date	December 1
Payable at	Amalgamated Bank of Chicago

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year Ending <u>December 31</u>	Capital Appreciation Bonds				Total Principal Requirement
	<u>Original Amount</u>	<u>Accretion to Date</u>	<u>Current Payable</u>	<u>Future Accretion</u>	
2012	\$ 164,236	\$ 10,483	\$ 174,719	\$ 5,281	\$ 180,000
2013	148,164	10,751	158,915	11,085	170,000
2014	244,281	19,604	263,885	31,115	295,000
2015	201,357	18,387	219,744	40,256	260,000
2016	175,154	16,968	192,122	47,878	240,000
2017	256,650	26,296	282,946	92,054	375,000
2018	223,545	24,157	247,702	102,298	350,000
2019	192,780	21,917	214,697	110,303	325,000
2020	257,668	30,749	288,417	181,583	470,000
2021	225,713	27,960	253,673	191,327	445,000
2022	750,424	93,807	844,231	730,769	1,575,000
2023	333,112	42,020	375,132	369,868	745,000
	<u>\$ 3,173,084</u>	<u>\$ 343,099</u>	<u>\$ 3,516,183</u>	<u>\$ 1,913,817</u>	<u>\$ 5,430,000</u>

CITY OF DES PLAINES, ILLINOIS
LONG TERM DEBT REQUIREMENTS
GENERAL OBLIGATION REFUNDING BONDS, SERIES 2009B
December 31, 2011

Date of issue	November 3, 2009
Date of maturity	December 1, 2018
Authorized issue	\$ 4,175,000
Denomination of bonds	\$ 5,000
Interest rates	3.00% to 3.75%
Interest dates	June 1 and December 1
Principal maturity date	December 1
Payable at	Amalgamated Bank of Chicago

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year Ending <u>December 31</u>	Requirements			Interest Due			
	Principal	Interest	Total	June 1	Amount	December 1	Amount
2012	\$ 835,000	\$ 84,800	\$ 919,800	2012	\$ 42,400	2012	\$ 42,400
2013	865,000	59,750	924,750	2013	29,875	2013	29,875
2014	205,000	33,800	238,800	2014	16,900	2014	16,900
2015	205,000	27,650	232,650	2015	13,825	2015	13,825
2016	200,000	21,500	221,500	2016	10,750	2016	10,750
2017	200,000	14,500	214,500	2017	7,250	2017	7,250
2018	200,000	7,500	207,500	2018	3,750	2018	3,750
	\$ 2,710,000	\$ 249,500	\$ 2,959,500		\$ 124,750		\$ 124,750

CITY OF DES PLAINES, ILLINOIS
LONG TERM DEBT REQUIREMENTS
GENERAL OBLIGATION REFUNDING BONDS, SERIES 2010A
December 31, 2011

Date of issue	January 6, 2010
Date of maturity	December 1, 2028
Authorized issue	\$ 3,945,000
Denomination of bonds	\$ 5,000
Interest rates	3.625% to 4.25%
Interest dates	June 1 and December 1
Principal maturity date	December 1
Payable at	Amalgamated Bank of Chicago

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year Ending December 31	Requirements			Interest Due			
	Principal	Interest	Total	June 1	Amount	December 1	Amount
2012	\$ -	\$ 156,004	\$ 156,004	2012	\$ 78,002	2012	\$ 78,002
2013	-	156,004	156,004	2013	78,002	2013	78,002
2014	-	156,004	156,004	2014	78,002	2014	78,002
2015	-	156,004	156,004	2015	78,002	2015	78,002
2016	-	156,004	156,004	2016	78,002	2016	78,002
2017	-	156,004	156,004	2017	78,002	2017	78,002
2018	295,000	156,004	451,004	2018	78,002	2018	78,002
2019	305,000	145,310	450,310	2019	72,655	2019	72,655
2020	315,000	134,254	449,254	2020	67,127	2020	67,127
2021	330,000	122,834	452,834	2021	61,417	2021	61,417
2022	340,000	110,624	450,624	2022	55,312	2022	55,312
2023	355,000	97,026	452,026	2023	48,513	2023	48,513
2024	370,000	82,824	452,824	2024	41,412	2024	41,412
2025	385,000	68,026	453,026	2025	34,013	2025	34,013
2026	400,000	52,624	452,624	2026	26,312	2026	26,312
2027	415,000	36,124	451,124	2027	18,062	2027	18,062
2028	435,000	18,488	453,488	2028	9,244	2028	9,244
	\$ 3,945,000	\$ 1,960,162	\$ 5,905,162		\$ 980,081		\$ 980,081

CITY OF DES PLAINES, ILLINOIS
LONG TERM DEBT REQUIREMENTS
TAXABLE GENERAL OBLIGATION REFUNDING BONDS, SERIES 2010B (CAPITAL APPRECIATION)
December 31, 2011

Date of issue	January 6, 2010
Date of maturity	December 1, 2026
Authorized issue	\$ 6,110,760
Denomination of bonds	\$ 5,000
Interest rates	4.00% to 5.35%
Interest dates	December 1
Principal maturity date	December 1
Payable at	Amalgamated Bank of Chicago

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year Ending <u>December 31</u>	Capital Appreciation Bonds				Total Principal Requirement
	<u>Original Amount</u>	<u>Accretion to Date</u>	<u>Current Payable</u>	<u>Future Accretion</u>	
2017	\$ 266,906	\$ 20,892	\$ 287,798	\$ 77,202	\$ 365,000
2018	545,653	44,908	590,561	199,439	790,000
2019	513,382	44,327	557,709	232,291	790,000
2020	457,968	42,327	500,295	259,705	760,000
2021	416,648	41,052	457,700	292,300	750,000
2022	574,365	57,763	632,128	467,872	1,100,000
2023	891,472	91,477	982,949	837,051	1,820,000
2024	843,041	87,370	930,411	894,589	1,825,000
2025	794,295	83,129	877,424	947,576	1,825,000
2026	807,030	85,289	892,319	1,077,681	1,970,000
	<u>\$ 6,110,760</u>	<u>\$ 598,534</u>	<u>\$ 6,709,294</u>	<u>\$ 5,285,706</u>	<u>\$ 11,995,000</u>

CITY OF DES PLAINES, ILLINOIS
LONG TERM DEBT REQUIREMENTS
GENERAL OBLIGATION BONDS, SERIES 2011A (TOTAL ISSUE)
December 31, 2011

Date of issue	December 22, 2011
Date of maturity	December 1, 2021
Authorized issue	\$ 3,540,000
Denomination of bonds	\$ 5,000
Interest rates	2.00% to 2.50%
Interest dates	June 1 and December 1
Principal maturity date	December 1
Payable at	Amalgamated Bank of Chicago

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year Ending December 31	Requirements			Interest Due			
	Principal	Interest	Total	June 1	Amount	December 1	Amount
2012	\$ 280,000	\$ 73,414	\$ 353,414	2012	\$ 34,433	2012	\$ 38,981
2013	275,000	72,362	347,362	2013	36,181	2013	36,181
2014	295,000	66,863	361,863	2014	33,431	2014	33,432
2015	295,000	60,962	355,962	2015	30,481	2015	30,481
2016	295,000	55,062	350,062	2016	27,531	2016	27,531
2017	440,000	49,163	489,163	2017	24,581	2017	24,582
2018	455,000	40,362	495,362	2018	20,180	2018	20,182
2019	455,000	30,124	485,124	2019	15,062	2019	15,062
2020	465,000	18,751	483,751	2020	9,376	2020	9,375
2021	285,000	7,126	292,126	2021	3,563	2021	3,563
	\$ 3,540,000	\$ 474,189	\$ 4,014,189		\$ 234,819		\$ 239,370

CITY OF DES PLAINES, ILLINOIS
LONG TERM DEBT REQUIREMENTS
GENERAL OBLIGATION BONDS, SERIES 2011A (TIF #1 PORTION)
December 31, 2011

Date of issue	December 22, 2011
Date of maturity	December 1, 2021
Authorized issue	\$ 1,555,000
Denomination of bonds	\$ 5,000
Interest rates	2.00% to 2.50%
Interest dates	June 1 and December 1
Principal maturity date	December 1
Payable at	Amalgamated Bank of Chicago

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year Ending December 31	Requirements			Interest Due			
	Principal	Interest	Total	June 1	Amount	December 1	Amount
2012	\$ 160,000	\$ 31,452	\$ 191,452	2012	\$ 14,752	2012	\$ 16,700
2013	160,000	30,200	190,200	2013	15,100	2013	15,100
2014	170,000	27,000	197,000	2014	13,500	2014	13,500
2015	170,000	23,600	193,600	2015	11,800	2015	11,800
2016	170,000	20,200	190,200	2016	10,100	2016	10,100
2017	175,000	16,800	191,800	2017	8,400	2017	8,400
2018	180,000	13,300	193,300	2018	6,650	2018	6,650
2019	185,000	9,250	194,250	2019	4,625	2019	4,625
2020	185,000	4,625	189,625	2020	2,313	2020	2,312
	<u>\$ 1,555,000</u>	<u>\$ 176,427</u>	<u>\$ 1,731,427</u>		<u>\$ 87,240</u>		<u>\$ 89,187</u>

CITY OF DES PLAINES, ILLINOIS
LONG TERM DEBT REQUIREMENTS
GENERAL OBLIGATION BONDS, SERIES 2011A (TIF #3 PORTION)
December 31, 2011

Date of issue	December 22, 2011
Date of maturity	December 1, 2021
Authorized issue	\$ 755,000
Denomination of bonds	\$ 5,000
Interest rates	2.00% to 2.50%
Interest dates	June 1 and December 1
Principal maturity date	December 1
Payable at	Amalgamated Bank of Chicago

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year Ending December 31	Requirements			Interest Due			
	Principal	Interest	Total	June 1	Amount	December 1	Amount
2012	\$ 5,000	\$ 16,679	\$ 21,679	2012	\$ 7,823	2012	\$ 8,856
2013	-	17,612	17,612	2013	8,806	2013	8,806
2014	5,000	17,612	22,612	2014	8,806	2014	8,806
2015	5,000	17,512	22,512	2015	8,756	2015	8,756
2016	5,000	17,412	22,412	2016	8,706	2016	8,706
2017	140,000	17,312	157,312	2017	8,656	2017	8,656
2018	145,000	14,513	159,513	2018	7,256	2018	7,257
2019	145,000	11,250	156,250	2019	5,625	2019	5,625
2020	150,000	7,626	157,626	2020	3,813	2020	3,813
2021	155,000	3,876	158,876	2021	1,938	2021	1,938
	<u>\$ 755,000</u>	<u>\$ 141,404</u>	<u>\$ 896,404</u>		<u>\$ 70,185</u>		<u>\$ 71,219</u>

CITY OF DES PLAINES, ILLINOIS
LONG TERM DEBT REQUIREMENTS
GENERAL OBLIGATION BONDS, SERIES 2011A (TIF #5 PORTION)
December 31, 2011

Date of issue	December 22, 2011
Date of maturity	December 1, 2021
Authorized issue	\$ 980,000
Denomination of bonds	\$ 5,000
Interest rates	2.00% to 2.50%
Interest dates	June 1 and December 1
Principal maturity date	December 1
Payable at	Amalgamated Bank of Chicago

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year Ending December 31	Requirements			Interest Due			
	Principal	Interest	Total	June 1	Amount	December 1	Amount
2012	\$ 90,000	\$ 20,163	\$ 110,163	2012	\$ 9,457	2012	\$ 10,706
2013	90,000	19,612	109,612	2013	9,806	2013	9,806
2014	95,000	17,813	112,813	2014	8,906	2014	8,907
2015	95,000	15,912	110,912	2015	7,956	2015	7,956
2016	95,000	14,012	109,012	2016	7,006	2016	7,006
2017	100,000	12,113	112,113	2017	6,056	2017	6,057
2018	105,000	10,112	115,112	2018	5,056	2018	5,056
2019	100,000	7,750	107,750	2019	3,875	2019	3,875
2020	105,000	5,250	110,250	2020	2,625	2020	2,625
2021	105,000	2,626	107,626	2021	1,313	2021	1,313
	\$ 980,000	\$ 125,363	\$ 1,105,363		\$ 62,056		\$ 63,307

CITY OF DES PLAINES, ILLINOIS
LONG TERM DEBT REQUIREMENTS
GENERAL OBLIGATION BONDS, SERIES 2011A (TIF #6 PORTION)
December 31, 2011

Date of issue	December 22, 2011
Date of maturity	December 1, 2021
Authorized issue	\$ 250,000
Denomination of bonds	\$ 5,000
Interest rates	2.00% to 2.50%
Interest dates	June 1 and December 1
Principal maturity date	December 1
Payable at	Amalgamated Bank of Chicago

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year Ending December 31	Requirements			Interest Due			
	Principal	Interest	Total	June 1	Amount	December 1	Amount
2012	\$ 25,000	\$ 5,120	\$ 30,120	2012	\$ 2,401	2012	\$ 2,719
2013	25,000	4,938	29,938	2013	2,469	2013	2,469
2014	25,000	4,438	29,438	2014	2,219	2014	2,219
2015	25,000	3,938	28,938	2015	1,969	2015	1,969
2016	25,000	3,438	28,438	2016	1,719	2016	1,719
2017	25,000	2,938	27,938	2017	1,469	2017	1,469
2018	25,000	2,437	27,437	2018	1,218	2018	1,219
2019	25,000	1,874	26,874	2019	937	2019	937
2020	25,000	1,250	26,250	2020	625	2020	625
2021	25,000	624	25,624	2021	312	2021	312
	\$ 250,000	\$ 30,995	\$ 280,995		\$ 15,338		\$ 15,657

CITY OF DES PLAINES, ILLINOIS
LONG TERM DEBT REQUIREMENTS
TAX INCREMENT NOTE, SERIES 2002 - NORWOOD PARTNERSHIP LLC
December 31, 2011

Date of issue	June 1, 2002
Date of maturity	June 1, 2020
Authorized issue	\$ 462,389
Interest rates	5.25%
Interest dates	June 1
Principal maturity date	June 1
Payable at	Norwood Partnership LLC

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year Ending <u>December 31</u>	Requirements		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 25,793	\$ 15,086	\$ 40,879
2013	27,147	13,732	40,879
2014	28,572	12,307	40,879
2015	30,072	10,807	40,879
2016	31,651	9,228	40,879
2017	33,313	7,566	40,879
2018	35,062	5,817	40,879
2019	36,903	3,976	40,879
2020	38,840	2,039	40,879
	<u>\$ 287,353</u>	<u>\$ 80,558</u>	<u>\$ 367,911</u>

CITY OF DES PLAINES, ILLINOIS
LONG TERM DEBT REQUIREMENTS
TAX INCREMENT NOTE, SERIES 2003 - LAB GRACELAND
December 31, 2011

Date of issue	October 6, 2003
Date of maturity	June 1, 2020
Authorized issue	\$ 471,000
Interest rates	5.25%
Interest dates	June 1
Principal maturity date	June 1
Payable at	LAB Graceland Development Ltd.

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year Ending <u>December 31</u>	Requirements		
	Principal	Interest	Total
2012	\$ 27,285	\$ 15,959	\$ 43,244
2013	28,718	14,526	43,244
2014	30,225	13,019	43,244
2015	31,812	11,432	43,244
2016	33,482	9,762	43,244
2017	35,240	8,004	43,244
2018	37,090	6,154	43,244
2019	39,038	4,206	43,244
2020	41,087	2,157	43,244
	\$ 303,977	\$ 85,219	\$ 389,196

CITY OF DES PLAINES, ILLINOIS
 SHORT TERM DEBT REQUIREMENTS
 EQUIPMENT LOAN (FIRE ENGINE)
 December 31, 2011

Date of issue	April 7, 2009
Date of maturity	November 1, 2029
Authorized amount	\$ 250,000
Interest rates	0.00%
Principal maturity date	November 1
Payable at	Illinois Finance Authority

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year Ending <u>December 31</u>	<u>Requirements</u> <u>Principal</u>
2012	\$ 12,500
2013	12,500
2014	12,500
2015	12,500
2016	12,500
2017	12,500
2018	12,500
2019	12,500
2020	12,500
2021	12,500
2022	12,500
2023	12,500
2024	12,500
2025	12,500
2026	12,500
2027	12,500
2028	12,500
2029	12,500
	\$ 225,000

CITY OF DES PLAINES, ILLINOIS
 SHORT TERM DEBT REQUIREMENTS
 EQUIPMENT LOAN (TOWER LADDER FIRE TRUCK)
 December 31, 2011

Date of issue	June 29, 2007
Date of maturity	June 1, 2012
Authorized amount	\$ 400,000
Interest rates	4.11%
Interest dates	March 1, June 1, September 1 and December 1
Principal maturity date	June 1
Payable at	Banc of America Public Capital Corp

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year Ending <u>December 31</u>	Requirements			Interest Due			
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>March 1</u>	<u>June 1</u>	<u>September 1</u>	<u>December 1</u>
2012	\$ 43,651	\$ 674	\$ 44,324	\$ 449	\$ 225	\$ -	\$ -
	\$ 43,651	\$ 674	\$ 44,324	\$ 449	\$ 225	\$ -	\$ -

STATISTICAL SECTION

This part of the Government'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 Government's overall financial health.

Contents

Financial Trends

These schedules contain trend information to help the reader understand how the Government's financial performance and well-being have changed over time. 157-164

Revenue Capacity

These schedules contain information to help the reader assess the Government's most significant local revenue source, the property tax. 165-183

Debt Capacity

These schedules present information to help the reader assess the affordability of the Government's current levels of outstanding debt and the Government's ability to issue additional debt in the future. 184-188

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within the Government's financial activities take place. 189-192

Operating Information

These schedules contain information about the Government's service and resources to help the reader understand how the Government's financial information relates to the services the Government provides and the activities it performs. 193-201

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The Government implemented Statement 34 in 2003; schedules presenting government-wide information include information beginning in that year.

CITY OF DES PLAINES

CHANGES IN NET ASSETS Last Nine Calendar Years (accrual basis of accounting) December 31, 2011

	2003	2004	2005	2006
Expenses				
Governmental activities				
General government	\$ 5,491,601	\$ 9,700,124	\$ 5,905,963	\$ 6,752,529
Public safety	26,348,625	28,066,656	28,982,520	34,102,357
Public works	9,665,540	10,519,422	10,957,745	8,730,946
Streets and highways	5,891,769	2,836,098	8,522,062	9,692,117
Economic development	5,871,898	12,009,233	7,695,464	2,885,691
Interest	2,925,987	3,337,330	4,610,023	4,049,875
Total governmental activities expenses	<u>56,195,420</u>	<u>66,468,863</u>	<u>66,673,777</u>	<u>66,213,515</u>
Business-type activities				
Water	7,717,105	8,123,930	8,924,500	8,706,183
Parking system	652,738	593,148	781,808	1,206,169
Emergency communications	3,736,381	3,994,408	4,172,076	4,816,445
Total business-type activities	<u>12,106,224</u>	<u>12,711,486</u>	<u>13,878,384</u>	<u>14,728,797</u>
Total primary government expenses	<u>\$ 68,301,644</u>	<u>\$ 79,180,349</u>	<u>\$ 80,552,161</u>	<u>\$ 80,942,312</u>
Component unit - public library	<u>\$ 4,803,525</u>	<u>\$ 5,282,629</u>	<u>\$ 5,493,487</u>	<u>\$ 5,696,530</u>
Program Revenues				
Governmental activities				
Charges for services				
General government	\$ 2,945,480	\$ 3,644,050	\$ 4,293,840	\$ 3,150,016
Public safety	1,465,598	1,196,534	1,189,971	3,398,632
Public works	3,550,663	4,230,909	4,486,652	2,673,882
Streets and highways	1,388,056	1,610,978	1,377,833	1,717,115
Economic development	50,129	87,200	187,626	-
Operating grants and contributions	2,161,494	2,563,445	2,159,872	599,948
Capital grants and contributions	562,988	613,719	222,311	945,493
Total governmental activities program Revenues	<u>12,124,408</u>	<u>13,946,835</u>	<u>13,918,105</u>	<u>12,485,086</u>
Business-type activities				
Charges for services				
Water	9,165,940	9,666,082	10,301,213	9,639,028
Parking system	184,809	174,123	209,090	261,747
Emergency communications	3,968,410	3,974,111	4,450,986	4,581,164
Operating grants and contributions	-	-	-	309,784
Capital grants and contributions	-	-	-	-
Total business-type activities program Revenues	<u>13,319,159</u>	<u>13,814,316</u>	<u>14,961,289</u>	<u>14,791,723</u>
Total primary government program	<u>\$ 25,443,567</u>	<u>\$ 27,761,151</u>	<u>\$ 28,879,394</u>	<u>\$ 27,276,809</u>
Component unit - public library				
Charges for services	\$ 144,098	\$ 148,898	\$ 147,392	\$ 154,056
Operating grants	73,400	112,598	148,902	137,227
Capital grants	50,482	-	-	-
Total component unit - public library Revenues	<u>\$ 267,980</u>	<u>\$ 261,496</u>	<u>\$ 296,294</u>	<u>\$ 291,283</u>
Net (expense)/revenue				
Governmental activities	(44,071,012)	(52,522,028)	(52,755,672)	(53,728,429)
Business-type activities	1,212,935	1,102,830	1,082,905	62,926
Total primary government net expense	<u>\$ (42,858,077)</u>	<u>\$ (51,419,198)</u>	<u>\$ (51,672,767)</u>	<u>\$ (53,665,503)</u>
Component unit - public library net Expense	<u>\$ (4,535,545)</u>	<u>\$ (5,021,133)</u>	<u>\$ (5,197,193)</u>	<u>\$ (5,405,247)</u>

	2007	2008	2009	2010	2011
\$	6,267,556	\$ 5,268,048	\$ 8,913,451	\$ 8,939,465	\$ 18,270,898
	31,161,886	36,126,401	36,457,403	35,365,323	38,529,145
	10,282,409	10,520,898	9,608,620	7,550,803	8,537,753
	6,902,837	11,260,079	10,807,891	9,499,575	10,341,746
	1,780,760	3,504,617	2,184,724	1,487,301	1,161,997
	4,172,033	4,031,768	3,984,468	3,631,361	3,274,304
	<u>60,567,481</u>	<u>70,711,811</u>	<u>71,956,557</u>	<u>66,473,828</u>	<u>80,115,843</u>
	8,693,595	11,038,869	11,831,289	11,912,298	12,528,325
	1,015,561	1,034,814	888,277	803,475	802,934
	4,724,236	5,005,419	-	-	-
	<u>14,433,392</u>	<u>17,079,102</u>	<u>12,719,566</u>	<u>12,715,773</u>	<u>13,331,259</u>
\$	<u>75,000,873</u>	<u>\$ 87,790,913</u>	<u>\$ 84,676,123</u>	<u>\$ 79,189,601</u>	<u>\$ 93,447,102</u>
\$	<u>6,041,020</u>	<u>\$ 6,393,149</u>	<u>\$ 6,482,277</u>	<u>\$ 5,994,030</u>	<u>\$ 5,798,824</u>
\$	3,417,462	\$ 4,319,510	\$ 8,182,538	\$ 8,546,887	\$ 6,223,077
	3,135,477	2,600,306	2,450,209	3,293,616	3,740,733
	3,187,494	3,408,346	3,537,886	3,694,457	3,826,957
	1,752,532	1,664,099	1,531,176	2,376,318	2,323,567
	-	-	-	-	-
	1,483,651	3,212,671	1,970,206	3,322,252	3,797,791
	<u>1,823,040</u>	<u>232,175</u>	<u>438,582</u>	<u>11,294,273</u>	<u>4,851,117</u>
	<u>14,799,656</u>	<u>15,437,107</u>	<u>18,110,597</u>	<u>32,527,803</u>	<u>24,763,242</u>
	9,736,135	11,759,644	10,965,188	11,509,315	11,286,580
	329,478	315,071	267,699	309,312	283,554
	5,089,957	6,251,670	-	-	-
	25,546	153,853	-	132,274	4,691
	-	-	-	235,119	-
	<u>15,181,116</u>	<u>18,480,238</u>	<u>11,232,887</u>	<u>12,186,020</u>	<u>11,574,825</u>
\$	<u>29,980,772</u>	<u>\$ 33,917,345</u>	<u>\$ 29,343,484</u>	<u>\$ 44,713,823</u>	<u>\$ 36,338,067</u>
\$	152,787	\$ 142,245	\$ 147,700	\$ 166,497	\$ 147,023
	108,801	157,151	78,014	65,969	64,080
	-	-	-	-	-
\$	<u>261,588</u>	<u>\$ 299,396</u>	<u>\$ 225,714</u>	<u>\$ 232,466</u>	<u>\$ 211,103</u>
	(45,767,825)	(55,274,704)	(53,845,960)	(33,946,025)	(55,352,601)
	747,724	1,401,136	(1,486,679)	(529,753)	(1,756,434)
\$	<u>(45,020,101)</u>	<u>\$ (53,873,568)</u>	<u>\$ (55,332,639)</u>	<u>\$ (34,475,778)</u>	<u>\$ (57,109,035)</u>
\$	<u>(5,779,432)</u>	<u>\$ (6,093,753)</u>	<u>\$ (6,256,563)</u>	<u>\$ (5,761,564)</u>	<u>\$ (5,587,721)</u>

CITY OF DES PLAINES

CHANGES IN NET ASSETS
Last Nine Calendar Years
(accrual basis of accounting)
December 31, 2011

	2003	2004	2005	2006
General Revenues and Other Changes in Net Assets				
Governmental activities				
Taxes				
Property	\$ 17,002,913	\$ 17,828,162	\$ 19,949,024	\$ 22,115,583
Replacement	716,865	821,910	1,193,354	1,238,962
Sales	7,845,715	7,806,132	8,104,425	9,220,053
Utility	2,410,726	2,358,182	2,594,534	2,579,105
Income	3,870,529	3,644,821	4,284,621	5,197,409
Home rule sales	3,828,194	3,952,935	4,119,582	4,887,837
Food and beverage	795,868	769,662	807,421	933,162
Hotel/motel	670,314	706,308	789,748	1,242,613
Real estate transfer	973,516	1,004,785	1,114,479	1,186,212
Local option motor fuel	631,840	1,052,946	929,005	1,527,438
Gaming	-	-	-	-
Other	1,961,501	1,967,450	1,982,000	2,541,496
Investment income	276,627	569,439	895,113	1,445,882
Miscellaneous	2,134,017	130,091	181,237	246,840
Gain (loss) on sale of capital assets	(69,879)	81,816	45,300	3,479,486
Contributions	41,571	-	-	-
Transfers	192,120	(4,746,515)	(847,230)	(45,809)
Total governmental activities	<u>43,282,437</u>	<u>37,948,124</u>	<u>46,142,613</u>	<u>57,796,269</u>
Business-type activities				
Investment income	7,917	11,039	29,041	76,614
Miscellaneous	87,801	47,345	13,651	6,626
Contributions	136,878	-	-	-
Transfers	(192,120)	4,746,515	847,230	45,809
Total business-type activities	<u>40,476</u>	<u>4,804,899</u>	<u>889,922</u>	<u>129,049</u>
Total primary government	<u>\$ 43,322,913</u>	<u>\$ 42,753,023</u>	<u>\$ 47,032,535</u>	<u>\$ 57,925,318</u>
Component unit - public library				
Taxes				
Property	\$ 4,235,753	\$ 4,657,586	\$ 5,129,546	\$ 5,696,408
Replacement	92,988	92,988	92,988	92,988
Investment income	11,615	3,771	8,526	29,406
Other general revenues	15,069	17,905	53,423	36,001
Total component unit - public library	<u>\$ 4,355,425</u>	<u>\$ 4,772,250</u>	<u>\$ 5,284,483</u>	<u>\$ 5,854,803</u>
Changes in Net Assets				
Governmental activities	\$ (788,575)	\$ (14,573,904)	\$ (6,613,059)	\$ 4,067,840
Business-type activities	1,253,411	5,907,729	1,972,827	191,975
Total primary government	<u>\$ 464,836</u>	<u>\$ (8,666,175)</u>	<u>\$ (4,640,232)</u>	<u>\$ 4,259,815</u>
Total component unit - public library	<u>\$ (180,120)</u>	<u>\$ (248,883)</u>	<u>\$ 87,290</u>	<u>\$ 449,556</u>

	2007	2008	2009	2010	2011
\$	23,773,249	\$ 26,700,637	\$ 27,934,060	\$ 29,117,259	\$ 29,671,822
	1,530,070	1,408,713	1,229,867	1,296,063	1,207,737
	9,265,270	9,147,989	8,271,828	8,589,981	8,690,828
	2,510,644	2,583,405	2,184,785	3,353,950	3,401,735
	5,296,209	5,446,073	4,686,475	4,580,927	4,515,411
	5,735,928	5,559,673	4,775,264	4,834,624	5,034,311
	964,590	953,597	897,541	911,865	1,059,647
	1,298,403	1,621,451	1,243,395	1,387,872	1,440,269
	975,339	525,343	341,949	399,853	393,417
	1,687,130	857,659	828,082	1,683,503	1,719,941
	-	-	-	-	10,819,591
	3,454,589	3,802,103	4,799,937	4,364,047	4,541,664
	816,908	420,479	98,711	74,585	82,369
	296,990	1,095,228	1,422,497	965,645	783,626
	(6,108,598)	100,853	35,221	87,960	-
	-	-	-	-	-
	210,074	156,211	(94,340)	262,432	(236,313)
	<u>51,706,795</u>	<u>60,379,414</u>	<u>58,655,272</u>	<u>61,910,566</u>	<u>73,126,055</u>
	223,390	61,239	5,560	2,649	1,519
	161,232	-	20,097	27,568	845
	-	-	-	-	-
	(210,074)	(156,211)	94,340	(262,432)	236,313
	<u>174,548</u>	<u>(94,972)</u>	<u>119,997</u>	<u>(232,215)</u>	<u>238,677</u>
\$	<u>51,881,343</u>	<u>\$ 60,284,442</u>	<u>\$ 58,775,269</u>	<u>\$ 61,678,351</u>	<u>\$ 73,364,732</u>
\$	5,970,175	\$ 6,478,587	\$ 6,618,324	\$ 6,352,938	\$ 6,625,483
	92,988	92,988	92,988	46,494	92,988
	52,417	46,892	6,838	4,167	2,434
	<u>25,675</u>	<u>48,461</u>	<u>24,978</u>	<u>31,748</u>	<u>32,010</u>
\$	<u>6,141,255</u>	<u>\$ 6,666,928</u>	<u>\$ 6,743,128</u>	<u>\$ 6,435,347</u>	<u>\$ 6,752,915</u>
\$	5,938,970	\$ 5,104,710	\$ 4,809,312	\$ 27,964,541	\$ 17,773,454
	<u>922,272</u>	<u>1,306,164</u>	<u>(1,366,682)</u>	<u>(761,968)</u>	<u>(1,517,757)</u>
\$	<u>6,861,242</u>	<u>\$ 6,410,874</u>	<u>\$ 3,442,630</u>	<u>\$ 27,202,573</u>	<u>\$ 16,255,697</u>
\$	<u>361,823</u>	<u>\$ 573,175</u>	<u>\$ 486,565</u>	<u>\$ 673,783</u>	<u>\$ 1,165,194</u>

CITY OF DES PLAINES

NET ASSETS BY COMPONENT Last Nine Calendar Years (accrual basis of accounting) December 31, 2011

	<u>2003</u>	<u>2004</u>	<u>2005</u>
Governmental Activities			
Invested in Capital Assets, net of related debt	\$ 101,112,363	\$ 92,567,545	\$ 80,553,806
Restricted	11,895,745	12,681,078	9,879,543
Unrestricted	<u>7,190,498</u>	<u>330,345</u>	<u>5,783,030</u>
Total Governmental Activities net assets	<u>\$ 120,198,606</u>	<u>\$ 105,578,968</u>	<u>\$ 96,216,379</u>
Business-type Activities			
Invested in Capital Assets, net of related debt	\$ 23,133,889	\$ 28,369,911	\$ 31,767,374
Unrestricted	<u>3,391,064</u>	<u>4,382,465</u>	<u>5,611,933</u>
Total Business-type Activities net assets	<u>\$ 26,524,953</u>	<u>\$ 32,752,376</u>	<u>\$ 37,379,307</u>
Primary Government			
Invested in Capital Assets, net of related debt	\$ 124,246,252	\$ 120,937,456	\$ 112,321,180
Restricted	11,895,745	12,681,078	9,879,543
Unrestricted	<u>10,581,562</u>	<u>4,712,810</u>	<u>11,394,963</u>
Total Primary Government net assets	<u>\$ 146,723,559</u>	<u>\$ 138,331,344</u>	<u>\$ 133,595,686</u>
Component Unit - Public Library			
Invested in Capital Assets, net of related debt	\$ 279,720	\$ 358,776	\$ 324,570
Restricted	<u>525,051</u>	<u>197,112</u>	<u>318,608</u>
Total Component Unit net assets	<u>\$ 804,771</u>	<u>\$ 555,888</u>	<u>\$ 643,178</u>

2006	2007	2008	2009	2010	2011
\$ 84,159,240	\$ 94,992,957	\$ 100,771,214	\$ 106,143,382	\$ 120,440,844	\$ 116,287,802
5,730,529	4,848,350	2,049,450	3,610,610	6,995,311	9,031,827
10,394,451	4,594,811	6,720,164	4,596,148	16,645,504	36,535,484
<u>\$ 100,284,220</u>	<u>\$ 104,436,118</u>	<u>\$ 109,540,828</u>	<u>\$ 114,350,140</u>	<u>\$ 144,081,659</u>	<u>\$ 161,855,113</u>
\$ 32,091,486	\$ 31,379,369	\$ 31,610,951	\$ 30,743,586	\$ 30,365,465	\$ 30,336,201
5,479,796	7,328,004	8,402,586	6,052,456	5,668,609	4,180,116
<u>\$ 37,571,282</u>	<u>\$ 38,707,373</u>	<u>\$ 40,013,537</u>	<u>\$ 36,796,042</u>	<u>\$ 36,034,074</u>	<u>\$ 34,516,317</u>
\$ 116,250,726	\$ 126,372,326	\$ 132,382,165	\$ 136,886,968	\$ 150,806,309	\$ 146,624,003
5,730,529	4,848,350	2,049,450	3,610,610	6,995,311	9,031,827
15,874,247	11,922,815	15,122,750	10,648,604	22,314,113	40,715,600
<u>\$ 137,855,502</u>	<u>\$ 143,143,491</u>	<u>\$ 149,554,365</u>	<u>\$ 151,146,182</u>	<u>\$ 180,115,733</u>	<u>\$ 196,371,430</u>
\$ 289,865	\$ 254,678	\$ 934,174	\$ 894,053	\$ 853,306	\$ 814,501
802,869	1,301,241	1,194,920	1,721,606	2,436,136	3,640,135
<u>\$ 1,092,734</u>	<u>\$ 1,555,919</u>	<u>\$ 2,129,094</u>	<u>\$ 2,615,659</u>	<u>\$ 3,289,442</u>	<u>\$ 4,454,636</u>

CITY OF DES PLAINES

FUND BALANCES, GOVERNMENTAL FUNDS
Last Ten Calendar Years
(modified accrual basis of accounting)
December 31, 2011

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
General Fund				
Reserved	\$ 20,874	\$ 10,323	\$ 20,097	\$ 14,104
Unreserved	<u>3,578,880</u>	<u>4,451,730</u>	<u>9,044,751</u>	<u>8,127,664</u>
Nonspendable				
Unassigned				
Total general fund	<u>3,599,754</u>	<u>4,462,053</u>	<u>9,064,848</u>	<u>8,141,768</u>
All Other Governmental Funds				
Restricted	10,953,776	10,494,344	9,553,545	12,476,268
Unassigned, reported in				
Special revenue funds	5,040,269	2,092,525	(436,909)	(3,806,028)
Capital projects funds	<u>10,306,941</u>	<u>4,251,563</u>	<u>4,419,476</u>	<u>5,834,777</u>
Restricted				
Assigned				
Unassigned				
Total all other governmental funds	<u>26,300,986</u>	<u>16,838,432</u>	<u>13,536,112</u>	<u>14,505,017</u>
Total Fund Balances	<u>\$ 29,900,740</u>	<u>\$ 21,300,485</u>	<u>\$ 22,600,960</u>	<u>\$ 22,646,785</u>

Note: The change in the classifications of fund balance amounts in 2011 are discussed in Footnote 1 of the Financial Statements. Amounts prior to 2011 have not been restated for the implementation of Statement 54.

<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
\$ 12,159	\$ 3,853,331	\$ 6,881,187	\$ 8,140,055	\$ 8,811,994	\$ 7,980,992	
<u>7,208,910</u>	<u>3,929,509</u>	<u>1,075,635</u>	<u>1,230,256</u>	<u>4,174,231</u>	<u>15,413,074</u>	
						\$ 8,162,664
						<u>21,080,549</u>
<u>7,221,069</u>	<u>7,782,840</u>	<u>7,956,822</u>	<u>9,370,311</u>	<u>12,986,225</u>	<u>23,394,066</u>	<u>29,243,213</u>
9,732,766	9,056,602	5,148,408	3,967,977	3,804,011	7,372,378	
(811,113)	(4,143,559)	(6,416,203)	323,048	(5,103,056)	(8,172,234)	
<u>7,852,816</u>	<u>5,399,856</u>	<u>4,424,994</u>	<u>(4,648,291)</u>	<u>159,406</u>	<u>9,715,559</u>	
						12,910,496
						4,276,184
						<u>(8,473,704)</u>
<u>16,774,469</u>	<u>10,312,899</u>	<u>3,157,199</u>	<u>(357,266)</u>	<u>(1,139,639)</u>	<u>8,915,703</u>	<u>8,712,976</u>
<u>\$ 23,995,538</u>	<u>\$ 18,095,739</u>	<u>\$ 11,114,021</u>	<u>\$ 9,013,045</u>	<u>\$ 11,846,586</u>	<u>\$ 32,309,769</u>	<u>\$ 37,956,189</u>

CITY OF DES PLAINES

CHANGE IN FUND BALANCES, GOVERNMENTAL FUNDS

Last Ten Calendar Years

(modified accrual basis of accounting)

December 31, 2011

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
Revenues				
Taxes	\$ 32,905,548	\$ 34,788,165	\$ 36,682,228	\$ 29,421,135
Licenses and permits	2,727,812	3,044,361	3,702,236	4,649,570
Intergovernmental	8,118,287	7,460,661	7,104,318	15,686,591
Charges for services	5,307,708	6,290,962	4,075,411	4,775,440
Fines and forfeits	810,126	840,796	1,159,037	1,147,014
Investment income	1,083,618	870,395	276,630	569,439
Contributions	-	-	-	-
Miscellaneous	<u>219,399</u>	<u>259,695</u>	<u>243,176</u>	<u>2,672,277</u>
Total revenues	<u>51,172,498</u>	<u>53,555,035</u>	<u>53,243,036</u>	<u>58,921,466</u>
Expenditures				
General government	5,113,311	4,488,140	4,952,301	5,751,293
Public safety	23,235,960	25,744,068	24,954,192	28,003,280
Municipal development	2,016,173	1,941,033	-	-
Public works	9,913,709	12,481,026	8,289,415	9,450,181
Streets and highways	-	-	2,906,623	5,120,479
Human resources and social services	572,531	587,576	-	-
Civic and cultural	204,360	-	-	-
Community Development Block Grant Program	458,156	452,907	-	-
Economic development	-	-	10,564,290	11,854,692
Capital outlay	9,280,333	9,515,908	4,298,170	9,277,240
Debt service				
Principal retirement	3,602,145	3,818,404	7,214,635	4,847,212
Interest and fiscal charges	3,188,630	3,395,460	-	3,263,697
Payment to Refunding Bond Escrow	-	-	-	-
Total expenditures	<u>57,585,308</u>	<u>62,424,522</u>	<u>63,179,626</u>	<u>77,568,074</u>
Excess (deficiency) of revenues over expenditures	<u>(6,412,810)</u>	<u>(8,869,487)</u>	<u>(9,936,590)</u>	<u>(18,646,608)</u>
Other financing sources (uses)				
Proceeds from issuance of debt	12,630,000	4,860,548	16,985,000	18,050,000
Premium on bond issuance	-	-	60,458	11,365
Discount on bond issuance	-	-	(104,548)	(88,961)
Note proceeds	-	377,229	502,301	-
Proceeds from sale of capital assets	-	-	423,182	81,816
Payments to escrow agent	(1,784,201)	(4,817,933)	(6,863,167)	-
Transfers in	3,216,733	4,525,236	2,887,468	954,933
Transfers (out)	<u>(3,052,262)</u>	<u>(4,351,922)</u>	<u>(2,682,817)</u>	<u>(680,000)</u>
Total other financing sources (uses)	<u>11,010,270</u>	<u>593,158</u>	<u>11,207,877</u>	<u>18,329,153</u>
Special Items	-	-	-	-
Net Changes in Fund Balance	<u>\$ 4,597,460</u>	<u>\$ (8,276,329)</u>	<u>\$ 1,271,287</u>	<u>\$ (317,455)</u>
Debt service as a percentage of noncapital expenditures	14.1%	13.6%	12.3%	11.9%

	2005	2006	2007	2008	2009	2010	2011
\$	31,999,844	\$ 35,327,688	\$ 38,408,908	\$ 42,454,384	\$ 42,739,121	\$ 46,081,248	\$ 57,820,338
	5,035,156	4,087,868	3,837,256	3,228,153	3,011,551	4,054,683	3,086,311
	16,490,108	17,506,403	19,744,856	19,669,690	17,142,000	29,252,026	21,250,400
	5,270,418	5,217,844	6,115,781	6,830,049	7,908,810	8,622,603	8,668,091
	952,933	1,369,000	1,431,591	1,676,088	1,764,036	1,852,008	1,605,620
	895,080	1,445,831	816,908	361,361	79,339	71,106	81,711
	-	-	-	-	-	654,060	848,601
	191,419	1,004,746	463,875	512,978	1,320,926	586,682	653,854
	<u>60,834,958</u>	<u>65,959,380</u>	<u>70,819,175</u>	<u>74,732,703</u>	<u>73,965,783</u>	<u>91,174,416</u>	<u>94,014,926</u>
	6,561,256	7,244,757	7,585,644	7,545,984	7,464,278	7,074,551	14,294,213
	28,697,511	31,076,746	30,618,015	34,734,218	35,684,024	34,559,879	37,181,399
	-	-	-	-	-	-	-
	10,205,911	9,737,407	7,831,725	12,093,814	6,680,294	5,526,605	7,365,744
	1,688,099	927,067	5,259,528	1,267,168	5,069,135	4,236,133	5,042,655
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	7,126,888	2,653,204	1,962,384	4,450,756	3,292,776	1,761,408	1,195,611
	20,361,771	15,015,630	17,051,160	6,151,506	5,231,568	10,008,489	15,060,979
	5,607,651	6,055,440	6,649,830	7,225,135	7,128,545	6,801,692	7,152,599
	4,392,379	4,801,392	4,135,049	3,841,376	3,381,316	2,936,858	2,362,196
	-	-	-	-	-	-	815,034
	<u>84,641,466</u>	<u>77,511,643</u>	<u>81,093,335</u>	<u>77,309,957</u>	<u>73,931,936</u>	<u>72,905,615</u>	<u>90,470,430</u>
	<u>(23,806,508)</u>	<u>(11,552,263)</u>	<u>(10,274,160)</u>	<u>(2,577,254)</u>	<u>33,847</u>	<u>18,268,801</u>	<u>3,544,496</u>
	39,255,000	-	8,125,000	2,575,000	7,598,084	10,055,760	3,540,000
	1,042,125	-	-	-	131,220	-	40,452
	(296,416)	-	-	-	-	-	-
	-	-	-	-	-	-	-
	845,300	5,232,723	2,292,098	242,678	-	-	-
	(16,263,176)	-	(7,634,233)	(2,517,611)	(7,315,260)	(9,123,820)	(3,541,973)
	2,344,347	3,854,740	2,604,792	1,325,839	4,670,374	2,860,136	3,800,215
	<u>(1,935,000)</u>	<u>(3,435,000)</u>	<u>(1,790,143)</u>	<u>(1,169,628)</u>	<u>(2,264,714)</u>	<u>(1,597,704)</u>	<u>(3,637,516)</u>
	<u>24,992,180</u>	<u>5,652,463</u>	<u>3,597,514</u>	<u>456,278</u>	<u>2,819,704</u>	<u>2,194,372</u>	<u>201,178</u>
	-	-	-	-	-	-	1,900,746
\$	<u>1,185,672</u>	<u>\$ (5,899,800)</u>	<u>\$ (6,676,646)</u>	<u>\$ (2,120,976)</u>	<u>\$ 2,853,551</u>	<u>\$ 20,463,173</u>	<u>\$ 5,646,420</u>
	15.6%	17.4%	16.8%	15.6%	15.3%	15.3%	12.1%

CITY OF DES PLAINES

ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY Last Ten Levy Years December 31, 2011

Levy Year	Equalized Assessed Value				Total Equalized Assessed Value	Total Direct Rate	Total Actual Value
	Residential Property	Commercial Property	Industrial Property	Railroad Property			
2000	\$ 603,869,556	\$ 388,661,968	\$ 460,257,802	\$ 807,746	\$ 1,453,597,072	0.880	\$ 4,360,834,824
2001	746,001,992	441,890,666	479,650,600	821,286	1,668,364,544	0.818	5,005,143,683
2002	815,636,863	452,257,361	508,406,299	930,959	1,777,231,482	0.830	5,331,747,763
2003	820,152,717	435,374,304	504,398,708	1,008,971	1,760,934,700	0.895	5,282,856,929
2004	968,894,536	466,225,897	538,079,254	1,254,325	1,974,454,012	0.852	5,923,421,270
2005	1,048,729,126	486,965,767	562,477,260	1,277,551	2,099,449,704	0.865	6,298,412,096
2006	1,098,297,899	456,777,248	553,576,732	1,417,627	2,110,069,506	0.928	6,330,208,518
Levy Year	Equalized Assessed Value				Total Equalized Assessed Value	Total Direct Rate	Total Actual Value
	Real Estate Property	Air Pollution Control District	Railroad Property				
2007	\$ 2,465,848,831	\$ 1,042	\$ 1,613,955		\$ 2,467,463,828	0.850	\$ 7,402,465,509
2008	2,626,756,979	858	1,831,615		2,628,588,594	0.831	7,885,844,640
2009	2,526,387,003	845	2,037,298		2,528,425,146	0.917	7,585,351,292
2010	2,392,169,028	825	2,507,411		2,394,677,264	0.999	7,184,103,633

Source: Cook County Clerk's Office (new categories beginning with the 2007 Levy)

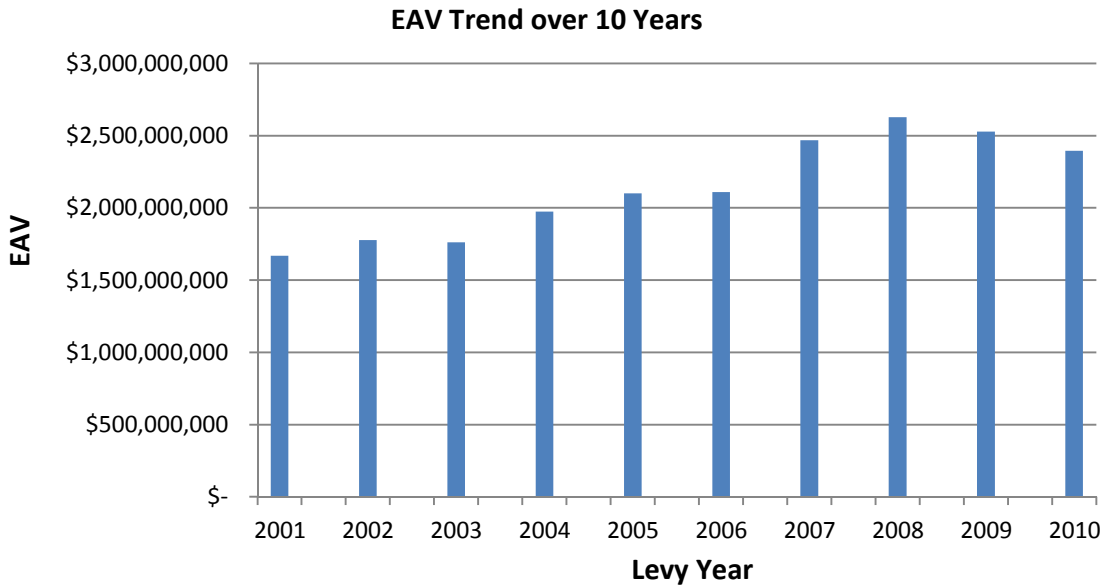
Note: Property is reassessed once every three years. Property is assessed at 1/3 actual value. Tax rates are per \$100 of assessed value. Fiscal year data is based on the previous calendar year's (levy year) assessed value (i.e. data presented for the Fiscal Year ended December 31, 2011 is based on the 2010 assessed value.)

CITY OF DES PLAINES

TREND OF EQUALIZED ASSESSED VALUATIONS Last Ten Levy Years December 31, 2011

Levy Year	Equalized Assessed Value	Percentage Increase (Decrease)	Estimated Actual Value	Ratio of Equalized Assessed Value to Estimated Actual Value
2001	\$ 1,668,364,544	14.77%	\$ 5,005,093,632	33.33%
2002	1,777,231,482	6.53%	5,331,694,446	33.33%
2003	1,760,934,700	(0.92%)	5,282,804,100	33.33%
2004	1,974,454,012	12.13%	5,923,362,036	33.33%
2005	2,099,449,704	6.33%	6,298,349,112	33.33%
2006	2,110,069,506	0.51%	6,330,208,518	33.33%
2007	2,467,463,828	16.94%	7,402,391,484	33.33%
2008	2,628,588,594	6.53%	7,885,765,782	33.33%
2009	2,528,425,146	(3.81%)	7,585,275,438	33.33%
2010	2,394,677,264	(5.29%)	7,184,031,792	33.33%

Source: Cook County Clerk's office



CITY OF DES PLAINES

MAINE TOWNSHIP TYPICAL TAX RATES PER \$100 OF EQUALIZED ASSESSED VALUATION Last Ten Calendar Years

Tax Levy Year	Total	City	Library	Cook County	Water Reclamation District	Park District	School (1)	Other (2)
2001	7.312	0.818	0.253	0.845	0.401	0.408	4.437	0.150
2002	7.025	0.830	0.244	0.751	0.371	0.422	4.263	0.144
2003	7.266	0.895	0.273	0.718	0.361	0.444	4.426	0.149
2004	7.110	0.852	0.268	0.653	0.347	0.427	4.431	0.132
2005	6.966	0.865	0.278	0.547	0.315	0.350	4.416	0.195
2006	7.179	0.928	0.294	0.500	0.284	0.356	4.619	0.198
2007	6.417	0.850	0.266	0.446	0.263	0.312	4.093	0.187
2008	6.275	0.831	0.260	0.415	0.252	0.300	4.046	0.171
2009	6.590	0.917	0.257	0.415	0.261	0.317	4.249	0.174
2010	7.188	0.999	0.280	0.423	0.274	0.338	4.683	0.191

Notes:

(1) School District No. 62, High School District No. 207, and Community College District No. 535.

(2) Suburban T.B. Sanitarium, Northwest Mosquito Abatement District, Maine Township, Road and Bridge, General Assistance, Consolidated General Elections, & Forest Preserve

Source: Cook County Clerk

CITY OF DES PLAINES

MAINE TOWNSHIP
 ALLOCATION OF THE 2010 PROPERTY TAX LEVY COLLECTED IN 2011
 December 31, 2011

	2001		2002		2003		2004		2005	
	Tax per \$100 of Equalized Assessed Valuation	Percentage	Tax per \$100 of Equalized Assessed Valuation	Percentage	Tax per \$100 of Equalized Assessed Valuation	Percentage	Tax per \$100 of Equalized Assessed Valuation	Percentage	Tax per \$100 of Equalized Assessed Valuation	Percentage
City of Des Plaines	\$ 0.818	0.112 %	\$ 0.830	0.118 %	\$ 0.895	0.124 %	\$ 0.852	0.120 %	\$ 0.865	0.124 %
Des Plaines Library	0.253	0.035	0.244	0.035	0.273	0.038	0.268	0.038	0.278	0.040
High School District 207	2.026	0.277	1.936	0.276	2.012	0.278	1.795	0.253	1.757	0.252
Oakton College District	0.186	0.025	0.179	0.025	0.186	0.026	0.161	0.023	0.158	0.023
School District 62	2.225	0.304	2.148	0.306	2.228	0.308	2.475	0.348	2.501	0.359
Des Plaines Park District	0.408	0.056	0.422	0.060	0.444	0.061	0.427	0.060	0.350	0.050
Cook County	0.845	0.116	0.751	0.107	0.718	0.099	0.653	0.092	0.547	0.079
Metro Water Reclamation District	0.401	0.055	0.371	0.053	0.361	0.050	0.347	0.049	0.315	0.045
N.W. Mosquito Abatement District	0.010	0.001	0.009	0.001	0.010	0.001	0.009	0.001	0.009	0.001
Suburban T.B. Sanitarium	0.007	0.001	0.006	0.001	0.004	0.001	0.001	0.000	0.005	0.001
Maine Township	0.133	0.018	0.129	0.018	0.095	0.013	0.122	0.017	0.121	0.017
Cook County Forest Preserve	-	-	-	-	-	-	-	-	0.060	0.009
TOTAL	\$ 7.312	100.00 %	\$ 7.025	100.00 %	\$ 7.226	100.00 %	\$ 7.110	100.00 %	\$ 6.966	100.00 %

Source: Cook County Clerk

2006 Tax per \$100 of Equalized Assessed Valuation		2007 Tax per \$100 of Equalized Assessed Valuation		2008 Tax per \$100 of Equalized Assessed Valuation		2009 Tax per \$100 of Equalized Assessed Valuation		2010 Tax per \$100 of Equalized Assessed Valuation	
Percentage	Percentage	Percentage	Percentage	Percentage	Percentage	Percentage	Percentage	Percentage	Percentage
\$ 0.928	0.129 %	\$ 0.850	0.132 %	\$ 0.831	0.132 %	\$ 0.917	0.139 %	\$ 0.999	0.139 %
0.294	0.041	0.266	0.041	0.260	0.041	0.257	0.039	0.280	0.039
1.826	0.254	1.602	0.250	1.577	0.251	1.617	0.245	1.782	0.248
0.166	0.023	0.141	0.022	0.140	0.022	0.140	0.021	0.160	0.022
2.627	0.366	2.350	0.366	2.329	0.371	2.492	0.378	2.741	0.381
0.356	0.050	0.312	0.049	0.300	0.048	0.317	0.048	0.338	0.047
0.500	0.070	0.458	0.071	0.415	0.066	0.415	0.063	0.423	0.059
0.284	0.040	0.263	0.041	0.252	0.040	0.261	0.040	0.274	0.038
0.009	0.001	0.008	0.001	0.008	0.001	0.008	0.001	0.009	0.001
0.005	0.001	-	-	-	-	-	-	-	-
0.127	0.018	0.114	0.018	0.112	0.018	0.117	0.018	0.131	0.018
0.057	0.008	0.053	0.008	0.051	0.008	0.049	0.007	0.051	0.007
<u>\$ 7.179</u>	<u>100.00 %</u>	<u>\$ 6.417</u>	<u>100.00 %</u>	<u>\$ 6.275</u>	<u>100.00 %</u>	<u>\$ 6.590</u>	<u>100.00 %</u>	<u>\$ 7.188</u>	<u>100.00 %</u>

CITY OF DES PLAINES

ELK GROVE TOWNSHIP TYPICAL TAX RATES PER \$100 OF EQUALIZED ASSESSED VALUATION Last Ten Calendar Years

Tax Levy Year	Total	City	Library	Cook County	Water Reclamation District	Park District	School (1)	Other (2)
2001	7.149	0.818	0.253	0.845	0.401	0.502	4.240	0.090
2002	6.792	0.830	0.244	0.751	0.371	0.473	4.038	0.085
2003	7.250	0.895	0.273	0.718	0.361	0.498	4.419	0.086
2004	6.716	0.852	0.268	0.653	0.347	0.455	4.069	0.072
2005	6.573	0.865	0.278	0.593	0.315	0.459	3.973	0.090
2006	6.737	0.928	0.294	0.500	0.284	0.474	4.124	0.133
2007	6.038	0.850	0.266	0.446	0.263	0.411	3.672	0.130
2008	5.936	0.831	0.260	0.415	0.252	0.407	3.653	0.118
2009	6.221	0.917	0.257	0.394	0.261	0.411	3.839	0.142
2010	6.823	0.999	0.280	0.423	0.274	0.453	4.263	0.131

Notes:

(1) School District No. 59, High School District No. 214, and Community College District No. 512

(2) Suburban T.B. Sanitarium, Northwest Mosquito Abatement District, Elk Grove Township, Road and Bridge, General Assistance, Consolidated General Elections and Forest Preserve.

Source: Cook County Clerk

CITY OF DES PLAINES

ELK GROVE TOWNSHIP
ALLOCATION OF THE 2010 PROPERTY TAX LEVY COLLECTED IN 2011
December 31, 2011

	2001		2002		2003		2004		2005	
	Tax per \$100 of Equalized Assessed Valuation	Percentage	Tax per \$100 of Equalized Assessed Valuation	Percentage	Tax per \$100 of Equalized Assessed Valuation	Percentage	Tax per \$100 of Equalized Assessed Valuation	Percentage	Tax per \$100 of Equalized Assessed Valuation	Percentage
City of Des Plaines	\$ 0.818	0.114 %	\$ 0.830	0.124 %	\$ 0.895	0.124 %	\$ 0.852	0.127 %	\$ 0.865	0.132 %
Des Plaines Library	0.253	0.035	0.244	0.036	0.273	0.038	0.268	0.040	0.278	0.042
High School District 214	1.989	0.278	1.888	0.281	1.982	0.274	1.818	0.271	1.759	0.268
Harper College District 512	0.308	0.043	0.295	0.044	0.310	0.043	0.279	0.042	0.281	0.043
School District 59	1.943	0.272	1.855	0.276	2.127	0.294	1.972	0.294	1.933	0.294
Mt. Prospect Park District	0.502	0.070	0.473	0.070	0.473	0.065	0.455	0.068	0.459	0.070
Cook County	0.845	0.118	0.751	0.112	0.718	0.099	0.653	0.097	0.607	0.092
Metro Water Reclamation District	0.401	0.056	0.371	0.055	0.361	0.050	0.347	0.052	0.315	0.048
N.W. Mosquito Abatement District	0.010	0.001	0.001	0.000	0.010	0.001	0.009	0.001	0.009	0.001
Elk Grove Township	0.073	0.010	0.007	0.001	0.072	0.010	0.062	0.009	0.062	0.009
Forest Preserve District	<u>0.007</u>	<u>0.001</u>	<u>0.001</u>	<u>0.000</u>	<u>0.004</u>	<u>0.001</u>	<u>0.001</u>	<u>0.000</u>	<u>0.005</u>	<u>0.001</u>
TOTAL	\$ 7.149	100.00 %	\$ 6.716	100.00 %	\$ 7.225	100.00 %	\$ 6.716	100.00 %	\$ 6.573	100.00 %

Source: Cook County Clerk

2006		2007		2008		2009		2010	
Tax per \$100 of Equalized Assessed Valuation	Percentage	Tax per \$100 of Equalized Assessed Valuation	Percentage	Tax per \$100 of Equalized Assessed Valuation	Percentage	Tax per \$100 of Equalized Assessed Valuation	Percentage	Tax per \$100 of Equalized Assessed Valuation	Percentage
\$ 0.928	0.138 %	\$ 0.850	0.141 %	\$ 0.831	0.140 %	\$ 0.917	0.149 %	\$ 0.999	0.146 %
0.294	0.044	0.266	0.044	0.260	0.044	0.257	0.042	0.280	0.041
1.823	0.271	1.621	0.268	1.587	0.267	1.636	0.266	1.839	0.270
0.288	0.043	0.260	0.043	0.256	0.043	0.258	0.042	0.295	0.043
2.013	0.299	1.791	0.297	1.810	0.305	1.945	0.317	2.129	0.312
0.474	0.070	0.411	0.068	0.407	0.069	0.411	0.067	0.453	0.066
0.557	0.083	0.511	0.085	0.466	0.079	0.394	0.064	0.423	0.062
0.284	0.042	0.263	0.044	0.252	0.042	0.261	0.043	0.274	0.040
0.009	0.001	0.008	0.001	0.008	0.001	0.008	0.001	0.009	0.001
0.062	0.009	0.057	0.009	0.059	0.010	0.044	0.007	0.071	0.010
<u>0.005</u>	<u>0.001</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>0.009</u>	<u>0.001</u>	<u>0.051</u>	<u>0.007</u>
<u>\$ 6.737</u>	<u>100.00 %</u>	<u>\$ 6.038</u>	<u>100.00 %</u>	<u>\$ 5.936</u>	<u>100.00 %</u>	<u>\$ 6.140</u>	<u>100.00 %</u>	<u>\$ 6.823</u>	<u>100.00 %</u>

CITY OF DES PLAINES

PROPERTY TAX RATES AND EXTENSIONS Last Ten Calendar Years

<u>Property Tax Levy Year</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
Property tax rates (1)				
General corporate	0.5886	0.5825	0.5856	0.5896
Police pension	0.0764	0.0884	0.1139	0.1041
Firefighters' pension	0.0595	0.0759	0.1070	0.0843
General bond retirement	<u>0.0930</u>	<u>0.0832</u>	<u>0.0885</u>	<u>0.0740</u>
Total property tax rates	<u><u>0.8175</u></u>	<u><u>0.8300</u></u>	<u><u>0.8950</u></u>	<u><u>0.8520</u></u>
Property tax extensions (2)				
General corporate	\$ 9,821,316	\$ 10,347,230	\$ 10,304,439	\$ 11,641,985
Police pension	1,273,393	1,569,830	2,004,048	2,054,752
Firefighters' pension	992,275	1,348,139	1,881,800	1,663,764
General bond retirement	<u>1,552,010</u>	<u>1,478,413</u>	<u>1,557,566</u>	<u>1,461,847</u>
Total property tax extensions	<u><u>\$ 13,638,994</u></u>	<u><u>\$ 14,743,612</u></u>	<u><u>\$ 15,747,853</u></u>	<u><u>\$ 16,822,348</u></u>

Notes:

(1) Property tax rates are per \$100 of equalized assessed valuation.

(2) Property tax extensions include 3% "loss levy" for general corporate purposes and 5% for debt service.

Source: Cook County Clerk

<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
0.6071	0.6657	0.6149	0.5945	0.6102	0.6569
0.0998	0.1099	0.1023	0.1023	0.1320	0.1436
0.0807	0.0865	0.0783	0.0833	0.1239	0.1461
<u>0.0766</u>	<u>0.0657</u>	<u>0.0539</u>	<u>0.0502</u>	<u>0.0507</u>	<u>0.0515</u>
<u>0.8642</u>	<u>0.9278</u>	<u>0.8494</u>	<u>0.8303</u>	<u>0.9168</u>	<u>0.9981</u>
\$ 12,745,221	\$ 14,046,349	\$ 15,171,900	\$ 15,627,057	\$ 15,428,429	\$ 15,731,420
2,096,245	2,318,002	2,523,500	2,690,360	3,338,189	3,438,335
1,693,403	1,825,751	1,931,250	2,188,750	3,133,584	3,497,476
<u>1,607,211</u>	<u>1,385,507</u>	<u>1,331,066</u>	<u>1,320,689</u>	<u>1,281,557</u>	<u>1,233,477</u>
<u>\$ 18,142,080</u>	<u>\$ 19,575,609</u>	<u>\$ 20,957,716</u>	<u>\$ 21,826,856</u>	<u>\$ 23,181,759</u>	<u>\$ 23,900,708</u>

CITY OF DES PLAINES

PRINCIPAL PROPERTY TAX PAYERS
Current Calendar Year and Prior Two Years
December 31, 2011

<u>Taxpayer</u>	<u>Type of Business/Property</u>	<u>2010 Equalized Assessed Valuation</u>	<u>Percentage of Total Taxable Assessed Value</u>
Universal Oil Products Tax Department	Chemicals	\$ 35,148,489	1.47%
Individual (3)	Real Property	24,782,555	1.03%
MLRP Messenger LLC	Real Property	23,535,299	0.98%
O'Hare Lakes Office Plaza LLC	Office Complex	27,933,702	1.17%
MR Properties	Real Estate		
AMB Property Corp.	Real Estate	19,072,710	0.80%
Juno Lighting Inc	Lighting Products	16,772,108	0.70%
Crane and Norcross	Real Estate	11,316,978	0.47%
Abbott Labs	Medical Laboratories	14,020,423	0.59%
First Washington Mgmt	Real Estate		
Mariner Higgins Centre	Real Property	11,121,717	0.46%
Sysco Food Services	Food Wholesalers		
Marriot Corp	Real Property		
Michael Alesia and Associated-Done	Law Firm	<u>10,772,596</u>	0.45%
Total		<u><u>\$ 194,476,577</u></u>	<u><u>8.12%</u></u>

Data Sources

(1) Based on City's Municipal Development Department records and estimated constructions cost declared by applicants at time of application.

(2) Cook County Clerk

Note: The City began maintaining data on principal taxpayers in 2004

<u>2009 Equalized Assessed Valuation</u>	<u>Percentage of Total Taxable Assessed Value</u>	<u>2008 Equalized Assessed Valuation</u>	<u>Percentage of Total Taxable Assessed Value</u>
\$ 35,139,955	1.39%	\$ 43,168,147	1.64%
24,845,850	0.98%	29,422,110	1.12%
23,703,261	0.94%	22,393,898	0.85%
22,663,767	0.90%	34,869,624	1.33%
19,987,008	0.79%	23,849,340	0.91%
16,685,763	0.66%		0.00%
14,987,340	0.59%	19,074,654	0.73%
14,272,859	0.56%		0.00%
13,708,950	0.54%	18,416,946	0.70%
<u>13,502,701</u>	0.53%	14,660,029	0.56%
		14,157,170	0.54%
		<u>14,974,920</u>	0.57%
<u>\$ 199,497,454</u>	<u>7.89%</u>	<u>\$ 234,986,838</u>	<u>8.94%</u>

CITY OF DES PLAINES

PROPERTY TAX LEVIES AND COLLECTIONS Last Ten Calendar Years December 31, 2011

Tax Levy Year	Year of Collections	Total Tax Levy (1)	Collections of Current Years' Taxes During Fiscal Period	Percentage of Levy Collected Fiscal Period (1)	Collections of Prior Years' Taxes During Fiscal Period (2)
2001	2002	\$ 13,213,041	\$ 13,150,527	99.53%	\$ 59,934
2002	2003	14,286,846	14,180,390	99.25%	52,385
2003	2004	15,260,373	15,078,645	98.34%	25,441
2004	2005	16,299,049	16,336,965	100.23%	129,775
2005	2006	17,583,947	17,619,047	100.20%	1,624
2006	2007	18,979,823	18,807,403	99.09%	(104,222)
2007	2008	20,322,682	20,312,823	99.95%	405,220
2008	2009	21,166,699	20,281,220	95.82%	530,009
2009	2010	22,482,862	19,900,679	88.51%	543,694
2010	2011	23,181,760	23,930,344	103.23%	2,164,994

Notes:

(1) Total tax levy does not include the "loss levy" of 3% for corporate purposes and 5% for debt service which is extended by the County to cover the County's operating costs. The City may receive a portion of this "loss levy," and therefore, the percentage of levy collected may exceed 100%.

(2) Negative amount indicates that refunds made in the current year of prior year tax payments exceeded the current year's collection of prior year's taxes.

(3) Levy amount and collections refer only to City, and not the Library Component Unit.

Source: Cook County Clerk

<u>Total Collections</u>	<u>Ratio of Total Collections to Tax Levy</u>
\$ 13,210,461	99.98%
14,232,775	99.62%
15,104,086	98.50%
16,466,740	101.03%
17,620,671	100.21%
18,703,181	98.54%
20,718,043	101.95%
20,811,229	98.32%
20,444,373	90.93%
26,095,338	112.57%

CITY OF DES PLAINES

PROPERTY VALUE AND CONSTRUCTION Last Ten Calendar Years December 31, 2011

Calendar Year	Property Value (2)	Construction (1)				Total Value of All Construction (including Commercial)
		Single Family		Multi Family		
		Number of Permits	Value	Number of Permits	Value	
2002	\$ 5,005,094	24	\$ 6,856	6	\$ 17,857	\$ 64,346
2003	5,331,694	26	9,198	14	22,942	95,851
2004	5,282,804	48	17,166	29	63,455	174,657
2005	5,923,362	47	18,994	153	67,714	136,586
2006	6,298,349	36	14,519	10	20,081	115,998
2007	6,330,209	19	7,159	5	26,617	114,259
2008	7,402,391	3	1,077	7	4,874	69,112
2009	7,885,766	4	1,840	8	7,043	39,675
2010	7,585,275	4	1,342	5	5,234	189,135
2011	7,184,103	2	1,002	9	6,022	50,293

Source:

(1) Based on City's Municipal Development Department records and estimated construction costs declared by applicants at time of application.

(2) Cook County Clerk

Property Values in Thousands.

CITY OF DES PLAINES

TAXABLE SALES BY CATEGORY Last Ten Calendar Years (in thousands of dollars) December 31, 2011

	2002	2003	2004	2005	2006
General merchandise	\$ 70,852,672	\$ 70,967,263	\$ 75,693,674	\$ 72,371,754	\$ 67,575,860
Food stores	93,126,536	97,392,087	97,536,943	105,023,780	107,634,554
Drinking & eating places	70,057,263	67,735,819	67,689,011	72,432,529	81,943,708
Apparel	1,987,674	1,969,944	2,027,145	2,638,151	3,461,525
Furniture, household & radio	12,751,905	6,554,433	9,072,989	10,806,660	7,685,148
Lumber, building & hardware	27,646,684	24,820,381	32,004,002	36,796,001	39,117,507
Automotive & filling stations	150,466,805	197,679,686	188,702,457	206,285,264	212,204,995
Drugs and miscellaneous retail	113,425,964	106,558,735	96,348,194	86,526,477	92,275,196
Agriculture & all others	150,639,615	155,201,069	136,163,547	135,355,631	146,835,031
Manufacturers	53,299,395	55,692,040	75,375,283	82,206,231	79,989,845
Total	\$ 744,254,513	\$ 784,571,457	\$ 780,613,245	\$ 810,442,478	\$ 838,723,369
City direct sales tax rate	1.00%	1.00%	1.00%	1.00%	1.00%

Source: Illinois Department of Revenue

Note: Effective July 1, 2006 the Home Rule Tax is one percent.

General merchandise	\$ 708,527	\$ 709,673	\$ 756,937	\$ 723,718	\$ 675,759
Food stores	931,265	973,921	975,369	1,050,238	1,076,346
Drinking & eating places	700,573	677,358	676,890	724,325	819,437
Apparel	19,877	19,699	20,271	26,382	34,615
Furniture, household & radio	127,519	65,544	90,730	108,067	76,851
Lumber, building & hardware	276,467	248,204	320,040	367,960	391,175
Automotive & filling stations	1,504,668	1,976,797	1,887,025	2,062,853	2,122,050
Drugs and miscellaneous retail	1,134,260	1,065,587	963,482	865,265	922,752
Agriculture & all others	1,506,396	1,552,011	1,361,635	1,353,556	1,468,350
Manufacturers	532,994	556,920	753,753	822,062	799,898
Total	\$ 7,442,545	\$ 7,845,715	\$ 7,806,132	\$ 8,104,425	\$ 8,387,234
City direct sales tax rate	1.00%	1.00%	1.00%	1.00%	1.00%

2007	2008	2009	2010	2011
\$ 72,349,187	\$ 71,506,904	\$ 68,245,197	\$ 77,133,600	\$ 65,039,100
111,530,323	115,184,430	110,595,806	109,545,800	125,744,900
81,685,374	75,402,995	69,952,773	72,412,500	72,985,400
3,337,621	4,060,854	3,667,463	3,651,200	19,819,600
8,003,659	5,203,117	3,309,420	3,140,400	3,258,200
36,036,504	33,272,081	22,639,578	26,054,600	26,991,600
216,995,152	208,453,378	171,775,263	162,573,900	182,879,100
95,113,803	96,353,652	90,516,552	125,128,400	76,114,400
138,711,660	134,998,089	142,402,854	143,730,700	161,674,000
84,243,953	84,953,341	69,486,089	61,629,100	46,963,600
<u>\$ 848,007,236</u>	<u>\$ 829,388,841</u>	<u>\$ 752,590,995</u>	<u>\$ 785,000,200</u>	<u>\$ 781,469,900</u>
1.00%	1.00%	1.00%	1.00%	1.00%

\$ 723,492	\$ 715,069	\$ 682,452	\$ 771,336	\$ 650,391
1,115,303	1,151,844	1,105,958	1,095,458	1,257,449
816,854	754,030	699,528	724,125	729,854
33,376	40,609	36,675	36,512	198,196
80,037	52,031	33,094	31,404	32,582
360,365	332,721	226,396	260,546	269,916
2,169,952	2,084,534	1,717,753	1,625,739	1,828,791
951,138	963,537	905,166	1,251,284	761,144
1,387,117	1,349,981	1,424,029	1,437,307	1,616,740
842,440	849,533	694,861	616,291	469,636
<u>\$ 8,480,072</u>	<u>\$ 8,293,888</u>	<u>\$ 7,525,910</u>	<u>\$ 7,850,002</u>	<u>\$ 7,814,699</u>
1.00%	1.00%	1.00%	1.00%	1.00%

CITY OF DES PLAINES

RATIO OF OUTSTANDING DEBT BY TYPE (1) Last Ten Calendar Years December 31, 2011

Fiscal Year	Governmental Activities					
	Debt Service General Obligation Bonds	Tax Increment Financing General Obligation Bonds	Tax Increment Financing Capital Appreciation Bonds (1)	Capital Projects General Obligation Bonds	Equipment Replacement Installment Notes Payable	Tax Increment Revenue Note Incentive Agreement
2002	\$ 7,101,825	\$ 13,685,000	\$ -	\$ 40,730,000	\$ -	\$ 376,183
2003	11,874,573	21,760,000	-	34,355,000	-	865,421
2004	10,527,469	35,545,000	-	34,545,000	600,000	840,313
2005	9,109,623	50,755,000	-	39,120,000	450,000	805,508
2006	7,843,230	42,205,000	-	43,070,000	300,000	768,876
2007	6,621,986	45,950,000	-	34,495,000	512,511	778,445
2008	5,340,000	43,140,000	-	31,750,000	287,617	735,201
2009	4,125,000	38,540,000	3,185,285	28,900,000	459,597	689,675
2010	2,905,000	31,545,000	9,734,245	26,030,000	365,820	641,760
2011	875,000	28,880,000	10,225,477	22,930,000	268,651	591,330

Note: (1) Details regarding the City's outstanding debt can be found in the notes to the financial statements.

(2) The Tax Increment Capital Appreciation Bond value represents the principal outstanding which includes the appreciated interest.

Source: Audited financial statements

Business-type Activities

<u>Short Term Note Payable</u>	<u>Water General Obligation Bonds</u>	<u>Water Installment Notes Payable</u>	<u>Total Primary Government</u>	<u>Outstanding Debt as Percentage of Personal Income (2)</u>	<u>Outstanding Debt Per Capita (2)</u>	<u>Personal Income (thousands) of dollars</u>	<u>Population</u>
\$ -	\$ 4,703,175	\$ -	\$ 66,596,183	2.18%	\$ 1,169	\$ 3,054,416	56,945
-	4,240,427	800,000	73,895,421	2.42%	1,298	3,054,416	56,945
-	3,767,531	605,000	86,430,313	2.83%	1,518	3,054,416	56,945
-	3,335,377	405,000	103,980,508	3.40%	1,826	3,054,416	56,945
-	2,826,770	205,000	97,218,876	3.18%	1,707	3,054,416	56,945
5,500,000	2,313,014	-	96,170,956	3.05%	1,638	3,149,087	58,710
-	1,790,000	-	83,042,818	2.64%	1,414	3,149,087	58,710
6,500,000	1,455,000	-	83,854,557	2.66%	1,428	3,149,087	58,710
-	1,100,000	-	72,321,825	2.17%	1,239	3,338,896	58,364
-	730,000	-	64,500,458	1.94%	1,105	3,319,219	58,364

CITY OF DES PLAINES

RATIO NET GENERAL OBLIGATION BONDED DEBT TO ASSESSSED VALUE AND NET GENERAL OBLIGATION BONDED DEBT PER CAPITA Last Ten Calendar Years

Fiscal Year	Population (1)	Equalized Assessed Value (2)	Net General Obligation Bonded Debt (3)	Ratio of Bonded Debt to Equalized Assessed Value	Bonded Debt Per Capita
2002	56,945	1,668,364,544	10,472,316	0.63	183.90
2003	56,945	1,777,231,482	10,535,271	0.59	185.01
2004	56,945	1,760,934,700	9,821,765	0.56	172.48
2005	56,945	1,974,454,012	8,576,418	0.43	150.61
2006	56,945	2,099,449,704	7,323,033	0.35	128.60
2007	58,710	2,110,069,506	6,120,233	0.29	104.25
2008	58,710	2,467,463,828	4,862,215	0.20	82.82
2009	58,710	2,628,588,594	3,807,815	0.14	64.86
2010	58,364	2,528,425,146	2,746,809	0.11	47.06
2011	58,364	2,394,677,264	875,000	0.04	14.99

Data Source

(1) U.S. Census Bureau/City of Des Plaines' Community Development Department.

(2) Cook County Clerk

(3) City of Des Plaines' Annual Financial Reports. Only debt that is property tax supported is being reported.

CITY OF DES PLAINES

RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR GENERAL OBLIGATION BONDED DEBT TO TOTAL GENERAL GOVERNMENTAL EXPENDITURES Last Ten Calendar Years

Fiscal Year	Principal	Interest	Total Debt Service	Total General Expenditures (1)	Ratio of Debt Service to Total General Expenditures
2002	\$ 3,818,249	\$ 3,524,937	\$ 7,343,186	\$ 54,425,138	13.49
2003	2,510,315	1,156,501	3,666,816	59,347,472	6.18
2004	2,888,295	1,508,762	4,397,057	60,894,727	7.22
2005	3,347,651	2,657,519	6,005,170	68,650,154	8.75
2006	4,064,047	3,099,818	7,163,865	68,969,875	10.39
2007	6,421,244	3,987,525	10,408,769	75,245,127	13.83
2008	7,225,134	3,801,758	11,026,892	74,928,477	14.72
2009	7,128,546	3,249,905	10,378,451	71,446,854	14.53
2010	6,801,692	2,588,960	9,390,652	66,340,077	14.16
2011	7,152,599	2,362,196	9,514,795	79,447,160	11.98

Notes :

(1) Includes General, Special Revenue, Debt Service Funds and Component Unit - Library Funds

Data Source

City of Des Plaines Annual Financial Reports

CITY OF DES PLAINES

SCHEDULE FOR DIRECT AND OVERLAPPING DEBT December 31, 2011

<u>Governmental Unit</u>	<u>Outstanding Bonds (1)</u>	<u>Applicable to the City Percent (3)</u>	<u>Amount</u>
City of Des Plaines (2)	\$ 875,000	100.00%	\$ 875,000
Cook County	\$ 3,709,260,000	1.40%	\$ 51,929,640
Cook County Forest Preserve	94,885,000	1.40%	1,328,390
Water Reclamation District	2,300,335,115	1.43%	32,894,792
Des Plaines Park District	7,510,783	92.86%	6,974,513
Elk Grove Park District	8,267,000	0.73%	60,349
Mt. Prospect Park District	14,160,000	19.96%	2,826,336
School District No. 26	14,315,000	7.95%	1,138,043
School District No. 57	12,585,000	1.36%	171,156
School District No. 59	15,780,000	11.56%	1,824,168
School District No. 62	84,120,000	90.39%	76,036,068
School District No. 64	12,940,000	0.00%	(4) 168
High School District 207	12,710,000	34.40%	4,372,240
High School District 214	48,305,000	3.97%	1,917,709
Community College District 512	185,775,000	1.81%	3,362,528
Subtotal - Overlapping Debt	<u>6,520,947,898</u>		<u>184,836,099</u>
Total Direct and Overlapping Debt	<u>\$ 6,521,822,898</u>		<u>\$ 185,711,099</u>

Notes:

(1) Outstanding principal of general obligation bonds as of December 31, 2011. 100% of the principal of outstanding general obligation bonds of overlapping taxing district have been displayed in this schedule.

(2) Excluded City's self-supporting general obligation debt.

(3) Percentages are based on 2010 equalized assessed valuations.

(4) Percentage equals .0013%

Data Sources

Assessed Valuation - Cook County Clerk

Outstanding bonds - Cook County Clerk

CITY OF DES PLAINES

DEMOGRAPHIC STATISTICS Last Ten Calendar Years

<u>Fiscal Year</u>	<u>Population (1)</u>	<u>Personal Income (thousands) (1)</u>	<u>Median Household Income (1)</u>	<u>Per Capita Income (1)</u>
2002	56,945	\$ 3,054,416	\$ 53,638	\$ 24,146
2003	56,945	3,054,416	53,638	24,146
2004	56,945	3,054,416	53,638	24,146
2005	56,945	3,054,416	53,638	24,146
2006	56,945	3,054,416	53,638	24,146
2007	58,710	3,149,087	53,638	24,146
2008	58,710	3,149,087	53,638	24,146
2009	58,710	3,149,087	53,638	24,146
2010	58,364	3,319,219	56,871	27,562
2011	58,364	3,319,219	56,871	27,562

Data Sources

(1) U.S. Census Bureau.

(2) Bureau of Labor Statistics

(3) This includes only the public schools located within the City.

<u>Median Age (1)</u>	<u>Education Level in Years of Schooling</u>	<u>School Enrollment (3)</u>	<u>Unemploy- ment Rate (2)</u>
39.7	12+	N/A	7.8
39.7	12+	8,603	8.0
39.7	12+	8,808	6.2
39.7	12+	8,759	5.7
39.7	12+	8,451	4.2
39.7	12+	8,384	4.1
39.7	12+	8,394	6.7
39.7	12+	8,414	10.1
42.0	12+	8,540	10.1
42.0	12+	8,000	9.3

CITY OF DES PLAINES

PRINCIPAL EMPLOYERS Current Year, Prior Year and Three Years Ago December 31, 2011

<u>Employer</u>	<u>Employees</u>	<u>2011 Rank</u>	<u>Percentage City Total Employment</u>
Universal Oil Products	1,500	1	5.0%
Rivers Casino	1,377	2	4.6%
Holy Family	1,036	3	3.4%
Oakton Community College	990	4	3.3%
School District 62	706	5	2.3%
Sysco Food Services	650	6	2.2%
Wheels Inc.	550	7	1.8%
Abbot Molecular	400	8	1.3%
Juno Lighting	400	9	1.3%
Hart Schaffner & Marx	350	10	1.2%
City of Des Plaines			
Total	<u>7,959</u>		<u>26.4%</u>
City Total Employment	<u>30,204</u>		<u>26.4%</u>

*Source: 2011 Illinois Manufacturer's Directory, 2011 Illinois Services Directory,
and Individual Employers Approximations*

Note: The City began compiling data on employers in 2007.

<u>2007</u>		
<u>Employees</u>	<u>Rank</u>	<u>Percentage City Total Employment</u>
2,000	1	3.7%
560	10	1.0%
990	2	1.8%
720	4	1.3%
650	8	1.2%
575	9	1.1%
700	6	1.3%
882	3	1.6%
665	7	1.2%
<u>7,742</u>		<u>14.3%</u>
<u>53,987</u>		<u>14.3%</u>

CITY OF DES PLAINES

FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION
Last Ten Calendar Years
December 31, 2011

		2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Function/Program	<i>Note</i>										
Legislative (merged in 2009)	(2)	1.00	1.00	1.00	1.00	1.00	1.00	1.00	-	-	-
City Clerk (merged in 2009)	(2)	4.00	4.00	4.00	5.00	4.00	3.00	3.00	-	-	-
Elected Office (new dept. in 2009)	(2)	-	-	-	-	-	-	-	3.00	3.00	3.00
General Government											
Manager's Department		13.50	12.90	15.00	16.50	16.00	17.00	20.00	20.50	16.50	16.75
Finance		10.50	10.50	10.50	17.25	16.25	15.75	14.50	14.00	14.00	14.00
Police											
Officers		109.00	109.00	106.00	103.00	105.00	105.00	105.00	105.00	96.00	95.00
Civilians		53.50	36.75	39.50	26.75	25.75	27.25	25.75	25.00	22.00	21.00
Fire											
Firefighters and officers		93.00	93.00	88.00	88.00	88.00	97.00	98.00	98.00	96.00	96.00
Civilians		4.50	2.50	5.50	5.50	5.50	6.50	6.50	6.50	2.50	2.50
Public Works and Engineering											
Engineering (merged in 2009)	(2)	16.50	14.00	11.75	13.00	13.00	13.50	9.75	-	-	-
Public works (merged in 2009)	(2)	60.50	57.50	94.63	88.00	88.00	90.50	94.75	-	-	-
Public Works & Engineering (new)	(2)	-	-	-	-	-	-	-	96.25	82.25	80.25
Community Development											
EMA		17.50	18.00	17.50	18.50	18.50	18.75	22.00	20.00	18.00	16.00
	<i>Note (1)</i>	<i>Note (1)</i>	<i>Note (1)</i>	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Subtotal		383.50	359.15	394.38	383.50	382.00	396.25	401.25	389.25	351.25	345.50
Library		<u>83.50</u>	<u>84.50</u>	<u>87.00</u>	<u>90.00</u>	<u>90.00</u>	<u>90.00</u>	<u>90.00</u>	<u>75.80</u>	<u>72.40</u>	<u>66.50</u>
Total		<u>467.00</u>	<u>443.65</u>	<u>481.38</u>	<u>473.50</u>	<u>472.00</u>	<u>486.25</u>	<u>491.25</u>	<u>465.05</u>	<u>423.65</u>	<u>412.00</u>

Source: Finance Department Budget documents

Note: (1) The City began maintaining information on employees by function in 2002 and began separating EMA in 2004.

(2) In 2009, the City merged the Legislative Dept. and City Clerk Dept into the Elected Office Dept. In addition, the City merged the Engineering Dept. and Public Works Dept. into the Public Works & Engineering Dept.

(3) The City has removed the number of Emergency Communications Employees for the 2009 CAFR Statistical Section due to the fact that they are employees of the North Suburban Emergency Communication Center.

CITY OF DES PLAINES

OPERATING INDICATORS BY FUNCTION / PROGRAMS

Last Ten Calendar Years

December 31, 2011

<u>Function/Program</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
Police				
Physical arrests (1)	1,160	1,172	738	1,236
Compliance and Parking Violations	23,148	20,874	15,330	16,421
Traffic violations	14,000	12,293	10,800	11,728
Fire				
Emergency Medical Calls	4,601	4,790	4,606	4,969
Fires/Reports of Fires	1,931	1,891	2,156	2,298
Inspections	1,073	1,000	925	963
Engineering				
Street resurfacing (square yards)	7,900	3,600	8,000	7,500
Sidewalks removed & replaced (sq ft) (4)	101,000	89,000	80,000	50,000
Snow and ice control (tons of salt)	3,474	3,511	3,467	4,359
Community Development				
Building permits issued	3,624	3,624	3,890	3,895
Overall inspection totals	N/A	N/A	19,514	21,380
Health				
Home health visits	85	56	83	58
Library				
Volumes in collection (5)	269,321	293,460	301,437	301,546
Total volumes borrowed	962,178	1,078,456	1,083,691	1,077,145
Total annual attendance	535,574	556,108	550,517	521,881
Total resident library cards still active	42,753	34,592	34,727	35,205
Water				
Water Main Breaks	121	126	96	169
New Connections	N/A	N/A	26	76
Number of Consumers	16,109	16,109	16,303	16,497
Miles of Water Mains	201	201	235	235
Average daily consumption	8,835,458	8,835,458	7,768,744	8,458,430
Daily average consumptions per Capita	155	155	136	136
Number of Fire Hydrants	2,212	2,212	2,583	2,583
Sewer				
Sanitary sewer replaced (linear feet)	2,800	1,100	1,500	1,500
Sanitary sewer televised (linear feet)	38,009	25,719	28,900	59,782
Sanitary sewer cleaned (linear feet)	313,477	312,088	186,333	364,360
Sanitary sewer lined (linear feet)	N/A	N/A	N/A	N/A
Municipal Parking Lots				
Metra (2)	24,848	24,116	38,283	54,435
City Owned (2)	63,267	58,810	21,027	10,384
Transit				
Taxi Cab cards issued	397	403	244	481
Handicapped Placards issued	109	71	43	59

Source: Various City departments

(1) Physical arrest made regardless of the number of charges associated with an arrest.

(2) Consumers are approximately calculated by revenue divided by the daily rate.

(3) Revenue of for 2000 Combined for City owned and Metra Leased Parking.

(4) In years 2000 and 2001 a much higher Capital Improvements budget was allocated to street repair.

(5) Volumes in Collection includes Books, Audio, Video, Magazines and Newspapers Print and Microfilm, Subscriptions, Online Databases.

2006	2007	2008	2009	2010	2011
2,013	2,679	2,726	2,783	1,629	1,279
17,818	15,290	18,250	18,823	14,926	16,228
11,214	16,119	12,756	12,688	11,461	7,309
5,167	5,038	5,209	4,718	4,943	5,244
2,276	2,610	2,502	2,123	2,041	2,439
6,138	7,226	6,878	7,137	1,534	4,962
6,600	37,000	76,000	49,000	55,400	51,500
78,000	21,000	50,000	84,000	43,500	37,000
1,676	5,026	8,427	4,292	3,782	1,781
3,582	3,267	2,988	2,756	8,229	3,366
19,191	14,463	14,632	13,871	16,010	15,804
55	90	134	111	121	119
312,469	313,696	305,471	355,095	257,661	263,736
1,100,133	1,088,404	1,111,558	1,261,249	1,171,013	1,176,477
577,554	509,668	500,618	542,092	582,096	598,389
35,765	35,427	35,266	35,728	33,135	33,784
74	128	101	89	110	96
70	65	13	30	65	40
17,086	16,983	17,387	17,399	17,441	17,036
237	241	245	247	247	221
7,702,836	7,639,118	7,913,061	6,894,000	6,761,000	6,752,000
135	130	135	117	115	116
2,597	2,615	2,628	2,609	2,679	2,681
300	300	154	1,022	88	65
26,446	5,187	14,270	24,951	42,322	43,406
403,483	267,301	93,679	177,439	204,470	131,496
4,954	N/A	6,635	0	12,037	3,420
50,815	47,225	50,563	47,794	54,294	43,257
19,618	34,714	33,612	25,581	17,275	17,283
420	324	305	296	275	780
40	67	62	66	75	66

CITY OF DES PLAINES

CAPITAL ASSETS STATISTICS BY FUNCTION Last Ten Calendar Years December 31, 2011

<u>Function/Program</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
Police			
Station	1	1	1
Sworn Police Officers	109	102	103
Fire Stations			
Station	3	3	3
Sworn Firefighters	94	92	92
Other Public Works			
Streets (miles)**	145	145	145
Streetlights*			
Traffic Signals	1	1	1
Water			
Water mains (miles)	201	201	235
Fire hydrants	2,212	2,212	2583
Storage capacity (millions of gallons)	19	19	19

* These items were not tracked previous to 2006.

** The City of Des Plaines also maintains an additional 95 miles of state and county highways and roads.

Source: Various City departments

2005	2006	2007	2008	2009	2010	2011
1	1	1	1	1	1	1
103	105	105	105	105	94	93
3	3	3	3	3	3	3
92	92	102	102	98	95	92
145	145	145	145	145	145	145
	576	680	680	732	738	722
1	1	1	2	2	2	2
235	237	237	245	247	247	221
2,583	2,597	2,615	2,628	2,609	2,679	2,681
19	19	19	19	19	19	19

CITY OF DES PLAINES

WATER SOLD
Last Ten Calendar Years
(in thousands)
December 31, 2011

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
<u>Gallons sold</u>				
Residential	1,518,821	1,345,030	1,340,980	1,341,733
Commercial	667,965	626,582	626,560	627,368
Industrial	<u>380,686</u>	<u>377,827</u>	<u>343,278</u>	<u>461,071</u>
Totals	<u>2,567,472</u>	<u>2,349,439</u>	<u>2,310,818</u>	<u>2,430,172</u>
Water rate per 1,000 gallons	\$3.26	\$3.44	\$3.61	\$3.79
Storm Sewer rate per 1,000 gallons	\$0.76	\$0.76	\$0.76	\$0.76

Source: *City of Des Plaines Water Consumption Report*

<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
1,852,194	1,435,498	1,357,309	1,332,430	1,280,062	1,274,242
597,343	710,984	598,489	495,175	516,464	494,478
<u>333,270</u>	<u>241,646</u>	<u>253,998</u>	<u>144,665</u>	<u>128,891</u>	<u>131,321</u>
<u>2,782,807</u>	<u>2,388,128</u>	<u>2,209,796</u>	<u>1,972,270</u>	<u>1,925,417</u>	<u>1,900,041</u>
\$3.88	\$3.88	\$4.08	\$4.32	\$4.56	\$4.56
\$0.76	\$0.76	\$0.76	\$0.76	\$1.20	\$1.20

CITY OF DES PLAINES

MISCELLANEOUS STATISTICS

December 31, 2011

Date of incorporation (Town of Rand)	1857
Form of government	City Manager
Building permits:	
Permits issued	3,366
Estimated value	\$50,292,878
Fire protection:	
Number of stations	3
Number of sworn firefighters	92
Police protection:	
Number of stations	1
Number of sworn police officers	93
Municipal water plant	
Number of consumers	17,036
Daily average consumption (gallons)	5,671,000
Daily average consumption per capita (gallons)	97
Miles of water mains	247
Number of fire hydrants	2,679
Employees as of December 31	
Full time	334.00
Part time	11.25
Total	<u>345.25</u> (1)
Population	
1880	818
1890	986
1900	1,666
1910	2,348
1920	3,451
1930	8,798
1940	9,518
1950	14,994
1960	34,886
1970	57,237
1980	53,568
1990	53,414
2000	56,945
2007	58,710
2010	58,364

CITY OF DES PLAINES

MISCELLANEOUS STATISTICS

December 31, 2011

Area and land use - City of Des Plaines

Total area December 31, 2011 - 9,198.54 acres or 14.3 square miles (Based on municipal boundary data.)

Distribution of land uses

	<u>Acres</u>	<u>Percent of Total</u>
Residential	3,953	43.0%
Manufacturing	1,469	16.0%
Wholesale and retail	Combined with Commercial Services	
Commercial services	695	7.6%
Education and recreation	1,447	15.7%
Streets, alleys, and railroads	1,222	13.3%
 Total developed	 <u>8,786</u>	 95.5%
 Vacant land	 <u>413</u>	 4.5%
 Total	 <u><u>9,199</u></u>	 <u><u>100.0%</u></u>

Data Sources

U.S. Census Bureau and Various City Departments.

(1) Full-Time Equivalent Employees, not including the Library.

OTHER INFORMATION

CONTINUING DISCLOSURE- ANNUAL FINANCIAL INFORMATION

2012 DISCLOSURE

Relating to

CITY OF DES PLAINES

Cook County, Illinois

CUSIP NUMBER 250217

\$2,250,000 General Obligation Taxable General Obligation Bonds, Series 2003C

\$4,545,000 Taxable General Obligation Refunding Bonds, Series 2003D

\$8,400,000 General Obligation Bonds, Series 2004A

\$8,900,000 Taxable General Obligation Bonds, Series 2004B

\$5,550,000 General Obligation Bonds, Series 2005A

\$1,030,000 General Obligation Refunding Bonds, Series 2005B

\$2,330,000 General Obligation Refunding Bonds, Series 2005C

\$14,650,000 General Obligation Refunding Bonds, Series 2005D

\$12,800,000 General Obligation Bonds, Series 2005E

\$4,725,000 Taxable General Obligation Bonds, Series 2005F

\$500,000 Taxable General Obligation Bonds, Series 2005G

\$6,065,000 General Obligation Refunding Bonds, Series 2007A

\$1,660,000 General Obligation Refunding Bonds, Series 2007B

\$2,575,000 Taxable General Obligation Corporate Purpose Refunding Bonds, Series 2008A

\$3,173,084 Taxable General Obligation Refunding Bonds, Series 2009A (Capital Appreciation)

\$4,175,000 General Obligation Refunding Bonds, Series 2009B

\$3,945,000 General Obligation Refunding Bonds, Series 2010A

\$6,110,760 General Obligation Refunding Bonds, Series 2010B (Capital Appreciation)

and

\$3,540,000 General Obligation Refunding Bonds, Series 2011

For further information please contact:

**Ms. Dorothy Wisniewski
Director of Finance
City of Des Plaines
1420 Miner Street
Des Plaines, Illinois 60016-4498**

Telephone Number: (847) 391-5317

Fax Number: (847) 391-5402

Email: dwisniewski@desplaines.org

6/26/12

Retailers' Occupation, Service Occupation and Use Tax(I)

State Fiscal Year Ending June 30	State Sales Tax Distributions(2)	Home Rule Sales Tax Distributions	Total Distributions	Percentage Change + (-)
2002	\$7,382,615	\$3,737,356	\$11,119,971	(2.40%)
2003	7,719,732	3,786,409	11,506,141	3.47%
2004	7,869,504	3,881,000	11,750,504	2.12%
2005	7,819,815	3,970,243	11,790,058	0.34%
2006	8,377,712	4,223,008	12,600,721	6.88%
2007	8,333,032	5,517,995	13,851,027	9.92%
2008	8,590,038	5,739,317	14,329,355	3.45%
2009	7,940,514	5,200,163	13,140,676	(8.30%)
2010	7,654,977	4,850,113	12,505,090	(4.84%)
2011	7,846,363	4,882,813	12,729,177	1.79%
Growth from 2002 to 2011				14.47%

- Notes: (1) Source: Illinois Department of Revenue.
(2) Tax distributions are based on records of the Illinois Department of Revenue relating to the 1% municipal portion of the Retailers' Occupation, Service Occupation and Use Tax, collected on behalf of the City, less a State administration fee. The municipal 1% includes tax receipts from the sale of food and drugs which are not taxed by the State.
(3) The 2002 percentage is based on a 2001 sales tax receipts of \$11,393,215.

DEBT INFORMATION

General Obligation Debt – By Issue(I)

Issue Date	Issue Name	Principal Outstanding	Supported By
9/3/2003	Taxable General Obligation Bonds, Series 2003C	\$ 2,115,000	TIF Revenues
6/3/2004	General Obligation Bonds, Series 2004A	5,400,000	TIF Revenues/Special Revenues
6/3/2004	Taxable General Obligation Bonds, Series 2004B	5,535,000	TIF Revenues
1/3/2005	General Obligation Bonds, Series 2005A	2,670,000	TIF Revenues
1/3/2005	General Obligation Bonds, Series 2005C	730,000	Water Fund
2/1/2005	General Obligation Refunding Bonds, Series 2005D	9,900,000	Sales & Utility Taxes/Fees
6/1/2005	General Obligation Bonds, Series 2005E	5,160,000	Sewer Fees/TIF Revenues
6/1/2005	Taxable General Obligation Bonds, Series 2005F	3,710,000	TIF Revenues
6/1/2005	General Obligation Bonds, Series 2005G	375,000	TIF Revenues
10/23/2007	General Obligation Refunding Bonds, Series 2007A	4,635,000	Property Taxes/ Sales & Utility Taxes/Fees
10/23/2007	General Obligation Refunding Bonds, Series 2007B	1,180,000	Property Taxes/TIF Revenues
4/1/2008	Taxable General Obligation Corporate Purpose Refunding Bonds, Series 2008A	1,810,000	TIF Revenues
11/3/2009	Taxable General Obligation Refunding Bonds, Series 2009A Bonds	3,173,084	TIF Revenues
11/3/2009	General Obligation Refunding Bonds, Series 2009B Bonds	2,710,000	Sales & Utility Taxes/Fees
1/6/2010	General Obligation Refunding Bonds, Series 2010A Bonds	3,945,000	TIF Revenues
1/6/2010	General Obligation Refunding Bonds, Series 2010B Bonds	6,110,760	TIF Revenues
12/5/2011	General Obligation Refunding Bonds, Series 2011	3,540,000	Property Taxes/TIF Revenues
	Total.....	\$ 62,698,843	
	Less Self Supporting.....	\$(61,823,843)	
	Tax Supported Debt.....	\$ 875,000	

Note: (1) Source: the City.

General Obligation Bonded Debt(1)
(Principal Only)

Calendar Year	Total	Self-Supporting	Tax Supported	Cumulative Retirement	
				Amount	Percent
2012	\$ 5,334,236	\$ 5,259,236	\$ 75,000	\$ 75,000	8.57%
2013	5,973,164	5,898,164	75,000	150,000	17.14%
2014	5,404,281	5,324,281	80,000	230,000	26.29%
2015	5,581,357	5,496,357	85,000	315,000	36.00%
2016	5,195,154	5,110,154	85,000	400,000	45.71%
2017	6,043,556	5,958,556	85,000	485,000	55.43%
2018	6,859,198	6,769,198	90,000	575,000	65.71%
2019	5,206,162	5,111,162	95,000	670,000	76.57%
2020	5,440,637	5,340,637	100,000	770,000	88.00%
2021	3,467,360	3,362,360	105,000	875,000	100.00%
2022	2,164,790	2,164,790	0		
2023	1,579,584	1,579,584	0		
2024	1,213,041	1,213,041	0		
2025	1,179,295	1,179,295	0		
2026	1,207,030	1,207,030	0		
2027	415,000	415,000	0		
2028	435,000	435,000	0		
Total	\$62,698,843	\$61,823,843	\$875,000		

Note: (1) Source: the City.

Detailed Overlapping Bonded Debt(1)

	Total Debt(2)	Applicable to the City	
		Percent(3)	Amount
Schools:			
School District 26	\$ 14,315,000	7.95%	\$ 1,138,043
School District No. 57	12,585,000	1.36%	171,156
School District No. 59	15,780,000	11.56%	1,824,168
School District No. 62	84,120,000	90.39%	76,036,068
School District No. 64	12,940,000	0.00%(4)	168
High School District No. 207	12,710,000	34.40%	4,372,240
High School District No. 214	48,305,000	3.97%	1,917,709
Harper Community College District No. 512	185,775,000	1.81%	3,362,528
Total Schools			\$ 88,822,079
Other:			
Cook County	\$3,709,260,000	1.40%	\$ 51,929,640
Cook County Forest Preserve District	94,885,000	1.40%	1,328,390
Metropolitan Water Reclamation District	2,300,335,115	1.43%	32,894,792
Elk Grove Park District	8,267,000	0.73%	60,349
Des Plaines Park District	7,510,783	92.86%	6,974,513
Mt. Prospect Park District	14,160,000	19.96%	2,826,336
Total Others			\$ 96,014,020
Total Overlapping Debt			\$184,836,099

- Notes: (1) Source: Cook County Clerk.
(2) As of April 24, 2012.
(3) Percentage based on 2010 EAV's, the most current available.
(4) Percentage equals 0.0013%.

Statement of Bonded Indebtedness(1)
(As of April 24, 2012)

	Amount <u>Applicable</u>	Ratio To		Per Capita (2010 Census 58,364)
		<u>Equalized Assessed</u>	<u>Estimated Actual</u>	
City EAV of Taxable Property, 2010	\$2,394,677,264	100.00%	33.33%	\$ 41,030.04
Estimated Actual Value, 2010	\$7,184,031,792	300.00%	100.00%	\$123,090.12
Total Direct Bonded Debt(2).....	\$ 62,698,843	2.62%	0.87%	\$ 1,074.27
Less: Self Supporting.....	(61,823,843)	(2.58%)	(0.86%)	(1,059.28)
Net Direct Debt.....	\$ 875,000	0.04%	0.01%	\$ 14.99
Overlapping Bonded Debt:				
Schools.....	\$ 88,822,079	3.71%	1.24%	\$ 1,521.86
Other.....	96,014,020	4.01%	1.34%	1,645.09
Total Overlapping Bonded Debt.....	\$ 184,836,099	7.72%	2.57%	\$ 3,166.95
Total Direct and Overlapping Bonded Debt.....	\$ 185,711,099	7.76%	2.59%	\$ 3,181.95

Note: (1) Source: Cook County Clerk.

PROPERTY ASSESSMENT AND TAX INFORMATION

City Equalized Assessed Valuation(1)

Property Class	Levy Years				
	2006	2007(2)	2008	2009	2010(2)
Residential.....	\$1,098,297,899	\$1,317,237,960	\$1,445,674,164	\$1,511,280,909	
Farm.....	0	0	0	0	Detail
Commercial.....	456,777,248	526,963,970	539,653,907	474,846,756	Not
Industrial.....	553,576,732	621,647,943	641,428,908	540,260,183	Available
Railroad.....	1,417,627	1,613,955	1,831,615	2,037,298	
Total.....	\$2,110,069,506	\$2,467,463,828	\$2,628,588,594	\$2,528,425,146	\$2,394,677,264
Percent Change +(-)...	0.51%(3)	16.94%	6.53%	(3.81%)	(5.29%)

Notes: (1) Source: Cook County Clerk.
(2) Levy year was a triennial reassessment year.
(3) Percentage change based on 2005 EAV of \$2,099,449,704.

Equalized Assessed Valuation by Township(1)

	2010			
	<u>Elk Grove</u>	<u>Maine</u>	<u>Wheeling</u>	<u>Total</u>
Real Estate Property	\$411,473,313	\$1,931,433,516	\$49,262,199	\$2,392,169,028
Air Pollution Control District	0	825	0	825
Railroad Property	0	2,507,411	0	2,507,411
Total	\$411,473,313	\$1,933,941,752	\$49,262,199	\$2,394,677,264

Note: (1) Source: Cook County Clerk.

Representative Tax Rates(1)
(Per \$100 EAV)

City Rates:	Levy Years				
	2006	2007	2008	2009	2010
General Corporate(2)	\$0.8621	\$0.7955	\$0.7801	\$0.8661	\$0.9466
Public Library	0.2940	0.2658	0.2595	0.2570	0.2800
Bonds and Interest	0.0657	0.0539	0.0502	0.0507	0.0515
Total City Rates(3)	\$1.2220	\$1.1150	\$1.0910	\$1.1740	\$1.2790
Cook County	0.5000	0.4460	0.4150	0.4150	0.4230
Cook County Forest Preserve	0.0570	0.0530	0.0510	0.0490	0.0510
Metropolitan Water Reclamation District	0.2840	0.2630	0.2520	0.2610	0.2740
Maine Township	0.1270	0.1140	0.1120	0.1170	0.1310
School District Number 62	2.6270	2.3500	2.3290	2.4920	2.7410
High School District Number 207	1.8260	1.6020	1.5770	1.6170	1.7820
Community College Number 535	0.1660	0.1410	0.1400	0.1400	0.1600
Des Plaines Park District	0.3560	0.3120	0.3000	0.3170	0.3380
Other Districts	0.0140	0.0200	0.0080	0.0080	0.0090
Total Tax Rates(4)	\$7.1790	\$6.4160	\$6.2750	\$6.5900	\$7.1880

- Notes: (1) Source: Cook County Clerk.
(2) Includes Police and Firemen's Pension.
(3) As a home rule municipality, the City has no statutory tax rate limits.
(4) Representative tax rates for other government units are from Maine Township tax code 22028, which represents 66.37% of the City's 2010 EAV, the most recent available.

City Tax Levies and Collections(1)

Levy Year	Coll. Year	Taxes Levied(3)(4)	Total Collections(2)	
			Amount(4)	Percent
2005	2006	\$17,583,947	\$17,578,485	99.97%
2006	2007	18,979,823	18,807,403	99.09%
2007	2008	20,322,683	20,312,823	99.95%
2008	2009	21,166,699	20,811,229	98.32%
2009	2010	22,482,863	20,444,373	90.93%
2010	2011(5)	23,181,760	23,549,740	101.59%

- Notes: (1) Source: Cook County Clerk and the City.
(2) Total Collections reflect all monies attributable to the specific tax but distributed to the taxing body over a period of time. This is updated annually by the County Treasurer and therefore is subject to revision as the treasurer makes allocations in the future. Excludes refunds and includes taxes held in reserve and interest earnings.
(3) Total tax levy does not include the "loss levy" of 3% for corporate purposes and 5% for debt service which is extended by the County to cover the County's operating costs. The City may receive a portion of this "loss levy", and therefore the percentage of levy collected may exceed 100%.
(4) Levy amount and collections refer only to City, and not the Library Component Unit.
(5) At April 30, 2012.

Large City Taxpayers(1)

Taxpayer Name	Product/Business	2010 EAV(2)
Universal Oil Products	Chemicals Manufacturer, Catalysts Research and Development.....	\$ 35,148,489
O'Hare Lake Office Park LLC.....	Office Complex	27,933,702
Individual.....	Real Property	24,782,555
MLRP Messenger LLC.....	Real Property	23,535,299
AMB Property Corp.....	Real Estate	19,072,710
Juno Lighting.....	Lighting Products	16,772,108
Abbott Labs.....	Medical Laboratories	14,020,423
Crane and Norcross.....	Attorneys at Law	11,316,978
Mariner Higgins Centre.....	Real Property	11,121,717
Michael Alesia and Associated.....	Law Firm	10,772,596
Total.....		<u>\$194,476,577</u>
Ten largest as a percent of the City's 2010 EAV (\$2,394,677,264).....		8.12%

- Notes: (1) Source: Cook County Clerk.
 (2) Every effort has been made to reach and report the largest taxpayers. However, many of the taxpayers listed contain multiple parcels and it is possible that some parcels and their valuations have been overlooked. The 2010 EAV is the most current available.

Statement of Net Assets Primary Government Governmental Activities

	Audited As of December 31				
	2006	2007	2008	2009	2010
ASSETS:					
Cash.....	\$ 14,985,550	\$15,736,253(1)	\$ 11,680,473(1)	\$21,048,313(1)	\$ 28,509,566(1)
Investments.....	5,204,718	0	0	0	0
Receivables, Net of Allowances For Uncollectibles:					
Property Taxes.....	19,151,802	27,682,916	29,209,787	29,476,448	33,290,779
Accounts.....	1,214,281	1,310,872	1,375,841	1,394,480	1,691,423
Accrued Interest.....	10,696	7,327	8,207	4,348	666
Other Taxes.....	733,862	972,284	1,365,222	1,202,916	1,314,919
Other.....	265,908	225,058	301,052	753,507	982,477
Prepaid Expenses.....	680,591	642,821	592,810	697,787	3,372,295
Due from Other Governments.....	5,492,537	7,128,591	6,645,889	6,441,978	6,595,058
Pension Refund Receivable.....	0	757,933	0	0	0
Internal Balances.....	192,492	(133,574)	(92,634)	(428,758)	(464,648)
Deferred Charges.....	444,805	488,631	485,185	546,690	765,713
Net Pension Asset.....	0	754,373	460,128	727,227	937,828
Capital Assets Not Being Depreciated.....	73,612,205	72,301,854	73,123,073	73,373,128	78,625,349
Capital Assets, Being Depreciated.....	<u>100,457,453</u>	<u>103,282,595</u>	<u>102,226,176</u>	<u>100,171,379</u>	<u>98,457,758</u>
Total Assets.....	<u>\$222,446,900</u>	<u>\$231,157,934</u>	<u>\$227,381,209</u>	<u>\$235,409,443</u>	<u>\$254,079,183</u>
LIABILITIES:					
Accounts Payable.....	\$ 3,568,242	\$ 2,982,236	\$ 2,558,724	\$ 4,118,591	\$ 3,781,440
Accrued Liabilities.....	0	1,651,060	1,667,497	884,324	1,117,785
Accrued Payroll.....	236,277	0	0	204,987	208,333
Other Payables.....	881,506	0	0	269,137	0
Accrued Interest Payable.....	370,573	344,664	300,336	313,575	210,205
Unearned Revenue.....	19,423,597	25,867,503	28,907,128	29,144,543	30,054,362
Deposits Payable.....	162,062	147,468	162,669	286,308	69,042
Short Term Notes Payable.....	0	5,500,000	0	7,112,000	0
Accrued Pension Contributions.....	378,235	496,186	314,461	0	0
Net Pension Obligation.....	391,723	0	0	0	0
Non Current Liabilities:					
Due Within One Year.....	7,093,508	8,016,910	8,611,399	8,705,663	8,491,794
Due in More Than One Year.....	<u>89,656,957</u>	<u>81,715,789</u>	<u>75,318,167</u>	<u>70,020,175</u>	<u>66,064,563</u>
Total Liabilities.....	<u>\$122,162,680</u>	<u>\$126,721,816</u>	<u>\$117,840,381</u>	<u>\$121,059,303</u>	<u>\$109,997,524</u>
NET ASSETS:					
Investment in Capital Assets, Net of Related Debt....	\$ 84,159,240	\$ 94,992,957	\$100,771,214	\$106,143,382	\$120,440,844
Restricted For:					
Streets and Highways.....	0	0	0	152,202	624,128
Public Safety.....	1,426,250	1,731,918	2,049,450	2,362,852	2,951,948
Economic Development.....	4,252,552	3,076,575	0	1,095,556	3,419,235
Debt Service.....	51,727	39,857	0	0	0
Unrestricted.....	<u>10,394,451</u>	<u>4,594,811</u>	<u>6,720,164</u>	<u>4,596,148</u>	<u>16,645,504</u>
Total Net Assets.....	<u>\$100,284,220</u>	<u>\$104,436,118</u>	<u>\$109,540,828</u>	<u>\$114,350,140</u>	<u>\$144,081,659</u>

Note: (1) Includes cash and investments.

**Statement of Activities
Governmental Activities
Net (Expense) Revenue and Changes in Net Assets**

Functions/Programs	Audited Year Ended of December 31				
	2006	2007	2008	2009	2010
Primary Government					
General Government	\$ (3,196,902)	\$ (7,580,968)	\$ (664,629)	\$ (289,549)	\$ 515,329
Public Safety	(30,509,388)	(27,935,116)	(32,170,577)	(34,007,194)	(32,071,707)
Public Works	(6,057,064)	(7,094,915)	(7,112,552)	(6,070,734)	(3,856,346)
Streets and Highways	(7,742,903)	(1,640,135)	(7,790,561)	(7,309,291)	6,585,361
Economic Development	(2,172,297)	(1,766,126)	(3,504,617)	(2,184,724)	(1,487,301)
Interest	(4,049,875)	(4,172,033)	(4,031,768)	(3,984,468)	(3,631,361)
Total Governmental Activities(1)	<u>\$(53,728,429)</u>	<u>\$(50,189,293)</u>	<u>\$(55,274,704)</u>	<u>\$(53,845,960)</u>	<u>\$(33,946,025)</u>
General Revenues:					
Taxes:					
Property	\$ 22,115,583	\$ 23,773,249	\$ 26,700,637	\$ 27,934,060	\$ 29,117,255
Replacement	1,238,962	1,530,070	1,408,713	1,229,867	1,296,063
Sales	9,220,053	9,265,270	9,147,989	8,271,828	8,589,981
Utility	2,579,105	2,510,644	2,583,405	2,184,785	3,353,950
Income	5,197,409	5,296,209	5,446,073	4,686,475	4,580,927
Home Rule Sales	4,887,837	5,735,928	5,559,673	4,775,264	4,834,624
Food and Beverage Tax	933,162	964,590	953,597	897,541	911,865
Hotel/Motel	1,242,613	1,298,403	1,621,451	1,243,395	1,387,872
Real Estate Transfer	1,186,212	975,339	525,343	341,949	399,853
Local Option Motor Fuel	1,527,438	0	0	0	1,683,503
Other Taxes	2,541,496	3,454,589	4,659,762	5,628,019	4,364,047
Intergovernmental	0	0	0	128,581	574,467
Investment Income	1,445,882	816,908	420,479	98,711	74,589
Miscellaneous	246,840	296,990	1,196,081	1,329,137	479,138
Gain (Loss) on Sale of Capital Assets	3,479,486	0	0	0	0
Contributions	0	0	0	0	0
Transfers	(45,809)	210,074	156,211	(94,340)	262,432
Component Unit Transfers	0	0	0	0	0
Total	<u>\$ 57,796,269</u>	<u>\$ 56,128,263</u>	<u>\$ 60,379,414</u>	<u>\$ 58,655,272</u>	<u>\$ 61,910,566</u>
Change in Net Assets	4,067,840	5,938,970	5,104,710	4,809,312	27,964,541
Prior Period Adjustments	0	0	0	0	0
Net Assets, January 1	<u>96,216,380</u>	<u>98,497,148(2)</u>	<u>104,436,118</u>	<u>109,540,828</u>	<u>116,117,118(2)</u>
Net Assets, December 31	<u><u>\$100,284,220</u></u>	<u><u>\$104,436,118</u></u>	<u><u>\$109,540,828</u></u>	<u><u>\$114,350,140</u></u>	<u><u>\$144,081,659</u></u>

Notes: (1) Expenses less Charges for Services, Operating Grants and Capital Grants.
(2) As restated.

General Fund Balance Sheet

Audited as of December 31

ASSETS:	2006	2007	2008	2009	2010
Investments	\$ 1,884,571	\$4,330,902(1)	\$ 1,166,324(1)	\$ 9,957,253(1)	\$10,607,174(1)
Cash and Equivalents	2,435,869	0	0	0	0
Receivables:					
Accounts	761,344	879,919	950,389	982,339	1,060,691
Property Taxes	17,790,784	20,514,568	20,841,443	22,179,165	25,086,119
Other Taxes	658,093	891,651	1,291,735	1,125,325	1,183,355
Other Receivables	202,972	183,530	239,481	708,758	472,269
Accrued Pension Contributions.....	0	757,933	0	0	0
Accrued Interest	859	460	214	190	0
Due From Other Governments	4,198,467	5,473,114	4,821,305	4,822,972	5,471,825
Due From Other Funds	4,509,152	7,028,745	8,542,906	8,813,767	8,189,209
Prepaid Items	5,908	0	1,980	4,536	3,000
Total Assets	<u>\$32,448,019</u>	<u>\$40,060,822</u>	<u>\$37,855,777</u>	<u>\$48,594,305</u>	<u>\$52,073,642</u>
LIABILITIES AND FUND EQUITY:					
Liabilities:					
Accounts Payable	\$ 1,720,278	\$ 1,551,048	\$ 1,710,985	\$ 1,617,404	\$ 1,333,639
Accrued Payroll	884,290	0	0	0	0
Accrued Liabilities.....	0	1,321,971	1,624,786	1,057,244	1,191,531
Other Payables	135,650	100,000	100,000	0	0
Due to Other Government Units.....	0	0	0	269,137	0
Deferred Revenue	18,808,683	21,258,115	22,235,804	23,729,102	24,288,549
Due to Other Funds	2,738,043	1,876,680	2,499,430	2,435,193	1,865,857
Short-term Notes Payable.....	0	5,500,000	0	6,500,000	0
Accrued Pension Contributions	378,235	496,186	314,461	0	0
Total Liabilities	<u>\$24,665,179</u>	<u>\$32,104,000</u>	<u>\$28,485,466</u>	<u>\$35,608,080</u>	<u>\$28,679,576</u>
Fund Equity:					
Reserved	\$ 3,853,331	\$ 6,881,187	\$ 8,140,055	\$ 0	\$ 0
Reserved for Long-Term Receivables	0	0	0	8,807,458(2)	7,977,992(2)
Reserved for Prepaid Items	0	0	0	4,536(2)	3,000(2)
Unreserved	3,929,509	1,075,635	1,230,256	4,174,231	15,413,074
Total Fund Equity	<u>\$ 7,782,840</u>	<u>\$ 7,956,822</u>	<u>\$ 9,370,311</u>	<u>\$12,986,225</u>	<u>\$23,394,066</u>
Total Liabilities and Fund Equity	<u>\$32,448,019</u>	<u>\$40,060,822</u>	<u>\$37,855,777</u>	<u>\$48,594,305</u>	<u>\$52,073,642</u>

- Notes: (1) Includes cash and equivalents.
(2) Not detailed separately in fiscal years 2008 and prior years.

**General Fund
Revenues and Expenditures**

Audited as of December 31

	2006	2007	2008	2009	2010
REVENUES:					
Taxes	\$23,461,237(1)	\$26,744,951	\$30,031,416	\$19,888,602	\$21,461,924
Other Taxes	0	0	0	10,298,486	11,556,651
Licenses and Permits	4,087,868	3,837,256	3,228,153	3,011,551	4,054,683
Intergovernmental	16,189,175(1)	16,361,110(2)	17,626,764	14,430,178	14,680,433
Charges for Services	3,472,029	4,352,399	5,152,550	6,377,634	6,246,285
Fines and Forfeits	999,024	985,254	1,079,532	1,118,464	921,328
Investment Income	394,117	188,976	111,718	15,497	23,469
Miscellaneous	170,247	222,276	314,927	1,111,874	363,613
Total Revenues	\$48,773,697	\$52,692,222	\$57,545,060	\$56,252,286	\$59,308,386
EXPENDITURES:					
Current:					
General Government	\$ 6,836,983	\$ 7,139,666	\$ 7,037,168	\$ 7,093,003	\$ 6,742,596
Public Safety	30,816,886	30,387,962	34,439,819	35,460,313	34,078,950
Public Works	9,526,298	7,296,210	11,351,114	5,855,521	4,872,193
Streets and Highways	927,067	5,302,000	1,267,168	5,069,135	4,236,133
Economic Development	815,210	692,330	681,762	329,564	374,321
Interest and Fiscal Charges	0	0	32,885	0	36,026
Capital Outlay	0	0	183,735	16,836	28,403
Total Expenditures	\$48,922,444	\$50,818,168	\$54,993,651	\$53,824,372	\$50,368,622
Excess (Deficiency) of Revenues Over Expenditures	\$ (148,747)	\$ 1,874,054	\$ 2,551,409	\$ 2,425,914	\$ 8,939,764
Other Financing Sources (Uses), net	710,518	(1,395,000)	(1,137,920)	1,190,000	1,468,077
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	\$ 561,771	\$ 479,054	\$ 1,413,489	\$ 3,615,914	\$10,407,841
Balance, January 1	\$ 7,221,069	\$ 7,477,768(3)	\$ 7,956,822	\$ 9,370,311	\$12,986,225
Residual Equity Transfers In/ Prior Period Adjustment ...	0	0	0	0	0
Balance, December 31	\$ 7,782,840	\$ 7,956,822	\$ 9,370,311	\$12,986,225	\$23,394,066

- Notes: (1) Home-rule sales taxes in the amount of \$706,110 are included in intergovernmental.
(2) Home-rule sales taxes in the amount of \$773,085 are included in intergovernmental.
(3) As restated.

**General Fund
Unaudited Budget and Interim Information**

	Budget Fiscal Year 2011	Preliminary Fiscal Year 2011(2)	Budget Fiscal Year 2012
REVENUES:			
Taxes	\$32,435,120	\$34,099,824	\$33,427,900
Licenses and Permits	2,607,800	3,086,310	2,539,400
Intergovernmental	13,279,247	15,010,879	13,844,409
Charges for Services	5,683,050	6,344,524	5,762,550
Fines and Forfeits	804,200	1,370,186	1,176,700
Investment Income	10,000	41,594	25,000
Other Revenues and Transfers	882,441	2,825,659	766,536
Total Revenues	\$55,701,858	\$62,778,976	\$57,542,495
EXPENDITURES:			
General Government	\$ 8,720,782	\$ 9,641,466	\$ 9,006,342
Public Safety	36,122,366	36,561,242	37,236,543
Economic Development	366,444	371,346	393,520
Public Works	5,379,529	5,943,765	5,658,593
Streets and Highways	4,853,054	4,412,016	4,997,233
Total Expenditures	\$55,442,175	\$56,929,835	\$57,292,231

- Notes: (1) Source: the City.
(2) Unaudited.

INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE

To the Honorable Mayor
And Members of the City Council
City of Des Plaines, Illinois
Des Plaines, Illinois 60016

We have examined the City of Des Plaines, Illinois', (City's) compliance with the requirements of subsection (q) of Section 11-74.4-3 of the Illinois Tax Increment Redevelopment Allocation Act during the year ended December 31, 2011. Management is responsible for the City's compliance with those requirements. Our responsibility is to express an opinion on the City's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and accordingly, included examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination of the City's compliance with specified requirements.

In our opinion, the City complied in all material respects, with the aforementioned requirements for the year ended December 31, 2011.


Crowe Horwath LLP

Oak Brook, Illinois
June 30, 2012