



2017 COMPREHENSIVE ANNUAL FINANCIAL REPORT

Fiscal Year Ending
December 31, 2017



THE CITY OF DES PLAINES, ILLINOIS

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

For the Fiscal Year Ended
December 31, 2017

Prepared by the Finance Department

Dorothy Wisniewski
Assistant City Manager/Director of Finance

CITY OF DES PLAINES, ILLINOIS
December 31, 2017

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June 19, 2018

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, 2017, 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 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, 2017. 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 2017 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 2016 property tax levy collected in 2017 was \$1,915,029,885. This represents a 15.04 percent increase from the 2015 EAV. The economic base of Des Plaines is diverse as residential property comprise 41.4% of the City, whereas commercial and industrial property represent 7.3% and 14.8%, 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 December 2017 edition of Where Workers Work (Illinois Department of Employment Security - IDES), Des Plaines is home to 2,536 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. Many of Des Plaines major employers have committed to hiring Des Plaines residents contributing to maintaining a low unemployment rate which was 4.3 percent for December 2017, down from December 2016's rate at 4.9 percent (Bureau of Labor Statistics).

Building permit issuance slightly decreased with 2,994 permits issued in 2017 compared to 3,105 issued in 2016. However, this total is well above the 2,766 permits issued in 2015. The declared building permit valuation from 2017 totals \$141,923,310, representing a 45.7 percent increase over \$91,643,460 in building permit valuation during 2016. 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 2017, the City's total General Fund balance was \$53.2 million, of which the unassigned fund balance was \$22.1 million or 36.5 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 2017, the unrestricted net position resulted in a negative \$5.8 million while the total net position at the end of the year was \$25.7 million, remaining relatively flat from 2016. 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 and 2017 realized the first full year of savings.

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 2017 some of the City's accomplishments included:

- Financial Stability:
 - ✓ The past seven 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 \$262K or 71.8% from 2016 as a result of a new investment approach by the City and an improving interest rate environment.
 - ✓ The City saved \$3.4 million in 2017 on the purchase price of water by completing construction of an alternate water source in 2016 and obtaining the majority of water from the Northwest Water Commission instead of the City of Chicago. Fiscal year 2017 was the first full year of realized savings.
- Economic Development:
 - ✓ Vetter Commercial Manufacturing, USA, (Vetter) purchased the 18-acre property at 10 W Algonquin Road as this company endeavors on a \$350 million construction project. The 10-year build-out period will include the construction of a new facility for the filling and packaging of medical syringes, cartridges, and vials. It is anticipated that Vetter will employ up to 500 people after full build-out.
 - ✓ Opus Development submitted for a building permit to construct a 113 unit luxury apartment building in downtown Des Plaines. Completion of the project is anticipated for 2019.
 - ✓ Construction on the new 10-acre development at Mannheim Road and Higgins Road, located in Tax Increment Finance District #7, is underway. Once completed, the entire development will include: a 150-room hotel, up to five new restaurants, a fueling center and a car wash.
 - ✓ In 2017, the City awarded \$248,582.50 in Business Assistance Grants to 11 businesses and properties, which in turn leveraged \$916,214 in capital building improvements.
 - ✓ Facilitated zoning approval of several new development projects:
 - Preliminary planned unit development and annexation approval for a new single-family subdivision with 38 homes (300 North East River Road)
 - Final planned unit development approval for a new 138 room hotel at 1450 E Touhy Avenue
 - Final planned unit development approval for a 236 unit apartment building called Covington-Lexington Woods (150 North East River Road)
 - Final plat of subdivision for a new 30,000 square foot modern medical facility (77 Rand Road)
- Infrastructure:
 - ✓ Over \$19.2 million was invested in 2017 related to improvements to streets, alleys, drainage, sewers, sidewalks, parking structures and city buildings without any new debt being issued.
 - ✓ The Public Works and Engineering Department oversaw improvements to three city parking facilities including new energy efficient lighting as well as remodeling improvements to City Hall and the police and public works buildings.
 - ✓ The City completed over \$1 million in sidewalk repairs throughout the city.
 - ✓ Over 20 flood-prone homes were purchased and demolished using federal and regional funding.
- Community:
 - ✓ A new 74,000 square foot Mariano's grocery store opened at 10 E. Golf Road (northeast corner of Golf and Mount Prospect Roads). The \$24 million grocery store employs nearly 300 full-time and part-time employees.
 - ✓ In 2017, the City, with the assistance of a part-time event planner, hosted two successful community events: The 2017 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.

- High Performance:
 - ✓ The Community and Economic Development Department in an effort to continue increasing its plan review efficiency has implemented Bluebeam software allowing plan reviewers to review plans electronically. Additionally the department has implemented a secure FTP site to allow for plans to be submitted digitally.
 - ✓ The Fire Department and its dispatch center (RED Center) upgraded the dispatch software program, allowing for automated vehicle location and improved management of closest-unit responses.
 - ✓ Continued replacement of manual read water meters to more accurate and efficient remote read meters.
 - ✓ Combined the planning commission and zoning board into one joint planning and zoning board allowing for more efficient and timely approvals.

- The Finance Department, for the fifth 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 2016 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 nine 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, 2016. This was the thirty-seventh consecutive year the City has achieved this prestigious award. This award is nationally recognized and represents a significant accomplishment for the City and its management. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to GFOA to determine eligibility for another certificate.

Acknowledgments

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

Respectfully submitted,



Michael G. Bartholomew
City Manager



Dorothy Wisniewski
Assistant City Manager/Director of Finance



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Des Plaines
Illinois**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2016

Christopher P. Morill

Executive Director/CEO



Legislative

Matthew J. Bogusz, Mayor

Jennifer Tsalapatani, City Clerk

City Council

Mark Lysakowski – First Ward

Carla 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

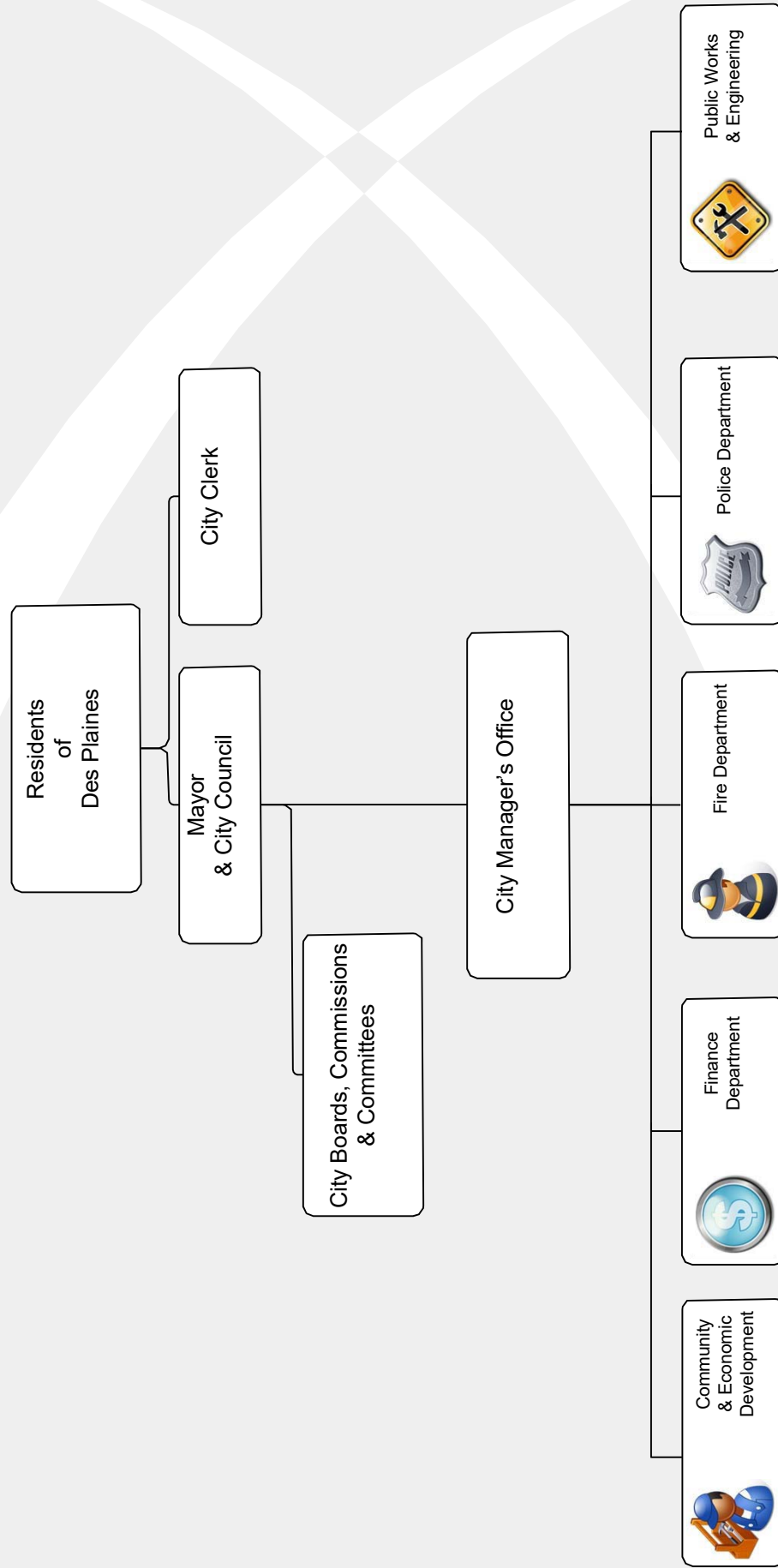
Chief of Police..... William Kushner

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, 2017, 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, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, 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 2017 combining and individual fund financial statements and schedules (except for the 2016 comparative actual amounts) 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 2017 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, 2016 comparative actual amounts on the 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 19, 2018 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.

A handwritten signature in black ink that reads "Crowe LLP". The letters are cursive and fluid.

Crowe LLP

Oak Brook, Illinois
June 19, 2018

CITY OF DES PLAINES, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2017

The following is a discussion and analysis of the City of Des Plaines' (the "City") financial performance for the fiscal year ended December 31, 2017. Use this section in conjunction with the City's basic financial statements. Comparative data is available and presented for this 2017 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 \$168.5 million (*net position*) as of December 31, 2017. The net position is comprised of \$236.7 million in net investment in capital assets, \$9.6 million in restricted for street and highways, public safety, debt service, and economic development, offset by a negative \$77.7 million in unrestricted net position. Year over year the net position increased by \$13 million primarily due to an increase of \$14.3 million in investment in capital assets.

Fund Level

Governmental Funds: As of December 31, 2017, the City's governmental funds reported a combined ending fund balance of \$76.0 million, an increase of \$2.7 million from fiscal 2016. The City reported an unassigned fund balance of \$1.4 million in fiscal 2017.

- The City's General Fund ended the year with total revenues exceeding total expenditures by \$6.7 million. Combined with other financing net uses of \$3.3 million, the December 31, 2017 fund balance increased by \$3.4 million.
- Local government state shared revenues, i.e. state income, municipal sales and personal property replacement tax increased by \$1.4 million.
- The City received \$24.7 million in taxes generated from the revenues at Rivers Casino, \$3.1 million in admission tax (\$1 per admission), and \$21.6 million in wagering tax (5% of all wagering activities). Pursuant to the contractual agreement with Midwest Gaming, the City is required and has distributed \$10 million of the total gaming tax revenue to the State of Illinois with an additional \$5.9 million (40% of the total revenue over \$10 million) amongst the 10 benefiting communities named in the agreement. The remaining amount of \$8.9 million in gaming tax revenue will be discussed by the City Council as part of the 2019 Budget process and allocated towards expenditures approved in the gaming tax revenue and expenditure policy such as capital infrastructure projects and early debt payoff.
- In the Grant Funded Projects Fund, intergovernmental revenue increased \$3.6 million and capital outlay increased \$6.3 million from fiscal 2016. These increases are due to the City's increased participation in the Hazard Mitigation Grant Program.
- In the Capital Projects Fund, principal expenditures increased \$1.4 million from fiscal 2016 due to the City's early retirement of the Series 2007A general obligation refunding bonds.

Proprietary Funds: The proprietary funds reported a net position of \$35.7 million as of December 31, 2017, a decrease of \$376 thousand from fiscal 2016.

(See independent auditor's report)

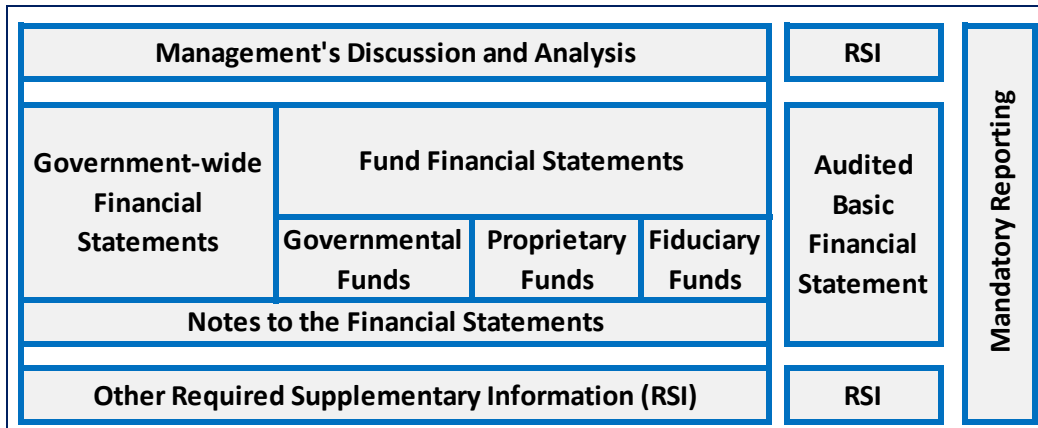
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Debt Service: The City's total bonds outstanding decreased by \$5.9 million or 17.6 percent during fiscal 2017. This amount represents the net difference between net issuances, payments and refunding of outstanding bond debt. No new issuances were done in 2017 and Series 2007A within the Capital Projects Fund and 2007B within the debt service fund were paid off during the year.

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.

(See independent auditor's report)

CITY OF DES PLAINES, ILLINOIS
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Reporting the City as a Whole

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

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

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

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

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

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

Reporting the City's Most Significant Funds

Fund financial statements provide additional detail about the City's financial position and activities. Some information presented in the fund financial statements differs from the government-wide statements due to the perspective and basis of accounting used. Funds are presented on the fund-

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level statements as major and nonmajor based on criteria set by the Governmental Accounting Standards Board (GASB).

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

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

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

The General fund, TIF #6 (Mannheim/Higgins) fund, Gaming Tax fund, Grant Funded 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 and Parking System funds 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.

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

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

Net Position: The following analysis reviewed the net position and expenses of governmental activities and business-type activities separately. The table below represents a condensed Statement of Net Position. For comparison purposes, the prior fiscal year is provided. The total net position of governmental activities increased by \$13.5 million from \$118.9 million in fiscal year 2016 to \$132.4 million in fiscal year 2017 while business-type activities decreased by \$469 thousand to \$36.1 million.

	Governmental Activities		Business-type Activities		Total Primary Government	
	2017	2016	2017	2016	2017	2016
ASSETS						
Current & Other Assets	\$ 142,859,964	\$ 139,154,684	\$ (884,656)	\$ (528,234)	\$ 141,975,308	\$ 138,626,450
Capital Assets	220,208,895	212,544,265	40,412,151	40,123,012	260,621,046	252,667,277
Total Assets	<u>363,068,859</u>	<u>351,698,949</u>	<u>39,527,495</u>	<u>39,594,778</u>	<u>402,596,354</u>	<u>391,293,727</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>13,821,225</u>	<u>18,108,357</u>	<u>76,401</u>	<u>1,110,042</u>	<u>13,897,626</u>	<u>19,218,399</u>
LIABILITIES						
Current Liabilities	25,048,533	27,145,322	1,278,411	1,244,257	26,326,944	28,389,579
Noncurrent Liabilities	<u>178,337,042</u>	<u>192,165,970</u>	<u>457,534</u>	<u>2,513,046</u>	<u>178,794,576</u>	<u>194,679,016</u>
Total Liabilities	<u>203,385,575</u>	<u>219,311,292</u>	<u>1,735,945</u>	<u>3,757,303</u>	<u>205,121,520</u>	<u>223,068,595</u>
DEFERRED INFLOWS OF RESOURCES	<u>41,072,717</u>	<u>31,568,489</u>	<u>1,762,286</u>	<u>373,000</u>	<u>42,835,003</u>	<u>31,941,489</u>
NET POSITION						
Net Investment in Capital Assets	196,250,010	182,246,337	40,412,151	40,123,012	236,662,161	222,369,349
Restricted	9,570,315	8,933,922	-	-	9,570,315	8,933,922
Unrestricted	<u>(73,388,533)</u>	<u>(72,252,734)</u>	<u>(4,306,486)</u>	<u>(3,548,495)</u>	<u>(77,695,019)</u>	<u>(75,801,229)</u>
Total Net Position	<u>\$ 132,431,792</u>	<u>\$ 118,927,525</u>	<u>\$ 36,105,665</u>	<u>\$ 36,574,517</u>	<u>\$ 168,537,457</u>	<u>\$ 155,502,042</u>

The increase in net position of governmental activities was primarily attributable to an increase in the capital assets not being depreciated related to land and construction in progress and a decrease in long-term liabilities related to the Illinois Municipal Retirement Fund net pension asset and the repayment of general obligation debt. Total assets of the City as of December 31, 2017, were \$402.6 million, an increase of \$11.3 million or 2.9 percent. Total liabilities as of December 31, 2017, were \$205.1 million, a decrease of \$17.9 million or 8.0 percent.

Of the City's net position, \$236.7 million was net investment in capital assets, while \$9.6 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 \$1.9 million to negative \$77.7 million primarily due to decreased deferred pension outflows and increased deferred pension inflows.

(See independent auditor's report)

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

Table 2: Changes in Net Position						
For the Fiscal Year Ended December 31, 2017 and 2016						
	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total Primary Government</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
REVENUES						
Program Revenues:						
Fees, Fines & Charges for Services	\$ 14,085,896	\$ 13,939,452	\$14,276,003	\$15,162,719	\$ 28,361,899	\$ 29,102,171
Operating Grants & Contributions	2,319,131	2,352,503	6,901	3,633	2,326,032	2,356,136
Capital Grants & Contributions	12,776,042	2,312,985	-	-	12,776,042	2,312,985
Total Program Revenues	<u>29,181,069</u>	<u>18,604,940</u>	<u>14,282,904</u>	<u>15,166,352</u>	<u>43,463,973</u>	<u>33,771,292</u>
General Revenues:						
Property Taxes	29,611,170	29,254,397	-	-	29,611,170	29,254,397
Other Taxes	63,945,393	63,431,198	-	-	63,945,393	63,431,198
Investment Income	627,226	365,137	-	3,056	627,226	368,193
Miscellaneous Revenue	2,431,632	688,554	9,111	5,762	2,440,743	694,316
Total General Revenues	<u>96,615,421</u>	<u>93,739,286</u>	<u>9,111</u>	<u>8,818</u>	<u>96,624,532</u>	<u>93,748,104</u>
Total Revenues	<u>125,796,490</u>	<u>112,344,226</u>	<u>14,292,015</u>	<u>15,175,170</u>	<u>140,088,505</u>	<u>127,519,396</u>
EXPENSES						
General Government	27,415,182	27,240,159	-	-	27,415,182	27,240,159
Public Safety	49,963,574	49,009,727	-	-	49,963,574	49,009,727
Public Works	9,022,143	8,176,306	-	-	9,022,143	8,176,306
Streets and Highways	21,798,069	11,961,177	-	-	21,798,069	11,961,177
Economic Development	2,808,022	3,650,262	-	-	2,808,022	3,650,262
Interest	1,300,991	1,411,210	-	-	1,300,991	1,411,210
Water/Sewer	-	-	13,890,269	15,145,099	13,890,269	15,145,099
Parking System	-	-	854,840	835,342	854,840	835,342
Emergency Comm. System	-	-	-	-	-	-
Total Expenses	<u>112,307,981</u>	<u>101,448,841</u>	<u>14,745,109</u>	<u>15,980,441</u>	<u>127,053,090</u>	<u>117,429,282</u>
Excess (Deficiency) Before Transfers						
Transfers	13,488,509	10,895,385	(453,094)	(805,271)	13,035,415	10,090,114
Transfers	15,758	(5,801,963)	(15,758)	5,801,963	-	-
Changes in Net Position	<u>13,504,267</u>	<u>5,093,422</u>	<u>(468,852)</u>	<u>4,996,692</u>	<u>13,035,415</u>	<u>10,090,114</u>
Net Position, Beginning Balance	<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, Ending Balance	<u>\$132,431,792</u>	<u>\$118,927,525</u>	<u>\$36,105,665</u>	<u>\$36,574,517</u>	<u>\$168,537,457</u>	<u>\$155,502,042</u>

The City's net position as of December 31, 2017 increased by \$13.0 million. The City earned program revenues of \$43.5 million and general revenues of \$96.6 million, for total revenues of \$140.1 million, an increase of \$12.6 million or 9.9 percent from fiscal year 2016.

The major component of this increase was capital grants and contributions, with an increase of \$10.5 million. The expenses of the City were \$127.1 million, an increase of \$9.6 million or 8.2 percent. The expense fluctuations in governmental activities are largely attributable to a \$9.8 million increase in the streets and highways services.

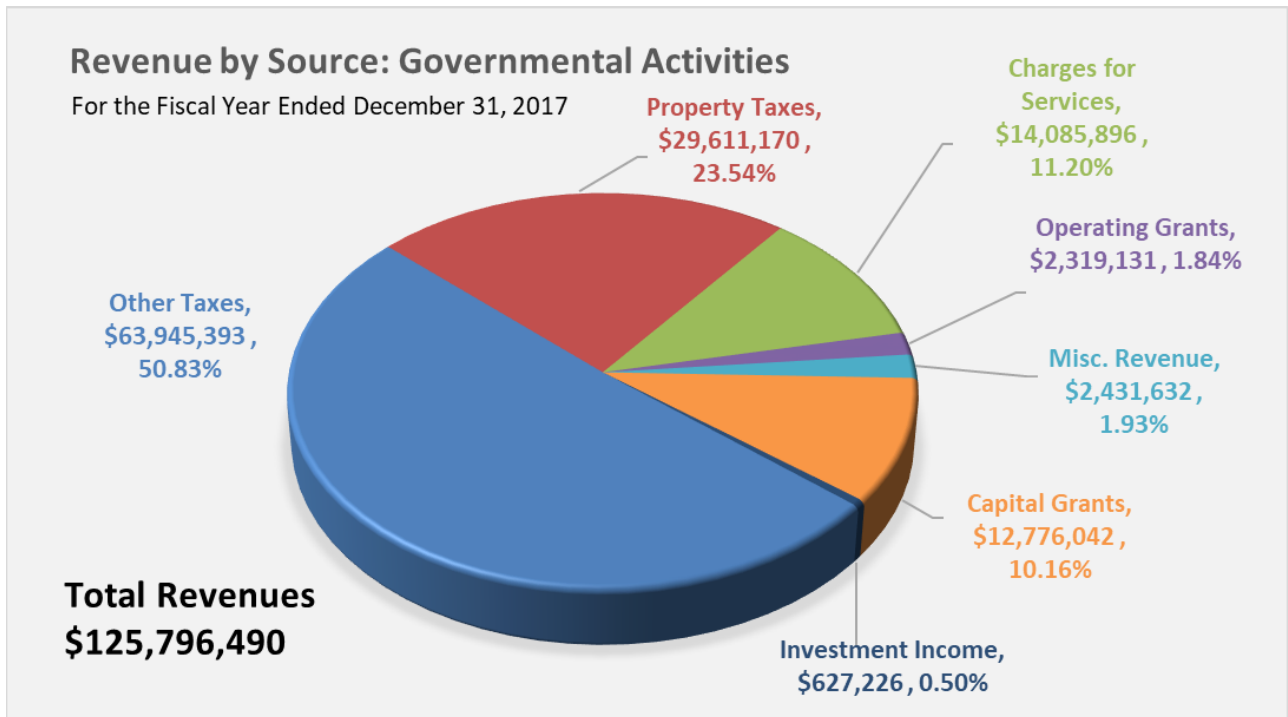
In business-type activities there was a \$1.3 million decrease in water/sewer services due to the alternate water source project and the corresponding reduction in water purchase costs. Further

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discussion of results for changes in the City's financial condition follows in the analysis of the City's funds.

Governmental Activities: The governmental activities program revenue was \$29.2 million, including charges for services of \$14.1 million, operating grants and contributions of \$2.3 million and capital grants and contributions of \$12.8 million. The largest change, a \$10.5 million increase, was for capital grants and contributions, primarily due to the Hazard Mitigation Grant Program.

The general revenue was \$96.6 million, including property taxes of \$29.6 million and other taxes revenue of \$63.9 million. The general revenue increased \$2.9 million resulting from an increase in the sale of capital assets of \$1.8 million, which is included in miscellaneous revenue. The following chart represents revenues from governmental activities by source.



The 2016 equalized assessed value (EAV) increased by 15% from the 2015 EAV as the result of increased building development and an improving economy.

	Tax Levy 2016	Tax Levy 2015	Increase / (Decrease)	Change (%)
Equalized Assessed Valuation (EAV)	\$ 1,915,029,885	\$ 1,664,720,171	\$ 250,309,714	15.0%

(See independent auditor's report)

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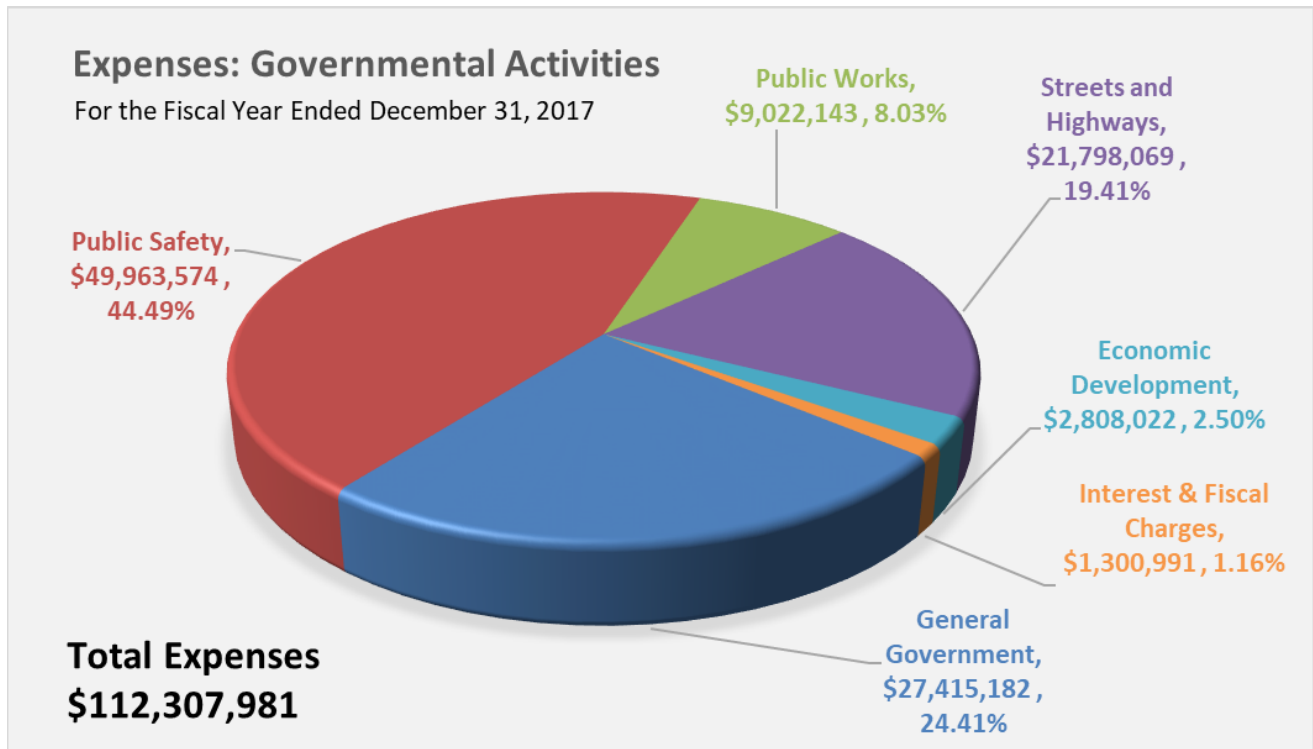
The *General Fund* state-per-capita shared revenues from *income tax* and *use tax* increased by 12.4 percent.

Illinois State Shared Tax Revenue	Fiscal Year 2017	Fiscal Year 2016	Increase / (Decrease)	Change (%)
State Income Tax	\$ 6,446,187	\$ 5,681,387	\$ 764,800	13.5%
Use Tax	\$ 1,507,817	\$ 1,392,829	\$ 114,988	8.3%
Total	\$ 7,954,004	\$ 7,074,216	\$ 879,788	12.4%

The City's *municipal sales tax* revenue (one percent share of the State collected tax, not including home rule tax) increased 5.9 percent during the fiscal year as a result of increased development in the City.

Municipal Sales Tax Revenue	Fiscal Year 2017	Fiscal Year 2016	Increase / (Decrease)	Change (%)
	\$ 12,062,614	\$ 11,387,882	\$ 674,732	5.9%

The following chart represents expenses from governmental activities.



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Governmental activities expenses were \$112.3 million. All functions of governmental activities in the government-wide statement of activities have a net cost with the exception of economic development. The general government, public safety and streets and highways account for 88.3 percent of governmental activities expenses and 102.7 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.

Business-type Activities: Business-type activities generated program revenue of \$14.3 million from fees, fines and charges for services. The total expenses for business-type activities were \$14.7 million. The largest change occurred in the parking system fund with a \$540 thousand decrease in net position. There was a decrease in Net Position in the government's business-type activities of \$469 thousand in comparison to the prior year's increase of \$5.0 million.

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

Expenses and Program Revenues: Business-type Activities		
For the Fiscal Year Ended December 31, 2017		
Activities	Expenses	Program Revenues
Water/Sewer	\$ 13,890,269	\$ 13,931,382
Parking	854,840	351,522
	<u>\$ 14,745,109</u>	<u>\$ 14,282,904</u>

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

Governmental Funds

As of December 31, 2017, governmental funds reported fund balances of \$76.0 million. The general fund reported a positive \$53.2 million fund balance.

General Fund: The fund balance for the general fund as of December 31, 2017, was \$53.2 million, an increase of \$3.4 million from fiscal 2016, mostly due to higher than anticipated state shared revenues. The nonspendable fund balance was \$24.8 million and the assigned fund balance was \$6.3 million, resulting in the unassigned fund balance of \$22.1 million. The unassigned balance of the general fund can be used to cover the day-to-day service delivery and was at 36.4 percent of the 2017 general fund expenditures.

Gaming Tax Fund: The fund balance for the gaming tax fund as of December 31, 2017, was \$21.4 million, an increase of \$960 thousand from fiscal year 2016.

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

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areas. The negative impact on the City's 2017 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 \$11.5 million related to an outstanding debt burden as well as reduced property tax revenue. TIF #7 (Mannheim/Higgins South) has accumulated a deficit of \$427 thousand in preparation for redevelopment opportunities.

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, 2017, totaled \$8.2 million, an increase of \$2.6 million since December 31, 2016. This increase primarily results from transfers in from the gaming tax fund.

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 \$35.7 million as of December 31, 2017.

Water/Sewer Fund: Water and sewer fund's net position as of December 31, 2017, totaled \$25.7 million, an increase of \$164 thousand from the prior year. The City has constructed a connection for an alternate water source through the Northwest Water Commission in order to turn the fund around from a negative unrestricted position of \$5.8 million.

Parking System Fund: Net Position of \$10.0 million, a decrease of \$540 thousand from fiscal 2016 since the revenue from charges for services continues to lag behind the operating expenses and the depreciation.

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GENERAL FUND BUDGETARY HIGHLIGHTS

Table 3: General Fund Budgetary Highlights

For the Year Ended December 31, 2017

	Original and Final Budget	Actual	Variance from Fund Budget Positive (Negative)
Revenues	\$ 61,276,650	\$ 67,442,249	\$ 6,165,599
Expenditures	<u>63,274,473</u>	<u>60,731,332</u>	<u>2,543,141</u>
Excess of Revenues Over Expenditures	<u>(1,997,823)</u>	<u>6,710,917</u>	<u>8,708,740</u>
Other Financing Sources (Uses)	(4,095,099)	(3,324,473)	770,626
Net Changes in Fund Balance	<u>\$ (6,092,922)</u>	<u>\$ 3,386,444</u>	<u>\$ 9,479,366</u>

General fund actual revenues were \$6.2 million or 10.1 percent greater than the budgeted amount while general fund actual expenditures were \$2.5 million or 4.0 percent lower than the budgeted 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, 2017, the City had \$260.6 million in net capital assets. This total represents an increase of \$8.0 million in total capital assets or 3.1 percent from fiscal 2016. The following table illustrates the changes in capital assets.

Table 4: Capital Assets - Net of Depreciation

December 31, 2017 and 2016

	Governmental Activities		Business-type Activities		Total Primary Government	
	2017	2016	2017	2016	2016	2016
Land	\$ 27,608,189	\$ 25,134,690	\$ 1,891,770	\$ 1,891,770	\$ 29,499,959	\$ 27,026,460
Land right of way	53,299,649	53,299,649	-	-	53,299,649	53,299,649
Buildings	10,809,386	11,256,201	7,380,534	8,053,812	18,189,920	19,310,013
Building improvements	23,952,820	24,805,214	30,492,765	29,516,579	54,445,585	54,321,793
Equipment	2,447,746	2,083,442	264,122	216,156	2,711,868	2,299,598
Vehicles	6,164,654	5,335,235	382,960	444,695	6,547,614	5,779,930
Infrastructure	88,825,609	88,265,506	-	-	88,825,609	88,265,506
Construction in progress	7,100,842	2,364,328	-	-	7,100,842	2,364,328
Total Capital Assets	<u>\$ 220,208,895</u>	<u>\$ 212,544,265</u>	<u>\$ 40,412,151</u>	<u>\$ 40,123,012</u>	<u>\$ 260,621,046</u>	<u>\$ 252,667,277</u>

(See independent auditor's report)

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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 2017 fiscal year included streets and alley reconstruction, water, sewer and drainage system improvements.

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.

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 February 2018 by Moody's Investors Service. The City continues to look for opportunities to pay debt off early or refinance debt at lower interest rates.

Table 5: Outstanding Bonded Debt						
December 31, 2017 and 2016						
	Governmental Activities		Business-type Activities		Total Primary Government	
	2017	2016	2017	2016	2017	2016
General obligation bonds	\$ 27,647,741	\$ 33,561,615	\$ -	\$ -	\$ 27,647,741	\$ 33,561,615
TIF revenue bonds	228,019	296,572			228,019	296,572
Loans payable	150,000	162,500			150,000	162,500
Total Bonded Debt	<u>\$ 28,025,760</u>	<u>\$ 34,020,687</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 28,025,760</u>	<u>\$ 34,020,687</u>

The City had \$27.7 million in principal outstanding general obligation debt from governmental activities and no principal outstanding from business-type activities for the year ended December 31, 2017. The majority of the City's debt burden is supported by TIF revenues, sales and utility taxes, sewer fees and other fees. The City does not have any property tax supported debt. 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 2017 CAFR.

CITY OF DES PLAINES, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2017

ECONOMIC FACTORS

The City has taken great strides to ensure its fiscal stability. The fiscally responsible decisions made during the economic downturn have attributed to the strong financial position that the City currently holds. Additionally, the changes made to the way the City's business friendly attitude and focus on infrastructure investments has sparked an interest in increased business investment over the past several years. Some of those economic factors are as follows:

- 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 2017 accounted for only 10.6 percent of the City's total EAV.
- In 2017 Des Plaines' economy continued its post-recession expansion; the average annual unemployment rate remained consistent at 4.3 percent in Des Plaines compared to 4.9 percent state and 4.4 percent national rates.
- The median household income is on solid ground with an estimated median household income at \$63,528, which is higher than Cook County's median household income at \$54,598.
- Construction activity and new private investment have been on the rise with \$141,923,310 in building permit value identified in 2017, representing a 45.7% increase over \$91,643,460 in building permit valuation during 2016.
- In the last two and a half years, the City of Des Plaines has experienced over \$550,000,000 in new construction projects with either issuing a permit or approving projects at the City Council level.
- Several new large businesses either recently opened within the City of Des Plaines or announced their plans to open which include: Mariano's Fresh Market, Vetter Pharma, Butera Fruit Market, Which Which Superior Sandwiches, Dunkin Donuts, Fairfield Inn and Suites and Holiday Inn and Suites.
- Over 1,000 housing units are either under construction or have been approved by the City and over 200 of these units are within the downtown Des Plaines area.
- The City's Business Assistance Program had a record breaking year (2017) by awarding over \$248,000 in grants that leveraged \$916,000 in private investment for new businesses and upgrades to our building stock.
- 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 2018 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

(See independent auditor's report)

CITY OF DES PLAINES, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2017

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 46 percent, intergovernmental of 11 percent, and charges for services of 20 percent.

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.

CITY OF DES PLAINES, ILLINOIS
STATEMENT OF NET POSITION
December 31, 2017

	Primary Government			Component Unit (Library)
	Governmental Activities	Business-type Activities	Total Primary Government	
ASSETS				
Cash and Investments	\$ 83,158,109	\$ 960,484	\$ 84,118,593	\$ 4,009,755
Receivables (Net)				
Property Taxes	29,460,067	-	29,460,067	6,077,809
Accounts	1,216,965	3,198,106	4,415,071	-
Accrued Interest	32,235	-	32,235	-
Other Taxes	1,193,049	-	1,193,049	-
Other	366,966	125,410	492,376	23,247
Prepaid Items	5,366,656	-	5,366,656	34,751
Inventories	-	185,215	185,215	-
Due from Other Governmental Units	15,603,582	-	15,603,582	45,316
Internal Balances	5,634,649	(5,634,649)	-	-
Capital Assets Not Being Depreciated	88,008,680	1,891,770	89,900,450	-
Capital Assets Being Depreciated, Net	132,200,215	38,520,381	170,720,596	2,786,046
Net Pension Asset	827,686	280,778	1,108,464	242,366
TOTAL ASSETS	<u>363,068,859</u>	<u>39,527,495</u>	<u>402,596,354</u>	<u>13,219,290</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Amounts from Refunding of Debt	280,741	-	280,741	-
Deferred Pension Outflows	13,540,484	76,401	13,616,885	47,886
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>13,821,225</u>	<u>76,401</u>	<u>13,897,626</u>	<u>47,886</u>
LIABILITIES				
Accounts Payable	20,875,209	1,035,555	21,910,764	159,139
Accrued Payroll	1,982,512	1,185	1,983,697	119,349
Accrued Liabilities	147,508	82,491	229,999	-
Accrued Interest Payable	50,085	-	50,085	-
Unearned Revenue	1,794,339	159,180	1,953,519	-
Deposits Payable	198,880	-	198,880	-
Long-term Obligations				
Due Within One Year	7,021,634	147,498	7,169,132	107,931
Due in More Than One Year	171,315,408	310,036	171,625,444	295,927
TOTAL LIABILITIES	<u>203,385,575</u>	<u>1,735,945</u>	<u>205,121,520</u>	<u>682,346</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred Property Tax Revenue	29,359,456	-	29,359,456	6,069,500
Deferred Pension Inflows	11,713,261	1,762,286	13,475,547	1,535,351
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>41,072,717</u>	<u>1,762,286</u>	<u>42,835,003</u>	<u>7,604,851</u>
NET POSITION				
Net Investment in Capital Assets	196,250,010	40,412,151	236,662,161	2,786,046
Restricted for				
Streets and Highways	879,849	-	879,849	-
Public Safety	1,384,584	-	1,384,584	-
Economic Development	7,292,165	-	7,292,165	-
Culture and Recreation	-	-	-	2,193,933
Debt Service	13,717	-	13,717	-
Unrestricted	(73,388,533)	(4,306,486)	(77,695,019)	-
TOTAL NET POSITION	<u>\$ 132,431,792</u>	<u>\$ 36,105,665</u>	<u>\$ 168,537,457</u>	<u>\$ 4,979,979</u>

CITY OF DES PLAINES, ILLINOIS
STATEMENT OF ACTIVITIES
Year Ended December 31, 2017

Functions/Programs	Expenses	Program Revenues		
		Fees, Fines & Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental Activities				
General Government	\$ 27,686,794	\$ 5,839,543	\$ 488,638	\$ -
Public Safety	49,963,574	3,951,813	341,827	-
Public Works	9,022,143	3,044,288	-	-
Streets and Highways	21,526,457	1,250,252	1,488,666	439,491
Economic Development	2,808,022	-	-	12,336,551
Interest and Fiscal Charges	1,300,991	-	-	-
Total Governmental Activities	112,307,981	14,085,896	2,319,131	12,776,042
Business-type Activities				
Water	13,890,269	13,924,481	6,901	-
Parking System	854,840	351,522	-	-
Total Business-type Activities	14,745,109	14,276,003	6,901	-
Total Primary Government	\$ 127,053,090	\$ 28,361,899	\$ 2,326,032	\$ 12,776,042
Component Unit:				
Library	\$ 6,292,523	\$ 108,980	\$ 45,716	\$ -

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, 2017
 Net Position, December 31, 2017

Net (Expense) Revenue and Changes in Net Position			
Primary Government			Component Unit
Governmental Activities	Business-type Activities	Total Primary Government	Library
\$ (21,358,613)		\$ (21,358,613)	\$ -
(45,669,934)		(45,669,934)	-
(5,977,855)		(5,977,855)	-
(18,348,048)		(18,348,048)	-
9,528,529		9,528,529	-
(1,300,991)		(1,300,991)	-
<u>(83,126,912)</u>		<u>(83,126,912)</u>	<u>-</u>
	\$ 41,113	41,113	-
	<u>(503,318)</u>	<u>(503,318)</u>	-
	<u>(462,205)</u>	<u>(462,205)</u>	-
<u>(83,126,912)</u>	<u>(462,205)</u>	<u>(83,589,117)</u>	<u>-</u>
-	-	-	(6,137,827)
29,611,170	-	29,611,170	6,003,992
6,412,186	-	6,412,186	-
3,006,537	-	3,006,537	-
1,330,150	-	1,330,150	-
1,908,782	-	1,908,782	-
883,175	-	883,175	-
1,768,066	-	1,768,066	-
24,762,107	-	24,762,107	-
3,679,988	-	3,679,988	-
13,572,289	-	13,572,289	-
5,363,901	-	5,363,901	-
1,258,212	-	1,258,212	92,988
627,226	-	627,226	36,881
2,431,632	9,111	2,440,743	55,006
15,758	(15,758)	-	-
<u>96,631,179</u>	<u>(6,647)</u>	<u>96,624,532</u>	<u>6,188,867</u>
13,504,267	(468,852)	13,035,415	51,040
<u>118,927,525</u>	<u>36,574,517</u>	<u>155,502,042</u>	<u>4,928,939</u>
<u>\$ 132,431,792</u>	<u>\$ 36,105,665</u>	<u>\$ 168,537,457</u>	<u>\$ 4,979,979</u>

CITY OF DES PLAINES, ILLINOIS
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2017

	Major Governmental Funds					Nonmajor Governmental Funds	Total Governmental Funds
	General	TIF #6 (Mannheim/ Higgins)	Gaming Tax	Grant Funded Projects	Capital Projects		
ASSETS							
Cash and Investments	\$ 25,578,782	\$ -	\$ 34,588,698	\$ -	\$ 7,849,183	\$ 14,792,880	\$ 82,809,543
Receivables (net)							
Property Tax Receivable	22,936,008	80,069	-	-	34,298	6,409,692	29,460,067
Other Taxes	1,043,076	-	-	-	149,973	-	1,193,049
Accounts Receivable	824,863	-	-	-	307,413	83,210	1,215,486
Accrued Interest	8,885	-	-	-	-	23,350	32,235
Other	359,153	-	-	-	-	7,813	366,966
Due from Other Governments	5,333,165	-	2,672,360	6,147,081	1,246,774	204,202	15,603,582
Advances to Other Funds	24,834,213	-	-	-	-	-	24,834,213
TOTAL ASSETS	\$ 80,918,145	\$ 80,069	\$ 37,261,058	\$ 6,147,081	\$ 9,587,641	\$ 21,521,147	\$ 155,515,141
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES							
Liabilities							
Accounts Payable	\$ 1,737,941	\$ 308	\$ 15,904,843	\$ 708,865	\$ 1,316,384	\$ 1,191,634	\$ 20,859,975
Accrued Payroll	1,982,512	-	-	-	-	-	1,982,512
Accrued Liabilities	147,508	-	-	-	-	-	147,508
Deposits Payable	-	-	-	170,704	5,441	22,735	198,880
Advances from Other Funds	-	11,515,217	-	3,509,258	-	3,545,449	18,569,924
Unearned Revenue	485,530	-	-	1,203,061	-	-	1,688,591
Total Liabilities	4,353,491	11,515,525	15,904,843	5,591,888	1,321,825	4,759,818	43,447,390
Deferred Inflows of Resources							
Deferred Property Tax Revenue	22,852,318	80,670	-	-	32,995	6,393,473	29,359,456
Unavailable Other Revenue	491,414	-	-	6,128,125	-	123,203	6,742,742
Total Deferred Inflows of Resources	23,343,732	80,670	-	6,128,125	32,995	6,516,676	36,102,198
Fund Balances							
Nonspendable							
Long-term Interfund Advances	24,834,213	-	-	-	-	-	24,834,213
Restricted							
Economic Development	-	-	-	-	-	7,292,165	7,292,165
Debt Retirement/Infrastructure	-	-	21,356,215	-	-	-	21,356,215
Streets & Highways	-	-	-	-	-	879,849	879,849
Public Safety	-	-	-	-	-	1,384,584	1,384,584
Debt Service	-	-	-	-	-	63,802	63,802
Assigned							
Infrastructure	900,000	-	-	-	8,232,821	-	9,132,821
Capital Acquisitions	4,975,000	-	-	-	-	4,316,898	9,291,898
Economic Development	375,829	-	-	-	-	-	375,829
Unassigned	22,135,880	(11,516,126)	-	(5,572,932)	-	(3,692,645)	1,354,177
Total Fund Balances	53,220,922	(11,516,126)	21,356,215	(5,572,932)	8,232,821	10,244,653	75,965,553
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 80,918,145	\$ 80,069	\$ 37,261,058	\$ 6,147,081	\$ 9,587,641	\$ 21,521,147	\$ 155,515,141

CITY OF DES PLAINES, ILLINOIS
RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
December 31, 2017

Total Fund Balances - Governmental Funds	\$ 75,965,553
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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	\$ 347,329,843	
Accumulated Depreciation	<u>(127,120,948)</u>	
Net Capital Assets		220,208,895

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.	6,742,742
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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.	280,741
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Generally, interest on long-term debt is not accrued in governmental funds, but rather is recognized when due.	(50,085)
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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	13,540,484
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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	(11,713,261)
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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	(2,570,497)	
General Obligation Bonds Payable	(935,000)	
TIF General Obligation Bonds Payable	(26,712,741)	
TIF Revenue Bonds Payable	(228,019)	
Unamortized Bond Premiums & Discounts	(129,512)	
Installment Notes Payable	(150,000)	
Net Pension Liabilities	(144,029,060)	
Other Post Employment Benefits (OPEB)	<u>(2,754,527)</u>	
Total Long-term Liabilities		(177,509,356)

Internal service funds are reported in the Statement of Net Position as Governmental Activities.	<u>4,966,079</u>
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Net Position of Governmental Activities	<u>\$ 132,431,792</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, 2017

	Major Governmental Funds					Nonmajor Governmental Funds	Total Governmental Funds
	General	TIF #6 (Mannheim/ Higgins)	Gaming Tax	Grant Funded Projects	Capital Projects		
Revenues							
Property Taxes	\$ 22,949,804	\$ 79,473	\$ -	\$ -	\$ 33,923	\$ 6,547,970	\$ 29,611,170
Other Taxes	12,093,495	-	24,762,107	-	6,577,203	105,189	43,537,994
Licenses and Permits	3,556,348	-	-	-	-	-	3,556,348
Intergovernmental	21,600,891	-	-	9,164,903	-	2,086,704	32,852,498
Charges for Services	5,115,581	-	-	-	1,250,252	683,868	7,049,701
Fines, Forfeitures and Penalties	1,318,279	-	-	-	-	20,581	1,338,860
Investment Income	197,738	-	252,899	15,910	44,651	61,721	572,919
Miscellaneous	610,113	-	-	-	18,033	48,900	677,046
Total Revenues	<u>67,442,249</u>	<u>79,473</u>	<u>25,015,006</u>	<u>9,180,813</u>	<u>7,924,062</u>	<u>9,554,933</u>	<u>119,196,536</u>
Expenditures							
Current							
General Government	8,157,208	-	15,904,580	977,697	-	117,778	25,157,263
Public Safety	41,007,312	-	-	-	-	3,013,595	44,020,907
Public Works	7,211,011	-	-	-	1,366,596	-	8,577,607
Streets and Highways	4,046,140	-	-	-	-	1,121,490	5,167,630
Economic Development	309,661	1,888	-	-	-	1,545,689	1,857,238
Debt Service							
Principal	-	1,175,000	-	-	2,615,000	2,821,053	6,611,053
Interest and Fiscal Charges	-	123,160	-	-	109,058	417,743	649,961
Capital Outlay	-	-	-	12,036,343	9,143,552	5,021,745	26,201,640
Total Expenditures	<u>60,731,332</u>	<u>1,300,048</u>	<u>15,904,580</u>	<u>13,014,040</u>	<u>13,234,206</u>	<u>14,059,093</u>	<u>118,243,299</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>6,710,917</u>	<u>(1,220,575)</u>	<u>9,110,426</u>	<u>(3,833,227)</u>	<u>(5,310,144)</u>	<u>(4,504,160)</u>	<u>953,237</u>
Other Financing Sources (Uses)							
Proceeds from sale of capital assets	-	-	-	-	-	1,759,784	1,759,784
Transfer In	219,758	-	-	177,104	8,150,000	3,544,231	12,091,093
Transfer Out	(3,544,231)	(3,000)	(8,150,000)	-	(202,104)	(176,000)	(12,075,335)
Total Other Financing Sources (Uses)	<u>(3,324,473)</u>	<u>(3,000)</u>	<u>(8,150,000)</u>	<u>177,104</u>	<u>7,947,896</u>	<u>5,128,015</u>	<u>1,775,542</u>
Net Change in Fund Balances	3,386,444	(1,223,575)	960,426	(3,656,123)	2,637,752	623,855	2,728,779
Fund Balances at Beginning of Year	<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>
Fund Balances at End of Year	<u>\$ 53,220,922</u>	<u>\$ (11,516,126)</u>	<u>\$ 21,356,215</u>	<u>\$ (5,572,932)</u>	<u>\$ 8,232,821</u>	<u>\$ 10,244,653</u>	<u>\$ 75,965,553</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, 2017

Net Change in Fund Balances - Total Governmental Funds \$ 2,728,779

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	\$ 24,600,978	
Depreciation	(7,739,371)	
Loss on disposal of capital assets	<u>(9,196,977)</u>	
Capital Expenditures in Excess of Depreciation and other transactions		7,664,630

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. 2,623,336

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	(151,715)	
Accretion of Interest on Capital Appreciation Bonds	(616,126)	
Change in Accrued Interest Payable	10,125	
Change in Other Post Employment Benefits (OPEB)	(150,116)	
Change in Pension Liability and Deferral Items	<u>(4,629,001)</u>	
Total Expenses of Non-current Resources		(5,536,833)

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	3,090,000	
TIF General Obligation Bonds Payable	3,440,000	
TIF Revenue Bonds Payable	68,553	
Installment Notes Payable	12,500	
Amortization of Premiums, Discounts, & Loss on Refunding	<u>9,278</u>	
Net Adjustment		6,620,331

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. (595,976)

Change in Net Position of Governmental Activities \$ 13,504,267

CITY OF DES PLAINES, ILLINOIS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
December 31, 2017

	Business-Type Activities - Enterprise Funds			Governmental Activities
	Major Funds		Total Enterprise Funds	Internal Service Funds
	Water/Sewer	Parking System		
ASSETS				
Current Assets				
Cash and Investments	\$ -	\$ 960,484	\$ 960,484	\$ 348,566
Receivables (Net)				
Accounts	3,198,106	-	3,198,106	-
Other	-	125,410	125,410	1,479
Prepaid Items	-	-	-	5,366,656
Inventories	185,215	-	185,215	-
Total Current Assets	<u>3,383,321</u>	<u>1,085,894</u>	<u>4,469,215</u>	<u>5,716,701</u>
Noncurrent Assets				
Capital Assets				
Capital Assets Not Being Depreciated	233,828	1,657,942	1,891,770	-
Capital Assets Being Depreciated, Net	31,202,043	7,318,338	38,520,381	-
Net Pension Asset	280,778	-	280,778	-
Total Noncurrent Assets	<u>31,716,649</u>	<u>8,976,280</u>	<u>40,692,929</u>	<u>-</u>
TOTAL ASSETS	<u>35,099,970</u>	<u>10,062,174</u>	<u>45,162,144</u>	<u>5,716,701</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Pension Outflows	76,401	-	76,401	-
LIABILITIES				
Current Liabilities				
Accounts Payable	1,000,257	35,298	1,035,555	15,234
Accrued Liabilities	83,676	-	83,676	-
Unearned Revenue	159,180	-	159,180	105,748
Long-term Obligations, Due Within One Year				
Compensated Absences	147,498	-	147,498	-
Total Current Liabilities	<u>1,390,611</u>	<u>35,298</u>	<u>1,425,909</u>	<u>120,982</u>
Noncurrent Liabilities				
Advances from Other Funds	6,050,283	-	6,050,283	214,006
Long-term Obligations, Due in More Than One Year				
Net OPEB Obligation	194,527	-	194,527	-
Compensated Absences	115,509	-	115,509	-
Total Noncurrent Liabilities	<u>6,360,319</u>	<u>-</u>	<u>6,360,319</u>	<u>214,006</u>
TOTAL LIABILITIES	<u>7,750,930</u>	<u>35,298</u>	<u>7,786,228</u>	<u>334,988</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred Pension Inflows	1,762,286	-	1,762,286	-
NET POSITION				
Net Investment in Capital Assets	31,435,871	8,976,280	40,412,151	-
Unrestricted	(5,772,716)	1,050,596	(4,722,120)	5,381,713
TOTAL NET POSITION	<u>\$ 25,663,155</u>	<u>\$ 10,026,876</u>	<u>35,690,031</u>	<u>\$ 5,381,713</u>
Adjustment to Reflect the Consolidation of Internal Service Funds Activities				
Related to Enterprise Funds			415,634	
Net Position of Business-type Activities			<u>\$ 36,105,665</u>	

CITY OF DES PLAINES, ILLINOIS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
Year Ended December 31, 2017

	Business-Type Activities - Enterprise Funds			Governmental Activities
	Major Funds		Total Enterprise Funds	Internal Service Funds
	Water/Sewer	Parking System		
Operating Revenues				
Charges for Services	\$ 13,924,481	\$ 351,522	\$ 14,276,003	\$ 10,639,400
Miscellaneous	193,157	-	193,157	332,012
Total Operating Revenues	<u>14,117,638</u>	<u>351,522</u>	<u>14,469,160</u>	<u>10,971,412</u>
Operating Expenses				
Salaries	3,042,140	-	3,042,140	7,300
Benefits	1,506,572	-	1,506,572	1,448
Contractual Services	1,002,210	88,655	1,090,865	-
Commodities	6,917,574	112,429	7,030,003	-
Claims Expense	-	-	-	7,779,023
Insurance and Processing Fees	-	-	-	3,745,864
Miscellaneous	-	-	-	126,457
Depreciation	1,513,250	653,621	2,166,871	-
Total Operating Expenses	<u>13,981,746</u>	<u>854,705</u>	<u>14,836,451</u>	<u>11,660,092</u>
Operating Income (Loss)	<u>135,892</u>	<u>(503,183)</u>	<u>(367,291)</u>	<u>(688,680)</u>
Nonoperating Revenues and (Expenses)				
Intergovernmental	6,901	-	6,901	-
Total Nonoperating Revenues and (Expenses)	<u>6,901</u>	<u>-</u>	<u>6,901</u>	<u>-</u>
Income (Loss) Before Transfers	<u>142,793</u>	<u>(503,183)</u>	<u>(360,390)</u>	<u>(688,680)</u>
Transfers				
Transfers In	20,758	-	20,758	-
Transfers Out	-	(36,516)	(36,516)	-
Total Transfers	<u>20,758</u>	<u>(36,516)</u>	<u>(15,758)</u>	<u>-</u>
Change in Net Position	163,551	(539,699)	(376,148)	(688,680)
Net Position at Beginning of Year	<u>25,499,604</u>	<u>10,566,575</u>	<u>36,066,179</u>	<u>6,070,393</u>
Net Position at End of Year	<u>\$ 25,663,155</u>	<u>\$ 10,026,876</u>	35,690,031	<u>\$ 5,381,713</u>
Adjustment to Reflect the Consolidation of Internal Service Funds Activities Related to Enterprise Funds			(92,704)	
Change in Net Position of Business-type Activities			<u>\$ (468,852)</u>	

CITY OF DES PLAINES, ILLINOIS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended December 31, 2017

	Business-Type Activities - Enterprise Funds			Governmental Activities
	Major Funds			Internal Service Funds
	Water/Sewer	Parking System	Total Enterprise Funds	
Cash Flows from Operating Activities				
Cash Received from Customers	\$ 14,304,243	\$ 318,740	\$ 14,622,983	\$ 10,639,400
Receipts from Miscellaneous Revenues	165,577	-	165,577	435,240
Cash Payments to Suppliers for				
Goods and Services	(8,052,554)	(204,236)	(8,256,790)	(11,638,161)
Cash Payments to Employees for Services	(4,447,530)	-	(4,447,530)	(8,748)
Net Cash Provided/(Used) by Operating Activities	<u>1,969,736</u>	<u>114,504</u>	<u>2,084,240</u>	<u>(572,269)</u>
Cash Flows from Noncapital Financing Activities				
Transfers In	20,758	-	20,758	-
Transfers Out	-	(36,516)	(36,516)	-
Interfund Advances	289,681	-	289,681	214,006
Proceeds from Operating Grants	6,901	-	6,901	-
Net Cash Provided/(Used) by Noncapital Financing Activities	<u>317,340</u>	<u>(36,516)</u>	<u>280,824</u>	<u>214,006</u>
Cash Flows from Capital and Related Financing Activities				
Acquisition and Construction of Capital Assets	(2,287,076)	-	(2,287,076)	-
Net Cash Provided/(Used) by Capital and Related Financing Activities	<u>(2,287,076)</u>	<u>-</u>	<u>(2,287,076)</u>	<u>-</u>
Net Increase (Decrease) in Cash & Investments	-	77,988	77,988	(358,263)
Cash & Investments, Beginning of Year	-	882,496	882,496	706,829
Cash & Investments, End of Year	<u>\$ -</u>	<u>\$ 960,484</u>	<u>\$ 960,484</u>	<u>\$ 348,566</u>
Reconciliation of Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities				
Operating Income/(Loss)	\$ 135,892	\$ (503,183)	\$ (367,291)	\$ (688,680)
Adjustments to Reconcile Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities				
Depreciation	1,513,250	653,621	2,166,871	-
Decrease (Increase) in Receivables	379,762	(32,782)	346,980	(52)
Decrease (Increase) in Other Receivables	7,694	-	7,694	-
Decrease (Increase) in Prepaid Items	-	-	-	25,830
Decrease (Increase) in Inventories	(21,871)	-	(21,871)	-
Decrease in Deferred Outflows - Pension	1,033,641	-	1,033,641	-
(Decrease) Increase in Accounts Payable	(110,899)	(3,152)	(114,051)	(12,595)
(Decrease) Increase in Accrued Liabilities	14,545	-	14,545	-
(Decrease) Increase in Unearned Revenue	(35,274)	-	(35,274)	103,228
(Decrease) Increase in Net OPEB Obligation	16,771	-	16,771	-
(Decrease) Increase in Net Pension Liability	(2,349,772)	-	(2,349,772)	-
Increase in Deferred Inflows - Pension	1,389,286	-	1,389,286	-
(Decrease) Increase in Compensated Absences Payable	(3,289)	-	(3,289)	-
Total Adjustments	<u>1,833,844</u>	<u>617,687</u>	<u>2,451,531</u>	<u>116,411</u>
Net Cash Provided/(Used) by Operating Activities	<u>\$ 1,969,736</u>	<u>\$ 114,504</u>	<u>\$ 2,084,240</u>	<u>\$ (572,269)</u>
Noncash Capital and Related Financing Activities				
Capital assets included in accounts payable	\$ 168,934	\$ -	\$ 168,934	\$ -

CITY OF DES PLAINES, ILLINOIS
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
December 31, 2017

	Pension Trust Funds	Agency Fund
ASSETS		
Cash and Cash Equivalents	\$ 11,030,328	\$ 3,100,800
Investments		
U.S. Government and Agency Obligations	21,037,758	-
State and Local Obligations	1,237,255	-
Corporate Bonds	22,318,134	-
Mutual Funds	49,449,931	-
Stocks	48,354,594	-
Insurance Contracts	1,514	-
Receivables (Net)		
Accrued Interest	363,521	-
Other	-	33,757
Prepaid Items	9,769	-
TOTAL ASSETS	\$ 153,802,804	\$ 3,134,557
LIABILITIES AND NET POSITION		
Liabilities		
Accounts Payable	126,966	41,752
Deposits Payable	-	3,092,805
Total Liabilities	126,966	\$ 3,134,557
Net Position		
Restricted for Pensions	\$ 153,675,838	

CITY OF DES PLAINES, ILLINOIS
STATEMENT OF CHANGES IN PLAN NET POSITION
PENSION TRUST FUNDS
Year Ended December 31, 2017

	Pension Trust Funds
Additions	
Contributions	
Employer	\$ 10,178,245
Plan Members	<u>1,951,798</u>
Total Contributions	<u>12,130,043</u>
Investment Income	22,299,803
Less Investment Expense	<u>(627,446)</u>
Net Investment Income	<u>21,672,357</u>
Total Additions	<u>33,802,400</u>
Deductions	
Administration	200,009
Benefits and Refunds	<u>14,804,025</u>
Total Deductions	<u>15,004,034</u>
Net Increase in Net Position	18,798,366
Plan Net Position at Beginning of Year	<u>134,877,472</u>
Plan Net Position at End of Year	<u>\$ 153,675,838</u>

CITY OF DES PLAINES, ILLINOIS
INDEX TO NOTES TO FINANCIAL STATEMENTS
December 31, 2017

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NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Des Plaines, Illinois (the City) was founded in 1835 and incorporated in 1869. The City is a home rule municipality, under the 1970 Illinois Constitution, located in Cook County, Illinois. The City operates under a City Manager form of government and provides the following services as authorized by its charter: public safety (police and fire protection), highways and streets, sanitation (water and sewer), health and social services, public improvements, planning and zoning, civic and cultural, and general administrative services.

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

Reporting Entity:

This report includes all of the funds of the City of Des Plaines. The reporting entity for the City consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GASB Statement Nos. 14, 39, and 61.

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

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

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

The Firefighters’ Pension Employees Retirement System (FPERS) is established for the City's firefighters. FPERS functions for the benefit of these employees and is governed by a five member pension board. Two members appointed by the City's Mayor, one pension beneficiary elected by the membership, and two firefighter employees elected by the membership constitute the pension board. The City and the FPERS participants are obligated to fund all FPERS costs based upon actuarial valuations. The State of Illinois is authorized to establish benefit levels and the City is authorized to approve the actuarial assumptions used in the determination of contribution levels. Although it possesses many of the characteristics of a legally separate government, FPERS is reported as if it were part of the primary government because its sole purpose is to finance and administer the pensions of the City's firefighters 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.

(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.

(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

(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.

(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.

(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, 2017.

(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, 2017, the City had 30% invested in cash, 56% invested in Illinois Funds and money market mutual funds, 11% invested in IMET, and 3% invested in fixed income securities.

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, 2017, the Police Pension Trust Fund had 9% invested in cash, 29% invested in fixed income securities, 32% in mutual funds, 0% in foreign equities and 30% 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, 2017, the Firefighter Pension Trust Fund had 5% invested in cash, 29% invested in fixed income securities, 32% in mutual funds, 0% in foreign equities and 34% 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.

(Continued)

CITY OF DES PLAINES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Receivables: Property taxes for levy year 2016 attach as an enforceable lien on January 1, 2016, 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 2016 are collected during the 2017 calendar year.

Tax bills are prepared by the County and issued on or about February 1, 2017 and August 1, 2017, and are payable in two installments, on or about March 1, 2017 and September 1, 2017 or within 30 days of the tax bills being issued.

The County collects such taxes and remits them periodically. The 2017 property tax levy is recognized as a receivable and deferred inflow of resources in fiscal year 2017, net the allowance for uncollectible. As the taxes become available to finance current expenditures, they are recognized as revenues. At December 31, 2017, the property taxes receivable and deferred inflow of resources consisted of the estimated amount collectible from the 2017 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, 2017.

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.

(Continued)

CITY OF DES PLAINES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

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.

(Continued)

CITY OF DES PLAINES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

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, 2017 of \$2,833,504, 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.

(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, 2017, 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.

(Continued)

CITY OF DES PLAINES, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2017

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</u> Expenses/ Expenditures	<u>Actual</u> Expenses/ Expenditures	<u>Excess</u> Expenses/ Expenditures <u>Over Budget</u>
Gaming Tax	\$ 15,400,000	\$ 15,904,580	\$ (504,580)
Capital Projects	12,996,020	13,234,206	(238,186)
Community Development Block Grant	376,218	488,662	(112,444)
TIF #5 (Perry/Lee)	112,639	114,081	(1,442)
TIF #7 (Mannheim/Higgins)	33,760	741,963	(708,203)
Debt Service	493,340	493,600	(260)
I.T. Replacement	250,156	277,863	(27,707)

The City controls expenditures at the object level. Some individual departments experienced expenditures that 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.

(Continued)

CITY OF DES PLAINES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

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

As of December 31, 2017, the following individual funds held a deficit balance:

<u>Fund</u>	<u>Amount</u>
Community Development Block Grant	\$ 37,834
TIF #3 (Wille Road)	3,007,016
TIF #6 (Mannheim/Higgins)	11,516,126
TIF #7 (Mannheim/Higgins)	426,848
Emergency Telephone System	220,947
Grant Funded Projects	5,572,932

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 and Community Development Block Grant 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	\$ 3,350	\$ 3,350	N/A
Deposits	26,047,645	26,128,277	Custodial
Illinois funds	48,364,242	48,364,242	Credit, interest rate
U.S. government and agency obligations	21,585,883	21,585,883	Custodial, credit, interest rate concentration of credit
State and local obligations	4,253,191	4,253,191	Custodial, interest rate, concentration of credit
Money market mutual funds	20,270,423	20,270,423	Credit, interest rate
Mutual funds	49,449,931	49,449,931	Credit
Corporate bonds	22,318,134	22,318,134	Custodial, credit, interest rate concentration of credit
Common and preferred stock	48,354,594	48,354,594	Custodial, concentration of credit
Insurance contracts	<u>1,514</u>	<u>1,514</u>	Custodial, credit, concentration of credit
Total deposits and investments	<u>\$ 240,648,907</u>	<u>\$ 240,729,539</u>	

(Continued)

CITY OF DES PLAINES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE 3 - DEPOSITS AND INVESTMENTS (Continued)

Reconciliation To Financial Statements:

Per statement of net position	
Cash and investments	\$ 84,118,593
Per statement of fiduciary net position - fiduciary funds	
Cash - agency	3,100,800
Cash - pension	11,030,328
U.S. government and agency obligations	21,037,758
Mutual funds	49,449,931
Corporate bonds	22,318,134
Stocks	48,354,594
Insurance contracts	1,514
State and local obligations	1,237,255
Total deposits and investments	\$ 240,648,907

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, 2017, credit ratings for the City, Police Pension, and Fire Pension investments in debt securities are as follows:

<u>City</u>	Standard and Poor's Ratings					
<u>Investment Type</u>	<u>AAA</u>	<u>AA</u>	<u>A</u>	<u>BBB</u>	<u>NR</u>	<u>Total</u>
Illinois municipal bonds	\$ 155,142	\$ 2,035,380	\$ -	\$ -	\$ 825,414	\$ 3,015,936
Illinois funds	48,364,242	-	-	-	-	48,364,242
U.S. Government Agencies	-	298,269	-	-	249,856	548,125

<u>Police Pension</u>	Bloomberg Composite Ratings					
<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	\$ -	\$ -	\$ -	\$ -	\$ 9,051,278	\$ 9,051,278
State and Local Obligations	-	426,808	-	-	307,870	734,678
U.S. Government Agencies	-	722,851	-	-	303,340	1,026,191
Corporate Bonds	316,068	1,063,488	4,825,859	4,178,799	-	10,384,214

(Continued)

CITY OF DES PLAINES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE 3 - DEPOSITS AND INVESTMENTS (Continued)

Fire Pension

<u>Investment Type</u>	<u>Bloomberg Composite Ratings</u>					<u>NR</u>	<u>Total</u>
	<u>AAA</u>	<u>AA</u>	<u>A</u>	<u>BBB</u>			
U.S. Treasuries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,723,245	\$ 9,723,245
State and Local Obligations	-	255,240	-	-	-	247,337	502,577
U.S. Government Agencies	-	951,974	-	-	-	285,070	1,237,044
Corporate Bonds	526,780	1,775,194	5,388,241	4,143,737		99,968	11,933,920

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, 2017, 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, 2017, the City's investments and pensions were as follows:

(Continued)

CITY OF DES PLAINES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE 3 - DEPOSITS AND INVESTMENTS (Continued)

<u>Investment Type</u>	<u>Maturity (in years)</u>			
	<u>Total</u>	<u>Less Than One Year</u>	<u>One to Five Years</u>	<u>Over Five Years</u>
City				
Illinois municipal bonds	\$ 3,015,936	\$ 1,131,483	\$ 1,668,775	\$ 215,678
Money market mutual fund	9,372,745	9,372,745	-	-
Illinois funds	48,364,242	48,364,242	-	-
Other U.S. government agencies	<u>548,125</u>	<u>249,856</u>	<u>298,269</u>	<u>-</u>
City investment total	<u>61,301,048</u>	<u>59,118,326</u>	<u>1,967,044</u>	<u>215,678</u>
Police Pension				
U.S. Treasuries	9,051,278	494,203	4,350,899	4,206,176
State and local obligations	734,678	339,034	395,644	-
Money market mutual funds	6,662,283	6,662,283	-	-
Other U.S. government agencies	1,026,191	141,771	232,213	652,207
Corporate bonds	<u>10,384,214</u>	<u>839,228</u>	<u>4,836,842</u>	<u>4,708,144</u>
Police pension investment total	<u>27,858,644</u>	<u>8,476,519</u>	<u>9,815,598</u>	<u>9,566,527</u>
Fire Pension				
U.S. Treasuries	9,723,245	125,665	4,079,208	5,518,372
State and local obligations	502,577	278,432	224,145	-
Money market mutual funds	4,235,395	4,235,395	-	-
Other U.S. government agencies	1,237,044	226,676	281,620	728,748
Corporate bonds	<u>11,933,920</u>	<u>1,121,020</u>	<u>5,520,762</u>	<u>5,292,138</u>
Fire pension investment total	<u>27,632,181</u>	<u>5,987,188</u>	<u>10,105,735</u>	<u>11,539,258</u>
Totals	<u>\$ 116,791,873</u>	<u>\$ 73,582,033</u>	<u>\$ 21,888,377</u>	<u>\$ 21,321,463</u>

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

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, 2017 using a matrix pricing model:

(Continued)

CITY OF DES PLAINES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE 3 - DEPOSITS AND INVESTMENTS (Continued)

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)
City				
Illinois municipal bonds	\$ 3,015,936	\$ -	\$ 3,015,936	\$ -
Money market mutual fund	9,372,745	-	9,372,745	-
Other U.S. government agencies	548,125	548,125	-	-
City Investment Total	12,936,806	548,125	12,388,681	-
Police Pension				
U.S. Treasuries	9,051,278	-	9,051,278	-
State and local obligations	734,678	-	734,678	-
Money market mutual funds	6,662,283	6,662,283	-	-
Other U.S. government agencies	1,026,191	-	1,026,191	-
Corporate bonds	10,384,214	-	10,384,214	-
Mutual funds	23,603,257	23,603,257	-	-
Equity Securities	21,420,358	21,420,358	-	-
Police pension investment Total	72,882,259	51,685,898	21,196,361	-
Fire Pension				
U.S. Treasuries	9,723,245	-	9,723,245	-
State and local obligations	502,577	-	502,577	-
Money market mutual funds	4,235,395	4,235,395	-	-
Other U.S. government agencies	1,237,044	-	1,237,044	-
Corporate bonds	11,933,920	-	11,933,920	-
Mutual funds	25,846,674	25,846,674	-	-
Equity Securities	26,934,236	26,934,236	-	-
Fire pension investment Total	80,413,091	57,016,305	23,396,786	-
Totals	\$ 166,232,156	\$ 109,250,328	\$ 56,981,828	\$ -

(Continued)

CITY OF DES PLAINES, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2017

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>Totals</u>
	<u>Unavailable</u>	<u>Deferred</u>	<u>Unearned</u>	
Property taxes receivable for subsequent year	\$ -	\$ 29,359,456	\$ -	\$ 29,359,456
Other receivables	576,807	-	485,530	1,062,337
Grant receivables	<u>6,165,935</u>	<u>-</u>	<u>1,203,061</u>	<u>7,368,996</u>
 Total deferred inflows/unearned revenue for governmental funds	 <u>\$ 6,742,742</u>	 <u>\$ 29,359,456</u>	 <u>\$ 1,688,591</u>	 <u>\$ 37,790,789</u>

(Continued)

CITY OF DES PLAINES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE 5 - CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2017, 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	\$ 25,134,690	\$ 11,643,499	\$ 9,170,000	\$ 27,608,189
Construction in progress	2,364,328	4,736,514	-	7,100,842
Land right of way	53,299,649	-	-	53,299,649
Total capital assets not being depreciated	<u>80,798,667</u>	<u>16,380,013</u>	<u>9,170,000</u>	<u>88,008,680</u>
Capital assets being depreciated				
Buildings	21,819,159	-	-	21,819,159
Improvements	46,047,193	424,673	-	46,471,866
Equipment	5,029,709	710,221	39,214	5,700,716
Vehicles	10,426,356	1,522,291	1,024,393	10,924,254
Infrastructure	168,841,388	5,563,780	-	174,405,168
Total capital assets being depreciated	<u>252,163,805</u>	<u>8,220,965</u>	<u>1,063,607</u>	<u>259,321,163</u>
Total capital assets	<u>332,962,472</u>	<u>24,600,978</u>	<u>10,233,607</u>	<u>347,329,843</u>
Less accumulated depreciation for				
Buildings	(10,562,958)	(446,815)	-	(11,009,773)
Improvements	(21,241,979)	(1,277,067)	-	(22,519,046)
Equipment	(2,946,267)	(326,809)	(20,106)	(3,252,970)
Vehicles	(5,091,121)	(685,003)	(1,016,524)	(4,759,600)
Infrastructure	(80,575,882)	(5,003,677)	-	(85,579,559)
Total accumulated depreciation	<u>(120,418,207)</u>	<u>(7,739,371)</u>	<u>(1,036,630)</u>	<u>(127,120,948)</u>
Net capital assets being depreciated	<u>131,745,598</u>	<u>481,594</u>	<u>26,977</u>	<u>132,200,215</u>
Total governmental activities capital assets, net of accumulated depreciation	<u>\$ 212,544,265</u>	<u>\$ 16,861,607</u>	<u>\$ 9,196,977</u>	<u>\$ 220,208,895</u>

Depreciation expense was charged to functions as follows:

<u>Governmental activities</u>	
General government	\$ 310,428
Public safety	636,382
Public works	765,715
Streets and highways	5,804,730
Economic development	222,116
	<u>\$ 7,739,371</u>

(Continued)

CITY OF DES PLAINES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE 5 - CAPITAL ASSETS (Continued)

	Beginning Balance	Additions/ Transfers In	Deletions/ Transfers Out	Ending Balance
<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	47,951,451	2,374,318	-	50,325,769
Equipment	753,165	81,693	39,215	795,643
Vehicles	1,686,408	-	258,966	1,427,442
Total capital assets being depreciated	<u>69,357,533</u>	<u>2,456,011</u>	<u>298,181</u>	<u>71,515,363</u>
Total capital assets	<u>71,249,303</u>	<u>2,456,011</u>	<u>298,181</u>	<u>73,407,133</u>
Less accumulated depreciation for				
Buildings	(10,912,697)	(673,278)	-	(11,585,975)
Improvements	(18,434,872)	(1,398,132)	-	(19,833,004)
Equipment	(537,009)	(33,727)	(39,215)	(531,521)
Vehicles	(1,241,713)	(61,734)	(258,965)	(1,044,482)
Total accumulated depreciation	<u>(31,126,291)</u>	<u>(2,166,871)</u>	<u>(298,180)</u>	<u>(32,994,982)</u>
Net capital assets being depreciated	<u>38,231,242</u>	<u>289,140</u>	<u>1</u>	<u>38,520,381</u>
Total business-type activities capital assets, net of accumulated depreciation	<u>\$ 40,123,012</u>	<u>\$ 289,140</u>	<u>\$ 1</u>	<u>\$ 40,412,151</u>

Depreciation expense was charged to functions as follows:

<u>Business-type Activities</u>	
Parking	\$ 653,621
Water/Sewer	1,513,250
	<u>\$2,166,871</u>

(Continued)

CITY OF DES PLAINES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

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)	\$ 11,515,217	\$ 11,515,217	\$ -
General	Grant funded projects	3,509,258	3,509,258	-
General	Non-major governmental	3,545,449	3,545,449	-
General	Internal service funds	214,006	214,006	-
General	Water/Sewer	6,050,283	6,050,283	-
Total - Fund financial statements		<u>24,834,213</u>	<u>\$ 24,834,213</u>	<u>\$ -</u>
Less: Fund eliminations		(18,783,930)		
Less: Interfund receivables created with internal service fund eliminations		<u>(415,634)</u>		
Total internal balances - Government-wide statement of net position		<u>\$ 5,634,649</u>		

Amounts due to the general fund from the TIF #6 (Mannheim/Higgins), grant funded projects, non-major governmental, internal service, and water/sewer funds are for cash overdrafts in those funds.

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, 2017

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

The following is a schedule of interfund transfers:

Transferred To	Transferred From	Amount	Principal Purpose
<u>Fund financial statements</u>			
General	Non-major governmental	\$ 176,000	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
General	TIF #6	3,000	To reimburse staff time devoted to TIF projects
Grant funded projects	Capital projects	177,104	To reimburse the City's share of grant expenses
Non-major governmental	General	1,794,231	To reimburse for dispatch services
Non-major governmental	General	1,500,000	Transfer per budget for future equipment and depreciation
Non-major governmental	General	250,000	Transfer per budget for future IT equipment and depreciation
Capital projects	Gaming tax	8,150,000	To reimburse for infrastructure improvements
Water	Parking system	<u>20,758</u>	To reimburse general operating expenditures of the fund
Total - Fund financial statements		12,111,851	
Less: Fund eliminations		<u>(12,127,609)</u>	
Total - Government-wide statement of activities		<u>\$ (15,758)</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, 2017

NOTE 7 - DEBT ACTIVITY

Long-Term Obligations: Long term obligations activity for the year ended December 31, 2017, 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	\$ 33,561,615	\$ 616,126	\$ 6,530,000	\$ 27,647,741	\$ 5,160,000
Tax increment financing revenue bonds	296,572	-	68,553	228,019	72,152
Loans payable	162,500	-	12,500	150,000	12,500
Unamortized (discounts)/premiums	201,212	-	71,700	129,512	-
Total bonds and notes payable	<u>34,221,899</u>	<u>616,126</u>	<u>6,682,753</u>	<u>28,155,272</u>	<u>5,244,652</u>
Other liabilities					
Vested compensated absences	2,418,782	1,889,880	1,738,165	2,570,497	1,776,982
Net pension liability - Police pension	77,947,380	-	369,425	77,577,955	-
Net pension liability - Fire pension	68,800,756	-	1,521,965	67,278,791	-
Net pension liability (asset) - IMRF	6,172,741	-	7,000,427	(827,686)	-
Net other post-retirement benefit liability	2,604,411	150,116	-	2,754,527	-
Total other liabilities	<u>157,944,070</u>	<u>2,039,996</u>	<u>10,629,982</u>	<u>149,354,084</u>	<u>1,776,982</u>
Total governmental activities	<u>\$ 192,165,969</u>	<u>\$ 2,656,122</u>	<u>\$ 17,312,735</u>	<u>\$ 177,509,356</u>	<u>\$ 7,021,634</u>

Governmental activities general obligation debt increases includes \$183,322 of accretion of the 2009A capital appreciation bonds and \$432,804 of accretion of the 2010B capital appreciation bonds.

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
<u>Business-Type Activities</u>					
Other liabilities					
Vested compensated absences	\$ 266,296	\$ 156,541	\$ 159,830	\$ 263,007	\$ 147,498
Net pension liability (asset) - IMRF	2,068,994	-	2,349,772	(280,778)	-
Net other post-retirement benefit liability	177,756	16,771	-	194,527	-
Total business-type activities	<u>\$ 2,513,046</u>	<u>\$ 173,312</u>	<u>\$ 2,509,602</u>	<u>\$ 176,756</u>	<u>\$ 147,498</u>

(Continued)

CITY OF DES PLAINES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

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.

	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance Outstanding
Governmental Activities					
Series 2008A Taxable GO Refunding Bonds, due in annual installments of \$100,000 to \$275,000 Debt retired from TIF #3 fund	April 1, 2008	December 1, 2021	3.25%-5.25%	\$ 2,575,000	\$ 450,000
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%-5.80%	5,430,000	3,095,858 *
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%-3.75%	4,175,000	200,000
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	3.63%-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	4.00%-5.35%	6,110,760	8,646,883 *
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	2.00%-2.50%	3,540,000	550,000 595,000 415,000 100,000
Series 2012A GO Refunding Bonds, due in annual installments of \$455,000 to \$495,000 Debt retired from TIF #1 fund	December 18, 2012	December 1, 2020	1.00%-2.00%	3,765,000	1,460,000
Series 2013 Taxable GO Refunding Bonds, due in annual installments of \$690,000 to \$1,140,000 Debt retired from TIF #1 fund Debt retired from TIF #3 fund Debt retired from TIF #6 fund	December 17, 2013	December 1, 2021	3.00%-3.30%	7,945,000	1,375,000 295,000 2,330,000

(Continued)

CITY OF DES PLAINES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE 7 – DEBT ACTIVITY (Continued)

	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance Outstanding</u>
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%-2.60%	\$ 2,020,000	\$ 1,220,000
Series 2014B GO Refunding Bonds, due in annual installments of \$440,000 to \$1,165,000 Debt retired from TIF #3 fund Debt retired from capital projects fund	September 4, 2014	December 1, 2022	0.75%-3.00%	5,600,000	2,235,000 <u>735,000</u>
Total governmental activities general obligation debt					<u>\$27,647,741</u>

*A portion of the December 31, 2017 balance for the 2010B and 2009A bonds represents accretion on debt from the date of issuance until December 31, 2017.

Debt service requirements to maturity are as follows (Principal Totals for Governmental Activities differs from the outstanding balance noted above in the amount of \$3,797,259, 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>
2018	\$ 5,160,000	\$ 461,933
2019	4,305,000	361,040
2020	4,520,000	277,615
2021	3,435,000	188,086
2022	3,480,000	121,090
2023-2027	10,110,000	336,624
2028	435,000	18,488
	<u>\$31,445,000</u>	<u>\$ 1,764,876</u>

(Continued)

CITY OF DES PLAINES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

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 2017, TIF #1 generated a tax increment of \$4,981,630. The City has pledged future incremental tax revenues, net of specified operating expenses, to repay \$228,019 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 \$252,369. Principal and interest paid for the current year were \$68,553 and \$15,570, respectively.

Tax Increment Financing Notes at December 31, 2017, consists of the following:

	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance Outstanding</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	\$ 110,804
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>117,215</u>
Total governmental activities tax increment financing notes					<u>\$ 228,019</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>
2018	\$ 72,152	\$ 11,971
2019	75,940	8,183
2020	79,927	4,196
	<u>\$ 228,019</u>	<u>\$ 24,350</u>

Loans Payable: Loans Payable at December 31, 2017 consist of the following:

	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance Outstanding</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	\$ 150,000

(Continued)

CITY OF DES PLAINES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE 7 – DEBT ACTIVITY (Continued)

Debt service requirements to maturity are as follows:

Years	Governmental Activities	
	Loans Payable	
	Principal	Interest
2018	\$ 12,500	\$ -
2019	12,500	-
2020	12,500	-
2021	12,500	-
2022	12,500	-
2023-2027	62,500	-
2028-2029	25,000	-
	<u>\$ 150,000</u>	<u>\$ -</u>

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.

(Continued)

CITY OF DES PLAINES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

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	\$ 693,771	\$ 977,580	Custodial
Illinois funds	3,315,484	3,315,484	Credit, interest rate
Petty cash	<u>500</u>	<u>-</u>	N/A
 Total deposits and investments	 <u>\$ 4,009,755</u>	 <u>\$ 4,293,064</u>	

Deposits: Statutes authorize the Des Plaines Public Library (the "Library") to make deposits/invest in insured commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. Agencies, insured credit union shares, money market mutual funds with portfolios of securities issued or guaranteed by the United States or agreements to repurchase these same obligations, repurchase agreements, short term commercial paper rated within the three highest classifications by at least two standard rating services, and the Illinois Funds.

Cash: The carrying amount of deposits was \$4,009,755 at December 31, 2017, while the bank balances were \$4,293,064. 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, 2017, the Library held \$3,315,484 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 \$3,315,484 was due upon demand.

(Continued)

NOTE 8 - COMPONENT UNIT (Continued)

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

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

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

Receivables and Deferred Outflows/Inflows of Resources: In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflow 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 Library reports change in pension assumptions and differences between projected and actual experience, which are deferred and amortized over the average of the expected remaining service lives of employees who are provided with benefits through the pension plan.

In addition to liabilities, the statement of net 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. Certain amounts related to pensions must be deferred. Differences between expected and actual experience, changes in pension assumptions, and change in proportionate share are deferred and amortized over the average of the expected remaining service lives of employees who are provided with benefits through the pension plan. The net difference between projected and actual earnings on pension plan investments is deferred and amortized over five years.

Property taxes for 2016 attach as an enforceable lien on January 1, 2016, 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, 2017 and August 1, 2017 and are payable in two installments, on or about March 1, 2017 and September 1, 2017. 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 2017 tax levy has been recorded as a deferred inflow of resources on the balance sheet.

The Library recognizes grant revenues when they become both measurable and available in the fiscal year that the grant is intended to finance. Therefore, the portion of 2017 grant revenue that was not received within the first 60 days of 2018 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.

(Continued)

CITY OF DES PLAINES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

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	\$ 2,380,200	\$ 39,503	\$ -	\$ 2,419,703
Equipment	1,143,265	6,381	-	1,149,646
Vehicles	<u>67,163</u>	<u>-</u>	<u>-</u>	<u>67,163</u>
Total capital assets being depreciated	<u>3,590,628</u>	<u>45,884</u>	<u>-</u>	<u>3,636,512</u>
Less accumulated depreciation for				
Improvements	(139,355)	(82,300)	-	(221,655)
Equipment	(494,692)	(76,939)	-	(571,631)
Vehicles	<u>(54,684)</u>	<u>(2,496)</u>	<u>-</u>	<u>(57,180)</u>
Total accumulated depreciation	<u>(688,731)</u>	<u>(161,735)</u>	<u>-</u>	<u>(850,466)</u>
Total component unit capital assets, net of accumulated depreciation	<u>\$ 2,901,897</u>	<u>\$ (115,851)</u>	<u>\$ -</u>	<u>\$ 2,786,046</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, 2017 was \$316,359. During 2017, there were additions of \$100,736 and reductions of \$106,798 leaving the liability balance as of December 31, 2017 at \$310,297. The current portion of this liability is \$107,931.

Net Other Postemployment Benefits Obligation: The liability balance at January 1, 2017 was \$89,041. During 2017, there were annual OPEB costs of \$17,821 and contributions of \$13,301 leaving the liability balance as of December 31, 2017 at \$93,561. 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, 2017 was \$1,861,719. During 2017, there were reductions of \$2,104,085 leaving the asset balance as of December 31, 2017 at \$242,366. 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.

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
- ½ of the increase in the Consumer Price Index of the original pension amount.

Employees Covered by Benefit Terms: As of December 31, 2017 the following employees were covered by the benefit terms:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	476
Active Plan Members	<u>206</u>
Total	<u><u>682</u></u>

(Continued)

NOTE 9 - EMPLOYEES' RETIREMENT SYSTEM (Continued)

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 2017 was 12.00%. For the fiscal year ended December 31, 2017, the City contributed \$1,738,214 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, 2017. 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, 2017 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	2.50%
Salary Increases	3.39% to 14.25%, 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 2017 valuation pursuant to an experience study of the period 2014-2016
Mortality	For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

A detailed description of the actuarial assumptions and methods can be found in the December 31, 2017 Illinois Municipal Retirement Fund annual actuarial valuation. The price inflation of 2.50% is a decrease of 0.25% from the prior year rate of 2.75%. Salary increases were decreased from the prior year range of 3.75% - 14.50%. Retirement age and mortality assumptions were updated from the previously used MP-2014 scale. There were no other significant changes in assumptions. There were no benefit changes during the year. The City is not aware of any changes that have occurred subsequent to the measurement date that are expected to have a significant effect on the net pension liability.

(Continued)

CITY OF DES PLAINES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE 9 - EMPLOYEES' RETIREMENT SYSTEM (Continued)

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:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Equities	37%	6.85%
International Equities	18%	6.75%
Fixed Income	28%	3.00%
Real Estate	9%	5.75%
Alternatives	7%	N/A
Cash Equivalents	1%	2.25%
	<u>100%</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, 2017 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%, the municipal bond rate is 3.31%, and the resulting single discount rate is 7.50%, which is unchanged from the prior year. The fund is expected to be fully funded through December 31, 2117.

(Continued)

CITY OF DES PLAINES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE 9 - EMPLOYEES' RETIREMENT SYSTEM (Continued)

	Increase (Decrease)		
	Total Pension	Plan Fiduciary	Net Pension
	Liability	Net Position	(Asset)/Liability
	(a)	(b)	(a) - (b)
Primary government:			
Balances at 12/31/16	\$ 91,714,010	\$ 83,472,275	\$ 8,241,735
Changes for the year:			
Service cost	1,227,366	-	1,227,366
Interest	6,791,452	-	6,791,452
Actuarial experience	317,538	-	317,538
Assumption changes	(2,891,810)	-	(2,891,810)
Contributions - Employer	-	1,426,343	(1,426,343)
Contributions - Employee	-	538,541	(538,541)
Net investment income	-	14,922,910	(14,922,910)
Benefit payments, including refunds	(4,639,505)	(4,639,505)	-
Change in proportionate share	48,954	-	48,954
Other (net transfer)	-	(2,044,095)	2,044,095
Net changes	853,995	10,204,194	(9,350,199)
Balances at 12/31/17	<u>\$ 92,568,005</u>	<u>\$ 93,676,469</u>	<u>\$ (1,108,464)</u>

	Increase (Decrease)		
	Total Pension	Plan Fiduciary	Net Pension
	Liability	Net Position	(Asset)/Liability
	(a)	(b)	(a) - (b)
Component unit:			
Balances at 12/31/16	\$ 20,717,199	\$ 18,855,480	\$ 1,861,719
Changes for the year:			
Service cost	268,365	-	268,365
Interest	1,484,956	-	1,484,956
Actuarial experience	69,430	-	69,430
Assumption changes	(632,296)	-	(632,296)
Contributions - Employer	-	311,871	(311,871)
Contributions - Employee	-	117,752	(117,752)
Net investment income	-	3,262,906	(3,262,906)
Benefit payments, including refunds	(1,014,431)	(1,014,431)	-
Change in proportionate share	(48,954)	-	(48,954)
Other (net transfer)	-	(446,943)	446,943
Net changes	127,070	2,231,155	(2,104,085)
Balances at 12/31/17	<u>\$ 20,844,269</u>	<u>\$ 21,086,635</u>	<u>\$ (242,366)</u>

(Continued)

CITY OF DES PLAINES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE 9 - EMPLOYEES' RETIREMENT SYSTEM (Continued)

As reported in	
City's governmental activities	\$ (827,686)
City's business-type activities	(280,778)
Library	(242,366)
	\$ (1,350,830)

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	Current	1% Increase
	6.50%	Discount Rate 7.50%	8.50%
Primary government	\$ 9,786,344	\$ (1,108,464)	\$(10,092,549)
Component unit	2,139,792	(242,366)	(2,206,744)
City's net pension liability (asset) for the IMRF plan	\$ 11,926,136	\$ (1,350,830)	\$(12,299,293)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: For the year ended December 31, 2017, the primary government and component unit recognized pension expense of \$1,688,336 and \$369,156, respectively, for the IMRF plan. At December 31, 2017, 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
Primary government:		
Differences between expected and actual experience	\$ 214,370	\$ 589,646
Assumption changes	4,482	2,022,426
Net difference between projected and actual earnings on pension plan investments	-	4,326,750
Change in proportionate share between City and discretely presented component unit	33,048	-
	\$ 251,900	\$ 6,938,822

(Continued)

CITY OF DES PLAINES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE 9 - EMPLOYEES' RETIREMENT SYSTEM (Continued)

Component unit:	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 46,873	\$ 133,195
Assumption changes	1,013	442,713
Net difference between projected and actual earnings on pension plan investments	-	926,395
Change in proportionate share between City and discretely presented component unit	-	33,048
	\$ 47,886	\$ 1,535,351

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

Year ending December 30	Primary Government	Component Unit
2018	\$ (1,801,240)	\$ (407,581)
2019	(1,376,589)	(311,658)
2020	(1,748,640)	(383,302)
2021	(1,760,453)	(384,924)
Total	\$ (6,686,922)	\$ (1,487,465)

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 January 1, 2017, the date of the latest actuarial valuation, 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
Total	206

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.

(Continued)

NOTE 9 - EMPLOYEES' RETIREMENT SYSTEM (Continued)

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

Tier 2 employees (those hired on or after January 1, 2011) attaining the age of 55 or older with ten or more years of creditable service are entitled to receive an annual retirement benefit equal to the average monthly salary obtained by dividing the total salary of the police officer during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. Police officers' salary for pension purposes shall not exceed \$106,800, however, that amount shall increase annually by the lesser of ½ of the annual change in the Consumer Price Index or 3.0% compounded. The annual benefit shall be increased by 2.5% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75.0% of such salary. Employees with at least ten years may retire at or after age 50 and receive a reduced benefit (i.e. ½% for each month under 55).

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

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, 2017, the City's contribution was 59.2% 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 Police Pension plan was measured as of December 31, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial assumptions: The total pension liability in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

(Continued)

CITY OF DES PLAINES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE 9 - EMPLOYEES' RETIREMENT SYSTEM (Continued)

Actuarial Assumptions (economic)

Discount rate used for the total pension liability	6.75%
Long-term expected rate of return on plan assets	6.75%
High quality 20 year tax-exempt G.O. bond rate	3.44%
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)

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 3.78% to 3.44% for the current year. The underlying index used is The Bond Buyer 20-Bond GO Index. 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 long-term expected rate of return on plan assets changed from 7.00% to 6.75%. There were no significant changes in demographic assumptions.

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).

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:

(Continued)

CITY OF DES PLAINES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE 9 – EMPLOYEES’ RETIREMENT SYSTEM (Continued)

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
US Large Cap Equity	19%	6.70%
US SMID Cap Equity	14%	8.60%
REITs	3%	5.70%
Non-US Developed Equity	16%	6.10%
Emerging Markets	8%	7.10%
Fixed Income	38%	2.60%
Cash	2%	1.00%
	<u>100%</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 2.30% 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 28, 2017 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 6.75%, which is a decrease of 0.25% from the prior year rate of 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 to 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.

(Continued)

CITY OF DES PLAINES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE 9 – EMPLOYEES’ RETIREMENT SYSTEM (Continued)

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 6.75%, 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 (5.75%) or 1-percentage-point higher (7.75%) than the current rate:

	1% Decrease 5.75%	Current Discount Rate 6.75%	1% Increase 7.75%
City's net pension liability for the police pension	\$ 98,578,342	\$ 77,577,955	\$ 60,390,410

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)
Balances at January 1, 2017	\$ 142,055,533	\$ 64,108,153	\$ 77,947,380
Changes for the year:			
Service cost	1,595,813	-	1,595,813
Interest	9,682,644	-	9,682,644
Actuarial experience	108,103	-	108,103
Assumptions changes	4,617,721	-	4,617,721
Contributions - employer	-	5,262,020	(5,262,020)
Contributions - employee	-	908,895	(908,895)
Contributions - other	-	175,479	(175,479)
Net investment income	-	10,123,404	(10,123,404)
Benefit payments, including refunds	(7,464,094)	(7,464,094)	-
Administrative expense	-	(96,092)	96,092
Net changes	8,540,187	8,909,612	(369,425)
Balances at December 31, 2017	\$ 150,595,720	\$ 73,017,765	\$ 77,577,955

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: For the year ended December 31, 2017 the City recognized pension expense of \$7,093,157 for the Police Pension plan. At December 31, 2017, 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	\$ 1,354,613	\$ -
Changes of assumptions	4,429,756	901,756
Net difference between projected and actual earnings on investments	-	2,598,568
Total	\$ 5,784,369	\$ 3,500,324

(Continued)

CITY OF DES PLAINES, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2017

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	Deferred Outflows of Resources
2018	\$ 1,089,316
2019	1,089,315
2020	(1,277)
2021	(177,566)
2022	284,257
Total	<u>\$ 2,284,045</u>

Rate of return: For the year ended December 31, 2017, the annual money-weighted rate of return on the Police Pension Plan’s assets, net of pension plan investment expense, was 15.80%. 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 January 1, 2017, the date of the latest actuarial valuation, 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	<u>92</u>
Total	<u>201</u>

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

The Firefighters’ Pension Plan provides retirement benefits as well as death and disability benefits. Tier 1 employees (those hired prior to January 1, 2011) attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit equal to one-half of the salary attached to the rank held on the last day of service. The annual benefit shall be increased by 2.5% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least ten years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit.

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

(Continued)

CITY OF DES PLAINES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE 9 - EMPLOYEES' RETIREMENT SYSTEM (Continued)

Tier 2 employees (those hired on or after January 1, 2011) attaining the age of 55 or older with ten or more years of creditable service are entitled to receive an annual retirement benefit equal to the average monthly salary obtained by dividing the total salary of the firefighter during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. Firefighters' salary for pension purposes is capped at \$106,800 plus the lesser of ½ of the annual change in the Consumer Price Index or 3.0% compounded. The annual benefit shall be increased by 2.5% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75.0% of such salary. Employees with at least ten years may retire at or after age 50 and receive a reduced benefit (i.e. ½% for each month under 55).

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

Contributions: Participants contribute a fixed percentage of their base salary to the plans. At December 31, 2017, 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, 2017, the City's contribution was 53.2% 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, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial assumptions: The total pension liability in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

<u>Actuarial Assumptions (economic)</u>	
Discount rate used for the total pension liability	6.75%
Long-term expected rate of return on plan assets	6.75%
High quality 20 year tax-exempt G.O. bond rate	3.44%
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%

(Continued)

CITY OF DES PLAINES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE 9 - EMPLOYEES' RETIREMENT SYSTEM (Continued)

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 3.78% to 3.44% 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 long-term expected rate of return was changed from 7.00% to 6.75%. There were no significant changes in demographic assumptions.

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:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Large Cap Equity	27%	6.70%
US Mid Cap Equity	3%	7.20%
US Small Cap Equity	3%	7.70%
REITS	3%	5.70%
Non US Developed Equity	16%	6.10%
Emerging Markets	8%	7.10%
Fixed Income	38%	2.60%
Cash	2%	1.00%
	<u>100%</u>	

(Continued)

CITY OF DES PLAINES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE 9 - EMPLOYEES' RETIREMENT SYSTEM (Continued)

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 2.30% 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 28, 2017 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 6.75%, which is a decrease of 0.25% from the prior year rate of 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 to 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 6.75%, as well as what the City's net pension liability for the Firefighters' Pension plan would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75%) or 1-percentage-point higher (7.75%) than the current rate:

	1% Decrease 5.75%	Current Discount Rate 6.75%	1% Increase 7.75%
City's net pension liability for the firefighters' pension	\$ 86,917,110	\$ 67,278,791	\$ 51,063,062

(Continued)

CITY OF DES PLAINES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE 9 - EMPLOYEES' RETIREMENT SYSTEM (Continued)

Changes in the Net Pension Liability for the Firefighters' Pension Plan:

	Increase (Decrease)		
	Total Pension	Plan Fiduciary	Net Pension
	Liability	Net Position	Liability
	(a)	(b)	(a) - (b)
Balances at January 1, 2017	\$ 139,570,075	\$ 70,769,319	\$ 68,800,756
Changes for the year:			
Service cost	1,845,967	-	1,845,967
Interest	9,513,008	-	9,513,008
Actuarial experience	4,328	-	4,328
Assumptions changes	4,343,417	-	4,343,417
Contributions - employer	-	4,916,225	(4,916,225)
Contributions - employee	-	867,424	(867,424)
Net investment income	-	11,548,953	(11,548,953)
Benefit payments, including refunds	(7,339,931)	(7,339,931)	-
Administrative expense	-	(103,917)	103,917
Net changes	<u>8,366,789</u>	<u>9,888,754</u>	<u>(1,521,965)</u>
Balances at December 31, 2017	<u>\$ 147,936,864</u>	<u>\$ 80,658,073</u>	<u>\$ 67,278,791</u>

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: For the year ended December 31, 2017 the City recognized pension expense of \$7,514,552 for the Firefighters' Pension plan. At December 31, 2017, 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	\$ 2,508,219	\$ -
Changes of assumptions	5,072,397	-
Net difference between projected and actual earnings on investments	-	3,036,401
Total	<u>\$ 7,580,616</u>	<u>\$ 3,036,401</u>

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	Deferred Outflows of Resources
2018	\$ 1,639,982
2019	1,639,982
2020	454,561
2021	(327,612)
2022	815,251
Thereafter	322,051
Total	<u>\$ 4,544,215</u>

(Continued)

CITY OF DES PLAINES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE 9 - EMPLOYEES' RETIREMENT SYSTEM (Continued)

Rate of return: For the year ended December 31, 2017, the annual money-weighted rate of return on the Firefighters' Pension Plan's assets, net of pension plan investment expense, was 16.41%. 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:

	Pension Trust		<u>Totals</u>
	<u>Firefighters' Pension</u>	<u>Police Pension</u>	
Assets			
Cash and cash equivalents	\$ 4,340,615	\$ 6,689,713	\$ 11,030,328
Investments			
U.S. government and agency obligations	10,960,289	10,077,469	21,037,758
Mutual funds	25,846,674	23,603,257	49,449,931
Corporate bonds	11,933,920	10,384,214	22,318,134
Stocks	26,934,236	21,420,358	48,354,594
State and local obligations	502,577	734,678	1,237,255
Insurance contracts	-	1,514	1,514
Accrued interest	198,438	165,083	363,521
Prepaid items	5,271	4,498	9,769
Total assets	80,722,020	73,080,784	153,802,804
Liabilities			
Accounts payable	63,947	63,019	126,966
Total liabilities	63,947	63,019	126,966
Net position	\$ 80,658,073	\$ 73,017,765	\$ 153,675,838

(Continued)

CITY OF DES PLAINES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

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	\$ 4,916,225	\$ 5,262,020	\$ 10,178,245
Plan members	<u>867,424</u>	<u>1,084,374</u>	<u>1,951,798</u>
Total contributions	<u>5,783,649</u>	<u>6,346,394</u>	<u>12,130,043</u>
Investment Income	11,853,563	10,446,240	22,299,803
Less investment expense	<u>(304,610)</u>	<u>(322,836)</u>	<u>(627,446)</u>
Net investment income	<u>11,548,953</u>	<u>10,123,404</u>	<u>21,672,357</u>
Total additions	<u>17,332,602</u>	<u>16,469,798</u>	<u>33,802,400</u>
Deductions			
Administration	103,917	96,092	200,009
Benefits and refunds	<u>7,339,931</u>	<u>7,464,094</u>	<u>14,804,025</u>
Total deductions	<u>7,443,848</u>	<u>7,560,186</u>	<u>15,004,034</u>
Change in plan net position	9,888,754	8,909,612	18,798,366
Plan net position, beginning of year	<u>70,769,319</u>	<u>64,108,153</u>	<u>134,877,472</u>
Plan net position, end of year	<u>\$ 80,658,073</u>	<u>\$ 73,017,765</u>	<u>\$ 153,675,838</u>

Summary:

	<u>IMRF</u>	<u>Police</u>	<u>Firefighters'</u>	<u>Total</u>
Net Pension Liability (Asset)	\$ (1,350,830)	\$ 77,577,955	\$ 67,278,791	\$ 143,505,916
Deferred Outflows of Resources	299,786	5,784,369	7,580,616	13,664,771
Deferred Inflows of Resources	8,474,173	3,500,324	3,036,401	15,010,898
Pension Expense	2,057,492	7,093,157	7,514,552	16,665,201

	<u>Primary Government</u>	<u>Component Unit</u>	<u>Total</u>
Net Pension Liability (Asset)	\$ 143,748,282	\$ (242,366)	\$ 143,505,916
Deferred Pension Outflows	13,616,885	47,886	13,664,771
Deferred Pension Inflows	13,475,547	1,535,351	15,010,898
Pension Expense	16,296,045	369,156	16,665,201

(Continued)

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	\$ 13,028	\$ -
Current year claims and changes in estimates	459,671	481,544
Claim payments	(472,699)	(481,544)
Unpaid claims - end of year	\$ -	\$ -

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.

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 \$5,000 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.

(Continued)

NOTE 10 - RISK MANAGEMENT (Continued)

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, which expires April 30, 2018. 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.

Effective May 1, 2018, the City will be purchasing excess liability coverage through MICA.

(Continued)

CITY OF DES PLAINES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

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:

Project Description	Expended To Date	Remaining Commitment
2014 CIP Concrete Improvements	\$ 921,731	\$ 344,286
DP River Rd Recon Ph 2	13,934,744	792,705
FA Improvements - MWRD Grant Funded	410,729	61,822
Upgrade Traffic Signal LED-Cost Share	7,868	17,264
Central Rd Bike Lane Construction	252,178	65,546
US 14 @ Broadway Intersection Improvements	123,723	329,562
2015 CIP Algonquin Rd Sewer	4,216,523	611,199
FEMA 1935 & 4116 Home Demolition	27,180	1,172,820
Orchard Pl Improvements	743,836	1,083,214
Lee St Streetscape Ph3	2,080,773	583,928
2017 CIP Cont B Street & Utility	3,209,401	449,488
2017 CIP Cont A Street & Utility	3,145,990	679,563
2017 CIP Contract C Street Resurfacing	1,224,015	104,242
2017 CIP Concrete & Alley Improvements	1,705,015	158,866
2017 Sign Replacement Program Project	137,548	27,587
City Hall Entry Door Renovation	246,211	31,519
Task Order #3 Bid and Construction Engineering Services	8,696	10,304
	<u>\$32,396,161</u>	<u>\$ 6,523,915</u>

From time to time, the City is party to various pending claims and legal proceedings. Although the outcome of such matters cannot be forecasted with certainty, it is the opinion of management and the City'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.

(Continued)

CITY OF DES PLAINES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

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.

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 2017, total member contributions were \$724,039. 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	\$ 859,077	\$ 17,227
Interest on net OPEB obligation	111,287	3,562
Adjustment to annual required contribution	<u>(92,739)</u>	<u>(2,968)</u>
Annual OPEB cost	877,625	17,821
Contributions made	<u>(710,738)</u>	<u>(13,301)</u>
Change in net OPEB obligation	166,887	4,520
Net OPEB obligation, beginning of year	<u>2,782,167</u>	<u>89,041</u>
Net OPEB obligation, end of year	<u>\$ 2,949,054</u>	<u>\$ 93,561</u>

(Continued)

CITY OF DES PLAINES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE 12 - OTHER POSTEMPLOYMENT BENEFITS (Continued)

<u>As reported in</u>	
City's governmental activities	\$ 2,754,527
City's business-type activities	194,527
	<u>\$ 2,949,054</u>

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>				
	2017	\$ 877,625	80.98%	\$ 2,949,054
	2016	843,238	76.00%	2,782,167
	2015	890,938	53.71%	2,580,486
<u>Library:</u>				
	2017	17,821	74.64%	93,561
	2016	17,140	85.00%	89,041
	2015	4,874	104.53%	86,422

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.

(Continued)

NOTE 12 - OTHER POSTEMPLOYMENT BENEFITS (Continued)

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.

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. 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 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.

(Continued)

NOTE 14 - NEW ACCOUNTING PRONOUNCEMENTS (Continued)

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.

In June 2017, the GASB issued Statement 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. This Statement is effective for the City's fiscal year ended December 31, 2020. Management has not determined what impact, if any, this statement will have on its financial statements.

In April 2018, the GASB issued Statement 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. The objective of this Statement is to improve the information that is disclosed in notes to government financial statements related to debt. This Statement requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses. This Statement is effective for the City's fiscal year ended December 31, 2019. Management has not determined what impact, if any, this statement will have on its financial statements.

(Continued)

NOTE 15 – TAX ABATEMENTS

Tax abatements are a reduction in tax revenues that results from an agreement between one or more governments and an individual or entity in which (a) one or more governments promise to forgo tax revenues to which they are otherwise entitled and (b) the individual or entity promises to take a specific action after the agreement has been entered into that contributes to economic development or otherwise benefits the governments or the citizens of those governments.

The City is affected by Cook County's Class 6b property tax incentive program. The purpose of the Class 6b program is to encourage industrial development throughout Cook County by offering a real estate tax incentive for the development of new industrial facilities, the rehabilitation of existing industrial structures, and the industrial reutilization of abandoned buildings. The goal of the program is to attract new industry, stimulate expansion and retention of existing industry, and increase employment opportunities.

Properties receiving a Class 6b incentive are assessed at 10% of market value for the first 10 years, 15% in the 11th year, and 20% in the 12th year. This constitutes a substantial reduction in the level of assessment and results in significant tax savings. In the absence of this incentive, industrial real estate would normally be assessed at 25% of its market value.

Municipalities have granted Class 6b incentives to businesses that, as a result, have occupied abandoned properties, constructed new buildings, or expanded existing facilities. In many instances, the program has produced more property tax revenue for the City and the other impacted taxing districts than would have been generated if the development had not occurred. The City's tax revenues are reduced due to the agreements entered into by these municipalities.

For the fiscal year ending December 31, 2017, the City's share of the abatement granted to the Class 6b properties was approximately \$1,251,000.

NOTE 16 – SUBSEQUENT EVENTS

The City issued \$12,410,000 in general obligation refunding bonds, Series 2018, on March 20, 2018. Proceeds of the bonds will be used to currently refund a portion of the City's outstanding general obligation refunding bonds, Series 2010A, and all of the City's outstanding general obligation refunding bonds, Series 2010B. Interest on the bonds will be payable semi-annually each June 1 and December 1, commencing December 1, 2018. Principal will be payable annually on each December 1, commencing in 2018 with the final payment to be made in 2028.

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, 2017
 With Comparative Actual Amounts for the Year Ended December 31, 2016

	2017		Variance from Final Budget Positive (Negative)	2016 Actual
	Original and Final Budget	Actual		
Revenues				
Property Taxes				
Property Taxes	\$ 12,830,100	\$ 12,771,829	\$ (58,271)	\$ 13,666,883
Police Pension	5,250,000	5,261,880	11,880	5,036,092
Fire Pension	4,900,000	4,916,095	16,095	4,433,051
Total Property Taxes	<u>22,980,100</u>	<u>22,949,804</u>	<u>(30,296)</u>	<u>23,136,026</u>
Local Taxes				
Utility Taxes	2,950,000	3,006,537	56,537	3,069,270
Gas and Use Tax	360,000	362,592	2,592	357,072
Franchise Tax	750,000	810,122	60,122	816,430
Food and Beverage Tax	1,150,000	1,330,150	180,150	1,268,923
Telecommunication Tax	2,100,000	2,054,125	(45,875)	2,392,037
Hotel/Motel Tax	2,100,000	1,908,782	(191,218)	2,069,830
Auto Rental Tax	80,000	108,515	28,515	84,630
Parking Tax	1,500	1,854	354	1,795
Real Estate Transfer Tax	450,000	883,175	433,175	842,326
Home Rule Sales Tax	1,450,000	1,603,049	153,049	1,526,073
PEG Fees Tax	50,000	24,594	(25,406)	35,757
Total Local Taxes	<u>11,441,500</u>	<u>12,093,495</u>	<u>651,995</u>	<u>12,464,143</u>
Licenses				
Business	375,000	198,305	(176,695)	351,577
Liquor	220,000	233,582	13,582	235,284
Vehicle	1,300,000	1,401,089	101,089	1,312,385
Other Licenses	159,500	144,633	(14,867)	190,364
Total Licenses	<u>2,054,500</u>	<u>1,977,609</u>	<u>(76,891)</u>	<u>2,089,610</u>
Permits				
Building	750,000	1,570,774	820,774	1,049,469
Other Permits	9,650	7,965	(1,685)	8,455
Total Permits	<u>759,650</u>	<u>1,578,739</u>	<u>819,089</u>	<u>1,057,924</u>
Intergovernmental				
State Income Tax	5,250,000	6,446,187	1,196,187	5,681,387
Local Use Tax	1,100,000	1,507,817	407,817	1,392,829
Personal Property Replacement Tax	1,150,000	1,258,212	108,212	1,285,820
Municipal Sales Tax	10,000,000	12,062,614	2,062,614	11,387,882
Road and Bridge Tax	200,000	224,105	24,105	225,498
Federal, State, and Local Grants	-	94,887	94,887	185,278
Other State Payments	400	94	(306)	376
Fire Training	-	6,975	6,975	-
Total Intergovernmental	<u>17,700,400</u>	<u>21,600,891</u>	<u>3,900,491</u>	<u>20,159,070</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, 2017
With Comparative Actual Amounts for the Year Ended December 31, 2016

	2017		Variance from Final Budget Positive (Negative)	2016
	Original and Final Budget	Actual		Actual
Charges for Services				
Ambulance Fees	\$ 1,470,000	\$ 1,678,218	\$ 208,218	\$ 1,569,432
Refuse Collection	3,150,000	3,044,288	(105,712)	3,094,047
Other Fees	290,500	393,075	102,575	365,215
Total Charges for Services	<u>4,910,500</u>	<u>5,115,581</u>	<u>205,081</u>	<u>5,028,694</u>
Fines and Forfeits				
Court Costs, Fees & Charges	360,000	409,085	49,085	384,748
Other Fines and Forfeits	752,000	909,194	157,194	982,118
Total Fines and Forfeits	<u>1,112,000</u>	<u>1,318,279</u>	<u>206,279</u>	<u>1,366,866</u>
Investment Income				
Investment Income	100,000	197,738	97,738	121,454
Miscellaneous				
Miscellaneous	218,000	610,113	392,113	276,388
Total Revenues	<u>61,276,650</u>	<u>67,442,249</u>	<u>6,165,599</u>	<u>65,700,175</u>
Expenditures				
General Government				
Elected Office				
Salaries	256,513	257,197	(684)	248,245
Benefits	187,152	199,158	(12,006)	180,299
Contractual Services	222,349	204,606	17,743	161,287
Commodities	13,518	3,271	10,247	2,542
Capital Outlay	-	786	(786)	-
Total Elected Office	<u>679,532</u>	<u>665,018</u>	<u>14,514</u>	<u>592,373</u>
City Manager Division				
Salaries	292,803	263,953	28,850	264,225
Benefits	93,287	98,476	(5,189)	95,353
Contractual Services	38,210	38,610	(400)	11,367
Commodities	4,650	2,766	1,884	1,883
Total City Manager Division	<u>428,950</u>	<u>403,805</u>	<u>25,145</u>	<u>372,828</u>
Media Services				
Salaries	295,854	266,992	28,862	238,379
Benefits	76,858	80,258	(3,400)	72,837
Contractual Services	142,565	127,782	14,783	95,002
Commodities	51,758	35,126	16,632	40,490
Capital Outlay	23,000	20,504	2,496	666
Total Media Services	<u>590,035</u>	<u>530,662</u>	<u>59,373</u>	<u>447,374</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, 2017
With Comparative Actual Amounts for the Year Ended December 31, 2016

	2017		Variance from Final Budget Positive (Negative)	2016
	Original and Final Budget	Actual		Actual
Legal Department				
Salaries	\$ 104,422	\$ 100,765	\$ 3,657	\$ 86,026
Benefits	42,571	42,193	378	40,467
Contractual Services	580,090	539,963	40,127	498,751
Commodities	1,000	568	432	933
Total Legal Department	<u>728,083</u>	<u>683,489</u>	<u>44,594</u>	<u>626,177</u>
Department of Finance - Fiscal Services				
Salaries	834,491	767,304	67,187	735,429
Benefits	309,055	269,576	39,479	275,648
Contractual Services	120,864	113,452	7,412	116,016
Commodities	30,880	34,539	(3,659)	33,864
Capital Outlay	2,500	2,302	198	11,913
Total Department of Finance - Fiscal Services	<u>1,297,790</u>	<u>1,187,173</u>	<u>110,617</u>	<u>1,172,870</u>
Information Technologies				
Salaries	421,503	431,200	(9,697)	391,416
Benefits	149,209	149,264	(55)	142,843
Contractual Services	464,813	398,773	66,040	356,069
Commodities	36,450	40,183	(3,733)	47,156
Capital Outlay	20,000	90	19,910	6,211
Total Information Technologies	<u>1,091,975</u>	<u>1,019,510</u>	<u>72,465</u>	<u>943,695</u>
Overhead Division - Contractual Services				
Contractual Services	579,070	416,143	162,927	374,529
Commodities	78,100	32,024	46,076	36,902
Capital Outlay	-	24,274	(24,274)	25,124
Total Overhead Division - Contractual Services	<u>657,170</u>	<u>472,441</u>	<u>184,729</u>	<u>436,555</u>
Building Code Enforcement				
Salaries	1,041,134	1,033,075	8,059	959,845
Benefits	485,509	455,683	29,826	422,195
Contractual Services	170,240	184,922	(14,682)	172,535
Commodities	12,650	6,530	6,120	12,340
Capital Outlay	1,000	924	76	1,898
Total Building Code Enforcement	<u>1,710,533</u>	<u>1,681,134</u>	<u>29,399</u>	<u>1,568,813</u>
Planning and Zoning				
Salaries	321,549	304,524	17,025	253,852
Benefits	125,775	101,216	24,559	83,641
Contractual Services	32,270	14,046	18,224	56,085
Commodities	3,150	1,833	1,317	2,595
Capital Outlay	1,000	10	990	2,039
Total Planning and Zoning	<u>483,744</u>	<u>421,629</u>	<u>62,115</u>	<u>398,212</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, 2017
With Comparative Actual Amounts for the Year Ended December 31, 2016

	2017		Variance from Final Budget Positive (Negative)	2016
	Original and Final Budget	Actual		Actual
Human Resources				
Salaries	\$ 274,802	\$ 238,782	\$ 36,020	\$ 253,408
Benefits	72,786	84,491	(11,705)	67,034
Contractual Services	92,077	95,638	(3,561)	113,803
Commodities	11,775	7,896	3,879	4,611
Total Human Resources	<u>451,440</u>	<u>426,807</u>	<u>24,633</u>	<u>438,856</u>
Health and Human Services				
Salaries	152,283	101,413	50,870	137,475
Benefits	29,723	19,622	10,101	23,491
Contractual Services	312,571	301,816	10,755	241,667
Commodities	3,300	1,860	1,440	2,048
Total Health and Human Services	<u>497,877</u>	<u>424,711</u>	<u>73,166</u>	<u>404,681</u>
Geographic Information Systems (GIS)				
Contractual Services	262,900	240,172	22,728	244,572
Commodities	750	657	93	129
Total Geographic Information Systems (GIS)	<u>263,650</u>	<u>240,829</u>	<u>22,821</u>	<u>244,701</u>
Total General Government	<u>8,880,779</u>	<u>8,157,208</u>	<u>723,571</u>	<u>7,647,135</u>
Public Safety				
Police Department - Administration				
Salaries	381,795	326,748	55,047	306,261
Benefits	163,038	135,390	27,648	130,229
Contractual Services	13,905	10,344	3,561	10,547
Commodities	1,650	168	1,482	631
Total Police Department - Administration	<u>560,388</u>	<u>472,650</u>	<u>87,738</u>	<u>447,668</u>
Police Department - Uniformed Patrol				
Salaries	7,407,677	7,526,212	(118,535)	7,044,894
Benefits	5,534,068	5,576,480	(42,412)	5,443,202
Contractual Services	199,665	133,257	66,408	119,024
Commodities	30,720	22,555	8,165	38,457
Total Police Department - Uniformed Patrol	<u>13,172,130</u>	<u>13,258,504</u>	<u>(86,374)</u>	<u>12,645,577</u>
Police Department - Criminal Investigation				
Salaries	2,373,245	2,052,391	320,854	1,966,607
Benefits	1,650,827	1,603,474	47,353	1,554,230
Contractual Services	76,685	76,394	291	76,318
Commodities	3,530	5,596	(2,066)	3,620
Total Police Department - Criminal Investigation	<u>4,104,287</u>	<u>3,737,855</u>	<u>366,432</u>	<u>3,600,775</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, 2017
With Comparative Actual Amounts for the Year Ended December 31, 2016

	2017		Variance from Final Budget Positive (Negative)	2016
	Original and Final Budget	Actual		Actual
Police Department - Supporting Services				
Salaries	\$ 2,255,109	\$ 2,107,327	\$ 147,782	\$ 2,051,639
Benefits	1,228,509	1,185,609	42,900	1,160,052
Contractual Services	218,720	177,954	40,766	163,033
Commodities	138,760	135,012	3,748	123,267
Capital Outlay	-	-	-	12,500
Total Police Department - Supporting Services	<u>3,841,098</u>	<u>3,605,902</u>	<u>235,196</u>	<u>3,510,491</u>
Fire Department - Administration				
Salaries	760,314	676,935	83,379	715,063
Benefits	533,377	534,942	(1,565)	541,649
Contractual Services	31,841	27,342	4,499	25,804
Commodities	4,100	3,303	797	1,858
Capital Outlay	-	459	(459)	-
Total Fire Department - Administration	<u>1,329,632</u>	<u>1,242,981</u>	<u>86,651</u>	<u>1,284,374</u>
Fire Department - Emergency Services				
Salaries	9,680,699	9,563,888	116,811	9,588,632
Benefits	7,764,844	7,930,092	(165,248)	7,427,884
Contractual Services	255,745	236,692	19,053	259,874
Commodities	212,535	153,249	59,286	202,377
Capital Outlay	10,750	9,661	1,089	9,612
Total Fire Department - Emergency Services	<u>17,924,573</u>	<u>17,893,582</u>	<u>30,991</u>	<u>17,488,379</u>
Fire Department - Fire Prevention Services				
Salaries	349,088	329,417	19,671	327,966
Benefits	245,190	241,534	3,656	206,010
Contractual Services	18,880	25,642	(6,762)	16,208
Commodities	13,025	8,062	4,963	13,171
Capital Outlay	-	700	(700)	540
Total Fire Department - Fire Prevention Services	<u>626,183</u>	<u>605,355</u>	<u>20,828</u>	<u>563,895</u>
Emergency Management Agency				
Salaries	59,948	56,278	3,670	26,970
Benefits	12,028	12,924	(896)	11,753
Contractual Services	59,250	36,700	22,550	52,258
Commodities	29,080	25,008	4,072	18,825
Capital Outlay	-	7,050	(7,050)	15,256
Total Emergency Management Agency	<u>160,306</u>	<u>137,960</u>	<u>22,346</u>	<u>125,062</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, 2017
With Comparative Actual Amounts for the Year Ended December 31, 2016

	2017		Variance from Final Budget Positive (Negative)	2016
	Original and Final Budget	Actual		Actual
Board of Police and Fire Commission				
Contractual Services	\$ 50,050	\$ 51,989	\$ (1,939)	\$ 93,619
Commodities	1,450	534	916	1,327
Total Board of Police and Fire Commission	<u>51,500</u>	<u>52,523</u>	<u>(1,023)</u>	<u>94,946</u>
Total Public Safety	<u>41,770,097</u>	<u>41,007,312</u>	<u>762,785</u>	<u>39,761,167</u>
Public Works				
Vehicle Maintenance Division				
Salaries	497,792	490,262	7,530	479,674
Benefits	263,388	269,187	(5,799)	255,077
Contractual Services	123,830	139,444	(15,614)	134,731
Commodities	791,700	519,946	271,754	515,564
Capital Outlay	27,500	18,992	8,508	680
Total Vehicle Maintenance Division	<u>1,704,210</u>	<u>1,437,831</u>	<u>266,379</u>	<u>1,385,726</u>
Public Works Administration				
Salaries	238,775	240,471	(1,696)	226,037
Benefits	102,636	101,545	1,091	100,919
Contractual Services	3,208,400	3,136,651	71,749	3,076,492
Commodities	10,600	11,516	(916)	8,283
Capital Outlay	-	29,400	(29,400)	7,623
Total Public Works Administration	<u>3,560,411</u>	<u>3,519,583</u>	<u>40,828</u>	<u>3,419,354</u>
Facilities and Grounds Division				
Salaries	478,133	472,582	5,551	413,283
Benefits	262,236	251,741	10,495	221,685
Contractual Services	1,520,935	935,978	584,957	582,086
Commodities	236,850	317,111	(80,261)	282,721
Capital Outlay	100,000	276,185	(176,185)	115,758
Total Facilities and Grounds Division	<u>2,598,154</u>	<u>2,253,597</u>	<u>344,557</u>	<u>1,615,533</u>
Total Public Works	<u>7,862,775</u>	<u>7,211,011</u>	<u>651,764</u>	<u>6,420,613</u>
Streets and Highways				
Engineering Department				
Salaries	576,757	624,996	(48,239)	575,352
Benefits	210,633	225,198	(14,565)	214,224
Contractual Services	22,400	16,173	6,227	23,088
Commodities	5,150	2,858	2,292	2,337
Capital Outlay	-	430	(430)	4,312
Total Engineering Department	<u>814,940</u>	<u>869,655</u>	<u>(54,715)</u>	<u>819,313</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, 2017
With Comparative Actual Amounts for the Year Ended December 31, 2016

	2017		Variance from Final Budget Positive (Negative)	2016
	Original and Final Budget	Actual		Actual
Street Department				
Salaries	\$ 1,550,566	\$ 1,375,917	\$ 174,649	\$ 1,380,607
Benefits	717,587	681,621	35,966	696,616
Contractual Services	1,069,268	795,024	274,244	719,173
Commodities	200,075	188,379	11,696	163,191
Capital Outlay	105,000	135,544	(30,544)	-
Total Street Department	<u>3,642,496</u>	<u>3,176,485</u>	<u>466,011</u>	<u>2,959,587</u>
Total Streets and Highways	<u>4,457,436</u>	<u>4,046,140</u>	<u>411,296</u>	<u>3,778,900</u>
Economic Development				
Economic Development				
Salaries	92,574	73,033	19,541	90,062
Benefits	19,707	15,602	4,105	18,484
Contractual Services	177,935	210,826	(32,891)	153,927
Commodities	13,170	10,200	2,970	1,331
Total Economic Development	<u>303,386</u>	<u>309,661</u>	<u>(6,275)</u>	<u>263,804</u>
Total Economic Development	<u>303,386</u>	<u>309,661</u>	<u>(6,275)</u>	<u>263,804</u>
Total Expenditures	<u>63,274,473</u>	<u>60,731,332</u>	<u>2,543,141</u>	<u>57,871,619</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>(1,997,823)</u>	<u>6,710,917</u>	<u>8,708,740</u>	<u>7,828,556</u>
Other Financing Sources (Uses)				
Transfer In	219,758	219,758	-	216,658
Transfer Out	<u>(4,314,857)</u>	<u>(3,544,231)</u>	<u>770,626</u>	<u>(2,358,188)</u>
Total Other Financing Sources (Uses)	<u>(4,095,099)</u>	<u>(3,324,473)</u>	<u>770,626</u>	<u>(2,141,530)</u>
Net Change in Fund Balance	<u>\$ (6,092,922)</u>	<u>3,386,444</u>	<u>\$ 9,479,366</u>	<u>5,687,026</u>
Fund Balance at Beginning of Year		<u>49,834,478</u>		<u>44,147,452</u>
Fund Balance at End of Year		<u>\$ 53,220,922</u>		<u>\$ 49,834,478</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, 2017
With Comparative Actual Amounts for the Year Ended December 31, 2016

	2017			2016 Actual
	Original and Final Budget	Actual	Variance from Final Budget Positive (Negative)	
Revenues				
Property Taxes	\$ 57,205	\$ 79,473	\$ 22,268	\$ 42,942
Investment Income	-	-	-	26
Total Revenues	<u>57,205</u>	<u>79,473</u>	<u>22,268</u>	<u>42,968</u>
Expenditures				
Economic Development				
Contractual Services	8,040	1,888	6,152	1,724
Commodities	52	-	52	-
Total Economic Development	<u>8,092</u>	<u>1,888</u>	<u>6,204</u>	<u>1,724</u>
Debt Service				
Principal	1,175,000	1,175,000	-	1,010,000
Interest and Fiscal Charges	123,194	123,160	34	141,610
Total Debt Service	<u>1,298,194</u>	<u>1,298,160</u>	<u>34</u>	<u>1,151,610</u>
Total Expenditures	<u>1,306,286</u>	<u>1,300,048</u>	<u>6,238</u>	<u>1,153,334</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>(1,249,081)</u>	<u>(1,220,575)</u>	<u>28,506</u>	<u>(1,110,366)</u>
Other Financing Sources (Uses)				
Transfer Out	(3,000)	(3,000)	-	(2,900)
Total Other Financing Sources (Uses)	<u>(3,000)</u>	<u>(3,000)</u>	<u>-</u>	<u>(2,900)</u>
Net Change in Fund Balances	<u>\$ (1,252,081)</u>	<u>(1,223,575)</u>	<u>\$ 28,506</u>	<u>(1,113,266)</u>
Fund Balances at Beginning of Year		<u>(10,292,551)</u>		<u>(9,179,285)</u>
Fund Balances at End of Year		<u>\$ (11,516,126)</u>		<u>\$ (10,292,551)</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, 2017
 With Comparative Actual Amounts for the Year Ended December 31, 2016

	2017		Variance from Final Budget Positive (Negative)	2016
	Original and Final Budget	Actual		Actual
Revenues				
Gaming Tax	\$ 24,000,000	\$ 24,762,107	\$ 762,107	\$ 24,685,996
Investment Income	100,000	252,899	152,899	118,868
Total Revenues	<u>24,100,000</u>	<u>25,015,006</u>	<u>915,006</u>	<u>24,804,864</u>
Expenditures				
General Government				
Contractual Services	15,400,000	15,904,580	(504,580)	15,873,250
Total Expenditures	<u>15,400,000</u>	<u>15,904,580</u>	<u>(504,580)</u>	<u>15,873,250</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>8,700,000</u>	<u>9,110,426</u>	<u>410,426</u>	<u>8,931,614</u>
Other Financing Sources (Uses)				
Transfers Out	(10,150,000)	(8,150,000)	2,000,000	(8,991,372)
Total Other Financing Sources (Uses)	<u>(10,150,000)</u>	<u>(8,150,000)</u>	<u>2,000,000</u>	<u>(8,991,372)</u>
Net Change in Fund Balance	<u>\$ (1,450,000)</u>	960,426	<u>\$ 2,410,426</u>	(59,758)
Fund Balance at Beginning of Year		<u>20,395,789</u>		<u>20,455,547</u>
Fund Balance at End of Year		<u>\$ 21,356,215</u>		<u>\$ 20,395,789</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, 2017

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total pension liability				
Service cost	\$ 1,845,967	\$ 1,725,203	\$ 1,693,381	\$ 2,300,527
Interest	9,513,008	9,118,538	8,520,291	7,744,456
Changes of benefit terms	-	-	-	-
Differences between expected and actual experience	4,328	361,031	4,451,348	1,651,529
Changes of assumptions	4,343,417	1,587,093	596,180	5,636,351
Benefit payments, including refunds of member contributions	<u>(7,339,931)</u>	<u>(6,973,210)</u>	<u>(6,456,438)</u>	<u>(6,042,592)</u>
Net change in total pension liability	8,366,789	5,818,655	8,804,762	11,290,271
Total pension liability - beginning	<u>139,570,075</u>	<u>133,751,420</u>	<u>124,946,658</u>	<u>113,656,387</u>
Total pension liability - ending (a)	<u>\$ 147,936,864</u>	<u>\$ 139,570,075</u>	<u>\$ 133,751,420</u>	<u>\$ 124,946,658</u>
Plan fiduciary net position				
Contributions - employer	\$ 4,916,225	\$ 4,433,104	\$ 4,304,044	\$ 4,155,983
Contributions - employee	867,424	828,889	836,027	883,723
Net investment income	11,548,953	4,601,922	(1,048,749)	4,411,965
Benefit payments, including refunds of member contributions	(7,339,931)	(6,973,210)	(6,456,438)	(6,042,592)
Administrative expense	(103,917)	(67,265)	(76,989)	(327,080)
Other	-	787	-	-
Net change in plan fiduciary net position	9,888,754	2,824,227	(2,442,105)	3,081,999
Plan fiduciary net position - beginning	<u>70,769,319</u>	<u>67,945,092</u>	<u>70,387,197</u>	<u>67,305,198</u>
Plan fiduciary net position - ending (b)	<u>\$ 80,658,073</u>	<u>\$ 70,769,319</u>	<u>\$ 67,945,092</u>	<u>\$ 70,387,197</u>
City's net pension liability (a-b)	<u>\$ 67,278,791</u>	<u>\$ 68,800,756</u>	<u>\$ 65,806,328</u>	<u>\$ 54,559,461</u>
Plan fiduciary net position as a percentage of the total pension liability	54.52%	50.71%	50.80%	56.33%
Covered payroll	\$ 9,243,675	\$ 8,931,087	\$ 8,480,084	\$ 8,694,151
Plan's net pension liability (asset) as a percentage of covered payroll	727.84%	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.

<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
\$ 3,941,652	\$ 3,671,041	\$ 3,577,776	\$ 3,395,608	\$ 3,042,315	\$ 2,100,581	\$ 1,831,495
<u>4,155,983</u>	<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>\$ (214,331)</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>
\$ 8,694,151	\$ 8,408,155	\$ 8,216,028	\$ 8,212,634	\$ 7,985,770	\$ 8,182,297	\$ 8,296,833
47.80%	46.92%	44.49%	46.25%	34.49%	26.38%	24.32%

CITY OF DES PLAINES, ILLINOIS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FIREFIGHTERS' PENSION FUND
INVESTMENT RATE OF RETURN
December 31, 2017

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Annual money-weighted rate of return net of investment expense	16.41%	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, 2017

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total pension liability				
Service cost	\$ 1,595,813	\$ 1,491,414	\$ 1,493,985	\$ 1,844,421
Interest	9,682,644	9,322,073	9,073,872	8,114,249
Changes of benefit terms	-	-	-	-
Differences between expected and actual experience	108,103	598,432	2,089,866	2,610,112
Changes of assumptions	4,617,721	1,089,686	(2,109,469)	7,749,079
Benefit payments, including refunds of member contributions	<u>(7,464,094)</u>	<u>(7,237,087)</u>	<u>(6,767,978)</u>	<u>(6,449,930)</u>
Net change in total pension liability	8,540,187	5,264,518	3,780,276	13,867,931
Total pension liability - beginning	<u>142,055,533</u>	<u>136,791,015</u>	<u>133,010,739</u>	<u>119,142,808</u>
Total pension liability - ending (a)	<u>\$ 150,595,720</u>	<u>\$ 142,055,533</u>	<u>\$ 136,791,015</u>	<u>\$ 133,010,739</u>
Plan fiduciary net position				
Contributions - employer	\$ 5,262,020	\$ 5,036,133	\$ 4,304,873	\$ 4,154,166
Contributions - employee	908,895	866,905	904,527	879,904
Contributions - other	175,479	-	-	-
Net investment income	10,123,404	4,420,807	(1,057,767)	3,504,259
Benefit payments, including refunds of member contributions	(7,464,094)	(7,237,087)	(6,767,978)	(6,449,930)
Administrative expense	(96,092)	(86,218)	(94,146)	(356,479)
Other	-	-	-	-
Net change in plan fiduciary net position	8,909,612	3,000,540	(2,710,491)	1,731,920
Plan fiduciary net position - beginning	<u>64,108,153</u>	<u>61,107,613</u>	<u>63,818,104</u>	<u>62,086,184</u>
Plan fiduciary net position - ending (b)	<u>\$ 73,017,765</u>	<u>\$ 64,108,153</u>	<u>\$ 61,107,613</u>	<u>\$ 63,818,104</u>
City's net pension liability (a-b)	<u>\$ 77,577,955</u>	<u>\$ 77,947,380</u>	<u>\$ 75,683,402</u>	<u>\$ 69,192,635</u>
Plan fiduciary net position as a percentage of the total pension liability	48.49%	45.13%	44.67%	47.98%
Covered payroll	\$ 8,881,617	\$ 8,581,272	\$ 8,461,825	\$ 8,532,924
Plan's net pension liability (asset) as a percentage of covered payroll	873.47%	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.

<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
\$ 3,895,329	\$ 3,661,515	\$ 3,472,544	\$ 3,307,583	\$ 3,240,960	\$ 2,538,400	\$ 2,352,290
<u>4,154,166</u>	<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>\$ (258,837)</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>
\$ 8,532,924	\$ 7,904,124	\$ 7,703,991	\$ 8,212,634	\$ 7,985,770	\$ 8,182,297	\$ 7,965,425
48.68%	49.61%	45.98%	45.97%	37.01%	32.68%	30.41%

CITY OF DES PLAINES, ILLINOIS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF POLICE PENSION FUND
INVESTMENT RATE OF RETURN
December 31, 2017

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Annual money-weighted rate of return net of investment expense	15.80%	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, 2017

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total pension liability				
Service cost	\$ 1,495,731	\$ 1,528,647	\$ 1,655,441	\$ 1,838,415
Interest	8,276,408	8,127,770	7,847,845	7,396,361
Changes of benefit terms	-	-	-	-
Differences between expected and actual experience	386,968	(2,115,982)	(300,852)	(1,614,019)
Changes of assumptions	(3,524,106)	(256,324)	128,456	3,699,751
Benefit payments, including refunds of member contributions	<u>(5,653,936)</u>	<u>(5,497,208)</u>	<u>(5,273,001)</u>	<u>(4,866,050)</u>
Net change in total pension liability	981,065	1,786,903	4,057,889	6,454,458
Total pension liability - beginning	<u>112,431,209</u>	<u>110,644,306</u>	<u>106,586,417</u>	<u>100,131,959</u>
Total pension liability - ending (a)	<u>\$ 113,412,274</u>	<u>\$ 112,431,209</u>	<u>\$ 110,644,306</u>	<u>\$ 106,586,417</u>
Plan fiduciary net position				
Contributions - employer	\$ 1,738,214	\$ 1,695,162	\$ 1,796,025	\$ 2,256,489
Contributions - employee	656,293	617,687	718,234	737,722
Net investment income	18,185,816	6,817,667	495,909	5,843,461
Benefit payments, including refunds of member contributions	(5,653,936)	(5,497,208)	(5,273,001)	(4,866,050)
Other	<u>(2,491,038)</u>	<u>22,444</u>	<u>373,765</u>	<u>(140,913)</u>
Net change in plan fiduciary net position	12,435,349	3,655,752	(1,889,068)	3,830,709
Plan fiduciary net position - beginning	<u>102,327,755</u>	<u>98,672,003</u>	<u>100,561,071</u>	<u>96,730,362</u>
Plan fiduciary net position - ending (b)	<u>\$ 114,763,104</u>	<u>\$ 102,327,755</u>	<u>\$ 98,672,003</u>	<u>\$ 100,561,071</u>
City's net pension liability (asset) (a-b)	<u>\$ (1,350,830)</u>	<u>\$ 10,103,454</u>	<u>\$ 11,972,303</u>	<u>\$ 6,025,346</u>
Plan fiduciary net position as a percentage of the total pension liability	101.19%	91.01%	89.18%	94.35%
Covered payroll	\$ 14,485,115	\$ 13,681,698	\$ 14,379,703	\$ 14,547,339
Plan's net pension liability (asset) as a percentage of covered payroll	-9.33%	73.85%	83.26%	41.42%

* 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, 2017

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially determined contribution	\$ 1,738,214	\$ 1,695,162	\$ 1,844,916
Contributions in relation to the actuarially determined contribution	<u>1,738,214</u>	<u>1,695,162</u>	<u>1,796,025</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 48,891</u>
Covered payroll	\$ 14,485,115	\$ 13,681,698	\$ 14,379,703
Contributions as a percentage of covered payroll	12.00%	12.39%	12.49%

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 2017 contribution rates:

Actuarial cost method	Aggregate entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	26-year closed period
Asset valuation method	5-year smoothed market, 20% corridor
Wage growth	3.50%
Price inflation	2.75% - approximate; No explicit price inflation assumption is used in this valuation
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.

Other information:

Changes There were no benefit changes during the year

(Continued)

<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
\$ 2,071,541	\$ 2,383,786	\$ 2,343,437	\$ 2,330,839	\$ 2,148,148	\$ 1,914,683	\$ 1,792,863
<u>2,256,489</u>	<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>\$ (184,948)</u>	<u>\$ -</u>	<u>\$ 92,737</u>	<u>\$ 382,533</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 14,547,339	\$ 15,946,135	\$ 16,592,625	\$ 16,321,980	\$ 16,588,014	\$ 18,901,116	\$ 17,751,122
15.51%	14.95%	13.56%	11.94%	12.95%	10.13%	10.10%

CITY OF DES PLAINES, ILLINOIS
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF EMPLOYER CONTRIBUTIONS AND FUNDING PROGRESS - OTHER POST EMPLOYMENT BENEFITS
 December 31, 2017

Schedule of Employer Contributions:

City Year Ended Date	Annual Required Contribution	Net OPEB Obligation	Percentage of Annual OPEB Cost Contributed
12/31/2017	\$ 859,077	\$ 2,949,054	81.00 %
12/31/2016	826,035	2,782,167	76.00
12/31/2015	890,938	2,580,486	53.71

Library Year Ended Date	Annual Required Contribution	Net OPEB Obligation	Percentage of Annual OPEB Cost Contributed
12/31/2017	\$ 17,227	\$ 93,561	75.00 %
12/31/2016	16,564	89,041	85.00
12/31/2015	4,874	86,422	53.71

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, 2017
With Comparative Actual Amounts for the Year Ended December 31, 2016

	2017		Variance from Final Budget Positive (Negative)	2016
	Original and Final Budget	Actual		Actual
Revenues				
Property Taxes	\$ 33,328	\$ 33,923	\$ 595	\$ 33,345
Home Rule Option Sales Tax - General	2,900,000	3,206,091	306,091	3,052,146
Home Rule Option Sales Tax - Library				
Debt Service	1,450,000	1,603,046	153,046	1,526,073
Local Use	1,600,000	1,768,066	168,066	1,754,240
Storm Sewers	1,300,000	1,250,252	(49,748)	1,335,654
Investment Income	12,000	44,651	32,651	15,477
Miscellaneous	51,000	18,033	(32,967)	32,130
Total Revenues	<u>7,346,328</u>	<u>7,924,062</u>	<u>577,734</u>	<u>7,749,065</u>
Expenditures				
Public Works				
Salaries	315,224	310,688	4,536	291,138
Benefits	121,901	123,971	(2,070)	118,210
Contractual Services	1,472,960	863,602	609,358	755,514
Commodities	73,625	68,335	5,290	71,971
Capital Outlay	8,288,512	9,143,552	(855,040)	7,691,665
Total Public Works	<u>10,272,222</u>	<u>10,510,148</u>	<u>(237,926)</u>	<u>8,928,498</u>
Debt Service				
Principal	2,615,000	2,615,000	-	1,225,000
Interest and Fiscal Charges	108,798	109,058	(260)	141,848
Total Debt Service	<u>2,723,798</u>	<u>2,724,058</u>	<u>(260)</u>	<u>1,366,848</u>
Total Expenditures	<u>12,996,020</u>	<u>13,234,206</u>	<u>(238,186)</u>	<u>10,295,346</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>(5,649,692)</u>	<u>(5,310,144)</u>	<u>339,548</u>	<u>(2,546,281)</u>
Other Financing Sources (Uses)				
Transfers In	8,650,000	8,150,000	(500,000)	3,500,000
Transfers Out	(3,763,294)	(202,104)	3,561,190	(445,669)
Total Other Financing Sources (Uses)	<u>4,886,706</u>	<u>7,947,896</u>	<u>3,061,190</u>	<u>3,054,331</u>
Net Change in Fund Balance	<u>\$ (762,986)</u>	2,637,752	<u>\$ 3,400,738</u>	508,050
Fund Balance at Beginning of Year		<u>5,595,069</u>		<u>5,087,019</u>
Fund Balance at End of Year		<u>\$ 8,232,821</u>		<u>\$ 5,595,069</u>

CITY OF DES PLAINES, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GRANT FUNDED PROJECTS FUND
Year Ended December 31, 2017
With Comparative Actual Amounts for the Year Ended December 31, 2016

	2017		Variance from Final Budget Positive (Negative)	2016
	Original and Final Budget	Actual		Actual
Revenues				
Intergovernmental	\$ 34,132,320	\$ 9,164,903	\$ (24,967,417)	\$ 5,536,796
Investment Income	-	15,910	15,910	10,991
Total Revenues	<u>34,132,320</u>	<u>9,180,813</u>	<u>(24,951,507)</u>	<u>5,547,787</u>
Expenditures				
General Government				
Salaries	67,852	54,030	13,822	70,836
Contractual Services	468,998	922,678	(453,680)	999,331
Commodities	3,740	989	2,751	8,851
Capital Outlay	34,416,170	12,036,343	22,379,827	5,712,925
Total Expenditures	<u>34,956,760</u>	<u>13,014,040</u>	<u>21,942,720</u>	<u>6,791,943</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>(824,440)</u>	<u>(3,833,227)</u>	<u>(3,008,787)</u>	<u>(1,244,156)</u>
Other Financing Sources (Uses)				
Transfers In	824,439	177,104	(647,335)	424,966
Total Other Financing Sources (Uses)	<u>824,439</u>	<u>177,104</u>	<u>(647,335)</u>	<u>424,966</u>
Net Change in Fund Balance	<u>\$ (1)</u>	<u>(3,656,123)</u>	<u>\$ (3,656,122)</u>	<u>(819,190)</u>
Fund Balance at Beginning of Year		<u>(1,916,809)</u>		<u>(1,097,619)</u>
Fund Balance at End of Year		<u>\$ (5,572,932)</u>		<u>\$ (1,916,809)</u>

CITY OF DES PLAINES, ILLINOIS
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 December 31, 2017

	Special Revenue Funds				
	Motor Fuel Tax	Community Development Block Grant	Asset Seizure	Foreign Fire Insurance Tax	TIF #1 (Downtown)
ASSETS					
Cash and Investments	\$ 837,113	\$ -	\$ 869,302	\$ 534,219	\$ 7,909,960
Receivables (Net)					
Property Taxes	-	-	-	-	4,947,246
Accounts Receivable	-	-	-	-	-
Accrued Interest	-	-	-	-	-
Other	-	-	7,813	-	-
Due from Other Governments	128,964	75,238	-	-	-
TOTAL ASSETS	<u>\$ 966,077</u>	<u>\$ 75,238</u>	<u>\$ 877,115</u>	<u>\$ 534,219</u>	<u>\$ 12,857,206</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities					
Accounts Payable	\$ 86,228	\$ 58,382	\$ 18,351	\$ 2,218	\$ 776,144
Deposits Payable	-	-	3,998	-	18,737
Advances from Other Funds	-	16,880	-	-	-
Total Liabilities	<u>86,228</u>	<u>75,262</u>	<u>22,349</u>	<u>2,218</u>	<u>794,881</u>
Deferred Inflows of Resources					
Deferred Property Tax Revenue	-	-	-	-	4,931,682
Unavailable Other Revenue	-	37,810	2,183	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>37,810</u>	<u>2,183</u>	<u>-</u>	<u>4,931,682</u>
Fund Balances					
Restricted					
Economic Development	-	-	-	-	7,130,643
Streets & Highways	879,849	-	-	-	-
Public Safety	-	-	852,583	532,001	-
Debt Service	-	-	-	-	-
Assigned					
Capital Acquisitions	-	-	-	-	-
Unassigned	-	(37,834)	-	-	-
Total Fund Balances	<u>879,849</u>	<u>(37,834)</u>	<u>852,583</u>	<u>532,001</u>	<u>7,130,643</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 966,077</u>	<u>\$ 75,238</u>	<u>\$ 877,115</u>	<u>\$ 534,219</u>	<u>\$ 12,857,206</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	
\$ -	\$ 161,672	\$ -	\$ -	\$ 63,147	\$ 4,071,349	\$ 346,118	\$ 14,792,880
1,224,676	142,439	94,676	-	655	-	-	6,409,692
-	-	-	-	-	83,210	-	83,210
-	-	-	-	-	23,350	-	23,350
-	-	-	-	-	-	-	7,813
-	-	-	-	-	-	-	204,202
<u>\$ 1,224,676</u>	<u>\$ 304,111</u>	<u>\$ 94,676</u>	<u>\$ -</u>	<u>\$ 63,802</u>	<u>\$ 4,177,909</u>	<u>\$ 346,118</u>	<u>\$ 21,521,147</u>
\$ 308	\$ 150	\$ 108,324	\$ 17,610	\$ -	\$ 121,902	\$ 2,017	\$ 1,191,634
-	-	-	-	-	-	-	22,735
<u>3,006,708</u>	<u>-</u>	<u>318,524</u>	<u>203,337</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,545,449</u>
<u>3,007,016</u>	<u>150</u>	<u>426,848</u>	<u>220,947</u>	<u>-</u>	<u>121,902</u>	<u>2,017</u>	<u>4,759,818</u>
1,224,676	142,439	94,676	-	-	-	-	6,393,473
-	-	-	-	-	83,210	-	123,203
<u>1,224,676</u>	<u>142,439</u>	<u>94,676</u>	<u>-</u>	<u>-</u>	<u>83,210</u>	<u>-</u>	<u>6,516,676</u>
-	161,522	-	-	-	-	-	7,292,165
-	-	-	-	-	-	-	879,849
-	-	-	-	-	-	-	1,384,584
-	-	-	-	63,802	-	-	63,802
-	-	-	-	-	3,972,797	344,101	4,316,898
<u>(3,007,016)</u>	<u>-</u>	<u>(426,848)</u>	<u>(220,947)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,692,645)</u>
<u>(3,007,016)</u>	<u>161,522</u>	<u>(426,848)</u>	<u>(220,947)</u>	<u>63,802</u>	<u>3,972,797</u>	<u>344,101</u>	<u>10,244,653</u>
<u>\$ 1,224,676</u>	<u>\$ 304,111</u>	<u>\$ 94,676</u>	<u>\$ -</u>	<u>\$ 63,802</u>	<u>\$ 4,177,909</u>	<u>\$ 346,118</u>	<u>\$ 21,521,147</u>

CITY OF DES PLAINES, ILLINOIS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 Year Ended December 31, 2017

	Special Revenue Funds				
	Motor Fuel Tax	Community Development Block Grant	Asset Seizure	Foreign Fire Insurance Tax	TIF #1 (Downtown)
Revenues					
Taxes	\$ -	\$ -	\$ -	\$ 105,189	\$ 4,981,630
Intergovernmental	1,488,666	450,828	147,210	-	-
Public Charges for Services	-	-	-	-	-
Fines, Forfeitures and Penalties	-	-	20,581	-	-
Investment Income	10,025	-	745	968	18,389
Miscellaneous	-	-	-	-	-
Total Revenues	<u>1,498,691</u>	<u>450,828</u>	<u>168,536</u>	<u>106,157</u>	<u>5,000,019</u>
Expenditures					
Current:					
General Government	-	-	-	-	-
Public Safety	-	-	160,050	156,224	-
Streets and Highways	1,121,490	-	-	-	-
Economic Development	-	191,267	-	-	1,211,668
Debt Service					
Principal	-	-	-	-	1,138,553
Interest and Fiscal Charges	-	-	-	-	118,547
Capital Outlay	216,984	297,395	210,445	-	1,323,356
Total Expenditures	<u>1,338,474</u>	<u>488,662</u>	<u>370,495</u>	<u>156,224</u>	<u>3,792,124</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>160,217</u>	<u>(37,834)</u>	<u>(201,959)</u>	<u>(50,067)</u>	<u>1,207,895</u>
Other Financing Sources (Uses)					
Proceeds from sale of capital assets	-	-	-	-	-
Transfers In	-	-	-	-	-
Transfers Out	-	-	-	-	(126,000)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(126,000)</u>
Net Change in Fund Balances	160,217	(37,834)	(201,959)	(50,067)	1,081,895
Fund Balances at Beginning of Year	<u>719,632</u>	<u>-</u>	<u>1,054,542</u>	<u>582,068</u>	<u>6,048,748</u>
Fund Balances at End of Year	<u>\$ 879,849</u>	<u>\$ (37,834)</u>	<u>\$ 852,583</u>	<u>\$ 532,001</u>	<u>\$ 7,130,643</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	
\$ 1,322,484	\$ 143,878	\$ -	\$ -	\$ 99,978	\$ -	\$ -	\$ 6,653,159
-	-	-	-	-	-	-	2,086,704
-	-	-	683,868	-	-	-	683,868
-	-	-	-	-	-	-	20,581
7	7	-	-	-	30,841	739	61,721
48,900	-	-	-	-	-	-	48,900
<u>1,371,391</u>	<u>143,885</u>	<u>-</u>	<u>683,868</u>	<u>99,978</u>	<u>30,841</u>	<u>739</u>	<u>9,554,933</u>
-	-	-	-	-	60,440	57,338	117,778
-	-	-	2,697,321	-	-	-	3,013,595
-	-	-	-	-	-	-	1,121,490
1,888	1,848	139,018	-	-	-	-	1,545,689
1,095,000	100,000	-	-	475,000	12,500	-	2,821,053
268,363	12,233	-	-	18,600	-	-	417,743
-	-	602,945	1,725	-	2,148,370	220,525	5,021,745
<u>1,365,251</u>	<u>114,081</u>	<u>741,963</u>	<u>2,699,046</u>	<u>493,600</u>	<u>2,221,310</u>	<u>277,863</u>	<u>14,059,093</u>
<u>6,140</u>	<u>29,804</u>	<u>(741,963)</u>	<u>(2,015,178)</u>	<u>(393,622)</u>	<u>(2,190,469)</u>	<u>(277,124)</u>	<u>(4,504,160)</u>
-	-	1,759,784	-	-	-	-	1,759,784
-	-	-	1,794,231	-	1,500,000	250,000	3,544,231
(6,000)	-	(44,000)	-	-	-	-	(176,000)
<u>(6,000)</u>	<u>-</u>	<u>1,715,784</u>	<u>1,794,231</u>	<u>-</u>	<u>1,500,000</u>	<u>250,000</u>	<u>5,128,015</u>
140	29,804	973,821	(220,947)	(393,622)	(690,469)	(27,124)	623,855
<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>\$ (3,007,016)</u>	<u>\$ 161,522</u>	<u>\$ (426,848)</u>	<u>\$ (220,947)</u>	<u>\$ 63,802</u>	<u>\$ 3,972,797</u>	<u>\$ 344,101</u>	<u>\$ 10,244,653</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, 2017
With Comparative Actual Amounts for the Year Ended December 31, 2016

	2017		Variance from Final Budget Positive (Negative)	2016
	Original and Final Budget	Actual		Actual
Revenues				
Intergovernmental	\$ 1,400,000	\$ 1,488,666	\$ 88,666	\$ 1,485,984
Investment Income	1,900	10,025	8,125	2,965
Total Revenues	<u>1,401,900</u>	<u>1,498,691</u>	<u>96,791</u>	<u>1,488,949</u>
Expenditures				
Streets and Highways				
Contractual Services	864,000	743,626	120,374	455,668
Commodities	582,000	377,864	204,136	513,438
Capital Outlay	225,000	216,984	8,016	164,484
Total Expenditures	<u>1,671,000</u>	<u>1,338,474</u>	<u>332,526</u>	<u>1,133,590</u>
Net Change in Fund Balance	<u>\$ (269,100)</u>	160,217	<u>\$ 429,317</u>	355,359
Fund Balance at Beginning of Year		<u>719,632</u>		<u>364,273</u>
Fund Balance at End of Year		<u>\$ 879,849</u>		<u>\$ 719,632</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, 2017
 With Comparative Actual Amounts for the Year Ended December 31, 2016

	2017		Variance from Final Budget Positive (Negative)	2016
	Original and Final Budget	Actual		Actual
Revenues				
Intergovernmental	\$ 376,218	\$ 450,828	\$ 74,610	\$ 230,033
Total Revenues	<u>376,218</u>	<u>450,828</u>	<u>74,610</u>	<u>230,033</u>
Expenditures				
Economic Development				
Salaries	43,983	44,583	(600)	49,703
Benefits	8,930	9,236	(306)	9,650
Contractual Services	214,550	137,448	77,102	99,100
Commodities	-	-	-	327
Capital Outlay	108,755	297,395	(188,640)	154,259
Total Expenditures	<u>376,218</u>	<u>488,662</u>	<u>(112,444)</u>	<u>313,039</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>(37,834)</u>	<u>\$ (37,834)</u>	<u>(83,006)</u>
Fund Balance at Beginning of Year		-		<u>83,006</u>
Fund Balance at End of Year		<u>\$ (37,834)</u>		<u>\$ -</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, 2017
With Comparative Actual Amounts for the Year Ended December 31, 2016

	2017		Variance from Final Budget Positive (Negative)	2016
	Original and Final Budget	Actual		Actual
Revenues				
Property Taxes	\$ 5,070,325	\$ 4,981,630	\$ (88,695)	\$ 5,076,742
Investment Income	2,000	18,389	16,389	7,815
Total Revenues	<u>5,072,325</u>	<u>5,000,019</u>	<u>(72,306)</u>	<u>5,084,557</u>
Expenditures				
Economic Development				
Contractual Services	1,499,810	1,154,092	345,718	805,735
Commodities	292,150	57,576	234,574	711,589
Capital Outlay	4,505,000	1,323,356	3,181,644	560,580
Total Economic Development	<u>6,296,960</u>	<u>2,535,024</u>	<u>3,761,936</u>	<u>2,077,904</u>
Debt Service				
Principal	1,138,553	1,138,553	-	1,353,133
Interest and Fiscal Charges	118,585	118,547	38	154,597
Total Debt Service	<u>1,257,138</u>	<u>1,257,100</u>	<u>38</u>	<u>1,507,730</u>
Total Expenditures	<u>7,554,098</u>	<u>3,792,124</u>	<u>3,761,974</u>	<u>3,585,634</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>(2,481,773)</u>	<u>1,207,895</u>	<u>3,689,668</u>	<u>1,498,923</u>
Other Financing Sources (Uses)				
Transfer Out	(126,000)	(126,000)	-	(126,000)
Total Other Financing Sources (Uses)	<u>(126,000)</u>	<u>(126,000)</u>	<u>-</u>	<u>(126,000)</u>
Net Change in Fund Balance	<u>\$ (2,607,773)</u>	1,081,895	<u>\$ 3,689,668</u>	1,372,923
Fund Balance at Beginning of Year		<u>6,048,748</u>		<u>4,675,825</u>
Fund Balance at End of Year		<u>\$ 7,130,643</u>		<u>\$ 6,048,748</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, 2017
With Comparative Actual Amounts for the Year Ended December 31, 2016

	2017		Variance from Final Budget Positive (Negative)	2016
	Original and Final Budget	Actual		Actual
Revenues				
Taxes	\$ 1,085,935	\$ 1,322,484	\$ 236,549	\$ 752,580
Investment Income	10	7	(3)	12
Miscellaneous	-	48,900	48,900	-
Total Revenues	<u>1,085,945</u>	<u>1,371,391</u>	<u>285,446</u>	<u>752,592</u>
Expenditures				
Economic Development				
Contractual Services	10,440	1,888	8,552	1,736
Total Economic Development	<u>10,440</u>	<u>1,888</u>	<u>8,552</u>	<u>1,736</u>
Debt Service				
Principal	1,095,000	1,095,000	-	202,000
Interest and Fiscal Charges	268,197	268,363	(166)	275,523
Total Debt Service	<u>1,363,197</u>	<u>1,363,363</u>	<u>(166)</u>	<u>477,523</u>
Total Expenditures	<u>1,373,637</u>	<u>1,365,251</u>	<u>8,386</u>	<u>479,259</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>(287,692)</u>	<u>6,140</u>	<u>293,832</u>	<u>273,333</u>
Other Financing Sources (Uses)				
Transfers Out	(6,000)	(6,000)	-	(6,000)
Total Other Financing Sources (Uses)	<u>(6,000)</u>	<u>(6,000)</u>	<u>-</u>	<u>(6,000)</u>
Net Change in Fund Balance	<u>\$ (293,692)</u>	140	<u>\$ 293,832</u>	267,333
Fund Balance at Beginning of Year		<u>(3,007,156)</u>		<u>(3,274,489)</u>
Fund Balance at End of Year		<u>\$ (3,007,016)</u>		<u>\$ (3,007,156)</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, 2017
With Comparative Actual Amounts for the Year Ended December 31, 2016

	2017		Variance from Final Budget Positive (Negative)	2016
	Original and Final Budget	Actual		Actual
Revenues				
Taxes	\$ 114,852	\$ 143,878	\$ 29,026	\$ 105,905
Investment Income	-	7	7	2
Total Revenues	<u>114,852</u>	<u>143,885</u>	<u>29,033</u>	<u>105,907</u>
Expenditures				
Economic Development				
Contractual Services	400	1,848	(1,448)	1,700
Total Economic Development	<u>400</u>	<u>1,848</u>	<u>(1,448)</u>	<u>1,700</u>
Debt Service				
Principal	100,000	100,000	-	95,000
Interest and Fiscal Charges	12,239	12,233	6	14,131
Total Debt Service	<u>112,239</u>	<u>112,233</u>	<u>6</u>	<u>109,131</u>
Total Expenditures	<u>112,639</u>	<u>114,081</u>	<u>(1,442)</u>	<u>110,831</u>
Net Change in Fund Balance	<u>\$ 2,213</u>	29,804	<u>\$ 27,591</u>	(4,924)
Fund Balance at Beginning of Year		<u>131,718</u>		<u>136,642</u>
Fund Balance at End of Year		<u>\$ 161,522</u>		<u>\$ 131,718</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, 2017
With Comparative Actual Amounts for the Year Ended December 31, 2016

	2017		Variance from Final Budget Positive (Negative)	2016
	Original and Final Budget	Actual		Actual
Revenues				
Taxes	\$ 1,000	\$ -	\$ (1,000)	\$ 292
Total Revenues	<u>1,000</u>	<u>-</u>	<u>(1,000)</u>	<u>292</u>
Expenditures				
Economic Development				
Contractual Services	33,760	129,338	(95,578)	356,628
Commodities	-	9,680	(9,680)	-
Capital Outlay	-	602,945	(602,945)	831,382
Total Expenditures	<u>33,760</u>	<u>741,963</u>	<u>(708,203)</u>	<u>1,188,010</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>(32,760)</u>	<u>(741,963)</u>	<u>(709,203)</u>	<u>(1,187,718)</u>
Other Financing Sources (Uses)				
Proceeds from sale of capital assets	-	1,759,784	1,759,784	-
Transfers Out	(44,000)	(44,000)	-	(41,000)
Total Other Financing Sources (Uses)	<u>(44,000)</u>	<u>1,715,784</u>	<u>1,759,784</u>	<u>(41,000)</u>
Net Change in Fund Balance	<u>\$ (76,760)</u>	973,821	<u>\$ 1,050,581</u>	(1,228,718)
Fund Balance at Beginning of Year		<u>(1,400,669)</u>		<u>(171,951)</u>
Fund Balance at End of Year		<u>\$ (426,848)</u>		<u>\$ (1,400,669)</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, 2017
With Comparative Actual Amounts for the Year Ended December 31, 2016

	2017		Variance from Final Budget Positive (Negative)	2016
	Original and Final Budget	Actual		Actual
Revenues				
Public Charges for Services	\$ 690,670	\$ 683,868	\$ (6,802)	\$ 988,841
Total Revenues	<u>690,670</u>	<u>683,868</u>	<u>(6,802)</u>	<u>988,841</u>
Expenditures				
Public Safety				
Contractual Services	2,755,527	2,697,321	58,206	2,597,029
Capital Outlay	-	-	-	-
Total Expenditures	<u>2,755,527</u>	<u>2,697,321</u>	<u>58,206</u>	<u>2,597,029</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>(2,064,857)</u>	<u>(2,013,453)</u>	<u>51,404</u>	<u>(1,608,188)</u>
Other Financing Sources (Uses)				
Transfers In	2,064,857	1,794,231	(270,626)	1,608,187
Total Other Financing Sources (Uses)	<u>2,064,857</u>	<u>1,794,231</u>	<u>(270,626)</u>	<u>1,608,187</u>
Net Change in Fund Balance	<u>\$ -</u>	(219,222)	<u>\$ (219,222)</u>	(1)
Fund Balance at Beginning of Year		-		1
Fund Balance at End of Year		<u>\$ (219,222)</u>		<u>\$ -</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, 2017
With Comparative Actual Amounts for the Year Ended December 31, 2016

	2017		Variance from Final Budget Positive (Negative)	2016
	Original and Final Budget	Actual		Actual
Revenues				
Taxes	\$ 103,050	\$ 99,978	\$ (3,072)	\$ 106,990
Total Revenues	<u>103,050</u>	<u>99,978</u>	<u>(3,072)</u>	<u>106,990</u>
Expenditures				
Debt Service				
Principal	475,000	475,000	-	85,000
Interest and Fiscal Charges	<u>18,340</u>	<u>18,600</u>	<u>(260)</u>	<u>21,550</u>
Total Expenditures	<u>493,340</u>	<u>493,600</u>	<u>(260)</u>	<u>106,550</u>
Net Change in Fund Balance	<u>\$ (390,290)</u>	(393,622)	<u>\$ (3,332)</u>	440
Fund Balance at Beginning of Year		<u>457,424</u>		<u>456,984</u>
Fund Balance at End of Year		<u>\$ 63,802</u>		<u>\$ 457,424</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, 2017
With Comparative Actual Amounts for the Year Ended December 31, 2016

	2017		Variance from Final Budget Positive (Negative)	2016
	Original and Final Budget	Actual		Actual
Revenues				
Investment Income	\$ 100,000	\$ 30,841	\$ (69,159)	\$ 22,209
Miscellaneous	40,000	-	(40,000)	78,487
Total Revenues	<u>140,000</u>	<u>30,841</u>	<u>(109,159)</u>	<u>100,696</u>
Expenditures				
General Government				
Commodities	69,350	60,440	8,910	33,717
Capital Outlay	2,409,549	2,148,370	261,179	1,580,255
Total General Government	<u>2,478,899</u>	<u>2,208,810</u>	<u>270,089</u>	<u>1,613,972</u>
Debt Service				
Principal	12,500	12,500	-	12,500
Total Debt Service	<u>12,500</u>	<u>12,500</u>	<u>-</u>	<u>12,500</u>
Total Expenditures	<u>2,491,399</u>	<u>2,221,310</u>	<u>270,089</u>	<u>1,626,472</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>(2,351,399)</u>	<u>(2,190,469)</u>	<u>160,930</u>	<u>(1,525,776)</u>
Other Financing Sources (Uses)				
Transfers In	1,500,000	1,500,000	-	500,000
Transfers Out	-	-	-	(326,348)
Total Other Financing Sources (Uses)	<u>1,500,000</u>	<u>1,500,000</u>	<u>-</u>	<u>173,652</u>
Net Change in Fund Balance	<u>\$ (851,399)</u>	<u>(690,469)</u>	<u>\$ 160,930</u>	<u>(1,352,124)</u>
Fund Balance at Beginning of Year		<u>4,663,266</u>		<u>6,015,390</u>
Fund Balance at End of Year		<u>\$ 3,972,797</u>		<u>\$ 4,663,266</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, 2017
With Comparative Actual Amounts for the Year Ended December 31, 2016

	2017		Variance from Final Budget Positive (Negative)	2016
	Original and Final Budget	Actual		Actual
Revenues				
Investment Income	\$ 300	\$ 739	\$ 439	\$ 323
Total Revenues	<u>300</u>	<u>739</u>	<u>439</u>	<u>323</u>
Expenditures				
General Government				
Contractual Services	53,556	57,215	(3,659)	55,746
Commodities	-	123	(123)	390
Capital Outlay	196,600	220,525	(23,925)	391,209
Total Expenditures	<u>250,156</u>	<u>277,863</u>	<u>(27,707)</u>	<u>447,345</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>(249,856)</u>	<u>(277,124)</u>	<u>(27,268)</u>	<u>(447,022)</u>
Other Financing Sources (Uses)				
Transfers In	250,000	250,000	-	250,000
Total Other Financing Sources (Uses)	<u>250,000</u>	<u>250,000</u>	<u>-</u>	<u>250,000</u>
Net Change in Fund Balance	<u>\$ 144</u>	(27,124)	<u>\$ (27,268)</u>	(197,022)
Fund Balance at Beginning of Year		<u>371,225</u>		<u>568,247</u>
Fund Balance at End of Year		<u>\$ 344,101</u>		<u>\$ 371,225</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, 2017
With Comparative Actual Amounts for the Year Ended December 31, 2016

	2017		Variance from Final Budget Positive (Negative)	2016 Actual
	Original and Final Budget	Actual		
Operating Revenues				
Charges for Services				
Water Sales	\$ 12,207,500	\$ 11,818,368	\$ (389,132)	\$ 12,602,193
Sewer Sales	2,000,000	1,903,551	(96,449)	2,022,788
Sales of Water Meters	5,000	5,526	526	7,647
Water Permit Fees	1,500	2,200	700	1,950
Service Charges, Cut Off and Connector Fees	110,000	182,536	72,536	171,303
Other Charges for Services	1,000	12,300	11,300	11,680
Total Charges for Services	<u>14,325,000</u>	<u>13,924,481</u>	<u>(400,519)</u>	<u>14,817,561</u>
Miscellaneous	222,000	193,157	(28,843)	209,231
Total Operating Revenues	<u>14,547,000</u>	<u>14,117,638</u>	<u>(429,362)</u>	<u>15,026,792</u>
Operating Expenses				
Salaries	3,205,449	3,042,140	163,309	2,903,161
Benefits	1,540,103	1,506,572	33,531	1,834,372
Contractual Services	1,120,524	1,002,210	118,314	1,110,241
Commodities	7,392,000	6,917,574	474,426	8,017,981
Capital Outlay	4,804,363	-	4,804,363	168,313
Depreciation	-	1,513,250	(1,513,250)	1,270,044
Total Operating Expenses	<u>18,062,439</u>	<u>13,981,746</u>	<u>4,080,693</u>	<u>15,304,112</u>
Operating Income (Loss)	<u>(3,515,439)</u>	<u>135,892</u>	<u>3,651,331</u>	<u>(277,320)</u>
Nonoperating Revenues and (Expenses)				
Intergovernmental	4,000	6,901	2,901	3,633
Investment Income	-	-	-	3,056
Total Nonoperating Revenues and (Expenses)	<u>4,000</u>	<u>6,901</u>	<u>2,901</u>	<u>6,689</u>
Income (Loss) Before Transfers	<u>(3,511,439)</u>	<u>142,793</u>	<u>3,654,232</u>	<u>(270,631)</u>
Transfers				
Transfers In	4,934,613	20,758	(4,913,855)	5,838,479
Total Transfers	<u>4,934,613</u>	<u>20,758</u>	<u>(4,913,855)</u>	<u>5,838,479</u>
Change in Net Position	<u>\$ 1,423,174</u>	163,551	<u>\$ (1,259,623)</u>	5,567,848
Net Position at Beginning of Year		<u>25,499,604</u>		<u>19,931,756</u>
Net Position at End of Year		<u>\$ 25,663,155</u>		<u>\$ 25,499,604</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, 2017
With Comparative Actual Amounts for the Year Ended December 31, 2016

	2017		Variance from Final Budget Positive (Negative)	2016
	Original and Final Budget	Actual		Actual
Operating Revenues				
Charges for Services				
Parking Lots, Garages, Permits, and Other	\$ 344,650	\$ 351,522	\$ 6,872	\$ 345,158
Miscellaneous	-	-	-	32
Total Operating Revenues	<u>344,650</u>	<u>351,522</u>	<u>6,872</u>	<u>345,190</u>
Operating Expenses				
Contractual Services	72,190	88,655	(16,465)	66,302
Commodities	150,600	112,429	38,171	115,299
Total Operating Expenses	<u>222,790</u>	<u>201,084</u>	<u>21,706</u>	<u>181,601</u>
Income (Loss) Before Transfers - budgetary	<u>121,860</u>	<u>150,438</u>	<u>28,578</u>	<u>163,589</u>
Transfers				
Transfers Out	(36,516)	(36,516)	-	(36,516)
Total Transfers	<u>(36,516)</u>	<u>(36,516)</u>	<u>-</u>	<u>(36,516)</u>
Adjustments to GAAP basis - depreciation	-	(653,621)	-	(653,621)
Change in Net Position	<u>\$ 85,344</u>	<u>(539,699)</u>	<u>\$ 28,578</u>	<u>(526,548)</u>
Net Position at Beginning of Year		<u>10,566,575</u>		<u>11,093,123</u>
Net Position at End of Year		<u>\$ 10,026,876</u>		<u>\$ 10,566,575</u>

CITY OF DES PLAINES, ILLINOIS
 COMBINING STATEMENT OF NET POSITION
 INTERNAL SERVICE FUNDS
 December 31, 2017

	<u>Risk Management</u>	<u>Health Benefits</u>	<u>Total Internal Service Funds</u>
ASSETS			
Current Assets			
Cash and Investments	\$ 348,566	\$ -	\$ 348,566
Prepaid Items	964,894	4,401,762	5,366,656
Other Receivables	-	1,479	1,479
Total Current Assets	<u>1,313,460</u>	<u>4,403,241</u>	<u>5,716,701</u>
TOTAL ASSETS	<u>1,313,460</u>	<u>4,403,241</u>	<u>5,716,701</u>
LIABILITIES			
Current Liabilities			
Accounts Payable	15,234	-	15,234
Unearned Revenue	-	105,748	105,748
Advances from Other Funds	-	214,006	214,006
Total Current Liabilities	<u>15,234</u>	<u>319,754</u>	<u>334,988</u>
TOTAL LIABILITIES	<u>15,234</u>	<u>319,754</u>	<u>334,988</u>
NET POSITION			
Unrestricted	<u>1,298,226</u>	<u>4,083,487</u>	<u>5,381,713</u>
TOTAL NET POSITION	<u>\$ 1,298,226</u>	<u>\$ 4,083,487</u>	<u>\$ 5,381,713</u>

CITY OF DES PLAINES, ILLINOIS
 COMBINING STATEMENT OF REVENUES, EXPENSES
 AND CHANGES IN NET POSITION
 INTERNAL SERVICE FUNDS
 Year Ended December 31, 2017

	<u>Risk Management</u>	<u>Health Benefits</u>	<u>Total Internal Service Funds</u>
Operating Revenues			
Charges for Services	\$ 2,738,012	\$ 7,901,388	\$ 10,639,400
Miscellaneous	332,012	-	332,012
Total Operating Revenues	<u>3,070,024</u>	<u>7,901,388</u>	<u>10,971,412</u>
Operating Expenses			
Salaries	7,300	-	7,300
Benefits	1,448	-	1,448
Claims Expense	36,948	7,742,075	7,779,023
Insurance and Processing Fees	3,102,643	643,221	3,745,864
Miscellaneous	126,131	326	126,457
Total Operating Expenses	<u>3,274,470</u>	<u>8,385,622</u>	<u>11,660,092</u>
Change in Net Position	(204,446)	(484,234)	(688,680)
Net Position at Beginning of Year	<u>1,502,672</u>	<u>4,567,721</u>	<u>6,070,393</u>
Net Position at End of Year	<u>\$ 1,298,226</u>	<u>\$ 4,083,487</u>	<u>\$ 5,381,713</u>

CITY OF DES PLAINES, ILLINOIS
 COMBINING STATEMENT OF CASH FLOWS
 INTERNAL SERVICE FUNDS
 Year Ended December 31, 2017

	Risk Management	Health Benefits	Total Internal Service Funds
Cash Flows from Operating Activities			
Cash Received from Customers	\$ 2,738,012	\$ 7,901,388	\$ 10,639,400
Receipts from Miscellaneous Revenues	332,012	103,228	435,240
Cash Payments to Suppliers for Goods and Services	(3,255,463)	(8,382,698)	(11,638,161)
Cash Payments to Employees for Services	(8,748)	-	(8,748)
Net Cash Provided/(Used) by Operating Activities	<u>(194,187)</u>	<u>(378,082)</u>	<u>(572,269)</u>
Cash Flows from Noncapital Financing Activities			
Interfund Advances	-	214,006	214,006
Net Cash Provided/(Used) by Noncapital Financing Activities	<u>-</u>	<u>214,006</u>	<u>214,006</u>
Net Increase (Decrease) in Cash & Investments	(194,187)	(164,076)	(358,263)
Cash & Investments, Beginning of Year	542,753	164,076	706,829
Cash & Investments, End of Year	<u>\$ 348,566</u>	<u>\$ -</u>	<u>\$ 348,566</u>
Reconciliation of Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities			
Operating Income/(Loss)	\$ (204,446)	\$ (484,234)	\$ (688,680)
Adjustments to Reconcile Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities			
Decrease (Increase) in Prepaid Items	16,596	9,234	25,830
Decrease (Increase) in Other Receivables	-	(52)	(52)
(Decrease) Increase in Accounts Payable	(6,337)	(6,258)	(12,595)
(Decrease) Increase in Unearned Revenue	-	103,228	103,228
Total Adjustments	<u>10,259</u>	<u>106,152</u>	<u>116,411</u>
Net Cash Provided/(Used) by Operating Activities	<u>\$ (194,187)</u>	<u>\$ (378,082)</u>	<u>\$ (572,269)</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, 2017
With Comparative Actual Amounts for the Year Ended December 31, 2016

	2017		Variance from Final Budget Positive (Negative)	2016 Actual
	Original and Final Budget	Actual		
Operating Revenues				
Charges for Services	\$ 2,706,552	\$ 2,738,012	\$ 31,460	\$ 2,692,674
Miscellaneous	<u>275,000</u>	<u>332,012</u>	<u>57,012</u>	<u>224,941</u>
Total Operating Revenues	<u>2,981,552</u>	<u>3,070,024</u>	<u>88,472</u>	<u>2,917,615</u>
Operating Expenses				
Salaries	19,500	7,300	12,200	4,660
Benefits	3,832	1,448	2,384	367
Claims Expense				
Unemployment Claims	10,000	36,948	(26,948)	18,573
Workers' Compensation Claims	<u>25,000</u>	<u>-</u>	<u>25,000</u>	<u>7,740</u>
Total Claims Expense	<u>35,000</u>	<u>36,948</u>	<u>(1,948)</u>	<u>26,313</u>
Insurance and Processing Fees				
Claims Administrative Fees	3,400	2,200	1,200	2,200
Insurance Premiums	175,000	171,428	3,572	173,703
MICA Loss Fund	3,091,200	2,911,279	179,921	2,895,332
MICA Deductible	<u>30,000</u>	<u>17,736</u>	<u>12,264</u>	<u>25,499</u>
Total Insurance and Processing Fees	<u>3,299,600</u>	<u>3,102,643</u>	<u>196,957</u>	<u>3,096,734</u>
Miscellaneous				
City-wide Substance Abuse Program	5,000	1,200	3,800	1,885
Self-insurance Losses	75,000	70,702	4,298	31,489
Miscellaneous Contractual Services	<u>88,067</u>	<u>54,229</u>	<u>33,838</u>	<u>64,486</u>
Total Miscellaneous	<u>168,067</u>	<u>126,131</u>	<u>41,936</u>	<u>97,860</u>
Total Operating Expenses	<u>3,525,999</u>	<u>3,274,470</u>	<u>251,529</u>	<u>3,225,934</u>
Change in Net Position	<u>\$ (544,447)</u>	<u>(204,446)</u>	<u>\$ 340,001</u>	<u>(308,319)</u>
Net Position at Beginning of Year		<u>1,502,672</u>		<u>1,810,991</u>
Net Position at End of Year		<u>\$ 1,298,226</u>		<u>\$ 1,502,672</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, 2017
With Comparative Actual Amounts for the Year Ended December 31, 2016

	2017		Variance from Final Budget Positive (Negative)	2016
	Original and Final Budget	Actual		Actual
Operating Revenues				
Charges for Services	\$ 8,564,053	\$ 7,901,388	\$ (662,665)	\$ 7,860,782
Total Operating Revenues	<u>8,564,053</u>	<u>7,901,388</u>	<u>(662,665)</u>	<u>7,860,782</u>
Operating Expenses				
Claims Expense				
Claims Paid - City - PPO	6,139,153	6,169,411	(30,258)	5,563,529
Claims Paid - City - HMO	<u>1,608,039</u>	<u>1,572,664</u>	<u>35,375</u>	<u>1,579,455</u>
Total Claims Expense	<u>7,747,192</u>	<u>7,742,075</u>	<u>5,117</u>	<u>7,142,984</u>
Insurance and Processing Fees				
Dental Claims and Administration Fee	478,222	481,544	(3,322)	472,699
Life Insurance Premium	<u>160,500</u>	<u>161,677</u>	<u>(1,177)</u>	<u>138,897</u>
Total Insurance and Processing Fees	<u>638,722</u>	<u>643,221</u>	<u>(4,499)</u>	<u>611,596</u>
Miscellaneous	<u>35,000</u>	<u>326</u>	<u>34,674</u>	<u>29,737</u>
Total Operating Expenses	<u>8,420,914</u>	<u>8,385,622</u>	<u>35,292</u>	<u>7,784,317</u>
Operating Income (Loss)	<u>143,139</u>	<u>(484,234)</u>	<u>(627,373)</u>	<u>76,465</u>
Nonoperating Revenues and (Expenses)				
Investment Income	<u>300</u>	<u>-</u>	<u>(300)</u>	<u>420</u>
Total Nonoperating Revenues and (Expenses)	<u>300</u>	<u>-</u>	<u>(300)</u>	<u>420</u>
Change in Net Position	<u>\$ 143,439</u>	<u>(484,234)</u>	<u>\$ (627,673)</u>	<u>76,885</u>
Net Position at Beginning of Year		<u>4,567,721</u>		<u>4,490,836</u>
Net Position at End of Year		<u>\$ 4,083,487</u>		<u>\$ 4,567,721</u>

CITY OF DES PLAINES, ILLINOIS
 COMBINING STATEMENT OF FIDUCIARY NET POSITION
 PENSION TRUST FUNDS
 December 31, 2017

	Firefighters' Pension	Police Pension	Total Pension Trust Funds
ASSETS			
Cash and Cash Equivalents	\$ 4,340,615	\$ 6,689,713	\$ 11,030,328
Investments			
U.S. Government and Agency Obligations	10,960,289	10,077,469	21,037,758
State and Local Obligations	502,577	734,678	1,237,255
Corporate Bonds	11,933,920	10,384,214	22,318,134
Mutual Funds	25,846,674	23,603,257	49,449,931
Stocks	26,934,236	21,420,358	48,354,594
Insurance Contracts	-	1,514	1,514
Receivables			
Accrued Interest	198,438	165,083	363,521
Prepaid Items	5,271	4,498	9,769
TOTAL ASSETS	<u>80,722,020</u>	<u>73,080,784</u>	<u>153,802,804</u>
LIABILITIES AND NET POSITION			
Liabilities			
Accounts Payable	<u>63,947</u>	<u>63,019</u>	<u>126,966</u>
Total Liabilities	<u>63,947</u>	<u>63,019</u>	<u>126,966</u>
Net Position			
Restricted for Pensions	<u>\$ 80,658,073</u>	<u>\$ 73,017,765</u>	<u>\$ 153,675,838</u>

CITY OF DES PLAINES, ILLINOIS
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 PENSION TRUST FUNDS
 Year Ended December 31, 2017

	Firefighters' Pension	Police Pension	Total Pension Trust Funds
Additions			
Contributions			
Employer	\$ 4,916,225	\$ 5,262,020	\$ 10,178,245
Plan Members	<u>867,424</u>	<u>1,084,374</u>	<u>1,951,798</u>
Total Contributions	<u>5,783,649</u>	<u>6,346,394</u>	<u>12,130,043</u>
Investment Income	11,853,563	10,446,240	22,299,803
Less Investment Expense	<u>(304,610)</u>	<u>(322,836)</u>	<u>(627,446)</u>
Net Investment Income	<u>11,548,953</u>	<u>10,123,404</u>	<u>21,672,357</u>
Total Additions	<u>17,332,602</u>	<u>16,469,798</u>	<u>33,802,400</u>
Deductions			
Administration	103,917	96,092	200,009
Benefits and Refunds	<u>7,339,931</u>	<u>7,464,094</u>	<u>14,804,025</u>
Total Deductions	<u>7,443,848</u>	<u>7,560,186</u>	<u>15,004,034</u>
Net Increase in Net Position	9,888,754	8,909,612	18,798,366
Plan Net Position at Beginning of Year	<u>70,769,319</u>	<u>64,108,153</u>	<u>134,877,472</u>
Plan Net Position at End of Year	<u>\$ 80,658,073</u>	<u>\$ 73,017,765</u>	<u>\$ 153,675,838</u>

CITY OF DES PLAINES, ILLINOIS
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUND
December 31, 2017

	<u>Compliance Bond</u>
ASSETS	
Cash and Cash Equivalents	\$ 3,100,800
Other Receivable	<u>33,757</u>
TOTAL ASSETS	<u>\$ 3,134,557</u>
LIABILITIES	
Accounts Payable	\$ 41,752
Deposits Payable	<u>3,092,805</u>
TOTAL LIABILITIES	<u>\$ 3,134,557</u>

CITY OF DES PLAINES, ILLINOIS
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND
Year Ended December 31, 2017

	Balances January 1	Additions	Deductions	Balances December 31
Compliance Bond Fund				
ASSETS				
Cash and Cash Equivalents	\$ 325,960	\$ 4,264,813	\$ 1,489,973	\$ 3,100,800
Other Receivable	26,098	418,331	410,672	33,757
TOTAL ASSETS	\$ 352,058	\$ 4,683,144	\$ 1,900,645	\$ 3,134,557
LIABILITIES				
Accounts Payable	\$ 12,454	\$ 581,866	\$ 552,568	\$ 41,752
Deposits Payable	339,604	4,011,016	1,257,815	3,092,805
TOTAL LIABILITIES	\$ 352,058	\$ 4,592,882	\$ 1,810,383	\$ 3,134,557

CITY OF DES PLAINES, ILLINOIS
 COMPONENT UNIT - LIBRARY
 STATEMENT OF NET POSITION AND GOVERNMENTAL FUNDS
 COMBINING BALANCE SHEET
 December 31, 2017

	General	Capital Projects	Total	Internal Service Fund Compensated Absences
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES				
Assets				
Cash	\$ 3,862,283	\$ 147,472	\$ 4,009,755	\$ -
Property Tax Receivable	6,077,809	-	6,077,809	-
Other Receivable	23,247	-	23,247	-
Due from Other Funds	-	-	-	310,297
Prepaid Items	34,751	-	34,751	-
Due from Other Governmental Units	45,316	-	45,316	-
Capital Assets, Net	-	-	-	-
Net Pension Asset	-	-	-	-
Total Assets	<u>10,043,406</u>	<u>147,472</u>	<u>10,190,878</u>	<u>310,297</u>
Deferred Outflows of Resources				
Deferred Pension Outflows	-	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 10,043,406</u>	<u>\$ 147,472</u>	<u>\$ 10,190,878</u>	<u>\$ 310,297</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES/NET POSITION				
Liabilities				
Accounts Payable	\$ 151,889	\$ 7,250	\$ 159,139	\$ -
Accrued Payroll	119,349	-	119,349	-
Due to Other Funds	310,297	-	310,297	-
Noncurrent Liabilities				
Due within One Year	-	-	-	107,931
Due in More than One Year	-	-	-	202,366
Total Liabilities	<u>581,535</u>	<u>7,250</u>	<u>588,785</u>	<u>310,297</u>
Deferred Inflows of Resources				
Deferred Property Tax Revenue	6,069,500	-	6,069,500	-
Deferred Grant Revenue	45,316	-	45,316	-
Deferred Pension Inflows	-	-	-	-
Total Deferred Inflows of Resources	<u>6,114,816</u>	<u>-</u>	<u>6,114,816</u>	<u>-</u>
Fund Balances/Net Position				
Net Investment in Capital Assets	-	-	-	-
Restricted for Culture and Recreation	3,347,055	140,222	3,487,277	-
Total Fund Balances/Net Position	<u>3,347,055</u>	<u>140,222</u>	<u>3,487,277</u>	<u>-</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES/NET POSITION	<u>\$ 10,043,406</u>	<u>\$ 147,472</u>	<u>\$ 10,190,878</u>	<u>\$ 310,297</u>

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

\$ 310,297

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.

Grants receivable and to be collected in the next fiscal year are intended to be used to pay for the current period's expenditures, and therefore are recorded as revenue in the government-wide statements and unavailable revenue in the fund statements.

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

Adjustments					
Internal Balances	Net OPEB Obligation	Net Pension Asset	Unavailable Grant Revenue	Long-term Assets	Statement of Net Position
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,009,755
-	-	-	-	-	6,077,809
-	-	-	-	-	23,247
(310,297)	-	-	-	-	-
-	-	-	-	-	34,751
-	-	-	-	-	45,316
-	-	-	-	2,786,046	2,786,046
-	-	242,366	-	-	242,366
<u>(310,297)</u>	<u>-</u>	<u>242,366</u>	<u>-</u>	<u>2,786,046</u>	<u>13,219,290</u>
<u>-</u>	<u>-</u>	<u>47,886</u>	<u>-</u>	<u>-</u>	<u>47,886</u>
<u>\$ (310,297)</u>	<u>\$ -</u>	<u>\$ 290,252</u>	<u>\$ -</u>	<u>\$ 2,786,046</u>	<u>\$ 13,267,176</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 159,139
-	-	-	-	-	119,349
(310,297)	-	-	-	-	-
-	-	-	-	-	107,931
-	93,561	-	-	-	295,927
<u>(310,297)</u>	<u>93,561</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>682,346</u>
-	-	-	-	-	6,069,500
-	-	-	(45,316)	-	-
-	-	1,535,351	-	-	1,535,351
<u>-</u>	<u>-</u>	<u>1,535,351</u>	<u>(45,316)</u>	<u>-</u>	<u>7,604,851</u>
-	-	-	-	2,786,046	2,786,046
-	(93,561)	(1,245,099)	45,316	-	2,193,933
<u>-</u>	<u>(93,561)</u>	<u>(1,245,099)</u>	<u>45,316</u>	<u>2,786,046</u>	<u>4,979,979</u>
<u>\$ (310,297)</u>	<u>\$ -</u>	<u>\$ 290,252</u>	<u>\$ -</u>	<u>\$ 2,786,046</u>	<u>\$ 13,267,176</u>
<u>\$ (310,297)</u>					
	<u>\$ 93,561</u>	<u>\$ 1,245,099</u>			
			<u>\$ 45,316</u>		
				<u>\$ 2,786,046</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, 2017

	General	Capital Projects	Total
Revenues			
Property Taxes	\$ 6,003,992	\$ -	\$ 6,003,992
Intergovernmental	93,388	-	93,388
Charges for Services	25,940	-	25,940
Fines	83,040	-	83,040
Investment Income	36,851	30	36,881
Miscellaneous	55,006	-	55,006
Total Revenues	<u>6,298,217</u>	<u>30</u>	<u>6,298,247</u>
Expenditures			
Civic and Cultural	5,907,963	-	5,907,963
Capital Outlay	94,430	123,175	217,605
Total Expenditures	<u>6,002,393</u>	<u>123,175</u>	<u>6,125,568</u>
Excess (Deficiency) of Revenues over (under) Expenditures	295,824	(123,145)	172,679
Other Financing Sources (Uses)			
Transfers in	-	300,000	300,000
Transfers out	(300,000)	-	(300,000)
Total Other Financing Sources (Uses)	<u>(300,000)</u>	<u>300,000</u>	<u>-</u>
Net Change in Fund Balance/Net Position	(4,176)	176,855	172,679
Fund Balance/Net Position, Beginning of Year	<u>3,351,231</u>	<u>(36,633)</u>	<u>3,314,598</u>
Fund Balance/Net Position, End of Year	<u>\$ 3,347,055</u>	<u>\$ 140,222</u>	<u>\$ 3,487,277</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.

Grant revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Long-term Assets	Internal Balances	Adjustments			Statement of Activities
		Net OPEB Obligation	Unavailable Grant Revenue	Net Pension Liability/Asset	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,003,992
-	-	-	45,316	-	138,704
-	-	-	-	-	25,940
-	-	-	-	-	83,040
-	-	-	-	-	36,881
-	-	-	-	-	55,006
-	-	-	45,316	-	6,343,563
161,735	-	4,520	-	46,584	6,120,802
(45,884)	-	-	-	-	171,721
115,851	-	4,520	-	46,584	6,292,523
(115,851)	-	(4,520)	45,316	(46,584)	51,040
-	(300,000)	-	-	-	-
-	300,000	-	-	-	-
-	-	-	-	-	-
(115,851)	-	(4,520)	45,316	(46,584)	51,040
2,901,897	-	(89,041)	-	(1,198,515)	4,928,939
<u>\$ 2,786,046</u>	<u>\$ -</u>	<u>\$ (93,561)</u>	<u>\$ 45,316</u>	<u>\$ (1,245,099)</u>	<u>\$ 4,979,979</u>
<u>\$ (115,851)</u>					
		<u>\$ (4,520)</u>		<u>\$ (46,584)</u>	
			<u>\$ 45,316</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, 2017
With Comparative Actual Amounts for the Year Ended December 31, 2016

	2017		Variance from Final Budget Positive (Negative)	2016
	Original and Final Budget	Actual		Actual
Revenues				
Property Taxes	\$ 6,016,436	\$ 6,003,992	\$ (12,444)	\$ 6,065,699
Replacement Taxes	92,988	92,988	-	92,988
State Grants	45,000	400	(44,600)	44,990
Charges for Services	18,200	25,940	7,740	15,185
Fines	120,500	83,040	(37,460)	100,301
Investment Income	9,000	36,851	27,851	13,821
Miscellaneous	80,300	55,006	(25,294)	61,144
Total Revenues	<u>6,382,424</u>	<u>6,298,217</u>	<u>(84,207)</u>	<u>6,394,128</u>
Expenditures				
Civic and Cultural				
Salaries	3,079,096	2,931,064	148,032	2,917,164
Benefits	990,302	976,046	14,256	929,691
Contractual Services	1,142,158	1,057,398	84,760	1,009,087
Commodities	1,006,530	943,455	63,075	933,753
Total Civic and Cultural	<u>6,218,086</u>	<u>5,907,963</u>	<u>310,123</u>	<u>5,789,695</u>
Capital Outlay	164,800	94,430	70,370	156,536
Total Expenditures	<u>6,382,886</u>	<u>6,002,393</u>	<u>380,493</u>	<u>5,946,231</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>(462)</u>	<u>295,824</u>	<u>296,286</u>	<u>447,897</u>
Other Financing Sources (Uses)				
Transfers Out	(300,000)	(300,000)	-	(1,280,900)
Total Other Financing Sources (Uses)	<u>(300,000)</u>	<u>(300,000)</u>	<u>-</u>	<u>(1,280,900)</u>
Net Change in Fund Balance	<u>\$ (300,462)</u>	<u>(4,176)</u>	<u>\$ 296,286</u>	<u>(833,003)</u>
Fund Balance at Beginning of Year		<u>3,351,231</u>		<u>4,184,234</u>
Fund Balance at End of Year		<u>\$ 3,347,055</u>		<u>\$ 3,351,231</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, 2017
With Comparative Actual Amounts for the Year Ended December 31, 2016

	2017		Variance from Final Budget Positive (Negative)	2016
	Original and Final Budget	Actual		Actual
Revenues				
Investment Income	\$ 1,200	\$ 30	\$ (1,170)	\$ 793
Total Revenues	<u>1,200</u>	<u>30</u>	<u>(1,170)</u>	<u>793</u>
Expenditures				
Capital Outlay	140,900	123,175	17,725	1,891,619
Total Expenditures	<u>140,900</u>	<u>123,175</u>	<u>17,725</u>	<u>1,891,619</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>(139,700)</u>	<u>(123,145)</u>	<u>16,555</u>	<u>(1,890,826)</u>
Other Financing Sources (Uses)				
Transfers In	300,000	300,000	-	1,280,900
Total Other Financing Sources (Uses)	<u>300,000</u>	<u>300,000</u>	<u>-</u>	<u>1,280,900</u>
Net Change in Fund Balance	<u>\$ 160,300</u>	176,855	<u>\$ 16,555</u>	(609,926)
Fund Balance at Beginning of Year		<u>(36,633)</u>		<u>573,293</u>
Fund Balance at End of Year		<u>\$ 140,222</u>		<u>\$ (36,633)</u>

CITY OF DES PLAINES, ILLINOIS
LONG TERM DEBT REQUIREMENTS
TAXABLE GENERAL OBLIGATION REFUNDING BONDS, SERIES 2008A (TIF#3 PORTION)
December 31, 2017

Date of issue	April 1, 2008
Date of maturity	December 1, 2021
Authorized issue	\$ 1,241,000
Denomination of bonds	\$ 5,000
Interest rates	3.25% to 5.25%

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

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year Ending <u>December 31</u>	Requirements			Interest Due			
	Principal	Interest	Total	June 1	Amount	December 1	Amount
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
	\$ 450,000	\$ 60,238	\$ 510,238		\$ 30,119		\$ 30,119

CITY OF DES PLAINES, ILLINOIS
LONG TERM DEBT REQUIREMENTS
TAXABLE GENERAL OBLIGATION REFUNDING BONDS, SERIES 2009A (TIF #6, CAPITAL APPRECIATION)
December 31, 2017

Date of issue	November 3, 2009
Date of maturity	December 1, 2023
Authorized issue	\$ 5,430,000
Denomination of bonds	\$ 5,000
Interest rates	3.00% to 5.80%

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

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year Ending <u>December 31</u>	Capital Appreciation Bonds				Total Principal Requirement
	<u>Original Amount</u>	<u>Accretion to Date</u>	<u>Current Payable</u>	<u>Future Accretion</u>	
2018	\$ 223,545	\$ 109,590	\$ 333,135	\$ 16,865	\$ 350,000
2019	192,780	100,221	293,001	31,999	325,000
2020	257,668	141,729	399,397	70,603	470,000
2021	225,713	129,693	355,406	89,594	445,000
2022	750,424	435,840	1,186,264	388,736	1,575,000
2023	333,112	195,543	528,655	216,345	745,000
	<u>\$ 1,983,242</u>	<u>\$ 1,112,616</u>	<u>\$ 3,095,858</u>	<u>\$ 814,142</u>	<u>\$ 3,910,000</u>

CITY OF DES PLAINES, ILLINOIS
LONG TERM DEBT REQUIREMENTS
GENERAL OBLIGATION REFUNDING BONDS, SERIES 2009B (STREETS)
December 31, 2017

Date of issue	November 3, 2009
Date of maturity	December 1, 2018
Authorized issue	\$ 4,175,000
Denomination of bonds	\$ 5,000
Interest rates	3.00% to 3.75%

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

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year Ending <u>December 31</u>	Requirements			Interest Due			
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>June 1</u>	<u>Amount</u>	<u>December 1</u>	<u>Amount</u>
2018	\$ 200,000	\$ 7,500	\$ 207,500	2018	\$ 3,750	2018	\$ 3,750
	\$ 200,000	\$ 7,500	\$ 207,500		\$ 3,750		\$ 3,750

CITY OF DES PLAINES, ILLINOIS
LONG TERM DEBT REQUIREMENTS
GENERAL OBLIGATION REFUNDING BONDS, SERIES 2010A (TIF #3)
December 31, 2017

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 <u>December 31</u>	Requirements			Interest Due			
	Principal	Interest	Total	June 1	Amount	December 1	Amount
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	\$ 1,024,138	\$ 4,969,138		\$ 512,069		\$ 512,069

CITY OF DES PLAINES, ILLINOIS
LONG TERM DEBT REQUIREMENTS
GENERAL OBLIGATION REFUNDING BONDS, SERIES 2010B (TIF #3, CAPITAL APPRECIATION)
December 31, 2017

Date of issue	January 6, 2010
Date of maturity	December 1, 2026
Authorized issue	\$ 6,110,760
Denomination of bonds	\$ 5,000
Interest rates	4.00% to 5.35%

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

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year Ending <u>December 31</u>	Capital Appreciation Bonds				Total Principal Requirement
	<u>Original Amount</u>	<u>Accretion to Date</u>	<u>Current Payable</u>	<u>Future Accretion</u>	
2018	\$ 545,653	\$ 212,183	\$ 757,836	\$ 32,164	\$ 790,000
2019	513,382	210,758	724,140	65,860	790,000
2020	457,968	203,159	661,128	98,872	760,000
2021	416,648	198,911	615,559	134,441	750,000
2022	574,365	280,771	855,136	244,864	1,100,000
2023	891,472	446,049	1,337,521	482,479	1,820,000
2024	843,041	426,700	1,269,740	555,260	1,825,000
2025	794,295	406,636	1,200,930	624,070	1,825,000
2026	807,030	417,863	1,224,893	745,107	1,970,000
	<u>\$ 5,843,854</u>	<u>\$ 2,803,030</u>	<u>\$ 8,646,883</u>	<u>\$ 2,983,117</u>	<u>\$ 11,630,000</u>

CITY OF DES PLAINES, ILLINOIS
LONG TERM DEBT REQUIREMENTS
GENERAL OBLIGATION REFUNDING BONDS, SERIES 2011A (TOTAL ISSUE)
December 31, 2017

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
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
	\$ 1,660,000	\$ 96,363	\$ 1,756,363		\$ 48,181		\$ 48,182

CITY OF DES PLAINES, ILLINOIS
LONG TERM DEBT REQUIREMENTS
GENERAL OBLIGATION REFUNDING BONDS, SERIES 2011A (TIF #1 PORTION)
December 31, 2017

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	<u>June 1</u>	Amount	<u>December 1</u>	Amount
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
	\$ 550,000	\$ 27,175	\$ 577,175		\$ 13,588		\$ 13,587

CITY OF DES PLAINES, ILLINOIS
LONG TERM DEBT REQUIREMENTS
GENERAL OBLIGATION REFUNDING BONDS, SERIES 2011A (TIF #3 PORTION)
December 31, 2017

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
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
	\$ 595,000	\$ 37,265	\$ 632,265		\$ 18,632		\$ 18,633

CITY OF DES PLAINES, ILLINOIS
LONG TERM DEBT REQUIREMENTS
GENERAL OBLIGATION REFUNDING BONDS, SERIES 2011A (TIF #5 PORTION)
December 31, 2017

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
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
	\$ 415,000	\$ 25,738	\$ 440,738		\$ 12,869		\$ 12,869

CITY OF DES PLAINES, ILLINOIS
LONG TERM DEBT REQUIREMENTS
GENERAL OBLIGATION REFUNDING BONDS, SERIES 2011A (TIF #6 PORTION)
December 31, 2017

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

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year Ending <u>December 31</u>	Requirements			Interest Due			
	Principal	Interest	Total	June 1	Amount	December 1	Amount
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
	\$ 100,000	\$ 6,185	\$ 106,185		\$ 3,092		\$ 3,093

CITY OF DES PLAINES, ILLINOIS
LONG TERM DEBT REQUIREMENTS
GENERAL OBLIGATION REFUNDING BONDS, SERIES 2012A (TIF #1)
December 31, 2017

Date of issue	December 18, 2012
Date of maturity	December 1, 2020
Authorized issue	\$ 3,765,000
Denomination of bonds	\$ 5,000
Interest rates	1.00% to 2.00%
Interest dates	June 1 and December 1
Principal maturity date	December 1
Payable at	Amalgamated Bank of Chicago

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year Ending <u>December 31</u>	Requirements			Interest Due			
	Principal	Interest	Total	June 1	Amount	December 1	Amount
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
	\$ 1,460,000	\$ 51,524	\$ 1,511,524		\$ 25,762		\$ 25,762

CITY OF DES PLAINES, ILLINOIS
LONG TERM DEBT REQUIREMENTS
TAXABLE GENERAL OBLIGATION REFUNDING BONDS, SERIES 2013 (TOTAL ISSUE)
December 31, 2017

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
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
	\$ 4,000,000	\$ 291,788	\$ 4,291,788		\$ 145,894		\$ 145,894

CITY OF DES PLAINES, ILLINOIS
LONG TERM DEBT REQUIREMENTS
TAXABLE GENERAL OBLIGATION REFUNDING BONDS, SERIES 2013 (TIF #1 PORTION)
December 31, 2017

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	<u>June 1</u>	Amount	<u>December 1</u>	Amount
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
	\$ 1,375,000	\$ 83,550	\$ 1,458,550		\$ 41,775		\$ 41,775

CITY OF DES PLAINES, ILLINOIS
LONG TERM DEBT REQUIREMENTS
TAXABLE GENERAL OBLIGATION REFUNDING BONDS, SERIES 2013 (TIF #3 PORTION)
December 31, 2017

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
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
	\$ 295,000	\$ 23,104	\$ 318,104		\$ 11,552		\$ 11,552

CITY OF DES PLAINES, ILLINOIS
LONG TERM DEBT REQUIREMENTS
TAXABLE GENERAL OBLIGATION REFUNDING BONDS, SERIES 2013 (TIF #6 PORTION)
December 31, 2017

Date of issue	December 17, 2013
Date of maturity	December 1, 2021
Authorized issue	\$ 4,390,000
Denomination of bonds	\$ 5,000
Interest rates	3.00% to 3.30%
Interest dates	June 1 and December 1
Principal maturity date	December 1
Payable at	Amalgamated Bank of Chicago

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year Ending <u>December 31</u>	Requirements			Interest Due			
	Principal	Interest	Total	June 1	Amount	December 1	Amount
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
	\$ 2,330,000	\$ 185,134	\$ 2,515,134		\$ 92,567		\$ 92,567

CITY OF DES PLAINES, ILLINOIS
LONG TERM DEBT REQUIREMENTS
TAXABLE GENERAL OBLIGATION BONDS, SERIES 2014A (TIF #6)
December 31, 2017

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 <u>December 31</u>	Requirements			Interest Due			
	Principal	Interest	Total	June 1	Amount	December 1	Amount
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
	\$ 1,220,000	\$ 77,011	\$ 1,297,011		\$ 38,505		\$ 38,506

CITY OF DES PLAINES, ILLINOIS
LONG TERM DEBT REQUIREMENTS
GENERAL OBLIGATION BONDS, SERIES 2014B (TOTAL ISSUE)
December 31, 2017

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 <u>December 31</u>	Requirements			Interest Due			
	Principal	Interest	Total	June 1	Amount	December 1	Amount
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
	\$ 2,970,000	\$ 156,314	\$ 3,126,314		\$ 78,157		\$ 78,157

CITY OF DES PLAINES, ILLINOIS
LONG TERM DEBT REQUIREMENTS
GENERAL OBLIGATION BONDS, SERIES 2014B (TIF #3 PORTION)
December 31, 2017

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 <u>December 31</u>	Requirements			Interest Due			
	Principal	Interest	Total	June 1	Amount	December 1	Amount
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
	\$ 2,235,000	\$ 141,614	\$ 2,376,614		\$ 70,807		\$ 70,807

CITY OF DES PLAINES, ILLINOIS
LONG TERM DEBT REQUIREMENTS
GENERAL OBLIGATION BONDS, SERIES 2014B (CAPITAL PROJECTS - LIBRARY PORTION)
December 31, 2017

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 <u>December 31</u>	Requirements			Interest Due			
	Principal	Interest	Total	June 1	Amount	December 1	Amount
2018	\$ 735,000	\$ 14,700	\$ 749,700	2018	\$ 7,350	2018	\$ 7,350
	\$ 735,000	\$ 14,700	\$ 749,700		\$ 7,350		\$ 7,350

CITY OF DES PLAINES, ILLINOIS
LONG TERM DEBT REQUIREMENTS
TAX INCREMENT REVENUE NOTE, SERIES 2002 - NORWOOD PARTNERSHIP, LLC
December 31, 2017

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>	<u>Requirements</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 35,062	\$ 5,817	\$ 40,879
2019	36,902	3,976	40,878
2020	38,840	2,039	40,879
	<u>\$ 110,804</u>	<u>\$ 11,832</u>	<u>\$ 122,636</u>

CITY OF DES PLAINES, ILLINOIS
LONG TERM DEBT REQUIREMENTS
TAX INCREMENT REVENUE NOTE, SERIES 2003 - LAB GRACELAND
December 31, 2017

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>
2018	\$ 37,090	\$ 6,154	\$ 43,244
2019	39,038	4,206	43,244
2020	41,087	2,157	43,244
	<u>\$ 117,215</u>	<u>\$ 12,517</u>	<u>\$ 129,732</u>

CITY OF DES PLAINES, ILLINOIS
 SHORT TERM DEBT REQUIREMENTS
 EQUIPMENT LOAN (FIRE ENGINE)
 December 31, 2017

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>
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
	\$ 150,000

This part of the City of Des Plaines' comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

Contents

Financial Trends

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

Changes in Net Position – Last Ten Calendar Years
Net Position by Component – Last Ten Calendar Years
Fund Balances, Governmental Funds – Last Ten Calendar Years
Change in Fund Balances, Governmental Funds – Last Ten Calendar Years

Revenue Capacity

These tables contain information to help the reader assess the factors affecting the City's ability to generate its property and sales taxes.

Assessed Value and Actual Value of Taxable Property – Last Ten Levy Years
Trend of Equalized Assessed Valuations – Last Ten Levy Years
Maine Township Typical Tax Rates Per \$100 of Equalized Assessed Valuation – Last Ten Calendar Years
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These tables present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

Ratio of Outstanding Debt by Type – Last Ten Calendar Years
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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Schedule for Direct and Overlapping Debt

Demographic and Economic Information

These tables offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place and to help make comparisons over time and with other governments.

Demographic Statistics – Last Ten Calendar Years
Principal Employers – Current Year and Nine Years Ago

Operating Information

These tables contain information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs.

Full-Time Equivalent City Government Employees by Function – Last Ten Calendar Years
Operating Indicators by Function/Programs – Last Ten Calendar Years
Capital Assets Statistics by Function – Last Ten Calendar Years
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Miscellaneous Statistics

CITY OF DES PLAINES

CHANGES IN NET POSITION Last Ten Calendar Years (accrual basis of accounting) 12/31/2017

	2008	2009	2010	2011
Expenses				
Governmental activities				
General government	\$ 5,268,048	\$ 8,913,451	\$ 8,939,465	\$ 18,270,898
Public safety	36,126,401	36,457,403	35,365,323	38,529,145
Public works	10,520,898	9,608,620	7,550,803	8,537,753
Streets and highways	11,260,079	10,807,891	9,499,575	10,341,746
Economic development	3,504,617	2,184,724	1,487,301	1,161,997
Interest	4,031,768	3,984,468	3,631,361	3,274,304
Total governmental activities expenses	<u>70,711,811</u>	<u>71,956,557</u>	<u>66,473,828</u>	<u>80,115,843</u>
Business-type activities				
Water	11,038,869	11,831,289	11,912,298	12,528,325
Parking system	1,034,814	888,277	803,475	802,934
Emergency communications	5,005,419	-	-	-
Total business-type activities	<u>17,079,102</u>	<u>12,719,566</u>	<u>12,715,773</u>	<u>13,331,259</u>
Total primary government expenses	<u>\$ 87,790,913</u>	<u>\$ 84,676,123</u>	<u>\$ 79,189,601</u>	<u>\$ 93,447,102</u>
Component unit - public library	<u>\$ 6,393,149</u>	<u>\$ 6,482,277</u>	<u>\$ 5,994,030</u>	<u>\$ 5,798,824</u>
Program Revenues				
Governmental activities				
Charges for services				
General government	\$ 4,319,510	\$ 8,182,538	\$ 8,546,887	\$ 6,223,077
Public safety	2,600,306	2,450,209	3,293,616	3,740,733
Public works	3,408,346	3,537,886	3,694,457	3,826,957
Streets and highways	1,664,099	1,531,176	2,376,318	2,323,567
Operating grants and contributions	3,212,671	1,970,206	3,322,252	3,797,791
Capital grants and contributions	232,175	438,582	11,294,273	4,851,117
Total governmental activities program Revenues	<u>15,437,107</u>	<u>18,110,597</u>	<u>32,527,803</u>	<u>24,763,242</u>
Business-type activities				
Charges for services				
Water	11,759,644	10,965,188	11,509,315	11,286,580
Parking system	315,071	267,699	309,312	283,554
Emergency communications	6,251,670	-	-	-
Operating grants and contributions	153,853	-	132,274	4,691
Capital grants and contributions	-	-	235,119	-
Total business-type activities program Revenues	<u>18,480,238</u>	<u>11,232,887</u>	<u>12,186,020</u>	<u>11,574,825</u>
Total primary government program	<u>\$ 33,917,345</u>	<u>\$ 29,343,484</u>	<u>\$ 44,713,823</u>	<u>\$ 36,338,067</u>
Component unit - public library				
Charges for services	\$ 142,245	\$ 147,700	\$ 166,497	\$ 147,023
Operating grants	157,151	78,014	65,969	64,080
Total component unit - public library Revenues	<u>\$ 299,396</u>	<u>\$ 225,714</u>	<u>\$ 232,466</u>	<u>\$ 211,103</u>
Net (expense)/revenue				
Governmental activities	\$ (55,274,704)	\$ (53,845,960)	\$ (33,946,025)	\$ (55,352,601)
Business-type activities	1,401,136	(1,486,679)	(529,753)	(1,756,434)
Total primary government net expense	<u>\$ (53,873,568)</u>	<u>\$ (55,332,639)</u>	<u>\$ (34,475,778)</u>	<u>\$ (57,109,035)</u>
Component unit - public library net Expense	<u>\$ (6,093,753)</u>	<u>\$ (6,256,563)</u>	<u>\$ (5,761,564)</u>	<u>\$ (5,587,721)</u>

	2012	2013	2014	2015	2016	2017
\$	26,776,957	\$ 26,119,801	\$ 25,998,813	\$ 26,508,887	\$ 27,240,159	\$ 27,415,182
	37,899,640	38,792,971	38,962,218	47,386,563	49,009,727	49,963,574
	7,637,527	8,448,448	7,632,615	9,687,304	8,176,306	9,022,143
	10,686,981	11,450,291	13,643,574	15,713,911	11,961,177	21,798,069
	1,553,448	1,906,584	2,346,862	1,980,456	3,650,262	2,808,022
	3,046,102	2,709,144	1,679,828	1,459,709	1,411,210	1,300,991
	<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>	<u>112,307,981</u>
	14,161,409	15,412,364	16,528,659	17,830,764	15,145,099	13,890,269
	783,586	808,793	833,974	834,894	835,342	854,840
	-	2,247,933	4,057,033	234,127	-	-
	<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>14,745,109</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>\$ 127,053,090</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>	<u>\$ 6,292,523</u>
\$	5,869,247	\$ 5,774,206	\$ 5,828,028	\$ 5,343,730	\$ 5,359,454	\$ 5,839,543
	3,745,369	3,259,941	3,003,477	3,889,312	4,150,297	3,951,813
	3,955,349	4,092,464	3,225,062	2,927,288	3,094,047	3,044,288
	2,434,345	2,288,299	2,221,419	1,317,109	1,335,654	1,250,252
	2,762,161	2,996,521	2,307,571	2,759,817	2,352,503	2,319,131
	3,267,066	576,573	4,109,373	11,967,751	2,312,985	12,776,042
	<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>	<u>29,181,069</u>
	14,162,219	13,810,387	14,550,984	14,454,347	14,817,561	13,924,481
	370,038	336,051	365,811	333,908	345,158	351,522
	-	2,089,579	3,136,798	-	-	-
	2,039	8,237	5,804	3,471	3,633	6,901
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</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>14,282,904</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>	<u>\$ 43,463,973</u>
\$	156,752	\$ 164,584	\$ 151,688	\$ 157,902	\$ 115,486	\$ 108,980
	59,852	63,977	72,955	72,955	44,990	45,716
\$	<u>216,604</u>	<u>\$ 228,561</u>	<u>\$ 224,643</u>	<u>\$ 230,857</u>	<u>\$ 160,476</u>	<u>\$ 154,696</u>
\$	(65,567,118)	\$ (70,439,235)	\$ (69,568,980)	\$ (74,531,823)	\$ (82,843,901)	\$ (83,126,912)
	(410,699)	(2,224,836)	(3,360,269)	(4,108,059)	(814,089)	(462,205)
\$	<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>\$ (83,589,117)</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>	<u>\$ (6,137,827)</u>

CITY OF DES PLAINES

CHANGES IN NET POSITION Last Ten Calendar Years (accrual basis of accounting) 12/31/2017

	2008	2009	2010	2011
General Revenues and Other Changes in Net Position				
Governmental activities				
Taxes				
Property	\$ 26,700,637	\$ 27,934,060	\$ 29,117,259	\$ 29,671,822
Home rule sales	5,559,673	4,775,264	4,834,624	5,034,311
Utility	2,583,405	2,184,785	3,353,950	3,401,735
Food and beverage	953,597	897,541	911,865	1,059,647
Hotel/motel	1,621,451	1,243,395	1,387,872	1,440,269
Real estate transfer	525,343	341,949	399,853	393,417
Local option motor fuel	857,659	828,082	1,683,503	1,719,941
Gaming	-	-	-	10,819,591
Other	3,802,103	4,799,937	4,364,047	4,541,664
Unrestricted intergovernmental				
Sales	9,147,989	8,271,828	8,589,981	8,690,828
Income	5,446,073	4,686,475	4,580,927	4,515,411
Replacement	1,408,713	1,229,867	1,296,063	1,207,737
Investment income	420,479	98,711	74,585	82,369
Miscellaneous	1,095,228	1,422,497	965,645	783,626
Gain (loss) on sale of capital assets	100,853	35,221	87,960	-
Transfers	156,211	(94,340)	262,432	(236,313)
Total governmental activities	<u>60,379,414</u>	<u>58,655,272</u>	<u>61,910,566</u>	<u>73,126,055</u>
Business-type activities				
Investment income	61,239	5,560	2,649	1,519
Miscellaneous	-	20,097	27,568	845
Transfers	(156,211)	94,340	(262,432)	236,313
Total business-type activities	<u>(94,972)</u>	<u>119,997</u>	<u>(232,215)</u>	<u>238,677</u>
Total primary government	<u>\$ 60,284,442</u>	<u>\$ 58,775,269</u>	<u>\$ 61,678,351</u>	<u>\$ 73,364,732</u>
Component unit - public library				
Taxes				
Property	\$ 6,478,587	\$ 6,618,324	\$ 6,352,938	\$ 6,625,483
Unrestricted intergovernmental				
Replacement	92,988	92,988	46,494	92,988
Investment income	46,892	6,838	4,167	2,434
Other general revenues	48,461	24,978	31,748	32,010
Total component unit - public library	<u>\$ 6,666,928</u>	<u>\$ 6,743,128</u>	<u>\$ 6,435,347</u>	<u>\$ 6,752,915</u>
Changes in Net Position				
Governmental activities	\$ 5,104,710	\$ 4,809,312	\$ 27,964,541	\$ 17,773,454
Business-type activities	1,306,164	(1,366,682)	(761,968)	(1,517,757)
Total primary government	<u>\$ 6,410,874</u>	<u>\$ 3,442,630</u>	<u>\$ 27,202,573</u>	<u>\$ 16,255,697</u>
Total component unit - public library	<u>\$ 573,175</u>	<u>\$ 486,565</u>	<u>\$ 673,783</u>	<u>\$ 1,165,194</u>

	2012	2013	2014	2015	2016	2017
\$	28,841,683	\$ 28,575,125	\$ 28,442,253	\$ 28,607,185	\$ 29,254,397	\$ 29,611,170
	5,544,261	5,640,304	5,934,305	5,711,272	6,104,292	6,412,186
	3,239,299	3,264,076	3,358,459	3,033,933	3,069,270	3,006,537
	1,236,942	1,177,511	1,190,477	1,228,581	1,268,923	1,330,150
	1,675,772	1,752,342	1,988,301	2,145,985	2,069,830	1,908,782
	407,884	436,309	610,997	597,813	842,326	883,175
	1,685,069	1,707,152	1,624,707	1,540,285	1,754,240	1,768,066
	24,802,456	24,662,123	24,792,544	24,654,889	24,685,996	24,762,107
	4,735,420	4,277,423	3,923,909	4,081,651	3,988,052	3,679,988
	9,695,640	13,486,496	12,354,237	12,042,780	12,805,450	13,572,289
	5,376,774	5,643,512	5,667,460	6,232,000	5,556,999	5,363,901
	1,143,050	1,341,936	1,303,645	1,245,069	1,285,820	1,258,212
	160,289	89,626	73,812	189,691	365,137	627,226
	1,280,897	899,031	862,423	982,019	688,554	2,431,632
	-	-	-	-	-	-
	15,758	(49,992)	(284,242)	(6,692,243)	(5,801,963)	15,758
	<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>	<u>96,631,179</u>
	5,228	1,776	1,392	1,340	3,056	-
	2,756	5,388	716,306	8,824	5,762	9,111
	<u>(15,758)</u>	<u>49,992</u>	<u>284,242</u>	<u>6,692,243</u>	<u>5,801,963</u>	<u>(15,758)</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>(6,647)</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>	<u>96,624,532</u>
\$	6,398,159	\$ 6,289,369	\$ 6,144,530	\$ 6,072,634	\$ 6,065,699	\$ 6,003,992
	92,988	92,988	92,988	92,988	92,988	92,988
	5,364	1,945	1,104	2,554	14,614	36,881
	<u>36,573</u>	<u>23,173</u>	<u>44,221</u>	<u>13,918</u>	<u>61,144</u>	<u>55,006</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>	<u>6,188,867</u>
\$	24,274,076	\$ 22,463,739	\$ 22,274,307	\$ 11,069,087	\$ 5,093,422	\$ 13,504,267
	<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>(468,852)</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>13,035,415</u>
\$	<u>1,100,755</u>	<u>562,657</u>	<u>145,251</u>	<u>(640,405)</u>	<u>(229,330)</u>	<u>51,040</u>

CITY OF DES PLAINES

NET POSITION BY COMPONENT
Last Ten Calendar Years
(accrual basis of accounting)
December 31, 2017

	2008	2009	2010	2011
Governmental Activities				
Net Investment in Capital Assets	\$ 100,771,214	\$ 106,143,382	\$ 120,440,844	\$ 116,287,802
Restricted	2,049,450	3,610,610	6,995,311	9,031,827
Unrestricted	6,720,164	4,596,148	16,645,504	36,535,484
Total Governmental Activities Net Position	<u>\$ 109,540,828</u>	<u>\$ 114,350,140</u>	<u>\$ 144,081,659</u>	<u>\$ 161,855,113</u>
Business-type Activities				
Net Investment in Capital Assets	\$ 31,610,951	\$ 30,743,586	\$ 30,365,465	\$ 30,336,201
Unrestricted	8,402,586	6,052,456	5,668,609	4,180,116
Total Business-type Activities Net Position	<u>\$ 40,013,537</u>	<u>\$ 36,796,042</u>	<u>\$ 36,034,074</u>	<u>\$ 34,516,317</u>
Primary Government				
Net Investment in Capital Assets	\$ 132,382,165	\$ 136,886,968	\$ 150,806,309	\$ 146,624,003
Restricted	2,049,450	3,610,610	6,995,311	9,031,827
Unrestricted	15,122,750	10,648,604	22,314,113	40,715,600
Total Primary Government Net Position	<u>\$ 149,554,365</u>	<u>\$ 151,146,182</u>	<u>\$ 180,115,733</u>	<u>\$ 196,371,430</u>
Component Unit - Public Library				
Net Investment in Capital Assets	\$ 934,174	\$ 894,053	\$ 853,306	\$ 814,501
Restricted	1,194,920	1,721,606	2,436,136	3,640,135
Total Component Unit Net Position	<u>\$ 2,129,094</u>	<u>\$ 2,615,659</u>	<u>\$ 3,289,442</u>	<u>\$ 4,454,636</u>

2012	2013	2014	2015	2016	2017
\$ 127,408,625	\$ 141,973,412	\$ 156,111,648	\$ 167,177,408	\$ 182,246,337	\$ 196,250,010
10,266,294	14,869,706	7,201,606	7,229,324	8,933,922	9,570,315
47,759,170	51,054,710	66,858,881	(60,572,629)	(72,252,734)	(73,388,533)
<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>	<u>\$ 132,431,792</u>
\$ 29,713,208	\$ 29,853,240	\$ 29,636,936	\$ 33,676,322	\$ 40,123,012	\$ 40,412,151
4,379,302	2,456,225	314,200	(2,098,497)	(3,548,495)	(4,306,486)
<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>	<u>\$ 36,105,665</u>
\$ 157,121,833	\$ 171,826,652	\$ 185,748,584	\$ 200,853,730	\$ 222,369,349	\$ 236,662,161
10,266,294	14,869,706	7,201,606	7,229,324	8,933,922	9,570,315
52,138,472	53,510,935	67,173,081	(62,671,126)	(75,801,229)	(77,695,019)
<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>	<u>\$ 168,537,457</u>
\$ 802,700	\$ 862,543	\$ 821,084	\$ 1,260,468	\$ 2,901,897	\$ 2,786,046
4,752,691	5,255,505	5,442,215	3,897,801	2,027,042	2,193,933
<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>	<u>\$ 4,979,979</u>

CITY OF DES PLAINES

FUND BALANCES, GOVERNMENTAL FUNDS Last Ten Calendar Years (modified accrual basis of accounting) December 31, 2017

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
General Fund				
Reserved	\$ 8,140,055	\$ 8,811,994	\$ 7,980,992	
Unreserved	<u>1,230,256</u>	<u>4,174,231</u>	<u>15,413,074</u>	
Nonspendable				\$ 8,162,664
Assigned				-
Unassigned				<u>21,080,549</u>
Total general fund	<u>9,370,311</u>	<u>12,986,225</u>	<u>23,394,066</u>	<u>29,243,213</u>
All Other Governmental Funds				
Restricted	3,967,977	3,804,011	7,372,378	
Unassigned, reported in				
Special revenue funds	323,048	(5,103,056)	(8,172,234)	
Capital projects funds	<u>(4,648,291)</u>	<u>159,406</u>	<u>9,715,559</u>	
Restricted				12,910,496
Assigned				4,276,184
Unassigned				<u>(8,473,704)</u>
Total all other governmental funds	<u>(357,266)</u>	<u>(1,139,639)</u>	<u>8,915,703</u>	<u>8,712,976</u>
Total Fund Balances	<u>\$ 9,013,045</u>	<u>\$ 11,846,586</u>	<u>\$ 32,309,769</u>	<u>\$ 37,956,189</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>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
\$ 8,606,709	\$ 9,900,296	\$ 13,885,051	\$ 15,702,116	\$ 20,451,434	\$ 24,834,213
4,161,818	13,633,108	9,150,000	6,455,851	7,549,251	6,250,829
<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>22,135,880</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>	<u>53,220,922</u>
23,036,807	29,327,541	28,716,570	27,582,864	29,389,921	30,976,615
5,329,691	7,458,773	9,143,577	11,670,656	10,629,560	12,549,719
<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>(20,781,703)</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>22,744,631</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>	<u>\$ 75,965,553</u>

CITY OF DES PLAINES

CHANGE IN FUND BALANCES, GOVERNMENTAL FUNDS Last Ten Calendar Years (modified accrual basis of accounting) December 31, 2017

	2008	2009	2010	2011
Revenues				
Taxes	\$ 42,454,384	\$ 42,739,121	\$ 46,081,248	\$ 57,820,338
Licenses and permits	3,228,153	3,011,551	4,054,683	3,086,311
Intergovernmental	19,669,690	17,142,000	29,252,026	21,250,400
Charges for services	6,830,049	7,908,810	8,622,603	8,668,091
Fines and forfeits	1,676,088	1,764,036	1,852,008	1,605,620
Investment income	361,361	79,339	71,106	81,711
Contributions	-	-	654,060	848,601
Miscellaneous	512,978	1,320,926	586,682	653,854
Total revenues	74,732,703	73,965,783	91,174,416	94,014,926
Expenditures				
General government	7,545,984	7,464,278	7,074,551	14,294,213
Public safety	34,734,218	35,684,024	34,559,879	37,181,399
Public works	12,093,814	6,680,294	5,526,605	7,365,744
Streets and highways	1,267,168	5,069,135	4,236,133	5,042,655
Economic development	4,450,756	3,292,776	1,761,408	1,195,611
Capital outlay	6,151,506	5,231,568	10,008,489	15,060,979
Debt service				
Principal retirement	7,225,135	7,128,545	6,801,692	7,152,599
Interest and fiscal charges	3,841,376	3,381,316	2,936,858	2,362,196
Payment to Refunding Bond Escrow	-	-	-	815,034
Total expenditures	77,309,957	73,931,936	72,905,615	90,470,430
Excess (deficiency) of revenues over expenditures	(2,577,254)	33,847	18,268,801	3,544,496
Other financing sources (uses)				
Proceeds from issuance of debt	2,575,000	7,598,084	10,055,760	3,540,000
Premium on bond issuance	-	131,220	-	40,452
Discount on bond issuance	-	-	-	-
Proceeds from sale of capital assets	242,678	-	-	-
Payments to escrow agent	(2,517,611)	(7,315,260)	(9,123,820)	(3,541,973)
Transfers in	1,325,839	4,670,374	2,860,136	3,800,215
Transfers (out)	(1,169,628)	(2,264,714)	(1,597,704)	(3,637,516)
Total other financing sources (uses)	456,278	2,819,704	2,194,372	201,178
Special Items	-	-	-	1,900,746
Net Changes in Fund Balance	\$ (2,120,976)	\$ 2,853,551	\$ 20,463,173	\$ 5,646,420
Debt service as a percentage of noncapital expenditures	15.6%	15.3%	15.3%	12.1%

2012	2013	2014	2015	2016	2017
\$ 71,792,893	\$ 71,304,087	\$ 71,718,684	\$ 71,308,608	\$ 72,841,989	\$ 73,149,164
2,781,329	2,924,191	3,331,833	2,921,119	3,147,534	3,556,348
20,898,936	23,322,717	24,709,609	30,460,684	27,605,915	32,852,498
9,123,875	8,534,072	7,286,945	7,112,363	7,353,189	7,049,701
1,385,406	1,438,877	1,339,069	1,399,110	1,429,415	1,338,860
159,756	-	-	-	302,128	572,919
96,019	89,592	73,796	189,649	-	-
655,432	630,969	521,110	608,783	387,335	677,046
<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>	<u>119,196,536</u>
23,581,990	23,406,276	23,731,696	23,872,798	24,608,571	24,885,651
37,425,172	38,330,364	38,839,128	42,089,956	42,554,371	44,022,632
6,353,113	7,012,067	6,205,746	8,478,634	7,657,446	8,577,607
5,121,531	6,363,552	6,973,465	14,377,215	4,780,492	5,439,242
1,435,613	1,855,126	2,238,851	3,353,616	2,349,895	1,857,238
7,157,384	12,433,717	15,218,577	9,002,696	17,195,681	26,199,915
5,094,229	9,793,365	8,151,298	4,459,385	3,982,633	6,611,053
2,087,675	2,036,609	1,325,139	867,944	749,259	649,961
1,171,690	-	-	-	-	-
<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>118,243,299</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>	<u>953,237</u>
3,765,000	7,945,000	7,620,000	-	-	-
41,230	-	160,309	-	-	-
-	215,045	-	-	-	-
-	-	-	-	-	1,759,784
(3,746,382)	-	(15,723,599)	-	-	-
2,284,805	10,035,399	11,070,507	8,499,420	6,499,811	12,091,093
<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>(12,075,335)</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>1,775,542</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>	<u>\$ 2,728,779</u>
8.5%	13.2%	10.6%	5.8%	5.4%	7.8%

CITY OF DES PLAINES

ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY Last Ten Levy Years December 31, 2017

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
2016	1,911,003,028	721	4,026,136	1,915,029,885	1.242	5,745,147,106

Source: Cook County Clerk's Office

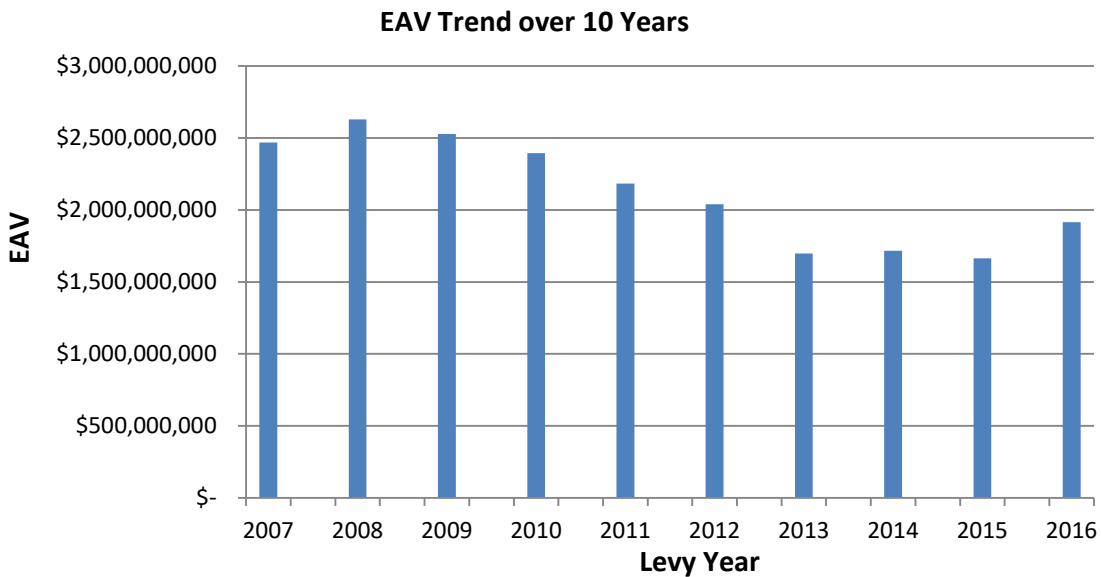
Note: Property is reassessed once every three years. Property is assessed at 1/3 actual value. Tax rates are per \$100 of assessed value. Fiscal year data is based on the previous calendar year's (levy year) assessed value (i.e. data presented for the Fiscal Year ended December 31, 2017 is based on the 2016 assessed value.)

CITY OF DES PLAINES

TREND OF EQUALIZED ASSESSED VALUATIONS Last Ten Levy Years December 31, 2017

Levy Year	Equalized Assessed Value	Percentage Increase (Decrease)	Estimated Actual Value	Ratio of Equalized Assessed Value to Estimated Actual Value
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%
2016	1,915,029,885	15.04%	5,745,089,655	33.33%

Source: Cook County Clerk's office



CITY OF DES PLAINES

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

Tax Levy Year	Total	City					Library	Cook County	Water Reclamation District	Park District	School (1)	Other (2)
		Total City	Corporate	Bonds & Interest	Police Pension	Fire Pension						
2007	6.417	0.850	0.6149	0.0539	0.1023	0.0783	0.266	0.446	0.263	0.312	4.093	0.187
2008	6.275	0.831	0.5945	0.0502	0.1023	0.0833	0.260	0.415	0.252	0.300	4.046	0.171
2009	6.590	0.917	0.6102	0.0507	0.1320	0.1239	0.257	0.415	0.261	0.317	4.249	0.174
2010	7.188	0.999	0.6569	0.0515	0.1436	0.1461	0.280	0.423	0.274	0.338	4.683	0.191
2011	8.090	1.089	0.7509	0.0052	0.1637	0.1687	0.300	0.462	0.320	0.379	5.298	0.242
2012	8.975	1.166	0.7900	0.0054	0.1849	0.1854	0.317	0.531	0.370	0.425	5.924	0.242
2013	10.840	1.401	0.8906	0.0067	0.2518	0.2518	0.375	0.560	0.417	0.531	7.233	0.323
2014	10.858	1.384	0.8619	0.0067	0.2579	0.2579	0.365	0.568	0.430	0.529	7.290	0.292
2015	11.329	1.429	0.8400	0.0067	0.3094	0.2722	0.373	0.552	0.426	0.556	7.659	0.334
2016	9.913	1.242	0.6901	0.0057	0.2824	0.2635	0.324	0.533	0.406	0.485	6.659	0.264

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

CITY OF DES PLAINES

MAINE TOWNSHIP
 ALLOCATION OF THE 2016 PROPERTY TAX LEVY COLLECTED IN 2017
 December 31, 2017

	2007		2008		2009		2010		2011	
	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	\$ 0.850	0.132 %	\$ 0.831	0.132 %	\$ 0.917	0.139 %	\$ 0.999	0.139 %	\$ 1.089	0.135 %
Des Plaines Library	0.266	0.041	0.260	0.041	0.257	0.039	0.280	0.039	0.300	0.037
High School District 207	1.602	0.250	1.577	0.251	1.617	0.245	1.782	0.248	1.995	0.247
Oakton College District	0.141	0.022	0.140	0.022	0.140	0.021	0.160	0.022	0.196	0.024
School District 62	2.350	0.366	2.329	0.371	2.492	0.378	2.741	0.381	3.107	0.384
Des Plaines Park District	0.312	0.049	0.300	0.048	0.317	0.048	0.338	0.047	0.379	0.047
Cook County	0.458	0.071	0.415	0.066	0.415	0.063	0.423	0.059	0.462	0.057
Metro Water Reclamation Dist	0.263	0.041	0.252	0.040	0.261	0.040	0.274	0.038	0.320	0.040
N.W. Mosquito Abatement Dist	0.008	0.001	0.008	0.001	0.008	0.001	0.009	0.001	0.010	0.001
Suburban T.B. Sanitarium	-	-	-	-	-	-	-	-	-	-
Maine Township	0.114	0.018	0.112	0.018	0.117	0.018	0.131	0.018	0.174	0.022
Cook County Forest Preserve	<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>	<u>0.058</u>	<u>0.007</u>
TOTAL	\$ 6.417	100.00	\$ 6.275	100.00	\$ 6.590	100.00	\$ 7.188	100.00	\$ 8.090	100.00

Source: Cook County Clerk

2012		2013		2014		2015		2016	
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
\$ 1.166	0.130 %	\$ 1.401	0.129 %	\$ 1.385	0.128 %	\$ 1.429	0.126 %	\$ 1.242	0.125 %
0.317	0.035	0.375	0.035	0.365	0.034	0.373	0.033	0.324	0.033
2.215	0.247	2.722	0.251	2.739	0.252	2.901	0.256	2.507	0.253
0.219	0.024	0.256	0.024	0.258	0.024	0.271	0.024	0.231	0.023
3.490	0.389	4.255	0.393	4.293	0.395	4.487	0.396	3.921	0.396
0.425	0.047	0.531	0.049	0.529	0.049	0.556	0.049	0.485	0.049
0.531	0.059	0.560	0.052	0.568	0.052	0.552	0.049	0.533	0.054
0.370	0.041	0.417	0.038	0.430	0.040	0.426	0.038	0.406	0.041
0.011	0.001	0.013	0.001	0.013	0.001	0.011	0.001	0.010	0.001
-	-	-	-	-	-	-	-	-	-
0.168	0.019	0.241	0.022	0.210	0.019	0.254	0.022	0.191	0.019
<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>0.063</u>	<u>0.006</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>	<u>\$ 9.913</u>	<u>100.00 %</u>

CITY OF DES PLAINES

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

Tax Levy Year	Total	City					Library	Cook County	Water Reclamation District	Park District (3)	School (1)	Other (2)
		Total City	Corporate	Bonds & Interest	Police Pension	Fire Pension						
2007	6.038	0.850	0.6149	0.0539	0.1023	0.0783	0.266	0.446	0.263	0.411	3.672	0.130
2008	5.936	0.831	0.5945	0.0502	0.1023	0.0833	0.260	0.415	0.252	0.407	3.653	0.118
2009	6.221	0.917	0.6102	0.0507	0.1320	0.1239	0.257	0.394	0.261	0.411	3.839	0.142
2010	6.823	0.999	0.6569	0.0515	0.1436	0.1461	0.280	0.423	0.274	0.453	4.263	0.131
2011	7.670	1.089	0.7509	0.0052	0.1637	0.1687	0.300	0.462	0.320	0.502	4.823	0.174
2012	8.477	1.166	0.7900	0.0054	0.1849	0.1854	0.317	0.531	0.370	0.557	5.370	0.166
2013	10.018	1.401	0.8906	0.0067	0.2518	0.2518	0.375	0.560	0.417	0.657	6.384	0.224
2014	9.997	1.384	0.8619	0.0067	0.2579	0.2579	0.365	0.568	0.430	0.654	6.403	0.193
2015	10.326	1.429	0.8400	0.0067	0.3094	0.2722	0.373	0.552	0.426	0.681	6.638	0.227
2016	9.208	1.242	0.6901	0.0057	0.2824	0.2635	0.324	0.533	0.406	0.594	5.941	0.168

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.*

(3) Mount Prospect Park District

Source: Cook County Clerk

CITY OF DES PLAINES

ELK GROVE TOWNSHIP
 ALLOCATION OF THE 2016 PROPERTY TAX LEVY COLLECTED IN 2017
 December 31, 2017

	2007		2008		2009		2010		2011	
	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	\$ 0.850	0.141 %	\$ 0.831	0.140 %	\$ 0.917	0.149 %	\$ 0.999	0.146 %	\$ 1.089	0.142 %
Des Plaines Library	0.266	0.044	0.260	0.044	0.257	0.042	0.280	0.041	0.300	0.039
High School District 214	1.621	0.268	1.587	0.267	1.636	0.266	1.839	0.270	2.067	0.269
Harper College District 512	0.260	0.043	0.256	0.043	0.258	0.042	0.295	0.043	0.334	0.044
School District 59	1.791	0.297	1.810	0.305	1.945	0.317	2.129	0.312	2.422	0.316
Mt. Prospect Park District	0.411	0.068	0.407	0.069	0.411	0.067	0.453	0.066	0.502	0.065
Cook County	0.511	0.085	0.466	0.079	0.394	0.064	0.423	0.062	0.462	0.060
Metro Water Reclamation District	0.263	0.044	0.252	0.042	0.261	0.043	0.274	0.040	0.320	0.042
N.W. Mosquito Abatement District	0.008	0.001	0.008	0.001	0.008	0.001	0.009	0.001	0.010	0.001
Elk Grove Township	0.057	0.009	0.059	0.010	0.044	0.007	0.071	0.010	0.106	0.014
Forest Preserve District	-	-	-	-	0.009	0.001	0.051	0.007	0.058	0.008
TOTAL	<u>\$ 6.038</u>	<u>\$ 1.000</u>	<u>\$ 5.936</u>	<u>\$ 1.000</u>	<u>\$ 6.140</u>	<u>\$ 1.000</u>	<u>\$ 6.823</u>	<u>\$ 1.000</u>	<u>\$ 7.670</u>	<u>\$ 1.000</u>

Source: Cook County Clerk

2012		2013		2014		2015		2016	
Tax per \$100 of Equalized Assessed Valuation		Tax per \$100 of Equalized Assessed Valuation		Tax per \$100 of Equalized Assessed Valuation		Tax per \$100 of Equalized Assessed Valuation		Tax per \$100 of Equalized Assessed Valuation	
Percentage	Percentage	Percentage	Percentage	Percentage	Percentage	Percentage	Percentage	Percentage	Percentage
\$ 1.166	0.138 %	\$ 1.401	0.140 %	\$ 1.385	0.139 %	\$ 1.429	0.138 %	\$ 1.242	0.135 %
0.317	0.037	0.375	0.037	0.365	0.037	0.373	0.036	0.324	0.035
2.324	0.274	2.768	0.276	2.776	0.278	2.881	0.279	2.527	0.274
0.373	0.044	0.444	0.044	0.451	0.045	0.466	0.045	0.416	0.045
2.673	0.315	3.172	0.317	3.176	0.318	3.291	0.319	2.998	0.326
0.557	0.066	0.657	0.066	0.654	0.065	0.681	0.066	0.594	0.065
0.531	0.063	0.560	0.056	0.568	0.057	0.552	0.053	0.533	0.058
0.370	0.044	0.417	0.042	0.430	0.043	0.426	0.041	0.406	0.044
0.011	0.001	0.013	0.001	0.013	0.001	0.011	0.001	0.010	0.001
0.092	0.011	0.142	0.014	0.111	0.011	0.147	0.014	0.095	0.010
<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>0.063</u>	<u>0.007</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>	<u>\$ 9.208</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>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>
Property tax rates (1)										
General corporate	0.6149	0.5945	0.6102	0.6569	0.7509	0.7900	0.8906	0.8619	0.8400	0.6901
Police pension	0.1023	0.1023	0.1320	0.1436	0.1637	0.1849	0.2518	0.2579	0.3094	0.2824
Firefighters' pension	0.0783	0.0833	0.1239	0.1461	0.1687	0.1854	0.2518	0.2579	0.2722	0.2635
General bond retirement	<u>0.0539</u>	<u>0.0502</u>	<u>0.0507</u>	<u>0.0515</u>	<u>0.0052</u>	<u>0.0054</u>	<u>0.0067</u>	<u>0.0067</u>	<u>0.0067</u>	<u>0.0057</u>
Total property tax rates	<u>0.8494</u>	<u>0.8303</u>	<u>0.9168</u>	<u>0.9981</u>	<u>1.0885</u>	<u>1.1657</u>	<u>1.4009</u>	<u>1.3844</u>	<u>1.4283</u>	<u>1.2417</u>
Property tax extensions (2)										
General corporate	\$ 15,171,900	\$ 15,627,057	\$ 15,428,429	\$ 15,731,420	\$ 16,402,317	\$ 16,114,550	\$ 15,115,868	\$ 14,804,849	\$ 13,984,176	\$ 13,215,003
Police pension	2,523,500	2,690,360	3,338,189	3,438,335	3,576,720	3,771,360	4,274,500	4,429,000	5,150,000	5,407,500
Firefighters' pension	1,931,250	2,188,750	3,133,584	3,497,476	3,685,109	3,781,172	4,274,500	4,429,000	4,532,000	5,047,000
General bond retirement	<u>1,331,066</u>	<u>1,320,689</u>	<u>1,281,557</u>	<u>1,233,477</u>	<u>113,663</u>	<u>110,670</u>	<u>112,928</u>	<u>114,986</u>	<u>111,594</u>	<u>108,203</u>
Total property tax extensions	<u>\$ 20,957,716</u>	<u>\$ 21,826,856</u>	<u>\$ 23,181,759</u>	<u>\$ 23,900,708</u>	<u>\$ 23,777,809</u>	<u>\$ 23,777,752</u>	<u>\$ 23,777,796</u>	<u>\$ 23,777,835</u>	<u>\$ 23,777,770</u>	<u>\$ 23,777,706</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

CITY OF DES PLAINES

PRINCIPAL PROPERTY TAX PAYERS Current Calendar Year and Nine Years Ago

December 31, 2017

<u>Taxpayer</u>	<u>Type of Business/Property</u>	<u>2016 Equalized Assessed Valuation</u>	<u>Percentage of Total Taxable Assessed Value</u>	<u>2007 Equalized Assessed Valuation</u>	<u>Percentage of Total Taxable Assessed Value</u>
Midwest Gaming	Real Property	\$ 74,874,969	3.91%		
Universal Oil Products	Chemicals	28,130,104	1.47%	\$ 41,215,972	1.67%
Juno Lighting Inc	Lighting Products	14,261,395	0.74%	18,212,048	0.74%
Willie Road LLC	Real Property	14,037,725	0.73%		
O'Hare Lakes Office Plaza LLC	Office Complex			34,150,259	1.38%
Crane and Norcross	Real Estate			15,851,634	0.64%
MLRP Messenger LLC	Real Property			14,497,582	0.59%
Colliers Agent GSA DP	Real Property	13,110,791	0.68%		
CO Prologis Re Tax	Real Property	12,926,758	0.68%		
Abbott Labs	Medical Laboratories	11,767,682	0.61%	17,584,084	0.71%
Individual	Real Property	10,760,469	0.56%		
Apple Reit Ten	Real Property	11,175,694	0.58%		
MR Properties	Real Estate			22,770,812	0.92%
First Washington Mgmt	Real Estate			13,997,064	0.57%
Marriot Corp	Real Property			14,297,696	0.58%
Marc Realty	Real Property	<u>11,828,301</u>	<u>0.62%</u>		
Thompson Property Tax Group	Real Property			<u>19,762,654</u>	<u>0.80%</u>
Total		<u>\$ 202,873,888</u>	<u>10.59%</u>	<u>\$ 212,339,805</u>	<u>8.61%</u>

Data Sources

(1) Continuing Disclosure Speer Financial

(2) Cook County Assessor

CITY OF DES PLAINES

PROPERTY TAX LEVIES AND COLLECTIONS Last Ten Calendar Years December 31, 2017

Year of Collections	Tax Levy Year	Tax Levy	Loss Levy	Total Tax Levy (1)	Collections of Current Years' Taxes During Fiscal Period	Percentage of Levy Collected Fiscal Period (1)	Collections in Subsequent Fiscal Periods (2)	Total Collections	Ratio of Total Collections to Tax Levy
2008	2007	\$ 20,322,682	\$ 635,034	\$ 20,957,716	\$ 20,312,823	96.92%	\$ 637,840	\$ 20,950,663	99.97%
2009	2008	21,166,699	660,157	21,826,856	20,281,220	92.92%	1,536,540	21,817,760	99.96%
2010	2009	22,482,862	698,897	23,181,759	19,900,679	85.85%	2,619,630	22,520,309	97.15%
2011	2010	23,181,760	718,948	23,900,708	23,930,344	100.12%	(730,289)	23,200,055	97.07%
2012	2011	23,083,150	694,659	23,777,809	23,423,462	98.51%	(297,398)	23,126,064	97.26%
2013	2012	23,083,150	694,602	23,777,752	23,119,146	97.23%	179,738	23,298,884	97.99%
2014	2013	23,083,150	694,646	23,777,796	23,285,158	97.93%	105,305	23,390,463	98.37%
2015	2014	23,083,150	694,685	23,777,835	23,169,971	97.44%	390,101	23,560,072	99.08%
2016	2015	23,083,150	694,620	23,777,770	23,444,923	98.60%	-	23,444,923	98.60%
2017	2016	23,083,150	694,556	23,777,706	23,583,596	99.18%	-	23,583,596	99.18%

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

CITY OF DES PLAINES

PROPERTY VALUE AND CONSTRUCTION Last Ten Calendar Years December 31, 2017

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		
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	
2017	5,745,147	87	20,474	3	65,192	145,923	

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, 2017

Taxable Sales

	2008	2009	2010	2011	2012
General merchandise	\$ 71,506,904	\$ 68,245,197	\$ 77,133,600	\$ 65,039,100	\$ 82,451,794
Food stores	115,184,430	110,595,806	109,545,800	125,744,900	127,806,151
Drinking & eating places	75,402,995	69,952,773	72,412,500	72,985,400	74,194,121
Apparel	4,060,854	3,667,463	3,651,200	19,819,600	2,996,674
Furniture, household & radio	5,203,117	3,309,420	3,140,400	3,258,200	2,632,102
Lumber, building & hardware	33,272,081	22,639,578	26,054,600	26,991,600	31,747,475
Automotive & filling stations	208,453,378	171,775,263	162,573,900	182,879,100	211,968,095
Drugs and miscellaneous retail	96,353,652	90,516,552	125,128,400	76,114,400	106,200,248
Agriculture & all others	134,998,089	142,402,854	143,730,700	161,674,000	213,750,496
Manufacturers	84,953,341	69,486,089	61,629,100	46,963,600	23,956,283
Total	\$ 829,388,841	\$ 752,590,995	\$ 785,000,200	\$ 781,469,900	\$ 877,703,439
City direct sales tax rate	1.00%	1.00%	1.00%	1.00%	1.00%

Municipal Tax Receipts

General merchandise	\$ 715,069	\$ 682,452	\$ 771,336	\$ 650,391	\$ 824,518
Food stores	1,151,844	1,105,958	1,095,458	1,257,449	1,278,062
Drinking & eating places	754,030	699,528	724,125	729,854	741,941
Apparel	40,609	36,675	36,512	198,196	29,967
Furniture, household & radio	52,031	33,094	31,404	32,582	26,321
Lumber, building & hardware	332,721	226,396	260,546	269,916	317,475
Automotive & filling stations	2,084,534	1,717,753	1,625,739	1,828,791	2,119,681
Drugs and miscellaneous retail	963,537	905,166	1,251,284	761,144	1,062,002
Agriculture & all others	1,349,981	1,424,029	1,437,307	1,616,740	2,137,505
Manufacturers	849,533	694,861	616,291	469,636	239,563
Total	\$ 8,293,888	\$ 7,525,910	\$ 7,850,002	\$ 7,814,699	\$ 8,777,034
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.

2013	2014	2015	2016	2017
\$ 84,312,307	\$ 93,275,606	\$ 100,099,051	\$ 35,167,584	\$ 27,978,100
124,996,898	120,614,055	108,321,547	163,688,429	196,586,100
73,037,730	72,325,651	76,909,780	102,934,518	112,375,600
2,642,396	2,862,560	2,716,360	2,360,370	2,596,000
3,223,992	3,601,935	4,973,366	5,990,700	5,652,000
32,356,025	40,960,823	38,800,644	38,026,972	42,380,800
199,656,247	200,108,721	198,372,235	213,047,106	232,453,500
495,625,797	316,973,432	245,409,242	260,867,328	271,432,800
224,023,628	236,368,575	269,355,814	281,690,560	272,499,800
8,232,122	34,309,375	29,507,385	35,014,657	42,300,700
<u>\$ 1,248,107,142</u>	<u>\$ 1,121,400,733</u>	<u>\$ 1,074,465,424</u>	<u>\$ 1,138,788,224</u>	<u>\$ 1,206,255,400</u>
1.00%	1.00%	1.00%	1.00%	1.00%

\$ 843,123	\$ 932,756	\$ 1,000,991	\$ 351,676	\$ 279,781
1,249,969	1,206,141	1,083,215	1,636,884	1,965,861
730,377	723,257	769,098	1,029,345	1,123,756
26,424	28,626	27,164	23,604	25,960
32,240	36,019	49,734	59,907	56,520
323,560	409,608	388,006	380,270	423,808
1,996,562	2,001,087	1,983,722	2,130,471	2,324,535
4,956,258	3,169,734	2,454,092	2,608,673	2,714,328
2,240,236	2,363,686	2,693,558	2,816,906	2,724,998
82,321	343,094	295,074	350,147	423,007
<u>\$ 12,481,071</u>	<u>\$ 11,214,007</u>	<u>\$ 10,744,654</u>	<u>\$ 11,387,882</u>	<u>\$ 12,062,554</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, 2017

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
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	17,865,400	11,866,615	3,555,812	162,500	296,572	-
2017	-	15,097,532	11,742,741	936,980	150,000	228,019	-

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>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>
\$ 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
-	34,221,899	1.03%	586	3,319,219	58,364
-	28,155,272	0.85%	482	3,319,219	58,364

CITY OF DES PLAINES

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

Fiscal Year	Population (1)	Equalized Assessed Value (2)	Net General Obligation Bonded Debt (3)	Ratio of Bonded Debt to Equalized Assessed Value	Bonded Debt Per Capita
2008	58,710	\$ 2,467,463,828	\$ 82,020,000	3.32	\$ 1,397
2009	58,710	2,628,588,594	76,205,285	2.90	1,298
2010	58,364	2,526,387,003	71,314,245	2.82	1,222
2011	58,364	2,392,169,028	63,640,477	2.66	1,090
2012	58,364	2,184,333,304	57,681,878	2.64	988
2013	58,364	2,039,939,367	48,044,315	2.36	823
2014	58,364	1,697,287,344	40,678,625	2.40	697
2015	58,364	1,717,657,016	36,870,688	2.15	632
2016	58,364	1,664,720,171	33,762,827	2.03	578
2017	58,364	1,915,029,885	27,777,253	1.45	476

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
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
2017	6,611,053	644,685	7,255,738	95,788,403	7.57

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, 2017

<u>Governmental Unit</u>	<u>Debt Outstanding (1)</u>	<u>Applicable to the City Percent (2)</u>	<u>Amount</u>
City of Des Plaines	\$ 28,155,272	100.00%	\$ 28,155,272
Cook County	\$ 3,092,046,750	1.33%	\$ 41,124,222
Cook County Forest Preserve	149,290,000	1.33%	1,985,557
Water Reclamation District	2,480,560,091	1.36%	33,735,617
Des Plaines Park District	2,050,000	94.54%	1,938,070
Elk Grove Park District	2,265,000	0.45%	10,193
Mt. Prospect Park District	20,923,788	18.50%	3,870,901
School District No. 26	8,665,000	7.49%	649,009
School District No. 57	7,860,000	1.24%	97,464
School District No. 59	15,235,000	11.32%	1,724,602
School District No. 62	78,815,000	90.55%	71,366,983
School District No. 64	6,180,000	0.00% (3)	-
High School District 207	13,455,000	34.47%	4,637,939
High School District 214	43,940,000	3.70%	1,625,780
Community College District 512	126,895,000	1.67%	2,119,147
Community College District 535	28,950,000	7.16%	2,072,820
Subtotal - Overlapping Debt	<u>6,077,130,629</u>		<u>166,958,304</u>
Total Direct and Overlapping Debt	<u>\$ 6,105,285,901</u>		<u>\$ 195,113,576</u>

Notes:

(1) Outstanding principal of general obligation bonds. 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 2016 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)
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
2017	58,364	3,319,219	56,871	27,562	42.0	12+	5,353	4.3

Data Sources

(1) U.S. Census Bureau.

(2) National Center for Education Statistics. This data consists only of 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, 2017

Employer	<u>2017</u>			<u>2008</u>		
	Employees (1)	Rank	Percentage City Total Employment	Employees	Rank	Percentage City Total Employment
Universal Oil Products	1,500	1	3.7%	2,000	1	5.0%
Rivers Casino	1,417	2	3.5%			
Swissport USA	1,000	4	2.5%	1,500	2	3.8%
Holy Family	1,036	3	2.6%	1,036	3	2.6%
Oakton Community College	990	5	2.5%	990	4	2.5%
LSG SkyChefs	946	6	2.4%			
Sysco Food Services	648	8	1.6%	700	7	1.8%
Wheels Inc.	700	7	1.7%	550	9	1.4%
W-Diamond Group	520	9	1.3%			
Abbot Molecular	400	10	1.0%			
Juno Lighting				760	6	1.9%
Hart Schaffner & Marx				550	9	1.4%
Symons Corp				770	5	1.9%
Littel Fuse				600	8	1.5%
Total	<u>9,157</u>		<u>22.9%</u>	<u>9,456</u>		<u>23.9%</u>
City Total Employment (2)	<u>40,046</u>		<u>22.9%</u>	<u>39,605</u>		<u>23.9%</u>

(1) 2016 Illinois Manufacturer's Directory, 2016 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, 2017

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Function/Program										
Legislative (merged in 2009)	(1) 1.00	-	-	-	-	-	-	-	-	-
City Clerk (merged in 2009)	(1) 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	3.25
General Government										
Manager's Department	20.00	20.50	16.50	16.75	16.75	14.75	14.75	15.50	16.00	19.25
Finance	14.50	14.00	14.00	14.00	14.00	14.00	15.75	16.25	16.25	16.25
Police										
Officers	105.00	105.00	96.00	95.00	95.00	95.00	96.00	97.00	97.00	98.00
Civilians	25.75	25.00	22.00	21.00	21.00	21.00	21.00	21.00	21.00	21.00
Fire										
Firefighters and officers	98.00	98.00	96.00	96.00	96.00	96.00	96.00	96.00	96.00	96.00
Civilians	6.50	6.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50
Public Works and Engineering										
Engineering (merged in 2009)	(1) 9.75	-	-	-	-	-	-	-	-	-
Public works (merged in 2009)	(1) 94.75	-	-	-	-	-	-	-	-	-
Public Works & Engineering (new)	(1) -	96.25	82.25	79.25	79.25	79.50	80.00	81.00	81.00	81.00
Community Development										
Community Development	22.00	20.00	18.00	16.00	16.00	16.00	16.00	18.25	18.25	18.25
EMA										
EMA	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
DPECC (new dept. in 2013)										
DPECC (new dept. in 2013)	(2) -	-	-	-	-	22.75	23.00	21.00	-	-
Subtotal	401.25	389.25	351.25	344.25	344.50	365.50	369.00	372.75	352.25	356.50
Library										
Library	<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>	<u>66.70</u>
Total	<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>	<u>423.20</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, 2017

<u>Function/Program</u>	2008	2009	2010	2011
Police				
Physical arrests (1)	2,726	2,783	1,629	1,279
Compliance and Parking Violations	18,250	18,823	14,926	16,228
Traffic violations	12,756	12,688	11,461	7,309
Fire				
Emergency Medical Calls	5,209	4,735	4,946	5,244
Fires/Reports of Fires	2,502	993	932	1,243
Other Emergency Calls		1,131	1,106	1,103
Inspections	6,878	7,137	1,534	4,962
Engineering				
Street resurfacing (square yards)	76,000	49,000	55,400	51,500
Sidewalks removed & replaced (sq ft)	50,000	84,000	43,500	37,000
Snow and ice control (tons of salt)	8,427	4,292	3,782	1,781
Community Development				
Building permits issued	2,988	2,756	8,229	3,366
Overall inspection totals	14,632	13,871	16,010	15,804
Health				
Home health visits	134	111	121	119
Library				
Volumes in collection (3)	305,471	355,095	257,661	263,736
Total volumes borrowed	1,111,558	1,261,249	1,171,013	1,176,477
Total annual attendance	500,618	542,092	582,096	598,389
Total resident library cards still active	35,266	35,728	33,135	33,784
Water				
Water Main Breaks	101	89	110	96
New Connections	13	30	65	40
Number of Consumers	17,387	17,399	17,441	17,036
Miles of Water Mains	245	247	247	221
Average daily consumption (gallons)	7,913,061	6,894,000	6,761,000	6,752,000
Daily average consumption per Capita (gallons)	135	117	115	116
Number of Fire Hydrants	2,628	2,609	2,679	2,681
Sewer				
Sanitary sewer replaced (linear feet)	154	1,022	88	65
Sanitary sewer televised (linear feet)	14,270	24,951	42,322	43,406
Sanitary sewer cleaned (linear feet)	93,679	177,439	204,470	131,496
Sanitary sewer lined (linear feet)	6,635	-	12,037	3,420
Municipal Parking Lots				
Metra (2)	50,563	47,794	54,294	43,257
City Owned (2)	33,612	25,581	17,275	17,283
Transit				
Taxi Cab cards issued (4)	305	296	275	-
Number of participants in the Subsidized Taxi Voucher Program (4)	-	-	-	780
Handicapped Placards issued	62	66	75	66

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.

2012	2013	2014	2015	2016	2017
2,208	1,150	892	812	885	753
13,656	12,871	10,973	7,234	7,407	10,212
6,643	5,506	4,590	3,188	2,083	1,046
5,451	5,382	5,647	5,842	6,060	6,128
1,084	1,078	1,169	1,075	979	1,006
1,060	1,073	1,087	983	955	932
4,304	4,312	4,177	3,534	3,233	3,803
29,700	60,903	167,781	113,115	17,016	107,860
69,300	141,162	173,959	101,456	54,635	164,542
1,143	6,350	4,290	5,600	2,983	2,436
2,679	2,956	2,758	2,766	3,105	2,994
15,804	12,760	13,079	11,400	12,304	13,190
91	79	73	87	101	61
257,406	255,559	251,361	310,678	318,170	358,969
1,173,113	1,133,142	1,106,219	1,022,448	1,111,614	1,094,683
575,017	564,257	549,244	590,284	496,845	439,369
34,440	34,347	34,845	33,270	33,805	32,644
170	141	105	80	124	88
20	19	36	8	23	37
17,033	17,058	17,072	17,068	17,091	17,070
221	221	221	225	225	225
7,188,000	6,718,635	6,349,202	6,528,887	6,651,885	6,318,907
123	115	109	112	114	108
2,350	2,350	2,350	2,350	2,350	2,350
341	1,164	470	372	339	306
37,310	27,733	15,187	21,035	10,231	44,172
179,998	98,777	91,738	121,331	98,420	157,396
10,045	-	3,102	174	2,111	2,111
49,669	48,591	44,105	52,965	54,158	55,546
20,173	36,218	54,513	37,908	34,710	34,597
-	-	-	-	-	-
938	1,076	1,124	1,112	1,109	-
40	45	23	18	19	61

CITY OF DES PLAINES

CAPITAL ASSETS STATISTICS BY FUNCTION Last Ten Calendar Years December 31, 2017

<u>Function/Program</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>	<u>2017</u>
Police										
Station	1	1	1	1	1	1	1	1	1	1
Sworn Police Officers	105	105	94	93	93	93	93	92	96	96
Fire Stations										
Station	3	3	3	3	3	3	3	3	3	3
Sworn Firefighters	102	98	95	92	92	92	92	92	92	92
Other Public Works										
Streets (miles)*	145	145	145	145	145	145	145	145	145	145
Streetlights	680	732	738	722	723	723	787	787	787	787
Traffic Signals	2	2	2	2	2	2	1	4	3	3
Water										
Water mains (miles)	245	247	247	221	221	221	221	225	225	225
Fire hydrants	2,628	2,609	2,679	2,681	2,350	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, 2017

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<u>Gallons sold</u>										
Residential	1,357,309	1,332,430	1,280,062	1,274,242	1,448,567	1,258,528	1,252,771	1,224,260	1,154,518	1,215,247
Commercial	598,489	495,175	516,464	494,478	486,179	470,197	493,685	535,931	536,218	420,324
Industrial	253,998	144,665	128,891	131,321	112,454	113,281	119,147	102,580	112,064	108,287
Totals	<u>2,209,796</u>	<u>1,972,270</u>	<u>1,925,417</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>	<u>1,743,858</u>
Water rate per 1,000 gallons	\$4.08	\$4.32	\$4.56	\$4.56	\$5.45	\$5.82	\$6.25	\$6.75	\$6.75	\$6.82
Storm Sewer rate per 1,000 gallons	\$0.76	\$0.76	\$1.20	\$1.20	\$1.20	\$1.20	\$1.20	\$0.76	\$0.76	\$0.76

Source: *City of Des Plaines Water Consumption Report*

CITY OF DES PLAINES

MISCELLANEOUS STATISTICS

December 31, 2017

Date of incorporation (Town of Rand)	1857
Form of government	City Manager
Building permits:	
Permits issued	2,994
Estimated value	\$145,923,310
Fire protection:	
Number of stations	3
Number of sworn firefighters	92
Police protection:	
Number of stations	1
Number of sworn police officers	91
Municipal water plant	
Number of consumers	17,070
Daily average consumption (gallons)	6,318,907
Daily average consumption per capita (gallons)	108
Miles of water mains	225
Number of fire hydrants	2,350
Employees as of December 31	
Full time	338.00
Part time	18.50
Total	<u>356.50</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, 2017

Area and land use - City of Des Plaines

Total area December 31, 2017 - 9,198.54 acres or 14.3 square miles (Based on municipal boundary data.)

Distribution of land uses

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

Data Sources

U.S. Census Bureau and Various City Departments.

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

2018 DISCLOSURE

Relating to

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

CUSIP NUMBER 250217

\$2,575,000 Taxable General Obligation Corporate Purpose Refunding Bonds, Series 2008A
\$3,173,084 Taxable General Obligation Refunding Bonds, Series 2009A (Capital Appreciation)
\$4,175,000 General Obligation Refunding Bonds, Series 2009B
\$3,945,000 General Obligation Refunding Bonds, Series 2010A
\$6,110,760 General Obligation Refunding Bonds, Series 2010B (Capital Appreciation)
\$3,540,000 General Obligation Refunding Bonds, Series 2011
\$3,765,000 General Obligation Refunding Bonds, Series 2012
\$7,945,000 Taxable General Obligation Refunding Bonds, Series 2013
\$2,020,000 Taxable General Obligation Refunding Bonds, Series 2014A
and
\$5,600,000 General Obligation Refunding Bonds, Series 2014B

For further information please contact:

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

**Telephone Number: (847) 391-5317
Fax Number: (847) 391-5402
Email: dwisniewski@desplaines.org**

4/12/18

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

<u>State Fiscal Year</u> <u>Ending June 30</u>	<u>State Sales Tax</u> <u>Distributions (2)</u>	<u>Home Rule Sales Tax</u> <u>Distributions</u>	<u>Total</u> <u>Distributions</u>	<u>Percentage</u> <u>Change + (-)</u>
2008	\$ 8,590,038	\$5,739,317	\$14,329,355	3.45% (3)
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%)
2017	11,516,868	6,170,441	17,687,309	6.32%
Growth from 2008 to 2017				23.43%

- 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 2008 percentage is based on a 2007 sales tax receipts of \$13,851,027.

DEBT INFORMATION

General Obligation Debt – By Issue(1)

<u>Issue Date</u>	<u>Issue Name</u>	<u>Principal</u> <u>Outstanding</u>	<u>Supported By</u>
4/1/2008	Taxable General Obligation Corporate Purpose Refunding Bonds, Series 2008A	\$ 450,000	TIF Revenues
11/3/2009	Taxable General Obligation Refunding Bonds, Series 2009A	1,983,244	TIF Revenues
11/3/2009	General Obligation Refunding Bonds, Series 2009B	200,000	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	5,843,853	TIF Revenues
12/22/2011	General Obligation Refunding Bonds, Series 2011	1,660,000	TIF Revenues
12/18/2012	General Obligation Refunding Bonds, Series 2012	1,460,000	TIF Revenues
12/17/2013	Taxable General Obligation Refunding Bonds, Series 2013	4,000,000	TIF Revenues
9/4/2014	Taxable General Obligation Refunding Bonds, Series 2014A	1,220,000	TIF Revenues
9/4/2014	General Obligation Refunding Bonds, Series 2014B	<u>2,970,000</u>	TIF Revenues, Sales & Utility Taxes/Fees
Total		\$23,732,096	
Less Self Supporting		<u>(23,732,096)</u>	
Tax Supported Debt		\$ 0	

Note: (1) Source: the City.

General Obligation Bonded Debt(1)
(Principal Only)

Calendar Year	Total	Self- Supporting	Cumulative Retirement	
			Amount	Percent
2018	\$ 4,789,198	\$ 4,789,198	\$ 4,789,198	20.18%
2019	3,896,162	3,896,162	8,685,360	36.60%
2020	4,005,637	4,005,637	12,690,996	53.48%
2021	2,882,360	2,882,360	15,573,357	65.62%
2022	2,129,790	2,129,790	17,703,146	74.60%
2023	1,579,584	1,579,584	19,282,730	81.25%
2024	1,213,041	1,213,041	20,495,771	86.36%
2025	1,179,295	1,179,295	21,675,066	91.33%
2026	1,207,030	1,207,030	22,882,096	96.42%
2027	415,000	415,000	23,297,096	98.17%
2028	435,000	435,000	23,732,096	100.00%
Total	\$23,732,096	\$23,732,096		

Note: (1) Source: the City.

Detailed Overlapping Bonded Debt(1)

	Total Debt(2)	Applicable to the City	
		Percent (3)	Amount
Schools:			
School District Number 26.....	\$ 8,665,000	7.49%	\$ 649,167
School District Number 57.....	7,860,000	1.24%	97,823
School District Number 59.....	15,235,000	11.32%	1,724,349
School District Number 62.....	78,815,000	90.55%	71,367,145
School District Number 64.....	6,180,000	0.00%(4)	68
High School District Number 207.....	13,455,000	34.47%	4,638,401
High School District Number 214.....	43,940,000	3.70%	1,625,449
Harper Community College District Number 512.....	126,895,000	1.67%	2,120,342
Oakton Community College District Number 535.....	28,950,000	7.16%	2,073,145
Total Schools.....			\$ 84,295,889
Other:			
Cook County	\$3,092,046,750	1.33%	\$ 41,181,883
Cook County Forest Preserve District	149,290,000	1.33%	1,988,341
Metropolitan Water Reclamation District	2,480,560,091	1.36%	33,678,748
Elk Grove Park District	2,265,000	0.45%	10,081
Des Plaines Park District	2,050,000	94.54%	1,938,024
Mt. Prospect Park District	20,923,788	18.50%	3,871,841
Total Others.....			\$ 82,668,918
Total Overlapping Bonded Debt.....			\$166,964,807

Notes: (1) Source: Cook County Clerk.
(2) As of December 28, 2017.
(3) Percentage based on 2016 EAVs, the most current available.
(4) Percentage equals 0.0011%.

Statement of Bonded Indebtedness(1)

	Amount Applicable	Ratio To		Per Capita (2010 Census 58,364)
		Equalized Assessed	Estimated Actual	
City EAV of Taxable Property, 2016.....	\$1,915,029,885	100.00%	33.33%	\$32,811.83
Estimated Actual Value, 2016.....	\$5,745,089,655	300.00%	100.00%	\$98,435.50
Total Direct Bonded Debt.....	\$ 23,732,096	1.24%	0.41%	\$ 406.62
Less: Self Supporting	(23,732,096)	(1.24%)	(0.41%)	(406.62)
Net Direct Debt	\$ 0	0.00%	0.00%	\$ 0
Overlapping Bonded Debt: (2)				
Schools.....	\$ 84,295,889	4.40%	1.47%	\$ 1,444.31
Other.....	82,668,918	4.32%	1.44%	1,416.44
Total Overlapping Bonded Debt.....	\$ 166,964,807	8.72%	2.91%	\$ 2,860.75
Total Direct and Overlapping Bonded Debt(2).....	\$ 166,964,807	8.72%	2.91%	\$ 2,860.75

Notes: (1) Source: Cook County Clerk.
(2) As of December 28, 2017.

PROPERTY ASSESSMENT AND TAX INFORMATION

City Equalized Assessed Valuation(1)

Property Class	Levy Years				
	2012	2013 (2)	2014	2015	2016 (2)
Residential.....	\$1,219,894,729	\$ 942,676,584	\$ 961,581,004	\$ 934,531,442	\$1,102,738,212
Farm.....	0	0	106,965	104,736	126,026
Commercial.....	347,645,864	331,963,949	453,409,003	435,494,200	482,306,610
Industrial.....	469,850,112	419,594,491	299,315,166	290,691,605	325,832,901
Railroad.....	2,548,662	3,052,320	3,244,878	3,898,188	4,026,136
Total.....	\$2,039,939,367	\$1,697,287,344	\$1,717,657,016	\$1,664,720,171	\$1,915,029,885
Percent Change +(-).	(6.61%) (3)	(16.80%)	1.20%	(3.08%)	15.04%

Notes: (1) Source: Cook County Clerk.
(2) Triennial reassessment year.
(3) Percentage change based on 2011 EAV of \$2,184,333,304.

Equalized Assessed Valuation by Township(1)

	2016			
	Elk Grove	Maine	Wheeling	Total
Real Estate Property	\$314,921,478	\$1,555,747,273	\$40,334,277	\$1,911,003,028
Pollution Control District	0	721	0	721
Railroad Property	0	4,026,136	0	4,026,136
Total	\$314,921,478	\$1,559,774,130	\$40,334,277	\$1,915,029,885

Note: (1) Source: Cook County Clerk.

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

	Levy Years				
	2012	2013	2014	2015	2016
City Rates:					
General Corporate (2).....	\$1.1603	\$ 1.3942	\$ 1.3777	\$ 1.4216	\$1.2360
Public Library.....	0.3170	0.3750	0.3650	0.3730	0.3240
Bonds and Interest.....	0.0054	0.0067	0.0067	0.0067	0.0057
Total City Rates(3).....	\$1.4830	\$ 1.7760	\$ 1.7490	\$ 1.8010	\$1.5657
Cook County.....	0.5310	0.5600	0.5680	0.5520	0.5333
Cook County Forest Preserve.....	0.0630	0.0690	0.0690	0.0690	0.0630
Metropolitan Water Reclamation District.....	0.3700	0.4170	0.4300	0.4260	0.4060
Maine Township.....	0.1680	0.2100	0.2100	0.2200	0.1910
School District No. 62.....	3.4900	4.2550	4.2930	4.4870	3.9210
High School District No. 207.....	2.2150	2.7220	2.7390	2.9010	2.5070
Community College No. 535.....	0.2190	0.2560	0.2580	0.2710	0.2310
Des Plaines Park District.....	0.4250	0.5310	0.5290	0.5560	0.4850
Other Districts.....	0.0110	0.0440	0.0130	0.0460	0.0100
Total Tax Rates(4).....	\$8.9750	\$10.8400	\$10.8580	\$11.3290	\$9.9130

- 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 64% of the City's 2016 EAV, the most recent available.

City Tax Levies and Collections(1)

Levy Year	Coll. Year	Taxes Levied(3) (4)	Total Collections(2)	
			Amount	Percent
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%
2016.....	2017.....	23,083,150	23,066,806	99.93%

- 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.

Principal City Taxpayers(1)

<u>Taxpayer Name</u>	<u>Product/Business</u>	<u>2016 EAV (2)</u>
Midwest Gaming.....	Real Property	\$ 74, 874, 969
Universal Oil Products	Chemicals Manufacturer, Catalysts Research and Development.....	28, 130, 104
Juno Lighting.....	Lighting	14, 261, 395
Wille Road LLC.....	Real Property	14, 037, 725
Colliers Agent GSA DP.....	Real Property	13, 110, 791
CO Prologis Re Tax.....	Real Property	12, 926, 758
Marc Realty.....	Real Property	11, 828, 301
Abbott Labs.....	Medical Laboratories	11, 767, 682
Apple Reit Ten.....	Real Property	11, 175, 694
Individual.....	Real Property	<u>10, 760, 469</u>
Total.....		<u>\$202, 873, 888</u>
Ten largest as a percent of the City's 2016 EAV (\$1, 915, 029, 885)		10.59%

- Notes: (1) Source: Cook County Clerk.
(2) Every effort has been made to seek out 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 2016 EAV is the most current available.

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FINANCIAL INFORMATION

Statement of Net Position Primary Government Governmental Activities

	Audited As of December 31				
	2012	2013	2014	2015	2016
ASSETS:					
Cash and Investments.....	\$ 65,799,739	\$ 75,050,932	\$ 77,184,331	\$ 83,972,481	\$ 83,326,480
Restricted Cash and Investments.....	0	8,087,311	0	0	0
Receivables, Net of Allowances for Uncollectibles					
Property Taxes.....	27,673,960	28,563,366	28,055,169	28,512,667	29,544,209
Accounts.....	4,736,908	4,612,787	4,406,573	1,455,107	1,653,681
Accrued Interest.....	7,530	3,156	271,403	303,011	29,003
Other Taxes.....	1,336,337	1,382,230	1,321,120	1,284,854	1,368,270
Other.....	561,986	313,809	210,625	238,779	304,025
Prepaid Expenses.....	3,183,227	3,116,909	4,457,014	4,765,089	5,392,486
Due from Other Governments.....	6,884,906	6,940,345	8,797,909	11,833,506	12,284,266
Internal Balances.....	(484,170)	321,812	2,140,123	2,549,903	5,252,264
Net Pension Asset.....	1,442,870	1,510,687	2,017,516	0	0
Capital Assets Not Being Depreciated.....	72,860,664	73,029,456	75,888,795	84,272,100	80,798,667
Capital Assets, Being Depreciated.....	<u>112,291,363</u>	<u>117,773,463</u>	<u>121,357,653</u>	<u>120,157,580</u>	<u>131,745,598</u>
Total Assets.....	<u>\$296,295,320</u>	<u>\$320,706,263</u>	<u>\$326,108,231</u>	<u>\$339,345,077</u>	<u>\$351,698,949</u>
DEFERRED OUTFLOWS OF RESOURCES:					
Deferred Amounts from Refunding of Debt.....	\$ 693,335	\$ 523,867	\$ 541,551	\$ 442,358	\$ 343,164
Deferred Pension Outflows.....	<u>0</u>	<u>0</u>	<u>0</u>	<u>19,732,357</u>	<u>17,765,193</u>
Total Deferred Outflows of Resources.....	<u>\$ 693,335</u>	<u>\$ 523,867</u>	<u>\$ 541,551</u>	<u>\$ 20,174,715</u>	<u>\$ 18,108,357</u>
LIABILITIES:					
Accounts Payable.....	\$ 18,982,994	\$ 21,202,698	\$ 20,048,298	\$ 21,635,661	\$ 20,955,650
Accrued Liabilities.....	99,888	122,264	128,938	145,293	138,699
Accrued Payroll.....	1,277,237	1,583,289	1,596,331	1,651,427	2,125,748
Accrued Interest Payable.....	175,095	183,205	83,013	69,945	60,210
Unearned Revenue.....	264,466	430,032	229,379	168,026	3,798,262
Deposits Payable.....	46,382	51,687	143,074	137,299	66,753
Non Current Liabilities					
Due Within One Year.....	7,435,057	14,436,802	6,116,575	5,574,297	6,579,218
Due in More Than One Year.....	<u>55,779,769</u>	<u>46,962,691</u>	<u>40,258,677</u>	<u>185,659,144</u>	<u>185,586,752</u>
Total Liabilities.....	<u>\$ 84,060,888</u>	<u>\$ 84,972,668</u>	<u>\$ 68,604,285</u>	<u>\$215,041,092</u>	<u>\$219,311,292</u>
DEFERRED INFLOWS OF RESOURCES:					
Deferred Property Tax Revenue.....	\$ 27,493,679	\$ 28,359,634	\$ 27,873,362	\$ 28,381,831	\$ 29,151,337
Deferred Pension Inflows.....	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,262,766</u>	<u>2,417,152</u>
Total Deferred Inflows of Resources.....	<u>\$ 27,493,679</u>	<u>\$ 28,359,634</u>	<u>\$ 27,873,362</u>	<u>\$ 30,644,597</u>	<u>\$ 31,568,489</u>
NET POSITION:					
Investment in Capital Assets, Net of Related Debt..	\$127,408,625	\$141,973,412	\$156,111,648	\$167,177,408	\$182,246,337
Restricted For:					
Streets and Highways.....	1,596,392	454,201	554,995	364,274	719,632
Public Safety.....	2,347,517	2,104,739	2,024,830	1,582,538	1,636,610
Economic Development.....	6,034,197	3,941,385	4,247,317	4,895,473	6,180,466
Debt Service.....	288,188	8,369,381	374,464	387,039	397,214
Unrestricted.....	<u>47,759,170</u>	<u>51,054,710</u>	<u>66,858,881</u>	<u>(60,572,629)</u>	<u>(72,252,734)</u>
Total Net Position.....	<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>

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

	Audited Year Ended December 31				
	2012	2013	2014	2015	2016
FUNCTIONS/PROGRAMS					
PRIMARY GOVERNMENT:					
General Government.....	\$(20,102,402)	\$(20,085,342)	\$(20,017,468)	\$(20,789,844)	\$(21,678,222)
Public Safety.....	(33,760,877)	(35,284,095)	(35,760,246)	(42,539,595)	(44,195,394)
Public Works.....	(3,644,680)	(3,551,642)	(4,407,553)	(6,760,016)	(5,082,259)
Streets and Highways.....	(3,459,609)	(6,902,428)	(8,874,819)	(1,978,260)	(7,939,188)
Economic Development.....	(1,553,448)	(1,906,584)	1,170,934	(1,004,399)	(2,537,628)
Interest.....	(3,046,102)	(2,709,144)	(1,679,828)	(1,459,709)	(1,411,210)
Total Governmental Activities(1).....	<u>\$(65,567,118)</u>	<u>\$(70,439,235)</u>	<u>\$(69,568,980)</u>	<u>\$(74,531,823)</u>	<u>\$(82,843,901)</u>
GENERAL REVENUES:					
Taxes:					
Property.....	\$ 28,841,683	\$ 28,575,125	\$ 28,442,253	\$28,607,185	\$ 29,254,397
Replacement.....	1,143,050	1,341,936	1,303,645	1,245,069	1,285,820
Sales.....	9,695,640	13,486,496	12,354,237	12,042,780	12,805,450
Utility.....	3,239,299	3,264,076	3,358,459	3,033,933	3,069,270
Income.....	5,376,774	5,643,512	5,667,460	6,232,000	5,556,999
Home Rule Sales.....	5,544,261	5,640,304	5,934,305	5,711,272	6,104,292
Food and Beverage Tax.....	1,236,942	1,177,511	1,190,477	1,228,581	1,268,923
Hotel/Motel.....	1,675,772	1,752,342	1,988,301	2,145,985	2,069,830
Real Estate Transfer.....	407,884	436,309	610,997	597,813	842,326
Local Option Motor Fuel.....	1,685,069	1,707,152	1,624,707	1,540,285	1,754,240
Gaming Taxes.....	24,802,456	24,662,123	24,792,544	24,654,889	24,685,996
Other Taxes.....	4,735,420	4,277,423	3,923,909	4,081,651	3,988,052
Investment Income.....	160,289	89,626	73,812	189,691	365,137
Miscellaneous.....	1,280,897	899,031	862,423	982,019	688,554
Transfers.....	15,758	(49,992)	(284,242)	(6,692,243)	(5,801,963)
Total.....	<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>
Change in Net Position.....	\$ 24,274,076	\$ 22,463,739	\$ 22,274,307	\$ 11,069,087	\$ 5,093,422
Net Position, January 1.....	161,160,013(2)	185,434,089	207,897,828	102,765,016(2)	113,834,103
Net Position, December 31.....	<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>

Notes: (1) Expenses less Charges for Services, Operating Grants and Capital Grants.
(2) As restated.

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General Fund Balance Sheet

Audited as of December 31

ASSETS:	2012	2013	2014	2015	2016
Cash and Equivalents.....	\$23,740,541	\$30,801,407	\$23,982,499	\$25,129,459	\$26,638,739
Receivables:					
Accounts	1,405,087	1,383,991	1,174,419	997,226	970,946
Property Taxes.....	22,800,930	22,830,537	22,789,813	22,802,608	22,850,880
Other Taxes.....	1,196,399	1,233,717	1,179,672	1,158,799	1,216,462
Other Receivables.....	561,804	310,559	204,076	221,825	301,195
Accrued Interest.....	7,051	1,990	265,331	267,717	8,383
Due From Other Governments.....	5,342,762	5,165,574	6,267,850	5,806,373	5,771,247
Due from Other Funds.....	2,481	777,873	0	0	0
Advances From/To Other Funds.....	8,606,709	9,897,031	13,885,051	15,702,116	20,451,434
Prepaid Items.....	0	3,265	0	0	0
Total Assets.....	<u>\$63,663,764</u>	<u>\$72,405,944</u>	<u>\$69,748,711</u>	<u>\$72,086,123</u>	<u>\$78,209,286</u>
LIABILITIES:					
Accounts Payable.....	\$ 1,774,441	\$ 2,337,847	\$ 1,412,518	\$ 1,583,040	\$ 1,547,482
Accrued Payroll.....	1,268,564	1,567,700	1,580,295	1,627,115	2,125,748
Accrued Liabilities.....	85,731	99,074	110,671	132,265	138,699
Deferred Revenue.....	264,466	430,032	229,379	168,026	263,140
Total Liabilities.....	<u>\$ 3,393,202</u>	<u>\$ 4,434,653</u>	<u>\$ 3,332,863</u>	<u>\$ 3,510,446</u>	<u>\$ 4,075,069</u>
DEFERRED INFLOWS OF RESOURCES:					
Deferred Property Tax Revenue.....	\$22,747,973	\$22,745,844	\$22,743,904	\$22,747,101	\$22,750,299
Unavailable Other Revenue.....	1,787,820	1,584,834	1,589,539	1,681,124	1,549,440
Total Deferred Inflows of Resources.....	<u>\$24,535,793</u>	<u>\$24,330,678</u>	<u>\$24,333,443</u>	<u>\$24,428,225</u>	<u>\$24,299,739</u>
FUND BALANCES:					
Non Spendable:					
Long-term Interfund Advances.....	\$ 8,606,709	\$ 9,897,031	\$13,885,051	\$15,702,116	\$20,451,434
Prepaid Items.....	0	3,265	0	0	0
Assigned					
Infrastructure.....	500,000	4,100,000	5,950,000	3,149,300	1,023,433
Capital Acquisitions.....	152,500	3,970,000	2,300,000	1,250,000	4,250,000
General Fund Deficit.....	0	0	0	1,705,551	1,997,823
Economic Development.....	0	0	0	0	277,995
Emergency Telephone System Transfer of Surcharge.....	0	0	0	351,000	0
Streets and Highways.....	0	250,000	200,000	0	0
Pension Funding.....	1,009,318	1,313,108	700,000	0	0
Public Safety.....	2,500,000	0	0	0	0
Debt Service	0	4,000,000	0	0	0
Unassigned.....	22,966,242	20,107,209	19,047,354	21,989,485	21,833,793
Total Fund Balances.....	<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>
Total Liabilities, Deferred Inflows of Resources and Fund Balance.....	<u>\$63,663,764</u>	<u>\$72,405,944</u>	<u>\$69,748,711</u>	<u>\$72,086,123</u>	<u>\$78,209,286</u>

**General Fund
Revenues and Expenditures**

	Audited Years Ending December 31				
	2012	2013	2014	2015	2016
REVENUES:					
Property Taxes.....	\$23,141,075	\$23,043,431	\$22,900,148	\$22,952,517	\$23,136,026
Other Taxes.....	12,195,929	12,030,631	12,248,695	12,097,995	12,464,143
Licenses and Permits	2,781,329	2,924,191	3,331,833	2,921,119	3,147,534
Intergovernmental	16,245,216	20,992,728	19,559,114	19,780,209	20,159,070
Charges for Services.....	6,689,530	6,245,773	5,065,526	5,030,129	5,028,694
Fines and Forfeits.....	1,158,716	1,312,001	1,306,106	1,277,659	1,366,866
Investment Income.....	85,646	25,188	11,112	84,615	121,454
Miscellaneous	543,494	550,055	432,138	290,638	276,388
Total Revenues.....	<u>\$62,840,935</u>	<u>\$67,123,998</u>	<u>\$64,854,672</u>	<u>\$64,434,881</u>	<u>\$65,700,175</u>
EXPENDITURES:					
Current:					
General Government.....	\$ 7,304,439	\$7,272,417	\$ 7,531,642	\$ 7,810,936	\$ 7,598,936
Public Safety.....	37,230,479	38,138,909	38,649,791	39,145,089	39,761,167
Public Works.....	5,697,710	6,225,488	5,232,228	7,037,522	6,420,613
Streets and Highways.....	4,539,771	5,210,461	5,497,717	4,387,902	3,778,900
Economic Development.....	410,325	500,690	642,461	304,357	312,003
Total Expenditures.....	<u>\$55,182,724</u>	<u>\$57,347,965</u>	<u>\$57,553,839</u>	<u>\$58,685,806</u>	<u>\$57,871,619</u>
Excess (Deficiency) of Revenues Over Expenditures.....	\$ 7,658,211	\$ 9,776,033	\$ 7,300,833	\$ 5,749,075	\$ 7,828,556
Other Financing Sources (Uses), net.....	<u>(1,166,655)</u>	<u>(1,870,189)</u>	<u>(8,859,041)</u>	<u>(3,684,028)</u>	<u>(2,141,530)</u>
Excess (Deficiency) of Revenues And Other Financing Sources Over Expenditures and Other Financing Uses.....	\$ 6,491,556	\$ 7,905,844	\$(1,558,208)	\$ 2,065,047	\$ 5,687,026
Balance, January 1.....	<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>
Balance, December 31.....	<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>

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**General Fund
Estimated and Budget Financial Information(1)**

	Budget Fiscal Year <u>2017</u>	Estimated Year End Fiscal Year <u>2017</u>	Proposed Budget Fiscal Year <u>2018</u>
REVENUES:			
Taxes.....	\$34,421,600	\$33,709,700	\$34,562,850
Licenses & Permits.....	2,814,150	2,901,515	2,885,650
Intergovernmental.....	17,700,400	17,812,350	17,800,400
Charges for Services.....	4,910,500	4,857,250	4,909,750
Fines and Forfeits.....	1,112,000	1,137,250	1,130,800
Investment Income.....	100,000	123,000	100,000
Other.....	<u>437,758</u>	<u>627,073</u>	<u>464,641</u>
Total Revenue.....	\$61,496,408	\$61,168,138	\$61,854,091
EXPENDITURES:			
General Government.....	\$10,807,129	\$10,435,618	\$10,433,848
Public Safety.....	43,834,954	42,492,552	45,472,116
Economic Development.....	363,386	301,465	512,045
Public Works.....	8,941,365	8,499,363	9,253,430
Streets & Highways.....	<u>3,642,496</u>	<u>3,457,599</u>	<u>3,556,560</u>
Total Expenditures.....	\$67,589,330	\$65,186,597	\$69,227,999
Less: Transfers.....	<u>4,314,857</u>	<u>4,167,195</u>	<u>3,907,684</u>
Total Operating Expenditures.....	\$63,274,473	\$61,019,402	\$65,320,315
Total Revenues Over Expenditures..	\$(1,778,065)	\$ 148,736	\$(3,466,224)

Note: (1) Source: the City.

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INDEPENDENT ACCOUNTANT'S REPORT

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

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, 2017. Management of the City is responsible for the City's compliance with the specified requirements. Our responsibility is to express an opinion on the City's compliance with the specified requirements 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 complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the City complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, 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 with the aforementioned requirements for the year ended December 31, 2017, in all material respects.



Crowe LLP

Oak Brook, Illinois
June 19, 2018