

Comprehensive Annual Financial Report



City of Des Plaines, IL

For the Fiscal Year Ended

December 31, 2012

1420 Miner Street
Des Plaines, IL 60016
(847) 391-5300
www.desplaines.org

CITY OF DES PLAINES, ILLINOIS

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

For the Fiscal Year Ended
December 31, 2012

Prepared by the Finance Department

Dorothy Wisniewski
Director of Finance

CITY OF DES PLAINES, ILLINOIS
December 31, 2012

CONTENTS

	<u>Pages</u>
INTRODUCTORY SECTION	
Letter of Transmittal	i-iv
Certificate of Achievement for Excellence in Financial Reporting	v
Principal Officials	vi
Organizational Chart.....	vii
 FINANCIAL SECTION	
Independent Auditors' Report.....	1-3
 Required Supplementary Information	
Management's Discussion and Analysis - Unaudited.....	4-14
 Basic Financial Statements	
Government-Wide Financial Statements	
Statement of Net Position.....	15
Statement of Activities	16-17
 Fund Financial Statements	
Balance Sheet – Governmental Funds	18
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position.....	19
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	20
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	21
Statement of Net Position – Proprietary Funds	22
Statement of Revenues, Expenses and Changes in Net Position – Proprietary Funds	23
Statement of Cash Flows – Proprietary Funds.....	24
Statement of Fiduciary Net Position – Fiduciary Funds	25
Statement of Changes in Plan Net Position – Pension Trust Funds.....	26
Index to Notes to Financial Statements	27
Notes to Financial Statements	28-73
 Required Supplementary Information	
General Fund	
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund	74-79
 Special Revenue Fund	
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Gaming Tax Fund	80
 Historical Pension and Retirees' Health Plan Information	
Schedules of Funding Progress	81
Schedules of Employer Contributions	82
Notes to Required Supplementary Information	83

CITY OF DES PLAINES, ILLINOIS
December 31, 2012

CONTENTS

	<u>Pages</u>
FINANCIAL SECTION (Continued)	
Combining and Individual Fund Financial Statements and Schedules	
Governmental Funds	
Detailed Schedules of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual Capital Projects Fund – Major Capital Projects Fund	84
Combining Balance Sheet – Nonmajor Governmental Funds	85-87
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds	88-90
Detailed Schedules of Revenues, Expenditures and Changes in Fund Balances (Deficit) – Budget and Actual	
Motor Fuel Tax Fund – Nonmajor Special Revenue Fund	91
Community Development Block Grant Fund – Nonmajor Special Revenue Fund	92
TIF #1 (Downtown) Fund – Nonmajor Special Revenue Fund	93
TIF #3 (Wille Road) Fund – Nonmajor Special Revenue Fund	94
TIF #4 (Five Corners) Fund – Nonmajor Special Revenue Fund	95
TIF #5 (Perry/Lee) Fund – Nonmajor Special Revenue Fund	96
TIF #6 (Mannheim/Higgins) Fund – Nonmajor Special Revenue Fund	97
Grant Funded Projects Fund – Nonmajor Special Revenue Fund	98
Debt Service Fund – Nonmajor Debt Service Fund	99
Equipment Replacement Fund – Nonmajor Capital Projects Fund	100
I.T. Replacement Fund – Nonmajor Capital Projects Fund	101
Enterprise Funds	
Schedule of Revenues, Expenses and Changes in Net Position – Budget and Actual	
Water/Sewer Fund – Major Enterprise Fund	102
Parking System Fund – Major Enterprise Fund	103
Internal Service Funds	
Combining Statement of Net Position – Internal Service Funds	104
Combining Statement of Revenues, Expenses and Changes in Fund Net Position – Internal Service Funds.....	105
Combining Statement of Cash Flows – Internal Service Funds	106
Schedule of Revenues, Expenses and Changes in Net Position – Budget and Actual	
Risk Management Fund – Internal Service Funds.....	107
Health Benefits Fund – Internal Service Funds	108
Fiduciary Funds	
Combining Statement of Fiduciary Net Position – Pension Trust Funds	109
Combining Statement of Changes in Fiduciary Net Position – Pension Trust Funds ..	110
Combining Statement of Fiduciary Assets and Liabilities – Agency Funds	111
Combining Statement of Changes in Assets and Liabilities – Agency Funds.....	112
Component Unit – Library	
Statement of Net Position and Governmental Funds	
Combining Balance Sheet	113-114
Statement of Activities and Governmental Funds	
Combining Statement of Revenues, Expenditures and Changes in Fund Balances/Net Position	115-116

CITY OF DES PLAINES, ILLINOIS
December 31, 2012

CONTENTS

	<u>Pages</u>
FINANCIAL SECTION (Continued)	
Combining and Individual Fund Financial Statements and Schedules (Continued)	
Schedule of Revenues, Expenditures and Changes in	
Fund Balance – Budget and Actual	
Library General Fund	117
Library Capital Project Fund	118
Other Supplementary Schedules	
Taxable General Obligation Bonds Series 2003C (TIF #6)	119
Taxable General Obligation Bonds Series 2004B (Total Issue)	120
Taxable General Obligation Bonds Series 2004B (TIF #3 Lease Buyout Portion)	121
Taxable General Obligation Bonds Series 2004B (TIF #6 Portion)	122
General Obligation Bonds Series 2005A (TIF #3)	123
General Obligation Refunding Bonds Series 2005C (Water/Sewer Fund)	124
General Obligation Refunding Bonds Series 2005D (Total Issue)	125
General Obligation Refunding Bonds Series 2005D (Street Portion)	126
General Obligation Refunding Bonds Series 2005D (Sewer Portion)	127
General Obligation Refunding Bonds Series 2005D (Library Portion)	128
General Obligation Bonds Series 2005E (Total Issue)	129
General Obligation Bonds Series 2005E (TIF #1 Portion)	130
General Obligation Bonds Series 2005E (Infrastructure Portion)	131
Taxable General Obligation Bonds Series 2005F (TIF #1)	132
Taxable General Obligation Bonds Series 2005G (TIF #3)	133
General Obligation Refunding Bonds Series 2007A (Total Issue)	134
General Obligation Refunding Bonds Series 2007A (Refunding 2000 Portion)	135
General Obligation Refunding Bonds Series 2007A (Street Portion)	136
General Obligation Refunding Bonds Series 2007B (Total Issue)	137
General Obligation Refunding Bonds Series 2007B (TIF #1 Portion)	138
General Obligation Refunding Bonds Series 2007B (Fire Station Portion)	139
Taxable General Obligation Corporate Purpose Refunding Bonds	
Series 2008A (Total Issue)	140
Taxable General Obligation Corporate Purpose Refunding Bonds	
Series 2008A (TIF #1 Portion)	141
Taxable General Obligation Corporate Purpose Refunding Bonds	
Series 2008A (TIF #3 Portion)	142
Taxable General Obligation Refunding Bonds, Series 2009A (Capital Appreciation)	143
General Obligation Refunding Bonds, Series 2009B	144
General Obligation Refunding Bonds, Series 2010A	145
General Obligation Refunding Bonds, Series 2010B (TIF #3 Capital Appreciation)	146
Taxable General Obligation Corporate Purpose Refunding Bonds	
Series 2011A (Total Issue)	147
Taxable General Obligation Corporate Purpose Refunding Bonds	
Series 2011A (TIF #1 Portion)	148
Taxable General Obligation Corporate Purpose Refunding Bonds	
Series 2011A (TIF #3 Portion)	149
Taxable General Obligation Corporate Purpose Refunding Bonds	
Series 2011A (TIF #5 Portion)	150
Taxable General Obligation Corporate Purpose Refunding Bonds	
Series 2011A (TIF #6 Portion)	151

CITY OF DES PLAINES, ILLINOIS
December 31, 2012

CONTENTS

	<u>Pages</u>
FINANCIAL SECTION (Continued)	
Other Supplementary Schedules (Continued)	
General Obligation Refunding Bonds, Series 2012A	152
Tax Increment Revenue Note, Series 2002 – Norwood Partnership, LLC	153
Tax Increment Revenue Note, Series 2003 – LAB Graceland	154
Equipment Loan (Fire Engine)	155
 STATISTICAL SECTION	
Changes in Net Position – Last Ten Calendar Years	156-159
Net Position by Component – Last Ten Calendar Years	160-161
Fund Balances, Governmental Funds – Last Ten Calendar Years	162-163
Change in Fund Balances, Governmental Funds – Last Ten Calendar Years	164-165
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	168-169
Maine Township Allocation of the 2011 Property Tax Levy Collected in 2012	170-171
Elk Grove Township Typical Tax Rates Per \$100 of Equalized Assessed Valuation – Last Ten Calendar Years	172-173
Elk Grove Township Allocation of the 2011 Property Tax Levy Collected in 2012	174-175
Property Tax Rates and Extensions – Last Ten Calendar Years	176-177
Principal Property Tax Payers – Current Calendar Year and Three Years Ago	178-179
Property Tax Levies and Collections – Last Ten Calendar Years	180-181
Property Value and Construction – Last Ten Calendar Years	182
Taxable Sales by Category – Last Ten Calendar Years	183-184
Ratio of Outstanding Debt by Type – Last Ten Calendar Years	185-186
Ratio Net General Obligation Bonded Debt to Assessed Value and Net General Obligation Bonded Debt Per Capita – Last Ten Calendar Years	187
Ratio of Annual Debt Service Expenditures for General Obligation Bonded Debt to Total General Governmental Expenditures – Last Ten Calendar Years	188
Schedule for Direct and Overlapping Debt	189
Demographic Statistics - Last Ten Calendar Years	190-191
Principal Employers Current Year and Five Years Ago	192-193
Full-Time Equivalent City Government Employees by Function – Last Ten Calendar Years	194
Operating Indicators by Function/Programs – Last Ten Calendar Years	195-196
Capital Assets Statistics by Function – Last Ten Calendar Years	197-198
Water Sold – Last Ten Calendar Years	199-200
Miscellaneous Statistics	201-202
 OTHER INFORMATION	
Continuing Disclosure – Annual Financial Information	203-211
Independent Accountant's Report on Compliance with State of Illinois Public Act 85-1142	212

INTRODUCTORY SECTION



City of Des Plaines
1420 Miner Street
Des Plaines, IL 60016
Tel: 847-391-5300
Fax: 847-391-5402

June 30, 2013

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

State law requires that every general-purpose local government publish within six months of the close of each fiscal year a complete set of audited financial statements. This report is published to fulfill that requirement for the fiscal year ended December 31, 2012.

Management staff assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management staff has established a comprehensive internal control framework that is designed to protect the government's assets from loss, theft, or misuse. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable assurance, rather than absolute assurance, that the financial statements will be free of any material misstatements. As management staff, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City's financial statements have been audited by Crowe Horwath LLP, a firm of independent certified public accountants. The independent auditor concluded that there was a reasonable basis for rendering an unqualified ("clean") opinion on the City of Des Plaines' financial statements for the year ended December 31, 2012. The independent auditor's report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview and analysis of the basic financial statements. The MD&A and this letter of transmittal should be read in conjunction.

Profile of the City of Des Plaines

The City of Des Plaines, Illinois (the City) was founded in 1835 and incorporated in 1869. The City operates under the City Manager form of government approved by voter referendum on November 2, 2004. It is a home rule municipality as defined by the Illinois Constitution. The City is located in northwestern Cook County and covers an area of approximately 15 square miles. The 2010 Decennial Census reported a population of 58,364, a slight decrease from the 2000 Census population of 58,720. The Chicago Metropolitan Agency for Planning (CMAP) population projection for 2040 is 79,389.

The City is located approximately 17 miles northwest of downtown Chicago with O'Hare International Airport bordering on the south. The combination of superior air transportation, good railroads, and a network of expressways continues to foster full development of Des Plaines. O'Hare International Airport provides excellent domestic or international travel opportunities for pleasure, trade, and business. Bus, subway, rail commuter, and freight services are all accessible to and from Des Plaines. As it has throughout its history, Des Plaines continues to be a central hub for transportation.

The City has an above average residential base that is supplemented by substantial commercial and industrial real estate development. Approximately 23.6% of the City's land used is comprised of diversified commercial and light industrial properties.

The City's governing body is the City Council, consisting of the Mayor and eight Aldermen. This governing body is responsible for passing ordinances, adopting the budget, appointing committees, and other related duties. The Mayor, upon the advice and consent of City Council, appoints the City Manager. The City Manager is responsible for carrying out the policies and ordinances of the City Council, for overseeing the day-to-day operations of the City and for appointing the City's department heads. The Mayor and the City Clerk are elected at large for four-year terms, while the Aldermen are elected from eight wards for staggered four-year terms.

The City provides a full range of municipal services. These services include police, fire, highways and streets, community development, planning and zoning, engineering and inspection, certain social services, and general administrative services. The City operates its own water system providing Lake Michigan water purchased from the City of Chicago, with sewage treatment provided by the Metropolitan Water Reclamation District. The Des Plaines Park District, a separate governmental entity, primarily provides recreational opportunities. The Mt. Prospect Park District serves a small portion of the City. The Des Plaines Public Library is a component unit of the City and its financial statements are included in this report.

Local Economy

Major employers located within the City's boundaries or in close proximity include Universal Oil Products, a chemical engineering company, Sysco Food Systems, Rivers Casino, Holy Family Medical Center and Oakton Community College. Des Plaines is home to over 1400 licensed commercial establishments of which 225 are retail. Over 38,505 jobs were generated by Des Plaines based businesses attesting to its economic strength (2012, IDES, Where Workers Work). Of those jobs, 16 percent are in the manufacturing sector, 17 percent are in the wholesale and retail trade and 14 percent are in the healthcare and social assistance.

Des Plaines' current not seasonally adjusted unemployment rate is 8.8 percent (IDES, April, 2013). It generally decreased between 2003 through 2007, from 6.9 to 4.5 percent, respectively. However, it experienced a spike between 2008 and 2010, from 5.8 to 10.3 percent, respectively due to the economic recession. Between 2003 and 2012, the average annual unemployment rate was 7.1 percent with a high of 10.3 percent (2010) and a low of 4.2 percent (2006).

The national and local economic climate during 2011 continued to define the level of development activity. There was a decline in building permit activity from \$189 million in 2010 to \$50 million in 2011 and \$30 million in 2012. The increased level of activity in 2010 was due in part because of a major hail storm that resulted in an additional 5,415 roof and siding permits as well as the construction of Rivers Casino.

Long-term Financial Planning

For the past several years, the City's long-term financial stability coupled with continued investment in the City's aging infrastructure, enhanced beautification, and flood mitigation projects continues to be the emphasis of the City's long term planning. 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 City's financial strength remains one of the City Council's long-term financial goals. At the close of the fiscal year 2012, the City's total General Fund balance was \$35.7 million, of which the unassigned fund balance was \$23 million or 41.6% 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 continues to decline. In 2008 expenditures began outpacing revenues and at the end of 2012 the unrestricted net assets were \$3.5 million or 24.6% of the operating expenses. In response, the City commissioned a water rate study in an effort to reverse the operating spending deficit and preserve the enterprise fund reserves as well as provide funding for investment in equipment and infrastructure renewal and improve quality of water and sewer service for the long term. As a result in 2012 the City Council approved a 19% water rate increase and a 30% sanitary sewer rate increase. To ensure that the Water/Sewer fund will maintain a positive fund balance, the City Council now automatically adjusts the annual City of Chicago water rate increase such that the cost of water fully covered.

The most notable change in the City's long term planning is the addition of a Gaming Tax fund. This fund has been established to account for the revenues and expenditures related to receipts and obligations associated with the operation of the new Rivers Casino which opened July 15, 2011. The City has allocated \$2.4 million of the 2011 gaming tax revenue to be used towards infrastructure projects and \$1.2 million for an early debt retirement.

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 City Council identified the flood mitigation, infrastructure updates, and downtown beautification as the highest priorities for the City. Additionally, the City Council has been maintaining a direction that favors a minimal property tax increase to residents and keeping the City services affordable to the average taxpayer.

The Construction of Rivers Casino transcended the impact on the City of Des Plaines and helped to shape the community for years to come. The City continues to work on new redevelopment planning efforts, particularly in transitional commercial areas such as the Lee and Oakton nexus district, the Five Corners area and promotion of the incentives available for business improvements in TIF #1 as well as redevelopment in TIF #6 for City owned properties.

The City is committed to maintaining the quality of life and the preservation of the character and heritage of Des Plaines. The City must continue to adhere to its prudent financial management practices and remain focused on sustaining long-term financial stability. For FY2012, the most significant initiatives were as follows:

- Completed construction of all 2012 Capital Improvement Projects including the Lee-Perry Signalization Project and Storm Water Master Plan locations.
- Completed the Model Communities Grant effort aimed at increasing the health and livability of Des Plaines through safer walking and biking environment.
- The City Manager's office successfully managed the transition from in house legal counsel to a more effective outside general counsel model.
- The City continued the implementation of the new Enterprise Resource Program (ERP) and successfully integrated payroll and human resources functions. In July 2012 staff completed the second phase of the conversion by going live with the utility billing and cash processing functions.
- Starting with FY2012, the Finance Department is going to participate in a Popular Annual Financial Report (PAFR) certification program that 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.

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, 2011. This was the thirty-second 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
Director of Finance

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, 2011

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Christopher P. Moivell

President

Jeffrey R. Emer

Executive Director



Legislative

Martin J. Moylan, Mayor

Gloria J. Ludwig, City Clerk

City Council

Patricia Haugeberg – First Ward

James Brookman – Fifth Ward

John Robinson – Second Ward

Mark Walsten – Sixth Ward

Matthew Bogusz – Third Ward

Dan W. Wilson – Seventh Ward

Dick Sayad – Fourth Ward

Mike Charewicz – Eighth Ward

Administration

City ManagerMichael G. Bartholomew

General Counsel.....Peter Friedman

Director of FinanceDorothy Wisniewski

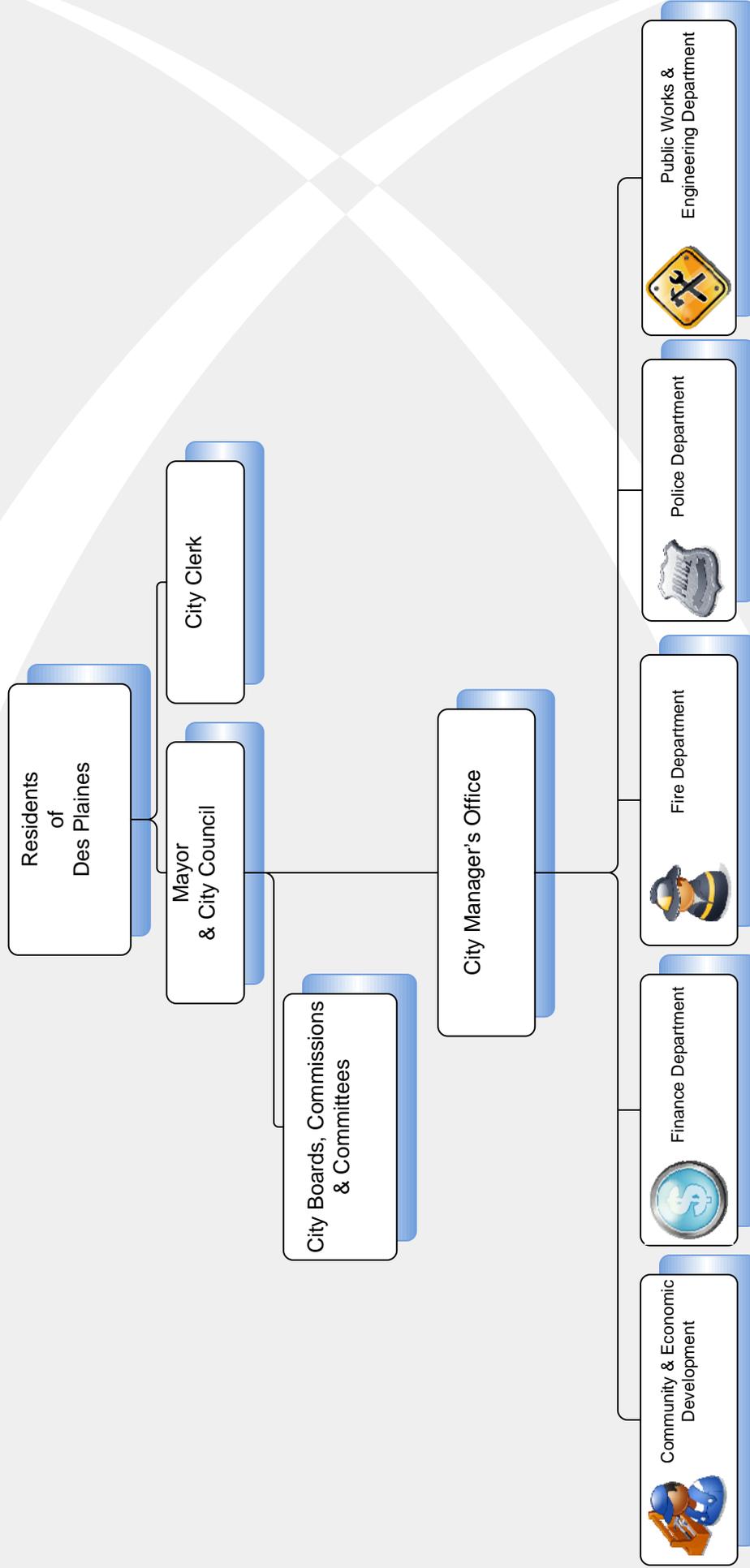
Chief of PoliceWilliam Kushner

Fire Chief.....Alan Wax

Director of Public Works & EngineeringTimothy Oakley

Director of Community & Economic Development.....Alexander Dambach

City of Des Plaines



FINANCIAL SECTION

REPORT OF INDEPENDENT AUDITORS

INDEPENDENT AUDITORS' 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, 2012, 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, 2012, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 17 to the financial statements, in June 2011, the GASB issued GASB Statement No. 63, "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position". Statement 63 is effective for the City's fiscal year ending December 31, 2012. The City has implemented this statement retroactively as of their fiscal year ended December 31, 2012. This Statement provides a new statement of net position format to report all assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position (which is the net residual amount of the other elements). This Statement requires that deferred outflows of resources and deferred inflows of resources be reported separately from assets and liabilities. This Statement also amends certain provisions of GASB Statement No. 34, Basic Financial Statements -- and Management's Discussion and Analysis -- for State and Local Governments, and related pronouncements to reflect the residual measure in the statement of financial position as net position, rather than net assets. Our opinion is not modified with respect to this matter.

As discussed in Note 17 to the financial statements, in March 2012, the GASB issued GASB Statement 65, "Items Previously Reported as Assets and Liabilities." The provisions of this Statement are effective for the City's fiscal year ended December 31, 2013, with earlier application being encouraged. The City has implemented this statement retroactively as of their fiscal year ended December 31, 2012. This Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. This Statement also provides other financial reporting guidance related to the impact of the financial statement elements deferred outflows of resources and deferred inflows of resources, such as changes in the determination of the major fund calculations and limiting the use of the term deferred in financial statement presentations. Our opinion is not modified with respect to this matter. The beginning net position for the governmental activities, business-type activities, and water/sewer fund financial statements were restated as of January 1, 2012 pursuant to the implementation of GASB Statement 65.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 14 and the schedules of revenues, expenditures and changes in fund balance – budget and actual for the General fund, and Gaming Tax fund, schedules of funding progress and schedule of employer contributions on pages 74 through 82 be presented to supplement the financial statements. Such information, although not a part of the financial statements, is required by the Government Accounting Standards Board who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and

other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's financial statements. The accompanying introductory section, combining and individual fund financial statements and schedules, other supplementary schedules, statistical section, and other information are presented for purposes of additional analysis and are not a required part of the financial statements.

The accompanying 2012 combining and individual fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The 2012 combining and individual fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2012 combining and individual fund financial statements and schedules are fairly stated, in all material respects, in relation to the financial statements as a whole.

The introductory section, 2011 combining and individual fund financial statements and schedules, other supplementary schedules, statistical section, and other information have not been subjected to the auditing procedures applied in the audit of the financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Report on Other Legal and Regulatory Requirements

In accordance with *Government Auditing Standards*, we have also issued our report dated June 28, 2013 on our consideration of City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City's internal control over financial reporting and compliance.



Crowe Horwath LLP

Oak Brook, Illinois
June 28, 2013

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF DES PLAINES, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2012

The City of Des Plaines (the "City") Management Discussion and Analysis (MD&A) is designed to (1) assist the reader in focusing on significant financial issues, (2) provide an overview of the City's financial activity, (3) identify changes in the City's financial position (its ability to address the subsequent years' challenges), (4) identify any material deviations from the financial plan (the approved budget), and (5) identify individual fund issues or concerns.

Since the MD&A is designed to focus on the current year's activities, resulting changes, and currently known facts, please read it in conjunction with the Transmittal Letter and the City's financial statements.

FINANCIAL HIGHLIGHTS

- The City's General Fund ended the year with total revenues exceeding total expenditures by \$7.7 million. Combined with other financing net uses of (\$1.2) million, the December 31, 2012 fund balance increased by \$6.5 million.
- Economy sensitive revenues, i.e. sales, income, food and beverage tax as well as hotel/motel taxes continue to rebound primarily due to the Rivers Casino that opened in July 2011.
- Permit revenue declined by almost \$300 thousand from prior year's revenue due to the high number of foreclosures. Revenue from charges for services increased by \$345 thousand due to increase in nonresident ambulance fees and refuse collection rates. Fines and fees revenues were down by approximately \$211 thousand.
- The City received \$24.8 million from the revenues generated at Rivers Casino, \$4.0 million in admission tax (\$1 per admission), and \$20.8 million in wagering tax (5% of all wagering activities). Pursuant to the contractual agreement with Midwest Gaming, the City is required and has distributed \$10 million of the total gaming tax revenue to the State of Illinois with an additional \$5.9 million (40% of the total revenue over \$10 million) amongst the 10 benefiting communities named in the agreement. The remaining amount of \$8.9 million in gaming tax revenue will be utilized by the City in the 2014 Budget for early debt payoff and capital infrastructure projects.
- The City retired \$9.875 million of general obligation debt from governmental activities and \$365 thousand of business-type activities during the year and issued \$3.765 million of new general obligation refunding debt for interest rate savings. The total balance of general obligation debt outstanding as of December 31, 2012 was \$57.3 million from governmental activities and \$365 thousand of business-type activities.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities provide information about the activities of the City as a whole and present a longer-term view of the City's finances. For governmental activities, these statements tell how these services were financed in the short term as well as what is available for future spending. Fund financial statements also report the City's operations in more detail than the government-wide statements by providing information about the City's most significant funds. The remaining statements provide financial information about activities for which the City acts solely as a trustee or agent for the benefit of those outside of the government. Both perspectives (government-wide and major fund) allow the user to address relevant questions, broaden a basis for comparison (year to year or government to government), and enhance the City's accountability.

Reporting the City as a Whole

The Statement of Net Position and the Statement of Activities

Our analysis of the City as a whole begins with the *Statement of Net Position*. One of the most important questions asked about the City's finances is, "Is the City as a whole better off or worse off as a result of the

(See independent auditor's report)

CITY OF DES PLAINES, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2012

year's activities?" The *Statement of Net Position* and the *Statement of Activities* report information about the City as a whole and about its activities in a way that helps answer this question.

The focus of the *Statement of Net Position* (the "Unrestricted Net Position") is designed to be similar to bottom line results for the City and its governmental and business-type activities. This statement consolidates governmental funds' current financial resources (short-term spendable resources) with capital assets and long-term obligations using the accrual basis of accounting and economic resources measurement focus. Over time, increases or decreases in net assets may serve as a useful indicator of whether or not the financial position of the City is improving.

The *Statement of Activities* presents information showing how the City's net position changed during the most recent fiscal year and is focused on both the gross and net cost of various activities (including governmental and business-type), which are supported by the City's general taxes and other resources. This is intended to summarize and simplify the user's analysis of the cost of various government services and/or subsidy to various business-type activities.

These two statements report the City's *Total Net Position* and changes in them. You can think of the City's net position, the difference between assets and liabilities, as one way to measure the City's financial health, or *financial position*. Over time, increases or decreases in the City's net position are one indicator of whether its *financial* health is improving or deteriorating. You will need to consider other non-financial factors, however, such as changes in the City's property tax base or the condition of the City's roads, to assess the *overall health* of the City.

In the *Statement of Net Position* and the *Statement of Activities* we divide the City into three kinds of activities:

- *Governmental Activities* – Most of the City's basic services are reported here, including the police, fire, public works, and general administration. Taxes (property, sales, income, utility, as well as gaming tax) and 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

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The *Fund Financial Statements* allow the demonstration of sources and uses and/or budgeting compliance associated therewith. Traditional users of governmental financial statements will find the *Fund Financial Statements* presentation more familiar. The focus is now on major funds, rather than fund types. All of the funds of the City can be divided into three categories: *governmental funds, proprietary funds, and fiduciary funds*.

- ***Governmental Funds***

The Major Governmental Funds (General, Gaming Tax, and Capital Projects) are presented on a sources and uses of liquid resources basis. This is the manner in which the financial plan (the budget) is typically

(See independent auditor's report)

CITY OF DES PLAINES, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2012

developed. The flow and availability of liquid resources is a clear and appropriate focus of any analysis of a government. The focus of governmental funds is narrower than that of the Government-Wide Financial Statements. The *Governmental Funds Balance Sheet* and the *Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances* provide a reconciliation to facilitate the comparison between governmental funds and governmental activities. The *Total Governmental Funds* column requires reconciliation because of the different measurement focus (current financial resources versus total economic resources), which is reflected. The inflow of current financial resources reflects bond proceeds and inter-fund transfers as other financial sources as well as capital expenditures and bond principal payments as expenditures. The reconciliation eliminates these transactions and incorporates the capital assets and long-term obligation (bond and others) into the Governmental Activities column (in the Government-Wide Statements).

The City maintains multiple individual governmental funds. Information is presented separately in the *Governmental Funds Balance Sheet* and in the *Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances* for the General Fund, Gaming Tax Fund, and Capital Projects Fund which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

- *Proprietary Funds*

The City maintains two different types of proprietary funds. *Enterprise Funds* are used to report the same functions presented in *Business-type Activities* in the government-wide financial statements. *Internal Service Funds* are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses *Internal Service Funds* to account for its risk management and health benefits. Each *Internal Service Fund* uses governmental rather than business-type functions and has been included with *Governmental Activities* in the government-wide financial statements.

Proprietary Funds financial statements provide the same type of information as the government-wide financial statements, only in more detail. Each of the two propriety funds is considered a major fund of the City and is presented in a separate column in the fund financial statements. The internal service funds are combined in a single, aggregate presentation in the Proprietary Fund Financial Statements. Individual fund data for the *Internal Service Funds* is presented elsewhere in the report.

- *Fiduciary Funds*

The fund financial statements also allow the government to address its *Fiduciary Funds* (*Police Pension Fund* and *Firefighters Pension Fund*). While these funds represent trust responsibilities of the government, these assets are restricted in purpose and do not represent discretionary assets of the government. Therefore, these assets are not presented as part of the government-wide statements.

- *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, 2012

THE CITY AS A WHOLE

Statement of Net Position

The *Statement of Net Position* serves as a useful indicator of a government's financial position. In the case of the City of Des Plaines, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$219.5 million as of December 31, 2012. The following table reflects the condensed *Statement of Net Position*:

Table 1: Statement of Net Position As of December 31, 2012

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total Primary Government</u>	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Assets						
Current & Other Assets	\$ 111,143,293	\$ 87,075,047	\$ 6,126,318	\$ 5,560,153	\$ 117,269,611	\$ 92,635,200
Capital Assets	185,152,027	184,186,898	30,072,545	31,054,873	215,224,572	215,241,771
Total Assets	<u>296,295,320</u>	<u>271,261,945</u>	<u>36,198,863</u>	<u>36,615,026</u>	<u>332,494,183</u>	<u>307,876,971</u>
Deferred Outflows of Resources						
Deferred Amounts from Refunding of Debt	693,335	1,191,065	7,243	14,490	700,578	1,205,555
Liabilities						
Current Liabilities	20,846,062	12,792,553	1,354,128	1,064,633	22,200,190	13,857,186
Long-term Liabilities	63,214,825	69,090,161	759,468	1,053,900	63,974,293	70,144,061
Total Liabilities	<u>84,060,887</u>	<u>81,882,714</u>	<u>2,113,596</u>	<u>2,118,533</u>	<u>86,174,483</u>	<u>84,001,247</u>
Deferred Inflows of Resources						
Deferred Property Tax Revenue	27,493,679	29,410,283	-	-	27,493,679	29,410,283
Net Position						
Net Invested in Capital Assets	127,408,625	116,287,802	29,713,208	30,336,201	157,121,833	146,624,003
Restricted	10,266,294	9,031,827	-	-	10,266,294	9,031,827
Unrestricted	47,759,170	35,840,384	4,379,302	4,174,782	52,138,472	40,015,166
Total Net Position	<u>\$ 185,434,089</u>	<u>\$ 161,160,013</u>	<u>\$ 34,092,510</u>	<u>\$ 34,510,983</u>	<u>\$ 219,526,599</u>	<u>\$ 195,670,996</u>

The City's combined *Net Position* was \$219.5 million up from \$195.7 million; this represents an increase of \$23.9 million from the prior year. The City's *Total Net Position* from *Governmental Activities* increased by \$24.3 million due to an increase related to gaming tax fund balance of \$8.9 million while the *Governmental Activities* liabilities remained relatively consistent from year to year.

The City's *Business-type Activities Total Net Position* decreased by \$418.5 thousand since the revenues generated from user fees are not able to cover the operational and capital expenditures of the parking programs.

By far the largest portion of the City's *Total Net Position* \$157.1 million, or 71.6% reflects its investment in capital assets (e.g. land, buildings, equipment and infrastructure); less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

For more detailed information see the *Statement of Net Position*.

CITY OF DES PLAINES, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2012

Changes in Net Position

The *Statement of Activities* presents information showing how the City's net position changed during the fiscal year.

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

Table 2: Changes in Net Position for the Fiscal Year Ended December 31, 2012

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2012	2011	2012	2011	2012	2011
Revenues						
Program Revenues						
Charges for Services	\$ 16,004,310	\$ 16,114,334	\$ 14,532,257	\$ 11,570,134	\$ 30,536,567	\$ 27,684,468
Operating Grants	2,762,161	3,797,791	2,039	4,691	2,764,200	3,802,482
Capital Grants	3,267,066	4,851,117	-	-	3,267,066	4,851,117
General Revenues						
Property Taxes	28,841,683	29,671,822	-	-	28,841,683	29,671,822
Other Taxes	59,542,567	42,824,551	-	-	59,542,567	42,824,551
Investment Income	160,289	82,369	5,228	1,519	165,517	83,888
Miscellaneous Revenue	1,280,897	783,626	2,756	845	1,283,653	784,471
Total Revenues	111,858,973	98,125,610	14,542,280	11,577,189	126,401,253	109,702,799
Expenses						
General Government	26,776,957	18,200,285	-	-	26,776,957	18,200,285
Public Safety	37,899,640	38,529,145	-	-	37,899,640	38,529,145
Public Works	7,637,527	8,537,753	-	-	7,637,527	8,537,753
Streets and Highways	10,686,981	10,341,746	-	-	10,686,981	10,341,746
Economic Development	1,553,448	1,161,997	-	-	1,553,448	1,161,997
Interest	3,046,102	3,274,304	-	-	3,046,102	3,274,304
Water/Sewer	-	-	14,161,409	12,525,656	14,161,409	12,525,656
Parking	-	-	783,586	802,934	783,586	802,934
Total Expenses	87,600,655	80,045,230	14,944,995	13,328,590	102,545,650	93,373,820
Excess (Deficiency)						
Before Transfers	24,258,318	18,080,380	(402,715)	(1,751,401)	23,855,603	16,328,979
Transfers	15,758	(236,313)	(15,758)	236,313	-	-
Changes in Net Position	24,274,076	17,844,067	(418,473)	(1,515,088)	23,855,603	16,328,979
Net Position, Beginning (Restated)	161,160,013	143,315,946	34,510,983	36,026,071	195,670,996	179,342,017
Net Position, Ending	\$ 185,434,089	\$ 161,160,013	\$ 34,092,510	\$ 34,510,983	\$ 219,526,599	\$ 195,670,996

(See independent auditor's report)

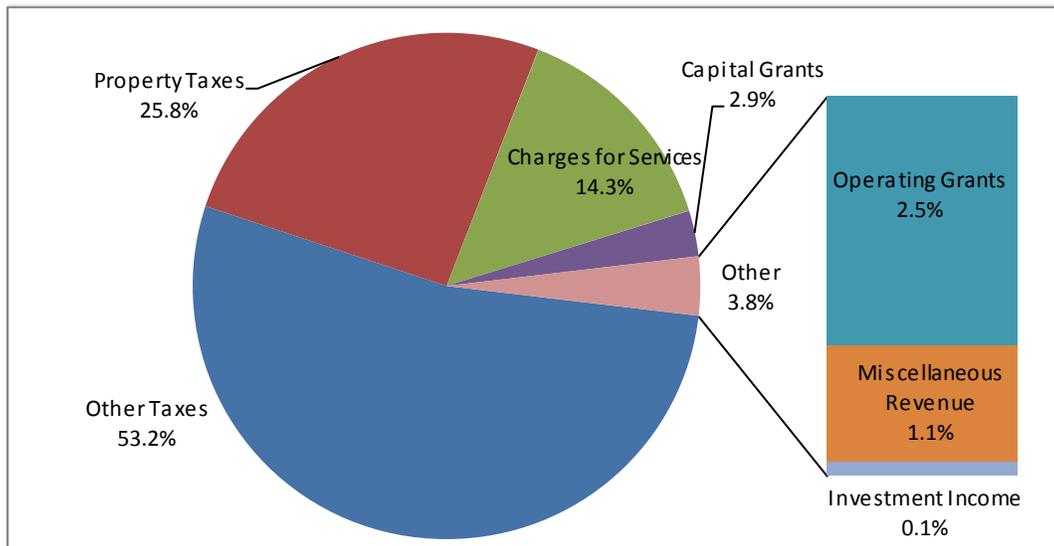
CITY OF DES PLAINES, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2012

Current Year Impact - Governmental Activities

Revenues:

For the fiscal year ended December 31, 2012, revenues from Governmental Activities totaled \$111.9 million. During the fiscal year *property taxes* continue to be the City's single largest yearly revenue source coming in at \$28.8 million and 2.8% lower than last year due to a 0% property tax levy over levy increase. The revenue from *other taxes* increased by \$16.7 million due to the full year of gaming tax revenue of \$24.8 million received in 2012.

2012 Primary Governmental Activities Revenue by Source



The 2011 equalized assessed value (EAV) was reduced by (8.78%) from the 2010 EAV following the decline in market value of property in Cook County, IL.

Equalized Assessed Valuation

Levy Year	2011	2010	Increase (Decrease)	% of Change
EAV	\$2,184,333,304	\$2,394,677,264	(\$210,343,960)	-8.78%

The *General Fund* state-per-capita shared revenues from *income tax* and *use tax* increased due to additional income and use tax revenues.

State-Shared Tax	Fiscal Year 2012	Fiscal Year 2011	Increase / (Decrease)	Percent Change
State Income Tax	\$ 5,128,011	\$ 4,645,626	\$ 482,385	10.4%
Use Tax	911,425	852,309	59,116	6.9%
Total	\$ 6,039,436	\$ 5,497,935	\$ 541,501	9.8%

(See independent auditor's report)

CITY OF DES PLAINES, ILLINOIS
 MANAGEMENT'S DISCUSSION AND ANALYSIS
 December 31, 2012

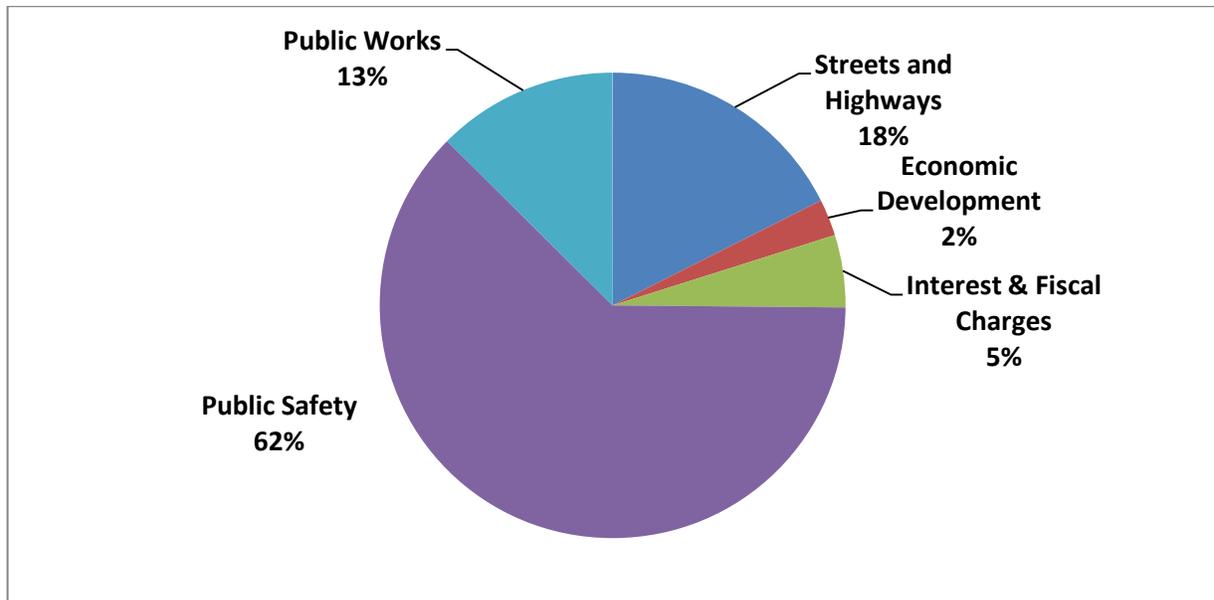
The City's *municipal sales tax* revenue (one percent share of the State collected tax, not including home rule tax) increased 11.6% during the fiscal year.

<u>Fiscal Year</u>	<u>Amount Received</u>	<u>Amount of Change</u>	<u>% of Change</u>
2011	\$8,690,828	\$100,847	1.2%
2012	\$9,695,640	\$1,004,812	11.6%

Expenses:

For the fiscal year ended December 31, 2012, expenses from *Government Activities* totaled \$87.6 million; a \$7.6 million increase was primarily due to the \$15.9 million gaming tax fund expenditures. Based on a contractual obligation, the City remitted \$10 million of the total 2012 gaming tax revenue to the State of Illinois with an additional \$5.9 million (40% of the total revenue over \$10 million) to 10 benefiting communities named in the original agreement. Public Safety expenses decreased by \$0.6 million and Public Works expenses decreased by \$0.9 million due to a decrease in personnel related expenses. Streets and highways expenses increased by \$0.3 million and economic development expenses increased by \$0.4 million due to an increase in routine infrastructure maintenance projects that were not capitalized.

2012 Primary Government Expenses by Activities



Current Year Impact - Business-type Activities

- In 2012 the City had a 19.4% water rate increase and a 30% sewer rate increase resulting in a \$2.9 million or 26.0% increase in revenue to offset the purchase price increases from the City of Chicago. The operating expenses increased by \$1.6 million or (13.2%) primarily due to higher personnel costs and a 25% increase in charges for wholesale purchase of water from the City of Chicago.
- The Parking System revenues increased by \$86.5 thousand due to the additional reimbursement for the maintenance of the Library parking deck and higher revenue from parking fees. Operating expenses remained approximately the same as last year.

(See independent auditor's report)

CITY OF DES PLAINES, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2012

FINANCIAL HIGHLIGHTS

Governmental Funds

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financial requirements. For the fiscal year ended December 31, 2012; the Governmental Funds reported a combined fund balance of approximately \$55.5 million. This was an increase of \$17.5 million, or 46.2% primarily due to the increase in Gaming Tax fund revenues.

The General fund is the main operating fund of the City. At the end of the current fiscal year the General fund balance increased by \$6.5 million or 22.2%. The \$8.6 million of the General fund balance was classified as nonspendable to cover the advances to TIF #3 and TIF #6 funds that had negative fund balances. The unassigned \$23.0 million balance of the General fund can be used to cover the day-to-day service delivery and was at 41.6% of total 2012 General fund expenditures.

General fund revenues increased by \$2.3 million or 3.8% over 2011 primarily due to the additional property taxes received from prior years collections as well as better than expected receipts from other state shared tax revenue sources. Total General Fund's expenditures increased by \$1.1 million or 2.0% mostly as a result of contractual increases in salaries and benefits as well as higher cost of contractual services and commodities.

The Gaming Tax fund is classified as a major governmental fund and was created to account for the revenues and contractual obligation expenditures related to Rivers Casino which opened in 2011. The fund balance at the end of 2012 was \$12.6 million. This fund balance represents the City's portion of the gaming tax revenue after payments were made to the State of Illinois and other benefiting communities based on a contractual obligation.

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 2012 total governmental fund balance is primarily due to a deficit fund balances in TIF #3 (Wille Road) of \$2.9 million and TIF #6 (Mannheim/Higgins) of \$5.6 million related to an outstanding debt burden as well as a reduced property tax revenue. A new agreement for a redevelopment project is being considered by the City Council in 2013.

The three Capital Projects funds maintained by the City include Capital Projects, Equipment Replacement and I.T. Replacement funds. The Capital Projects fund was created to account for the acquisition and construction of major capital facilities and improvements. The Capital Projects fund balance decreased by (\$0.6) million primarily due to completion of the River Road construction project.

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. At December 31, 2012 these two Enterprise funds total net position was \$33.6 million, a drop of (\$0.4) million or (1.25%).

The Water/Sewer Fund *Net Position* remained unchanged from the prior year as the revenue generated from the sale of water fees offset the water wholesale purchase price increase charged by the City of Chicago.

The Parking System Fund reported Net Assets of \$12.6 million, a decrease of (\$0.5) million since the revenue from charges for services only covers the operating expenses and payments related to the outstanding debt resulting in a deficit due to depreciation expense.

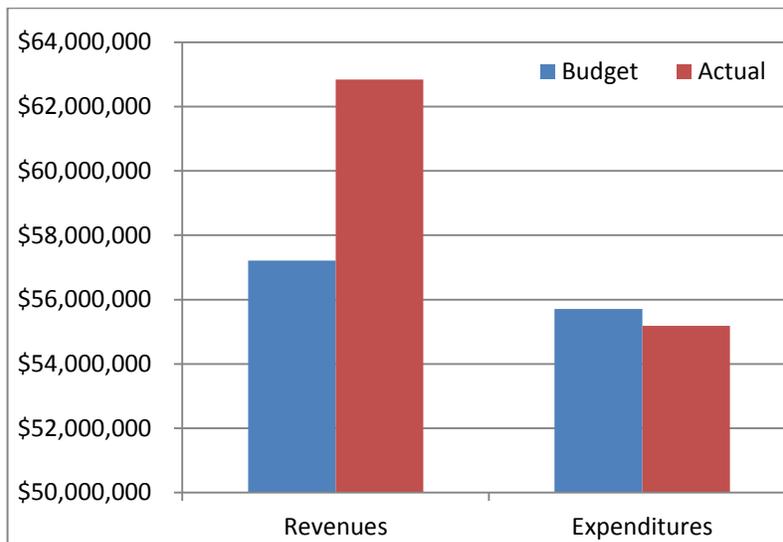
(See independent auditor's report)

CITY OF DES PLAINES, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2012

GENERAL FUND BUDGETARY HIGHLIGHTS

Table 3: 2012 General Fund Budgetary Highlights

	Original and Final Budget	Actual	Variance from Fund Budget Positive (Negative)
Revenues	\$ 57,208,150	\$ 62,840,935	\$ 5,632,785
Expenditures	55,708,417	55,182,724	525,693
Excess of Revenues Over Expenditures	1,499,733	7,658,211	6,158,478
Other Financing Sources (Uses)	(1,247,469)	(1,166,655)	80,814
Net Changes in Fund Balance	<u>\$ 252,264</u>	<u>\$ 6,491,556</u>	<u>\$ 6,239,292</u>



General Fund actual revenues were \$5.6 million or 9.8% greater than the budgeted amount while General Fund actual expenditures were (\$0.5) million or 0.9% lower than the budgeted amount. The revenues from local taxes, intergovernmental payments as well as charges for services, fines and fees were higher than anticipated. The expenditures remained within the budget expectations based on the City's conservative approach to spending.

CAPITAL ASSETS

The City's investment in capital assets net of the accumulated depreciation from the Governmental Activities was \$185.2 million and from the Business-Type Activities \$30.1 million as of December 31, 2012. The investment in capital assets includes land, buildings, intangible assets, equipment, improvements, vehicles and infrastructure. Major capital projects are completed based on the City's Capital Improvement

(See independent auditor's report)

CITY OF DES PLAINES, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2012

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 2012 fiscal year included streets and alley reconstruction, water, sewer and drainage system improvements as well as traffic improvements project.

The Business-type capital assets activities included reconstruction of the water mains and sanitary sewer improvements. Detailed information regarding the change in capital assets for Governmental and Business-Type activities is included in the Capital Assets Note 5 to 2012 CAFR.

DEBT OUTSTANDING

The City, under its home rule authority, does not have a legal debt limit. The City's outstanding general obligation debt rating of "Aa2" has been reaffirmed in 2012 by Moody's Investors Service. The City continues to look for the opportunities to pay debt off early or refinance debt at lower interest rates.

Existing Debt

The City had \$57.3 million in principal outstanding general obligation debt from governmental activities and \$365 thousand from business-type activities for the year ended December 31, 2012. The majority of the City's debt burden is supported by TIF revenues, sales and utility taxes, sewer fees and other fees and only \$0.8 million is supported by property tax revenue.

During the current fiscal year, the City issued \$3.8 million in Series 2012 General Obligation (G.O.) Refunding Bonds to take the advantage of the interest rate savings. Additionally, the City paid off a portion of the Series 2004A bonds. The City used the General Fund balance to pay off \$0.8 million of the property tax supported portion of the G.O. Bonds, Series 2003A (Fire Station Portion). The City's net direct debt ratio to equalized assessed value (EAV) continues to be less than 1%. Additional information of the City's long-term debt can be found in Note 7 – Debt Activity to 2012 CAFR.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The soft economy and stagnant revenues remain the City's single biggest challenge. The City Council continues to be sensitive to the precarious financial circumstances of residents and businesses by significantly reducing its operating expenditures and limiting tax increases. The most significant challenges that were considered during the development of 2013 budget were:

- *Instability of the national and local economy:* Weak financial markets continue to dictate low interest rates on investments. Real estate remained very sluggish particularly for Cook County with the 17th highest foreclosure rate in the nation. Housing foreclosures, declining tax bases, and reduced state pass-through revenues have negatively impacted the fiscal condition of the local economy.
- *Pension liabilities:* Recent changes in pension legislation allowed the municipalities some relief in funding the pension obligations at 90% by 2040. The City continues to calculate and fund at the 100% actuarial funding level. Additionally, the City adjusted its actuarial rate for Police and Fire pension return on investments from 7.75% in 2011 to 7% in 2012.
- *Flat revenue sources:* Following a two-year decline many revenue sources have stabilized and indicate a slight increase in 2012. Since the revenues continue to remain relatively flat, the City is facing a challenge of keeping the raising costs of doing business in line with a slow revenue growth.

CITY OF DES PLAINES, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2012

- *Continued high debt load:* With the intention to reduce the City's significantly high debt burden in 2013 Budget the City is planning an early payoff of 2004A G.O. Bonds that will save approximately \$237 thousand in interest costs.
- *Funding of significant capital equipment purchases:* The funding for the vehicle and equipment purchases is provided on a pay-as-you-go basis. 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.

Total operating revenues budgeted for 2013 are \$116.8 million, a 4.2% increase from the 2012 Budget, mostly due to the gaming tax revenues from the Rivers Casino. The General fund revenues are budgeted at \$58.4 million, a \$1.2 million, or 2.1% increase from 2012 due to a projected slight increase from state shared sales, income and utility taxes. The City's total 2012 property tax levy payable in 2013 is \$23.1 million, a 0% increase over the prior year's tax levy.

Total City spending for the 2013 Budget is \$125.8 million, a \$13.3 million, or 11.8% increase over the 2012 budget amount. This increase can be attributed to the City's obligation under the business development agreement with Midwest Gaming related to the Casino of \$10 million annual payment to the State of Illinois plus 40% share with 10 benefitting communities as well as the investment in infrastructure projects in the Capital Projects fund and Water/Sewer fund. The General fund expenditures of \$57.5 million, a \$1.9 million, or 3.4% increase over 2012 budget is a result of an increase in personnel related costs (wages, insurance, etc.) as well as the funding of the public safety pensions and benefits. Other significant General fund expenditures include an additional funding for tree and stump removal related to the Emerald Ash Borer plan.

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

BASIC FINANCIAL STATEMENTS

CITY OF DES PLAINES, ILLINOIS
STATEMENT OF NET POSITION
December 31, 2012

	Primary Government			Component Unit (Library)
	Governmental Activities	Business-type Activities	Total Primary Government	
ASSETS				
Cash and Investments	\$ 65,799,739	\$ 1,651,612	\$ 67,451,351	\$ 5,369,542
Receivables (Net)				
Property Taxes	27,673,960	-	27,673,960	6,207,229
Accounts	4,736,908	3,681,559	8,418,467	-
Accrued Interest	7,530	-	7,530	-
Other Taxes	1,336,337	-	1,336,337	-
Other	561,986	131,635	693,621	-
Prepaid Items	3,183,227	-	3,183,227	16,234
Inventories	-	177,342	177,342	-
Due from Other Governmental Units	6,884,906	-	6,884,906	-
Internal Balances	(484,170)	484,170	-	-
Net Pension Asset	1,442,870	-	1,442,870	-
Capital Assets Not Being Depreciated	72,860,664	1,891,770	74,752,434	-
Capital Assets Being Depreciated, Net	<u>112,291,363</u>	<u>28,180,775</u>	<u>140,472,138</u>	<u>802,700</u>
TOTAL ASSETS	<u>296,295,320</u>	<u>36,198,863</u>	<u>332,494,183</u>	<u>12,395,705</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Amounts from Refunding of Debt	<u>693,335</u>	<u>7,243</u>	<u>700,578</u>	<u>-</u>
LIABILITIES				
Accounts Payable	18,982,994	1,187,635	20,170,629	209,023
Accrued Payroll	1,277,237	133,715	1,410,952	63,489
Accrued Liabilities	99,888	31,561	131,449	-
Accrued Interest Payable	175,095	1,217	176,312	-
Unearned Revenue	264,466	-	264,466	-
Deposits Payable	46,382	-	46,382	-
Long-term Obligations				
Due Within One Year	7,435,057	522,965	7,958,022	77,650
Due in More Than One Year	<u>55,779,768</u>	<u>236,503</u>	<u>56,016,271</u>	<u>289,079</u>
TOTAL LIABILITIES	<u>84,060,887</u>	<u>2,113,596</u>	<u>86,174,483</u>	<u>639,241</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred Property Tax Revenue	<u>27,493,679</u>	<u>-</u>	<u>27,493,679</u>	<u>6,201,073</u>
NET POSITION				
Net Investment in Capital Assets	127,408,625	29,713,208	157,121,833	802,700
Restricted for				
Streets and Highways	1,596,392	-	1,596,392	-
Public Safety	2,347,517	-	2,347,517	-
Economic Development	6,034,197	-	6,034,197	-
Culture and Recreation	-	-	-	4,752,691
Debt Service	288,188	-	288,188	-
Unrestricted	<u>47,759,170</u>	<u>4,379,302</u>	<u>52,138,472</u>	<u>-</u>
TOTAL NET POSITION	<u>\$ 185,434,089</u>	<u>\$ 34,092,510</u>	<u>\$ 219,526,599</u>	<u>\$ 5,555,391</u>

CITY OF DES PLAINES, ILLINOIS
STATEMENT OF ACTIVITIES
Year Ended December 31, 2012

Functions/Programs	Expenses	Program Revenues		
		Fees, Fines & Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental Activities				
General Government	\$ 26,776,957	\$ 5,869,247	\$ 649,543	\$ 155,765
Public Safety	37,899,640	3,745,369	393,394	-
Public Works	7,637,527	3,955,349	-	37,498
Streets and Highways	10,686,981	2,434,345	1,719,224	3,073,803
Economic Development	1,553,448	-	-	-
Interest and Fiscal Charges	3,046,102	-	-	-
Total Governmental Activities	<u>87,600,655</u>	<u>16,004,310</u>	<u>2,762,161</u>	<u>3,267,066</u>
Business-type Activities				
Water	14,161,409	14,162,219	2,039	-
Parking System	783,586	370,038	-	-
Total Business-type Activities	<u>14,944,995</u>	<u>14,532,257</u>	<u>2,039</u>	<u>-</u>
Total Primary Government	<u>\$ 102,545,650</u>	<u>\$ 30,536,567</u>	<u>\$ 2,764,200</u>	<u>\$ 3,267,066</u>
Component Unit:				
Library	<u>\$ 5,648,933</u>	<u>\$ 156,752</u>	<u>\$ 59,852</u>	<u>\$ -</u>

General Revenues
Taxes
Property Taxes
Replacement Taxes
Sales Taxes
Utility Taxes
Income Taxes
Home Rule Sales Taxes
Food and Beverage Taxes
Hotel/Motel Taxes
Real Estate Transfer Taxes
Local Option Motor Fuel Taxes
Gaming Taxes
Other Taxes
Investment Income
Gain on Sale of Capital Assets
Miscellaneous
Transfers
Total General Revenues and Transfers
Change in Net Position
Net Position, January 1, 2012 (as Restated)
Net Position, December 31, 2012

Net (Expense) Revenue and Changes in Net Position			
Primary Government			Component Unit
Governmental Activities	Business-type Activities	Total Primary Government	Library
\$ (20,102,402)		\$ (20,102,402)	\$ -
(33,760,877)		(33,760,877)	-
(3,644,680)		(3,644,680)	-
(3,459,609)		(3,459,609)	-
(1,553,448)		(1,553,448)	-
(3,046,102)		(3,046,102)	-
<u>(65,567,118)</u>		<u>(65,567,118)</u>	<u>-</u>
	\$ 2,849	2,849	-
	<u>(413,548)</u>	<u>(413,548)</u>	<u>-</u>
	<u>(410,699)</u>	<u>(410,699)</u>	<u>-</u>
<u>(65,567,118)</u>	<u>(410,699)</u>	<u>(65,977,817)</u>	<u>-</u>
-	-	-	(5,432,329)
28,841,683	-	28,841,683	6,398,159
1,143,050	-	1,143,050	92,988
9,695,640	-	9,695,640	-
3,239,299	-	3,239,299	-
5,376,774	-	5,376,774	-
5,544,261	-	5,544,261	-
1,236,942	-	1,236,942	-
1,675,772	-	1,675,772	-
407,884	-	407,884	-
1,685,069	-	1,685,069	-
24,802,456	-	24,802,456	-
4,735,420	-	4,735,420	-
160,289	5,228	165,517	5,364
-	-	-	14,250
1,280,897	2,756	1,283,653	22,323
<u>15,758</u>	<u>(15,758)</u>	<u>-</u>	<u>-</u>
<u>89,841,194</u>	<u>(7,774)</u>	<u>89,833,420</u>	<u>6,533,084</u>
24,274,076	(418,473)	23,855,603	1,100,755
<u>161,160,013</u>	<u>34,510,983</u>	<u>195,670,996</u>	<u>4,454,636</u>
<u>\$ 185,434,089</u>	<u>\$ 34,092,510</u>	<u>\$ 219,526,599</u>	<u>\$ 5,555,391</u>

CITY OF DES PLAINES, ILLINOIS
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2012

	Major Governmental Funds			Nonmajor Governmental Funds	Total Governmental Funds
	General	Gaming Tax	Capital Projects		
ASSETS					
Cash	\$ 23,740,541	\$ 25,800,931	\$ 1,228,327	\$ 13,457,737	\$ 64,227,536
Receivables (net)					
Property Tax Receivable	22,800,930	-	25,952	4,847,078	27,673,960
Other Taxes	1,196,399	-	139,938	-	1,336,337
Accounts Receivable	1,405,087	-	616,622	-	2,021,709
Accrued Interest	7,051	270	-	209	7,530
Other	561,804	2,715,199	-	182	3,277,185
Due from Other Governments	5,342,762	-	1,036,156	505,988	6,884,906
Due from Other Funds	2,481	-	-	-	2,481
Advances from Other Funds	8,606,709	-	-	-	8,606,709
TOTAL ASSETS	<u>\$ 63,663,764</u>	<u>\$ 28,516,400</u>	<u>\$ 3,046,995</u>	<u>\$ 18,811,194</u>	<u>\$ 114,038,353</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities					
Accounts Payable	\$ 1,774,441	\$ 15,920,982	\$ 483,682	\$ 781,419	\$ 18,960,524
Accrued Payroll	1,268,564	-	8,673	-	1,277,237
Accrued Liabilities	85,731	-	-	-	85,731
Deposits Payable	-	-	5,361	41,021	46,382
Due to Other Funds	-	-	-	2,481	2,481
Advances to Other Funds	-	-	-	8,606,709	8,606,709
Unearned Revenue	264,466	-	-	-	264,466
Total Liabilities	<u>3,393,202</u>	<u>15,920,982</u>	<u>497,716</u>	<u>9,431,630</u>	<u>29,243,530</u>
Deferred Inflows of Resources					
Deferred Property Tax Revenue	22,747,973	-	25,952	4,719,754	27,493,679
Unavailable Other Revenue	1,787,820	-	-	16,280	1,804,100
Total Deferred Inflows of Resources	<u>24,535,793</u>	<u>-</u>	<u>25,952</u>	<u>4,736,034</u>	<u>29,297,779</u>
Fund Balances					
Nonspendable					
Long-term Interfund Advances	8,606,709	-	-	-	8,606,709
Restricted					
Economic Development	-	-	-	6,034,197	6,034,197
Debt Retirement/Infrastructure	-	12,595,418	-	-	12,595,418
Streets & Highways	-	-	805,537	790,855	1,596,392
Public Safety	-	-	-	2,347,517	2,347,517
Debt Service	-	-	-	463,283	463,283
Assigned					
Infrastructure	500,000	-	1,717,790	-	2,217,790
Capital Acquisitions	152,500	-	-	3,611,901	3,764,401
Pension Funding	1,009,318	-	-	-	1,009,318
Public Safety	2,500,000	-	-	-	2,500,000
Unassigned	22,966,242	-	-	(8,604,223)	14,362,019
Total Fund Balances	<u>35,734,769</u>	<u>12,595,418</u>	<u>2,523,327</u>	<u>4,643,530</u>	<u>55,497,044</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 63,663,764</u>	<u>\$ 28,516,400</u>	<u>\$ 3,046,995</u>	<u>\$ 18,811,194</u>	<u>\$ 114,038,353</u>

CITY OF DES PLAINES, ILLINOIS
RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
December 31, 2012

Total Fund Balances - Governmental Funds \$ 55,497,044

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	\$ 281,402,225	
Accumulated Depreciation	<u>(96,250,198)</u>	
Net Capital Assets		185,152,027

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. 1,804,100

Gains/Losses related to the refunding of long-term debt are capitalized and amortized over the life of the debt issue in the statement of net position. 693,335

Generally, interest on long-term debt is not accrued in governmental funds, but rather is recognized when due. (175,095)

The net pension assets of the police and firefighters pension funds are included in the governmental activities in the statement of net position. 1,442,870

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	(2,236,617)	
General Obligation Bonds Payable	(19,340,000)	
TIF General Obligation Bonds Payable	(37,976,878)	
TIF Revenue Bonds Payable	(538,252)	
Unamortized Bond Premiums & Discounts	(369,107)	
Installment Notes Payable	(212,500)	
Other Post Employment Benefits (OPEB)	(1,922,408)	
Net Pension Obligation - IMRF	<u>(232,898)</u>	
Total Long-term Liabilities		(62,828,660)

Internal service funds are reported in the Statement of Net Position as Governmental Activities. 3,848,468

Net Position of Governmental Activities \$ 185,434,089

CITY OF DES PLAINES, ILLINOIS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended December 31, 2012

	Major Governmental Funds			Nonmajor Governmental Funds	Total Governmental Funds
	General	Gaming Tax	Capital Projects		
Revenues					
Property Taxes	\$ 23,141,075	\$ -	\$ 32,721	\$ 5,667,887	\$ 28,841,683
Other Taxes	12,195,929	24,802,456	5,843,265	109,560	42,951,210
Licenses and Permits	2,781,329	-	-	-	2,781,329
Intergovernmental	16,245,216	-	849,154	3,804,566	20,898,936
Public Charges for Services	6,689,530	-	2,434,345	-	9,123,875
Fines, Forfeitures and Penalties	1,158,716	-	-	226,690	1,385,406
Developer Contributions	-	-	96,019	-	96,019
Investment Income	85,646	15,861	5,485	52,764	159,756
Miscellaneous	543,494	-	34,874	77,064	655,432
Total Revenues	<u>62,840,935</u>	<u>24,818,317</u>	<u>9,295,863</u>	<u>9,938,531</u>	<u>106,893,646</u>
Expenditures					
Current					
General Government	7,304,439	15,920,983	-	356,568	23,581,990
Public Safety	37,230,479	-	-	194,693	37,425,172
Public Works	5,697,710	-	655,403	-	6,353,113
Streets and Highways	4,539,771	-	-	581,760	5,121,531
Economic Development	410,325	-	-	1,025,288	1,435,613
Debt Service					
Principal	-	-	3,225,000	1,869,229	5,094,229
Interest and Fiscal Charges	-	-	953,616	1,134,059	2,087,675
Payment to Refunding Bond Escrow	-	-	1,171,690	-	1,171,690
Capital Outlay	-	-	3,677,503	3,479,881	7,157,384
Total Expenditures	<u>55,182,724</u>	<u>15,920,983</u>	<u>9,683,212</u>	<u>8,641,478</u>	<u>89,428,397</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>7,658,211</u>	<u>8,897,334</u>	<u>(387,349)</u>	<u>1,297,053</u>	<u>17,465,249</u>
Other Financing Sources (Uses)					
Transfer In	334,345	-	-	1,950,460	2,284,805
Transfer Out	(1,501,000)	-	(183,777)	(584,270)	(2,269,047)
Issuance of Debt	-	-	-	3,765,000	3,765,000
Payment to Refunding Bond Escrow	-	-	-	(3,746,382)	(3,746,382)
Premium on Bond Issuance	-	-	-	41,230	41,230
Total Other Financing Sources (Uses)	<u>(1,166,655)</u>	<u>-</u>	<u>(183,777)</u>	<u>1,426,038</u>	<u>75,606</u>
Net Change in Fund Balances	6,491,556	8,897,334	(571,126)	2,723,091	17,540,855
Fund Balances at Beginning of Year	<u>29,243,213</u>	<u>3,698,084</u>	<u>3,094,453</u>	<u>1,920,439</u>	<u>37,956,189</u>
Fund Balances at End of Year	<u>\$ 35,734,769</u>	<u>\$ 12,595,418</u>	<u>\$ 2,523,327</u>	<u>\$ 4,643,530</u>	<u>\$ 55,497,044</u>

CITY OF DES PLAINES, ILLINOIS
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
Year Ended December 31, 2012

Net Change in Fund Balances - Total Governmental Funds \$ 17,540,855

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	\$ 5,114,211	
Contributed Assets	1,585,948	
Depreciation	<u>(5,735,030)</u>	
Capital Expenditures in Excess of Depreciation		965,129

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. (113,090)

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.

Increase in Compensated Absences Liability	(392,160)	
Accretion of Interest on Capital Appreciation Bonds	(516,401)	
Decrease in Accrued Interest Payable	5,490	
Increase in Net Pension Obligation - IMRF	(45,818)	
Decrease in Other Post Employment Benefits (OPEB)	227,377	
Increase in Net Pension Asset	<u>198,562</u>	
Total Expenses of Non-current Resources		(522,950)

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 deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Bonds Issued	(3,765,000)	
Premium on Bonds Issued	(41,230)	
Repayments:		
General Obligation Bonds Payable	3,300,000	
TIF General Obligation Bonds Payable	1,685,000	
TIF Revenue Bonds Payable	53,078	
Installment Notes Payable	56,151	
Payment to Refunding Escrow	4,918,072	
Amortization of Premiums, Discounts, & Loss on Refunding	<u>(447,516)</u>	
Net Adjustment		5,758,555

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. 645,577

Change in Net Position of Governmental Activities \$ 24,274,076

CITY OF DES PLAINES, ILLINOIS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
December 31, 2012

	Business-Type Activities - Enterprise Funds			Governmental Activities
	Water/Sewer	Parking System	Total Enterprise Funds	Internal Service Funds
ASSETS				
Current Assets				
Cash and Investments	\$ 1,297,924	\$ 353,688	\$ 1,651,612	\$ 1,572,203
Receivables (Net)				
Accounts	3,681,559	-	3,681,559	-
Other	23,936	107,699	131,635	-
Prepaid Items	-	-	-	3,183,227
Inventories	177,342	-	177,342	-
Total Current Assets	<u>5,180,761</u>	<u>461,387</u>	<u>5,642,148</u>	<u>4,755,430</u>
Noncurrent Assets				
Capital Assets				
Capital Assets Not Being Depreciated	233,828	1,657,942	1,891,770	-
Capital Assets Being Depreciated, Net	17,672,924	10,507,851	28,180,775	-
Total Noncurrent Assets	<u>17,906,752</u>	<u>12,165,793</u>	<u>30,072,545</u>	<u>-</u>
TOTAL ASSETS	<u>23,087,513</u>	<u>12,627,180</u>	<u>35,714,693</u>	<u>4,755,430</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Amounts from Refunding of Debt	7,243	-	7,243	-
LIABILITIES				
Current Liabilities				
Accounts Payable	1,151,506	36,129	1,187,635	22,470
Accrued Liabilities	165,276	-	165,276	14,157
Accrued Interest Payable	1,217	-	1,217	-
Long-term Obligations, Due Within One Year				
Compensated Absences	156,385	-	156,385	-
Early Retirement Incentive Program Payable	-	-	-	367,322
General Obligation Debt Payable	366,580	-	366,580	-
Total Current Liabilities	<u>1,840,964</u>	<u>36,129</u>	<u>1,877,093</u>	<u>403,949</u>
Noncurrent Liabilities				
Long-term Obligations, Due in More Than One Year				
Net OPEB Obligation	76,414	-	76,414	-
Net IMRF Obligation	87,137	-	87,137	-
Compensated Absences	72,952	-	72,952	-
Early Retirement Incentive Program Payable	-	-	-	18,843
Total Noncurrent Liabilities	<u>236,503</u>	<u>-</u>	<u>236,503</u>	<u>18,843</u>
TOTAL LIABILITIES	<u>2,077,467</u>	<u>36,129</u>	<u>2,113,596</u>	<u>422,792</u>
NET POSITION				
Net Investment in Capital Assets	17,547,415	12,165,793	29,713,208	-
Unrestricted	3,469,874	425,258	3,895,132	4,332,638
TOTAL NET POSITION	<u>\$ 21,017,289</u>	<u>\$ 12,591,051</u>	<u>33,608,340</u>	<u>\$ 4,332,638</u>
Adjustment to Reflect the Consolidation of Internal Service Funds Activities				
Related to Enterprise Funds			484,170	
Net Position of Business-type Activities			<u>\$ 34,092,510</u>	

CITY OF DES PLAINES, ILLINOIS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
Year Ended December 31, 2012

	Business-Type Activities - Enterprise Funds			Governmental Activities
	Water/Sewer	Parking System	Total Enterprise Funds	Internal Service Funds
Operating Revenues				
Charges for Services	\$ 14,162,219	\$ 370,038	\$ 14,532,257	\$ 11,381,579
Miscellaneous	2,756	-	2,756	556,132
Total Operating Revenues	<u>14,164,975</u>	<u>370,038</u>	<u>14,535,013</u>	<u>11,937,711</u>
Operating Expenses				
Salaries	3,039,934	-	3,039,934	-
Benefits	1,628,127	-	1,628,127	-
Contractual Services	847,360	16,481	863,841	-
Commodities	7,402,520	120,930	7,523,450	-
Capital Outlay	299,867	-	299,867	-
Claims Expense	-	-	-	7,989,256
Insurance and Processing Fees	-	-	-	3,074,930
Miscellaneous	-	-	-	221,873
Depreciation	916,189	646,136	1,562,325	-
Total Operating Expenses	<u>14,133,997</u>	<u>783,547</u>	<u>14,917,544</u>	<u>11,286,059</u>
Operating Income (Loss)	<u>30,978</u>	<u>(413,509)</u>	<u>(382,531)</u>	<u>651,652</u>
Nonoperating Revenues and (Expenses)				
Intergovernmental	2,039	-	2,039	-
Investment Income	5,228	-	5,228	533
Interest Expense	(34,059)	-	(34,059)	-
Total Nonoperating Revenues and (Expenses)	<u>(26,792)</u>	<u>-</u>	<u>(26,792)</u>	<u>533</u>
Income (Loss) Before Transfers	<u>4,186</u>	<u>(413,509)</u>	<u>(409,323)</u>	<u>652,185</u>
Transfers				
Transfers In	20,758	-	20,758	-
Transfers Out	-	(36,516)	(36,516)	-
Total Transfers	<u>20,758</u>	<u>(36,516)</u>	<u>(15,758)</u>	<u>-</u>
Change in Net Position	24,944	(450,025)	(425,081)	652,185
Net Position at Beginning of Year (as Restated)	<u>20,992,345</u>	<u>13,041,076</u>	<u>34,033,421</u>	<u>3,680,453</u>
Net Position at End of Year	<u>\$ 21,017,289</u>	<u>\$ 12,591,051</u>	<u>\$ 33,608,340</u>	<u>\$ 4,332,638</u>
Adjustment to Reflect the Consolidation of Internal Service Funds Activities Related to Enterprise Funds			<u>6,608</u>	
Change in Net Position of Business-type Activities			<u>\$ (418,473)</u>	

CITY OF DES PLAINES, ILLINOIS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended December 31, 2012

	Business-Type Activities - Enterprise Funds			Governmental Activities
	Water/Sewer	Parking System	Total Enterprise Funds	Internal Service Funds
Cash Flows from Operating Activities				
Cash Received from Customers	\$ 13,605,303	\$ 262,339	\$ 13,867,642	\$ 11,381,579
Receipts from Miscellaneous Revenues	2,756	-	2,756	556,132
Cash Payments to Suppliers for Good and Services	(8,036,691)	(137,264)	(8,173,955)	(11,612,163)
Cash Payments to Employees for Services	(4,539,512)	-	(4,539,512)	-
Net Cash Provided/(Used) by Operating Activities	<u>1,031,856</u>	<u>125,075</u>	<u>1,156,931</u>	<u>325,548</u>
Cash Flows from Noncapital Financing Activities				
Transfers In	20,758	-	20,758	-
Transfers Out	-	(36,516)	(36,516)	-
Loan Repayments Received	10,952	-	10,952	-
Proceeds from Operating Grants	2,039	-	2,039	-
Net Cash Provided/(Used) by Noncapital Financing Activities	<u>33,749</u>	<u>(36,516)</u>	<u>(2,767)</u>	<u>-</u>
Cash Flows from Capital and Related Financing Activities				
Principal Payments - Bonds	(365,000)	-	(365,000)	-
Acquisition and Construction of Capital Assets	(579,997)	-	(579,997)	-
Interest Paid	(29,610)	-	(29,610)	-
Net Cash Provided/(Used) by Capital and Related Financing Activities	<u>(974,607)</u>	<u>-</u>	<u>(974,607)</u>	<u>-</u>
Cash Flows from Investing Activities				
Investment Income	5,228	-	5,228	533
Net Cash Provided/(Used) by Investing Activities	<u>5,228</u>	<u>-</u>	<u>5,228</u>	<u>533</u>
Net Increase (Decrease) in Cash & Investments	96,226	88,559	184,785	326,081
Cash & Investments, Beginning of Year	1,201,698	265,129	1,466,827	1,246,122
Cash & Investments, End of Year	<u>\$ 1,297,924</u>	<u>\$ 353,688</u>	<u>\$ 1,651,612</u>	<u>\$ 1,572,203</u>
Reconciliation of Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities				
Operating Income/(Loss)	\$ 30,978	\$ (413,509)	\$ (382,531)	\$ 651,652
Adjustments to Reconcile Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities				
Depreciation	916,189	646,136	1,562,325	-
Decrease (Increase) in Receivables	(395,684)	(50,075)	(445,759)	-
Decrease (Increase) in Prepaid Items	-	-	-	78,569
Decrease (Increase) in Inventories	60,035	-	60,035	-
(Decrease) Increase in Accounts Payable	291,789	147	291,936	(48,967)
(Decrease) Increase in Accrued Liabilities	56,399	-	56,399	(9,653)
(Decrease) Increase in Unearned Revenue	-	(57,624)	(57,624)	-
(Decrease) Increase in Net OPEB Obligation	36,346	-	36,346	-
(Decrease) Increase in Net IMRF Obligation	23,303	-	23,303	-
(Decrease) Increase in Compensated Absences Payable	12,501	-	12,501	-
(Decrease) Increase in Early Retirement Incentive Program Payable	-	-	-	(346,053)
Total Adjustments	<u>1,000,878</u>	<u>538,584</u>	<u>1,539,462</u>	<u>(326,104)</u>
Net Cash Provided/(Used) by Operating Activities	<u>\$ 1,031,856</u>	<u>\$ 125,075</u>	<u>\$ 1,156,931</u>	<u>\$ 325,548</u>

CITY OF DES PLAINES, ILLINOIS
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
December 31, 2012

	Pension Trust Funds	Agency Funds
ASSETS		
Cash and Cash Equivalents	\$ 6,071,034	\$ 510,418
Investments		
U.S. Government and Agency Obligations	29,397,973	-
Mutual Funds	33,900,520	-
Corporate Bonds	21,304,210	-
Stocks	23,539,104	-
State and Local Obligations	2,773,857	-
Insurance Contracts	1,441	-
Receivables (Net)		
Accrued Interest	487,738	-
Other	-	26,580
Prepaid Items	9,009	-
TOTAL ASSETS	\$ 117,484,886	\$ 536,998
 LIABILITIES AND NET POSITION		
Liabilities		
Accounts Payable	\$ 82,070	\$ 48,120
Accrued Liabilities	-	75,310
Deposits Payable	-	413,568
Total Liabilities	82,070	\$ 536,998
 Net Position		
Held in Trust for Pension Benefits	117,402,816	
TOTAL LIABILITIES AND NET POSITION	\$ 117,484,886	

CITY OF DES PLAINES, ILLINOIS
STATEMENT OF CHANGES IN PLAN NET POSITION
PENSION TRUST FUNDS
Year Ended December 31, 2012

	Pension Trust Funds
Additions	
Contributions	
Employer	\$ 7,197,526
Plan Members	<u>1,840,706</u>
Total Contributions	<u>9,038,232</u>
Investment Income	12,149,353
Less Investment Expense	<u>(454,849)</u>
Net Investment Income	<u>11,694,504</u>
Total Additions	<u>20,732,736</u>
Deductions	
Administration	178,997
Benefits and Refunds	<u>11,434,655</u>
Total Deductions	<u>11,613,652</u>
Change in Plan Net Position	9,119,084
Plan Net Position at Beginning of Year	<u>108,283,732</u>
Plan Net Position at End of Year	<u>\$ 117,402,816</u>

CITY OF DES PLAINES, ILLINOIS
INDEX TO NOTES TO FINANCIAL STATEMENTS
December 31, 2012

NOTE	<u>Page</u>
1. Summary of Significant Accounting Policies	28
Reporting Entity.....	28
Government-Wide and Fund Financial Statements	29
Measurement Focus, Basis of Accounting, and Financial Statement Presentation	31
Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity	33
Deposits and Investments	33
Receivables	35
Inventories and Prepaid Items.....	36
Deferred Outflows/Inflows of Resources	36
Capital Assets.....	36
Compensated Absences	37
Long-Term Obligations	37
Claims and Judgments	38
Equity Classifications.....	38
2 Stewardship, Compliance, and Accountability	39
Budgetary Information.....	39
Excess Expenditures Over Appropriations	40
Deficit Balances	40
3 Deposits and Investments	41
4 Receivables	44
5 Capital Assets.....	45
6 Interfund Receivables/Payables, Advances and Transfers.....	47
7 Debt Activity.....	49
8 Component Unit.....	55
9 Employees' Retirement System	58
10 Risk Management.....	65
11 Commitments and Contingencies.....	67
12 Joint Ventures.....	68
13 Other Postemployment Benefits.....	68
14 Termination Benefits.....	70
15 Tax Increment Financing District.....	70
16 New Accounting Pronouncements	71
17 Change in Accounting Principle for New GASB Statements.....	72
18 Subsequent Event	73

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. A legally separate organization should be reported as a component unit if the elected officials of the primary government are financially accountable for the organization. The primary government is financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to or burdens on the primary government. The primary government may be financially accountable if an organization is fiscally dependent 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.

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.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Discretely Presented Component Unit – Des Plaines Public Library – The government-wide financial statements include the Des Plaines Public Library (Library) as a component unit. The Library is a legally separate organization. The board of the Library is appointed by the City Council. Illinois Statutes provide for circumstances whereby the City can impose its will on the Library, and also create a potential financial benefit to or burden on the City. See Note 8. I. 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.

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, liabilities, Net Position/fund equity, 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.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Funds are organized as major funds or non-major 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, liabilities, 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.
- Gaming Tax: Accounts for the revenues of a \$1 admissions tax and 5% wagering tax collected at the Rivers Casino in Des Plaines, Illinois that are legally restricted for contractual obligations.
- Capital Projects: Accounts for resources legally restricted to supporting expenditures for the capital projects program

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 non major 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 #4 (Five Corners)
 - TIF #5 (Perry/Lee)
 - TIF #6 (Mannheim/Higgins)
 - Grant Funded Projects

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- Debt Service Funds: Used to account for the accumulation of resources for, and the payment of, general long term debt principal, interest, and related costs.

Debt Service

- Capital Projects Funds: Used to account for financial resources to be used for the acquisition or construction of equipment and/or major capital facilities.

Equipment Replacement
I.T. Replacement

In addition, the City reports the following fund types:

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

Risk Management
Health Benefits

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

Firefighters' Pension
Police Pension

- Agency funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, and/or other governmental units.

Compliance Bond
Section 125 Plan

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 unearned revenue. 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.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

The City reports deferred inflows of resources and unearned revenues on its financial statements. Deferred inflows of resources arise from taxes levied in the current year which are for subsequent year's operations. For governmental fund financial statements, deferred inflows of resources arise when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Unearned revenues arise when resources are received before the City has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the City has a legal claim to the resources, deferred inflows of resources and unearned revenue are removed from the balance sheet or statement of net position and revenue is recognized.

Proprietary and fiduciary fund financial statements (other than agency funds) are reported using the economic resources measurement focus and the accrual basis of accounting, as described previously in this note. Agency funds follow the accrual basis of accounting, and do not have a measurement focus.

The proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Water/Sewer and Parking System funds are charges to customers for sales and services. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

All Financial Statements: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity:

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

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

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

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

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

The Police and Firefighter's Pension Funds' policies are to maintain long term focus on its investment decision making process. Specifically, the Pension Fund's benefit liabilities extend many years into the future. As such, the investment focus should be on long term results.

Interest Rate Risk: The City's and Pension Funds' investment policies seek to ensure preservation of capital in the City's and Pension Funds' overall portfolio. Return on investment is of secondary importance to safety of principal and liquidity. The City's and Pension Funds' policy does not limit investment maturities except as part of statutory requirements, as a means of managing its exposure to fair value losses arising from increasing interest rates. However, all of the policies require the City's and Pension Funds' investment portfolio to be sufficiently liquid to enable the City and Pension Funds to meet all operating requirements as they come due.

The City will minimize interest risk that the market value of securities in the portfolio will fall due to changes in general interest rates by: (1) structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity, and (2) investing operating funds primarily in short term securities or investment pools.

Credit Risk: State Statutes limit the investments in commercial paper to the top three ratings of two nationally recognized statistical rating organizations (NRSRO's). The City's and Pension Funds' investment policy authorizes investments in any type of security allowed for in Illinois statutes regarding the investment of public funds.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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, 2012.

Per the investment policy, no financial institution shall have more than 50% of the City's investment portfolio. No more than 33% of the City's investments may be commercial paper. No more than 25% of the City's investment portfolio may be brokered in certificates of deposit. Illinois funds and money market mutual funds shall not exceed 25% and IMET 15% of the City's investment portfolio. As of December 31, 2012, the City's investment in Illinois Funds and money market mutual funds was 24%, certificates of deposit was 8%, and IMET was 14% of total investments.

The Police Pension Fund investment policy places a minimum of 2% and maximum of 20% concentration on cash, a minimum of 30% and maximum of 68% on fixed income securities, a minimum of 0% and maximum of 10% on mutual funds, a minimum of 10% and maximum of 20% on foreign equities, and a minimum of 20% and maximum of 35% on equities. As of December 31, 2012, the Police Pension Trust Fund had 6% invested in cash, 46% invested in fixed income securities, 30% in mutual funds, 0% in foreign equities and 18% 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, 2012, the Firefighter Pension Trust Fund had 4% invested in cash, 46% invested in fixed income securities, 28% in mutual funds, 0% in foreign equities and 22% in equities.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Custodial Credit Risk – Deposits: The City's and Pension Funds' investment policies limit the exposure to deposit custodial credit risk by requiring all deposits in excess of FDIC insurable limits to be secured with collateralization pledged by the applicable financial institution to the extent of 100% of the value of the deposit. The Firefighters' Pension Fund's investment policy limits exposure to deposit custodial credit risk by requiring deposits in excess of FDIC insurable limits to be collateralized.

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

The City's and Pension Fund's investment policies require all securities to be held by a third party custodian designated by the Treasurer and evidenced by safekeeping receipts.

Investments are stated at fair value, which is the amount at which an investment could be exchanged in a current transaction between willing parties. Fair values are based on quoted market prices. No investments are reported at amortized cost. Adjustments necessary to record investments at fair value are recorded in the operating statement as increases or decreases in investment income. Investment income on commingled investments of municipal accounting funds is allocated based on average balances. The difference between the bank balance and carrying value is due to outstanding checks and/or deposits in transit.

Illinois Funds is an investment pool managed by the State of Illinois, Office of the Treasurer, which allows governments within the State to pool their funds for investment purposes. Illinois Funds is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in Illinois Funds are valued at Illinois Fund's share price, the price for which the investments could be sold.

See Note 3 for further information.

Receivables: Property taxes for levy year 2012 attach as an enforceable lien on January 1, 2012, on property values assessed as of the same date. Taxes are levied by December following the lien date (by passage of a Tax Levy Ordinance).

Tax bills are prepared by the County and issued on or about February 1, 2012 and September 1, 2012, and are payable in two installments, on or about March 1, 2012 and October 1, 2012 or within 30 days of the tax bills being issued.

The County collects such taxes and remits them periodically. The 2012 property tax levy is recognized as a receivable and deferred inflow of resources in fiscal year 2012, net the allowance for uncollectible. As the taxes become available to finance current expenditures, they are recognized as revenues. At December 31, 2012, the property taxes receivable and deferred inflow of resources consisted of the estimated amount collectible from the 2012 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, 2012.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 only has one item that qualifies for reporting in this category. It is the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

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

Capital Assets:

Government-wide Statements – Capital assets, which include property, plant and equipment, are reported in the government-wide financial statements. Capital assets are defined by the government as assets with an initial cost of more than \$25,000 for general capital assets and \$25,000 for infrastructure assets, and an estimated useful life in excess of 1 year. All capital assets are valued at historical cost, or estimated historical cost if actual amounts are unavailable. Donated capital assets are recorded at their estimated fair value at the date of donation.

Additions to and replacements of capital assets of business type activities are recorded at original cost, which includes material, labor, overhead, and an allowance for the cost of funds used during construction when significant. For tax exempt debt, the amount of interest capitalized equals the interest expense incurred during construction netted against any interest revenue from temporary investment of borrowed fund proceeds. No net interest was capitalized during the current year. The cost of renewals and

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

Compensated Absences: The liability for vested or accumulated vacation leave of the City (primary government), including related Social Security and Medicare, at December 31, 2012 of \$2,465,954, is recorded in the government-wide financial statements.

For governmental fund financial statements, the portion of the liability which has matured and is currently due and payable, such as a result of employee resignations and retirements, is recorded as a liability in the appropriate fund. The government-wide financial statements record unused vacation and sick leave as expenses and liabilities when earned by employees. The long term portion of compensated absences will be paid from the fund which the employee is paid.

The accumulated vacation and sick leave time liability of employees charged to the proprietary funds types is reported as an expense and as a liability of those funds as the benefits accrue to the employees.

In accordance with the provisions of Governmental Accounting Standards Board Statement No. 16, Accounting for Compensated Absences, no liability is recorded for non-vesting accumulating rights to receive sick pay benefits. However, a liability is recognized for that portion of accumulating sick leave benefits that is estimated will be taken as "terminal leave" prior to retirement.

Long-Term Obligations: All long term obligations to be repaid from governmental and business type resources are reported as liabilities in the government-wide statements. The long term obligations consist primarily of notes and bonds payable and accrued compensated absences.

Long term obligations for governmental funds are not reported as liabilities in the fund financial statements. The face value of debts (plus any premiums) are reported as other financing sources and payments of principal and interest are reported as expenditures. The accounting in proprietary funds is the same as it is in the government-wide statements.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 an increase or decrease in the deferred outflows of resources section of the statement of net position. Debt issuance costs are expensed when incurred.

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.

Equity Classifications:

Government-wide Statements – Equity is classified as Net Position and displayed in three components:

- Net Investment in Capital Assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances (excluding unspent bond proceeds) of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- Restricted Net Position – Consists of Net Position with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or, 2) law through constitutional provisions or enabling legislation.
- Unrestricted Net Position – All other Net Position that do not meet the definitions of "restricted" or "net investment in capital assets."

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

Governmental Funds Statements – In order to comply with the Governmental Accounting Standard Board's (GASB) Statement No. 54, *Fund Balance Reporting and Government Fund Type Definitions*, the components of the fund balance section of the balance sheet of the governmental funds include the following line items:

- a) Nonspendable fund balance is inherently nonspendable, such as portions of net resources that cannot be spent because of their form and portions of net resources that cannot be spent because they must be maintained intact.
- b) Restricted fund balance is externally enforceable limitations on use, such as limitations imposed by creditors, grantors, contributors, or laws and regulations of other government as well as limitations imposed by law through constitutional provision or enabling legislation. Restricted fund balances reported on the City's Governmental Funds Balance Sheet mainly include restricted property tax levies, bond proceeds, and grant awards.
- c) Committed fund balance has self-imposed limitations set in place prior to the end of the period. The limitations are imposed at the highest level of decision making that requires formal action at the same level to remove. For the City, the City Council is the highest level of decision making. As of December 31, 2012, the City does not have any commitments of fund balance.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- d) Assigned fund balance has limitations resulting from intended use consisting of amounts where the intended use is established by the City Council designated for that purpose. The intended use is established by an official designated for that purpose. The City has designated the City Director of Finance for this purpose. GASB 54 has also outlined that fund balance outside of the general fund is to fall in this category if there is not a deficit fund balance for the fund.
- e) Unassigned fund balance is the total fund balance in the general fund in excess of nonspendable, restricted, committed, and assigned fund balance. In addition, if there is a deficit balance in another governmental fund, it will be reported as a negative amount in that fund's unassigned classification.

In circumstances where an expenditure is to be made for a purpose for which amounts are available in multiple fund balance classifications, the order in which resources will be expended is as follows: restricted fund balance, followed by committed fund balance, assigned fund balance, and lastly, unassigned fund balance.

Proprietary fund equity is classified the same as in the government-wide statements.

Fiduciary fund equity is classified as held in trust for agency funds on the statement of fiduciary Net Position. Various donor restrictions apply, including authorizing and spending trust income, and the City believes it is in compliance with all significant restrictions.

NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

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

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

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

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

(Continued)

CITY OF DES PLAINES, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2012

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

Excess Expenditures Over Appropriations:

<u>Funds</u>	<u>Budgeted Expenditures</u>	<u>Actual Expenditures</u>	<u>Excess Expenditures Over Budget</u>
Gaming Tax	\$ 12,720,000	\$ 15,920,983	\$ 3,200,983
Capital Projects	7,793,392	9,683,212	1,889,820
Grant Funded Projects	1,026,259	1,733,025	706,766
Water/Sewer	11,890,873	14,133,997	2,243,124
Parking System	163,566	783,547	619,981

The City controls expenditures at the object level. Some individual departments experienced expenditures which exceeded appropriations. The detail of those items can be found in the City's year end budget to actual report.

Deficit Balances: Generally accepted accounting principles require disclosure of individual funds that have deficit balances at year end.

As of December 31, 2012, the following individual funds held a deficit balance:

<u>Fund</u>	<u>Amount</u>
TIF #3 (Wille Road)	\$ 2,961,173
TIF #6 (Mannheim/Higgins)	5,643,050

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

(Continued)

CITY OF DES PLAINES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2012

NOTE 3 – DEPOSITS AND INVESTMENTS

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

	<u>Carrying</u> <u>Value</u>	<u>Statement</u> <u>Balance</u>	<u>Associated Risks</u>
Petty cash	\$ 2,750	\$ 2,750	N/A
Deposits	39,072,764	39,203,461	Custodial
Illinois funds	15,995,069	15,937,672	Credit, interest rate
U.S. government and agency obligations	29,397,973	29,397,973	Custodial, credit, interest rate concentration of credit
State and local obligations	6,227,775	6,227,775	Custodial, interest rate, concentration of credit
Money market mutual funds	15,508,302	15,508,302	Credit, interest rate
Mutual funds	33,900,520	33,900,520	Credit
Corporate bonds	21,304,210	21,304,210	Custodial, credit, interest rate concentration of credit
Common and preferred stock	23,539,104	23,539,104	Custodial, concentration of credit
Insurance contracts	<u>1,441</u>	<u>1,441</u>	Custodial, credit, concentration of credit
Total deposits and investments	<u>\$ 184,949,908</u>	<u>\$ 185,023,208</u>	

Reconciliation To Financial Statements:

Per statement of net position	
Cash and investments	\$ 67,451,351
Per statement of fiduciary net position - fiduciary funds	
Cash - agency	510,418
Cash - pension	6,071,034
U.S. government and agency obligations	29,397,973
Mutual funds	33,900,520
Corporate bonds	21,304,210
Stocks	23,539,104
Insurance contracts	1,441
State and local obligations	<u>2,773,857</u>
Total deposits and investments	<u>\$184,949,908</u>

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

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

(Continued)

CITY OF DES PLAINES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2012

NOTE 3 – DEPOSITS AND INVESTMENTS (Continued)

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

As of December 31, 2012, credit ratings for the City, Police Pension, and Fire Pension investments in debt securities are as follows:

<u>City</u>		<u>Standard and Poor's Ratings</u>								
<u>Investment Type</u>	<u>AAA</u>	<u>A+</u>								
Illinois municipal bonds	\$ -	\$3,453,918								
Illinois funds	15,995,069	-								
<u>Police Pension</u>		<u>Standard and Poor's Ratings</u>								
<u>Investment Type</u>	<u>AAA</u>	<u>AA+</u>	<u>AA</u>	<u>AA-</u>	<u>A+</u>	<u>A</u>	<u>A-</u>			
U.S. Treasuries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
State and Local Obligations	494,433	226,406	243,551	130,064	-	-	-	-		
U.S. Government Agencies	-	2,400,680	-	-	-	-	-	-		
Corporate Bonds	-	657,153	577,854	147,780	1,770,923	2,258,803	1,891,447			
<u>Fire Pension</u>		<u>Standard and Poor's Ratings</u>			<u>Moody's Ratings</u> (if S&P not available)			<u>Total</u>		
<u>Investment Type</u>	<u>BBB+</u>	<u>BBB</u>	<u>BBB-</u>	<u>AAA</u>	<u>AA1</u>	<u>NR</u>				
U.S. Treasuries	\$ -	\$ -	\$ -	\$ 11,557,753	\$ -	\$ -	\$ 11,557,753			
State and Local Obligations	-	-	-	223,490	57,782	-	1,375,726			
U.S. Government Agencies	-	-	-	-	-	442,565	2,843,245			
Corporate Bonds	485,118	2,032,065	334,739	-	-	-	10,155,882			
<u>Police Pension</u>		<u>Standard and Poor's Ratings</u>			<u>Moody's Ratings</u> (if S&P not available)			<u>Total</u>		
<u>Investment Type</u>	<u>BBB+</u>	<u>BBB</u>	<u>BBB-</u>	<u>AAA</u>	<u>AA1</u>	<u>NR</u>				
U.S. Treasuries	\$ -	\$ -	\$ -	\$ 12,044,767	\$ -	\$ -	\$ 12,044,767			
State and Local Obligations	-	-	-	223,490	57,782	-	1,398,131			
U.S. Government Agencies	-	-	-	-	-	769,778	2,952,208			
Corporate Bonds	434,899	2,314,354	294,549	-	-	-	11,148,328			

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, 2012, there were no investments (other than investments in United States Government and United States Government Guaranteed Obligations, investment pools, and mutual funds) in a single issuer that exceeded 5%.

(Continued)

CITY OF DES PLAINES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2012

NOTE 3 – DEPOSITS AND INVESTMENTS (Continued)

Interest Rate Risk: Interest rate risk is the risk that changes in interest rates will adversely affect the value of an investment.

As of December 31, 2012, the City's investments and pensions were as follows:

<u>Investment Type</u>	<u>Maturity (in years)</u>			
	<u>Fair Value</u>	<u>Less Than One Year</u>	<u>One to Five Years</u>	<u>Over Five Years</u>
City				
Illinois municipal bonds	\$ 3,453,918	\$ 2,003,087	\$ 1,450,831	\$ -
Money market mutual fund	9,461,416	9,461,416	-	-
Illinois funds	15,995,069	15,995,069	-	-
City investment total	28,910,403	27,459,572	1,450,831	-
Police Pension				
U.S. Treasuries	11,557,753	717,689	2,719,370	8,120,694
State and local obligations	1,375,726	-	469,957	905,769
Money market mutual funds	3,625,641	3,625,641	-	-
Mortgage-backed securities	705,399	-	262,840	442,559
Other U.S. government agencies	2,137,846	1,027,169	1,110,677	-
Corporate bonds	10,155,882	10,155,882	-	-
Insurance contract holdings	1,441	1,441	-	-
Police pension investment total	29,559,688	15,527,822	4,562,844	9,469,022
Fire Pension				
U.S. Treasuries	12,044,767	-	2,851,878	9,192,889
State and local obligations	1,398,131	-	-	1,398,131
Money market mutual funds	2,421,245	2,421,245	-	-
Mortgage-backed securities	1,690,387	-	537,005	1,153,382
Other U.S. government agencies	1,261,821	-	1,261,821	-
Corporate bonds	11,148,328	11,148,328	-	-
Fire pension investment total	29,964,679	13,569,573	4,650,704	11,744,402
Totals	\$ 88,434,770	\$ 56,556,967	\$ 10,664,379	\$ 21,213,424

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

(Continued)

CITY OF DES PLAINES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2012

NOTE 4 - RECEIVABLES

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

Governmental funds report deferred inflows of resources in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Property taxes levied for the subsequent year are not earned and cannot be used to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of deferred inflows of resources and unearned revenue reported in the governmental funds were as follows:

	<u>Deferred Inflows of Resources</u>			
	<u>Unavailable</u>	<u>Deferred</u>	<u>Unearned</u>	<u>Totals</u>
Property taxes receivable for subsequent year	\$ -	\$ 27,493,679	\$ -	\$ 27,493,679
Other receivables	1,787,820	-	264,466	2,052,286
Grant receivables	<u>16,280</u>	<u>-</u>	<u>-</u>	<u>16,280</u>
 Total deferred inflows/unearned revenue for governmental funds	 <u>\$ 1,804,100</u>	 <u>\$ 27,493,679</u>	 <u>\$ 264,466</u>	 <u>\$ 29,562,245</u>

(Continued)

CITY OF DES PLAINES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2012

NOTE 5 – CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2012, was as follows:

	<u>Beginning Balance</u>	<u>Additions/ Transfers In</u>	<u>Deletions/ Transfers Out</u>	<u>Ending Balance</u>
<u>Governmental Activities</u>				
Capital assets not being depreciated				
Land	\$ 19,561,015	\$ -	\$ -	\$ 19,561,015
Land right of way	<u>53,299,649</u>	<u>-</u>	<u>-</u>	<u>53,299,649</u>
Total capital assets not being depreciated	<u>72,860,664</u>	<u>-</u>	<u>-</u>	<u>72,860,664</u>
Capital assets being depreciated				
Buildings	21,792,634	-	-	21,792,634
Improvements	42,430,954	2,259,152	-	44,690,106
Equipment	3,427,648	54,415	-	3,482,063
Vehicles	6,684,405	181,062	-	6,865,467
Infrastructure	<u>127,598,325</u>	<u>4,205,530</u>	<u>-</u>	<u>131,803,855</u>
Total capital assets being depreciated	<u>201,933,966</u>	<u>6,700,159</u>	<u>-</u>	<u>208,634,125</u>
Total capital assets	<u>274,794,630</u>	<u>6,700,159</u>	<u>-</u>	<u>281,494,789</u>
Less accumulated depreciation for				
Buildings	(8,332,861)	(445,931)	-	(8,778,792)
Improvements	(15,048,808)	(1,150,445)	-	(16,199,253)
Equipment	(2,001,270)	(223,289)	-	(2,224,559)
Vehicles	(4,011,038)	(275,079)	-	(4,286,117)
Infrastructure	<u>(61,213,755)</u>	<u>(3,640,286)</u>	<u>-</u>	<u>(64,854,041)</u>
Total accumulated depreciation	<u>(90,607,732)</u>	<u>(5,735,030)</u>	<u>-</u>	<u>(96,342,762)</u>
Net capital assets being depreciated	<u>111,326,234</u>	<u>965,129</u>	<u>-</u>	<u>112,291,363</u>
Total governmental activities capital assets, net of accumulated depreciation	<u>\$ 184,186,898</u>	<u>\$ 965,129</u>	<u>\$ -</u>	<u>\$ 185,152,027</u>

Depreciation expense was charged to functions as follows:

<u>Governmental activities</u>	
General government	\$ 102,379
Public safety	257,054
Public works	1,368,575
Streets and highways	3,864,902
Economic development	<u>142,120</u>
Total	<u>\$ 5,735,030</u>

(Continued)

CITY OF DES PLAINES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2012

NOTE 5 – CAPITAL ASSETS (Continued)

	<u>Beginning Balance</u>	<u>Additions/ Transfers In</u>	<u>Deletions/ Transfers Out</u>	<u>Ending Balance</u>
<u>Business-type Activities</u>				
Capital assets not being depreciated				
Land	\$ 1,891,770	\$ -	\$ -	\$ 1,891,770
Total capital assets not being depreciated	<u>1,891,770</u>	<u>-</u>	<u>-</u>	<u>1,891,770</u>
Capital assets being depreciated				
Buildings	18,966,509	-	-	18,966,509
Improvements	31,066,781	579,997	-	31,646,778
Equipment	514,786	-	-	514,786
Vehicles	1,490,016	-	-	1,490,016
Total capital assets being depreciated	<u>52,038,092</u>	<u>579,997</u>	<u>-</u>	<u>52,618,089</u>
Total capital assets	<u>53,929,862</u>	<u>579,997</u>	<u>-</u>	<u>54,509,859</u>
Less accumulated depreciation for				
Buildings	(7,546,305)	(673,278)	-	(8,219,583)
Improvements	(13,757,491)	(808,290)	-	(14,565,781)
Equipment	(426,255)	(15,406)	-	(441,661)
Vehicles	(1,144,938)	(65,351)	-	(1,210,289)
Total accumulated depreciation	<u>(22,874,989)</u>	<u>(1,562,325)</u>	<u>-</u>	<u>(24,437,314)</u>
Net capital assets being depreciated	<u>29,163,103</u>	<u>(982,328)</u>	<u>-</u>	<u>28,180,775</u>
Total business-type activities capital assets, net of accumulated depreciation	<u>\$ 31,054,873</u>	<u>\$ (982,328)</u>	<u>\$ -</u>	<u>\$ 30,072,545</u>

Depreciation expense was charged to functions as follows:

<u>Business-type Activities</u>	
Parking	\$ 646,136
Water	<u>916,189</u>
Total	<u>\$ 1,562,325</u>

(Continued)

CITY OF DES PLAINES, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2012

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	Non-major governmental	\$ 8,609,190	\$ 8,606,709	\$ 2,481
Total - fund financial statements		<u>8,609,190</u>	<u>\$ 8,606,709</u>	<u>\$ 2,481</u>
Less: Fund eliminations		(8,609,190)		
Less: Interfund receivables created with internal service fund eliminations		<u>(484,170)</u>		
Total internal balances - government-wide statement of net assets		<u>\$ (484,170)</u>		

\$8,606,709 due from Non major Governmental Funds to the General Fund for cash overdrafts in Non major Governmental Funds.

For the statement of net position, interfund balances, which are owed within the governmental activities or business-type activities, are netted and eliminated.

(Continued)

CITY OF DES PLAINES, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2012

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

The following is a schedule of interfund transfers:

<u>Transferred To</u>	<u>Transferred From</u>	<u>Amount</u>	<u>Principal Purpose</u>
<u>Fund financial statements</u>			
General	Non-major governmental	293,587	To reimburse general operating expenditures of the fund
General	Parking system	15,758	To reimburse general operating expenditures of the fund
General	Capital projects	25,000	To reimburse for capital outlay purchases
Non-major governmental	General	1,000	To reimburse general operating expenditures of the fund
Non-major governmental	General	1,500,000	Transfer per budget
Non-major governmental	Capital projects	158,777	To cover City's share of grant expenses
Non-major governmental	Non-major governmental	290,683	To cover City's share of grant expenses
Water fund	Parking system	<u>20,758</u>	To reimburse general operating expenditures of the fund
Total - fund financial statements		2,305,563	
Less: Fund eliminations		<u>(2,289,805)</u>	
Total - government-wide statement of activities		<u>\$ 15,758</u>	

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

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

(Continued)

CITY OF DES PLAINES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2012

NOTE 7 – DEBT ACTIVITY

Long-Term Obligations: Long term obligations activity for the year ended December 31, 2012, was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
<u>Governmental Activities</u>					
Bonds and loans payable					
General obligation debt	\$62,910,477	\$ 4,281,401	\$ 9,875,000	\$57,316,878	\$ 5,555,000
Tax increment financing revenue bonds	591,330	-	53,078	538,252	55,865
Loans payable	268,651	-	56,151	212,500	12,500
Add/(subtract) unamortized (Discounts)/premiums	<u>406,163</u>	<u>41,230</u>	<u>78,286</u>	<u>369,107</u>	<u>-</u>
Total bonds and loans payable	<u>64,176,621</u>	<u>4,322,631</u>	<u>10,062,515</u>	<u>58,436,737</u>	<u>5,623,365</u>
Other liabilities					
Vested compensated absences	1,844,457	1,353,578	961,418	2,236,617	1,444,370
Early retirement incentive program	732,218	-	346,053	386,165	367,322
Net pension obligation - IMRF	187,080	45,818	-	232,898	-
Net other post-retirement benefit liability	<u>2,149,785</u>	<u>-</u>	<u>227,377</u>	<u>1,922,408</u>	<u>-</u>
Total other liabilities	<u>4,913,540</u>	<u>1,399,396</u>	<u>1,534,848</u>	<u>4,778,088</u>	<u>1,811,692</u>
Total governmental activities long-term liabilities	<u>\$69,090,161</u>	<u>\$ 5,722,027</u>	<u>\$11,597,363</u>	<u>\$63,214,825</u>	<u>\$ 7,435,057</u>
	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
<u>Business-Type Activities</u>					
Bonds payable					
General obligation debt	\$ 730,000	\$ -	\$ 365,000	\$ 365,000	\$ 365,000
Add/(subtract) unamortized (Discounts)/premiums	<u>3,162</u>	<u>-</u>	<u>1,582</u>	<u>1,580</u>	<u>1,580</u>
Total bonds payable	733,162	-	366,582	366,580	366,580
Other liabilities					
Vested compensated absences	216,836	153,344	140,843	229,337	156,385
Net pension obligation - IMRF	63,834	23,303	-	87,137	-
Net other post-retirement benefit liability	<u>40,068</u>	<u>36,346</u>	<u>-</u>	<u>76,414</u>	<u>-</u>
Total other liabilities	<u>320,738</u>	<u>212,993</u>	<u>140,843</u>	<u>392,888</u>	<u>156,385</u>
Total business-type activities long-term liabilities	<u>\$ 1,053,900</u>	<u>\$ 212,993</u>	<u>\$ 507,425</u>	<u>\$ 759,468</u>	<u>\$ 522,965</u>

(Continued)

CITY OF DES PLAINES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2012

NOTE 7 – DEBT ACTIVITY (Continued)

Governmental activities general obligation debt increases includes \$178,521 of accretion of the 2009A capital appreciation bonds and \$337,880 of accretion of the 2010B capital appreciation bonds.

General Obligation Debt: All general obligation notes and bonds payable are backed by the full faith and credit of the City. Notes and bonds in the governmental funds will be retired by future property tax levies or tax increments accumulated by the debt service fund. Business type activities debt is payable by revenues from user fees of those funds or, if the revenues are not sufficient, by future tax levies.

	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance December 31, 2012</u>
Governmental Activities					
<u>General Obligation Debt</u>					
Series 2003C Taxable GO Bonds, due in annual installments of \$25,000 to \$250,000					
• debt retired by TIF #6 fund	September 1, 2003	December 1, 2021	4.70% to 5.50%	\$ 2,250,000	\$ 2,040,000
Series 2004B Taxable GO Bonds, due in annual installments of \$120,000 to \$575,000					
• debt retired by TIF #3 fund	June 3, 2004	December 1, 2021	4.80% to 5.85%	8,900,000	625,000
• debt retired by TIF #6 fund					4,860,000
Series 2005A GO Bonds, due in annual installments of \$275,000 to \$500,000					
• debt retired by TIF #3 fund	January 1, 2005	December 1, 2022	3.00% to 5.25%	5,550,000	2,670,000
Series 2005D GO Refunding Bonds, due in annual installments of \$45,000 to \$1,610,000					
• debt retired by capital projects fund	February 1, 2005	December 1, 2018	2.25% to 5.00%	14,650,000	740,000
• debt retired by capital projects fund - sewer portion					4,460,000
• debt retired by capital projects fund - library portion					3,460,000
Series 2005E GO Bonds, due in annual installments of \$215,000 to \$1,290,000					
• debt retired by TIF #1 fund	June 1, 2005	December 1, 2022	3.60% to 4.25%	12,800,000	690,000
• debt retired by capital projects fund					3,985,000
Series 2005F Taxable GO Bonds, due in annual installments of \$115,000 to \$505,000					
• debt retired by TIF #1 fund	June 1, 2005	December 1, 2020	4.75%	4,725,000	3,380,000
Series 2005G Taxable GO Bonds, due in annual installments of \$25,000 to \$165,000					
• debt retired by TIF #3 fund	June 1, 2005	December 1, 2015	4.75%	500,000	350,000

(Continued)

CITY OF DES PLAINES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2012

NOTE 7 – DEBT ACTIVITY (Continued)

	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance December 31, 2012</u>
Series 2007A GO Refunding Bonds, due in annual installments of \$45,000 to \$700,000					
• debt retired from capital project fund	October 23, 2007	December 1, 2021	3.80%	\$ 6,065,000	\$ 4,020,000
Series 2007B GO Refunding Bonds, due in annual installments of \$85,000 to \$150,000					
• debt retired from debt service fund	October 23, 2007	December 1, 2021	3.80%	1,660,000	800,000
• debt retired from TIF #1 fund					250,000
Series 2008A GO Refunding Bonds, due in annual installments of \$125,000 to \$275,000					
• debt retired from TIF #1 fund	April 1, 2008	December 1, 2016	3.25%	2,575,000	666,000
• debt retired from the TIF #3 fund			to 5.25%		914,000
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%	5,430,000	3,514,704
			to 5.80%		
Series 2009B GO Refunding Bonds, due in annual installments of \$200,000 to \$865,000					
• debt retired from capital projects fund	November 3, 2009	December 1, 2018	3.00%	4,175,000	1,875,000
			to 3.75%		
Series 2010A GO Refunding Bonds, due in annual installments of \$295,000 to \$435,000					
• debt retired from TIF #3 fund	January 6, 2010	December 1, 2028	3.625%	3,945,000	3,945,000
			to 4.25%		
Series 2010B GO Refunding Bonds, due in annual installments of \$266,906 to \$807,030					
• debt retired from TIF #3 fund	January 6, 2010	December 1, 2026	4.0%	6,110,760	7,047,174
			to 5.35%		
Series 2011A GO Refunding Bonds, due in annual installments of \$275,000 to \$465,000					
• debt retired from TIF #1 fund	December 22, 2011	December 1, 2021	2.0%	3,540,000	1,395,000
• debt retired from TIF #3 fund			to 2.50%		750,000
• debt retired from TIF #5 fund					890,000
• debt retired from TIF #6 fund					225,000
Series 2012A GO Refunding Bonds, due in annual installments of \$455,000 to \$495,000					
• debt retired from TIF #1 fund	December 18, 2012	December 1, 2020	1.0%	3,765,000	<u>3,765,000</u>
			to 2.0%		
Total governmental activities general obligation debt					<u>\$ 57,316,878</u>

(Continued)

CITY OF DES PLAINES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2012

NOTE 7 – DEBT ACTIVITY (Continued)

A portion of the December 31, 2012 balance for the 2010B and 2009A bonds represents accretion on debt from the date of issuance until December 31, 2012.

	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance December 31, 2012</u>
Business type Activities					
<u>General Obligation Debt</u>					
Series 2005C GO Refunding Bonds, due in annual installments of \$165,000 to \$370,000					
• debt retired by water/sewer fund	January 1, 2005	December 1, 2013	2.50% to 4.00%	\$ 2,330,000	\$ <u>365,000</u>
Total business-type activities general obligation debt					\$ <u>365,000</u>

Debt service requirements to maturity are as follows (Principal Totals for Governmental Activities differs from the outstanding balance noted above in the amount of \$6,683,122, due to the future accretion on the 2009A and 2010A Capital Appreciation Bonds):

<u>Years</u>	<u>Governmental Activities General Obligation Debt</u>		<u>Business-Type Activities General Obligation Debt</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2013	\$ 5,555,000	\$ 1,927,228	\$ 365,000	\$ 14,600
2014	5,360,000	1,720,251	-	-
2015	5,530,000	1,531,756	-	-
2016	5,130,000	1,330,100	-	-
2017	6,110,000	1,123,910	-	-
2018-2022	25,770,000	2,387,551	-	-
2023-2027	10,110,000	336,624	-	-
2028	<u>435,000</u>	<u>18,488</u>	<u>-</u>	<u>-</u>
Totals	<u>\$ 64,000,000</u>	<u>\$ 10,375,908</u>	<u>\$ 365,000</u>	<u>\$ 14,600</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 2012, TIF #1 generated a tax increment of \$4,706,774. The City has pledged future incremental tax revenues, net of specified operating expenses, to repay \$538,252 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 1.6% of net revenues. The total principal and interest remaining to be paid on the notes is \$672,984. Principal and interest paid for the current year were \$53,078 and \$31,045, respectively.

(Continued)

CITY OF DES PLAINES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2012

NOTE 7 – DEBT ACTIVITY (Continued)

Tax Increment Financing Notes at December 31, 2012, consists of the following:

	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance December 31, 2012</u>
Series 2002 Tax Increment Revenue Note, due in annual installments of \$14,547 to \$38,840					
• debt retired by TIF #1 fund	May 1, 2002	June 1, 2020	5.25%	\$ 462,389	\$ 261,560
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>276,692</u>
Total governmental activities tax Increment financing notes					<u>\$ 538,252</u>

Debt service requirements to maturity are as follows:

<u>Years</u>	<u>Governmental Activities Tax Increment Financing Notes</u>	
	<u>Principal</u>	<u>Interest</u>
2013	\$ 55,865	\$ 28,258
2014	58,797	25,326
2015	61,884	22,239
2016	65,133	18,990
2017	68,553	15,570
2018-2020	<u>228,020</u>	<u>24,349</u>
Totals	<u>\$ 538,252</u>	<u>\$ 134,732</u>

Loans Payable: Loans Payable at December 31, 2012 consist of the following:

	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance December 31, 2012</u>
Series 2009 equipment loan (fire engine), due in annual installments of \$12,500					
• debt retired by equipment replacement fund	April 7, 2009	November 1, 2029	0.00%	\$ 250,000	<u>\$ 212,500</u>
Total governmental activities loans payable					<u>\$ 212,500</u>

(Continued)

CITY OF DES PLAINES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2012

NOTE 7 – DEBT ACTIVITY (Continued)

Debt service requirements to maturity are as follows:

<u>Years</u>	<u>Governmental Activities</u>	
	<u>Loans Payable</u>	
	<u>Principal</u>	
2013	\$	12,500
2014		12,500
2015		12,500
2016		12,500
2017		12,500
2018-2022		62,500
2023-2027		62,500
2028-2029		<u>25,000</u>
Totals	\$	<u>212,500</u>

Other Debt Information - Conduit Debt: The City has issued Industrial Development bonds for the benefit of various organizations. The issuance of Industrial Development Revenue Bonds by the City is to finance in whole or in part the cost of the acquisition, purchase, construction, reconstruction, improvement, equipping, betterment or extension of any economic development project in order to encourage economic development within or near the City. Industrial Development Revenue Bonds are not a debt of the City and the City is not obligated in any manner for the repayment. The entity using the bond proceeds to finance a construction or improvement project is liable for the bonds. Since the City does not act as an agent for Industrial Revenue Bonds, the transactions relating to the bonds and property do not appear in the City's financial statements. In 2006, the City issued \$7.7 million of Industrial Revenue Bonds for the Science and Arts Academy expansion. The outstanding balance as of December 31, 2012 is \$6,913,040.

Advance Refunding: On December 18, 2012, the City issued \$3,765,000 in general obligation 2012A series bonds with interest rates of 1.0-2.0 percent to refund \$4,890,000 of outstanding 2004A series bonds with interest rates of 4.0-4.5 percent. The net proceeds of the bonds, net of underwriting fees, insurance and other issuance costs, along with cash on hand were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments. As a result, the bonds are considered to be defeased and the liability for those bonds has been removed from these financial statements.

The City cash flow requirements on the refunded 2004A series bonds prior to the advance refunding was \$4,478,415 from 2013 through 2020. The cash flow requirements on the 2012A series refunding bonds are \$4,025,340 from 2013 through 2020. The advance refunding resulted in an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$429,104.

Prior Year Defeasance of Debt: In prior years, the City defeased certain general obligation and other bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the City's financial statements. At December 31, 2012, \$15,455,000 of bonds outstanding are considered defeased.

(Continued)

CITY OF DES PLAINES, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2012

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 and Other Postemployment Benefit Obligations: The general fund has typically been used to liquidate the net pension obligation and other postemployment benefit obligations. See notes 9 and 13 for more information.

NOTE 8 – COMPONENT UNIT

Component Unit:

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

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

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

Deposits and Investments:

	<u>Carrying Value</u>	<u>Statement Balance</u>	<u>Associated Risks</u>
Deposits	\$ 1,115,604	\$ 1,200,950	Custodial
Illinois funds	4,253,438	4,253,438	Credit, interest rate
Petty cash	<u>500</u>	<u>-</u>	N/A
 Total deposits and investments	 <u>\$ 5,369,542</u>	 <u>\$ 5,454,388</u>	

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

(Continued)

CITY OF DES PLAINES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2012

NOTE 8 – COMPONENT UNIT (Continued)

Cash: The carrying amount of deposits was \$1,115,604 at December 31, 2012, while the bank balances were \$1,200,950. 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, 2012, the Library held \$4,253,438 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 \$4,253,438 was due upon demand.

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

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

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

Receivables and Deferred Inflows of Resources: Property taxes for 2012 attach as an enforceable lien on January 1, 2012, 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, 2012 and August 1, 2012 and are payable in two installments, on or about March 1, 2012 and October 1, 2012. 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 2012 tax levy has been recorded as a deferred inflow of resources on the balance sheet.

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

(Continued)

CITY OF DES PLAINES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2012

NOTE 8 – COMPONENT UNIT (Continued)

Capital Assets:

<u>Component Unit</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Capital assets being depreciated				
Improvements	\$ 235,874	\$ -	\$ -	\$ 235,874
Equipment	869,440	-	-	869,440
Vehicles	<u>161,448</u>	<u>24,954</u>	<u>119,239</u>	<u>67,163</u>
Total capital assets being depreciated	<u>1,266,762</u>	<u>24,954</u>	<u>119,239</u>	<u>1,172,477</u>
Less accumulated depreciation for				
Improvements	(25,227)	(5,021)	-	(30,248)
Equipment	(270,292)	(24,533)	-	(294,825)
Vehicles	<u>(156,742)</u>	<u>(7,201)</u>	<u>(119,239)</u>	<u>(44,704)</u>
Total accumulated depreciation	<u>(452,261)</u>	<u>(36,755)</u>	<u>(119,239)</u>	<u>(369,777)</u>
Total component unit capital assets, net of accumulated depreciation	<u>\$ 814,501</u>	<u>\$ (11,801)</u>	<u>\$ -</u>	<u>\$ 802,700</u>

The title to the Library land and building is in the name of the City and is reported in the City's capital assets used in governmental activities.

Compensated Absences: The liability balance as of December 31, 2011 was \$272,091. During 2012, there were additions of \$67,018 and reductions of \$120,239 leaving the liability balance as of December 31, 2012 of \$218,870. The current portion of this liability is \$77,650.

Net Other Postemployment Benefits Obligation: The liability balance as of December 31, 2011 was \$75,419. During 2012, there were annual OPEB costs of \$5,291 and contributions of \$0 leaving the liability balance as of December 31, 2012 of \$80,710. See Note 13 for further details on the Retiree Health Plan.

Illinois Municipal Retirement Fund: The liability balance as of December 31, 2011 was \$52,742. During 2012, there were annual pension costs of \$335,006 and contributions of \$320,599 leaving the liability balance as of December 31, 2012 of \$67,149. See Note 9 for further details on the Illinois Municipal Retirement Fund.

(Continued)

NOTE 9 – EMPLOYEES’ RETIREMENT SYSTEM

Plan Descriptions: The City contributes to three defined benefit pension plans, the Illinois Municipal Retirement Fund (IMRF), an agent multiple employer public employee retirement system; the Police Pension Plan which is a single employer pension plan; and the Firefighters' Pension Plan which is a single employer pension plan. The benefits, benefits levels, employee contributions and employer contributions for the plans are governed by Illinois Compiled Statutes and can only be amended by the Illinois General Assembly. The Police Pension Plan and the Firefighters' Pension Plan do not issue separate reports on the pension plans. IMRF does issue a publicly available report that includes financial statements and supplementary information for the plan as a whole, but not for individual employers. That report can be obtained on-line at www.imrf.org.

Illinois Municipal Retirement Fund: All employees hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. IMRF provides two tiers of pension benefits. Employees hired prior to January 1, 2011, are eligible for Tier 1 benefits. For Tier 1 employees, pension benefits vest after eight years of service. Participating members who retire at age 55 (reduced benefits) or after age 60 (full benefits) with eight years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter.

Employees hired on or after January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating members who retire at age 62 (reduced benefits) or after age 67 (full benefits) with ten years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for year thereafter.

Funding Policy: As set by statute, plan members are required to contribute 4.50% of their annual covered salary. The statutes require employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer contribution rate for 2012 used by the employer was 13.52% of the annual covered payroll. The employer annual required contribution rate for 2012 was 14.08%. The City also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

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

At December 31, 2012, the Police Pension Plan membership consisted of:

Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them	107
Current employees:	
Vested	67
Non vested	26
Total	200

(Continued)

NOTE 9 – EMPLOYEES' RETIREMENT SYSTEM (Continued)

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

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

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

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

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

Funding Policy: Covered employees are required to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The City is required to contribute the remaining amounts necessary to finance the plans as actuarially determined by an enrolled actuary. Effective January 1, 2011, the City has until the year 2040 to fund 90% of the past service costs for the Police Pension Plan. For the year ended December 31, 2012, the City's contribution was 43.38% of covered payroll.

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

(Continued)

CITY OF DES PLAINES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2012

NOTE 9 – EMPLOYEES’ RETIREMENT SYSTEM (Continued)

At December 31, 2012, the Firefighters’ Pension Plan membership consisted of:

Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them	97
Current employees:	
Vested	57
Non vested	<u>35</u>
 Total	 <u>189</u>

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

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

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

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

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

Participants contribute a fixed percentage of their base salary to the plans. At December 31, 2012, the contribution percentage was 9.455%. 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, 2012, the City’s contribution was 44.52% of covered payroll.

(Continued)

CITY OF DES PLAINES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2012

NOTE 9 – EMPLOYEES’ RETIREMENT SYSTEM (Continued)

Summary of Significant Accounting Policies:

Police and Firefighters’ Pension Plans – Basis of Accounting: The financial statements of the pension fund are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which contributions are due. The City’s contributions are recognized when due and a formal commitment to provide the contributions are made. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Method Used to Value Investments: Plan investments are reported at fair value. Short term investments are reported at cost, which approximated fair value. Investments that do not have an established market are reported at estimated fair values.

Annual Pension Cost: The City annual pension cost for the current year and related information for each plan is as follows:

	<u>Illinois Municipal Retirement</u>	<u>Police Pension</u>	<u>Firefighters’ Pension</u>
Actuarial valuation date	December 31, 2010	December 31, 2011	December 31, 2011
ARC is based on			
Contribution rates:			
Employer	13.52%	45.97%	46.26%
Employee	4.50%	9.91%	9.46%
Annual pension cost	\$2,351,609	\$3,458,523	\$3,560,441
Contributions made	\$2,250,700	\$3,562,231	\$3,655,295
Actuarial cost method	Entry age normal	Entry age normal	Entry age normal
Asset valuation method	5 year smoothed market	Market	Market
Amortization method	Level percentage of payroll	Level percentage of payroll	Level percentage of payroll
Amortization period	30 years, open	28 years, closed	28 years, closed
Actuarial assumptions:			
Investment rate of return	7.50%	7.00%	7.00%
	Compounded annually	Compounded annually	Compounded annually
Projected salary increases	.4 to 10.0%	5.00%	5.00%
Inflation rate included	4.00%	3.00%	3.00%
Cost of living adjustments	3.00%	3.00%	3.00%

(Continued)

CITY OF DES PLAINES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2012

NOTE 9 – EMPLOYEES’ RETIREMENT SYSTEM (Continued)

Net Pension (Asset): The following is the net pension (asset) calculation:

<u>Net Pension Obligation (Asset)</u>	<u>Illinois Municipal Retirement</u>	<u>Police Pension</u>	<u>Firefighters' Pension</u>
Annual required contribution	\$ 2,343,437	\$ 3,472,544	\$ 3,577,776
Interest on net pension obligation	28,655	(39,574)	(48,927)
Adjustment to annual required contribution	<u>(20,483)</u>	<u>25,553</u>	<u>31,592</u>
Annual pension cost	2,351,609	3,458,523	3,560,441
Contributions made	<u>2,250,700</u>	<u>3,562,231</u>	<u>3,655,295</u>
Change in net pension obligation	100,909	(103,708)	(94,854)
Net pension obligation (asset)			
Beginning of year	<u>382,533</u>	<u>(545,349)</u>	<u>(698,959)</u>
End of year	<u>\$ 483,442</u>	<u>\$ (649,057)</u>	<u>\$ (793,813)</u>
 <u>As reported in</u>			
City's governmental activities	\$ 232,898	\$ (649,057)	\$ (793,813)
City's business-type activities	87,137	-	-
Library	67,149	-	-
Joint Emergency Telephone System (Note 12)	<u>96,258</u>	<u>-</u>	<u>-</u>
	<u>\$ 483,442</u>	<u>\$ (649,057)</u>	<u>\$ (793,813)</u>

Trend Information: Trend information gives an indication of the progress made in accumulating sufficient assets to pay benefits when due.

	<u>Year</u>	<u>Illinois Municipal Retirement</u>	<u>Police Pension</u>	<u>Firefighters' Pension</u>
Annual pension cost (APC)	2012	\$ 2,351,609	\$ 3,458,523	\$ 3,560,441
	2011	2,330,839	3,305,117	3,388,116
	2010	2,148,148	3,233,192	3,030,530
Contributions made	2012	\$ 2,250,700	\$ 3,562,231	\$ 3,655,295
	2011	1,948,306	3,755,364	3,798,156
	2010	2,148,148	2,955,719	2,754,196
Percentage of APC contributed	2012	95.71%	103.00%	102.66%
	2011	83.59%	113.60%	112.10%
	2010	100.00%	91.40%	90.90%
Net pension obligation (asset)	2012	\$ 483,442	\$ (649,057)	\$ (793,813)
	2011	382,533	(545,349)	(698,959)
	2010	-	(95,102)	(288,919)

(Continued)

CITY OF DES PLAINES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2012

NOTE 9 – EMPLOYEES’ RETIREMENT SYSTEM (Continued)

Funded Status and Funding Progress: The City's actuarial value of plan assets for the current year and related information is as follows:

	<u>Illinois Municipal Retirement</u>	<u>Police Pension</u>	<u>Firefighters’ Pension</u>
Actuarial Valuation Date	December 31, 2012	December 31, 2011	December 31, 2011
Actuarial Valuation of Assets (a)	\$ 34,663,713	\$ 52,473,135	\$ 55,810,599
Actuarial Accrued Liability (AAL) Entry Age (b)	\$ 49,248,165	\$ 110,745,285	\$ 105,346,182
Unfunded AAL (UAAL) (b-a)	\$ 14,584,452	\$ 58,272,150	\$ 49,535,583
Funded Ratio (a/b)	70.39%	47.38%	52.98%
Covered Payroll (c)	\$ 16,592,625	\$ 8,212,634	\$ 8,209,659
UAAL as a percentage of Covered Payroll ((b-a)/c)	87.90%	709.54%	603.38%

The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

(Continued)

CITY OF DES PLAINES, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2012

NOTE 9 – EMPLOYEES’ RETIREMENT SYSTEM (Continued)

Pension Information:

Fiduciary Net Position:

	<u>Pension Trust</u>		
	<u>Firefighters’ Pension</u>	<u>Police Pension</u>	<u>Totals</u>
Assets			
Cash and cash equivalents	\$ 2,429,411	\$ 3,641,623	\$ 6,071,034
Investments			
U.S. government and agency obligations	14,996,975	14,400,998	29,397,973
Mutual funds	17,130,189	16,770,331	33,900,520
Corporate bonds	11,148,328	10,155,882	21,304,210
Stocks	13,502,451	10,036,653	23,539,104
State and local obligations	1,398,131	1,375,726	2,773,857
Insurance contracts	-	1,441	1,441
Accrued interest	250,388	237,350	487,738
Prepaid items	<u>4,624</u>	<u>4,385</u>	<u>9,009</u>
Total assets	<u>60,860,497</u>	<u>56,624,389</u>	<u>117,484,886</u>
Liabilities			
Accounts payable	<u>38,600</u>	<u>43,470</u>	<u>82,070</u>
Total liabilities	<u>38,600</u>	<u>43,470</u>	<u>82,070</u>
 Net position	 <u>\$ 60,821,897</u>	 <u>\$ 56,580,919</u>	 <u>\$ 117,402,816</u>

(Continued)

CITY OF DES PLAINES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2012

NOTE 9 – EMPLOYEES’ RETIREMENT SYSTEM (Continued)

Changes in Plan Net Position:

	<u>Pension Trust</u>		<u>Totals</u>
	<u>Firefighters’ Pension</u>	<u>Police Pension</u>	
Additions			
Contributions			
Employer	\$ 3,655,295	\$ 3,542,231	\$ 7,197,526
Plan members	<u>839,357</u>	<u>1,001,349</u>	<u>1,840,706</u>
Total contributions	<u>4,494,652</u>	<u>4,543,580</u>	<u>9,038,232</u>
Investment Income	6,361,546	5,787,807	12,149,353
Less investment expense	<u>(222,367)</u>	<u>(232,482)</u>	<u>(454,849)</u>
Net investment income	<u>6,139,179</u>	<u>5,555,325</u>	<u>11,694,504</u>
Total additions	<u>10,633,831</u>	<u>10,098,905</u>	<u>20,732,736</u>
Deductions			
Administration	82,993	96,004	178,997
Benefits and refunds	<u>5,539,540</u>	<u>5,895,115</u>	<u>11,434,655</u>
Total deductions	<u>5,622,533</u>	<u>5,991,119</u>	<u>11,613,652</u>
Change in plan net position	5,011,298	4,107,786	9,119,084
Plan net position, beginning of year	<u>55,810,599</u>	<u>52,473,133</u>	<u>108,283,732</u>
Plan net position, end of year	<u>\$ 60,821,897</u>	<u>\$ 56,580,919</u>	<u>\$ 117,402,816</u>

NOTE 10 – RISK MANAGEMENT

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

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

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

(Continued)

CITY OF DES PLAINES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2012

NOTE 10 – RISK MANAGEMENT (Continued)

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	\$ 76,267	\$ 23,810
Current year claims and changes in estimates	341,848	423,352
Claim payments	<u>(394,305)</u>	<u>(433,005)</u>
Unpaid claims - end of year	<u>\$ 23,810</u>	<u>\$ 14,157</u>

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

Intergovernmental Personnel Benefit Cooperative: The Health Benefits Fund was established to account for the financial transactions of self-insured employee and retiree health benefits. In 2003 the City joined the Intergovernmental Personnel Benefit Cooperative (IPBC), a self-insured governmental insurance pool consisting of 61 municipalities located primarily in the Chicago area. The IPBC provides the City with consulting, legal, and auditing services for its health (i.e., PPO and HMO) and life insurance programs. The City pays premiums to IPBC based upon current employee participation and its prior experience factor with the pool. Management consists of a Board of Directors comprised of one appointed representative from each member.

The City continues to be self-insured for dental benefits on an individual contract basis outside of the IPBC.

Municipal Insurance Cooperative Agency: The City Participates in the Municipal Insurance Cooperative Agency (MICA). MICA is a public entity risk pool whose members are Illinois municipalities. MICA manages and funds first party property losses, third party liability claims, workers' compensation claims and public officials' liability claims of its members. MICA provides \$2,000,000 of coverage after a \$1,000 deductible. The City pays an annual premium 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 are rebated back to members in subsequent periods. The City records such rebates as miscellaneous revenue in the Risk Management Fund in the year in which they are received.

High Level Excess Liability Pool: The City participates in the High Level Excess Liability Pool (HELP). HELP is a public entity risk pool established by certain municipalities (the Members) in Illinois to provide excess liability coverage (\$10,000,000 of coverage after the \$2,000,000 coverage provided by MICA). It consists of 13 municipalities. HELP provides excess reinsurance of \$4,000,000 per occurrence for claims in excess of \$6,000,000.

HELP was organized on April 1, 1987. The Village of Elk Grove, Illinois (the initial Host Member) issued \$5,000,000 of general obligation bonds in 1987 to provide initial funding for HELP. The bond proceeds were put into escrow with LaSalle National Bank as escrow agent. An intergovernmental agreement among HELP, the Village of Elk Grove, and the members provides that HELP and its members are obligated to the Village of Elk Grove for payment of principal and interest on the bonds until such bonds

(Continued)

CITY OF DES PLAINES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2012

NOTE 10 – RISK MANAGEMENT (Continued)

have been retired. The bonds were retired December 1, 1995. The purpose of HELP is to act as a joint self-insurance pool for the purpose of seeking the prevention or lessening of liability claims for injuries to persons or property or claims for errors and omissions made against the Members and other parties included within the scope of coverage of HELP.

HELP is governed by a Board of Directors, which consists of one appointed representative from each member municipality. Each director has an equal vote. The officers of HELP are appointed by the Board of Directors. The Board of Directors determines the general policy of HELP; makes all appropriations; approves contracts; adopts resolutions providing for the issuance of debt by help; adopts bylaws; rules and regulations; and exercises such powers and preforms such duties as may be prescribed in the Agency Agreement or the bylaws.

The City has committed to purchase excess liability insurance from the pool through the term of the Agreement. Annual premiums are calculated based on a formula which specifies the following four criteria: (1) miles of streets, (2) full time equivalent employees, (3) number of motor vehicles, and (4) operating revenues.

Based upon the allocations for the year ended April 30, the City expects to pay a minimum of \$90,000 per year over the remaining term of the agreement.

NOTE 11 – COMMITMENTS AND CONTINGENCIES

Construction Contracts

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

<u>Project Description</u>	<u>Expended To Date</u>	<u>Remaining Commitment</u>
Watermain Repl Project in DP River Road	\$ 37,127	\$ 21,021
Concrete Program (sidewalk & curb replacement)		
MFT 11-00215-00-RP	140,732	33,606
2011 CIP Storm Wtr Master Plan	59,115	63,021
Reimburse State for Proj 06-00199-00-LS	-	107,468
Des Plaines Bike Network Improvements	11,148	19,852
2011 CIP MFT 08-00205-00-SP	296,382	8,214
Civic Center Deck	35,000	15,006
2012 CIP Concrete Improvements	807,960	72,040
Construction Engineering Services	134,601	10,340
2012 Sewer Lining	314,895	41,378
Storm Sewer Improvement - Contract A	1,929,808	557,662
2012 CIP MFT Street & Utility Improvement	951,572	177,143
Central Rd Bike Shlders-Design Engr. - PH II	-	57,000
Rear Yard Drainage Program - Contract B	109,342	60,027
Lee and Perry Traffic Signal Impr - MFT 10-00213-00-CH	142,714	165,443
Design of Ballard Rd Sidewalk Impr	4,060	15,940
Total	<u>\$ 4,974,455</u>	<u>\$ 1,425,161</u>

(Continued)

NOTE 11 – COMMITMENTS AND CONTINGENCIES (Continued)

From time to time, the City is party to various pending claims and legal proceedings. Although the outcome of such matters cannot be forecasted with certainty, it is the opinion of management and the City attorney that the likelihood is remote that any such claims or proceedings will have a material adverse effect on the City's financial position or results of operations.

NOTE 12 – JOINT VENTURES

Joint Emergency Telephone System: The City of Des Plaines, the Village of Morton Grove, the Village of Niles and the City of Park Ridge jointly operate the local dispatch center, which is called the Joint Emergency Telephone System (JETS) and provides public safety communications services.

The governing body is made up of the respective municipalities Manager's/Administrator's and Police and Fire Chiefs. The City made a payment totaling \$2,002,052 to JETS for 2012.

Financial information of the Joint Emergency Telephone System as of December 31, 2012 is available directly from the Joint Emergency Telephone System office.

The City does not have an equity interest in the Joint Emergency Telephone System.

NOTE 13 – OTHER POSTEMPLOYMENT BENEFITS

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

Contribution requirements are established through personnel policy guidelines and may be amended by the action of the governing body. The City makes the same monthly health insurance contribution on behalf of the retiree as it makes on behalf of all other active employees during that year. Plan members receiving benefits contribute 100% of their premium costs. The City pays 100% of the healthcare premiums for police officers and firefighters, their dependents and their surviving spouses and dependent children if they were injured or killed in the line of duty during an emergency. Healthcare premiums for surviving spouses are payable by the City until remarriage. Any amounts payable under the City's health plan will be reduced by the amounts payable under Medicare for those expenses which are covered by Medicare. For fiscal year 2012, total member contributions were \$1,242,456. Administrative costs of the plan are paid by the City.

(Continued)

CITY OF DES PLAINES, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2012

NOTE 13 – OTHER POSTEMPLOYMENT BENEFITS (Continued)

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

Annual required contribution	\$ 636,199
Interest on net OPEB obligation	87,594
Adjustment to annual required contribution	<u>(72,995)</u>
Annual OPEB cost	650,798
Contributions made	<u>(841,829)</u>
Change in net OPEB obligation	(191,031)
 Net OPEB obligation, beginning of year	 <u>2,189,853</u>
 Net OPEB obligation, end of year	 <u><u>\$ 1,998,822</u></u>

Of the total net OPEB obligation, \$1,922,408 is reported within the governmental activities and \$76,414 is reported within the business-type activities.

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

<u>Year</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
2012	\$ 650,798	129.35%	\$ 1,998,822
2011	1,458,629	62.81%	2,189,853
2010	1,406,027	58.31%	1,647,436
2009	1,123,881	53.37%	1,061,214

The funded status of the plan as of December 31, 2012, the most recent actuarial valuation date, was as follows:

Actuarial accrued liability (AAL)	\$ 10,291,173
Actuarial value of plan assets	<u>-</u>
Unfunded Actuarial Accrued Liability (UAAL)	<u><u>\$ 10,291,173</u></u>
Funded ratio (actuarial value of plan assets/AAL)	0.00%
Covered payroll (active plan members)	\$ 29,347,326
UAAL as a percentage of covered payroll	35.07%

(Continued)

NOTE 13 – OTHER POSTEMPLOYMENT BENEFITS (Continued)

Actuarial valuations of an ongoing plan involve estimates for the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan is understood by the employer and plan members) and includes the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employer and plan members to that point. The methods and assumptions used include techniques that are designed to reduce short term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long term perspective of the calculations.

In the December 31, 2012 actuarial valuation, the entry age actuarial cost method was used. The actuarial assumptions include a 4.00 percent investment rate of return and an annual healthcare cost trend rate of 8.00 percent initially, reduced by decrements to an ultimate rate of 6.00 percent after 10 years. Both rates include a 3.00 percent inflation assumption. The plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll 30-year open amortization period for all employee groups except Public Works and the cost of the ERI. For the Public Works employee group, a 10-year open level-percentage-of-pay amortization period is being used and a 5-year closed level-percentage-of-pay amortization period is used for the ERI cost.

NOTE 14 – TERMINATION BENEFITS

In 2009, the City offered early retirement incentives to all City workers who would agree to terminate in 2009 and 2010. Twenty two City employees accepted the City's offer. The estimated cost of the cash payments, reported in the proprietary statement of Net Position by function, is \$386,165. Due to the small scale of the health care benefits, unadjusted unpaid premiums as of December 31, 2012 were used to calculate liabilities.

NOTE 15 – 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.

(Continued)

NOTE 16 - NEW ACCOUNTING PRONOUNCEMENTS

In November 2010, the GASB issued Statement No. 61, *The Financial Reporting Entity: Omnibus*. This statement's objective is improve financial reporting entity and amends Statement No. 14, *The Financial Reporting Entity*, and Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*. Statement 61 is effective for the City's fiscal year ending December 31, 2013. Management has not determined what impact, if any, this GASB statement might have on its financial statements.

In March 2012, the GASB issued GASB Statement 66, *Technical Corrections – 2012, an amendment of GASB Statements No. 10 and No. 62*. The objective of this Statement is to improve accounting and financial reporting for a governmental financial reporting entity by resolving conflicting guidance that resulted from the issuance of two pronouncements, Statements No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, and No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. This Statement amends Statement No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*, by removing the provision that limits fund-based reporting of an entity's risk financing activities to the general fund and the internal service fund type. As a result, governments should base their decisions about fund type classification on the nature of the activity to be reported, as required in Statement 54 and Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*. This Statement also amends Statement 62 by modifying the specific guidance on accounting for (1) operating lease payments that vary from a straightline basis, (2) the difference between the initial investment (purchase price) and the principal amount of a purchased loan or group of loans, and (3) servicing fees related to mortgage loans that are sold when the stated service fee rate differs significantly from a current (normal) servicing fee rate. These changes clarify how to apply Statement No. 13, *Accounting for Operating Leases with Scheduled Rent Increases*, and result in guidance that is consistent with the requirements in Statement No. 48, *Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues*, respectively. The provisions of this Statement are effective for the City's fiscal year ended December 31, 2013, with earlier application being encouraged. The City has considered the impacts of implementing this Statement and has determined that the implementation will not have a significant effect on its financial statements.

In June 2012, the GASB issued Statement 67, *Financial Reporting for Pension Plans*. This Statement replaces the requirements of Statement No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans* and Statement 50 as they relate to pension plans that are administered through trusts or similar arrangements meeting certain criteria. The Statement builds upon the existing framework for financial reports of defined benefit pension plans, which includes a statement of fiduciary net position (the amount held in a trust for paying retirement benefits) and a statement of changes in fiduciary net position. Statement 67 enhances note disclosures and RSI for both defined benefit and defined contribution pension plans. Statement 67 also requires the presentation of new information about annual money-weighted rates of return in the notes to the financial statements and in 10-year RSI schedules. The provisions of this Statement are effective for the City's Pension Funds fiscal year ending December 31, 2014. Management has not determined what impact, if any, this GASB statement might have on its financial statements.

In June 2012, the GASB issued Statement 68, *Accounting and Financial Reporting for Pensions*. This Statement replaces the requirements of Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers* and Statement No. 50, *Pension Disclosures*, as they relate to governments that provide pensions through pension plans administered as trusts or similar arrangements that meet certain criteria. Statement 68 requires governments providing defined benefit pensions to recognize their long-term obligation for pension benefits as a liability for the first time, and to more comprehensively and comparably measure the annual costs of pension benefits. The Statement also enhances accountability

(Continued)

NOTE 16 - NEW ACCOUNTING PRONOUNCEMENTS (Continued)

and transparency through revised and new note disclosures and required supplementary information (RSI). The provisions of this Statement are effective for the City's financial year ending December 31, 2015. Management has not determined what impact, if any, this GASB statement might have on its financial statements.

In January 2013, the GASB issued Statement 69, *Government Combinations and Disposals of Government Operations*. This Statement establishes accounting and financial reporting standards related to government combinations and disposals of government operations. This Statement requires the use of carrying values to measure the assets and liabilities in a government merger. This Statement also requires measurements of assets acquired and liabilities assumed generally to be based upon their acquisition values. This Statement also provides guidance for transfers of operations that do not constitute entire legally separate entities and in which no significant consideration is exchanged. This Statement defines the term operations for purposes of determining the applicability of this Statement and requires the use of carrying values to measure the assets and liabilities in a transfer of operations. This Statement provides accounting and financial reporting guidance for disposals of government operations that have been transferred or sold. This Statement requires disclosures to be made about government combinations and disposals of government operations to enable financial statement users to evaluate the nature and financial effects of those transactions. The provisions of this Statement are effective for the City's fiscal year ended December 31, 2014, with earlier application being encouraged. Management has not determined what impact, if any, this GASB statement might have on its financial statements.

In April 2013, the GASB issued Statement 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*. The objective of this Statement is to improve accounting and financial reporting by state and local governments that extend and receive nonexchange financial guarantees. This Statement requires a government that extends a nonexchange financial guarantee to recognize a liability when qualitative factors and historical data, if any, indicate that it is more likely than not that the government will be required to make a payment on the guarantee. This liability should be reported until legally released as an obligor. This Statement also requires a government that is required to repay a guarantor for making a payment on a guaranteed obligation or legally assuming the guaranteed obligation to continue to recognize a liability until legally released as an obligor. When released as an obligor, the government should recognize revenue as a result of being relieved of the obligation. This Statement also provides additional guidance for intra-entity nonexchange financial guarantees involving blended component units by specifying the information required to be disclosed by governments that extend nonexchange financial guarantee as well as new information to be disclosed by governments that receive nonexchange financial guarantees. The provisions of this Statement are effective for the City's fiscal year ended December 31, 2014, with earlier application being encouraged. Management has not determined what impact, if any, this GASB statement might have on its financial statements.

NOTE 17 – CHANGE IN ACCOUNTING PRINCIPLE FOR NEW GASB STATEMENTS

During the fiscal year ended December 31, 2012, the City implemented the requirements of GASB Statement No. 63, "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position" and GASB Statement 65, "Items Previously Reported as Assets and Liabilities." Statement 63 is effective for the City's fiscal year ending December 31, 2012 and provides a new statement of net position format to report all assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position (which is the net residual amount of the other elements). This Statement requires that deferred outflows of resources and deferred inflows of resources be reported

(Continued)

CITY OF DES PLAINES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2012

NOTE 17 – CHANGE IN ACCOUNTING PRINCIPLE FOR NEW GASB STATEMENTS (Continued)

separately from assets and liabilities. This Statement also amends certain provisions of GASB Statement No. 34, Basic Financial Statements -- and Management's Discussion and Analysis -- for State and Local Governments, and related pronouncements to reflect the residual measure in the statement of financial position as net position, rather than net assets. As such, the City modified its government-wide financial statement presentation to incorporate these requirements. Statement 65 is effective for the City's fiscal year ended December 31, 2013, with earlier application being encouraged. The City has implemented this statement retrospectively as of their fiscal year ended December 31, 2012. This Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. This Statement also provides other financial reporting guidance related to the impact of the financial statement elements deferred outflows of resources and deferred inflows of resources, such as changes in the determination of the major fund calculations and limiting the use of the term *deferred* in financial statement presentations. A specific change to the City's financial statements relates to deferred bond issuance costs of \$695,100 for Governmental Activities and \$5,334 for Business Activities (Water/Sewer Fund) that were reported on the financial statements for the year ended December 31, 2011. Due to the requirements of GASB 65, these amounts are no longer considered to be assets and thus were removed from the financial statements as an adjustment to net position. A reconciliation for net position from the 2011 financial statements to beginning net position as reported on the 2012 financial statements is as follows:

Governmental Activities

Beginning Net Position as Previously Reported	\$ 161,855,113
Change in Accounting Principle for Deferred Bond Costs	<u>(695,100)</u>
Beginning Net Position as Restated	<u>\$ 161,160,013</u>

Business Activities

Beginning Net Position as Previously Reported	\$ 34,516,317
Change in Accounting Principle for Deferred Bond Costs	<u>(5,334)</u>
Beginning Net Position as Restated	<u>\$ 34,510,983</u>

Water/Sewer Fund

Beginning Net Position as Previously Reported	\$ 20,997,679
Change in Accounting Principle for Deferred Bond Costs	<u>(5,334)</u>
Beginning Net Position as Restated	<u>\$ 20,992,345</u>

NOTE 18 – SUBSEQUENT EVENT

On June 5, 2013, the Illinois Commerce Commission (ICC) granted approval for the dissolution of the Joint Emergency Telephone System (JETS) Board, which oversaw the 9-1-1 and emergency responder dispatching services for the City of Des Plaines, City of Park Ridge, Village of Morton Grove, and Village of Niles. Associated with this dissolution is the dissolution of the North Suburban Emergency Communications Dispatch Center. 9-1-1 and emergency dispatching operations are now conducted by the City of Des Plaines, with oversight by the Des Plaines Emergency Telephone System Board (ETSB), whose creation was also approved by the ICC on June 5th. Morton Grove and Niles have obtained services elsewhere. Des Plaines is providing 911 and emergency dispatching services to the City of Park Ridge under an intergovernmental agreement.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF DES PLAINES, ILLINOIS
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 GENERAL FUND
 Year Ended December 31, 2012
 With Comparative Actual Amounts for the Year Ended December 31, 2011

	2012		Variance from Final Budget Positive (Negative)	2011 Actual
	Original and Final Budget	Actual		
Revenues				
Property Taxes				
Property Taxes	\$ 15,924,580	\$ 15,983,956	\$ 59,376	\$ 15,522,762
Police Pension	3,472,544	3,522,472	49,928	3,392,606
Fire Pension	3,577,776	3,634,647	56,871	3,441,260
Total Property Taxes	<u>22,974,900</u>	<u>23,141,075</u>	<u>166,175</u>	<u>22,356,628</u>
Local Taxes				
Utility Taxes	3,250,000	3,239,299	(10,701)	3,401,735
Gas and Use Tax	450,000	309,184	(140,816)	353,610
Franchise Tax	559,000	680,920	121,920	594,709
Food and Beverage Tax	1,000,000	1,236,942	236,942	1,059,647
Telecommunication Tax	2,600,000	3,060,585	460,585	3,068,285
Hotel/Motel Tax	1,094,000	1,675,772	581,772	1,440,269
Auto Rental Tax	85,000	167,919	82,919	117,024
Parking Tax	-	31,359	31,359	55,924
Real Estate Transfer Tax	275,000	407,884	132,884	393,417
Home Rule Sales Tax	1,140,000	1,386,065	246,065	1,258,578
Total Local Taxes	<u>10,453,000</u>	<u>12,195,929</u>	<u>1,742,929</u>	<u>11,743,198</u>
Licenses				
Business	450,000	503,092	53,092	472,844
Liquor	225,000	236,329	11,329	286,895
Vehicle	1,150,000	1,283,772	133,772	1,276,450
Other Licenses	115,500	170,058	54,558	163,681
Total Licenses	<u>1,940,500</u>	<u>2,193,251</u>	<u>252,751</u>	<u>2,199,870</u>
Permits				
Building	400,000	422,264	22,264	586,643
Other Permits	198,900	165,814	(33,086)	299,798
Total Permits	<u>598,900</u>	<u>588,078</u>	<u>(10,822)</u>	<u>886,441</u>
Intergovernmental				
State Income Tax	4,100,000	5,128,011	1,028,011	4,645,626
Local Use Tax	760,000	911,425	151,425	852,309
Personal Property Replacement Tax	1,100,000	1,143,050	43,050	1,207,737
Municipal Sales Tax	7,600,000	8,777,034	1,177,034	7,814,706
Road and Bridge Tax	160,000	199,419	39,419	215,374
Federal, State, and Local Grants	-	85,957	85,957	118,402
Other State Payments	124,409	320	(124,089)	156,726
Total Intergovernmental	<u>13,844,409</u>	<u>16,245,216</u>	<u>2,400,807</u>	<u>15,010,880</u>
Charges for Services				
Ambulance Fees	1,050,000	1,510,858	460,858	1,292,039
Refuse Collection	3,650,000	3,955,349	305,349	3,826,957
Other Fees	335,050	358,861	23,811	402,517
E-911 Fees	727,500	864,462	136,962	823,011
Total Charges for Services	<u>5,762,550</u>	<u>6,689,530</u>	<u>926,980</u>	<u>6,344,524</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, 2012
 With Comparative Actual Amounts for the Year Ended December 31, 2011

	2012		Variance from Final Budget Positive (Negative)	2011 Actual
	Original and Final Budget	Actual		
Fines and Forfeits				
Court Costs, Fees & Charges	\$ 510,000	\$ 490,994	\$ (19,006)	\$ 608,772
Other Fines and Forfeits	<u>666,700</u>	<u>667,722</u>	<u>1,022</u>	<u>761,414</u>
Total Fines and Forfeits	<u>1,176,700</u>	<u>1,158,716</u>	<u>(17,984)</u>	<u>1,370,186</u>
Investment Income				
Investment Income	<u>25,000</u>	<u>85,646</u>	<u>60,646</u>	<u>41,617</u>
Miscellaneous				
Miscellaneous	<u>432,191</u>	<u>543,494</u>	<u>111,303</u>	<u>559,964</u>
Total Revenues	<u>57,208,150</u>	<u>62,840,935</u>	<u>5,632,785</u>	<u>60,513,308</u>
Expenditures				
General Government				
Elected Office				
Salaries	231,992	221,642	10,350	203,164
Benefits	167,801	182,230	(14,429)	149,578
Contractual Services	194,565	166,172	28,393	156,677
Commodities	15,250	8,146	7,104	16,282
Capital Outlay	-	329	(329)	339
Total Elected Office	<u>609,608</u>	<u>578,519</u>	<u>31,089</u>	<u>526,040</u>
City Manager Division				
Salaries	242,686	224,211	18,475	209,266
Benefits	85,623	71,951	13,672	73,515
Contractual Services	61,893	11,626	50,267	23,850
Commodities	2,850	2,423	427	3,146
Total City Manager Division	<u>393,052</u>	<u>310,211</u>	<u>82,841</u>	<u>309,777</u>
Media Services				
Salaries	146,663	150,113	(3,450)	147,383
Benefits	63,033	63,831	(798)	59,990
Contractual Services	48,550	45,266	3,284	50,845
Commodities	43,975	33,414	10,561	34,040
Capital Outlay	12,000	6,980	5,020	14,950
Total Media Services	<u>314,221</u>	<u>299,604</u>	<u>14,617</u>	<u>307,208</u>
Legal Department				
Salaries	234,960	174,744	60,216	220,079
Benefits	90,633	146,105	(55,472)	83,917
Contractual Services	294,073	524,345	(230,272)	284,122
Commodities	8,950	7,620	1,330	8,257
Capital Outlay	-	-	-	4,474
Total Legal Department	<u>628,616</u>	<u>852,814</u>	<u>(224,198)</u>	<u>600,849</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, 2012
 With Comparative Actual Amounts for the Year Ended December 31, 2011

	2012		Variance from Final Budget Positive (Negative)	2011 Actual
	Original and Final Budget	Actual		
Department of Finance - Fiscal Services				
Salaries	\$ 604,441	\$ 627,259	\$ (22,818)	\$ 575,345
Benefits	277,787	279,357	(1,570)	257,262
Contractual Services	118,130	88,082	30,048	111,851
Commodities	32,350	31,442	908	28,195
Capital Outlay	-	580	(580)	67
Total Department of Finance - Fiscal Services	<u>1,032,708</u>	<u>1,026,720</u>	<u>5,988</u>	<u>972,720</u>
Information Technologies				
Salaries	369,918	355,915	14,003	358,775
Benefits	169,837	163,086	6,751	160,903
Contractual Services	258,480	270,060	(11,580)	142,537
Commodities	45,075	48,351	(3,276)	44,281
Capital Outlay	-	2,246	(2,246)	-
Total Information Technologies	<u>843,310</u>	<u>839,658</u>	<u>3,652</u>	<u>706,496</u>
Overhead Division - Contractual Services				
Contractual Services	484,070	472,417	11,653	464,013
Commodities	53,650	38,788	14,862	43,188
Total Overhead Division - Contractual Services	<u>537,720</u>	<u>511,205</u>	<u>26,515</u>	<u>507,201</u>
Building Code Enforcement				
Salaries	971,982	891,222	80,760	933,205
Benefits	466,745	430,675	36,070	428,267
Contractual Services	93,232	78,913	14,319	97,330
Commodities	11,100	13,792	(2,692)	13,055
Capital Outlay	-	2,470	(2,470)	399
Total Building Code Enforcement	<u>1,543,059</u>	<u>1,417,072</u>	<u>125,987</u>	<u>1,472,256</u>
Planning and Zoning				
Salaries	312,186	268,815	43,371	308,257
Benefits	119,351	106,074	13,277	107,827
Contractual Services	52,592	15,768	36,824	20,072
Commodities	3,265	2,036	1,229	1,460
Capital Outlay	-	2,825	(2,825)	-
Total Planning and Zoning	<u>487,394</u>	<u>395,518</u>	<u>91,876</u>	<u>437,616</u>
Human Resources				
Salaries	258,542	261,152	(2,610)	256,551
Benefits	97,467	92,264	5,203	92,229
Contractual Services	56,377	54,679	1,698	39,615
Commodities	3,350	3,737	(387)	6,885
Total Human Resources	<u>415,736</u>	<u>411,832</u>	<u>3,904</u>	<u>395,280</u>
Health and Human Services				
Salaries	138,963	148,908	(9,945)	147,531
Benefits	49,173	47,995	1,178	46,024
Contractual Services	192,943	205,347	(12,404)	197,120
Commodities	6,575	6,004	571	4,717
Capital Outlay	-	-	-	258
Total Health and Human Services	<u>387,654</u>	<u>408,254</u>	<u>(20,600)</u>	<u>395,650</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, 2012
 With Comparative Actual Amounts for the Year Ended December 31, 2011

	2012		Variance from Final Budget Positive (Negative)	2011 Actual
	Original and Final Budget	Actual		
Geographic Information Systems (GIS)				
Contractual Services	\$ 228,700	\$ 252,806	\$ (24,106)	\$ 190,296
Commodities	750	226	524	209
Total Geographic Information Systems (GIS)	<u>229,450</u>	<u>253,032</u>	<u>(23,582)</u>	<u>190,505</u>
Total General Government	<u>7,422,528</u>	<u>7,304,439</u>	<u>118,089</u>	<u>6,821,598</u>
Public Safety				
Police Department - Administration				
Salaries	437,866	348,571	89,295	422,651
Benefits	239,009	276,337	(37,328)	283,857
Contractual Services	34,548	15,862	18,686	13,383
Commodities	14,800	12,824	1,976	5,713
Total Police Department - Administration	<u>726,223</u>	<u>653,594</u>	<u>72,629</u>	<u>725,604</u>
Police Department - Uniformed Patrol				
Salaries	6,590,193	6,502,406	87,787	6,405,482
Benefits	3,966,823	4,015,055	(48,232)	4,091,869
Contractual Services	1,807,944	1,762,777	45,167	1,876,963
Commodities	19,650	16,462	3,188	18,160
Total Police Department - Uniformed Patrol	<u>12,384,610</u>	<u>12,296,700</u>	<u>87,910</u>	<u>12,392,474</u>
Police Department - Criminal Investigation				
Salaries	2,154,921	1,851,048	303,873	1,904,784
Benefits	1,307,434	1,238,243	69,191	1,401,225
Contractual Services	54,800	48,678	6,122	59,981
Commodities	2,780	5,396	(2,616)	2,014
Total Police Department - Criminal Investigation	<u>3,519,935</u>	<u>3,143,365</u>	<u>376,570</u>	<u>3,368,004</u>
Police Department - Supporting Services				
Salaries	1,888,674	1,812,253	76,421	1,731,873
Benefits	931,454	1,052,857	(121,403)	941,091
Contractual Services	122,334	135,591	(13,257)	126,876
Commodities	138,270	114,580	23,690	115,947
Capital Outlay	-	300	(300)	1,768
Total Police Department - Supporting Services	<u>3,080,732</u>	<u>3,115,581</u>	<u>(34,849)</u>	<u>2,917,555</u>
Fire Department - Administration				
Salaries	634,107	608,393	25,714	707,818
Benefits	455,085	462,579	(7,494)	578,808
Contractual Services	28,666	28,679	(13)	33,321
Commodities	4,150	3,257	893	1,874
Capital Outlay	-	-	-	290
Total Fire Department - Administration	<u>1,122,008</u>	<u>1,102,908</u>	<u>19,100</u>	<u>1,322,111</u>
Fire Department - Emergency Services				
Salaries	8,585,879	8,777,144	(191,265)	8,196,648
Benefits	6,325,542	6,679,701	(354,159)	6,397,400
Contractual Services	558,162	548,791	9,371	396,483
Commodities	130,467	161,491	(31,024)	112,839
Total Fire Department - Emergency	<u>15,600,050</u>	<u>16,167,127</u>	<u>(567,077)</u>	<u>15,103,370</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, 2012
 With Comparative Actual Amounts for the Year Ended December 31, 2011

	2012		Variance from Final Budget Positive (Negative)	2011 Actual
	Original and Final Budget	Actual		
Fire Department - Fire Prevention Services				
Salaries	\$ 344,696	\$ 337,046	\$ 7,650	\$ 332,393
Benefits	237,615	247,143	(9,528)	289,921
Contractual Services	19,925	16,582	3,343	18,794
Commodities	6,280	6,284	(4)	8,411
Capital Outlay	-	2,630	(2,630)	-
Total Fire Department - Fire Prevention	<u>608,516</u>	<u>609,685</u>	<u>(1,169)</u>	<u>649,519</u>
Emergency Management Agency				
Salaries	48,925	19,047	29,878	18,186
Benefits	10,791	12,190	(1,399)	9,600
Contractual Services	46,548	33,764	12,784	23,568
Commodities	23,900	20,378	3,522	18,309
Total Emergency Management Agency	<u>130,164</u>	<u>85,379</u>	<u>44,785</u>	<u>69,663</u>
Board of Police and Fire Commission				
Contractual Services	62,855	53,901	8,954	12,921
Commodities	1,450	2,239	(789)	32
Total Board of Police and Fire Commission	<u>64,305</u>	<u>56,140</u>	<u>8,165</u>	<u>12,953</u>
Total Public Safety	<u>37,236,543</u>	<u>37,230,479</u>	<u>6,064</u>	<u>36,561,253</u>
Public Works				
Vehicle Maintenance Division				
Salaries	492,818	453,909	38,909	478,812
Benefits	246,288	237,079	9,209	240,521
Contractual Services	70,065	88,619	(18,554)	87,583
Commodities	682,550	736,562	(54,012)	753,430
Total Vehicle Maintenance Division	<u>1,491,721</u>	<u>1,516,169</u>	<u>(24,448)</u>	<u>1,560,346</u>
Public Works Administration				
Salaries	131,947	127,685	4,262	113,560
Benefits	53,572	45,543	8,029	44,995
Contractual Services	3,956,853	3,987,127	(30,274)	4,207,340
Commodities	24,500	21,186	3,314	17,523
Total Public Works Administration	<u>4,166,872</u>	<u>4,181,541</u>	<u>(14,669)</u>	<u>4,383,418</u>
Total Public Works	<u>5,658,593</u>	<u>5,697,710</u>	<u>(39,117)</u>	<u>5,943,764</u>
Streets and Highways				
Engineering Department				
Salaries	535,186	526,874	8,312	521,673
Benefits	206,613	206,944	(331)	193,971
Contractual Services	17,884	20,398	(2,514)	17,397
Commodities	4,750	4,658	92	3,799
Capital Outlay	-	-	-	458
Total Engineering Department	<u>764,433</u>	<u>758,874</u>	<u>5,559</u>	<u>737,298</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, 2012
 With Comparative Actual Amounts for the Year Ended December 31, 2011

	2012		Variance from Final Budget Positive (Negative)	2011
	Original and Final Budget	Actual		Actual
Street Department				
Salaries	\$ 1,837,050	\$ 1,642,266	\$ 194,784	\$ 1,608,972
Benefits	923,032	875,474	47,558	857,085
Contractual Services	1,132,618	929,892	202,726	838,909
Commodities	340,100	333,265	6,835	359,926
Capital Outlay	-	-	-	9,825
Total Street Department	<u>4,232,800</u>	<u>3,780,897</u>	<u>451,903</u>	<u>3,674,717</u>
Total Streets and Highways	<u>4,997,233</u>	<u>4,539,771</u>	<u>457,462</u>	<u>4,412,015</u>
Economic Development				
Economic Development				
Salaries	-	-	-	385
Benefits	-	-	-	169
Contractual Services	389,170	410,209	(21,039)	370,392
Commodities	4,350	116	4,234	400
Total Economic Development	<u>393,520</u>	<u>410,325</u>	<u>(16,805)</u>	<u>371,346</u>
Total Economic Development	<u>393,520</u>	<u>410,325</u>	<u>(16,805)</u>	<u>371,346</u>
Total Expenditures	<u>55,708,417</u>	<u>55,182,724</u>	<u>525,693</u>	<u>54,109,976</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>1,499,733</u>	<u>7,658,211</u>	<u>6,158,478</u>	<u>6,403,332</u>
Other Financing Sources (Uses)				
Transfer In	334,345	334,345	-	399,838
Transfer Out	(1,581,814)	(1,501,000)	80,814	(2,819,880)
Total Other Financing Sources (Uses)	<u>(1,247,469)</u>	<u>(1,166,655)</u>	<u>80,814</u>	<u>(2,420,042)</u>
Special Items	-	-	-	1,865,857
Net Change in Fund Balances	<u>\$ 252,264</u>	<u>6,491,556</u>	<u>\$ 6,239,292</u>	<u>5,849,147</u>
Fund Balances at Beginning of Year		<u>29,243,213</u>		<u>23,394,066</u>
Fund Balances at End of Year		<u>\$ 35,734,769</u>		<u>\$ 29,243,213</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, 2012
With Comparative Actual Amounts from Year Ended December 31, 2011

	2012		Variance from Final Budget Positive (Negative)	2011 Actual
	Original and Final Budget	Actual		
Revenues				
Gaming Tax	\$ 16,800,000	\$ 24,802,456	\$ 8,002,456	\$ 10,819,591
Investment Income	-	15,861	15,861	850
Total Revenues	<u>16,800,000</u>	<u>24,818,317</u>	<u>8,018,317</u>	<u>10,820,441</u>
Expenditures				
General Government				
Contractual Services	<u>12,720,000</u>	<u>15,920,983</u>	<u>(3,200,983)</u>	<u>7,122,357</u>
Total Expenditures	<u>12,720,000</u>	<u>15,920,983</u>	<u>(3,200,983)</u>	<u>7,122,357</u>
Net Change in Fund Balance	<u>\$ 4,080,000</u>	8,897,334	<u>\$ 11,219,300</u>	3,698,084
Fund Balance at Beginning of Year		<u>3,698,084</u>		-
Fund Balance at End of Year		<u>\$ 12,595,418</u>		<u>\$ 3,698,084</u>

CITY OF DES PLAINES, ILLINOIS
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULES OF FUNDING PROGRESS
 December 31, 2012

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability - Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
IMRF						
12/31/2012	\$ 34,663,713	\$ 49,248,165	\$ 14,584,452	70.39 %	\$ 16,592,625	87.90 %
12/31/2011	33,063,104	48,680,023	15,616,919	67.92	16,321,980	95.68
12/31/2010	33,164,350	46,681,007	13,516,657	71.04	16,588,014	81.48
12/31/2009	34,585,843	47,271,673	12,685,830	73.16	18,901,116	67.12
12/31/2008	35,165,730	47,594,270	12,428,540	73.89	17,751,122	70.02
12/31/2007	40,901,953	44,037,074	3,135,121	92.88	17,293,584	18.13
Police Pension						
12/31/2011	\$ 52,473,135	\$ 110,745,285	\$ 58,272,150	47.38 %	\$ 8,212,634	709.54 %
12/31/2010	52,803,116	105,556,583	52,753,467	50.02	7,985,770	660.59
12/31/2009	48,909,486	92,023,460	43,113,974	53.15	8,182,297	526.92
12/31/2008	43,143,575	86,979,445	43,835,870	49.60	7,965,425	550.33
12/31/2007	50,160,219	82,869,248	32,709,029	60.53	7,817,392	418.41
12/31/2006	48,022,254	78,672,617	30,650,363	61.04	7,557,675	405.55
Firefighters' Pension						
12/31/2011	\$ 55,810,599	\$ 105,346,182	\$ 49,535,583	52.98 %	\$ 8,209,659	603.38 %
12/31/2010	55,010,846	101,349,056	46,338,210	54.28	8,190,774	565.74
12/31/2009	51,578,742	90,690,929	39,112,187	56.87	7,952,536	491.82
12/31/2008	47,701,104	82,859,995	35,158,891	57.57	8,296,833	423.76
12/31/2007	56,500,713	77,492,079	20,991,366	72.91	7,961,049	263.68
12/31/2006	54,319,622	73,350,611	19,030,989	74.05	7,152,419	266.08
Retiree's Health Plan						
12/31/2012	\$ -	\$ 10,291,173	\$ 10,291,173	0.00 %	\$ 29,347,326	35.07 %
12/31/2010	-	13,581,821	13,581,821	0.00	26,176,392	51.89
12/31/2008	-	12,898,052	12,898,052	0.00	31,327,381	41.17

CITY OF DES PLAINES, ILLINOIS
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULES OF EMPLOYER CONTRIBUTIONS
 December 31, 2012

Fiscal Year Ended	Employer Contributions	Annual Required Contribution (ARC)	Percentage Contributed
IMRF			
12/31/2012	\$ 2,250,700	\$ 2,343,437	96%
12/31/2011	1,948,306	2,330,839	84%
12/31/2010	2,148,148	2,148,148	100%
12/31/2009	1,914,683	1,914,683	100%
12/31/2008	1,792,863	1,792,863	100%
12/31/2007	1,822,744	1,822,744	100%
Police Pension			
12/31/2012	\$ 3,562,231	\$ 3,472,544	103%
12/31/2011	3,755,364	3,307,583	114%
12/31/2010	2,955,719	3,240,960	91%
12/31/2009	2,674,204	2,538,400	105%
12/31/2008	2,421,918	2,352,290	103%
12/31/2007	2,040,614	2,213,487	92%
Firefighters' Pension			
12/31/2012	\$ 3,655,295	\$ 3,577,776	102%
12/31/2011	3,798,156	3,395,608	112%
12/31/2010	2,754,196	3,042,315	91%
12/31/2009	2,158,347	2,100,581	103%
12/31/2008	2,017,392	1,831,495	110%
12/31/2007	1,631,300	1,772,574	92%
Retiree's Health Plan			
12/31/2012	\$ 841,829	\$ 636,199	132%
12/31/2011	916,213	1,481,391	62%
12/31/2010	819,804	1,420,390	58%
12/31/2009	599,828	1,120,637	54%
12/31/2008	572,023	1,142,333	50%

BUDGETARY INFORMATION

Budgetary information is derived from the annual operating budget and is presented using accounting principles generally accepted in the United States of America and the modified accrual basis of accounting.

**COMBINING AND INDIVIDUAL FUND
FINANCIAL STATEMENTS AND SCHEDULES**

CITY OF DES PLAINES, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
CAPITAL PROJECTS FUND
Year Ended December 31, 2012
With Comparative Actual Amounts from Year Ended December 31, 2011

	2012		Variance from Final Budget Positive (Negative)	2011 Actual
	Original and Final Budget	Actual		
Revenues				
Property Taxes	\$ 26,214	\$ 32,721	\$ 6,507	\$ 26,647
Home Rule Option Sales Tax - General	2,280,000	2,772,131	492,131	2,517,155
Home Rule Option Sales Tax - Library				
Debt Service	1,140,000	1,386,065	246,065	1,258,578
Local Use	1,450,000	1,685,069	235,069	1,719,941
Intergovernmental	-	849,154	849,154	2,191,825
Storm Sewers	1,900,000	2,434,345	534,345	2,323,567
Developer Contributions	-	96,019	96,019	848,601
Investment Income	4,500	5,485	985	4,000
Miscellaneous	-	34,874	34,874	41,722
Total Revenues	<u>6,800,714</u>	<u>9,295,863</u>	<u>2,495,149</u>	<u>10,932,036</u>
Expenditures				
Public Works				
Salaries	285,172	273,674	11,498	246,859
Benefits	128,062	125,905	2,157	125,549
Contractual Services	154,897	186,761	(31,864)	1,026,132
Commodities	75,400	69,063	6,337	23,440
Capital Outlay	2,971,115	3,677,503	(706,388)	9,951,582
Total Public Works	<u>3,614,646</u>	<u>4,332,906</u>	<u>(718,260)</u>	<u>11,373,562</u>
Debt Service				
Principal	3,225,000	3,225,000	-	3,100,000
Interest and Fiscal Charges	953,746	953,616	130	1,079,019
Payment to Refunding Bond Escrow	-	1,171,690	(1,171,690)	-
Total Debt Service	<u>4,178,746</u>	<u>5,350,306</u>	<u>(1,171,560)</u>	<u>4,179,019</u>
Total Expenditures	<u>7,793,392</u>	<u>9,683,212</u>	<u>(1,889,820)</u>	<u>15,552,581</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>(992,678)</u>	<u>(387,349)</u>	<u>605,329</u>	<u>(4,620,545)</u>
Other Financing Sources (Uses)				
Transfers Out	(236,115)	(183,777)	52,338	(200,535)
Total Other Financing Sources (Uses)	<u>(236,115)</u>	<u>(183,777)</u>	<u>52,338</u>	<u>(200,535)</u>
Special Items	-	-	-	33,138
Net Change in Fund Balance	<u>\$ (1,228,793)</u>	<u>(571,126)</u>	<u>\$ 657,667</u>	<u>(4,787,942)</u>
Fund Balance at Beginning of Year		<u>3,094,453</u>		<u>7,882,395</u>
Fund Balance at End of Year		<u>\$ 2,523,327</u>		<u>\$ 3,094,453</u>

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds are governmental funds used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for particular purposes.

- Motor Fuel Tax Fund – to account for the City's share of restricted state gasoline taxes. All projects require the advance approval of the Illinois Department of Transportation.
- Community Development Block Grant Fund - to account for the disbursement of the restricted Federal Community Block Grant. Financing is provided by the Federal Government.
- Asset Seizure Fund – to account for the restricted monies received from the federal, state, and county related to the seizure of assets by the Des Plaines Police Department.
- Foreign Fire Insurance Tax Fund – to account for restricted monies received from the foreign fire insurance tax, and disbursements by the Foreign Fire Insurance Tax Board.
- TIF Tax Allocation #1 Fund – to account for restricted revenues and expenditures related to the tax increment finance district located downtown.
- TIF Tax Allocation #3 Fund – to account for restricted revenues and expenditures related to the tax increment finance district located near Wille Road.
- TIF Tax Allocation #4 Fund – to account for restricted revenues and expenditures related to the tax increment finance district located near Five Corners.
- TIF Tax Allocation #5 Fund – to account for restricted revenues and expenditures related to the tax increment finance district located near Lee and Perry Streets in downtown Des Plaines.
- TIF Tax Allocation #6 Fund – to account for restricted revenues and expenditures related to the tax increment finance district located near Mannheim and Higgins Roads.
- Grant Funded Projects Fund – to account for restricted revenues and expenditures related to the Public Safety, Capital and other miscellaneous grants.

Debt Service Funds are governmental funds used to account for the accumulation of resources and the payment of general long-term debt principal, interest, and related costs.

- Debt Service Fund – to accumulate monies for payment of principal and interest on long-term general obligation debt of governmental funds.

Capital Project Funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds and trust funds.

- Equipment Replacement Fund – to account for the acquisition of major capital equipment (rolling stock).
- IT Replacement Fund – to account for the replacement of the City's computer and copier equipment.

CITY OF DES PLAINES, ILLINOIS
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 December 31, 2012

	Special Revenue Funds			
	Motor Fuel Tax	Community Development Block Grant	Asset Seizure	Foreign Fire Insurance Tax
ASSETS				
Cash and Investments	\$ 703,674	\$ 93,729	\$ 1,869,940	\$ 543,571
Receivables (Net)				
Property Taxes	-	-	-	-
Accrued Interest	-	-	209	-
Other	-	-	182	-
Due from Other Governments	122,446	56,477	14,283	-
TOTAL ASSETS	<u>\$ 826,120</u>	<u>\$ 150,206</u>	<u>\$ 1,884,614</u>	<u>\$ 543,571</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities				
Accounts Payable	\$ 138,411	\$ 36,065	\$ 58,384	\$ -
Deposits Payable	-	-	22,284	-
Due to Other Funds	-	2,481	-	-
Advances to Other Funds	-	-	-	-
Total Liabilities	<u>138,411</u>	<u>38,546</u>	<u>80,668</u>	<u>-</u>
Deferred Inflows of Resources				
Deferred Property Tax Revenue	-	-	-	-
Unavailable Other Revenue	1,631	8,695	-	-
Total Deferred Inflows of Resources	<u>1,631</u>	<u>8,695</u>	<u>-</u>	<u>-</u>
Fund Balances				
Restricted				
Economic Development	-	102,965	-	-
Streets & Highways	686,078	-	-	-
Public Safety	-	-	1,803,946	543,571
Debt Service	-	-	-	-
Assigned				
Capital Acquisitions	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	<u>686,078</u>	<u>102,965</u>	<u>1,803,946</u>	<u>543,571</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 826,120</u>	<u>\$ 150,206</u>	<u>\$ 1,884,614</u>	<u>\$ 543,571</u>

Special Revenue Funds						Debt Service Fund
TIF #1 (Downtown)	TIF #3 (Wille Road)	TIF #4 (Five Corners)	TIF #5 (Perry/Lee)	TIF #6 (Mannheim/Higgins)	Grant Funded Projects	Debt Service
\$ 5,265,301	\$ -	\$ 600,748	\$ 104,017	\$ -	\$ 121,467	\$ 462,933
4,105,219	500,622	201	104,598	31,742	-	104,696
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	312,782	-
<u>\$ 9,370,520</u>	<u>\$ 500,622</u>	<u>\$ 600,949</u>	<u>\$ 208,615</u>	<u>\$ 31,742</u>	<u>\$ 434,249</u>	<u>\$ 567,629</u>
\$ 132,835	\$ 626	\$ 9,248	\$ 256	\$ 1,620	\$ 323,518	\$ -
18,737	-	-	-	-	-	-
-	-	-	-	-	-	-
-	2,960,547	-	-	5,646,162	-	-
<u>151,572</u>	<u>2,961,173</u>	<u>9,248</u>	<u>256</u>	<u>5,647,782</u>	<u>323,518</u>	<u>-</u>
3,983,178	500,622	-	104,598	27,010	-	104,346
-	-	-	-	-	5,954	-
<u>3,983,178</u>	<u>500,622</u>	<u>-</u>	<u>104,598</u>	<u>27,010</u>	<u>5,954</u>	<u>104,346</u>
5,235,770	-	591,701	103,761	-	-	-
-	-	-	-	-	104,777	-
-	-	-	-	-	-	-
-	-	-	-	-	-	463,283
-	-	-	-	-	-	-
-	(2,961,173)	-	-	(5,643,050)	-	-
<u>5,235,770</u>	<u>(2,961,173)</u>	<u>591,701</u>	<u>103,761</u>	<u>(5,643,050)</u>	<u>104,777</u>	<u>463,283</u>
<u>\$ 9,370,520</u>	<u>\$ 500,622</u>	<u>\$ 600,949</u>	<u>\$ 208,615</u>	<u>\$ 31,742</u>	<u>\$ 434,249</u>	<u>\$ 567,629</u>

CITY OF DES PLAINES, ILLINOIS
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 December 31, 2012

	<u>Capital Projects Funds</u>		Total Nonmajor Governmental Funds
	<u>Equipment Replacement</u>	<u>I.T. Replacement</u>	
ASSETS			
Cash and Investments	\$ 3,178,270	\$ 514,087	\$ 13,457,737
Receivables (Net)			
Property Taxes	-	-	4,847,078
Accrued Interest	-	-	209
Other	-	-	182
Due from Other Governments	-	-	505,988
TOTAL ASSETS	<u>\$ 3,178,270</u>	<u>\$ 514,087</u>	<u>\$ 18,811,194</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
Liabilities			
Accounts Payable	\$ 80,456	\$ -	\$ 781,419
Deposits Payable	-	-	41,021
Due to Other Funds	-	-	2,481
Advances to Other Funds	-	-	8,606,709
Total Liabilities	<u>80,456</u>	<u>-</u>	<u>9,431,630</u>
Deferred Inflows of Resources			
Deferred Property Tax Revenue	-	-	4,719,754
Unavailable Other Revenue	-	-	16,280
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>4,736,034</u>
Fund Balances			
Restricted			
Economic Development	-	-	6,034,197
Streets & Highways	-	-	790,855
Public Safety	-	-	2,347,517
Debt Service	-	-	463,283
Assigned			
Capital Acquisitions	3,097,814	514,087	3,611,901
Unassigned	-	-	(8,604,223)
Total Fund Balances	<u>3,097,814</u>	<u>514,087</u>	<u>4,643,530</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 3,178,270</u>	<u>\$ 514,087</u>	<u>\$ 18,811,194</u>

CITY OF DES PLAINES, ILLINOIS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 Year Ended December 31, 2012

	Special Revenue Funds			
	Motor Fuel Tax	Community Development Block Grant	Asset Seizure	Foreign Fire Insurance Tax
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ 109,560
Intergovernmental	1,719,224	378,442	-	-
Fines, Forfeitures and Penalties	-	-	226,690	-
Investment Income	847	-	1,618	3,453
Miscellaneous	-	17,023	9,263	-
Total Revenues	<u>1,720,071</u>	<u>395,465</u>	<u>237,571</u>	<u>113,013</u>
Expenditures				
Current:				
General Government	-	-	-	-
Public Safety	-	-	139,544	55,149
Streets and Highways	581,760	-	-	-
Economic Development	-	203,090	-	-
Debt Service				
Principal	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
Capital Outlay	912,246	200,271	74,790	-
Total Expenditures	<u>1,494,006</u>	<u>403,361</u>	<u>214,334</u>	<u>55,149</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>226,065</u>	<u>(7,896)</u>	<u>23,237</u>	<u>57,864</u>
Other Financing Sources (Uses)				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Issuance of Debt	-	-	-	-
Payment to Refunding Bond Escrow	-	-	-	-
Premium on Bond Issuance	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	226,065	(7,896)	23,237	57,864
Fund Balances at Beginning of Year	<u>460,013</u>	<u>110,861</u>	<u>1,780,709</u>	<u>485,707</u>
Fund Balances at End of Year	<u>\$ 686,078</u>	<u>\$ 102,965</u>	<u>\$ 1,803,946</u>	<u>\$ 543,571</u>

Special Revenue Funds						Debt Service Fund
TIF #1 (Downtown)	TIF #3 (Wille Road)	TIF #4 (Five Corners)	TIF #5 (Perry/Lee)	TIF #6 (Mannheim/Higgins)	Grant Funded Projects	Debt Service
\$ 4,706,774	\$ 561,730	\$ 70,881	\$ 117,260	\$ 60,122	\$ -	\$ 151,120
-	-	-	-	-	1,706,900	-
-	-	-	-	-	-	-
2,632	7	17	26	2	-	-
-	-	-	-	-	-	-
<u>4,709,406</u>	<u>561,737</u>	<u>70,898</u>	<u>117,286</u>	<u>60,124</u>	<u>1,706,900</u>	<u>151,120</u>
-	-	-	-	-	278,913	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
767,734	3,444	19,443	3,108	28,469	-	-
1,207,078	161,000	-	90,000	280,000	-	75,000
544,715	410,664	-	20,349	124,119	-	33,538
45,094	-	454,383	-	-	1,454,112	-
<u>2,564,621</u>	<u>575,108</u>	<u>473,826</u>	<u>113,457</u>	<u>432,588</u>	<u>1,733,025</u>	<u>108,538</u>
<u>2,144,785</u>	<u>(13,371)</u>	<u>(402,928)</u>	<u>3,829</u>	<u>(372,464)</u>	<u>(26,125)</u>	<u>42,582</u>
-	-	-	-	-	450,460	-
(474,826)	(8,759)	(45,202)	-	(55,483)	-	-
3,765,000	-	-	-	-	-	-
(3,746,382)	-	-	-	-	-	-
41,230	-	-	-	-	-	-
<u>(414,978)</u>	<u>(8,759)</u>	<u>(45,202)</u>	<u>-</u>	<u>(55,483)</u>	<u>450,460</u>	<u>-</u>
1,729,807	(22,130)	(448,130)	3,829	(427,947)	424,335	42,582
<u>3,505,963</u>	<u>(2,939,043)</u>	<u>1,039,831</u>	<u>99,932</u>	<u>(5,215,103)</u>	<u>(319,558)</u>	<u>420,701</u>
<u>\$ 5,235,770</u>	<u>\$ (2,961,173)</u>	<u>\$ 591,701</u>	<u>\$ 103,761</u>	<u>\$ (5,643,050)</u>	<u>\$ 104,777</u>	<u>\$ 463,283</u>

(Continued)

CITY OF DES PLAINES, ILLINOIS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 Year Ended December 31, 2012

	<u>Capital Projects Funds</u>		Total Nonmajor Governmental Funds
	<u>Equipment Replacement</u>	<u>I.T. Replacement</u>	
Revenues			
Taxes	\$ -	\$ -	\$ 5,777,447
Intergovernmental	-	-	3,804,566
Fines, Forfeitures and Penalties	-	-	226,690
Investment Income	44,043	119	52,764
Miscellaneous	50,778	-	77,064
Total Revenues	<u>94,821</u>	<u>119</u>	<u>9,938,531</u>
Expenditures			
Current:			
General Government	35,535	42,120	356,568
Public Safety	-	-	194,693
Streets and Highways	-	-	581,760
Economic Development	-	-	1,025,288
Debt Service			
Principal	56,151	-	1,869,229
Interest and Fiscal Charges	674	-	1,134,059
Capital Outlay	295,825	43,160	3,479,881
Total Expenditures	<u>388,185</u>	<u>85,280</u>	<u>8,641,478</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>(293,364)</u>	<u>(85,161)</u>	<u>1,297,053</u>
Other Financing Sources (Uses)			
Transfers In	1,375,000	125,000	1,950,460
Transfers Out	-	-	(584,270)
Issuance of Debt	-	-	3,765,000
Payment to Refunding Bond Escrow	-	-	(3,746,382)
Premium on Bond Issuance	-	-	41,230
Total Other Financing Sources (Uses)	<u>1,375,000</u>	<u>125,000</u>	<u>1,426,038</u>
Net Change in Fund Balances	1,081,636	39,839	2,723,091
Fund Balances at Beginning of Year	<u>2,016,178</u>	<u>474,248</u>	<u>1,920,439</u>
Fund Balances at End of Year	<u>\$ 3,097,814</u>	<u>\$ 514,087</u>	<u>\$ 4,643,530</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, 2012
With Comparative Actual Amounts from Year Ended December 31, 2011

	2012		Variance from Final Budget Positive (Negative)	2011 Actual
	Original and Final Budget	Actual		
Revenues				
Intergovernmental	\$ 1,450,000	\$ 1,719,224	\$ 269,224	\$ 1,721,701
Investment Income	500	847	347	498
Total Revenues	<u>1,450,500</u>	<u>1,720,071</u>	<u>269,571</u>	<u>1,722,199</u>
Expenditures				
Streets and Highways				
Contractual Services	147,500	106,053	41,447	94,373
Commodities	582,000	475,707	106,293	536,267
Capital Outlay	800,000	912,246	(112,246)	1,255,674
Total Expenditures	<u>1,529,500</u>	<u>1,494,006</u>	<u>35,494</u>	<u>1,886,314</u>
Net Change in Fund Balance	<u>\$ (79,000)</u>	226,065	<u>\$ 234,077</u>	(164,115)
Fund Balance at Beginning of Year		460,013		624,128
Fund Balance at End of Year		<u>\$ 686,078</u>		<u>\$ 460,013</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, 2012
With Comparative Actual Amounts from Year Ended December 31, 2011

	2012		Variance from Final Budget Positive (Negative)	2011 Actual
	Original and Final Budget	Actual		
Revenues				
Intergovernmental	\$ 413,051	\$ 378,442	\$ (34,609)	\$ 337,329
Miscellaneous	-	17,023	17,023	8,100
Total Revenues	<u>413,051</u>	<u>395,465</u>	<u>(17,586)</u>	<u>345,429</u>
Expenditures				
Economic Development				
Salaries	44,375	33,104	11,271	54,949
Benefits	14,528	9,426	5,102	18,478
Contractual Services	159,490	160,560	(1,070)	160,840
Commodities	150	-	150	74
Capital Outlay	210,558	200,271	10,287	85,584
Total Expenditures	<u>429,101</u>	<u>403,361</u>	<u>25,740</u>	<u>319,925</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>(16,050)</u>	<u>(7,896)</u>	<u>8,154</u>	<u>25,504</u>
Special Items	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,751</u>
Net Change in Fund Balance	<u>\$ (16,050)</u>	<u>(7,896)</u>	<u>\$ 8,154</u>	<u>27,255</u>
Fund Balance at Beginning of Year		<u>110,861</u>		<u>83,606</u>
Fund Balance at End of Year		<u>\$ 102,965</u>		<u>\$ 110,861</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, 2012
With Comparative Actual Amounts from Year Ended December 31, 2011

	2012		Variance from Final Budget Positive (Negative)	2011 Actual
	Original and Final Budget	Actual		
Revenues				
Property Taxes	\$ 5,309,693	\$ 4,706,774	\$ (602,919)	\$ 4,954,697
Intergovernmental	-	-	-	25,000
Investment Income	1,000	2,632	1,632	2,186
Miscellaneous	-	-	-	2,600
Total Revenues	<u>5,310,693</u>	<u>4,709,406</u>	<u>(601,287)</u>	<u>4,984,483</u>
Expenditures				
Economic Development				
Salaries	-	4,050	(4,050)	7,013
Benefits	-	447	(447)	169
Contractual Services	935,742	516,242	419,500	440,347
Commodities	73,150	246,995	(173,845)	94,071
Capital Outlay	2,970,000	45,094	2,924,906	413,669
Total Economic Development	<u>3,978,892</u>	<u>812,828</u>	<u>3,166,064</u>	<u>955,269</u>
Debt Service				
Principal	1,192,078	1,207,078	(15,000)	2,344,430
Interest and Fiscal Charges	521,753	544,715	(22,962)	626,583
Total Debt Service	<u>1,713,831</u>	<u>1,751,793</u>	<u>(37,962)</u>	<u>2,971,013</u>
Total Expenditures	<u>5,692,723</u>	<u>2,564,621</u>	<u>3,128,102</u>	<u>3,926,282</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>(382,030)</u>	<u>2,144,785</u>	<u>2,526,815</u>	<u>1,058,201</u>
Other Financing Sources (Uses)				
Transfer Out	(469,437)	(474,826)	(5,389)	(174,268)
Issuance of Debt	-	3,765,000	3,765,000	-
Payment to Refunding Bond Escrow	-	(3,746,382)	(3,746,382)	-
Premium on Bond Issuance	-	41,230	41,230	-
Total Other Financing Sources (Uses)	<u>(469,437)</u>	<u>(414,978)</u>	<u>54,459</u>	<u>(174,268)</u>
Net Change in Fund Balances	<u>\$ (851,467)</u>	1,729,807	<u>\$ 2,581,274</u>	883,933
Fund Balances at Beginning of Year		<u>3,505,963</u>		<u>2,622,030</u>
Fund Balances at End of Year		<u>\$ 5,235,770</u>		<u>\$ 3,505,963</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, 2012
With Comparative Actual Amounts from Year Ended December 31, 2011

	2012		Variance from Final Budget Positive (Negative)	2011 Actual
	Original and Final Budget	Actual		
Revenues				
Taxes	\$ 503,793	\$ 561,730	\$ 57,937	\$ 406,695
Investment Income	100	7	(93)	100
Total Revenues	<u>503,893</u>	<u>561,737</u>	<u>57,844</u>	<u>406,795</u>
Expenditures				
Economic Development				
Contractual Services	41	3,444	(3,403)	66
Total Economic Development	41	3,444	(3,403)	66
Debt Service				
Principal	156,000	161,000	(5,000)	286,000
Interest and Fiscal Charges	426,664	410,664	16,000	439,735
Total Debt Service	582,664	571,664	11,000	725,735
Total Expenditures	<u>582,705</u>	<u>575,108</u>	<u>7,597</u>	<u>725,801</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>(78,812)</u>	<u>(13,371)</u>	<u>65,441</u>	<u>(319,006)</u>
Other Financing Sources (Uses)				
Transfers Out	(8,759)	(8,759)	-	(2,030)
Total Other Financing Sources (Uses)	<u>(8,759)</u>	<u>(8,759)</u>	<u>-</u>	<u>(2,030)</u>
Net Change in Fund Balance	<u>\$ (87,571)</u>	<u>(22,130)</u>	<u>\$ 65,441</u>	<u>(321,036)</u>
Fund Balance at Beginning of Year		<u>(2,939,043)</u>		<u>(2,618,007)</u>
Fund Balance at End of Year		<u>\$ (2,961,173)</u>		<u>\$ (2,939,043)</u>

CITY OF DES PLAINES, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
TIF #4 (FIVE CORNERS) FUND
Year Ended December 31, 2012
With Comparative Actual Amounts from Year Ended December 31, 2011

	2012		Variance from Final Budget Positive (Negative)	2011 Actual
	Original and Final Budget	Actual		
Revenues				
Taxes	\$ 481,049	\$ 70,881	\$ (410,168)	\$ 469,298
Investment Income	-	17	17	339
Total Revenues	<u>481,049</u>	<u>70,898</u>	<u>(410,151)</u>	<u>469,637</u>
Expenditures				
Economic Development				
Benefits	-	-	-	140
Contractual Services	70,925	15,228	55,697	3,051
Commodities	5,000	4,215	785	3,140
Capital Outlay	500,000	454,383	45,617	-
Total Expenditures	<u>575,925</u>	<u>473,826</u>	<u>102,099</u>	<u>6,331</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>(94,876)</u>	<u>(402,928)</u>	<u>(308,052)</u>	<u>463,306</u>
Other Financing Sources (Uses)				
Transfers Out	(45,202)	(45,202)	-	(35,746)
Total Other Financing Sources (Uses)	<u>(45,202)</u>	<u>(45,202)</u>	<u>-</u>	<u>(35,746)</u>
Net Change in Fund Balance	<u>\$ (140,078)</u>	(448,130)	<u>\$ (308,052)</u>	427,560
Fund Balance at Beginning of Year		<u>1,039,831</u>		<u>612,271</u>
Fund Balance at End of Year		<u>\$ 591,701</u>		<u>\$ 1,039,831</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, 2012
With Comparative Actual Amounts from Year Ended December 31, 2011

	2012		Variance from Final Budget Positive (Negative)	2011 Actual
	Original and Final Budget	Actual		
Revenues				
Taxes	\$ 105,806	\$ 117,260	\$ 11,454	\$ 122,069
Investment Income	-	26	26	17
Total Revenues	<u>105,806</u>	<u>117,286</u>	<u>11,480</u>	<u>122,086</u>
Expenditures				
Economic Development				
Contractual Services	-	3,108	(3,108)	-
Total Economic Development	-	3,108	(3,108)	-
Debt Service				
Principal	80,000	90,000	(10,000)	80,000
Interest and Fiscal Charges	40,540	20,349	20,191	43,482
Total Debt Service	120,540	110,349	10,191	123,482
Total Expenditures	<u>120,540</u>	<u>113,457</u>	<u>7,083</u>	<u>123,482</u>
Net Change in Fund Balance	<u>\$ (14,734)</u>	3,829	<u>\$ 4,397</u>	(1,396)
Fund Balance at Beginning of Year		<u>99,932</u>		<u>101,328</u>
Fund Balance at End of Year		<u>\$ 103,761</u>		<u>\$ 99,932</u>

CITY OF DES PLAINES, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
TIF #6 (MANHEIM/HIGGINS) FUND
Year Ended December 31, 2012
With Comparative Actual Amounts from Year Ended December 31, 2011

	2012		Variance from Final Budget Positive (Negative)	2011 Actual
	Original and Final Budget	Actual		
Revenues				
Property Taxes	\$ 99,041	\$ 60,122	\$ (38,919)	\$ 118,942
Investment Income	-	2	2	19
Total Revenues	<u>99,041</u>	<u>60,124</u>	<u>(38,917)</u>	<u>118,961</u>
Expenditures				
Economic Development				
Benefits	-	-	-	169
Contractual Services	153,145	28,418	124,727	41,728
Commodities	-	51	(51)	30
Capital Outlay	200,000	-	200,000	-
Total Economic Development	<u>353,145</u>	<u>28,469</u>	<u>324,676</u>	<u>41,927</u>
Debt Service				
Principal	280,000	280,000	-	25,000
Interest and Fiscal Charges	129,292	124,119	5,173	12,397
Total Debt Service	<u>409,292</u>	<u>404,119</u>	<u>5,173</u>	<u>37,397</u>
Total Expenditures	<u>762,437</u>	<u>432,588</u>	<u>329,849</u>	<u>79,324</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>(663,396)</u>	<u>(372,464)</u>	<u>290,932</u>	<u>39,637</u>
Other Financing Sources (Uses)				
Transfer Out	(55,483)	(55,483)	-	(27,990)
Total Other Financing Sources (Uses)	<u>(55,483)</u>	<u>(55,483)</u>	<u>-</u>	<u>(27,990)</u>
Net Change in Fund Balances	<u>\$ (718,879)</u>	<u>(427,947)</u>	<u>\$ 290,932</u>	<u>11,647</u>
Fund Balances at Beginning of Year		<u>(5,215,103)</u>		<u>(5,226,750)</u>
Fund Balances at End of Year		<u>\$ (5,643,050)</u>		<u>\$ (5,215,103)</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, 2012
With Comparative Actual Amounts from Year Ended December 31, 2011

	2012		Variance from Final Budget Positive (Negative)	2011 Actual
	Original and Final Budget	Actual		
Revenues				
Intergovernmental	\$ 443,489	\$ 1,706,900	\$ 1,263,411	\$ 1,940,197
Total Revenues	<u>443,489</u>	<u>1,706,900</u>	<u>1,263,411</u>	<u>1,940,197</u>
Expenditures				
General Government				
Salaries	134,753	57,196	77,557	202,161
Contractual Services	891,506	208,638	682,868	82,251
Commodities	-	13,079	(13,079)	29,181
Capital Outlay	-	1,454,112	(1,454,112)	1,801,920
Total Expenditures	<u>1,026,259</u>	<u>1,733,025</u>	<u>(706,766)</u>	<u>2,115,513</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>(582,770)</u>	<u>(26,125)</u>	<u>556,645</u>	<u>(175,316)</u>
Other Financing Sources (Uses)				
Transfers In	578,223	450,460	(127,763)	183,235
Total Other Financing Sources (Uses)	<u>578,223</u>	<u>450,460</u>	<u>(127,763)</u>	<u>183,235</u>
Net Change in Fund Balance	<u>\$ (4,547)</u>	424,335	<u>\$ 428,882</u>	7,919
Fund Balance at Beginning of Year		<u>(319,558)</u>		<u>(327,477)</u>
Fund Balance at End of Year		<u>\$ 104,777</u>		<u>\$ (319,558)</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, 2012
With Comparative Actual Amounts from Year Ended December 31, 2011

	2012		Variance from Final Budget Positive (Negative)	2011 Actual
	Original and Final Budget	Actual		
Revenues				
Taxes	\$ 206,860	\$ 151,120	\$ (55,740)	\$ 1,216,846
Intergovernmental	-	-	-	23,468
Total Revenues	<u>206,860</u>	<u>151,120</u>	<u>(55,740)</u>	<u>1,240,314</u>
Expenditures				
Debt Service				
Principal	140,000	75,000	65,000	1,220,000
Interest and Fiscal Charges	67,460	33,538	33,922	157,000
Payment to Refunding Bond Escrow	-	-	-	815,034
Total Expenditures	<u>207,460</u>	<u>108,538</u>	<u>98,922</u>	<u>2,192,034</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>(600)</u>	<u>42,582</u>	<u>43,182</u>	<u>(951,720)</u>
Other Financing Sources (Uses)				
Transfers In	-	-	-	1,333,942
Issuance of Debt	-	-	-	3,540,000
Payment to Refunding Bond Escrow	-	-	-	(3,541,973)
Premium on Bond Issuance	-	-	-	40,452
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,372,421</u>
Net Change in Fund Balance	<u>\$ (600)</u>	<u>42,582</u>	<u>\$ 43,182</u>	<u>420,701</u>
Fund Balance at Beginning of Year		<u>420,701</u>		<u>-</u>
Fund Balance at End of Year		<u>\$ 463,283</u>		<u>\$ 420,701</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, 2012
With Comparative Actual Amounts from Year Ended December 31, 2011

	2012		Variance from Final Budget Positive (Negative)	2011 Actual
	Original and Final Budget	Actual		
Revenues				
Investment Income	\$ 10,000	\$ 44,043	\$ 34,043	\$ 23,083
Miscellaneous	75,000	50,778	(24,222)	20,425
Total Revenues	<u>85,000</u>	<u>94,821</u>	<u>9,821</u>	<u>43,508</u>
Expenditures				
General Government				
Contractual Services	59,995	30,939	29,056	-
Commodities	5,000	4,596	404	-
Capital Outlay	554,775	295,825	258,950	374,571
Total General Government	<u>619,770</u>	<u>331,360</u>	<u>288,410</u>	<u>374,571</u>
Debt Service				
Principal	56,151	56,151	-	97,169
Interest and Fiscal Charges	674	674	-	3,980
Total Debt Service	<u>56,825</u>	<u>56,825</u>	<u>-</u>	<u>101,149</u>
Total Expenditures	<u>676,595</u>	<u>388,185</u>	<u>288,410</u>	<u>475,720</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>(591,595)</u>	<u>(293,364)</u>	<u>298,231</u>	<u>(432,212)</u>
Other Financing Sources (Uses)				
Transfers In	1,375,000	1,375,000	-	866,800
Total Other Financing Sources (Uses)	<u>1,375,000</u>	<u>1,375,000</u>	<u>-</u>	<u>866,800</u>
Net Change in Fund Balance	<u>\$ 783,405</u>	1,081,636	<u>\$ 298,231</u>	434,588
Fund Balance at Beginning of Year		<u>2,016,178</u>		<u>1,581,590</u>
Fund Balance at End of Year		<u>\$ 3,097,814</u>		<u>\$ 2,016,178</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, 2012
With Comparative Actual Amounts from Year Ended December 31, 2011

	2012		Variance from Final Budget Positive (Negative)	2011 Actual
	Original and Final Budget	Actual		
Revenues				
Investment Income	\$ 50	\$ 119	\$ 69	\$ 67
Total Revenues	<u>50</u>	<u>119</u>	<u>69</u>	<u>67</u>
Expenditures				
General Government				
Contractual Services	37,200	36,672	528	33,425
Commodities	3,160	5,448	(2,288)	3,240
Capital Outlay	156,330	43,160	113,170	757,128
Total Expenditures	<u>196,690</u>	<u>85,280</u>	<u>111,410</u>	<u>793,793</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>(196,640)</u>	<u>(85,161)</u>	<u>111,479</u>	<u>(793,726)</u>
Other Financing Sources (Uses)				
Transfers In	125,000	125,000	-	1,016,400
Total Other Financing Sources (Uses)	<u>125,000</u>	<u>125,000</u>	<u>-</u>	<u>1,016,400</u>
Net Change in Fund Balance	<u>\$ (71,640)</u>	39,839	<u>\$ 111,479</u>	222,674
Fund Balance at Beginning of Year		<u>474,248</u>		<u>251,574</u>
Fund Balance at End of Year		<u>\$ 514,087</u>		<u>\$ 474,248</u>

ENTERPRISE FUNDS

Enterprise Funds are established to account for the financing of self-supporting activities of the City that render services on a user-charge basis.

- Water/Sewer Fund – to account for the provision of water and sewer services to the residents of the City. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, and improvements.
- Parking System Fund – to account for the operation of the City's parking lots, garages and monies received from permit sales. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, and improvements.

CITY OF DES PLAINES, ILLINOIS
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
BUDGET AND ACTUAL
WATER/SEWER FUND
Year Ended December 31, 2012
With Comparative Actual Amounts from Year Ended December 31, 2011

	2012		Variance from Final Budget Positive (Negative)	2011 Actual
	Original and Final Budget	Actual		
Operating Revenues				
Charges for Services				
Water Sales	\$ 8,507,500	\$ 11,652,248	\$ 3,144,748	\$ 9,437,415
Sewer Sales	1,600,000	2,394,975	794,975	1,786,626
Sales of Water Meters	20,000	5,275	(14,725)	19,350
Water Permit Fees	10,000	6,130	(3,870)	19,550
Service Charges, Cut Off and Connector Fees	15,000	93,928	78,928	14,904
Other Charges for Services	2,500	9,663	7,163	8,735
Total Charges for Services	<u>10,155,000</u>	<u>14,162,219</u>	<u>4,007,219</u>	<u>11,286,580</u>
Miscellaneous	-	2,756	2,756	845
Total Operating Revenues	<u>10,155,000</u>	<u>14,164,975</u>	<u>4,009,975</u>	<u>11,287,425</u>
Operating Expenses				
Salaries	3,108,035	3,039,934	68,101	2,912,740
Benefits	1,607,959	1,628,127	(20,168)	1,589,919
Contractual Services	887,270	847,360	39,910	753,514
Commodities	5,291,540	7,402,520	(2,110,980)	5,722,046
Capital Outlay	996,069	299,867	696,202	576,874
Depreciation	-	916,189	(916,189)	934,384
Total Operating Expenses	<u>11,890,873</u>	<u>14,133,997</u>	<u>(2,243,124)</u>	<u>12,489,477</u>
Operating Income (Loss)	<u>(1,735,873)</u>	<u>30,978</u>	<u>1,766,851</u>	<u>(1,202,052)</u>
Nonoperating Revenues and (Expenses)				
Intergovernmental	-	2,039	2,039	4,691
Investment Income	1,500	5,228	3,728	1,519
Interest Expense	(29,650)	(34,059)	(4,409)	(51,878)
Other Expenses	-	-	-	(40,484)
Total Nonoperating Revenues and (Expenses)	<u>(28,150)</u>	<u>(26,792)</u>	<u>1,358</u>	<u>(86,152)</u>
Income (Loss) Before Transfers and Capital Contributions	<u>(1,764,023)</u>	<u>4,186</u>	<u>1,768,209</u>	<u>(1,288,204)</u>
Transfers				
Transfers In	20,758	20,758	-	9,570
Transfers Out	-	-	-	(98,390)
Total Transfers	<u>20,758</u>	<u>20,758</u>	<u>-</u>	<u>(88,820)</u>
Capital Contributions	<u>-</u>	<u>-</u>	<u>-</u>	<u>439,496</u>
Change in Net Position	<u>\$ (1,743,265)</u>	<u>24,944</u>	<u>\$ 1,768,209</u>	<u>(937,528)</u>
Net Position at Beginning of Year, (as Restated)		<u>20,992,345</u>		<u>21,929,873</u>
Net Position at End of Year		<u>\$ 21,017,289</u>		<u>\$ 20,992,345</u>

CITY OF DES PLAINES, ILLINOIS
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
BUDGET AND ACTUAL
PARKING SYSTEM FUND
Year Ended December 31, 2012
With Comparative Actual Amounts from Year Ended December 31, 2011

	2012		Variance from Final Budget Positive (Negative)	2011
	Original and Final Budget	Actual		Actual
Operating Revenues				
Charges for Services				
Parking Lots, Garages, Permits, and Other	\$ 295,500	\$ 370,038	\$ 74,538	\$ 283,554
Total Operating Revenues	<u>295,500</u>	<u>370,038</u>	<u>74,538</u>	<u>283,554</u>
Operating Expenses				
Contractual Services	28,216	16,481	11,735	23,818
Commodities	135,350	120,930	14,420	128,811
Depreciation	-	646,136	(646,136)	650,189
Total Operating Expenses	<u>163,566</u>	<u>783,547</u>	<u>(619,981)</u>	<u>802,818</u>
Operating Income (Loss)	<u>131,934</u>	<u>(413,509)</u>	<u>(545,443)</u>	<u>(519,264)</u>
Nonoperating Revenues and (Expenses)				
Investment Income	400	-	(400)	-
Total Nonoperating Revenues and (Expenses)	<u>400</u>	<u>-</u>	<u>(400)</u>	<u>-</u>
Income (Loss) Before Transfers	<u>132,334</u>	<u>(413,509)</u>	<u>(545,843)</u>	<u>(519,264)</u>
Transfers				
Transfers Out	(36,516)	(36,516)	-	(73,879)
Total Transfers	<u>(36,516)</u>	<u>(36,516)</u>	<u>-</u>	<u>(73,879)</u>
Change in Net Position	<u>\$ 95,818</u>	<u>(450,025)</u>	<u>\$ (545,843)</u>	<u>(593,143)</u>
Net Position at Beginning of Year		<u>13,041,076</u>		<u>13,634,219</u>
Net Position at End of Year		<u>\$ 12,591,051</u>		<u>\$ 13,041,076</u>

INTERNAL SERVICE FUNDS

Internal Service Funds are used to account for the financing of goods and services provided by one department or agency of a government to other departments or agencies on a cost- reimbursement basis.

- Risk Management Fund – to account for the servicing and payment of claims for liability and workmen's compensation. Financing is provided via self-imposed premiums and investment earnings.
- Health Benefits Fund – to account for the operations of the City's self-insured medical plan. Financing is provided via self-imposed premiums and investment earnings.

CITY OF DES PLAINES, ILLINOIS
 COMBINING STATEMENT OF NET POSITION
 INTERNAL SERVICE FUNDS
 December 31, 2012

	Risk Management	Health Benefits	Total Internal Service Funds
ASSETS			
Current Assets			
Cash and Investments	\$ 976,801	\$ 595,402	\$ 1,572,203
Prepaid Items	795,137	2,388,090	3,183,227
Total Current Assets	<u>1,771,938</u>	<u>2,983,492</u>	<u>4,755,430</u>
TOTAL ASSETS	<u>1,771,938</u>	<u>2,983,492</u>	<u>4,755,430</u>
LIABILITIES			
Current Liabilities			
Accounts Payable	18,753	3,717	22,470
Accrued Liabilities	-	14,157	14,157
Long-term Obligations, Due Within One Year			
Early Retirement Incentive Program Payable	<u>-</u>	<u>367,322</u>	<u>367,322</u>
Total Current Liabilities	<u>18,753</u>	<u>385,196</u>	<u>403,949</u>
Noncurrent Liabilities:			
Long-term Obligations, Due in More Than One Year:			
Early Retirement Incentive Program Payable	<u>-</u>	<u>18,843</u>	<u>18,843</u>
Total Noncurrent Liabilities	<u>-</u>	<u>18,843</u>	<u>18,843</u>
TOTAL LIABILITIES	<u>18,753</u>	<u>404,039</u>	<u>422,792</u>
NET POSITION			
Unrestricted	<u>1,753,185</u>	<u>2,579,453</u>	<u>4,332,638</u>
TOTAL NET POSITION	<u>\$ 1,753,185</u>	<u>\$ 2,579,453</u>	<u>\$ 4,332,638</u>

CITY OF DES PLAINES, ILLINOIS
 COMBINING STATEMENT OF REVENUES, EXPENSES
 AND CHANGES IN NET POSITION
 INTERNAL SERVICE FUNDS
 Year Ended December 31, 2012

	<u>Risk Management</u>	<u>Health Benefits</u>	<u>Total Internal Service Funds</u>
Operating Revenues			
Charges for Services	\$ 2,558,204	\$ 8,823,375	\$ 11,381,579
Miscellaneous	<u>556,132</u>	<u>-</u>	<u>556,132</u>
Total Operating Revenues	<u>3,114,336</u>	<u>8,823,375</u>	<u>11,937,711</u>
Operating Expenses			
Claims Expense	48,581	7,940,675	7,989,256
Insurance and Processing Fees	2,499,499	575,431	3,074,930
Miscellaneous	<u>46,713</u>	<u>175,160</u>	<u>221,873</u>
Total Operating Expenses	<u>2,594,793</u>	<u>8,691,266</u>	<u>11,286,059</u>
Operating Income (Loss)	<u>519,543</u>	<u>132,109</u>	<u>651,652</u>
Nonoperating Revenues and (Expenses)			
Investment Income	<u>274</u>	<u>259</u>	<u>533</u>
Total Nonoperating Revenues and (Expenses)	<u>274</u>	<u>259</u>	<u>533</u>
Change in Net Position	519,817	132,368	652,185
Net Position at Beginning of Year	<u>1,233,368</u>	<u>2,447,085</u>	<u>3,680,453</u>
Net Position at End of Year	<u>\$ 1,753,185</u>	<u>\$ 2,579,453</u>	<u>\$ 4,332,638</u>

CITY OF DES PLAINES, ILLINOIS
 COMBINING STATEMENT OF CASH FLOWS
 INTERNAL SERVICE FUNDS
 Year Ended December 31, 2012

	<u>Risk Management</u>	<u>Health Benefits</u>	<u>Total Internal Service Funds</u>
Cash Flows from Operating Activities			
Cash Received from Customers	\$ 2,558,204	\$ 8,823,375	\$ 11,381,579
Receipts from Miscellaneous Revenues	556,132	-	556,132
Cash Payments to Suppliers for Good and Services	<u>(2,658,079)</u>	<u>(8,954,084)</u>	<u>(11,612,163)</u>
Net Cash Provided/(Used) by Operating Activities	<u>456,257</u>	<u>(130,709)</u>	<u>325,548</u>
Cash Flows from Investing Activities			
Investment Income	<u>274</u>	<u>259</u>	<u>533</u>
Net Cash Provided/(Used) by Investing Activities	<u>274</u>	<u>259</u>	<u>533</u>
Net Increase (Decrease) in Cash & Investments	456,531	(130,450)	326,081
Cash & Investments, Beginning of Year	<u>520,270</u>	<u>725,852</u>	<u>1,246,122</u>
Cash & Investments, End of Year	<u>\$ 976,801</u>	<u>\$ 595,402</u>	<u>\$ 1,572,203</u>
Reconciliation of Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities			
Operating Income/(Loss)	\$ 519,543	\$ 132,109	\$ 651,652
Adjustments to Reconcile Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities			
Decrease (Increase) in Prepaid Items	(10,818)	89,387	78,569
(Decrease) Increase in Accounts Payable	(52,468)	3,501	(48,967)
(Decrease) Increase in Accrued Liabilities	-	(9,653)	(9,653)
(Decrease) Increase in Early Retirement Incentive Program Payable	<u>-</u>	<u>(346,053)</u>	<u>(346,053)</u>
Total Adjustments	<u>(63,286)</u>	<u>(262,818)</u>	<u>(326,104)</u>
Net Cash Provided/(Used) by Operating Activities	<u>\$ 456,257</u>	<u>\$ (130,709)</u>	<u>\$ 325,548</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, 2012
With Comparative Actual Amounts from Year Ended December 31, 2011

	2012		Variance from Final Budget Positive (Negative)	2011
	Original and Final Budget	Actual		Actual
Operating Revenues				
Charges for Services	\$ 2,470,682	\$ 2,558,204	\$ 87,522	\$ 2,485,042
Miscellaneous	140,000	556,132	416,132	202,813
Total Operating Revenues	<u>2,610,682</u>	<u>3,114,336</u>	<u>503,654</u>	<u>2,687,855</u>
Operating Expenses				
Claims Expense				
Unemployment Claims	115,000	17,468	97,532	58,974
Workers' Compensation Claims	41,000	31,113	9,887	31,003
Total Claims Expense	<u>156,000</u>	<u>48,581</u>	<u>107,419</u>	<u>89,977</u>
Insurance and Processing Fees				
Claims Administrative Fees	3,400	1,938	1,462	2,488
Insurance Premiums	115,000	103,151	11,849	102,227
MICA Loss Fund	2,350,000	2,374,593	(24,593)	2,306,222
MICA Deductible	30,000	19,817	10,183	7,848
Total Insurance and Processing Fees	<u>2,498,400</u>	<u>2,499,499</u>	<u>(1,099)</u>	<u>2,418,785</u>
Miscellaneous				
City-wide Substance Abuse Program	5,000	2,415	2,585	1,840
Self-insurance Losses	75,000	34,406	40,594	212,228
Miscellaneous Contractual Services	10,000	9,892	108	495
Total Miscellaneous	<u>90,000</u>	<u>46,713</u>	<u>43,287</u>	<u>214,563</u>
Total Operating Expenses	<u>2,744,400</u>	<u>2,594,793</u>	<u>149,607</u>	<u>2,723,325</u>
Operating Income (Loss)	<u>(133,718)</u>	<u>519,543</u>	<u>653,261</u>	<u>(35,470)</u>
Nonoperating Revenues and (Expenses)				
Investment Income	150	274	124	88
Total Nonoperating Revenues and (Expenses)	<u>150</u>	<u>274</u>	<u>124</u>	<u>88</u>
Change in Net Position	<u>\$ (133,568)</u>	<u>519,817</u>	<u>\$ 653,385</u>	<u>(35,382)</u>
Net Position at Beginning of Year		<u>1,233,368</u>		<u>1,268,750</u>
Net Position at End of Year		<u>\$ 1,753,185</u>		<u>\$ 1,233,368</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, 2012
With Comparative Actual Amounts from Year Ended December 31, 2011

	2012		Variance from Final Budget Positive (Negative)	2011 Actual
	Original and Final Budget	Actual		
Operating Revenues				
Charges for Services	\$ 9,171,837	\$ 8,823,375	\$ (348,462)	\$ 8,865,569
Total Operating Revenues	<u>9,171,837</u>	<u>8,823,375</u>	<u>(348,462)</u>	<u>8,865,569</u>
Operating Expenses				
Claims Expense				
Claims Paid - City - PPO	6,632,675	6,312,400	320,275	6,075,504
Claims Paid - City - HMO	<u>1,807,930</u>	<u>1,628,275</u>	<u>179,655</u>	<u>1,585,223</u>
Total Claims Expense	<u>8,440,605</u>	<u>7,940,675</u>	<u>499,930</u>	<u>7,660,727</u>
Insurance and Processing Fees				
Dental Claims and Administration Fee	489,904	433,005	56,899	394,305
Life Insurance Premium	<u>140,000</u>	<u>142,426</u>	<u>(2,426)</u>	<u>139,144</u>
Total Insurance and Processing Fees	<u>629,904</u>	<u>575,431</u>	<u>54,473</u>	<u>533,449</u>
Miscellaneous	<u>47,194</u>	<u>175,160</u>	<u>(127,966)</u>	<u>199,522</u>
Total Operating Expenses	<u>9,117,703</u>	<u>8,691,266</u>	<u>426,437</u>	<u>8,393,698</u>
Operating Income (Loss)	<u>54,134</u>	<u>132,109</u>	<u>77,975</u>	<u>471,871</u>
Nonoperating Revenues and (Expenses)				
Investment Income	850	259	(591)	570
Total Nonoperating Revenues and (Expenses)	<u>850</u>	<u>259</u>	<u>(591)</u>	<u>570</u>
Change in Net Position	<u>\$ 54,984</u>	132,368	<u>\$ 77,384</u>	472,441
Net Position at Beginning of Year		<u>2,447,085</u>		<u>1,974,644</u>
Net Position at End of Year		<u>\$ 2,579,453</u>		<u>\$ 2,447,085</u>

FIDUCIARY FUNDS

Fiduciary Funds are used to account for assets held by the City in a trustee capacity for individuals, governmental entities and non-public organizations.

Pension Trust

- Firefighters' and Police Pension Funds – Pension Trust Funds used to account for the accumulation of resources and administration costs to be used for retirement annuity payments at appropriate amounts and times in the future. Resources are contributed by employees at rates fixed by law and by the City at amounts determined by an annual actuarial study.

Agency

- Compliance Bond Fund – an agency fund used to account for the collection and repayment of deposits made in conformance with local ordinances to ensure that work performed meets local code requirements. Fund also includes other smaller miscellaneous agency funds related to the City.
- Section 125 Plan Fund – an agency fund used to account for a Section 125 Benefit Plan administered by the City.

CITY OF DES PLAINES, ILLINOIS
 COMBINING STATEMENT OF FIDUCIARY NET POSITION
 PENSION TRUST FUNDS
 December 31, 2012

	Firefighters' Pension	Police Pension	Total Pension Trust Funds
ASSETS			
Cash and Cash Equivalents	\$ 2,429,411	\$ 3,641,623	\$ 6,071,034
Investments			
U.S. Government and Agency Obligations	14,996,975	14,400,998	29,397,973
Mutual Funds	17,130,189	16,770,331	33,900,520
Corporate Bonds	11,148,328	10,155,882	21,304,210
Stocks	13,502,451	10,036,653	23,539,104
State and Local Obligations	1,398,131	1,375,726	2,773,857
Insurance Contracts	-	1,441	1,441
Receivables (Net)			
Accrued Interest	250,388	237,350	487,738
Prepaid Items	4,624	4,385	9,009
TOTAL ASSETS	<u>\$ 60,860,497</u>	<u>\$ 56,624,389</u>	<u>\$ 117,484,886</u>
LIABILITIES AND NET POSITION			
Liabilities			
Accounts Payable	\$ 38,600	\$ 43,470	\$ 82,070
Total Liabilities	<u>38,600</u>	<u>43,470</u>	<u>82,070</u>
Net Position			
Held in Trust for Pension Benefits	<u>60,821,897</u>	<u>56,580,919</u>	<u>117,402,816</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 60,860,497</u>	<u>\$ 56,624,389</u>	<u>\$ 117,484,886</u>

CITY OF DES PLAINES, ILLINOIS
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 PENSION TRUST FUNDS
 December 31, 2012

	Firefighters' Pension	Police Pension	Total Pension Trust Funds
Additions			
Contributions			
Employer	\$ 3,655,295	\$ 3,542,231	\$ 7,197,526
Plan Members	839,357	1,001,349	1,840,706
Total Contributions	<u>4,494,652</u>	<u>4,543,580</u>	<u>9,038,232</u>
Investment Income	6,361,546	5,787,807	12,149,353
Less Investment Expense	<u>(222,367)</u>	<u>(232,482)</u>	<u>(454,849)</u>
Net Investment Income	<u>6,139,179</u>	<u>5,555,325</u>	<u>11,694,504</u>
Total Additions	<u>10,633,831</u>	<u>10,098,905</u>	<u>20,732,736</u>
Deductions			
Administration	82,993	96,004	178,997
Benefits and Refunds	<u>5,539,540</u>	<u>5,895,115</u>	<u>11,434,655</u>
Total Deductions	<u>5,622,533</u>	<u>5,991,119</u>	<u>11,613,652</u>
Change in Plan Net Position	5,011,298	4,107,786	9,119,084
Plan Net Position at Beginning of Year	<u>55,810,599</u>	<u>52,473,133</u>	<u>108,283,732</u>
Plan Net Position at End of Year	<u>\$ 60,821,897</u>	<u>\$ 56,580,919</u>	<u>\$ 117,402,816</u>

CITY OF DES PLAINES, ILLINOIS
 COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
 AGENCY FUNDS
 December 31, 2012

	Compliance Bond	Section 125 Plan	Total Agency Funds
ASSETS			
Cash and Cash Equivalents	\$ 441,454	\$ 68,964	\$ 510,418
Other Receivable	26,580	-	26,580
TOTAL ASSETS	\$ 468,034	\$ 68,964	\$ 536,998
LIABILITIES			
Accounts Payable	\$ 48,120	\$ -	\$ 48,120
Accrued Liabilities	6,346	68,964	75,310
Deposits Payable	413,568	-	413,568
TOTAL LIABILITIES	\$ 468,034	\$ 68,964	\$ 536,998

CITY OF DES PLAINES, ILLINOIS
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 AGENCY FUNDS
 December 31, 2012

	Balances January 1	Additions	Deductions	Balances December 31
Compliance Bond Fund				
ASSETS				
Cash and Cash Equivalents	\$ 538,672	\$ 744,687	\$ 841,905	\$ 441,454
Other Receivable	37,846	26,580	37,846	26,580
TOTAL ASSETS	<u>\$ 576,518</u>	<u>\$ 771,267</u>	<u>\$ 879,751</u>	<u>\$ 468,034</u>
LIABILITIES				
Accounts Payable	\$ 19,285	\$ 301,177	\$ 272,342	\$ 48,120
Accrued Liabilities	6,899	6,346	6,899	6,346
Deposits Payable	550,334	188,456	325,222	413,568
TOTAL LIABILITIES	<u>\$ 576,518</u>	<u>\$ 495,979</u>	<u>\$ 604,463</u>	<u>\$ 468,034</u>
Section 125 Plan Fund				
ASSETS				
Cash and Cash Equivalents	\$ 70,516	\$ 217,547	\$ 219,099	\$ 68,964
TOTAL ASSETS	<u>\$ 70,516</u>	<u>\$ 217,547</u>	<u>\$ 219,099</u>	<u>\$ 68,964</u>
LIABILITIES				
Accrued Liabilities	\$ 70,516	\$ 217,547	\$ 219,099	\$ 68,964
TOTAL LIABILITIES	<u>\$ 70,516</u>	<u>\$ 217,547</u>	<u>\$ 219,099</u>	<u>\$ 68,964</u>
All Funds				
ASSETS				
Cash and Cash Equivalents	\$ 609,188	\$ 962,234	\$ 1,061,004	\$ 510,418
Other Receivable	37,846	26,580	37,846	26,580
TOTAL ASSETS	<u>\$ 647,034</u>	<u>\$ 988,814</u>	<u>\$ 1,098,850</u>	<u>\$ 536,998</u>
LIABILITIES				
Accounts Payable	\$ 19,285	\$ 301,177	\$ 272,342	\$ 48,120
Accrued Liabilities	77,415	223,893	225,998	75,310
Deposits Payable	550,334	188,456	325,222	413,568
TOTAL LIABILITIES	<u>\$ 647,034</u>	<u>\$ 713,526</u>	<u>\$ 823,562</u>	<u>\$ 536,998</u>

COMPONENT UNIT

The Component Unit operates and maintains the public library within the governmental unit.

CITY OF DES PLAINES, ILLINOIS
 COMPONENT UNIT - LIBRARY
 STATEMENT OF NET POSITION AND GOVERNMENTAL FUNDS
 COMBINING BALANCE SHEET
 December 31, 2012

	General	Capital Projects	Total
ASSETS			
Cash	\$ 4,939,022	\$ 430,520	\$ 5,369,542
Property Tax Receivable	6,207,229	-	6,207,229
Prepaid Items	16,234	-	16,234
Due from Other Funds	-	-	-
Capital Assets, Net	-	-	-
TOTAL ASSETS	\$ 11,162,485	\$ 430,520	\$ 11,593,005
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES/NET POSITION			
Liabilities			
Accounts Payable	\$ 207,176	\$ 1,847	\$ 209,023
Accrued Payroll	63,489	-	63,489
Due to Other Funds	218,870	-	218,870
Noncurrent Liabilities			
Due within One Year	-	-	-
Due in More than One Year	-	-	-
Total Liabilities	489,535	1,847	491,382
Deferred Inflows of Resources			
Deferred Property Tax Revenue	6,201,073	-	6,201,073
Fund Balances/Net Position			
Net Investment in Capital Assets	-	-	-
Nonspendable - Prepaid Items	16,234	-	16,234
Restricted for Culture and Recreation	4,455,643	428,673	4,884,316
Total Fund Balances/Net Position	4,471,877	428,673	4,900,550
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES/NET POSITION	\$ 11,162,485	\$ 430,520	\$ 11,593,005

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

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

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

Adjustments

Internal Service Fund Compensated Absences	Internal Balances	Net OPEB Obligation	Net IMRF Obligation	Long-term Assets	Statement of Net Position
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,369,542
-	-	-	-	-	6,207,229
-	-	-	-	-	16,234
218,870	(218,870)	-	-	-	-
-	-	-	-	802,700	802,700
<u>\$ 218,870</u>	<u>\$ (218,870)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 802,700</u>	<u>\$ 12,395,705</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 209,023
-	-	-	-	-	63,489
-	(218,870)	-	-	-	-
77,650	-	-	-	-	77,650
141,220	-	80,710	67,149	-	289,079
<u>218,870</u>	<u>(218,870)</u>	<u>80,710</u>	<u>67,149</u>	<u>-</u>	<u>639,241</u>
-	-	-	-	-	6,201,073
-	-	-	-	802,700	802,700
-	-	-	-	(16,234)	-
-	-	(80,710)	(67,149)	16,234	4,752,691
-	-	(80,710)	(67,149)	802,700	5,555,391
<u>\$ 218,870</u>	<u>\$ (218,870)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 802,700</u>	<u>\$ 12,395,705</u>
<u>\$ 218,870</u>	<u>\$ (218,870)</u>				
		<u>\$ 80,710</u>	<u>\$ 67,149</u>		
				<u>\$ 802,700</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
 December 31, 2012

	General	Capital Projects	Total
Revenues			
Property Taxes	\$ 6,398,159	\$ -	\$ 6,398,159
Intergovernmental	152,840	-	152,840
Charges for Services	11,211	-	11,211
Fines	145,541	-	145,541
Investment Income	5,153	211	5,364
Miscellaneous	22,323	-	22,323
Gain on Sale of Capital Assets	-	-	-
Total Revenues	<u>6,735,227</u>	<u>211</u>	<u>6,735,438</u>
Expenditures			
Civic and Cultural	5,393,267	-	5,393,267
Capital Outlay	141,122	83,045	224,167
Total Expenditures	<u>5,534,389</u>	<u>83,045</u>	<u>5,617,434</u>
Excess (Deficiency) of Revenues over (under) Expenditures	1,200,838	(82,834)	1,118,004
Other Financing Sources (Uses)			
Proceeds from Sale of Capital Assets	14,250	-	14,250
Transfers in	-	200,000	200,000
Transfers out	(200,000)	-	(200,000)
Total Other Financing Sources (Uses)	<u>(185,750)</u>	<u>200,000</u>	<u>14,250</u>
Net Change in Fund Balance/Net Position	1,015,088	117,166	1,132,254
Fund Balance/Net Position, Beginning of Year	<u>3,456,789</u>	<u>311,507</u>	<u>3,768,296</u>
Fund Balance/Net Position, End of Year	<u>\$ 4,471,877</u>	<u>\$ 428,673</u>	<u>\$ 4,900,550</u>

Governmental funds report capital outlays as expenditures. However, in the statement of net position the costs of these assets is capitalized and they are depreciated over their estimated useful lives and reported as depreciation expense in the statement of activities. Adjustment necessary to record depreciation, to reclassify capital asset additions to the statement of net position, and to reclassify capital outlay that did not have an initial cost of \$25,000 to civic and cultural expense function.

In the Statement of Activities, operating expenses are measured by the amounts incurred during the year. However, certain of these items are included in the governmental funds only to the extent that they require the expenditure of current financial resources.

Capital-related Items	Adjustments			Statement of Activities
	Internal Balances	Net OPEB Obligation	Net IMRF Obligation	
\$ -	\$ -	\$ -	\$ -	\$ 6,398,159
-	-	-	-	152,840
-	-	-	-	11,211
-	-	-	-	145,541
-	-	-	-	5,364
-	-	-	-	22,323
14,250	-	-	-	14,250
<u>14,250</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,749,688</u>
235,968	-	5,291	14,407	5,648,933
(224,167)	-	-	-	-
<u>11,801</u>	<u>-</u>	<u>5,291</u>	<u>14,407</u>	<u>5,648,933</u>
2,449	-	(5,291)	(14,407)	1,100,755
(14,250)	-	-	-	-
-	(200,000)	-	-	-
-	200,000	-	-	-
<u>(14,250)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
(11,801)	-	(5,291)	(14,407)	1,100,755
814,501	-	(75,419)	(52,742)	4,454,636
<u>\$ 802,700</u>	<u>\$ -</u>	<u>\$ (80,710)</u>	<u>\$ (67,149)</u>	<u>\$ 5,555,391</u>

\$ (11,801)

\$ (5,291) \$ (14,407)

CITY OF DES PLAINES, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
LIBRARY - GENERAL FUND
Year Ended December 31, 2012
With Comparative Actual Amounts from Year Ended December 31, 2011

	2012		Variance from Final Budget Positive (Negative)	2011 Actual
	Original and Final Budget	Actual		
Revenues				
Property Taxes	\$ 6,409,096	\$ 6,398,159	\$ (10,937)	\$ 6,625,483
Replacement Taxes	92,988	92,988	-	92,988
State Grants	58,000	59,852	1,852	64,080
Charges for Services	11,450	11,211	(239)	33,883
Fines	154,000	145,541	(8,459)	113,140
Investment Income	3,000	5,153	2,153	2,434
Miscellaneous	27,000	22,323	(4,677)	32,010
Total Revenues	<u>6,755,534</u>	<u>6,735,227</u>	<u>(20,307)</u>	<u>6,964,018</u>
Expenditures				
Civic and Cultural				
Salaries	2,854,438	2,691,909	162,529	2,839,038
Benefits	1,012,768	904,598	108,170	852,571
Contractual Services	998,375	928,841	69,534	963,915
Commodities	998,800	867,919	130,881	875,083
Total Civic and Cultural	<u>5,864,381</u>	<u>5,393,267</u>	<u>471,114</u>	<u>5,530,607</u>
Capital Outlay	222,405	141,122	81,283	112,099
Total Expenditures	<u>6,086,786</u>	<u>5,534,389</u>	<u>552,397</u>	<u>5,642,706</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>668,748</u>	<u>1,200,838</u>	<u>532,090</u>	<u>1,321,312</u>
Other Financing Sources (Uses)				
Proceeds from Sale of Capital Assets	-	14,250	14,250	-
Transfers Out	(200,000)	(200,000)	-	(200,000)
Total Other Financing Sources (Uses)	<u>(200,000)</u>	<u>(185,750)</u>	<u>14,250</u>	<u>(200,000)</u>
Net Change in Fund Balance	<u>\$ 468,748</u>	1,015,088	<u>\$ 546,340</u>	1,121,312
Fund Balance at Beginning of Year		<u>3,456,789</u>		<u>2,335,477</u>
Fund Balance at End of Year		<u>\$ 4,471,877</u>		<u>\$ 3,456,789</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, 2012
With Comparative Actual Amounts from Year Ended December 31, 2011

	2012		Variance from Final Budget Positive (Negative)	2011 Actual
	Original and Final Budget	Actual		
Revenues				
Investment Income	\$ -	\$ 211	\$ 211	\$ -
Total Revenues	<u>-</u>	<u>211</u>	<u>211</u>	<u>-</u>
Expenditures				
Capital Outlay	99,300	83,045	16,255	41,266
Total Expenditures	<u>99,300</u>	<u>83,045</u>	<u>16,255</u>	<u>41,266</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>(99,300)</u>	<u>(82,834)</u>	<u>16,466</u>	<u>(41,266)</u>
Other Financing Sources (Uses)				
Transfers In	200,000	200,000	-	200,000
Total Other Financing Sources (Uses)	<u>200,000</u>	<u>200,000</u>	<u>-</u>	<u>200,000</u>
Net Change in Fund Balance	<u>\$ 100,700</u>	117,166	<u>\$ 16,466</u>	158,734
Fund Balance at Beginning of Year		<u>311,507</u>		<u>152,773</u>
Fund Balance at End of Year		<u>\$ 428,673</u>		<u>\$ 311,507</u>

OTHER SUPPLEMENTARY SCHEDULES

CITY OF DES PLAINES, ILLINOIS
LONG TERM DEBT REQUIREMENTS
TAXABLE GENERAL OBLIGATION BONDS, SERIES 2003C (TIF #6)
December 31, 2012

Date of issue	September 1, 2003
Date of maturity	December 1, 2021
Authorized issue	\$ 2,250,000
Denomination of bonds	\$ 5,000
Interest rates	4.70% to 5.50%
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 December 31	Requirements			Interest Due			
	Principal	Interest	Total	June 1	Amount	December 1	Amount
2013	\$ 100,000	\$ 113,918	\$ 213,918	2013	\$ 56,959	2013	\$ 56,959
2014	125,000	108,818	233,818	2014	54,409	2014	54,409
2015	165,000	102,442	267,442	2015	51,221	2015	51,221
2016	190,000	93,862	283,862	2016	46,931	2016	46,931
2017	220,000	83,792	303,792	2017	41,896	2017	41,896
2018	250,000	71,912	321,912	2018	35,956	2018	35,956
2019	290,000	58,162	348,162	2019	29,081	2019	29,081
2020	325,000	41,126	366,126	2020	20,563	2020	20,563
2021	375,000	22,032	397,032	2021	11,016	2021	11,016
	\$ 2,040,000	\$ 696,064	\$ 2,736,064		\$ 348,032		\$ 348,032

CITY OF DES PLAINES, ILLINOIS
LONG TERM DEBT REQUIREMENTS
TAXABLE GENERAL OBLIGATION BONDS, SERIES 2004B (TOTAL ISSUE)
December 31, 2012

Date of issue	June 3, 2004
Date of maturity	December 1, 2021
Authorized issue	\$ 8,900,000
Denomination of bonds	\$ 5,000
Interest rates	4.80% to 5.85%
Interest dates	June 1 and December 1
Principal maturity date	December 1
Payable at	Amalgamated Bank of Chicago

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year Ending December 31	Requirements			Interest Due			
	Principal	Interest	Total	June 1	Amount	December 1	Amount
2013	\$ 485,000	\$ 311,908	\$ 796,908	2013	\$ 155,954	2013	\$ 155,954
2014	510,000	286,204	796,204	2014	143,102	2014	143,102
2015	535,000	258,662	793,662	2015	129,331	2015	129,331
2016	570,000	228,704	798,704	2016	114,352	2016	114,352
2017	600,000	196,784	796,784	2017	98,392	2017	98,392
2018	640,000	162,282	802,282	2018	81,141	2018	81,141
2019	670,000	125,482	795,482	2019	62,741	2019	62,741
2020	715,000	86,284	801,284	2020	43,142	2020	43,142
2021	760,000	44,456	804,456	2021	22,228	2021	22,228
	\$ 5,485,000	\$ 1,700,766	\$ 7,185,766		\$ 850,383		\$ 850,383

CITY OF DES PLAINES, ILLINOIS
LONG TERM DEBT REQUIREMENTS
TAXABLE GENERAL OBLIGATION BONDS, SERIES 2004B (TIF #3 LEASE BUYOUT PORTION)
December 31, 2012

Date of issue	June 3, 2004
Date of maturity	December 1, 2021
Authorized issue	\$ 900,000
Denomination of bonds	\$ 5,000
Interest rates	4.80% to 5.85%
Interest dates	June 1 and December 1
Principal maturity date	December 1
Payable at	Amalgamated Bank of Chicago

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year Ending December 31	Requirements			Interest Due			
	Principal	Interest	Total	June 1	Amount	December 1	Amount
2013	\$ 55,000	\$ 35,532	\$ 90,532	2013	\$ 17,766	2013	\$ 17,766
2014	60,000	32,618	92,618	2014	16,309	2014	16,309
2015	60,000	29,378	89,378	2015	14,689	2015	14,689
2016	65,000	26,018	91,018	2016	13,009	2016	13,009
2017	70,000	22,378	92,378	2017	11,189	2017	11,189
2018	75,000	18,352	93,352	2018	9,176	2018	9,176
2019	75,000	14,040	89,040	2019	7,020	2019	7,020
2020	80,000	9,650	89,650	2020	4,825	2020	4,825
2021	85,000	4,970	89,970	2021	2,485	2021	2,485
	\$ 625,000	\$ 192,936	\$ 817,936		\$ 96,468		\$ 96,468

CITY OF DES PLAINES, ILLINOIS
LONG TERM DEBT REQUIREMENTS
TAXABLE GENERAL OBLIGATION BONDS, SERIES 2004B (TIF #6 PORTION)
December 31, 2012

Date of issue	June 3, 2004
Date of maturity	December 1, 2021
Authorized issue	\$ 7,500,000
Denomination of bonds	\$ 5,000
Interest rates	4.80% to 5.85%
Interest dates	June 1 and December 1
Principal maturity date	December 1
Payable at	Amalgamated Bank of Chicago

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year Ending December 31	Requirements			Interest Due			
	Principal	Interest	Total	June 1	Amount	December 1	Amount
2013	\$ 430,000	\$ 276,376	\$ 706,376	2013	\$ 138,188	2013	\$ 138,188
2014	450,000	253,586	703,586	2014	126,793	2014	126,793
2015	475,000	229,284	704,284	2015	114,642	2015	114,642
2016	505,000	202,686	707,686	2016	101,343	2016	101,343
2017	530,000	174,406	704,406	2017	87,203	2017	87,203
2018	565,000	143,930	708,930	2018	71,965	2018	71,965
2019	595,000	111,442	706,442	2019	55,721	2019	55,721
2020	635,000	76,634	711,634	2020	38,317	2020	38,317
2021	675,000	39,486	714,486	2021	19,743	2021	19,743
	\$ 4,860,000	\$ 1,507,830	\$ 6,367,830		\$ 753,915		\$ 753,915

CITY OF DES PLAINES, ILLINOIS
LONG TERM DEBT REQUIREMENTS
GENERAL OBLIGATION BONDS, SERIES 2005A (TIF #3)
December 31, 2012

Date of issue	January 1, 2005
Date of maturity	December 1, 2022
Authorized issue	\$ 5,550,000
Denomination of bonds	\$ 5,000
Interest rates	3.00% 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 December 31	Requirements			Interest Due			
	Principal	Interest	Total	June 1	Amount	December 1	Amount
2013	\$ -	\$ 132,825	\$ 132,825	2013	\$ 66,413	2013	\$ 66,412
2014	-	132,825	132,825	2014	66,413	2014	66,412
2015	-	132,825	132,825	2015	66,413	2015	66,412
2016	-	132,825	132,825	2016	66,413	2016	66,412
2017	390,000	132,825	522,825	2017	66,413	2017	66,412
2018	410,000	112,350	522,350	2018	56,175	2018	56,175
2019	435,000	90,824	525,824	2019	45,412	2019	45,412
2020	455,000	67,988	522,988	2020	33,994	2020	33,994
2021	480,000	44,100	524,100	2021	22,050	2021	22,050
2022	500,000	22,500	522,500	2022	11,250	2022	11,250
	\$ 2,670,000	\$ 1,001,887	\$ 3,671,887		\$ 500,946		\$ 500,941

CITY OF DES PLAINES, ILLINOIS
LONG TERM DEBT REQUIREMENTS
GENERAL OBLIGATION REFUNDING BONDS, SERIES 2005C (WATER)
December 31, 2012

Date of issue	January 1, 2005
Date of maturity	December 1, 2013
Authorized issue	\$ 2,330,000
Denomination of bonds	\$ 5,000
Interest rates	2.50% to 4.00%
Interest dates	June 1 and December 1
Principal maturity date	December 1
Payable at	Amalgamated Bank of Chicago

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year Ending <u>December 31</u>	Requirements			Interest Due			
	Principal	Interest	Total	June 1	Amount	December 1	Amount
2013	\$ 365,000	\$ 14,600	\$ 379,600	2013	\$ 7,300	2013	\$ 7,300
	\$ 365,000	\$ 14,600	\$ 379,600		\$ 7,300		\$ 7,300

CITY OF DES PLAINES, ILLINOIS
LONG TERM DEBT REQUIREMENTS
GENERAL OBLIGATION REFUNDING BONDS, SERIES 2005D (TOTAL ISSUE)
December 31, 2012

Date of issue	February 1, 2005
Date of maturity	December 1, 2018
Authorized issue	\$ 14,650,000
Denomination of bonds	\$ 5,000
Interest rates	2.25% to 5.00%
Interest dates	June 1 and December 1
Principal maturity date	December 1
Payable at	Amalgamated Bank of Chicago

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year Ending <u>December 31</u>	Requirements			Interest Due			
	Principal	Interest	Total	June 1	Amount	December 1	Amount
2013	\$ 1,295,000	\$ 398,460	\$ 1,693,460	2013	\$ 199,230	2013	\$ 199,230
2014	1,360,000	333,710	1,693,710	2014	166,855	2014	166,855
2015	1,405,000	283,390	1,688,390	2015	141,695	2015	141,695
2016	1,460,000	230,000	1,690,000	2016	115,000	2016	115,000
2017	1,530,000	157,000	1,687,000	2017	78,500	2017	78,500
2018	1,610,000	80,500	1,690,500	2018	40,250	2018	40,250
	\$ 8,660,000	\$ 1,483,060	\$ 10,143,060		\$ 741,530		\$ 741,530

CITY OF DES PLAINES, ILLINOIS
LONG TERM DEBT REQUIREMENTS
GENERAL OBLIGATION REFUNDING BONDS, SERIES 2005D (STREET PORTION)
December 31, 2012

Date of issue	February 1, 2005
Date of maturity	December 1, 2013
Authorized issue	\$ 4,090,000
Denomination of bonds	\$ 5,000
Interest rates	2.25% to 5.00%
Interest dates	June 1 and December 1
Principal maturity date	December 1
Payable at	Amalgamated Bank of Chicago

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year Ending <u>December 31</u>	Requirements			Interest Due			
	Principal	Interest	Total	June 1	Amount	December 1	Amount
2013	\$ 740,000	\$ 37,000	\$ 777,000	2013	\$ 18,500	2013	\$ 18,500
	\$ 740,000	\$ 37,000	\$ 777,000		\$ 18,500		\$ 18,500

CITY OF DES PLAINES, ILLINOIS
LONG TERM DEBT REQUIREMENTS
GENERAL OBLIGATION REFUNDING BONDS, SERIES 2005D (SEWER PORTION)
December 31, 2012

Date of issue	February 1, 2005
Date of maturity	December 1, 2018
Authorized issue	\$ 6,985,000
Denomination of bonds	\$ 5,000
Interest rates	2.25% to 5.00%
Interest dates	June 1 and December 1
Principal maturity date	December 1
Payable at	Amalgamated Bank of Chicago

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year Ending <u>December 31</u>	Requirements			Interest Due			
	Principal	Interest	Total	June 1	Amount	December 1	Amount
2013	\$ 545,000	\$ 204,174	\$ 749,174	2013	\$ 102,087	2013	\$ 102,087
2014	765,000	176,924	941,924	2014	88,462	2014	88,462
2015	740,000	148,620	888,620	2015	74,310	2015	74,310
2016	760,000	120,500	880,500	2016	60,250	2016	60,250
2017	800,000	82,500	882,500	2017	41,250	2017	41,250
2018	850,000	42,500	892,500	2018	21,250	2018	21,250
	\$ 4,460,000	\$ 775,218	\$ 5,235,218		\$ 387,609		\$ 387,609

CITY OF DES PLAINES, ILLINOIS
LONG TERM DEBT REQUIREMENTS
GENERAL OBLIGATION REFUNDING BONDS, SERIES 2005D (LIBRARY PORTION)
December 31, 2012

Date of issue	February 1, 2005
Date of maturity	December 1, 2018
Authorized issue	\$ 3,575,000
Denomination of bonds	\$ 5,000
Interest rates	2.25% to 5.00%
Interest dates	June 1 and December 1
Principal maturity date	December 1
Payable at	Amalgamated Bank of Chicago

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year Ending <u>December 31</u>	Requirements			Interest Due			
	Principal	Interest	Total	June 1	Amount	December 1	Amount
2013	\$ 10,000	\$ 157,284	\$ 167,284	2013	\$ 78,642	2013	\$ 78,642
2014	595,000	156,786	751,786	2014	78,393	2014	78,393
2015	665,000	134,770	799,770	2015	67,385	2015	67,385
2016	700,000	109,500	809,500	2016	54,750	2016	54,750
2017	730,000	74,500	804,500	2017	37,250	2017	37,250
2018	760,000	38,000	798,000	2018	19,000	2018	19,000
	\$ 3,460,000	\$ 670,840	\$ 4,130,840		\$ 335,420		\$ 335,420

CITY OF DES PLAINES, ILLINOIS
LONG TERM DEBT REQUIREMENTS
GENERAL OBLIGATION BONDS, SERIES 2005E (TOTAL ISSUE)
December 31, 2012

Date of issue	June 1, 2005
Date of maturity	December 1, 2022
Authorized issue	\$ 12,800,000
Denomination of bonds	\$ 5,000
Interest rates	3.60% to 4.25%
Interest dates	June 1 and December 1
Principal maturity date	December 1
Payable at	Amalgamated Bank of Chicago

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year Ending December 31	Requirements			Interest Due			
	Principal	Interest	Total	June 1	Amount	December 1	Amount
2013	\$ 505,000	\$ 189,127	\$ 694,127	2013	\$ 94,563	2013	\$ 94,564
2014	525,000	168,927	693,927	2014	84,463	2014	84,464
2015	545,000	147,926	692,926	2015	73,963	2015	73,963
2016	570,000	126,125	696,125	2016	63,063	2016	63,062
2017	595,000	103,327	698,327	2017	51,664	2017	51,663
2018	615,000	79,527	694,527	2018	39,764	2018	39,763
2019	645,000	54,618	699,618	2019	27,309	2019	27,309
2020	675,000	28,012	703,012	2020	14,006	2020	14,006
	\$ 4,675,000	\$ 897,589	\$ 5,572,589		\$ 448,795		\$ 448,794

CITY OF DES PLAINES, ILLINOIS
LONG TERM DEBT REQUIREMENTS
GENERAL OBLIGATION BONDS, SERIES 2005E (TIF #1 PORTION)
December 31, 2012

Date of issue	June 1, 2005
Date of maturity	December 1, 2020
Authorized issue	\$ 1,000,000
Denomination of bonds	\$ 5,000
Interest rates	3.625% to 4.15%
Interest dates	June 1 and December 1
Principal maturity date	December 1
Payable at	Amalgamated Bank of Chicago

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year Ending December 31	Requirements			Interest Due			
	Principal	Interest	Total	June 1	Amount	December 1	Amount
2013	\$ 75,000	\$ 27,914	\$ 102,914	2013	\$ 13,957	2013	\$ 13,957
2014	75,000	24,914	99,914	2014	12,457	2014	12,457
2015	80,000	21,914	101,914	2015	10,957	2015	10,957
2016	85,000	18,713	103,713	2016	9,357	2016	9,356
2017	90,000	15,314	105,314	2017	7,657	2017	7,657
2018	90,000	11,714	101,714	2018	5,857	2018	5,857
2019	95,000	8,068	103,068	2019	4,034	2019	4,034
2020	100,000	4,150	104,150	2020	2,075	2020	2,075
	\$ 690,000	\$ 132,701	\$ 822,701		\$ 66,351		\$ 66,350

CITY OF DES PLAINES, ILLINOIS
LONG TERM DEBT REQUIREMENTS
GENERAL OBLIGATION BONDS, SERIES 2005E (INFRASTRUCTURE PORTION)
December 31, 2012

Date of issue	June 1, 2005
Date of maturity	December 1, 2020
Authorized issue	\$ 6,500,000
Denomination of bonds	\$ 5,000
Interest rates	3.60% to 4.15%
Interest dates	June 1 and December 1
Principal maturity date	December 1
Payable at	Amalgamated Bank of Chicago

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year Ending December 31	Requirements			Interest Due			
	Principal	Interest	Total	June 1	Amount	December 1	Amount
2013	\$ 430,000	\$ 161,213	\$ 591,213	2013	\$ 80,606	2013	\$ 80,607
2014	450,000	144,013	594,013	2014	72,006	2014	72,007
2015	465,000	126,012	591,012	2015	63,006	2015	63,006
2016	485,000	107,412	592,412	2016	53,706	2016	53,706
2017	505,000	88,013	593,013	2017	44,007	2017	44,006
2018	525,000	67,813	592,813	2018	33,907	2018	33,906
2019	550,000	46,550	596,550	2019	23,275	2019	23,275
2020	575,000	23,862	598,862	2020	11,931	2020	11,931
	\$ 3,985,000	\$ 764,888	\$ 4,749,888		\$ 382,444		\$ 382,444

CITY OF DES PLAINES, ILLINOIS
LONG TERM DEBT REQUIREMENTS
TAXABLE GENERAL OBLIGATION BONDS, SERIES 2005F (TIF #1)
December 31, 2012

Date of issue	June 1, 2005
Date of maturity	December 1, 2020
Authorized issue	\$ 4,725,000
Denomination of bonds	\$ 5,000
Interest rates	4.75%
Interest dates	June 1 and December 1
Principal maturity date	December 1
Payable at	Amalgamated Bank of Chicago

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year Ending December 31	Requirements			Interest Due			
	Principal	Interest	Total	June 1	Amount	December 1	Amount
2013	\$ 350,000	\$ 160,550	\$ 510,550	2013	\$ 80,275	2013	\$ 80,275
2014	365,000	143,924	508,924	2014	71,962	2014	71,962
2015	385,000	126,588	511,588	2015	63,294	2015	63,294
2016	410,000	108,300	518,300	2016	54,150	2016	54,150
2017	430,000	88,824	518,824	2017	44,412	2017	44,412
2018	455,000	68,400	523,400	2018	34,200	2018	34,200
2019	480,000	46,788	526,788	2019	23,394	2019	23,394
2020	505,000	23,986	528,986	2020	11,993	2020	11,993
	\$ 3,380,000	\$ 767,360	\$ 4,147,360		\$ 383,680		\$ 383,680

CITY OF DES PLAINES, ILLINOIS
LONG TERM DEBT REQUIREMENTS
TAXABLE GENERAL OBLIGATION BONDS, SERIES 2005G (TIF #3)
December 31, 2012

Date of issue	June 1, 2005
Date of maturity	December 1, 2015
Authorized issue	\$ 500,000
Denomination of bonds	\$ 5,000
Interest rates	4.75%
Interest dates	June 1 and December 1
Principal maturity date	December 1
Payable at	Amalgamated Bank of Chicago

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year Ending <u>December 31</u>	Requirements			Interest Due			
	Principal	Interest	Total	June 1	Amount	December 1	Amount
2013	\$ 25,000	\$ 16,624	\$ 41,624	2013	\$ 8,312	2013	\$ 8,312
2014	160,000	15,438	175,438	2014	7,719	2014	7,719
2015	165,000	7,838	172,838	2015	3,919	2015	3,919
	\$ 350,000	\$ 39,900	\$ 389,900		\$ 19,950		\$ 19,950

CITY OF DES PLAINES, ILLINOIS
LONG TERM DEBT REQUIREMENTS
GENERAL OBLIGATION REFUNDING BONDS, SERIES 2007A (TOTAL ISSUE)
December 31, 2012

Date of issue	October 23, 2007
Date of maturity	December 1, 2021
Authorized issue	\$ 6,065,000
Denomination of bonds	\$ 5,000
Interest rates	3.80%
Interest dates	June 1 and December 1
Principal maturity date	December 1
Payable at	Amalgamated Bank of Chicago

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year Ending December 31	Requirements			Interest Due			
	Principal	Interest	Total	June 1	Amount	December 1	Amount
2013	\$ 650,000	\$ 152,760	\$ 802,760	2013	\$ 76,380	2013	\$ 76,380
2014	675,000	128,060	803,060	2014	64,030	2014	64,030
2015	700,000	102,410	802,410	2015	51,205	2015	51,205
2016	305,000	75,810	380,810	2016	37,905	2016	37,905
2017	310,000	64,220	374,220	2017	32,110	2017	32,110
2018	325,000	52,440	377,440	2018	26,220	2018	26,220
2019	340,000	40,090	380,090	2019	20,045	2019	20,045
2020	350,000	27,170	377,170	2020	13,585	2020	13,585
2021	365,000	13,870	378,870	2021	6,935	2021	6,935
	\$ 4,020,000	\$ 656,830	\$ 4,676,830		\$ 328,415		\$ 328,415

CITY OF DES PLAINES, ILLINOIS
LONG TERM DEBT REQUIREMENTS
GENERAL OBLIGATION REFUNDING BONDS, SERIES 2007A (REFUNDING 2000 PORTION)
December 31, 2012

Date of issue	October 23, 2007
Date of maturity	December 1, 2015
Authorized issue	\$ 2,570,000
Denomination of bonds	\$ 5,000
Interest rates	3.80%
Interest dates	June 1 and December 1
Principal maturity date	December 1
Payable at	Amalgamated Bank of Chicago

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year Ending <u>December 31</u>	Requirements			Interest Due			
	Principal	Interest	Total	June 1	Amount	December 1	Amount
2013	\$ 380,000	\$ 45,030	\$ 425,030	2013	\$ 22,515	2013	\$ 22,515
2014	395,000	30,590	425,590	2014	15,295	2014	15,295
2015	410,000	15,580	425,580	2015	7,790	2015	7,790
	\$ 1,185,000	\$ 91,200	\$ 1,276,200		\$ 45,600		\$ 45,600

CITY OF DES PLAINES, ILLINOIS
LONG TERM DEBT REQUIREMENTS
GENERAL OBLIGATION REFUNDING BONDS, SERIES 2007A (STREET PORTION)
December 31, 2012

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

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year Ending December 31	Requirements			Interest Due			
	Principal	Interest	Total	June 1	Amount	December 1	Amount
2013	\$ 270,000	\$ 107,730	\$ 377,730	2013	\$ 53,865	2013	\$ 53,865
2014	280,000	97,470	377,470	2014	48,735	2014	48,735
2015	290,000	86,830	376,830	2015	43,415	2015	43,415
2016	305,000	75,810	380,810	2016	37,905	2016	37,905
2017	310,000	64,220	374,220	2017	32,110	2017	32,110
2018	325,000	52,440	377,440	2018	26,220	2018	26,220
2019	340,000	40,090	380,090	2019	20,045	2019	20,045
2020	350,000	27,170	377,170	2020	13,585	2020	13,585
2021	365,000	13,870	378,870	2021	6,935	2021	6,935
	\$ 2,835,000	\$ 565,630	\$ 3,400,630		\$ 282,815		\$ 282,815

CITY OF DES PLAINES, ILLINOIS
LONG TERM DEBT REQUIREMENTS
GENERAL OBLIGATION REFUNDING BONDS, SERIES 2007B (TOTAL ISSUE)
December 31, 2012

Date of issue	October 23, 2007
Date of maturity	December 1, 2021
Authorized issue	\$ 1,660,000
Denomination of bonds	\$ 5,000
Interest rates	3.80%

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

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year Ending December 31	Requirements			Interest Due			
	Principal	Interest	Total	June 1	Amount	December 1	Amount
2013	\$ 135,000	\$ 39,900	\$ 174,900	2013	\$ 19,950	2013	\$ 19,950
2014	140,000	34,770	174,770	2014	17,385	2014	17,385
2015	150,000	29,450	179,450	2015	14,725	2015	14,725
2016	150,000	23,750	173,750	2016	11,875	2016	11,875
2017	85,000	18,050	103,050	2017	9,025	2017	9,025
2018	90,000	14,820	104,820	2018	7,410	2018	7,410
2019	95,000	11,400	106,400	2019	5,700	2019	5,700
2020	100,000	7,790	107,790	2020	3,895	2020	3,895
2021	105,000	3,990	108,990	2021	1,995	2021	1,995
	\$ 1,050,000	\$ 183,920	\$ 1,233,920		\$ 91,960		\$ 91,960

CITY OF DES PLAINES, ILLINOIS
LONG TERM DEBT REQUIREMENTS
GENERAL OBLIGATION REFUNDING BONDS, SERIES 2007B (TIF#1 PORTION)
December 31, 2012

Date of issue	October 23, 2007
Date of maturity	December 1, 2016
Authorized issue	\$ 510,000
Denomination of bonds	\$ 5,000
Interest rates	3.80%

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

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year Ending December 31	Requirements			Interest Due			
	Principal	Interest	Total	June 1	Amount	December 1	Amount
2013	\$ 60,000	\$ 9,500	\$ 69,500	2013	\$ 4,750	2013	\$ 4,750
2014	60,000	7,220	67,220	2014	3,610	2014	3,610
2015	65,000	4,940	69,940	2015	2,470	2015	2,470
2016	65,000	2,470	67,470	2016	1,235	2016	1,235
	\$ 250,000	\$ 24,130	\$ 274,130		\$ 12,065		\$ 12,065

CITY OF DES PLAINES, ILLINOIS
LONG TERM DEBT REQUIREMENTS
GENERAL OBLIGATION REFUNDING BONDS, SERIES 2007B (FIRE STATION PORTION)
December 31, 2012

Date of issue	October 23, 2007
Date of maturity	December 1, 2021
Authorized issue	\$ 1,150,000
Denomination of bonds	\$ 5,000
Interest rates	3.80%
Interest dates	June 1 and December 1
Principal maturity date	December 1
Payable at	Amalgamated Bank of Chicago

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year Ending December 31	Requirements			Interest Due			
	Principal	Interest	Total	June 1	Amount	December 1	Amount
2013	\$ 75,000	\$ 30,400	\$ 105,400	2013	\$ 15,200	2013	\$ 15,200
2014	80,000	27,550	107,550	2014	13,775	2014	13,775
2015	85,000	24,510	109,510	2015	12,255	2015	12,255
2016	85,000	21,280	106,280	2016	10,640	2016	10,640
2017	85,000	18,050	103,050	2017	9,025	2017	9,025
2018	90,000	14,820	104,820	2018	7,410	2018	7,410
2019	95,000	11,400	106,400	2019	5,700	2019	5,700
2020	100,000	7,790	107,790	2020	3,895	2020	3,895
2021	105,000	3,990	108,990	2021	1,995	2021	1,995
	\$ 800,000	\$ 159,790	\$ 959,790		\$ 79,895		\$ 79,895

CITY OF DES PLAINES, ILLINOIS
LONG TERM DEBT REQUIREMENTS
TAXABLE GENERAL OBLIGATION REFUNDING BONDS, SERIES 2008A (TOTAL ISSUE)
December 31, 2012

Date of issue	April 1, 2008
Date of maturity	December 1, 2021
Authorized issue	\$ 2,575,000
Denomination of bonds	\$ 5,000
Interest rates	3.25% to 5.25%
Interest dates	June 1 and December 1
Principal maturity date	December 1
Payable at	Amalgamated Bank of Chicago

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year Ending December 31	Requirements			Interest Due			
	Principal	Interest	Total	June 1	Amount	December 1	Amount
2013	\$ 245,000	\$ 73,414	\$ 318,414	2013	\$ 36,707	2013	\$ 36,707
2014	250,000	63,370	313,370	2014	31,685	2014	31,685
2015	260,000	52,621	312,621	2015	26,311	2015	26,311
2016	275,000	40,920	315,920	2016	20,460	2016	20,460
2017	100,000	27,996	127,996	2017	13,998	2017	13,998
2018	100,000	23,094	123,094	2018	11,547	2018	11,547
2019	110,000	18,096	128,096	2019	9,048	2019	9,048
2020	115,000	12,486	127,486	2020	6,243	2020	6,243
2021	125,000	6,562	131,562	2021	3,281	2021	3,281
	\$ 1,580,000	\$ 318,559	\$ 1,898,559		\$ 159,280		\$ 159,280

CITY OF DES PLAINES, ILLINOIS
LONG TERM DEBT REQUIREMENTS
TAXABLE GENERAL OBLIGATION REFUNDING BONDS, SERIES 2008A (TIF#1 PORTION)
December 31, 2012

Date of issue	April 1, 2008
Date of maturity	December 1, 2016
Authorized issue	\$ 1,334,000
Denomination of bonds	\$ 5,000
Interest rates	3.25% to 4.70%
Interest dates	June 1 and December 1
Principal maturity date	December 1
Payable at	Amalgamated Bank of Chicago

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year Ending <u>December 31</u>	Requirements			Interest Due			
	Principal	Interest	Total	June 1	Amount	December 1	Amount
2013	\$ 160,000	\$ 29,364	\$ 189,364	2013	\$ 14,682	2013	\$ 14,682
2014	161,000	22,804	183,804	2014	11,402	2014	11,402
2015	167,000	15,881	182,881	2015	7,941	2015	7,941
2016	178,000	8,366	186,366	2016	4,183	2016	4,183
	\$ 666,000	\$ 76,415	\$ 742,415		\$ 38,208		\$ 38,208

CITY OF DES PLAINES, ILLINOIS
LONG TERM DEBT REQUIREMENTS
TAXABLE GENERAL OBLIGATION REFUNDING BONDS, SERIES 2008A (TIF#3 PORTION)
December 31, 2012

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 December 31	Requirements			Interest Due			
	Principal	Interest	Total	June 1	Amount	December 1	Amount
2013	\$ 85,000	\$ 44,050	\$ 129,050	2013	\$ 22,025	2013	\$ 22,025
2014	89,000	40,566	129,566	2014	20,283	2014	20,283
2015	93,000	36,740	129,740	2015	18,370	2015	18,370
2016	97,000	32,554	129,554	2016	16,277	2016	16,277
2017	100,000	27,996	127,996	2017	13,998	2017	13,998
2018	100,000	23,094	123,094	2018	11,547	2018	11,547
2019	110,000	18,096	128,096	2019	9,048	2019	9,048
2020	115,000	12,486	127,486	2020	6,243	2020	6,243
2021	125,000	6,562	131,562	2021	3,281	2021	3,281
	\$ 914,000	\$ 242,144	\$ 1,156,144		\$ 121,072		\$ 121,072

CITY OF DES PLAINES, ILLINOIS
LONG TERM DEBT REQUIREMENTS
TAXABLE GENERAL OBLIGATION REFUNDING BONDS, SERIES 2009A (CAPITAL APPRECIATION)
December 31, 2012

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

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year Ending <u>December 31</u>	Capital Appreciation Bonds				Total Principal Requirement
	Original Amount	Accretion to Date	Current Payable	Future Accretion	
2013	\$ 148,164	\$ 16,200	\$ 164,364	\$ 5,636	\$ 170,000
2014	244,281	29,593	273,874	21,126	295,000
2015	201,357	27,825	229,182	30,818	260,000
2016	175,154	25,711	200,865	39,135	240,000
2017	256,650	39,896	296,546	78,454	375,000
2018	223,545	36,698	260,243	89,757	350,000
2019	192,780	33,337	226,117	98,883	325,000
2020	257,668	46,831	304,499	165,501	470,000
2021	225,713	42,625	268,338	176,662	445,000
2022	750,424	143,048	893,472	681,528	1,575,000
2023	333,112	64,092	397,204	347,796	745,000
	\$ 3,008,848	\$ 505,856	\$ 3,514,704	\$ 1,735,296	\$ 5,250,000

CITY OF DES PLAINES, ILLINOIS
LONG TERM DEBT REQUIREMENTS
GENERAL OBLIGATION REFUNDING BONDS, SERIES 2009B
December 31, 2012

Date of issue	November 3, 2009
Date of maturity	December 1, 2018
Authorized issue	\$ 4,175,000
Denomination of bonds	\$ 5,000
Interest rates	3.00% to 3.75%
Interest dates	June 1 and December 1
Principal maturity date	December 1
Payable at	Amalgamated Bank of Chicago

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year Ending <u>December 31</u>	Requirements			Interest Due			
	Principal	Interest	Total	June 1	Amount	December 1	Amount
2013	\$ 865,000	\$ 59,750	\$ 924,750	2013	\$ 29,875	2013	\$ 29,875
2014	205,000	33,800	238,800	2014	16,900	2014	16,900
2015	205,000	27,650	232,650	2015	13,825	2015	13,825
2016	200,000	21,500	221,500	2016	10,750	2016	10,750
2017	200,000	14,500	214,500	2017	7,250	2017	7,250
2018	200,000	7,500	207,500	2018	3,750	2018	3,750
	\$ 1,875,000	\$ 164,700	\$ 2,039,700		\$ 82,350		\$ 82,350

CITY OF DES PLAINES, ILLINOIS
LONG TERM DEBT REQUIREMENTS
GENERAL OBLIGATION REFUNDING BONDS, SERIES 2010A
December 31, 2012

Date of issue	January 6, 2010
Date of maturity	December 1, 2028
Authorized issue	\$ 3,945,000
Denomination of bonds	\$ 5,000
Interest rates	3.625% to 4.25%
Interest dates	June 1 and December 1
Principal maturity date	December 1
Payable at	Amalgamated Bank of Chicago

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year Ending December 31	Requirements			Interest Due			
	Principal	Interest	Total	June 1	Amount	December 1	Amount
2013	\$ -	\$ 156,004	\$ 156,004	2013	\$ 78,002	2013	\$ 78,002
2014	-	156,004	156,004	2014	78,002	2014	78,002
2015	-	156,004	156,004	2015	78,002	2015	78,002
2016	-	156,004	156,004	2016	78,002	2016	78,002
2017	-	156,004	156,004	2017	78,002	2017	78,002
2018	295,000	156,004	451,004	2018	78,002	2018	78,002
2019	305,000	145,310	450,310	2019	72,655	2019	72,655
2020	315,000	134,254	449,254	2020	67,127	2020	67,127
2021	330,000	122,834	452,834	2021	61,417	2021	61,417
2022	340,000	110,624	450,624	2022	55,312	2022	55,312
2023	355,000	97,026	452,026	2023	48,513	2023	48,513
2024	370,000	82,824	452,824	2024	41,412	2024	41,412
2025	385,000	68,026	453,026	2025	34,013	2025	34,013
2026	400,000	52,624	452,624	2026	26,312	2026	26,312
2027	415,000	36,124	451,124	2027	18,062	2027	18,062
2028	435,000	18,488	453,488	2028	9,244	2028	9,244
	\$ 3,945,000	\$ 1,804,158	\$ 5,749,158		\$ 902,079		\$ 902,079

CITY OF DES PLAINES, ILLINOIS
LONG TERM DEBT REQUIREMENTS
TAXABLE GENERAL OBLIGATION REFUNDING BONDS, SERIES 2010B (CAPITAL APPRECIATION)
December 31, 2012

Date of issue	January 6, 2010
Date of maturity	December 1, 2026
Authorized issue	\$ 6,110,760
Denomination of bonds	\$ 5,000
Interest rates	4.00% to 5.35%
Interest dates	December 1
Principal maturity date	December 1
Payable at	Amalgamated Bank of Chicago

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year Ending <u>December 31</u>	Capital Appreciation Bonds				Total Principal Requirement
	<u>Original Amount</u>	<u>Accretion to Date</u>	<u>Current Payable</u>	<u>Future Accretion</u>	
2017	\$ 266,906	\$ 32,519	\$ 299,425	\$ 65,575	\$ 365,000
2018	545,653	69,972	615,625	174,375	790,000
2019	513,382	69,138	582,520	207,480	790,000
2020	457,968	66,118	524,086	235,914	760,000
2021	416,648	64,223	480,871	269,129	750,000
2022	574,365	90,413	664,778	435,222	1,100,000
2023	891,472	143,256	1,034,728	785,272	1,820,000
2024	843,041	136,857	979,898	845,102	1,825,000
2025	794,295	130,250	924,545	900,455	1,825,000
2026	807,030	133,668	940,698	1,029,302	1,970,000
	\$ 6,110,760	\$ 936,414	\$ 7,047,174	\$ 4,947,826	\$ 11,995,000

CITY OF DES PLAINES, ILLINOIS
LONG TERM DEBT REQUIREMENTS
GENERAL OBLIGATION BONDS, SERIES 2011A (TOTAL ISSUE)
December 31, 2012

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 December 31	Requirements			Interest Due			
	Principal	Interest	Total	June 1	Amount	December 1	Amount
2013	\$ 275,000	\$ 72,362	\$ 347,362	2013	\$ 36,181	2013	\$ 36,181
2014	295,000	66,863	361,863	2014	33,431	2014	33,432
2015	295,000	60,962	355,962	2015	30,481	2015	30,481
2016	295,000	55,062	350,062	2016	27,531	2016	27,531
2017	440,000	49,163	489,163	2017	24,581	2017	24,582
2018	455,000	40,362	495,362	2018	20,180	2018	20,182
2019	455,000	30,124	485,124	2019	15,062	2019	15,062
2020	465,000	18,751	483,751	2020	9,376	2020	9,375
2021	285,000	7,126	292,126	2021	3,563	2021	3,563
	\$ 3,260,000	\$ 400,775	\$ 3,660,775		\$ 200,386		\$ 200,389

CITY OF DES PLAINES, ILLINOIS
LONG TERM DEBT REQUIREMENTS
GENERAL OBLIGATION BONDS, SERIES 2011A (TIF #1 PORTION)
December 31, 2012

Date of issue	December 22, 2011
Date of maturity	December 1, 2021
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 December 31	Requirements			Interest Due			
	Principal	Interest	Total	June 1	Amount	December 1	Amount
2013	\$ 160,000	\$ 30,200	\$ 190,200	2013	\$ 15,100	2013	\$ 15,100
2014	170,000	27,000	197,000	2014	13,500	2014	13,500
2015	170,000	23,600	193,600	2015	11,800	2015	11,800
2016	170,000	20,200	190,200	2016	10,100	2016	10,100
2017	175,000	16,800	191,800	2017	8,400	2017	8,400
2018	180,000	13,300	193,300	2018	6,650	2018	6,650
2019	185,000	9,250	194,250	2019	4,625	2019	4,625
2020	185,000	4,625	189,625	2020	2,313	2020	2,312
	\$ 1,395,000	\$ 144,975	\$ 1,539,975		\$ 72,488		\$ 72,487

CITY OF DES PLAINES, ILLINOIS
LONG TERM DEBT REQUIREMENTS
GENERAL OBLIGATION BONDS, SERIES 2011A (TIF #3 PORTION)
December 31, 2012

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 December 31	Requirements			Interest Due			
	Principal	Interest	Total	June 1	Amount	December 1	Amount
2013	\$ -	\$ 17,612	\$ 17,612	2013	\$ 8,806	2013	\$ 8,806
2014	5,000	17,612	22,612	2014	8,806	2014	8,806
2015	5,000	17,512	22,512	2015	8,756	2015	8,756
2016	5,000	17,412	22,412	2016	8,706	2016	8,706
2017	140,000	17,312	157,312	2017	8,656	2017	8,656
2018	145,000	14,513	159,513	2018	7,256	2018	7,257
2019	145,000	11,250	156,250	2019	5,625	2019	5,625
2020	150,000	7,626	157,626	2020	3,813	2020	3,813
2021	155,000	3,876	158,876	2021	1,938	2021	1,938
	\$ 750,000	\$ 124,725	\$ 874,725		\$ 62,362		\$ 62,363

CITY OF DES PLAINES, ILLINOIS
LONG TERM DEBT REQUIREMENTS
GENERAL OBLIGATION BONDS, SERIES 2011A (TIF #5 PORTION)
December 31, 2012

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 December 31	Requirements			Interest Due			
	Principal	Interest	Total	June 1	Amount	December 1	Amount
2013	\$ 90,000	\$ 19,612	\$ 109,612	2013	\$ 9,806	2013	\$ 9,806
2014	95,000	17,813	112,813	2014	8,906	2014	8,907
2015	95,000	15,912	110,912	2015	7,956	2015	7,956
2016	95,000	14,012	109,012	2016	7,006	2016	7,006
2017	100,000	12,113	112,113	2017	6,056	2017	6,057
2018	105,000	10,112	115,112	2018	5,056	2018	5,056
2019	100,000	7,750	107,750	2019	3,875	2019	3,875
2020	105,000	5,250	110,250	2020	2,625	2020	2,625
2021	105,000	2,626	107,626	2021	1,313	2021	1,313
	\$ 890,000	\$ 105,200	\$ 995,200		\$ 52,599		\$ 52,601

CITY OF DES PLAINES, ILLINOIS
LONG TERM DEBT REQUIREMENTS
GENERAL OBLIGATION BONDS, SERIES 2011A (TIF #6 PORTION)
December 31, 2012

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 December 31	Requirements			Interest Due			
	Principal	Interest	Total	June 1	Amount	December 1	Amount
2013	\$ 25,000	\$ 4,938	\$ 29,938	2013	\$ 2,469	2013	\$ 2,469
2014	25,000	4,438	29,438	2014	2,219	2014	2,219
2015	25,000	3,938	28,938	2015	1,969	2015	1,969
2016	25,000	3,438	28,438	2016	1,719	2016	1,719
2017	25,000	2,938	27,938	2017	1,469	2017	1,469
2018	25,000	2,437	27,437	2018	1,218	2018	1,219
2019	25,000	1,874	26,874	2019	937	2019	937
2020	25,000	1,250	26,250	2020	625	2020	625
2021	25,000	624	25,624	2021	312	2021	312
	\$ 225,000	\$ 25,875	\$ 250,875		\$ 12,937		\$ 12,938

CITY OF DES PLAINES, ILLINOIS
LONG TERM DEBT REQUIREMENTS
GENERAL OBLIGATION REFUNDING BONDS, SERIES 2012A
December 31, 2012

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 December 31	Requirements			Interest Due			
	Principal	Interest	Total	June 1	Amount	December 1	Amount
2013	\$ 455,000	\$ 49,628	\$ 504,628	2013	\$ 23,584	2013	\$ 26,044
2014	455,000	47,538	502,538	2014	23,769	2014	23,769
2015	460,000	42,988	502,988	2015	21,494	2015	21,494
2016	465,000	37,238	502,238	2016	18,619	2016	18,619
2017	470,000	31,424	501,424	2017	15,712	2017	15,712
2018	475,000	24,374	499,374	2018	12,187	2018	12,187
2019	490,000	17,250	507,250	2019	8,625	2019	8,625
2020	495,000	9,900	504,900	2020	4,950	2020	4,950
	\$ 3,765,000	\$ 260,340	\$ 4,025,340		\$ 128,940		\$ 131,400

CITY OF DES PLAINES, ILLINOIS
LONG TERM DEBT REQUIREMENTS
TAX INCREMENT NOTE, SERIES 2002 - NORWOOD PARTNERSHIP LLC
December 31, 2012

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

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year Ending <u>December 31</u>	Requirements		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$ 27,147	\$ 13,732	\$ 40,879
2014	28,572	12,307	40,879
2015	30,072	10,807	40,879
2016	31,651	9,228	40,879
2017	33,313	7,566	40,879
2018	35,062	5,817	40,879
2019	36,903	3,976	40,879
2020	38,840	2,039	40,879
	<u>\$ 261,560</u>	<u>\$ 65,472</u>	<u>\$ 327,032</u>

CITY OF DES PLAINES, ILLINOIS
LONG TERM DEBT REQUIREMENTS
TAX INCREMENT NOTE, SERIES 2003 - LAB GRACELAND
December 31, 2012

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
2013	\$ 28,718	\$ 14,526	\$ 43,244
2014	30,225	13,019	43,244
2015	31,812	11,432	43,244
2016	33,482	9,762	43,244
2017	35,240	8,004	43,244
2018	37,090	6,154	43,244
2019	39,038	4,206	43,244
2020	41,087	2,157	43,244
	\$ 276,692	\$ 69,260	\$ 345,952

CITY OF DES PLAINES, ILLINOIS
 SHORT TERM DEBT REQUIREMENTS
 EQUIPMENT LOAN (FIRE ENGINE)
 December 31, 2012

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

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year Ending <u>December 31</u>	Requirements <u>Principal</u>
2013	\$ 12,500
2014	12,500
2015	12,500
2016	12,500
2017	12,500
2018	12,500
2019	12,500
2020	12,500
2021	12,500
2022	12,500
2023	12,500
2024	12,500
2025	12,500
2026	12,500
2027	12,500
2028	12,500
2029	12,500
	\$ 212,500

STATISTICAL SECTION

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

Contents

Financial Trends

These schedules contain trend information to help the reader understand how the Government's financial performance and well-being have changed over time. 156-165

Revenue Capacity

These schedules contain information to help the reader assess the Government's most significant local revenue source, the property tax. 166-184

Debt Capacity

These schedules present information to help the reader assess the affordability of the Government's current levels of outstanding debt and the Government's ability to issue additional debt in the future. 185-189

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within the Government's financial activities take place. 190-193

Operating Information

These schedules contain information about the Government's service and resources to help the reader understand how the Government's financial information relates to the services the Government provides and the activities it performs. 194-202

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The Government implemented Statement 34 in 2003; schedules presenting government-wide information include information beginning in that year.

CITY OF DES PLAINES

CHANGES IN NET POSITION Last Ten Calendar Years (accrual basis of accounting) December 31, 2012

	2003	2004	2005	2006
Expenses				
Governmental activities				
General government	\$ 5,491,601	\$ 9,700,124	\$ 5,905,963	\$ 6,752,529
Public safety	26,348,625	28,066,656	28,982,520	34,102,357
Public works	9,665,540	10,519,422	10,957,745	8,730,946
Streets and highways	5,891,769	2,836,098	8,522,062	9,692,117
Economic development	5,871,898	12,009,233	7,695,464	2,885,691
Interest	2,925,987	3,337,330	4,610,023	4,049,875
Total governmental activities expenses	<u>56,195,420</u>	<u>66,468,863</u>	<u>66,673,777</u>	<u>66,213,515</u>
Business-type activities				
Water	7,717,105	8,123,930	8,924,500	8,706,183
Parking system	652,738	593,148	781,808	1,206,169
Emergency communications	3,736,381	3,994,408	4,172,076	4,816,445
Total business-type activities	<u>12,106,224</u>	<u>12,711,486</u>	<u>13,878,384</u>	<u>14,728,797</u>
Total primary government expenses	<u>\$ 68,301,644</u>	<u>\$ 79,180,349</u>	<u>\$ 80,552,161</u>	<u>\$ 80,942,312</u>
Component unit - public library	<u>\$ 4,803,525</u>	<u>\$ 5,282,629</u>	<u>\$ 5,493,487</u>	<u>\$ 5,696,530</u>
Program Revenues				
Governmental activities				
Charges for services				
General government	\$ 2,945,480	\$ 3,644,050	\$ 4,293,840	\$ 3,150,016
Public safety	1,465,598	1,196,534	1,189,971	3,398,632
Public works	3,550,663	4,230,909	4,486,652	2,673,882
Streets and highways	1,388,056	1,610,978	1,377,833	1,717,115
Economic development	50,129	87,200	187,626	-
Operating grants and contributions	2,161,494	2,563,445	2,159,872	599,948
Capital grants and contributions	562,988	613,719	222,311	945,493
Total governmental activities program Revenues	<u>12,124,408</u>	<u>13,946,835</u>	<u>13,918,105</u>	<u>12,485,086</u>
Business-type activities				
Charges for services				
Water	9,165,940	9,666,082	10,301,213	9,639,028
Parking system	184,809	174,123	209,090	261,747
Emergency communications	3,968,410	3,974,111	4,450,986	4,581,164
Operating grants and contributions	-	-	-	309,784
Capital grants and contributions	-	-	-	-
Total business-type activities program Revenues	<u>13,319,159</u>	<u>13,814,316</u>	<u>14,961,289</u>	<u>14,791,723</u>
Total primary government program	<u>\$ 25,443,567</u>	<u>\$ 27,761,151</u>	<u>\$ 28,879,394</u>	<u>\$ 27,276,809</u>
Component unit - public library				
Charges for services	\$ 144,098	\$ 148,898	\$ 147,392	\$ 154,056
Operating grants	73,400	112,598	148,902	137,227
Capital grants	50,482	-	-	-
Total component unit - public library Revenues	<u>\$ 267,980</u>	<u>\$ 261,496</u>	<u>\$ 296,294</u>	<u>\$ 291,283</u>
Net (expense)/revenue				
Governmental activities	\$ (44,071,012)	\$ (52,522,028)	\$ (52,755,672)	\$ (53,728,429)
Business-type activities	1,212,935	1,102,830	1,082,905	62,926
Total primary government net expense	<u>\$ (42,858,077)</u>	<u>\$ (51,419,198)</u>	<u>\$ (51,672,767)</u>	<u>\$ (53,665,503)</u>
Component unit - public library net Expense	<u>\$ (4,535,545)</u>	<u>\$ (5,021,133)</u>	<u>\$ (5,197,193)</u>	<u>\$ (5,405,247)</u>

2007	2008	2009	2010	2011	2012
\$ 6,267,556	\$ 5,268,048	\$ 8,913,451	\$ 8,939,465	\$ 18,270,898	\$ 26,776,957
31,161,886	36,126,401	36,457,403	35,365,323	38,529,145	37,899,640
10,282,409	10,520,898	9,608,620	7,550,803	8,537,753	7,637,527
6,902,837	11,260,079	10,807,891	9,499,575	10,341,746	10,686,981
1,780,760	3,504,617	2,184,724	1,487,301	1,161,997	1,553,448
4,172,033	4,031,768	3,984,468	3,631,361	3,274,304	3,046,102
<u>60,567,481</u>	<u>70,711,811</u>	<u>71,956,557</u>	<u>66,473,828</u>	<u>80,115,843</u>	<u>87,600,655</u>
8,693,595	11,038,869	11,831,289	11,912,298	12,528,325	14,161,409
1,015,561	1,034,814	888,277	803,475	802,934	783,586
4,724,236	5,005,419	-	-	-	-
<u>14,433,392</u>	<u>17,079,102</u>	<u>12,719,566</u>	<u>12,715,773</u>	<u>13,331,259</u>	<u>14,944,995</u>
<u>\$ 75,000,873</u>	<u>\$ 87,790,913</u>	<u>\$ 84,676,123</u>	<u>\$ 79,189,601</u>	<u>\$ 93,447,102</u>	<u>\$ 102,545,650</u>
<u>\$ 6,041,020</u>	<u>\$ 6,393,149</u>	<u>\$ 6,482,277</u>	<u>\$ 5,994,030</u>	<u>\$ 5,798,824</u>	<u>\$ 5,648,933</u>
\$ 3,417,462	\$ 4,319,510	\$ 8,182,538	\$ 8,546,887	\$ 6,223,077	\$ 5,869,247
3,135,477	2,600,306	2,450,209	3,293,616	3,740,733	3,745,369
3,187,494	3,408,346	3,537,886	3,694,457	3,826,957	3,955,349
1,752,532	1,664,099	1,531,176	2,376,318	2,323,567	2,434,345
-	-	-	-	-	-
1,483,651	3,212,671	1,970,206	3,322,252	3,797,791	2,762,161
1,823,040	232,175	438,582	11,294,273	4,851,117	3,267,066
<u>14,799,656</u>	<u>15,437,107</u>	<u>18,110,597</u>	<u>32,527,803</u>	<u>24,763,242</u>	<u>22,033,537</u>
9,736,135	11,759,644	10,965,188	11,509,315	11,286,580	14,162,219
329,478	315,071	267,699	309,312	283,554	370,038
5,089,957	6,251,670	-	-	-	-
25,546	153,853	-	132,274	4,691	2,039
-	-	-	235,119	-	-
<u>15,181,116</u>	<u>18,480,238</u>	<u>11,232,887</u>	<u>12,186,020</u>	<u>11,574,825</u>	<u>14,534,296</u>
<u>\$ 29,980,772</u>	<u>\$ 33,917,345</u>	<u>\$ 29,343,484</u>	<u>\$ 44,713,823</u>	<u>\$ 36,338,067</u>	<u>\$ 36,567,833</u>
\$ 152,787	\$ 142,245	\$ 147,700	\$ 166,497	\$ 147,023	\$ 156,752
108,801	157,151	78,014	65,969	64,080	59,852
-	-	-	-	-	-
<u>\$ 261,588</u>	<u>\$ 299,396</u>	<u>\$ 225,714</u>	<u>\$ 232,466</u>	<u>\$ 211,103</u>	<u>\$ 216,604</u>
\$ (45,767,825)	\$ (55,274,704)	\$ (53,845,960)	\$ (33,946,025)	\$ (55,352,601)	\$ (65,567,118)
747,724	1,401,136	(1,486,679)	(529,753)	(1,756,434)	(410,699)
<u>\$ (45,020,101)</u>	<u>\$ (53,873,568)</u>	<u>\$ (55,332,639)</u>	<u>\$ (34,475,778)</u>	<u>\$ (57,109,035)</u>	<u>\$ (65,977,817)</u>
\$ (5,779,432)	\$ (6,093,753)	\$ (6,256,563)	\$ (5,761,564)	\$ (5,587,721)	\$ (5,432,329)

CITY OF DES PLAINES

CHANGES IN NET POSITION Last Ten Calendar Years (accrual basis of accounting) December 31, 2012

	2003	2004	2005	2006
General Revenues and Other Changes in Net Position				
Governmental activities				
Taxes				
Property	\$ 17,002,913	\$ 17,828,162	\$ 19,949,024	\$ 22,115,583
Replacement	716,865	821,910	1,193,354	1,238,962
Sales	7,845,715	7,806,132	8,104,425	9,220,053
Utility	2,410,726	2,358,182	2,594,534	2,579,105
Income	3,870,529	3,644,821	4,284,621	5,197,409
Home rule sales	3,828,194	3,952,935	4,119,582	4,887,837
Food and beverage	795,868	769,662	807,421	933,162
Hotel/motel	670,314	706,308	789,748	1,242,613
Real estate transfer	973,516	1,004,785	1,114,479	1,186,212
Local option motor fuel	631,840	1,052,946	929,005	1,527,438
Gaming	-	-	-	-
Other	1,961,501	1,967,450	1,982,000	2,541,496
Investment income	276,627	569,439	895,113	1,445,882
Miscellaneous	2,134,017	130,091	181,237	246,840
Gain (loss) on sale of capital assets	(69,879)	81,816	45,300	3,479,486
Contributions	41,571	-	-	-
Transfers	192,120	(4,746,515)	(847,230)	(45,809)
Total governmental activities	43,282,437	37,948,124	46,142,613	57,796,269
Business-type activities				
Investment income	7,917	11,039	29,041	76,614
Miscellaneous	87,801	47,345	13,651	6,626
Contributions	136,878	-	-	-
Transfers	(192,120)	4,746,515	847,230	45,809
Total business-type activities	40,476	4,804,899	889,922	129,049
Total primary government	\$ 43,322,913	\$ 42,753,023	\$ 47,032,535	\$ 57,925,318
Component unit - public library				
Taxes				
Property	\$ 4,235,753	\$ 4,657,586	\$ 5,129,546	\$ 5,696,408
Replacement	92,988	92,988	92,988	92,988
Investment income	11,615	3,771	8,526	29,406
Other general revenues	15,069	17,905	53,423	36,001
Total component unit - public library	\$ 4,355,425	\$ 4,772,250	\$ 5,284,483	\$ 5,854,803
Changes in Net Position				
Governmental activities	\$ (788,575)	\$ (14,573,904)	\$ (6,613,059)	\$ 4,067,840
Business-type activities	1,253,411	5,907,729	1,972,827	191,975
Total primary government	\$ 464,836	\$ (8,666,175)	\$ (4,640,232)	\$ 4,259,815
Total component unit - public library	\$ (180,120)	\$ (248,883)	\$ 87,290	\$ 449,556

	2007	2008	2009	2010	2011	2012
\$	23,773,249	\$ 26,700,637	\$ 27,934,060	\$ 29,117,259	\$ 29,671,822	\$ 28,841,683
	1,530,070	1,408,713	1,229,867	1,296,063	1,207,737	1,143,050
	9,265,270	9,147,989	8,271,828	8,589,981	8,690,828	9,695,640
	2,510,644	2,583,405	2,184,785	3,353,950	3,401,735	3,239,299
	5,296,209	5,446,073	4,686,475	4,580,927	4,515,411	5,376,774
	5,735,928	5,559,673	4,775,264	4,834,624	5,034,311	5,544,261
	964,590	953,597	897,541	911,865	1,059,647	1,236,942
	1,298,403	1,621,451	1,243,395	1,387,872	1,440,269	1,675,772
	975,339	525,343	341,949	399,853	393,417	407,884
	1,687,130	857,659	828,082	1,683,503	1,719,941	1,685,069
	-	-	-	-	10,819,591	24,802,456
	3,454,589	3,802,103	4,799,937	4,364,047	4,541,664	4,735,420
	816,908	420,479	98,711	74,585	82,369	160,289
	296,990	1,095,228	1,422,497	965,645	783,626	1,280,897
	(6,108,598)	100,853	35,221	87,960	-	-
	-	-	-	-	-	-
	210,074	156,211	(94,340)	262,432	(236,313)	15,758
	<u>51,706,795</u>	<u>60,379,414</u>	<u>58,655,272</u>	<u>61,910,566</u>	<u>73,126,055</u>	<u>89,841,194</u>
	223,390	61,239	5,560	2,649	1,519	5,228
	161,232	-	20,097	27,568	845	2,756
	-	-	-	-	-	-
	(210,074)	(156,211)	94,340	(262,432)	236,313	(15,758)
	<u>174,548</u>	<u>(94,972)</u>	<u>119,997</u>	<u>(232,215)</u>	<u>238,677</u>	<u>(7,774)</u>
\$	<u>51,881,343</u>	<u>\$ 60,284,442</u>	<u>\$ 58,775,269</u>	<u>\$ 61,678,351</u>	<u>\$ 73,364,732</u>	<u>\$ 89,833,420</u>
\$	5,970,175	\$ 6,478,587	\$ 6,618,324	\$ 6,352,938	\$ 6,625,483	\$ 6,398,159
	92,988	92,988	92,988	46,494	92,988	92,988
	52,417	46,892	6,838	4,167	2,434	5,364
	<u>25,675</u>	<u>48,461</u>	<u>24,978</u>	<u>31,748</u>	<u>32,010</u>	<u>36,573</u>
\$	<u>6,141,255</u>	<u>\$ 6,666,928</u>	<u>\$ 6,743,128</u>	<u>\$ 6,435,347</u>	<u>\$ 6,752,915</u>	<u>\$ 6,533,084</u>
\$	5,938,970	\$ 5,104,710	\$ 4,809,312	\$ 27,964,541	\$ 17,773,454	\$ 24,274,076
	<u>922,272</u>	<u>1,306,164</u>	<u>(1,366,682)</u>	<u>(761,968)</u>	<u>(1,517,757)</u>	<u>(418,473)</u>
\$	<u>6,861,242</u>	<u>\$ 6,410,874</u>	<u>\$ 3,442,630</u>	<u>\$ 27,202,573</u>	<u>\$ 16,255,697</u>	<u>\$ 23,855,603</u>
\$	<u>361,823</u>	<u>\$ 573,175</u>	<u>\$ 486,565</u>	<u>\$ 673,783</u>	<u>\$ 1,165,194</u>	<u>\$ 1,100,755</u>

CITY OF DES PLAINES

NET POSITION BY COMPONENT
Last Ten Calendar Years
(accrual basis of accounting)
December 31, 2012

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Governmental Activities				
Net Investment in Capital Assets	\$ 101,112,363	\$ 92,567,545	\$ 80,553,806	\$ 84,159,240
Restricted	11,895,745	12,681,078	9,879,543	5,730,529
Unrestricted	<u>7,190,498</u>	<u>330,345</u>	<u>5,783,030</u>	<u>10,394,451</u>
Total Governmental Activities Net Position	<u>\$ 120,198,606</u>	<u>\$ 105,578,968</u>	<u>\$ 96,216,379</u>	<u>\$ 100,284,220</u>
Business-type Activities				
Net Investment in Capital Assets	\$ 23,133,889	\$ 28,369,911	\$ 31,767,374	\$ 32,091,486
Unrestricted	<u>3,391,064</u>	<u>4,382,465</u>	<u>5,611,933</u>	<u>5,479,796</u>
Total Business-type Activities Net Position	<u>\$ 26,524,953</u>	<u>\$ 32,752,376</u>	<u>\$ 37,379,307</u>	<u>\$ 37,571,282</u>
Primary Government				
Net Investment in Capital Assets	\$ 124,246,252	\$ 120,937,456	\$ 112,321,180	\$ 116,250,726
Restricted	11,895,745	12,681,078	9,879,543	5,730,529
Unrestricted	<u>10,581,562</u>	<u>4,712,810</u>	<u>11,394,963</u>	<u>15,874,247</u>
Total Primary Government Net Position	<u>\$ 146,723,559</u>	<u>\$ 138,331,344</u>	<u>\$ 133,595,686</u>	<u>\$ 137,855,502</u>
Component Unit - Public Library				
Net Investment in Capital Assets	\$ 279,720	\$ 358,776	\$ 324,570	\$ 289,865
Restricted	<u>525,051</u>	<u>197,112</u>	<u>318,608</u>	<u>802,869</u>
Total Component Unit Net Position	<u>\$ 804,771</u>	<u>\$ 555,888</u>	<u>\$ 643,178</u>	<u>\$ 1,092,734</u>

<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
\$ 94,992,957	\$ 100,771,214	\$ 106,143,382	\$ 120,440,844	\$ 116,287,802	\$ 127,408,625
4,848,350	2,049,450	3,610,610	6,995,311	9,031,827	10,266,294
4,594,811	6,720,164	4,596,148	16,645,504	36,535,484	47,759,170
<u>\$ 104,436,118</u>	<u>\$ 109,540,828</u>	<u>\$ 114,350,140</u>	<u>\$ 144,081,659</u>	<u>\$ 161,855,113</u>	<u>\$ 185,434,089</u>
\$ 31,379,369	\$ 31,610,951	\$ 30,743,586	\$ 30,365,465	\$ 30,336,201	\$ 29,713,208
7,328,004	8,402,586	6,052,456	5,668,609	4,180,116	4,379,302
<u>\$ 38,707,373</u>	<u>\$ 40,013,537</u>	<u>\$ 36,796,042</u>	<u>\$ 36,034,074</u>	<u>\$ 34,516,317</u>	<u>\$ 34,092,510</u>
\$ 126,372,326	\$ 132,382,165	\$ 136,886,968	\$ 150,806,309	\$ 146,624,003	\$ 157,121,833
4,848,350	2,049,450	3,610,610	6,995,311	9,031,827	10,266,294
11,922,815	15,122,750	10,648,604	22,314,113	40,715,600	52,138,472
<u>\$ 143,143,491</u>	<u>\$ 149,554,365</u>	<u>\$ 151,146,182</u>	<u>\$ 180,115,733</u>	<u>\$ 196,371,430</u>	<u>\$ 219,526,599</u>
\$ 254,678	\$ 934,174	\$ 894,053	\$ 853,306	\$ 814,501	\$ 802,700
1,301,241	1,194,920	1,721,606	2,436,136	3,640,135	4,752,691
<u>\$ 1,555,919</u>	<u>\$ 2,129,094</u>	<u>\$ 2,615,659</u>	<u>\$ 3,289,442</u>	<u>\$ 4,454,636</u>	<u>\$ 5,555,391</u>

CITY OF DES PLAINES

FUND BALANCES, GOVERNMENTAL FUNDS
 Last Ten Calendar Years
 (modified accrual basis of accounting)
 December 31, 2012

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
General Fund				
Reserved	\$ 10,323	\$ 20,097	\$ 14,104	\$ 12,159
Unreserved	<u>4,451,730</u>	<u>9,044,751</u>	<u>8,127,664</u>	<u>7,208,910</u>
Nonspendable				
Assigned				
Unassigned				
Total general fund	<u>4,462,053</u>	<u>9,064,848</u>	<u>8,141,768</u>	<u>7,221,069</u>
All Other Governmental Funds				
Restricted	10,494,344	9,553,545	12,476,268	9,732,766
Unassigned, reported in				
Special revenue funds	2,092,525	(436,909)	(3,806,028)	(811,113)
Capital projects funds	<u>4,251,563</u>	<u>4,419,476</u>	<u>5,834,777</u>	<u>7,852,816</u>
Restricted				
Assigned				
Unassigned				
Total all other governmental funds	<u>16,838,432</u>	<u>13,536,112</u>	<u>14,505,017</u>	<u>16,774,469</u>
Total Fund Balances	<u>\$ 21,300,485</u>	<u>\$ 22,600,960</u>	<u>\$ 22,646,785</u>	<u>\$ 23,995,538</u>

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

<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
\$ 3,853,331	\$ 6,881,187	\$ 8,140,055	\$ 8,811,994	\$ 7,980,992		
<u>3,929,509</u>	<u>1,075,635</u>	<u>1,230,256</u>	<u>4,174,231</u>	<u>15,413,074</u>		
					\$ 8,162,664	\$ 8,606,709
					-	4,161,818
					<u>21,080,549</u>	<u>22,966,242</u>
<u>7,782,840</u>	<u>7,956,822</u>	<u>9,370,311</u>	<u>12,986,225</u>	<u>23,394,066</u>	<u>29,243,213</u>	<u>35,734,769</u>
9,056,602	5,148,408	3,967,977	3,804,011	7,372,378		
(4,143,559)	(6,416,203)	323,048	(5,103,056)	(8,172,234)		
<u>5,399,856</u>	<u>4,424,994</u>	<u>(4,648,291)</u>	<u>159,406</u>	<u>9,715,559</u>		
					12,910,496	23,036,807
					4,276,184	5,329,691
					<u>(8,473,704)</u>	<u>(8,604,223)</u>
<u>10,312,899</u>	<u>3,157,199</u>	<u>(357,266)</u>	<u>(1,139,639)</u>	<u>8,915,703</u>	<u>8,712,976</u>	<u>19,762,275</u>
<u>\$ 18,095,739</u>	<u>\$ 11,114,021</u>	<u>\$ 9,013,045</u>	<u>\$ 11,846,586</u>	<u>\$ 32,309,769</u>	<u>\$ 37,956,189</u>	<u>\$ 55,497,044</u>

CITY OF DES PLAINES

CHANGE IN FUND BALANCES, GOVERNMENTAL FUNDS

Last Ten Calendar Years

(modified accrual basis of accounting)

December 31, 2012

	2002	2003	2004	2005
Revenues				
Taxes	\$ 34,788,165	\$ 36,682,228	\$ 29,421,135	\$ 31,999,844
Licenses and permits	3,044,361	3,702,236	4,649,570	5,035,156
Intergovernmental	7,460,661	7,104,318	15,686,591	16,490,108
Charges for services	6,290,962	4,075,411	4,775,440	5,270,418
Fines and forfeits	840,796	1,159,037	1,147,014	952,933
Investment income	870,395	276,630	569,439	895,080
Contributions	-	-	-	-
Miscellaneous	<u>259,695</u>	<u>243,176</u>	<u>2,672,277</u>	<u>191,419</u>
Total revenues	<u>53,555,035</u>	<u>53,243,036</u>	<u>58,921,466</u>	<u>60,834,958</u>
Expenditures				
General government	4,488,140	4,952,301	5,751,293	6,561,256
Public safety	25,744,068	24,954,192	28,003,280	28,697,511
Municipal development	1,941,033	-	-	-
Public works	12,481,026	8,289,415	9,450,181	10,205,911
Streets and highways	-	2,906,623	5,120,479	1,688,099
Human resources and social services	587,576	-	-	-
Community Development Block Grant Program	452,907	-	-	-
Economic development	-	10,564,290	11,854,692	7,126,888
Capital outlay	9,515,908	4,298,170	9,277,240	20,361,771
Debt service				
Principal retirement	3,818,404	7,214,635	4,847,212	5,607,651
Interest and fiscal charges	3,395,460	-	3,263,697	4,392,379
Payment to Refunding Bond Escrow	-	-	-	-
Total expenditures	<u>62,424,522</u>	<u>63,179,626</u>	<u>77,568,074</u>	<u>84,641,466</u>
Excess (deficiency) of revenues over expenditures	<u>(8,869,487)</u>	<u>(9,936,590)</u>	<u>(18,646,608)</u>	<u>(23,806,508)</u>
Other financing sources (uses)				
Proceeds from issuance of debt	4,860,548	16,985,000	18,050,000	39,255,000
Premium on bond issuance	-	60,458	11,365	1,042,125
Discount on bond issuance	-	(104,548)	(88,961)	(296,416)
Note proceeds	377,229	502,301	-	-
Proceeds from sale of capital assets	-	423,182	81,816	845,300
Payments to escrow agent	(4,817,933)	(6,863,167)	-	(16,263,176)
Transfers in	4,525,236	2,887,468	954,933	2,344,347
Transfers (out)	<u>(4,351,922)</u>	<u>(2,682,817)</u>	<u>(680,000)</u>	<u>(1,935,000)</u>
Total other financing sources (uses)	<u>593,158</u>	<u>11,207,877</u>	<u>18,329,153</u>	<u>24,992,180</u>
Special Items	-	-	-	-
Net Changes in Fund Balance	<u>\$ (8,276,329)</u>	<u>\$ 1,271,287</u>	<u>\$ (317,455)</u>	<u>\$ 1,185,672</u>
Debt service as a percentage of noncapital expenditures	13.6%	12.3%	11.9%	15.6%

	2006	2007	2008	2009	2010	2011	2012
\$	35,327,688	\$ 38,408,908	\$ 42,454,384	\$ 42,739,121	\$ 46,081,248	\$ 57,820,338	\$ 71,792,893
	4,087,868	3,837,256	3,228,153	3,011,551	4,054,683	3,086,311	2,781,329
	17,506,403	19,744,856	19,669,690	17,142,000	29,252,026	21,250,400	20,898,936
	5,217,844	6,115,781	6,830,049	7,908,810	8,622,603	8,668,091	9,123,875
	1,369,000	1,431,591	1,676,088	1,764,036	1,852,008	1,605,620	1,385,406
	1,445,831	816,908	361,361	79,339	71,106	81,711	159,756
	-	-	-	-	654,060	848,601	96,019
	<u>1,004,746</u>	<u>463,875</u>	<u>512,978</u>	<u>1,320,926</u>	<u>586,682</u>	<u>653,854</u>	<u>655,432</u>
	<u>65,959,380</u>	<u>70,819,175</u>	<u>74,732,703</u>	<u>73,965,783</u>	<u>91,174,416</u>	<u>94,014,926</u>	<u>106,893,646</u>
	7,244,757	7,585,644	7,545,984	7,464,278	7,074,551	14,294,213	23,581,990
	31,076,746	30,618,015	34,734,218	35,684,024	34,559,879	37,181,399	37,425,172
	-	-	-	-	-	-	-
	9,737,407	7,831,725	12,093,814	6,680,294	5,526,605	7,365,744	6,353,113
	927,067	5,259,528	1,267,168	5,069,135	4,236,133	5,042,655	5,121,531
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	2,653,204	1,962,384	4,450,756	3,292,776	1,761,408	1,195,611	1,435,613
	15,015,630	17,051,160	6,151,506	5,231,568	10,008,489	15,060,979	7,157,384
	6,055,440	6,649,830	7,225,135	7,128,545	6,801,692	7,152,599	5,094,229
	4,801,392	4,135,049	3,841,376	3,381,316	2,936,858	2,362,196	2,087,675
	-	-	-	-	-	815,034	1,171,690
	<u>77,511,643</u>	<u>81,093,335</u>	<u>77,309,957</u>	<u>73,931,936</u>	<u>72,905,615</u>	<u>90,470,430</u>	<u>89,428,397</u>
	<u>(11,552,263)</u>	<u>(10,274,160)</u>	<u>(2,577,254)</u>	<u>33,847</u>	<u>18,268,801</u>	<u>3,544,496</u>	<u>17,465,249</u>
	-	8,125,000	2,575,000	7,598,084	10,055,760	3,540,000	3,765,000
	-	-	-	131,220	-	40,452	41,230
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	5,232,723	2,292,098	242,678	-	-	-	-
	-	(7,634,233)	(2,517,611)	(7,315,260)	(9,123,820)	(3,541,973)	(3,746,382)
	3,854,740	2,604,792	1,325,839	4,670,374	2,860,136	3,800,215	2,284,805
	<u>(3,435,000)</u>	<u>(1,790,143)</u>	<u>(1,169,628)</u>	<u>(2,264,714)</u>	<u>(1,597,704)</u>	<u>(3,637,516)</u>	<u>(2,269,047)</u>
	<u>5,652,463</u>	<u>3,597,514</u>	<u>456,278</u>	<u>2,819,704</u>	<u>2,194,372</u>	<u>201,178</u>	<u>75,606</u>
	-	-	-	-	-	1,900,746	-
\$	<u>(5,899,800)</u>	<u>(6,676,646)</u>	<u>(2,120,976)</u>	<u>2,853,551</u>	<u>20,463,173</u>	<u>5,646,420</u>	<u>17,540,855</u>
	17.4%	16.8%	15.6%	15.3%	15.3%	12.1%	8.5%

CITY OF DES PLAINES

ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY Last Ten Levy Years December 31, 2012

Levy Year	Equalized Assessed Value				Total Equalized Assessed Value	Total Direct Rate	Total Actual Value
	Residential Property	Commercial Property	Industrial Property	Railroad Property			
2002	\$ 815,636,863	\$ 452,257,361	\$ 508,406,299	\$ 930,959	\$ 1,777,231,482	0.830	\$ 5,331,747,763
2003	820,152,717	435,374,304	504,398,708	1,008,971	1,760,934,700	0.895	5,282,856,929
2004	968,894,536	466,225,897	538,079,254	1,254,325	1,974,454,012	0.852	5,923,421,270
2005	1,048,729,126	486,965,767	562,477,260	1,277,551	2,099,449,704	0.865	6,298,412,096
2006	1,098,297,899	456,777,248	553,576,732	1,417,627	2,110,069,506	0.928	6,330,208,518
Levy Year	Equalized Assessed Value			Railroad Property	Total Equalized Assessed Value	Total Direct Rate	Total Actual Value
	Real Estate Property	Air Pollution Control District					
2007	\$ 2,465,848,831	\$ 1,042	\$ 1,613,955	\$ 2,467,463,828	0.850	\$ 7,402,465,509	
2008	2,626,756,979	858	1,831,615	2,628,588,594	0.831	7,885,844,640	
2009	2,526,387,003	845	2,037,298	2,528,425,146	0.917	7,585,351,292	
2010	2,392,169,028	825	2,507,411	2,394,677,264	0.999	7,184,103,633	
2011	2,181,773,562	1,131	2,558,611	2,184,333,304	1.089	6,553,065,443	

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

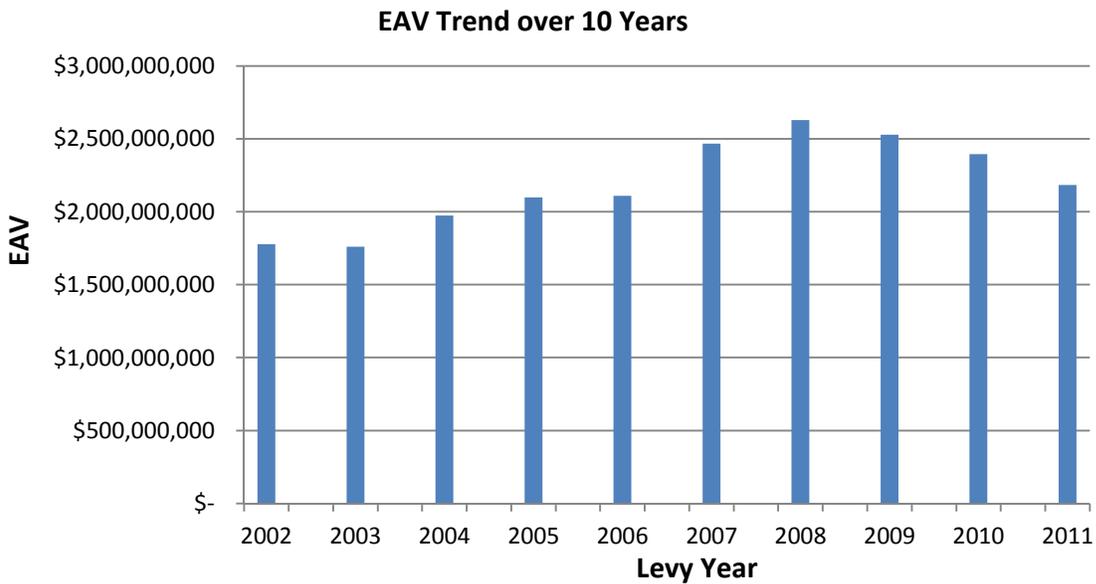
Note: Property is reassessed once every three years. Property is assessed at 1/3 actual value. Tax rates are per \$100 of assessed value. Fiscal year data is based on the previous calendar year's (levy year) assessed value (i.e. data presented for the Fiscal Year ended December 31, 2012 is based on the 2011 assessed value.)

CITY OF DES PLAINES

TREND OF EQUALIZED ASSESSED VALUATIONS Last Ten Levy Years December 31, 2012

Levy Year	Equalized Assessed Value	Percentage Increase (Decrease)	Estimated Actual Value	Ratio of Equalized Assessed Value to Estimated Actual Value
2002	\$ 1,777,231,482	6.53%	\$ 5,331,694,446	33.33%
2003	1,760,934,700	(0.92%)	5,282,804,100	33.33%
2004	1,974,454,012	12.13%	5,923,362,036	33.33%
2005	2,099,449,704	6.33%	6,298,349,112	33.33%
2006	2,110,069,506	0.51%	6,330,208,518	33.33%
2007	2,467,463,828	16.94%	7,402,391,484	33.33%
2008	2,628,588,594	6.53%	7,885,765,782	33.33%
2009	2,528,425,146	(3.81%)	7,585,275,438	33.33%
2010	2,394,677,264	(5.29%)	7,184,031,792	33.33%
2011	2,184,333,304	(8.78%)	6,552,999,912	33.33%

Source: Cook County Clerk's office



CITY OF DES PLAINES

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

Tax Levy Year	Total	City					Library	Cook County
		Total City	Corporate	Bonds & Interest	Police Pension	Fire Pension		
2002	7.025	0.830	0.5822	0.0832	0.0883	0.0759	0.244	0.751
2003	7.266	0.895	0.5852	0.0885	0.1138	0.1069	0.273	0.718
2004	7.110	0.852	0.5893	0.0740	0.1041	0.0843	0.268	0.653
2005	6.966	0.865	0.6071	0.0766	0.0998	0.0807	0.278	0.547
2006	7.179	0.928	0.6657	0.0657	0.1099	0.0865	0.294	0.500
2007	6.417	0.850	0.6149	0.0539	0.1023	0.0783	0.266	0.446
2008	6.275	0.831	0.5945	0.0502	0.1023	0.0833	0.260	0.415
2009	6.590	0.917	0.6102	0.0507	0.1320	0.1239	0.257	0.415
2010	7.188	0.999	0.6569	0.0515	0.1436	0.1461	0.280	0.423
2011	8.090	1.089	0.7509	0.0052	0.1637	0.1687	0.300	0.462

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

Water Reclamation <u>District</u>	Park <u>District</u>	<u>School (1)</u>	<u>Other (2)</u>
0.371	0.422	4.263	0.144
0.361	0.444	4.426	0.149
0.347	0.427	4.431	0.132
0.315	0.350	4.416	0.195
0.284	0.356	4.619	0.198
0.263	0.312	4.093	0.187
0.252	0.300	4.046	0.171
0.261	0.317	4.249	0.174
0.274	0.338	4.683	0.191
0.320	0.379	5.298	0.242

CITY OF DES PLAINES

MAINE TOWNSHIP
 ALLOCATION OF THE 2011 PROPERTY TAX LEVY COLLECTED IN 2012
 December 31, 2012

	2002		2003		2004		2005		2006	
	Tax per \$100 of Equalized Assessed Valuation	Percentage								
City of Des Plaines	\$ 0.830	0.118 %	\$ 0.895	0.124 %	\$ 0.852	0.120 %	\$ 0.865	0.124 %	\$ 0.928	0.129 %
Des Plaines Library	0.244	0.035	0.273	0.038	0.268	0.038	0.278	0.040	0.294	0.041
High School District 207	1.936	0.276	2.012	0.278	1.795	0.252	1.757	0.252	1.826	0.254
Oakton College District	0.179	0.025	0.186	0.026	0.161	0.023	0.158	0.023	0.166	0.023
School District 62	2.148	0.306	2.228	0.308	2.475	0.348	2.501	0.359	2.627	0.366
Des Plaines Park District	0.422	0.060	0.444	0.061	0.427	0.060	0.350	0.050	0.356	0.050
Cook County	0.751	0.107	0.718	0.099	0.653	0.092	0.547	0.079	0.500	0.070
Metro Water Reclamation District	0.371	0.053	0.361	0.050	0.347	0.049	0.315	0.045	0.284	0.040
N.W. Mosquito Abatement District	0.009	0.001	0.010	0.001	0.009	0.001	0.009	0.001	0.009	0.001
Suburban T.B. Sanitarium	0.006	0.001	0.004	0.001	0.001	0.000	0.005	0.001	0.005	0.001
Maine Township	0.129	0.018	0.095	0.013	0.122	0.017	0.121	0.017	0.127	0.018
Cook County Forest Preserve	-	-	-	-	-	-	0.060	0.009	0.057	0.008
TOTAL	\$ 7.025	100.00 %	\$ 7.226	100.00 %	\$ 7.110	100.00 %	\$ 6.966	100.00 %	\$ 7.179	100.00 %

Source: Cook County Clerk

2007		2008		2009		2010		2011	
Tax per \$100		Tax per \$100		Tax per \$100		Tax per \$100		Tax per \$100	
of Equalized		of Equalized		of Equalized		of Equalized		of Equalized	
Assessed		Assessed		Assessed		Assessed		Assessed	
Valuation	Percentage	Valuation	Percentage	Valuation	Percentage	Valuation	Percentage	Valuation	Percentage
\$ 0.850	0.132 %	\$ 0.831	0.132 %	\$ 0.917	0.139 %	\$ 0.999	0.139 %	\$ 1.089	0.135 %
0.266	0.041	0.260	0.041	0.257	0.039	0.280	0.039	0.300	0.037
1.602	0.250	1.577	0.251	1.617	0.245	1.782	0.248	1.995	0.247
0.141	0.022	0.140	0.022	0.140	0.021	0.160	0.022	0.196	0.024
2.350	0.366	2.329	0.371	2.492	0.378	2.741	0.381	3.107	0.384
0.312	0.049	0.300	0.048	0.317	0.048	0.338	0.047	0.379	0.047
0.458	0.071	0.415	0.066	0.415	0.063	0.423	0.059	0.462	0.057
0.263	0.041	0.252	0.040	0.261	0.040	0.274	0.038	0.320	0.040
0.008	0.001	0.008	0.001	0.008	0.001	0.009	0.001	0.010	0.001
-	-	-	-	-	-	-	-	-	-
0.114	0.018	0.112	0.018	0.117	0.018	0.131	0.018	0.174	0.022
<u>0.053</u>	<u>0.008</u>	<u>0.051</u>	<u>0.008</u>	<u>0.049</u>	<u>0.007</u>	<u>0.051</u>	<u>0.007</u>	<u>0.058</u>	<u>0.007</u>
<u>\$ 6.417</u>	<u>100.00</u>	<u>\$ 6.275</u>	<u>100.00 %</u>	<u>\$ 6.590</u>	<u>100.00 %</u>	<u>\$ 7.188</u>	<u>100.00 %</u>	<u>\$ 8.090</u>	<u>100.00 %</u>

CITY OF DES PLAINES

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

Tax Levy Year	Total	City					Library	Cook County
		Total City	Corporate	Bonds & Interest	Police Pension	Fire Pension		
2002	6.792	0.830	0.5822	0.0832	0.0883	0.0759	0.244	0.751
2003	7.250	0.895	0.5852	0.0885	0.1138	0.1069	0.273	0.718
2004	6.716	0.852	0.5893	0.0740	0.1041	0.0843	0.268	0.653
2005	6.573	0.865	0.6071	0.0766	0.0998	0.0807	0.278	0.593
2006	6.737	0.928	0.6657	0.0657	0.1099	0.0865	0.294	0.500
2007	6.038	0.850	0.6149	0.0539	0.1023	0.0783	0.266	0.446
2008	5.936	0.831	0.5945	0.0502	0.1023	0.0833	0.260	0.415
2009	6.221	0.917	0.6102	0.0507	0.1320	0.1239	0.257	0.394
2010	6.823	0.999	0.6569	0.0515	0.1436	0.1461	0.280	0.423
2011	7.670	1.089	0.7509	0.0052	0.1637	0.1687	0.300	0.462

Notes:

(1) School District No. 59, High School District No. 214, and Community College District No. 512

(2) Suburban T.B. Sanitarium, Northwest Mosquito Abatement District, Elk Grove Township,
Road & Bridge, General Assistance, Consolidated General Elections and Forest Preserve.

Source: Cook County Clerk

<u>Water Reclamation District</u>	<u>Park District</u>	<u>School (1)</u>	<u>Other (2)</u>
0.371	0.473	4.038	0.085
0.361	0.498	4.419	0.086
0.347	0.455	4.069	0.072
0.315	0.459	3.973	0.090
0.284	0.474	4.124	0.133
0.263	0.411	3.672	0.130
0.252	0.407	3.653	0.118
0.261	0.411	3.839	0.142
0.274	0.453	4.263	0.131
0.320	0.502	4.823	0.174

CITY OF DES PLAINES

ELK GROVE TOWNSHIP
ALLOCATION OF THE 2011 PROPERTY TAX LEVY COLLECTED IN 2012
December 31, 2012

	2002		2003		2004		2005		2006	
	Tax per \$100 of Equalized Assessed Valuation	Percentage								
City of Des Plaines	\$ 0.830	0.124 %	\$ 0.895	0.124 %	\$ 0.852	0.127 %	\$ 0.865	0.132 %	\$ 0.928	0.138 %
Des Plaines Library	0.244	0.036	0.273	0.038	0.268	0.040	0.278	0.042	0.294	0.044
High School District 214	1.888	0.281	1.982	0.274	1.818	0.271	1.759	0.268	1.823	0.271
Harper College District 512	0.295	0.044	0.310	0.043	0.279	0.042	0.281	0.043	0.288	0.043
School District 59	1.855	0.276	2.127	0.294	1.972	0.294	1.933	0.294	2.013	0.299
Mt. Prospect Park District	0.473	0.070	0.473	0.065	0.455	0.068	0.459	0.070	0.474	0.070
Cook County	0.751	0.112	0.718	0.099	0.653	0.097	0.607	0.092	0.557	0.083
Metro Water Reclamation District	0.371	0.055	0.361	0.050	0.347	0.052	0.315	0.048	0.284	0.042
N.W. Mosquito Abatement District	0.001	0.000	0.010	0.001	0.009	0.001	0.009	0.001	0.009	0.001
Elk Grove Township	0.007	0.001	0.072	0.010	0.062	0.009	0.062	0.009	0.062	0.009
Forest Preserve District	0.001	0.000	0.004	0.001	0.001	0.000	0.005	0.001	0.005	0.001
TOTAL	\$ 6.716	\$ 1.000	\$ 7.225	\$ 1.000	\$ 6.716	\$ 1.000	\$ 6.573	\$ 1.000	\$ 6.737	\$ 1.000

Source: Cook County Clerk

2007		2008		2009		2010		2011	
Tax per \$100									
of Equalized		of Equalized		of Equalized		of Equalized		of Equalized	
Assessed		Assessed		Assessed		Assessed		Assessed	
Valuation	Percentage								
\$ 0.850	0.141 %	\$ 0.831	0.140 %	\$ 0.917	0.149 %	\$ 0.999	0.146 %	\$ 1.089	0.142 %
0.266	0.044	0.260	0.044	0.257	0.042	0.280	0.041	0.300	0.039
1.621	0.268	1.587	0.267	1.636	0.266	1.839	0.270	2.067	0.269
0.260	0.043	0.256	0.043	0.258	0.042	0.295	0.043	0.334	0.044
1.791	0.297	1.810	0.305	1.945	0.317	2.129	0.312	2.422	0.316
0.411	0.068	0.407	0.069	0.411	0.067	0.453	0.066	0.502	0.065
0.511	0.085	0.466	0.079	0.394	0.064	0.423	0.062	0.462	0.060
0.263	0.044	0.252	0.042	0.261	0.043	0.274	0.040	0.320	0.042
0.008	0.001	0.008	0.001	0.008	0.001	0.009	0.001	0.010	0.001
0.057	0.009	0.059	0.010	0.044	0.007	0.071	0.010	0.106	0.014
-	-	-	-	0.009	0.001	0.051	0.007	0.058	0.008
<u>\$ 6.038</u>	<u>\$ 1.000</u>	<u>\$ 5.936</u>	<u>\$ 1.000</u>	<u>\$ 6.140</u>	<u>\$ 1.000</u>	<u>\$ 6.823</u>	<u>\$ 1.000</u>	<u>\$ 7.670</u>	<u>\$ 1.000</u>

CITY OF DES PLAINES

PROPERTY TAX RATES AND EXTENSIONS Last Ten Calendar Years

<u>Property Tax Levy Year</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
Property tax rates (1)				
General corporate	0.5825	0.5856	0.5896	0.6071
Police pension	0.0884	0.1139	0.1041	0.0998
Firefighters' pension	0.0759	0.1070	0.0843	0.0807
General bond retirement	<u>0.0832</u>	<u>0.0885</u>	<u>0.0740</u>	<u>0.0766</u>
Total property tax rates	<u>0.8300</u>	<u>0.8950</u>	<u>0.8520</u>	<u>0.8642</u>
Property tax extensions (2)				
General corporate	\$ 10,347,230	\$ 10,304,439	\$ 11,641,985	\$ 12,745,221
Police pension	1,569,830	2,004,048	2,054,752	2,096,245
Firefighters' pension	1,348,139	1,881,800	1,663,764	1,693,403
General bond retirement	<u>1,478,413</u>	<u>1,557,566</u>	<u>1,461,847</u>	<u>1,607,211</u>
Total property tax extensions	<u>\$ 14,743,612</u>	<u>\$ 15,747,853</u>	<u>\$ 16,822,348</u>	<u>\$ 18,142,080</u>

Notes:

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

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

Source: Cook County Clerk

<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
0.6657	0.6149	0.5945	0.6102	0.6569	0.7509
0.1099	0.1023	0.1023	0.1320	0.1436	0.1637
0.0865	0.0783	0.0833	0.1239	0.1461	0.1687
<u>0.0657</u>	<u>0.0539</u>	<u>0.0502</u>	<u>0.0507</u>	<u>0.0515</u>	<u>0.0052</u>
<u>0.9278</u>	<u>0.8494</u>	<u>0.8303</u>	<u>0.9168</u>	<u>0.9981</u>	<u>1.0885</u>
\$ 14,046,349	\$ 15,171,900	\$ 15,627,057	\$ 15,428,429	\$ 15,731,420	\$ 16,402,317
2,318,002	2,523,500	2,690,360	3,338,189	3,438,335	3,576,720
1,825,751	1,931,250	2,188,750	3,133,584	3,497,476	3,685,109
<u>1,385,507</u>	<u>1,331,066</u>	<u>1,320,689</u>	<u>1,281,557</u>	<u>1,233,477</u>	<u>113,663</u>
<u>\$ 19,575,609</u>	<u>\$ 20,957,716</u>	<u>\$ 21,826,856</u>	<u>\$ 23,181,759</u>	<u>\$ 23,900,708</u>	<u>\$ 23,777,809</u>

CITY OF DES PLAINES

PRINCIPAL PROPERTY TAX PAYERS Current Calendar Year and Three Years Ago

December 31, 2012

<u>Taxpayer</u>	<u>Type of Business/Property</u>	<u>2011 Equalized Assessed Valuation</u>	<u>Percentage of Total Taxable Assessed Value</u>
Universal Oil Products Tax Department	Chemicals	\$ 31,640,030	1.45%
Individual	Real Property	15,220,154	0.70%
MLRP Messenger LLC	Real Property	9,205,509	0.42%
O'Hare Lakes Office Plaza LLC	Office Complex	23,849,435	1.09%
MR Properties	Real Estate		
AMB Property Corp.	Real Estate		
Juno Lighting Inc	Lighting Products	15,097,947	0.69%
Crane and Norcross	Real Estate	20,329,262	0.93%
Abbott Labs	Medical Laboratories	12,620,930	0.58%
First Washington Mgmt	Real Estate		
Sysco Food Services	Food Wholesalers		
Marriot Corp	Real Property		
SBC Ameritech	Real Property	9,525,137	0.44%
Midwest Gaming	Real Property	29,979,892	1.37%
Apple Reit Ten	Real Property	<u>9,190,531</u>	0.42%
Total		<u>\$ 176,658,827</u>	<u>8.09%</u>

Data Sources

(1) Cook County Clerk

2002 Equalized Assessed Valuation information not available

2008 Equalized Assessed Valuation	Percentage of Total Taxable Assessed Value
\$ 43,168,147	1.64%
29,422,110	1.12%
22,393,898	0.85%
34,869,624	1.33%
23,849,340	0.91%
19,074,654	0.73%
18,416,946	0.70%
14,660,029	0.56%
14,157,170	0.54%
<u>14,974,920</u>	<u>0.57%</u>
<u>\$ 234,986,838</u>	<u>8.94%</u>

CITY OF DES PLAINES

PROPERTY TAX LEVIES AND COLLECTIONS Last Ten Calendar Years December 31, 2012

Year of Collections	Tax Levy Year	Total Tax Levy (1)	Collections of Current Years' Taxes During Fiscal Period	Percentage of Levy Collected Fiscal Period (1)	Collections in Subsequent Fiscal Periods (2)
2003	2002	\$ 14,286,846	\$ 14,180,390	99.25%	\$ 165,940
2004	2003	15,260,373	15,078,645	98.34%	268,279
2005	2004	16,299,049	16,336,965	100.23%	(293,586)
2006	2005	17,583,947	17,619,047	100.20%	(170,251)
2007	2006	18,979,823	18,807,403	99.09%	119,358
2008	2007	20,322,682	20,312,823	99.95%	191,102
2009	2008	21,166,699	20,281,220	95.82%	1,211,327
2010	2009	22,482,862	19,900,679	88.51%	2,873,712
2011	2010	23,181,760	23,930,344	103.23%	(180,234)
2012	2011	23,181,760	23,423,462	101.04%	-

Notes:

(1) Total tax levy does not include the "loss levy" of 3% for corporate purposes and 5% for debt service which is extended by the County to cover the County's operating costs. The City may receive a portion of this "loss levy," and therefore, the percentage of levy collected may exceed 100%.

(2) Negative amount indicates that refunds made in subsequent years for tax payments exceeded the additional amount collected.

(3) Levy amount and collections refer only to City, and not the Library Component Unit.

Source: Cook County Clerk

	<u>Total Collections</u>	<u>Ratio of Total Collections to Tax Levy</u>
\$	14,346,330	100.42%
	15,346,924	100.57%
	16,043,379	98.43%
	17,448,796	99.23%
	18,926,761	99.72%
	20,503,925	100.89%
	21,492,547	101.54%
	22,774,391	101.30%
	23,750,110	102.45%
	23,423,462	101.04%

CITY OF DES PLAINES

PROPERTY VALUE AND CONSTRUCTION Last Ten Calendar Years December 31, 2012

Calendar Year	<u>Construction (1)</u>						Total Value of All Construction (including Commercial)
	Property Value (2)	<u>Single Family</u>		<u>Multi Family</u>			
		Number of Permits	Value	Number of Permits	Value		
2003	\$ 5,331,747	26	\$ 9,198	14	\$ 22,942	\$ 95,851	
2004	5,282,857	48	17,166	29	63,455	174,657	
2005	5,923,421	47	18,994	153	67,714	136,586	
2006	6,298,412	36	14,519	10	20,081	115,998	
2007	6,330,209	19	7,159	5	26,617	114,259	
2008	7,402,465	3	1,077	7	4,874	69,112	
2009	7,885,844	4	1,840	8	7,043	39,675	
2010	7,585,351	4	1,342	5	5,234	189,135	
2011	7,184,104	2	1,002	9	6,022	50,293	
2012	6,553,065	2	1,153	4	2,860	29,994	

Source:

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

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

Property Values in Thousands.

CITY OF DES PLAINES

TAXABLE SALES BY CATEGORY Last Ten Calendar Years December 31, 2012

Taxable Sales

	2003	2004	2005	2006	2007
General merchandise	\$ 70,967,263	\$ 75,693,674	\$ 72,371,754	\$ 67,575,860	\$ 72,349,187
Food stores	97,392,087	97,536,943	105,023,780	107,634,554	111,530,323
Drinking & eating places	67,735,819	67,689,011	72,432,529	81,943,708	81,685,374
Apparel	1,969,944	2,027,145	2,638,151	3,461,525	3,337,621
Furniture, household & radio	6,554,433	9,072,989	10,806,660	7,685,148	8,003,659
Lumber, building & hardware	24,820,381	32,004,002	36,796,001	39,117,507	36,036,504
Automotive & filling stations	197,679,686	188,702,457	206,285,264	212,204,995	216,995,152
Drugs and miscellaneous retail	106,558,735	96,348,194	86,526,477	92,275,196	95,113,803
Agriculture & all others	155,201,069	136,163,547	135,355,631	146,835,031	138,711,660
Manufacturers	55,692,040	75,375,283	82,206,231	79,989,845	84,243,953
Total	\$ 784,571,457	\$ 780,613,245	\$ 810,442,478	\$ 838,723,369	\$ 848,007,236
City direct sales tax rate	1.00%	1.00%	1.00%	1.00%	1.00%

Municipal Tax Receipts

General merchandise	\$ 709,673	\$ 756,937	\$ 723,718	\$ 675,759	\$ 723,492
Food stores	973,921	975,369	1,050,238	1,076,346	1,115,303
Drinking & eating places	677,358	676,890	724,325	819,437	816,854
Apparel	19,699	20,271	26,382	34,615	33,376
Furniture, household & radio	65,544	90,730	108,067	76,851	80,037
Lumber, building & hardware	248,204	320,040	367,960	391,175	360,365
Automotive & filling stations	1,976,797	1,887,025	2,062,853	2,122,050	2,169,952
Drugs and miscellaneous retail	1,065,587	963,482	865,265	922,752	951,138
Agriculture & all others	1,552,011	1,361,635	1,353,556	1,468,350	1,387,117
Manufacturers	556,920	753,753	822,062	799,898	842,440
Total	\$ 7,845,715	\$ 7,806,132	\$ 8,104,425	\$ 8,387,234	\$ 8,480,072
City direct sales tax rate	1.00%	1.00%	1.00%	1.00%	1.00%

Source: Illinois Department of Revenue

Notes:

- (1) Effective July 1, 2006 the Home Rule Tax is one percent.
- (2) Distribution of 1% municipal tax used to estimate taxable sales.

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

\$ 715,069	\$ 682,452	\$ 771,336	\$ 650,391	\$ 824,518
1,151,844	1,105,958	1,095,458	1,257,449	1,278,062
754,030	699,528	724,125	729,854	741,941
40,609	36,675	36,512	198,196	29,967
52,031	33,094	31,404	32,582	26,321
332,721	226,396	260,546	269,916	317,475
2,084,534	1,717,753	1,625,739	1,828,791	2,119,681
963,537	905,166	1,251,284	761,144	1,062,002
1,349,981	1,424,029	1,437,307	1,616,740	2,137,505
849,533	694,861	616,291	469,636	239,563
<u>\$ 8,293,888</u>	<u>\$ 7,525,910</u>	<u>\$ 7,850,002</u>	<u>\$ 7,814,699</u>	<u>\$ 8,777,034</u>
1.00%	1.00%	1.00%	1.00%	1.00%

CITY OF DES PLAINES

RATIO OF OUTSTANDING DEBT BY TYPE (1) Last Ten Calendar Years December 31, 2012

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
2003	\$ 11,874,573	\$ 21,760,000	\$ -	\$ 34,355,000	\$ -	\$ 865,421	\$ -
2004	10,527,469	35,545,000	-	34,545,000	600,000	840,313	-
2005	9,109,623	50,755,000	-	39,120,000	450,000	805,508	-
2006	7,843,230	42,205,000	-	43,070,000	300,000	768,876	-
2007	6,621,986	45,950,000	-	34,495,000	512,511	778,445	5,500,000
2008	5,340,000	43,140,000	-	31,750,000	287,617	735,201	-
2009	4,125,000	38,540,000	3,185,285	28,900,000	459,597	689,675	6,500,000
2010	2,905,000	31,545,000	9,734,245	26,030,000	365,820	641,760	-
2011	875,000	28,880,000	10,225,477	22,930,000	268,651	591,330	-
2012	800,000	27,415,000	10,561,878	18,540,000	212,500	538,252	-

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

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

Source: Audited financial statements

Business-type Activities

<u>Water General Obligation Bonds</u>	<u>Water Installment Notes Payable</u>	<u>Total Primary Government</u>	<u>Outstanding Debt as Percentage of Personal Income</u>	<u>Outstanding Debt Per Capita</u>	<u>Personal Income (thousands) of dollars</u>	<u>Population</u>
\$ 4,240,427	\$ 800,000	\$ 73,895,421	2.42%	\$ 1,298	\$ 3,054,416	56,945
3,767,531	605,000	86,430,313	2.83%	1,518	3,054,416	56,945
3,335,377	405,000	103,980,508	3.40%	1,826	3,054,416	56,945
2,826,770	205,000	97,218,876	3.18%	1,707	3,054,416	56,945
2,313,014	-	96,170,956	3.05%	1,638	3,149,087	58,710
1,790,000	-	83,042,818	2.64%	1,414	3,149,087	58,710
1,455,000	-	83,854,557	2.66%	1,428	3,149,087	58,710
1,100,000	-	72,321,825	2.18%	1,239	3,319,219	58,364
730,000	-	64,500,458	1.94%	1,105	3,319,219	58,364
365,000	-	58,432,630	1.76%	1,001	3,319,219	58,364

CITY OF DES PLAINES

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

Fiscal Year	Population (1)	Equalized Assessed Value (2)	Net General Obligation Bonded Debt (3)	Ratio of Bonded Debt to Equalized Assessed Value	Bonded Debt Per Capita
2003	56,945	\$ 1,777,231,482	\$ 72,230,000	4.06	\$ 1,268.42
2004	56,945	1,760,934,700	84,385,000	4.79	1,481.87
2005	56,945	1,974,454,012	102,320,000	5.18	1,796.82
2006	56,945	2,099,449,704	95,945,000	4.57	1,684.87
2007	58,710	2,110,069,506	89,380,000	4.24	1,522.40
2008	58,710	2,467,463,828	82,020,000	3.32	1,397.04
2009	58,710	2,628,588,594	76,205,285	2.90	1,297.99
2010	58,364	2,526,387,003	71,314,245	2.82	1,221.89
2011	58,364	2,392,169,028	63,640,477	2.66	1,090.41
2012	58,364	2,184,333,304	57,681,878	2.64	988.31

Data Source

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

(2) Cook County Clerk

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

CITY OF DES PLAINES

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

Fiscal Year	Principal	Interest	Total Debt Service	Total General Expenditures (1)	Ratio of Debt Service to Total General Expenditures
2003	\$ 2,510,315	\$ 1,156,501	\$ 3,666,816	\$ 59,347,472	6.18
2004	2,888,295	1,508,762	4,397,057	60,894,727	7.22
2005	3,347,651	2,657,519	6,005,170	68,650,154	8.75
2006	4,064,047	3,099,818	7,163,865	68,969,875	10.39
2007	6,421,244	3,987,525	10,408,769	75,245,127	13.83
2008	7,225,134	3,801,758	11,026,892	74,928,477	14.72
2009	7,128,546	3,249,905	10,378,451	71,446,854	14.53
2010	6,801,692	2,588,960	9,390,652	66,340,077	14.16
2011	7,152,599	2,362,196	9,514,795	79,447,160	11.98
2012	6,259,229	2,055,352	8,314,581	85,029,226	9.78

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, 2012

<u>Governmental Unit</u>	<u>Outstanding Bonds (1)</u>	<u>Applicable to the City Percent (2)</u>	<u>Amount</u>
City of Des Plaines	\$ 58,067,630	100.00%	\$ 58,067,630
Cook County	\$ 3,706,435,000	1.44%	\$ 53,372,664
Cook County Forest Preserve	187,950,000	1.44%	2,706,480
Water Reclamation District	2,238,816,507	1.47%	32,910,603
Des Plaines Park District	7,158,960	92.89%	6,649,958
Elk Grove Park District	6,715,000	0.74%	49,691
Mt. Prospect Park District	14,070,000	19.87%	2,795,709
School District No. 26	13,440,000	8.02%	1,077,888
School District No. 57	10,600,000	1.44%	152,640
School District No. 59	15,780,000	11.67%	1,841,526
School District No. 62	103,215,000	91.01%	93,935,972
School District No. 64	10,780,000	0.00%	(3) 140
High School District 207	5,870,000	34.54%	2,027,498
High School District 214	71,550,000	3.95%	2,826,225
Community College District 512	178,285,000	1.81%	3,226,959
Subtotal - Overlapping Debt	<u>6,570,665,467</u>		<u>203,573,952</u>
Total Direct and Overlapping Debt	<u>\$ 6,628,733,097</u>		<u>\$ 261,641,582</u>

Notes:

(1) Outstanding principal of general obligation bonds as of December 31, 2012. 100% of the principal of outstanding general obligation bonds of overlapping taxing district have been displayed in this schedule.

(2) Percentages are based on 2011 equalized assessed valuations.

(3) Percentage equals .0013%

Data Sources

Assessed Valuation - Cook County Clerk

Outstanding bonds - Cook County Clerk

CITY OF DES PLAINES

DEMOGRAPHIC STATISTICS Last Ten Calendar Years

<u>Fiscal Year</u>	<u>Population (1)</u>	<u>Personal Income (thousands) (1)</u>	<u>Median Household Income (1)</u>	<u>Per Capita Income (1)</u>
2003	56,945	\$ 3,054,416	\$ 53,638	\$ 24,146
2004	56,945	3,054,416	53,638	24,146
2005	56,945	3,054,416	53,638	24,146
2006	56,945	3,054,416	53,638	24,146
2007	58,710	3,149,087	53,638	24,146
2008	58,710	3,149,087	53,638	24,146
2009	58,710	3,149,087	53,638	24,146
2010	58,364	3,319,219	56,871	27,562
2011	58,364	3,319,219	56,871	27,562
2012	58,364	3,319,219	56,871	27,562

Data Sources

(1) U.S. Census Bureau.

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

(3) Bureau of Labor Statistics

<u>Median Age (1)</u>	<u>Education Level in Years of Schooling</u>	<u>School Enrollment (2)</u>	<u>Unemploy- ment Rate (3)</u>
39.7	12+	8,603	6.9
39.7	12+	8,808	6.0
39.7	12+	8,759	5.9
39.7	12+	8,451	4.2
39.7	12+	8,384	4.5
39.7	12+	8,394	5.8
39.7	12+	8,414	10.1
42.0	12+	8,540	10.3
42.0	12+	8,000	9.2
42.0	12+	8,490	8.4

CITY OF DES PLAINES

PRINCIPAL EMPLOYERS Current Year and Five Years Ago December 31, 2012

<u>Employer</u>	<u>2012</u>		<u>Percentage City Total Employment</u>
	<u>Employees</u>	<u>Rank</u>	
Universal Oil Products	1500	1	3.9%
Rivers Casino	1424	2	3.7%
Holy Family	1036	3	2.7%
Oakton Community College	990	4	2.6%
Maine West	905	5	2.4%
East Maine District 63	750	6	1.9%
School District 62	724	7	1.9%
Sysco Food Services	650	8	1.7%
Wheels Inc.	650	9	1.7%
Hart Schaffner & Marx	550	10	1.4%
Abbot Molecular			
Juno Lighting			
City of Des Plaines			
Total	<u><u>9,179</u></u>		<u><u>23.8%</u></u>
City Total Employment	<u><u>38,505</u></u>		<u><u>23.8%</u></u>

Source: 2012 Illinois Manufacturer's Directory, 2012 Illinois Services Directory, and Individual Employers Approximations

*Note: The City began compiling data on employers in 2007.
2003 principal employer information not available*

	<u>2007</u>	
<u>Employees</u>	<u>Rank</u>	<u>Percentage City Total Employment</u>
2,000	1	3.7%
560	9	1.0%
990	2	1.8%
720	4	1.3%
650	7	1.2%
575	8	1.1%
882	3	1.6%
500	10	0.9%
700	5	1.3%
665	6	1.2%
<u>8,242</u>		<u>15.3%</u>
<u>53,987</u>		<u>15.3%</u>

CITY OF DES PLAINES

FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION Last Ten Calendar Years December 31, 2012

	2003	2004	2005	2006	2007	2008	2009	2010	2011	
Function/Program	<i>Note</i>									
Legislative (merged in 2009)	(2) 1.00	1.00	1.00	1.00	1.00	1.00	-	-	-	
City Clerk (merged in 2009)	(2) 4.00	4.00	5.00	4.00	3.00	3.00	-	-	-	
Elected Office (new dept. in 2009)	(2) -	-	-	-	-	-	3.00	3.00	2.75	
General Government										
Manager's Department	12.90	15.00	16.50	16.00	17.00	20.00	20.50	16.50	16.75	
Finance	10.50	10.50	17.25	16.25	15.75	14.50	14.00	14.00	14.00	
Police										
Officers	109.00	106.00	103.00	105.00	105.00	105.00	105.00	96.00	95.00	
Civilians	36.75	39.50	26.75	25.75	27.25	25.75	25.00	22.00	21.00	
Fire										
Firefighters and officers	93.00	88.00	88.00	88.00	97.00	98.00	98.00	96.00	96.00	
Civilians	2.50	5.50	5.50	5.50	6.50	6.50	6.50	2.50	2.50	
Public Works and Engineering										
Engineering (merged in 2009)	(2) 14.00	11.75	13.00	13.00	13.50	9.75	-	-	-	
Public works (merged in 2009)	(2) 57.50	94.63	88.00	88.00	90.50	94.75	-	-	-	
Public Works & Engineering (new)	(2) -	-	-	-	-	-	96.25	82.25	79.25	
Community Development										
EMA	18.00	17.50	18.50	18.50	18.75	22.00	20.00	18.00	16.00	
	<i>Note (1)</i>	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	
Subtotal	359.15	394.38	383.50	382.00	396.25	401.25	389.25	351.25	344.25	
Library	<u>84.50</u>	<u>87.00</u>	<u>90.00</u>	<u>90.00</u>	<u>90.00</u>	<u>90.00</u>	<u>75.80</u>	<u>72.40</u>	<u>66.50</u>	
Total	<u>443.65</u>	<u>481.38</u>	<u>473.50</u>	<u>472.00</u>	<u>486.25</u>	<u>491.25</u>	<u>465.05</u>	<u>423.65</u>	<u>410.75</u>	

Source: Finance Department Budget documents

Note: (1) The City began maintaining information on employees by function in 2002 and began separating EMA in 2004.

(2) In 2009, the City merged the Legislative Dept. and City Clerk Dept into the Elected Office Dept. In addition, the City merged the Engineering Dept. and Public Works Dept. into the Public Works & Engineering Dept.

(3) The City has removed the number of Emergency Communications Employees for the 2009 CAFR Statistical Section due to the fact that they are employees of the North Suburban Emergency Communication Center.

CITY OF DES PLAINES

OPERATING INDICATORS BY FUNCTION / PROGRAMS Last Ten Calendar Years December 31, 2012

<u>Function/Program</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Police				
Physical arrests (1)	1,172	738	1,236	2,013
Compliance and Parking Violations	20,874	15,330	16,421	17,818
Traffic violations	12,293	10,800	11,728	11,214
Fire				
Emergency Medical Calls	4,790	4,606	4,969	5,167
Fires/Reports of Fires	1,891	2,156	2,298	2,276
Inspections	1,000	925	963	6,138
Engineering				
Street resurfacing (square yards)	3,600	8,000	7,500	6,600
Sidewalks removed & replaced (sq ft)	89,000	80,000	50,000	78,000
Snow and ice control (tons of salt)	3,511	3,467	4,359	1,676
Community Development				
Building permits issued	3,624	3,890	3,895	3,582
Overall inspection totals	N/A	19,514	21,380	19,191
Health				
Home health visits	56	83	58	55
Library				
Volumes in collection (3)	293,460	301,437	301,546	312,469
Total volumes borrowed	1,078,456	1,083,691	1,077,145	1,100,133
Total annual attendance	556,108	550,517	521,881	577,554
Total resident library cards still active	34,592	34,727	35,205	35,765
Water				
Water Main Breaks	126	96	169	74
New Connections	N/A	26	76	70
Number of Consumers	16,109	16,303	16,497	17,086
Miles of Water Mains	201	235	235	237
Average daily consumption (gallons)	8,835,458	7,768,744	8,458,430	7,702,836
Daily average consumption per Capita (gallons)	155	136	136	135
Number of Fire Hydrants	2,212	2,583	2,583	2,597
Sewer				
Sanitary sewer replaced (linear feet)	1,100	1,500	1,500	300
Sanitary sewer televised (linear feet)	25,719	28,900	59,782	26,446
Sanitary sewer cleaned (linear feet)	312,088	186,333	364,360	403,483
Sanitary sewer lined (linear feet)	N/A	N/A	N/A	4,954
Municipal Parking Lots				
Metra (2)	24,116	38,283	54,435	50,815
City Owned (2)	58,810	21,027	10,384	19,618
Transit				
Taxi Cab cards issued (4)	403	244	481	420
Handicapped Placards issued	71	43	59	40

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.

2007	2008	2009	2010	2011	2012
2,679	2,726	2,783	1,629	1,279	2,208
15,290	18,250	18,823	14,926	16,228	13,656
16,119	12,756	12,688	11,461	7,309	6,643
5,038	5,209	4,718	4,943	5,244	5,451
2,610	2,502	2,123	2,041	2,439	2,144
7,226	6,878	7,137	1,534	4,962	4,304
37,000	76,000	49,000	55,400	51,500	29,700
21,000	50,000	84,000	43,500	37,000	69,300
5,026	8,427	4,292	3,782	1,781	1,143
3,267	2,988	2,756	8,229	3,366	2,679
14,463	14,632	13,871	16,010	15,804	15,804
90	134	111	121	119	91
313,696	305,471	355,095	257,661	263,736	257,406
1,088,404	1,111,558	1,261,249	1,171,013	1,176,477	1,173,113
509,668	500,618	542,092	582,096	598,389	575,017
35,427	35,266	35,728	33,135	33,784	34,440
128	101	89	110	96	170
65	13	30	65	40	20
16,983	17,387	17,399	17,441	17,036	17,218
241	245	247	247	221	221
7,639,118	7,913,061	6,894,000	6,761,000	6,752,000	7,188,000
130	135	117	115	116	123
2,615	2,628	2,609	2,679	2,681	2,350
300	154	1,022	88	65	341
5,187	14,270	24,951	42,322	43,406	37,310
267,301	93,679	177,439	204,470	131,496	179,998
N/A	6,635	0	12,037	3,420	10,045
47,225	50,563	47,794	54,294	43,257	49,669
34,714	33,612	25,581	17,275	17,283	20,173
324	305	296	275	780	938
67	62	66	75	66	40

CITY OF DES PLAINES

CAPITAL ASSETS STATISTICS BY FUNCTION Last Ten Calendar Years December 31, 2012

<u>Function/Program</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
Police			
Station	1	1	1
Sworn Police Officers	102	103	103
Fire Stations			
Station	3	3	3
Sworn Firefighters	92	92	92
Other Public Works			
Streets (miles)**	145	145	145
Streetlights*			
Traffic Signals	1	1	1
Water			
Water mains (miles)	201	235	235
Fire hydrants	2,212	2,583	2,583
Storage capacity (millions of gallons)	19	19	19

* These items were not tracked previous to 2006.

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

Source: Various City departments

<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
1	1	1	1	1	1	1
105	105	105	105	94	93	93
3	3	3	3	3	3	3
92	102	102	98	95	92	92
145	145	145	145	145	145	145
576	680	680	732	738	722	723
1	1	2	2	2	2	2
237	237	245	247	247	221	221
2,597	2,615	2,628	2,609	2,679	2,681	2,350
19	19	19	19	19	19	19

CITY OF DES PLAINES

WATER SOLD
Last Ten Calendar Years
(in thousands)
December 31, 2012

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
<u>Gallons sold</u>				
Residential	1,345,030	1,340,980	1,341,733	1,852,194
Commercial	626,582	626,560	627,368	597,343
Industrial	<u>377,827</u>	<u>343,278</u>	<u>461,071</u>	<u>333,270</u>
Totals	<u>2,349,439</u>	<u>2,310,818</u>	<u>2,430,172</u>	<u>2,782,807</u>
Water rate per 1,000 gallons	\$3.44	\$3.61	\$3.79	\$3.88
Storm Sewer rate per 1,000 gallons	\$0.76	\$0.76	\$0.76	\$0.76

Source: City of Des Plaines Water Consumption Report

<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
1,435,498	1,357,309	1,332,430	1,280,062	1,274,242	1,448,567
710,984	598,489	495,175	516,464	494,478	486,179
<u>241,646</u>	<u>253,998</u>	<u>144,665</u>	<u>128,891</u>	<u>131,321</u>	<u>112,454</u>
<u>2,388,128</u>	<u>2,209,796</u>	<u>1,972,270</u>	<u>1,925,417</u>	<u>1,900,041</u>	<u>2,047,200</u>
\$3.88	\$4.08	\$4.32	\$4.56	\$4.56	\$5.45
\$0.76	\$0.76	\$0.76	\$1.20	\$1.20	\$1.20

CITY OF DES PLAINES

MISCELLANEOUS STATISTICS

December 31, 2012

Date of incorporation (Town of Rand)	1857
Form of government	City Manager
Building permits:	
Permits issued	2,679
Estimated value	\$29,961,503
Fire protection:	
Number of stations	3
Number of sworn firefighters	92
Police protection:	
Number of stations	1
Number of sworn police officers	93
Municipal water plant	
Number of consumers	17,218
Daily average consumption (gallons)	7,188,000
Daily average consumption per capita (gallons)	123
Miles of water mains	221
Number of fire hydrants	2,350
Employees as of December 31	
Full time	333.00
Part time	11.50
Total	<u>344.50</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, 2012

Area and land use - City of Des Plaines

Total area December 31, 2012 - 9,198.54 acres or 14.3 square miles (Based on municipal boundary data.)

Distribution of land uses

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

Data Sources

U.S. Census Bureau and Various City Departments.

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

OTHER INFORMATION

CONTINUING DISCLOSURE- ANNUAL FINANCIAL INFORMATION

2013 DISCLOSURE

Relating to

CITY OF DES PLAINES

Cook County, Illinois

CUSIP NUMBER 250217

\$2,250,000 General Obligation Taxable General Obligation Bonds, Series 2003C

\$8,900,000 Taxable General Obligation Bonds, Series 2004B

\$5,550,000 General Obligation Bonds, Series 2005A

\$2,330,000 General Obligation Refunding Bonds, Series 2005C

\$14,650,000 General Obligation Refunding Bonds, Series 2005D

\$12,800,000 General Obligation Bonds, Series 2005E

\$4,725,000 Taxable General Obligation Bonds, Series 2005F

\$500,000 Taxable General Obligation Bonds, Series 2005G

\$6,065,000 General Obligation Refunding Bonds, Series 2007A

\$1,660,000 General Obligation Refunding Bonds, Series 2007B

\$2,575,000 Taxable General Obligation Corporate Purpose Refunding Bonds, Series 2008A

\$3,173,084 Taxable General Obligation Refunding Bonds, Series 2009A (Capital Appreciation)

\$4,175,000 General Obligation Refunding Bonds, Series 2009B

\$3,945,000 General Obligation Refunding Bonds, Series 2010A

\$6,110,760 General Obligation Refunding Bonds, Series 2010B (Capital Appreciation)

\$3,540,000 General Obligation Refunding Bonds, Series 2011

and

\$3,765,000 General Obligation Refunding Bonds, Series 2012

For further information please contact:

Ms. Dorothy Wisniewski

Director of Finance

City of Des Plaines

1420 Miner Street

Des Plaines, Illinois 60016-4498

Telephone Number: (847) 391-5317

Fax Number: (847) 391-5402

Email: dwisniewski@desplaines.org

4/5/13

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

State Fiscal Year Ending June 30	State Sales Tax Distributions(2)	Home Rule Sales Tax Distributions	Total Distributions	Percentage Change + (-)
2003	\$7,719,732	\$3,786,409	\$11,506,141	3.47%(3)
2004	7,869,504	3,881,000	11,750,504	2.12%
2005	7,819,815	3,970,243	11,790,058	0.34%
2006	8,377,712	4,223,008	12,600,721	6.88%
2007	8,333,032	5,517,995	13,851,027	9.92%
2008	8,590,038	5,739,317	14,329,355	3.45%
2009	7,940,514	5,200,163	13,140,676	(8.30%)
2010	7,654,977	4,850,113	12,505,090	(4.84%)
2011	7,846,363	4,882,813	12,729,177	1.79%
2012	8,040,265	5,191,286	13,231,552	3.95%
Growth from 2003 to 2012				15.00%

- 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 2003 percentage is based on a 2002 sales tax receipts of \$11,119,971.

DEBT INFORMATION

General Obligation Debt – By Issue(I)

Issue Date	Issue Name	Principal Outstanding	Supported By
9/3/2003	Taxable General Obligation Bonds, Series 2003C	\$ 2,040,000	TIF Revenues
6/3/2004	Taxable General Obligation Bonds, Series 2004B	5,485,000	TIF Revenues
1/3/2005	General Obligation Bonds, Series 2005A	2,670,000	TIF Revenues
1/3/2005	General Obligation Bonds, Series 2005C	365,000	Water Fund
2/1/2005	General Obligation Refunding Bonds, Series 2005D	8,660,000	Sales & Utility Taxes/Fees
6/1/2005	General Obligation Bonds, Series 2005E	4,675,000	Sewer Fees/TIF Revenues
6/1/2005	Taxable General Obligation Bonds, Series 2005F	3,380,000	TIF Revenues
6/1/2005	General Obligation Bonds, Series 2005G	350,000	TIF Revenues
10/23/2007	General Obligation Refunding Bonds, Series 2007A	4,020,000	Property Taxes/ Sales & Utility Taxes/Fees
10/23/2007	General Obligation Refunding Bonds, Series 2007B	1,050,000	Property Taxes/TIF Revenues
4/1/2008	Taxable General Obligation Corporate Purpose Refunding Bonds, Series 2008A	1,580,000	TIF Revenues
11/3/2009	Taxable General Obligation Refunding Bonds, Series 2009A Bonds	3,008,848	TIF Revenues
11/3/2009	General Obligation Refunding Bonds, Series 2009B Bonds	1,875,000	Sales & Utility Taxes/Fees
1/6/2010	General Obligation Refunding Bonds, Series 2010A Bonds	3,945,000	TIF Revenues
1/6/2010	General Obligation Refunding Bonds, Series 2010B Bonds	6,110,760	TIF Revenues
12/22/2011	General Obligation Refunding Bonds, Series 2011	3,260,000	TIF Revenues
12/18/2012	General Obligation Refunding Bonds, Series 2012	3,765,000	TIF Revenues
	Total	\$ 56,239,608	
	Less Self Supporting	(55,439,608)	
	Tax Supported Debt	\$ 800,000	

Note: (1) Source: the City.

General Obligation Bonded Debt(1)
(Principal Only)

Calendar Year	Total	Self- Supporting	Tax Supported	Cumulative Retirement	
				Amount	Percent
2013	\$ 5,898,164	\$ 5,823,164	\$ 75,000	\$ 75,000	9.38%
2014	5,309,281	5,229,281	80,000	155,000	19.38%
2015	5,471,357	5,386,357	85,000	240,000	30.00%
2016	5,065,154	4,980,154	85,000	325,000	40.63%
2017	5,893,556	5,808,556	85,000	410,000	51.25%
2018	6,689,198	6,599,198	90,000	500,000	62.50%
2019	5,021,162	4,926,162	95,000	595,000	74.38%
2020	5,230,637	5,130,637	100,000	695,000	86.88%
2021	3,467,360	3,362,360	105,000	800,000	100.00%
2022	2,164,790	2,164,790	0		
2023	1,579,584	1,579,584	0		
2024	1,213,041	1,213,041	0		
2025	1,179,295	1,179,295	0		
2026	1,207,030	1,207,030	0		
2027	415,000	415,000	0		
2028	435,000	435,000	0		
Total	\$56,239,608	\$55,439,608	\$800,000		

Note: (1) Source: the City.

Detailed Overlapping Bonded Debt(1)

	Total Debt(2)	Applicable to the City	
		Percent(3)	Amount
Schools:			
School District 26.....	\$ 13,440,000	8.02%	\$ 1,077,888
School District No. 57.....	10,600,000	1.44%	152,640
School District No. 59.....	15,780,000	11.67%	1,841,526
School District No. 62.....	103,215,000	91.01%	93,935,972
School District No. 64.....	10,780,000	0.00%	140
High School District No. 207.....	5,870,000	34.54%	2,027,498
High School District No. 214.....	71,550,000	3.95%	2,826,225
Harper Community College District No. 512.....	178,285,000	1.81%	3,226,959
Total Schools.....			\$105,088,847
Other:			
Cook County.....	3,706,435,000	1.44%	\$ 53,372,664
Cook County Forest Preserve District.....	187,950,000	1.44%	2,706,480
Metropolitan Water Reclamation District.....	2,238,816,507	1.47%	32,910,603
Elk Grove Park District.....	6,715,000	0.74%	49,691
Des Plaines Park District.....	7,158,960	92.89%	6,649,958
Mt. Prospect Park District.....	14,070,000	19.87%	2,795,709
Total Others.....			\$ 98,485,105
Total Overlapping Debt.....			\$203,573,952

Notes: (1) Source: Cook County Clerk.
(2) As of February 6, 2013.
(3) Percentage based on 2011 EAV's, the most current available.
(4) Percentage equals 0.0013%.

Statement of Bonded Indebtedness(1)
(As of March 25, 2013)

	Amount Applicable	Ratio To		Per Capita (2010 Census 58,364)
		Equalized Assessed	Estimated Actual	
City EAV of Taxable Property, 2011	\$2,184,333,304	100.00%	33.33%	\$ 37,426.04
Estimated Actual Value, 2011	\$6,552,999,912	300.00%	100.00%	\$112,278.12
Total Direct Bonded Debt.....	\$ 56,239,608	2.57%	0.86%	\$ 963.60
Less: Self Supporting.....	(55,439,608)	(2.54%)	(0.85%)	(949.89)
Net Direct Debt.....	\$ 800,000	0.04%	0.01%	\$ 13.71
Overlapping Bonded Debt(2):				
Schools.....	\$ 105,088,847	4.81%	1.60%	\$ 1,800.58
Other.....	98,485,105	4.51%	1.50%	1,687.43
Total Overlapping Bonded Debt.....	\$ 203,573,952	9.32%	3.11%	\$ 3,488.01
Total Direct and Overlapping Bonded Debt.....	\$ 204,373,952	9.36%	3.12%	\$ 3,501.71

Notes: (1) Source: Cook County Clerk.
(2) As of February 6, 2013.

PROPERTY ASSESSMENT AND TAX INFORMATION

City Equalized Assessed Valuation(1)

Property Class	Levy Years				
	2007(2)	2008	2009	2010(2)	2011
Residential.....	\$1,317,237,960	\$1,445,674,164	\$1,511,280,909	\$1,414,639,043	\$1,320,637,690
Farm.....	0	0	0	0	0
Commercial.....	526,963,970	539,653,907	474,846,756	451,436,196	378,063,481
Industrial.....	621,647,943	641,428,908	540,260,183	526,094,614	483,073,522
Railroad.....	1,613,955	1,831,615	2,037,298	2,507,411	2,558,611
Total.....	\$2,467,463,828	\$2,628,588,594	\$2,528,425,146	\$2,394,677,264	\$2,184,333,304
Percent Change +(-)...	16.94%(3)	6.53%	(3.81%)	(5.29%)	(8.78%)

Notes: (1) Source: Cook County Clerk.
(2) Levy year was a triennial reassessment year.
(3) Percentage change based on 2006 EAV of \$2,110,069,506.

Equalized Assessed Valuation by Township(1)

	2011			
	Elk Grove	Maine	Wheeling	Total
Real Estate Property	\$371,401,136	\$1,763,898,142	\$46,474,284	\$2,181,773,562
Pollution Control District	0	1,131	0	1,131
Railroad Property	0	2,558,611	0	2,558,611
Total	\$371,401,136	\$1,766,457,884	\$46,474,284	\$2,184,333,304

Note: (1) Source: Cook County Clerk.

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

City Rates:	Levy Years				
	2007	2008	2009	2010	2011
General Corporate(2)	\$0.7955	\$0.7801	\$0.8661	\$0.9466	\$1.0833
Public Library	0.2658	0.2595	0.2570	0.2800	0.3000
Bonds and Interest	0.0539	0.0502	0.0507	0.0515	0.0052
Total City Rates(3)	\$1.1150	\$1.0910	\$1.1740	\$1.2790	\$1.3890
Cook County	0.4460	0.4150	0.4150	0.4230	0.4620
Cook County Forest Preserve	0.0530	0.0510	0.0490	0.0510	0.0580
Metropolitan Water Reclamation District	0.2630	0.2520	0.2610	0.2740	0.3200
Maine Township	0.1140	0.1120	0.1170	0.1310	0.1490
School District Number 62	2.3500	2.3290	2.4920	2.7410	3.1070
High School District Number 207	1.6020	1.5770	1.6170	1.7820	1.9950
Community College Number 535	0.1410	0.1400	0.1400	0.1600	0.1960
Des Plaines Park District	0.3120	0.3000	0.3170	0.3380	0.3790
Other Districts	0.0200	0.0080	0.0080	0.0090	0.0350
Total Tax Rates(4)	\$6.4160	\$6.2750	\$6.5900	\$7.1880	\$8.0900

- 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 65.49% of the City's 2011 EAV, the most recent available.

City Tax Levies and Collections(1)

Levy Year	Coll. Year	Taxes	Total Collections(2)	
		Levied(3)(4)	Amount(4)	Percent
2006	2007	\$18,979,823	\$18,807,403	99.09%
2007	2008	20,322,683	20,312,823	99.95%
2008	2009	21,166,699	20,811,229	98.32%
2009	2010	22,482,863	20,444,373	90.93%
2010	2011	23,181,760	23,549,740	101.59%
2011	2012(5)	23,181,760	23,585,302	101.74%

- Notes: (1) Source: Cook County Clerk and the City.
(2) Total Collections reflect all monies attributable to the specific tax but distributed to the taxing body over a period of time. This is updated annually by the County Treasurer and therefore is subject to revision as the treasurer makes allocations in the future. Excludes refunds and includes taxes held in reserve and interest earnings.
(3) Total tax levy does not include the "loss levy" of 3% for corporate purposes and 5% for debt service which is extended by the County to cover the County's operating costs. The City may receive a portion of this "loss levy", and therefore the percentage of levy collected may exceed 100%.
(4) Levy amount and collections refer only to City, and not the Library Component Unit.
(5) At March 31, 2013.

Large City Taxpayers(1)

Taxpayer Name	Product/Business	2011 EAV(2)
Universal Oil Products	Chemicals Manufacturer, Catalysts Research and Development	\$ 31,640,030
Midwest Gaming.....	Real Property.....	29,979,892
O'Hare Lake Office Park LLC.....	Office Complex.....	23,849,435
Crane and Norcross.....	Attorneys at Law.....	20,329,262
Individual.....	Real Property.....	15,220,154
Juno Lighting.....	Lighting Products.....	15,097,947
Abbott Labs.....	Medical Laboratories.....	12,620,930
SBC Ameritech.....	Real Property.....	9,525,137
MLRP Messenger LLC.....	Real Property.....	9,205,509
Apple Reit Ten.....	Real Property.....	9,190,531
Total.....		<u>\$176,658,827</u>
Ten largest as a percent of the City's 2011 EAV (\$2,184,333,304).....		8.09%

Notes: (1) Source: Cook County Clerk.
 (2) Every effort has been made to reach and report the largest taxpayers. However, many of the taxpayers listed contain multiple parcels and it is possible that some parcels and their valuations have been overlooked. The 2011 EAV is the most current available.

Statement of Net Assets Primary Government Governmental Activities

	Audited As of December 31				
	2007	2008	2009	2010	2011
ASSETS:					
Cash.....	\$15,736,253(1)	\$ 11,680,473(1)	\$ 21,048,313(1)	\$ 28,509,566	\$ 39,425,620
Receivables, Net of Allowances for Uncollectibles:					
Property Taxes	27,682,916	29,209,787	29,476,448	33,290,779	29,847,630
Accounts	1,310,872	1,375,841	1,394,480	1,691,423	4,596,737
Accrued Interest	7,327	8,207	4,348	666	1,057
Other Taxes	972,284	1,365,222	1,202,916	1,314,919	1,402,193
Other	225,058	301,052	753,507	982,477	956,093
Prepaid Expenses	642,821	592,810	697,787	3,372,295	3,261,796
Due from Other Governments	7,128,591	6,645,889	6,441,978	6,595,058	6,817,175
Pension Refund Receivable	757,933	0	0	0	0
Internal Balances	(133,574)	(92,634)	(428,758)	(464,648)	(477,562)
Deferred Charges	488,631	485,185	546,690	765,713	695,100
Net Pension Asset	754,373	460,128	727,227	937,828	1,244,308
Capital Assets Not Being Depreciated	72,301,854	72,123,073	73,373,128	78,625,349	72,860,664
Capital Assets, Being Depreciated	<u>103,282,595</u>	<u>102,226,176</u>	<u>100,171,379</u>	<u>98,457,758</u>	<u>111,326,234</u>
Total Assets	<u>\$231,157,934</u>	<u>\$226,381,209</u>	<u>\$235,409,443</u>	<u>\$254,079,183</u>	<u>\$271,957,045</u>
LIABILITIES:					
Accounts Payable	\$ 2,982,236	\$ 2,558,724	\$ 4,118,591	\$ 3,781,440	\$ 10,757,252
Accrued Liabilities	1,651,060	1,667,497	884,324	1,117,785	135,308
Accrued Payroll	0	0	204,987	208,333	1,236,079
Other Payables	0	0	269,137	0	0
Accrued Interest Payable	344,664	300,336	313,575	210,205	180,585
Unearned Revenue	25,867,503	28,907,128	29,144,543	30,054,362	29,845,858
Deposits Payable	147,468	162,669	286,308	69,042	47,754
Short Term Notes Payable	5,500,000	0	7,112,000	0	0
Accrued Pension Contributions	496,186	314,461	0	0	0
Non-Current Liabilities:					
Due Within One Year	8,016,910	8,611,399	8,705,663	8,491,794	6,416,581
Due in More Than One Year	<u>81,715,789</u>	<u>75,318,167</u>	<u>70,020,175</u>	<u>66,064,563</u>	<u>61,482,515</u>
Total Liabilities	<u>\$126,721,816</u>	<u>\$117,840,381</u>	<u>\$121,059,303</u>	<u>\$109,997,524</u>	<u>\$110,101,932</u>
NET ASSETS:					
Investment in Capital Assets, Net of Related Debt	\$ 94,992,957	\$100,771,214	\$106,143,382	\$120,440,844	\$116,287,802
Restricted For:					
Streets and Highways	0	0	152,202	624,128	1,768,708
Public Safety	1,731,918	2,049,450	2,362,852	2,951,948	2,266,416
Economic Development	3,076,575	0	1,095,556	3,419,235	4,756,587
Debt Service	39,857	0	0	0	240,116
Unrestricted	<u>4,594,811</u>	<u>6,720,164</u>	<u>4,596,148</u>	<u>16,645,504</u>	<u>36,535,484</u>
Total Net Assets	<u>\$104,436,118</u>	<u>\$109,540,828</u>	<u>\$114,350,140</u>	<u>\$144,081,659</u>	<u>\$161,855,113</u>

Note: (1) Includes cash and investments.

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

Functions/Programs	Audited Year Ended of December 31				
	2007	2008	2009	2010	2011
Primary Government					
General Government	\$ (7,580,968)	\$ (664,629)	\$ (289,549)	\$ 515,329	\$(10,479,088)
Public Safety	(27,935,116)	(32,170,577)	(34,007,194)	(32,071,707)	(33,959,029)
Public Works	(7,094,915)	(7,112,552)	(6,070,734)	(3,856,346)	(4,465,290)
Streets and Highways	(1,640,135)	(7,790,561)	(7,309,291)	6,585,361	(2,012,893)
Economic Development	(1,766,126)	(3,504,617)	(2,184,724)	(1,487,301)	(1,161,997)
Interest	(4,172,033)	(4,031,768)	(3,984,468)	(3,631,361)	(3,274,304)
Total Governmental Activities(1)	\$ (50,189,293)	\$ (55,274,704)	\$ (53,845,960)	\$ (33,946,025)	\$ (55,352,601)
General Revenues:					
Taxes:					
Property	\$ 23,773,249	\$ 26,700,637	\$ 27,934,060	\$ 29,117,255	\$ 29,671,822
Replacement	1,530,070	1,408,713	1,229,867	1,296,063	1,207,737
Sales	9,265,270	9,147,989	8,271,828	8,589,981	8,690,828
Utility	2,510,644	2,583,405	2,184,785	3,353,950	3,401,735
Income	5,296,209	5,446,073	4,686,475	4,580,927	4,515,411
Home Rule Sales	5,735,928	5,559,673	4,775,264	4,834,624	5,034,311
Food and Beverage Tax	964,590	953,597	897,541	911,865	1,059,647
Hotel/Motel	1,298,403	1,621,451	1,243,395	1,387,872	1,440,269
Real Estate Transfer	975,339	525,343	341,949	399,853	393,417
Local Option Motor Fuel	0	0	0	1,683,503	1,719,941
Gaming Taxes	0	0	0	0	10,819,591
Other Taxes	3,454,589	4,659,762	5,628,019	4,364,047	4,541,664
Intergovernmental	0	0	128,581	574,467	0
Investment Income	816,908	420,479	98,711	74,589	82,369
Miscellaneous	296,990	1,196,081	1,329,137	479,138	783,626
Transfers	210,074	156,211	(94,340)	262,432	(236,313)
Total	\$ 56,128,263	\$ 60,379,414	\$ 58,655,272	\$ 61,910,566	\$ 73,126,055
Change in Net Assets	5,938,970	5,104,710	4,809,312	27,964,541	17,773,454
Net Assets, January 1	98,497,148(2)	104,436,118	109,540,828	116,117,118(2)	144,081,659
Net Assets, December 31	<u>\$104,436,118</u>	<u>\$109,540,828</u>	<u>\$114,350,140</u>	<u>\$144,081,659</u>	<u>\$161,855,113</u>

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

General Fund Balance Sheet

Audited as of December 31

ASSETS:	2007	2008	2009	2010	2011
Investments(1).....	\$ 4,330,902	\$ 1,166,324	\$ 9,957,253	\$10,607,174	\$17,109,909
Receivables:					
Accounts.....	879,919	950,389	982,339	1,060,691	1,404,139
Property Taxes.....	20,514,568	20,841,443	22,179,165	25,086,119	23,006,473
Other Taxes.....	891,651	1,291,735	1,125,325	1,183,355	1,256,378
Other Receivables.....	183,530	239,481	708,758	472,269	439,754
Accrued Pension Contributions.....	757,933	0	0	0	0
Accrued Interest.....	460	214	190	0	451
Due From Other Governments.....	5,473,114	4,821,305	4,822,972	5,471,825	5,055,974
Due From Other Funds.....	7,028,745	8,542,906	8,813,767	8,189,209	421,135
Advances From Other Funds.....	0	0	0	0	8,162,664
Prepaid Items.....	0	1,980	4,536	3,000	0
Total Assets.....	<u>\$40,060,822</u>	<u>\$37,855,777</u>	<u>\$48,594,305</u>	<u>\$52,073,642</u>	<u>\$56,856,877</u>
LIABILITIES AND FUND EQUITY:					
Liabilities:					
Accounts Payable.....	\$ 1,551,048	\$ 1,710,985	\$ 1,617,404	\$1,333,639	\$ 1,649,263
Accrued Payroll.....	0	0	0	0	1,220,715
Accrued Liabilities.....	1,321,971	1,624,786	1,057,244	1,191,531	111,498
Other Payables.....	100,000	100,000	0	0	0
Due to other government units.....	0	0	269,137	0	0
Deferred Revenue.....	21,258,115	22,235,804	23,729,102	24,288,549	24,632,188
Due to Other Funds.....	1,876,680	2,499,430	2,435,193	1,865,857	0
Short-Term Notes Payable.....	5,500,000	0	6,500,000	0	0
Accrued Pension Contributions.....	496,186	314,461	0	0	0
Total Liabilities.....	<u>\$32,104,000</u>	<u>\$28,485,466</u>	<u>\$35,608,080</u>	<u>\$28,679,576</u>	<u>\$27,613,664</u>
Fund Equity:					
Non-Spendable:					
Long-term Interfund Advances.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 8,162,664(3)
Reserved.....	6,881,187	8,140,055	0	0	0
Reserved for Long-Term Receivables.....	0	0	8,807,458(2)	7,977,992(2)	0
Reserved for Prepaid Items.....	0	0	4,536(2)	3,000(2)	0
Unreserved.....	1,075,635	1,230,256	4,174,231	15,413,074	0
Unassigned.....	0	0	0	0	21,080,549(3)
Total Fund Equity.....	<u>\$ 7,956,822</u>	<u>\$ 9,370,311</u>	<u>\$12,986,225</u>	<u>\$23,394,066</u>	<u>\$29,243,213</u>
Total Liabilities and Fund Equity.....	<u>\$40,060,822</u>	<u>\$37,855,777</u>	<u>\$48,594,305</u>	<u>\$52,073,642</u>	<u>\$56,856,877</u>

- Notes: (1) Includes cash and equivalents.
(2) Not detailed separately in 2008 and prior years.
(3) Not detailed separately in 2010 and prior years.

**General Fund
Revenues and Expenditures**

REVENUES:	Audited Years Ending December 31				
	2007	2008	2009	2010	2011
Taxes.....	\$26,744,951	\$30,031,416	\$19,888,602	\$21,461,924	\$22,356,628
Other Taxes.....	0	0	10,296,486	11,556,651	11,743,198
Licenses and Permits	3,837,256	3,228,153	3,011,551	4,054,683	3,086,311
Intergovernmental	16,361,110(1)	17,626,764	14,430,178	14,680,433	15,010,880
Charges for Services.....	4,352,399	5,152,550	6,377,634	6,246,285	6,344,524
Fines and Forfeits.....	985,254	1,079,532	1,118,464	921,328	1,370,186
Investment Income.....	188,976	111,718	15,497	23,469	41,617
Miscellaneous	222,276	314,927	1,111,874	363,613	559,964
Total Revenues	<u>\$52,692,222</u>	<u>\$57,545,060</u>	<u>\$56,250,286</u>	<u>\$59,308,386</u>	<u>\$60,513,308</u>
EXPENDITURES:					
Current:					
General Government.....	\$ 7,139,666	\$ 7,037,168	\$ 7,093,003	\$ 6,742,596	\$ 6,821,598
Public Safety.....	30,387,962	34,439,819	35,460,313	34,078,950	36,561,253
Public Works.....	7,296,210	11,351,114	5,855,521	4,872,193	5,943,764
Streets and Highways.....	5,302,000	1,267,168	5,069,135	4,236,133	4,412,015
Economic Development.....	692,330	681,762	329,564	374,321	371,346
Interest and Fiscal Charges.....	0	32,885	0	36,026	0
Capital Outlay.....	0	183,735	16,836	28,403	0
Total Expenditures.....	<u>\$50,818,168</u>	<u>\$54,993,651</u>	<u>\$53,824,372</u>	<u>\$50,368,622</u>	<u>\$54,109,976</u>
Excess (Deficiency) of Revenues Over Expenditures.....	\$ 1,874,054	\$ 2,551,409	\$ 2,425,914	\$ 8,939,764	\$ 6,403,332
Other Financing Sources (Uses), Net.....	<u>(1,395,000)</u>	<u>(1,137,920)</u>	<u>1,190,000</u>	<u>1,468,077</u>	<u>(2,420,042)</u>
Special Items.....	0	0	0	0	1,865,857
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses..	\$ 479,054	\$ 1,413,489	\$ 3,615,914	\$10,407,841	\$ 5,849,147
Balance, January 1.....	<u>\$ 7,477,768(2)</u>	<u>\$ 7,956,822</u>	<u>\$ 9,370,311</u>	<u>\$12,986,225</u>	<u>\$23,394,066</u>
Balance, December 31.....	<u>\$ 7,956,822</u>	<u>\$ 9,370,311</u>	<u>\$12,988,225</u>	<u>\$23,394,066</u>	<u>\$29,243,213</u>

Notes: (1) Home-rule sales taxes in the amount of \$773,085 are included in intergovernmental.
(2) As restated.

**General Fund
Budget Information(1)**

	Budget Fiscal Year 2013
REVENUES:	
Taxes	\$33,946,750
Licenses and Permits	2,513,500
Intergovernmental	14,203,789
Charges for Services.....	6,067,296
Fines and Forfeits.....	1,202,500
Investment Income.....	50,000
Other Revenues and Transfers	<u>759,813</u>
Total Revenues	<u>\$58,743,648</u>
EXPENDITURES:	
General Government.....	\$10,143,453
Public Safety	38,603,062
Economic Development.....	462,420
Public Works.....	5,793,466
Streets and Highways.....	<u>5,559,946</u>
Total Expenditures	<u>\$60,562,347</u>

Note: (1) Source: the City.

INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE

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

We have examined the City of Des Plaines, Illinois', (City's) compliance with the requirements of subsection (q) of Section 11-74.4-3 of the Illinois Tax Increment Redevelopment Allocation Act during the year ended December 31, 2012. Management is responsible for the City's compliance with those requirements. Our responsibility is to express an opinion on the City's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and accordingly, included examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination of the City's compliance with specified requirements.

In our opinion, the City complied in all material respects, with the aforementioned requirements for the year ended December 31, 2012.



Crowe Horwath LLP

Oak Brook, Illinois
June 28, 2013