

DES PLAINES

CHICAGOLAND'S CITY
OF DESTINY

CITY OF DES PLAINES
**COMPREHENSIVE
ANNUAL FINANCIAL
REPORT**
2014

MOVING **FORWARD**

THE CITY OF DES PLAINES, ILLINOIS

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

For the Fiscal Year Ended
December 31, 2014

Prepared by the Finance Department

Dorothy Wisniewski
Assistant City Manager/Director of Finance

CITY OF DES PLAINES, ILLINOIS
December 31, 2014

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INTRODUCTORY SECTION



City of Des Plaines

1420 Miner Street
Des Plaines, IL 60016

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June 8, 2015

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, 2014.

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 unmodified ("clean") opinion on the City of Des Plaines' financial statements for the year ended December 31, 2014. 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, Illinois (the City) was founded in 1835 and incorporated in 1869. The City 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 2,984 licensed commercial establishments of which 283 are retail. Des Plaines is comprised of 38,510 jobs (2014, IDES, Where Workers Work); of them, 15 percent are in the manufacturing sector, 17 percent are in the wholesale and retail trade and 15 percent are in the healthcare and social assistance.

Des Plaines' current unemployment rate has dropped from 8.0 percent in 2013 to 5.6 percent (not seasonally adjusted, IDES, December, 2014). The rate generally decreased between 2004 through 2007, from 6.0 to 4.5 percent, respectively. However, it experienced a spike between 2008 and 2010, from 5.8 to 12.1 percent, respectively due to the economic recession. Between 2004 and 2012, the average annual unemployment rate was 7.5 percent with a high of 12.1 percent (2010) and a low of 4.1 percent (2006).

Des Plaines' declared valuation totals indicate a positive development trend from 2013 to 2014 at \$40 million to \$92.5 million, respectively while building permits showed a 6.7 percent decrease during the same time frame. This disparity reveals that while fewer construction projects were initiated during 2014, the average value of construction projects increased dramatically. This is largely due to the construction of two new large industrial buildings.

Long-term Financial Planning

The City Council identified five goals and several strategies to achieve those goals that were formalized into the 2013 Strategic Plan adopted by the City Council on August 5, 2013 via Resolution R-124-13.

The following are the primary goals that define the City's long-term financial planning:

1. **Financial Stability:** Our resources are in optimal balance with City needs and desires, and a stable financial condition endures.
2. **Thriving Economic Development:** Focused, steady growth and creative investment stimulate an increasingly attractive and vital economic climate.
3. **World Class Infrastructure:** Effective storm water management, transportation and water distribution system upgrades inspire community confidence.
4. **Sense of Community:** The value, beauty and feel of the City result in community pride, ownership and well-being.

5. High Performance: We are clear, focused, strategic and best-in-class in leadership and service delivery.

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. 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 the City's financial strength remains one of the City Council's long-term financial goals. At the close of the fiscal year 2014, the City's total General Fund balance was \$42.1 million, of which the unassigned fund balance was \$19.0 million or 33.1 percent of the General Fund expenditures.

The Water and Sewer fund is the City's major enterprise fund that accounts for revenues and expenses associated with the sale of water and the sanitary sewer system. The fund has been operating in an unbalanced position for the past several years and, as a result, expenses began outpacing revenues. At the end of 2014, the unrestricted net position resulted in a negative \$913 thousand while the total net position at the end of the year was \$17.8 million a drop of 8.7 percent. In an effort to reverse the operating spending deficit, preserve the enterprise fund reserves, provide funding for investment in equipment and infrastructure renewal and improve quality of water and sewer service for the long term the City Council approved an automatic annual adjustment that matches the City of Chicago annual water rate increase and ensures that the cost of water is covered by the user's fees. To absorb the increase of the delivery cost that includes operation and maintenance expense as well as the capital projects the City is looking at an alternative water supply source that will be implemented in 2016.

The Gaming Tax fund continues to provide the City with the additional resources for an early debt payoff, infrastructure projects and an alternate water source.

On June 16, 2014, the City Council authorized the City to partner with the Village of Wheeling in providing enhanced 911 call answering and police dispatching services for the City, which will render the Des Plaines Emergency Communication Center (DPECC) no longer operational. Oversight of the enhanced 911 system is carried out by the Des Plaines Emergency Telephone System Board (ETSB). Additionally, on September 30, 2014, the Des Plaines Fire Department moved its dispatch operations to the Regional Emergency Dispatch (RED) Center in Northbrook.

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

The collaboration between elected leaders and City staff identified a challenge to deliver smart, efficient service to the taxpayers of Des Plaines. During 2014 some of the City's accomplishments included:

- Financial Stability:
 - ✓ The City issued \$2,020,000 and \$5,600,000 in general obligation 2014A and 2014B series bonds for interest rates savings. The 2014A bonds refunded \$1,940,000 of outstanding 2003C series bonds, resulting in an economic gain of \$163,200. The 2014B bonds refunded \$2,670,000 of outstanding 2005A series bonds and \$6,005,000 of outstanding 2005D series bonds, resulting in an economic gain of \$399,424.
 - ✓ The finance department revised the City's investment policy to streamline and clarify the existing language and realign to the Illinois Public Funds Investment Act. The amendments to the investment policy were adopted by the City Council on January 20, 2015 (R-15-15).
 - ✓ The past several years have been marked by minimal tax increases to residents, and the City Council continues to place an emphasis on keeping City services affordable to the taxpayers.
 - ✓ The City Council adopted an ordinance (M-8-14) amending Chapter 1 "Vehicle Licenses" of Title 7 of the City Code to redefine vehicle license requirement and exceptions, simplify the penalty structure, remove "one per household" restriction for the senior stickers and amend the code violation fines.
- Economic Development:
 - ✓ The City hired an Economic Development Coordinator to assist with the City's efforts to attract and retain businesses to the City. The position's top priority is to facilitate interactions with the City to allow the most efficient experience possible, and to be the City's ambassador to the business community.
 - ✓ The City made downtown Des Plaines a more attractive place for businesses with the initiation of Phase II of the Streetscape and Roadway Improvements Project.
 - ✓ Design began on Phase III of the downtown streetscape project and the City has established an action plan to attract and retain businesses to the city.
- Infrastructure:
 - ✓ The Public Works and Engineering department oversaw the construction of the newly beautified Ellinwood Street downtown corridor with the newly planted trees and brick-paved sidewalks.
 - ✓ The City completed construction of all 2014 Capital Improvement Projects including alley, street, water/sewer and drainage system improvements as well as scheduled Storm Water Master Plan improvements.
 - ✓ Nearly \$24 million will be invested in a new water source, roads, sewers, sidewalks, and flood control in 2015 without any new debt.
- Community:
 - ✓ The entire City staff responded admirably during the extreme weather conditions this year, both by going above and beyond to keep Des Plaines residents safe, and by simply maintaining business as usual so everyday services continued to be available without interruption.
 - ✓ The City hired North Star Destinations to steer a re-branding initiative that would leverage the community's strengths and opportunities. The project resulted in a strategically developed brand concept supported by a custom logo and solid implementation plan.

- High Performance:
 - ✓ The City continues to focus its support of Cook County's 6B tax incentive program which resulted in the construction of the following projects:
 - 333 Howard Avenue: A 236,508 square foot speculative industrial building.
 - 200 East Touhy Avenue: A 130,980 square foot industrial building that will be the worldwide headquarters for Sky Chefs International. It is expected that Sky Chefs will eventually bring nearly 800 new jobs to the City.
 - 901 West Oakton Street: A 70,000 square foot commercial truck dealership and leasing company for M&K Truck Centers featuring the brands Mack and Volvo.
- The Finance Department, for the second straight year, submitted a Popular Annual Financial Report (PAFR) to the certification program and once again received the award for outstanding achievement in popular annual financial reporting for its 2013 PAFR. The PAFR Award Program encourages state and local governments to extract information from their CAFR and produce a report specifically designed to be readily accessible and easily understandable to the general public and other interested parties without a background in public finance.
- For six consecutive years, the City has been a recipient of the Government Finance Officers Association's Distinguished Budget Presentation Award in recognition that the City's budget document meets or exceeds the guidelines established by the National Advisory Council of State and Local Budgeting and the GFOA's best practices.

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, 2013. This was the thirty-fourth 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
Assistant City Manager/Director of Finance



Government Finance Officers Association

**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, 2013

Executive Director/CEO



Legislative

Matthew J. Bogusz, Mayor

Gloria J. Ludwig, City Clerk

City Council

Patricia Haugeberg – First Ward

James Brookman – Fifth Ward

John Robinson – Second Ward

Mark Walsten – Sixth Ward

Denise Rodd – Third Ward

Don Smith – Seventh Ward

Dick Sayad – Fourth Ward

Mike Charewicz – Eighth Ward

Administration

City ManagerMichael G. Bartholomew

General Counsel.....Peter Friedman, Holland & Knight, LLP

Assistant City Manager/Director of Finance Dorothy Wisniewski

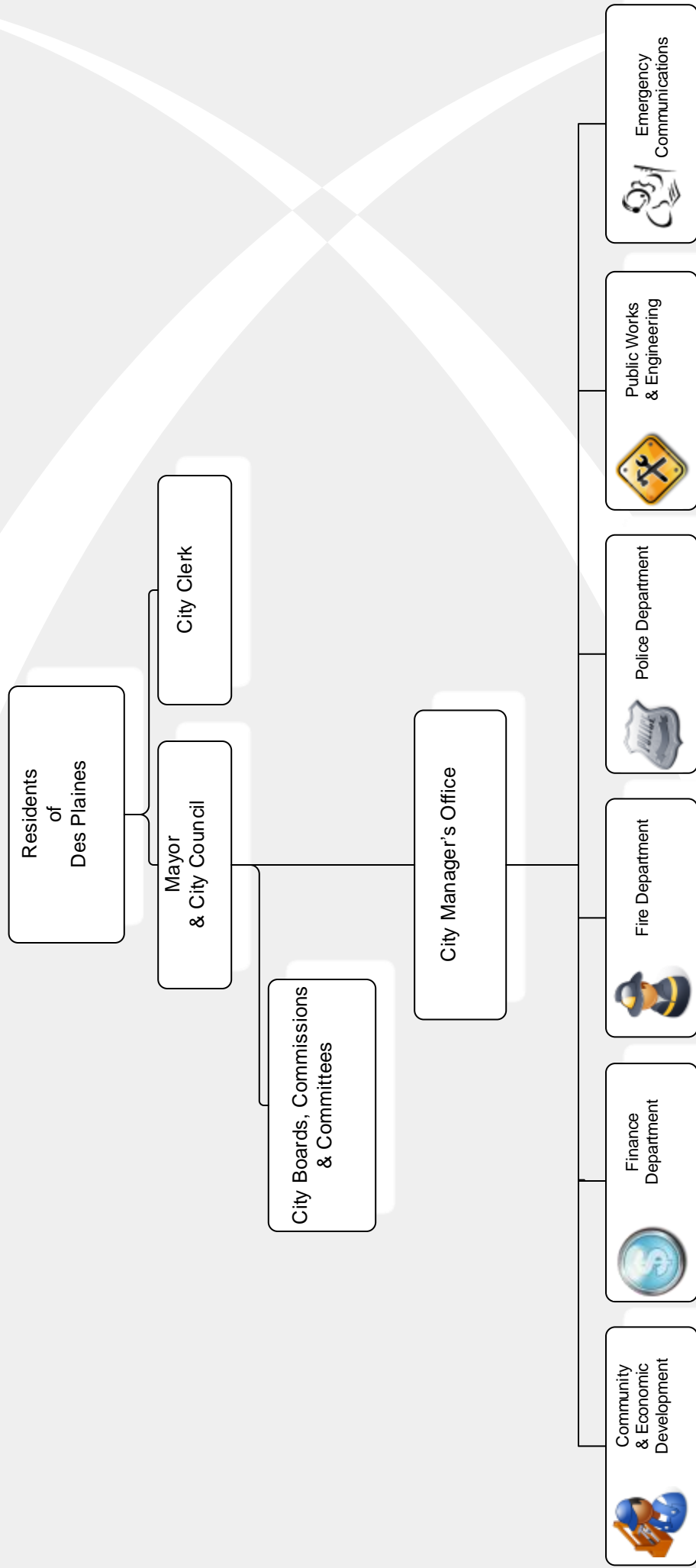
Chief of Police William Kushner

Fire Chief Alan Wax

Director of Public Works & Engineering Timothy Oakley

Director of Community & Economic Development..... George Sakas

City of Des Plaines



FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Des Plaines, Illinois ("City"), as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

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, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 17 and the schedules of revenues, expenditures and changes in fund balance – budget and actual for the General fund, TIF #6 (Mannheim/Higgins) fund, and Gaming Tax fund, the historical pension and retirees' health plan information on pages 85 through 95 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic 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 basic financial statements.

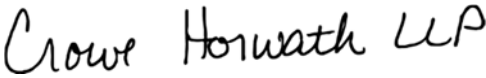
The accompanying 2014 combining and individual fund financial statements and schedules and other supplementary schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The 2014 combining and individual fund financial statements and schedules and other supplementary schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2014 combining and individual fund financial statements and schedules and other supplementary schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section, 2013 combining and individual fund financial statements and schedules, statistical section, and other information have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

The introductory section, 2013 combining and individual fund financial statements and schedules, statistical section, and other information have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Report on Other Legal and Regulatory Requirements

In accordance with *Government Auditing Standards*, we have also issued our report dated June 8, 2015 on our consideration of 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* in considering the City's internal control over financial reporting and compliance.


Crowe Horwath LLP

Oak Brook, Illinois
June 8, 2015

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF DES PLAINES, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2014

The following is a discussion and analysis of the City of Des Plaines' (the "City") financial performance for the fiscal year ended December 31, 2014. Use this section in conjunction with the City's basic financial statements. Comparative data is available and presented for this 2014 report.

FINANCIAL HIGHLIGHTS

Government-Wide

Net Position: The assets and deferred outflows of resources of the City of Des Plaines exceeded its liabilities and deferred inflows of resources by \$260.1 million as of December 31, 2014, an increase of \$19.9 million or 8.3 percent from fiscal year 2013. The majority of the increase is primarily due to an increase of \$13.7 million in the unrestricted net position. The net position is comprised of \$185.7 million in net investment in capital assets, \$7.2 million in restricted, and \$67.2 million in unrestricted.

Fund Level

Governmental Funds: As of December 31, 2014, the City's governmental funds reported a combined ending fund balance of \$68.6 million, a decrease of \$1.9 million or 2.7 percent from fiscal 2013, primarily due to interfund advances. The City reported a positive unassigned fund balance of \$7.7 million in fiscal 2014.

- The City's General Fund ended the year with total revenues exceeding total expenditures by \$7.3 million. Combined with other financing net uses of \$8.9 million, the December 31, 2014 fund balance decreased by \$1.6 million.
- Economy sensitive local tax revenues, i.e. home rule sales tax, utility, food and beverage, sales, income, real estate transfer tax as well as hotel/motel taxes continue to rebound; however auto rental tax and telecommunication tax declined slightly when comparing to last year's revenues.
- Local government state shared revenues, i.e. state income, municipal sales and personal property replacement tax decreased by \$1.6 million. However, in 2013 the City experienced a onetime increase in municipal sales tax revenue due to \$3 million in collections resulting from a state audit.
- The City received \$24.8 million in taxes generated from the revenues at Rivers Casino, \$3.5 million in admission tax (\$1 per admission), and \$21.3 million in wagering tax (5% of all wagering activities). Pursuant to the contractual agreement with Midwest Gaming, the City is required and has distributed \$10 million of the total gaming tax revenue to the State of Illinois with an additional \$5.9 million (40% of the total revenue over \$10 million) amongst the 10 benefiting communities named in the agreement. The remaining amount of \$8.9 million in gaming tax revenue will be discussed by the City Council as part of the 2016 Budget process and allocated towards expenditures approved in the gaming tax revenue and expenditure policy such as capital infrastructure projects and early debt payoff.

CITY OF DES PLAINES, ILLINOIS
 MANAGEMENT'S DISCUSSION AND ANALYSIS
 December 31, 2014

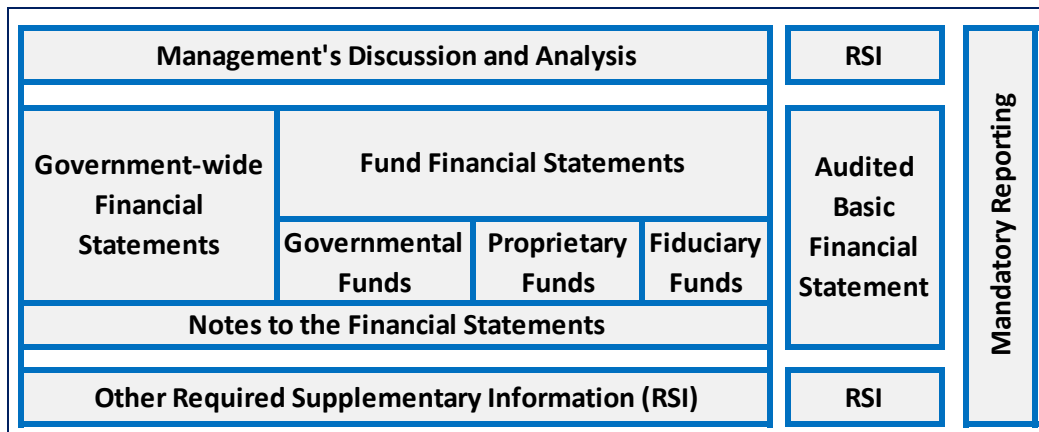
Proprietary Funds: The proprietary funds reported a net position of \$30 million as of December 31, 2014, a decrease of \$2.4 million or 7.3 percent from fiscal 2013, primarily due to increasing water delivery costs.

Debt Service: The City's total bonds outstanding decreased by \$15.4 million or 27.5 percent during fiscal 2014. This amount represents the net difference between net issuances, payments and refunding of outstanding bond debt. During fiscal 2014, the City issued bonds totaling \$7.62 million as part of refunding debt for interest rate savings.

More detailed information regarding the government-wide, fund level and long-term debt activities can be found in the debt administration section of this management's discussion and analysis (MD&A).

OVERVIEW OF THE FINANCIAL STATEMENTS

The following graphic depicts the flow of components in the Comprehensive Annual Financial Report.



In accordance with generally accepted accounting principles, the City presents its financial statements so as to offer two perspectives of its financial position and results of operations. The government-wide perspective presents financial information for the government as a whole. The fund perspective involves the presentation of financial information for individual accounting entities established by the City for specific purposes. The Financial Section of this annual report presents the City's financial position and activities in four parts:

- Management Discussion and Analysis (MD&A)
- The Basic Financial Statements
- Required Supplementary Information other than MD&A
- Other Supplementary Information presenting combining statements and schedules

(See independent auditor's report)

CITY OF DES PLAINES, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2014

The report also includes statistical and economic data. The basic financial statements include government-wide financial statements, fund financial statements and notes to financial statements, which provide more detailed information to supplement the basic financial statements.

Reporting the City as a Whole

The government-wide financial statements are designed to present an overall picture of the financial position of the City. These statements consist of the *Statement of Net Position* and the *Statement of Activities*, which are prepared using the economic resources measurement focus and the accrual basis of accounting. This means that all the current year's revenues and expenses are included, regardless of when cash is received or paid, producing a view of the financial position similar to that presented by most private sector companies.

The *Statement of Net Position* combines and consolidates governmental funds' current financial resources with capital assets and long-term obligations. This statement includes all of the government's assets, deferred outflows of resources, liabilities and deferred inflows of resources. Net position represents one measure of the City's financial health.

Other indicators of the City's financial health include the condition of its roads and streets (infrastructure) and economic trends affecting the City's future revenues.

The *Statement of Activities* focuses on both the gross and net cost of various activities (including governmental, business-type and component unit). These costs are paid by the City's general taxes and other revenues. This statement summarizes the cost of providing (or the subsidy provided by) specific government services and includes all current year revenues and expenses.

The government-wide *Statement of Net Position* and the *Statement of Activities* divide the City's activities into the following three types:

- *Governmental Activities* – The City's basic services are reported here, including the police, fire, public works, and general administration. Taxes, fees as well as 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 Unit* – 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 provide additional detail about the City's financial position and activities. Some information presented in the fund financial statements differs from the government-wide

CITY OF DES PLAINES, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2014

statements due to the perspective and basis of accounting used. Funds are presented on the fund-level statements as major and nonmajor based on criteria set by the Government Accounting Standards Board (GASB).

A fund is a separate accounting entity with a self-balancing set of accounts. The City uses funds to keep track of sources of funding and spending related to specific activities. All of the City's funds are divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

- *Governmental Funds* – A majority of the City's activity is reported in governmental funds. Reporting of these funds focuses on the flow of money into and out of the funds and amounts remaining at fiscal year-end for future spending. Governmental funds are accounted for using the modified accrual basis of accounting, which measures cash and other assets that can be readily converted to cash.

The governmental fund financial statements provide a detailed short-term view of the City's general governmental operations and the basic services it provides. This information helps determine the level of resources available for the City's programs. The reconciliations following the fund financial statements explain the differences between the governmental activities column reported on the government-wide statement of net position and the government-wide statement of activities, and the governmental funds reported on the fund financial statements.

The General fund, TIF #6 fund, Gaming Tax fund, and Capital Projects fund are reported as major governmental funds.

- *Proprietary Funds* - When the City charges customers for services it provides, these activities are generally reported in proprietary funds. Services provided to outside (non-governmental) customers are reported in enterprise funds, a component of proprietary funds, and are accounted for using the economic resources measurement focus and the accrual basis of accounting. These are the same business-type activities reported in the government-wide financial statements, but are reported here to provide information at the fund level.

The Risk Management fund and Health Benefits fund are reported as internal service funds and provide services on a cost reimbursement basis to other agencies of the financial reporting entity. Water/Sewer System fund and Parking System fund are reported as major proprietary funds. Additionally, the City has a non-major proprietary fund, to account for the activities of the Des Plaines Emergency Communications Center (DPECC).

- *Fiduciary Funds* – The City is the trustee or fiduciary for the Police Pension fund and the Firefighters Pension fund. It is also responsible for other assets that can be used only for trust beneficiaries. All City fiduciary activities are reported in separate statements of fiduciary net position and changes in fiduciary net position. The activities are reported separately from other financial activities because the City cannot use the assets to finance its operations. The City's fiduciary responsibilities include ensuring that the assets reported in these funds are used for their intended purposes.

CITY OF DES PLAINES, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2014

- *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.

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

Net Position: Total assets of the City as of December 31, 2014, were \$359 million, an increase of \$3.2 million or 0.9 percent. Total liabilities as of December 31, 2014, were \$71.6 million, a decrease of \$16.3 million or 18.5 percent. The following table reflects the condensed *Statement of Net Position*:

| | Governmental Activities | | Business-type Activities | | Total Primary Government | |
|---------------------------------------|-------------------------|-----------------------|--------------------------|----------------------|--------------------------|-----------------------|
| | 2014 | 2013 | 2014 | 2013 | 2014 | 2013 |
| ASSETS | | | | | | |
| Current & Other Assets | \$ 128,861,783 | \$ 129,903,344 | \$ 3,268,136 | \$ 5,299,409 | \$ 132,129,919 | \$ 135,202,753 |
| Capital Assets | 197,246,448 | 190,802,919 | 29,636,936 | 29,853,240 | 226,883,384 | 220,656,159 |
| Total Assets | <u>326,108,231</u> | <u>320,706,263</u> | <u>32,905,072</u> | <u>35,152,649</u> | <u>359,013,303</u> | <u>355,858,912</u> |
| DEFERRED OUTFLOWS OF RESOURCES | 541,551 | 523,867 | - | - | 541,551 | 523,867 |
| LIABILITIES | | | | | | |
| Current Liabilities | 22,229,033 | 23,573,175 | 2,315,405 | 2,118,706 | 24,544,438 | 25,691,881 |
| Noncurrent Liabilities | 46,375,252 | 61,399,493 | 638,531 | 724,478 | 47,013,783 | 62,123,971 |
| Total Liabilities | <u>68,604,285</u> | <u>84,972,668</u> | <u>2,953,936</u> | <u>2,843,184</u> | <u>71,558,221</u> | <u>87,815,852</u> |
| DEFERRED INFLOWS OF RESOURCES | 27,873,362 | 28,359,634 | - | - | 27,873,362 | 28,359,634 |
| NET POSITION | | | | | | |
| Net Investment in Capital Assets | 156,111,648 | 141,973,412 | 29,636,936 | 29,853,240 | 185,748,584 | 171,826,652 |
| Restricted | 7,201,606 | 14,869,706 | - | - | 7,201,606 | 14,869,706 |
| Unrestricted | 66,858,881 | 51,054,710 | 314,200 | 2,456,225 | 67,173,081 | 53,510,935 |
| Total Net Position | <u>\$ 230,172,135</u> | <u>\$ 207,897,828</u> | <u>\$ 29,951,136</u> | <u>\$ 32,309,465</u> | <u>\$ 260,123,271</u> | <u>\$ 240,207,293</u> |

Net position was affected by a number of factors. All cash and cash equivalents on the Statement of Net Position decreased by \$6.3 million from fiscal 2013 due to the payment of refunded debt. The City's bonded indebtedness was \$40.7 million, which included new issuances of \$7.62 million in bonds of refunded debt for interest rate savings. Approximately \$23.9 million in bonded debt was retired or refunded.

Net position was \$260.1 million in fiscal 2014, an increase of \$19.9 million or 8.3 percent. Of the City's net position, \$185.7 million was net investment in capital assets, while \$7.2 million was restricted by the City or other legal requirements and was not available to finance day-to-day

CITY OF DES PLAINES, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2014

operations of the City. Unrestricted net position was \$67.2 million. The majority of the net position increase is primarily due to a decrease of \$7.7 million in the restricted net position.

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

| Table 2: Changes in Net Position | | | | | | |
|--|--------------------------------|----------------------|---------------------------------|---------------------|---------------------------------|----------------------|
| For the Fiscal Year Ended December 31, 2014 and 2013 | | | | | | |
| | Governmental Activities | | Business-type Activities | | Total Primary Government | |
| | 2014 | 2013 | 2014 | 2013 | 2014 | 2013 |
| REVENUES | | | | | | |
| Program Revenues: | | | | | | |
| Fees, Fines & Charges for Services | \$ 14,277,986 | \$ 15,414,910 | \$18,053,593 | \$16,236,017 | \$ 32,331,579 | \$ 31,650,927 |
| Operating Grants & Contributions | 2,307,571 | 2,996,521 | 5,804 | 8,237 | 2,313,375 | 3,004,758 |
| Capital Grants & Contributions | 4,109,373 | 576,573 | - | - | 4,109,373 | 576,573 |
| Total Program Revenues | <u>20,694,930</u> | <u>18,988,004</u> | <u>18,059,397</u> | <u>16,244,254</u> | <u>38,754,327</u> | <u>35,232,258</u> |
| General Revenues: | | | | | | |
| Property Taxes | 28,442,253 | 28,575,125 | - | - | 28,442,253 | 28,575,125 |
| Other Taxes | 62,749,041 | 63,389,184 | - | - | 62,749,041 | 63,389,184 |
| Investment Income | 73,812 | 89,626 | 1,392 | 1,776 | 75,204 | 91,402 |
| Miscellaneous Revenue | 862,423 | 899,031 | 716,306 | 5,388 | 1,578,729 | 904,419 |
| Total General Revenues | <u>92,127,529</u> | <u>92,952,966</u> | <u>717,698</u> | <u>7,164</u> | <u>92,845,227</u> | <u>92,960,130</u> |
| Total Revenues | <u>112,822,459</u> | <u>111,940,970</u> | <u>18,777,095</u> | <u>16,251,418</u> | <u>131,599,554</u> | <u>128,192,388</u> |
| EXPENSES | | | | | | |
| General Government | 25,998,813 | 26,119,801 | - | - | 25,998,813 | 26,119,801 |
| Public Safety | 38,962,218 | 38,792,971 | - | - | 38,962,218 | 38,792,971 |
| Public Works | 7,632,615 | 8,448,448 | - | - | 7,632,615 | 8,448,448 |
| Streets and Highways | 13,643,574 | 11,450,291 | - | - | 13,643,574 | 11,450,291 |
| Economic Development | 2,346,862 | 1,906,584 | - | - | 2,346,862 | 1,906,584 |
| Interest | 1,679,828 | 2,709,144 | - | - | 1,679,828 | 2,709,144 |
| Water/Sewer | - | - | 16,528,659 | 15,412,364 | 16,528,659 | 15,412,364 |
| Parking System | - | - | 833,974 | 808,793 | 833,974 | 808,793 |
| Emergency Comm. System | - | - | 4,057,033 | 2,247,933 | 4,057,033 | 2,247,933 |
| Total Expenses | <u>90,263,910</u> | <u>89,427,239</u> | <u>21,419,666</u> | <u>18,469,090</u> | <u>111,683,576</u> | <u>107,896,329</u> |
| Excess (Deficiency) Before Transfers | | | | | | |
| Transfers | <u>22,558,549</u> | <u>22,513,731</u> | <u>(2,642,571)</u> | <u>(2,217,672)</u> | <u>19,915,978</u> | <u>20,296,059</u> |
| Transfers | <u>(284,242)</u> | <u>(49,992)</u> | <u>284,242</u> | <u>49,992</u> | <u>-</u> | <u>-</u> |
| Changes in Net Position | <u>22,274,307</u> | <u>22,463,739</u> | <u>(2,358,329)</u> | <u>(2,167,680)</u> | <u>19,915,978</u> | <u>20,296,059</u> |
| Net Position, Beginning Balance | <u>207,897,828</u> | <u>185,434,089</u> | <u>32,309,465</u> | <u>34,477,145</u> | <u>240,207,293</u> | <u>219,911,234</u> |
| Net Position, Ending Balance | <u>\$230,172,135</u> | <u>\$207,897,828</u> | <u>\$29,951,136</u> | <u>\$32,309,465</u> | <u>\$260,123,271</u> | <u>\$240,207,293</u> |

The City's net position as of December 31, 2014 increased by \$19.9 million. The City earned program revenues of \$38.8 million and general revenues of \$92.8 million, for total revenues of \$131.6 million, an increase of \$3.4 million or 2.7 percent from fiscal year 2013.

The major components of this increase were capital grants and contributions, with an increase of \$3.5 million. Operating grants and contributions revenue decreased by \$691 thousand and general revenue increased by \$681 thousand. The expenses of the City were \$111.7 million, an increase of

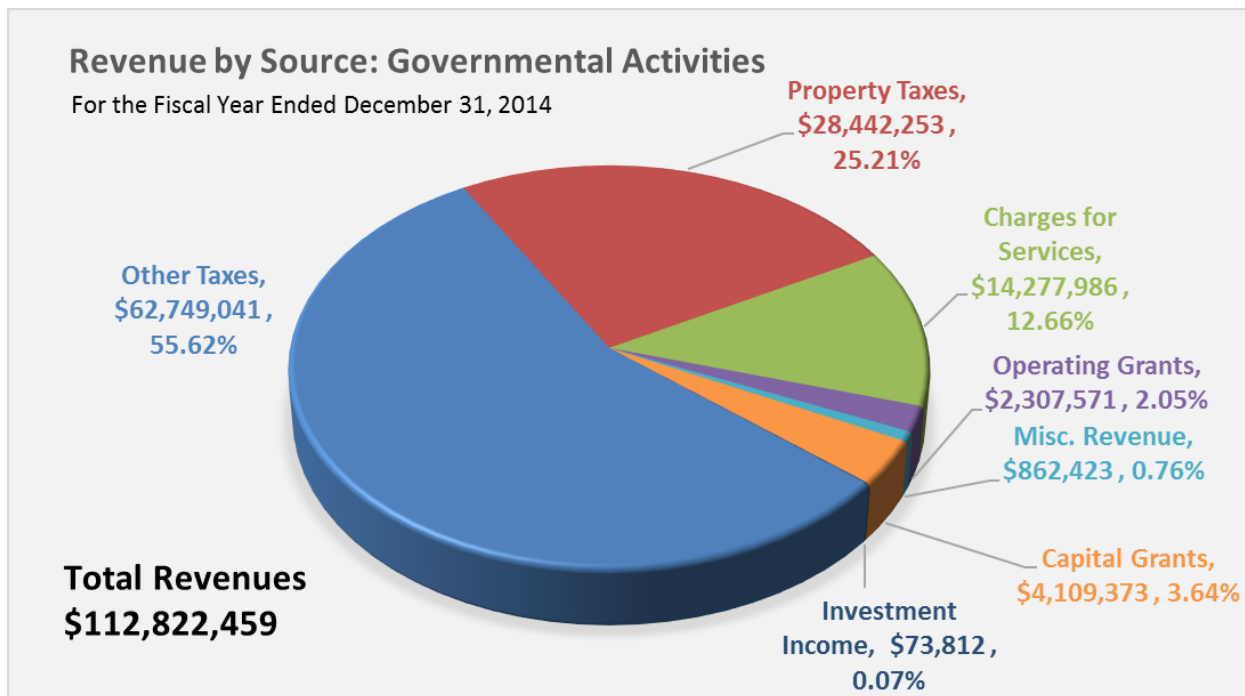
CITY OF DES PLAINES, ILLINOIS
 MANAGEMENT'S DISCUSSION AND ANALYSIS
 December 31, 2014

\$3.8 million or 3.5 percent. The expense fluctuations in governmental activities are largely attributable to a \$2.2 million increase in the streets and highways services.

In business-type activities there was a \$1.1 million increase in water/sewer services and a \$1.8 million increase in Emergency Communication System due to the full year of operations in 2014. Further discussion of results for changes in the City's financial condition follows in the analysis of the City's funds.

Governmental Activities: The governmental activities program revenue was \$20.7 million, including charges for services of \$14.3 million, operating grants and contributions of \$2.3 million and capital grants and contributions of \$4.1 million. The largest change, a \$3.5 million increase, was for capital grants and contributions. Fees, fines and charges for services revenue decreased by \$1.1 million due to the re-negotiated refuse collection contract which yielded lower expenditures.

The general revenue was \$92.1 million, including property taxes of \$28.4 million and other taxes revenue of \$62.8 million. The general revenue had decreases of \$825 thousand, including a slight decrease in property tax revenue and a continuing decline in telecommunication tax and auto rental tax revenues. The following chart represents revenues from governmental activities by source.



The 2013 equalized assessed value (EAV) was reduced by (16.8%) from the 2012 EAV following the decline in market value of property in Cook County, IL. The estimated 2014 EAV is expected to increase by 1.2 percent.

| Equalized Assessed Valuation (EAV) | Tax Levy 2013 | Tax Levy 2012 | Increase / (Decrease) | Change (%) |
|------------------------------------|------------------|------------------|-----------------------|------------|
| | \$ 1,697,287,344 | \$ 2,039,939,367 | \$ (342,652,023) | -16.8% |

(See independent auditor's report)

CITY OF DES PLAINES, ILLINOIS
 MANAGEMENT'S DISCUSSION AND ANALYSIS
 December 31, 2014

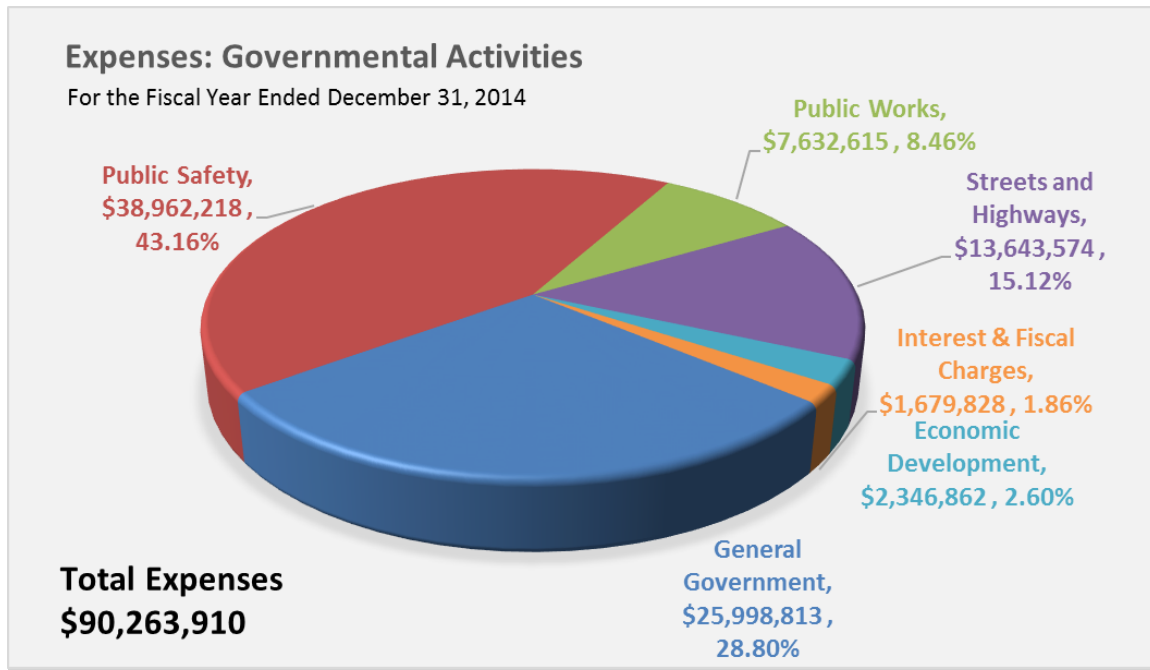
The *General Fund* state-per-capita shared revenues from *income tax* and *use tax* decreased by 2.1 percent.

| Illinois State Shared Tax Revenue | Fiscal Year 2014 | Fiscal Year 2013 | Increase / (Decrease) | Change (%) |
|-----------------------------------|------------------|------------------|-----------------------|------------|
| State Income Tax | \$ 5,587,992 | \$ 5,863,537 | \$ (275,545) | -4.7% |
| Use Tax | 1,120,783 | 987,175 | 133,608 | 13.5% |
| Total | \$ 6,708,775 | \$ 6,850,712 | \$ (141,937) | -2.1% |

The City's *municipal sales tax* revenue (one percent share of the State collected tax, not including home rule tax) decreased 10.2 percent during the fiscal year. In 2013 the City experienced a one-time increase in this revenue largely due to \$3 million in collections resulting from a state audit.

| Municipal Sales Tax Revenue | Fiscal Year 2014 | Fiscal Year 2013 | Increase / (Decrease) | Change (%) |
|-----------------------------|------------------|------------------|-----------------------|------------|
| | \$ 11,214,007 | \$ 12,481,071 | \$ (1,267,064) | -10.2% |

The following chart represents expenses from governmental activities.



Governmental activities expenses were \$90.3 million. All functions of governmental activities in the government-wide statement of activities have a net cost with the exception of economic development. The general government, public safety and streets and highways account for 87.1 percent of governmental activities expenses and 92.9 percent of the net cost. The property tax and tax collections of the state shared revenues provide the primary source of funding, which when added to program revenues, support payment for governmental services.

(See independent auditor's report)

CITY OF DES PLAINES, ILLINOIS
 MANAGEMENT'S DISCUSSION AND ANALYSIS
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Business-type Activities: Business-type activities generated program revenue of \$18.1 million from fees, fines and charges for services. The total expenses for business-type activities were \$21.4 million. The largest change occurred in the water and sewer fund with a \$1.7 million decrease in net position. The emergency communications services function had an increase in expenses from 2013 of \$1.7 million due to full year of operations. There was a decrease in Net Position in the government's business-type activities of \$2.4 million in comparison to the prior year's decrease of \$2.2 million.

The following chart summarizes expenses and program revenues from the City's business-type activities during the year.

| Expenses and Program Revenues: Business-type Activities | | |
|--|---------------------|-------------------------|
| For the Fiscal Year Ended December 31, 2014 | | |
| Activities | Expenses | Program Revenues |
| Water | 16,528,659 | 14,556,788 |
| Parking | 833,974 | 365,811 |
| Emergency Communications | 4,057,033 | 3,136,798 |
| | <u>\$21,419,666</u> | <u>\$18,059,397</u> |

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

Governmental Funds

As of December 31, 2014, governmental funds reported fund balances of \$68.6 million. The general fund reported a positive \$42.1 million fund balance.

General Fund: The fund balance for the general fund as of December 31, 2014, was \$42.1 million, a decrease of \$1.6 million from fiscal 2013, mostly due to the advances to the tax increment financing funds (TIF #3 and TIF#6) as well as the water/sewer fund. The nonspendable fund balance was \$13.89 million and the assigned fund balance was \$9.15 million, resulting in the unassigned fund balance of \$19 million. The unassigned balance of the general fund can be used to cover the day-to-day service delivery and was at 33 percent of the total 2014 general fund expenditures.

Gaming Tax Fund: The fund balance for the gaming tax fund as of December 31, 2014, was \$21.4 million, an increase of \$7.2 million from \$14.3 million as of December 31, 2013. This increase is due to the delay in cash transfers to the capital projects fund and the water/sewer fund that were postponed until 2015.

Tax Increment Financing Funds: The City maintains five separate funds created to account for the revenues and expenditures related to the City's tax increment financing (TIF) redevelopment

CITY OF DES PLAINES, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2014

areas. The negative impact on the City's 2014 total governmental fund balance is primarily due to deficit fund balances in TIF #3 (Wille Road) of \$3.2 million and TIF #6 (Mannheim/Higgins) of \$8.1 million related to an outstanding debt burden as well as reduced property tax revenue. During the year the City closed an underperforming TIF #4 (Five Corners) and created a new TIF #7 (Mannheim/Higgins South). TIF #6 was divided into two districts that cover the same footprint and are now called TIF #6 and TIF #7.

Capital Projects Fund: The three capital projects funds maintained by the City include capital projects, equipment replacement and I.T. replacement funds. The capital projects fund accounts for the acquisition and construction of major capital facilities and improvements and was classified as a major governmental fund of the City. The fund balance for the capital projects fund as of December 31, 2014, totaled \$3.6 million, an increase of \$21 thousand since December 31, 2013.

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 Systems funds as Major Enterprise funds. The Des Plaines Emergency Communications Center (DPECC) is reported as a non-major business-type enterprise fund. Proprietary funds reported a net position of \$30 million as of December 31, 2014.

Water/Sewer Fund: Water and sewer fund's net position as of December 31, 2014, totaled \$17.8 million, a decrease of \$1.7 million from the prior year as the fees received from the sale of water did not generate enough revenue to offset the water wholesale purchase price increase charged by the City of Chicago as well as the operating expenses of the fund.

Parking System Fund: Net Position of \$11.6 million, a decrease of \$0.5 million from fiscal 2013 since the revenue from charges for services continues to lag behind the operating expenses and the depreciation.

Emergency Communication Fund: The Des Plaines Emergency Communication Center (DPECC) fund created in 2013 to replace operations of the Joint Emergency Telecommunications System (JETS) fund and reported net position of \$15 thousand, a \$211 thousand decrease from December 31, 2013.

CITY OF DES PLAINES, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2014

GENERAL FUND BUDGETARY HIGHLIGHTS

Table 3: General Fund Budgetary Highlights
For the Year Ended December 31, 2014

| | Original and Final Budget | Actual | Variance from Fund Budget Positive (Negative) |
|---|--|-----------------------|--|
| Revenues | \$ 58,080,700 | \$ 64,854,672 | \$ 6,773,972 |
| Expenditures | 59,710,125 | 57,553,839 | 2,156,286 |
| Excess of Revenues Over Expenditures | <u>(1,629,425)</u> | <u>7,300,833</u> | <u>8,930,258</u> |
| Other Financing Sources (Uses) | (4,957,743) | (8,859,041) | (3,901,298) |
| Net Changes in Fund Balance | <u>\$ (6,587,168)</u> | <u>\$ (1,558,208)</u> | <u>\$ 5,028,960</u> |

General fund actual revenues were \$6.8 million or 11.7 percent greater than the budgeted amount while general fund actual expenditures were \$2.2 million or 3.6 percent lower 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 were below the budget expectations based on the City’s conservative approach to spending.

CAPITAL ASSETS

As of December 31, 2014, the City had \$226.9 million in net capital assets. This total represents an increase of \$6.2 million in total capital assets or 2.8 percent from fiscal 2013.

Major capital projects are completed based on the City’s Capital Improvement Program (CIP) that is a multi-year plan that prioritizes the City’s street, utility, and drainage infrastructure project needs for the next five years given current financial resources. The capital improvements during 2014 fiscal year included streets and alley reconstruction, water, sewer and drainage system improvements as well as River Road reconstruction project. This is a \$12.9 million project funded through the Illinois Department of Transportation (IDOT); included in this report is \$579 thousand from construction in progress expenditures.

The Business-type capital assets activities included reconstruction of the water mains and sanitary sewer improvements, building improvements as well as equipment and vehicles purchases.

(See independent auditor's report)

CITY OF DES PLAINES, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2014

Note 5 provides details about the City's capital assets and Note 12 details the City's significant commitments related to future capital expenditures. The following table illustrates the changes in capital assets.

| | Governmental Activities | | Business-type Activities | | Total Primary Government | |
|--------------------------|-------------------------|-----------------------|--------------------------|----------------------|--------------------------|-----------------------|
| | 2014 | 2013 | 2014 | 2013 | 2014 | 2013 |
| Land | \$ 22,009,852 | \$ 19,729,807 | \$ 1,891,770 | \$ 1,891,770 | \$ 23,901,622 | \$ 21,621,577 |
| Land right of way | 53,299,649 | 53,299,649 | - | - | 53,299,649 | 53,299,649 |
| Buildings | 12,121,980 | 12,567,911 | 9,400,368 | 10,073,646 | 21,522,348 | 22,641,557 |
| Building improvements | 26,831,978 | 27,951,836 | 17,861,598 | 17,217,968 | 44,693,576 | 45,169,804 |
| Equipment | 1,922,588 | 1,119,645 | 243,881 | 455,479 | 2,166,469 | 1,575,124 |
| Vehicles | 4,174,475 | 3,835,927 | 239,319 | 214,377 | 4,413,794 | 4,050,304 |
| Infrastructure | 76,306,632 | 72,298,144 | - | - | 76,306,632 | 72,298,144 |
| Construction in progress | 579,294 | - | - | - | 579,294 | - |
| Total Capital Assets | <u>\$ 197,246,448</u> | <u>\$ 190,802,919</u> | <u>\$ 29,636,936</u> | <u>\$ 29,853,240</u> | <u>\$ 226,883,384</u> | <u>\$ 220,656,159</u> |

DEBT OUTSTANDING

The City, under its home rule authority, does not have a legal debt limit. The City's outstanding general obligation debt rating of "Aa2" has been reaffirmed in 2014 by Moody's Investors Service. The City continues to look for opportunities to pay debt off early or refinance debt at lower interest rates.

| | Governmental Activities | | Business-type Activities | | Total Primary Government | |
|--------------------------|-------------------------|----------------------|--------------------------|-------------|--------------------------|----------------------|
| | 2014 | 2013 | 2014 | 2013 | 2014 | 2013 |
| General obligation bonds | \$ 40,678,625 | \$ 56,074,315 | \$ - | \$ - | \$ 40,678,625 | \$ 56,074,315 |
| TIF revenue bonds | 423,590 | 482,387 | - | - | 423,590 | 482,387 |
| Loans payable | 187,500 | 200,000 | - | - | 187,500 | 200,000 |
| Total Bonded Debt | <u>\$ 41,289,715</u> | <u>\$ 56,756,702</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 41,289,715</u> | <u>\$ 56,756,702</u> |

The City had \$40.7 million in principal outstanding general obligation debt from governmental activities and no principle outstanding from business-type activities for the year ended December 31, 2014. The majority of the City's debt burden is supported by TIF revenues, sales and utility taxes, sewer fees and other fees and only \$645 thousand is supported by property tax revenue. During the current fiscal year, the City issued \$7.62 million in Series 2014A and 2014B General

CITY OF DES PLAINES, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2014

Obligation (G.O.) Refunding Bonds in order to take advantage of interest rate savings. Additionally, the City paid off the Series 2005D bonds from the general fund resources. The City's net direct debt ratio to equalized assessed value (EAV) continues to be less than 1 percent. Additional information of the City's long-term debt can be found in Note 7 – Debt Activity of the 2014 CAFR.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The City has taken great strides during the past five years to ensure its fiscal stability:

- The City's property tax base possesses significant commercial and industrial components. The value of commercial and industrial properties comprised 19.6 percent and 24.7 percent, respectively, of the City's total 2013 EAV of \$1.7 billion and is projected to increase by 1.2% in 2014.
- Property taxes imposed on property within the City's corporate limits provide a stable revenue source. The property of the City's ten largest taxpayers during 2014 accounted for only 11.13 percent of the City's total EAV.
- The 2009 – 2013 American Community Survey conducted by the United States Bureau of the Census found that 80.9 percent of residential properties are owner occupied. The median home value was \$242,700 compared to a state average of \$182,300.
- According to the American Community Survey, the estimated median annual income for Des Plaines households between 2009 and 2013 was \$64,347. This compares favorably with the statewide figure of \$56,797.
- In 2014 Illinois' economy continued its post-recession expansion; the unemployment rate fell to 4.9 percent in Des Plaines compared to 5.7 percent state and 5.4 percent national rates.
- The City continues to benefit from the alignment of positions as a result of 2011 staffing reduction. Controlling the cost of salaries and benefits is essential in order to control spending.
- Cost containment and the use of budgetary reserves remains key to the continued improvement of financial position. FY 2015 will see increased accomplishments in the area of infrastructure improvements supported by state and federal funding.
- The funding for the vehicle and equipment purchases is provided on a pay-as-you-go basis and a schedule of funding is followed annually based on a replacement cycle. This is an essential step in the long-term financial planning as it allows the City to fund the capital equipment purchases on an ongoing basis rather than incur high costs of borrowing.
- The City has a diverse revenue base with only 25 percent of its revenue derived from the property taxes. The remaining revenue sources includes other taxes with combined revenue of 55.6 percent; charges for services of 12.7 percent and operating and capital grants of 4.4 percent.

CITY OF DES PLAINES, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2014

The most significant challenges that were considered during the development of 2015 budget were:

- *Pension liabilities:* Recent changes in pension legislation allowed the municipalities some relief in funding the pension obligations at 90% by 2040. The City continues to calculate and fund its pension obligations at the 100 percent actuarial funding level and is using an actuarial rate of return assumption of 7 percent to calculate the Police and Fire pension investment.
- *Revenue sources at risk:* State legislation has not allowed for increases in local municipal revenues and reductions have even been proposed. Reductions to the Local Government Distributive Fund continued to be discussed at the state level with a projection of 50 percent losses to the income taxes currently distributed to local governments. Additional reductions to revenues are being discussed for sales tax and personal property replacement tax.
- *Underperforming TIF Districts:* The City has five Tax Increment Financing (TIF) districts and two (TIF #3, Wille Road and TIF#6, Mannheim/Higgins) have negative fund balances. Given the significant decreases in equalized assessed values over the past few years, the incremental property taxes typically generated within TIFs have measurably declined in these cases. These circumstances were the cause of the negative fund balances in these TIFs, which are currently being offset by advances from the City's General fund with the hope of future repayments. During the year TIF #4 was closed and TIF #6 was divided into two separate districts/funds (TIF #6 & TIF #7) which re-sets the EAV of the newly created TIF #7 as a solution to revitalize the district.

Total operating revenues budgeted for 2015 are \$127.8 million, a 0.1 percent increase from the 2014 Budget. The General fund revenues are budgeted at \$58.6 million, a \$531 thousand, or 0.9 percent increase from 2014 due to a positive trend in sales tax receipts over the last several years. The City's total 2014 property tax levy payable in 2015 is \$23.1 million, a 0 percent increase over the prior year's tax levy. This is the fourth year that the City has elected not to increase property taxes.

Total City spending for the 2015 Budget is \$156.1 million, a \$13.3 million, or 9.3 percent increase over the 2014 budget amount. This increase can be attributed to increased investment in infrastructure projects in the Capital Projects fund, Grant Projects fund, and Water/Sewer fund. The General fund expenditures of \$60.4 million, a \$744 thousand, or 1.25 percent increase over 2014 budget is a result of an increase in personnel related costs (wages, insurance, etc.) as well as the funding of the public safety pensions and benefits.

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 Dorothy Wisniewski, Assistant City Manager/Director of Finance, City of Des Plaines, 1420 Miner Street, Des Plaines, IL 60016 or access the City's website at www.desplaines.org.

(See independent auditor's report)

BASIC FINANCIAL STATEMENTS

CITY OF DES PLAINES, ILLINOIS
STATEMENT OF NET POSITION
December 31, 2014

| | Primary Government | | | Component Unit (Library) |
|---|----------------------------|-----------------------------|-----------------------------|-----------------------------|
| | Governmental Activities | Business-type Activities | Total Primary Government | |
| ASSETS | | | | |
| Cash and Investments | \$ 77,184,331 | \$ 849,644 | \$ 78,033,975 | \$ 6,197,647 |
| Receivables (Net) | | | | |
| Property Taxes | 28,055,169 | - | 28,055,169 | 6,046,822 |
| Accounts | 4,406,573 | 4,168,699 | 8,575,272 | - |
| Accrued Interest | 271,403 | - | 271,403 | - |
| Other Taxes | 1,321,120 | - | 1,321,120 | - |
| Other | 210,625 | 205,516 | 416,141 | - |
| Prepaid Items | 4,457,014 | - | 4,457,014 | 39,157 |
| Inventories | - | 184,400 | 184,400 | - |
| Due from Other Governmental Units | 8,797,909 | - | 8,797,909 | - |
| Internal Balances | 2,140,123 | (2,140,123) | - | - |
| Net Pension Asset | 2,017,516 | - | 2,017,516 | - |
| Capital Assets Not Being Depreciated | 75,888,795 | 1,891,770 | 77,780,565 | - |
| Capital Assets Being Depreciated, Net | 121,357,653 | 27,745,166 | 149,102,819 | 821,084 |
| TOTAL ASSETS | <u>326,108,231</u> | <u>32,905,072</u> | <u>359,013,303</u> | <u>13,104,710</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | | | |
| Deferred Amounts from Refunding of Debt | 541,551 | - | 541,551 | - |
| LIABILITIES | | | | |
| Accounts Payable | 20,048,298 | 1,877,900 | 21,926,198 | 316,220 |
| Accrued Payroll | 1,596,331 | 203,140 | 1,799,471 | 61,818 |
| Accrued Liabilities | 128,938 | 57,989 | 186,927 | - |
| Accrued Interest Payable | 83,013 | - | 83,013 | - |
| Unearned Revenue | 229,379 | 176,376 | 405,755 | - |
| Deposits Payable | 143,074 | - | 143,074 | - |
| Long-term Obligations | | | | |
| Due Within One Year | 6,116,575 | 251,623 | 6,368,198 | 98,502 |
| Due in More Than One Year | 40,258,677 | 386,908 | 40,645,585 | 318,049 |
| TOTAL LIABILITIES | <u>68,604,285</u> | <u>2,953,936</u> | <u>71,558,221</u> | <u>794,589</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | |
| Deferred Property Tax Revenue | 27,873,362 | - | 27,873,362 | 6,046,822 |
| NET POSITION | | | | |
| Net Investment in Capital Assets | 156,111,648 | 29,636,936 | 185,748,584 | 821,084 |
| Restricted for | | | | |
| Streets and Highways | 554,995 | - | 554,995 | - |
| Public Safety | 2,024,830 | - | 2,024,830 | - |
| Economic Development | 4,247,317 | - | 4,247,317 | - |
| Culture and Recreation | - | - | - | 5,442,215 |
| Debt Service | 374,464 | - | 374,464 | - |
| Unrestricted | 66,858,881 | 314,200 | 67,173,081 | - |
| TOTAL NET POSITION | <u>\$ 230,172,135</u> | <u>\$ 29,951,136</u> | <u>\$ 260,123,271</u> | <u>\$ 6,263,299</u> |

CITY OF DES PLAINES, ILLINOIS
STATEMENT OF ACTIVITIES
Year Ended December 31, 2014

| Functions/Programs | Expenses | Program Revenues | | |
|---------------------------------------|-----------------------|------------------------------------|------------------------------------|----------------------------------|
| | | Fees, Fines & Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions |
| Primary Government | | | | |
| Governmental Activities | | | | |
| General Government | \$ 25,998,813 | \$ 5,828,028 | \$ 153,317 | \$ - |
| Public Safety | 38,962,218 | 3,003,477 | 198,495 | - |
| Public Works | 7,632,615 | 3,225,062 | - | - |
| Streets and Highways | 13,643,574 | 2,221,419 | 1,955,759 | 591,577 |
| Economic Development | 2,346,862 | - | - | 3,517,796 |
| Interest and Fiscal Charges | 1,679,828 | - | - | - |
| Total Governmental Activities | 90,263,910 | 14,277,986 | 2,307,571 | 4,109,373 |
| Business-type Activities | | | | |
| Water | 16,528,659 | 14,550,984 | 5,804 | - |
| Parking System | 833,974 | 365,811 | - | - |
| Emergency Communications | 4,057,033 | 3,136,798 | - | - |
| Total Business-type Activities | 21,419,666 | 18,053,593 | 5,804 | - |
| Total Primary Government | \$ 111,683,576 | \$ 32,331,579 | \$ 2,313,375 | \$ 4,109,373 |
| Component Unit: | | | | |
| Library | \$ 6,362,235 | \$ 151,688 | \$ 72,955 | \$ - |
| General Revenues | | | | |
| Taxes | | | | |
| Property Taxes | | | | |
| Home Rule Sale Taxes | | | | |
| Utility Taxes | | | | |
| Food and Beverage Taxes | | | | |
| Hotel/Motel Taxes | | | | |
| Real Estate Transfer Taxes | | | | |
| Local Option Motor Fuel Taxes | | | | |
| Gaming Taxes | | | | |
| Other Taxes | | | | |
| Unrestricted Intergovernmental | | | | |
| Sales Taxes | | | | |
| Income Taxes | | | | |
| Replacement Taxes | | | | |
| Investment Income | | | | |
| Miscellaneous | | | | |
| Transfers | | | | |
| Total General Revenues and Transfers | | | | |
| Change in Net Position | | | | |
| Net Position, January 1, 2014 | | | | |
| Net Position, December 31, 2014 | | | | |

| Net (Expense) Revenue and Changes in Net Position | | | |
|---|--------------------------|--------------------------|---------------------|
| Primary Government | | | Component Unit |
| Governmental Activities | Business-type Activities | Total Primary Government | Library |
| \$ (20,017,468) | | \$ (20,017,468) | \$ - |
| (35,760,246) | | (35,760,246) | - |
| (4,407,553) | | (4,407,553) | - |
| (8,874,819) | | (8,874,819) | - |
| 1,170,934 | | 1,170,934 | - |
| (1,679,828) | | (1,679,828) | - |
| <u>(69,568,980)</u> | | <u>(69,568,980)</u> | <u>-</u> |
| | \$ (1,971,871) | (1,971,871) | - |
| | (468,163) | (468,163) | - |
| | <u>(920,235)</u> | <u>(920,235)</u> | <u>-</u> |
| | <u>(3,360,269)</u> | <u>(3,360,269)</u> | <u>-</u> |
| <u>(69,568,980)</u> | <u>(3,360,269)</u> | <u>(72,929,249)</u> | <u>-</u> |
| - | - | - | (6,137,592) |
| 28,442,253 | - | 28,442,253 | 6,144,530 |
| 5,934,305 | - | 5,934,305 | - |
| 3,358,459 | - | 3,358,459 | - |
| 1,190,477 | - | 1,190,477 | - |
| 1,988,301 | - | 1,988,301 | - |
| 610,997 | - | 610,997 | - |
| 1,624,707 | - | 1,624,707 | - |
| 24,792,544 | - | 24,792,544 | - |
| 3,923,909 | - | 3,923,909 | - |
| 12,354,237 | - | 12,354,237 | - |
| 5,667,460 | - | 5,667,460 | - |
| 1,303,645 | - | 1,303,645 | 92,988 |
| 73,812 | 1,392 | 75,204 | 1,104 |
| 862,423 | 716,306 | 1,578,729 | 44,221 |
| <u>(284,242)</u> | <u>284,242</u> | <u>-</u> | <u>-</u> |
| <u>91,843,287</u> | <u>1,001,940</u> | <u>92,845,227</u> | <u>6,282,843</u> |
| 22,274,307 | (2,358,329) | 19,915,978 | 145,251 |
| <u>207,897,828</u> | <u>32,309,465</u> | <u>240,207,293</u> | <u>6,118,048</u> |
| <u>\$ 230,172,135</u> | <u>\$ 29,951,136</u> | <u>\$ 260,123,271</u> | <u>\$ 6,263,299</u> |

CITY OF DES PLAINES, ILLINOIS
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2014

| | Major Governmental Funds | | | | Nonmajor Governmental Funds | Total Governmental Funds |
|--|--------------------------|----------------------------------|----------------------|---------------------|-----------------------------------|--------------------------------|
| | General | TIF #6 (Mannheim/ Higgins) | Gaming Tax | Capital Projects | | |
| ASSETS | | | | | | |
| Cash and Investments | \$ 23,982,499 | \$ - | \$ 34,732,920 | \$ 3,259,857 | \$ 14,094,379 | \$ 76,069,655 |
| Receivables (net) | | | | | | |
| Property Tax Receivable | 22,789,813 | 18,461 | - | 33,874 | 5,213,021 | 28,055,169 |
| Other Taxes | 1,179,672 | - | - | 141,448 | - | 1,321,120 |
| Accounts Receivable | 1,174,419 | - | - | 620,646 | - | 1,795,065 |
| Accrued Interest | 265,331 | - | 4,541 | - | 1,531 | 271,403 |
| Other | 204,076 | - | 2,611,508 | - | 5,138 | 2,820,722 |
| Due from Other Governments | 6,267,850 | - | - | 1,147,255 | 1,382,804 | 8,797,909 |
| Advances to Other Funds | 13,885,051 | - | - | - | - | 13,885,051 |
| TOTAL ASSETS | \$ 69,748,711 | \$ 18,461 | \$ 37,348,969 | \$ 5,203,080 | \$ 20,696,873 | \$ 133,016,094 |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES | | | | | | |
| Liabilities | | | | | | |
| Accounts Payable | \$ 1,412,518 | \$ 1,956 | \$ 15,917,018 | \$ 1,602,341 | \$ 1,067,630 | \$ 20,001,463 |
| Accrued Payroll | 1,580,295 | - | - | 13,318 | 2,718 | 1,596,331 |
| Accrued Liabilities | 110,671 | - | - | - | - | 110,671 |
| Deposits Payable | - | - | - | 4,075 | 138,999 | 143,074 |
| Advances from Other Funds | - | 8,081,489 | - | - | 3,158,547 | 11,240,036 |
| Unearned Revenue | 229,379 | - | - | - | - | 229,379 |
| Total Liabilities | 3,332,863 | 8,083,445 | 15,917,018 | 1,619,734 | 4,367,894 | 33,320,954 |
| Deferred Inflows of Resources | | | | | | |
| Deferred Property Tax Revenue | 22,743,904 | 15,986 | - | 32,995 | 5,080,477 | 27,873,362 |
| Unavailable Other Revenue | 1,589,539 | - | - | - | 1,601,501 | 3,191,040 |
| Total Deferred Inflows of Resources | 24,333,443 | 15,986 | - | 32,995 | 6,681,978 | 31,064,402 |
| Fund Balances | | | | | | |
| Nonspendable | | | | | | |
| Long-term Interfund Advances | 13,885,051 | - | - | - | - | 13,885,051 |
| Restricted | | | | | | |
| Economic Development | - | - | - | - | 4,247,317 | 4,247,317 |
| Debt Retirement/Infrastructure | - | - | 21,431,951 | - | - | 21,431,951 |
| Streets & Highways | - | - | - | - | 554,995 | 554,995 |
| Public Safety | - | - | - | - | 2,024,830 | 2,024,830 |
| Debt Service | - | - | - | - | 457,477 | 457,477 |
| Assigned | | | | | | |
| Infrastructure | 5,950,000 | - | - | 3,550,351 | - | 9,500,351 |
| Capital Acquisitions | 2,300,000 | - | - | - | 5,593,226 | 7,893,226 |
| Streets & Highways | 200,000 | - | - | - | - | 200,000 |
| Pension Funding | 700,000 | - | - | - | - | 700,000 |
| Unassigned | 19,047,354 | (8,080,970) | - | - | (3,230,844) | 7,735,540 |
| Total Fund Balances | 42,082,405 | (8,080,970) | 21,431,951 | 3,550,351 | 9,647,001 | 68,630,738 |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES | \$ 69,748,711 | \$ 18,461 | \$ 37,348,969 | \$ 5,203,080 | \$ 20,696,873 | \$ 133,016,094 |

CITY OF DES PLAINES, ILLINOIS
RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
December 31, 2014

Total Fund Balances - Governmental Funds \$ 68,630,738

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

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

| | | |
|--------------------------|----------------------|-------------|
| Capital Assets | \$ 305,059,302 | |
| Accumulated Depreciation | <u>(107,812,854)</u> | |
| Net Capital Assets | | 197,246,448 |

Some receivables that are not currently available are reported as deferred inflows of resources in the fund financial statements but are recognized as revenue when earned in the government-wide statements. 3,191,040

Gains/Losses related to the refunding of long-term debt are deferred and amortized over the life of the debt issue in the statement of net position. 541,551

Generally, interest on long-term debt is not accrued in governmental funds, but rather is recognized when due. (83,013)

The net pension assets of the police and firefighters pension funds are included in the governmental activities in the statement of net position. 2,017,516

Some liabilities reported in the statement of net position 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 | (2,364,367) | |
| General Obligation Bonds Payable | (7,020,000) | |
| TIF General Obligation Bonds Payable | (33,658,625) | |
| TIF Revenue Bonds Payable | (423,590) | |
| Unamortized Bond Premiums & Discounts | (386,636) | |
| Installment Notes Payable | (187,500) | |
| Other Post Employment Benefits (OPEB) | (2,084,329) | |
| Net Pension Obligation - IMRF | <u>(250,205)</u> | |
| Total Long-term Liabilities | | (46,375,252) |

Internal service funds are reported in the Statement of Net Position as Governmental Activities. 5,003,107

Net Position of Governmental Activities \$ 230,172,135

CITY OF DES PLAINES, ILLINOIS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended December 31, 2014

| | Major Governmental Funds | | | | Nonmajor Governmental Funds | Total Governmental Funds |
|--|--------------------------|----------------------------------|----------------------|---------------------|-----------------------------------|--------------------------------|
| | General | TIF #6 (Mannheim/ Higgins) | Gaming Tax | Capital Projects | | |
| Revenues | | | | | | |
| Property Taxes | \$ 22,900,148 | \$ 9,550 | \$ - | \$ 32,151 | \$ 5,551,655 | \$ 28,493,504 |
| Other Taxes | 12,248,695 | - | 24,792,544 | 6,075,436 | 108,505 | 43,225,180 |
| Licenses and Permits | 3,331,833 | - | - | - | - | 3,331,833 |
| Intergovernmental | 19,559,114 | - | - | 25,701 | 5,124,794 | 24,709,609 |
| Public Charges for Services | 5,065,526 | - | - | 2,221,419 | - | 7,286,945 |
| Fines, Forfeitures and Penalties | 1,306,106 | - | - | - | 32,963 | 1,339,069 |
| Investment Income | 11,112 | 149 | 26,795 | 2,182 | 33,558 | 73,796 |
| Miscellaneous | 432,138 | - | - | 85,215 | 3,757 | 521,110 |
| Total Revenues | <u>64,854,672</u> | <u>9,699</u> | <u>24,819,339</u> | <u>8,442,104</u> | <u>10,855,232</u> | <u>108,981,046</u> |
| Expenditures | | | | | | |
| Current | | | | | | |
| General Government | 7,531,642 | - | 15,917,018 | - | 283,036 | 23,731,696 |
| Public Safety | 38,649,791 | - | - | - | 189,337 | 38,839,128 |
| Public Works | 5,232,228 | - | - | 973,518 | - | 6,205,746 |
| Streets and Highways | 5,497,717 | - | - | - | 1,475,748 | 6,973,465 |
| Economic Development | 642,461 | 48,418 | - | - | 1,547,972 | 2,238,851 |
| Debt Service | | | | | | |
| Principal | - | 955,000 | - | 5,395,000 | 1,801,298 | 8,151,298 |
| Interest and Fiscal Charges | - | 234,697 | - | 441,522 | 648,920 | 1,325,139 |
| Capital Outlay | - | - | - | 8,469,063 | 6,749,514 | 15,218,577 |
| Total Expenditures | <u>57,553,839</u> | <u>1,238,115</u> | <u>15,917,018</u> | <u>15,279,103</u> | <u>12,695,825</u> | <u>102,683,900</u> |
| Excess (Deficiency) of Revenues over (under) Expenditures | <u>7,300,833</u> | <u>(1,228,416)</u> | <u>8,902,321</u> | <u>(6,836,999)</u> | <u>(1,840,593)</u> | <u>6,297,146</u> |
| Other Financing Sources (Uses) | | | | | | |
| Transfer In | 342,257 | - | - | 6,895,000 | 3,833,250 | 11,070,507 |
| Transfer Out | (9,201,298) | (49,527) | (1,745,000) | (74,152) | (251,972) | (11,321,949) |
| Issuance of Debt | - | 2,020,000 | - | 2,880,000 | 2,720,000 | 7,620,000 |
| Payment to Refunding Bond Escrow | - | (6,440,489) | - | (2,924,139) | (6,358,971) | (15,723,599) |
| Premium on Bond Issuance | - | 1,707 | - | 81,567 | 77,035 | 160,309 |
| Total Other Financing Sources (Uses) | <u>(8,859,041)</u> | <u>(4,468,309)</u> | <u>(1,745,000)</u> | <u>6,858,276</u> | <u>19,342</u> | <u>(8,194,732)</u> |
| Net Change in Fund Balances | (1,558,208) | (5,696,725) | 7,157,321 | 21,277 | (1,821,251) | (1,897,586) |
| Fund Balances at Beginning of Year | <u>43,640,613</u> | <u>(2,384,245)</u> | <u>14,274,630</u> | <u>3,529,074</u> | <u>11,468,252</u> | <u>70,528,324</u> |
| Fund Balances at End of Year | <u>\$ 42,082,405</u> | <u>\$ (8,080,970)</u> | <u>\$ 21,431,951</u> | <u>\$ 3,550,351</u> | <u>\$ 9,647,001</u> | <u>\$ 68,630,738</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, 2014

Net Change in Fund Balances - Total Governmental Funds \$ (1,897,586)

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 | \$ 13,148,008 | |
| Contributed Assets | 89,734 | |
| Depreciation | (6,566,416) | |
| Loss on disposal of capital assets | <u>(227,797)</u> | |
| Capital Expenditures in Excess of Depreciation and other transactions | | 6,443,529 |

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. 1,056,111

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.

| | | |
|---|----------------|-----------|
| Change in Compensated Absences Liability | (272,740) | |
| Accretion of Interest on Capital Appreciation Bonds | (559,310) | |
| Change in Accrued Interest Payable | 100,192 | |
| Change in Net Pension Obligation - IMRF | 22,082 | |
| Change in Other Post Employment Benefits (OPEB) | (366,357) | |
| Change in Net Pension Asset | <u>506,829</u> | |
| Total Expenses of Non-current Resources | | (569,304) |

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 position. 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 position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are 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 | (7,620,000) | |
| Premium on Bonds Issued | (160,309) | |
| Repayments: | | |
| General Obligation Bonds Payable | 5,450,000 | |
| TIF General Obligation Bonds Payable | 2,630,001 | |
| TIF Revenue Bonds Payable | 58,797 | |
| Installment Notes Payable | 12,500 | |
| Payment to Refunding Escrow | 15,723,599 | |
| Amortization of Premiums, Discounts, & Loss on Refunding | <u>104,429</u> | |
| Net Adjustment | | 16,199,017 |

Internal service funds are used by management to charge self insurance costs to individual funds. The change in net position of the internal service fund (net of current look back adjustment) reported with the governmental activities. 1,042,540

Change in Net Position of Governmental Activities \$ 22,274,307

CITY OF DES PLAINES, ILLINOIS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
December 31, 2014

| | Business-Type Activities - Enterprise Funds | | | | Governmental Activities |
|--|---|----------------------|---|------------------------------|----------------------------|
| | Major Funds | | Nonmajor Fund | | Internal Service Funds |
| | Water/Sewer | Parking System | Des Plaines Emergency Communication Center | Total Enterprise Funds | |
| ASSETS | | | | | |
| Current Assets | | | | | |
| Cash and Investments | \$ - | \$ 666,552 | \$ 183,092 | \$ 849,644 | \$ 1,114,676 |
| Receivables (Net) | | | | | |
| Accounts | 4,168,699 | - | - | 4,168,699 | - |
| Other | 10,531 | 79,476 | 115,509 | 205,516 | 1,411 |
| Prepaid Items | - | - | - | - | 4,457,014 |
| Inventories | 184,400 | - | - | 184,400 | - |
| Total Current Assets | <u>4,363,630</u> | <u>746,028</u> | <u>298,601</u> | <u>5,408,259</u> | <u>5,573,101</u> |
| Noncurrent Assets | | | | | |
| Capital Assets | | | | | |
| Capital Assets Not Being Depreciated | 233,828 | 1,657,942 | - | 1,891,770 | - |
| Capital Assets Being Depreciated, Net | 18,465,965 | 9,279,201 | - | 27,745,166 | - |
| Total Noncurrent Assets | <u>18,699,793</u> | <u>10,937,143</u> | <u>-</u> | <u>29,636,936</u> | <u>-</u> |
| TOTAL ASSETS | <u>23,063,423</u> | <u>11,683,171</u> | <u>298,601</u> | <u>35,045,195</u> | <u>5,573,101</u> |
| LIABILITIES | | | | | |
| Current Liabilities | | | | | |
| Accounts Payable | 1,808,629 | 38,861 | 30,410 | 1,877,900 | 46,835 |
| Accrued Liabilities | 211,618 | - | 49,511 | 261,129 | 18,267 |
| Advances from Other Funds | 2,645,015 | - | - | 2,645,015 | - |
| Unearned Revenue | 176,376 | - | - | 176,376 | - |
| Long-term Obligations, Due Within One Year | | | | | |
| Compensated Absences | 197,892 | - | 53,731 | 251,623 | - |
| Total Current Liabilities | <u>5,039,530</u> | <u>38,861</u> | <u>133,652</u> | <u>5,212,043</u> | <u>65,102</u> |
| Noncurrent Liabilities | | | | | |
| Long-term Obligations, Due in More Than One Year | | | | | |
| Net OPEB Obligation | 83,708 | - | 119,805 | 203,513 | - |
| Net IMRF Obligation | 93,141 | - | 30,157 | 123,298 | - |
| Compensated Absences | 60,097 | - | - | 60,097 | - |
| Total Noncurrent Liabilities | <u>236,946</u> | <u>-</u> | <u>149,962</u> | <u>386,908</u> | <u>-</u> |
| TOTAL LIABILITIES | <u>5,276,476</u> | <u>38,861</u> | <u>283,614</u> | <u>5,598,951</u> | <u>65,102</u> |
| NET POSITION | | | | | |
| Net Investment in Capital Assets | 18,699,793 | 10,937,143 | - | 29,636,936 | - |
| Unrestricted | (912,846) | 707,167 | 14,987 | (190,692) | 5,507,999 |
| TOTAL NET POSITION | <u>\$ 17,786,947</u> | <u>\$ 11,644,310</u> | <u>\$ 14,987</u> | <u>29,446,244</u> | <u>\$ 5,507,999</u> |
| Adjustment to Reflect the Consolidation of Internal Service Funds Activities | | | | | |
| Related to Enterprise Funds | | | | 504,892 | |
| Net Position of Business-type Activities | | | | <u>\$ 29,951,136</u> | |

CITY OF DES PLAINES, ILLINOIS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
Year Ended December 31, 2014

| | Business-Type Activities - Enterprise Funds | | | | Governmental Activities |
|---|---|----------------------|---|------------------------------|----------------------------|
| | Major Funds | | Nonmajor Fund | | Internal Service Funds |
| | Water/Sewer | Parking System | Des Plaines Emergency Communication Center | Total Enterprise Funds | |
| Operating Revenues | | | | | |
| Charges for Services | \$ 14,550,984 | \$ 365,811 | \$ 3,136,798 | \$ 18,053,593 | \$ 10,739,529 |
| Miscellaneous | 204,201 | - | - | 204,201 | 389,855 |
| Total Operating Revenues | <u>14,755,185</u> | <u>365,811</u> | <u>3,136,798</u> | <u>18,257,794</u> | <u>11,129,384</u> |
| Operating Expenses | | | | | |
| Salaries | 3,178,563 | - | 1,858,759 | 5,037,322 | - |
| Benefits | 1,616,171 | - | 838,636 | 2,454,807 | - |
| Contractual Services | 1,296,171 | 26,297 | 944,794 | 2,267,262 | - |
| Commodities | 9,661,004 | 152,992 | 186,870 | 10,000,866 | - |
| Capital Outlay | 30,807 | - | 22,779 | 53,586 | - |
| Claims Expense | - | - | - | - | 6,449,815 |
| Insurance and Processing Fees | - | - | - | - | 3,256,559 |
| Miscellaneous | - | - | - | - | 298,855 |
| Depreciation | 992,538 | 653,621 | 97,751 | 1,743,910 | - |
| Total Operating Expenses | <u>16,775,254</u> | <u>832,910</u> | <u>3,949,589</u> | <u>21,557,753</u> | <u>10,005,229</u> |
| Operating Income (Loss) | <u>(2,020,069)</u> | <u>(467,099)</u> | <u>(812,791)</u> | <u>(3,299,959)</u> | <u>1,124,155</u> |
| Nonoperating Revenues and (Expenses) | | | | | |
| Intergovernmental | 5,804 | - | - | 5,804 | - |
| Investment Income | 1,321 | - | 71 | 1,392 | 16 |
| Loss on Disposal of Assets | - | - | (107,444) | (107,444) | - |
| Proceeds from Disolution of Joint Venture | - | - | 708,805 | 708,805 | - |
| Total Nonoperating Revenues and (Expenses) | <u>7,125</u> | <u>-</u> | <u>601,432</u> | <u>608,557</u> | <u>16</u> |
| Income (Loss) Before Transfers | <u>(2,012,944)</u> | <u>(467,099)</u> | <u>(211,359)</u> | <u>(2,691,402)</u> | <u>1,124,171</u> |
| Transfers | | | | | |
| Transfers In | 320,758 | - | - | 320,758 | - |
| Transfers Out | - | (36,516) | - | (36,516) | (32,800) |
| Total Transfers | <u>320,758</u> | <u>(36,516)</u> | <u>-</u> | <u>284,242</u> | <u>(32,800)</u> |
| Change in Net Position | (1,692,186) | (503,615) | (211,359) | (2,407,160) | 1,091,371 |
| Net Position at Beginning of Year | <u>19,479,133</u> | <u>12,147,925</u> | <u>226,346</u> | <u>31,853,404</u> | <u>4,416,628</u> |
| Net Position at End of Year | <u>\$ 17,786,947</u> | <u>\$ 11,644,310</u> | <u>\$ 14,987</u> | <u>\$ 29,446,244</u> | <u>\$ 5,507,999</u> |
| Adjustment to Reflect the Consolidation of Internal Service Funds Activities Related to Enterprise Funds | | | | 48,831 | |
| Change in Net Position of Business-type Activities | | | | <u>\$ (2,358,329)</u> | |

CITY OF DES PLAINES, ILLINOIS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended December 31, 2014

| | Business-Type Activities - Enterprise Funds | | | | Governmental Activities |
|--|---|-------------------|---|------------------------------|----------------------------|
| | Major Funds | | Nonmajor Fund | | Internal Service Funds |
| | Water/Sewer | Parking System | Des Plaines Emergency Communication Center | Total Enterprise Funds | |
| Cash Flows from Operating Activities | | | | | |
| Cash Received from Customers | \$ 14,260,628 | \$ 356,593 | \$ 3,047,879 | \$ 17,665,100 | \$ 10,739,529 |
| Receipts from Miscellaneous Revenues | 346,596 | - | - | 346,596 | 389,855 |
| Cash Payments to Suppliers for Good and Services | (10,679,118) | (186,965) | (1,139,035) | (12,005,118) | (11,442,678) |
| Cash Payments to Employees for Services | (4,748,324) | - | (3,073,154) | (7,821,478) | - |
| Net Cash Provided/(Used) by Operating Activities | <u>(820,218)</u> | <u>169,628</u> | <u>(1,164,310)</u> | <u>(1,814,900)</u> | <u>(313,294)</u> |
| Cash Flows from Noncapital Financing Activities | | | | | |
| Transfers In | 320,758 | - | - | 320,758 | - |
| Transfers Out | - | (36,516) | - | (36,516) | (32,800) |
| Interfund Advances | 1,867,142 | - | - | 1,867,142 | - |
| Proceeds from Disolution of Joint Venture | - | - | 708,805 | 708,805 | - |
| Proceeds from Operating Grants | 5,804 | - | - | 5,804 | - |
| Net Cash Provided/(Used) by Noncapital Financing Activities | <u>2,193,704</u> | <u>(36,516)</u> | <u>708,805</u> | <u>2,865,993</u> | <u>(32,800)</u> |
| Cash Flows from Capital and Related Financing Activities | | | | | |
| Acquisition and Construction of Capital Assets | (1,374,807) | - | - | (1,374,807) | - |
| Net Cash Provided/(Used) by Capital and Related Financing Activities | <u>(1,374,807)</u> | <u>-</u> | <u>-</u> | <u>(1,374,807)</u> | <u>-</u> |
| Cash Flows from Investing Activities | | | | | |
| Investment Income | 1,321 | - | 71 | 1,392 | 16 |
| Net Cash Provided/(Used) by Investing Activities | <u>1,321</u> | <u>-</u> | <u>71</u> | <u>1,392</u> | <u>16</u> |
| Net Increase (Decrease) in Cash & Investments | - | 133,112 | (455,434) | (322,322) | (346,078) |
| Cash & Investments, Beginning of Year | - | 533,440 | 638,526 | 1,171,966 | 1,460,754 |
| Cash & Investments, End of Year | <u>\$ -</u> | <u>\$ 666,552</u> | <u>\$ 183,092</u> | <u>\$ 849,644</u> | <u>\$ 1,114,676</u> |
| Reconciliation of Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities | | | | | |
| Operating Income/(Loss) | \$ (2,020,069) | \$ (467,099) | \$ (812,791) | \$ (3,299,959) | \$ 1,124,155 |
| Adjustments to Reconcile Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities | | | | | |
| Depreciation | 992,538 | 653,621 | 97,751 | 1,743,910 | - |
| Decrease (Increase) in Receivables | (290,356) | (9,218) | 88,239 | (211,335) | (623) |
| Decrease (Increase) in Prepaid Items | - | - | 6,053 | 6,053 | (1,343,370) |
| Decrease (Increase) in Inventories | 95,922 | - | - | 95,922 | - |
| (Decrease) Increase in Accounts Payable | 212,942 | (7,676) | 9,355 | 214,621 | (69,300) |
| (Decrease) Increase in Accrued Liabilities | 38,910 | - | (282,312) | (243,402) | (4,923) |
| (Decrease) Increase in Early Retirement Incentive Program Payable | - | - | - | - | (19,233) |
| (Decrease) Increase in Unearned Revenue | 142,395 | - | (177,158) | (34,763) | - |
| (Decrease) Increase in Net OPEB Obligation | 15,420 | - | 10,022 | 25,442 | - |
| (Decrease) Increase in Net IMRF Obligation | (16,504) | - | (13,105) | (29,609) | - |
| (Decrease) Increase in Compensated Absences Payable | 8,584 | - | (90,364) | (81,780) | - |
| Total Adjustments | 1,199,851 | 636,727 | (351,519) | 1,485,059 | (1,437,449) |
| Net Cash Provided/(Used) by Operating Activities | <u>\$ (820,218)</u> | <u>\$ 169,628</u> | <u>\$ (1,164,310)</u> | <u>\$ (1,814,900)</u> | <u>\$ (313,294)</u> |
| Noncash Capital and Related Financing Activities | | | | | |
| Capital assets included in accounts payable | \$ 260,243 | \$ - | \$ - | \$ 260,243 | \$ - |

See accompanying notes to the financial statements.

CITY OF DES PLAINES, ILLINOIS
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
December 31, 2014

| | Pension Trust Funds | Agency Funds |
|--|------------------------------|--------------------------|
| ASSETS | | |
| Cash and Cash Equivalents | \$ 6,427,001 | \$ 620,383 |
| Investments | | |
| U.S. Government and Agency Obligations | 20,441,799 | - |
| Mutual Funds | 45,744,442 | - |
| Corporate Bonds | 21,502,063 | - |
| Stocks | 38,476,243 | - |
| State and Local Obligations | 1,303,604 | - |
| Insurance Contracts | 1,469 | - |
| Receivables (Net) | | |
| Accrued Interest | 405,048 | - |
| Other | - | 3,644 |
| Prepaid Items | 12,550 | - |
| TOTAL ASSETS | <u>\$ 134,314,219</u> | <u>\$ 624,027</u> |
| LIABILITIES AND NET POSITION | | |
| Liabilities | | |
| Accounts Payable | 108,918 | 9,993 |
| Accrued Liabilities | - | 64,564 |
| Deposits Payable | - | 549,470 |
| Total Liabilities | <u>108,918</u> | <u>624,027</u> |
| Net Position | | |
| Held in Trust for Pension Benefits | <u>\$ 134,205,301</u> | |

CITY OF DES PLAINES, ILLINOIS
STATEMENT OF CHANGES IN PLAN NET POSITION
PENSION TRUST FUNDS
Year Ended December 31, 2014

| | Pension Trust Funds |
|---|------------------------|
| Additions | |
| Contributions | |
| Employer | \$ 8,310,149 |
| Plan Members | <u>1,763,627</u> |
| Total Contributions | <u>10,073,776</u> |
| Investment Income | 7,916,224 |
| Less Investment Expense | <u>(551,347)</u> |
| Net Investment Income | <u>7,364,877</u> |
| Total Additions | <u>17,438,653</u> |
| Deductions | |
| Administration | 132,211 |
| Benefits and Refunds | <u>12,492,522</u> |
| Total Deductions | <u>12,624,733</u> |
| Change in Plan Net Position | 4,813,920 |
| Plan Net Position at Beginning of Year | <u>129,391,381</u> |
| Plan Net Position at End of Year | <u>\$ 134,205,301</u> |

CITY OF DES PLAINES, ILLINOIS
INDEX TO NOTES TO FINANCIAL STATEMENTS
December 31, 2014

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NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Des Plaines, Illinois (the City) was founded in 1835 and incorporated in 1869. 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. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GASB Statement Nos. 14, 39, and 61.

The primary criterion for including a potential component unit within the reporting entity under GASB Statement No. 14, as amended by GASB Statement No. 61, is the financial accountability that the elected officials of the primary government have for the component unit. The criteria used in assessing financial accountability consist of (1) the primary government is financially accountable if it appoints a voting majority of the organization's governing body *and* (a) it is able to impose its will on that organization *or* (b) there is a potential for the organization to provide specific financial benefits or impose specific financial burdens on the primary government; *and* (2) the primary government is financially accountable if the organization is fiscally dependent on *and* there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens 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.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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 8. 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 position 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.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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, deferred outflows of resources, liabilities, deferred inflows of resources, net position/fund balance, 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.

Funds are organized as major funds or nonmajor 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 & deferred outflows of resources, liabilities & deferred inflows of resources, 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 #6 (Mannheim/Higgins): Accounts for restricted incremental property tax revenues and expenditures related to the tax increment finance district located near Mannheim and Higgins Roads.
- Gaming Tax: Accounts for the revenues of a \$1 admissions tax and 5% wagering tax collected at the Rivers Casino in Des Plaines, Illinois that are legally restricted for contractual obligations.
- Capital Projects: Accounts for resources legally restricted to supporting expenditures for the capital projects program.

(Continued)

CITY OF DES PLAINES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 nonmajor 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
Asset Seizure
TIF #1 (Downtown)
TIF #4 (Five Corners)
Grant Funded Projects

Community Development Block Grant
Foreign Fire Insurance Tax
TIF #3 (Wille Road)
TIF #5 (Perry/Lee)

- 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

- 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

The City reports the following nonmajor enterprise fund:

- Des Plaines Emergency Communication Center Fund: Accounts for the 9-1-1 and emergency dispatching operations provided by the City to the City of Des Plaines and the City of Park Ridge under an intergovernmental agreement between the two communities.

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

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- 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
Joint Emergency Telephone System

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

Government-wide Financial Statements – The government-wide statement of net position 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 deferred inflows of resources. 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.

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 inflows of resources. 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 inflows of resources. Amounts received prior to the entitlement period are also recorded as deferred inflows of resources.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

The City reports deferred inflows of resources and unearned revenues on its financial statements. Deferred inflows of resources arise from taxes levied in the current year which are for subsequent year's operations. For governmental fund financial statements, deferred inflows of resources arise when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Unearned revenues 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, deferred inflows of resources and unearned revenue are removed from the balance sheet or statement of net position 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.

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, Deferred Outflows/Inflows of Resources, and Net Position 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.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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 to 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.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 its 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, 2014.

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, 2014, the City's investment in Illinois Funds and money market mutual funds was 48%, certificates of deposit was 7%, and IMET was 12% of total investments.

The Police Pension Fund investment policy places a minimum of 2% and maximum of 20% concentration on cash, a minimum of 30% and maximum of 68% on fixed income securities, a minimum of 0% and maximum of 10% on mutual funds, a minimum of 10% and maximum of 20% on foreign equities, and a minimum of 20% and maximum of 35% on equities. As of December 31, 2014, the Police Pension Trust Fund had 5% invested in cash, 32% invested in fixed income securities, 36% in mutual funds, 0% in foreign equities and 27% in equities.

The Firefighter Pension Fund investment policy places a minimum of 2% and maximum of 20% concentration on cash, a minimum of 30% and maximum of 68% on fixed income securities, a minimum of 0% and maximum of 10% on mutual funds, a minimum of 10% and maximum of 20% on foreign equities, and a minimum of 20% and maximum of 40% on equities. As of December 31, 2014, the Firefighter Pension Trust Fund had 4% invested in cash, 33% invested in fixed income securities, 33% in mutual funds, 0% in foreign equities and 30% in equities.

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 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.

(Continued)

CITY OF DES PLAINES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 2014 attach as an enforceable lien on January 1, 2014, 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, 2014 and September 1, 2014, and are payable in two installments, on or about March 1, 2014 and October 1, 2014 or within 30 days of the tax bills being issued.

The County collects such taxes and remits them periodically. The 2014 property tax levy is recognized as a receivable and deferred inflow of resources in fiscal year 2014, net the allowance for uncollectible. As the taxes become available to finance current expenditures, they are recognized as revenues. At December 31, 2014, the property taxes receivable and deferred inflow of resources consisted of the estimated amount collectible from the 2014 levy.

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, 2014.

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.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deferred Outflows/Inflows of Resources: In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City only has one item that qualifies for reporting in this category. It is the deferred charge on debt refunding reported in the government-wide statement of net position. A deferred charge on debt refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City reports resources associated with imposed nonexchange revenue transactions that are received or reported as a receivable before the period for which property taxes are levied as deferred inflows of resources. The City also has another type of item, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

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 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.

(Continued)

CITY OF DES PLAINES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 position. 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 |

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.

Compensated Absences: The liability for vested or accumulated vacation leave of the City (primary government), including related Social Security and Medicare, at December 31, 2014 of \$2,676,087, 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.

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 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 premiums/discounts is shown as an increase or decrease in the liability section of the statement of net position. The balance at year end for gains/losses is shown as a deferred inflow/outflow of resources on the statement of net position. Debt issuance costs are expensed when incurred.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 12 on commitments and contingencies.

Equity Classifications:

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

- Net Investment in Capital Assets – 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 Position – Consists of net position 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 Position – All other net position that do not meet the definitions of "restricted" or "net investment in capital assets."

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 components of the fund balance section of the balance sheet of the governmental funds 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, 2014, 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 designated the City Director of Finance for this purpose. GASB 54 has also 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)

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 position. 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 Tax funds which are not budgeted.

(Continued)

CITY OF DES PLAINES, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2014

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

Excess Expenses/Expenditures Over Appropriations:

| <u>Funds</u> | <u>Budgeted Expenses/ Expenditures</u> | <u>Actual Expenses/ Expenditures</u> | <u>Excess Expenses/ Expenditures Over Budget</u> |
|-----------------------|--|--|--|
| Gaming Tax | \$ 15,600,000 | \$ 15,917,018 | \$ (317,018) |
| Capital Projects | 14,462,991 | 15,279,103 | (816,112) |
| TIF #4 (Five Corners) | 378,671 | 659,315 | (280,644) |
| TIF #5 (Perry/Lee) | 112,923 | 112,982 | (59) |
| Grant Funded Projects | 1,420,543 | 3,105,748 | (1,685,205) |
| Parking System | 178,288 | 832,910 | (654,622) |
| DPECC | 3,479,714 | 3,949,589 | (469,875) |

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, 2014, the following individual funds held a deficit balance:

| <u>Fund</u> | <u>Amount</u> |
|---------------------------|---------------|
| TIF #3 (Wille Road) | \$ 3,159,273 |
| TIF #6 (Mannheim/Higgins) | 8,080,970 |
| Grant Projects fund | 71,571 |

T.I.F. District deficits are anticipated to be funded with future incremental taxes levied over the life of the districts.

(Continued)

CITY OF DES PLAINES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2014

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 | \$ 3,350 | \$ 3,350 | N/A |
| Deposits | 28,289,161 | 28,665,138 | Custodial |
| Illinois funds | 37,878,646 | 37,843,876 | Credit, interest rate |
| U.S. government and agency obligations | 20,441,799 | 20,441,799 | Custodial, credit, interest rate concentration of credit |
| State and local obligations | 4,937,357 | 4,937,357 | Custodial, interest rate, concentration of credit |
| Money market mutual funds | 15,276,449 | 15,276,449 | Credit, interest rate |
| Mutual funds | 45,744,442 | 45,744,442 | Credit |
| Corporate bonds | 21,502,063 | 21,502,063 | Custodial, credit, interest rate concentration of credit |
| Common and preferred stock | 38,476,243 | 38,476,243 | Custodial, concentration of credit |
| Insurance contracts | <u>1,469</u> | <u>1,469</u> | Custodial, credit, concentration of credit |
| Total deposits and investments | <u>\$ 212,550,979</u> | <u>\$ 212,892,186</u> | |

Reconciliation To Financial Statements:

| | |
|---|-----------------------|
| Per statement of net position | |
| Cash and investments | \$ 78,033,975 |
| Restricted cash and investments | - |
| Per statement of fiduciary net position - fiduciary funds | |
| Cash - agency | 620,383 |
| Cash - pension | 6,427,001 |
| U.S. government and agency obligations | 20,441,799 |
| Mutual funds | 45,744,442 |
| Corporate bonds | 21,502,063 |
| Stocks | 38,476,243 |
| Insurance contracts | 1,469 |
| State and local obligations | <u>1,303,604</u> |
| Total deposits and investments | <u>\$ 212,550,979</u> |

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.

(Continued)

CITY OF DES PLAINES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2014

NOTE 3 – DEPOSITS AND INVESTMENTS (Continued)

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, 2014, credit ratings for the City, Police Pension, and Fire Pension investments in debt securities are as follows:

City

| Investment Type | Standard and Poor's Ratings | | | |
|--------------------------|-----------------------------|--------------|------|--------------|
| | AAA | A | BBB | Total |
| Illinois municipal bonds | \$ - | \$ 3,606,177 | \$ - | \$ 3,606,177 |
| Illinois funds | 37,878,646 | - | - | 37,878,646 |

Police Pension

| Investment Type | Standard and Poor's Ratings | | | | Moody's Ratings (if S&P not available) | | | Total |
|-----------------------------|-----------------------------|-----------|-----------|-----------|--|---------|---------|--------------|
| | AAA | AA | A | BBB | AAA | AA | NR | |
| U.S. Treasuries | \$ - | \$ - | \$ - | \$ - | \$ 8,071,059 | \$ - | \$ - | \$ 8,071,059 |
| State and Local Obligations | 189,943 | 359,423 | - | - | - | 223,041 | - | 772,407 |
| U.S. Government Agencies | - | 848,259 | - | - | - | - | 689,594 | 1,537,853 |
| Corporate Bonds | 321,042 | 1,350,552 | 5,645,402 | 2,759,798 | - | - | - | 10,076,794 |

Fire Pension

| Investment Type | Standard and Poor's Ratings | | | | Moody's Ratings (if S&P not available) | | | Total |
|-----------------------------|-----------------------------|-----------|-----------|-----------|--|--------|---------|--------------|
| | AAA | AA | A | BBB | AAA | AA | NR | |
| U.S. Treasuries | \$ - | \$ - | \$ - | \$ - | \$ 9,213,962 | \$ - | \$ - | \$ 9,213,962 |
| State and Local Obligations | 162,809 | - | 295,535 | - | - | 72,853 | - | 531,197 |
| U.S. Government Agencies | - | 933,683 | - | - | - | - | 685,242 | 1,618,925 |
| Corporate Bonds | 535,073 | 1,691,931 | 6,449,574 | 2,748,691 | - | - | - | 11,425,269 |

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, 2014, there were no investments (other than investments in United States Government and United States Government Guaranteed Obligations, investment pools, and mutual funds) in a single issuer that exceeded 5%.

(Continued)

CITY OF DES PLAINES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2014

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, 2014, 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 | \$ 3,606,177 | \$ 2,247,068 | \$ 1,359,109 | \$ - |
| Money market mutual fund | 9,162,115 | 9,162,115 | - | - |
| Illinois funds | 37,878,646 | 37,878,646 | - | - |
| Corporate bonds | - | - | - | - |
| City investment total | <u>50,646,938</u> | <u>49,287,829</u> | <u>1,359,109</u> | <u>-</u> |
| Police Pension | | | | |
| U.S. Treasuries | 8,071,059 | 340,183 | 4,803,439 | 2,927,437 |
| State and local obligations | 772,407 | - | 772,407 | - |
| Money market mutual funds | 3,111,835 | 3,111,835 | - | - |
| Mortgage-backed securities | 942,698 | 253,103 | 37,704 | 651,891 |
| Other U.S. government agencies | 595,155 | - | 595,155 | - |
| Corporate bonds | <u>10,076,794</u> | <u>494,945</u> | <u>6,282,197</u> | <u>3,299,652</u> |
| Police pension investment total | <u>23,569,948</u> | <u>4,200,066</u> | <u>12,490,902</u> | <u>6,878,980</u> |
| Fire Pension | | | | |
| U.S. Treasuries | 9,213,962 | 405,525 | 5,355,617 | 3,452,820 |
| State and local obligations | 531,197 | - | 531,197 | - |
| Money market mutual funds | 3,030,075 | 3,030,075 | - | - |
| Mortgage-backed securities | 1,618,925 | 177,172 | 773,242 | 668,511 |
| Other U.S. government agencies | - | - | - | - |
| Corporate bonds | <u>11,425,269</u> | <u>285,995</u> | <u>6,647,247</u> | <u>4,492,027</u> |
| Fire pension investment total | <u>25,819,428</u> | <u>3,898,767</u> | <u>13,307,303</u> | <u>8,613,358</u> |
| Totals | <u>\$ 100,036,314</u> | <u>\$ 57,386,662</u> | <u>\$ 27,157,314</u> | <u>\$ 15,492,338</u> |

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

(Continued)

CITY OF DES PLAINES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2014

NOTE 4 - RECEIVABLES

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

Governmental funds report deferred inflows of resources 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 delay 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 inflows of resources and unearned revenue reported in the governmental funds were as follows:

| | <u>Deferred Inflows of Resources</u> | | | <u>Totals</u> |
|--|--------------------------------------|----------------------|-------------------|----------------------|
| | <u>Unavailable</u> | <u>Deferred</u> | <u>Unearned</u> | |
| Property taxes receivable for subsequent year | \$ - | \$ 27,873,362 | \$ - | \$ 27,873,362 |
| Other receivables | 1,589,539 | - | 229,379 | 1,818,918 |
| Grant receivables | <u>1,601,501</u> | <u>-</u> | <u>-</u> | <u>1,601,501</u> |
| Total deferred inflows/unearned revenue for governmental funds | <u>\$ 3,191,040</u> | <u>\$ 27,873,362</u> | <u>\$ 229,379</u> | <u>\$ 31,293,781</u> |

(Continued)

CITY OF DES PLAINES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2014

NOTE 5 – CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2014, 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 | \$ 19,729,807 | \$ 2,280,045 | \$ - | \$ 22,009,852 |
| Construction in progress | - | 579,294 | - | 579,294 |
| Land right of way | <u>53,299,649</u> | <u>-</u> | <u>-</u> | <u>53,299,649</u> |
| Total capital assets not being depreciated | <u>73,029,456</u> | <u>2,859,339</u> | <u>-</u> | <u>75,888,795</u> |
| Capital assets being depreciated | | | | |
| Buildings | 21,792,634 | - | - | 21,792,634 |
| Improvements | 45,393,470 | 144,175 | - | 45,537,645 |
| Equipment | 3,444,920 | 1,074,786 | - | 4,519,706 |
| Vehicles | 8,413,792 | 750,329 | 162,882 | 9,001,239 |
| Infrastructure | <u>141,022,965</u> | <u>8,409,113</u> | <u>1,112,795</u> | <u>148,319,283</u> |
| Total capital assets being depreciated | <u>220,067,781</u> | <u>10,378,403</u> | <u>1,275,677</u> | <u>229,170,507</u> |
| Total capital assets | <u>293,097,237</u> | <u>13,237,742</u> | <u>1,275,677</u> | <u>305,059,302</u> |
| Less accumulated depreciation for | | | | |
| Buildings | (9,224,723) | (445,931) | - | (9,670,654) |
| Improvements | (17,441,634) | (1,264,033) | - | (18,705,667) |
| Equipment | (2,325,275) | (271,843) | - | (2,597,118) |
| Vehicles | (4,577,865) | (411,781) | (162,882) | (4,826,764) |
| Infrastructure | <u>(68,724,821)</u> | <u>(4,172,828)</u> | <u>(884,998)</u> | <u>(72,012,651)</u> |
| Total accumulated depreciation | <u>(102,294,318)</u> | <u>(6,566,416)</u> | <u>(1,047,880)</u> | <u>(107,812,854)</u> |
| Net capital assets being depreciated | <u>117,773,463</u> | <u>3,811,987</u> | <u>227,797</u> | <u>121,357,653</u> |
| Total governmental activities capital assets, net of accumulated depreciation | <u>\$ 190,802,919</u> | <u>\$ 6,671,326</u> | <u>\$ 227,797</u> | <u>\$ 197,246,448</u> |

Depreciation expense was charged to functions as follows:

| | |
|--------------------------------|---------------------|
| <u>Governmental activities</u> | |
| General government | \$ 153,404 |
| Public safety | 384,335 |
| Public works | 1,415,766 |
| Streets and highways | 4,397,444 |
| Economic development | <u>215,467</u> |
| Total | <u>\$ 6,566,416</u> |

(Continued)

CITY OF DES PLAINES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2014

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 |
| Total capital assets not being depreciated | <u>1,891,770</u> | <u>-</u> | <u>-</u> | <u>1,891,770</u> |
| Capital assets being depreciated | | | | |
| Buildings | 18,966,509 | - | - | 18,966,509 |
| Improvements | 32,618,036 | 1,512,022 | - | 34,130,058 |
| Equipment | 1,067,772 | 30,814 | 384,636 | 713,950 |
| Vehicles | 1,490,016 | 92,214 | 96,288 | 1,485,942 |
| Total capital assets being depreciated | <u>54,142,333</u> | <u>1,635,050</u> | <u>480,924</u> | <u>55,296,459</u> |
| Total capital assets | <u>56,034,103</u> | <u>1,635,050</u> | <u>480,924</u> | <u>57,188,229</u> |
| Less accumulated depreciation for | | | | |
| Buildings | (8,892,863) | (673,278) | - | (9,566,141) |
| Improvements | (15,400,068) | (868,392) | - | (16,268,460) |
| Equipment | (612,293) | (134,968) | (277,192) | (470,069) |
| Vehicles | (1,275,639) | (67,272) | (96,288) | (1,246,623) |
| Total accumulated depreciation | <u>(26,180,863)</u> | <u>(1,743,910)</u> | <u>(373,480)</u> | <u>(27,551,293)</u> |
| Net capital assets being depreciated | <u>27,961,470</u> | <u>(108,860)</u> | <u>107,444</u> | <u>27,745,166</u> |
| Total business-type activities capital assets, net of accumulated depreciation | <u>\$ 29,853,240</u> | <u>\$ (108,860)</u> | <u>\$ 107,444</u> | <u>\$ 29,636,936</u> |

Depreciation expense was charged to functions as follows:

| | |
|---------------------------------|---------------------|
| <u>Business-type Activities</u> | |
| Parking | \$ 653,621 |
| Water | 992,538 |
| Emergency Communications | <u>97,751</u> |
| Total | <u>\$ 1,743,910</u> |

(Continued)

CITY OF DES PLAINES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2014

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 | TIF #6 (Mannheim/Higgins) | \$ 8,081,489 | \$ 8,081,489 | \$ - |
| General | Non-major governmental | 3,158,547 | 3,158,547 | - |
| General | Water | <u>2,645,015</u> | <u>2,645,015</u> | <u>-</u> |
| Total - fund financial statements | | <u>13,885,051</u> | <u>\$ 13,885,051</u> | <u>\$ -</u> |
| Less: Fund eliminations | | (11,240,036) | | |
| Less: Interfund receivables created with internal service fund eliminations | | <u>(504,892)</u> | | |
| Total internal balances - government-wide statement of net position | | <u>\$ 2,140,123</u> | | |

\$8,081,489 due from TIF #6 (Mannheim/Higgins) to the General Fund is for cash overdrafts in the TIF #6 (Mannheim/Higgins) Fund.

\$3,158,547 due from nonmajor Governmental Funds to the General Fund is for cash overdrafts in nonmajor Governmental Funds.

\$2,645,015 due from Water Fund to the General Fund is for cash overdrafts in Water Fund.

For the statement of net position, 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, 2014

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 | Non-major governmental | 251,972 | To reimburse general operating expenditures of the fund |
| General | Parking system | 15,758 | To reimburse general operating expenditures of the fund |
| General | Capital projects | 25,000 | To reimburse for capital outlay purchases |
| General | TIF #6 (Mannheim/Higgins) | 49,527 | To reimburse general operating expenditures of the fund |
| Capital projects | General | 5,150,000 | To reimburse for early debt payoff |
| Capital Projects | Gaming Tax | 1,745,000 | To reimburse for infrastructure improvements |
| Non-major governmental | General | 2,500,000 | Transfer per budget for future equipment and depreciation |
| Non-major governmental | General | 1,036,102 | Transfer per budget for future IT equipment and depreciation |
| Non-major governmental | General | 215,196 | To closeout TIF #4 fund |
| Non-major governmental | General | 71,571 | To cover City's share of grant expenses |
| Non-major governmental | Capital projects | 49,152 | To cover City's share of grant expenses |
| Non-major governmental | Internal Services | 32,800 | To reimburse for vehicle replacement |
| Water | General | 300,000 | To reimburse for alternate water supply improvements |
| Water | Parking system | <u>20,758</u> | To reimburse general operating expenditures of the fund |
| Total - fund financial statements | | 11,462,836 | |
| Less: Fund eliminations | | <u>(11,178,594)</u> | |
| Total - government-wide statement of activities | | <u>\$ 284,242</u> | |

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.

(Continued)

CITY OF DES PLAINES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2014

NOTE 7 – DEBT ACTIVITY

Long-Term Obligations: Long term obligations activity for the year ended December 31, 2014, was as follows:

| | Beginning <u>Balance</u> | <u>Increases</u> | <u>Decreases</u> | Ending <u>Balance</u> | Amounts Due Within <u>One Year</u> |
|--|-----------------------------|----------------------|----------------------|--------------------------|--|
| <u>Governmental Activities</u> | | | | | |
| Bonds and loans payable | | | | | |
| General obligation debt | \$ 56,074,315 | \$ 8,179,310 | \$ 23,575,000 | \$ 40,678,625 | \$ 4,385,000 |
| Tax increment financing revenue bonds | 482,387 | - | 58,797 | 423,590 | 61,885 |
| Loans payable | 200,000 | - | 12,500 | 187,500 | 12,500 |
| Add/(subtract) unamortized (Discounts)/premiums | <u>541,672</u> | <u>284,312</u> | <u>439,348</u> | <u>386,636</u> | <u>-</u> |
| Total bonds and loans payable | <u>57,298,374</u> | <u>8,463,622</u> | <u>24,085,645</u> | <u>41,676,351</u> | <u>4,459,385</u> |
| Other liabilities | | | | | |
| Vested compensated absences | 2,091,627 | 1,684,012 | 1,411,272 | 2,364,367 | 1,657,190 |
| Early retirement incentive program | 19,233 | - | 19,233 | - | - |
| Net pension obligation - IMRF | 272,287 | - | 22,082 | 250,205 | - |
| Net other post-retirement benefit liability | <u>1,717,972</u> | <u>366,357</u> | <u>-</u> | <u>2,084,329</u> | <u>-</u> |
| Total other liabilities | <u>4,101,119</u> | <u>2,050,369</u> | <u>1,452,587</u> | <u>4,698,901</u> | <u>1,657,190</u> |
| Total governmental activities long-term liabilities | <u>\$ 61,399,493</u> | <u>\$ 10,513,991</u> | <u>\$ 25,538,232</u> | <u>\$ 46,375,252</u> | <u>\$ 6,116,575</u> |

Governmental activities general obligation debt increases includes \$186,265 of accretion of the 2009A capital appreciation bonds and \$373,045 of accretion of the 2010B capital appreciation bonds.

| | Beginning <u>Balance</u> | <u>Increases</u> | <u>Decreases</u> | Ending <u>Balance</u> | Amounts Due Within <u>One Year</u> |
|---|-----------------------------|-------------------|-------------------|--------------------------|--|
| <u>Business-Type Activities</u> | | | | | |
| Vested compensated absences | \$ 393,500 | \$ 186,068 | \$ 267,848 | \$ 311,720 | \$ 251,623 |
| Net pension obligation - IMRF | 152,907 | - | 29,609 | 123,298 | - |
| Net other post-retirement benefit liability | <u>178,071</u> | <u>25,442</u> | <u>-</u> | <u>203,513</u> | <u>-</u> |
| Total business-type activities long-term liabilities | <u>\$ 724,478</u> | <u>\$ 211,510</u> | <u>\$ 297,457</u> | <u>\$ 638,531</u> | <u>\$ 251,623</u> |

(Continued)

CITY OF DES PLAINES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2014

NOTE 7 – DEBT ACTIVITY (Continued)

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, 2014</u> |
|--|--------------------------|---------------------------|---------------------------|----------------------------------|--|
| Governmental Activities | | | | | |
| General Obligation Debt | | | | | |
| Series 2005G 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 | 165,000 |
| 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 | 2,695,000 |
| 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 | 645,000 |
| • debt retired from TIF #1 fund | | | | | 130,000 |
| Series 2008A Taxable GO Refunding Bonds, due in annual installments of \$125,000 to \$275,000 | | | | | |
| • debt retired from TIF #1 fund | April 1, 2008 | December 1, 2021 | 3.25% | 2,575,000 | 345,000 |
| • debt retired from the TIF #3 fund | | | to 5.25% | | 740,000 |
| 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 | 3,418,391* |
| 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 | 805,000 |
| 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 | 7,775,234* |

(Continued)

CITY OF DES PLAINES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2014

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, 2014</u> |
|--|--------------------------|---------------------------|---------------------------|----------------------------------|--|
| Series 2011A GO Refunding Bonds, due in annual installments of \$275,000 to \$465,000 | | | | | |
| • debt retired from TIF #1 fund | December 22, 2011 | December 1, 2021 | 2.0% to 2.50% | 3,540,000 | 1,065,000 |
| • debt retired from TIF #3 fund | | | | | 745,000 |
| • debt retired from TIF #5 fund | | | | | 705,000 |
| • debt retired from TIF #6 fund | | | | | 175,000 |
| Series 2012A GO Refunding Bonds, due in annual installments of \$455,000 to \$495,000 | | | | | |
| • debt retired from TIF #1 fund | December 18, 2012 | December 1, 2020 | 1.0% to 2.0% | 3,765,000 | 2,855,000 |
| Series 2013 Taxable GO Refunding Bonds, due in annual installments of \$690,000 to \$1,140,000 | | | | | |
| • debt retired from TIF #1 fund | December 17, 2013 | December 1, 2021 | 3.0% to 3.30% | 7,945,000 | 2,605,000 |
| • debt retired from TIF #3 fund | | | | | 500,000 |
| • debt retired from TIF #6 fund | | | | | 3,895,000 |
| Series 2014A Taxable GO Refunding Bonds, due in annual installments of \$140,000 to \$355,000 | | | | | |
| • debt retired from TIF #6 fund | September 4, 2014 | December 1, 2021 | 1.00% to 2.60% | 2,020,000 | 1,880,000 |
| Series 2014B GO Refunding Bonds, due in annual installments of \$440,000 to \$1,165,000 | | | | | |
| • debt retired from TIF #3 fund | September 4, 2014 | December 1, 2022 | 0.75% to 3.0% | 5,600,000 | 2,715,000 |
| • debt retired from capital projects fund | | | | | <u>2,875,000</u> |
| Total governmental activities general obligation debt | | | | | <u>\$ 40,678,625</u> |

*A portion of the December 31, 2014 balance for the 2010B and 2009A bonds represents accretion on debt from the date of issuance until December 31, 2014.

Debt service requirements to maturity are as follows (Principal Totals for Governmental Activities differs from the outstanding balance noted above in the amount of \$5,586,375, due to the future accretion on the 2009A and 2010A Capital Appreciation Bonds):

| <u>Years</u> | <u>Governmental Activities General Obligation Debt</u> | |
|--------------|--|---------------------|
| | <u>Principal</u> | <u>Interest</u> |
| 2015 | \$ 4,385,000 | \$ 840,480 |
| 2016 | 3,905,000 | 725,391 |
| 2017 | 4,760,000 | 629,116 |
| 2018 | 5,575,000 | 529,193 |
| 2019 | 4,740,000 | 412,528 |
| 2020-2024 | 17,470,000 | 819,455 |
| 2025-2028 | <u>5,430,000</u> | <u>175,262</u> |
| Totals | <u>\$ 46,265,000</u> | <u>\$ 4,131,425</u> |

(Continued)

CITY OF DES PLAINES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2014

NOTE 7 – DEBT ACTIVITY (Continued)

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 2014, TIF #1 generated a tax increment of \$4,779,373. The City has pledged future incremental tax revenues, net of specified operating expenses, to repay \$423,590 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 1.75% of net revenues. The total principal and interest remaining to be paid on the notes is \$504,739. Principal and interest paid for the current year were \$58,797 and \$25,326, respectively.

On August 20, 2007 the City entered into a TIF #1 redevelopment agreement that re-pays the developer a maximum amount of \$1,657,277 for eligible project costs to the extent sufficient incremental tax revenues are generated from this project. As of December 31, 2014, the development has incurred \$1,657,277 in eligible certified project costs. In 2014, the City paid \$407,428 from the 2011 and 2012 tax increment generated by the development. The total amount paid on the note to date is \$1,193,919.

Tax Increment Financing Notes at December 31, 2014, 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, 2014</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 | \$ 205,841 |
| 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>217,749</u> |
| Total governmental activities tax Increment financing notes | | | | | <u>\$ 423,590</u> |

Debt service requirements to maturity are as follows:

| <u>Years</u> | <u>Governmental Activities Tax Increment Financing Notes</u> | |
|--------------|--|------------------|
| | <u>Principal</u> | <u>Interest</u> |
| 2015 | \$ 61,885 | \$ 22,239 |
| 2016 | 65,133 | 18,990 |
| 2017 | 68,553 | 15,570 |
| 2018 | 72,152 | 11,971 |
| 2019 | 75,940 | 8,183 |
| 2020 | <u>79,927</u> | <u>4,196</u> |
| Totals | <u>\$ 423,590</u> | <u>\$ 81,149</u> |

(Continued)

CITY OF DES PLAINES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2014

NOTE 7 – DEBT ACTIVITY (Continued)

Loans Payable: Loans Payable at December 31, 2014 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, 2014</u> |
|--|--------------------------|---------------------------|---------------------------|----------------------------------|--|
| Series 2009 equipment loan (fire engine), due in annual installments of \$12,500 | | | | | |
| <ul style="list-style-type: none"> • debt retired by equipment replacement fund | April 7, 2009 | November 1, 2029 | 0.00% | \$ 250,000 | \$ 187,500 |

Debt service requirements to maturity are as follows:

| <u>Years</u> | <u>Governmental Activities Loans Payable Principal</u> |
|---------------|--|
| 2015 | \$ 12,500 |
| 2016 | 12,500 |
| 2017 | 12,500 |
| 2018 | 12,500 |
| 2019 | 12,500 |
| 2020-2024 | 62,500 |
| 2025-2029 | <u>62,500</u> |
| Totals | \$ 187,500 |

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 bonds were refinanced in 2011 and the outstanding balance as of December 31, 2014 is \$6,315,569.

Current Refunding: On September 4, 2014, the City issued \$2,020,000 and \$5,600,000 in general obligation 2014A and 2014B series bonds with interest rates of 1.09-3.36 percent and 0.75-3.0 percent, all respectively. The 2014A bonds refunded \$1,940,000 of outstanding 2003C series bonds with interest rates of 4.7-5.5 percent and the 2014B bonds refunded \$2,670,000 of outstanding 2005A series bonds with interest rates of 3.0-5.25 percent and \$6,005,000 of outstanding 2005D series bonds with interest rates of 2.25-5.0 percent. The net proceeds of the bonds, net of underwriting fees, insurance and other issuance costs, along with cash on hand were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for future debt service payments. As a result, the bonds are not considered to be defeased and the liability for those bonds are included in these financial statements.

(Continued)

CITY OF DES PLAINES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2014

NOTE 7 – DEBT ACTIVITY (Continued)

The City cash flow requirements on the refunded 2003C series bonds prior to the current refunding was \$2,467,738 from 2014 through 2021. The cash flow requirements on the 2014A series refunding bonds are \$2,285,647 from 2014 through 2021. The current refunding resulted in an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$163,200.

The City cash flow requirements on the refunded 2005A and 2005D series bonds prior to the current refunding was \$3,472,654 from 2014 through 2021 and \$3,885,163 from 2014 through 2018, respectively. The cash flow requirements on the 2014B series refunding bonds are \$6,930,212 from 2014 through 2022. The current refunding resulted in an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$399,424.

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.

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 position, 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.

(Continued)

CITY OF DES PLAINES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2014

NOTE 8 – COMPONENT UNIT (Continued)

Deposits and Investments:

| | <u>Carrying Value</u> | <u>Statement Balance</u> | <u>Associated Risks</u> |
|------------------------------------|---------------------------|------------------------------|-------------------------|
| Deposits | \$ 820,745 | \$ 848,410 | Custodial |
| Illinois funds | 5,376,402 | 5,376,402 | Credit, interest rate |
| Petty cash | <u>500</u> | <u>-</u> | N/A |
| Total deposits and investments | <u>\$ 6,197,647</u> | <u>\$ 6,224,812</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 \$6,197,647 at December 31, 2014, while the bank balances were \$6,224,812. 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, 2014, the Library held \$5,376,402 in the Illinois Funds Investment Pool.

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 \$5,376,402 was due upon demand.

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.

(Continued)

CITY OF DES PLAINES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2014

NOTE 8 – COMPONENT UNIT (Continued)

Receivables and Deferred Inflows of Resources: Property taxes for 2014 attach as an enforceable lien on January 1, 2014, 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, 2014 and August 1, 2014 and are payable in two installments, on or about March 1, 2014 and October 1, 2014. 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 2014 tax levy has been recorded as a deferred inflow of resources 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 | 970,742 | - | - | 970,742 |
| Vehicles | <u>67,163</u> | <u>-</u> | <u>-</u> | <u>67,163</u> |
| Total capital assets being depreciated | <u>1,273,779</u> | <u>-</u> | <u>-</u> | <u>1,273,779</u> |
| Less accumulated depreciation for | | | | |
| Improvements | (38,111) | (7,862) | - | (45,973) |
| Equipment | (325,926) | (31,101) | - | (357,027) |
| Vehicles | <u>(47,199)</u> | <u>(2,496)</u> | <u>-</u> | <u>(49,695)</u> |
| Total accumulated depreciation | <u>(411,236)</u> | <u>(41,459)</u> | <u>-</u> | <u>(452,695)</u> |
| Total component unit capital assets, net of accumulated depreciation | <u>\$ 862,543</u> | <u>\$ (41,459)</u> | <u>\$ -</u> | <u>\$ 821,084</u> |

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, 2013 was \$253,230. During 2014, there were additions of \$106,970 and reductions of \$97,855 leaving the liability balance as of December 31, 2014 of \$262,345. The current portion of this liability is \$98,502.

Net Other Postemployment Benefits Obligation: The liability balance as of December 31, 2013 was \$85,867. During 2014, there were annual OPEB costs of \$4,735 and contributions of \$3,959 leaving the liability balance as of December 31, 2014 of \$86,643. See Note 13 for further details on the Retiree Health Plan.

Illinois Municipal Retirement Fund: The liability balance as of December 31, 2013 was \$68,589. During 2014, there were annual pension costs of \$353,167 and contributions of \$354,193 leaving the liability balance as of December 31, 2014 of \$67,563. See Note 9 for further details on the Illinois Municipal Retirement Fund.

(Continued)

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.

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 annual required contribution rate for 2014 was 13.13%. 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, 2014, the Police Pension Plan membership consisted of:

| | |
|---|-----|
| Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them | 112 |
| Current employees: | |
| Vested | 70 |
| Non vested | 22 |
| Total | 204 |
| Number of participating employers | 1 |

(Continued)

NOTE 9 – EMPLOYEES’ RETIREMENT SYSTEM (Continued)

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).

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, 2014, the City’s contribution was 48.68% 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.

(Continued)

CITY OF DES PLAINES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2014

NOTE 9 – EMPLOYEES’ RETIREMENT SYSTEM (Continued)

At December 31, 2014, the Firefighters’ Pension Plan membership consisted of:

| | |
|---|------------|
| Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them | 102 |
| Current employees: | |
| Vested | 59 |
| Non vested | <u>32</u> |
| Total | <u>193</u> |
| Number of participating employers | <u>1</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 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, 2014, the contribution percentage was 9.46%. 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, 2014, the City’s contribution was 47.80% of covered payroll.

(Continued)

CITY OF DES PLAINES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2014

NOTE 9 – EMPLOYEES’ RETIREMENT SYSTEM (Continued)

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, 2012 | December 31, 2014 | December 31, 2014 |
| ARC is based on | | | |
| Contribution rates: | | | |
| Employer | 13.13% | 48.68% | 47.80% |
| Employee | 4.50% | 9.91% | 9.46% |
| Annual pension cost | \$2,307,361 | \$3,880,305 | \$3,923,015 |
| Contributions made | \$2,360,078 | \$4,154,166 | \$4,155,983 |
| 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 | 26 years, closed | 26 years, closed |
| Actuarial assumptions: | | | |
| Investment rate of return | 7.5% | 7% | 7% |
| | Compounded annually | Compounded annually | Compounded annually |
| Projected salary increases | 0.4 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, 2014

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 | \$ 2,296,799 | \$ 3,895,329 | \$ 3,941,652 |
| Interest on net pension obligation | 37,034 | (47,198) | (58,550) |
| Adjustment to annual required contribution | <u>(26,472)</u> | <u>32,174</u> | <u>39,913</u> |
| Annual pension cost | 2,307,361 | 3,880,305 | 3,923,015 |
| Contributions made | <u>2,360,078</u> | <u>4,154,166</u> | <u>4,155,983</u> |
| Change in net pension obligation | (52,717) | (273,861) | (232,968) |
| Net pension obligation (asset) | | | |
| Beginning of year | <u>493,783</u> | <u>(674,255)</u> | <u>(836,432)</u> |
| End of year | <u>\$ 441,066</u> | <u>\$ (948,116)</u> | <u>\$ (1,069,400)</u> |
| <u>As reported in</u> | | | |
| City's governmental activities | \$ 250,205 | \$ (948,116) | \$ (1,069,400) |
| City's business-type activities | 123,298 | - | - |
| Library | <u>67,563</u> | <u>-</u> | <u>-</u> |
| | <u>\$ 441,066</u> | <u>\$ (948,116)</u> | <u>\$ (1,069,400)</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) | 2014 | \$ 2,307,361 | \$ 3,880,305 | \$ 3,923,015 |
| | 2013 | 2,394,127 | 3,646,205 | 3,652,316 |
| | 2012 | 2,351,609 | 3,458,523 | 3,560,441 |
| Contributions made | 2014 | \$ 2,360,082 | \$ 4,154,166 | \$ 4,155,983 |
| | 2013 | 2,383,786 | 3,671,403 | 3,694,935 |
| | 2012 | 2,250,700 | 3,562,231 | 3,655,295 |
| Percentage of APC contributed | 2014 | 102.28% | 107.06% | 105.94% |
| | 2013 | 99.57% | 100.69% | 101.17% |
| | 2012 | 95.71% | 103.00% | 102.66% |
| Net pension obligation (asset) | 2014 | \$ 441,066 | \$ (948,116) | \$ (1,069,400) |
| | 2013 | 493,783 | (674,255) | (836,432) |
| | 2012 | 483,442 | (649,057) | (793,813) |

(Continued)

CITY OF DES PLAINES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2014

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, 2014 | December 31, 2014 | December 31, 2014 |
| Actuarial Valuation of Assets (a) | \$ 40,649,675 | \$ 63,818,104 | \$ 70,387,198 |
| Actuarial Accrued Liability (AAL) Entry Age (b) | \$ 51,918,531 | \$ 133,010,739 | \$ 124,946,658 |
| Unfunded AAL (UAAL) (b-a) | \$ 11,268,856 | \$ 69,192,635 | \$ 54,559,460 |
| Funded Ratio (a/b) | 78.30% | 47.97% | 56.33% |
| Covered Payroll (c) | \$ 15,440,632 | \$ 8,532,924 | \$ 8,694,151 |
| UAAL as a percentage of Covered Payroll ((b-a)/c) | 72.98% | 810.89% | 627.54% |

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, 2014

NOTE 9 – EMPLOYEES’ RETIREMENT SYSTEM (Continued)

Pension Information:

Fiduciary Net Position:

| | <u>Pension Trust</u> | | <u>Totals</u> |
|--|----------------------------------|---------------------------|-----------------------|
| | <u>Firefighters’ Pension</u> | <u>Police Pension</u> | |
| Assets | | | |
| Cash and cash equivalents | \$ 3,193,320 | \$ 3,233,681 | \$ 6,427,001 |
| Investments | | | |
| U.S. government and agency obligations | 10,832,887 | 9,608,912 | 20,441,799 |
| Mutual funds | 22,959,812 | 22,784,630 | 45,744,442 |
| Corporate bonds | 11,425,269 | 10,076,794 | 21,502,063 |
| Stocks | 21,262,814 | 17,213,429 | 38,476,243 |
| State and local obligations | 531,197 | 772,407 | 1,303,604 |
| Insurance contracts | - | 1,469 | 1,469 |
| Accrued interest | 210,895 | 194,153 | 405,048 |
| Prepaid items | 5,726 | 6,824 | 12,550 |
| Total assets | <u>70,421,920</u> | <u>63,892,299</u> | <u>134,314,219</u> |
| Liabilities | | | |
| Accounts payable | <u>34,723</u> | <u>74,195</u> | <u>108,918</u> |
| Total liabilities | <u>34,723</u> | <u>74,195</u> | <u>108,918</u> |
| Net position | <u>\$ 70,387,197</u> | <u>\$ 63,818,104</u> | <u>\$ 134,205,301</u> |

(Continued)

CITY OF DES PLAINES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2014

NOTE 9 – EMPLOYEES’ RETIREMENT SYSTEM (Continued)

Changes in Plan Net Position:

| | <u>Pension Trust</u> | | <u>Totals</u> |
|--------------------------------------|----------------------------------|---------------------------|-----------------------|
| | <u>Firefighters’ Pension</u> | <u>Police Pension</u> | |
| Additions | | | |
| Contributions | | | |
| Employer | \$ 4,155,983 | \$ 4,154,166 | \$ 8,310,149 |
| Plan members | <u>883,723</u> | <u>879,904</u> | <u>1,763,627</u> |
| Total contributions | <u>5,039,706</u> | <u>5,034,070</u> | <u>10,073,776</u> |
| Investment Income | 4,411,964 | 3,504,260 | 7,916,224 |
| Less investment expense | <u>(271,715)</u> | <u>(279,632)</u> | <u>(551,347)</u> |
| Net investment income | <u>4,140,249</u> | <u>3,224,628</u> | <u>7,364,877</u> |
| Total additions | <u>9,179,955</u> | <u>8,258,698</u> | <u>17,438,653</u> |
| Deductions | | | |
| Administration | 55,364 | 76,847 | 132,211 |
| Benefits and refunds | <u>6,042,592</u> | <u>6,449,930</u> | <u>12,492,522</u> |
| Total deductions | <u>6,097,956</u> | <u>6,526,777</u> | <u>12,624,733</u> |
| Change in plan net position | 3,081,999 | 1,731,921 | 4,813,920 |
| Plan net position, beginning of year | <u>67,305,198</u> | <u>62,086,183</u> | <u>129,391,381</u> |
| Plan net position, end of year | <u>\$ 70,387,197</u> | <u>\$ 63,818,104</u> | <u>\$ 134,205,301</u> |

NOTE 10 – GASB 67 DISCLOSURES

Summary of Significant Accounting Policies:

Method used to value investments: Investments are reported at fair value. All assets for the Plans are cash, cash equivalents, or exchange-traded securities. 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. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates.

Plan Descriptions

Plan Administration: The City contributes to two separate single-employer defined benefit pension plans, the Police Pension Plan and the Firefighters' Pension Plan (“Plans”). Although these are a single employer pension plans, 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 plans as pension trust funds. The Police Pension Plan and the Firefighters' Pension Plan do not issue separate reports on the pension plans. Membership at December 31, 2014, benefits provided, and contributions for each of the Plans, can be found in note 9. Further information about the boards of the Pension may be found in note 1.

(Continued)

CITY OF DES PLAINES, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2014

NOTE 10 – GASB 67 DISCLOSURES (Continued)

Investments

Investment policy: Illinois Compiled Statutes (ILCS) limit the Police/Fire Pension Fund's (the Fund) investments to those allowable by ILCS and require the Fund's Board of Trustees to adopt an investment policy which can be amended by a majority vote of the Board of Trustees. The Fund's investment policy authorizes the Fund 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, investment grade corporate bonds and Illinois Funds. The Fund 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, Illinois insurance company general store and separate accounts, mutual funds and corporate equity securities and real estate investment trusts.

Rate of return: For the year ended December 31, 2014, the annual money-weighted rate of return on Plans' assets, net of pension plan investment expense, was 5.73% and 6.62% for the Police and Firefighters Pension Plans', respectively. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net Pension Liability:

The components of the net pension liability of the Plans' at December 31, 2014 were as follows:

| | Firefighters' Pension Plan | Police Pension Plan |
|---|-------------------------------|------------------------|
| Total pension liability | \$ 124,946,658 | \$ 133,010,739 |
| Plan fiduciary net position | (70,387,197) | (63,818,104) |
| Plan's net pension liability | \$ 54,559,461 | \$ 69,192,635 |
| | | |
| Plan fiduciary net position as a percentage of the total pension liability | 56.33% | 47.98% |

Actuarial assumptions: The total pension liability was determined by an actuarial valuation as of December 31, 2014, using the following actuarial assumptions, applicable to both Plans, applied to all periods included in the measurement:

| | |
|---------------------------|--------------------------------|
| Inflation | 3.0% per year |
| Salary increases | 5.0% per year |
| Investment rate of return | 7.0% per year, net of expenses |

Mortality rates were based on the RP-2000 CHBCA Mortality Table. The actuarial assumptions used in the December 31, 2014 valuation were based on the results of an actuarial experience study conducted by the Illinois Department of Insurance dated September 26, 2012.

The long-term expected rate of return on both the Police and Firefighters' Fund's investments was determined using an asset allocation study by the Global Investment Committee of Morgan Stanley and was published in March 2014. The best estimate ranges of expected nominal rates of return (including

(Continued)

CITY OF DES PLAINES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2014

NOTE 10 – GASB 67 DISCLOSURES (Continued)

inflation) were developed for each major assets class as of December 31, 2014. These ranges were combined to produce the long-term expected rate of return by weighting the expected future nominal rates of return by the target asset allocation percentage. Best estimates or arithmetic real rates of return excluding inflation for each major asset class included in the Fund's target asset allocation as of December 31, 2014 are listed in the table below:

Police Pension Fund

| <u>Asset Class</u> | <u>Target Allocation</u> | <u>Estimated Arithmetic Return</u> |
|------------------------------|--------------------------|--|
| Domestic Equity | 33.00% | 9.80% |
| International Equity | 34.00% | 9.70% |
| Fixed Income | 38.00% | 4.20% |
| Real Estate Investment Trust | 3.00% | 9.30% |
| Cash | 2.00% | 2.70% |

Firefighters' Pension Fund

| <u>Asset Class</u> | <u>Target Allocation</u> | <u>Estimated Arithmetic Return</u> |
|------------------------------|--------------------------|--|
| Domestic Equity | 33.00% | 9.80% |
| International Equity | 34.00% | 9.70% |
| Fixed Income | 38.00% | 4.20% |
| Real Estate Investment Trust | 3.00% | 9.30% |
| Cash | 2.00% | 2.70% |

Discount rate: The projection of cash flows used to determine the discount rate of 7% for both Plans assumed that plan member contributions will be made at the current contribution rate and that City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the net pension liability to changes in the discount rate: The following presents the net pension liability of the Plans, calculated using the discount rate of 7.0 percent, as well as what the Plans' net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.0 percent) or 1-percentage-point higher (8.0 percent) than the current rate:

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

| | 1% Decrease 6.00% | Current Discount Rate 7.00% | 1% Increase 8.00% |
|------------------------------------|----------------------|--------------------------------|----------------------|
| Police Net Pension Liability | 85,861,873 | 69,192,635 | 55,325,023 |
| Firefighters Net Pension Liability | 69,451,666 | 54,559,461 | 42,063,863 |

(Continued)

CITY OF DES PLAINES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2014

NOTE 11 – 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.

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 | \$ 14,157 | \$ 23,190 |
| Current year claims and changes in estimates | 440,354 | 417,006 |
| Claim payments | <u>(431,321)</u> | <u>(421,929)</u> |
| Unpaid claims - end of year | <u>\$ 23,190</u> | <u>\$ 18,267</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.

(Continued)

NOTE 11 – RISK MANAGEMENT (Continued)

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 68 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 also has a third party administrator that works on behalf of the MICA members to administer claims. MICA provides \$2,000,000 of coverage after a \$1,000 deductible. The City pays an annual contribution 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 can be returned to the members in the form of a dividend in subsequent periods. The City records such dividends 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 (\$13,000,000 of coverage after the \$2,000,000 coverage provided by MICA). It consists of 13 municipalities. HELP provides a \$4,000,000 self-insured limit above the member's \$2,000,000 primary coverage and re-insures an additional \$9,000,000 through Genesis Underwriting Managers.

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 bond 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.

(Continued)

CITY OF DES PLAINES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2014

NOTE 11 – RISK MANAGEMENT (Continued)

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 12 – 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> |
|---|-----------------------------|---------------------------------|
| Lee & Perry Const MFT 10-00213-00-CH | \$ 236,496 | \$ 48,798 |
| Lee & Perry Traffic Signal Impr-Construction | - | 22,863 |
| Contractor-2013 CIP Concrete Improvements | 707,569 | 25,704 |
| Contractor-2013 CIP Concrete Improvements | 52,440 | 1,945 |
| Upgrade Traffic Signal LED-Cost Share | - | 25,132 |
| 2014 CIP Concrete Improvements | - | 19,044 |
| 2014 CIP Concrete Improvements | 357,276 | 39,697 |
| Construction 2014 CIP Street & Utility Contract C | 2,925,974 | 222,111 |
| Construction 2014 CiP St & Utility Contract A | 1,856,162 | 77,514 |
| 2014 CIP Street Resurfacing Contract E | 1,682,212 | 225,726 |
| Downtown Streetscape Phase II | 661,315 | 1,406,272 |
| Contractor-DP River Rd Recon Ph 2 | 521,364 | 12,933,629 |
| Contractor-2014 Rear Yard Drainage Contract D | 156,758 | 141,720 |
| Central Road Reservoir Improvements | <u>298,664</u> | <u>26,186</u> |
| Total | <u>\$ 9,456,231</u> | <u>\$ 15,216,341</u> |

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 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

(Continued)

CITY OF DES PLAINES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2014

NOTE 13 – OTHER POSTEMPLOYMENT BENEFITS (Continued)

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 2014, total member contributions were \$1,311,082. Administrative costs of the plan are paid by the City.

The City's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC). The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the City's annual OPEB cost for the year, the amount actually contributed to plan, and changes in the City's net OPEB obligation to the Retiree Health Plan:

| | | |
|--|--|--------------------------------|
| Annual required contribution | | \$ 880,832 |
| Interest on net OPEB obligation | | 75,842 |
| Adjustment to annual required contribution | | <u>(73,156)</u> |
| Annual OPEB cost | | 883,518 |
| Contributions made | | <u>(491,719)</u> |
| Change in net OPEB obligation | | 391,799 |
| Net OPEB obligation, beginning of year | | <u>1,896,043</u> |
| Net OPEB obligation, end of year | | <u><u>\$ 2,287,842</u></u> |
| <u>As reported in</u> | | |
| City's governmental activities | | \$ 2,084,329 |
| City's business-type activities | | <u>203,513</u> |
| | | <u><u>\$ 2,287,842</u></u> |

(Continued)

CITY OF DES PLAINES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2014

NOTE 13 – OTHER POSTEMPLOYMENT BENEFITS (Continued)

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation are as follows:

| <u>Year</u> | <u>Annual OPEB Cost</u> | <u>Percentage of Annual OPEB Cost Contributed</u> | <u>Net OPEB Obligation</u> |
|-------------|---------------------------------|---|--------------------------------|
| 2014 | \$ 883,518 | 55.65% | \$ 2,287,842 |
| 2013 | 634,778 | 133.13% | 1,896,043 |
| 2012 | 650,798 | 129.35% | 1,998,822 |

The funded status of the plan as of January 1, 2014, the most recent actuarial valuation date, was as follows:

| | |
|---|---------------------|
| Actuarial accrued liability (AAL) | \$ 9,914,534 |
| Actuarial value of plan assets | <u>-</u> |
| Unfunded Actuarial Accrued Liability (UAAL) | <u>\$ 9,914,534</u> |
| Funded ratio (actuarial value of plan assets/AAL) | 0.00% |
| Covered payroll (active plan members) | \$ 32,389,697 |
| UAAL as a percentage of covered payroll | 30.61% |

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 January 1, 2014 actuarial valuation, the projected unit credit 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 7.00 percent initially, reduced by decrements to an ultimate rate of 4.00 percent after 20 years. Both rates include a 2.50 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.

(Continued)

NOTE 14 – 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.

On November 17, 2014 the City Council adopted Ordinance M-36-14 terminating the designation of TIF #4 as a redevelopment project area under the tax increment allocation redevelopment act and dissolving the special tax allocation fund for TIF #4. As of December 31, 2014 fund balance for TIF #4 was \$0 and the fund was financially closed out.

NOTE 15 - NEW ACCOUNTING PRONOUNCEMENTS

In June 2012, the GASB issued Statement 68, Accounting and Financial Reporting for Pensions. This Statement replaces the requirements of Statement No. 27, Accounting for Pensions by State and Local Governmental Employers and Statement No. 50, Pension Disclosures, as they relate to governments that provide pensions through pension plans administered as trusts or similar arrangements that meet certain criteria. Statement 68 requires governments providing defined benefit pensions to recognize their long-term obligation for pension benefits as a liability for the first time, and to more comprehensively and comparably measure the annual costs of pension benefits. The Statement also enhances accountability and transparency through revised and new note disclosures and required supplementary information (RSI). This Statement is effective for the City's financial year ended December 31, 2015. Management has determined that implementation of this GASB statement will result in significant liabilities and disclosure modifications to be made in the City's financial statements for the year ended December 31, 2015.

In November 2013, GASB issued Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date. The objective of this Statement is to address an issue regarding application of the transition provisions of Statement No. 68, Accounting and Financial Reporting for Pensions. The requirements of this statement should be applied simultaneously with the provisions of Statement 68. Management has determined that implementation of this GASB statement will result in significant liabilities and disclosure modifications to be made in the City's financial statements for the year ended December 31, 2015.

In February 2015, the GASB issued Statement No. 72 – Fair Value Measurement and Application. This Statement addresses accounting and financial reporting issues related to fair value measurements. The definition of fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This Statement provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. This Statement is effective for the City's financial year ending December 31, 2016. Management has not determined what impact, if any, this GASB statement might have on its financial statements.

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, 2014
 With Comparative Actual Amounts for the Year Ended December 31, 2013

| | 2014 | | Variance from Final Budget Positive (Negative) | 2013 Actual |
|-----------------------------------|------------------------------|-------------------|---|-------------------|
| | Original and Final Budget | Actual | | |
| Revenues | | | | |
| Property Taxes | | | | |
| Property Taxes | \$ 14,675,600 | \$ 14,590,163 | \$ (85,437) | \$ 15,679,097 |
| Police Pension | 4,150,000 | 4,154,084 | 4,084 | 3,670,675 |
| Fire Pension | 4,150,000 | 4,155,901 | 5,901 | 3,693,659 |
| Total Property Taxes | <u>22,975,600</u> | <u>22,900,148</u> | <u>(75,452)</u> | <u>23,043,431</u> |
| Local Taxes | | | | |
| Utility Taxes | 3,200,000 | 3,358,459 | 158,459 | 3,264,076 |
| Gas and Use Tax | 350,000 | 429,505 | 79,505 | 401,271 |
| Franchise Tax | 600,000 | 740,759 | 140,759 | 720,517 |
| Food and Beverage Tax | 1,100,000 | 1,190,477 | 90,477 | 1,177,511 |
| Telecommunication Tax | 2,900,000 | 2,387,334 | (512,666) | 2,740,642 |
| Hotel/Motel Tax | 1,200,000 | 1,988,301 | 788,301 | 1,752,342 |
| Auto Rental Tax | 100,000 | 56,154 | (43,846) | 126,258 |
| Parking Tax | 1,500 | 3,133 | 1,633 | 1,629 |
| Real Estate Transfer Tax | 300,000 | 610,997 | 310,997 | 436,309 |
| Home Rule Sales Tax | 1,300,000 | 1,483,576 | 183,576 | 1,410,076 |
| Total Local Taxes | <u>11,051,500</u> | <u>12,248,695</u> | <u>1,197,195</u> | <u>12,030,631</u> |
| Licenses | | | | |
| Business | 225,000 | 400,176 | 175,176 | 592,636 |
| Liquor | 225,000 | 243,495 | 18,495 | 221,220 |
| Vehicle | 1,150,000 | 1,461,240 | 311,240 | 1,279,663 |
| Other Licenses | 94,900 | 271,398 | 176,498 | 175,130 |
| Total Licenses | <u>1,694,900</u> | <u>2,376,309</u> | <u>681,409</u> | <u>2,268,649</u> |
| Permits | | | | |
| Building | 350,000 | 904,048 | 554,048 | 579,242 |
| Other Permits | 132,200 | 51,476 | (80,724) | 76,300 |
| Total Permits | <u>482,200</u> | <u>955,524</u> | <u>473,324</u> | <u>655,542</u> |
| Intergovernmental | | | | |
| State Income Tax | 4,600,000 | 5,587,992 | 987,992 | 5,863,537 |
| Local Use Tax | 850,000 | 1,120,783 | 270,783 | 987,175 |
| Personal Property Replacement Tax | 1,300,000 | 1,303,645 | 3,645 | 1,341,936 |
| Municipal Sales Tax | 8,000,000 | 11,214,007 | 3,214,007 | 12,481,071 |
| Road and Bridge Tax | 200,000 | 212,067 | 12,067 | 203,546 |
| Federal, State, and Local Grants | 85,000 | 118,047 | 33,047 | 115,119 |
| Other State Payments | - | 2,573 | 2,573 | 344 |
| Total Intergovernmental | <u>15,035,000</u> | <u>19,559,114</u> | <u>4,524,114</u> | <u>20,992,728</u> |
| Charges for Services | | | | |
| Ambulance Fees | 1,200,000 | 1,547,034 | 347,034 | 1,512,262 |
| Refuse Collection | 4,150,000 | 3,225,062 | (924,938) | 4,092,464 |
| Other Fees | 224,000 | 293,430 | 69,430 | 364,952 |
| E-911 Fees | - | - | - | 276,095 |
| Total Charges for Services | <u>5,574,000</u> | <u>5,065,526</u> | <u>(508,474)</u> | <u>6,245,773</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, 2014
 With Comparative Actual Amounts for the Year Ended December 31, 2013

| | 2014 | | Variance from Final Budget Positive (Negative) | 2013 Actual |
|------------------------------------|------------------------------|-------------------|---|-------------------|
| | Original and Final Budget | Actual | | |
| Fines and Forfeits | | | | |
| Court Costs, Fees & Charges | \$ 550,000 | \$ 476,276 | \$ (73,724) | \$ 593,629 |
| Other Fines and Forfeits | <u>507,500</u> | <u>829,830</u> | <u>322,330</u> | <u>718,372</u> |
| Total Fines and Forfeits | <u>1,057,500</u> | <u>1,306,106</u> | <u>248,606</u> | <u>1,312,001</u> |
| Investment Income | | | | |
| Investment Income | <u>50,000</u> | <u>11,112</u> | <u>(38,888)</u> | <u>25,188</u> |
| Miscellaneous | | | | |
| Miscellaneous | <u>160,000</u> | <u>432,138</u> | <u>272,138</u> | <u>550,055</u> |
| Total Revenues | <u>58,080,700</u> | <u>64,854,672</u> | <u>6,773,972</u> | <u>67,123,998</u> |
| Expenditures | | | | |
| General Government | | | | |
| Elected Office | | | | |
| Salaries | 250,277 | 193,465 | 56,812 | 179,209 |
| Benefits | 183,537 | 162,267 | 21,270 | 161,393 |
| Contractual Services | 174,571 | 187,099 | (12,528) | 205,944 |
| Commodities | 39,400 | 19,769 | 19,631 | 21,762 |
| Capital Outlay | 8,240 | 7,874 | 366 | 243 |
| Total Elected Office | <u>656,025</u> | <u>570,474</u> | <u>85,551</u> | <u>568,551</u> |
| City Manager Division | | | | |
| Salaries | 251,139 | 232,150 | 18,989 | 231,582 |
| Benefits | 75,809 | 72,737 | 3,072 | 70,673 |
| Contractual Services | 67,267 | 6,370 | 60,897 | 44,605 |
| Commodities | 4,050 | 1,952 | 2,098 | 4,066 |
| Total City Manager Division | <u>398,265</u> | <u>313,209</u> | <u>85,056</u> | <u>350,926</u> |
| Media Services | | | | |
| Salaries | 156,956 | 125,533 | 31,423 | 165,409 |
| Benefits | 68,971 | 46,770 | 22,201 | 84,900 |
| Contractual Services | 60,655 | 51,246 | 9,409 | 48,673 |
| Commodities | 44,586 | 51,773 | (7,187) | 46,377 |
| Capital Outlay | 9,000 | 8,874 | 126 | - |
| Total Media Services | <u>340,168</u> | <u>284,196</u> | <u>55,972</u> | <u>345,359</u> |
| Legal Department | | | | |
| Salaries | 105,987 | 84,992 | 20,995 | 77,044 |
| Benefits | 43,062 | 40,792 | 2,270 | 39,412 |
| Contractual Services | 486,493 | 513,719 | (27,226) | 726,027 |
| Commodities | 1,650 | 766 | 884 | 868 |
| Total Legal Department | <u>637,192</u> | <u>640,269</u> | <u>(3,077)</u> | <u>843,351</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, 2014
 With Comparative Actual Amounts for the Year Ended December 31, 2013

| | 2014 | | Variance from Final Budget Positive (Negative) | 2013 Actual |
|---|------------------------------|------------------|---|------------------|
| | Original and Final Budget | Actual | | |
| Department of Finance - Fiscal Services | | | | |
| Salaries | \$ 699,661 | \$ 655,157 | \$ 44,504 | \$ 610,296 |
| Benefits | 333,547 | 297,703 | 35,844 | 302,542 |
| Contractual Services | 97,388 | 108,492 | (11,104) | 106,222 |
| Commodities | 34,800 | 31,179 | 3,621 | 29,690 |
| Capital Outlay | - | 5,788 | (5,788) | 1,249 |
| Total Department of Finance - Fiscal Services | 1,165,396 | 1,098,319 | 67,077 | 1,049,999 |
| Information Technologies | | | | |
| Salaries | 375,758 | 381,141 | (5,383) | 295,403 |
| Benefits | 145,213 | 149,102 | (3,889) | 126,634 |
| Contractual Services | 259,495 | 213,586 | 45,909 | 219,885 |
| Commodities | 68,450 | 58,889 | 9,561 | 57,413 |
| Capital Outlay | - | 6,526 | (6,526) | 55,229 |
| Total Information Technologies | 848,916 | 809,244 | 39,672 | 754,564 |
| Overhead Division - Contractual Services | | | | |
| Contractual Services | 514,460 | 659,555 | (145,095) | 406,417 |
| Commodities | 55,650 | 51,680 | 3,970 | 73,061 |
| Capital Outlay | - | 717 | (717) | - |
| Total Overhead Division - Contractual Services | 570,110 | 711,952 | (141,842) | 479,478 |
| Building Code Enforcement | | | | |
| Salaries | 960,391 | 940,780 | 19,611 | 922,356 |
| Benefits | 449,622 | 456,937 | (7,315) | 436,969 |
| Contractual Services | 105,994 | 101,246 | 4,748 | 81,888 |
| Commodities | 18,250 | 11,343 | 6,907 | 10,277 |
| Capital Outlay | 1,000 | 1,250 | (250) | 813 |
| Total Building Code Enforcement | 1,535,257 | 1,511,556 | 23,701 | 1,452,303 |
| Planning and Zoning | | | | |
| Salaries | 342,872 | 317,068 | 25,804 | 252,713 |
| Benefits | 126,450 | 137,536 | (11,086) | 100,946 |
| Contractual Services | 52,399 | 30,859 | 21,540 | 18,260 |
| Commodities | 3,865 | 3,859 | 6 | 6,471 |
| Capital Outlay | 1,000 | 1,695 | (695) | 782 |
| Total Planning and Zoning | 526,586 | 491,017 | 35,569 | 379,172 |
| Human Resources | | | | |
| Salaries | 273,744 | 250,680 | 23,064 | 231,784 |
| Benefits | 114,733 | 93,073 | 21,660 | 82,707 |
| Contractual Services | 81,145 | 77,844 | 3,301 | 94,255 |
| Commodities | 4,875 | 5,193 | (318) | 3,257 |
| Capital Outlay | - | 1,566 | (1,566) | - |
| Total Human Resources | 474,497 | 428,356 | 46,141 | 412,003 |
| Health and Human Services | | | | |
| Salaries | 146,046 | 156,307 | (10,261) | 151,824 |
| Benefits | 49,810 | 51,741 | (1,931) | 50,792 |
| Contractual Services | 213,567 | 216,982 | (3,415) | 206,144 |
| Commodities | 6,850 | 5,527 | 1,323 | 5,457 |

(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, 2014
 With Comparative Actual Amounts for the Year Ended December 31, 2013

| | 2014 | | Variance from Final Budget Positive (Negative) | 2013 |
|--|------------------------------|------------|---|------------|
| | Original and Final Budget | Actual | | Actual |
| Capital Outlay | \$ - | \$ 698 | \$ (698) | \$ 182 |
| Total Health and Human Services | 416,273 | 431,255 | (14,982) | 414,399 |
| Geographic Information Systems (GIS) | | | | |
| Contractual Services | 242,780 | 241,611 | 1,169 | 222,115 |
| Commodities | 750 | 184 | 566 | 197 |
| Total Geographic Information Systems (GIS) | 243,530 | 241,795 | 1,735 | 222,312 |
| Total General Government | 7,812,215 | 7,531,642 | 280,573 | 7,272,417 |
| Public Safety | | | | |
| Police Department - Administration | | | | |
| Salaries | 378,153 | 377,978 | 175 | 201,103 |
| Benefits | 162,536 | 162,412 | 124 | 76,302 |
| Contractual Services | 14,865 | 10,442 | 4,423 | 11,130 |
| Commodities | 1,650 | 506 | 1,144 | 261 |
| Total Police Department - Administration | 557,204 | 551,338 | 5,866 | 288,796 |
| Police Department - Uniformed Patrol | | | | |
| Salaries | 7,071,669 | 6,898,049 | 173,620 | 6,852,097 |
| Benefits | 4,613,474 | 4,629,471 | (15,997) | 4,494,127 |
| Contractual Services | 1,336,491 | 1,257,580 | 78,911 | 1,508,382 |
| Commodities | 30,895 | 19,192 | 11,703 | 27,100 |
| Total Police Department - Uniformed Patrol | 13,052,529 | 12,804,292 | 248,237 | 12,881,706 |
| Police Department - Criminal Investigation | | | | |
| Salaries | 2,185,960 | 2,101,193 | 84,767 | 1,873,440 |
| Benefits | 1,365,323 | 1,309,343 | 55,980 | 1,223,512 |
| Contractual Services | 65,958 | 59,376 | 6,582 | 53,827 |
| Commodities | 3,030 | 2,591 | 439 | 1,166 |
| Total Police Department - Criminal Investigation | 3,620,271 | 3,472,503 | 147,768 | 3,151,945 |
| Police Department - Supporting Services | | | | |
| Salaries | 2,026,650 | 1,929,689 | 96,961 | 2,031,029 |
| Benefits | 1,121,709 | 1,057,860 | 63,849 | 1,120,570 |
| Contractual Services | 170,143 | 127,063 | 43,080 | 142,916 |
| Commodities | 152,710 | 115,518 | 37,192 | 108,261 |
| Capital Outlay | - | 864 | (864) | - |
| Total Police Department - Supporting Services | 3,471,212 | 3,230,994 | 240,218 | 3,402,776 |
| Fire Department - Administration | | | | |
| Salaries | 697,032 | 644,971 | 52,061 | 643,777 |
| Benefits | 449,108 | 486,643 | (37,535) | 424,981 |
| Contractual Services | 34,380 | 25,660 | 8,720 | 33,437 |
| Commodities | 3,400 | 2,773 | 627 | 12,080 |
| Capital Outlay | - | 2,432 | (2,432) | 1,456 |
| Total Fire Department - Administration | 1,183,920 | 1,162,479 | 21,441 | 1,115,731 |

(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, 2014
 With Comparative Actual Amounts for the Year Ended December 31, 2013

| | 2014 | | Variance from Final Budget Positive (Negative) | 2013 Actual |
|--|------------------------------|-------------------|---|-------------------|
| | Original and Final Budget | Actual | | |
| Fire Department - Emergency Services | | | | |
| Salaries | \$ 8,858,317 | \$ 8,881,679 | \$ (23,362) | \$ 8,864,094 |
| Benefits | 6,846,743 | 6,876,542 | (29,799) | 6,993,998 |
| Contractual Services | 507,721 | 739,512 | (231,791) | 562,706 |
| Commodities | 164,245 | 133,084 | 31,161 | 154,144 |
| Capital Outlay | 8,085 | 39,071 | (30,986) | 9,792 |
| Total Fire Department - Emergency | <u>16,385,111</u> | <u>16,669,888</u> | <u>(284,777)</u> | <u>16,584,734</u> |
| Fire Department - Fire Prevention Services | | | | |
| Salaries | 330,690 | 344,405 | (13,715) | 354,674 |
| Benefits | 185,330 | 250,996 | (65,666) | 210,111 |
| Contractual Services | 26,087 | 16,906 | 9,181 | 17,055 |
| Commodities | 13,130 | 14,013 | (883) | 8,204 |
| Capital Outlay | - | - | - | 208 |
| Total Fire Department - Fire Prevention | <u>555,237</u> | <u>626,320</u> | <u>(71,083)</u> | <u>590,252</u> |
| Emergency Management Agency | | | | |
| Salaries | 50,662 | 26,195 | 24,467 | 31,064 |
| Benefits | 11,342 | 12,413 | (1,071) | 12,261 |
| Contractual Services | 43,944 | 44,182 | (238) | 32,038 |
| Commodities | 19,125 | 18,884 | 241 | 15,043 |
| Total Emergency Management Agency | <u>125,073</u> | <u>101,674</u> | <u>23,399</u> | <u>90,406</u> |
| Board of Police and Fire Commission | | | | |
| Contractual Services | 69,850 | 27,960 | 41,890 | 32,563 |
| Commodities | 850 | 2,343 | (1,493) | - |
| Total Board of Police and Fire Commission | <u>70,700</u> | <u>30,303</u> | <u>40,397</u> | <u>32,563</u> |
| Total Public Safety | <u>39,021,257</u> | <u>38,649,791</u> | <u>371,466</u> | <u>38,138,909</u> |
| Public Works | | | | |
| Vehicle Maintenance Division | | | | |
| Salaries | 478,312 | 392,804 | 85,508 | 469,246 |
| Benefits | 246,412 | 204,869 | 41,543 | 259,032 |
| Contractual Services | 70,202 | 205,978 | (135,776) | 144,955 |
| Commodities | 709,550 | 904,952 | (195,402) | 911,905 |
| Total Vehicle Maintenance Division | <u>1,504,476</u> | <u>1,708,603</u> | <u>(204,127)</u> | <u>1,785,138</u> |
| Public Works Administration | | | | |
| Salaries | 128,308 | 96,688 | 31,620 | 117,017 |
| Benefits | 48,831 | 49,229 | (398) | 41,064 |
| Contractual Services | 4,185,351 | 3,360,574 | 824,777 | 4,265,454 |
| Commodities | 23,000 | 11,572 | 11,428 | 16,815 |
| Capital Outlay | 31,500 | 5,562 | 25,938 | - |
| Total Public Works Administration | <u>4,416,990</u> | <u>3,523,625</u> | <u>893,365</u> | <u>4,440,350</u> |
| Total Public Works | <u>5,921,466</u> | <u>5,232,228</u> | <u>689,238</u> | <u>6,225,488</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, 2014
With Comparative Actual Amounts for the Year Ended December 31, 2013

| | 2014 | | Variance from Final Budget Positive (Negative) | 2013 Actual |
|--|------------------------------|----------------------|---|----------------------|
| | Original and Final Budget | Actual | | |
| Streets and Highways | | | | |
| Engineering Department | | | | |
| Salaries | \$ 546,702 | \$ 563,632 | \$ (16,930) | \$ 548,372 |
| Benefits | 213,055 | 231,454 | (18,399) | 209,578 |
| Contractual Services | 23,993 | 22,953 | 1,040 | 20,988 |
| Commodities | 7,550 | 12,270 | (4,720) | 7,327 |
| Total Engineering Department | <u>791,300</u> | <u>830,309</u> | <u>(39,009)</u> | <u>786,265</u> |
| Street Department | | | | |
| Salaries | 1,919,208 | 1,831,142 | 88,066 | 1,748,524 |
| Benefits | 912,518 | 961,653 | (49,135) | 895,204 |
| Contractual Services | 2,295,797 | 1,432,756 | 863,041 | 1,369,845 |
| Commodities | 369,650 | 435,163 | (65,513) | 410,623 |
| Capital Outlay | - | 6,694 | (6,694) | - |
| Total Street Department | <u>5,497,173</u> | <u>4,667,408</u> | <u>829,765</u> | <u>4,424,196</u> |
| Total Streets and Highways | <u>6,288,473</u> | <u>5,497,717</u> | <u>790,756</u> | <u>5,210,461</u> |
| Economic Development | | | | |
| Economic Development | | | | |
| Salaries | - | 26,584 | (26,584) | - |
| Benefits | - | 6,036 | (6,036) | - |
| Contractual Services | 660,064 | 559,275 | 100,789 | 500,389 |
| Commodities | 6,650 | 50,380 | (43,730) | 301 |
| Capital Outlay | - | 186 | (186) | - |
| Total Economic Development | <u>666,714</u> | <u>642,461</u> | <u>24,253</u> | <u>500,690</u> |
| Total Economic Development | <u>666,714</u> | <u>642,461</u> | <u>24,253</u> | <u>500,690</u> |
| Total Expenditures | <u>59,710,125</u> | <u>57,553,839</u> | <u>2,156,286</u> | <u>57,347,965</u> |
| Excess (Deficiency) of Revenues over (under) Expenditures | <u>(1,629,425)</u> | <u>7,300,833</u> | <u>8,930,258</u> | <u>9,776,033</u> |
| Other Financing Sources (Uses) | | | | |
| Transfer In | 342,257 | 342,257 | - | 347,013 |
| Transfer Out | (5,300,000) | (9,201,298) | (3,901,298) | (2,217,202) |
| Total Other Financing Sources (Uses) | <u>(4,957,743)</u> | <u>(8,859,041)</u> | <u>(3,901,298)</u> | <u>(1,870,189)</u> |
| Net Change in Fund Balance | <u>\$ (6,587,168)</u> | <u>(1,558,208)</u> | <u>\$ 5,028,960</u> | <u>7,905,844</u> |
| Fund Balance at Beginning of Year | | <u>43,640,613</u> | | <u>35,734,769</u> |
| Fund Balance at End of Year | | <u>\$ 42,082,405</u> | | <u>\$ 43,640,613</u> |

CITY OF DES PLAINES, ILLINOIS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
TIF #6 (MANNHEIM/HIGGINS) FUND
Year Ended December 31, 2014
With Comparative Actual Amounts for the Year Ended December 31, 2013

| | 2014 | | Variance from Final Budget Positive (Negative) | 2013 Actual |
|--|------------------------------|-----------------------|---|-----------------------|
| | Original and Final Budget | Actual | | |
| Revenues | | | | |
| Property Taxes | \$ 50,139 | \$ 9,550 | \$ (40,589) | \$ 7,104 |
| Investment Income | - | 149 | 149 | 148 |
| Miscellaneous | - | - | - | 3,147 |
| Total Revenues | <u>50,139</u> | <u>9,699</u> | <u>(40,440)</u> | <u>10,399</u> |
| Expenditures | | | | |
| Economic Development | | | | |
| Contractual Services | 153,270 | 48,418 | 104,852 | 27,554 |
| Commodities | 52 | - | 52 | 138 |
| Capital Outlay | 2,000,000 | - | 2,000,000 | - |
| Total Economic Development | <u>2,153,322</u> | <u>48,418</u> | <u>2,104,904</u> | <u>27,692</u> |
| Debt Service | | | | |
| Principal | 895,000 | 955,000 | (60,000) | 725,000 |
| Interest and Fiscal Charges | 368,292 | 234,697 | 133,595 | 436,782 |
| Total Debt Service | <u>1,263,292</u> | <u>1,189,697</u> | <u>73,595</u> | <u>1,161,782</u> |
| Total Expenditures | <u>3,416,614</u> | <u>1,238,115</u> | <u>2,178,499</u> | <u>1,189,474</u> |
| Excess (Deficiency) of Revenues over (under) Expenditures | <u>(3,366,475)</u> | <u>(1,228,416)</u> | <u>2,138,059</u> | <u>(1,179,075)</u> |
| Other Financing Sources (Uses) | | | | |
| Transfer Out | (49,527) | (49,527) | - | (62,515) |
| Issuance of Debt | - | 2,020,000 | 2,020,000 | 4,390,000 |
| Payment to Refunding Bond Escrow | - | (6,440,489) | (6,440,489) | - |
| Premium on Bond Issuance | - | 1,707 | 1,707 | 110,395 |
| Total Other Financing Sources (Uses) | <u>(49,527)</u> | <u>(4,468,309)</u> | <u>(4,418,782)</u> | <u>4,437,880</u> |
| Net Change in Fund Balances | <u>\$ (3,416,002)</u> | <u>(5,696,725)</u> | <u>\$ (2,280,723)</u> | <u>3,258,805</u> |
| Fund Balances at Beginning of Year | | <u>(2,384,245)</u> | | <u>(5,643,050)</u> |
| Fund Balances at End of Year | | <u>\$ (8,080,970)</u> | | <u>\$ (2,384,245)</u> |

CITY OF DES PLAINES, ILLINOIS
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 GAMING TAX FUND
 Year Ended December 31, 2014
 With Comparative Actual Amounts for the Year Ended December 31, 2013

| | 2014 | | Variance from Final Budget Positive (Negative) | 2013 Actual |
|--|------------------------------|----------------------|---|----------------------|
| | Original and Final Budget | Actual | | |
| Revenues | | | | |
| Gaming Tax | \$ 24,000,000 | \$ 24,792,544 | \$ 792,544 | \$ 24,662,123 |
| Investment Income | 30,000 | 26,795 | (3,205) | 36,938 |
| Total Revenues | <u>24,030,000</u> | <u>24,819,339</u> | <u>789,339</u> | <u>24,699,061</u> |
| Expenditures | | | | |
| General Government | | | | |
| Contractual Services | <u>15,600,000</u> | <u>15,917,018</u> | <u>(317,018)</u> | <u>15,864,849</u> |
| Total Expenditures | <u>15,600,000</u> | <u>15,917,018</u> | <u>(317,018)</u> | <u>15,864,849</u> |
| Excess (Deficiency) of Revenues over (under) Expenditures | <u>8,430,000</u> | <u>8,902,321</u> | <u>472,321</u> | <u>8,834,212</u> |
| Other Financing Sources (Uses) | | | | |
| Transfers Out | <u>(8,800,000)</u> | <u>(1,745,000)</u> | <u>7,055,000</u> | <u>(7,155,000)</u> |
| Total Other Financing Sources (Uses) | <u>(8,800,000)</u> | <u>(1,745,000)</u> | <u>7,055,000</u> | <u>(7,155,000)</u> |
| Net Change in Fund Balance | <u>\$ (370,000)</u> | 7,157,321 | <u>\$ 7,527,321</u> | 1,679,212 |
| Fund Balance at Beginning of Year | | <u>14,274,630</u> | | <u>12,595,418</u> |
| Fund Balance at End of Year | | <u>\$ 21,431,951</u> | | <u>\$ 14,274,630</u> |

CITY OF DES PLAINES, ILLINOIS
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULES OF FUNDING PROGRESS
 December 31, 2014

| 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 | | | | | | |
| 12/31/2014 | \$ 40,649,675 | \$ 51,918,531 | \$ 11,268,856 | 78.30 % | \$ 15,440,632 | 72.98 % |
| 12/31/2013 | 38,187,978 | 49,882,221 | 11,694,243 | 76.56 | 15,946,135 | 73.34 |
| 12/31/2012 | 34,663,713 | 49,248,165 | 14,584,452 | 70.39 | 16,592,625 | 87.90 |
| Police Pension | | | | | | |
| 12/31/2014 | \$ 63,818,104 | \$ 133,010,739 | \$ 69,192,635 | 47.98 % | \$ 8,532,924 | 810.89 % |
| 12/31/2013 | 62,086,184 | 119,142,808 | 57,056,624 | 52.11 | 7,904,124 | 721.86 |
| 12/31/2012 | 56,580,919 | 115,465,155 | 58,884,236 | 49.00 | 7,703,991 | 764.33 |
| Firefighters' Pension | | | | | | |
| 12/31/2014 | \$ 70,387,198 | \$ 124,946,658 | \$ 54,559,460 | 56.33 % | \$ 8,694,151 | 627.54 % |
| 12/31/2013 | 67,305,197 | 113,656,387 | 46,351,190 | 59.22 | 8,408,155 | 551.26 |
| 12/31/2012 | 60,821,899 | 110,650,433 | 49,828,534 | 54.97 | 8,216,028 | 606.48 |
| Retiree's Health Plan | | | | | | |
| 1/1/2014 | \$ - | \$ 9,914,534 | \$ 9,914,534 | 0.00 % | 32,389,697 | 30.61 % |
| 12/31/2012 | - | 10,380,866 | 10,380,866 | 0.00 | 32,389,697 | 32.05 |
| 12/31/2011 | - | 10,291,173 | 10,291,173 | 0.00 | 29,347,326 | 35.07 |

CITY OF DES PLAINES, ILLINOIS
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF CHANGES IN FIREFIGHTERS' PENSION FUND NET PENSION LIABILITY
 December 31, 2014

| | <u>2014</u> |
|---|-----------------------------|
| Total pension liability | |
| Service cost | \$ 2,300,527 |
| Interest | 7,744,456 |
| Changes of benefit terms | - |
| Differences between expected and actual experience | 1,651,529 |
| Changes of assumptions | 5,636,351 |
| Benefit payments, including refunds of member contributions | <u>6,042,592</u> |
| Net change in total pension liability | <u>11,290,271</u> |
| | |
| Total pension liability - beginning | <u>113,656,387</u> |
| Total pension liability - ending (a) | <u>\$ 124,946,658</u> |
| | |
| Plan fiduciary net position | |
| Contributions - employer | \$ 4,155,983 |
| Contributions - employee | 883,723 |
| Net investment income | 4,140,249 |
| Benefit payments, including refunds of member contributions | 6,042,592 |
| Administrative expense | 55,364 |
| Other | - |
| Net change in plan fiduciary net position | <u>3,081,999</u> |
| | |
| Plan fiduciary net position - beginning | <u>67,305,198</u> |
| Plan fiduciary net position - ending (b) | <u>\$ 70,387,197</u> |
| | |
| City's net pension liability (a-b) | <u><u>\$ 54,559,461</u></u> |

* GASB 67 was implemented in fiscal year 2014. This schedule is being built prospectively. Information prior to the implementation of GASB 67 is not available. Ultimately, 10 years of data will be presented.

CITY OF DES PLAINES, ILLINOIS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FIREFIGHTERS' PENSION FUND NET PENSION LIABILITY
December 31, 2014

| | <u>2014</u> |
|--|----------------------|
| Total pension liability | \$ 124,946,658 |
| Plan fiduciary net position | <u>70,387,197</u> |
| City's net pension liability (asset) | <u>\$ 54,559,461</u> |
| | |
| Plan fiduciary net position as a percentage of the total pension liability | 56.33% |
| | |
| Covered-employee payroll | 8,694,151 |
| | |
| Plan's net pension liability (asset) as a percentage of covered-employee payroll | 627.54% |

* GASB 67 was implemented in fiscal year 2014. This schedule is being built prospectively. Information prior to the implementation of GASB 67 is not available, Ultimately, 10 years of data will be presented.

CITY OF DES PLAINES, ILLINOIS
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF FIREFIGHTERS' PENSION FUND CONTRIBUTIONS
 December 31, 2014

| | <u>2014</u> | <u>2013</u> | <u>2012</u> |
|---|---------------------|--------------------|--------------------|
| Actuarially determined contribution | \$ 3,941,652 | \$ 3,671,041 | \$ 3,577,776 |
| Contributions in relation to the actuarially determined contribution | 4,155,983 | 3,694,935 | 3,655,295 |
| Contribution deficiency (excess) | <u>\$ (214,331)</u> | <u>\$ (23,894)</u> | <u>\$ (77,519)</u> |
| Covered-employee payroll | 8,694,151 | 8,408,155 | 8,216,028 |
| Contributions as a percentage of covered-employee payroll | 47.80% | 43.94% | 44.49% |

(Continued)

CITY OF DES PLAINES, ILLINOIS
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF FIREFIGHTERS' PENSION FUND CONTRIBUTIONS
 December 31, 2014

| <u>2011</u> | <u>2010</u> | <u>2009</u> | <u>2008</u> | <u>2007</u> | <u>2006</u> | <u>2005</u> |
|---------------------|-------------------|--------------------|---------------------|-------------------|---------------------|-------------------|
| \$ 3,395,608 | \$ 3,042,315 | \$ 2,100,581 | \$ 1,831,495 | \$ 1,772,574 | \$ 1,644,081 | \$ 1,611,648 |
| 3,798,156 | 2,754,196 | 2,158,347 | 2,017,392 | 1,631,300 | 2,161,596 | 1,401,756 |
| <u>\$ (402,548)</u> | <u>\$ 288,119</u> | <u>\$ (57,766)</u> | <u>\$ (185,897)</u> | <u>\$ 141,274</u> | <u>\$ (517,515)</u> | <u>\$ 209,892</u> |
| 8,212,634 | 7,985,770 | 8,182,297 | 8,296,833 | 7,961,049 | 7,152,419 | 6,858,908 |
| 46.25% | 34.49% | 26.38% | 24.32% | 20.49% | 30.22% | 20.44% |

CITY OF DES PLAINES, ILLINOIS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FIREFIGHTERS' PENSION FUND
INVESTMENT RATE OF RETURNS
December 31, 2014

| | <u>2014</u> |
|---|-------------|
| Annual money-weighted rate of return net of investment expense | 6.62% |

* GASB 67 was implemented in fiscal year 2014. This schedule is being built prospectively. Information prior to the implementation of GASB 67 is not available. Ultimately, 10 years of data will be presented.

CITY OF DES PLAINES, ILLINOIS
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF CHANGES IN POLICE PENSION FUND NET PENSION LIABILITY
 December 31, 2014

| | <u>2014</u> |
|---|-----------------------|
| Total pension liability | |
| Service cost | \$ 1,844,421 |
| Interest | 8,114,249 |
| Changes of benefit terms | - |
| Differences between expected and actual experience | 2,610,112 |
| Changes of assumptions | 7,749,079 |
| Benefit payments, including refunds of member contributions | 6,449,930 |
| Net change in total pension liability | <u>13,867,931</u> |
| Total pension liability - beginning | <u>119,142,808</u> |
| Total pension liability - ending (a) | <u>\$ 133,010,739</u> |
| Plan fiduciary net position | |
| Contributions - employer | \$ 4,154,166 |
| Contributions - employee | 879,904 |
| Net investment income | 3,224,628 |
| Benefit payments, including refunds of member contributions | 6,449,930 |
| Administrative expense | 76,847 |
| Other | - |
| Net change in plan fiduciary net position | <u>1,731,921</u> |
| Plan fiduciary net position - beginning | <u>62,086,183</u> |
| Plan fiduciary net position - ending (b) | <u>\$ 63,818,104</u> |
| City's net pension liability (a-b) | <u>\$ 69,192,635</u> |

* GASB 67 was implemented in fiscal year 2014. This schedule is being built prospectively. Information prior to the implementation of GASB 67 is not available. Ultimately, 10 years of data will be presented.

CITY OF DES PLAINES, ILLINOIS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF POLICE PENSION FUND NET PENSION LIABILITY
December 31, 2014

| | <u>2014</u> |
|--|-----------------------------|
| Total pension liability | \$ 133,010,739 |
| Plan fiduciary net position | <u>63,818,104</u> |
| City's net pension liability (asset) | <u><u>\$ 69,192,635</u></u> |
| | |
| Plan fiduciary net position as a percentage of the total pension liability | 47.98% |
| | |
| Covered-employee payroll | 8,532,924 |
| | |
| Plan's net pension liability (asset) as a percentage of covered-employee payroll | 810.89% |

* GASB 67 was implemented in fiscal year 2014. This schedule is being built prospectively. Information prior to the implementation of GASB 67 is not available, Ultimately, 10 years of data will be presented.

CITY OF DES PLAINES, ILLINOIS
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF POLICE PENSION FUND CONTRIBUTIONS
 December 31, 2014

| | <u>2014</u> | <u>2013</u> | <u>2012</u> |
|---|---------------------|-------------------|--------------------|
| Actuarially determined contribution | \$ 3,895,329 | \$ 3,661,515 | \$ 3,472,544 |
| Contributions in relation to the actuarially determined contribution | 4,154,166 | 3,671,403 | 3,542,231 |
| Contribution deficiency (excess) | <u>\$ (258,837)</u> | <u>\$ (9,888)</u> | <u>\$ (69,687)</u> |
| Covered-employee payroll | 8,532,924 | 7,904,124 | 7,703,991 |
| Contributions as a percentage of covered-employee payroll | 48.68% | 46.45% | 45.98% |

(Continued)

CITY OF DES PLAINES, ILLINOIS
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF POLICE PENSION FUND CONTRIBUTIONS
 December 31, 2014

| <u>2011</u> | <u>2010</u> | <u>2009</u> | <u>2008</u> | <u>2007</u> | <u>2006</u> | <u>2005</u> |
|---------------------|-------------------|---------------------|--------------------|-------------------|---------------------|-------------------|
| \$ 3,307,583 | \$ 3,240,960 | \$ 2,538,400 | \$ 2,352,290 | \$ 2,213,487 | \$ 2,035,189 | \$ 1,990,342 |
| 3,775,364 | 2,955,719 | 2,674,204 | 2,421,918 | 2,040,614 | 2,674,594 | 1,523,236 |
| <u>\$ (467,781)</u> | <u>\$ 285,241</u> | <u>\$ (135,804)</u> | <u>\$ (69,628)</u> | <u>\$ 172,873</u> | <u>\$ (639,405)</u> | <u>\$ 467,106</u> |
| 8,212,634 | 7,985,770 | 8,182,297 | 7,965,425 | 7,817,392 | 7,557,675 | 7,207,624 |
| 45.97% | 37.01% | 32.68% | 30.41% | 26.10% | 35.39% | 21.13% |

CITY OF DES PLAINES, ILLINOIS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF POLICE PENSION FUND
INVESTMENT RATE OF RETURNS
December 31, 2014

| | |
|---|-------------|
| | <u>2014</u> |
| Annual money-weighted rate of return net of investment expense | 5.73% |

* GASB 67 was implemented in fiscal year 2014. This schedule is being built prospectively. Information prior to the implementation of GASB 67 is not available, Ultimately, 10 years of data will be presented.

CITY OF DES PLAINES, ILLINOIS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
December 31, 2014

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.

PENSION INFORMATION

Method and assumptions used in calculations of actuarially determined contributions. The actuarially determined contribution rates in the schedule of school districts' contributions are calculated as of December 31, 2014. The following actuarial methods and assumptions were used to determine contribution rates reported in that schedule:

| | <u>Police Pension</u> | <u>Firefighters' Pension</u> |
|----------------------------|--------------------------------|----------------------------------|
| Actuarial cost method | Entry age normal | Entry age normal |
| Asset valuation method | Market | Market |
| Amortization method | Level percentage of payroll | Level percentage of payroll |
| Amortization period | 26 years, closed | 26 years, closed |
| Actuarial assumptions: | | |
| Investment rate of return | 7% | 7% |
| | Compounded annually | Compounded annually |
| Projected salary increases | 5.00% | 5.00% |
| Inflation rate included | 3.00% | 3.00% |
| Cost of living adjustments | 3.00% | 3.00% |

**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, 2014
With Comparative Actual Amounts for the Year Ended December 31, 2013

| | 2014 | | Variance from Final Budget Positive (Negative) | 2013 Actual |
|--|------------------------------|---------------------|---|---------------------|
| | Original and Final Budget | Actual | | |
| Revenues | | | | |
| Property Taxes | \$ 33,026 | \$ 32,151 | \$ (875) | \$ 33,453 |
| Home Rule Option Sales Tax - General | 2,600,000 | 2,967,153 | 367,153 | 2,820,152 |
| Home Rule Option Sales Tax - Library | | | | |
| Debt Service | 1,300,000 | 1,483,576 | 183,576 | 1,410,076 |
| Local Use | 1,650,000 | 1,624,707 | (25,293) | 1,707,152 |
| Intergovernmental | - | 25,701 | 25,701 | - |
| Storm Sewers | 1,950,000 | 2,221,419 | 271,419 | 2,288,299 |
| Developer Contributions | - | - | - | - |
| Investment Income | 3,000 | 2,182 | (818) | 3,487 |
| Miscellaneous | 38,000 | 85,215 | 47,215 | 45,463 |
| Total Revenues | <u>7,574,026</u> | <u>8,442,104</u> | <u>868,078</u> | <u>8,308,082</u> |
| Expenditures | | | | |
| Public Works | | | | |
| Salaries | 302,781 | 286,964 | 15,817 | 281,433 |
| Benefits | 111,626 | 125,083 | (13,457) | 127,402 |
| Contractual Services | 1,232,867 | 495,003 | 737,864 | 374,803 |
| Commodities | 76,025 | 66,468 | 9,557 | 2,941 |
| Capital Outlay | 6,447,622 | 8,469,063 | (2,021,441) | 5,801,860 |
| Total Public Works | <u>8,170,921</u> | <u>9,442,581</u> | <u>(1,271,660)</u> | <u>6,588,439</u> |
| Debt Service | | | | |
| Principal | 5,795,000 | 5,395,000 | 400,000 | 6,795,000 |
| Interest and Fiscal Charges | 497,070 | 441,522 | 55,548 | 776,892 |
| Total Debt Service | <u>6,292,070</u> | <u>5,836,522</u> | <u>455,548</u> | <u>7,571,892</u> |
| Total Expenditures | <u>14,462,991</u> | <u>15,279,103</u> | <u>(816,112)</u> | <u>14,160,331</u> |
| Excess (Deficiency) of Revenues over (under) Expenditures | <u>(6,888,965)</u> | <u>(6,836,999)</u> | <u>51,966</u> | <u>(5,852,249)</u> |
| Other Financing Sources (Uses) | | | | |
| Transfers In | 5,300,000 | 6,895,000 | 1,595,000 | 7,155,000 |
| Transfers Out | (297,004) | (74,152) | 222,852 | (297,004) |
| Issuance of Debt | - | 2,880,000 | 2,880,000 | - |
| Payment to Refunding Bond Escrow | - | (2,924,139) | 2,924,139 | - |
| Premium on Bond Issuance | - | 81,567 | (81,567) | - |
| Total Other Financing Sources (Uses) | <u>5,002,996</u> | <u>6,858,276</u> | <u>7,540,424</u> | <u>6,857,996</u> |
| Net Change in Fund Balance | <u>\$ (1,885,969)</u> | <u>21,277</u> | <u>\$ 7,592,390</u> | <u>1,005,747</u> |
| Fund Balance at Beginning of Year | | <u>3,529,074</u> | | <u>2,523,327</u> |
| Fund Balance at End of Year | | <u>\$ 3,550,351</u> | | <u>\$ 3,529,074</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 #1 Fund – to account for restricted revenues and expenditures related to the tax increment finance district located downtown.
- 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.
- TIF Tax Allocation # 7 Fund – to account for restricted revenues and expenditures related to the tax increment finance district located near Higgins Road and Pratt Avenue. There was no activity or budget for this fund in 2014.
- 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.

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, 2014

| | Special Revenue Funds | | | | |
|--|-----------------------|---|---------------------|-------------------------------|----------------------|
| | Motor Fuel Tax | Community Development Block Grant | Asset Seizure | Foreign Fire Insurance Tax | TIF #1 (Downtown) |
| ASSETS | | | | | |
| Cash and Investments | \$ 809,164 | \$ 111,194 | \$ 1,538,776 | \$ 608,507 | \$ 4,211,780 |
| Receivables (Net) | | | | | |
| Property Taxes | - | - | - | - | 4,439,915 |
| Accrued Interest | - | - | 1,531 | - | - |
| Other | - | - | 5,138 | - | - |
| Due from Other Governments | 146,974 | 20,026 | 5,722 | - | - |
| TOTAL ASSETS | \$ 956,138 | \$ 131,220 | \$ 1,551,167 | \$ 608,507 | \$ 8,651,695 |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES | | | | | |
| Liabilities | | | | | |
| Accounts Payable | \$ 401,143 | \$ 20,444 | \$ 14,582 | \$ - | \$ 280,933 |
| Accrued Liabilities | - | 2,718 | - | - | - |
| Deposits Payable | - | - | 120,262 | - | 18,737 |
| Advances from Other Funds | - | - | - | - | - |
| Total Liabilities | 401,143 | 23,162 | 134,844 | - | 299,670 |
| Deferred Inflows of Resources | | | | | |
| Deferred Property Tax Revenue | - | - | - | - | 4,307,721 |
| Unavailable Other Revenue | - | 275 | - | - | - |
| Total Deferred Inflows of Resources | - | 275 | - | - | 4,307,721 |
| Fund Balances | | | | | |
| Restricted | | | | | |
| Economic Development | - | 107,783 | - | - | 4,044,304 |
| Streets & Highways | 554,995 | - | - | - | - |
| Public Safety | - | - | 1,416,323 | 608,507 | - |
| Debt Service | - | - | - | - | - |
| Assigned | | | | | |
| Capital Acquisitions | - | - | - | - | - |
| Unassigned | - | - | - | - | - |
| Total Fund Balances | 554,995 | 107,783 | 1,416,323 | 608,507 | 4,044,304 |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES | \$ 956,138 | \$ 131,220 | \$ 1,551,167 | \$ 608,507 | \$ 8,651,695 |

| Special Revenue Funds | | | | Debt Service Fund | Capital Projects Funds | | Total Nonmajor Governmental Funds |
|------------------------|--------------------------|-----------------------|-----------------------|-------------------|------------------------|-------------------|-----------------------------------|
| TIF #3 (Wille Road) | TIF #4 (Five Corners) | TIF #5 (Perry/Lee) | Grant Funded Projects | Debt Service | Equipment Replacement | I.T. Replacement | |
| \$ - | \$ - | \$ 95,354 | \$ 547,263 | \$ 457,127 | \$ 5,157,049 | \$ 558,165 | \$ 14,094,379 |
| 544,569 | - | 119,772 | - | 108,765 | - | - | 5,213,021 |
| - | - | - | - | - | - | - | 1,531 |
| - | - | - | - | - | - | - | 5,138 |
| - | - | - | 1,210,082 | - | - | - | 1,382,804 |
| <u>\$ 544,569</u> | <u>\$ -</u> | <u>\$ 215,126</u> | <u>\$ 1,757,345</u> | <u>\$ 565,892</u> | <u>\$ 5,157,049</u> | <u>\$ 558,165</u> | <u>\$ 20,696,873</u> |
| | | | | | | | |
| \$ 726 | \$ - | \$ 124 | \$ 227,690 | \$ - | \$ 28,110 | \$ 93,878 | \$ 1,067,630 |
| - | - | - | - | - | - | - | 2,718 |
| - | - | - | - | - | - | - | 138,999 |
| 3,158,547 | - | - | - | - | - | - | 3,158,547 |
| <u>3,159,273</u> | <u>-</u> | <u>124</u> | <u>227,690</u> | <u>-</u> | <u>28,110</u> | <u>93,878</u> | <u>4,367,894</u> |
| | | | | | | | |
| 544,569 | - | 119,772 | - | 108,415 | - | - | 5,080,477 |
| - | - | - | 1,601,226 | - | - | - | 1,601,501 |
| <u>544,569</u> | <u>-</u> | <u>119,772</u> | <u>1,601,226</u> | <u>108,415</u> | <u>-</u> | <u>-</u> | <u>6,681,978</u> |
| | | | | | | | |
| - | - | 95,230 | - | - | - | - | 4,247,317 |
| - | - | - | - | - | - | - | 554,995 |
| - | - | - | - | - | - | - | 2,024,830 |
| - | - | - | - | 457,477 | - | - | 457,477 |
| - | - | - | - | - | 5,128,939 | 464,287 | 5,593,226 |
| <u>(3,159,273)</u> | <u>-</u> | <u>-</u> | <u>(71,571)</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(3,230,844)</u> |
| <u>(3,159,273)</u> | <u>-</u> | <u>95,230</u> | <u>(71,571)</u> | <u>457,477</u> | <u>5,128,939</u> | <u>464,287</u> | <u>9,647,001</u> |
| | | | | | | | |
| \$ 544,569 | \$ - | \$ 215,126 | \$ 1,757,345 | \$ 565,892 | \$ 5,157,049 | \$ 558,165 | \$ 20,696,873 |

CITY OF DES PLAINES, ILLINOIS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 Year Ended December 31, 2014

| | Special Revenue Funds | | | | |
|--|-----------------------|---|---------------------|-------------------------------|----------------------|
| | Motor Fuel Tax | Community Development Block Grant | Asset Seizure | Foreign Fire Insurance Tax | TIF #1 (Downtown) |
| Revenues | | | | | |
| Taxes | \$ - | \$ - | \$ - | \$ 108,505 | \$ 4,779,373 |
| Intergovernmental | 1,955,759 | 153,317 | 42,901 | - | - |
| Fines, Forfeitures and Penalties | - | - | 32,963 | - | - |
| Investment Income | 89 | - | 2,700 | 3,372 | 564 |
| Miscellaneous | - | - | 2,757 | 1,000 | - |
| Total Revenues | <u>1,955,848</u> | <u>153,317</u> | <u>81,321</u> | <u>112,877</u> | <u>4,779,937</u> |
| Expenditures | | | | | |
| Current: | | | | | |
| General Government | - | - | - | - | - |
| Public Safety | - | - | 107,172 | 82,165 | - |
| Streets and Highways | 1,475,748 | - | - | - | - |
| Economic Development | - | 145,566 | - | - | 1,386,485 |
| Debt Service | | | | | |
| Principal | - | - | - | - | 1,289,798 |
| Interest and Fiscal Charges | - | - | - | - | 216,704 |
| Capital Outlay | 367,115 | 1,667 | 84,770 | - | 909,643 |
| Total Expenditures | <u>1,842,863</u> | <u>147,233</u> | <u>191,942</u> | <u>82,165</u> | <u>3,802,630</u> |
| Excess (Deficiency) of Revenues over (under) Expenditures | <u>112,985</u> | <u>6,084</u> | <u>(110,621)</u> | <u>30,712</u> | <u>977,307</u> |
| Other Financing Sources (Uses) | | | | | |
| Transfers In | - | - | - | - | - |
| Transfers Out | - | - | - | - | (205,210) |
| Issuance of Debt | - | - | - | - | - |
| Payment to Refunding Bond Escrow | - | - | - | - | (3,048,390) |
| Premium on Bond Issuance | - | - | - | - | - |
| Total Other Financing Sources (Uses) | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(3,253,600)</u> |
| Net Change in Fund Balances | 112,985 | 6,084 | (110,621) | 30,712 | (2,276,293) |
| Fund Balances at Beginning of Year | <u>442,010</u> | <u>101,699</u> | <u>1,526,944</u> | <u>577,795</u> | <u>6,320,597</u> |
| Fund Balances at End of Year | <u>\$ 554,995</u> | <u>\$ 107,783</u> | <u>\$ 1,416,323</u> | <u>\$ 608,507</u> | <u>\$ 4,044,304</u> |

| Special Revenue Funds | | | | Debt Service Fund | Capital Projects Funds | | Total Nonmajor Governmental Funds |
|------------------------|--------------------------|-----------------------|--------------------------|-------------------|--------------------------|---------------------|-----------------------------------|
| TIF #3 (Wille Road) | TIF #4 (Five Corners) | TIF #5 (Perry/Lee) | Grant Funded Projects | Debt Service | Equipment Replacement | I.T. Replacement | |
| \$ 551,258 | \$ - | \$ 120,982 | \$ - | \$ 100,042 | \$ - | \$ - | \$ 5,660,160 |
| - | - | - | 2,972,817 | - | - | - | 5,124,794 |
| - | - | - | - | - | - | - | 32,963 |
| 34 | - | 1 | 17 | - | 26,769 | 12 | 33,558 |
| - | - | - | - | - | - | - | 3,757 |
| <u>551,292</u> | <u>-</u> | <u>120,983</u> | <u>2,972,834</u> | <u>100,042</u> | <u>26,769</u> | <u>12</u> | <u>10,855,232</u> |
| - | - | - | 229,792 | - | 9,626 | 43,618 | 283,036 |
| - | - | - | - | - | - | - | 189,337 |
| - | - | - | - | - | - | - | 1,475,748 |
| 512 | 15,364 | 45 | - | - | - | - | 1,547,972 |
| 324,000 | - | 95,000 | - | 80,000 | 12,500 | - | 1,801,298 |
| 386,439 | - | 17,937 | - | 27,840 | - | - | 648,920 |
| - | 643,951 | - | 2,875,956 | - | 892,960 | 973,452 | 6,749,514 |
| <u>710,951</u> | <u>659,315</u> | <u>112,982</u> | <u>3,105,748</u> | <u>107,840</u> | <u>915,086</u> | <u>1,017,070</u> | <u>12,695,825</u> |
| <u>(159,659)</u> | <u>(659,315)</u> | <u>8,001</u> | <u>(132,914)</u> | <u>(7,798)</u> | <u>(888,317)</u> | <u>(1,017,058)</u> | <u>(1,840,593)</u> |
| - | 215,196 | - | 49,152 | - | 2,532,800 | 1,036,102 | 3,833,250 |
| (6,275) | (40,487) | - | - | - | - | - | (251,972) |
| 2,720,000 | - | - | - | - | - | - | 2,720,000 |
| (3,310,581) | - | - | - | - | - | - | (6,358,971) |
| 77,035 | - | - | - | - | - | - | 77,035 |
| <u>(519,821)</u> | <u>174,709</u> | <u>-</u> | <u>49,152</u> | <u>-</u> | <u>2,532,800</u> | <u>1,036,102</u> | <u>19,342</u> |
| (679,480) | (484,606) | 8,001 | (83,762) | (7,798) | 1,644,483 | 19,044 | (1,821,251) |
| <u>(2,479,793)</u> | <u>484,606</u> | <u>87,229</u> | <u>12,191</u> | <u>465,275</u> | <u>3,484,456</u> | <u>445,243</u> | <u>11,468,252</u> |
| \$ (3,159,273) | \$ - | \$ 95,230 | \$ (71,571) | \$ 457,477 | \$ 5,128,939 | \$ 464,287 | \$ 9,647,001 |

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, 2014
With Comparative Actual Amounts for the Year Ended December 31, 2013

| | 2014 | | Variance from Final Budget Positive (Negative) | 2013 Actual |
|--|------------------------------|-------------------|---|-------------------|
| | Original and Final Budget | Actual | | |
| Revenues | | | | |
| Intergovernmental | \$ 1,604,959 | \$ 1,955,759 | \$ 350,800 | \$ 1,682,991 |
| Investment Income | 400 | 89 | (311) | 248 |
| Total Revenues | <u>1,605,359</u> | <u>1,955,848</u> | <u>350,489</u> | <u>1,683,239</u> |
| Expenditures | | | | |
| Streets and Highways | | | | |
| Contractual Services | 964,000 | 700,391 | 263,609 | 686,400 |
| Commodities | 482,000 | 775,357 | (293,357) | 466,691 |
| Capital Outlay | 455,000 | 367,115 | 87,885 | 774,216 |
| Total Expenditures | <u>1,901,000</u> | <u>1,842,863</u> | <u>58,137</u> | <u>1,927,307</u> |
| Net Change in Fund Balance | <u>\$ (295,641)</u> | 112,985 | <u>\$ 408,626</u> | (244,068) |
| Fund Balance at Beginning of Year | | <u>442,010</u> | | <u>686,078</u> |
| Fund Balance at End of Year | | <u>\$ 554,995</u> | | <u>\$ 442,010</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, 2014
With Comparative Actual Amounts for the Year Ended December 31, 2013

| | 2014 | | Variance from Final Budget Positive (Negative) | 2013 Actual |
|--|------------------------------|-------------------|---|-------------------|
| | Original and Final Budget | Actual | | |
| Revenues | | | | |
| Intergovernmental | \$ 278,375 | \$ 153,317 | \$ (125,058) | \$ 260,353 |
| Total Revenues | <u>278,375</u> | <u>153,317</u> | <u>(125,058)</u> | <u>260,353</u> |
| Expenditures | | | | |
| Economic Development | | | | |
| Salaries | 42,024 | 31,509 | 10,515 | 50,604 |
| Benefits | 13,651 | 13,082 | 569 | 17,533 |
| Contractual Services | 41,756 | 100,975 | (59,219) | 138,760 |
| Capital Outlay | 292,604 | 1,667 | 290,937 | 54,722 |
| Total Expenditures | <u>390,035</u> | <u>147,233</u> | <u>242,802</u> | <u>261,619</u> |
| Net Change in Fund Balance | <u>\$ (111,660)</u> | 6,084 | <u>\$ 117,744</u> | (1,266) |
| Fund Balance at Beginning of Year | | <u>101,699</u> | | <u>102,965</u> |
| Fund Balance at End of Year | | <u>\$ 107,783</u> | | <u>\$ 101,699</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, 2014
With Comparative Actual Amounts for the Year Ended December 31, 2013

| | 2014 | | Variance from Final Budget Positive (Negative) | 2013 Actual |
|--|------------------------------|---------------------|---|---------------------|
| | Original and Final Budget | Actual | | |
| Revenues | | | | |
| Property Taxes | \$ 4,733,399 | \$ 4,779,373 | \$ 45,974 | \$ 4,797,868 |
| Investment Income | 600 | 564 | (36) | 1,071 |
| Miscellaneous | - | - | - | 2,144 |
| Total Revenues | <u>4,733,999</u> | <u>4,779,937</u> | <u>45,938</u> | <u>4,801,083</u> |
| Expenditures | | | | |
| Economic Development | | | | |
| Salaries | 6,000 | 2,530 | 3,470 | 6,469 |
| Benefits | 809 | 532 | 277 | 992 |
| Contractual Services | 1,201,202 | 700,472 | 500,730 | 535,673 |
| Commodities | 451,650 | 682,951 | (231,301) | 550,477 |
| Capital Outlay | 2,550,000 | 909,643 | 1,640,357 | 3,014,901 |
| Total Economic Development | <u>4,209,661</u> | <u>2,296,128</u> | <u>1,913,533</u> | <u>4,108,512</u> |
| Debt Service | | | | |
| Principal | 1,459,797 | 1,289,798 | 169,999 | 1,930,865 |
| Interest and Fiscal Charges | 300,076 | 216,704 | 83,372 | 362,765 |
| Total Debt Service | <u>1,759,873</u> | <u>1,506,502</u> | <u>253,371</u> | <u>2,293,630</u> |
| Total Expenditures | <u>5,969,534</u> | <u>3,802,630</u> | <u>2,166,904</u> | <u>6,402,142</u> |
| Excess (Deficiency) of Revenues over (under) Expenditures | <u>(1,235,535)</u> | <u>977,307</u> | <u>2,212,842</u> | <u>(1,601,059)</u> |
| Other Financing Sources (Uses) | | | | |
| Transfer Out | (205,210) | (205,210) | - | (394,232) |
| Issuance of Debt | - | - | - | 2,990,000 |
| Payment to Refunding Bond Escrow | - | (3,048,390) | (3,048,390) | - |
| Premium on Bond Issuance | - | - | - | 90,118 |
| Total Other Financing Sources (Uses) | <u>(205,210)</u> | <u>(3,253,600)</u> | <u>(3,048,390)</u> | <u>2,685,886</u> |
| Net Change in Fund Balance | <u>\$ (1,440,745)</u> | <u>(2,276,293)</u> | <u>\$ (835,548)</u> | <u>1,084,827</u> |
| Fund Balance at Beginning of Year | | <u>6,320,597</u> | | <u>5,235,770</u> |
| Fund Balance at End of Year | | <u>\$ 4,044,304</u> | | <u>\$ 6,320,597</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, 2014
With Comparative Actual Amounts for the Year Ended December 31, 2013

| | 2014 | | Variance from Final Budget Positive (Negative) | 2013 Actual |
|--|------------------------------|-----------------------|---|-----------------------|
| | Original and Final Budget | Actual | | |
| Revenues | | | | |
| Taxes | \$ 630,943 | \$ 551,258 | \$ (79,685) | \$ 489,100 |
| Investment Income | 10 | 34 | 24 | 30 |
| Miscellaneous | - | - | - | 405 |
| Total Revenues | <u>630,953</u> | <u>551,292</u> | <u>(79,661)</u> | <u>489,535</u> |
| Expenditures | | | | |
| Economic Development | | | | |
| Contractual Services | 10,039 | 512 | 9,527 | 6,683 |
| Total Economic Development | <u>10,039</u> | <u>512</u> | <u>9,527</u> | <u>6,683</u> |
| Debt Service | | | | |
| Principal | 314,000 | 324,000 | (10,000) | 165,000 |
| Interest and Fiscal Charges | 397,013 | 386,439 | 10,574 | 409,744 |
| Total Debt Service | <u>711,013</u> | <u>710,439</u> | <u>574</u> | <u>574,744</u> |
| Total Expenditures | <u>721,052</u> | <u>710,951</u> | <u>10,101</u> | <u>581,427</u> |
| Excess (Deficiency) of Revenues over (under) Expenditures | <u>(90,099)</u> | <u>(159,659)</u> | <u>(69,560)</u> | <u>(91,892)</u> |
| Other Financing Sources (Uses) | | | | |
| Transfers Out | (6,275) | (6,275) | - | (6,260) |
| Issuance of Debt | - | 2,720,000 | 2,720,000 | 565,000 |
| Payment to Refunding Bond Escrow | - | (3,310,581) | (3,310,581) | - |
| Premium on Bond Issuance | - | 77,035 | 77,035 | 14,532 |
| Total Other Financing Sources (Uses) | <u>(6,275)</u> | <u>(519,821)</u> | <u>(513,546)</u> | <u>573,272</u> |
| Net Change in Fund Balance | <u>\$ (96,374)</u> | <u>(679,480)</u> | <u>\$ (583,106)</u> | <u>481,380</u> |
| Fund Balance at Beginning of Year | | <u>(2,479,793)</u> | | <u>(2,961,173)</u> |
| Fund Balance at End of Year | | <u>\$ (3,159,273)</u> | | <u>\$ (2,479,793)</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, 2014
With Comparative Actual Amounts for the Year Ended December 31, 2013

| | 2014 | | | 2013 Actual |
|--|------------------------------|------------------|---|-------------------|
| | Original and Final Budget | Actual | Variance from Final Budget Positive (Negative) | |
| Revenues | | | | |
| Taxes | \$ 24,797 | \$ - | \$ (24,797) | \$ 1,901 |
| Investment Income | - | - | - | 1 |
| Total Revenues | <u>24,797</u> | <u>-</u> | <u>(24,797)</u> | <u>1,902</u> |
| Expenditures | | | | |
| Economic Development | | | | |
| Contractual Services | 173,671 | 13,624 | 160,047 | 18,135 |
| Commodities | 5,000 | 1,740 | 3,260 | - |
| Capital Outlay | 200,000 | 643,951 | (443,951) | 45,482 |
| Total Expenditures | <u>378,671</u> | <u>659,315</u> | <u>(280,644)</u> | <u>63,617</u> |
| Excess (Deficiency) of Revenues over (under) Expenditures | <u>(353,874)</u> | <u>(659,315)</u> | <u>(305,441)</u> | <u>(61,715)</u> |
| Other Financing Sources (Uses) | | | | |
| Transfers In | - | 215,196 | 215,196 | - |
| Transfers Out | (40,487) | (40,487) | - | (45,380) |
| Total Other Financing Sources (Uses) | <u>(40,487)</u> | <u>174,709</u> | <u>215,196</u> | <u>(45,380)</u> |
| Net Change in Fund Balance | <u>\$ (394,361)</u> | <u>(484,606)</u> | <u>\$ (90,245)</u> | <u>(107,095)</u> |
| Fund Balance at Beginning of Year | | <u>484,606</u> | | <u>591,701</u> |
| Fund Balance at End of Year | | <u>\$ -</u> | | <u>\$ 484,606</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, 2014
With Comparative Actual Amounts for the Year Ended December 31, 2013

| | 2014 | | Variance from Final Budget Positive (Negative) | 2013 Actual |
|--|------------------------------|------------------|---|------------------|
| | Original and Final Budget | Actual | | |
| Revenues | | | | |
| Taxes | \$ 115,438 | \$ 120,982 | \$ 5,544 | \$ 94,586 |
| Investment Income | - | 1 | 1 | 36 |
| Total Revenues | <u>115,438</u> | <u>120,983</u> | <u>5,545</u> | <u>94,622</u> |
| Expenditures | | | | |
| Economic Development | | | | |
| Contractual Services | 10 | 45 | (35) | 1,418 |
| Total Economic Development | <u>10</u> | <u>45</u> | <u>(35)</u> | <u>1,418</u> |
| Debt Service | | | | |
| Principal | 95,000 | 95,000 | - | 90,000 |
| Interest and Fiscal Charges | 17,913 | 17,937 | (24) | 19,736 |
| Total Debt Service | <u>112,913</u> | <u>112,937</u> | <u>(24)</u> | <u>109,736</u> |
| Total Expenditures | <u>112,923</u> | <u>112,982</u> | <u>(59)</u> | <u>111,154</u> |
| Net Change in Fund Balance | <u>\$ 2,515</u> | 8,001 | <u>\$ 5,486</u> | (16,532) |
| Fund Balance at Beginning of Year | | <u>87,229</u> | | <u>103,761</u> |
| Fund Balance at End of Year | | <u>\$ 95,230</u> | | <u>\$ 87,229</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, 2014
With Comparative Actual Amounts for the Year Ended December 31, 2013

| | 2014 | | Variance from Final Budget Positive (Negative) | 2013 Actual |
|--|------------------------------|--------------------|---|------------------|
| | Original and Final Budget | Actual | | |
| Revenues | | | | |
| Intergovernmental | \$ 1,148,538 | \$ 2,972,817 | \$ 1,824,279 | \$ 386,645 |
| Investment Income | - | 17 | 17 | - |
| Total Revenues | <u>1,148,538</u> | <u>2,972,834</u> | <u>1,824,296</u> | <u>386,645</u> |
| Expenditures | | | | |
| General Government | | | | |
| Salaries | 56,000 | 70,948 | (14,948) | 73,887 |
| Contractual Services | 124,000 | 152,278 | (28,278) | 36,193 |
| Commodities | - | 6,566 | (6,566) | 3,829 |
| Capital Outlay | 1,240,543 | 2,875,956 | (1,635,413) | 773,708 |
| Total Expenditures | <u>1,420,543</u> | <u>3,105,748</u> | <u>(1,685,205)</u> | <u>887,617</u> |
| Excess (Deficiency) of Revenues over (under) Expenditures | <u>(272,005)</u> | <u>(132,914)</u> | <u>139,091</u> | <u>(500,972)</u> |
| Other Financing Sources (Uses) | | | | |
| Transfers In | 272,004 | 49,152 | (222,852) | 408,386 |
| Total Other Financing Sources (Uses) | <u>272,004</u> | <u>49,152</u> | <u>(222,852)</u> | <u>408,386</u> |
| Net Change in Fund Balance | <u>\$ (1)</u> | <u>(83,762)</u> | <u>\$ (83,761)</u> | <u>(92,586)</u> |
| Fund Balance at Beginning of Year | | <u>12,191</u> | | <u>104,777</u> |
| Fund Balance at End of Year | | <u>\$ (71,571)</u> | | <u>\$ 12,191</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, 2014
With Comparative Actual Amounts for the Year Ended December 31, 2013

| | 2014 | | Variance from Final Budget Positive (Negative) | 2013 Actual |
|--|------------------------------|-------------------|---|-------------------|
| | Original and Final Budget | Actual | | |
| Revenues | | | | |
| Taxes | \$ 107,550 | \$ 100,042 | \$ (7,508) | \$ 107,682 |
| Total Revenues | <u>107,550</u> | <u>100,042</u> | <u>(7,508)</u> | <u>107,682</u> |
| Expenditures | | | | |
| Debt Service | | | | |
| Principal | 80,000 | 80,000 | - | 75,000 |
| Interest and Fiscal Charges | 28,050 | 27,840 | 210 | 30,690 |
| Total Expenditures | <u>108,050</u> | <u>107,840</u> | <u>210</u> | <u>105,690</u> |
| Net Change in Fund Balance | <u>\$ (500)</u> | (7,798) | <u>\$ (7,298)</u> | 1,992 |
| Fund Balance at Beginning of Year | | <u>465,275</u> | | <u>463,283</u> |
| Fund Balance at End of Year | | <u>\$ 457,477</u> | | <u>\$ 465,275</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, 2014
With Comparative Actual Amounts for the Year Ended December 31, 2013

| | 2014 | | Variance from Final Budget Positive (Negative) | 2013 Actual |
|--|------------------------------|---------------------|---|---------------------|
| | Original and Final Budget | Actual | | |
| Revenues | | | | |
| Investment Income | \$ 3,000 | \$ 26,769 | \$ 23,769 | \$ 17,994 |
| Miscellaneous | 25,000 | - | (25,000) | 29,755 |
| Total Revenues | <u>28,000</u> | <u>26,769</u> | <u>(1,231)</u> | <u>47,749</u> |
| Expenditures | | | | |
| General Government | | | | |
| Contractual Services | - | - | - | 48,335 |
| Commodities | 63,350 | 9,626 | 53,724 | 63,834 |
| Capital Outlay | 1,493,036 | 892,960 | 600,076 | 1,536,438 |
| Total General Government | <u>1,556,386</u> | <u>902,586</u> | <u>653,800</u> | <u>1,648,607</u> |
| Debt Service | | | | |
| Principal | 12,500 | 12,500 | - | 12,500 |
| Total Debt Service | <u>12,500</u> | <u>12,500</u> | <u>-</u> | <u>12,500</u> |
| Total Expenditures | <u>1,568,886</u> | <u>915,086</u> | <u>653,800</u> | <u>1,661,107</u> |
| Excess (Deficiency) of Revenues over (under) Expenditures | <u>(1,540,886)</u> | <u>(888,317)</u> | <u>652,569</u> | <u>(1,613,358)</u> |
| Other Financing Sources (Uses) | | | | |
| Transfers In | 2,500,000 | 2,532,800 | 32,800 | 2,000,000 |
| Total Other Financing Sources (Uses) | <u>2,500,000</u> | <u>2,532,800</u> | <u>32,800</u> | <u>2,000,000</u> |
| Net Change in Fund Balance | <u>\$ 959,114</u> | 1,644,483 | <u>\$ 685,369</u> | 386,642 |
| Fund Balance at Beginning of Year | | <u>3,484,456</u> | | <u>3,097,814</u> |
| Fund Balance at End of Year | | <u>\$ 5,128,939</u> | | <u>\$ 3,484,456</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, 2014
With Comparative Actual Amounts for the Year Ended December 31, 2013

| | 2014 | | Variance from Final Budget Positive (Negative) | 2013 Actual |
|--|------------------------------|--------------------|---|-------------------|
| | Original and Final Budget | Actual | | |
| Revenues | | | | |
| Investment Income | \$ 20 | \$ 12 | \$ (8) | \$ 26 |
| Total Revenues | <u>20</u> | <u>12</u> | <u>(8)</u> | <u>26</u> |
| Expenditures | | | | |
| General Government | | | | |
| Contractual Services | 46,200 | 43,110 | 3,090 | 36,672 |
| Commodities | - | 508 | (508) | 6,216 |
| Capital Outlay | <u>1,080,080</u> | <u>973,452</u> | <u>106,628</u> | <u>150,982</u> |
| Total Expenditures | <u>1,126,280</u> | <u>1,017,070</u> | <u>109,210</u> | <u>193,870</u> |
| Excess (Deficiency) of Revenues over (under) Expenditures | <u>(1,126,260)</u> | <u>(1,017,058)</u> | <u>109,202</u> | <u>(193,844)</u> |
| Other Financing Sources (Uses) | | | | |
| Transfers In | <u>800,000</u> | <u>1,036,102</u> | <u>236,102</u> | <u>125,000</u> |
| Total Other Financing Sources (Uses) | <u>800,000</u> | <u>1,036,102</u> | <u>236,102</u> | <u>125,000</u> |
| Net Change in Fund Balance | <u>\$ (326,260)</u> | 19,044 | <u>\$ 345,304</u> | (68,844) |
| Fund Balance at Beginning of Year | | <u>445,243</u> | | <u>514,087</u> |
| Fund Balance at End of Year | | <u>\$ 464,287</u> | | <u>\$ 445,243</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.
- Des Plaines Emergency Communication Center (DPECC) Fund – to account for the 9-1-1 and emergency dispatching operations provided by the City to the City of Des Plaines and the City of Park Ridge under an intergovernmental agreement between the two communities.

CITY OF DES PLAINES, ILLINOIS
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
BUDGET AND ACTUAL
WATER/SEWER FUND
Year Ended December 31, 2014
With Comparative Actual Amounts for the Year Ended December 31, 2013

| | 2014 | | Variance from Final Budget Positive (Negative) | 2013 |
|---|------------------------------|----------------------|---|----------------------|
| | Original and Final Budget | Actual | | Actual |
| Operating Revenues | | | | |
| Charges for Services | | | | |
| Water Sales | \$ 11,972,500 | \$ 12,199,316 | \$ 226,816 | \$ 11,402,267 |
| Sewer Sales | 2,000,000 | 2,145,108 | 145,108 | 2,214,960 |
| Sales of Water Meters | 1,000 | 238 | (762) | 6,705 |
| Water Permit Fees | 2,500 | 1,380 | (1,120) | 8,610 |
| Service Charges, Cut Off and Connector Fees | 85,000 | 199,133 | 114,133 | 175,342 |
| Other Charges for Services | 1,500 | 5,809 | 4,309 | 2,503 |
| Total Charges for Services | <u>14,062,500</u> | <u>14,550,984</u> | <u>488,484</u> | <u>13,810,387</u> |
| Miscellaneous | 366,000 | 204,201 | (161,799) | 5,388 |
| Total Operating Revenues | <u>14,428,500</u> | <u>14,755,185</u> | <u>326,685</u> | <u>13,815,775</u> |
| Operating Expenses | | | | |
| Salaries | 3,117,476 | 3,178,563 | (61,087) | 3,239,433 |
| Benefits | 1,559,690 | 1,616,171 | (56,481) | 1,688,501 |
| Contractual Services | 991,940 | 1,296,171 | (304,231) | 1,252,729 |
| Commodities | 8,417,850 | 9,661,004 | (1,243,154) | 8,148,506 |
| Capital Outlay | 6,683,242 | 30,807 | 6,652,435 | 87,453 |
| Depreciation | - | 992,538 | (992,538) | 948,579 |
| Total Operating Expenses | <u>20,770,198</u> | <u>16,775,254</u> | <u>3,994,944</u> | <u>15,365,201</u> |
| Operating Income (Loss) | <u>(6,341,698)</u> | <u>(2,020,069)</u> | <u>4,321,629</u> | <u>(1,549,426)</u> |
| Nonoperating Revenues and (Expenses) | | | | |
| Intergovernmental | - | 5,804 | 5,804 | 8,237 |
| Investment Income | 2,000 | 1,321 | (679) | 1,711 |
| Interest Expense | - | - | - | (19,436) |
| Total Nonoperating Revenues and (Expenses) | <u>2,000</u> | <u>7,125</u> | <u>5,125</u> | <u>(9,488)</u> |
| Income (Loss) Before Transfers | <u>(6,339,698)</u> | <u>(2,012,944)</u> | <u>4,326,754</u> | <u>(1,558,914)</u> |
| Transfers | | | | |
| Transfers In | <u>5,520,758</u> | <u>320,758</u> | <u>(5,200,000)</u> | <u>20,758</u> |
| Total Transfers | <u>5,520,758</u> | <u>320,758</u> | <u>(5,200,000)</u> | <u>20,758</u> |
| Change in Net Position | <u>\$ (818,940)</u> | <u>(1,692,186)</u> | <u>\$ (873,246)</u> | <u>(1,538,156)</u> |
| Net Position at Beginning of Year | | <u>19,479,133</u> | | <u>21,017,289</u> |
| Net Position at End of Year | | <u>\$ 17,786,947</u> | | <u>\$ 19,479,133</u> |

CITY OF DES PLAINES, ILLINOIS
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
BUDGET AND ACTUAL
PARKING SYSTEM FUND
Year Ended December 31, 2014
With Comparative Actual Amounts for the Year Ended December 31, 2013

| | 2014 | | Variance from Final Budget Positive (Negative) | 2013 |
|---|------------------------------|----------------------|---|----------------------|
| | Original and Final Budget | Actual | | Actual |
| Operating Revenues | | | | |
| Charges for Services | | | | |
| Parking Lots, Garages, Permits, and Other | \$ 304,500 | \$ 365,811 | \$ 61,311 | \$ 336,051 |
| Total Operating Revenues | <u>304,500</u> | <u>365,811</u> | <u>61,311</u> | <u>336,051</u> |
| Operating Expenses | | | | |
| Contractual Services | 33,438 | 26,297 | 7,141 | 16,686 |
| Commodities | 144,850 | 152,992 | (8,142) | 141,846 |
| Depreciation | - | 653,621 | (653,621) | 649,879 |
| Total Operating Expenses | <u>178,288</u> | <u>832,910</u> | <u>(654,622)</u> | <u>808,411</u> |
| Operating Income (Loss) | <u>126,212</u> | <u>(467,099)</u> | <u>(593,311)</u> | <u>(472,360)</u> |
| Transfers | | | | |
| Transfers In | - | - | - | 65,750 |
| Transfers Out | (36,516) | (36,516) | - | (36,516) |
| Total Transfers | <u>(36,516)</u> | <u>(36,516)</u> | <u>-</u> | <u>29,234</u> |
| Change in Net Position | <u>\$ 89,696</u> | (503,615) | <u>\$ (593,311)</u> | (443,126) |
| Net Position at Beginning of Year | | <u>12,147,925</u> | | <u>12,591,051</u> |
| Net Position at End of Year | | <u>\$ 11,644,310</u> | | <u>\$ 12,147,925</u> |

CITY OF DES PLAINES, ILLINOIS
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
BUDGET AND ACTUAL
DPECC FUND
Year Ended December 31, 2014
With Comparative Actual Amounts for the Year Ended December 31, 2013

| | 2014 | | Variance from Final Budget Positive (Negative) | 2013 |
|---|------------------------------|------------------|---|-------------------|
| | Original and Final Budget | Actual | | Actual |
| Operating Revenues | | | | |
| Charges for Services | \$ 3,479,714 | \$ 3,136,798 | \$ (342,916) | \$ 2,089,579 |
| Total Operating Revenues | <u>3,479,714</u> | <u>3,136,798</u> | <u>(342,916)</u> | <u>2,089,579</u> |
| Operating Expenses | | | | |
| Salaries | 2,086,320 | 1,858,759 | 227,561 | 1,184,796 |
| Benefits | 796,424 | 838,636 | (42,212) | 535,188 |
| Contractual Services | 376,339 | 944,794 | (568,455) | 224,590 |
| Commodities | 220,631 | 186,870 | 33,761 | 123,019 |
| Capital Outlay | - | 22,779 | (22,779) | 900 |
| Depreciation | - | 97,751 | (97,751) | 179,440 |
| Total Operating Expenses | <u>3,479,714</u> | <u>3,949,589</u> | <u>(469,875)</u> | <u>2,247,933</u> |
| Operating Income (Loss) | <u>-</u> | <u>(812,791)</u> | <u>(812,791)</u> | <u>(158,354)</u> |
| Nonoperating Revenues and (Expenses) | | | | |
| Investment Income | - | 71 | 71 | 65 |
| Loss on Disposal of Assets | - | (107,444) | (107,444) | - |
| Proceeds from Disolution of Joint Venture | - | 708,805 | 708,805 | - |
| Total Nonoperating Revenues and (Expenses) | <u>-</u> | <u>601,432</u> | <u>601,432</u> | <u>65</u> |
| Change in Net Position | <u>\$ -</u> | <u>(211,359)</u> | <u>\$ (211,359)</u> | <u>(158,289)</u> |
| Net Position at Beginning of Year | | <u>226,346</u> | | <u>384,635</u> |
| Net Position at End of Year | | <u>\$ 14,987</u> | | <u>\$ 226,346</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 POSITION
 INTERNAL SERVICE FUNDS
 December 31, 2014

| | <u>Risk Management</u> | <u>Health Benefits</u> | <u>Total Internal Service Funds</u> |
|---------------------------|----------------------------|----------------------------|---|
| ASSETS | | | |
| Current Assets | | | |
| Cash and Investments | \$ 426,592 | \$ 688,084 | \$ 1,114,676 |
| Prepaid Items | 871,082 | 3,585,932 | 4,457,014 |
| Other Receivables | - | 1,411 | 1,411 |
| Total Current Assets | <u>1,297,674</u> | <u>4,275,427</u> | <u>5,573,101</u> |
| TOTAL ASSETS | <u>1,297,674</u> | <u>4,275,427</u> | <u>5,573,101</u> |
| LIABILITIES | | | |
| Current Liabilities | | | |
| Accounts Payable | 29,799 | 17,036 | 46,835 |
| Accrued Liabilities | - | 18,267 | 18,267 |
| Total Current Liabilities | <u>29,799</u> | <u>35,303</u> | <u>65,102</u> |
| TOTAL LIABILITIES | <u>29,799</u> | <u>35,303</u> | <u>65,102</u> |
| NET POSITION | | | |
| Unrestricted | <u>1,267,875</u> | <u>4,240,124</u> | <u>5,507,999</u> |
| TOTAL NET POSITION | <u>\$ 1,267,875</u> | <u>\$ 4,240,124</u> | <u>\$ 5,507,999</u> |

CITY OF DES PLAINES, ILLINOIS
 COMBINING STATEMENT OF REVENUES, EXPENSES
 AND CHANGES IN NET POSITION
 INTERNAL SERVICE FUNDS
 Year Ended December 31, 2014

| | <u>Risk Management</u> | <u>Health Benefits</u> | <u>Total Internal Service Funds</u> |
|---|----------------------------|----------------------------|---|
| Operating Revenues | | | |
| Charges for Services | \$ 2,024,162 | \$ 8,715,367 | \$ 10,739,529 |
| Miscellaneous | 389,855 | - | 389,855 |
| Total Operating Revenues | <u>2,414,017</u> | <u>8,715,367</u> | <u>11,129,384</u> |
| Operating Expenses | | | |
| Claims Expense | 53,205 | 6,396,610 | 6,449,815 |
| Insurance and Processing Fees | 2,692,697 | 563,862 | 3,256,559 |
| Miscellaneous | 94,845 | 204,010 | 298,855 |
| Total Operating Expenses | <u>2,840,747</u> | <u>7,164,482</u> | <u>10,005,229</u> |
| Operating Income (Loss) | <u>(426,730)</u> | <u>1,550,885</u> | <u>1,124,155</u> |
| Nonoperating Revenues and (Expenses) | | | |
| Investment Income | - | 16 | 16 |
| Total Nonoperating Revenues and (Expenses) | <u>-</u> | <u>16</u> | <u>16</u> |
| Income (Loss) Before Transfers | <u>(426,730)</u> | <u>1,550,901</u> | <u>1,124,171</u> |
| Transfers | | | |
| Transfers Out | (32,800) | - | (32,800) |
| Total Transfers | <u>(32,800)</u> | <u>-</u> | <u>(32,800)</u> |
| Change in Net Position | (459,530) | 1,550,901 | 1,091,371 |
| Net Position at Beginning of Year | <u>1,727,405</u> | <u>2,689,223</u> | <u>4,416,628</u> |
| Net Position at End of Year | <u>\$ 1,267,875</u> | <u>\$ 4,240,124</u> | <u>\$ 5,507,999</u> |

CITY OF DES PLAINES, ILLINOIS
 COMBINING STATEMENT OF CASH FLOWS
 INTERNAL SERVICE FUNDS
 Year Ended December 31, 2014

| | Risk Management | Health Benefits | Total Internal Service Funds |
|--|---------------------|--------------------|---------------------------------|
| Cash Flows from Operating Activities | | | |
| Cash Received from Customers | \$ 2,024,162 | \$ 8,715,367 | \$ 10,739,529 |
| Receipts from Miscellaneous Revenues | 389,855 | - | 389,855 |
| Cash Payments to Suppliers for Good and Services | <u>(2,994,634)</u> | <u>(8,448,044)</u> | <u>(11,442,678)</u> |
| Net Cash Provided/(Used) by Operating Activities | <u>(580,617)</u> | <u>267,323</u> | <u>(313,294)</u> |
| Cash Flows from Noncapital Financing Activities | | | |
| Transfers Out | <u>(32,800)</u> | - | <u>(32,800)</u> |
| Net Cash Provided/(Used) by Noncapital Financing Activities | <u>(32,800)</u> | - | <u>(32,800)</u> |
| Cash Flows from Investing Activities | | | |
| Investment Income | - | 16 | 16 |
| Net Cash Provided/(Used) by Investing Activities | <u>-</u> | <u>16</u> | <u>16</u> |
| Net Increase (Decrease) in Cash & Investments | (613,417) | 267,339 | (346,078) |
| Cash & Investments, Beginning of Year | <u>1,040,009</u> | <u>420,745</u> | <u>1,460,754</u> |
| Cash & Investments, End of Year | <u>\$ 426,592</u> | <u>\$ 688,084</u> | <u>\$ 1,114,676</u> |
| Reconciliation of Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities | | | |
| Operating Income/(Loss) | \$ (426,730) | \$ 1,550,885 | \$ 1,124,155 |
| Adjustments to Reconcile Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities | | | |
| Decrease (Increase) in Prepaid Items | (68,580) | (1,274,790) | (1,343,370) |
| Decrease (Increase) in Other Receivables | - | (623) | (623) |
| (Decrease) Increase in Accounts Payable | (85,307) | 16,007 | (69,300) |
| (Decrease) Increase in Accrued Liabilities | - | (4,923) | (4,923) |
| (Decrease) Increase in Early Retirement Incentive Program Payable | <u>-</u> | <u>(19,233)</u> | <u>(19,233)</u> |
| Total Adjustments | <u>(153,887)</u> | <u>(1,283,562)</u> | <u>(1,437,449)</u> |
| Net Cash Provided/(Used) by Operating Activities | <u>\$ (580,617)</u> | <u>\$ 267,323</u> | <u>\$ (313,294)</u> |

CITY OF DES PLAINES, ILLINOIS
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
BUDGET AND ACTUAL
RISK MANAGEMENT FUND
Year Ended December 31, 2014
With Comparative Actual Amounts for the Year Ended December 31, 2013

| | 2014 | | Variance from Final Budget Positive (Negative) | 2013 |
|---|------------------------------|---------------------|---|---------------------|
| | Original and Final Budget | Actual | | Actual |
| Operating Revenues | | | | |
| Charges for Services | \$ 2,000,000 | \$ 2,024,162 | \$ 24,162 | \$ 2,515,469 |
| Miscellaneous | <u>228,500</u> | <u>389,855</u> | <u>161,355</u> | <u>247,490</u> |
| Total Operating Revenues | <u>2,228,500</u> | <u>2,414,017</u> | <u>185,517</u> | <u>2,762,959</u> |
| Operating Expenses | | | | |
| Claims Expense | | | | |
| Unemployment Claims | 50,000 | 29,399 | 20,601 | 42,693 |
| Workers' Compensation Claims | <u>41,000</u> | <u>23,806</u> | <u>17,194</u> | <u>31,589</u> |
| Total Claims Expense | <u>91,000</u> | <u>53,205</u> | <u>37,795</u> | <u>74,282</u> |
| Insurance and Processing Fees | | | | |
| Claims Administrative Fees | 3,400 | 3,038 | 362 | 3,588 |
| Insurance Premiums | 125,000 | 118,448 | 6,552 | 111,411 |
| MICA Loss Fund | 2,500,000 | 2,544,666 | (44,666) | 2,400,141 |
| MICA Deductible | <u>30,000</u> | <u>26,545</u> | <u>3,455</u> | <u>21,287</u> |
| Total Insurance and Processing Fees | <u>2,658,400</u> | <u>2,692,697</u> | <u>(34,297)</u> | <u>2,536,427</u> |
| Miscellaneous | | | | |
| City-wide Substance Abuse Program | 5,000 | 1,815 | 3,185 | 2,185 |
| Self-insurance Losses | 75,000 | 64,891 | 10,109 | 49,476 |
| Miscellaneous Contractual Services | <u>63,180</u> | <u>28,139</u> | <u>35,041</u> | <u>218,571</u> |
| Total Miscellaneous | <u>143,180</u> | <u>94,845</u> | <u>48,335</u> | <u>270,232</u> |
| Total Operating Expenses | <u>2,892,580</u> | <u>2,840,747</u> | <u>51,833</u> | <u>2,880,941</u> |
| Operating Income (Loss) | <u>(664,080)</u> | <u>(426,730)</u> | <u>237,350</u> | <u>(117,982)</u> |
| Nonoperating Revenues and (Expenses) | | | | |
| Investment Income | <u>100</u> | <u>-</u> | <u>(100)</u> | <u>-</u> |
| Total Nonoperating Revenues and (Expenses) | <u>100</u> | <u>-</u> | <u>(100)</u> | <u>-</u> |
| Income (Loss) Before Transfers | <u>(663,980)</u> | <u>(426,730)</u> | <u>237,250</u> | <u>(117,982)</u> |
| Transfers | | | | |
| Transfers In | - | - | - | 92,202 |
| Transfers Out | <u>-</u> | <u>(32,800)</u> | <u>(32,800)</u> | <u>-</u> |
| Total Transfers | <u>-</u> | <u>(32,800)</u> | <u>(32,800)</u> | <u>92,202</u> |
| Change in Net Position | <u>\$ (663,980)</u> | <u>(459,530)</u> | <u>\$ 204,450</u> | <u>(25,780)</u> |
| Net Position at Beginning of Year | | <u>1,727,405</u> | | <u>1,753,185</u> |
| Net Position at End of Year | | <u>\$ 1,267,875</u> | | <u>\$ 1,727,405</u> |

CITY OF DES PLAINES, ILLINOIS
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
BUDGET AND ACTUAL
HEALTH BENEFITS FUND
Year Ended December 31, 2014
With Comparative Actual Amounts for the Year Ended December 31, 2013

| | 2014 | | Variance from Final Budget Positive (Negative) | 2013 Actual |
|---|------------------------------|---------------------|---|---------------------|
| | Original and Final Budget | Actual | | |
| Operating Revenues | | | | |
| Charges for Services | \$ 8,825,718 | \$ 8,715,367 | \$ (110,351) | \$ 8,828,075 |
| Total Operating Revenues | <u>8,825,718</u> | <u>8,715,367</u> | <u>(110,351)</u> | <u>8,828,075</u> |
| Operating Expenses | | | | |
| Claims Expense | | | | |
| Claims Paid - City - PPO | 6,313,912 | 4,764,305 | 1,549,607 | 6,351,280 |
| Claims Paid - City - HMO | 1,637,210 | 1,632,305 | 4,905 | 1,629,610 |
| Total Claims Expense | <u>7,951,122</u> | <u>6,396,610</u> | <u>1,554,512</u> | <u>7,980,890</u> |
| Insurance and Processing Fees | | | | |
| Dental Claims and Administration Fee | 498,144 | 421,929 | 76,215 | 431,321 |
| Life Insurance Premium | 145,853 | 141,933 | 3,920 | 142,518 |
| Total Insurance and Processing Fees | <u>643,997</u> | <u>563,862</u> | <u>80,135</u> | <u>573,839</u> |
| Miscellaneous | 98,009 | 204,010 | (106,001) | 86,662 |
| Total Operating Expenses | <u>8,693,128</u> | <u>7,164,482</u> | <u>1,528,646</u> | <u>8,641,391</u> |
| Operating Income (Loss) | <u>132,590</u> | <u>1,550,885</u> | <u>1,418,295</u> | <u>186,684</u> |
| Nonoperating Revenues and (Expenses) | | | | |
| Investment Income | 250 | 16 | (234) | 34 |
| Total Nonoperating Revenues and (Expenses) | <u>250</u> | <u>16</u> | <u>(234)</u> | <u>34</u> |
| Change in Net Position | <u>\$ 132,840</u> | 1,550,901 | <u>\$ 1,418,061</u> | 186,718 |
| Net Position at Beginning of Year | | <u>2,689,223</u> | | <u>2,579,453</u> |
| Net Position at End of Year | | <u>\$ 4,240,124</u> | | <u>\$ 2,766,171</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.
- Joint Emergency Telephone System Fund – an agency fund used to account for the remaining assets and liabilities of JETS after its dissolution on June 5, 2013. All outstanding obligations have been satisfied and the remaining cash balances were distributed between the four participating communities (the City of Des Plaines, City of Park Ridge, Village of Morton Grove, and Village of Niles). 9-1-1 and emergency dispatching operations are now conducted by the City of Des Plaines.

CITY OF DES PLAINES, ILLINOIS
 COMBINING STATEMENT OF FIDUCIARY NET POSITION
 PENSION TRUST FUNDS
 December 31, 2014

| | Firefighters' Pension | Police Pension | Total Pension Trust Funds |
|--|--------------------------|----------------------|------------------------------|
| ASSETS | | | |
| Cash and Cash Equivalents | \$ 3,193,320 | \$ 3,233,681 | \$ 6,427,001 |
| Investments | | | |
| U.S. Government and Agency Obligations | 10,832,887 | 9,608,912 | 20,441,799 |
| Mutual Funds | 22,959,812 | 22,784,630 | 45,744,442 |
| Corporate Bonds | 11,425,269 | 10,076,794 | 21,502,063 |
| Stocks | 21,262,814 | 17,213,429 | 38,476,243 |
| State and Local Obligations | 531,197 | 772,407 | 1,303,604 |
| Insurance Contracts | - | 1,469 | 1,469 |
| Receivables (Net) | | | |
| Accrued Interest | 210,895 | 194,153 | 405,048 |
| Prepaid Items | 5,726 | 6,824 | 12,550 |
| TOTAL ASSETS | <u>70,421,920</u> | <u>63,892,299</u> | <u>134,314,219</u> |
| LIABILITIES AND NET POSITION | | | |
| Liabilities | | | |
| Accounts Payable | <u>34,723</u> | <u>74,195</u> | <u>108,918</u> |
| Total Liabilities | <u>34,723</u> | <u>74,195</u> | <u>108,918</u> |
| Net Position | | | |
| Held in Trust for Pension Benefits | <u>\$ 70,387,197</u> | <u>\$ 63,818,104</u> | <u>\$ 134,205,301</u> |

CITY OF DES PLAINES, ILLINOIS
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 PENSION TRUST FUNDS
 Year Ended December 31, 2014

| | Firefighters' Pension | Police Pension | Total Pension Trust Funds |
|---|--------------------------|----------------------|------------------------------|
| Additions | | | |
| Contributions | | | |
| Employer | \$ 4,155,983 | \$ 4,154,166 | \$ 8,310,149 |
| Plan Members | <u>883,723</u> | <u>879,904</u> | <u>1,763,627</u> |
| Total Contributions | <u>5,039,706</u> | <u>5,034,070</u> | <u>10,073,776</u> |
| Investment Income | 4,411,964 | 3,504,260 | 7,916,224 |
| Less Investment Expense | <u>(271,715)</u> | <u>(279,632)</u> | <u>(551,347)</u> |
| Net Investment Income | <u>4,140,249</u> | <u>3,224,628</u> | <u>7,364,877</u> |
| Total Additions | <u>9,179,955</u> | <u>8,258,698</u> | <u>17,438,653</u> |
| Deductions | | | |
| Administration | 55,364 | 76,847 | 132,211 |
| Benefits and Refunds | <u>6,042,592</u> | <u>6,449,930</u> | <u>12,492,522</u> |
| Total Deductions | <u>6,097,956</u> | <u>6,526,777</u> | <u>12,624,733</u> |
| Change in Plan Net Position | 3,081,999 | 1,731,921 | 4,813,920 |
| Plan Net Position at Beginning of Year | <u>67,305,198</u> | <u>62,086,183</u> | <u>129,391,381</u> |
| Plan Net Position at End of Year | <u>\$ 70,387,197</u> | <u>\$ 63,818,104</u> | <u>\$ 134,205,301</u> |

CITY OF DES PLAINES, ILLINOIS
 COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
 AGENCY FUNDS
 December 31, 2014

| | Compliance Bond | Section 125 Plan | Joint Emergency Telephone System | Total Agency Funds |
|---------------------------|--------------------|---------------------|--|-----------------------|
| ASSETS | | | | |
| Cash and Cash Equivalents | \$ 555,819 | \$ 64,564 | \$ - | \$ 620,383 |
| Other Receivable | 3,644 | - | - | 3,644 |
| TOTAL ASSETS | \$ 559,463 | \$ 64,564 | \$ - | \$ 624,027 |
| LIABILITIES | | | | |
| Accounts Payable | \$ 9,993 | \$ - | \$ - | \$ 9,993 |
| Accrued Liabilities | - | 64,564 | - | 64,564 |
| Deposits Payable | 549,470 | - | - | 549,470 |
| TOTAL LIABILITIES | \$ 559,463 | \$ 64,564 | \$ - | \$ 624,027 |

CITY OF DES PLAINES, ILLINOIS
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 AGENCY FUNDS
 Year Ended December 31, 2014

| | <u>Balances January 1</u> | <u>Additions</u> | <u>Deductions</u> | <u>Balances December 31</u> |
|--|-------------------------------|---------------------|---------------------|---------------------------------|
| Compliance Bond Fund | | | | |
| ASSETS | | | | |
| Cash and Cash Equivalents | \$ 475,342 | \$ 678,363 | \$ 597,886 | \$ 555,819 |
| Other Receivable | 15,408 | - | 11,764 | 3,644 |
| TOTAL ASSETS | <u>\$ 490,750</u> | <u>\$ 678,363</u> | <u>\$ 609,650</u> | <u>\$ 559,463</u> |
| LIABILITIES | | | | |
| Accounts Payable | \$ 14,292 | \$ 118,066 | \$ 122,365 | \$ 9,993 |
| Accrued Liabilities | 9,109 | - | 9,109 | - |
| Deposits Payable | 467,349 | 546,011 | 463,890 | 549,470 |
| TOTAL LIABILITIES | <u>\$ 490,750</u> | <u>\$ 664,077</u> | <u>\$ 595,364</u> | <u>\$ 559,463</u> |
| Section 125 Plan Fund | | | | |
| ASSETS | | | | |
| Cash and Cash Equivalents | \$ 60,426 | \$ 207,309 | \$ 203,171 | \$ 64,564 |
| TOTAL ASSETS | <u>\$ 60,426</u> | <u>\$ 207,309</u> | <u>\$ 203,171</u> | <u>\$ 64,564</u> |
| LIABILITIES | | | | |
| Accrued Liabilities | \$ 60,426 | \$ 213,628 | \$ 209,490 | \$ 64,564 |
| TOTAL LIABILITIES | <u>\$ 60,426</u> | <u>\$ 213,628</u> | <u>\$ 209,490</u> | <u>\$ 64,564</u> |
| Joint Emergency Telephone System Fund | | | | |
| ASSETS | | | | |
| Cash and Cash Equivalents | \$ 951,342 | \$ 244,534 | \$ 1,195,876 | \$ - |
| Other Receivable | 457,357 | - | 457,357 | - |
| TOTAL ASSETS | <u>\$ 1,408,699</u> | <u>\$ 244,534</u> | <u>\$ 1,653,233</u> | <u>\$ -</u> |
| LIABILITIES | | | | |
| Accounts Payable | \$ 12,582 | \$ - | \$ 12,582 | \$ - |
| Accrued Liabilities | 1,336,959 | 107 | 1,337,066 | - |
| Deposits Payable | 59,158 | - | 59,158 | - |
| TOTAL LIABILITIES | <u>\$ 1,408,699</u> | <u>\$ 107</u> | <u>\$ 1,408,806</u> | <u>\$ -</u> |
| All Funds | | | | |
| ASSETS | | | | |
| Cash and Cash Equivalents | \$ 1,487,110 | \$ 1,130,206 | \$ 1,996,933 | \$ 620,383 |
| Other Receivable | 472,765 | - | 469,121 | 3,644 |
| TOTAL ASSETS | <u>\$ 1,959,875</u> | <u>\$ 1,130,206</u> | <u>\$ 2,466,054</u> | <u>\$ 624,027</u> |
| LIABILITIES | | | | |
| Accounts Payable | \$ 26,874 | \$ 118,066 | \$ 134,947 | \$ 9,993 |
| Accrued Liabilities | 1,406,494 | 213,735 | 1,555,665 | 64,564 |
| Deposits Payable | 526,507 | 546,011 | 523,048 | 549,470 |
| TOTAL LIABILITIES | <u>\$ 1,959,875</u> | <u>\$ 877,812</u> | <u>\$ 2,213,660</u> | <u>\$ 624,027</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 POSITION AND GOVERNMENTAL FUNDS
 COMBINING BALANCE SHEET
 December 31, 2014

| | General | Capital Projects | Total |
|---|----------------------|---------------------|----------------------|
| ASSETS | | | |
| Cash | \$ 5,881,810 | \$ 315,837 | \$ 6,197,647 |
| Property Tax Receivable | 6,046,822 | - | 6,046,822 |
| Prepaid Items | 39,157 | - | 39,157 |
| Due from Other Funds | - | - | - |
| Capital Assets, Net | - | - | - |
| TOTAL ASSETS | \$ 11,967,789 | \$ 315,837 | \$ 12,283,626 |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES/NET POSITION | | | |
| Liabilities | | | |
| Accounts Payable | \$ 292,384 | \$ 23,836 | \$ 316,220 |
| Accrued Payroll | 61,818 | - | 61,818 |
| Due to Other Funds | 262,345 | - | 262,345 |
| Noncurrent Liabilities | | | |
| Due within One Year | - | - | - |
| Due in More than One Year | - | - | - |
| Total Liabilities | 616,547 | 23,836 | 640,383 |
| Deferred Inflows of Resources | | | |
| Deferred Property Tax Revenue | 6,046,822 | - | 6,046,822 |
| Fund Balances/Net Position | | | |
| Net Investment in Capital Assets | - | - | - |
| Nonspendable - Prepaid Items | 39,157 | - | 39,157 |
| Restricted for Culture and Recreation | 5,265,263 | 292,001 | 5,557,264 |
| Total Fund Balances/Net Position | 5,304,420 | 292,001 | 5,596,421 |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES/NET POSITION | \$ 11,967,789 | \$ 315,837 | \$ 12,283,626 |

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

Some liabilities reported in the statement of net position 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 Position |
|---|----------------------|------------------------|------------------------|---------------------|------------------------------|
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ 6,197,647 |
| - | - | - | - | - | 6,046,822 |
| - | - | - | - | - | 39,157 |
| 262,345 | (262,345) | - | - | - | - |
| - | - | - | - | 821,084 | 821,084 |
| <u>\$ 262,345</u> | <u>\$ (262,345)</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 821,084</u> | <u>\$ 13,104,710</u> |
| | | | | | |
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ 316,220 |
| - | - | - | - | - | 61,818 |
| - | (262,345) | - | - | - | - |
| 98,502 | - | - | - | - | 98,502 |
| 163,843 | - | 86,643 | 67,563 | - | 318,049 |
| <u>262,345</u> | <u>(262,345)</u> | <u>86,643</u> | <u>67,563</u> | <u>-</u> | <u>794,589</u> |
| | | | | | |
| - | - | - | - | - | 6,046,822 |
| | | | | | |
| - | - | - | - | 821,084 | 821,084 |
| - | - | - | - | (39,157) | - |
| - | - | (86,643) | (67,563) | 39,157 | 5,442,215 |
| <u>-</u> | <u>-</u> | <u>(86,643)</u> | <u>(67,563)</u> | <u>821,084</u> | <u>6,263,299</u> |
| | | | | | |
| <u>\$ 262,345</u> | <u>\$ (262,345)</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 821,084</u> | <u>\$ 13,104,710</u> |
| | | | | | |
| <u>\$ 262,345</u> | <u>\$ (262,345)</u> | | | | |
| | | | | | |
| | | <u>\$ 86,643</u> | <u>\$ 67,563</u> | | |
| | | | | <u>\$ 821,084</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 POSITION
 Year Ended December 31, 2014

| | General | Capital Projects | Total |
|--|---------------------|---------------------|---------------------|
| Revenues | | | |
| Property Taxes | \$ 6,144,530 | \$ - | \$ 6,144,530 |
| Intergovernmental | 165,943 | - | 165,943 |
| Charges for Services | 16,781 | - | 16,781 |
| Fines | 134,907 | - | 134,907 |
| Investment Income | 1,073 | 31 | 1,104 |
| Miscellaneous | 44,221 | - | 44,221 |
| Total Revenues | <u>6,507,455</u> | <u>31</u> | <u>6,507,486</u> |
| Expenditures | | | |
| Civic and Cultural | 5,779,674 | - | 5,779,674 |
| Capital Outlay | 145,279 | 396,073 | 541,352 |
| Total Expenditures | <u>5,924,953</u> | <u>396,073</u> | <u>6,321,026</u> |
| Excess (Deficiency) of Revenues over (under) Expenditures | 582,502 | (396,042) | 186,460 |
| Other Financing Sources (Uses) | | | |
| Transfers in | - | 300,000 | 300,000 |
| Transfers out | (300,000) | - | (300,000) |
| Total Other Financing Sources (Uses) | <u>(300,000)</u> | <u>300,000</u> | <u>-</u> |
| Net Change in Fund Balance/Net Position | 282,502 | (96,042) | 186,460 |
| Fund Balance/Net Position, Beginning of Year | <u>5,021,918</u> | <u>388,043</u> | <u>5,409,961</u> |
| Fund Balance/Net Position, End of Year | <u>\$ 5,304,420</u> | <u>\$ 292,001</u> | <u>\$ 5,596,421</u> |

Governmental funds report capital outlays as expenditures. However, in the statement of net position 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, to reclassify capital asset additions to the statement of net position, 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 | |
| \$ - | \$ - | \$ - | \$ - | \$ 6,144,530 |
| - | - | - | - | 165,943 |
| - | - | - | - | 16,781 |
| - | - | - | - | 134,907 |
| - | - | - | - | 1,104 |
| - | - | - | - | 44,221 |
| - | - | - | - | <u>6,507,486</u> |
| 582,811 | - | 776 | (1,026) | 6,362,235 |
| <u>(541,352)</u> | - | - | - | - |
| <u>41,459</u> | - | <u>776</u> | <u>(1,026)</u> | <u>6,362,235</u> |
| (41,459) | - | (776) | 1,026 | 145,251 |
| - | (300,000) | - | - | - |
| - | <u>300,000</u> | - | - | - |
| - | - | - | - | - |
| (41,459) | - | (776) | 1,026 | 145,251 |
| <u>862,543</u> | - | <u>(85,867)</u> | <u>(68,589)</u> | <u>6,118,048</u> |
| <u>\$ 821,084</u> | <u>\$ -</u> | <u>\$ (86,643)</u> | <u>\$ (67,563)</u> | <u>\$ 6,263,299</u> |
| <u>\$ (41,459)</u> | | | | |
| | | <u>\$ (776)</u> | <u>\$ 1,026</u> | |

CITY OF DES PLAINES, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
LIBRARY - GENERAL FUND
Year Ended December 31, 2014
With Comparative Actual Amounts for the Year Ended December 31, 2013

| | 2014 | | Variance from Final Budget Positive (Negative) | 2013 Actual |
|--|------------------------------|---------------------|---|---------------------|
| | Original and Final Budget | Actual | | |
| Revenues | | | | |
| Property Taxes | \$ 6,169,754 | \$ 6,144,530 | \$ (25,224) | \$ 6,289,369 |
| Replacement Taxes | 92,988 | 92,988 | - | 92,988 |
| State Grants | 60,000 | 72,955 | 12,955 | 63,977 |
| Charges for Services | 11,250 | 16,781 | 5,531 | 20,002 |
| Fines | 149,000 | 134,907 | (14,093) | 144,582 |
| Investment Income | 3,999 | 1,073 | (2,926) | 1,892 |
| Miscellaneous | 21,200 | 44,221 | 23,021 | 23,173 |
| Total Revenues | <u>6,508,191</u> | <u>6,507,455</u> | <u>(736)</u> | <u>6,635,983</u> |
| Expenditures | | | | |
| Civic and Cultural | | | | |
| Salaries | 2,887,154 | 2,728,991 | 158,163 | 2,712,899 |
| Benefits | 997,096 | 928,972 | 68,124 | 913,484 |
| Contractual Services | 1,104,600 | 1,149,864 | (45,264) | 1,017,649 |
| Commodities | 991,750 | 971,847 | 19,903 | 986,064 |
| Total Civic and Cultural | <u>5,980,600</u> | <u>5,779,674</u> | <u>200,926</u> | <u>5,630,096</u> |
| Capital Outlay | 204,405 | 145,279 | 59,126 | 155,846 |
| Total Expenditures | <u>6,185,005</u> | <u>5,924,953</u> | <u>260,052</u> | <u>5,785,942</u> |
| Excess (Deficiency) of Revenues over (under) Expenditures | <u>323,186</u> | <u>582,502</u> | <u>259,316</u> | <u>850,041</u> |
| Other Financing Sources (Uses) | | | | |
| Transfers Out | (300,000) | (300,000) | - | (300,000) |
| Total Other Financing Sources (Uses) | <u>(300,000)</u> | <u>(300,000)</u> | <u>-</u> | <u>(300,000)</u> |
| Net Change in Fund Balance | <u>\$ 23,186</u> | 282,502 | <u>\$ 259,316</u> | 550,041 |
| Fund Balance at Beginning of Year | | <u>5,021,918</u> | | <u>4,471,877</u> |
| Fund Balance at End of Year | | <u>\$ 5,304,420</u> | | <u>\$ 5,021,918</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, 2014
With Comparative Actual Amounts for the Year Ended December 31, 2013

| | 2014 | | Variance from Final Budget Positive (Negative) | 2013 Actual |
|--|------------------------------|-------------------|---|-------------------|
| | Original and Final Budget | Actual | | |
| Revenues | | | | |
| Investment Income | \$ - | \$ 31 | \$ 31 | \$ 53 |
| Total Revenues | <u>-</u> | <u>31</u> | <u>31</u> | <u>53</u> |
| Expenditures | | | | |
| Capital Outlay | 421,250 | 396,073 | 25,177 | 340,683 |
| Total Expenditures | <u>421,250</u> | <u>396,073</u> | <u>25,177</u> | <u>340,683</u> |
| Excess (Deficiency) of Revenues over (under) Expenditures | <u>(421,250)</u> | <u>(396,042)</u> | <u>25,208</u> | <u>(340,630)</u> |
| Other Financing Sources (Uses) | | | | |
| Transfers In | 300,000 | 300,000 | - | 300,000 |
| Total Other Financing Sources (Uses) | <u>300,000</u> | <u>300,000</u> | <u>-</u> | <u>300,000</u> |
| Net Change in Fund Balance | <u>\$ (121,250)</u> | <u>(96,042)</u> | <u>\$ 25,208</u> | <u>(40,630)</u> |
| Fund Balance at Beginning of Year | | <u>388,043</u> | | <u>428,673</u> |
| Fund Balance at End of Year | | <u>\$ 292,001</u> | | <u>\$ 388,043</u> |

OTHER SUPPLEMENTARY SCHEDULES

CITY OF DES PLAINES, ILLINOIS
LONG TERM DEBT REQUIREMENTS
GENERAL OBLIGATION BONDS, SERIES 2005G (TIF #3)
December 31, 2014

| | |
|-------------------------|-----------------------------|
| 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 |
| 2015 | \$ 165,000 | \$ 7,838 | \$ 172,838 | 2015 | \$ 3,919 | 2015 | \$ 3,919 |
| | \$ 165,000 | \$ 7,838 | \$ 172,838 | | \$ 3,919 | | \$ 3,919 |

CITY OF DES PLAINES, ILLINOIS
LONG TERM DEBT REQUIREMENTS
GENERAL OBLIGATION REFUNDING BONDS, SERIES 2007A (TOTAL ISSUE)
December 31, 2014

| | |
|-------------------------|-----------------------------|
| 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 <u>December 31</u> | Requirements | | | Interest Due | | | |
|--|--------------|------------|--------------|--------------|------------|------------|------------|
| | Principal | Interest | Total | June 1 | Amount | December 1 | Amount |
| 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 |
| | \$ 2,695,000 | \$ 376,010 | \$ 3,071,010 | | \$ 188,005 | | \$ 188,005 |

CITY OF DES PLAINES, ILLINOIS
LONG TERM DEBT REQUIREMENTS
GENERAL OBLIGATION REFUNDING BONDS, SERIES 2007A (REFUNDING 2000, STREETS PORTION)
December 31, 2014

| | |
|-------------------------|-----------------------------|
| 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 |
| 2015 | \$ 410,000 | \$ 15,580 | \$ 425,580 | 2015 | \$ 7,790 | 2015 | \$ 7,790 |
| | \$ 410,000 | \$ 15,580 | \$ 425,580 | | \$ 7,790 | | \$ 7,790 |

CITY OF DES PLAINES, ILLINOIS
LONG TERM DEBT REQUIREMENTS
GENERAL OBLIGATION REFUNDING BONDS, SERIES 2007A (STREETS PORTION)
December 31, 2014

| | |
|-------------------------|-----------------------------|
| 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 <u>December 31</u> | Requirements | | | Interest Due | | | |
|--|--------------|------------|--------------|--------------|------------|------------|------------|
| | Principal | Interest | Total | June 1 | Amount | December 1 | Amount |
| 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 |
| | \$ 2,285,000 | \$ 360,430 | \$ 2,645,430 | | \$ 180,215 | | \$ 180,215 |

CITY OF DES PLAINES, ILLINOIS
LONG TERM DEBT REQUIREMENTS
GENERAL OBLIGATION REFUNDING BONDS, SERIES 2007B (TOTAL ISSUE)
December 31, 2014

| | |
|-------------------------|-----------------------------|
| 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 <u>December 31</u> | Requirements | | | Interest Due | | | |
|--|--------------|------------|------------|--------------|-----------|------------|-----------|
| | Principal | Interest | Total | June 1 | Amount | December 1 | Amount |
| 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 |
| | \$ 775,000 | \$ 109,250 | \$ 884,250 | | \$ 54,625 | | \$ 54,625 |

CITY OF DES PLAINES, ILLINOIS
LONG TERM DEBT REQUIREMENTS
GENERAL OBLIGATION REFUNDING BONDS, SERIES 2007B (TIF#1 PORTION)
December 31, 2014

| | |
|-------------------------|-----------------------------|
| 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 <u>December 31</u> | Requirements | | | Interest Due | | | |
|--|--------------|----------|------------|--------------|----------|------------|----------|
| | Principal | Interest | Total | June 1 | Amount | December 1 | Amount |
| 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 |
| | \$ 130,000 | \$ 7,410 | \$ 137,410 | | \$ 3,705 | | \$ 3,705 |

CITY OF DES PLAINES, ILLINOIS
LONG TERM DEBT REQUIREMENTS
GENERAL OBLIGATION REFUNDING BONDS, SERIES 2007B (FIRE STATION PORTION)
December 31, 2014

| | |
|-------------------------|-----------------------------|
| 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 |
| 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 |
| | \$ 645,000 | \$ 101,840 | \$ 746,840 | | \$ 50,920 | | \$ 50,920 |

CITY OF DES PLAINES, ILLINOIS
LONG TERM DEBT REQUIREMENTS
TAXABLE GENERAL OBLIGATION REFUNDING BONDS, SERIES 2008A (TOTAL ISSUE)
December 31, 2014

| | |
|-------------------------|-----------------------------|
| 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 <u>December 31</u> | Requirements | | | Interest Due | | | |
|--|--------------|------------|--------------|---------------|-----------|-------------------|-----------|
| | Principal | Interest | Total | <u>June 1</u> | Amount | <u>December 1</u> | Amount |
| 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 |
| | \$ 1,085,000 | \$ 181,775 | \$ 1,266,775 | | \$ 90,888 | | \$ 90,888 |

CITY OF DES PLAINES, ILLINOIS
LONG TERM DEBT REQUIREMENTS
TAXABLE GENERAL OBLIGATION REFUNDING BONDS, SERIES 2008A (TIF#1 PORTION)
December 31, 2014

| | |
|-------------------------|-----------------------------|
| 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 |
| 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 |
| | \$ 345,000 | \$ 24,247 | \$ 369,247 | | \$ 12,124 | | \$ 12,124 |

CITY OF DES PLAINES, ILLINOIS
LONG TERM DEBT REQUIREMENTS
TAXABLE GENERAL OBLIGATION REFUNDING BONDS, SERIES 2008A (TIF#3 PORTION)
December 31, 2014

| | |
|-------------------------|-----------------------------|
| 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 <u>December 31</u> | Requirements | | | Interest Due | | | |
|--|--------------|------------|------------|---------------|-----------|-------------------|-----------|
| | Principal | Interest | Total | <u>June 1</u> | Amount | <u>December 1</u> | Amount |
| 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 |
| | \$ 740,000 | \$ 157,528 | \$ 897,528 | | \$ 78,764 | | \$ 78,764 |

CITY OF DES PLAINES, ILLINOIS
LONG TERM DEBT REQUIREMENTS
TAXABLE GENERAL OBLIGATION REFUNDING BONDS, SERIES 2009A (TIF #6, CAPITAL APPRECIATION)
December 31, 2014

| | |
|-------------------------|-----------------------------|
| 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> | |
| 2015 | \$ 201,357 | \$ 47,935 | \$ 249,292 | \$ 10,708 | \$ 260,000 |
| 2016 | 175,154 | 44,408 | 219,562 | 20,438 | 240,000 |
| 2017 | 256,650 | 69,087 | 325,737 | 49,263 | 375,000 |
| 2018 | 223,545 | 63,715 | 287,260 | 62,740 | 350,000 |
| 2019 | 192,780 | 58,032 | 250,812 | 74,188 | 325,000 |
| 2020 | 257,668 | 81,733 | 339,401 | 130,599 | 470,000 |
| 2021 | 225,713 | 74,548 | 300,261 | 144,739 | 445,000 |
| 2022 | 750,424 | 250,315 | 1,000,739 | 574,261 | 1,575,000 |
| 2023 | 333,114 | 112,213 | 445,327 | 299,673 | 745,000 |
| | <u>\$ 2,616,405</u> | <u>\$ 801,986</u> | <u>\$ 3,418,391</u> | <u>\$ 1,366,609</u> | <u>\$ 4,785,000</u> |

CITY OF DES PLAINES, ILLINOIS
LONG TERM DEBT REQUIREMENTS
GENERAL OBLIGATION REFUNDING BONDS, SERIES 2009B (STREETS)
December 31, 2014

| | |
|-------------------------|-----------------------------|
| 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 | | | |
|--|------------------|-----------------|--------------|---------------|---------------|-------------------|---------------|
| | <u>Principal</u> | <u>Interest</u> | <u>Total</u> | <u>June 1</u> | <u>Amount</u> | <u>December 1</u> | <u>Amount</u> |
| 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 |
| | \$ 805,000 | \$ 71,150 | \$ 876,150 | | \$ 35,575 | | \$ 35,575 |

CITY OF DES PLAINES, ILLINOIS
LONG TERM DEBT REQUIREMENTS
GENERAL OBLIGATION REFUNDING BONDS, SERIES 2010A (TIF #3)
December 31, 2014

| | |
|-------------------------|-----------------------------|
| 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 |
| 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 | \$ 1,492,150 | \$ 5,437,150 | | \$ 746,075 | | \$ 746,075 |

CITY OF DES PLAINES, ILLINOIS
LONG TERM DEBT REQUIREMENTS
GENERAL OBLIGATION REFUNDING BONDS, SERIES 2010B (TIF #3, CAPITAL APPRECIATION)
December 31, 2014

| | |
|-----------------------|------------------|
| 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 | \$ 57,202 | \$ 324,108 | \$ 40,892 | \$ 365,000 |
| 2018 | 545,653 | 123,338 | 668,991 | 121,009 | 790,000 |
| 2019 | 513,382 | 122,116 | 635,498 | 154,502 | 790,000 |
| 2020 | 457,968 | 117,148 | 575,116 | 184,884 | 760,000 |
| 2021 | 416,648 | 114,144 | 530,792 | 219,208 | 750,000 |
| 2022 | 574,365 | 160,867 | 735,232 | 364,768 | 1,100,000 |
| 2023 | 891,472 | 255,139 | 1,146,611 | 673,389 | 1,820,000 |
| 2024 | 843,041 | 243,871 | 1,086,912 | 738,088 | 1,825,000 |
| 2025 | 794,295 | 232,216 | 1,026,511 | 798,489 | 1,825,000 |
| 2026 | 807,030 | 238,433 | 1,045,463 | 924,537 | 1,970,000 |
| | <u>\$ 6,110,760</u> | <u>\$ 1,664,474</u> | <u>\$ 7,775,234</u> | <u>\$ 4,219,766</u> | <u>\$ 11,995,000</u> |

CITY OF DES PLAINES, ILLINOIS
LONG TERM DEBT REQUIREMENTS
GENERAL OBLIGATION REFUNDING BONDS, SERIES 2011A (TOTAL ISSUE)
December 31, 2014

| | |
|-------------------------|-----------------------------|
| 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 <u>December 31</u> | Requirements | | | Interest Due | | | |
|--|--------------|------------|--------------|---------------|------------|-------------------|------------|
| | Principal | Interest | Total | <u>June 1</u> | Amount | <u>December 1</u> | Amount |
| 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 |
| | \$ 2,690,000 | \$ 261,550 | \$ 2,951,550 | | \$ 130,774 | | \$ 130,776 |

CITY OF DES PLAINES, ILLINOIS
LONG TERM DEBT REQUIREMENTS
GENERAL OBLIGATION REFUNDING BONDS, SERIES 2011A (TIF #1 PORTION)
December 31, 2014

| | |
|-------------------------|-----------------------------|
| Date of issue | December 22, 2011 |
| Date of maturity | December 1, 2020 |
| 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 <u>December 31</u> | Requirements | | | Interest Due | | | |
|--|---------------------|------------------|---------------------|---------------|------------------|-------------------|------------------|
| | <u>Principal</u> | <u>Interest</u> | <u>Total</u> | <u>June 1</u> | <u>Amount</u> | <u>December 1</u> | <u>Amount</u> |
| 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>\$ 1,065,000</u> | <u>\$ 87,775</u> | <u>\$ 1,152,775</u> | | <u>\$ 43,888</u> | | <u>\$ 43,887</u> |

CITY OF DES PLAINES, ILLINOIS
LONG TERM DEBT REQUIREMENTS
GENERAL OBLIGATION REFUNDING BONDS, SERIES 2011A (TIF #3 PORTION)
December 31, 2014

| | |
|-------------------------|-----------------------------|
| 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 <u>December 31</u> | Requirements | | | Interest Due | | | |
|--|------------------|-----------------|--------------|---------------|---------------|-------------------|---------------|
| | <u>Principal</u> | <u>Interest</u> | <u>Total</u> | <u>June 1</u> | <u>Amount</u> | <u>December 1</u> | <u>Amount</u> |
| 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 |
| | \$ 745,000 | \$ 89,501 | \$ 834,501 | | \$ 44,750 | | \$ 44,751 |

CITY OF DES PLAINES, ILLINOIS
LONG TERM DEBT REQUIREMENTS
GENERAL OBLIGATION REFUNDING BONDS, SERIES 2011A (TIF #5 PORTION)
December 31, 2014

| | |
|-------------------------|-----------------------------|
| 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 <u>December 31</u> | Requirements | | | Interest Due | | | |
|--|------------------|-----------------|--------------|---------------|---------------|-------------------|---------------|
| | <u>Principal</u> | <u>Interest</u> | <u>Total</u> | <u>June 1</u> | <u>Amount</u> | <u>December 1</u> | <u>Amount</u> |
| 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 |
| | \$ 705,000 | \$ 67,775 | \$ 772,775 | | \$ 33,887 | | \$ 33,888 |

CITY OF DES PLAINES, ILLINOIS
LONG TERM DEBT REQUIREMENTS
GENERAL OBLIGATION REFUNDING BONDS, SERIES 2011A (TIF #6 PORTION)
December 31, 2014

| | |
|-------------------------|-----------------------------|
| 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 <u>December 31</u> | Requirements | | | Interest Due | | | |
|--|--------------|-----------|------------|---------------|----------|-------------------|----------|
| | Principal | Interest | Total | <u>June 1</u> | Amount | <u>December 1</u> | Amount |
| 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 |
| | \$ 175,000 | \$ 16,499 | \$ 191,499 | | \$ 8,249 | | \$ 8,250 |

CITY OF DES PLAINES, ILLINOIS
LONG TERM DEBT REQUIREMENTS
GENERAL OBLIGATION REFUNDING BONDS, SERIES 2012A (TIF #1)
December 31, 2014

| | |
|-------------------------|-----------------------------|
| Date of issue | December 18, 2012 |
| Date of maturity | December 1, 2020 |
| Authorized issue | \$ 3,765,000 |
| Denomination of bonds | \$ 5,000 |
| Interest rates | 1.00% to 2.00% |
| | |
| 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 |
| 2015 | \$ 460,000 | \$ 42,988 | \$ 502,988 | 2015 | \$ 21,494 | 2015 | \$ 21,494 |
| 2016 | 465,000 | 37,238 | 502,238 | 2016 | 18,619 | 2016 | 18,619 |
| 2017 | 470,000 | 31,424 | 501,424 | 2017 | 15,712 | 2017 | 15,712 |
| 2018 | 475,000 | 24,374 | 499,374 | 2018 | 12,187 | 2018 | 12,187 |
| 2019 | 490,000 | 17,250 | 507,250 | 2019 | 8,625 | 2019 | 8,625 |
| 2020 | 495,000 | 9,900 | 504,900 | 2020 | 4,950 | 2020 | 4,950 |
| | \$ 2,855,000 | \$ 163,174 | \$ 3,018,174 | | \$ 81,587 | | \$ 81,587 |

CITY OF DES PLAINES, ILLINOIS
LONG TERM DEBT REQUIREMENTS
TAXABLE GENERAL OBLIGATION REFUNDING BONDS, SERIES 2013 (TOTAL ISSUE)
December 31, 2014

| | |
|-------------------------|-----------------------------|
| Date of issue | December 17, 2013 |
| Date of maturity | December 1, 2021 |
| Authorized issue | \$ 7,945,000 |
| Denomination of bonds | \$ 5,000 |
| Interest rates | 3.00% to 3.30% |
| 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 |
| 2015 | \$ 965,000 | \$ 212,072 | \$ 1,177,072 | 2015 | \$ 106,036 | 2015 | \$ 106,036 |
| 2016 | 1,005,000 | 183,122 | 1,188,122 | 2016 | 91,561 | 2016 | 91,561 |
| 2017 | 1,030,000 | 152,972 | 1,182,972 | 2017 | 76,486 | 2017 | 76,486 |
| 2018 | 1,070,000 | 122,072 | 1,192,072 | 2018 | 61,036 | 2018 | 61,036 |
| 2019 | 1,100,000 | 89,972 | 1,189,972 | 2019 | 44,986 | 2019 | 44,986 |
| 2020 | 1,140,000 | 56,972 | 1,196,972 | 2020 | 28,486 | 2020 | 28,486 |
| 2021 | 690,000 | 22,772 | 712,772 | 2021 | 11,386 | 2021 | 11,386 |
| | <u>\$ 7,000,000</u> | <u>\$ 839,954</u> | <u>\$ 7,839,954</u> | | <u>\$ 419,977</u> | | <u>\$ 419,977</u> |

CITY OF DES PLAINES, ILLINOIS
LONG TERM DEBT REQUIREMENTS
TAXABLE GENERAL OBLIGATION REFUNDING BONDS, SERIES 2013 (TIF #1 PORTION)
December 31, 2014

| | |
|-------------------------|-----------------------------|
| Date of issue | December 17, 2013 |
| Date of maturity | December 1, 2020 |
| Authorized issue | \$ 2,990,000 |
| Denomination of bonds | \$ 5,000 |
| Interest rates | 3.00% to 3.30% |
| | |
| 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 |
| 2015 | \$ 395,000 | \$ 78,150 | \$ 473,150 | 2015 | \$ 39,075 | 2015 | \$ 39,075 |
| 2016 | 410,000 | 66,300 | 476,300 | 2016 | 33,150 | 2016 | 33,150 |
| 2017 | 425,000 | 54,000 | 479,000 | 2017 | 27,000 | 2017 | 27,000 |
| 2018 | 440,000 | 41,250 | 481,250 | 2018 | 20,625 | 2018 | 20,625 |
| 2019 | 460,000 | 28,050 | 488,050 | 2019 | 14,025 | 2019 | 14,025 |
| 2020 | 475,000 | 14,250 | 489,250 | 2020 | 7,125 | 2020 | 7,125 |
| | \$ 2,605,000 | \$ 282,000 | \$ 2,887,000 | | \$ 141,000 | | \$ 141,000 |

CITY OF DES PLAINES, ILLINOIS
LONG TERM DEBT REQUIREMENTS
TAXABLE GENERAL OBLIGATION REFUNDING BONDS, SERIES 2013 (TIF #3 PORTION)
December 31, 2014

| | |
|-------------------------|-----------------------------|
| Date of issue | December 17, 2013 |
| Date of maturity | December 1, 2021 |
| Authorized issue | \$ 565,000 |
| Denomination of bonds | \$ 5,000 |
| Interest rates | 3.00% to 3.30% |
| | |
| 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 |
| 2015 | \$ 65,000 | \$ 15,226 | \$ 80,226 | 2015 | \$ 7,613 | 2015 | \$ 7,613 |
| 2016 | 70,000 | 13,276 | 83,276 | 2016 | 6,638 | 2016 | 6,638 |
| 2017 | 70,000 | 11,176 | 81,176 | 2017 | 5,588 | 2017 | 5,588 |
| 2018 | 75,000 | 9,076 | 84,076 | 2018 | 4,538 | 2018 | 4,538 |
| 2019 | 70,000 | 6,826 | 76,826 | 2019 | 3,413 | 2019 | 3,413 |
| 2020 | 75,000 | 4,726 | 79,726 | 2020 | 2,363 | 2020 | 2,363 |
| 2021 | 75,000 | 2,476 | 77,476 | 2021 | 1,238 | 2021 | 1,238 |
| | \$ 500,000 | \$ 62,782 | \$ 562,782 | | \$ 31,391 | | \$ 31,391 |

CITY OF DES PLAINES, ILLINOIS
LONG TERM DEBT REQUIREMENTS
TAXABLE GENERAL OBLIGATION REFUNDING BONDS, SERIES 2013 (TIF #6 PORTION)
December 31, 2014

| | |
|-------------------------|-----------------------------|
| Date of issue | December 17, 2013 |
| Date of maturity | December 1, 2021 |
| Authorized issue | \$ 4,390,000 |
| Denomination of bonds | \$ 5,000 |
| Interest rates | 3.00% to 3.30% |
| | |
| 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 | | | |
|--|---------------------|-------------------|---------------------|---------------|-------------------|-------------------|-------------------|
| | <u>Principal</u> | <u>Interest</u> | <u>Total</u> | <u>June 1</u> | <u>Amount</u> | <u>December 1</u> | <u>Amount</u> |
| 2015 | \$ 505,000 | \$ 118,696 | \$ 623,696 | 2015 | \$ 59,348 | 2015 | \$ 59,348 |
| 2016 | 525,000 | 103,546 | 628,546 | 2016 | 51,773 | 2016 | 51,773 |
| 2017 | 535,000 | 87,796 | 622,796 | 2017 | 43,898 | 2017 | 43,898 |
| 2018 | 555,000 | 71,746 | 626,746 | 2018 | 35,873 | 2018 | 35,873 |
| 2019 | 570,000 | 55,096 | 625,096 | 2019 | 27,548 | 2019 | 27,548 |
| 2020 | 590,000 | 37,996 | 627,996 | 2020 | 18,998 | 2020 | 18,998 |
| 2021 | 615,000 | 20,296 | 635,296 | 2021 | 10,148 | 2021 | 10,148 |
| | <u>\$ 3,895,000</u> | <u>\$ 495,172</u> | <u>\$ 4,390,172</u> | | <u>\$ 247,586</u> | | <u>\$ 247,586</u> |

CITY OF DES PLAINES, ILLINOIS
LONG TERM DEBT REQUIREMENTS
TAXABLE GENERAL OBLIGATION BONDS, SERIES 2014A (TIF #6)
December 31, 2014

| | |
|-------------------------|-----------------------------|
| Date of issue | September 4, 2014 |
| Date of maturity | December 1, 2021 |
| Authorized issue | \$ 2,020,000 |
| Denomination of bonds | \$ 5,000 |
| Interest rates | 1.00% to 2.60% |
| | |
| 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 |
| 2015 | \$ 200,000 | \$ 35,525 | \$ 235,525 | 2015 | \$ 17,763 | 2015 | \$ 17,762 |
| 2016 | 220,000 | 33,525 | 253,525 | 2016 | 16,762 | 2016 | 16,763 |
| 2017 | 240,000 | 31,325 | 271,325 | 2017 | 15,663 | 2017 | 15,662 |
| 2018 | 260,000 | 27,965 | 287,965 | 2018 | 13,982 | 2018 | 13,983 |
| 2019 | 290,000 | 23,026 | 313,026 | 2019 | 11,513 | 2019 | 11,513 |
| 2020 | 315,000 | 16,790 | 331,790 | 2020 | 8,395 | 2020 | 8,395 |
| 2021 | 355,000 | 9,230 | 364,230 | 2021 | 4,615 | 2021 | 4,615 |
| | \$ 1,880,000 | \$ 177,386 | \$ 2,057,386 | | \$ 88,693 | | \$ 88,693 |

CITY OF DES PLAINES, ILLINOIS
LONG TERM DEBT REQUIREMENTS
GENERAL OBLIGATION BONDS, SERIES 2014B (TOTAL ISSUE)
December 31, 2014

| | |
|-------------------------|-----------------------------|
| Date of issue | September 4, 2014 |
| Date of maturity | December 1, 2022 |
| Authorized issue | \$ 5,600,000 |
| Denomination of bonds | \$ 5,000 |
| Interest rates | 0.75% to 3.00% |
| | |
| 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 |
| 2015 | \$ 725,000 | \$ 112,962 | \$ 837,962 | 2015 | \$ 56,481 | 2015 | \$ 56,481 |
| 2016 | 750,000 | 98,462 | 848,462 | 2016 | 49,231 | 2016 | 49,231 |
| 2017 | 1,145,000 | 83,462 | 1,228,462 | 2017 | 41,731 | 2017 | 41,731 |
| 2018 | 1,165,000 | 60,562 | 1,225,562 | 2018 | 30,281 | 2018 | 30,281 |
| 2019 | 440,000 | 37,262 | 477,262 | 2019 | 18,631 | 2019 | 18,631 |
| 2020 | 445,000 | 28,462 | 473,462 | 2020 | 14,231 | 2020 | 14,231 |
| 2021 | 455,000 | 19,562 | 474,562 | 2021 | 9,781 | 2021 | 9,781 |
| 2022 | 465,000 | 10,466 | 475,466 | 2022 | 5,233 | 2022 | 5,233 |
| | \$ 5,590,000 | \$ 451,200 | \$ 6,041,200 | | \$ 225,600 | | \$ 225,600 |

CITY OF DES PLAINES, ILLINOIS
LONG TERM DEBT REQUIREMENTS
GENERAL OBLIGATION BONDS, SERIES 2014B (TIF #3)
December 31, 2014

| | |
|-------------------------|-----------------------------|
| Date of issue | September 4, 2014 |
| Date of maturity | December 1, 2022 |
| Authorized issue | \$ 2,720,000 |
| Denomination of bonds | \$ 5,000 |
| Interest rates | 0.75% to 3.00% |
| | |
| 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 |
| 2015 | \$ 30,000 | \$ 55,462 | \$ 85,462 | 2015 | \$ 27,731 | 2015 | \$ 27,731 |
| 2016 | 30,000 | 54,862 | 84,862 | 2016 | 27,431 | 2016 | 27,431 |
| 2017 | 420,000 | 54,262 | 474,262 | 2017 | 27,131 | 2017 | 27,131 |
| 2018 | 430,000 | 45,862 | 475,862 | 2018 | 22,931 | 2018 | 22,931 |
| 2019 | 440,000 | 37,262 | 477,262 | 2019 | 18,631 | 2019 | 18,631 |
| 2020 | 445,000 | 28,462 | 473,462 | 2020 | 14,231 | 2020 | 14,231 |
| 2021 | 455,000 | 19,562 | 474,562 | 2021 | 9,781 | 2021 | 9,781 |
| 2022 | 465,000 | 10,466 | 475,466 | 2022 | 5,233 | 2022 | 5,233 |
| | \$ 2,715,000 | \$ 306,200 | \$ 3,021,200 | | \$ 153,100 | | \$ 153,100 |

CITY OF DES PLAINES, ILLINOIS
LONG TERM DEBT REQUIREMENTS
GENERAL OBLIGATION BONDS, SERIES 2014B (CAPITAL PROJECTS - LIBRARY)
December 31, 2014

| | |
|-------------------------|-----------------------------|
| Date of issue | September 4, 2014 |
| Date of maturity | December 1, 2018 |
| Authorized issue | \$ 2,880,000 |
| Denomination of bonds | \$ 5,000 |
| Interest rates | 0.75% to 1.65% |
| | |
| 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 |
| 2015 | \$ 695,000 | \$ 57,500 | \$ 752,500 | 2015 | \$ 28,750 | 2015 | \$ 28,750 |
| 2016 | 720,000 | 43,600 | 763,600 | 2016 | 21,800 | 2016 | 21,800 |
| 2017 | 725,000 | 29,200 | 754,200 | 2017 | 14,600 | 2017 | 14,600 |
| 2018 | 735,000 | 14,700 | 749,700 | 2018 | 7,350 | 2018 | 7,350 |
| | \$ 2,875,000 | \$ 145,000 | \$ 3,020,000 | | \$ 72,500 | | \$ 72,500 |

CITY OF DES PLAINES, ILLINOIS
LONG TERM DEBT REQUIREMENTS
TAX INCREMENT REVENUE NOTE, SERIES 2002 - NORWOOD PARTNERSHIP LLC
December 31, 2014

| | |
|-------------------------|-------------------------|
| Date of issue | May 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 | | |
|--|--------------|-----------|------------|
| | Principal | Interest | Total |
| 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 |
| | \$ 205,841 | \$ 39,433 | \$ 245,274 |

CITY OF DES PLAINES, ILLINOIS
LONG TERM DEBT REQUIREMENTS
TAX INCREMENT REVENUE NOTE, SERIES 2003 - LAB GRACELAND
December 31, 2014

| | |
|-------------------------|--------------------------------|
| 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 |
| 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 |
| | \$ 217,749 | \$ 41,715 | \$ 259,464 |

CITY OF DES PLAINES, ILLINOIS
 SHORT TERM DEBT REQUIREMENTS
 EQUIPMENT LOAN (FIRE ENGINE)
 December 31, 2014

| | |
|-------------------------|----------------------------|
| 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> | Requirements Principal |
|--|---------------------------|
| 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 |
| | \$ 187,500 |

STATISTICAL SECTION

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

Contents

Financial Trends

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time. 161-170

Revenue Capacity

These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax. 171-189

Debt Capacity

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future. 190-194

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within the City's financial activities take place. 195-198

Operating Information

These schedules contain information about the City's service and resources to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs. 199-207

CITY OF DES PLAINES

CHANGES IN NET POSITION Last Ten Calendar Years (accrual basis of accounting) 12/31/2014

| | 2005 | 2006 | 2007 | 2008 |
|---|------------------------|------------------------|------------------------|------------------------|
| Expenses | | | | |
| Governmental activities | | | | |
| General government | \$ 5,905,963 | \$ 6,752,529 | \$ 6,267,556 | \$ 5,268,048 |
| Public safety | 28,982,520 | 34,102,357 | 31,161,886 | 36,126,401 |
| Public works | 10,957,745 | 8,730,946 | 10,282,409 | 10,520,898 |
| Streets and highways | 8,522,062 | 9,692,117 | 6,902,837 | 11,260,079 |
| Economic development | 7,695,464 | 2,885,691 | 1,780,760 | 3,504,617 |
| Interest | 4,610,023 | 4,049,875 | 4,172,033 | 4,031,768 |
| Total governmental activities expenses | <u>66,673,777</u> | <u>66,213,515</u> | <u>60,567,481</u> | <u>70,711,811</u> |
| Business-type activities | | | | |
| Water | 8,924,500 | 8,706,183 | 8,693,595 | 11,038,869 |
| Parking system | 781,808 | 1,206,169 | 1,015,561 | 1,034,814 |
| Emergency communications | 4,172,076 | 4,816,445 | 4,724,236 | 5,005,419 |
| Total business-type activities | <u>13,878,384</u> | <u>14,728,797</u> | <u>14,433,392</u> | <u>17,079,102</u> |
| Total primary government expenses | <u>\$ 80,552,161</u> | <u>\$ 80,942,312</u> | <u>\$ 75,000,873</u> | <u>\$ 87,790,913</u> |
| Component unit - public library | <u>\$ 5,493,487</u> | <u>\$ 5,696,530</u> | <u>\$ 6,041,020</u> | <u>\$ 6,393,149</u> |
| Program Revenues | | | | |
| Governmental activities | | | | |
| Charges for services | | | | |
| General government | \$ 4,293,840 | \$ 3,150,016 | \$ 3,417,462 | \$ 4,319,510 |
| Public safety | 1,189,971 | 3,398,632 | 3,135,477 | 2,600,306 |
| Public works | 4,486,652 | 2,673,882 | 3,187,494 | 3,408,346 |
| Streets and highways | 1,377,833 | 1,717,115 | 1,752,532 | 1,664,099 |
| Economic development | 187,626 | - | - | - |
| Operating grants and contributions | 2,159,872 | 599,948 | 1,483,651 | 3,212,671 |
| Capital grants and contributions | 222,311 | 945,493 | 1,823,040 | 232,175 |
| Total governmental activities program Revenues | <u>13,918,105</u> | <u>12,485,086</u> | <u>14,799,656</u> | <u>15,437,107</u> |
| Business-type activities | | | | |
| Charges for services | | | | |
| Water | 10,301,213 | 9,639,028 | 9,736,135 | 11,759,644 |
| Parking system | 209,090 | 261,747 | 329,478 | 315,071 |
| Emergency communications | 4,450,986 | 4,581,164 | 5,089,957 | 6,251,670 |
| Operating grants and contributions | - | 309,784 | 25,546 | 153,853 |
| Capital grants and contributions | - | - | - | - |
| Total business-type activities program Revenues | <u>14,961,289</u> | <u>14,791,723</u> | <u>15,181,116</u> | <u>18,480,238</u> |
| Total primary government program | <u>\$ 28,879,394</u> | <u>\$ 27,276,809</u> | <u>\$ 29,980,772</u> | <u>\$ 33,917,345</u> |
| Component unit - public library | | | | |
| Charges for services | \$ 147,392 | \$ 154,056 | \$ 152,787 | \$ 142,245 |
| Operating grants | 148,902 | 137,227 | 108,801 | 157,151 |
| Capital grants | - | - | - | - |
| Total component unit - public library Revenues | <u>\$ 296,294</u> | <u>\$ 291,283</u> | <u>\$ 261,588</u> | <u>\$ 299,396</u> |
| Net (expense)/revenue | | | | |
| Governmental activities | \$ (52,755,672) | \$ (53,728,429) | \$ (45,767,825) | \$ (55,274,704) |
| Business-type activities | 1,082,905 | 62,926 | 747,724 | 1,401,136 |
| Total primary government net expense | <u>\$ (51,672,767)</u> | <u>\$ (53,665,503)</u> | <u>\$ (45,020,101)</u> | <u>\$ (53,873,568)</u> |
| Component unit - public library net Expense | <u>\$ (5,197,193)</u> | <u>\$ (5,405,247)</u> | <u>\$ (5,779,432)</u> | <u>\$ (6,093,753)</u> |
| General Revenues and Other Changes in | | | | |

| | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
|----|---------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| \$ | 8,913,451 | \$ 8,939,465 | \$ 18,270,898 | \$ 26,776,957 | \$ 26,119,801 | \$ 25,998,813 |
| | 36,457,403 | 35,365,323 | 38,529,145 | 37,899,640 | 38,792,971 | 38,962,218 |
| | 9,608,620 | 7,550,803 | 8,537,753 | 7,637,527 | 8,448,448 | 7,632,615 |
| | 10,807,891 | 9,499,575 | 10,341,746 | 10,686,981 | 11,450,291 | 13,643,574 |
| | 2,184,724 | 1,487,301 | 1,161,997 | 1,553,448 | 1,906,584 | 2,346,862 |
| | 3,984,468 | 3,631,361 | 3,274,304 | 3,046,102 | 2,709,144 | 1,679,828 |
| | <u>71,956,557</u> | <u>66,473,828</u> | <u>80,115,843</u> | <u>87,600,655</u> | <u>89,427,239</u> | <u>90,263,910</u> |
| | 11,831,289 | 11,912,298 | 12,528,325 | 14,161,409 | 15,412,364 | 16,528,659 |
| | 888,277 | 803,475 | 802,934 | 783,586 | 808,793 | 833,974 |
| | - | - | - | - | 2,247,933 | 4,057,033 |
| | <u>12,719,566</u> | <u>12,715,773</u> | <u>13,331,259</u> | <u>14,944,995</u> | <u>18,469,090</u> | <u>21,419,666</u> |
| \$ | <u>84,676,123</u> | <u>\$ 79,189,601</u> | <u>\$ 93,447,102</u> | <u>\$ 102,545,650</u> | <u>\$ 107,896,329</u> | <u>\$ 111,683,576</u> |
| \$ | <u>6,482,277</u> | <u>\$ 5,994,030</u> | <u>\$ 5,798,824</u> | <u>\$ 5,648,933</u> | <u>\$ 6,073,379</u> | <u>\$ 6,362,235</u> |
| \$ | 8,182,538 | \$ 8,546,887 | \$ 6,223,077 | \$ 5,869,247 | \$ 5,774,206 | \$ 5,828,028 |
| | 2,450,209 | 3,293,616 | 3,740,733 | 3,745,369 | 3,259,941 | 3,003,477 |
| | 3,537,886 | 3,694,457 | 3,826,957 | 3,955,349 | 4,092,464 | 3,225,062 |
| | 1,531,176 | 2,376,318 | 2,323,567 | 2,434,345 | 2,288,299 | 2,221,419 |
| | - | - | - | - | - | - |
| | 1,970,206 | 3,322,252 | 3,797,791 | 2,762,161 | 2,996,521 | 2,307,571 |
| | 438,582 | 11,294,273 | 4,851,117 | 3,267,066 | 576,573 | 4,109,373 |
| | <u>18,110,597</u> | <u>32,527,803</u> | <u>24,763,242</u> | <u>22,033,537</u> | <u>18,988,004</u> | <u>20,694,930</u> |
| | 10,965,188 | 11,509,315 | 11,286,580 | 14,162,219 | 13,810,387 | 14,550,984 |
| | 267,699 | 309,312 | 283,554 | 370,038 | 336,051 | 365,811 |
| | - | - | - | - | 2,089,579 | 3,136,798 |
| | - | 132,274 | 4,691 | 2,039 | 8,237 | 5,804 |
| | - | 235,119 | - | - | - | - |
| | <u>11,232,887</u> | <u>12,186,020</u> | <u>11,574,825</u> | <u>14,534,296</u> | <u>16,244,254</u> | <u>18,059,397</u> |
| \$ | <u>29,343,484</u> | <u>\$ 44,713,823</u> | <u>\$ 36,338,067</u> | <u>\$ 36,567,833</u> | <u>\$ 35,232,258</u> | <u>\$ 38,754,327</u> |
| \$ | 147,700 | \$ 166,497 | \$ 147,023 | \$ 156,752 | \$ 164,584 | \$ 151,688 |
| | 78,014 | 65,969 | 64,080 | 59,852 | 63,977 | 72,955 |
| | - | - | - | - | - | - |
| \$ | <u>225,714</u> | <u>\$ 232,466</u> | <u>\$ 211,103</u> | <u>\$ 216,604</u> | <u>\$ 228,561</u> | <u>\$ 224,643</u> |
| \$ | (53,845,960) | \$ (33,946,025) | \$ (55,352,601) | \$ (65,567,118) | \$ (70,439,235) | \$ (69,568,980) |
| | (1,486,679) | (529,753) | (1,756,434) | (410,699) | (2,224,836) | (3,360,269) |
| \$ | <u>(55,332,639)</u> | <u>\$ (34,475,778)</u> | <u>\$ (57,109,035)</u> | <u>\$ (65,977,817)</u> | <u>\$ (72,664,071)</u> | <u>\$ (72,929,249)</u> |
| \$ | <u>(6,256,563)</u> | <u>\$ (5,761,564)</u> | <u>\$ (5,587,721)</u> | <u>\$ (5,432,329)</u> | <u>\$ (5,844,818)</u> | <u>\$ (6,137,592)</u> |

CITY OF DES PLAINES

CHANGES IN NET POSITION Last Ten Calendar Years (accrual basis of accounting) 12/31/2014

| | 2005 | 2006 | 2007 | 2008 |
|---------------------------------------|----------------|---------------|---------------|---------------|
| Net Position | | | | |
| Governmental activities | | | | |
| Taxes | | | | |
| Property | \$ 19,949,024 | \$ 22,115,583 | \$ 23,773,249 | \$ 26,700,637 |
| Utility | 2,594,534 | 2,579,105 | 2,510,644 | 2,583,405 |
| Home rule sales | 4,119,582 | 4,887,837 | 5,735,928 | 5,559,673 |
| Food and beverage | 807,421 | 933,162 | 964,590 | 953,597 |
| Hotel/motel | 789,748 | 1,242,613 | 1,298,403 | 1,621,451 |
| Real estate transfer | 1,114,479 | 1,186,212 | 975,339 | 525,343 |
| Local option motor fuel | 929,005 | 1,527,438 | 1,687,130 | 857,659 |
| Gaming | - | - | - | - |
| Other | 1,982,000 | 2,541,496 | 3,454,589 | 3,802,103 |
| Unrestricted intergovernmental | | | | |
| Sales | 8,104,425 | 9,220,053 | 9,265,270 | 9,147,989 |
| Income | 4,284,621 | 5,197,409 | 5,296,209 | 5,446,073 |
| Replacement | 1,193,354 | 1,238,962 | 1,530,070 | 1,408,713 |
| Investment income | 895,113 | 1,445,882 | 816,908 | 420,479 |
| Miscellaneous | 181,237 | 246,840 | 296,990 | 1,095,228 |
| Gain (loss) on sale of capital assets | 45,300 | 3,479,486 | (6,108,598) | 100,853 |
| Contributions | - | - | - | - |
| Transfers | (847,230) | (45,809) | 210,074 | 156,211 |
| Total governmental activities | 46,142,613 | 57,796,269 | 51,706,795 | 60,379,414 |
| Business-type activities | | | | |
| Investment income | 29,041 | 76,614 | 223,390 | 61,239 |
| Miscellaneous | 13,651 | 6,626 | 161,232 | - |
| Contributions | - | - | - | - |
| Transfers | 847,230 | 45,809 | (210,074) | (156,211) |
| Total business-type activities | 889,922 | 129,049 | 174,548 | (94,972) |
| Total primary government | \$ 47,032,535 | \$ 57,925,318 | \$ 51,881,343 | \$ 60,284,442 |
| Component unit - public library | | | | |
| Taxes | | | | |
| Property | \$ 5,129,546 | \$ 5,696,408 | \$ 5,970,175 | \$ 6,478,587 |
| Unrestricted intergovernmental | | | | |
| Replacement | 92,988 | 92,988 | 92,988 | 92,988 |
| Investment income | 8,526 | 29,406 | 52,417 | 46,892 |
| Other general revenues | 53,423 | 36,001 | 25,675 | 48,461 |
| Total component unit - public library | \$ 5,284,483 | \$ 5,854,803 | \$ 6,141,255 | \$ 6,666,928 |
| Changes in Net Position | | | | |
| Governmental activities | \$ (6,613,059) | \$ 4,067,840 | \$ 5,938,970 | \$ 5,104,710 |
| Business-type activities | 1,972,827 | 191,975 | 922,272 | 1,306,164 |
| Total primary government | \$ (4,640,232) | \$ 4,259,815 | \$ 6,861,242 | \$ 6,410,874 |
| Total component unit - public library | \$ 87,290 | \$ 449,556 | \$ 361,823 | \$ 573,175 |

| | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
|----|-------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| \$ | 27,934,060 | \$ 29,117,259 | \$ 29,671,822 | \$ 28,841,683 | \$ 28,575,125 | \$ 28,442,253 |
| | 2,184,785 | 3,353,950 | 3,401,735 | 3,239,299 | 3,264,076 | 5,934,305 |
| | 4,775,264 | 4,834,624 | 5,034,311 | 5,544,261 | 5,640,304 | 3,358,459 |
| | 897,541 | 911,865 | 1,059,647 | 1,236,942 | 1,177,511 | 1,190,477 |
| | 1,243,395 | 1,387,872 | 1,440,269 | 1,675,772 | 1,752,342 | 1,988,301 |
| | 341,949 | 399,853 | 393,417 | 407,884 | 436,309 | 610,997 |
| | 828,082 | 1,683,503 | 1,719,941 | 1,685,069 | 1,707,152 | 1,624,707 |
| | - | - | 10,819,591 | 24,802,456 | 24,662,123 | 24,792,544 |
| | 4,799,937 | 4,364,047 | 4,541,664 | 4,735,420 | 4,277,423 | 3,923,909 |
| | 8,271,828 | 8,589,981 | 8,690,828 | 9,695,640 | 13,486,496 | 12,354,237 |
| | 4,686,475 | 4,580,927 | 4,515,411 | 5,376,774 | 5,643,512 | 5,667,460 |
| | 1,229,867 | 1,296,063 | 1,207,737 | 1,143,050 | 1,341,936 | 1,303,645 |
| | 98,711 | 74,585 | 82,369 | 160,289 | 89,626 | 73,812 |
| | 1,422,497 | 965,645 | 783,626 | 1,280,897 | 899,031 | 862,423 |
| | 35,221 | 87,960 | - | - | - | - |
| | - | - | - | - | - | - |
| | (94,340) | 262,432 | (236,313) | 15,758 | (49,992) | (284,242) |
| | <u>58,655,272</u> | <u>61,910,566</u> | <u>73,126,055</u> | <u>89,841,194</u> | <u>92,902,974</u> | <u>91,843,287</u> |
| | 5,560 | 2,649 | 1,519 | 5,228 | 1,776 | 1,392 |
| | 20,097 | 27,568 | 845 | 2,756 | 5,388 | 716,306 |
| | - | - | - | - | - | - |
| | <u>94,340</u> | <u>(262,432)</u> | <u>236,313</u> | <u>(15,758)</u> | <u>49,992</u> | <u>284,242</u> |
| | <u>119,997</u> | <u>(232,215)</u> | <u>238,677</u> | <u>(7,774)</u> | <u>57,156</u> | <u>1,001,940</u> |
| \$ | <u>58,775,269</u> | <u>\$ 61,678,351</u> | <u>\$ 73,364,732</u> | <u>\$ 89,833,420</u> | <u>\$ 92,960,130</u> | <u>\$ 92,845,227</u> |
| \$ | 6,618,324 | \$ 6,352,938 | \$ 6,625,483 | \$ 6,398,159 | \$ 6,289,369 | \$ 6,144,530 |
| | 92,988 | 46,494 | 92,988 | 92,988 | 92,988 | 92,988 |
| | 6,838 | 4,167 | 2,434 | 5,364 | 1,945 | 1,104 |
| | <u>24,978</u> | <u>31,748</u> | <u>32,010</u> | <u>36,573</u> | <u>23,173</u> | <u>44,221</u> |
| \$ | <u>6,743,128</u> | <u>\$ 6,435,347</u> | <u>\$ 6,752,915</u> | <u>\$ 6,533,084</u> | <u>\$ 6,407,475</u> | <u>\$ 6,282,843</u> |
| \$ | 4,809,312 | \$ 27,964,541 | \$ 17,773,454 | \$ 24,274,076 | \$ 22,463,739 | \$ 22,274,307 |
| | (1,366,682) | (761,968) | (1,517,757) | (418,473) | (2,167,680) | (2,358,329) |
| \$ | <u>3,442,630</u> | <u>\$ 27,202,573</u> | <u>\$ 16,255,697</u> | <u>\$ 23,855,603</u> | <u>\$ 20,296,059</u> | <u>\$ 19,915,978</u> |
| \$ | <u>486,565</u> | <u>\$ 673,783</u> | <u>\$ 1,165,194</u> | <u>\$ 1,100,755</u> | <u>\$ 562,657</u> | <u>\$ 145,251</u> |

CITY OF DES PLAINES

NET POSITION BY COMPONENT Last Ten Calendar Years (accrual basis of accounting) December 31, 2014

| | 2005 | 2006 | 2007 | 2008 |
|---|-----------------------|-----------------------|-----------------------|-----------------------|
| Governmental Activities | | | | |
| Net Investment in Capital Assets | \$ 80,553,806 | \$ 84,159,240 | \$ 94,992,957 | \$ 100,771,214 |
| Restricted | 9,879,543 | 5,730,529 | 4,848,350 | 2,049,450 |
| Unrestricted | <u>5,783,030</u> | <u>10,394,451</u> | <u>4,594,811</u> | <u>6,720,164</u> |
| Total Governmental Activities Net Position | <u>\$ 96,216,379</u> | <u>\$ 100,284,220</u> | <u>\$ 104,436,118</u> | <u>\$ 109,540,828</u> |
| Business-type Activities | | | | |
| Net Investment in Capital Assets | \$ 31,767,374 | \$ 32,091,486 | \$ 31,379,369 | \$ 31,610,951 |
| Unrestricted | <u>5,611,933</u> | <u>5,479,796</u> | <u>7,328,004</u> | <u>8,402,586</u> |
| Total Business-type Activities Net Position | <u>\$ 37,379,307</u> | <u>\$ 37,571,282</u> | <u>\$ 38,707,373</u> | <u>\$ 40,013,537</u> |
| Primary Government | | | | |
| Net Investment in Capital Assets | \$ 112,321,180 | \$ 116,250,726 | \$ 126,372,326 | \$ 132,382,165 |
| Restricted | 9,879,543 | 5,730,529 | 4,848,350 | 2,049,450 |
| Unrestricted | <u>11,394,963</u> | <u>15,874,247</u> | <u>11,922,815</u> | <u>15,122,750</u> |
| Total Primary Government Net Position | <u>\$ 133,595,686</u> | <u>\$ 137,855,502</u> | <u>\$ 143,143,491</u> | <u>\$ 149,554,365</u> |
| Component Unit - Public Library | | | | |
| Net Investment in Capital Assets | \$ 324,570 | \$ 289,865 | \$ 254,678 | \$ 934,174 |
| Restricted | <u>318,608</u> | <u>802,869</u> | <u>1,301,241</u> | <u>1,194,920</u> |
| Total Component Unit Net Position | <u>\$ 643,178</u> | <u>\$ 1,092,734</u> | <u>\$ 1,555,919</u> | <u>\$ 2,129,094</u> |

| 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| \$ 106,143,382 | \$ 120,440,844 | \$ 116,287,802 | \$ 127,408,625 | \$ 141,973,412 | \$ 156,111,648 |
| 3,610,610 | 6,995,311 | 9,031,827 | 10,266,294 | 14,869,706 | 7,201,606 |
| 4,596,148 | 16,645,504 | 36,535,484 | 47,759,170 | 51,054,710 | 66,858,881 |
| <u>\$ 114,350,140</u> | <u>\$ 144,081,659</u> | <u>\$ 161,855,113</u> | <u>\$ 185,434,089</u> | <u>\$ 207,897,828</u> | <u>\$ 230,172,135</u> |
| \$ 30,743,586 | \$ 30,365,465 | \$ 30,336,201 | \$ 29,713,208 | \$ 29,853,240 | \$ 29,636,936 |
| 6,052,456 | 5,668,609 | 4,180,116 | 4,379,302 | 2,456,225 | 314,200 |
| <u>\$ 36,796,042</u> | <u>\$ 36,034,074</u> | <u>\$ 34,516,317</u> | <u>\$ 34,092,510</u> | <u>\$ 32,309,465</u> | <u>\$ 29,951,136</u> |
| \$ 136,886,968 | \$ 150,806,309 | \$ 146,624,003 | \$ 157,121,833 | \$ 171,826,652 | \$ 185,748,584 |
| 3,610,610 | 6,995,311 | 9,031,827 | 10,266,294 | 14,869,706 | 7,201,606 |
| 10,648,604 | 22,314,113 | 40,715,600 | 52,138,472 | 53,510,935 | 67,173,081 |
| <u>\$ 151,146,182</u> | <u>\$ 180,115,733</u> | <u>\$ 196,371,430</u> | <u>\$ 219,526,599</u> | <u>\$ 240,207,293</u> | <u>\$ 260,123,271</u> |
| \$ 894,053 | \$ 853,306 | \$ 814,501 | \$ 802,700 | \$ 862,543 | \$ 821,084 |
| 1,721,606 | 2,436,136 | 3,640,135 | 4,752,691 | 5,255,505 | 5,442,215 |
| <u>\$ 2,615,659</u> | <u>\$ 3,289,442</u> | <u>\$ 4,454,636</u> | <u>\$ 5,555,391</u> | <u>\$ 6,118,048</u> | <u>\$ 6,263,299</u> |

CITY OF DES PLAINES

FUND BALANCES, GOVERNMENTAL FUNDS
Last Ten Calendar Years
(modified accrual basis of accounting)
December 31, 2014

| | 2005 | 2006 | 2007 |
|------------------------------------|---------------|---------------|---------------|
| General Fund | | | |
| Reserved | \$ 12,159 | \$ 3,853,331 | \$ 6,881,187 |
| Unreserved | 7,208,910 | 3,929,509 | 1,075,635 |
| Nonspendable | | | |
| Assigned | | | |
| Unassigned | | | |
| Total general fund | 7,221,069 | 7,782,840 | 7,956,822 |
| All Other Governmental Funds | | | |
| Restricted | 9,732,766 | 9,056,602 | 5,148,408 |
| Unassigned, reported in | | | |
| Special revenue funds | (811,113) | (4,143,559) | (6,416,203) |
| Capital projects funds | 7,852,816 | 5,399,856 | 4,424,994 |
| Restricted | | | |
| Assigned | | | |
| Unassigned | | | |
| Total all other governmental funds | 16,774,469 | 10,312,899 | 3,157,199 |
| Total Fund Balances | \$ 23,995,538 | \$ 18,095,739 | \$ 11,114,021 |

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.

| 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
|---------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| \$ 8,140,055 | \$ 8,811,994 | \$ 7,980,992 | | | | |
| <u>1,230,256</u> | <u>4,174,231</u> | <u>15,413,074</u> | | | | |
| | | | \$ 8,162,664 | \$ 8,606,709 | \$ 9,900,296 | \$ 13,885,051 |
| | | | - | 4,161,818 | 13,633,108 | 9,150,000 |
| | | | <u>21,080,549</u> | <u>22,966,242</u> | <u>20,107,209</u> | <u>19,047,354</u> |
| <u>9,370,311</u> | <u>12,986,225</u> | <u>23,394,066</u> | <u>29,243,213</u> | <u>35,734,769</u> | <u>43,640,613</u> | <u>42,082,405</u> |
| 3,967,977 | 3,804,011 | 7,372,378 | | | | |
| 323,048 | (5,103,056) | (8,172,234) | | | | |
| <u>(4,648,291)</u> | <u>159,406</u> | <u>9,715,559</u> | | | | |
| | | | 12,910,496 | 23,036,807 | 29,327,541 | 28,716,570 |
| | | | 4,276,184 | 5,329,691 | 7,458,773 | 9,143,577 |
| | | | <u>(8,473,704)</u> | <u>(8,604,223)</u> | <u>(9,898,603)</u> | <u>(11,311,814)</u> |
| <u>(357,266)</u> | <u>(1,139,639)</u> | <u>8,915,703</u> | <u>8,712,976</u> | <u>19,762,275</u> | <u>26,887,711</u> | <u>26,548,333</u> |
| <u>\$ 9,013,045</u> | <u>\$ 11,846,586</u> | <u>\$ 32,309,769</u> | <u>\$ 37,956,189</u> | <u>\$ 55,497,044</u> | <u>\$ 70,528,324</u> | <u>\$ 68,630,738</u> |

CITY OF DES PLAINES

CHANGE IN FUND BALANCES, GOVERNMENTAL FUNDS Last Ten Calendar Years (modified accrual basis of accounting) December 31, 2014

| | 2005 | 2006 | 2007 |
|---|---------------------|-----------------------|-----------------------|
| Revenues | | | |
| Taxes | \$ 31,999,844 | \$ 35,327,688 | \$ 38,408,908 |
| Licenses and permits | 5,035,156 | 4,087,868 | 3,837,256 |
| Intergovernmental | 16,490,108 | 17,506,403 | 19,744,856 |
| Charges for services | 5,270,418 | 5,217,844 | 6,115,781 |
| Fines and forfeits | 952,933 | 1,369,000 | 1,431,591 |
| Investment income | 895,080 | 1,445,831 | 816,908 |
| Contributions | - | - | - |
| Miscellaneous | 191,419 | 1,004,746 | 463,875 |
| Total revenues | <u>60,834,958</u> | <u>65,959,380</u> | <u>70,819,175</u> |
| Expenditures | | | |
| General government | 6,561,256 | 7,244,757 | 7,585,644 |
| Public safety | 28,697,511 | 31,076,746 | 30,618,015 |
| Public works | 10,205,911 | 9,737,407 | 7,831,725 |
| Streets and highways | 1,688,099 | 927,067 | 5,259,528 |
| Economic development | 7,126,888 | 2,653,204 | 1,962,384 |
| Capital outlay | 20,361,771 | 15,015,630 | 17,051,160 |
| Debt service | | | |
| Principal retirement | 5,607,651 | 6,055,440 | 6,649,830 |
| Interest and fiscal charges | 4,392,379 | 4,801,392 | 4,135,049 |
| Payment to Refunding Bond Escrow | - | - | - |
| Total expenditures | <u>84,641,466</u> | <u>77,511,643</u> | <u>81,093,335</u> |
| Excess (deficiency) of revenues over expenditures | <u>(23,806,508)</u> | <u>(11,552,263)</u> | <u>(10,274,160)</u> |
| Other financing sources (uses) | | | |
| Proceeds from issuance of debt | 39,255,000 | - | 8,125,000 |
| Premium on bond issuance | 1,042,125 | - | - |
| Discount on bond issuance | (296,416) | - | - |
| Proceeds from sale of capital assets | 845,300 | 5,232,723 | 2,292,098 |
| Payments to escrow agent | (16,263,176) | - | (7,634,233) |
| Transfers in | 2,344,347 | 3,854,740 | 2,604,792 |
| Transfers (out) | (1,935,000) | (3,435,000) | (1,790,143) |
| Total other financing sources (uses) | <u>24,992,180</u> | <u>5,652,463</u> | <u>3,597,514</u> |
| Special Items | - | - | - |
| Net Changes in Fund Balance | <u>\$ 1,185,672</u> | <u>\$ (5,899,800)</u> | <u>\$ (6,676,646)</u> |
| Debt service as a percentage of noncapital expenditures | 15.6% | 17.4% | 16.8% |

| | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
|----|--------------------|---------------------|----------------------|---------------------|----------------------|----------------------|-----------------------|
| \$ | 42,454,384 | \$ 42,739,121 | \$ 46,081,248 | \$ 57,820,338 | \$ 71,792,893 | \$ 71,304,087 | \$ 71,718,684 |
| | 3,228,153 | 3,011,551 | 4,054,683 | 3,086,311 | 2,781,329 | 2,924,191 | 3,331,833 |
| | 19,669,690 | 17,142,000 | 29,252,026 | 21,250,400 | 20,898,936 | 23,322,717 | 24,709,609 |
| | 6,830,049 | 7,908,810 | 8,622,603 | 8,668,091 | 9,123,875 | 8,534,072 | 7,286,945 |
| | 1,676,088 | 1,764,036 | 1,852,008 | 1,605,620 | 1,385,406 | 1,438,877 | 1,339,069 |
| | 361,361 | 79,339 | 71,106 | 81,711 | 159,756 | - | - |
| | - | - | 654,060 | 848,601 | 96,019 | 89,592 | 73,796 |
| | <u>512,978</u> | <u>1,320,926</u> | <u>586,682</u> | <u>653,854</u> | <u>655,432</u> | <u>630,969</u> | <u>521,110</u> |
| | <u>74,732,703</u> | <u>73,965,783</u> | <u>91,174,416</u> | <u>94,014,926</u> | <u>106,893,646</u> | <u>108,244,505</u> | <u>108,981,046</u> |
| | 7,545,984 | 7,464,278 | 7,074,551 | 14,294,213 | 23,581,990 | 23,406,276 | 23,731,696 |
| | 34,734,218 | 35,684,024 | 34,559,879 | 37,181,399 | 37,425,172 | 38,330,364 | 38,839,128 |
| | 12,093,814 | 6,680,294 | 5,526,605 | 7,365,744 | 6,353,113 | 7,012,067 | 6,205,746 |
| | 1,267,168 | 5,069,135 | 4,236,133 | 5,042,655 | 5,121,531 | 6,363,552 | 6,973,465 |
| | 4,450,756 | 3,292,776 | 1,761,408 | 1,195,611 | 1,435,613 | 1,855,126 | 2,238,851 |
| | 6,151,506 | 5,231,568 | 10,008,489 | 15,060,979 | 7,157,384 | 12,433,717 | 15,218,577 |
| | 7,225,135 | 7,128,545 | 6,801,692 | 7,152,599 | 5,094,229 | 9,793,365 | 8,151,298 |
| | 3,841,376 | 3,381,316 | 2,936,858 | 2,362,196 | 2,087,675 | 2,036,609 | 1,325,139 |
| | - | - | - | 815,034 | 1,171,690 | - | - |
| | <u>77,309,957</u> | <u>73,931,936</u> | <u>72,905,615</u> | <u>90,470,430</u> | <u>89,428,397</u> | <u>101,231,076</u> | <u>102,683,900</u> |
| | <u>(2,577,254)</u> | <u>33,847</u> | <u>18,268,801</u> | <u>3,544,496</u> | <u>17,465,249</u> | <u>7,013,429</u> | <u>6,297,146</u> |
| | 2,575,000 | 7,598,084 | 10,055,760 | 3,540,000 | 3,765,000 | 7,945,000 | 7,620,000 |
| | - | 131,220 | - | 40,452 | 41,230 | - | 160,309 |
| | - | - | - | - | - | 215,045 | - |
| | 242,678 | - | - | - | - | - | - |
| | (2,517,611) | (7,315,260) | (9,123,820) | (3,541,973) | (3,746,382) | - | (15,723,599) |
| | 1,325,839 | 4,670,374 | 2,860,136 | 3,800,215 | 2,284,805 | 10,035,399 | 11,070,507 |
| | <u>(1,169,628)</u> | <u>(2,264,714)</u> | <u>(1,597,704)</u> | <u>(3,637,516)</u> | <u>(2,269,047)</u> | <u>(10,177,593)</u> | <u>(11,321,949)</u> |
| | <u>456,278</u> | <u>2,819,704</u> | <u>2,194,372</u> | <u>201,178</u> | <u>75,606</u> | <u>8,017,851</u> | <u>(8,194,732)</u> |
| | - | - | - | 1,900,746 | - | - | - |
| \$ | <u>(2,120,976)</u> | <u>\$ 2,853,551</u> | <u>\$ 20,463,173</u> | <u>\$ 5,646,420</u> | <u>\$ 17,540,855</u> | <u>\$ 15,031,280</u> | <u>\$ (1,897,586)</u> |
| | 15.6% | 15.3% | 15.3% | 12.1% | 8.5% | 13.2% | 10.6% |

CITY OF DES PLAINES

ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY Last Ten Levy Years December 31, 2014

| Levy Year | Equalized Assessed Value | | | | Total Equalized Assessed Value | Total Direct Rate | Total Actual Value |
|-----------|--------------------------|---------------------|---------------------|-------------------|--------------------------------|-------------------|--------------------|
| | Residential Property | Commercial Property | Industrial Property | Railroad Property | | | |
| 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 |
| 2011 | 2,181,773,562 | 1,131 | 2,558,611 | 2,184,333,304 | 1.089 | 6,553,065,443 |
| 2012 | 2,037,389,908 | 797 | 2,548,662 | 2,039,939,367 | 1.166 | 6,119,879,300 |
| 2013 | 1,694,234,225 | 799 | 3,052,320 | 1,697,287,344 | 1.401 | 5,091,912,951 |

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

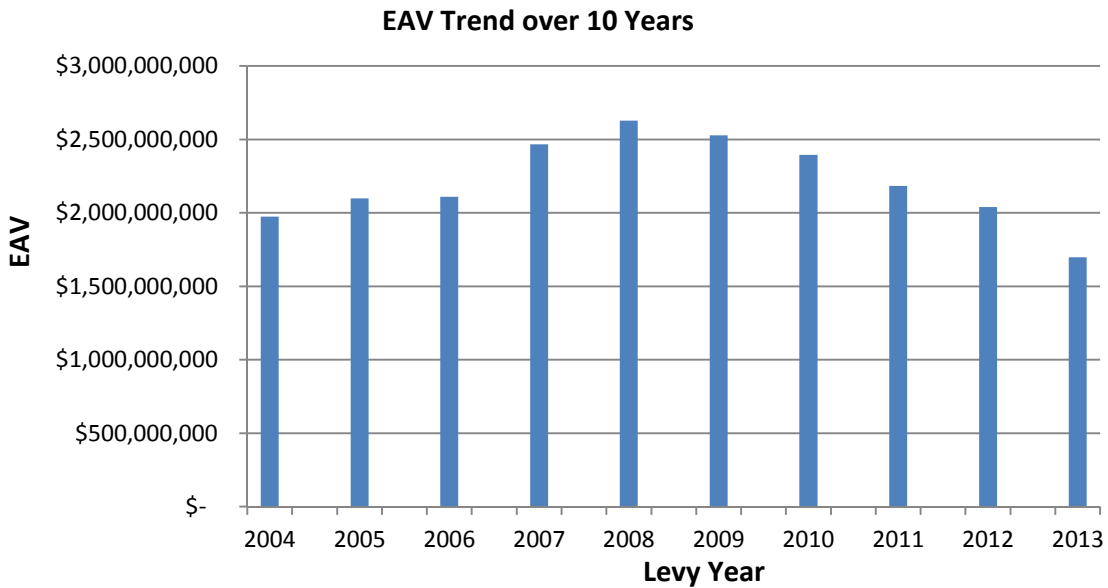
Note: Property is reassessed once every three years. Property is assessed at 1/3 actual value. Tax rates are per \$100 of assessed value. Fiscal year data is based on the previous calendar year's (levy year) assessed value (i.e. data presented for the Fiscal Year ended December 31, 2014 is based on the 2013 assessed value.)

CITY OF DES PLAINES

TREND OF EQUALIZED ASSESSED VALUATIONS Last Ten Levy Years December 31, 2014

| Levy Year | Equalized Assessed Value | Percentage Increase (Decrease) | Estimated Actual Value | Ratio of Equalized Assessed Value to Estimated Actual Value |
|-----------|--------------------------|--------------------------------|------------------------|---|
| 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% |
| 2011 | 2,184,333,304 | (8.78%) | 6,552,999,912 | 33.33% |
| 2012 | 2,039,939,367 | (6.61%) | 6,119,818,101 | 33.33% |
| 2013 | 1,697,287,344 | (16.80%) | 5,091,862,032 | 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 | City | | | | | | | Cook County |
|---------------------|--------|---------------|-----------|---------------------|-------------------|-----------------|---------|----------------|
| | Total | Total City | Corporate | Bonds & Interest | Police Pension | Fire Pension | Library | |
| 2004 | 7.110 | 0.852 | 0.5893 | 0.0740 | 0.1041 | 0.0843 | 0.268 | 0.653 |
| 2005 | 6.966 | 0.865 | 0.6071 | 0.0766 | 0.0998 | 0.0807 | 0.278 | 0.547 |
| 2006 | 7.179 | 0.928 | 0.6657 | 0.0657 | 0.1099 | 0.0865 | 0.294 | 0.500 |
| 2007 | 6.417 | 0.850 | 0.6149 | 0.0539 | 0.1023 | 0.0783 | 0.266 | 0.446 |
| 2008 | 6.275 | 0.831 | 0.5945 | 0.0502 | 0.1023 | 0.0833 | 0.260 | 0.415 |
| 2009 | 6.590 | 0.917 | 0.6102 | 0.0507 | 0.1320 | 0.1239 | 0.257 | 0.415 |
| 2010 | 7.188 | 0.999 | 0.6569 | 0.0515 | 0.1436 | 0.1461 | 0.280 | 0.423 |
| 2011 | 8.090 | 1.089 | 0.7509 | 0.0052 | 0.1637 | 0.1687 | 0.300 | 0.462 |
| 2012 | 8.975 | 1.166 | 0.7900 | 0.0054 | 0.1849 | 0.1854 | 0.317 | 0.531 |
| 2013 | 10.840 | 1.401 | 0.8906 | 0.0067 | 0.2518 | 0.2518 | 0.375 | 0.560 |

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 & Bridge, General Assistance, Consolidated General Elections, & Forest Preserve

Source: Cook County Clerk

| <u>Water Reclamation District</u> | <u>Park District</u> | <u>School (1)</u> | <u>Other (2)</u> |
|---|--------------------------|-------------------|------------------|
| 0.347 | 0.427 | 4.431 | 0.132 |
| 0.315 | 0.350 | 4.416 | 0.195 |
| 0.284 | 0.356 | 4.619 | 0.198 |
| 0.263 | 0.312 | 4.093 | 0.187 |
| 0.252 | 0.300 | 4.046 | 0.171 |
| 0.261 | 0.317 | 4.249 | 0.174 |
| 0.274 | 0.338 | 4.683 | 0.191 |
| 0.320 | 0.379 | 5.298 | 0.242 |
| 0.370 | 0.425 | 5.924 | 0.242 |
| 0.417 | 0.531 | 7.233 | 0.323 |

CITY OF DES PLAINES

MAINE TOWNSHIP
 ALLOCATION OF THE 2013 PROPERTY TAX LEVY COLLECTED IN 2014
 December 31, 2014

| | 2004 | | 2005 | | 2006 | | 2007 | | 2008 | |
|------------------------------|--|-----------------|--|-----------------|--|-----------------|--|-----------------|--|-----------------|
| | 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 | \$ 0.852 | 0.120 % | \$ 0.865 | 0.124 % | \$ 0.928 | 0.129 % | \$ 0.850 | 0.132 % | \$ 0.831 | 0.132 % |
| Des Plaines Library | 0.268 | 0.038 | 0.278 | 0.040 | 0.294 | 0.041 | 0.266 | 0.041 | 0.260 | 0.041 |
| High School District 207 | 1.795 | 0.252 | 1.757 | 0.252 | 1.826 | 0.254 | 1.602 | 0.250 | 1.577 | 0.251 |
| Oakton College District | 0.161 | 0.023 | 0.158 | 0.023 | 0.166 | 0.023 | 0.141 | 0.022 | 0.140 | 0.022 |
| School District 62 | 2.475 | 0.348 | 2.501 | 0.359 | 2.627 | 0.366 | 2.350 | 0.366 | 2.329 | 0.371 |
| Des Plaines Park District | 0.427 | 0.060 | 0.350 | 0.050 | 0.356 | 0.050 | 0.312 | 0.049 | 0.300 | 0.048 |
| Cook County | 0.653 | 0.092 | 0.547 | 0.079 | 0.500 | 0.070 | 0.458 | 0.071 | 0.415 | 0.066 |
| Metro Water Reclamation Dist | 0.347 | 0.049 | 0.315 | 0.045 | 0.284 | 0.040 | 0.263 | 0.041 | 0.252 | 0.040 |
| N.W. Mosquito Abatement Dist | 0.009 | 0.001 | 0.009 | 0.001 | 0.009 | 0.001 | 0.008 | 0.001 | 0.008 | 0.001 |
| Suburban T.B. Sanitarium | 0.001 | 0.000 | 0.005 | 0.001 | 0.005 | 0.001 | - | - | - | - |
| Maine Township | 0.122 | 0.017 | 0.121 | 0.017 | 0.127 | 0.018 | 0.114 | 0.018 | 0.112 | 0.018 |
| Cook County Forest Preserve | - | - | 0.060 | 0.009 | 0.057 | 0.008 | 0.053 | 0.008 | 0.051 | 0.008 |
| TOTAL | \$ 7.110 | 100.00 % | \$ 6.966 | 100.00 % | \$ 7.179 | 100.00 % | \$ 6.417 | 100.00 % | \$ 6.275 | 100.00 % |

Source: Cook County Clerk

| 2009 | | 2010 | | 2011 | | 2012 | | 2013 | |
|--|-----------------|--|-----------------|--|-----------------|--|-----------------|--|-----------------|
| 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 |
| \$ 0.917 | 0.139 % | \$ 0.999 | 0.139 % | \$ 1.089 | 0.135 % | \$ 1.166 | 0.130 % | \$ 1.401 | 0.129 % |
| 0.257 | 0.039 | 0.280 | 0.039 | 0.300 | 0.037 | 0.317 | 0.035 | 0.375 | 0.035 |
| 1.617 | 0.245 | 1.782 | 0.248 | 1.995 | 0.247 | 2.215 | 0.247 | 2.722 | 0.251 |
| 0.140 | 0.021 | 0.160 | 0.022 | 0.196 | 0.024 | 0.219 | 0.024 | 0.256 | 0.024 |
| 2.492 | 0.378 | 2.741 | 0.381 | 3.107 | 0.384 | 3.490 | 0.389 | 4.255 | 0.393 |
| 0.317 | 0.048 | 0.338 | 0.047 | 0.379 | 0.047 | 0.425 | 0.047 | 0.531 | 0.049 |
| 0.415 | 0.063 | 0.423 | 0.059 | 0.462 | 0.057 | 0.531 | 0.059 | 0.560 | 0.052 |
| 0.261 | 0.040 | 0.274 | 0.038 | 0.320 | 0.040 | 0.370 | 0.041 | 0.417 | 0.038 |
| 0.008 | 0.001 | 0.009 | 0.001 | 0.010 | 0.001 | 0.011 | 0.001 | 0.013 | 0.001 |
| - | - | - | - | - | - | - | - | - | - |
| 0.117 | 0.018 | 0.131 | 0.018 | 0.174 | 0.022 | 0.168 | 0.019 | 0.241 | 0.022 |
| <u>0.049</u> | <u>0.007</u> | <u>0.051</u> | <u>0.007</u> | <u>0.058</u> | <u>0.007</u> | <u>0.063</u> | <u>0.007</u> | <u>0.069</u> | <u>0.006</u> |
| <u>\$ 6.590</u> | <u>100.00 %</u> | <u>\$ 7.188</u> | <u>100.00 %</u> | <u>\$ 8.090</u> | <u>100.00 %</u> | <u>\$ 8.975</u> | <u>100.00 %</u> | <u>\$ 10.840</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 |
|---------------------|--------|---------------|-----------|---------------------|-------------------|-----------------|---------|----------------|
| | | Total City | Corporate | Bonds & Interest | Police Pension | Fire Pension | | |
| 2003 | 7.250 | 0.895 | 0.5852 | 0.0885 | 0.1138 | 0.1069 | 0.273 | 0.718 |
| 2004 | 6.716 | 0.852 | 0.5893 | 0.0740 | 0.1041 | 0.0843 | 0.268 | 0.653 |
| 2005 | 6.573 | 0.865 | 0.6071 | 0.0766 | 0.0998 | 0.0807 | 0.278 | 0.593 |
| 2006 | 6.737 | 0.928 | 0.6657 | 0.0657 | 0.1099 | 0.0865 | 0.294 | 0.500 |
| 2007 | 6.038 | 0.850 | 0.6149 | 0.0539 | 0.1023 | 0.0783 | 0.266 | 0.446 |
| 2008 | 5.936 | 0.831 | 0.5945 | 0.0502 | 0.1023 | 0.0833 | 0.260 | 0.415 |
| 2009 | 6.221 | 0.917 | 0.6102 | 0.0507 | 0.1320 | 0.1239 | 0.257 | 0.394 |
| 2010 | 6.823 | 0.999 | 0.6569 | 0.0515 | 0.1436 | 0.1461 | 0.280 | 0.423 |
| 2011 | 7.670 | 1.089 | 0.7509 | 0.0052 | 0.1637 | 0.1687 | 0.300 | 0.462 |
| 2012 | 8.477 | 1.166 | 0.7900 | 0.0054 | 0.1849 | 0.1854 | 0.317 | 0.531 |
| 2013 | 10.018 | 1.401 | 0.8906 | 0.0067 | 0.2518 | 0.2518 | 0.375 | 0.560 |

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 & Bridge, General Assistance, Consolidated General Elections and Forest Preserve.

Source: Cook County Clerk

| <u>Water Reclamation District</u> | <u>Park District</u> | <u>School (1)</u> | <u>Other (2)</u> |
|---|--------------------------|-------------------|------------------|
| 0.361 | 0.498 | 4.419 | 0.086 |
| 0.347 | 0.455 | 4.069 | 0.072 |
| 0.315 | 0.459 | 3.973 | 0.090 |
| 0.284 | 0.474 | 4.124 | 0.133 |
| 0.263 | 0.411 | 3.672 | 0.130 |
| 0.252 | 0.407 | 3.653 | 0.118 |
| 0.261 | 0.411 | 3.839 | 0.142 |
| 0.274 | 0.453 | 4.263 | 0.131 |
| 0.320 | 0.502 | 4.823 | 0.174 |
| 0.370 | 0.557 | 5.370 | 0.166 |
| 0.417 | 0.657 | 6.384 | 0.224 |

CITY OF DES PLAINES

ELK GROVE TOWNSHIP
 ALLOCATION OF THE 2013 PROPERTY TAX LEVY COLLECTED IN 2014
 December 31, 2014

| | 2004 | | 2005 | | 2006 | | 2007 | | 2008 | |
|----------------------------------|--|-----------------|--|-----------------|--|-----------------|--|-----------------|--|-----------------|
| | 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 | \$ 0.852 | 0.127 % | \$ 0.865 | 0.132 % | \$ 0.928 | 0.138 % | \$ 0.850 | 0.141 % | \$ 0.831 | 0.140 % |
| Des Plaines Library | 0.268 | 0.040 | 0.278 | 0.042 | 0.294 | 0.044 | 0.266 | 0.044 | 0.260 | 0.044 |
| High School District 214 | 1.818 | 0.271 | 1.759 | 0.268 | 1.823 | 0.271 | 1.621 | 0.268 | 1.587 | 0.267 |
| Harper College District 512 | 0.279 | 0.042 | 0.281 | 0.043 | 0.288 | 0.043 | 0.260 | 0.043 | 0.256 | 0.043 |
| School District 59 | 1.972 | 0.294 | 1.933 | 0.294 | 2.013 | 0.299 | 1.791 | 0.297 | 1.810 | 0.305 |
| Mt. Prospect Park District | 0.455 | 0.068 | 0.459 | 0.070 | 0.474 | 0.070 | 0.411 | 0.068 | 0.407 | 0.069 |
| Cook County | 0.653 | 0.097 | 0.607 | 0.092 | 0.557 | 0.083 | 0.511 | 0.085 | 0.466 | 0.079 |
| Metro Water Reclamation District | 0.347 | 0.052 | 0.315 | 0.048 | 0.284 | 0.042 | 0.263 | 0.044 | 0.252 | 0.042 |
| N.W. Mosquito Abatement District | 0.009 | 0.001 | 0.009 | 0.001 | 0.009 | 0.001 | 0.008 | 0.001 | 0.008 | 0.001 |
| Elk Grove Township | 0.062 | 0.009 | 0.062 | 0.009 | 0.062 | 0.009 | 0.057 | 0.009 | 0.059 | 0.010 |
| Forest Preserve District | 0.001 | 0.000 | 0.005 | 0.001 | 0.005 | 0.001 | - | - | - | - |
| TOTAL | \$ 6.716 | \$ 1.000 | \$ 6.573 | \$ 1.000 | \$ 6.737 | \$ 1.000 | \$ 6.038 | \$ 1.000 | \$ 5.936 | \$ 1.000 |

Source: Cook County Clerk

| 2009 | | 2010 | | 2011 | | 2012 | | 2013 | |
|--|-----------------|--|-----------------|--|-----------------|--|-----------------|--|-----------------|
| 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 |
| \$ 0.917 | 0.149 % | \$ 0.999 | 0.146 % | \$ 1.089 | 0.142 % | \$ 1.166 | 0.138 % | \$ 1.401 | 0.140 % |
| 0.257 | 0.042 | 0.280 | 0.041 | 0.300 | 0.039 | 0.317 | 0.037 | 0.375 | 0.037 |
| 1.636 | 0.266 | 1.839 | 0.270 | 2.067 | 0.269 | 2.324 | 0.274 | 2.768 | 0.276 |
| 0.258 | 0.042 | 0.295 | 0.043 | 0.334 | 0.044 | 0.373 | 0.044 | 0.444 | 0.044 |
| 1.945 | 0.317 | 2.129 | 0.312 | 2.422 | 0.316 | 2.673 | 0.315 | 3.172 | 0.317 |
| 0.411 | 0.067 | 0.453 | 0.066 | 0.502 | 0.065 | 0.557 | 0.066 | 0.657 | 0.066 |
| 0.394 | 0.064 | 0.423 | 0.062 | 0.462 | 0.060 | 0.531 | 0.063 | 0.560 | 0.056 |
| 0.261 | 0.043 | 0.274 | 0.040 | 0.320 | 0.042 | 0.370 | 0.044 | 0.417 | 0.042 |
| 0.008 | 0.001 | 0.009 | 0.001 | 0.010 | 0.001 | 0.011 | 0.001 | 0.013 | 0.001 |
| 0.044 | 0.007 | 0.071 | 0.010 | 0.106 | 0.014 | 0.092 | 0.011 | 0.142 | 0.014 |
| 0.009 | 0.001 | 0.051 | 0.007 | 0.058 | 0.008 | 0.063 | 0.007 | 0.069 | 0.007 |
| <u>\$ 6.140</u> | <u>\$ 1.000</u> | <u>\$ 6.823</u> | <u>\$ 1.000</u> | <u>\$ 7.670</u> | <u>\$ 1.000</u> | <u>\$ 8.477</u> | <u>\$ 1.000</u> | <u>\$ 10.018</u> | <u>\$ 1.000</u> |

CITY OF DES PLAINES

PROPERTY TAX RATES AND EXTENSIONS Last Ten Calendar Years

| <u>Property Tax Levy Year</u> | <u>2004</u> | <u>2005</u> | <u>2006</u> | <u>2007</u> |
|--------------------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| Property tax rates (1) | | | | |
| General corporate | 0.5896 | 0.6071 | 0.6657 | 0.6149 |
| Police pension | 0.1041 | 0.0998 | 0.1099 | 0.1023 |
| Firefighters' pension | 0.0843 | 0.0807 | 0.0865 | 0.0783 |
| General bond retirement | <u>0.0740</u> | <u>0.0766</u> | <u>0.0657</u> | <u>0.0539</u> |
| Total property tax rates | <u>0.8520</u> | <u>0.8642</u> | <u>0.9278</u> | <u>0.8494</u> |
| Property tax extensions (2) | | | | |
| General corporate | \$ 11,641,985 | \$ 12,745,221 | \$ 14,046,349 | \$ 15,171,900 |
| Police pension | 2,054,752 | 2,096,245 | 2,318,002 | 2,523,500 |
| Firefighters' pension | 1,663,764 | 1,693,403 | 1,825,751 | 1,931,250 |
| General bond retirement | <u>1,461,847</u> | <u>1,607,211</u> | <u>1,385,507</u> | <u>1,331,066</u> |
| Total property tax extensions | <u>\$ 16,822,348</u> | <u>\$ 18,142,080</u> | <u>\$ 19,575,609</u> | <u>\$ 20,957,716</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

| 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| 0.5945 | 0.6102 | 0.6569 | 0.7509 | 0.7900 | 0.8906 |
| 0.1023 | 0.1320 | 0.1436 | 0.1637 | 0.1849 | 0.2518 |
| 0.0833 | 0.1239 | 0.1461 | 0.1687 | 0.1854 | 0.2518 |
| <u>0.0502</u> | <u>0.0507</u> | <u>0.0515</u> | <u>0.0052</u> | <u>0.0054</u> | <u>0.0067</u> |
| <u>0.8303</u> | <u>0.9168</u> | <u>0.9981</u> | <u>1.0885</u> | <u>1.1657</u> | <u>1.4009</u> |
| \$ 15,627,057 | \$ 15,428,429 | \$ 15,731,420 | \$ 16,402,317 | \$ 16,114,550 | \$ 15,115,868 |
| 2,690,360 | 3,338,189 | 3,438,335 | 3,576,720 | 3,771,360 | 4,274,500 |
| 2,188,750 | 3,133,584 | 3,497,476 | 3,685,109 | 3,781,172 | 4,274,500 |
| <u>1,320,689</u> | <u>1,281,557</u> | <u>1,233,477</u> | <u>113,663</u> | <u>110,670</u> | <u>112,928</u> |
| <u>\$ 21,826,856</u> | <u>\$ 23,181,759</u> | <u>\$ 23,900,708</u> | <u>\$ 23,777,809</u> | <u>\$ 23,777,752</u> | <u>\$ 23,777,796</u> |

CITY OF DES PLAINES

PRINCIPAL PROPERTY TAX PAYERS Current Calendar Year and Nine Years Ago

December 31, 2014

| <u>Taxpayer</u> | <u>Type of Business/Property</u> | <u>2013 Equalized Assessed Valuation</u> | <u>Percentage of Total Taxable Assessed Value</u> |
|---------------------------------------|----------------------------------|--|---|
| Midwest Gaming | Real Property | \$ 58,849,006 | 3.47% |
| Universal Oil Products Tax Department | Chemicals | 24,458,595 | 1.44% |
| O'Hare Lakes Office Plaza LLC | Office Complex | 21,240,944 | 1.25% |
| Crane and Norcross | Real Estate | 15,952,871 | 0.94% |
| MLRP Messenger LLC | Real Property | 15,300,513 | 0.90% |
| Juno Lighting Inc | Lighting Products | 13,530,006 | 0.80% |
| Abbott Labs | Medical Laboratories | 10,886,115 | 0.64% |
| Individual | Real Property | 10,653,232 | 0.63% |
| Apple Reit Ten | Real Property | 9,682,289 | 0.57% |
| Michael Alesia and Associates | Law Firm | 8,331,069 | 0.49% |
| First Washington Mgmt | Real Estate | | |
| Marriot Corp | Real Property | | |
| Met Life Escrow Dept | Office Complex | | |
| Great Lakes Reit Inc | Real Estate | | |
| Trammel Crow Co | Real Estate | | |
| Total | | <u>\$ 188,884,640</u> | <u>11.13%</u> |

Data Sources

(1) Cook County Clerk

Data Sources

(1) Cook County Clerk

| 2004 Equalized Assessed Valuation | Percentage of Total Taxable Assessed Value |
|---|--|
| \$ 34,493,558 | 1.75% |
| 11,109,303 | 0.56% |
| 13,397,704 | 0.68% |
| 11,294,808 | 0.57% |
| 12,234,554 | 0.62% |
| 11,349,611 | 0.57% |
| 10,817,935 | 0.55% |
| 18,596,554 | 0.94% |
| 19,787,251 | 1.00% |
| 16,082,604 | 0.81% |
| <u>\$ 159,163,882</u> | <u>8.06%</u> |

CITY OF DES PLAINES

PROPERTY TAX LEVIES AND COLLECTIONS

Last Ten Calendar Years

December 31, 2014

| Year of Collections | Tax Levy Year | Total Tax Levy (1) | Collections of Current Years' Taxes During Fiscal Period | Percentage of Levy Collected Fiscal Period (1) | Collections in Subsequent Fiscal Periods (2) |
|------------------------|---------------------|--------------------------|--|--|--|
| 2005 | 2004 | \$ 16,299,049 | \$ 16,336,965 | 100.23% | (295,225) |
| 2006 | 2005 | 17,583,947 | 17,619,047 | 100.20% | (169,417) |
| 2007 | 2006 | 18,979,823 | 18,807,403 | 99.09% | 118,222 |
| 2008 | 2007 | 20,322,682 | 20,312,823 | 99.95% | 140,579 |
| 2009 | 2008 | 21,166,699 | 20,281,220 | 95.82% | 1,143,460 |
| 2010 | 2009 | 22,482,862 | 19,900,679 | 88.51% | 2,646,567 |
| 2011 | 2010 | 23,181,760 | 23,930,344 | 103.23% | (569,332) |
| 2012 | 2011 | 23,181,760 | 23,423,462 | 101.04% | (133,853) |
| 2013 | 2012 | 23,083,150 | 23,119,146 | 100.16% | 475,519 |
| 2014 | 2013 | 23,083,150 | 23,285,158 | 100.88% | - |

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 subsequent years for tax payments exceeded the additional amount collected.

(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> |
|------------------------------|---|
| \$ 16,041,740 | 98.42% |
| 17,449,630 | 99.24% |
| 18,925,625 | 99.71% |
| 20,453,402 | 100.64% |
| 21,424,680 | 101.22% |
| 22,547,246 | 100.29% |
| 23,361,012 | 100.77% |
| 23,289,609 | 100.47% |
| 23,594,664 | 102.22% |
| 23,285,158 | 100.88% |

CITY OF DES PLAINES

PROPERTY VALUE AND CONSTRUCTION Last Ten Calendar Years December 31, 2014

| Calendar Year | Property Value (2) | <u>Construction (1)</u> | | | | Total Value of All Construction (including Commercial) |
|---------------|--------------------|-------------------------|--------|---------------------|--------|--|
| | | <u>Single Family</u> | | <u>Multi Family</u> | | |
| | | Number of Permits | Value | Number of Permits | Value | |
| 2005 | \$ 5,923,421 | 47 | 18,994 | 153 | 67,714 | 136,586 |
| 2006 | 6,298,412 | 36 | 14,519 | 10 | 20,081 | 115,998 |
| 2007 | 6,330,209 | 19 | 7,159 | 5 | 26,617 | 114,259 |
| 2008 | 7,402,465 | 3 | 1,077 | 7 | 4,874 | 69,112 |
| 2009 | 7,885,844 | 4 | 1,840 | 8 | 7,043 | 39,675 |
| 2010 | 7,585,351 | 4 | 1,342 | 5 | 5,234 | 189,135 |
| 2011 | 7,184,104 | 2 | 1,002 | 9 | 6,022 | 50,293 |
| 2012 | 6,553,065 | 2 | 1,153 | 4 | 2,860 | 29,994 |
| 2013 | 6,119,879 | 3 | 1,424 | 7 | 5,459 | 39,964 |
| 2014 | 5,091,913 | 4 | 2,312 | 0 | - | 92,500 |

Source:

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

(2) Source: Cook County Clerk, Total estimated value presented in thousands of dollars

Property Values in Thousands.

| 2010 | 2011 | 2012 | 2013 | 2014 |
|-----------------------|-----------------------|-----------------------|-------------------------|-------------------------|
| \$ 77,133,600 | \$ 65,039,100 | \$ 82,451,794 | \$ 84,312,307 | \$ 93,275,606 |
| 109,545,800 | 125,744,900 | 127,806,151 | 124,996,898 | 120,614,055 |
| 72,412,500 | 72,985,400 | 74,194,121 | 73,037,730 | 72,325,651 |
| 3,651,200 | 19,819,600 | 2,996,674 | 2,642,396 | 2,862,560 |
| 3,140,400 | 3,258,200 | 2,632,102 | 3,223,992 | 3,601,935 |
| 26,054,600 | 26,991,600 | 31,747,475 | 32,356,025 | 40,960,823 |
| 162,573,900 | 182,879,100 | 211,968,095 | 199,656,247 | 200,108,721 |
| 125,128,400 | 76,114,400 | 106,200,248 | 495,625,797 | 316,973,432 |
| 143,730,700 | 161,674,000 | 213,750,496 | 224,023,628 | 236,368,575 |
| <u>61,629,100</u> | <u>46,963,600</u> | <u>23,956,283</u> | <u>8,232,122</u> | <u>34,309,375</u> |
| <u>\$ 785,000,200</u> | <u>\$ 781,469,900</u> | <u>\$ 877,703,439</u> | <u>\$ 1,248,107,142</u> | <u>\$ 1,121,400,733</u> |
| 1.00% | 1.00% | 1.00% | 1.00% | 1.00% |

| | | | | |
|---------------------|---------------------|---------------------|----------------------|----------------------|
| \$ 771,336 | \$ 650,391 | \$ 824,518 | \$ 843,123 | \$ 932,756 |
| 1,095,458 | 1,257,449 | 1,278,062 | 1,249,969 | 1,206,141 |
| 724,125 | 729,854 | 741,941 | 730,377 | 723,257 |
| 36,512 | 198,196 | 29,967 | 26,424 | 28,626 |
| 31,404 | 32,582 | 26,321 | 32,240 | 36,019 |
| 260,546 | 269,916 | 317,475 | 323,560 | 409,608 |
| 1,625,739 | 1,828,791 | 2,119,681 | 1,996,562 | 2,001,087 |
| 1,251,284 | 761,144 | 1,062,002 | 4,956,258 | 3,169,734 |
| 1,437,307 | 1,616,740 | 2,137,505 | 2,240,236 | 2,363,686 |
| <u>616,291</u> | <u>469,636</u> | <u>239,563</u> | <u>82,321</u> | <u>343,094</u> |
| <u>\$ 7,850,002</u> | <u>\$ 7,814,699</u> | <u>\$ 8,777,034</u> | <u>\$ 12,481,071</u> | <u>\$ 11,214,007</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, 2014

| Fiscal Year | Governmental Activities | | | | | | |
|----------------|--|---|---|---|---|---|----------------------------------|
| | Debt Service General Obligation Bonds | Tax Increment Financing General Obligation Bonds | Tax Increment Financing Capital Appreciation Bonds (2) | Capital Projects General Obligation Bonds | Equipment Replacement Installment Notes Payable | Tax Increment Revenue Note Incentive Agreement | Short Term Note Payable |
| 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 | 5,500,000 |
| 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 | 6,500,000 |
| 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 | - |
| 2012 | 800,000 | 27,415,000 | 10,561,878 | 18,540,000 | 212,500 | 538,252 | - |
| 2013 | 725,000 | 32,675,000 | 10,929,315 | 11,745,000 | 200,000 | 482,387 | - |
| 2014 | 645,000 | 22,465,000 | 11,193,625 | 6,375,000 | 187,500 | 423,590 | - |

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>Water General Obligation Bonds</u> | <u>Water Installment Notes Payable</u> | <u>Total Primary Government</u> | <u>Outstanding Debt as Percentage of Personal Income</u> | <u>Outstanding Debt Per Capita</u> | <u>Personal Income (thousands) of dollars</u> | <u>Population</u> |
|---|--|---|--|--|---|-------------------|
| \$ 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 |
| 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 |
| 1,455,000 | - | 83,854,557 | 2.66% | 1,428 | 3,149,087 | 58,710 |
| 1,100,000 | - | 72,321,825 | 2.18% | 1,239 | 3,319,219 | 58,364 |
| 730,000 | - | 64,500,458 | 1.94% | 1,105 | 3,319,219 | 58,364 |
| 365,000 | - | 58,432,630 | 1.76% | 1,001 | 3,319,219 | 58,364 |
| - | - | 56,756,702 | 1.71% | 972 | 3,319,219 | 58,364 |
| - | - | 41,289,715 | 1.24% | 707 | 3,319,219 | 58,364 |

CITY OF DES PLAINES

RATIO NET GENERAL OBLIGATION BONDED DEBT TO ASSESSED 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 |
|----------------|----------------|------------------------------------|--|--|------------------------------|
| 2005 | 56,945 | \$ 1,974,454,012 | \$ 102,320,000 | 5.18 | \$ 1,796.82 |
| 2006 | 56,945 | 2,099,449,704 | 95,945,000 | 4.57 | 1,684.87 |
| 2007 | 58,710 | 2,110,069,506 | 89,380,000 | 4.24 | 1,522.40 |
| 2008 | 58,710 | 2,467,463,828 | 82,020,000 | 3.32 | 1,397.04 |
| 2009 | 58,710 | 2,628,588,594 | 76,205,285 | 2.90 | 1,297.99 |
| 2010 | 58,364 | 2,526,387,003 | 71,314,245 | 2.82 | 1,221.89 |
| 2011 | 58,364 | 2,392,169,028 | 63,640,477 | 2.66 | 1,090.41 |
| 2012 | 58,364 | 2,184,333,304 | 57,681,878 | 2.64 | 988.31 |
| 2013 | 58,364 | 2,039,939,367 | 48,044,315 | 2.36 | 823.18 |
| 2014 | 58,364 | 1,697,287,344 | 40,678,625 | 2.40 | 696.98 |

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.

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 |
|----------------|--------------|--------------|-----------------------|--------------------------------------|--|
| 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 |
| 2012 | 6,259,229 | 2,055,352 | 8,314,581 | 85,029,226 | 9.78 |
| 2013 | 9,181,565 | 2,032,855 | 11,214,420 | 90,440,682 | 12.40 |
| 2014 | 8,151,298 | 1,325,139 | 9,476,437 | 91,752,984 | 10.33 |

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, 2014

| Governmental Unit | Outstanding Bonds (1) | Applicable to the City Percent (2) | Amount |
|-----------------------------------|--------------------------|---------------------------------------|----------------|
| City of Des Plaines | \$ 40,678,625 | 100.00% | \$ 40,678,625 |
| Cook County | \$ 3,466,835,000 | 1.35% | \$ 46,802,273 |
| Cook County Forest Preserve | 172,535,000 | 1.35% | 2,329,223 |
| Water Reclamation District | 2,642,374,005 | 1.37% | 36,200,524 |
| Des Plaines Park District | 5,412,240 | 93.20% | 5,044,208 |
| Elk Grove Park District | 8,650,000 | 0.73% | 63,145 |
| Mt. Prospect Park District | 19,297,000 | 18.96% | 3,658,711 |
| School District No. 26 | 10,610,000 | 7.77% | 824,397 |
| School District No. 57 | 7,045,000 | 1.38% | 97,221 |
| School District No. 59 | 24,020,000 | 11.22% | 2,695,044 |
| School District No. 62 | 93,950,000 | 90.73% | 85,240,835 |
| School District No. 64 | 13,975,000 | 0.00% | (3) 84 |
| High School District 207 | 3,550,000 | 35.13% | 1,247,115 |
| High School District 214 | 62,535,000 | 3.79% | 2,370,077 |
| Community College District 512 | 166,045,000 | 1.69% | 2,806,161 |
| Subtotal - Overlapping Debt | 6,696,833,245 | | 189,379,016 |
| Total Direct and Overlapping Debt | \$ 6,737,511,870 | | \$ 230,057,641 |

Notes:

(1) Outstanding principal of general obligation bonds as of February 12, 2015. 100% of the principal of outstanding general obligation bonds of overlapping taxing district have been displayed in this schedule.

(2) Applicable percentages are based on 2013 assessed valuations and were estimated by determining the portion of another governmental unit's taxable assessed value that is within the city's boundaries and dividing it by each unit's total taxable assessed value.

(3) Percentage equals .0006%

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> |
|--------------------|-----------------------|--|------------------------------------|------------------------------|
| 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 |
| 2012 | 58,364 | 3,319,219 | 56,871 | 27,562 |
| 2013 | 58,364 | 3,319,219 | 56,871 | 27,562 |
| 2014 | 58,364 | 3,319,219 | 56,871 | 27,562 |

Data Sources

(1) U.S. Census Bureau.

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

(3) Bureau of Labor Statistics

| <u>Median Age (1)</u> | <u>Education Level in Years of Schooling</u> | <u>School Enrollment (2)</u> | <u>Unemploy- ment Rate (3)</u> |
|---------------------------|--|----------------------------------|--|
| 39.7 | 12+ | 8,759 | 5.9 |
| 39.7 | 12+ | 8,451 | 4.2 |
| 39.7 | 12+ | 8,384 | 4.5 |
| 39.7 | 12+ | 8,394 | 5.8 |
| 39.7 | 12+ | 8,414 | 10.1 |
| 42.0 | 12+ | 8,540 | 10.3 |
| 42.0 | 12+ | 8,000 | 9.2 |
| 42.0 | 12+ | 8,490 | 8.4 |
| 42.0 | 12+ | 7,836 | 8.0 |
| 42.0 | 12+ | 8,516 | 4.9 |

CITY OF DES PLAINES

PRINCIPAL EMPLOYERS Current Year and Nine Years Ago December 31, 2014

| Employer | 2014 | | Percentage City Total Employment |
|----------------------------------|---------------|------|--|
| | Employees (1) | Rank | |
| Universal Oil Products | 1500 | 1 | 3.9% |
| Rivers Casino | 1462 | 2 | 3.8% |
| Swissport USA | 1000 | 3 | 2.6% |
| Holy Family | 1036 | 4 | 2.7% |
| Oakton Community College | 990 | 5 | 2.6% |
| Sysco Food Services | 650 | 6 | 1.7% |
| Wheels Inc. | 650 | 7 | 1.7% |
| W-Diamond Group | 550 | 8 | 1.4% |
| Abbot Molecular | 500 | 9 | 1.3% |
| Juno Lighting | 400 | 10 | 1.0% |
| Symons Corp | | | |
| Littel Fuse | | | |
| Ciba Vision | | | |
| United Stationers | | | |
| Merkle-Korff Industries | | | |
| Total | 8,738 | | 22.7% |
| City Total Employment (2) | 38,510 | | 22.7% |

(1) 2014 Illinois Manufacturer's Directory, 2014 Illinois Services Directory,
and Individual Employers Approximations

(2) Illinois Department of Employment Security, Where Workers Work Table 2A

| <u>2005</u> | | |
|---------------|------|--|
| Employees | Rank | Percentage City Total Employment |
| 2,000 | 1 | 4.8% |
| 1,036 | 2 | 2.5% |
| 990 | 3 | 2.4% |
| 750 | 9 | 1.8% |
| 725 | 10 | 1.7% |
| 800 | 6 | 1.9% |
| 900 | 5 | 2.1% |
| 800 | 7 | 1.9% |
| 800 | 8 | 1.9% |
| 960 | 4 | 2.3% |
| <u>9,761</u> | | <u>23.2%</u> |
| <u>42,034</u> | | <u>23.2%</u> |

CITY OF DES PLAINES

FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION
Last Ten Calendar Years
December 31, 2014

| | | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
|------------------------------------|-------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Function/Program | <i>Note</i> | | | | | | | | | | |
| Legislative (merged in 2009) | (1) | 1.00 | 1.00 | 1.00 | 1.00 | - | - | - | - | - | - |
| City Clerk (merged in 2009) | (1) | 5.00 | 4.00 | 3.00 | 3.00 | - | - | - | - | - | - |
| Elected Office (new dept. in 2009) | (1) | - | - | - | - | 3.00 | 3.00 | 2.75 | 3.00 | 3.00 | 3.00 |
| General Government | | | | | | | | | | | |
| Manager's Department | | 16.50 | 16.00 | 17.00 | 20.00 | 20.50 | 16.50 | 16.75 | 16.75 | 14.75 | 14.75 |
| Finance | | 17.25 | 16.25 | 15.75 | 14.50 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 15.75 |
| Police | | | | | | | | | | | |
| Officers | | 103.00 | 105.00 | 105.00 | 105.00 | 105.00 | 96.00 | 95.00 | 95.00 | 95.00 | 96.00 |
| Civilians | | 26.75 | 25.75 | 27.25 | 25.75 | 25.00 | 22.00 | 21.00 | 21.00 | 21.00 | 21.00 |
| Fire | | | | | | | | | | | |
| Firefighters and officers | | 88.00 | 88.00 | 97.00 | 98.00 | 98.00 | 96.00 | 96.00 | 96.00 | 96.00 | 96.00 |
| Civilians | | 5.50 | 5.50 | 6.50 | 6.50 | 6.50 | 2.50 | 2.50 | 2.50 | 2.50 | 2.50 |
| Public Works and Engineering | | | | | | | | | | | |
| Engineering (merged in 2009) | (1) | 13.00 | 13.00 | 13.50 | 9.75 | - | - | - | - | - | - |
| Public works (merged in 2009) | (1) | 88.00 | 88.00 | 90.50 | 94.75 | - | - | - | - | - | - |
| Public Works & Engineering (new) | (1) | - | - | - | - | 96.25 | 82.25 | 79.25 | 79.25 | 79.50 | 80.00 |
| Community Development | | | | | | | | | | | |
| Community Development | | 18.50 | 18.50 | 18.75 | 22.00 | 20.00 | 18.00 | 16.00 | 16.00 | 16.00 | 16.00 |
| EMA | | | | | | | | | | | |
| EMA | | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| DPECC (new dept. in 2013) | | | | | | | | | | | |
| DPECC (new dept. in 2013) | (2) | - | - | - | - | - | - | - | - | 22.75 | 23.00 |
| Subtotal | | 383.50 | 382.00 | 396.25 | 401.25 | 389.25 | 351.25 | 344.25 | 344.50 | 365.50 | 369.00 |
| Library | | | | | | | | | | | |
| Library | | <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> | <u>64.80</u> | <u>64.80</u> | <u>64.80</u> |
| Total | | | | | | | | | | | |
| Total | | <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>410.75</u> | <u>409.30</u> | <u>430.30</u> | <u>433.80</u> |

Source: Finance Department Budget documents

Notes:

(1) 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.

(2) In 2013, the Des Plaines Emergency Communications Center (DPECC) was formed.

CITY OF DES PLAINES

OPERATING INDICATORS BY FUNCTION / PROGRAMS
Last Ten Calendar Years
December 31, 2014

| | 2005 | 2006 | 2007 | 2008 |
|---|-----------|-----------|-----------|-----------|
| Function/Program | | | | |
| Police | | | | |
| Physical arrests (1) | 1,236 | 2,013 | 2,679 | 2,726 |
| Compliance and Parking Violations | 16,421 | 17,818 | 15,290 | 18,250 |
| Traffic violations | 11,728 | 11,214 | 16,119 | 12,756 |
| Fire | | | | |
| Emergency Medical Calls | 4,969 | 5,167 | 5,038 | 5,209 |
| Fires/Reports of Fires | 2,298 | 2,276 | 2,610 | 2,502 |
| Inspections | 963 | 6,138 | 7,226 | 6,878 |
| Engineering | | | | |
| Street resurfacing (square yards) | 7,500 | 6,600 | 37,000 | 76,000 |
| Sidewalks removed & replaced (sq ft) | 50,000 | 78,000 | 21,000 | 50,000 |
| Snow and ice control (tons of salt) | 4,359 | 1,676 | 5,026 | 8,427 |
| Community Development | | | | |
| Building permits issued | 3,895 | 3,582 | 3,267 | 2,988 |
| Overall inspection totals | 21,380 | 19,191 | 14,463 | 14,632 |
| Health | | | | |
| Home health visits | 58 | 55 | 90 | 134 |
| Library | | | | |
| Volumes in collection (3) | 301,546 | 312,469 | 313,696 | 305,471 |
| Total volumes borrowed | 1,077,145 | 1,100,133 | 1,088,404 | 1,111,558 |
| Total annual attendance | 521,881 | 577,554 | 509,668 | 500,618 |
| Total resident library cards still active | 35,205 | 35,765 | 35,427 | 35,266 |
| Water | | | | |
| Water Main Breaks | 169 | 74 | 128 | 101 |
| New Connections | 76 | 70 | 65 | 13 |
| Number of Consumers | 16,497 | 17,086 | 16,983 | 17,387 |
| Miles of Water Mains | 235 | 237 | 241 | 245 |
| Average daily consumption (gallons) | 8,458,430 | 7,702,836 | 7,639,118 | 7,913,061 |
| Daily average consumption per Capita (gallons) | 136 | 135 | 130 | 135 |
| Number of Fire Hydrants | 2,583 | 2,597 | 2,615 | 2,628 |
| Sewer | | | | |
| Sanitary sewer replaced (linear feet) | 1,500 | 300 | 300 | 154 |
| Sanitary sewer televised (linear feet) | 59,782 | 26,446 | 5,187 | 14,270 |
| Sanitary sewer cleaned (linear feet) | 364,360 | 403,483 | 267,301 | 93,679 |
| Sanitary sewer lined (linear feet) | - | 4,954 | - | 6,635 |
| Municipal Parking Lots | | | | |
| Metra (2) | 54,435 | 50,815 | 47,225 | 50,563 |
| City Owned (2) | 10,384 | 19,618 | 34,714 | 33,612 |
| Transit | | | | |
| Taxi Cab cards issued (4) | 481 | 420 | 324 | 305 |
| Number of participants in the Subsidized Taxi Voucher Program (4) | - | - | - | - |
| Handicapped Placards issued | 59 | 40 | 67 | 62 |

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) Volumes in Collection includes Books, Audio, Video, Magazines and Newspapers Print and Microfilm, Subscriptions, Online Databases.
- (4) In 2011 the structure of the Taxi Voucher Program changed. The program now tracks total participants regardless of the number of voucher booklets obtained.

| 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
|-----------|-----------|-----------|-----------|-----------|-----------|
| 2,783 | 1,629 | 1,279 | 2,208 | 1,150 | 892 |
| 18,823 | 14,926 | 16,228 | 13,656 | 12,871 | 10,973 |
| 12,688 | 11,461 | 7,309 | 6,643 | 5,506 | 4,590 |
| 4,718 | 4,943 | 5,244 | 5,451 | 5,487 | 5,647 |
| 2,123 | 2,041 | 2,439 | 2,144 | 2,046 | 2,256 |
| 7,137 | 1,534 | 4,962 | 4,304 | 4,312 | 4,177 |
| 49,000 | 55,400 | 51,500 | 29,700 | 60,903 | 167,781 |
| 84,000 | 43,500 | 37,000 | 69,300 | 141,162 | 173,959 |
| 4,292 | 3,782 | 1,781 | 1,143 | 6,350 | 4,290 |
| 2,756 | 8,229 | 3,366 | 2,679 | 2,956 | 2,758 |
| 13,871 | 16,010 | 15,804 | 15,804 | 12,760 | 13,079 |
| 111 | 121 | 119 | 91 | 79 | 73 |
| 355,095 | 257,661 | 263,736 | 257,406 | 255,559 | 251,361 |
| 1,261,249 | 1,171,013 | 1,176,477 | 1,173,113 | 1,133,142 | 1,106,219 |
| 542,092 | 582,096 | 598,389 | 575,017 | 564,257 | 549,244 |
| 35,728 | 33,135 | 33,784 | 34,440 | 34,347 | 34,845 |
| 89 | 110 | 96 | 170 | 141 | 105 |
| 30 | 65 | 40 | 20 | 30 | 43 |
| 17,399 | 17,441 | 17,036 | 17,218 | 17,248 | 17,267 |
| 247 | 247 | 221 | 221 | 221 | 221 |
| 6,894,000 | 6,761,000 | 6,752,000 | 7,188,000 | 6,718,635 | 6,349,202 |
| 117 | 115 | 116 | 123 | 115 | 109 |
| 2,609 | 2,679 | 2,681 | 2,350 | 2,350 | 2,350 |
| 1,022 | 88 | 65 | 341 | 1,164 | 470 |
| 24,951 | 42,322 | 43,406 | 37,310 | 27,733 | 15,187 |
| 177,439 | 204,470 | 131,496 | 179,998 | 98,777 | 91,738 |
| - | 12,037 | 3,420 | 10,045 | - | 3,102 |
| 47,794 | 54,294 | 43,257 | 49,669 | 48,591 | 44,105 |
| 25,581 | 17,275 | 17,283 | 20,173 | 36,218 | 54,513 |
| 296 | 275 | - | - | - | - |
| - | - | 780 | 938 | 1,076 | 1,124 |
| 66 | 75 | 66 | 40 | 45 | 23 |

CITY OF DES PLAINES

CAPITAL ASSETS STATISTICS BY FUNCTION Last Ten Calendar Years December 31, 2014

| <u>Function/Program</u> | <u>2005</u> | <u>2006</u> | <u>2007</u> |
|--|-------------|-------------|-------------|
| Police | | | |
| Station | 1 | 1 | 1 |
| Sworn Police Officers | 103 | 105 | 105 |
| Fire Stations | | | |
| Station | 3 | 3 | 3 |
| Sworn Firefighters | 92 | 92 | 102 |
| Other Public Works | | | |
| Streets (miles)** | 145 | 145 | 145 |
| Streetlights* | | 576 | 680 |
| Traffic Signals | 1 | 1 | 1 |
| Water | | | |
| Water mains (miles) | 235 | 237 | 237 |
| Fire hydrants | 2,583 | 2,597 | 2,615 |
| 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

| <u>2008</u> | <u>2009</u> | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> |
|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| 105 | 105 | 94 | 93 | 93 | 93 | 93 |
| 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| 102 | 98 | 95 | 92 | 92 | 92 | 92 |
| 145 | 145 | 145 | 145 | 145 | 145 | 145 |
| 680 | 732 | 738 | 722 | 723 | 723 | 787 |
| 2 | 2 | 2 | 2 | 2 | 2 | 1 |
| 245 | 247 | 247 | 221 | 221 | 221 | 221 |
| 2,628 | 2,609 | 2,679 | 2,681 | 2,350 | 2,350 | 2,350 |
| 19 | 19 | 19 | 19 | 19 | 19 | 19 |

CITY OF DES PLAINES

WATER SOLD
Last Ten Calendar Years
(in thousands)
December 31, 2014

| | <u>2005</u> | <u>2006</u> | <u>2007</u> | <u>2008</u> |
|------------------------------------|------------------|------------------|------------------|------------------|
| <u>Gallons sold</u> | | | | |
| Residential | 1,341,733 | 1,852,194 | 1,435,498 | 1,357,309 |
| Commercial | 627,368 | 597,343 | 710,984 | 598,489 |
| Industrial | <u>461,071</u> | <u>333,270</u> | <u>241,646</u> | <u>253,998</u> |
| Totals | <u>2,430,172</u> | <u>2,782,807</u> | <u>2,388,128</u> | <u>2,209,796</u> |
| Water rate per 1,000 gallons | \$3.79 | \$3.88 | \$3.88 | \$4.08 |
| Storm Sewer rate per 1,000 gallons | \$0.76 | \$0.76 | \$0.76 | \$0.76 |

Source: *City of Des Plaines Water Consumption Report*

| <u>2009</u> | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> |
|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| 1,332,430 | 1,280,062 | 1,274,242 | 1,448,567 | 1,258,528 | 1,252,771 |
| 495,175 | 516,464 | 494,478 | 486,179 | 470,197 | 493,685 |
| <u>144,665</u> | <u>128,891</u> | <u>131,321</u> | <u>112,454</u> | <u>113,281</u> | <u>119,147</u> |
| <u><u>1,972,270</u></u> | <u><u>1,925,417</u></u> | <u><u>1,900,041</u></u> | <u><u>2,047,200</u></u> | <u><u>1,842,006</u></u> | <u><u>1,865,603</u></u> |
| \$4.32 | \$4.56 | \$4.56 | \$5.45 | \$5.82 | \$6.25 |
| \$0.76 | \$1.20 | \$1.20 | \$1.20 | \$1.20 | \$1.20 |

CITY OF DES PLAINES

MISCELLANEOUS STATISTICS

December 31, 2014

| | |
|--|-------------------|
| Date of incorporation (Town of Rand) | 1857 |
| Form of government | City Manager |
| Building permits: | |
| Permits issued | 2,758 |
| Estimated value | \$92,500,365 |
| 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 | 17,267 |
| Daily average consumption (gallons) | 6,349,202 |
| Daily average consumption per capita (gallons) | 109 |
| Miles of water mains | 221 |
| Number of fire hydrants | 2,350 |
| Employees as of December 31 | |
| Full time | 355.00 |
| Part time | 14.00 |
| Total | <u>369.00</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, 2014

Area and land use - City of Des Plaines

Total area December 31, 2014 - 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 | 3,952 | 43.3% |
| Manufacturing | 1,431 | 15.7% |
| Wholesale and retail Commercial services | 713 | 7.8% |
| Education and recreation | 1,447 | 15.9% |
| Streets, alleys, and railroads | 1,143 | 12.5% |
| Total developed | <u>8,686</u> | 95.3% |
| Vacant land | <u>433</u> | 4.7% |
| Total | <u>9,119</u> | <u>100.0%</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

2015 DISCLOSURE

Relating to

**CITY OF DES PLAINES
Cook County, Illinois**

CUSIP NUMBER 250217

\$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)
\$3,540,000 General Obligation Refunding Bonds, Series 2011
\$3,765,000 General Obligation Refunding Bonds, Series 2012
\$7,945,000 Taxable General Obligation Refunding Bonds, Series 2013
\$2,020,000 Taxable General Obligation Refunding Bonds, Series 2014A
and
\$5,600,000 General Obligation Refunding Bonds, Series 2014B

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**

4/14/15

Retailers' Occupation, Service Occupation and Use Tax(1)

| State Fiscal Year Ending June 30 | State Sales Tax Distributions(2) | Home Rule Sales Tax Distributions | Total Distributions | Percentage Change + (-) |
|-------------------------------------|-------------------------------------|--------------------------------------|------------------------|----------------------------|
| 2005 | \$7,819,815 | \$3,970,243 | \$11,790,058 | 0.34%(3) |
| 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% |
| 2012 | 8,040,265 | 5,191,286 | 13,231,552 | 3.95% |
| 2013 | 8,881,733 | 5,550,747 | 14,432,481 | 9.08% |
| 2014 | 12,653,049 | 5,693,658 | 18,346,707 | 27.12% |
| Growth from 2005 to 2014 | | | | 55.61% |

- 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 Taxes, 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 2005 percentage is based on a 2004 sales tax receipts of \$11,750,504.

DEBT INFORMATION

General Obligation Debt – By Issue(1)

| <u>Issue Date</u> | <u>Issue Name</u> | <u>Principal Outstanding</u> | <u>Supported By</u> |
|----------------------------|---|----------------------------------|--|
| 6/1/2005 | General Obligation Bonds, Series 2005G | \$ 165,000 | TIF Revenues |
| 10/23/2007 | General Obligation Refunding Bonds, Series 2007A | 2,695,000 | Property Taxes/Sales & Utility Taxes/Fees |
| 10/23/2007 | General Obligation Refunding Bonds, Series 2007B | 775,000 | Property Taxes/TIF Revenues |
| 4/1/2008 | Taxable General Obligation Corporate Purpose Refunding Bonds, Series 2008A | 1,085,000 | TIF Revenues |
| 11/3/2009 | Taxable General Obligation Refunding Bonds, Series 2009A | 2,616,404 | TIF Revenues |
| 11/3/2009 | General Obligation Refunding Bonds, Series 2009B | 805,000 | Sales & Utility Taxes/Fees |
| 1/6/2010 | General Obligation Refunding Bonds, Series 2010A | 3,945,000 | TIF Revenues |
| 1/6/2010 | General Obligation Refunding Bonds, Series 2010B | 6,110,760 | TIF Revenues |
| 12/22/2011 | General Obligation Refunding Bonds, Series 2011 | 2,690,000 | TIF Revenues |
| 12/18/2012 | General Obligation Refunding Bonds, Series 2012 Bonds | 2,855,000 | TIF Revenues |
| 12/17/2013 | Taxable General Obligation Refunding Bonds, Series 2013 | 7,000,000 | TIF Revenues |
| 9/4/2014 | Taxable General Obligation Refunding Bonds, Series 2014A | 1,880,000 | TIF Revenues |
| 9/4/2014 | General Obligation Refunding Bonds, Series 2014B | 5,590,000 | TIF Revenues, Sales and Utility Taxes/Fees |
| Total | | <u>\$38,212,164</u> | |
| Less Self Supporting | | <u>(37,567,164)</u> | |
| Tax Supported Debt | | \$ 645,000 | |

Note: (1) Source: the City.

General Obligation Bonded Debt(1)
(Principal Only)

| Calendar Year | Total | Self-Supporting | Tax Supported | Cumulative Retirement | |
|---------------|--------------|-----------------|---------------|-----------------------|---------|
| | | | | Amount | Percent |
| 2015 | \$ 4,326,357 | \$ 4,241,357 | \$ 85,000 | \$ 85,000 | 13.18% |
| 2016 | 3,840,154 | 3,755,154 | 85,000 | 170,000 | 26.36% |
| 2017 | 4,543,556 | 4,458,556 | 85,000 | 255,000 | 39.53% |
| 2018 | 5,204,198 | 5,114,198 | 90,000 | 345,000 | 53.49% |
| 2019 | 4,331,162 | 4,236,162 | 95,000 | 440,000 | 68.22% |
| 2020 | 4,455,637 | 4,355,637 | 100,000 | 540,000 | 83.72% |
| 2021 | 3,352,360 | 3,247,360 | 105,000 | 645,000 | 100.00% |
| 2022 | 2,129,790 | 2,129,790 | 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 | \$38,212,164 | \$37,567,164 | \$645,000 | | |

Note: (1) Source: the City.

Detailed Overlapping Bonded Debt(1)

| | Total Debt(2) | Applicable to the City | |
|---|---------------|------------------------|---------------|
| | | Percent(3) | Amount |
| Schools: | | | |
| School District No. 26 | \$ 10,610,000 | 7.77% | \$ 824,397 |
| School District No. 57 | 7,045,000 | 1.38% | 97,221 |
| School District No. 59 | 24,020,000 | 11.22% | 2,695,044 |
| School District No. 62 | 93,950,000 | 90.73% | 85,240,835 |
| School District No. 64 | 13,975,000 | 0.00%(4) | 182 |
| High School District No. 207 | 3,550,000 | 35.13% | 1,247,115 |
| High School District No. 214 | 62,535,000 | 3.79% | 2,370,077 |
| Harper Community College District No. 512 | 166,045,000 | 1.69% | 2,806,161 |
| Total Schools | | | \$ 95,281,031 |
| Other: | | | |
| Cook County | 3,466,835,000 | 1.35% | \$ 46,802,273 |
| Cook County Forest Preserve District | 172,535,000 | 1.35% | 2,329,223 |
| Metropolitan Water Reclamation District | 2,642,374,005 | 1.37% | 36,200,524 |
| Elk Grove Park District | 8,650,000 | 0.73% | 63,145 |
| Des Plaines Park District | 5,412,240 | 93.20% | 5,044,208 |
| Mt. Prospect Park District | 19,297,000 | 18.96% | 3,658,711 |
| Total Others | | | \$ 94,098,083 |
| Total Overlapping Debt | | | \$189,379,113 |

- Notes: (1) Source: Cook County Clerk.
(2) As of February 12, 2015.
(3) Percentage based on 2013 EAV's, the most current available.
(4) Percentage equals 0.0006%.

Statement of Bonded Indebtedness(1)
(As of February 12, 2015)

| | Amount <u>Applicable</u> | Ratio To | | Per Capita (2010 Census <u>58,364</u>) |
|---|-----------------------------|-------------------------------|-----------------------------|---|
| | | <u>Equalized Assessed</u> | <u>Estimated Actual</u> | |
| City EAV of Taxable Property, 2013 | \$1,697,287,344 | 100.00% | 33.33% | \$29,081.07 |
| Estimated Actual Value, 2013..... | \$5,091,862,032 | 300.00% | 100.00% | \$87,243.20 |
| Total Direct Bonded Debt | \$ 38,212,164 | 2.25% | 0.75% | \$ 654.72 |
| Less: Self Supporting | <u>(37,567,164)</u> | <u>(2.21%)</u> | <u>(0.74%)</u> | <u>(643.67)</u> |
| Net Direct Debt | \$ 645,000 | 0.04% | 0.01% | \$ 11.05 |
| Overlapping Bonded Debt(2): | | | | |
| Schools | \$ 95,281,031 | 5.61% | 1.87% | \$ 1,632.53 |
| Other | <u>94,098,083</u> | <u>5.54%</u> | <u>1.85%</u> | <u>1,612.26</u> |
| Total Overlapping Bonded Debt..... | <u>\$ 189,379,114</u> | <u>11.16%</u> | <u>3.72%</u> | <u>\$ 3,244.79</u> |
| Total Direct and Overlapping Bonded Debt..... | \$ 190,024,114 | 11.20% | 3.73% | \$ 3,255.84 |

Notes: (1) Source: Cook County Clerk.
(2) As of February 12, 2015.

PROPERTY ASSESSMENT AND TAX INFORMATION

City Equalized Assessed Valuation(1)

| Property Class | Levy Years | | | | |
|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| | <u>2009</u> | <u>2010(2)</u> | <u>2011</u> | <u>2012</u> | <u>2013(2)</u> |
| Residential | \$1,511,280,909 | \$1,414,639,043 | \$1,320,637,690 | \$1,219,894,729 | \$ 942,676,584 |
| Farm..... | 0 | 0 | 0 | 0 | 0 |
| Commercial | 474,846,756 | 451,436,196 | 378,063,481 | 347,645,864 | 331,963,949 |
| Industrial | 40,260,183 | 526,094,614 | 483,073,522 | 469,850,112 | 419,594,491 |
| Railroad..... | <u>2,037,298</u> | <u>2,507,411</u> | <u>2,558,611</u> | <u>2,548,662</u> | <u>3,052,320</u> |
| Total | <u>\$2,528,425,146</u> | <u>\$2,394,677,264</u> | <u>\$2,184,333,304</u> | <u>\$2,039,939,367</u> | <u>\$1,697,287,344</u> |
| Percent Change +(-)... | (3.81%) | (5.29%) | (8.78%) | (6.61%) | (16.80%) |

Notes: (1) Source: Cook County Clerk.
(2) Levy year was a triennial reassessment year.
(3) Percentage change based on 2008 EAV of \$2,628,588,594.

Equalized Assessed Valuation by Township(1)

| | 2013 | | | |
|---------------------------------|----------------------|------------------------|---------------------|------------------------|
| | <u>Elk Grove</u> | <u>Maine</u> | <u>Wheeling</u> | <u>Total</u> |
| Real Estate Property..... | \$280,479,925 | \$1,377,429,847 | \$36,324,453 | \$1,694,234,225 |
| Pollution Control District..... | 0 | 799 | 0 | 799 |
| Railroad Property | <u>0</u> | <u>3,052,320</u> | <u>0</u> | <u>3,052,320</u> |
| Total | <u>\$280,479,925</u> | <u>\$1,380,482,966</u> | <u>\$36,324,453</u> | <u>\$1,697,287,344</u> |

Note: (1) Source: Cook County Clerk.

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

| | Levy Years | | | | |
|---|------------|----------|----------|----------|-----------|
| | 2009 | 2010 | 2011 | 2012 | 2013 |
| City Rates: | | | | | |
| General Corporate(2) | \$0.8661 | \$0.9466 | \$1.0833 | \$1.1603 | \$ 1.3942 |
| Public Library | 0.2570 | 0.2800 | 0.3000 | 0.3170 | 0.3750 |
| Bonds and Interest | 0.0507 | 0.0515 | 0.0052 | 0.0054 | 0.0067 |
| Total City Rates(3) | \$1.1740 | \$1.2790 | \$1.3890 | \$1.4830 | \$ 1.7760 |
| Cook County | 0.4150 | 0.4230 | 0.4620 | 0.5310 | 0.5600 |
| Cook County Forest Preserve | 0.0490 | 0.0510 | 0.0580 | 0.0630 | 0.0690 |
| Metropolitan Water Reclamation District | 0.2610 | 0.2740 | 0.3200 | 0.3700 | 0.4170 |
| Maine Township | 0.1170 | 0.1310 | 0.1490 | 0.1680 | 0.2100 |
| School District Number 62 | 2.4920 | 2.7410 | 3.1070 | 3.4900 | 4.2550 |
| High School District Number 207 | 1.6170 | 1.7820 | 1.9950 | 2.2150 | 2.7220 |
| Community College Number 535 | 0.1400 | 0.1600 | 0.1960 | 0.2190 | 0.2560 |
| Des Plaines Park District | 0.3170 | 0.3380 | 0.3790 | 0.4250 | 0.5310 |
| Other Districts | 0.0080 | 0.0090 | 0.0350 | 0.0110 | 0.0440 |
| Total Tax Rates(4) | \$6.5900 | \$7.1880 | \$8.0900 | \$8.9747 | \$10.8400 |

- 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 63.4% of the City's 2013 EAV, the most recent available.

City Tax Levies and Collections(I)

| Levy Year | Coll. Year | Taxes Levied(3)(4) | Total Collections(2) | |
|-----------|------------|--------------------|----------------------|---------|
| | | | Amount(4) | Percent |
| 2009 | 2010 | \$22,482,862 | \$23,296,564 | 103.62% |
| 2010 | 2011 | 23,181,760 | 23,950,011 | 103.31% |
| 2011 | 2012 | 23,181,760 | 23,779,830 | 102.58% |
| 2012 | 2013 | 23,083,150 | 23,797,784 | 103.10% |
| 2013 | 2014(5) | 23,083,150 | 23,527,150 | 101.92% |

- Notes: (1) Source: Cook County Clerk and the City.
(2) Total Collections reflect gross taxes distributed and are not adjusted for refunds.
(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) As of February 28, 2015.

Large City Taxpayers(I)

| Taxpayer Name | Product/Business | 2013 EAV(2) |
|---|--|---------------|
| Midwest Gaming | Real Property | \$ 58,849,006 |
| Universal Oil Products | Chemicals Manufacturer, Catalysts Research and Development | 24,458,595 |
| Ohare Lake Office Park LLC | Office Complex | 21,240,944 |
| Crane and Norcross | Attorneys at Law | 15,952,871 |
| MLRP Messenger LLC | Real Property | 15,300,513 |
| Juno Lighting | Lighting Products | 13,530,006 |
| Abbott Labs | Medical Laboratories | 10,886,115 |
| Individual | Real Property | 10,653,232 |
| Apple Reit Ten | Real Property | 9,682,289 |
| Michael Alesia & Associates, P.C. | Real Property | 8,331,069 |
| Total | | \$188,884,640 |
| Ten largest as a percent of the City's 2013 EAV (\$1,697,287,344) | | 11.13% |

- 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 2013 EAV is the most current available.

FINANCIAL INFORMATION

Statement of Net Position Primary Government Governmental Activities

| | Audited As of December 31 | | | | |
|---|---------------------------|----------------------|----------------------|----------------------|----------------------|
| | 2009 | 2010 | 2011 | 2012 | 2013 |
| ASSETS: | | | | | |
| Cash and Investments | \$ 21,048,313 | \$ 28,509,566 | \$ 39,425,620 | \$ 65,799,739 | \$ 75,050,932 |
| Restricted Cash and Investments | 0 | 0 | 0 | 0 | 8,087,311 |
| Receivables, Net of Allowances for Uncollectibles: | | | | | |
| Property Taxes | 29,476,448 | 33,290,779 | 29,847,630 | 27,673,960 | 28,563,366 |
| Accounts | 1,394,480 | 1,691,423 | 4,596,737 | 4,736,908 | 4,612,787 |
| Accrued Interest | 4,348 | 666 | 1,057 | 7,530 | 3,156 |
| Other Taxes | 1,202,916 | 1,314,919 | 1,402,193 | 1,336,337 | 1,382,230 |
| Other | 753,507 | 982,477 | 956,093 | 561,986 | 313,809 |
| Prepaid Expenses | 697,787 | 3,372,295 | 3,261,796 | 3,183,227 | 3,116,909 |
| Due from Other Governments | 6,441,978 | 6,595,058 | 6,817,175 | 6,884,906 | 6,940,345 |
| Pension Refund Receivable | | | | | 0 |
| Internal Balances | (428,758) | (464,648) | (477,562) | (484,170) | 321,812 |
| Deferred Charges | 546,690 | 765,713 | 695,100 | 0 | 0 |
| Net Pension Asset | 727,227 | 937,828 | 1,244,308 | 1,442,870 | 1,510,687 |
| Capital Assets Not Being Depreciated | 73,373,128 | 78,625,349 | 72,860,664 | 72,860,664 | 73,029,456 |
| Capital Assets, Being Depreciated | 100,171,379 | 98,457,758 | 111,326,234 | 112,291,363 | 117,773,463 |
| Total Assets | <u>\$235,409,443</u> | <u>\$254,079,183</u> | <u>\$271,957,045</u> | <u>\$296,295,320</u> | <u>\$320,706,263</u> |
| DEFERRED OUTFLOWS OF RESOURCES: | | | | | |
| Deferred Amounts from Refunding of Debt | 0 | 0 | 0 | 693,335 | 523,867 |
| LIABILITIES: | | | | | |
| Accounts Payable | \$ 4,118,591 | \$ 3,781,440 | \$ 10,757,252 | \$ 18,982,994 | \$ 21,202,698 |
| Accrued Liabilities | 884,324 | 1,117,785 | 135,308 | 99,888 | 122,264 |
| Accrued Payroll | 204,987 | 208,333 | 1,236,079 | 1,277,237 | 1,583,289 |
| Other Payables | 269,137 | 0 | 0 | 0 | 0 |
| Accrued Interest Payable | 313,575 | 210,205 | 180,585 | 175,095 | 183,205 |
| Unearned Revenue | 29,144,543 | 30,054,362 | 29,845,858 | 264,466 | 430,032 |
| Deposits Payable | 286,308 | 69,042 | 47,754 | 46,382 | 51,687 |
| Short Term Notes Payable | 7,112,000 | 0 | 0 | 0 | 0 |
| Long-Term Obligations: | | | | | |
| Due Within One Year | 8,705,663 | 8,491,794 | 6,416,581 | 7,435,057 | 14,436,802 |
| Due in More Than One Year | 70,020,175 | 66,064,563 | 61,482,515 | 55,779,769 | 46,962,691 |
| Total Liabilities | <u>\$121,059,303</u> | <u>\$109,997,524</u> | <u>\$110,101,932</u> | <u>\$ 84,060,888</u> | <u>\$ 84,972,668</u> |
| DEFERRED INFLOWS OF RESOURCES: | | | | | |
| Deferred Property Tax Revenue | 0 | 0 | 0 | 27,493,679 | 28,359,634 |
| NET POSITION: | | | | | |
| Investment in Capital Assets, Net of Related Debt | \$106,143,382 | \$120,440,844 | \$116,287,802 | \$127,408,625 | \$141,973,412 |
| Restricted For: | | | | | |
| Streets and Highways | 152,202 | 624,128 | 1,768,708 | 1,596,392 | 454,201 |
| Public Safety | 2,362,852 | 2,951,948 | 2,266,416 | 2,347,517 | 2,104,739 |
| Economic Development | 1,095,556 | 3,419,235 | 4,756,587 | 6,034,197 | 3,941,385 |
| Debt Service | 0 | 0 | 240,116 | 288,188 | 8,369,381 |
| Unrestricted | 4,596,148 | 16,645,504 | 36,535,484 | 47,759,170 | 51,054,710 |
| Total Net Position | <u>\$114,350,140</u> | <u>\$144,081,659</u> | <u>\$161,855,113</u> | <u>\$185,434,089</u> | <u>\$207,897,828</u> |

Statement of Activities
Governmental Activities
Net (Expense) Revenue and Changes in Net Assets

| | Audited Year Ended December 31 | | | | |
|---|--------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | 2009 | 2010 | 2011 | 2012 | 2013 |
| FUNCTIONS/PROGRAMS | | | | | |
| PRIMARY GOVERNMENT: | | | | | |
| General Government..... | \$ (289,549) | \$ 515,329 | \$(10,479,088) | \$(20,102,402) | \$(20,085,342) |
| Public Safety | (34,007,194) | (32,071,707) | (33,959,029) | (33,760,877) | (35,284,095) |
| Public Works | (6,070,734) | (3,856,346) | (4,465,290) | (3,644,680) | (3,551,642) |
| Streets and Highways..... | (7,309,291) | 6,585,361 | (2,012,893) | (3,459,609) | (6,902,428) |
| Economic Development..... | (2,184,724) | (1,487,301) | (1,161,997) | (1,553,448) | (1,906,584) |
| Interest..... | (3,984,468) | (3,631,361) | (3,274,304) | (3,046,102) | (2,709,144) |
| Total Governmental Activities(1)..... | <u>\$(53,845,960)</u> | <u>\$(33,946,025)</u> | <u>\$(55,352,601)</u> | <u>\$(65,567,118)</u> | <u>\$(70,439,235)</u> |
| GENERAL REVENUES: | | | | | |
| Taxes: | | | | | |
| Property..... | \$ 27,934,060 | \$ 29,117,255 | \$ 29,671,822 | \$ 28,841,683 | \$28,575,125 |
| Replacement | 1,229,867 | 1,296,063 | 1,207,737 | 1,143,050 | 1,341,936 |
| Sales | 8,271,828 | 8,589,981 | 8,690,828 | 9,695,640 | 13,486,496 |
| Utility | 2,184,785 | 3,353,950 | 3,401,735 | 3,239,299 | 3,264,076 |
| Income | 4,686,475 | 4,580,927 | 4,515,411 | 5,376,774 | 5,643,512 |
| Home Rule Sales | 4,775,264 | 4,834,624 | 5,034,311 | 5,544,261 | 5,640,304 |
| Food and Beverage Tax..... | 897,541 | 911,865 | 1,059,647 | 1,236,942 | 1,177,511 |
| Hotel/Motel | 1,243,395 | 1,387,872 | 1,440,269 | 1,675,772 | 1,752,342 |
| Real Estate Transfer..... | 341,949 | 399,853 | 393,417 | 407,884 | 436,309 |
| Local Option Motor Fuel | 0 | 1,683,503 | 1,719,941 | 1,685,069 | 1,707,152 |
| Gaming Taxes | 0 | 0 | 10,819,591 | 24,802,456 | 24,662,123 |
| Other Taxes | 5,628,019 | 4,364,047 | 4,541,664 | 4,735,420 | 4,277,423 |
| Intergovernmental | 128,581 | 574,467 | 0 | 0 | 0 |
| Investment Income | 98,711 | 74,589 | 82,369 | 160,289 | 89,626 |
| Miscellaneous..... | 1,329,137 | 479,138 | 783,626 | 1,280,897 | 899,031 |
| Gain (Loss) on Sale of Capital Assets | 0 | 0 | 0 | 0 | 0 |
| Contributions | 0 | 0 | 0 | 0 | 0 |
| Transfers..... | (94,340) | 262,432 | (236,313) | 15,758 | (49,992) |
| Total General Revenues..... | <u>\$ 58,655,272</u> | <u>\$ 61,910,566</u> | <u>\$ 73,126,055</u> | <u>\$ 89,841,194</u> | <u>\$92,902,974</u> |
| Change in Net Position..... | 4,809,312 | 27,964,541 | 17,773,454 | 24,274,076 | 22,463,739 |
| Net Position, January 1 | <u>109,540,828</u> | <u>116,117,118(2)</u> | <u>144,081,659</u> | <u>161,160,013(2)</u> | <u>185,434,089</u> |
| Net Position, December 31..... | <u>\$114,350,140</u> | <u>\$144,081,659</u> | <u>\$161,855,113</u> | <u>\$185,434,089</u> | <u>\$207,897,828</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: | 2009 | 2010 | 2011 | 2012 | 2013 |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|
| Cash and Equivalents..... | \$ 9,957,253 | \$10,607,174 | \$17,109,909 | \$23,740,541 | \$30,801,407 |
| Receivables: | | | | | |
| Accounts | 982,339 | 1,060,691 | 1,404,139 | 1,405,087 | 1,383,991 |
| Property Taxes | 22,179,165 | 25,086,119 | 23,006,473 | 22,800,930 | 22,830,537 |
| Other Taxes | 1,125,325 | 1,183,355 | 1,256,378 | 1,196,399 | 1,233,717 |
| Other Receivables | 708,758 | 472,269 | 439,754 | 561,804 | 310,559 |
| Accrued Interest | 190 | 0 | 451 | 7,051 | 1,990 |
| Due From Other Governments | 4,822,972 | 5,471,825 | 5,055,974 | 5,342,762 | 5,165,574 |
| Due From Other Funds..... | 8,813,767 | 8,189,209 | 421,135 | 2,481 | 777,873 |
| Advances From/To Other Funds..... | 0 | 0 | 8,162,664 | 8,606,709 | 9,897,031 |
| Prepaid Items | 4,536 | 3,000 | 0 | 0 | 3,265 |
| Total Assets | <u>\$48,594,305</u> | <u>\$52,073,642</u> | <u>\$56,856,877</u> | <u>\$63,663,764</u> | <u>\$72,405,944</u> |
| LIABILITIES AND FUND EQUITY: | | | | | |
| Liabilities: | | | | | |
| Accounts Payable..... | \$ 1,617,404 | \$ 1,333,639 | \$ 1,649,263 | \$ 1,774,441 | \$ 2,337,847 |
| Accrued Payroll | 0 | 0 | 1,220,715 | 1,268,564 | 1,567,700 |
| Accrued Liabilities | 1,057,244 | 1,191,531 | 111,498 | 85,731 | 99,074 |
| Other Payables..... | 0 | 0 | 0 | 0 | 0 |
| Due to other government units..... | 269,137 | 0 | 0 | 0 | 0 |
| Deferred Revenue | 23,729,102 | 24,288,549 | 24,632,188 | 264,466 | 430,032 |
| Due to Other Funds..... | 2,435,193 | 1,865,857 | 0 | 0 | 0 |
| Short-term Notes Payable | 6,500,000 | 0 | 0 | 0 | 0 |
| Total Liabilities..... | <u>\$35,608,080</u> | <u>\$28,679,576</u> | <u>\$27,613,664</u> | <u>\$ 3,393,202</u> | <u>\$ 4,434,653</u> |
| Deferred Inflows of Resources: | | | | | |
| Deferred Property Tax Revenue | \$ 0 | \$ 0 | \$ 0 | \$22,747,973 | \$22,745,844 |
| Unavailable Other Revenue..... | 0 | 0 | 0 | 1,787,820 | 1,584,834 |
| Total Deferred Inflows of Resources..... | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$24,535,793</u> | <u>\$24,330,678</u> |
| Non Spendable: | | | | | |
| Long-term Interfund Advances..... | \$ 0 | \$ 0 | \$ 8,162,664 | \$ 8,606,709 | \$ 9,897,031 |
| Prepaid Items | 0 | 0 | 0 | 0 | 3,265 |
| Reserved for Long-Term Receivable | 8,807,458 | 7,977,992 | 0 | 0 | 0 |
| Reserved for Prepaid Items | 4,536 | 3,000 | 0 | 0 | 0 |
| Assigned: | | | | | |
| Infrastructure | 0 | 0 | 0 | 500,000 | 4,100,000 |
| Capital Acquisitions | 0 | 0 | 0 | 152,500 | 3,970,000 |
| Streets and Highways..... | 0 | 0 | 0 | 0 | 250,000 |
| Pension Funding | 0 | 0 | 0 | 1,009,318 | 1,313,108 |
| Public Safety | 0 | 0 | 0 | 2,500,000 | 0 |
| Debt Service..... | 0 | 0 | 0 | 0 | 4,000,000 |
| Unreserved..... | 4,174,231 | 15,413,074 | 0 | 0 | 0 |
| Unassigned | 0 | 0 | 21,080,549 | 22,966,242 | 20,107,209 |
| Total Fund Equity | <u>\$12,986,225</u> | <u>\$23,394,066</u> | <u>\$29,243,213</u> | <u>\$35,734,769</u> | <u>\$43,640,613</u> |
| Total Liabilities, Deferred Inflows of Resources and Fund Equity..... | <u>\$48,594,305</u> | <u>\$52,073,642</u> | <u>\$56,856,877</u> | <u>\$63,663,764</u> | <u>\$72,405,944</u> |

**General Fund
Revenues and Expenditures**

| | Audited Years Ending December 31 | | | | |
|---|----------------------------------|---------------------|---------------------|---------------------|---------------------|
| | 2009 | 2010 | 2011 | 2012 | 2013 |
| REVENUES: | | | | | |
| Taxes | \$19,888,602 | \$21,461,924 | \$22,356,628 | \$23,141,075 | \$23,043,431 |
| Other Taxes | 10,298,486 | 11,556,651 | 11,743,198 | 12,195,929 | 12,030,631 |
| Licenses and Permits | 3,011,551 | 4,054,683 | 3,086,311 | 2,781,329 | 2,924,191 |
| Intergovernmental | 14,430,178 | 14,680,433 | 15,010,880 | 16,245,216 | 20,992,728 |
| Charges for Services..... | 6,377,634 | 6,246,285 | 6,344,524 | 6,689,530 | 6,245,773 |
| Fines and Forfeits..... | 1,118,464 | 921,328 | 1,370,186 | 1,158,716 | 1,312,001 |
| Investment Income | 15,497 | 23,469 | 41,617 | 85,646 | 25,188 |
| Miscellaneous | 1,111,874 | 363,613 | 559,964 | 543,494 | 550,055 |
| Total Revenues | <u>\$56,252,286</u> | <u>\$59,308,386</u> | <u>\$60,513,308</u> | <u>\$62,840,935</u> | <u>\$67,123,998</u> |
| EXPENDITURES: | | | | | |
| Current: | | | | | |
| General Government..... | \$ 7,093,003 | \$ 6,742,596 | \$ 6,821,598 | \$ 7,304,439 | \$ 7,272,417 |
| Public Safety | 35,460,313 | 34,078,950 | 36,561,253 | 37,230,479 | 38,138,909 |
| Public Works | 5,855,521 | 4,872,193 | 5,943,764 | 5,697,710 | 6,225,488 |
| Streets and Highways..... | 5,069,135 | 4,236,133 | 4,412,015 | 4,539,771 | 5,210,461 |
| Economic Development..... | 329,564 | 374,321 | 371,346 | 410,325 | 500,690 |
| Interest and Fiscal Charges..... | 0 | 36,026 | 0 | 0 | 0 |
| Capital Outlay..... | 16,836 | 28,403 | 0 | 0 | 0 |
| Total Expenditures..... | <u>\$53,824,372</u> | <u>\$50,368,622</u> | <u>\$54,109,976</u> | <u>\$55,182,724</u> | <u>\$57,347,965</u> |
| Excess (Deficiency) of Revenues Over Expenditures | \$ 2,427,914 | \$ 8,939,764 | \$ 6,403,332 | \$ 7,658,211 | \$ 9,776,033 |
| Other Financing Sources (Uses), Net | 1,190,000 | 1,468,077 | (2,420,042) | (1,166,655) | (1,870,189) |
| Special Items..... | 0 | 0 | 1,865,857 | 0 | 0 |
| Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses | \$ 3,617,914 | \$10,407,841 | \$ 5,849,147 | \$ 6,491,556 | \$ 7,905,844 |
| Balance, January 1 | <u>\$ 9,370,311</u> | <u>\$12,986,225</u> | <u>\$23,394,066</u> | <u>\$29,243,213</u> | <u>\$35,734,769</u> |
| Balance, December 31 | <u>\$12,988,225</u> | <u>\$23,394,066</u> | <u>\$29,243,213</u> | <u>\$35,734,769</u> | <u>\$43,640,613</u> |

**General Fund
Unaudited Budget and Interim Information(1)**

| | Budget Fiscal Year 2015 |
|---------------------------|----------------------------|
| REVENUES: | |
| Taxes | \$34,325,640 |
| Licenses & Permits..... | 2,574,500 |
| Intergovernmental | 15,620,400 |
| Charges for Services..... | 4,727,000 |
| Fines and Forfeits..... | 1,134,500 |
| Investment Income | 45,000 |
| Other | 429,653 |
| Total Revenue | <u>\$58,856,693</u> |
| EXPENDITURES: | |
| General Government..... | \$10,143,123 |
| Public Safety | 40,624,315 |
| Economic Development..... | 567,293 |
| Public Works | 8,706,889 |
| Streets & Highways | 3,767,599 |
| Total Expenditures | <u>\$63,809,219</u> |

Note: (1) Source: the City.

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, 2014. 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, 2014.



Crowe Horwath LLP

Oak Brook, Illinois
June 8, 2015