

FISCAL YEAR

2019

Roadmap to the Future



Comprehensive Annual Financial Report



 **DES
PLAINES**
ILLINOIS

Fiscal Year Ending
December 31, 2019

www.desplaines.org

THE CITY OF DES PLAINES, ILLINOIS

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

For the Fiscal Year-ended
December 31, 2019

Prepared by the Finance Department

Dorothy Wisniewski
Assistant City Manager/Director of Finance

CITY OF DES PLAINES, ILLINOIS
December 31, 2019

CONTENTS

	<u>Pages</u>
INTRODUCTORY SECTION	
Letter of Transmittal	i-vi
Certificate of Achievement for Excellence in Financial Reporting.....	vii
Principal Officials	viii
Organizational Chart.....	iv
FINANCIAL SECTION	
Independent Auditor's Report.....	1-3
Required Supplementary Information	
Management's Discussion and Analysis - Unaudited.....	4-17
Basic Financial Statements	
Government-Wide Financial Statements	
Statement of Net Position.....	18
Statement of Activities.....	19
Fund Financial Statements	
Balance Sheet – Governmental Funds	20
Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Position.....	21
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	22
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	23
Statement of Net Position – Proprietary Funds.....	24
Statement of Revenues, Expenses and Changes in Net Position – Proprietary Funds	25
Statement of Cash Flows – Proprietary Funds.....	26
Statement of Fiduciary Net Position – Fiduciary Funds	27
Statement of Changes in Plan Net Position – Pension Trust Funds.....	28
Index to Notes to Financial Statements	29
Notes to Financial Statements	30-87
Required Supplementary Information	
General Fund	
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund	88-93
Special Revenue Funds	
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – TIF #6 (Mannheim/Higgins) Fund	94
Budget and Actual – Gaming Tax Fund	95
Historical Pension and Retirees' Health Plan Information	
Schedule of Changes in Firefighters' Pension Fund Net Pension Liability and Related Ratios	96
Schedule of Firefighters' Pension Fund Contributions	97
Schedule of Firefighters' Pension Fund Investment Rate of Return	98
Schedule of Changes in Police Pension Fund Net Pension Liability and Related Ratios	99
Schedule of Police Pension Fund Contributions	100

CITY OF DES PLAINES, ILLINOIS
December 31, 2019

CONTENTS

	<u>Pages</u>
FINANCIAL SECTION (Continued)	
Schedule of Police Pension Fund Investment Rate of Return	101
Schedule of Changes in Illinois Municipal Retirement Fund Net Pension Liability and Related Ratios	102
Schedule of Illinois Municipal Retirement Fund Contributions	103
Schedule of Changes in the City's Total Other Post-Employment Benefits Liability and Related Ratios	104
Combining and Individual Fund Financial Statements and Schedules	
Governmental Funds	
Schedules of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual - Capital Projects Fund – Major Capital Projects Fund	105
Schedules of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual - Grant Funded Projects Fund – Major Capital Projects Fund ...	106
Combining Balance Sheet – Nonmajor Governmental Funds	107-108
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds	109-110
Schedules of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual	
Motor Fuel Tax Fund – Nonmajor Special Revenue Fund	111
Community Development Block Grant Fund – Nonmajor Special Revenue Fund	112
TIF #1 (Downtown) Fund – Nonmajor Special Revenue Fund	113
TIF #3 (Wille Road) Fund – Nonmajor Special Revenue Fund	114
TIF #5 (Perry/Lee) Fund – Nonmajor Special Revenue Fund	115
TIF #7 (Mannheim/Higgins South) Fund – Nonmajor Special Revenue Fund	116
Emergency Telephone System Fund – Nonmajor Special Revenue Fund	117
Debt Service Fund – Nonmajor Debt Service Fund	118
Equipment Replacement Fund – Nonmajor Capital Projects Fund	119
I.T. Replacement Fund – Nonmajor Capital Projects Fund	120
Facilities Replacement Fund – Nonmajor Capital Projects Fund	121
Enterprise Funds	
Schedule of Revenues, Expenses and Changes in Net Position – Budget and Actual	
Water/Sewer Fund – Major Enterprise Fund	122
Parking System Fund – Major Enterprise Fund	123
Internal Service Funds	
Combining Statement of Net Position – Internal Service Funds	124
Combining Statement of Revenues, Expenses and Changes in Net Position – Internal Service Funds	125
Combining Statement of Cash Flows – Internal Service Funds	126
Schedule of Revenues, Expenses and Changes in Net Position – Budget and Actual	
Risk Management Fund – Internal Service Fund	127
Health Benefits Fund – Internal Service Fund	128

CITY OF DES PLAINES, ILLINOIS
December 31, 2019

CONTENTS

	<u>Pages</u>
FINANCIAL SECTION (Continued)	
Combining and Individual Fund Financial Statements and Schedules (Continued)	
Fiduciary Funds	
Combining Statement of Fiduciary Net Position – Pension Trust Funds	129
Combining Statement of Changes in Fiduciary Net Position – Pension Trust Funds .	130
Statement of Fiduciary Assets and Liabilities – Agency Funds.....	131
Statement of Changes in Assets and Liabilities – Agency Funds.....	132
Component Unit – Library	
Statement of Net Position and Governmental Funds	
Combining Balance Sheet	133-134
Statement of Activities and Governmental Funds	
Combining Statement of Revenues, Expenditures and	
Changes in Fund Balances/Net Position	135-136
Schedule of Revenues, Expenditures and Changes in	
Fund Balance – Budget and Actual	
Library - General Fund	137
Library - Capital Projects Fund	138
Other Supplementary Schedules	
Taxable General Obligation Refunding Bonds, Series 2008A (TIF #3 Portion)	139
Taxable General Obligation Refunding Bonds,	
Series 2009A (TIF #6, Capital Appreciation)	140
General Obligation Refunding Bonds, Series 2011A (Total Issue)	141
General Obligation Refunding Bonds, Series 2011A (TIF #1 Portion)	142
General Obligation Refunding Bonds, Series 2011A (TIF #3 Portion)	143
General Obligation Refunding Bonds, Series 2011A (TIF #5 Portion)	144
General Obligation Refunding Bonds, Series 2011A (TIF #6 Portion)	145
General Obligation Refunding Bonds, Series 2012A (TIF #1).....	146
Taxable General Obligation Refunding Bonds, Series 2013 (Total Issue).....	147
Taxable General Obligation Refunding Bonds, Series 2013 (TIF #1 Portion).....	148
Taxable General Obligation Refunding Bonds, Series 2013 (TIF #3 Portion).....	149
Taxable General Obligation Refunding Bonds, Series 2013 (TIF #6 Portion).....	150
Taxable General Obligation Bonds, Series 2014A (TIF #6)	151
General Obligation Bonds, Series 2014B (TIF #3 Portion).....	152
General Obligation Refunding Bonds, Series 2018 (TIF #3 Portion).....	153
Tax Increment Revenue Note, Series 2002 – Norwood Partnership, LLC	154
Tax Increment Revenue Note, Series 2003 – LAB Graceland	155
Equipment Loan (Fire Engine)	156

CITY OF DES PLAINES, ILLINOIS
December 31, 2019

CONTENTS

	<u>Pages</u>
STATISTICAL SECTION	
Contents	157-158
Changes in Net Position – Last Ten Calendar Years.....	159-162
Net Position by Component – Last Ten Calendar Years	163
Fund Balances, Governmental Funds – Last Ten Calendar Years.....	164
Change in Fund Balances, Governmental Funds – Last Ten Calendar Years	165
Assessed Value and Actual Value of Taxable Property – Last Ten Levy Years.....	166
Trend of Equalized Assessed Valuations – Last Ten Levy Years.....	167
Maine Township Typical Tax Rates per \$100 of Equalized Assessed Valuation – Last Ten Calendar Years.....	168
Maine Township Allocation of the 2017 Property Tax Levy Collected in 2018	169-170
Elk Grove Township Typical Tax Rates per \$100 of Equalized Assessed Valuation – Last Ten Calendar Years	171
Elk Grove Township Allocation of the 2017 Property Tax Levy Collected in 2018	172-173
Property Tax Rates and Extensions – Last Ten Calendar Years.....	174
Principal Property Tax Payers – Current Calendar Year and Nine Years Ago	175
Property Tax Levies and Collections – Last Ten Calendar Years.....	176
Property Value and Construction – Last Ten Calendar Years	177
Taxable Sales by Category – Last Ten Calendar Years	178-179
Ratio of Outstanding Debt by Type – Last Ten Calendar Years	180-181
Ratio Net General Obligation Bonded Debt to Assessed Value and Net General Obligation Bonded Debt per Capita – Last Ten Calendar Years	182
Ratio of Annual Debt Service Expenditures for General Obligation Bonded Debt to Total General Governmental Expenditures – Last Ten Calendar Years.....	183
Schedule for Direct and Overlapping Debt.....	184
Demographic Statistics – Last Ten Calendar Years.....	185
Principal Employers – Current Year and Nine Years Ago.....	186
Full-Time Equivalent City Government Employees by Function – Last Ten Calendar Years.....	187
Operating Indicators by Function/Programs – Last Ten Calendar Years.....	188
Capital Assets Statistics by Function – Last Ten Calendar Years	189
Water Sold – Last Ten Calendar Years.....	190
Miscellaneous Statistics	191-192
OTHER INFORMATION	
Continuing Disclosure – Annual Financial Information.....	193-203
Independent Accountant's Report on Compliance	204

June 19, 2020

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, 2019, 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, 2019. 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 2019 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 2018 property tax levy collected in 2019 was \$1,931,827,633. This represents a 1.2 percent decrease from the 2017 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 include Universal Oil Products, LSG Sky Chefs, Sysco Food Systems, Rivers Casino, Holy Family Medical Center and Oakton Community College. According to the December 2019 edition of Where Workers Work (Illinois Department of Employment Security - IDES), Des Plaines is home to 2,551 commercial establishments of which over 900 of these businesses have a retail component. Des Plaines is comprised of 40,104 private sector jobs; of them, 12 percent are in the manufacturing sector, 10.2 percent are in the wholesale sector, 11.6 percent are in the transportation and warehousing sector, 7.2 percent are in the professional and scientific service sector, 7.6 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 a low unemployment rate which was 2.6 percent for December 2019, down from December 2018's rate at 3.6 percent (Bureau of Labor Statistics).

Building permit issuance slightly decreased in 2019 with 2,831 permits issued compared to 3,258 issued in 2018. However, the declared building permit valuation from 2019 totals \$186,627,856 representing a significant increase from \$123,519,182 in building permit valuation during 2018. Despite the slight construction permit total decrease, the overall construction investment signals a very strong local economy and validation that the efficient entitlement process and economic development incentives offered in the City of Des Plaines are working.

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

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.

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 2019, the City's total General Fund balance was \$59.5 million, of which the unassigned fund balance was \$31.8 million or 48.5 percent of the General Fund expenditures.

The Water and Sewer fund is the City's major enterprise fund that accounts for revenues and expenses associated with the sale of water and the sanitary sewer system. The fund has been operating in an unbalanced position for the past several years and, as a result, expenses began outpacing revenues. At the end of 2019, the unrestricted net position resulted in a positive \$327 thousand while the total net position at the end of the year was \$40.3 million, an increase of \$2.6 million from a negative \$2.3 in 2018. 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. 2019 continues to show the efforts of the projects implemented with the indication of a positive financial effect.

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 2019 some of the City's accomplishments included:

- Financial Stability:
 - ✓ Developed the 2020 Budget document while maintaining a 25% fund balance.
 - ✓ Concluded a feasibility study to add a Metra stop at Oakton Street for future development of a second downtown in the City which will attract further density into the Oakton Corridor area.
 - ✓ Began the banking services implementation after completion of a successful request for proposal in order to maximize the benefits of different banking services which will be fully implemented in 2020.
- Economic Development:
 - ✓ Opus Development finished construction of a 113-unit luxury apartment building in downtown Des Plaines.
The project exceeded over \$20,000,000 and initial occupancy rates exceeded expectations.
 - ✓ Covington Lexington Woods continued construction on a brand new 236 luxury unit multi-family development at the corner of East River Road and Golf Road.
 - ✓ Construction on the new 9-acre development at Mannheim Road and Higgins Road, located in Tax Increment Finance District #7, is well underway. The Holiday Inn and Suites, a 130-room hotel, joined the recently completed and is now open along with Dunkin Donuts, Which Wich Sandwiches and the BP Fueling Station. Also, within this development, a new 6,700 square foot commercial retail building started construction which will contain a new Panera Bread with a drive-thru lane and a Pita Pita restaurant.
 - ✓ In 2019, the City awarded \$118,899 in Business Assistance Grants to nine businesses and properties, which in turn will or have leveraged \$1,630,935 in capital building improvements.
 - ✓ A 163,000 square foot Class-A industrial development received a Cook County Class 6b Tax Abatement for this project taking place at 1600-1710 Sherwin Avenue.
 - ✓ A \$10,000,000 redevelopment of the office building and the land around 1700 W. Higgins received City Council approval. The redevelopment consists of a new business incubator space and a proposed fee-standing restaurant with a new parking lot.
 - ✓ Another Class A industrial building received a Cook County Class 6b Tax Abatement for a 72,000 square foot building located at 2100 S. Wolf Road.
 - ✓ CED also facilitated several new development projects:
 - Permit drawings were being finalized in 2019 for a new mixed-use development in the downtown district which will encompass 212 luxury apartment units, over 10,000 square feet

of commercial restaurant space, 409 covered parking spaces and world-class amenities. Demolition of the existing buildings took place in 2019 and construction will be starting on this development in 2020. The entire project total for this development exceeds \$70,000,000.

- A building permit was issued for Phase 1 of a \$75,000,000 data center that will be located at 1680 E. Touhy Avenue. This will be the City's first data center and will eventually generate over \$800,000 in utility taxes to the City due to the proposed power usage.
 - Final entitlements were approved by City Council for a new residential development which will contain 67 apartment units for residents 65+ in age.
 - The building permit for a new Class-A self-storage facility was issued which will be built on a property that has been vacant for over 20 years. This was an approximately \$12,000,000 investment.
 - A building permit was issued for a 99-room hotel at the corner of Touhy Avenue and Greco Avenue that will cater to the O'Hare Airport travelers. This \$5,000,000 investment will result in the O'Hare sub-market's first Avid Hotel – a new IHG hotel product.
- Infrastructure:
 - ✓ Over \$15.8 million was invested in 2019 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.
 - Community:
 - ✓ Completed a purchase of a building for the self-help closet and food pantry in order to assist in the relocation efforts of the current facility to an area that will provide more space to serve our residents.
 - ✓ A new 20,000 square foot Planet Fitness opened up at 1555 Lee Street next to Butera Fruit Market (northeast corner of Lee and Oakton Streets).
 - ✓ A new luxury pre-owned dealership opened to the public at 1505 S. Mount Prospect Road called, Sam Jidd Luxury Motors.
 - ✓ A new research testing facility opened up at 509 N. Third Avenue which generated over 70 new jobs and over \$1,000,000 investment into the existing building.
 - ✓ A new 130-room Holiday Inn and Suites opened up at 3001 S. Mannheim Road which is part of the Orchards at O'Hare mixed-use development
 - ✓ The new Ellison Apartment Community, which consists of 113 luxury rental units, opened up to new residents.
 - ✓ Get Air Trampoline Park opens up a 20,000 square foot facility in Market Place Shopping Center which is co-anchored with Wal-Mart Market and Binny's Beverage Depot.
 - High Performance:
 - ✓ The City worked on a Water Utility Dashboard portal which will allow customers to view their water usage through an interactive website that offers easy-to-read usage charts, graphs, billing estimates, and tips. The portal is set to go live March 1, 2020.
 - ✓ The lobby of City Hall was greatly enhanced by a new state-of-the-art video wall display. This project required extensive research, testing, and software training on the part of staff. Once initial setup was complete, the City has utilized the display to promote community events and quality-of-life amenities such as outdoor recreation, parks and facilities, and dining options.
 - ✓ The City officially launched a social media campaign that included Facebook (Police, Theater, and City), Twitter (Fire), and LinkedIn (Media Services). These social media tools allow the City to reach

demographic groups that had not been targeted in the past, resulting in real-time interaction and communications throughout the community.

✓ Continued replacement of manual read water meters to more accurate and efficient remote read meters.

- The Finance Department, for the seventh 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 2018 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 eleven 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, 2018. This was the thirty-ninth 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, 2018

Christopher P. Morill

Executive Director/CEO



Legislative

Matthew J. Bogusz, Mayor

Jennifer Tsalapatani, City Clerk

City Council

Mark A. Lysakowski – First Ward

Carla Brookman – Fifth Ward

Colt Moylan – Second Ward

Malcolm Chester – Sixth Ward

Denise Rodd – Third Ward

Don Smith – Seventh Ward

Artur Zadrozny – Fourth Ward

Andrew Goczowski – Eighth Ward

Administration

City Manager..... Michael G. Bartholomew

General Counsel..... Peter Friedman, Elrod Friedman LLP

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

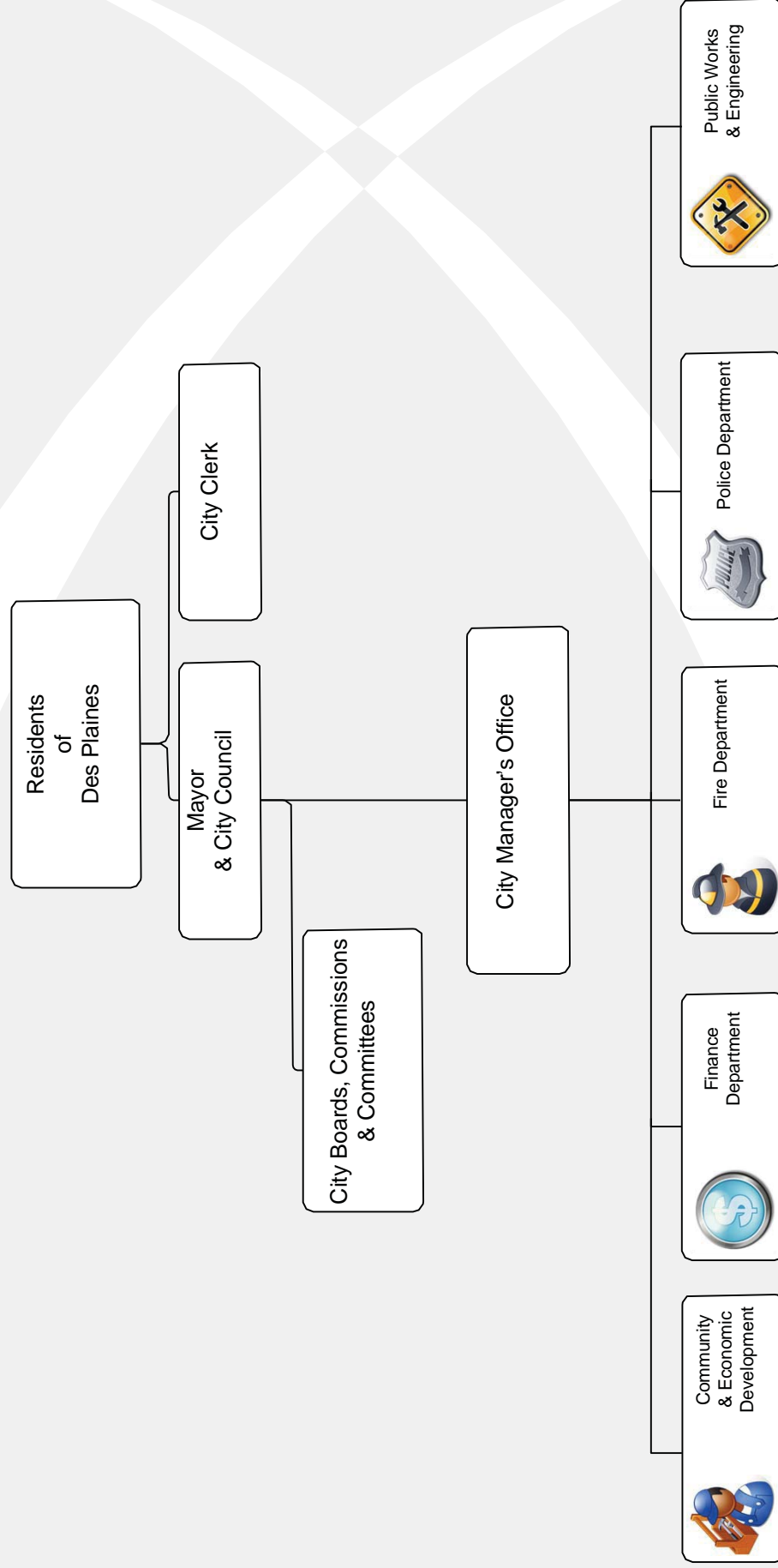
Chief of Police..... William Kushner

Fire Chief Daniel Anderson

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, 2019, 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, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedules of revenues, expenditures and changes in fund balance – budget and actual for the General fund, TIF #6 (Mannheim/Higgins) fund, and Gaming Tax fund, the historical pension and retirees' health plan information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the 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 as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The 2019 combining and individual fund financial statements and schedules and other supplementary schedules are the responsibility of management and except for the 2018 comparative actual amounts on the individual fund financial statements were derived from and relates directly to the underlying accounting and other records used to prepare the basic 2019 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 2019 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, 2018 comparative actual amounts on the individual fund financial statements and schedules, statistical section, and other information have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 19, 2020 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
Crowe LLP

Oak Brook, Illinois
June 19, 2020

CITY OF DES PLAINES, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2019

The following is a discussion and analysis of the City of Des Plaines' (the "City") financial performance for the fiscal year ended December 31, 2019. Use this section in conjunction with the City's basic financial statements. Comparative data is available and presented for this 2019 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 \$190.5 million (*net position*) as of December 31, 2019. The net position is comprised of \$274.9 million in net investment in capital assets, \$8.9 million in restricted for street and highways, public safety, debt service, and economic development, offset by a negative \$93.2 million in unrestricted net position. Year over year the net position increased by \$48.5 million primarily due to an increase of \$14.8 million in investment in capital assets and decrease of \$24.5 million in liabilities.

Fund Level

Governmental Funds: As of December 31, 2019, the City's governmental funds reported a combined ending fund balance of \$85.0 million, an increase of \$8.4 million from fiscal 2018. The City reported an unassigned fund balance of \$11.8 million in fiscal 2019.

- The City's General Fund ended the year with total revenues exceeding total expenditures by \$5.8 million. Combined with other financing net sources of \$2.6 million, the December 31, 2019 fund balance increased by \$3.2 million.
- Local government state shared revenues, i.e. state income, municipal sales and personal property replacement tax increased by \$481 thousand.
- The City received \$25.5 million in taxes generated from the revenues at Rivers Casino, \$3.0 million in admission tax (\$1 per admission), and \$22.5 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 \$6.2 million (40% of the total revenue over \$10 million) amongst the 10 benefiting communities named in the agreement. The remaining amount of \$9.3 million in gaming tax revenue will be discussed by the City Council as part of the 2021 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 \$49.1 million as of December 31, 2019, an increase of \$6.0 million from fiscal 2018.

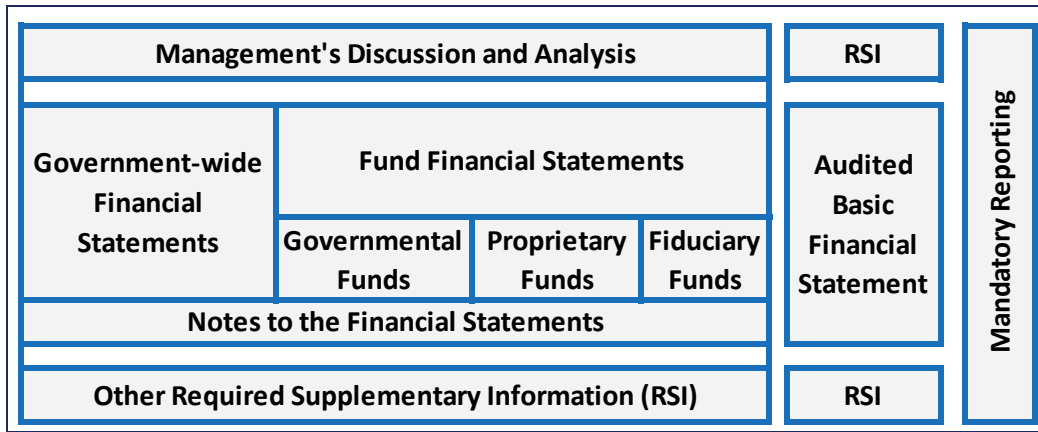
Debt Service: The City's total bonds outstanding decreased by \$3.8 million or 16.3 percent during fiscal 2019. This amount represents the payments made of debt during the year.

CITY OF DES PLAINES, ILLINOIS
 MANAGEMENT'S DISCUSSION AND ANALYSIS
 December 31, 2019

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

OVERVIEW OF THE FINANCIAL STATEMENTS

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



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

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

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

Reporting the City as a Whole

The government-wide financial statements are designed to present an overall picture of the financial position of the City. These statements consist of the *Statement of Net Position* and the *Statement of Activities*, which are prepared using the economic resources measurement focus and the accrual basis of accounting. This means that all the current year's revenues and expenses are included,

(See independent auditor's report)

CITY OF DES PLAINES, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2019

regardless of when cash is received or paid, producing a view of the financial position similar to that presented by most private sector companies.

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

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

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

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

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

Reporting the City's Most Significant Funds

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

CITY OF DES PLAINES, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2019

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

CITY OF DES PLAINES, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2019

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

Net Position: The following analysis reviewed the net position and expenses of governmental activities and business-type activities separately. The table below represents a condensed Statement of Net Position. For comparison purposes, the prior fiscal year is provided. The total net position of governmental activities increased by \$42.5 million from \$98.4 million in fiscal year 2018 to \$140.9 million in fiscal year 2019 and the business-type activities increased by \$6.1 million to \$49.5 million.

	Governmental Activities		Business-type Activities		Total Primary Government	
	2019	2018	2019	2018	2019	2018
ASSETS						
Current & Other Assets	\$ 150,352,747	\$ 159,868,766	\$ 6,281,853	\$ 4,566,509	\$ 156,634,600	\$ 164,435,275
Capital Assets	245,975,958	228,445,557	47,655,343	44,262,265	293,631,301	272,707,822
Total Assets	<u>396,328,705</u>	<u>388,314,323</u>	<u>53,937,196</u>	<u>48,828,774</u>	<u>450,265,901</u>	<u>437,143,097</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>23,431,021</u>	<u>17,823,543</u>	<u>451,259</u>	<u>1,891,721</u>	<u>23,882,280</u>	<u>19,715,264</u>
LIABILITIES						
Current Liabilities	27,529,241	39,655,270	1,634,752	2,730,083	29,163,993	42,385,353
Noncurrent Liabilities	209,836,935	218,963,432	2,018,282	4,155,044	211,855,217	223,118,476
Total Liabilities	<u>237,366,176</u>	<u>258,618,702</u>	<u>3,653,034</u>	<u>6,885,127</u>	<u>241,019,210</u>	<u>265,503,829</u>
DEFERRED INFLOWS OF RESOURCES	<u>41,469,504</u>	<u>49,126,482</u>	<u>1,195,509</u>	<u>402,501</u>	<u>42,665,013</u>	<u>49,528,983</u>
NET POSITION						
Net Investment in Capital Assets	227,330,641	205,869,137	47,655,343	44,262,265	274,985,984	250,131,402
Restricted	8,863,085	10,381,412	-	-	8,863,085	10,381,412
Unrestricted	<u>(95,269,680)</u>	<u>(117,857,867)</u>	<u>1,884,569</u>	<u>(829,398)</u>	<u>(93,385,111)</u>	<u>(118,687,265)</u>
Total Net Position	<u>\$ 140,924,046</u>	<u>\$ 98,392,682</u>	<u>\$ 49,539,912</u>	<u>\$ 43,432,867</u>	<u>\$ 190,463,958</u>	<u>\$ 141,825,549</u>

The increase in net position of governmental activities was primarily attributable to an increase in capital assets and a decrease in total liabilities related to the recognition of grant fund revenues received prior year. Total assets of the City as of December 31, 2019, were \$450.3 million, an increase of \$13.1 million or 3 percent. Total liabilities as of December 31, 2019, were \$241 million, a decrease of \$24.4 million or 9.2 percent.

Of the City's net position, \$274.9 million was net investment in capital assets, while \$8.9 million was restricted by the City or other legal requirements and was not available to finance day-to-day operations of the City. Unrestricted net position increased \$25.1 million to negative \$93.4 million primarily due to net investment in capital assets.

CITY OF DES PLAINES, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2019

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, 2019 and 2018						
	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total Primary Government</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
REVENUES						
Program Revenues:						
Fees, Fines & Charges for Services	\$ 13,458,499	\$ 13,189,686	\$ 15,645,560	\$15,215,799	\$ 29,104,059	\$ 28,405,485
Operating Grants & Contributions	4,963,883	3,162,267	9,290	8,870	4,973,173	3,171,137
Capital Grants & Contributions	11,310,234	7,075,824	-	-	11,310,234	7,075,824
Total Program Revenues	<u>29,732,616</u>	<u>23,427,777</u>	<u>15,654,850</u>	<u>15,224,669</u>	<u>45,387,466</u>	<u>38,652,446</u>
General Revenues:						
Property Taxes	31,124,250	29,099,377	-	-	31,124,250	29,099,377
Other Taxes	67,671,345	66,955,549	-	-	67,671,345	66,955,549
Investment Income	1,937,137	1,335,078	-	-	1,937,137	1,335,078
Miscellaneous Revenue	2,220,951	2,586,210	7,411	9,012	2,228,362	2,595,222
Total General Revenues	<u>102,953,683</u>	<u>99,976,214</u>	<u>7,411</u>	<u>9,012</u>	<u>102,961,094</u>	<u>99,985,226</u>
Total Revenues	<u>132,686,299</u>	<u>123,403,991</u>	<u>15,662,261</u>	<u>15,233,681</u>	<u>148,348,560</u>	<u>138,637,672</u>
EXPENSES						
General Government	28,327,286	26,796,798	-	-	28,327,286	26,796,798
Public Safety	26,774,186	81,695,891	-	-	26,774,186	81,695,891
Public Works	10,313,635	9,497,058	-	-	10,313,635	9,497,058
Streets and Highways	13,174,021	14,704,099	-	-	13,174,021	14,704,099
Economic Development	5,016,519	5,345,138	-	-	5,016,519	5,345,138
Interest	690,046	1,304,502	-	-	690,046	1,304,502
Water/Sewer	-	-	14,517,017	13,677,543	14,517,017	13,677,543
Parking System	-	-	897,441	908,148	897,441	908,148
Emergency Comm. System	-	-	-	-	-	-
Total Expenses	<u>84,295,693</u>	<u>139,343,486</u>	<u>15,414,458</u>	<u>14,585,691</u>	<u>99,710,151</u>	<u>153,929,177</u>
Excess (Deficiency) Before Transfers	<u>48,390,606</u>	<u>(15,939,495)</u>	<u>247,803</u>	<u>647,990</u>	<u>48,638,409</u>	<u>(15,291,505)</u>
Transfers	<u>(5,859,242)</u>	<u>(7,634,242)</u>	<u>5,859,242</u>	<u>7,634,242</u>	<u>-</u>	<u>-</u>
Changes in Net Position	<u>42,531,364</u>	<u>(23,573,737)</u>	<u>6,107,045</u>	<u>8,282,232</u>	<u>48,638,409</u>	<u>(15,291,505)</u>
Net Position, Beg Balance	<u>98,392,682</u>	<u>121,966,419</u>	<u>43,432,867</u>	<u>35,150,635</u>	<u>141,825,549</u>	<u>157,117,054</u>
Net Position, Ending Balance	<u>\$ 140,924,046</u>	<u>\$ 98,392,682</u>	<u>\$ 49,539,912</u>	<u>\$43,432,867</u>	<u>\$190,463,958</u>	<u>\$141,825,549</u>

The City's net position as of December 31, 2019 increased by \$48.6 million. The City earned program revenues of \$45.4 million and general revenues of \$102.9 million, for total revenues of \$148.3 million, an increase of \$9.7 million or 7.0 percent from fiscal year 2018. The expenses of the City were \$99.7 million, a decrease of \$54.2 million or 35.2 percent from fiscal year 2018.

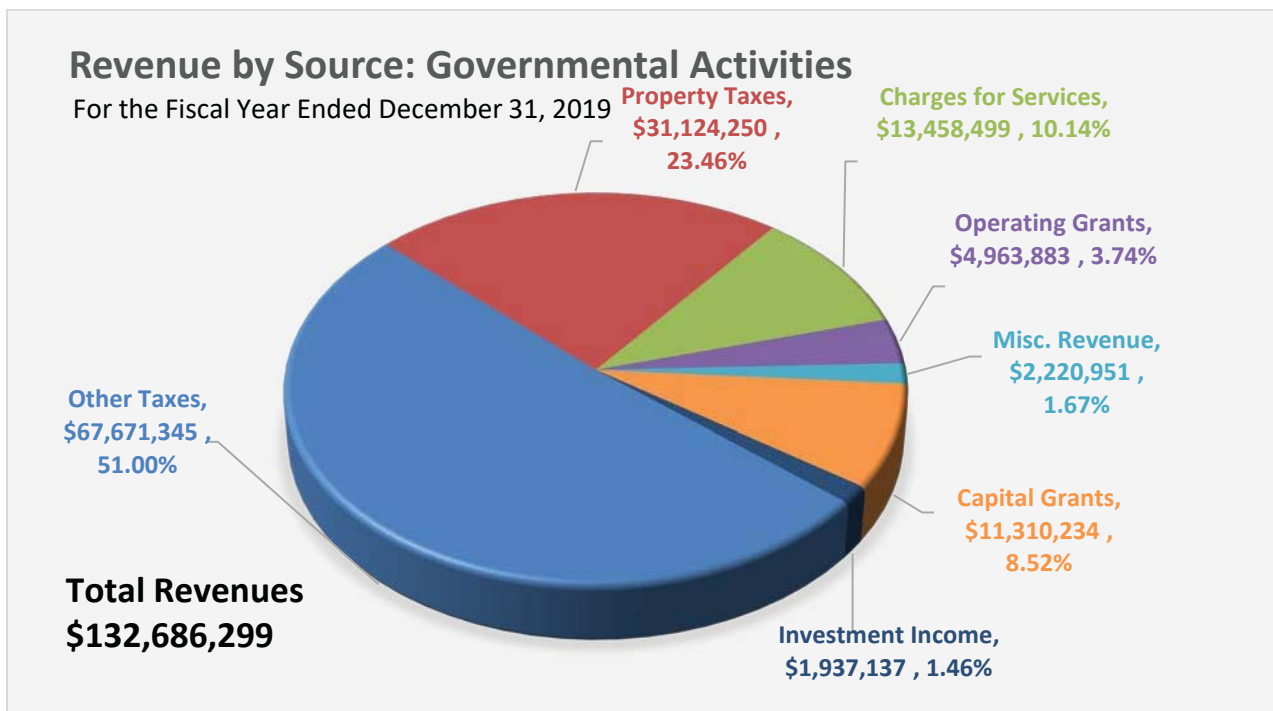
The major component of this increase was largely attributable to a decrease of \$54.2 million in City expenses from prior year due to recognition of changes in net pension liabilities and deferred inflows and outflows for the police and firefighters pension funds.

(See independent auditor's report)

CITY OF DES PLAINES, ILLINOIS
 MANAGEMENT'S DISCUSSION AND ANALYSIS
 December 31, 2019

Governmental Activities: The governmental activities program revenue was \$29.7 million, including charges for services of \$13.5 million, operating grants and contributions of \$5.0 million and capital grants and contributions of \$11.3 million. This is an increase of \$6.3 million over the prior year primarily related to an increase in operating grants of \$1.8 million and capital grant increase of \$4.2 million, related to ongoing River Road Reconstruction Project.

The general revenue was \$102.9 million, including property taxes of \$31.1 million and other taxes revenue of \$67.7 million. The general revenue increased \$3.0 million resulting from an increase in property taxes, sales taxes and investment income. The following chart represents revenues from governmental activities by source.



The 2018 equalized assessed value (EAV) decreased by 1.2% from the 2017 EAV as the result of lower 2018 final equalization factor of 2.9109 compared to 2017 equalization factor of 2.9627 to ensure that the total (EAV) of real property in all counties in Illinois equals 33.33% of the fair market value (process of inter-county equalization).

	Tax Levy 2018	Tax Levy 2017	Increase / (Decrease)	Change (%)
Equalized Assessed Valuation (EAV)	\$ 1,931,827,633	\$ 1,955,916,247	\$ (24,088,614)	-1.2%

(See independent auditor's report)

CITY OF DES PLAINES, ILLINOIS
 MANAGEMENT'S DISCUSSION AND ANALYSIS
 December 31, 2019

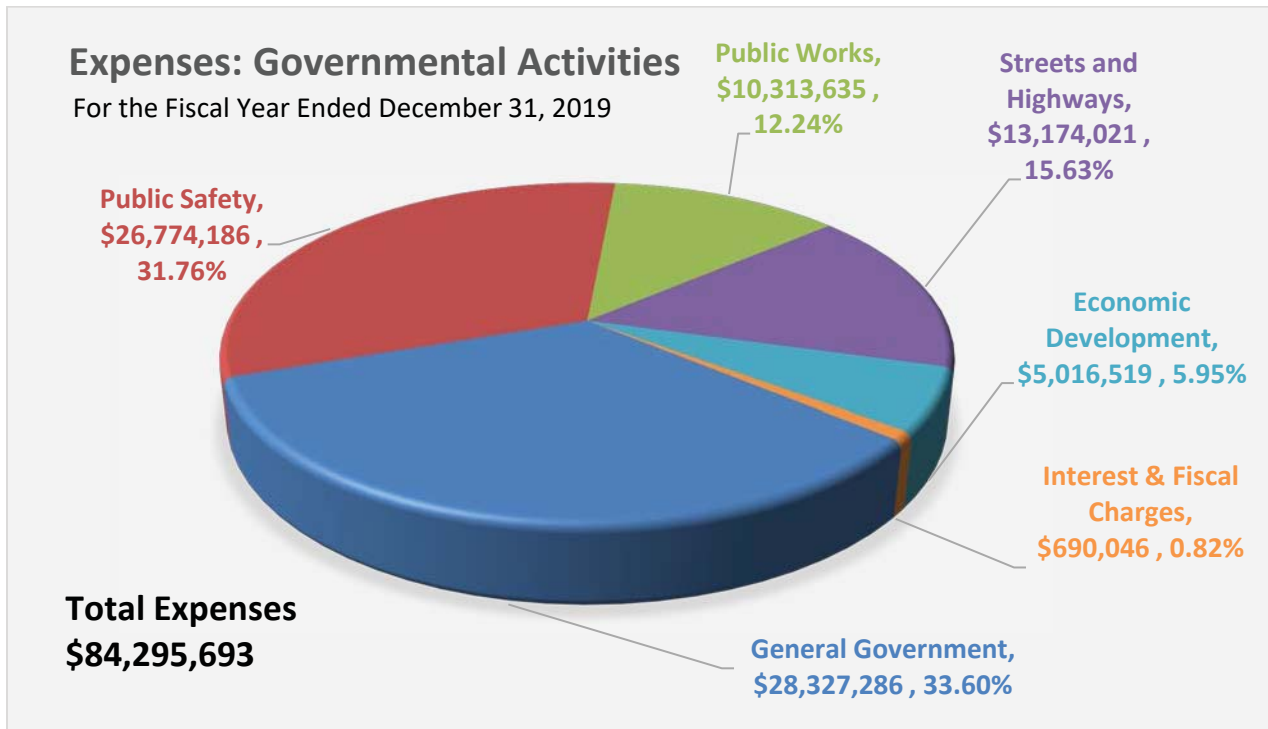
The *General Fund* state-per-capita shared revenues from *income tax* and *use tax* increased by 12.5 percent driven by an increase in both state income tax and use tax due to the new requirement that retailers collect and remit a use tax beginning in 2019.

Illinois State Shared Tax Revenue	Fiscal Year 2019	Fiscal Year 2018	Increase / (Decrease)	Change (%)
State Income Tax	\$ 6,229,784	\$ 5,570,605	\$ 659,179	11.8%
Use Tax	\$ 1,939,124	\$ 1,690,313	\$ 248,811	14.7%
Total	\$ 8,168,908	\$ 7,260,918	\$ 907,990	12.5%

The City's *municipal sales tax* revenue (one percent share of the State collected tax, not including home rule tax) decreased by \$776 thousand or approximately 5.5 percent from the previous year.

	Fiscal Year 2019	Fiscal Year 2018	Increase / (Decrease)	Change (%)
Municipal Sales Tax Revenue	\$ 13,288,254	\$ 14,064,699	\$ (776,445)	-5.5%

The following chart represents expenses from governmental activities.



CITY OF DES PLAINES, ILLINOIS
 MANAGEMENT'S DISCUSSION AND ANALYSIS
 December 31, 2019

Governmental activities expenses were \$84.3 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 85.3 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 \$15.6 million from fees, fines and charges for services. The total expenses for business-type activities were \$15.4 million. Compared to December 31, 2018 business-type revenues increased by \$430 thousand and expenses increased by \$829 thousand. Including transfers from other funds the net position increased by \$6.1 million to \$49.5 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, 2019		
Activities	Expenses	Program Revenues
Water	14,517,017	15,279,961
Parking	897,441	374,889
	<u>15,414,458</u>	<u>15,654,850</u>

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

Governmental Funds

As of December 31, 2019, governmental funds reported fund balances of \$85 million. The general fund reported a positive \$59.5 million fund balance.

General Fund: The fund balance for the general fund as of December 31, 2019, was \$59.5 million, an increase of \$3.2 million from fiscal 2018, mostly due to higher than anticipated state shared revenues. The nonspendable fund balance was \$20.1 million and the assigned fund balance was \$7.5 million, resulting in the unassigned fund balance of \$31.8 million. The unassigned balance of the general fund can be used to cover the day-to-day service delivery and was at 48.4 percent of the 2019 general fund expenditures.

Gaming Tax Fund: The fund balance for the gaming tax fund as of December 31, 2019, was \$22.2 million, an increase of \$1.6M from fiscal year 2018 primarily due to lower transfers out in 2019.

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 2019 total governmental fund balance is primarily due to

CITY OF DES PLAINES, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2019

deficit fund balances in TIF #3 (Wille Road) of \$3.6 million and TIF #6 (Mannheim/Higgins) of \$13.9 million related to an outstanding debt burden. TIF #7 (Mannheim/Higgins South) has accumulated a deficit of \$2.4 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, 2019, totaled \$5.9 million, a decrease of \$2.1 million since December 31, 2018 due to increased funding for capital outlay projects.

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 \$49.5 million as of December 31, 2019.

Water/Sewer Fund: Water and sewer fund's net position as of December 31, 2019, totaled \$40.3 million, an increase of \$6.6 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 \$2.3 million to a positive \$327 thousand.

Parking System Fund: Net Position of \$8.9 million, a decrease of \$559 thousand from fiscal 2018 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
December 31, 2019

GENERAL FUND BUDGETARY HIGHLIGHTS

Table 3: General Fund Budgetary Highlights
For the Year Ended December 31, 2019

	Original and Final Budget	Actual	Variance from Fund Budget Positive (Negative)
Revenues	\$ 63,796,240	\$ 71,570,890	\$ 7,774,650
Expenditures	70,253,812	65,746,799	4,507,013
Excess of Revenues Over Expenditures	(6,457,572)	5,824,091	12,281,663
Other Financing Sources (Uses)	(1,532,242)	(2,632,178)	(1,099,936)
Net Changes in Fund Balance	<u>\$ (7,989,814)</u>	<u>\$ 3,191,913</u>	<u>\$ 11,181,727</u>

General fund actual revenues were \$7.7 million or 12.2 percent greater than the budgeted amount while general fund actual expenditures were \$4.5 million or 6.4 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, 2019, the City had \$293.6 million in net capital assets. This total represents an increase of \$20.9 million in total capital assets or 8 percent from fiscal 2018. The following table illustrates the changes in capital assets.

Table 4: Capital Assets - Net of Depreciation
December 31, 2019 and 2018

	Governmental Activities		Business-type Activities		Total Primary Government	
	2019	2018	2019	2018	2019	2018
Land	\$ 29,481,730	\$ 29,638,689	\$ 1,891,770	\$ 1,891,770	\$ 31,373,500	\$ 31,530,459
Land right of way	53,299,649	53,299,649	-	-	53,299,649	53,299,649
Buildings	11,321,625	11,603,560	6,065,433	6,707,256	17,387,058	18,310,816
Building improvements	22,496,817	23,572,807	35,764,522	34,364,030	58,261,339	57,936,837
Equipment	3,053,338	2,946,257	223,774	299,767	3,277,112	3,246,024
Vehicles	6,311,624	6,206,038	549,796	467,665	6,861,420	6,673,703
Infrastructure	113,995,650	92,102,630	-	-	113,995,650	92,102,630
Construction in progress	6,015,525	9,075,927	3,160,048	531,777	9,175,573	9,607,704
Total Capital Assets	<u>\$ 245,975,958</u>	<u>\$ 228,445,557</u>	<u>\$ 47,655,343</u>	<u>\$ 44,262,265</u>	<u>\$ 293,631,301</u>	<u>\$ 272,707,822</u>

(See independent auditor's report)

CITY OF DES PLAINES, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2019

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 2019 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 as well as building improvements.

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 as part of the annual comment in March 2019 by Moody's Investors Service. The City continues to look for opportunities to pay debt off early or refinance debt at lower interest rates.

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total Primary Government</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
General obligation bonds	\$19,309,247	\$23,061,421	\$ -	\$ -	\$19,309,247	\$23,061,421
TIF revenue bonds	79,927	155,867			79,927	155,867
Loans payable	87,500	137,500			87,500	137,500
Total Bonded Debt	<u>\$19,476,674</u>	<u>\$23,354,788</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$19,476,674</u>	<u>\$23,354,788</u>

The City had \$19.3 million in principal outstanding general obligation debt from governmental activities and no principal outstanding from business-type activities for the year ended December 31, 2019. 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 fluctuate around 1 percent. Additional information of the City's long-term debt can be found in Note 7 – Debt Activity of the 2019 CAFR.

CITY OF DES PLAINES, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2019

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 10.2 percent of the City's total 2018 EAV.
- In 2019 Des Plaines' economy continued to show signs of steady growth; the average annual unemployment rate positively trended downward to 2.6 percent in Des Plaines compared to 3.7 percent statewide and 3.5 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 decline in building permits with 2,831 issued in 2019 compared to 3,258 identified in 2018 the permit construction value declared in 2019 was \$186,627,856 which far surpassed the permit construction value declared in 2018 of \$123,519,182.
- In the last four and a half years, the City of Des Plaines has experienced over \$800,000,000 in new construction projects with either issuing a permit or approving projects at the City Council level.
- Over 125 businesses either recently opened within the City of Des Plaines or announced their plans to open which include: Holiday Inn and Suites, Get Air Trampoline Park, Craft Donuts, Fairfield Inn and Suites, Sam Jidd Luxury Motors, Planet Fitness, and more.
- Over 1,300 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 a great year (2019) by awarding \$128,849 in grants to nine applicants that leveraged or will leverage an estimated \$1,830,935 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 2020 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, 2019

- The City has a diverse revenue base with only 23 percent of its revenue derived from the property taxes. The additional revenue sources include other taxes of 34 percent, intergovernmental taxes of 17 percent, and charges for services of 10 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, 2019

	Primary Government			Component Unit (Library)
	Governmental Activities	Business-Type Activities	Total Primary Government	
ASSETS				
Cash and Investments	\$ 102,534,974	\$ 1,234,837	\$ 103,769,811	\$ 4,292,890
Receivables (Net)				
Property Taxes	31,623,167	-	31,623,167	6,076,488
Accounts	1,000,907	3,143,548	4,144,455	-
Accrued Interest	31,248	-	31,248	-
Other Taxes	1,184,096	-	1,184,096	-
Other	324,291	6,935	331,226	76,739
Prepaid Items	3,968,205	-	3,968,205	104,210
Inventories	-	218,725	218,725	-
Due from Other Governmental Units	11,353,109	-	11,353,109	-
Internal Balances	(1,677,808)	1,677,808	-	-
Due From Fiduciary Fund	10,558	-	10,558	-
Capital Assets Not Being Depreciated	88,796,904	5,051,818	93,848,722	100,000
Capital Assets Being Depreciated, Net	<u>157,179,054</u>	<u>42,603,525</u>	<u>199,782,579</u>	<u>2,479,808</u>
TOTAL ASSETS	<u>396,328,705</u>	<u>53,937,196</u>	<u>450,265,901</u>	<u>13,130,135</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Amounts from Refunding of Debt	85,220	-	85,220	-
Deferred Pension Outflows	21,326,109	275,634	21,601,743	373,711
Deferred OPEB Outflows	<u>2,019,692</u>	<u>175,625</u>	<u>2,195,317</u>	<u>-</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>23,431,021</u>	<u>451,259</u>	<u>23,882,280</u>	<u>373,711</u>
LIABILITIES				
Accounts Payable	24,576,560	1,411,507	25,988,067	113,375
Accrued Payroll	2,420,458	1,213	2,421,671	137,097
Accrued Liabilities	157,748	78,025	235,773	-
Accrued Interest Payable	42,034	-	42,034	-
Unearned Revenue	240,222	144,007	384,229	-
Deposits Payable	92,219	-	92,219	-
Long-Term Obligations				
Due Within One Year	6,214,322	154,530	6,368,852	97,172
Due in More Than One Year	<u>203,622,613</u>	<u>1,863,752</u>	<u>205,486,365</u>	<u>1,114,357</u>
TOTAL LIABILITIES	<u>237,366,176</u>	<u>3,653,034</u>	<u>241,019,210</u>	<u>1,462,001</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred Property Tax Revenue	31,631,986	-	31,631,986	6,069,500
Deferred Pension Inflows	9,156,266	1,136,270	10,292,536	1,125,925
Deferred OPEB Outflows	<u>681,252</u>	<u>59,239</u>	<u>740,491</u>	<u>-</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>41,469,504</u>	<u>1,195,509</u>	<u>42,665,013</u>	<u>7,195,425</u>
NET POSITION				
Net Investment in Capital Assets	227,330,641	47,655,343	274,985,984	2,579,808
Restricted for				
Streets and Highways	1,201,159	-	1,201,159	-
Public Safety	1,500,574	-	1,500,574	-
Economic Development	6,046,772	-	6,046,772	-
Culture and Recreation	-	-	-	2,266,612
Debt Service	114,580	-	114,580	-
Unrestricted	<u>(95,269,680)</u>	<u>1,884,569</u>	<u>(93,385,111)</u>	<u>-</u>
TOTAL NET POSITION	<u>\$ 140,924,046</u>	<u>\$ 49,539,912</u>	<u>\$ 190,463,958</u>	<u>\$ 4,846,420</u>

CITY OF DES PLAINES, ILLINOIS
STATEMENT OF ACTIVITIES
Year-Ended December 31, 2019

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position			Component Unit
	Expenses	Fees, Fines & Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	
Primary Government							
Governmental Activities							
General Government	\$ 28,327,286	\$ 5,751,285	\$ 279,354	\$ -	\$ (22,296,647)	\$ -	\$ (22,296,647)
Public Safety	26,774,186	3,227,799	2,769,845	-	(20,776,542)	-	(20,776,542)
Public Works	10,313,635	3,238,402	-	-	(7,075,233)	-	(7,075,233)
Streets and Highways	13,174,021	1,241,013	1,914,684	6,354,270	(3,664,054)	-	(3,664,054)
Economic Development	5,016,519	-	-	4,955,964	(60,555)	-	(60,555)
Interest and Fiscal Charges	690,046	-	-	-	(690,046)	-	(690,046)
Total Governmental Activities	84,295,693	13,458,499	4,963,883	11,310,234	(54,563,077)	-	(54,563,077)
Business-Type Activities							
Water	14,517,017	15,270,671	9,290	-	\$ 762,944	\$ 762,944	762,944
Parking System	897,441	374,889	-	-	(522,552)	-	(522,552)
Total Business-Type Activities	15,414,458	15,645,560	9,290	-	240,392	-	240,392
Total Primary Government	\$ 99,710,151	\$ 29,104,059	\$ 4,973,173	\$ 11,310,234	(54,563,077)	-	(54,322,685)
Component Unit:							
Library	\$ 6,357,548	\$ 81,783	\$ 75,955	\$ -	-	-	(6,199,810)
General Revenues							
Taxes							
Property Taxes					31,124,250	-	31,124,250
Home Rule Sale Taxes					6,694,443	-	6,694,443
Utility Taxes					3,597,332	-	3,597,332
Food and Beverage Taxes					1,415,745	-	1,415,745
Hotel/Motel Taxes					1,917,755	-	1,917,755
Real Estate Transfer Taxes					761,871	-	761,871
Local Option Motor Fuel Taxes					1,567,933	-	1,567,933
Gaming Taxes					25,466,799	-	25,466,799
Other Taxes					3,204,837	-	3,204,837
Unrestricted Intergovernmental							
Sales Taxes					15,227,378	-	15,227,378
Income Taxes					6,229,784	-	6,229,784
Replacement Taxes					1,587,468	-	1,587,468
Investment Income					1,937,137	7,411	1,937,137
Miscellaneous					2,220,951	-	2,220,951
Transfers					(5,859,242)	5,859,242	-
Total General Revenues and Transfers					97,094,441	5,866,653	102,961,094
Change in Net Position					42,531,364	6,107,045	48,638,409
Net Position, January 1, 2019					98,392,682	43,432,867	141,825,549
Net Position, December 31, 2019					\$ 140,924,046	\$ 49,539,912	\$ 190,463,958
							\$ 4,846,420

See accompanying notes to financial statements.

CITY OF DES PLAINES, ILLINOIS
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2019

	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	\$ 36,838,435	\$ -	\$ 35,399,244	\$ 2,347,912	\$ 8,073,239	\$ 18,695,530	\$ 101,354,360
Receivables (net)							
Property Tax Receivable	24,268,873	113,072	-	-	29,232	7,211,990	31,623,167
Other Taxes	1,041,519	-	-	-	142,577	-	1,184,096
Accounts Receivable	788,276	-	-	-	212,631	-	1,000,907
Accrued Interest	8,613	-	-	-	-	22,635	31,248
Other	325,356	-	-	96,043	-	202	421,601
Due from Other Governments	5,842,855	-	2,982,713	884,858	1,275,036	367,647	11,353,109
Advances to Other Funds	20,139,602	-	-	-	-	-	20,139,602
Due From Fiduciary Fund	10,558	-	-	-	-	-	10,558
TOTAL ASSETS	\$ 89,264,087	\$ 113,072	\$ 38,381,957	\$ 3,328,813	\$ 9,732,715	\$ 26,298,004	\$ 167,118,648
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES							
Liabilities							
Accounts Payable	\$ 2,257,032	\$ 277	\$ 16,186,720	\$ 2,474,346	\$ 2,223,361	\$ 1,426,688	\$ 24,568,424
Accrued Payroll	2,420,458	-	-	-	-	-	2,420,458
Accrued Liabilities	157,715	-	-	-	33	-	157,748
Deposits Payable	11,726	-	-	-	9,169	167,367	188,262
Due to Other Funds	-	-	-	-	1,503,241	-	1,503,241
Advances from Other Funds	-	13,924,149	-	-	20,575	6,001,599	19,946,323
Unearned Revenue	155,574	-	-	-	-	41,701	197,275
Total Liabilities	5,002,505	13,924,426	16,186,720	2,474,346	3,756,379	7,637,355	48,981,731
Deferred Inflows of Resources							
Deferred Property Tax Revenue	24,244,258	113,072	-	-	29,251	7,245,405	31,631,986
Unavailable Other Revenue	532,052	-	-	927,489	-	-	1,459,541
Total Deferred Inflows of Resources	24,776,310	113,072	-	927,489	29,251	7,245,405	33,091,527
Fund Balances							
Nonspendable							
Long-Term Interfund Advances	20,139,602	-	-	-	-	-	20,139,602
Restricted							
Economic Development	-	-	-	-	-	6,046,772	6,046,772
Debt Retirement/Infrastructure	-	-	22,195,237	-	-	-	22,195,237
Streets and Highways	-	-	-	-	-	1,201,159	1,201,159
Public Safety	-	-	-	-	-	1,500,574	1,500,574
Debt Service	-	-	-	-	-	156,614	156,614
Assigned							
Infrastructure	3,250,000	-	-	-	5,947,085	-	9,197,085
Capital Acquisitions	500,000	-	-	-	-	8,502,748	9,002,748
Subsequent year's budget: appropriation of fund balance	3,767,500	-	-	-	-	-	3,767,500
Unassigned	31,828,170	(13,924,426)	-	(73,022)	-	(5,992,623)	11,838,099
Total Fund Balances	59,485,272	(13,924,426)	22,195,237	(73,022)	5,947,085	11,415,244	85,045,390
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 89,264,087	\$ 113,072	\$ 38,381,957	\$ 3,328,813	\$ 9,732,715	\$ 26,298,004	\$ 167,118,648

CITY OF DES PLAINES, ILLINOIS
RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
December 31, 2019

Total Fund Balances - Governmental Funds \$ 85,045,390

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	\$	385,682,273	
Accumulated Depreciation		<u>(139,706,315)</u>	
Net Capital Assets			245,975,958

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. 1,459,541

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. 85,220

Generally, interest on long-term debt is not accrued in governmental funds, but rather is recognized when due. (42,034)

Deferred outflows of resources related to pensions and OPEB do not involve available financial resources and accordingly are not reported on the fund financial statements. 23,345,801

Deferred inflows of resources related to pensions and OPEB do not involve available financial resources and accordingly are not reported on the fund financial statements. (9,837,518)

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

Compensated Absences Payable		(2,918,462)	
TIF General Obligation Bonds Payable		(19,309,247)	
TIF Revenue Bonds Payable		(79,927)	
Unamortized Bond Premiums and Discounts		(256,889)	
Installment Notes Payable		(87,500)	
Net Pension Liabilities		(172,281,859)	
Other Post Employment Benefits (OPEB)		<u>(14,903,051)</u>	
Total Long-Term Liabilities			(209,836,935)

Internal service funds are reported in the Statement of Net Position as Governmental Activities. 4,728,623

Net Position of Governmental Activities \$ 140,924,046

CITY OF DES PLAINES, ILLINOIS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year-Ended December 31, 2019

	Major Governmental Funds					Nonmajor Governmental Funds	Total Governmental Funds
	General	TIF #6 (Mannheim/ Higgins)	Gaming Tax	Grant Funded Projects	Capital Projects		
Revenues							
Property Taxes	\$ 24,339,659	\$ 92,599	\$ -	\$ -	\$ 27,767	\$ 6,735,082	\$ 31,195,107
Other Taxes	12,212,773	-	25,466,799	-	6,588,765	119,026	44,387,363
Licenses and Permits	3,822,654	-	-	-	-	-	3,822,654
Intergovernmental	23,403,701	-	-	20,010,054	-	2,431,759	45,845,514
Charges for Services	5,636,997	-	-	-	1,241,013	-	6,878,010
Fines, Forfeitures and Penalties	1,115,938	-	-	-	-	2,405	1,118,343
Investment Income	766,711	25	752,443	25,552	228,108	164,298	1,937,137
Miscellaneous	272,457	-	-	-	390,620	166,750	829,827
Total Revenues	71,570,890	92,624	26,219,242	20,035,606	8,476,273	9,619,320	136,013,955
Expenditures							
Current							
General Government	8,919,178	-	16,186,720	1,412,406	-	51,045	26,569,349
Public Safety	45,120,655	-	-	-	-	130,880	45,251,535
Public Works	7,025,113	-	-	-	1,796,997	-	8,822,110
Streets and Highways	4,298,471	-	-	-	-	1,182,495	5,480,966
Economic Development	383,382	688	-	-	-	3,171,854	3,555,924
Debt Service							
Principal	-	1,210,000	-	-	-	2,835,940	4,045,940
Interest and Fiscal Charges	-	81,095	-	-	-	503,916	585,011
Capital Outlay	-	-	-	12,643,348	10,554,468	5,521,837	28,719,653
Total Expenditures	65,746,799	1,291,783	16,186,720	14,055,754	12,351,465	13,397,967	123,030,488
Excess (Deficiency) of Revenues over (under) Expenditures	5,824,091	(1,199,159)	10,032,522	5,979,852	(3,875,192)	(3,778,647)	12,983,467
Other Financing Sources (Uses)							
Proceeds from Sale of Capital Assets	-	-	-	-	-	1,319,934	1,319,934
Transfer In	217,758	-	-	713,088	7,900,000	2,832,394	11,663,240
Transfer Out	(2,849,936)	(3,000)	(8,400,000)	-	(6,095,546)	(174,000)	(17,522,482)
Total Other Financing Sources (Uses)	(2,632,178)	(3,000)	(8,400,000)	713,088	1,804,454	3,978,328	(4,539,308)
Net Change in Fund Balances	3,191,913	(1,202,159)	1,632,522	6,692,940	(2,070,738)	199,681	8,444,159
Fund Balances at Beginning of Year	56,293,359	(12,722,267)	20,562,715	(6,765,962)	8,017,823	11,215,563	76,601,231
Fund Balances at End of Year	\$ 59,485,272	\$ (13,924,426)	\$ 22,195,237	\$ (73,022)	\$ 5,947,085	\$ 11,415,244	\$ 85,045,390

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, 2019

Net Change in Fund Balances - Total Governmental Funds \$ 8,444,159

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	\$ 27,565,919	
Depreciation	(8,976,209)	
Loss on Disposal of Capital Assets	<u>(1,059,311)</u>	
Capital Expenditures in Excess of Depreciation and Other Transactions		17,530,399

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. (6,275,637)

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	88,480	
Accretion of Interest on Capital Appreciation Bonds	(167,824)	
Change in Accrued Interest Payable	9,800	
Change in Other Post Employment Benefits (OPEB)	(262,645)	
Change in Pension Liability and Deferral Items	<u>18,797,529</u>	
Total Expenses of Noncurrent Resources		18,465,340

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:		
TIF General Obligation Bonds Payable	3,920,000	
TIF Revenue Bonds Payable	75,940	
Installment Notes Payable	50,000	
Amortization of Premiums, Discounts, and Loss on Refunding	<u>52,989</u>	
Net Adjustment		4,098,929

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. 268,174

Change in Net Position of Governmental Activities \$ 42,531,364

CITY OF DES PLAINES, ILLINOIS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
December 31, 2019

	Business-Type Activities - Enterprise Funds			Governmental Activities
	Major Funds			Internal Service Funds
	Water/Sewer	Parking System	Total Enterprise Funds	
ASSETS				
Current Assets				
Cash and Investments	\$ -	\$ 1,234,837	\$ 1,234,837	\$ 1,180,614
Receivables (Net)				
Accounts	3,143,548	-	3,143,548	-
Other	6,935	-	6,935	2,123
Due from Other Funds	1,309,962	-	1,309,962	-
Prepaid Items	-	-	-	3,964,815
Inventories	218,725	-	218,725	-
Total Current Assets	<u>4,679,170</u>	<u>1,234,837</u>	<u>5,914,007</u>	<u>5,147,552</u>
Noncurrent Assets				
Capital Assets				
Capital Assets Not Being Depreciated	3,393,876	1,657,942	5,051,818	-
Capital Assets Being Depreciated, Net	<u>36,592,429</u>	<u>6,011,096</u>	<u>42,603,525</u>	<u>-</u>
Total Noncurrent Assets	<u>39,986,305</u>	<u>7,669,038</u>	<u>47,655,343</u>	<u>-</u>
TOTAL ASSETS	<u>44,665,475</u>	<u>8,903,875</u>	<u>53,569,350</u>	<u>5,147,552</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Pension Outflows	275,634	-	275,634	-
Deferred OPEB Outflows	<u>175,625</u>	<u>-</u>	<u>175,625</u>	<u>-</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>451,259</u>	<u>-</u>	<u>451,259</u>	<u>-</u>
LIABILITIES				
Current Liabilities				
Accounts Payable	1,365,912	45,595	1,411,507	8,136
Accrued Liabilities	79,238	-	79,238	-
Unearned Revenue	144,007	-	144,007	42,947
Long-Term Obligations, Due Within One Year				
Compensated Absences	<u>154,530</u>	<u>-</u>	<u>154,530</u>	<u>-</u>
Total Current Liabilities	<u>1,743,687</u>	<u>45,595</u>	<u>1,789,282</u>	<u>51,083</u>
Noncurrent Liabilities				
Long-Term Obligations, Due in More Than One Year				
Total OPEB Liability	1,295,918	-	1,295,918	-
Net Pension Liability	447,727	-	447,727	-
Compensated Absences	<u>120,107</u>	<u>-</u>	<u>120,107</u>	<u>-</u>
Total Noncurrent Liabilities	<u>1,863,752</u>	<u>-</u>	<u>1,863,752</u>	<u>-</u>
TOTAL LIABILITIES	<u>3,607,439</u>	<u>45,595</u>	<u>3,653,034</u>	<u>51,083</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred Pension Inflows	1,136,270	-	1,136,270	-
Deferred OPEB Inflows	<u>59,239</u>	<u>-</u>	<u>59,239</u>	<u>-</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>1,195,509</u>	<u>-</u>	<u>1,195,509</u>	<u>-</u>
NET POSITION				
Net Investment in Capital Assets	39,986,305	7,669,038	47,655,343	-
Unrestricted	<u>327,481</u>	<u>1,189,242</u>	<u>1,516,723</u>	<u>5,096,469</u>
TOTAL NET POSITION	<u>\$ 40,313,786</u>	<u>\$ 8,858,280</u>	49,172,066	<u>\$ 5,096,469</u>
Adjustment to Reflect the Consolidation of Internal Service Funds Activities				
Related to Enterprise Funds			367,846	
Net Position of Business-Type Activities			<u>\$ 49,539,912</u>	

CITY OF DES PLAINES, ILLINOIS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
Year-Ended December 31, 2019

	Business-Type Activities - Enterprise Funds			Governmental Activities
	Major Funds		Total Enterprise Funds	Internal Service Funds
	Water/Sewer	Parking System		
Operating Revenues				
Charges for Services	\$ 15,081,460	\$ 374,889	\$ 15,456,349	\$ 10,285,700
Miscellaneous	196,464	158	196,622	32,007
Total Operating Revenues	<u>15,277,924</u>	<u>375,047</u>	<u>15,652,971</u>	<u>10,317,707</u>
Operating Expenses				
Salaries	2,957,921	-	2,957,921	8,872
Benefits	1,351,422	-	1,351,422	1,453
Contractual Services	1,283,176	82,709	1,365,885	-
Commodities	7,096,206	131,098	7,227,304	-
Capital Outlay	-	29,977	29,977	-
Claims Expense	-	-	-	6,604,263
Insurance and Processing Fees	-	-	-	3,345,610
Miscellaneous	-	-	-	70,441
Depreciation	1,690,547	653,621	2,344,168	-
Total Operating Expenses	<u>14,379,272</u>	<u>897,405</u>	<u>15,276,677</u>	<u>10,030,639</u>
Operating Income (Loss)	<u>898,652</u>	<u>(522,358)</u>	<u>376,294</u>	<u>287,068</u>
Nonoperating Revenues and (Expenses)				
Intergovernmental	9,290	-	9,290	-
Loss on Disposal of Assets	(156,675)	-	(156,675)	-
Total Nonoperating Revenues and (Expenses)	<u>(147,385)</u>	<u>-</u>	<u>(147,385)</u>	<u>-</u>
Income (Loss) Before Transfers	<u>751,267</u>	<u>(522,358)</u>	<u>228,909</u>	<u>287,068</u>
Transfers				
Transfers In	5,895,758	-	5,895,758	-
Transfers Out	-	(36,516)	(36,516)	-
Total Transfers	<u>5,895,758</u>	<u>(36,516)</u>	<u>5,859,242</u>	<u>-</u>
Change in Net Position	6,647,025	(558,874)	6,088,151	287,068
Net Position at Beginning of Year	<u>33,666,761</u>	<u>9,417,154</u>	<u>43,083,915</u>	<u>4,809,401</u>
Net Position at End of Year	<u>\$ 40,313,786</u>	<u>\$ 8,858,280</u>	49,172,066	<u>\$ 5,096,469</u>
Adjustment to Reflect the Consolidation of Internal Service Funds Activities Related to Enterprise Funds			<u>18,894</u>	
Change in Net Position of Business-Type Activities			<u>\$ 6,107,045</u>	

CITY OF DES PLAINES, ILLINOIS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year-Ended December 31, 2019

	Business-Type Activities - Enterprise Funds			Governmental Activities
	Major Funds		Total Enterprise Funds	Internal Service Funds
	Water/Sewer	Parking System		
Cash Flows from Operating Activities				
Cash Received from Customers	\$ 14,900,285	\$ 395,318	\$ 15,295,603	\$ 10,306,416
Receipts from Miscellaneous Revenues	163,188	158	163,346	32,007
Cash Payments to Suppliers for Goods and Services	(8,403,158)	(248,548)	(8,651,706)	(8,678,179)
Cash Payments to Employees for Services	(4,202,375)	-	(4,202,375)	(10,325)
Net Cash Provided/(Used) by Operating Activities	<u>2,457,940</u>	<u>146,928</u>	<u>2,604,868</u>	<u>1,649,919</u>
Cash Flows from Noncapital Financing Activities				
Transfers In	5,895,758	-	5,895,758	-
Transfers Out	-	(36,516)	(36,516)	-
Interfund Advances	(1,474,025)	-	(1,474,025)	(673,004)
Proceeds from Operating Grants	9,290	-	9,290	-
Net Cash Provided/(Used) by Noncapital Financing Activities	<u>4,431,023</u>	<u>(36,516)</u>	<u>4,394,507</u>	<u>(673,004)</u>
Cash Flows from Capital and Related Financing Activities				
Acquisition and Construction of Capital Assets	(6,803,758)	-	(6,803,758)	-
Net Cash Provided/(Used) by Capital and Related Financing Activities	<u>(6,803,758)</u>	<u>-</u>	<u>(6,803,758)</u>	<u>-</u>
Net Increase (Decrease) in Cash & Investments Cash & Investments, Beginning of Year	(71,470) <u>71,470</u>	110,412 <u>1,124,425</u>	38,942 <u>1,195,895</u>	976,915 <u>203,699</u>
Cash & Investments, End of Year	<u>\$ -</u>	<u>\$ 1,234,837</u>	<u>\$ 1,234,837</u>	<u>\$ 1,180,614</u>
Reconciliation of Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities				
Operating Income/(Loss)	\$ 898,652	\$ (522,358)	\$ 376,294	\$ 287,068
Adjustments to Reconcile Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities				
Depreciation	1,690,547	653,621	2,344,168	-
Decrease (Increase) in Receivables	(181,175)	20,429	(160,746)	6,032
Decrease (Increase) in Prepaid Items	-	-	-	1,407,291
Decrease (Increase) in Inventories	(15,802)	-	(15,802)	-
Decrease in Deferred Outflows - Pension	1,616,087	-	1,616,087	-
Decrease in Deferred Outflows - OPEB	(175,625)	-	(175,625)	-
(Decrease) Increase in Accounts Payable	(7,974)	(4,764)	(12,738)	(65,156)
(Decrease) Increase in Accrued Liabilities	10,260	-	10,260	-
(Decrease) Increase in Unearned Revenue	(26,341)	-	(26,341)	14,684
(Decrease) Increase in Total OPEB Liability	207,012	-	207,012	-
(Decrease) Increase in Net Pension Liability	(2,377,647)	-	(2,377,647)	-
Increase in Deferred Inflows - Pension	801,557	-	801,557	-
Increase in Deferred Inflows - OPEB	(8,549)	-	(8,549)	-
(Decrease) Increase in Compensated Absences Payable	33,873	-	33,873	-
Total Adjustments	<u>1,559,288</u>	<u>669,286</u>	<u>2,228,574</u>	<u>1,362,851</u>
Net Cash Provided/(Used) by Operating Activities	<u>\$ 2,457,940</u>	<u>\$ 146,928</u>	<u>\$ 2,604,868</u>	<u>\$ 1,649,919</u>
Noncash Capital and Related Financing Activities				
Capital Assets Included in Accounts Payable	\$ 166,386	\$ -	\$ 166,386	\$ -

CITY OF DES PLAINES, ILLINOIS
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
December 31, 2019

	Pension Trust Funds	Agency Fund
ASSETS		
Cash and Cash Equivalents	\$ 12,585,022	\$ 671,391
Investments		
U.S. Government and Agency Obligations	25,779,419	-
State and Local Obligations	546,931	-
Corporate Bonds	26,280,558	-
Mutual Funds	55,224,558	-
Stocks	40,473,917	-
Insurance Contracts	1,547	-
Receivables (Net)		
Accrued Interest	302,415	-
Other	-	19,099
Prepaid Items	17,306	-
TOTAL ASSETS	\$ 161,211,673	\$ 690,490
LIABILITIES AND NET POSITION		
Liabilities		
Accounts Payable	114,903	13,736
Due to Governmental Funds	-	10,558
Deposits Payable	-	666,196
Total Liabilities	114,903	690,490
Net Position		
Unrestricted		\$ -
Restricted for Pensions	\$ 161,096,770	
TOTAL LIABILITIES AND NET POSITION	\$ 161,211,673	\$ 690,490

CITY OF DES PLAINES, ILLINOIS
STATEMENT OF CHANGES IN PLAN NET POSITION
PENSION TRUST FUNDS
Year-Ended December 31, 2019

	Pension Trust Funds
Additions	
Contributions	
Employer	\$ 11,770,177
Plan Members	1,850,322
Other	221,446
Total Contributions	<u>13,841,945</u>
Investment Income	27,491,898
Less Investment Expense	<u>(585,695)</u>
Net Investment Income	<u>26,906,203</u>
Total Additions	<u>40,748,148</u>
Deductions	
Administration	177,756
Benefits and Refunds	<u>16,408,356</u>
Total Deductions	<u>16,586,112</u>
Net Increase in Net Position	24,162,036
Plan Net Position at Beginning of Year	<u>136,934,734</u>
Plan Net Position at End of Year	<u>\$ 161,096,770</u>

CITY OF DES PLAINES, ILLINOIS
INDEX TO NOTES TO FINANCIAL STATEMENTS
December 31, 2019

NOTE	<u>Page</u>
1. Summary of Significant Accounting Policies	30
Reporting Entity	30
Government-Wide and Fund Financial Statements	31
Measurement Focus, Basis of Accounting, and Financial Statement Presentation	34
Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance	34
Deposits and Investments	35
Receivables	38
Inventories and Prepaid Items	38
Deferred Outflows/Inflows of Resources	38
Capital Assets	49
Compensated Absences	40
Long-Term Obligations	40
Pensions	40
Claims and Judgments	40
Equity Classifications	41
Subsequent Event	41
2. Stewardship, Compliance, and Accountability	42
Budgetary Information	42
Excess Expenses/Expenditures Over Appropriations	42
Deficit Balances	43
3. Deposits and Investments	43
4. Details of Receivables – Unavailable/Deferred/Unearned	48
5. Capital Assets	49
6. Interfund Receivables/Payables, Advances and Transfers	51
7. Debt Activity	53
8. Component Unit	57
9. Employees' Retirement System	60
10. Risk Management	77
11. Commitments and Contingencies	78
12. Other Post-Employment Benefits	79
13. Tax Increment Financing District	85
14. New Accounting Pronouncements	86
15. Tax Abatements	87

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)

CITY OF DES PLAINES, ILLINOIS
INDEX TO NOTES TO FINANCIAL STATEMENTS
December 31, 2019

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 South)

- 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 post-employment benefit plans, or other employee benefit plans.

Firefighters' Pension
Police Pension

(Continued)

CITY OF DES PLAINES, ILLINOIS
INDEX TO NOTES TO FINANCIAL STATEMENTS
December 31, 2019

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)

CITY OF DES PLAINES, ILLINOIS
INDEX TO NOTES TO FINANCIAL STATEMENTS
December 31, 2019

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 the 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 Firefighters' 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 its pro rata share of the investments made by the City. In this internal investment pool there were no investments which are subject to concentration of credit risk that represent more than 50% of the portfolio as of December 31, 2019.

(Continued)

CITY OF DES PLAINES, ILLINOIS
INDEX TO NOTES TO FINANCIAL STATEMENTS
December 31, 2019

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, 2019, the City had 32% invested in cash, 56% invested in Illinois Funds and money market mutual funds, 9% invested in IMET, and 3% invested in fixed income securities.

The Police Pension Fund investment policy places a minimum of 2% and maximum of 20% concentration on cash, a minimum of 30% and maximum of 68% on fixed income securities, a minimum of 0% and maximum of 10% on mutual funds, a minimum of 10% and maximum of 20% on foreign equities, and a minimum of 20% and maximum of 35% on equities. As of December 31, 2019, the Police Pension Trust Fund had 9% invested in cash, 35% invested in fixed income securities, 36% in mutual funds, 0% in foreign equities, 0% in insurance contracts and 20% 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, 2019, the Firefighter Pension Trust Fund had 7% invested in cash, 31% invested in fixed income securities, 33% in mutual funds, 0% in foreign equities and 29% 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% of 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 Funds' 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
INDEX TO NOTES TO FINANCIAL STATEMENTS
December 31, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Receivables: Property taxes for levy year 2018 attach as an enforceable lien on January 1, 2018, 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 2018 are collected during the 2019 calendar year.

Tax bills are prepared by the County and issued on or about February 1, 2019 and August 1, 2019, and are payable in two installments, on or about March 1, 2019 and September 1, 2019 or within 30 days of the tax bills being issued.

The County collects such taxes and remits them periodically. The 2019 property tax levy is recognized as a receivable and deferred inflow of resources in fiscal year 2019, net the allowance for uncollectible. As the taxes become available to finance current expenditures, they are recognized as revenues. At December 31, 2019, the property taxes receivable and deferred inflow of resources consisted of the estimated amount collectible from the 2019 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, 2019.

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
INDEX TO NOTES TO FINANCIAL STATEMENTS
December 31, 2019

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)

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, 2019 of \$3,193,099, 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 fund 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 has 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, 2019, 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
INDEX TO NOTES TO FINANCIAL STATEMENTS
December 31, 2019

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.

Subsequent Event:

In December 2019, a novel strain of coronavirus surfaced in Wuhan, China, and has spread around the world, with resulting business and social disruption. The coronavirus was declared a Public Health Emergency of International Concern by the World Health Organization on January 30, 2020. The operations and business results of the company could be materially adversely affected. The extent to which the coronavirus may impact business activity or investment results will depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of the coronavirus and the actions required to contain the coronavirus or treat its impact, among others.

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	\$ 15,600,000	\$ 16,186,720	\$ (586,720)
Motor Fuel Tax	1,608,455	1,776,830	(168,375)
Capital Projects	9,539,094	12,351,465	(2,812,371)
TIF #7 (Mannheim/Higgins South)	28,670	849,617	(820,947)
I.T. Replacement	239,004	240,744	(1,740)

(Continued)

CITY OF DES PLAINES, ILLINOIS
INDEX TO NOTES TO FINANCIAL STATEMENTS
December 31, 2019

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

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.

As of December 31, 2019, the following individual funds held a deficit balance:

<u>Fund</u>	<u>Amount</u>
TIF #3 (Wille Road)	\$ 3,573,065
TIF #6 (Mannheim/Higgins)	13,924,426
TIF #7 (Mannheim/Higgins South)	2,419,558
Grant Funded Projects	73,022

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

NOTE 3 - DEPOSITS AND INVESTMENTS

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

	<u>Carrying Value</u>	<u>Statement Balance</u>	<u>Associated Risks</u>
Petty cash	\$ 3,350	\$ 3,350	N/A
Deposits	29,076,035	32,157,864	Custodial
Illinois funds	62,657,638	62,657,638	Credit, interest rate
U.S. government and agency obligations	25,779,419	25,779,419	Custodial, credit, interest rate, concentration of credit
State and local obligations	3,957,514	3,957,514	Custodial, interest rate, concentration of credit
Money market mutual funds	21,878,618	21,878,618	Credit, interest rate
Mutual funds	55,224,558	55,224,558	Credit
Corporate bonds	26,280,558	26,280,558	Custodial, credit, interest rate, concentration of credit
Common and preferred stock	40,473,917	40,473,917	Custodial, concentration of credit
Insurance contracts	<u>1,547</u>	<u>1,547</u>	Custodial, credit, concentration of credit
Total deposits and investments	<u>\$ 265,333,154</u>	<u>\$ 268,414,983</u>	

(Continued)

CITY OF DES PLAINES, ILLINOIS
INDEX TO NOTES TO FINANCIAL STATEMENTS
December 31, 2019

NOTE 3 - DEPOSITS AND INVESTMENTS (Continued)

Reconciliation To Financial Statements:

Per statement of net position	
Cash and investments	\$ 103,769,811
Per statement of fiduciary net position - fiduciary funds	
Cash - agency	671,391
Cash - pension	12,585,022
U.S. government and agency obligations	25,779,419
Mutual funds	55,224,558
Corporate bonds	26,280,558
Stocks	40,473,917
Insurance contracts	1,547
State and local obligations	<u>546,931</u>
 Total deposits and investments	 <u>\$ 265,333,154</u>

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

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

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, 2019, credit ratings for the City, Police Pension, and Fire Pension investments in debt securities are as follows:

<u>City</u>	<u>Standard and Poor's Ratings</u>						<u>Total</u>
<u>Investment Type</u>	<u>AAA</u>	<u>AA</u>	<u>A</u>	<u>BBB</u>	<u>BB</u>	<u>NR</u>	
Illinois Municipal Bonds	\$ -	\$ 2,596,015	\$ 378,629	\$ -	\$ -	\$ 435,939	\$ 3,410,583
Illinois Funds	62,657,638	-	-	-	-	-	62,657,638

<u>Police Pension</u>	<u>Bloomberg Composite Ratings</u>						<u>Total</u>
<u>Investment Type</u>	<u>AAA</u>	<u>AA</u>	<u>A</u>	<u>BBB</u>	<u>BB</u>	<u>NR</u>	
U.S. Treasuries	\$ 10,983,499	\$ -	\$ -	\$ -	\$ -	\$ 223,666	\$ 11,207,165
State and Local Obligations	-	270,464	42,167	-	-	-	312,631
U.S. Government Agencies	176,698	1,362,978	-	-	-	989,017	2,528,693
Corporate Bonds	319,357	1,472,260	6,968,224	3,733,383	102,493	30,026	12,625,743

(Continued)

CITY OF DES PLAINES, ILLINOIS
INDEX TO NOTES TO FINANCIAL STATEMENTS
December 31, 2019

NOTE 3 - DEPOSITS AND INVESTMENTS (Continued)

Firefighters' 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>BB</u>			
U.S. Treasuries	\$ 9,848,679	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,848,679
State and Local Obligations	-	234,300	-	-	-	-	-	234,300
U.S. Government Agencies	-	1,893,713	-	-	-	-	301,169	2,194,882
Corporate Bonds	532,295	2,003,720	7,970,062	2,692,382	256,183	-	200,173	13,654,815

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, 2019, the Firefighters' Pension Fund had an investment in Harding Loevner International that represented 15.6% of total investments. There were no other 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
INDEX TO NOTES TO FINANCIAL STATEMENTS
December 31, 2019

NOTE 3 - DEPOSITS AND INVESTMENTS (Continued)

As of December 31, 2019, the City's investments and pensions were as follows:

<u>Investment Type</u>	<u>Maturity (in years)</u>			
	<u>Total</u>	<u>Less Than One Year</u>	<u>One to Five Years</u>	<u>Over Five Years</u>
City				
Illinois municipal bonds	\$ 3,410,583	\$ 2,649,009	\$ 761,574	\$ -
Money market mutual fund	9,662,174	9,662,174	-	-
Illinois funds	<u>62,657,638</u>	<u>62,657,638</u>	-	-
City investment total	<u>75,730,395</u>	<u>74,968,821</u>	<u>761,574</u>	<u>-</u>
Police Pension				
U.S. Treasuries	11,207,165	385,010	3,766,024	7,056,131
State and local obligations	312,631	-	-	312,631
Money market mutual funds	6,605,479	6,605,479	-	-
Other U.S. government agencies	2,528,693	1,151,078	520,618	856,997
Corporate bonds	<u>12,625,743</u>	<u>161,227</u>	<u>7,152,187</u>	<u>5,312,329</u>
Police pension investment total	<u>33,279,711</u>	<u>8,302,794</u>	<u>11,438,829</u>	<u>13,538,088</u>
Firefighters' Pension				
U.S. Treasuries	9,848,679	-	1,348,729	8,499,950
State and local obligations	234,300	-	-	234,300
Money market mutual funds	5,610,965	5,610,965	-	-
Other U.S. government agencies	2,194,882	815,171	1,078,542	301,169
Corporate bonds	<u>13,654,815</u>	<u>200,172</u>	<u>8,077,202</u>	<u>5,377,441</u>
Firefighters' pension investment total	<u>31,543,641</u>	<u>6,626,308</u>	<u>10,504,473</u>	<u>14,412,860</u>
Totals	<u>140,553,747</u>	<u>\$ 89,897,923</u>	<u>\$ 22,704,876</u>	<u>\$ 27,950,948</u>
Investments not sensitive to risk:				
Mutual funds	55,224,558			
Common and preferred stock	40,473,917			
Insurance contracts	<u>1,547</u>			
Total investments	<u>\$ 236,253,769</u>			

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

(Continued)

CITY OF DES PLAINES, ILLINOIS
INDEX TO NOTES TO FINANCIAL STATEMENTS
December 31, 2019

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, 2019:

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	\$ 3,410,583	\$ -	\$ 3,410,583	\$ -
Money market mutual fund	9,662,174	-	9,662,174	-
City Investment Total	13,072,757	-	13,072,757	-
Police Pension				
U.S. Treasuries	11,207,165	-	11,207,165	-
State and local obligations	312,631	-	312,631	-
Money market mutual funds	6,605,479	6,605,479	-	-
Other U.S. government agencies	2,528,693	-	2,528,693	-
Corporate bonds	12,625,743	-	12,625,743	-
Mutual funds	27,359,921	27,359,921	-	-
Equity Securities	15,683,402	15,683,402	-	-
Police pension investment Total	76,323,034	49,648,802	26,674,232	-
Firefighters' Pension				
U.S. Treasuries	9,848,679	-	9,848,679	-
State and local obligations	234,300	-	234,300	-
Money market mutual funds	5,610,965	5,610,965	-	-
Other U.S. government agencies	2,194,882	-	2,194,882	-
Corporate bonds	13,654,815	-	13,654,815	-
Mutual funds	27,864,637	27,864,637	-	-
Equity Securities	24,790,515	24,790,515	-	-
Firefighters' pension investment Total	84,198,793	58,266,117	25,932,676	-
Totals	\$ 173,594,584	\$ 107,914,919	\$ 65,679,665	\$ -

(Continued)

CITY OF DES PLAINES, ILLINOIS
INDEX TO NOTES TO FINANCIAL STATEMENTS
December 31, 2019

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	\$ -	\$ 31,631,986	\$ -	\$ 31,631,986
Other receivables	532,052	-	197,275	729,327
Grant receivables	<u>927,489</u>	<u>-</u>	<u>-</u>	<u>927,489</u>
 Total deferred inflows/unearned revenue for governmental funds	 <u>\$ 1,459,541</u>	 <u>\$ 31,631,986</u>	 <u>\$ 197,275</u>	 <u>\$ 33,288,802</u>

(Continued)

CITY OF DES PLAINES, ILLINOIS
INDEX TO NOTES TO FINANCIAL STATEMENTS
December 31, 2019

NOTE 5 - CAPITAL ASSETS

Capital asset activity for the year-ended December 31, 2019, 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	\$ 24,829,829	\$ 350,000	\$ (506,959)	\$ 24,672,870
Land Improvement	4,808,860	-	-	4,808,860
Land right of way	53,299,649	-	-	53,299,649
Construction in Progress	<u>9,075,927</u>	<u>6,015,525</u>	<u>(9,075,927)</u>	<u>6,015,525</u>
Total capital assets not being depreciated	<u>92,014,265</u>	<u>6,365,525</u>	<u>(9,582,886)</u>	<u>88,796,904</u>
Capital assets being depreciated				
Buildings	23,080,159	198,201	-	23,278,360
Improvements	47,347,954	191,244	-	47,539,198
Equipment	6,444,832	579,398	(665,072)	6,359,158
Vehicles	11,513,330	986,425	(417,792)	12,081,963
Infrastructure	<u>182,915,167</u>	<u>28,321,053</u>	<u>(3,609,530)</u>	<u>207,626,690</u>
Total capital assets being depreciated	<u>271,301,442</u>	<u>30,276,321</u>	<u>(4,692,394)</u>	<u>296,885,369</u>
Total capital assets	<u>363,315,707</u>	<u>36,641,846</u>	<u>(14,275,280)</u>	<u>385,682,273</u>
Less accumulated depreciation for				
Buildings	(11,476,599)	(480,135)	-	(11,956,734)
Improvements	(23,775,147)	(1,267,233)	-	(25,042,380)
Equipment	(3,498,575)	(472,318)	665,072	(3,305,821)
Vehicles	(5,307,292)	(880,839)	417,792	(5,770,339)
Infrastructure	<u>(90,812,537)</u>	<u>(5,875,684)</u>	<u>3,057,180</u>	<u>(93,631,041)</u>
Total accumulated depreciation	<u>(134,870,150)</u>	<u>(8,976,209)</u>	<u>4,140,044</u>	<u>(139,706,315)</u>
Net capital assets being depreciated	<u>136,431,292</u>	<u>21,300,112</u>	<u>(552,350)</u>	<u>157,179,054</u>
Total governmental activities capital assets, net of accumulated depreciation	<u>\$ 228,445,557</u>	<u>\$ 27,665,637</u>	<u>\$ (10,135,236)</u>	<u>\$ 245,975,958</u>

Depreciation expense was charged to functions as follows:

Depreciation Expense	
<u>Governmental activities</u>	
General government	\$ 325,979
Public safety	719,219
Public works	1,628,971
Streets and highways	6,094,785
Economic development	<u>207,255</u>
	<u>\$ 8,976,209</u>

(Continued)

CITY OF DES PLAINES, ILLINOIS
INDEX TO NOTES TO FINANCIAL STATEMENTS
December 31, 2019

NOTE 5 - CAPITAL ASSETS (Continued)

	<u>Beginning Balance</u>	<u>Additions/ Transfers In</u>	<u>Deletions/ Transfers Out</u>	<u>Ending Balance</u>
<u>Business-type Activities</u>				
Capital assets not being depreciated				
Land	\$ 1,891,770	\$ -	\$ -	\$ 1,891,770
Construction in Progress	<u>531,777</u>	<u>3,160,048</u>	<u>(531,777)</u>	<u>3,160,048</u>
Total capital assets not being depreciated	<u>2,423,547</u>	<u>3,160,048</u>	<u>(531,777)</u>	<u>5,051,818</u>
Capital assets being depreciated				
Buildings	18,966,509	-	-	18,966,509
Improvements	55,655,806	3,120,379	(168,934)	58,607,251
Equipment	834,886	-	(37,099)	797,787
Vehicles	<u>1,562,588</u>	<u>145,271</u>	<u>-</u>	<u>1,707,859</u>
Total capital assets being depreciated	<u>77,019,789</u>	<u>3,265,650</u>	<u>(206,033)</u>	<u>80,079,406</u>
Total capital assets	<u>79,443,336</u>	<u>6,425,698</u>	<u>(737,810)</u>	<u>85,131,224</u>
Less accumulated depreciation for				
Buildings	(12,259,253)	(641,823)	-	(12,901,076)
Improvements	(21,291,776)	(1,563,212)	12,259	(22,842,729)
Equipment	(535,119)	(75,993)	37,099	(574,013)
Vehicles	<u>(1,094,923)</u>	<u>(63,140)</u>	<u>-</u>	<u>(1,158,063)</u>
Total accumulated depreciation	<u>(35,181,071)</u>	<u>(2,344,168)</u>	<u>49,358</u>	<u>(37,475,881)</u>
Net capital assets being depreciated	<u>41,838,718</u>	<u>921,482</u>	<u>(156,675)</u>	<u>42,603,525</u>
Total business-type activities capital assets, net of accumulated depreciation	<u>\$ 44,262,265</u>	<u>\$ 4,081,530</u>	<u>\$ (688,452)</u>	<u>\$ 47,655,343</u>

Depreciation expense was charged to functions as follows:

<u>Business-type Activities</u>	
Parking	\$ 653,621
Water/Sewer	<u>1,690,547</u>
	<u>\$2,344,168</u>

(Continued)

CITY OF DES PLAINES, ILLINOIS
INDEX TO NOTES TO FINANCIAL STATEMENTS
December 31, 2019

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)	\$ 13,924,149	\$ 13,924,149	\$ -
General	Capital projects fund	20,575	20,575	-
General	Non-major governmental	6,001,599	6,001,599	-
General	Water/Sewer	193,279	193,279	-
Water/Sewer	Capital projects fund	1,503,241	-	1,503,241
Total - Fund financial statements		<u>\$ 21,642,843</u>	<u>\$ 20,139,602</u>	<u>\$ 1,503,241</u>
Less: Fund eliminations		(22,952,805)		
Less: Interfund receivables created with internal service fund eliminations		<u>(367,846)</u>		
Total internal balances - Government-wide statement of net position		<u>\$ (1,677,808)</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
INDEX TO NOTES TO FINANCIAL STATEMENTS
December 31, 2019

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	\$ 174,000	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	General	17,542	To transfer the City's share of grant expenses
Grant funded projects	Capital projects	695,546	To transfer the City's share of grant expenses
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	General	582,394	Transfer per budget for infrastructure costs
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	General Fund	500,000	Transfer per budget for water meter replacement
Water	Capital projects	5,375,000	Transfer per budget for infrastructure costs
Water	Parking system	20,758	To transfer general operating expenditures of the fund
Total - Fund financial statements		17,558,998	
Less: Fund eliminations		<u>(11,699,756)</u>	
Total - Government-Wide statement of activities		<u><u>\$ 5,859,242</u></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
INDEX TO NOTES TO FINANCIAL STATEMENTS
December 31, 2019

NOTE 7 - DEBT ACTIVITY

Long-Term Obligations: Long-term obligations activity for the year-ended December 31, 2019, 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	\$ 23,061,421	\$ 167,826	\$ 3,920,000	\$ 19,309,247	\$ 4,150,000
Tax increment financing revenue bonds	155,867	-	75,940	79,927	79,927
Loans payable	137,500	-	50,000	87,500	12,500
Unamortized (discounts)/premiums	<u>338,990</u>	<u>-</u>	<u>82,101</u>	<u>256,889</u>	<u>-</u>
Total bonds and notes payable	23,693,778	167,826	4,128,041	19,733,563	4,242,427
Other liabilities					
Vested compensated absences	3,006,942	1,920,645	2,009,125	2,918,462	1,971,895
Net pension liability - Police pension	88,967,329	905,674	-	89,873,003	-
Net pension liability - Firefighters' pension	82,049,222	-	1,034,058	81,015,164	-
Net pension liability - IMRF	8,723,752	-	7,330,060	1,393,692	-
Total OPEB liability	<u>12,522,409</u>	<u>2,380,642</u>	<u>-</u>	<u>14,903,051</u>	<u>-</u>
Total other liabilities	<u>195,269,654</u>	<u>5,206,961</u>	<u>10,373,243</u>	<u>190,103,372</u>	<u>1,971,895</u>
Total governmental activities	<u>\$ 218,963,432</u>	<u>\$ 5,374,787</u>	<u>\$ 14,501,284</u>	<u>\$ 209,836,935</u>	<u>\$ 6,214,322</u>

Governmental activities general obligation debt increases includes \$167,826 of accretion of the 2009A capital appreciation bonds.

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
<u>Business-Type Activities</u>					
Other liabilities					
Vested compensated absences	\$ 240,764	\$ 177,204	\$ 143,331	\$ 274,637	\$ 154,530
Net pension liability - IMRF	2,825,374	-	2,377,647	447,727	-
Total OPEB liability	<u>1,088,906</u>	<u>207,012</u>	<u>-</u>	<u>1,295,918</u>	<u>-</u>
Total business-type activities	<u>\$ 4,155,044</u>	<u>\$ 384,216</u>	<u>\$ 2,520,978</u>	<u>\$ 2,018,282</u>	<u>\$ 154,530</u>

(Continued)

CITY OF DES PLAINES, ILLINOIS
INDEX TO NOTES TO FINANCIAL STATEMENTS
December 31, 2019

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	\$ 240,000
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	2,764,247 *
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	185,000 305,000 210,000 50,000
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	495,000
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	475,000 150,000 1,205,000
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	670,000
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	1,365,000

(Continued)

CITY OF DES PLAINES, ILLINOIS
INDEX TO NOTES TO FINANCIAL STATEMENTS
December 31, 2019

NOTE 7 – DEBT ACTIVITY (Continued)

	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance Outstanding</u>
Governmental Activities (continued)					
Series 2018 GO Refunding Bonds, due in annual installments of \$440,000 to \$2,135,000	March 5, 2018	December 1, 2028	3.00%	12,410,000	
Debt retired from TIF #3 fund					<u>11,195,000</u>
Total governmental activities general obligation debt					<u>\$ 19,309,247</u>

*A portion of the December 31, 2019 balance for the 2009A bonds represents accretion on debt from the date of issuance until December 31, 2019.

Debt service requirements to maturity are as follows (Principal Totals for Governmental Activities differs from the outstanding balance noted above in the amount of \$470,753, due to the future accretion on the 2009A Capital Appreciation Bonds):

<u>Years</u>	<u>Governmental Activities General Obligation Debt</u>	
	<u>Principal</u>	<u>Interest</u>
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	1,905,000	205,200
2025-2028	4,935,000	274,200
	<u>\$ 19,780,000</u>	<u>\$ 1,902,679</u>

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

The City has issued notes where the City pledges incremental taxes derived from a separately created tax increment financing district. These notes are not a general obligation of the City and are secured only by the incremental revenues generated by the TIF district. During 2019, TIF #1 generated a tax increment of \$4,796,335. The City has pledged future incremental tax revenues, net of specified operating expenses, to repay \$79,927 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 \$84,123. Principal and interest paid for the current year were \$75,940 and \$8,184, respectively.

(Continued)

CITY OF DES PLAINES, ILLINOIS
INDEX TO NOTES TO FINANCIAL STATEMENTS
December 31, 2019

NOTE 7 - DEBT ACTIVITY (Continued)

Tax Increment Financing Notes at December 31, 2019, 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	\$ 38,840
Series 2003 Tax Increment Revenue Note, due in annual installments of \$12,096 to \$41,087 Debt retired by TIF #1 fund	October 6, 2003	June 1, 2020	5.25%	471,000	<u>41,087</u>
Total governmental activities tax increment financing notes					<u>\$ 79,927</u>

Debt service requirements to maturity are as follows:

Years	Governmental Activities Tax Increment Financing Notes	
	Principal	Interest
2020	\$ 79,927	\$ 4,196
	<u>\$ 79,927</u>	<u>\$ 4,196</u>

Loans Payable: Loans Payable at December 31, 2019 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	\$ 87,500

Debt service requirements to maturity are as follows:

Years	Governmental Activities Loans Payable	
	Principal	Interest
2020	\$ 12,500	-
2021	12,500	-
2022	12,500	-
2023	12,500	-
2024	12,500	-
2025-2026	25,000	-
	<u>\$ 87,500</u>	<u>-</u>

(Continued)

CITY OF DES PLAINES, ILLINOIS
INDEX TO NOTES TO FINANCIAL STATEMENTS
December 31, 2019

NOTE 7 - DEBT ACTIVITY (Continued)

Legal Debt Margin: The City is a home rule municipality. Article VII, Section 6(k) of the 1970 Illinois Constitution governs computation of the legal debt margin.

"The General Assembly may limit by law the amount and require referendum approval of debt to be incurred by home rule municipalities, payable from ad valorem property tax receipts, only in excess of the following percentages of the assessed value of its taxable property if its population is more than 25,000 and less than 500,000 an aggregate of one percent; indebtedness which is outstanding effective date (July 1, 1971) of this constitution or which is thereafter approval by referendum shall not be included in the foregoing percentage amounts."

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

Net Pension Liability and Total Other Post-employment 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 post-employment 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	\$ 531,235	\$ 474,293	Custodial
Illinois funds	3,761,155	3,761,154	Credit, interest rate
Petty cash	500	-	N/A
 Total deposits and investments	 \$ 4,292,890	 \$ 4,235,447	

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

(Continued)

CITY OF DES PLAINES, ILLINOIS
INDEX TO NOTES TO FINANCIAL STATEMENTS
December 31, 2019

NOTE 8 - COMPONENT UNIT (Continued)

Cash: The carrying amount of deposits was \$4,292,890 at December 31, 2019, while the bank balances were \$4,235,447. All deposits were either insured by the Federal Deposit Insurance Corporation (FDIC) for \$250,000, or collateralized with securities of the U.S. Government or with letters of credit issued by the Federal Home Loan Bank held in the Library's name by financial institutions acting as the Library's agent.

Investments: Illinois Statutes authorize the Library to make deposits/investments in insured commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. Agencies, insured credit union shares, money market mutual funds with portfolios of securities issued or guaranteed by the United States or agreement to repurchase these same obligations, repurchase agreements, short-term commercial paper rated within the three highest classifications by at least two standard rating services, and the Illinois Funds Investment Pool. As of December 31, 2019, the Library held \$3,761,154 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 \$3,761,154 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.

(Continued)

CITY OF DES PLAINES, ILLINOIS
INDEX TO NOTES TO FINANCIAL STATEMENTS
December 31, 2019

NOTE 8 - COMPONENT UNIT (Continued)

Property taxes for 2018 attach as an enforceable lien on January 1, 2018, 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, 2019 and August 1, 2019 and are payable in two installments, on or about March 1, 2019 and September 1, 2019. The County collects such taxes and remits them periodically.

The Library recognizes property tax revenues when they become both measurable and available in the fiscal year that the tax levy is intended to finance. Therefore, the entire 2019 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 2019 grant revenue that was not received within the first 60 days of 2020 has been recorded as a deferred inflow of resources on the balance sheet.

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

Capital Assets:

<u>Component Unit</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Capital assets not being depreciated				
Construction in progress	\$ -	\$ 100,000	\$ -	\$ 100,000
Total capital assets not being depreciated	<u>-</u>	<u>100,000</u>	<u>-</u>	<u>100,000</u>
Capital assets being depreciated				
Improvements	2,461,912	-	-	2,461,912
Equipment	1,170,683	-	-	1,170,683
Vehicles	24,954	-	-	24,954
Total capital assets being depreciated	<u>3,657,549</u>	<u>-</u>	<u>-</u>	<u>3,657,549</u>
Less accumulated depreciation for				
Improvements	(346,364)	(82,301)	-	(428,665)
Equipment	(650,073)	(79,043)	-	(729,116)
Vehicles	(17,465)	(2,495)	-	(19,960)
Total accumulated depreciation	<u>(1,013,902)</u>	<u>(163,839)</u>	<u>-</u>	<u>(1,177,741)</u>
Total component unit capital assets, net of accumulated depreciation	<u>\$ 2,643,647</u>	<u>\$ (63,839)</u>	<u>\$ -</u>	<u>\$ 2,579,808</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, 2019 was \$335,484. During 2019, there were additions of \$74,677 and reductions of \$110,842 leaving the liability balance as of December 31, 2019 at \$299,319. The current portion of this liability is \$97,172.

(Continued)

NOTE 8 - COMPONENT UNIT (Continued)

Total Other Post-Employment Benefits Liability: The liability balance at January 1, 2019 was \$438,689. During 2019, there were service costs and interest of \$22,742, changes in assumptions of \$69,337 and contributions of \$27,406 leaving the liability balance as of December 31, 2019 at \$503,362. See Note 12 for further details on the plan.

Illinois Municipal Retirement Fund: The net pension liability for the Library's portion at January 1, 2019 was \$2,307,155. During 2019, there were reductions of \$1,898,307 leaving a liability balance as of December 31, 2019 at \$408,848. See Note 9 for further details on the plan.

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. Details of all benefits are available from IMRF. Benefit and contribution provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available Comprehensive Annual Financial Report that includes financial statements, detailed information about the pension plan's fiduciary net position, and required supplementary information. The report is available for download at www.imrf.org.

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

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

Employees hired *on or after* January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating employees who retire at age 62 (at reduced benefits) or after age 67 (at full benefits) with ten years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any 96 consecutive months within the last 10 years of service, divided by 96. Under Tier 2, the pension is increased on January 1 every year after retirement, upon reaching age 67, by the *lesser* of:

- 3% of the original pension amount, or
- ½ of the increase in the Consumer Price Index of the original pension amount.

(Continued)

CITY OF DES PLAINES, ILLINOIS
INDEX TO NOTES TO FINANCIAL STATEMENTS
December 31, 2019

NOTE 9 - EMPLOYEES' RETIREMENT SYSTEM (Continued)

Employees Covered by Benefit Terms: As of December 31, 2019 the following employees were covered by the benefit terms:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	504
Active Plan Members	<u>204</u>
Total	<u><u>708</u></u>

Contributions: As set by statute, the City's Regular Plan Members are required to contribute 4.50% of their annual covered salary. The statutes require employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The City's annual required contribution rate for calendar year 2019 was 8.55%. For the fiscal year-ended December 31, 2019, the City contributed \$1,228,045 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, 2019. 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, 2019 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	3.35% 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.

(Continued)

CITY OF DES PLAINES, ILLINOIS
INDEX TO NOTES TO FINANCIAL STATEMENTS
December 31, 2019

NOTE 9 - EMPLOYEES' RETIREMENT SYSTEM (Continued)

A detailed description of the actuarial assumptions and methods can be found in the December 31, 2019 Illinois Municipal Retirement Fund annual actuarial valuation. The investment rate of return of 7.25% did not change from the prior year rate of 7.25%. 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.

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%	5.75%
International Equities	18%	6.50%
Fixed Income	28%	3.25%
Real Estate	9%	5.20%
Alternatives	7%	3.60%-7.60%
Cash Equivalents	1%	1.85%
	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, 2019 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 2.75%, 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, 2119.

(Continued)

CITY OF DES PLAINES, ILLINOIS
INDEX TO NOTES TO FINANCIAL STATEMENTS
December 31, 2019

NOTE 9 - EMPLOYEES' RETIREMENT SYSTEM (Continued)

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) - (b)
Primary government:			
Balances at December 31, 2018	\$ 99,630,487	\$ 88,081,361	\$ 11,549,126
Changes for the year:			
Service cost	1,204,317	-	1,204,317
Interest	6,942,029	-	6,942,029
Actuarial experience	389,926	-	389,926
Assumption changes	-	-	-
Contributions - Employer	-	1,004,923	(1,004,923)
Contributions - Employee	-	532,902	(532,902)
Net investment income	-	16,366,498	(16,366,498)
Benefit payments, including refunds	(5,331,388)	(5,331,388)	-
Change in proportionate share	(210,375)	-	(210,375)
Other (net transfer)	-	129,281	(129,281)
Net changes	<u>2,994,509</u>	<u>12,702,216</u>	<u>(9,707,707)</u>
Balances at December 31, 2019	<u>\$ 102,624,996</u>	<u>\$ 100,783,577</u>	<u>\$ 1,841,419</u>

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) - (b)
Component unit:			
Balances at December 31, 2018	\$ 19,903,061	\$ 17,595,906	\$ 2,307,155
Changes for the year:			
Service cost	267,393	-	267,393
Interest	1,541,330	-	1,541,330
Actuarial experience	86,575	-	86,575
Assumption changes	-	-	-
Contributions - Employer	-	223,122	(223,122)
Contributions - Employee	-	118,320	(118,320)
Net investment income	-	3,633,833	(3,633,833)
Benefit payments, including refunds	(1,183,721)	(1,183,721)	-
Change in proportionate share	210,375	-	210,375
Other (net transfer)	-	28,705	(28,705)
Net changes	<u>921,952</u>	<u>2,820,259</u>	<u>(1,898,307)</u>
Balances at December 31, 2019	<u>\$ 20,825,013</u>	<u>\$ 20,416,165</u>	<u>\$ 408,848</u>

(Continued)

CITY OF DES PLAINES, ILLINOIS
INDEX TO NOTES TO FINANCIAL STATEMENTS
December 31, 2019

NOTE 9 - EMPLOYEES' RETIREMENT SYSTEM (Continued)

As reported in	
City's governmental activities	\$ 1,393,692
City's business-type activities	447,727
Library	408,848
	<u>\$ 2,250,267</u>

Sensitivity of the net pension liability to changes in the discount rate: The following presents the net pension liability of the City, calculated using the discount rate of 7.25%, 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:

	Current		
	1% Decrease	Discount Rate	1% Increase
	6.25%	7.25%	8.25%
Primary government	\$ 13,579,852	\$ 1,841,419	\$ (7,893,958)
Component unit	3,015,118	408,848	(1,752,686)
City's net pension liability for the IMRF plan	<u>\$ 16,594,970</u>	<u>\$ 2,250,267</u>	<u>\$ (9,646,644)</u>

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: For the year-ended December 31, 2019, the primary government and component unit recognized pension expense of \$1,199,829 and \$266,397, respectively, for the IMRF plan. At December 31, 2019, 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	\$ 265,389	\$ 154,517
Assumption changes	853,978	74,939
Net difference between projected and actual earnings on pension plan investments	-	4,157,805
Change in proportionate share between City and discretely presented component unit	1,238	144,566
	<u>\$ 1,120,605</u>	<u>\$ 4,531,827</u>
Component unit:		
Differences between expected and actual experience	\$ 58,896	\$ 30,868
Assumption changes	170,249	16,003
Net difference between projected and actual earnings on pension plan investments	-	1,077,816
Change in proportionate share between City and discretely presented component unit	144,566	1,238
	<u>\$ 373,711</u>	<u>\$ 1,125,925</u>

(Continued)

CITY OF DES PLAINES, ILLINOIS
INDEX TO NOTES TO FINANCIAL STATEMENTS
December 31, 2019

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-Ending December 31	Primary Government	Component Unit
2020	\$ (550,860)	\$ (94,478)
2021	(1,258,703)	(246,688)
2022	444,291	43,212
2023	(2,045,950)	(454,260)
Total	\$ (3,411,222)	\$ (752,214)

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, 2019, 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	2
Active plan members	96
Total	212

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

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

Tier 2 employees (those hired on or after January 1, 2011) attaining the age of 55 or older with ten or more years of creditable service are entitled to receive an annual retirement benefit equal to the average monthly salary obtained by dividing the total salary of the police officer during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. Police officers' salary for pension purposes shall not exceed \$106,800, however, that amount shall increase annually by the lesser of ½ of the annual change in the Consumer Price Index

(Continued)

CITY OF DES PLAINES, ILLINOIS
INDEX TO NOTES TO FINANCIAL STATEMENTS
December 31, 2019

NOTE 9 - EMPLOYEES' RETIREMENT SYSTEM (Continued)

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. Non-compounding 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, 2019, the City's contribution was 61.83% 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, 2019, 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, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Assumptions (economic)

Discount rate used for the total pension liability	6.75%
Long-Term expected rate of return on plan assets	6.75%
High quality 20-year tax-exempt G.O. bond rate	2.74%
Projected individual salary increases	3.25% - 11.25%
Projected increase in total payroll	3.25%
Consumer price index (urban)	2.25%
Inflation rate included	2.25%

(Continued)

CITY OF DES PLAINES, ILLINOIS
INDEX TO NOTES TO FINANCIAL STATEMENTS
December 31, 2019

NOTE 9 - EMPLOYEES' RETIREMENT SYSTEM (Continued)

Actuarial Assumptions (demographic)

Mortality table	Pub-2010 Adjusted for Plan Status, Demographics, and Illinois Public Pension Data, as Described
Retirement rates	100% L&A 2020 Illinois Police Retirement Rates Capped at age 65
Disability rates	100% L&A 2020 Illinois Police Disability Rates
Termination rates	100% L&A 2020 Illinois Police Termination Rates
Percent married	80.00%

All rates shown in the 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 2020. The rates are experience weighted with the Sex Distinct Raw Rates as developed in the PubS-2010(A) Study improved to 2017 using MP-2019 Improvement Rates. These rates are then improved fully generationally using MP-2019 Improvement Rates. Other demographic assumption rates are based on a review of assumptions in the L&A 2020 study for Police.

Assumption changes: Plan benefit changes were updated for PA-101-0610 (SB1300), which went into effect on January 1, 2020. These legislative changes reflect modifications to the Tier 2 Plan Provisions. The assumed rate on High Quality 20-Year Tax-Exempt G.O. Bonds was changed from 4.10% to 2.74% for the current year. The underlying index used is The Bond Buyer 20-Year 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 actuary's understanding of the requirements of GASB under Statement 67 and Statement 68. There were no significant changes in demographic assumptions.

Post-employment benefit changes: Eligibility for post-employment 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 post-employment benefit increases based on the lesser of 3.0% of the original retirement benefits or 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 2019 was 256.8. The average increase in the CPI-U for September 1985 through September 2019 was 2.58% (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.

(Continued)

CITY OF DES PLAINES, ILLINOIS
INDEX TO NOTES TO FINANCIAL STATEMENTS
December 31, 2019

NOTE 9 – EMPLOYEES’ RETIREMENT SYSTEM (Continued)

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	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%
	100%	

Long-Term expected real rates of return 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 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. 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 26, 2019 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 GO 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
INDEX TO NOTES TO FINANCIAL STATEMENTS
December 31, 2019

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	\$ 113,756,097	\$ 89,873,003	\$ 70,493,157

Changes in the Net Pension Liability for the Police Pension Plan:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at January 1, 2019	\$ 153,903,661	\$ 64,936,335	\$ 88,967,326
Changes for the year:			
Service cost	2,215,022	-	2,215,022
Interest	10,119,530	-	10,119,530
Actuarial experience	1,039,948	-	1,039,948
Assumptions changes	6,796,425	-	6,796,425
Changes of benefit terms	546,413	-	546,413
Contributions - employer	-	6,061,959	(6,061,959)
Contributions - employee	-	971,640	(971,640)
Contributions - other	-	221,446	(221,446)
Net investment income	-	12,639,325	(12,639,325)
Benefit payments, including refunds	(7,969,389)	(7,969,389)	-
Administrative expense	-	(82,709)	82,709
Net changes	12,747,949	11,842,272	905,677
Balances at December 31, 2018	\$ 166,651,610	\$ 76,778,607	\$ 89,873,003

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: For the year-ended December 31, 2019 the City recognized pension expense of \$10,262,574 for the Police Pension Plan. At December 31, 2019, the City reported deferred inflows of resources and deferred outflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,166,214	\$ 672,269
Changes of assumptions	8,001,739	96,614
Net difference between projected and actual earnings on investments	-	1,981,773
Total	\$ 9,167,953	\$ 2,750,656

(Continued)

CITY OF DES PLAINES, ILLINOIS
INDEX TO NOTES TO FINANCIAL STATEMENTS
December 31, 2019

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		
2020	\$	1,757,696
2021		1,581,406
2022		2,043,229
2023		(580,384)
2024		1,242,197
Thereafter		373,153
Total	\$	<u>6,417,297</u>

Rate of return: For the year-ended December 31, 2019, the annual money-weighted rate of return on the Police Pension Plan’s assets, net of pension plan investment expense, was 19.38%. 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, 2019, the date of the latest actuarial valuation, the Firefighters’ Pension Plan membership consisted of:

Inactive plan members or beneficiaries currently receiving benefits	119
Inactive plan members entitled to but not yet receiving benefits	1
Active plan members	<u>89</u>
Total	<u>209</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
INDEX TO NOTES TO FINANCIAL STATEMENTS
December 31, 2019

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. Non-compounding 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, 2019, 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, 2019, the City's contribution was 61.5% 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, 2019, 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, 2019 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	2.74%
Projected individual salary increases	3.25-7.99%
Projected increase in total payroll	3.25%
Consumer price index (urban)	2.25%
Inflation rate included	2.25%

(Continued)

CITY OF DES PLAINES, ILLINOIS
INDEX TO NOTES TO FINANCIAL STATEMENTS
December 31, 2019

NOTE 9 - EMPLOYEES' RETIREMENT SYSTEM (Continued)

Actuarial Assumptions (demographic)

Mortality table	Pub-2010 Adjusted for Plan Status, Demographics, and Illinois Public Pension Data, as described
Retirement rates	100% of L&A 2020 Illinois Firefighters Retirement Rates Capped at age 65
Disability rates	100% of L&A 2020 Illinois Firefighters Disability Rates
Termination rates	100% of L&A 2020 Illinois Firefighters Termination Rates
Percent married	80.00%

All rates shown in the 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 2020. The rates are experience weighted with the Sex Distinct Raw Rates as developed in the PubS-2010(A) Study improved to 2017 using the MP-2019 Improvement Rates. These rates are then improved fully generationally using MP-2019 Improvement Rates. Other demographic assumption rates are based on a review of assumptions in the L&A 2020 study for Firefighters.

Assumption changes: The assumed rate on High Quality 20-Year Tax-Exempt G.O. Bonds was changed from 4.10% to 2.74% 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 actuary's understanding of the requirements of GASB under Statement 67 and Statement 68. There were no significant changes in demographic assumptions.

Post-employment benefit changes: Plan benefit changes were updated for PA-101-0610 (SB 1300), which went into effect on January 1, 2020. These legislative changes reflect modifications to the Tier 2 Plan Provisions. Eligibility for post-employment 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 post-employment benefit increases based on the lesser of 3.0% of the original retirement benefits or 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 2019 was 256.8. The average increase in the CPI-U for September 1985 through September 2019 was 2.58% (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.

(Continued)

CITY OF DES PLAINES, ILLINOIS
INDEX TO NOTES TO FINANCIAL STATEMENTS
December 31, 2019

NOTE 9 - EMPLOYEES' RETIREMENT SYSTEM (Continued)

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	19.00%	5.72%
US SMID Equity	14.00%	5.46%
REITS	3.00%	4.97%
Non US Developed Equity	16.00%	5.22%
Emerging Markets	8.00%	6.85%
Fixed Income	38.00%	1.80%
Cash	2.00%	1.01%
	<u>100%</u>	

Long-Term expected real rates of return 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 are intended to estimate those figures. The expected inflation rate is 1.90% and is not included in the long-term rate of return on investments presented. 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 26, 2019 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 GO 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
INDEX TO NOTES TO FINANCIAL STATEMENTS
December 31, 2019

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 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	\$ 103,589,785	\$ 81,015,164	\$ 62,553,637

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

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
	Balances at January 1, 2019	\$ 154,047,621	\$ 71,998,399
Changes for the year:			
Service cost	2,148,094	-	2,148,094
Interest	10,113,399	-	10,113,399
Actuarial experience	2,320,892	-	2,320,892
Assumptions changes	4,689,323	-	4,689,323
Changes of Benefit Terms	452,965	-	452,965
Contributions - employer	-	5,708,218	(5,708,218)
Contributions - employee	-	878,682	(878,682)
Net investment income	-	14,266,878	(14,266,878)
Benefit payments, including refunds	(8,438,967)	(8,438,967)	-
Administrative expense	-	(95,047)	95,047
Net changes	11,285,706	12,319,764	(1,034,058)
Balances at December 31, 2019	\$ 165,333,327	\$ 84,318,163	\$ 81,015,164

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: For the year-ended December 31, 2019 the City recognized pension expense of \$10,793,650 for the Firefighters' Pension Plan. At December 31, 2019, 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	\$ 4,349,254	\$ -
Changes of assumptions	6,963,931	-
Net difference between projected and actual earnings on investments	-	3,010,053
Total	\$ 11,313,185	\$ 3,010,053

(Continued)

CITY OF DES PLAINES, ILLINOIS
INDEX TO NOTES TO FINANCIAL STATEMENTS
December 31, 2019

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		
2020	\$	2,471,584
2021		1,689,413
2022		2,832,275
2023		(87,897)
2024		1,305,524
Thereafter		<u>92,233</u>
Total	\$	<u><u>8,303,132</u></u>

Rate of return: For the year-ended December 31, 2019, the annual money-weighted rate of return on the Firefighters' Pension Plan's assets, net of pension plan investment expense, was 19.88%. 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	\$ 5,641,137	\$ 6,943,885	\$ 12,585,022
Investments			-
U.S. government and agency obligations	12,043,561	13,735,858	25,779,419
Mutual funds	234,300	312,631	546,931
Corporate bonds	13,654,815	12,625,743	26,280,558
Stocks	27,864,637	27,359,921	55,224,558
State and local obligations	24,790,515	15,683,402	40,473,917
Insurance contracts	-	1,547	1,547
Accrued interest	138,484	163,931	302,415
Prepaid items	<u>8,726</u>	<u>8,580</u>	<u>17,306</u>
Total assets	<u>84,376,175</u>	<u>76,835,498</u>	<u>161,211,673</u>
Liabilities			
Accounts payable	<u>58,012</u>	<u>56,891</u>	<u>114,903</u>
Total liabilities	<u>58,012</u>	<u>56,891</u>	<u>114,903</u>
Net position	<u><u>\$ 84,318,163</u></u>	<u><u>\$ 76,778,607</u></u>	<u><u>\$ 161,096,770</u></u>

(Continued)

CITY OF DES PLAINES, ILLINOIS
INDEX TO NOTES TO FINANCIAL STATEMENTS
December 31, 2019

NOTE 9 - EMPLOYEES' RETIREMENT SYSTEM (Continued)

Changes in Plan Net Position:

	Pension Trust		Totals
	Firefighters' Pension	Police Pension	
Additions			
Contributions			
Employer	\$ 5,708,218	\$ 6,061,959	\$ 11,770,177
Plan members	878,682	971,640	1,850,322
Other	-	221,446	221,446
Total contributions	6,586,900	7,255,045	13,841,945
Investment Income	14,581,425	12,910,473	27,491,898
Less investment expense	(314,547)	(271,148)	(585,695)
Net investment income	14,266,878	12,639,325	26,906,203
Total additions	20,853,778	19,894,370	40,748,148
Deductions			
Administration	95,047	82,709	177,756
Benefits and refunds	8,438,967	7,969,389	16,408,356
Total deductions	8,534,014	8,052,098	16,586,112
Change in plan net position	12,319,764	11,842,272	24,162,036
Plan net position, beginning of year	71,998,399	64,936,335	136,934,734
Plan net position, end of year	\$ 84,318,163	\$ 76,778,607	\$ 161,096,770

Summary of pension items as of and for the year-ended December 31, 2019:

	IMRF	Police	Firefighters'	Total
Net Pension Liability	\$ 2,250,267	\$ 89,873,003	\$ 81,015,164	\$ 173,138,434
Deferred Outflows of Resources	1,494,316	9,167,953	11,313,185	21,975,454
Deferred Inflows of Resources	5,657,752	2,750,656	3,010,053	11,418,461
Pension Expense	1,466,226	10,262,574	10,793,650	22,522,450

	Primary Government	Component Unit	Total
Net Pension Liability	\$ 172,729,586	\$ 408,848	\$ 173,138,434
Deferred Pension Outflows	21,601,743	373,711	21,975,454
Deferred Pension Inflows	10,292,536	1,125,925	11,418,461
Pension Expense	22,256,053	266,397	22,522,450

(Continued)

CITY OF DES PLAINES, ILLINOIS
INDEX TO NOTES TO FINANCIAL STATEMENTS
December 31, 2019

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	512,557	537,064
Claim payments	(512,557)	(537,064)
Unpaid claims - end of year	\$ -	\$ -

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

Intergovernmental Personnel Benefit Cooperative: The Health Benefits Fund was established to account for the financial transactions of self-insured employee and retiree health benefits. In 2003 the City joined the Intergovernmental Personnel Benefit Cooperative (IPBC), a self-insured governmental insurance pool consisting of 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 \$15,000,000 of coverage after a \$5,000 deductible. 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)

CITY OF DES PLAINES, ILLINOIS
INDEX TO NOTES TO FINANCIAL STATEMENTS
December 31, 2019

NOTE 10 - RISK MANAGEMENT (Continued)

High Level Excess Liability Pool: The City participated in the High Level Excess Liability Pool (HELP). HELP was a public entity risk pool established by certain municipalities (the Members) in Illinois to provide excess liability coverage. The City was a charter member when it commenced operations in 1985 with 15 members.

The member communities opted to close HELP down effective April 30, 2018. The City remains responsible for its share of expenses and currently has a surplus position in the run-off of the pool. It is expected that HELP will close out all claims and return the surplus to members within the next 36 months.

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
62267-Consultant-River Rd Recon	\$ 1,179,143	\$ 968,537
R-141-18 Contract 62267-River Rd Recon	15,623,134	5,879,908
Rand Rd Sidepath	300,899	45,207
R-171-19 Touhy Ave Reconstruction Cost Share	-	125,324
R-82-19 Contractor-2019 CIP Cont B St & Ut	4,849,088	140,834
Construction Engr-Lee-Forest Signalization	-	262,476
Contractor-DP River Rd Recon Ph 2	14,345,473	854,527
LED Streetlight Conversion on Miner St	-	59,197
US 14 @ Broadway Intersection Improvements	123,723	329,562
Golf Rd / Cumberland Circle	537,612	532,112
Ballard Rd Sidewalk/Sidepath	68,514	38,621
R-83-19 Contractor-2019 CIP Cont C St & Ut Improv	3,393,929	725,690
R-100-19-2019 CIP Cont A St & Utility	5,427,342	1,249,045
R-99-19 2019 CIP Concrete Improv	1,149,715	133,760
R-142-18 Reconstruct RR Crossing -River Rd WM	651,119	393,000
	<u>\$47,649,691</u>	<u>\$11,737,801</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
INDEX TO NOTES TO FINANCIAL STATEMENTS
December 31, 2019

NOTE 12 - OTHER POSTEMPLOYMENT BENEFITS

City of Des Plaines, Illinois Post-Retirement 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	<u>322</u>
Total	<u>409</u>

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, 2019 of \$761,679.

Total OPEB Liability: The City's total OPEB liability was measured as of December 31, 2019 and the total OPEB liability was determined by an actuarial valuation as of the prior year using the following actuarial methods and assumptions:

<u>Actuarial Assumptions (economic)</u>	
Discount rate used for the total OPEB liability	2.74%
Long-Term expected rate of return on plan assets	0.00%
High quality 20-year tax-exempt G.O. bond rate	2.74%
Projected individual salary increases	3.00%
Consumer price index (urban)	N/A
Inflation rate included	2.25%
Initial Healthcare cost trend rate	6.00%
Ultimate Healthcare cost trend rate	5.00%

(Continued)

CITY OF DES PLAINES, ILLINOIS
INDEX TO NOTES TO FINANCIAL STATEMENTS
December 31, 2019

NOTE 12 - OTHER POST-EMPLOYMENT 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 2020 as follows: 7.00% at age 50, scaling up to 17.20% at age 55 for Firefighters and 11.00% at age 50, scaling up to 14.00% at age 55 for Police.
Termination rates	IMRF 2017 for IMRF Employees. 100% of the L&A Assumption Study for Firefighters and Police 2020 as follows: 7.00% at age 25, scaling down to 0.00% at age 50 for Firefighters and 8.00% at age 25, scaling down to 0.50% at age 50 for Police.
Disability rates	IMRF 2017 for IMRF Employees. 100% of the L&A Assumption Study for Firefighters and Police 2020 as follows: 0.07% at age 25, scaling up to 0.97% at age 50 for Firefighters and 0.00% at age 25, scaling up to 0.48% 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 2020. 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 2020 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 4.10% to 2.74% 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 actuary's understanding of the requirements of GASB under Statement 74 and Statement 75. There were no significant changes in demographic assumptions.

Discount rate: The discount rate used to measure the total OPEB liability was 2.74%, a decrease of 1.36% from the prior year 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 26, 2019. 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
INDEX TO NOTES TO FINANCIAL STATEMENTS
December 31, 2019

NOTE 12 - OTHER POST-EMPLOYMENT BENEFITS (Continued)

Changes in the Total OPEB Liability:

	Increase (Decrease)
	Total OPEB Liability
Balance at January 1, 2019	\$ 13,611,315
Changes for the year:	
Service cost	334,684
Interest	542,495
Actuarial experience	-
Assumptions changes	2,472,154
Contributions - employer	-
Contributions - employee	-
Net investment income	-
Benefit payments, including refunds	(761,679)
Administrative expense	-
Net changes	2,587,654
Balance at December 31, 2019	\$ 16,198,969

OPEB Expense: For the year-ended, December 31, 2019, the City recognized OPEB expense of \$1,047,162.

Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB: At December 31, 2019, the City 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
Changes of assumptions	\$ 2,195,317	\$ 740,491
Total	\$ 2,195,317	\$ 740,491

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 December 31	Deferred Inflows of Resources
2020	\$ 169,983
2021	169,983
2022	169,983
2023	169,983
2024	169,983
Thereafter	604,911
Total	\$ 1,454,826

(Continued)

CITY OF DES PLAINES, ILLINOIS
INDEX TO NOTES TO FINANCIAL STATEMENTS
December 31, 2019

NOTE 12 - OTHER POST-EMPLOYMENT BENEFITS (Continued)

Rate Sensitivity:

The table below presents the total OPEB liability of the City calculated using the discount rate of 2.74% 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 1.74%	Current Rate 2.74%	1% Increase 3.74%
Total OPEB Liability	\$ 18,183,931	\$ 16,198,969	\$ 14,559,582

The table below presents the total OPEB liability of the City calculated using the variable healthcare cost trend rates disclosed in the actuary report, 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 (Varies)	Current Healthcare Cost Trend Rate (Varies)	1% Increase (Varies)
Total OPEB Liability	\$ 14,036,362	\$ 16,198,969	\$ 18,897,780

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, 2019 of \$27,406.

Total OPEB Liability: The Library's total OPEB liability was measured as of December 31, 2019 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
INDEX TO NOTES TO FINANCIAL STATEMENTS
December 31, 2019

NOTE 12 - OTHER POST-EMPLOYMENT BENEFITS (Continued)

<u>Actuarial Assumptions (economic)</u>	
Discount rate used for the total OPEB liability	2.74%
Long-Term expected rate of return on plan assets	0.00%
High quality 20-year tax-exempt G.O. bond rate	2.74%
Projected individual salary increases	2.25%
Consumer price index (urban)	N/A
Inflation rate included	2.50%
Initial Healthcare cost trend rate	0.00%
Ultimate Healthcare cost trend rate	5.00%

<u>Actuarial Assumptions (demographic)</u>	
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 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 actuarial valuation were used to estimate the single retirement ages 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 4.10% to 2.74% 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. There were no significant changes in demographic assumptions.

Discount rate: The discount rate used to measure the total OPEB liability was 2.74% a decrease of 1.36% from the prior year 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 26, 2019. 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
INDEX TO NOTES TO FINANCIAL STATEMENTS
December 31, 2019

NOTE 12 - OTHER POSTEMPLOYMENT BENEFITS (Continued)

Changes in the Total OPEB Liability:

	Increase (Decrease)
	Total OPEB
	Liability
Balances at January 1, 2019	\$ 438,689
Changes for the year:	
Service cost	5,321
Interest	17,421
Actuarial experience	-
Assumptions changes	69,337
Contributions - employer	-
Contributions - employee	-
Net investment income	-
Benefit payments, including refunds	(27,406)
Administrative expense	-
Net changes	64,673
Balances at December 31, 2019	\$ 503,362

OPEB Expense: For the year-ended, December 31, 2019, the Library recognized OPEB expense of \$62,509.

Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB: At December 31, 2019, the Library did not report deferred inflows of resources and deferred outflows of resources related to OPEB.

Rate Sensitivity:

The table below presents the total OPEB liability of the Library calculated using the discount rate of 2.74% 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 1.74%	Current Rate 2.74%	1% Increase 3.74%
Total OPEB Liability	\$ 579,957	\$ 503,362	\$ 441,301

The table below presents the total OPEB liability of the Library calculated using variable healthcare cost trend rates disclosed in the actuary report, as well as what the Library's total OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1 percentage point lower or 1 percentage point higher than the current rate.

	1% Decrease (Varies)	Current Healthcare Cost Trend Rate (Varies)	1% Increase (Varies)
Total OPEB Liability	\$ 437,902	\$ 503,362	\$ 583,176

(Continued)

NOTE 13 – TAX INCREMENT FINANCING DISTRICT

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

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

NOTE 14 - NEW ACCOUNTING PRONOUNCEMENTS

In 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). Upon the City's adoption of GASB Statement No 95, effective date for the Statement was delayed for the City until their fiscal year ended December 31, 2020. 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 (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 post-employment 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. Upon the City's adoption of GASB Statement No 95, effective date for the Statement was delayed for the City until their fiscal year ended December 31, 2020. Management has not determined the impact on the City's financial statements.

In June 2017, the GASB issued Statement 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Upon the City's adoption of GASB Statement No 95, effective date for the Statement was delayed for the City until their fiscal year ended December 31, 2022. 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. Upon the City's adoption of GASB Statement No 95, effective date for the Statement was delayed for the City until their fiscal year ended December 31, 2020. Management has not determined what impact, if any, this statement will have on its financial statements.

(Continued)

NOTE 14 - NEW ACCOUNTING PRONOUNCEMENTS (Continued)

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. Upon the City's adoption of GASB Statement No 95, effective date for the Statement was delayed for the City until their fiscal year ended December 31, 2021. Management has not determined what impact, if any, this statement will have on its financial statements.

In May 2019, GASB issued Statement No. 91, *Conduit Debt Obligations*. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. Upon the City's adoption of GASB Statement No 95, effective date for the Statement was delayed for the City until their fiscal year ended December 31, 2022. Management has not yet determined the impact of this statement on the City's financial statements.

In January 2020, GASB issued Statement No. 92, *Ominbus 2020*. The primary objectives of this Statement are to enhance comparability in accounting and financial reporting and improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB statements. Upon the City's adoption of GASB Statement No 95, effective date for the Statement was delayed for the City until their fiscal year ended December 31, 2023. Management has not yet determined the impact of this statement on the City's financial statements.

In March 2020, GASB issued Statement No. 93, *Replacement of Interbank Offered Rates*. The primary objectives of this Statement is to address those and other accounting and financial reporting implications that result from the replacement of an IBOR. Upon the City's adoption of GASB Statement No 95, effective date for the Statement was delayed for the City until their fiscal year ended December 31, 2023. Management has not yet determined the impact of this statement on the City's financial statements.

In March 2020, GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The primary objectives of this Statement is improve financial reporting by addressing issues related to public-private and public-public partnership arrangements. This Statement also provides guidance for accounting and financial reporting for availability payments arrangements. The requirements of this Statement are effective for the City's fiscal year-ended December 31, 2023. Management has not yet determined the impact of this statement on the City's financial statements.

In May 2020, GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. The requirements of this Statement are effective for the City's fiscal year-ended December 31, 2023. Management has not yet determined the impact of this statement on the City's financial statements.

(Continued)

NOTE 15 – TAX ABATEMENTS

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

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

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

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

For the fiscal year-ending December 31, 2019, the City's share of the abatement granted to the Class 6b properties was approximately \$6,603,719.

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, 2019
With Comparative Actual Amounts for the Year-Ended December 31, 2018

	2019		Variance from Final Budget Positive (Negative)	2018 Actual
	Original and Final Budget	Actual		
Revenues				
Property Taxes				
Property Taxes	\$ 12,663,150	\$ 12,570,764	\$ (92,386)	\$ 11,869,069
Police Pension	6,094,000	6,061,301	(32,699)	5,483,601
Fire Pension	5,732,000	5,707,594	(24,406)	5,140,892
Total Property Taxes	<u>24,489,150</u>	<u>24,339,659</u>	<u>(149,491)</u>	<u>22,493,562</u>
Local Taxes				
Utility Taxes	2,900,000	3,597,332	697,332	3,121,450
Gas and Use Tax	375,000	394,863	19,863	403,202
Franchise Tax	750,000	746,771	(3,229)	810,571
Food and Beverage Tax	1,150,000	1,415,745	265,745	1,346,268
Telecommunication Tax	1,900,000	1,641,005	(258,995)	1,869,971
Hotel/Motel Tax	1,900,000	1,917,755	17,755	1,995,330
Auto Rental Tax	80,000	43,624	(36,376)	82,261
Parking Tax	500	715	215	633
Real Estate Transfer Tax	550,000	761,871	211,871	808,982
Home Rule Sales Tax	1,450,000	1,673,611	223,611	1,701,183
PEG Fees Tax	25,000	19,481	(5,519)	21,156
Total Local Taxes	<u>11,080,500</u>	<u>12,212,773</u>	<u>1,132,273</u>	<u>12,161,007</u>
Licenses				
Business	200,000	356,707	156,707	514,791
Liquor	230,000	230,193	193	229,973
Vehicle	1,325,000	1,280,756	(44,244)	1,320,280
Other Licenses	143,750	200,510	56,760	249,181
Total Licenses	<u>1,898,750</u>	<u>2,068,166</u>	<u>169,416</u>	<u>2,314,225</u>
Permits				
Building	850,000	1,736,003	886,003	1,386,517
Other Permits	8,750	18,485	9,735	7,935
Total Permits	<u>858,750</u>	<u>1,754,488</u>	<u>895,738</u>	<u>1,394,452</u>
Intergovernmental				
State Income Tax	5,500,000	6,229,784	729,784	5,570,605
Local Use Tax	1,200,000	1,939,124	739,124	1,690,313
Personal Property Replacement Tax	1,225,000	1,587,468	362,468	1,213,702
Municipal Sales Tax	10,750,000	13,288,254	2,538,254	14,064,699
Road and Bridge Tax	200,000	239,352	39,352	224,419
Federal, State, and Local Grants	65,140	105,536	40,396	164,105
Other State Payments	400	-	(400)	-
Fire Training	-	14,183	14,183	-
Total Intergovernmental	<u>18,940,540</u>	<u>23,403,701</u>	<u>4,463,161</u>	<u>22,927,843</u>
Charges for Services				
Ambulance Fees	1,470,000	1,899,443	429,443	1,813,029
Refuse Collection	3,275,000	3,238,402	(36,598)	3,171,589
Other Fees	292,750	499,152	206,402	375,475
Total Charges for Services	<u>5,037,750</u>	<u>5,636,997</u>	<u>599,247</u>	<u>5,360,093</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, 2019
With Comparative Actual Amounts for the Year-Ended December 31, 2018

	2019		Variance from Final Budget Positive (Negative)	2018
	Original and Final Budget	Actual		Actual
Fines and Forfeits				
Court Costs, Fees & Charges	\$ 375,000	\$ 439,517	\$ 64,517	\$ 517,170
Other Fines and Forfeits	730,800	676,421	(54,379)	722,172
Total Fines and Forfeits	<u>1,105,800</u>	<u>1,115,938</u>	<u>10,138</u>	<u>1,239,342</u>
Investment Income				
Investment Income	<u>125,000</u>	<u>766,711</u>	<u>641,711</u>	<u>440,109</u>
Miscellaneous				
Miscellaneous	<u>260,000</u>	<u>272,457</u>	<u>12,457</u>	<u>985,423</u>
Total Revenues	<u>63,796,240</u>	<u>71,570,890</u>	<u>7,774,650</u>	<u>69,316,056</u>
Expenditures				
General Government				
Elected Office				
Salaries	276,337	280,058	(3,721)	260,787
Benefits	237,546	226,758	10,788	231,947
Contractual Services	211,260	213,244	(1,984)	153,768
Commodities	13,900	4,255	9,645	3,214
Capital Outlay	5,000	654	4,346	1,916
Total Elected Office	<u>744,043</u>	<u>724,969</u>	<u>19,074</u>	<u>651,632</u>
City Manager Division				
Salaries	330,445	320,316	10,129	287,355
Benefits	98,455	99,492	(1,037)	73,113
Contractual Services	39,555	10,593	28,962	77,294
Commodities	4,650	2,827	1,823	6,345
Capital Outlay	1,000	5,519	(4,519)	8,214
Total City Manager Division	<u>474,105</u>	<u>438,747</u>	<u>35,358</u>	<u>452,321</u>
Media Services				
Salaries	391,254	348,580	42,674	287,667
Benefits	108,283	78,493	29,790	65,402
Contractual Services	150,160	115,680	34,480	111,086
Commodities	45,249	32,298	12,951	27,430
Capital Outlay	97,050	77,602	19,448	198
Total Media Services	<u>791,996</u>	<u>652,653</u>	<u>139,343</u>	<u>491,783</u>
Legal Department				
Salaries	108,193	75,497	32,696	90,398
Benefits	41,268	39,732	1,536	41,314
Contractual Services	611,410	446,247	165,163	573,206
Commodities	1,200	1,296	(96)	834
Capital Outlay	-	-	-	578
Total Legal Department	<u>762,071</u>	<u>562,772</u>	<u>199,299</u>	<u>706,330</u>
Department of Finance - Fiscal Services				
Salaries	870,643	829,332	41,311	814,691
Benefits	281,179	288,352	(7,173)	278,972

(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, 2019
With Comparative Actual Amounts for the Year-Ended December 31, 2018

	2019		Variance from Final Budget Positive (Negative)	2018
	Original and Final Budget	Actual		Actual
Contractual Services	\$ 140,980	\$ 124,876	\$ 16,104	\$ 120,037
Commodities	43,300	31,037	12,263	37,426
Capital Outlay	2,500	996	1,504	2,295
Total Department of Finance - Fiscal Services	1,338,602	1,274,593	64,009	1,253,421
Information Technologies				
Salaries	459,471	453,960	5,511	442,384
Benefits	139,798	144,051	(4,253)	148,289
Contractual Services	462,477	440,796	21,681	444,416
Commodities	33,450	33,995	(545)	44,783
Capital Outlay	20,000	6,933	13,067	28,980
Total Information Technologies	1,115,196	1,079,735	35,461	1,108,852
Overhead Division - Contractual Services				
Contractual Services	511,114	650,699	(139,585)	763,449
Commodities	78,100	48,399	29,701	45,646
Capital Outlay	-	10,624	(10,624)	19,935
Total Overhead Division - Contractual Services	589,214	709,722	(120,508)	829,030
Building Code Enforcement				
Salaries	1,076,483	1,099,139	(22,656)	1,091,879
Benefits	398,374	404,359	(5,985)	434,975
Contractual Services	268,315	309,170	(40,855)	229,254
Commodities	9,650	9,707	(57)	6,147
Capital Outlay	1,000	452	548	852
Total Building Code Enforcement	1,753,822	1,822,827	(69,005)	1,763,107
Planning and Zoning				
Salaries	330,148	286,375	43,773	288,953
Benefits	102,016	61,057	40,959	94,383
Contractual Services	30,120	54,791	(24,671)	40,940
Commodities	3,350	3,410	(60)	1,764
Capital Outlay	1,000	408	592	735
Total Planning and Zoning	466,634	406,041	60,593	426,775
Human Resources				
Salaries	272,859	302,696	(29,837)	266,706
Benefits	80,432	95,223	(14,791)	82,103
Contractual Services	116,530	139,305	(22,775)	122,894
Commodities	9,775	4,440	5,335	5,601
Capital Outlay	-	1,215	(1,215)	-
Total Human Resources	479,596	542,879	(63,283)	477,304
Health and Human Services				
Salaries	122,274	66,108	56,166	73,780
Benefits	23,387	10,656	12,731	13,524
Contractual Services	344,342	372,694	(28,352)	323,942
Commodities	1,600	552	1,048	1,166
Capital Outlay	-	-	-	214
Total Health and Human Services	491,603	450,010	41,593	412,626

(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, 2019
With Comparative Actual Amounts for the Year-Ended December 31, 2018

	2019		Variance from Final Budget Positive (Negative)	2018 Actual
	Original and Final Budget	Actual		
Geographic Information Systems (GIS)				
Contractual Services	\$ 266,900	\$ 251,565	\$ 15,335	\$ 240,078
Commodities	750	2,665	(1,915)	976
Total Geographic Information Systems (GIS)	<u>267,650</u>	<u>254,230</u>	<u>13,420</u>	<u>241,054</u>
Total General Government	<u>9,274,532</u>	<u>8,919,178</u>	<u>355,354</u>	<u>8,814,235</u>
Public Safety				
Police Department - Administration				
Salaries	323,473	294,525	28,948	307,350
Benefits	128,323	111,145	17,178	148,057
Contractual Services	13,215	11,782	1,433	16,506
Commodities	1,150	1,127	23	273
Total Police Department - Administration	<u>466,161</u>	<u>418,579</u>	<u>47,582</u>	<u>472,186</u>
Police Department - Uniformed Patrol				
Salaries	7,821,863	7,525,256	296,607	7,669,975
Benefits	6,297,080	6,060,971	236,109	5,831,208
Contractual Services	238,080	200,107	37,973	264,950
Commodities	29,720	31,868	(2,148)	22,416
Total Police Department - Uniformed Patrol	<u>14,386,743</u>	<u>13,818,202</u>	<u>568,541</u>	<u>13,788,549</u>
Police Department - Criminal Investigation				
Salaries	2,551,414	2,439,538	111,876	2,402,949
Benefits	1,916,576	1,866,064	50,512	1,759,549
Contractual Services	98,335	104,567	(6,232)	123,153
Commodities	3,530	4,019	(489)	3,936
Total Police Department - Criminal Investigation	<u>4,569,855</u>	<u>4,414,188</u>	<u>155,667</u>	<u>4,289,587</u>
Police Department - Supporting Services				
Salaries	2,295,756	2,232,934	62,822	2,221,457
Benefits	1,166,973	1,171,427	(4,454)	1,144,576
Contractual Services	1,807,261	1,173,679	633,582	1,587,433
Commodities	150,760	118,989	31,771	130,058
Capital Outlay	192,600	105,747	86,853	25,088
Total Police Department - Supporting Services	<u>5,613,350</u>	<u>4,802,776</u>	<u>810,574</u>	<u>5,108,612</u>
Fire Department - Administration				
Salaries	803,025	594,191	208,834	609,362
Benefits	574,418	552,060	22,358	468,274
Contractual Services	37,867	70,126	(32,259)	100,623
Commodities	4,850	1,909	2,941	5,498
Capital Outlay	-	410	(410)	400
Total Fire Department - Administration	<u>1,420,160</u>	<u>1,218,696</u>	<u>201,464</u>	<u>1,184,157</u>
Fire Department - Emergency Services				
Salaries	9,713,022	9,636,076	76,946	9,561,466
Benefits	8,400,972	8,460,115	(59,143)	7,830,274
Contractual Services	1,004,576	1,039,999	(35,423)	957,790

(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, 2019
With Comparative Actual Amounts for the Year-Ended December 31, 2018

	2019		Variance from Final Budget Positive (Negative)	2018
	Original and Final Budget	Actual		Actual
Commodities	\$ 259,555	\$ 302,298	\$ (42,743)	\$ 262,003
Capital Outlay	220,290	188,597	31,693	535
Total Fire Department - Emergency Services	<u>19,598,415</u>	<u>19,627,085</u>	<u>(28,670)</u>	<u>18,612,068</u>
Fire Department - Fire Prevention Services				
Salaries	395,462	299,758	95,704	345,662
Benefits	265,683	270,175	(4,492)	243,552
Contractual Services	23,505	19,937	3,568	19,262
Commodities	12,045	8,906	3,139	11,494
Total Fire Department - Fire Prevention Services	<u>696,695</u>	<u>598,776</u>	<u>97,919</u>	<u>619,970</u>
Emergency Management Agency				
Salaries	98,844	35,989	62,855	31,347
Benefits	12,589	28,550	(15,961)	14,324
Contractual Services	58,180	43,934	14,246	61,208
Commodities	29,080	18,818	10,262	24,759
Capital Outlay	-	-	-	2,126
Total Emergency Management Agency	<u>198,693</u>	<u>127,291</u>	<u>71,402</u>	<u>133,764</u>
Board of Police and Fire Commission				
Contractual Services	81,240	94,126	(12,886)	60,208
Commodities	1,950	936	1,014	3,160
Total Board of Police and Fire Commission	<u>83,190</u>	<u>95,062</u>	<u>(11,872)</u>	<u>63,368</u>
Total Public Safety	<u>47,033,262</u>	<u>45,120,655</u>	<u>1,912,607</u>	<u>44,272,261</u>
Public Works				
Vehicle Maintenance Division				
Salaries	534,390	448,003	86,387	422,762
Benefits	232,208	196,221	35,987	199,206
Contractual Services	137,265	171,677	(34,412)	160,700
Commodities	643,200	569,312	73,888	632,901
Capital Outlay	50,000	55,150	(5,150)	-
Total Vehicle Maintenance Division	<u>1,597,063</u>	<u>1,440,363</u>	<u>156,700</u>	<u>1,415,569</u>
Public Works Administration				
Salaries	244,337	212,351	31,986	239,680
Benefits	89,292	74,417	14,875	91,813
Contractual Services	3,319,010	3,256,504	62,506	3,240,826
Commodities	14,000	11,723	2,277	10,869
Total Public Works Administration	<u>3,666,639</u>	<u>3,554,995</u>	<u>111,644</u>	<u>3,583,188</u>
Facilities and Grounds Division				
Salaries	511,029	464,037	46,992	455,785
Benefits	286,542	249,208	37,334	253,750
Contractual Services	2,614,240	968,508	1,645,732	984,297
Commodities	440,150	293,995	146,155	292,033
Capital Outlay	50,000	54,007	(4,007)	84,638
Total Facilities and Grounds Division	<u>3,901,961</u>	<u>2,029,755</u>	<u>1,872,206</u>	<u>2,070,503</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, 2019
With Comparative Actual Amounts for the Year-Ended December 31, 2018

	2019		Variance from Final Budget Positive (Negative)	2018
	Original and Final Budget	Actual		Actual
Total Public Works	\$ 9,165,663	\$ 7,025,113	\$ 2,140,550	\$ 7,069,260
Streets and Highways				
Engineering Department				
Salaries	601,707	635,739	(34,032)	626,994
Benefits	194,103	200,709	(6,606)	208,558
Contractual Services	29,070	29,066	4	23,112
Commodities	5,150	5,271	(121)	2,795
Total Engineering Department	<u>830,030</u>	<u>870,785</u>	<u>(40,755)</u>	<u>861,459</u>
Street Department				
Salaries	1,537,307	1,372,699	164,608	1,388,499
Benefits	663,226	710,495	(47,269)	700,967
Contractual Services	1,063,313	1,096,625	(33,312)	837,049
Commodities	208,725	213,513	(4,788)	200,344
Capital Outlay	33,500	34,354	(854)	-
Total Street Department	<u>3,506,071</u>	<u>3,427,686</u>	<u>78,385</u>	<u>3,126,859</u>
Total Streets and Highways	<u>4,336,101</u>	<u>4,298,471</u>	<u>37,630</u>	<u>3,988,318</u>
Economic Development				
Economic Development				
Salaries	87,887	88,255	(368)	85,102
Benefits	23,877	23,104	773	24,121
Contractual Services	319,290	270,800	48,490	228,581
Commodities	13,200	1,223	11,977	552
Total Economic Development	<u>444,254</u>	<u>383,382</u>	<u>60,872</u>	<u>338,356</u>
Total Economic Development	<u>444,254</u>	<u>383,382</u>	<u>60,872</u>	<u>338,356</u>
Total Expenditures	<u>70,253,812</u>	<u>65,746,799</u>	<u>4,507,013</u>	<u>64,482,430</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>(6,457,572)</u>	<u>5,824,091</u>	<u>12,281,663</u>	<u>4,833,626</u>
Other Financing Sources (Uses)				
Transfer In	217,758	217,758	-	209,758
Transfer Out	(1,750,000)	(2,849,936)	(1,099,936)	(1,970,947)
Total Other Financing Sources (Uses)	<u>(1,532,242)</u>	<u>(2,632,178)</u>	<u>(1,099,936)</u>	<u>(1,761,189)</u>
Net Change in Fund Balance	<u>\$ (7,989,814)</u>	<u>3,191,913</u>	<u>\$ 11,181,727</u>	<u>3,072,437</u>
Fund Balance at Beginning of Year		<u>56,293,359</u>		<u>53,220,922</u>
Fund Balance at End of Year		<u>\$ 59,485,272</u>		<u>\$ 56,293,359</u>

CITY OF DES PLAINES, ILLINOIS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
TIF #6 (MANNHEIM/HIGGINS) FUND
Year-Ended December 31, 2019
With Comparative Actual Amounts for the Year-Ended December 31, 2018

	2019		Variance from Final Budget Positive (Negative)	2018
	Original and Final Budget	Actual		Actual
Revenues				
Property Taxes	\$ 97,533	\$ 92,599	\$ (4,934)	\$ 93,179
Investment Income	25	25	-	28
Total Revenues	<u>97,558</u>	<u>92,624</u>	<u>(4,934)</u>	<u>93,207</u>
Expenditures				
Economic Development				
Contractual Services	8,050	688	7,362	3,098
Commodities	52	-	52	-
Total Economic Development	<u>8,102</u>	<u>688</u>	<u>7,414</u>	<u>3,098</u>
Debt Service				
Principal	1,210,000	1,210,000	-	1,190,000
Interest and Fiscal Charges	81,129	81,095	34	103,250
Total Debt Service	<u>1,291,129</u>	<u>1,291,095</u>	<u>34</u>	<u>1,293,250</u>
Total Expenditures	<u>1,299,231</u>	<u>1,291,783</u>	<u>7,448</u>	<u>1,296,348</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>(1,201,673)</u>	<u>(1,199,159)</u>	<u>2,514</u>	<u>(1,203,141)</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>\$ (1,204,673)</u>	<u>(1,202,159)</u>	<u>\$ 2,514</u>	<u>(1,206,141)</u>
Fund Balances at Beginning of Year		<u>(12,722,267)</u>		<u>(11,516,126)</u>
Fund Balances at End of Year		<u>\$ (13,924,426)</u>		<u>\$ (12,722,267)</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, 2019
 With Comparative Actual Amounts for the Year-Ended December 31, 2018

	2019		Variance from Final Budget Positive (Negative)	2018
	Original and Final Budget	Actual		Actual
Revenues				
Gaming Tax	\$ 24,000,000	\$ 25,466,799	\$ 1,466,799	\$ 25,065,880
Investment Income	100,000	752,443	652,443	557,295
Miscellaneous	-	-	-	9,677
Total Revenues	<u>24,100,000</u>	<u>26,219,242</u>	<u>2,119,242</u>	<u>25,632,852</u>
Expenditures				
General Government				
Contractual Services	<u>15,600,000</u>	<u>16,186,720</u>	<u>(586,720)</u>	<u>16,026,352</u>
Total Expenditures	<u>15,600,000</u>	<u>16,186,720</u>	<u>(586,720)</u>	<u>16,026,352</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>8,500,000</u>	<u>10,032,522</u>	<u>1,532,522</u>	<u>9,606,500</u>
Other Financing Sources (Uses)				
Transfers Out	<u>(8,400,000)</u>	<u>(8,400,000)</u>	-	<u>(10,400,000)</u>
Total Other Financing Sources (Uses)	<u>(8,400,000)</u>	<u>(8,400,000)</u>	-	<u>(10,400,000)</u>
Net Change in Fund Balance	<u>\$ 100,000</u>	1,632,522	<u>\$ 1,532,522</u>	(793,500)
Fund Balance at Beginning of Year		<u>20,562,715</u>		<u>21,356,215</u>
Fund Balance at End of Year		<u>\$ 22,195,237</u>		<u>\$ 20,562,715</u>

CITY OF DES PLAINES, ILLINOIS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN FIREFIGHTERS' PENSION FUND NET PENSION
LIABILITY AND RELATED RATIOS
December 31, 2019

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total pension liability						
Service cost	\$ 2,148,094	\$ 2,101,377	\$ 1,845,967	\$ 1,725,203	\$ 1,693,381	\$ 2,300,527
Interest	10,113,399	9,720,687	9,513,008	9,118,538	8,520,291	7,744,456
Changes of benefit terms	452,965	-	-	-	-	-
Differences between expected and actual experience	2,320,892	2,142,077	4,328	361,031	4,451,348	1,651,529
Changes of assumptions	4,689,323	-	4,343,417	1,587,093	596,180	5,636,351
Benefit payments, including refunds of member contributions	<u>(8,438,967)</u>	<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	11,285,706	6,110,757	8,366,789	5,818,655	8,804,762	11,290,271
Total pension liability - beginning	<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>	<u>113,656,387</u>
Total pension liability - ending (a)	<u>\$ 165,333,327</u>	<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	\$ 5,708,218	\$ 5,141,314	\$ 4,916,225	\$ 4,433,104	\$ 4,304,044	\$ 4,155,983
Contributions - employee	878,682	878,172	867,424	828,889	836,027	883,723
Net investment income	14,266,878	(6,754,749)	11,548,953	4,601,922	(1,048,749)	4,411,965
Benefit payments, including refunds of member contributions	(8,438,967)	(7,853,384)	(7,339,931)	(6,973,210)	(6,456,438)	(6,042,592)
Administrative expense	(95,047)	(71,027)	(103,917)	(67,265)	(76,989)	(327,080)
Other	-	-	-	787	-	-
Net change in plan fiduciary net position	12,319,764	(8,659,674)	9,888,754	2,824,227	(2,442,105)	3,081,999
Plan fiduciary net position - beginning	<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>	<u>67,305,198</u>
Plan fiduciary net position - ending (b)	<u>\$ 84,318,163</u>	<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>\$ 81,015,164</u>	<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	51.00%	46.74%	54.52%	50.71%	50.80%	56.33%
Covered payroll	\$ 9,279,992	\$ 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	873.01%	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.

CITY OF DES PLAINES, ILLINOIS
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF FIREFIGHTERS' PENSION FUND CONTRIBUTIONS
 December 31, 2019

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Actuarially determined contribution	\$ 5,731,966	\$ 5,110,496	\$ 4,893,942	\$ 4,356,282	\$ 3,953,299	\$ 3,941,652	\$ 3,671,041	\$ 3,577,776	\$ 3,395,608	\$ 3,042,315
Contributions in relation to the actuarially determined contribution	5,708,218	5,141,314	4,916,225	4,433,104	4,304,044	4,155,983	3,945,005	3,655,295	3,798,156	2,754,196
Contribution deficiency (excess)	\$ 23,748	\$ (30,818)	\$ (22,283)	\$ (76,822)	\$ (350,745)	\$ (214,331)	\$ (273,964)	\$ (77,519)	\$ (402,548)	\$ 288,119
Covered payroll	\$ 9,279,992	\$ 9,268,972	\$ 9,243,675	\$ 8,931,087	\$ 8,480,084	\$ 8,694,151	\$ 8,408,155	\$ 8,216,028	\$ 8,212,634	\$ 7,985,770
Contributions as a percentage of covered payroll	61.51%	55.47%	53.18%	49.64%	50.75%	47.80%	46.92%	44.49%	46.25%	34.49%

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 2019 contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll (closed)
Remaining amortization period	23 years
Asset valuation method	5-Year smoothed market value
Salary increases	3.50% - 8.24%
Expected return on investments	6.75%
Inflation	2.50%
Mortality	RP-2014 Adjusted for Plan Status, Collar, and Illinois Public Pension Data, as appropriate
Retirement	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

Other information:

Changes
 There were no benefit changes during the year

CITY OF DES PLAINES, ILLINOIS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FIREFIGHTERS' PENSION FUND
INVESTMENT RATE OF RETURN
December 31, 2019

	<u>2019</u>	<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	19.88%	-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, 2019

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total pension liability						
Service cost	\$ 2,215,022	\$ 2,103,061	\$ 1,595,813	\$ 1,491,414	\$ 1,493,985	\$ 1,844,421
Interest	10,119,530	9,905,568	9,682,644	9,322,073	9,073,872	8,114,249
Changes of benefit terms	546,413	-	-	-	-	-
Differences between expected and actual experience	1,039,948	(1,007,568)	108,103	598,432	2,089,866	2,610,112
Changes of assumptions	6,796,425	-	4,617,721	1,089,686	(2,109,469)	7,749,079
Benefit payments, including refunds of member contributions	<u>(7,969,389)</u>	<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	12,747,949	3,307,941	8,540,187	5,264,518	3,780,276	13,867,931
Total pension liability - beginning	<u>153,903,661</u>	<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>\$ 166,651,610</u>	<u>\$ 153,903,661</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	\$ 6,061,959	\$ 5,484,051	\$ 5,262,020	\$ 5,036,133	\$ 4,304,873	\$ 4,154,166
Contributions - employee	971,640	975,468	908,895	866,905	904,527	879,904
Contributions - other	221,446	39,596	175,479	-	-	-
Net investment income	12,639,325	(6,810,962)	10,123,404	4,420,807	(1,057,767)	3,504,259
Benefit payments, including refunds of member contributions	<u>(7,969,389)</u>	<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>
Administrative expense	(82,706)	(76,463)	(96,092)	(86,218)	(94,146)	(356,479)
Other	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in plan fiduciary net position	11,842,275	(8,081,430)	8,909,612	3,000,540	(2,710,491)	1,731,920
Plan fiduciary net position - beginning	<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>	<u>62,086,184</u>
Plan fiduciary net position - ending (b)	<u>\$ 76,778,610</u>	<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>\$ 89,873,000</u>	<u>\$ 88,967,326</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	46.07%	42.19%	48.49%	45.13%	44.67%	47.98%
Covered payroll	\$ 9,804,262	\$ 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	916.67%	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, 2019

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Actuarially determined contribution	\$ 6,093,933	\$ 5,442,364	\$ 5,237,462	\$ 4,877,047	\$ 4,011,887	\$ 3,895,329	\$ 3,661,515	\$ 3,472,544	\$ 3,307,583	\$ 3,240,960
Contributions in relation to the actuarially determined contribution	6,061,959	5,484,051	5,262,020	5,036,133	4,304,873	4,154,166	3,921,472	3,542,231	3,775,364	2,955,719
Contribution deficiency (excess)	\$ 31,974	\$ (41,687)	\$ (24,558)	\$ (159,086)	\$ (292,986)	\$ (258,837)	\$ (259,957)	\$ (69,687)	\$ (467,781)	\$ 285,241
Covered payroll	\$ 9,804,262	\$ 9,843,268	\$ 8,881,617	\$ 8,581,272	\$ 8,461,825	\$ 8,532,924	\$ 7,904,124	\$ 7,703,991	\$ 8,212,634	\$ 7,985,770
Contributions as a percentage of covered payroll	61.83%	55.71%	59.25%	58.69%	50.87%	48.68%	49.61%	45.98%	45.97%	37.01%

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 2019 contribution rates:

- Actuarial cost method
- Amortization method
- Remaining amortization period
- Asset valuation method
- Salary increases
- Expected return on investments
- Inflation
- Mortality
- Retirement
- Disability Rates
- Termination Rates

Other information:

Changes

There were no benefit changes during the year

Entry age normal
 Level percentage of payroll (closed)
 23 years
 5-Year smoothed market value
 3.50% - 11.50%
 6.75%
 2.50%
 RP-2014 Adjusted for Plan Status, Collar, and Illinois Public Pension Data, as appropriate
 L&A 2016 Illinois Police Retirement Rates Capped at age 65
 L&A 2016 Illinois Police Disability Rates
 L&A 2016 Illinois Police Termination Rates

CITY OF DES PLAINES, ILLINOIS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF POLICE PENSION FUND
INVESTMENT RATE OF RETURN
December 31, 2019

	<u>2019</u>	<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	19.38%	-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, 2019

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total pension liability						
Service cost	\$ 1,471,710	\$ 1,424,254	\$ 1,495,731	\$ 1,528,647	\$ 1,655,441	\$ 1,838,415
Interest	8,483,359	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	476,501	(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	(6,515,109)	(6,184,253)	(5,653,936)	(5,497,208)	(5,273,001)	(4,866,050)
Net change in total pension liability	3,916,461	6,121,274	981,065	1,786,903	4,057,889	6,454,458
Total pension liability - beginning	<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>	<u>100,131,959</u>
Total pension liability - ending (a)	<u>\$ 123,450,009</u>	<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	\$ 1,228,045	\$ 1,641,785	\$ 1,738,214	\$ 1,695,162	\$ 1,796,025	\$ 2,256,489
Contributions - employee	651,222	646,373	656,293	617,687	718,234	737,722
Net investment income	20,000,331	(6,430,893)	18,185,816	6,817,667	495,909	5,843,461
Benefit payments, including refunds of member contributions	(6,515,109)	(6,184,253)	(5,653,936)	(5,497,208)	(5,273,001)	(4,866,050)
Other	157,986	1,241,151	(2,491,038)	22,444	373,765	(140,913)
Net change in plan fiduciary net position	15,522,475	(9,085,837)	12,435,349	3,655,752	(1,889,068)	3,830,709
Plan fiduciary net position - beginning	<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>	<u>96,730,362</u>
Plan fiduciary net position - ending (b)	<u>\$ 121,199,742</u>	<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>\$ 2,250,267</u>	<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	98.18%	88.41%	101.19%	91.01%	89.18%	94.35%
Covered payroll	\$ 14,363,106	\$ 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	15.67%	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, 2019

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Actuarially determined contribution	\$ 1,228,046	\$ 1,641,784	\$ 1,738,214	\$ 1,695,162	\$ 1,844,916	\$ 2,071,541	\$ 2,383,786	\$ 2,343,437	\$ 2,330,839	\$ 2,148,148
Contributions in relation to the actuarially determined contribution	<u>1,228,045</u>	<u>1,641,785</u>	<u>1,738,214</u>	<u>1,695,162</u>	<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>
Contribution deficiency (excess)	\$ <u>1</u>	\$ <u>(1)</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>48,891</u>	\$ <u>(184,948)</u>	\$ <u>-</u>	\$ <u>92,737</u>	\$ <u>382,533</u>	\$ <u>-</u>
Covered payroll	\$ 14,363,106	\$ 14,363,816	\$ 14,485,115	\$ 13,681,698	\$ 14,379,703	\$ 14,547,339	\$ 15,946,135	\$ 16,592,625	\$ 16,321,980	\$ 16,588,014
Contributions as a percentage of covered payroll	8.55%	11.43%	12.00%	12.39%	12.49%	15.51%	14.95%	13.56%	11.94%	12.95%

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 2019 contribution rates:

- Actuarial cost method Aggregate entry age normal
- Amortization method Level percentage of payroll, closed
- Remaining amortization period 24-year closed period
- Asset valuation method 5-year smoothed market, 20% corridor
- Wage growth 3.25%
- Price inflation 2.50% - approximate; No explicit price inflation assumption is used in this valuation
- Salary increases 3.35% to 14.25% including inflation
- Investment rate of return 7.50%
- Retirement age Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2017 valuation pursuant to an experience study of the period 2014-2016.
- Mortality For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

Other information:

There were no benefit changes during the year
 The 2019 contribution rate was based on valuation assumptions used in the 12/31/17 actuarial valuation.

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, 2019

	2019	2018
<u>Total OPEB Liability</u>		
Service Cost	\$ 334,684	\$ 371,585
Interest on the Total OPEB Liability	542,495	483,284
Changes of Benefit Terms	-	-
Differences Between Expected and Actual Experience of the Total OPEB Liability	-	-
Changes of Assumptions	2,472,154	(954,199)
Benefit Payments, Including Refunds of Employee Contributions	(761,679)	(658,812)
Other Changes	-	-
Net Change in Total OPEB Liability	<u>2,587,654</u>	<u>(758,142)</u>
Total OPEB Liability - Beginning	<u>13,611,315</u>	<u>14,369,457</u>
Total OPEB Liability - Ending	<u>\$ 16,198,969</u>	<u>\$ 13,611,315</u>
Covered Employee Payroll	\$ 30,673,435	\$ 31,016,497
Total OPEB Liability as a Percentage of Covered Employee Payroll	52.81%	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 available.

CITY OF DES PLAINES, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
CAPITAL PROJECTS FUND
Year-Ended December 31, 2019
With Comparative Actual Amounts for the Year-Ended December 31, 2018

	2019		Variance from Final Budget Positive (Negative)	2018 Actual
	Original and Final Budget	Actual		
Revenues				
Property Taxes	\$ 29,546	\$ 27,767	\$ (1,779)	\$ 33,498
Home Rule Option Sales Tax - General	4,200,000	5,020,832	820,832	3,826,034
Home Rule Option Sales Tax - Library				
Debt Service	-	-	-	1,277,525
Local Use	1,655,000	1,567,933	(87,067)	1,782,386
Storm Sewers	1,300,000	1,241,013	(58,987)	1,314,298
Investment Income	20,000	228,108	208,108	157,230
Miscellaneous	41,000	390,620	349,620	64,145
Total Revenues	<u>7,245,546</u>	<u>8,476,273</u>	<u>1,230,727</u>	<u>8,455,116</u>
Expenditures				
Public Works				
Salaries	366,704	286,951	79,753	313,094
Benefits	144,911	105,698	39,213	120,542
Contractual Services	1,361,070	1,328,593	32,477	1,576,943
Commodities	73,000	75,755	(2,755)	69,620
Capital Outlay	7,593,409	10,500,068	(2,906,659)	7,487,545
Total Public Works	<u>9,539,094</u>	<u>12,297,065</u>	<u>(2,757,971)</u>	<u>9,567,744</u>
Economic Development				
Capital Outlay	-	54,400	(54,400)	-
Total Economic Development	<u>-</u>	<u>54,400</u>	<u>(54,400)</u>	<u>-</u>
Debt Service				
Principal	-	-	-	935,000
Interest and Fiscal Charges	-	-	-	22,468
Total Debt Service	<u>-</u>	<u>-</u>	<u>-</u>	<u>957,468</u>
Total Expenditures	<u>9,539,094</u>	<u>12,351,465</u>	<u>(2,812,371)</u>	<u>10,525,212</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>(2,293,548)</u>	<u>(3,875,192)</u>	<u>(1,581,644)</u>	<u>(2,070,096)</u>
Other Financing Sources (Uses)				
Transfers In	7,900,000	7,900,000	-	7,900,000
Transfers Out	(6,884,888)	(6,095,546)	789,342	(6,044,902)
Total Other Financing Sources (Uses)	<u>1,015,112</u>	<u>1,804,454</u>	<u>789,342</u>	<u>1,855,098</u>
Net Change in Fund Balance	<u>\$ (1,278,436)</u>	<u>(2,070,738)</u>	<u>\$ (792,302)</u>	<u>(214,998)</u>
Fund Balance at Beginning of Year		<u>8,017,823</u>		<u>8,232,821</u>
Fund Balance at End of Year		<u>\$ 5,947,085</u>		<u>\$ 8,017,823</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, 2019
With Comparative Actual Amounts for the Year-Ended December 31, 2018

	2019		Variance from Final Budget Positive (Negative)	2018
	Original and Final Budget	Actual		Actual
Revenues				
Intergovernmental	\$ 18,360,393	\$ 20,010,054	\$ 1,649,661	\$ 6,830,565
Investment Income	-	25,552	25,552	11,383
Total Revenues	<u>18,360,393</u>	<u>20,035,606</u>	<u>1,675,213</u>	<u>6,841,948</u>
Expenditures				
General Government				
Salaries	41,600	91,540	(49,940)	90,196
Contractual Services	597,400	1,319,057	(721,657)	673,231
Commodities	-	1,809	(1,809)	-
Capital Outlay	19,181,958	12,643,348	6,538,610	7,641,453
Total Expenditures	<u>19,820,958</u>	<u>14,055,754</u>	<u>5,765,204</u>	<u>8,404,880</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>(1,460,565)</u>	<u>5,979,852</u>	<u>7,440,417</u>	<u>(1,562,932)</u>
Other Financing Sources (Uses)				
Transfers In	1,510,588	713,088	(797,500)	369,902
Total Other Financing Sources (Uses)	<u>1,510,588</u>	<u>713,088</u>	<u>(797,500)</u>	<u>369,902</u>
Net Change in Fund Balance	<u>\$ 50,023</u>	6,692,940	<u>\$ 6,642,917</u>	(1,193,030)
Fund Balance at Beginning of Year		<u>(6,765,962)</u>		<u>(5,572,932)</u>
Fund Balance at End of Year		<u>\$ (73,022)</u>		<u>\$ (6,765,962)</u>

CITY OF DES PLAINES, ILLINOIS
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 December 31, 2019

Special Revenue Funds

	Motor Fuel Tax	Community Development Block Grant	Asset Seizure	Foreign Fire Insurance Tax	TIF #1 (Downtown)
ASSETS					
Cash and Investments	\$ 1,028,528	\$ -	\$ 1,168,005	\$ 493,891	\$ 7,094,856
Receivables (Net)					
Property Taxes	-	-	-	-	4,933,388
Accrued Interest	-	-	-	-	-
Other	-	-	202	-	-
Due from Other Governments	256,199	111,448	-	-	-
TOTAL ASSETS	<u>\$ 1,284,727</u>	<u>\$ 111,448</u>	<u>\$ 1,168,207</u>	<u>\$ 493,891</u>	<u>\$ 12,028,244</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities					
Accounts Payable	\$ 83,568	\$ 95,512	\$ 12,873	\$ 516	\$ 1,194,170
Deposits Payable	-	-	148,135	-	19,232
Unearned Revenue	-	-	-	-	-
Advances from Other Funds	-	15,606	-	-	-
Total Liabilities	<u>83,568</u>	<u>111,118</u>	<u>161,008</u>	<u>516</u>	<u>1,213,402</u>
Deferred Inflows of Resources					
Deferred Property Tax Revenue	-	-	-	-	4,966,803
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,966,803</u>
Fund Balances					
Restricted					
Economic Development	-	330	-	-	5,848,039
Streets & Highways	1,201,159	-	-	-	-
Public Safety	-	-	1,007,199	493,375	-
Debt Service	-	-	-	-	-
Assigned					
Capital Acquisitions	-	-	-	-	-
Unassigned	-	-	-	-	-
Total Fund Balances	<u>1,201,159</u>	<u>330</u>	<u>1,007,199</u>	<u>493,375</u>	<u>5,848,039</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 1,284,727</u>	<u>\$ 111,448</u>	<u>\$ 1,168,207</u>	<u>\$ 493,891</u>	<u>\$ 12,028,244</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 South)	Debt Service	Equipment Replacement	I.T. Replacement	Facilities Replacement	
\$ -	\$ 198,522	\$ -	\$ 156,614	\$ 4,502,785	\$ 315,597	\$ 3,736,732	\$ 18,695,530
2,056,312	170,919	51,371	-	-	-	-	7,211,990
-	-	-	-	22,635	-	-	22,635
-	-	-	-	-	-	-	202
-	-	-	-	-	-	-	367,647
<u>\$ 2,056,312</u>	<u>\$ 369,441</u>	<u>\$ 51,371</u>	<u>\$ 156,614</u>	<u>\$ 4,525,420</u>	<u>\$ 315,597</u>	<u>\$ 3,736,732</u>	<u>\$ 26,298,004</u>
\$ 277	\$ 119	\$ 6,353	\$ -	\$ 2,716	\$ 30,584	\$ -	\$ 1,426,688
-	-	-	-	-	-	-	167,367
-	-	-	-	-	-	41,701	41,701
3,572,788	-	2,413,205	-	-	-	-	6,001,599
<u>3,573,065</u>	<u>119</u>	<u>2,419,558</u>	<u>-</u>	<u>2,716</u>	<u>30,584</u>	<u>41,701</u>	<u>7,637,355</u>
2,056,312	170,919	51,371	-	-	-	-	7,245,405
<u>2,056,312</u>	<u>170,919</u>	<u>51,371</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,245,405</u>
-	198,403	-	-	-	-	-	6,046,772
-	-	-	-	-	-	-	1,201,159
-	-	-	-	-	-	-	1,500,574
-	-	-	156,614	-	-	-	156,614
-	-	-	-	4,522,704	285,013	3,695,031	8,502,748
(3,573,065)	-	(2,419,558)	-	-	-	-	(5,992,623)
<u>(3,573,065)</u>	<u>198,403</u>	<u>(2,419,558)</u>	<u>156,614</u>	<u>4,522,704</u>	<u>285,013</u>	<u>3,695,031</u>	<u>11,415,244</u>
<u>\$ 2,056,312</u>	<u>\$ 369,441</u>	<u>\$ 51,371</u>	<u>\$ 156,614</u>	<u>\$ 4,525,420</u>	<u>\$ 315,597</u>	<u>\$ 3,736,732</u>	<u>\$ 26,298,004</u>

CITY OF DES PLAINES, ILLINOIS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 Year-Ended December 31, 2019

	Special Revenue Funds				
	Motor Fuel Tax	Community Development Block Grant	Asset Seizure	Foreign Fire Insurance Tax	TIF #1 (Downtown)
Revenues					
Taxes	\$ -	\$ -	\$ -	\$ 119,026	\$ 4,796,335
Intergovernmental	1,914,684	279,354	237,721	-	-
Fines, Forfeitures and Penalties	-	-	2,405	-	-
Investment Income	30,348	-	756	1,986	47,930
Miscellaneous	-	-	-	-	-
Total Revenues	<u>1,945,032</u>	<u>279,354</u>	<u>240,882</u>	<u>121,012</u>	<u>4,844,265</u>
Expenditures					
Current:					
General Government	-	-	-	-	-
Public Safety	-	-	64,648	66,232	-
Streets and Highways	1,182,495	-	-	-	-
Economic Development	-	278,899	-	-	2,715,186
Debt Service					
Principal	-	-	-	-	1,210,940
Interest and Fiscal Charges	-	-	-	-	63,486
Capital Outlay	594,335	(7,962)	7,890	34,247	2,625,454
Total Expenditures	<u>1,776,830</u>	<u>270,937</u>	<u>72,538</u>	<u>100,479</u>	<u>6,615,066</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>168,202</u>	<u>8,417</u>	<u>168,344</u>	<u>20,533</u>	<u>(1,770,801)</u>
Other Financing Sources (Uses)					
Proceeds from sale of capital assets	-	-	6,597	-	-
Transfers In	-	-	-	-	-
Transfers Out	-	-	-	-	(119,000)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>6,597</u>	<u>-</u>	<u>(119,000)</u>
Net Change in Fund Balances	168,202	8,417	174,941	20,533	(1,889,801)
Fund Balances at Beginning of Year	<u>1,032,957</u>	<u>(8,087)</u>	<u>832,258</u>	<u>472,842</u>	<u>7,737,840</u>
Fund Balances at End of Year	<u>\$ 1,201,159</u>	<u>\$ 330</u>	<u>\$ 1,007,199</u>	<u>\$ 493,375</u>	<u>\$ 5,848,039</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 South)	Debt Service	Equipment Replacement	I.T. Replacement	Facilities Replacement	
\$ 1,709,939	\$ 157,981	\$ 70,827	\$ -	\$ -	\$ -	\$ -	\$ 6,854,108
-	-	-	-	-	-	-	2,431,759
-	-	-	-	-	-	-	2,405
594	56	66	-	80,602	1,960	-	164,298
-	-	-	-	-	-	166,750	166,750
<u>1,710,533</u>	<u>158,037</u>	<u>70,893</u>	-	<u>80,602</u>	<u>1,960</u>	<u>166,750</u>	<u>9,619,320</u>
-	-	-	-	600	50,445	-	51,045
-	-	-	-	-	-	-	130,880
-	-	-	-	-	-	-	1,182,495
70	52,500	125,199	-	-	-	-	3,171,854
1,475,000	100,000	-	-	50,000	-	-	2,835,940
432,561	7,869	-	-	-	-	-	503,916
-	-	724,418	-	1,154,955	190,299	198,201	5,521,837
<u>1,907,631</u>	<u>160,369</u>	<u>849,617</u>	-	<u>1,205,555</u>	<u>240,744</u>	<u>198,201</u>	<u>13,397,967</u>
<u>(197,098)</u>	<u>(2,332)</u>	<u>(778,724)</u>	-	<u>(1,124,953)</u>	<u>(238,784)</u>	<u>(31,451)</u>	<u>(3,778,647)</u>
-	-	287,477	-	147,685	-	878,175	1,319,934
-	-	-	-	1,500,000	250,000	1,082,394	2,832,394
(6,000)	-	(49,000)	-	-	-	-	(174,000)
<u>(6,000)</u>	-	<u>238,477</u>	-	<u>1,647,685</u>	<u>250,000</u>	<u>1,960,569</u>	<u>3,978,328</u>
(203,098)	(2,332)	(540,247)	-	522,732	11,216	1,929,118	199,681
<u>(3,369,967)</u>	<u>200,735</u>	<u>(1,879,311)</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>\$ (3,573,065)</u>	<u>\$ 198,403</u>	<u>\$ (2,419,558)</u>	<u>\$ 156,614</u>	<u>\$ 4,522,704</u>	<u>\$ 285,013</u>	<u>\$ 3,695,031</u>	<u>\$ 11,415,244</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, 2019
With Comparative Actual Amounts for the Year-Ended December 31, 2018

	2019		Variance from Final Budget Positive (Negative)	2018
	Original and Final Budget	Actual		Actual
Revenues				
Intergovernmental	\$ 1,400,000	\$ 1,914,684	\$ 514,684	\$ 1,493,866
Investment Income	7,500	30,348	22,848	22,051
Total Revenues	<u>1,407,500</u>	<u>1,945,032</u>	<u>537,532</u>	<u>1,515,917</u>
Expenditures				
Streets and Highways				
Contractual Services	334,000	603,583	(269,583)	559,501
Commodities	585,000	578,912	6,088	481,662
Capital Outlay	689,455	594,335	95,120	321,646
Total Expenditures	<u>1,608,455</u>	<u>1,776,830</u>	<u>(168,375)</u>	<u>1,362,809</u>
Net Change in Fund Balance	<u>\$ (200,955)</u>	168,202	<u>\$ 369,157</u>	153,108
Fund Balance at Beginning of Year		<u>1,032,957</u>		<u>879,849</u>
Fund Balance at End of Year		<u>\$ 1,201,159</u>		<u>\$ 1,032,957</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, 2019
With Comparative Actual Amounts for the Year-Ended December 31, 2018

	2019		Variance from Final Budget Positive (Negative)	2018 Actual
	Original and Final Budget	Actual		
Revenues				
Intergovernmental	\$ 300,348	\$ 279,354	\$ (20,994)	\$ 427,198
Total Revenues	<u>300,348</u>	<u>279,354</u>	<u>(20,994)</u>	<u>427,198</u>
Expenditures				
Economic Development				
Salaries	48,120	52,235	(4,115)	43,893
Benefits	9,525	8,570	955	8,893
Contractual Services	240,279	218,094	22,185	196,972
Capital Outlay	2,424	(7,962)	10,386	147,693
Total Expenditures	<u>300,348</u>	<u>270,937</u>	<u>29,411</u>	<u>397,451</u>
Net Change in Fund Balance	<u>\$ -</u>	8,417	<u>\$ 8,417</u>	29,747
Fund Balance at Beginning of Year		<u>(8,087)</u>		<u>(37,834)</u>
Fund Balance at End of Year		<u>\$ 330</u>		<u>\$ (8,087)</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, 2019
With Comparative Actual Amounts for the Year-Ended December 31, 2018

	2019		Variance from Final Budget Positive (Negative)	2018
	Original and Final Budget	Actual		Actual
Revenues				
Property Taxes	\$ 5,227,047	\$ 4,796,335	\$ (430,712)	\$ 4,670,662
Investment Income	10,000	47,930	37,930	40,410
Total Revenues	<u>5,237,047</u>	<u>4,844,265</u>	<u>(392,782)</u>	<u>4,711,072</u>
Expenditures				
Economic Development				
Contractual Services	2,250,210	2,552,666	(302,456)	1,392,976
Commodities	82,650	162,520	(79,870)	48,463
Capital Outlay	6,567,000	2,625,454	3,941,546	1,291,635
Total Economic Development	<u>8,899,860</u>	<u>5,340,640</u>	<u>3,559,220</u>	<u>2,733,074</u>
Debt Service				
Principal	1,210,940	1,210,940	-	1,167,152
Interest and Fiscal Charges	63,522	63,486	36	91,649
Total Debt Service	<u>1,274,462</u>	<u>1,274,426</u>	<u>36</u>	<u>1,258,801</u>
Total Expenditures	<u>10,174,322</u>	<u>6,615,066</u>	<u>3,559,256</u>	<u>3,991,875</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>(4,937,275)</u>	<u>(1,770,801)</u>	<u>3,166,474</u>	<u>719,197</u>
Other Financing Sources (Uses)				
Transfer Out	(119,000)	(119,000)	-	(112,000)
Total Other Financing Sources (Uses)	<u>(119,000)</u>	<u>(119,000)</u>	<u>-</u>	<u>(112,000)</u>
Net Change in Fund Balance	<u>\$ (5,056,275)</u>	<u>(1,889,801)</u>	<u>\$ 3,166,474</u>	<u>607,197</u>
Fund Balance at Beginning of Year		<u>7,737,840</u>		<u>7,130,643</u>
Fund Balance at End of Year		<u>\$ 5,848,039</u>		<u>\$ 7,737,840</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, 2019
With Comparative Actual Amounts for the Year-Ended December 31, 2018

	2019		Variance from Final Budget Positive (Negative)	2018
	Original and Final Budget	Actual		Actual
Revenues				
Taxes	\$ 1,718,090	\$ 1,709,939	\$ (8,151)	\$ 1,559,498
Investment Income	100	594	494	226
Total Revenues	<u>1,718,190</u>	<u>1,710,533</u>	<u>(7,657)</u>	<u>1,559,724</u>
Expenditures				
Economic Development				
Contractual Services	10,470	70	10,400	2,243
Total Economic Development	<u>10,470</u>	<u>70</u>	<u>10,400</u>	<u>2,243</u>
Debt Service				
Principal	1,475,000	1,475,000	-	1,550,000
Interest and Fiscal Charges	432,013	432,561	(548)	471,953
Total Debt Service	<u>1,907,013</u>	<u>1,907,561</u>	<u>(548)</u>	<u>2,021,953</u>
Total Expenditures	<u>1,917,483</u>	<u>1,907,631</u>	<u>9,852</u>	<u>2,024,196</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>(199,293)</u>	<u>(197,098)</u>	<u>2,195</u>	<u>(464,472)</u>
Other Financing Sources (Uses)				
Refunding Bonds Issued	-	-	-	12,410,000
Premium on Refunding Bonds Issued	-	-	-	297,149
Payment to Refunded Bond Escrow Agent	-	-	-	(12,599,628)
Transfers Out	(6,000)	(6,000)	-	(6,000)
Total Other Financing Sources (Uses)	<u>(6,000)</u>	<u>(6,000)</u>	<u>-</u>	<u>101,521</u>
Net Change in Fund Balance	<u>\$ (205,293)</u>	<u>(203,098)</u>	<u>\$ 2,195</u>	<u>(362,951)</u>
Fund Balance at Beginning of Year		<u>(3,369,967)</u>		<u>(3,007,016)</u>
Fund Balance at End of Year		<u>\$ (3,573,065)</u>		<u>\$ (3,369,967)</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, 2019
With Comparative Actual Amounts for the Year-Ended December 31, 2018

	2019		Variance from Final Budget Positive (Negative)	2018
	Original and Final Budget	Actual		Actual
Revenues				
Taxes	\$ 156,591	\$ 157,981	\$ 1,390	\$ 156,591
Investment Income	-	56	56	16
Total Revenues	<u>156,591</u>	<u>158,037</u>	<u>1,446</u>	<u>156,607</u>
Expenditures				
Economic Development				
Contractual Services	400	-	400	2,163
Capital Outlay	75,000	52,500	22,500	-
Total Economic Development	<u>75,400</u>	<u>52,500</u>	<u>22,900</u>	<u>2,163</u>
Debt Service				
Principal	100,000	100,000	-	105,000
Interest and Fiscal Charges	7,875	7,869	6	10,231
Total Debt Service	<u>107,875</u>	<u>107,869</u>	<u>6</u>	<u>115,231</u>
Total Expenditures	<u>183,275</u>	<u>160,369</u>	<u>22,906</u>	<u>117,394</u>
Net Change in Fund Balance	<u>\$ (26,684)</u>	(2,332)	<u>\$ 24,352</u>	39,213
Fund Balance at Beginning of Year		<u>200,735</u>		<u>161,522</u>
Fund Balance at End of Year		<u>\$ 198,403</u>		<u>\$ 200,735</u>

CITY OF DES PLAINES, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
TIF #7 (MANNHEIM/HIGGINS SOUTH) FUND
Year-Ended December 31, 2019
With Comparative Actual Amounts for the Year-Ended December 31, 2018

	2019		Variance from Final Budget Positive (Negative)	2018
	Original and Final Budget	Actual		Actual
Revenues				
Taxes	\$ 68,378	\$ 70,827	\$ 2,449	\$ 65,391
Investment Income	-	66	66	27
Total Revenues	<u>68,378</u>	<u>70,893</u>	<u>2,515</u>	<u>65,418</u>
Expenditures				
Economic Development				
Contractual Services	28,670	122,424	(93,754)	215,755
Commodities	-	2,775	(2,775)	-
Capital Outlay	-	724,418	(724,418)	1,254,126
Total Expenditures	<u>28,670</u>	<u>849,617</u>	<u>(820,947)</u>	<u>1,469,881</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>39,708</u>	<u>(778,724)</u>	<u>(818,432)</u>	<u>(1,404,463)</u>
Other Financing Sources (Uses)				
Proceeds from sale of capital assets	-	287,477	287,477	-
Transfers Out	(49,000)	(49,000)	-	(48,000)
Total Other Financing Sources (Uses)	<u>(49,000)</u>	<u>238,477</u>	<u>287,477</u>	<u>(48,000)</u>
Net Change in Fund Balance	<u>\$ (9,292)</u>	(540,247)	<u>\$ (530,955)</u>	(1,452,463)
Fund Balance at Beginning of Year		(1,879,311)		(426,848)
Fund Balance at End of Year		<u>\$ (2,419,558)</u>		<u>\$ (1,879,311)</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, 2019
With Comparative Actual Amounts for the Year-Ended December 31, 2018

	2019		Variance from Final Budget Positive (Negative)	2018 Actual
	Original and Final Budget	Actual		
Revenues				
Public Charges for Services	\$ -	\$ -	\$ -	\$ -
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures				
Public Safety				
Contractual Services	-	-	-	-
Capital Outlay	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other Financing Sources (Uses)				
Transfers In	-	-	-	220,947
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>220,947</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	220,947
Fund Balance at Beginning of Year		<u>-</u>		<u>(220,947)</u>
Fund Balance at End of Year		<u>\$ -</u>		<u>\$ -</u>

CITY OF DES PLAINES, ILLINOIS
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 DEBT SERVICE FUND
 Year-Ended December 31, 2019
 With Comparative Actual Amounts for the Year-Ended December 31, 2018

	2019		Variance from Final Budget Positive (Negative)	<u>2018</u> Actual
	<u>Original and Final Budget</u>	<u>Actual</u>		
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ 92,812
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>92,812</u>
Expenditures				
Debt Service				
Principal	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	92,812
Fund Balance at Beginning of Year		<u>156,614</u>		<u>63,802</u>
Fund Balance at End of Year		<u>\$ 156,614</u>		<u>\$ 156,614</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, 2019
With Comparative Actual Amounts for the Year-Ended December 31, 2018

	2019		Variance from Final Budget Positive (Negative)	2018
	Original and Final Budget	Actual		Actual
Revenues				
Investment Income	\$ 75,000	\$ 80,602	\$ 5,602	\$ 56,211
Miscellaneous	-	-	-	67,847
Total Revenues	<u>75,000</u>	<u>80,602</u>	<u>5,602</u>	<u>124,058</u>
Expenditures				
General Government				
Contractual Services	-	600	(600)	-
Capital Outlay	1,579,700	1,154,955	424,745	1,732,554
Total General Government	<u>1,579,700</u>	<u>1,155,555</u>	<u>424,145</u>	<u>1,732,554</u>
Debt Service				
Principal	50,000	50,000	-	12,500
Total Debt Service	<u>50,000</u>	<u>50,000</u>	<u>-</u>	<u>12,500</u>
Total Expenditures	<u>1,629,700</u>	<u>1,205,555</u>	<u>424,145</u>	<u>1,745,054</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>(1,554,700)</u>	<u>(1,124,953)</u>	<u>429,747</u>	<u>(1,620,996)</u>
Other Financing Sources (Uses)				
Proceeds from sale of capital assets	65,000	147,685	82,685	148,171
Transfers In	1,500,000	1,500,000	-	1,500,000
Total Other Financing Sources (Uses)	<u>1,565,000</u>	<u>1,647,685</u>	<u>82,685</u>	<u>1,648,171</u>
Net Change in Fund Balance	<u>\$ 10,300</u>	522,732	<u>\$ 512,432</u>	27,175
Fund Balance at Beginning of Year		3,999,972		3,972,797
Fund Balance at End of Year		<u>\$ 4,522,704</u>		<u>\$ 3,999,972</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, 2019
With Comparative Actual Amounts for the Year-Ended December 31, 2018

	2019		Variance from Final Budget Positive (Negative)	2018
	Original and Final Budget	Actual		Actual
Revenues				
Investment Income	\$ 350	\$ 1,960	\$ 1,610	\$ 1,660
Total Revenues	<u>350</u>	<u>1,960</u>	<u>1,610</u>	<u>1,660</u>
Expenditures				
General Government				
Contractual Services	67,644	50,445	17,199	61,613
Capital Outlay	171,360	190,299	(18,939)	260,351
Total Expenditures	<u>239,004</u>	<u>240,744</u>	<u>(1,740)</u>	<u>321,964</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>(238,654)</u>	<u>(238,784)</u>	<u>(130)</u>	<u>(320,304)</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>\$ 11,346</u>	11,216	<u>\$ (130)</u>	(70,304)
Fund Balance at Beginning of Year		<u>273,797</u>		<u>344,101</u>
Fund Balance at End of Year		<u>\$ 285,013</u>		<u>\$ 273,797</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, 2019
With Comparative Actual Amounts for the Year-Ended December 31, 2018

	2019		Variance from Final Budget Positive (Negative)	2018
	Original and Final Budget	Actual		Actual
Revenues				
Rental Income	\$ -	\$ 40,520	\$ 40,520	\$ -
Miscellaneous Revenues	-	126,230	126,230	666,609
Total Revenues	<u>-</u>	<u>166,750</u>	<u>166,750</u>	<u>666,609</u>
Expenditures				
General Government				
Contractual Services	750,000	-	750,000	-
Commodities	750,000	-	750,000	-
Capital Outlay	-	198,201	(198,201)	-
Total Expenditures	<u>1,500,000</u>	<u>198,201</u>	<u>1,301,799</u>	<u>-</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>(1,500,000)</u>	<u>(31,451)</u>	<u>1,468,549</u>	<u>666,609</u>
Other Financing Sources (Uses)				
Proceeds from sale of capital assets	1,530,000	878,175	(651,825)	599,304
Transfers In	500,000	1,082,394	582,394	500,000
Total Other Financing Sources (Uses)	<u>2,030,000</u>	<u>1,960,569</u>	<u>(69,431)</u>	<u>1,099,304</u>
Net Change in Fund Balance	<u>\$ 530,000</u>	1,929,118	<u>\$ 1,399,118</u>	1,765,913
Fund Balance at Beginning of Year		<u>1,765,913</u>		<u>-</u>
Fund Balance at End of Year		<u>\$ 3,695,031</u>		<u>\$ 1,765,913</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, 2019
With Comparative Actual Amounts for the Year-Ended December 31, 2018

	2019		Variance from Final Budget Positive (Negative)	<u>2018</u> Actual
	<u>Original and Final Budget</u>	<u>Actual</u>		
Operating Revenues				
Charges for Services				
Water Sales	\$ 12,007,500	\$ 12,685,029	\$ 677,529	\$ 12,664,012
Sewer Sales	1,900,000	1,987,208	87,208	1,996,292
Sales of Water Meters	4,500	17,413	12,913	6,331
Water Permit Fees	1,000	1,800	800	1,950
Service Charges, Cut Off and Connector Fees	136,000	233,548	97,548	199,980
Other Charges for Services	1,500	156,462	154,962	12,457
Total Charges for Services	<u>14,050,500</u>	<u>15,081,460</u>	<u>1,030,960</u>	<u>14,881,022</u>
Miscellaneous	<u>202,500</u>	<u>196,464</u>	<u>(6,036)</u>	<u>186,173</u>
Total Operating Revenues	<u>14,253,000</u>	<u>15,277,924</u>	<u>1,024,924</u>	<u>15,067,195</u>
Operating Expenses				
Salaries	3,183,425	2,957,921	225,504	2,974,070
Benefits	1,391,481	1,351,422	40,059	1,296,812
Contractual Services	1,250,895	1,283,176	(32,281)	1,049,407
Commodities	7,084,500	7,096,206	(11,706)	6,583,932
Capital Outlay	7,059,614	-	7,059,614	315,404
Depreciation	-	1,690,547	(1,690,547)	1,568,562
Total Operating Expenses	<u>19,969,915</u>	<u>14,379,272</u>	<u>5,590,643</u>	<u>13,788,187</u>
Operating Income (Loss)	<u>(5,716,915)</u>	<u>898,652</u>	<u>6,615,567</u>	<u>1,279,008</u>
Nonoperating Revenues and (Expenses)				
Intergovernmental	4,000	9,290	5,290	8,870
Loss on Disposal of Assets	-	(156,675)	(156,675)	-
Total Nonoperating Revenues and (Expenses)	<u>4,000</u>	<u>(147,385)</u>	<u>(151,385)</u>	<u>8,870</u>
Income (Loss) Before Transfers	<u>(5,712,915)</u>	<u>751,267</u>	<u>6,464,182</u>	<u>1,287,878</u>
Transfers				
Transfers In	<u>5,395,758</u>	<u>5,895,758</u>	<u>500,000</u>	<u>7,670,758</u>
Total Transfers	<u>5,395,758</u>	<u>5,895,758</u>	<u>500,000</u>	<u>7,670,758</u>
Change in Net Position	<u>\$ (317,157)</u>	<u>6,647,025</u>	<u>\$ 6,964,182</u>	<u>8,958,636</u>
Net Position at Beginning of Year		<u>33,666,761</u>		<u>24,708,125</u>
Net Position at End of Year		<u>\$ 40,313,786</u>		<u>\$ 33,666,761</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, 2019
With Comparative Actual Amounts for the Year-Ended December 31, 2018

	2019		Variance from Final Budget Positive (Negative)	2018 Actual
	Original and Final Budget	Actual		
Operating Revenues				
Charges for Services				
Parking Lots, Garages, Permits, and Other	\$ 393,720	\$ 374,889	\$ (18,831)	\$ 334,777
Miscellaneous	-	158	158	-
Total Operating Revenues	<u>393,720</u>	<u>375,047</u>	<u>(18,673)</u>	<u>334,777</u>
Operating Expenses				
Contractual Services	79,180	82,709	(3,529)	96,699
Commodities	162,600	131,098	31,502	139,968
Capital Outlay	60,000	29,977	30,023	17,695
Total Operating Expenses	<u>301,780</u>	<u>243,784</u>	<u>57,996</u>	<u>254,362</u>
Income (Loss) Before Transfers - budgetary	<u>91,940</u>	<u>131,263</u>	<u>39,323</u>	<u>80,415</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>\$ 55,424</u>	<u>(558,874)</u>	<u>\$ 39,323</u>	<u>(609,722)</u>
Net Position at Beginning of Year		<u>9,417,154</u>		<u>10,026,876</u>
Net Position at End of Year		<u>\$ 8,858,280</u>		<u>\$ 9,417,154</u>

CITY OF DES PLAINES, ILLINOIS
 COMBINING STATEMENT OF NET POSITION
 INTERNAL SERVICE FUNDS
 December 31, 2019

	Risk Management	Health Benefits	Total Internal Service Funds
ASSETS			
Current Assets			
Cash and Investments	\$ 264,361	\$ 916,253	\$ 1,180,614
Prepaid Items	796,672	3,168,143	3,964,815
Other Receivables	-	2,123	2,123
Total Current Assets	<u>1,061,033</u>	<u>4,086,519</u>	<u>5,147,552</u>
TOTAL ASSETS	<u>1,061,033</u>	<u>4,086,519</u>	<u>5,147,552</u>
LIABILITIES			
Current Liabilities			
Accounts Payable	7,046	1,090	8,136
Unearned Revenue	-	42,947	42,947
Total Current Liabilities	<u>7,046</u>	<u>44,037</u>	<u>51,083</u>
TOTAL LIABILITIES	<u>7,046</u>	<u>44,037</u>	<u>51,083</u>
NET POSITION			
Unrestricted	<u>1,053,987</u>	<u>4,042,482</u>	<u>5,096,469</u>
TOTAL NET POSITION	<u>\$ 1,053,987</u>	<u>\$ 4,042,482</u>	<u>\$ 5,096,469</u>

CITY OF DES PLAINES, ILLINOIS
 COMBINING STATEMENT OF REVENUES, EXPENSES
 AND CHANGES IN NET POSITION
 INTERNAL SERVICE FUNDS
 Year-Ended December 31, 2019

	Risk Management	Health Benefits	Total Internal Service Funds
Operating Revenues			
Charges for Services	\$ 2,595,902	\$ 7,689,798	\$ 10,285,700
Miscellaneous	32,007	-	32,007
Total Operating Revenues	<u>2,627,909</u>	<u>7,689,798</u>	<u>10,317,707</u>
Operating Expenses			
Salaries	8,872	-	8,872
Benefits	1,453	-	1,453
Claims Expense	-	6,604,263	6,604,263
Insurance and Processing Fees	2,608,936	736,674	3,345,610
Miscellaneous	63,408	7,033	70,441
Total Operating Expenses	<u>2,682,669</u>	<u>7,347,970</u>	<u>10,030,639</u>
Change in Net Position	(54,760)	341,828	287,068
Net Position at Beginning of Year	<u>1,108,747</u>	<u>3,700,654</u>	<u>4,809,401</u>
Net Position at End of Year	<u>\$ 1,053,987</u>	<u>\$ 4,042,482</u>	<u>\$ 5,096,469</u>

CITY OF DES PLAINES, ILLINOIS
 COMBINING STATEMENT OF CASH FLOWS
 INTERNAL SERVICE FUNDS
 Year-Ended December 31, 2019

	Risk Management	Health Benefits	Total Internal Service Funds
Cash Flows from Operating Activities			
Cash Received from Customers	\$ 2,595,902	\$ 7,710,514	\$ 10,306,416
Receipts from Miscellaneous Revenues	32,007	-	32,007
Cash Payments to Suppliers for Goods and Services	(2,556,158)	(6,122,021)	(8,678,179)
Cash Payments to Employees for Services	(10,325)	-	(10,325)
Net Cash Provided/(Used) by Operating Activities	<u>61,426</u>	<u>1,588,493</u>	<u>1,649,919</u>
Cash Flows from Noncapital Financing Activities			
Interfund Advances	(764)	(672,240)	(673,004)
Net Cash Provided/(Used) by Noncapital Financing Activities	<u>(764)</u>	<u>(672,240)</u>	<u>(673,004)</u>
Net Increase (Decrease) in Cash & Investments	60,662	916,253	976,915
Cash & Investments, Beginning of Year	<u>203,699</u>	-	<u>203,699</u>
Cash & Investments, End of Year	<u>\$ 264,361</u>	<u>\$ 916,253</u>	<u>\$ 1,180,614</u>
Reconciliation of Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities			
Operating Income/(Loss)	\$ (54,760)	\$ 341,828	\$ 287,068
Adjustments to Reconcile Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities			
Decrease (Increase) in Prepaid Items	135,258	1,272,033	1,407,291
Decrease (Increase) in Other Receivables	-	6,032	6,032
(Decrease) Increase in Accounts Payable	(19,072)	(46,084)	(65,156)
(Decrease) Increase in Unearned Revenue	-	14,684	14,684
Total Adjustments	<u>116,186</u>	<u>1,246,665</u>	<u>1,362,851</u>
Net Cash Provided/(Used) by Operating Activities	<u>\$ 61,426</u>	<u>\$ 1,588,493</u>	<u>\$ 1,649,919</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, 2019
With Comparative Actual Amounts for the Year-Ended December 31, 2018

	2019		Variance from Final Budget Positive (Negative)	2018
	Original and Final Budget	Actual		Actual
Operating Revenues				
Charges for Services	\$ 2,642,534	\$ 2,595,902	\$ (46,632)	\$ 2,747,178
Miscellaneous	250,000	32,007	(217,993)	135,266
Total Operating Revenues	<u>2,892,534</u>	<u>2,627,909</u>	<u>(264,625)</u>	<u>2,882,444</u>
Operating Expenses				
Salaries	24,369	8,872	15,497	9,209
Benefits	4,232	1,453	2,779	1,755
Claims Expense				
Workers' Compensation Claims	25,000	-	25,000	-
Total Claims Expense	<u>25,000</u>	<u>-</u>	<u>25,000</u>	<u>-</u>
Insurance and Processing Fees				
Claims Administrative Fees	2,500	-	2,500	1,650
Insurance Premiums	15,789	27,402	(11,613)	5,789
MICA Loss Fund	2,934,750	2,525,273	409,477	2,829,354
MICA Deductible	75,000	56,261	18,739	78,939
Total Insurance and Processing Fees	<u>3,028,039</u>	<u>2,608,936</u>	<u>419,103</u>	<u>2,915,732</u>
Miscellaneous				
City-wide Substance Abuse Program	-	383	(383)	690
Self-insurance Losses	75,000	4,318	70,682	59,577
Miscellaneous Contractual Services	104,567	58,707	45,860	84,960
Total Miscellaneous	<u>179,567</u>	<u>63,408</u>	<u>116,159</u>	<u>145,227</u>
Total Operating Expenses	<u>3,261,207</u>	<u>2,682,669</u>	<u>578,538</u>	<u>3,071,923</u>
Change in Net Position	<u>\$ (368,673)</u>	<u>(54,760)</u>	<u>\$ 313,913</u>	<u>(189,479)</u>
Net Position at Beginning of Year		<u>1,108,747</u>		<u>1,298,226</u>
Net Position at End of Year		<u>\$ 1,053,987</u>		<u>\$ 1,108,747</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, 2019
With Comparative Actual Amounts for the Year-Ended December 31, 2018

	2019		Variance from Final Budget Positive (Negative)	2018 Actual
	Original and Final Budget	Actual		
Operating Revenues				
Charges for Services	\$ 8,212,022	\$ 7,689,798	\$ (522,224)	\$ 7,612,584
Total Operating Revenues	<u>8,212,022</u>	<u>7,689,798</u>	<u>(522,224)</u>	<u>7,612,584</u>
Operating Expenses				
Claims Expense				
Claims Paid - City - PPO	5,902,979	5,056,720	846,259	5,746,645
Claims Paid - City - HMO	<u>1,466,093</u>	<u>1,547,543</u>	<u>(81,450)</u>	<u>1,549,322</u>
Total Claims Expense	<u>7,369,072</u>	<u>6,604,263</u>	<u>764,809</u>	<u>7,295,967</u>
Insurance and Processing Fees				
Dental Claims and Administration Fee	569,504	537,064	32,440	512,557
Life Insurance Premium	<u>252,446</u>	<u>199,610</u>	<u>52,836</u>	<u>185,583</u>
Total Insurance and Processing Fees	<u>821,950</u>	<u>736,674</u>	<u>85,276</u>	<u>698,140</u>
Miscellaneous	<u>50,000</u>	<u>7,033</u>	<u>42,967</u>	<u>1,310</u>
Total Operating Expenses	<u>8,241,022</u>	<u>7,347,970</u>	<u>893,052</u>	<u>7,995,417</u>
Operating Income (Loss)	<u>(29,000)</u>	<u>341,828</u>	<u>370,828</u>	<u>(382,833)</u>
Nonoperating Revenues and (Expenses)				
Investment Income	<u>300</u>	<u>-</u>	<u>(300)</u>	<u>-</u>
Total Nonoperating Revenues and (Expenses)	<u>300</u>	<u>-</u>	<u>(300)</u>	<u>-</u>
Change in Net Position	<u>\$ (28,700)</u>	<u>341,828</u>	<u>\$ 370,528</u>	<u>(382,833)</u>
Net Position at Beginning of Year		<u>3,700,654</u>		<u>4,083,487</u>
Net Position at End of Year		<u>\$ 4,042,482</u>		<u>\$ 3,700,654</u>

CITY OF DES PLAINES, ILLINOIS
 COMBINING STATEMENT OF FIDUCIARY NET POSITION
 PENSION TRUST FUNDS
 December 31, 2019

	Firefighters' Pension	Police Pension	Total Pension Trust Funds
ASSETS			
Cash and Cash Equivalents	\$ 5,641,137	\$ 6,943,885	\$ 12,585,022
Investments			
U.S. Government and Agency Obligations	12,043,561	13,735,858	25,779,419
State and Local Obligations	234,300	312,631	546,931
Corporate Bonds	13,654,815	12,625,743	26,280,558
Mutual Funds	27,864,637	27,359,921	55,224,558
Stocks	24,790,515	15,683,402	40,473,917
Insurance Contracts	-	1,547	1,547
Receivables			
Accrued Interest	138,484	163,931	302,415
Prepaid Items	8,726	8,580	17,306
TOTAL ASSETS	<u>84,376,175</u>	<u>76,835,498</u>	<u>161,211,673</u>
LIABILITIES AND NET POSITION			
Liabilities			
Accounts Payable	58,012	56,891	114,903
Total Liabilities	<u>58,012</u>	<u>56,891</u>	<u>114,903</u>
Net Position			
Restricted for Pensions	<u>\$ 84,318,163</u>	<u>\$ 76,778,607</u>	<u>\$ 161,096,770</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 84,376,175</u>	<u>\$ 76,835,498</u>	<u>\$ 161,211,673</u>

CITY OF DES PLAINES, ILLINOIS
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 PENSION TRUST FUNDS
 Year-Ended December 31, 2019

	Firefighters' Pension	Police Pension	Total Pension Trust Funds
Additions			
Contributions			
Employer	\$ 5,708,218	\$ 6,061,959	\$ 11,770,177
Plan Members	878,682	971,640	1,850,322
Other	-	221,446	221,446
Total Contributions	<u>6,586,900</u>	<u>7,255,045</u>	<u>13,841,945</u>
Investment Income	14,581,425	12,910,473	27,491,898
Less Investment Expense	<u>(314,547)</u>	<u>(271,148)</u>	<u>(585,695)</u>
Net Investment Income	<u>14,266,878</u>	<u>12,639,325</u>	<u>26,906,203</u>
Total Additions	<u>20,853,778</u>	<u>19,894,370</u>	<u>40,748,148</u>
Deductions			
Administration	95,047	82,709	177,756
Benefits and Refunds	<u>8,438,967</u>	<u>7,969,389</u>	<u>16,408,356</u>
Total Deductions	<u>8,534,014</u>	<u>8,052,098</u>	<u>16,586,112</u>
Net Increase in Net Position	12,319,764	11,842,272	24,162,036
Plan Net Position at Beginning of Year	<u>71,998,399</u>	<u>64,936,335</u>	<u>136,934,734</u>
Plan Net Position at End of Year	<u>\$ 84,318,163</u>	<u>\$ 76,778,607</u>	<u>\$ 161,096,770</u>

CITY OF DES PLAINES, ILLINOIS
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUND
December 31, 2019

	Compliance Bond
ASSETS	
Cash and Cash Equivalents	\$ 671,391
Other Receivable	19,099
TOTAL ASSETS	<u>\$ 690,490</u>
LIABILITIES	
Accounts Payable	\$ 13,736
Due to Governmental Funds	10,558
Deposits Payable	666,196
TOTAL LIABILITIES	<u>\$ 690,490</u>
NET POSITION	
Unrestricted	-
TOTAL NET POSITION	<u>\$ -</u>

CITY OF DES PLAINES, ILLINOIS
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND
Year-Ended December 31, 2019

	Balances January 1	Additions	Deductions	Balances December 31
Compliance Bond Fund				
ASSETS				
Cash and Cash Equivalents	\$ 680,732	\$ 783,094	\$ 792,435	\$ 671,391
Other Receivable	42,975	324,891	348,767	19,099
TOTAL ASSETS	<u>\$ 723,707</u>	<u>\$ 1,107,985</u>	<u>\$ 1,141,202</u>	<u>\$ 690,490</u>
LIABILITIES				
Accounts Payable	\$ 34,481	\$ 468,829	\$ 489,574	\$ 13,736
Due to Governmental Funds	10,168	291,681	291,291	10,558
Deposits Payable	679,058	493,375	506,237	666,196
TOTAL LIABILITIES	<u>\$ 723,707</u>	<u>\$ 1,253,885</u>	<u>\$ 1,287,102</u>	<u>\$ 690,490</u>
NET POSITION				
Unrestricted	\$ -	\$ -	\$ -	\$ -
TOTAL NET POSITION	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF DES PLAINES, ILLINOIS
 COMPONENT UNIT - LIBRARY
 STATEMENT OF NET POSITION AND GOVERNMENTAL FUNDS
 COMBINING BALANCE SHEET
 December 31, 2019

	<u>General</u>	<u>Capital Projects</u>	<u>Total</u>
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES			
Assets			
Cash	\$ 2,520,532	\$ 1,772,358	\$ 4,292,890
Property Tax Receivable	6,076,488	-	6,076,488
Other Receivable	76,739	-	76,739
Due from Other Funds	-	-	-
Prepaid Items	104,210	-	104,210
Capital Assets, Net	-	-	-
Total Assets	<u>8,777,969</u>	<u>1,772,358</u>	<u>10,550,327</u>
Deferred Outflows of Resources			
Deferred Pension Outflows	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 8,777,969</u>	<u>\$ 1,772,358</u>	<u>\$ 10,550,327</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES/NET POSITION			
Liabilities			
Accounts Payable	\$ 112,432	\$ 943	\$ 113,375
Accrued Payroll	137,097	-	137,097
Due to Other Funds	299,319	-	299,319
Noncurrent Liabilities			
Due within One Year	-	-	-
Due in More than One Year	-	-	-
Total Liabilities	<u>548,848</u>	<u>943</u>	<u>549,791</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>
Fund Balances/Net Position			
Net Investment in Capital Assets	-	-	-
Restricted for Culture and Recreation	2,159,621	1,771,415	3,931,036
Total Fund Balances/Net Position	<u>2,159,621</u>	<u>1,771,415</u>	<u>3,931,036</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES/NET POSITION	<u>\$ 8,777,969</u>	<u>\$ 1,772,358</u>	<u>\$ 10,550,327</u>

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

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

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

Adjustments						
Internal Service Fund Compensated Absences	Internal Balances	Net OPEB Obligation	Net Pension Liability	Unavailable Grant Revenue	Long-Term Assets	Statement of Net Position
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,292,890
-	-	-	-	-	-	6,076,488
-	-	-	-	-	-	76,739
299,319	(299,319)	-	-	-	-	-
-	-	-	-	-	-	104,210
-	-	-	-	-	2,579,808	2,579,808
<u>299,319</u>	<u>(299,319)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,579,808</u>	<u>13,130,135</u>
-	-	-	373,711	-	-	373,711
<u>\$ 299,319</u>	<u>\$ (299,319)</u>	<u>\$ -</u>	<u>\$ 373,711</u>	<u>\$ -</u>	<u>\$ 2,579,808</u>	<u>\$ 13,503,846</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 113,375
-	-	-	-	-	-	137,097
-	(299,319)	-	-	-	-	-
97,172	-	-	-	-	-	97,172
202,147	-	503,362	408,848	-	-	1,114,357
<u>299,319</u>	<u>(299,319)</u>	<u>503,362</u>	<u>408,848</u>	<u>-</u>	<u>-</u>	<u>1,462,001</u>
-	-	-	-	-	-	6,069,500
-	-	-	1,125,925	-	-	1,125,925
-	-	-	1,125,925	-	-	7,195,425
-	-	-	-	-	2,579,808	2,579,808
-	-	(503,362)	(1,161,062)	-	-	2,266,612
-	-	(503,362)	(1,161,062)	-	2,579,808	4,846,420
<u>\$ 299,319</u>	<u>\$ (299,319)</u>	<u>\$ -</u>	<u>\$ 373,711</u>	<u>\$ -</u>	<u>\$ 2,579,808</u>	<u>\$ 13,503,846</u>
<u>\$ 299,319</u>	<u>\$ (299,319)</u>					
		<u>\$ 503,362</u>	<u>\$ 1,161,062</u>			
					<u>\$ 2,579,808</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, 2019

	General	Capital Projects	Total
Revenues			
Property Taxes	\$ 6,069,879	\$ -	\$ 6,069,879
Intergovernmental	168,943	-	168,943
Charges for Services	25,836	-	25,836
Fines	55,947	-	55,947
Investment Income	74,622	25,077	99,699
Miscellaneous	116,957	-	116,957
Total Revenues	<u>6,512,184</u>	<u>25,077</u>	<u>6,537,261</u>
Expenditures			
Civic and Cultural	5,883,147	-	5,883,147
Capital Outlay	155,457	169,805	325,262
Total Expenditures	<u>6,038,604</u>	<u>169,805</u>	<u>6,208,409</u>
Excess (Deficiency) of Revenues over (under) Expenditures	473,580	(144,728)	328,852
Other Financing Sources (Uses)			
Transfers in	-	600,000	600,000
Transfers out	(600,000)	-	(600,000)
Total Other Financing Sources (Uses)	<u>(600,000)</u>	<u>600,000</u>	<u>-</u>
Net Change in Fund Balance/Net Position	(126,420)	455,272	328,852
Fund Balance/Net Position, Beginning of Year	<u>2,286,041</u>	<u>1,316,143</u>	<u>3,602,184</u>
Fund Balance/Net Position, End of Year	<u>\$ 2,159,621</u>	<u>\$ 1,771,415</u>	<u>\$ 3,931,036</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		Unavailable Grant Revenue	Net Pension Liability	Statement of Activities
		Net OPEB Obligation				
\$ -	\$ -	\$ -		\$ -	\$ -	\$ 6,069,879
-	-	-		-	-	168,943
-	-	-		-	-	25,836
-	-	-		-	-	55,947
-	-	-		-	-	99,699
-	-	-		-	-	116,957
<u>-</u>	<u>-</u>	<u>-</u>		<u>-</u>	<u>-</u>	<u>6,537,261</u>
163,839	-	35,103		-	50,197	6,132,286
(100,000)	-	-		-	-	225,262
<u>63,839</u>	<u>-</u>	<u>35,103</u>		<u>-</u>	<u>50,197</u>	<u>6,357,548</u>
(63,839)	-	(35,103)		-	(50,197)	179,713
-	(600,000)	-		-	-	-
-	<u>600,000</u>	-		-	-	-
<u>-</u>	<u>-</u>	<u>-</u>		<u>-</u>	<u>-</u>	<u>-</u>
(63,839)	-	(35,103)		-	(50,197)	179,713
<u>2,643,647</u>	<u>-</u>	<u>(468,259)</u>		<u>-</u>	<u>(1,110,865)</u>	<u>4,666,707</u>
<u>\$ 2,579,808</u>	<u>\$ -</u>	<u>\$ (503,362)</u>		<u>\$ -</u>	<u>\$ (1,161,062)</u>	<u>\$ 4,846,420</u>
<u>\$ (63,839)</u>						
		<u>\$ (35,103)</u>			<u>\$ (50,197)</u>	
				<u>\$ -</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, 2019
With Comparative Actual Amounts for the Year-Ended December 31, 2018

	2019		Variance from Final Budget Positive (Negative)	2018
	Original and Final Budget	Actual		Actual
Revenues				
Property Taxes	\$ 6,100,000	\$ 6,069,879	\$ (30,121)	\$ 5,993,622
Replacement Taxes	92,988	92,988	-	92,988
State Grants	76,000	75,955	(45)	119,771
Charges for Services	2,000	25,836	23,836	12,625
Fines	84,000	55,947	(28,053)	68,312
Investment Income	70,000	74,622	4,622	79,915
Miscellaneous	53,500	116,957	63,457	68,581
Total Revenues	<u>6,478,488</u>	<u>6,512,184</u>	<u>33,696</u>	<u>6,435,814</u>
Expenditures				
Civic and Cultural				
Salaries	3,154,295	2,976,690	177,605	2,977,951
Benefits	989,723	802,611	187,112	984,931
Contractual Services	1,104,264	1,133,176	(28,912)	1,093,541
Commodities	1,019,780	970,670	49,110	980,673
Total Civic and Cultural	<u>6,268,062</u>	<u>5,883,147</u>	<u>384,915</u>	<u>6,037,096</u>
Capital Outlay	186,705	155,457	31,248	159,732
Total Expenditures	<u>6,454,767</u>	<u>6,038,604</u>	<u>416,163</u>	<u>6,196,828</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>23,721</u>	<u>473,580</u>	<u>449,859</u>	<u>238,986</u>
Other Financing Sources (Uses)				
Transfers Out	(600,000)	(600,000)	-	(1,300,000)
Total Other Financing Sources (Uses)	<u>(600,000)</u>	<u>(600,000)</u>	<u>-</u>	<u>(1,300,000)</u>
Net Change in Fund Balance	<u>\$ (576,279)</u>	<u>(126,420)</u>	<u>\$ 449,859</u>	<u>(1,061,014)</u>
Fund Balance at Beginning of Year		<u>2,286,041</u>		<u>3,347,055</u>
Fund Balance at End of Year		<u>\$ 2,159,621</u>		<u>\$ 2,286,041</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, 2019
With Comparative Actual Amounts for the Year-Ended December 31, 2018

	2019		Variance from Final Budget Positive (Negative)	2018
	Original and Final Budget	Actual		Actual
Revenues				
Investment Income	\$ 100	\$ 25,077	\$ 24,977	\$ 133
Total Revenues	<u>100</u>	<u>25,077</u>	<u>24,977</u>	<u>133</u>
Expenditures				
Capital Outlay	172,000	169,805	2,195	124,212
Total Expenditures	<u>172,000</u>	<u>169,805</u>	<u>2,195</u>	<u>124,212</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>(171,900)</u>	<u>(144,728)</u>	<u>27,172</u>	<u>(124,079)</u>
Other Financing Sources (Uses)				
Transfers In	600,000	600,000	-	1,300,000
Total Other Financing Sources (Uses)	<u>600,000</u>	<u>600,000</u>	<u>-</u>	<u>1,300,000</u>
Net Change in Fund Balance	<u>\$ 428,100</u>	455,272	<u>\$ 27,172</u>	1,175,921
Fund Balance at Beginning of Year		<u>1,316,143</u>		<u>140,222</u>
Fund Balance at End of Year		<u>\$ 1,771,415</u>		<u>\$ 1,316,143</u>

CITY OF DES PLAINES, ILLINOIS
LONG-TERM DEBT REQUIREMENTS
TAXABLE GENERAL OBLIGATION REFUNDING BONDS, SERIES 2008A (TIF#3 PORTION)
December 31, 2019

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
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
	\$ 240,000	\$ 19,048	\$ 259,048		\$ 9,524		\$ 9,524

CITY OF DES PLAINES, ILLINOIS
LONG-TERM DEBT REQUIREMENTS
TAXABLE GENERAL OBLIGATION REFUNDING BONDS, SERIES 2009A (TIF #6, CAPITAL APPRECIATION)
December 31, 2019

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

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year Ending <u>December 31</u>	Capital Appreciation Bonds				Total Principal <u>Requirement</u>
	<u>Original Amount</u>	<u>Accretion to Date</u>	<u>Current Payable</u>	<u>Future Accretion</u>	
2020	\$ 257,668	\$ 187,510	\$ 445,178	\$ 24,822	\$ 470,000
2021	225,713	171,975	397,688	47,312	445,000
2022	750,424	578,260	1,328,684	246,316	1,575,000
2023	<u>333,112</u>	<u>259,585</u>	<u>592,697</u>	<u>152,303</u>	<u>745,000</u>
	<u>\$ 1,566,917</u>	<u>\$ 1,197,330</u>	<u>\$ 2,764,247</u>	<u>\$ 470,753</u>	<u>\$ 3,235,000</u>

CITY OF DES PLAINES, ILLINOIS
LONG-TERM DEBT REQUIREMENTS
GENERAL OBLIGATION REFUNDING BONDS, SERIES 2011A (TOTAL ISSUE)
December 31, 2019

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
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
	\$ 750,000	\$ 25,877	\$ 775,877		\$ 12,939		\$ 12,938

CITY OF DES PLAINES, ILLINOIS
LONG-TERM DEBT REQUIREMENTS
GENERAL OBLIGATION REFUNDING BONDS, SERIES 2011A (TIF #1 PORTION)
December 31, 2019

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

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year Ending <u>December 31</u>	Requirements			Interest Due			
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>June 1</u>	<u>Amount</u>	<u>December 1</u>	<u>Amount</u>
2020	<u>\$ 185,000</u>	<u>\$ 4,625</u>	<u>\$ 189,625</u>	2020	<u>\$ 2,313</u>	2020	<u>\$ 2,312</u>
	<u>\$ 185,000</u>	<u>\$ 4,625</u>	<u>\$ 189,625</u>		<u>\$ 2,313</u>		<u>\$ 2,312</u>

CITY OF DES PLAINES, ILLINOIS
LONG-TERM DEBT REQUIREMENTS
GENERAL OBLIGATION REFUNDING BONDS, SERIES 2011A (TIF #3 PORTION)
December 31, 2019

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
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
	\$ 305,000	\$ 11,502	\$ 316,502		\$ 5,751		\$ 5,751

CITY OF DES PLAINES, ILLINOIS
LONG-TERM DEBT REQUIREMENTS
GENERAL OBLIGATION REFUNDING BONDS, SERIES 2011A (TIF #5 PORTION)
December 31, 2019

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
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
	\$ 210,000	\$ 7,876	\$ 217,876		\$ 3,938		\$ 3,938

CITY OF DES PLAINES, ILLINOIS
LONG-TERM DEBT REQUIREMENTS
GENERAL OBLIGATION REFUNDING BONDS, SERIES 2011A (TIF #6 PORTION)
December 31, 2019

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
2020	\$ 25,000	\$ 1,250	\$ 26,250	2020	\$ 625	2020	\$ 625
2021	25,000	624	25,624	2021	312	2021	312
	\$ 50,000	\$ 1,874	\$ 51,874		\$ 937		\$ 937

CITY OF DES PLAINES, ILLINOIS
LONG-TERM DEBT REQUIREMENTS
GENERAL OBLIGATION REFUNDING BONDS, SERIES 2012A (TIF #1)
December 31, 2019

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			
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>June 1</u>	<u>Amount</u>	<u>December 1</u>	<u>Amount</u>
2020	<u>\$ 495,000</u>	<u>\$ 9,900</u>	<u>\$ 504,900</u>	2020	<u>\$ 4,950</u>	2020	<u>\$ 4,950</u>
	<u>\$ 495,000</u>	<u>\$ 9,900</u>	<u>\$ 504,900</u>		<u>\$ 4,950</u>		<u>\$ 4,950</u>

CITY OF DES PLAINES, ILLINOIS
LONG-TERM DEBT REQUIREMENTS
TAXABLE GENERAL OBLIGATION REFUNDING BONDS, SERIES 2013 (TOTAL ISSUE)
December 31, 2019

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
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
	\$ 1,830,000	\$ 79,744	\$ 1,909,744		\$ 39,872		\$ 39,872

CITY OF DES PLAINES, ILLINOIS
LONG-TERM DEBT REQUIREMENTS
TAXABLE GENERAL OBLIGATION REFUNDING BONDS, SERIES 2013 (TIF #1 PORTION)
December 31, 2019

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			
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>June 1</u>	<u>Amount</u>	<u>December 1</u>	<u>Amount</u>
2020	<u>\$ 475,000</u>	<u>\$ 14,250</u>	<u>\$ 489,250</u>	2020	<u>\$ 7,125</u>	2020	<u>\$ 7,125</u>
	<u>\$ 475,000</u>	<u>\$ 14,250</u>	<u>\$ 489,250</u>		<u>\$ 7,125</u>		<u>\$ 7,125</u>

CITY OF DES PLAINES, ILLINOIS
LONG-TERM DEBT REQUIREMENTS
TAXABLE GENERAL OBLIGATION REFUNDING BONDS, SERIES 2013 (TIF #3 PORTION)
December 31, 2019

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
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
	\$ 150,000	\$ 7,202	\$ 157,202		\$ 3,601		\$ 3,601

CITY OF DES PLAINES, ILLINOIS
LONG-TERM DEBT REQUIREMENTS
TAXABLE GENERAL OBLIGATION REFUNDING BONDS, SERIES 2013 (TIF #6 PORTION)
December 31, 2019

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
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
	\$ 1,205,000	\$ 58,292	\$ 1,263,292		\$ 29,146		\$ 29,146

CITY OF DES PLAINES, ILLINOIS
LONG-TERM DEBT REQUIREMENTS
TAXABLE GENERAL OBLIGATION BONDS, SERIES 2014A (TIF #6)
December 31, 2019

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
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
	\$ 670,000	\$ 26,020	\$ 696,020		\$ 13,010		\$ 13,010

CITY OF DES PLAINES, ILLINOIS
LONG-TERM DEBT REQUIREMENTS
GENERAL OBLIGATION BONDS, SERIES 2014B (TIF #3 PORTION)
December 31, 2019

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			
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>June 1</u>	<u>Amount</u>	<u>December 1</u>	<u>Amount</u>
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
	\$ 1,365,000	\$ 58,490	\$ 1,423,490		\$ 29,245		\$ 29,245

CITY OF DES PLAINES, ILLINOIS
LONG-TERM DEBT REQUIREMENTS
GENERAL OBLIGATION REFUNDING BONDS, SERIES 2018 (TIF #3 PORTION)
December 31, 2019

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			
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>June 1</u>	<u>Amount</u>	<u>December 1</u>	<u>Amount</u>
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>\$ 11,195,000</u>	<u>\$ 1,683,600</u>	<u>\$ 12,878,600</u>		<u>\$ 841,800</u>		<u>\$ 841,800</u>

CITY OF DES PLAINES, ILLINOIS
LONG-TERM DEBT REQUIREMENTS
TAX INCREMENT REVENUE NOTE, SERIES 2002 - NORWOOD PARTNERSHIP, LLC
December 31, 2019

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

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year Ending <u>December 31</u>	Requirements		
	Principal	Interest	Total
2020	\$ 38,840	\$ 2,039	\$ 40,879
	\$ 38,840	\$ 2,039	\$ 40,879

CITY OF DES PLAINES, ILLINOIS
LONG-TERM DEBT REQUIREMENTS
TAX INCREMENT REVENUE NOTE, SERIES 2003 - LAB GRACELAND
December 31, 2019

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

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year Ending <u>December 31</u>	Requirements		
	Principal	Interest	Total
2020	\$ 41,087	\$ 2,157	\$ 43,244
	\$ 41,087	\$ 2,157	\$ 43,244

CITY OF DES PLAINES, ILLINOIS
 SHORT-TERM DEBT REQUIREMENTS
 EQUIPMENT LOAN (FIRE ENGINE)
 December 31, 2019

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>
2020	\$ 12,500
2021	12,500
2022	12,500
2023	12,500
2024	12,500
2025	12,500
2026	12,500
	\$ 87,500

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.

Contents

Financial Trends

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

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

Revenue Capacity

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

Assessed Value and Actual Value of Taxable Property – Last Ten Levy Years
Trend of Equalized Assessed Valuations – Last Ten Levy Years
Maine Township Typical Tax Rates Per \$100 of Equalized Assessed Valuation – Last Ten Calendar Years
Maine Township Allocation of the 2018 Property Tax Levy Collected in 2019
Elk Grove Township Typical Tax Rates Per \$100 of Equalized Assessed Valuation – Last Ten Calendar Years
Elk Grove Township Allocation of the 2018 Property Tax Levy Collected in 2019
Property Tax Rates and Extensions – Last Ten Calendar Years
Principal Property Tax Payers – Current Calendar Year and Nine Years Ago
Property Tax Levies and Collections – Last Ten Calendar Years
Property Value and Construction – Last Ten Calendar Years
Taxable Sales by Category – Last Ten Calendar Years

Debt Capacity

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

Ratio of Outstanding Debt by Type – Last Ten Calendar Years
Ratio Net General Obligation Bonded Debt to Assessed Value and Net General Obligation Bonded Debt Per Capita – Last Ten Calendar Years
Ratio of Annual Debt Service Expenditures for General Obligation Bonded Debt to Total General Governmental Expenditures – Last Ten Calendar Years
Schedule for Direct and Overlapping Debt

Demographic and Economic Information

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

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

Operating Information

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

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

CITY OF DES PLAINES

CHANGES IN NET POSITION Last Ten Calendar Years (accrual basis of accounting) 12/31/2019

	2010	2011	2012	2013
Expenses				
Governmental activities				
General government	\$ 8,939,465	\$ 18,270,898	\$ 26,776,957	\$ 26,119,801
Public safety	35,365,323	38,529,145	37,899,640	38,792,971
Public works	7,550,803	8,537,753	7,637,527	8,448,448
Streets and highways	9,499,575	10,341,746	10,686,981	11,450,291
Economic development	1,487,301	1,161,997	1,553,448	1,906,584
Interest	3,631,361	3,274,304	3,046,102	2,709,144
Total governmental activities expenses	<u>66,473,828</u>	<u>80,115,843</u>	<u>87,600,655</u>	<u>89,427,239</u>
Business-type activities				
Water	11,912,298	12,528,325	14,161,409	15,412,364
Parking system	803,475	802,934	783,586	808,793
Emergency communications	-	-	-	2,247,933
Total business-type activities	<u>12,715,773</u>	<u>13,331,259</u>	<u>14,944,995</u>	<u>18,469,090</u>
Total primary government expenses	<u>\$ 79,189,601</u>	<u>\$ 93,447,102</u>	<u>\$ 102,545,650</u>	<u>\$ 107,896,329</u>
Component unit - public library	<u>\$ 5,994,030</u>	<u>\$ 5,798,824</u>	<u>\$ 5,648,933</u>	<u>\$ 6,073,379</u>
Program Revenues				
Governmental activities				
Charges for services				
General government	\$ 8,546,887	\$ 6,223,077	\$ 5,869,247	\$ 5,774,206
Public safety	3,293,616	3,740,733	3,745,369	3,259,941
Public works	3,694,457	3,826,957	3,955,349	4,092,464
Streets and highways	2,376,318	2,323,567	2,434,345	2,288,299
Operating grants and contributions	3,322,252	3,797,791	2,762,161	2,996,521
Capital grants and contributions	11,294,273	4,851,117	3,267,066	576,573
Total governmental activities program Revenues	<u>32,527,803</u>	<u>24,763,242</u>	<u>22,033,537</u>	<u>18,988,004</u>
Business-type activities				
Charges for services				
Water	11,509,315	11,286,580	14,162,219	13,810,387
Parking system	309,312	283,554	370,038	336,051
Emergency communications	-	-	-	2,089,579
Operating grants and contributions	132,274	4,691	2,039	8,237
Capital grants and contributions	235,119	-	-	-
Total business-type activities program Revenues	<u>12,186,020</u>	<u>11,574,825</u>	<u>14,534,296</u>	<u>16,244,254</u>
Total primary government program	<u>\$ 44,713,823</u>	<u>\$ 36,338,067</u>	<u>\$ 36,567,833</u>	<u>\$ 35,232,258</u>
Component unit - public library				
Charges for services	\$ 166,497	\$ 147,023	\$ 156,752	\$ 164,584
Operating grants	65,969	64,080	59,852	63,977
Total component unit - public library Revenues	<u>\$ 232,466</u>	<u>\$ 211,103</u>	<u>\$ 216,604</u>	<u>\$ 228,561</u>
Net (expense)/revenue				
Governmental activities	\$ (33,946,025)	\$ (55,352,601)	\$ (65,567,118)	\$ (70,439,235)
Business-type activities	(529,753)	(1,756,434)	(410,699)	(2,224,836)
Total primary government net expense	<u>\$ (34,475,778)</u>	<u>\$ (57,109,035)</u>	<u>\$ (65,977,817)</u>	<u>\$ (72,664,071)</u>
Component unit - public library net Expense	<u>\$ (5,761,564)</u>	<u>\$ (5,587,721)</u>	<u>\$ (5,432,329)</u>	<u>\$ (5,844,818)</u>

	2014	2015	2016	2017	2018	2019
\$	25,998,813	\$ 26,508,887	\$ 27,240,159	\$ 27,415,182	\$ 26,796,798	\$ 28,327,286
	38,962,218	47,386,563	49,009,727	49,963,574	81,695,891	26,774,186
	7,632,615	9,687,304	8,176,306	9,022,143	9,497,058	10,313,635
	13,643,574	15,713,911	11,961,177	21,798,069	14,704,099	13,174,021
	2,346,862	1,980,456	3,650,262	2,808,022	5,345,138	5,016,519
	1,679,828	1,459,709	1,411,210	1,300,991	1,304,502	690,046
	<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>	<u>84,295,693</u>
	16,528,659	17,830,764	15,145,099	13,890,269	13,677,543	14,517,017
	833,974	834,894	835,342	854,840	908,148	897,441
	4,057,033	234,127	-	-	-	-
	<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>15,414,458</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>\$ 99,710,151</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>	<u>\$ 6,357,548</u>
\$	5,828,028	\$ 5,343,730	\$ 5,359,454	\$ 5,839,543	\$ 5,406,195	\$ 5,751,285
	3,003,477	3,889,312	4,150,297	3,951,813	3,297,604	3,227,799
	3,225,062	2,927,288	3,094,047	3,044,288	3,171,589	3,238,402
	2,221,419	1,317,109	1,335,654	1,250,252	1,314,298	1,241,013
	2,307,571	2,759,817	2,352,503	2,319,131	3,162,267	4,963,883
	4,109,373	11,967,751	2,312,985	12,776,042	7,075,824	11,310,234
	<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>	<u>29,732,616</u>
	14,550,984	14,454,347	14,817,561	13,924,481	14,881,022	15,270,671
	365,811	333,908	345,158	351,522	334,777	374,889
	3,136,798	-	-	-	-	-
	5,804	3,471	3,633	6,901	8,870	9,290
	-	-	-	-	-	-
	<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>15,654,850</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>	<u>\$ 45,387,466</u>
\$	151,688	\$ 157,902	\$ 115,486	\$ 108,980	\$ 80,937	\$ 81,783
	72,955	72,955	44,990	45,716	74,455	75,955
\$	<u>224,643</u>	<u>\$ 230,857</u>	<u>\$ 160,476</u>	<u>\$ 154,696</u>	<u>\$ 155,392</u>	<u>\$ 157,738</u>
\$	(69,568,980)	\$ (74,531,823)	\$ (82,843,901)	\$ (83,126,912)	\$ (115,915,709)	\$ (54,563,077)
	(3,360,269)	(4,108,059)	(814,089)	(462,205)	638,978	240,392
\$	<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>\$ (54,322,685)</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>	<u>\$ (6,199,810)</u>

CITY OF DES PLAINES

CHANGES IN NET POSITION Last Ten Calendar Years (accrual basis of accounting) 12/31/2019

	2010	2011	2012	2013
General Revenues and Other Changes in Net Position				
Governmental activities				
Taxes				
Property	\$ 29,117,259	\$ 29,671,822	\$ 28,841,683	\$ 28,575,125
Home rule sales	4,834,624	5,034,311	5,544,261	5,640,304
Utility	3,353,950	3,401,735	3,239,299	3,264,076
Food and beverage	911,865	1,059,647	1,236,942	1,177,511
Hotel/motel	1,387,872	li	1,675,772	1,752,342
Real estate transfer	399,853	393,417	407,884	436,309
Local option motor fuel	1,683,503	1,719,941	1,685,069	1,707,152
Gaming	-	10,819,591	24,802,456	24,662,123
Other	4,364,047	4,541,664	4,735,420	4,277,423
Unrestricted intergovernmental				
Sales	8,589,981	8,690,828	9,695,640	13,486,496
Income	4,580,927	4,515,411	5,376,774	5,643,512
Replacement	1,296,063	1,207,737	1,143,050	1,341,936
Investment income	74,585	82,369	160,289	89,626
Miscellaneous	965,645	783,626	1,280,897	899,031
Gain (loss) on sale of capital assets	87,960	-	-	-
Transfers	262,432	(236,313)	15,758	(49,992)
Total governmental activities	<u>61,910,566</u>	<u>71,685,786</u>	<u>89,841,194</u>	<u>92,902,974</u>
Business-type activities				
Investment income	2,649	1,519	5,228	1,776
Miscellaneous	27,568	845	2,756	5,388
Transfers	(262,432)	236,313	(15,758)	49,992
Total business-type activities	<u>(232,215)</u>	<u>238,677</u>	<u>(7,774)</u>	<u>57,156</u>
Total primary government	<u>\$ 61,678,351</u>	<u>\$ 71,924,463</u>	<u>\$ 89,833,420</u>	<u>\$ 92,960,130</u>
Component unit - public library				
Taxes				
Property	\$ 6,352,938	\$ 6,625,483	\$ 6,398,159	\$ 6,289,369
Unrestricted intergovernmental				
Replacement	46,494	92,988	92,988	92,988
Investment income	4,167	2,434	5,364	1,945
Other general revenues	31,748	32,010	36,573	23,173
Total component unit - public library	<u>\$ 6,435,347</u>	<u>\$ 6,752,915</u>	<u>\$ 6,533,084</u>	<u>\$ 6,407,475</u>
Changes in Net Position				
Governmental activities	\$ 27,964,541	\$ 16,333,185	\$ 24,274,076	\$ 22,463,739
Business-type activities	(761,968)	(1,517,757)	(418,473)	(2,167,680)
Total primary government	<u>\$ 27,202,573</u>	<u>\$ 14,815,428</u>	<u>\$ 23,855,603</u>	<u>\$ 20,296,059</u>
Total component unit - public library	<u>\$ 673,783</u>	<u>\$ 1,165,194</u>	<u>\$ 1,100,755</u>	<u>\$ 562,657</u>

	2014	2015	2016	2017	2018	2019
\$	28,442,253	\$ 28,607,185	\$ 29,254,397	\$ 29,611,170	\$ 29,099,377	\$ 31,124,250
	5,934,305	5,711,272	6,104,292	6,412,186	6,804,742	6,694,443
	3,358,459	3,033,933	3,069,270	3,006,537	3,121,450	3,597,332
	1,190,477	1,228,581	1,268,923	1,330,150	1,346,268	1,415,745
	1,988,301	2,145,985	2,069,830	1,908,782	1,995,330	1,917,755
	610,997	597,813	842,326	883,175	808,982	761,871
	1,624,707	1,540,285	1,754,240	1,768,066	1,782,386	1,567,933
	24,792,544	24,654,889	24,685,996	24,762,107	25,065,880	25,466,799
	3,923,909	4,081,651	3,988,052	3,679,988	3,467,035	3,204,837
	12,354,237	12,042,780	12,805,450	13,572,289	15,779,169	15,227,378
	5,667,460	6,232,000	5,556,999	5,363,901	5,570,605	6,229,784
	1,303,645	1,245,069	1,285,820	1,258,212	1,213,702	1,587,468
	73,812	189,691	365,137	627,226	1,335,078	1,937,137
	862,423	982,019	688,554	2,431,632	2,586,220	2,220,951
	-	-	-	-	-	-
	(284,242)	(6,692,243)	(5,801,963)	15,758	(7,634,242)	(5,859,242)
	<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>	<u>97,094,441</u>
	1,392	1,340	3,056	-	-	-
	716,306	8,824	5,762	9,111	9,012	7,411
	<u>284,242</u>	<u>6,692,243</u>	<u>5,801,963</u>	<u>(15,758)</u>	<u>7,634,242</u>	<u>5,859,242</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>5,866,653</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>	<u>102,961,094</u>
\$	6,144,530	\$ 6,072,634	\$ 6,065,699	\$ 6,003,992	\$ 5,993,622	\$ 6,069,879
	92,988	92,988	92,988	92,988	92,988	92,988
	1,104	2,554	14,614	36,881	80,048	99,699
	44,221	13,918	61,144	55,006	68,581	116,957
\$	<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>	<u>6,379,523</u>
\$	22,274,307	\$ 11,069,087	\$ 5,093,422	\$ 13,504,267	\$ (23,573,727)	\$ 42,531,364
	(2,358,329)	2,594,348	4,996,692	(468,852)	8,282,232	6,107,045
\$	<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>48,638,409</u>
\$	<u>145,251</u>	<u>(640,405)</u>	<u>(229,330)</u>	<u>51,040</u>	<u>71,679</u>	<u>179,713</u>

CITY OF DES PLAINES

NET POSITION BY COMPONENT
Last Ten Calendar Years
(accrual basis of accounting)
December 31, 2019

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Governmental Activities										
Net Investment in Capital Assets	\$ 120,440,844	\$ 116,287,802	\$ 127,408,625	\$ 141,973,412	\$ 156,111,648	\$ 167,177,408	\$ 182,246,337	\$ 196,250,010	\$ 205,869,137	\$ 227,330,641
Restricted	6,995,311	9,031,827	10,266,294	14,869,706	7,201,606	7,229,324	8,933,922	9,570,315	10,381,412	8,863,085
Unrestricted	16,645,504	36,535,484	47,759,170	51,054,710	66,858,881	(60,572,629)	(72,252,734)	(73,388,533)	(117,857,867)	(95,269,680)
Total Governmental Activities Net Position	\$ 144,081,659	\$ 161,855,113	\$ 185,434,089	\$ 207,897,828	\$ 230,172,135	\$ 113,834,103	\$ 118,927,525	\$ 132,431,792	\$ 98,392,682	\$ 140,924,046
Business-type Activities										
Net Investment in Capital Assets	\$ 30,365,465	\$ 30,336,201	\$ 29,713,208	\$ 29,853,240	\$ 29,636,936	\$ 33,676,322	\$ 40,123,012	\$ 40,412,151	\$ 44,262,265	\$ 47,655,343
Unrestricted	5,688,609	4,180,116	4,379,302	2,456,225	314,200	(2,098,497)	(3,548,495)	(4,306,486)	(829,398)	1,884,569
Total Business-type Activities Net Position	\$ 36,034,074	\$ 34,516,317	\$ 34,092,510	\$ 32,309,465	\$ 29,951,136	\$ 31,577,825	\$ 36,574,517	\$ 36,105,665	\$ 43,432,867	\$ 49,539,912
Primary Government										
Net Investment in Capital Assets	\$ 150,806,309	\$ 146,624,003	\$ 157,121,833	\$ 171,826,652	\$ 185,748,584	\$ 200,853,730	\$ 222,369,349	\$ 236,662,161	\$ 250,131,402	\$ 274,985,984
Restricted	6,995,311	9,031,827	10,266,294	14,869,706	7,201,606	7,229,324	8,933,922	9,570,315	10,381,412	8,863,085
Unrestricted	22,314,113	40,715,600	52,138,472	53,510,935	67,173,081	(62,671,126)	(75,801,229)	(77,695,019)	(118,687,265)	(93,385,111)
Total Primary Government Net Position	\$ 180,115,733	\$ 196,371,430	\$ 219,526,599	\$ 240,207,293	\$ 260,123,271	\$ 145,411,928	\$ 155,502,042	\$ 168,537,457	\$ 141,825,549	\$ 190,463,958
Component Unit - Public Library										
Net Investment in Capital Assets	\$ 853,306	\$ 814,501	\$ 802,700	\$ 862,543	\$ 821,084	\$ 1,260,468	\$ 2,901,897	\$ 2,786,046	\$ 2,643,647	\$ 2,579,808
Restricted	2,436,136	3,640,135	4,752,691	5,255,505	5,442,215	3,897,801	2,027,042	2,193,933	2,023,060	2,266,612
Total Component Unit Net Position	\$ 3,289,442	\$ 4,454,636	\$ 5,555,391	\$ 6,118,048	\$ 6,263,299	\$ 5,158,269	\$ 4,928,939	\$ 4,979,979	\$ 4,666,707	\$ 4,846,420

CITY OF DES PLAINES

FUND BALANCES, GOVERNMENTAL FUNDS
Last Ten Calendar Years
(modified accrual basis of accounting)
December 31, 2019

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Fund										
Reserved	\$ 7,980,992									
Unreserved	<u>15,413,074</u>									
Nonspendable	\$ 8,162,664	\$ 8,606,709	\$ 8,606,709	\$ 9,900,296	\$ 13,885,051	\$ 15,702,116	\$ 20,451,434	\$ 24,834,213	\$ 18,279,838	\$ 20,139,602
Assigned	-	4,161,818	4,161,818	13,633,108	9,150,000	6,455,851	7,549,251	6,250,829	11,370,310	7,517,500
Unassigned	<u>21,080,549</u>	<u>22,966,242</u>	<u>20,107,209</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>26,643,211</u>	<u>31,828,170</u>
Total general fund	<u>23,394,066</u>	<u>29,243,213</u>	<u>35,734,769</u>	<u>43,640,613</u>	<u>42,082,405</u>	<u>44,147,452</u>	<u>49,834,478</u>	<u>53,220,922</u>	<u>56,293,359</u>	<u>59,485,272</u>
All Other Governmental Funds										
Restricted	7,372,378									
Unassigned, reported in										
Special revenue funds	<u>(8,172,234)</u>									
Capital projects funds	<u>9,715,559</u>									
Restricted	12,910,496	23,036,807	23,036,807	29,327,541	28,716,570	27,582,864	29,389,921	30,976,615	30,995,961	31,100,356
Assigned	4,276,184	5,329,691	5,329,691	7,458,773	9,143,577	11,670,656	10,629,560	12,549,719	14,057,505	14,449,833
Unassigned	<u>(8,473,704)</u>	<u>(8,604,223)</u>	<u>(8,604,223)</u>	<u>(9,898,603)</u>	<u>(11,311,814)</u>	<u>(13,551,392)</u>	<u>(16,617,185)</u>	<u>(20,781,703)</u>	<u>(24,745,594)</u>	<u>(19,990,071)</u>
Total all other governmental funds	<u>8,915,703</u>	<u>8,712,976</u>	<u>19,762,275</u>	<u>26,887,711</u>	<u>26,548,333</u>	<u>25,702,128</u>	<u>23,402,296</u>	<u>22,744,631</u>	<u>20,307,872</u>	<u>25,560,118</u>
Total Fund Balances	<u>\$ 32,309,769</u>	<u>\$ 37,956,189</u>	<u>\$ 55,497,044</u>	<u>\$ 70,528,324</u>	<u>\$ 68,630,738</u>	<u>\$ 69,849,580</u>	<u>\$ 73,236,774</u>	<u>\$ 75,965,553</u>	<u>\$ 76,601,231</u>	<u>\$ 85,045,390</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.

CITY OF DES PLAINES

CHANGE IN FUND BALANCES, GOVERNMENTAL FUNDS

Last Ten Calendar Years
(modified accrual basis of accounting)
December 31, 2019

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Revenues										
Taxes	\$ 46,081,248	\$ 57,820,338	\$ 71,792,893	\$ 71,304,087	\$ 71,718,684	\$ 71,308,608	\$ 72,841,989	\$ 73,149,164	\$ 73,391,392	\$ 75,582,470
Licenses and permits	4,054,683	3,086,311	2,781,329	2,924,191	3,331,833	2,921,119	3,147,534	3,556,348	3,708,677	3,822,654
Intergovernmental	29,252,026	21,250,400	20,898,936	23,322,717	24,709,609	30,460,684	27,605,915	32,852,498	31,852,420	45,845,514
Charges for services	8,622,603	8,668,091	9,123,875	8,534,072	7,286,945	7,112,363	7,353,189	7,049,701	6,674,391	6,878,010
Fines and forfeits	1,852,008	1,605,620	1,385,406	1,438,877	1,339,069	1,399,110	1,429,415	1,338,860	1,260,540	1,118,343
Investment income	71,106	81,711	159,756	-	-	-	302,128	572,919	1,288,922	1,937,137
Contributions	654,060	848,601	96,019	89,592	73,796	189,649	-	-	-	-
Miscellaneous	586,682	653,854	655,432	630,969	521,110	608,783	387,335	677,046	2,552,341	829,827
Total revenues	<u>91,174,416</u>	<u>94,014,926</u>	<u>106,893,646</u>	<u>108,244,505</u>	<u>108,981,046</u>	<u>114,000,316</u>	<u>113,067,505</u>	<u>119,196,536</u>	<u>120,728,683</u>	<u>136,013,955</u>
Expenditures										
General government	7,074,551	14,294,213	23,581,990	23,406,276	23,731,696	23,872,798	24,608,571	24,885,651	25,158,103	26,569,349
Public safety	34,559,879	37,181,399	37,425,172	38,330,364	38,839,128	42,089,956	42,554,371	44,022,632	44,481,393	45,251,535
Public works	5,526,605	7,365,744	6,353,113	7,012,067	6,205,746	8,478,634	7,657,446	8,577,607	9,149,459	8,822,110
Streets and highways	4,236,133	5,042,655	5,121,531	6,363,552	6,973,465	14,377,215	4,780,492	5,439,242	5,537,005	5,480,966
Economic development	1,761,408	1,195,611	1,435,613	1,855,126	2,238,851	3,353,616	2,349,895	1,857,238	2,252,812	3,555,924
Capital outlay	10,008,489	15,060,979	7,157,384	12,433,717	15,218,577	9,002,696	17,195,681	26,199,915	20,328,299	28,719,653
Debt service										
Principal retirement	6,801,692	7,152,599	5,094,229	9,793,365	8,151,298	4,459,385	3,982,633	6,611,053	4,959,652	4,045,940
Interest and fiscal charges	2,936,858	2,362,196	2,087,675	2,036,609	1,325,139	867,944	749,259	649,961	699,551	585,011
Payment to Refunding Bond Escrow	-	815,034	1,171,690	-	-	-	-	-	-	-
Total expenditures	<u>72,905,615</u>	<u>90,470,430</u>	<u>89,428,397</u>	<u>101,231,076</u>	<u>102,683,900</u>	<u>106,502,244</u>	<u>103,878,348</u>	<u>118,243,299</u>	<u>112,566,274</u>	<u>123,030,488</u>
Excess (deficiency) of revenues over expenditures	<u>18,268,801</u>	<u>3,544,496</u>	<u>17,465,249</u>	<u>7,013,429</u>	<u>6,297,146</u>	<u>7,498,072</u>	<u>9,189,157</u>	<u>953,237</u>	<u>8,162,409</u>	<u>12,983,467</u>
Other financing sources (uses)										
Proceeds from issuance of debt	10,055,760	3,540,000	3,765,000	7,945,000	7,620,000	-	-	-	12,410,000	-
Premium on bond issuance	-	40,452	41,230	-	160,309	-	-	-	297,149	-
Discount on bond issuance	-	-	-	215,045	-	-	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-	-	-	-	1,759,784	-	1,319,934
Payments to escrow agent	(9,123,820)	(3,541,973)	(3,746,382)	-	(15,723,599)	-	-	-	(12,599,628)	-
Transfers in	2,860,136	3,800,215	2,284,805	10,035,399	11,070,507	8,499,420	6,499,811	12,091,093	10,950,607	11,663,240
Transfers (out)	(1,597,704)	(3,637,516)	(2,269,047)	(10,177,593)	(11,321,949)	(14,778,650)	(12,301,774)	(12,075,335)	(18,584,849)	(17,522,482)
Total other financing sources (uses)	<u>2,194,372</u>	<u>201,178</u>	<u>75,606</u>	<u>8,017,851</u>	<u>(8,194,732)</u>	<u>(6,279,230)</u>	<u>(5,801,963)</u>	<u>1,775,542</u>	<u>(7,526,721)</u>	<u>(4,539,308)</u>
Special Items	-	1,900,746	-	-	-	-	-	-	-	-
Net Changes in Fund Balance	<u>\$ 20,463,173</u>	<u>\$ 5,646,420</u>	<u>\$ 17,540,855</u>	<u>\$ 15,031,280</u>	<u>\$ (1,897,586)</u>	<u>\$ 1,218,842</u>	<u>\$ 3,387,194</u>	<u>\$ 2,728,779</u>	<u>\$ 635,688</u>	<u>\$ 8,444,159</u>
Debt service as a percentage of noncapital expenditures	15.3%	12.1%	8.5%	13.2%	10.6%	5.8%	5.4%	7.8%	6.0%	4.9%

CITY OF DES PLAINES

ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY

Last Ten Levy Years

December 31, 2019

Levy Year	Equalized Assessed Value			Total Equalized Assessed Value	Total Direct Rate	Total Actual Value
	Real Estate Property	Air Pollution Control District	Railroad Property			
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
2018	1,927,585,357	766	4,241,510	1,931,827,633	1.306	5,795,540,854

Source: Cook County Clerk's Office

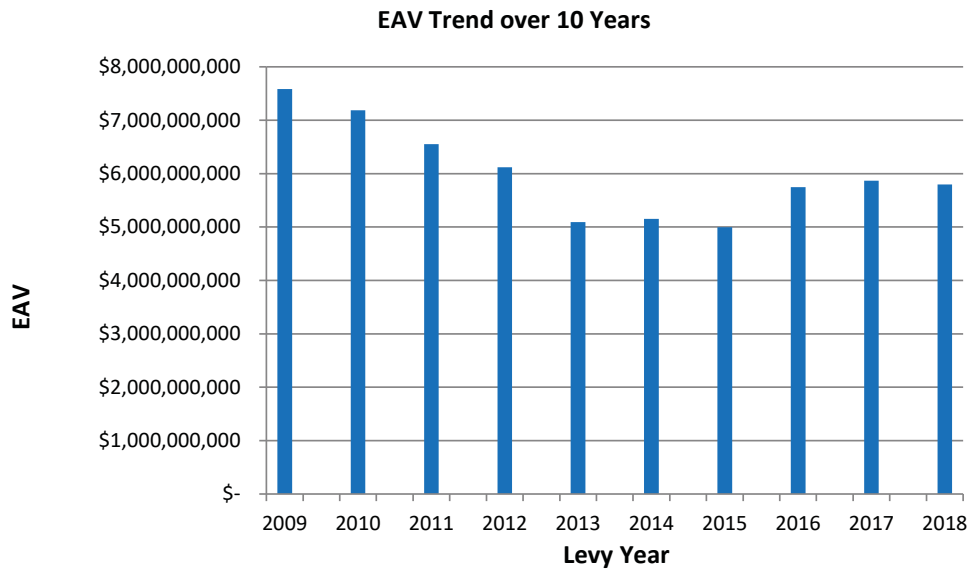
Note: Property is reassessed once every three years. Property is assessed at 1/3 actual value. Tax rates are per \$100 of assessed value. Fiscal year data is based on the previous calendar year's (levy year) assessed value (i.e. data presented for the Fiscal Year-ended December 31, 2019 is based on the 2018 assessed value.)

CITY OF DES PLAINES

TREND OF EQUALIZED ASSESSED VALUATIONS Last Ten Levy Years December 31, 2019

Levy Year	Equalized Assessed Value	Percentage Increase (Decrease)	Estimated Actual Value	Ratio of Equalized Assessed Value to Estimated Actual Value
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%
2018	1,931,827,633	(1.23%)	5,795,482,899	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 December 31, 2019

Tax Levy Year	Total	City										School (1)	Other (2)
		City	Corporate	Bonds & Interest	Police Pension	Fire Pension	Library	Cook County	Water Reclamation District	Park District			
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	
2018	10.274	1.306	0.6752	-	0.3249	0.3056	0.326	0.489	0.396	0.515	7.019	0.223	

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 2018 PROPERTY TAX LEVY COLLECTED IN 2019 December 31, 2019

	2009		2010		2011		2012		2013	
	Tax per \$100 of Equalized Assessed Valuation	Percentage	Tax per \$100 of Equalized Assessed Valuation	Percentage	Tax per \$100 of Equalized Assessed Valuation	Percentage	Tax per \$100 of Equalized Assessed Valuation	Percentage	Tax per \$100 of Equalized Assessed Valuation	Percentage
City of Des Plaines	\$ 0.917	0.139 %	\$ 0.999	0.139 %	\$ 1.089	0.135 %	\$ 1.166	0.130 %	\$ 1.401	0.129 %
Des Plaines Library	0.257	0.039	0.280	0.039	0.300	0.037	0.317	0.035	0.375	0.035
High School District 207	1.617	0.245	1.782	0.248	1.995	0.247	2.215	0.247	2.722	0.251
Oakton College District	0.140	0.021	0.160	0.022	0.196	0.024	0.219	0.024	0.256	0.024
School District 62	2.492	0.378	2.741	0.381	3.107	0.384	3.490	0.389	4.255	0.393
Des Plaines Park District	0.317	0.048	0.338	0.047	0.379	0.047	0.425	0.047	0.531	0.049
Cook County	0.415	0.063	0.423	0.059	0.462	0.057	0.531	0.059	0.560	0.052
Metro Water Reclamation Dist	0.261	0.040	0.274	0.038	0.320	0.040	0.370	0.041	0.417	0.038
N.W. Mosquito Abatement Dist	0.008	0.001	0.009	0.001	0.010	0.001	0.011	0.001	0.013	0.001
Suburban T.B. Sanitarium	-	-	-	-	-	-	-	-	-	-
Maine Township	0.117	0.018	0.131	0.018	0.174	0.022	0.168	0.019	0.241	0.022
Cook County Forest Preserve	0.049	0.007	0.051	0.007	0.058	0.007	0.063	0.007	0.069	0.006
TOTAL	\$ 6.590	100.00 %	\$ 7.188	100.00 %	\$ 8.090	100.00 %	\$ 8.975	100.00 %	\$ 10.840	100.00 %

(Continued)

Source: Cook County Clerk's Office

CITY OF DES PLAINES

MAINE TOWNSHIP

ALLOCATION OF THE 2018 PROPERTY TAX LEVY COLLECTED IN 2019
December 31, 2019

	2014		2015		2016		2017		2018	
	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	\$ 1.385	0.128 %	\$ 1.429	0.126 %	\$ 1.242	0.125 %	\$ 1.216	0.123 %	\$ 1.306	0.127 %
Des Plaines Library	0.365	0.034	0.373	0.033	0.324	0.033	0.322	0.032	0.326	0.032
High School District 207	2.739	0.252	2.901	0.256	2.507	0.253	2.529	0.255	2.652	0.258
Oakton College District	0.258	0.024	0.271	0.024	0.231	0.023	0.232	0.023	0.246	0.024
School District 62	4.293	0.395	4.487	0.396	3.921	0.396	3.940	0.397	4.121	0.401
Des Plaines Park District	0.529	0.049	0.556	0.049	0.485	0.049	0.493	0.050	0.515	0.050
Cook County	0.568	0.052	0.552	0.049	0.533	0.054	0.527	0.053	0.489	0.048
Metro Water Reclamation Dist	0.430	0.040	0.426	0.038	0.406	0.041	0.402	0.041	0.396	0.039
N.W. Mosquito Abatement Dist	0.013	0.001	0.011	0.001	0.010	0.001	0.010	0.001	0.011	0.001
Suburban T.B. Sanitarium	-	-	-	-	-	-	-	-	-	-
Maine Township	0.210	0.019	0.254	0.022	0.191	0.019	0.183	0.018	0.152	0.015
Cook County Forest Preserve	0.069	0.006	0.069	0.006	0.063	0.006	0.062	0.006	0.060	0.006
TOTAL	\$ 10.859	100.00 %	\$ 11.329	100.00 %	\$ 9.913	100.00 %	\$ 9.916	100.00 %	\$ 10.274	100.00 %

CITY OF DES PLAINES

ELK GROVE TOWNSHIP TYPICAL TAX RATES PER \$100 OF EQUALIZED ASSESSED VALUATION Last Ten Calendar Years December 31, 2019

Tax Levy Year	Total	City										Water Reclamation District	Park District (3)	School (1)	Other (2)
		City	Corporate	Bonds & Interest	Police Pension	Fire Pension	Library	Cook County	Water Reclamation District	Park District (3)	School (1)				
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			
2018	9.601	1.306	0.6752	-	0.3249	0.3056	0.326	0.489	0.396	0.633	6.285	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, and Forest Preserve.

(3) Mount Prospect Park District

Source: Cook County Clerk's Office

CITY OF DES PLAINES

ELK GROVE TOWNSHIP
 ALLOCATION OF THE 2018 PROPERTY TAX LEVY COLLECTED IN 2019
 December 31, 2019

	2009	2010	2011	2012	2013
	Tax per \$100 of Equalized Assessed Valuation	Tax per \$100 of Equalized Assessed Valuation	Tax per \$100 of Equalized Assessed Valuation	Tax per \$100 of Equalized Assessed Valuation	Tax per \$100 of Equalized Assessed Valuation
	Percentage	Percentage	Percentage	Percentage	Percentage
City of Des Plaines	\$ 0.917	\$ 0.999	\$ 1.089	\$ 1.166	\$ 1.401
	0.147 %	0.146 %	0.142 %	0.138 %	0.140 %
Des Plaines Library	0.257	0.280	0.300	0.317	0.375
High School District 214	1.636	1.839	2.067	2.324	2.768
Harper College District 512	0.258	0.295	0.334	0.373	0.444
School District 59	1.945	2.129	2.422	2.673	3.172
Mt. Prospect Park District	0.411	0.453	0.502	0.557	0.657
Cook County	0.394	0.423	0.462	0.531	0.560
Metro Water Reclamation District	0.261	0.274	0.320	0.370	0.417
N.W. Mosquito Abatement District	0.008	0.009	0.010	0.011	0.013
Elk Grove Township	0.085	0.071	0.106	0.092	0.142
Forest Preserve District	0.049	0.051	0.058	0.063	0.069
TOTAL	\$ 6.221	\$ 6.823	\$ 7.670	\$ 8.477	\$ 10.018
	1.000	1.000	1.000	1.000	1.000

Source: Cook County Clerk's Office

(Continued)

CITY OF DES PLAINES

ELK GROVE TOWNSHIP
 ALLOCATION OF THE 2018 PROPERTY TAX LEVY COLLECTED IN 2019
 December 31, 2019

	2014		2015		2016		2017		2018	
	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	\$ 1.385	0.139 %	\$ 1.429	0.138 %	\$ 1.242	0.135 %	\$ 1.216	0.131 %	\$ 1.306	0.136 %
Des Plaines Library	0.365	0.037	0.373	0.036	0.324	0.035	0.322	0.035	0.326	0.034
High School District 214	2.776	0.278	2.881	0.279	2.527	0.274	2.563	0.277	2.669	0.278
Harper College District 512	0.451	0.045	0.466	0.045	0.416	0.045	0.425	0.046	0.443	0.046
School District 59	3.176	0.318	3.291	0.319	2.998	0.326	3.031	0.327	3.173	0.330
Mt. Prospect Park District	0.654	0.065	0.681	0.066	0.594	0.065	0.609	0.066	0.633	0.066
Cook County	0.568	0.057	0.552	0.053	0.533	0.058	0.527	0.057	0.489	0.051
Metro Water Reclamation District	0.430	0.043	0.426	0.041	0.406	0.044	0.402	0.043	0.396	0.041
N.W. Mosquito Abatement District	0.013	0.001	0.011	0.001	0.010	0.001	0.010	0.001	0.011	0.001
Elk Grove Township	0.111	0.011	0.147	0.014	0.095	0.010	0.094	0.010	0.095	0.010
Forest Preserve District	0.069	0.007	0.069	0.007	0.063	0.007	0.062	0.007	0.060	0.006
TOTAL	\$ 9.998	\$ 1.000	\$ 10.326	\$ 1.000	\$ 9.208	\$ 1.000	\$ 9.261	\$ 1.000	\$ 9.601	\$ 1.000

CITY OF DES PLAINES

PROPERTY TAX RATES AND EXTENSIONS Last Ten Calendar Years December 31, 2019

Property Tax Levy Year	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Property tax rates (1)										
General corporate	0.6102	0.6569	0.7509	0.7900	0.8906	0.8619	0.8400	0.6901	0.6495	0.6752
Police pension	0.1320	0.1436	0.1637	0.1849	0.2518	0.2579	0.3094	0.2824	0.2923	0.3249
Firefighters' pension	0.1239	0.1461	0.1687	0.1854	0.2518	0.2579	0.2722	0.2635	0.2738	0.3056
General bond retirement	0.0507	0.0515	0.0052	0.0054	0.0067	0.0067	0.0067	0.0057	-	-
Total property tax rates	0.9168	0.9981	1.0885	1.1657	1.4009	1.3844	1.4283	1.2417	1.2156	1.3057
Property tax extensions (2)										
General corporate	\$ 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	\$ 13,043,045
Police pension	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	6,276,820
Firefighters' pension	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	5,903,960
General bond retirement	1,281,557	1,233,477	113,663	110,670	112,928	114,986	111,594	108,203	-	-
Total property tax extensions	\$ 23,181,759	\$ 23,900,708	\$ 23,777,809	\$ 23,777,752	\$ 23,777,796	\$ 23,777,835	\$ 23,777,770	\$ 23,777,706	\$ 23,775,645	\$ 25,223,825

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, 2019

<u>Taxpayer</u>	<u>Type of Business/Property</u>	<u>2018 Equalized Assessed Valuation</u>	<u>Percentage of Total Taxable Assessed Value</u>	<u>2009 Equalized Assessed Valuation</u>	<u>Percentage of Total Taxable Assessed Value</u>
Midwest Gaming	Real Property	\$ 70,323,176	3.64%	\$ -	0.00%
Honeywell Specialty Materials	Real Property	16,575,803	0.86%	-	0.00%
Willie Road LLC	Real Property	15,561,008	0.81%	14,987,340	0.59%
Juno Lighting Inc	Lighting Products	14,809,323	0.77%	-	0.00%
Individual	Real Property	14,223,790	0.74%	13,708,950	0.54%
Cambridge Realty Cap	Real Property	14,143,602	0.73%	22,663,767	0.90%
Marc Realty	Real Property	14,045,625	0.73%	23,703,261	0.94%
Colliers Agent GSA DP	Real Property	13,856,785	0.72%	14,272,859	0.56%
Abbott Labs	Medical Laboratories	12,219,801	0.63%	-	0.00%
Apple Reit Ten	Real Property	11,605,068	0.60%	-	0.00%
Universal Oil Products	Chemicals Manufacturer	-	0.00%	35,139,955	1.39%
O'Hare Lakes Office Plaza LLC	Office Complex	-	0.00%	24,845,850	0.98%
Michael Alesia and Associates	Law Firm	-	0.00%	19,987,008	0.79%
MR Properties	Real Estate	-	0.00%	16,685,763	0.66%
AMB Property Corp.	Real Estate	-	0.00%	<u>13,502,701</u>	0.53%
Total		<u>\$ 197,363,981</u>	<u>10.22%</u>	<u>\$ 199,497,454</u>	<u>7.89%</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, 2019

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)		Ratio of Total Collections to Tax Levy
							Total Tax Levy (1)	Collections of Current Years' Taxes During Fiscal Period	
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%
2019	2018	24,489,150	734,675	25,223,825	25,048,080	99.30%	(273,001)	24,775,079	98.22%

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, 2019

Calendar Year	Property Value (2)	Construction (1)				Total Value of All Construction (including Commercial)
		Single Family		Multi Family		
		Number of Permits	Value	Number of Permits	Value	
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
2019	5,795,541	44	11,524	0	-	186,627

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, 2019

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

Municipal Tax Receipts	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
General merchandise	\$ 771,336	\$ 650,391	\$ 824,518	\$ 843,123
Food stores	1,095,458	1,257,449	1,278,062	1,249,969
Drinking & eating places	724,125	729,854	741,941	730,377
Apparel	36,512	198,196	29,967	26,424
Furniture, household & radio	31,404	32,582	26,321	32,240
Lumber, building & hardware	260,546	269,916	317,475	323,560
Automotive & filling stations	1,625,739	1,828,791	2,119,681	1,996,562
Drugs and miscellaneous retail	1,251,284	761,144	1,062,002	4,956,258
Agriculture & all others	1,437,307	1,616,740	2,137,505	2,240,236
Manufacturers	<u>616,291</u>	<u>469,636</u>	<u>239,563</u>	<u>82,321</u>
Total	<u>\$ 7,850,002</u>	<u>\$ 7,814,699</u>	<u>\$ 8,777,034</u>	<u>\$ 12,481,071</u>
City direct sales tax rate	1.00%	1.00%	1.00%	1.00%

Source: Illinois Department of Revenue

Notes:

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

	2014	2015	2016	2017	2018	2019
\$	93,275,606	\$ 100,099,051	\$ 35,167,584	\$ 27,978,102	\$ 28,132,749	\$ 27,172,065
	120,614,055	108,321,547	163,688,429	196,586,098	228,074,499	210,242,005
	72,325,651	76,909,780	102,934,518	112,375,617	116,873,415	120,714,535
	2,862,560	2,716,360	2,360,370	2,596,049	2,775,415	2,330,147
	3,601,935	4,973,366	5,990,700	5,652,031	6,479,594	6,769,379
	40,960,823	38,800,644	38,026,972	42,380,819	43,414,194	43,890,578
	200,108,721	198,372,235	213,047,106	232,453,450	269,867,872	298,951,411
	316,973,432	245,409,242	260,867,328	271,432,828	374,442,861	270,568,214
	236,368,575	269,355,814	281,690,560	272,499,793	294,101,456	304,495,513
	34,309,375	29,507,385	35,014,657	42,300,721	42,220,486	43,587,023
	<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>	<u>\$ 1,328,720,870</u>
	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
\$	932,756	\$ 1,000,991	\$ 351,676	\$ 279,781	\$ 281,327	\$ 271,721
	1,206,141	1,083,215	1,636,884	1,965,861	2,280,745	2,102,420
	723,257	769,098	1,029,345	1,123,756	1,168,734	1,207,145
	28,626	27,164	23,604	25,960	27,754	23,301
	36,019	49,734	59,907	56,520	64,796	67,694
	409,608	388,006	380,270	423,808	434,142	438,906
	2,001,087	1,983,722	2,130,471	2,324,535	2,698,679	2,989,514
	3,169,734	2,454,092	2,608,673	2,714,328	3,744,429	2,705,682
	2,363,686	2,693,558	2,816,906	2,724,998	2,941,015	3,044,955
	343,094	295,074	350,147	423,007	422,205	435,870
	<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>	<u>\$ 13,287,209</u>
	1.00%	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, 2019

Fiscal Year	Governmental Activities						
	Debt Service General Obligation Bonds	Tax Increment Financing General Obligation Bonds	Tax Increment Financing Capital Appreciation Bonds (2)	Capital Projects General Obligation Bonds	Equipment Replacement Installment Notes Payable	Tax Increment Revenue Note Incentive Agreement	Short Term Note Payable
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	-
2019	-	16,545,000	2,764,246	-	87,500	79,926	-

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

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

Source: Audited financial statements

Business-Type Activities

<u>Water General Obligation Bonds</u>	<u>Unamortized (Discounts) / Premiums</u>	<u>Total Primary Government</u>	<u>Outstanding Debt as Percentage of Personal Income</u>	<u>Outstanding Debt Per Capita</u>	<u>Personal Income (thousands) of dollars)</u>	<u>Population</u>
\$ 1,100,000	\$ 429,628	\$ 72,751,453	2.19%	\$ 1,247	\$ 3,319,219	58,364
730,000	409,325	64,909,783	1.96%	1,112	3,319,219	58,364
365,000	370,687	58,803,317	1.77%	1,008	3,319,219	58,364
-	541,672	57,298,374	1.73%	982	3,319,219	58,364
-	386,636	41,676,351	1.26%	714	3,319,219	58,364
-	287,237	37,694,630	1.14%	646	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
-	338,990	23,693,778	0.71%	406	3,319,219	58,364
-	256,889	19,733,561	0.59%	338	3,319,219	58,364

CITY OF DES PLAINES

RATIO NET GENERAL OBLIGATION BONDED DEBT TO
 ASSESSED VALUE AND NET GENERAL OBLIGATION BONDED DEBT PER CAPITA
 Last Ten Calendar Years
 December 31, 2019

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
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	33,561,615	2.02	575.04
2017	58,364	1,915,029,885	27,647,741	1.44	473.71
2018	58,364	1,955,916,247	23,061,421	1.18	395.13
2019	58,364	1,931,827,633	19,566,135	1.01	335.24

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

December 31, 2019

Fiscal Year	Principal	Interest and Fiscal Charges	Total Debt Service	Total General Expenditures (1)	Ratio of Debt Service to Total General Expenditures
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
2019	4,045,940	585,011	4,627,951	117,036,571	3.75

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, 2019

Governmental Unit	Outstanding Debt (1)	Percent (2)	Applicable to the City Amount
<u>City of Des Plaines</u>			
General Obligation Debt	\$ 19,309,246	100.00%	\$ 19,309,246
Tax Increment Financing Revenue Bonds	79,926	100.00%	79,926
Loans Payable	87,500	100.00%	87,500
Unamortized (Discounts) / Premiums	256,889	100.00%	256,889
Subtotal - Direct Debt	19,733,561		\$ 19,733,561
Cook County	\$ 2,950,121,750	1.22%	\$ 35,858,656
Cook County Forest Preserve District	142,360,000	1.22%	1,730,382
Metropolitan Water Reclamation District	2,348,253,000	1.24%	29,055,234
Des Plaines Park District	7,530,000	94.68%	7,129,069
Mt. Prospect Park District	15,987,788	18.89%	3,020,344
School District No. 26	12,870,000	7.49%	964,015
School District No. 57	6,450,000	1.25%	80,405
School District No. 59	32,355,000	11.36%	3,676,226
School District No. 62	35,365,000	90.64%	32,056,093
School District No. 64	2,405,000	0.00% (3)	68
High School District No. 207	128,780,000	34.92%	44,967,697
High School District No. 214	33,010,000	3.73%	1,231,273
Harper Community College District No. 512	103,580,000	1.69%	1,754,114
Oakton Community College District No. 535	30,000,000	7.21%	2,164,121
Subtotal - Overlapping Debt	5,849,067,538		163,687,697
Total Direct and Overlapping Debt	\$ 5,868,801,099		\$ 183,421,258

Notes:

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

(2) Applicable percentages are based on 2018 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 .0011%

Data Sources

Continuing Disclosure Speer Financial
Assessed Valuation - Cook County Clerk
Outstanding Bonds - Cook County Clerk

CITY OF DES PLAINES

DEMOGRAPHIC STATISTICS

Last Ten Calendar Years

December 31, 2019

<u>Fiscal Year</u>	<u>Population (1)</u>	<u>Personal Income (thousands) (1)</u>	<u>Median Household Income (1)</u>	<u>Per Capita Income (1)</u>	<u>Median Age (1)</u>	<u>Education Level in Years of Schooling</u>	<u>School Enrollment (2)</u>	<u>Unemployment Rate (3)</u>
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
2019	58,364	3,319,219	56,871	27,562	42.0	12+	8,049	3.2

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, 2019

Employer	2019		2010	
	Employees (1)	Percentage City Total Employment	Employees	Percentage City Total Employment
Universal Oil Products	1,550	3.9%	2,000	6.6%
Rivers Casino	1,450	3.6%	-	0.0%
Holy Family	1,036	2.6%	1,036	3.4%
LSG SkyChefs	1,000	2.5%	-	0.0%
Oakton Community College	990	2.5%	990	3.3%
School District 62	962	2.4%	-	0.0%
Wheels Inc.	800	2.0%	700	2.3%
Sysco Food Services	640	1.6%	550	1.8%
Warehouse Direct	450	1.1%	760	2.5%
American Eagle	450	1.1%	-	0.0%
Juno Lighting	400	1.0%	-	0.0%
W-Diamond Group	400	1.0%	-	0.0%
Abbot Molecular	400	1.0%	400	1.3%
Swissport USA, Inc	-	0.0%	1,500	5.0%
Lawson	-	0.0%	480	1.6%
Hart Schaffner & Marx	-	0.0%	800	2.6%
Ciba Vision Corp.	-	0.0%	400	1.3%
Total	10,528	26.3%	9,616	31.8%
City Total Employment (2)	40,104	26.3%	30,204	31.8%

(1) 2019 Illinois Manufacturer's Directory, 2019 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, 2019

<u>Function/Program</u>	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Elected Office	3.00	2.75	3.00	3.00	3.00	3.25	3.25	3.25	3.25	3.75
General Government										
Manager's Department	16.50	16.75	16.75	14.75	14.75	15.50	16.00	19.25	21.00	20.50
Finance	14.00	14.00	14.00	14.00	15.75	16.25	16.25	16.25	16.50	16.50
Police										
Officers	96.00	95.00	95.00	95.00	96.00	97.00	97.00	98.00	98.00	100.00
Civilians	22.00	21.00	21.00	21.00	21.00	21.00	21.00	21.00	21.00	20.00
Fire										
Firefighters and officers	96.00	96.00	96.00	96.00	96.00	96.00	96.00	96.00	96.00	96.00
Civilians	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.75	2.75
Public Works and Engineering										
Public Works & Engineering (new)	82.25	79.25	79.25	79.50	80.00	81.00	81.00	81.00	82.00	82.75
Community Development	18.00	16.00	16.00	16.00	16.00	18.25	18.25	18.25	18.75	18.75
EMA	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.50	1.50
DPECC	(1)	-	-	22.75	23.00	21.00	-	-	-	-
Subtotal	351.25	344.25	344.50	365.50	369.00	372.75	352.25	356.50	360.75	362.50
Library	72.40	66.50	64.80	64.80	64.80	64.60	65.10	66.70	66.70	66.90
Total	423.65	410.75	409.30	430.30	433.80	437.35	417.35	423.20	427.45	429.40

Source: Finance Department Budget documents

Notes:

(1) 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, 2019

Function/Program	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Police										
Physical arrests (1)	1,629	1,279	2,208	1,150	892	812	885	753	594	546
Compliance and Parking Violations	14,926	16,228	13,656	12,871	10,973	7,234	7,407	10,212	11,329	12,287
Traffic violations	11,461	7,309	6,643	5,506	4,590	3,188	2,083	1,046	3,420	3,014
Fire										
Emergency Medical Calls	4,946	5,244	5,451	5,382	5,647	5,842	6,060	6,126	6,720	7,013
Fires/Reports of Fires	1,269	1,085	1,120	1,088	1,172	1,100	924	1,045	1,158	1,202
Other Emergency Calls	769	1,261	1,024	1,063	1,084	958	1,010	879	1,063	971
Inspections	1,534	4,962	4,304	4,312	4,177	3,534	3,233	3,803	3,211	4,146
Engineering										
Street resurfacing (square yards)	55,400	51,500	29,700	60,903	167,781	113,115	17,016	107,860	21,942	95,939
Sidewalks removed & replaced (sq ft)	43,500	37,000	69,300	141,162	173,959	101,456	54,635	164,542	126,882	158,174
Snow and ice control (tons of salt)	3,782	1,781	1,143	6,350	4,290	5,600	2,983	2,436	4,738	4,724
Community Development										
Building permits issued	8,229	3,366	2,679	2,956	2,758	2,766	3,105	2,994	3,258	2,831
Overall inspection totals	16,010	15,804	15,804	12,760	13,079	11,400	12,304	13,190	17,478	17,408
Health										
Home health visits	121	119	91	79	73	87	101	61	34	18
Library										
Volumes in collection (3)	257,661	263,736	257,406	255,559	251,361	310,678	318,170	358,969	325,358	396,332
Total volumes borrowed	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	944,426
Total annual attendance	582,096	598,389	575,017	564,257	549,244	590,284	496,845	439,369	417,030	397,612
Total resident library cards still active	33,135	33,784	34,440	34,347	34,845	33,270	33,805	32,644	28,404	26,151
Water										
Water Main Breaks	110	96	170	141	105	80	124	88	122	94
New Connections	65	40	20	19	36	8	23	37	126	76
Number of Consumers	17,441	17,036	17,033	17,058	17,072	17,068	17,091	17,070	17,143	17,102
Miles of Water Mains	247	221	221	221	221	225	225	225	225	225
Average daily consumption (gallons)	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	6,133,294
Daily average consumption per Capita (gallons)	115	116	123	115	109	112	114	108	108	105
Number of Fire Hydrants	2,679	2,681	2,350	2,350	2,350	2,350	2,350	2,350	2,350	2,350
Sewer										
Sanitary sewer replaced (linear feet)	88	65	341	1,164	470	372	339	306	1,012	525
Sanitary sewer televised (linear feet)	42,322	43,406	37,310	27,733	15,187	21,035	10,231	44,172	45,201	106,242
Sanitary sewer cleaned (linear feet)	204,470	131,496	179,998	98,777	91,738	121,331	98,420	157,396	165,213	201,822
Sanitary sewer lined (linear feet)	12,037	3,420	10,045	-	3,102	174	2,111	2,111	22,041	13,396
Municipal Parking Lots										
Metra (2)	54,294	43,257	49,669	48,591	44,105	52,965	54,158	55,546	80,657	78,890
City Owned (2)	17,275	17,283	20,173	36,218	54,513	37,908	34,710	34,597	33,012	34,874
Transit										
Taxi Cab cards issued (4)	275	-	-	-	-	-	-	-	-	-
Number of participants in the Subsidized Taxi Voucher P	-	780	938	1,076	1,124	1,112	1,109	-	-	-
Handicapped Participants issued	75	66	40	45	23	18	19	61	17	39

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, 2019

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<u>Function/Program</u>										
Police										
Station	1	1	1	1	1	1	1	1	1	1
Sworn Police Officers	94	93	93	93	93	92	96	96	94	98
Fire Stations										
Station	3	3	3	3	3	3	3	3	3	3
Sworn Firefighters	95	92	92	92	92	92	92	92	92	92
Other Public Works										
Streets (miles)*	145	145	145	145	145	145	145	145	145	145
Streetlights	738	722	723	723	787	787	787	787	787	832
Traffic Signals	2	2	2	2	1	4	3	3	3	3
Water										
Water mains (miles)	247	221	221	221	221	225	225	225	225	225
Fire hydrants	2,679	2,681	2,350	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, 2019

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Gallons sold										
Residential	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	1,198,481
Commercial	516,464	494,478	486,179	470,197	493,685	535,931	536,218	420,324	425,349	441,361
Industrial	128,891	131,321	112,454	113,281	119,147	102,580	112,064	108,287	120,994	124,873
Totals	1,925,417	1,900,041	2,047,200	1,842,006	1,865,603	1,862,771	1,802,800	1,743,858	1,726,090	1,764,715
Water rate per 1,000 gallons	\$4.56	\$4.56	\$5.45	\$5.82	\$6.25	\$6.75	\$6.75	\$6.82	\$6.88	\$6.92
Storm Sewer rate per 1,000 gallons	\$1.20	\$1.20	\$1.20	\$1.20	\$1.20	\$0.76	\$0.76	\$0.76	\$0.76	\$0.76

Source: City of Des Plaines Water Consumption Report

CITY OF DES PLAINES

MISCELLANEOUS STATISTICS December 31, 2019

Date of incorporation (Town of Rand)	1857
Form of government	City Manager
Building permits:	
Permits issued	2,831
Estimated value	\$186,627,856
Fire protection:	
Number of stations	3
Number of sworn firefighters	92
Police protection:	
Number of stations	1
Number of sworn police officers	98
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, 2019	
Full time	341.00
Part time	21.50
Total	<u>362.50</u> (1)
Population	
1880	818
1890	986
1900	1,666
1910	2,348
1920	3,451
1930	8,798
1940	9,518
1950	14,994
1960	34,886
1970	57,237
1980	53,568
1990	53,414
2000	56,945
2007	58,710
2010	58,364

CITY OF DES PLAINES

MISCELLANEOUS STATISTICS December 31, 2019

Area and land use - City of Des Plaines

Total area December 31, 2019 - 9,198.54 acres or 14.334 square miles (based on municipal boundary data)

Distribution of land uses

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

Data Sources

U.S. Census Bureau and Various City Departments.

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

2020 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**

5/13/2020

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

State Fiscal Year Ending June 30	State Sales Tax Distributions(2)	Home Rule Sales Tax Distributions	Total Distributions	Percentage Change + (-)
2010	\$ 7,654,977	\$4,850,113	\$12,505,090	(4.84%) (3)
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%
2019	13,161,529	6,684,045	19,845,574	(0.19%)
Growth from 2010 to 2019				58.70%

- 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 2010 percentage is based on a 2009 sales tax receipts of \$13,140,676.

DEBT INFORMATION

General Obligation Debt – By Issue(1)

Issue Date	Issue Name	Principal Outstanding	Supported By
4/1/2008	Taxable General Obligation Corporate Purpose Refunding Bonds, Series 2008A	\$ 240,000	TIF Revenues
11/3/2009	Taxable General Obligation Refunding Bonds, Series 2009A	1,566,917	TIF Revenues
12/22/2011	General Obligation Refunding Bonds, Series 2011	750,000	TIF Revenues
12/18/2012	General Obligation Refunding Bonds, Series 2012	495,000	TIF Revenues
12/17/2013	Taxable General Obligation Refunding Bonds, Series 2013	1,830,000	TIF Revenues
9/4/2014	Taxable General Obligation Refunding Bonds, Series 2014A	670,000	TIF Revenues
9/4/2014	General Obligation Refunding Bonds, Series 2014B	1,365,000	TIF Revenues, Sales and Utility Taxes/Fees
3/20/2018	General Obligation Refunding Bonds, Series 2018	11,195,000	TIF Revenues
Total		\$ 18,111,917	
Less Self Supporting		(18,111,917)	
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
2020	\$ 3,937,668	\$ 3,937,668	\$ 3,937,668	21.74%
2021	2,855,713	2,855,713	6,793,381	37.51%
2022	2,300,425	2,300,425	9,093,806	50.21%
2023	2,178,112	2,178,112	11,271,917	62.23%
2024	1,905,000	1,905,000	13,176,917	72.75%
2025	1,960,000	1,960,000	15,136,917	83.57%
2026	2,160,000	2,160,000	17,296,917	95.50%
2027	400,000	400,000	17,696,917	97.71%
2028	415,000	415,000	18,111,917	100.00%
Total	\$18,111,917	\$18,111,917		

Note: (1) Source: the City.

Detailed Overlapping Bonded Debt(1)

	Total Debt (2)	Applicable to the City	
		Percent (3)	Amount
School District No. 26.....	\$12,870,000	7.49%	\$ 964,015
School District No. 57.....	6,450,000	1.25%	80,405
School District No. 59.....	32,355,000	11.36%	3,676,226
School District No. 62.....	35,365,000	90.64%	32,056,093
School District No. 64.....	2,405,000	0.00% (4)	68
High School District No. 207.....	128,780,000	34.92%	44,967,697
High School District No. 214.....	33,010,000	3.73%	1,231,273
Harper Community College District Number 512.....	103,580,000	1.69%	1,754,114
Oakton Community College District Number 535.....	30,000,000	7.21%	2,164,121
Total Schools.....			\$ 86,894,013
Other:			
Cook County.....	2,950,121,750	1.22%	\$ 35,858,656
Cook County Forest Preserve District.....	142,360,000	1.22%	1,730,382
Metropolitan Water Reclamation District.....	2,348,253,000	1.24%	29,055,234
Des Plaines Park District.....	7,530,000	94.68%	7,129,069
Mt. Prospect Park District.....	15,987,788	18.89%	3,020,344
Total Others.....			\$ 76,793,685
Total Overlapping Debt.....			\$163,687,698

- Notes: (1) Source: Cook County Clerk.
(2) As of March 10, 2020.
(3) Percentage based on 2018 EAVs, the most current available.
(4) Percentage equals 0.0011%.

Statement of Bonded Indebtedness(I)

	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, 2018.....	\$1,931,827,633	100.00%	33.33%	\$33,099.64
Estimated Actual Value, 2018.....	\$5,795,482,899	300.00%	100.00%	\$99,298.93
Total Direct Bonded Debt.....	\$ 18,111,917	0.94%	0.31%	\$ 310.33
Less: Self Supporting	(18,111,917)	(0.94%)	(0.31%)	(310.33)
Net Direct Debt	\$ 0	0.00%	0.00%	\$ 0.00
Overlapping Bonded Debt(2).....				
Schools.....	\$ 86,894,013	4.50%	1.50%	\$ 1,488.83
Other.....	76,793,685	3.98%	1.33%	1,315.77
Total Overlapping Bonded Debt.....	\$ 163,687,698	8.47%	2.82%	\$ 2,804.60
Total Direct and Overlapping Bonded Debt(2).....	\$ 163,687,698	8.47%	2.82%	\$ 2,804.60

Notes: (1) Source: Cook County Clerk.
(2) As of March 10, 2020.

PROPERTY ASSESSMENT AND TAX INFORMATION

City Equalized Assessed Valuation(I)

Property Class	Levy Years				
	2014	2015	2016(2)	2017	2018
Residential.....	\$ 961,581,004	\$ 934,531,442	\$1,102,738,212	\$1,093,909,817	\$1,070,529,854
Farm.....	106,965	104,736	126,026	26,484	26,021
Commercial.....	453,409,003	435,494,200	482,306,610	505,009,862	508,958,522
Industrial.....	299,315,166	290,691,605	325,832,901	353,009,774	348,071,726
Railroad.....	3,244,878	3,898,188	4,026,136	3,960,310	4,241,510
Total.....	\$1,717,657,016	\$1,664,720,171	\$1,915,029,885	\$1,955,916,247	\$1,931,827,633
Percent Change +(-).	1.20%(3)	(3.08%)	15.04%	2.14%	(1.23%)

Notes: (1) Source: Cook County Clerk.
(2) Triennial reassessment year.
(3) Percentage change based on 2013 EAV of \$1,697,287,344.

Equalized Assessed Valuation by Township(I)

	2018			
	<u>Elk Grove</u>	<u>Maine</u>	<u>Wheeling</u>	<u>Total</u>
Real Estate Property	\$318,559,570	\$1,568,908,945	\$40,116,842	\$1,927,585,357
Pollution Control District	0	766	0	766
Railroad Property	0	4,241,510	0	4,241,510
Total	\$318,559,570	\$1,573,151,221	\$40,116,842	\$1,931,827,633

Note: (1) Source: Cook County Clerk.

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

	Levy Years				
	2014	2015	2016	2017	2018
City Rates:					
General Corporate (2).....	\$ 1.3777	\$ 1.4216	\$1.2360	\$1.2160	\$ 1.3057
Public Library.....	0.3650	0.3730	0.3240	0.3210	0.3260
Bonds and Interest.....	<u>0.0067</u>	<u>0.0067</u>	<u>0.0057</u>	<u>0.0000</u>	<u>0.0000</u>
Total City Rates(3).....	\$ 1.7490	\$ 1.8010	\$1.5657	\$1.5370	\$ 1.6320
Cook County.....	0.5680	0.5520	0.5333	0.5270	0.4890
Cook County Forest Preserve.....	0.0690	0.0690	0.0630	0.0620	0.0600
Metropolitan Water Reclamation District.....	0.4300	0.4260	0.4060	0.4020	0.3960
Maine Township.....	0.2100	0.2200	0.1910	0.1830	0.1520
School District No. 62.....	4.2930	4.4870	3.9210	3.9400	4.1210
High School District No. 207.....	2.7390	2.9010	2.5070	2.5290	2.6520
Community College No. 535.....	0.2580	0.2710	0.2310	0.2320	0.2460
Des Plaines Park District.....	0.5290	0.5560	0.4850	0.4930	0.5150
Other Districts.....	<u>0.0130</u>	<u>0.0460</u>	<u>0.0100</u>	<u>0.0100</u>	<u>0.0000</u>
Total Tax Rates(4).....	\$10.8580	\$11.3290	\$9.9130	\$9.9160	\$10.2630

- Notes: (1) Source: Cook County Clerk.
(2) Includes Police and Firemen' s Pension.
(3) As a home rule municipality, the City has no statutory tax rate limits.
(4) Representative tax rates for other government units are from Maine Township tax code 22028, which represents 63% of the City' s 2018 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.....	\$23,777,796	\$23,390,463	98.37%
2014.....	2015.....	23,777,835	23,560,072	99.08%
2015.....	2016.....	23,777,770	23,444,923	98.60%
2016.....	2017.....	23,777,706	23,583,596	99.18%
2017.....	2018.....	23,775,645	23,494,037	98.82%
2018.....	2019.....	24,489,150	24,339,660	99.39%

- Notes: (1) Source: Cook County Clerk and the City.
(2) Includes collections in subsequent fiscal periods.
(3) 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.
(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>2018 EAV (2)</u>
Midwest Gaming.....	Real Property	\$ 70,323,176
Honeywell Specialty Ma.....	Real Property	16,575,803
Wille Road LLC.....	Real Property	15,561,008
Juno Lighting.....	Lighting.....	14,809,323
Individual.....	Real Property	14,223,790
Cambridge Realty Cap.....	Real Property	14,143,602
Marc Realty.....	Real Property	14,045,625
Colliers Agent GSA DP.....	Real Property	13,856,785
Abbott Labs.....	Medical Laboratories.....	12,219,801
Apple Reit Ten.....	Real Property	<u>11,605,068</u>
Total.....		<u>\$197,363,981</u>
Ten Largest as a Percent of the City's 2018 EAV (\$1,931,827,633).....		10.22%

- 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 2018 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				
	2014	2015	2016	2017	2018
ASSETS:					
Cash and Investments.....	\$ 77,184,331	\$ 83,972,481	\$ 83,326,480	\$ 83,158,109	\$102,908,170
Receivables, Net of Allowances for Uncollectibles					
Property Taxes.....	28,055,169	28,512,667	29,544,209	29,460,067	31,537,886
Accounts.....	4,406,573	1,455,107	1,653,681	1,216,965	1,072,964
Accrued Interest.....	271,403	303,011	29,003	32,235	39,279
Other Taxes.....	1,321,120	1,284,854	1,368,270	1,193,049	1,466,992
Other.....	210,625	238,779	304,025	366,966	327,865
Prepaid Expenses.....	4,457,014	4,765,089	5,392,486	5,366,656	5,375,421
Due from Other Governments.....	8,797,909	11,833,506	12,284,266	15,603,582	17,325,078
Internal Balances.....	2,140,123	2,549,903	5,252,264	5,634,649	(184,889)
Net Pension Asset.....	2,017,516	0	0	827,686	0
Capital Assets Not Being Depreciated.....	75,888,795	84,272,100	80,798,667	88,008,680	92,014,265
Capital Assets, Being Depreciated.....	<u>121,357,653</u>	<u>120,157,580</u>	<u>131,745,598</u>	<u>132,200,215</u>	<u>136,431,292</u>
Total Assets.....	<u>\$326,108,231</u>	<u>\$339,345,077</u>	<u>\$351,698,949</u>	<u>\$363,068,859</u>	<u>\$388,314,323</u>
DEFERRED OUTFLOWS OF RESOURCES:					
Deferred Amounts from Refunding of Debt.....	\$ 541,551	\$ 442,358	\$ 343,164	\$ 280,741	\$ 114,332
Deferred Pension Outflows.....	<u>0</u>	<u>19,732,357</u>	<u>17,765,193</u>	<u>13,540,484</u>	<u>17,709,211</u>
Total Deferred Outflows of Resources.....	<u>\$ 541,551</u>	<u>\$ 20,174,715</u>	<u>\$ 18,108,357</u>	<u>\$ 13,821,225</u>	<u>\$ 17,823,543</u>
LIABILITIES:					
Accounts Payable.....	\$ 20,048,298	\$ 21,635,661	\$ 20,955,650	\$ 20,875,209	\$ 24,459,599
Accrued Liabilities.....	128,938	145,293	138,699	147,508	154,921
Accrued Payroll.....	1,596,331	1,651,427	2,125,748	1,982,512	1,827,462
Accrued Interest Payable.....	83,013	69,945	60,210	50,082	51,834
Unearned Revenue.....	229,379	168,026	3,798,262	1,794,339	13,100,558
Deposits Payable.....	143,074	137,299	66,753	198,880	60,896
Non Current Liabilities					
Due Within One Year.....	6,116,575	5,574,297	6,579,218	7,021,634	17,565
Due in More Than One Year.....	<u>40,258,677</u>	<u>185,659,144</u>	<u>185,586,752</u>	<u>171,315,408</u>	<u>212,945,867</u>
Total Liabilities.....	<u>\$ 68,604,285</u>	<u>\$215,041,092</u>	<u>\$219,311,292</u>	<u>\$203,385,572</u>	<u>\$252,618,702</u>
DEFERRED INFLOWS OF RESOURCES:					
Deferred Property Tax Revenue.....	\$ 27,873,362	\$ 28,381,831	\$ 29,151,337	\$ 29,359,456	\$ 31,468,472
Deferred Pension Inflows.....	<u>0</u>	<u>2,262,766</u>	<u>2,417,152</u>	<u>11,713,261</u>	<u>17,658,010</u>
Total Deferred Inflows of Resources.....	<u>\$ 27,873,362</u>	<u>\$ 30,644,597</u>	<u>\$ 31,568,489</u>	<u>\$ 41,072,717</u>	<u>\$ 49,126,482</u>
NET POSITION:					
Investment in Capital Assets, Net of Related Debt..	\$156,111,648	\$167,177,408	\$182,246,337	\$196,250,010	\$205,869,137
Restricted For:					
Streets and Highways.....	554,995	364,274	719,632	879,849	1,032,957
Public Safety.....	2,024,830	1,582,538	1,636,610	1,384,584	1,305,100
Economic Development.....	4,247,317	4,895,473	6,180,466	7,292,165	7,938,575
Debt Service.....	374,464	387,039	397,214	13,717	104,780
Unrestricted.....	<u>66,858,881</u>	<u>(60,572,629)</u>	<u>(72,252,734)</u>	<u>(73,388,533)</u>	<u>(117,857,867)</u> (1)
Total Net Position.....	<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>

Note: (1) The decrease in net position was primarily due to the implementation requirements of GASB Statement No. 75 related to the recognition of the City's OPEB Liabilities.

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

Audited Year Ended December 31

	2014	2015	2016	2017	2018
FUNCTIONS/PROGRAMS					
PRIMARY GOVERNMENT:					
General Government.....	\$ (20,017,468)	\$ (20,789,844)	\$ (21,678,222)	\$ (21,358,613)	\$ (21,001,215)
Public Safety.....	(35,760,246)	(42,539,595)	(44,195,394)	(45,669,934)	(77,119,274)
Public Works.....	(4,407,553)	(6,760,016)	(5,082,259)	(5,977,855)	(6,325,469)
Streets and Highways.....	(8,874,819)	(1,978,260)	(7,939,188)	(18,348,048)	(7,487,300)
Economic Development.....	1,170,934	(1,004,399)	(2,537,628)	9,528,529	(2,677,949)
Interest.....	<u>(1,679,828)</u>	<u>(1,459,709)</u>	<u>(1,411,210)</u>	<u>(1,300,991)</u>	<u>(1,304,502)</u>
Total Governmental Activities(1).....	<u>\$ (69,568,980)</u>	<u>\$ (74,531,823)</u>	<u>\$ (82,843,901)</u>	<u>\$ (83,126,912)</u>	<u>\$ (115,915,709)</u>
GENERAL REVENUES:					
Taxes:					
Property.....	\$ 28,442,253	\$28,607,185	\$ 29,254,397	\$ 29,611,170	\$ 29,099,377
Replacement.....	1,303,645	1,245,069	1,285,820	1,258,212	1,213,702
Sales.....	12,354,237	12,042,780	12,805,450	13,572,289	15,779,169
Utility.....	3,358,459	3,033,933	3,069,270	3,006,537	3,121,450
Income.....	5,667,460	6,232,000	5,556,999	5,363,901	5,570,605
Home Rule Sales.....	5,934,305	5,711,272	6,104,292	6,412,186	6,804,742
Food and Beverage Tax.....	1,190,477	1,228,581	1,268,923	1,330,150	1,346,268
Hotel/Motel.....	1,988,301	2,145,985	2,069,830	1,908,782	1,995,330
Real Estate Transfer.....	610,997	597,813	842,326	883,175	808,982
Local Option Motor Fuel.....	1,624,707	1,540,285	1,754,240	1,768,066	1,782,386
Gaming Taxes.....	24,792,544	24,654,889	24,685,996	24,762,107	25,065,880
Other Taxes.....	3,923,909	4,081,651	3,988,052	3,679,988	3,467,035
Investment Income.....	73,812	189,691	365,137	627,226	1,335,078
Miscellaneous.....	862,423	982,019	688,554	2,431,632	2,586,210
Transfers.....	<u>(284,242)</u>	<u>(6,692,243)</u>	<u>(5,801,963)</u>	<u>15,758</u>	<u>(7,634,242)</u>
Total.....	<u>\$ 91,843,287</u>	<u>\$85,600,910</u>	<u>\$ 87,937,323</u>	<u>\$ 96,631,179</u>	<u>\$ 92,341,972</u>
Change in Net Position.....	\$ 22,274,307	\$ 11,069,087	\$ 5,093,422	\$ 13,504,267	\$ (23,573,737)
Net Position, January 1.....	<u>207,897,828</u>	<u>102,765,016</u> (2)	<u>113,834,103</u>	<u>118,927,525</u>	<u>121,966,419</u> (2) (3)
Net Position, December 31.....	<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>

- Notes: (1) Expenses less Charges for Services, Operating Grants and Capital Grants.
(2) As restated.
(3) Change in accounting principle.

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General Fund Balance Sheet

Audited as of December 31

ASSETS:	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Cash and Equivalents.....	\$23,982,499	\$25,129,459	\$26,638,739	\$25,578,782	\$35,083,480
Receivables:					
Accounts	1,174,419	997,226	970,946	824,863	787,836
Property Taxes.....	22,789,813	22,802,608	22,850,880	22,936,008	24,256,973
Other Taxes.....	1,179,672	1,158,799	1,216,462	1,043,076	1,294,548
Other Receivables.....	204,076	221,825	301,195	359,153	282,618
Accrued Interest.....	265,331	267,717	8,383	8,885	10,827
Due From Other Governments.....	6,267,850	5,806,373	5,771,247	5,333,165	5,667,611
Due from Other Funds.....	0	0	0	0	10,168
Advances From/To Other Funds.....	<u>13,885,051</u>	<u>15,702,116</u>	<u>20,451,434</u>	<u>24,834,213</u>	<u>18,279,838</u>
Total Assets.....	<u>\$69,748,711</u>	<u>\$72,086,123</u>	<u>\$78,209,286</u>	<u>\$80,918,145</u>	<u>\$85,673,899</u>
LIABILITIES:					
Accounts Payable.....	\$ 1,412,518	\$ 1,583,040	\$ 1,547,482	\$ 1,737,941	\$ 2,430,562
Accrued Payroll.....	1,580,295	1,627,115	2,125,748	1,982,512	1,827,462
Accrued Liabilities.....	110,671	132,265	138,699	147,508	154,921
Deferred Revenue.....	<u>229,379</u>	<u>168,026</u>	<u>263,140</u>	<u>485,530</u>	<u>282,305</u>
Total Liabilities.....	<u>\$ 3,332,863</u>	<u>\$ 3,510,446</u>	<u>\$ 4,075,069</u>	<u>\$ 4,353,491</u>	<u>\$ 4,695,250</u>
DEFERRED INFLOWS OF RESOURCES:					
Deferred Property Tax Revenue.....	\$22,743,904	\$22,747,101	\$22,750,299	\$22,852,318	\$24,244,258
Unavailable Other Revenue.....	<u>1,589,539</u>	<u>1,681,124</u>	<u>1,549,440</u>	<u>491,414</u>	<u>441,032</u>
Total Deferred Inflows of Resources.....	<u>\$24,333,443</u>	<u>\$24,428,225</u>	<u>\$24,299,739</u>	<u>\$23,343,732</u>	<u>\$24,685,290</u>
FUND BALANCES:					
Non Spendable:					
Long-term Interfund Advances.....	\$13,885,051	\$15,702,116	\$20,451,434	\$24,834,213	\$18,279,838
Assigned					
Infrastructure.....	5,950,000	3,149,300	1,023,433	900,000	900,000
Capital Acquisitions.....	2,300,000	1,250,000	4,250,000	4,975,000	10,470,310
General Fund Deficit.....	0	1,705,551	1,997,823	0	0
Economic Development.....	0	0	277,995	375,829	0
Emergency Telephone System Transfer of Surcharge.....	0	351,000	0	0	0
Streets and Highways.....	200,000	0	0	0	0
Pension Funding.....	700,000	0	0	0	0
Debt Service	0	0	0	0	0
Unassigned.....	<u>19,047,354</u>	<u>21,989,485</u>	<u>21,833,793</u>	<u>22,135,880</u>	<u>26,643,211</u>
Total Fund Balances.....	<u>\$42,082,405</u>	<u>\$44,147,452</u>	<u>\$49,834,478</u>	<u>\$53,220,922</u>	<u>\$56,293,359</u>
Total Liabilities, Deferred Inflows of Resources and Fund Equity.....	<u>\$69,748,711</u>	<u>\$72,086,123</u>	<u>\$78,209,286</u>	<u>\$80,918,145</u>	<u>\$85,673,899</u>

**General Fund
Revenues and Expenditures**

	Audited Years Ending December 31				
	2014	2015	2016	2017	2018
REVENUES:					
Property Taxes.....	\$22,900,148	\$22,952,517	\$23,136,026	\$22,949,804	\$22,493,562
Other Taxes.....	12,248,695	12,097,995	12,464,143	12,093,495	12,161,007
Licenses and Permits	3,331,833	2,921,119	3,147,534	3,556,348	3,708,677
Intergovernmental	19,559,114	19,780,209	20,159,070	21,600,891	22,927,843
Charges for Services.....	5,065,526	5,030,129	5,028,694	5,115,581	5,360,093
Fines and Forfeits.....	1,306,106	1,277,659	1,366,866	1,318,279	1,239,342
Investment Income.....	11,112	84,615	121,454	197,738	440,109
Miscellaneous	432,138	290,638	276,388	610,113	985,423
Total Revenues.....	<u>\$64,854,672</u>	<u>\$64,434,881</u>	<u>\$65,700,175</u>	<u>\$67,442,249</u>	<u>\$69,316,056</u>
EXPENDITURES:					
Current:					
General Government.....	\$ 7,531,642	\$ 7,810,936	\$ 7,598,936	\$ 8,157,208	\$ 8,814,235
Public Safety.....	38,649,791	39,145,089	39,761,167	41,007,312	44,272,261
Public Works.....	5,232,228	7,037,522	6,420,613	7,211,011	7,069,260
Streets and Highways.....	5,497,717	4,387,902	3,778,900	4,046,140	3,988,318
Economic Development.....	642,461	304,357	312,003	309,661	338,356
Total Expenditures.....	<u>\$57,553,839</u>	<u>\$58,685,806</u>	<u>\$57,871,619</u>	<u>\$60,731,332</u>	<u>\$64,482,430</u>
Excess (Deficiency) of Revenues Over Expenditures.....	\$ 7,300,833	\$ 5,749,075	\$ 7,828,556	\$ 6,710,917	\$ 4,833,626
Other Financing Sources (Uses), net.....	<u>(8,859,041)</u>	<u>(3,684,028)</u>	<u>(2,141,530)</u>	<u>\$(3,324,473)</u>	<u>\$(1,761,189)</u>
Excess (Deficiency) of Revenues And Other Financing Sources Over Expenditures and Other Financing Uses.....	\$(1,558,208)	\$ 2,065,047	\$ 5,687,026	\$ 3,386,444	\$ 3,072,437
Balance, January 1.....	<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>
Balance, December 31.....	<u>\$42,082,405</u>	<u>\$44,147,452</u>	<u>\$49,834,478</u>	<u>\$53,220,922</u>	<u>\$56,293,359</u>

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**General Fund
Budget Information(1)**

	Adopted Budget Fiscal Year <u>2019</u>
REVENUES:	
Taxes.....	\$35,569,650
Licenses & Permits.....	2,757,500
Intergovernmental.....	18,940,540
Charges for Services.....	5,037,750
Fines and Forfeits.....	1,105,800
Investment Income.....	125,000
Other.....	<u>477,758</u>
Total Revenue.....	\$64,013,998
EXPENDITURES:	
General Government.....	\$ 6,197,212
Public Safety.....	49,372,476
Economic Development.....	2,664,710
Public Works.....	<u>13,769,414</u>
Total Expenditures.....	\$72,003,812
Less: Transfers.....	<u>1,775,700</u>
Total Operating Expenditures.....	\$70,228,112
 Total Revenues Over Expenditures.....	 \$ (6,214,114)

Note: (1) The 2019 Annual Budget of the City.

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INDEPENDENT ACCOUNTANT'S REPORT

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

We have examined the City of Des Plaines, Illinois' ("City's") compliance with the requirements of subsection (q) of Section 11-74.4-3 of the Illinois Tax Increment Redevelopment Allocation Act during the year ended December 31, 2019. 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, 2019, in all material respects.

Crowe LLP
Crowe LLP

Oak Brook, Illinois
June 19, 2020