

2018

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Fiscal Year Ending
December 31, 2018

THE CITY OF DES PLAINES, ILLINOIS

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

For the Fiscal Year Ended
December 31, 2018

Prepared by the Finance Department

Dorothy Wisniewski
Assistant City Manager/Director of Finance

CITY OF DES PLAINES, ILLINOIS
December 31, 2018

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Finance Department

1420 Miner Street, Des Plaines, IL 60016

P: 847.391.5300 | W: desplaines.org

June 17, 2019

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, 2018, 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, 2018. 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 new development in Des Plaines. O'Hare International Airport provides excellent domestic or international travel opportunities for pleasure, trade, and business. Bus, commuter rail, 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. The City contains over 15,000,000 square feet of industrial/manufacturing and over 8,000,000 square feet of commercial, retail and office space.

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 2018 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 2017 property tax levy collected in 2018 was \$1,955,916,247. This represents a 2.1 percent increase from the 2016 EAV. The economic base of Des Plaines is diverse as residential property comprises 35.3% of the City, commercial and industrial property represent 6.9% and 9.8% respectively¹.

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 2018 edition of Where Workers Work (Illinois Department of Employment Security - IDES), Des Plaines is home to 2,534 commercial establishments of which 877 are retail. Des Plaines is comprised of 39,136 jobs; of them, 12.3 percent are in the manufacturing sector, 10.3 percent are in the wholesale sector, 10.85 percent are in the transportation and warehousing sector, 7.2 percent are in the professional and scientific service sector, 8.4 percent are in retail trade and 11.8 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 3.6 percent for December 2018, down from December 2017's rate at 4.3 percent (Bureau of Labor Statistics).

Building permit issuance increased in 2018 with 3,258 permits issued compared to 2,994 issued in 2017. This total is also above the 3,105 permits issued in 2016. The declared building permit valuation from 2018 totals \$123,519,182 representing a decrease from \$141,923,310 in building permit valuation during 2017. Despite the slight construction value decrease, the overall construction investment signals a strong local economy and validation that the efficient entitlement process and economic development incentives offered in the City of Des Plaines are working.

Long-term Financial Planning

The City Council identified four goals and several strategies to achieve those goals that were formalized into the 2017 Strategic Plan adopted by the City Council on February 5, 2018 via Resolution R-31-18.

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

1. Community Character: Define and establish Des Plaines as friendly, dynamic, contemporary and smart.
2. Re-imagined growth: Facilitate creation of a built environment that reflects our character, and attracts the marketplace that will capitalize on our City's assets and opportunities.
3. Infrastructure and Mobility: Enhance our infrastructure systems and maximize our transportation assets.
4. Municipal Excellence: Maintain focus and stability, lead and serve to create optimal conditions for a flourishing community.

¹ Source: 2010 CMAP Land Use Inventory – 2019 Comprehensive Plan

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 2018, the City's total General Fund balance was \$56.5 million, of which the unassigned fund balance was \$26.6 million or 40.2 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 2018, the unrestricted net position resulted in a negative \$2.1 million while the total net position at the end of the year was \$33.9 million, an increase of \$3.7 million from a negative \$5.8 in 2017. 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. 2018 is the first year that the City is having positive financial results from implementing the new water source, however still needs to continue to improve the negative unrestricted position.

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

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 2018 some of the City's accomplishments included:

- Financial Stability:
 - ✓ Completed transitional plan for police and fire pension funding in order to meet the required 100% funded level by 2040.

- ✓ Investment income on governmental funds increased \$716K or 125% from 2017 as a result of a new investment approach by the City and an improving interest rate environment.
 - ✓ Completed a full banking request for proposal in order to maximize the benefits of different banking services which will be fully implemented in 2019.
 - ✓ Refinanced the remaining capital appreciation bonds for the City.
- 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. Vetter opened up part of their campus as their Human Resource Division moved into the existing office building.
 - ✓ Opus Development started construction of a 113 unit luxury apartment building in downtown Des Plaines. Completion of the project is anticipated for 2019.
 - ✓ Covington Lexington Woods started construction on a brand new 236 luxury unit multi-family development at the corner of East River Road and Golf Road. Anticipated completion is set for end of 2019.
 - ✓ Construction on the new 9-acre development at Mannheim Road and Higgins Road, located in Tax Increment Finance District #7, is well underway. Once completed, the entire development will include: a 130-room hotel, up to five new restaurants, a fueling center and a car wash. The Dunkin Donuts, Which Wich Sandwiches and the BP Fueling Station are now open to the public.
 - ✓ Hart Schaffner Marx was successfully relocated to another facility within Des Plaines as part of a redevelopment project on their former site. This move saved 400 manufacturing jobs and allowed their former site to be prepared for the City's first data center.
 - ✓ In 2018, the City awarded \$403,281.75 in Business Assistance Grants to 12 businesses and properties, which in turn leveraged \$2,519,934 in capital building improvements.
 - ✓ Facilitated several new development projects:
 - Entitlements were approved for a new mixed use development in the downtown district which will encompass 212 luxury apartment units, 10,000 square feet of commercial restaurant space, 409 covered parking spaces and world-class amenities. Construction will begin in 2019.
 - Building permit plans were received in 2018 for Phase 1 of a \$75,000,000 data center that will be located at 1680 E. Touhy Avenue.
 - Preliminary planned unit development approval was provided for a multi-family development on a former industrial site. The development will contain 67 units for residents 65+ in age.
 - Entitlements were approved for a new Class-A self storage facility which will be built on a property that has been vacant for over 20 years.
 - Building permit plans were received for a brand new 99 room hotel at the corner of Touhy Avenue and Greco Avenue that will cater to the O'Hare Airport travelers.
 - Entitlements were approved for a new 10 lot subdivision at Lee Street and Prospect Avenue that will consist of 10 new single family homes.
- Infrastructure:
 - ✓ Over \$17.2 million was invested in 2018 for the improvements of alleys, drainage system, streets, water system, traffic, sewer system and other miscellaneous projects.
 - ✓ The Public Works and Engineering Department oversaw improvements to the Des Plaines Theater Rehabilitation Project, Fire Department renovations, Library building infrastructure upgrades and numerous State and Local Projects.
 - ✓ The City completed over a million dollars in sidewalk and curb repairs throughout the City.
 - ✓ Approximately 51 flood-prone homes were purchased and demolished as part of the FEMA property buyouts using federal and regional funding.
- Community:
 - ✓ A new 45,000 square foot Butera grocery store opened at 1565 Lee Street (northeast corner of Lee and Oakton Street).

- ✓ A new luxury pre-owned dealership opened to the public at 1505 S. Mount Prospect Road called, Sam Jidd Luxury Motors.
 - ✓ A new 5,000 fueling center and convenience store opened up at 3005 S. Mannheim Road which consists of a new Dunkin Donuts, Which Wich Sandwiches and BP Fueling Center
 - ✓ The new Buckingham Place Apartment Community, which consists of 267 luxury rental units, opened up to new residents.
- High Performance:
 - ✓ The Community and Economic Development Department in an effort to continue increasing its plan review efficiency has fully 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.
 - ✓ Continued replacement of manual read water meters to more accurate and efficient remote read meters.
 - The Finance Department, for the sixth 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 2017 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 ten 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, 2017. This was the thirty-eighth 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, 2017

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

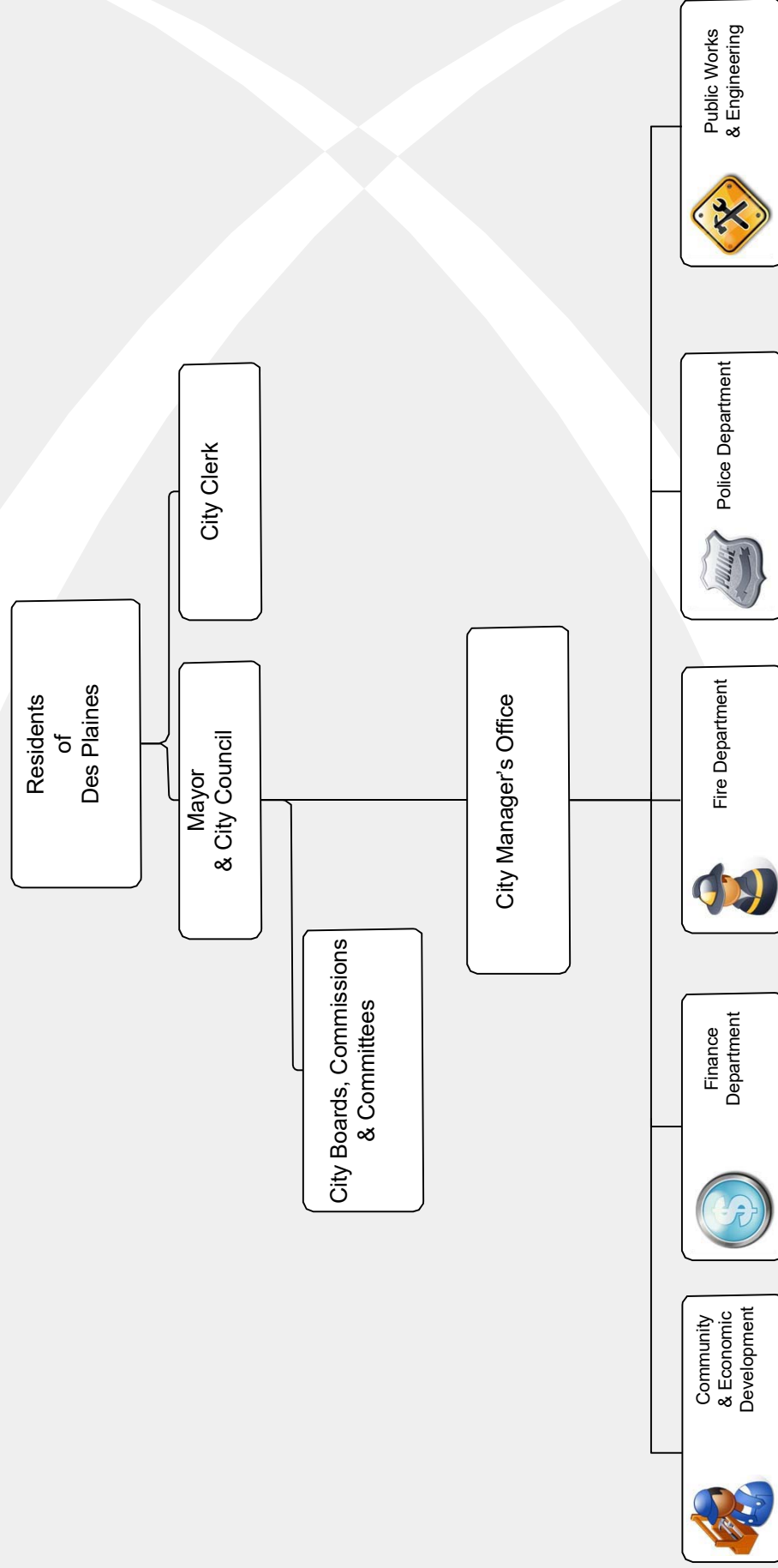
Chief of Police..... William Kushner

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

Emphasis of Matter

As discussed in Note 13 to the financial statements, in June 2015 the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions." Statement 75 is effective for the District's fiscal year ending December 31, 2018. This Statement replaces the requirements of Statement No. 45, "Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions". Statement 75 establishes standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources and expenses as well as identified the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. Note disclosures and required supplementary information requirements about defined benefit OPEB also are addressed. As a result, net position was restated as of January 1, 2018 by \$(10,465,373) for Governmental Activities, \$(955,030) for Business Type Activities, and \$(384,951) for the Component Unit (Library), for the cumulative effect of the application of this pronouncement. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, 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 2018 combining and individual fund financial statements and schedules and other supplementary schedules are the responsibility of management and except for the 2017 comparative actual amount were derived from and relates directly to the underlying accounting and other records used to prepare the basic 2018 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 2018 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, 2017 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 17, 2019 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.


Crowe LLP

Oak Brook, Illinois
June 17, 2019

CITY OF DES PLAINES, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2018

The following is a discussion and analysis of the City of Des Plaines' (the "City") financial performance for the fiscal year ended December 31, 2018. Use this section in conjunction with the City's basic financial statements. Comparative data is available and presented for this 2018 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 \$141.8 million (*net position*) as of December 31, 2018. The net position is comprised of \$250.1 million in net investment in capital assets, \$10.4 million in restricted for street and highways, public safety, debt service, and economic development, offset by a negative \$118.7 million in unrestricted net position. Net position decreased by \$26.7 million primarily due to implementation of the GASB Statement No.75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pension".

Fund Level

Governmental Funds: As of December 31, 2018, the City's governmental funds reported a combined ending fund balance of \$76.6 million, an increase of \$600 thousand from fiscal 2017. The City reported an unassigned fund balance of \$1.9 million in fiscal 2018.

- The City's General Fund ended the year with total revenues exceeding total expenditures by \$4.8 million. Combined with other financing net uses of \$1.8 million, the December 31, 2018 fund balance increased by \$3.1 million.
- Local government state shared revenues, i.e. state income, municipal sales and personal property replacement tax increased by \$2.4 million.
- The City received \$25.1 million in taxes generated from the revenues at Rivers Casino, \$3.0 million in admission tax (\$1 per admission), and \$22.1 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 \$6.0 million (40% of the total revenue over \$10 million) amongst the 10 benefiting communities named in the agreement. The remaining amount of \$9.0 million in gaming tax revenue will be discussed by the City Council as part of the 2020 Budget process and allocated towards expenditures approved in the gaming tax revenue and expenditure policy such as capital infrastructure projects and early debt payoff.

Proprietary Funds: The proprietary funds reported a net position of \$43.4 million as of December 31, 2018, an increase of \$7.3 million from fiscal 2017.

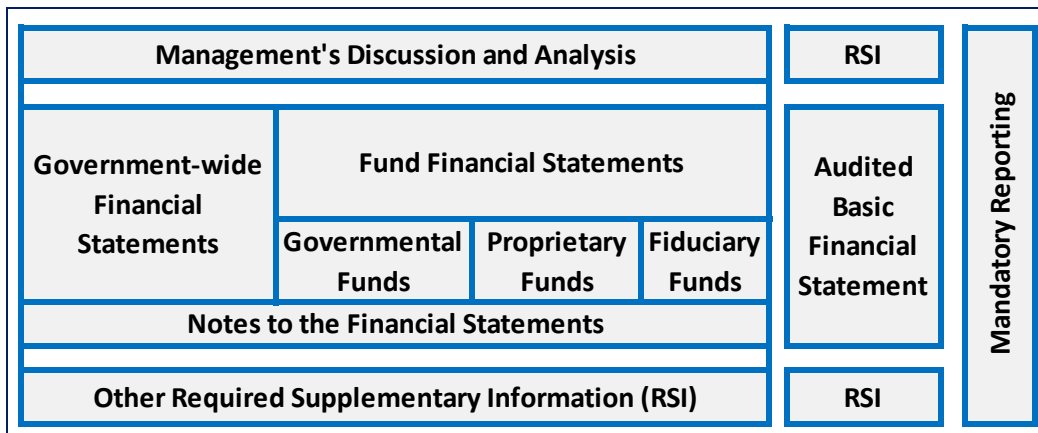
Debt Service: The City's total bonds outstanding decreased by \$4.6 million or 16.7 percent during fiscal 2018. This amount represents the net difference between net issuances, payments and refunding of outstanding bond debt. Series 2018A Bond was issued to refinance 2010A and 2010B from TIF #3 Fund.

CITY OF DES PLAINES, ILLINOIS
 MANAGEMENT'S DISCUSSION AND ANALYSIS
 December 31, 2018

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

OVERVIEW OF THE FINANCIAL STATEMENTS

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



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

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

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

Reporting the City as a Whole

The government-wide financial statements are designed to present an overall picture of the financial position of the City. These statements consist of the *Statement of Net Position* and the *Statement of*

CITY OF DES PLAINES, ILLINOIS
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December 31, 2018

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-

CITY OF DES PLAINES, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
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level statements as major and non-major 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 fund, Gaming Tax fund, Grant Projects fund, and Capital Projects fund are reported as major governmental funds.

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

The Risk Management fund and Health Benefits fund are reported as *internal service funds* and provide services on a cost reimbursement basis to other agencies of the financial reporting entity. Water/Sewer System fund and Parking System 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.

CITY OF DES PLAINES, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
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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 decreased by \$34 million from \$132.4 million in fiscal year 2017 to \$98.4 million in fiscal year 2018 while business-type activities increased by \$7.3 million to \$43.4 million.

	Governmental Activities		Business-type Activities		Total Primary Government	
	2018	2017	2018	2017	2018	2017
ASSETS						
Current & Other Assets	\$ 159,868,766	\$ 142,859,964	\$ 4,566,509	\$ (884,656)	\$ 164,435,275	\$ 141,975,308
Capital Assets	228,445,557	220,208,895	44,262,265	40,412,151	272,707,822	260,621,046
Total Assets	388,314,323	363,068,859	48,828,774	39,527,495	437,143,097	402,596,354
DEFERRED OUTFLOWS OF RESOURCES	17,823,543	13,821,225	1,891,721	76,401	19,715,264	13,897,626
LIABILITIES						
Current Liabilities	39,655,270	25,048,533	2,730,083	1,278,411	42,385,353	26,326,944
Noncurrent Liabilities	218,963,432	178,337,042	4,155,044	457,534	223,118,476	178,794,576
Total Liabilities	258,618,702	203,385,575	6,885,127	1,735,945	265,503,829	205,121,520
DEFERRED INFLOWS OF RESOURCES	49,126,482	41,072,717	402,501	1,762,286	49,528,983	42,835,003
NET POSITION						
Net Investment in Capital Assets	205,869,137	196,250,010	44,262,265	40,412,151	250,131,402	236,662,161
Restricted	10,381,412	9,570,315	-	-	10,381,412	9,570,315
Unrestricted	(117,857,867)	(73,388,533)	(829,398)	(4,306,486)	(118,687,265)	(77,695,019)
Total Net Position	\$ 98,392,682	\$ 132,431,792	\$ 43,432,867	\$ 36,105,665	\$ 141,825,549	\$ 168,537,457

The decrease in net position of governmental activities was primarily due to the implementation requirements of GASB Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pension" related to the recognition of the City's OPEB Liabilities. Total assets of the City as of December 31, 2018, were \$437.1 million, an increase of \$34.5 million or 8.6 percent. Total liabilities as of December 31, 2018, were \$265.5 million, an increase of \$60.4 million or 29.4 percent.

Of the City's net position, \$250.1 million was net investment in capital assets, while \$10.3 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 \$41 million to negative \$118.7 million primarily due to recognition of the City long-term obligation for OPEB as a liability for the first time as a requirements of GASB Statement No. 75.

(See independent auditor's report)

CITY OF DES PLAINES, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2018

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, 2018 and 2017						
	Governmental Activities		Business-type Activities		Total Primary Government	
	2018	2017	2018	2017	2018	2017
REVENUES						
Program Revenues:						
Fees, Fines & Charges for Services	\$ 13,189,686	\$ 14,085,896	\$15,215,799	\$14,276,003	\$ 28,405,485	\$ 28,361,899
Operating Grants & Contributions	3,162,267	2,319,131	8,870	6,901	3,171,137	2,326,032
Capital Grants & Contributions	7,075,824	12,776,042	-	-	7,075,824	12,776,042
Total Program Revenues	<u>23,427,777</u>	<u>29,181,069</u>	<u>15,224,669</u>	<u>14,282,904</u>	<u>38,652,446</u>	<u>43,463,973</u>
General Revenues:						
Property Taxes	29,099,377	29,611,170	-	-	29,099,377	29,611,170
Other Taxes	66,955,549	63,945,393	-	-	66,955,549	63,945,393
Investment Income	1,335,078	627,226	-	-	1,335,078	627,226
Miscellaneous Revenue	2,586,210	2,431,632	9,012	9,111	2,595,222	2,440,743
Total General Revenues	<u>99,976,214</u>	<u>96,615,421</u>	<u>9,012</u>	<u>9,111</u>	<u>99,985,226</u>	<u>96,624,532</u>
Total Revenues	<u>123,403,991</u>	<u>125,796,490</u>	<u>15,233,681</u>	<u>14,292,015</u>	<u>138,637,672</u>	<u>140,088,505</u>
EXPENSES						
General Government	26,796,798	27,415,182	-	-	26,796,798	27,415,182
Public Safety	81,695,891	49,963,574	-	-	81,695,891	49,963,574
Public Works	9,497,058	9,022,143	-	-	9,497,058	9,022,143
Streets and Highways	14,704,099	21,798,069	-	-	14,704,099	21,798,069
Economic Development	5,345,138	2,808,022	-	-	5,345,138	2,808,022
Interest	1,304,502	1,300,991	-	-	1,304,502	1,300,991
Water/Sewer	-	-	13,677,543	13,890,269	13,677,543	13,890,269
Parking System	-	-	908,148	854,840	908,148	854,840
Emergency Comm. System	-	-	-	-	-	-
Total Expenses	<u>139,343,486</u>	<u>112,307,981</u>	<u>14,585,691</u>	<u>14,745,109</u>	<u>153,929,177</u>	<u>127,053,090</u>
Excess (Deficiency) Before Transfers						
	<u>(15,939,495)</u>	<u>13,488,509</u>	<u>647,990</u>	<u>(453,094)</u>	<u>(15,291,505)</u>	<u>13,035,415</u>
Transfers	<u>(7,634,242)</u>	<u>15,758</u>	<u>7,634,242</u>	<u>(15,758)</u>	<u>-</u>	<u>-</u>
Changes in Net Position	<u>(23,573,737)</u>	<u>13,504,267</u>	<u>8,282,232</u>	<u>(468,852)</u>	<u>(15,291,505)</u>	<u>13,035,415</u>
Net Position, Beg Bal (as restated)	<u>121,966,419</u>	<u>118,927,525</u>	<u>35,150,635</u>	<u>36,574,517</u>	<u>157,117,054</u>	<u>155,502,042</u>
Net Position, Ending Balance	<u>\$ 98,392,682</u>	<u>\$132,431,792</u>	<u>\$43,432,867</u>	<u>\$36,105,665</u>	<u>\$141,825,549</u>	<u>\$168,537,457</u>

The City's net position as of December 31, 2018 decreased by \$26.7 million. The City earned program revenues of \$38.6 million and general revenues of \$99.9 million, for total revenues of \$138.6 million, a decrease of \$1.4 million or 1.04 percent from fiscal year 2017.

The major component of this decrease was attributable to City's implementation of the requirements of GASB Statement No.75 during the fiscal year 2018 which resulted in restatement of the City's January 2018 net position beginning balance as well as recognition of the obligations of postemployment benefits other than pension (OPEB) for the first time on the City's financial statements.

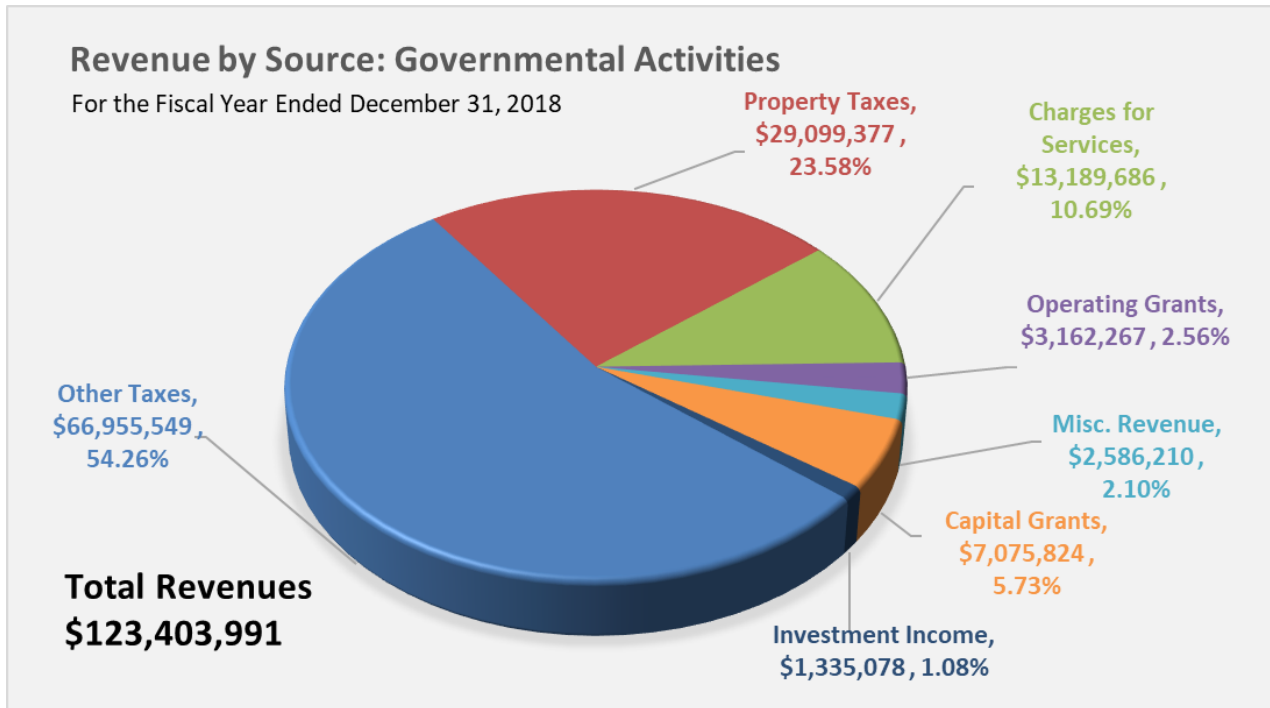
The reconciliation for net position from 2017 financial statements to 2018 beginning net position obligations related to OPEB Liabilities were added to the financial statements as an adjustments to

CITY OF DES PLAINES, ILLINOIS
 MANAGEMENT'S DISCUSSION AND ANALYSIS
 December 31, 2018

the governmental activities in the amount of \$(10,465,373), for business-type activities in the amount of \$(955,030) , and for component unit in the amount of \$ (384,951).

Governmental Activities: The governmental activities program revenue was \$23.4 million, including charges for services of \$13.2 million, operating grants and contributions of \$3.1 million and capital grants and contributions of \$7.1 million. This is a decrease of \$5.8 million over the prior year primarily related to a decrease in capital grants of \$5.7 million as a result of the completion of the Phase I Hazard Mitigation Grant Program.

The general revenue was \$99.9 million, including property taxes of \$29.1 million and other taxes revenue of \$66.9 million. The general revenue increased \$3.4 million resulting from an increase in sales taxes and investment income. The following chart represents revenues from governmental activities by source.



The 2017 equalized assessed value (EAV) increased by 2% from the 2016 EAV as the result of increased building development and an improving economy.

	Tax Levy 2017	Tax Levy 2016	Increase / (Decrease)	Change (%)
Equalized Assessed Valuation (EAV)	\$ 1,955,916,247	\$ 1,915,029,885	\$ 40,886,362	2.1%

(See independent auditor's report)

CITY OF DES PLAINES, ILLINOIS
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December 31, 2018

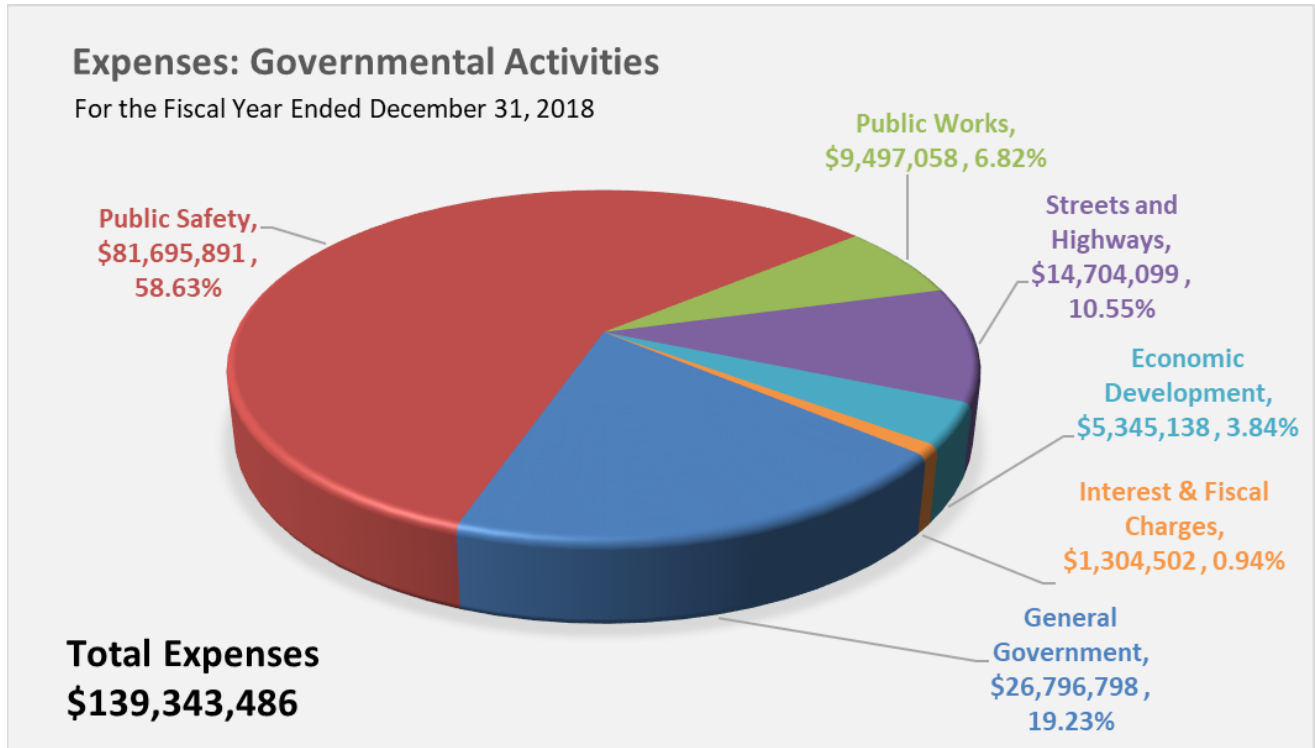
The *General Fund* state-per-capita shared revenues from *income tax* and *use tax* decreased by 8.7 percent driven by the decrease in the State income tax for 2018.

Illinois State Shared Tax Revenue	Fiscal Year 2018	Fiscal Year 2017	Increase / (Decrease)	Change (%)
State Income Tax	\$ 5,570,605	\$ 6,446,187	\$ (875,582)	-13.6%
Use Tax	\$ 1,690,313	\$ 1,507,817	\$ 182,496	12.1%
Total	\$ 7,260,918	\$ 7,954,004	\$ (693,086)	-8.7%

The City's *municipal sales tax* revenue (one percent share of the State collected tax, not including home rule tax) increased 16.6 percent during the fiscal year as a result of increased development in the City.

Municipal Sales Tax Revenue	Fiscal Year 2018	Fiscal Year 2017	Increase / (Decrease)	Change (%)
	\$ 14,064,699	\$ 12,062,614	\$ 2,002,085	16.6%

The following chart represents expenses from governmental activities.



(See independent auditor's report)

CITY OF DES PLAINES, ILLINOIS
 MANAGEMENT'S DISCUSSION AND ANALYSIS
 December 31, 2018

Governmental activities expenses were \$139.3 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 88.4 percent of governmental activities expenses and 91.1 percent of the net cost. The property tax and tax collections of the state shared revenues provide the primary source of funding, which when added to program revenues, support payment for governmental services.

Business-type Activities: Business-type activities generated program revenue of \$15.2 million from fees, fines and charges for services. The total expenses for business-type activities were \$14.6 million. Compared to December 31, 2017 business-type revenues increased by \$942 thousand while expenses decreased by \$159 thousand. Including transfers from other funds the net position increased by \$7.3 million to \$43.4 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, 2018		
Activities	Expenses	Program Revenues
Water	13,677,543	14,889,892
Parking	908,148	334,777
	<u>\$14,585,691</u>	<u>\$15,224,669</u>

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

Governmental Funds

As of December 31, 2018, governmental funds reported fund balances of \$76.6 million. The general fund reported a positive \$56.3 million fund balance.

General Fund: The fund balance for the general fund as of December 31, 2018, was \$56.3 million, an increase of \$3.1 million from fiscal 2017, mostly due to higher than anticipated state shared revenues. The nonspendable fund balance was \$18.3 million and the assigned fund balance was \$11.4 million, resulting in the unassigned fund balance of \$26.6 million. The unassigned balance of the general fund can be used to cover the day-to-day service delivery and was at 41.3 percent of the 2018 general fund expenditures.

Gaming Tax Fund: The fund balance for the gaming tax fund as of December 31, 2018, was \$20.6 million, a decrease of \$793.5K thousand from fiscal year 2017.

CITY OF DES PLAINES, ILLINOIS
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Tax Increment Financing Funds: The City maintains five separate funds created to account for the revenues and expenditures related to the City's tax increment financing (TIF) redevelopment areas. The negative impact on the City's 2018 total governmental fund balance is primarily due to deficit fund balances in TIF #3 (Wille Road) of \$3.4 million and TIF #6 (Mannheim/Higgins) of \$12.7 million related to an outstanding debt burden as well as reduced property tax revenue. TIF #7 (Mannheim/Higgins South) has accumulated a deficit of \$1.9 million in preparation for redevelopment opportunities.

Capital Projects Fund: The four capital projects funds maintained by the City include capital projects, equipment replacement, I.T. replacement, and facilities 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, 2018, totaled \$8 million, a decrease of \$215K since December 31, 2017.

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 \$43.4 million as of December 31, 2018.

Water/Sewer Fund: Water and sewer fund's net position as of December 31, 2018, totaled \$33.7 million, an increase of \$8 million 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. The unrestricted net position has increased from a negative \$5.8 million to a negative \$2.3 million.

Parking System Fund: Net Position of \$9.4 million, a decrease of \$609 thousand from fiscal 2017 since the revenue from charges for services continues to lag behind the operating expenses and the depreciation.

CITY OF DES PLAINES, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
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GENERAL FUND BUDGETARY HIGHLIGHTS

Table 3: General Fund Budgetary Highlights

For the Year Ended December 31, 2018

	Original and Final Budget	Actual	Variance from Fund Budget Positive (Negative)
Revenues	\$ 61,644,333	\$ 69,316,056	\$ 7,671,723
Expenditures	65,320,315	64,482,430	837,885
Excess of Revenues Over Expenditures	<u>(3,675,982)</u>	<u>4,833,626</u>	<u>8,509,608</u>
Other Financing Sources (Uses)	(3,697,926)	(1,761,189)	1,936,737
Net Changes in Fund Balance	<u>\$ (7,373,908)</u>	<u>\$ 3,072,437</u>	<u>\$ 10,446,345</u>

General fund actual revenues were \$7.7 million or 12.5 percent greater than the budgeted amount while general fund actual expenditures were \$838 thousand or 1.3 percent lower than the budgeted amount. The revenues from local taxes, intergovernmental payments as well as interest income 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, 2018, the City had \$272.7 million in net capital assets. This total represents an increase of \$12.0 million in total capital assets or 4.6 percent from fiscal 2017. The following table illustrates the changes in capital assets.

Table 4: Capital Assets - Net of Depreciation

December 31, 2018 and 2017

	Governmental Activities		Business-type Activities		Total Primary Government	
	2018	2017	2018	2017	2018	2017
Land	\$ 29,638,689	\$ 27,608,189	\$ 1,891,770	\$ 1,891,770	\$ 31,530,459	\$ 29,499,959
Land right of way	53,299,649	53,299,649	-	-	53,299,649	53,299,649
Buildings	11,603,560	10,809,386	6,707,256	7,380,534	18,310,816	18,189,920
Building improvements	23,572,807	23,952,820	34,364,030	30,492,765	57,936,837	54,445,585
Equipment	2,946,257	2,447,746	299,767	264,122	3,246,024	2,711,868
Vehicles	6,206,038	6,164,654	467,665	382,960	6,673,703	6,547,614
Infrastructure	92,102,630	88,825,609	-	-	92,102,630	88,825,609
Construction in progress	9,075,927	7,100,842	531,777	-	9,607,704	7,100,842
Total Capital Assets	<u>\$ 228,445,557</u>	<u>\$ 220,208,895</u>	<u>\$ 44,262,265</u>	<u>\$ 40,412,151</u>	<u>\$ 272,707,822</u>	<u>\$ 260,621,046</u>

(See independent auditor's report)

CITY OF DES PLAINES, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2018

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 2018 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, 2018 and 2017						
	Governmental Activities		Business-type Activities		Total Primary Government	
	2018	2017	2018	2017	2018	2017
General obligation bonds	\$ 23,061,421	\$ 27,647,741	\$ -	\$ -	\$ 23,061,421	\$ 27,647,741
TIF revenue bonds	155,867	228,019			155,867	228,019
Loans payable	137,500	150,000			137,500	150,000
Total Bonded Debt	<u>\$ 23,354,788</u>	<u>\$ 28,025,760</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 23,354,788</u>	<u>\$ 28,025,760</u>

The City had \$23.1 million in principal outstanding general obligation debt from governmental activities and no principal outstanding from business-type activities for the year ended December 31, 2018. 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 2018 CAFR.

CITY OF DES PLAINES, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2018

ECONOMIC FACTORS

The City has taken great strides to ensure its fiscal stability. 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 accounted for only 10.7 percent of the City's total 2017 EAV.
- In 2018 Des Plaines' economy continued its post-recession expansion; the average annual unemployment rate positively trended downward to 3.8 percent in Des Plaines compared to 4.3 percent state and 3.9 percent national rates.
- The median household income is on solid ground with an estimated median household income at \$67,415, which is higher than Cook County's median household income at \$59,426.
- Construction activity and new private investment has remained active very active within the City. Despite a drop in building permit value, with \$123,519,182 identified in 2018, compared to \$141,923,310 in building permit valuation during 2017, the 2018 construction figure is higher than the declared building permit value in 2016 which was \$91,643,460.
- In the last three and a half years, the City of Des Plaines has experienced over \$700,000,000 in new construction projects with either issuing a permit or approving projects at the City Council level.
- Over 120 businesses either recently opened within the City of Des Plaines or announced their plans to open which include: Vetter Pharma, Butera Fruit Market, Which Which Superior Sandwiches, Dunkin Donuts, Get Air Trampoline Park, Iron Mountain Data Center, Fairfield Inn and Suites and Holiday Inn and Suites.
- Over 1,200 housing units are either under construction or have been approved by the City and over 400 of these units are within the downtown Des Plaines area.
- The City's Business Assistance Program had another record breaking year (2018) by awarding \$403,000 in grants that leveraged or will leverage an estimated \$2,519,934 in private investment for new businesses and upgrades to our building stock.
- Cost containment and the use of budgetary reserves remains key to the continued improvement of financial position. FY 2019 will see additional accomplishments in the area of infrastructure improvements supported by state and federal funding.
- The funding for the vehicle and equipment purchases is provided on a pay-as-you-go basis and a schedule of funding is followed annually based on a replacement cycle. This is an essential step in the long-term financial planning as it allows the City to fund the capital equipment purchases on an ongoing basis rather than incur high costs of borrowing.

(See independent auditor's report)

CITY OF DES PLAINES, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2018

- The City has a diverse revenue base with only 23 percent of its revenue derived from the property taxes. The remaining revenue sources includes other taxes of 36 percent, intergovernmental of 18 percent, and charges for services of 11 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, 2018

	Primary Government			Component Unit (Library)
	Governmental Activities	Business-type Activities	Total Primary Government	
ASSETS				
Cash and Investments	\$ 102,908,170	\$ 1,195,895	\$ 104,104,065	\$ 4,138,160
Receivables (Net)				
Property Taxes	31,537,886	-	31,537,886	6,073,717
Accounts	1,072,964	2,962,373	4,035,337	-
Accrued Interest	39,279	-	39,279	-
Other Taxes	1,466,992	-	1,466,992	-
Other	317,697	20,429	338,126	23,247
Prepaid Items	5,375,421	-	5,375,421	116,043
Inventories	-	202,923	202,923	-
Due from Other Governmental Units	17,325,078	-	17,325,078	-
Internal Balances	(184,889)	184,889	-	-
Due From Fiduciary Fund	10,168	-	10,168	-
Capital Assets Not Being Depreciated	92,014,265	2,423,547	94,437,812	-
Capital Assets Being Depreciated, Net	136,431,292	41,838,718	178,270,010	2,643,647
TOTAL ASSETS	<u>388,314,323</u>	<u>48,828,774</u>	<u>437,143,097</u>	<u>12,994,814</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Amounts from Refunding of Debt	114,332	-	114,332	-
Deferred Pension Outflows	17,709,211	1,891,721	19,600,932	1,498,788
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>17,823,543</u>	<u>1,891,721</u>	<u>19,715,264</u>	<u>1,498,788</u>
LIABILITIES				
Accounts Payable	24,459,599	2,490,757	26,950,356	175,740
Accrued Payroll	1,827,462	1,213	1,828,675	168,259
Accrued Liabilities	154,921	67,765	222,686	-
Accrued Interest Payable	51,834	-	51,834	-
Unearned Revenue	13,100,558	170,348	13,270,906	-
Deposits Payable	60,896	-	60,896	-
Long-term Obligations				
Due Within One Year	6,017,565	143,331	6,160,896	110,842
Due in More Than One Year	212,945,867	4,011,713	216,957,580	2,970,486
TOTAL LIABILITIES	<u>258,618,702</u>	<u>6,885,127</u>	<u>265,503,829</u>	<u>3,425,327</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred Property Tax Revenue	31,468,472	-	31,468,472	6,069,500
Deferred Pension Inflows	17,658,010	402,501	18,060,511	332,068
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>49,126,482</u>	<u>402,501</u>	<u>49,528,983</u>	<u>6,401,568</u>
NET POSITION				
Net Investment in Capital Assets	205,869,137	44,262,265	250,131,402	2,643,647
Restricted for				
Streets and Highways	1,032,957	-	1,032,957	-
Public Safety	1,305,100	-	1,305,100	-
Economic Development	7,938,575	-	7,938,575	-
Culture and Recreation	-	-	-	2,023,060
Debt Service	104,780	-	104,780	-
Unrestricted	(117,857,867)	(829,398)	(118,687,265)	-
TOTAL NET POSITION	<u>\$ 98,392,682</u>	<u>\$ 43,432,867</u>	<u>\$ 141,825,549</u>	<u>\$ 4,666,707</u>

CITY OF DES PLAINES, ILLINOIS
STATEMENT OF ACTIVITIES
Year Ended December 31, 2018

Functions/Programs	Expenses	Program Revenues		
		Fees, Fines & Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental Activities				
General Government	\$ 26,796,798	\$ 5,406,195	\$ 389,388	\$ -
Public Safety	81,695,891	3,297,604	1,279,013	-
Public Works	9,497,058	3,171,589	-	-
Streets and Highways	14,704,099	1,314,298	1,493,866	4,408,635
Economic Development	5,345,138	-	-	2,667,189
Interest and Fiscal Charges	1,304,502	-	-	-
Total Governmental Activities	139,343,486	13,189,686	3,162,267	7,075,824
Business-type Activities				
Water	13,677,543	14,881,022	8,870	-
Parking System	908,148	334,777	-	-
Total Business-type Activities	14,585,691	15,215,799	8,870	-
Total Primary Government	\$ 153,929,177	\$ 28,405,485	\$ 3,171,137	\$ 7,075,824
Component Unit:				
Library	\$ 6,318,952	\$ 80,937	\$ 74,455	\$ -

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, 2018
Change in Accounting Principle (See Note 13)
Net Position, January 1, 2018, as restated
Net Position, December 31, 2018

Net (Expense) Revenue and Changes in Net Position			
Primary Government			Component Unit
Governmental Activities	Business-type Activities	Total Primary Government	Library
\$ (21,001,215)		\$ (21,001,215)	\$ -
(77,119,274)		(77,119,274)	-
(6,325,469)		(6,325,469)	-
(7,487,300)		(7,487,300)	-
(2,677,949)		(2,677,949)	-
(1,304,502)		(1,304,502)	-
<u>(115,915,709)</u>		<u>(115,915,709)</u>	<u>-</u>
	\$ 1,212,349	1,212,349	-
	<u>(573,371)</u>	<u>(573,371)</u>	-
	<u>638,978</u>	<u>638,978</u>	-
<u>(115,915,709)</u>	<u>638,978</u>	<u>(115,276,731)</u>	<u>-</u>
-	-	-	(6,163,560)
29,099,377	-	29,099,377	5,993,622
6,804,742	-	6,804,742	-
3,121,450	-	3,121,450	-
1,346,268	-	1,346,268	-
1,995,330	-	1,995,330	-
808,982	-	808,982	-
1,782,386	-	1,782,386	-
25,065,880	-	25,065,880	-
3,467,035	-	3,467,035	-
15,779,169	-	15,779,169	-
5,570,605	-	5,570,605	-
1,213,702	-	1,213,702	92,988
1,335,078	-	1,335,078	80,048
2,586,210	9,012	2,595,222	68,581
<u>(7,634,242)</u>	<u>7,634,242</u>	<u>-</u>	<u>-</u>
<u>92,341,972</u>	<u>7,643,254</u>	<u>99,985,226</u>	<u>6,235,239</u>
(23,573,737)	8,282,232	(15,291,505)	71,679
132,431,792	36,105,665	168,537,457	4,979,979
<u>(10,465,373)</u>	<u>(955,030)</u>	<u>(11,420,403)</u>	<u>(384,951)</u>
<u>121,966,419</u>	<u>35,150,635</u>	<u>157,117,054</u>	<u>4,595,028</u>
<u>\$ 98,392,682</u>	<u>\$ 43,432,867</u>	<u>\$ 141,825,549</u>	<u>\$ 4,666,707</u>

CITY OF DES PLAINES, ILLINOIS
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2018

	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	\$ 35,083,480	\$ -	\$ 33,939,158	\$ 7,431,237	\$ 8,783,065	\$ 17,467,531	\$ 102,704,471
Receivables (net)							
Property Tax Receivable	24,256,973	96,558	-	-	30,106	7,154,249	31,537,886
Other Taxes	1,294,548	-	-	-	172,444	-	1,466,992
Accounts Receivable	787,836	-	-	-	280,956	-	1,068,792
Accrued Interest	10,827	-	-	-	-	28,452	39,279
Other	282,618	-	-	-	-	34,411	317,029
Due from Other Governments	5,667,611	-	2,649,909	7,587,343	1,270,984	149,231	17,325,078
Advances to Other Funds	18,279,838	-	-	-	-	-	18,279,838
Due From Fiduciary Fund	10,168	-	-	-	-	-	10,168
TOTAL ASSETS	\$ 85,673,899	\$ 96,558	\$ 36,589,067	\$ 15,018,580	\$ 10,537,555	\$ 24,833,874	\$ 172,749,533
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES							
Liabilities							
Accounts Payable	\$ 2,430,562	\$ 277	\$ 16,026,352	\$ 1,676,511	\$ 2,470,228	\$ 1,782,377	\$ 24,386,307
Accrued Payroll	1,827,462	-	-	-	-	-	1,827,462
Accrued Liabilities	154,921	-	-	-	-	-	154,921
Deposits Payable	-	-	-	23,895	5,993	31,008	60,896
Advances from Other Funds	-	12,721,990	-	-	14,260	4,706,521	17,442,771
Unearned Revenue	282,305	-	-	12,789,990	-	-	13,072,295
Total Liabilities	4,695,250	12,722,267	16,026,352	14,490,396	2,490,481	6,519,906	56,944,652
Deferred Inflows of Resources							
Deferred Property Tax Revenue	24,244,258	96,558	-	-	29,251	7,098,405	31,468,472
Unavailable Other Revenue	441,032	-	-	7,294,146	-	-	7,735,178
Total Deferred Inflows of Resources	24,685,290	96,558	-	7,294,146	29,251	7,098,405	39,203,650
Fund Balances							
Nonspendable							
Long-term Interfund Advances	18,279,838	-	-	-	-	-	18,279,838
Restricted							
Economic Development	-	-	-	-	-	7,938,575	7,938,575
Debt Retirement/Infrastructure	-	-	20,562,715	-	-	-	20,562,715
Streets & Highways	-	-	-	-	-	1,032,957	1,032,957
Public Safety	-	-	-	-	-	1,305,100	1,305,100
Debt Service	-	-	-	-	-	156,614	156,614
Assigned							
Infrastructure	900,000	-	-	-	8,017,823	-	8,917,823
Capital Acquisitions	10,470,310	-	-	-	-	6,039,682	16,509,992
Unassigned	26,643,211	(12,722,267)	-	(6,765,962)	-	(5,257,365)	1,897,617
Total Fund Balances	56,293,359	(12,722,267)	20,562,715	(6,765,962)	8,017,823	11,215,563	76,601,231
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 85,673,899	\$ 96,558	\$ 36,589,067	\$ 15,018,580	\$ 10,537,555	\$ 24,833,874	\$ 172,749,533

CITY OF DES PLAINES, ILLINOIS
RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
December 31, 2018

Total Fund Balances - Governmental Funds	\$ 76,601,231
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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	\$ 363,315,707	
Accumulated Depreciation	<u>(134,870,150)</u>	
Net Capital Assets		228,445,557

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.	7,735,178
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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.	114,332
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Generally, interest on long-term debt is not accrued in governmental funds, but rather is recognized when due.	(51,834)
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Deferred outflows of resources related to pensions do not involve available financial resources and accordingly are not reported on the fund financial statements	17,709,211
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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	(17,658,010)
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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	(3,006,942)	
General Obligation Bonds Payable	-	
TIF General Obligation Bonds Payable	(23,061,421)	
TIF Revenue Bonds Payable	(155,867)	
Unamortized Bond Premiums & Discounts	(338,990)	
Installment Notes Payable	(137,500)	
Net Pension Liabilities	(179,740,303)	
Other Post Employment Benefits (OPEB)	<u>(12,522,409)</u>	
Total Long-term Liabilities		(218,963,432)

Internal service funds are reported in the Statement of Net Position as Governmental Activities.	<u>4,460,449</u>
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Net Position of Governmental Activities	<u>\$ 98,392,682</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, 2018

	Major Governmental Funds					Nonmajor Governmental Funds	Total Governmental Funds
	General	TIF #6 (Mannheim/ Higgins)	Gaming Tax	Grant Funded Projects	Capital Projects		
Revenues							
Property Taxes	\$ 22,493,562	\$ 93,179	\$ -	\$ -	\$ 33,498	\$ 6,544,954	\$ 29,165,193
Other Taxes	12,161,007	-	25,065,880	-	6,885,945	113,367	44,226,199
Licenses and Permits	3,708,677	-	-	-	-	-	3,708,677
Intergovernmental	22,927,843	-	-	6,830,565	-	2,094,012	31,852,420
Charges for Services	5,360,093	-	-	-	1,314,298	-	6,674,391
Fines, Forfeitures and Penalties	1,239,342	-	-	-	-	21,198	1,260,540
Investment Income	440,109	28	557,295	11,383	157,230	122,877	1,288,922
Miscellaneous	985,423	-	9,677	-	64,145	1,493,086	2,552,331
Total Revenues	<u>69,316,056</u>	<u>93,207</u>	<u>25,632,852</u>	<u>6,841,948</u>	<u>8,455,116</u>	<u>10,389,494</u>	<u>120,728,673</u>
Expenditures							
Current							
General Government	8,814,235	-	16,026,352	255,903	-	61,613	25,158,103
Public Safety	44,272,261	-	-	-	-	209,132	44,481,393
Public Works	7,069,260	-	-	-	2,080,199	-	9,149,459
Streets and Highways	3,988,318	-	-	507,524	-	1,041,163	5,537,005
Economic Development	338,356	3,098	-	-	-	1,911,358	2,252,812
Debt Service							
Principal	-	1,190,000	-	-	935,000	2,834,652	4,959,652
Interest and Fiscal Charges	-	103,250	-	-	22,468	573,833	699,551
Capital Outlay	-	-	-	7,641,453	7,487,545	5,199,301	20,328,299
Total Expenditures	<u>64,482,430</u>	<u>1,296,348</u>	<u>16,026,352</u>	<u>8,404,880</u>	<u>10,525,212</u>	<u>11,831,052</u>	<u>112,566,274</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>4,833,626</u>	<u>(1,203,141)</u>	<u>9,606,500</u>	<u>(1,562,932)</u>	<u>(2,070,096)</u>	<u>(1,441,558)</u>	<u>8,162,399</u>
Other Financing Sources (Uses)							
Proceeds from sale of capital assets	-	-	-	-	-	-	-
Transfer In	209,758	-	-	369,902	7,900,000	2,470,947	10,950,607
Transfer Out	(1,970,947)	(3,000)	(10,400,000)	-	(6,044,902)	(166,000)	(18,584,849)
Issuance of Debt	-	-	-	-	-	12,410,000	12,410,000
Payment to Refunding Bond Escrow	-	-	-	-	-	(12,599,628)	(12,599,628)
Premium on Bond Issuance	-	-	-	-	-	297,149	297,149
Total Other Financing Sources (Uses)	<u>(1,761,189)</u>	<u>(3,000)</u>	<u>(10,400,000)</u>	<u>369,902</u>	<u>1,855,098</u>	<u>2,412,468</u>	<u>(7,526,721)</u>
Net Change in Fund Balances	3,072,437	(1,206,141)	(793,500)	(1,193,030)	(214,998)	970,910	635,678
Fund Balances at Beginning of Year	53,220,922	(11,516,126)	21,356,215	(5,572,932)	8,232,821	10,244,653	75,965,553
Fund Balances at End of Year	<u>\$ 56,293,359</u>	<u>\$ (12,722,267)</u>	<u>\$ 20,562,715</u>	<u>\$ (6,765,962)</u>	<u>\$ 8,017,823</u>	<u>\$ 11,215,563</u>	<u>\$ 76,601,231</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, 2018

Net Change in Fund Balances - Total Governmental Funds \$ 635,678

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	\$ 18,436,987	
Depreciation	(8,155,669)	
Loss on disposal of capital assets	<u>(2,044,656)</u>	
Capital Expenditures in Excess of Depreciation and other transactions		8,236,662

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. 992,436

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	(436,445)	
Accretion of Interest on Capital Appreciation Bonds	(615,605)	
Change in Accrued Interest Payable	(1,749)	
Change in Other Post Employment Benefits (OPEB)	(82,066)	
Change in Pension Liability and Deferral Items	<u>(36,707,708)</u>	
Total Expenses of Non-current Resources		(37,843,573)

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	935,000	
TIF General Obligation Bonds Payable	3,940,000	
TIF Revenue Bonds Payable	72,152	
Installment Notes Payable	12,500	
Payment to Refunding Escrow	12,599,628	
Amortization of Premiums, Discounts, & Loss on Refunding	<u>(238,590)</u>	
Net Adjustment		4,910,690

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. (505,630)

Change in Net Position of Governmental Activities \$ (23,573,737)

CITY OF DES PLAINES, ILLINOIS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
December 31, 2018

	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	\$ 71,470	\$ 1,124,425	\$ 1,195,895	\$ 203,699
Receivables (Net)				
Accounts	2,962,373	-	2,962,373	-
Other	-	20,429	20,429	8,155
Prepaid Items	-	-	-	5,372,106
Inventories	202,923	-	202,923	-
Total Current Assets	<u>3,236,766</u>	<u>1,144,854</u>	<u>4,381,620</u>	<u>5,583,960</u>
Noncurrent Assets				
Capital Assets				
Capital Assets Not Being Depreciated	765,605	1,657,942	2,423,547	-
Capital Assets Being Depreciated, Net	35,174,001	6,664,717	41,838,718	-
Total Noncurrent Assets	<u>35,939,606</u>	<u>8,322,659</u>	<u>44,262,265</u>	<u>-</u>
TOTAL ASSETS	<u>39,176,372</u>	<u>9,467,513</u>	<u>48,643,885</u>	<u>5,583,960</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Pension Outflows	<u>1,891,721</u>	<u>-</u>	<u>1,891,721</u>	<u>-</u>
LIABILITIES				
Current Liabilities				
Accounts Payable	2,440,398	50,359	2,490,757	73,292
Accrued Liabilities	68,978	-	68,978	-
Unearned Revenue	170,348	-	170,348	28,263
Long-term Obligations, Due Within One Year				
Compensated Absences	143,331	-	143,331	-
Total Current Liabilities	<u>2,823,055</u>	<u>50,359</u>	<u>2,873,414</u>	<u>101,555</u>
Noncurrent Liabilities				
Advances from Other Funds	164,063	-	164,063	673,004
Long-term Obligations, Due in More Than One Year				
Total OPEB Liability	1,088,906	-	1,088,906	-
Net Pension Liability	2,825,374	-	2,825,374	-
Compensated Absences	97,433	-	97,433	-
Total Noncurrent Liabilities	<u>4,175,776</u>	<u>-</u>	<u>4,175,776</u>	<u>673,004</u>
TOTAL LIABILITIES	<u>6,998,831</u>	<u>50,359</u>	<u>7,049,190</u>	<u>774,559</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred Pension Inflows	<u>402,501</u>	<u>-</u>	<u>402,501</u>	<u>-</u>
NET POSITION				
Net Investment in Capital Assets	35,939,606	8,322,659	44,262,265	-
Unrestricted	(2,272,845)	1,094,495	(1,178,350)	4,809,401
TOTAL NET POSITION	<u>\$ 33,666,761</u>	<u>\$ 9,417,154</u>	<u>43,083,915</u>	<u>\$ 4,809,401</u>
Adjustment to Reflect the Consolidation of Internal Service Funds Activities				
Related to Enterprise Funds			348,952	
Net Position of Business-type Activities			<u>\$ 43,432,867</u>	

CITY OF DES PLAINES, ILLINOIS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
Year Ended December 31, 2018

	Business-Type Activities - Enterprise Funds			Governmental Activities
	Major Funds		Total Enterprise Funds	Internal Service Funds
	Water/Sewer	Parking System		
Operating Revenues				
Charges for Services	\$ 14,881,022	\$ 334,777	\$ 15,215,799	\$ 10,359,762
Miscellaneous	186,173	-	186,173	135,266
Total Operating Revenues	<u>15,067,195</u>	<u>334,777</u>	<u>15,401,972</u>	<u>10,495,028</u>
Operating Expenses				
Salaries	2,974,070	-	2,974,070	9,209
Benefits	1,296,812	-	1,296,812	1,755
Contractual Services	1,049,407	96,699	1,146,106	-
Commodities	6,583,932	139,968	6,723,900	-
Capital Outlay	315,404	17,695	333,099	-
Claims Expense	-	-	-	7,295,967
Insurance and Processing Fees	-	-	-	3,613,872
Miscellaneous	-	-	-	146,537
Depreciation	1,568,562	653,621	2,222,183	-
Total Operating Expenses	<u>13,788,187</u>	<u>907,983</u>	<u>14,696,170</u>	<u>11,067,340</u>
Operating Income (Loss)	<u>1,279,008</u>	<u>(573,206)</u>	<u>705,802</u>	<u>(572,312)</u>
Nonoperating Revenues and (Expenses)				
Intergovernmental	8,870	-	8,870	-
Total Nonoperating Revenues and (Expenses)	<u>8,870</u>	<u>-</u>	<u>8,870</u>	<u>-</u>
Income (Loss) Before Transfers	<u>1,287,878</u>	<u>(573,206)</u>	<u>714,672</u>	<u>(572,312)</u>
Transfers				
Transfers In	7,670,758	-	7,670,758	-
Transfers Out	-	(36,516)	(36,516)	-
Total Transfers	<u>7,670,758</u>	<u>(36,516)</u>	<u>7,634,242</u>	<u>-</u>
Change in Net Position	8,958,636	(609,722)	8,348,914	(572,312)
Net Position at Beginning of Year, as restated	<u>24,708,125</u>	<u>10,026,876</u>	<u>34,735,001</u>	<u>5,381,713</u>
Net Position at End of Year	<u>\$ 33,666,761</u>	<u>\$ 9,417,154</u>	43,083,915	<u>\$ 4,809,401</u>
Adjustment to Reflect the Consolidation of Internal Service Funds Activities Related to Enterprise Funds			<u>(66,682)</u>	
Change in Net Position of Business-type Activities			<u>\$ 8,282,232</u>	

CITY OF DES PLAINES, ILLINOIS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended December 31, 2018

	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	\$ 15,116,755	\$ 439,758	\$ 15,556,513	\$ 10,275,601
Receipts from Miscellaneous Revenues	197,341	-	197,341	135,266
Cash Payments to Suppliers for Goods and Services	(7,590,274)	(239,301)	(7,829,575)	(11,003,768)
Cash Payments to Employees for Services	(4,437,427)	-	(4,437,427)	(10,964)
Net Cash Provided/(Used) by Operating Activities	<u>3,286,395</u>	<u>200,457</u>	<u>3,486,852</u>	<u>(603,865)</u>
Cash Flows from Noncapital Financing Activities				
Transfers In	7,670,758	-	7,670,758	-
Transfers Out	-	(36,516)	(36,516)	-
Interfund Advances	(5,886,220)	-	(5,886,220)	458,998
Proceeds from Operating Grants	8,870	-	8,870	-
Net Cash Provided/(Used) by Noncapital Financing Activities	<u>1,793,408</u>	<u>(36,516)</u>	<u>1,756,892</u>	<u>458,998</u>
Cash Flows from Capital and Related Financing Activities				
Acquisition and Construction of Capital Assets	(5,008,333)	-	(5,008,333)	-
Net Cash Provided/(Used) by Capital and Related Financing Activities	<u>(5,008,333)</u>	<u>-</u>	<u>(5,008,333)</u>	<u>-</u>
Net Increase (Decrease) in Cash & Investments Cash & Investments, Beginning of Year	71,470 -	163,941 960,484	235,411 960,484	(144,867) 348,566
Cash & Investments, End of Year	<u>\$ 71,470</u>	<u>\$ 1,124,425</u>	<u>\$ 1,195,895</u>	<u>\$ 203,699</u>
Reconciliation of Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities				
Operating Income/(Loss)	\$ 1,279,008	\$ (573,206)	\$ 705,802	\$ (572,312)
Adjustments to Reconcile Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities				
Depreciation	1,568,562	653,621	2,222,183	-
Decrease (Increase) in Receivables	235,733	104,981	340,714	(6,676)
Decrease (Increase) in Prepaid Items	-	-	-	(5,450)
Decrease (Increase) in Inventories	(17,708)	-	(17,708)	-
Decrease in Deferred Outflows - Pension	(1,815,320)	-	(1,815,320)	-
(Decrease) Increase in Accounts Payable	376,177	15,061	391,238	58,058
(Decrease) Increase in Accrued Liabilities	(14,698)	-	(14,698)	-
(Decrease) Increase in Unearned Revenue	11,168	-	11,168	(77,485)
(Decrease) Increase in Total OPEB Liability	(60,651)	-	(60,651)	-
(Decrease) Increase in Net Pension Liability	3,106,152	-	3,106,152	-
Increase in Deferred Inflows - Pension	(1,359,785)	-	(1,359,785)	-
(Decrease) Increase in Compensated Absences Payable	(22,243)	-	(22,243)	-
Total Adjustments	<u>2,007,387</u>	<u>773,663</u>	<u>2,781,050</u>	<u>(31,553)</u>
Net Cash Provided/(Used) by Operating Activities	<u>\$ 3,286,395</u>	<u>\$ 200,457</u>	<u>\$ 3,486,852</u>	<u>\$ (603,865)</u>
Noncash Capital and Related Financing Activities				
Capital assets included in accounts payable	\$ 1,232,898	\$ -	\$ 1,232,898	\$ -

CITY OF DES PLAINES, ILLINOIS
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
December 31, 2018

	Pension Trust Funds	Agency Fund
ASSETS		
Cash and Cash Equivalents	\$ 6,775,504	\$ 680,732
Investments		
U.S. Government and Agency Obligations	23,877,458	-
State and Local Obligations	773,561	-
Corporate Bonds	21,666,726	-
Mutual Funds	41,250,396	-
Stocks	42,313,206	-
Insurance Contracts	1,531	-
Receivables (Net)		
Accrued Interest	356,871	-
Other	-	42,975
Prepaid Items	17,306	-
TOTAL ASSETS	\$ 137,032,559	\$ 723,707
LIABILITIES AND NET POSITION		
Liabilities		
Accounts Payable	97,825	34,481
Due to Governmental Funds	-	10,168
Deposits Payable	-	679,058
Total Liabilities	97,825	\$ 723,707
Net Position		
Restricted for Pensions	\$ 136,934,734	
TOTAL LIABILITIES AND NET POSITION	\$ 137,032,559	

CITY OF DES PLAINES, ILLINOIS
STATEMENT OF CHANGES IN PLAN NET POSITION
PENSION TRUST FUNDS
Year Ended December 31, 2018

	Pension Trust Funds
Additions	
Contributions	
Employer	\$ 10,625,365
Plan Members	1,893,236
Total Contributions	12,518,601
Investment Income	(12,925,157)
Less Investment Expense	(640,554)
Net Investment Income	(13,565,711)
Total Additions	(1,047,110)
Deductions	
Administration	147,490
Benefits and Refunds	15,546,504
Total Deductions	15,693,994
Net Increase in Net Position	(16,741,104)
Plan Net Position at Beginning of Year	153,675,838
Plan Net Position at End of Year	\$ 136,934,734

CITY OF DES PLAINES, ILLINOIS
INDEX TO NOTES TO FINANCIAL STATEMENTS
December 31, 2018

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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
Facilities 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, 2018.

(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, 2018, the City had 33% invested in cash, 63% invested in Illinois Funds and money market mutual funds, 3% invested in IMET, and 1% 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, 2018, the Police Pension Trust Fund had 7% invested in cash, 32% invested in fixed income securities, 34% in mutual funds, 0% in foreign equities, 0% in insurance contracts and 27% in equities.

The Firefighter Pension Fund investment policy places a minimum of 2% and maximum of 20% concentration on cash, a minimum of 30% and maximum of 68% on fixed income securities, a minimum of 0% and maximum of 10% on mutual funds, a minimum of 10% and maximum of 20% on foreign equities, and a minimum of 20% and maximum of 40% on equities. As of December 31, 2018, the Firefighter Pension Trust Fund had 3% invested in cash, 35% invested in fixed income securities, 35% in mutual funds, 0% in foreign equities and 27% 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, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Receivables: Property taxes for levy year 2017 attach as an enforceable lien on January 1, 2017, 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 2017 are collected during the 2018 calendar year.

Tax bills are prepared by the County and issued on or about February 1, 2018 and August 1, 2018, and are payable in two installments, on or about March 1, 2018 and September 1, 2018 or within 30 days of the tax bills being issued.

The County collects such taxes and remits them periodically. The 2018 property tax levy is recognized as a receivable and deferred inflow of resources in fiscal year 2018, net the allowance for uncollectible. As the taxes become available to finance current expenditures, they are recognized as revenues. At December 31, 2018, the property taxes receivable and deferred inflow of resources consisted of the estimated amount collectible from the 2018 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, 2018.

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, 2018

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, 2018

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, 2018 of \$3,247,706, 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, 2018, 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, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fiduciary fund equity for the pension plans is legally restricted for pensions and the City believes it is in compliance with this restriction.

NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

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

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

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

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America and modified accrual basis of accounting for all governmental funds and accrual basis of accounting for all proprietary funds, except the Asset Seizure and Foreign Fire Insurance Tax funds, which are not budgeted.

Excess Expenses/Expenditures over Appropriations:

<u>Funds</u>	<u>Budgeted Expenses/ Expenditures</u>	<u>Actual Expenses/ Expenditures</u>	<u>Excess Expenses/ Expenditures Over Budget</u>
Gaming Tax	\$ 15,400,000	\$ 16,026,352	\$ (626,352)
Motor Fuel Tax	1,166,000	1,362,809	(196,809)
Community Development Block Grant	375,829	397,451	(21,622)
TIF #7 (Mannheim/Higgins)	103,390	1,469,881	(1,366,491)
Equipment Replacement	1,345,100	1,745,054	(399,954)
Parking System	242,800	254,362	(11,562)

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, 2018

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

As of December 31, 2018, the following individual funds held a deficit balance:

<u>Fund</u>	<u>Amount</u>
Community Development Block Grant	\$ 8,087
TIF #3 (Wille Road)	3,369,967
TIF #6 (Mannheim/Higgins)	12,722,267
TIF #7 (Mannheim/Higgins)	1,879,311
Grant Funded Projects	6,765,962

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	35,042,438	35,689,287	Custodial
Illinois funds	56,719,407	56,719,407	Credit, interest rate
U.S. government and agency obligations	24,048,336	24,048,336	Custodial, credit, interest rate concentration of credit
State and local obligations	4,254,234	4,254,234	Custodial, interest rate, concentration of credit
Money market mutual funds	16,143,555	16,143,555	Credit, interest rate
Mutual funds	41,250,396	41,250,396	Credit
Corporate bonds	21,666,726	21,666,726	Custodial, credit, interest rate concentration of credit
Common and preferred stock	42,313,206	42,313,206	Custodial, concentration of credit
Insurance contracts	<u>1,531</u>	<u>1,531</u>	Custodial, credit, concentration of credit
Total deposits and investments	<u>\$ 241,443,179</u>	<u>\$ 242,090,028</u>	

(Continued)

CITY OF DES PLAINES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2018

NOTE 3 - DEPOSITS AND INVESTMENTS (Continued)

Reconciliation To Financial Statements:

Per statement of net position	
Cash and investments	\$ 104,104,065
Per statement of fiduciary net position - fiduciary funds	
Cash - agency	680,732
Cash - pension	6,775,504
U.S. government and agency obligations	23,748,343
Mutual funds	41,250,396
Corporate bonds	21,666,726
Stocks	42,313,206
Insurance contracts	1,531
State and local obligations	902,676
Total deposits and investments	\$ 241,443,179

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, 2018, 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	\$ 296,957	\$ 1,641,303	\$ -	\$ 150,740	\$ 1,262,558	\$ 3,351,558
Illinois funds	56,719,407	-	-	-	-	56,719,407
U.S. Government Agencies	-	299,993	-	-	-	299,993

<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	\$ -	\$ 575,361	\$ -	\$ -	\$ 10,056,312	\$ 10,631,673
State and Local Obligations	-	310,369	86,636	110,975	98,075	606,055
U.S. Government Agencies	-	-	-	-	238,412	238,412
Corporate Bonds	308,928	804,233	4,388,585	3,648,269	495,134	9,645,149

(Continued)

CITY OF DES PLAINES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2018

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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,743,977	\$ 11,743,977
State and Local Obligations	-	150,234	76,444	-	-	69,943	296,621
U.S. Government Agencies	-	908,194	-	-	-	226,087	1,134,281
Corporate Bonds	514,880	1,578,254	4,751,952	4,207,038	-	969,453	12,021,577

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, 2018, 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.

(Continued)

CITY OF DES PLAINES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2018

NOTE 3 - DEPOSITS AND INVESTMENTS (Continued)

As of December 31, 2018, the City's investments and pensions were as follows:

Investment Type	Maturity (in years)			
	Total	Less Than One Year	One to Five Years	Over Five Years
City				
Illinois municipal bonds	\$ 3,351,558	\$ 2,321,133	\$ 821,359	\$ 209,066
Money market mutual fund	9,468,734	9,468,734	-	-
Illinois funds	56,719,407	56,719,407	-	-
Other U.S. government agencies	<u>299,993</u>	<u>299,993</u>	<u>-</u>	<u>-</u>
City investment total	<u>69,839,692</u>	<u>68,809,267</u>	<u>821,359</u>	<u>209,066</u>
Police Pension				
U.S. Treasuries	10,631,673	162,571	4,709,521	5,759,581
State and local obligations	606,055	215,031	304,424	86,600
Money market mutual funds	4,657,867	4,657,867	-	-
Other U.S. government agencies	238,412	29,545	208,867	-
Corporate bonds	<u>9,645,149</u>	<u>853,878</u>	<u>5,305,130</u>	<u>3,486,141</u>
Police pension investment total	<u>25,779,156</u>	<u>5,918,892</u>	<u>10,527,942</u>	<u>9,332,322</u>
Fire Pension				
U.S. Treasuries	11,743,977	443,372	3,741,375	7,559,230
State and local obligations	296,621	69,943	150,234	76,444
Money market mutual funds	2,016,954	2,016,954	-	-
Other U.S. government agencies	1,134,281	-	478,020	656,261
Corporate bonds	<u>12,021,577</u>	<u>1,444,731</u>	<u>6,585,910</u>	<u>3,990,936</u>
Fire pension investment total	<u>27,213,410</u>	<u>3,975,000</u>	<u>10,955,539</u>	<u>12,282,871</u>
Totals	<u>\$ 122,832,258</u>	<u>\$ 78,703,159</u>	<u>\$ 22,304,840</u>	<u>\$ 21,824,259</u>

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

(Continued)

CITY OF DES PLAINES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2018

NOTE 3 - DEPOSITS AND INVESTMENTS (Continued)

The City and Pension Funds categorizes their fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs and are valued using a matrix pricing model; Level 3 inputs are significant unobservable inputs. The City and Pension Funds have the following recurring fair value measurements as of December 31, 2018:

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	\$ 3,351,558	\$ -	\$ 3,351,558	\$ -
Money market mutual fund	9,468,734	-	9,468,734	-
Other U.S. government agencies	<u>299,993</u>	<u>299,993</u>	-	-
City Investment Total	<u>13,120,285</u>	<u>299,993</u>	<u>12,820,292</u>	-
Police Pension				
U.S. Treasuries	10,631,673	-	10,631,673	-
State and local obligations	606,055	-	606,055	-
Money market mutual funds	4,657,867	4,657,867	-	-
Other U.S. government agencies	238,412	-	238,412	-
Corporate bonds	9,645,149	-	9,645,149	-
Mutual funds	21,734,102	21,734,102	-	-
Equity Securities	<u>17,241,226</u>	<u>17,241,226</u>	-	-
Police pension investment Total	<u>64,754,484</u>	<u>43,633,195</u>	<u>21,121,289</u>	-
Fire Pension				
U.S. Treasuries	11,743,977	-	11,743,977	-
State and local obligations	296,621	-	296,621	-
Money market mutual funds	2,016,954	2,016,954	-	-
Other U.S. government agencies	1,134,281	-	1,134,281	-
Corporate bonds	12,021,577	-	12,021,577	-
Mutual funds	19,516,294	19,516,294	-	-
Equity Securities	<u>25,071,980</u>	<u>25,071,980</u>	-	-
Fire pension investment Total	<u>71,801,684</u>	<u>46,605,228</u>	<u>25,196,456</u>	-
Totals	<u>\$ 149,676,453</u>	<u>\$ 90,538,416</u>	<u>\$ 59,138,037</u>	<u>\$ -</u>

(Continued)

CITY OF DES PLAINES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2018

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	\$ -	\$ 31,468,472	\$ -	\$ 31,468,472
Other receivables	441,032	-	282,305	723,337
Grant receivables	<u>7,294,146</u>	<u>-</u>	<u>12,789,990</u>	<u>20,084,136</u>
 Total deferred inflows/unearned revenue for governmental funds	 <u>\$ 7,735,178</u>	 <u>\$ 31,468,472</u>	 <u>\$ 13,072,295</u>	 <u>\$ 52,275,945</u>

(Continued)

CITY OF DES PLAINES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2018

NOTE 5 - CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2018, 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	\$ 27,608,189	\$ 4,029,500	\$ 1,999,000	\$ 29,638,689
Construction in progress	7,100,842	1,975,085	-	9,075,927
Land right of way	53,299,649	-	-	53,299,649
Total capital assets not being depreciated	<u>88,008,680</u>	<u>6,004,585</u>	<u>1,999,000</u>	<u>92,014,265</u>
Capital assets being depreciated				
Buildings	21,819,159	1,261,000	-	23,080,159
Improvements	46,471,866	876,088	-	47,347,954
Equipment	5,700,716	884,342	140,226	6,444,832
Vehicles	10,924,254	900,973	311,897	11,513,330
Infrastructure	174,405,168	8,509,999	-	182,915,167
Total capital assets being depreciated	<u>259,321,163</u>	<u>12,432,402</u>	<u>452,123</u>	<u>271,301,442</u>
Total capital assets	<u>347,329,843</u>	<u>18,436,987</u>	<u>2,451,123</u>	<u>363,315,707</u>
Less accumulated depreciation for				
Buildings	(11,009,773)	(466,826)	-	(11,476,599)
Improvements	(22,519,046)	(1,256,101)	-	(23,775,147)
Equipment	(3,252,970)	(385,831)	(140,226)	(3,498,575)
Vehicles	(4,759,600)	(813,933)	(266,241)	(5,307,292)
Infrastructure	(85,579,559)	(5,232,978)	-	(90,812,537)
Total accumulated depreciation	<u>(127,120,948)</u>	<u>(8,155,669)</u>	<u>(406,467)</u>	<u>(134,870,150)</u>
Net capital assets being depreciated	<u>132,200,215</u>	<u>4,276,733</u>	<u>45,656</u>	<u>136,431,292</u>
Total governmental activities capital assets, net of accumulated depreciation	<u>\$ 220,208,895</u>	<u>\$ 10,281,318</u>	<u>\$ 2,044,656</u>	<u>\$ 228,445,557</u>

Depreciation expense was charged to functions as follows:

<u>Governmental activities</u>	
General government	\$ 278,758
Public safety	649,570
Public works	1,563,251
Streets and highways	5,452,083
Economic development	212,007
	<u>\$8,155,669</u>

(Continued)

CITY OF DES PLAINES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2018

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
Construction in progress	-	531,777	-	531,777
Total capital assets not being depreciated	<u>1,891,770</u>	<u>531,777</u>	<u>-</u>	<u>2,423,547</u>
Capital assets being depreciated				
Buildings	18,966,509	-	-	18,966,509
Improvements	50,325,769	5,330,037	-	55,655,806
Equipment	795,643	75,337	36,094	834,886
Vehicles	1,427,442	135,146	-	1,562,588
Total capital assets being depreciated	<u>71,515,363</u>	<u>5,540,520</u>	<u>36,094</u>	<u>77,019,789</u>
Total capital assets	<u>73,407,133</u>	<u>6,072,297</u>	<u>36,094</u>	<u>79,443,336</u>
Less accumulated depreciation for				
Buildings	(11,585,975)	(673,278)	-	(12,259,253)
Improvements	(19,833,004)	(1,458,772)	-	(21,291,776)
Equipment	(531,521)	(39,692)	(36,094)	(535,119)
Vehicles	(1,044,482)	(50,441)	-	(1,094,923)
Total accumulated depreciation	<u>(32,994,982)</u>	<u>(2,222,183)</u>	<u>(36,094)</u>	<u>(35,181,071)</u>
Net capital assets being depreciated	<u>38,520,381</u>	<u>3,318,337</u>	<u>-</u>	<u>41,838,718</u>
Total business-type activities capital assets, net of accumulated depreciation	<u>\$ 40,412,151</u>	<u>\$ 3,850,114</u>	<u>\$ -</u>	<u>\$ 44,262,265</u>

Depreciation expense was charged to functions as follows:

<u>Business-type Activities</u>	
Parking	\$ 653,621
Water/Sewer	1,568,562
	<u>\$2,222,183</u>

(Continued)

CITY OF DES PLAINES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2018

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)	\$ 12,721,990	\$ 12,721,990	\$ -
General	Capital projects fund	14,260	14,260	-
General	Non-major governmental	4,706,521	4,706,521	-
General	Internal service funds	673,004	673,004	-
General	Water/Sewer	164,063	164,063	-
Total - Fund financial statements		<u>\$ 18,279,838</u>	<u>\$ 18,279,838</u>	<u>\$ -</u>
Less: Fund eliminations		(18,115,775)		
Less: Interfund receivables created with internal service fund eliminations		<u>(348,952)</u>		
Total internal balances - Government-wide statement of net position		<u>\$ (184,889)</u>		

Amounts due to the general fund from the TIF #6 (Mannheim/Higgins), non-major governmental and internal service, 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, 2018

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	\$ 166,000	To transfer unrestricted general fund revenues to finance programs
General	Parking system	15,758	To transfer unrestricted general fund revenues to finance programs
General	Capital projects	25,000	To transfer unrestricted general fund revenues to finance programs
General	TIF #6	3,000	To transfer unrestricted general fund revenues to finance programs
Grant funded projects	Capital projects	369,902	To transfer the City's share of grant expenses
Non-major governmental	General	220,947	To close out the Emergency Telephone System fund
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
Non-major governmental	Gaming tax	500,000	Transfer per budget for systematic replacement or renovation of capital assets
Capital projects	Gaming tax	7,900,000	Transfer per budget for infrastructure costs
Water	Gaming tax	2,000,000	Transfer per budget for water main costs
Water	Capital projects	5,650,000	Transfer per budget for infrastructure costs
Water	Parking system	20,758	To transfer general operating expenditures of the fund
Total - Fund financial statements		18,621,365	
Less: Fund eliminations		<u>(10,987,123)</u>	
Total - Government-wide statement of activities		<u>\$ 7,634,242</u>	

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

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

(Continued)

CITY OF DES PLAINES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2018

NOTE 7 - DEBT ACTIVITY

Long-Term Obligations: Long term obligations activity for the year ended December 31, 2018, 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	\$ 27,647,741	\$ 13,025,605	\$ 17,611,925	\$ 23,061,421	\$ 3,920,000
Tax increment financing revenue bonds	228,019	-	72,152	155,867	75,940
Loans payable	150,000	-	12,500	137,500	12,500
Unamortized (discounts)/premiums	129,512	297,149	87,671	338,990	-
Total bonds and notes payable	<u>28,155,272</u>	<u>13,322,754</u>	<u>17,784,248</u>	<u>23,693,778</u>	<u>4,008,440</u>
Other liabilities					
Vested compensated absences	2,570,497	2,213,427	1,776,982	3,006,942	2,009,125
Net pension liability - Police pension	77,577,955	11,389,374	-	88,967,329	-
Net pension liability - Fire pension	67,278,791	14,770,431	-	82,049,222	-
Net pension liability (asset) - IMRF	(827,686)	9,551,438	-	8,723,752	-
Total OPEB liability*	<u>13,219,900</u>	<u>-</u>	<u>697,491</u>	<u>12,522,409</u>	<u>-</u>
Total other liabilities	<u>159,819,457</u>	<u>37,924,670</u>	<u>2,474,473</u>	<u>195,269,654</u>	<u>2,009,125</u>
Total governmental activities	<u>\$ 187,974,729</u>	<u>\$ 51,247,424</u>	<u>\$ 20,258,721</u>	<u>\$ 218,963,432</u>	<u>\$ 6,017,565</u>

*Beginning balance restated, see Note 13

Governmental activities general obligation debt increases includes \$175,563 of accretion of the 2009A capital appreciation bonds and \$440,043 of accretion of the 2010B capital appreciation bonds. The 2010B capital appreciation bonds were paid off in 2018 with the issuance of Series 2018 GO Refunding Bonds.

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
<u>Business-Type Activities</u>					
Other liabilities					
Vested compensated absences	\$ 263,007	\$ 125,255	\$ 147,498	\$ 240,764	\$ 143,331
Net pension liability (asset) - IMRF	(280,778)	3,106,152	-	2,825,374	-
Total OPEB liability*	<u>1,149,557</u>	<u>-</u>	<u>60,651</u>	<u>1,088,906</u>	<u>-</u>
Total business-type activities	<u>\$ 1,131,786</u>	<u>\$ 3,231,407</u>	<u>\$ 208,149</u>	<u>\$ 4,155,044</u>	<u>\$ 143,331</u>

*Beginning balance restated, see Note 13

(Continued)

CITY OF DES PLAINES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2018

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	\$ 350,000
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	2,921,421
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	370,000 450,000 310,000 75,000
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	985,000
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	935,000 220,000 1,775,000
Series 2014A Taxable GO Refunding Bonds, due in annual installments of \$140,000 to \$355,000 Debt retired from TIF #6 fund	September 4, 2014	December 1, 2021	1.00%-2.60%	2,020,000	960,000
Series 2014B GO Refunding Bonds, due in annual installments of \$440,000 to \$1,165,000 Debt retired from TIF #3 fund	September 4, 2014	December 1, 2022	0.75%-3.00%	5,600,000	1,805,000
Series 2018 GO Refunding Bonds, due in annual installments of \$440,000 to \$2,135,000 Debt retired from TIF #3 fund	March 5, 2018	December 1, 2028	3.00%	12,410,000	<u>11,905,000</u>
Total governmental activities general obligation debt					<u>\$23,061,421</u>

(Continued)

CITY OF DES PLAINES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2018

NOTE 7 – DEBT ACTIVITY (Continued)

*A portion of the December 31, 2018 balance for the 2009A bonds represents accretion on debt from the date of issuance until December 31, 2018.

Debt service requirements to maturity are as follows (Principal Totals for Governmental Activities differs from the outstanding balance noted above in the amount of \$638,579, due to the future accretion on the 2009A Capital Appreciation Bonds):

Years	Governmental Activities General Obligation Debt	
	Principal	Interest
2019	\$ 3,920,000	\$ 572,880
2020	4,150,000	479,211
2021	3,075,000	379,952
2022	3,125,000	303,566
2023	2,590,000	260,550
2024-2028	6,840,000	479,400
	\$23,700,000	\$ 2,475,559

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 2018, TIF #1 generated a tax increment of \$4,670,662. The City has pledged future incremental tax revenues, net of specified operating expenses, to repay \$155,867 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 \$168,246. Principal and interest paid for the current year were \$72,152 and \$11,971, respectively.

Tax Increment Financing Notes at December 31, 2018, consists of the following:

	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance Outstanding
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	\$ 75,742
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	80,125
Total governmental activities tax increment financing notes					\$ 155,867

(Continued)

CITY OF DES PLAINES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2018

NOTE 7 - DEBT ACTIVITY (Continued)

Debt service requirements to maturity are as follows:

Years	Governmental Activities	
	Tax Increment Financing Notes	
	Principal	Interest
2019	\$ 75,940	\$ 8,183
2020	79,927	4,196
	\$ 155,867	\$ 12,379

Loans Payable: Loans Payable at December 31, 2018 consist of the following:

	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance Outstanding
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	\$ 137,500

Debt service requirements to maturity are as follows:

Years	Governmental Activities	
	Loans Payable	
	Principal	Interest
2019	\$ 12,500	\$ -
2020	12,500	-
2021	12,500	-
2022	12,500	-
2023	12,500	-
2024-2028	62,500	-
2029	12,500	-
	\$ 137,500	\$ -

Current Refunding: On February 22, 2018, the City issued \$12,410,000 in General Obligation Refunding Bonds, Series 2018 with an interest rate of 3% to refund \$3,650,000 of outstanding General Obligation Refunding Bonds, Series 2010A with interest rates of 3.63%-4.25% and \$9,086,925 of General Obligation Refunding Bonds, Series 2010B with interest rates of 4.00%-5.35%. The net proceeds of the bonds were used to pay off the refunded debt on March 20, 2018, therefore, the refunded debt is not considered defeased.

The City cash flow requirements on the refunded 2010A and 2010B series bonds prior to the current refunding was \$4,969,138 from 2019-2028 and \$11,630,000 from 2019-2026, respectively. The cash flow requirements on the 2018 series refunding bonds are \$14,710,326 from 2019-2028. The current refunding results in an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$1,670,547.

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.

(Continued)

CITY OF DES PLAINES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2018

NOTE 7 - DEBT ACTIVITY (Continued)

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

NOTE 8 - COMPONENT UNIT

Component Unit:

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

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

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

Deposits and Investments:

	<u>Carrying Value</u>	<u>Statement Balance</u>	<u>Associated Risks</u>
Deposits	\$ 500,279	\$ 596,383	Custodial
Illinois funds	3,637,381	3,637,381	Credit, interest rate
Petty cash	<u>500</u>	<u>-</u>	N/A
 Total deposits and investments	 <u>\$ 4,138,160</u>	 <u>\$ 4,233,764</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 \$4,138,160 at December 31, 2018, while the bank balances were \$4,233,764. 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.

(Continued)

CITY OF DES PLAINES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2018

NOTE 8 - COMPONENT UNIT (Continued)

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, 2018, the Library held \$3,637,381 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 \$3,637,381 was due upon demand.

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

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

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

Receivables and Deferred 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 2017 attach as an enforceable lien on January 1, 2017, 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, 2018 and August 1, 2018 and are payable in two installments, on or about March 1, 2018 and September 1, 2018. The County collects such taxes and remits them periodically.

(Continued)

CITY OF DES PLAINES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2018

NOTE 8 - COMPONENT UNIT (Continued)

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 2018 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 2018 grant revenue that was not received within the first 60 days of 2019 has been recorded as a deferred inflow of resources on the balance sheet.

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

Capital Assets:

<u>Component Unit</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Reclassification*</u>	<u>Ending Balance</u>
Capital assets being depreciated					
Improvements	\$ 2,419,703	\$ -	\$ -	\$ 42,209	\$ 2,461,912
Equipment	1,149,646	21,037	-	-	1,170,683
Vehicles	67,163	-	-	(42,209)	24,954
Total capital assets being depreciated	<u>3,636,512</u>	<u>21,037</u>	<u>-</u>	<u>-</u>	<u>3,657,549</u>
Less accumulated depreciation for					
Improvements	(221,655)	(82,301)	-	42,209	(261,747)
Equipment	(571,631)	(79,043)	-	-	(650,674)
Vehicles	(57,180)	(2,495)	-	(42,209)	(101,884)
Total accumulated depreciation	<u>(850,466)</u>	<u>(163,839)</u>	<u>-</u>	<u>-</u>	<u>(1,014,305)</u>
Total component unit capital assets, net of accumulated depreciation	<u>\$ 2,786,046</u>	<u>\$ (142,802)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,643,244</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, 2018 was \$310,297. During 2018, there were additions of \$133,118 and reductions of \$107,931 leaving the liability balance as of December 31, 2018 at \$335,484. The current portion of this liability is \$110,842.

Total Other Postemployment Benefits Liability: Upon the implementation of GASB Statement No. 75, the restated liability balance at January 1, 2018 was \$478,512. During 2018, there were service costs and interest of \$21,520, changes in assumptions of \$32,398 and contributions of \$28,945 leaving the liability balance as of December 31, 2018 at \$438,689. See Note 12 for further details on the plan and Note 13 for further details on the restatement of the liability as of January 1, 2018.

Illinois Municipal Retirement Fund: The net pension asset for the Library's portion at January 1, 2018 was \$242,366. During 2018, there were reductions of \$2,549,521 leaving the liability balance as of December 31, 2018 at \$2,307,155. 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
- 1/2 of the increase in the Consumer Price Index of the original pension amount.

Employees Covered by Benefit Terms: As of December 31, 2018 the following employees were covered by the benefit terms:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	486
Active Plan Members	203
Total	689

(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 2018 was 11.43%. For the fiscal year ended December 31, 2018, the City contributed \$1,641,784 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, 2018. 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, 2018 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	7.25%
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, 2018 Illinois Municipal Retirement Fund annual actuarial valuation. The investment rate of return of 7.25% is a decrease of 0.25% from the prior year rate of 7.50%. 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, 2018

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%	7.15%
International Equities	18%	7.25%
Fixed Income	28%	3.75%
Real Estate	9%	6.25%
Alternatives	7%	3.20%-8.50%
Cash Equivalents	1%	2.50%
	100%	

Discount rate: A single discount rate of 7.25% 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, 2018 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 7.25%, the municipal bond rate is 3.71%, and the resulting single discount rate is 7.25%, which is unchanged from the prior year. The fund is expected to be fully funded through December 31, 2118.

(Continued)

CITY OF DES PLAINES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2018

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 12/31/17	\$ 93,063,802	\$ 94,172,265	\$ (1,108,463)
Changes for the year:			
Service cost	1,187,107	-	1,187,107
Interest	6,940,855	-	6,940,855
Actuarial experience	(471,410)	-	(471,410)
Assumption changes	2,600,030	-	2,600,030
Contributions - Employer	-	1,368,418	(1,368,418)
Contributions - Employee	-	538,748	(538,748)
Net investment income	-	(5,360,110)	5,360,110
Benefit payments, including refunds	(5,154,537)	(5,154,537)	-
Change in proportionate share	(17,445)	-	(17,445)
Other (net transfer)	-	1,034,492	(1,034,492)
Net changes	<u>5,084,600</u>	<u>(7,572,989)</u>	<u>12,657,589</u>
Balances at 12/31/18	<u>\$ 98,148,402</u>	<u>\$ 86,599,276</u>	<u>\$ 11,549,126</u>

	Increase (Decrease)		
	Total Pension	Plan Fiduciary	Net Pension
	Liability	Net Position	(Asset)/Liability
	(a)	(b)	(a) - (b)
Component unit:			
Balances at 12/31/17	\$ 20,348,472	\$ 20,590,839	\$ (242,367)
Changes for the year:			
Service cost	237,147	-	237,147
Interest	1,386,566	-	1,386,566
Actuarial experience	(94,173)	-	(94,173)
Assumption changes	519,405	-	519,405
Contributions - Employer	-	273,367	(273,367)
Contributions - Employee	-	107,625	(107,625)
Net investment income	-	(1,070,783)	1,070,783
Benefit payments, including refunds	(1,029,716)	(1,029,716)	-
Change in proportionate share	17,445	-	17,445
Other (net transfer)	-	206,659	(206,659)
Net changes	<u>1,036,674</u>	<u>(1,512,848)</u>	<u>2,549,522</u>
Balances at 12/31/18	<u>\$ 21,385,146</u>	<u>\$ 19,077,991</u>	<u>\$ 2,307,155</u>

(Continued)

CITY OF DES PLAINES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2018

NOTE 9 - EMPLOYEES' RETIREMENT SYSTEM (Continued)

As reported in	
City's governmental activities	\$ 8,723,752
City's business-type activities	2,825,374
Library	2,307,155
	\$ 13,856,281

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 7.25%, 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 (6.25%) or 1-percentage-point higher (8.25%) than the current rate:

	1% Decrease	Current	1% Increase
	6.25%	Discount Rate	8.25%
	6.25%	7.25%	8.25%
Primary government	\$ 23,317,408	\$ 11,549,126	\$ 1,828,829
Component unit	4,658,090	2,307,155	365,343
City's net pension liability for the IMRF plan	\$ 27,975,498	\$ 13,856,281	\$ 2,194,172

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: For the year ended December 31, 2018, the primary government and component unit recognized pension expense of \$828,285 and \$165,466, respectively, for the IMRF plan. At December 31, 2018, 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	\$ 111,203	\$ 318,675
Assumption changes	1,726,129	1,013,423
Net difference between projected and actual earnings on pension plan investments	5,973,673	-
Change in proportionate share between City and discretely presented component unit	20,686	15,125
	\$ 7,831,691	\$ 1,347,223

(Continued)

CITY OF DES PLAINES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2018

NOTE 9 - EMPLOYEES' RETIREMENT SYSTEM (Continued)

Component unit:	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 24,315	\$ 63,770
Assumption changes	344,827	221,585
Net difference between projected and actual earnings on pension plan investments	1,118,064	-
Change in proportionate share between City and discretely presented component unit	11,582	17,143
	\$ 1,498,788	\$ 302,498

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
2019	\$ 1,830,396	\$ 327,450
2020	1,434,043	258,820
2021	729,788	112,548
2022	2,490,241	497,472
Total	\$ 6,484,468	\$ 1,196,290

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. The City does not issue separate financial statements for the pension plan.

At January 1, 2018, the date of the latest actuarial valuation, the Police Pension Plan membership consisted of:

Inactive plan members or beneficiaries currently receiving benefits	114
Inactive plan members entitled to but not yet receiving benefits	1
Active plan members	96
Total	211

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, 2018, the City's contribution was 55.7% 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, 2018, 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, 2018 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, 2018

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	4.10%
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	RP-2014 Adjusted for Plan Status, Collar, and Illinois Public Pension Data, as Appropriate
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 3.44% to 4.10% 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. 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 (CPI-U) for the prior September. The CPI-U for September 1985 was 108.3. The CPI-U for September 2018 was 252.4. The average increase in the CPI-U for September 1985 through September 2018 was 2.61% (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, 2018

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 27, 2018 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%. 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, 2018

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	\$ 110,377,596	\$ 88,967,329	\$ 71,478,162

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
	Balances at January 1, 2018	\$ 150,595,719	\$ 73,017,765
Changes for the year:			
Service cost	2,103,061	-	2,103,061
Interest	9,905,568	-	9,905,568
Actuarial experience	(1,007,564)	-	(1,007,564)
Assumptions changes	-	-	-
Contributions - employer	-	5,484,051	(5,484,051)
Contributions - employee	-	975,468	(975,468)
Contributions - other	-	39,596	(39,596)
Net investment income	-	(6,810,962)	6,810,962
Benefit payments, including refunds	(7,693,120)	(7,693,120)	-
Administrative expense	-	(76,463)	76,463
Net changes	3,307,945	(8,081,430)	11,389,375
Balances at December 31, 2018	\$ 153,903,664	\$ 64,936,335	\$ 88,967,329

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: For the year ended December 31, 2018 the City recognized pension expense of \$9,445,234 for the Police Pension plan. At December 31, 2018, 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	\$ 822,976	\$ 839,918
Changes of assumptions	3,356,934	499,185
Net difference between projected and actual earnings on investments	6,871,430	-
Total	\$ 11,051,340	\$ 1,339,103

(Continued)

CITY OF DES PLAINES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2018

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
2019	\$ 3,261,024
2020	2,170,434
2021	1,994,140
2022	2,455,965
2023	(167,648)
Thereafter	(1,678)
Total	<u>\$ 9,712,237</u>

Rate of return: For the year ended December 31, 2018, the annual money-weighted rate of return on the Police Pension Plan’s assets, net of pension plan investment expense, was (9.33)%. 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. The City does not issue separate financial statements for the pension plan.

At January 1, 2018, the date of the latest actuarial valuation, the Firefighters’ Pension Plan membership consisted of:

Inactive plan members or beneficiaries currently receiving benefits	106
Inactive plan members entitled to but not yet receiving benefits	1
Active plan members	<u>92</u>
Total	<u>199</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, 2018

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, 2018, 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, 2018, the City's contribution was 55.5% 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, 2018, 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, 2018 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	4.10%
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, 2018

NOTE 9 - EMPLOYEES' RETIREMENT SYSTEM (Continued)

Actuarial Assumptions (demographic)

Mortality table	RP-2014 Adjusted for Plan Status, Collar, and Illinois Public Pension Data, as appropriate.
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 the assumption study prepared by Lauterbach & Amen, LLP in 2016. The table combines observed experience of Illinois Firefighters with the RP-2014 study, with Blue Collar Adjustment, and improved generationally using the MP-2016 Improvement Rates. 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 3.44% to 4.10% 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. 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 (CPI-U) for the prior September. The CPI-U for September 1985 was 108.3. The CPI-U for September 2018 was 252.4. The average increase in the CPI-U for September 1985 through September 2015 was 2.61% (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:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
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, 2018

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 27, 2018 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%. 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	\$ 102,885,992	\$ 82,049,222	\$ 64,954,289

(Continued)

CITY OF DES PLAINES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2018

NOTE 9 - EMPLOYEES' RETIREMENT SYSTEM (Continued)

	Increase (Decrease)		
	Total Pension	Plan Fiduciary	Net Pension
	Liability	Net Position	Liability
	(a)	(b)	(a) - (b)
Balances at January 1, 2018	\$ 147,936,862	\$ 80,658,073	\$ 67,278,789
Changes for the year:			
Service cost	2,101,377	-	2,101,377
Interest	9,720,687	-	9,720,687
Actuarial experience	2,142,079	-	2,142,079
Assumptions changes	-	-	-
Contributions - employer	-	5,141,314	(5,141,314)
Contributions - employee	-	878,172	(878,172)
Net investment income	-	(6,754,749)	6,754,749
Benefit payments, including refunds	(7,853,384)	(7,853,384)	-
Administrative expense	-	(71,027)	71,027
Net changes	<u>6,110,759</u>	<u>(8,659,674)</u>	<u>14,770,433</u>
Balances at December 31, 2018	<u>\$ 154,047,621</u>	<u>\$ 71,998,399</u>	<u>\$ 82,049,222</u>

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: For the year ended December 31, 2018 the City recognized pension expense of \$10,033,337 for the Firefighters' Pension plan. At December 31, 2018, the City reported deferred inflows of resources and deferred outflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources
Differences between expected and actual experience	\$ 3,530,193
Changes of assumptions	4,059,138
Net difference between projected and actual earnings on investments	6,833,292
Total	<u>\$ 14,422,623</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
2019	\$ 4,398,549
2020	3,213,127
2021	2,430,955
2022	3,573,818
2023	653,642
Thereafter	152,532
Total	<u>\$ 14,422,623</u>

(Continued)

CITY OF DES PLAINES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2018

NOTE 9 - EMPLOYEES' RETIREMENT SYSTEM (Continued)

Rate of return: For the year ended December 31, 2018, the annual money-weighted rate of return on the Firefighters' Pension Plan's assets, net of pension plan investment expense, was (8.46)%. 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	\$ 2,055,209	\$ 4,720,295	\$ 6,775,504
Investments			
U.S. government and agency obligations	12,878,258	10,999,200	23,877,458
Mutual funds	296,621	476,940	773,561
Corporate bonds	12,021,577	9,645,149	21,666,726
Stocks	19,516,294	21,734,102	41,250,396
State and local obligations	25,071,980	17,241,226	42,313,206
Insurance contracts	-	1,531	1,531
Accrued interest	196,492	160,379	356,871
Prepaid items	8,726	8,580	17,306
Total assets	<u>72,045,157</u>	<u>64,987,402</u>	<u>137,032,559</u>
Liabilities			
Accounts payable	46,758	51,067	97,825
Total liabilities	<u>46,758</u>	<u>51,067</u>	<u>97,825</u>
Net position	<u>\$ 71,998,399</u>	<u>\$ 64,936,335</u>	<u>\$ 136,934,734</u>

(Continued)

CITY OF DES PLAINES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2018

NOTE 9 - EMPLOYEES' RETIREMENT SYSTEM (Continued)

Changes in Plan Net Position:

	Pension Trust		Totals
	Firefighters' Pension	Police Pension	
Additions			
Contributions			
Employer	\$ 5,141,314	\$ 5,484,051	\$ 10,625,365
Plan members	878,172	1,015,064	1,893,236
Total contributions	6,019,486	6,499,115	12,518,601
Investment Income	(6,433,497)	(6,491,660)	(12,925,157)
Less investment expense	(321,252)	(319,302)	(640,554)
Net investment income	(6,754,749)	(6,810,962)	(13,565,711)
Total additions	(735,263)	(311,847)	(1,047,110)
Deductions			
Administration	71,027	76,463	147,490
Benefits and refunds	7,853,384	7,693,120	15,546,504
Total deductions	7,924,411	7,769,583	15,693,994
Change in plan net position	(8,659,674)	(8,081,430)	(16,741,104)
Plan net position, beginning of year	80,658,073	73,017,765	153,675,838
Plan net position, end of year	\$ 71,998,399	\$ 64,936,335	\$ 136,934,734

Summary:

	IMRF	Police	Firefighters'	Total
Net Pension Liability (Asset)	\$ 13,856,281	\$ 88,967,329	\$ 82,049,222	\$ 184,872,832
Deferred Outflows of Resources	9,330,479	4,179,910	7,589,331	21,099,720
Deferred Inflows of Resources	1,649,721	9,032,651	6,833,292	17,515,664
Pension Expense	993,751	9,445,234	10,033,337	20,472,322

	Primary Government	Component Unit	Total
Net Pension Liability (Asset)	\$ 182,565,677	\$ 2,307,155	\$ 184,872,832
Deferred Pension Outflows	19,600,932	1,498,788	21,099,720
Deferred Pension Inflows	17,213,166	302,498	17,515,664
Pension Expense	20,306,856	165,466	20,472,322

(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. 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. The City has seen a reduction in claim cost.

Self-Insurance: The City is self-insured for Dental. For dental claims, the City offers optional dental insurance to all of its employees and any dependents. Employees opting for this coverage pay 12% 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	\$ -	\$ -
Current year claims and changes in estimates	481,544	512,557
Claim payments	<u>(481,544)</u>	<u>(512,557)</u>
Unpaid claims - end of year	<u>\$ -</u>	<u>\$ -</u>

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

Intergovernmental Personnel Benefit Cooperative: The Health Benefits Fund was established to account for the financial transactions of self-insured employee and retiree health benefits. In 2003 the City joined the Intergovernmental Personnel Benefit Cooperative (IPBC), a self-insured governmental insurance pool consisting of 130 municipalities. The IPBC provides the City with consulting, legal, and auditing services for its health (i.e., PPO and HMO), dental, optical, 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. Effective May 1, 2018 the City began purchasing excess liability insurance through MICA up to \$15,000,000. MICA also provides crime and cyber coverage. 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 participated 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 began purchasing excess liability coverage through MICA.

(Continued)

CITY OF DES PLAINES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2018

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
Consultant-River Rd Reconstruction	\$ 199,335	\$ 1,948,345
R-141-18 Contract 62267 River Rd Recon	3,141,682	18,361,360
R-79-18 Construction 2018 CIP Contract C Street Resurfacing	446,892	50,324
Contractor-DP River Rd Recon Ph 2	14,345,473	854,527
US 14 @ Broadway Intersection Improvements	123,723	329,562
Construction - Golf Rd / Cumberland Circle	537,612	532,112
Construction-Ballard Rd Sidewalk/Sidepath	59,279	47,856
Contractor -FEMA 1935 & 4116 Home Demolition	853,826	346,174
Contractor-Orchard Pl Improvements	1,603,550	223,500
R-131-16 Contractor-Lee St Streetscape Ph3	2,194,916	469,785
R-182-18 Contractor-2018 CIP Contract D Alleys Improvement:	794,745	180,001
R-24-18 Contractor US 12/45 Roadway & St Lighting	305,117	117,724
R-88-18 Contractor-2018 CIP Cont B St & Utilities	3,986,499	987,954
R-103-18 Contractor 2018 CIP Cont A St and Utility	3,810,616	479,537
R-90-17 & R-158-18-2017 CIP Concrete & Alley Improvements	1,988,645	46,220
R-109-18 Contractor 2018 CIP Concrete	892,214	203,246
Maple Street PS Disinfection Improvements	478,600	81,400
River Rd Sewer Lining	328,127	41,492
2018 Sewer Lining	147,611	201,265
	<u>\$ 36,238,462</u>	<u>\$ 25,502,384</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, 2018

NOTE 12 - OTHER POSTEMPLOYMENT BENEFITS

City of Des Plaines, Illinois Postretirement Health Plan: 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.

At January 1, 2018, the date of the latest actuarial valuation, the OPEB's Plan membership consisted of:

Inactive plan members or beneficiaries currently receiving benefits	87
Inactive plan members entitled to but not yet receiving benefits	-
Active plan members	322
Total	409

Contributions: The City's plan does not have an actuarially determined contribution as the current total OPEB Liability is an unfunded obligation. The City does not have a trust dedicated to the payment of OPEB benefits. The City did make contributions from other City resources for the year ended December 31, 2018 of \$658,812.

Total OPEB Liability: The City's total OPEB liability was measured as of December 31, 2018 and the total OPEB liability was determined by an actuarial valuation as of the prior year using the following actuarial methods and assumptions:

Actuarial Assumptions (economic)

Discount rate used for the total OPEB liability	4.10%
High quality 20 year tax-exempt G.O. bond rate	4.10%
Projected individual salary increases	3.00%
Premium ranges - claims	\$5,677 - \$19,840
Blended premium rates ranges	\$5,907 - \$10,558
Initial healthcare cost trend rate	6.00%
Ultimate healthcare cost trend rate	5.00%

(Continued)

CITY OF DES PLAINES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2018

NOTE 12 - OTHER POSTEMPLOYMENT BENEFITS (Continued)

Actuarial Assumptions (demographic)

Mortality table	RP-2014 Study, with Blue Collar Adjustment. Improved generationally using MP-2016 Improvement Rates.
Retirement rates	IMRF 2017 for IMRF Employees. 100% of the L&A Assumption Study Cap Age 65 for Firefighters and Police 2016 as follows: 6.80% at age 50, scaling up to 15.60% at age 55 for Firefighters and 11.17% at age 50, scaling up to 15.60% at age 55 for Police.
Termination rates	IMRF 2017 for IMRF Employees. 100% of the L&A Assumption Study for Firefighters and Police 2016 as follows: 4.60% at age 25, scaling up to 0.00% at age 50 for Firefighters and 4.10% at age 25, scaling up to 0.30% at age 50 for Police.
Disability rates	IMRF 2017 for IMRF Employees. 100% of the L&A Assumption Study for Firefighters and Police 2016 as follows: 0.01% at age 25, scaling up to 0.92% at age 50 for Firefighters and 0.05% at age 25, scaling up to 0.64% at age 50 for Police.
Marriage	50.00% of employees were assumed to elect spousal coverage and Females were assumed to be three years younger than males.
Participation rate	60.00% of employees currently enrolled in medical plans were assumed to participate in the plan. If an employee has waived active medical coverage, it is assumed they will elect coverage in the retiree medical plan as one-third the rate of active employees, 20.00%.

All rates shown in the economic assumptions are assumed to be annual rates, compounded on an annual basis. Mortality rates are based on the Sex Distinct Raw Rates as developed in the RP-2014 Study, with Blue Collar Adjustment, and the assumption study prepared by Lauterbach & Amen, LLP in 2016. The table combines observed experience of retiree Illinois Firefighters and Police with the RP-2014 study, with Blue Collar Adjustment, and improved generationally using the MP-2016 Improvement Rates. Other demographic assumption rates are based on a review of assumptions in the L&A 2016 study for retiree Illinois Firefighters and Police.

Assumption changes: The assumed rate on High Quality 20 Year Tax-Exempt G.O. Bonds was changed from 3.44% to 4.10% 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. There were no significant changes in demographic assumptions.

Discount rate: The discount rate used to measure the total OPEB liability was 4.10% for determining the liability. The discount rate for unfunded plans must be based on a yield or index rate for a 20-year, tax-exempt general obligation municipal bonds. The underlying index used is the Bond Buyer 20-Bond Go Index as of December 27, 2018. 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.

(Continued)

CITY OF DES PLAINES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2018

NOTE 12 - OTHER POSTEMPLOYMENT BENEFITS (Continued)

Changes in the Net OPEB Liability:

	Increase (Decrease)
	Total OPEB
	Liability
Balances at January 1, 2018	\$ 14,369,457
Changes for the year:	
Service cost	371,585
Interest	483,284
Actuarial experience	-
Assumptions changes	(954,199)
Contributions - employer	-
Contributions - employee	-
Net investment income	-
Benefit payments, including refunds	(658,812)
Administrative expense	-
Net changes	(758,142)
Balances at December 31, 2018	\$ 13,611,315

OPEB Expense: For the year ended, December 31, 2018, the City recognized OPEB expense of \$748,015.

Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB: At December 31, 2018, the City reported deferred inflows of resources and deferred outflows of resources related to OPEB from the following sources:

	Deferred Inflows of Resources
Differences between expected and actual non-investment experience	\$ -
Changes of assumptions	847,345
Total	\$ 847,345

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

Year Ended June 30	Deferred Inflows of Resources
2019	\$ (106,854)
2020	(106,854)
2021	(106,854)
2022	(106,854)
2023	(106,854)
Thereafter	(313,075)
Total	\$ (847,345)

(Continued)

CITY OF DES PLAINES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2018

NOTE 12 - OTHER POSTEMPLOYMENT BENEFITS (Continued)

Rate Sensitivity: The following rate sensitivity analysis of the total OPEB liability to changes in the discount rate and the healthcare cost trend rate.

The table below presents the total OPEB liability of the City calculated using the discount rate of 4.10% as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate.

	1% Decrease 3.10%	Current Rate 4.10%	1% Increase 5.10%
Total OPEB Liability	\$ 15,108,116	\$ 13,611,315	\$ 12,351,358

The table below presents the total OPEB liability of the City calculated using the healthcare cost trend rate of 6.00% as well as what the City's total OPEB liability would be if it were calculated using a healthcare cost trend rate that is one percentage point lower or one percentage point higher than the current rate.

	1% Decrease 5.00%	Current Healthcare Cost Trend Rate 6.00%	1% Increase 7.00%
Total OPEB Liability	\$ 12,059,799	\$ 13,611,315	\$ 15,497,568

Des Plaines Library Postretirement Health Plan: The Library provides certain healthcare insurance benefits for retired employees. In accordance with the personnel policy, retired employees may continue to participate at their own expense in the Library's health and life insurance programs. This is a single employer plan. The Plan does not issue its own stand-alone financial statements. This option is limited as follows:

- a. It may be exercised only once, with the employee forfeiting any renewed participation upon cancellation.
- b. Participation may be in either the life and health insurance programs, or both.

At January 1, 2018, the date of the latest actuarial valuation, the OPEB's Plan membership consisted of:

Inactive plan members or beneficiaries currently receiving benefits	4
Inactive plan members entitled to but not yet receiving benefits	-
Active plan members	35
Total	39

Contributions: The Library's plan does not have an actuarially determined contribution as the current total OPEB Liability is an unfunded obligation. The Library does not have a trust dedicated to the payment of OPEB benefits. The Library did make contributions from other Library resources for the year ended December 31, 2018 of \$28,945.

Total OPEB Liability: The Library's total OPEB liability was measured as of December 31, 2018 and the total OPEB liability was determined by an actuarial valuation as of the prior year using the following actuarial methods and assumptions:

(Continued)

CITY OF DES PLAINES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2018

NOTE 12 - OTHER POSTEMPLOYMENT BENEFITS (Continued)

Actuarial Assumptions (economic)

Discount rate used for the total OPEB liability	4.10%
High quality 20 year tax-exempt G.O. bond rate	4.10%
Projected individual salary increases	2.50%
Starting per capital costs	\$7,919 - \$18,623
Blended premium rates ranges	\$6,588 - \$10,248
Initial healthcare cost trend rate	2.00%
Ultimate healthcare cost trend rate	5.00%

Actuarial Assumptions (demographic)

Mortality table	RP-2014 Study, with Blue Collar Adjustment. Improved generationally using MP-2016 Improvement Rates.
Retirement rates	Age 60 for Tier I IMRF Employees and Age 62 for Tier II IMRF Employees.
Disability rates	IMRF 2017 for IMRF Employees
Withdrawal rates	80.00% for retirees receiving medical coverage at age 65.
Marriage	25.00% of employees were assumed to elect spousal coverage and Females were assumed to be three years younger than males.
Participation rate	35.00% of employees currently enrolled in medical plans were assumed to participate in the plan. If an employee has waived active medical coverage, it is assumed they will elect coverage in the retiree medical plan as one-third the rate of active employees, 12.00%.

The retirement rates disclosed in the IMRF December 31, 2017 was used to estimate the single retirement ages shown on the previous page pursuant to the Alternative Measurement Method for GASB 74/75. For any active participant who will not meet the service requirement necessary to retire at the single retirement ages, it is assumed they have prior service with a different employer and therefore will be eligible to retire. In the current valuation, there is 1 participant impacted by this assumption. The mortality rates were used to estimate the single age at death per participant pursuant to the Alternative Measurement Method for GASB 75. The probability of working to the assumed retirement age based on the underlying termination rates detailed was determined pursuant to the Alternative Measurement Method for GASB 74/75.

Assumption changes: The assumed rate on High Quality 20 Year Tax-Exempt G.O. Bonds was changed from 3.44% to 4.10% 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. There were no significant changes in demographic assumptions.

Discount rate: The discount rate used to measure the total OPEB liability was 4.10% for determining the liability. The discount rate for unfunded plans must be based on a yield or index rate for a 20-year, tax-exempt general obligation municipal bonds. The underlying index used is the Bond Buyer 20-Bond Go Index as of December 27, 2018. 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.

(Continued)

CITY OF DES PLAINES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2018

NOTE 12 - OTHER POSTEMPLOYMENT BENEFITS (Continued)

	Increase (Decrease)
	Total OPEB Liability
Balances at January 1, 2018	\$ 478,512
Changes for the year:	
Service cost	5,545
Interest	15,975
Actuarial experience	-
Assumptions changes	(32,398)
Benefit payments, including refunds	(28,945)
Administrative expense	-
Net changes	(39,823)
Balances at December 31, 2018	\$ 438,689

OPEB Expense: For the year ended, December 31, 2018, the Library recognized OPEB expense of \$18,692.

Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB: At December 31, 2018, the Library reported deferred inflows of resources and deferred outflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual non-investment experience	\$ -	\$ -
Changes of assumptions	-	29,570
Total	\$ -	\$ 29,570

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

Year Ended June 30	Deferred Inflows of Resources
2019	\$ (2,828)
2020	(2,828)
2021	(2,828)
2022	(2,828)
2023	(2,828)
Thereafter	(15,430)
Total	\$ (29,570)

(Continued)

CITY OF DES PLAINES, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2018

NOTE 12 - OTHER POSTEMPLOYMENT BENEFITS (Continued)

Rate Sensitivity: The following rate sensitivity analysis of the total OPEB liability to changes in the discount rate and the healthcare cost trend rate.

The table below presents the total OPEB liability of the Library calculated using the discount rate of 4.10% as well as what the Library's total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate.

	1% Decrease 3.10%	Current Rate 4.10%	1% Increase 5.10%
Total OPEB Liability	\$ 489,837	\$ 438,689	\$ 396,503

The table below presents the total OPEB liability of the Library calculated using the healthcare cost trend rate of 6.00% as well as what the Library's total OPEB liability would be if it were calculated using a healthcare cost trend rate that is one percentage point lower or one percentage point higher than the current rate.

	1% Decrease (Varies)	Current Healthcare Cost Trend Rate (Varies)	1% Increase (Varies)
Total OPEB Liability	\$ 388,896	\$ 438,689	\$ 498,524

NOTE 13 – ADOPTION OF NEW ACCOUNTING PRINCIPLE

During the fiscal year ended December 31, 2018, the City implemented the requirements of GASB Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions". Statement 75 is effective for the City's fiscal year ending December 31, 2018 and requires governments providing postemployment benefits other than pensions (OPEB) to recognize their long-term obligation for OPEB as a liability for the first time, and to more comprehensively and comparably measure the annual costs. The Statement also enhances accountability and transparency through revised and new note disclosures and required supplementary information.

A specific change to the City's financial statements relates to the recognition of the City's OPEB Liabilities with a value of \$(14,847,969) that was not previously reported on the financial statements. Due to the requirements of GASB 75, these amounts are now required to be included on the City's financial statements and thus were added to the financial statements as an adjustment to governmental activities net position, business-type activities net position, and component unit net position. A reconciliation for net position from the 2017 financial statements to beginning net position as reported on the 2018 financial statements is as follows:

(Continued)

CITY OF DES PLAINES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2018

NOTE 13 – ADOPTION OF NEW ACCOUNTING PRINCIPLE (Continued)

Governmental Activities:	
Net Position, January 1, 2018, as previously reported	\$ 132,431,792
Change in Accounting Principle, GASB Statement No. 75	<u>(10,465,373)</u>
Net Position, January 1, 2018, as restated	<u>\$ 121,966,419</u>
Business-type Activities:	
Net Position, January 1, 2018, as previously reported	\$ 36,105,665
Change in Accounting Principle, GASB Statement No. 75	<u>(955,030)</u>
Net Position, January 1, 2018, as restated	<u>\$ 35,150,635</u>
Component Unit:	
Net Position, January 1, 2018, as previously reported	\$ 4,979,979
Change in Accounting Principle, GASB Statement No. 75	<u>(384,951)</u>
Net Position, January 1, 2018, as restated	<u>\$ 4,595,028</u>

NOTE 14 – TAX INCREMENT FINANCING DISTRICT

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

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

NOTE 15 - NEW ACCOUNTING PRONOUNCEMENTS

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

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

(Continued)

NOTE 15 - NEW ACCOUNTING PRONOUNCEMENTS (Continued)

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.

In June 2018, GASB issued Statement No. 89 Accounting for Interest Cost Incurred Before the End of a Construction Period. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. The requirements of this Statement is effective for the City's fiscal year ended April 30, 2021. Management has not determined what impact, if any, this statement will have on its financial statements.

In August 2018, GASB issued State No. 90 *Majority Equity Interest*. The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization to improve the relevance of financial statement information. The requirements of this Statement is effective for the City's fiscal year ended April 30, 2020. Management has not determined what impact, if any, this statement will have on its financial statements.

NOTE 16 – 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.

(Continued)

NOTE 16 – TAX ABATEMENTS (Continued)

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, 2018, the City's share of the abatement granted to the Class 6b properties was approximately \$1,153,438.

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, 2018
 With Comparative Actual Amounts for the Year Ended December 31, 2017

	2018		Variance from Final Budget Positive (Negative)	2017 Actual
	Original and Final Budget	Actual		
Revenues				
Property Taxes				
Property Taxes	\$ 12,333,150	\$ 11,869,069	\$ (464,081)	\$ 12,771,829
Police Pension	5,550,000	5,483,601	(66,399)	5,261,880
Fire Pension	5,200,000	5,140,892	(59,108)	4,916,095
Total Property Taxes	<u>23,083,150</u>	<u>22,493,562</u>	<u>(589,588)</u>	<u>22,949,804</u>
Local Taxes				
Utility Taxes	2,950,000	3,121,450	171,450	3,006,537
Gas and Use Tax	360,000	403,202	43,202	362,592
Franchise Tax	750,000	810,571	60,571	810,122
Food and Beverage Tax	1,150,000	1,346,268	196,268	1,330,150
Telecommunication Tax	2,100,000	1,869,971	(230,029)	2,054,125
Hotel/Motel Tax	2,100,000	1,995,330	(104,670)	1,908,782
Auto Rental Tax	80,000	82,261	2,261	108,515
Parking Tax	1,700	633	(1,067)	1,854
Real Estate Transfer Tax	550,000	808,982	258,982	883,175
Home Rule Sales Tax	1,400,000	1,701,183	301,183	1,603,049
PEG Fees Tax	38,000	21,156	(16,844)	24,594
Total Local Taxes	<u>11,479,700</u>	<u>12,161,007</u>	<u>681,307</u>	<u>12,093,495</u>
Licenses				
Business	370,000	514,791	144,791	198,305
Liquor	225,000	229,973	4,973	233,582
Vehicle	1,325,000	1,320,280	(4,720)	1,401,089
Other Licenses	156,750	249,181	92,431	144,633
Total Licenses	<u>2,076,750</u>	<u>2,314,225</u>	<u>237,475</u>	<u>1,977,609</u>
Permits				
Building	800,000	1,386,517	586,517	1,570,774
Other Permits	8,900	7,935	(965)	7,965
Total Permits	<u>808,900</u>	<u>1,394,452</u>	<u>585,552</u>	<u>1,578,739</u>
Intergovernmental				
State Income Tax	5,250,000	5,570,605	320,605	6,446,187
Local Use Tax	1,100,000	1,690,313	590,313	1,507,817
Personal Property Replacement Tax	1,125,000	1,213,702	88,702	1,258,212
Municipal Sales Tax	10,000,000	14,064,699	4,064,699	12,062,614
Road and Bridge Tax	200,000	224,419	24,419	224,105
Federal, State, and Local Grants	125,000	164,105	39,105	94,887
Other State Payments	400	-	(400)	94
Fire Training	-	-	-	6,975
Total Intergovernmental	<u>17,800,400</u>	<u>22,927,843</u>	<u>5,127,443</u>	<u>21,600,891</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, 2018
 With Comparative Actual Amounts for the Year Ended December 31, 2017

	2018		Variance from Final Budget Positive (Negative)	2017 Actual
	Original and Final Budget	Actual		
Charges for Services				
Ambulance Fees	\$ 1,460,000	\$ 1,813,029	\$ 353,029	\$ 1,678,218
Refuse Collection	3,150,000	3,171,589	21,589	3,044,288
Other Fees	299,750	375,475	75,725	393,075
Total Charges for Services	<u>4,909,750</u>	<u>5,360,093</u>	<u>450,343</u>	<u>5,115,581</u>
Fines and Forfeits				
Court Costs, Fees & Charges	360,000	517,170	157,170	409,085
Other Fines and Forfeits	770,800	722,172	(48,628)	909,194
Total Fines and Forfeits	<u>1,130,800</u>	<u>1,239,342</u>	<u>108,542</u>	<u>1,318,279</u>
Investment Income				
Investment Income	100,000	440,109	340,109	197,738
Miscellaneous				
Miscellaneous	254,883	985,423	730,540	610,113
Total Revenues	<u>61,644,333</u>	<u>69,316,056</u>	<u>7,671,723</u>	<u>67,442,249</u>
Expenditures				
General Government				
Elected Office				
Salaries	260,073	260,787	(714)	257,197
Benefits	221,982	231,947	(9,965)	199,158
Contractual Services	194,245	153,768	40,477	204,606
Commodities	13,900	3,214	10,686	3,271
Capital Outlay	1,000	1,916	(916)	786
Total Elected Office	<u>691,200</u>	<u>651,632</u>	<u>39,568</u>	<u>665,018</u>
City Manager Division				
Salaries	294,330	287,355	6,975	263,953
Benefits	101,908	73,113	28,795	98,476
Contractual Services	40,095	77,294	(37,199)	38,610
Commodities	4,650	6,345	(1,695)	2,766
Capital Outlay	1,000	8,214	(7,214)	2,766
Total City Manager Division	<u>441,983</u>	<u>452,321</u>	<u>(10,338)</u>	<u>403,805</u>
Media Services				
Salaries	303,141	287,667	15,474	266,992
Benefits	85,515	65,402	20,113	80,258
Contractual Services	149,073	111,086	37,987	127,782
Commodities	39,000	27,430	11,570	35,126
Capital Outlay	2,000	198	1,802	20,504
Total Media Services	<u>578,729</u>	<u>491,783</u>	<u>86,946</u>	<u>530,662</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, 2018
With Comparative Actual Amounts for the Year Ended December 31, 2017

	2018		Variance from Final Budget Positive (Negative)	2017 Actual
	Original and Final Budget	Actual		
Legal Department				
Salaries	\$ 106,883	\$ 90,398	\$ 16,485	\$ 100,765
Benefits	43,808	41,314	2,494	42,193
Contractual Services	582,090	573,206	8,884	539,963
Commodities	1,000	834	166	568
Capital Outlay	-	578	(578)	-
Total Legal Department	<u>733,781</u>	<u>706,330</u>	<u>27,451</u>	<u>683,489</u>
Department of Finance - Fiscal Services				
Salaries	835,209	814,691	20,518	767,304
Benefits	299,263	278,972	20,291	269,576
Contractual Services	136,669	120,037	16,632	113,452
Commodities	39,400	37,426	1,974	34,539
Capital Outlay	2,500	2,295	205	2,302
Total Department of Finance - Fiscal Services	<u>1,313,041</u>	<u>1,253,421</u>	<u>59,620</u>	<u>1,187,173</u>
Information Technologies				
Salaries	450,016	442,384	7,632	431,200
Benefits	158,231	148,289	9,942	149,264
Contractual Services	472,758	444,416	28,342	398,773
Commodities	33,450	44,783	(11,333)	40,183
Capital Outlay	20,000	28,980	(8,980)	90
Total Information Technologies	<u>1,134,455</u>	<u>1,108,852</u>	<u>25,603</u>	<u>1,019,510</u>
Overhead Division - Contractual Services				
Contractual Services	511,114	763,449	(252,335)	416,143
Commodities	78,100	45,646	32,454	32,024
Capital Outlay	-	19,935	(19,935)	24,274
Total Overhead Division - Contractual Services	<u>589,214</u>	<u>829,030</u>	<u>(239,816)</u>	<u>472,441</u>
Building Code Enforcement				
Salaries	1,080,940	1,091,879	(10,939)	1,033,075
Benefits	463,627	434,975	28,652	455,683
Contractual Services	217,670	229,254	(11,584)	184,922
Commodities	11,650	6,147	5,503	6,530
Capital Outlay	1,000	852	148	924
Total Building Code Enforcement	<u>1,774,887</u>	<u>1,763,107</u>	<u>11,780</u>	<u>1,681,134</u>
Planning and Zoning				
Salaries	327,730	288,953	38,777	304,524
Benefits	105,210	94,383	10,827	101,216
Contractual Services	33,460	40,940	(7,480)	14,046
Commodities	3,150	1,764	1,386	1,833
Capital Outlay	1,000	735	265	10
Total Planning and Zoning	<u>470,550</u>	<u>426,775</u>	<u>43,775</u>	<u>421,629</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, 2018
 With Comparative Actual Amounts for the Year Ended December 31, 2017

	2018		Variance from Final Budget Positive (Negative)	2017
	Original and Final Budget	Actual		Actual
Human Resources				
Salaries	\$ 270,688	\$ 266,706	\$ 3,982	\$ 238,782
Benefits	83,620	82,103	1,517	84,491
Contractual Services	93,690	122,894	(29,204)	95,638
Commodities	9,775	5,601	4,174	7,896
Capital Outlay	1,000	-	1,000	-
Total Human Resources	<u>458,773</u>	<u>477,304</u>	<u>(18,531)</u>	<u>426,807</u>
Health and Human Services				
Salaries	108,393	73,780	34,613	101,413
Benefits	20,918	13,524	7,394	19,622
Contractual Services	365,624	323,942	41,682	301,816
Commodities	2,300	1,166	1,134	1,860
Capital Outlay	-	214	(214)	-
Total Health and Human Services	<u>497,235</u>	<u>412,626</u>	<u>84,609</u>	<u>424,711</u>
Geographic Information Systems (GIS)				
Contractual Services	262,900	240,078	22,822	240,172
Commodities	750	976	(226)	657
Total Geographic Information Systems (GIS)	<u>263,650</u>	<u>241,054</u>	<u>22,596</u>	<u>240,829</u>
Total General Government	<u>8,947,498</u>	<u>8,814,235</u>	<u>133,263</u>	<u>8,157,208</u>
Public Safety				
Police Department - Administration				
Salaries	401,971	307,350	94,621	326,748
Benefits	173,218	148,057	25,161	135,390
Contractual Services	19,105	16,506	2,599	10,344
Commodities	1,450	273	1,177	168
Total Police Department - Administration	<u>595,744</u>	<u>472,186</u>	<u>123,558</u>	<u>472,650</u>
Police Department - Uniformed Patrol				
Salaries	7,843,188	7,669,975	173,213	7,526,212
Benefits	5,868,276	5,831,208	37,068	5,576,480
Contractual Services	263,575	264,950	(1,375)	133,257
Commodities	29,720	22,416	7,304	22,555
Total Police Department - Uniformed Patrol	<u>14,004,759</u>	<u>13,788,549</u>	<u>216,210</u>	<u>13,258,504</u>
Police Department - Criminal Investigation				
Salaries	2,379,839	2,402,949	(23,110)	2,052,391
Benefits	1,776,737	1,759,549	17,188	1,603,474
Contractual Services	110,015	123,153	(13,138)	76,394
Commodities	3,530	3,936	(406)	5,596
Total Police Department - Criminal Investigation	<u>4,270,121</u>	<u>4,289,587</u>	<u>(19,466)</u>	<u>3,737,855</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, 2018
With Comparative Actual Amounts for the Year Ended December 31, 2017

	2018		Variance from Final Budget Positive (Negative)	2017
	Original and Final Budget	Actual		Actual
Police Department - Supporting Services				
Salaries	\$ 2,206,645	\$ 2,221,457	\$ (14,812)	\$ 2,107,327
Benefits	1,149,289	1,144,576	4,713	1,185,609
Contractual Services	259,830	1,587,433	(1,327,603)	177,954
Commodities	155,260	130,058	25,202	135,012
Capital Outlay	8,150	25,088	(16,938)	-
Total Police Department - Supporting Services	<u>3,779,174</u>	<u>5,108,612</u>	<u>(1,329,438)</u>	<u>3,605,902</u>
Fire Department - Administration				
Salaries	741,306	609,362	131,944	676,935
Benefits	562,825	468,274	94,551	534,942
Contractual Services	40,963	100,623	(59,660)	27,342
Commodities	8,950	5,498	3,452	3,303
Capital Outlay	-	400	(400)	459
Total Fire Department - Administration	<u>1,354,044</u>	<u>1,184,157</u>	<u>169,887</u>	<u>1,242,981</u>
Fire Department - Emergency Services				
Salaries	9,723,279	9,561,466	161,813	9,563,888
Benefits	8,018,166	7,830,274	187,892	7,930,092
Contractual Services	342,613	957,790	(615,177)	238,930
Commodities	271,518	262,003	9,515	155,234
Capital Outlay	2,000	535	1,465	9,661
Total Fire Department - Emergency Services	<u>18,357,576</u>	<u>18,612,068</u>	<u>(254,492)</u>	<u>17,897,805</u>
Fire Department - Fire Prevention Services				
Salaries	382,817	345,662	37,155	329,417
Benefits	253,347	243,552	9,795	241,534
Contractual Services	26,420	19,262	7,158	21,419
Commodities	13,025	11,494	1,531	8,062
Capital Outlay	-	-	-	700
Total Fire Department - Fire Prevention Services	<u>675,609</u>	<u>619,970</u>	<u>55,639</u>	<u>601,132</u>
Emergency Management Agency				
Salaries	96,025	31,347	64,678	56,278
Benefits	15,850	14,324	1,526	12,924
Contractual Services	62,810	61,208	1,602	36,700
Commodities	29,080	24,759	4,321	25,008
Capital Outlay	-	2,126	(2,126)	7,050
Total Emergency Management Agency	<u>203,765</u>	<u>133,764</u>	<u>70,001</u>	<u>137,960</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, 2018
With Comparative Actual Amounts for the Year Ended December 31, 2017

	2018		Variance from Final Budget Positive (Negative)	2017
	Original and Final Budget	Actual		Actual
Board of Police and Fire Commission				
Contractual Services	\$ 71,440	\$ 60,208	\$ 11,232	\$ 51,989
Commodities	2,200	3,160	(960)	534
Total Board of Police and Fire Commission	<u>73,640</u>	<u>63,368</u>	<u>10,272</u>	<u>52,523</u>
Total Public Safety	<u>43,314,432</u>	<u>44,272,261</u>	<u>(957,829)</u>	<u>41,007,312</u>
Public Works				
Vehicle Maintenance Division				
Salaries	515,615	422,762	92,853	490,262
Benefits	259,469	199,206	60,263	269,187
Contractual Services	134,605	160,700	(26,095)	139,444
Commodities	706,300	632,901	73,399	519,946
Capital Outlay	-	-	-	18,992
Total Vehicle Maintenance Division	<u>1,615,989</u>	<u>1,415,569</u>	<u>200,420</u>	<u>1,437,831</u>
Public Works Administration				
Salaries	243,168	239,680	3,488	240,471
Benefits	110,232	91,813	18,419	101,545
Contractual Services	3,281,140	3,240,826	40,314	3,136,651
Commodities	13,500	10,869	2,631	11,516
Capital Outlay	-	-	-	29,400
Total Public Works Administration	<u>3,648,040</u>	<u>3,583,188</u>	<u>64,852</u>	<u>3,519,583</u>
Facilities and Grounds Division				
Salaries	501,808	455,785	46,023	472,582
Benefits	266,134	253,750	12,384	251,741
Contractual Services	1,634,920	984,297	650,623	935,978
Commodities	435,350	292,033	143,317	317,111
Capital Outlay	40,000	84,638	(44,638)	276,185
Total Facilities and Grounds Division	<u>2,878,212</u>	<u>2,070,503</u>	<u>807,709</u>	<u>2,253,597</u>
Total Public Works	<u>8,142,241</u>	<u>7,069,260</u>	<u>1,072,981</u>	<u>7,211,011</u>
Streets and Highways				
Engineering Department				
Salaries	593,297	626,994	(33,697)	624,996
Benefits	218,252	208,558	9,694	225,198
Contractual Services	30,340	23,112	7,228	16,173
Commodities	5,150	2,795	2,355	2,858
Capital Outlay	500	-	500	430
Total Engineering Department	<u>847,539</u>	<u>861,459</u>	<u>(13,920)</u>	<u>869,655</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, 2018
 With Comparative Actual Amounts for the Year Ended December 31, 2017

	2018		Variance from Final Budget Positive (Negative)	2017
	Original and Final Budget	Actual		Actual
Street Department				
Salaries	\$ 1,572,656	\$ 1,388,499	\$ 184,157	\$ 1,375,917
Benefits	709,401	700,967	8,434	681,621
Contractual Services	1,065,378	837,049	228,329	795,024
Commodities	209,125	200,344	8,781	188,379
Capital Outlay	-	-	-	135,544
Total Street Department	<u>3,556,560</u>	<u>3,126,859</u>	<u>429,701</u>	<u>3,176,485</u>
Total Streets and Highways	<u>4,404,099</u>	<u>3,988,318</u>	<u>415,781</u>	<u>4,046,140</u>
Economic Development				
Economic Development				
Salaries	94,651	85,102	9,549	73,033
Benefits	20,549	24,121	(3,572)	15,602
Contractual Services	383,675	228,581	155,094	210,826
Commodities	13,170	552	12,618	10,200
Total Economic Development	<u>512,045</u>	<u>338,356</u>	<u>173,689</u>	<u>309,661</u>
Total Economic Development	<u>512,045</u>	<u>338,356</u>	<u>173,689</u>	<u>309,661</u>
Total Expenditures	<u>65,320,315</u>	<u>64,482,430</u>	<u>837,885</u>	<u>60,731,332</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>(3,675,982)</u>	<u>4,833,626</u>	<u>8,509,608</u>	<u>6,710,917</u>
Other Financing Sources (Uses)				
Transfer In	209,758	209,758	-	219,758
Transfer Out	<u>(3,907,684)</u>	<u>(1,970,947)</u>	<u>1,936,737</u>	<u>(3,544,231)</u>
Total Other Financing Sources (Uses)	<u>(3,697,926)</u>	<u>(1,761,189)</u>	<u>1,936,737</u>	<u>(3,324,473)</u>
Net Change in Fund Balance	<u>\$ (7,373,908)</u>	<u>3,072,437</u>	<u>\$ 10,446,345</u>	<u>3,386,444</u>
Fund Balance at Beginning of Year		<u>53,220,922</u>		<u>49,834,478</u>
Fund Balance at End of Year		<u>\$ 56,293,359</u>		<u>\$ 53,220,922</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, 2018
With Comparative Actual Amounts for the Year Ended December 31, 2017

	2018		Variance from Final Budget Positive (Negative)	2017
	Original and Final Budget	Actual		Actual
Revenues				
Property Taxes	\$ 81,485	\$ 93,179	\$ 11,694	\$ 79,473
Investment Income	1	28	27	-
Total Revenues	<u>81,486</u>	<u>93,207</u>	<u>11,721</u>	<u>79,473</u>
Expenditures				
Economic Development				
Contractual Services	8,060	3,098	4,962	1,888
Commodities	52	-	52	-
Total Economic Development	<u>8,112</u>	<u>3,098</u>	<u>5,014</u>	<u>1,888</u>
Debt Service				
Principal	1,190,000	1,190,000	-	1,175,000
Interest and Fiscal Charges	103,283	103,250	33	123,160
Total Debt Service	<u>1,293,283</u>	<u>1,293,250</u>	<u>33</u>	<u>1,298,160</u>
Total Expenditures	<u>1,301,395</u>	<u>1,296,348</u>	<u>5,047</u>	<u>1,300,048</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>(1,219,909)</u>	<u>(1,203,141)</u>	<u>16,768</u>	<u>(1,220,575)</u>
Other Financing Sources (Uses)				
Transfer Out	(3,000)	(3,000)	-	(3,000)
Total Other Financing Sources (Uses)	<u>(3,000)</u>	<u>(3,000)</u>	<u>-</u>	<u>(3,000)</u>
Net Change in Fund Balances	<u>\$ (1,222,909)</u>	<u>(1,206,141)</u>	<u>\$ 16,768</u>	<u>(1,223,575)</u>
Fund Balances at Beginning of Year		<u>(11,516,126)</u>		<u>(10,292,551)</u>
Fund Balances at End of Year		<u>\$ (12,722,267)</u>		<u>\$ (11,516,126)</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, 2018
 With Comparative Actual Amounts for the Year Ended December 31, 2017

	2018		Variance from Final Budget Positive (Negative)	2017
	Original and Final Budget	Actual		Actual
Revenues				
Gaming Tax	\$ 24,000,000	\$ 25,065,880	\$ 1,065,880	\$ 24,762,107
Investment Income	100,000	557,295	457,295	252,899
Miscellaneous	-	9,677	9,677	-
Total Revenues	<u>24,100,000</u>	<u>25,632,852</u>	<u>1,532,852</u>	<u>25,015,006</u>
Expenditures				
General Government				
Contractual Services	15,400,000	16,026,352	(626,352)	15,904,580
Total Expenditures	<u>15,400,000</u>	<u>16,026,352</u>	<u>(626,352)</u>	<u>15,904,580</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>8,700,000</u>	<u>9,606,500</u>	<u>906,500</u>	<u>9,110,426</u>
Other Financing Sources (Uses)				
Transfers Out	(10,400,000)	(10,400,000)	-	(8,150,000)
Total Other Financing Sources (Uses)	<u>(10,400,000)</u>	<u>(10,400,000)</u>	<u>-</u>	<u>(8,150,000)</u>
Net Change in Fund Balance	<u>\$ (1,700,000)</u>	(793,500)	<u>\$ 906,500</u>	960,426
Fund Balance at Beginning of Year		<u>21,356,215</u>		<u>20,395,789</u>
Fund Balance at End of Year		<u>\$ 20,562,715</u>		<u>\$ 21,356,215</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, 2018

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total pension liability					
Service cost	\$ 2,101,377	\$ 1,845,967	\$ 1,725,203	\$ 1,693,381	\$ 2,300,527
Interest	9,720,687	9,513,008	9,118,538	8,520,291	7,744,456
Changes of benefit terms	-	-	-	-	-
Differences between expected and actual experience	2,142,077	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>(7,853,384)</u>	<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	6,110,757	8,366,789	5,818,655	8,804,762	11,290,271
Total pension liability - beginning	<u>147,936,864</u>	<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>\$ 154,047,621</u>	<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	\$ 5,141,314	\$ 4,916,225	\$ 4,433,104	\$ 4,304,044	\$ 4,155,983
Contributions - employee	878,172	867,424	828,889	836,027	883,723
Net investment income	(6,754,749)	11,548,953	4,601,922	(1,048,749)	4,411,965
Benefit payments, including refunds of member contributions	(7,853,384)	(7,339,931)	(6,973,210)	(6,456,438)	(6,042,592)
Administrative expense	(71,027)	(103,917)	(67,265)	(76,989)	(327,080)
Other	-	-	787	-	-
Net change in plan fiduciary net position	<u>(8,659,674)</u>	<u>9,888,754</u>	<u>2,824,227</u>	<u>(2,442,105)</u>	<u>3,081,999</u>
Plan fiduciary net position - beginning	<u>80,658,073</u>	<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>\$ 71,998,399</u>	<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>\$ 82,049,222</u>	<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	46.74%	54.52%	50.71%	50.80%	56.33%
Covered payroll	\$ 9,268,972	\$ 9,243,675	\$ 8,931,087	\$ 8,480,084	\$ 8,694,151
Plan's net pension liability (asset) as a percentage of covered payroll	885.20%	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>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
\$ 3,953,299	\$ 3,941,652	\$ 3,671,041	\$ 3,577,776	\$ 3,395,608	\$ 3,042,315	\$ 2,100,581
<u>4,304,044</u>	<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>\$ (350,745)</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>
\$ 8,480,084	\$ 8,694,151	\$ 8,408,155	\$ 8,216,028	\$ 8,212,634	\$ 7,985,770	\$ 8,182,297
50.75%	47.80%	46.92%	44.49%	46.25%	34.49%	26.38%

CITY OF DES PLAINES, ILLINOIS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FIREFIGHTERS' PENSION FUND
INVESTMENT RATE OF RETURN
December 31, 2018

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Annual money-weighted rate of return net of investment expense	-8.46%	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, 2018

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total pension liability					
Service cost	\$ 2,103,061	\$ 1,595,813	\$ 1,491,414	\$ 1,493,985	\$ 1,844,421
Interest	9,905,568	9,682,644	9,322,073	9,073,872	8,114,249
Changes of benefit terms	-	-	-	-	-
Differences between expected and actual experience	(1,007,565)	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>(7,693,120)</u>	<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	3,307,944	8,540,187	5,264,518	3,780,276	13,867,931
Total pension liability - beginning	<u>150,595,720</u>	<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>\$ 153,903,664</u>	<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	\$ 5,484,051	\$ 5,262,020	\$ 5,036,133	\$ 4,304,873	\$ 4,154,166
Contributions - employee	975,468	908,895	866,905	904,527	879,904
Contributions - other	39,596	175,479	-	-	-
Net investment income	(6,810,962)	10,123,404	4,420,807	(1,057,767)	3,504,259
Benefit payments, including refunds of member contributions	(7,693,120)	(7,464,094)	(7,237,087)	(6,767,978)	(6,449,930)
Administrative expense	(76,463)	(96,092)	(86,218)	(94,146)	(356,479)
Other	-	-	-	-	-
Net change in plan fiduciary net position	(8,081,430)	8,909,612	3,000,540	(2,710,491)	1,731,920
Plan fiduciary net position - beginning	<u>73,017,765</u>	<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>\$ 64,936,335</u>	<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>\$ 88,967,329</u>	<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	42.19%	48.49%	45.13%	44.67%	47.98%
Covered payroll	\$ 9,843,268	\$ 8,881,617	\$ 8,581,272	\$ 8,461,825	\$ 8,532,924
Plan's net pension liability (asset) as a percentage of covered payroll	903.84%	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.

CITY OF DES PLAINES, ILLINOIS
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF POLICE PENSION FUND CONTRIBUTIONS
 December 31, 2018

	<u>2018</u>	<u>2017</u>	<u>2016</u>
Actuarially determined contribution	\$ 5,442,364	\$ 5,237,462	\$ 4,877,047
Contributions in relation to the actuarially determined contribution	<u>5,484,051</u>	<u>5,262,020</u>	<u>5,036,133</u>
Contribution deficiency (excess)	<u>\$ (41,687)</u>	<u>\$ (24,558)</u>	<u>\$ (159,086)</u>
Covered payroll	\$ 9,843,268	\$ 8,881,617	\$ 8,581,272
Contributions as a percentage of covered payroll	55.71%	59.25%	58.69%

Notes to Schedule

Valuation date:

Actuarially determined contribution rates are calculated as of December 31, two years prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine 2018 contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll (closed)
Remaining amortization period	24 years
Asset valuation method	5-Year smoothed market value
Salary increases	3.50% - 11.50%
Expected return on investments	7.00%
Inflation	2.50%
Mortality	RP-20144 Adjusted for Plan Status, Collar, and Illinois Public Pension Data, as appropriate
Retirement	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

Other information:

Changes There were no benefit changes during the year

<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
\$ 4,011,887	\$ 3,895,329	\$ 3,661,515	\$ 3,472,544	\$ 3,307,583	\$ 3,240,960	\$ 2,538,400
<u>4,304,873</u>	<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>\$ (292,986)</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>
\$ 8,461,825	\$ 8,532,924	\$ 7,904,124	\$ 7,703,991	\$ 8,212,634	\$ 7,985,770	\$ 8,182,297
50.87%	48.68%	49.61%	45.98%	45.97%	37.01%	32.68%

CITY OF DES PLAINES, ILLINOIS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF POLICE PENSION FUND
INVESTMENT RATE OF RETURN
December 31, 2018

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Annual money-weighted rate of return net of investment expense	-9.33%	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, 2018

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total pension liability					
Service cost	\$ 1,424,254	\$ 1,495,731	\$ 1,528,647	\$ 1,655,441	\$ 1,838,415
Interest	8,327,421	8,276,408	8,127,770	7,847,845	7,396,361
Changes of benefit terms	-	-	-	-	-
Differences between expected and actual experience	(565,583)	386,968	(2,115,982)	(300,852)	(1,614,019)
Changes of assumptions	3,119,435	(3,524,106)	(256,324)	128,456	3,699,751
Benefit payments, including refunds of member contributions	<u>(6,184,253)</u>	<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	6,121,274	981,065	1,786,903	4,057,889	6,454,458
Total pension liability - beginning	<u>113,412,274</u>	<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>\$ 119,533,548</u>	<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	\$ 1,641,785	\$ 1,738,214	\$ 1,695,162	\$ 1,796,025	\$ 2,256,489
Contributions - employee	646,373	656,293	617,687	718,234	737,722
Net investment income	(6,430,893)	18,185,816	6,817,667	495,909	5,843,461
Benefit payments, including refunds of member contributions	(6,184,253)	(5,653,936)	(5,497,208)	(5,273,001)	(4,866,050)
Other	<u>1,241,151</u>	<u>(2,491,038)</u>	<u>22,444</u>	<u>373,765</u>	<u>(140,913)</u>
Net change in plan fiduciary net position	(9,085,837)	12,435,349	3,655,752	(1,889,068)	3,830,709
Plan fiduciary net position - beginning	<u>114,763,104</u>	<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>\$ 105,677,267</u>	<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>\$ 13,856,281</u>	<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	88.41%	101.19%	91.01%	89.18%	94.35%
Covered payroll	\$ 14,363,816	\$ 14,485,115	\$ 13,681,698	\$ 14,379,703	\$ 14,547,339
Plan's net pension liability (asset) as a percentage of covered payroll	96.47%	-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, 2018

	<u>2018</u>	<u>2017</u>	<u>2016</u>
Actuarially determined contribution	\$ 1,641,784	\$ 1,738,214	\$ 1,695,162
Contributions in relation to the actuarially determined contribution	<u>1,641,785</u>	<u>1,738,214</u>	<u>1,695,162</u>
Contribution deficiency (excess)	<u>\$ (1)</u>	<u>\$ -</u>	<u>\$ -</u>
 Covered payroll	 \$ 14,363,816	 \$ 14,485,115	 \$ 13,681,698
 Contributions as a percentage of covered payroll	 11.43%	 12.00%	 12.39%

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 2018 contribution rates:

Actuarial cost method	Aggregate entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	25-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:

There were no benefit changes during the year
 The 2018 contribution rate was based on valuation assumptions used in the 12/31/16 actuarial valuation.

<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
\$ 1,844,916	\$ 2,071,541	\$ 2,383,786	\$ 2,343,437	\$ 2,330,839	\$ 2,148,148	\$ 1,914,683
<u>1,796,025</u>	<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>\$ 48,891</u>	<u>\$ (184,948)</u>	<u>\$ -</u>	<u>\$ 92,737</u>	<u>\$ 382,533</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 14,379,703	\$ 14,547,339	\$ 15,946,135	\$ 16,592,625	\$ 16,321,980	\$ 16,588,014	\$ 18,901,116
12.49%	15.51%	14.95%	13.56%	11.94%	12.95%	10.13%

CITY OF DES PLAINES, ILLINOIS
 REQUIRED SUPPLEMENTARY INFORMATION
 CITY'S POSTRETIREMENT HEALTH PLAN
 SCHEDULE OF CHANGES IN THE CITY'S TOTAL OTHER POST-EMPLOYMENT BENEFITS LIABILITY AND
 RELATED RATIOS
 Year Ended December 31, 2018

	2018
<u>Total OPEB Liability</u>	
Service Cost	\$ 371,585
Interest on the Total OPEB Liability	483,284
Changes of Benefit Terms	-
Differences Between Expected and Actual Experience of the Total OPEB Liability	-
Changes of Assumptions	(954,199)
Benefit Payments, Including Refunds of Employee Contributions	(658,812)
Other Changes	-
Net Change in Total Pension Liability	(758,142)
 Total OPEB Liability - Beginning	 14,369,457
Total OPEB Liability - Ending	\$ 13,611,315
 Covered Payroll	 \$ 31,016,497
 Total OPEB Liability as a Percentage of Covered Valuation Payroll	 43.88%

Notes to Schedule: This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is

CITY OF DES PLAINES, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
CAPITAL PROJECTS FUND
Year Ended December 31, 2018
With Comparative Actual Amounts for the Year Ended December 31, 2017

	2018		Variance from Final Budget Positive (Negative)	2017
	Original and Final Budget	Actual		Actual
Revenues				
Property Taxes	\$ 33,328	\$ 33,498	\$ 170	\$ 33,923
Home Rule Option Sales Tax - General	2,900,000	3,826,034	926,034	3,206,091
Home Rule Option Sales Tax - Library				
Debt Service	1,300,000	1,277,525	(22,475)	1,603,046
Local Use	1,600,000	1,782,386	182,386	1,768,066
Storm Sewers	1,300,000	1,314,298	14,298	1,250,252
Investment Income	20,000	157,230	137,230	44,651
Miscellaneous	41,000	64,145	23,145	18,033
Total Revenues	<u>7,194,328</u>	<u>8,455,116</u>	<u>1,260,788</u>	<u>7,924,062</u>
Expenditures				
Public Works				
Salaries	322,624	313,094	9,530	310,688
Benefits	125,808	120,542	5,266	123,971
Contractual Services	2,036,735	1,576,943	459,792	863,602
Commodities	73,000	69,620	3,380	68,335
Capital Outlay	8,848,694	7,487,545	1,361,149	9,143,552
Total Public Works	<u>11,406,861</u>	<u>9,567,744</u>	<u>1,839,117</u>	<u>10,510,148</u>
Debt Service				
Principal	935,000	935,000	-	2,615,000
Interest and Fiscal Charges	22,828	22,468	360	109,058
Total Debt Service	<u>957,828</u>	<u>957,468</u>	<u>360</u>	<u>2,724,058</u>
Total Expenditures	<u>12,364,689</u>	<u>10,525,212</u>	<u>1,839,477</u>	<u>13,234,206</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>(5,170,361)</u>	<u>(2,070,096)</u>	<u>3,100,265</u>	<u>(5,310,144)</u>
Other Financing Sources (Uses)				
Transfers In	7,900,000	7,900,000	-	8,150,000
Transfers Out	(5,413,621)	(6,044,902)	(631,281)	(202,104)
Total Other Financing Sources (Uses)	<u>2,486,379</u>	<u>1,855,098</u>	<u>(631,281)</u>	<u>7,947,896</u>
Net Change in Fund Balance	<u>\$ (2,683,982)</u>	(214,998)	<u>\$ 2,468,984</u>	2,637,752
Fund Balance at Beginning of Year		<u>8,232,821</u>		<u>5,595,069</u>
Fund Balance at End of Year		<u>\$ 8,017,823</u>		<u>\$ 8,232,821</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, 2018
With Comparative Actual Amounts for the Year Ended December 31, 2017

	2018		Variance from Final Budget Positive (Negative)	2017
	Original and Final Budget	Actual		Actual
Revenues				
Intergovernmental	\$ 24,764,983	\$ 6,830,565	\$ (17,934,418)	\$ 9,164,903
Investment Income	-	11,383	11,383	15,910
Total Revenues	<u>24,764,983</u>	<u>6,841,948</u>	<u>(17,923,035)</u>	<u>9,180,813</u>
Expenditures				
General Government				
Salaries	73,445	90,196	(16,751)	54,030
Contractual Services	608,181	673,231	(65,050)	922,678
Commodities	250	-	250	989
Capital Outlay	23,631,141	7,641,453	15,989,688	12,036,343
Total Expenditures	<u>24,313,017</u>	<u>8,404,880</u>	<u>15,908,137</u>	<u>13,014,040</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>451,966</u>	<u>(1,562,932)</u>	<u>(2,014,898)</u>	<u>(3,833,227)</u>
Other Financing Sources (Uses)				
Transfers In	1,138,621	369,902	(768,719)	177,104
Total Other Financing Sources (Uses)	<u>1,138,621</u>	<u>369,902</u>	<u>(768,719)</u>	<u>177,104</u>
Net Change in Fund Balance	<u>\$ 1,590,587</u>	(1,193,030)	<u>\$ (2,783,617)</u>	(3,656,123)
Fund Balance at Beginning of Year		(5,572,932)		(1,916,809)
Fund Balance at End of Year		<u>\$ (6,765,962)</u>		<u>\$ (5,572,932)</u>

CITY OF DES PLAINES, ILLINOIS
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 December 31, 2018

	Special Revenue Funds				
	Motor Fuel Tax	Community Development Block Grant	Asset Seizure	Foreign Fire Insurance Tax	TIF #1 (Downtown)
ASSETS					
Cash and Investments	\$ 1,134,806	\$ -	\$ 842,888	\$ 488,321	\$ 8,032,543
Receivables (Net)					
Property Taxes	-	-	-	-	5,225,159
Accounts Receivable	-	-	-	-	-
Accrued Interest	-	-	-	-	-
Other	-	-	5,305	-	-
Due from Other Governments	126,765	22,466	-	-	-
TOTAL ASSETS	<u>\$ 1,261,571</u>	<u>\$ 22,466</u>	<u>\$ 848,193</u>	<u>\$ 488,321</u>	<u>\$ 13,257,702</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities					
Accounts Payable	\$ 228,614	\$ 16,228	\$ 15,935	\$ 15,479	\$ 314,077
Deposits Payable	-	-	-	-	31,008
Advances from Other Funds	-	14,325	-	-	-
Total Liabilities	<u>228,614</u>	<u>30,553</u>	<u>15,935</u>	<u>15,479</u>	<u>345,085</u>
Deferred Inflows of Resources					
Deferred Property Tax Revenue	-	-	-	-	5,174,777
Unavailable Other Revenue	-	-	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,174,777</u>
Fund Balances					
Restricted					
Economic Development	-	-	-	-	7,737,840
Streets & Highways	1,032,957	-	-	-	-
Public Safety	-	-	832,258	472,842	-
Debt Service	-	-	-	-	-
Assigned					
Capital Acquisitions	-	-	-	-	-
Unassigned	-	(8,087)	-	-	-
Total Fund Balances	<u>1,032,957</u>	<u>(8,087)</u>	<u>832,258</u>	<u>472,842</u>	<u>7,737,840</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 1,261,571</u>	<u>\$ 22,466</u>	<u>\$ 848,193</u>	<u>\$ 488,321</u>	<u>\$ 13,257,702</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	Facilities Replacement	
\$ -	\$ 200,854	\$ -	\$ -	\$ 156,614	\$ 4,549,548	\$ 296,044	\$ 1,765,913	\$ 17,467,531
1,700,909	155,025	73,156	-	-	-	-	-	7,154,249
-	-	29,106	-	-	-	-	-	29,106
-	-	-	-	-	28,452	-	-	28,452
-	-	-	-	-	-	-	-	5,305
-	-	-	-	-	-	-	-	149,231
<u>\$ 1,700,909</u>	<u>\$ 355,879</u>	<u>\$ 102,262</u>	<u>\$ -</u>	<u>\$ 156,614</u>	<u>\$ 4,578,000</u>	<u>\$ 296,044</u>	<u>\$ 1,765,913</u>	<u>\$ 24,833,874</u>
			\$ -					
\$ 277	\$ 119	\$ 591,373	\$ -	\$ -	\$ 578,028	\$ 22,247	\$ -	\$ 1,782,377
-	-	-	-	-	-	-	-	31,008
<u>3,369,690</u>	<u>-</u>	<u>1,322,506</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,706,521</u>
<u>3,369,967</u>	<u>119</u>	<u>1,913,879</u>	<u>-</u>	<u>-</u>	<u>578,028</u>	<u>22,247</u>	<u>-</u>	<u>6,519,906</u>
1,700,909	155,025	67,694	-	-	-	-	-	7,098,405
-	-	-	-	-	-	-	-	-
<u>1,700,909</u>	<u>155,025</u>	<u>67,694</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,098,405</u>
-	200,735	-	-	-	-	-	-	7,938,575
-	-	-	-	-	-	-	-	1,032,957
-	-	-	-	-	-	-	-	1,305,100
-	-	-	-	156,614	-	-	-	156,614
-	-	-	-	-	3,999,972	273,797	1,765,913	6,039,682
<u>(3,369,967)</u>	<u>-</u>	<u>(1,879,311)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(5,257,365)</u>
<u>(3,369,967)</u>	<u>200,735</u>	<u>(1,879,311)</u>	<u>-</u>	<u>156,614</u>	<u>3,999,972</u>	<u>273,797</u>	<u>1,765,913</u>	<u>11,215,563</u>
<u>\$ 1,700,909</u>	<u>\$ 355,879</u>	<u>\$ 102,262</u>	<u>\$ -</u>	<u>\$ 156,614</u>	<u>\$ 4,578,000</u>	<u>\$ 296,044</u>	<u>\$ 1,765,913</u>	<u>\$ 24,833,874</u>

CITY OF DES PLAINES, ILLINOIS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 Year Ended December 31, 2018

	Special Revenue Funds				
	Motor Fuel Tax	Community Development Block Grant	Asset Seizure	Foreign Fire Insurance Tax	TIF #1 (Downtown)
Revenues					
Taxes	\$ -	\$ -	\$ -	\$ 113,367	\$ 4,670,662
Intergovernmental	1,493,866	427,198	172,948	-	-
Fines, Forfeitures and Penalties	-	-	21,198	-	-
Investment Income	22,051	-	733	1,543	40,410
Miscellaneous	-	-	11,155	-	-
Total Revenues	<u>1,515,917</u>	<u>427,198</u>	<u>206,034</u>	<u>114,910</u>	<u>4,711,072</u>
Expenditures					
Current:					
General Government	-	-	-	-	-
Public Safety	-	-	99,344	109,788	-
Streets and Highways	1,041,163	-	-	-	-
Economic Development	-	249,758	-	-	1,441,439
Debt Service					
Principal	-	-	-	-	1,167,152
Interest and Fiscal Charges	-	-	-	-	91,649
Capital Outlay	321,646	147,693	127,015	64,281	1,291,635
Total Expenditures	<u>1,362,809</u>	<u>397,451</u>	<u>226,359</u>	<u>174,069</u>	<u>3,991,875</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>153,108</u>	<u>29,747</u>	<u>(20,325)</u>	<u>(59,159)</u>	<u>719,197</u>
Other Financing Sources (Uses)					
Transfers In	-	-	-	-	-
Transfers Out	-	-	-	-	(112,000)
Issuance of Debt	-	-	-	-	-
Payment to Refunding Bond Escrow	-	-	-	-	-
Premium on Bond Issuance	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(112,000)</u>
Net Change in Fund Balances	153,108	29,747	(20,325)	(59,159)	607,197
Fund Balances at Beginning of Year	<u>879,849</u>	<u>(37,834)</u>	<u>852,583</u>	<u>532,001</u>	<u>7,130,643</u>
Fund Balances at End of Year	<u>\$ 1,032,957</u>	<u>\$ (8,087)</u>	<u>\$ 832,258</u>	<u>\$ 472,842</u>	<u>\$ 7,737,840</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	Facilities Replacement	
\$ 1,559,498	\$ 156,591	\$ 65,391	\$ -	\$ 92,812	\$ -	\$ -	\$ -	\$ 6,658,321
-	-	-	-	-	-	-	-	2,094,012
-	-	-	-	-	-	-	-	21,198
226	16	27	-	-	56,211	1,660	-	122,877
-	-	-	-	-	216,018	-	1,265,913	1,493,086
<u>1,559,724</u>	<u>156,607</u>	<u>65,418</u>	<u>-</u>	<u>92,812</u>	<u>272,229</u>	<u>1,660</u>	<u>1,265,913</u>	<u>10,389,494</u>
-	-	-	-	-	-	61,613	-	61,613
-	-	-	-	-	-	-	-	209,132
-	-	-	-	-	-	-	-	1,041,163
2,243	2,163	215,755	-	-	-	-	-	1,911,358
1,550,000	105,000	-	-	-	12,500	-	-	2,834,652
471,953	10,231	-	-	-	-	-	-	573,833
-	-	1,254,126	-	-	1,732,554	260,351	-	5,199,301
<u>2,024,196</u>	<u>117,394</u>	<u>1,469,881</u>	<u>-</u>	<u>-</u>	<u>1,745,054</u>	<u>321,964</u>	<u>-</u>	<u>11,831,052</u>
<u>(464,472)</u>	<u>39,213</u>	<u>(1,404,463)</u>	<u>-</u>	<u>92,812</u>	<u>(1,472,825)</u>	<u>(320,304)</u>	<u>1,265,913</u>	<u>(1,441,558)</u>
-	-	-	220,947	-	1,500,000	250,000	500,000	2,470,947
(6,000)	-	(48,000)	-	-	-	-	-	(166,000)
12,410,000	-	-	-	-	-	-	-	12,410,000
(12,599,628)	-	-	-	-	-	-	-	(12,599,628)
297,149	-	-	-	-	-	-	-	297,149
<u>101,521</u>	<u>-</u>	<u>(48,000)</u>	<u>220,947</u>	<u>-</u>	<u>1,500,000</u>	<u>250,000</u>	<u>500,000</u>	<u>2,412,468</u>
(362,951)	39,213	(1,452,463)	220,947	92,812	27,175	(70,304)	1,765,913	970,910
<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>-</u>	<u>10,244,653</u>
<u>\$ (3,369,967)</u>	<u>\$ 200,735</u>	<u>\$ (1,879,311)</u>	<u>\$ -</u>	<u>\$ 156,614</u>	<u>\$ 3,999,972</u>	<u>\$ 273,797</u>	<u>\$ 1,765,913</u>	<u>\$ 11,215,563</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, 2018
With Comparative Actual Amounts for the Year Ended December 31, 2017

	2018		Variance from Final Budget Positive (Negative)	2017
	Original and Final Budget	Actual		Actual
Revenues				
Intergovernmental	\$ 1,400,000	\$ 1,493,866	\$ 93,866	\$ 1,488,666
Investment Income	3,000	22,051	19,051	10,025
Total Revenues	<u>1,403,000</u>	<u>1,515,917</u>	<u>112,917</u>	<u>1,498,691</u>
Expenditures				
Streets and Highways				
Contractual Services	334,000	559,501	(225,501)	743,626
Commodities	582,000	481,662	100,338	377,864
Capital Outlay	250,000	321,646	(71,646)	216,984
Total Expenditures	<u>1,166,000</u>	<u>1,362,809</u>	<u>(196,809)</u>	<u>1,338,474</u>
Net Change in Fund Balance	<u>\$ 237,000</u>	153,108	<u>\$ (83,892)</u>	160,217
Fund Balance at Beginning of Year		<u>879,849</u>		<u>719,632</u>
Fund Balance at End of Year		<u>\$ 1,032,957</u>		<u>\$ 879,849</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, 2018
With Comparative Actual Amounts for the Year Ended December 31, 2017

	2018		Variance from Final Budget Positive (Negative)	2017
	Original and Final Budget	Actual		Actual
Revenues				
Intergovernmental	\$ 375,829	\$ 427,198	\$ 51,369	\$ 450,828
Total Revenues	<u>375,829</u>	<u>427,198</u>	<u>51,369</u>	<u>450,828</u>
Expenditures				
Economic Development				
Salaries	44,123	43,893	230	44,583
Benefits	9,772	8,893	879	9,236
Contractual Services	215,283	196,972	18,311	137,448
Commodities	-	-	-	-
Capital Outlay	106,651	147,693	(41,042)	297,395
Total Expenditures	<u>375,829</u>	<u>397,451</u>	<u>(21,622)</u>	<u>488,662</u>
Net Change in Fund Balance	<u>\$ -</u>	29,747	<u>\$ 29,747</u>	(37,834)
Fund Balance at Beginning of Year		<u>(37,834)</u>		<u>-</u>
Fund Balance at End of Year		<u>\$ (8,087)</u>		<u>\$ (37,834)</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, 2018
With Comparative Actual Amounts for the Year Ended December 31, 2017

	2018		Variance from Final Budget Positive (Negative)	2017
	Original and Final Budget	Actual		Actual
Revenues				
Property Taxes	\$ 4,981,497	\$ 4,670,662	\$ (310,835)	\$ 4,981,630
Investment Income	7,000	40,410	33,410	18,389
Total Revenues	<u>4,988,497</u>	<u>4,711,072</u>	<u>(277,425)</u>	<u>5,000,019</u>
Expenditures				
Economic Development				
Contractual Services	1,911,290	1,392,976	518,314	1,154,092
Commodities	82,650	48,463	34,187	57,576
Capital Outlay	5,305,000	1,291,635	4,013,365	1,323,356
Total Economic Development	<u>7,298,940</u>	<u>2,733,074</u>	<u>4,565,866</u>	<u>2,535,024</u>
Debt Service				
Principal	1,163,553	1,167,152	(3,599)	1,138,553
Interest and Fiscal Charges	95,284	91,649	3,635	118,547
Total Debt Service	<u>1,258,837</u>	<u>1,258,801</u>	<u>36</u>	<u>1,257,100</u>
Total Expenditures	<u>8,557,777</u>	<u>3,991,875</u>	<u>4,565,902</u>	<u>3,792,124</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>(3,569,280)</u>	<u>719,197</u>	<u>4,288,477</u>	<u>1,207,895</u>
Other Financing Sources (Uses)				
Transfer Out	(112,000)	(112,000)	-	(126,000)
Total Other Financing Sources (Uses)	<u>(112,000)</u>	<u>(112,000)</u>	<u>-</u>	<u>(126,000)</u>
Net Change in Fund Balance	<u>\$ (3,681,280)</u>	<u>607,197</u>	<u>\$ 4,288,477</u>	<u>1,081,895</u>
Fund Balance at Beginning of Year		<u>7,130,643</u>		<u>6,048,748</u>
Fund Balance at End of Year		<u>\$ 7,737,840</u>		<u>\$ 7,130,643</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, 2018
With Comparative Actual Amounts for the Year Ended December 31, 2017

	2018		Variance from Final Budget Positive (Negative)	2017
	Original and Final Budget	Actual		Actual
Revenues				
Taxes	\$ 1,237,046	\$ 1,559,498	\$ 322,452	\$ 1,322,484
Investment Income	10	226	216	7
Miscellaneous	-	-	-	48,900
Total Revenues	<u>1,237,056</u>	<u>1,559,724</u>	<u>322,668</u>	<u>1,371,391</u>
Expenditures				
Economic Development				
Contractual Services	10,480	2,243	8,237	1,888
Total Economic Development	<u>10,480</u>	<u>2,243</u>	<u>8,237</u>	<u>1,888</u>
Debt Service				
Principal	1,835,000	1,550,000	285,000	1,095,000
Interest and Fiscal Charges	250,177	471,953	(221,776)	268,363
Total Debt Service	<u>2,085,177</u>	<u>2,021,953</u>	<u>63,224</u>	<u>1,363,363</u>
Total Expenditures	<u>2,095,657</u>	<u>2,024,196</u>	<u>71,461</u>	<u>1,365,251</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>(858,601)</u>	<u>(464,472)</u>	<u>394,129</u>	<u>6,140</u>
Other Financing Sources (Uses)				
Refunding Bonds Issued	-	12,410,000	12,410,000	-
Premium on Refunding Bonds Issued	-	297,149	297,149	-
Payment to Refunded Bond Escrow Agent	-	(12,599,628)	(12,599,628)	-
Transfers Out	(6,000)	(6,000)	-	(6,000)
Total Other Financing Sources (Uses)	<u>(6,000)</u>	<u>101,521</u>	<u>107,521</u>	<u>(6,000)</u>
Net Change in Fund Balance	<u>\$ (864,601)</u>	<u>(362,951)</u>	<u>\$ 501,650</u>	<u>140</u>
Fund Balance at Beginning of Year		<u>(3,007,016)</u>		<u>(3,007,156)</u>
Fund Balance at End of Year		<u>\$ (3,369,967)</u>		<u>\$ (3,007,016)</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, 2018
With Comparative Actual Amounts for the Year Ended December 31, 2017

	2018		Variance from Final Budget Positive (Negative)	2017
	Original and Final Budget	Actual		Actual
Revenues				
Taxes	\$ 143,878	\$ 156,591	\$ 12,713	\$ 143,878
Investment Income	1	16	15	7
Total Revenues	<u>143,879</u>	<u>156,607</u>	<u>12,728</u>	<u>143,885</u>
Expenditures				
Economic Development				
Contractual Services	400	2,163	(1,763)	1,848
Capital Outlay	<u>75,000</u>	<u>-</u>	<u>75,000</u>	<u>-</u>
Total Economic Development	<u>75,400</u>	<u>2,163</u>	<u>73,237</u>	<u>1,848</u>
Debt Service				
Principal	105,000	105,000	-	100,000
Interest and Fiscal Charges	<u>10,237</u>	<u>10,231</u>	<u>6</u>	<u>12,233</u>
Total Debt Service	<u>115,237</u>	<u>115,231</u>	<u>6</u>	<u>112,233</u>
Total Expenditures	<u>190,637</u>	<u>117,394</u>	<u>73,243</u>	<u>114,081</u>
Net Change in Fund Balance	<u>\$ (46,758)</u>	39,213	<u>\$ 85,971</u>	29,804
Fund Balance at Beginning of Year		<u>161,522</u>		<u>131,718</u>
Fund Balance at End of Year		<u>\$ 200,735</u>		<u>\$ 161,522</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, 2018
With Comparative Actual Amounts for the Year Ended December 31, 2017

	2018		Variance from Final Budget Positive (Negative)	2017
	Original and Final Budget	Actual		Actual
Revenues				
Taxes	\$ 95,632	\$ 65,391	\$ (30,241)	\$ -
Investment Income	-	27	27	-
Total Revenues	<u>95,632</u>	<u>65,418</u>	<u>(30,214)</u>	<u>-</u>
Expenditures				
Economic Development				
Contractual Services	103,390	215,755	(112,365)	129,338
Commodities	-	-	-	9,680
Capital Outlay	-	1,254,126	(1,254,126)	602,945
Total Expenditures	<u>103,390</u>	<u>1,469,881</u>	<u>(1,366,491)</u>	<u>741,963</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>(7,758)</u>	<u>(1,404,463)</u>	<u>(1,396,705)</u>	<u>(741,963)</u>
Other Financing Sources (Uses)				
Proceeds from sale of capital assets	-	-	-	1,759,784
Transfers Out	(48,000)	(48,000)	-	(44,000)
Total Other Financing Sources (Uses)	<u>(48,000)</u>	<u>(48,000)</u>	<u>-</u>	<u>1,715,784</u>
Net Change in Fund Balance	<u>\$ (55,758)</u>	(1,452,463)	<u>\$ (1,396,705)</u>	973,821
Fund Balance at Beginning of Year		<u>(426,848)</u>		<u>(1,400,669)</u>
Fund Balance at End of Year		<u>\$ (1,879,311)</u>		<u>\$ (426,848)</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, 2018
With Comparative Actual Amounts for the Year Ended December 31, 2017

	2018		Variance from Final Budget Positive (Negative)	2017
	Original and Final Budget	Actual		Actual
Revenues				
Public Charges for Services	\$ 740,670	\$ -	\$ (740,670)	\$ 683,868
Total Revenues	<u>740,670</u>	<u>-</u>	<u>(740,670)</u>	<u>683,868</u>
Expenditures				
Public Safety				
Contractual Services	2,893,354	-	2,893,354	2,697,321
Capital Outlay	5,000	-	5,000	1,725
Total Expenditures	<u>2,898,354</u>	<u>-</u>	<u>2,898,354</u>	<u>2,699,046</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>(2,157,684)</u>	<u>-</u>	<u>2,157,684</u>	<u>(2,015,178)</u>
Other Financing Sources (Uses)				
Transfers In	2,157,684	220,947	(1,936,737)	1,794,231
Total Other Financing Sources (Uses)	<u>2,157,684</u>	<u>220,947</u>	<u>(1,936,737)</u>	<u>1,794,231</u>
Net Change in Fund Balance	<u>\$ -</u>	220,947	<u>\$ 220,947</u>	(220,947)
Fund Balance at Beginning of Year		(220,947)		-
Fund Balance at End of Year		<u>\$ -</u>		<u>\$ (220,947)</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, 2018
With Comparative Actual Amounts for the Year Ended December 31, 2017

	2018		Variance from Final Budget Positive (Negative)	2017
	Original and Final Budget	Actual		Actual
Revenues				
Taxes	\$ -	\$ 92,812	\$ 92,812	\$ 99,978
Total Revenues	<u>-</u>	<u>92,812</u>	<u>92,812</u>	<u>99,978</u>
Expenditures				
Debt Service				
Principal	-	-	-	475,000
Interest and Fiscal Charges	-	-	-	18,600
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>493,600</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>92,812</u>	<u>\$ 92,812</u>	<u>(393,622)</u>
Fund Balance at Beginning of Year		<u>63,802</u>		<u>457,424</u>
Fund Balance at End of Year		<u>\$ 156,614</u>		<u>\$ 63,802</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, 2018
With Comparative Actual Amounts for the Year Ended December 31, 2017

	2018		Variance from Final Budget Positive (Negative)	2017
	Original and Final Budget	Actual		Actual
Revenues				
Investment Income	\$ 65,000	\$ 56,211	\$ (8,789)	\$ 30,841
Miscellaneous	50,000	216,018	166,018	-
Total Revenues	<u>115,000</u>	<u>272,229</u>	<u>157,229</u>	<u>30,841</u>
Expenditures				
General Government				
Commodities	-	-	-	60,440
Capital Outlay	1,332,600	1,732,554	(399,954)	2,148,370
Total General Government	<u>1,332,600</u>	<u>1,732,554</u>	<u>(399,954)</u>	<u>2,208,810</u>
Debt Service				
Principal	12,500	12,500	-	12,500
Total Debt Service	<u>12,500</u>	<u>12,500</u>	<u>-</u>	<u>12,500</u>
Total Expenditures	<u>1,345,100</u>	<u>1,745,054</u>	<u>(399,954)</u>	<u>2,221,310</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>(1,230,100)</u>	<u>(1,472,825)</u>	<u>(242,725)</u>	<u>(2,190,469)</u>
Other Financing Sources (Uses)				
Transfers In	1,500,000	1,500,000	-	1,500,000
Total Other Financing Sources (Uses)	<u>1,500,000</u>	<u>1,500,000</u>	<u>-</u>	<u>1,500,000</u>
Net Change in Fund Balance	<u>\$ 269,900</u>	27,175	<u>\$ (242,725)</u>	(690,469)
Fund Balance at Beginning of Year		<u>3,972,797</u>		<u>4,663,266</u>
Fund Balance at End of Year		<u>\$ 3,999,972</u>		<u>\$ 3,972,797</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, 2018
With Comparative Actual Amounts for the Year Ended December 31, 2017

	2018		Variance from Final Budget Positive (Negative)	2017
	Original and Final Budget	Actual		Actual
Revenues				
Investment Income	\$ 350	\$ 1,660	\$ 1,310	\$ 739
Total Revenues	<u>350</u>	<u>1,660</u>	<u>1,310</u>	<u>739</u>
Expenditures				
General Government				
Contractual Services	49,644	61,613	(11,969)	57,215
Commodities	-	-	-	123
Capital Outlay	325,000	260,351	64,649	220,525
Total Expenditures	<u>374,644</u>	<u>321,964</u>	<u>52,680</u>	<u>277,863</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>(374,294)</u>	<u>(320,304)</u>	<u>53,990</u>	<u>(277,124)</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>\$ (124,294)</u>	<u>(70,304)</u>	<u>\$ 53,990</u>	<u>(27,124)</u>
Fund Balance at Beginning of Year		<u>344,101</u>		<u>371,225</u>
Fund Balance at End of Year		<u>\$ 273,797</u>		<u>\$ 344,101</u>

CITY OF DES PLAINES, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FACILITIES REPLACEMENT FUND
Year Ended December 31, 2018
With Comparative Actual Amounts for the Year Ended December 31, 2017

	2018		Variance from Final Budget Positive (Negative)	2017 Actual
	Original and Final Budget	Actual		
Revenues				
Sale of assets	\$ -	\$ 599,304	\$ 599,304	\$ -
Miscellaneous Revenues	-	666,609	666,609	-
Total Revenues	-	1,265,913	1,265,913	-
Expenditures				
Total Expenditures	-	-	-	-
Excess (Deficiency) of Revenues over (under) Expenditures	-	1,265,913	1,265,913	-
Other Financing Sources (Uses)				
Transfers In	500,000	500,000	-	-
Total Other Financing Sources (Uses)	500,000	500,000	-	-
Net Change in Fund Balance	<u>\$ 500,000</u>	1,765,913	<u>\$ 1,265,913</u>	-
Fund Balance at Beginning of Year		-		-
Fund Balance at End of Year		<u>\$ 1,765,913</u>		<u>\$ -</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, 2018
With Comparative Actual Amounts for the Year Ended December 31, 2017

	2018		Variance from Final Budget Positive (Negative)	2017 Actual
	Original and Final Budget	Actual		
Operating Revenues				
Charges for Services				
Water Sales	\$ 12,007,500	\$ 12,664,012	\$ 656,512	\$ 11,818,368
Sewer Sales	2,000,000	1,996,292	(3,708)	1,903,551
Sales of Water Meters	4,500	6,331	1,831	5,526
Water Permit Fees	1,000	1,950	950	2,200
Service Charges, Cut Off and Connector Fees	135,500	199,980	64,480	182,536
Other Charges for Services	1,500	12,457	10,957	12,300
Total Charges for Services	<u>14,150,000</u>	<u>14,881,022</u>	<u>731,022</u>	<u>13,924,481</u>
Miscellaneous	179,000	186,173	7,173	193,157
Total Operating Revenues	<u>14,329,000</u>	<u>15,067,195</u>	<u>738,195</u>	<u>14,117,638</u>
Operating Expenses				
Salaries	3,196,463	2,974,070	222,393	3,042,140
Benefits	1,533,785	1,296,812	236,973	1,567,147
Contractual Services	1,081,360	1,049,407	31,953	1,002,210
Commodities	7,268,950	6,583,932	685,018	6,917,574
Capital Outlay	6,091,298	315,404	5,775,894	(60,575)
Depreciation	-	1,568,562	(1,568,562)	1,513,250
Total Operating Expenses	<u>19,171,856</u>	<u>13,788,187</u>	<u>5,383,669</u>	<u>13,981,746</u>
Operating Income (Loss)	<u>(4,842,856)</u>	<u>1,279,008</u>	<u>6,121,864</u>	<u>135,892</u>
Nonoperating Revenues and (Expenses)				
Intergovernmental	4,000	8,870	4,870	6,901
Total Nonoperating Revenues and (Expenses)	<u>4,000</u>	<u>8,870</u>	<u>4,870</u>	<u>6,901</u>
Income (Loss) Before Transfers	<u>(4,838,856)</u>	<u>1,287,878</u>	<u>6,126,734</u>	<u>142,793</u>
Transfers				
Transfers In	6,270,758	7,670,758	1,400,000	20,758
Total Transfers	<u>6,270,758</u>	<u>7,670,758</u>	<u>1,400,000</u>	<u>20,758</u>
Change in Net Position	<u>\$ 1,431,902</u>	8,958,636	<u>\$ 7,526,734</u>	163,551
Net Position at Beginning of Year		25,663,155		25,499,604
Change in Accounting Principle (See Note 10)		(955,030)		-
Net Position at Beginning of Year, as restated		24,708,125		25,499,604
Net Position at End of Year		<u>\$ 33,666,761</u>		<u>\$ 25,663,155</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, 2018
With Comparative Actual Amounts for the Year Ended December 31, 2017

	2018		Variance from Final Budget Positive (Negative)	2017
	Original and Final Budget	Actual		Actual
Operating Revenues				
Charges for Services				
Parking Lots, Garages, Permits, and Other	\$ 344,600	\$ 334,777	\$ (9,823)	\$ 351,522
Total Operating Revenues	<u>344,600</u>	<u>334,777</u>	<u>(9,823)</u>	<u>351,522</u>
Operating Expenses				
Contractual Services	74,200	96,699	(22,499)	88,655
Commodities	150,600	139,968	10,632	112,429
Capital Outlay	18,000	17,695	305	-
Total Operating Expenses	<u>242,800</u>	<u>254,362</u>	<u>(11,562)</u>	<u>201,084</u>
Income (Loss) Before Transfers - budgetary	<u>101,800</u>	<u>80,415</u>	<u>(21,385)</u>	<u>150,438</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>\$ 65,284</u>	<u>(609,722)</u>	<u>\$ (21,385)</u>	<u>(539,699)</u>
Net Position at Beginning of Year		<u>10,026,876</u>		<u>10,566,575</u>
Net Position at End of Year		<u>\$ 9,417,154</u>		<u>\$ 10,026,876</u>

CITY OF DES PLAINES, ILLINOIS
 COMBINING STATEMENT OF NET POSITION
 INTERNAL SERVICE FUNDS
 December 31, 2018

	<u>Risk Management</u>	<u>Health Benefits</u>	<u>Total Internal Service Funds</u>
ASSETS			
Current Assets			
Cash and Investments	\$ 203,699	\$ -	\$ 203,699
Prepaid Items	931,930	4,440,176	5,372,106
Other Receivables	-	8,155	8,155
Total Current Assets	<u>1,135,629</u>	<u>4,448,331</u>	<u>5,583,960</u>
TOTAL ASSETS	<u>1,135,629</u>	<u>4,448,331</u>	<u>5,583,960</u>
LIABILITIES			
Current Liabilities			
Accounts Payable	26,118	47,174	73,292
Unearned Revenue	-	28,263	28,263
Advances from Other Funds	764	672,240	673,004
Total Current Liabilities	<u>26,882</u>	<u>747,677</u>	<u>774,559</u>
TOTAL LIABILITIES	<u>26,882</u>	<u>747,677</u>	<u>774,559</u>
NET POSITION			
Unrestricted	<u>1,108,747</u>	<u>3,700,654</u>	<u>4,809,401</u>
TOTAL NET POSITION	<u>\$ 1,108,747</u>	<u>\$ 3,700,654</u>	<u>\$ 4,809,401</u>

CITY OF DES PLAINES, ILLINOIS
 COMBINING STATEMENT OF REVENUES, EXPENSES
 AND CHANGES IN NET POSITION
 INTERNAL SERVICE FUNDS
 Year Ended December 31, 2018

	<u>Risk Management</u>	<u>Health Benefits</u>	<u>Total Internal Service Funds</u>
Operating Revenues			
Charges for Services	\$ 2,747,178	\$ 7,612,584	\$ 10,359,762
Miscellaneous	135,266	-	135,266
Total Operating Revenues	<u>2,882,444</u>	<u>7,612,584</u>	<u>10,495,028</u>
Operating Expenses			
Salaries	9,209	-	9,209
Benefits	1,755	-	1,755
Claims Expense	-	7,295,967	7,295,967
Insurance and Processing Fees	2,915,732	698,140	3,613,872
Miscellaneous	145,227	1,310	146,537
Total Operating Expenses	<u>3,071,923</u>	<u>7,995,417</u>	<u>11,067,340</u>
Change in Net Position	(189,479)	(382,833)	(572,312)
Net Position at Beginning of Year	<u>1,298,226</u>	<u>4,083,487</u>	<u>5,381,713</u>
Net Position at End of Year	<u>\$ 1,108,747</u>	<u>\$ 3,700,654</u>	<u>\$ 4,809,401</u>

CITY OF DES PLAINES, ILLINOIS
 COMBINING STATEMENT OF CASH FLOWS
 INTERNAL SERVICE FUNDS
 Year Ended December 31, 2018

	<u>Risk Management</u>	<u>Health Benefits</u>	<u>Total Internal Service Funds</u>
Cash Flows from Operating Activities			
Cash Received from Customers	\$ 2,747,178	\$ 7,528,423	\$ 10,275,601
Receipts from Miscellaneous Revenues	135,266	-	135,266
Cash Payments to Suppliers for Goods and Services	(3,017,111)	(7,986,657)	(11,003,768)
Cash Payments to Employees for Services	(10,964)	-	(10,964)
Net Cash Provided/(Used) by Operating Activities	<u>(145,631)</u>	<u>(458,234)</u>	<u>(603,865)</u>
Cash Flows from Noncapital Financing Activities			
Interfund Advances	764	458,234	458,998
Net Cash Provided/(Used) by Noncapital Financing Activities	<u>764</u>	<u>458,234</u>	<u>458,998</u>
Net Increase (Decrease) in Cash & Investments	(144,867)	-	(144,867)
Cash & Investments, Beginning of Year	348,566	-	348,566
Cash & Investments, End of Year	<u>\$ 203,699</u>	<u>\$ -</u>	<u>\$ 203,699</u>
Reconciliation of Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities			
Operating Income/(Loss)	\$ (189,479)	\$ (382,833)	\$ (572,312)
Adjustments to Reconcile Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities			
Decrease (Increase) in Prepaid Items	32,964	(38,414)	(5,450)
Decrease (Increase) in Other Receivables	-	(6,676)	(6,676)
(Decrease) Increase in Accounts Payable	10,884	47,174	58,058
(Decrease) Increase in Unearned Revenue	-	(77,485)	(77,485)
Total Adjustments	<u>43,848</u>	<u>(75,401)</u>	<u>(31,553)</u>
Net Cash Provided/(Used) by Operating Activities	<u>\$ (145,631)</u>	<u>\$ (458,234)</u>	<u>\$ (603,865)</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, 2018
With Comparative Actual Amounts for the Year Ended December 31, 2017

	2018		Variance from Final Budget Positive (Negative)	2017 Actual
	Original and Final Budget	Actual		
Operating Revenues				
Charges for Services	\$ 2,777,998	\$ 2,747,178	\$ (30,820)	\$ 2,738,012
Miscellaneous	300,000	135,266	(164,734)	332,012
Total Operating Revenues	<u>3,077,998</u>	<u>2,882,444</u>	<u>(195,554)</u>	<u>3,070,024</u>
Operating Expenses				
Salaries	20,162	9,209	10,953	7,300
Benefits	3,995	1,755	2,240	1,448
Claims Expense				
Unemployment Claims	-	-	-	36,948
Workers' Compensation Claims	25,000	-	25,000	-
Total Claims Expense	<u>25,000</u>	<u>-</u>	<u>25,000</u>	<u>36,948</u>
Insurance and Processing Fees				
Claims Administrative Fees	2,500	1,650	850	2,200
Insurance Premiums	175,000	5,789	169,211	171,428
MICA Loss Fund	3,039,416	2,829,354	210,062	2,911,279
MICA Deductible	50,000	78,939	(28,939)	17,736
Total Insurance and Processing Fees	<u>3,266,916</u>	<u>2,915,732</u>	<u>351,184</u>	<u>3,102,643</u>
Miscellaneous				
City-wide Substance Abuse Program	-	690	(690)	1,200
Self-insurance Losses	75,000	59,577	15,423	70,702
Miscellaneous Contractual Services	94,567	84,960	9,607	54,229
Total Miscellaneous	<u>169,567</u>	<u>145,227</u>	<u>24,340</u>	<u>126,131</u>
Total Operating Expenses	<u>3,485,640</u>	<u>3,071,923</u>	<u>413,717</u>	<u>3,274,470</u>
Change in Net Position	<u>\$ (407,642)</u>	<u>(189,479)</u>	<u>\$ 218,163</u>	<u>(204,446)</u>
Net Position at Beginning of Year		<u>1,298,226</u>		<u>1,502,672</u>
Net Position at End of Year		<u>\$ 1,108,747</u>		<u>\$ 1,298,226</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, 2018
With Comparative Actual Amounts for the Year Ended December 31, 2017

	2018		Variance from Final Budget Positive (Negative)	2017
	Original and Final Budget	Actual		Actual
Operating Revenues				
Charges for Services	\$ 8,892,211	\$ 7,612,584	\$ (1,279,627)	\$ 7,901,388
Total Operating Revenues	<u>8,892,211</u>	<u>7,612,584</u>	<u>(1,279,627)</u>	<u>7,901,388</u>
Operating Expenses				
Claims Expense				
Claims Paid - City - PPO	6,667,273	5,746,645	920,628	6,169,411
Claims Paid - City - HMO	<u>1,515,722</u>	<u>1,549,322</u>	<u>(33,600)</u>	<u>1,572,664</u>
Total Claims Expense	<u>8,182,995</u>	<u>7,295,967</u>	<u>887,028</u>	<u>7,742,075</u>
Insurance and Processing Fees				
Dental Claims and Administration Fee	492,325	512,557	(20,232)	481,544
Life Insurance Premium	<u>198,391</u>	<u>185,583</u>	<u>12,808</u>	<u>161,677</u>
Total Insurance and Processing Fees	<u>690,716</u>	<u>698,140</u>	<u>(7,424)</u>	<u>643,221</u>
Miscellaneous	<u>50,000</u>	<u>1,310</u>	<u>48,690</u>	<u>326</u>
Total Operating Expenses	<u>8,923,711</u>	<u>7,995,417</u>	<u>928,294</u>	<u>8,385,622</u>
Operating Income (Loss)	<u>(31,500)</u>	<u>(382,833)</u>	<u>(351,333)</u>	<u>(484,234)</u>
Nonoperating Revenues and (Expenses)				
Investment Income	<u>300</u>	-	(300)	-
Total Nonoperating Revenues and (Expenses)	<u>300</u>	-	<u>(300)</u>	-
Change in Net Position	<u>\$ (31,200)</u>	(382,833)	<u>\$ (351,633)</u>	(484,234)
Net Position at Beginning of Year		<u>4,083,487</u>		<u>4,567,721</u>
Net Position at End of Year		<u>\$ 3,700,654</u>		<u>\$ 4,083,487</u>

CITY OF DES PLAINES, ILLINOIS
 COMBINING STATEMENT OF FIDUCIARY NET POSITION
 PENSION TRUST FUNDS
 December 31, 2018

	Firefighters' Pension	Police Pension	Total Pension Trust Funds
ASSETS			
Cash and Cash Equivalents	\$ 2,055,209	\$ 4,720,295	\$ 6,775,504
Investments			
U.S. Government and Agency Obligations	12,878,258	10,999,200	23,877,458
State and Local Obligations	296,621	476,940	773,561
Corporate Bonds	12,021,577	9,645,149	21,666,726
Mutual Funds	19,516,294	21,734,102	41,250,396
Stocks	25,071,980	17,241,226	42,313,206
Insurance Contracts	-	1,531	1,531
Receivables			
Accrued Interest	196,492	160,379	356,871
Prepaid Items	8,726	8,580	17,306
TOTAL ASSETS	<u>72,045,157</u>	<u>64,987,402</u>	<u>137,032,559</u>
LIABILITIES AND NET POSITION			
Liabilities			
Accounts Payable	<u>46,758</u>	<u>51,067</u>	<u>97,825</u>
Total Liabilities	<u>46,758</u>	<u>51,067</u>	<u>97,825</u>
Net Position			
Restricted for Pensions	<u>\$ 71,998,399</u>	<u>\$ 64,936,335</u>	<u>\$ 136,934,734</u>

CITY OF DES PLAINES, ILLINOIS
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 PENSION TRUST FUNDS
 Year Ended December 31, 2018

	Firefighters' Pension	Police Pension	Total Pension Trust Funds
Additions			
Contributions			
Employer	\$ 5,141,314	\$ 5,484,051	\$ 10,625,365
Plan Members	<u>878,172</u>	<u>1,015,064</u>	<u>1,893,236</u>
Total Contributions	<u>6,019,486</u>	<u>6,499,115</u>	<u>12,518,601</u>
Investment Income	(6,433,497)	(6,491,660)	(12,925,157)
Less Investment Expense	<u>(321,252)</u>	<u>(319,302)</u>	<u>(640,554)</u>
Net Investment Income	<u>(6,754,749)</u>	<u>(6,810,962)</u>	<u>(13,565,711)</u>
Total Additions	<u>(735,263)</u>	<u>(311,847)</u>	<u>(1,047,110)</u>
Deductions			
Administration	71,027	76,463	147,490
Benefits and Refunds	<u>7,853,384</u>	<u>7,693,120</u>	<u>15,546,504</u>
Total Deductions	<u>7,924,411</u>	<u>7,769,583</u>	<u>15,693,994</u>
Net Increase in Net Position	(8,659,674)	(8,081,430)	(16,741,104)
Plan Net Position at Beginning of Year	<u>80,658,073</u>	<u>73,017,765</u>	<u>153,675,838</u>
Plan Net Position at End of Year	<u>\$ 71,998,399</u>	<u>\$ 64,936,335</u>	<u>\$ 136,934,734</u>

CITY OF DES PLAINES, ILLINOIS
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUND
December 31, 2018

	<u>Compliance Bond</u>
ASSETS	
Cash and Cash Equivalents	\$ 680,732
Other Receivable	<u>42,975</u>
TOTAL ASSETS	<u><u>\$ 723,707</u></u>
LIABILITIES	
Accounts Payable	\$ 34,481
Due to Governmental Funds	10,168
Deposits Payable	<u>679,058</u>
TOTAL LIABILITIES	<u><u>\$ 723,707</u></u>

CITY OF DES PLAINES, ILLINOIS
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND
Year Ended December 31, 2018

	Balances January 1	Additions	Deductions	Balances December 31
Compliance Bond Fund				
ASSETS				
Cash and Cash Equivalents	\$ 3,100,800	\$ 839,933	\$ 3,260,001	\$ 680,732
Other Receivable	33,757	442,933	433,715	42,975
TOTAL ASSETS	\$ 3,134,557	\$ 1,282,866	\$ 3,693,716	\$ 723,707
LIABILITIES				
Accounts Payable	\$ 41,752	\$ 3,259,135	\$ 3,269,752	\$ 34,481
Due to Governmental Funds	-	428,048	417,880	10,168
Deposits Payable	3,092,805	471,822	2,882,223	679,058
TOTAL LIABILITIES	\$ 3,134,557	\$ 4,159,005	\$ 6,569,855	\$ 723,707

CITY OF DES PLAINES, ILLINOIS
 COMPONENT UNIT - LIBRARY
 STATEMENT OF NET POSITION AND GOVERNMENTAL FUNDS
 COMBINING BALANCE SHEET
 December 31, 2018

	General	Capital Projects	Total	Internal Service Fund Compensated Absences
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES				
Assets				
Cash	\$ 2,820,452	\$ 1,317,708	\$ 4,138,160	\$ -
Property Tax Receivable	6,073,717	-	6,073,717	-
Other Receivable	23,247	-	23,247	-
Due from Other Funds	-	-	-	335,484
Prepaid Items	113,043	3,000	116,043	-
Capital Assets, Net	-	-	-	-
Net Pension Asset	-	-	-	-
Total Assets	<u>9,030,459</u>	<u>1,320,708</u>	<u>10,351,167</u>	<u>335,484</u>
Deferred Outflows of Resources				
Deferred Pension Outflows	-	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 9,030,459</u>	<u>\$ 1,320,708</u>	<u>\$ 10,351,167</u>	<u>\$ 335,484</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES/NET POSITION				
Liabilities				
Accounts Payable	\$ 171,175	\$ 4,565	\$ 175,740	\$ -
Accrued Payroll	168,259	-	168,259	-
Due to Other Funds	335,484	-	335,484	-
Noncurrent Liabilities				
Due within One Year	-	-	-	110,842
Due in More than One Year	-	-	-	224,642
Total Liabilities	<u>674,918</u>	<u>4,565</u>	<u>679,483</u>	<u>335,484</u>
Deferred Inflows of Resources				
Unavailable Property Tax Revenue	6,069,500	-	6,069,500	-
Deferred Pension Inflows	-	-	-	-
Total Deferred Inflows of Resources	<u>6,069,500</u>	<u>-</u>	<u>6,069,500</u>	<u>-</u>
Fund Balances/Net Position				
Net Investment in Capital Assets	-	-	-	-
Restricted for Culture and Recreation	2,286,041	1,316,143	3,602,184	-
Total Fund Balances/Net Position	<u>2,286,041</u>	<u>1,316,143</u>	<u>3,602,184</u>	<u>-</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES/NET POSITION	<u>\$ 9,030,459</u>	<u>\$ 1,320,708</u>	<u>\$ 10,351,167</u>	<u>\$ 335,484</u>

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

\$ 335,484

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

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

Adjustments					
Internal Balances	Net OPEB Obligation	Net Pension Liability	Unavailable Grant Revenue	Long-term Assets	Statement of Net Position
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,138,160
-	-	-	-	-	6,073,717
-	-	-	-	-	23,247
(335,484)	-	-	-	-	-
-	-	-	-	-	116,043
-	-	-	-	2,643,647	2,643,647
-	-	-	-	-	-
<u>(335,484)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,643,647</u>	<u>12,994,814</u>
-	-	<u>1,498,788</u>	-	-	<u>1,498,788</u>
<u>\$ (335,484)</u>	<u>\$ -</u>	<u>\$ 1,498,788</u>	<u>\$ -</u>	<u>\$ 2,643,647</u>	<u>\$ 14,493,602</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 175,740
-	-	-	-	-	168,259
(335,484)	-	-	-	-	-
-	-	-	-	-	110,842
-	<u>438,689</u>	<u>2,307,155</u>	-	-	<u>2,970,486</u>
<u>(335,484)</u>	<u>438,689</u>	<u>2,307,155</u>	<u>-</u>	<u>-</u>	<u>3,425,327</u>
-	-	-	-	-	6,069,500
-	<u>29,570</u>	<u>302,498</u>	-	-	<u>332,068</u>
-	<u>29,570</u>	<u>302,498</u>	-	-	<u>6,401,568</u>
-	-	-	-	2,643,647	2,643,647
-	<u>(468,259)</u>	<u>(1,110,865)</u>	-	-	<u>2,023,060</u>
<u>-</u>	<u>(468,259)</u>	<u>(1,110,865)</u>	<u>-</u>	<u>2,643,647</u>	<u>4,666,707</u>
<u>\$ (335,484)</u>	<u>\$ -</u>	<u>\$ 1,498,788</u>	<u>\$ -</u>	<u>\$ 2,643,647</u>	<u>\$ 14,493,602</u>
<u>\$ (335,484)</u>					
	<u>\$ 438,689</u>	<u>\$ 1,110,865</u>			
				<u>\$ 2,643,647</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, 2018

	General	Capital Projects	Total
Revenues			
Property Taxes	\$ 5,993,622	\$ -	\$ 5,993,622
Intergovernmental	212,759	-	212,759
Charges for Services	12,625	-	12,625
Fines	68,312	-	68,312
Investment Income	79,915	133	80,048
Miscellaneous	68,581	-	68,581
Total Revenues	<u>6,435,814</u>	<u>133</u>	<u>6,435,947</u>
Expenditures			
Civic and Cultural	6,037,096	-	6,037,096
Capital Outlay	159,732	124,212	283,944
Total Expenditures	<u>6,196,828</u>	<u>124,212</u>	<u>6,321,040</u>
Excess (Deficiency) of Revenues over (under) Expenditures	238,986	(124,079)	114,907
Other Financing Sources (Uses)			
Transfers in	-	1,300,000	1,300,000
Transfers out	(1,300,000)	-	(1,300,000)
Total Other Financing Sources (Uses)	<u>(1,300,000)</u>	<u>1,300,000</u>	<u>-</u>
Net Change in Fund Balance/Net Position	(1,061,014)	1,175,921	114,907
Fund Balance/Net Position, Beginning of Year	3,347,055	140,222	3,487,277
Change in Accounting Principle (See Note 13)	-	-	-
Fund Balance/Net Position, Beginning of Year, as restated	<u>3,347,055</u>	<u>140,222</u>	<u>3,487,277</u>
Fund Balance/Net Position, End of Year	<u>\$ 2,286,041</u>	<u>\$ 1,316,143</u>	<u>\$ 3,602,184</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 previously reported in the statement of activities that did provide current financial resources are reported as revenues in the funds.

Long-term Assets	Internal Balances	Adjustments			Statement of Activities
		Net OPEB Obligation	Unavailable Grant Revenue	Net Pension Liability	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,993,622
-	-	-	(45,316)	-	167,443
-	-	-	-	-	12,625
-	-	-	-	-	68,312
-	-	-	-	-	80,048
-	-	-	-	-	68,581
-	-	-	(45,316)	-	6,390,631
163,436	-	(10,253)	-	(134,234)	6,056,045
(21,037)	-	-	-	-	262,907
<u>142,399</u>	<u>-</u>	<u>(10,253)</u>	<u>-</u>	<u>(134,234)</u>	<u>6,318,952</u>
(142,399)	-	10,253	(45,316)	134,234	71,679
-	(1,300,000)	-	-	-	-
-	<u>1,300,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-
(142,399)	-	10,253	(45,316)	134,234	71,679
2,786,046	-	(93,561)	45,316	(1,245,099)	4,979,979
-	-	(384,951)	-	-	(384,951)
<u>2,786,046</u>	<u>-</u>	<u>(478,512)</u>	<u>45,316</u>	<u>(1,245,099)</u>	<u>4,595,028</u>
<u>\$ 2,643,647</u>	<u>\$ -</u>	<u>\$ (468,259)</u>	<u>\$ -</u>	<u>\$ (1,110,865)</u>	<u>\$ 4,666,707</u>
<u>\$ (142,399)</u>					
		<u>\$ 10,253</u>		<u>\$ 134,234</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, 2018
With Comparative Actual Amounts for the Year Ended December 31, 2017

	2018		Variance from Final Budget Positive (Negative)	2017
	Original and Final Budget	Actual		Actual
Revenues				
Property Taxes	\$ 6,100,000	\$ 5,993,622	\$ (106,378)	\$ 6,003,992
Replacement Taxes	92,988	92,988	-	92,988
State Grants	47,000	119,771	72,771	400
Charges for Services	10,000	12,625	2,625	25,940
Fines	99,000	68,312	(30,688)	83,040
Investment Income	20,000	79,915	59,915	36,851
Miscellaneous	41,000	68,581	27,581	55,006
Total Revenues	<u>6,409,988</u>	<u>6,435,814</u>	<u>25,826</u>	<u>6,298,217</u>
Expenditures				
Civic and Cultural				
Salaries	3,085,900	2,977,951	107,949	2,931,064
Benefits	1,044,455	984,931	59,524	976,046
Contractual Services	1,099,798	1,093,541	6,257	1,057,398
Commodities	1,015,380	980,673	34,707	943,455
Total Civic and Cultural	<u>6,245,533</u>	<u>6,037,096</u>	<u>208,437</u>	<u>5,907,963</u>
Capital Outlay	168,190	159,732	8,458	94,430
Total Expenditures	<u>6,413,723</u>	<u>6,196,828</u>	<u>216,895</u>	<u>6,002,393</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>(3,735)</u>	<u>238,986</u>	<u>242,721</u>	<u>295,824</u>
Other Financing Sources (Uses)				
Transfers Out	(1,300,000)	(1,300,000)	-	(300,000)
Total Other Financing Sources (Uses)	<u>(1,300,000)</u>	<u>(1,300,000)</u>	<u>-</u>	<u>(300,000)</u>
Net Change in Fund Balance	<u>\$ (1,303,735)</u>	<u>(1,061,014)</u>	<u>\$ 242,721</u>	<u>(4,176)</u>
Fund Balance at Beginning of Year		<u>3,347,055</u>		<u>3,351,231</u>
Fund Balance at End of Year		<u>\$ 2,286,041</u>		<u>\$ 3,347,055</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, 2018
With Comparative Actual Amounts for the Year Ended December 31, 2017

	2018		Variance from Final Budget Positive (Negative)	2017
	Original and Final Budget	Actual		Actual
Revenues				
Investment Income	\$ 25	\$ 133	\$ 108	\$ 30
Total Revenues	<u>25</u>	<u>133</u>	<u>108</u>	<u>30</u>
Expenditures				
Capital Outlay	143,675	124,212	19,463	123,175
Total Expenditures	<u>143,675</u>	<u>124,212</u>	<u>19,463</u>	<u>123,175</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>(143,650)</u>	<u>(124,079)</u>	<u>19,571</u>	<u>(123,145)</u>
Other Financing Sources (Uses)				
Transfers In	1,300,000	1,300,000	-	300,000
Total Other Financing Sources (Uses)	<u>1,300,000</u>	<u>1,300,000</u>	<u>-</u>	<u>300,000</u>
Net Change in Fund Balance	<u>\$ 1,156,350</u>	1,175,921	<u>\$ 19,571</u>	176,855
Fund Balance at Beginning of Year		<u>140,222</u>		<u>(36,633)</u>
Fund Balance at End of Year		<u>\$ 1,316,143</u>		<u>\$ 140,222</u>

CITY OF DES PLAINES, ILLINOIS
LONG TERM DEBT REQUIREMENTS
TAXABLE GENERAL OBLIGATION REFUNDING BONDS, SERIES 2008A (TIF#3 PORTION)
December 31, 2018

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
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
	\$ 350,000	\$ 37,144	\$ 387,144		\$ 18,572		\$ 18,572

CITY OF DES PLAINES, ILLINOIS
LONG TERM DEBT REQUIREMENTS
TAXABLE GENERAL OBLIGATION REFUNDING BONDS, SERIES 2009A (TIF #6, CAPITAL APPRECIATION)
December 31, 2018

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				
	<u>Original Amount</u>	<u>Accretion to Date</u>	<u>Current Payable</u>	<u>Future Accretion</u>	<u>Total Principal Requirement</u>
2019	\$ 192,780	\$ 115,806	\$ 308,586	\$ 16,414	\$ 325,000
2020	257,668	\$ 163,999	421,667	48,333	470,000
2021	225,713	\$ 150,240	375,953	69,047	445,000
2022	750,424	\$ 505,030	1,255,454	319,546	1,575,000
2023	333,112	\$ 226,647	559,759	185,241	745,000
	<u>\$ 1,759,697</u>	<u>\$ 1,161,722</u>	<u>\$ 2,921,419</u>	<u>\$ 638,581</u>	<u>\$ 3,560,000</u>

CITY OF DES PLAINES, ILLINOIS
LONG TERM DEBT REQUIREMENTS
GENERAL OBLIGATION REFUNDING BONDS, SERIES 2011A (TOTAL ISSUE)
December 31, 2018

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
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
	\$ 1,205,000	\$ 56,001	\$ 1,261,001		\$ 28,001		\$ 28,000

CITY OF DES PLAINES, ILLINOIS
LONG TERM DEBT REQUIREMENTS
GENERAL OBLIGATION REFUNDING BONDS, SERIES 2011A (TIF #1 PORTION)
December 31, 2018

Date of issue	December 22, 2011
Date of maturity	December 1, 2020
Authorized issue	\$ 1,555,000
Denomination of bonds	\$ 5,000
Interest rates	2.00% to 2.50%
Interest dates	June 1 and December 1
Principal maturity date	December 1
Payable at	Amalgamated Bank of Chicago

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year Ending <u>December 31</u>	Requirements			Interest Due			
	Principal	Interest	Total	June 1	Amount	December 1	Amount
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
	\$ 370,000	\$ 13,875	\$ 383,875		\$ 6,938		\$ 6,937

CITY OF DES PLAINES, ILLINOIS
LONG TERM DEBT REQUIREMENTS
GENERAL OBLIGATION REFUNDING BONDS, SERIES 2011A (TIF #3 PORTION)
December 31, 2018

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
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
	\$ 450,000	\$ 22,752	\$ 472,752		\$ 11,376		\$ 11,376

CITY OF DES PLAINES, ILLINOIS
LONG TERM DEBT REQUIREMENTS
GENERAL OBLIGATION REFUNDING BONDS, SERIES 2011A (TIF #5 PORTION)
December 31, 2018

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
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
	\$ 310,000	\$ 15,626	\$ 325,626		\$ 7,813		\$ 7,813

CITY OF DES PLAINES, ILLINOIS
LONG TERM DEBT REQUIREMENTS
GENERAL OBLIGATION REFUNDING BONDS, SERIES 2011A (TIF #6 PORTION)
December 31, 2018

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
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
	\$ 75,000	\$ 3,748	\$ 78,748		\$ 1,874		\$ 1,874

CITY OF DES PLAINES, ILLINOIS
LONG TERM DEBT REQUIREMENTS
GENERAL OBLIGATION REFUNDING BONDS, SERIES 2012A (TIF #1)
December 31, 2018

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
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
	\$ 985,000	\$ 27,150	\$ 1,012,150		\$ 13,575		\$ 13,575

CITY OF DES PLAINES, ILLINOIS
LONG TERM DEBT REQUIREMENTS
TAXABLE GENERAL OBLIGATION REFUNDING BONDS, SERIES 2013 (TOTAL ISSUE)
December 31, 2018

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
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
	\$ 2,930,000	\$ 169,716	\$ 3,099,716		\$ 84,858		\$ 84,858

CITY OF DES PLAINES, ILLINOIS
LONG TERM DEBT REQUIREMENTS
TAXABLE GENERAL OBLIGATION REFUNDING BONDS, SERIES 2013 (TIF #1 PORTION)
December 31, 2018

Date of issue	December 17, 2013
Date of maturity	December 1, 2020
Authorized issue	\$ 2,990,000
Denomination of bonds	\$ 5,000
Interest rates	3.00% to 3.30%
Interest dates	June 1 and December 1
Principal maturity date	December 1
Payable at	Amalgamated Bank of Chicago

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year Ending <u>December 31</u>	Requirements			Interest Due			
	Principal	Interest	Total	June 1	Amount	December 1	Amount
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
	\$ 935,000	\$ 42,300	\$ 977,300		\$ 21,150		\$ 21,150

CITY OF DES PLAINES, ILLINOIS
LONG TERM DEBT REQUIREMENTS
TAXABLE GENERAL OBLIGATION REFUNDING BONDS, SERIES 2013 (TIF #3 PORTION)
December 31, 2018

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
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
	\$ 220,000	\$ 14,028	\$ 234,028		\$ 7,014		\$ 7,014

CITY OF DES PLAINES, ILLINOIS
LONG TERM DEBT REQUIREMENTS
TAXABLE GENERAL OBLIGATION REFUNDING BONDS, SERIES 2013 (TIF #6 PORTION)
December 31, 2018

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
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
	\$ 1,775,000	\$ 113,388	\$ 1,888,388		\$ 56,694		\$ 56,694

CITY OF DES PLAINES, ILLINOIS
LONG TERM DEBT REQUIREMENTS
TAXABLE GENERAL OBLIGATION BONDS, SERIES 2014A (TIF #6)
December 31, 2018

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
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
	\$ 960,000	\$ 49,046	\$ 1,009,046		\$ 24,523		\$ 24,523

CITY OF DES PLAINES, ILLINOIS
LONG TERM DEBT REQUIREMENTS
GENERAL OBLIGATION BONDS, SERIES 2014B (TOTAL ISSUE)
December 31, 2018

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
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
	\$ 1,805,000	\$ 95,752	\$ 1,900,752		\$ 47,876		\$ 47,876

CITY OF DES PLAINES, ILLINOIS
LONG TERM DEBT REQUIREMENTS
GENERAL OBLIGATION BONDS, SERIES 2014B (TIF #3 PORTION)
December 31, 2018

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
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
	\$ 1,805,000	\$ 95,752	\$ 1,900,752		\$ 47,876		\$ 47,876

CITY OF DES PLAINES, ILLINOIS
LONG TERM DEBT REQUIREMENTS
GENERAL OBLIGATION REFUNDING BONDS, SERIES 2018 (TIF #3 PORTION)
December 31, 2018

Date of issue	March 5, 2018
Date of maturity	December 1, 2028
Authorized issue	\$ 12,410,000
Denomination of bonds	\$ 5,000
Interest rates	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
2019	\$ 710,000	\$ 357,150	\$ 1,067,150	2019	\$ 178,575	2019	\$ 178,575
2020	705,000	335,850	1,040,850	2020	167,925	2020	167,925
2021	720,000	314,700	1,034,700	2021	157,350	2021	157,350
2022	1,085,000	293,100	1,378,100	2022	146,550	2022	146,550
2023	1,845,000	260,550	2,105,550	2023	130,275	2023	130,275
2024	1,905,000	205,200	2,110,200	2024	102,600	2024	102,600
2025	1,960,000	148,050	2,108,050	2025	74,025	2025	74,025
2026	2,160,000	89,250	2,249,250	2026	44,625	2026	44,625
2027	400,000	24,450	424,450	2027	12,225	2027	12,225
2028	415,000	12,450	427,450	2028	6,225	2028	6,225
	<u>\$ 11,905,000</u>	<u>\$ 2,040,750</u>	<u>\$ 13,945,750</u>		<u>\$1,020,375</u>		<u>\$ 1,020,375</u>

CITY OF DES PLAINES, ILLINOIS
LONG TERM DEBT REQUIREMENTS
TAX INCREMENT REVENUE NOTE, SERIES 2002 - NORWOOD PARTNERSHIP, LLC
December 31, 2018

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>
2019	\$ 36,902	\$ 3,976	\$ 40,878
2020	38,840	2,039	40,879
	<u>\$ 75,742</u>	<u>\$ 6,015</u>	<u>\$ 81,757</u>

CITY OF DES PLAINES, ILLINOIS
LONG TERM DEBT REQUIREMENTS
TAX INCREMENT REVENUE NOTE, SERIES 2003 - LAB GRACELAND
December 31, 2018

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>	<u>Requirements</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 39,038	\$ 4,206	\$ 43,244
2020	41,087	2,157	43,244
	<u>\$ 80,125</u>	<u>\$ 6,363</u>	<u>\$ 86,488</u>

CITY OF DES PLAINES, ILLINOIS
 SHORT TERM DEBT REQUIREMENTS
 EQUIPMENT LOAN (FIRE ENGINE)
 December 31, 2018

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>
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
	\$ 137,500

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.

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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.

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Assessed Value and Actual Value of Taxable Property – Last Ten Levy 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.

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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
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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.

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Miscellaneous Statistics

CITY OF DES PLAINES

CHANGES IN NET POSITION Last Ten Calendar Years (accrual basis of accounting) 12/31/2018

	2009	2010	2011	2012
Expenses				
Governmental activities				
General government	\$ 8,913,451	\$ 8,939,465	\$ 18,270,898	\$ 26,776,957
Public safety	36,457,403	35,365,323	38,529,145	37,899,640
Public works	9,608,620	7,550,803	8,537,753	7,637,527
Streets and highways	10,807,891	9,499,575	10,341,746	10,686,981
Economic development	2,184,724	1,487,301	1,161,997	1,553,448
Interest	<u>3,984,468</u>	<u>3,631,361</u>	<u>3,274,304</u>	<u>3,046,102</u>
Total governmental activities expenses	<u>71,956,557</u>	<u>66,473,828</u>	<u>80,115,843</u>	<u>87,600,655</u>
Business-type activities				
Water	11,831,289	11,912,298	12,528,325	14,161,409
Parking system	888,277	803,475	802,934	783,586
Emergency communications	-	-	-	-
Total business-type activities	<u>12,719,566</u>	<u>12,715,773</u>	<u>13,331,259</u>	<u>14,944,995</u>
Total primary government expenses	<u>\$ 84,676,123</u>	<u>\$ 79,189,601</u>	<u>\$ 93,447,102</u>	<u>\$ 102,545,650</u>
Component unit - public library	<u>\$ 6,482,277</u>	<u>\$ 5,994,030</u>	<u>\$ 5,798,824</u>	<u>\$ 5,648,933</u>
Program Revenues				
Governmental activities				
Charges for services				
General government	\$ 8,182,538	\$ 8,546,887	\$ 6,223,077	\$ 5,869,247
Public safety	2,450,209	3,293,616	3,740,733	3,745,369
Public works	3,537,886	3,694,457	3,826,957	3,955,349
Streets and highways	1,531,176	2,376,318	2,323,567	2,434,345
Operating grants and contributions	1,970,206	3,322,252	3,797,791	2,762,161
Capital grants and contributions	<u>438,582</u>	<u>11,294,273</u>	<u>4,851,117</u>	<u>3,267,066</u>
Total governmental activities program Revenues	<u>18,110,597</u>	<u>32,527,803</u>	<u>24,763,242</u>	<u>22,033,537</u>
Business-type activities				
Charges for services				
Water	10,965,188	11,509,315	11,286,580	14,162,219
Parking system	267,699	309,312	283,554	370,038
Emergency communications	-	-	-	-
Operating grants and contributions	-	132,274	4,691	2,039
Capital grants and contributions	<u>-</u>	<u>235,119</u>	<u>-</u>	<u>-</u>
Total business-type activities program Revenues	<u>11,232,887</u>	<u>12,186,020</u>	<u>11,574,825</u>	<u>14,534,296</u>
Total primary government program	<u>\$ 29,343,484</u>	<u>\$ 44,713,823</u>	<u>\$ 36,338,067</u>	<u>\$ 36,567,833</u>
Component unit - public library				
Charges for services	\$ 147,700	\$ 166,497	\$ 147,023	\$ 156,752
Operating grants	<u>78,014</u>	<u>65,969</u>	<u>64,080</u>	<u>59,852</u>
Total component unit - public library Revenues	<u>\$ 225,714</u>	<u>\$ 232,466</u>	<u>\$ 211,103</u>	<u>\$ 216,604</u>
Net (expense)/revenue				
Governmental activities	\$ (53,845,960)	\$ (33,946,025)	\$ (55,352,601)	\$ (65,567,118)
Business-type activities	<u>(1,486,679)</u>	<u>(529,753)</u>	<u>(1,756,434)</u>	<u>(410,699)</u>
Total primary government net expense	<u>\$ (55,332,639)</u>	<u>\$ (34,475,778)</u>	<u>\$ (57,109,035)</u>	<u>\$ (65,977,817)</u>
Component unit - public library net Expense	<u>\$ (6,256,563)</u>	<u>\$ (5,761,564)</u>	<u>\$ (5,587,721)</u>	<u>\$ (5,432,329)</u>

	2013	2014	2015	2016	2017	2018
\$	26,119,801	\$ 25,998,813	\$ 26,508,887	\$ 27,240,159	\$ 27,415,182	\$ 26,796,798
	38,792,971	38,962,218	47,386,563	49,009,727	49,963,574	81,695,891
	8,448,448	7,632,615	9,687,304	8,176,306	9,022,143	9,497,058
	11,450,291	13,643,574	15,713,911	11,961,177	21,798,069	14,704,099
	1,906,584	2,346,862	1,980,456	3,650,262	2,808,022	5,345,138
	2,709,144	1,679,828	1,459,709	1,411,210	1,300,991	1,304,502
	<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>	<u>139,343,486</u>
	15,412,364	16,528,659	17,830,764	15,145,099	13,890,269	13,677,543
	808,793	833,974	834,894	835,342	854,840	908,148
	2,247,933	4,057,033	234,127	-	-	-
	<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>14,585,691</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>\$ 153,929,177</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>	<u>\$ 6,318,952</u>
\$	5,774,206	\$ 5,828,028	\$ 5,343,730	\$ 5,359,454	\$ 5,839,543	\$ 5,406,195
	3,259,941	3,003,477	3,889,312	4,150,297	3,951,813	3,297,604
	4,092,464	3,225,062	2,927,288	3,094,047	3,044,288	3,171,589
	2,288,299	2,221,419	1,317,109	1,335,654	1,250,252	1,314,298
	2,996,521	2,307,571	2,759,817	2,352,503	2,319,131	3,162,267
	576,573	4,109,373	11,967,751	2,312,985	12,776,042	7,075,824
	<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>	<u>23,427,777</u>
	13,810,387	14,550,984	14,454,347	14,817,561	13,924,481	14,881,022
	336,051	365,811	333,908	345,158	351,522	334,777
	2,089,579	3,136,798	-	-	-	-
	8,237	5,804	3,471	3,633	6,901	8,870
	-	-	-	-	-	-
	<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>15,224,669</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>	<u>\$ 38,652,446</u>
\$	164,584	\$ 151,688	\$ 157,902	\$ 115,486	\$ 108,980	\$ 80,937
	63,977	72,955	72,955	44,990	45,716	74,455
\$	<u>228,561</u>	<u>\$ 224,643</u>	<u>\$ 230,857</u>	<u>\$ 160,476</u>	<u>\$ 154,696</u>	<u>\$ 155,392</u>
\$	(70,439,235)	\$ (69,568,980)	\$ (74,531,823)	\$ (82,843,901)	\$ (83,126,912)	\$ (115,915,709)
	(2,224,836)	(3,360,269)	(4,108,059)	(814,089)	(462,205)	638,978
\$	<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>\$ (115,276,731)</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>	<u>\$ (6,163,560)</u>

CITY OF DES PLAINES

CHANGES IN NET POSITION Last Ten Calendar Years (accrual basis of accounting) 12/31/2018

	2009	2010	2011	2012
General Revenues and Other Changes in Net Position				
Governmental activities				
Taxes				
Property	\$ 27,934,060	\$ 29,117,259	\$ 29,671,822	\$ 28,841,683
Home rule sales	4,775,264	4,834,624	5,034,311	5,544,261
Utility	2,184,785	3,353,950	3,401,735	3,239,299
Food and beverage	897,541	911,865	1,059,647	1,236,942
Hotel/motel	1,243,395	1,387,872	1,440,269	1,675,772
Real estate transfer	341,949	399,853	393,417	407,884
Local option motor fuel	828,082	1,683,503	1,719,941	1,685,069
Gaming	-	-	10,819,591	24,802,456
Other	4,799,937	4,364,047	4,541,664	4,735,420
Unrestricted intergovernmental				
Sales	8,271,828	8,589,981	8,690,828	9,695,640
Income	4,686,475	4,580,927	4,515,411	5,376,774
Replacement	1,229,867	1,296,063	1,207,737	1,143,050
Investment income	98,711	74,585	82,369	160,289
Miscellaneous	1,422,497	965,645	783,626	1,280,897
Gain (loss) on sale of capital assets	35,221	87,960	-	-
Transfers	(94,340)	262,432	(236,313)	15,758
Total governmental activities	<u>58,655,272</u>	<u>61,910,566</u>	<u>73,126,055</u>	<u>89,841,194</u>
Business-type activities				
Investment income	5,560	2,649	1,519	5,228
Miscellaneous	20,097	27,568	845	2,756
Transfers	94,340	(262,432)	236,313	(15,758)
Total business-type activities	<u>119,997</u>	<u>(232,215)</u>	<u>238,677</u>	<u>(7,774)</u>
Total primary government	<u>\$ 58,775,269</u>	<u>\$ 61,678,351</u>	<u>\$ 73,364,732</u>	<u>\$ 89,833,420</u>
Component unit - public library				
Taxes				
Property	\$ 6,618,324	\$ 6,352,938	\$ 6,625,483	\$ 6,398,159
Unrestricted intergovernmental				
Replacement	92,988	46,494	92,988	92,988
Investment income	6,838	4,167	2,434	5,364
Other general revenues	24,978	31,748	32,010	36,573
Total component unit - public library	<u>\$ 6,743,128</u>	<u>\$ 6,435,347</u>	<u>\$ 6,752,915</u>	<u>\$ 6,533,084</u>
Changes in Net Position				
Governmental activities	\$ 4,809,312	\$ 27,964,541	\$ 17,773,454	\$ 24,274,076
Business-type activities	(1,366,682)	(761,968)	(1,517,757)	(418,473)
Total primary government	<u>\$ 3,442,630</u>	<u>\$ 27,202,573</u>	<u>\$ 16,255,697</u>	<u>\$ 23,855,603</u>
Total component unit - public library	<u>\$ 486,565</u>	<u>\$ 673,783</u>	<u>\$ 1,165,194</u>	<u>\$ 1,100,755</u>

	2013	2014	2015	2016	2017	2018
\$	28,575,125	\$ 28,442,253	\$ 28,607,185	\$ 29,254,397	\$ 29,611,170	\$ 29,099,377
	5,640,304	5,934,305	5,711,272	6,104,292	6,412,186	6,804,742
	3,264,076	3,358,459	3,033,933	3,069,270	3,006,537	3,121,450
	1,177,511	1,190,477	1,228,581	1,268,923	1,330,150	1,346,268
	1,752,342	1,988,301	2,145,985	2,069,830	1,908,782	1,995,330
	436,309	610,997	597,813	842,326	883,175	808,982
	1,707,152	1,624,707	1,540,285	1,754,240	1,768,066	1,782,386
	24,662,123	24,792,544	24,654,889	24,685,996	24,762,107	25,065,880
	4,277,423	3,923,909	4,081,651	3,988,052	3,679,988	3,467,035
	13,486,496	12,354,237	12,042,780	12,805,450	13,572,289	15,779,169
	5,643,512	5,667,460	6,232,000	5,556,999	5,363,901	5,570,605
	1,341,936	1,303,645	1,245,069	1,285,820	1,258,212	1,213,702
	89,626	73,812	189,691	365,137	627,226	1,335,078
	899,031	862,423	982,019	688,554	2,431,632	2,586,220
	-	-	-	-	-	-
	(49,992)	(284,242)	(6,692,243)	(5,801,963)	15,758	(7,634,242)
	<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>	<u>92,341,982</u>
	1,776	1,392	1,340	3,056	-	-
	5,388	716,306	8,824	5,762	9,111	9,012
	<u>49,992</u>	<u>284,242</u>	<u>6,692,243</u>	<u>5,801,963</u>	<u>(15,758)</u>	<u>7,634,242</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>7,643,254</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>	<u>99,985,236</u>
\$	6,289,369	\$ 6,144,530	\$ 6,072,634	\$ 6,065,699	\$ 6,003,992	\$ 5,993,622
	92,988	92,988	92,988	92,988	92,988	92,988
	1,945	1,104	2,554	14,614	36,881	80,048
	<u>23,173</u>	<u>44,221</u>	<u>13,918</u>	<u>61,144</u>	<u>55,006</u>	<u>68,581</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>	<u>6,235,239</u>
\$	22,463,739	\$ 22,274,307	\$ 11,069,087	\$ 5,093,422	\$ 13,504,267	\$ (23,573,727)
	(2,167,680)	(2,358,329)	2,594,348	4,996,692	(468,852)	8,282,232
\$	<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>(15,291,495)</u>
\$	<u>562,657</u>	<u>145,251</u>	<u>(640,405)</u>	<u>(229,330)</u>	<u>51,040</u>	<u>71,679</u>

CITY OF DES PLAINES

NET POSITION BY COMPONENT
Last Ten Calendar Years
(accrual basis of accounting)
December 31, 2018

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Governmental Activities				
Net Investment in Capital Assets	\$ 106,143,382	\$ 120,440,844	\$ 116,287,802	\$ 127,408,625
Restricted	3,610,610	6,995,311	9,031,827	10,266,294
Unrestricted	<u>4,596,148</u>	<u>16,645,504</u>	<u>36,535,484</u>	<u>47,759,170</u>
Total Governmental Activities Net Position	<u>\$ 114,350,140</u>	<u>\$ 144,081,659</u>	<u>\$ 161,855,113</u>	<u>\$ 185,434,089</u>
Business-type Activities				
Net Investment in Capital Assets	\$ 30,743,586	\$ 30,365,465	\$ 30,336,201	\$ 29,713,208
Unrestricted	<u>6,052,456</u>	<u>5,668,609</u>	<u>4,180,116</u>	<u>4,379,302</u>
Total Business-type Activities Net Position	<u>\$ 36,796,042</u>	<u>\$ 36,034,074</u>	<u>\$ 34,516,317</u>	<u>\$ 34,092,510</u>
Primary Government				
Net Investment in Capital Assets	\$ 136,886,968	\$ 150,806,309	\$ 146,624,003	\$ 157,121,833
Restricted	3,610,610	6,995,311	9,031,827	10,266,294
Unrestricted	<u>10,648,604</u>	<u>22,314,113</u>	<u>40,715,600</u>	<u>52,138,472</u>
Total Primary Government Net Position	<u>\$ 151,146,182</u>	<u>\$ 180,115,733</u>	<u>\$ 196,371,430</u>	<u>\$ 219,526,599</u>
Component Unit - Public Library				
Net Investment in Capital Assets	\$ 894,053	\$ 853,306	\$ 814,501	\$ 802,700
Restricted	<u>1,721,606</u>	<u>2,436,136</u>	<u>3,640,135</u>	<u>4,752,691</u>
Total Component Unit Net Position	<u>\$ 2,615,659</u>	<u>\$ 3,289,442</u>	<u>\$ 4,454,636</u>	<u>\$ 5,555,391</u>

2013	2014	2015	2016	2017	2018
\$ 141,973,412	\$ 156,111,648	\$ 167,177,408	\$ 182,246,337	\$ 196,250,010	\$ 205,869,137
14,869,706	7,201,606	7,229,324	8,933,922	9,570,315	10,381,412
51,054,710	66,858,881	(60,572,629)	(72,252,734)	(73,388,533)	(117,857,867)
<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>	<u>\$ 98,392,682</u>
\$ 29,853,240	\$ 29,636,936	\$ 33,676,322	\$ 40,123,012	\$ 40,412,151	\$ 44,262,265
2,456,225	314,200	(2,098,497)	(3,548,495)	(4,306,486)	(829,398)
<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>	<u>\$ 43,432,867</u>
\$ 171,826,652	\$ 185,748,584	\$ 200,853,730	\$ 222,369,349	\$ 236,662,161	\$ 250,131,402
14,869,706	7,201,606	7,229,324	8,933,922	9,570,315	10,381,412
53,510,935	67,173,081	(62,671,126)	(75,801,229)	(77,695,019)	(118,687,265)
<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>	<u>\$ 141,825,549</u>
\$ 862,543	\$ 821,084	\$ 1,260,468	\$ 2,901,897	\$ 2,786,046	\$ 2,643,647
5,255,505	5,442,215	3,897,801	2,027,042	2,193,933	2,023,060
<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>	<u>\$ 4,666,707</u>

CITY OF DES PLAINES

FUND BALANCES, GOVERNMENTAL FUNDS
Last Ten Calendar Years
(modified accrual basis of accounting)
December 31, 2018

	<u>2009</u>	<u>2010</u>	<u>2011</u>
General Fund			
Reserved	\$ 8,811,994	\$ 7,980,992	
Unreserved	<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>12,986,225</u>	<u>23,394,066</u>	<u>29,243,213</u>
All Other Governmental Funds			
Restricted	3,804,011	7,372,378	
Unassigned, reported in			
Special revenue funds	(5,103,056)	(8,172,234)	
Capital projects funds	<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>(1,139,639)</u>	<u>8,915,703</u>	<u>8,712,976</u>
Total Fund Balances	<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>	<u>2018</u>
\$ 8,606,709	\$ 9,900,296	\$ 13,885,051	\$ 15,702,116	\$ 20,451,434	\$ 24,834,213	\$ 18,279,838
4,161,818	13,633,108	9,150,000	6,455,851	7,549,251	6,250,829	11,370,310
<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>26,643,679</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>	<u>56,293,827</u>
23,036,807	29,327,541	28,716,570	27,582,864	29,389,921	30,976,615	30,995,961
5,329,691	7,458,773	9,143,577	11,670,656	10,629,560	12,549,719	14,057,505
<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>(24,745,594)</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>20,307,872</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>	<u>\$ 76,601,699</u>

CITY OF DES PLAINES

CHANGE IN FUND BALANCES, GOVERNMENTAL FUNDS Last Ten Calendar Years (modified accrual basis of accounting) December 31, 2018

	2009	2010	2011	2012
Revenues				
Taxes	\$ 42,739,121	\$ 46,081,248	\$ 57,820,338	\$ 71,792,893
Licenses and permits	3,011,551	4,054,683	3,086,311	2,781,329
Intergovernmental	17,142,000	29,252,026	21,250,400	20,898,936
Charges for services	7,908,810	8,622,603	8,668,091	9,123,875
Fines and forfeits	1,764,036	1,852,008	1,605,620	1,385,406
Investment income	79,339	71,106	81,711	159,756
Contributions	-	654,060	848,601	96,019
Miscellaneous	1,320,926	586,682	653,854	655,432
Total revenues	73,965,783	91,174,416	94,014,926	106,893,646
Expenditures				
General government	7,464,278	7,074,551	14,294,213	23,581,990
Public safety	35,684,024	34,559,879	37,181,399	37,425,172
Public works	6,680,294	5,526,605	7,365,744	6,353,113
Streets and highways	5,069,135	4,236,133	5,042,655	5,121,531
Economic development	3,292,776	1,761,408	1,195,611	1,435,613
Capital outlay	5,231,568	10,008,489	15,060,979	7,157,384
Debt service				
Principal retirement	7,128,545	6,801,692	7,152,599	5,094,229
Interest and fiscal charges	3,381,316	2,936,858	2,362,196	2,087,675
Payment to Refunding Bond Escrow	-	-	815,034	1,171,690
Total expenditures	73,931,936	72,905,615	90,470,430	89,428,397
Excess (deficiency) of revenues over expenditures	33,847	18,268,801	3,544,496	17,465,249
Other financing sources (uses)				
Proceeds from issuance of debt	7,598,084	10,055,760	3,540,000	3,765,000
Premium on bond issuance	131,220	-	40,452	41,230
Discount on bond issuance	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
Payments to escrow agent	(7,315,260)	(9,123,820)	(3,541,973)	(3,746,382)
Transfers in	4,670,374	2,860,136	3,800,215	2,284,805
Transfers (out)	(2,264,714)	(1,597,704)	(3,637,516)	(2,269,047)
Total other financing sources (uses)	2,819,704	2,194,372	201,178	75,606
Special Items	-	-	1,900,746	-
Net Changes in Fund Balance	\$ 2,853,551	\$ 20,463,173	\$ 5,646,420	\$ 17,540,855
Debt service as a percentage of noncapital expenditures	15.3%	15.3%	12.1%	8.5%

2013	2014	2015	2016	2017	2018
\$ 71,304,087	\$ 71,718,684	\$ 71,308,608	\$ 72,841,989	\$ 73,149,164	\$ 73,391,392
2,924,191	3,331,833	2,921,119	3,147,534	3,556,348	3,709,035
23,322,717	24,709,609	30,460,684	27,605,915	32,852,498	31,852,420
8,534,072	7,286,945	7,112,363	7,353,189	7,049,701	6,674,391
1,438,877	1,339,069	1,399,110	1,429,415	1,338,860	1,260,640
-	-	-	302,128	572,919	1,288,922
89,592	73,796	189,649	-	-	-
630,969	521,110	608,783	387,335	677,046	2,552,341
<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>	<u>120,729,141</u>
23,406,276	23,731,696	23,872,798	24,608,571	24,885,651	25,158,103
38,330,364	38,839,128	42,089,956	42,554,371	44,022,632	44,481,393
7,012,067	6,205,746	8,478,634	7,657,446	8,577,607	9,149,459
6,363,552	6,973,465	14,377,215	4,780,492	5,439,242	5,537,005
1,855,126	2,238,851	3,353,616	2,349,895	1,857,238	2,252,812
12,433,717	15,218,577	9,002,696	17,195,681	26,199,915	20,328,299
9,793,365	8,151,298	4,459,385	3,982,633	6,611,053	4,959,652
2,036,609	1,325,139	867,944	749,259	649,961	699,551
-	-	-	-	-	-
<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>112,566,274</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>	<u>8,162,867</u>
7,945,000	7,620,000	-	-	-	12,410,000
-	160,309	-	-	-	297,149
215,045	-	-	-	-	-
-	-	-	-	1,759,784	-
-	(15,723,599)	-	-	-	(12,599,628)
10,035,399	11,070,507	8,499,420	6,499,811	12,091,093	10,950,607
<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>(18,584,849)</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>(7,526,721)</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>	<u>\$ 636,146</u>
13.2%	10.6%	5.8%	5.4%	7.8%	6.0%

CITY OF DES PLAINES

ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY Last Ten Levy Years December 31, 2018

Levy Year	Equalized Assessed Value			Total Equalized Assessed Value	Total Direct Rate	Total Actual Value
	Real Estate Property	Air Pollution Control District	Railroad Property			
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
2017	1,951,955,171	766	3,960,310	1,955,916,247	1.216	5,867,807,419

Source: Cook County Clerk's Office

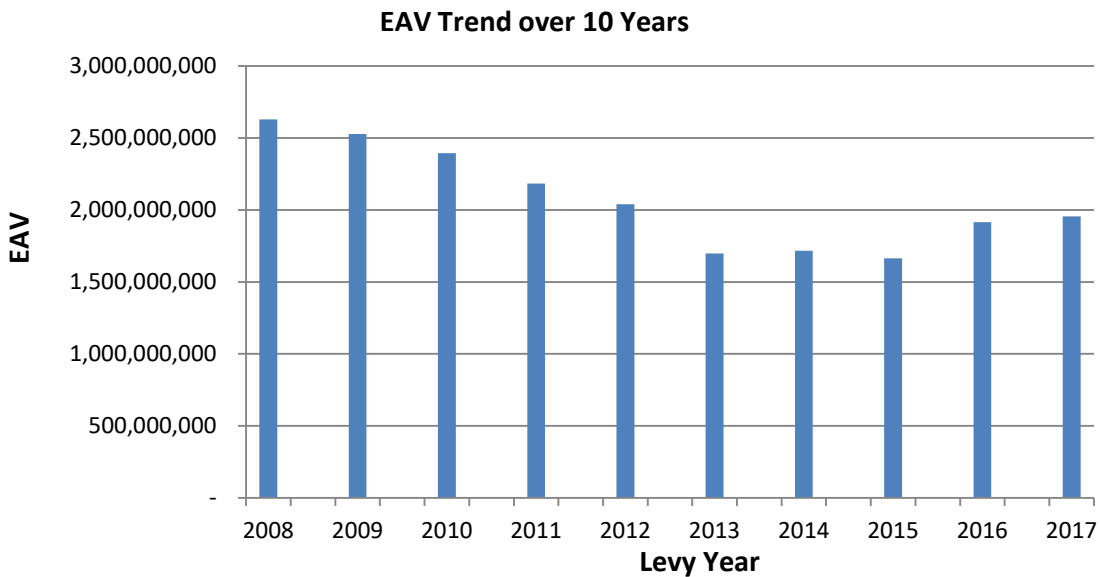
Note: Property is reassessed once every three years. Property is assessed at 1/3 actual value. Tax rates are per \$100 of assessed value. Fiscal year data is based on the previous calendar year's (levy year) assessed value (i.e. data presented for the Fiscal Year ended December 31, 2018 is based on the 2017 assessed value.)

CITY OF DES PLAINES

TREND OF EQUALIZED ASSESSED VALUATIONS Last Ten Levy Years December 31, 2018

Levy Year	Equalized Assessed Value	Percentage Increase (Decrease)	Estimated Actual Value	Ratio of Equalized Assessed Value to Estimated Actual Value
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%
2017	1,955,916,247	2.14%	5,867,748,741	33.33%

Source: Cook County Clerk's Office



CITY OF DES PLAINES

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

Tax Levy Year	City											
	Total	Total City	Corporate	Bonds & Interest	Police Pension	Fire Pension	Library	Cook County	Water Reclamation District	Park District	School (1)	Other (2)
2005	6.966	0.865	0.6071	0.0766	0.0998	0.0807	0.278	0.547	0.315	0.350	4.416	0.195
2006	7.179	0.928	0.6657	0.0657	0.1099	0.0865	0.294	0.500	0.284	0.356	4.619	0.198
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
2017	9.916	1.216	0.6495	-	0.2923	0.2738	0.322	0.527	0.402	0.493	6.701	0.255

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's Office

CITY OF DES PLAINES

MAINE TOWNSHIP
 ALLOCATION OF THE 2017 PROPERTY TAX LEVY COLLECTED IN 2018
 December 31, 2018

	2010		2011		2012		2013	
	Tax per \$100 of Equalized Assessed Valuation	Percentage	Tax per \$100 of Equalized Assessed Valuation	Percentage	Tax per \$100 of Equalized Assessed Valuation	Percentage	Tax per \$100 of Equalized Assessed Valuation	
City of Des Plaines	\$ 0.999	0.139 %	\$ 1.089	0.135 %	\$ 1.166	0.130 %	\$ 1.401	
Des Plaines Library	0.280	0.039	0.300	0.037	0.317	0.035	0.375	
High School District 207	1.782	0.248	1.995	0.247	2.215	0.247	2.722	
Oakton College District	0.160	0.022	0.196	0.024	0.219	0.024	0.256	
School District 62	2.741	0.381	3.107	0.384	3.490	0.389	4.255	
Des Plaines Park District	0.338	0.047	0.379	0.047	0.425	0.047	0.531	
Cook County	0.423	0.059	0.462	0.057	0.531	0.059	0.560	
Metro Water Reclamation Dist	0.274	0.038	0.320	0.040	0.370	0.041	0.417	
N.W. Mosquito Abatement Dist	0.009	0.001	0.010	0.001	0.011	0.001	0.013	
Suburban T.B. Sanitarium	-	-	-	-	-	-	-	
Maine Township	0.131	0.018	0.174	0.022	0.168	0.019	0.241	
Cook County Forest Preserve	<u>0.051</u>	<u>0.007</u>	<u>0.058</u>	<u>0.007</u>	<u>0.063</u>	<u>0.007</u>	<u>0.069</u>	
TOTAL	<u>\$ 7.188</u>	<u>100.00 %</u>	<u>\$ 8.090</u>	<u>100.00 %</u>	<u>\$ 8.975</u>	<u>100.00 %</u>	<u>\$ 10.840</u>	

2014		2015		2016		2017		
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	
0.129 %	\$ 1.385	0.128 %	\$ 1.429	0.126 %	\$ 1.242	0.125 %	1.216	0.123 %
0.035	0.365	0.034	0.373	0.033	0.324	0.033	0.322	0.032
0.251	2.739	0.252	2.901	0.256	2.507	0.253	2.529	0.255
0.024	0.258	0.024	0.271	0.024	0.231	0.023	0.232	0.023
0.393	4.293	0.395	4.487	0.396	3.921	0.396	3.940	0.397
0.049	0.529	0.049	0.556	0.049	0.485	0.049	0.493	0.050
0.052	0.568	0.052	0.552	0.049	0.533	0.054	0.527	0.053
0.038	0.430	0.040	0.426	0.038	0.406	0.041	0.402	0.041
0.001	0.013	0.001	0.011	0.001	0.010	0.001	0.010	0.001
-	-	-	-	-	-	-	-	-
0.022	0.210	0.019	0.254	0.022	0.191	0.019	0.183	0.018
0.006	0.069	0.006	0.069	0.006	0.063	0.006	0.062	0.006
<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>	<u>\$ 9.916</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						
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
2017	9.261	1.216	0.6495	-	0.2923	0.2738	0.322	0.527	0.402	0.609	6.019	0.166

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's Office

CITY OF DES PLAINES

ELK GROVE TOWNSHIP
ALLOCATION OF THE 2017 PROPERTY TAX LEVY COLLECTED IN 2018
December 31, 2018

	2008		2009		2010		2011		2012	
	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	\$ 0.831	0.140 %	\$ 0.917	0.147 %	\$ 0.999	0.146 %	\$ 1.089	0.142 %	\$ 1.166	0.138 %
Des Plaines Library	0.260	0.044	0.257	0.041	0.280	0.041	0.300	0.039	0.317	0.037
High School District 214	1.587	0.267	1.636	0.263	1.839	0.270	2.067	0.269	2.324	0.274
Harper College District 512	0.256	0.043	0.258	0.041	0.295	0.043	0.334	0.044	0.373	0.044
School District 59	1.810	0.305	1.945	0.313	2.129	0.312	2.422	0.316	2.673	0.315
Mt. Prospect Park District	0.407	0.069	0.411	0.066	0.453	0.066	0.502	0.065	0.557	0.066
Cook County	0.415	0.070	0.394	0.063	0.423	0.062	0.462	0.060	0.531	0.063
Metro Water Reclamation District	0.252	0.042	0.261	0.042	0.274	0.040	0.320	0.042	0.370	0.044
N.W. Mosquito Abatement District	0.008	0.001	0.008	0.001	0.009	0.001	0.010	0.001	0.011	0.001
Elk Grove Township	0.059	0.010	0.085	0.014	0.071	0.010	0.106	0.014	0.092	0.011
Forest Preserve District	<u>0.051</u>	<u>0.009</u>	<u>0.049</u>	<u>0.008</u>	<u>0.051</u>	<u>0.007</u>	<u>0.058</u>	<u>0.008</u>	<u>0.063</u>	<u>0.007</u>
TOTAL	\$ 5.936	\$ 1.000	\$ 6.221	\$ 1.000	\$ 6.823	\$ 1.000	\$ 7.670	\$ 1.000	\$ 8.477	\$ 1.000

Source: Cook County Clerk's Office

2013		2014		2015		2016		2017	
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
\$ 1.401	0.140 %	\$ 1.385	0.139 %	\$ 1.429	0.138 %	\$ 1.242	0.135 %	\$ 1.216	0.131 %
0.375	0.037	0.365	0.037	0.373	0.036	0.324	0.035	0.322	0.035
2.768	0.276	2.776	0.278	2.881	0.279	2.527	0.274	2.563	0.277
0.444	0.044	0.451	0.045	0.466	0.045	0.416	0.045	0.425	0.046
3.172	0.317	3.176	0.318	3.291	0.319	2.998	0.326	3.031	0.327
0.657	0.066	0.654	0.065	0.681	0.066	0.594	0.065	0.609	0.066
0.560	0.056	0.568	0.057	0.552	0.053	0.533	0.058	0.527	0.057
0.417	0.042	0.430	0.043	0.426	0.041	0.406	0.044	0.402	0.043
0.013	0.001	0.013	0.001	0.011	0.001	0.010	0.001	0.010	0.001
0.142	0.014	0.111	0.011	0.147	0.014	0.095	0.010	0.094	0.010
<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>0.062</u>	<u>0.007</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>	<u>\$ 9.261</u>	<u>\$ 1.000</u>

CITY OF DES PLAINES

PROPERTY TAX RATES AND EXTENSIONS
Last Ten Calendar Years

Property Tax Levy Year	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Property tax rates (1)										
General corporate	0.5945	0.6102	0.6569	0.7509	0.7900	0.8906	0.8619	0.8400	0.6901	0.6495
Police pension	0.1023	0.1320	0.1436	0.1637	0.1849	0.2518	0.2579	0.3094	0.2824	0.2923
Firefighters' pension	0.0833	0.1239	0.1461	0.1687	0.1854	0.2518	0.2579	0.2722	0.2635	0.2738
General bond retirement	<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>	<u>0.0000</u>
Total property tax rates	<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>	<u>1.2156</u>
Property tax extensions (2)										
General corporate	\$ 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	\$ 12,703,145
Police pension	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	5,716,500
Firefighters' pension	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	5,356,000
General bond retirement	<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>	<u>-</u>
Total property tax extensions	<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>	<u>\$ 23,775,645</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's Office

CITY OF DES PLAINES

PRINCIPAL PROPERTY TAX PAYERS
Current Calendar Year and Nine Years Ago

December 31, 2018

<u>Taxpayer</u>	<u>Type of Business/Property</u>	<u>2017 Equalized Assessed Valuation</u>	<u>Percentage of Total Taxable Assessed Value</u>	<u>2008 Equalized Assessed Valuation</u>	<u>Percentage of Total Taxable Assessed Value</u>
Midwest Gaming	Real Property	\$ 68,992,608	3.53%		
Universal Oil Products	Chemicals Manufacturer	31,013,688	1.59%	\$ 43,168,147	1.64%
Willie Road LLC	Real Property	16,914,191	0.86%		
Juno Lighting Inc	Lighting Products	15,072,858	0.77%	19,074,654	0.73%
Cambridge Realty Cap	Real Property	14,395,320	0.74%		
Colliers Agent GSA DP	Real Property	13,856,785	0.71%		
Marc Realty	Real Property	13,210,463	0.68%		
Abbott Labs	Medical Laboratories	12,437,255	0.64%	18,416,946	0.70%
Apple Reit Ten	Real Property	11,811,583	0.60%		
Individual	Real Property	11,398,988	0.58%	29,422,110	1.12%
O'Hare Lakes Office Plaza LLC	Office Complex			34,869,624	1.33%
MLRP Messenger LLC	Real Property			22,393,898	0.85%
MR Properties	Real Estate			23,849,340	0.91%
First Washington Mgmt	Real Estate			14,660,029	0.56%
Sysco Food Services	Food Wholesalers			14,157,170	0.54%
Marriot Corp	Real Property			14,974,920	0.57%
Total		<u>\$ 209,103,739</u>	<u>10.69%</u>	<u>\$ 234,986,838</u>	<u>8.94%</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, 2018

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
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%
2018	2017	23,083,150	692,495	23,775,645	23,684,019	99.61%	(189,982)	23,494,037	98.82%

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's Office

CITY OF DES PLAINES

PROPERTY VALUE AND CONSTRUCTION Last Ten Calendar Years December 31, 2018

Calendar Year	Property Value (2)	<u>Construction (1)</u>				Total Value of All Construction (including Commercial)
		<u>Single Family</u>		<u>Multi Family</u>		
		Number of Permits	Value	Number of Permits	Value	
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
2018	5,867,807	97	22,065	1	19,658	123,519

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's Office, 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, 2018

Taxable Sales

	2009	2010	2011	2012	2013
General merchandise	\$ 68,245,197	\$ 77,133,600	\$ 65,039,100	\$ 82,451,794	\$ 84,312,307
Food stores	110,595,806	109,545,800	125,744,900	127,806,151	124,996,898
Drinking & eating places	69,952,773	72,412,500	72,985,400	74,194,121	73,037,730
Apparel	3,667,463	3,651,200	19,819,600	2,996,674	2,642,396
Furniture, household & radio	3,309,420	3,140,400	3,258,200	2,632,102	3,223,992
Lumber, building & hardware	22,639,578	26,054,600	26,991,600	31,747,475	32,356,025
Automotive & filling stations	171,775,263	162,573,900	182,879,100	211,968,095	199,656,247
Drugs and miscellaneous retail	90,516,552	125,128,400	76,114,400	106,200,248	495,625,797
Agriculture & all others	142,402,854	143,730,700	161,674,000	213,750,496	224,023,628
Manufacturers	69,486,089	61,629,100	46,963,600	23,956,283	8,232,122
Total	\$ 752,590,995	\$ 785,000,200	\$ 781,469,900	\$ 877,703,439	\$ 1,248,107,142
City direct sales tax rate	1.00%	1.00%	1.00%	1.00%	1.00%

Municipal Tax Receipts

General merchandise	\$ 682,452	\$ 771,336	\$ 650,391	\$ 824,518	\$ 843,123
Food stores	1,105,958	1,095,458	1,257,449	1,278,062	1,249,969
Drinking & eating places	699,528	724,125	729,854	741,941	730,377
Apparel	36,675	36,512	198,196	29,967	26,424
Furniture, household & radio	33,094	31,404	32,582	26,321	32,240
Lumber, building & hardware	226,396	260,546	269,916	317,475	323,560
Automotive & filling stations	1,717,753	1,625,739	1,828,791	2,119,681	1,996,562
Drugs and miscellaneous retail	905,166	1,251,284	761,144	1,062,002	4,956,258
Agriculture & all others	1,424,029	1,437,307	1,616,740	2,137,505	2,240,236
Manufacturers	694,861	616,291	469,636	239,563	82,321
Total	\$ 7,525,910	\$ 7,850,002	\$ 7,814,699	\$ 8,777,034	\$ 12,481,071
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

	2014	2015	2016	2017	2018
\$	93,275,606	\$ 100,099,051	\$ 35,167,584	\$ 27,978,102	\$ 28,132,749
	120,614,055	108,321,547	163,688,429	196,586,098	228,074,499
	72,325,651	76,909,780	102,934,518	112,375,617	116,873,415
	2,862,560	2,716,360	2,360,370	2,596,049	2,775,415
	3,601,935	4,973,366	5,990,700	5,652,031	6,479,594
	40,960,823	38,800,644	38,026,972	42,380,819	43,414,194
	200,108,721	198,372,235	213,047,106	232,453,450	269,867,872
	316,973,432	245,409,242	260,867,328	271,432,828	374,442,861
	236,368,575	269,355,814	281,690,560	272,499,793	294,101,456
	34,309,375	29,507,385	35,014,657	42,300,721	42,220,486
	<u>\$ 1,121,400,733</u>	<u>\$ 1,074,465,424</u>	<u>\$ 1,138,788,224</u>	<u>\$ 1,206,255,508</u>	<u>\$ 1,406,382,541</u>
	1.00%	1.00%	1.00%	1.00%	1.00%

\$	932,756	\$ 1,000,991	\$ 351,676	\$ 279,781	\$ 281,327
	1,206,141	1,083,215	1,636,884	1,965,861	2,280,745
	723,257	769,098	1,029,345	1,123,756	1,168,734
	28,626	27,164	23,604	25,960	27,754
	36,019	49,734	59,907	56,520	64,796
	409,608	388,006	380,270	423,808	434,142
	2,001,087	1,983,722	2,130,471	2,324,535	2,698,679
	3,169,734	2,454,092	2,608,673	2,714,328	3,744,429
	2,363,686	2,693,558	2,816,906	2,724,998	2,941,015
	343,094	295,074	350,147	423,007	422,205
	<u>\$ 11,214,007</u>	<u>\$ 10,744,654</u>	<u>\$ 11,387,882</u>	<u>\$ 12,062,555</u>	<u>\$ 14,063,825</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, 2018

Governmental Activities						
Fiscal Year	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
2009	\$ 4,125,000	\$ 38,540,000	\$ 3,185,285	\$ 28,900,000	\$ 459,597	\$ 689,675
2010	2,905,000	31,545,000	9,734,245	26,030,000	365,820	641,760
2011	875,000	28,880,000	10,225,477	22,930,000	268,651	591,330
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
2018	-	20,140,000	2,921,421	-	137,500	155,867

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

Short Term Note Payable	Business-type Activities		Outstanding Debt as Percentage of Personal Income	Outstanding Debt Per Capita	Personal Income (thousands) of dollars)	Population
	Water General Obligation Bonds	Total Primary Government				
\$ 6,500,000	\$ 1,455,000	\$ 83,854,557	2.66%	\$ 1,428	\$ 3,149,087	58,710
-	1,100,000	72,321,825	2.18%	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
-	-	23,354,788	0.70%	400	3,319,219	58,364

CITY OF DES PLAINES

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

Fiscal Year	Population (1)	Equalized Assessed Value (2)	Net General Obligation Bonded Debt (3)	Ratio of Bonded Debt to Equalized Assessed Value	Bonded Debt Per Capita
2006	56,945	2,099,449,704	95,945,000	4.57	1,684.87
2007	58,710	2,110,069,506	89,380,000	4.24	1,522.40
2008	58,710	2,467,463,828	82,020,000	3.32	1,397.04
2009	58,710	2,628,588,594	76,205,285	2.90	1,297.99
2010	58,364	2,526,387,003	71,314,245	2.82	1,221.89
2011	58,364	2,392,169,028	63,640,477	2.66	1,090.41
2012	58,364	2,184,333,304	57,681,878	2.64	988.31
2013	58,364	2,039,939,367	48,044,315	2.36	823.18
2014	58,364	1,697,287,344	40,678,625	2.40	696.98
2015	58,364	1,717,657,016	36,870,688	2.15	631.74
2016	58,364	1,664,720,171	33,762,827	2.03	578.49
2017	58,364	1,915,029,885	27,777,253	1.45	475.93
2018	58,364	1,955,916,247	13,573,262	0.69	232.56

Data Source

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

(2) Cook County Clerk's Office

(3) City of Des Plaines' Annual Financial Reports.

CITY OF DES PLAINES

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

Fiscal Year	Principal	Interest	Total Debt Service	Total General Expenditures (1)	Ratio of Debt Service to Total General Expenditures
2007	6,421,244	3,987,525	10,408,769	75,245,127	13.83
2008	7,225,134	3,801,758	11,026,892	74,928,477	14.72
2009	7,128,546	3,249,905	10,378,451	71,446,854	14.53
2010	6,801,692	2,588,960	9,390,652	66,340,077	14.16
2011	7,152,599	2,362,196	9,514,795	79,447,160	11.98
2012	6,259,229	2,055,352	8,314,581	85,029,226	9.78
2013	9,181,565	2,032,855	11,214,420	90,440,682	12.40
2014	8,151,298	1,325,139	9,476,437	91,752,984	10.33
2015	4,459,385	867,944	5,327,329	93,056,764	5.72
2016	3,982,633	749,259	4,731,892	91,341,493	5.18
2017	6,611,053	644,685	7,255,738	95,788,403	7.57
2018	4,959,652	582,824	5,542,476	112,566,274	4.92

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, 2018

Governmental Unit	Outstanding Bonds (1)	Applicable to the City Percent (2)	Amount
City of Des Plaines	\$ 13,573,262	100.00%	\$ 13,573,262
Cook County	\$ 2,950,121,750	1.29%	\$ 38,182,051
Cook County Forest Preserve	142,360,000	1.29%	1,842,499
Water Reclamation District	2,348,253,000	1.32%	30,982,183
Des Plaines Park District	8,930,000	94.66%	8,452,800
Elk Grove Park District	950,000	0.49%	4,626
Mt. Prospect Park District	17,324,788	18.48%	3,201,229
School District No. 26	7,930,000	7.46%	591,239
School District No. 57	7,405,000	1.26%	92,994
School District No. 59	12,385,000	11.26%	1,393,993
School District No. 62	73,360,000	90.68%	66,521,661
School District No. 64	4,350,000	0.00%	68
High School District 207	12,730,000	34.68%	4,414,744
High School District 214	38,575,000	3.68%	1,419,560
Community College District 512	231,050,000	1.67%	3,847,812
Community College District 535	32,130,000	7.16%	2,300,175
Subtotal - Overlapping Debt	5,887,854,538		163,247,634
Total Direct and Overlapping Debt	\$ 5,901,427,800		\$ 176,820,896

Notes:

(1) Continuing Disclosure Speer Financial

(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 2017 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 .0016%

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)	Unemployment Rate (3)
2007	58,710	3,149,087	53,638	24,146	39.7	12+	8,384	4.5
2008	58,710	3,149,087	53,638	24,146	39.7	12+	8,394	5.8
2009	58,710	3,149,087	53,638	24,146	39.7	12+	8,414	10.1
2010	58,364	3,319,219	56,871	27,562	42.0	12+	8,540	10.3
2011	58,364	3,319,219	56,871	27,562	42.0	12+	8,000	9.2
2012	58,364	3,319,219	56,871	27,562	42.0	12+	8,490	8.4
2013	58,364	3,319,219	56,871	27,562	42.0	12+	7,836	8.0
2014	58,364	3,319,219	56,871	27,562	42.0	12+	8,516	4.9
2015	58,364	3,319,219	56,871	27,562	42.0	12+	8,465	5.1
2016	58,364	3,319,219	56,871	27,562	42.0	12+	8,442	5.2
2017	58,364	3,319,219	56,871	27,562	42.0	12+	8,353	4.3
2018	58,364	3,319,219	56,871	27,562	42.0	12+	8,262	3.6

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, 2018

Employer	2018			2009		
	Employees (1)	Rank	Percentage City Total Employment	Employees	Rank	Percentage City Total Employment
Universal Oil Products	1600		4.1%	1,900	1	5.1%
Rivers Casino	1450		3.7%			
Holy Family	1069		2.7%	1,036	2	2.8%
LSG SkyChefs	1000		2.6%			
Oakton Community College	990		2.5%	990	3	2.7%
City of Des Plaines	967		2.5%	626	7	1.7%
Sysco Food Services	715		1.8%	650	5	1.8%
Wheels Inc.	700		1.8%	550	8	1.5%
Juno Lighting	475		1.2%	650	5	1.8%
Warehouse Direct	450		1.1%			
W-Diamond Group	400		1.0%			
Abbot Molecular	400		1.0%	500	9	1.3%
Hart Schaffner & Marx				500	9	1.3%
School District 62				760	4	2.0%
Total	<u>10,216</u>		<u>26.1%</u>	<u>8,162</u>		<u>22.0%</u>
City Total Employment (2)	<u>39,136</u>		<u>26.1%</u>	<u>37,087</u>		<u>22.0%</u>

(1) 2018 Illinois Manufacturer's Directory, 2018 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, 2018

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	
Function/Program	<i>Note</i>										
Legislative (merged in 2009)	(1)	-	-	-	-	-	-	-	-	-	-
City Clerk (merged in 2009)	(1)	-	-	-	-	-	-	-	-	-	
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	3.25
General Government											
Manager's Department		20.50	16.50	16.75	16.75	14.75	14.75	15.50	16.00	19.25	21.00
Finance		14.00	14.00	14.00	14.00	14.00	15.75	16.25	16.25	16.25	16.50
Police											
Officers		105.00	96.00	95.00	95.00	95.00	96.00	97.00	97.00	98.00	98.00
Civilians		25.00	22.00	21.00	21.00	21.00	21.00	21.00	21.00	21.00	21.00
Fire											
Firefighters and officers		98.00	96.00	96.00	96.00	96.00	96.00	96.00	96.00	96.00	96.00
Civilians		6.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.75
Public Works and Engineering											
Engineering (merged in 2009)	(1)	-	-	-	-	-	-	-	-	-	-
Public works (merged in 2009)	(1)	-	-	-	-	-	-	-	-	-	-
Public Works & Engineering (new)	(1)	96.25	82.25	79.25	79.25	79.50	80.00	81.00	81.00	81.00	82.00
Community Development											
		20.00	18.00	16.00	16.00	16.00	16.00	18.25	18.25	18.25	18.75
EMA											
		1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.50
DPECC											
	(2)	-	-	-	-	22.75	23.00	21.00	-	-	-
Subtotal		389.25	351.25	344.25	344.50	365.50	369.00	372.75	352.25	356.50	360.75
Library											
		<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>	<u>66.70</u>
Total		<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>	<u>427.45</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, 2018

Function/Program	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Police										
Physical arrests (1)	2,783	1,629	1,279	2,208	1,150	892	812	885	753	594
Compliance and Parking Violations	18,823	14,926	16,228	13,656	12,871	10,973	7,234	7,407	10,212	11,329
Traffic violations	12,688	11,461	7,309	6,643	5,506	4,590	3,188	2,083	1,046	3,420
Fire										
Emergency Medical Calls	4,735	4,946	5,244	5,451	5,382	5,647	5,842	6,060	6,126	6,720
Fires/Reports of Fires	993	1,269	1,085	1,120	1,088	1,172	1,100	924	1,045	1,158
Other Emergency Calls	1,131	769	1,261	1,024	1,063	1,084	958	1,010	879	1,063
Inspections	7,137	1,534	4,962	4,304	4,312	4,177	3,534	3,233	3,803	3,211
Engineering										
Street resurfacing (square yards)	49,000	55,400	51,500	29,700	60,903	167,781	113,115	17,016	107,860	21,942
Sidewalks removed & replaced (sq ft)	84,000	43,500	37,000	69,300	141,162	173,959	101,456	54,635	164,542	126,882
Snow and ice control (tons of salt)	4,292	3,782	1,781	1,143	6,350	4,290	5,600	2,983	2,436	4,738
Community Development										
Building permits issued	2,756	8,229	3,366	2,679	2,956	2,758	2,766	3,105	2,994	3,258
Overall inspection totals	13,871	16,010	15,804	15,804	12,760	13,079	11,400	12,304	13,190	17,478
Health										
Home health visits	111	121	119	91	79	73	87	101	61	34
Library										
Volumes in collection (3)	355,095	257,661	263,736	257,406	255,559	251,361	310,678	318,170	358,969	325,358
Total volumes borrowed	1,261,249	1,171,013	1,176,477	1,173,113	1,133,142	1,106,219	1,022,448	1,111,614	1,094,683	1,074,697
Total annual attendance	542,092	582,096	598,389	575,017	564,257	549,244	590,284	496,845	439,369	417,030
Total resident library cards still active	35,728	33,135	33,784	34,440	34,347	34,845	33,270	33,805	32,644	28,404
Water										
Water Main Breaks	89	110	96	170	141	105	80	124	88	122
New Connections	30	65	40	20	19	36	8	23	37	126
Number of Consumers	17,399	17,441	17,036	17,033	17,058	17,072	17,068	17,091	17,070	17,143
Miles of Water Mains	247	247	221	221	221	221	225	225	225	225
Average daily consumption (gallons)	6,894,000	6,761,000	6,752,000	7,188,000	6,718,635	6,349,202	6,528,887	6,651,885	6,318,907	6,304,457
Daily average consumption per Capita (gallons)	117	115	116	123	115	109	112	114	108	108
Number of Fire Hydrants	2,609	2,679	2,681	2,350	2,350	2,350	2,350	2,350	2,350	2,350
Sewer										
Sanitary sewer replaced (linear feet)	1,022	88	65	341	1,164	470	372	339	306	1,012
Sanitary sewer televised (linear feet)	24,951	42,322	43,406	37,310	27,733	15,187	21,035	10,231	44,172	45,201
Sanitary sewer cleaned (linear feet)	177,439	204,470	131,496	179,998	98,777	91,738	121,331	98,420	157,396	165,213
Sanitary sewer lined (linear feet)	-	12,037	3,420	10,045	-	3,102	174	2,111	2,111	22,041
Municipal Parking Lots										
Metra (2)	47,794	54,294	43,257	49,669	48,591	44,105	52,965	54,158	55,546	80,657
City Owned (2)	25,581	17,275	17,283	20,173	36,218	54,513	37,908	34,710	34,597	33,012
Transit										
Taxi Cab cards issued (4)	296	275	-	-	-	-	-	-	-	-
Number of participants in the Subsidized Taxi Voucher Program (4)	-	-	780	938	1,076	1,124	1,112	1,109	-	-
Handicapped Placards issued	66	75	66	40	45	23	18	19	61	17

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.

CITY OF DES PLAINES

CAPITAL ASSETS STATISTICS BY FUNCTION Last Ten Calendar Years December 31, 2018

<u>Function/Program</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>	<u>2018</u>
Police										
Station	1	1	1	1	1	1	1	1	1	1
Sworn Police Officers	105	94	93	93	93	93	92	96	96	94
Fire Stations										
Station	3	3	3	3	3	3	3	3	3	3
Sworn Firefighters	98	95	92	92	92	92	92	92	92	92
Other Public Works										
Streets (miles)*	145	145	145	145	145	145	145	145	145	145
Streetlights	732	738	722	723	723	787	787	787	787	787
Traffic Signals	2	2	2	2	2	1	4	3	3	3
Water										
Water mains (miles)	247	247	221	221	221	221	225	225	225	225
Fire hydrants	2,609	2,679	2,681	2,350	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, 2018

	<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>	<u>2018</u>
<u>Gallons sold</u>										
Residential	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	1,179,747
Commercial	495,175	516,464	494,478	486,179	470,197	493,685	535,931	536,218	420,324	425,349
Industrial	<u>144,665</u>	<u>128,891</u>	<u>131,321</u>	<u>112,454</u>	<u>113,281</u>	<u>119,147</u>	<u>102,580</u>	<u>112,064</u>	<u>108,287</u>	<u>120,994</u>
Totals	<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>	<u>1,726,090</u>
Water rate per 1,000 gallons	\$4.32	\$4.56	\$4.56	\$5.45	\$5.82	\$6.25	\$6.75	\$6.75	\$6.82	\$6.88
Storm Sewer rate per 1,000 gallons	\$0.76	\$1.20	\$1.20	\$1.20	\$1.20	\$1.20	\$0.76	\$0.76	\$0.76	\$0.76

Source: City of Des Plaines Water Consumption Report

CITY OF DES PLAINES

MISCELLANEOUS STATISTICS

December 31, 2018

Date of incorporation (Town of Rand)	1857
Form of government	City Manager
Building permits:	
Permits issued	3,258
Estimated value	\$123,519,182
Fire protection:	
Number of stations	3
Number of sworn firefighters	92
Police protection:	
Number of stations	1
Number of sworn police officers	94
Municipal water plant	
Number of consumers	17,143
Daily average consumption (gallons)	6,304,457
Daily average consumption per capita (gallons)	108
Miles of water mains	225
Number of fire hydrants	2,350
Employees as of December 31, 2018	
Full time	338.00
Part time	22.75
Total	<u>360.75</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, 2018

Area and land use - City of Des Plaines

Total area December 31, 2017 - 9,198.54 acres or 14.334 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.

2019 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)
\$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
\$5,600,000 General Obligation Refunding Bonds, Series 2014B
and
\$12,410,000 General Obligation Refunding Bonds, Series 2018

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

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

State Fiscal Year Ending June 30	State Sales Tax Distributions(2)	Home Rule Sales Tax Distributions	Total Distributions	Percentage Change + (-)
2009	\$ 7,940,514	\$5,200,163	\$13,140,676	(8.30%) (3)
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%
2018	13,338,688	6,544,475	19,883,163	12.41%
Growth from 2008 to 2017				51.31%

- 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 2009 percentage is based on a 2008 sales tax receipts of \$14,329,355.

DEBT INFORMATION

General Obligation Debt – By Issue(I)

Issue Date	Issue Name	Principal Outstanding	Supported By
4/1/2008	Taxable General Obligation Corporate Purpose Refunding Bonds, Series 2008A	\$ 350,000	TIF Revenues
11/3/2009	Taxable General Obligation Refunding Bonds, Series 2009A	1,759,698	TIF Revenues
12/22/2011	General Obligation Refunding Bonds, Series 2011	1,205,000	TIF Revenues
12/18/2012	General Obligation Refunding Bonds, Series 2012	985,000	TIF Revenues
12/17/2013	Taxable General Obligation Refunding Bonds, Series 2013	2,930,000	TIF Revenues
9/4/2014	Taxable General Obligation Refunding Bonds, Series 2014A	960,000	TIF Revenues
9/4/2014	General Obligation Refunding Bonds, Series 2014B	1,805,000	TIF Revenues, Sales and Utility Taxes/Fees
3/20/2018	General Obligation Refunding Bonds, Series 2018	11,905,000	TIF Revenues
Total		\$ 21,899,698	
Less Self Supporting		(21,899,698)	
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
2019	\$ 3,787,780	\$ 3,787,780	\$ 3,787,780	17.30%
2020	3,937,668	3,937,668	7,725,448	35.28%
2021	2,855,713	2,855,713	10,581,161	48.32%
2022	2,300,425	2,300,425	12,881,586	58.82%
2023	2,178,112	2,178,112	15,059,698	68.77%
2024	1,905,000	1,905,000	16,964,698	77.47%
2025	1,960,000	1,960,000	18,924,698	86.42%
2026	2,160,000	2,160,000	21,084,698	96.28%
2027	400,000	400,000	21,484,698	98.10%
2028	415,000	415,000	21,899,698	100.00%
Total	\$21,899,698	\$21,899,698		

Note: (1) Source: the City.

Detailed Overlapping Bonded Debt(1)

	Total Debt(2)	Applicable to the City	
		Percent (3)	Amount
School District No. 26.....	\$7,930,000	7.46%	\$ 591,239
School District No. 57.....	7,405,000	1.26%	92,994
School District No. 59.....	12,385,000	11.26%	1,393,993
School District No. 62.....	73,360,000	90.68%	66,521,661
School District No. 64.....	4,350,000	0.00% (4)	68
High School District No. 207.....	12,730,000	34.68%	4,414,744
High School District No. 214.....	38,575,000	3.68%	1,419,560
Harper Community College District Number 512.....	231,050,000	1.67%	3,847,812
Oakton Community College District Number 535.....	32,130,000	7.16%	2,300,175
Total Schools.....			\$ 80,582,246
Other:			
Cook County.....	2,950,121,750	1.29%	\$ 38,182,051
Cook County Forest Preserve District.....	142,360,000	1.29%	1,842,499
Metropolitan Water Reclamation District.....	2,348,253,000	1.32%	30,982,183
Elk Grove Park District.....	950,000	0.49%	4,626
Des Plaines Park District.....	8,930,000	94.66%	8,452,800
Mt. Prospect Park District.....	17,324,788	18.48%	3,201,229
Total Others.....			\$ 82,665,388
Total Overlapping Debt.....			\$163,247,634

- Notes: (1) Source: Cook County Clerk.
(2) As of January 22, 2019.
(3) Percentage based on 2017 EAVs, the most current available.
(4) Percentage equals 0.0011%.

Statement of Bonded Indebtedness(1)

	Amount <u>Applicable</u>	Ratio To		Per Capita (2010 Census 58,364)
		<u>Equalized Assessed</u>	<u>Estimated Actual</u>	
City EAV of Taxable Property, 2017.....	\$1,955,916,247	100.00%	33.33%	\$ 33,512.37
Estimated Actual Value, 2017.....	\$5,867,748,741	300.00%	100.00%	\$100,537.12
Total Direct Bonded Debt.....	\$ 21,899,698	1.12%	0.37%	\$ 375.23
Less: Self Supporting.....	<u>(21,899,698)</u>	<u>(1.12%)</u>	<u>(0.37%)</u>	<u>(375.23)</u>
Net Direct Debt.....	\$ 0	0.00%	0.00%	\$ 0.00
Overlapping Bonded Debt: (2)				
Schools.....	\$ 80,582,246	4.12%	1.37%	\$ 1,380.68
Other.....	<u>82,665,388</u>	<u>4.23%</u>	<u>1.41%</u>	<u>1,416.38</u>
Total Overlapping Bonded Debt.....	\$ 163,247,634	8.35%	2.78%	\$ 2,797.06
Total Direct and Overlapping Bonded Debt (2).....	\$ 163,247,634	8.35%	2.78%	\$ 2,797.06

Notes: (1) Source: Cook County Clerk.
(2) As of January 22, 2019.

PROPERTY ASSESSMENT AND TAX INFORMATION

City Equalized Assessed Valuation(1)

Property Class	Levy Years				
	<u>2013 (2)</u>	<u>2014</u>	<u>2015</u>	<u>2016 (2)</u>	<u>2017</u>
Residential.....	\$ 942,676,584	\$ 961,581,004	\$ 934,531,442	\$1,102,738,212	\$1,093,909,817
Farm.....	0	106,965	104,736	126,026	26,484
Commercial.....	331,963,949	453,409,003	435,494,200	482,306,610	505,009,862
Industrial.....	419,594,491	299,315,166	290,691,605	325,832,901	353,009,774
Railroad.....	<u>3,052,320</u>	<u>3,244,878</u>	<u>3,898,188</u>	<u>4,026,136</u>	<u>3,960,310</u>
Total.....	\$1,697,287,344	\$1,717,657,016	\$1,664,720,171	\$1,915,029,885	\$1,955,916,247
Percent Change +(-).....	(16.80%) (3)	1.20%	(3.08%)	15.04%	2.14%

Notes: (1) Source: Cook County Clerk.
(2) Triennial reassessment year.
(3) Percentage change based on 2012 EAV of \$2,039,939,367.

Equalized Assessed Valuation by Township(1)

	2017			
	<u>Elk Grove</u>	<u>Maine</u>	<u>Wheeling</u>	<u>Total</u>
Real Estate Property.....	\$317,834,147	\$1,593,619,992	\$40,501,032	\$1,951,955,171
Pollution Control District.....	0	766	0	766
Railroad Property.....	<u>0</u>	<u>3,960,310</u>	<u>0</u>	<u>3,960,310</u>
Total.....	\$317,834,147	\$1,597,581,068	\$40,501,032	\$1,955,916,247

Note: (1) Source: Cook County Clerk.

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

	Levy Years				
	2013	2014	2015	2016	2017
City Rates:					
General Corporate (2).....	\$ 1.3942	\$ 1.3777	\$ 1.4216	\$1.2360	\$1.2160
Public Library.....	0.3750	0.3650	0.3730	0.3240	0.3210
Bonds and Interest.....	<u>0.0067</u>	<u>0.0067</u>	<u>0.0067</u>	<u>0.0057</u>	<u>0.0000</u>
Total City Rates(3).....	\$ 1.7760	\$ 1.7490	\$ 1.8010	\$1.5657	\$1.5370
Cook County.....	0.5600	0.5680	0.5520	0.5333	0.5270
Cook County Forest Preserve.....	0.0690	0.0690	0.0690	0.0630	0.0620
Metropolitan Water Reclamation District.....	0.4170	0.4300	0.4260	0.4060	0.4020
Maine Township.....	0.2100	0.2100	0.2200	0.1910	0.1830
School District No. 62.....	4.2550	4.2930	4.4870	3.9210	3.9400
High School District No. 207.....	2.7220	2.7390	2.9010	2.5070	2.5290
Community College No. 535.....	0.2560	0.2580	0.2710	0.2310	0.2320
Des Plaines Park District.....	0.5310	0.5290	0.5560	0.4850	0.4930
Other Districts.....	<u>0.0440</u>	<u>0.0130</u>	<u>0.0460</u>	<u>0.0100</u>	<u>0.0100</u>
Total Tax Rates(4).....	\$10.8400	\$10.8580	\$11.3290	\$9.9130	\$9.9160

- 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 2017 EAV, the most recent available.

City Tax Levies and Collections(1)

Levy Year	Coll. Year	Taxes Levied(3) (4)	Total Collections(2)	
			Amount	Percent
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%
2017.....	2018.....	23,083,150	23,684,019	102.60%

- 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>2017 EAV (2)</u>
Midwest Gaming.....	Real Property.....	\$ 68,992,608
Universal Oil Products	Chemicals Manufacturer, Catalysts Research and Development ..	31,013,688
Wille Road LLC.....	Real Property.....	16,914,191
Juno Lighting.....	Lighting.....	15,072,858
Cambridge Realty Cap.....	Real Property.....	14,395,320
Colliers Agent GSA DP.....	Real Property.....	13,856,785
Marc Realty.....	Real Property.....	13,210,463
Abbott Labs.....	Medical Laboratories.....	12,437,255
Apple Reit Ten.....	Real Property.....	11,811,583
Individual.....	Real Property.....	<u>11,398,988</u>
Total.....		<u>\$209,103,739</u>
Ten largest as a percent of the City's 2017 EAV (\$1,955,916,247).....		10.69%

- 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 2017 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

	2013	2014	2015	2016	2017
ASSETS:					
Cash and Investments.....	\$ 75,050,932	\$ 77,184,331	\$ 83,972,481	\$ 83,326,480	\$ 83,158,109
Restricted Cash and Investments.....	8,087,311	0	0	0	0
Receivables, Net of Allowances for Uncollectibles					
Property Taxes.....	28,563,366	28,055,169	28,512,667	29,544,209	29,460,067
Accounts.....	4,612,787	4,406,573	1,455,107	1,653,681	1,216,965
Accrued Interest.....	3,156	271,403	303,011	29,003	32,235
Other Taxes.....	1,382,230	1,321,120	1,284,854	1,368,270	1,193,049
Other.....	313,809	210,625	238,779	304,025	366,966
Prepaid Expenses.....	3,116,909	4,457,014	4,765,089	5,392,486	5,366,656
Due from Other Governments.....	6,940,345	8,797,909	11,833,506	12,284,266	15,603,582
Internal Balances.....	321,812	2,140,123	2,549,903	5,252,264	5,634,649
Net Pension Asset.....	1,510,687	2,017,516	0	0	827,686
Capital Assets Not Being Depreciated.....	73,029,456	75,888,795	84,272,100	80,798,667	88,008,680
Capital Assets, Being Depreciated.....	<u>117,773,463</u>	<u>121,357,653</u>	<u>120,157,580</u>	<u>131,745,598</u>	<u>132,200,215</u>
Total Assets.....	<u>\$320,706,263</u>	<u>\$326,108,231</u>	<u>\$339,345,077</u>	<u>\$351,698,949</u>	<u>\$363,068,859</u>
DEFERRED OUTFLOWS OF RESOURCES:					
Deferred Amounts from Refunding of Debt.....	\$ 523,867	\$ 541,551	\$ 442,358	\$ 343,164	\$ 280,741
Deferred Pension Outflows.....	<u>0</u>	<u>0</u>	<u>19,732,357</u>	<u>17,765,193</u>	<u>13,540,484</u>
Total Deferred Outflows of Resources.....	<u>\$ 523,867</u>	<u>\$ 541,551</u>	<u>\$ 20,174,715</u>	<u>\$ 18,108,357</u>	<u>\$ 13,821,225</u>
LIABILITIES:					
Accounts Payable.....	\$ 21,202,698	\$ 20,048,298	\$ 21,635,661	\$ 20,955,650	\$ 20,875,209
Accrued Liabilities.....	122,264	128,938	145,293	138,699	147,508
Accrued Payroll.....	1,583,289	1,596,331	1,651,427	2,125,748	1,982,512
Accrued Interest Payable.....	183,205	83,013	69,945	60,210	50,082
Unearned Revenue.....	430,032	229,379	168,026	3,798,262	1,794,339
Deposits Payable.....	51,687	143,074	137,299	66,753	198,880
Non Current Liabilities					
Due Within One Year.....	14,436,802	6,116,575	5,574,297	6,579,218	7,021,634
Due in More Than One Year.....	<u>46,962,691</u>	<u>40,258,677</u>	<u>185,659,144</u>	<u>185,586,752</u>	<u>171,315,408</u>
Total Liabilities.....	<u>\$ 84,972,668</u>	<u>\$ 68,604,285</u>	<u>\$215,041,092</u>	<u>\$219,311,292</u>	<u>\$203,385,572</u>
DEFERRED INFLOWS OF RESOURCES:					
Deferred Property Tax Revenue.....	\$ 28,359,634	\$ 27,873,362	\$ 28,381,831	\$ 29,151,337	\$ 29,359,456
Deferred Pension Inflows.....	<u>0</u>	<u>0</u>	<u>2,262,766</u>	<u>2,417,152</u>	<u>11,713,261</u>
Total Deferred Inflows of Resources.....	<u>\$ 28,359,634</u>	<u>\$ 27,873,362</u>	<u>\$ 30,644,597</u>	<u>\$ 31,568,489</u>	<u>\$ 41,072,717</u>
NET POSITION:					
Investment in Capital Assets, Net of Related Debt..	\$141,973,412	\$156,111,648	\$167,177,408	\$182,246,337	\$196,250,010
Restricted For:					
Streets and Highways.....	454,201	554,995	364,274	719,632	879,849
Public Safety.....	2,104,739	2,024,830	1,582,538	1,636,610	1,384,584
Economic Development.....	3,941,385	4,247,317	4,895,473	6,180,466	7,292,165
Debt Service.....	8,369,381	374,464	387,039	397,214	13,717
Unrestricted.....	<u>51,054,710</u>	<u>66,858,881</u>	<u>(60,572,629)</u>	<u>(72,252,734)</u>	<u>(73,388,533)</u>
Total Net Position.....	<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>

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

	Audited Year Ended December 31				
	2013	2014	2015	2016	2017
FUNCTIONS/PROGRAMS					
PRIMARY GOVERNMENT:					
General Government.....	\$ (20,085,342)	\$ (20,017,468)	\$ (20,789,844)	\$ (21,678,222)	\$ (21,358,613)
Public Safety.....	(35,284,095)	(35,760,246)	(42,539,595)	(44,195,394)	(45,669,934)
Public Works.....	(3,551,642)	(4,407,553)	(6,760,016)	(5,082,259)	(5,977,855)
Streets and Highways.....	(6,902,428)	(8,874,819)	(1,978,260)	(7,939,188)	(18,348,048)
Economic Development.....	(1,906,584)	1,170,934	(1,004,399)	(2,537,628)	9,528,529
Interest.....	(2,709,144)	(1,679,828)	(1,459,709)	(1,411,210)	(1,300,991)
Total Governmental Activities(1).....	<u>\$ (70,439,235)</u>	<u>\$ (69,568,980)</u>	<u>\$ (74,531,823)</u>	<u>\$ (82,843,901)</u>	<u>\$ (83,126,912)</u>
GENERAL REVENUES:					
Taxes:					
Property.....	\$ 28,575,125	\$ 28,442,253	\$28,607,185	\$ 29,254,397	\$ 29,611,170
Replacement.....	1,341,936	1,303,645	1,245,069	1,285,820	1,258,212
Sales.....	13,486,496	12,354,237	12,042,780	12,805,450	13,572,289
Utility.....	3,264,076	3,358,459	3,033,933	3,069,270	3,006,537
Income.....	5,643,512	5,667,460	6,232,000	5,556,999	5,363,901
Home Rule Sales.....	5,640,304	5,934,305	5,711,272	6,104,292	6,412,186
Food and Beverage Tax.....	1,177,511	1,190,477	1,228,581	1,268,923	1,330,150
Hotel/Motel.....	1,752,342	1,988,301	2,145,985	2,069,830	1,908,782
Real Estate Transfer.....	436,309	610,997	597,813	842,326	883,175
Local Option Motor Fuel.....	1,707,152	1,624,707	1,540,285	1,754,240	1,768,066
Gaming Taxes.....	24,662,123	24,792,544	24,654,889	24,685,996	24,762,107
Other Taxes.....	4,277,423	3,923,909	4,081,651	3,988,052	3,679,988
Investment Income.....	89,626	73,812	189,691	365,137	627,226
Miscellaneous.....	899,031	862,423	982,019	688,554	2,431,632
Transfers.....	(49,992)	(284,242)	(6,692,243)	(5,801,963)	15,758
Total.....	<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>
Change in Net Position.....	\$ 22,463,739	\$ 22,274,307	\$ 11,069,087	\$ 5,093,422	\$ 13,504,267
Net Position, January 1.....	<u>185,434,089</u>	<u>207,897,828</u>	<u>102,765,016</u> (2)	<u>113,834,103</u>	<u>118,927,525</u>
Net Position, December 31.....	<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>

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:	2013	2014	2015	2016	2017
Cash and Equivalents.....	\$30,801,407	\$23,982,499	\$25,129,459	\$26,638,739	\$25,578,782
Receivables:					
Accounts	1,383,991	1,174,419	997,226	970,946	824,863
Property Taxes.....	22,830,537	22,789,813	22,802,608	22,850,880	22,936,008
Other Taxes.....	1,233,717	1,179,672	1,158,799	1,216,462	1,043,076
Other Receivables.....	310,559	204,076	221,825	301,195	359,153
Accrued Interest.....	1,990	265,331	267,717	8,383	8,885
Due From Other Governments.....	5,165,574	6,267,850	5,806,373	5,771,247	5,333,165
Due from Other Funds.....	777,873	0	0	0	0
Advances From/To Other Funds.....	9,897,031	13,885,051	15,702,116	20,451,434	24,834,213
Prepaid Items.....	3,265	0	0	0	0
Total Assets.....	<u>\$72,405,944</u>	<u>\$69,748,711</u>	<u>\$72,086,123</u>	<u>\$78,209,286</u>	<u>\$80,918,145</u>
LIABILITIES:					
Accounts Payable.....	\$ 2,337,847	\$ 1,412,518	\$ 1,583,040	\$ 1,547,482	\$ 1,737,941
Accrued Payroll.....	1,567,700	1,580,295	1,627,115	2,125,748	1,982,512
Accrued Liabilities.....	99,074	110,671	132,265	138,699	147,508
Deferred Revenue.....	430,032	229,379	168,026	263,140	485,530
Total Liabilities.....	<u>\$ 4,434,653</u>	<u>\$ 3,332,863</u>	<u>\$ 3,510,446</u>	<u>\$ 4,075,069</u>	<u>\$ 4,353,491</u>
DEFERRED INFLOWS OF RESOURCES:					
Deferred Property Tax Revenue.....	\$22,745,844	\$22,743,904	\$22,747,101	\$22,750,299	\$22,852,318
Unavailable Other Revenue.....	1,584,834	1,589,539	1,681,124	1,549,440	491,414
Total Deferred Inflows of Resources.....	<u>\$24,330,678</u>	<u>\$24,333,443</u>	<u>\$24,428,225</u>	<u>\$24,299,739</u>	<u>\$23,343,732</u>
FUND BALANCES:					
Non Spendable:					
Long-term Interfund Advances.....	\$ 9,897,031	\$13,885,051	\$15,702,116	\$20,451,434	\$24,834,213
Prepaid Items.....	3,265	0	0	0	0
Assigned					
Infrastructure.....	4,100,000	5,950,000	3,149,300	1,023,433	900,000
Capital Acquisitions.....	3,970,000	2,300,000	1,250,000	4,250,000	4,975,000
General Fund Deficit.....	0	0	1,705,551	1,997,823	0
Economic Development.....	0	0	0	277,995	375,829
Emergency Telephone System Transfer of Surcharge.....	0	0	351,000	0	0
Streets and Highways.....	250,000	200,000	0	0	0
Pension Funding.....	1,313,108	700,000	0	0	0
Debt Service	4,000,000	0	0	0	0
Unassigned.....	20,107,209	19,047,354	21,989,485	21,833,793	22,135,880
Total Fund Balances.....	<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>
Total Liabilities, Deferred Inflows of Resources and Fund Equity.....	<u>\$72,405,944</u>	<u>\$69,748,711</u>	<u>\$72,086,123</u>	<u>\$78,209,286</u>	<u>\$80,918,145</u>

**General Fund
Revenues and Expenditures**

	Audited Years Ending December 31				
	2013	2014	2015	2016	2017
REVENUES:					
Property Taxes.....	\$23,043,431	\$22,900,148	\$22,952,517	\$23,136,026	\$22,949,804
Other Taxes.....	12,030,631	12,248,695	12,097,995	12,464,143	12,093,495
Licenses and Permits	2,924,191	3,331,833	2,921,119	3,147,534	3,556,348
Intergovernmental	20,992,728	19,559,114	19,780,209	20,159,070	21,600,891
Charges for Services.....	6,245,773	5,065,526	5,030,129	5,028,694	5,115,581
Fines and Forfeits.....	1,312,001	1,306,106	1,277,659	1,366,866	1,318,279
Investment Income.....	25,188	11,112	84,615	121,454	197,738
Miscellaneous	550,055	432,138	290,638	276,388	610,113
Total Revenues.....	<u>\$67,123,998</u>	<u>\$64,854,672</u>	<u>\$64,434,881</u>	<u>\$65,700,175</u>	<u>\$67,442,249</u>
EXPENDITURES:					
Current:					
General Government.....	\$7,272,417	\$ 7,531,642	\$ 7,810,936	\$ 7,598,936	\$ 8,157,208
Public Safety.....	38,138,909	38,649,791	39,145,089	39,761,167	41,007,312
Public Works.....	6,225,488	5,232,228	7,037,522	6,420,613	7,211,011
Streets and Highways.....	5,210,461	5,497,717	4,387,902	3,778,900	4,046,140
Economic Development.....	500,690	642,461	304,357	312,003	309,661
Total Expenditures.....	<u>\$57,347,965</u>	<u>\$57,553,839</u>	<u>\$58,685,806</u>	<u>\$57,871,619</u>	<u>\$60,731,332</u>
Excess (Deficiency) of Revenues Over Expenditures.....	\$ 9,776,033	\$ 7,300,833	\$ 5,749,075	\$ 7,828,556	\$ 6,710,917
Other Financing Sources (Uses), net.....	<u>(1,870,189)</u>	<u>(8,859,041)</u>	<u>(3,684,028)</u>	<u>(2,141,530)</u>	<u>\$(3,324,473)</u>
Excess (Deficiency) of Revenues And Other Financing Sources Over Expenditures and Other Financing Uses.....	\$ 7,905,844	\$(1,558,208)	\$ 2,065,047	\$ 5,687,026	\$ 3,386,444
Balance, January 1.....	<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>
Balance, December 31.....	<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>

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

	Adopted Budget Fiscal Year 2018
REVENUES:	
Taxes.....	\$34,562,850
Licenses & Permits.....	2,885,650
Intergovernmental.....	17,800,400
Charges for Services.....	4,909,750
Fines and Forfeits.....	1,130,800
Investment Income.....	100,000
Other.....	<u>464,641</u>
Total Revenue.....	\$61,854,091
Expenditures:	
General Government.....	\$ 5,849,197
Public Safety.....	47,811,330
Economic Development.....	2,757,482
Public Works.....	<u>12,809,990</u>
Total Expenditures.....	\$69,227,999
Less: Transfers.....	<u>3,907,684</u>
Total Operating Expenditures.....	\$65,320,315
Total Revenues Over Expenditures.....	\$ (3,466,224)

Note: (1) Source: the City. See Comprehensive Annual Financial Report for Fiscal Year Ending December 31, 2018 (the "CAFR") for actual revenues and expenditures. This 2019 Disclosure, which is an appendix to the CAFR, was compiled prior to the completion of the CAFR.

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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, 2018. 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, 2018, in all material respects.

Crowe LLP
Crowe LLP

Oak Brook, Illinois
June 17, 2019