

# 2016 COMPREHENSIVE ANNUAL FINANCIAL REPORT

Fiscal Year Ending  
December 31, 2016



**THE CITY OF DES PLAINES, ILLINOIS**

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

For the Fiscal Year Ended  
December 31, 2016

Prepared by the Finance Department

Dorothy Wisniewski  
Assistant City Manager/Director of Finance

CITY OF DES PLAINES, ILLINOIS  
December 31, 2016

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Finance Department

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June 16, 2017

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

The Comprehensive Annual Financial Report (CAFR) of the City of Des Plaines (City) for the year ended December 31, 2016, is hereby submitted as required by the Illinois Compiled Statutes. 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.

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, 2016. 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**

The City continued to see a strengthening in the housing market and economy in general during 2016 as indicated below in the economic development goal of the City Council with an increased number of new developments throughout the year. A major strength of Des Plaines economic base is its diversity. The city's total equalized assessed valuation (EAV) for the 2015 property tax levy collected in 2016 was \$1,664,720,171. This represents a 3.08 percent decrease from the 2015 EAV. The economic base of Des Plaines is diverse as residential property comprises 56% of the City commercial and industrial property represent 26% and 17% respectively.

Major employers located within the City's boundaries or in close proximity include Universal Oil Products, LSG Sky Chefs, Sysco Food Systems, Rivers Casino, Holy Family Medical Center and Oakton Community College. According to the November 2016 edition of Where Worker Work (Illinois Department of Employment Security - IDES), Des Plaines is home to 2,795 commercial establishments of which 452 are retail. Des Plaines is comprised of 39,504 jobs; of them, 13.2 percent are in the manufacturing sector, 10.6 percent are in the wholesale sector, 9.3 percent are in the transportation and warehousing sector, 6.8 percent are in retail trade and 13.5 percent are in the healthcare and social assistance (2016, IDES, Where Workers Work). Many of Des Plaines major employers have committed to hiring Des Plaines residents contributing to maintaining a low unemployment rate which is currently at just 5.2 percent for 2016, down from 2015's average of 6.0 percent (not seasonally adjusted, IDES, 2016 annual average).

Building permit issuance has increased with 3,105 building permits issued in 2016, well above the 2,758 and 2,766 permits issued in 2014 and 2015 respectively. The declared valuation from 2016 totals \$91,643,460, representing a 62 percent increase over \$56,544,957 in building permit valuation during 2015. This increase signals a strong local economy and validation that the economic development incentives offered in the City of Des Plaines are working.

## **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 2016, the City's total General Fund balance was \$49.8 million, of which the unassigned fund balance was \$21.8 million or 37.7 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 2016, the unrestricted net position resulted in a negative \$5.0 million while the total net position at the end of the year was \$25.5 million, an increase of 27.9 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 capital projects, the City completed construction of an alternative water supply source 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.

### **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 officials and City staff identified opportunities to deliver smart, efficient services to the taxpayers of Des Plaines. During 2016 some of the City's accomplishments included:

- Financial Stability:
  - ✓ The past six years have been marked by a 0% increase to the property tax levy benefitting both the residents and the business community, and the City Council continues to place an emphasis on keeping City services affordable to the taxpayers.
  - ✓ Investment income increased \$177K or 92.7% from 2015 as a result of a new investment approach by the City and an improving interest rate environment.
  - ✓ The City saved \$2.2 million on the purchase price of water by completing construction of an alternate water source and obtaining the majority of water from the Northwest Water Commission instead of the City of Chicago.
  
- Economic Development:
  - ✓ Entered into a Memorandum of Understanding between the City of Des Plaines, Cook County, the State of Illinois, and Vetter Commercial Manufacturing, USA, for economic development incentives in support of a \$350 million facility for the filling and packaging of medical syringes, cartridges, and vials. It is anticipated that the new manufacturing facility will employ up to 500 people after full build-out.
  - ✓ Entered in to a Purchase and Sale Agreement with Opus Development for City-owned land which will facilitate the development of a 113 unit apartment building in downtown.
  - ✓ Received zoning approval in support of the Redevelopment Agreement for the redevelopment of approximately 10 acres of City-owned land in Tax Increment Finance District #7 (Mannheim/Higgins).
  - ✓ In 2016, the City awarded \$47,457 in Business Assistance Grants to 6 businesses, which in turn reinvested \$258,289 in capital building improvements.
  - ✓ Facilitated zoning approval of several new development projects:
    - Vetter Commercial Manufacturing planned unit development at 10 W. Algonquin Road.
    - Preliminary planned unit development approval for a 236 unit apartment building at the site of the now demolished United Stationer's office building (150 North East River Road)
    - Final planned unit development approval for 58 Townhome units at 783-841 Lee Street
    - Final planned unit development approval for 127 townhouse units and 270 apartments at 800 Northwest Hwy
  - ✓ The City continues to focus its support of Cook County's Property Tax Incentive program which resulted in \$350 million invested in the construction of the following five projects:
    - Vetter Commercial Manufacturing (new 6b), 10 W. Algonquin Road, for a 1.2 million square foot manufacturing facility
    - Northwest Millwork (6b renewal), 455 E. Jarvis Ave., to retain a long-standing business employing nearly 30 people
    - Bonadent (new 6b), 1505 South Mount Prospect Road, 8,000 square foot tenant build-out
    - Shenker, Inc. (6b renewal), 133-1347 South Mount Prospect Road to retain a long standing business employing nearly 300 people
  
- Infrastructure:
  - ✓ Over \$22.4 million was invested in 2016 related to a new water source, roads, sewers, sidewalks, and flood control with an additional \$34.4 million investment planned for 2017 without any new debt being issued.
  - ✓ The Public Works and Engineering department oversaw construction of the newly beautified Ellinwood Street downtown corridor with the newly planted trees and brick-paved sidewalks.
  - ✓ The City completed the construction of the alternate water source and River Road reconstruction projects.
  
- Community:
  - ✓ In 2016, Des Plaines launched its new, user-friendly website highlighting career opportunities with the City. At the same time, the City developed a local business job recruitment page to provide links to local businesses looking to recruit good talent. This initiative provided a much easier way for community members to view and apply for local employment opportunities.
  - ✓ In 2016, the City, with the assistance of a part-time event planner, hosted two successful community events: The 2016 Taste of Des Plaines and Friday Nights Live!, a 10-week live entertainment series in downtown

Metropolitan Square. Both family-friendly events showcased our local service organizations while providing free entertainment and activities for the community.

- ✓ In November 2016, the City unveiled its new DP311 mobile app intended to better connect residents with City services. This new service request app allows residents to communicate 24/7 with the City from the convenience of their cell phones, computers, or tablets, while being able to follow the status of their inquiries to completion.

- High Performance:

- ✓ Began efforts to consolidate the Des Plaines Emergency Telephone System Board with the Village of Wheeling.
- ✓ Centralized the routing and response to public requests with a new online portal and the DP311 mobile application.
- ✓ Continued replacement of manual read water meters to more accurate and efficient remote read meters.

- The Finance Department, for the fourth 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 2015 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 eight 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, 2015. This was the thirty-sixth 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,



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Michael G. Bartholomew  
City Manager



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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, 2015**

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

Malcolm Chester – Sixth Ward

Denise Rodd – Third Ward

Don Smith – Seventh Ward

Dick Sayad – Fourth Ward

Mike Charewicz – Eighth Ward

## **Administration**

City Manager .....Michael G. Bartholomew

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

Assistant City Manager/Director of Finance ..... Dorothy Wisniewski

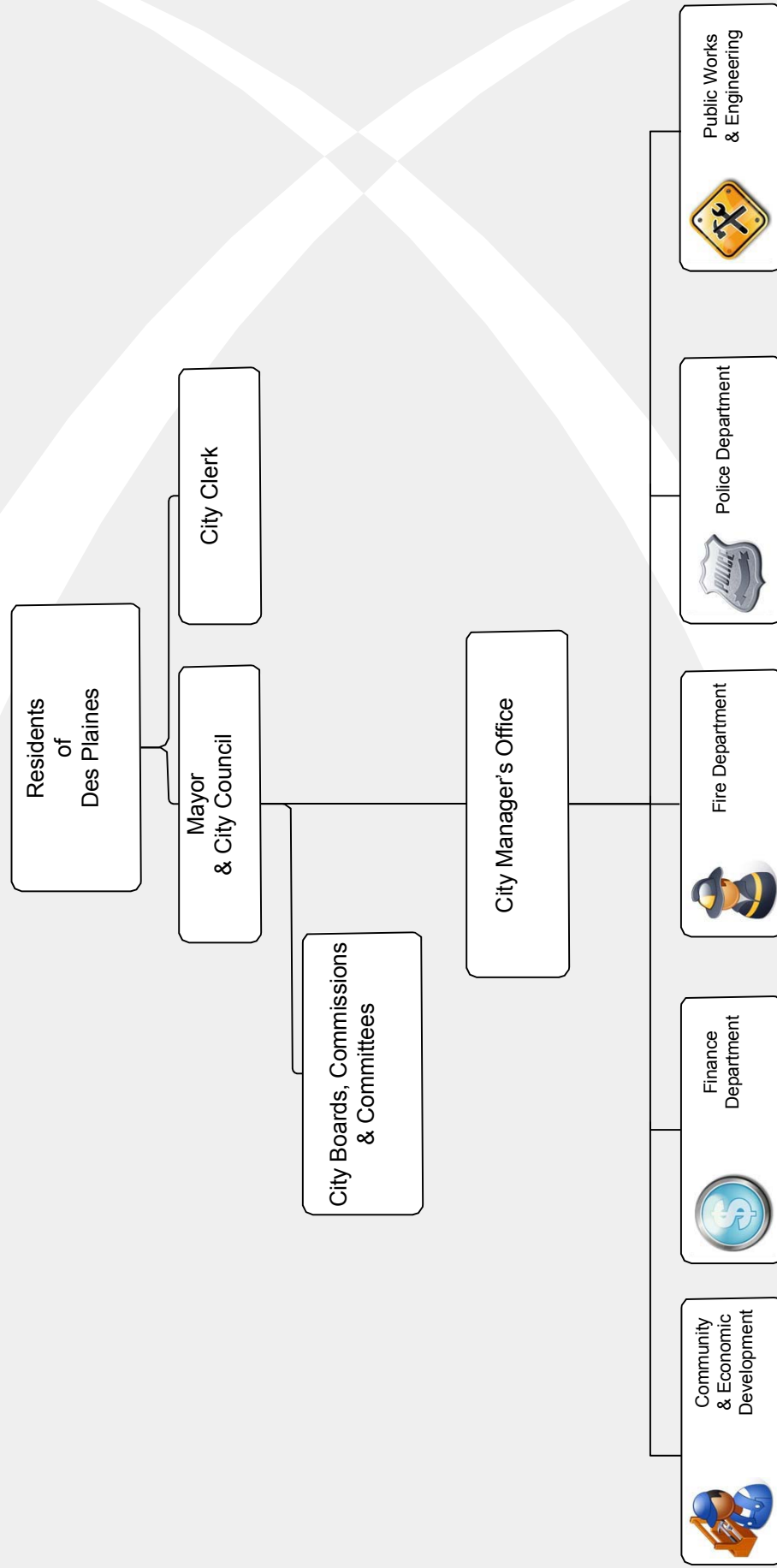
Chief of Police ..... William Kushner

Fire Chief ..... Alan Wax

Director of Public Works & Engineering ..... Timothy Oakley

Director of Community & Economic Development.....Michael McMahon

# City of Des Plaines



## 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, 2016, 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, 2016, 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, 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 as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *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 2016 combining and individual fund financial statements and schedules and other supplementary schedules are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2016 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, 2015 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.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 16, 2017 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

*Crowe Horwath LLP*

Crowe Horwath LLP

Oak Brook, Illinois  
June 16, 2017

CITY OF DES PLAINES, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
December 31, 2016

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The following is a discussion and analysis of the City of Des Plaines' (the "City") financial performance for the fiscal year ended December 31, 2016. Use this section in conjunction with the City's basic financial statements. Comparative data is available and presented for this 2016 report.

## **FINANCIAL HIGHLIGHTS**

### **Government-Wide**

The assets and deferred outflows of resources of the City of Des Plaines exceeded its liabilities and deferred inflows of resources by \$155.5 million (*net position*) as of December 31, 2016. The net position is comprised of \$222.4 million in net investment in capital assets, \$8.9 million in restricted for street and highways, public safety, debt service, and economic development, offset by a negative \$75.8 million in unrestricted net position. Year over year the net position increased by \$10.1 million primarily due to an increase of \$21.5 million in investment in capital assets.

### **Fund Level**

*Governmental Funds:* As of December 31, 2016, the City's governmental funds reported a combined ending fund balance of \$73.2 million, an increase of \$3.4 million from fiscal 2015. The City reported an unassigned fund balance of \$5.2 million in fiscal 2016.

- The City's General Fund ended the year with total revenues exceeding total expenditures by \$7.8 million. Combined with other financing net uses of \$2.1 million, the December 31, 2016 fund balance increased by \$5.7 million.
- Local government state shared revenues, i.e. state income, municipal sales and personal property replacement tax increased by \$379 thousand.
- The City received \$24.7 million in taxes generated from the revenues at Rivers Casino, \$3.3 million in admission tax (\$1 per admission), and \$21.4 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 \$8.8 million in gaming tax revenue will be discussed by the City Council as part of the 2018 Budget process and allocated towards expenditures approved in the gaming tax revenue and expenditure policy such as capital infrastructure projects and early debt payoff.

*Proprietary Funds:* The proprietary funds reported a net position of \$36.1 million as of December 31, 2016, an increase of \$5.0 million or 16.2 percent from fiscal 2015, primarily due to increasing investment in capital assets funded by transfers from the Gaming Tax fund.

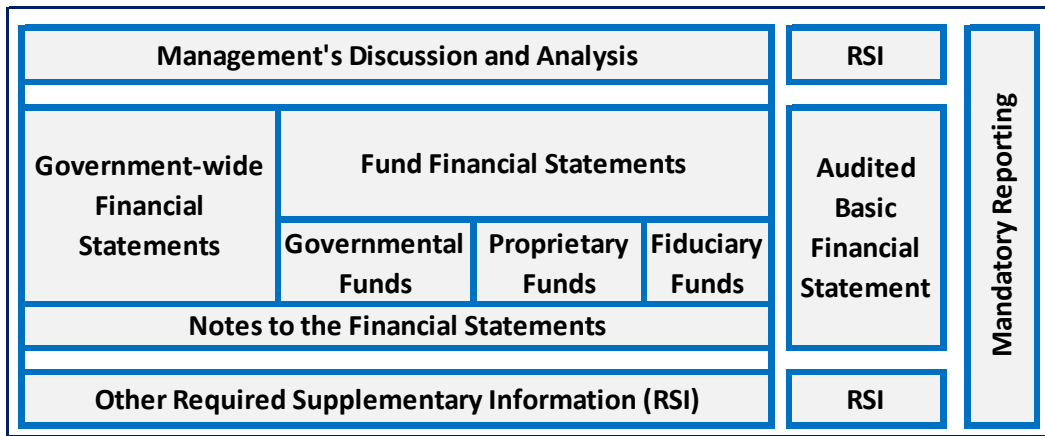
*Debt Service:* The City's total bonds outstanding decreased by \$3.4 million or 9.1 percent during fiscal 2016. This amount represents the net difference between net issuances, payments and refunding of outstanding bond debt. No issuances or refunding was done in 2016.

CITY OF DES PLAINES, ILLINOIS  
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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 (GAAP), 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

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

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CITY OF DES PLAINES, ILLINOIS  
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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 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.*

CITY OF DES PLAINES, ILLINOIS  
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- *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, Grant Projects 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.

- *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.
- *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.

CITY OF DES PLAINES, ILLINOIS  
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**FINANCIAL ANALYSIS OF THE CITY AS A WHOLE**

**Net Position:** Total assets of the City as of December 31, 2016, were \$391.3 million, an increase of \$15.9 million or 4.2 percent. Total liabilities as of December 31, 2016, were \$223.1 million, an increase of \$2.0 million or 0.9 percent. The following table reflects the condensed *Statement of Net Position*:

	Governmental Activities		Business-type Activities		Total Primary Government	
	2016	2015	2016	2015	2016	2015
<b>ASSETS</b>						
Current & Other Assets	\$ 139,154,684	\$ 134,915,397	\$ (528,234)	\$ 2,337,072	\$ 138,626,450	\$ 137,252,469
Capital Assets	212,544,265	204,429,680	40,123,012	33,676,322	252,667,277	238,106,002
Total Assets	<u>351,698,949</u>	<u>339,345,077</u>	<u>39,594,778</u>	<u>36,013,394</u>	<u>391,293,727</u>	<u>375,358,471</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	<u>18,108,357</u>	<u>20,174,715</u>	<u>1,110,042</u>	<u>1,775,766</u>	<u>19,218,399</u>	<u>21,950,481</u>
<b>LIABILITIES</b>						
Current Liabilities	27,145,322	23,807,651	1,244,257	3,100,075	28,389,579	26,907,726
Noncurrent Liabilities	192,165,970	191,233,441	2,513,046	2,958,437	194,679,016	194,191,878
Total Liabilities	<u>219,311,292</u>	<u>215,041,092</u>	<u>3,757,303</u>	<u>6,058,512</u>	<u>223,068,595</u>	<u>221,099,604</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<u>31,568,489</u>	<u>30,644,597</u>	<u>373,000</u>	<u>152,823</u>	<u>31,941,489</u>	<u>30,797,420</u>
<b>NET POSITION</b>						
Net Investment in Capital Assets	182,246,337	167,177,408	40,123,012	33,676,322	222,369,349	200,853,730
Restricted	8,933,922	7,229,324	-	-	8,933,922	7,229,324
Unrestricted	(72,252,734)	(60,572,629)	(3,548,495)	(2,098,497)	(75,801,229)	(62,671,126)
Total Net Position	<u>\$ 118,927,525</u>	<u>\$ 113,834,103</u>	<u>\$ 36,574,517</u>	<u>\$ 31,577,825</u>	<u>\$ 155,502,042</u>	<u>\$ 145,411,928</u>

Net position was affected by a number of factors. All cash and cash equivalents on the Statement of Net Position decreased by \$0.5 million from fiscal 2015 primarily due to the spending of grant funds that were received prior to completion of the construction.

Net position was \$155.5 million in fiscal 2016, an increase of \$10.1 million. Of the City's net position, \$222.4 million was net investment in capital assets, while \$8.9 million was restricted by the City or other legal requirements and was not available to finance day-to-day operations of the City. Unrestricted net position decreased \$13.1 million to negative \$75.8 million primarily due to continued growth of net pension liability for the Fire and Police pension funds.

**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:



**CITY OF DES PLAINES, ILLINOIS**  
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**Table 2: Changes in Net Position**

For the Fiscal Year Ended December 31, 2016 and 2015

	Governmental Activities		Business-type Activities		Total Primary Government	
	2016	2015	2016	2015	2016	2015
<b>REVENUES</b>						
Program Revenues:						
Fees, Fines & Charges for Services	\$ 13,939,452	\$ 13,477,439	\$15,162,719	\$14,788,255	\$ 29,102,171	\$ 28,265,694
Operating Grants & Contributions	2,352,503	2,759,817	3,633	3,471	2,356,136	2,763,288
Capital Grants & Contributions	2,312,985	11,967,751	-	-	2,312,985	11,967,751
Total Program Revenues	18,604,940	28,205,007	15,166,352	14,791,726	33,771,292	42,996,733
General Revenues:						
Property Taxes	29,254,397	28,607,185	-	-	29,254,397	28,607,185
Other Taxes	63,431,198	62,514,258	-	-	63,431,198	62,514,258
Investment Income	365,137	189,691	3,056	1,340	368,193	191,031
Miscellaneous Revenue	688,554	982,019	5,762	8,824	694,316	990,843
Total General Revenues	93,739,286	92,293,153	8,818	10,164	93,748,104	92,303,317
Total Revenues	112,344,226	120,498,160	15,175,170	14,801,890	127,519,396	135,300,050
<b>EXPENSES</b>						
General Government	27,240,159	26,508,887	-	-	27,240,159	26,508,887
Public Safety	49,009,727	47,386,563	-	-	49,009,727	47,386,563
Public Works	8,176,306	9,687,304	-	-	8,176,306	9,687,304
Streets and Highways	11,961,177	15,713,911	-	-	11,961,177	15,713,911
Economic Development	3,650,262	1,980,456	-	-	3,650,262	1,980,456
Interest	1,411,210	1,459,709	-	-	1,411,210	1,459,709
Water/Sewer	-	-	15,145,099	17,830,764	15,145,099	17,830,764
Parking System	-	-	835,342	834,894	835,342	834,894
Emergency Comm. System	-	-	-	234,127	-	234,127
Total Expenses	101,448,841	102,736,830	15,980,441	18,899,785	117,429,282	121,636,615
Excess (Deficiency) Before Transfers						
Transfers	10,895,385	17,761,330	(805,271)	(4,097,895)	10,090,114	13,663,435
Transfers	(5,801,963)	(6,692,243)	5,801,963	6,692,243	-	-
Changes in Net Position	5,093,422	11,069,087	4,996,692	2,594,348	10,090,114	13,663,435
Net Position, Beginning Balance	113,834,103	102,765,016	31,577,825	28,983,477	145,411,928	131,748,493
Net Position, Ending Balance	\$118,927,525	\$113,834,103	\$36,574,517	\$31,577,825	\$155,502,042	\$145,411,928

The City's net position as of December 31, 2016 increased by \$10.1 million. The City earned program revenues of \$33.8 million and general revenues of \$93.7 million, for total revenues of \$127.5 million, a decrease of \$7.8 million or 5.8 percent from fiscal year 2015.

The major component of this decrease was capital grants and contributions, with a decrease of \$9.7 million. Operating grants and contributions revenue also decreased by \$407 thousand and general revenue increased by \$1.4 million. The expenses of the City were \$117.4 million, a decrease of \$4.2 million or 3.5 percent. The expense fluctuations in governmental activities are largely attributable to a \$3.8 million decrease in the streets and highways services.

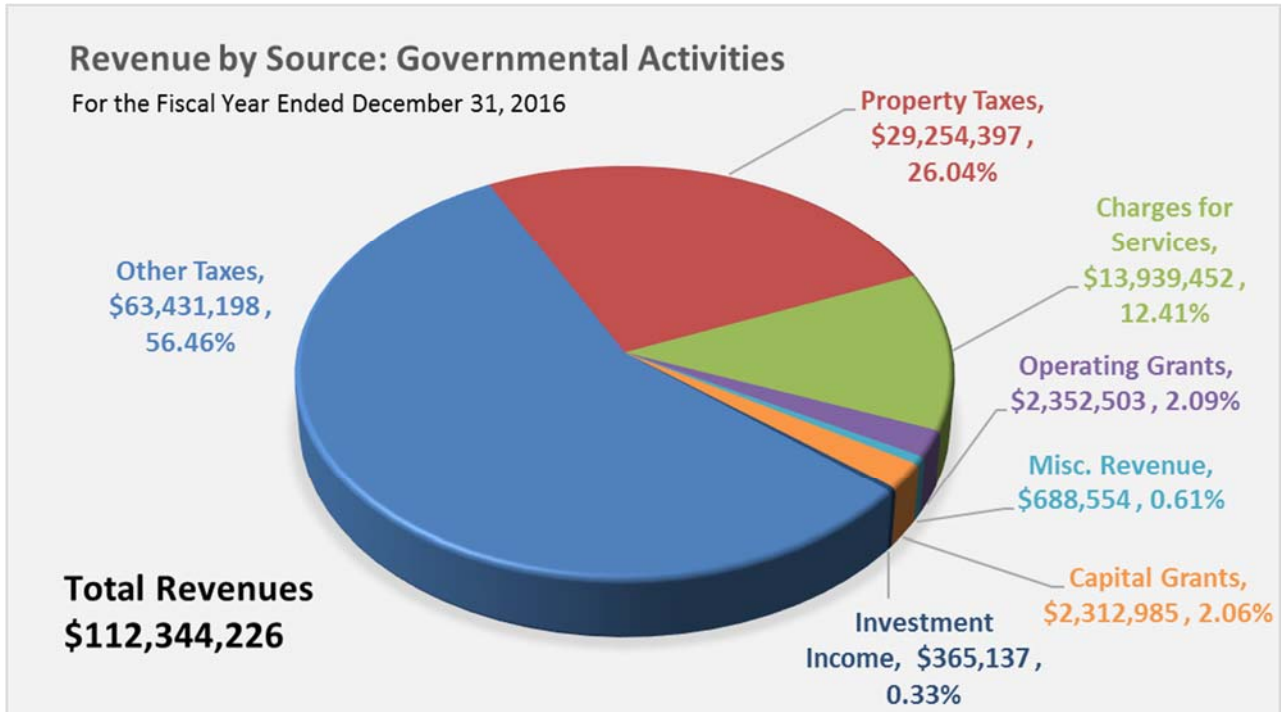
In business-type activities there was a \$2.9 million decrease in water/sewer services due to completion of the alternate water source project and the corresponding reduction in water purchase costs. Further discussion of results for changes in the City's financial condition follows in the analysis of the City's funds.

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**Governmental Activities:** The governmental activities program revenue was \$18.6 million, including charges for services of \$13.9 million, operating grants and contributions of \$2.4 million and capital grants and contributions of \$2.3 million. The largest change, a \$9.7 million decrease, was for capital grants and contributions. Fees, fines and charges for services revenue increased by \$462 thousand partially due to an increase in building permit activity.

The general revenue was \$93.7 million, including property taxes of \$29.3 million and other taxes revenue of \$63.4 million. The general revenue increased \$1.4 million resulting from an increase in home rule and municipal sales tax revenue. The following chart represents revenues from governmental activities by source.



The 2015 equalized assessed value (EAV) decreased by 3.1% from the 2014 EAV. However, the City received notification that the 2016 EAV will increase approximately 15% to 1.92 billion as the result of increased building development and an improving economy.

Equalized Assessed Valuation (EAV)	Tax Levy 2015	Tax Levy 2014	Increase / (Decrease)	Change (%)
	\$ 1,664,720,171	\$ 1,717,657,016	\$ (52,936,845)	-3.1%

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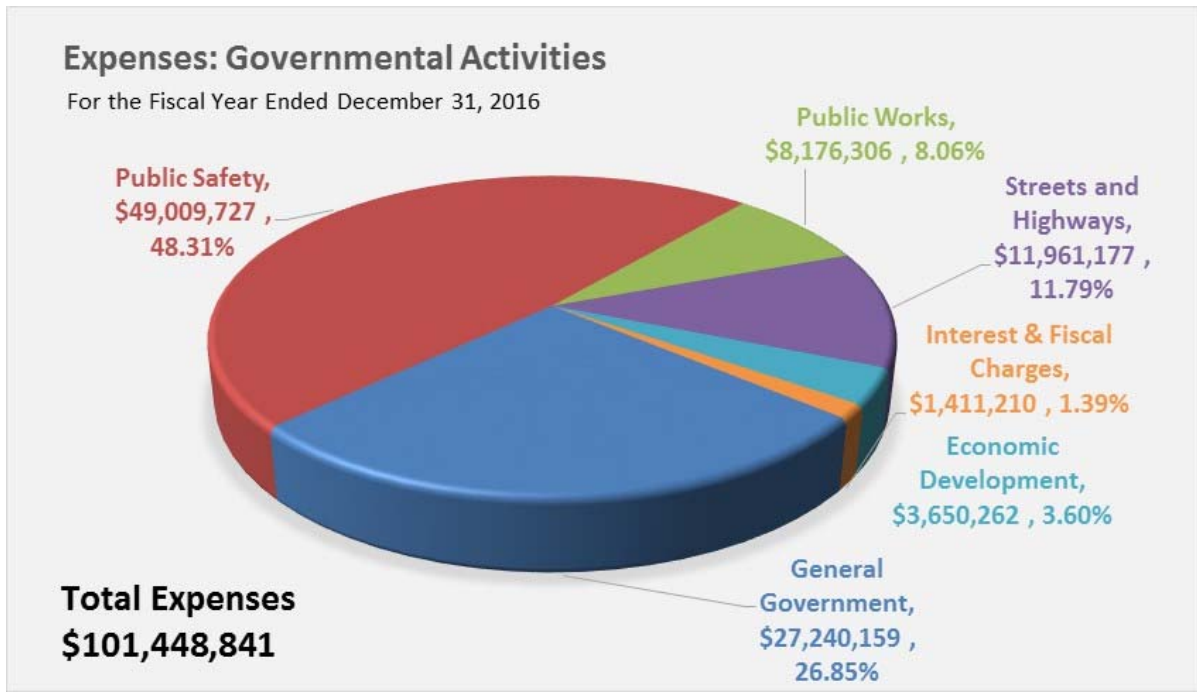
The *General Fund* state-per-capita shared revenues from *income tax* and *use tax* decreased by 5.7 percent.

Illinois State Shared Tax Revenue	Fiscal Year 2016	Fiscal Year 2015	Increase / (Decrease)	Change (%)
State Income Tax	\$ 5,681,387	\$ 6,210,116	\$ (528,729)	-8.5%
Use Tax	1,392,829	1,288,847	103,982	8.1%
Total	\$ 7,074,216	\$ 7,498,963	\$ (424,747)	-5.7%

The City's *municipal sales tax* revenue (one percent share of the State collected tax, not including home rule tax) increased 6 percent during the fiscal year.

Municipal Sales Tax Revenue	Fiscal Year 2016	Fiscal Year 2015	Increase / (Decrease)	Change (%)
	\$ 11,387,882	\$ 10,744,654	\$ 643,228	6.0%

The following chart represents expenses from governmental activities.



Governmental activities expenses were \$101.4 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 87.0 percent of governmental activities expenses and 89.1 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.

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**Business-type Activities:** Business-type activities generated program revenue of \$15.2 million from fees, fines and charges for services. The total expenses for business-type activities were \$16.0 million. The largest change occurred in the water and sewer fund with a \$5.6 million increase in net position. There was an increase in Net Position in the government's business-type activities of \$5.0 million in comparison to the prior year's increase of \$2.6 million.

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

<b>Expenses and Program Revenues: Business-type Activities</b>		
For the Fiscal Year Ended December 31, 2016		
<b>Activities</b>	<b>Expenses</b>	<b>Program Revenues</b>
Water	15,145,099	14,821,194
Parking	835,342	345,158
	<u>\$15,980,441</u>	<u>\$15,166,352</u>

## **FINANCIAL ANALYSIS OF THE CITY'S FUNDS**

### **Governmental Funds**

As of December 31, 2016, governmental funds reported fund balances of \$73.2 million. The general fund reported a positive \$49.8 million fund balance.

***General Fund:*** The fund balance for the general fund as of December 31, 2016, was \$49.8 million, an increase of \$5.7 million from fiscal 2015, mostly due to higher than anticipated state shared revenues. The nonspendable fund balance was \$20.5 million and the assigned fund balance was \$7.5 million, resulting in the unassigned fund balance of \$21.8 million. The unassigned balance of the general fund can be used to cover the day-to-day service delivery and was at 37.7 percent of the 2016 general fund expenditures.

***Gaming Tax Fund:*** The fund balance for the gaming tax fund as of December 31, 2016, was \$20.4 million, a decrease of \$60 thousand from fiscal year 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 areas. The negative impact on the City's 2016 total governmental fund balance is primarily due to deficit fund balances in TIF #3 (Wille Road) of \$3.0 million and TIF #6 (Mannheim/Higgins) of \$9.2 million related to an outstanding debt burden as well as reduced property tax revenue. TIF #7 (Mannheim/Higgins South) has accumulated a deficit of \$1.4 million in preparation for redevelopment opportunities.

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**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, 2016, totaled \$5.6 million, an increase of \$508 thousand since December 31, 2015. This increase primarily results from growth in sales tax and local gas tax receipts.

**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. Proprietary funds reported a net position of \$36.1 million as of December 31, 2016.

**Water/Sewer Fund:** Water and sewer fund's net position as of December 31, 2016, totaled \$25.5 million, an increase of \$5.6 million from the prior year as a major project was completed to construct an alternate water source.

**Parking System Fund:** Net Position of \$10.6 million, a decrease of \$527 thousand from fiscal 2015 since the revenue from charges for services continues to lag behind the operating expenses and the depreciation.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance from Fund Budget Positive (Negative)</b>
Revenues	\$ 59,383,670	\$ 65,700,175	\$ 6,316,505
Expenditures	<u>61,089,221</u>	<u>57,871,619</u>	<u>3,217,602</u>
Excess of Revenues Over Expenditures	<u>(1,705,551)</u>	<u>7,828,556</u>	<u>9,534,107</u>
Other Financing Sources (Uses)	(2,216,393)	(2,141,530)	74,863
Net Changes in Fund Balance	<u>\$ (3,921,944)</u>	<u>\$ 5,687,026</u>	<u>\$ 9,608,970</u>

General fund actual revenues were \$6.3 million or 10.6 percent greater than the budgeted amount while general fund actual expenditures were \$3.2 million or 5.3 percent lower than the budgeted

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CITY OF DES PLAINES, ILLINOIS  
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amount. The revenues from local taxes, intergovernmental payments as well as permits, 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, 2016, the City had \$252.7 million in net capital assets. This total represents an increase of \$14.6 million in total capital assets or 6.1 percent from fiscal 2015.

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 2016 fiscal year included streets and alley reconstruction, water, sewer and drainage system improvements as well as River Road reconstruction project. This is a \$15.2 million project funded through the Illinois Department of Transportation (IDOT).

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.

Note 5 provides details about the City's capital assets and Note 11 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	
	2016	2015	2016	2015	2016	2015
Land	\$ 25,134,690	\$ 23,655,167	\$ 1,891,770	\$ 1,891,770	\$ 27,026,460	\$ 25,546,937
Land right of way	53,299,649	53,299,649	-	-	53,299,649	53,299,649
Buildings	11,256,201	11,676,049	8,053,812	8,727,090	19,310,013	20,403,139
Building improvements	24,805,214	25,620,499	29,516,579	22,672,895	54,321,793	48,293,394
Equipment	2,083,442	1,950,371	216,156	208,893	2,299,598	2,159,264
Vehicles	5,335,235	4,394,587	444,695	175,674	5,779,930	4,570,261
Infrastructure	88,265,506	76,516,074	-	-	88,265,506	76,516,074
Construction in progress	2,364,328	7,317,284	-	-	2,364,328	7,317,284
<b>Total Capital Assets</b>	<b>\$ 212,544,265</b>	<b>\$ 204,429,680</b>	<b>\$ 40,123,012</b>	<b>\$ 33,676,322</b>	<b>\$ 252,667,277</b>	<b>\$ 238,106,002</b>

**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 2016 by Moody's Investors Service.

(See independent auditor's report)

CITY OF DES PLAINES, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
December 31, 2016

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	
	2016	2015	2016	2015	2016	2015
General obligation bonds	\$ 33,561,615	\$ 36,870,688	\$ -	\$ -	\$ 33,561,615	\$ 36,870,688
TIF revenue bonds	296,572	361,705			296,572	361,705
Loans payable	162,500	175,000			162,500	175,000
Total Bonded Debt	<u>\$ 34,020,687</u>	<u>\$ 37,407,393</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 34,020,687</u>	<u>\$ 37,407,393</u>

The City had \$33.6 million in principal outstanding general obligation debt from governmental activities and no principle outstanding from business-type activities for the year ended December 31, 2016. The majority of the City’s debt burden is supported by TIF revenues, sales and utility taxes, sewer fees and other fees and only \$475 thousand is supported by property tax revenue. 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 2016 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 26.2 percent and 17.5 percent, respectively, of the City’s total 2015 EAV of \$1.7 billion.
- 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 2016 accounted for only 10.8 percent of the City’s total EAV.
- The number of building permits issued increased 12.6% in 2016 prompting a 62.1% increase in declared valuation. This is a signal of increased confidence in the local economy and can have a positive impact on future tax revenues.
- 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.

(See independent auditor's report)



CITY OF DES PLAINES, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
December 31, 2016

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- In 2016 Des Plaines' economy continued its post-recession expansion; the average annual unemployment rate remained consistent at 5.2 percent in Des Plaines compared to 5.9 percent state and 4.9 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 2017 will see additional 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 21 percent of its revenue derived from the property taxes. The remaining revenue sources includes other taxes of 31 percent, intergovernmental of 20 percent, and charges for services of 24 percent.

The most significant challenges that were considered during the development of 2016 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 three (TIF #3, Wille Road, TIF#6, Mannheim/Higgins, TIF#7, Mannheim/Higgins South) 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.

Total operating revenues budgeted for 2017 are \$162.3 million, a 23 percent increase from the 2016 Budget. The General fund revenues are budgeted at \$61.3 million, a \$1.9 million, or 3.2 percent increase from 2016 due to a positive trend in sales tax receipts over the last several years. The City's

CITY OF DES PLAINES, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
December 31, 2016

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total 2016 property tax levy payable in 2017 is \$23.1 million, a 0 percent increase over the prior year's tax levy. This is the sixth year that the City has elected not to increase property taxes.

Total City spending for the 2017 Budget is \$175.3 million, a \$24.6 million, or 16.3 percent increase over the 2016 budget amount. The General fund expenditures of \$63.3 million, a \$2.2 million, or 3.6 percent increase over 2016 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](http://www.desplaines.org).

CITY OF DES PLAINES, ILLINOIS  
STATEMENT OF NET POSITION  
December 31, 2016

	Primary Government			Component Unit (Library)
	Governmental Activities	Business-type Activities	Total Primary Government	
<b>ASSETS</b>				
Cash and Investments	\$ 83,326,480	\$ 882,496	\$ 84,208,976	\$ 3,999,691
Receivables (Net)				
Property Taxes	29,544,209	-	29,544,209	6,003,289
Accounts	1,653,681	3,577,868	5,231,549	-
Accrued Interest	29,003	-	29,003	-
Other Taxes	1,368,270	-	1,368,270	-
Other	304,025	100,322	404,347	-
Prepaid Items	5,392,486	-	5,392,486	6,952
Inventories	-	163,344	163,344	-
Due from Other Governmental Units	12,284,266	-	12,284,266	-
Internal Balances	5,252,264	(5,252,264)	-	-
Capital Assets Not Being Depreciated	80,798,667	1,891,770	82,690,437	-
Capital Assets Being Depreciated, Net	131,745,598	38,231,242	169,976,840	2,901,897
<b>TOTAL ASSETS</b>	<u>351,698,949</u>	<u>39,594,778</u>	<u>391,293,727</u>	<u>12,911,829</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred Amounts from Refunding of Debt	343,164	-	343,164	-
Deferred Pension Outflows	17,765,193	1,110,042	18,875,235	998,836
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<u>18,108,357</u>	<u>1,110,042</u>	<u>19,218,399</u>	<u>998,836</u>
<b>LIABILITIES</b>				
Accounts Payable	20,955,650	980,672	21,936,322	286,988
Accrued Payroll	2,125,748	1,169	2,126,917	105,633
Accrued Liabilities	138,699	67,962	206,661	-
Accrued Interest Payable	60,210	-	60,210	-
Unearned Revenue	3,798,262	194,454	3,992,716	-
Deposits Payable	66,753	-	66,753	-
Long-term Obligations				
Due Within One Year	6,579,218	159,830	6,739,048	106,798
Due in More Than One Year	185,586,752	2,353,216	187,939,968	2,160,321
<b>TOTAL LIABILITIES</b>	<u>219,311,292</u>	<u>3,757,303</u>	<u>223,068,595</u>	<u>2,659,740</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred Property Tax Revenue	29,151,337	-	29,151,337	5,986,354
Deferred Pension Inflows	2,417,152	373,000	2,790,152	335,632
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<u>31,568,489</u>	<u>373,000</u>	<u>31,941,489</u>	<u>6,321,986</u>
<b>NET POSITION</b>				
Net Investment in Capital Assets	182,246,337	40,123,012	222,369,349	2,901,897
Restricted for				
Streets and Highways	719,632	-	719,632	-
Public Safety	1,636,610	-	1,636,610	-
Economic Development	6,180,466	-	6,180,466	-
Culture and Recreation	-	-	-	2,027,042
Debt Service	397,214	-	397,214	-
Unrestricted	(72,252,734)	(3,548,495)	(75,801,229)	-
<b>TOTAL NET POSITION</b>	<u>\$ 118,927,525</u>	<u>\$ 36,574,517</u>	<u>\$ 155,502,042</u>	<u>\$ 4,928,939</u>

CITY OF DES PLAINES, ILLINOIS  
STATEMENT OF ACTIVITIES  
Year Ended December 31, 2016

Functions/Programs	Expenses	Program Revenues		
		Fees, Fines & Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary Government</b>				
Governmental Activities				
General Government	\$ 27,240,159	\$ 5,359,454	\$ 202,483	\$ -
Public Safety	49,009,727	4,150,297	664,036	-
Public Works	8,176,306	3,094,047	-	-
Streets and Highways	11,961,177	1,335,654	1,485,984	1,200,351
Economic Development	3,650,262	-	-	1,112,634
Interest and Fiscal Charges	1,411,210	-	-	-
<b>Total Governmental Activities</b>	<b>101,448,841</b>	<b>13,939,452</b>	<b>2,352,503</b>	<b>2,312,985</b>
Business-type Activities				
Water	15,145,099	14,817,561	3,633	-
Parking System	835,342	345,158	-	-
<b>Total Business-type Activities</b>	<b>15,980,441</b>	<b>15,162,719</b>	<b>3,633</b>	<b>-</b>
<b>Total Primary Government</b>	<b>\$ 117,429,282</b>	<b>\$ 29,102,171</b>	<b>\$ 2,356,136</b>	<b>\$ 2,312,985</b>
<b>Component Unit:</b>				
Library	\$ 6,624,251	\$ 115,486	\$ 44,990	\$ -

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, 2016  
 Net Position, December 31, 2016

Net (Expense) Revenue and Changes in Net Position			
Primary Government			Component Unit
Governmental Activities	Business-type Activities	Total Primary Government	Library
\$ (21,678,222)		\$ (21,678,222)	\$ -
(44,195,394)		(44,195,394)	-
(5,082,259)		(5,082,259)	-
(7,939,188)		(7,939,188)	-
(2,537,628)		(2,537,628)	-
(1,411,210)		(1,411,210)	-
<u>(82,843,901)</u>		<u>(82,843,901)</u>	<u>-</u>
	\$ (323,905)	(323,905)	-
	<u>(490,184)</u>	<u>(490,184)</u>	-
	<u>(814,089)</u>	<u>(814,089)</u>	-
<u>(82,843,901)</u>	<u>(814,089)</u>	<u>(83,657,990)</u>	<u>-</u>
-	-	-	(6,463,775)
29,254,397	-	29,254,397	6,065,699
6,104,292	-	6,104,292	-
3,069,270	-	3,069,270	-
1,268,923	-	1,268,923	-
2,069,830	-	2,069,830	-
842,326	-	842,326	-
1,754,240	-	1,754,240	-
24,685,996	-	24,685,996	-
3,988,052	-	3,988,052	-
12,805,450	-	12,805,450	-
5,556,999	-	5,556,999	-
1,285,820	-	1,285,820	92,988
365,137	3,056	368,193	14,614
688,554	5,762	694,316	61,144
<u>(5,801,963)</u>	<u>5,801,963</u>	<u>-</u>	<u>-</u>
<u>87,937,323</u>	<u>5,810,781</u>	<u>93,748,104</u>	<u>6,234,445</u>
5,093,422	4,996,692	10,090,114	(229,330)
<u>113,834,103</u>	<u>31,577,825</u>	<u>145,411,928</u>	<u>5,158,269</u>
<u>\$ 118,927,525</u>	<u>\$ 36,574,517</u>	<u>\$ 155,502,042</u>	<u>\$ 4,928,939</u>

CITY OF DES PLAINES, ILLINOIS  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
December 31, 2016

	Major Governmental Funds					Nonmajor Governmental Funds	Total Governmental Funds
	General	TIF #6 (Mannheim/ Higgins)	Gaming Tax	Grant Funded Projects	Capital Projects		
<b>ASSETS</b>							
Cash and Investments	\$ 26,638,739	\$ -	\$ 33,710,953	\$ 1,861,028	\$ 5,574,232	\$ 14,834,699	\$ 82,619,651
Receivables (net)							
Property Tax Receivable	22,850,880	56,633	-	-	33,300	6,603,396	29,544,209
Other Taxes	1,216,462	-	-	-	151,808	-	1,368,270
Accounts Receivable	970,946	-	-	-	341,307	340,001	1,652,254
Accrued Interest	8,383	-	9,138	-	-	11,482	29,003
Other	301,195	-	-	-	-	2,830	304,025
Due from Other Governments	5,771,247	-	2,550,096	2,609,267	1,187,113	166,543	12,284,266
Advances to Other Funds	20,451,434	-	-	-	-	-	20,451,434
<b>TOTAL ASSETS</b>	<u>\$ 78,209,286</u>	<u>\$ 56,633</u>	<u>\$ 36,270,187</u>	<u>\$ 4,470,295</u>	<u>\$ 7,287,760</u>	<u>\$ 21,958,951</u>	<u>\$ 148,253,112</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>							
<b>Liabilities</b>							
Accounts Payable	\$ 1,547,482	\$ 158	\$ 15,874,398	\$ 398,693	\$ 1,653,974	\$ 1,453,116	\$ 20,927,821
Accrued Payroll	2,125,748	-	-	-	-	-	2,125,748
Accrued Liabilities	138,699	-	-	-	-	-	138,699
Deposits Payable	-	-	-	17,972	5,722	43,059	66,753
Advances from Other Funds	-	10,292,393	-	-	-	4,398,439	14,690,832
Unearned Revenue	263,140	-	-	3,532,602	-	-	3,795,742
<b>Total Liabilities</b>	<u>4,075,069</u>	<u>10,292,551</u>	<u>15,874,398</u>	<u>3,949,267</u>	<u>1,659,696</u>	<u>5,894,614</u>	<u>41,745,595</u>
<b>Deferred Inflows of Resources</b>							
Deferred Property Tax Revenue	22,750,299	56,633	-	-	32,995	6,311,410	29,151,337
Unavailable Other Revenue	1,549,440	-	-	2,437,837	-	132,129	4,119,406
<b>Total Deferred Inflows of Resources</b>	<u>24,299,739</u>	<u>56,633</u>	<u>-</u>	<u>2,437,837</u>	<u>32,995</u>	<u>6,443,539</u>	<u>33,270,743</u>
<b>Fund Balances</b>							
Nonspendable							
Long-term Interfund Advances	20,451,434	-	-	-	-	-	20,451,434
Restricted							
Economic Development	-	-	-	-	-	6,180,466	6,180,466
Debt Retirement/Infrastructure	-	-	20,395,789	-	-	-	20,395,789
Streets & Highways	-	-	-	-	-	719,632	719,632
Public Safety	-	-	-	-	-	1,636,610	1,636,610
Debt Service	-	-	-	-	-	457,424	457,424
Assigned							
Infrastructure	1,023,433	-	-	-	5,595,069	-	6,618,502
Capital Acquisitions	4,250,000	-	-	-	-	5,034,491	9,284,491
General Fund Deficit	1,997,823	-	-	-	-	-	1,997,823
Economic Development	277,995	-	-	-	-	-	277,995
Unassigned	21,833,793	(10,292,551)	-	(1,916,809)	-	(4,407,825)	5,216,608
<b>Total Fund Balances</b>	<u>49,834,478</u>	<u>(10,292,551)</u>	<u>20,395,789</u>	<u>(1,916,809)</u>	<u>5,595,069</u>	<u>9,620,798</u>	<u>73,236,774</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<u>\$ 78,209,286</u>	<u>\$ 56,633</u>	<u>\$ 36,270,187</u>	<u>\$ 4,470,295</u>	<u>\$ 7,287,760</u>	<u>\$ 21,958,951</u>	<u>\$ 148,253,112</u>

CITY OF DES PLAINES, ILLINOIS  
RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET POSITION  
December 31, 2016

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Total Fund Balances - Governmental Funds	\$ 73,236,774
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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	\$ 332,962,472	
Accumulated Depreciation	<u>(120,418,207)</u>	
Net Capital Assets		212,544,265

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.	4,119,406
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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.	343,164
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Generally, interest on long-term debt is not accrued in governmental funds, but rather is recognized when due.	(60,210)
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Deferred outflows of resources related to pensions do not involve available financial resources and accordingly are not reported on the fund financial statements	17,765,193
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Deferred inflows of resources related to pensions do not involve available financial resources and accordingly are not reported on the fund financial statements	(2,417,152)
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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	(2,418,782)	
General Obligation Bonds Payable	(4,025,000)	
TIF General Obligation Bonds Payable	(29,536,615)	
TIF Revenue Bonds Payable	(296,572)	
Unamortized Bond Premiums & Discounts	(201,213)	
Installment Notes Payable	(162,500)	
Net Pension Liabilities	(152,920,877)	
Other Post Employment Benefits (OPEB)	<u>(2,604,411)</u>	
Total Long-term Liabilities		(192,165,970)

Internal service funds are reported in the Statement of Net Position as Governmental Activities.	<u>5,562,055</u>
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Net Position of Governmental Activities	<u>\$ 118,927,525</u>
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CITY OF DES PLAINES, ILLINOIS  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
Year Ended December 31, 2016

	Major Governmental Funds					Nonmajor Governmental Funds	Total Governmental Funds
	General	TIF #6 (Mannheim/ Higgins)	Gaming Tax	Grant Funded Projects	Capital Projects		
<b>Revenues</b>							
Property Taxes	\$ 23,136,026	\$ 42,942	\$ -	\$ -	\$ 33,345	\$ 6,042,509	\$ 29,254,822
Other Taxes	12,464,143	-	24,685,996	-	6,332,459	104,569	43,587,167
Licenses and Permits	3,147,534	-	-	-	-	-	3,147,534
Intergovernmental	20,159,070	-	-	5,536,796	-	1,910,049	27,605,915
Public Charges for Services	5,028,694	-	-	-	1,335,654	988,841	7,353,189
Fines, Forfeitures and Penalties	1,366,866	-	-	-	-	62,549	1,429,415
Investment Income	121,454	26	118,868	10,991	15,477	35,312	302,128
Miscellaneous	276,388	-	-	-	32,130	78,817	387,335
<b>Total Revenues</b>	<u>65,700,175</u>	<u>42,968</u>	<u>24,804,864</u>	<u>5,547,787</u>	<u>7,749,065</u>	<u>9,222,646</u>	<u>113,067,505</u>
<b>Expenditures</b>							
Current							
General Government	7,598,936	-	15,873,250	1,046,532	-	89,853	24,608,571
Public Safety	39,761,167	-	-	-	-	2,793,204	42,554,371
Public Works	6,420,613	-	-	-	1,236,833	-	7,657,446
Streets and Highways	3,778,900	-	-	32,486	-	969,106	4,780,492
Economic Development	312,003	1,724	-	-	-	2,036,168	2,349,895
Debt Service							
Principal	-	1,010,000	-	-	1,225,000	1,747,633	3,982,633
Interest and Fiscal Charges	-	141,610	-	-	141,848	465,801	749,259
Capital Outlay	-	-	-	5,712,925	7,691,665	3,791,091	17,195,681
<b>Total Expenditures</b>	<u>57,871,619</u>	<u>1,153,334</u>	<u>15,873,250</u>	<u>6,791,943</u>	<u>10,295,346</u>	<u>11,892,856</u>	<u>103,878,348</u>
<b>Excess (Deficiency) of Revenues over (under) Expenditures</b>	<u>7,828,556</u>	<u>(1,110,366)</u>	<u>8,931,614</u>	<u>(1,244,156)</u>	<u>(2,546,281)</u>	<u>(2,670,210)</u>	<u>9,189,157</u>
<b>Other Financing Sources (Uses)</b>							
Transfer In	216,658	-	-	424,966	3,500,000	2,358,187	6,499,811
Transfer Out	(2,358,188)	(2,900)	(8,991,372)	-	(445,669)	(503,645)	(12,301,774)
<b>Total Other Financing Sources (Uses)</b>	<u>(2,141,530)</u>	<u>(2,900)</u>	<u>(8,991,372)</u>	<u>424,966</u>	<u>3,054,331</u>	<u>1,854,542</u>	<u>(5,801,963)</u>
<b>Net Change in Fund Balances</b>	5,687,026	(1,113,266)	(59,758)	(819,190)	508,050	(815,668)	3,387,194
<b>Fund Balances at Beginning of Year</b>	<u>44,147,452</u>	<u>(9,179,285)</u>	<u>20,455,547</u>	<u>(1,097,619)</u>	<u>5,087,019</u>	<u>10,436,466</u>	<u>69,849,580</u>
<b>Fund Balances at End of Year</b>	<u>\$ 49,834,478</u>	<u>\$ (10,292,551)</u>	<u>\$ 20,395,789</u>	<u>\$ (1,916,809)</u>	<u>\$ 5,595,069</u>	<u>\$ 9,620,798</u>	<u>\$ 73,236,774</u>

CITY OF DES PLAINES, ILLINOIS  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
Year Ended December 31, 2016

Net Change in Fund Balances - Total Governmental Funds \$ 3,387,194

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	\$ 15,589,956	
Depreciation	(7,401,464)	
Loss on disposal of capital assets	<u>(73,907)</u>	
Capital Expenditures in Excess of Depreciation and other transactions		8,114,585

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. (3,077,993)

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	(161,774)	
Accretion of Interest on Capital Appreciation Bonds	(595,927)	
Change in Accrued Interest Payable	9,735	
Change in Other Post Employment Benefits (OPEB)	(124,503)	
Change in Pension Liability and Deferral Items	<u>(6,240,532)</u>	
Total Expenses of Non-current Resources		(7,113,001)

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.

Repayments:		
General Obligation Bonds Payable	1,310,000	
TIF General Obligation Bonds Payable	2,595,000	
TIF Revenue Bonds Payable	65,133	
Installment Notes Payable	12,500	
Amortization of Premiums, Discounts, & Loss on Refunding	<u>(13,170)</u>	
Net Adjustment		3,969,463

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. (186,826)

Change in Net Position of Governmental Activities \$ 5,093,422

CITY OF DES PLAINES, ILLINOIS  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
December 31, 2016

	Business-Type Activities - Enterprise Funds			Governmental Activities
	Major Funds		Total Enterprise Funds	Internal Service Funds
	Water/Sewer	Parking System		
<b>ASSETS</b>				
Current Assets				
Cash and Investments	\$ -	\$ 882,496	\$ 882,496	\$ 706,829
Receivables (Net)				
Accounts	3,577,868	-	3,577,868	-
Other	7,694	92,628	100,322	1,427
Prepaid Items	-	-	-	5,392,486
Inventories	163,344	-	163,344	-
Total Current Assets	<u>3,748,906</u>	<u>975,124</u>	<u>4,724,030</u>	<u>6,100,742</u>
Noncurrent Assets				
Capital Assets				
Capital Assets Not Being Depreciated	233,828	1,657,942	1,891,770	-
Capital Assets Being Depreciated, Net	30,259,283	7,971,959	38,231,242	-
Total Noncurrent Assets	<u>30,493,111</u>	<u>9,629,901</u>	<u>40,123,012</u>	<u>-</u>
<b>TOTAL ASSETS</b>	<u>34,242,017</u>	<u>10,605,025</u>	<u>44,847,042</u>	<u>6,100,742</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred Pension Outflows	<u>1,110,042</u>	<u>-</u>	<u>1,110,042</u>	<u>-</u>
<b>LIABILITIES</b>				
Current Liabilities				
Accounts Payable	942,222	38,450	980,672	27,829
Accrued Liabilities	69,131	-	69,131	-
Unearned Revenue	194,454	-	194,454	2,520
Long-term Obligations, Due Within One Year				
Compensated Absences	159,830	-	159,830	-
Total Current Liabilities	<u>1,365,637</u>	<u>38,450</u>	<u>1,404,087</u>	<u>30,349</u>
Noncurrent Liabilities				
Advances from Other Funds	5,760,602	-	5,760,602	-
Long-term Obligations, Due in More Than One Year				
Net OPEB Obligation	177,756	-	177,756	-
Net Pension Liability	2,068,994	-	2,068,994	-
Compensated Absences	106,466	-	106,466	-
Total Noncurrent Liabilities	<u>8,113,818</u>	<u>-</u>	<u>8,113,818</u>	<u>-</u>
<b>TOTAL LIABILITIES</b>	<u>9,479,455</u>	<u>38,450</u>	<u>9,517,905</u>	<u>30,349</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred Pension Inflows	<u>373,000</u>	<u>-</u>	<u>373,000</u>	<u>-</u>
<b>NET POSITION</b>				
Net Investment in Capital Assets	30,493,111	9,629,901	40,123,012	-
Unrestricted	(4,993,507)	936,674	(4,056,833)	6,070,393
<b>TOTAL NET POSITION</b>	<u>\$ 25,499,604</u>	<u>\$ 10,566,575</u>	<u>36,066,179</u>	<u>\$ 6,070,393</u>
Adjustment to Reflect the Consolidation of Internal Service Funds Activities				
Related to Enterprise Funds			508,338	
Net Position of Business-type Activities			<u>\$ 36,574,517</u>	

CITY OF DES PLAINES, ILLINOIS  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
PROPRIETARY FUNDS  
Year Ended December 31, 2016

	Business-Type Activities - Enterprise Funds			Governmental Activities
	Major Funds		Total Enterprise Funds	Internal Service Funds
	Water/Sewer	Parking System		
<b>Operating Revenues</b>				
Charges for Services	\$ 14,817,561	\$ 345,158	\$ 15,162,719	\$ 10,553,456
Miscellaneous	209,231	32	209,263	224,941
<b>Total Operating Revenues</b>	<u>15,026,792</u>	<u>345,190</u>	<u>15,371,982</u>	<u>10,778,397</u>
<b>Operating Expenses</b>				
Salaries	2,903,161	-	2,903,161	4,660
Benefits	1,834,372	-	1,834,372	367
Contractual Services	1,110,241	66,302	1,176,543	-
Commodities	8,017,981	115,299	8,133,280	-
Capital Outlay	168,313	-	168,313	-
Claims Expense	-	-	-	7,169,297
Insurance and Processing Fees	-	-	-	3,708,330
Miscellaneous	-	-	-	127,597
Depreciation	1,270,044	653,621	1,923,665	-
<b>Total Operating Expenses</b>	<u>15,304,112</u>	<u>835,222</u>	<u>16,139,334</u>	<u>11,010,251</u>
<b>Operating Income (Loss)</b>	<u>(277,320)</u>	<u>(490,032)</u>	<u>(767,352)</u>	<u>(231,854)</u>
<b>Nonoperating Revenues and (Expenses)</b>				
Intergovernmental	3,633	-	3,633	-
Investment Income	3,056	-	3,056	420
<b>Total Nonoperating Revenues and (Expenses)</b>	<u>6,689</u>	<u>-</u>	<u>6,689</u>	<u>420</u>
<b>Income (Loss) Before Transfers</b>	<u>(270,631)</u>	<u>(490,032)</u>	<u>(760,663)</u>	<u>(231,434)</u>
<b>Transfers</b>				
Transfers In	5,838,479	-	5,838,479	-
Transfers Out	-	(36,516)	(36,516)	-
<b>Total Transfers</b>	<u>5,838,479</u>	<u>(36,516)</u>	<u>5,801,963</u>	<u>-</u>
<b>Change in Net Position</b>	5,567,848	(526,548)	5,041,300	(231,434)
<b>Net Position at Beginning of Year</b>	<u>19,931,756</u>	<u>11,093,123</u>	<u>31,024,879</u>	<u>6,301,827</u>
<b>Net Position at End of Year</b>	<u>\$ 25,499,604</u>	<u>\$ 10,566,575</u>	36,066,179	<u>\$ 6,070,393</u>
Adjustment to Reflect the Consolidation of Internal Service Funds Activities Related to Enterprise Funds			<u>(44,608)</u>	
Change in Net Position of Business-type Activities			<u>\$ 4,996,692</u>	

CITY OF DES PLAINES, ILLINOIS  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
Year Ended December 31, 2016

	Business-Type Activities - Enterprise Funds			Governmental Activities
	Major Funds			Internal Service Funds
	Water/Sewer	Parking System	Total Enterprise Funds	
<b>Cash Flows from Operating Activities</b>				
Cash Received from Customers	\$ 15,065,615	\$ 326,090	\$ 15,391,705	\$ 10,553,456
Receipts from Miscellaneous Revenues	221,328	32	221,360	227,461
Cash Payments to Suppliers for Good and Services	(11,429,578)	(199,179)	(11,628,757)	(11,644,128)
Cash Payments to Employees for Services	(4,498,090)	-	(4,498,090)	-
<b>Net Cash Provided/(Used) by Operating Activities</b>	<u>(640,725)</u>	<u>126,943</u>	<u>(513,782)</u>	<u>(863,211)</u>
<b>Cash Flows from Noncapital Financing Activities</b>				
Transfers In	5,838,479	-	5,838,479	-
Transfers Out	-	(36,516)	(36,516)	-
Interfund Advances	2,657,753	-	2,657,753	-
Proceeds from Operating Grants	3,633	-	3,633	-
<b>Net Cash Provided/(Used) by Noncapital Financing Activities</b>	<u>8,499,865</u>	<u>(36,516)</u>	<u>8,463,349</u>	<u>-</u>
<b>Cash Flows from Capital and Related Financing Activities</b>				
Acquisition and Construction of Capital Assets	(7,862,196)	-	(7,862,196)	-
<b>Net Cash Provided/(Used) by Capital and Related Financing Activities</b>	<u>(7,862,196)</u>	<u>-</u>	<u>(7,862,196)</u>	<u>-</u>
<b>Cash Flows from Investing Activities</b>				
Investment Income	3,056	-	3,056	420
<b>Net Cash Provided/(Used) by Investing Activities</b>	<u>3,056</u>	<u>-</u>	<u>3,056</u>	<u>420</u>
<b>Net Increase (Decrease) in Cash &amp; Investments</b>	-	90,427	90,427	(862,791)
<b>Cash &amp; Investments, Beginning of Year</b>	-	792,069	792,069	1,569,620
<b>Cash &amp; Investments, End of Year</b>	<u>\$ -</u>	<u>\$ 882,496</u>	<u>\$ 882,496</u>	<u>\$ 706,829</u>
<b>Reconciliation of Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities</b>				
Operating Income/(Loss)	\$ (277,320)	\$ (490,032)	\$ (767,352)	\$ (231,854)
Adjustments to Reconcile Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities				
Depreciation	1,270,044	653,621	1,923,665	-
Decrease (Increase) in Receivables	248,054	(19,068)	228,986	23
Decrease (Increase) in Other Receivables	2,837	-	2,837	-
Decrease (Increase) in Prepaid Items	-	-	-	(628,897)
Decrease (Increase) in Inventories	21,549	-	21,549	-
Decrease in Deferred Outflows - Pension	665,724	-	665,724	-
(Decrease) Increase in Accounts Payable	(2,154,592)	(17,578)	(2,172,170)	8,369
(Decrease) Increase in Accrued Liabilities	(201,067)	-	(201,067)	(13,372)
(Decrease) Increase in Unearned Revenue	9,260	-	9,260	2,520
(Decrease) Increase in Net OPEB Obligation	77,179	-	77,179	-
(Decrease) Increase in Net Pension Liability	(538,069)	-	(538,069)	-
(Decrease) in Deferred Inflows - Pension	220,177	-	220,177	-
(Decrease) Increase in Compensated Absences Payable	15,499	-	15,499	-
Total Adjustments	<u>(363,405)</u>	<u>616,975</u>	<u>253,570</u>	<u>(631,357)</u>
<b>Net Cash Provided/(Used) by Operating Activities</b>	<u>\$ (640,725)</u>	<u>\$ 126,943</u>	<u>\$ (513,782)</u>	<u>\$ (863,211)</u>
<b>Noncash Capital and Related Financing Activities</b>				
Capital assets included in accounts payable	\$ 508,159	\$ -	\$ 508,159	\$ -

See accompanying notes to the financial statements.

CITY OF DES PLAINES, ILLINOIS  
STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
December 31, 2016

	Pension Trust Funds	Agency Fund
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 6,449,957	\$ 325,960
Investments		
U.S. Government and Agency Obligations	20,512,501	-
State and Local Obligations	1,266,664	
Corporate Bonds	21,540,988	
Mutual Funds	45,502,206	-
Stocks	39,308,220	-
Insurance Contracts	1,499	-
Receivables (Net)		
Accrued Interest	377,886	-
Other	-	26,098
Prepaid Items	9,601	-
<b>TOTAL ASSETS</b>	<b>\$ 134,969,522</b>	<b>\$ 352,058</b>
 <b>LIABILITIES AND NET POSITION</b>		
<b>Liabilities</b>		
Accounts Payable	92,050	12,454
Deposits Payable	-	339,604
<b>Total Liabilities</b>	<b>92,050</b>	<b>\$ 352,058</b>
 <b>Net Position</b>		
Restricted for Pensions	<b>\$ 134,877,472</b>	

CITY OF DES PLAINES, ILLINOIS  
STATEMENT OF CHANGES IN PLAN NET POSITION  
PENSION TRUST FUNDS  
Year Ended December 31, 2016

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	Pension Trust Funds
<b>Additions</b>	
Contributions	
Employer	\$ 9,469,237
Plan Members	<u>1,696,581</u>
Total Contributions	<u>11,165,818</u>
Investment Income	9,574,712
Less Investment Expense	<u>(551,984)</u>
Net Investment Income	<u>9,022,728</u>
<b>Total Additions</b>	<u>20,188,546</u>
<b>Deductions</b>	
Administration	153,482
Benefits and Refunds	<u>14,210,297</u>
<b>Total Deductions</b>	<u>14,363,779</u>
<b>Net Increase in Net Position</b>	5,824,767
<b>Plan Net Position at Beginning of Year</b>	<u>129,052,705</u>
<b>Plan Net Position at End of Year</b>	<u>\$ 134,877,472</u>

CITY OF DES PLAINES, ILLINOIS  
INDEX TO NOTES TO FINANCIAL STATEMENTS  
December 31, 2016

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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.

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(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 and 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.

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(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): A special revenue fund that accounts for restricted incremental property tax revenues and expenditures related to the tax increment finance district located near Mannheim and Higgins Roads.
- Gaming Tax: A special revenue fund that 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: A capital projects fund that accounts for resources legally restricted to supporting expenditures for the capital projects program.
- Grant Funded Projects: A capital projects fund that accounts for restricted revenues and expenditures related to the Public Safety, Capital and other miscellaneous grants.

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(Continued)

**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	Community Development Block Grant
Asset Seizure	Foreign Fire Insurance Tax
TIF #1 (Downtown)	TIF #3 (Wille Road)
TIF #5 (Perry/Lee)	TIF #7 (Mannheim/Higgins)
Emergency Telephone System	

- 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

In addition, the City reports the following fund types:

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

Risk Management  
Health Benefits

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

Firefighters' Pension  
Police Pension

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(Continued)

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

- An agency fund is 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

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.

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.

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(Continued)

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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.

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

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

Illinois Statutes authorize the City to make deposits/investments in insured commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. Agencies, insured credit union shares, money market mutual funds with portfolios of securities issued or guaranteed by the United States or agreement to repurchase these same obligations, repurchase agreements, short term commercial paper rated within the three highest classifications by at least two standard rating services, and the Illinois Funds Investment Pool.

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

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

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(Continued)

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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. In accordance with the City's investment policy, unless matched to a specific anticipated expenditure, the City will not directly invest in securities maturing more than three years from the date of purchase. However, reserve funds may be invested in securities exceeding three years if the maturity of such investments are made to coincide as nearly as practicable with the expected use of the funds. The 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.

*Concentration of Credit Risk:* The City's and Pension Funds' investment policies require diversification of the investment portfolio to minimize risk of loss resulting from over concentration in a particular type of security, risk factor, issuer, or maturity. The City's and Police Pension Fund's policy further states that no financial institution shall hold more than 50% of the City's investment portfolio at the current time of investment placement. The City operates its investments as an internal investment pool where each fund reports it's pro rata share of the investments made by the City. In this internal investment pool there were no investments which are subject to concentration of credit risk that represent more than 50% of the portfolio as of December 31, 2016.

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(Continued)

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Per the investment policy, no financial institution shall have more than 75% of the City's investment portfolio. No more than 10% of the City's investment portfolio may be commercial paper, no more than 50% of the City's portfolio may be invested in U.S. Government Agencies, and no more than 25% of the investment portfolio may be invested in the obligations of a single agency. As of December 31, 2016, the City's had 38% invested in cash, 47% invested in Illinois Funds, 4% invested in certificates of deposit, 11% invested in IMET.

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, 2016, the Police Pension Trust Fund had 5% invested in cash, 32% invested in fixed income securities, 34% in mutual funds, 0% in foreign equities and 29% 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, 2016, the Firefighter Pension Trust Fund had 4% invested in cash, 32% invested in fixed income securities, 34% 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 105% of the value of the deposit for the City and 100% if the value of the deposit for Pension Funds'.

*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.

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.

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(Continued)



CITY OF DES PLAINES, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2016

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Receivables: Property taxes for levy year 2015 attach as an enforceable lien on January 1, 2015, 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). The taxes for levy year 2015 are collected during the 2016 calendar year.

Tax bills are prepared by the County and issued on or about February 1, 2016 and August 1, 2016, and are payable in two installments, on or about March 1, 2016 and September 1, 2016 or within 30 days of the tax bills being issued.

The County collects such taxes and remits them periodically. The 2016 property tax levy is recognized as a receivable and deferred inflow of resources in fiscal year 2016, net the allowance for uncollectible. As the taxes become available to finance current expenditures, they are recognized as revenues. At December 31, 2016, the property taxes receivable and deferred inflow of resources consisted of the estimated amount collectible from the 2016 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, 2016.

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.

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 reports deferred loss on refunding of debt, differences between expected and actual experience, change in pension assumptions and loss on pension investments. The deferred loss on debt refunding is reported in the government-wide statement of net position. A deferred loss 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. Differences between expected and actual experience and changes in pension plan assumptions are deferred and amortized over the average of the expected remaining service lives of employees that are provided with benefits through the pension plan. Loss on pension investments are deferred and amortized over five years.

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(Continued)

CITY OF DES PLAINES, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2016

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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. Additionally, certain amounts related to pensions must be deferred. Differences between expected and actual experience and change in pension assumptions are deferred and amortized over the average of the expected remaining service lives of all employees that are provided with benefits through the pension plan. 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 acquisition 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.

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.

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(Continued)

CITY OF DES PLAINES, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2016

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

Compensated Absences: The liability for vested or accumulated vacation leave of the City (primary government), at December 31, 2016 of \$2,685,078, 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.

Pensions: For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Illinois Municipal Retirement Plan (IMRF) and additions to/deductions from IMRF's fiduciary net position have been determined on the same basis as they are reported by IMRF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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

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(Continued)

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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* – 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, 2016, 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 intent of funds would be determined by a City official (Finance Director and approved by the City Manager, per the City's Fund Balance Policy) that the City Council has delegated the authority to assign amounts to be used for a specific 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.

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.

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(Continued)

CITY OF DES PLAINES, ILLINOIS  
 NOTES TO FINANCIAL STATEMENTS  
 December 31, 2016

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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.

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	\$ 15,400,000	\$ 15,873,250	\$ (473,250)
TIF #5 (Perry/Lee)	109,142	110,831	(1,689)
Emergency Telephone System	2,418,051	2,597,029	(178,978)

The City controls expenditures at the object level. Some individual departments experienced expenditures which exceeded budgeted amounts. 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.

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(Continued)

CITY OF DES PLAINES, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2016

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

As of December 31, 2016, the following individual funds held a deficit balance:

<u>Fund</u>	<u>Amount</u>
TIF #3 (Wille Road)	\$ 3,007,156
TIF #6 (Mannheim/Higgins)	10,292,551
TIF #7 (Mannheim/Higgins)	1,400,669
Grant Funded Projects	1,916,809

T.I.F. District deficits are anticipated to be funded with future incremental taxes levied over the life of the districts. The Grant Funded Projects will be funded by grant money receivable from the state.

**NOTE 3 - DEPOSITS AND INVESTMENTS**

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

	<u>Carrying Value</u>	<u>Statement Balance</u>	<u>Associated Risks</u>
Petty cash	\$ 2,300	\$ 2,300	N/A
Deposits	34,771,148	35,455,215	Custodial
Illinois funds	36,923,459	36,923,459	Credit, interest rate
U.S. government and agency obligations	21,112,451	21,112,451	Custodial, credit, interest rate concentration of credit
State and local obligations	4,202,027	4,202,027	Custodial, interest rate, concentration of credit
Money market mutual funds	15,752,673	15,752,673	Credit, interest rate
Mutual funds	45,502,206	45,502,206	Credit
Corporate bonds	21,540,988	21,540,988	Custodial, credit, interest rate concentration of credit
Common and preferred stock	39,308,220	39,308,220	Custodial, concentration of credit
Insurance contracts	<u>1,499</u>	<u>1,499</u>	Custodial, credit, concentration of credit
Total deposits and investments	<u>\$ 219,116,971</u>	<u>\$ 219,801,038</u>	

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(Continued)

CITY OF DES PLAINES, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2016

**NOTE 3 - DEPOSITS AND INVESTMENTS (Continued)**

Reconciliation To Financial Statements:

Per statement of net position	
Cash and investments	\$ 84,208,976
Per statement of fiduciary net position - fiduciary funds	
Cash - agency	325,960
Cash - pension	6,449,957
U.S. government and agency obligations	20,512,501
Mutual funds	45,502,206
Corporate bonds	21,540,988
Stocks	39,308,220
Insurance contracts	1,499
State and local obligations	1,266,664
Total deposits and investments	\$ 219,116,971

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

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

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

As of December 31, 2016, credit ratings for the City, Police Pension, and Fire Pension investments in debt securities are as follows:

<u>City</u>	<u>Standard and Poor's Ratings</u>							
<u>Investment Type</u>	<u>AAA</u>	<u>AA</u>	<u>A</u>	<u>BBB</u>	<u>NR</u>	<u>Total</u>		
U.S. Treasuries	\$ -	\$ -	\$ -	\$ -	\$ 300,095	\$ 300,095		
Illinois municipal bonds	650,693	1,020,690	-	300,487	963,493	2,935,363		
Illinois funds	36,923,459	-	-	-	-	36,923,459		
U.S. Government Agencies	-	299,855	-	-	-	299,855		

<u>Police Pension</u>	<u>Standard and Poor's Ratings</u>				<u>Moody's Ratings (if S&amp;P not available)</u>				
<u>Investment Type</u>	<u>AAA</u>	<u>AA</u>	<u>A</u>	<u>BBB</u>	<u>AAA</u>	<u>AA</u>	<u>NR</u>	<u>Total</u>	
U.S. Treasuries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,536,430	8,536,430	
State and Local Obligations	-	439,019	-	-	-	-	312,439	751,457	
U.S. Government Agencies	-	762,419	-	-	-	-	1,029,240	1,791,659	
Corporate Bonds	315,972	1,213,674	4,941,717	2,917,353	-	-	90,086	9,478,802	

<u>Fire Pension</u>	<u>Standard and Poor's Ratings</u>				<u>Moody's Ratings (if S&amp;P not available)</u>				
<u>Investment Type</u>	<u>AAA</u>	<u>AA</u>	<u>A</u>	<u>BBB</u>	<u>AAA</u>	<u>AA</u>	<u>NR</u>	<u>Total</u>	
U.S. Treasuries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,457,569	8,457,569	
State and Local Obligations	-	264,226	-	-	-	-	250,982	515,207	
U.S. Government Agencies	-	1,157,873	-	-	-	-	568,970	1,726,842	
Corporate Bonds	526,620	1,740,831	6,771,545	2,742,300	-	-	280,890	12,062,186	

(Continued)

CITY OF DES PLAINES, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2016

**NOTE 3 - DEPOSITS AND INVESTMENTS (Continued)**

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, 2016, 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%.

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, 2016, 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>
<b>City</b>				
U.S. Treasuries	\$ 300,095	\$ 300,095	\$ -	\$ -
Illinois municipal bonds	2,935,363	2,263,823	671,540	-
Money market mutual fund	9,350,466	9,350,466	-	-
Illinois funds	36,923,459	36,923,459	-	-
Other U.S. government agencies	<u>299,855</u>	<u>-</u>	<u>299,855</u>	<u>-</u>
City investment total	<u>49,809,238</u>	<u>48,837,843</u>	<u>971,395</u>	<u>-</u>
<b>Police Pension</b>				
U.S. Treasuries	8,536,430	-	4,275,379	4,261,051
State and local obligations	751,457	-	751,457	-
Money market mutual funds	3,417,404	3,417,404	-	-
Mortgage-backed securities	1,163,127	-	814,788	348,340
Other U.S. government agencies	628,532	-	241,000	387,532
Corporate bonds	<u>9,478,802</u>	<u>-</u>	<u>4,861,057</u>	<u>4,617,744</u>
Police pension investment total	<u>23,975,752</u>	<u>3,417,404</u>	<u>10,943,681</u>	<u>9,614,667</u>
<b>Fire Pension</b>				
U.S. Treasuries	8,457,569	-	3,603,551	4,854,018
State and local obligations	515,207	-	515,207	-
Money market mutual funds	2,984,803	2,984,803	-	-
Mortgage-backed securities	368,876	-	-	368,876
Other U.S. government agencies	1,357,967	-	1,060,111	297,856
Corporate bonds	<u>12,062,186</u>	<u>-</u>	<u>6,083,578</u>	<u>5,978,608</u>
Fire pension investment total	<u>25,746,607</u>	<u>2,984,803</u>	<u>11,262,448</u>	<u>11,499,357</u>
<b>Totals</b>	<u>\$ 99,531,598</u>	<u>\$ 55,240,050</u>	<u>\$ 23,177,524</u>	<u>\$ 21,114,024</u>

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

(Continued)



CITY OF DES PLAINES, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2016

**NOTE 3 - DEPOSITS AND INVESTMENTS (Continued)**

The City and Pension Funds categorizes their fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The City and Pension Funds have the following recurring fair value measurements as of December 31, 2016 using a matrix pricing model:

Investment Type	Fair Value	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<b>City</b>				
U.S. Treasuries	\$ 300,095	\$ -	\$ 300,095	\$ -
Illinois municipal bonds	2,935,363	-	2,935,363	-
Money market mutual fund	9,350,466	-	9,350,466	-
Other U.S. government agencies	<u>299,855</u>	<u>299,855</u>	<u>-</u>	<u>-</u>
<b>City Investment Total</b>	<u>12,885,779</u>	<u>299,855</u>	<u>12,585,924</u>	<u>-</u>
<b>Police Pension</b>				
U.S. Treasuries	8,536,430	-	8,536,430	-
State and local obligations	751,457	-	751,457	-
Money market mutual funds	3,417,404	3,417,404	-	-
Mortgage-backed securities	1,163,127	-	1,163,127	-
Other U.S. government agencies	628,532	-	628,532	-
Corporate bonds	9,478,802	-	9,478,802	-
Mutual funds	21,492,473	21,492,473	-	-
Equity Securities	<u>18,475,096</u>	<u>18,475,096</u>	<u>-</u>	<u>-</u>
<b>Police pension investment Total</b>	<u>63,943,321</u>	<u>43,384,973</u>	<u>20,558,348</u>	<u>-</u>
<b>Fire Pension</b>				
U.S. Treasuries	8,457,569	-	8,457,569	-
State and local obligations	515,207	-	515,207	-
Money market mutual funds	2,984,803	2,984,803	-	-
Mortgage-backed securities	368,876	-	368,876	-
Other U.S. government agencies	1,357,967	-	1,357,967	-
Corporate bonds	12,062,186	-	12,062,186	-
Mutual funds	24,009,733	24,009,733	-	-
Equity Securities	<u>20,833,124</u>	<u>20,833,124</u>	<u>-</u>	<u>-</u>
<b>Fire pension investment Total</b>	<u>70,589,464</u>	<u>47,827,660</u>	<u>22,761,804</u>	<u>-</u>
<b>Totals</b>	<u>\$ 147,418,565</u>	<u>\$ 91,512,488</u>	<u>\$ 55,906,077</u>	<u>\$ -</u>

(Continued)

CITY OF DES PLAINES, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2016

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**NOTE 4 - DETAILS OF RECEIVABLES – UNAVAILABLE/DEFERRED/UNEARNED**

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>Unavailable</u>	<u>Deferred</u>	<u>Unearned</u>	<u>Totals</u>
Property taxes receivable for subsequent year	\$ -	\$ 29,151,337	\$ -	\$ 29,151,337
Other receivables	1,681,569	-	263,140	1,944,709
Grant receivables	<u>2,437,837</u>	<u>-</u>	<u>3,532,602</u>	<u>5,970,439</u>
Total deferred inflows/unearned revenue for governmental funds	<u>\$ 4,119,406</u>	<u>\$ 29,151,337</u>	<u>\$ 3,795,742</u>	<u>\$ 37,066,485</u>

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(Continued)

CITY OF DES PLAINES, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2016

**NOTE 5 - CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2016, 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	\$ 23,655,168	\$ 1,479,522	\$ -	\$ 25,134,690
Construction in progress	7,317,284	2,364,329	7,317,285	2,364,328
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>84,272,101</u>	<u>3,843,851</u>	<u>7,317,285</u>	<u>80,798,667</u>
Capital assets being depreciated				
Buildings	21,792,634	26,525	-	21,819,159
Improvements	45,592,045	455,148	-	46,047,193
Equipment	4,676,331	449,168	95,790	5,029,709
Vehicles	9,452,468	1,508,481	534,593	10,426,356
Infrastructure	<u>152,806,151</u>	<u>16,624,067</u>	<u>588,830</u>	<u>168,841,388</u>
Total capital assets being depreciated	<u>234,319,629</u>	<u>19,063,389</u>	<u>1,219,213</u>	<u>252,163,805</u>
Total capital assets	<u>318,591,730</u>	<u>22,907,240</u>	<u>8,536,498</u>	<u>332,962,472</u>
Less accumulated depreciation for				
Buildings	(10,116,585)	(446,373)	-	(10,562,958)
Improvements	(19,971,543)	(1,270,436)	-	(21,241,979)
Equipment	(2,725,959)	(296,930)	(76,622)	(2,946,267)
Vehicles	(5,057,882)	(536,221)	(502,982)	(5,091,121)
Infrastructure	<u>(76,290,074)</u>	<u>(4,851,504)</u>	<u>(565,696)</u>	<u>(80,575,882)</u>
Total accumulated depreciation	<u>(114,162,043)</u>	<u>(7,401,464)</u>	<u>(1,145,300)</u>	<u>(120,418,207)</u>
Net capital assets being depreciated	<u>120,157,586</u>	<u>11,661,925</u>	<u>73,913</u>	<u>131,745,598</u>
Total governmental activities capital assets, net of accumulated depreciation	<u>\$ 204,429,687</u>	<u>\$ 15,505,776</u>	<u>\$ 7,391,198</u>	<u>\$ 212,544,265</u>

Depreciation expense was charged to functions as follows:

<u>Governmental activities</u>	
General government	\$ 207,067
Public safety	496,349
Public works	1,408,481
Streets and highways	5,073,620
Economic development	<u>215,947</u>
 Total	 <u>\$ 7,401,464</u>

(Continued)

CITY OF DES PLAINES, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2016

**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	39,946,659	8,004,792	-	47,951,451
Equipment	713,950	39,215	-	753,165
Vehicles	1,459,410	326,348	99,350	1,686,408
Total capital assets being depreciated	<u>61,086,528</u>	<u>8,370,355</u>	<u>99,350</u>	<u>69,357,533</u>
Total capital assets	<u>62,978,298</u>	<u>8,370,355</u>	<u>99,350</u>	<u>71,249,303</u>
Less accumulated depreciation for				
Buildings	(10,239,419)	(673,278)	-	(10,912,697)
Improvements	(17,273,764)	(1,161,108)	-	(18,434,872)
Equipment	(505,057)	(31,952)	-	(537,009)
Vehicles	(1,283,736)	(57,327)	(99,350)	(1,241,713)
Total accumulated depreciation	<u>(29,301,976)</u>	<u>(1,923,665)</u>	<u>(99,350)</u>	<u>(31,126,291)</u>
Net capital assets being depreciated	<u>31,784,552</u>	<u>6,446,690</u>	<u>-</u>	<u>38,231,242</u>
Total business-type activities capital assets, net of accumulated depreciation	<u>\$ 33,676,322</u>	<u>\$ 6,446,690</u>	<u>\$ -</u>	<u>\$ 40,123,012</u>

Depreciation expense was charged to functions as follows:

<u>Business-type Activities</u>	
Parking	\$ 653,621
Water/Sewer	<u>1,270,044</u>
Total	<u>\$ 1,923,665</u>

(Continued)

CITY OF DES PLAINES, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2016

**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)	\$ 10,292,393	\$ 10,292,393	\$ -
General	Non-major governmental	4,398,439	4,398,439	-
General	Water/Sewer	<u>5,760,602</u>	<u>5,760,602</u>	<u>-</u>
Total - fund financial statements		<u>20,451,434</u>	<u>\$ 20,451,434</u>	<u>\$ -</u>
Less: Fund eliminations		(14,690,832)		
Less: Interfund receivables created with internal service fund eliminations		<u>(508,338)</u>		
Total internal balances - government-wide statement of net position		<u>\$ 5,252,264</u>		

\$10,292,393 due from TIF #6 (Mannheim/Higgins) to the General Fund is for cash overdrafts in the TIF #6 (Mannheim/Higgins) Fund.

\$4,398,439 due from nonmajor Governmental Funds to the General Fund is for cash overdrafts in nonmajor Governmental Funds.

\$5,760,602 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, 2016

**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	\$ 173,000	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
Capital Projects	Gaming Tax	3,500,000	To reimburse for infrastructure improvements
Water	Equipment Replacement	326,348	To reimburse equipment replacement of the water fund
Grant Funded Projects	Capital projects	420,669	To reimburse the City's share of grant expenses
Grant Funded Projects	Non-major governmental	4,297	To reimburse general operating expenditures of the fund
Non-major governmental	General	500,000	Transfer per budget for future equipment and depreciation
Non-major governmental	General	250,000	Transfer per budget for future IT equipment and depreciation
Non-major governmental	General	1,608,188	To reimburse for dispatch services
General	TIF #6	2,900	To reimburse staff time devoted to TIF projects
Water	Gaming Tax	5,491,372	To reimburse for infrastructure improvements
Water	Parking system	<u>20,758</u>	To reimburse general operating expenditures of the fund
Total - fund financial statements		12,338,290	
Less: Fund eliminations		<u>(6,536,327)</u>	
Total - government-wide statement of activities		<u>\$ 5,801,963</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, 2016

**NOTE 7 - DEBT ACTIVITY**

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

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
<u>Governmental Activities</u>					
Bonds and loans payable					
General obligation debt	\$ 36,870,688	\$ 595,927	\$ 3,905,000	\$ 33,561,615	\$ 4,760,000
Tax increment financing revenue bonds	361,705	-	65,133	296,572	68,553
Loans payable	175,000	-	12,500	162,500	12,500
Add/(subtract) unamortized (Discounts)/premiums	<u>287,236</u>	<u>-</u>	<u>86,024</u>	<u>201,212</u>	<u>-</u>
Total bonds and loans payable	37,694,629	595,927	4,068,657	34,221,899	4,841,053
Other liabilities					
Vested compensated absences	2,257,008	1,753,438	1,591,664	2,418,782	1,738,165
Net pension liability - Police Pension	75,683,402	2,263,978	-	77,947,380	-
Net pension liability - Fire Pension	65,806,328	2,994,428	-	68,800,756	-
Net pension liability - IMRF	7,312,165	-	1,139,424	6,172,741	-
Net other post-retirement benefit liability	<u>2,479,908</u>	<u>124,503</u>	<u>-</u>	<u>2,604,411</u>	<u>-</u>
Total other liabilities	<u>153,538,811</u>	<u>7,136,347</u>	<u>2,731,088</u>	<u>157,944,070</u>	<u>1,738,165</u>
Total governmental activities long-term liabilities	<u>\$191,233,440</u>	<u>\$ 7,732,274</u>	<u>\$ 6,799,745</u>	<u>\$192,165,969</u>	<u>\$ 6,579,218</u>

Governmental activities general obligation debt increases includes \$184,047 of accretion of the 2009A capital appreciation bonds and \$411,880 of accretion of the 2010B capital appreciation bonds.

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
<u>Business-Type Activities</u>					
Vested compensated absences	\$ 250,797	\$ 160,579	\$ 145,080	\$ 266,296	\$ 159,830
Net pension liability - IMRF	2,607,063	-	538,069	2,068,994	-
Net other post-retirement benefit liability	<u>100,577</u>	<u>77,179</u>	<u>-</u>	<u>177,756</u>	<u>-</u>
Total business-type activities long-term liabilities	<u>\$ 2,958,437</u>	<u>\$ 237,758</u>	<u>\$ 683,149</u>	<u>\$ 2,513,046</u>	<u>\$ 159,830</u>

(Continued)

CITY OF DES PLAINES, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2016

**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, 2016</u>
<b>Governmental Activities</b>					
<u>General Obligation Debt</u>					
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	\$ 1,690,000
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	475,000
Series 2008A Taxable GO Refunding Bonds, due in annual installments of \$125,000 to \$275,000 • debt retired from the TIF #3 fund	April 1, 2008	December 1, 2021	3.25% to 5.25%	2,575,000	550,000
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	3,287,536*
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	400,000
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	8,579,079*
Series 2011A GO Refunding Bonds, due in annual installments of \$275,000 to \$465,000 • debt retired from TIF #1 fund • debt retired from TIF #3 fund • debt retired from TIF #5 fund • debt retired from TIF #6 fund	December 22, 2011	December 1, 2021	2.0% to 2.50%	3,540,000	725,000 735,000 515,000 125,000

(Continued)



CITY OF DES PLAINES, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2016

**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, 2016</u>
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	\$ 1,930,000
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	1,800,000
• debt retired from TIF #3 fund					365,000
• debt retired from TIF #6 fund					2,865,000
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	1,460,000
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	2,655,000
• debt retired from capital projects fund					<u>1,460,000</u>
Total governmental activities general obligation debt					<u>\$ 33,561,615</u>

\*A portion of the December 31, 2016 balance for the 2010B and 2009A bonds represents accretion on debt from the date of issuance until December 31, 2016.

Debt service requirements to maturity are as follows (Principal Totals for Governmental Activities differs from the outstanding balance noted above in the amount of \$4,413,385, 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>
2017	\$ 4,760,000	\$ 629,116
2018	5,575,000	529,193
2019	4,740,000	412,528
2020	4,970,000	312,574
2021	3,905,000	205,946
2022-2026	13,175,000	421,590
2027-2028	<u>850,000</u>	<u>54,607</u>
Totals	<u>\$ 37,975,000</u>	<u>\$ 2,565,554</u>

(Continued)

CITY OF DES PLAINES, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2016

**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 2016, TIF #1 generated a tax increment of \$5,076,742. 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 \$336,492. Principal and interest paid for the current year were \$65,133 and \$18,990, 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, 2016, the development has incurred \$1,535,448 in eligible certified project costs. In 2016, the City paid \$666,431 from the 2015 tax increment generated by the development. The total amount paid on the note to date is \$2,278,551, which includes note interest.

Tax Increment Financing Notes at December 31, 2016, 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, 2016</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	\$ 144,117
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>152,455</u>
Total governmental activities tax Increment financing notes					<u>\$ 296,572</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>
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>\$ 296,572</u>	<u>\$ 39,920</u>

(Continued)

CITY OF DES PLAINES, ILLINOIS  
 NOTES TO FINANCIAL STATEMENTS  
 December 31, 2016

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**NOTE 7 – DEBT ACTIVITY (Continued)**

Loans Payable: Loans Payable at December 31, 2016 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, 2016</u>
Series 2009 equipment loan (fire engine), due in annual installments of \$12,500 • debt retired by equipment replacement fund	April 7, 2009	November 1, 2029	0.00%	\$ 250,000	\$ 162,500

Debt service requirements to maturity are as follows:

<u>Years</u>	<u>Governmental Activities Loans Payable Principal</u>
2017	\$ 12,500
2018	12,500
2019	12,500
2020	12,500
2021	12,500
2022-2026	62,500
2027-2029	<u>37,500</u>
Totals	<u>\$ 162,500</u>

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, 2016 is \$5,689,049.

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(Continued)

CITY OF DES PLAINES, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2016

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**NOTE 7 - DEBT ACTIVITY (Continued)**

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 Liability and Other Postemployment Benefit Obligations: The fund where salary is paid from for an employee has typically been used to liquidate the net pension liability and other postemployment benefit obligations. See notes 9 and 12 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.

Deposits and Investments:

	<u>Carrying Value</u>	<u>Statement Balance</u>	<u>Associated Risks</u>
Deposits	\$ 819,828	\$ 884,528	Custodial
Illinois funds	3,179,363	3,179,363	Credit, interest rate
Petty cash	<u>500</u>	<u>-</u>	N/A
 Total deposits and investments	 <u>\$ 3,999,691</u>	 <u>\$ 4,063,891</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.

(Continued)

CITY OF DES PLAINES, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2016

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**NOTE 8 - COMPONENT UNIT** (Continued)

Cash: The carrying amount of deposits was \$3,999,691 at December 31, 2016, while the bank balances were \$4,063,891. 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, 2016, the Library held \$3,179,363 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 \$3,179,363 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.

Receivables and Deferred Inflows of Resources: Property taxes for 2015 attach as an enforceable lien on January 1, 2015, 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, 2016 and August 1, 2016 and are payable in two installments, on or about March 1, 2016 and September 1, 2016. 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 2016 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.

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(Continued)

CITY OF DES PLAINES, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2016

**NOTE 8 - COMPONENT UNIT (Continued)**

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	\$ 606,489	\$ 1,773,711	\$ -	\$ 2,380,200
Equipment	1,117,942	25,324	-	1,143,265
Vehicles	<u>67,163</u>	<u>-</u>	<u>-</u>	<u>67,163</u>
Total capital assets being depreciated	<u>1,791,594</u>	<u>1,799,035</u>	<u>-</u>	<u>3,590,629</u>
Less accumulated depreciation for				
Improvements	(60,012)	(79,342)	-	(139,354)
Equipment	(418,922)	(75,770)	-	(494,692)
Vehicles	<u>(52,189)</u>	<u>(2,495)</u>	<u>-</u>	<u>(54,684)</u>
Total accumulated depreciation	<u>(531,124)</u>	<u>(157,607)</u>	<u>-</u>	<u>(688,732)</u>
Total component unit capital assets, net of accumulated depreciation	<u>\$ 1,260,470</u>	<u>\$ 1,641,428</u>	<u>\$ -</u>	<u>\$ 2,901,897</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 at January 1, 2016 was \$278,767. During 2016, there were additions of \$136,901 and reductions of \$99,309 leaving the liability balance as of December 31, 2016 at \$316,359. The current portion of this liability is \$106,798.

Net Other Postemployment Benefits Obligation: The liability balance at January 1, 2016 was \$86,622. During 2016, there were annual OPEB costs of \$17,140 and contributions of \$14,521 leaving the liability balance as of December 31, 2016 at \$89,041. See Note 12 for further details on the plan.

Illinois Municipal Retirement Fund: The net pension liability for the Library's portion at January 1, 2016 was \$2,053,075. During 2016, there were reductions of \$191,356 leaving the liability balance as of December 31, 2016 at \$1,861,719. See Note 9 for further details on the plan.

(Continued)

**NOTE 9 - EMPLOYEES' RETIREMENT SYSTEM**

Illinois Municipal Retirement Fund

*Plan Description* - The City's defined benefit pension plan for regular employees provides retirement and disability benefits, post-retirement increases, and death benefits to plan members and beneficiaries. The City's plan is managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of an agent multi-employer public pension fund. A summary of IMRF's pension benefits is provided in the "Benefits Provided" section of this document. Details of all benefits are available from IMRF. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available Comprehensive Annual Financial Report that includes financial statements, detailed information about the pension plan's fiduciary net position, and required supplementary information. The report is available for download at [www.imrf.org](http://www.imrf.org).

*Benefits provided:* IMRF has three benefit plans. The vast majority of IMRF members participate in the Regular Plan (RP). The Sheriff's Law Enforcement Personnel (SLEP) plan is for sheriffs, deputy sheriffs, and selected police chiefs. Counties could adopt the Elected County Official (ECO) plan for officials elected prior to August 8, 2011 (the ECO plan was closed to new participants after that date).

All three IMRF benefit plans have two tiers. Employees hired *before* January 1, 2011, are eligible for Tier 1 benefits. Tier 1 employees are vested for pension benefits when they have at least eight years of qualifying service credit. Tier 1 employees who retire at age 55 (at reduced benefits) or after age 60 (at full benefits) with eight years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any consecutive 48 months within the last 10 years of service, divided by 48. Under Tier 1, the pension is increased by 3% of the original amount on January 1 every year after retirement.

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 employees who retire at age 62 (at reduced benefits) or after age 67 (at full benefits) with ten years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any 96 consecutive months within the last 10 years of service, divided by 96. Under Tier 2, the pension is increased on January 1 every year after retirement, upon reaching age 67, by the *lesser* of:

- 3% of the original pension amount, or
- 1/2 of the increase in the Consumer Price Index of the original pension amount.

*Employees Covered by Benefit Terms:* As of December 31, 2016 the following employees were covered by the benefit terms:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	465
Active Plan Members	<u>203</u>
 Total	 <u>668</u>

*Contributions:* As set by statute, the City's Regular 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 City's annual required contribution rate for calendar year 2016 was 12.39%. For the fiscal year ended December 31, 2016, the

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(Continued)

**NOTE 9 - EMPLOYEES' RETIREMENT SYSTEM** (Continued)

City contributed \$1,695,162 to the plan. 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.

**Net Pension Liability**

The City's net pension liability for IMRF was measured as of December 31, 2016. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

*Actuarial assumptions:* The total pension liability in the December 31, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market Value of Assets
Price Inflation	2.75%
Salary Increases	3.75% to 14.50%, including inflation
Investment Rate of Return	7.50%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2014 valuation pursuant to an experience study of the period 2011-2013
Mortality	For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

A detailed description of the actuarial assumptions and methods can be found in the December 31, 2016 Illinois Municipal Retirement Fund annual actuarial valuation. There were no benefit changes during the year.

*Expected return on pension plan investments:* The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

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(Continued)



CITY OF DES PLAINES, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2016

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**NOTE 9 - EMPLOYEES' RETIREMENT SYSTEM** (Continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	38.00%	7.77%
International Equity	17.00%	3.54%
Fixed Income	27.00%	4.85%
Real Estate	8.00%	8.97%
Alternative Investments	9.00%	N/A
Cash Equivalents	1.00%	N/A
	<u>100.00%</u>	

*Discount rate:* A single discount rate of 7.50% was used to measure the total pension liability. The projection of cash flow used to determine this single discount rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The single discount rates reflects

- (1) the long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits and
- (2) the tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

Based on those assumptions, the fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was not blended with the AA rated general obligation bond index at December 31, 2016 to arrive at the discount rates used to determine the total pension liability. For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.50%, therefore the resulting single discount rate is 7.50%. The discount rate was adjusted from 7.48% in the prior year, an increase of 0.02%.

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(Continued)

CITY OF DES PLAINES, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2016

**NOTE 9 - EMPLOYEES' RETIREMENT SYSTEM (Continued)**

**Changes in the Net Pension Liability for the IMRF plan**

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
<b>Balances at 12/31/15</b>	\$ 110,644,306	\$ 98,672,003	\$ 11,972,303
<b>Changes for the year:</b>			
Service Cost	1,528,647	-	1,528,647
Interest	8,127,770	-	8,127,770
Actuarial Experience	(2,115,982)	-	(2,115,982)
Assumption Changes	(256,324)	-	(256,324)
Contributions - Employer	-	1,695,162	(1,695,162)
Contributions - Employee	-	617,687	(617,687)
Net Investment Income	-	6,817,667	(6,817,667)
Benefit payments, including refunds	(5,497,208)	(5,497,208)	-
Administrative Expense	-	22,444	(22,444)
<b>Net Changes</b>	<u>1,786,903</u>	<u>3,655,752</u>	<u>(1,868,849)</u>
<b>Balances at 12/31/16</b>	<u>\$ 112,431,209</u>	<u>\$ 102,327,755</u>	<u>\$ 10,103,454</u>

As reported in

City's governmental activities	\$ 6,172,741
City's business-type activities	2,068,994
Library	1,861,719
	<u>\$ 10,103,454</u>

*Sensitivity of the net pension liability to changes in the discount rate:* The following presents the net pension liability of the City, calculated using the discount rate of 7.50%, as well as what the City's net pension liability for IMRF plan would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50%) or 1-percentage-point higher (8.50%) than the current rate:

	1% Decrease 6.50%	Current Discount Rate 7.50%	1% Increase 8.50%
City's Net Pension Liability for IMRF plan	\$ 23,985,166	\$ 10,103,454	\$ (1,288,851)

*Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions:* For the year ended December 31, 2016 the City recognized pension expense of \$3,282,545 for the IMRF plan. At December 31, 2016, the City reported deferred inflows or resources and deferred outflows or resources related to pensions from the following sources:

(Continued)

CITY OF DES PLAINES, ILLINOIS  
 NOTES TO FINANCIAL STATEMENTS  
 December 31, 2016

**NOTE 9 - EMPLOYEES' RETIREMENT SYSTEM (Continued)**

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ -	\$ 1,650,293
Changes of Assumptions	340,927	171,164
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	5,079,704	-
<b>Total</b>	<b>\$ 5,420,631</b>	<b>\$ 1,821,457</b>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31:	
2017	\$ 1,074,167
2018	955,800
2019	1,476,374
2020	92,833
<b>Total</b>	<b>\$ 3,599,174</b>

Police Pension Plan

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

At December 31, 2016, the Police Pension Plan membership consisted of:

Inactive plan members or beneficiaries currently receiving benefits	115
Inactive plan members entitled to but not yet receiving benefits	2
Active plan members	89
<b>Total</b>	<b>206</b>

(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 1<sup>st</sup> 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.

*Contributions:* Covered employees are required to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The 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, 2016, the City's contribution was 58.69% of covered payroll.

*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.

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(Continued)

**NOTE 9 - EMPLOYEES' RETIREMENT SYSTEM (Continued)**

**Net Pension Liability**

The City's net pension liability for the Police Pension plan was measured as of December 31, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

*Actuarial assumptions:* The total pension liability in the December 31, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

**Actuarial Assumptions (Economic)**

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Discount Rate used for the Total Pension Liability	7.00%
Long-Term Expected Rate of Return on Plan Assets	7.00%
High Quality 20 Year Tax-Exempt G.O. Bond Rate	3.78/%
Projected Individual Salary Increases	3.50% - 11.50%
Projected Increase in Total Payroll	3.50%
Consumer Price Index (Urban)	2.50%
Inflation Rate Included	2.50%

**Actuarial Assumptions (Demographic)**

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Mortality Table	L&A 2016 Illinois Police Mortality Rates
Retirement Rates	L&A 2016 Illinois Police Retirement Rates Capped at age 65
Disability Rates	L&A 2016 Illinois Police Disability Rates
Termination Rates	L&A 2016 Illinois Police Termination Rates
Percent Married	80.00%

All rates shown in the economic assumptions are assumed to be annual rates, compounded on an annual basis. Mortality rates are based on the assumption study prepared by Lauterbach & Amen, LLP in 2016. The table combines observed experience of Illinois Police Officers with the RP-2014 mortality table for blue collar workers. Mortality improvements have been made to 5 years past the valuation date. Other demographic assumption rates are based on a review of assumptions in the L&A 2016 study for Illinois Police Officers.

*Assumption changes:* The assumed rate on High Quality 20 Year Tax-Exempt G.O. Bonds was changed from 3.57% to 3.78% for the current year. The underlying index used is The Bond Buyer 20-Bond GO Index as discussed in more detail later in this section. The choice of index is unchanged from the prior year. The rate has been updated to the current fiscal year end based on changes in market conditions as reflected in the Index. The change was made to reflect the actuaries understanding of the requirements of GASB under Statement 67 and Statement 68. The demographic assumptions formerly used RP 2000 Mortality Table for mortality, uniform distribution from ages 50-62 (100% by age 62) for retirement rates, and a department of insurance study for disability.

*Postemployment benefit changes:* Eligibility for postemployment benefit increases is determined based on the Illinois Pension code. Tier 1 Police retirees are provided with an annual 3.0% increase in retirement benefits by statute when eligible. Tier 2 Police retirees are provided postemployment benefit increases based on one-half of the Consumer Price Index (Urban) for the prior September. The CPI-U for September 1985 was 108.3. The CPI-U for September 2015 was 237.9. The average increase in the CPI-U for September 1985 through September 2015 was 2.66% (on a compounded basis).

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(Continued)

CITY OF DES PLAINES, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2016

**NOTE 9 – EMPLOYEES’ RETIREMENT SYSTEM (Continued)**

*Expected return on pension plan investments:* The long-term expected rate of return on assets is intended to represent the best estimate of future real rates of return and is shown for each of the major asset classes in the investment policy. The expected rates of return shown below have been provided by the investment professionals that work with the Pension Fund. The best estimate of future real rates of return are developed for each of the major asset classes. Expected inflation is added back in. Adjustment is made to reflect geometric returns. The target allocation and best estimates of arithmetic real rate of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Large Cap Equity	19.00%	6.70%
US SMid Cap Equity	14.00%	8.60%
REITS	3.00%	5.70%
Non US Developed Equity	16.00%	6.10%
Emerging Markets	8.00%	7.10%
Fixed Income	38.00%	2.60%
Cash	2.00%	1.00%
	100.00%	

Long-term expected real returns under GASB are expected to reflect the period of time that begins when a plan member begins to provide service to the employer and ends at the point when all benefits to the plan member have been paid. The rates provided above are intended to estimate those figures. The expected inflation rate is 2.00% and is not included in the long-term rate of return on investments presented above. The inflation rate is from the same source as the long-term real rates of return, and is not necessarily reflective of the inflation measures used for other purposes. Geometric rates of return are equal to arithmetic rates of return when the annual returns exhibit no volatility over time. When arithmetic returns are volatile on a year-to-year basis, the actual realized geometric returns over time will be lower. The higher the volatility, the greater the difference.

*Municipal bond rate:* The municipal bond rate assumption is based on The Bond Buyer 20-Bond GO Index. The rate shown earlier in the Actuarial Assumption section is the December 30, 2016 rate. The 20-Bond GO Index is based on an average of certain general obligation municipal bonds maturing in 20 years and having an average rating equivalent of Moody's Aa2 and Standard & Poor's AA. The 20-Bond Index consists of 20 general obligation bonds that mature in 20 years. The average rating of the 20 bonds is roughly equivalent to Moody's Investors Service's Aa2 rating and Standard & Poor's Corp.'s AA. The indexes represent theoretical yields rather than actual price or yield quotations. Municipal bond traders are asked to estimate what a current-coupon bond for each issuer in the indexes would yield if the bond was sold at par value. The indexes are simple averages of the average estimated yields of the bonds.

*Discount rate:* The discount rate used to measure the total pension liability was 7.00%. The discount rate used is based only on the expected long-term rate of return on plan investments. Cash flow projections, including contributions from the City and employees, were used to determine the extent which the plan's future net position will be able to cover future benefit payments. The projection of cash flow used to determine this single discount rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate.

To the extent future benefit payments are covered by the plan's projected net position, the expected rate of return on plan investments is used to determine the portion of the net pension liability associated with

(Continued)

CITY OF DES PLAINES, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2016

**NOTE 9 - EMPLOYEES' RETIREMENT SYSTEM (Continued)**

those payments. To the extent future benefit payments are not covered by the plan's projected net position, the municipal bond rate is used to determine the portion of the net pension liability associated with those payments. In the current year, all future benefit payments are covered by the plan's projected net position.

*Sensitivity of the net pension liability to changes in the discount rate:* The following presents the net pension liability of the City, calculated using the discount rate of 7.00%, as well as what the City's net pension liability for Police Pension plan would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
City's Net Pension Liability for Police Pension	\$ 97,588,431	\$ 77,947,380	\$ 61,860,272

**Changes in the Net Pension Liability for the Police Pension plan**

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
<b>Balances at 12/31/15</b>	\$ 136,791,015	\$ 61,107,613	\$ 75,683,402
<b>Changes for the year:</b>			
Service Cost	1,491,414	-	1,491,414
Interest	9,322,073	-	9,322,073
Actuarial Experience	598,432	-	598,432
Assumption Changes	1,089,686	-	1,089,686
Contributions - Employer	-	5,036,133	(5,036,133)
Contributions - Employee	-	866,905	(866,905)
Net Investment Income	-	4,420,807	(4,420,807)
Benefit payments, including refunds	(7,237,087)	(7,237,087)	-
Administrative Expense	-	(86,218)	86,218
<b>Net Changes</b>	5,264,518	3,000,540	2,263,978
<b>Balances at 12/31/16</b>	\$ 142,055,533	\$ 64,108,153	\$ 77,947,380

(Continued)

CITY OF DES PLAINES, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2016

**NOTE 9 - EMPLOYEES' RETIREMENT SYSTEM (Continued)**

*Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions:* For the year ended December 31, 2016 the City recognized pension expense of \$7,173,393 for the Police Pension plan. At December 31, 2016, the City reported deferred inflows of resources and deferred outflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 1,778,150	\$ -
Changes of Assumptions	884,857	1,304,327
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	3,125,927	-
Total	\$ 5,788,934	\$ 1,304,327

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31:	
2017	\$ 1,368,417
2018	1,368,417
2019	1,368,416
2020	277,824
2021	101,533
Total	\$ 4,484,607

*Rate of return:* For the year ended December 31, 2016, the annual money-weighted rate of return on the Pension Plans' assets, net of pension plan investment expense, was 7.40%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Firefighter's Pension:

*Plan Description:* Fire sworn personnel are covered by the Firefighters' Pension Plan, which is a defined benefit single employer pension plan. Although this is a single employer pension plan, the defined benefits and employee 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, 2016, the Firefighters' Pension Plan membership consisted of:

Inactive plan members or beneficiaries currently receiving benefits	108
Inactive plan members entitled to but not yet receiving benefits	1
Active plan members	92
Total	201

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

(Continued)



**NOTE 9 - EMPLOYEES' RETIREMENT SYSTEM (Continued)**

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 1<sup>st</sup> 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.

*Contributions:* Participants contribute a fixed percentage of their base salary to the plans. At December 31, 2016, 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, 2016, the City's contribution was 49.64% of covered payroll.

*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.

**Net Pension Liability**

The City's net pension liability for the Firefighters' Pension plan was measured as of December 31, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

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(Continued)

CITY OF DES PLAINES, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2016

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**NOTE 9 - EMPLOYEES' RETIREMENT SYSTEM (Continued)**

*Actuarial assumptions:* The total pension liability in the December 31, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

**Actuarial Assumptions (Economic)**

Discount Rate used for the Total Pension Liability	7.00%
Long-Term Expected Rate of Return on Plan Assets	7.00%
High Quality 20 Year Tax-Exempt G.O. Bond Rate	3.78%
Projected Individual Salary Increases	3.50% - 8.24%
Projected Increase in Total Payroll	3.50%
Consumer Price Index (Urban)	2.50%
Inflation Rate Included	2.50%

**Actuarial Assumptions (Demographic)**

Mortality Table	L&A 2016 Illinois Firefighters Mortality Rates
Retirement Rates	L&A 2016 Illinois Firefighters Retirement Rates Capped at age 65
Disability Rates	L&A 2016 Illinois Firefighters Disability Rates
Termination Rates	L&A 2016 Illinois Firefighters Termination Rates
Percent Married	80.00%

All rates shown in the economic assumptions are assumed to be annual rates, compounded on an annual basis. Mortality rates are based on rates developed in the L&A 2016 Mortality Table for Illinois Firefighters. Other demographic assumption rates are based on a review of assumptions in the L&A 2016 study for Illinois Firefighters.

*Assumption changes:* The assumed rate on High Quality 20 Year Tax-Exempt G.O. Bonds was changed from 3.57% to 3.78% for the current year. The underlying index used is The Bond Buyer 20-Bond GO Index as discussed in more detail later in this section. The choice of index is unchanged from the prior year. The rate has been updated to the current fiscal year end based on changes in market conditions as reflected in the Index. The change was made to reflect the actuaries understanding of the requirements of GASB under Statement 67 and Statement 68. The demographic assumptions formerly used RP 2000 Mortality Table for mortality, uniform distribution from ages 50-62 (100% by age 62) for retirement rates, and a department of insurance study for disability.

*Postemployment benefit changes:* Eligibility for postemployment benefit increases is determined based on the Illinois Pension code. Tier 1 Firefighter retirees are provided with an annual 3.0% increase in retirement benefits by statute when eligible. Tier 2 Firefighter retirees are provided postemployment benefit increases based on one-half of the Consumer Price Index (Urban) for the prior September. The CPI-U for September 1985 was 108.3. The CPI-U for September 2015 was 237.9. The average increase in the CPI-U for September 1985 through September 2015 was 2.66% (on a compounded basis).

*Expected return on pension plan investments:* The long-term expected rate of return on assets is intended to represent the best estimate of future real rates of return and is shown for each of the major asset classes in the investment policy. The expected rates of return shown below have been provided by the investment professionals that work with the Pension Fund. The best estimate of future real rates of return are developed for each of the major asset classes. Expected inflation is added back in. Adjustment is made to reflect geometric returns. The target allocation and best estimates of arithmetic real rate of return for each major asset class are summarized in the following table:

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(Continued)

CITY OF DES PLAINES, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2016

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**NOTE 9 – EMPLOYEES’ RETIREMENT SYSTEM (Continued)**

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Large Cap Equity	27.00%	6.70%
US Mid Cap Equity	3.00%	7.20%
US Small Cap Equity	3.00%	7.70%
REITS	3.00%	5.70%
Non US Developed Equity	16.00%	6.10%
Emerging Markets	8.00%	7.10%
Fixed Income	38.00%	2.60%
Cash	2.00%	1.00%
	<u>100.00%</u>	

Long-term expected real returns under GASB are expected to reflect the period of time that begins when a plan member begins to provide service to the employer and ends at the point when all benefits to the plan member have been paid. The rates provided above are intended to estimate those figures. The expected inflation rate is 2.00% and is not included in the long-term rate of return on investments presented above. The inflation rate is from the same source as the long-term real rates of return, and is not necessarily reflective of the inflation measures used for other purposes. Geometric rates of return are equal to arithmetic rates of return when the annual returns exhibit no volatility over time. When arithmetic returns are volatile on a year-to-year basis, the actual realized geometric returns over time will be lower. The higher the volatility, the greater the difference.

*Municipal bond rate:* The municipal bond rate assumption is based on The Bond Buyer 20-Bond GO Index. The rate shown earlier in the Actuarial Assumption section is the December 30, 2016 rate. The 20-Bond GO Index is based on an average of certain general obligation municipal bonds maturing in 20 years and having an average rating equivalent of Moody's Aa2 and Standard & Poor's AA. The 20-Bond Index consists of 20 general obligation bonds that mature in 20 years. The average rating of the 20 bonds is roughly equivalent to Moody's Investors Service's Aa2 rating and Standard & Poor's Corp.'s AA. The indexes represent theoretical yields rather than actual price or yield quotations. Municipal bond traders are asked to estimate what a current-coupon bond for each issuer in the indexes would yield if the bond was sold at par value. The indexes are simple averages of the average estimated yields of the bonds.

*Discount rate:* The discount rate used to measure the total pension liability was 7.00%. The discount rate used is based only on the expected long-term rate of return on plan investments. Cash flow projections, including contributions from the City and employees, were used to determine the extent which the plan's future net position will be able to cover future benefit payments. The projection of cash flow used to determine this single discount rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. To the extent future benefit payments are covered by the plan's projected net position, the expected rate of return on plan investments is used to determine the portion of the net pension liability associated with those payments. To the extent future benefit payments are not covered by the plan's projected net position, the municipal bond rate is used to determine the portion of the net pension liability associated with those payments. In the current year, all future benefit payments are covered by the plan's projected net position.

*Sensitivity of the net pension liability to changes in the discount rate:* The following presents the net pension liability of the City, calculated using the discount rate of 7.00%, as well as what the City's net pension liability

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(Continued)

CITY OF DES PLAINES, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2016

**NOTE 9 - EMPLOYEES' RETIREMENT SYSTEM** (Continued)

for the Firefighters' Pension plan would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
City's Net Pension Liability for Firefighters' Pension	\$ 87,187,619	\$ 68,800,756	\$ 53,606,182

**Changes in the Net Pension Liability for the Firefighters' Pension plan**

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
<b>Balances at 12/31/15</b>	\$ 133,751,420	\$ 67,945,092	\$ 65,806,328
<b>Changes for the year:</b>			
Service Cost	1,725,203	-	1,725,203
Interest	9,118,537	-	9,118,537
Actuarial Experience	361,031	-	361,031
Assumption Changes	1,587,093	-	1,587,093
Contributions - Employer	-	4,433,104	(4,433,104)
Contributions - Employee	-	828,889	(828,889)
Contributions - Other	-	787	(787)
Net Investment Income	-	4,601,921	(4,601,921)
Benefit payments, including refunds	(6,973,210)	(6,973,210)	-
Administrative Expense	-	(67,265)	67,265
<b>Net Changes</b>	5,818,654	2,824,226	2,994,428
<b>Balances at 12/31/16</b>	\$ 139,570,074	\$ 70,769,318	\$ 68,800,756

*Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions:* For the year ended December 31, 2016 the City recognized pension expense of \$7,722,036 for the Firefighters' Pension plan. At December 31, 2016, the City reported deferred inflows of resources and deferred outflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 3,292,404	\$ -
Changes of Assumptions	1,742,239	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	3,629,863	-
Total	\$ 8,664,506	\$ -

(Continued)

CITY OF DES PLAINES, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2016

**NOTE 9 - EMPLOYEES' RETIREMENT SYSTEM** (Continued)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31:		
2017	\$	2,334,644
2018		2,334,644
2019		2,334,644
2020		1,149,223
2021		367,049
Thereafter		144,302
<b>Total</b>	<b>\$</b>	<b><u>8,664,506</u></b>

*Rate of return:* For the year ended December 31, 2016, the annual money-weighted rate of return on Plans' assets, net of pension plan investment expense, was 6.93%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Pension Information:

Fiduciary Net Position:

	<u>Pension Trust</u>		<u>Totals</u>
	<u>Firefighters' Pension</u>	<u>Police Pension</u>	
<b>Assets</b>			
Cash and cash equivalents	\$ 2,991,877	\$ 3,458,080	\$ 6,449,957
<b>Investments</b>			
U.S. government and agency obligations	10,184,411	10,328,090	20,512,501
Mutual funds	24,009,733	21,492,473	45,502,206
Corporate bonds	12,062,186	9,478,802	21,540,987
Stocks	20,833,124	18,475,096	39,308,220
State and local obligations	515,207	751,457	1,266,665
Insurance contracts	-	1,499	1,499
Accrued interest	205,319	172,567	377,886
Prepaid items	5,170	4,431	9,601
<b>Total assets</b>	<b><u>70,807,027</u></b>	<b><u>64,162,495</u></b>	<b><u>134,969,522</u></b>
<b>Liabilities</b>			
Accounts payable	37,708	54,342	92,050
<b>Total liabilities</b>	<b><u>37,708</u></b>	<b><u>54,342</u></b>	<b><u>92,050</u></b>
<b>Net position</b>	<b><u>\$ 70,769,319</u></b>	<b><u>\$ 64,108,153</u></b>	<b><u>\$ 134,877,472</u></b>

(Continued)

CITY OF DES PLAINES, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2016

**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	\$ 4,433,104	\$ 5,036,133	\$ 9,469,237
Member Contributions	787	-	787
Plan members	<u>828,889</u>	<u>866,905</u>	<u>1,695,794</u>
Total contributions	<u>5,262,780</u>	<u>5,903,038</u>	<u>11,165,818</u>
Investment Income	4,873,838	4,700,874	9,574,712
Less investment expense	<u>(271,917)</u>	<u>(280,067)</u>	<u>(551,984)</u>
Net investment income	<u>4,601,921</u>	<u>4,420,807</u>	<u>9,022,728</u>
Total additions	<u>9,864,701</u>	<u>10,323,845</u>	<u>20,188,546</u>
Deductions			
Administration	67,265	86,218	153,483
Benefits and refunds	<u>6,973,210</u>	<u>7,237,087</u>	<u>14,210,297</u>
Total deductions	<u>7,040,475</u>	<u>7,323,305</u>	<u>14,363,780</u>
Change in plan net position	2,824,226	3,000,540	5,824,766
Plan net position, beginning of year	<u>67,945,092</u>	<u>61,107,613</u>	<u>129,052,705</u>
Plan net position, end of year	<u>\$ 70,769,318</u>	<u>\$ 64,108,153</u>	<u>\$ 134,877,471</u>

Summary:

	<u>IMRF</u>	<u>Police</u>	<u>Firefighters'</u>	<u>Total</u>
Net Pension Liability	\$ 10,103,454	\$ 77,947,380	\$ 68,800,756	\$ 156,851,590
Deferred Outflows of Resources	5,420,631	5,788,934	8,664,506	19,874,071
Deferred Inflows of Resources	1,821,457	1,304,327	-	3,125,784
Pension Expense	3,282,545	7,173,393	7,722,036	18,177,974

	<u>Primary Government</u>	<u>Component Unit</u>	<u>Total</u>
Net Pension Liability	\$ 154,989,871	\$ 1,861,719	\$ 156,851,590
Deferred Pension Outflows	18,875,235	998,836	19,874,071
Deferred Pension Inflows	2,790,152	335,632	3,125,784
Pension Expense	17,564,795	613,179	18,177,974

(Continued)

CITY OF DES PLAINES, ILLINOIS  
 NOTES TO FINANCIAL STATEMENTS  
 December 31, 2016

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**NOTE 10 - RISK MANAGEMENT**

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

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

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

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	\$ 18,267	\$ (13,028)
Current year claims and changes in estimates	442,915	-
Claim payments	(448,154)	(13,028)
Unpaid claims - end of year	\$ 13,028	\$ -

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

Intergovernmental Personnel Benefit Cooperative: The Health Benefits Fund was established to account for the financial transactions of self-insured employee and retiree health benefits. In 2003 the City joined the Intergovernmental Personnel Benefit Cooperative (IPBC), a self-insured governmental insurance pool consisting of 98 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), dental, 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.

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(Continued)

**NOTE 10 - RISK MANAGEMENT (Continued)**

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.

Based upon the allocations for the year ended December 31, the City expects to pay a minimum of \$125,000 per year over the remaining term of the agreement.

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(Continued)



CITY OF DES PLAINES, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2016

**NOTE 11 - COMMITMENTS AND CONTINGENCIES**

Construction Contracts

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

<u>Project Description</u>	<u>Expended To Date</u>	<u>Remaining Commitment</u>
2014 CIP Concrete Improvements	\$ 921,731	\$ 356,564
2015 CIP Algonquin Rd Sewer	1,692,943	3,134,780
2016 CIP Concrete Improvements	1,070,321	97,367
2016 CIP Street & Utility Contract A	2,985,443	492,227
2016 CIP Street & Utility Contract B	4,770,479	180,923
Central Rd Bike Lane Construction	252,178	65,546
Central Rd Pump Station Facility Improvements	2,653,741	3,586
DP River Rd Recon Ph 2	14,579,547	620,453
Lee & Perry Traffic Signal Improvements	236,496	48,798
Lee St Streetscape Phase 3	470,201	2,194,500
NWC Conveyance Line Project	2,809,717	236,723
Orchard Place Improvements	201,185	1,356,240
Upgrade Traffic Signal LED-Cost Share	7,868	17,264
<b>Total</b>	<b><u>\$ 32,651,849</u></b>	<b><u>\$ 8,804,972</u></b>

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's General Counsel that the likelihood is remote that any such claims or proceedings will have a material adverse effect on the City's financial position or results of operations.

**NOTE 12 - OTHER POSTEMPLOYMENT BENEFITS**

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

(Continued)

CITY OF DES PLAINES, ILLINOIS  
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December 31, 2016

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**NOTE 12 - OTHER POSTEMPLOYMENT BENEFITS (Continued)**

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 2016, total member contributions were \$1,224,192. Administrative costs of the plan are paid by the City. The plan is financed on a pay-as you go method.

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:

	<u>City</u>	<u>Library</u>
Annual required contribution	\$ 826,035	\$ 16,564
Interest on net OPEB obligation	103,219	3,457
Adjustment to annual required contribution	<u>(86,016)</u>	<u>(2,881)</u>
Annual OPEB cost	843,238	17,140
Contributions made	<u>(641,558)</u>	<u>(14,521)</u>
Change in net OPEB obligation	201,681	2,619
Net OPEB obligation, beginning of year	<u>2,580,486</u>	<u>86,422</u>
Net OPEB obligation, end of year	<u><u>\$ 2,782,167</u></u>	<u><u>\$ 89,041</u></u>

As reported in

City's governmental activities	\$ 2,604,411
City's business-type activities	<u>177,756</u>
	<u><u>\$ 2,782,167</u></u>

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(Continued)

CITY OF DES PLAINES, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2016

**NOTE 12 - 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>
<u>City:</u>	2016	\$ 843,238	76.00%	\$ 2,782,167
	2015	890,938	53.71%	2,580,486
	2014	883,518	55.65%	2,287,842
<u>Library:</u>	2016	17,140	85.00%	89,040
	2015	4,874	104.53%	86,422
	2014	4,735	83.62%	86,643

The funded status of the plan as of January 1, 2016, the most recent actuarial valuation date, was as follows:

	<u>City</u>	<u>Library</u>
Actuarial accrued liability (AAL)	\$ 15,523,250	\$ 132,668
Actuarial value of plan assets	-	-
Unfunded Actuarial Accrued Liability (UAAL)	<u>\$ 15,523,250</u>	<u>\$ 132,668</u>
Funded ratio (actuarial value of plan assets/AAL)	0.00%	0.00%
Covered payroll (active plan members)	\$ 26,617,107	\$ 2,207,734
UAAL as a percentage of covered payroll	58.32%	6.01%

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, 2016 actuarial valuation, the entry age normal 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 2.70 percent initially, reduced by decrements to an ultimate rate of 5.50 percent after 30 years. 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 13 – 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.

**NOTE 14 - NEW ACCOUNTING PRONOUNCEMENTS**

In June 2015, the GASB issued Statement No. 74 "Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans." The objective of this Statement is to improve the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability. The requirements of this Statement are effective for the City's financial year ending December 31, 2017. Management has determined that implementation of this GASB statement will not result in significant modifications in the City's financial statements.

In June 2015, the GASB issued Statement No. 75 "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions." The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. The requirements of this Statement are effective for the City's financial year ending December 31, 2018. Management has determined that implementation of this GASB statement will result in significant liability and note modifications in the City's financial statements.

In December 2015, the GASB issued Statement 80, *Blending Requirements for Certain Component Units – An Amendment of GASB Statement 14*. This Statement amends the blending requirements for the financial statement presentation of component units of all state and local governments. The additional criterion requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. This Statement is effective for the City's fiscal year ended December 31, 2017. Management has not determined what impact, if any, this statement will have on its financial statements.

In March 2016, the GASB issued Statement 81, *Irrevocable Split-Interest Agreements*. The objective of this Statement is to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. This Statement requires that a government that receives resources pursuant to an irrevocable split-interest agreement recognize assets, liabilities, and deferred inflows of resources at the inception of the agreement. Furthermore, this Statement requires that a government recognize assets representing its beneficial interests in irrevocable split-interest agreements that are administered by a third party, if the government controls the present service capacity of the beneficial interests. This Statement requires that a government recognize revenue when the resources become applicable to the reporting period. This Statement is effective for the City's fiscal year ended December 31, 2017. This Statement will not impact the City's financial statements.

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(Continued)

**NOTE 14 - NEW ACCOUNTING PRONOUNCEMENTS (Continued)**

In March 2016, the GASB issued Statement 82, *Pension Issues – An Amendment of GASB Statements No. 67, No. 68, and No. 73*. The objective of this Statement is to address certain issues that have been raised with respect to Statements No. 67, *Financial Reporting for Pension Plans*, No. 68, *Accounting and Financial Reporting for Pensions*, and No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. Specifically, this Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. This Statement is effective for the City's fiscal year ended December 31, 2017. This Statement will not impact the City's financial statements.

In November 2016, the GASB issued Statement 83, *Certain Asset Retirement Obligations*. This Statement establishes criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources for asset retirement obligations (AROs). This Statement is effective for the City's fiscal year ended December 31, 2019. This Statement will not impact the City's financial statements.

In January 2017, the GASB issued Statement 84, *Fiduciary Activities*. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus is on the (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. This Statement describes four fiduciary funds that should be reported, if applicable: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds. This Statement is effective for the City's fiscal year ended December 31, 2019. Management has not determined the impact on the City's financial statements.

In March 2017, the GASB issued Statement 85, *Omnibus 2017*. This Statement addresses a variety of topics including issued related to blending components units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits [OPEB]). This Statement further addresses the (1) timing of the measurement of pension or OPEB liabilities, (2) recognizing on-behalf payments for pensions or OPEB in employer financial statements, (3) classifying employer-paid member contributions for OPEB, (4) accounting and financial reporting for OPEB, (5) measuring certain money market investments, (6) blending a component unit in which the primary government is a business-type activity that reports in a single column for financial statements presentation. This Statement is effective for the City's fiscal year ended December 31, 2018. This Statement will not impact the City's financial statements.

In May 2017, the GASB issued Statement 86, *Certain Debt Extinguishment Issues*. This Statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources, resources other than the proceeds of refunding debt, are placed in an irrevocable trust for the sole purpose of extinguishing debt. It also provides guidance on accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance. This Statement is effective for the City's fiscal year ended December 31, 2018. Management has not determined the impact on the City's financial statements.

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(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, 2016  
 With Comparative Actual Amounts for the Year Ended December 31, 2015

	2016		Variance from Final Budget Positive (Negative)	2015 Actual
	Original and Final Budget	Actual		
<b>Revenues</b>				
Property Taxes				
Property Taxes	\$ 13,576,870	\$ 13,666,883	\$ 90,013	\$ 14,343,700
Police Pension	5,000,000	5,036,092	36,092	4,304,823
Fire Pension	4,400,000	4,433,051	33,051	4,303,994
Total Property Taxes	<u>22,976,870</u>	<u>23,136,026</u>	<u>159,156</u>	<u>22,952,517</u>
Local Taxes				
Utility Taxes	3,200,000	3,069,270	(130,730)	3,033,933
Gas and Use Tax	400,000	357,072	(42,928)	389,187
Franchise Tax	700,000	816,430	116,430	823,452
Food and Beverage Tax	1,100,000	1,268,923	168,923	1,228,581
Telecommunication Tax	2,100,000	2,392,037	292,037	2,346,924
Hotel/Motel Tax	2,000,000	2,069,830	69,830	2,145,985
Auto Rental Tax	50,000	84,630	34,630	80,006
Parking Tax	2,000	1,795	(205)	1,399
Real Estate Transfer Tax	400,000	842,326	442,326	597,813
Home Rule Sales Tax	1,513,000	1,526,073	13,073	1,427,818
PEG Fees Tax	-	35,757	35,757	22,897
Total Local Taxes	<u>11,465,000</u>	<u>12,464,143</u>	<u>999,143</u>	<u>12,097,995</u>
Licenses				
Business	350,000	351,577	1,577	374,036
Liquor	220,000	235,284	15,284	221,621
Vehicle	1,300,000	1,312,385	12,385	1,370,712
Other Licenses	144,500	190,364	45,864	156,552
Total Licenses	<u>2,014,500</u>	<u>2,089,610</u>	<u>75,110</u>	<u>2,122,921</u>
Permits				
Building	635,000	1,049,469	414,469	788,097
Other Permits	9,000	8,455	(545)	10,101
Total Permits	<u>644,000</u>	<u>1,057,924</u>	<u>413,924</u>	<u>798,198</u>
Intergovernmental				
State Income Tax	4,800,000	5,681,387	881,387	6,210,116
Local Use Tax	1,000,000	1,392,829	392,829	1,288,847
Personal Property Replacement Tax	1,100,000	1,285,820	185,820	1,245,069
Municipal Sales Tax	9,000,000	11,387,882	2,387,882	10,744,654
Road and Bridge Tax	200,000	225,498	25,498	231,045
Federal, State, and Local Grants	115,000	185,278	70,278	60,122
Other State Payments	300	376	76	356
Total Intergovernmental	<u>16,215,300</u>	<u>20,159,070</u>	<u>3,943,770</u>	<u>19,780,209</u>
Charges for Services				
Ambulance Fees	1,400,000	1,569,432	169,432	1,612,526

(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, 2016  
With Comparative Actual Amounts for the Year Ended December 31, 2015

	2016		Variance from Final Budget Positive (Negative)	2015 Actual
	Original and Final Budget	Actual		
Refuse Collection	\$ 3,150,000	\$ 3,094,047	\$ (55,953)	\$ 2,927,288
Other Fees	251,000	365,215	114,215	490,315
<b>Total Charges for Services</b>	<u>4,801,000</u>	<u>5,028,694</u>	<u>227,694</u>	<u>5,030,129</u>
Fines and Forfeits				
Court Costs, Fees & Charges	400,000	384,748	(15,252)	331,242
Other Fines and Forfeits	625,000	982,118	357,118	946,417
<b>Total Fines and Forfeits</b>	<u>1,025,000</u>	<u>1,366,866</u>	<u>341,866</u>	<u>1,277,659</u>
Investment Income				
Investment Income	50,000	121,454	71,454	84,615
Miscellaneous				
Miscellaneous	192,000	276,388	84,388	290,638
<b>Total Revenues</b>	<u>59,383,670</u>	<u>65,700,175</u>	<u>6,316,505</u>	<u>64,434,881</u>
<b>Expenditures</b>				
General Government				
Elected Office				
Salaries	247,896	248,245	(349)	218,273
Benefits	191,963	180,299	11,664	172,675
Contractual Services	219,617	161,287	58,330	187,333
Commodities	14,518	2,542	11,976	4,082
<b>Total Elected Office</b>	<u>673,994</u>	<u>592,373</u>	<u>81,621</u>	<u>582,363</u>
City Manager Division				
Salaries	259,912	264,225	(4,313)	262,003
Benefits	89,022	95,353	(6,331)	86,875
Contractual Services	43,172	11,367	31,805	7,511
Commodities	4,650	1,883	2,767	1,728
<b>Total City Manager Division</b>	<u>396,756</u>	<u>372,828</u>	<u>23,928</u>	<u>358,117</u>
Media Services				
Salaries	165,079	238,379	(73,300)	161,129
Benefits	66,323	72,837	(6,514)	62,418
Contractual Services	167,766	95,002	72,764	115,062
Commodities	42,930	40,490	2,440	39,253
Capital Outlay	1,000	666	334	18,858
<b>Total Media Services</b>	<u>443,098</u>	<u>447,374</u>	<u>(4,276)</u>	<u>396,720</u>
Legal Department				
Salaries	102,015	86,026	15,989	83,896
Benefits	42,292	40,467	1,825	39,360
Contractual Services	579,838	498,751	81,087	458,819

(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, 2016  
With Comparative Actual Amounts for the Year Ended December 31, 2015

	2016		Variance from Final Budget Positive (Negative)	2015
	Original and Final Budget	Actual		Actual
Commodities	\$ 1,000	\$ 933	\$ 67	\$ 556
Total Legal Department	<u>725,145</u>	<u>626,177</u>	<u>98,968</u>	<u>582,631</u>
Department of Finance - Fiscal Services				
Salaries	815,351	735,429	79,922	780,215
Benefits	355,643	275,648	79,995	329,315
Contractual Services	113,096	116,016	(2,920)	122,599
Commodities	31,920	33,864	(1,944)	37,568
Capital Outlay	-	11,913	(11,913)	15,495
Total Department of Finance - Fiscal Services	<u>1,316,010</u>	<u>1,172,870</u>	<u>143,140</u>	<u>1,285,192</u>
Information Technologies				
Salaries	412,925	391,416	21,509	399,819
Benefits	149,925	142,843	7,082	145,387
Contractual Services	467,910	356,069	111,841	324,952
Commodities	36,450	47,156	(10,706)	39,439
Capital Outlay	-	6,211	(6,211)	13,833
Total Information Technologies	<u>1,067,210</u>	<u>943,695</u>	<u>123,515</u>	<u>923,430</u>
Overhead Division - Contractual Services				
Contractual Services	514,130	326,330	187,800	465,980
Commodities	78,100	36,902	41,198	37,313
Capital Outlay	-	25,124	(25,124)	16,468
Total Overhead Division - Contractual Services	<u>592,230</u>	<u>388,356</u>	<u>203,874</u>	<u>519,761</u>
Building Code Enforcement				
Salaries	1,036,092	959,845	76,247	969,073
Benefits	490,277	422,195	68,082	430,478
Contractual Services	147,238	172,535	(25,297)	156,676
Commodities	12,650	12,340	310	11,335
Capital Outlay	1,000	1,898	(898)	814
Total Building Code Enforcement	<u>1,687,257</u>	<u>1,568,813</u>	<u>118,444</u>	<u>1,568,376</u>
Planning and Zoning				
Salaries	330,261	253,852	76,409	330,969
Benefits	127,452	83,641	43,811	126,803
Contractual Services	34,671	56,085	(21,414)	22,450
Commodities	3,150	2,595	555	2,630
Capital Outlay	1,000	2,039	(1,039)	400
Total Planning and Zoning	<u>496,534</u>	<u>398,212</u>	<u>98,322</u>	<u>483,252</u>
Human Resources				
Salaries	263,788	253,408	10,380	241,075
Benefits	78,777	67,034	11,743	72,355
Contractual Services	94,041	113,803	(19,762)	72,529

(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, 2016  
With Comparative Actual Amounts for the Year Ended December 31, 2015

	2016		Variance from Final Budget Positive (Negative)	2015 Actual
	Original and Final Budget	Actual		
Commodities	\$ 9,725	\$ 4,611	\$ 5,114	\$ 8,418
Total Human Resources	<u>446,331</u>	<u>438,856</u>	<u>7,475</u>	<u>394,377</u>
Health and Human Services				
Salaries	162,337	137,475	24,862	155,200
Benefits	50,182	23,491	26,691	42,087
Contractual Services	240,924	241,667	(743)	236,790
Commodities	3,300	2,048	1,252	2,913
Total Health and Human Services	<u>456,743</u>	<u>404,681</u>	<u>52,062</u>	<u>436,990</u>
Geographic Information Systems (GIS)				
Contractual Services	254,240	244,572	9,668	278,599
Commodities	750	129	621	188
Capital Outlay	-	-	-	940
Total Geographic Information Systems (GIS)	<u>254,990</u>	<u>244,701</u>	<u>10,289</u>	<u>279,727</u>
Total General Government	<u>8,556,298</u>	<u>7,598,936</u>	<u>957,362</u>	<u>7,810,936</u>
Public Safety				
Police Department - Administration				
Salaries	393,547	306,261	87,286	383,564
Benefits	189,499	130,229	59,270	179,373
Contractual Services	14,751	10,547	4,204	9,458
Commodities	1,650	631	1,019	772
Total Police Department - Administration	<u>599,447</u>	<u>447,668</u>	<u>151,779</u>	<u>573,167</u>
Police Department - Uniformed Patrol				
Salaries	7,148,550	7,044,894	103,656	7,021,810
Benefits	5,681,140	5,443,202	237,938	4,872,082
Contractual Services	199,580	119,024	80,556	133,780
Commodities	31,695	38,457	(6,762)	21,495
Total Police Department - Uniformed Patrol	<u>13,060,965</u>	<u>12,645,577</u>	<u>415,388</u>	<u>12,049,167</u>
Police Department - Criminal Investigation				
Salaries	2,273,967	1,966,607	307,360	1,958,242
Benefits	1,673,409	1,554,230	119,179	1,517,904
Contractual Services	75,404	76,318	(914)	59,046
Commodities	3,030	3,620	(590)	1,133
Total Police Department - Criminal Investigation	<u>4,025,810</u>	<u>3,600,775</u>	<u>425,035</u>	<u>3,536,325</u>
Police Department - Supporting Services				
Salaries	2,196,296	2,051,639	144,657	2,031,269
Benefits	1,332,961	1,160,052	172,909	1,088,791
Contractual Services	194,504	163,033	31,471	167,497
Commodities	145,460	123,267	22,193	125,475

(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, 2016  
With Comparative Actual Amounts for the Year Ended December 31, 2015

	2016		Variance from Final Budget Positive (Negative)	2015
	Original and Final Budget	Actual		Actual
Capital Outlay	\$ -	\$ 12,500	\$ (12,500)	\$ -
Total Police Department - Supporting Services	<u>3,869,221</u>	<u>3,510,491</u>	<u>358,730</u>	<u>3,413,032</u>
Fire Department - Administration				
Salaries	733,048	715,063	17,985	638,890
Benefits	510,224	541,649	(31,425)	534,364
Contractual Services	31,350	25,804	5,546	26,522
Commodities	3,500	1,858	1,642	4,407
Capital Outlay	-	-	-	300
Total Fire Department - Administration	<u>1,278,122</u>	<u>1,284,374</u>	<u>(6,252)</u>	<u>1,204,483</u>
Fire Department - Emergency Services				
Salaries	9,341,729	9,588,632	(246,903)	9,493,513
Benefits	6,691,145	7,427,884	(736,739)	7,834,068
Contractual Services	260,189	259,874	315	260,626
Commodities	136,900	202,377	(65,477)	119,216
Capital Outlay	2,000	9,612	(7,612)	10,146
Total Fire Department - Emergency	<u>16,431,963</u>	<u>17,488,379</u>	<u>(1,056,416)</u>	<u>17,717,569</u>
Fire Department - Fire Prevention Services				
Salaries	339,970	327,966	12,004	291,116
Benefits	184,066	206,010	(21,944)	191,998
Contractual Services	20,964	16,208	4,756	15,156
Commodities	11,390	13,171	(1,781)	3,940
Capital Outlay	-	540	(540)	-
Total Fire Department - Fire Prevention	<u>556,390</u>	<u>563,895</u>	<u>(7,505)</u>	<u>502,210</u>
Emergency Management Agency				
Salaries	57,085	26,970	30,115	29,614
Benefits	11,874	11,753	121	11,565
Contractual Services	49,785	52,258	(2,473)	28,965
Commodities	28,530	18,825	9,705	26,889
Capital Outlay	14,000	15,256	(1,256)	5,947
Total Emergency Management Agency	<u>161,274</u>	<u>125,062</u>	<u>36,212</u>	<u>102,980</u>
Board of Police and Fire Commission				
Contractual Services	72,650	93,619	(20,969)	23,227
Commodities	1,450	1,327	123	22,929
Total Board of Police and Fire Commission	<u>74,100</u>	<u>94,946</u>	<u>(20,846)</u>	<u>46,156</u>
Total Public Safety	<u>40,057,292</u>	<u>39,761,167</u>	<u>296,125</u>	<u>39,145,089</u>
Public Works				
Vehicle Maintenance Division				
Salaries	482,300	479,674	2,626	473,737

(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, 2016  
With Comparative Actual Amounts for the Year Ended December 31, 2015

	2016		Variance from Final Budget Positive (Negative)	2015 Actual
	Original and Final Budget	Actual		
Benefits	\$ 309,702	\$ 255,077	\$ 54,625	\$ 259,261
Contractual Services	161,604	134,731	26,873	141,450
Commodities	791,700	515,564	276,136	552,481
Capital Outlay	-	680	(680)	35,025
Total Vehicle Maintenance Division	<u>1,745,306</u>	<u>1,385,726</u>	<u>359,580</u>	<u>1,461,954</u>
Public Works Administration				
Salaries	232,371	226,037	6,334	224,177
Benefits	141,190	100,919	40,271	100,492
Contractual Services	3,185,191	3,076,492	108,699	3,047,915
Commodities	10,600	8,283	2,317	2,811
Capital Outlay	31,500	7,623	23,877	-
Total Public Works Administration	<u>3,600,852</u>	<u>3,419,354</u>	<u>181,498</u>	<u>3,375,395</u>
Facilities and Grounds Division				
Salaries	515,689	413,283	102,406	312,027
Benefits	304,935	221,685	83,250	192,894
Contractual Services	1,090,508	582,086	508,422	1,465,966
Commodities	235,850	282,721	(46,871)	220,548
Capital Outlay	50,000	115,758	(65,758)	8,738
Total Facilities and Grounds Division	<u>2,196,982</u>	<u>1,615,533</u>	<u>581,449</u>	<u>2,200,173</u>
Total Public Works	<u>7,543,140</u>	<u>6,420,613</u>	<u>1,122,527</u>	<u>7,037,522</u>
Streets and Highways				
Engineering Department				
Salaries	576,606	575,352	1,254	563,140
Benefits	300,402	214,224	86,178	216,324
Contractual Services	22,159	23,088	(929)	22,880
Commodities	5,150	2,337	2,813	4,277
Capital Outlay	5,500	4,312	1,188	484
Total Engineering Department	<u>909,817</u>	<u>819,313</u>	<u>90,504</u>	<u>807,105</u>
Street Department				
Salaries	1,530,330	1,380,607	149,723	1,546,636
Benefits	798,689	696,616	102,073	840,456
Contractual Services	1,050,175	719,173	331,002	912,343
Commodities	163,575	163,191	384	213,901
Capital Outlay	-	-	-	67,461
Total Street Department	<u>3,542,769</u>	<u>2,959,587</u>	<u>583,182</u>	<u>3,580,797</u>
Total Streets and Highways	<u>4,452,586</u>	<u>3,778,900</u>	<u>673,686</u>	<u>4,387,902</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, 2016  
With Comparative Actual Amounts for the Year Ended December 31, 2015

	2016		Variance from Final Budget Positive (Negative)	2015 Actual
	Original and Final Budget	Actual		
Economic Development				
Economic Development				
Salaries	\$ 88,509	\$ 90,062	\$ (1,553)	\$ 85,528
Benefits	19,485	18,484	1,001	18,733
Contractual Services	359,041	202,126	156,915	187,479
Commodities	12,870	1,331	11,539	12,617
Total Economic Development	<u>479,905</u>	<u>312,003</u>	<u>167,902</u>	<u>304,357</u>
Total Economic Development	<u>479,905</u>	<u>312,003</u>	<u>167,902</u>	<u>304,357</u>
<b>Total Expenditures</b>	<u>61,089,221</u>	<u>57,871,619</u>	<u>3,217,602</u>	<u>58,685,806</u>
<b>Excess (Deficiency) of Revenues over (under) Expenditures</b>	<u>(1,705,551)</u>	<u>7,828,556</u>	<u>9,534,107</u>	<u>5,749,075</u>
<b>Other Financing Sources (Uses)</b>				
Transfer In	216,658	216,658	-	203,335
Transfer Out	<u>(2,433,051)</u>	<u>(2,358,188)</u>	<u>74,863</u>	<u>(3,887,363)</u>
<b>Total Other Financing Sources (Uses)</b>	<u>(2,216,393)</u>	<u>(2,141,530)</u>	<u>74,863</u>	<u>(3,684,028)</u>
<b>Net Change in Fund Balance</b>	<u>\$ (3,921,944)</u>	5,687,026	<u>\$ 9,608,970</u>	2,065,047
<b>Fund Balance at Beginning of Year</b>		<u>44,147,452</u>		<u>42,082,405</u>
<b>Fund Balance at End of Year</b>		<u>\$ 49,834,478</u>		<u>\$ 44,147,452</u>

(Continued)

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, 2016  
 With Comparative Actual Amounts for the Year Ended December 31, 2015

	2016		Variance from Final Budget Positive (Negative)	2015
	Original and Final Budget	Actual		Actual
<b>Revenues</b>				
Property Taxes	\$ 52,810	\$ 42,942	\$ (9,868)	\$ 52,109
Investment Income	-	26	26	-
<b>Total Revenues</b>	<u>52,810</u>	<u>42,968</u>	<u>(9,842)</u>	<u>52,109</u>
<b>Expenditures</b>				
Economic Development				
Contractual Services	10,529	1,724	8,805	1,165
Commodities	52	-	52	-
Total Economic Development	<u>10,581</u>	<u>1,724</u>	<u>8,857</u>	<u>1,165</u>
Debt Service				
Principal	1,010,000	1,010,000	-	990,000
Interest and Fiscal Charges	141,644	141,610	34	159,259
Total Debt Service	<u>1,151,644</u>	<u>1,151,610</u>	<u>34</u>	<u>1,149,259</u>
<b>Total Expenditures</b>	<u>1,162,225</u>	<u>1,153,334</u>	<u>8,891</u>	<u>1,150,424</u>
<b>Excess (Deficiency) of Revenues over (under) Expenditures</b>	<u>(1,109,415)</u>	<u>(1,110,366)</u>	<u>(951)</u>	<u>(1,098,315)</u>
<b>Other Financing Sources (Uses)</b>				
Transfer Out	(2,900)	(2,900)	-	-
<b>Total Other Financing Sources (Uses)</b>	<u>(2,900)</u>	<u>(2,900)</u>	<u>-</u>	<u>-</u>
<b>Net Change in Fund Balances</b>	<u>\$ (1,112,315)</u>	<u>(1,113,266)</u>	<u>\$ (951)</u>	<u>(1,098,315)</u>
<b>Fund Balances at Beginning of Year</b>		<u>(9,179,285)</u>		<u>(8,080,970)</u>
<b>Fund Balances at End of Year</b>		<u>\$ (10,292,551)</u>		<u>\$ (9,179,285)</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, 2016  
 With Comparative Actual Amounts for the Year Ended December 31, 2015

	2016		Variance from Final Budget Positive (Negative)	2015
	Original and Final Budget	Actual		Actual
<b>Revenues</b>				
Gaming Tax	\$ 24,000,000	\$ 24,685,996	\$ 685,996	\$ 24,654,889
Investment Income	35,000	118,868	83,868	40,161
<b>Total Revenues</b>	<u>24,035,000</u>	<u>24,804,864</u>	<u>769,864</u>	<u>24,695,050</u>
<b>Expenditures</b>				
General Government				
Contractual Services	15,400,000	15,873,250	(473,250)	15,862,826
<b>Total Expenditures</b>	<u>15,400,000</u>	<u>15,873,250</u>	<u>(473,250)</u>	<u>15,862,826</u>
<b>Excess (Deficiency) of Revenues over (under) Expenditures</b>	<u>8,635,000</u>	<u>8,931,614</u>	<u>296,614</u>	<u>8,832,224</u>
<b>Other Financing Sources (Uses)</b>				
Transfers Out	(8,980,000)	(8,991,372)	(11,372)	(9,808,628)
<b>Total Other Financing Sources (Uses)</b>	<u>(8,980,000)</u>	<u>(8,991,372)</u>	<u>(11,372)</u>	<u>(9,808,628)</u>
<b>Net Change in Fund Balance</b>	<u>\$ (345,000)</u>	(59,758)	<u>\$ 285,242</u>	(976,404)
<b>Fund Balance at Beginning of Year</b>		<u>20,455,547</u>		<u>21,431,951</u>
<b>Fund Balance at End of Year</b>		<u>\$ 20,395,789</u>		<u>\$ 20,455,547</u>

**Notes to required supplementary information**

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.

CITY OF DES PLAINES, ILLINOIS  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CHANGES IN FIREFIGHTERS' PENSION FUND NET PENSION  
LIABILITY AND RELATED RATIOS  
December 31, 2016

	<u>2016</u>	<u>2015</u>	<u>2014</u>
<b>Total pension liability</b>			
Service cost	\$ 1,725,203	\$ 1,693,381	\$ 2,300,527
Interest	9,118,537	8,520,291	7,744,456
Changes of benefit terms	-	-	-
Differences between expected and actual experience	361,031	4,451,348	1,651,529
Changes of assumptions	1,587,093	596,180	5,636,351
Benefit payments, including refunds of member contributions	<u>(6,973,210)</u>	<u>(6,456,438)</u>	<u>(6,042,592)</u>
<b>Net change in total pension liability</b>	5,818,654	8,804,762	11,290,271
<b>Total pension liability - beginning</b>	<u>133,751,420</u>	<u>124,946,658</u>	<u>113,656,387</u>
<b>Total pension liability - ending (a)</b>	<u>\$ 139,570,074</u>	<u>\$ 133,751,420</u>	<u>\$ 124,946,658</u>
<b>Plan fiduciary net position</b>			
Contributions - employer	\$ 4,433,104	\$ 4,304,044	\$ 4,155,983
Contributions - employee	828,889	836,027	883,723
Net investment income	4,601,921	(1,048,749)	4,411,965
Benefit payments, including refunds of member contributions	(6,973,210)	(6,456,438)	(6,042,592)
Administrative expense	(67,265)	(76,989)	(327,080)
Other	<u>787</u>	<u>-</u>	<u>-</u>
<b>Net change in plan fiduciary net position</b>	2,824,226	(2,442,105)	3,081,999
<b>Plan fiduciary net position - beginning</b>	<u>67,945,092</u>	<u>70,387,197</u>	<u>67,305,198</u>
<b>Plan fiduciary net position - ending (b)</b>	<u>\$ 70,769,318</u>	<u>\$ 67,945,092</u>	<u>\$ 70,387,197</u>
<b>City's net pension liability (a-b)</b>	<u>\$ 68,800,756</u>	<u>\$ 65,806,328</u>	<u>\$ 54,559,461</u>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	50.71%	50.80%	56.33%
<b>Covered-employee payroll</b>	\$ 8,931,087	\$ 8,480,084	\$ 8,694,151
<b>Plan's net pension liability (asset) as a percentage of covered-employee payroll</b>	770.35%	776.01%	627.54%

\* This is a 10-year schedule. However, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in future fiscal years until 10 years of data will be presented.





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<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
\$ 3,671,041	\$ 3,577,776	\$ 3,395,608	\$ 3,042,315	\$ 2,100,581	\$ 1,831,495	\$ 1,772,574
<u>3,945,005</u>	<u>3,655,295</u>	<u>3,798,156</u>	<u>2,754,196</u>	<u>2,158,347</u>	<u>2,017,392</u>	<u>1,631,300</u>
<u>\$ (273,964)</u>	<u>\$ (77,519)</u>	<u>\$ (402,548)</u>	<u>\$ 288,119</u>	<u>\$ (57,766)</u>	<u>\$ (185,897)</u>	<u>\$ 141,274</u>
\$ 8,408,155	\$ 8,216,028	\$ 8,212,634	\$ 7,985,770	\$ 8,182,297	\$ 8,296,833	\$ 7,961,049
46.92%	44.49%	46.25%	34.49%	26.38%	24.32%	20.49%

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CITY OF DES PLAINES, ILLINOIS  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF FIREFIGHTERS' PENSION FUND  
INVESTMENT RATE OF RETURN  
December 31, 2016

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	<u>2016</u>	<u>2015</u>	<u>2014</u>
Annual money-weighted rate of return net of investment expense	6.93%	-1.36%	6.62%

\* This is a 10-year schedule. However, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in future fiscal years until 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 AND RELATED RATIOS  
 December 31, 2016

	<u>2016</u>	<u>2015</u>	<u>2014</u>
<b>Total pension liability</b>			
Service cost	\$ 1,491,414	\$ 1,493,985	\$ 1,844,421
Interest	9,322,073	9,073,872	8,114,249
Changes of benefit terms	-	-	-
Differences between expected and actual experience	598,432	2,089,866	2,610,112
Changes of assumptions	1,089,686	(2,109,469)	7,749,079
Benefit payments, including refunds of member contributions	<u>(7,237,087)</u>	<u>(6,767,978)</u>	<u>(6,449,930)</u>
<b>Net change in total pension liability</b>	5,264,518	3,780,276	13,867,931
<b>Total pension liability - beginning</b>	<u>136,791,015</u>	<u>133,010,739</u>	<u>119,142,808</u>
<b>Total pension liability - ending (a)</b>	<u>\$ 142,055,533</u>	<u>\$ 136,791,015</u>	<u>\$ 133,010,739</u>
<b>Plan fiduciary net position</b>			
Contributions - employer	\$ 5,036,133	\$ 4,304,873	\$ 4,154,166
Contributions - employee	866,905	904,527	879,904
Net investment income	4,420,807	(1,057,767)	3,504,259
Benefit payments, including refunds of member contributions	(7,237,087)	(6,767,978)	(6,449,930)
Administrative expense	(86,218)	(94,146)	(356,479)
Other	-	-	-
<b>Net change in plan fiduciary net position</b>	3,000,540	(2,710,491)	1,731,920
<b>Plan fiduciary net position - beginning</b>	<u>61,107,613</u>	<u>63,818,104</u>	<u>62,086,184</u>
<b>Plan fiduciary net position - ending (b)</b>	<u>\$ 64,108,153</u>	<u>\$ 61,107,613</u>	<u>\$ 63,818,104</u>
<b>City's net pension liability (a-b)</b>	<u>\$ 77,947,380</u>	<u>\$ 75,683,402</u>	<u>\$ 69,192,635</u>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	45.13%	44.67%	47.98%
<b>Covered-employee payroll</b>	\$ 8,581,272	\$ 8,461,825	\$ 8,532,924
<b>Plan's net pension liability (asset) as a percentage of covered-employee payroll</b>	908.34%	894.41%	810.89%

\* This is a 10-year schedule. However, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in future fiscal years until 10 years of data will be presented.



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<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
\$ 3,661,515	\$ 3,472,544	\$ 3,307,583	\$ 3,240,960	\$ 2,538,400	\$ 2,352,290	\$ 2,213,487
<u>3,921,472</u>	<u>3,542,231</u>	<u>3,775,364</u>	<u>2,955,719</u>	<u>2,674,204</u>	<u>2,421,918</u>	<u>2,040,614</u>
<u>\$ (259,957)</u>	<u>\$ (69,687)</u>	<u>\$ (467,781)</u>	<u>\$ 285,241</u>	<u>\$ (135,804)</u>	<u>\$ (69,628)</u>	<u>\$ 172,873</u>
\$ 7,904,124	\$ 7,703,991	\$ 8,212,634	\$ 7,985,770	\$ 8,182,297	\$ 7,965,425	\$ 7,817,392
49.61%	45.98%	45.97%	37.01%	32.68%	30.41%	26.10%

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CITY OF DES PLAINES, ILLINOIS  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF POLICE PENSION FUND  
INVESTMENT RATE OF RETURN  
December 31, 2016

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	<u>2016</u>	<u>2015</u>	<u>2014</u>
Annual money-weighted rate of return net of investment expense	7.40%	-1.57%	5.73%

\* This is a 10-year schedule. However, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in future fiscal years until 10 years of data will be presented.

CITY OF DES PLAINES, ILLINOIS  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CHANGES IN ILLINOIS MUNICIPAL RETIREMENT FUND NET PENSION LIABILITY  
AND RELATED RATIOS  
December 31, 2016

	<u>2016</u>	<u>2015</u>	<u>2014</u>
<b>Total pension liability</b>			
Service cost	\$ 1,528,647	\$ 1,655,441	\$ 1,838,415
Interest	8,127,770	7,847,845	7,396,361
Changes of benefit terms	-	-	-
Differences between expected and actual experience	(2,115,982)	(300,852)	(1,614,019)
Changes of assumptions	(256,324)	128,456	3,699,751
Benefit payments, including refunds of member contributions	<u>(5,497,208)</u>	<u>(5,273,001)</u>	<u>(4,866,050)</u>
<b>Net change in total pension liability</b>	1,786,903	4,057,889	6,454,458
<b>Total pension liability - beginning</b>	<u>110,644,306</u>	<u>106,586,417</u>	<u>100,131,959</u>
<b>Total pension liability - ending (a)</b>	<u>\$ 112,431,209</u>	<u>\$ 110,644,306</u>	<u>\$ 106,586,417</u>
<b>Plan fiduciary net position</b>			
Contributions - employer	\$ 1,695,162	\$ 1,796,025	\$ 2,256,489
Contributions - employee	617,687	718,234	737,722
Net investment income	6,817,667	495,909	5,843,461
Benefit payments, including refunds of member contributions	(5,497,208)	(5,273,001)	(4,866,050)
Other	<u>22,444</u>	<u>373,765</u>	<u>(140,913)</u>
<b>Net change in plan fiduciary net position</b>	3,655,752	(1,889,068)	3,830,709
<b>Plan fiduciary net position - beginning</b>	<u>98,672,003</u>	<u>100,561,071</u>	<u>96,730,362</u>
<b>Plan fiduciary net position - ending (b)</b>	<u>\$ 102,327,755</u>	<u>\$ 98,672,003</u>	<u>\$ 100,561,071</u>
<b>City's net pension liability (a-b)</b>	<u>\$ 10,103,454</u>	<u>\$ 11,972,303</u>	<u>\$ 6,025,346</u>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	91.01%	89.18%	94.35%
<b>Covered-employee payroll</b>	\$ 13,681,698	\$ 14,379,703	\$ 15,440,632
<b>Plan's net pension liability (asset) as a percentage of covered-employee payroll</b>	73.85%	83.26%	39.02%

\* This is a 10-year schedule. However, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in future fiscal years until 10 years of data will be presented.

CITY OF DES PLAINES, ILLINOIS  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF ILLINOIS MUNICIPAL RETIREMENT FUND CONTRIBUTIONS  
 December 31, 2016

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Actuarially determined contribution	\$ 1,695,162	\$ 1,844,916	\$ 2,071,541
Contributions in relation to the actuarially determined contribution	1,695,162	1,796,025	2,256,489
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ 48,891</u>	<u>\$ (184,948)</u>
Covered-employee payroll	\$ 13,681,698	\$ 14,379,703	\$ 14,547,339
Contributions as a percentage of covered-employee payroll	12.39%	12.49%	15.51%

**Notes to Schedule**

Valuation Date Actuarially determined contribution rates are calculated as of December 31 each year, which is 12 months prior to the beginning of the fiscal year in which contributions are reported.

**Methods and assumptions used to determine 2016 contribution rates:**

Actuarial cost method	Aggregate entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	Non-Taxing bodies: 10-year rolling period Taxing bodies: 28-year closed period until remaining period reaches 15 years (then 15-year rolling period).
Asset valuation method	5-year smoothed market, 20% corridor
Wage growth	4.00%
Price inflation	3.00% - approximate; No explicit price inflation assumption is used in this valuation
Salary increases	4.40% to 16.00% including inflation
Investment rate of return	7.50%
Retirement age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2011 valuation pursuant to an experience study of the period 2008-2010.
Mortality	RP-2000 combined health mortality table, adjusted for mortality improvements to 2020 using projection scale AA. For men 120% of the table rates were used. For women 92% of the table rates were used. For disabled lives, the mortality rates are the rates applicable to non-disabled lives set forward 10 years.

**Other information:**

Changes There were no benefit changes during the year

(Continued)



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<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
\$ 2,383,786	\$ 2,343,437	\$ 2,330,839	\$ 2,148,148	\$ 1,914,683	\$ 1,792,863	\$ 1,822,744
<u>2,383,786</u>	<u>2,250,700</u>	<u>1,948,306</u>	<u>2,148,148</u>	<u>1,914,683</u>	<u>1,792,863</u>	<u>1,822,744</u>
<u>\$ -</u>	<u>\$ 92,737</u>	<u>\$ 382,533</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 15,946,135	\$ 16,592,625	\$ 16,321,980	\$ 16,588,014	\$ 18,901,116	\$ 17,751,122	\$ 17,293,584
14.95%	13.56%	11.94%	12.95%	10.13%	10.10%	10.54%

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CITY OF DES PLAINES, ILLINOIS  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF EMPLOYER CONTRIBUTIONS AND FUNDING PROGRESS - OTHER POST EMPLOYMENT BENEFITS  
 December 31, 2016

Schedule of Employer Contributions:

City Year Ended Date	Annual Required Contribution	Net OPEB Obligation	Percentage of Annual OPEB Cost Contributed
12/31/2016	\$ 843,238	\$ 2,782,167	76.00 %
12/31/2015	890,938	2,580,486	53.71
12/31/2014	883,518	2,287,842	55.65

Library Year Ended Date	Annual Required Contribution	Net OPEB Obligation	Percentage of Annual OPEB Cost Contributed
12/31/2016	\$ 17,140	\$ 89,040	76.00 %
12/31/2015	4,874	86,422	53.71
12/31/2014	4,735	86,643	55.65

Schedule of Funding Progress for the City:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
1/1/2016	\$ -	\$ 15,523,250	\$ 15,523,250	0.00 %	\$ 26,617,107	58%
1/1/2014	-	9,914,534	9,914,534	0.00	32,389,697	31
1/1/2012	-	10,380,866	10,380,866	0.00	32,389,697	32

Schedule of Funding Progress for the Library:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
1/1/2016	\$ -	\$ 132,668	\$ 132,668	0.00 %	\$ 2,207,734	6%
1/1/2014	-	57,720	57,720	0.00	1,990,727	3

Note: The most recent actuarial valuation was performed as of January 1, 2016.

CITY OF DES PLAINES, ILLINOIS  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
CAPITAL PROJECTS FUND  
Year Ended December 31, 2016  
With Comparative Actual Amounts for the Year Ended December 31, 2015

	2016		Variance from Final Budget Positive (Negative)	2015 Actual
	Original and Final Budget	Actual		
<b>Revenues</b>				
Property Taxes	\$ 33,328	\$ 33,345	\$ 17	\$ 33,798
Home Rule Option Sales Tax - General	3,026,000	3,052,146	26,146	2,855,636
Home Rule Option Sales Tax - Library				
Debt Service	1,513,000	1,526,073	13,073	1,427,818
Local Use	1,650,000	1,754,240	104,240	1,540,285
Storm Sewers	1,450,000	1,335,654	(114,346)	1,317,109
Investment Income	3,000	15,477	12,477	3,712
Miscellaneous	38,000	32,130	(5,870)	80,684
<b>Total Revenues</b>	<u>7,713,328</u>	<u>7,749,065</u>	<u>35,737</u>	<u>7,259,042</u>
<b>Expenditures</b>				
Public Works				
Salaries	309,678	291,138	18,540	293,812
Benefits	164,140	118,210	45,930	124,530
Contractual Services	1,734,077	755,514	978,563	988,426
Commodities	75,625	71,971	3,654	34,344
Capital Outlay	<u>7,002,857</u>	<u>7,691,665</u>	<u>(688,808)</u>	<u>5,888,048</u>
Total Public Works	<u>9,286,377</u>	<u>8,928,498</u>	<u>357,879</u>	<u>7,329,160</u>
Debt Service				
Principal	1,225,000	1,225,000	-	1,600,000
Interest and Fiscal Charges	<u>141,788</u>	<u>141,848</u>	<u>(60)</u>	<u>180,332</u>
Total Debt Service	<u>1,366,788</u>	<u>1,366,848</u>	<u>(60)</u>	<u>1,780,332</u>
<b>Total Expenditures</b>	<u>10,653,165</u>	<u>10,295,346</u>	<u>357,819</u>	<u>9,109,492</u>
<b>Excess (Deficiency) of Revenues over (under) Expenditures</b>	<u>(2,939,837)</u>	<u>(2,546,281)</u>	<u>393,556</u>	<u>(1,850,450)</u>
<b>Other Financing Sources (Uses)</b>				
Transfers In	3,500,000	3,500,000	-	4,300,000
Transfers Out	<u>(532,091)</u>	<u>(445,669)</u>	<u>86,422</u>	<u>(912,882)</u>
<b>Total Other Financing Sources (Uses)</b>	<u>2,967,909</u>	<u>3,054,331</u>	<u>86,422</u>	<u>3,387,118</u>
<b>Net Change in Fund Balance</b>	<u>\$ 28,072</u>	508,050	<u>\$ 479,978</u>	1,536,668
<b>Fund Balance at Beginning of Year</b>		<u>5,087,019</u>		<u>3,550,351</u>
<b>Fund Balance at End of Year</b>		<u>\$ 5,595,069</u>		<u>\$ 5,087,019</u>

CITY OF DES PLAINES, ILLINOIS  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL  
 GRANT FUNDED PROJECTS FUND  
 Year Ended December 31, 2016  
 With Comparative Actual Amounts for the Year Ended December 31, 2015

	2016		Variance from Final Budget Positive (Negative)	2015
	Original and Final Budget	Actual		Actual
<b>Revenues</b>				
Intergovernmental	\$ 5,469,406	\$ 5,536,796	\$ 67,390	\$ 8,835,076
Investment Income	-	10,991	10,991	3,129
<b>Total Revenues</b>	<u>5,469,406</u>	<u>5,547,787</u>	<u>78,381</u>	<u>8,838,205</u>
<b>Expenditures</b>				
General Government				
Salaries	67,852	70,836	(2,984)	60,613
Contractual Services	1,448,995	999,331	449,664	896,502
Commodities	3,740	8,851	(5,111)	899
Capital Outlay	9,255,910	5,712,925	3,542,985	9,203,932
<b>Total Expenditures</b>	<u>10,776,497</u>	<u>6,791,943</u>	<u>3,984,554</u>	<u>10,161,946</u>
<b>Excess (Deficiency) of Revenues over (under) Expenditures</b>	<u>(5,307,091)</u>	<u>(1,244,156)</u>	<u>4,062,935</u>	<u>(1,323,741)</u>
<b>Other Financing Sources (Uses)</b>				
Transfers In	507,091	424,966	(82,125)	297,693
<b>Total Other Financing Sources (Uses)</b>	<u>507,091</u>	<u>424,966</u>	<u>(82,125)</u>	<u>297,693</u>
<b>Net Change in Fund Balance</b>	<u>\$ (4,800,000)</u>	(819,190)	<u>\$ 3,980,810</u>	(1,026,048)
<b>Fund Balance at Beginning of Year</b>		(1,097,619)		(71,571)
<b>Fund Balance at End of Year</b>		<u>\$ (1,916,809)</u>		<u>\$ (1,097,619)</u>

CITY OF DES PLAINES, ILLINOIS  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 December 31, 2016

	Special Revenue Funds				
	Motor Fuel Tax	Community Development Block Grant	Asset Seizure	Foreign Fire Insurance Tax	TIF #1 (Downtown)
<b>ASSETS</b>					
Cash and Investments	\$ 785,272	\$ -	\$ 1,087,218	\$ 594,100	\$ 6,292,002
Receivables (Net)					
Property Taxes	-	-	-	-	5,310,821
Accounts Receivable	-	-	-	-	-
Accrued Interest	-	-	-	-	-
Other	-	-	2,830	-	-
Due from Other Governments	138,455	28,088	-	-	-
<b>TOTAL ASSETS</b>	<u>\$ 923,727</u>	<u>\$ 28,088</u>	<u>\$ 1,090,048</u>	<u>\$ 594,100</u>	<u>\$ 11,602,823</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>					
<b>Liabilities</b>					
Accounts Payable	\$ 204,095	\$ 10,365	\$ 11,184	\$ 12,032	\$ 515,716
Deposits Payable	-	-	24,322	-	18,737
Advances from Other Funds	-	17,723	-	-	-
<b>Total Liabilities</b>	<u>204,095</u>	<u>28,088</u>	<u>35,506</u>	<u>12,032</u>	<u>534,453</u>
<b>Deferred Inflows of Resources</b>					
Deferred Property Tax Revenue	-	-	-	-	5,019,622
Unavailable Other Revenue	-	-	-	-	-
<b>Total Deferred Inflows of Resources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,019,622</u>
<b>Fund Balances</b>					
Restricted					
Economic Development	-	-	-	-	6,048,748
Streets & Highways	719,632	-	-	-	-
Public Safety	-	-	1,054,542	582,068	-
Debt Service	-	-	-	-	-
Assigned					
Capital Acquisitions	-	-	-	-	-
Unassigned	-	-	-	-	-
<b>Total Fund Balances</b>	<u>719,632</u>	<u>-</u>	<u>1,054,542</u>	<u>582,068</u>	<u>6,048,748</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<u>\$ 923,727</u>	<u>\$ 28,088</u>	<u>\$ 1,090,048</u>	<u>\$ 594,100</u>	<u>\$ 11,602,823</u>

Special Revenue Funds				Debt Service Fund	Capital Projects Funds		Total Nonmajor Governmental Funds
TIF #3 (Wille Road)	TIF #5 (Perry/Lee)	TIF #7 (Mannheim/ Higgins)	Emergency Telephone System	Debt Service	Equipment Replacement	I.T. Replacement	
\$ -	\$ 131,718	\$ -	\$ -	\$ 456,637	\$ 5,105,563	\$ 382,189	\$ 14,834,699
1,075,076	113,703	990	-	102,806	-	-	6,603,396
-	-	-	267,846	-	72,155	-	340,001
-	-	-	-	-	11,482	-	11,482
-	-	-	-	-	-	-	2,830
-	-	-	-	-	-	-	166,543
<u>\$ 1,075,076</u>	<u>\$ 245,421</u>	<u>\$ 990</u>	<u>\$ 267,846</u>	<u>\$ 559,443</u>	<u>\$ 5,189,200</u>	<u>\$ 382,189</u>	<u>\$ 21,958,951</u>
\$ 158	\$ -	\$ 92,772	\$ 69,896	\$ -	\$ 525,934	\$ 10,964	\$ 1,453,116
-	-	-	-	-	-	-	43,059
<u>3,006,998</u>	<u>-</u>	<u>1,307,897</u>	<u>65,821</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,398,439</u>
<u>3,007,156</u>	<u>-</u>	<u>1,400,669</u>	<u>135,717</u>	<u>-</u>	<u>525,934</u>	<u>10,964</u>	<u>5,894,614</u>
1,075,076	113,703	990	-	102,019	-	-	6,311,410
-	-	-	132,129	-	-	-	132,129
<u>1,075,076</u>	<u>113,703</u>	<u>990</u>	<u>132,129</u>	<u>102,019</u>	<u>-</u>	<u>-</u>	<u>6,443,539</u>
-	131,718	-	-	-	-	-	6,180,466
-	-	-	-	-	-	-	719,632
-	-	-	-	-	-	-	1,636,610
-	-	-	-	457,424	-	-	457,424
-	-	-	-	-	4,663,266	371,225	5,034,491
<u>(3,007,156)</u>	<u>-</u>	<u>(1,400,669)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(4,407,825)</u>
<u>(3,007,156)</u>	<u>131,718</u>	<u>(1,400,669)</u>	<u>-</u>	<u>457,424</u>	<u>4,663,266</u>	<u>371,225</u>	<u>9,620,798</u>
<u>\$ 1,075,076</u>	<u>\$ 245,421</u>	<u>\$ 990</u>	<u>\$ 267,846</u>	<u>\$ 559,443</u>	<u>\$ 5,189,200</u>	<u>\$ 382,189</u>	<u>\$ 21,958,951</u>

CITY OF DES PLAINES, ILLINOIS  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS  
 Year Ended December 31, 2016

	Special Revenue Funds				
	Motor Fuel Tax	Community Development Block Grant	Asset Seizure	Foreign Fire Insurance Tax	TIF #1 (Downtown)
<b>Revenues</b>					
Taxes	\$ -	\$ -	\$ -	\$ 104,569	\$ 5,076,742
Intergovernmental	1,485,984	230,033	194,032	-	-
Public Charges for Services	-	-	-	-	-
Fines, Forfeitures and Penalties	-	-	62,549	-	-
Investment Income	2,965	-	870	1,116	7,815
Miscellaneous	-	-	330	-	-
<b>Total Revenues</b>	<u>1,488,949</u>	<u>230,033</u>	<u>257,781</u>	<u>105,685</u>	<u>5,084,557</u>
<b>Expenditures</b>					
Current:					
General Government	-	-	-	-	-
Public Safety	-	-	70,266	125,909	-
Streets and Highways	969,106	-	-	-	-
Economic Development	-	158,780	-	-	1,517,324
Debt Service					
Principal	-	-	-	-	1,353,133
Interest and Fiscal Charges	-	-	-	-	154,597
Capital Outlay	164,484	154,259	108,922	-	560,580
<b>Total Expenditures</b>	<u>1,133,590</u>	<u>313,039</u>	<u>179,188</u>	<u>125,909</u>	<u>3,585,634</u>
<b>Excess (Deficiency) of Revenues over (under) Expenditures</b>	<u>355,359</u>	<u>(83,006)</u>	<u>78,593</u>	<u>(20,224)</u>	<u>1,498,923</u>
<b>Other Financing Sources (Uses)</b>					
Transfers In	-	-	-	-	-
Transfers Out	-	-	(4,297)	-	(126,000)
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>(4,297)</u>	<u>-</u>	<u>(126,000)</u>
<b>Net Change in Fund Balances</b>	355,359	(83,006)	74,296	(20,224)	1,372,923
<b>Fund Balances at Beginning of Year</b>	<u>364,273</u>	<u>83,006</u>	<u>980,246</u>	<u>602,292</u>	<u>4,675,825</u>
<b>Fund Balances at End of Year</b>	<u>\$ 719,632</u>	<u>\$ -</u>	<u>\$ 1,054,542</u>	<u>\$ 582,068</u>	<u>\$ 6,048,748</u>

Special Revenue Funds				Debt Service Fund	Capital Projects Funds		Total Nonmajor Governmental Funds
TIF #3 (Wille Road)	TIF #5 (Perry/Lee)	TIF #7 (Mannheim/ Higgins)	Emergency Telephone System	Debt Service	Equipment Replacement	I.T. Replacement	
\$ 752,580	\$ 105,905	\$ 292	\$ -	\$ 106,990	\$ -	\$ -	\$ 6,147,078
-	-	-	-	-	-	-	1,910,049
-	-	-	988,841	-	-	-	988,841
-	-	-	-	-	-	-	62,549
12	2	-	-	-	22,209	323	35,312
-	-	-	-	-	78,487	-	78,817
<u>752,592</u>	<u>105,907</u>	<u>292</u>	<u>988,841</u>	<u>106,990</u>	<u>100,696</u>	<u>323</u>	<u>9,222,646</u>
-	-	-	-	-	33,717	56,136	89,853
-	-	-	2,597,029	-	-	-	2,793,204
-	-	-	-	-	-	-	969,106
1,736	1,700	356,628	-	-	-	-	2,036,168
202,000	95,000	-	-	85,000	12,500	-	1,747,633
275,523	14,131	-	-	21,550	-	-	465,801
-	-	831,382	-	-	1,580,255	391,209	3,791,091
<u>479,259</u>	<u>110,831</u>	<u>1,188,010</u>	<u>2,597,029</u>	<u>106,550</u>	<u>1,626,472</u>	<u>447,345</u>	<u>11,892,856</u>
<u>273,333</u>	<u>(4,924)</u>	<u>(1,187,718)</u>	<u>(1,608,188)</u>	<u>440</u>	<u>(1,525,776)</u>	<u>(447,022)</u>	<u>(2,670,210)</u>
-	-	-	1,608,187	-	500,000	250,000	2,358,187
(6,000)	-	(41,000)	-	-	(326,348)	-	(503,645)
<u>(6,000)</u>	<u>-</u>	<u>(41,000)</u>	<u>1,608,187</u>	<u>-</u>	<u>173,652</u>	<u>250,000</u>	<u>1,854,542</u>
267,333	(4,924)	(1,228,718)	(1)	440	(1,352,124)	(197,022)	(815,668)
<u>(3,274,489)</u>	<u>136,642</u>	<u>(171,951)</u>	<u>1</u>	<u>456,984</u>	<u>6,015,390</u>	<u>568,247</u>	<u>10,436,466</u>
<u>\$ (3,007,156)</u>	<u>\$ 131,718</u>	<u>\$ (1,400,669)</u>	<u>\$ -</u>	<u>\$ 457,424</u>	<u>\$ 4,663,266</u>	<u>\$ 371,225</u>	<u>\$ 9,620,798</u>



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, 2016  
With Comparative Actual Amounts for the Year Ended December 31, 2015

	2016		Variance from Final Budget Positive (Negative)	2015
	Original and Final Budget	Actual		Actual
<b>Revenues</b>				
Intergovernmental	\$ 1,375,000	\$ 1,485,984	\$ 110,984	\$ 1,426,848
Investment Income	-	2,965	2,965	251
<b>Total Revenues</b>	<u>1,375,000</u>	<u>1,488,949</u>	<u>113,949</u>	<u>1,427,099</u>
<b>Expenditures</b>				
Streets and Highways				
Contractual Services	614,000	455,668	158,332	583,411
Commodities	582,000	513,438	68,562	594,768
Capital Outlay	175,000	164,484	10,516	439,642
<b>Total Expenditures</b>	<u>1,371,000</u>	<u>1,133,590</u>	<u>237,410</u>	<u>1,617,821</u>
<b>Net Change in Fund Balance</b>	<u>\$ 4,000</u>	355,359	<u>\$ 351,359</u>	(190,722)
<b>Fund Balance at Beginning of Year</b>		<u>364,273</u>		<u>554,995</u>
<b>Fund Balance at End of Year</b>		<u>\$ 719,632</u>		<u>\$ 364,273</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, 2016  
With Comparative Actual Amounts for the Year Ended December 31, 2015

	2016		Variance from Final Budget Positive (Negative)	2015
	Original and Final Budget	Actual		Actual
<b>Revenues</b>				
Intergovernmental	\$ 350,503	\$ 230,033	\$ (120,470)	\$ 347,763
<b>Total Revenues</b>	<u>350,503</u>	<u>230,033</u>	<u>(120,470)</u>	<u>347,763</u>
<b>Expenditures</b>				
Economic Development				
Salaries	44,359	49,703	(5,344)	41,875
Benefits	9,396	9,650	(254)	11,629
Contractual Services	139,177	99,100	40,077	82,164
Capital Outlay	265,454	154,259	111,195	236,872
<b>Total Expenditures</b>	<u>458,386</u>	<u>313,039</u>	<u>145,347</u>	<u>372,540</u>
<b>Net Change in Fund Balance</b>	<u>\$ (107,883)</u>	(83,006)	<u>\$ 24,877</u>	(24,777)
<b>Fund Balance at Beginning of Year</b>		<u>83,006</u>		<u>107,783</u>
<b>Fund Balance at End of Year</b>		<u>\$ -</u>		<u>\$ 83,006</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, 2016  
With Comparative Actual Amounts for the Year Ended December 31, 2015

	2016		Variance from Final Budget Positive (Negative)	2015
	Original and Final Budget	Actual		Actual
<b>Revenues</b>				
Property Taxes	\$ 4,770,005	\$ 5,076,742	\$ 306,737	\$ 4,758,567
Investment Income	150	7,815	7,665	913
Miscellaneous	-	-	-	14,335
<b>Total Revenues</b>	<u>4,770,155</u>	<u>5,084,557</u>	<u>314,402</u>	<u>4,773,815</u>
<b>Expenditures</b>				
Economic Development				
Contractual Services	1,381,260	805,735	575,525	1,022,256
Commodities	262,150	711,589	(449,439)	481,723
Capital Outlay	4,400,000	560,580	3,839,420	1,011,613
Total Economic Development	<u>6,043,410</u>	<u>2,077,904</u>	<u>3,965,506</u>	<u>2,515,592</u>
Debt Service				
Principal	1,353,133	1,353,133	-	1,318,885
Interest and Fiscal Charges	154,674	154,597	77	188,829
Total Debt Service	<u>1,507,807</u>	<u>1,507,730</u>	<u>77</u>	<u>1,507,714</u>
<b>Total Expenditures</b>	<u>7,551,217</u>	<u>3,585,634</u>	<u>3,965,583</u>	<u>4,023,306</u>
<b>Excess (Deficiency) of Revenues over (under) Expenditures</b>	<u>(2,781,062)</u>	<u>1,498,923</u>	<u>4,279,985</u>	<u>750,509</u>
<b>Other Financing Sources (Uses)</b>				
Transfer Out	(126,000)	(126,000)	-	(118,988)
<b>Total Other Financing Sources (Uses)</b>	<u>(126,000)</u>	<u>(126,000)</u>	<u>-</u>	<u>(118,988)</u>
<b>Net Change in Fund Balance</b>	<u>\$ (2,907,062)</u>	<u>1,372,923</u>	<u>\$ 4,279,985</u>	<u>631,521</u>
<b>Fund Balance at Beginning of Year</b>		<u>4,675,825</u>		<u>4,044,304</u>
<b>Fund Balance at End of Year</b>		<u>\$ 6,048,748</u>		<u>\$ 4,675,825</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, 2016  
With Comparative Actual Amounts for the Year Ended December 31, 2015

	2016		Variance from Final Budget Positive (Negative)	2015
	Original and Final Budget	Actual		Actual
<b>Revenues</b>				
Taxes	\$ 574,999	\$ 752,580	\$ 177,581	\$ 547,683
Investment Income	-	12	12	9
<b>Total Revenues</b>	<u>574,999</u>	<u>752,592</u>	<u>177,593</u>	<u>547,692</u>
<b>Expenditures</b>				
Economic Development				
Contractual Services	<u>10,041</u>	<u>1,736</u>	<u>8,305</u>	<u>835</u>
Total Economic Development	<u>10,041</u>	<u>1,736</u>	<u>8,305</u>	<u>835</u>
Debt Service				
Principal	202,000	202,000	-	358,000
Interest and Fiscal Charges	<u>275,596</u>	<u>275,523</u>	<u>73</u>	<u>298,713</u>
Total Debt Service	<u>477,596</u>	<u>477,523</u>	<u>73</u>	<u>656,713</u>
<b>Total Expenditures</b>	<u>487,637</u>	<u>479,259</u>	<u>8,378</u>	<u>657,548</u>
<b>Excess (Deficiency) of Revenues over (under) Expenditures</b>	<u>87,362</u>	<u>273,333</u>	<u>185,971</u>	<u>(109,856)</u>
<b>Other Financing Sources (Uses)</b>				
Transfers Out	<u>(6,000)</u>	<u>(6,000)</u>	<u>-</u>	<u>(5,360)</u>
<b>Total Other Financing Sources (Uses)</b>	<u>(6,000)</u>	<u>(6,000)</u>	<u>-</u>	<u>(5,360)</u>
<b>Net Change in Fund Balance</b>	<u>\$ 81,362</u>	267,333	<u>\$ 185,971</u>	(115,216)
<b>Fund Balance at Beginning of Year</b>		<u>(3,274,489)</u>		<u>(3,159,273)</u>
<b>Fund Balance at End of Year</b>		<u>\$ (3,007,156)</u>		<u>\$ (3,274,489)</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, 2016  
With Comparative Actual Amounts for the Year Ended December 31, 2015

	2016		Variance from Final Budget Positive (Negative)	2015
	Original and Final Budget	Actual		Actual
<b>Revenues</b>				
Taxes	\$ 153,224	\$ 105,905	\$ (47,319)	\$ 153,224
Investment Income	-	2	2	2
<b>Total Revenues</b>	<u>153,224</u>	<u>105,907</u>	<u>(47,317)</u>	<u>153,226</u>
<b>Expenditures</b>				
Economic Development				
Contractual Services	5	1,700	(1,695)	783
Total Economic Development	5	1,700	(1,695)	783
Debt Service				
Principal	95,000	95,000	-	95,000
Interest and Fiscal Charges	14,137	14,131	6	16,031
Total Debt Service	109,137	109,131	6	111,031
<b>Total Expenditures</b>	<u>109,142</u>	<u>110,831</u>	<u>(1,689)</u>	<u>111,814</u>
<b>Net Change in Fund Balance</b>	<u>\$ 44,082</u>	(4,924)	<u>\$ (49,006)</u>	41,412
<b>Fund Balance at Beginning of Year</b>		<u>136,642</u>		<u>95,230</u>
<b>Fund Balance at End of Year</b>		<u>\$ 131,718</u>		<u>\$ 136,642</u>

CITY OF DES PLAINES, ILLINOIS  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
TIF #7 (MANNHEIM/HIGGINS) FUND  
Year Ended December 31, 2016  
With Comparative Actual Amounts for the Year Ended December 31, 2015

	2016		Variance from Final Budget Positive (Negative)	2015
	Original and Final Budget	Actual		Actual
<b>Revenues</b>				
Taxes	\$ 1,000	\$ 292	\$ (708)	\$ 904
<b>Total Revenues</b>	<u>1,000</u>	<u>292</u>	<u>(708)</u>	<u>904</u>
<b>Expenditures</b>				
Economic Development				
Contractual Services	108,877	356,628	(247,751)	134,525
Commodities	-	-	-	101
Capital Outlay	<u>2,000,000</u>	<u>831,382</u>	<u>1,168,618</u>	<u>-</u>
<b>Total Expenditures</b>	<u>2,108,877</u>	<u>1,188,010</u>	<u>920,867</u>	<u>134,626</u>
<b>Excess (Deficiency) of Revenues over (under) Expenditures</b>	<u>(2,107,877)</u>	<u>(1,187,718)</u>	<u>920,159</u>	<u>(133,722)</u>
<b>Other Financing Sources (Uses)</b>				
Transfers Out	<u>(41,000)</u>	<u>(41,000)</u>	<u>-</u>	<u>(38,229)</u>
<b>Total Other Financing Sources (Uses)</b>	<u>(41,000)</u>	<u>(41,000)</u>	<u>-</u>	<u>(38,229)</u>
<b>Net Change in Fund Balance</b>	<u>\$ (2,148,877)</u>	<u>(1,228,718)</u>	<u>\$ 920,159</u>	<u>(171,951)</u>
<b>Fund Balance at Beginning of Year</b>		<u>(171,951)</u>		<u>-</u>
<b>Fund Balance at End of Year</b>		<u>\$ (1,400,669)</u>		<u>\$ (171,951)</u>

CITY OF DES PLAINES, ILLINOIS  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
EMERGENCY TELEPHONE SYSTEM FUND  
Year Ended December 31, 2016  
With Comparative Actual Amounts for the Year Ended December 31, 2015

	2016		Variance from Final Budget Positive (Negative)	2015
	Original and Final Budget	Actual		Actual
<b>Revenues</b>				
Public Charges for Services	\$ 735,000	\$ 988,841	\$ 253,841	\$ 765,125
<b>Total Revenues</b>	<u>735,000</u>	<u>988,841</u>	<u>253,841</u>	<u>765,125</u>
<b>Expenditures</b>				
Public Safety				
Contractual Services	2,418,051	2,597,029	(178,978)	2,321,283
Capital Outlay	-	-	-	142,233
<b>Total Expenditures</b>	<u>2,418,051</u>	<u>2,597,029</u>	<u>(178,978)</u>	<u>2,463,516</u>
<b>Excess (Deficiency) of Revenues over (under) Expenditures</b>	<u>(1,683,051)</u>	<u>(1,608,188)</u>	<u>74,863</u>	<u>(1,698,391)</u>
<b>Other Financing Sources (Uses)</b>				
Transfers In	1,683,051	1,608,187	(74,864)	1,698,392
<b>Total Other Financing Sources (Uses)</b>	<u>1,683,051</u>	<u>1,608,187</u>	<u>(74,864)</u>	<u>1,698,392</u>
<b>Net Change in Fund Balance</b>	<u>\$ -</u>	(1)	<u>\$ (1)</u>	1
<b>Fund Balance at Beginning of Year</b>		1		-
<b>Fund Balance at End of Year</b>		<u>\$ -</u>		<u>\$ 1</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, 2016  
 With Comparative Actual Amounts for the Year Ended December 31, 2015

	2016		Variance from Final Budget Positive (Negative)	2015
	Original and Final Budget	Actual		Actual
<b>Revenues</b>				
Taxes	\$ 106,280	\$ 106,990	\$ 710	\$ 109,287
<b>Total Revenues</b>	<u>106,280</u>	<u>106,990</u>	<u>710</u>	<u>109,287</u>
<b>Expenditures</b>				
Debt Service				
Principal	85,000	85,000	-	85,000
Interest and Fiscal Charges	<u>21,570</u>	<u>21,550</u>	<u>20</u>	<u>24,780</u>
<b>Total Expenditures</b>	<u>106,570</u>	<u>106,550</u>	<u>20</u>	<u>109,780</u>
<b>Net Change in Fund Balance</b>	<u>\$ (290)</u>	440	<u>\$ 730</u>	(493)
<b>Fund Balance at Beginning of Year</b>		<u>456,984</u>		<u>457,477</u>
<b>Fund Balance at End of Year</b>		<u>\$ 457,424</u>		<u>\$ 456,984</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, 2016  
With Comparative Actual Amounts for the Year Ended December 31, 2015

	2016		Variance from Final Budget Positive (Negative)	2015
	Original and Final Budget	Actual		Actual
<b>Revenues</b>				
Investment Income	\$ 14,500	\$ 22,209	\$ 7,709	\$ 23,466
Miscellaneous	40,000	78,487	38,487	199,177
<b>Total Revenues</b>	<u>54,500</u>	<u>100,696</u>	<u>46,196</u>	<u>222,643</u>
<b>Expenditures</b>				
General Government				
Commodities	101,665	33,717	67,948	58,907
Capital Outlay	760,706	1,580,255	(819,549)	764,785
Total General Government	<u>862,371</u>	<u>1,613,972</u>	<u>(751,601)</u>	<u>823,692</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>
<b>Total Expenditures</b>	<u>874,871</u>	<u>1,626,472</u>	<u>(751,601)</u>	<u>836,192</u>
<b>Excess (Deficiency) of Revenues over (under) Expenditures</b>	<u>(820,371)</u>	<u>(1,525,776)</u>	<u>(705,405)</u>	<u>(613,549)</u>
<b>Other Financing Sources (Uses)</b>				
Transfers In	500,000	500,000	-	1,500,000
Transfers Out	-	(326,348)	(326,348)	-
<b>Total Other Financing Sources (Uses)</b>	<u>500,000</u>	<u>173,652</u>	<u>(326,348)</u>	<u>1,500,000</u>
<b>Net Change in Fund Balance</b>	<u>\$ (320,371)</u>	<u>(1,352,124)</u>	<u>\$ (1,031,753)</u>	<u>886,451</u>
<b>Fund Balance at Beginning of Year</b>		<u>6,015,390</u>		<u>5,128,939</u>
<b>Fund Balance at End of Year</b>		<u>\$ 4,663,266</u>		<u>\$ 6,015,390</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, 2016  
With Comparative Actual Amounts for the Year Ended December 31, 2015

	2016		Variance from Final Budget Positive (Negative)	2015
	Original and Final Budget	Actual		Actual
<b>Revenues</b>				
Investment Income	\$ 20	\$ 323	\$ 303	\$ 34
<b>Total Revenues</b>	<u>20</u>	<u>323</u>	<u>303</u>	<u>34</u>
<b>Expenditures</b>				
General Government				
Contractual Services	57,696	55,746	1,950	61,416
Commodities	-	390	(390)	104
Capital Outlay	340,333	391,209	(50,876)	334,554
<b>Total Expenditures</b>	<u>398,029</u>	<u>447,345</u>	<u>(49,316)</u>	<u>396,074</u>
<b>Excess (Deficiency) of Revenues over (under) Expenditures</b>	<u>(398,009)</u>	<u>(447,022)</u>	<u>(49,013)</u>	<u>(396,040)</u>
<b>Other Financing Sources (Uses)</b>				
Transfers In	250,000	250,000	-	500,000
<b>Total Other Financing Sources (Uses)</b>	<u>250,000</u>	<u>250,000</u>	<u>-</u>	<u>500,000</u>
<b>Net Change in Fund Balance</b>	<u>\$ (148,009)</u>	(197,022)	<u>\$ (49,013)</u>	103,960
<b>Fund Balance at Beginning of Year</b>		<u>568,247</u>		<u>464,287</u>
<b>Fund Balance at End of Year</b>		<u>\$ 371,225</u>		<u>\$ 568,247</u>

CITY OF DES PLAINES, ILLINOIS  
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
BUDGET AND ACTUAL  
WATER/SEWER FUND  
Year Ended December 31, 2016  
With Comparative Actual Amounts for the Year Ended December 31, 2015

	2016		Variance from Final Budget Positive (Negative)	2015 Actual
	Original and Final Budget	Actual		
<b>Operating Revenues</b>				
Charges for Services				
Water Sales	\$ 12,507,500	\$ 12,602,193	\$ 94,693	\$ 12,263,564
Sewer Sales	2,200,000	2,022,788	(177,212)	1,982,894
Sales of Water Meters	-	7,647	7,647	13
Water Permit Fees	-	1,950	1,950	-
Service Charges, Cut Off and Connector Fees	110,000	171,303	61,303	196,376
Other Charges for Services	1,000	11,680	10,680	11,500
Total Charges for Services	<u>14,818,500</u>	<u>14,817,561</u>	<u>(939)</u>	<u>14,454,347</u>
Miscellaneous	211,000	209,231	(1,769)	202,635
<b>Total Operating Revenues</b>	<u>15,029,500</u>	<u>15,026,792</u>	<u>(2,708)</u>	<u>14,656,982</u>
<b>Operating Expenses</b>				
Salaries	3,217,351	2,903,161	314,190	3,047,809
Benefits	1,839,326	1,834,372	4,954	1,908,072
Contractual Services	864,690	1,110,241	(245,551)	1,652,810
Commodities	9,726,050	8,017,981	1,708,069	10,285,089
Capital Outlay	7,740,347	168,313	7,572,034	41,570
Depreciation	-	1,270,044	(1,270,044)	1,123,594
<b>Total Operating Expenses</b>	<u>23,387,764</u>	<u>15,304,112</u>	<u>8,083,652</u>	<u>18,058,944</u>
<b>Operating Income (Loss)</b>	<u>(8,358,264)</u>	<u>(277,320)</u>	<u>8,080,944</u>	<u>(3,401,962)</u>
<b>Nonoperating Revenues and (Expenses)</b>				
Intergovernmental	1,500	3,633	2,133	3,471
Investment Income	-	3,056	3,056	1,328
<b>Total Nonoperating Revenues and (Expenses)</b>	<u>1,500</u>	<u>6,689</u>	<u>5,189</u>	<u>4,799</u>
<b>Income (Loss) Before Transfers</b>	<u>(8,356,764)</u>	<u>(270,631)</u>	<u>8,086,133</u>	<u>(3,397,163)</u>
<b>Transfers</b>				
Transfers In	5,500,758	5,838,479	337,721	6,126,775
<b>Total Transfers</b>	<u>5,500,758</u>	<u>5,838,479</u>	<u>337,721</u>	<u>6,126,775</u>
<b>Change in Net Position</b>	<u>\$ (2,856,006)</u>	5,567,848	<u>\$ 8,423,854</u>	2,729,612
<b>Net Position at Beginning of Year</b>		<u>19,931,756</u>		<u>17,202,144</u>
<b>Net Position at End of Year</b>		<u>\$ 25,499,604</u>		<u>\$ 19,931,756</u>

CITY OF DES PLAINES, ILLINOIS  
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
BUDGET (BUDGET BASIS) AND ACTUAL  
PARKING SYSTEM FUND  
Year Ended December 31, 2016  
With Comparative Actual Amounts for the Year Ended December 31, 2015

	2016		Variance from Final Budget Positive (Negative)	2015
	Original and Final Budget	Actual		Actual
<b>Operating Revenues</b>				
Charges for Services				
Parking Lots, Garages, Permits, and Other	\$ 339,650	\$ 345,158	\$ 5,508	\$ 333,908
Miscellaneous	-	32	32	-
<b>Total Operating Revenues</b>	<u>339,650</u>	<u>345,190</u>	<u>5,540</u>	<u>333,908</u>
<b>Operating Expenses</b>				
Contractual Services	70,108	66,302	3,806	43,197
Commodities	150,600	115,299	35,301	151,761
<b>Total Operating Expenses</b>	<u>220,708</u>	<u>181,601</u>	<u>39,107</u>	<u>194,958</u>
<b>Income (Loss) Before Transfers - budgetary</b>	<u>118,942</u>	<u>163,589</u>	<u>44,647</u>	<u>138,950</u>
<b>Transfers</b>				
Transfers Out	(36,516)	(36,516)	-	(36,516)
<b>Total Transfers</b>	<u>(36,516)</u>	<u>(36,516)</u>	<u>-</u>	<u>(36,516)</u>
Adjustments to GAAP basis - depreciation	-	(653,621)	-	(653,621)
<b>Change in Net Position</b>	<u>\$ 82,426</u>	<u>(526,548)</u>	<u>\$ 44,647</u>	<u>(551,187)</u>
<b>Net Position at Beginning of Year</b>		<u>11,093,123</u>		<u>11,644,310</u>
<b>Net Position at End of Year</b>		<u>\$ 10,566,575</u>		<u>\$ 11,093,123</u>

CITY OF DES PLAINES, ILLINOIS  
 COMBINING STATEMENT OF NET POSITION  
 INTERNAL SERVICE FUNDS  
 December 31, 2016

	<u>Risk Management</u>	<u>Health Benefits</u>	<u>Total Internal Service Funds</u>
<b>ASSETS</b>			
Current Assets			
Cash and Investments	\$ 542,753	\$ 164,076	\$ 706,829
Prepaid Items	981,490	4,410,996	5,392,486
Other Receivables	-	1,427	1,427
Total Current Assets	<u>1,524,243</u>	<u>4,576,499</u>	<u>6,100,742</u>
<b>TOTAL ASSETS</b>	<u>1,524,243</u>	<u>4,576,499</u>	<u>6,100,742</u>
<b>LIABILITIES</b>			
Current Liabilities			
Accounts Payable	21,571	6,258	27,829
Unearned Revenue	-	2,520	2,520
Total Current Liabilities	<u>21,571</u>	<u>8,778</u>	<u>30,349</u>
<b>TOTAL LIABILITIES</b>	<u>21,571</u>	<u>8,778</u>	<u>30,349</u>
<b>NET POSITION</b>			
Unrestricted	<u>1,502,672</u>	<u>4,567,721</u>	<u>6,070,393</u>
<b>TOTAL NET POSITION</b>	<u><u>\$ 1,502,672</u></u>	<u><u>\$ 4,567,721</u></u>	<u><u>\$ 6,070,393</u></u>

CITY OF DES PLAINES, ILLINOIS  
 COMBINING STATEMENT OF REVENUES, EXPENSES  
 AND CHANGES IN NET POSITION  
 INTERNAL SERVICE FUNDS  
 Year Ended December 31, 2016

	<u>Risk Management</u>	<u>Health Benefits</u>	<u>Total Internal Service Funds</u>
<b>Operating Revenues</b>			
Charges for Services	\$ 2,692,674	\$ 7,860,782	\$ 10,553,456
Miscellaneous	224,941	-	224,941
<b>Total Operating Revenues</b>	<u>2,917,615</u>	<u>7,860,782</u>	<u>10,778,397</u>
<b>Operating Expenses</b>			
Salaries	4,660	-	4,660
Benefits	367	-	367
Claims Expense	26,313	7,142,984	7,169,297
Insurance and Processing Fees	3,096,734	611,596	3,708,330
Miscellaneous	97,860	29,737	127,597
<b>Total Operating Expenses</b>	<u>3,225,934</u>	<u>7,784,317</u>	<u>11,010,251</u>
<b>Operating Income (Loss)</b>	<u>(308,319)</u>	<u>76,465</u>	<u>(231,854)</u>
<b>Nonoperating Revenues and (Expenses)</b>			
Investment Income	-	420	420
<b>Total Nonoperating Revenues and (Expenses)</b>	<u>-</u>	<u>420</u>	<u>420</u>
<b>Change in Net Position</b>	(308,319)	76,885	(231,434)
<b>Net Position at Beginning of Year</b>	<u>1,810,991</u>	<u>4,490,836</u>	<u>6,301,827</u>
<b>Net Position at End of Year</b>	<u>\$ 1,502,672</u>	<u>\$ 4,567,721</u>	<u>\$ 6,070,393</u>

CITY OF DES PLAINES, ILLINOIS  
 COMBINING STATEMENT OF CASH FLOWS  
 INTERNAL SERVICE FUNDS  
 Year Ended December 31, 2016

	<u>Risk Management</u>	<u>Health Benefits</u>	<u>Total Internal Service Funds</u>
<b>Cash Flows from Operating Activities</b>			
Cash Received from Customers	\$ 2,692,674	\$ 7,860,782	\$ 10,553,456
Receipts from Miscellaneous Revenues	224,941	2,520	227,461
Cash Payments to Suppliers for Good and Services	<u>(3,268,642)</u>	<u>(8,375,486)</u>	<u>(11,644,128)</u>
<b>Net Cash Provided/(Used) by Operating Activities</b>	<u>(351,027)</u>	<u>(512,184)</u>	<u>(863,211)</u>
<b>Cash Flows from Investing Activities</b>			
Investment Income	-	420	420
<b>Net Cash Provided/(Used) by Investing Activities</b>	<u>-</u>	<u>420</u>	<u>420</u>
<b>Net Increase (Decrease) in Cash &amp; Investments</b>	(351,027)	(511,764)	(862,791)
<b>Cash &amp; Investments, Beginning of Year</b>	<u>893,780</u>	<u>675,840</u>	<u>1,569,620</u>
<b>Cash &amp; Investments, End of Year</b>	<u>\$ 542,753</u>	<u>\$ 164,076</u>	<u>\$ 706,829</u>
<b>Reconciliation of Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities</b>			
Operating Income/(Loss)	\$ (308,319)	\$ 76,465	\$ (231,854)
Adjustments to Reconcile Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities			
Decrease (Increase) in Prepaid Items	(49,140)	(579,757)	(628,897)
Decrease (Increase) in Other Receivables	-	23	23
(Decrease) Increase in Accounts Payable	6,776	1,593	8,369
(Decrease) Increase in Unearned Revenue	-	2,520	2,520
(Decrease) Increase in Accrued Liabilities	<u>(344)</u>	<u>(13,028)</u>	<u>(13,372)</u>
Total Adjustments	<u>(42,708)</u>	<u>(588,649)</u>	<u>(631,357)</u>
<b>Net Cash Provided/(Used) by Operating Activities</b>	<u>\$ (351,027)</u>	<u>\$ (512,184)</u>	<u>\$ (863,211)</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, 2016  
With Comparative Actual Amounts for the Year Ended December 31, 2015

	2016		Variance from Final Budget Positive (Negative)	2015 Actual
	Original and Final Budget	Actual		
<b>Operating Revenues</b>				
Charges for Services	\$ 3,020,000	\$ 2,692,674	\$ (327,326)	\$ 3,246,041
Miscellaneous	190,000	224,941	34,941	384,488
<b>Total Operating Revenues</b>	<u>3,210,000</u>	<u>2,917,615</u>	<u>(292,385)</u>	<u>3,630,529</u>
<b>Operating Expenses</b>				
Salaries	12,000	4,660	7,340	1,870
Benefits	918	367	551	151
Claims Expense				
Unemployment Claims	20,000	18,573	1,427	74,478
Workers' Compensation Claims	25,000	7,740	17,260	28,280
Total Claims Expense	<u>45,000</u>	<u>26,313</u>	<u>18,687</u>	<u>102,758</u>
Insurance and Processing Fees				
Claims Administrative Fees	3,400	2,200	1,200	2,200
Insurance Premiums	165,000	173,703	(8,703)	150,053
MICA Loss Fund	2,950,000	2,895,332	54,668	2,735,784
MICA Deductible	30,000	25,499	4,501	14,465
Total Insurance and Processing Fees	<u>3,148,400</u>	<u>3,096,734</u>	<u>51,666</u>	<u>2,902,502</u>
Miscellaneous				
City-wide Substance Abuse Program	5,000	1,885	3,115	1,756
Self-insurance Losses	75,000	31,489	43,511	48,002
Miscellaneous Contractual Services	121,452	64,486	56,966	30,374
Total Miscellaneous	<u>201,452</u>	<u>97,860</u>	<u>103,592</u>	<u>80,132</u>
<b>Total Operating Expenses</b>	<u>3,407,770</u>	<u>3,225,934</u>	<u>181,836</u>	<u>3,087,413</u>
<b>Change in Net Position</b>	<u>\$ (197,770)</u>	(308,319)	<u>\$ (110,549)</u>	543,116
<b>Net Position at Beginning of Year</b>		<u>1,810,991</u>		<u>1,267,875</u>
<b>Net Position at End of Year</b>		<u>\$ 1,502,672</u>		<u>\$ 1,810,991</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, 2016  
With Comparative Actual Amounts for the Year Ended December 31, 2015

	2016		Variance from Final Budget Positive (Negative)	2015
	Original and Final Budget	Actual		Actual
<b>Operating Revenues</b>				
Charges for Services	\$ 8,646,061	\$ 7,860,782	\$ (785,279)	\$ 8,340,949
<b>Total Operating Revenues</b>	<u>8,646,061</u>	<u>7,860,782</u>	<u>(785,279)</u>	<u>8,340,949</u>
<b>Operating Expenses</b>				
Claims Expense				
Claims Paid - City - PPO	6,394,103	5,563,529	830,574	5,802,562
Claims Paid - City - HMO	<u>1,614,002</u>	<u>1,579,455</u>	<u>34,547</u>	<u>1,613,115</u>
Total Claims Expense	<u>8,008,105</u>	<u>7,142,984</u>	<u>865,121</u>	<u>7,415,677</u>
Insurance and Processing Fees				
Dental Claims and Administration Fee	511,520	472,699	38,821	448,154
Life Insurance Premium	<u>117,205</u>	<u>138,897</u>	<u>(21,692)</u>	<u>127,087</u>
Total Insurance and Processing Fees	<u>628,725</u>	<u>611,596</u>	<u>17,129</u>	<u>575,241</u>
Miscellaneous	<u>35,000</u>	<u>29,737</u>	<u>5,263</u>	<u>99,361</u>
<b>Total Operating Expenses</b>	<u>8,671,830</u>	<u>7,784,317</u>	<u>887,513</u>	<u>8,090,279</u>
<b>Operating Income (Loss)</b>	<u>(25,769)</u>	<u>76,465</u>	<u>102,234</u>	<u>250,670</u>
<b>Nonoperating Revenues and (Expenses)</b>				
Investment Income	15	420	405	42
<b>Total Nonoperating Revenues and (Expenses)</b>	<u>15</u>	<u>420</u>	<u>405</u>	<u>42</u>
<b>Change in Net Position</b>	<u>\$ (25,754)</u>	76,885	<u>\$ 102,639</u>	250,712
<b>Net Position at Beginning of Year</b>		<u>4,490,836</u>		<u>4,240,124</u>
<b>Net Position at End of Year</b>		<u>\$ 4,567,721</u>		<u>\$ 4,490,836</u>

CITY OF DES PLAINES, ILLINOIS  
 COMBINING STATEMENT OF FIDUCIARY NET POSITION  
 PENSION TRUST FUNDS  
 December 31, 2016

	Firefighters' Pension	Police Pension	Total Pension Trust Funds
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 2,991,877	\$ 3,458,080	\$ 6,449,957
Investments			
U.S. Government and Agency Obligations	10,184,411	10,328,090	20,512,501
State and Local Obligations	515,207	751,457	1,266,664
Corporate Bonds	12,062,186	9,478,802	21,540,988
Mutual Funds	24,009,733	21,492,473	45,502,206
Stocks	20,833,124	18,475,096	39,308,220
Insurance Contracts	-	1,499	1,499
Receivables			
Accrued Interest	205,319	172,567	377,886
Prepaid Items	5,170	4,431	9,601
<b>TOTAL ASSETS</b>	<u>70,807,027</u>	<u>64,162,495</u>	<u>134,969,522</u>
<b>LIABILITIES AND NET POSITION</b>			
<b>Liabilities</b>			
Accounts Payable	<u>37,708</u>	<u>54,342</u>	<u>92,050</u>
<b>Total Liabilities</b>	<u>37,708</u>	<u>54,342</u>	<u>92,050</u>
<b>Net Position</b>			
Restricted for Pensions	<u>\$ 70,769,319</u>	<u>\$ 64,108,153</u>	<u>\$ 134,877,472</u>

CITY OF DES PLAINES, ILLINOIS  
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
 PENSION TRUST FUNDS  
 Year Ended December 31, 2016

	Firefighters' Pension	Police Pension	Total Pension Trust Funds
<b>Additions</b>			
Contributions			
Employer	\$ 4,433,104	\$ 5,036,133	\$ 9,469,237
Plan Members	<u>829,676</u>	<u>866,905</u>	<u>1,696,581</u>
Total Contributions	<u>5,262,780</u>	<u>5,903,038</u>	<u>11,165,818</u>
Investment Income	4,873,838	4,700,874	9,574,712
Less Investment Expense	<u>(271,917)</u>	<u>(280,067)</u>	<u>(551,984)</u>
Net Investment Income	<u>4,601,921</u>	<u>4,420,807</u>	<u>9,022,728</u>
<b>Total Additions</b>	<u>9,864,701</u>	<u>10,323,845</u>	<u>20,188,546</u>
<b>Deductions</b>			
Administration	67,264	86,218	153,482
Benefits and Refunds	<u>6,973,210</u>	<u>7,237,087</u>	<u>14,210,297</u>
<b>Total Deductions</b>	<u>7,040,474</u>	<u>7,323,305</u>	<u>14,363,779</u>
<b>Net Increase in Net Position</b>	2,824,227	3,000,540	5,824,767
<b>Plan Net Position at Beginning of Year</b>	<u>67,945,092</u>	<u>61,107,613</u>	<u>129,052,705</u>
<b>Plan Net Position at End of Year</b>	<u>\$ 70,769,319</u>	<u>\$ 64,108,153</u>	<u>\$ 134,877,472</u>

CITY OF DES PLAINES, ILLINOIS  
COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES  
AGENCY FUND  
December 31, 2016

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	<u>Compliance Bond</u>
<b>ASSETS</b>	
Cash and Cash Equivalents	\$ 325,960
Other Receivable	<u>26,098</u>
<b>TOTAL ASSETS</b>	<u>\$ 352,058</u>
<b>LIABILITIES</b>	
Accounts Payable	\$ 12,454
Deposits Payable	<u>339,604</u>
<b>TOTAL LIABILITIES</b>	<u>\$ 352,058</u>

CITY OF DES PLAINES, ILLINOIS  
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
AGENCY FUND  
Year Ended December 31, 2016

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	Balances January 1	Additions	Deductions	Balances December 31
<b>Compliance Bond Fund</b>				
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 514,996	\$ 1,148,720	\$ 1,337,756	\$ 325,960
Other Receivable	8,327	407,252	389,481	26,098
<b>TOTAL ASSETS</b>	<b>\$ 523,323</b>	<b>\$ 1,555,972</b>	<b>\$ 1,727,237</b>	<b>\$ 352,058</b>
<b>LIABILITIES</b>				
Accounts Payable	\$ 92,878	\$ 355,957	\$ 436,381	\$ 12,454
Accrued Liabilities	-	26,898	26,898	-
Deposits Payable	430,445	732,821	823,662	339,604
<b>TOTAL LIABILITIES</b>	<b>\$ 523,323</b>	<b>\$ 1,115,676</b>	<b>\$ 1,286,941</b>	<b>\$ 352,058</b>

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CITY OF DES PLAINES, ILLINOIS  
 COMPONENT UNIT - LIBRARY  
 STATEMENT OF NET POSITION AND GOVERNMENTAL FUNDS  
 COMBINING BALANCE SHEET  
 December 31, 2016

	General	Capital Projects	Total
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>			
<b>Assets</b>			
Cash	\$ 3,973,501	\$ 26,190	\$ 3,999,691
Property Tax Receivable	6,003,289	-	6,003,289
Due from Other Funds	-	-	-
Prepaid Items	6,952	-	6,952
Capital Assets, Net	-	-	-
<b>Total Assets</b>	<u>9,983,742</u>	<u>26,190</u>	<u>10,009,932</u>
<b>Deferred Outflows of Resources</b>			
Deferred Pension Outflows	-	-	-
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<u>\$ 9,983,742</u>	<u>\$ 26,190</u>	<u>\$ 10,009,932</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES/NET POSITION</b>			
<b>Liabilities</b>			
Accounts Payable	\$ 224,165	\$ 62,823	\$ 286,988
Accrued Payroll	105,633	-	105,633
Due to Other Funds	316,359	-	316,359
Noncurrent Liabilities			
Due within One Year	-	-	-
Due in More than One Year	-	-	-
<b>Total Liabilities</b>	<u>646,157</u>	<u>62,823</u>	<u>708,980</u>
<b>Deferred Inflows of Resources</b>			
Deferred Property Tax Revenue	5,986,354	-	5,986,354
Deferred Pension Inflows	-	-	-
<b>Total Deferred Inflows of Resources</b>	<u>5,986,354</u>	<u>-</u>	<u>5,986,354</u>
<b>Fund Balances/Net Position</b>			
Net Investment in Capital Assets	-	-	-
Restricted for Culture and Recreation	3,351,231	(36,633)	3,314,598
<b>Total Fund Balances/Net Position</b>	<u>3,351,231</u>	<u>(36,633)</u>	<u>3,314,598</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES/NET POSITION</b>	<u>\$ 9,983,742</u>	<u>\$ 26,190</u>	<u>\$ 10,009,932</u>

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

Some liabilities and deferred items are reported in the statement of net position do not require the use of current financial resources and therefore are not reported as liabilities and deferred items 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 Pension Liability	Long-term Assets	Statement of Net Position
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,999,691
-	-	-	-	-	6,003,289
316,359	(316,359)	-	-	-	-
-	-	-	-	-	6,952
-	-	-	-	2,901,897	2,901,897
<u>316,359</u>	<u>(316,359)</u>	<u>-</u>	<u>-</u>	<u>2,901,897</u>	<u>12,911,829</u>
-	-	-	998,836	-	998,836
<u>\$ 316,359</u>	<u>\$ (316,359)</u>	<u>\$ -</u>	<u>\$ 998,836</u>	<u>\$ 2,901,897</u>	<u>\$ 13,910,665</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 286,988
-	-	-	-	-	105,633
-	(316,359)	-	-	-	-
106,798	-	-	-	-	106,798
209,561	-	89,041	1,861,719	-	2,160,321
<u>316,359</u>	<u>(316,359)</u>	<u>89,041</u>	<u>1,861,719</u>	<u>-</u>	<u>2,659,740</u>
-	-	-	-	-	5,986,354
-	-	-	335,632	-	335,632
-	-	-	<u>335,632</u>	-	<u>6,321,986</u>
-	-	-	-	2,901,897	2,901,897
-	-	(89,041)	(1,198,515)	-	2,027,042
-	-	<u>(89,041)</u>	<u>(1,198,515)</u>	<u>2,901,897</u>	<u>4,928,939</u>
<u>\$ 316,359</u>	<u>\$ (316,359)</u>	<u>\$ -</u>	<u>\$ 998,836</u>	<u>\$ 2,901,897</u>	<u>\$ 13,910,665</u>
<u>\$ 316,359</u>	<u>\$ (316,359)</u>				
		<u>\$ 89,041</u>	<u>\$ 1,198,515</u>		
				<u>\$ 2,901,897</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, 2016

	General	Capital Projects	Total
<b>Revenues</b>			
Property Taxes	\$ 6,065,699	\$ -	\$ 6,065,699
Intergovernmental	137,978	-	137,978
Charges for Services	15,185	-	15,185
Fines	100,301	-	100,301
Investment Income	13,821	793	14,614
Miscellaneous	61,144	-	61,144
<b>Total Revenues</b>	<u>6,394,128</u>	<u>793</u>	<u>6,394,921</u>
<b>Expenditures</b>			
Civic and Cultural	5,789,695	-	5,789,695
Capital Outlay	156,536	1,891,619	2,048,155
<b>Total Expenditures</b>	<u>5,946,231</u>	<u>1,891,619</u>	<u>7,837,850</u>
<b>Excess (Deficiency) of Revenues over (under) Expenditures</b>	447,897	(1,890,826)	(1,442,929)
<b>Other Financing Sources (Uses)</b>			
Transfers in	-	1,280,900	1,280,900
Transfers out	(1,280,900)	-	(1,280,900)
<b>Total Other Financing Sources (Uses)</b>	<u>(1,280,900)</u>	<u>1,280,900</u>	<u>-</u>
<b>Net Change in Fund Balance/Net Position</b>	(833,003)	(609,926)	(1,442,929)
Fund Balance/Net Position, Beginning of Year	<u>4,184,234</u>	<u>573,293</u>	<u>4,757,527</u>
<b>Fund Balance/Net Position, End of Year</b>	<u>\$ 3,351,231</u>	<u>\$ (36,633)</u>	<u>\$ 3,314,598</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.



Adjustments				
Long-term Assets	Internal Balances	Net OPEB Obligation	Net Pension Liability	Statement of Activities
\$ -	\$ -	\$ -	\$ -	\$ 6,065,699
-	-	-	-	137,978
-	-	-	-	15,185
-	-	-	-	100,301
-	-	-	-	14,614
-	-	-	-	61,144
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,394,921</u>
157,606	-	2,619	425,211	6,375,131
<u>(1,799,035)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>249,120</u>
<u>(1,641,429)</u>	<u>-</u>	<u>2,619</u>	<u>425,211</u>	<u>6,624,251</u>
1,641,429	-	(2,619)	(425,211)	(229,330)
-	(1,280,900)	-	-	-
<u>-</u>	<u>1,280,900</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
1,641,429	-	(2,619)	(425,211)	(229,330)
<u>1,260,468</u>	<u>-</u>	<u>(86,422)</u>	<u>(773,304)</u>	<u>5,158,269</u>
<u>\$ 2,901,897</u>	<u>\$ -</u>	<u>\$ (89,041)</u>	<u>\$ (1,198,515)</u>	<u>\$ 4,928,939</u>
<u>\$ 1,641,429</u>				
		<u>\$ (2,619)</u>	<u>\$ (425,211)</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, 2016  
With Comparative Actual Amounts for the Year Ended December 31, 2015

	2016		Variance from Final Budget Positive (Negative)	2015
	Original and Final Budget	Actual		Actual
<b>Revenues</b>				
Property Taxes	\$ 6,016,436	\$ 6,065,699	\$ 49,263	\$ 6,072,634
Replacement Taxes	92,988	92,988	-	92,988
State Grants	73,000	44,990	(28,010)	72,955
Charges for Services	21,200	15,185	(6,015)	20,733
Fines	138,500	100,301	(38,199)	137,169
Investment Income	1,200	13,821	12,621	2,303
Miscellaneous	22,500	61,144	38,644	13,918
<b>Total Revenues</b>	<u>6,365,824</u>	<u>6,394,128</u>	<u>28,304</u>	<u>6,412,700</u>
<b>Expenditures</b>				
Civic and Cultural				
Salaries	3,003,613	2,917,164	86,449	2,846,916
Benefits	964,139	929,691	34,448	916,734
Contractual Services	1,105,265	1,009,087	96,178	1,103,015
Commodities	1,012,050	933,753	78,297	935,593
Total Civic and Cultural	<u>6,085,067</u>	<u>5,789,695</u>	<u>295,372</u>	<u>5,802,258</u>
Capital Outlay	207,630	156,536	51,094	130,628
<b>Total Expenditures</b>	<u>6,292,697</u>	<u>5,946,231</u>	<u>346,466</u>	<u>5,932,886</u>
<b>Excess (Deficiency) of Revenues over (under) Expenditures</b>	<u>73,127</u>	<u>447,897</u>	<u>374,770</u>	<u>479,814</u>
<b>Other Financing Sources (Uses)</b>				
Transfers Out	(1,280,900)	(1,280,900)	-	(1,600,000)
<b>Total Other Financing Sources (Uses)</b>	<u>(1,280,900)</u>	<u>(1,280,900)</u>	<u>-</u>	<u>(1,600,000)</u>
<b>Net Change in Fund Balance</b>	<u>\$ (1,207,773)</u>	<u>(833,003)</u>	<u>\$ 374,770</u>	<u>(1,120,186)</u>
<b>Fund Balance at Beginning of Year</b>		<u>4,184,234</u>		<u>5,304,420</u>
<b>Fund Balance at End of Year</b>		<u>\$ 3,351,231</u>		<u>\$ 4,184,234</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, 2016  
With Comparative Actual Amounts for the Year Ended December 31, 2015

	2016		Variance from Final Budget Positive (Negative)	2015
	Original and Final Budget	Actual		Actual
<b>Revenues</b>				
Investment Income	\$ 50	\$ 793	\$ 743	\$ 251
<b>Total Revenues</b>	<u>50</u>	<u>793</u>	<u>743</u>	<u>251</u>
<b>Expenditures</b>				
Capital Outlay	1,277,900	1,891,619	(613,719)	1,318,959
<b>Total Expenditures</b>	<u>1,277,900</u>	<u>1,891,619</u>	<u>(613,719)</u>	<u>1,318,959</u>
<b>Excess (Deficiency) of Revenues over (under) Expenditures</b>	<u>(1,277,850)</u>	<u>(1,890,826)</u>	<u>(612,976)</u>	<u>(1,318,708)</u>
<b>Other Financing Sources (Uses)</b>				
Transfers In	1,673,857	1,280,900	(392,957)	1,600,000
<b>Total Other Financing Sources (Uses)</b>	<u>1,673,857</u>	<u>1,280,900</u>	<u>(392,957)</u>	<u>1,600,000</u>
<b>Net Change in Fund Balance</b>	<u>\$ 396,007</u>	(609,926)	<u>\$ (1,005,933)</u>	281,292
<b>Fund Balance at Beginning of Year</b>		<u>573,293</u>		<u>292,001</u>
<b>Fund Balance at End of Year</b>		<u>\$ (36,633)</u>		<u>\$ 573,293</u>

CITY OF DES PLAINES, ILLINOIS  
LONG TERM DEBT REQUIREMENTS  
GENERAL OBLIGATION REFUNDING BONDS, SERIES 2007A (STREETS PORTION)  
December 31, 2016

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

**CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS**

Fiscal Year Ending December 31	Requirements			Interest Due			
	Principal	Interest	Total	June 1	Amount	December 1	Amount
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
	\$ 1,690,000	\$ 197,790	\$ 1,887,790		\$ 98,895		\$ 98,895

CITY OF DES PLAINES, ILLINOIS  
LONG TERM DEBT REQUIREMENTS  
GENERAL OBLIGATION REFUNDING BONDS, SERIES 2007B (FIRE STATION PORTION)  
December 31, 2016

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
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
	\$ 475,000	\$ 56,050	\$ 531,050		\$ 28,025		\$ 28,025

CITY OF DES PLAINES, ILLINOIS  
LONG TERM DEBT REQUIREMENTS  
TAXABLE GENERAL OBLIGATION REFUNDING BONDS, SERIES 2008A (TIF#3 PORTION)  
December 31, 2016

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			
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>June 1</u>	<u>Amount</u>	<u>December 1</u>	<u>Amount</u>
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
	<u>\$ 550,000</u>	<u>\$ 88,234</u>	<u>\$ 638,234</u>		<u>\$ 44,117</u>		<u>\$ 44,117</u>

CITY OF DES PLAINES, ILLINOIS  
LONG TERM DEBT REQUIREMENTS  
TAXABLE GENERAL OBLIGATION REFUNDING BONDS, SERIES 2009A (TIF #6, CAPITAL APPRECIATION)  
December 31, 2016

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
	Original Amount	Accretion to Date	Current Payable	Future Accretion	
2017	\$ 256,650	\$ 101,153	\$ 357,803	\$ 17,198	\$ 375,001
2018	223,545	93,537	317,082	32,918	350,000
2019	192,780	85,423	278,203	46,797	325,000
2020	257,668	120,637	378,305	91,695	470,000
2021	225,713	110,269	335,982	109,018	445,000
2022	750,424	370,462	1,120,886	454,113	1,574,999
2023	333,112	166,162	499,274	245,726	745,000
	<u>\$ 2,239,892</u>	<u>\$ 1,047,643</u>	<u>\$ 3,287,535</u>	<u>\$ 997,465</u>	<u>\$ 4,285,000</u>

CITY OF DES PLAINES, ILLINOIS  
LONG TERM DEBT REQUIREMENTS  
GENERAL OBLIGATION REFUNDING BONDS, SERIES 2009B (STREETS)  
December 31, 2016

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>	<u>Requirements</u>			<u>Interest Due</u>			
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>June 1</u>	<u>Amount</u>	<u>December 1</u>	<u>Amount</u>
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
	<u>\$ 400,000</u>	<u>\$ 22,000</u>	<u>\$ 422,000</u>		<u>\$ 11,000</u>		<u>\$ 11,000</u>



CITY OF DES PLAINES, ILLINOIS  
LONG TERM DEBT REQUIREMENTS  
GENERAL OBLIGATION REFUNDING BONDS, SERIES 2010A (TIF #3)  
December 31, 2016

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
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	\$ 1,180,142	\$ 5,125,142		\$ 590,071		\$ 590,071

CITY OF DES PLAINES, ILLINOIS  
LONG TERM DEBT REQUIREMENTS  
GENERAL OBLIGATION REFUNDING BONDS, SERIES 2010B (TIF #3, CAPITAL APPRECIATION)  
December 31, 2016

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
	Original Amount	Accretion to Date	Current Payable	Future Accretion	
2017	\$ 266,906	\$ 83,920	\$ 350,826	\$ 14,174	\$ 365,000
2018	545,653	181,329	726,982	63,018	790,000
2019	513,382	179,916	693,298	96,702	790,000
2020	457,968	173,146	631,115	128,885	760,000
2021	416,648	169,248	585,896	164,104	750,000
2022	574,365	238,770	813,135	286,865	1,100,000
2023	891,472	379,121	1,270,593	549,407	1,820,000
2024	843,041	362,573	1,205,613	619,387	1,825,000
2025	794,295	345,429	1,139,723	685,277	1,825,000
2026	807,030	354,868	1,161,898	808,102	1,970,000
	\$ 6,110,760	\$ 2,468,320	\$ 8,579,079	\$ 3,415,921	\$ 11,995,000

CITY OF DES PLAINES, ILLINOIS  
LONG TERM DEBT REQUIREMENTS  
GENERAL OBLIGATION REFUNDING BONDS, SERIES 2011A (TOTAL ISSUE)  
December 31, 2016

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	June 1	Amount	December 1	Amount
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
	\$ 2,100,000	\$ 145,526	\$ 2,245,526		\$ 72,762		\$ 72,764

CITY OF DES PLAINES, ILLINOIS  
LONG TERM DEBT REQUIREMENTS  
GENERAL OBLIGATION REFUNDING BONDS, SERIES 2011A (TIF #1 PORTION)  
December 31, 2016

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			
	Principal	Interest	Total	June 1	Amount	December 1	Amount
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
	\$ 725,000	\$ 43,975	\$ 768,975		\$ 21,988		\$ 21,987

CITY OF DES PLAINES, ILLINOIS  
LONG TERM DEBT REQUIREMENTS  
GENERAL OBLIGATION REFUNDING BONDS, SERIES 2011A (TIF #3 PORTION)  
December 31, 2016

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			
	Principal	Interest	Total	June 1	Amount	December 1	Amount
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
	\$ 735,000	\$ 54,577	\$ 789,577		\$ 27,288		\$ 27,289

CITY OF DES PLAINES, ILLINOIS  
LONG TERM DEBT REQUIREMENTS  
GENERAL OBLIGATION REFUNDING BONDS, SERIES 2011A (TIF #5 PORTION)  
December 31, 2016

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			
	Principal	Interest	Total	June 1	Amount	December 1	Amount
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
	\$ 515,000	\$ 37,851	\$ 552,851		\$ 18,925		\$ 18,926

CITY OF DES PLAINES, ILLINOIS  
LONG TERM DEBT REQUIREMENTS  
GENERAL OBLIGATION REFUNDING BONDS, SERIES 2011A (TIF #6 PORTION)  
December 31, 2016

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			
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>June 1</u>	<u>Amount</u>	<u>December 1</u>	<u>Amount</u>
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
	<u>\$ 125,000</u>	<u>\$ 9,123</u>	<u>\$ 134,123</u>		<u>\$ 4,561</u>		<u>\$ 4,562</u>

CITY OF DES PLAINES, ILLINOIS  
LONG TERM DEBT REQUIREMENTS  
GENERAL OBLIGATION REFUNDING BONDS, SERIES 2012A (TIF #1)  
December 31, 2016

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	<u>June 1</u>	Amount	<u>December 1</u>	Amount
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
	\$ 1,930,000	\$ 82,948	\$ 2,012,948		\$ 41,474		\$ 41,474



CITY OF DES PLAINES, ILLINOIS  
LONG TERM DEBT REQUIREMENTS  
TAXABLE GENERAL OBLIGATION REFUNDING BONDS, SERIES 2013 (TOTAL ISSUE)  
December 31, 2016

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 <u>December 31</u>	Requirements			Interest Due			
	Principal	Interest	Total	June 1	Amount	December 1	Amount
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
	\$ 5,030,000	\$ 444,760	\$ 5,474,760		\$ 222,380		\$ 222,380

CITY OF DES PLAINES, ILLINOIS  
LONG TERM DEBT REQUIREMENTS  
TAXABLE GENERAL OBLIGATION REFUNDING BONDS, SERIES 2013 (TIF #1 PORTION)  
December 31, 2016

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
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
	\$ 1,800,000	\$ 137,550	\$ 1,937,550		\$ 68,775		\$ 68,775

CITY OF DES PLAINES, ILLINOIS  
LONG TERM DEBT REQUIREMENTS  
TAXABLE GENERAL OBLIGATION REFUNDING BONDS, SERIES 2013 (TIF #3 PORTION)  
December 31, 2016

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
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
	\$ 365,000	\$ 34,280	\$ 399,280		\$ 17,140		\$ 17,140

CITY OF DES PLAINES, ILLINOIS  
LONG TERM DEBT REQUIREMENTS  
TAXABLE GENERAL OBLIGATION REFUNDING BONDS, SERIES 2013 (TIF #6 PORTION)  
December 31, 2016

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 December 31	Requirements			Interest Due			
	Principal	Interest	Total	June 1	Amount	December 1	Amount
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
	\$ 2,865,000	\$ 272,930	\$ 3,137,930		\$ 136,465		\$ 136,465

CITY OF DES PLAINES, ILLINOIS  
LONG TERM DEBT REQUIREMENTS  
TAXABLE GENERAL OBLIGATION BONDS, SERIES 2014A (TIF #6)  
December 31, 2016

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
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
	\$ 1,460,000	\$ 108,336	\$ 1,568,336		\$ 54,168		\$ 54,168

CITY OF DES PLAINES, ILLINOIS  
LONG TERM DEBT REQUIREMENTS  
GENERAL OBLIGATION BONDS, SERIES 2014B (TOTAL ISSUE)  
December 31, 2016

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
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
	\$ 4,115,000	\$ 239,776	\$ 4,354,776		\$ 119,888		\$ 119,888

CITY OF DES PLAINES, ILLINOIS  
LONG TERM DEBT REQUIREMENTS  
GENERAL OBLIGATION BONDS, SERIES 2014B (TIF #3 PORTION)  
December 31, 2016

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
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
	\$ 2,655,000	\$ 195,876	\$ 2,850,876		\$ 97,938		\$ 97,938

CITY OF DES PLAINES, ILLINOIS  
LONG TERM DEBT REQUIREMENTS  
GENERAL OBLIGATION BONDS, SERIES 2014B (CAPITAL PROJECTS - LIBRARY PORTION)  
December 31, 2016

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
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
	\$ 1,460,000	\$ 43,900	\$ 1,503,900		\$ 21,950		\$ 21,950



CITY OF DES PLAINES, ILLINOIS  
LONG TERM DEBT REQUIREMENTS  
TAX INCREMENT REVENUE NOTE, SERIES 2002 - NORWOOD PARTNERSHIP, LLC  
December 31, 2016

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		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 33,313	\$ 7,566	\$ 40,879
2018	35,062	5,817	40,879
2019	36,902	3,976	40,878
2020	38,840	2,039	40,879
	<u>\$ 144,117</u>	<u>\$ 19,398</u>	<u>\$ 163,515</u>

CITY OF DES PLAINES, ILLINOIS  
LONG TERM DEBT REQUIREMENTS  
TAX INCREMENT REVENUE NOTE, SERIES 2003 - LAB GRACELAND  
December 31, 2016

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		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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
	<u>\$ 152,455</u>	<u>\$ 20,521</u>	<u>\$ 172,976</u>

CITY OF DES PLAINES, ILLINOIS  
 SHORT TERM DEBT REQUIREMENTS  
 EQUIPMENT LOAN (FIRE ENGINE)  
 December 31, 2016

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

**CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS**

Fiscal Year Ending <u>December 31</u>	<u>Requirements</u> <u>Principal</u>
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
	\$ 162,500

## CITY OF DES PLAINES

### CHANGES IN NET POSITION Last Ten Calendar Years (accrual basis of accounting) 12/31/2016

	2007	2008	2009	2010
<b>Expenses</b>				
Governmental activities				
General government	\$ 6,267,556	\$ 5,268,048	\$ 8,913,451	\$ 8,939,465
Public safety	31,161,886	36,126,401	36,457,403	35,365,323
Public works	10,282,409	10,520,898	9,608,620	7,550,803
Streets and highways	6,902,837	11,260,079	10,807,891	9,499,575
Economic development	1,780,760	3,504,617	2,184,724	1,487,301
Interest	4,172,033	4,031,768	3,984,468	3,631,361
Total governmental activities expenses	60,567,481	70,711,811	71,956,557	66,473,828
Business-type activities				
Water	8,693,595	11,038,869	11,831,289	11,912,298
Parking system	1,015,561	1,034,814	888,277	803,475
Emergency communications	4,724,236	5,005,419	-	-
Total business-type activities	14,433,392	17,079,102	12,719,566	12,715,773
Total primary government expenses	\$ 75,000,873	\$ 87,790,913	\$ 84,676,123	\$ 79,189,601
Component unit - public library	\$ 6,041,020	\$ 6,393,149	\$ 6,482,277	\$ 5,994,030
<b>Program Revenues</b>				
Governmental activities				
Charges for services				
General government	\$ 3,417,462	\$ 4,319,510	\$ 8,182,538	\$ 8,546,887
Public safety	3,135,477	2,600,306	2,450,209	3,293,616
Public works	3,187,494	3,408,346	3,537,886	3,694,457
Streets and highways	1,752,532	1,664,099	1,531,176	2,376,318
Operating grants and contributions	1,483,651	3,212,671	1,970,206	3,322,252
Capital grants and contributions	1,823,040	232,175	438,582	11,294,273
Total governmental activities program				
Revenues	14,799,656	15,437,107	18,110,597	32,527,803
Business-type activities				
Charges for services				
Water	9,736,135	11,759,644	10,965,188	11,509,315
Parking system	329,478	315,071	267,699	309,312
Emergency communications	5,089,957	6,251,670	-	-
Operating grants and contributions	25,546	153,853	-	132,274
Capital grants and contributions	-	-	-	235,119
Total business-type activities program				
Revenues	15,181,116	18,480,238	11,232,887	12,186,020
Total primary government program	\$ 29,980,772	\$ 33,917,345	\$ 29,343,484	\$ 44,713,823
Component unit - public library				
Charges for services	\$ 152,787	\$ 142,245	\$ 147,700	\$ 166,497
Operating grants	108,801	157,151	78,014	65,969
Total component unit - public library				
Revenues	\$ 261,588	\$ 299,396	\$ 225,714	\$ 232,466
Net (expense)/revenue				
Governmental activities	\$ (45,767,825)	\$ (55,274,704)	\$ (53,845,960)	\$ (33,946,025)
Business-type activities	747,724	1,401,136	(1,486,679)	(529,753)
Total primary government net expense	\$ (45,020,101)	\$ (53,873,568)	\$ (55,332,639)	\$ (34,475,778)
Component unit - public library net				
Expense	\$ (5,779,432)	\$ (6,093,753)	\$ (6,256,563)	\$ (5,761,564)

	2011	2012	2013	2014	2015	2016
\$	18,270,898	\$ 26,776,957	\$ 26,119,801	\$ 25,998,813	\$ 26,508,887	\$ 27,240,159
	38,529,145	37,899,640	38,792,971	38,962,218	47,386,563	49,009,727
	8,537,753	7,637,527	8,448,448	7,632,615	9,687,304	8,176,306
	10,341,746	10,686,981	11,450,291	13,643,574	15,713,911	11,961,177
	1,161,997	1,553,448	1,906,584	2,346,862	1,980,456	3,650,262
	3,274,304	3,046,102	2,709,144	1,679,828	1,459,709	1,411,210
	<u>80,115,843</u>	<u>87,600,655</u>	<u>89,427,239</u>	<u>90,263,910</u>	<u>102,736,830</u>	<u>101,448,841</u>
	12,528,325	14,161,409	15,412,364	16,528,659	17,830,764	15,145,099
	802,934	783,586	808,793	833,974	834,894	835,342
	-	-	2,247,933	4,057,033	234,127	-
	<u>13,331,259</u>	<u>14,944,995</u>	<u>18,469,090</u>	<u>21,419,666</u>	<u>18,899,785</u>	<u>15,980,441</u>
\$	<u>93,447,102</u>	<u>\$ 102,545,650</u>	<u>\$ 107,896,329</u>	<u>\$ 111,683,576</u>	<u>\$ 121,636,615</u>	<u>\$ 117,429,282</u>
\$	<u>5,798,824</u>	<u>\$ 5,648,933</u>	<u>\$ 6,073,379</u>	<u>\$ 6,362,235</u>	<u>\$ 7,053,356</u>	<u>\$ 6,624,251</u>
\$	6,223,077	\$ 5,869,247	\$ 5,774,206	\$ 5,828,028	\$ 5,343,730	\$ 5,359,454
	3,740,733	3,745,369	3,259,941	3,003,477	3,889,312	4,150,297
	3,826,957	3,955,349	4,092,464	3,225,062	2,927,288	3,094,047
	2,323,567	2,434,345	2,288,299	2,221,419	1,317,109	1,335,654
	3,797,791	2,762,161	2,996,521	2,307,571	2,759,817	2,352,503
	4,851,117	3,267,066	576,573	4,109,373	11,967,751	2,312,985
	<u>24,763,242</u>	<u>22,033,537</u>	<u>18,988,004</u>	<u>20,694,930</u>	<u>28,205,007</u>	<u>18,604,940</u>
	11,286,580	14,162,219	13,810,387	14,550,984	14,454,347	14,817,561
	283,554	370,038	336,051	365,811	333,908	345,158
	-	-	2,089,579	3,136,798	-	-
	4,691	2,039	8,237	5,804	3,471	3,633
	-	-	-	-	-	-
	<u>11,574,825</u>	<u>14,534,296</u>	<u>16,244,254</u>	<u>18,059,397</u>	<u>14,791,726</u>	<u>15,166,352</u>
\$	<u>36,338,067</u>	<u>\$ 36,567,833</u>	<u>\$ 35,232,258</u>	<u>\$ 38,754,327</u>	<u>\$ 42,996,733</u>	<u>\$ 33,771,292</u>
\$	147,023	\$ 156,752	\$ 164,584	\$ 151,688	\$ 157,902	\$ 115,486
	64,080	59,852	63,977	72,955	72,955	44,990
\$	<u>211,103</u>	<u>\$ 216,604</u>	<u>\$ 228,561</u>	<u>\$ 224,643</u>	<u>\$ 230,857</u>	<u>\$ 160,476</u>
\$	(55,352,601)	\$ (65,567,118)	\$ (70,439,235)	\$ (69,568,980)	\$ (74,531,823)	\$ (82,843,901)
	(1,756,434)	(410,699)	(2,224,836)	(3,360,269)	(4,108,059)	(814,089)
\$	<u>(57,109,035)</u>	<u>\$ (65,977,817)</u>	<u>\$ (72,664,071)</u>	<u>\$ (72,929,249)</u>	<u>\$ (78,639,882)</u>	<u>\$ (83,657,990)</u>
\$	<u>(5,587,721)</u>	<u>\$ (5,432,329)</u>	<u>\$ (5,844,818)</u>	<u>\$ (6,137,592)</u>	<u>\$ (6,822,499)</u>	<u>\$ (6,463,775)</u>

## CITY OF DES PLAINES

### CHANGES IN NET POSITION Last Ten Calendar Years (accrual basis of accounting) 12/31/2016

	2007	2008	2009	2010
<b>General Revenues and Other Changes in Net Position</b>				
Governmental activities				
Taxes				
Property	\$ 23,773,249	\$ 26,700,637	\$ 27,934,060	\$ 29,117,259
Home rule sales	5,735,928	5,559,673	4,775,264	4,834,624
Utility	2,510,644	2,583,405	2,184,785	3,353,950
Food and beverage	964,590	953,597	897,541	911,865
Hotel/motel	1,298,403	1,621,451	1,243,395	1,387,872
Real estate transfer	975,339	525,343	341,949	399,853
Local option motor fuel	1,687,130	857,659	828,082	1,683,503
Gaming	-	-	-	-
Other	3,454,589	3,802,103	4,799,937	4,364,047
Unrestricted intergovernmental				
Sales	9,265,270	9,147,989	8,271,828	8,589,981
Income	5,296,209	5,446,073	4,686,475	4,580,927
Replacement	1,530,070	1,408,713	1,229,867	1,296,063
Investment income	816,908	420,479	98,711	74,585
Miscellaneous	296,990	1,095,228	1,422,497	965,645
Gain (loss) on sale of capital assets	(6,108,598)	100,853	35,221	87,960
Transfers	210,074	156,211	(94,340)	262,432
Total governmental activities	<u>51,706,795</u>	<u>60,379,414</u>	<u>58,655,272</u>	<u>61,910,566</u>
Business-type activities				
Investment income	223,390	61,239	5,560	2,649
Miscellaneous	161,232	-	20,097	27,568
Transfers	(210,074)	(156,211)	94,340	(262,432)
Total business-type activities	<u>174,548</u>	<u>(94,972)</u>	<u>119,997</u>	<u>(232,215)</u>
Total primary government	<u>\$ 51,881,343</u>	<u>\$ 60,284,442</u>	<u>\$ 58,775,269</u>	<u>\$ 61,678,351</u>
Component unit - public library				
Taxes				
Property	\$ 5,970,175	\$ 6,478,587	\$ 6,618,324	\$ 6,352,938
Unrestricted intergovernmental				
Replacement	92,988	92,988	92,988	46,494
Investment income	52,417	46,892	6,838	4,167
Other general revenues	25,675	48,461	24,978	31,748
Total component unit - public library	<u>\$ 6,141,255</u>	<u>\$ 6,666,928</u>	<u>\$ 6,743,128</u>	<u>\$ 6,435,347</u>
<b>Changes in Net Position</b>				
Governmental activities	\$ 5,938,970	\$ 5,104,710	\$ 4,809,312	\$ 27,964,541
Business-type activities	<u>922,272</u>	<u>1,306,164</u>	<u>(1,366,682)</u>	<u>(761,968)</u>
Total primary government	<u>\$ 6,861,242</u>	<u>\$ 6,410,874</u>	<u>\$ 3,442,630</u>	<u>\$ 27,202,573</u>
Total component unit - public library	<u>\$ 361,823</u>	<u>\$ 573,175</u>	<u>\$ 486,565</u>	<u>\$ 673,783</u>

	2011	2012	2013	2014	2015	2016
\$	29,671,822	\$ 28,841,683	\$ 28,575,125	\$ 28,442,253	\$ 28,607,185	\$ 29,254,397
	5,034,311	5,544,261	5,640,304	5,934,305	5,711,272	6,104,292
	3,401,735	3,239,299	3,264,076	3,358,459	3,033,933	3,069,270
	1,059,647	1,236,942	1,177,511	1,190,477	1,228,581	1,268,923
	1,440,269	1,675,772	1,752,342	1,988,301	2,145,985	2,069,830
	393,417	407,884	436,309	610,997	597,813	842,326
	1,719,941	1,685,069	1,707,152	1,624,707	1,540,285	1,754,240
	10,819,591	24,802,456	24,662,123	24,792,544	24,654,889	24,685,996
	4,541,664	4,735,420	4,277,423	3,923,909	4,081,651	3,988,052
	8,690,828	9,695,640	13,486,496	12,354,237	12,042,780	12,805,450
	4,515,411	5,376,774	5,643,512	5,667,460	6,232,000	5,556,999
	1,207,737	1,143,050	1,341,936	1,303,645	1,245,069	1,285,820
	82,369	160,289	89,626	73,812	189,691	365,137
	783,626	1,280,897	899,031	862,423	982,019	688,554
	-	-	-	-	-	-
	<u>(236,313)</u>	<u>15,758</u>	<u>(49,992)</u>	<u>(284,242)</u>	<u>(6,692,243)</u>	<u>(5,801,963)</u>
	<u>73,126,055</u>	<u>89,841,194</u>	<u>92,902,974</u>	<u>91,843,287</u>	<u>85,600,910</u>	<u>87,937,323</u>
	1,519	5,228	1,776	1,392	1,340	3,056
	845	2,756	5,388	716,306	8,824	5,762
	<u>236,313</u>	<u>(15,758)</u>	<u>49,992</u>	<u>284,242</u>	<u>6,692,243</u>	<u>5,801,963</u>
	<u>238,677</u>	<u>(7,774)</u>	<u>57,156</u>	<u>1,001,940</u>	<u>6,702,407</u>	<u>5,810,781</u>
\$	<u>73,364,732</u>	<u>89,833,420</u>	<u>92,960,130</u>	<u>92,845,227</u>	<u>92,303,317</u>	<u>93,748,104</u>
\$	6,625,483	\$ 6,398,159	\$ 6,289,369	\$ 6,144,530	\$ 6,072,634	\$ 6,065,699
	92,988	92,988	92,988	92,988	92,988	92,988
	2,434	5,364	1,945	1,104	2,554	14,614
	32,010	36,573	23,173	44,221	13,918	61,144
\$	<u>6,752,915</u>	<u>6,533,084</u>	<u>6,407,475</u>	<u>6,282,843</u>	<u>6,182,094</u>	<u>6,234,445</u>
\$	17,773,454	\$ 24,274,076	\$ 22,463,739	\$ 22,274,307	\$ 11,069,087	\$ 5,093,422
	<u>(1,517,757)</u>	<u>(418,473)</u>	<u>(2,167,680)</u>	<u>(2,358,329)</u>	<u>2,594,348</u>	<u>4,996,692</u>
\$	<u>16,255,697</u>	<u>23,855,603</u>	<u>20,296,059</u>	<u>19,915,978</u>	<u>13,663,435</u>	<u>10,090,114</u>
\$	<u>1,165,194</u>	<u>1,100,755</u>	<u>562,657</u>	<u>145,251</u>	<u>(640,405)</u>	<u>(229,330)</u>

## CITY OF DES PLAINES

NET POSITION BY COMPONENT  
Last Ten Calendar Years  
(accrual basis of accounting)  
December 31, 2016

	2007	2008	2009	2010
Governmental Activities				
Net Investment in Capital Assets	\$ 94,992,957	\$ 100,771,214	\$ 106,143,382	\$ 120,440,844
Restricted	4,848,350	2,049,450	3,610,610	6,995,311
Unrestricted	4,594,811	6,720,164	4,596,148	16,645,504
Total Governmental Activities Net Position	<u>\$ 104,436,118</u>	<u>\$ 109,540,828</u>	<u>\$ 114,350,140</u>	<u>\$ 144,081,659</u>
Business-type Activities				
Net Investment in Capital Assets	\$ 31,379,369	\$ 31,610,951	\$ 30,743,586	\$ 30,365,465
Unrestricted	7,328,004	8,402,586	6,052,456	5,668,609
Total Business-type Activities Net Position	<u>\$ 38,707,373</u>	<u>\$ 40,013,537</u>	<u>\$ 36,796,042</u>	<u>\$ 36,034,074</u>
Primary Government				
Net Investment in Capital Assets	\$ 126,372,326	\$ 132,382,165	\$ 136,886,968	\$ 150,806,309
Restricted	4,848,350	2,049,450	3,610,610	6,995,311
Unrestricted	11,922,815	15,122,750	10,648,604	22,314,113
Total Primary Government Net Position	<u>\$ 143,143,491</u>	<u>\$ 149,554,365</u>	<u>\$ 151,146,182</u>	<u>\$ 180,115,733</u>
Component Unit - Public Library				
Net Investment in Capital Assets	\$ 254,678	\$ 934,174	\$ 894,053	\$ 853,306
Restricted	1,301,241	1,194,920	1,721,606	2,436,136
Total Component Unit Net Position	<u>\$ 1,555,919</u>	<u>\$ 2,129,094</u>	<u>\$ 2,615,659</u>	<u>\$ 3,289,442</u>



2011	2012	2013	2014	2015	2016
\$ 116,287,802	\$ 127,408,625	\$ 141,973,412	\$ 156,111,648	\$ 167,177,408	\$ 182,246,337
9,031,827	10,266,294	14,869,706	7,201,606	7,229,324	8,933,922
36,535,484	47,759,170	51,054,710	66,858,881	(60,572,629)	(72,252,734)
<u>\$ 161,855,113</u>	<u>\$ 185,434,089</u>	<u>\$ 207,897,828</u>	<u>\$ 230,172,135</u>	<u>\$ 113,834,103</u>	<u>\$ 118,927,525</u>
\$ 30,336,201	\$ 29,713,208	\$ 29,853,240	\$ 29,636,936	\$ 33,676,322	\$ 40,123,012
4,180,116	4,379,302	2,456,225	314,200	(2,098,497)	(3,548,495)
<u>\$ 34,516,317</u>	<u>\$ 34,092,510</u>	<u>\$ 32,309,465</u>	<u>\$ 29,951,136</u>	<u>\$ 31,577,825</u>	<u>\$ 36,574,517</u>
\$ 146,624,003	\$ 157,121,833	\$ 171,826,652	\$ 185,748,584	\$ 200,853,730	\$ 222,369,349
9,031,827	10,266,294	14,869,706	7,201,606	7,229,324	8,933,922
40,715,600	52,138,472	53,510,935	67,173,081	(62,671,126)	(75,801,229)
<u>\$ 196,371,430</u>	<u>\$ 219,526,599</u>	<u>\$ 240,207,293</u>	<u>\$ 260,123,271</u>	<u>\$ 145,411,928</u>	<u>\$ 155,502,042</u>
\$ 814,501	\$ 802,700	\$ 862,543	\$ 821,084	\$ 1,260,468	\$ 2,901,897
3,640,135	4,752,691	5,255,505	5,442,215	3,897,801	2,027,042
<u>\$ 4,454,636</u>	<u>\$ 5,555,391</u>	<u>\$ 6,118,048</u>	<u>\$ 6,263,299</u>	<u>\$ 5,158,269</u>	<u>\$ 4,928,939</u>

## CITY OF DES PLAINES

FUND BALANCES, GOVERNMENTAL FUNDS  
Last Ten Calendar Years  
(modified accrual basis of accounting)  
December 31, 2016

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
General Fund				
Reserved	\$ 6,881,187	\$ 8,140,055	\$ 8,811,994	\$ 7,980,992
Unreserved	<u>1,075,635</u>	<u>1,230,256</u>	<u>4,174,231</u>	<u>15,413,074</u>
Nonspendable				
Assigned				
Unassigned				
Total general fund	<u>7,956,822</u>	<u>9,370,311</u>	<u>12,986,225</u>	<u>23,394,066</u>
All Other Governmental Funds				
Restricted	5,148,408	3,967,977	3,804,011	7,372,378
Unassigned, reported in				
Special revenue funds	(6,416,203)	323,048	(5,103,056)	(8,172,234)
Capital projects funds	<u>4,424,994</u>	<u>(4,648,291)</u>	<u>159,406</u>	<u>9,715,559</u>
Restricted				
Assigned				
Unassigned				
Total all other governmental funds	<u>3,157,199</u>	<u>(357,266)</u>	<u>(1,139,639)</u>	<u>8,915,703</u>
Total Fund Balances	<u>\$ 11,114,021</u>	<u>\$ 9,013,045</u>	<u>\$ 11,846,586</u>	<u>\$ 32,309,769</u>

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

<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
\$ 8,162,664	\$ 8,606,709	\$ 9,900,296	\$ 13,885,051	\$ 15,702,116	\$ 20,451,434
-	4,161,818	13,633,108	9,150,000	6,455,851	7,549,251
<u>21,080,549</u>	<u>22,966,242</u>	<u>20,107,209</u>	<u>19,047,354</u>	<u>21,989,485</u>	<u>21,833,793</u>
<u>29,243,213</u>	<u>35,734,769</u>	<u>43,640,613</u>	<u>42,082,405</u>	<u>44,147,452</u>	<u>49,834,478</u>
12,910,496	23,036,807	29,327,541	28,716,570	27,582,864	29,389,921
4,276,184	5,329,691	7,458,773	9,143,577	11,670,656	10,629,560
<u>(8,473,704)</u>	<u>(8,604,223)</u>	<u>(9,898,603)</u>	<u>(11,311,814)</u>	<u>(13,551,392)</u>	<u>(16,617,185)</u>
<u>8,712,976</u>	<u>19,762,275</u>	<u>26,887,711</u>	<u>26,548,333</u>	<u>25,702,128</u>	<u>23,402,296</u>
<u>\$ 37,956,189</u>	<u>\$ 55,497,044</u>	<u>\$ 70,528,324</u>	<u>\$ 68,630,738</u>	<u>\$ 69,849,580</u>	<u>\$ 73,236,774</u>

# CITY OF DES PLAINES

## CHANGE IN FUND BALANCES, GOVERNMENTAL FUNDS Last Ten Calendar Years (modified accrual basis of accounting) December 31, 2016

	2007	2008	2009	2010
<b>Revenues</b>				
Taxes	\$ 38,408,908	\$ 42,454,384	\$ 42,739,121	\$ 46,081,248
Licenses and permits	3,837,256	3,228,153	3,011,551	4,054,683
Intergovernmental	19,744,856	19,669,690	17,142,000	29,252,026
Charges for services	6,115,781	6,830,049	7,908,810	8,622,603
Fines and forfeits	1,431,591	1,676,088	1,764,036	1,852,008
Investment income	816,908	361,361	79,339	71,106
Contributions	-	-	-	654,060
Miscellaneous	463,875	512,978	1,320,926	586,682
Total revenues	70,819,175	74,732,703	73,965,783	91,174,416
<b>Expenditures</b>				
General government	7,585,644	7,545,984	7,464,278	7,074,551
Public safety	30,618,015	34,734,218	35,684,024	34,559,879
Public works	7,831,725	12,093,814	6,680,294	5,526,605
Streets and highways	5,259,528	1,267,168	5,069,135	4,236,133
Economic development	1,962,384	4,450,756	3,292,776	1,761,408
Capital outlay	17,051,160	6,151,506	5,231,568	10,008,489
Debt service				
Principal retirement	6,649,830	7,225,135	7,128,545	6,801,692
Interest and fiscal charges	4,135,049	3,841,376	3,381,316	2,936,858
Payment to Refunding Bond Escrow	-	-	-	-
Total expenditures	81,093,335	77,309,957	73,931,936	72,905,615
Excess (deficiency) of revenues over expenditures	(10,274,160)	(2,577,254)	33,847	18,268,801
<b>Other financing sources (uses)</b>				
Proceeds from issuance of debt	8,125,000	2,575,000	7,598,084	10,055,760
Premium on bond issuance	-	-	131,220	-
Discount on bond issuance	-	-	-	-
Proceeds from sale of capital assets	2,292,098	242,678	-	-
Payments to escrow agent	(7,634,233)	(2,517,611)	(7,315,260)	(9,123,820)
Transfers in	2,604,792	1,325,839	4,670,374	2,860,136
Transfers (out)	(1,790,143)	(1,169,628)	(2,264,714)	(1,597,704)
Total other financing sources (uses)	3,597,514	456,278	2,819,704	2,194,372
<b>Special Items</b>	-	-	-	-
<b>Net Changes in Fund Balance</b>	\$ (6,676,646)	\$ (2,120,976)	\$ 2,853,551	\$ 20,463,173
Debt service as a percentage of noncapital expenditures	16.8%	15.6%	15.3%	15.3%

	2011	2012	2013	2014	2015	2016
\$	57,820,338	\$ 71,792,893	\$ 71,304,087	\$ 71,718,684	\$ 71,308,608	\$ 72,841,989
	3,086,311	2,781,329	2,924,191	3,331,833	2,921,119	3,147,534
	21,250,400	20,898,936	23,322,717	24,709,609	30,460,684	27,605,915
	8,668,091	9,123,875	8,534,072	7,286,945	7,112,363	7,353,189
	1,605,620	1,385,406	1,438,877	1,339,069	1,399,110	1,429,415
	81,711	159,756	-	-	-	302,128
	848,601	96,019	89,592	73,796	189,649	-
	653,854	655,432	630,969	521,110	608,783	387,335
	<u>94,014,926</u>	<u>106,893,646</u>	<u>108,244,505</u>	<u>108,981,046</u>	<u>114,000,316</u>	<u>113,067,505</u>
	14,294,213	23,581,990	23,406,276	23,731,696	23,872,798	24,608,571
	37,181,399	37,425,172	38,330,364	38,839,128	42,089,956	42,554,371
	7,365,744	6,353,113	7,012,067	6,205,746	8,478,634	7,657,446
	5,042,655	5,121,531	6,363,552	6,973,465	14,377,215	4,780,492
	1,195,611	1,435,613	1,855,126	2,238,851	3,353,616	2,349,895
	15,060,979	7,157,384	12,433,717	15,218,577	9,002,696	17,195,681
	7,152,599	5,094,229	9,793,365	8,151,298	4,459,385	3,982,633
	2,362,196	2,087,675	2,036,609	1,325,139	867,944	749,259
	815,034	1,171,690	-	-	-	-
	<u>90,470,430</u>	<u>89,428,397</u>	<u>101,231,076</u>	<u>102,683,900</u>	<u>106,502,244</u>	<u>103,878,348</u>
	<u>3,544,496</u>	<u>17,465,249</u>	<u>7,013,429</u>	<u>6,297,146</u>	<u>7,498,072</u>	<u>9,189,157</u>
	3,540,000	3,765,000	7,945,000	7,620,000	-	-
	40,452	41,230	-	160,309	-	-
	-	-	215,045	-	-	-
	-	-	-	-	-	-
	(3,541,973)	(3,746,382)	-	(15,723,599)	-	-
	3,800,215	2,284,805	10,035,399	11,070,507	8,499,420	6,499,811
	<u>(3,637,516)</u>	<u>(2,269,047)</u>	<u>(10,177,593)</u>	<u>(11,321,949)</u>	<u>(14,778,650)</u>	<u>(12,301,774)</u>
	<u>201,178</u>	<u>75,606</u>	<u>8,017,851</u>	<u>(8,194,732)</u>	<u>(6,279,230)</u>	<u>(5,801,963)</u>
	<u>1,900,746</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
\$	<u>5,646,420</u>	<u>\$ 17,540,855</u>	<u>\$ 15,031,280</u>	<u>\$ (1,897,586)</u>	<u>\$ 1,218,842</u>	<u>\$ 3,387,194</u>
	12.1%	8.5%	13.2%	10.6%	5.8%	5.4%

## CITY OF DES PLAINES

### ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY Last Ten Levy Years December 31, 2016

Levy Year	Equalized Assessed Value				Total Equalized Assessed Value	Total Direct Rate	Total Actual Value
	Residential Property	Commercial Property	Industrial Property	Railroad Property			
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
2014	1,714,411,339	799	3,244,878	1,717,657,016	1.385	5,153,022,578
2015	1,660,821,222	761	3,898,188	1,664,720,171	1.429	4,994,210,455

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

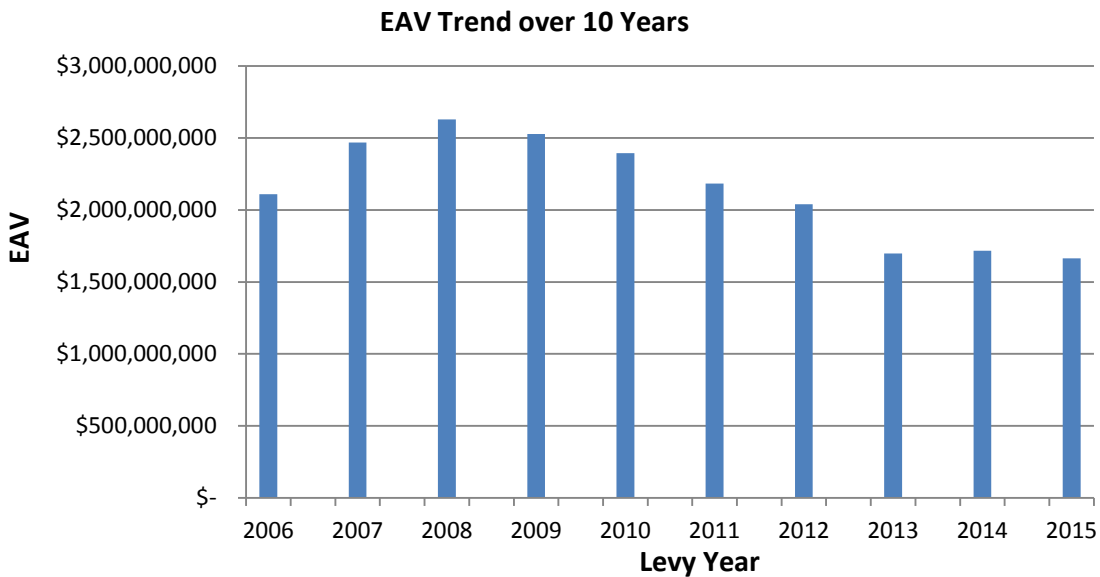
Note: Property is reassessed once every three years. Property is assessed at 1/3 actual value. Tax rates are per \$100 of assessed value. Fiscal year data is based on the previous calendar year's (levy year) assessed value (i.e. data presented for the Fiscal Year ended December 31, 2016 is based on the 2015 assessed value.)

# CITY OF DES PLAINES

## TREND OF EQUALIZED ASSESSED VALUATIONS Last Ten Levy Years December 31, 2016

Levy Year	Equalized Assessed Value	Percentage Increase (Decrease)	Estimated Actual Value	Ratio of Equalized Assessed Value to Estimated Actual Value
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%
2014	1,717,657,016	1.20%	5,152,971,048	33.33%
2015	1,664,720,171	(3.08%)	4,994,160,513	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	
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
2014	10.858	1.384	0.8619	0.0067	0.2579	0.2579	0.365	0.568
2015	11.329	1.429	0.8400	0.0067	0.3094	0.2722	0.373	0.552

*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*



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<u>Water Reclamation District</u>	<u>Park District</u>	<u>School (1)</u>	<u>Other (2)</u>
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
0.430	0.529	7.290	0.292
0.426	0.556	7.659	0.334

**CITY OF DES PLAINES**

MAINE TOWNSHIP  
 ALLOCATION OF THE 2015 PROPERTY TAX LEVY COLLECTED IN 2016  
 December 31, 2016

	2006		2007		2008		2009		2010	
	Tax per \$100 of Equalized Assessed Valuation	Percentage	Tax per \$100 of Equalized Assessed Valuation	Percentage	Tax per \$100 of Equalized Assessed Valuation	Percentage	Tax per \$100 of Equalized Assessed Valuation	Percentage	Tax per \$100 of Equalized Assessed Valuation	Percentage
City of Des Plaines	\$ 0.928	0.129 %	\$ 0.850	0.132 %	\$ 0.831	0.132 %	\$ 0.917	0.139 %	\$ 0.999	0.139 %
Des Plaines Library	0.294	0.041	0.266	0.041	0.260	0.041	0.257	0.039	0.280	0.039
High School District 207	1.826	0.254	1.602	0.250	1.577	0.251	1.617	0.245	1.782	0.248
Oakton College District	0.166	0.023	0.141	0.022	0.140	0.022	0.140	0.021	0.160	0.022
School District 62	2.627	0.366	2.350	0.366	2.329	0.371	2.492	0.378	2.741	0.381
Des Plaines Park District	0.356	0.050	0.312	0.049	0.300	0.048	0.317	0.048	0.338	0.047
Cook County	0.500	0.070	0.458	0.071	0.415	0.066	0.415	0.063	0.423	0.059
Metro Water Reclamation Dist	0.284	0.040	0.263	0.041	0.252	0.040	0.261	0.040	0.274	0.038
N.W. Mosquito Abatement Dist	0.009	0.001	0.008	0.001	0.008	0.001	0.008	0.001	0.009	0.001
Suburban T.B. Sanitarium	0.005	0.001	-	-	-	-	-	-	-	-
Maine Township	0.127	0.018	0.114	0.018	0.112	0.018	0.117	0.018	0.131	0.018
Cook County Forest Preserve	<u>0.057</u>	<u>0.008</u>	<u>0.053</u>	<u>0.008</u>	<u>0.051</u>	<u>0.008</u>	<u>0.049</u>	<u>0.007</u>	<u>0.051</u>	<u>0.007</u>
<b>TOTAL</b>	<u>\$ 7.179</u>	<u>100.00 %</u>	<u>\$ 6.417</u>	<u>100.00 %</u>	<u>\$ 6.275</u>	<u>100.00 %</u>	<u>\$ 6.590</u>	<u>100.00 %</u>	<u>\$ 7.188</u>	<u>100.00 %</u>

Source: Cook County Clerk

2011		2012		2013		2014		2015	
Tax per \$100		Tax per \$100		Tax per \$100		Tax per \$100		Tax per \$100	
of Equalized		of Equalized		of Equalized		of Equalized		of Equalized	
Assessed		Assessed		Assessed		Assessed		Assessed	
Valuation	Percentage	Valuation	Percentage	Valuation	Percentage	Valuation	Percentage	Valuation	Percentage
% \$ 1.089	0.135 %	\$ 1.166	0.130 %	\$ 1.401	0.129 %	\$ 1.385	0.128 %	\$ 1.429	0.126 %
0.300	0.037	0.317	0.035	0.375	0.035	0.365	0.034	0.373	0.033
1.995	0.247	2.215	0.247	2.722	0.251	2.739	0.252	2.901	0.256
0.196	0.024	0.219	0.024	0.256	0.024	0.258	0.024	0.271	0.024
3.107	0.384	3.490	0.389	4.255	0.393	4.293	0.395	4.487	0.396
0.379	0.047	0.425	0.047	0.531	0.049	0.529	0.049	0.556	0.049
0.462	0.057	0.531	0.059	0.560	0.052	0.568	0.052	0.552	0.049
0.320	0.040	0.370	0.041	0.417	0.038	0.430	0.040	0.426	0.038
0.010	0.001	0.011	0.001	0.013	0.001	0.013	0.001	0.011	0.001
-	-	-	-	-	-	-	-	-	-
0.174	0.022	0.168	0.019	0.241	0.022	0.210	0.019	0.254	0.022
<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>0.069</u>	<u>0.006</u>	<u>0.069</u>	<u>0.006</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> %	\$ <u>10.859</u>	<u>100.00</u> %	\$ <u>11.329</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		
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
2014	9.997	1.384	0.8619	0.0067	0.2579	0.2579	0.365	0.568
2015	10.326	1.429	0.8400	0.0067	0.3094	0.2722	0.373	0.552

*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*

*Mount prospect park district*

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<u>Water Reclamation District</u>	<u>Park District</u>	<u>School (1)</u>	<u>Other (2)</u>
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
0.430	0.654	6.403	0.193
0.426	0.681	6.638	0.227

**CITY OF DES PLAINES**

ELK GROVE TOWNSHIP  
 ALLOCATION OF THE 2015 PROPERTY TAX LEVY COLLECTED IN 2016  
 December 31, 2016

	2006		2007		2008		2009		2010	
	Tax per \$100 of Equalized Assessed Valuation	Percentage	Tax per \$100 of Equalized Assessed Valuation	Percentage	Tax per \$100 of Equalized Assessed Valuation	Percentage	Tax per \$100 of Equalized Assessed Valuation	Percentage	Tax per \$100 of Equalized Assessed Valuation	Percentage
City of Des Plaines	\$ 0.928	0.138 %	\$ 0.850	0.141 %	\$ 0.831	0.140 %	\$ 0.917	0.149 %	\$ 0.999	0.146 %
Des Plaines Library	0.294	0.044	0.266	0.044	0.260	0.044	0.257	0.042	0.280	0.041
High School District 214	1.823	0.271	1.621	0.268	1.587	0.267	1.636	0.266	1.839	0.270
Harper College District 512	0.288	0.043	0.260	0.043	0.256	0.043	0.258	0.042	0.295	0.043
School District 59	2.013	0.299	1.791	0.297	1.810	0.305	1.945	0.317	2.129	0.312
Mt. Prospect Park District	0.474	0.070	0.411	0.068	0.407	0.069	0.411	0.067	0.453	0.066
Cook County	0.557	0.083	0.511	0.085	0.466	0.079	0.394	0.064	0.423	0.062
Metro Water Reclamation District	0.284	0.042	0.263	0.044	0.252	0.042	0.261	0.043	0.274	0.040
N.W. Mosquito Abatement District	0.009	0.001	0.008	0.001	0.008	0.001	0.008	0.001	0.009	0.001
Elk Grove Township	0.062	0.009	0.057	0.009	0.059	0.010	0.044	0.007	0.071	0.010
Forest Preserve District	0.005	0.001	-	-	-	-	0.009	0.001	0.051	0.007
<b>TOTAL</b>	<b>\$ 6.737</b>	<b>\$ 1.000</b>	<b>\$ 6.038</b>	<b>\$ 1.000</b>	<b>\$ 5.936</b>	<b>\$ 1.000</b>	<b>\$ 6.140</b>	<b>\$ 1.000</b>	<b>\$ 6.823</b>	<b>\$ 1.000</b>

Source: Cook County Clerk

2011		2012		2013		2014		2015	
Tax per \$100		Tax per \$100		Tax per \$100		Tax per \$100		Tax per \$100	
of Equalized		of Equalized		of Equalized		of Equalized		of Equalized	
Assessed		Assessed		Assessed		Assessed		Assessed	
<u>Valuation</u>	<u>Percentage</u>	<u>Valuation</u>	<u>Percentage</u>	<u>Valuation</u>	<u>Percentage</u>	<u>Valuation</u>	<u>Percentage</u>	<u>Valuation</u>	<u>Percentage</u>
\$ 1.089	0.142 %	\$ 1.166	0.138 %	\$ 1.401	0.140 %	\$ 1.385	0.139 %	\$ 1.429	0.138 %
0.300	0.039	0.317	0.037	0.375	0.037	0.365	0.037	0.373	0.036
2.067	0.269	2.324	0.274	2.768	0.276	2.776	0.278	2.881	0.279
0.334	0.044	0.373	0.044	0.444	0.044	0.451	0.045	0.466	0.045
2.422	0.316	2.673	0.315	3.172	0.317	3.176	0.318	3.291	0.319
0.502	0.065	0.557	0.066	0.657	0.066	0.654	0.065	0.681	0.066
0.462	0.060	0.531	0.063	0.560	0.056	0.568	0.057	0.552	0.053
0.320	0.042	0.370	0.044	0.417	0.042	0.430	0.043	0.426	0.041
0.010	0.001	0.011	0.001	0.013	0.001	0.013	0.001	0.011	0.001
0.106	0.014	0.092	0.011	0.142	0.014	0.111	0.011	0.147	0.014
<u>0.058</u>	<u>0.008</u>	<u>0.063</u>	<u>0.007</u>	<u>0.069</u>	<u>0.007</u>	<u>0.069</u>	<u>0.007</u>	<u>0.069</u>	<u>0.007</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>	<u>\$ 9.998</u>	<u>\$ 1.000</u>	<u>\$ 10.326</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>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Property tax rates (1)				
General corporate	0.6657	0.6149	0.5945	0.6102
Police pension	0.1099	0.1023	0.1023	0.1320
Firefighters' pension	0.0865	0.0783	0.0833	0.1239
General bond retirement	<u>0.0657</u>	<u>0.0539</u>	<u>0.0502</u>	<u>0.0507</u>
Total property tax rates	<u>0.9278</u>	<u>0.8494</u>	<u>0.8303</u>	<u>0.9168</u>
Property tax extensions (2)				
General corporate	\$ 14,046,349	\$ 15,171,900	\$ 15,627,057	\$ 15,428,429
Police pension	2,318,002	2,523,500	2,690,360	3,338,189
Firefighters' pension	1,825,751	1,931,250	2,188,750	3,133,584
General bond retirement	<u>1,385,507</u>	<u>1,331,066</u>	<u>1,320,689</u>	<u>1,281,557</u>
Total property tax extensions	<u>\$ 19,575,609</u>	<u>\$ 20,957,716</u>	<u>\$ 21,826,856</u>	<u>\$ 23,181,759</u>

*Notes:*

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

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

*Source: Cook County Clerk*



<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
0.6569	0.7509	0.7900	0.8906	0.8619	0.8400
0.1436	0.1637	0.1849	0.2518	0.2579	0.3094
0.1461	0.1687	0.1854	0.2518	0.2579	0.2722
<u>0.0515</u>	<u>0.0052</u>	<u>0.0054</u>	<u>0.0067</u>	<u>0.0067</u>	<u>0.0067</u>
<u>0.9981</u>	<u>1.0885</u>	<u>1.1657</u>	<u>1.4009</u>	<u>1.3844</u>	<u>1.4283</u>
\$ 15,731,420	\$ 16,402,317	\$ 16,114,550	\$ 15,115,868	\$ 14,804,849	\$ 13,984,176
3,438,335	3,576,720	3,771,360	4,274,500	4,429,000	5,150,000
3,497,476	3,685,109	3,781,172	4,274,500	4,429,000	4,532,000
<u>1,233,477</u>	<u>113,663</u>	<u>110,670</u>	<u>112,928</u>	<u>114,986</u>	<u>111,594</u>
<u>\$ 23,900,708</u>	<u>\$ 23,777,809</u>	<u>\$ 23,777,752</u>	<u>\$ 23,777,796</u>	<u>\$ 23,777,835</u>	<u>\$ 23,777,770</u>

## CITY OF DES PLAINES

### PRINCIPAL PROPERTY TAX PAYERS Current Calendar Year and Nine Years Ago

December 31, 2016

<u>Taxpayer</u>	<u>Type of Business/Property</u>	2015 Equalized Assessed Valuation	Percentage of Total Taxable Assessed Value	2006 Equalized Assessed Valuation	Percentage of Total Taxable Assessed Value
Midwest Gaming	Real Property	\$ 60,342,824	3.62%		
Universal Oil Products	Chemicals	25,060,632	1.51%	\$ 36,259,952	1.72%
Juno Lighting Inc	Lighting Products	13,851,217	0.83%		
O'Hare Lakes Office Plaza LLC	Office Complex			27,136,528	1.29%
Crane and Norcross	Real Estate	12,928,087	0.78%	12,275,717	0.58%
MLRP Messenger LLC	Real Property	12,861,582	0.77%	12,421,445	0.59%
Colliers Agent GSA DP	Real Property	12,281,082	0.74%		
Abbott Labs	Medical Laboratories	11,144,558	0.67%	16,741,351	0.79%
Individual	Real Property	11,128,771	0.67%		
Apple Reit Ten	Real Property	9,912,153	0.60%		
MR Properties	Real Estate			19,548,872	0.93%
First Washington Mgmt	Real Estate			11,930,817	0.57%
Sysco Food Services	Food Wholesalers			12,597,986	0.60%
C & O Pts	Real Property			16,152,120	0.77%
Marc Realty	Real Property	<u>9,573,317</u>	0.58%	<u>15,278,453</u>	0.72%
<b>Total</b>		<u><u>\$ 179,084,223</u></u>	<u><u>10.76%</u></u>	<u><u>\$ 180,343,241</u></u>	<u><u>8.55%</u></u>

Data Sources

(1) Cook County Clerk

**CITY OF DES PLAINES**

PROPERTY TAX LEVIES AND COLLECTIONS  
Last Ten Calendar Years  
December 31, 2016

<u>Year of Collections</u>	<u>Tax Levy Year</u>	<u>Tax Levy</u>	<u>Loss Levy</u>	<u>Total Tax Levy (1)</u>	<u>Collections of Current Years' Taxes During Fiscal Period</u>	<u>Percentage of Levy Collected Fiscal Period (1)</u>	<u>Collections in Subsequent Fiscal Periods (2)</u>
2007	2006	\$ 18,979,823	\$ 595,786	\$ 19,575,609	\$ 18,807,403	96.08%	\$ 117,975
2008	2007	20,322,682	635,034	20,957,716	20,312,823	96.92%	637,840
2009	2008	21,166,699	660,157	21,826,856	20,281,220	92.92%	1,536,540
2010	2009	22,482,862	698,897	23,181,759	19,900,679	85.85%	2,619,630
2011	2010	23,181,760	718,948	23,900,708	23,930,344	100.12%	(730,289)
2012	2011	23,083,150	694,659	23,777,809	23,423,462	98.51%	(297,398)
2013	2012	23,083,150	694,602	23,777,752	23,119,146	97.23%	179,738
2014	2013	23,083,150	694,646	23,777,796	23,285,158	97.93%	105,305
2015	2014	23,083,150	694,685	23,777,835	23,169,971	97.44%	390,101
2016	2015	23,083,150	694,620	23,777,770	23,444,923	98.60%	-

*Notes:*

*(1) Total tax levy includes 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.*

*(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*

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<u>Total Collections</u>	<u>Ratio of Total Collections to Tax Levy</u>
\$ 18,925,378	96.68%
20,950,663	99.97%
21,817,760	99.96%
22,520,309	97.15%
23,200,055	97.07%
23,126,064	97.26%
23,298,884	97.99%
23,390,463	98.37%
23,560,072	99.08%
23,444,923	98.60%

# CITY OF DES PLAINES

## PROPERTY VALUE AND CONSTRUCTION Last Ten Calendar Years December 31, 2016

Calendar Year	<u>Construction (1)</u>						Total Value of All Construction (including Commercial)
	Property Value (2)	<u>Single Family</u>		<u>Multi Family</u>			
		Number of Permits	Value	Number of Permits	Value		
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	
2015	5,153,023	9	5,384	0	-	56,344	
2016	4,994,210	28	9,084	2	7,915	91,643	

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.

## CITY OF DES PLAINES

### TAXABLE SALES BY CATEGORY Last Ten Calendar Years December 31, 2016

#### Taxable Sales

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

#### Municipal Tax Receipts

General merchandise	\$ 723,492	\$ 715,069	\$ 682,452	\$ 771,336	\$ 650,391
Food stores	1,115,303	1,151,844	1,105,958	1,095,458	1,257,449
Drinking & eating places	816,854	754,030	699,528	724,125	729,854
Apparel	33,376	40,609	36,675	36,512	198,196
Furniture, household & radio	80,037	52,031	33,094	31,404	32,582
Lumber, building & hardware	360,365	332,721	226,396	260,546	269,916
Automotive & filling stations	2,169,952	2,084,534	1,717,753	1,625,739	1,828,791
Drugs and miscellaneous retail	951,138	963,537	905,166	1,251,284	761,144
Agriculture & all others	1,387,117	1,349,981	1,424,029	1,437,307	1,616,740
Manufacturers	842,440	849,533	694,861	616,291	469,636
<b>Total</b>	<b>\$ 8,480,072</b>	<b>\$ 8,293,888</b>	<b>\$ 7,525,910</b>	<b>\$ 7,850,002</b>	<b>\$ 7,814,699</b>
City direct sales tax rate	1.00%	1.00%	1.00%	1.00%	1.00%

Source: Illinois Department of Revenue

Notes:

- (1) Effective July 1, 2006 the Home Rule Tax is one percent.
- (2) Distribution of 1% municipal tax used to estimate taxable sales.
- (3) In 2013 the City received in excess of \$3 million as the result of an Illinois Department of Revenue audit on a local business.

	2012	2013	2014	2015	2016
\$	82,451,794	\$ 84,312,307	\$ 93,275,606	\$ 100,099,051	\$ 35,167,584
	127,806,151	124,996,898	120,614,055	108,321,547	163,688,429
	74,194,121	73,037,730	72,325,651	76,909,780	102,934,518
	2,996,674	2,642,396	2,862,560	2,716,360	2,360,370
	2,632,102	3,223,992	3,601,935	4,973,366	5,990,700
	31,747,475	32,356,025	40,960,823	38,800,644	38,026,972
	211,968,095	199,656,247	200,108,721	198,372,235	213,047,106
	106,200,248	495,625,797	316,973,432	245,409,242	260,867,328
	213,750,496	224,023,628	236,368,575	269,355,814	281,690,560
	23,956,283	8,232,122	34,309,375	29,507,385	35,014,657
<u>\$</u>	<u>877,703,439</u>	<u>\$ 1,248,107,142</u>	<u>\$ 1,121,400,733</u>	<u>\$ 1,074,465,424</u>	<u>\$ 1,138,788,224</u>
	1.00%	1.00%	1.00%	1.00%	1.00%

\$	824,518	\$ 843,123	\$ 932,756	\$ 1,000,991	\$ 351,676
	1,278,062	1,249,969	1,206,141	1,083,215	1,636,884
	741,941	730,377	723,257	769,098	1,029,345
	29,967	26,424	28,626	27,164	23,604
	26,321	32,240	36,019	49,734	59,907
	317,475	323,560	409,608	388,006	380,270
	2,119,681	1,996,562	2,001,087	1,983,722	2,130,471
	1,062,002	4,956,258	3,169,734	2,454,092	2,608,673
	2,137,505	2,240,236	2,363,686	2,693,558	2,816,906
	239,563	82,321	343,094	295,074	350,147
<u>\$</u>	<u>8,777,034</u>	<u>\$ 12,481,071</u>	<u>\$ 11,214,007</u>	<u>\$ 10,744,654</u>	<u>\$ 11,387,882</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, 2016

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
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	-
2015	560,000	20,025,000	11,510,688	4,775,000	175,000	361,705	-
2016	475,000	17,670,000	11,866,615	3,550,000	162,500	296,572	-

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>
\$ 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
-	-	37,407,393	1.13%	641	3,319,219	58,364
-	-	34,020,687	1.02%	583	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

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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
2006	56,945	\$ 2,099,449,704	\$ 95,945,000	4.57	\$ 1,685
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
2015	58,364	1,717,657,016	36,870,688	2.15	631.74
2016	58,364	1,664,720,171	33,762,827	2.03	578.49

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
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
2015	4,459,385	867,944	5,327,329	93,056,764	5.72
2016	3,982,633	749,259	4,731,892	91,341,493	5.18

*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, 2016

Governmental Unit	Outstanding Bonds (1)	Applicable to the City Percent (2)	Amount
City of Des Plaines	\$ 33,762,827	100.00%	\$ 33,762,827
Cook County	\$ 3,313,286,750	1.25%	\$ 41,416,084
Cook County Forest Preserve	168,620,000	1.25%	2,107,750
Water Reclamation District	2,802,575,327	1.27%	35,592,707
Des Plaines Park District	3,573,015	94.63%	3,381,144
Elk Grove Park District	6,510,000	0.71%	46,221
Mt. Prospect Park District	21,355,000	18.85%	4,025,418
School District No. 26	10,000,000	7.69%	769,000
School District No. 57	8,675,000	1.38%	119,715
School District No. 59	18,005,000	11.11%	2,000,356
School District No. 62	89,125,000	90.75%	80,880,938
School District No. 64	11,405,000	0.00%	68
High School District 207	2,855,000	35.00%	999,250
High School District 214	53,830,000	3.78%	2,034,774
Community College District 512	148,515,000	1.69%	2,509,904
Community College District 535	30,895,000	7.41%	2,289,320
Subtotal - Overlapping Debt	6,689,225,092		178,172,647
<b>Total Direct and Overlapping Debt</b>	<b>\$ 6,722,987,919</b>		<b>\$ 211,935,474</b>

*Notes:*

*(1) Outstanding principal of general obligation bonds as of November 8, 2016. 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 2015 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

Fiscal Year	Population (1)	Personal Income (thousands) (1)	Median Household Income (1)	Per Capita Income (1)	Median Age (1)	Education Level in Years of Schooling	School Enrollment (2)	Unemploy- ment Rate (3)
2007	58,710	\$ 3,149,087	\$ 53,638	\$ 24,146	39.7	12+	8,384	4.5
2008	58,710	3,149,087	53,638	24,146	39.7	12+	8,394	5.8
2009	58,710	3,149,087	53,638	24,146	39.7	12+	8,414	10.1
2010	58,364	3,319,219	56,871	27,562	42.0	12+	8,540	10.3
2011	58,364	3,319,219	56,871	27,562	42.0	12+	8,000	9.2
2012	58,364	3,319,219	56,871	27,562	42.0	12+	8,490	8.4
2013	58,364	3,319,219	56,871	27,562	42.0	12+	7,836	8.0
2014	58,364	3,319,219	56,871	27,562	42.0	12+	8,516	4.9
2015	58,364	3,319,219	56,871	27,562	42.0	12+	8,465	5.1
2016	58,364	3,319,219	56,871	27,562	42.0	12+	8,442	5.2

Data Sources

(1) U.S. Census Bureau.

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

(3) Bureau of Labor Statistics

## CITY OF DES PLAINES

### PRINCIPAL EMPLOYERS Current Year and Nine Years Ago December 31, 2016

Employer	2016			2007		
	Employees (1)	Rank	Percentage City Total Employment	Employees	Rank	Percentage City Total Employment
Universal Oil Products	1500	1	3.8%	2,000	1	4.8%
Rivers Casino	1460	2	3.7%			
Swissport USA	1000	3	2.5%			
Holy Family	1040	4	2.6%	560	9	1.4%
Oakton Community College	990	5	2.5%	990	2	2.4%
LSG SkyChefs	900	6	2.3%			
Sysco Food Services	650	7	1.6%	650	7	1.6%
Wheels Inc.	650	8	1.6%	575	8	1.4%
W-Diamond Group	550	9	1.4%			
Abbot Molecular	500	10	1.3%			
Juno Lighting				700	6	1.7%
Hart Schaffner & Marx				882	3	2.1%
Littel Fuse				797	4	1.9%
Lawson Products				525	10	1.3%
Ciba Vision				700	5	1.7%
<b>Total</b>	<u>9,240</u>		<u>23.4%</u>	<u>8,379</u>		<u>20.3%</u>
<b>City Total Employment (2)</b>	<u>39,502</u>		<u>23.4%</u>	<u>41,356</u>		<u>20.3%</u>

(1) 2015 Illinois Manufacturer's Directory, 2015 Illinois Services Directory, and Individual Employers Approximations

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

**CITY OF DES PLAINES**

FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION  
Last Ten Calendar Years  
December 31, 2016

		2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Function/Program</b>	<i>Note</i>										
Legislative (merged in 2009)	(1)	1.00	1.00	-	-	-	-	-	-	-	-
City Clerk (merged in 2009)	(1)	3.00	3.00	-	-	-	-	-	-	-	-
Elected Office (new dept. in 2009)	(1)	-	-	3.00	3.00	2.75	3.00	3.00	3.00	3.25	3.25
General Government											
Manager's Department		17.00	20.00	20.50	16.50	16.75	16.75	14.75	14.75	15.50	16.00
Finance		15.75	14.50	14.00	14.00	14.00	14.00	14.00	15.75	16.25	16.25
Police											
Officers		105.00	105.00	105.00	96.00	95.00	95.00	95.00	96.00	97.00	97.00
Civilians		27.25	25.75	25.00	22.00	21.00	21.00	21.00	21.00	21.00	21.00
Fire											
Firefighters and officers		97.00	98.00	98.00	96.00	96.00	96.00	96.00	96.00	96.00	96.00
Civilians		6.50	6.50	6.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50
Public Works and Engineering											
Engineering (merged in 2009)	(1)	13.50	9.75	-	-	-	-	-	-	-	-
Public works (merged in 2009)	(1)	90.50	94.75	-	-	-	-	-	-	-	-
Public Works & Engineering (new)	(1)	-	-	96.25	82.25	79.25	79.25	79.50	80.00	81.00	81.00
Community Development		18.75	22.00	20.00	18.00	16.00	16.00	16.00	16.00	18.25	18.25
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)	(2)	-	-	-	-	-	-	22.75	23.00	21.00	-
Subtotal		396.25	401.25	389.25	351.25	344.25	344.50	365.50	369.00	372.75	352.25
Library		<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>	<u>64.60</u>	<u>65.10</u>
Total		<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>	<u>437.35</u>	<u>417.35</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 and it was disbanded in January 2015.

## CITY OF DES PLAINES

### OPERATING INDICATORS BY FUNCTION / PROGRAMS Last Ten Calendar Years December 31, 2016

<u>Function/Program</u>	2007	2008	2009	2010
<b>Police</b>				
Physical arrests (1)	2,679	2,726	2,783	1,629
Compliance and Parking Violations	15,290	18,250	18,823	14,926
Traffic violations	16,119	12,756	12,688	11,461
<b>Fire</b>				
Emergency Medical Calls	5,038	5,209	4,735	4,946
Fires/Reports of Fires	2,610	2,502	993	932
Other Emergency Calls			1,131	1,106
Inspections	7,226	6,878	7,137	1,534
<b>Engineering</b>				
Street resurfacing (square yards)	37,000	76,000	49,000	55,400
Sidewalks removed & replaced (sq ft)	21,000	50,000	84,000	43,500
Snow and ice control (tons of salt)	5,026	8,427	4,292	3,782
<b>Community Development</b>				
Building permits issued	3,267	2,988	2,756	8,229
Overall inspection totals	14,463	14,632	13,871	16,010
<b>Health</b>				
Home health visits	90	134	111	121
<b>Library</b>				
Volumes in collection (3)	313,696	305,471	355,095	257,661
Total volumes borrowed	1,088,404	1,111,558	1,261,249	1,171,013
Total annual attendance	509,668	500,618	542,092	582,096
Total resident library cards still active	35,427	35,266	35,728	33,135
<b>Water</b>				
Water Main Breaks	128	101	89	110
New Connections	65	13	30	65
Number of Consumers	16,983	17,387	17,399	17,441
Miles of Water Mains	241	245	247	247
Average daily consumption (gallons)	7,639,118	7,913,061	6,894,000	6,761,000
Daily average consumption per Capita (gallons)	130	135	117	115
Number of Fire Hydrants	2,615	2,628	2,609	2,679
<b>Sewer</b>				
Sanitary sewer replaced (linear feet)	300	154	1,022	88
Sanitary sewer televised (linear feet)	5,187	14,270	24,951	42,322
Sanitary sewer cleaned (linear feet)	267,301	93,679	177,439	204,470
Sanitary sewer lined (linear feet)	-	6,635	-	12,037
<b>Municipal Parking Lots</b>				
Metra (2)	47,225	50,563	47,794	54,294
City Owned (2)	34,714	33,612	25,581	17,275
<b>Transit</b>				
Taxi Cab cards issued (4)	324	305	296	275
Number of participants in the Subsidized Taxi Voucher Program (4)	-	-	-	-
Handicapped Placards issued	67	62	66	75

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.



2011	2012	2013	2014	2015	2016
1,279	2,208	1,150	892	812	885
16,228	13,656	12,871	10,973	7,234	7,407
7,309	6,643	5,506	4,590	3,188	2,083
5,244	5,451	5,382	5,647	5,842	6,060
1,243	1,084	1,078	1,169	1,075	979
1,103	1,060	1,073	1,087	983	955
4,962	4,304	4,312	4,177	3,534	3,233
51,500	29,700	60,903	167,781	113,115	17,016
37,000	69,300	141,162	173,959	101,456	54,635
1,781	1,143	6,350	4,290	5,600	2,983
3,366	2,679	2,956	2,758	2,766	3,105
15,804	15,804	12,760	13,079	11,400	12,304
119	91	79	73	87	101
263,736	257,406	255,559	251,361	310,678	318,170
1,176,477	1,173,113	1,133,142	1,106,219	1,022,448	1,111,614
598,389	575,017	564,257	549,244	590,284	496,845
33,784	34,440	34,347	34,845	33,270	33,805
96	170	141	105	80	124
40	20	19	36	8	23
17,036	17,033	17,058	17,072	17,068	17,091
221	221	221	221	225	225
6,752,000	7,188,000	6,718,635	6,349,202	6,528,887	6,651,885
116	123	115	109	112	114
2,681	2,350	2,350	2,350	2,350	2,350
65	341	1,164	470	372	339
43,406	37,310	27,733	15,187	21,035	10,231
131,496	179,998	98,777	91,738	121,331	98,420
3,420	10,045	-	3,102	174	2,111
43,257	49,669	48,591	44,105	52,965	54,158
17,283	20,173	36,218	54,513	37,908	34,710
-	-	-	-	-	-
780	938	1,076	1,124	1,112	1,109
66	40	45	23	18	19

## CITY OF DES PLAINES

### CAPITAL ASSETS STATISTICS BY FUNCTION Last Ten Calendar Years December 31, 2016

<u>Function/Program</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
<b>Police</b>										
Station	1	1	1	1	1	1	1	1	1	1
Sworn Police Officers	105	105	105	94	93	93	93	93	92	96
<b>Fire Stations</b>										
Station	3	3	3	3	3	3	3	3	3	3
Sworn Firefighters	102	102	98	95	92	92	92	92	92	92
<b>Other Public Works</b>										
Streets (miles)*	145	145	145	145	145	145	145	145	145	145
Streetlights	680	680	732	738	722	723	723	787	787	787
Traffic Signals	1	2	2	2	2	2	2	1	4	3
<b>Water</b>										
Water mains (miles)	237	245	247	247	221	221	221	221	225	225
Fire hydrants	2,615	2,628	2,609	2,679	2,681	2,350	2,350	2,350	2,350	2,350
Storage capacity (millions of gallons)	19	19	19	19	19	19	19	19	19	19

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

Source: Various City departments

## CITY OF DES PLAINES

WATER SOLD  
Last Ten Calendar Years  
(in thousands)  
December 31, 2016

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	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
<u>Gallons sold</u>				
Residential	1,435,498	1,357,309	1,332,430	1,280,062
Commercial	710,984	598,489	495,175	516,464
Industrial	<u>241,646</u>	<u>253,998</u>	<u>144,665</u>	<u>128,891</u>
Totals	<u>2,388,128</u>	<u>2,209,796</u>	<u>1,972,270</u>	<u>1,925,417</u>
Water rate per 1,000 gallons	\$3.88	\$4.08	\$4.32	\$4.56
Storm Sewer rate per 1,000 gallons	\$0.76	\$0.76	\$0.76	\$1.20

Source: *City of Des Plaines Water Consumption Report*

<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
1,274,242	1,448,567	1,258,528	1,252,771	1,224,260	1,154,518
494,478	486,179	470,197	493,685	535,931	536,218
<u>131,321</u>	<u>112,454</u>	<u>113,281</u>	<u>119,147</u>	<u>102,580</u>	<u>112,064</u>
<u>1,900,041</u>	<u>2,047,200</u>	<u>1,842,006</u>	<u>1,865,603</u>	<u>1,862,771</u>	<u>1,802,800</u>
\$4.56	\$5.45	\$5.82	\$6.25	\$6.75	\$6.75
\$1.20	\$1.20	\$1.20	\$1.20	\$0.76	\$0.76

# CITY OF DES PLAINES

## MISCELLANEOUS STATISTICS

December 31, 2016

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Date of incorporation (Town of Rand)	1857
Form of government	City Manager
Building permits:	
Permits issued	3,105
Estimated value	\$91,643,460
Fire protection:	
Number of stations	3
Number of sworn firefighters	92
Police protection:	
Number of stations	1
Number of sworn police officers	96
Municipal water plant	
Number of consumers	17,091
Daily average consumption (gallons)	6,651,885
Daily average consumption per capita (gallons)	114
Miles of water mains	225
Number of fire hydrants	2,350
Employees as of December 31	
Full time	337.00
Part time	15.25
Total	<u>352.25</u> (1)
Population	
1880	818
1890	986
1900	1,666
1910	2,348
1920	3,451
1930	8,798
1940	9,518
1950	14,994
1960	34,886
1970	57,237
1980	53,568
1990	53,414
2000	56,945
2007	58,710
2010	58,364

# CITY OF DES PLAINES

## MISCELLANEOUS STATISTICS

December 31, 2016

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### Area and land use - City of Des Plaines

Total area December 31, 2016 - 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%
Combined with Commercial Services		
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.*

**2017 DISCLOSURE**

**Relating to**

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

**CUSIP NUMBER 250217**

**\$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:**

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City of Des Plaines  
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Des Plaines, Illinois 60016-4498**

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**5/1/17**

### 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 + (-)
2007 .....	\$8,333,032	\$5,517,995	\$13,851,027	9.92%(3)
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%
2015 .....	11,416,347	5,878,898	17,295,245	(5.73%)
2016 .....	10,845,159	5,790,424	16,635,583	(3.81%)
Growth from 2007 to 2016 .....				20.10%

- 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 2007 percentage is based on a 2006 sales tax receipts of \$12,600,721.

### DEBT INFORMATION

#### General Obligation Debt – By Issue(1)

Issue Date	Issue Name	Principal Outstanding	Supported By
10/23/2007 .....	General Obligation Refunding Bonds, Series 2007A.....	\$ 1,690,000	Property Taxes/ Sales & Utility Taxes/Fees
10/23/2007 .....	General Obligation Refunding Bonds, Series 2007B.....	475,000	Property Taxes/TIF Revenues
4/1/2008 .....	Taxable General Obligation Corporate Purpose Refunding Bonds, Series 2008A .....	550,000	TIF Revenues
11/3/2009 .....	Taxable General Obligation Refunding Bonds, Series 2009A.....	2,239,892	TIF Revenues
11/3/2009 .....	General Obligation Refunding Bonds, Series 2009B.....	400,000	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 .....	2,100,000	TIF Revenues
12/18/2012 .....	General Obligation Refunding Bonds, Series 2012 .....	1,930,000	TIF Revenues
12/17/2013 .....	Taxable General Obligation Refunding Bonds, Series 2013 .....	5,030,000	TIF Revenues
9/4/2014 .....	Taxable General Obligation Refunding Bonds, Series 2014A.....	1,460,000	TIF Revenues
9/4/2014 .....	General Obligation Refunding Bonds, Series 2014B.....	4,115,000	TIF Revenues, Sales and Utility Taxes/Fees
Total .....		\$30,045,652	
Less Self Supporting .....		\$(29,570,652)	
Tax Supported Debt.....		\$ 475,000	

Note: (1) Source: the City.



**General Obligation Bonded Debt(1)**  
(Principal Only)

Calendar Year	Total	Self- Supporting	Tax Supported	Cumulative Retirement	
				Amount	Percent
2017	\$ 4,543,556	\$ 4,458,556	\$ 85,000	\$ 85,000	17.89%
2018	5,204,198	5,114,198	90,000	175,000	36.84%
2019	4,331,162	4,236,162	95,000	270,000	56.84%
2020	4,455,637	4,355,637	100,000	370,000	77.89%
2021	3,352,360	3,247,360	105,000	475,000	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	\$30,045,653	\$29,570,653	\$475,000		

Note: (1) Source: the City.

**Detailed Overlapping Bonded Debt(1)**

	Total Debt(2)	Applicable to the City	
		Percent(3)	Amount
<b>Schools:</b>			
School District No. 26	\$ 10,000,000	7.69%	\$ 769,000
School District No. 57	8,675,000	1.38%	119,715
School District No. 59	18,005,000	11.11%	2,000,356
School District No. 62	89,125,000	90.75%	80,880,938
School District No. 64	11,405,000	0.00%(4)	68
High School District No. 207	2,855,000	35.00%	999,250
High School District No. 214	53,830,000	3.78%	2,034,774
Harper Community College District Number 512	148,515,000	1.69%	2,509,904
Oakton Community College District Number 535	30,895,000	7.41%	2,289,320
Total Schools			\$ 91,603,323
<b>Other:</b>			
Cook County	3,313,286,750	1.25%	\$ 41,416,084
Cook County Forest Preserve District	168,620,000	1.25%	2,107,750
Metropolitan Water Reclamation District	2,802,575,327	1.27%	35,592,707
Elk Grove Park District	6,510,000	0.71%	46,221
Des Plaines Park District	3,573,015	94.63%	3,381,144
Mt. Prospect Park District	21,355,000	18.85%	4,025,418
Total Other			\$ 86,569,324
Total Overlapping Debt			\$178,172,647

- Notes: (1) Source: Cook County Clerk.  
(2) As of November 8, 2016.  
(3) Percentage based on 2015 EAV's, the most current available.  
(4) Percentage equals 0.0006%.

**Statement of Bonded Indebtedness(1)**

	Amount Applicable	Ratio To		Per Capita (2010 Census 58,364)
		Equalized Assessed	Estimated Actual	
City EAV of Taxable Property, 2015 .....	\$1,664,720,171	100.00%	33.33%	\$28,523.07
Estimated Actual Value, 2015 .....	\$4,994,160,513	300.00%	100.00%	\$85,569.20
Total Direct Bonded Debt.....	\$ 30,045,652	1.80%	0.60%	\$ 514.80
Less: Self Supporting .....	(29,570,652)	(1.78%)	(0.59%)	(506.66)
Net Direct Debt .....	\$ 475,000	0.03%	0.01%	\$ 8.14
Overlapping Bonded Debt:(2)				
Schools .....	\$ 91,603,323	5.50%	1.83%	\$ 1,569.52
Other .....	86,569,324	5.20%	1.73%	1,483.27
Total Overlapping Bonded Debt.....	\$ 178,172,647	10.70%	3.57%	\$ 3,052.78
Total Direct and Overlapping Bonded Debt .....	\$ 178,647,647	10.73%	3.58%	\$ 3,060.92

Notes: (1) Source: Cook County Clerk.  
(2) As of November 8, 2016.

**PROPERTY ASSESSMENT AND TAX INFORMATION**

**City Equalized Assessed Valuation(1)**

Property Class	Levy Years				
	2011	2012	2013(2)	2014	2015
Residential .....	\$1,320,637,690	\$1,219,894,729	\$ 942,676,584	\$ 961,581,004	\$ 934,531,442
Farm .....	0	0	0	106,965	104,736
Commercial .....	378,063,481	347,645,864	331,963,949	453,409,003	435,494,200
Industrial.....	483,073,522	469,850,112	419,594,491	299,315,166	290,691,605
Railroad.....	2,558,611	2,548,662	3,052,320	3,244,878	3,898,188
Total .....	\$2,184,333,304	\$2,039,939,367	\$1,697,287,344	\$1,717,657,016	\$1,664,720,171
Percent Change +(-)...	(8.78%)	(6.61%)	(16.80%)	1.20%	(3.08%)

Notes: (1) Source: Cook County Clerk.  
(2) Levy year was a triennial reassessment year.  
(3) Percentage change based on 2010 EAV of \$2,394,677,264.

**Equalized Assessed Valuation by Township(1)**

	2015			
	Elk Grove	Maine	Wheeling	Total
Real Estate Property .....	\$277,094,778	\$1,348,044,855	\$35,681,589	\$1,660,821,222
Pollution Control District .....	0	761	0	761
Railroad Property .....	0	3,898,188	0	3,898,188
Total .....	\$277,094,778	\$1,351,943,804	\$35,681,589	\$1,664,720,171

Note: (1) Source: Cook County Clerk.

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

City Rates:	Levy Years				
	2011	2012	2013	2014	2015
General Corporate(2)	\$1.0833	\$1.1603	\$ 1.3942	\$ 1.3777	\$ 1.4216
Public Library	0.3000	0.3170	0.3750	0.3650	0.3730
Bonds and Interest	<u>0.0052</u>	<u>0.0054</u>	<u>0.0067</u>	<u>0.0067</u>	<u>0.0067</u>
Total City Rates(3)	\$1.3890	\$1.4830	\$ 1.7760	\$ 1.7490	\$ 1.8010
Cook County	0.4620	0.5310	0.5600	0.5680	0.5520
Cook County Forest Preserve	0.0580	0.0630	0.0690	0.0690	0.0690
Metropolitan Water Reclamation District	0.3200	0.3700	0.4170	0.4300	0.4260
Maine Township	0.1490	0.1680	0.2100	0.2100	0.2200
School District Number 62	3.1070	3.4900	4.2550	4.2930	4.4870
High School District Number 207	1.9950	2.2150	2.7220	2.7390	2.9010
Community College Number 535	0.1960	0.2190	0.2560	0.2580	0.2710
Des Plaines Park District	0.3790	0.4250	0.5310	0.5290	0.5560
Other Districts	<u>0.0350</u>	<u>0.0110</u>	<u>0.0440</u>	<u>0.0130</u>	<u>0.0460</u>
Total Tax Rates(4)	\$8.0900	\$8.9750	\$10.8400	\$10.8580	\$11.3290

- 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 63.1 of the City's 2015 EAV, the most recent available.

**City Tax Levies and Collections(1)**

Levy Year	Coll. Year	Taxes Levied(3)(4)	Total Collections(2)	
			Amount(4)	Percent
2011	2012	\$23,181,760	23,779,830	102.58%
2012	2013	23,083,150	23,797,784	103.10%
2013	2014	23,083,150	23,527,150	101.92%
2014	2015	23,083,150	23,469,246	101.67%
2015	2016	23,083,150	23,771,775	102.98%

- 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.

**Large City Taxpayers(1)**

Taxpayer Name	Product/Business	2015 EAV(2)
Midwest Gaming	Real Property	\$ 60,342,824
Universal Oil Products	Chemicals Manufacturer, Catalysts Research and Development	25,060,632
Juno Lighting	Lighting	13,851,217
Crane and Norcross	Attorneys at Law	12,928,087
MLRP Messenger LLC	Real Property	12,861,582
Colliers Agent GSA DP	Real Property	12,281,082
Abbott Labs	Medical Laboratories	11,144,558
Individual	Real Property	11,128,771
Apple Reit Ten	Real Property	9,912,153
Marc Realty	Real Property	<u>9,573,317</u>
Total		\$179,084,223
Ten Largest as a Percent of the City's 2015 EAV (\$1,664,720,171)		10.76%

- 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 2015 EAV is the most current available.

## FINANCIAL INFORMATION

### Statement of Net Position Primary Government Governmental Activities

Audited As of December 31

	2011	2012	2013	2014	2015
<b>ASSETS:</b>					
Cash and Investments .....	\$ 39,425,620	\$ 65,799,739	\$ 75,050,932	\$ 77,184,331	\$ 83,972,481
Restricted Cash and Investments .....	0	0	8,087,311	0	0
Receivables, Net of Allowances for Uncollectibles:					
Property Taxes .....	29,847,630	27,673,960	28,563,366	28,055,169	28,512,667
Accounts .....	4,596,737	4,736,908	4,612,787	4,406,573	1,455,107
Accrued Interest .....	1,057	7,530	3,156	271,403	303,011
Other Taxes .....	1,402,193	1,336,337	1,382,230	1,321,120	1,284,854
Other .....	956,093	561,986	313,809	210,625	238,779
Prepaid Expenses .....	3,261,796	3,183,227	3,116,909	4,457,014	4,765,089
Due from Other Governments .....	6,817,175	6,884,906	6,940,345	8,797,909	11,833,506
Internal Balances .....	(477,562)	(484,170)	321,812	2,140,123	2,549,903
Deferred Charges .....	695,100	0	0	0	0
Net Pension Asset .....	1,244,308	1,442,870	1,510,687	2,017,516	0
Capital Assets Not Being Depreciated .....	72,860,664	72,860,664	73,029,456	75,888,795	84,272,100
Capital Assets, Being Depreciated .....	111,326,234	112,291,363	117,773,463	121,357,653	120,157,580
Total Assets .....	<u>\$271,957,045</u>	<u>\$296,295,320</u>	<u>\$320,706,263</u>	<u>\$326,108,231</u>	<u>\$339,345,077</u>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>					
Deferred Amounts from Refunding of Debt .....	\$ 0	\$ 693,335	\$ 523,867	\$ 541,551	\$ 442,358
Deferred Pension Outflows .....	0	0	0	0	19,732,357
Total Deferred Outflows of Resources .....	\$ 0	\$ 693,335	\$ 523,867	\$ 541,551	\$ 20,174,715
<b>LIABILITIES:</b>					
Accounts Payable .....	\$ 10,757,252	\$ 18,982,994	\$ 21,202,698	\$ 20,048,298	\$ 21,635,661
Accrued Liabilities .....	135,308	99,888	122,264	128,938	145,293
Accrued Payroll .....	1,236,079	1,277,237	1,583,289	1,596,331	1,651,427
Accrued Interest Payable .....	180,585	175,095	183,205	83,013	69,945
Unearned Revenue .....	29,845,858	264,466	430,032	229,379	168,026
Deposits Payable .....	47,754	46,382	51,687	143,074	137,299
Non Current Liabilities:					
Due Within One Year .....	6,416,581	7,435,057	14,436,802	6,116,575	5,574,297
Due in More Than One Year .....	61,482,515	55,779,769	46,962,691	40,258,677	185,659,144
Total Liabilities .....	<u>\$110,101,932</u>	<u>\$ 84,060,888</u>	<u>\$ 84,972,668</u>	<u>\$ 68,604,285</u>	<u>\$215,041,092</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>					
Deferred Property Tax Revenue .....	\$ 0	\$ 27,493,679	\$ 28,359,634	\$ 27,873,362	\$ 28,381,831
Deferred Pension Inflows .....	0	0	0	0	2,262,766
Total Deferred Inflows of Resources .....	\$ 0	\$ 27,493,679	\$ 28,359,634	\$ 27,873,362	\$ 30,644,597
<b>NET POSITION:</b>					
Investment in Capital Assets, Net of Related Debt .....	\$116,287,802	\$127,408,625	\$141,973,412	\$156,111,648	\$167,177,408
Restricted For:					
Streets and Highways .....	1,768,708	1,596,392	454,201	554,995	364,274
Public Safety .....	2,266,416	2,347,517	2,104,739	2,024,830	1,582,538
Economic Development .....	4,756,587	6,034,197	3,941,385	4,247,317	4,895,473
Debt Service .....	240,116	288,188	8,369,381	374,464	387,039
Unrestricted .....	36,535,484	47,759,170	51,054,710	66,858,881	(60,572,629)
Total Net Position .....	<u>\$161,855,113</u>	<u>\$185,434,089</u>	<u>\$207,897,828</u>	<u>\$230,172,135</u>	<u>\$113,834,103</u>

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

	Audited Year Ended December 31				
	2011	2012	2013	2014	2015
<b>FUNCTIONS/PROGRAMS</b>					
<b>PRIMARY GOVERNMENT:</b>					
General Government.....	\$(10,479,088)	\$(20,102,402)	\$(20,085,342)	\$(20,017,468)	\$(20,789,844)
Public Safety .....	(33,959,029)	(33,760,877)	(35,284,095)	(35,760,246)	(42,539,595)
Public Works .....	(4,465,290)	(3,644,680)	(3,551,642)	(4,407,553)	(6,760,016)
Streets and Highways .....	(2,012,893)	(3,459,609)	(6,902,428)	(8,874,819)	(1,978,260)
Economic Development .....	(1,161,997)	(1,553,448)	(1,906,584)	1,170,934	(1,004,399)
Interest .....	(3,274,304)	(3,046,102)	(2,709,144)	(1,679,828)	(1,459,709)
Total Governmental Activities(1) .....	<u>\$(55,352,601)</u>	<u>\$(65,567,118)</u>	<u>\$(70,439,235)</u>	<u>\$(69,568,980)</u>	<u>\$(74,531,823)</u>
<b>GENERAL REVENUES:</b>					
Taxes:					
Property.....	\$ 29,671,822	\$ 28,841,683	\$ 28,575,125	\$ 28,442,253	\$ 28,607,185
Replacement .....	1,207,737	1,143,050	1,341,936	1,303,645	1,245,069
Sales .....	8,690,828	9,695,640	13,486,496	12,354,237	12,042,780
Utility .....	3,401,735	3,239,299	3,264,076	3,358,459	3,033,933
Income .....	4,515,411	5,376,774	5,643,512	5,667,460	6,232,000
Home Rule Sales .....	5,034,311	5,544,261	5,640,304	5,934,305	5,711,272
Food and Beverage Tax.....	1,059,647	1,236,942	1,177,511	1,190,477	1,228,581
Hotel/Motel .....	1,440,269	1,675,772	1,752,342	1,988,301	2,145,985
Real Estate Transfer .....	393,417	407,884	436,309	610,997	597,813
Local Option Motor Fuel.....	1,719,941	1,685,069	1,707,152	1,624,707	1,540,285
Gaming Taxes .....	10,819,591	24,802,456	24,662,123	24,792,544	24,654,889
Other Taxes .....	4,541,664	4,735,420	4,277,423	3,923,909	4,081,651
Investment Income .....	82,369	160,289	89,626	73,812	189,691
Miscellaneous .....	783,626	1,280,897	899,031	862,423	982,019
Transfers .....	(236,313)	15,758	(49,992)	(284,242)	(6,692,243)
Total General Revenues .....	<u>\$ 73,126,055</u>	<u>\$ 89,841,194</u>	<u>\$ 92,902,974</u>	<u>\$ 91,843,287</u>	<u>\$ 85,600,910</u>
Change in Net Position .....	17,773,454	24,274,076	22,463,739	22,274,307	11,069,087
Net Position, January 1 .....	<u>144,081,659</u>	<u>161,160,013(2)</u>	<u>185,434,089</u>	<u>207,897,828</u>	<u>102,765,016(2)</u>
Net Position, December 31 .....	<u>\$161,855,113</u>	<u>\$185,434,089</u>	<u>\$207,897,828</u>	<u>\$230,172,135</u>	<u>\$113,834,103</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

<b>ASSETS:</b>	2011	2012	2013	2014	2015
Cash and Equivalents .....	\$17,109,909	\$23,740,541	\$30,801,407	\$23,982,499	\$25,129,459
Receivables:					
Accounts .....	1,404,139	1,405,087	1,383,991	1,174,419	997,226
Property Taxes .....	23,006,473	22,800,930	22,830,537	22,789,813	22,802,608
Other Taxes .....	1,256,378	1,196,399	1,233,717	1,179,672	1,158,799
Other Receivables .....	439,754	561,804	310,559	204,076	221,825
Accrued Interest .....	451	7,051	1,990	265,331	267,717
Due from Other Governments .....	5,055,974	5,342,762	5,165,574	6,267,850	5,806,373
Due from Other Funds .....	421,135	2,481	777,873	0	0
Advances From/To Other Funds .....	8,162,664	8,606,709	9,897,031	13,885,051	15,702,116
Prepaid Items .....	0	0	3,265	0	0
Total Assets .....	<u>\$56,856,877</u>	<u>\$63,663,764</u>	<u>\$72,405,944</u>	<u>\$69,748,711</u>	<u>\$72,086,123</u>
 <b>LIABILITIES AND FUND EQUITY:</b>					
Liabilities:					
Accounts Payable .....	\$ 1,649,263	\$ 1,774,441	\$ 2,337,847	\$ 1,412,518	\$ 1,583,040
Accrued Payroll .....	1,220,715	1,268,564	1,567,700	1,580,295	1,627,115
Accrued Liabilities .....	111,498	85,731	99,074	110,671	132,265
Deferred Revenue .....	<u>24,632,188</u>	<u>264,466</u>	<u>430,032</u>	<u>229,379</u>	<u>168,026</u>
Total Liabilities .....	\$27,613,664	\$ 3,393,202	\$ 4,434,653	\$ 3,332,863	\$ 3,510,446
Deferred Inflows of Resources:					
Deferred Property Tax Revenue .....	\$ 0	\$22,747,973	\$22,745,844	\$22,743,904	\$22,747,101
Unavailable Other Revenue .....	0	1,787,820	1,584,834	1,589,539	1,681,124
Total Deferred Inflows of Resources .....	\$ 0	\$24,535,793	\$24,330,678	\$24,333,443	\$24,428,225
Non Spendable:					
Long-term Interfund Advances .....	\$ 8,162,664	\$ 8,606,709	\$ 9,897,031	\$13,885,051	\$15,702,116
Prepaid Items .....	0	0	3,265	0	0
Assigned:					
Infrastructure .....	0	500,000	4,100,000	5,950,000	3,149,300
Capital Acquisitions .....	0	152,500	3,970,000	2,300,000	1,250,000
General Fund Deficit .....	0	0	0	0	1,705,551
Emergency Telephone System Transfer of Surcharge .....	0	0	0	0	351,000
Streets and Highways .....	0	0	250,000	200,000	0
Pension Funding .....	0	1,009,318	1,313,108	700,000	0
Public Safety .....	0	2,500,000	0	0	0
Debt Service .....	0	0	4,000,000	0	0
Unassigned .....	<u>21,080,549</u>	<u>22,966,242</u>	<u>20,107,209</u>	<u>19,047,354</u>	<u>21,989,485</u>
Total Fund Equity .....	<u>\$29,243,213</u>	<u>\$35,734,769</u>	<u>\$43,640,613</u>	<u>\$42,082,405</u>	<u>\$44,147,452</u>
Total Liabilities, Deferred Inflows of Resources and Fund Equity .....	<u>\$56,856,877</u>	<u>\$63,663,764</u>	<u>\$72,405,944</u>	<u>\$69,748,711</u>	<u>\$72,086,123</u>

**General Fund  
Revenues and Expenditures**

	Audited Years Ending December 31				
	2011	2012	2013	2014	2015
<b>REVENUES:</b>					
Property Taxes .....	\$22,356,628	\$23,141,075	\$23,043,431	\$22,900,148	\$22,952,517
Other Taxes .....	11,743,198	12,195,929	12,030,631	12,248,695	12,097,995
Licenses and Permits .....	3,086,311	2,781,329	2,924,191	3,331,833	2,921,119
Intergovernmental .....	15,010,880	16,245,216	20,992,728	19,559,114	19,780,209
Charges for Services.....	6,344,524	6,689,530	6,245,773	5,065,526	5,030,129
Fines and Forfeits .....	1,370,186	1,158,716	1,312,001	1,306,106	1,277,659
Investment Income.....	41,617	85,646	25,188	11,112	84,615
Miscellaneous .....	559,964	543,494	550,055	432,138	290,638
Total Revenues .....	\$60,513,308	\$62,840,935	\$67,123,998	\$64,854,672	\$64,434,881
<b>EXPENDITURES:</b>					
Current:					
General Government.....	\$ 6,821,598	\$ 7,304,439	\$ 7,272,417	\$ 7,531,642	\$ 7,810,936
Public Safety .....	36,561,253	37,230,479	38,138,909	38,649,791	39,145,089
Public Works .....	5,943,764	5,697,710	6,225,488	5,232,228	7,037,522
Streets and Highways .....	4,412,015	4,539,771	5,210,461	5,497,717	4,387,902
Economic Development .....	371,346	410,325	500,690	642,461	304,357
Total Expenditures .....	\$54,109,976	\$55,182,724	\$57,347,965	\$57,553,839	\$58,685,806
Excess (Deficiency) of Revenues Over Expenditures.....	\$ 6,403,332	\$ 7,658,211	\$ 9,776,033	\$ 7,300,833	\$ 5,749,075
Other Financing Sources (Uses), Net .....	(2,420,042)	(1,166,655)	(1,870,189)	(8,859,041)	(3,684,028)
Special Items.....	1,865,857	0	0	0	0
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses .....	\$ 5,849,147	\$ 6,491,556	\$ 7,905,844	\$ (1,558,208)	\$ 2,065,047
Balance, January 1 .....	\$23,394,066	\$29,243,213	\$35,734,769	\$43,640,613	\$42,082,405
Balance, December 31.....	\$29,243,213	\$35,734,769	\$43,640,613	\$42,082,405	\$44,147,452

**General Fund  
Budget Information(1)**

	Budget Fiscal Year 2015	Budget Fiscal Year 2016	Budget Fiscal Year 2017
<b>REVENUES:</b>			
Taxes .....	\$34,325,640	\$34,441,870	\$34,421,600
Licenses & Permits .....	2,574,500	2,658,500	2,814,150
Intergovernmental .....	15,620,400	16,215,300	17,700,400
Charges for Services .....	4,727,000	4,801,000	4,910,500
Fines and Forfeits .....	1,134,500	1,025,000	1,112,000
Investment Income .....	45,000	50,000	100,000
Other .....	429,653	408,658	437,758
Total Revenue .....	\$58,856,693	\$59,600,328	\$61,496,408
<b>EXPENDITURES:</b>			
General Government .....	\$10,143,123	\$ 9,051,308	\$10,807,129
Public Safety .....	40,624,315	41,740,343	43,834,954
Economic Development.....	567,293	479,905	363,386
Public Works .....	8,706,889	8,707,947	8,941,365
Streets & Highways .....	3,767,599	3,542,769	3,642,496
Total Expenditures .....	\$63,809,219	\$63,522,272	\$67,589,330

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, 2016. 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. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the City of Des Plaines complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the City of Des Plaines complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgement, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Our examination does not provide a legal determination on 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, 2016.

*Crowe Horwath LLP*  
Crowe Horwath LLP

Oak Brook, Illinois  
June 16, 2017