

**CITY OF PARK RIDGE, ILLINOIS**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE YEAR ENDED**  
**APRIL 30, 2014**

**Issued by the Finance Department**

**Shawn Hamilton**  
**Acting Finance Director**

**Andrea Hatcher**  
**Accounting Manager**

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## **INTRODUCTORY SECTION**



## CITY OF PARK RIDGE

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November 24, 2014

To: The Mayor, Members of the City Council, and  
Citizens of the City of Park Ridge, Illinois

Ladies and Gentlemen:

The Comprehensive Annual Financial Report (CAFR) of the City of Park Ridge, Illinois for the fiscal year ended April 30, 2014 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 217,000 items and a circulation over 914,500.

## ECONOMIC CONDITION AND OUTLOOK

Household income in Park Ridge is substantially higher than surrounding areas and exceeds national averages. Based on the 2010-2012 U.S. Census Bureau American Community Survey 3-Year estimates, median household income is \$84,747 and median family income is \$104,469. Park Ridge has a Median Household Income at 163.7% above the U.S. Median Household Income, and a population that is 3.7% below poverty. 95.9% of the adult population has a high school diploma or higher and 55.8% have a bachelor's degree or higher. The 2012 Per Capita Income for Park Ridge is \$43,695, compared to \$29,072 for Cook County and \$28,716 for the State of Illinois.

During the last five years, Park Ridge's annual unemployment rate averaged 2.42% below that of the State and trends below neighboring communities. The average annual unemployment rate for Park Ridge in 2013, as reported by the Illinois Department of Employment Security, was 6.9% compared to 9.6% in Cook County and 9.2% in the State of Illinois. Of Park Ridge's employed population, 52.5% are employed in management, professional or related occupations, 26.5% in sales and office occupations, 11.1% in service occupations, and 9.9% in all other categories. The City's top industry by employment is health care. Park Ridge's largest employer is Advocate Lutheran General Hospital 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 85% of the assessed valuation of the City is residential, and 78% is owner occupied. The median home value of Park Ridge is \$400,500, compared to \$227,400 for Cook County, and \$179,900 for the State of Illinois.

## MAJOR INITIATIVES

**Strategic Planning Objectives:** The City Council, at a public meeting, began the process of updated the City's long-range Strategic Plan. The current version of the Strategic Plan was formulated in 2008 and modified in 2011. I presented a set of goals and objectives to the City Council in early 2013 that became the foundation for prioritization of visions and topics that the City would focus on during the year. Late in 2013, the City Council and I revisited these goals and objectives and set some specific benchmarks of which to evaluate the strategic progress of the City. The topics centered on City Operations, long-range Financial Planning, Economic Development, and Capital Investments.

The City will be continually updating the strategic plan over the year, and I will be providing periodic updates as progress is made on the individual goals and objectives.

**Long-term Financial Plans:** The City's long-term financial goals include a multitude of projects and plans.

Each year the City updates a long-range capital plan. During a series of public meetings to discuss the annual budget, an annual list of capital projects are presented and discussed at length. Projects that were approved included sidewalk replacement, water main replacement, street rehabilitation, reforestation, Summit Avenue parking improvements, facilities improvement projects, vehicle replacements, and sewer pipe re-lining. The City recently 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.

The City plans to spend over \$1,000,000 annually 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 2010, the City deferred alley paving work until the economic conditions improve. The City maintains a healthy fund balance in the Motor Fuel Fund.

The City plans to spend approximately \$900,000 annually on water main replacement in the Water Fund. Funding for these capital projects comes from the sale of water. The determination of whether or not to install a radio read system for water meters continues to be analyzed by City staff and the City Council. The City is nearing completion of nearly \$5,500,000 for the first phase of a sewer construction program to mitigate flooding. Some of these funds were used for feasibility studies for much larger projects scheduled for the second phase of the sewer construction

program to mitigate flooding. The City Council is currently debating the second phase of sewer construction projects, which includes the funding mechanism to be used to fund the projects. The sewer fund will continue to provide funding through user charges to complete sewer lining projects. The City spends approximately \$300,000 annually on sewer lining.

The City contributes funds to two internal service funds: the motor equipment replacement fund and the technology replacement fund. These funds pay for motor equipment and technology improvements when necessary. The current annual 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 in conjunction with the Finance Department. The Department processed 34 annual liquor licenses and updated liquor ordinances. Finance staff is responsible for the monthly Administrative Adjudication Hearing Process. Staff issued numerous Special Events Permits and Solicitors Permits, and served residents through voter registration, early voting and absentee voting. The focus of Central Administration is to provide our residents accessibility to City staff. The Human Resources and IT Departments also fall within City Administration.

Community Preservation and Development Department: The Community Preservation and Development department 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 advises the Historic Preservation Commission on historic landmark designations. Staff engages developers and the business community on Economic Development initiatives. The department staff process all property transfers within the City. Each year staff generates nearly 3,000 building permits, and the Building Division conducts approximately 10,000 residential and commercial inspections per year. Environmental Health staff conducted workshops regarding health and property maintenance issues, facilitated the business license process, and managed the monthly recycling program for expired medicines. Staff created a communication document to help residents better understand the permit approval process.

Finance Department: The Finance Director, in conjunction with the City Manager, began implementation of a long-range strategic plan for an underperforming TIF District. With the help of our bond consultants, an analysis was completed on any potential debt refinance opportunities that the City could take advantage of. The Department completed a review of our procurement policies and procedures, including the hiring of a City Procurement Officer. The Finance Department completed a series of technology upgrades and enhancement to existing programs and software, including our payroll and HR systems. In addition, process and procedure improvements were made to electronic payments and monthly reporting. Coordination of the monthly adjudication process was transitioned to the Finance Department to promote efficiency. The Department processes the billing and collection of nearly 13,000 utility bills. Finance staff continues reporting of financial information on the City's webpage to promote transparency.

Fire Department: Annually, the Fire Department responds to nearly 4,300 service calls. Fire Department staff conducted training with automatic aid companies from our neighboring communities. The Department provided various programs including: the Citizens Emergency Response Team (CERT), CPR and AED training, children's car seat inspection and installation, block parties, station tours and fire extinguisher training. The Department completed a transition to a new 911 Dispatch Center with Regional Emergency Dispatch Center (RED Center). Staff was able to receive additional training opportunities through the receipt of grant dollars in fire service vehicle operations and vehicle machinery operations. The purchase of new cardiac monitor / defibrillators was completed and the units were placed into service. To identify future candidates for hire, the department partnered with neighboring municipalities to administer a written exam.

Police Department: Annually, the Police Department responds to nearly 26,000 service calls. The Department completed a transition to a new 911 Dispatch Center with West Suburban Consolidated Police Dispatch. A computerized system called Power DMS was implemented, which allows the Department to transition from a paper

to a computer based directive system. The City, through the support of the Police Department, continues to rank in the top 100 safest Cities in the Nation with population size greater than 25,000.

**Public Works Department:** Public works staff has been implementing the first phase of a multi-year flood reduction plan. Public works resurfaced 5 miles of streets, replaced 2,300 feet of sewer, lined 2,900 feet of sewer, replaced or repaired 1,700 sidewalk squares, replaced 2,800 feet of watermain. The Forestry Department participated in Earth and Arbor Day activities, implemented an Emerald Ash Borer removal and replacement plan, and treated trees for Dutch Elm disease. The Public Works water department delivered nearly 1.3B gallons of water to consumers through water purchases from the City of Chicago.

### 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 2014, the City contributed \$204,195 to the plan. The annual required contribution or other postemployment benefit (OPEB) cost was \$713,117. The net OPEB obligation at the end of the year was \$2,649,610. The following chart compares fiscal years 2008 through 2014:

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	\$530,303	40%	\$213,221	\$1,660,655
4/30/13	\$693,266	27%	\$187,335	\$2,166,586
4/30/14	\$687,219	30%	\$204,195	\$2,649,610

### FINANCIAL INFORMATION, MANAGEMENT AND CONTROL

Under direction of the City Manager, 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, enterprise funds and internal service funds are included in the budget. Budgets are not adopted for the pension trust funds and some of the special revenue funds (the Asset Forfeiture Fund, the Foreign Fire Tax Fund and the Special Service Area funds). Budgets are adopted for the 2004B, 2005A, 2006A, 2006B, 2012A, and 2012B debt service funds. A budget was adopted for the Uptown TIF and Dempster TIF Funds.

**General Fund Balance:** The City's target general fund balance is defined as unassigned fund balance. The unassigned fund balance is three 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 helps 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 has not met its target unassigned fund balance as of April 30, 2014. The target was \$7.2M and the unassigned fund balance at year end was \$6.6M.

The target fund balance was set in fiscal year 2012. The City has not met the General Fund target fund balance for the last two fiscal years due to the deficits attributed to the Uptown TIF.

**Purchasing Policies:** Purchases are closely scrutinized and elected officials often insist that items be formally bid. The City adheres to procurement policies that are outlined in Park Ridge Municipal Code 2-9-9 and a detailed Procurement Policy that was approved by the City Council in 2014.

Both policy and Municipal Code were changed following an eight (8) month effort to evaluate and improve the City procurement process. The objectives of the procurement policy are

- Provide public confidence in City procurement processes;
- Maintain broad-based competition for City business;
- Install efficient and effective procurement procedures;
- Utilize appropriate methods of source selection;
- Highlight formalized and fully documented procurement guidelines;
- Ensure that procurement activity is more accessible and visible to the public.

All purchases follow the City’s requisition/purchase order process. City Council approval is required for purchases over \$10,000.00. A chart illustrating City staff approval authority is presented below:

Purchase Amount	Quotations	Dept. Head Approval	City Manager Approval	City Council Approval
\$0.00 to \$500.00	None required.	X		
\$500.01 to \$1,000.00	Two quotes are required; ( three quotes are recommended).	X		
\$1,000.01 to \$2,500.00	Three quotes are required.	X		
\$2,500.01 to \$5,000.00	Three written quotes are required.	X		
\$5,000.01 to \$10,000.00	Three written quotes are required.	X	X	
\$10,000.01 to \$20,000.00	Three written quotes are required; sealed bid process is recommended.	X	X	X
\$20,001.00 and up	Sealed bid process 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 and the City’s underfunded Illinois Municipal Retirement Fund (“IMRF”) liability. As of April 30, 2014, outstanding debt of the City totaled \$41,810,000, compared to \$43,665,000 last year. Total debt equaled 3.2% of equalized assessed valuation. Per capita debt was \$1,116.00 compared to \$1,144.00 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 2014 equalized assessed valuation is \$1,311,612,630.

## 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>.

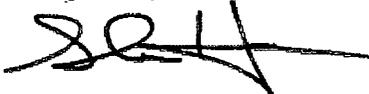
**Independent Audit:** State statutes require an annual audit by independent certified public accountants. The accounting firm of Wolf & Company LLP performed the audit. The auditor's report on the basic financial statements, combining and individual fund schedules, and information listed as supplemental 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, 2012. 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 will meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate for fiscal year ended April 30, 2014.

**Acknowledgements:** The preparation of the CAFR on a timely basis was made possible by the dedicated services and partnerships 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  
City Manager

**CITY OF PARK RIDGE, ILLINOIS**

Officers and Officials

Year Ended April 30, 2014

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**MAYOR**

David Schmidt

**CITY CLERK**

Betty W. Henneman

**ALDERMEN**

First Ward: Joseph Sweeney  
Second Ward: Nicholas Milissis  
Third Ward: James Smith  
Fourth Ward: Roger Shubert  
Fifth Ward: Daniel J. Knight  
Sixth Ward: Marc Mazuca  
Seventh Ward: Marty Maloney

**CITY MANAGER**

Shawn Hamilton

**COMMUNITY DEVELOPMENT DIRECTOR**

James Testin

**ACTING FINANCE DIRECTOR**

Shawn Hamilton

**POLICE CHIEF**

Frank Kaminiski

**ACTING FIRE CHIEF**

Jeff Sorensen

**PUBLIC WORKS DIRECTOR**

Wayne Zingsheim

**LIBRARY DIRECTOR**

Janet Van De Carr

**INFORMATION TECHNOLOGY DIRECTOR**

Diane Nelson

**HUMAN RESOURCE MANAGER**

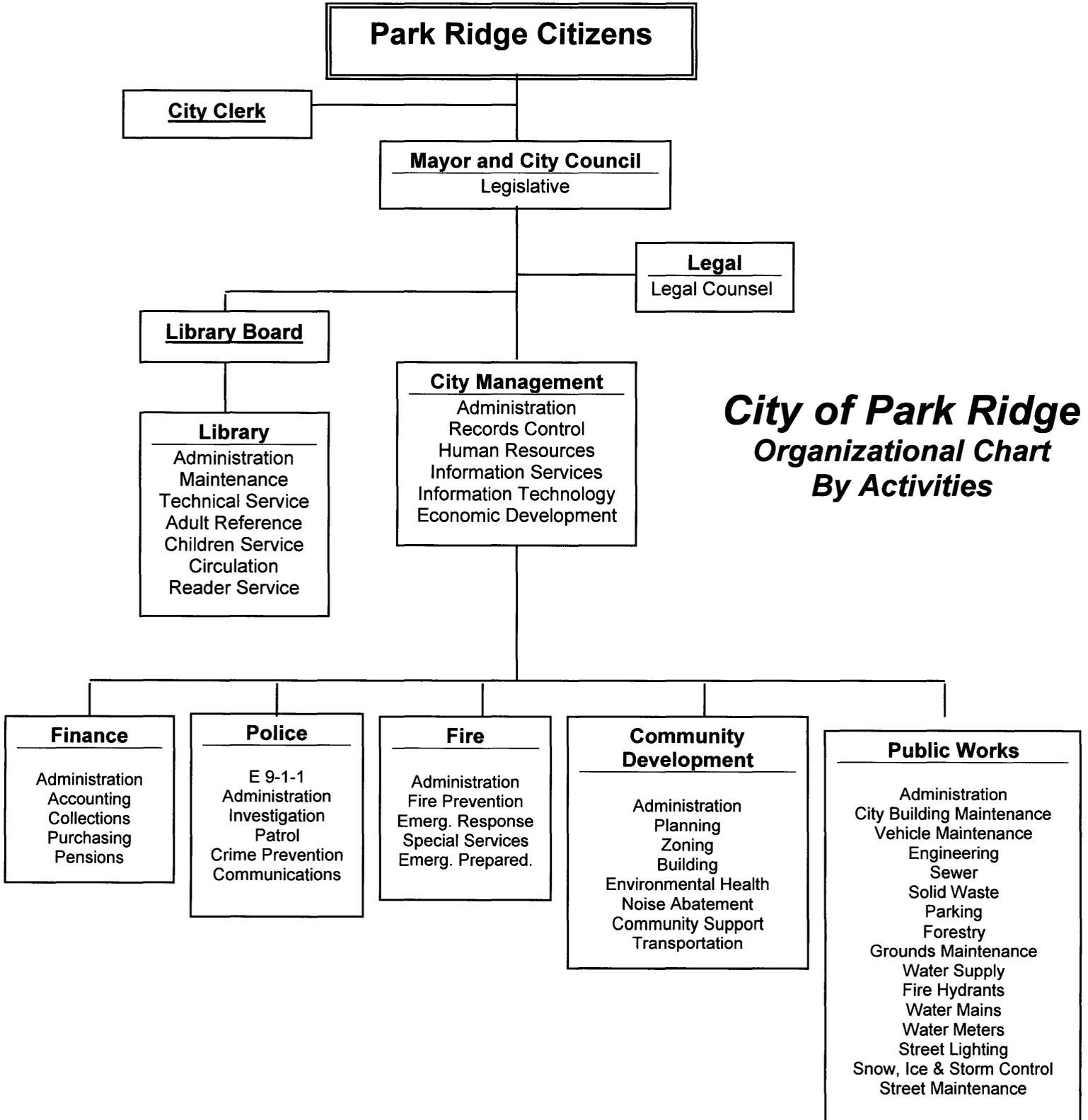
Mike Suppan

**ACCOUNTING MANAGER**

Andrea Lamberg

**CITY ATTORNEY**

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



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

## **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, the 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, 2014, which collectively comprise the City's basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinion

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, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and analysis of funding progress and employer contributions for the City's defined benefit pension plans and other post-employment benefit plan on pages 64-71 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's response to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Other Information*

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

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

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

*Wolf & Company LLP*

Oakbrook Terrace, Illinois  
November 24, 2014

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

## CITY OF PARK RIDGE, ILLINOIS

### MANAGEMENT'S DISCUSSION AND ANALYSIS

April 30, 2014

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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 (see pages 15-17) 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 position (the "Unrestricted Net Position") is designed to be similar to bottom line results for the City and its governmental and business-type activities. This statement 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

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

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governmental funds. The Municipal Waste Management Fund is also classified as a major 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 Position for the Governmental Funds is a reconciliation of the balance sheet to the statement of net position to calculate net position on the full accrual basis of accounting.

The Proprietary Funds consist of enterprise funds and internal service funds. The enterprise 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 Park Ridge Public Library is reported as a discretely presented Component Unit to emphasize that it is legally separate from the City.

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, and sidewalks. 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**

**FINANCIAL ANALYSIS OF THE CITY AS WHOLE**

The following table reflects the condensed Statement of Net Position:

Net position is defined as the amount by which assets exceed liabilities. Net position can be a useful indicator of a government's financial condition. As of April 30, 2014, assets exceeded liabilities by \$85.31M. This is an increase of \$6.14M from the prior year. The following condensed Statement of Net position compares the current and prior fiscal years.

**Statement of Net Position  
As of April 30, 2014  
(In Thousands)**

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total Government</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
<b>Assets</b>						
Current Assets	\$ 28,421	27,024	8,758	8,006	37,179	35,030
Non Current Assets	65,869	64,153	37,236	35,019	103,105	99,172
<b>Total Assets</b>	<b>94,290</b>	<b>91,177</b>	<b>45,994</b>	<b>43,025</b>	<b>140,284</b>	<b>134,202</b>
<b>Liabilities</b>						
Current Liabilities	4,934	3,895	1,064	553	5,998	4,448
Non Current Liabilities	48,823	50,414	149	173	48,972	50,587
<b>Total Liabilities</b>	<b>53,757</b>	<b>54,309</b>	<b>1,213</b>	<b>726</b>	<b>54,970</b>	<b>55,035</b>
<b>Net Position</b>						
Net Investment in						
Capital Assets	27,589	20,306	37,236	35,020	64,825	55,326
Restricted	7,279	5,814	98	182	7,377	5,996
Unrestricted	5,665	10,748	7,447	7,097	13,112	17,845
<b>Total Net Position</b>	<b>\$ 40,533</b>	<b>36,868</b>	<b>44,781</b>	<b>42,299</b>	<b>85,314</b>	<b>79,167</b>

Net investment in capital assets constitutes a significant portion of total net position. 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 Position**

The following table compares revenue and expenses of the governmental and business-type activities for the current and prior fiscal years.

**Changes in Net Position  
For the Fiscal Year Ended April 30, 2014  
(In Thousands)**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total Government</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
<b>REVENUES</b>						
Program Revenues						
Charges for Services	\$ 5,383	4,939	11,055	10,563	16,438	15,502
Grants & Contributions						
Operating	1,157	1,157	5	1,863	1,162	3,020
Capital	572		2,478		3,050	
General Revenues						
Property Taxes	16,413	15,732			16,413	15,732
Other Taxes	3,831	7,077			3,831	7,077
Intergovernmental	10,038	9,654			10,038	9,654
Other	4,904	1,149	46	48	4,950	1,197
<b>Total Revenues</b>	<b>42,298</b>	<b>39,708</b>	<b>13,584</b>	<b>12,474</b>	<b>55,882</b>	<b>52,182</b>
<b>EXPENSES</b>						
General Government	8,821	7,795			8,821	7,795
Public Safety	16,441	16,250			16,441	16,250
Public Works	12,132	12,238			12,132	12,238
Development	1,714	1,862			1,714	1,862
Culture & Civic	493	541			493	541
Interest Expense	1,903	1,969			1,903	1,969
Water			6,796	6,257	6,796	6,257
Parking			338	324	338	324
Sewer			1,097	666	1,097	666
<b>Total Expenses</b>	<b>41,504</b>	<b>40,655</b>	<b>8,231</b>	<b>7,247</b>	<b>49,735</b>	<b>47,902</b>
<b>Excess (Deficiency) Before Transfers</b>	<b>794</b>	<b>(947)</b>	<b>5,353</b>	<b>5,227</b>	<b>6,147</b>	<b>4,280</b>
Transfers	2,871	2,569	(2,871)	(2,569)		
<b>Change in Net Position</b>	<b>3,665</b>	<b>1,622</b>	<b>2,482</b>	<b>2,658</b>	<b>6,147</b>	<b>4,280</b>
Net Position - Beginning	36,868	35,246	42,299	39,641	79,167	74,887
Net Position - Ending	\$ 40,533	36,868	44,781	42,299	85,314	79,167

(See independent auditor's report)

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

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**HIGHLIGHTS**

**Net Position**

- At the close of the fiscal year, the total assets of the City exceeded its liabilities by \$85.31M. This figure represents net position.
- Net position for fiscal year 2014 reflects an increase of \$6.15M. Assets increased by \$6.1M primarily due to an increase in cash of \$3.5M and an increase in capital assets relating to sewer improvement and streetscaping projects.

**Revenues**

- For the fiscal year ended April 30, 2014, revenues for all activities totaled \$55.9M. This is \$3.7M more than the previous year total of \$52.2M. Revenues increased \$2.6M in the governmental activities primarily due to an increase in property taxes, utility taxes, licenses and permits. Revenues increased \$1.1M in the business-type activities primarily as a result of an increase in water revenue of \$589K, and a \$619K increase in capital and operating grants. The decline in parking revenue is primarily due to a decrease in parking enforcement staff hours due to vacancies.

Property tax revenue totaled \$16.4M, an increase of \$681K from the prior year. This increase is primarily due to an increase in the amount levied by the City. Park Ridge property values have been on the decline since the peak property valuation year of 2009 as evidenced by the following valuations: \$1,311,612,630 (2013), \$1,595,870,043 (2012), \$1,726,124,859 (2011), \$1,891,497,297 (2010), \$2,008,299,479 (2009), \$1,994,509,131 (2008).

Sales tax and home-rule sales tax combined, totaled \$5.8M as compared to \$5.7M the previous year, an increase of \$171K. Sales taxes have been trending upward due to a better economy. Sales taxes were \$5.2M in (FY11), \$5.7M (FY12), \$5.7M (FY13) and \$5.8M (FY14).

State income tax receipts totaled \$3.8M, an increase of \$244K from last year. Under Illinois law, the State is required to share a certain portion of state income tax receipt with municipal and county governments through the Local Government Distributive Fund. The state revenue shared with local governments is a legislatively required transfer from the General Fund to the Government Distributive Fund. The Illinois Comptroller then distributes the funds to the local governments based on population.

Utility tax receipts totaled \$2.5M as compared to \$2.3M the previous year, an increase of \$219K. The revenue surplus can be attributed to the cold winter reflecting more energy use. Nicor monthly average receipts increased 34% between fiscal year 2013 and fiscal year 2014.

Building permits increased \$306K or 32% over last year. This is due to one-time payment of \$313K for permits related to the emergency room expansion of a local hospital

A one-time transfer of \$414K to the Uptown TIF Fund came from construction funds that remained from the Uptown TIF development project. Construction funds for Uptown TIF are now all closed.

Revenue from water sales totaled \$8.9M as compared to \$8.3M last year. This reflects an increase of \$589K. This increase is primarily a result of rate changes. Sewer user charges remained relatively flat. Current year user charge revenue totaled \$1.86M up from \$1.85M last year.

(See independent auditor's report)

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

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**Cost of City Programs**

- The cost of all City programs totaled \$49.7M. This is an increase of \$1.8M from the prior year total of \$47.9M. Expenses increased \$849K in the governmental activities. This increase is a result of the \$1M in the general government from salaries, insurance claims and general contractual. This was offset by a decrease in Public Works of \$106K from building repairs. Business-type activities realized an increase of \$983K due mostly to increased water supply and treatment costs of \$576K and sewer and drainage costs of \$344K.

***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, 2014, the governmental funds reported a combined fund balance of \$11.0M, a decrease of (\$1.7M) from the previous year's fund balance of \$12.7M. The decrease is primarily due to a decrease in the Sewer Improvement Construction funds where bond funds are being spent on sewer projects. The following list provides the fund balances for the governmental funds as of April 30, 2014, negative amounts are in ( ):

General Fund - \$6.8M  
Municipal Waste Management - \$267K  
Motor Fuel Tax - \$1.1M  
IMRF - (\$231K)  
Uptown TIF - \$0  
Emergency Telephone - \$49K  
Asset Forfeiture - \$71K  
Dempster TIF - \$115K  
Foreign Fire Insurance Tax - \$63K  
Alley Special Service Areas - \$260K  
Debt Service - \$961K  
2012A Sewer Improvement Fund - \$1.5M

Of the \$11.0M total governmental fund balances, \$6.3M is unassigned fund balance. The General Fund is the only fund with a positive unassigned fund balance totaling \$6.6M. The IMRF Fund has a negative unassigned fund balance of (\$231K).

(See independent auditor's report)

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

**General Fund  
Revenue and Other Sources**

<b>Revenues and Other Sources</b>	<b>2013/14 Original Budget</b>	<b>2013/14 Revised Budget</b>	<b>2013/14 Actual</b>	<b>2012/13 Actual</b>	<b>Variance to Budget</b>
Property Taxes	\$ 8,201	8,201	7,756	7,802	-5.43%
Sales Taxes	5,816	5,816	5,273	5,669	-9.34%
Income Taxes	3,525	3,525	3,013	3,546	-14.52%
Utility Taxes	4,010	4,010	4,019	4,005	0.22%
L:icenses & Permits	2,399	2,399	2,879	2,566	20.01%
Other Revenue	5,941	6,040	7,111	6,424	19.69%
Transfers In	1,093	1,093	1,093	1,252	0.00%
<b>Total Revenues</b>	<b>\$ 30,985</b>	<b>31,084</b>	<b>31,144</b>	<b>31,264</b>	<b>0.51%</b>

**General Fund  
Expenditures and Other Uses**

<b>Expenditures and Other Uses</b>	<b>2013/14 Original Budget</b>	<b>2013/14 Revised Budget</b>	<b>2013/14 Actual</b>	<b>2012/13 Actual</b>	<b>Variance to Budget</b>
General Government	\$ 7,972	8,508	7,833	6,992.00	-7.93%
Public Safety	15,579	15,633	15,077	14,215.00	-3.56%
Public Works	5,355	5,333	5,306	4,913.00	-0.51%
Development	946	978	947	884.00	-3.17%
Culture & Civic	4	4	4	6.00	0.00%
Transfers Out	1,025	2,266	2,266	7,279.00	0.00%
<b>Total Expenditures</b>	<b>\$ 30,881</b>	<b>32,722</b>	<b>31,433</b>	<b>34,289</b>	<b>3.94%</b>

General Fund Revenue – Revenue for the year came in slightly over budget by .51%. Property tax receipts, sales tax receipts and income taxes had negative variances to budget. These variances were offset by positive variances to budget in licenses & permits and other revenues.

General Fund Expenditures – Expenditures for the year came in under budget by 3.94%. This surplus is primarily from deferring capital projects.

During the course of the year, the City Manager approved budget transfers within his authority. Budget transfers outside of his authority and budget amendments were approved by City Council.

Municipal Waste Management – Revenues exceeded operating expenditures by \$183K for the year. This surplus contributed to the increase of fund balance from \$83K in fiscal year 2013 to \$267K in fiscal year 2014.

(See independent auditor's report)

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

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Motor Fuel Tax – Revenues plus transfers exceeded expenditures by \$50K. Motor Fuel has a positive fund balance of \$1.1M. This is primarily due to timing of fiscal year 2014 projects which did not begin until May 2014.

IMRF – Revenues and other financing sources exceeded expenditures by \$77K. The IMRF fund was budgeted with a surplus to address the fiscal year 2013 negative fund balance of (\$308K). The fiscal year 2014 surplus was not as high as budgeted due to lower than anticipated property tax revenue; however, there was still an overall increase in fund balance to (\$231K) in fiscal year 2014.

Uptown TIF – There was an excess of revenues and other finance sources over expenditures of \$18K. Funds transferred out to make debt service payments for bond issues totaled \$2.5M while incremental property tax receipts were \$1.3M. There was a decrease of \$161K in non-debt related expenditures in the Uptown TIF fund for payments to the other taxing bodies due to ongoing efforts to renegotiate the agreement based on the performance of the TIF. A construction fund was closed and the remaining funds of \$414K were transferred into the Uptown TIF fund. To eliminate the remaining deficit fund balance, the General Fund contributed the full amount of the fund balance deficit of \$1.2M leaving a fund balance of \$0 as of April 30, 2014.

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. In fiscal year 2014, the General Fund contributed \$1.025M to the Emergency telephone fund. The fund balance is 49K as of April 30, 2014.

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

**Business-Type Funds**

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

As of April 30, 2014, the business-type funds reported combined net position of \$44.8M, an increase of \$2.5M from the prior year. The unrestricted balance increased to \$7.3M from \$7.1M, an increase of \$224K. The increase is primarily from a previous 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 surplus was \$220K compared to a budgeted deficit of \$168K. The actual results exceeded the budgeted results from an under run in City of Chicago water purchases, as well as in water main replacement costs. Water purchased from the City of Chicago exceeded water billed to customers by 357,219,000 gallons or 23%. Unbilled water cost the City over \$1.0M.

The Sewer Fund had a year-end surplus of \$1.8M, primarily due to a contribution from the Sewer Construction Fund for construction work in progress.

The Parking Fund had a year-end deficit of \$448K. Parking revenue fell short of budget by \$28K due to a reduction in parking enforcement labor hours due to vacancies. The existing parking rates do not sustain the parking program; therefore, an analysis by staff of the parking rate structure is underway to address the revenue shortfall and deficit fund balance. This analysis will be presented to the Council in fiscal year 2015.

**Capital Assets**

At the end of fiscal year 2014, the City had a combined total of capital assets of \$104.7M invested in a broad range of capital assets including land, buildings, machinery, furniture, vehicles, equipment, and infrastructure

(See independent auditor's report)

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

(streets, sidewalks, alleys, water mains and sewers). This amount represents a net increase (including additions and deletions) of \$3.9M. Readers desiring more detailed information regarding capital assets are directed to Note 4 - Capital Assets.

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

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total Primary Government</b>		<b>Component Unit Activities</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
<b>Assets</b>								
Land & Improvements	\$ 37,090	37,201	1,283	1,283	38,373	38,484	170	170
Buildings	10,955	10,921			10,955	10,921	535	485
Machinery & Equipment	347	247	167	194	514	441	136	161
Furniture & Equipment	326	362			326	362	770	770
Vehicles & Equipment	1,588	1,696	194	225	1,782	1,921	6	8
Infrastructure	14,562	13,670	30,831	31,303	45,393	44,973		
Construction in Progress	1,002	56	4,760	2,014	5,762	2,070		
<b>Total Capital Assets</b>	<b>\$ 65,870</b>	<b>64,153</b>	<b>37,235</b>	<b>35,019</b>	<b>103,105</b>	<b>99,172</b>	<b>1,617</b>	<b>1,594</b>

**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, 2014, the outstanding debt on these bonds totaled \$8,230,000. 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, 2014, the outstanding debt on these bonds totaled \$6,805,000. 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, 2014, the outstanding debt on these bonds totaled \$19,700,000. 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, 2014, the outstanding debt of these bonds totaled \$7,075,000. 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. In August 2014, the City issued Series 2014A. The 2012A bond refunded the 2004B bond which financed the construction of a new

(See independent auditor's report)

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

central reservoir and pump station. This is paid from water revenues. Moody's Investor Service rated this bond Aa2. Moody's assigned a negative outlook when they rated this bond in July 2014.

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**

The target unassigned fund balance 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 unassigned fund balance. Use of fund balance will require a super majority vote from the City Council if the unassigned fund balance is below the required threshold. The total target unassigned fund balance is based on the total of the operating budget so it will vary each year. The target fund unassigned fund balance as set by the policy for all funds in the governmental and business-type funds excluding the Asset Forfeiture, Foreign Fire Insurance and Special Service Area funds is \$7.5M. The target fund balance for the General Fund is equal to three months of budgeted expenditures, while the Enterprise Funds are each equal to two months budgeted expenditures plus an add on for emergency expenditures. The total unassigned fund balance as of fiscal year 2014 for these same funds is \$6.3M. The City falls short of the target unassigned fund balance in total by (\$12M). The water and sewer business-type funds have a surplus over the unrestricted balance totaling \$4.6M. The parking fund business-type fund has a deficit of (\$263k). See below for the detail by fund.

<b>Fund Type</b>	<b>Fund Description</b>	<b>Target Unrestricted/ Unassigned Fund Balance Net Position FY15 Budget</b>	<b>4/30/14 Unassigned/ Unrestricted Net Position Fund Balance</b>	<b>Variance to Target</b>
General	General Fund	\$ 7,574,910	6,578,652	(996,258)
Special Revenue	Municipal Waste			
Special Revenue	IMRF		(230,756)	(230,756)
Special Revenue	Dempster TIF Fund			
Special Revenue	Motor Fuel Tax			
Special Revenue	Uptown Tax Increment Financing District			
Special Revenue	911 Emergency Telephone			
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	136,978	(126,465)	(263,443)
Enterprise	Water Enterprise	2,203,471	4,411,938	2,208,467
Enterprise	Sewer Enterprise	575,099	3,035,026	2,459,927
		<u>\$ 10,490,458</u>	<u>13,668,395</u>	<u>3,177,937</u>

(See independent auditor's report)

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

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Personnel expenditures account for over 47% of the City's expenditures. Personnel expenditures include straight time labor, overtime, and employee benefits, including pension contributions. The City has a workforce consisting of both union and non-union staff. There are five separate labor agreements representing bargaining unit employees with varying expiration dates. Nearly half of all City employees are covered under a labor agreement. These labor agreements are with The Fraternal Order of Police (police patrol and sergeants), The International Association of Firefighters Local 269 (firefighter / paramedic and lieutenants), International Union of Operation Engineers Local 150 (public works), and the Illinois Council of Police (civilian Police and administrative).

For fiscal year 2014, the medical plan contract renewals for employee medical benefits increased by approximately 4% over the previous year. The City has two PPO plans and one HMO plan, along with dental and vision coverage. The percentage increases were reduced to this level through modifications to plan design and increased deductibles. City management is limited in their ability to increase employee contributions during each renewal period for those employees covered by a labor agreement. 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, annually since 1984. The tree canopy in Park Ridge is one of the many features that makes Park Ridge a beautiful place to live. In fiscal year 2014, the City increased the budget for the Forestry Department for tree removal, trimming, and planting. According to the City Forester, the majority of the City's parkway ash trees will need to be removed or treated due to emerald ash borer infestation.

City facilities are experiencing the effects of continued aging with minimal capital investment. Area identified for future capital improvements include the Police Department, Fire Stations, and City Hall work areas, including the parking areas and lot lighting. The maintenance projects for City Hall have been postponed for the last several years due to budget limitations.

During the year, the City began the process of transitioning dispatch service for Police and Fire from North Suburban Emergency Communications Center (NSECC), which provides 911 dispatch services for Des Plaines, Park Ridge, Niles, and Morton Grove. During the transition, the City of Des Plaines, where the NSECC Dispatch Center is housed, continued dispatching service. It is expected that the transition to new dispatch centers for Police and Fire will be completed in fiscal year 2015. 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 fiscal year 2015. The City responded to this by increasing fees, and as a result, that water fund retains a healthy net position. However, the City continues to face a number of issues and challenges in both the water and sewer fund, including, continued 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.

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

(See independent auditor's report)

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

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average renewal cycles for water main replacement and sewer rehabilitation 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 governmental activity revenue. Two significant economic development initiatives in fiscal year 2014 were the completion and opening of a new Whole Foods and Mariano's.

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. 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 including not abating some or all of the property taxes associated with the bonds.

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, 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 Position

April 30, 2014

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Public Library
<b>Assets</b>				
Cash and Cash Equivalents	\$ 16,286,125	6,225,323	22,511,448	2,905,562
Investments				270,223
Receivables				
Property Taxes, Net	7,620,430		7,620,430	1,786,317
Other Taxes	1,321,404		1,321,404	
Intergovernmental	2,492,790		2,492,790	
Customer Accounts		2,435,962	2,435,962	
Other Receivables	366,312		366,312	
Note Receivable	25,599		25,599	
Inventory	42,563	97,048	139,611	
Prepaid Items	265,820		265,820	16,249
Noncurrent Assets				
Capital Assets Not Being Depreciated	36,849,336	6,043,536	42,892,872	940,083
Capital Assets (Net of Accumulated Depreciation)	29,020,292	31,192,386	60,212,678	677,325
<b>Total Assets</b>	<b>94,290,671</b>	<b>45,994,255</b>	<b>140,284,926</b>	<b>6,595,759</b>
<b>Liabilities</b>				
Accounts Payable	3,260,898	974,313	4,235,211	273,585
Accrued Interest Payable	797,965		797,965	
Other Accrued Liabilities	508,854	90,437	599,291	56,442
Unearned Revenue - Other	151,575		151,575	
Due to Other Governments	333		333	
Other Liabilities	214,822		214,822	51,325
Noncurrent Liabilities				
Due Within One Year	3,966,409	38,732	4,005,141	72,806
Due in More Than One Year	44,856,477	109,934	44,966,411	201,068
<b>Total Liabilities</b>	<b>53,757,333</b>	<b>1,213,416</b>	<b>54,970,749</b>	<b>655,226</b>
<b>Net Position</b>				
Net Investment in Capital Assets	27,588,932	37,235,922	64,824,854	1,617,408
Restricted for				
Road Construction	1,100,717		1,100,717	
Public Safety	181,113		181,113	
Economic Development	1,650,536		1,650,536	
Debt Service	1,611,051		1,611,051	
Employee Benefits	560,881		560,881	
Municipal Waste Management	1,897,889		1,897,889	
Special Service Areas	277,229		277,229	
Parking Lot Improvements		97,953	97,953	
Unrestricted	5,664,990	7,446,964	13,111,954	4,323,125
<b>Total Net Position</b>	<b>\$ 40,533,338</b>	<b>44,780,839</b>	<b>85,314,177</b>	<b>5,940,533</b>

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

**CITY OF PARK RIDGE, ILLINOIS**

Statement of Activities

Year Ended April 30, 2014

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants	Capital Grants
<b>Primary Government</b>				
<b>Governmental Activities</b>				
General Government	\$ 8,821,749	3,508,210		572,373
Public Safety	16,440,669	1,837,073	68,305	
Public Works	12,132,154	38,205	1,089,344	
Development	1,714,019			
Culture and Civic	493,029			
Interest Expense	1,902,633			
<b>Total Governmental Activities</b>	<b>41,504,253</b>	<b>5,383,488</b>	<b>1,157,649</b>	<b>572,373</b>
<b>Business-Type Activities</b>				
Water	6,795,818	8,885,071		
Parking	338,168	271,954		
Sewer	1,096,579	1,898,462	4,804	2,477,714
<b>Total Business-Type Activities</b>	<b>8,230,565</b>	<b>11,055,487</b>	<b>4,804</b>	<b>2,477,714</b>
<b>Total Primary Government</b>	<b>\$ 49,734,818</b>	<b>16,438,975</b>	<b>1,162,453</b>	<b>3,050,087</b>
<b>Component Unit</b>				
Public Library	\$ 4,322,221	96,680		

General Revenues and Transfers
Taxes
Property
Replacement
Utility
Telecommunications
Property Transfer
Emergency Telephone
Other
Intergovernmental Taxes
Income
Sales
Other
Unrestricted Investment Earnings
Miscellaneous
Transfers
Total General Revenues and Transfers
Change in Net Position
Net Position
Beginning of Year
End of Year

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

Net (Expense) Revenue and Changes in Net Position			
Governmental Activities	Primary Government		Component Unit
	Business-Type Activities	Total	Public Library
(4,741,166)		(4,741,166)	
(14,535,291)		(14,535,291)	
(11,004,605)		(11,004,605)	
(1,714,019)		(1,714,019)	
(493,029)		(493,029)	
(1,902,633)		(1,902,633)	
(34,390,743)	-	(34,390,743)	-
	2,089,253	2,089,253	
	(66,214)	(66,214)	
	3,284,401	3,284,401	
-	5,307,440	5,307,440	-
(34,390,743)	5,307,440	(29,083,303)	-
			(4,225,541)
16,413,089		16,413,089	3,765,448
426,532		426,532	
2,519,014		2,519,014	
1,579,711		1,579,711	
721,403		721,403	
441,821		441,821	
1,707,407		1,707,407	67,615
			77,445
3,790,281		3,790,281	
5,783,921		5,783,921	
463,878		463,878	
7,284	3,640	10,924	3,244
1,330,141	42,387	1,372,528	299,464
2,871,495	(2,871,495)		
38,055,977	(2,825,468)	35,230,509	4,213,216
3,665,234	2,481,972	6,147,206	(12,325)
36,868,104	42,298,867	79,166,971	5,952,858
40,533,338	44,780,839	85,314,177	5,940,533

**CITY OF PARK RIDGE, ILLINOIS**

Balance Sheet - Governmental Funds

April 30, 2014

	General Fund	Municipal Waste Management Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>Assets</b>				
Cash and Cash Equivalents	\$ 5,985,844	410,692	5,516,809	11,913,345
Receivables				
Property Tax, Net	4,439,772	1,707,750	1,472,908	7,620,430
Other Taxes Receivable				
Local Sales Tax	505,043			505,043
Simplified Telecommunications Tax	395,730			395,730
Personal Property Replacement Tax	66,385			66,385
Utility Tax	210,902			210,902
Gasoline Tax	71,187			71,187
Other Taxes	9,850		62,307	72,157
Intergovernmental	2,419,916		72,874	2,492,790
Other Receivables	366,312			366,312
Loans and Notes	25,599			25,599
Inventory	42,563			42,563
Due from Other Funds	690,074		27,924	717,998
Prepaid Items	203,690	60,185	1,945	265,820
<b>Total Assets</b>	<b>\$ 15,432,867</b>	<b>2,178,627</b>	<b>7,154,767</b>	<b>24,766,261</b>

**CITY OF PARK RIDGE, ILLINOIS**

Balance Sheet - Governmental Funds (Cont.)

April 30, 2014

	General Fund	Municipal Waste Management Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>Liabilities</b>				
Accounts Payable	\$ 2,099,888	219,211	866,066	3,185,165
Other Accrued Liabilities	507,512	1,342		508,854
Unearned Revenue - Other	151,575			151,575
Due to Other Funds	27,924		690,074	717,998
Due to Other Governments			333	333
Other Liabilities			214,822	214,822
<b>Total Liabilities</b>	<b>2,786,899</b>	<b>220,553</b>	<b>1,771,295</b>	<b>4,778,747</b>
<b>Deferred Inflows of Resources</b>				
Unavailable Property Taxes	4,403,101	1,690,990	1,458,485	7,552,576
Unavailable Intergovernmental Revenues	1,417,962			1,417,962
<b>Total Deferred Inflows of Resources</b>	<b>5,821,063</b>	<b>1,690,990</b>	<b>1,458,485</b>	<b>8,970,538</b>
<b>Fund Balances</b>				
<b>Nonspendable:</b>				
Inventory	42,563			42,563
Prepaid Items	203,690	60,185	1,945	265,820
<b>Restricted</b>				
Road Construction			1,100,717	1,100,717
Public Safety			181,113	181,113
Economic Development			1,650,536	1,650,536
Debt Service			961,551	961,551
Municipal Waste Management		206,899		206,899
Special Service Areas			259,881	259,881
Unassigned	6,578,652		(230,756)	6,347,896
<b>Total Fund Balances</b>	<b>6,824,905</b>	<b>267,084</b>	<b>3,924,987</b>	<b>11,016,976</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 15,432,867</b>	<b>2,178,627</b>	<b>7,154,767</b>	<b>24,766,261</b>

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 Position

April 30, 2014

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Total Fund Balances - Governmental Funds \$ 11,016,976

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities (excluding those from internal service funds) are not financial resources and, therefore, are not reported in the funds.

Capital Assets, at Cost	84,228,046
Accumulated Depreciation	<u>(20,109,627)</u>

Net Capital Assets 64,118,419

Some liabilities reported in the Statement of Net Position do not require the use of current financial resources and, therefore, are not reported as a liability in governmental funds. These liabilities consist of:

General Obligation Bonds Payable	(41,810,000)
Bond Premiums	(536,124)
Net Retirement Obligations	(3,818,560)
Compensated Absences	(1,525,639)
Claims Liability	(1,132,563)
Interest Payable	<u>(797,965)</u>

Total Long-Term Liabilities (49,620,851)

Some of the property taxes and intergovernmental revenue will be collected after year end but are not available soon enough to pay for the current period's expenditures and, therefore, are deferred in the funds.

8,970,538

Internal service funds are used to manage the costs of certain activities, to individual funds. The assets and liabilities of the internal service funds are included in the governmental activities in the Statement of Net Position.

6,048,256

Net Position of Governmental Activities \$ 40,533,338

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, 2014

	General Fund	Municipal Waste Management Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>Revenues</b>				
Property Taxes	\$ 7,756,130	3,514,006	4,228,683	15,498,819
Other Taxes	8,294,608		521,437	8,816,045
Licenses and Permits	3,421,693			3,421,693
Intergovernmental	7,374,918		1,089,344	8,464,262
Charges for Services	1,451,154			1,451,154
Fines and Forfeitures	707,126			707,126
Investment Income	1,783	55	5,468	7,306
Miscellaneous	1,043,213	1,104	32,938	1,077,255
<b>Total Revenues</b>	<b>30,050,625</b>	<b>3,515,165</b>	<b>5,877,870</b>	<b>39,443,660</b>
<b>Expenditures</b>				
<b>Current</b>				
General Government	7,832,791		293,433	8,126,224
Public Safety	15,077,109		1,572,111	16,649,220
Public Works	5,306,182	3,331,953	4,033,129	12,671,264
Development	946,636		767,383	1,714,019
Culture and Civic	4,000		549,730	553,730
<b>Debt Service</b>				
Principal			1,855,000	1,855,000
Interest and Fiscal Agent Fees			1,995,552	1,995,552
<b>Total Expenditures</b>	<b>29,166,718</b>	<b>3,331,953</b>	<b>11,066,338</b>	<b>43,565,009</b>
Excess (Deficiency) of Revenues over Expenditures	883,907	183,212	(5,188,468)	(4,121,349)
<b>Other Financing Sources (Uses)</b>				
Transfers In	1,092,841		6,532,127	7,624,968
Transfers Out	(2,265,711)		(2,917,819)	(5,183,530)
<b>Total Other Financing Sources (Uses)</b>	<b>(1,172,870)</b>	<b>-</b>	<b>3,614,308</b>	<b>2,441,438</b>
Net Change in Fund Balances	(288,963)	183,212	(1,574,160)	(1,679,911)
<b>Fund Balance</b>				
May 1	7,113,868	83,872	5,499,147	12,696,887
April 30	\$ 6,824,905	267,084	3,924,987	11,016,976

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, 2014

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Net Change in Fund Balances - Total Governmental Funds \$ (1,679,911)

Amounts reported for governmental activities in the statement of activities are  
different because:

Governmental funds report capital outlays as expenditures while  
governmental activities capitalize them and report depreciation  
expense to allocate those costs over the life of the assets.

Capital Outlay (excluding internal service funds)	2,617,522
Depreciation (excluding internal service funds)	<u>(775,113)</u>

Capital Outlay in Excess of Depreciation 1,842,409

Repayment of principal on long-term debt is an expenditure in the  
governmental funds, but the repayment reduces long-term  
liabilities in the Statement of Net Position. 1,855,000

Revenues in the Statement of Activities that do not provide  
current financial resources are not reported as revenues in  
the governmental funds. 2,281,959

Some expenses reported in the Statement of Activities do not  
require the use of current financial resources and, therefore, are  
not recorded in the governmental funds.

Increase in Compensated Absences	(174,456)
Amortization of Bond Premiums	59,402
Decrease in Net Pension Obligation	1,412
Decrease in Claims Payable	334,118
Increase in Other Post-Employment Benefits Obligation	(483,024)
Decrease in Accrued Interest on Debt	<u>33,517</u>

(229,031)

Internal Service Funds are used by management to charge the costs  
of certain activities to individual funds. The net revenue (expense)  
of the Internal Service Funds is reported with governmental activities. (405,192)

Change in Net Position - Governmental Activities \$ 3,665,234

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

**CITY OF PARK RIDGE, ILLINOIS**

Statement of Net Position - Proprietary Funds

April 30, 2014

	Business-Type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Water Fund	Sewer Fund	Nonmajor		
			Parking Fund	Total	
<b>Assets</b>					
<b>Current Assets</b>					
Cash and Cash Equivalents	\$ 2,873,665	2,749,498	602,160	6,225,323	4,372,780
Accounts Receivables, Net of Allowances	2,089,955	346,007		2,435,962	
Inventory	97,048			97,048	
<b>Total Current Assets</b>	<b>5,060,668</b>	<b>3,095,505</b>	<b>602,160</b>	<b>8,758,333</b>	<b>4,372,780</b>
<b>Noncurrent Assets</b>					
<b>Capital Assets</b>					
Cost	32,988,375	22,428,588	1,772,535	57,189,498	6,181,453
Less Accumulated Depreciation	(11,631,828)	(8,018,657)	(303,091)	(19,953,576)	(4,430,244)
<b>Total Noncurrent Assets</b>	<b>21,356,547</b>	<b>14,409,931</b>	<b>1,469,444</b>	<b>37,235,922</b>	<b>1,751,209</b>
<b>Total Assets</b>	<b>26,417,215</b>	<b>17,505,436</b>	<b>2,071,604</b>	<b>45,994,255</b>	<b>6,123,989</b>
<b>Liabilities</b>					
<b>Current Liabilities</b>					
Accounts Payable	435,981	45,728	492,604	974,313	75,733
Other Accrued Liabilities	77,235	7,645	5,557	90,437	
Claims and Judgments Payable	6,636	3,660	1,470	11,766	
Compensated Absences Payable	26,966			26,966	
<b>Total Current Liabilities</b>	<b>546,818</b>	<b>57,033</b>	<b>499,631</b>	<b>1,103,482</b>	<b>75,733</b>
<b>Noncurrent Liabilities</b>					
Compensated Absences Payable	101,912	3,446	4,576	109,934	
<b>Total Liabilities</b>	<b>648,730</b>	<b>60,479</b>	<b>504,207</b>	<b>1,213,416</b>	<b>75,733</b>
<b>Net Position</b>					
Net Investment in Capital Assets	21,356,547	14,409,931	1,469,444	37,235,922	1,751,209
Restricted for Parking Improvements			97,953	97,953	
Unrestricted	4,411,938	3,035,026		7,446,964	4,297,047
<b>Total Net Position</b>	<b>\$ 25,768,485</b>	<b>17,444,957</b>	<b>1,567,397</b>	<b>44,780,839</b>	<b>6,048,256</b>

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 Position - Proprietary Funds

Year Ended April 30, 2014

	Business-Type Activities - Enterprise Funds			Total	Governmental Activities - Internal Service Funds
	Water Fund	Sewer Fund	Nonmajor Parking Fund		
Operating Revenues					
Charges for Services	\$ 8,885,071	1,855,550	271,954	11,012,575	344,500
Developer Fees		42,912		42,912	
Total Operating Revenues	8,885,071	1,898,462	271,954	11,055,487	344,500
Operating Expenses					
Administration	437,844			437,844	
Water Supply and Treatment	4,887,752			4,887,752	
Fire Hydrant Service	52,402			52,402	
Watermain Services	511,382			511,382	
Water Meter Services	141,150			141,150	
Parking Services and Maintenance			338,168	338,168	
Sewer and Drainage		799,097		799,097	
Materials					491,059
Depreciation	765,288	212,627		977,915	318,410
Total Operating Expenses	6,795,818	1,011,724	338,168	8,145,710	809,469
Operating Income (Loss)	2,089,253	886,738	(66,214)	2,909,777	(464,969)
Nonoperating Revenues					
Grant Revenue		4,804		4,804	
Investment Income	2,451	33	1,156	3,640	2,013
Miscellaneous Revenues	33,796	5,906	2,685	42,387	5,198
Gain (Loss) on Disposal of Capital Assets		(84,855)	(430,057)	(514,912)	52,566
Total Nonoperating Revenues	36,247	(74,112)	(426,216)	50,831	59,777
Income (Loss) before Transfers and Contributions	2,125,500	812,626	(492,430)	2,960,608	(405,192)
Capital Contributions		2,275,314	202,400	2,477,714	
Transfers Out	(1,905,478)	(377,674)	(158,286)	(2,441,438)	
Net Transfers and Contributions	(1,905,478)	1,897,640	44,114	36,276	-
Change in Net Position	220,022	2,710,266	(448,316)	2,996,884	(405,192)
Net Position					
May 1	25,548,463	14,734,691	2,015,713	42,298,867	6,453,448
April 30	\$ 25,768,485	17,444,957	1,567,397	45,295,751	6,048,256

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, 2014

	Business-Type Activities - Enterprise Funds			Total	Governmental Activities - Internal Service Funds
	Water Fund	Sewer Fund	Nonmajor Parking Fund		
<b>Cash Flows from Operating Activities</b>					
Receipts from Customers and Users	\$ 8,642,468	1,880,810	274,639	10,797,917	
Receipts from Interfund Service Provided					349,698
Payments to Suppliers	(5,252,584)	(472,262)	(32,473)	(5,757,319)	(415,326)
Payments to Employees	(742,124)	(343,099)	(164,616)	(1,249,839)	
	<u>2,647,760</u>	<u>1,065,449</u>	<u>77,550</u>	<u>3,790,759</u>	<u>(65,628)</u>
<b>Cash Flows from Noncapital Financing Activities</b>					
Transfers Out	(1,905,478)	(377,674)	(158,286)	(2,441,438)	
<b>Cash Flows from Capital and Related Financing Activities</b>					
Grant Revenue		4,804		4,804	
Purchase of Capital Assets	(667,242)		(227,657)	(894,899)	(192,483)
Proceeds from Sale of Capital Assets					52,566
	<u>(667,242)</u>	<u>4,804</u>	<u>(227,657)</u>	<u>(890,095)</u>	<u>(139,917)</u>
<b>Cash Flows from Investing Activities</b>					
Interest Income Received	2,451	33	1,156	3,640	2,013
<b>Net Increase (Decrease) in Cash and and Cash Equivalents</b>	77,491	692,612	(307,237)	462,866	(203,532)
<b>Cash and Cash Equivalents</b>					
May 1	2,796,174	2,056,886	909,397	5,762,457	4,576,312
April 30	<u>\$ 2,873,665</u>	<u>2,749,498</u>	<u>602,160</u>	<u>6,225,323</u>	<u>4,372,780</u>
<b>Cash Flows from Operating Activities</b>					
Operating Income (Loss)	\$ 2,089,253	886,738	(66,214)	2,909,777	(464,969)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities					
Depreciation	765,288	212,627		977,915	318,410
Miscellaneous Revenues	33,796	5,906	2,685	42,387	5,198
Changes in Assets and Liabilities					
Accounts Receivable	(276,399)	(23,558)	144,976	(154,981)	
Prepays			1,710	1,710	
Inventory	8,103			8,103	
Accounts Payable	40,229	(15,141)	(113)	24,975	75,733
Other Accrued Liabilities	8,083	(2,570)		5,513	
Compensated Absences Payable	(21,927)	(311)	(5,228)	(27,466)	
Claims and Judgments Payable	1,334	1,758	(266)	2,826	
<b>Net Cash Provided by (Used in) Operating Activities</b>	<u>\$ 2,647,760</u>	<u>1,065,449</u>	<u>77,550</u>	<u>3,790,759</u>	<u>(65,628)</u>

**Non-cash Capital Financing Activity**

The Sewer Fund received capital assets from governmental activities for \$2,275,314.

The Parking Fund received capital assets from an outside party for \$202,400.

The Parking Fund contributed capital assets to governmental activities for \$430,057.

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

**CITY OF PARK RIDGE, ILLINOIS**

Statement of Fiduciary Net Position - Fiduciary Funds

April 30, 2014

	Pension Trust Funds	Agency Funds Escrow Deposit
<b>Assets</b>		
Cash and Cash Equivalents	\$ 4,334,888	423,277
Investments		
U.S. Treasury Securities	18,242,347	
U.S. Agency Securities	13,985,683	
Corporate Bonds	2,444,921	
Common Stocks	29,824,837	
Mutual Funds	11,488,932	
Receivables		
Accounts		140
Accrued Interest	595,616	
Prepaid Expenses	33,191	
<b>Total Assets</b>	<b>80,950,415</b>	<b>423,417</b>
<b>Liabilities</b>		
Accounts Payable and Accrued Expenses	13,691	2,512
Deposits		420,905
<b>Total Liabilities</b>	<b>13,691</b>	<b>423,417</b>
<b>Net Position</b>		
Held in Trust for Pension Benefits	<b>\$ 80,936,724</b>	<b>-</b>

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

**CITY OF PARK RIDGE, ILLINOIS**

Statement of Changes in Fiduciary Net Position - Pension Trust Funds

Year Ended April 30, 2014

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Additions

Contributions

Employer	\$ 3,217,543
Employee	866,235
	<u>4,083,778</u>

Investment Income

Net Increase in Fair Value of Investments	3,461,301
Interest	1,539,101
Dividends	551,060
Less Investment Expense	(301,690)
	<u>5,249,772</u>

Total Additions	<u>9,333,550</u>
-----------------	------------------

Deductions

Administrative Expenses	100,560
Pension Benefits and Refunds	5,494,643
	<u>5,595,203</u>

Total Deductions	<u>5,595,203</u>
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Change in Net Position	3,738,347
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Net Position Held in Trust for Pension Benefits

May 1	<u>77,198,377</u>
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April 30	<u>\$ 80,936,724</u>
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See accompanying Independent Auditor's Report and Notes to the Financial Statements.

**CITY OF PARK RIDGE, ILLINOIS**

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April 30, 2014

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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, 2014

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### 1. Summary of Significant Accounting Policies

Park Ridge was recognized as a City in 1873 and was incorporated as a city in 1910. The City of Park Ridge (The City) 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 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 defined by generally accepted accounting principles established by the Governmental Accounting Standards Board, the financial reporting entity consists of the primary government, as well as its component units, which are legally separate organizations for which the elected officials of the primary government are financially accountable. Financial accountability is defined as:

1. Appointment of a voting majority of the component unit's board, and either (a) the ability to impose will by the primary government, or (b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government, or
2. Fiscal dependency on the primary government.

#### *Discretely Presented Component Unit*

The government-wide financial statements include the Park Ridge Public Library (Library) as a 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. As a component unit, the Library's financial statements have been presented as a discrete column in the financial statements. The information presented is for the fiscal year ended April 30, 2014. The Library does not issue separate financial statements.

#### *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 11. The joint venture is the 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 position 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

## CITY OF PARK RIDGE, ILLINOIS

Notes to the Financial Statements  
April 30, 2014

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### 1. Summary of Significant Accounting Policies (Cont.)

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

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.

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

*Net investment in capital assets* 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 position* results when constraints placed on net position 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 position* consists of net position that does 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.

# CITY OF PARK RIDGE, ILLINOIS

Notes to the Financial Statements  
April 30, 2014

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## 1. Summary of Significant Accounting Policies (Cont.)

### C. Fund Accounting (Cont.)

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).

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 60 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 **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, 2014

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### 1. Summary of Significant Accounting Policies (Cont.)

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

The City reports the following major proprietary funds:

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 replacement 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.

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.

The City reports deferred inflows of resources on its governmental funds balance sheet. Deferred inflows of resources arise when resources are received by the City that represent an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. In subsequent periods, when the City has a legal claim to the resources, the liability for deferred inflows of resources is removed from the statement of net position and revenue is recognized.

**CITY OF PARK RIDGE, ILLINOIS**

Notes to the Financial Statements  
April 30, 2014

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1. Summary of Significant Accounting Policies (Cont.)

E. Stewardship - Deficit Fund Equity

The following funds had a deficit fund balance as of April 30, 2014:

Fund	Deficit Fund Balance
Nonmajor Governmental Fund	
Illinois Municipal Retirement Fund	\$ 230,756

The City plans to alleviate the fund deficit. The IMRF Fund 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.
- 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, 2014, the allowance was \$157,500.

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.

**CITY OF PARK RIDGE, ILLINOIS**

Notes to the Financial Statements  
April 30, 2014

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1. Summary of Significant Accounting Policies (Cont.)

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.

J. Unearned Revenue

The City reports unavailable/unearned revenue on its financial statements. Unavailable/unearned revenues arise when a potential revenue does not meet both the "measurable" and "available" or earned criteria for recognition in the current period. Unavailable/unearned revenues also arise when resources are received by the government 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 the revenue recognition criteria are met or when the government has a legal claim to the resources, the liability or deferred inflow is removed from the financial statements and revenue is recognized.

## CITY OF PARK RIDGE, ILLINOIS

Notes to the Financial Statements  
April 30, 2014

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### 1. Summary of Significant Accounting Policies (Cont.)

#### K. Compensated Absences

The liability for compensated absences reported in the government-wide financial statements consists of unpaid accumulated vacation, sick, and compensatory 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 position. Bond premiums and discounts 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 expensed in the period incurred.

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

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. The City Council is the highest level of decision-making authority for the City that can, by adoption of ordinance prior to the end of the year, commit fund balance. Once adopted, the limitation remains in place until a similar action is taken (adoption of another ordinance) to remove or revise the limitation.

## CITY OF PARK RIDGE, ILLINOIS

Notes to the Financial Statements  
April 30, 2014

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### 1. Summary of Significant Accounting Policies (Cont.)

#### M. Fund Equity (Cont.)

- (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.

Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted fund balance (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance and then unassigned fund balance.

#### 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 position.

*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.

*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.

## CITY OF PARK RIDGE, ILLINOIS

Notes to the Financial Statements  
April 30, 2014

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### 1. Summary of Significant Accounting Policies (Cont.)

#### 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. 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.

**CITY OF PARK RIDGE, ILLINOIS**

Notes to the Financial Statements  
April 30, 2014

2. Deposits and Investments (Cont.)

In addition, pension funds with net position of \$2.5 million or more may invest up to 35% of plan net position in a separate account of life insurance companies and mutual funds. If pension funds have net position 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 position in common and preferred stocks which meet specific restrictions.

As of April 30, 2014, the City's cash and investments consisted of the following:

	Government- Wide	Fiduciary	Total
Cash and Cash Equivalents	\$ 14,927,665	4,758,165	19,685,830
Illinois Funds	7,583,783		7,583,783
Investments (See below)		75,986,720	75,986,720
	<u>\$ 22,511,448</u>	<u>80,744,885</u>	<u>103,256,333</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	22,508,968
Deposits with Financial Institutions - Police and Firefighters' Pension Funds and Agency Fund	4,758,165
Other Investments - Police and Firefighters' Pension Funds	<u>75,986,720</u>
	<u>\$ 103,256,333</u>

**CITY OF PARK RIDGE, ILLINOIS**

Notes to the Financial Statements  
April 30, 2014

2. Deposits and Investments (Cont.)

As of April 30, 2014, 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. Treasury Securities	\$ 18,242,347		8,693,346	4,963,797	4,585,204
U.S. Agency Securities	13,985,683		4,429,583	5,909,810	3,646,290
Corporate Bonds	2,444,921		1,402,966	1,041,955	
	<u>\$ 34,672,951</u>	-	14,525,895	11,915,562	8,231,494
Not subject to Interest Rate Risk					
	<u>Fair Value</u>				
Common Stocks	\$ 29,824,837				
Mutual Funds	<u>11,488,932</u>				
	<u>\$ 41,313,769</u>				

As of April 30, 2014, the carrying amount of the Library's deposits was \$2,904,123. As of April 30, 2014, none of the Library's total bank balances were exposed to custodial credit risk. The Library also had \$1,439 in petty cash on hand at April 30, 2014.

As of April 30, 2014, 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	\$ 270,223	125,000	145,223	

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.

## CITY OF PARK RIDGE, ILLINOIS

Notes to the Financial Statements  
April 30, 2014

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### 2. Deposits and Investments (Cont.)

#### 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, 2014, The Illinois Funds were rated AAAM by Standard & Poor's.

The Police and Firefighters' Pension Funds limit their exposure to credit risk by primarily 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, 2014, the City, including the Component Unit, had total deposits with financial institutions balance was \$22,238,523. None of those deposits 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 of \$4,335,826 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.

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.

**CITY OF PARK RIDGE, ILLINOIS**

Notes to the Financial Statements  
April 30, 2014

3. Receivables - Taxes

Property taxes for 2014 attach as an enforceable lien on January 1, 2014. Taxes are levied in December 2014, 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 July 1, 2014. 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.

4. Capital Assets

A. Governmental Activities

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

	Balances May 1	Additions	Deletions	Balances April 30
<b>Capital Assets Not Being Depreciated</b>				
Land	\$ 35,757,106			35,757,106
Construction in Progress	56,738	1,002,430	56,738	1,002,430
Office Furniture	89,800			89,800
	<u>35,903,644</u>	<u>1,002,430</u>	<u>56,738</u>	<u>36,849,336</u>
<b>Capital Assets Being Depreciated</b>				
Land Improvements	2,472,347			2,472,347
Buildings	15,697,003	351,663		16,048,666
Machinery and Equipment	1,383,721	137,501		1,521,222
Office Furniture and Equipment	459,567			459,567
Vehicles	6,341,625	192,483	396,586	6,137,522
Infrastructure	25,738,173	1,182,666		26,920,839
	<u>52,092,436</u>	<u>1,864,313</u>	<u>396,586</u>	<u>53,560,163</u>
<b>Less Accumulated Depreciation For</b>				
Land Improvements	1,028,244	110,737		1,138,981
Buildings	4,776,278	317,710		5,093,988
Machinery and Equipment	1,137,887	35,860		1,173,747
Office Furniture and Equipment	187,558	36,161		223,719
Vehicles	4,645,330	301,554	396,586	4,550,298
Infrastructure	12,067,637	291,501		12,359,138
	<u>23,842,934</u>	<u>1,093,523</u>	<u>396,586</u>	<u>24,539,871</u>
<b>Total Capital Assets Being Depreciated, Net</b>	<u>28,249,502</u>	<u>770,790</u>	<u>-</u>	<u>29,020,292</u>
<b>Governmental Activities Capital Assets, Net</b>	<u>\$ 64,153,146</u>	<u>1,773,220</u>	<u>56,738</u>	<u>65,869,628</u>

**CITY OF PARK RIDGE, ILLINOIS**

Notes to the Financial Statements  
April 30, 2014

4. Capital Assets (Cont.)

B. Business-type Activities

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

	Balances May 1	Additions	Deletions	Balances April 30
<b>Capital Assets Not Being Depreciated</b>				
Land	\$ 1,283,383			1,283,383
Construction in Progress	2,014,022	3,279,075	532,944	4,760,153
	<u>3,297,405</u>	<u>3,279,075</u>	<u>532,944</u>	<u>6,043,536</u>
<b>Capital Assets Being Depreciated</b>				
Land Improvements	303,091			303,091
Machinery and Equipment	720,912			720,912
Vehicles	308,054			308,054
Infrastructure	49,365,816	448,089		49,813,905
	<u>50,697,873</u>	<u>448,089</u>	<u>-</u>	<u>51,145,962</u>
<b>Less Accumulated Depreciation For</b>				
Land Improvements	303,091			303,091
Machinery and Equipment	526,619	27,216		553,835
Vehicles	83,124	30,805		113,929
Infrastructure	18,062,827	919,894		18,982,721
	<u>18,975,661</u>	<u>977,915</u>	<u>-</u>	<u>19,953,576</u>
<b>Total Capital Assets Being Depreciated, Net</b>	<u>31,722,212</u>	<u>(529,826)</u>	<u>-</u>	<u>31,192,386</u>
<b>Business-type Activities Capital Assets, Net</b>	<u>\$ 35,019,617</u>	<u>2,749,249</u>	<u>532,944</u>	<u>37,235,922</u>

C. Depreciation Expense

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

<b>Governmental Activities</b>		
General Government		\$ 14,377
Public Safety		193,552
Public Works		885,594
		<u>\$ 1,093,523</u>
<b>Business-type Activities</b>		
Water		\$ 765,288
Sewer		212,627
		<u>\$ 977,915</u>

**CITY OF PARK RIDGE, ILLINOIS**

Notes to the Financial Statements  
April 30, 2014

4. 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
Sewers - Flood Reduction	\$ 5,236,279	3,645,728	146,720	1,443,831
Streetscaping	1,405,928	1,013,090		392,838
Water Construction	741,845	620,130	54,963	66,752
	<u>\$ 7,384,052</u>	<u>5,278,948</u>	<u>201,683</u>	<u>1,903,421</u>

The construction commitments listed above do not require further financing.

E. Component Unit - Library

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

	Beginning Balance	Additions	Deletions	Ending Balance
<b>Capital Assets Not Being Depreciated</b>				
Land	\$ 170,083			170,083
Construction in Process				
Office Furniture	770,000			770,000
	<u>940,083</u>	-	-	<u>940,083</u>
<b>Capital Assets Being Depreciated</b>				
Buildings	1,742,605	60,701		1,803,306
Machinery and Equipment	214,497			214,497
Office Furniture and equipment	92,988			92,988
Vehicles	17,154			17,154
	<u>2,067,244</u>	<u>60,701</u>	-	<u>2,127,945</u>
<b>Less Accumulated Depreciation For</b>				
Buildings	1,257,829	10,400		1,268,229
Machinery and Equipment	53,750	24,790		78,540
Office Furniture and Equipment	92,988			92,988
Vehicles	9,148	1,715		10,863
	<u>1,413,715</u>	<u>36,905</u>	-	<u>1,450,620</u>
<b>Total Capital Assets Being Depreciated, Net</b>	<u>653,529</u>	<u>23,796</u>	-	<u>677,325</u>
<b>Library Capital Assets, Net</b>	<u>\$ 1,593,612</u>	<u>23,796</u>	-	<u>1,617,408</u>

**CITY OF PARK RIDGE, ILLINOIS**

Notes to the Financial Statements  
April 30, 2014

5. 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, 2014:

	Balances May 1	Additions	Reductions	Balances April 30	Due Within One Year
<b>Governmental Activities</b>					
General Obligation Bonds Payable	\$ 43,665,000		1,855,000	41,810,000	2,605,000
Bond Issuance Premium	595,526		59,402	536,124	
Compensated Absences Payable	1,351,183	376,296	201,840	1,525,639	228,846
Claims and Judgments	1,466,681	4,802,335	5,136,453	1,132,563	1,132,563
Fire Pension Liability	705,406		3,144	702,262	
Police Pension Liability	74,377		6,622	67,755	
Other Post-employment Benefits	2,166,586	687,219	204,195	2,649,610	
Illinois Municipal Retirement Pension Liability	390,579	8,354		398,933	
	<u>\$ 50,415,338</u>	<u>5,874,204</u>	<u>7,466,656</u>	<u>48,822,886</u>	<u>3,966,409</u>
<b>Business-type Activities</b>					
Compensated Absences Payable	\$ 164,366	4,911	32,377	136,900	26,966
Claims and Judgments	8,940	200,000	197,174	11,766	11,766
	<u>\$ 173,306</u>	<u>204,911</u>	<u>229,551</u>	<u>148,666</u>	<u>38,732</u>
<b>Component Unit - Library</b>					
Compensated Absences Payable	\$ 241,825	42,745	42,319	242,251	41,183
Claims and Judgments	31,452	527,668	527,497	31,623	31,623
	<u>\$ 273,277</u>	<u>570,413</u>	<u>569,816</u>	<u>273,874</u>	<u>72,806</u>

**CITY OF PARK RIDGE, ILLINOIS**

Notes to the Financial Statements  
April 30, 2014

5. Long-Term Obligations (Cont.)

B. General Obligation Bonds

At April 30, 2014, the City had the following general obligation bonds and notes outstanding:

\$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%.	8,230,000
\$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%.	6,805,000
\$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%.	10,430,000
\$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%.	9,270,000
\$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>1,660,000</u>
	<u>\$ 41,810,000</u>

Future maturities of General Obligation Bonds are as follows:

Year Ending April 30,	Governmental Activities General Obligation Bonds	
	Principal	Interest
2015	\$ 2,605,000	1,915,116
2016	3,020,000	1,799,988
2017	3,165,000	1,661,872
2018	3,750,000	1,512,689
2019	3,915,000	1,328,796
2020-2024	19,690,000	3,562,993
2025-2029	<u>5,665,000</u>	<u>409,813</u>
	<u>\$ 41,810,000</u>	<u>12,191,267</u>

**CITY OF PARK RIDGE, ILLINOIS**

Notes to the Financial Statements  
April 30, 2014

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6. Interfund Balances

Due from/to Other Funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
<b><u>Due to/from Other Funds</u></b>		
General	Illinois Municipal Retirement	\$ 249,695
General	Emergency Telephone	<u>440,379</u>
		690,074
Special Service Area	General	<u>27,924</u>
		<u>\$ 717,998</u>

The General Fund interfund receivable balances represent temporary loans to cover short term cash deficits that existed at year end.

**CITY OF PARK RIDGE, ILLINOIS**

Notes to the Financial Statements  
 April 30, 2014

7. 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
General	Water	\$ 821,841
General	Parking	113,939
General	Sewer	157,061
		<u>1,092,841</u>
Non-Major Governmental Funds		
Illinois Municipal Retirement	Water	157,283
Illinois Municipal Retirement	Parking	44,347
Illinois Municipal Retirement	Sewer	64,163
Uptown TIF	2005A Uptown TIF Construction	413,591
Uptown TIF	General	1,240,711
Emergency Telephone	General	1,025,000
2004A General Obligation Bond	Uptown TIF	98,800
2004B General Obligation Bond	Water	926,354
2005A General Obligation Bond	Uptown TIF	417,113
2006A General Obligation Bond	Uptown TIF	623,500
2006B General Obligation Bond	Uptown TIF	1,364,815
2012A General Obligation Bond	Sewer	156,450
		<u>6,532,127</u>
Total Transfers		<u>\$ 7,624,968</u>

Also, business-type activities (Parking Fund) transferred \$430,057 of capital assets to governmental activities.

The Emergency Telephone Fund receives subsidization from the General Fund to fund operations. The incremental property taxes in the Uptown TIF Fund are used to make debt service payments and to pay the contractual obligations to the School Districts and Park District. The taxes on the new property have not been sufficient to pay in full the annual debt service and contractual obligations so a transfer was made from the General Fund to the Uptown TIF Fund to cover the accumulated shortfall. The transfer between the Water Fund and Debt Service Funds is also used towards debt service payments. The Enterprise Funds (Water, Sewer and Parking) transfer funds to cover the Enterprise employee's portion of Social Security and IMRF pension costs.

# CITY OF PARK RIDGE, ILLINOIS

Notes to the Financial Statements  
April 30, 2014

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## 7. Transfers (Cont.)

The Enterprise Funds annually transfer funds to the General Fund for shared services received from the General Fund. There was a one-time transfer from the 2005A Uptown TIF Construction Fund to the Uptown TIF Fund to close out the 2005A Uptown TIF Construction Fund.

## 8. Restrictions by Enabling Legislation

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

Asset Forfeiture	\$ 70,553
Foreign Fire Insurance Tax	63,288
Motor Fuel Tax	<u>1,100,717</u>
Total Net Position Restricted by Enabling Legislation	<u>\$ 1,234,558</u>

## 9. 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, 2014, the City has accrued \$222,127 for claims incurred but not reported based upon prior experience.

The City self-insures for workers' compensation claims up to \$550,000 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, 2014, the City has accrued \$709,801 (net of reserves in excess of retention limits) relating to the City's estimate of losses resulting from workers' compensation claims.

The City self-insures for health insurance claims up to \$85,000 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 exceeded insurance coverage for the current or three prior years. At April 30, 2014, the City has accrued \$244,024 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 position as claims and judgments payable.

**CITY OF PARK RIDGE, ILLINOIS**

Notes to the Financial Statements  
April 30, 2014

9. Risk Management (Cont.)

A. Self-Insurance (Cont.)

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, April 30, 2012	\$ 212,610	954,190	145,535	1,312,335
Incurred Claims (Including IBNR)	445,086	516,594	3,693,007	4,654,687
Claims Payments	(369,222)	(492,590)	(3,600,772)	(4,462,584)
Unpaid Claims, April 30, 2013	288,474	978,194	237,770	1,504,438
Incurred Claims (Including IBNR)	971,832	417,573	4,140,599	5,530,004
Claims Payments	(1,038,179)	(685,966)	(4,134,345)	(5,858,490)
Unpaid Claims, April 30, 2014	<u>\$ 222,127</u>	<u>709,801</u>	<u>244,024</u>	<u>1,175,952</u>
	<u>April 30,</u>	<u>April 30,</u>	<u>April 30,</u>	
	<u>2012</u>	<u>2013</u>	<u>2014</u>	
Total liability presented as				
Governmental Activities	1,289,282	1,466,681	1,132,563	
Business Type Activities	5,414	8,940	11,766	
Discretley Presented Component Unit	17,639	28,817	31,623	
	<u>1,312,335</u>	<u>1,504,438</u>	<u>1,175,952</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, 2014, there were no outstanding claims requiring additional accrual by the City.

**CITY OF PARK RIDGE, ILLINOIS**

Notes to the Financial Statements  
April 30, 2014

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10. 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 6.32%. 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 three years. These amounts have been calculated from the City's water rate study.

Fiscal Year	Amount
2015	\$ 5,280,000
2016	5,860,000
2017	6,030,000

F. Dempster TIF Commitment

The City has entered into an economic development agreement with Dempster Development Limited Partnership (DDLPP) to provide incremental revenues associated with the Dempster TIF District to DDLPP. Any shortfall in incremental revenues will be covered by sales tax generated within the TIF District. The remaining maximum liability for this commitment as of April 30, 2014 was \$1,324,407.

## CITY OF PARK RIDGE, ILLINOIS

Notes to the Financial Statements  
April 30, 2014

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### 11. 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, 2014 follows:

Total Revenues	\$ 14,380,631
Total Expenses	<u>14,091,744</u>
Net Income	288,887
Net Position, Beginning	<u>9,280,436</u>
Net Position, Ending	<u><u>\$ 9,569,323</u></u>

In accordance with the joint venture agreement, the City made payments totaling \$636,957 to SWANCC related to fixed costs for the year ended April 30, 2014. These payments were recorded in the City's Municipal Waste Management Fund. At April 30, 2014, the City's share of SWANCC's assets, liabilities, and equity was 5.23%. 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 13 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 10 years. The agreement was extended, effective May 1, 2008, through April 30, 2018; 12 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, 2014.

**CITY OF PARK RIDGE, ILLINOIS**

Notes to the Financial Statements  
April 30, 2014

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11. 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, 2014 follows:

Total Revenues	\$ 1,325,008
Total Expenses	<u>7,164,745</u>
Net Loss	(5,839,737)
Net Position, Beginning	<u>10,163,805</u>
Net Position Ending	<u>\$ 4,324,068</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.

12. 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. Sixty retirees, two employees on disability and nineteen beneficiaries received these benefits in the year ended April 30, 2014.

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 2014, the City contributed \$204,195 to the plan.

**CITY OF PARK RIDGE, ILLINOIS**

Notes to the Financial Statements  
April 30, 2014

12. 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, 2014
Other Postemployment Benefits (OPEB) Obligation	
Annual Required Obligation	\$ 713,117
Interest on Net OPEB Obligation	108,330
Adjustment to Annual Required Obligation	<u>(134,228)</u>
Annual OPEB Cost	687,219
Contributions Made	<u>(204,195)</u>
Increase in Net OPEB Obligation	483,024
Net OPEB Obligation	
Beginning of Year	<u>2,166,586</u>
End of Year	<u><u>\$ 2,649,610</u></u>

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
4/30/2014	\$ 687,219	29.70%	2,649,610
4/30/2013	693,266	27.00%	2,166,586
4/30/2012	530,303	40.20%	1,660,655
4/30/2011	532,793	36.70%	1,343,573

Funded status and Funding Progress, The funded status of the plan as of April 30, 2014, was as follows:

Actuarial Accrued Liability (AAL)	\$ 6,344,824
Actuarial Value of Plan Net Assets	
Unfunded Actuarial Accrued Liability (UAAL)	6,344,824
Funded Ratio (Actuarial Value of Plan Assets/AAL)	
Covered Payroll (Active Plan Members)*	16,852,314
UAAL as a Percentage of Covered Payroll	37.65%

## CITY OF PARK RIDGE, ILLINOIS

Notes to the Financial Statements  
April 30, 2014

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### 12. 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 8% for 2014, reduced by decrements to an ultimate rate of 5% for 2017 and after. Both rates included a 2.5% 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 30 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.

### 13. 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. The City maintains accounts for regular employees and for Sheriff's Law Enforcement Personnel (SLEP) which provides benefits solely to the police chief. 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](http://www.imrf.org).

##### *Funding Policy*

As set by statute, the City's Regular plan members are required to contribute 4.5% 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 annual required contribution rate for calendar 2013 was 13.63%. 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, 2014

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### 13. Employee Retirement Systems (Cont.)

#### A. Illinois Municipal Retirement Fund (Cont.)

##### *Funding Policy (Cont.)*

For the SLEP Plan, members are required to contribute 7.50% of their annual covered salary. The employer rate for calendar year 2013 was 16.25%.

##### *Annual Pension Cost*

The required contribution for calendar year 2013 was \$1,170,328 and was determined as part of the December 31, 2011 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2010 included (a) 7.5% investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 10% per year depending on age and service, attributable to seniority/merit, and (d) post-retirement benefit increases of 3% annually.

For the SLEP Plan, the annual pension cost was \$22,459 for the calendar year 2013. The required contribution for 2013 was determined as part of the December 31, 2011 actuarial valuation using the entry age normal actuarial cost method.

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, 2013, the most recent actuarial valuation date, the Regular plan was 83.51% funded. The actuarial accrued liability for benefits was \$29,541,512 and the actuarial value of assets was \$24,669,340, resulting in underfunded actuarial accrued liability (UAAL) of \$4,872,172. The covered payroll (annual payroll of active employees covered by the plan) was \$8,586,411 and the ratio of the UAAL to the covered payroll was 57%. In conjunction with the December 2013 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. The unfunded actuarial accrued liability is being amortized on a level percentage of projected payroll on an open 30 year basis.

As of December 31, 2013, the most recent actuarial valuation date, the SLEP Plan was 77.54% funded. Actuarial accrued liability was \$174,192 and actuarial value of assets was \$135,070, resulting in an underfunded actuarial liability of \$39,122.

The Schedule of Funding Progress for the Regular and SLEP plans, 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.

**CITY OF PARK RIDGE, ILLINOIS**

Notes to the Financial Statements  
April 30, 2014

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13. Employee Retirement Systems (Cont.)

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.

At April 30, 2014, the Police Pension Plan membership consisted of:

Retirees and Beneficiaries Currently Receiving Benefits and Terminated Employees Entitled to Benefits but Not Yet Receiving Them	54
Current Employees	
Vested	45
Nonvested	<u>8</u>
Total	<u>107</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 10 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

**CITY OF PARK RIDGE, ILLINOIS**

Notes to the Financial Statements  
 April 30, 2014

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13. Employee Retirement Systems (Cont.)

B. Police Pension Fund (Cont.)

*Plan Description and Provisions (Cont.)*

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, 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, 2014, 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.

**CITY OF PARK RIDGE, ILLINOIS**

Notes to the Financial Statements  
April 30, 2014

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13. Employee Retirement Systems (Cont.)

C. Firefighters' Pension Fund (Cont.)

*Plan Description and Provisions (Cont.)*

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.

Tier 2 employees (those hired on or after January 1, 2011) attaining the age of 55 or older with 10 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 proceeding 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

At April 30, 2014, the Police Pension and Firefighters' Pension Fund's investments (other than U.S. government and U.S. government-guaranteed obligations) include Vanguard Total Stock Market Index Mutual Fund, which represents 5% or more of each plan's net position.

**CITY OF PARK RIDGE, ILLINOIS**

Notes to the Financial Statements  
April 30, 2014

13. Employee Retirement Systems (Cont.)

D. Summary of Significant Accounting Policies and Plan Asset Matters (Cont.)

iv. Related Party Transactions

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

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, 2014, the most recent data available, the Police Pension Plan was 64.1% funded. The actuarial accrued liability was \$64,453,150 and the actuarial value of assets was \$41,310,224, resulting in an underfunded actuarial accrued liability of \$23,142,926. The covered payroll for 2014 was \$4,525,036 and the ratio of the underfunded balance was thus 511.4%.

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, 2014, the most recent actuarial valuation date, the Police Pension Plan was 68.8% funded. The actuarial accrued liability was \$55,191,391 and the actuarial value of assets was \$37,973,328, resulting in an underfunded actuarial accrued liability of \$17,218,063. The covered payroll for 2013 was \$4,100,012 and the ratio of the underfunded balance was thus 420.0%.

**CITY OF PARK RIDGE, ILLINOIS**

Notes to the Financial Statements  
April 30, 2014

13. Employee Retirement Systems (Cont.)

F. Funding Status and Funding Progress (Cont.)

*Firefighters' Pension (Cont.)*

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.

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, 2014 was 28 years.

	Police Pension	Firefighters' Pension
Annual Required Contribution (ARC)	\$ 1,616,063	1,575,943
Interest on Net Pension Obligation	4,835	45,851
Adjustments to the ARC	(3,456)	(31,375)
Annual Pension Cost (APC)	1,617,442	1,590,419
Contributions Made	1,624,064	1,593,563
Change in the Net Pension Obligation	(6,622)	(3,144)
Net Pension Obligation at May 1, 2013	74,377	705,406
Net Pension Obligation at April 30, 2014	<u>\$ 67,755</u>	<u>702,262</u>

**CITY OF PARK RIDGE, ILLINOIS**

Notes to the Financial Statements  
April 30, 2014

13. Employee Retirement Systems (Cont.)

G. Contributions Required and Contributions Made (Cont.)

Computation of Net Pension Obligations at April 30, 2014

*Illinois Municipal Retirement Fund*

	<u>Regular Employees</u>
Annual Required Contribution	\$ 1,170,328
Interest on Net Pension Obligation	29,293
Adjustments to ARC	<u>(20,939)</u>
Annual Pension Cost (APC)	1,178,682
Contributions Made	<u>1,170,328</u>
Change in the Net Pension Obligation	8,354
Net Pension Obligation at May 1, 2013	<u>390,579</u>
Net Pension Obligation at April 30, 2014	<u><u>\$ 398,933</u></u>

H. Trend Information

Trend information gives an indication of the progress made in accumulating sufficient assets to pay benefits when due. Six-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	2014	\$ 1,178,682	1,617,442	1,590,419
	2013	1,145,308	1,637,884	1,638,622
	2012	1,348,727	2,003,502	1,892,361
Percent Contributed	2014	100.0%	100.4%	101.1%
	2013	98.9%	96.9%	94.8%
	2012	92.6%	101.0%	104.1%
Net Pension Obligation (Asset)	2014	\$ 398,933	67,755	702,262
	2013	390,579	74,377	705,406
	2012	377,776	24,110	620,693

**CITY OF PARK RIDGE, ILLINOIS**Notes to the Financial Statements  
April 30, 2014

## 14. Pension Trust Funds - Financial Data

## A. Schedule of Fiduciary Net Plan Position as of April 30, 2014

	Police Pension	Firefighters' Pension	Total
<b>Assets</b>			
Cash and Cash Equivalents	\$ 2,063,086	2,271,802	4,334,888
Investments			
U.S. Treasury Securities	3,545,149	14,697,198	18,242,327
U.S. Agency Securities	13,985,683		13,985,683
Corporate Bonds		2,444,921	2,444,921
Common Stocks	14,930,533	14,894,304	29,824,837
Mutual Funds	6,464,730	5,024,202	11,488,932
Receivables			
Accrued Interest	307,735	287,881	595,616
Prior Service Receivable			
Prepaid Expenses	17,064	16,127	33,191
<b>Total Assets</b>	<b>41,313,980</b>	<b>39,636,435</b>	<b>80,950,395</b>
<b>Liabilities</b>			
Accounts Payable	3,755	9,936	13,691
<b>Net Position</b>			
Held in Trust for Pension Benefits	\$ 41,310,225	39,626,499	80,936,704

**CITY OF PARK RIDGE, ILLINOIS**

Notes to the Financial Statements  
 April 30, 2014

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

B. Schedule of Changes in Fiduciary Net Plan Position as of April 30, 2014

	Police Pension	Firefighters' Pension	Total
<b>Additions</b>			
<b>Contributions</b>			
Employer	\$ 1,624,037	1,593,506	3,217,543
Plan Members	452,525	413,710	866,235
	<u>2,076,562</u>	<u>2,007,216</u>	<u>4,083,778</u>
<b>Investment Income</b>			
Net Appreciation in Fair Value of Investments	2,150,637	1,310,664	3,461,301
Interest	621,562	917,539	1,539,101
Dividends	226,875	324,185	551,060
	<u>2,999,074</u>	<u>2,552,388</u>	<u>5,551,462</u>
Less Investment Expense	(143,713)	(157,977)	(301,690)
	<u>2,855,361</u>	<u>2,394,411</u>	<u>5,249,772</u>
<b>Total Additions</b>	<u>4,931,923</u>	<u>4,401,627</u>	<u>9,333,550</u>
<b>Deductions</b>			
Administration	45,599	54,961	100,560
Pension Benefits and Refunds	2,780,814	2,713,829	5,494,643
	<u>2,826,413</u>	<u>2,768,790</u>	<u>5,595,203</u>
<b>Total Deductions</b>	<u>2,826,413</u>	<u>2,768,790</u>	<u>5,595,203</u>
<b>Change in Net Position</b>	2,105,510	1,632,837	3,738,347
<b>Net Position</b>			
Beginning	39,204,715	37,993,662	77,198,377
Ending	<u>\$ 41,310,225</u>	<u>39,626,499</u>	<u>80,936,724</u>

## CITY OF PARK RIDGE, ILLINOIS

Notes to the Financial Statements  
April 30, 2014

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### 15. Subsequent Events

Management has evaluated subsequent events through November 24, 2014, 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.

### 16. Future Pronouncements

In June 2012, the GASB issued Statement No. 68, *Accounting and Financial Reporting for Pensions*. This Statement replaces the requirements of Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, and Statement No. 50, *Pension Disclosures*, as they relate to governments that provide pensions through pension plans administered as trusts or similar arrangements that meet certain criteria. Statement No. 68 requires governments providing defined benefit pensions to recognize their long-term obligation for pension benefits as a liability for the first time, and to more comprehensively and comparably measure the annual costs of pension benefits. The Statement also enhances accountability and transparency through revised and new note disclosures and required supplementary information. The provisions of this Statement are effective for the City's financial year ending April 30, 2016. Management has not determined what impact, if any, this GASB statement might have on its financial statements.

**REQUIRED SUPPLEMENTARY INFORMATION**

**CITY OF PARK RIDGE, ILLINOIS**

Required Supplementary Information

Schedules of Funding Progress

April 30, 2014

*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)
12/31/2013	\$ 24,669,340	29,541,512	4,872,172	83.51%	8,586,411	56.74%
12/31/2012	21,739,405	28,696,609	6,957,204	75.76%	8,544,371	81.42%
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%

*Sheriff's Law Enforcement Personnel 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)
12/31/2013	\$ 135,070	174,192	39,122	77.54%	138,210	28.31%
12/31/2012	101,089	124,052	22,963	81.49%	137,376	16.72%
12/31/2011	70,121	83,362	13,241	84.12%	136,702	9.69%
12/31/2010	41,829	44,671	2,842	93.64%	146,876	1.93%
12/31/2009*	14,074	8,831	(5,243)	159.37%	72,173	0.00%

\* SLEP Plan was initiated during 2009

**CITY OF PARK RIDGE, ILLINOIS**

Required Supplementary Information

Schedules of Funding Progress

April 30, 2014

*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)
4/30/2014	\$ 41,310,224	64,453,150	23,142,926	64.09%	4,525,036	511.44%
4/30/2013	39,204,712	61,170,783	21,966,071	64.09%	4,383,296	501.13%
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%

*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)
4/30/2013	\$ 37,973,328	55,191,391	17,218,063	68.80%	4,100,012	419.95%
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%

The most recent available for the Firefighter's Pension Fund is as of 4/30/2013.

**CITY OF PARK RIDGE, ILLINOIS**

Required Supplementary Information

Schedules of Funding Progress

April 30, 2014

*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)
4/30/2014	\$	6,344,824	6,344,824	0.00%	16,852,314	37.65%
4/30/2013		5,888,883	5,888,883	0.00%	16,282,429	36.17%
4/30/2012		5,592,608	5,592,608	0.00%	16,021,844	34.91%
4/30/2011		5,326,139	5,326,139	0.00%	15,555,188	34.24%
4/30/2010		5,377,206	5,377,206	0.00%	16,567,452	32.46%
4/30/2009		5,226,077	5,226,077	0.00%	16,084,905	32.49%

**CITY OF PARK RIDGE, ILLINOIS**

Required Supplementary Information

Schedules of Employer Contributions

April 30, 2014

*Illinois Municipal Retirement Fund*

Fiscal Year	Employer Contributions	Annual Required Contribution (ARC)	Percentage Contributed
2014	\$ 1,170,328	1,170,328	100.00%
2013	1,138,725	1,145,544	99.40%
2012	1,263,988	1,398,270	90.40%
2011	1,178,529	1,403,011	84.00%
2010	1,046,898	1,046,898	100.00%
2009	n/a	n/a	n/a

n/a - information not available

*Sheriff's Law Enforcement Personnel*

Fiscal Year	Employer Contributions	Annual Required Contribution (ARC)	Percentage Contributed
2014	\$ 22,459	22,459	100.00%
2013	20,345	20,345	100.00%
2012	18,892	18,892	100.00%
2011	n/a	n/a	n/a
2010	n/a	n/a	n/a
2009 *	n/a	n/a	n/a

*Police Pension Fund*

Fiscal Year	Employer Contributions	Annual Required Contribution (ARC)	Percentage Contributed
2014	\$ 1,624,064	1,617,442	100.41%
2013	1,587,617	1,637,884	96.93%
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%

**CITY OF PARK RIDGE, ILLINOIS**

Required Supplementary Information

Schedules of Employer Contributions

April 30, 2014

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*Firefighters' Pension Fund*

<u>Fiscal Year</u>	<u>Employer Contributions</u>	<u>Annual Required Contribution (ARC)</u>	<u>Percentage Contributed</u>
2014	\$ 1,593,563	1,590,419	100.20%
2013	1,553,909	1,638,622	94.83%
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%

**CITY OF PARK RIDGE, ILLINOIS**

Required Supplemental Information

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

Year Ended April 30, 2014

	Original Budget	Final Budget	Actual	Variance With Final Budget Over (Under)
<b>Revenues</b>				
Property Taxes	\$ 8,200,799	8,200,799	7,756,130	(444,669)
Other Taxes	16,156,130	16,156,130	8,294,608	(7,861,522)
Licenses and Permits	2,901,730	2,907,230	3,421,693	514,463
Intergovernmental		56,740	7,374,918	7,318,178
Charges for Services	1,402,879	1,416,579	1,451,154	34,575
Fines and Forfeitures	515,644	538,110	707,126	169,016
Investment Income	4,999	4,999	1,783	(3,216)
Miscellaneous	709,946	709,946	1,043,213	333,267
Total Revenues	<u>29,892,127</u>	<u>29,990,533</u>	<u>30,050,625</u>	<u>60,092</u>
<b>Expenditures</b>				
Current				
General Government	7,971,828	8,508,477	7,832,791	(675,686)
Public Safety	15,579,024	15,633,464	15,077,109	(556,355)
Public Works	5,354,558	5,333,158	5,306,182	(26,976)
Development	945,886	978,086	946,636	(31,450)
Culture and Civic	4,000	4,000	4,000	
Total Expenditures	<u>29,855,296</u>	<u>30,457,185</u>	<u>29,166,718</u>	<u>(1,290,467)</u>
Excess (Deficiency) of Revenues over Expenditures	<u>36,831</u>	<u>(466,652)</u>	<u>883,907</u>	<u>1,350,559</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in				
Water Fund	978,902	978,902	978,902	
Parking Fund	113,939	113,939	113,939	
Transfers Out				
Uptown TIF Fund			(1,240,711)	(1,240,711)
Emergency Telephone Fund	(1,025,000)	(1,025,000)	(1,025,000)	
Total Other Financing Sources (Uses)	<u>67,841</u>	<u>67,841</u>	<u>(1,172,870)</u>	<u>(1,240,711)</u>
Net Change in Fund Balance	<u>\$ 104,672</u>	<u>(398,811)</u>	<u>(288,963)</u>	<u>(109,848)</u>
<b>Fund Balance</b>				
May 1			<u>7,113,868</u>	
April 30			<u>6,824,905</u>	

See accompanying Notes to Required Supplementary Information.

**CITY OF PARK RIDGE, ILLINOIS**

Required Supplemental Information

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

Year Ended April 30, 2014

	Original and Final Budget	Actual	Variance With Final Budget Over (Under)
Revenues			
Property Taxes	\$ 3,475,395	3,514,006	38,611
Investment Income		55	55
Miscellaneous	943	1,104	161
Total Revenues	<u>3,476,338</u>	<u>3,515,165</u>	<u>38,827</u>
Expenditures			
Current			
Public Works	<u>3,515,273</u>	<u>3,331,953</u>	<u>183,320</u>
Net Change in Fund Balance	<u>\$ (38,935)</u>	<u>183,212</u>	<u>(222,147)</u>
Fund Balance			
May 1		<u>83,872</u>	
April 30		<u>267,084</u>	

See accompanying Note to the Required Supplementary Information.

## CITY OF PARK RIDGE, ILLINOIS

Notes to Required Supplementary Information  
April 30, 2014

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### 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) except for depreciation expense. 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 by the City Council prior to May 1, although Mayoral veto(s), if any, and City Council veto override(s), if any, may occur after that date.
- d. After the budget is approved by the City Council detailed processes of amending the budget and of transferring funds from one account to another within the same fund are set by the Municipal Code.

### 2. Actual Expenditures in Excess of Budget in Individual Funds

No budgeted funds had an excess of actual expenditures over budget for the year ended April 30, 2014.

The following funds did not adopt a budget for fiscal year 2014:

Non-Major Special Revenue Funds  
Asset Forfeiture Fund  
Foreign Fire Insurance Tax Fund  
Special Service Area Fund

**COMBINING, INDIVIDUAL FUND AND COMPONENT UNIT  
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, 2014

	Original Budget	Final Budget	Actual
<b>Taxes</b>			
Property Taxes			
General	\$ 4,804,799	4,804,799	4,363,731
Fire	1,590,000	1,590,000	1,572,824
Police	1,630,000	1,630,000	1,602,137
Road and Bridge	176,000	176,000	217,438
Other Local Taxes			
Municipal Telecommunications	1,727,585	1,727,585	1,499,600
Package Liquor	389,277	389,277	396,120
Property Transfer	443,000	443,000	721,403
Exempt Property Transfer	13,500	13,500	9,850
Food and Beverage	487,152	487,152	552,938
Home Rule Sales	1,640,516	1,640,516	1,443,364
Utility	2,282,389	2,282,389	2,519,014
Natural Gas	112,500	112,500	150,732
Hotel			50
Parking Garage	600,000	600,000	600,000
Intergovernmental Taxes			
State Sales Tax	4,175,467	4,175,467	3,829,943
Gasoline	479,750	479,750	463,878
Emergency Telephone Tax			
State Income Tax	3,524,994	3,524,994	3,012,792
Personal Property Replacement Tax			
General	280,000	280,000	352,123
Police			24,707
Fire			24,707
	<u>24,356,929</u>	<u>24,356,929</u>	<u>23,357,351</u>
<b>Licenses and Permits</b>			
Vehicle Licenses	1,260,930	1,260,930	1,230,463
Oversize Vehicle Permits			3,595
Animal Licenses	39,755	39,755	32,135
Business Licenses	170,377	170,377	236,381
Liquor Licenses	90,868	90,868	102,302
Massage Licenses			175
Outdoor Café Licenses			2,800
Building Permits	831,600	837,100	1,270,221
Façade Fees			
Cable TV Franchise Fees	508,200	508,200	543,096
Telecommunications Franchise Fees			525
	<u>2,901,730</u>	<u>2,907,230</u>	<u>3,421,693</u>
<b>Intergovernmental Grants</b>			
Federal Grants		16,740	404
State Grants		40,000	67,901
	<u>-</u>	<u>56,740</u>	<u>68,305</u>

**CITY OF PARK RIDGE, ILLINOIS**

General Fund

Schedule of Revenues - Budget and Actual

Year Ended April 30, 2014

	Original Budget	Final Budget	Actual
<b>Charges for Services</b>			
Services to Other Agencies	257,200	257,200	241,492
Rent	64,541	64,541	79,562
Ambulance Service Charge	797,007	797,007	909,880
Ambulance Registration	13,332	13,332	30,138
Elevator Inspections	13,332	27,032	16,780
<b>Miscellaneous Charges</b>			
City Clerk	8,332	8,332	4,409
Police	12,498	12,498	12,560
Fire	4,166	4,166	3,318
Zoning	7,499	7,499	8,520
Street	216,640	216,640	122,718
Collection Agency			15,341
Other	8,332	8,332	6,436
	<u>1,402,879</u>	<u>1,416,579</u>	<u>1,451,154</u>
<b>Fines and Forfeitures</b>			
Court Fines	60,846	60,846	271,423
Police Alarm Fines	5,156	5,156	2,770
Police Penalty	335,168	335,168	266,578
Liquor Fines	2,063	2,063	
<b>Other Fines - Adjudication</b>			
Zoning Violations	2,063	2,063	
Health Violations	2,063	2,063	
Municipal Code Violations			21,425
Red Light Fines	94,878	117,344	144,930
Parking Fines	13,407	13,407	
	<u>515,644</u>	<u>538,110</u>	<u>707,126</u>
<b>Interest</b>			
Investment Income	4,999	4,999	1,783
<b>Miscellaneous</b>			
Contributions	10,000	10,000	82,989
Employee Contributions	699,946	699,946	767,346
Damage to City Property			18,283
Special Events			33,457
Recovery of Bad Debts			131,207
Other Miscellaneous			9,931
	<u>709,946</u>	<u>709,946</u>	<u>1,043,213</u>
<b>Total Revenue</b>	<u>\$ 29,892,127</u>	<u>29,990,533</u>	<u>30,050,625</u>

CITY OF PARK RIDGE, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual

Year Ended April 30, 2014

	Original Budget	Final Budget	Actual
General Government			
Legislative			
Regular Salaries	\$ 33,966	33,966	29,361
Overtime	938	938	121
Training	1,000	1,000	273
Membership Dues	21,500	21,500	21,185
General Contractual Services	1,000	1,000	550
Materials	2,000	2,000	1,948
Total Legislative	60,404	60,404	53,438
City Administration			
Regular Salaries	282,211	282,211	286,130
Overtime	8,062	8,062	8,844
Training	4,000	4,000	1,363
Postal Charges	20,000	20,000	18,506
Membership Dues	4,000	2,765	1,625
Legal Notices	2,500	2,500	1,554
General Contractual Services	14,000	14,235	12,710
Contingency	250,000	250,000	
Materials	5,000	5,000	4,998
Total Administration	589,773	588,773	335,730
Legal Counsel			
Special Counsel	234,000	184,485	168,307
Special Counsel - Prosecution	37,000	39,647	36,810
Special Counsel - Other	65,000	76,868	76,868
Total Counsel	336,000	301,000	281,985
Financial Administration			
Regular Salaries	551,604	551,604	537,678
Extra Help	5,000	5,000	9,609
Overtime	3,500	3,500	3,896
Insurance	315,474	315,474	306,113
Insurance Claims	200,000	645,126	631,163
Audit Fees	40,500	41,762	41,761
Citation Fees	25,000	18,902	17,678
Red Light Fees	52,000	74,466	74,466
Training	5,000	3,000	2,569
Postal Charges	15,000	21,500	20,436
Membership Dues	1,630	1,630	1,351
Bank Service Charges	52,000	76,350	73,485
Bank Trustee Fees	5,000	4,000	4,000
General Contractual Services	275,958	346,658	342,436
Settlement Agreement		104,977	
Materials	10,000	10,248	10,127
License Supplies	7,000	4,738	4,522
Total Financial Administration	1,564,666	2,228,935	2,081,290

(Cont.)

**CITY OF PARK RIDGE, ILLINOIS**

General Fund

Schedule of Expenditures - Budget and Actual

Year Ended April 30, 2014

	Original Budget	Final Budget	Actual
General Government (Cont.)			
Information Technology			
Regular Salaries	262,611	262,611	263,736
Telecommunications	110,646	118,146	102,597
Training	3,900	3,974	3,974
Membership Dues	150	150	150
General Contractual Services	145,007	113,434	104,063
Computer Equipment	100,000	100,000	100,000
Materials	17,000	17,000	16,097
Total Information Technology	<u>639,314</u>	<u>615,315</u>	<u>590,617</u>
Human Resources			
Regular Salaries	78,671	78,671	73,934
Employee Benefits			
Insurance	3,400,000	3,400,000	3,395,837
Workers Compensation	500,000	453,379	417,573
Medical Exams	23,000	23,000	20,963
Recruiting and Testing	5,000	5,000	2,931
Training	4,000	1,200	1,159
Membership Dues	1,000	1,000	595
General Contractual Services	12,000	13,800	13,538
Materials	3,000	3,000	2,989
Total Human Resources	<u>4,105,342</u>	<u>3,979,050</u>	<u>3,929,519</u>
Economic Development			
Regular Salaries	30,000	30,000	
General Contractual Services	725,000	705,000	560,212
Total Economic Development	<u>755,000</u>	<u>735,000</u>	<u>560,212</u>
Total General Government	<u>8,050,499</u>	<u>8,508,477</u>	<u>7,832,791</u>
Public Safety			
Police			
Police Administration			
Regular Salaries	709,050	709,050	752,029
Overtime	12,263	12,263	7,562
Employee Benefits			
Uniforms	32,925		
Uniforms - Payroll		975	375
Telecommunications	2,900	2,900	660
Training	9,500	9,500	7,820
Membership Dues	18,685	19,235	19,160
General Contractual Services	29,419	30,069	21,892
Pension Payments	1,616,063	1,616,063	1,624,037
Materials	21,250	21,250	19,064
Building Repairs	318,000	318,000	291,020
Police	389,500	389,500	
Total Police Administration	<u>3,159,555</u>	<u>3,128,805</u>	<u>2,743,619</u>

(Cont.)

**CITY OF PARK RIDGE, ILLINOIS**

General Fund

Schedule of Expenditures - Budget and Actual

Year Ended April 30, 2014

	Original Budget	Final Budget	Actual
<b>Public Safety (Cont.)</b>			
<b>Police (Cont.)</b>			
<b>Investigation</b>			
Regular Salaries	851,076	851,076	822,066
Overtime	60,893	60,893	47,186
Uniforms - Payroll		6,925	3,225
Telecommunications	600	600	
Training	3,500	3,500	3,253
Membership Dues	5,575	5,575	4,775
General Contractual Services	11,500	8,500	5,836
Materials	2,500	2,500	1,892
Total Investigation	935,644	939,569	888,233
<b>Communications</b>			
Regular Salaries	279,104	279,104	202,582
Overtime	708	708	720
Data Processing Services	14,200	14,200	10,399
General Contractual Services	43,876	39,376	17,897
Materials		2,500	2,096
Electricity	900	900	877
Total Communications	338,788	336,788	234,571
<b>Patrol</b>			
Regular Salaries	3,504,023	3,504,023	3,676,054
Crossing Guards	116,271	116,271	107,055
Overtime	224,431	224,431	140,686
Employee Benefits			
Uniforms	24,000	24,000	22,041
Uniforms - Payroll		24,275	11,850
Building Maintenance	7,900	12,200	11,406
Squad - Emergency Equipment Repair	15,050	10,050	8,710
Training	20,525	20,525	20,364
Membership Dues	70	140	120
Stray Animal Impoundment	3,000	3,000	1,703
General Contractual Services	17,500	21,500	20,866
Materials	56,700	53,330	51,554
Total Patrol	3,989,470	4,013,745	4,072,409
<b>Crime Prevention</b>			
Regular Salaries	83,246	83,246	84,807
Overtime	1,706	1,706	540
Employee Benefits			
Uniform		750	375
Training	700	700	300
Membership Dues	100	100	70
Mileage Compensation	3,000	3,275	3,130

(Cont.)

**CITY OF PARK RIDGE, ILLINOIS**

General Fund

Schedule of Expenditures - Budget and Actual

Year Ended April 30, 2014

	Original Budget	Final Budget	Actual
Public Safety (Cont.)			
Police (Cont.)			
Crime Prevention (Cont.)			
General Contractual Services	1,300	25	
Materials	5,300	5,300	5,195
Total Crime Prevention	<u>95,352</u>	<u>95,102</u>	<u>94,417</u>
Total Police	<u>8,518,809</u>	<u>8,514,009</u>	<u>8,033,249</u>
Fire and Ambulance Services			
Fire Administration			
Regular Salaries	305,294	305,294	323,311
Overtime	215	215	523
Employee Benefits			
Uniforms	24,540	24,994	23,439
PSEBA	36,863	36,863	31,487
PEHP Contributions	30,145	57,999	57,999
Building Maintenance	118,650	120,650	116,024
Training	2,900	2,547	1,107
Membership Dues	29,975	29,975	23,562
General Contractual Services	14,505	16,345	15,037
Pension Payments	1,575,942	1,575,942	1,593,506
Materials	30,150	40,669	38,414
Natural Gas	7,500	10,000	9,824
Computer Equipment	185,800	176,200	158,655
Building Repairs	65,000	100,960	63,091
Total Fire Administration	<u>2,427,479</u>	<u>2,498,653</u>	<u>2,455,979</u>
Fire Prevention			
Regular Salaries	107,277	107,277	128,364
Overtime	5,268	5,268	5,694
Training	500	500	282
General Contractual Services	2,000	1,180	909
Pension Payments	2,000		
Materials		2,000	1,919
Total Fire Prevention	<u>117,045</u>	<u>116,225</u>	<u>137,168</u>
Emergency Response			
Regular Salaries	3,988,307	3,960,453	4,089,390
Overtime	344,517	344,517	250,960
Employee Benefits			
Uniforms	55,425	55,425	8,361
Uniforms - PPC	1,500	1,500	754
Squad Emergency Equipment Repair	2,000	3,333	3,333
Training	23,415	40,155	21,816
General Contractual Services	20,115	20,315	12,747

(Cont.)

**CITY OF PARK RIDGE, ILLINOIS**

General Fund

Schedule of Expenditures - Budget and Actual

Year Ended April 30, 2014

	Original Budget	Final Budget	Actual
Public Safety (Cont.)			
Fire and Ambulance Services (Cont.)			
Emergency Response (Cont.)			
Materials	65,962	65,762	55,397
Equipment Maintenance	14,450	13,117	7,955
Total Emergency Response	<u>4,515,691</u>	<u>4,504,577</u>	<u>4,450,713</u>
Total Fire and Ambulance Services	<u>7,060,215</u>	<u>7,119,455</u>	<u>7,043,860</u>
Total Public Safety	<u>15,579,024</u>	<u>15,633,464</u>	<u>15,077,109</u>
Public Works			
Public Works Administration			
Regular Salaries	291,365	291,365	289,077
Overtime			42
Training	500	500	120
Membership Dues	800	942	942
General Contractual Services	5,000	858	261
Materials	5,000	5,000	3,803
Total Public Works Administration	<u>302,665</u>	<u>298,665</u>	<u>294,245</u>
Engineering			
Regular Salaries	279,282	279,282	282,580
Overtime	624	624	1,997
Engineering	2,000	2,000	
Training	1,400	1,400	62
General Contractual Services	110,000	108,400	104,389
Materials	3,000	3,000	1,568
Total Engineering	<u>396,306</u>	<u>394,706</u>	<u>390,596</u>
Traffic Control			
Regular Salaries	56,661	56,661	55,684
Overtime	158	158	6,862
Extra Help			445
Employee Benefits			
Uniforms	200	200	
Electrical Equipment Maintenance	125,000	125,000	117,104
Materials	30,000	30,000	22,158
Total Traffic Control	<u>212,019</u>	<u>212,019</u>	<u>202,253</u>
Public Works (Cont.)			
Street Lighting			
Electricity Equipment Maintenance	61,000	61,000	58,017
Electricity	220,000	199,000	176,838
Total Street Lighting	<u>281,000</u>	<u>260,000</u>	<u>234,855</u>

(Cont.)

CITY OF PARK RIDGE, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual

Year Ended April 30, 2014

	Original Budget	Final Budget	Actual
Public Works (Cont.)			
Snow and Storm Control			
Regular Salaries	185,397	185,397	176,808
Overtime	108,086	108,086	21,244
Employee Benefits			
Uniforms	1,800	1,800	1,779
General Contractual Services	700	700	698
Snow Removal Supplies	130,000	135,000	233,991
Total Snow and Storm Control	<u>425,983</u>	<u>430,983</u>	<u>434,520</u>
Street Maintenance			
Regular Salaries	489,836	489,836	615,240
Overtime	27,637	27,637	67,944
Employee Benefits			
Uniforms	3,100	3,100	3,099
Striping	35,000	35,000	34,151
General Contractual Services	1,000	1,000	659
Materials	109,000	109,000	81,651
Total Street Maintenance	<u>665,573</u>	<u>665,573</u>	<u>802,744</u>
Sidewalk Maintenance			
Regular Salaries	48,096	48,096	46,758
Overtime			5,644
Employee Benefits			
Uniforms	400	400	260
General Contractual Services	100		
Materials	6,000	6,000	4,812
Sidewalk Repairs	160,000	160,000	132,314
Total Sidewalk Maintenance	<u>214,596</u>	<u>214,496</u>	<u>189,788</u>
Alley Maintenance			
Regular Salaries	24,543	24,543	24,372
Overtime			3,093
Total Alley Maintenance	<u>24,543</u>	<u>24,543</u>	<u>27,465</u>
City Buildings Maintenance			
Regular Salaries	153,032	153,032	184,142
Overtime	10,618	10,618	19,715
Extra Help			7,439
Employee Benefits			
Uniforms	200	200	160
Building Maintenance			
General	91,500	70,126	66,437
City Hall	99,000	91,374	70,153
Train Depot	10,000	10,000	3,894
Dee Road Train Station	10,000	10,000	4,166
Old PWSC	10,000	10,000	8,000

(Cont.)

CITY OF PARK RIDGE, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual

Year Ended April 30, 2014

	Original Budget	Final Budget	Actual
Public Works (Cont.)			
City Buildings Maintenance (Cont.)			
General Contractual Services	2,000		
Materials	6,000	6,000	4,609
Materials - City Hall	7,000	8,500	6,341
Materials - Uptown Station and Depot	2,000	2,000	1,020
Materials - Dee Road Train Station	2,000	2,000	144
Natural Gas and Electricity	37,200	65,700	63,454
Total City Buildings Maintenance	<u>440,550</u>	<u>439,550</u>	<u>439,674</u>
Forestry			
Regular Salaries	88,630	88,630	88,927
Overtime			211
Tree Trimming and Removal	705,000	745,000	631,759
Tree Spraying	50,000	10,000	9,963
Training	2,100	2,100	1,175
Membership Dues	1,200	1,200	620
General Contractual Services	27,000	27,000	26,750
Materials	3,000	3,000	1,813
Reforestation	150,000	150,000	111,694
Total Forestry	<u>1,026,930</u>	<u>1,026,930</u>	<u>872,912</u>
Grounds Maintenance			
Regular Salaries	270,410	270,410	264,819
Extra Help	7,500	7,500	
Overtime	6,562	6,562	25,025
Employee Benefits			
Uniforms	1,100	1,100	1,080
Gas for Gas Lights	15,000	15,000	11,782
Gas Light Maintenance	14,000	14,000	1,884
General Contractual Services	50,000	40,000	39,202
Materials	27,000	27,000	21,595
Total Grounds Maintenance	<u>391,572</u>	<u>381,572</u>	<u>365,387</u>
Vehicle Maintenance			
Regular Salaries	426,806	426,806	470,829
Extra Help	17,015	15	
Overtime		17,000	28,288
Employee Benefits			
Uniforms	4,200	4,200	3,994
Insurance Claims	20,000	29,000	28,531
Building Maintenance	1,500	1,500	1,280
Training	200	200	44
Membership Dues	100	100	30
General Contractual Services	70,000	58,600	55,624
Materials	130,000	135,900	134,019

(Cont.)

**CITY OF PARK RIDGE, ILLINOIS**

General Fund

Schedule of Expenditures - Budget and Actual

Year Ended April 30, 2014

	Original Budget	Final Budget	Actual
Public Works (Cont.)			
Vehicle Maintenance (Cont.)			
Automobile Petroleum Products	280,000	292,500	310,816
Tires	23,000	18,300	18,288
Total Vehicle Maintenance	<u>972,821</u>	<u>984,121</u>	<u>1,051,743</u>
Total Public Works	<u>5,354,558</u>	<u>5,333,158</u>	<u>5,306,182</u>
Development			
Development Administration			
Regular Salaries	798,686	798,686	785,681
Extra Help	2,000	2,000	
Overtime	3,000	1,000	6,701
Microfilming	4,000	2,000	1,470
Training	7,400	7,400	3,197
Postal Charges	6,500	6,500	4,300
Membership Dues	3,000	3,000	2,100
Pest Control	8,000	9,000	8,445
General Contractual Services	103,100	138,300	126,886
Materials	10,200	10,200	7,856
Total Development Administration	<u>945,886</u>	<u>978,086</u>	<u>946,636</u>
Culture and Civic			
Community Support			
Youth Services	4,000	4,000	4,000
Total Expenditures	<u>\$ 29,933,967</u>	<u>\$ 30,457,185</u>	<u>29,166,718</u>

**NONMAJOR GOVERNMENTAL FUNDS –  
COMBINING STATEMENTS**

**NONMAJOR SPECIAL REVENUE FUNDS**

**CITY OF PARK RIDGE, ILLINOIS**

Nonmajor Governmental Funds

Combining Balance Sheet

April 30, 2014

	Special Revenue	Debt Service	Capital Projects	Total Nonmajor Funds
<b>Assets</b>				
Cash and Cash Equivalents	\$ 2,626,360	955,021	1,935,428	5,516,809
Receivables				
Property Taxes, Net	816,878	656,030		1,472,908
Intergovernmental	72,874			72,874
Other Taxes	62,307			62,307
Due from Other Funds	27,924			27,924
Prepaid Items	1,945			1,945
<b>Total Assets</b>	<b>\$ 3,608,288</b>	<b>1,611,051</b>	<b>1,935,428</b>	<b>7,154,767</b>
<b>Liabilities</b>				
Accounts Payable	\$ 466,175		399,891	866,066
Due to Other Funds	690,074			690,074
Due to Other Governments	333			333
Other Liabilities	214,822			214,822
<b>Total Liabilities</b>	<b>1,371,404</b>	<b>-</b>	<b>399,891</b>	<b>1,771,295</b>
<b>Deferred Inflows of Resources</b>				
Deferred Property Taxes	808,985	649,500		1,458,485
<b>Fund Balances</b>				
<b>Fund Balances</b>				
<b>Nonspendable</b>				
Prepays	1,945			1,945
<b>Restricted</b>				
Road Construction	1,100,717			1,100,717
Public Safety	181,113			181,113
Economic Development	114,999		1,535,537	1,650,536
Debt Service		961,551		961,551
Special Service Areas	259,881			259,881
Unassigned	(230,756)			(230,756)
<b>Total Fund Balances</b>	<b>1,427,899</b>	<b>961,551</b>	<b>1,535,537</b>	<b>3,924,987</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 3,608,288</b>	<b>1,611,051</b>	<b>1,935,428</b>	<b>7,154,767</b>

**CITY OF PARK RIDGE, ILLINOIS**

Nonmajor Governmental Funds

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

Year Ended April 30, 2014

	Special Revenue	Debt Service	Capital Projects	Total Nonmajor Funds
<b>Revenues</b>				
Property Taxes	\$ 3,406,393	822,290		4,228,683
Other Taxes	521,437			521,437
Intergovernmental	1,089,344			1,089,344
Investment Income	464	7	4,997	5,468
Miscellaneous	32,938			32,938
Total Revenues	5,050,576	822,297	4,997	5,877,870
<b>Expenditures</b>				
Current				
General Government	293,433			293,433
Public Safety	1,572,111			1,572,111
Public Works	1,858,744		2,174,385	4,033,129
Development	767,383			767,383
Culture and Civic	549,730			549,730
Debt Service				
Principal		1,855,000		1,855,000
Interest and Fiscal Agent Fees		1,995,552		1,995,552
Total Expenditures	5,041,401	3,850,552	2,174,385	11,066,338
Excess (Deficiency) of Revenues over Expenditures	9,175	(3,028,255)	(2,169,388)	(5,188,468)
<b>Other Financing Sources (Uses)</b>				
Transfers In	2,945,095	3,587,032		6,532,127
Transfers Out	(2,504,228)		(413,591)	(2,917,819)
Total Other Financing Sources (Uses)	440,867	3,587,032	(413,591)	3,614,308
Net Change in Fund Balances	450,042	558,777	(2,582,979)	(1,574,160)
<b>Fund Balance</b>				
May 1	977,857	402,774	4,118,516	5,499,147
April 30	\$ 1,427,899	961,551	1,535,537	3,924,987

**NONMAJOR SPECIAL REVENUE FUNDS**

**CITY OF PARK RIDGE, ILLINOIS**

Nonmajor Special Revenue Funds

Combining Balance Sheet

April 30, 2014

	Motor Fuel Tax Fund	Illinois Municipal Retirement Fund	Uptown Tax Increment Financing (TIF) Fund	Emergency Telephone Fund	Asset Forfeiture Fund
<b>Assets</b>					
Cash and Cash Equivalents	\$ 1,031,621	7,268	460,011	428,901	72,761
Receivables					
Property Taxes, Net		799,530			
Intergovernmental	69,096	3,778			
Other Taxes					
Emergency Telephone Surcharges				62,307	
Due from Other Funds					
Prepaid Items				1,945	
<b>Total Assets</b>	<b>\$ 1,100,717</b>	<b>810,576</b>	<b>460,011</b>	<b>493,153</b>	<b>72,761</b>
<b>Liabilities</b>					
Accounts Payable	\$		460,011	3,557	2,208
Due to Other Funds		249,695		440,379	
Due to Other Governments					
Other Liabilities					
<b>Total Liabilities</b>	<b>-</b>	<b>249,695</b>	<b>460,011</b>	<b>443,936</b>	<b>2,208</b>
<b>Deferred Inflows of Resources</b>					
Deferred Property Taxes		791,637			
<b>Fund Balances</b>					
Nonspendable					
Prepays				1,945	
Restricted					
Road Construction	1,100,717				
Public Safety				47,272	70,553
Economic Development					
Special Service Areas					
Unassigned		(230,756)			
<b>Total Fund Balances</b>	<b>1,100,717</b>	<b>(230,756)</b>		<b>49,217</b>	<b>70,553</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 1,100,717</b>	<b>810,576</b>	<b>460,011</b>	<b>493,153</b>	<b>72,761</b>

Dempster Tax Increment Financing Fund	Foreign Fire Insurance Tax Fund	Special Service Area Fund	Total Nonmajor Special Refund Funds
322,683	63,288	239,827	2,626,360
		17,348	816,878
			72,874
			62,307
		27,924	27,924
			1,945
322,683	63,288	285,099	3,608,288
50		349	466,175
			690,074
		333	333
207,634		7,188	214,822
207,684	-	7,870	1,371,404
		17,348	808,985
			1,945
			1,100,717
114,999	63,288		181,113
			114,999
		259,881	259,881
			(230,756)
114,999	63,288	259,881	1,427,899
322,683	63,288	285,099	3,608,288

**CITY OF PARK RIDGE, ILLINOIS**

Nonmajor Special Revenue Funds

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

Year Ended April 30, 2014

	Motor Fuel Tax Fund	Illinois Municipal Retirement Fund	Uptown Tax Increment Financing (TIF) Fund	Emergency Telephone Fund	Asset Forfeiture Fund
<b>Revenues</b>					
Property Taxes	\$	1,815,664	1,331,881		
Other Taxes					
Emergency Telephone Surcharge				441,821	
Personal Property Replacement		24,995			
Foreign Fire Insurance					
Intergovernmental	1,089,344				
Investment Income	97	22	36		52
Miscellaneous	27,204				5,734
<b>Total Revenues</b>	<b>1,116,645</b>	<b>1,840,681</b>	<b>1,331,917</b>	<b>441,821</b>	<b>5,786</b>
<b>Expenditures</b>					
Current					
General Government		293,433			
Public Safety		223,423		1,290,922	12,474
Public Works	1,066,921	791,823			
Development		170,865	463,636		
Culture and Civic		549,730			
<b>Total Expenditures</b>	<b>1,066,921</b>	<b>2,029,274</b>	<b>463,636</b>	<b>1,290,922</b>	<b>12,474</b>
Excess (Deficiency) of Revenues over Expenditures	49,724	(188,593)	868,281	(849,101)	(6,688)
<b>Other Financing Sources</b>					
Transfers In		265,793	1,654,302	1,025,000	
Transfers Out			(2,504,228)		
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>265,793</b>	<b>(849,926)</b>	<b>1,025,000</b>	<b>-</b>
Net Change in Fund Balances	49,724	77,200	18,355	175,899	(6,688)
<b>Fund Balance</b>					
May 1	1,050,993	(307,956)	(18,355)	(126,682)	77,241
April 30	\$ 1,100,717	(230,756)	-	49,217	70,553

Dempster Tax Increment Financing Fund	Foreign Fire Insurance Tax Fund	Special Service Area Fund	Total Nonmajor Special Revenue Funds
132,708		126,140	3,406,393
			441,821
			24,995
	54,621		54,621
			1,089,344
2	255		464
			32,938
132,710	54,876	126,140	5,050,576
			293,433
	40,320	4,972	1,572,111
			1,858,744
132,758		124	767,383
			549,730
132,758	40,320	5,096	5,041,401
(48)	14,556	121,044	9,175
			2,945,095
			(2,504,228)
-	-	-	440,867
(48)	14,556	121,044	450,042
115,047	48,732	138,837	977,857
114,999	63,288	259,881	1,427,899

**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, 2014

	Original and Final Budget	Actual	Variance With Final Budget Over (Under)
<b>Revenues</b>			
Intergovernmental			
Allotment from State of Illinois	\$ 880,780	1,089,344	208,564
Investment Income		97	97
Miscellaneous		27,204	27,204
Total Revenues	<u>880,780</u>	<u>1,116,645</u>	<u>235,865</u>
<b>Expenditures</b>			
Public Works			
Street Repairs	1,100,000	1,066,921	(33,079)
Net Change in Fund Balance	<u>\$ (219,220)</u>	49,724	<u>268,944</u>
<b>Fund Balance</b>			
May 1		<u>1,050,993</u>	
April 30		<u>1,100,717</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, 2014

	Original and Final Budget	Actual	Variance With Final Budget Over (Under)
<b>Revenues</b>			
Property Taxes	\$ 1,972,487	1,815,664	(156,823)
Other Taxes			
Personal Property Replacement	15,000	24,995	9,995
Investment Income		22	
Total Revenues	<u>1,987,487</u>	<u>1,840,681</u>	<u>(146,828)</u>
<b>Expenditures</b>			
Pension Payments			
General Government	299,867	293,433	(6,434)
Public Safety	228,322	223,423	(4,899)
Public Works	809,184	791,823	(17,361)
Development	174,611	170,865	(3,746)
Culture and Civic	561,784	549,730	(12,054)
Total Expenditures	<u>2,073,768</u>	<u>2,029,274</u>	<u>(44,494)</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(86,281)</u>	<u>(188,593)</u>	<u>(102,334)</u>
<b>Other Financing Sources</b>			
Transfers In			
Water Fund	157,283	157,283	
Sewer Fund	64,163	64,163	
Parking Fund	44,347	44,347	
Total Other Financing Sources	<u>265,793</u>	<u>265,793</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ 179,512</u>	77,200	<u>(102,334)</u>
<b>Fund Balance</b>			
May 1		<u>(307,956)</u>	
April 30		<u>(230,756)</u>	

**CITY OF PARK RIDGE, ILLINOIS**

Uptown Tax Increment Financing (TIF) Fund

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

Year Ended April 30, 2014

	Original and Final Budget	Actual	Variance With Final Budget Over (Under)
<b>Revenues</b>			
Property Taxes	\$ 2,036,683	1,331,881	(704,802)
State Grants	841,000		(841,000)
Investment Income		36	36
Total Revenues	<u>2,877,683</u>	<u>1,331,917</u>	<u>(1,545,766)</u>
<b>Expenditures</b>			
Current			
Development	<u>1,466,053</u>	<u>463,636</u>	<u>(1,002,417)</u>
Excess of Revenues over Expenditures	<u>1,411,630</u>	<u>868,281</u>	<u>(543,349)</u>
<b>Other Financing Sources (Uses)</b>			
Transfers In			
General Fund		1,240,711	1,240,711
2005A Uptown TIF Construction Fund		413,591	413,591
Transfers Out			
Debt Service 2004A Fund	(98,800)	(98,800)	
Debt Service 2005A Fund	(417,113)	(417,113)	
Debt Service 2006A Fund	(623,500)	(623,500)	
Debt Service 2006B Fund	(1,364,815)	(1,364,815)	
Total Other Financing Sources (Uses)	<u>(2,504,228)</u>	<u>(849,926)</u>	<u>1,654,302</u>
Net Change in Fund Balance	<u>\$ (1,092,598)</u>	<u>18,355</u>	<u>1,110,953</u>
<b>Fund Balance</b>			
May 1		<u>(18,355)</u>	
April 30		<u>-</u>	

See accompanying Note to the Required Supplementary Information.

**CITY OF PARK RIDGE, ILLINOIS**

Emergency Telephone Fund

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

Year Ended April 30, 2014

	Original and Final Budget	Actual	Variance With Final Budget Over (Under)
Revenues			
Other Taxes			
Emergency Telephone Surcharge	\$ 450,000	441,821	(8,179)
Expenditures			
Public Safety			
Communications	1,296,235	1,290,922	(5,313)
Excess (Deficiency) of Revenues over Expenditures	(846,235)	(849,101)	(2,866)
Other Financing Sources			
Transfers In			
General Fund	1,025,000	1,025,000	
Net Change in Fund Balance	<u>\$ 178,765</u>	175,899	<u>(2,866)</u>
Fund Balance			
May 1		<u>(126,682)</u>	
April 30		<u>49,217</u>	

**CITY OF PARK RIDGE, ILLINOIS**

Dempster Tax Increment Financing (TIF) Fund

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

Year Ended April 30, 2014

	Original Budget	Final Budget	Actual	Variance With Final Budget Over (Under)
Revenues				
Property Taxes	\$ 135,958	135,958	132,708	(3,250)
Investment Income			2	2
Total Revenues	135,958	135,958	132,710	(3,248)
Expenditures				
Current				
Development	128,916	135,958	132,758	(3,200)
Net Change in Fund Balance	\$ 7,042	-	(48)	(48)
Fund Balance				
May 1			115,047	
April 30			114,999	

**NONMAJOR DEBT SERVICE FUNDS**

**CITY OF PARK RIDGE, ILLINOIS**

Nonmajor Debt Service Funds

Combining Balance Sheet

April 30, 2014

	2004A General Obligation Bond Fund	2004B General Obligation Bond Fund	2005A General Obligation Bond Fund	2006A General Obligation Bond Fund
<b>Assets</b>				
Cash and Cash Equivalents	\$		206,739	312,665
Receivables				
Property Taxes, Net			199,351	298,880
Total Assets	\$ -	-	406,090	611,545
<b>Liabilities</b>	\$			
Deferred Inflows of Resources				
Deferred Property Taxes			197,380	295,927
Fund Balances				
Restricted for Debt Service			208,710	315,618
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ -	-	406,090	611,545

2006B General Obligation Bond Fund	2012A General Obligation Bond Fund	2012B General Obligation Bond Fund	Total Nonmajor Debt Service Funds
33,222		402,395	955,021
28,918		128,881	656,030
62,140	-	531,276	1,611,051
28,629		127,564	649,500
33,511		403,712	961,551
62,140	-	531,276	1,611,051

**CITY OF PARK RIDGE, ILLINOIS**

Nonmajor Debt Service Funds

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

Year Ended April 30, 2014

	2004A General Obligation Bond Fund	2004B General Obligation Bond Fund	2005A General Obligation Bond Fund	2006A General Obligation Bond Fund
<b>Revenues</b>				
Property Taxes	\$		208,710	314,413
Investment Income				
<b>Total Revenues</b>	<b>-</b>	<b>-</b>	<b>208,710</b>	<b>314,413</b>
<b>Expenditures</b>				
Debt Service				
Principal	95,000	545,000	100,000	100,000
Interest and Fiscal Agent Fees	3,800	381,354	317,113	523,500
<b>Total Expenditures</b>	<b>98,800</b>	<b>926,354</b>	<b>417,113</b>	<b>623,500</b>
<b>Excess (Deficiency) of Revenues over Expenditures</b>	<b>(98,800)</b>	<b>(926,354)</b>	<b>(208,403)</b>	<b>(309,087)</b>
<b>Other Financing Sources</b>				
Transfers In	98,800	926,354	417,113	623,500
<b>Net Change in Fund Balances</b>	<b>-</b>	<b>-</b>	<b>208,710</b>	<b>314,413</b>
<b>Fund Balance</b>				
May 1				1,205
April 30	\$ -	-	208,710	315,618

2006B General Obligation Bond Fund	2012A General Obligation Bond Fund	2012B General Obligation Bond Fund	Total Nonmajor Debt Service Funds
30,871		268,296	822,290
3		4	7
<u>30,874</u>	<u>-</u>	<u>268,300</u>	<u>822,297</u>
785,000		230,000	1,855,000
579,815	156,450	33,520	1,995,552
<u>1,364,815</u>	<u>156,450</u>	<u>263,520</u>	<u>3,850,552</u>
(1,333,941)	(156,450)	4,780	(3,028,255)
<u>1,364,815</u>	<u>156,450</u>		<u>3,587,032</u>
30,874	-	4,780	558,777
2,637		398,932	402,774
<u>33,511</u>	<u>-</u>	<u>403,712</u>	<u>961,551</u>

**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, 2014

	Original and Final Budget	Actual	Variance With Final Budget Over (Under)
Revenues	\$		
Expenditures			
Debt Service			
Principal	95,000	95,000	
Interest and Fiscal Agent Fees	3,800	3,800	
Total Expenditures	98,800	98,800	-
Excess (Deficiency) of Revenues over Expenditures	(98,800)	(98,800)	-
Other Financing Sources			
Transfers In			
Uptown TIF Fund	98,800	98,800	
Net Change in Fund Balance	\$ -	-	-
Fund Balance			
May 1		_____	
April 30		_____	

**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, 2014

	Original and Final Budget	Actual	Variance With Final Budget Over (Under)
Revenues	\$		
Expenditures			
Debt Service			
Principal	545,000	545,000	
Interest and Fiscal Agent Fees	381,354	381,354	
Total Expenditures	<u>926,354</u>	<u>926,354</u>	-
Excess (Deficiency) of Revenues over Expenditures	(926,354)	(926,354)	-
Other Financing Sources			
Transfers In			
Water Fund	<u>926,354</u>	<u>926,354</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, 2014

	Original and Final Budget	Actual	Variance With Final Budget Over (Under)
Revenues			
Property Taxes	\$	208,710	208,710
Expenditures			
Debt Service			
Principal	100,000	100,000	
Interest and Fiscal Agent Fees	317,113	317,113	
Total Expenditures	417,113	417,113	-
Excess (Deficiency) of Revenues over Expenditures	(417,113)	(208,403)	208,710
Other Financing Sources			
Transfers In			
Uptown TIF Fund	417,113	417,113	
Net Change in Fund Balance	<u>\$ -</u>	208,710	<u>208,710</u>
Fund Balance			
May 1		<u>                    </u>	
April 30		<u>208,710</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, 2014

	Original and Final Budget	Actual	Variance With Final Budget Over (Under)
Revenues			
Property Taxes	\$	314,413	314,413
Expenditures			
Debt Service			
Principal	100,000	100,000	
Interest and Fiscal Agent Fees	523,500	523,500	
Total Expenditures	<u>623,500</u>	<u>623,500</u>	-
Excess (Deficiency) of Revenues over Expenditures	(623,500)	(309,087)	314,413
Other Financing Sources			
Transfers In			
Uptown TIF Fund	623,500	623,500	
Net Change in Fund Balance	<u>\$ -</u>	314,413	<u>314,413</u>
Fund Balance			
May 1		<u>1,205</u>	
April 30		<u><u>315,618</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, 2014

	Original and Final Budget	Actual	Variance With Final Budget Over (Under)
<b>Revenues</b>			
Property Taxes	\$	30,871	30,871
Investment Income		3	3
Total Revenues	-	30,874	30,874
<b>Expenditures</b>			
Debt Service			
Principal	785,000	785,000	
Interest and Fiscal Agent Fees	579,815	579,815	
Total Expenditures	1,364,815	1,364,815	-
Excess (Deficiency) of Revenues over Expenditures	(1,364,815)	(1,333,941)	30,874
<b>Other Financing Sources</b>			
Transfers In			
Uptown TIF Fund	1,364,815	1,364,815	
Net Change in Fund Balance	\$ -	30,874	30,874
<b>Fund Balance</b>			
May 1		2,637	
April 30		33,511	

**CITY OF PARK RIDGE, ILLINOIS**

2012A General Obligation Bond Fund

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

Year Ended April 30, 2014

	Original and Final Budget	Actual	Variance With Final Budget Over (Under)
Revenues	\$		
Expenditures			
Debt Service			
Interest and Fiscal Agent Fees	156,450	156,450	
Excess (Deficiency) of Revenues over Expenditures	(156,450)	(156,450)	-
Other Financing Sources			
Transfers In			
Sewer Fund	156,450	156,450	
Net Change in Fund Balance	<u>\$ -</u>	<u>-</u>	<u>-</u>
Fund Balance			
May 1		<u>                    </u>	
April 30		<u>-</u>	

**CITY OF PARK RIDGE, ILLINOIS**

2012B General Obligation Bond Fund

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

Year Ended April 30, 2014

	Original and Final Budget	Actual	Variance With Final Budget Over (Under)
<b>Revenues</b>			
Property Taxes	\$ 263,520	268,296	4,776
Investment Income		4	4
Total Revenues	<u>263,520</u>	<u>268,300</u>	<u>4,780</u>
<b>Expenditures</b>			
Debt Service			
Principal	230,000	230,000	
Interest and Fiscal Agent Fees	33,520	33,520	
Total Expenditures	<u>263,520</u>	<u>263,520</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ -</u>	4,780	<u>4,780</u>
<b>Fund Balance</b>			
May 1		<u>398,932</u>	
April 30		<u><u>403,712</u></u>	

**NONMAJOR CAPITAL PROJECTS FUNDS**

**CITY OF PARK RIDGE, ILLINOIS**

**Combining Nonmajor Capital Projects Funds**

**Balance Sheet**

**April 30, 2014**

	Series 2005A Uptown TIF Construction Fund	2012A Sewer Improvement Fund	Total Nonmajor Capital Projects Funds
<b>Assets</b>			
Cash and Cash Equivalents	\$	1,935,428	1,935,428
<b>Liabilities</b>			
Accounts Payable	\$	399,891	399,891
<b>Fund Balances</b>		1,535,537	1,535,537
<b>Total Liabilities and Fund Balances</b>	\$ -	1,935,428	1,935,428

**CITY OF PARK RIDGE, ILLINOIS**

Nonmajor Capital Projects Funds

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

Year Ended April 30, 2014

	Series 2005A Uptown TIF Construction Fund	2012A Sewer Improvement Fund	Total Nonmajor Capital Projects Funds
Revenues			
Investment Income	\$	4,997	4,997
Expenditures			
Current			
Public Works		2,174,385	2,174,385
Excess (Deficiency) of Revenues over Expenditures	-	(2,169,388)	(2,169,388)
Other Financing Uses			
Transfers Out			
Uptown TIF Fund	(413,591)		(413,591)
Net Change in Fund Balances	(413,591)	(2,169,388)	(2,582,979)
Fund Balance			
May 1	413,591	3,704,925	4,118,516
April 30	\$ -	1,535,537	1,535,537

**CITY OF PARK RIDGE, ILLINOIS**

2012A Sewer Improvement Fund

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

Year Ended April 30, 2014

	Original and Final Budget	Actual	Variance With Final Budget Over (Under)
Revenues			
Investment Income	\$	4,997	4,997
Expenditures			
Capital Outlay	2,968,237	2,174,385	(793,852)
Net Change in Fund Balance	<u>\$ (2,968,237)</u>	(2,169,388)	<u>798,849</u>
Fund Balance			
May 1		<u>3,704,925</u>	
April 30		<u>1,535,537</u>	

**ENTERPRISE FUNDS**

**CITY OF PARK RIDGE, ILLINOIS**

Water Fund

Schedule of Revenues, Expenses, and Changes in Net Position -  
Budget and Actual (Budgetary Basis)

Year Ended April 30, 2014

	Original and Final Budget	Actual	Variance With Final Budget Over (Under)
<b>Operating Revenues</b>			
Charges for Services			
Water Sales	\$ 8,985,100	8,867,651	(117,449)
Water Meters	43,000	17,420	(25,580)
<b>Total Operating Revenues</b>	<b>9,028,100</b>	<b>8,885,071</b>	<b>(143,029)</b>
<b>Operating Expenses</b>			
Administration			
Regular Salaries	178,912	167,438	(11,474)
Overtime	1,000	5,520	4,520
Extra Help		3,551	3,551
Employee Benefits			
Insurance	120,000	120,000	
Telecommunications			
Data Processing Services	22,660	22,660	
Postal Charges	33,725	29,832	(3,893)
General Contractual Services	15,000	1,719	(13,281)
Motor Equipment	82,900	82,900	
Computer Equipment	3,800	3,800	
Materials	1,000	424	(576)
<b>Total Administration</b>	<b>458,997</b>	<b>437,844</b>	<b>(21,153)</b>
Water Supply and Treatment			
Regular Salaries	118,943	112,909	(6,034)
Overtime	30,000	11,663	(18,337)
Employee Benefits			
Uniforms	1,200	1,120	(80)
Purchase of Water	4,853,000	4,636,046	(216,954)
Testing	10,020	9,055	(965)
Building Maintenance	3,980	613	(3,367)
Membership Dues	250		(250)
Training	2,000	415	(1,585)
General Contractual Services	45,000	28,167	(16,833)
Materials	10,000	4,124	(5,876)
Natural Gas	14,000	2,634	(11,366)
Electricity	111,000	81,006	(29,994)
<b>Total Water Supply and Treatment</b>	<b>5,199,393</b>	<b>4,887,752</b>	<b>(311,641)</b>

(Cont.)

**CITY OF PARK RIDGE, ILLINOIS**

Water Fund

Schedule of Revenues, Expenses, and Changes in Net Position -  
Budget and Actual (Budgetary Basis)

Year Ended April 30, 2014

	Original and Final Budget	Actual	Variance With Final Budget Over (Under)
<b>Operating Expenses (Cont.)</b>			
<b>Fire Hydrant Services</b>			
Regular Salaries	48,114	46,758	(1,356)
Overtime		5,644	5,644
Total Fire Hydrant Services	<u>48,114</u>	<u>52,402</u>	<u>4,288</u>
<b>Water Main Services</b>			
Regular Salaries	290,382	252,444	(37,938)
Overtime	75,000	31,934	(43,066)
Employee Benefits			
Uniforms	2,700	2,387	(313)
Water Sprays	12,000	2,360	(9,640)
General Contractual Services	10,000	8,912	(1,088)
Materials	240,000	213,345	(26,655)
Watermain Construction	815,000	667,242	(147,758)
	<u>1,445,082</u>	<u>1,178,624</u>	<u>(266,458)</u>
Less Fixed Assets Capitalized		(667,242)	(667,242)
Total Water Main Services	<u>1,445,082</u>	<u>511,382</u>	<u>(933,700)</u>
<b>Water Meter Services</b>			
Regular Salaries	80,085	77,826	(2,259)
Overtime	2,000	9,395	7,395
Employee Benefits			
Uniforms	1,000	800	(200)
General Contractual Services	20,000	4,795	(15,205)
Meters	55,000	48,334	(6,666)
Total Water Meter Services	<u>158,085</u>	<u>141,150</u>	<u>(16,935)</u>
Depreciation		<u>765,288</u>	<u>765,288</u>
Total Operating Expenses	<u>7,309,671</u>	<u>6,795,818</u>	<u>(513,853)</u>
Operating Income	<u>1,718,429</u>	<u>2,089,253</u>	<u>370,824</u>
<b>Nonoperating Revenues</b>			
Investment Income	6,000	2,451	(3,549)
Miscellaneous	12,678	33,796	21,118
Total Nonoperating Revenues	<u>18,678</u>	<u>36,247</u>	<u>17,569</u>

(Cont.)

**CITY OF PARK RIDGE, ILLINOIS**

Water Fund

Schedule of Revenues, Expenses, and Changes in Net Position -  
Budget and Actual (Budgetary Basis)

Schedule of Revenues, Expenses, and Changes in Net Position -

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Over (Under)</u>
Income before Transfers Out	1,737,107	2,125,500	388,393
Transfers Out	<u>(1,905,478)</u>	<u>(1,905,478)</u>	
Change in Net Position	<u>\$ (168,371)</u>	220,022	<u>388,393</u>
Net Position			
May 1		<u>25,548,463</u>	
April 30		<u>25,768,485</u>	

**CITY OF PARK RIDGE, ILLINOIS**

Sewer Fund

Schedule of Revenues, Expenses, and Changes in Net Position -  
Budget and Actual (Budgetary Basis)

Year Ended April 30, 2014

	Original and Final Budget	Actual	Variance With Final Budget Over (Under)
Operating Revenues			
Charges for Services	\$ 1,838,900	1,855,550	16,650
Developers Fees		42,912	42,912
Total Operating Revenues	<u>1,838,900</u>	<u>1,898,462</u>	<u>59,562</u>
Operating Expenses			
Sewer Line and Drainage			
Regular Salaries	318,230	314,475	(3,755)
Overtime	20,000	30,071	10,071
Employee Benefits			
Insurance	55,000	55,000	
Uniforms	2,100	1,999	(101)
General Contractual Services	280,000	274,888	(5,112)
Sewer Clean and Televisé	20,000	7,650	(12,350)
Materials	90,000	64,953	(25,047)
Electricity	26,500	26,461	(39)
Motor Equipment	23,600	23,600	
Sewer Construction	297,500		(297,500)
Depreciation		212,627	212,627
Total Sewer Line and Drainage	<u>1,132,930</u>	<u>1,011,724</u>	<u>(121,206)</u>
Operating Income	<u>705,970</u>	<u>886,738</u>	<u>180,768</u>
Nonoperating Revenues			
Grant Revenue		4,804	4,804
Investment Income		33	33
Miscellaneous	30,611	5,906	(24,705)
Loss on Disposal of Capital Assets		(84,855)	(84,855)
Total Nonoperating Revenues	<u>30,611</u>	<u>(74,112)</u>	<u>(104,723)</u>
Income before Transfers and Contributions	<u>736,581</u>	<u>812,626</u>	<u>76,045</u>
Capital Contributions		2,275,314	2,275,314
Transfers Out	(377,674)	(377,674)	
Net Transfers and Contributions	<u>(377,674)</u>	<u>1,897,640</u>	<u>2,275,314</u>
Change in Net Position	<u>\$ 358,907</u>	2,710,266	<u>2,351,359</u>
Net Position			
May 1		<u>14,734,691</u>	
April 30		<u>17,444,957</u>	

**CITY OF PARK RIDGE, ILLINOIS**

Parking Fund

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

Year Ended April 30, 2014

	Original and Final Budget	Actual	Variance With Final Budget Over (Under)
Operating Revenues			
Charges for Services	\$ 300,000	271,954	(28,046)
Operating Expenses			
Parking Service and Maintenance			
Regular Salaries	207,430	151,055	(56,375)
Overtime	5,600	8,067	2,467
Employee Benefits			
Insurance	25,000	25,000	
Uniforms	5,500	5,159	(341)
Real Property Rental	54,547	52,290	(2,257)
General Contractual Services	57,000	47,380	(9,620)
Citation Fees	17,000	5,345	(11,655)
Materials	12,000	9,580	(2,420)
Electricity	3,000	2,992	(8)
Parking Meters			
Motor Equipment	23,300	23,300	
Computer Equipment	8,000	8,000	
Parking Lot Construction	500,000	564,176	64,176
Depreciation			
Total Operating Expenses	918,377	902,344	(16,033)
Less Fixed Assets Capitalized	(500,000)	(564,176)	(64,176)
Total Operating Expenses	418,377	338,168	(80,209)
Operating Income (Loss)	(118,377)	(66,214)	52,163
Nonoperating Revenues			
Investment Income		1,156	1,156
Miscellaneous	4,600	2,685	(1,915)
Loss on Disposal of Capital Assets		(430,057)	(430,057)
Total Nonoperating Revenues	4,600	(426,216)	(430,816)
Loss before Transfers and Contributions	(113,777)	(492,430)	(378,653)
Capital Contributions		202,400	202,400
Transfers Out	(158,286)	(158,286)	
Net Transfers and Contributions	(158,286)	44,114	202,400
Change in Net Position	\$ (272,063)	(448,316)	(176,253)
Net Position			
May 1		2,015,713	
April 30		1,567,397	

**INTERNAL SERVICE FUNDS**

**CITY OF PARK RIDGE, ILLINOIS**

Internal Service Funds

Combining Statement of Net Position

April 30, 2014

	Technology Replacement Fund	Motor Equipment Replacement Fund	Total
<b>Assets</b>			
Current Assets			
Cash and Cash Equivalents	\$ 924,622	3,448,158	4,372,780
Noncurrent Assets			
Capital Assets			
Cost	301,024	5,880,429	6,181,453
Accumulated Depreciation	(83,531)	(4,346,713)	(4,430,244)
Total Noncurrent Assets	217,493	1,533,716	1,751,209
Total Assets	1,142,115	4,981,874	6,123,989
<b>Liabilities</b>			
Current Liabilities			
Accounts Payable	75,393	340	75,733
<b>Net Position</b>			
Net Investment in Capital Assets	217,493	1,533,716	1,751,209
Unrestricted	849,229	3,447,818	4,297,047
Total Net Position	\$ 1,066,722	4,981,534	6,048,256

**CITY OF PARK RIDGE, ILLINOIS**

Internal Service Funds

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

Year Ended April 30, 2014

	Technology Replacement Fund	Motor Equipment Replacement Fund	Total
Operating Revenues			
Charges for Services	\$ 194,000	150,500	344,500
Operating Expenses			
Materials	441,848	49,211	491,059
Depreciation	36,161	282,249	318,410
Total Operating Expenses	478,009	331,460	809,469
Operating Loss	(284,009)	(180,960)	(464,969)
Nonoperating Revenues			
Investment Income	246	1,767	2,013
Miscellaneous Revenues		5,198	5,198
Gain on Sale of Capital Assets		52,566	52,566
Total Nonoperating Revenues	246	59,531	59,777
Change in Net Position	(283,763)	(121,429)	(405,192)
Net Position			
May 1	1,350,485	5,102,963	6,453,448
April 30	\$ 1,066,722	4,981,534	6,048,256

**CITY OF PARK RIDGE, ILLINOIS**

Internal Service Funds

Combining Statement of Cash Flows

Year Ended April 30, 2014

	Technology Service Fund	Motor Equipment Replacement Fund	Total
<b>Cash Flows from Operating Activities</b>			
Receipts from Service Providers	\$ 194,000	155,698	349,698
Payments to Suppliers for Charges for Services	(366,455)	(48,871)	(415,326)
	<u>(172,455)</u>	<u>106,827</u>	<u>(65,628)</u>
<b>Cash Flows from Capital and Related Financing Activities</b>			
Purchases of Capital Assets		(192,483)	(192,483)
Proceeds from Sale of Capital Assets		52,566	52,566
	<u>-</u>	<u>(139,917)</u>	<u>(139,917)</u>
<b>Cash Flows from Investing Activities</b>			
Interest Income	246	1,767	2,013
	<u>(172,209)</u>	<u>(31,323)</u>	<u>(203,532)</u>
<b>Net Decrease in Cash and Cash Equivalents</b>			
	(172,209)	(31,323)	(203,532)
<b>Cash and Cash Equivalents</b>			
May 1	1,096,831	3,479,481	4,576,312
April 30	<u>\$ 924,622</u>	<u>3,448,158</u>	<u>4,372,780</u>
<b>Cash Flows from Operating Activities</b>			
Operating Loss	\$ (284,009)	(180,960)	(464,969)
Adjustment to Reconcile Operating Loss to Net Cash Provided by (Used in) Operating Activities			
Depreciation	36,161	282,249	318,410
Miscellaneous Revenues		5,198	5,198
Change in Liabilities Accounts Payable	75,393	340	75,733
	<u>(172,455)</u>	<u>106,827</u>	<u>(65,628)</u>
Net Cash Provided by (Used in) Operating Activities	<u>\$ (172,455)</u>	<u>106,827</u>	<u>(65,628)</u>

**CITY OF PARK RIDGE, ILLINOIS**

Technology Replacement Fund

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

Year Ended April 30, 2014

	Original and Final Budget	Actual	Variance With Final Budget Over (Under)
Operating Revenues			
Charges for Services	\$ 194,000	194,000	
Operating Expenses			
Materials	503,177	441,848	(61,329)
Electricity			
Parking Meters			
Motor Equipment			
Computer Equipment			
Parking Lot Construction			
Depreciation		36,161	36,161
Total Operating Expenses	503,177	478,009	(25,168)
Operating Income (Loss)	(309,177)	(284,009)	25,168
Nonoperating Revenues			
Investment Income		246	246
Miscellaneous			
Total Nonoperating Revenues	-	246	246
Change in Net Position	<u>\$ (309,177)</u>	(283,763)	<u>25,414</u>
Net Position			
May 1		<u>1,350,485</u>	
April 30		<u><u>1,066,722</u></u>	

**CITY OF PARK RIDGE, ILLINOIS**

Motor Replacement Fund

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

Year Ended April 30, 2014

	Original and Final Budget	Actual	Variance With Final Budget Over (Under)
Operating Revenues			
Charges for Services	\$ 150,500	150,500	
Operating Expenses			
Materials	696,924	49,211	(647,713)
Depreciation		282,249	282,249
Total Operating Expenses	696,924	331,460	(365,464)
Operating Income (Loss)	(546,424)	(180,960)	365,464
Nonoperating Revenues			
Investment Income		1,767	1,767
Gain on Disposal of Capital Assets		52,566	52,566
Miscellaneous Revenues		5,198	5,198
Total Nonoperating Revenues	-	59,531	59,531
Change in Net Position	<u>\$ (546,424)</u>	(121,429)	<u>424,995</u>
Net Position			
May 1		<u>5,102,963</u>	
April 30		<u>4,981,534</u>	

## **FIDUCIARY FUND TYPES**

**AGENCY FUND**

**CITY OF PARK RIDGE, ILLINOIS**

Escrow Deposit Agency Fund

Statement of Changes in Assets and Liabilities

April 30, 2014

	Balance at May 1, 2013	Additions	Deletions	Balance at April 30, 2014
<b>Assets</b>				
<b>Current Assets</b>				
Cash and Cash Equivalents	\$ 370,069	225,837	172,629	423,277
Other Receivables		624	484	140
<b>Total Assets</b>	<u>\$ 370,069</u>	<u>226,461</u>	<u>173,113</u>	<u>423,417</u>
<b>Liabilities</b>				
<b>Current Liabilities</b>				
Accounts Payable	\$ 2,798	152,279	152,565	2,512
Deposits	367,271	327,699	274,065	420,905
<b>Total Liabilities</b>	<u>\$ 370,069</u>	<u>479,978</u>	<u>426,630</u>	<u>423,417</u>

## **COMPONENT UNIT**

**CITY OF PARK RIDGE, ILLINOIS**

Component Unit - Park Ridge Public Library

Statement of Net Position and Governmental Funds Balance Sheet

April 30, 2014

	Balance Sheet			Statement of
	Library Fund	Library Technology Fund	Adjustments	Total Component Unit
<b>Assets</b>				
Cash and Cash Equivalents	\$ 2,682,983	222,579		2,905,562
Investments	270,223			270,223
Receivables				
Taxes	1,786,317			1,786,317
Prepaid Items	16,249			16,249
Capital Assets Not Being Depreciated			940,083	940,083
Capital Assets, Net of Accumulated Depreciation			677,325	677,325
<b>Total Assets</b>	<b>\$ 4,755,772</b>	<b>222,579</b>	<b>1,617,408</b>	<b>6,595,759</b>
<b>Liabilities</b>				
Accounts Payable	\$ 270,444	3,141		273,585
Other Accrued Liabilities	88,065		242,251	330,316
Other Liabilities	19,702		31,623	51,325
<b>Total Liabilities</b>	<b>378,211</b>	<b>3,141</b>	<b>273,874</b>	<b>655,226</b>
<b>Deferred Inflows of Resources</b>				
Unavailable Property Taxes	1,754,000		(1,754,000)	
<b>Fund Balances/Net Position</b>				
<b>Fund Balance</b>				
Assigned for Library Technology		219,438	(219,438)	
Unassigned	2,623,561		(2,623,561)	
<b>Total Liabilities, Deferred Inflows     of Resources and Fund Balances</b>	<b>\$ 4,755,772</b>	<b>222,579</b>		
<b>Net Position</b>				
Net Investment in Capital Assets			1,617,408	1,617,408
Unrestricted			4,323,125	4,323,125
<b>Total Net Position</b>			<b>5,940,533</b>	<b>5,940,533</b>

**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, 2014

	Schedule of Revenues, Expenditures and Changes in Fund Balances			Statement of Activities
	Library		Adjustments	Total
	Library Fund	Technology Fund		Component Unit
<b>Revenues</b>				
Property Taxes	\$ 3,645,719		119,729	3,765,448
Other Taxes	67,615			67,615
Intergovernmental	77,445			77,445
Charges for Services	96,680			96,680
Investment Income	3,023	221		3,244
Miscellaneous	299,464			299,464
<b>Total Revenues</b>	<b>4,189,946</b>	<b>221</b>	<b>119,729</b>	<b>4,309,896</b>
<b>Expenditures/Expenses</b>				
<b>Current</b>				
Culture and Civic	4,275,259	70,161	(60,104)	4,285,316
Depreciation			36,905	36,905
<b>Total Expenditures/Expenses</b>	<b>4,275,259</b>	<b>70,161</b>	<b>(23,199)</b>	<b>4,322,221</b>
<b>Net Change in Fund Balance/Net Position</b>	<b>(85,313)</b>	<b>(69,940)</b>	<b>142,928</b>	<b>(12,325)</b>
<b>Fund Balances/Net Position</b>				
May 1	2,708,874	289,378	2,954,606	5,952,858
April 30	\$ 2,623,561	219,438	3,097,534	5,940,533

**CITY OF PARK RIDGE, ILLINOIS**

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

Year Ended April 30, 2014

	Original and Final Budget	Actual	Variance With Final Budget Over (Under)
Revenues			
Property Taxes	\$ 3,737,907	3,645,719	(92,188)
Other Taxes			
Personal Property Replacement	60,000	67,615	7,615
Intergovernmental		77,445	77,445
Charges for Services	150,000	96,680	(53,320)
Investment Income		3,023	3,023
Miscellaneous	150,000	299,464	149,464
Total Revenues	<u>4,097,907</u>	<u>4,189,946</u>	<u>92,039</u>
Expenditures			
Current			
Culture and Civic	<u>4,511,048</u>	<u>4,275,259</u>	<u>(235,789)</u>
Net Change in Fund Balance	<u>\$ (413,141)</u>	<u>(85,313)</u>	<u>(327,828)</u>
Fund Balance			
May 1		<u>2,708,874</u>	
April 30		<u>2,623,561</u>	

**STATISTICAL SECTION  
(UNAUDITED)**

**CITY OF PARK RIDGE, ILLINOIS**

Net Position by Component

Last Ten Fiscal Years

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

*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	2013	2014
33,052,796	35,467,201	36,096,982	18,123,295	20,306,211	27,588,932
				1,050,993	1,100,717
				125,973	181,113
275,000	275,000	275,000		528,638	1,650,536
2,015,318	47,693	3,842	133,159	402,774	1,611,051
1,956,800	727,702	419,372	414,384	3,704,925	560,881
					1,897,889
					277,229
228,722	242,452	630,046	760,752		
16,920,850	13,063,311	13,699,017	16,161,975	10,748,590	5,664,990
54,449,486	49,823,359	51,124,259	35,593,565	36,868,104	40,533,338
23,650,123	23,927,570	23,794,107	33,198,707	35,019,617	37,235,922
				182,471	97,953
5,320,400	4,513,983	5,539,465	6,301,746	7,096,779	7,446,964
28,970,523	28,441,553	29,333,572	39,500,453	42,298,867	44,780,839
56,702,919	59,394,771	59,891,089	51,322,002	55,325,828	64,824,854
					1,100,717
					181,113
					1,650,536
275,000	275,000	275,000			
2,015,318	47,693	3,842	133,159	402,774	1,611,051
1,956,800	727,702	419,372	414,384	3,704,925	
					1,897,889
					277,229
				182,471	97,953
228,722	242,452	630,046	760,752		
22,241,250	17,577,294	19,238,482	22,463,721	19,550,973	13,111,954
83,420,009	78,264,912	80,457,831	75,094,018	79,166,971	84,753,296

**CITY OF PARK RIDGE, ILLINOIS**

Changes in Net Position

Last Ten Fiscal Years

Fiscal Year	2005	2006	2007	2008
<b>Expenses</b>				
<b>Governmental Activities</b>				
General Government	\$ 3,467,387	3,674,774	4,123,883	4,078,601
Public Safety	13,084,566	14,229,159	15,242,327	15,546,186
Public Works	10,014,637	26,079,742	14,604,233	12,820,471
Development	2,302,765	5,921,175	5,046,338	3,590,080
Culture and Civic	4,788,017	4,732,967	4,903,540	4,988,281
Interest	873,476	1,482,476	2,208,474	2,265,103
Total Governmental Activities Expenses	<u>34,530,848</u>	<u>56,120,293</u>	<u>46,128,795</u>	<u>43,288,722</u>
<b>Business-type Activities</b>				
Water	3,794,441	4,465,570	5,335,171	5,425,499
Parking	521,877	358,310	308,844	430,030
Sewer				
Total Business-type Activities Expenses	<u>4,316,318</u>	<u>4,823,880</u>	<u>5,644,015</u>	<u>5,855,529</u>
Total Primary Government Expenses	<u>\$ 38,847,166</u>	<u>60,944,173</u>	<u>51,772,810</u>	<u>49,144,251</u>
<b>Program Revenues</b>				
<b>Governmental Activities</b>				
<b>Charges for Services</b>				
General Government	\$ 1,980,748	2,390,909	1,025,765	3,630,949
Public Safety	876,956	861,995	4,465,613	775,097
Public Works	200,836	103,159	337,823	251,660
Development	1,177,073	1,744,129	266,698	16,314
Culture and Civic	58,735	87,805	64,928	70,785
Operating Grants	1,228,209	1,318,021	1,242,106	1,341,646
Capital Grants				
Total Governmental Activities Program Revenues	<u>5,522,557</u>	<u>6,506,018</u>	<u>7,402,933</u>	<u>6,086,451</u>
<b>Business-type Activities</b>				
<b>Charges for Services</b>				
Water	6,009,611	6,893,619	5,873,392	6,161,215
Parking	401,282	485,927	458,991	350,063
Sewer				
Operating Grants		14,101,451		
Capital Grants				
Total Business-type Activities Program Revenues	<u>6,410,893</u>	<u>21,480,997</u>	<u>6,332,383</u>	<u>6,511,278</u>
Total Primary Government Program Revenues	<u>\$ 11,933,450</u>	<u>27,987,015</u>	<u>13,735,316</u>	<u>12,597,729</u>
<b>Net (Expense) Revenue</b>				
Governmental Activities	\$ (29,008,291)	(49,614,275)	(38,725,862)	(37,202,271)
Business-type Activities	2,094,575	16,657,117	688,368	655,749
Total Primary Government Net Expense	<u>\$ (26,913,716)</u>	<u>(32,957,158)</u>	<u>(38,037,494)</u>	<u>(36,546,522)</u>

Data Source

Audited Financial Statements  
Includes all available information

2009	2010	2011	2012	2013	2014
4,088,879	4,107,880	5,096,228	7,723,691	7,795,312	8,821,749
16,682,893	18,055,715	18,173,197	18,701,581	16,250,222	16,440,669
15,489,133	12,465,191	11,497,272	11,010,908	12,238,216	12,132,154
3,834,333	2,745,862	1,935,701	2,390,904	1,861,573	1,714,019
4,981,785	5,378,577	4,794,139	600,670	541,147	493,029
2,128,155	2,029,359	1,950,696	1,939,886	1,968,630	1,902,633
47,205,178	44,782,584	43,447,233	42,367,640	40,655,100	41,504,253
5,049,979	5,328,535	5,448,184	5,356,414	6,257,130	6,795,818
455,988	383,793	365,928	358,681	324,477	338,168
	733,804	882,017	872,359	665,530	1,096,579
5,505,967	6,446,132	6,696,129	6,587,454	7,247,137	8,230,565
52,711,145	51,228,716	50,143,362	48,955,094	47,902,238	49,734,818
3,369,510	3,061,263	3,180,770	2,297,491	3,197,319	3,508,210
805,618	1,009,633	959,074	1,667,647	1,675,033	1,837,073
499,371	171,047	174,442	56,585	66,335	38,205
18,790	10,436	13,048			
71,195	70,223	91,328			
1,502,522	1,513,862	2,098,882	1,486,437	1,156,603	1,157,649
					572,373
6,267,006	5,836,464	6,517,544	5,508,160	6,095,290	7,113,510
6,069,670	6,342,875	7,154,555	6,836,662	8,295,660	8,885,071
276,014	442,053	443,577	353,144	306,313	271,954
	898,595	1,892,850	1,518,174	1,961,187	1,898,462
			920,696	1,863,522	4,804
					2,477,714
6,345,684	7,683,523	9,490,982	9,628,676	12,426,682	13,538,005
12,612,690	13,519,987	16,008,526	15,136,836	18,521,972	20,651,515
(40,938,172)	(38,946,120)	(36,929,689)	(36,859,480)	(34,559,810)	(34,390,743)
839,717	1,237,391	2,794,853	3,041,222	5,179,545	5,307,440
(40,098,455)	(37,708,729)	(34,134,836)	(33,818,258)	(29,380,265)	(29,083,303)

(Cont.)

**CITY OF PARK RIDGE, ILLINOIS**

Changes in Net Position (Cont.)

Last Ten Fiscal Years

Fiscal Year	2005	2006	2007	2008
<b>General Revenues and Other Changes in Net Position</b>				
<b>Governmental Activities</b>				
<b>Taxes</b>				
Property	\$ 13,249,375.0	14,390,929	14,467,133	16,106,676
Replacement	4,517,849			520,531
Utility	2,632,195	2,753,070	2,520,176	2,742,021
Telecommunications	2,944,311	1,965,563	1,701,899	1,871,134
Property Transfer				489,328
Emergency Telephone				457,778
Parking Garage				422,769
Other Taxes		3,103,933	6,905,472	2,372,780
<b>Intergovernmental</b>				
Sales	2,358,448	4,367,460	5,684,122	3,754,466
Income	1,999,927	2,921,955	3,258,110	3,559,023
Other Intergovernmental				
Unrestricted Investment Earnings	444,595	698,719	1,644,085	913,047
Miscellaneous	221,285			309,539
Transfers	996,751	1,341,085	1,786,836	1,856,855
<b>Total Governmental Activities</b>	<b>29,364,736</b>	<b>31,542,714</b>	<b>37,967,833</b>	<b>35,375,947</b>
<b>Business-type Activities</b>				
<b>Other</b>				
Investment Earnings	80,020	170,015	251,824	230,067
Miscellaneous		17,227	46,031	7,350
Transfers	(996,751)	(1,341,085)	(1,786,836)	(1,856,855)
<b>Total Business-type Activities</b>	<b>(916,731)</b>	<b>(1,153,843)</b>	<b>(1,488,981)</b>	<b>(1,619,438)</b>
<b>Total Primary Government</b>	<b>\$ 28,448,005</b>	<b>30,388,871</b>	<b>36,478,852</b>	<b>33,756,509</b>
<b>Change in Net Position</b>				
Governmental Activities	\$ 356,445	(7,183,148)	765,562	(5,562,225)
Business-type Activities	1,177,844	(465,475)	(833,232)	(779,721)
<b>Total Primary Government Change in Net Position</b>	<b>\$ 1,534,289</b>	<b>(7,648,623)</b>	<b>(67,670)</b>	<b>(6,341,946)</b>

Data Source

Audited Financial Statements  
Includes all available information

2009	2010	2011	2012	2013	2014
17,386,365	18,028,634	19,913,292	15,267,374	15,731,260	16,413,089
450,605	367,466	461,998	374,012	414,554	426,532
2,824,370	3,008,242	2,582,300	2,225,422	2,300,363	2,519,014
1,903,751	1,890,388	1,729,231	1,880,103	1,704,788	1,579,711
464,351	439,218	372,743	443,754	464,687	721,403
582,513	514,296	460,138	454,887	574,815	441,821
388,820	394,136	601,553	603,847	600,000	600,000
2,475,457	2,469,256	2,833,298	3,700,039	3,050,731	1,107,407
3,179,232	3,149,028	3,751,560	4,059,099	4,075,784	3,829,943
3,326,676	2,393,258	2,828,519	3,175,532	3,546,262	3,012,792
					3,195,345
210,500	26,478	19,178	7,587	19,015	7,284
181,967	54,641	125,466	1,269,947	1,130,296	1,330,141
1,868,754	1,584,952	1,945,254	1,948,766	2,569,415	2,871,495
35,243,361	34,319,993	37,624,530	35,410,369	36,181,970	38,055,977
	(230,151)				
81,157	14,875	7,433	9,466	7,829	3,640
67,659	33,867	34,987	102,253	39,801	42,387
(1,868,754)	(1,584,952)	(1,945,254)	(1,948,766)	(2,569,415)	(2,871,495)
(1,719,938)	(1,766,361)	(1,902,834)	(1,837,047)	(2,521,785)	(2,825,468)
33,523,423	32,553,632	35,721,696	33,573,322	33,660,185	35,230,509
(5,694,811)	(4,626,127)	694,841	(1,449,111)	1,622,160	3,665,234
(1,719,938)	(528,970)	892,019	1,204,175	2,657,760	2,481,972
(7,414,749)	(5,155,097)	1,586,860	(244,936)	4,279,920	6,147,206

**CITY OF PARK RIDGE, ILLINOIS**

Fund Balances of Governmental Funds

Last Ten Fiscal Years

Fiscal Year	2005	2006	2007	2008
General Fund				
Reserved	\$ 623,687	669,739	587,594	333,537
Unreserved	10,278,823	8,417,705	14,876,244	13,413,534
Nonspendable				
Unassigned				
<b>Total General Fund</b>	<b>10,902,510</b>	<b>9,087,444</b>	<b>15,463,838</b>	<b>13,747,071</b>
All Other Governmental Funds				
Reserved	1,542,212	1,331,136	2,391,880	2,453,531
Unreserved, Reported in				
Special Revenue Funds	(1,597,820)	(183,723)	(397,061)	(1,412,712)
Debt Service Funds		(1,203,190)		(438,615)
Capital Projects Funds	19,027,246	3,627,416	10,271,300	6,172,061
Nonspendable				
Restricted for				
Road Construction				
Public Safety				
Economic Development				
Debt Service				
Capital Projects				
Municipal Waste				
Special Service Areas				
Unassigned				
<b>Total All Other Governmental Funds</b>	<b>18,971,638</b>	<b>3,571,639</b>	<b>12,266,119</b>	<b>6,774,265</b>
<b>Total Governmental Funds</b>	<b>\$ 29,874,148</b>	<b>12,659,083</b>	<b>27,729,957</b>	<b>20,521,336</b>
<b>Special Revenue Nonspendable:</b>				
Municipal Waste	\$			
911				
	\$ -	-	-	-
<b>Special Revenue Unreserved/Unassigned*:</b>				
MFT	\$ (124,886)	171,006	517,985	149,385
IMRF				
911	(166,184)	(164,833)	(151,967)	(437,262)
Asset Forfeiture	42,459	34,703	65,615	69,905
Dempster TIF	(30,864)	(25,796)	(15,343)	123,045
SSA	(339,866)	(132,598)	(260,060)	(288,133)
Foreign Fire	18,334	5,959	15,907	22,860
Uptown TIF	(1,674,584)	(964,334)	(2,165,104)	(2,696,572)
Municipal Waste	62,677	(73,050)	(241,349)	(217,574)
	<b>(2,212,914)</b>	<b>(1,148,943)</b>	<b>(2,234,316)</b>	<b>(3,274,346)</b>

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.

2009	2010	2011	2012	2013	2014
4,820,179	5,058,348	5,485,803			
6,558,168	2,609,181	2,823,093			
			5,429,798	278,835	246,253
			4,708,038	6,835,033	6,578,652
11,378,347	7,667,529	8,308,896	10,137,836	7,113,868	6,824,905
4,324,157	1,560,769	1,256,309			
(3,272,068)	(5,720,564)	(5,017,996)			
(435,047)	(285,055)	(3,568)			
			29,495	4,279	62,130
			647,393	1,050,993	1,100,717
			113,359	125,973	181,113
			530,492	528,638	1,650,536
			133,159	402,774	961,551
			5,492,742	3,704,925	
				83,872	206,899
				138,837	259,881
			(5,667,673)	(457,272)	(230,756)
617,042	(4,444,850)	(3,765,255)	1,278,967	5,583,019	4,192,071
11,995,389	3,222,679	4,543,641	11,416,803	12,696,887	11,016,976
					60,185
			24,495	4,279	1,945
-	-	-	24,495	4,279	62,130
(96,454)	(257,044)	461,692			
(346,394)	(296,782)	(301,773)	(125,769)	(307,956)	(230,756)
85,366	123,638	102,113	(338,540)	(130,961)	
(408,425)	(266,885)	(160,465)	(7,201)		
28,564	41,031	53,434			
(4,343,273)	(4,550,309)	(4,829,749)	(5,082,848)	(18,355)	
(412,210)	(473,182)	(343,248)	(113,315)		
(5,492,826)	(5,679,533)	(5,017,996)	(5,667,673)	(457,272)	(230,756)

(Cont.)

**CITY OF PARK RIDGE, ILLINOIS**

Fund Balances of Governmental Funds (Cont.)

Last Ten Fiscal Years

Fiscal Year	2005	2006	2007	2008
<b>Special Revenue Reserved/Restricted*:</b>				
MFT	\$			
IMRF	259,096	171,006	53,507	74,306
911	87,175	(164,833)	(151,967)	149,283
Municipal Waste				
Foreign Fire				
Dempster TIF				
Special Service Area				
Asset Forfeiture				
	<u>\$ 346,271</u>	<u>6,173</u>	<u>(98,460)</u>	<u>223,589</u>
<b>Debt Service Unreserved/Unassigned*:</b>				
2004A General Obligation Bond	\$			(435,047)
2005A General Obligation Bond				(3,568)
2006A General Obligation Bond				
2006B General Obligation Bond				
2012B General Obligation Bond				
	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>(438,615)</u>
<b>Debt Service Reserved/Restricted*</b>	<u>\$ 1,195,941</u>	<u>(95,365)</u>	<u>2,320,938</u>	<u>2,229,942</u>
<b>Capital Projects Reserved/Restricted*:</b>				
Fund Balance	\$ 2,080,724	344,068	1,181,871	2,602,423
2012A Sewer Improvement				
Series 2005A Uptown Const.	6,195,062	6,195,062		
Series 2004B Uptown Const.	2,278,199	(73,050)		
	<u>\$ 10,553,985</u>	<u>6,466,080</u>	<u>1,181,871</u>	<u>2,602,423</u>

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

2009	2010	2011	2012	2013	2014
			647,393	1,050,993	1,100,717
114,792	77,783	12,807			
117,683	86,083	54,483			47,272
				83,872	206,899
			34,255	48,732	63,288
119,564	118,295		116,108	115,047	114,999
				138,837	259,881
			79,104	77,241	70,553
352,039	282,161	67,290	876,860	1,514,722	1,863,609
(435,047)	(285,055)	(3,568)			
(435,047)	(285,055)	(3,568)	-	-	-
2,015,318	47,693	-	133,159	402,774	961,551
1,956,800	1,230,915	1,117,554			
			5,492,742	3,704,925	1,535,537
			414,384	413,591	
1,956,800	1,230,915	1,117,554	5,907,126	4,118,516	1,535,537

**CITY OF PARK RIDGE, ILLINOIS**

Changes in Fund Balances of Governmental Funds

Last Ten Fiscal Years

Fiscal Year	2005	2006	2007	2008
<b>Revenues</b>				
Property Taxes	\$ 12,900,070	14,380,929	14,705,990	15,274,233
Other Taxes	14,465,264	14,914,688	15,379,951	16,189,830
Licenses and Permits	2,705,072	3,330,442	4,164,109	2,925,371
Intergovernmental	1,228,209	1,318,021	1,242,106	1,337,116
Fines and Forfeitures	402,770	384,931	434,039	332,367
Charges for Services	1,188,259	1,198,687	1,679,859	1,658,369
Investment Income	346,021	521,789	1,405,997	917,577
Miscellaneous	162,383	47,845	125,956	309,539
<b>Total Revenues</b>	<b>33,398,048</b>	<b>36,097,332</b>	<b>39,138,007</b>	<b>38,944,402</b>
<b>Expenditures</b>				
<b>Current</b>				
General Government	3,859,889	4,012,594	3,809,780	4,157,170
Public Safety	12,799,684	14,064,897	14,506,356	15,451,231
Public Works	9,749,641	11,321,880	14,255,186	15,625,153
Development	2,292,049	5,921,175	5,037,294	3,590,080
Culture and Civic	4,776,925	4,705,411	4,874,296	5,026,920
Miscellaneous				
Capital Outlay	14,148,402	5,531,194	4,002,843	
<b>Debt Service</b>				
Cost of Issuance				
Principal	1,205,000	5,620,000	4,760,000	1,855,000
Interest	681,481	1,270,113	1,849,434	2,294,312
<b>Total Expenditures</b>	<b>49,513,071</b>	<b>52,447,264</b>	<b>53,095,189</b>	<b>47,999,866</b>
<b>Excess (Deficiency) of Revenues over Expenditures</b>	<b>(16,115,023)</b>	<b>(16,349,932)</b>	<b>(13,957,182)</b>	<b>(9,055,464)</b>
<b>Other Financing Sources (Uses)</b>				
Transfers In	2,864,682	5,264,172	9,172,390	3,491,870
Transfers Out	(1,867,931)	(3,923,087)	(7,385,553)	(1,635,015)
Bonds Issued	23,775,000	3,000,000	20,585,000	
Bond Premium				
Discount on Bonds Issued	22,274			
Sale of Capital Assets		3,390,276	6,129,089	
<b>Total Other Financing Sources (Uses)</b>	<b>24,794,025</b>	<b>7,731,361</b>	<b>28,500,926</b>	<b>1,856,855</b>
<b>Net Change in Fund Balance</b>	<b>\$ 8,679,002</b>	<b>(8,618,571)</b>	<b>14,543,744</b>	<b>(7,198,609)</b>

*Note:*

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

2009	2010	2011	2012	2013	2014
17,139,702	18,176,917	18,733,669	15,793,475	15,476,842	15,498,819
15,595,775	14,625,290	15,621,340	8,628,834	8,709,681	8,816,045
2,712,700	2,495,432	2,715,714	2,803,147	3,127,080	3,421,693
1,502,522	1,513,862	2,098,882	8,934,123	9,483,609	8,464,262
337,499	1,562,486	367,859	561,700	1,525,213	707,126
1,939,857	488,799	1,500,293	1,700,035	594,887	1,451,154
210,500	26,478	19,178	9,966	19,020	7,306
181,967	54,641	125,466	747,851	783,555	1,077,255
39,620,522	38,943,905	41,182,401	39,179,131	39,719,887	39,443,660
4,031,893	4,325,678	4,134,388	7,454,082	7,310,958	8,126,224
16,337,357	17,534,169	17,371,716	18,489,915	15,803,702	16,649,220
15,994,737	11,826,891	10,815,873	10,292,021	11,478,117	12,671,264
3,591,522	2,745,862	1,913,925	2,390,904	1,861,573	1,714,019
4,963,167	5,234,822	4,629,385	600,670	541,147	553,730
242,811					
			112,854		
2,685,000	2,905,000	1,380,000	1,580,000	1,985,000	1,855,000
2,168,113	2,072,213	1,969,364	1,920,945	2,028,721	1,995,552
50,014,600	46,644,635	42,214,651	42,841,391	41,009,218	43,565,009
(10,394,078)	(7,700,730)	(1,032,250)	(3,662,260)	(1,289,331)	(4,121,349)
4,800,660	4,248,350	5,593,660	6,193,586	12,842,672	7,624,968
(2,931,906)	(2,663,398)	(3,648,406)	(4,244,820)	(10,273,257)	(5,183,530)
			7,545,000		
			370,043		
1,868,754	1,584,952	1,945,254	9,863,809	2,569,415	2,441,438
(8,525,324)	(6,115,778)	913,004	6,201,549	1,280,084	(1,679,911)

(Cont.)

**CITY OF PARK RIDGE, ILLINOIS**

Changes in Fund Balances of Governmental Funds (Cont.)

Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Debt Service as a Percent of Noncapital Expenditures				
Total Expenditures	\$ 49,513,071	52,447,264	53,095,189	47,999,866
Less Capital Outlays				(3,547,798)
Net Noncapital Expenditures	<u>\$ 49,513,071</u>	<u>52,447,264</u>	<u>53,095,189</u>	<u>44,452,068</u>
Debt Service				
Principal	\$ 1,205,000	5,620,000	4,760,000	1,855,000
Interest	681,481	1,270,113	1,849,435	2,294,312
	<u>\$ 1,886,481</u>	<u>6,890,113</u>	<u>6,609,435</u>	<u>4,149,312</u>
Debt Service as a Percentage of Noncapital Expenditures	<u>3.81%</u>	<u>13.14%</u>	<u>12.45%</u>	<u>9.33%</u>

*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

2009	2010	2011	2012	2013	2014
50,014,600 (1,333,964)	46,644,635	42,214,651	42,841,391 (114,879)	41,009,218 (463,165)	43,565,009 (2,617,522)
48,680,636	46,644,635	42,214,651	42,726,512	40,546,053	40,947,487
2,685,000 2,168,113	2,905,000 2,072,213	1,380,000 1,969,364	1,580,000 1,920,945	1,985,000 2,028,721	1,855,000 1,995,552
4,853,113	4,977,213	3,349,364	3,500,945	4,013,721	3,850,552
9.97%	10.67%	7.93%	8.19%	9.90%	9.40%

**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		
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	1,526,679,499	166,208,693	32,490,854	1,725,379,046	745,813
2012	1,410,187,308	157,346,077	27,493,790	1,595,027,175	842,868
2013*	1,143,104,588	139,575,135	27,893,157	1,310,572,880	1,039,750

*Note:*

\*2013 is the most recent information available from the Office of Cook County Clerk as of the preparation of this report.

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

Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Ratio of Estimated Actual Taxable Value
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	0.547	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%
1,726,124,859	0.753	5,178,374,577	33.333%
1,595,870,043	0.851	4,787,610,129	33.333%
1,311,612,630	1.064	3,934,837,890	33.333%

**CITY OF PARK RIDGE, ILLINOIS**

Property Tax Rates - All Direct and Overlapping Governments

Last Ten Fiscal Years

	2004 - 2005	2005 - 2006	2006 - 2007	2007 - 2008	2008 - 2009
<b>Direct Rates</b>					
General Corporate	0.162	0.141	0.155	0.117	0.088
Debt Service (Bond and Interest)	0.119	0.108	0.108	0.091	0.083
Garbage	0.198	0.189	0.202	0.176	0.163
Police Pension	0.047	0.053	0.059	0.053	0.071
Fire Pension	0.004	0.008	0.013	0.039	0.057
Illinois Municipal Retirement	0.092	0.047	0.053	0.045	0.042
Social Security		0.050	0.051	0.043	0.042
<b>Total Direct Rate as Rounded by Cook County</b>	<b>0.622</b>	<b>0.596</b>	<b>0.641</b>	<b>0.564</b>	<b>0.546</b>
<b>OVERLAPPING</b>					
Park Ridge Public Library	0.280	0.292	0.274	0.230	0.214
High School District 207	1.795	1.757	1.826	1.602	1.577
Elementary School District 64	2.526	2.582	3.016	2.850	2.685
Cook County	0.471	0.274	0.397	0.446	0.415
Consolidated Elections	0.000	0.014	0.000	0.012	0.000
Cook County Health Facilities	0.122	0.112	0.103	0.000	0.000
Cook County Forest Preserve	0.060	0.060	0.057	0.053	0.051
Suburban T.B. Sanitarium	0.001	0.005	0.005	0.000	0.000
Water Reclamation District	0.347	0.315	0.284	0.263	0.252
Mosquito Abatement District	0.009	0.009	0.009	0.008	0.008
Maine Township*	0.071	0.070	0.073	0.065	0.064
Road and Bridge/Maine	0.036	0.036	0.038	0.034	0.033
General Assistance/Maine	0.015	0.015	0.016	0.015	0.015
Community College District 535	0.161	0.158	0.166	0.141	0.140
Recreation and Park District	0.299	0.331	0.337	0.286	0.278
<b>Total Overlapping Rates</b>	<b>6.193</b>	<b>6.030</b>	<b>6.601</b>	<b>6.005</b>	<b>5.732</b>
<b>Total Tax Bill</b>	<b>6.815</b>	<b>6.626</b>	<b>7.242</b>	<b>6.569</b>	<b>6.278</b>

*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.

2009 - 2010	2010 - 2011	2011 - 2012	2012- 2013	2013- 2014
0.162	0.176	0.254	0.283	0.311
0.000	0.000	0.016	0.017	0.104
0.174	0.195	0.208	0.222	0.270
0.078	0.098	0.097	0.103	0.129
0.071	0.094	0.095	0.101	0.124
0.051	0.046	0.044	0.074	0.060
0.041	0.047	0.040	0.052	0.066
0.577	0.656	0.752	0.851	1.064
0.203	0.213	0.233	0.239	0.290
1.617	1.782	1.995	2.215	2.722
2.686	2.951	3.285	3.659	4.572
0.394	0.423	0.462	0.531	0.560
0.021	0.000	0.025	0.000	0.031
0.000			0.000	0.000
0.049	0.051	0.058	0.063	0.069
0.000	0.000	0.000	0.000	0.000
0.261	0.274	0.320	0.370	0.417
0.008	0.009	0.010	0.011	0.013
0.067	0.075	0.085	0.096	0.120
0.034	0.038	0.043	0.049	0.061
0.016	0.018	0.021	0.023	0.029
0.140	0.160	0.196	0.219	0.256
0.279	0.307	0.344	0.391	0.554
5.775	6.301	7.077	7.866	9.694
6.352	6.957	7.829	8.717	10.758

**CITY OF PARK RIDGE, ILLINOIS**

Ten Principal Taxpayers

Current Year and Nine Years Ago

Taxpayer	Type of Business	2013 Assessed Valuation*	Percent of City's Total EAV
Park Ridge Bldg LLC	Office Building	\$ 6,756,287	0.52%
1300 Higgins Co GNP	Office Building	5,882,088	0.45%
Tri Land Properties	Shopping Center	5,878,644	0.45%
Sunrise Associated Living	Assisted Living Complex	5,677,631	0.43%
Crystal Landings	Commercial building over three stories and one story store	5,516,915	0.42%
Advocate Health Care	Office building, Parkside Center and insurance office	5,417,650	0.41%
Uptown Station LLC	Special commercial improvements and one story store	5,040,761	0.38%
Taxpayer of	Commercial buildings over three stories and a two/three-story commercial/retail	5,007,423	0.38%
CPTS	Supermarket	4,942,987	0.38%
New Albertsons LLC	Supermarket	<u>4,413,903</u>	<u>0.34%</u>
		<u>\$ 54,534,289</u>	<u>4.16%</u>

*Note:*

Includes only the three parcels with 2013 equalized assessed valuations of approximately \$186,000 and over as recorded in the County Assessor's Office.

Taxpayer	Type of Business	2004 Assessed Valuation	Percent of City's Total EAV
Protection Mutual Insurance	Mutual Insurance Company	\$ 14,820,965	1.21%
Renaissance NW Highway	Office Center	8,878,201	0.73%
Kennedy Wilson	Office Center	8,218,474	0.67%
CPTS 1032	Office Center	6,789,468	0.56%
Tri Land Properties	Shopping Center	4,706,257	0.38%
John Heinz	Office Center	4,409,794	0.36%
Advocate Health and Hospital	Medical Office Center	3,994,633	0.33%
Albertson's	Shopping Center	3,704,377	0.30%
George May International	Office Center	3,643,151	0.30%
Park Ridge Country Club	Private Country Club	<u>3,562,993</u>	<u>0.29%</u>
		<u>\$ 62,728,313</u>	<u>5.13%</u>

**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
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	16,869,921	99.20%	0.80%
2012	17,370,371	(295,296)	17,075,075	17,242,046	99.26%	0.74%
2013	17,753,360	(301,807)	17,451,553	9,073,207	51.11%	

Fiscal Year	Levy Period	Billed	Collected	Percent of Billed - Collected
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	9,039,360	7,797,203	86%
2012	2010 2nd Installment	7,395,840	8,329,652	113%
2012	2011 1st Installment	9,353,048	8,538,806	91%
2013	2011 2nd Installment	7,652,494	8,449,991	110%
2013	2012 1st Installment	9,553,704	8,997,990	94%
2014	2012 2nd Installment	7,816,667	8,244,056	105%
2014	2013 1st Installment	9,764,348	9,089,761	93%

Notes:

Since the 2007 levy, on average the City collects 92% of the first property tax installment and 107% 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.

Data Source

Office of the County Clerk

**CITY OF PARK RIDGE, ILLINOIS**

Direct and Overlapping Sales Tax Rates

Last Ten Levy Years

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Fiscal Year	RTA Rate	City Direct Rate	Cook County Rate	State Rate	Total
2005	0.75%	0.75%	0.75%	6.25%	8.50%
2006	0.75%	1.00%	0.75%	6.25%	8.75%
2007	0.75%	1.00%	0.75%	6.25%	8.75%
2008	1.00%	1.00%	1.75%	6.25%	10.00%
2009	1.00%	1.00%	1.75%	6.25%	10.00%
2010	1.00%	1.00%	1.25%	6.25%	9.50%
2011	1.00%	1.00%	1.25%	6.25%	9.50%
2012	1.00%	1.00%	1.00%	6.25%	9.25%
2013	1.00%	1.00%	0.75%	6.25%	9.00%
2014	1.00%	1.00%	0.75%	6.25%	9.00%

Data Source

Illinois Tax Rate Finder

**CITY OF PARK RIDGE, ILLINOIS**

Schedule of Legal Debt Margin

April 30, 2014

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The City is a home rule municipality.

Article VII, Section 6(k) of the 1970 Illinois Constitution governs computation of the legal debt margin.

"The General Assembly may limit by law the amount and require referendum approval of debt to be incurred by home rule municipalities, payable from ad valorem property tax receipts, only in excess of the following percentages of the assessed value of its taxable property ...(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

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Fiscal Year	Governmental Activities		Total Primary Government	Percent of Personal Income
	General Obligation Bonds	Installment Notes Payable		
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%
2013	44,260,526		44,260,526	2.29%
2014	42,346,124		42,346,124	2.26%

*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 through 2007 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 and property tax collections.

**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
2005	\$ 30,965,000	(1,195,941)	29,769,059	0.71%	788.06
2006	32,685,000	(95,365)	32,589,635	0.72%	862.73
2007	48,510,000	(2,320,938)	46,189,062	1.01%	1,222.74
2008	46,655,000	(1,791,327)	44,863,673	0.81%	1,187.66
2009	43,970,000	(1,580,271)	42,389,729	0.71%	1,122.16
2010	41,065,000	(373,881)	40,691,119	0.68%	1,085.68
2011	39,685,000	(3,568)	39,681,432	0.70%	1,058.74
2012	45,650,000	(133,159)	45,516,841	0.88%	1,210.59
2013	44,260,526	(402,774)	43,857,752	0.92%	1,162.69
2014	42,346,124	(961,551)	41,384,573	1.05%	1,093.70

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 through 2007 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 and property tax collections.

**CITY OF PARK RIDGE, ILLINOIS**

Schedule of Direct and Overlapping Bonded Debt  
April 30, 2014

	Gross Debt		Percentage Applicable to City of Park Ridge (1)	City of Park Ridge Share of Debt
<b>Direct Debt</b>				
City of Park Ridge	42,346,124		100.000%	<u>42,346,124</u>
<b>Outstanding Debt</b>				
Cook County	3,572,060,000		1.044%	37,292,306
Cook County Forest Preserve	124,455,000		1.044%	1,299,310
Metropolitan Water Reclamation District	2,458,515,565	(1)	1.065%	26,183,191
Golf Maine Park District	1,210,000	(2)	10.941%	132,386
Niles Park District	990,000	(2)	0.015%	149
Park Ridge Recreation and Park District	21,905,000	(2)	96.471%	21,131,973
School District #63	10,615,000		3.271%	347,217
School District #64	16,495,000		91.506%	15,093,915
High School District #207	9,800,000		32.609%	3,195,682
Community College #535	23,510,000	(3)	6.935%	<u>1,630,419</u>
<b>Direct and Overlapping General Obligation Bonded Debt</b>				<u><u>148,652,670</u></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.
- (3) Excludes outstanding debt certificates.

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 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 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.

**CITY OF PARK RIDGE, ILLINOIS**

Demographic and Economic Statistics

Last Ten Fiscal Years

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Fiscal Year	Population	Total Personal Income	Median Personal Income	Per Capita Personal Income	Unemployment Rate
2014	37,839	\$ 1,681,652,640	86,621	43,003	6.90%
2013	37,721	1,648,219,000	82,700	43,695	6.80%
2012	37,599	1,681,652,640	85,897	44,868	7.00%
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%

**CITY OF PARK RIDGE, ILLINOIS**

City Employers

Current Fiscal Year and 2006

Employer	Product/Service	2014		Source
		Number of Employees	Percent of Total City Population	
Advocate Lutheran General Hospital	Healthcare Institution	4000-4500	11.89%	(2)(3)
Maine Township District 207	Public School District - Secondary Education	875 *	2.31%	(1)
School District 64	Public School District - Elementary Education	763 *	2.02%	(1)
Park Ridge Park District	Public Recreational Facilities and Programs	479 */**	1.27%	(1)
City of Park Ridge	City Government	351 *	0.93%	(1)
Resurrection Health Care	Nursing and Rehabilitation Home	300	0.79%	(3)
Mariano's Fresh Market	Grocers-retail	250	0.66%	(3)
Bredemann Auto Dealerships	Motor vehicle sales and service	210	0.55%	(3)
St Mathews Center for Health	Nursing and convalescent home	200	0.53%	(3)
Nesset Center	Physicians and surgeons	200	0.53%	(3)
			<u>21.48%</u>	

\*Includes Part-time Employees

\*\*Seasonal Employees

2006 is the earliest year that the City has employer data

2012 Population - 37,839 (estimated)

2006 Population - 37,775

Sources

- (1) Phone canvass
- (2) 2014 Illinois Service Directory
- (3) Reference USA - May 2014

Employer	Product/Service	2006	
		Number of Employees	Percent of Total City Population
Advocate Lutheran General Hospital	Healthcare Institution	4,250	23.13%
Maine Township District 207	Public School District - Secondary Education	1,210	6.58%
Advocate Medical Group	Healthcare	800	4.35%
School District 64	Public School District - Elementary Education	625	3.40%
City of Park Ridge	City Government	362	1.97%
George S. May International Co.	Managemet Consulting	325	1.77%
BECO, Inc.	Temporary Employment Firm	300	1.63%
Resurrection Health Care	Nursing and Rehabilitation Home	300	1.63%
Dominick's	Grocer	230	1.25%
FM Global	Commercial Property Insurance	200	1.09%
			<u>46.80%</u>

**CITY OF PARK RIDGE, ILLINOIS**

Full-Time Equivalent Employees

Last Ten Fiscal Years

Function/Program	04/05 2005	05/06 2006	06/07 2007	07/08 2008	08/09 2009
<b>General Government</b>					
City Administration	3.00	4.30	4.80	4.80	4.80
Legal Counsel					
Records Control	1.00	1.50	1.00	1.00	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	2.80	2.00	2.00	2.00	2.00
Information Technology	2.50	2.00	3.00	3.00	3.00
Community Development	15.00	15.00	15.00	15.00	15.00
Finance	12.55	12.05	12.05	12.05	12.05
<b>Total General Government</b>	<b>38.25</b>	<b>38.25</b>	<b>39.25</b>	<b>39.25</b>	<b>39.25</b>
<b>Public Safety</b>					
Police					
Part-Time*					
Full Time*	82.94	83.94	82.94	82.94	83.38
<b>Total Police</b>	<b>82.94</b>	<b>83.94</b>	<b>82.94</b>	<b>82.94</b>	<b>83.38</b>
Fire					
Part Time					
Full Time	53.00	53.00	53.00	53.00	53.00
<b>Total Fire</b>	<b>53.00</b>	<b>53.00</b>	<b>53.00</b>	<b>53.00</b>	<b>53.00</b>
<b>Total Public Safety</b>	<b>135.94</b>	<b>136.94</b>	<b>135.94</b>	<b>135.94</b>	<b>136.38</b>
<b>Public Works</b>					
Part Time*					
Full Time*	56.74	57.84	56.84	56.84	56.84
<b>Total Public Works</b>	<b>56.74</b>	<b>57.84</b>	<b>56.84</b>	<b>56.84</b>	<b>56.84</b>
<b>Library</b>					
Part Time**					
Full Time**					
<b>Total Library</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Headcount</b>	<b>230.93</b>	<b>233.03</b>	<b>232.03</b>	<b>232.03</b>	<b>232.47</b>

Note:

\*Headcount for 2010/11, 2012/13, 2013/14 lists a count for both full-time and part-time; headcounts in previous years were converted to a FTE count.

\*\*In previous years, library employees were not included. Library employees are now included in years 2012/13, 2013/14.

<i>09/10</i> 2010	<i>10/11</i> 2011	<i>11/12</i> 2012	<i>12/13</i> 2013	<i>13/14</i> 2014
5.00	4.00	4.00	4.00	4.00
0.80				
0.10				
1.20				
0.10				
1.00	1.00	1.00	1.00	1.50
3.00	3.00	3.00	3.00	3.00
14.00	12.00	12.00	12.50	12.50
11.75	10.00	10.00	10.25	10.25
36.95	30.00	30.00	30.75	31.25
	41.00	40.00	48.00	46.00
83.38	65.00	65.00	65.00	65.00
83.38	106.00	105.00	113.00	111.00
1.00	1.00	1.00	1.00	2.00
52.00	46.00	50.00	48.00	50.00
53.00	47.00	51.00	49.00	52.00
136.38	153.00	156.00	162.00	163.00
	1.00	6.00	0.00	1.00
55.34	46.00	45.00	45.00	45.00
55.34	47.00	51.00	45.00	46.00
			34.00	33.00
			64.00	57.00
-	-	-	98.00	90.00
228.67	230.00	237.00	335.75	330.25

**CITY OF PARK RIDGE, ILLINOIS**

Capital Asset Statistics

Last Ten Fiscal Years

Function/Program	2005	2006	2007	2008	2009
<b>Public Safety</b>					
<b>Police</b>					
Stations	1	1	1	1	1
Area Patrols	5	5	5	5	5
Patrol Units	7	7	7	7	7
<b>Fire</b>					
Stations	2	2	2	2	2
Fire Engines	3	3	3	3	3
<b>Public Works</b>					
Miles of Streets	122.8	122.8	122.8	122.8	122.8
Streetlights	1,310	1,310	1,427	1,568	1,664
Traffic Signals	44	44	44	51	51
<b>Water</b>					
Water Mains (Miles)	131	131	136	136	136
Fire Hydrants	1,450	1,450	1,540	1,585	1,585
Storage Capacity (Gallons)	13,000,000	13,000,000	14,000,000	15,200,000	15,200,000
<b>Wastewater</b>					
Miles of Sewers	132	132	133	133	133

2010	2011	2012	2013	2014
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
1,664	1,664	1,664	1614	1594
51	51	51	51	51
136	136	136	138.2	138.2
1,585	1,585	1,585	1579	1576
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	2005	2006	2007	2008	2009
<b>Public Safety</b>					
<b>Police</b>					
Physical Arrests	1,435	1,582	1,413	1,102	762
Parking Violations	10,963	10,690	10,796	8,581	10,691
Traffic Violations	11,343	12,903	12,314	10,642	5,996
<b>Fire</b>					
Emergency Responses	4,074	4,109	4,199	4,515	4,372
Paramedic Responses	2,624	1,915	2,584	2,537	2,548
Fires Extinguished	75	82	44	51	155
<b>Public Works</b>					
Street Resurfacing (Miles)	6.3	8.3	9.3	5.5	5.0
Pothole Repairs*	200	330	300	325	276
<b>Water</b>					
New Connections	119	124	77	83	27
Water Main Breaks	36	54	48	47	62

\*Per Ton of Cold Patch

2010	2011	2012	2013	2014
788	750	639	588	510
8,870	7,444	7,661	6,589	5,935
8,457	7,046	3,347	5,454	5,142
4,028	4,044	4,279	4,264	4,277
2,446	2,463	2,436	2,619	2,555
50	43	47	46	36
4.4	5.0	4.9	5.0	5.0
297	241	147	169	304
11	10	19		
46	66	48	145	119