

CITY OF PARK RIDGE, ILLINOIS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED
APRIL 30, 2012

Issued by the Finance Department

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CITY OF PARK RIDGE, ILLINOIS

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INTRODUCTORY SECTION



CITY OF PARK RIDGE

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October 29, 2012

To: The Mayor, Members of the City Council, and

Ladies and Gentlemen:

The Comprehensive Annual Financial Report (CAFR) of the City of Park Ridge, Illinois for the fiscal year ended April 30, 2012 is submitted herewith. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the City. The internal control structure is designed by management to provide that transactions are recorded and reported according to prescribed policies and procedures. To the best of my knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

THE REPORTING ENTITY AND ITS SERVICES

The City of Park Ridge is located 15 miles northwest of downtown Chicago in Cook County, Illinois and encompasses an area of 7.1 square miles. Originally settled in 1840, Park Ridge has grown into a medium sized city with a current population of 37,480, according to the 2010 U.S. Census. Known as a prime residential community, Park Ridge is served by some of the best school districts in the state, an excellent park and recreation system and dependable city services. The City is approximately 15 miles northwest of the City of Chicago and is situated in a key geographic location in close proximity to O'Hare International Airport, the Northwest and Tri-State Tollways, the Kennedy Expressway, CTA Rapid Transit and the Metra commuter rail line.

Park Ridge was incorporated as the Village of Park Ridge in 1873 and incorporated as the City of Park Ridge in 1910. The City operates under a Mayor-Council form of government. The Mayor and City Clerk are elected from the population at large. Aldermen are elected from seven wards on the basis of ward representation. The Mayor and City Council establish policy, while the City Manager is responsible for the day-to-day operations of the city and its employees.

The City provides a full range of services, including police and fire protection, emergency medical services, and the construction and maintenance of streets and other infrastructure. The police department emphasizes traffic safety and community policing. The fire department strives to be a pro-active provider of emergency services. Park Ridge enjoys a favorable Class 3 Insurance Service Office (ISO) rating out of a 10-point scale. Other services provided by the City include property inspections, health department inspections of area businesses and coordination of special events within the City.

The City provides weekly curbside garbage and recycling pickup to its residents. The Public Works Department manages a strong infrastructure program for the maintenance of sewers, alleys, water mains, streets, sidewalks, and trees. The City operates a water distribution system that provides residences and businesses with water from Lake Michigan via the City of Chicago.

The City fully funds the operation of a public library, which contains approximately 231,944 items and a circulation over 949,940.

Our Mission: The City of Park Ridge is committed to providing excellence in City services in order to uphold a high quality of life, so our community remains a wonderful place to live and work.

ECONOMIC CONDITION AND OUTLOOK

Household income in Park Ridge is substantially higher than surrounding areas and exceeds national averages. Based on the 2011 Economic Data, median household income is \$85,897. Average household size is 2.66 persons. 94.6% of the adult population has a high school diploma or higher and 49.3% have a bachelor's degree or higher.

Park Ridge's unemployment rate increased in 2011, but trends below some neighboring communities. In August 2012, the unemployment rate in Park Ridge was 7.0%, compared to an unemployment rate of 8.30% in August 2011. This compares favorably with an Illinois unemployment rate of 8.9%, neighboring Niles rate of 7.6% and Des Plaines rate of 7.7% in 2012. Of Park Ridge's employed population, 52.8% are employed in management, professional or related occupations, 27.3% in sales and office occupations, 10.3% in service occupations, and 9.6% in all other categories. The City's top industry is outpatient health care. Park Ridge's largest employer is Lutheran General Hospital/Advocate Health Care with over 4,200 employees.

Residential land use makes up 48% of the total area of Park Ridge. The remaining land use includes: commercial – 5%; public, institutional, park and open space – 24%; and transportation and utilities – 23%.

Park Ridge has a long established reputation as a stable residential community known for its well-maintained homes. Over 87% of the assessed valuation of the City is residential.

MAJOR INITIATIVES

Strategic Planning Objectives: In 2008, the City Council and staff developed a strategic plan to be used as a foundation to guide City resources:

1. Economic Development:

Vision: Attract new businesses, create an appropriate blend of businesses, market Park Ridge as a business friendly environment, and develop a business incentive program.

Progress: The City reaches out to the Chamber of Commerce to partner in the marketing of retail establishments. The City established an economic development task force to provide guidance and recommendations to the City Council on how to foster economic development. The City recently approved a Whole Foods development within the uptown area of the City.

2. Keep the Streets and Sidewalks in Good Repair:

Vision: Replace sidewalks and limit “trip and fall” accidents. Keep the streets in good condition.

Progress: Each year the City funds a mandatory sidewalk square replacement program. The City uses motor fuel tax receipts to fund the annual street maintenance budget totaling \$1M.

3. City Life

Vision: Promote the community's social services, thereby making Park Ridge known as a caring community.

Progress: The City made financial contributions to several community organizations, including Maine Center for Mental Health, Meals on Wheels and Center of Concern. Also, the City has oversight over the Youth Commission and provides funding for annual events designed to provide a positive experience for youth growing up in the City of Park Ridge. The Community Health Commission, in cooperation with the Human Needs Task Force, distributes a brochure that provides information on all of the social service organizations within the City. The funding for these organizations was eliminated from the 2012/13 due to budget constraints.

4. *The Way We Work*

Vision: Develop a more user-friendly government, implement a courtesy program, database, and training for City staff.

Progress: A major component of the City's website is a *Customer Service* module which permits residents to enter their request or concern and receive immediate verification of receipt and eventual follow up. City staff has the ability to track the types of request and concerns and be pro-active to alleviate or anticipate an issue. Secondly, the Police Chief continues to support the Citizen Advisory Task Force that examines police related citizen complaints and concerns. The City regularly posts press releases on the website and sends a newsletter to residents each quarter with updates on City events.

The City will be updating the strategic plan over the next fiscal year.

Long-term Financial Plans

The City's long-term financial goals include a multitude of projects and plans.

Each year the City updates a six-year capital plan. During the 2012/13 budgeting process capital projects were presented and discussed at length. Projects that were approved included sidewalk replacement, water main replacement, street rehabilitation, City hall roof replacement, reforestation, Summit Avenue parking improvements and sewer pipe re-lining. The City revised the fund balance and balanced budget policies. These revised policies are designed to assist staff and elected officials in preparing budgets that have a positive or neutral impact on fund balance.

From 2012/13 through 2016/17, we plan to spend over \$5,000,000 of motor fuel tax funds on street rehabilitation. The State of Illinois imposes motor fuel taxes and distributes the funds based on population. Fearing motor fuel taxes will not be sufficient to provide for both street rehabilitation and alley paving, beginning in 2009/10, the City deferred alley paving work until the economic conditions improve. The City now has a healthy fund balance in the Motor Fuel Fund.

From 2012/13 through 2015/16, we plan to spend \$3,528,000 on water main replacement in the water fund. Funding will come from the sale of water. The City Council has directed staff to begin investigating the cost and operational impact of installing a radio read system for water meters. From 2012/13 through 2013/14, we plan to spend nearly \$5,500,000 for the first phase of a sewer construction program to mitigate flooding. Some of these funds will be used for feasibility studies for much larger projects scheduled for the second phase of the sewer construction program to mitigate flooding. The estimated cost of phase 2 is nearly \$25,000,000. Both phase 1 and phase 2 of the flood mitigation program will be funded with bond proceeds. The sewer fund will continue to provide funding through user charges to complete sewer lining projects. The annual projected spending for sewer lining from 2012/13 through 2015/16 is \$1,200,000.

The City will add \$827,400 to two internal service funds, the motor equipment replacement fund, and the city's technology replacement fund, over the next four years. These funds pay for motor equipment and technology improvements when required. This contribution level is significantly less than previous contributions.

Departmental Objectives: Obtaining the objectives listed above requires the combined efforts of all City departments. In addition to these projects, the various City departments have directed their efforts towards the following departmental objectives:

City Administration: Administration staff continues to monitor the Uptown and Dempster TIF Districts. Staff worked with neighboring communities to implement the electric aggregation program which is expected to provide an estimated savings of 20% annually to residents on their electric bills. The Department processed 38 annual liquor licenses and updated liquor ordinance. Administration staff is responsible for the monthly Administrative Adjudication Hearing Process. Staff issued numerous Special Events Permits and Solicitors Permits. Staff served residents through voter registration, early voting and absentee voting. The focus of Central Administration is to provide our residents accessibility to City staff.

Community Preservation and Development Department: The Community Preservation and Development department implemented the City's historic preservation ordinance. Staff advises the Historic Preservation Commission on historic landmark designations. Staff supports and advises the Planning & Zoning Commission, the Zoning Board of Appeals, the Appearance Commission, the Historic Preservation Commission and the Electrical Commission. The department processed property transfers within 5 business days. Each year staff generates nearly 3,000 building permits. Environmental Health staff conducted workshops regarding health and property maintenance issues, promoted the good sanitation honor roll for restaurants, and managed the monthly recycling program for expired medicines. Staff created a communication document to help residents better understand the permit approval process. The Department implemented a customer satisfaction survey to gauge resident satisfaction with services provided.

Finance Department: Finance department staff led the efforts to update the municipal code sections pertaining to the budget process and the budget amendment process. Finance staff recommended, and the City Council approved revisions to Council Policy Statement 40 that sets target fund balances for the City's funds. Finance staff renewed the stagnant collection process of outstanding parking tickets and reinstated the vehicle immobility program in cooperation with the Police Department. Department staff worked with the City's financial advisor to complete a bond issuance to fund the sewer construction program and the IMRF early retirement incentive balance. Finance staff managed a consultant that performed a water/sewer rate study resulting in a new rate structure. Finance staff worked with the utility billing system provider to update the 12,000 water accounts with the new rate structure. Finance then managed the communication and explanation of the rates to the community. Finance, with the assistance of a consultant completed the selection of a new third party administrator for worker's compensation and general liability claims. They also completed an RFP and selection of a new external auditor. Finance staff improved transparency by enhancing the financial information section of the City's webpage. Reports that were added to the website include checkbook reports, annual budget information, CAFRs, annual fund performance statements, a list of all City tax rates and user fees and a master contract list. Finance prepared an RFP and led a cross functional team from all City departments in the selection of a new payroll, time & attendance and human resources system that is scheduled to be implemented in the beginning of fiscal year 2013. Finance is working with a consulting firm that specializes in performing audits of municipal utility revenue. The audit is expected to be completed in fiscal year 2013.

Fire Department: Fire Department staff trained all fire personnel on the new Truck Operations Manual. Staff managed the certification of all supervisory staff (Lieutenants) in Blue Card Incident Command. Fire staff assisted Advocate Lutheran General Hospital with their application to the Illinois Department of Public Health to be awarded Resource Hospital status. Fire staff completed an RFP and selection of a new vendor for the resident notification system. Fire staff obtained re-accreditation from the Commission on Fire Accreditation International and complete ISO review of fire protection capabilities. They conducted training with automatic aid companies from our neighboring communities. Staff provided ACLS (Advanced Cardiac Life Support) training to all department paramedics.

Police Department: The Department was awarded third place in National Traffic Safety Challenge. Department staff completed the final implementation of protocols for the Police Chaplain Program. Police staff conducted a Citizen Police Academy Alumni re-trainer. The Department established universal radio protocols between all the member agencies in NSEC in order to enhance operational efficiency. The Department completed the transition to the Cook County radio system. Staff created a Citizen Corp Council to coordinate Police volunteer groups used to respond to disasters and emergency situations.

Public Works Department: Public works staff developed a multi-year plan to address flooding issues. Public works resurfaced 5 miles of streets, replaced 2300 feet of sewer, lined 2900 feet of sewer, replaced or repaired 1,700 sidewalk squares, replaced 1450 feet of watermain. The staff Forestry participated in Earth and Arbor Day activities and implemented an Emerald Ash Borer removal and replacement plan. Staff also revised the tree preservation ordinance. Public Works expanded its use of the City's website and cable channel to disseminate information to residents. The Public Works water department delivered nearly 1.3B gallons of water to consumers.

City Highlights

Governmental Accounting Standard Board (GASB) 45: The City provides the continuation of health care benefits to employees who retire. Fire, police, and municipal employees who terminate after reaching retirement eligibility in their respective pension plans are eligible to elect to continue their health care coverage by paying the monthly premium rate charged for the City's health plans. The plan operates on a pay-as-you-go financing basis. No assets are accumulated or dedicated to funding the retiree health plan benefits. For fiscal year 2012, the City contributed \$213,221 to the plan. The annual required contribution or other postemployment benefit (OPEB) cost was \$546,363. The net OPEB obligation at the end of the year was \$1,660,655. The following chart compares fiscal years 2007/08 through 2010/12:

Fiscal Year Ended	Annual OPEB Cost	% of Annual OPEB Cost Contributed	Amount City Contributed	Net OPEB Obligation
4/30/08	\$485,194	53%	\$259,436	\$565,286
4/30/09	\$509,373	54%	\$275,721	\$798,938
4/30/10	\$507,994	59%	\$300,536	\$1,006,396
4/30/11	\$532,793	37%	\$195,616	\$1,343,573
4/30/12	\$546,363	40%	\$213,221	\$1,660,655

FINANCIAL INFORMATION, MANAGEMENT AND CONTROL

Management of the City is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

Budgeting Controls: The City of Park Ridge operates under a "Budget Policy" adopted under home rule powers. This Budget Policy closely follows the Illinois "Budget Officer Act" which is a statutory option for both home rule and non-home rule municipalities. Elements of the Budget Policy include requiring a public hearing prior to passing the budget and approving the budget prior to the beginning of the fiscal year.

Activities of the general fund, special revenue funds, debt service funds and enterprise funds are included in the budget. Budgets were not adopted for the pension trust funds, internal service funds, and some of the special revenue funds (the Asset Forfeiture Fund, the Foreign Fire Tax Fund and the Special Service Area funds). Budgets were adopted for the 2004A & B, 2005A, 2006A and 2006B debt service funds. A budget was adopted for the Uptown TIF Fund.

General Fund Balance: As of April 30, 2012, the City's general operating fund balance increased to \$10,137,834 compared to \$8,308,896 as of April 30, 2011. The unassigned general operating fund balance was \$4,708,038 compared to \$2,823,093 last fiscal year.

The City's target general fund balance at year-end was recently updated and is now defined as unassigned fund balance. The unassigned fund balance is two months of operating expenditures of the General Fund. Fund balance is defined as the excess of assets over liabilities. A fund balance policy provides guidance to the City Council and senior staff regarding the appropriate balance between reserves, revenues and expenditures. Adherence to an appropriate policy will help the city maintain and improve its credit rating. Having adequate reserves will help the city maintain operations should unexpected emergencies arise, revenues not be realized or expenditures exceed expectations. The City did not meet its target unassigned fund balance as of April 30, 2012. The target was \$7.6M and the unassigned fund balance at year end was \$4.7M.

The target fund balance was set in fiscal year 2012. Under this new standard, the City would have failed to meet the General Fund target fund balance for the last three fiscal years. Today, there is a much greater focus on monthly financial results and regular discussion on revenue and expenditure performance to budget.

Purchasing Policies: Purchases are closely scrutinized and elected officials often insist that items be formally bid. The City adheres to a number of purchasing policies that are outlined in a detailed Purchasing Manual. City Council approval is required for purchases over \$10,000. A chart illustrating our staff approval authority is presented below:

Purchase Amount ⁽¹⁾	Requisition/ Purchase Order	Purchase Type	Quotations ⁽²⁾	Dept. Head Approval	City Manager Approval	Council Approval
\$0 to \$400	X	Regular	None Required	X		
\$401 to \$1,000	X	Regular	2 Telephone or 2 Internet Quotes Required	X		
\$1,001 to \$3,000	X	Regular	3 Telephone or 3 Internet Quotes Required	X		
\$3,001 to \$5,000	X	Regular	3 Written Quotes Required on Vendor letterhead	X		
\$5,001 to \$10,000	X	Regular	3 Written Quotes Required on Vendor letterhead	X	X	
\$10,001 to \$20,000	X	Regular	3 Written Quotes Required on Vendor letterhead	X	X	X
\$20,001 and up	X	Regular	Formal bidding/RFP is required	X	X	X

Purchase Amount ⁽¹⁾	Requisition/ Purchase Order	Purchase Type	Quotations ⁽²⁾	Dept. Head Approval	City Manager Approval	Council Approval
\$0 to \$400	X	Blanket	Although 3 quotes are not required, the best price should be obtained	X		
\$401 to \$1,000	X	Blanket	Although 3 quotes are not required, the best price should be obtained	X		
\$1,001 to \$3,000	X	Blanket	Although 3 quotes are not required, the best price should be obtained	X		
\$3,001 to \$5,000	X	Blanket	Although 3 quotes are not required, the best price should be obtained	X		
\$5,001 to \$10,000	X	Blanket	Although 3 quotes are not required, the best price should be obtained	X	X	
\$10,001 to \$20,000	X	Blanket	Formal bidding/RFP is suggested	X	X	X
\$20,001 and up	X	Blanket	Formal bidding/RFP is required	X	X	X

Debt Administration: Moody’s Investors Services rates the City’s bonds Aa2.

In August 2004, the City issued \$16,770,000 general obligation bonds to finance the construction of a new central water reservoir and pump station. Series 2004A, issued in the amount of \$4,910,000, is paid from incremental tax revenues from the Uptown TIF district. Series 2004B, issued in the amount of \$11,860,000, is paid from water revenues. In April 2005, the City issued \$7,005,000 general obligation bonds to finance various costs related to the Uptown redevelopment. This issue is paid from incremental property tax revenues from the Uptown TIF district. In June 2006, the city issued series 2006A and 2006B. These bonds paid for a parking structure in target area 2, the purchase of a parking lot in an area adjacent to the TIF, and other public improvements. The debt service payments are paid from incremental property taxes from the uptown TIF district. The par value of tax-exempt series 2006A is \$10,530,000 and the par value of taxable series 2006B is \$10,055,000. In January 2012, the city issued Series 2012A and 2012B. The Series 2012A Bonds in the amount of \$5,415,000 were issued (i) to finance capital improvements to the City’s sewer system, and (ii) to pay costs associated with the bond issuance. The Series 2012B Bonds in the amount of \$2,130,000 were used to pay the City’s outstanding liability of its Early Retirement Incentive (“ERI”) program, currently valued at approximately \$1,725,000. The remaining portion of the 2012B

property tax revenues from the Uptown TIF district. In June 2006, the city issued series 2006A and 2006B. These bonds paid for a parking structure in target area 2, the purchase of a parking lot in an area adjacent to the TIF, and other public improvements. The debt service payments are paid from incremental property taxes from the uptown TIF district. The par value of tax-exempt series 2006A is \$10,530,000 and the par value of taxable series 2006B is \$10,055,000. In January 2012, the city issued Series 2012A and 2012B. The Series 2012A Bonds in the amount of \$5,415,000 were issued (i) to finance capital improvements to the City's sewer system, and (ii) to pay costs associated with the bond issuance. The Series 2012B Bonds in the amount of \$2,130,000 were used to pay the City's outstanding liability of its Early Retirement Incentive ("ERI") program, currently valued at approximately \$1,725,000. The remaining portion of the 2012B proceeds were used to finance the City's underfunded Illinois Municipal Retirement Fund ("IMRF") liability of \$350,000, accrued from calendar years 2010 to 2011.

As of April 30, 2012 outstanding debt of the City totaled \$45,650,000. Total debt equaled 2.64% of equalized assessed valuation. Per capita debt was \$1,214.43 compared to \$1,058.93 last year.

Park Ridge is a home rule unit under the Illinois Constitution and as such has no debt limit nor is it required to seek referendum approval for the issuance of general obligation debt. The Municipal Code prohibits the debt term from exceeding 40 years. On February 16, 2004, the City Council eliminated a requirement that a referendum be held if total bonded debt exceeds 2.5% of equalized assessed valuation of the City's taxable real property as last equalized. The City's current equalized assessed valuation is \$1,726,124,859.

OTHER INFORMATION

Use of the Report: The City recognizes that the CAFR is management's report to its governing body, constituents, oversight bodies, resource providers, investors, and creditors. Therefore, a copy of this report will be sent to the elected officials, City management personnel, bond rating agencies, and other agencies such as financial institutions and government agencies. Copies are located at the Park Ridge Public Library and at the Park Ridge City Hall. A copy is available on the City's website, <http://www.parkridge.us/finance/default.aspx>.

Independent Audit: State statutes require an annual audit by independent certified public accountants. The accounting firm of Wolf & Company LLP performed the audit. The auditor's report on the basic financial statements, combining and individual fund schedules, and information listed as supplemental is included in the financial section of this report.

Award for Excellence in Financial Reporting: 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 Park Ridge for its comprehensive annual financial report for the fiscal year ended April 30, 2011. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. 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 the GFOA to determine its eligibility for another certificate.

Acknowledgements: The preparation of the CAFR on a timely basis was made possible by the dedicated services of the entire staff of the Finance department. Each member of the department has my sincere appreciation for the contributions made in the preparation of this report.

Respectfully submitted,



Shawn Hamilton
Acting City Manager

CITY OF PARK RIDGE, ILLINOIS

Officers and Officials

April 30, 2012

MAYOR

David Schmidt

CITY CLERK

Betty W. Henneman

ALDERMEN

First Ward
Second Ward
Third Ward
Fourth Ward
Fifth Ward
Sixth Ward
Seventh Ward

Joseph Sweeney
Richard DiPietro
James Smith
Sal Raspanti
Daniel J. Knight
Thomas Bernick
Marty Maloney

CITY MANAGER

James Hock (through 5/4/12)

DEPUTY CITY MANAGER

Juliana Maller

FINANCE DIRECTOR

Allison Stutts

POLICE CHIEF

Frank Kaminiski

FIRE CHIEF

Michael Zywnski

PUBLIC WORKS DIRECTOR

Wayne Zingsheim

LIBRARY DIRECTOR

Janet Van De Carr

ASSISTANT FINANCE DIRECTOR

Linda Lazzara

ACCOUNTANT

Joyce Kain

HUMAN RESOURCES ADMINISTRATOR

Cathy Doczekalski

**COMMUNITY DEVELOPMENT
ADMINISTRATOR**

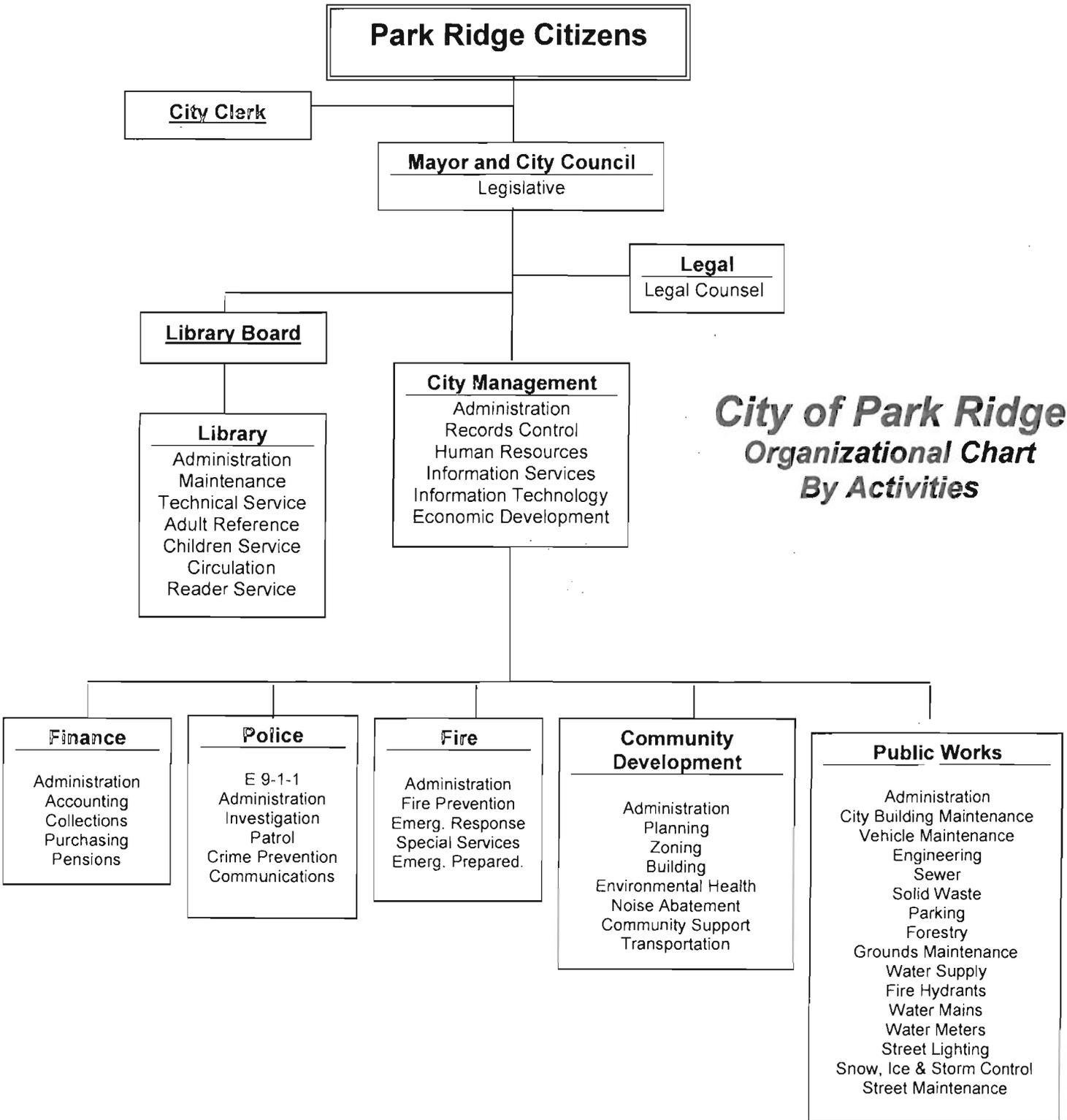
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INFORMATION TECHNOLOGY DIRECTOR

Diane Nelson

CITY ATTORNEY

Everette Hill, *Klein Thorpe & Jenkins*
Kathie Henn, *Klein Thorpe & Jenkins*



**City of Park Ridge
Organizational Chart
By Activities**

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Park Ridge
Illinois

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
April 30, 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.



Linda C. Davison

President

Jeffrey R. Enos

Executive Director

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor, City Council, and City Manager
City of Park Ridge, Illinois

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, discretely presented component unit, and the aggregate remaining fund information of the City of Park Ridge, Illinois, as of and for the year ended April 30, 2012, which collectively comprise the City's basic financial statements, as listed in the table of contents. These financial statements are the responsibility of the City's management. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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, each major fund, the discretely presented component unit, and the aggregate remaining fund information of the City of Park Ridge, Illinois, as of April 30, 2012, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described further in Note 1 M, the accompanying financial statements reflect certain changes in the reporting of fund balance classifications for governmental funds due to the implementation of Governmental Accounting Standards Board Statement No. 54.

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements of the City of Park Ridge. The financial information listed as Combining, Individual Funds, and Capital Asset Financial Statements and Schedules in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. The supplemental information is the responsibility of management and derives from and relates directly to the underlying and other records used to prepare the basic

financial statements. That information has been subjected to the auditing procedures applied to the audit of the basic financial statements and certain other 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 information is fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory section and statistical section were not audited by us and, accordingly, we do not express an opinion thereon.

Wolf & Company LLP

Oakbrook Terrace, Illinois
October 29, 2012

MANAGEMENT'S DISCUSSION AND ANALYSIS

CITY OF PARK RIDGE, ILLINOIS

MANAGEMENT'S DISCUSSION AND ANALYSIS

April 30, 2012

The objective of the Management's Discussion and Analysis ("MD&A") is to provide a supplement to the financial statements giving the reader an objective and easily readable overview of the financial statements.

This document should be read in conjunction with the Comprehensive Financial Statements including Notes to Financial Statements and the Letter of Transmittal.

OVERVIEW OF THE FINANCIAL STATEMENTS

Financial statements are presented from two perspectives: government-wide and major funds. These perspectives allow the user to address relevant questions, have a broad basis for comparison and enhance the City's accountability. The financial statements also include notes to the financial statements and supplementary information.

Government-Wide Financial Statements

The government-wide financial statements are designed to emulate the corporate sector in that all government and business-type activities are consolidated into columns that add to a total for the Primary Government.

The focus of the Statement of Net Assets (the "Unrestricted Net Assets") is designed to be similar to bottom line results for the City and its governmental and business-type activities. This statement combines and consolidates the 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.

The Statement of Activities is focused on both the gross and net cost of various activities (including governmental and business-type), which are supported by the government's general taxes and other resources. This is intended to summarize and simplify the user's analysis of the cost of various governmental services and/or subsidy to various business-type activities.

The governmental activities reflect the City's core services, including police, fire, public works, community preservation & development and administration. Property taxes, shared state sales, local utility and shared state income taxes finance the majority of these services. The business-type activities reflect private sector type operations (water, sewer and parking), where the fee for service typically covers all or most of the cost of operation, including depreciation.

FUND FINANCIAL STATEMENTS

Traditional users of governmental financial statements will find the fund financial statements presentation more familiar. The focus is on major funds, rather than fund types. The City uses fund accounting, like other state or local government entities. The City has three groups of funds: governmental, proprietary and fiduciary. Brief explanations of these funds are provided below.

The Governmental Major Fund is presented on a sources and uses of liquid resources basis. This is the manner in which the budget is typically developed. Governmental funds are used to account for the general governmental revenues and expenditures of the City. Most of the City's core services are recorded in the governmental funds. The General Fund is the main operating account of the City and the largest of the governmental funds. Other major governmental funds include the Uptown TIF Fund and the Municipal Waste

**CITY OF PARK RIDGE, ILLINOIS
MANAGEMENT’S DISCUSSION AND ANALYSIS**

Management Fund. Governmental funds use the flow of current financial resources measurement focus at the fund financial statement level. This is unique to the public sector. The current financial resources measurement focus uses the modified accrual basis of accounting. Therefore, following the Statement of Net Assets for the Governmental Funds is a reconciliation of the balance sheet to the statement of net assets to calculate net assets on the full accrual basis of accounting.

The Proprietary Funds consist of enterprise funds and internal service funds. These funds comprise the business-type category reported in the government-wide statements. These funds account for business or service type operations of the City that are similar to private sector operations in which costs are recovered as a user fee. The City’s proprietary funds include Water, Sewer and Parking. The internal service funds are used to account for the purchase of technology equipment, vehicles and other heavy construction equipment. Proprietary funds use the economic resources measurement focus which employs the accrual basis of accounting. Therefore, no statement of reconciliation to the balance sheet is required for the proprietary funds.

The Fiduciary Funds (Police and Firefighters’ Pensions) are excluded from the government-wide financial statements. 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 Financial Statements.

The Library Fund is a discreetly presented Component Unit. This is the first year that the Library is being presented as a Component Unit. In years past, the Library was presented as a major governmental fund. The City responded to a lengthy question and answer process with our external auditors and concluded that the Library should be presented as a Component Unit. As such, for comparison purposes, the Library figures were backed out of FY11 figures included in this management discussion and analysis.

The Notes to the Financial Statements are additional notes and information added to the end of the CAFR to supplement the reader with more information. The notes include information on significant accounting policies, explanations on the reconciliations of statements, investments, receivables, capital assets, debt, interfund balances, contingent liabilities, pensions and other information related to the City’s financial status. The information contained within the notes not only supplement financial statement information, but they clarify line-items that are part of the financial statements.

The supplemental information section includes detailed information as a context for understanding what the information in the financial statements and notes says about the City’s overall financial health. It also includes information specific to the community and demographics of the City.

Infrastructure Assets

A government’s largest group of assets usually consists of infrastructure assets – i.e. land, streets, storm sewers, water pipe, etc. This statement requires that these assets be valued and reported within the governmental column of the Government-wide Statements. Additionally, the government must elect to either (1) depreciate these assets over their estimated useful life or (2) develop a system of asset management designed to maintain the service delivery potential to near perpetuity. The City has chosen to depreciate assets over their useful lives. If a project is considered maintenance – a recurring cost that does not extend the asset’s original useful life or expand its capacity – the cost of the project will be expensed. For example, the “overlay” of a street will be considered maintenance whereas a “rebuild” of a street will be capitalized.

(See independent auditor’s report)

**CITY OF PARK RIDGE, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS**

GOVERNMENT-WIDE STATEMENT

Statement of Net Assets

Net assets are defined as the amount by which assets exceed liabilities. Net assets can be a useful indicator of a government's financial condition. As of April 30, 2012, assets exceeded liabilities by \$75.09M. This is a decrease of \$245K from the prior year. The following condensed Statement of Net Assets compares the current and prior fiscal years.

**Statement of Net Assets
As of April 30, 2012
(In Thousands)**

	Governmental Activities		Business-Type Activities		Total Government	
	2012	2011	2012	2011	2012	2011
Assets						
Current Assets	\$ 26,376	19,464	7,266	6,652	33,642	26,116
Non Current Assets	64,765	65,597	33,199	32,756	97,964	98,353
Total Assets	91,141	85,061	40,465	39,408	131,606	124,469
Liabilities						
Current Liabilities	3,834	2,856	791	939	4,625	3,795
Non Current Liabilities	51,714	45,163	173	173	51,887	45,336
Total Liabilities	55,548	48,019	964	1,112	56,512	49,131
Net Assets						
Investment in Capital Assets, Net of Related Debt	18,123	26,039	33,199	32,756	51,322	58,795
Restricted for:					-	-
Grant Purposes	-	275	-	-	-	275
Debt Service	133	4	-	-	133	4
Capital Projects	414	419	-	-	414	419
Enabling Legislation	761	630	-	-	761	630
Unrestricted	16,162	9,675	6,302	5,540	22,464	15,215
Total Net Assets	\$ 35,593	37,042	39,501	38,296	75,094	75,338

Investment in capital assets, net of any related outstanding debt, constitutes a significant portion of total net assets. For governmental activities, capital assets include land, streets, sidewalks, buildings, and vehicles. For enterprise funds, capital assets include water mains, reservoirs, buildings, storm sewers, parking lots and vehicles. The City operates as an on-going concern and, as such, does not plan to sell these assets to retire debt. Therefore, although the City's investment in capital assets is reported net of related debt, repayment resources must be provided from other sources.

(See independent auditor's report)

**CITY OF PARK RIDGE, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS**

Changes in Net Assets

The following table compares revenue and expenses for the current and prior fiscal years.

	Changes in Net Assets For the Fiscal Year Ended April 30, 2012 (In Thousands)					
	Governmental Activities		Business-Type Activities		Total Government	
	2012	2011	2012	2011	2012	2011
REVENUES						
Program Revenues						
Charges for Services	\$ 4,022	4,302	8,708	9,491	12,730	13,793
Grants & Contributions						
Operating	1,486	2,099	921	-	2,407	2,099
General Revenues						
Property Taxes	15,267	16,081	-	-	15,267	16,081
Other Taxes	16,916	15,493	-	-	16,916	15,493
Other	1,278	2	112	42	1,390	44
Total Revenues	38,969	37,977	9,741	9,533	48,710	47,510
EXPENSES						
General Government	7,724	5,096	-	-	7,724	5,096
Public Safety	18,701	18,173	-	-	18,701	18,173
Public Works	11,011	11,497	6,587	6,696	17,598	18,193
Development	2,391	1,936	-	-	2,391	1,936
Culture & Civic	601	618	-	-	601	618
Interest Expense	1,939	1,951	-	-	1,939	1,951
Total Expenses	42,367	39,271	6,587	6,696	48,954	45,967
Excess (Deficiency) Before Transfers	(3,398)	(1,294)	3,154	2,837	(244)	1,543
Transfers	1,949	1,945	(1,949)	(1,945)	-	-
Change in Net Assets	(1,449)	651	1,205	892	(244)	1,543
Net Assets - Beginning (Restated)	37,043	51,125	38,296	28,442	75,339	79,567
Restatement	-	(14,733)	-	8,962	-	(5,771)
Net Assets - Ending	\$ 35,594	37,043	39,501	38,296	75,095	75,339

(See independent auditor's report)

**CITY OF PARK RIDGE, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS**

HIGHLIGHTS

Net Assets

- At the close of the fiscal year, the total assets of the City exceeded its liabilities by \$75.09M. This figure represents net assets.
- Net assets for fiscal year 2012 reflect a decrease of \$245K. Liabilities increased by \$7.3M. This increase is due primarily to the issuance of new bonds for a sewer improvement program and bonds to repay an outstanding debt to the Illinois Municipal Retirement Fund for a previous early retirement incentive program, \$5.9M. Other factors influencing the increase in liabilities are increases in accounts payable, increases in the bond issuance premium and increases in liabilities for other post-employment benefits (OPEB). Assets increased by \$7.1M primarily due to the inflow of cash from the bond issue. Other factors adding to the increase in assets were an increase in cash and receivables in the Enterprise Funds, an increase in inventory for snow removal supplies due to a mild winter and an increase in other tax receivables which includes water utility tax, cable television and miscellaneous street revenue in the Governmental Funds.

Revenues

- For the fiscal year ended April 30, 2012, revenues for all activities totaled \$48.7M. This is \$1.2M or 2.4% more than the previous year total of \$47.5M. Revenues increased \$1M in the governmental activities primarily due to an increase in income taxes and sales tax receipts. Revenues increased \$200K in the business-type activities primarily as a result of an increase in sewer revenue of \$604K offset by decreases in parking \$92.6K and water \$304.6K. The Water and Sewer variances to last year are primarily due to the proper accounting for sewer and water revenue in FY12 as compared to previous years including FY11 that required a true up entry to reconcile water and sewer billing totals. The decline in parking revenue is primarily due to a correction in the accounting of fines from violations that impacted the General Fund but were previously booked in the Parking Fund.

Cost of City Programs

- The cost of all City programs totaled \$48.9M. This is an increase of \$3.0M or 6.5% from the prior year total of \$45.9M. Expenses increased \$3.1M or 8% in the governmental activities. This increase is a result of the \$2.1M pay off of the balance from IMRF for the previous early retirement incentive and payment toward the unfunded IMRF liability, an increase of \$527K in non-debt related expenditures in the Uptown TIF fund for the Uptown Streetscape project and payments to the other taxing bodies. Also, the sewer improvement fund was established this fiscal year which resulted in expenditures of \$290K. Expenditures in the Emergency Telephone Fund and the Municipal Waste Fund both increased due to the increase in services fees. Business-type activities realized a decrease of \$109K or 1.6% due mostly to reduced personnel costs in the Water Fund.

(See independent auditor's report)

**CITY OF PARK RIDGE, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS**

GOVERNMENT-WIDE REVENUE

**Revenue
For the Fiscal Year Ended April 30, 2012
(In Thousands)**

	Governmental Activities		Business-Type Activities		Total Government	
	2012	2011	2012	2011	2012	2011
Revenue						
Property Taxes	\$ 15,267	16,081	-	-	15,267	16,081
Sales Taxes	5,704	5,233	-	-	5,704	5,233
Income Taxes	3,176	2,829	-	-	3,176	2,829
Utility Taxes	4,105	4,174	-	-	4,105	4,174
License & Permits	2,280	2,245	-	-	2,280	2,245
User Charges	-	-	8,708	9,491	8,708	9,491
Other Revenue	8,437	7,415	1,033	42	9,470	7,457
Total Revenue	\$ 38,969	37,977	9,741	9,533	48,710	47,510

Property tax revenue totaled \$15.2M, a decrease of \$814K or 5% from the prior year. The decrease is a result primarily of the decrease in the incremental property tax revenue of the Uptown TIF Fund. Park Ridge property values have been on the decline since the peak property valuation year of 2009 as evidenced by the following valuations: \$1,726,124,859 (2011), \$1,891,497,297 (2010), \$2,008,299,479 (2009), \$1,994,509,131 (2008), \$1,852,758,740 (2007), \$1,528,372,764 (2006), \$1,502,128,908.

State income tax receipts totaled \$3.1M, an increase of \$347K or 12% from last year. After two years of declining income tax revenue in FY11 and FY10, this is a welcome increase but is still below the \$3.5M peak collected in FY08. The State of Illinois typically delays payment of income tax to municipalities by three to five months.

Sales tax and home-rule sales tax combined, totaled \$5.7M as compared to \$5.2M the previous year, an increase of \$470K or 9%. This is the second consecutive year of increasing sales tax revenue at a rate near or above 10%. Some of the increase can be attributed to the non-retail businesses within the Uptown TIF district that are required to pay the equivalent of sales tax revenue. A one time payment was received that accounted for the three previous years. This sales tax figure for FY12 is the greatest amount of sales tax collected in Park Ridge. Caution should be given to concluding that sales tax collections will be of this magnitude in future years as there are many factors that influence sales taxes. City staff is expecting sales tax data from the State of Illinois. Staff will analyze the sales tax data for the last two fiscal years to determine projections for FY13.

Utility tax receipts were relatively flat for the third consecutive year at \$4.1M. The revenue was short of budget due to a mild winter reflecting less energy use. Nicor monthly average receipts decreased 24% between FY11 and FY12.

Ambulance fees increased by \$165K or 25% from the prior year due to an increase in ambulance rates. An additional factor contributing to this increase is the establishment of an electronic link to patient insurance data between our collection agent and Lutheran General Hospital.

Building permits increased \$76K or 10% over last year, but the \$810K in permit sales is still well below the peak of \$2.2M in FY07.

(See independent auditor's report)

**CITY OF PARK RIDGE, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS**

Fine revenue increased \$193K or 53% in the General Fund in conjunction with a decrease in fine revenue in the Parking Fund of \$175K. The shift from the Parking Fund to the General Fund is a result of a correction on how the City recorded fine revenue in the two funds. The offsetting increase beyond the accounting correction is a result of a more focused effort to manage ticket collections.

One time revenues included: \$115K resulting from an audit performed by the State on Telecommunications Taxes, \$118K booked by the City as a pass through for the cancellation of the Police Post Employment Health Plan, and \$83K in transfers from the City's escrow funds as part of an ongoing fund review and clean up. Additional non recurring revenues included a transfer of \$695K to the Uptown TIF Fund from construction funds that remained from the Uptown TIF development project. One construction fund remains with a balance of \$414K that will be transferred to the Uptown TIF in FY13.

Revenue from water sales totaled \$6.8M as compared to \$7.1M last year. This reflects a decrease of \$350K. This decrease is primarily a result of corrections to the method of accounting for sewer and water revenue.

Sewer user charges totaled \$1.50M, a decrease of \$230K or 13% from last year. This decrease is primarily as result of corrections to the method of accounting for sewer and water revenue.

GOVERNMENT-WIDE EXPENSES

For the fiscal year ended April 30, 2012, expenses for all activities totaled \$48.9M as compared to \$45.9M last year. This is an increase of \$3.0M or 6.5% from the prior year total. This increase follows two consecutive years that total expenditures decreased over the previous year. Expenses increased \$3.1M or 8% in the governmental activities and decreased \$109K or 2% in the business-type activities.

Expenses in the governmental activities were primarily incurred in general government \$7.7M, public safety \$18.7M, and public works \$11.0M. Total expenditures for these three units of government reflect an increase of \$2.7M as compared to the previous year.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

Governmental Funds

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available at the end of the fiscal year.

As of April 30, 2012, the governmental funds reported a combined fund balance of \$11.4M, an increase of \$6.2M or 119% from the previous year's fund balance of \$5.2M. A significant portion of this increase, \$5.4M is attributed to the Sewer Improvement Fund which was established in FY12 as a result of a bond issue. The following list provides the fund balances for the governmental funds as of April 30, 2012, negative amounts are in ():

General Fund - \$10.1M
Uptown TIF - (\$5.0M)
Municipal Waste Management - (\$113K)
2012A Sewer Improvement Fund - \$5.4M

(See independent auditor's report)

**CITY OF PARK RIDGE, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS**

Motor Fuel Tax - \$647K
 IMRF - (\$125K)
 Emergency Telephone - (\$309K)
 Asset Forfeiture - \$79K
 Dempster TIF - \$116K
 Foreign Fire Insurance Tax - \$34.2K
 Alley Special Service Areas - (\$7.2K)

Of the \$11.4M total governmental fund balances, negative \$5.7M is unassigned fund balance. The General Fund is the only fund with a positive unassigned fund balance totaling \$4.7M. The negative unassigned fund balances exceed the positive unassigned fund balance in the General Fund by \$959K. The funds with negative unassigned fund balances are the Uptown TIF Fund, Municipal Waste Fund, the IMRF Fund, the Emergency Telephone Fund and the Special Service Area funds.

**General Fund
Revenue and Other Sources**

Revenues and Other Sources	2011/12 Original & Revised Budget	2011/12 Actual	2010/11 Actual	Variance to Budget
Property Taxes	\$ 7,705	7,807	6,645	1.32%
Sales Taxes	5,070	5,704	5,233	12.50%
Income Taxes	2,736	3,176	2,829	16.08%
Utility Taxes	4,341	4,105	4,174	-5.44%
Licenses & Permits	2,237	2,280	2,242	1.92%
Other Revenue	5,354	6,500	5,964	21.40%
Transfers In	800	800	954	0.00%
Total Revenues	\$ 28,243	30,372	28,041	7.54%

**General Fund
Expenditures and Other Uses**

Expenditures and Other Uses	2011/12 Original & Revised Budget	2011/12 Actual	2010/11 Actual	Variance to Budget
General Government	\$ 4,615	5,031	3,861	9.01%
Public Safety	15,970	16,857	15,794	5.56%
Public Works	5,543	4,904	6,283	-11.52%
Development	1,201	1,119	1,192	-6.83%
Culture & Civic	78	73	81	-5.93%
Transfers Out	812	930	793	14.52%
Total Expenditures	\$ 28,219	28,914	28,004	2.47%

(See independent auditor's report)

**CITY OF PARK RIDGE, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS**

General Fund Revenue – Revenue for the year came in over budget by 7.54%. Sales tax receipts, income taxes and miscellaneous revenues had positive variances to budget. Utility tax is the only revenue category reflecting a negative variance to budget. Employee contributions were recorded in revenue in FY12 for the first time as the budget and prior year accounting for the employee contributions netted the employee contributions and total vendor expense in the expense line item.

General Fund Expenditures – Expenditures for the year came in over budget by 2.47%. This overrun is the net result of under runs in workers compensation claims, snow removal supplies, grant expenditures and utilities and overruns in overtime and transfers to other funds. A budget overrun for employee benefits is the result of the accounting method used for employee contributions. There were a number of overruns in expenses that were offset by revenues: \$118K PEHP payment to employees due to closure of the Police PEHP plan, \$85K for sidewalk replacement which was budgeted net resident contributions, \$73K for reforestation which had \$0 budgeted but escrow funds were transferred to the General Fund to cover the expense, \$117K for a transfer to the Motor Fuel Fund for the correction of SSA close outs booked to the General Fund in a prior period.

The City did not amend the total annual operating budget during the year. During the course of the year, the City Manager approved budget transfers. These transfers did not change the total fund budget, but rather transferred monies from one program or account to another. The text of the financial statements shows the final budget.

Uptown TIF - There was an excess of expenditures over revenues of \$253K. Funds transferred out to make debt service payments for bond issues totaled \$2.6M while incremental property tax receipts were \$2.6M. There was an increase of \$527K in non-debt related expenditures in the Uptown TIF fund for the Uptown Streetscape project and payments to the other taxing bodies. The Streetscape project will be reimbursed for 80% of the total cost via grant funding. As of April 30, 2012, the Uptown TIF owed the General Operating Fund \$5.0M.

Municipal Waste Management – Revenues exceeded operating expenditures by \$58K for the year. A prior period adjustment for deferred property tax revenue improved the negative fund balance but the balance remains negative at (\$113K).

Motor Fuel Tax – Revenues plus transfers in exceeded expenditures by \$185K. Motor Fuel has a positive fund balance of \$647K.

IMRF – Expenditures exceeded revenue and other financing sources by \$218K. A prior period adjustment for \$79.7K for deferred property tax revenue helped offset the deficit year end results. The fund balance is negative (\$125K). Significant budget variances exist in both revenue and expense due to the bond issue receipts and subsequent payoff to IMRF of the early retirement incentive debt. The City made a one-time contribution of \$2,100,220 to the IMRF plan. The 2012B General Obligation Bond proceeds of \$2,130,000 were used for this payment.

Emergency Telephone – Emergency telephone receipts are not sufficient to support the annual operating costs of the Fund. Annual transfers are required each year from the General Fund. The fund balance is negative (\$309K).

All other Governmental Funds – The remaining funds are not used to account for core City services.

(See independent auditor's report)

**CITY OF PARK RIDGE, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS**

Business-Type Funds

The City reports the Parking Fund, Water Fund, and Sewer Fund as business-type funds.

As of April 30, 2012, the business-type funds reported combined net assets of \$39.5M, an increase of \$1.2M from the prior year. The unrestricted balance increased to \$6.3M from \$5.5M, an increase of \$800K or 15%. The increase is a direct result of the sewer rate increase that was implemented prior to the execution of the sewer construction program in an effort to build up reserves to account for the increase in debt service payments each year.

The Water Fund deficit was \$316K compared to a budgeted deficit of \$528K. The actual results exceeded the budgeted results due to an under run in City of Chicago water purchases, other commodities and water main replacement costs. Water purchased from the City of Chicago exceeded water billed to customers by 228,384,000 gallons or 15.21%. Unbilled water cost the City over \$460K.

The Sewer Fund had a year end surplus of \$1.55M due to increased grant funding that was not included in the budget and a contribution from the Sewer Construction Fund for construction work in progress.

The Parking Fund had a year end deficit of \$36K. Police Penalty revenue fell short of budget by \$133K due to the correcting of the accounting for fines between General Fund and the Parking Fund. Parking Revenue exceeded budget by \$83K due to a correction from deferred revenue for prior year Dee Road expense. This correction resulted from the ongoing Escrow account review and cleanup.

Capital Assets

At the end of fiscal year 2012, the City had a combined total of capital assets of \$120.4M invested in a broad range of capital assets including land, buildings, machinery, furniture, vehicles, equipment, and infrastructure (streets, sidewalks, alleys, water mains, sewers, etc.). This amount represents a net increase (including additions and deletions) of \$448K. Readers desiring more detailed information regarding capital assets are directed to Note Number 5 - Capital Assets.

**Total Capital Assets at Fiscal Year End Net of Depreciation
(in Thousands)**

	Governmental Activities		Business-Type Activities		Total Primary Government		Component Unit Activities	
	2011		2011					
	2012	(Restated)	2012	(Restated)	2012	2011	2012	2011
Assets								
Land & Improvements	\$ 37,312	37,435	1,283	1,283	38,595	38,718	170	170
Buildings	11,134	11,446	-	-	11,134	11,446	-	-
Machinery & Equipment	277	204	222	218	499	422	151	145
Furniture & Equipment	90	90	-	-	90	90	770	770
Vehicles & Equipment	1,651	1,927	256	287	1,907	2,214	10	10
Infrastructure	13,954	14,240	31,226	30,969	45,180	45,209	-	-
Construction in Progress	-	-	212	-	212	-	14	-
Total Capital Assets	\$ 64,418	65,342	33,199	32,757	97,617	98,099	1,115	1,095

(See independent auditor's report)

**CITY OF PARK RIDGE, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS**

Outstanding Debt

The City of Park Ridge has seven general obligation bond series outstanding. Outstanding debt consists of the following:

In August 2004, the City issued \$16,770,000 general obligation bonds to finance the construction of a new central reservoir and pump station. Series 2004A, in the amount of \$4,910,000, is paid from incremental tax revenues from the Uptown TIF district. Series 2004B, in the amount of \$11,860,000, is paid from water revenues. As of April 30, 2012, the outstanding debt on these bonds totaled \$10,515,000. Moody's Investors Service rated these bonds Aa2.

In April 2005, the City issued \$7,005,000 general obligation bonds to finance various costs related to the Uptown redevelopment. These bonds are paid from incremental tax revenues from the Uptown TIF district. As of April 30, 2012, the outstanding debt on these bonds totaled \$7,005,000. The first payment toward the principal does not occur until December 2012. These bonds were rated Aa2 by Moody's Investors Service.

In June 2006, the City issued series 2006A & B to finance the last phase of development for target area II. Both series were general obligation issues, but series A was tax-exempt and series B was taxable. As of April 30, 2012, the outstanding debt of these bonds totaled \$20,585,000. The first payment toward the principal does not occur until December 2013. The bonds were rated Aa2 by Moody's Investors Service.

In January 2012, the City issued Series 2012 A & B. The 2012A bonds will finance capital improvements to the City's sewer system as part of a larger capital improvement plan to reduce flooding. The Series 2012B bonds will fund the outstanding liability of the City's Early Retirement Incentive program, as well as pay the City's underfunded balance with the Illinois Municipal Retirement Fund. As of April 30, 2012, the outstanding debt of these bonds totaled \$7,545,000. The bonds were rated Aa2 by Moody's Investors Service. Moody's assigned a negative outlook when they rated the City's bonds in 2012.

As a home rule community, the City of Park Ridge has no legal debt limit. See Note 6 for a detailed description of the City's long-term debt.

Economic Factors and a Look to the Future

Throughout fiscal year 2012, City staff recommended policy changes to the City Council. The City Council approved changes to the municipal code sections pertaining to the initial budget process and the budget amendment process. The Council also approved changes to Council Policy Statements on target fund balances and the Council's oversight of Library capital expenditures. With these policy changes, an unrestricted/unassigned target fund balance is identified for the General Fund and the Enterprise Funds. The budget amendment procedure and unrestricted/unassigned target fund balance policy are significant changes that will impact the management of City finances and the approval of the annual budget.

The target unrestricted/unassigned fund balance now serves as a guide during the budgeting process. The impact of a budget surplus or deficit on each individual fund will be analyzed as to the impact on the target unrestricted/unassigned fund balance. Use of fund balance will require a super majority vote from the City Council if the unrestricted/unassigned fund balance is below the required threshold. The total target unrestricted/unassigned fund balance is based on the total of the operating budget so it will vary each year. The target fund unrestricted/unassigned fund balance as set by the new policy for all funds in the governmental and business-type funds excluding the Asset Forfeiture, Foreign Fire Insurance and Special Service Area funds is \$10.5M. The target fund balance for the General Fund is equal to three months of budgeted expenditures,

(See independent auditor's report)

**CITY OF PARK RIDGE, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS**

while the Enterprise Funds are each equal to two months budgeted expenditures plus an add on for emergency expenditures. The total unrestricted/unassigned fund balance as of FY12 for these same funds is \$5.3M. The City falls short of the target unrestricted/unassigned fund balance in total by (\$5.2M). The business-type funds have a surplus over the unrestricted balance totaling \$3.3M. The governmental funds reflect a shortfall from the target fund balance totaling \$8.6M. This shortfall includes funds with deficit balances. In addition to the funds with deficit balances, the General Fund fund balance is \$2.9M below target. See below for the detail by fund.

Fund Type	Fund Description	Target	4/30/12	Variance to Target
		Unrestricted/ Unassigned Fund Balance FY13 Budget	Unassigned/ Unrestricted Fund Balance	
General	General Fund	\$ 7,664,219	4,708,038	(2,956,181)
Special Revenue	Municipal Waste	-	(113,315)	(113,315)
Special Revenue	IMRF	-	(125,769)	(125,769)
Special Revenue	Dempster TIF Fund	-	-	-
Special Revenue	Motor Fuel Tax	-	-	-
Special Revenue	Uptown Tax Increment Financing District	-	(5,082,848)	(5,082,848)
Special Revenue	911 Emergency Telephone	-	(338,540)	(338,540)
Debt Service	Debt Service 2004A GO - TIF	-	-	-
Debt Service	Debt Service 2004B GO - Water	-	-	-
Debt Service	Debt Service 2005A GO - TIF	-	-	-
Debt Service	Debt Service 2006A GO (Tax Expt) - Uptown TIF	-	-	-
Debt Service	Debt Service 2006A GO (Taxable) - Uptown TIF	-	-	-
Debt Service	Debt Service 2012A (Tax Expt) - Sewer Program	-	-	-
Debt Service	Debt Service 2012B (Taxable) - IMRF ERI	-	-	-
Governmental	Sewer Bond Construction	-	-	-
Enterprise	Parking Enterprise	249,470	1,095,987	846,517
Enterprise	Water Enterprise	2,136,511	3,800,183	1,663,672
Enterprise	Sewer Enterprise	525,591	1,405,572	879,981
		<u>\$ 10,575,791</u>	<u>5,349,308</u>	<u>(5,226,483)</u>

Personnel expenditures account for over 30% of the City's expenditures. Personnel expenditures include straight time labor, overtime, and employee benefits. The City has a workforce consisting of both union and non-union staff. There are four separate labor agreements representing bargaining unit employees with expiration dates on 4/30/12. The City completed contract negotiations with the Park Ridge Fraternal Order of Police and the International Association of Firefighters Local 269 early in the fiscal year. Both contract renewals expire 4/30/14 and both include wage increases on 5/1/13 equal to 3%. Negotiations with representatives from Local 150 (public works) and ICOPS (civilian Police and administrative) are ongoing. The first contract with the Police Sergeants is in the negotiating stage.

For fiscal year 2011/12, the medical plan contract renewals for employee medical benefits increased by 11% over the previous year. City management is limited in their ability to increase employee contributions during each renewal period for those employees covered by a labor agreement. City management negotiated an increase in employee contributions toward medical and dental benefits for the firefighters union effective

(See independent auditor's report)

CITY OF PARK RIDGE, ILLINOIS MANAGEMENT'S DISCUSSION AND ANALYSIS

May 1, 2012. An increase was also applied to non-union employee contributions for medical and dental benefits, effective May 1, 2012. The City included the increased employee contribution in all contract negotiations on contracts that expired on 4/30/12. The City expects to incur annual increases in employee medical plans but has limited ability to predict the significance of the increases.

The City is proud of its Tree City USA designation received from the Arbor Day Foundation. The tree canopy in Park Ridge is one of the many features that makes Park Ridge a beautiful place to live. Since fiscal year 2008, the City has expended \$630,000 annually on tree trimming and removal. The City Forester has communicated to the City Council the status of tree health within the City limits. According to the Forester, within 5 to 7 years, the majority of the City's 2,000 parkway ash trees will need to be removed due to emerald ash borer infestation. The Forester has called for additional staffing and expenditures on tree trimming and removal. Tree trimming and removal has been a topic of considerable discussion during the last two budget cycles with the request for increased funding expected to be discussed at length during the FY14 budget cycle.

In February 2010, the City Council authorized the formation of the Chief's Advisory Task Force for the Park Ridge Police Department. The task force consists of citizens of the City of Park Ridge. The purpose of the Chief's Advisory Task Force is to provide input, feedback and recommendations to the Chief of Police, the Mayor, and the City Council regarding a range of issues or concerns related to the lives and well-being of the citizens of Park Ridge and the ability of the Police Department to fulfill its mission and purpose. One of the issues addressed by the task force is the state of the current Police facility. The Police Department is housed in the basement of City Hall. City Hall was constructed in 1962 and the basement was expanded in size in 1985. Since 1962, staff size within the Police Department has doubled. Additionally, due to new requirements for property retention for evidentiary purposes, the property storage room is now filled to capacity. With the FY13 budget process, based on recommendations from the task force, the City Council approved a three year construction program to improve Police Department facilities for a total estimated cost of \$1.237M. According to the project's designer, this three phase project is only a short-term solution to the Police Department facility issues.

Facility issues are not limited to the Police Department as the Fire Department is experiencing the effects of aging facilities. Additional concerns at City Hall outside the Police Department work area include the maintenance of the roof, parking lot and parking lot lighting. The maintenance projects for City Hall have been postponed for the last few years due to budget limitations.

The City is a member of the North Suburban Emergency Communications Center (NSECC), which provides 911 dispatch services for Des Plaines, Park Ridge, Niles, and Morton Grove. Des Plaines and Park Ridge are the founding members. Recently, Morton Grove and Niles have notified the NSECC board of their intent to leave the organization, and their transition out of NSECC is planned to be completed by mid-2013. There is uncertainty surrounding any additional costs that may be incurred through this transition, which could put pressure on a fund that experiences annual deficits between emergency telephone receipts and total operating expenses. The annual deficits require subsidies in the form of fund transfers from the General Fund.

Toward the end of fiscal year 2012, the City commissioned a professional organization to conduct a comprehensive sewer and water rate study. The study was to provide the City with a sewer and water rate structure that would provide the appropriate level of user charges to cover the annual operating costs. The projections based on the current rate structure identified that the City's water fund would be depleted of funds by FY15. The City faces a number of issues and challenges in both the water and sewer fund including, annual increases of 15% in the cost of water from the City of Chicago, continued costs in the sewer fund for extensive construction work to mitigate the risk of flooding, and the need for a water meter reading system to replace the current resident self reading meter program.

(See independent auditor's report)

**CITY OF PARK RIDGE, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS**

construction work to mitigate the risk of flooding, and the need for a water meter reading system to replace the current resident self reading meter program.

The City adopted a new rate structure with the new rates implemented with the August 2012 billing cycle. Although the new rate structure provides adequate annual user charges, the study identified issues with the annual capital improvement plan for both sewer and water main replacement. According to the study, industry average renewal cycle for water main replacement and sewer rehab is 75 years. Based on the City's projected annual spending, the City's renewal cycle for water main is 140 years (almost double) and 260 years for sewer (3.5X). According to the study, this level of infrastructure replacement is not sustainable in the long run. The City must continue to provide funding for water and sewer main replacement to avoid gradual deterioration of the system.

The City Council is concerned about economic development issues, specifically the ability to attract retailers to lease vacant space. This issue is not specific to Park Ridge, but it does have an impact on sales tax revenues which represent 15% of the City's total revenue. The City Council created an economic development task force that will provide the City Council with recommendations on how City government can influence the addition of new businesses and the promotion of existing businesses in the community. A significant event in terms of economic development was the approval of a change in zoning in May 2012 that will allow for the construction of a Whole Foods grocery store at 225 W. Touhy. The Whole Foods is expected to open in calendar year 2013.

The Uptown TIF continues to put pressure on the General Fund as the incremental property tax receipts are not sufficient to pay the annual debt service payments and all other obligations. Incremental property tax receipts are taxes received based on the difference in the base EAV for the district and the actual EAV for the district multiplied by the effective tax rate. The City established the Uptown TIF Fund with the intent to pay all debt service and intergovernmental agreement obligations with incremental property tax revenues. Although the bonds that are paid from the Uptown TIF Fund are General Obligation bonds, the City has abated the property tax associated with these bond payments each year since the inception of the fund.

A major factor in the underperformance of the Uptown TIF Fund is the decline in assessed property values which has resulted in a decline in the incremental property tax revenue. The Uptown TIF Fund has taken a loan from the General Fund totaling \$5M in order to meet the funds financial obligations. As the Uptown TIF Fund continues to deplete the General Fund's unassigned fund balance, the City Council and City staff will look to find ways to reduce the annual obligations or consider not abating some or all of the property taxes associated with the bonds. The City has requested proposals from consulting firms skilled in analyzing tax increment financing districts. The City is looking for a firm to assess the previous year's new property calculations that were the basis for the payments to the other taxing bodies. This work to be performed by the external organization will also include projections for future assessed property values within the TIF. City staff anticipates the results of the review and analysis will allow staff to present options for debt refinancing and potential renegotiation of the intergovernmental agreements with the other taxing bodies to the City Council.

The State of Illinois legislators in Springfield have discussed reducing local government's share of income tax revenue and personal property tax replacement revenues. Although to this point, the discussions have not resulted in any action; the State continues to suffer financial woes and looks toward shifting revenues away from local government to help alleviate their problems. The City follows the State proposals closely in anticipation of making adjustments to operating expenditures.

(See independent auditor's report)

**CITY OF PARK RIDGE, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS**

As outlined in this report, the City has several financial and operational challenges in the short and long-term that span across multiple funds. The City Council and City staff will continue to regularly monitor financial performance of all City funds in order to be proactive in decisions and policies that will have a positive impact on City services and finances.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide 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 may be directed to Shawn Hamilton, Acting City Manager, City of Park Ridge, 505 Butler Place, Park Ridge, IL 60068.

(See independent auditor's report)

BASIC FINANCIAL STATEMENTS

CITY OF PARK RIDGE, ILLINOIS

Statement of Net Assets

April 30, 2012

	Governmental Activities	Primary Government Business-Type Activities	Total	Component Unit Public Library
Assets				
Cash and Investments	\$ 11,231,498	5,111,082	16,342,580	3,377,273
Investments	2,800,000		2,800,000	141,042
Receivables				
Property Taxes, Net	6,461,403		6,461,403	1,893,917
Other Taxes	3,890,117		3,890,117	1,073
Intergovernmental	389,496	158,592	548,088	
Customer Accounts		1,891,884	1,891,884	
Interest	2,285		2,285	
Other Receivables	454,686		454,686	
Note Receivable	294,167		294,167	
Due from Component Unit	1,120		1,120	
Inventory	269,242	105,151	374,393	
Prepaid Items	170,927		170,927	272
Deposits in Escrow	411,533		411,533	
Noncurrent Assets				
Unamortized Bond Issuance Costs	347,620		347,620	
Capital Assets Not Being Depreciated	35,846,906	1,495,487	37,342,393	954,400
Capital Assets (Net of Accumulated Depreciation)	28,570,796	31,703,220	60,274,016	161,116
Total Assets	91,141,796	40,465,416	131,607,212	6,529,093
Liabilities				
Accounts Payable	2,156,586	558,142	2,714,728	149,314
Accrued Interest Payable	832,008		832,008	
Other Accrued Liabilities	377,396	65,440	442,836	349,897
Contracts Payable				
Unearned Revenue - Other	364,435	168,437	532,872	
Due to Primary Government				1,120
Due to Other Governments	14,033		14,033	
Other Liabilities	89,427		89,427	17,639
Noncurrent Liabilities				
Due Within One Year	3,520,198	38,414	3,558,612	
Due in More Than One Year	48,194,148	134,530	48,328,678	
Total Liabilities	55,548,231	964,963	56,513,194	517,970
Net Assets				
Investment in Capital Assets, Net of Related Debt	18,123,295	33,198,707	51,322,002	1,115,516
Restricted for				
Debt Service	133,159		133,159	
Capital Projects	414,384		414,384	
Enabling Legislation	760,752		760,752	
Unrestricted	16,161,975	6,301,746	22,463,721	4,895,607
Total Net Assets	\$ 35,593,565	39,500,453	75,094,018	6,011,123

See accompanying Independent Auditor's Report and Notes to the Financial Statements.

CITY OF PARK RIDGE, ILLINOIS

Statement of Activities

Year Ended April 30, 2012

Functions/Programs	Expenses	Program Revenues	
		Charges for Services	Operating Grants
Primary Government			
Governmental Activities			
General Government	\$ 7,723,691	2,297,491	
Public Safety	18,701,581	1,667,647	79,211
Public Works	11,010,908	56,585	1,090,493
Development	2,390,904		316,733
Culture and Civic	600,670		
Interest Expense	1,939,886		
Total Governmental Activities	<u>42,367,640</u>	<u>4,021,723</u>	<u>1,486,437</u>
Business-Type Activities			
Water	5,356,414	6,836,662	
Parking	358,681	353,144	
Sewer	872,359	1,518,174	920,696
Total Business-Type Activities	<u>6,587,454</u>	<u>8,707,980</u>	<u>920,696</u>
Total Primary Government	<u>\$ 48,955,094</u>	<u>12,729,703</u>	<u>2,407,133</u>
Component Unit			
Public Library	\$ 4,380,801	117,258	-

General Revenues and Transfers

Taxes

- Property
- Replacement
- Utility
- Telecommunications
- Property Transfer
- Emergency Telephone
- Parking Garage
- Other
- Intergovernmental Taxes
- Unrestricted Investment Earnings
- Miscellaneous
- Transfers
- Total General Revenues and Transfers

Change in Net Assets

Net Assets

- Beginning of Year (Restated)
- End of Year

See accompanying Independent Auditor's Report and Notes to the Financial Statements.

Net (Expense) Revenue and Changes in Net Assets			
Governmental Activities	Primary Government		Component Unit
	Business-Type Activities	Total	Public Library
(5,426,200)		(5,426,200)	
(16,954,723)		(16,954,723)	
(9,863,830)		(9,863,830)	
(2,074,171)		(2,074,171)	
(600,670)		(600,670)	
(1,939,886)		(1,939,886)	
(36,859,480)	-	(36,859,480)	-
	1,480,248	1,480,248	
	(5,537)	(5,537)	
	1,566,511	1,566,511	
-	3,041,222	3,041,222	-
(36,859,480)	3,041,222	(33,818,258)	-
			(4,263,543)
15,267,374		15,267,374	3,948,337
374,012		374,012	
2,225,422		2,225,422	
1,880,103		1,880,103	
443,754		443,754	
454,887		454,887	
603,847		603,847	
1,525,664		1,525,664	61,701
9,409,006		9,409,006	38,656
7,587	9,446	17,033	5,919
1,269,947	102,253	1,372,200	101,770
1,948,766	(1,948,766)		
35,410,369	(1,837,067)	33,573,302	4,156,383
(1,449,111)	1,204,155	(244,956)	(107,160)
37,042,676	38,296,298	75,338,974	6,118,283
35,593,565	39,500,453	75,094,018	6,011,123

CITY OF PARK RIDGE, ILLINOIS

Balance Sheet - Governmental Funds

April 30, 2012

	General Fund	Uptown TIF Fund	Municipal Waste Management Fund
Assets			
Cash and Cash Equivalents	\$ 1,884,250	645	86,536
Investments			
Receivables			
Property Tax, Net	3,665,990		1,849,252
Other Taxes Receivables			
State and Local Sales Tax	1,443,554		
Simplified Telecommunications Tax	561,644		
Illinois Income Tax	1,588,878		
Personal Property Replacement Tax	46,251		
Utility Tax	144,671		
Gasoline Tax	46,035		
Other Taxes	6,725		
Intergovernmental		316,733	
Interest			
Other Receivables	454,686		
Loans and Notes	294,167		
Inventory	269,242		
Due from Other Funds	518,830		
Due from Component Unit	1,120		
Advances to Other Funds	5,019,124		
Prepaid Items	141,432		
Deposits in Escrow			
 Total Assets	 <u>\$ 16,086,599</u>	 <u>317,378</u>	 <u>1,935,788</u>

See accompanying Independent Auditor's Report and Notes to the Financial Statements.

2012 A Sewer Improvement Fund	Nonmajor Governmental Funds	Total Governmental Funds
2,834,011	1,165,910	5,971,352
2,800,000		2,800,000
	946,161	6,461,403
		1,443,554
		561,644
		1,588,878
		46,251
		144,671
		46,035
	52,359	59,084
	72,763	389,496
2,285		2,285
		454,686
		294,167
		269,242
	117,338	636,168
		1,120
		5,019,124
	29,495	170,927
	411,533	411,533
5,636,296	2,795,559	26,771,620

See accompanying Independent Auditor's Report and Notes to the Financial Statements.

CITY OF PARK RIDGE, ILLINOIS

Balance Sheet - Governmental Funds (Cont.)

April 30, 2012

	General Fund	Uptown TIF Fund	Municipal Waste Management Fund
Liabilities			
Accounts Payable	\$ 1,474,545	64,369	218,528
Other Accrued Liabilities	376,376		1,020
Unearned Property Tax Revenue	3,616,069		1,829,555
Unearned Revenue - Other	364,435	316,733	
Due to Other Funds	117,338		
Advances from Other Funds		5,019,124	
Due to Other Governments			
Other Liabilities			
Total Liabilities	5,948,763	5,400,226	2,049,103
Fund Balances			
Nonspendable:			
Inventory	269,242		
Prepaid Items	141,432		
Advances Receivable from Other Funds	5,019,124		
Restricted			
Road Construction			
Public Safety			
Economic Development			
Debt Service			
Capital Projects			
Unassigned	4,708,038	(5,082,848)	(113,315)
Total Fund Balances	10,137,836	(5,082,848)	(113,315)
Total Liabilities and Fund Balances	\$ 16,086,599	317,378	1,935,788

See accompanying Independent Auditor's Report and Notes to the Financial Statements.

2012 A Sewer Improvement Fund	Nonmajor Governmental Funds	Total Governmental Funds
143,554	252,617	2,153,613
		377,396
	938,264	6,383,888
		681,168
	518,830	636,168
		5,019,124
	14,033	14,033
	89,427	89,427
143,554	1,813,171	15,354,817
		269,242
	29,495	170,927
		5,019,124
	647,393	647,393
	113,359	113,359
	530,492	530,492
	133,159	133,159
5,492,742		5,492,742
	(471,510)	(959,635)
5,492,742	982,388	11,416,803
5,636,296	2,795,559	26,771,620

See accompanying Independent Auditor's Report and Notes to the Financial Statements.

CITY OF PARK RIDGE, ILLINOIS

Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Assets

April 30, 2012

Total Fund Balances - Governmental Funds	\$ 11,416,803
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	62,859,110
Revenues in the Statement of Activities that do not provide current financial resources are unearned in the funds.	6,700,621
Internal service funds are used by management to charge various costs to individual funds. The assets and liabilities of the internal service funds are included in the governmental activities in the statement of net assets.	6,815,765
The net pension liability resulting from contributions under the annual required contribution do not require the use of current economic resources and, therefore, are not reported as liabilities in the governmental funds.	(1,022,579)
Bond issuance costs are expensed in the governmental fund but recorded as deferred charges in the statement of net assets.	347,620
Some liabilities reported in the statement of net assets do not require the use of current financial resources and, therefore, are not reported as liabilities in the governmental funds.	<u>(51,523,775)</u>
Net Assets of Governmental Activities	<u><u>\$ 35,593,565</u></u>

See accompanying Independent Auditor's Report and Notes to the Financial Statements.

CITY OF PARK RIDGE, ILLINOIS

Statement of Revenues, Expenditures, and Changes in
Fund Balances - Governmental Funds

Year Ended April 30, 2012

	General Fund	Uptown TIF Fund	Municipal Waste Management Fund
Revenues			
Property Taxes	\$ 7,806,540	2,602,850	3,401,139
Other Taxes	8,106,830		
Licenses and Permits	2,803,147		
Intergovernmental	7,843,630		
Charges for Services	1,700,035		
Fines and Forfeitures	561,700		
Interest	2,914		2,379
Miscellaneous	747,851		
Total Revenues	29,572,647	2,602,850	3,403,518
Expenditures			
Current			
General Government	5,031,052		
Public Safety	16,857,127		
Public Works	4,904,116		3,344,929
Development	1,119,018	932,969	
Culture and Civic	73,170		
Debt Service			
Principal			
Interest and Fiscal Agent Fees			
Cost of Issuance			
Total Expenditures	27,984,483	932,969	3,344,929
Excess (Deficiency) of Revenues over Expenditures	1,588,164	1,669,881	58,589
Other Financing Sources (Uses)			
Proceeds from Bond Issuance			
Bond Premium			
Transfers In	800,000	695,967	
Transfers Out	(929,906)	(2,618,947)	
Total Other Financing Sources (Uses)	(129,906)	(1,922,980)	-
Net Change in Fund Balances	1,458,258	(253,099)	58,589
Fund Balance			
May 1 (Restated)	8,679,578	(4,829,749)	(171,904)
April 30	\$ 10,137,836	(5,082,848)	(113,315)

See Independent Auditor's Report and Notes to the Financial Statements.

2012 A Sewer Improvement Fund	Nonmajor Governmental Funds	Total Governmental Funds
	1,982,946	15,793,475
	522,004	8,628,834
		2,803,147
	1,090,493	8,934,123
		1,700,035
		561,700
3,392	1,281	9,966
		747,851
<u>3,392</u>	<u>3,596,724</u>	<u>39,179,131</u>
	2,423,030	7,454,082
	1,632,788	18,489,915
212,104	1,830,872	10,292,021
	338,917	2,390,904
	527,500	600,670
	1,580,000	1,580,000
	1,920,945	1,920,945
77,959	34,895	112,854
<u>290,063</u>	<u>10,288,947</u>	<u>42,841,391</u>
<u>(286,671)</u>	<u>(6,692,223)</u>	<u>(3,662,260)</u>
5,415,000	2,130,000	7,545,000
364,413	5,630	370,043
	4,697,619	6,193,586
	(695,967)	(4,244,820)
<u>5,779,413</u>	<u>6,137,282</u>	<u>9,863,809</u>
5,492,742	(554,941)	6,201,549
	1,537,329	5,215,254
<u>5,492,742</u>	<u>982,388</u>	<u>11,416,803</u>

See Independent Auditor's Report and Notes to the Financial Statements.

CITY OF PARK RIDGE, ILLINOIS

Reconciliation of the Statement of Revenues, Expenditures, and Changes
in Fund Balances of Governmental Funds to the Statement of Activities

Year Ended April 30, 2012

Net Change in Fund Balances - Total Governmental Funds	\$ 6,201,549
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 and reported as depreciation expense. This is the amount by which depreciation expense exceeded capital outlays in the current period.	(784,080)
Revenue in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(209,368)
Internal service funds are used by management to charge various costs to the individual funds.	(168,015)
The issuance of long-term debt (e.g. bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes current financial resources of governmental funds. Neither transaction, however, has any effect on net assets.	(6,303,747)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.	<u>(185,450)</u>
Change in Net Assets	<u>\$ (1,449,111)</u>

See accompanying Independent Auditor's Report and Notes to the Financial Statements.

CITY OF PARK RIDGE, ILLINOIS

Statement of Net Assets - Proprietary Funds

April 30, 2012

	Business-Type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Water Fund	Sewer Fund	Nonmajor Parking Fund	Total	
Assets					
Current Assets					
Cash and Cash Equivalents	\$ 2,866,376	982,754	1,261,952	5,111,082	5,260,146
Accounts Receivables, Net of Allowances	1,532,508	331,593	27,783	1,891,884	
Intergovernmental Receivable		158,592		158,592	
Inventory	105,151			105,151	
Total Current Assets	<u>4,504,035</u>	<u>1,472,939</u>	<u>1,289,735</u>	<u>7,266,709</u>	<u>5,260,146</u>
Noncurrent Assets					
Capital Assets					
Cost	31,653,690	18,114,656	1,436,016	51,204,362	5,804,514
Less: Accumulated Depreciation	(10,107,149)	(7,595,415)	(303,091)	(18,005,655)	(4,245,922)
Total Noncurrent Assets	<u>21,546,541</u>	<u>10,519,241</u>	<u>1,132,925</u>	<u>33,198,707</u>	<u>1,558,592</u>
Total Assets	<u>26,050,576</u>	<u>11,992,180</u>	<u>2,422,660</u>	<u>40,465,416</u>	<u>6,818,738</u>
Liabilities					
Current Liabilities					
Accounts Payable	491,163	56,087	10,892	558,142	2,973
Other Accrued Liabilities	53,444	6,585	5,411	65,440	
Unearned Revenues			168,437	168,437	
Claims and Judgments Payable	3,245	1,150	1,019	5,414	
Compensated Absences Payable	33,000			33,000	
Total Current Liabilities	<u>580,852</u>	<u>63,822</u>	<u>185,759</u>	<u>830,433</u>	<u>2,973</u>
Noncurrent Liabilities					
Long-Term Debt					
Compensated Absences Payable	122,998	3,544	7,988	134,530	
Total Liabilities	<u>703,850</u>	<u>67,366</u>	<u>193,747</u>	<u>964,963</u>	<u>2,973</u>
Net Assets					
Invested in Capital Assets	21,546,541	10,519,241	1,132,925	33,198,707	1,558,592
Unrestricted	3,800,185	1,405,573	1,095,988	6,301,746	5,257,173
Total Net Assets	<u>\$ 25,346,726</u>	<u>11,924,814</u>	<u>2,228,913</u>	<u>39,500,453</u>	<u>6,815,765</u>

See accompanying Independent Auditor's Report and Notes to the Financial Statements.

CITY OF PARK RIDGE, ILLINOIS

Statement of Revenues, Expenses and Changes in
Net Assets - Proprietary Funds

Year Ended April 30, 2012

	Business-Type Activities - Enterprise Funds			Total	Governmental Activities - Internal Service Funds
	Water Fund	Sewer Fund	Nonmajor Parking Fund		
Operating Revenues					
Charges for Services	\$ 6,836,662	1,499,551	353,144	8,689,357	150,471
Developer Fees		18,623		18,623	
Total Operating Revenues	6,836,662	1,518,174	353,144	8,707,980	150,471
Operating Expenses					
Administration	284,764			284,764	
Water Supply and Treatment	3,577,334			3,577,334	
Fire Hydrant Service	72,756			72,756	
Watermain Services	513,066			513,066	
Water Meter Services	163,629			163,629	
Parking Services and Maintenance			358,681	358,681	
Sewer and Drainage		672,453		672,453	
Materials					78,031
Depreciation	744,865	199,906		944,771	245,446
Total Operating Expenses	5,356,414	872,359	358,681	6,587,454	323,477
Operating Income	1,480,248	645,815	(5,537)	2,120,526	(173,006)
Nonoperating Revenues					
Grant Revenue		708,592		708,592	
Water Utility Tax	412			412	
Interest Income	6,777	345	2,324	9,446	4,991
Miscellaneous Income	39,832	58,027	3,982	101,841	
Total Nonoperating Revenues	47,021	766,964	6,306	820,291	4,991
Income before Transfers and Contributions	1,527,269	1,412,779	769	2,940,817	(168,015)
Capital Contributions		212,104		212,104	
Transfers Out	(1,843,566)	(68,200)	(37,000)	(1,948,766)	
Net Transfers and Contributions	(1,843,566)	143,904	(37,000)	(1,736,662)	
Change in Net Assets	(316,297)	1,556,683	(36,231)	1,204,155	(168,015)
Net Assets					
May 1 (Restated)	25,663,023	10,368,131	2,265,144	38,296,298	6,983,780
April 30	\$ 25,346,726	11,924,814	2,228,913	39,500,453	6,815,765

See accompanying Independent Auditor's Report and Notes to the Financial Statements.

CITY OF PARK RIDGE, ILLINOIS

Statement of Cash Flows - Proprietary Funds

Year Ended April 30, 2012

	Business-Type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Water Fund	Sewer Fund	Nonmajor Parking Fund	Total	
Cash Flows from Operating Activities					
Receipts from Customers and Users	\$ 6,842,225	1,286,450	525,550	8,654,225	
Receipts from Interfund Service Provided					150,471
Payments to Suppliers	(3,673,613)	(433,099)	(340,361)	(4,447,073)	(75,058)
Payments to Employees	(820,869)	(366,160)	(215,637)	(1,402,666)	
	<u>2,347,743</u>	<u>487,191</u>	<u>(30,448)</u>	<u>2,804,486</u>	<u>75,413</u>
Cash Flows from Noncapital Financing Activities					
Due (From) to Other Funds					2,916,215
Transfers Out	(1,843,566)	(68,200)	(37,000)	(1,948,766)	
	<u>(1,843,566)</u>	<u>(68,200)</u>	<u>(37,000)</u>	<u>(1,948,766)</u>	<u>2,916,215</u>
Cash Flows from Capital and Related Financing Activities					
Grant Revenue		708,592		708,592	
Purchase of Capital Assets	(458,899)	(715,642)		(1,174,541)	(104,964)
	<u>(458,899)</u>	<u>(7,050)</u>		<u>(465,949)</u>	<u>(104,964)</u>
Cash Flows from Investing Activities					
Interest Income Received	6,777	345	2,324	9,446	4,991
Net Increase (Decrease_ in Cash and and Cash Equivalents	52,055	412,286	(65,124)	399,217	2,891,655
Cash and Cash Equivalents May 1	<u>2,814,321</u>	<u>570,468</u>	<u>1,327,076</u>	<u>4,711,865</u>	<u>2,368,491</u>
April 30	<u>\$ 2,866,376</u>	<u>982,754</u>	<u>1,261,952</u>	<u>5,111,082</u>	<u>5,260,146</u>
Cash Flows from Operating Activities					
Operating Income (Loss)	\$ 1,480,248	645,815	(5,537)	2,120,526	(173,006)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities					
Depreciation	744,865	199,906		944,771	245,446
Miscellaneous Revenues	40,244	58,027	3,982	102,253	
Changes in Assets and Liabilities					
Accounts Receivable	(34,681)	(171,001)	(13)	(205,695)	
Inventory	(10,172)			(10,172)	
Accounts Payable	115,082	(127,252)	3,291	(8,879)	2,973
Unearned Revenues		(118,750)	168,437	49,687	
Other Accrued Liabilities	10,665	1,070	(199,724)	(187,989)	
Compensated Absences Payable	4,659	606	248	5,513	
Claims and Judgments Payable	(3,167)	(1,230)	(1,132)	(5,529)	
Net Cash Provided by (Used in) Operating Activities	<u>\$ 2,347,743</u>	<u>487,191</u>	<u>(30,448)</u>	<u>2,804,486</u>	<u>75,413</u>

Non-cash Capital Financing Activity

The Sewer Fund received capital assets from developers for \$212,104.

See accompanying Independent Auditor's Report and Notes to the Financial Statements.

CITY OF PARK RIDGE, ILLINOIS

Statement of Fiduciary Net Assets - Fiduciary Funds

April 30, 2012

	Pension Trust Funds	Agency Funds Escrow Deposit
Assets		
Cash and Cash Equivalents	\$ 4,982,061	343,995
Investments		
Certificates of Deposit	300,000	
U.S. Treasury Securities	21,670,103	
U.S. Agency Securities	15,827,219	
Equity Securities	29,295,540	
Receivables		
Accrued Interest	627,599	
Other		2,200
Prepaid Expenses	31,220	
Total Assets	<u>72,733,742</u>	<u>346,195</u>
Liabilities		
Accounts Payable and Accrued Expenses	9,936	26,311
Deposits		319,884
Total Liabilities	<u>9,936</u>	<u>346,195</u>
Net Assets		
Held in Trust for Pension Benefits	<u>\$ 72,723,806</u>	<u>-</u>

See accompanying Independent Auditor's Report and Notes to the Financial Statements.

CITY OF PARK RIDGE, ILLINOIS

Statement of Changes in Fiduciary Net Assets - Pension Trust Funds

Year Ended April 30, 2012

Additions	
Contributions	
Employer	\$ 3,994,604
Employee	<u>808,192</u>
	<u>4,802,796</u>
Investment Income	
Net Increase in Fair Value of Investments	2,853,815
Interest	1,899,739
Dividends	451,773
Less Investment Expense	<u>(208,547)</u>
	<u>4,996,780</u>
Total Additions	<u>9,799,576</u>
Deductions	
Administrative Expenses	105,730
Pension Benefits and Refunds	<u>5,111,795</u>
Total Deductions	<u>5,217,525</u>
Change in Net Assets	4,582,051
Net Assets Held in Trust for Pension Benefits	
May 1	<u>68,141,755</u>
April 30	<u>\$ 72,723,806</u>

See accompanying Independent Auditor's Report and Notes to the Financial Statements.

CITY OF PARK RIDGE, ILLINOIS

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April 30, 2012

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CITY OF PARK RIDGE, ILLINOIS

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CITY OF PARK RIDGE, ILLINOIS

Notes to the Financial Statements
April 30, 2012

1. Summary of Significant Accounting Policies

The City of Park Ridge, Illinois (the City), incorporated in 1910, is operated under the Mayor/City Council form of government with the Mayor, seven Aldermen, and Clerk elected by the people. The City Council is the City's legislative body, enacting the laws and establishing the policies which govern the main activities of the City. The Mayor is the part-time policy head of the City government and presides at all Council meetings. By ordinance, the Mayor and City Council appoint a City Manager to act as administrative head of the City. The City is a home-rule municipality under the 1970 Illinois Constitution.

The accounting policies of the City of Park Ridge, Illinois, conform to accounting principles generally accepted in the United States of America as applicable to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant accounting policies.

A. Financial Reporting Entity

As required by GAAP, these financial statements present the City and its component unit. Component units are entities for which the City is considered to be financially accountable. "Blended" component units, although legally separate entities, are, in substance, part of the City's operations. Therefore, data from these units are combined with data of the primary government. On the other hand, "discretely presented" component units are reported in a separate column in the combined financial statements to emphasize that they are legally separate from the City.

Discretely Presented Component Unit

The Park Ridge Public Library has a separately appointed board which annually determines its budget and resulting tax levy. The City lends its home rule authority to the Library to allow the Library to increase its tax levy beyond the amount limited by law. Upon approval of the City, the levy is submitted to the County. The Library carries no debt. The Library, while servicing the general population of the City, does not provide services entirely to the City. Because the Library is fiscally dependent on the primary government, the Library is being reported as a discrete presentation. Financial statements for the Library are presented in the component unit portion of this report.

Joint Venture and Risk Pool

The City participates in one joint venture and one risk pool, which are reported as a nonequity governmental joint venture and a nonequity governmental risk pool, respectively, and described in Note 12. The joint venture is: Solid Waste Agency of Northern Cook County (SWANCC). The risk pool is the High-Level Excess Liability Pool (HELP).

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the non-fiduciary activities of the City. For the most part, the effect of interfund activity has been removed from these statements. Interfund services provided and used are not eliminated in the process of consolidation. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for services.

CITY OF PARK RIDGE, ILLINOIS

Notes to the Financial Statements
April 30, 2012

1. Summary of Significant Accounting Policies (Cont.)

B. Government-wide and Fund Financial Statements (Cont.)

The statement of net assets presents the City's non-fiduciary assets and liabilities, with the difference reported in three categories:

Invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, and reduced by outstanding balances for bonds and other debt that are attributable to the acquisition, construction, or improvement of those assets.

Restricted net assets result when constraints placed on net asset use are either externally imposed by creditors, grantors, enabling legislation, contributors, and the like, or imposed by law through constitutional provisions or enabling legislation.

Unrestricted net assets consist of net assets that do not meet the criteria of the two preceding categories.

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. 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 properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and proprietary funds are reported as separate columns in the fund financial statements. Nonmajor funds are reported in the supplementary information.

C. Fund Accounting

The City uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

Funds are classified into the following categories: governmental, proprietary, and fiduciary. Each category, in turn, is divided into separate "fund types."

Governmental funds are used to account for all or most of a government's general activities, including the collection and disbursement of earmarked monies (special revenue funds), the acquisition or construction of general capital assets (capital projects funds), and the servicing of general long-term debt (debt service funds). The General Fund is used to account for all activities of the general government not accounted for in some other fund.

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Goods or services from such activities can be provided either to outside parties (enterprise funds) or to other departments or agencies primarily within the government (internal service funds).

CITY OF PARK RIDGE, ILLINOIS

Notes to the Financial Statements
April 30, 2012

1. Summary of Significant Accounting Policies (Cont.)

C. Fund Accounting (Cont.)

Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the government. When these assets are held under the terms of a formal trust agreement, a trust fund is used. The City maintains both police and firefighters' pension trust funds. Agency funds generally are used to account for assets that the City holds on behalf of others; as their agent.

D. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and pension fund statements. Agency funds have no measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers property taxes as available if they are collected within 60 days of the end of the current fiscal year. Expenditures generally are recorded when the liability is incurred, as under accrual accounting. However, debt service expenditures, compensated absences, and claims and judgments are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds.

Other taxes, grants, interest revenue, and charges for services revenues associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. For this purpose, the City considers these revenues as available if they are collected within 120 days of the end of the current fiscal year. All other revenue items are considered to be measurable and available only when cash is received by the City.

The City reports the following major governmental funds:

The **General Fund** is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. The services which are administered by the City and accounted for in the General Fund include general government, public safety, and public works.

The **Uptown TIF Fund** is a special revenue fund that accounts for the operations and maintenance of the uptown redevelopment project. Financing is provided by property taxes.

The **Municipal Waste Management Fund** is a special revenue fund that accounts for the operations and maintenance of the waste collection, transportation, and disposal system, including all obligations to the Solid Waste Agency under the terms of the 1992 Project Use Agreement. Financing is provided by property taxes, other amounts deposited in the Fund, and rates and charges to be imposed on persons disposing of system waste through the Municipal Waste System.

CITY OF PARK RIDGE, ILLINOIS

Notes to the Financial Statements
April 30, 2012

1. Summary of Significant Accounting Policies (Cont.)

D. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Cont.)

The **2012A Sewer Improvement Fund** accounts for the cost of improvements to the City's sewer system. Financing was provided by \$5,415,000 of general obligation bonds which were sold in January 2012.

The City reports the following major proprietary fund:

The **Water Fund** accounts for the provision of water 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, financing and billing, and collection.

The **Sewer Fund** accounts for the provision of sewer and drainage services to the residents of the City. All activities necessary to provide such facilities are accounted for in this Fund.

Additionally, the City reports the following fund types:

Internal service funds account for computer and motor equipment costs provided to other departments of the City on a cost-reimbursement basis.

Pension trust funds account for the activities of the accumulation of resources to pay pension costs. Resources are contributed by members at rates fixed by state statutes and by the City through an annual property tax levy.

Agency funds account for the collection and payment of amounts deposited by citizens and developers for specific projects and improvements.

The City's proprietary funds apply all applicable GASB pronouncements as well as relevant Financial Accounting Standards Board (FASB) pronouncements issued on or before November 30, 1989, unless those pronouncements conflict or contradict GASB pronouncements, in which case GASB prevails.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Interfund services provided and used are not eliminated in the process of consolidation.

Amounts reported as program revenues include charges to customers for goods, services, or privileges provided. Internally dedicated resources are reported as general revenue, rather than as program revenue. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating 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 enterprise funds and of the City's internal service funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service 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 nonoperating revenues and expenses.

CITY OF PARK RIDGE, ILLINOIS

Notes to the Financial Statements
April 30, 2012

1. Summary of Significant Accounting Policies (Cont.)

D. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Cont.)

The City reports unearned revenue on its financial statements. Unearned revenue arises when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Unearned revenue also arises when resources are received by the City before it 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, the liability for unearned revenue is removed from the financial statements and revenue is recognized.

E. Stewardship - Deficit Fund Equity

The following funds had a deficit fund balance as of April 30, 2012:

Fund	Deficit Fund Balance
Uptown Tax Increment Financing	\$ 5,082,848
Municipal Waste Management	113,315
Nonmajor Governmental Funds	
Illinois Municipal Retirement Fund	125,769
Emergency Telephone	309,045
Special Service Area	7,201

The City plans to alleviate the fund deficits. The Uptown Tax Increment Financing Fund is still in development, as revenues will be transferred after completion. The Municipal Waste Management Fund, IMRF Fund, Emergency Telephone Fund, and Special Service Area Funds will continue to receive transfers sufficient to fund operations within each fund.

F. Cash and Investments

For purposes of the statement of cash flows, the City's proprietary funds consider all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Investments consist of certificates of deposit, treasury obligations, and insurance contracts with maturities greater than three months. Investments with maturities of greater than one year are reported at fair value. Fair value is based on quoted market prices.

G. Receivables

The recognition of receivables associated with nonexchange transactions is as follows:

- Derived tax receivables (such as sales, income, and motor fuel taxes) are recognized when the underlying exchange has occurred.
- Imposed nonexchange receivables (such as property taxes and fines) are recognized when an enforceable legal claim has arisen.

CITY OF PARK RIDGE, ILLINOIS

Notes to the Financial Statements
April 30, 2012

1. Summary of Significant Accounting Policies (Cont.)

G. Receivables (Cont.)

- Government mandates or voluntary nonexchange transaction receivables (such as mandates or grants) are recognized when all eligibility requirements have been met.

The City has determined that an allowance is necessary for uncollectible property tax receivables. At April 30, 2012, the allowance was \$172,021.

H. Inventory and Prepaid Items

Inventory is valued at cost (first-in, first-out). Inventories are accounted for under the consumption method, whereby acquisitions are recorded in inventory accounts initially and charged as expenditures when used.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

I. Capital Assets

Capital assets, which include property, plant, equipment, infrastructure assets (e.g. roads, bridges, and similar items), and construction in progress, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined as having a useful life greater than one year with an initial, individual cost of more than \$100,000 for infrastructure assets, \$50,000 for building improvements, and \$10,000 for all other capital assets. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Additions or improvements that significantly extend the useful life of an asset or that significantly increase the capacity of an asset are capitalized. Expenditures for asset acquisitions and improvements are stated as capital outlay expenditures in the governmental funds.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized cost of the assets constructed.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Land Improvements	15-20 years
Buildings	50-75 years
Machinery and Equipment	5-20 years
Office Furniture and Equipment	3-20 years
Vehicles	2-20 years
Infrastructure - Streets, Alleys and Sidewalks	80-100 years
Infrastructure - Reservoir and Water System	40 years

Gains or losses from sales or retirements of capital assets are included in operations on the statement of activities.

CITY OF PARK RIDGE, ILLINOIS

Notes to the Financial Statements
April 30, 2012

I. Summary of Significant Accounting Policies (Cont.)

J. Unearned Revenue

The City defers revenue recognition in connection with resources that have been received but not yet earned.

Governmental funds report unearned revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period.

K. Compensated Absences

The liability for compensated absences reported in the government-wide financial statements consists of unpaid accumulated vacation leave balances for City employees.

Vacation leave is recorded in the governmental funds when due (upon employee retirement or termination). The General Fund is typically used to liquidate these liabilities. Vested or accumulated vacation leave of proprietary funds is recorded as an expense and liability to those funds as the benefits accrue to employees. No liability is recorded for nonvesting, accumulating rights to receive sick pay benefits. However, an expenditure/expense is reported and a liability is recognized for that portion of accumulating sick leave benefits that is estimated will be taken as "terminal leave" at retirement.

L. Long-Term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities or business-type activities statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Debt service funds are specifically established to account for and service the long-term obligations of the governmental funds' debt. Enterprise funds individually account for and service the applicable debt that benefits those funds. Long-term debt is recognized as a liability in a governmental fund when due or when resources have been accumulated for payment early in the following year.

M. Fund Equity

During the year ended April 30, 2012, the City implemented GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, which enhanced the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied, and by clarifying the existing governmental fund type definitions. Previously, fund balance of governmental funds was divided into three categories - reserved, unreserved/designated and unreserved/undesignated. The new reporting requirement eliminated those categories and replaced them with five new categories that are described below.

CITY OF PARK RIDGE, ILLINOIS

Notes to the Financial Statements
April 30, 2012

1. Summary of Significant Accounting Policies (Cont.)

M. Fund Equity (Cont.)

There are five classifications of fund balance:

- (1) Nonspendable – amounts that are not in spendable form (such as inventory) or are required to be maintained intact.
- (2) Restricted – amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government) through constitutional provisions or by enabling legislation.
- (3) Committed – amounts constrained to specific purpose by a government itself, using its highest level of decision-making authority. To be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint.
- (4) Assigned – amounts a government intends to use for a specific purpose. Intent can be expressed by the City Manager.
- (5) Unassigned – amounts that are available for any purpose. These amounts are only reported in the General Fund, except for deficit balances in other funds.

Fund balance is displayed in the order of the relative strength of the spending constraints placed on the purposes for which resources can be used.

The City's flow of funds assumption prescribes that the funds with the highest level of constraint are expended first. If restricted or unrestricted funds are available for spending, the restricted funds are spent first. Additionally, if different levels of unrestricted funds are available for spending, the City considers committed funds to be expended first followed by assigned and the unassigned funds.

N. Capital Contributions

Capital contributions reported in the governmental and proprietary funds represent capital assets donated from the governmental funds to the proprietary funds or from outside parties, principally developers.

O. Interfund Transactions

The City has the following types of transactions between funds:

Loans are amounts provided with a requirement for repayment. Interfund loans are reported as due from other funds in lender funds and due to other funds in borrower funds for short-term borrowings, and advances to other funds in lender funds and advances from other funds in borrower funds for long-term borrowings. Amounts are reported as internal balances in the government-wide statement of net assets.

Services provided and used are sales and purchases of goods and services between funds for a price approximating their external exchange value. Interfund services provided and used are reported as revenues in seller funds and expenditures or expenses in purchaser funds. Unpaid amounts are reported as due to/from other funds in the fund financial statements.

CITY OF PARK RIDGE, ILLINOIS

Notes to the Financial Statements
April 30, 2012

1. Summary of Significant Accounting Policies (Cont.)

O. Interfund Transactions (Cont.)

Reimbursements are repayments from the funds responsible for particular expenditures or expenses to the funds that initially paid for them. Reimbursements are reported as expenditures in the reimbursing fund and as a reduction of expenditures in the reimbursed fund.

Transfers are flows of assets (such as cash or goods) without equivalent flows of assets in return and without a requirement for repayment. In governmental funds, transfers are reported as other financing uses in the funds making transfers and as other financing sources in the funds receiving transfers. In proprietary funds, transfers in/out are reported as a separate category after nonoperating revenues and expenses.

P. Use of Estimates

In preparing financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

2. Reconciliation of Government-wide and Fund Financial Statements

A. Explanation of Certain Differences Between the Government Funds Balance Sheet and the Government-wide Statement of Net Assets

The governmental funds balance sheet includes a reconciliation between total fund balances - governmental funds and net assets of governmental activities as reported in the government-wide statement of net assets. One element of that reconciliation explains that "Some liabilities reported in the statement of net assets do not require the use of current financial resources and, therefore, are not reported in the governmental funds." The details of this difference are as follows:

General Obligation Bonds and Notes Payable	\$ 46,305,091
Compensated Absences Payable	1,436,739
Claims and Judgments Payable	1,289,282
Other Post-employment Benefits Payable	1,660,655
Accrued Interest Payable	<u>832,008</u>
Net Adjustment to Reduce Fund Balance - Total Governmental Funds to Arrive at Net Assets of Governmental Activities	<u>\$ 51,523,775</u>

CITY OF PARK RIDGE, ILLINOIS

Notes to the Financial Statements
April 30, 2012

2. Reconciliation of Government-wide and Fund Financial Statements (Cont.)

B. Explanation of Certain Differences Between the Government Funds Statement of Revenues, Expenditures, and Changes in Fund Balance and the Government-wide Statement of Activities

The governmental funds statement of revenues, expenditures, and changes in fund balances (deficits) includes a reconciliation between net change in fund balances - total governmental funds and change in net assets of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that "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 and reported as depreciation expense." The details of this difference are as follows:

Capital Outlay	\$ 245,446
Depreciation Expense	<u>(1,029,526)</u>
Net Adjustment to Increase Net Change in Fund Balances - Total Governmental Funds to Arrive at Change in Net Assets of Governmental Activities	<u>\$ (784,080)</u>

Another element of that reconciliation states that "The issuance of long-term debt (e.g. bonds, compensated absences) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt and increases in compensated absences consume current financial resources of governmental funds." The details of this difference are as follows:

Issuance of Bonds	\$ (7,545,000)
Principal Payments	1,580,000
Issuance of Bond Premium	(370,043)
Amortization of Bond Premiums	<u>31,296</u>
Net Adjustment to Decrease Net Change in Fund Balance - Total Governmental Funds to Arrive at Change in Net Assets of Governmental Activities	<u>\$ (6,303,747)</u>

Another element of that reconciliation states that "Some expenses reported in the statement of activities do not require the use of current financial resources, and, therefore, are not reported as expenditures in the governmental funds. The details of this difference are as follows:

Increase in Accrued Interest Payable	\$ (30,108)
Increase in Pension Liabilities	(732)
Increase in Other Post-Employment Benefits Obligation	(317,082)
Activity in Compensated Absences and Claims and Judgments	69,747
Net Change in Unamortized Issuance Costs	<u>92,725</u>
Net Adjustment to Increase Net Change in Fund Balance - Total Governmental Funds to Arrive at Change in Net Assets of Governmental Activities	<u>\$ (185,450)</u>

CITY OF PARK RIDGE, ILLINOIS

Notes to the Financial Statements
April 30, 2012

3. Deposits and Investments

The City maintains a cash and investment pool that is available for use by most funds. Each fund type's portion of this pool is displayed on the combined balance sheet as "cash and cash equivalents" and "investments." In addition, investments are separately held by several of the City's funds. The City's investment policy and state statutes allow the City to invest in the following:

- Securities issued or guaranteed by the United States.
- Interest-bearing accounts of banks and savings and loan associations insured up to \$250,000 by the Federal Deposit Insurance Corporation.
- Short-term obligations (less than 180 days) of U.S. corporations with assets over \$500 million and rated in the highest classification by at least two rating agencies.
- Insured accounts of an Illinois credit union chartered under United States or Illinois law.
- Money market mutual funds with portfolios of securities issued or guaranteed by the United States or agreements to repurchase these same types of obligations.
- The Illinois Funds.
- Repurchase agreements which meet instrument transaction requirements of Illinois law.
- Illinois Metropolitan Investment Fund.

The deposits and investments of the pension funds are held separately from those of other City funds. In addition to the aforementioned investments, pension funds are also permitted to invest in the following instruments:

- General accounts of Illinois-licensed life insurance companies.
- Separate accounts of Illinois-licensed insurance companies invested in stocks, bonds, and real estate, limited to 10% of the fund's investments.
- Bonds issued by any county, city, township, incorporated town, municipal corporation, or school district in Illinois.
- Tax anticipation warrants issued by any city, township, incorporated town, or fire protection district in Illinois.
- Equity accounts up to a limit of 45% of the aggregate fair value of the fund's assets.
- Direct obligations of the State of Israel.

In addition, pension funds with net assets of \$2.5 million or more may invest up to 35% of plan net assets in a separate account of life insurance companies and mutual funds. If pension funds have net assets of at least \$5 million and have an appointed investment advisor, the pension funds may, through that investment advisor, invest up to 35% of the plan's net assets in common and preferred stocks which meet specific restrictions.

CITY OF PARK RIDGE, ILLINOIS

Notes to the Financial Statements
 April 30, 2012

3. Deposits and Investments (Cont.)

As of April 30, 2012, the City's cash and investments consisted of the following:

	Government-wide	Fiduciary	Total
Cash and Cash Equivalents	\$ 16,342,580	5,326,056	21,668,636
Investments	2,800,000	67,092,862	69,892,862
	<u>\$ 19,142,580</u>	<u>72,418,918</u>	<u>91,561,498</u>

For disclosure purposes, this amount is segregated into three components: 1) cash on hand; 2) deposits with financial institutions, which include amounts held in demand accounts, savings accounts, and certificates of deposit; and 3) other investments.

The other investments consist of investments in the Governmental Cash Investment Fund, Federal National Mortgage Association, Federal Home Loan Banks, Federal Farm Credit Banks, U.S. Government treasuries, mutual funds, and common stocks as follows:

Cash on Hand	\$ 2,480
Deposits with Financial Institutions - City	19,140,100
Deposits with Financial Institutions - Police and Firefighters' Pension Funds and Agency Fund	5,626,056
Other Investments - Police and Firefighters' Pension Funds	66,792,862
	<u>\$ 91,561,498</u>

As of April 30, 2012, the Police and Firefighters' Pension Funds have the following investments and maturities:

	Fair Value	Investment Maturities (In Years)			
		Less Than One Year	1 to 5 Years	6 to 10 Years	More Than 10 Years
U.S. Government Treasuries	\$ 21,670,102		11,286,432	1,105,785	9,277,885
U.S. Agency Securities	15,827,219	508,765	2,764,804	4,856,750	7,696,900
	<u>\$ 37,497,321</u>	<u>508,765</u>	<u>14,051,236</u>	<u>5,962,535</u>	<u>16,974,785</u>
	Fair Value	Equities			
Common Stocks	\$ 26,505,907	26,505,906			
Mutual Funds	2,789,634	2,789,634			
	<u>\$ 29,295,541</u>	<u>29,295,540</u>			

CITY OF PARK RIDGE, ILLINOIS

Notes to the Financial Statements
 April 30, 2012

3. Deposits and Investments (Cont.)

As of April 30, 2012, the Component Unit (Library) has the following investments and maturities.

Investment Type	Fair Value	Investment Maturities		
		Less Than One Year	1 to 5 Years	More Than 5 Years
Certificates of Deposit	\$ 141,042	141,042		

A. Interest Rate Risk

The City's investment policy limits investment maturities by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, and by investing operating funds primarily in shorter-term securities, money market mutual funds, or similar investment pools.

The Police and Firefighters' Pension Funds' investment policies do not limit investment maturities as a means of managing their exposure to fair value losses arising from increasing interest rates. The objective is the preservation of capital while providing for the long-term growth of principal without undue exposure to risk.

B. Credit Risk

State law limits investments in commercial paper, corporate bonds, and mutual bond funds to the top two ratings issued by nationally recognized statistical rating organizations. The City's investment policy does not impose further limits on investment choices. As of April 30, 2012, The Illinois Funds were rated AAA by Standard & Poor's.

The Police and Firefighters' Pension Funds limit their exposure to credit risk by investing in securities issued by the United States government and/or its agencies that are implicitly guaranteed by the United States government. The investments in securities of the U.S. government and agency obligations were rated AA+ by Standard & Poor's and Aaa by Moody's Investors Service.

C. Custodial Credit Risk

In the case of deposits, this is the risk that, in the event of a bank failure, the City's deposits may not be returned. 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 investment or collateral securities that are in the possession of an outside party. As of April 30, 2012, none of the City's deposits with financial institutions balance of \$20,227,487 were exposed to custodial credit risk, as those deposits were insured, or fully collateralized by investments held by an independent third party in the City's name.

None of the Police and Firefighters' Pension Fund's deposits with financial institutions were exposed to custodial credit risk, as those deposits were insured, or fully collateralized by investments held by an independent third party in the City's name.

None of the Component Unit's (Library's) deposits with financial institutions were exposed to custodial credit risk, as those deposits were insured, or fully collateralized by investments held by an independent third party in the City's name.

CITY OF PARK RIDGE, ILLINOIS

Notes to the Financial Statements
April 30, 2012

3. Deposits and Investments (Cont.)

C. Custodial Credit Risk (Cont.)

The Illinois Funds is sponsored by the State Treasurer in accordance with state law. The fair value of the positions in the Illinois Funds is the same as the value of The Illinois Funds shares. The Illinois Funds is not registered with the SEC. The Illinois Funds Money Market has earned Standard & Poor's highest rating (AAAm). The rating is based on Standard & Poor's analysis of the pool's credit quality, market price exposure and management. The rating signifies excellent safety of invested principal and a superior capacity to maintain a stable \$1 per share net asset value at all times. This is accomplished through conservative investment practices and strict internal controls.

D. Concentration of Credit Risk

It is the policy of the City to diversify its investment portfolio. Investments shall be diversified to eliminate the risk of loss resulting in overconcentration in a security, maturity, issuer, or class of securities. Per the City's investment policy, the City will diversify its investments by security type and institution. No more than 50% of the City's total investment portfolio will be invested with a single financial institution.

It is the policy of the Police and Firefighters' Pension Funds to diversify their investment portfolio. Investments shall be diversified to eliminate the risk of loss resulting in overconcentration in a security, maturity, issuer, or class of securities. According to the Pension Funds' investment policy, the Pension Funds will diversify their investments by security type and institution.

4. Receivables - Taxes

Property taxes for 2012 attach as an enforceable lien on January 1, 2012. Taxes are levied in December 2012, in the subsequent fiscal year, by passage of a Tax Levy Resolution. Tax bills are payable in two installments, on or about March 1 and August 1, 2013. The County collects such taxes and remits them periodically. The allowance for uncollectible taxes has been stated at approximately 1.70% of the tax levy, to reflect actual collection experience.

CITY OF PARK RIDGE, ILLINOIS

Notes to the Financial Statements
 April 30, 2012

5. Capital Assets

A. Governmental Activities

A summary of changes in capital assets for governmental activities of the City is as follows:

	Restated Balances May 1	Additions	Deletions	Balances April 30
Capital Assets Not Being Depreciated				
Land	\$ 35,757,106			35,757,106
Office Furniture	89,800			89,800
	<u>35,846,906</u>	<u>-</u>	<u>-</u>	<u>35,846,906</u>
Capital Assets Being Depreciated				
Land Improvements	2,472,347			2,472,347
Buildings	15,598,159			15,598,159
Machinery and Equipment	1,319,047	114,879	80,690	1,353,236
Office Furniture and Equipment	187,832			187,832
Vehicles	6,032,209			6,032,209
Infrastructure	25,765,670		27,497	25,738,173
	<u>51,375,264</u>	<u>114,879</u>	<u>108,187</u>	<u>51,381,956</u>
Less Accumulated Depreciation For				
Land Improvements	793,997	123,086		917,083
Buildings	4,151,846	312,216		4,464,062
Machinery and Equipment	1,114,781	33,424	70,775	1,077,430
Office Furniture and Equipment	187,558			187,558
Vehicles	4,105,411	276,088		4,381,499
Infrastructure	11,526,313	284,712	27,497	11,783,528
	<u>21,879,906</u>	<u>1,029,526</u>	<u>98,272</u>	<u>22,811,160</u>
Total Capital Assets Being Depreciated, Net	<u>29,495,358</u>	<u>(914,647)</u>	<u>9,915</u>	<u>28,570,796</u>
Governmental Activities Capital Assets, Net	<u>\$ 65,342,264</u>	<u>(914,647)</u>	<u>9,915</u>	<u>64,417,702</u>

CITY OF PARK RIDGE, ILLINOIS

Notes to the Financial Statements
 April 30, 2012

5. Capital Assets (Cont.)

B. Business-type Activities

A summary of changes in capital assets for business-type activities of the City is as follows:

	Restated Balances May 1	Additions	Deletions	Balances April 30
Capital Assets Not Being Depreciated				
Land	\$ 1,283,383			1,283,383
Construction in Progress		212,104		212,104
	<u>1,283,383</u>	<u>212,104</u>	<u>-</u>	<u>1,495,487</u>
Capital Assets Being Depreciated				
Land Improvements	303,091			303,091
Machinery and Equipment	756,272	29,000	64,360	720,912
Vehicles	308,054			308,054
Infrastructure	47,231,277	1,145,541		48,376,818
	<u>48,598,694</u>	<u>1,174,541</u>	<u>64,360</u>	<u>49,708,875</u>
Less Accumulated Depreciation For				
Land Improvements	303,091			303,091
Machinery and Equipment	537,876	25,887	64,360	499,403
Vehicles	21,513	30,806		52,319
Infrastructure	16,262,764	888,078		17,150,842
	<u>17,125,244</u>	<u>944,771</u>	<u>64,360</u>	<u>18,005,655</u>
Total Capital Assets Being Depreciated, Net	<u>31,473,450</u>	<u>229,770</u>	<u>-</u>	<u>31,703,220</u>
Business-type Activities Capital Assets, Net	<u>\$ 32,756,833</u>	<u>441,874</u>	<u>-</u>	<u>33,198,707</u>

C. Depreciation Expense

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental Activities		
General Government	\$	13,535
Public Safety		182,225
Public Works		833,766
		<u>833,766</u>
	\$	<u>1,029,526</u>
Business-type Activities		
Water	\$	744,865
Sewer		199,906
		<u>199,906</u>
	\$	<u>944,771</u>

CITY OF PARK RIDGE, ILLINOIS

Notes to the Financial Statements
 April 30, 2012

5. Capital Assets (Cont.)

D. Construction Commitments

The City has entered into contracts for the construction or renovation of various facilities as follows:

Project	Project Authorization	Expended to Date	Retainage	Commitment
Arrow Road Construction	\$ 931,639	212,757	23,639	1,168,035
Sewer Lining	310,000	210,233	23,359	543,592
	<u>\$ 1,241,639</u>	<u>422,990</u>	<u>46,998</u>	<u>1,711,627</u>

The construction committee listed above does not require further financing.

E. Component Unit - Library

A summary of changes in capital assets for the Library is as follows:

	Restated Beginning Balance	Additions	Deletions	Ending Balance
Capital Assets Not Being Depreciated				
Land	\$ 170,083			170,083
Construction in Process		14,317		14,317
Office Furniture	770,000			770,000
	<u>940,083</u>	<u>14,317</u>	<u>-</u>	<u>954,400</u>
Capital Assets Being Depreciated				
Buildings	1,252,932			1,252,932
Machinery and Equipment	181,125	21,234	10,652	191,707
Office Furniture and equipment	92,988			92,988
Vehicles	17,154			17,154
	<u>1,544,199</u>	<u>21,234</u>	<u>10,652</u>	<u>1,554,781</u>
Less Accumulated Depreciation For				
Buildings	1,252,932			1,252,932
Machinery and Equipment	35,775	10,928	6,391	40,312
Office Furniture and equipment	92,988			92,988
Vehicles	7,433			7,433
	<u>1,389,128</u>	<u>10,928</u>	<u>6,391</u>	<u>1,393,665</u>
Total Capital Assets Being Depreciated, Net	<u>155,071</u>	<u>10,306</u>	<u>4,261</u>	<u>161,116</u>
Library Capital Assets, Net	<u>\$ 1,095,154</u>	<u>24,623</u>	<u>4,261</u>	<u>1,115,516</u>

CITY OF PARK RIDGE, ILLINOIS

Notes to the Financial Statements
April 30, 2012

6. Long-Term Obligations

A. Change in Long-Term Liabilities

The following is a summary of long-term obligation activities of the City associated with governmental activities and business-type activities for the year ended April 30, 2012:

	Restated Balances January 1	Additions	Reductions	Balances December 31	Due Within One Year
Governmental Activities					
General Obligation Bonds Payable	\$ 39,685,000	7,545,000	1,580,000	45,650,000	1,985,000
Bond Issuance Premium	316,344	370,043	31,296	655,091	31,296
Compensated Absences Payable	1,425,904	2,082,526	2,071,691	1,436,739	214,620
Claims and Judgments	1,369,864	3,782,436	3,863,018	1,289,282	1,289,282
Fire Pension Liability	698,968		78,275	620,693	
Police Pension Liability	44,763		20,653	24,110	
Other Post-employment Benefits	1,343,573	530,303	213,221	1,660,655	
Illinois Municipal Retirement Pension Liability	278,116	99,660		377,776	
	<u>\$ 45,162,532</u>	<u>14,409,968</u>	<u>7,858,154</u>	<u>51,714,346</u>	<u>3,520,198</u>
Business-type Activities					
Compensated Absences Payable	\$ 162,017	158,734	153,221	167,530	33,000
Claims and Judgments	10,943	193,866	199,395	5,414	5,414
	<u>\$ 172,960</u>	<u>352,600</u>	<u>352,616</u>	<u>172,944</u>	<u>38,414</u>

B. General Obligation Bonds

Year Ending April 30,	Governmental Activities General Obligation Bonds	
	Principal	Interest
2013	\$ 1,985,000	2,028,721
2014	1,855,000	1,995,551
2015	2,605,000	1,915,116
2016	3,020,000	1,799,988
2017	3,165,000	1,661,872
2018-2022	22,605,000	5,611,378
2023-2027	9,555,000	1,164,063
2028-2029	860,000	38,850
	<u>\$ 45,650,000</u>	<u>16,215,539</u>

CITY OF PARK RIDGE, ILLINOIS

Notes to the Financial Statements
April 30, 2012

6. Long-Term Obligations (Cont.)

B. General Obligation Bonds (Cont.)

At April 30, 2012, the City had the following general obligation bonds and notes outstanding:

\$4,910,000, 2004A General Obligation Bonds, due in annual installments of \$95,000 to \$1,155,000 beginning in 2009 through 2014, plus interest at 3.00% to 4.00%.	\$ 1,250,000
\$11,860,000, 2004B General Obligation Bonds, due in annual installments of \$400,000 to \$945,000 beginning in 2007 through 2026, plus interest at 3.00% to 4.75%.	9,265,000
\$7,005,000, 2005A General Obligation Bonds, due in annual installments of \$100,000 to \$1,825,000 beginning in 2013 through 2025, plus interest at 4.00% to 5.00%.	7,005,000
\$10,530,000, 2006A General Obligation Bonds, due in annual installments of \$100,000 to \$3,520,000 beginning in 2013 through 2021, plus interest at 4.25% to 5.00%.	10,530,000
\$10,055,000, 2006B General Obligation Bonds, due in annual installments of \$785,000 to \$2,045,000 beginning in 2013 through 2018, plus interest at 5.70% to 5.85%.	10,055,000
\$5,415,000 2012A General Obligation Bonds, due in annual installments of \$295,000 to \$435,000 beginning in 2015 through 2029, plus interest at 2.00% to 3.00%.	5,415,000
\$2,130,000, 2012B General Obligation Bonds, due in annual installments of \$240,000 to \$315,000 beginning in 2013 through 2020, plus interest at .60% to 2.65%.	<u>2,130,000</u>
	<u>\$ 45,650,000</u>

CITY OF PARK RIDGE, ILLINOIS

Notes to the Financial Statements
 April 30, 2012

7. Interfund Balances

A. Due from/to Other Funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
<u>Due to/from Other Funds</u>		
General	Illinois Municipal Retirement	\$ 127,931
General	Emergency Telephone	390,899
		<u>518,830</u>
Motor Fuel Tax	General	117,338
Less Amounts Eliminated during GASB 34 Consolidation		<u>(636,168)</u>
		<u>\$ -</u>

B. Advances from/to Other Funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
<u>Advances to/from Other Funds</u>		
General		
Uptown TIF		\$ 5,019,124
Less Amounts Eliminated during GASB 34 Consolidation		<u>(5,019,124)</u>
		<u>\$ -</u>

The incremental property taxes in the Uptown TIF Fund are used to make the debt service payments and to pay the contraction obligations to the School Districts and Park District. After these payments are made, no funds are available for reinvestment. The taxes on new property have not been sufficient to pay in full the annual debt service and contractual obligations. Loans are drawn from the General Fund due to the incremental property taxes in the Uptown TIF Fund not being sufficient to pay the required debt service and economic development expenditures.

CITY OF PARK RIDGE, ILLINOIS

Notes to the Financial Statements
 April 30, 2012

8. Transfers

Transfers among funds reported within the same activities column are eliminated from that column in the government-wide statement of activities. The principal purpose of the City's interfund transfers is transfers to the General Fund for administration payments and payments in lieu of taxes for the utilities. The following transfers were made:

Receiving Fund	Transferring Fund	Amount
Uptown TIF	Series 2006A Uptown Construction	\$ 277,078
Uptown TIF	Series 2006B Uptown Construction	418,889
		<u>695,967</u>
Emergency Telephone Fund	General Fund	812,568
Motor Fuel Tax	General Fund	117,338
2004A General Obligation Bond	Uptown TIF	1,194,519
2004B General Obligation Bond	Water Fund	885,566
2005A General Obligation Bond	Uptown TIF	321,113
2006A General Obligation Bond	Uptown TIF	523,500
2006B General Obligation Bond	Uptown TIF	<u>579,815</u>
Total Governmental Activities Transfers		<u>5,130,386</u>
General	Water Fund	<u>800,000</u>
Illinois Municipal Retirement Fund	Water Fund	158,000
Illinois Municipal Retirement Fund	Parking Fund	37,000
Illinois Municipal Retirement Fund	Sewer Fund	68,200
		<u>263,200</u>
Total all Funds		6,193,586
Less: Amounts eliminated during GASB 34 adjustments		<u>(4,244,820)</u>
Total Transfers		<u>\$ 1,948,766</u>

CITY OF PARK RIDGE, ILLINOIS

Notes to the Financial Statements
April 30, 2012

8. Transfers (Cont.)

The General Fund annually supplements the Emergency Telephone Fund as the receipts within this fund do not cover the operating expenditures. The Uptown TIF Fund receives property tax receipts to be used toward debt service payments in individual debt service funds resulting in transfers between funds. This is also the case with the debt service transfer between the Water Fund and debt service fund. The Enterprise Fund (Water, Sewer, and Parking) transfer funds to cover the Enterprise employee's portion of Social Security and IMRF pension costs. The 2006 Uptown Construction Funds transferred the remaining cash balances to the Uptown TIF. The Water Fund annually transfers funds to the General Fund for shared services received from the General Fund.

9. Restrictions for Enabling Legislation

The government-wide statement of net assets reports net assets restricted by enabling legislation, which consists of the following:

Asset Forfeiture	\$ 79,104
Foreign Fire Insurance Tax	34,255
Motor Fuel Tax	<u>647,393</u>
Total Net Assets Restricted by Enabling Legislation	<u>\$ 760,752</u>

10. Risk Management

A. Self-Insurance

The City is exposed to various risks of loss related to torts; thefts of, damage to, and destruction of assets; errors and omissions; natural disasters; and injuries to the City's employees. These risks, along with medical claims for employees and retirees, are provided for through a limited self-insurance program. The City reports its risk management activities in three categories in the General Fund: general liability and automobile premiums and claims, workers' compensation premiums and claims, and medical and dental premiums and claims.

The City self-insures for general liability and automobile claims up to a \$250,000 self-insured retention with an insurance company covering the excess of this amount up to a maximum of \$2,000,000 per occurrence. The premiums for this coverage and the claims paid are recorded in the General Fund. As of April 30, 2012, the City has accrued \$212,609 for claims incurred but not reported based upon prior experience.

The City self-insures for workers' compensation claims up to \$400,000 per occurrence with an insurance company covering claims in excess of this amount up to the statutory limit. The contributions are made by each fund that accounts for full- or part-time employees. Contributions are allocated based upon the number of employees. These contributions and the premium costs, as well as the claims paid, which are processed by an administrator at an annual fee based on claims paid, are recorded in the General Fund. At April 30, 2012, the City has accrued \$954,190 (net of reserves in excess of retention limits) relating to the City's estimate of losses resulting from workers' compensation claims.

CITY OF PARK RIDGE, ILLINOIS

Notes to the Financial Statements
April 30, 2012

10. Risk Management (Cont.)

A. Self-Insurance (Cont.)

The City self-insures for health insurance claims up to \$75,000 per employee per year with an insurance company covering claims in excess of this amount up to a maximum of \$2,000,000 per lifetime. Contributions are allocated based upon the number of employees and the type of coverage (single or family). These contributions and the premium costs, as well as the claims paid, which are processed by an administrator at an annual fee based on claims paid, are recorded in the General Fund. For all programs, settlement amounts have not been exceeded insurance coverage for the current or three prior years. At April 30, 2012, the City has accrued \$145,535 for claims incurred but not reported. This amount is calculated by the administrator based upon the City's prior experience. All claims-related accruals are reported in the government-wide statement of net assets as claims and judgments payable.

The following schedule details the changes in the balances of claims and adjustments during the last two fiscal years:

	General Liability and Automobile	Workers' Compensation	Medical	Total
Unpaid Claims, May 1, 2010	\$ 302,107	592,676	185,200	1,079,983
Incurred Claims (Including IBNR)	505,985	480,496	2,848,255	3,834,736
Claims Payments	(504,407)	(170,652)	(2,826,022)	(3,501,081)
Unpaid Claims, April 30, 2011	303,685	902,520	207,433	1,413,638
Incurred Claims (Including IBNR)	559,940	227,554	3,618,190	4,405,684
Claims Payments	(651,015)	(175,884)	(3,680,088)	(4,506,987)
Unpaid Claims, April 30, 2012	<u>\$ 212,610</u>	<u>954,190</u>	<u>145,535</u>	<u>1,312,335</u>

There has been no reduction in the City's insurance coverage for any of its programs since the prior fiscal year. Settlements have not exceeded insurance coverage for the current year or the prior three fiscal years.

B. High-Level Excess Liability (HELP)

The City participates in HELP, a pool established by fifteen municipalities in Illinois to provide excess liability coverage (\$10,000,000 of coverage after a \$2,000,000 self-insurance retention). The City's payments to HELP are displayed on the financial statements as expenditures/expenses in the appropriate funds. As of April 30, 2012, there were no outstanding claims requiring additional accrual by the City.

CITY OF PARK RIDGE, ILLINOIS

Notes to the Financial Statements
April 30, 2012

11. Contingent Liabilities and Commitments

A. Litigation

The City is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the City's management, the resolution of these matters will not have a material adverse effect on the financial condition of the City.

B. Grants

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the City expects such amounts, if any, to be immaterial.

C. Solid Waste Agency Northern Cook County (SWANCC)

The City's contract with SWANCC provides that each member is liable for its proportionate share of any costs arising from defaults in payment obligations by other members. The City is not aware of any such situations as of fiscal year end or through the date of this report.

D. High-Level Excess Liability Pool (HELP)

The City has committed to purchase excess liability insurance from HELP. The City is required to pay its share of claims and the "fixed costs" of HELP. Payments (membership assessments) to HELP are based on the City's current allocation percentage of 6.49%. The allocation percentage is assessed based upon a formula which specifies the following four criteria for allocation of premium costs: miles of streets, number of motor vehicles, full-time equivalent employees, and operating revenues.

The City's agreement with the High-Level Excess Liability Pool provides that each member is liable for its proportionate share of any costs arising from defaults in payment obligations by other members.

E. City of Chicago

The City of Park Ridge has committed to purchase water from the City of Chicago. The table below provides the amounts that the City of Park Ridge expects to pay for the next five years. These amounts have been calculated from the City's water rate study.

Fiscal Year	Amount
2013	\$ 3,990,000
2014	4,590,000
2015	5,280,000
2016	5,860,000
2017	6,030,000

CITY OF PARK RIDGE, ILLINOIS

Notes to the Financial Statements
April 30, 2012

12. Joint Ventures

A. Solid Waste Agency of Northern Cook County (SWANCC)

The City is a member of SWANCC, which consists of 23 municipalities. SWANCC is a municipal corporation and public body politic established pursuant to the Constitution of the State of Illinois and the Intergovernmental Cooperation Act of the State of Illinois, as amended, (the Act). SWANCC is empowered under the Act to plan, construct, finance, operate, and maintain a solid waste disposal system to serve its members. SWANCC is reported as a nonequity governmental joint venture.

SWANCC is governed by a Board of Directors, which consists of one appointed Mayor or President from each member municipality. Each Director has an equal vote. The Executive Committee of SWANCC is elected by the Board of Directors. The Board of Directors determines the general policy of SWANCC, makes all appropriations, approves contracts, adopts resolutions providing for the issuance of bonds or notes by SWANCC, adopts by-laws, rules, and regulations, and exercises such powers and performs such duties as may be prescribed in the agreement or the by-laws.

A summary of revenues, expenses, and net income for SWANCC for the year ended April 30, 2011 (the most recent available) follows:

Total Revenues	\$ 14,270,755
Total Expenses	<u>14,183,633</u>
Net Income	87,122
Net Assets, Beginning	<u>8,098,038</u>
Net Assets, Ending	<u><u>\$ 8,185,160</u></u>

In accordance with the joint venture agreement, the City made payments totaling \$613,561 to the Agency related to fixed costs for the year ended April 30, 2012. These payments were recorded in the City's Municipal Waste Management Fund. At April 30, 2011, the City's share of SWANCC's assets, liabilities, and equity was 5.48%. Complete financial statements for SWANCC can be obtained from SWANCC's administrative office at 2700 Patriot Blvd., Suite 110, Glenview, Illinois 60026.

B. High-Level Excess Line Pool (HELP)

The City is a member of HELP, which consists of 15 municipalities in Illinois. HELP is an intergovernmental risk pool that acts 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.

Entities join HELP for a minimum of ten years. The agreement was extended, effective May 1, 2008, through April 30, 2018; twelve municipalities reenlisted. Entities applying for membership in HELP may do so on approval of a two-thirds vote of HELP'S Board of Directors. Underwriting and rate-setting policies have been established after consultation with actuaries. Members are subject to a supplemental assessment in the event of deficiencies. There were no deficiencies as of April 30, 2012.

CITY OF PARK RIDGE, ILLINOIS

Notes to the Financial Statements
April 30, 2012

12. Joint Ventures (Cont.)

B. High-Level Excess Line Pool (HELP) (Cont.)

A summary of revenues, expenses, and net income for HELP for the year ended April 30, 2012 (the most recent available) follows:

Total Revenues	\$ 983,778
Total Expenses	<u>336,448</u>
Net Income	647,330
Net Assets, Beginning	<u>12,538,557</u>
Net Assets, Ending	<u>\$ 13,185,887</u>

The City's agreement with the High-Level Excess Liability Pool provides that each member is liable for its proportionate share of any costs arising from defaults in payment obligations by other members.

Complete financial statements for HELP can be obtained from HELP'S treasurer at 50 S. Emerson Street, Mt. Prospect, Illinois 60056.

13. Other Postemployment Benefits

The City provides post-retirement health insurance benefits to its full-time employees under local ordinance. Individuals become eligible for these benefits upon retirement and a minimum of six to eight years' service to the City, depending on retirement age. Premium equivalents are developed using blended claim experience for both the active and retired populations, trend data, and administrative costs. Retirees are responsible for paying 100% of the premium equivalents. Fifty-eight retirees, two employees on disability and three non-retirees received these benefits in the year ended April 30, 2012. Although the City makes no direct payments for its retirees' health insurance premiums or claims, the annual premium amount for all employees is affected by the claim experience of both employees and retirees.

The City's Retiree Health Employee Benefits plan is a single-employer defined benefit healthcare plan administered by the City of Park Ridge. This plan provides the continuation of health care benefits to employees who retire from the City. Fire, police, and municipal employees who terminate after reaching retirement eligibility in their respective pension plans are eligible to elect to continue their health care coverage by paying the monthly premium rate charged for the City's health plans. The plan operates on a pay-as-you-go funding basis. No assets are accumulated or dedicated to funding the retiree health plan benefits.

The contribution requirements of plan members and the City are established and may be amended by the City Council. The required contributions are based on projected financing requirements. For fiscal year 2012, the City contributed \$213,221 to the plan.

CITY OF PARK RIDGE, ILLINOIS

Notes to the Financial Statements
 April 30, 2012

13. Other Postemployment Benefits (Cont.)

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

	April 30, 2012
Other Postemployment Benefits (OPEB) Obligation	
Annual Required Obligation	\$ 546,363
Interest on Net OPEB Obligation	67,179
Adjustment to Annual Required Obligation	<u>(83,239)</u>
Annual OPEB Cost	530,303
Contributions Made	<u>(213,221)</u>
Increase in Net OPEB Obligation	317,082
Net OPEB Obligation	
Beginning of Year	<u>1,343,573</u>
End of Year	<u>\$ 1,660,655</u>

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
4/30/2012	\$ 530,303	40.20%	1,660,655
4/30/2011	532,793	36.70%	1,343,573
4/30/2010	507,994	59.20%	1,006,396
4/30/2009	509,373	54.10%	798,938

Funded status and Funding Progress. The funded status of the plan as of April 30, 2012, was as follows:

Actuarial Accrued Liability (AAL)	\$ 5,592,608
Actuarial Value of Plan Net Assets	
Unfunded Actuarial Accrued Liability (UAAL)	5,592,608
Funded Ratio (Actuarial Value of Plan Assets/AAL)	
Covered Payroll (Active Plan Members)	16,021,844
UAAL as a Percentage of Covered Payroll	34.90%

CITY OF PARK RIDGE, ILLINOIS

Notes to the Financial Statements
April 30, 2012

13. Other Postemployment Benefits (Cont.)

Actuarial valuations of an ongoing plan involve estimates of 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 the 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.

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

The actuarial valuation uses the entry age actuarial cost method. The actuarial assumptions include a 5% expected long-term investment return on assets expected to be used to pay benefits based on the funded level of the plan at the valuation date, and an annual healthcare cost trend rate of 9% initially, reduced by decrements to an ultimate rate of 5% after five years. Both rates included a 3% inflation assumption. The plan has not accumulated assets and does not hold assets in a segregated trust. However, the funds expected to be used to pay benefits are assumed to be invested for the duration which will yield an annual return of 5%. The unfunded accrued actuarial liability is being amortized as a level dollar amount on an open basis over thirty years.

The schedule of funding progress, presented as Required Supplementary Information following the Notes to the Financial Statements, presents multiyear trend information about actuarial accrued liability for benefits.

14. Employee Retirement Systems

A. Illinois Municipal Retirement Fund

Plan Descriptions

The City's defined benefit pension plan for regular employees provides retirement and disability benefits, post-retirement increases, and death benefits to plan members and beneficiaries. The City's plan is affiliated with the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer plan. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained on-line at www.imrf.org.

Funding Policy

As set by statute, the City's regular plan members are required to contribute 4.5 percent of their annual covered salary. The statute requires the City to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer contribution rate for calendar year 2011 was 14.59 percent of annual covered payroll. The employer annual required contribution rate for calendar 2011 was 16.14 percent. 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 state statute.

CITY OF PARK RIDGE, ILLINOIS

Notes to the Financial Statements
April 30, 2012

14. Employee Retirement Systems (Cont.)

A. Illinois Municipal Retirement Fund (Cont.)

Annual Pension Cost

For April 30, 2012, the City's actual contributions for pension cost for the regular plan were \$1,249,067. Its required contribution for fiscal year 2012 was \$1,341,916. The required contribution was calculated by the City up to April 30, 2012. The required contribution for calendar year 2011 was \$1,398,270 and was determined as part of the December 31, 2009 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2009 included (a) 7.5 percent investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4 percent a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4 percent to 10 percent per year depending on age and service, attributable to seniority/merit, and (d) post-retirement benefit increases of 3 percent annually.

In addition to the contributions noted above, on February 15, 2012, the City made a one-time contribution of \$2,100,220 to the IMRF plan. The 2012B General Obligation Bonds proceeds were used for this payment, which effectively funds retirement benefits for the City's Early Retirement Incentive (ERI) Program, and will lower future rates. The effect of this contribution has not yet been reflected in the funded status of the plan discussed below, or the calculation of Net Pension Obligation.

Funding Status and Funding Progress

As of December 31, 2011, the most recent actuarial valuation date, the regular plan was 65.41 percent funded. The actuarial accrued liability for benefits was \$29,406,275 and the actuarial value of assets was \$19,234,319, resulting in underfunded actuarial accrued liability (UAAL) of \$10,171,956. The covered payroll (annual payroll of active employees covered by the plan) was \$8,741,504 and the ratio of the UAAL to the covered payroll was 117 percent. In conjunction with the December 2011 actuarial valuation, the market value of investments was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. In 2011, the unfunded actuarial accrued liability is being amortized on a level percentage of projected payroll on an open 30 year basis.

The schedule of funding progress, presented as Required Supplementary Information 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.

B. Police Pension Fund

Plan Description and Provisions

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 Chapter 40 Illinois Compiled Statutes 5, and may be amended only by the Illinois legislature. The City accounts for the plan as a pension trust fund. The plan does not issue a stand-alone financial report.

CITY OF PARK RIDGE, ILLINOIS

Notes to the Financial Statements
 April 30, 2012

14. Employee Retirement Systems (Cont.)

B. Police Pension Fund (Cont.)

Plan Description and Provisions (Cont.)

At April 30, 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	52
Terminated Employees Entitled to Benefits but Not Yet Receiving Them	1
Current Employees	
Vested	42
Nonvested	<u>10</u>
Total	<u>105</u>

The following is a summary of the Police Pension Plan as provided by the Illinois State Statutes:

The Police Pension Plan provides retirement benefits as well as death and disability benefits. Employees attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive an annual retirement benefit of 2.5% of final salary for each year of service up to 30 years, to a maximum of 75% of such salary. Employees with at least 8 years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit.

The monthly pension 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% of the original pension and 3% simple interest annually thereafter.

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 plan, as actuarially determined by an enrolled actuary. By the year 2040, the City's contributions must accumulate to the point where the past service cost for the Police Pension Plan is 90% funded.

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 is capped at \$106,800, plus the lesser of one-half of the annual change in the Consumer Price Index or 3.00% compounded. The annual benefit shall be increased by 2.50% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75.00% of such salary. Employees with at least 10 years may retire at or after age 50 and receive a reduced benefit (i.e., 1/2% 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,

CITY OF PARK RIDGE, ILLINOIS

Notes to the Financial Statements
April 30, 2012

14. Employee Retirement Systems (Cont.)

B. Police Pension Fund (Cont.)

Plan Description and Provisions (Cont.)

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 3.00% or one-half of the change in the Consumer Price Index for the proceeding calendar year.

C. Firefighters' Pension Fund

Plan Description and Provisions

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 as well as the employee and employer contribution levels are mandated by Chapter 40 Illinois Compiled Statutes 5 and may be amended only by the Illinois legislature. The City accounts for the plan as a pension trust fund. The plan does not issue a standalone financial statement.

At April 30, 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	49
Current Employees	
Vested	31
Nonvested	<u>15</u>
Total	<u>95</u>

The following is a summary of the Firefighters' Pension Plan as provided by the Illinois State Statutes:

The Firefighters' Pension Plan provides retirement benefits as well as death and disability benefits. Employees attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive an annual retirement benefit of one-half of the salary attached to the rank held on the last day of service. The monthly pension shall be increased by one-twelfth of 2.5% of such monthly salary for each additional month over 20 years of service through 30 years to a maximum of 75% of such monthly salary. Employees with at least 10 years but less than 20 years of credited service may retire at or after age 60 and receive a reduced retirement benefit. The monthly pension of a firefighter 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 paid upon reaching at least the age 55, by 3% of the original pension and 3% annually thereafter.

Covered employees are required to contribute 9.455% of their base salary to the Firefighters' 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 plan, as actuarially determined by an enrolled actuary. By the year 2040, the City's contributions must accumulate to the point where the past service cost for the Firefighters' Pension Plan is 90% funded.

CITY OF PARK RIDGE, ILLINOIS

Notes to the Financial Statements
April 30, 2012

14. Employee Retirement Systems (Cont.)

C. Firefighters' Pension Fund (Cont.)

Plan Description and Provisions (Cont)

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 one-half of the annual change in the Consumer Price Index or 3.00% compounded. The annual benefit shall be increased by 2.50% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75.00% of such salary. Employees with at least 10 years may retire at or after age 50 and receive a reduced benefit (i.e., 1/2% 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 3.00% or one-half of the change in the Consumer Price Index for the preceding calendar year.

D. Summary of Significant Accounting Policies and Plan Asset Matters

i. Basis of Accounting

The financial statements are prepared using the accrual basis of accounting. Employee and employer contributions are recognized as revenues when due, pursuant to formal commitments as well as statutory or contractual requirements. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Administrative costs are financed through the fund.

ii. Method Used to Value Investments

Investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Investments that do not have an established market are reported at estimated fair value. Investment income is recognized as earned.

Gains and losses on sales and exchanges of fixed-income securities are recognized on the transaction date. Equity securities are reported at cost subject to adjustment for market declines judged to be other than temporary (lower of cost or market).

iii. Significant Investments

There are no investments (other than U.S. government and U.S. government-guaranteed obligations) in any one organization that represent 5 percent or more of net assets available for benefits.

iv. Related Party Transactions

There are no securities of the employer or any other related parties included in plan assets, including any loans.

CITY OF PARK RIDGE, ILLINOIS

Notes to the Financial Statements
 April 30, 2012

14. Employee Retirement Systems (Cont.)

E. Significant Actuarial Assumption

	Illinois Municipal Retirement	Police Pension	Firefighters' Pension
Significant Actuarial Assumptions			
(a) Interest Rate of Return Present and Future Assets	7.50%	6.50%	6.50%
(b) Projected Salary Increase Attributable to Inflation	4.00%	3.00%	3.00%
(c) Additional Projected Salary Increases Attributable to Seniority/Merit	0.4% to 10.0%	2.00%	2.00%
(d) Postretirement Benefit Increases	3.00%	3.00%	3.00%

The actuarial cost method for the above plans is entry age normal and the amortization method is a level percentage of payroll, closed period. The asset valuation method is fair market value.

F. Funding Status and Funding Progress

Police Pension

As of April 30, 2012, the most recent actuarial valuation date, the Police Pension Plan was 64.1% funded. The actuarial accrued liability was \$57,437,409, and the actuarial value of assets was \$36,825,068, resulting in an underfunded actuarial accrued liability of \$20,612,341. The covered payroll for 2012 was \$4,288,717 and the ratio of the underfunded balance was thus 480.6%.

The Schedule of Funding Progress, presented as Required Supplementary Information following the Notes to the Financial Statements, presents multi-year trend information about whether the actuarial value of the plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Firefighters' Pension

As of April 30, 2012, the most recent actuarial valuation date, the Police Pension Plan was 68.5% funded. The actuarial accrued liability was \$52,379,863, and the actuarial value of assets was \$35,891,911, resulting in an underfunded actuarial accrued liability of \$16,487,952. The covered payroll for 2012 was \$3,891,911 and the ratio of the underfunded balance was thus 423.7%.

The Schedule of Funding Progress, presented as Required Supplementary Information following the Notes to the Financial Statements, presents multi-year trend information about whether the actuarial value of the plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

CITY OF PARK RIDGE, ILLINOIS

Notes to the Financial Statements
 April 30, 2012

14. Employee Retirement Systems (Cont.)

G. Contributions Required and Contributions Made

Police Pension and Firefighters' Pension

The Systems' funding policy provides for actuarially determined periodic contributions at rates that, for individual employees, increase gradually over time so that sufficient assets will be available to pay benefits when due. The rate for the City's employee group as a whole has tended to remain level as a percentage of annual covered payroll. The contribution rate for normal cost is determined using the entry age normal actuarial funding method. The Police Pension and Firefighters' Pension unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at April 30, 2012 was 29 years.

	Police Pension	Firefighters' Pension
Annual Required Contribution (ARC)	\$ 2,002,567	1,875,739
Interest on Net Pension Obligation	2,910	45,433
Adjustments to the ARC	(1,975)	(28,811)
Annual Pension Cost (APC)	2,003,502	1,892,361
Contributions Made	2,024,155	1,970,636
Change in the Net Pension Obligation (Asset)	(20,653)	(78,275)
Net Pension Obligation (Asset) at May 1, 2011 (Restated)	44,763	698,968
Net Pension Obligation (Asset) at April 30, 2012	\$ 24,110	620,693

Computation of Net Pension Obligations at April 30, 2012

Illinois Municipal Retirement Fund

	Regular Employees
Annual Required Contribution	\$ 1,341,916
Interest on Net Pension Obligation	20,922
Adjustments to ARC	(14,111)
Annual Pension Cost (APC)	1,348,727
Contributions Made	1,249,067
Change in the Net Pension Obligation	99,660
Net Pension Obligation at May 1, 2011	278,116
Net Pension Obligation at April 30, 2012	\$ 377,776

CITY OF PARK RIDGE, ILLINOIS

Notes to the Financial Statements
April 30, 2012

14. Employee Retirement Systems (Cont.)

H. Trend Information

Trend information gives an indication of the progress made in accumulating sufficient assets to pay benefits when due. Ten-year trend information may be found in the required supplemental section of the government's annual financial report.

	Fiscal Year	Illinois Municipal Retirement	Police Pension	Firefighters' Pension
Annual Pension Cost	2012	\$ 1,348,727	2,003,502	1,892,361
	2011	1,403,011	1,838,778	1,766,045
	2010	1,046,898	1,542,229	1,432,457
Percent Contributed	2012	92.6	101.0	104.1
	2011	80.1	88.4	90.3
	2010	100.0	110.6	96.1
Net Pension Obligation (Asset)	2012	377,776	24,110	620,693
	2011	278,116	44,763	698,968
	2010		(168,050)	528,276

15. Pension Trust Funds - Financial Data

A. Schedule of Fiduciary Net Plan Assets as of April 30, 2012

	Police Pension	Firefighters' Pension	Total
Assets			
Cash and Cash Equivalents	\$ 2,329,345	2,652,716	4,982,061
Investments			
Certificates of Deposit		300,000	300,000
U.S. Treasury Securities	3,939,125	17,730,978	21,670,103
U.S. Agency Securities	14,886,910	940,309	15,827,219
Equity Securities	15,351,630	13,943,910	29,295,540
Receivables			
Accrued Interest	310,135	317,464	627,599
Prior Service Receivable			
Prepaid Expenses	12,504	18,716	31,220
Total Assets	36,829,649	35,904,093	72,733,742
Liabilities			
Accounts Payable	4,579	5,357	9,936
Net Assets			
Held in Trust for Pension Benefits	\$ 36,825,070	35,898,736	72,723,806

CITY OF PARK RIDGE, ILLINOIS

Notes to the Financial Statements
April 30, 2012

15. Pension Trust Funds - Financial Data (Cont.)

B. Schedule of Changes in Fiduciary Net Plan Assets as of April 30, 2012

	Police Pension	Firefighters' Pension	Total
Additions			
Contributions			
Employer	\$ 1,970,545	2,024,059	3,994,604
Plan Members	372,640	435,552	808,192
	<u>2,343,185</u>	<u>2,459,611</u>	<u>4,802,796</u>
Investment Income			
Net Appreciation in Fair Value of Investments	1,450,874	1,402,941	2,853,815
Interest	1,027,041	872,698	1,899,739
Dividends	223,332	228,441	451,773
	<u>2,701,247</u>	<u>2,504,080</u>	<u>5,205,327</u>
Less Investment Expense	(98,496)	(110,051)	(208,547)
	<u>2,602,751</u>	<u>2,394,029</u>	<u>4,996,780</u>
Total Additions	4,945,936	4,853,640	9,799,576
Deductions			
Administration	58,205	47,525	105,730
Pension Benefits and Refunds	2,535,817	2,575,978	5,111,795
	<u>2,594,022</u>	<u>2,623,503</u>	<u>5,217,525</u>
Change in Net Assets	2,351,914	2,230,137	4,582,051
Net Assets			
Beginning	33,546,822	34,594,933	68,141,755
Ending	<u>\$ 35,898,736</u>	<u>36,825,070</u>	<u>72,723,806</u>

CITY OF PARK RIDGE, ILLINOIS

Notes to the Financial Statements
April 30, 2012

16. Prior Period Adjustments

Fund balances have been restated as follows:

	General Fund	Municipal Waste Management Fund	Illinois Municipal Retirement Fund	Dempster Tax Increment Financing Fund	Library Fund
Fund Balance, as Previously Reported	\$ 8,308,896	(343,248)	12,807	67,623	2,856,011
Adjustment to Correctly Recognize Deferred Revenue	321,706	171,344	79,702		194,118
Adjustment to Recognize Prepaid Health Insurance Expense	48,976				
Adjustment to Correct TIF Liability				49,885	
Adjustment to Remove Library from Primary Government					(3,050,129)
Total Adjustments	370,682	171,344	79,702	49,885	(2,856,011)
Fund Balance, May 1, 2011, as Restated	\$ 8,679,578	(171,904)	92,509	117,508	-

Beginning net assets of governmental activities has been restated as follows:

Net Assets, as Previously Reported	\$ 51,124,259
Adjustments to General Fund	370,682
Adjustments to Municipal Waste Management Fund	171,344
Adjustments to Illinois Municipal Retirement Fund	79,702
Adjustments to Dempster Tax Increment Financing Fund	49,885
Adjustments to Library Fund	(3,050,129)
Adjustment to Remove Sewer Assets from Governmental Activities, Reported Under Business-type Activities	(8,962,726)
Adjustment to Fire Pension Net Pension Obligation	166,721
Adjustment to Police Pension Net Pension Obligation	161,092
Adjustment to Remove Library Capital Assets from Governmental Activities	(1,095,154)
Adjustment to Remove Library Deferred Revenue recognized at Government Wide level from Governmental Activities	(1,843,734)
Adjustment to Remove Library Compensated Absences from Governmental Activities	265,054
Adjustment to Remove Library Claims Payable from Governmental Activities	32,831
Adjustment to Remove Library Technology Replacement Fund from Governmental Activities	(427,151)
Total Adjustments	(14,081,583)
Net Assets, May 1, 2011, as Restated	\$ 37,042,676

CITY OF PARK RIDGE, ILLINOIS

Notes to the Financial Statements
April 30, 2012

16. Prior Period Adjustments (Cont.)

Beginning net assets of business type activities (Sewer Fund) has been restated as follows:

	<u>Business-type Activities</u>	<u>Sewer Fund</u>
Net Assets, as Previously Reported	\$ 29,333,572	1,405,405
Adjustment to Recognize Sewer Assets from Governmental Activities	<u>8,962,726</u>	<u>8,962,726</u>
	<u>\$ 38,296,298</u>	<u>10,368,131</u>

17. Subsequent Events

Management has evaluated subsequent events through October 29, 2012, the date that these financial statements were available to be issued. Management has determined that no events or transactions have occurred subsequent to the balance sheet date that requires disclosure in the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF PARK RIDGE, ILLINOIS

Required Supplementary Information

Schedules of Funding Progress

April 30, 2012

Illinois Municipal Retirement Fund

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/2011	\$ 19,234,319	29,406,275	10,171,956	65.41%	8,663,385	117.41%
12/31/2010	17,398,526	27,011,736	9,613,210	64.41%	8,741,504	109.97%
12/31/2009	16,267,761	27,386,470	11,118,709	59.40%	9,811,601	113.32%
12/31/2008	14,423,581	25,224,097	10,800,516	57.18%	9,451,282	114.28%
12/31/2007	23,854,369	26,689,265	2,834,896	89.38%	9,390,223	30.19%
12/31/2006	24,486,545	26,299,003	1,812,458	93.11%	9,195,148	19.71%

Police Pension Fund

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
4/30/2012	\$ 36,825,068	57,437,409	20,612,341	64.11%	4,288,717	480.62%
4/30/2011	34,594,933	55,731,869	21,136,936	62.07%	4,412,233	479.05%
4/30/2010	31,481,923	52,309,039	20,827,116	60.18%	4,616,197	451.17%
4/30/2009	28,390,544	49,973,027	21,582,483	56.81%	4,468,173	483.03%
4/30/2008	31,204,839	48,564,454	17,359,615	64.25%	4,134,756	419.85%
4/30/2007	30,735,228	45,471,026	14,735,798	67.59%	4,311,677	341.76%

CITY OF PARK RIDGE, ILLINOIS

Required Supplementary Information

Schedules of Funding Progress

April 30, 2012

Firefighters' Pension Fund

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
4/30/2012	\$ 35,891,911	52,379,863	16,487,952	68.52%	3,891,008	423.75%
4/30/2011	33,545,688	50,771,789	17,226,101	66.07%	3,948,131	436.31%
4/30/2010	30,977,019	49,305,229	18,328,210	62.83%	4,100,487	446.98%
4/30/2009	28,123,389	45,889,972	17,766,583	61.28%	4,062,308	437.35%
4/30/2008	30,761,348	43,369,187	12,607,839	70.93%	3,845,212	327.88%
4/30/2007	30,436,296	39,963,653	9,527,357	76.16%	3,789,789	251.40%

Other Postemployment Benefit Plan

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
4/30/2011	\$	5,592,608	5,592,608	0.00%	16,021,844	34.91%
4/30/2010		5,326,139	5,326,139	0.00%	15,555,188	34.24%
4/30/2009		5,377,206	5,377,206	0.00%	16,567,452	32.46%
4/30/2008		5,226,077	5,226,077	0.00%	16,084,905	32.49%
4/30/2007		4,679,947	4,679,947	0.00%	15,942,920	29.35%
4/30/2006		4,458,149	4,458,149	0.00%	16,218,450	27.49%

CITY OF PARK RIDGE, ILLINOIS

Required Supplementary Information

Schedules of Employer Contributions

April 30, 2012

Police Pension Fund

Fiscal Year	Employer Contributions	Annual Required Contribution (ARC)	Percentage Contributed
2012	\$ 2,024,155	2,003,502	101.03%
2011	1,625,965	1,838,778	88.43%
2010	1,705,705	1,542,229	110.60%
2009	1,006,821	1,392,907	72.28%
2008	1,005,552	807,108	124.59%
2007	808,754	770,179	105.01%

Firefighters' Pension Fund

Fiscal Year	Employer Contributions	Annual Required Contribution (ARC)	Percentage Contributed
2012	\$ 1,970,636	1,892,361	104.14%
2011	1,595,353	1,766,045	90.33%
2010	1,818,559	1,892,361	96.10%
2009	970,832	1,112,997	87.23%
2008	252,787	718,184	35.20%
2007	137,387	165,101	83.21%

CITY OF PARK RIDGE, ILLINOIS

Required Supplemental Information

Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual - General Fund

Year Ended April 30, 2012

	Original and Final Budget	Actual	Variance With Final Budget Over (Under)
Revenues			
Property Taxes	\$ 7,704,836	7,806,540	101,704
Other Taxes	14,874,040	8,106,830	(6,767,210)
Licenses and Permits	2,652,475	2,803,147	150,672
Intergovernmental	231,600	7,843,630	7,612,030
Charges for Services	1,521,500	1,700,035	178,535
Fines and Forfeitures	406,000	561,700	155,700
Interest	50,000	2,914	(47,086)
Miscellaneous	3,000	747,851	744,851
Total Revenues	<u>27,443,451</u>	<u>29,572,647</u>	<u>2,129,196</u>
Expenditures			
Current			
General Government	4,615,206	5,031,052	415,846
Public Safety	15,969,549	16,857,127	887,578
Public Works	5,542,587	4,904,116	(638,471)
Development	1,201,028	1,119,018	(82,010)
Culture and Civic	77,617	73,170	(4,447)
Total Expenditures	<u>27,405,987</u>	<u>27,984,483</u>	<u>578,496</u>
Excess of Revenues over Expenditures	<u>37,464</u>	<u>1,588,164</u>	<u>1,550,700</u>
Other Financing Sources (Uses)			
Transfers in			
Water Fund	800,000	800,000	
Transfers Out			
Motor Fuel Tax Fund		(117,338)	(117,338)
Emergency Telephone Fund	(812,568)	(812,568)	
Total Other Financing Sources (Uses)	<u>(12,568)</u>	<u>(129,906)</u>	<u>(117,338)</u>
Net Change in Fund Balance	<u>\$ 24,896</u>	<u>1,458,258</u>	<u>(1,433,362)</u>
Fund Balance			
May 1 (Restated)		<u>8,679,578</u>	
April 30		<u>10,137,836</u>	

See accompanying Notes to Required Supplementary Information.

CITY OF PARK RIDGE, ILLINOIS

Required Supplemental Information

Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual - Uptown Tax Increment Financing (TIF) Fund

Year Ended April 30, 2012

	Original and Final Budget	Actual	Variance With Final Budget Over (Under)
Revenues			
Property Taxes	\$ 3,240,914	2,602,850	(638,064)
State Grants	320,000		(320,000)
Total Revenues	<u>3,560,914</u>	<u>2,602,850</u>	<u>(958,064)</u>
Expenditures			
Current			
Development	<u>1,152,307</u>	<u>932,969</u>	<u>(219,338)</u>
Excess of Revenues over Expenditures	<u>2,408,607</u>	<u>1,669,881</u>	<u>(738,726)</u>
Other Financing Sources (Uses)			
Transfers In			
Capital Projects			
2006A Uptown Construction Fund		277,078	277,078
2006B Uptown Construction Fund		418,889	418,889
Transfers Out			
Debt Service 2004A Fund	(1,194,519)	(1,194,519)	
Debt Service 2005A Fund	(321,113)	(321,113)	
Debt Service 2006A Fund	(523,500)	(523,500)	
Debt Service 2006B Fund	(579,815)	(579,815)	
Total Other Financing Sources (Uses)	<u>(2,618,947)</u>	<u>(1,922,980)</u>	<u>695,967</u>
Net Change in Fund Balance	<u>\$ (210,340)</u>	<u>(253,099)</u>	<u>(42,759)</u>
Fund Balance			
May 1		<u>(4,829,749)</u>	
April 30		<u>(5,082,848)</u>	

See accompanying Note to the Required Supplementary Information.

CITY OF PARK RIDGE, ILLINOIS

Required Supplemental Information

Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual - Municipal Waste Management Fund

Year Ended April 30, 2012

	Original and Final Budget	Actual	Variance With Final Budget Over (Under)
Revenues			
Property Taxes	\$ 3,522,100	3,401,139	(120,961)
Miscellaneous		2,379	2,379
Total Revenues	<u>3,522,100</u>	<u>3,403,518</u>	<u>(118,582)</u>
Expenditures			
Current			
Public Works	<u>3,397,024</u>	<u>3,344,929</u>	<u>52,095</u>
Net Change in Fund Balance	<u>\$ 125,076</u>	58,589	<u>(66,487)</u>
Fund Balance			
May 1		<u>(171,904)</u>	
April 30		<u>(113,315)</u>	

See accompanying Note to the Required Supplementary Information.

CITY OF PARK RIDGE, ILLINOIS

Notes to Required Supplementary Information
April 30, 2012

1. Budgetary Basis of Accounting

The governmental, proprietary, and trust funds (excluding the pension funds) have legally adopted annual budgets prepared in accordance with generally accepted accounting principles (GAAP). Budgetary comparisons are reflected in the financial statements for all governmental and enterprise funds. The City follows these procedures in establishing the budgetary data reflected in the financial statements.

- a. The City Manager, who also serves as the Budget Officer, submits a proposed budget to the City Council for review and approval. The proposed budget is made available for public inspection at least 10 days prior to City Council approval.
- b. Public hearings are conducted to obtain taxpayer comments on the proposed fiscal year budget.
- c. The budget is legally approved prior to May 1. Budgets lapse at year-end.
- d. The Budget Officer may revise the budget by deleting, adding to, changing, or creating accounts. He/she may approve the transfer of funds from one account to another provided they are within the same fund.

2. Actual Expenditures in Excess of Budget in Individual Funds

The following budgeted funds had an excess of actual expenditures over budget for the year ended April 30, 2012:

Fund	Excess
Motor Fuel Tax Fund	\$ 22,611
Illinois Municipal Retirement Fund	2,184,446

The budget variance in the IMRF Fund is due to the proceeds of the 2012B General Obligation Bonds and subsequent payment to IMRF for early retirement incentive liability.

The following funds did not adopt a budget for fiscal year 2012:

- Special Service Revenue Funds
 - Asset Forfeiture Fund
 - Dempster Tax Increment Financing Fund
 - Foreign Fire Insurance Tax Fund
 - Special Service Area Fund

- Capital Projects Funds
 - Series 2006A Uptown Construction Fund
 - Series 2006B Uptown Construction Fund

**COMBINING, INDIVIDUAL FUND, AND CAPITAL ASSET
FINANCIAL STATEMENTS AND SCHEDULES**

GOVERNMENTAL FUND TYPES

GENERAL FUND

CITY OF PARK RIDGE, ILLINOIS

General Fund

Schedule of Revenues - Budget and Actual

Year Ended April 30, 2012

	Final Budget	Actual
Taxes		
Property Taxes		
General	\$ 4,248,392	3,697,722
Fire	1,631,200	1,924,943
Police	1,665,244	1,974,775
Road and Bridge	160,000	209,100
Other Local Taxes		
Municipal Telecommunications	1,764,000	1,879,788
Package Liquor	335,000	346,324
Property Transfer	430,000	443,754
Exempt Property Transfer	12,000	10,475
Food and Beverage	430,000	480,273
Home Rule Sales	1,470,000	1,644,587
Utility	2,577,000	2,225,422
Natural Gas	128,000	121,360
Hotel		34
Parking Garage	600,000	603,847
Intergovernmental Taxes		
State Sales Tax	3,600,000	4,059,099
Gasoline	455,000	529,788
State Income Tax	2,736,040	3,175,532
Personal Property Replacement Tax		
General	295,000	308,406
Police	21,000	21,880
Fire	21,000	20,680
	<u>22,578,876</u>	<u>23,677,789</u>
Licenses and Permits		
Vehicle Licenses	1,216,475	1,204,420
Oversize Vehicle Permits		1,505
Animal Licenses	33,000	32,575
Business Licenses	151,000	142,359
Liquor Licenses	82,000	83,675
Massage Licenses		1,020
Outdoor Café Licenses		3,225
Building Permits	755,000	810,926
Cable TV Franchise Fees	415,000	523,127
Telecommunications Franchise Fees		315
	<u>2,652,475</u>	<u>2,803,147</u>
Intergovernmental Grants		
Federal Grants		1,221
State Grants	231,600	76,010
Telecommunications Franchise Fees		1,980
	<u>231,600</u>	<u>79,211</u>

CITY OF PARK RIDGE, ILLINOIS

General Fund

Schedule of Revenues - Budget and Actual (Cont.)

Year Ended April 30, 2012

	Final Budget	Actual
Charges for Services		
Services to Other Agencies	368,000	306,030
Rent	78,000	77,473
Ambulance Service Charge	860,000	835,862
Ambulance Registration	15,000	17,786
Elevator Inspections	20,000	20,640
Miscellaneous Charges		
City Clerk	6,000	9,311
Police	12,500	19,076
Fire	2,000	8,750
Zoning	10,000	9,412
Street	150,000	229,130
Collection Agency		5,597
Other		160,968
	<u>1,521,500</u>	<u>1,700,035</u>
Fines and Forfeitures		
Court Fines	112,000	104,610
Police Alarm Fines	10,000	5,310
Parking Meter Fines	108,000	(4,539)
Police Penalty		309,684
Liquor Fines		1,550
Other Fines - Adjudication		
Zoning Violations	2,000	1,540
Health Violations	2,000	630
Public Works Violations	2,000	
Municipal Code Violations	50,000	35,945
Red Light Fines	120,000	92,650
Parking Fines		14,320
	<u>406,000</u>	<u>561,700</u>
Interest		
Investment Income	50,000	2,914
Miscellaneous		
Employee Contributions		653,605
Trees		56,495
Damage to City Property	3,000	10,829
Other Miscellaneous		26,922
	<u>3,000</u>	<u>747,851</u>
Total Revenue	<u>\$ 27,443,451</u>	<u>29,572,647</u>

CITY OF PARK RIDGE, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual

Year Ended April 30, 2012

	Final Budget	Actual
General Government		
Legislative		
Regular Salaries	\$ 33,440	33,472
Overtime	900	603
Employee Benefits - Insurance	1,853	3,961
Training	800	1,403
Membership Dues	23,000	19,983
General Contractual Services	1,000	935
Materials	2,000	2,420
Total Legislative	62,993	62,777
City Administration		
Regular Salaries	405,150	406,233
Extra Help		152
Overtime	8,500	6,231
Employee Benefits - Insurance	32,776	36,932
Workers' Compensation	1,000	210
Telecommunications	26,000	21,938
Training	5,376	5,757
Postal Charges	27,500	18,591
Printing	1,624	
Membership Dues		4,612
Legal Notices	3,000	2,296
General Contractual Services	52,000	47,721
Contingency	346,964	
Materials	9,500	4,993
License Supplies		1,651
Total Administration	919,390	557,317
Legal Counsel		
Special Counsel	360,000	319,600
Special Counsel - Prosecution	25,000	34,934
Special Counsel - Other	65,000	131,429
Total Counsel	450,000	485,963
Financial Administration		
Regular Salaries	559,800	551,071
Extra Help	2,000	504
Overtime	2,000	2,587
Employee Benefits - Insurance	146,366	124,244
Workers' Compensation	5,000	
Telecommunications	8,000	7,035
Insurance	302,600	297,044
Insurance Claims	180,000	260,260
Audit Fees	48,000	42,560
Citation Fees	60,000	18,363
Red Light Fees		58,711

CITY OF PARK RIDGE, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual (Cont.)

Year Ended April 30, 2012

	Final Budget	Actual
General Government (Cont.)		
Financial Administration (Cont.)		
Training	2,000	
Postal Charges	14,000	12,760
Membership Dues		925
Bank Service Charges	52,500	54,074
Bank Trustee Fees	2,500	4,500
General Contractual Services	191,500	160,033
Materials	13,000	7,543
License Supplies	9,000	5,743
Total Financial Administration	<u>1,598,266</u>	<u>1,607,957</u>
Information Technology		
Regular Salaries	255,900	257,002
Extra Help	500	
Employee Benefits		
Insurance	44,192	40,420
Telecommunications	11,400	13,724
Microfilming		840
Training	2,100	2,187
Membership Dues		350
General Contractual Services	130,000	92,311
Materials	20,000	23,012
Total Information Technology	<u>464,092</u>	<u>429,846</u>
Records Control		
Employee Benefits		
Insurance		1
Telecommunication		1,589
Training		35
Membership Dues		40
Total Records	<u>-</u>	<u>1,665</u>
Human Resources		
Regular Salaries	63,545	81,466
Extra Help		3,026
Employee Benefits		
Insurance	18,413	748,238
Early Retirement	17,000	
Workers Compensation		1,088
Telecommunication	1,200	610
Medical Exams	20,000	16,578
Recruiting and Testing	10,000	10,404
Training	4,000	998
Membership Dues		580
General Contractual Services	37,005	40,486
Materials	5,000	1,669
Total Human Resources	<u>176,163</u>	<u>905,143</u>

CITY OF PARK RIDGE, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual (Cont.)

Year Ended April 30, 2012

	Final Budget	Actual
General Government (Cont.)		
Economic Development		
Postal Charges	100	
Training		25
Membership Dues	2,000	840
General Contractual Services	937,702	979,519
Marketing Promotions	4,500	
Total Economic Development	<u>944,302</u>	<u>980,384</u>
Total General Government	<u>4,615,206</u>	<u>5,031,052</u>
Public Safety		
Police		
Police Administration		
Regular Salaries	655,123	666,913
Overtime	4,000	9,679
Employee Benefits		
Insurance	106,640	98,731
Uniforms	1,000	
RHS Liquidation		118,631
Uniforms - Payroll		450
Workers' Compensation	100,000	142,409
Telecommunications	26,000	22,192
Training	14,200	11,692
Membership Dues	10,000	19,870
General Contractual Services	23,800	18,369
Pension Payments	1,637,408	2,024,059
Materials	30,000	17,162
Microfilming		2,070
Total Police Administration	<u>2,608,171</u>	<u>3,152,227</u>
Investigation		
Regular Salaries	868,900	893,942
Overtime	65,000	116,767
Employee Benefits		
Insurance	141,323	138,262
Uniform	8,000	
Uniforms - Payroll		6,450
Training	2,500	4,303
Membership Dues	3,000	3,215
General Contractual Services	7,000	7,338
Materials	8,500	11,040
Total Investigation	<u>1,104,223</u>	<u>1,181,317</u>
Communications		
Regular Salaries	243,530	223,757
Overtime	1,000	1,172

CITY OF PARK RIDGE, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual (Cont.)

Year Ended April 30, 2012

	Final Budget	Actual
Public Safety (Cont.)		
Police (Cont.)		
Communications (Cont.)		
Employee Benefits		
Insurance	13,970	22,058
Data Processing Services	14,200	10,547
General Contractual Services	23,000	17,728
Materials	700	
Electricity	500	878
Total Communications	<u>296,900</u>	<u>276,140</u>
Patrol		
Regular Salaries	3,413,792	3,390,970
Crossing Guards	90,100	97,466
Overtime	224,800	308,301
Employee Benefits		
Insurance	569,227	583,556
Uniforms	41,550	17,860
Uniforms - Payroll		25,650
Building Maintenance	8,000	4,015
Squad - Emergency Equipment Repair	8,000	1,759
Training	20,000	11,597
Membership Dues	50	390
Stray Animal Impoundment	3,000	1,249
General Contractual Services	19,950	10,154
Materials	50,000	48,675
Total Patrol	<u>4,448,469</u>	<u>4,501,642</u>
Crime Prevention		
Regular Salaries	78,300	79,562
Overtime	3,000	723
Employee Benefits		
Insurance	12,147	17,764
Uniform	750	750
Training	700	50
Membership Dues		100
Mileage Compensation	1,800	2,904
General Contractual Services	900	196
Materials	5,300	4,376
Total Crime Prevention	<u>102,897</u>	<u>106,425</u>
Total Police	<u>8,560,660</u>	<u>9,217,751</u>
Fire and Ambulance Services		
Fire Administration		
Regular Salaries	296,500	295,958
Overtime	900	885

CITY OF PARK RIDGE, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual (Cont.)

Year Ended April 30, 2012

	Final Budget	Actual
Public Safety (Cont.)		
Fire and Ambulance Services (Cont.)		
Fire Administration (Cont.)		
Employee Benefits		
Insurance	53,427	32,703
Uniforms	28,261	22,771
PSEBA	15,840	25,236
Workers' Compensation	100,000	206,966
PEHP Contributions		10,779
Telecommunications	20,000	22,867
Building Maintenance	26,910	32,374
Training	14,000	3,592
Membership Dues		16,508
General Contractual Services	37,000	9,216
Pension Payments	1,603,934	1,970,545
Materials	50,020	34,659
Materials - Grants		23,177
Natural Gas	10,070	5,090
Computer Equipment	210,000	
Total Fire Administration	2,466,862	2,713,326
Fire Prevention		
Regular Salaries	110,100	107,074
Overtime	10,000	4,513
Employee Benefits		
Insurance	18,247	13,121
Training	1,000	1,545
Membership Dues		570
General Contractual Services	4,000	
Materials	3,200	1,700
Total Fire Prevention	146,547	128,523
Emergency Response		
Regular Salaries	3,690,525	3,619,527
Overtime	290,000	470,980
Employee Benefits		
Insurance	696,341	632,901
Uniforms	339	339
Uniforms - PPC	20,000	3,398
Squad Emergency Equipment Repair	2,500	1,886
Training	18,000	13,630
General Contractual Services	18,575	15,227
Materials	50,000	23,300
Materials - Grants		2,561
Equipment Maintenance	9,200	8,113
Total Emergency Response	4,795,480	4,791,862

CITY OF PARK RIDGE, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual (Cont.)

Year Ended April 30, 2012

	Final Budget	Actual
Public Safety (Cont.)		
Fire and Ambulance Services (Cont.)		
Special Services		
Training		320
Materials		2,840
Equipment Maintenance		2,161
Total Special Services	-	5,321
Emergency Preparedness		
Overtime		344
Total Fire and Ambulance Services	7,408,889	7,639,376
Total Public Safety	15,969,549	16,857,127
Public Works		
Public Works Administration		
Regular Salaries	279,000	281,994
Overtime	3,000	
Employee Benefits		
Insurance	31,154	30,651
Workers' Compensation	139,000	(129,985)
Telecommunications	18,500	13,525
Training		115
Membership Dues		714
General Contractual Services	8,500	1,970
Materials	5,300	4,399
Total Public Works Administration	484,454	203,383
Engineering		
Regular Salaries	263,800	268,630
Overtime	2,000	32
Employee Benefits		
Insurance	52,323	41,090
Engineering	6,000	
Training	1,400	62
Membership Dues		613
General Contractual Services	10,000	8,970
Materials	5,700	7,529
Total Engineering	341,223	326,926
Traffic Control		
Regular Salaries	52,700	52,794
Overtime	1,400	13
Employee Benefits		
Insurance	9,955	10,073
Uniforms	200	101

CITY OF PARK RIDGE, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual (Cont.)

Year Ended April 30, 2012

	Final Budget	Actual
Public Works (Cont.)		
Traffic Control (Cont.)		
Electrical Equipment Maintenance	120,000	105,062
Materials	25,000	19,756
Total Traffic Control	<u>209,255</u>	<u>187,799</u>
Street Lighting		
Electricity Equipment Maintenance	40,000	50,591
Electricity	240,000	189,080
Total Street Lighting	<u>280,000</u>	<u>239,671</u>
Snow and Storm Control		
Regular Salaries	197,800	166,833
Overtime	87,000	80,814
Employee Benefits		
Insurance	30,641	32,001
Uniforms	1,800	337
General Contractual Services		594
Materials	100	
Snow Removal Supplies	300,000	122,790
Total Snow and Storm Control	<u>617,341</u>	<u>403,369</u>
Street Maintenance		
Regular Salaries	452,000	456,414
Overtime	11,000	6,393
Employee Benefits		
Insurance	84,762	86,123
Uniforms	3,100	6,535
Telecommunications	4,200	3,965
Striping	35,000	30,582
Membership Dues		1,500
General Contractual Services	500	1,023
Materials	104,000	77,775
Grant Funded Projects		11,300
Total Street Maintenance	<u>694,562</u>	<u>681,610</u>
Sidewalk Maintenance		
Regular Salaries	44,750	44,803
Overtime	1,200	13
Employee Benefits		
Insurance	8,054	8,756
Uniforms	400	101
General Contractual Services	100	
Materials	10,000	5,276
Sidewalk Repairs	61,776	147,284
Total Sidewalk Maintenance	<u>126,280</u>	<u>206,233</u>

CITY OF PARK RIDGE, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual (Cont.)

Year Ended April 30, 2012

	Final Budget	Actual
Public Works (Cont.)		
Alley Maintenance		
Regular Salaries	22,900	22,875
Overtime	500	5
Employee Benefits		
Insurance	4,577	4,280
Uniforms	200	34
Property Tax Refund		567
Materials	300	
Total Alley Maintenance	<u>28,477</u>	<u>27,761</u>
City Buildings Maintenance		
Regular Salaries	156,800	158,005
Overtime	8,000	9,181
Employee Benefits		
Insurance	24,267	33,613
Uniforms	200	979
Building Maintenance		
General	89,000	60,432
City Hall	90,000	60,526
Train Depot	15,000	6,121
Dee Road Train Station	10,000	7,274
Old PWSC	10,000	2,155
Membership Dues		35
General Contractual Services		2,088
Materials	22,000	11,845
Materials - City Hall	12,000	16,504
Materials - Uptown Station and Depot	5,000	86
Materials - Dee Road Train Station		93
Natural Gas and Electricity	28,200	30,535
Total City Buildings Maintenance	<u>470,467</u>	<u>399,472</u>
Forestry		
Regular Salaries	68,000	71,207
Overtime	500	
Employee Benefits		
Insurance	2,916	12,886
Tree Trimming and Removal	622,054	612,765
Training	2,100	644
Membership Dues		745
General Contractual Services	6,000	3,150
Materials	6,000	4,841
Reforestation		73,869
Total Forestry	<u>707,570</u>	<u>780,107</u>
Grounds Maintenance		
Regular Salaries	250,700	251,698
Extra Help	7,500	4,275

CITY OF PARK RIDGE, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual (Cont.)

Year Ended April 30, 2012

	Final Budget	Actual
Public Works (Cont.)		
Grounds Maintenance (Cont.)		
Overtime	3,800	1,603
Employee Benefits		
Insurance	38,369	48,043
Uniforms	1,100	1,787
Gas for Gas Lights	18,000	15,339
Gas Light Maintenance	19,000	6,997
General Contractual Services	60,000	46,830
Materials	25,000	18,352
Total Grounds Maintenance	<u>423,469</u>	<u>394,924</u>
Vehicle Maintenance		
Regular Salaries	427,900	433,268
Overtime	34,000	11,372
Employee Benefits		
Insurance	100,389	80,260
Uniforms	4,200	4,042
Insurance Claims	40,000	45,658
Building Maintenance	5,000	3,934
Training		25
General Contractual Services	98,000	53,392
Materials	125,000	117,066
Automobile Petroleum Products	300,000	280,249
Tires	25,000	23,595
Total Vehicle Maintenance	<u>1,159,489</u>	<u>1,052,861</u>
Total Public Works	<u>5,542,587</u>	<u>4,904,116</u>
Development		
Development Administration		
Regular Salaries	744,827	725,259
Extra Help	3,000	7,712
Overtime	1,000	131
Employee Benefits		
Insurance	155,401	149,509
Workers' Compensation	5,000	3,661
Telecommunications	18,000	13,551
Consulting	20,000	
Microfilming	1,500	1,535
Training	6,600	5,189
Membership Dues	2,500	2,259
Pest Control	3,000	
General Contractual Services	226,900	199,169
Materials	13,300	10,149
License Supplies		894
Total Development	<u>1,201,028</u>	<u>1,119,018</u>

CITY OF PARK RIDGE, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual (Cont.)

Year Ended April 30, 2012

	Final Budget	Actual
Culture and Civic		
Community Support		
Regular Salaries	4,800	3,137
Concerts		
Youth Services	4,000	4,000
Senior Services	61,776	58,608
General Contractual Services		2,400
Total Community Support	<u>70,576</u>	<u>68,145</u>
Transportation		
Regular Salaries	5,500	3,229
Overtime		40
Employee Benefits		
Insurance	1,541	1,756
Total Transportation	<u>7,041</u>	<u>5,025</u>
Total Culture and Civic	<u>77,617</u>	<u>73,170</u>
Total Expenditures	<u>\$ 27,405,987</u>	<u>27,984,483</u>

**NONMAJOR GOVERNMENTAL FUNDS –
COMBINING STATEMENTS**

CITY OF PARK RIDGE, ILLINOIS

Nonmajor Governmental Funds

Combining Balance Sheet

April 30, 2012

	Special Revenue	Debt Service	Capital Projects	Total Nonmajor Funds
Assets				
Cash and Cash Equivalents	\$ 1,023,572	131,654	10,684	1,165,910
Receivables				
Property Taxes, Net	804,840	141,321		946,161
Intergovernmental	72,763			72,763
Other Taxes	52,359			52,359
Due from Other Funds	117,338			117,338
Prepaid Items	29,495			29,495
Deposits in Escrow			411,533	411,533
Total Assets	\$ 2,100,367	272,975	422,217	2,795,559
Liabilities				
Accounts Payable	\$ 244,784		7,833	252,617
Other Accrued Liabilities				
Unearned Property Tax Revenue	798,448	139,816		938,264
Due to Other Funds	518,830			518,830
Due to Other Governments	14,033			14,033
Other Liabilities	89,427			89,427
Total Liabilities	1,665,522	139,816	7,833	1,813,171
Fund Balances				
Fund Balances				
Nonspendable:				
Prepays	29,495			29,495
Restricted:				
Road Construction	647,393			647,393
Public Safety	113,359			113,359
Economic Development	116,108		414,384	530,492
Debt Service		133,159		133,159
Unassigned	(471,510)			(471,510)
Total Fund Balances	434,845	133,159	414,384	982,388
Total Liabilities and Fund Balances	\$ 2,100,367	272,975	422,217	2,795,559

CITY OF PARK RIDGE, ILLINOIS

Nonmajor Governmental Funds

Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances

Year Ended April 30, 2012

	Special Revenue	Debt Service	Capital Projects	Total Nonmajor Funds
Revenues				
Property Taxes	\$ 1,853,629	129,317		1,982,946
Other Taxes	522,004			522,004
Intergovernmental	1,090,493			1,090,493
Interest	651		630	1,281
Total Revenues	<u>3,466,777</u>	<u>129,317</u>	<u>630</u>	<u>3,596,724</u>
Expenditures				
Current				
General Government	2,423,030			2,423,030
Public Safety	1,632,788			1,632,788
Public Works	1,823,039		7,833	1,830,872
Development	338,917			338,917
Culture and Civic	527,500			527,500
Debt Service				
Principal		1,580,000		1,580,000
Interest and Fiscal Agent Fees		1,920,945		1,920,945
Cost of Issuance	34,895			34,895
Total Expenditures	<u>6,780,169</u>	<u>3,500,945</u>	<u>7,833</u>	<u>10,288,947</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(3,313,392)</u>	<u>(3,371,628)</u>	<u>(7,203)</u>	<u>(6,692,223)</u>
Other Financing Sources (Uses)				
Proceeds from Bond Issuance	2,130,000			2,130,000
Bond Premium	5,630			5,630
Transfers In	1,193,106	3,504,513		4,697,619
Transfers Out			(695,967)	(695,967)
Total Other Financing Sources (Uses)	<u>3,328,736</u>	<u>3,504,513</u>	<u>(695,967)</u>	<u>6,137,282</u>
Net Change in Fund Balances	15,344	132,885	(703,170)	(554,941)
Fund Balance				
May 1	<u>419,501</u>	<u>274</u>	<u>1,117,554</u>	<u>1,537,329</u>
April 30	<u>\$ 434,845</u>	<u>133,159</u>	<u>414,384</u>	<u>982,388</u>

NONMAJOR SPECIAL REVENUE FUNDS

CITY OF PARK RIDGE, ILLINOIS

Nonmajor Special Revenue Funds

Combining Balance Sheet

April 30, 2012

(See Following Page)

CITY OF PARK RIDGE, ILLINOIS

Nonmajor Special Revenue Funds

Combining Balance Sheet

April 30, 2012

	Motor Fuel Tax Fund	Illinois Municipal Retirement Fund	Emergency Telephone Fund	Asset Forfeiture Fund
Assets				
Cash and Cash Equivalents	\$ 693,688			80,270
Receivables				
Property Taxes, Net		742,937		
Intergovernmental	72,763			
Other Taxes				
Emergency Telephone Surcharges			52,359	
Due from Other Funds	117,338			
Prepaid Items			29,495	
Total Assets	\$ 883,789	742,937	81,854	80,270
Liabilities				
Accounts Payable	\$ 236,396	5,750		1,166
Unearned Property Tax Revenue		735,025		
Due to Other Funds		127,931	390,899	
Due to Other Governments				
Other Liabilities				
Total Liabilities	236,396	868,706	390,899	1,166
Fund Balances				
Nonspendable				
Prepays			29,495	
Restricted				
Road Construction	647,393			
Public Safety				79,104
Economic Development				
Unassigned		(125,769)	(338,540)	
Total Fund Balances	647,393	(125,769)	(309,045)	79,104
Total Liabilities and Fund Balances	\$ 883,789	742,937	81,854	80,270

Dempster Tax Increment Financing Fund	Foreign Fire Insurance Tax Fund	Special Service Area Fund	Total Nonmajor Special Refund Funds
198,347	34,255	17,012	1,023,572
		61,903	804,840
			72,763
			52,359
			117,338
			29,495
198,347	34,255	78,915	2,100,367
		1,472	244,784
		63,423	798,448
			518,830
		14,033	14,033
82,239		7,188	89,427
82,239	-	86,116	1,665,522
			29,495
			647,393
	34,255		113,359
116,108			116,108
		(7,201)	(471,510)
116,108	34,255	(7,201)	434,845
198,347	34,255	78,915	2,100,367

CITY OF PARK RIDGE, ILLINOIS

Nonmajor Special Revenue Funds

Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances

Year Ended April 30, 2012

	Motor Fuel Tax Fund	Illinois Municipal Retirement Fund	Emergency Telephone Fund	Asset Forfeiture Fund
Revenues				
Property Taxes	\$	1,532,610		
Other Taxes				
Emergency Telephone Surcharge			454,887	
Personal Property Replacement		23,046		
Foreign Fire Insurance				
Intergovernmental	1,090,493			
Interest	481			127
Total Revenues	1,090,974	1,555,656	454,887	127
Expenditures				
Current				
General Government		2,423,030		
Public Safety		211,211	1,329,210	23,136
Public Works	1,022,611	800,428		
Development		175,700		
Culture and Civic		527,500		
Debt Service				
Cost of Issuance		34,895		
Total Expenditures	1,022,611	4,172,764	1,329,210	23,136
Excess (Deficiency) of Revenues over Expenditures	68,363	(2,617,108)	(874,323)	(23,009)
Other Financing Sources				
Bond Proceeds		2,130,000		
Bond Premium		5,630		
Transfers In	117,338	263,200	812,568	
Total Other Financing Sources (Uses)	117,338	2,398,830	812,568	-
Net Change in Fund Balances	185,701	(218,278)	(61,755)	(23,009)
Fund Balance				
May 1 (Restated)	461,692	92,509	(247,290)	102,113
April 30	\$ 647,393	(125,769)	(309,045)	79,104

Dempster Tax Increment Financing Fund	Foreign Fire Insurance Tax Fund	Special Service Area Fund	Total Nonmajor Special Revenue Funds
147,006		174,013	1,853,629
			454,887
			23,046
	44,071		44,071
			1,090,493
	43		651
147,006	44,114	174,013	3,466,777
			2,423,030
	63,293	5,938	1,632,788
			1,823,039
148,406		14,811	338,917
			527,500
			34,895
148,406	63,293	20,749	6,780,169
(1,400)	(19,179)	153,264	(3,313,392)
			2,130,000
			5,630
			1,193,106
-	-	-	3,328,736
(1,400)	(19,179)	153,264	15,344
117,508	53,434	(160,465)	419,501
116,108	34,255	(7,201)	434,845

CITY OF PARK RIDGE, ILLINOIS

Motor Fuel Tax Fund

Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual

Year Ended April 30, 2012

	Original and Final Budget	Actual	Variance With Final Budget Over (Under)
Revenues			
Intergovernmental			
Allotment from State of Illinois	\$ 1,000,000	1,090,493	90,493
Interest		481	481
Total Revenues	<u>1,000,000</u>	<u>1,090,974</u>	<u>90,974</u>
Expenditures			
Public Works			
Street Repairs	<u>1,000,000</u>	<u>1,022,611</u>	<u>22,611</u>
Excess of Revenues over Expenditures	-	68,363	68,363
Other Financing Sources			
Transfers In			
General Fund		<u>117,338</u>	<u>117,338</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>185,701</u>	<u>185,701</u>
Fund Balance			
May 1		<u>461,692</u>	
April 30		<u><u>647,393</u></u>	

CITY OF PARK RIDGE, ILLINOIS

Illinois Municipal Retirement Fund

Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual

Year Ended April 30, 2012

	Original and Final Budget	Actual	Variance With Final Budget Over (Under)
Revenues			
Property Taxes	\$ 1,684,100	1,532,610	(151,490)
Other Taxes			
Personal Property Replacement	19,900	23,046	3,146
Total Revenues	<u>1,704,000</u>	<u>1,555,656</u>	<u>(148,344)</u>
Expenditures			
Pension Payments			
General Government	310,139	2,423,030	2,112,891
Public Safety	199,690	211,211	11,521
Public Works	779,052	800,428	21,376
Development	172,182	175,700	3,518
Culture and Civic	527,255	527,500	245
Debt Service			
Bond Issuance Costs		34,895	34,895
Total Expenditures	<u>1,988,318</u>	<u>4,172,764</u>	<u>2,184,446</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(284,318)</u>	<u>(2,617,108)</u>	<u>(2,332,790)</u>
Other Financing Sources			
Proceeds from Bond Issuance		2,130,000	2,130,000
Bond Premium		5,630	5,630
Transfers In			
Water Fund	158,000	158,000	
Sewer Fund	68,200	68,200	
Parking Fund	37,000	37,000	
Total Other Financing Sources	<u>263,200</u>	<u>2,398,830</u>	<u>2,135,630</u>
Net Change in Fund Balance	<u>\$ (21,118)</u>	<u>(218,278)</u>	<u>(197,160)</u>
Fund Balance			
May 1 (Restated)		<u>92,509</u>	
April 30		<u>(125,769)</u>	

CITY OF PARK RIDGE, ILLINOIS

Emergency Telephone Fund

Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual

Year Ended April 30, 2012

	Original and Final Budget	Actual	Variance With Final Budget Over (Under)
Revenues			
Other Taxes			
Emergency Telephone Surcharge	\$ 500,000	454,887	(45,113)
Expenditures			
Public Safety			
Communications	1,336,568	1,329,210	(7,358)
Excess (Deficiency) of Revenues over Expenditures	(836,568)	(874,323)	(37,755)
Other Financing Sources			
Transfers In			
General Fund	812,568	812,568	
Net Change in Fund Balance	<u>\$ (24,000)</u>	(61,755)	<u>(37,755)</u>
Fund Balance			
May 1		<u>(247,290)</u>	
April 30		<u>(309,045)</u>	

NONMAJOR DEBT SERVICE FUNDS

CITY OF PARK RIDGE, ILLINOIS

Nonmajor Debt Service Funds

Combining Balance Sheet

April 30, 2012

(See Following Page)

CITY OF PARK RIDGE, ILLINOIS

Nonmajor Debt Service Funds

Combining Balance Sheet

April 30, 2012

	2004A General Obligation Bond Fund	2004B General Obligation Bond Fund	2005A General Obligation Bond Fund	2006A General Obligation Bond Fund
Assets				
Cash and Cash Equivalents	\$			1,205
Receivables				
Property Taxes, Net				
Total Assets	<u>\$</u>	<u>-</u>	<u>-</u>	<u>1,205</u>
Liabilities				
Other Accrued Liabilities	\$			
Unearned Property Tax Revenue				
Total Liabilities	-	-	-	-
Fund Balances				
Restricted for Debt Service				1,205
Total Liabilities and Fund Balances	<u>\$</u>	<u>-</u>	<u>-</u>	<u>1,205</u>

2006B General Obligation Bond Fund	2012B General Obligation Bond Fund	Total Nonmajor Debt Service Funds
2,637	127,812	131,654
	141,321	141,321
2,637	269,133	272,975
	139,816	139,816
-	139,816	139,816
2,637	129,317	133,159
2,637	269,133	272,975

CITY OF PARK RIDGE, ILLINOIS

Nonmajor Debt Service Fund

Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances

Year Ended April 30, 2012

	2004A General Obligation Bond Fund	2004B General Obligation Bond Fund	2005A General Obligation Bond Fund	2006A General Obligation Bond Fund
Revenues				
Property Taxes	\$			
Expenditures				
Debt Service				
Principal	1,110,000	470,000		
Interest and Fiscal Agent Fees	84,519	415,566	317,545	523,500
Total Expenditures	1,194,519	885,566	317,545	523,500
Excess (Deficiency) of Revenues over Expenditures	(1,194,519)	(885,566)	(317,545)	(523,500)
Other Financing Sources				
Transfers In	1,194,519	885,566	321,113	523,500
Net Change in Fund Balances	-	-	3,568	-
Fund Balance				
May 1			(3,568)	1,205
April 30	\$ -	-	-	1,205

2006B General Obligation Bond Fund	2012B General Obligation Bond Fund	Total Nonmajor Debt Service Funds
	129,317	129,317
		1,580,000
579,815		1,920,945
579,815	-	3,500,945
(579,815)	129,317	(3,371,628)
579,815		3,504,513
-	129,317	132,885
2,637		274
2,637	129,317	133,159

CITY OF PARK RIDGE, ILLINOIS

2004A General Obligation Bond Fund

Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual

Year Ended April 30, 2012

	Original and Final Budget	Actual	Variance With Final Budget Over (Under)
Revenues	\$		
Expenditures			
Debt Service			
Principal	1,110,000	1,110,000	
Interest and Fiscal Agent Fees	84,519	84,519	
Total Expenditures	<u>1,194,519</u>	<u>1,194,519</u>	-
Excess (Deficiency) of Revenues over Expenditures	(1,194,519)	(1,194,519)	-
Other Financing Sources			
Transfers In	<u>1,194,519</u>	<u>1,194,519</u>	
Net Change in Fund Balance	<u>\$ -</u>	-	<u>-</u>
Fund Balance			
May 1		_____	
April 30		<u>-</u>	

CITY OF PARK RIDGE, ILLINOIS

2004B General Obligation Bond Fund

Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual

Year Ended April 30, 2012

	Original and Final Budget	Actual	Variance With Final Budget Over (Under)
Revenues	\$		
Expenditures			
Debt Service			
Principal	470,000	470,000	
Interest and Fiscal Agent Fees	415,566	415,566	
Total Expenditures	<u>885,566</u>	<u>885,566</u>	-
Excess (Deficiency) of Revenues over Expenditures	(885,566)	(885,566)	-
Other Financing Sources			
Transfers In	<u>885,566</u>	<u>885,566</u>	
Net Change in Fund Balance	<u>\$ -</u>	-	<u>-</u>
Fund Balance			
May 1		<u> </u>	
April 30		<u> </u>	

CITY OF PARK RIDGE, ILLINOIS

2005A General Obligation Bond Fund

Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual

Year Ended April 30, 2012

	Original and Final Budget	Actual	Variance With Final Budget Over (Under)
Revenues	\$		
Expenditures			
Debt Service			
Interest and Fiscal Agent Fees	321,113	317,545	(3,568)
Excess (Deficiency) of Revenues over Expenditures	(321,113)	(317,545)	3,568
Other Financing Sources			
Transfers In			
Uptown TIF Fund	321,113	321,113	
Net Change in Fund Balance	<u>\$ -</u>	3,568	<u>3,568</u>
Fund Balance			
May 1		<u>(3,568)</u>	
April 30		<u>-</u>	

CITY OF PARK RIDGE, ILLINOIS

2006A General Obligation Bond Fund

Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual

Year Ended April 30, 2012

	Original and Final Budget	Actual	Variance With Final Budget Over (Under)
Revenues	\$		
Expenditures			
Debt Service			
Interest and Fiscal Agent Fees	523,500	523,500	
Excess (Deficiency) of Revenues over Expenditures	(523,500)	(523,500)	-
Other Financing Sources			
Transfers In			
Uptown TIF Fund	523,500	523,500	
Net Change in Fund Balance	<u>\$ -</u>	<u>-</u>	<u>-</u>
Fund Balance			
May 1		<u>1,205</u>	
April 30		<u><u>1,205</u></u>	

CITY OF PARK RIDGE, ILLINOIS

2006B General Obligation Bond Fund

Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual

Year Ended April 30, 2012

	Original and Final Budget	Actual	Variance With Final Budget Over (Under)
Revenues	\$		
Expenditures			
Debt Service			
Interest and Fiscal Agent Fees	579,815	579,815	
Excess (Deficiency) of Revenues over Expenditures	(579,815)	(579,815)	-
Other Financing Sources			
Transfers In			
Uptown TIF Fund	579,815	579,815	
Net Change in Fund Balance	<u>\$ -</u>	-	<u>-</u>
Fund Balance			
May 1		<u>2,637</u>	
April 30		<u><u>2,637</u></u>	

NONMAJOR CAPITAL PROJECTS FUNDS

CITY OF PARK RIDGE, ILLINOIS

Nonmajor Capital Projects Fund

Combining Balance Sheet

April 30, 2012

	Series 2005A Uptown TIF Construction Fund	Series 2006A Uptown Construction Fund	Series 2006BA Uptown Construction Fund	Total Nonmajor Capital Projects Funds
Assets				
Cash and Cash Equivalents	\$ 10,684			10,684
Deposits in Escrow	411,533			411,533
Total Assets	<u>\$ 422,217</u>	-	-	<u>422,217</u>
Liabilities	\$ 7,833			7,833
Fund Balances	414,384			414,384
Total Liabilities and Fund Balances	<u>\$ 422,217</u>	-	-	<u>422,217</u>

CITY OF PARK RIDGE, ILLINOIS

Nonmajor Capital Projects Funds

Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances

Year Ended April 30, 2012

	Series 2005A Uptown TIF Construction Fund	Series 2006A Uptown Construction Fund	Series 2006B Uptown Construction Fund	Total Nonmajor Capital Projects Funds
Revenues				
Interest	\$ 630			630
Expenditures				
Current				
Public Works	7,833			7,833
Excess (Deficiency) of Revenues over Expenditures	(7,203)	-	-	(7,203)
Other Financing Uses				
Transfers Out		(277,078)	(418,889)	(695,967)
Net Change in Fund Balances	(7,203)	(277,078)	(418,889)	(703,170)
Fund Balance				
May 1	421,587	277,078	418,889	1,117,554
April 30	\$ 414,384	-	-	414,384

PROPRIETARY FUND TYPES

ENTERPRISE FUNDS

CITY OF PARK RIDGE, ILLINOIS

Water Fund

Schedule of Revenues, Expenses, and Changes in Net Assets -
Budget and Actual

Year Ended April 30, 2012

	Final Budget	Actual	Variance With Final Budget Over (Under)
Operating Revenues			
Charges for Services			
Water Sales	\$ 6,955,000	6,793,805	(161,195)
Water Meters	10,000	42,857	32,857
Total Operating Revenues	<u>6,965,000</u>	<u>6,836,662</u>	<u>(128,338)</u>
Operating Expenses			
Administration			
Regular Salaries	155,400	158,337	2,937
Overtime	1,000	45	(955)
Employee Benefits			
Insurance	29,271	17,501	(11,770)
Telecommunications	22,000	17,696	(4,304)
Data Processing Services	22,000	20,812	(1,188)
Postal Charges	32,000	30,119	(1,881)
General Contractual Services	42,000	39,672	(2,328)
Materials	2,000	582	(1,418)
Total Administration	<u>305,671</u>	<u>284,764</u>	<u>(20,907)</u>
Water Supply and Treatment			
Regular Salaries	106,300	109,030	2,730
Overtime	25,000	25,617	617
Employee Benefits			
Insurance	14,405	19,096	4,691
Uniforms	1,200	940	(260)
Purchase of Water	3,500,000	3,228,766	(271,234)
Water Plant Improvement	30,000	29,000	
Testing	7,500	6,283	(1,217)
Building Maintenance	8,000	6,400	(1,600)
Membership Dues		3,533	3,533
Training	2,500	771	(1,729)
General Contractual Services	40,000	26,266	(13,734)
Materials	15,000	9,571	(5,429)
Natural Gas	10,000	2,414	(7,586)
Electricity	130,000	105,847	(24,153)
Equipment Maintenance	6,500		(6,500)
Computer Equipment	3,800	3,800	
Total Water Supply and Treatment	<u>3,900,205</u>	<u>3,577,334</u>	<u>(321,871)</u>

(Cont.)

CITY OF PARK RIDGE, ILLINOIS

Water Fund

Schedule of Revenues, Expenses, and Changes in Net Assets -
Budget and Actual (Cont.)

Year Ended April 30, 2012

	Final Budget	Actual	Variance With Final Budget Over (Under)
Operating Expenses (Cont.)			
Fire Hydrant Services			
Regular Salaries	44,736	44,803	67
Overtime	3,300	15	(3,285)
Employee Benefits			
Insurance	8,055	8,334	279
Uniforms	500	101	(399)
General Contractual Services	100		(100)
Materials	35,000	19,503	(15,497)
Total Fire Hydrant Services	<u>91,691</u>	<u>72,756</u>	<u>(18,935)</u>
Water Main Services			
Regular Salaries	312,750	264,104	(48,646)
Overtime	45,000	32,803	(12,197)
Employee Benefits			
Insurance	45,597	47,460	1,863
Uniforms	2,200	5,432	3,232
Water Sprays	12,000	10,768	(1,232)
General Contractual Services	16,000	6,261	(9,739)
Materials	145,000	98,438	(46,562)
Motor Equipment	76,800	76,800	
Watermain Construction	560,000	429,899	(130,101)
	<u>1,215,347</u>	<u>971,965</u>	<u>(243,382)</u>
Less Fixed Assets Capitalized		(458,899)	(458,899)
Total Water Main Services	<u>1,215,347</u>	<u>513,066</u>	<u>(702,281)</u>
Water Meter Services			
Regular Salaries	74,500	74,571	71
Overtime	3,900	21	(3,879)
Employee Benefits			
Insurance	13,406	13,983	577
Uniforms	1,000	168	(832)
General Contractual Services	20,000	10,093	(9,907)
Materials	3,500	244	(3,256)
Meters	60,000	64,549	4,549
Total Water Meter Services	<u>176,306</u>	<u>163,629</u>	<u>(12,677)</u>
Depreciation		<u>744,865</u>	<u>744,865</u>
Total Operating Expenses	<u>5,689,220</u>	<u>5,356,414</u>	<u>(332,806)</u>

(Cont.)

CITY OF PARK RIDGE, ILLINOIS

Water Fund

Schedule of Revenues, Expenses, and Changes in Net Assets -
Budget and Actual (Cont.)

Year Ended April 30, 2012

	Final Budget	Actual	Variance With Final Budget Over (Under)
Operating Income	1,275,780	1,480,248	204,468
Nonoperating Revenues			
Water Utility Tax		412	412
Interest Income	29,000	6,777	(22,223)
Miscellaneous	10,000	39,832	29,832
Total Nonoperating Revenues	39,000	47,021	8,021
Income before Transfers Out	1,314,780	1,527,269	212,489
Transfers Out	(1,843,566)	(1,843,566)	
Changes in Net Assets	<u>\$ (528,786)</u>	(316,297)	<u>212,489</u>
Net Assets			
May 1		<u>25,663,023</u>	
April 30		<u>25,346,726</u>	

CITY OF PARK RIDGE, ILLINOIS

Sewer Fund

Schedule of Revenues, Expenses, and Changes in Net Assets -
Budget and Actual

Year Ended April 30, 2012

	Final Budget	Actual	Variance With Final Budget Over (Under)
Operating Revenues			
Charges for Services	\$ 1,586,000	1,499,551	(86,449)
Developers Fees		18,623	18,623
Total Operating Revenues	<u>1,586,000</u>	<u>1,518,174</u>	<u>(67,826)</u>
Operating Expenses			
Sewer Line and Drainage			
Regular Salaries	299,700	292,843	(6,857)
Overtime	20,000	12,508	(7,492)
Employee Benefits			
Insurance	53,619	59,790	6,171
Uniforms	2,100	395	(1,705)
General Contractual Services	121,000	187,047	66,047
Sewer Clean and Televis	20,000	7,225	(12,775)
Materials	90,000	86,943	(3,057)
Electricity	6,000	3,702	(2,298)
Motor Equipment	22,000	22,000	
Sewer Construction	785,000	715,641	(69,359)
Depreciation		199,906	199,906
Total Sewer Line and Drainage	<u>1,419,419</u>	<u>1,588,000</u>	<u>168,581</u>
Less Fixed Assets Capitalized		(715,641)	(715,641)
Total Operating Expenses	<u>1,419,419</u>	<u>872,359</u>	<u>(547,060)</u>
Operating Income	<u>166,581</u>	<u>645,815</u>	<u>479,234</u>
Nonoperating Revenues			
Grant Revenue	356,250	708,592	352,342
Interest Income		345	345
Miscellaneous		58,027	58,027
Total Nonoperating Revenues	<u>356,250</u>	<u>766,964</u>	<u>410,714</u>
Income before Transfers and Contributions	<u>522,831</u>	<u>1,412,779</u>	<u>889,948</u>
Capital Contributions		212,104	
Transfers Out	(68,200)	(68,200)	
Net Transfers and Contributions	<u>(68,200)</u>	<u>143,904</u>	<u>-</u>
Changes in Net Assets	<u>\$ 454,631</u>	<u>1,556,683</u>	<u>889,948</u>
Net Assets			
May 1		<u>10,368,131</u>	
April 30		<u>11,924,814</u>	

CITY OF PARK RIDGE, ILLINOIS

Parking Fund

Schedule of Revenues, Expenses, and Changes in Net Assets -
Budget and Actual

Year Ended April 30, 2012

	Final Budget	Actual	Variance With Final Budget Over (Under)
Operating Revenues			
Charges for Services	\$ 420,000	353,144	(66,856)
Operating Expenses			
Parking Service and Maintenance			
Regular Salaries	161,600	189,004	27,404
Overtime	5,600	1,124	(4,476)
Employee Benefits			
Insurance	20,881	24,486	3,605
Uniforms	5,500	135	(5,365)
Real Property Rental	52,000	49,975	(2,025)
General Contractual Services	65,000	44,030	(20,970)
Citation Fees	20,000	6,656	(13,344)
Materials	12,000	7,784	(4,216)
Electricity	4,700	2,987	(1,713)
Parking Meters	4,000	2,800	(1,200)
Motor Equipment	21,700	21,700	
Computer Equipment	8,000	8,000	
Total Operating Expenses	<u>380,981</u>	<u>358,681</u>	<u>(22,300)</u>
Operating Income (Loss)	<u>39,019</u>	<u>(5,537)</u>	<u>(44,556)</u>
Nonoperating Revenues			
Interest Income	5,000	2,324	(2,676)
Miscellaneous		3,982	3,982
Total Nonoperating Revenues	<u>5,000</u>	<u>6,306</u>	<u>1,306</u>
Income before Transfers Out	44,019	769	(43,250)
Transfers Out	<u>(37,000)</u>	<u>(37,000)</u>	
Changes in Net Assets	<u>\$ 7,019</u>	<u>(36,231)</u>	<u>(43,250)</u>
Net Assets			
May 1		<u>2,265,144</u>	
April 30		<u><u>2,228,913</u></u>	

INTERNAL SERVICE FUNDS

CITY OF PARK RIDGE, ILLINOIS

Internal Service Funds

Combining Statement of Net Assets

April 30, 2012

	Technology Replacement Fund	Motor Equipment Replacement Fund	Total
Assets			
Current Assets			
Cash and Cash Equivalents	\$ 1,471,614	3,788,532	5,260,146
Noncurrent Assets			
Capital Assets			
Cost	29,290	5,775,224	5,804,514
Accumulated Depreciation	(29,290)	(4,216,632)	(4,245,922)
Total Noncurrent Assets	<u>-</u>	<u>1,558,592</u>	<u>1,558,592</u>
Total Assets	<u>1,471,614</u>	<u>5,347,124</u>	<u>6,818,738</u>
Liabilities			
Current Liabilities			
Accounts Payable		2,973	2,973
Net Assets			
Invested in Capital Assets		1,558,592	1,558,592
Unrestricted	1,471,614	3,785,559	5,257,173
Total Net Assets	<u>\$ 1,471,614</u>	<u>5,344,151</u>	<u>6,815,765</u>

CITY OF PARK RIDGE, ILLINOIS

Internal Service Funds

Combining Statement of Revenues, Expenses,
and Changes in Net Assets

Year Ended April 30, 2012

	Technology Replacement Fund	Motor Equipment Replacement Fund	Total
Operating Revenues			
Charges for Services	\$ 11,800	138,671	150,471
Operating Expenses			
Materials	77,407	624	78,031
Depreciation		245,446	245,446
Total Operating Expenses	77,407	246,070	323,477
Operating Income (Loss)	(65,607)	(107,399)	(173,006)
Nonoperating Revenues			
Interest Income	783	4,208	4,991
Change in Net Assets	(64,824)	(103,191)	(168,015)
Net Assets			
May 1	1,536,438	5,447,342	6,983,780
April 30	\$ 1,471,614	5,344,151	6,815,765

CITY OF PARK RIDGE, ILLINOIS

Internal Service Funds

Combining Statement of Cash Flows

Year Ended April 30, 2012

	Technology Service Fund	Motor Equipment Replacement Fund	Total
Cash Flows from Operating Activities			
Receipts from Service Providers	\$ 11,800	138,671	150,471
Payments to Suppliers	(77,407)	2,349	(75,058)
	<u>(65,607)</u>	<u>141,020</u>	<u>75,413</u>
Cash Flows from Noncapital Financing Activities			
Change in Due from Other Funds	1,231,680	1,684,535	2,916,215
Cash Flows from Capital and Related Financing Activities			
Purchases of Capital Assets		(104,964)	(104,964)
Cash Flows from Investing Activities			
Interest Income	783	4,208	4,991
	<u>1,166,856</u>	<u>1,724,799</u>	<u>2,891,655</u>
Net Increase in Cash and Cash Equivalents			2,891,655
Cash and Cash Equivalents			
May 1	304,758	2,063,733	2,368,491
	<u>304,758</u>	<u>2,063,733</u>	<u>2,368,491</u>
April 30	\$ 1,471,614	3,788,532	5,260,146
	<u>\$ 1,471,614</u>	<u>3,788,532</u>	<u>5,260,146</u>
Cash Flows from Operating Activities			
Operating Loss	\$ (65,607)	(107,399)	(173,006)
Adjustment to Reconcile Operating Loss to Net Cash Provided by (Used in) Operating Activities			
Depreciation		245,446	245,446
Change in Liabilities Accounts Payable		2,973	2,973
		<u>248,419</u>	<u>248,419</u>
Net Cash Provided by (Used in) Operating Activities	\$ (65,607)	141,020	75,413
	<u>\$ (65,607)</u>	<u>141,020</u>	<u>75,413</u>

FIDUCIARY FUND TYPES

AGENCY FUND

CITY OF PARK RIDGE, ILLINOIS

Escrow Deposit Agency Fund

Statement of Changes in Assets and Liabilities

April 30, 2012

	Balance at May 1, 2011	Additions	Deletions	Balance at April 30, 2012
Assets				
Current Assets				
Cash and Cash Equivalents	\$ 436,103	307,614	399,722	343,995
Other Receivables	2,575	4,439	4,814	2,200
Total Current Assets	\$ 438,678	312,053	404,536	346,195
Liabilities				
Current Liabilities				
Accounts Payable	5,338	228,053	207,080	26,311
Deposits	433,340	521,533	634,989	319,884
Total Liabilities	\$ 438,678	749,586	842,069	346,195

COMPONENT UNIT

CITY OF PARK RIDGE, ILLINOIS

Component Unit - Park Ridge Public Library

Statement of Net Assets and Governmental Funds Balance Sheet

April 30, 2012

	Balance Sheet			Statement of
	Library Fund	Library Technology Fund	Adjustments	Net Assets Total Component Unit
Assets				
Cash and Cash Equivalents	\$ 3,044,486	332,787		3,377,273
Investments	141,042			141,042
Receivables				
Taxes	1,893,917			1,893,917
Other	1,073			1,073
Prepaid Expenses	272			272
Capital Assets Not Being Depreciated			954,400	954,400
Capital Assets, Net of Accumulated Depreciation			161,116	161,116
Total Assets	\$ 5,080,790	332,787	1,115,516	6,529,093
Liabilities				
Accounts Payable	\$ 149,010	304		149,314
Other Accrued Liabilities	69,798		280,099	349,897
Unearned Property Tax Revenue	1,861,455		(1,861,455)	
Due to Other Funds	1,120			1,120
Other Liabilities			17,639	17,639
Total Liabilities	2,081,383	304	(1,563,717)	517,970
Fund Balances/Net Assets				
Fund Balance				
Unassigned	2,999,407	332,483	2,679,233	
Total Liabilities and Fund Balances	\$ 5,080,790	332,787		
Net Assets				
Investment in Capital Assets			1,115,516	1,115,516
Unrestricted			4,895,607	4,895,607
Total Net Assets			6,011,123	6,011,123

See accompanying Note to the Required Supplementary Information.

CITY OF PARK RIDGE, ILLINOIS

Component Unit - Park Ridge Public Library

Statement of Activities and Governmental Fund Revenues,
Expenditures, and Changes in Fund Balance

Year Ended April 30, 2012

	Schedule of Revenues, Expenditures and Changes in Fund Balances			Statement of Activities
	Library Fund	Library Technology Fund	Adjustments	Total Component Unit
Revenues				
Property Taxes	\$ 3,930,616		17,721	3,948,337
Other Taxes	61,701			61,701
Intergovernmental	38,656			38,656
Charges for Services	91,258	26,000		117,258
Interest	5,271	648		5,919
Miscellaneous	101,770			101,770
Total Revenues	4,229,272	26,648	17,721	4,273,641
Expenditures/Expenses				
Current				
Culture and Civic	4,279,994	121,316	(31,437)	4,369,873
Depreciation			10,928	10,928
Total Expenditures/Expenses	4,279,994	121,316	(20,509)	4,380,801
Excess (Deficiency) of Revenues over Expenditures/Changes in Net Assets	(50,722)	(94,668)	38,230	(107,160)
Fund Balances/Net Assets				
May 1 (Restated)	3,050,129	427,151	2,641,003	6,118,283
April 30	\$ 2,999,407	332,483	2,679,233	6,011,123

See accompanying Note to the Required Supplementary Information.

CITY OF PARK RIDGE, ILLINOIS

Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual - Public Library Fund

Year Ended April 30, 2012

	Original and Final Budget	Actual	Variance With Final Budget Over (Under)
Revenues			
Property Taxes	\$ 3,953,000	3,930,616	(22,384)
Other Taxes			
Personal Property Replacement	69,000	61,701	(7,299)
Intergovernmental	38,640	38,656	16
Charges for Services	72,000	91,258	19,258
Interest	15,000	5,271	(9,729)
Miscellaneous	40,000	101,770	61,770
Total Revenues	<u>4,187,640</u>	<u>4,229,272</u>	<u>41,632</u>
Expenditures			
Current			
Culture and Civic	<u>4,516,134</u>	<u>4,279,994</u>	<u>(236,140)</u>
Net Change in Fund Balance	<u>\$ (328,494)</u>	<u>(50,722)</u>	<u>(277,772)</u>
Fund Balance			
May 1 (Restated)		<u>3,050,129</u>	
April 30		<u>2,999,407</u>	

See accompanying Note to the Required Supplementary Information.

**CAPITAL ASSETS USED IN THE OPERATION
OF GOVERNMENTAL FUNDS**

CITY OF PARK RIDGE, ILLINOIS

Capital Assets Used in the Operation of Government Funds

Comparative Schedule by Source

April 30, 2012 and 2011

	2012	2011 (Restated)
Governmental Funds Capital Assets		
Land	\$ 35,757,106	35,757,106
Land Improvements	2,472,347	2,472,347
Buildings	15,598,159	15,598,159
Machinery and Equipment	1,064,269	1,030,080
Vehicles	545,952	545,952
Office Furniture and Equipment	248,342	248,342
Infrastructure	25,738,173	25,765,670
	<u>\$ 81,424,348</u>	<u>81,417,656</u>
Investment in Governmental Funds		
Capital Assets by Source		
Current Revenues	\$ 62,407,838	62,401,146
Debt Issuance	18,107,544	18,107,544
Intergovernmental	908,966	908,966
	<u>\$ 81,424,348</u>	<u>81,417,656</u>

This Schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amount. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net assets. The capital asset balances of the internal service funds were \$5,804,514 at April 30, 2012 and \$5,770,325 at April 30, 2011.

VILLAGE OF PARK RIDGE, ILLINOIS

Capital Assets Used in Operations of Government Funds

Schedule by Function and Activity

Year Ended April 30, 2012

	Function and Activity				Total Capital Assets		
	General Government	Public Safety	Public Works	Development Culture and Civic			
Capital Assets Not Depreciated							
Land	\$	393,491	35,363,615		35,757,106		
Office Furniture and Equipment			89,800		89,800		
Capital Assets Being Depreciated							
Land Improvements		347,277	2,109,790	15,280	2,472,347		
Buildings		622,323	14,975,836		15,598,159		
Machinery and Equipment	23,900	336,488	703,881		1,064,269		
Vehicles		540,625	5,327		545,952		
Office Furniture and Equipment	44,406	66,250	47,886		158,542		
Infrastructure			25,738,173		25,738,173		
	\$	68,306	2,306,454	79,034,308	15,280	-	81,424,348

VILLAGE OF PARK RIDGE, ILLINOIS

Capital Assets Used in Operations of Government Funds

Schedule of Changes in Function and Activity

Year Ended April 30, 2012

Function and Activity	Restated General Fixed Assets May 31, 2011	Additions	Deletions	General Fixed Assets April 30, 2012
General Government	\$ 68,306			68,306
Public Safety	2,306,454			2,306,454
Public Works	79,027,616	114,879	108,187	79,034,308
Development	15,280			15,280
Total Capital Assets	\$ 81,417,656	114,879	108,187	81,424,348

This Schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net assets. The capital asset balances of the internal service funds were \$5,804,514 at April 30, 2012 and \$5,770,325 at April 30, 2011.

**STATISTICAL SECTION
(UNAUDITED)**

CITY OF PARK RIDGE, ILLINOIS

Statistical Section

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

<u>CONTENTS</u>	<u>PAGES</u>
Financial Trends These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	126-139
Revenue Capacity These schedules contain information to help the reader assess the City's most significant local revenue sources.	140-147
Debt Capacity These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	148-151
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	152-154
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	155-160

Sources:

Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial report for the relevant year. The City of Park Ridge, Illinois implemented GASB Statement No. 34 in FY2003-04; schedules presenting government-wide information include information beginning in that year.

FINANCIAL TRENDS

FINANCIAL TRENDS

CITY OF PARK RIDGE, ILLINOIS

Net Assets by Component

Last Eight Fiscal Years

(See Following Page)

CITY OF PARK RIDGE, ILLINOIS

Net Assets by Component

Last Eight Fiscal Years

Fiscal Year	2005	2006	2007	2008
Governmental Activities				
Invested in Capital Assets, Net of Related Debt Restricted	\$ 49,298,379	41,899,798	26,094,190	40,592,487
Grant Purposes	468,298	475,000	468,032	275,000
Debt Service	1,191,616	1,107,825	2,320,938	2,229,942
Capital Projects			1,181,871	2,602,423
Enabling Legislation			4,153,074	316,456
Unrestricted	29,454,310	19,246,028	27,752,517	14,127,990
Total Governmental Activities	\$ 80,412,603	62,728,651	61,970,622	60,144,298
Business-type Activities				
Invested in Capital Assets, Net of Related Debt Unrestricted	\$ 9,386,214	24,395,178	23,908,103	23,676,745
Unrestricted	6,336,223	6,830,533	6,516,995	6,173,999
Total Business-type Activities	\$ 15,722,437	31,225,711	30,425,098	29,850,744
Primary Government				
Invested in Capital Assets, Net of Related Debt Restricted	\$ 58,684,593	66,294,976	50,002,293	64,269,232
Grant Purpose	468,298	475,000	468,032	275,000
Debt Service	1,191,616	1,107,825	2,320,938	2,229,942
Capital Projects				2,602,423
Enabling Legislation				316,456
Unrestricted	35,790,533	26,076,561	34,269,512	20,301,989
Total Primary Government	\$ 96,135,040	93,954,362	87,060,775	89,995,042

Note:

FY12 does not include the Library. FY12 is the first year that the Library is reported as a component unit.

Data Source

Audited Financial Statements

2009	2010	2011	2012
33,052,796	35,467,201	36,096,982	18,123,295
275,000	275,000	275,000	
2,015,318	47,693	3,842	133,159
1,956,800	727,702	419,372	414,384
228,722	242,452	630,046	760,752
16,920,850	13,063,311	13,699,017	16,161,975
54,449,486	49,823,359	51,124,259	35,593,565
23,650,123	23,927,570	23,794,107	33,198,707
5,320,400	4,513,983	5,539,465	6,301,746
28,970,523	28,441,553	29,333,572	39,500,453
56,702,919	59,394,771	59,891,089	51,322,002
275,000	275,000	275,000	
2,015,318	47,693	3,842	133,159
1,956,800	727,702	419,372	414,384
228,722	242,452	630,046	760,752
22,241,250	17,577,294	19,238,482	22,463,721
83,420,009	78,264,912	80,457,831	75,094,018

CITY OF PARK RIDGE, ILLINOIS

Changes in Net Assets

Last Eight Fiscal Years

Fiscal Year	2005	2006	2007
Expenses			
Governmental Activities			
General Government	\$ 3,467,387	3,674,774	4,123,883
Public Safety	13,084,566	14,229,159	15,242,327
Public Works	10,014,637	26,079,742	14,604,233
Development	2,302,765	5,921,175	5,046,338
Culture and Civic	4,788,017	4,732,967	4,903,540
Interest	873,476	1,482,476	2,208,474
Total Governmental Activities Expenses	34,530,848	56,120,293	46,128,795
Business-type Activities			
Water	3,794,441	4,465,570	5,335,171
Parking	521,877	358,310	308,844
Sewer			
Total Business-type Activities Expenses	4,316,318	4,823,880	5,644,015
Total Primary Government Expenses	\$ 38,847,166	60,944,173	51,772,810
Program Revenues			
Governmental Activities			
Charges for Services			
General Government	\$ 1,980,748	2,390,909	1,025,765
Public Safety	876,956	861,995	4,465,613
Public Works	200,836	103,159	337,823
Development	1,177,073	1,744,129	266,698
Culture and Civic	58,735	87,805	64,928
Operating Grants and Contributions	1,228,209	1,318,021	1,242,106
Total Governmental Activities Program Revenues	5,522,557	6,506,018	7,402,933
Business-type Activities			
Charges for Services			
Water	6,009,611	6,893,619	5,873,392
Parking	401,282	485,927	458,991
Sewer			
Operating Grants and Capital Contributions		14,101,451	
Total Business-type Activities Program Revenues	6,410,893	21,480,997	6,332,383
Total Primary Government Program Revenues	\$ 11,933,450	27,987,015	13,735,316
Net (Expense) Revenue			
Governmental Activities	\$ (29,008,291)	(49,614,275)	(38,725,862)
Business-type Activities	2,094,575	16,657,117	688,368
Total Primary Government Net Expense	\$ (26,913,716)	(32,957,158)	(38,037,494)

Data Source

Audited Financial Statements
Includes all available information.

2008	2009	2010	2011	2012
4,078,601	4,088,879	4,107,880	5,096,228	7,723,691
15,546,186	16,682,893	18,055,715	18,173,197	18,701,581
12,820,471	15,489,133	12,465,191	11,497,272	11,010,908
3,590,080	3,834,333	2,745,862	1,935,701	2,390,904
4,988,281	4,981,785	5,378,577	4,794,139	600,670
2,265,103	2,128,155	2,029,359	1,950,696	1,939,886
43,288,722	47,205,178	44,782,584	43,447,233	42,367,640
5,425,499	5,049,979	5,328,535	5,448,184	5,356,414
430,030	455,988	383,793	365,928	358,681
		733,804	882,017	872,359
5,855,529	5,505,967	6,446,132	6,696,129	6,587,454
49,144,251	52,711,145	51,228,716	50,143,362	48,955,094
3,630,949	3,369,510	3,061,263	3,180,770	2,297,491
775,097	805,618	1,009,633	959,074	1,667,647
251,660	499,371	171,047	174,442	56,585
16,314	18,790	10,436	13,048	
70,785	71,195	70,223	91,328	
1,341,646	1,502,522	1,513,862	2,098,882	1,486,437
6,086,451	6,267,006	5,836,464	6,517,544	5,508,160
6,161,215	6,069,670	6,342,875	7,154,555	6,836,662
350,063	276,014	442,053	443,577	353,144
		898,595	1,892,850	1,518,174
				920,696
6,511,278	6,345,684	7,683,523	9,490,982	9,628,676
12,597,729	12,612,690	13,519,987	16,008,526	15,136,836
(37,202,271)	(40,938,172)	(38,946,120)	\$ (36,929,689)	(36,859,480)
655,749	839,717	1,237,391	2,794,853	3,041,222
(36,546,522)	(40,098,455)	(37,708,729)	\$ (34,134,836)	(33,818,258)

CITY OF PARK RIDGE, ILLINOIS

Changes in Net Assets (Cont.)

Last Eight Fiscal Years

Fiscal Year	2005	2006	2007
General Revenues and Other Changes in Net Assets			
Governmental Activities			
Taxes			
Property	\$ 13,249,375.0	14,390,929	14,467,133
Replacement	4,517,849		
Sales	2,358,448	4,367,460	5,684,122
Utility	2,632,195	2,753,070	2,520,176
Income	1,999,927	2,921,955	3,258,110
Telecommunications	2,944,311	1,965,563	1,701,899
Property Transfer			
Emergency Telephone			
Parking Garage			
Other		3,103,933	6,905,472
Unrestricted Investment Earnings	444,595	698,719	1,644,085
Miscellaneous	221,285		
Transfers	996,751	1,341,085	1,786,836
Total Governmental Activities	29,364,736	31,542,714	37,967,833
Business-type Activities			
Other			
Investment Earnings	80,020	170,015	251,824
Miscellaneous		17,227	46,031
Transfers	(996,751)	(1,341,085)	(1,786,836)
Total Business-type Activities	(916,731)	(1,153,843)	(1,488,981)
Total Primary Government	\$ 28,448,005.0	30,388,871	36,478,852
Change in Net Assets			
Governmental Activities	\$ 356,445.0	(7,183,148)	765,562
Business-type Activities	1,177,844	(465,475)	(833,232)
Total Primary Government Change in Net Assets	1,534,289	(7,648,623)	(67,670)

Data Source

Audited Financial Statements
Includes all available information.

2008	2009	2010	2011	2012
16,106,676	17,386,365	18,028,634	19,913,292	15,267,374
520,531	450,605	367,466	461,998	374,012
3,754,466	3,179,232	3,149,028	3,751,560	4,059,099
2,742,021	2,824,370	3,008,242	2,582,300	2,225,422
3,559,023	3,326,676	2,393,258	2,828,519	3,175,532
1,871,134	1,903,751	1,890,388	1,729,231	1,880,103
489,328	464,351	439,218	372,743	443,754
457,778	582,513	514,296	460,138	454,887
422,769	388,820	394,136	601,553	603,847
2,372,780	2,475,457	2,469,256	2,833,298	3,700,039
913,047	210,500	26,478	19,178	7,587
309,539	181,967	54,641	125,466	1,269,947
1,856,855	1,868,754	1,584,952	1,945,254	1,948,766
35,375,947	35,243,361	34,319,993	37,624,530	35,410,369
		(230,151)		
230,067	81,157	14,875	7,433	9,466
7,350	67,659	33,867	34,987	102,253
(1,856,855)	(1,868,754)	(1,584,952)	(1,945,254)	(1,948,766)
(1,619,438)	(1,719,938)	(1,766,361)	(1,902,834)	(1,837,047)
33,756,509	33,523,423	32,553,632	35,721,696	33,573,322
(5,562,225)	(5,694,811)	(4,626,127)	694,841	(1,449,111)
(779,721)	(1,719,938)	(528,970)	892,019	1,204,155
(6,341,946)	(7,414,749)	(5,155,097)	1,586,860	(244,956)

CITY OF PARK RIDGE, ILLINOIS

Fund Balances of Governmental Funds

Last Ten Fiscal Years

Fiscal Year	2003	2004	2005	2006
General Fund				
Reserved	\$ 596,244	765,121	623,687	669,739
Unreserved	10,832,537	11,403,597	10,278,823	8,417,705
Nonspendable				
Unassigned				
Total General Fund	11,428,781	12,168,718	10,902,510	9,087,444
All Other Governmental Funds				
Reserved	1,409,691	1,295,818	1,542,212	1,331,136
Unreserved, Reported in				
Special Revenue Funds	197,702	(916,820)	(1,597,820)	(183,723)
Debt Service Funds				(1,203,190)
Capital Projects Funds	859,331	175,738	19,027,246	3,627,416
Nonspendable				
Restricted for				
Road Construction				
Public Safety				
Economic Development				
Debt Service				
Capital Projects				
Unassigned				
Total All Other Governmental Funds	2,466,724	554,736	18,971,638	3,571,639
Total Governmental Funds	\$ 13,895,505	12,723,454	29,874,148	12,659,083
Special Revenue Nonspendable:				
911	\$			
Special Revenue Unreserved/Unassigned*:				
MFT	\$ (195,573)	(48,127)	(124,886)	171,006
IMRF				
911	(124,860)	(145,469)	(166,184)	(164,833)
Asset Forfeiture	40,990	30,736	42,459	34,703
Dempster TIF		(27,087)	(30,864)	(25,796)
SSA		(561,037)	(339,866)	(132,598)
Foreign Fire			18,334	5,959
Uptown TIF		(234,863)	(1,674,584)	(964,334)
Mun. Waste	(438,983)	(662,025)	62,677	(73,050)
Tax Increment Financing	(25,722)			
	\$ (744,148)	(1,647,872)	(2,212,914)	(1,148,943)

Notes:

*Nonspendable, Unassigned, and Restricted classifications effective beginning in 2012.

**Since the Library was listed as a separate line item in previous years, it was removed from this report as it is not a component unit.

Data Source

Audited Financial Statements

2007	2008	2009	2010	2011	2012
587,594	333,537	4,820,179	5,058,348	5,485,803	
14,876,244	13,413,534	6,558,168	2,609,181	2,823,093	
					5,429,798
					4,708,038
15,463,838	13,747,071	11,378,347	7,667,529	8,308,896	10,137,836
2,391,880	2,453,531	4,324,157	1,560,769	1,256,309	
(397,061)	(1,412,712)	(3,272,068)	(5,720,564)	(5,017,996)	
	(438,615)	(435,047)	(285,055)	(3,568)	
10,271,300	6,172,061				
					29,495
					647,393
					113,359
					530,492
					133,159
					5,492,742
					(5,667,673)
12,266,119	6,774,265	617,042	(4,444,850)	(3,765,255)	1,278,967
27,729,957	20,521,336	11,995,389	3,222,679	4,543,641	11,416,803
					24,495
517,985	149,385	(96,454)	(257,044)	461,692	
					(125,769)
(151,967)	(437,262)	(346,394)	(296,782)	(301,773)	(338,540)
65,615	69,905	85,366	123,638	102,113	
(15,343)	123,045				
(260,060)	(288,133)	(408,425)	(266,885)	(160,465)	(7,201)
15,907	22,860	28,564	41,031	53,434	
(2,165,104)	(2,696,572)	(4,343,273)	(4,550,309)	(4,829,749)	(5,082,848)
(241,349)	(217,574)	(412,210)	(473,182)	(343,248)	(113,315)
(2,234,316)	(3,274,346)	(5,492,826)	(5,679,533)	(5,017,996)	(5,667,673)

CITY OF PARK RIDGE, ILLINOIS

Fund Balances of Governmental Funds (Cont.)

Last Ten Fiscal Years

Fiscal Year	2003	2004	2005	2006
Special Revenue Reserved/Restricted*:				
MFT				
IMRF	\$ 281,010	311,604	259,096	171,006
911	163,643	122,045	87,175	(164,833)
Mun. Waste	26,021			
Foreign Fire				
Dempster TIF				
Asset Forfeiture		973		
	\$ 471,647	433,649	346,271	6,173
Debt Service Unreserved/Unassigned*:				
2004A General Obligation Bond	\$			
2005A General Obligation Bond				
	\$ -			
Debt Service Reserved/Restricted*:				
	\$ 938,044	862,169	1,195,941	(95,365)
Capital Projects Reserved/Restricted*:				
Fund Balance	\$ 859,331	175,738	2,080,724	344,068
2012A Sewer Improvement				
Series 2005A Uptown Const.			6,195,062	6,195,062
Series 2004B Uptown Const.			2,278,199	(73,050)
	\$ 859,331	175,738	10,553,985	6,466,080

Notes:

*Nonspendable, Unassigned, and Restricted classifications effective beginning in 2012.

**Since the Library was listed as a separate line item in previous years, it was removed from this report as it is not a component unit.

2007	2008	2009	2010	2011	2012
					647,393
53,507	74,306	114,792	77,783	12,807	
(151,967)	149,283	117,683	86,083	54,483	
		119,564	118,295		34,255
					116,108
					79,104
(98,460)	223,589	352,039	282,161	67,290	876,860
	(435,047)	(435,047)	(285,055)		
	(3,568)			(3,568)	
	(438,615)	(435,047)	(285,055)	(3,568)	-
2,320,938	2,229,942	2,015,318	47,693		133,159
1,181,871	2,602,423	1,956,800	1,230,915	1,117,554	414,384
					5,492,742
1,181,871	2,602,423	1,956,800	1,230,915	1,117,554	5,907,126

CITY OF PARK RIDGE, ILLINOIS

Changes in Fund Balances of Governmental Funds

Last Ten Fiscal Years

Fiscal Year	2003	2004	2005	2006
Revenues				
Property Taxes	\$ 11,471,539	11,956,235	12,900,070	14,380,929
Other Taxes	11,248,027	13,961,830	14,465,264	14,914,688
Licenses and Permits	2,052,838	2,418,615	2,705,072	3,330,442
Intergovernmental	4,250,051	1,598,317	1,228,209	1,318,021
Fines and Forfeitures	435,042	370,891	402,770	384,931
Charges for Services	188,033	889,088	1,188,259	1,198,687
Investment Income	354,976	146,278	346,021	521,789
Miscellaneous	628,621	84,869	162,383	47,845
Total Revenues	30,629,127	31,426,123	33,398,048	36,097,332
Expenditures				
Current				
General Government	3,366,527	3,673,724	3,859,889	4,012,594
Public Safety	11,664,667	12,063,199	12,799,684	14,064,897
Public Works	9,917,908	8,744,053	9,749,641	11,321,880
Development	5,948,717	1,890,488	2,292,049	5,921,175
Culture and Civic	5,529,961	4,764,771	4,776,925	4,705,411
Miscellaneous				
Capital Outlay		1,182,265	14,148,402	5,531,194
Debt Service				
Cost of Issuance				
Principal	1,555,000	1,135,000	1,205,000	5,620,000
Interest	436,235	469,641	681,481	1,270,113
Total Expenditures	38,419,015	33,923,141	49,513,071	52,447,264
Excess (Deficiency) of Revenues over Expenditures	(7,789,888)	(2,497,018)	(16,115,023)	(16,349,932)
Other Financing Sources (Uses)				
Transfers In	934,400	1,422,397	2,864,682	5,264,172
Transfers Out	(100,000)	(591,197)	(1,867,931)	(3,923,087)
Bonds Issued	4,340,000		23,775,000	3,000,000
Bond Premium				
Discount on Bonds Issued			22,274	
Sale of Capital Assets				3,390,276
Total Other Financing Sources (Uses)	5,174,400	831,200	24,794,025	7,731,361
Net Change in Fund Balance	\$ (2,615,488)	(1,665,818)	8,679,002	(8,618,571)

Note:

FY12 does not include the Library. FY12 is the first year that the Library was reported as a component unit.

Data Source

Audited Financial Statements

2007	2008	2009	2010	2011	2012
14,705,990	15,274,233	17,139,702	18,176,917	18,733,669	15,793,475
15,379,951	16,189,830	15,595,775	14,625,290	15,621,340	8,628,834
4,164,109	2,925,371	2,712,700	2,495,432	2,715,714	2,803,147
1,242,106	1,337,116	1,502,522	1,513,862	2,098,882	8,934,123
434,039	332,367	337,499	1,562,486	367,859	561,700
1,679,859	1,658,369	1,939,857	488,799	1,500,293	1,700,035
1,405,997	917,577	210,500	26,478	19,178	9,966
125,956	309,539	181,967	54,641	125,466	747,851
39,138,007	38,944,402	39,620,522	38,943,905	41,182,401	39,179,131
3,809,780	4,157,170	4,031,893	4,325,678	4,134,388	7,454,082
14,506,356	15,451,231	16,337,357	17,534,169	17,371,716	18,489,915
14,255,186	15,625,153	15,994,737	11,826,891	10,815,873	10,292,021
5,037,294	3,590,080	3,591,522	2,745,862	1,913,925	2,390,904
4,874,296	5,026,920	4,963,167	5,234,822	4,629,385	600,670
4,002,843		242,811			
					112,854
4,760,000	1,855,000	2,685,000	2,905,000	1,380,000	1,580,000
1,849,434	2,294,312	2,168,113	2,072,213	1,969,364	1,920,945
53,095,189	47,999,866	50,014,600	46,644,635	42,214,651	42,841,391
(13,957,182)	(9,055,464)	(10,394,078)	(7,700,730)	(1,032,250)	(3,662,260)
9,172,390	3,491,870	4,800,660	4,248,350	5,593,660	6,193,586
(7,385,553)	(1,635,015)	(2,931,906)	(2,663,398)	(3,648,406)	(4,244,820)
20,585,000					7,545,000
					370,043
6,129,089					
28,500,926	1,856,855	1,868,754	1,584,952	1,945,254	9,863,809
14,543,744	(7,198,609)	(8,525,324)	(6,115,778)	913,004	6,201,549

(Cont.)

CITY OF PARK RIDGE, ILLINOIS

Changes in Fund Balances of Governmental Funds

Last Ten Fiscal Years

Fiscal Year	2003	2004	2005	2006
Debt Service as a Percent of Noncapital Expenditures				
Total Expenditures	38,419,015	33,923,141	49,513,071	52,447,264
Less Capital Outlays				
Net Noncapital Expenditures	38,419,015	33,923,141	49,513,071	52,447,264
Debt Service				
Cost of Issuance				
Principal	1,555,000	1,135,000	1,205,000	5,620,000
Interest	437,235	469,641	681,481	1,270,113
	1,992,235	1,604,641	1,886,481	6,890,113
Debt Service as a Percentage of Noncapital Expenditures	5.13%	4.73%	3.81%	13.14%

Note:

FY12 does not include the Library. FY12 is the first year that the Library was reported as a component unit.

Data Source

Audited Financial Statements

2007	2008	2009	2010	2011	2012
53,095,189	47,999,866 (3,547,798)	50,014,600 (1,333,964)	46,644,635	42,214,651	42,841,391 (114,879)
53,095,189	44,452,068	48,680,636	46,644,635	42,214,651	42,726,512
4,760,000	1,855,000	2,685,000	2,905,000	1,380,000	112,854 1,580,000
1,849,435	2,294,312	2,168,113	2,072,213	1,969,364	1,920,945
6,609,435	4,149,312	4,853,113	4,977,213	3,349,364	3,613,799
12.45%	9.33%	9.97%	10.67%	7.93%	8.46%

REVENUE CAPACITY

CITY OF PARK RIDGE, ILLINOIS

Assessed and Estimated Actual Value of Taxable Property

Last Ten Levy Years

(See Following Page)

CITY OF PARK RIDGE, ILLINOIS

Assessed and Estimated Actual Value of Taxable Property

Last Ten Levy Years

Tax Levy Year	Real Property			Total Real Property	Railroad Property
	Residential Property	Commercial Property	Industrial Property		
2002	\$ 984,441,475	210,863,384	26,979,180	1,222,284,039	342,967
2003	983,591,648	198,131,470	25,880,308	1,207,603,426	370,359
2004	1,164,439,757	209,031,489	33,094,940	1,406,670,439	416,480
2005	1,257,761,409	209,920,948	34,053,941	1,501,736,298	392,610
2006	1,290,203,181	202,819,578	34,958,662	1,527,981,421	391,343
2007	1,593,304,916	220,160,736	38,864,051	1,852,329,703	429,037
2008	1,726,243,617	219,005,029	48,925,033	1,994,173,679	468,466
2009	1,768,034,279	202,761,166	36,941,100	2,007,736,545	562,934
2010	1,663,076,970	189,980,646	37,737,434	1,890,795,050	702,247
2011*	N/A	N/A	N/A	1,725,370,046	745,813

Note:

*2010 is the most recent information available from the Office of Cook County Clerk as of the printing of this statement.

Property in the City is reassessed triannually. Property is assessed at 33% of actual value.

Data Source

Office of the Cook County Clerk

Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Ratio of Estimated Actual Taxable Value
1,222,627,006	0.649	3,667,881,018	33.333%
1,207,973,785	0.696	3,623,921,355	33.333%
1,407,086,919	0.622	4,221,260,757	33.333%
1,502,128,908	0.595	4,506,386,724	33.333%
1,528,372,764	0.641	4,585,118,292	33.333%
1,852,758,740	0.563	5,558,276,220	33.333%
1,994,642,145	0.623	5,983,926,435	33.333%
2,008,299,479	0.577	6,024,898,437	33.333%
1,891,497,297	0.657	5,674,491,891	33.333%
1,726,115,859	0.753	5,178,374,577	33.333%

CITY OF PARK RIDGE, ILLINOIS

Property Tax Rates - All Direct and Overlapping Governments

Last Ten Fiscal Years

	2002 - 2003	2003 - 2004	2004 - 2005	2005 - 2006	2006 - 2007
Direct Rates					
General Corporate	0.178	0.183	0.162	0.141	0.155
Debt Service (Bond and Interest)	0.126	0.137	0.119	0.108	0.108
Garbage	0.200	0.224	0.198	0.189	0.202
Police Pension	0.040	0.044	0.047	0.053	0.059
Fire Pension		0.004	0.004	0.008	0.013
Illinois Municipal Retirement	0.105	0.103	0.092	0.047	0.053
Social Security				0.050	0.051
Total Direct Rate as Rounded by Cook County	0.649	0.695	0.622	0.596	0.641
OVERLAPPING					
Park Ridge Public Library	0.292	0.304	0.280	0.292	0.274
High School District 207	1.936	2.012	1.795	1.757	1.826
Elementary School District 64	2.716	2.829	2.526	2.582	3.016
Cook County	0.534	0.489	0.471	0.274	0.397
Consolidated Elections	0.000	0.029	0.000	0.014	0.000
Cook County Health Facilities	0.156	0.141	0.122	0.112	0.103
Cook County Forest Preserve	0.061	0.059	0.060	0.060	0.057
Suburban T.B. Sanitarium	0.006	0.004	0.001	0.005	0.005
Water Reclamation District	0.371	0.361	0.347	0.315	0.284
Mosquito Abatement District	0.009	0.010	0.009	0.009	0.009
Maine Township*	0.076	0.079	0.071	0.070	0.073
Road and Bridge/Maine	0.038	0.040	0.036	0.036	0.038
General Assistance/Maine	0.015	0.016	0.015	0.015	0.016
Community College District 535	0.179	0.186	0.161	0.158	0.166
Recreation and Park District	0.365	0.338	0.299	0.331	0.337
Total Overlapping Rates	6.754	6.897	6.193	6.030	6.601
Total Tax Bill	7.403	7.592	6.815	6.626	7.242

Notes:

Most of Park Ridge is located in Maine Township, but a portion of the City is in Leyden and Norwood Townships.

Excluded are the rates of the Special Service Areas in the City.

Data Source

Office of the County Clerk

2007 - 2008	2008 - 2009	2009 - 2010	2010 - 2011	2011 - 2012
0.117	0.088	0.162	0.176	0.254
0.091	0.083	0.000	0.000	0.016
0.176	0.163	0.174	0.195	0.208
0.053	0.071	0.078	0.098	0.097
0.039	0.057	0.071	0.094	0.095
0.045	0.042	0.051	0.046	0.044
0.043	0.042	0.041	0.047	0.040
0.564	0.546	0.577	0.656	0.752
0.230	0.214	0.203	0.213	0.233
1.602	1.577	1.617	1.782	1.995
2.850	2.685	2.686	2.951	3.285
0.446	0.415	0.394	0.423	0.462
0.012	0.000	0.021	0.000	0.025
0.000	0.000	0.000		
0.053	0.051	0.049	0.051	0.058
0.000	0.000	0.000	0.000	0.000
0.263	0.252	0.261	0.274	0.320
0.008	0.008	0.008	0.009	0.010
0.065	0.064	0.067	0.075	0.085
0.034	0.033	0.034	0.038	0.043
0.015	0.015	0.016	0.018	0.021
0.141	0.140	0.140	0.160	0.196
0.286	0.278	0.279	0.307	0.344
6.005	5.732	5.775	6.301	7.077
6.569	6.278	6.352	6.957	7.829

CITY OF PARK RIDGE, ILLINOIS

Ten Principal Taxpayers

Current Year and Nine Years Ago

Taxpayer	Type of Business	2010 Assessed Valuation*	Percent of City's Total EAV
Park Ridge Bldg LLC	Office Building	\$ 12,957,806	0.69%
Mid America Asset Mgmt	Building with Special Commercial Improvements and One-Story Store	8,374,083	0.44%
Crystal Landings	Commercial Building over Three Stories and One-Story Store	7,541,038	0.40%
Tri Land Properties	Shopping Center	7,247,391	0.38%
Advocate Health Care	Office Building, Parkside Center and Insurance Office	6,933,425	0.37%
Fred I Gillick Co. I T Gillick etal	Shopping Center and Commercial Properties	6,445,613	0.34%
CPTS 1032	Supermarket	6,322,397	0.33%
1300 Higgins Co GNP	Office Building	6,127,160	0.32%
Sunrise Assisted Living	Assisted Living Complex	5,910,149	0.31%
Renaissance Northwest Hwy.	Commercial Property	<u>5,602,509</u>	<u>0.30%</u>
		<u>\$ 73,461,571</u>	<u>3.88%</u>

Note:

Includes only the three parcels with 2010 equalized assessed valuations of approximately \$288,000 and over as recorded in the County Assessor's Office.

Data Source

Cook County Clerk and Maine township Assessor's Office

Taxpayer	Type of Business	2001 Assessed Valuation	Percent of City's Total EAV
Protection Mutual Insurance	Mutual Insurance Company	\$ 13,865,808	1.22%
Renaissance NW Highway	Office Center	8,306,075	0.73%
Kennedy Wilson	Office Center	7,688,862	0.68%
CPTS 1032	Supermarket	6,351,943	0.56%
Tri Land Properties	Shopping Center	4,402,978	0.39%
John Heinz	Office Center	4,125,619	0.36%
Advocate Health and Hospital	Medical Office Center and Garage	3,737,213	0.33%
George May International	Office Center	3,408,380	0.30%
Park Ridge Country Club	Private Country Club	3,333,388	0.29%
Arthur Rodgers & Co.	Office Center	<u>3,294,798</u>	<u>0.29%</u>
		<u>\$ 58,515,064</u>	<u>5.15%</u>

Note:

This schedule contains the most recent information available as of the date of this report (tax year 1998)

Data Source

Cook County Clerk

CITY OF PARK RIDGE, ILLINOIS

Property Tax Levies and Collections

Last Ten Fiscal Years

Collection History

Levy Year	Levy	Budgeted Loss (1.7%)	Net Levy	Collected	Percent of Levied Collected	Real Loss
2003	\$ 12,074,200	(207,600)	11,866,600	11,882,934	99.42%	1.58%
2004	12,678,000	(218,100)	12,459,900	12,500,010	98.60%	1.40%
2005	13,311,800	(228,900)	13,082,900	13,221,282	99.32%	0.68%
2006	13,977,900	(240,500)	13,737,400	13,707,392	98.06%	1.94%
2007	14,683,000	(252,000)	14,431,000	14,457,355	98.46%	1.54%
2008	15,162,800	(260,300)	14,902,500	14,773,780	97.43%	2.57%
2009	15,652,500	(268,500)	15,384,000	15,382,023	98.27%	1.73%
2010	16,435,200	(282,000)	16,153,200	16,126,855	98.12%	1.88%
2011	17,005,542	(301,506)	16,704,036	8,538,806	50.21%	

Fiscal Year	Levy Period	Billed	Collected	Percent of Billed - Collected
2004	2003 1st Installment	5,749,650	5,475,796	95%
2005	2003 2nd Installment	6,324,550	6,407,138	101%
2005	2004 1st Installment	6,037,100	5,545,416	92%
2006	2004 2nd Installment	6,640,900	6,954,594	105%
2006	2005 1st Installment	6,339,000	5,980,998	94%
2007	2005 2nd Installment	6,972,800	7,240,284	104%
2007	2006 1st Installment	6,655,900	6,295,678	95%
2008	2006 2nd Installment	7,322,000	7,411,714	101%
2008	2007 1st Installment	6,988,950	6,540,883	94%
2009	2007 2nd Installment	7,694,050	7,916,472	103%
2009	2008 1st Installment	7,341,500	6,726,447	92%
2010	2008 2nd Installment	7,821,300	8,047,333	103%
2010	2009 1st Installment	8,608,875	7,646,334	89%
2011	2009 2nd Installment	7,043,625	7,735,688	110%
2011	2010 1st Installment	8,608,875	7,797,203	91%
2012	2010 2nd Installment	7,043,625	8,329,652	118%
2012	2011 1st Installment	8,608,875	8,538,806	99%

Notes:

Since the 2007 levy, on average the City collects 91% of the first property tax installment and 105% of the 2nd property tax installment which makes up for some of the shortfall from the 1st installment.

The City budgets the property tax levy in May for the following December levy, the actual receipts span two fiscal years resulting in a variance of actual to budget each year.

Beginning with the 2010 fiscal year (2009 1st Installment), the amount of the 1st installment bill is equal to 55% of the previous year tax levy.

Collected values include collections for prior years and interest.

Both Billed and Collected values exclude Road & Bridge Tax and property taxes for TIFs and SSAs.

**Includes the Library - FY12 is the first year that the Library was reported as a component unit

CITY OF PARK RIDGE, ILLINOIS

Direct and Overlapping Sales Tax Rates

Last Ten Levy Years

Fiscal Year	City Direct Rate	Cook County Rate	State Rate
2003	0.50%	0.75%	7.25%
2004	0.75%	0.75%	7.25%
2005	0.75%	0.75%	7.25%
2006	0.75%	0.75%	7.25%
2007	1.00%	0.75%	7.25%
2008	1.00%	0.75%	7.25%
2009	1.00%	1.75%	7.25%
2010	1.00%	1.25%	7.25%
2011	1.00%	1.25%	7.25%
2012	1.00%	1.00%	7.25%

Data Source

Illinois Tax Rate Finder

DEBT CAPACITY

CITY OF PARK RIDGE, ILLINOIS

Schedule of Legal Debt Margin

April 30, 2012

The Village 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 ...(2) if its population is more than 25,000 and less than 500,000 an aggregate of one percent: ...indebtedness which is outstanding on the effective date (July 1, 1971) of this constitution or where is thereafter approved by referendum... shall not be included in the foregoing percentage amounts."

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

CITY OF PARK RIDGE, ILLINOIS

Ratio of Outstanding Debt by Type

Last Ten Fiscal Years

Fiscal Year	Governmental Activities		Total Primary Government	Percent of Personal Income
	General Obligation Bonds	Installment Notes Payable		
2003	\$ 9,530,000	4,340,000	13,870,000	0.86%
2004	8,395,000	4,340,000	12,735,000	0.79%
2005	30,965,000	4,340,000	35,305,000	2.19%
2006	29,685,000	3,000,000	32,685,000	2.03%
2007	48,510,000		48,510,000	3.01%
2008	46,655,000		46,655,000	3.37%
2009	43,970,000		43,970,000	2.73%
2010	41,065,000		41,065,000	2.44%
2011	39,685,000		39,685,000	2.35%
2012	45,650,000		45,650,000	2.71%

Notes:

Refer to the Schedule of Demographic and Economic Statistics for personal income and population data.

Details of the City's outstanding debt may be found in the Notes to the Financial Statements.

Debt increased in fiscal years 2005 and 2006 due to the uptown TIF. The City issued general obligation bonds during these fiscal years to spur development in the uptown tax increment financing area. The City intends to repay these bonds with property tax increment.

CITY OF PARK RIDGE, ILLINOIS

Ratio of General Bonded Debt Outstanding

Last Ten Fiscal Years

Fiscal Year	General Obligation Bonds	Less Amounts Available in Debt Service Funds	Net Total	Percentage of Estimated Actual Taxable Value of Property*	Per Capita
2003	\$ 9,530,000	(938,044)	8,591,956	0.24%	227.45
2004	8,395,000	(862,169)	7,532,831	0.18%	199.41
2005	30,965,000	(1,195,941)	29,769,059	0.66%	788.06
2006	32,685,000	(95,365)	32,589,635	0.71%	862.73
2007	48,510,000	(2,320,938)	46,189,062	0.83%	1,222.74
2008	46,655,000	(1,791,327)	44,863,673	0.75%	1,187.66
2009	43,970,000	(1,580,271)	42,389,729	0.70%	1,122.16
2010	41,065,000	(373,881)	40,691,119	0.72%	1,085.68
2011	39,685,000	(3,568)	39,681,432	0.77%	1,058.74
2012	45,650,000	(133,159)	45,516,841	N/A	1,214.43

Notes:

*See the Schedule of Assessed Value and estimated Actual Value of Taxable Property for property value data.

Details of the City's outstanding debt may be found in the Notes to the Financial Statements.

Debt increased in fiscal years 2005 and 2006 due to the uptown TIF. The City issued general obligation bonds during these fiscal years to spur development in the uptown tax increment financing area. The City intends to repay these bonds with property tax increment.

CITY OF PARK RIDGE, ILLINOIS

Schedule of Direct and Overlapping Bonded Debt
 April 30, 2012

	Gross Debt	Percentage Applicable to City of Park Ridge (1)	City of Park Ridge Share of Debt
Direct Debt			
City of Park Ridge	45,650,000	100.000%	<u>45,650,000</u>
Outstanding Debt			
Cook County	3,709,260,000	1.137%	42,174,286
Cook County Forest Preserve	94,885,000	1.137%	1,078,842
Metropolitan Water Reclamation District	2,446,220,030 (1)	1.160%	28,376,152
Golf Maine Park District	989,000 (2)	9.498%	93,935
Niles Park District	945,000 (2)	0.012%	113
Park Ridge Recreation and Park District	4,535,000 (2)	96.307%	4,367,522
School District #63	16,800,000	2.995%	503,160
School District #64	12,940,000	91.601%	11,853,169
High School District #207	11,790,000	32.892%	3,877,967
Community College #535	27,245,000	7.410%	<u>2,018,855</u>
Total Overlapping Debt			<u>94,344,003</u>
			<u>\$ 139,994,003</u>

(1) Includes IEPA State Revolving Loan Fund Bonds.

(2) Excludes principal amounts of outstanding General Obligation (Alternate Revenue Source) Bonds which are expected to be paid from sources other than general taxation.

How the Overlapping Debt Statement is Completed

Entered into a spreadsheet of the reporting government is each of the applicable tax codes and their value including a column for each of the overlapping governments also within that tax code area. (Overlapping governments are those whose boundaries, whole or in part, lie within the boundaries of the reporting government.) The sum of all the values under each overlapping government is divided by the total equalized assessed value of that overlapping government to determine the percentage applicable to the reporting government. To determine the amount applicable to the reporting government, the total amount of outstanding General Obligation Bonds of the overlapping government is multiplied by that determined percentage and is entered into the statement listing all the overlapping governments with outstanding bonds. The total amount applicable to the reporting government is the sum of the calculated amount of each overlapping government's applicable outstanding bonds.

Data Source

Offices of the Cook County Clerk and Revenue Departments
 and Treasurer of the Metropolitan Water Reclamation Districts.

DEMOGRAPHIC AND ECONOMIC INFORMATION

CITY OF PARK RIDGE, ILLINOIS

Demographic and Economic Statistics

Last Ten Fiscal Years

Fiscal Year	Population	Total Personal Income	Median Personal Income	Per Capita Personal Income	Unemployment Rate
2011	37,480	1,681,652,640	85,897	44,868	7.00%
2010	37,480	1,685,513,080	88,148	44,971	8.20%
2009	37,775	1,612,954,725	85,398	42,699	7.30%
2008	37,775	1,384,529,300	73,154	36,652	6.20%
2007	37,775	1,611,519,275	85,302	42,661	4.50%
2006	37,775	1,611,519,275	85,302	42,661	4.50%
2005	37,775	1,611,519,275	85,302	42,661	4.50%
2004	37,775	1,611,519,275	85,302	42,661	4.50%
2003	37,775	1,611,519,275	84,899	42,661	4.00%
2002	37,775	1,829,669,900	87,409	48,436	4.20%

Data Source

Information from the U.S. Census Bureau from the 1990 and 2000 census.

CITY OF PARK RIDGE, ILLINOIS

City Employers

Current Fiscal Year and 2006

Employer	Product/Service	2012		Source
		Number of Employees	Percent of Total City Population	
Advocate Lutheran General Hospital	Healthcare Institution	4,200	11.21%	(2)
Maine Township District 207	Public School District - Secondary Education	872 *	2.33%	(4)
School District 64	Public School District - Elementary Education	769 *	2.05%	(4)
Park Ridge Park District	Public Recreational Facilities and Programs	451 *	1.20%	(4)
		196 **	0.52%	
BECO, Inc.	Engineering and Technical Staffing Agency	400	1.07%	(2)
George May International Co.	Management Consulting	200	0.53%	(2)
St. Matthew's Center for Health	Nursing and Rehabilitation Home	194 *	0.52%	(4)
FM Global	Commercial Property Insurance	170	0.45%	(2)
American Eagle.com	Educational Software Publishers	170	0.45%	(1)
		90	0.24%	(3)
A-Abiding Care, Inc.	Homecare Services	150	0.40%	(2)
American Society of Anesthesiologists	Physicians Organization	130	0.35%	(2)
Tru-Green Chemlawn Corp.	Chemical Lawn Care Service	75	0.20%	(2)
			21.52%	

*Includes Part-time Employees

**Seasonal Employees

2006 is the earliest year that the City has employer data.

2012 Population - 37,480

2006 Population - 37,775

Sources

- (1) 2011 Illinois Manufacturers' Director
- (2) 2011 Illinois Service Directory
- (3) 2012 Harris Illinois Industrial Directory
- (4) Phone Canvass

Employer	Product/Service	2006	
		Number of Employees	Percent of Total City Population
Advocate Lutheran General Hospital	Healthcare Institution	4,236	11.21%
BECO, Inc.	Engineering and Technical Staffing Agency	2,500	6.62%
Maine Township District 207	Public School District - Secondary Education	1,550	4.10%
George May International Co.	Management Consulting	1,000	2.65%
Advocate Medical Group	Healthcare	950	2.52%
Community Consolidated School District	Public School District	589	1.56%
Ragnar Benson	Construction Company	400	1.00%
City of Park Ridge	Municipality	385	1.02%
A-Abiding Care, Inc.	Homecare Service	150	0.40%
Marsh Afinity Group	Insurance Broker	150	0.40%
FM Global	Commercial Property Insurance	137	0.36%
Rainbow Hospice	Hospice Services	135	0.36%
			32.25%

OPERATING INFORMATION

CITY OF PARK RIDGE, ILLINOIS

Full-Time Equivalent Employees

Last Ten Fiscal Years

CITY OF PARK RIDGE, ILLINOIS

Full-Time Equivalent Employees

Last Ten Fiscal Years

Function/Program	02/03 2003	03/04 2004	04/05 2005	05/06 2006	06/07 2007
General Government					
City Administration	3.30	3.30	3.00	4.30	4.80
Legal Counsel					
Records Control	1.00	1.00	1.00	1.50	1.00
Community Support	0.10	0.10	0.10	0.10	0.10
Information Services	1.20	1.20	1.20	1.20	1.20
Transportation	0.10	0.10	0.10	0.10	0.10
Human Resources	2.50	2.50	2.80	2.00	2.00
Information Technology	2.50	2.50	2.50	2.00	3.00
Community Development	15.00	15.00	15.00	15.00	15.00
Finance	12.80	12.55	12.55	12.05	12.05
Total General Government	38.50	38.25	38.25	38.25	39.25
Public Safety					
Police					
Part Time*					
Full Time*	78.94	78.94	82.94	83.94	82.94
Total Police	78.94	78.94	82.94	83.94	82.94
Fire					
Part Time					
Full Time	53.00	53.00	53.00	53.00	53.00
Total Fire	53.00	53.00	53.00	53.00	53.00
Total Public Safety	131.94	131.94	135.94	136.94	135.94
Public Works					
Part Time*					
Full Time*	56.34	56.34	56.74	57.84	56.84
	56.34	56.34	56.74	57.84	56.84
Total Headcount	226.78	226.53	230.93	233.03	232.03

Note:

*Headcount for 2010/11 lists a count for both full-time and part-time; headcounts in previous years were converted to a FTE count.

<i>07/08</i> 2008	<i>08/09</i> 2009	<i>09/10</i> 2010	<i>10/11</i> 2011	<i>11/12</i> 2012
4.80	4.80	5.00	4.00	4.00
1.00	1.00	0.80		
0.10	0.10	0.10		
1.20	1.20	1.20		
0.10	0.10	0.10		
2.00	2.00	1.00	1.00	1.00
3.00	3.00	3.00	3.00	3.00
15.00	15.00	14.00	12.00	12.00
12.05	12.05	11.75	10.00	10.00
39.25	39.25	36.95	30.00	30.00
			41.00	40.00
82.94	83.38	83.38	65.00	65.00
82.94	83.38	83.38	106.00	105.00
		1.00	1.00	1.00
53.00	53.00	52.00	46.00	50.00
53.00	53.00	53.00	47.00	51.00
135.94	136.38	136.38	153.00	156.00
			1.00	6.00
56.84	56.84	55.34	46.00	45.00
56.84	56.84	55.34	47.00	51.00
232.03	232.47	228.67	230.00	237.00

CITY OF PARK RIDGE, ILLINOIS

Capital Asset Statistics

Last Ten Fiscal Years

Function/Program	2003	2004	2005	2006	2007
Public Safety					
Police					
Stations	1	1	1	1	1
Area Patrols	5	5	5	5	5
Patrol Units	7	7	7	7	7
Fire					
Stations	2	2	2	2	2
Fire Engines	3	3	3	3	3
Public Works					
Miles of Streets	122.8	122.8	122.8	122.8	122.8
Streetlights	1,310	1,310	1,310	1,310	1,427
Traffic Signals	44	44	44	44	44
Water					
Water Mains (Miles)	131	131	131	131	136
Fire Hydrants	1,450	1,450	1,450	1,450	1,540
Storage Capacity (Gallons)	13,000,000	13,000,000	13,000,000	13,000,000	14,000,000
Wastewater					
Miles of Sewers	132	132	132	132	133

Data Source

Various City Departments

2008	2009	2010	2011	2012
1	1	1	1	1
5	5	5	5	5
7	7	7	7	7
2	2	2	2	2
3	3	3	3	3
122.8	122.8	122.8	122.8	122.8
1,568	1,664	1,664	1,664	1,664
51	51	51	51	51
136	136	136	136	136
1,585	1,585	1,585	1,585	1,585
15,200,000	15,200,000	15,200,000	15,200,000	15,200,000
133	133	133	133	133

CITY OF PARK RIDGE, ILLINOIS

Operating Indicators

Last Ten Fiscal Years

Function/Program	2003	2004	2005	2006	2007
Public Safety					
Police					
Physical Arrests	1,143	1,417	1,435	1,582	1,413
Parking Violations	10,520	11,771	10,963	10,690	10,796
Traffic Violations	7,552	8,730	11,343	12,903	12,314
Fire					
Emergency Responses	3,895	3,927	4,074	4,109	4,199
Paramedic Responses	2,395	2,482	2,624	1,915	2,584
Fires Extinguished	61	74	75	82	44
Public Works					
Street Resurfacing (Miles)	6.3	6.3	6.3	8.3	9.3
Pothole Repairs*	200	200	200	330	300
Water					
New Connections	82	89	119	124	77
Water Main Breaks	76	51	36	54	48

*Per Ton of Cold Patch

Data Source

Various City Departments

2008	2009	2010	2011	2012
1,102	762	788	750	639
8,581	10,691	8,870	7,444	7,661
10,642	5,996	8,457	7,046	3,347
4,515	4,372	4,028	4,044	4,279
2,537	2,548	2,446	2,463	2,436
51	155	50	43	47
5.5	5.0	4.4	5.0	4.9
325	276	297	241	147
83	27	11	10	19
47	62	46	66	48