



Agenda Cover Memorandum

Meeting Date: November 21, 2016

Meeting Type: COW (Committee of the Whole) City Council Budget Workshop

Item Title: Fiscal Year 2016 Audit

Action Requested: Approval For Discussion Feedback Requested For Your Information

Staff Contact: Andrea Lamberg, Acting Finance Director

Information:

The comprehensive annual financial report (CAFR), the report on internal controls, and the reports for compliance for the Uptown TIF Fund and the Dempster TIF Fund are available on the City web site. Copies are available for reference during this presentation.

BKD, the City's auditors, will present the audit.

Budget Implications:

Does Action Require an Expenditure of Funds: Yes No

If Yes, Total Cost: n/a

If Yes, is this a Budgeted Item: Yes No Requires Budget Transfer

If Budgeted, Budget Code (Fund, Dept, Object):

Attachment(s), if any:

- Comprehensive Annual Financial Report
- Report on Internal Controls
- Report on Compliance – Uptown TIF
- Report on Compliance – Dempster TIF

Comprehensive Annual Financial Report

City of Park Ridge, Illinois



(9/11 Memorial Dedicated in Fiscal Year 2016)

For the Fiscal Year
May 1, 2015 to April 30, 2016



CITY OF PARK RIDGE, ILLINOIS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED
APRIL 30, 2016

Issued by the Finance Department

Andrea Lamberg
Acting Finance Director

Brian Patoska, CPA
Senior Accountant

CITY OF PARK RIDGE, ILLINOIS

Table of Contents

	PAGE
INTRODUCTORY SECTION	
Transmittal Letter	i - v
Officers and Officials	vi
Organization Chart	vii
Certificate of Achievement	viii
FINANCIAL SECTION	
INDEPENDENT AUDITOR'S REPORT	1-3
MANAGEMENT'S DISCUSSION AND ANALYSIS	4-14
BASIC FINANCIAL STATEMENTS	
Government-Wide Financial Statements	
Statement of Net Position	15
Statement of Activities	16-17
Fund Financial Statements	
Balance Sheet - Governmental Funds	18-19
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	20
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	21
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	22
Statement of Net Position - Proprietary Funds	23
Statement of Revenues, Expenses, and Changes in Net Position - Proprietary Funds	24
Statement of Cash Flows - Proprietary Funds	25
Statement of Fiduciary Net Position - Fiduciary Funds	26
Statement of Changes in Fiduciary Net Position - Pension Trust Funds	27
Notes to the Financial Statements	28-75

CITY OF PARK RIDGE, ILLINOIS

Table of Contents

	PAGE
FINANCIAL SECTION (CONT.)	
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)	
Schedule of Changes in the City's Net Pension Liability and Related Ratios	
Illinois Municipal Retirement Fund - Regular Plan	76
Illinois Municipal Retirement Fund - Sheriff's Law Enforcement Personnel Fund	77
Police Pension Fund	78
Firefighters' Pension Fund	79
Schedule of Funding Progress	
Other Postemployment Benefit Plan	80
Schedule of City Contributions	
Illinois Municipal Retirement Fund - Regular Plan	81
Illinois Municipal Retirement Fund - Sheriff's Law Enforcement Personnel Fund	82
Police Pension Fund	83
Firefighters' Pension Fund	84
Other Postemployment Benefit Plan	85
Schedule of Investment Returns	
Police Pension Fund	86
Firefighters' Pension Fund	87
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual	
General Fund	88
Municipal Waste Management Fund	89
Notes to Required Supplementary Information	90
<u>COMBINING, INDIVIDUAL FUND AND COMPONENT UNIT FINANCIAL STATEMENTS AND SCHEDULES</u>	
<u>GOVERNMENTAL FUND TYPES</u>	
GENERAL FUND	
Schedule of Revenues - Budget and Actual	91-92
Schedule of Expenditures - Budget and Actual	93-99
NONMAJOR GOVERNMENTAL FUNDS - COMBINING STATEMENTS	
Combining Balance Sheet	100
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	101

CITY OF PARK RIDGE, ILLINOIS

Table of Contents

	PAGE
FINANCIAL SECTION (CONT.)	
<u>COMBINING, INDIVIDUAL FUND AND COMPONENT UNIT FINANCIAL STATEMENTS AND SCHEDULES (CONT.)</u>	
<u>GOVERNMENTAL FUND TYPES (CONT.)</u>	
NONMAJOR SPECIAL REVENUE FUNDS	
Combining Balance Sheet	102-103
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	104-105
Motor Fuel Tax Fund	
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	106
Illinois Municipal Retirement Fund	
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	107
Uptown Tax Increment Financing (TIF) Fund	
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	108
Dempster Tax Increment Financing (TIF) Fund	
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	109
Emergency Telephone Fund	
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	110
NONMAJOR DEBT SERVICE FUNDS	
Combining Balance Sheet	111-112
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	113-114

CITY OF PARK RIDGE, ILLINOIS

Table of Contents

	PAGE
FINANCIAL SECTION (CONT.)	
<u>COMBINING, INDIVIDUAL FUND AND COMPONENT UNIT</u> <u>FINANCIAL STATEMENTS AND SCHEDULES (CONT.)</u>	
<u>GOVERNMENTAL FUND TYPES (CONT.)</u>	
NONMAJOR DEBT SERVICE FUNDS (CONT.)	
2006A General Obligation Bond Fund	
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	115
2012A General Obligation Bond Fund	
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	116
2012B General Obligation Bond Fund	
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	117
2014A General Obligation Refunding Bond Fund	
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	118
2015A General Obligation Refunding Bond Fund	
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	119
2015B General Obligation Refunding Bond Fund	
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	120
NONMAJOR CAPITAL PROJECTS FUND	
2012A Sewer Improvement Fund	
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual	121

CITY OF PARK RIDGE, ILLINOIS

Table of Contents

	PAGE
FINANCIAL SECTION (CONT.)	
<u>COMBINING, INDIVIDUAL FUND AND COMPONENT UNIT</u> <u>FINANCIAL STATEMENTS AND SCHEDULES (CONT.)</u>	
<u>GOVERNMENTAL FUND TYPES (CONT.)</u>	
<u>PROPRIETARY FUND TYPES</u>	
ENTERPRISE FUNDS	
Water Fund	
Schedule of Revenues, Expenses, and Changes in Net Position - Budget and Actual	122-123
Sewer Fund	
Schedule of Revenues, Expenses, and Changes in Net Position - Budget and Actual	124
Parking Fund	
Schedule of Revenues, Expenses, and Changes in Net Position - Budget and Actual	125
INTERNAL SERVICE FUNDS	
Combining Statement of Net Position	126
Combining Statement of Revenues, Expenses, and Changes in Net Position	127
Combining Statement of Cash Flows	128
Technology Replacement Fund	
Schedule of Revenues, Expenses, and Changes in Net Position – Budget and Actual	129
Motor Equipment Replacement Fund	
Schedule of Revenues, Expenses, and Changes in Net Position – Budget and Actual	130
Employee Benefit Fund	
Schedule of Revenues, Expenses, and Changes in Net Position – Budget and Actual	131

CITY OF PARK RIDGE, ILLINOIS

Table of Contents

	PAGE
FINANCIAL SECTION (CONT.)	
<u>COMBINING, INDIVIDUAL FUND AND COMPONENT UNIT</u> <u>FINANCIAL STATEMENTS AND SCHEDULES (CONT.)</u>	
<u>GOVERNMENTAL FUND TYPES (CONT.)</u>	
<u>FIDUCIARY FUND TYPES</u>	
AGENCY FUND	
Escrow Deposit Agency Fund	
Statement of Changes in Assets and Liabilities	132
COMPONENT UNIT	
Park Ridge Public Library	
Statement of Net Position and Governmental Funds Balance Sheet	133
Statement of Activities and Governmental Fund Revenues, Expenditures, and Changes in Fund Balances	134
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Public Library Fund	135
STATISTICAL SECTION	
Net Position by Component	136-137
Changes in Net Position	138-141
Fund Balances of Governmental Funds	142-143
Changes in Fund Balances of Governmental Funds	144-147
Assessed and Estimated Actual Value of Taxable Property	148-149
Property Tax Rates – All Direct and Overlapping Governments	150-151
Ten Principal Taxpayers	152-153
Property Tax Levies and Collections	154
Direct and Overlapping Sales Tax Rates	155
Schedule of Legal Debt Margin	156

CITY OF PARK RIDGE, ILLINOIS

Table of Contents

	PAGE
STATISTICAL SECTION (CONT.)	
Ratio of Outstanding Debt by Type	157
Ratio of General Bonded Debt Outstanding	158
Schedule of Direct and Overlapping Bonded Debt	159
Demographic and Economic Statistics	160
City Employers	161-162
Full Time Equivalent Employees	163-164
Capital Asset Statistics	165-166
Operating Indicators	167-168

INTRODUCTORY SECTION



CITY OF PARK RIDGE

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October 27, 2016

To the Mayor of the City of Park Ridge, the Park Ridge City Council, and Park Ridge Residents and Businesses:

The Comprehensive Annual Financial Report (CAFR) of the City of Park Ridge, Illinois for the fiscal year ended April 30, 2016 is submitted herewith. This report provides a broad view of the City's financial activities for the 2016 fiscal year and its financial position at April 30, 2016. Although addressed to the elected official and the citizens of the City, this report has a number of other users. Foremost among these other users are bondholders of the City, financial institutions, credit rating agencies and other governmental entities. Illinois statutes requires that Illinois municipalities publish financial statements on an annual basis that are prepared in accordance with generally accepted accounting principles and are audited by independent accountants in accordance with generally accepted auditing standards (GAAS).

Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the City's management. We believe that the information, as presented, is accurate in all material respects; and is presented in a manner designed to present fairly the financial position of the City and the results of its operations; and that all disclosures necessary to enable the reader to gain the maximum understanding of the City's financial affairs have been included.

BKD, LLP (Certified Public Accountants) has issued an unmodified (clean) opinion of the City of Park Ridge's financial statements for the year ended April 30, 2016. The Independent Auditor's Report is located at the front of the financial section of this report.

The management of the City has established a system of internal control that is designed to assure that the assets of the City are safeguarded against loss, theft or misuse. The system of internal control also assures that the accounting system compiles reliable financial data for the preparation of financial statements in conformity with generally accepted accounting principles. Internal controls are designed to provide reasonable, but not absolute, assurance that these objectives will be 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 evaluation of the costs and benefits requires estimates and judgements by management.

This letter of transmittal should be read in conjunction with the Management's Discussion and Analysis to obtain the most complete assessment of the City's current financial status and its future prospects.

THE REPORTING ENTITY AND ITS SERVICES

The City of Park Ridge is located 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 Park Ridge Public Library is a component unit of the City whose financial information is “discretely presented” in accordance with generally accepted accounting principles. The public library contains approximately 219,000 items and a circulation over 842,000.

ECONOMIC CONDITION AND OUTLOOK

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 \$401,700, compared to \$231,200 for Cook County, and \$176,700 for the State of Illinois.

Park Ridge is a primarily residential community with household income that exceeds local and national averages. Based on data from the U.S. Census Bureau, median personal income in Park Ridge is \$85,897, while the Illinois median personal income is \$59,588 and the U.S. national median income is \$26,924. Park Ridge residents educational attainment also exceeds local and national averages with 95.9% of the adult population holding a high school diploma or higher and 55.8% holding a bachelor’s degree or higher.

Park Ridge continues to benefit from a lower than average unemployment rate and stable residential community with well-maintained homes. The average annual unemployment rate for Park Ridge in 2015, as reported by the Illinois Department of Employment Security, was 4.4% compared to 6.1% in Cook County and 5.9% in the State of Illinois. Of Park Ridge’s employed population, 51.3% are employed in management, professional or related occupations, 26.4% in sales and office occupations, 11.3% in service occupations, and 11.0% 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.

Notable economic developments have, and will continue to create, a positive impact to the community and future financial positions. These developments include but are not limited to an 11 acre community park that includes administrative offices, splash pad, paddle tennis, athletic field, and performing arts area; over 300 new residential units built in the last two years; an estimated \$243 million in value of private improvements completed or in progress; the annexation of 10 Higgins, a prime commercial corner; AT&T moving approximately 300 new employees to an existing office complex; Fitness Formula Club, a state of the art 50,000 square foot fitness center is scheduled to open in early 2017; and a new 99,000 square foot assisted living facility is under development.

MAJOR INITIATIVES

Strategic Planning Objectives: The current version of the Strategic Plan was formulated in 2008, modified in 2011, and reviewed and updated in 2013. A set of goals and objectives were presented 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 and beyond. In 2014, the City Council revisited these goals and objectives and set some specific benchmarks to evaluate the strategic progress of the City. The topics centered on City Operations, long range Financial Planning, Economic Development, and Capital Investments. Later in the year, the City Council again reviewed and reprioritized their long range strategic

planning initiatives, including Financial Stability, City Infrastructure (to include Storm Water and Water Supply delivery options), Parking solutions, and enhanced Citizen Engagement. Strategic initiatives were established, by department, to align with these initiatives.

Under the direction of the Acting City Manager, an updated comprehensive strategic planning process began in fiscal year 2017 and is currently underway.

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 in the capital plan include: City Hall HVAC updates, City Hall parking lot upgrades, Library building upgrades, sidewalk replacement, water main replacement, street rehabilitation, reforestation, IT infrastructure, facilities improvement projects, vehicle replacements, and sewer pipe re-lining.

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 averages \$1,800,000 annually on water main replacement in the water fund. Funding for these capital projects comes from the sale of water. The City utilizes a five year rate study to guide the annual water and sewer rates. The City is in the final year of the rate study and is currently pursuing the next five year rate study, including a cost benefit analysis of automatic water meters. A stormwater master plan is underway and expected to be completed in early fiscal year 2018. In conjunction with the stormwater master plan, the City plans to implement a stormwater utility fee to fund stormwater projects. The sewer fund will continue to provide funding through user charges to complete sewer lining projects. The City spends approximately \$350,000 annually on sewer lining.

The City contributes to three internal service funds: the employee benefit fund, the motor equipment replacement fund and the technology replacement fund. These funds pay for employee health and dental benefits, motor equipment and technology improvements when necessary.

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: The focus of City Administration is to provide our residents and business community accessibility to City staff. The Office of the City Manager, Mayor, City Clerk, City Attorney, and Human Resources report into the City Administration department. The City Manager, who reports directly to the City Council, plans long range goals and objectives and sets the key strategic direction for the City. The City Manager is the Chief Administrative Officer for the City, supervises City staff, and directs all Government activities. The City Manager ensures that the City Code and all key City policies are executed. The Administration Department processes Special Event and Solicitor permit applications, along with any annual or special liquor license applications. Voting services, including new registrations, early voting, and absentee voting is completed through the Clerk's office. Administration staff, in conjunction with the City Attorney and City Council completed a rewrite and update of our liquor code during the previous year.

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, the Procedures and Regulations Committee, and the Electrical Commission. The Department advises the Historic Preservation Commission on historic landmark designations, evaluates development proposals and code changes which go through the Planning & Zoning Commission, review the design of structures with the Appearance Commission and evaluate appeals which go through the Zoning Board of Appeals. The Department staff processes all property transfers, typically over 1,000 per year. Each year staff generates nearly 3,000 building permits which results in the Building Division completing

more than 6,000 plan reviews and conducting approximately 10,000 residential and commercial inspections per year. Environmental Health staff address health and property maintenance issues, conduct health inspections, facilitate the business license process, and manage the monthly recycling program for expired medicines. In 2015 the Health Division started the Good Neighbor initiative. Staff creates monthly reports on Department activities, which can be found on the City's website under the Community Preservation and Development Department page.

Finance Department: The Finance Department provides fiscal oversight of the City by ensuring timely collection of revenues, processing of invoices and payroll, annual capital and operating budget preparation and implementation, audit support, and financial reporting and analysis. In fiscal year 2016 the Department processed the billing and collection of nearly 13,000 utility bills. The Finance Director and staff, in conjunction with the City Manager, continues to execute a long range strategic plan for an underperforming Uptown TIF District. The City has stopped abating the levy for TIF bond payments to account for this loss and to prevent reliance on the general operating fund. Additionally, the City renegotiated IGA's with all three taxing partners to reduce the City's overall potential TIF obligation and to clarify calculations. Continued implementation of the new procurement policy ensures that all goods and services are secured economically from reliable sources, with added emphasis when procuring the over fifty annual City purchases with a value of \$10,000.00 or more

Fire Department: Annually, the Fire Department responds to over 4,800 service calls. Fire Department staff conducted training with automatic aid companies from our neighboring communities. The Department provided various programs including; CPR and Automated External Defibrillator (AED) training, children's car seat inspection and installation, block parties, school visits, station tours and fire extinguisher training. The Department worked with procurement to replace the emergency/tornado sirens located around the City. The Department was able to replace an aging van with a new utility vehicle. The van was redeployed as a trial Rescue vehicle.

Police Department: The Police Department continues to work towards providing excellent police service through positive community partnerships and collaborations with our citizens in order to reduce crime, create a safe environment, build trust and enhance the quality of life in our community. The Department is completing the implementation of a mental health grant project where every officer was trained in a nationally recognized crisis intervention course and a co-responder model was employed. In addition, the Department became the first police department nationally to have all officers trained on a USDOJ procedural justice curriculum in an effort to improve police-community relations and increase public trust. The department was re-accredited by the Illinois Law Enforcement Accreditation Program (ILEAP) through the Illinois Association of Chiefs of Police and was awarded a grant by the Department of Justice which will assist in the development of a Citizen Police Advisory Board as recommended by the President's Task Force on the 21st Century Policing.

Public Works Department: Public Works has provided for safe public ways by keeping them clear of snow, ice and potholes and have maintained public buildings, infrastructure and grounds. The Engineering Division resurfaced 3.5 miles of streets, replaced or repaired 775 sidewalk squares, and replaced 2,550 feet of watermain. The Forestry Division has continued with Emerald Ash Borer removals and replacements per plan, and treated trees for Dutch Elm disease. The Water Division delivered about 1.1B gallons of water to consumers through water purchases from the City of Chicago. Public Works has provided for residential disposal of 12,040 tons of refuse, 4,868 tons of recycling and 4,011 tons of yardwaste.

FINANCIAL POLICIES

The City has established several specific policies to guide in its financial operations. Those policies relate to accounting and financial reporting, budgeting and purchasing. Some of the most significant policies include:

Budgeting Policies: 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, TIF funds, debt service funds, enterprise funds and internal service funds are included in the budget. Budgets are not adopted for the pension trust funds.

Fund Balance Policies: Maintaining a healthy fund balance to insure the City's financial strength remains one of the City's long-term financial goals. Council Policy Statement 40 approved by City Council in fiscal year 2012 sets the City's general fund balance target as unassigned fund balance equal to three months of budgeted operating expenditures. 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.

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 (Council Policy Statement #18) that was approved by the City Council in 2014.

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.

AWARDS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Park Ridge for its comprehensive annual financial report for the fiscal year ended April 30, 2015. 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, 2016.

ACKNOWLEDGMENTS

The preparation of this report on a timely basis was made possible by the dedication and hard work of the entire Finance Department staff. I would like to acknowledge Acting Finance Director, Andrea Lamberg, and Senior Accountant, Brian Patoska, for leading the preparation of this report.

Respectfully submitted,



Joe Gilmore
Acting City Manager

CITY OF PARK RIDGE, ILLINOIS

Officers and Officials

Year Ended April 30, 2016

ACTING MAYOR

Marty Maloney

CITY CLERK

Betty W. Henneman

ALDERMEN

First Ward: John Moran
Second Ward: Nicholas Milissis
Third Ward: Richard Van Roeyen
Fourth Ward: Roger Shubert
Fifth Ward: Daniel J. Knight
Sixth Ward: Marc Mazzuca
Seventh Ward: Marty Maloney

CITY MANAGER

Shawn Hamilton

FINANCE DIRECTOR

Joe Gilmore

ASSISTANT FINANCE DIRECTOR

Andrea Lamberg

COMMUNITY DEVELOPMENT DIRECTOR

James Testin

POLICE CHIEF

Frank Kaminski

FIRE CHIEF

Jeff Sorensen

PUBLIC WORKS DIRECTOR

Wayne Zingsheim

LIBRARY DIRECTOR

Janet Van De Carr

HUMAN RESOURCE MANAGER

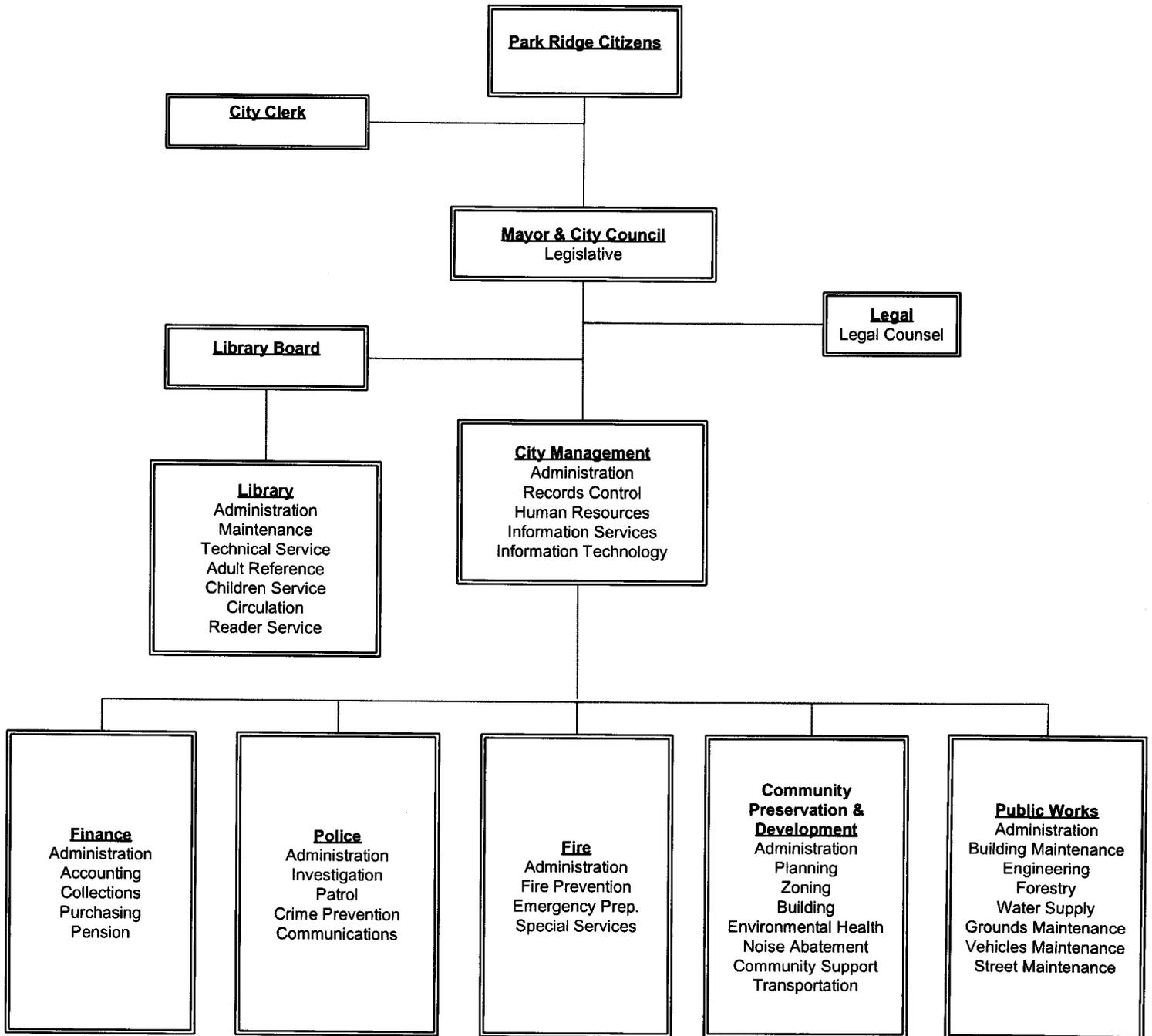
Mike Suppan

CITY ATTORNEY

Julie Tappendorf, *Ancel, Glink*
Adam Simon, *Ancel, Glink*



City of Park Ridge Organizational Chart By Activities





Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Park Ridge
Illinois**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

April 30, 2015

Executive Director/CEO

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, the discretely presented component unit, each major fund and the aggregate remaining fund information of the City of Park Ridge, Illinois, as of and for the year ended April 30, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the City of Park Ridge, Illinois, as of April 30, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matters

As disclosed in Note 1 to the financial statements, in 2016, the City adopted new accounting guidance required by Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, and Governmental Accounting Standards Board Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*. Our opinions are not modified with respect to these matters.

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 pension and other postemployment information on pages 76-90 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Park Ridge, Illinois' 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 Honorable Mayor, City Council
and City Manager
City of Park Ridge, Illinois
Page 3

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.

BKD, LLP

Oakbrook Terrace, Illinois
October 27, 2016

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

April 30, 2016

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. Amounts presented herein are for the Primary Government only.

FINANCIAL HIGHLIGHTS

- At the close of the fiscal year, the total assets and deferred outflows of the City exceeded its liabilities and deferred inflows by \$60.8M. This figure represents net position. For fiscal year 2016, the City implemented GASB No. 68, *Accounting and Financial Reporting for Pensions*. The most notable impact of this new standard is the addition of net pension liabilities in the Statement of Net Position. Net position for fiscal year 2016 reflects a (\$33.1M) decrease from the stated net position of fiscal year 2015. This is made of a (\$41.5M) restatement of net position caused by the adoption of GASB 68, net with an \$8.4M increase over fiscal year 2015. \$7.4M of the net \$8M increase is an increase in cash and cash equivalents. Cash increased due to one-time sales of property and increased property tax revenue. The net position is comprised of \$69.1M in net investment in capital assets, \$11.3M in restricted and (\$19.7M) in unrestricted. Unrestricted net position may be used to meet the City’s ongoing obligations.
- At the end of the fiscal year, the unassigned fund balance of the General Fund was \$16.4M, or 56.5% of total General Fund expenditures during the year. The target fund balance for the General Fund is equal to three months of budgeted operating expenses, or \$7.5M for fiscal year 2017.
- The City’s total general obligation bonded debt decreased by \$3.4M (8.8%) during the fiscal year. This was due to the City paying down scheduled principal repayments.
- The City realized onetime revenue of \$1.7M due to the sale of the former public works service center and fire administration building.
- More detailed information regarding the fund level activities can be found in later sections of this management’s discussion and analysis (MD&A).

USING THE FINANCIAL SECTION OF THE COMPREHENSIVE ANNUAL REPORT

Financial statements are presented from two perspectives: the City as a whole (government-wide) and on the major individual funds. These perspectives allow the user to address relevant questions, have a broad basis for comparison (year-to-year and government-to-government) 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.

(See Independent Auditor’s Report)

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

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 Funds* are presented on a sources and uses of liquid resources basis. This is the manner in which the budget is typically developed. Governmental funds are used to account for the general governmental revenues and expenditures of the City. Most of the City's core services are recorded in the governmental funds. The General Fund is the main operating account of the City and the largest of the governmental funds. 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. These funds comprise the business-type category reported in the government-wide statements. These funds account for business or service type operations of the City that are similar to private sector operations in which costs are recovered as a user fee. The City's proprietary funds include Water, Sewer and Parking. The internal service funds are used to account for the purchase of technology equipment, vehicles and other heavy construction equipment. Proprietary funds use the economic resources measurement focus which employs the accrual basis of accounting. Therefore, no statement of reconciliation to the balance sheet is required for the proprietary funds.

The *Fiduciary Funds* (Police and Firefighters' Pensions) are excluded from the government-wide financial statements. While these Funds represent trust responsibilities of the government, these assets are restricted in purpose and do not represent discretionary assets of the government. Therefore, these assets are not presented as part of the Government-wide Financial Statements.

The Library Fund is a discretely presented Component Unit. Fiscal year 2012 was the first year that the Library was presented as a Component Unit. Prior to 2012, the Library was presented as a major governmental fund.

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,

(See Independent Auditor's Report)

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

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.

Capital 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.

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 and deferred outflows exceed liabilities and deferred inflows. Net position can be a useful indicator of a government’s financial condition. The following condensed Statement of Net Position compares the current and prior fiscal years. For more detailed information see the Statement of Net Position (pages 15).

**Statement of Net Position
As of April 30, 2016 and 2015
(In thousands)**

	Governmental Activities		Business-Type Activities		Primary Government	
	2016	2015*	2016	2015*	2016	2015*
Assets						
Current Assets	\$ 37,893	31,985	8,917	8,171	46,810	40,156
Non Current Assets	66,219	66,323	37,721	38,782	103,940	105,105
Deferred Outflows	11,780	403	577		12,357	403
Total Assets/Deferred Outflows	115,892	98,711	47,215	46,953	163,107	145,664
Liabilities						
Current Liabilities	2,571	3,398	538	1,339	3,109	4,737
Non Current Liabilities	97,426	46,908	709	131	98,135	47,039
Deferred Inflows	979		120		1,099	
Total Liabilities/Deferred Inflows	100,976	50,306	1,367	1,470	102,343	51,776
Net Position						
Net Investment in						
Capital Assets	30,977	28,609	38,091	38,666	69,068	67,275
Restricted	10,985	8,858	370		11,355	8,858
Unrestricted	(27,046)	10,938	7,388	6,817	(19,658)	17,755
Total Net Position	\$ 14,916	48,405	45,849	45,483	60,765	93,888

**The City implemented GASB 68 in fiscal year 2016. Fiscal year 2015 balances included in this comparison do not include a restatement for GASB 68.*

(See Independent Auditor’s Report)

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

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 business-type activities, capital assets include water mains, reservoirs, buildings, storm sewers, parking lots and vehicles. The City operates as an ongoing 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.

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.

**Statement of Changes in Net Position
For the Fiscal Years Ended April 30, 2016 and April 30, 2015
(In thousands)**

	Governmental Activities		Business-Type Activities		Primary Government	
	2016	2015	2016	2015	2016	2015
REVENUES						
Program Revenues						
Charges for Services	\$ 5,392	5,582	11,859	10,954	17,251	16,536
Grants & Contributions						
Operating	1,088	1,423			1,088	1,423
Capital				1,227		1,227
General Revenues						
Property Taxes	19,822	18,908			19,822	18,908
Other Taxes	6,754	7,387			6,754	7,387
Intergovernmental	11,141	10,166			11,141	10,166
Other	2,197	1,265	49	43	2,246	1,308
Total Revenues	46,394	44,731	11,908	12,224	58,302	56,955
EXPENSES						
General Government	8,437	8,553			8,437	8,553
Public Safety	19,353	16,291			19,353	16,291
Public Works	9,524	11,587			9,524	11,587
Development	1,789	1,652			1,789	1,652
Culture & Civic	464	289			464	289
Interest Expense	1,250	1,215			1,250	1,215
Water			7,746	7,334	7,746	7,334
Parking			270	305	270	305
Sewer			1,066	933	1,066	933
Total Expenses	40,817	39,587	9,082	8,572	49,899	48,159
Change in Net Position before Transfers	5,577	5,144	2,826	3,652	8,403	8,796
Transfers	2,262	2,620	(2,262)	(2,620)		
Change in Net Position	7,839	7,764	564	1,032	8,403	8,796
Net Position - Beginning	48,405	40,533	45,483	44,781	93,888	85,314
Restatement	(41,328)	108	(198)	(330)	(41,526)	(222)
Net Position - Ending	\$ 14,916	48,405	45,849	45,483	60,765	93,888

(See Independent Auditor's Report)

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

The City's \$8.4M increase in net position (without considering the impact of the GASB 68 restatement) was the result of governmental activities net position increasing \$7.8M and business-type activities net position increasing \$563K. These increases in net position demonstrate significant improvement in the City's overall financial position. Operational results that contributed to this improvement include the City's successful execution of a surplus budget, combined with cost saving measures throughout the year that resulted in greater than anticipated surpluses. Additional contributions to the increase in net position include one-time sales of surplus property in the amount of \$1.7M.

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.

As of April 30, 2016, the governmental funds reported a combined fund balance of \$23.6M, an increase of \$9.2M from the previous year's fund balance of \$14.4M. This increase is primarily attributable to the General Fund where actual revenues were \$3.2M greater than budgeted revenues. Revenue increases in the General Fund were attributable to one time revenue from the sale of City property, as well as planned property tax increases. The Uptown TIF was created to be self-sustaining and generate enough revenue to make debt payments. The TIF has underperformed, therefore the City is now levying property taxes to cover the debt payment. This reduces the TIF's reliance on the General Fund. The Sewer Improvement Fund closed due to the completion of all projects.

The following list provides the fund balances for the governmental funds as of April 30, 2016 and April 30, 2015. Negative amounts are in ():

Fund Description	FY16 Fund Balance	FY15 Fund Balance	Increase (Decrease)
General Fund	\$ 16,610,808	10,418,363	6,192,445
Municipal Waste	465,403	(53,287)	518,690
Motor Fuel Tax	1,340,222	1,328,339	11,883
IMRF	54,048	(351,886)	405,934
Uptown Tax Increment Financing District	2,597,828	615,593	1,982,235
911 Emergency Telephone	80,956	(810)	81,766
Asset Forfeiture	91,675	103,965	(12,290)
Dempster TIF	110,215	109,344	871
Foreign Fire	55,671	65,922	(10,251)
Special Service Area	181,824	142,015	39,809
Debt Service	1,994,293	1,615,187	379,106
Sewer Improvement Capital Project Fund		385,447	(385,447)
	<u>\$ 23,582,943</u>	<u>14,378,192</u>	<u>9,204,751</u>

(See Independent Auditor's Report)

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

**General Fund
Revenue and Other Sources
(In thousands)**

Revenues and Other Sources	2015/16 Revised Budget	2015/16 Actual	2014/15 Actual	Variance to Budget
Property Taxes	\$ 8,486	9,221	7,409	8.66%
Sales Taxes	5,312	5,399	5,381	1.64%
Income Taxes	3,199	4,506	3,671	40.86%
Utility Taxes	3,800	3,715	3,975	-2.24%
Licenses & Permits	3,193	3,547	3,757	11.09%
Other Revenue	6,075	6,852	7,239	12.79%
Transfers In	1,118	1,118	1,249	0.00%
Proceeds from Sale of Capital Assets		1,729		0.00%
Total Revenues and Other Sources	\$ 31,183	36,087	32,681	15.73%

General Fund Revenue – Revenue for the year came in over budget by 10.18%. The largest dollar increase was in property tax revenue, which increased \$1.8M over fiscal year 2015. \$549K of this increase is attributed to increases in Police and Fire pension payments. This is the result of the City’s ongoing plan to meet future pension obligations as required by law. State Income Taxes, which saw an \$835K increase from the previous year, were slightly over budget. This was a result of increased per capita income to the City. Greater than average business and economic activity occurred in fiscal year 2015. Fiscal year 2016 license and permit revenue decreased as this activity returned to a more standard level. Utility taxes decreased 2.24% due to a decline in municipal telecomm tax collections. Municipal telecomm taxes have declined statewide due to changes in the telecommunications industry.

**General Fund
Expenditures and Other Uses
(In thousands)**

Expenditures and Other Uses	2015/16 Revised Budget	2015/16 Actual	2014/15 Actual	Variance to Budget
General Government	\$ 7,624	7,149	7,333	-6.23%
Public Safety	15,740	15,744	14,531	0.03%
Public Works	5,548	4,968	5,302	-10.45%
Development	1,098	1,072	978	-2.37%
Culture & Civic	9	8	4	-11.11%
Transfers Out	953	953	937	0.00%
Total Expenditures and Other Uses	\$ 30,972	29,894	29,085	-3.48%

Contingency expenditures in General Government came in \$138K under budget. The contingency budget is for potential insurance and contract settlements and the budgeted funds are only used if settlements occur or contracts are settled. General contractual expenses in general government were under budget by \$168K due to renegotiation of an Intergovernmental Government Agreement (IGA) related to the Uptown TIF. The unsettled IGA contract resulted in a budgeted payment not being made in fiscal year 2016. Fuel purchases were \$110K under budget due to fuel prices being lower than planned in the budget. Planning for some capital expenditures occurred later in the year than planned, therefore the related projects will be completed in fiscal year 2017. These include fire building repairs of \$83K and computer equipment of \$24K under budget.

(See Independent Auditor’s Report)

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

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. The text of the financial statements shows the final budget.

Municipal Waste Management – The Municipal Waste Fund ended fiscal year 2015 with a negative fund balance of (\$53K). To account for this deficit and rising costs the City procured a new vendor in fiscal year 2016 and adjusted the property tax. As a result of this planning the ending fund balance in fiscal year 2016 increased to a healthy \$465K. Due to the savings in the new waste pick up contract, waste hauling expenses came in under budget by \$328K and \$62K under fiscal year 2015 costs.

Motor Fuel Tax – Motor Fuel has a fund balance of \$1.34M in fiscal year 2016, up from \$1.33M in fiscal year 2015. Revenue and expenditures were in line with expectations resulting in this minor increase in fund balance. The City will continue to spend 100% of motor fuel tax revenue from the State on street maintenance.

IMRF – The IMRF fund ended fiscal year 2015 with a negative fund balance of (\$352K). The City addressed this deficit through increased property tax levies. This planning resulted in a fiscal year 2016 surplus of \$406K and a fiscal year 2016 fund balance of \$54K.

Uptown TIF – The Uptown TIF fund balance increased from a negative (\$810K) in fiscal year 2014 to \$616K in fiscal year 2015, followed by \$2.6M in fiscal year 2016. The City continues to proactively forecast the needs of the TIF to ensure it will not need to rely on contributions from the General Fund as it had in the past. Expenditures were under budget by \$258K due to ongoing negotiations of Intergovernmental Agreements (IGAs) with other taxing bodies. All Uptown TIF IGAs have now been successfully renegotiated.

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 2016 the General Fund contributed \$953K to the Emergency Telephone Fund. The fund balance is \$81K as of April 30, 2016.

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.

The Water Fund surplus was \$121K compared to a budgeted deficit of \$886K. While revenues were \$655K under budget, this was offset by expenditures being held under budget to a greater extent. Water main construction was under budget by \$1.7M for the fiscal year. Projects were deferred so the City could assess the depleting Water Fund balance and refine the Water Fund's long range plan. The City budgeted for a more aggressive increase in City of Chicago water rates than what actually occurred. This led to water purchases from the City of Chicago to be \$448K under budget. Water Fund salary and overtime expenditures were less than budgeted due to labor vacancies and fewer incidents requiring overtime than estimated (\$57K less than budget). Water purchased from the City of Chicago exceeded water billed to customers by 318M gallons or 22.3% of total purchases, which exceeds the 10% benchmark. During fiscal year 2017, the City budgeted to bring in an outside firm for a full water loss and water rate study. The City also internally audits the water loss each fiscal year and will continue analyzing the results so the loss can be minimized.

The Sewer Fund's net position increased by \$501K from fiscal year 2015 to fiscal year 2016. Of this, the net investment in capital assets increased by \$15K. Unrestricted net position increased by \$35K. The Sewer Fund also reports \$370K of net position restricted for debt servicing. This was the residual amount left in the 2012A Sewer Improvement capital project fund upon closing during fiscal year 2016. The 2012A Sewer Improvement capital project fund was set up to account for the expenditure of the proceeds of the 2012A bond series. The 2012A bonds

(See Independent Auditor's Report)

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

were issued in January 2012 to finance capital improvements to the City’s sewer system as part of a larger capital improvement plan to reduce flooding. In addition, sewer construction was \$349K less than budgeted due to staff opting to combine fiscal year 2016 sewer lining with fiscal year 2017. The combining of fiscal year 2016 and 2017 occurred due to the unexpected loss of a key engineer during the planning stage.

The Parking Fund had a year-end deficit of \$58K compared to a budgeted deficit of \$92K. Parking expenditures were \$38K less than budgeted mainly due to savings on property rental as one of the City’s parking lot leases was unexpectedly cancelled by the lot owner. The Parking Fund is budgeted with a deficit because expenses exceed revenue generated by the Parking program. The City is conducting a parking study in fiscal year 2017 to come up with a strategy to make the Parking Fund self-sustaining.

Capital Assets

At the end of fiscal year 2016, the City had a combined total of capital assets of \$105.8M invested in a broad range of capital assets including land, buildings, machinery, furniture, vehicles, equipment and infrastructure (streets, sidewalks, alleys, water mains and sewers). This amount represents a net decrease (including additions and deletions) of \$1.0M. This decrease is caused by the sale of the former public works service center and fire administration building. Readers desiring more detailed information regarding capital assets are directed to Note Number 4 - Capital Assets.

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

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2016	2015	2016	2015	2016	2015
Assets						
Land & Improvements	\$ 36,589	36,981	1,283	1,283	37,872	38,264
Buildings	10,256	10,633			10,256	10,633
Machinery & Equipment	366	302	113	140	479	442
Furniture & Equipment	253	289			253	289
Vehicles & Equipment	1,611	1,737	133	163	1,744	1,900
Infrastructure	16,142	15,377	35,856	35,683	51,998	51,060
Construction in Progress	1,002	1,002	337	1,513	1,339	2,515
Total Capital Assets	\$ 66,219	66,321	37,722	38,782	103,941	105,103

Outstanding Debt

The City of Park Ridge has six general obligation bond series outstanding totaling \$35.7M. Outstanding debt consists of the following:

In June 2006, the City issued series 2006A to finance the last phase of development for target area II of the Uptown TIF district. Series 2006A was a tax-exempt general obligation issue. As of April 30, 2016, the outstanding debt on 2006A totaled \$10,230,000. The bonds were rated Aa2 by Moody’s Investors Service.

In January 2012, the City issued Series 2012 A & B. The 2012A bonds financed capital improvements to the City’s sewer system as part of a larger capital improvement plan to reduce flooding. As of April 30, 2016, the outstanding debt on 2012A totaled \$4,815,000. 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.

(See Independent Auditor’s Report)

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

The Series 2012B bonds funded the outstanding liability of the City's Early Retirement Incentive program, and paid the City's underfunded balance with the Illinois Municipal Retirement Fund. As of April 30, 2016, the outstanding debt of these bonds totaled \$1,165,000. 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 Bonds. Proceeds from the 2014A bonds were used to refund outstanding series 2004B bonds. Present value savings from the refundings was \$878K. Proceeds from the series 2004B bonds were used for the construction of a new water reservoir and pump station. This debt is paid from water fund revenues. As of April 20, 2016, the outstanding debt of these bonds totaled \$6,995,000. The bonds were rated Aa2 by Moody's Investors Service. Moody's assigned a negative outlook when they rated the City's bonds in 2014.

In March 2015, the City issued Series 2015A and B Bonds. Proceeds from the 2015A series bonds were used to refund outstanding series 2005A bonds and 2006B bonds. Present value savings from the refundings was \$1,785M. The original 2005A bond proceeds were used to finance various costs related to the Uptown TIF Development. These bonds are paid from incremental tax revenue from the Uptown TIF district. As of April 30, 2016, the outstanding debt on these bonds totaled \$6,275,000. The bonds were rated Aa2 by Moody's Investors Service. Moody's assigned a negative outlook when they rated the City's bonds in 2014.

Proceeds from the 2015B series bonds were used to refund outstanding series 2006B bonds. The original 2006B bond proceeds were used to fund the last phase of development for target area II of the Uptown TIF district. As of April 30, 2016, the outstanding debt on these bonds totaled \$6,185,000. The bonds were rated Aa2 by Moody's Investors Service. Moody's assigned a negative outlook when they rated the City's bonds in 2014.

As a home rule community, the City of Park Ridge has no legal debt limit. See Note 5 for a detailed description of the City's long-term debt.

Economic Factors and a Look to the Future

The target unrestricted/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 unrestricted/unassigned fund balance. Use of fund balance will require a super majority vote from the City Council if the unrestricted/unassigned fund balance is below the required threshold. The total target unrestricted/unassigned fund balance is based on the total of the operating budget so it will vary each year. The target fund unrestricted/unassigned fund balance is set by Council Policy Statement 40.

Personnel expenditures account for over approximately half 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), Teamsters Local 700 (police patrol), 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).

In fiscal year 2016, the city joined the Intergovernmental Personnel Benefit Cooperative (IPBC), a self-insured governmental insurance pool consisting of 68 municipalities located primarily in the Chicago area. Through IPBC, the City has 2 PPO plans and 1 HMO plan. Insurance premiums with the cooperative decreased by approximately 6.6% over the previous year. The city hopes to continue to mitigate large insurance increases through the shared risk with this pool, in addition to cost saving measures through plan design and wellness programs.

(See Independent Auditor's Report)

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

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 tree removal budget to \$400,000 to begin removing ash trees that had succumbed to the Emerald ash borer. To date, 1,700 ash trees have been removed from the City's right-of-ways with close to 500 remaining. It is the Forestry Division's goal to remove the remaining ash trees that have succumbed to the Emerald ash borer by the end of FY17. Due to the devastation of the urban canopy caused by the Emerald ash borer and Dutch elm disease, the City increased the budget for the Forestry Division's tree planting program in recent years and will continue its effort to maintain canopy cover and increase canopy diversity by replacing trees that have been removed.

Capital investments in City facilities were deferred in recent years while the City focused on building a healthy fund balance. Now that the General Fund is consistently meeting targeted fund balance, the City is creating a plan to address current and long term capital needs. Current capital improvement projects include Police Department renovations, City Hall life safety improvements, City Hall parking lot and lighting improvements, and Fire Station and City Hall HVAC needs. Components of these projects were started in fiscal year 2016, are included in the fiscal year 2017 Capital Budget and will continue in future years to prevent increased maintenance and repair costs.

In FY15, the Fire and Police Departments successfully transitioned dispatch services from the NSECC Dispatch Center in Des Plaines. Fire Department dispatch is now provided by RED Center in Northbrook, Illinois, and Police Department dispatch is now handled by West Suburban Consolidated Dispatch in River Forest. There were many benefits to this transition, including faster dispatching of neighboring departments into Park Ridge when mutual aid is needed as well as increased staff to handle the increasing call volume. The cost of emergency dispatch services continues to outpace emergency telephone receipts which will continue to 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 fund balance. However, the City continues to face a number of issues and challenges in both the water and sewer fund, including, historical 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 is conducting a water loss study, a water rate study and an automatic meter read cost benefit analysis study in fiscal year 2017 to address these concerns.

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 sewer replacement. According to the study, industry average renewal cycles for sewer rehabilitation is 75 years. Based on the City's projected annual spending, the City's renewal cycle for sewers is 260 years (3.5X). The study identified that the historical level of infrastructure replacement was not sustainable in the long run. To address this issue the City increased sewer lining spending from \$300k in fiscal year 2014 to \$350k in fiscal year 2015 and 2016 and \$400K in fiscal year 2017.

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.

Incremental property tax receipts have not been sufficient to pay the annual debt service payments and all other obligations of the Uptown TIF. 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

(See Independent Auditor's Report)

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

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. In 2015, the City made the decision to discontinue abating the property taxes associated with the bonds, which took pressure off of the General 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. City Staff successfully renegotiated Intergovernmental Agreements with our taxing partners (District 207, District 64 and the Park District) in fiscal year 2016 and 2017. These renegotiations contributed to the improved fund balance in the Uptown TIF.

As outlined in this report, the City had made significant progress in addressing short and long-term challenges across multiple funds, and has plans in place to address remaining concerns. 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 Andrea Lamberg, Acting Finance Director, 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, 2016

	Primary Government			Component
	Governmental Activities	Business-type Activities	Total	Unit Public Library
Assets				
Cash and Cash Equivalents	\$ 25,365,339	5,851,486	31,216,825	4,237,169
Investments				147,737
Receivables				
Property Taxes, Net	8,111,534		8,111,534	2,311,508
Other Taxes	1,183,683		1,183,683	
Intergovernmental	2,430,848		2,430,848	
Customer Accounts		2,624,337	2,624,337	
Other Receivables	472,722		472,722	
Note Receivable	9,431		9,431	
Inventory	124,472	95,851	220,323	
Prepaid Items	169,928	900	170,828	33,286
Restricted Cash		369,666	369,666	
Internal Balances	25,190	(25,190)		
Noncurrent Assets				
Capital Assets Not Being Depreciated	36,473,180	1,619,901	38,093,081	1,041,783
Capital Assets (Net of Accumulated Depreciation)	29,745,873	36,101,290	65,847,163	862,108
Total Assets	104,112,200	46,638,241	150,750,441	8,633,591
Deferred Outflows of Resources				
Loss on Debt Refunding	222,463		222,463	
Deferred Outflows of Resources - Pensions	11,557,328	577,156	12,134,484	992,872
Total Deferred Outflows of Resources	11,779,791	577,156	12,356,947	992,872
Liabilities				
Accounts Payable	1,313,084	466,793	1,779,877	167,523
Accrued Interest Payable	488,093		488,093	
Other Accrued Liabilities	17,716	71,107	88,823	13,888
Unearned Revenue - Other	453,503		453,503	
Due to Other Governments	59,627		59,627	
Other Liabilities	238,829		238,829	
Noncurrent Liabilities				
Due Within One Year	4,599,612	17,269	4,616,881	38,020
Due in More Than One Year	92,826,306	691,638	93,517,944	1,228,944
Total Liabilities	99,996,770	1,246,807	101,243,577	1,448,375
Deferred Inflows of Resources				
Deferred Inflows of Resources - Pension	978,740	120,069	1,098,809	206,553
Net Position				
Net Investment in Capital Assets	30,976,721	38,090,857	69,067,578	1,903,891
Restricted for				
Road Construction	1,340,222		1,340,222	
Public Safety	228,302		228,302	
Economic Development	2,708,043		2,708,043	
Debt Service	3,423,434	369,666	3,793,100	
Employee Benefits	961,604		961,604	
Municipal Waste Management	2,142,412		2,142,412	
Special Service Areas	181,824		181,824	
Unrestricted	(27,046,081)	7,387,998	(19,658,083)	6,067,644
Total Net Position	\$ 14,916,481	45,848,521	60,765,002	7,971,535

See Notes to Financial Statements

CITY OF PARK RIDGE, ILLINOIS

Statement of Activities

Year Ended April 30, 2016

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants	Capital Grants
Primary Government				
Governmental Activities				
General Government	\$ 8,437,112	3,494,625		
Public Safety	19,352,987	1,856,958	129,694	
Public Works	9,523,826	40,637	958,705	
Development	1,789,000			
Culture and Civic	464,436			
Interest Expense	1,249,574			
Total Governmental Activities	40,816,935	5,392,220	1,088,399	-
Business-type Activities				
Water	7,746,069	9,624,725		
Parking	270,049	319,904		
Sewer	1,065,910	1,914,646		
Total Business-type Activities	9,082,028	11,859,275	-	-
Total Primary Government	\$ 49,898,963	17,251,495	1,088,399	
Component Unit				
Public Library	\$ 3,941,030	72,840	46,850	

General Revenues and Transfers

- Taxes
 - Property
 - Replacement
 - Utility
 - Telecommunications
 - Property Transfer
 - Emergency Telephone
 - Other
- Intergovernmental Taxes
 - Income
 - Sales
 - Other
- Unrestricted Investment Earnings
- Miscellaneous
- Proceeds from Sale of Capital Assets
- Transfers
 - Total General Revenues and Transfers

Change in Net Position

Net Position

- May 1, as Originally Reported
- Adoption of GASB 68 (see Note 14)
- May 1, as Restated
- April 30

Net (Expense) Revenue and Changes in Net Position			
Governmental Activities	Primary Government		Component Unit
	Business-type Activities	Total	Public Library
(4,942,487)		(4,942,487)	
(17,366,335)		(17,366,335)	
(8,524,484)		(8,524,484)	
(1,789,000)		(1,789,000)	
(464,436)		(464,436)	
(1,249,574)		(1,249,574)	
(34,336,316)	-	(34,336,316)	-
	1,878,656	1,878,656	
	49,855	49,855	
	848,736	848,736	
-	2,777,247	2,777,247	-
(34,336,316)	2,777,247	(31,559,069)	
			(3,821,340)
19,822,347		19,822,347	4,831,815
351,268		351,268	
2,177,482		2,177,482	
797,613		797,613	
916,523		916,523	
473,963		473,963	
2,037,178		2,037,178	66,182
4,399,922		4,399,922	
6,275,786		6,275,786	
465,447		465,447	
21,334	4,442	25,776	3,365
445,925	44,166	490,091	44,225
1,729,085		1,729,085	
2,262,147	(2,262,147)		
42,176,020	(2,213,539)	39,962,481	4,945,587
7,839,704	563,708	8,403,412	1,124,247
48,404,875	45,482,817	93,887,692	7,187,909
(41,328,098)	(198,004)	(41,526,102)	(340,621)
7,076,777	45,284,813	52,361,590	6,847,288
14,916,481	45,848,521	60,765,002	7,971,535

CITY OF PARK RIDGE, ILLINOIS

Balance Sheet - Governmental Funds

April 30, 2016

	General Fund	Municipal Waste Management Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets				
Cash and Cash Equivalents	\$ 14,198,928	848,239	6,415,180	21,462,347
Receivables				
Property Tax, Net	4,052,353	1,690,294	2,368,887	8,111,534
Other Taxes Receivable				
Local Sales Tax	479,064			479,064
Simplified Telecommunications Tax	312,548			312,548
Personal Property Replacement Tax	62,890			62,890
Utility Tax	142,366			142,366
Gasoline Tax	34,837			34,837
Other Taxes	19,600		132,378	151,978
Intergovernmental	2,341,568		89,280	2,430,848
Other Receivables	472,722			472,722
Loans and Notes	9,431			9,431
Inventory	124,472			124,472
Due from Other Funds	75,089			75,089
Prepaid Items	124,861	44,732		169,593
Total Assets	\$ 22,450,729	2,583,265	9,005,725	34,039,719

CITY OF PARK RIDGE, ILLINOIS

Balance Sheet - Governmental Funds

April 30, 2016

	General Fund	Municipal Waste Management Fund	Nonmajor Governmental Funds	Total Governmental Funds
Liabilities				
Accounts Payable	\$ 761,818	440,853	18,786	1,221,457
Other Accrued Liabilities	17,716			17,716
Unearned Revenue	422,636			422,636
Due to Other Funds			49,899	49,899
Due to Other Governments	59,627			59,627
Other Liabilities			93,611	93,611
Total Liabilities	1,261,797	440,853	162,296	1,864,946
Deferred Inflows of Resources				
Unavailable Property Taxes	3,973,892	1,677,009	2,336,697	7,987,598
Unavailable Intergovernmental Revenues	604,232			604,232
Total Deferred Inflows of Resources	4,578,124	1,677,009	2,336,697	8,591,830
Fund Balances				
Nonspendable:				
Inventory	124,472			124,472
Prepaid Items	124,861	44,732		169,593
Restricted				
Municipal Waste		420,671		420,671
Road Construction			1,340,222	1,340,222
Public Safety			228,302	228,302
Economic Development			2,708,043	2,708,043
Debt Service			1,994,293	1,994,293
Employee Benefits			54,048	54,048
Special Service Areas			181,824	181,824
Unassigned	16,361,475			16,361,475
Total Fund Balances	16,610,808	465,403	6,506,732	23,582,943
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 22,450,729	2,583,265	9,005,725	34,039,719

See Notes to Financial Statements

CITY OF PARK RIDGE, ILLINOIS

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

April 30, 2016

Total Fund Balances - Governmental Funds \$ 23,582,943

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	85,409,087	
Accumulated Depreciation	<u>(20,947,727)</u>	
Net Capital Assets		64,461,360

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	(35,665,000)	
Bond Premiums	(964,795)	
Loss on Bond Refunding	222,463	
Deferred Outflows of Resources, Pension Related	11,557,328	
Deferred Inflows of Resources, Pension Related	(978,740)	
Net Pension Liability	(54,870,464)	
OPEB Obligations	(3,415,593)	
Compensated Absences	(1,510,914)	
Claims Liability	(999,152)	
Interest Payable	<u>(488,093)</u>	
Total Long-Term Liabilities		(87,112,960)

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. 8,591,830

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. 5,393,308

Net Position of Governmental Activities \$ 14,916,481

CITY OF PARK RIDGE, ILLINOIS

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

Year Ended April 30, 2016

	General Fund	Municipal Waste Management Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues				
Property Taxes	\$ 9,220,932	3,897,123	8,213,582	21,331,637
Other Taxes	9,222,600		561,346	9,783,946
Licenses and Permits	3,547,151			3,547,151
Intergovernmental	8,864,122		958,705	9,822,827
Charges for Services	1,586,758			1,586,758
Fines and Forfeitures	713,292			713,292
Investment Income	19,423		1,911	21,334
Miscellaneous	65,911	698	9,821	76,430
Total Revenues	33,240,189	3,897,821	9,745,365	46,883,375
Expenditures				
Current				
General Government	7,149,147		274,324	7,423,471
Public Safety	15,744,067		1,650,479	17,394,546
Public Works	4,968,108	3,379,131	1,646,349	9,993,588
Development	1,072,138		746,510	1,818,648
Culture and Civic	8,032		456,404	464,436
Debt Service				
Principal			3,435,000	3,435,000
Interest and Fiscal Agent Fees			1,140,167	1,140,167
Total Expenditures	28,941,492	3,379,131	9,349,233	41,669,856
Excess of Revenues over Expenditures	4,298,697	518,690	396,132	5,213,519
Other Financing Sources (Uses)				
Proceeds from Sale of Capital Assets	1,729,085			1,729,085
Transfers In	1,117,602		2,667,150	3,784,752
Transfers Out	(952,939)		(569,666)	(1,522,605)
Total Other Financing Sources (Uses)	1,893,748	-	2,097,484	3,991,232
Net Change in Fund Balances	6,192,445	518,690	2,493,616	9,204,751
Fund Balance				
May 1	10,418,363	(53,287)	4,013,116	14,378,192
April 30	\$ 16,610,808	465,403	6,506,732	23,582,943

See Notes to 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, 2016

Net Change in Fund Balances - Total Governmental Funds	\$ 9,204,751
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)	1,219,047
Depreciation (excluding internal service funds)	<u>(789,815)</u>
Capital Outlay in Excess of Depreciation	429,232
The net effect of disposals of capital assets is not recognized in the governmental fund statements.	(406,975)
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.	3,435,000
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the governmental funds.	(2,217,968)
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	(100,248)
Amortization of Bond Premiums	174,529
Amortization of Loss on Bond Issuance	(181,288)
Increase in Net Pension Liabilities	(1,588,567)
Increase in Claims Payable	(153,234)
Increase in Other Postemployment Benefits Obligation	(378,289)
Increase in Accrued Interest on Debt	<u>(102,648)</u>
	(2,329,745)
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.	<u>(274,591)</u>
Change in Net Position - Governmental Activities	<u>\$ 7,839,704</u>

See Notes to Financial Statements

CITY OF PARK RIDGE, ILLINOIS

Statement of Net Position - Proprietary Funds

April 30, 2016

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Water Fund	Sewer Fund	Nonmajor Parking Fund	Total	
Assets					
Current Assets					
Cash and Cash Equivalents	\$ 2,518,478	3,314,778	18,230	5,851,486	3,902,992
Accounts Receivables, Net of Allowances	2,305,611	318,726		2,624,337	
Inventory	95,851			95,851	
Prepays			900	900	335
Total Current Assets	4,919,940	3,633,504	19,130	8,572,574	3,903,327
Noncurrent Assets					
Capital Assets					
Cost	34,311,201	23,889,073	1,772,535	59,972,809	6,594,438
Less Accumulated Depreciation	(13,225,508)	(8,723,019)	(303,091)	(22,251,618)	(4,836,745)
Total Noncurrent Assets	21,085,693	15,166,054	1,469,444	37,721,191	1,757,693
Other Assets					
Restricted Cash		369,666		369,666	
Total Assets	26,005,633	19,169,224	1,488,574	46,663,431	5,661,020
Deferred Outflows of Resources					
Deferred Outflows of Resources - Pension	278,488	235,302	63,366	577,156	
Liabilities					
Current Liabilities					
Accounts Payable	336,279	34,383	96,131	466,793	91,627
Other Accrued Liabilities	69,107		2,000	71,107	
Unearned Revenues					30,867
Due to Other Funds			25,190	25,190	
Compensated Absences Payable	17,269			17,269	
Other Liabilities					145,218
Total Current Liabilities	422,655	34,383	123,321	580,359	267,712
Noncurrent Liabilities					
Net Pension Liability	294,430	248,772	66,993	610,195	
Compensated Absences Payable	77,446	2,373	1,624	81,443	
Total Liabilities	794,531	285,528	191,938	1,271,997	267,712
Deferred Inflows of Resources					
Deferred Inflows of Resources - Pension	57,936	48,951	13,182	120,069	
Net Position					
Net Investment in Capital Assets	21,085,693	15,535,720	1,469,444	38,090,857	1,757,693
Restricted for Debt Service		369,666		369,666	
Unrestricted	4,345,961	3,164,661	(122,624)	7,387,998	3,635,615
Total Net Position	\$ 25,431,654	19,070,047	1,346,820	45,848,521	5,393,308

See Notes to Financial Statements

CITY OF PARK RIDGE, ILLINOIS

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

Year Ended April 30, 2016

	Business-type Activities - Enterprise Funds			Total	Governmental Activities - Internal Service Funds
	Water Fund	Sewer Fund	Nonmajor Parking Fund		
Operating Revenues					
Charges for Services	\$ 9,624,725	1,804,962	319,904	11,749,591	252,000
Contributions					4,720,560
Developer Fees		109,684		109,684	
Total Operating Revenues	9,624,725	1,914,646	319,904	11,859,275	4,972,560
Operating Expenses					
Administration	1,041,575			1,041,575	
Water Supply and Treatment	5,566,287			5,566,287	
Watermain Services	232,760			232,760	
Water Meter Services	93,031			93,031	
Parking Services and Maintenance			270,049	270,049	
Sewer and Drainage		711,659		711,659	
Premiums					4,586,082
Materials					169,308
Other Expense					149,717
Depreciation	812,416	354,251		1,166,667	351,549
Total Operating Expenses	7,746,069	1,065,910	270,049	9,082,028	5,256,656
Operating Income (Loss)	1,878,656	848,736	49,855	2,777,247	(284,096)
Nonoperating Revenues					
Investment Income	2,418	1,648	376	4,442	1,812
Miscellaneous Revenues	38,977	5,189		44,166	
Gain on Disposal of Capital Assets					7,693
Total Nonoperating Revenues	41,395	6,837	376	48,608	9,505
Income (Loss) before Transfers	1,920,051	855,573	50,231	2,825,855	(274,591)
Transfers In		369,666		369,666	
Transfers Out	(1,799,003)	(724,148)	(108,662)	(2,631,813)	
Net Transfers	(1,799,003)	(354,482)	(108,662)	(2,262,147)	-
Change in Net Position	121,048	501,091	(58,431)	563,708	(274,591)
Net Position					
May 1, as Originally Reported	25,406,146	18,649,681	1,426,990	45,482,817	5,667,899
Adoption of GASB 68 (see Note 14)	(95,540)	(80,725)	(21,739)	(198,004)	
May 1, as Restated	25,310,606	18,568,956	1,405,251	45,284,813	5,667,899
April 30	\$ 25,431,654	19,070,047	1,346,820	45,848,521	5,393,308

See Notes to Financial Statements

CITY OF PARK RIDGE, ILLINOIS

Statement of Cash Flows - Proprietary Funds

Year Ended April 30, 2016

	Business-type Activities - Enterprise Funds			Total	Governmental Activities - Internal Service Funds
	Water Fund	Sewer Fund	Nonmajor Parking Fund		
Cash Flows from Operating Activities					
Receipts from Customers and Users	\$ 9,249,382	1,901,811	319,790	11,470,983	
Receipts from Interfund Service Provided					252,000
Payments to Suppliers	(6,905,806)	(794,391)	(174,310)	(7,874,507)	(4,776,047)
Receipts (Payments) to Employees	(449,776)	(248,394)	(92,260)	(790,430)	4,751,427
	<u>1,893,800</u>	<u>859,026</u>	<u>53,220</u>	<u>2,806,046</u>	<u>227,380</u>
Cash Flows from Noncapital Financing Activities					
Transfers In		369,666		369,666	
Transfers Out	(1,799,003)	(724,148)	(108,662)	(2,631,813)	
	<u>(1,799,003)</u>	<u>(354,482)</u>	<u>(108,662)</u>	<u>(2,262,147)</u>	<u>-</u>
Cash Flows from Capital and Related Financing Activities					
Purchase of Capital Assets	(105,374)			(105,374)	(217,220)
Cash Flows from Investing Activities					
Interest Income Received	2,418	1,648	376	4,442	1,812
Net Increase (Decrease) in Cash and and Cash Equivalents	(8,159)	506,192	(55,066)	442,967	11,972
Cash and Cash Equivalents					
May 1	2,526,637	3,178,252	73,296	5,778,185	3,891,020
April 30	<u>\$ 2,518,478</u>	<u>3,684,444</u>	<u>18,230</u>	<u>6,221,152</u>	<u>3,902,992</u>
Cash Flows from Operating Activities					
Operating Income (Loss)	\$ 1,878,656	848,736	49,855	2,777,247	(284,096)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities					
Depreciation	812,416	354,251		1,166,667	351,549
Miscellaneous Revenues	38,977	5,189		44,166	(335)
Pension Related Items	(21,662)	(18,303)	(4,930)	(44,895)	
Changes in Assets and Liabilities					
Accounts Receivable	(296,675)	(18,024)		(314,699)	
Inventory	(13,030)			(13,030)	
Prepays			(900)	(900)	
Accounts Payable	(339,639)	(282,598)	(10,968)	(633,205)	(15,823)
Other Accrued Liabilities	(138,234)	(25,220)	(4,059)	(167,513)	
Due to Intergovernmental			25,190	25,190	
Compensated Absences Payable	(20,149)	(179)	255	(20,073)	
Claims and Judgments Payable	(6,860)	(4,826)	(1,223)	(12,909)	
Other Liabilities					145,218
Unearned Revenue					30,867
Net Cash Provided by Operating Activities	<u>\$ 1,893,800</u>	<u>859,026</u>	<u>53,220</u>	<u>2,806,046</u>	<u>227,380</u>

See Notes to Financial Statements

CITY OF PARK RIDGE, ILLINOIS

Statement of Fiduciary Net Position - Fiduciary Funds

April 30, 2016

	Pension Trust Funds	Agency Funds Escrow Deposit
Assets		
Cash and Cash Equivalents	\$ 3,490,258	429,476
Investments		
U.S. Treasury Securities	10,322,076	
U.S. Agency Securities	14,039,282	
Municipal Bonds	179,111	
Corporate Bonds	7,674,892	
Common Stocks	12,157,793	
Mutual Funds	35,478,025	
Receivables		
Accrued Interest	446,653	
Prepaid Expenses	22,355	
 Total Assets	 83,810,445	 429,476
Liabilities		
Accounts Payable and Accrued Expenses	60,076	2,356
Deposits		427,120
 Total Liabilities	 60,076	 429,476
Net Position		
Restricted for Pensions	\$ 83,750,369	-

See Notes to Financial Statements

CITY OF PARK RIDGE, ILLINOIS

Statement of Changes in Fiduciary Net Position - Pension Trust Funds

Year Ended April 30, 2016

Additions	
Contributions	
Employer	\$ 3,873,260
Participants	<u>922,341</u>
	<u>4,795,601</u>
Investment Income	
Net Decrease in Fair Value of Investments	(1,404,572)
Interest	1,334,067
Dividends	630,182
Less Investment Expense	<u>(264,727)</u>
	<u>294,950</u>
Total Additions	<u>5,090,551</u>
Deductions	
Administrative Expenses	99,928
Pension Benefits and Refunds	<u>6,065,856</u>
Total Deductions	<u>6,165,784</u>
Change in Net Position	(1,075,233)
Net Position Restricted for Pensions	
May 1	<u>84,825,602</u>
April 30	<u>\$ 83,750,369</u>

See Notes to Financial Statements

CITY OF PARK RIDGE, ILLINOIS

Index for the Notes to the Financial Statements

April 30, 2016

	<u>PAGE</u>
1. Summary of Significant Accounting Policies	
A. Financial Reporting Entity	28
B. Government-wide and Fund Financial Statements	29
C. Fund Accounting	30
D. Measurement Focus, Basis of Accounting and Financial Statement Presentation	30
E. Cash and Investments	32
F. Receivables	32
G. Inventory and Prepaid Items	32
H. Capital Assets	33
I. Unearned Revenue	33
J. Compensated Absences	33
K. Long-Term Obligations	34
L. Deferred Outflows/Inflows of Resources	34
M. Pensions	35
N. Fund Equity	35
O. Interfund Transactions	36
P. Use of Estimates	36
Q. Implementation of New Accounting Standard	36
2. Deposits and Investments	37
A. Interest Rate Risk	38
B. Credit Risk	38
C. Custodial Credit Risk	38
D. Concentration of Credit Risk	38
3. Receivables - Taxes	39
4. Capital Assets	
A. Governmental Activities	39
B. Business-type Activities	40
C. Depreciation Expense	40
D. Construction Commitments	41
E. Component Unit – Library	41
5. Long-Term Obligations	
A. Changes in Long-Term Liabilities	42
B. General Obligation Bonds	43
6. Interfund Balances	44
7. Transfers	44

CITY OF PARK RIDGE, ILLINOIS

Index for the Notes to the Financial Statements

April 30, 2016

	<u>PAGE</u>
8. Risk Management	
A. Self-Insurance	45
B. High-Level Excess Liability (HELP)	46
9. Contingent Liabilities and Commitments	
A. Litigation	46
B. Grants	47
C. Solid Waste Agency Northern Cook County (SWANCC)	47
D. High-Level Excess Liability Fund (HELP)	47
E. City of Chicago	47
F. Dempster TIF Commitment	47
10. Joint Ventures	
A. Solid Waste Agency Northern Cook County (SWANCC)	48
B. High-Level Excess Liability Fund (HELP)	48
C. West Suburban Consolidated Dispatch Center	49
11. Other Postemployment Benefits	49
12. Defined Benefit Pension Plans	52
A. Illinois Municipal Retirement Fund	53
B. Police Pension	59
C. Firefighters' Pension	65
D. Significant Investments	72
13. Pension Trust Funds - Financial Data	
A. Schedule of Fiduciary Net Plan Position as of April 30, 2016	73
B. Schedule of Changes in Fiduciary Net Plan Position as of April 30, 2016	73
14. Adoption of GASB Nos. 68 and 71	74
15. Future Pronouncements	74

CITY OF PARK RIDGE, ILLINOIS

Notes to the Financial Statements
April 30, 2016

1. Summary of Significant Accounting Policies

Park Ridge was recognized as a Village 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.

Because of the nature of the relationship of the City to the Police and Firefighters' Pension Funds, the City has included the Police and Firefighters' Pension Funds as blended component units within the City's financial statements. The Police and Firefighters' Pension Funds are reported as if they were part of the City because their sole purpose is to provide retirement benefits for the City's police and firefighter employees. Therefore, data from these units is combined with data of the primary government. The Police and Firefighters' Pension Funds are reported as fiduciary funds, and specifically pension trust funds, due to the fiduciary responsibility exercised over the Police and Firefighters' Pension Funds. The Police and Firefighters' Pension Funds have not issued a separate Annual Financial Report for the year ended April 30, 2016.

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, 2016. The Library does not issue separate financial statements.

CITY OF PARK RIDGE, ILLINOIS

Notes to the Financial Statements
April 30, 2016

1. Summary of Significant Accounting Policies (Cont.)

A. Financial Reporting Entity (Cont.)

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 10.

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 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 combining and individual fund financial statements and schedules.

CITY OF PARK RIDGE, ILLINOIS

Notes to the Financial Statements
April 30, 2016

1. Summary of Significant Accounting Policies (Cont.)

C. Fund Accounting

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

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

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

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

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.

CITY OF PARK RIDGE, ILLINOIS

Notes to the Financial Statements
April 30, 2016

1. Summary of Significant Accounting Policies (Cont.)

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

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.

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 services are accounted for in this Fund.

Additionally, the City reports the following fund types:

Internal service funds account for computer, motor equipment replacement and employee benefit 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.

CITY OF PARK RIDGE, ILLINOIS

Notes to the Financial Statements
April 30, 2016

1. Summary of Significant Accounting Policies (Cont.)

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

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.

E. 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.

F. Receivables

The recognition of receivables associated with nonexchange transactions in governmental and proprietary funds 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, 2016, the allowance was \$372,827, which includes the allowance recognized for the library levy. The City has also determined an allowance is necessary for uncollectible water receivables. At April 30, 2016, the allowance was \$9,879 for water receivables.

G. 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, 2016

1. Summary of Significant Accounting Policies (Cont.)

H. 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 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

Works of art reported in the discretely presented component until are considered to be inexhaustible and therefore are not depreciated.

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

I. 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.

J. 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.

CITY OF PARK RIDGE, ILLINOIS

Notes to the Financial Statements
April 30, 2016

1. Summary of Significant Accounting Policies (Cont.)

J. Compensated Absences (Cont.)

Vacation leave is recorded in the governmental funds when due (upon employee retirement or termination). 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 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.

K. 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 and loss on bond refunding is amortized over the life of the bonds.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs and loss on refunding, 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 and loss on refunding, 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.

L. Deferred Outflows/Inflows of Resources

The City reports deferred outflows of resources on its Statement of Net Position. Deferred outflows of resources represent a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has two items that qualify for reporting in this category: the deferred outflows related to pensions, which represents pension items that will be recognized as pension expense in future periods, and the unamortized loss on refunding, which is a deferred charge on refunding that results from the difference in the carrying value of refunded debt and its reacquisition price.

The City reports deferred inflows of resources on its Statement of Net Position. Deferred inflows of resources represent an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has one item that qualifies for reporting in this category: deferred inflows related to pensions which represents pension items that will be recognized as reductions in pension expense in future periods.

CITY OF PARK RIDGE, ILLINOIS

Notes to the Financial Statements
April 30, 2016

1. Summary of Significant Accounting Policies (Cont.)

M. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City's Police, Firefighters, IMRF and SLEP pension plans and additions to/deductions from the plans' fiduciary net position have been determined on the same basis as they are reported by the plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

N. Fund Equity

There are five classifications of governmental 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.
- (4) Assigned - amounts a government intends to use for a specific purpose. Intent can be expressed by the Acting 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.

There were no funds that had a deficit in fund balance as of April 30, 2016.

CITY OF PARK RIDGE, ILLINOIS

Notes to the Financial Statements
April 30, 2016

1. Summary of Significant Accounting Policies (Cont.)

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.

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.

Q. Implementation of New Accounting Standard

In 2016, the City adopted the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, and GASB No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment to GASB Statement No. 68*, which have as their objectives improving the usefulness of pension information included in the general purpose external financial reports of state and local governmental pension plans for making decisions and assessing accountability. Adoption of GASB Statement No. 68 resulted in a restatement of beginning net position at May 1, 2015, and is described in Note 14. In addition, the Statement changed the requirements for information disclosed in the notes to the financial statements and information required to be presented as required supplementary information.

CITY OF PARK RIDGE, ILLINOIS

Notes to the Financial Statements
April 30, 2016

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 deposits and investments of the pension trust fund are held separately from those of other funds and more information on pension investments are included in the disclosures in Note 12.

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.

As of April 30, 2016, the City's cash and investments consisted of the following:

	Government- wide	Agency	Total
Cash and Cash Equivalents	\$ 10,668,251	429,476	11,097,727
Restricted Cash	369,666		369,666
Illinois Funds	20,548,574		20,548,574
	<u>\$ 31,586,491</u>	<u>429,476</u>	<u>32,015,967</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.

Cash on Hand	\$ 1,556
Deposits with Financial Institutions - City	31,584,935
Deposits with Financial Institutions - Agency Funds	<u>429,476</u>
	<u>\$ 32,015,967</u>

CITY OF PARK RIDGE, ILLINOIS

Notes to the Financial Statements
April 30, 2016

2. Deposits and Investments (Cont.)

As of April 30, 2016, 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	\$ 147,737	147,737		

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.

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.

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. As of April 30, 2016, none of the City's 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.

As of April 30, 2016, the carrying amount of the Library's deposits was \$4,236,041. As of April 30, 2016, none of the Library's total bank balances were exposed to custodial credit risk. The Library also had \$1,128 in petty cash on hand at April 30, 2016.

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.

CITY OF PARK RIDGE, ILLINOIS

Notes to the Financial Statements
April 30, 2016

3. Receivables - Taxes

Property taxes for 2015 attach as an enforceable lien on January 1, 2015. Taxes are levied in December 2015, 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, 2016. 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
Capital Assets Not Being Depreciated				
Land	\$ 35,757,106		286,356	35,470,750
Construction in Progress	1,002,430			1,002,430
	<u>36,759,536</u>	-	<u>286,356</u>	<u>36,473,180</u>
Capital Assets Being Depreciated				
Land Improvements	2,472,347			2,472,347
Buildings	16,048,666	29,181	714,592	15,363,255
Machinery and Equipment	1,521,222	116,063	149,299	1,487,986
Office Furniture and Equipment	549,367			549,367
Vehicles	6,611,982	221,600	301,075	6,532,507
Infrastructure	28,047,767	1,077,116		29,124,883
	<u>55,251,351</u>	<u>1,443,960</u>	<u>1,164,966</u>	<u>55,530,345</u>
Less Accumulated Depreciation For				
Land Improvements	1,247,868	106,512		1,354,380
Buildings	5,415,214	301,186	608,660	5,107,740
Machinery and Equipment	1,219,090	51,987	149,299	1,121,778
Office Furniture and Equipment	259,880	36,161		296,041
Vehicles	4,874,783	333,581	286,388	4,921,976
Infrastructure	12,670,620	311,937		12,982,557
	<u>25,687,455</u>	<u>1,141,364</u>	<u>1,044,347</u>	<u>25,784,472</u>
Total Capital Assets Being Depreciated, Net	<u>29,563,896</u>	<u>302,596</u>	<u>120,619</u>	<u>29,745,873</u>
Governmental Activities Capital Assets, Net	<u>\$ 66,323,432</u>	<u>302,596</u>	<u>406,975</u>	<u>66,219,053</u>

CITY OF PARK RIDGE, ILLINOIS

Notes to the Financial Statements
April 30, 2016

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
Capital Assets Not Being Depreciated				
Land	\$ 1,283,383			1,283,383
Construction in Progress	1,512,970		1,176,452	336,518
	<u>2,796,353</u>	<u>-</u>	<u>1,176,452</u>	<u>1,619,901</u>
Capital Assets Being Depreciated				
Land Improvements	303,091			303,091
Machinery and Equipment	720,912			720,912
Vehicles	308,054			308,054
Infrastructure	55,739,025	1,281,826		57,020,851
	<u>57,071,082</u>	<u>1,281,826</u>	<u>-</u>	<u>58,352,908</u>
Less Accumulated Depreciation For				
Land Improvements	303,091			303,091
Machinery and Equipment	581,051	27,216		608,267
Vehicles	144,734	30,805		175,539
Infrastructure	20,056,075	1,108,646		21,164,721
	<u>21,084,951</u>	<u>1,166,667</u>	<u>-</u>	<u>22,251,618</u>
Total Capital Assets Being Depreciated, Net	<u>35,986,131</u>	<u>115,159</u>	<u>-</u>	<u>36,101,290</u>
Business-type Activities Capital Assets, Net	<u>\$ 38,782,484</u>	<u>115,159</u>	<u>1,176,452</u>	<u>37,721,191</u>

C. Depreciation Expense

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

Governmental Activities		
General Government		\$ 15,005
Public Safety		202,020
Public Works		924,339
		<u>\$ 1,141,364</u>
Business-type Activities		
Water		\$ 812,416
Sewer		354,251
		<u>\$ 1,166,667</u>

CITY OF PARK RIDGE, ILLINOIS

Notes to the Financial Statements
April 30, 2016

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	Commitment
Streetscaping	\$ 1,405,928	1,013,090	392,838
Watermain Replacement	790,575		790,575
	<u>\$ 2,196,503</u>	<u>1,013,090</u>	<u>1,183,413</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:

	Balances May 1	Additions	Deletions	Balances April 30
Capital Assets Not Being Depreciated				
Land	\$ 170,083			170,083
Construction in Progress		101,700		101,700
Works of Art	770,000			770,000
	<u>940,083</u>	<u>101,700</u>	<u>-</u>	<u>1,041,783</u>
Capital Assets Being Depreciated				
Buildings	1,998,616	52,016		2,050,632
Machinery and Equipment	214,497			214,497
Office Furniture and Equipment	92,988			92,988
Vehicles	17,154			17,154
	<u>2,323,255</u>	<u>52,016</u>	<u>-</u>	<u>2,375,271</u>
Less Accumulated Depreciation For				
Buildings	1,283,143	15,954		1,299,097
Machinery and Equipment	93,460	13,325		106,785
Office Furniture and Equipment	92,988			92,988
Vehicles	12,578	1,715		14,293
	<u>1,482,169</u>	<u>30,994</u>	<u>-</u>	<u>1,513,163</u>
Total Capital Assets Being Depreciated, Net	<u>841,086</u>	<u>21,022</u>	<u>-</u>	<u>862,108</u>
Library Capital Assets, Net	<u>\$ 1,781,169</u>	<u>122,722</u>	<u>-</u>	<u>1,903,891</u>

CITY OF PARK RIDGE, ILLINOIS

Notes to the Financial Statements
April 30, 2016

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, 2016:

	Balances May 1 (Restated)	Additions	Reductions	Balances April 30	Due Within One Year
Governmental Activities					
General Obligation Bonds	\$ 39,100,000		3,435,000	35,665,000	3,170,000
Bond Issuance Premium	1,139,324		174,529	964,795	166,050
Compensated Absences	1,410,666	1,609,232	1,508,984	1,510,914	264,410
Net Pension Liability	42,901,401	16,455,316	4,486,253	54,870,464	
Claims and Judgments	845,918	728,412	575,178	999,152	999,152
Other Post-employment Benefits	3,037,304	378,289		3,415,593	
	<u>\$ 88,434,613</u>	<u>19,171,249</u>	<u>10,179,944</u>	<u>97,425,918</u>	<u>4,599,612</u>
Business-type Activities					
Compensated Absences Payable	\$ 118,785	305,688	325,761	98,712	17,269
Net Pension Liability	242,715	510,947	143,467	610,195	
Claims and Judgments	12,909		12,909		
	<u>\$ 374,409</u>	<u>816,635</u>	<u>482,137</u>	<u>708,907</u>	<u>17,269</u>
Component Unit - Library					
Compensated Absences Payable	\$ 207,821	166,088	156,651	217,258	38,020
Net Pension Liability	417,537	878,972	246,803	1,049,706	
Claims and Judgments	31,493		31,493		
	<u>\$ 656,851</u>	<u>1,045,060</u>	<u>434,947</u>	<u>1,266,964</u>	<u>38,020</u>

Compensated absences, net pension liabilities and other postemployment benefits are paid from the General Fund and charged to General Government, Public Safety, Public Works and from the Water, Sewer and Parking Funds.

CITY OF PARK RIDGE, ILLINOIS

Notes to the Financial Statements
April 30, 2016

5. Long-Term Obligations (Cont.)

B. General Obligation Bonds

At April 30, 2016, the City had the following general obligation bonds and notes outstanding:

\$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%.	\$ 10,230,000
\$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%.	4,815,000
\$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%.	1,165,000
\$7,590,000, 2014A General Obligation Refunding Bonds, due in annual installments of \$595,000 to \$875,000 beginning in 2016 through 2027, plus interest at 3.00% to 3.50%.	6,995,000
\$6,495,000 2015A General Obligation Refunding Bonds, due in annual installments of \$220,000 to \$1,705,000 beginning in 2016 through 2025, plus interest at 3.00%.	6,275,000
\$8,145,000 2015B General Obligation Refunding Bonds, due in annual installments of \$1,960,000 to \$2,350,000 beginning in 2016 through 2019, plus interest at 1.00% to 1.75%.	<u>6,185,000</u>
	<u>\$ 35,665,000</u>

Future maturities of General Obligation Bonds are as follows:

Year Ending April 30,	Governmental Activities General Obligation Bonds	
	Principal	Interest
2017	\$ 3,170,000	1,171,424
2018	3,660,000	1,116,753
2019	3,850,000	1,042,723
2020	4,570,000	945,724
2021	4,895,000	749,926
2022-2026	14,245,000	1,333,980
2027-2029	1,275,000	77,100
	<u>\$ 35,665,000</u>	<u>6,437,630</u>

CITY OF PARK RIDGE, ILLINOIS

Notes to the Financial Statements
April 30, 2016

6. Interfund Balances

Due from/to Other Funds

Receivable Fund	Payable Fund	Amount
General	Emergency Telephone	\$ 49,899
General	Parking	<u>25,190</u>
		<u>\$ 75,089</u>

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

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	\$ 846,062
General	Parking	79,733
General	Sewer	<u>191,807</u>
Total General Fund		<u>1,117,602</u>
Sewer	2012A - Sewer Improvements	<u>369,666</u>
Nonmajor Governmental Funds		
Illinois Municipal Retirement	Water	125,866
Illinois Municipal Retirement	Parking	28,929
Illinois Municipal Retirement	Sewer	76,791
Emergency Telephone	General	952,939
2014A Debt Service Fund	Water	827,075
2012A Debt Service Fund	Sewer	455,550
2015B Debt Service Fund	Uptown TIF	<u>200,000</u>
Total Nonmajor Funds		<u>2,667,150</u>
Total Transfers		<u>\$ 4,154,418</u>

CITY OF PARK RIDGE, ILLINOIS

Notes to the Financial Statements
April 30, 2016

7. Transfers (Cont.)

The Enterprise Funds (Water, Sewer and Parking) annually transfer funds to the General Fund for shared services received from the General Fund. The Emergency Telephone Fund receives subsidization from the General Fund to fund operations. The Enterprise Funds transfer funds to cover the Enterprise Funds' employer portion of Social Security and IMRF pension costs. The transfers between the Water and Sewer Funds and Debt Service Funds are also used towards debt service payments. 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 unspent proceeds in the 2012A Sewer Improvements Fund were transferred to the Sewer Fund for future debt service payments, paid no earlier than fiscal year 2018.

8. 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 and participation in the Intergovernmental Personnel Benefit Cooperative (IPBC). The City reports its risk management activities in three categories in the General Fund and Discretely Presented Component Unit: general liability and automobile premiums and claims and workers' compensation premiums and claims. The City accounts for health and dental activity in the Employee Benefits Fund (Internal Service Fund).

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 and Discretely Presented Component Unit. As of April 30, 2016, the City has accrued \$517,902 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 and Discretely Presented Component Unit. As of April 30, 2016, the City has accrued \$481,250 (net of reserves in excess of retention limits) relating to the City's estimate of losses resulting from workers' compensation claims.

In 2015, the City joined the Intergovernmental Personnel Benefit Cooperative (IPBC), a self-insured governmental insurance pool consisting of 68 municipalities located primarily in the Chicago area. The IPBC provides the City with consulting, legal and auditing services for its health (i.e., PPO and HMO) and life insurance programs. IPBC acts as an administrative agency to receive, process and pays such claims as may come within the benefits program of each member. IPBC maintains specific reinsurance coverage for claims in excess of \$50,000 per individual employee participant. The City pays premiums to IPBC based upon current employee participation and its prior experience factor with the pool. Current year overages or underages for participation in the pool are adjusted into subsequent years' experience factors for premiums.

The City continues to carry fully insured dental coverage through Delta Dental.

CITY OF PARK RIDGE, ILLINOIS

Notes to the Financial Statements
April 30, 2016

8. 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, 2014	\$ 222,127	709,801	244,024	1,175,952
Incurred Claims (Including IBNR)	563,803	419,536	4,010,814	4,994,153
Claims Payments	(635,911)	(628,180)	(4,015,694)	(5,279,785)
Unpaid Claims, April 30, 2015	150,019	501,157	239,144	890,320
Incurred Claims (Including IBNR)	640,024	327,532		967,556
Claims Payments	(272,141)	(347,439)	(239,144)	(858,724)
Unpaid Claims, April 30, 2016	<u>\$ 517,902</u>	<u>481,250</u>	<u>-</u>	<u>999,152</u>
		April 30, 2014	April 30, 2015	April 30, 2016
Total Liability Presented As				
Governmental Activities		\$ 1,132,563	845,918	999,152
Business Type Activities		11,766	12,909	
Discretely Presented Component Unit		31,623	31,493	
		<u>\$ 1,504,438</u>	<u>1,175,952</u>	<u>999,152</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 Pool (HELP)

The City participates in HELP, a pool established by 15 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, 2016, there were no outstanding claims requiring additional accrual by the City.

9. 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.

CITY OF PARK RIDGE, ILLINOIS

Notes to the Financial Statements
April 30, 2016

9. Contingent Liabilities and Commitments (Cont.)

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 6.21%. 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 HELP 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 next year. These amounts have been calculated from the City's water rate study. The City is anticipating completion of an updated water rate study during the next fiscal year.

Fiscal Year	Amount
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, 2016, was \$1,110,773. Total payments related to this agreement in the current fiscal year are \$365,480.

CITY OF PARK RIDGE, ILLINOIS

Notes to the Financial Statements
April 30, 2016

10. 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, 2016, follows:

Total Revenues	\$ 12,537,220
Total Expenses	<u>13,151,141</u>
Change in Net Position	(613,921)
Net Position, Beginning	<u>9,584,217</u>
Net Position, Ending	<u><u>\$ 8,970,296</u></u>

In accordance with the joint venture agreement, the City made payments totaling \$554,809 to SWANCC related to fixed costs for the year ended April 30, 2016. These payments were recorded in the City's Municipal Waste Management Fund. At April 30, 2016, the City's share of SWANCC's assets, liabilities and equity was 4.76%. 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 Liability 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, 2016.

CITY OF PARK RIDGE, ILLINOIS

Notes to the Financial Statements
April 30, 2016

10. Joint Ventures (Cont.)

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

A summary of revenues, expenses, and net income for HELP for the year ended April 30, 2016, follows:

Total Revenues	\$ 1,330,456
Total Expenses	<u>1,123,170</u>
Change in Net Position	207,286
Net Position, Beginning	<u>5,145,556</u>
Net Position Ending	<u><u>\$ 5,352,842</u></u>

The City's agreement with the HELP 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.

C. West Suburban Consolidated Dispatch Center

The City participates in the West Suburban Consolidated Dispatch Center (WSCDC), a governmental joint venture with the Villages of Oak Park, River Forest and Elmwood Park. The joint venture was formed in 1999 under the *Intergovernmental Cooperation Act* (ILCS 5, Act 220) for the joint and mutual operation of centralized communication system. WSCDC commenced operations on May 1, 2002. All activities of WSCDC are costs shared by the members. Each member's share for each fiscal year of operations will be based on the total number of calls dispatched by the member in the preceding fiscal year divided by total calls dispatched by all members during the preceding fiscal year. Each member's cost-sharing allocation is approved by the Board of Directors of WSCDC annually. Either member may withdraw from the joint venture upon one year's notice.

During fiscal 2016, the City's allocated cost share totaled \$1,002,619 for operational expenses.

Summary financial information was not available at the report date. Complete financial statements may be obtained by contacting WSCDC at 400 Park Avenue, River Forest, Illinois 60305.

11. 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.

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

CITY OF PARK RIDGE, ILLINOIS

Notes to the Financial Statements
April 30, 2016

11. Other Postemployment Benefits (Cont.)

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 2016, the City contributed \$149,642 to the plan.

Membership

Retirees and Beneficiaries Currently Receiving Benefits and Terminated Employees Entitled to Benefits But Not Yet Receiving Them	43
Currently Employees	<u>199</u>
Total	<u><u>242</u></u>
Participating Employers	<u><u>1</u></u>

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 30 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, 2016
Other Postemployment Benefits (OPEB) Obligation	
Annual Required Obligation	\$ 507,682
Interest on Net OPEB Obligation	121,492
Adjustment to Annual Required Obligation	<u>(101,243)</u>
Annual OPEB Cost	527,931
Contributions Made	<u>(149,642)</u>
Increase in Net OPEB Obligation	378,289
Net OPEB Obligation	
Beginning of Year	<u>3,037,304</u>
End of Year	<u><u>\$ 3,415,593</u></u>

CITY OF PARK RIDGE, ILLINOIS

Notes to the Financial Statements
April 30, 2016

11. Other Postemployment Benefits (Cont.)

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
4/30/2016	\$ 527,931	28.34%	3,415,593
4/30/2015	505,820	23.35%	3,037,304
4/30/2014	687,219	29.70%	2,649,610

Funded Status and Funding Progress.

The funded status of the plan as of April 30, 2016, was as follows:

Actuarial Accrued Liability (AAL)	\$ 6,297,122
Actuarial Value of Plan Net Assets	
Unfunded Actuarial Accrued Liability (UAAL)	6,297,122
Funded Ratio (Actuarial Value of Plan Assets/AAL)	
Covered Payroll (Active Plan Members)	16,561,656
UAAL as a Percentage of Covered Payroll	38.02%

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 4% 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 8.5% for 2016, reduced by decrements to an ultimate rate of 5.50% for 2028 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.

CITY OF PARK RIDGE, ILLINOIS

Notes to the Financial Statements
April 30, 2016

12. Defined Benefit Pension Plans

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

The aggregate totals for all pension items for three plans are as follows:

	Governmental Activities	Business-type Activities*	Total City	Component Unit Library	Plan Totals
Net Pension Liability					
IMRF	\$ 2,711,591	610,195	3,321,786	1,049,706	4,371,492
Police	27,604,899		27,604,899		27,604,899
Firefighters	24,553,974		24,553,974		24,553,974
	<u>\$ 54,870,464</u>	<u>610,195</u>	<u>55,480,659</u>	<u>1,049,706</u>	<u>56,530,365</u>
Deferred Outflows of Resources					
IMRF	\$ 2,492,062	577,156	3,069,218	992,872	4,062,090
Police	4,815,649		4,815,649		4,815,649
Firefighters	4,249,617		4,249,617		4,249,617
	<u>\$ 11,557,328</u>	<u>577,156</u>	<u>12,134,484</u>	<u>992,872</u>	<u>13,127,356</u>
Deferred Inflows of Resources					
IMRF	\$ 521,749	120,069	641,818	206,553	848,371
Police	456,991		456,991		456,991
	<u>\$ 978,740</u>	<u>120,069</u>	<u>1,098,809</u>	<u>206,553</u>	<u>1,305,362</u>
Pension Expense					
IMRF	\$ 460,185	95,405	555,590	164,124	719,714
Police	2,900,315		2,900,315		2,900,315
Firefighters	2,739,790		2,739,790		2,739,790
	<u>\$ 6,100,290</u>	<u>95,405</u>	<u>6,195,695</u>	<u>164,124</u>	<u>6,359,819</u>

*Same amounts are also reported in the proprietary fund statements.

CITY OF PARK RIDGE, ILLINOIS

Notes to the Financial Statements
April 30, 2016

12. Defined Benefit Pension Plans (Cont.)

A. Illinois Municipal Retirement Fund

Plan Description

The City's defined benefit pension plan for regular employees (other than those covered by the Police or Firefighters' Pension Plans), provides retirement, disability, annual cost-of-living adjustments and death benefits to plan members and beneficiaries. IMRF acts as a common investment and administrative agent for local governments and school districts in Illinois. The City maintains accounts for regular employees and for Sheriff's Law Enforcement Personnel (SLEP) which provides benefits solely to a former police chief. A summary of IMRF's pension benefits is provided in the "Benefits Provided" described below. Details of all benefits are available from IMRF. The Illinois Pension Code establishes the benefit provisions of the plan which can only be amended by the Illinois General Assembly. IMRF issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained at www.imrf.org/pubs/ or by writing to the Illinois Municipal Retirement Fund, 2211 York Road, Suite 500, Oak Brook, Illinois 60523.

Employees of the City of Park Ridge Library (Library), a component unit of the City, also participates in the City's IMRF plan. Pension items have been allocated to the Library on the basis of employer contributions to total employer contributions for the fiscal year. The City's portion was 75.4%.

Benefits Provided

All employees (other than those covered by the Police or Firefighters' Pension Plans) hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. IMRF provides two tiers of pension benefits. Employees hired prior to January 1, 2011, are eligible for Tier 1 benefits. For Tier 1 employees, pension benefits vest after 8 years of service. Participating members who retire at age 55 (reduced benefits) or after age 60 (full benefits) with 8 years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter. Members receive an annual 3% increase based upon the original amount of the annuity.

Employees hired on or after January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after 10 years of service. Participating members who retire at age 62 (reduced benefits) or after age 67 (full benefits) with 10 years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter. IMRF also provides death and disability benefits. Members receive an annual increase based upon the original amount of the annuity of 3% or one-half of the increase in the consumer price index, whichever is less. These benefit provisions and all other requirements are established by state statute.

The Sheriff's Law Enforcement Personnel Fund (SLEP) members, having accumulated at least 30 years of SLEP service and terminating IMRF participation on or after July 1, 1988, may elect to retire at or after age 50 with no early retirement discount penalty. SLEP members meeting these two qualifications are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 2.50% of their final rate of earnings, for each year of credited service up to 20 years, 2.00% of their final earnings rate for the next 10 years of credited service and 1.00% for each year thereafter. For those SLEP members retiring with less than 20 years of SLEP service, the regular IMRF pension formula applies.

CITY OF PARK RIDGE, ILLINOIS

Notes to the Financial Statements
April 30, 2016

12. Defined Benefit Pension Plans (Cont.)

A. Illinois Municipal Retirement Fund (Cont.)

Benefits Provided (Cont.)

SLEP also provides death and disability benefits. Members receive an annual increase based upon the original amount of the annuity of 3% or one-half of the increase in the consumer price index, whichever is less. These benefit provisions and all other requirements are established by State statutes. For the SLEP Plan, members are required to contribute 7.50% of their annual covered salary.

Employees Covered by Benefit Terms

At December 31, 2015, the measurement date for the net pension liability, the following employees were covered by the benefit terms:

	<u>Regular</u>	<u>SLEP</u>
Retirees and Beneficiaries Currently Receiving Benefits	230	0
Terminated Employees Entitled to But Not Yet Receiving Benefits	112	0
Current Employees	<u>149</u>	<u>1</u>
	<u>491</u>	<u>1</u>

Contributions

As set by statute, employees participating in the IMRF plan are required to contribute 4.50% of their annual covered salary. The member rate is also established by State statute. The City is required to contribute at an actuarially determined rate. The employer annual required contribution rate for calendar year 2015 was 11.49%. For the year ended April 30, 2016, the City contributed \$1,025,093 to the plan. The City also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. The employer contribution requirements are established and may be amended by the IMRF Board of Trustees. For the SLEP Plan, members are required to contribute 7.50% of their annual covered salary. The employer rate for calendar year 2015 was 15.54%. For the year end April 30, 2016, the City contributed \$23,033 to the SLEP Plan.

Actuarial Assumptions

The following are the methods and assumptions used to determine the net pension liability as of April 30, 2016:

Actuarial Valuation Date	December 31, 2015
Measurement Date	December 31, 2015
Actuarial Cost Method	Entry-age Normal

CITY OF PARK RIDGE, ILLINOIS

Notes to the Financial Statements
April 30, 2016

12. Defined Benefit Pension Plans (Cont.)

A. Illinois Municipal Retirement Fund (Cont.)

Assumptions	
Price Inflation	2.75%
Salary Increases	3.75% - 14.50%, Including Inflation
Investment Rate of Return	7.49%
Wage inflation	3.50%
Cost of Living Adjustments	3.00%
Asset Valuation Method	Market Value of Assets

Retirement age is based on Experienced-Based Table of Rates, specific to the type of eligibility condition, last updated for the 2014 valuation according to an experience study from years 2011 to 2013.

Mortality disabled retirees, an IMRF-specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF-specific rates were developed from the RP-2014 Disabled Retirees Mortality Table, applying the same adjustments that were applied for non-disabled lives. For active members, an IMRF-specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF-specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

Investments

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Portfolio Target Percentage	Long-Term Expected Real Rate of Return
Domestic Equity	38%	7.39%
International Equity	17%	7.59%
Fixed Income	27%	3.00%
Alternative Investments	8%	2.75% - 8.15%
Real Estate	9%	6.00%
Short-term	1%	2.25%
	100%	

CITY OF PARK RIDGE, ILLINOIS

Notes to the Financial Statements
April 30, 2016

12. Defined Benefit Pension Plans (Cont.)

A. Illinois Municipal Retirement Fund (Cont.)

Discount Rate

A single discount rate (SDR) of 7.49% for the Regular Plan and 7.05% for the SLEP Fund was used to measure the total pension liability. The projection of cash flow used to determine the SDR assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the Regular Plan's fiduciary net position was projected to be depleted in 2086 and the SLEP plan's fiduciary net position was projected to be in 2047. The SDR reflects (1) the long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits) and (2) the tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met). For the purpose of the recent valuation, the expected rate of return on plan investments is 7.50%, the municipal bond rate is 3.57% and the resulting SDR is 7.49% for the Regular Plan and 7.05% for the SLEP Fund.

Changes in Net Pension Liability – Regular Plan

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balance, Beginning of Year	\$ 67,782,907	66,085,602	1,697,305
Changes for the Year			
Service Cost	950,342		950,342
Interest	4,987,306		4,987,306
Differences Between Expected and Actual Experience	(1,251,138)		(1,251,138)
Changes in Assumptions	76,603		76,603
Contributions - Employer		981,129	(981,129)
Contributions - Employee		390,152	(390,152)
Net Investment Income		325,053	(325,053)
Benefit Payments, Including Refunds of Employees' Contributions	(3,521,331)	(3,521,331)	
Administrative Expenses			
Other (Net Transfer)		496,986	(496,986)
Net Changes	1,241,782	(1,328,011)	2,569,793
Balance, End of Year	\$ 69,024,689	64,757,591	4,267,098

Changes in assumptions related to retirement age and mortality were made since the prior measurement date.

CITY OF PARK RIDGE, ILLINOIS

Notes to the Financial Statements
April 30, 2016

12. Defined Benefit Pension Plans (Cont.)

A. Illinois Municipal Retirement Fund (Cont.)

Changes in Net Pension Liability – SLEP

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balance, Beginning of Year	\$ 269,001	188,406	80,595
Changes for the Year			
Service Cost	26,213		26,213
Interest	20,876		20,876
Differences Between Expected and Actual Experience	(12,413)		(12,413)
Changes in Assumptions	10,671		10,671
Contributions - Employer		22,134	(22,134)
Contributions - Employee		10,682	(10,682)
Net Investment Income		1,024	(1,024)
Benefit Payments, Including Refunds of Employees' Contributions			
Administrative Expenses			
Other (Net Transfer)		(12,292)	12,292
Net Changes	45,347	21,548	23,799
Balance, End of Year	\$ 314,348	209,954	104,394

Discount Rate Sensitivity

The following is an analysis of the sensitivity of the net pension liability to changes in the discount rate. The table below represents the net pension liability of the City's Regular Plan and SLEP Fund calculated using the discount rate of 7.49% and 7.05% respectively, as well as what the City's net pension liability would be if it were calculated using discount rates that are one percentage point lower (6.49% and 6.05%) or one percentage point higher (8.49% and 8.05%) than the current rate:

Regular Plan

	1% Decrease (6.49%)	Current Discount Rate (7.49%)	1% Increase (8.49%)
City's Net Pension Liability (Asset)	\$ 12,540,122	4,267,098	(2,539,352)

CITY OF PARK RIDGE, ILLINOIS

Notes to the Financial Statements
April 30, 2016

12. Defined Benefit Pension Plans (Cont.)

A. Illinois Municipal Retirement Fund (Cont.)

Discount Rate Sensitivity (Cont.)

SLEP

	1% Decrease (6.05%)	Current Discount Rate (7.05%)	1% Increase (8.05%)
Net Pension Liability	\$ 138,483	104,394	75,354

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued IMRF financial report.

Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended April 30, 2016, the City recognized pension expense of \$683,658 and \$36,056 for the Regular Plan and SLEP, respectively. At April 30, 2016, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Deferred (Inflows) Outflows Related to Pensions	Regular Plan	SLEP	Total
Differences Between Expected and Actual Experience	\$ (839,647)	(8,725)	(848,372)
Changes in Assumptions	51,409	7,501	58,910
Net Differences Between Projected and Actual Earnings on Plan Investments	3,655,502	11,101	3,666,603
Total Deferred Amounts to be Recognized in Pension Expense in Future Periods	2,867,264	9,877	2,877,141
Pension Contributions Made Subsequent to the Measurement Date	329,152	7,426	336,578
	<u>\$ 3,196,416</u>	<u>17,303</u>	<u>3,213,719</u>

CITY OF PARK RIDGE, ILLINOIS

Notes to the Financial Statements
April 30, 2016

12. Defined Benefit Pension Plans (Cont.)

A. Illinois Municipal Retirement Fund (Cont.)

Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont.)

At April 30, 2016, the City reported \$329,152 for the Regular Plan and \$7,426 for SLEP of deferred outflows of resources related to pensions resulting from City contributions made subsequent to the measurement date that will be recognized as a reduction of net pension liability in the year ended April 30, 2017. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future periods as follows:

Year Ending April 30, 2016	Amount
2017	\$ 529,835
2018	529,835
2019	900,818
2020	916,653
2021	_____
	<u>\$ 2,877,141</u>

B. Police Pension

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 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.

Benefits Provided

The Police Pension Plan provides retirement benefits as well as death and disability benefits. Tier 1 employees (those hired prior to January 1, 2011) attaining the age of 50 or 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.

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

CITY OF PARK RIDGE, ILLINOIS

Notes to the Financial Statements
April 30, 2016

12. Defined Benefit Pension Plans (Cont.)

B. Police Pension (Cont.)

Benefits Provided (Cont.)

the lesser of one-half of the annual change in the Consumer Price Index or 3.00% compounded. The annual benefit shall be increased by 2.50% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75.00% of such salary. Employees with at least 10 years may retire at or after age 50 and receive a reduced benefit (i.e., 1/2% for each month under 55). The monthly benefit of a Tier 2 police officer shall be increased annually at age 60 on the January 1st after the police officer retires, 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.

Employees Covered by Benefit Terms

At April 30, 2016, the Police Pension membership consisted of:

Inactive Plan Members Currently Receiving Benefits	54
Inactive Plan Members Entitled But Not Yet Receiving Benefits	1
Active Plan Members	<u>52</u>
	<u><u>107</u></u>

Contributions

Covered employees are required to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The City is required to contribute the remaining amounts necessary to finance the 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. Administrative expenses are generally paid from plan assets. For the year ended April 30, 2016, the City contributed \$2,027,060 to the Police Pension Plan.

Investment Policy

The deposits and investments of the pension funds are held separately from those of other City funds. In addition to the aforementioned investments in Note 2, 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.

CITY OF PARK RIDGE, ILLINOIS

Notes to the Financial Statements
April 30, 2016

12. Defined Benefit Pension Plans (Cont.)

B. Police Pension (Cont.)

Investment Policy (Cont.)

- Equity accounts up to a limit of 45% of the aggregate fair value of the fund's assets.
- Direct obligations of the State of Israel.

In addition, pension funds with net 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.

The Police Pension Fund's investment policy in accordance with ILCS establishes the following ranges and target allocation across asset classes:

Asset Class	Portfolio Target Percentage	Long-Term Expected Real Rate of Return
Cash and Cash Equivalents	0.00%	1.00%
Investment Grade Bonds	40.00%	2.60%
Domestic Equity	54.00%	6.70 - 7.70%
International Equity	6.00%	6.10%
	<u>100.00%</u>	

The long-term expected rate of return of the Police Pension Fund's investments was determined using an asset allocation study conducted by the Police Pension Fund's investment manager consultant in December 2014 in which best estimate ranges of expected future real rates of return (net of pension plan investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates or arithmetic real rates of return excluding inflation for each major asset class included in the Fund's target asset allocation as of April 30, 2016, are listed in the table above.

Investment Rate of Return

For the year ended April 30, 2016, the annual money-weighted rate of return on the police pension plan investments, net of pension plan investment expense, was 0.55%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Deposits with Financial Institutions

None of the Police Pension Fund's deposits of \$2,341,453 with financial institutions were exposed to custodial credit risk, as those deposits were insured, or fully collateralized by investments held by an independent third party in the City's name.

CITY OF PARK RIDGE, ILLINOIS

Notes to the Financial Statements
April 30, 2016

12. Defined Benefit Pension Plans (Cont.)

B. Police Pension (Cont.)

Interest Rate Risk

As of April 30, 2016, the Police Pension Fund has the following investments and maturities:

Investment Type	Fair Value	Investment Maturities in Years			
		Less than 1	1 to 5	6 to 10	Greater Than 10
U.S. Government Treasuries	\$ 3,137,257	3,137,257			
U.S. Agency Securities	12,866,070	1,005,360	4,402,230	7,458,480	
	16,003,327	4,142,617	4,402,230	7,458,480	-

Not subject to interest rate risk:

Common Stocks	12,157,793
Mutual Funds	12,184,959
	<u>\$ 40,346,079</u>

The Police Pension Funds' investment policy does 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.

Credit Risk

The Police Pension Fund limits its 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 AAA by Moody's Investors Service.

Custodial Credit Risk

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the Police Pension Fund will not be able to recover the value of its investments that are in possession of an outside party. To limit its exposure, the Police Pension Fund requires all security transactions that are exposed to custodial credit risk to be processed on a delivery versus payment (DVP) basis with the underlying investments held by a third party acting as the Police Pension Fund's agency separate from where the investment was purchased. The mutual funds and common stocks are not subject to custodial credit risk.

CITY OF PARK RIDGE, ILLINOIS

Notes to the Financial Statements
April 30, 2016

12. Defined Benefit Pension Plans (Cont.)

B. Police Pension (Cont.)

Actuarial Assumptions

The total pension liability above was determined by an actuarial valuation performed as of May 1, 2016, using the following actuarial methods and assumptions.

Actuarial Valuation Date	May 1, 2016
Measurement Date	April 30, 2016
Actuarial Cost Method	Entry-age Normal
Assumptions	
Inflation	2.50%
Salary Increases	2.84% - 14.70%, Including Inflation
Investment Rate of Return	6.75%
Cost of Living Adjustments	3.00%
Asset Valuation Method	Market value of assets

Mortality rates are based on rates developed in the Lauterbach & Amen, LLP 2016 Mortality Table for Illinois Police Officers.

Discount Rate

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that the City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the Police Pension Fund's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.

CITY OF PARK RIDGE, ILLINOIS

Notes to the Financial Statements
April 30, 2016

12. Defined Benefit Pension Plans (Cont.)

B. Police Pension (Cont.)

Changes in Net Pension Liability

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balance, Beginning of Year	\$ 65,739,385	43,366,398	22,372,987
Changes for the Year			
Service Cost	928,877		928,877
Interest	4,333,227		4,333,227
Differences Between Expected and Actual Experience	(551,023)		(551,023)
Changes in Assumptions	3,226,345		3,226,345
Contributions - Employer		2,027,060	(2,027,060)
Contributions - Employee		482,744	(482,744)
Net Investment Income		231,697	(231,697)
Benefit Payments, Including Refunds of Employees' Contributions	(3,086,845)	(3,086,845)	
Administrative Expenses		(35,987)	35,987
Net Changes	4,850,581	(381,331)	5,231,912
Balance, End of Year	\$ 70,589,966	42,985,067	27,604,899

Changes in assumptions related to salary increases, inflation, retirement age, disability rates, termination and mortality were made since the prior measurement date.

Discount Rate Sensitivity

The following is an analysis of the sensitivity of the net pension liability to changes in the discount rate. The table below represents the net pension liability of the City calculated using the discount rate of 6.75% as well as what the City's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.75%) or one percentage point higher (7.75%) than the current rate:

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
City's Net Pension Liability	\$ 38,411,578	27,604,899	18,821,959

CITY OF PARK RIDGE, ILLINOIS

Notes to the Financial Statements
April 30, 2016

12. Defined Benefit Pension Plans (Cont.)

B. Police Pension (Cont.)

Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended April 30, 2016, the City recognized pension expense of \$2,900,315. At April 30, 2016, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Deferred Amounts Related to Pensions	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$	456,991
Changes in Assumptions	2,675,774	
Net Differences Between Projected and Actual Earnings on Plan Investments	2,139,875	
	<u>\$ 4,815,649</u>	<u>456,991</u>

Amounts reported as deferred outflows of resources related to pensions will be recognized in pension expense in future periods as follows:

Year Ending April 30,	Amount
2017	\$ 991,508
2018	991,508
2019	991,508
2020	991,507
2021	392,627
	<u>\$ 4,358,658</u>

C. Firefighters' Pension

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.

CITY OF PARK RIDGE, ILLINOIS

Notes to the Financial Statements
April 30, 2016

12. Defined Benefit Pension Plans (Cont.)

C. Firefighters' Pension (Cont.)

Benefits Provided

The Firefighters' Pension Plan provides retirement benefits as well as death and disability benefits. Tier 1 employees (those hired prior to January 1, 2011) attaining the age of 50 or 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.

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.

Employees Covered by Benefit Terms

At April 30, 2016, the Firefighters' Pension Plan membership consisted of:

Inactive Plan Members Currently Receiving Benefits	50
Inactive Plan Members Entitled But Not Yet Receiving Benefits	3
Active Plan Members	<u>48</u>
	<u><u>101</u></u>

Contributions

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. Administrative expenses are generally paid from plan assets. For the year ended April 30, 2016, the City contributed \$1,846,200 to the Fire Pension Plan.

CITY OF PARK RIDGE, ILLINOIS

Notes to the Financial Statements
April 30, 2016

12. Defined Benefit Pension Plans (Cont.)

C. Firefighters' Pension (Cont.)

Investment Policy

The deposits and investments of the pension funds are held separately from those of other City funds. In addition to the aforementioned investments in Note 2, pension funds are also permitted to invest in the following instruments:

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

In addition, pension funds with net 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.

The Firefighters' Pension Fund's investment policy in accordance with ILCS establishes the following ranges and target allocation across asset classes:

Asset Class	Portfolio Target Percentage	Long-Term Expected Real Rate of Return
Fixed Income	35.00%	3.70%
US Equity	37.50%	8.20%
International Equity	17.50%	8.50%
Real Estate	<u>10.00%</u>	8.10%
	<u>100.00%</u>	

The long-term expected rate of return of the Firefighters' Pension Fund's investments was determined using an asset allocation study conducted by the Firefighters' Pension Fund's investment manager consultant in December 2014 in which best estimate ranges of expected future real rates of return (net of pension plan investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates

CITY OF PARK RIDGE, ILLINOIS

Notes to the Financial Statements
April 30, 2016

12. Defined Benefit Pension Plans (Cont.)

C. Firefighters' Pension (Cont.)

Investment Policy (Cont.)

of return by the target asset allocation percentage and by adding expected inflation. Best estimates or arithmetic real rates of return excluding inflation for each major asset class included in the Fund's target asset allocation as of April 30, 2016, are listed in the table above.

Investment Rate of Return

For the year ended April 30, 2016, the annual money-weighted rate of return on the Firefighters' Pension Plan investments, net of pension plan investment expense, was 0.36%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Deposits with Financial Institutions

None of the Firefighters' Pension Fund's deposits of \$1,148,805 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.

Interest Rate Risk

As of April 30, 2016, the Firefighters' Pension Fund has the following investments and maturities:

Investment Type	Fair Value	Investment Maturities in Years			
		Less than 1	1 to 5	6 to 10	Greater Than 10
US Government Treasuries	\$ 7,184,819	2,323,491	1,365,495	2,778,588	717,245
US Agency Securities	1,173,212		333,677	583,927	255,608
Municipal Bonds	179,111		137,560	41,551	
Corporate Bonds	7,674,892	354,666	4,692,966	2,577,720	49,540
	16,212,034	2,678,157	6,529,698	5,981,786	1,022,393
Not subject to interest rate risk:					
Mutual Funds	23,293,066				
	<u>\$ 39,505,100</u>				

The Firefighters' Pension Funds' investment policy does 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, 2016

12. Defined Benefit Pension Plans (Cont.)

C. Firefighters' Pension (Cont.)

Credit Risk

The Firefighters' Pension Fund limits its 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 were rated AAA by Moody's Investors Service. The investments in municipal bonds were rated AAA by Moody's Investors Service.

Custodial Credit Risk

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the Firefighters' Pension Fund will not be able to recover the value of its investments that are in possession of an outside party. To limit its exposure, the Firefighters' Pension Fund requires all security transactions that are exposed to custodial credit risk to be processed on a delivery versus payment (DVP) basis with the underlying investments held by a third party acting as the Firefighters' Pension Fund's agency separate from where the investment was purchased. The mutual funds and common stocks are not subject to custodial credit risk.

Actuarial Assumptions

The total pension liability above was determined by an actuarial valuation performed as of May 1, 2016, using the following actuarial methods and assumptions.

Actuarial Valuation Date	May 1, 2016
Measurement Date	April 30, 2016
Actuarial Cost Method	Entry-age Normal
Assumptions	
Inflation	2.25%
Salary Increases	2.84% - 7.14%, Including Inflation
Investment Rate of Return	6.75%
Cost of Living Adjustments	3.00%
Asset Valuation Method	Market value of assets

Mortality rates are based on rates developed in the Lauterbach & Amen, LLP 2016 Mortality Table for Illinois Firefighters.

CITY OF PARK RIDGE, ILLINOIS

Notes to the Financial Statements
April 30, 2016

12. Defined Benefit Pension Plans (Cont.)

C. Firefighters' Pension (Cont.)

Discount Rate

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that the City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the Firefighters' Pension Fund's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.

Changes to Net Pension Liability

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balance, Beginning of Year	\$ 60,869,970	41,459,204	19,410,766
Changes for the Year			
Service Cost	949,134		949,134
Interest	4,008,181		4,008,181
Differences Between Expected and Actual Experience	25,902		25,902
Changes in Assumptions	2,445,100		2,445,100
Contributions - Employer		1,846,200	(1,846,200)
Contributions - Employee		439,597	(439,597)
Net Investment Income		63,253	(63,253)
Benefit Payments, Including Refunds of Employees' Contributions	(2,979,011)	(2,979,011)	
Administrative Expenses		(63,941)	63,941
Other (Net Transfer)			
Net Changes	4,449,306	(693,902)	5,143,208
Balance, End of Year	\$ 65,319,276	40,765,302	24,553,974

Changes in assumptions related to salary increases, inflation, retirement age, disability rates, termination and mortality were made since the prior measurement date.

CITY OF PARK RIDGE, ILLINOIS

Notes to the Financial Statements
April 30, 2016

12. Defined Benefit Pension Plans (Cont.)

C. Firefighters' Pension (Cont.)

Discount Rate Sensitivity

The following is an analysis of the sensitivity of the net pension liability to changes in the discount rate. The table below represents the net pension liability of the City calculated using the discount rate of 6.75% as well as what the City's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.75%) or one percentage point higher (7.75%) than the current rate:

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
City's Net Pension Liability	\$ 33,515,294	24,553,974	17,169,575

Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended April 30, 2016, the City recognized pension expense of \$2,739,790. At April 30, 2016, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Deferred Amounts Related to Pensions	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 21,822	
Changes in Assumptions	2,060,044	
Net Differences Between Projected and Actual Earnings on Plan Investments	2,167,751	
	<u>\$ 4,249,617</u>	-

Amounts reported as deferred outflows of resources related to pensions will be recognized in pension expense in future periods as follows:

Year Ending April 30,	Amount
2017	\$ 931,074
2018	931,074
2019	931,074
2020	931,073
2020	389,136
Thereafter	<u>136,186</u>
	<u>\$ 4,249,617</u>

CITY OF PARK RIDGE, ILLINOIS

Notes to the Financial Statements
April 30, 2016

12. Defined Benefit Pension Plans (Cont.)

D. Significant Investments

It is the policy of the Police Pension 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.

At April 30, 2016, the Police Pension and Firefighters' Pension Funds' 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.

Police Pension and Firefighters' Pension

Basis of Accounting

The financial statements are prepared using the accrual basis of accounting. Under this method, additions to net position are recorded when earned and deductions from net position are recorded when the time related liabilities\deferred inflows are incurred. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

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 national exchanges are valued at the last reported sales price. Investments that do not have any established market, if any, are reported at estimated fair value.

Related Party Transactions

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

CITY OF PARK RIDGE, ILLINOIS

Notes to the Financial Statements
April 30, 2016

13. Pension Trust Funds – Financial Data

A. Schedule of Fiduciary Net Plan Position as of April 30, 2016

	Police Pension	Firefighters' Pension	Total
Assets			
Cash and Cash Equivalents	\$ 2,341,453	1,148,805	3,490,258
Investments			
U.S. Treasury Securities	3,137,257	7,184,819	10,322,076
U.S. Agency Securities	12,866,070	1,173,212	14,039,282
Municipal Bonds		179,111	179,111
Corporate Bonds		7,674,892	7,674,892
Common Stocks	12,157,793		12,157,793
Mutual Funds	12,184,959	23,293,066	35,478,025
Receivables			
Accrued Interest	286,279	160,374	446,653
Prepaid Expenses	15,154	7,201	22,355
Total Assets	42,988,965	40,821,480	83,810,445
Liabilities			
Accounts Payable	3,898	56,178	60,076
Net Position			
Held in Trust for Pension Benefits	\$ 42,985,067	40,765,302	83,750,369

B. Schedule of Changes in Fiduciary Net Plan Position for the year ended of April 30, 2016

	Police Pension	Firefighters' Pension	Total
Additions			
Contributions			
Employer	\$ 2,027,060	1,846,200	3,873,260
Plan Members	482,744	439,597	922,341
	2,509,804	2,285,797	4,795,601
Investment Income (Loss)			
Net Decrease in Fair Value of Investments	(455,046)	(949,526)	(1,404,572)
Interest	600,460	733,607	1,334,067
Dividends	226,875	403,307	630,182
	372,289	187,388	559,677
Less Investment Expense	(140,592)	(124,135)	(264,727)
	231,697	63,253	294,950
Total Additions	2,741,501	2,349,050	5,090,551
Deductions			
Administration	35,987	63,941	99,928
Pension Benefits and Refunds	3,086,845	2,979,011	6,065,856
Total Deductions	3,122,832	3,042,952	6,165,784
Change in Net Position	(381,331)	(693,902)	(1,075,233)
Net Position			
Beginning	43,366,398	41,459,204	84,825,602
Ending	\$ 42,985,067	40,765,302	83,750,369

CITY OF PARK RIDGE, ILLINOIS

Notes to the Financial Statements
April 30, 2016

14. Adoption of GASB Statement Nos. 68 and 71

The implementation of Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, and Governmental Accounting Standards Board Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68* (as discussed in Note 1) resulted in the restatement of the governmental activities and business-type activities net position beginning balances, removal of the net pension obligations under GASB Statement No. 27 and recording the beginning deferred outflows of resources as follows:

Governmental Activities

Net position adjustment related to GASB 68 implementation

Removal of GASB 27 Net Pension Obligation at May 1, 2015	\$ 1,375,211
Record GASB 68 Net Pension Liability at May 1, 2015	(42,901,401)
Record Deferred Outflows at May 1, 2015	<u>198,092</u>
Net Restatement	<u><u>\$ (41,328,098)</u></u>

Business-type Activities

Net position adjustment related to GASB 68 implementation

Record GASB 68 Net Pension Liability at May 1, 2015	\$ (242,715)
Record Deferred Outflows at May 1, 2015	<u>44,711</u>
Net Restatement	<u><u>\$ (198,004)</u></u>

Discretely Presented Component Unit

Net position adjustment related to GASB 68 implementation

Record GASB 68 Net Pension Liability at May 1, 2015	\$ (417,537)
Record Deferred Outflows at May 1, 2015	<u>76,916</u>
Net Restatement	<u><u>\$ (340,621)</u></u>

15. Future Pronouncements

The Governmental Accounting Standards Board (GASB) has issued the following pronouncements, which are expected to have a material impact on the City's financial statements in future periods:

Statement No. 72, *Fair Value Measurement and Application*. This Statement was issued to enhance comparability of financial statements among governments by requiring measurement of certain assets and liabilities at fair value using a consistent and more detailed definition of fair value and accepted valuation techniques. This Statement also will enhance fair value application guidance and related disclosures in order to provide information to financial statement users about the impact of fair value measurements on a government's financial position. The City is required to implement this Statement for the fiscal year ending April 30, 2017.

CITY OF PARK RIDGE, ILLINOIS

Notes to the Financial Statements
April 30, 2016

15. Future Pronouncements (Cont.)

Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. This Statement revises existing standards of financial reporting for postemployment benefits other than pensions. This Statement replaces the requirements of Statement Nos. 45 and 57. The City will be required to implement this Statement for the fiscal year ending April 30, 2019.

GASB Statement No. 82, *Pension Issues – an amendment of GASB Statements No. 67, No. 68 and No. 73*, is effective for periods beginning after June 15, 2016, except for certain of its provisions which are effective on or after June 15, 2017. GASB 82 addresses three issues: presentation of payroll-related measures in RSI, selection of assumptions and classification of employer-paid member contributions.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF PARK RIDGE, ILLINOIS

Required Supplementary Information

Illinois Municipal Retirement Fund - Regular Plan

Schedule of Changes in the City's Net Pension Liability and Related Ratios

April 30, 2016

Fiscal Year Ending April 30,	2016
Total Pension Liability	
Service Cost	\$ 950,342
Interest	4,987,306
Changes in Benefit Terms	
Differences Between Expected and Actual Experience	(1,251,138)
Change of Assumptions	76,603
Benefit Payments, Including Refunds of Member Contributions	<u>(3,521,331)</u>
Net Change in Total Pension Liability	1,241,782
Total Pension Liability - Beginning	<u>67,782,907</u>
Total Pension Liability - Ending	<u><u>\$ 69,024,689</u></u>
Plan Fiduciary Net Position	
Contributions - City	\$ 981,129
Contributions - Members	390,152
Net Investment Income	325,053
Benefit Payments, Including Refunds of Member Contributions	(3,521,331)
Administrative Expense	<u>496,986</u>
Net Change in Plan Fiduciary Net Position	(1,328,011)
Plan Net Position - Beginning	<u>66,085,602</u>
Plan Net Position - Ending	<u><u>\$ 64,757,591</u></u>
City's Net Pension Liability	<u><u>\$ 4,267,098</u></u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	93.82%
Covered Employee Payroll	\$ 8,539,981
City's Net Pension Liability as a Percentage of Covered Employee Payroll	49.97%

Notes to the Required Supplementary Information

Changes in assumptions related to retirement age and mortality were made since the prior measurement date.

GASB Statement No. 68 requires the presentation of 10 fiscal years of data; however, the fiscal years completed prior to the adoption of this pronouncement are not required to be presented in this schedule. The pronouncement was adopted in 2016.

This information is presented as of the measurement date, which is December 31 of the fiscal year.

CITY OF PARK RIDGE, ILLINOIS

Required Supplementary Information

Illinois Municipal Retirement Fund - Sheriff's Law Enforcement Personnel Fund

Schedule of Changes in the City's Net Pension Liability and Related Ratios

April 30, 2016

Fiscal Year Ending April 30,	2016
Total Pension Liability	
Service Cost	\$ 26,213
Interest	20,876
Changes in Benefit Terms	
Differences Between Expected and Actual Experience	(12,413)
Change of Assumptions	10,671
Benefit Payments, Including Refunds of Member Contributions	<u> </u>
Net Change in Total Pension Liability	45,347
Total Pension Liability - Beginning	<u>269,001</u>
Total Pension Liability - Ending	<u><u>\$ 314,348</u></u>
Plan Fiduciary Net Position	
Contributions - City	\$ 22,134
Contributions - Members	10,682
Net Investment Income	1,024
Benefit Payments, Including Refunds of Member Contributions	
Administrative Expense	<u>(12,292)</u>
Net Change in Plan Fiduciary Net Position	21,548
Plan Net Position - Beginning	<u>188,406</u>
Plan Net Position - Ending	<u><u>\$ 209,954</u></u>
City's Net Pension Liability	<u><u>\$ 104,394</u></u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	66.79%
Covered Employee Payroll	\$ 142,432
City's Net Pension Liability as a Percentage of Covered Employee Payroll	73.29%

GASB Statement No. 68 requires the presentation of 10 fiscal years of data; however, the fiscal years completed prior to the adoption of this pronouncement are not required to be presented in this schedule. The pronouncement was adopted in 2016.

This information is presented as of the measurement date, which is December 31 of the fiscal year.

City OF PARK RIDGE, ILLINOIS

Required Supplementary Information

Police Pension Fund

Schedule of Changes in the City's Net Pension Liability and Related Ratios

April 30, 2016

Fiscal Year Ending April 30,	2016	2015
Total Pension Liability		
Service Cost	\$ 928,877	952,083
Interest	4,333,227	4,197,164
Changes in Benefit Terms		
Differences Between Expected and Actual Experience	(551,023)	
Change of Assumptions	3,226,345	
Benefit Payments, Including Refunds of Member Contributions	(3,086,845)	(3,180,124)
Net Change in Total Pension Liability	4,850,581	1,969,123
Total Pension Liability - Beginning	65,739,385	63,770,262
Total Pension Liability - Ending	\$ 70,589,966	65,739,385
Plan Fiduciary Net Position		
Contributions - City	\$ 2,027,060	1,713,170
Contributions - Members	482,744	569,210
Net Investment Income	231,697	2,989,641
Benefit Payments, Including Refunds of Member Contributions	(3,086,845)	(3,180,124)
Administrative Expense	(35,987)	(35,722)
Net Change in Plan Fiduciary Net Position	(381,331)	2,056,175
Plan Net Position - Beginning	43,366,398	41,310,224
Plan Net Position - Ending	\$ 42,985,067	43,366,399
City's Net Pension Liability	\$ 27,604,899	22,372,986
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	60.89%	65.97%
Covered Employee Payroll	\$ 4,544,959	4,535,578
City's Net Pension Liability as a Percentage of Covered Employee Payroll	607.37%	493.28%

Notes to the Required Supplementary Information

Changes in assumptions related to salary increases, inflation, retirement age, disability rates, termination and mortality were made since the prior measurement date.

GASB Statement No. 67 requires the presentation of 10 fiscal years of data; however, the fiscal years completed prior to the adoption of this pronouncement are not required to be presented in this schedule. The pronouncement was adopted by the Pension Plan in 2015.

CITY OF PARK RIDGE, ILLINOIS

Required Supplementary Information

Firefighters' Pension Fund

Schedule of Changes in the City's Net Pension Liability and Related Ratios

April 30, 2016

Fiscal Year Ending April 30,	2016	2015
Total Pension Liability		
Service Cost	\$ 949,134	997,064
Interest	4,008,181	3,878,251
Changes in Benefit Terms		
Differences Between Expected and Actual Experience	25,902	
Change of Assumptions	2,445,100	
Benefit Payments, Including Refunds of Member Contributions	(2,979,011)	(2,921,833)
Net Change in Total Pension Liability	4,449,306	1,953,482
Total Pension Liability - Beginning	60,869,970	58,916,488
Total Pension Liability - Ending	\$ 65,319,276	60,869,970
Plan Fiduciary Net Position		
Contributions - City	\$ 1,846,200	1,611,360
Contributions - Members	439,597	404,193
Net Investment Income	63,253	2,801,289
Benefit Payments, Including Refunds of Member Contributions	(2,979,011)	(2,921,833)
Administrative Expense	(63,941)	(62,305)
Net Change in Plan Fiduciary Net Position	(693,902)	1,832,704
Plan Net Position - Beginning	41,459,204	39,626,500
Plan Net Position - Ending	\$ 40,765,302	41,459,204
City's Net Pension Liability	\$ 24,553,974	19,410,766
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	62.41%	68.11%
Covered Employee Payroll	\$ 4,288,195	4,141,254
City's Net Pension Liability as a Percentage of Covered Employee Payroll	572.59%	468.72%

Notes to the Required Supplementary Information

Changes in assumptions related to salary increases, inflation, retirement age, disability rates, termination and mortality were made since the prior measurement date.

GASB Statement No. 67 requires the presentation of 10 fiscal years of data; however, the fiscal years completed prior to the adoption of this pronouncement are not required to be presented in this schedule. The pronouncement was adopted by the Pension Plan in 2015.

CITY OF PARK RIDGE, ILLINOIS

Required Supplementary Information

Other Postemployment Benefit Plan

Schedule of Funding Progress

April 30, 2016

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded (Overfunded) AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll (b-a)/c
4/30/2016	\$	6,297,122	6,297,122	0.00	16,561,656	38.02%
4/30/2015		6,297,122	6,297,122	0.00	9,944,605	63.32%
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%

CITY OF PARK RIDGE, ILLINOIS

Required Supplementary Information

Illinois Municipal Retirement Fund - Regular Plan

Schedule of City Contributions

April 30, 2016

Fiscal Year Ended	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered Employee Payroll	Contributions as a Percentage of Covered Employee Payroll
4/30/2016	\$ 1,025,093	1,025,093	-	8,948,266	11.46%

Notes to the Required Supplementary Information

Valuation Date Actuarially determined contribution rates are calculated as of December 31 each year, which are 12 months prior to the beginning of the fiscal year in which contributions are reported.

Methods and Assumptions Used to Determine 2015 Contribution Rates

Actuarial Cost Method	Aggregate Entry-age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	28-years Closed Period
Asset Valuation Method	5-year Smoothed Market; 20% Corridor
Wage Growth	4.00%
Price Inflation	3.00% approximate; no explicit price inflation assumption is used in this valuation.
Salary Increases	4.40% to 16.00%, Including Inflation
Investment Rate of Return	7.50%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition; last updated for the 2011 valuation pursuant to an experience study of the period 2008 to 2010.
Mortality	RP-2000 Combined Healthy Mortality Table, adjusted for mortality improvements to 2020 using projection scale AA. For men, 120% of the table rates were used. For women, 92% of the table rates were used. For disabled lives, the mortality rates are the rates applicable to non-disabled lives set forward 10 years.
Other	There were no benefit changes during the year.

Information above based on valuation assumptions used in the December 31, 2013 actuarial valuation; note two year lag between valuation and rate setting.

GASB Statement No. 68 requires the presentation of 10 fiscal years of data; however, the fiscal years completed prior to the adoption of this pronouncement are not required to be presented in this schedule. The pronouncement was adopted in 2016.

CITY OF PARK RIDGE, ILLINOIS

Required Supplementary Information

Illinois Municipal Retirement Fund - Sheriff's Law Enforcement Personnel Fund

Schedule of City Contributions

April 30, 2016

Fiscal Year Ended	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered Employee Payroll	Contributions as a Percentage of Covered Employee Payroll
4/30/2016	\$ 22,033	22,033	-	148,790	15.48%

Notes to the Required Supplementary Information

Valuation Date Actuarially determined contribution rates are calculated as of December 31 each year, which are 12 months prior to the beginning of the fiscal year in which contributions are reported. The actuarially determined contribution is included in the property tax levy for the current year. The levy is collected in two installments. One in the current year and one in the subsequent fiscal year.

Methods and Assumptions Used to Determine 2015 Contribution Rates

Actuarial Cost Method	Aggregate Entry-age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	28-years Closed Period
Asset Valuation Method	5-year Smoothed Market; 20% Corridor
Wage Growth	4%
Price Inflation	3.00% approximate; no explicit price inflation assumption is used in this valuation.
Salary Increases	4.40% to 16.00%, Including Inflation
Investment Rate of Return	7.5%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition; last updated for the 2011 valuation pursuant to an experience study of the period 2008 to 2010.
Mortality	RP-2000 Combined Healthy Mortality Table, adjusted for mortality improvements to 2020 using projection scale AA. For men, 120% of the table rates were used. For women, 92% of the table rates were used. For disabled lives, the mortality rates are the rates applicable to non-disabled lives set forward 10 years.
Other	There were no benefit changes during the year.

Information above based on valuation assumptions used in the December 31, 2013 actuarial valuation; note two year lag between valuation and rate setting.

GASB Statement No. 68 requires the presentation of 10 fiscal years of data; however, the fiscal years completed prior to the adoption of this pronouncement are not required to be presented in this schedule. The pronouncement was adopted in 2016.

CITY OF PARK RIDGE, ILLINOIS

Required Supplementary Information

Police Pension Fund

Schedule of City Contributions

April 30, 2016

Fiscal Year Ended	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered Employee Payroll	Contributions as a Percentage of Covered Employee Payroll
4/30/2016	\$ 1,916,989	2,027,060	110,071	4,544,959	44.60%
4/30/2015	1,790,707	1,713,170	(77,537)	4,535,578	37.77%

Notes to the Required Supplementary Information

Valuation Date Actuarially determined contribution rates are calculated as of May 1 each year, which are 12 months prior to the beginning of the fiscal year in which contributions are reported. The actuarially determined contribution is included in the property tax levy for the current year. The levy is collected in two installments. One in the current year and one in the subsequent fiscal year.

Methods and Assumptions Used to Determine 2016 Contribution Rates

Valuation Date Actuarially determined contribution rates are calculated as of January 1 each year, which are 12 months prior to the beginning of the fiscal year in which contributions are reported.

Actuarial Cost Method	Entry-age Normal
Amortization Method	Straight Line
Remaining Amortization Period	100% Funded Through 2033
Actual Experience	6 Years
Changes in Assumptions	6 Years
Asset Experience	5 Years
Asset Valuation Method	Market Value
Price Inflation	2.50%
Salary Increases	2.84% - 14.70%
Investment Rate of Return	6.75%
Retirement Age	L&A 2016 Illinois Police Retirement Rates Cap Age 65
Mortality	L&A 2016 Illinois Police Mortality Rates

GASB Statement No. 67 requires the presentation of 10 fiscal years of data; however, the fiscal years completed prior to the adoption of this pronouncement are not required to be presented in this schedule. The pronouncement was adopted by the Pension Plan in 2015.

CITY OF PARK RIDGE, ILLINOIS

Required Supplementary Information

Firefighters' Pension Fund

Schedule of City Contributions

April 30, 2016

Fiscal Year Ended	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered Employee Payroll	Contributions as a Percentage of Covered Employee Payroll
4/30/2016	\$ 1,751,579	1,846,200	94,621	4,288,195	43.05%
4/30/2015	1,627,465	1,611,360	(16,105)	4,141,254	38.91%

Notes to the Required Supplementary Information

Valuation Date Actuarially determined contribution rates are calculated as of May 1 each year, which are 12 months prior to the beginning of the fiscal year in which contributions are reported. The actuarially determined contribution is included in the property tax levy for the current year. The levy is collected in two installments. One in the current year and one in the subsequent fiscal year.

Methods and Assumptions Used to Determine 2016 Contribution Rates

Valuation Date Actuarially determined contribution rates are calculated as of January 1 each year, which are 12 months prior to the beginning of the fiscal year in which contributions are reported.

Actuarial Cost Method	Entry-age Normal
Amortization Method	Straight Line
Remaining Amortization Period	100% Funded Through 2033
Actual Experience	6 Years
Changes in Assumptions	6 Years
Asset Experience	5 Years
Asset Valuation Method	Market Value
Price Inflation	2.00%
Salary Increases	2.84 - 7.14%
Investment Rate of Return	6.75%
Retirement Age	L&A 2016 Illinois Firefighters Retirement Rates Cap Age 65
Mortality	L&A 2016 Illinois Firefighters Police Mortality Rates

GASB Statement No. 67 requires the presentation of 10 fiscal years of data; however, the fiscal years completed prior to the adoption of this pronouncement are not required to be presented in this schedule. The pronouncement was adopted by the Pension Plan in 2015.

CITY OF PARK RIDGE, ILLINOIS

Required Supplementary Information

Other Postemployment Benefit Plan

Schedule of City Contributions

April 30, 2016

Fiscal Year Ended	Annual Required Contribution	Percentage Contributed
4/30/2016	\$ 507,682	29.48%
4/30/2015	488,156	24.20%
4/30/2014	713,117	29.70%
4/30/2013	713,117	27.00%
4/30/2012	530,303	40.20%
4/30/2011	532,793	36.70%

CITY OF PARK RIDGE, ILLINOIS

Required Supplementary Information

Police Pension Fund

Schedule of Investment Returns

April 30, 2016

Fiscal Year Ended	Annual Money-Weighted Rate of Return Net of Investment Expense
4/30/2016	0.55%
4/30/2015	7.33%

GASB Statement No. 67 requires the presentation of 10 fiscal years of data; however, the fiscal years completed prior to the adoption of this pronouncement are not required to be presented in this schedule. The pronouncement was adopted by the Pension Plan in 2015.

CITY OF PARK RIDGE, ILLINOIS

Required Supplementary Information

Firefighters' Pension Fund

Schedule of Investment Returns

April 30, 2016

Year Ended	Annual Money-Weighted Rate of Return Net of Investment Expense
4/30/2016	0.36%
4/30/2015	7.17%

GASB Statement No. 67 requires the presentation of 10 fiscal years of data; however, the fiscal years completed prior to the adoption of this pronouncement are not required to be presented in this schedule. The pronouncement was adopted by the Pension Plan in 2015.

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, 2016

	Original Budget	Final Budget	Actual	Variance With Final Budget Over (Under)
Revenues				
Property Taxes	\$ 8,485,676	8,485,676	9,220,932	735,256
Other Taxes	8,791,880	8,266,880	9,222,600	955,720
Licenses and Permits	2,667,525	3,192,525	3,547,151	354,626
Intergovernmental	7,759,560	7,869,229	8,864,122	994,893
Charges for Services	1,446,700	1,463,369	1,586,758	123,389
Fines and Forfeitures	614,000	729,000	713,292	(15,708)
Investment Income	2,000	2,000	19,423	17,423
Miscellaneous	820,000	56,050	65,911	9,861
Total Revenues	30,587,341	30,064,729	33,240,189	3,175,460
Expenditures				
Current				
General Government	8,430,019	7,624,545	7,149,147	(475,398)
Public Safety	15,204,142	15,739,760	15,744,067	4,307
Public Works	5,632,997	5,548,471	4,968,108	(580,363)
Development	1,049,164	1,097,794	1,072,138	(25,656)
Culture and Civic	5,000	9,000	8,032	(968)
Total Expenditures	30,321,322	30,019,570	28,941,492	(1,078,078)
Excess of Revenues over Expenditures	266,019	45,159	4,298,697	4,253,538
Other Financing Sources (Uses)				
Transfers In				
Water Fund	846,061	846,061	846,062	1
Sewer Fund	191,807	191,807	191,807	
Parking Fund	79,733	79,733	79,733	
Proceeds from Sale of Capital Assets			1,729,085	1,729,085
Transfers Out				
Emergency Telephone Fund	(952,939)	(952,939)	(952,939)	
Total Other Financing Sources	164,662	164,662	1,893,748	1,729,086
Net Change in Fund Balance	\$ 430,681	209,821	6,192,445	5,982,624
Fund Balance				
May 1			<u>10,418,363</u>	
April 30			<u>16,610,808</u>	

See 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, 2016

	Original Budget	Final Budget	Actual	Variance With Final Budget Over (Under)
Revenues				
Property Taxes	\$ 3,475,395	\$ 3,475,395	3,897,123	421,728
Miscellaneous	1,000		698	698
Total Revenues	<u>3,476,395</u>	<u>3,475,395</u>	3,897,821	422,426
Expenditures				
Current				
Public Works	<u>3,763,719</u>	<u>3,762,719</u>	3,379,131	(383,588)
Net Change in Fund Balance	<u>\$ (287,324)</u>	<u>(287,324)</u>	518,690	<u>806,014</u>
Fund Balance				
May 1			<u>(53,287)</u>	
April 30			<u>465,403</u>	

See Note to Required Supplementary Information

CITY OF PARK RIDGE, ILLINOIS

Notes to Required Supplementary Information
April 30, 2016

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. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the fund level.

2. Actual Expenditures in Excess of Budget in Individual Funds

The Dempster TIF Fund had an excess of actual expenditures over budget in the amount of \$7,903 for the year ended April 30, 2016.

The following funds did not adopt a budget for fiscal year 2016:

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, 2016

	Original Budget	Final Budget	Actual
Taxes			
Property Taxes			
General	\$ 4,687,304	4,687,304	5,149,426
Fire	1,721,802	1,721,802	1,825,520
Police	1,876,570	1,876,570	2,005,180
Road and Bridge	200,000	200,000	240,806
Other Local Taxes			
Municipal Telecommunications	1,300,000	1,300,000	1,411,667
Package Liquor	460,000	460,000	447,210
Property Transfer	500,000	500,000	916,523
Exempt Property Transfer	13,500	13,500	12,725
Food and Beverage	600,000	600,000	703,417
Home Rule Sales	1,600,000	1,600,000	1,635,638
Utility	2,375,000	2,375,000	2,177,482
Natural Gas	125,000	125,000	125,945
Parking Garage	600,000	600,000	600,000
Use	693,380	693,380	865,188
Intergovernmental Taxes			
State Sales Tax	3,712,000	3,712,000	3,763,421
Gasoline Tax	450,000	450,000	465,447
State Income Tax	3,200,000	3,200,000	4,505,560
Personal Property Replacement Tax			
General	325,000	325,000	279,097
Police	21,880	21,880	23,854
Fire	20,680	20,680	23,854
	<u>24,482,116</u>	<u>24,482,116</u>	<u>27,177,960</u>
Licenses and Permits			
Vehicle Licenses	1,200,000	1,200,000	1,219,334
Oversize Vehicle Permits	2,500	2,500	6,000
Animal Licenses	32,000	32,000	30,150
Business Licenses	230,000	230,000	252,733
Liquor Licenses	100,000	100,000	114,800
Massage Licenses			1,400
Outdoor Café Licenses	2,500	2,500	3,035
Building Permits	1,100,000	1,100,000	1,234,213
Cable TV Franchise Fees	525,000	525,000	648,990
PEG Fees			35,971
Telecommunications Franchise Fees	525	525	525
	<u>3,192,525</u>	<u>3,192,525</u>	<u>3,547,151</u>

(Cont.)

CITY OF PARK RIDGE, ILLINOIS

General Fund

Schedule of Revenues - Budget and Actual

Year Ended April 30, 2016

	Original Budget	Final Budget	Actual
Intergovernmental Grants			
Federal Grants			121,316
State Grants	30,000	139,669	8,378
	<u>30,000</u>	<u>139,669</u>	<u>129,694</u>
Charges for Services			
Services to Other Agencies	257,200	257,200	254,657
Rent	80,000	80,000	97,130
Ambulance Service Charge	825,000	825,000	914,886
Ambulance Registration	25,000	25,000	32,960
Elevator Inspections	20,000	35,000	14,760
Miscellaneous Charges			
City Clerk	4,500	4,500	4,315
Police	12,000	12,000	11,625
Fire		1,669	28,818
Zoning	8,000	8,000	9,195
Street	200,000	200,000	118,949
Collection Agency	15,000	15,000	77,692
Other			21,771
	<u>1,446,700</u>	<u>1,463,369</u>	<u>1,586,758</u>
Fines and Forfeitures			
Court Fines	200,000	200,000	147,686
Police Alarm Fines	4,000	4,000	8,860
Police Penalty	260,000	260,000	264,649
Other Fines - Adjudication			
Municipal Code Violations	25,000	25,000	25,877
Red Light Fines	125,000	240,000	251,720
Administrative Tow Fines			14,500
	<u>614,000</u>	<u>729,000</u>	<u>713,292</u>
Interest			
Investment Income	2,000	2,000	19,423
Miscellaneous			
Employee Contributions	770,000		
Trees			25,355
Damage to City Property	10,000	10,000	4,003
Special Events	35,000	35,000	36,990
Other Miscellaneous	5,000	11,050	(437)
	<u>820,000</u>	<u>56,050</u>	<u>65,911</u>
Total Revenue	<u>\$ 30,587,341</u>	<u>30,064,729</u>	<u>33,240,189</u>

CITY OF PARK RIDGE, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual

Year Ended April 30, 2016

	Original Budget	Final Budget	Actual
General Government			
Legislative			
Regular Salaries	\$ 29,400	27,113	27,113
Training	1,000	1,000	610
Membership Dues	22,500	21,020	20,802
General Contractual Services	1,000	1,000	334
Materials	2,000	2,000	1,861
Total Legislative	<u>55,900</u>	<u>52,133</u>	<u>50,720</u>
City Administration			
Regular Salaries	286,012	289,182	289,182
Overtime	8,000	9,289	9,289
Training	2,000	1,600	1,187
Membership Dues	3,000	4,480	4,373
Legal Notices	2,000	2,700	2,398
General Contractual Services	12,500	10,839	10,155
Contingency	250,000	138,061	
Materials	20,000	16,518	14,176
911 Memorial		14,937	10,493
Total Administration	<u>583,512</u>	<u>487,606</u>	<u>341,253</u>
Legal Counsel			
Special Counsel	200,000	226,817	222,882
Special Counsel - Prosecution	45,000	45,000	35,416
Special Counsel - Other	75,000	108,588	88,153
Total Counsel	<u>320,000</u>	<u>380,405</u>	<u>346,451</u>
Financial Administration			
Regular Salaries	704,601	671,850	671,850
Extra Help	13,000	13,000	6,960
Overtime	5,000	2,917	2,917
Insurance	385,000	396,141	391,637
Insurance Claims	250,000	277,535	277,535
Audit Fees	50,000	62,387	62,387
Citation Fees	20,000	35,000	33,900
Red Light Fees	65,000	120,000	105,773
Training	5,000	5,000	3,763
Postal Charges	45,000	46,089	46,089
Membership Dues	2,500	2,500	1,290
Bank Service Charges	85,000	85,000	68,889
Bank Trustee Fees	5,000	5,000	4,250
General Contractual Services	295,000	278,911	264,566
Materials	10,000	11,000	7,343

CITY OF PARK RIDGE, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual

Year Ended April 30, 2016

	Original Budget	Final Budget	Actual
General Government (Cont.)			
Financial Administration (Cont.)			
License Supplies	7,000	7,000	4,712
Bad Debt Expense			2,475
Total Financial Administration	<u>1,947,101</u>	<u>2,019,330</u>	<u>1,956,336</u>
Information Technology			
Regular Salaries	200,739	13,516	13,516
Telecommunications	105,000	122,100	117,492
Training	3,000	3,000	(700)
Membership Dues	150	150	
General Contractual Services	60,000	259,623	257,971
Software Support and Licensing	65,000	57,994	42,866
Materials	15,000	14,000	3,978
Total Information Technology	<u>448,889</u>	<u>470,383</u>	<u>435,123</u>
Human Resources			
Regular Salaries	104,977	99,624	99,624
Overtime		1,248	1,248
Health Insurance	3,525,240	2,775,203	2,775,203
Life Insurance	30,400	30,400	30,400
Dental	200,000	157,543	157,543
Unemployment	45,000	45,000	11,165
Workers Compensation	375,000	343,324	338,834
Medical Exams	25,000	25,000	22,428
Recruiting and Testing	15,000	15,000	13,950
Training	3,000	4,400	2,789
Membership Dues	1,000	1,000	990
General Contractual Services	21,000	18,350	508
Materials	4,000	4,000	3,232
Total Human Resources	<u>4,349,617</u>	<u>3,520,092</u>	<u>3,457,914</u>
Economic Development			
General Contractual Services	725,000	694,596	561,350
Total Economic Development	<u>725,000</u>	<u>694,596</u>	<u>561,350</u>
Total General Government	<u>8,430,019</u>	<u>7,624,545</u>	<u>7,149,147</u>
Public Safety			
Police			
Police Administration			
Regular Salaries	1,132,674	1,060,912	1,060,912
Overtime	15,000	15,000	13,024

CITY OF PARK RIDGE, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual

Year Ended April 30, 2016

	Original Budget	Final Budget	Actual
Public Safety (Cont.)			
Police (Cont.)			
PSEBA		51,077	51,077
Uniforms - Payroll	975	975	225
Telecommunications	2,500	3,385	3,382
Training	32,000	31,000	30,665
Membership Dues	18,000	19,500	18,663
General Contractual Services	22,500	22,415	17,498
Pension Payments	1,876,570	1,876,570	2,027,060
Materials	20,000	118,369	60,518
Total Police Administration	<u>3,120,219</u>	<u>3,199,203</u>	<u>3,283,024</u>
Investigation			
Regular Salaries	822,056	860,517	860,517
Overtime	50,000	94,792	94,792
Uniforms - Payroll	6,925	6,925	6,700
General Contractual Services	10,000	10,000	8,701
Materials	2,500	2,500	1,992
Total Investigation	<u>891,481</u>	<u>974,734</u>	<u>972,702</u>
Communications			
General Contractual Services	45,000	45,000	21,400
Extra Help	10,000	10,000	8,268
Total Communications	<u>55,000</u>	<u>55,000</u>	<u>29,668</u>
Patrol			
Regular Salaries	3,572,183	3,612,194	3,612,194
Crossing Guards	115,000	116,378	116,378
Overtime	225,000	266,157	266,157
Employee Benefits			
Uniforms	25,000	34,500	30,573
Uniforms - Payroll	26,275	26,275	23,650
Building Maintenance	20,000	20,000	6,416
Squad - Emergency Equipment Repair	10,000	10,000	5,009
Stray Animal Impoundment	3,000	3,000	1,481
General Contractual Services	30,000	18,122	12,559
Materials	50,000	61,000	59,247
Total Patrol	<u>4,076,458</u>	<u>4,167,626</u>	<u>4,133,664</u>
Crime Prevention			
Regular Salaries	85,337	89,565	89,565
Uniform	750	750	750

CITY OF PARK RIDGE, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual

Year Ended April 30, 2016

	Original Budget	Final Budget	Actual
Public Safety (Cont.)			
Police (Cont.)			
Crime Prevention (Cont.)			
Mileage Compensation	3,500	3,500	2,682
Materials	10,000	10,000	9,993
Total Crime Prevention	<u>99,587</u>	<u>103,815</u>	<u>102,990</u>
Total Police	<u>8,242,745</u>	<u>8,500,378</u>	<u>8,522,048</u>
Fire and Ambulance Services			
Fire Administration			
Regular Salaries	291,786	227,154	227,154
Overtime	1,000	1,000	
Employee Benefits			
Uniforms	2,000	2,000	408
PSEBA	36,863	36,863	32,860
PEHP Contributions	30,000	118,777	118,777
Building Maintenance	20,000	18,520	13,212
Training	1,500	54	54
Membership Dues	15,300	15,300	14,814
General Contractual Services	30,000	33,389	33,068
Pension Payments	1,721,802	1,721,802	1,846,200
Materials	28,000	27,760	26,405
Natural Gas	7,500	7,500	3,905
Computer Equipment	140,000	140,000	116,063
Building Repairs	25,000	83,000	
Total Fire Administration	<u>2,350,751</u>	<u>2,433,119</u>	<u>2,432,920</u>
Fire Prevention			
Regular Salaries	122,549	117,617	117,617
Overtime	5,000	6,591	6,591
Training	1,000	740	740
General Contractual Services	4,000	4,000	679
Materials	10,000	10,000	9,882
Total Fire Prevention	<u>142,549</u>	<u>138,948</u>	<u>135,509</u>
Emergency Response			
Regular Salaries	4,009,097	4,182,211	4,182,211
Overtime	300,000	324,398	324,398
Employee Benefits			
Uniforms	26,000	27,198	27,198
Uniforms - PPC	10,000	8,802	8,624
Squad Emergency Equipment Repair	3,000	3,000	2,879

CITY OF PARK RIDGE, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual

Year Ended April 30, 2016

	Original Budget	Final Budget	Actual
Public Safety (Cont.)			
Fire and Ambulance Services (Cont.)			
Emergency Response (Cont.)			
Training	25,000	26,706	26,705
General Contractual Services	20,000	20,000	18,339
Materials	65,000	65,000	61,353
Equipment Maintenance	10,000	10,000	1,883
Total Emergency Response	<u>4,468,097</u>	<u>4,667,315</u>	<u>4,653,590</u>
Total Fire and Ambulance Services	<u>6,961,397</u>	<u>7,239,382</u>	<u>7,222,019</u>
Total Public Safety	<u>15,204,142</u>	<u>15,739,760</u>	<u>15,744,067</u>
Public Works			
Public Works Administration			
Regular Salaries	317,412	301,049	301,049
Training	4,500	4,500	1,999
Membership Dues	3,000	3,000	1,950
General Contractual Services	1,000	1,000	201
Materials	3,500	3,500	2,540
Total Public Works Administration	<u>329,412</u>	<u>313,049</u>	<u>307,739</u>
Engineering			
Regular Salaries	312,631	309,859	309,859
Overtime	1,000		
General Contractual Services	110,000	110,000	102,172
Materials	1,500	1,500	820
Total Engineering	<u>425,131</u>	<u>421,359</u>	<u>412,851</u>
Traffic Control			
Electrical Equipment Maintenance	130,000	130,000	106,338
Materials	28,000	28,000	24,253
Total Traffic Control	<u>158,000</u>	<u>158,000</u>	<u>130,591</u>
Street Lighting			
Electricity Equipment Maintenance	65,000	65,000	37,222
Electricity	215,000	212,000	185,203
Total Street Lighting	<u>280,000</u>	<u>277,000</u>	<u>222,425</u>
Snow and Storm Control			
Regular Salaries	5,000		
Overtime	125,000	98,436	97,849
General Contractual Services	3,000		
Snow Removal Supplies	275,000	275,000	222,062
Total Snow and Storm Control	<u>408,000</u>	<u>373,436</u>	<u>319,911</u>

(Cont.)

CITY OF PARK RIDGE, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual

Year Ended April 30, 2016

	Original Budget	Final Budget	Actual
Public Safety (Cont.)			
Street Maintenance			
Regular Salaries	1,202,655	1,154,444	1,092,165
Employee Benefits			
Uniforms	13,400	14,100	9,380
Striping	40,000	36,077	36,077
General Contractual Services	1,000	1,000	932
Materials	100,000	106,023	93,683
Total Street Maintenance	<u>1,357,055</u>	<u>1,311,644</u>	<u>1,232,237</u>
Sidewalk Maintenance			
Materials	3,000	1,000	931
Sidewalk Repairs	150,000	149,200	143,019
Total Sidewalk Maintenance	<u>153,000</u>	<u>150,200</u>	<u>143,950</u>
City Buildings Maintenance			
Regular Salaries	151,248	148,948	148,948
Building Maintenance			
General	107,500	73,000	62,601
City Hall	75,000	75,000	72,012
Train Depot	5,000	5,000	4,980
Dee Road Train Station	5,000	5,000	3,956
Old PWSC	5,000	550	550
Materials	25,000	27,000	24,385
Natural Gas and Electricity	42,000	45,000	24,923
Building Repairs		32,500	29,181
Total City Buildings Maintenance	<u>415,748</u>	<u>411,998</u>	<u>371,536</u>
Forestry			
Regular Salaries	99,770	100,111	100,111
Tree Trimming and Removal	680,000	680,000	604,506
Tree Spraying	40,000	40,000	40,000
General Contractual Services	5,000	5,000	842
Materials	152,000	184,820	102,799
Total Forestry	<u>976,770</u>	<u>1,009,931</u>	<u>848,258</u>
Grounds Maintenance			
Regular Salaries	76,280	77,029	77,029
Gas for Gas Lights	12,000	12,000	8,746
Gas Light Maintenance	10,000	10,000	5,985
General Contractual Services	50,000	50,000	42,609
Materials	30,000	30,000	26,804
Total Grounds Maintenance	<u>178,280</u>	<u>179,029</u>	<u>161,173</u>

CITY OF PARK RIDGE, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual

Year Ended April 30, 2016

	Original Budget	Final Budget	Actual
Public Safety (Cont.)			
Vehicle Maintenance			
Regular Salaries	411,601	386,123	386,123
Overtime	20,000	24,252	24,252
Insurance Claims	20,000	32,450	27,982
General Contractual Services	75,000	61,000	56,393
Materials	125,000	139,000	134,188
Automobile Petroleum Products	280,000	280,000	170,177
Tires	20,000	20,000	18,322
Total Vehicle Maintenance	<u>951,601</u>	<u>942,825</u>	<u>817,437</u>
Total Public Works	<u>5,632,997</u>	<u>5,548,471</u>	<u>4,968,108</u>
Development			
Development Administration			
Regular Salaries	867,314	870,496	870,496
Extra Help	2,000	2,000	
Overtime	13,500	38,008	38,008
Microfilming	1,500	1,500	1,470
Training	5,000	5,000	2,974
Membership Dues	3,000	3,000	2,867
Pest Control	10,000	19,540	12,371
General Contractual Services	135,000	146,400	132,772
Materials	11,850	11,850	11,180
Total Development Administration	<u>1,049,164</u>	<u>1,097,794</u>	<u>1,072,138</u>
Total Development	<u>1,049,164</u>	<u>1,097,794</u>	<u>1,072,138</u>
Culture and Civic			
Community Support			
Youth Services	4,000	4,000	4,000
Historical Services	1,000	5,000	4,032
Total Community Support	<u>5,000</u>	<u>9,000</u>	<u>8,032</u>
Total Culture and Civic	<u>5,000</u>	<u>9,000</u>	<u>8,032</u>
Total Expenditures	<u>\$ 30,321,322</u>	<u>30,019,570</u>	<u>28,941,492</u>

**NONMAJOR GOVERNMENTAL FUNDS –
COMBINING STATEMENTS**

CITY OF PARK RIDGE, ILLINOIS

Nonmajor Governmental Funds

Combining Balance Sheet

April 30, 2016

	Special Revenue	Debt Service	Capital Projects	Total Nonmajor Funds
Assets				
Cash and Cash Equivalents	\$ 4,432,285	1,982,895		6,415,180
Receivables				
Property Taxes, Net	928,348	1,440,539		2,368,887
Intergovernmental	89,280			89,280
Other Taxes	132,378			132,378
Total Assets	\$ 5,582,291	3,423,434	-	9,005,725
Liabilities				
Accounts Payable	\$ 18,786			18,786
Due to Other Funds	49,899			49,899
Other Liabilities	93,611			93,611
Total Liabilities	162,296	-	-	162,296
Deferred Inflows of Resources				
Deferred Property Taxes	907,556	1,429,141		2,336,697
Fund Balances				
Restricted				
Road Construction	1,340,222			1,340,222
Public Safety	228,302			228,302
Economic Development	2,708,043			2,708,043
Debt Service		1,994,293		1,994,293
Employee Benefits	54,048			54,048
Special Service Areas	181,824			181,824
Total Fund Balances	4,512,439	1,994,293	-	6,506,732
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 5,582,291	3,423,434	-	9,005,725

CITY OF PARK RIDGE, ILLINOIS

Nonmajor Governmental Funds

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

Year Ended April 30, 2016

	Special Revenue	Debt Service	Capital Projects	Total Nonmajor Funds
Revenues				
Property Taxes	\$ 4,741,934	3,471,648		8,213,582
Other Taxes	561,346			561,346
Intergovernmental	958,705			958,705
Investment Income	992		919	1,911
Miscellaneous	9,821			9,821
Total Revenues	6,272,798	3,471,648	919	9,745,365
Expenditures				
Current				
General Government	274,324			274,324
Public Safety	1,650,479			1,650,479
Public Works	1,629,649		16,700	1,646,349
Development	746,510			746,510
Culture and Civic	456,404			456,404
Debt Service				
Principal		3,435,000		3,435,000
Interest and Fiscal Agent Fees		1,140,167		1,140,167
Total Expenditures	4,757,366	4,575,167	16,700	9,349,233
Excess (Deficiency) of Revenues over Expenditures	1,515,432	(1,103,519)	(15,781)	396,132
Other Financing Sources (Uses)				
Transfers In	1,184,525	1,482,625		2,667,150
Transfers Out	(200,000)		(369,666)	(569,666)
Total Other Financing Sources (Uses)	984,525	1,482,625	(369,666)	2,097,484
Net Change in Fund Balances	2,499,957	379,106	(385,447)	2,493,616
Fund Balance				
May 1	2,012,482	1,615,187	385,447	4,013,116
April 30	\$ 4,512,439	1,994,293	-	6,506,732

NONMAJOR SPECIAL REVENUE FUNDS

CITY OF PARK RIDGE, ILLINOIS

Nonmajor Special Revenue Funds

Combining Balance Sheet

April 30, 2016

	Motor Fuel Tax Fund	Illinois Municipal Retirement Fund	Uptown Tax Increment Financing (TIF) Fund	Emergency Telephone Fund
Assets				
Cash and Cash Equivalents	\$ 1,254,925	42,827	2,590,783	
Receivables				
Property Taxes, Net		914,794	13,554	
Intergovernmental	85,297	3,983		
Other Taxes				
Emergency Telephone Surcharges				132,378
Total Assets	\$ 1,340,222	961,604	2,604,337	132,378
Liabilities				
Accounts Payable			6,509	1,523
Due to Other Funds				49,899
Other Liabilities				
Total Liabilities	-	-	6,509	51,422
Deferred Inflows of Resources				
Deferred Property Taxes		907,556		
Fund Balances				
Restricted				
Road Construction	1,340,222			
Public Safety				80,956
Economic Development			2,597,828	
Employee Benefits		54,048		
Special Service Areas				
Total Fund Balances	1,340,222	54,048	2,597,828	80,956
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 1,340,222	961,604	2,604,337	132,378

Asset Forfeiture Fund	Dempster Tax Increment Financing Fund	Foreign Fire Insurance Tax Fund	Special Service Area Fund	Total Nonmajor Special Refund Funds
102,279	201,397	55,671	184,403	4,432,285
				928,348
				89,280
				132,378
102,279	201,397	55,671	184,403	5,582,291
10,604	150			18,786
	91,032		2,579	49,899
				93,611
10,604	91,182	-	2,579	162,296
				907,556
91,675		55,671		1,340,222
	110,215			228,302
				2,708,043
				54,048
			181,824	181,824
91,675	110,215	55,671	181,824	4,512,439
102,279	201,397	55,671	184,403	5,582,291

CITY OF PARK RIDGE, ILLINOIS

Nonmajor Special Revenue Funds

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

Year Ended April 30, 2016

	Motor Fuel Tax Fund	Illinois Municipal Retirement Fund	Uptown Tax Increment Financing (TIF) Fund	Emergency Telephone Fund
Revenues				
Property Taxes	\$	2,005,185	2,524,531	
Other Taxes				
Emergency Telephone Surcharge				473,963
Personal Property Replacement		24,463		
Foreign Fire Insurance				
Intergovernmental	958,705			
Investment Income	865		38	
Miscellaneous				
Total Revenues	<u>959,570</u>	<u>2,029,648</u>	<u>2,524,569</u>	<u>473,963</u>
Expenditures				
Current				
General Government		274,324		
Public Safety		209,974		1,345,136
Public Works	947,687	681,962		
Development		232,636	342,334	
Culture and Civic		456,404		
Total Expenditures	<u>947,687</u>	<u>1,855,300</u>	<u>342,334</u>	<u>1,345,136</u>
Excess (Deficiency) of Revenues over Expenditures	<u>11,883</u>	<u>174,348</u>	<u>2,182,235</u>	<u>(871,173)</u>
Other Financing Sources (Uses)				
Transfers In		231,586		952,939
Transfers Out			(200,000)	
Total Other Financing Sources (Uses)	<u>-</u>	<u>231,586</u>	<u>(200,000)</u>	<u>952,939</u>
Net Change in Fund Balances	11,883	405,934	1,982,235	81,766
Fund Balance				
May 1	<u>1,328,339</u>	<u>(351,886)</u>	<u>615,593</u>	<u>(810)</u>
April 30	<u>\$ 1,340,222</u>	<u>54,048</u>	<u>2,597,828</u>	<u>80,956</u>

Asset Forfeiture Fund	Dempster Tax Increment Financing Fund	Foreign Fire Insurance Tax Fund	Special Service Area Fund	Total Nonmajor Special Revenue Funds
	172,409		39,809	4,741,934
				473,963
				24,463
		62,920		62,920
				958,705
	2	87		992
9,821				9,821
9,821	172,411	63,007	39,809	6,272,798
				274,324
22,111		73,258		1,650,479
				1,629,649
	171,540			746,510
				456,404
22,111	171,540	73,258	-	4,757,366
(12,290)	871	(10,251)	39,809	1,515,432
				1,184,525
				(200,000)
-	-	-	-	984,525
(12,290)	871	(10,251)	39,809	2,499,957
103,965	109,344	65,922	142,015	2,012,482
91,675	110,215	55,671	181,824	4,512,439

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, 2016

	Original and Final Budget	Actual	Variance With Final Budget Over (Under)
Revenues			
Intergovernmental			
Allotment from State of Illinois	\$ 910,764	958,705	47,941
Investment Income		865	865
Total Revenues	<u>910,764</u>	<u>959,570</u>	<u>48,806</u>
Expenditures			
Public Works			
Street Repairs	1,000,000	947,687	(52,313)
Net Change in Fund Balance	<u>\$ (89,236)</u>	11,883	<u>101,119</u>
Fund Balance			
May 1		<u>1,328,339</u>	
April 30		<u>1,340,222</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, 2016

	Original and Final Budget	Actual	Variance With Final Budget Over (Under)
Revenues			
Property Taxes	\$ 1,702,490	2,005,185	302,695
Other Taxes			
Personal Property Replacement	25,000	24,463	(537)
Total Revenues	1,727,490	2,029,648	302,158
Expenditures			
Pension Payments			
General Government	288,326	274,324	(14,002)
Public Safety	220,692	209,974	(10,718)
Public Works	716,771	681,962	(34,809)
Development	244,511	232,636	(11,874)
Culture and Civic	479,700	456,404	(23,296)
Total Expenditures	1,950,000	1,855,300	(94,700)
Excess (Deficiency) of Revenues over Expenditures	(222,510)	174,348	396,858
Other Financing Sources			
Transfers In			
Water Fund	125,866	125,866	
Sewer Fund	76,791	76,791	
Parking Fund	28,929	28,929	
Total Other Financing Sources	231,586	231,586	-
Net Change in Fund Balance	<u>\$ 9,076</u>	405,934	<u>396,858</u>
Fund Balance			
May 1		<u>(351,886)</u>	
April 30		<u>54,048</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, 2016

	Original and Final Budget	Actual	Variance With Final Budget Over (Under)
Revenues			
Property Taxes	\$ 2,400,000	2,524,531	124,531
Investment Income		38	38
Total Revenues	<u>2,400,000</u>	<u>2,524,569</u>	<u>124,569</u>
Expenditures			
Current			
Development	<u>625,000</u>	<u>342,334</u>	<u>(282,666)</u>
Excess of Revenues over Expenditures	1,775,000	2,182,235	407,235
Other Financing Uses			
Transfers Out	<u>(200,000)</u>	<u>(200,000)</u>	
Net Change in Fund Balance	<u>\$ 1,575,000</u>	1,982,235	<u>407,235</u>
Fund Balance			
May 1		<u>615,593</u>	
April 30		<u><u>2,597,828</u></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, 2016

	Original Budget	Final Budget	Actual	Variance With Final Budget Over (Under)
Revenues				
Property Taxes	\$ 160,624	160,624	172,409	11,785
Investment Income			2	2
Total Revenues	160,624	160,624	172,411	11,787
Expenditures				
Current				
Development	162,624	163,637	171,540	7,903
Net Change in Fund Balance	\$ (2,000)	(3,013)	871	3,884
Fund Balance				
May 1			109,344	
April 30			110,215	

CITY OF PARK RIDGE, ILLINOIS

Emergency Telephone Fund

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

Year Ended April 30, 2016

	Original and Final Budget	Actual	Variance With Final Budget Over (Under)
Revenues			
Other Taxes			
Emergency Telephone Surcharge	\$ 460,000	473,963	13,963
Expenditures			
Public Safety			
Communications	1,412,939	1,345,136	(67,803)
Excess (Deficiency) of Revenues over Expenditures	(952,939)	(871,173)	81,766
Other Financing Sources			
Transfers In			
General Fund	972,939	952,939	(20,000)
Net Change in Fund Balance	<u>\$ 20,000</u>	81,766	<u>61,766</u>
Fund Balance			
May 1		<u>(810)</u>	
April 30		<u>80,956</u>	

NONMAJOR DEBT SERVICE FUNDS

CITY OF PARK RIDGE, ILLINOIS

Nonmajor Debt Service Funds

Combining Balance Sheet

April 30, 2016

	2006A General Obligation Bond Fund	2012A General Obligation Bond Fund	2012B General Obligation Bond Fund	2014A General Obligation Refunding Bond Fund
Assets				
Cash and Cash Equivalents	\$ 294,612		408,492	5,349
Receivables				
Property Taxes, Net	285,861		138,355	
Total Assets	<u>\$ 580,473</u>	-	<u>546,847</u>	<u>5,349</u>
Deferred Inflows of Resources				
Deferred Property Taxes	\$ 283,600		137,260	
Fund Balances				
Restricted for Debt Service	296,873		409,587	5,349
Total Fund Balances	<u>296,873</u>	-	<u>409,587</u>	<u>5,349</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 580,473</u>	-	<u>546,847</u>	<u>5,349</u>

2015A General Obligation Refunding Bond Fund	2015B General Obligation Refunding Bond Fund	Total Nonmajor Debt Service Funds
134,768	1,139,674	1,982,895
88,111	928,212	1,440,539
222,879	2,067,886	3,423,434
87,413	920,868	1,429,141
135,466	1,147,018	1,994,293
135,466	1,147,018	1,994,293
222,879	2,067,886	3,423,434

CITY OF PARK RIDGE, ILLINOIS

Nonmajor Debt Service Funds

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

Year Ended April 30, 2016

	2006A General Obligation Bond Fund	2012A General Obligation Bond Fund	2012B General Obligation Bond Fund	2014A General Obligation Refunding Bond Fund
Revenues				
Property Taxes	\$ 668,839		315,919	
Investment Income				
Total Revenues	668,839	-	315,919	-
Expenditures				
Debt Service				
Principal	100,000	305,000	255,000	595,000
Interest and Fiscal Agent Fees	515,000	150,550	29,040	232,075
Total Expenditures	615,000	455,550	284,040	827,075
Excess (Deficiency) of Revenues over Expenditures	53,839	(455,550)	31,879	(827,075)
Other Financing Sources				
Transfers In		455,550		827,075
Net Change in Fund Balances	53,839		31,879	
Fund Balance				
May 1	243,034		377,708	5,349
April 30	\$ 296,873	-	409,587	5,349

2015A General Obligation Refunding Bond Fund	2015B General Obligation Refunding Bond Fund	Total Nonmajor Debt Service Funds
331,845	2,155,045	3,471,648
<u>331,845</u>	<u>2,155,045</u>	<u>3,471,648</u>
220,000	1,960,000	3,435,000
137,478	76,024	1,140,167
<u>357,478</u>	<u>2,036,024</u>	<u>4,575,167</u>
(25,633)	119,021	(1,103,519)
	<u>200,000</u>	<u>1,482,625</u>
(25,633)	319,021	379,106
<u>161,099</u>	<u>827,997</u>	<u>1,615,187</u>
<u>135,466</u>	<u>1,147,018</u>	<u>1,994,293</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, 2016

	Original and Final Budget	Actual	Variance With Final Budget Over (Under)
Revenues			
Property Taxes	\$ 604,545	668,839	64,294
Expenditures			
Debt Service			
Principal	100,000	100,000	
Interest and Fiscal Agent Fees	515,000	515,000	
Total Expenditures	615,000	615,000	-
Net Change in Fund Balance	<u>\$ (10,455)</u>	53,839	<u>64,294</u>
Fund Balance			
May 1		<u>243,034</u>	
April 30		<u>296,873</u>	

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, 2016

	Original and Final Budget	Actual	Variance With Final Budget Over (Under)
Revenues	\$		
Expenditures			
Debt Service			
Principal	305,000	305,000	
Interest and Fiscal Agent Fees	150,550	150,550	
Total Expenditures	455,550	455,550	-
Excess (Deficiency) of Revenues over Expenditures	(455,550)	(455,550)	-
Other Financing Sources			
Transfers In			
Sewer Fund	455,550	455,550	
Net Change in Fund Balance	\$ -	-	-
Fund Balance			
May 1		_____	
April 30		_____	

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, 2016

	Original and Final Budget	Actual	Variance With Final Budget Over (Under)
Revenues			
Property Taxes	\$ 279,211	315,919	36,708
Expenditures			
Debt Service			
Principal	255,000	255,000	
Interest and Fiscal Agent Fees	29,040	29,040	
Total Expenditures	284,040	284,040	-
Net Change in Fund Balance	\$ (4,829)	31,879	36,708
Fund Balance			
May 1		377,708	
April 30		409,587	

CITY OF PARK RIDGE, ILLINOIS

2014A General Obligation Refunding Bond Fund

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

Year Ended April 30, 2016

	Original and Final Budget	Actual	Variance With Final Budget Over (Under)
Revenues	\$		
Expenditures			
Debt Service			
Principal	595,000	595,000	
Interest and Fiscal Agent Fees	232,075	232,075	
Total Expenditures	827,075	827,075	-
Excess (Deficiency) of Revenues over Expenditures	(827,075)	(827,075)	-
Other Financing Sources			
Transfers In	827,075	827,075	
Net Change in Fund Balance	\$ -	-	-
Fund Balance			
May 1		5,349	
April 30		5,349	

CITY OF PARK RIDGE, ILLINOIS

2015A General Obligation Refunding Bond Fund

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

Year Ended April 30, 2016

	Original Budget	Final Budget	Actual	Variance With Final Budget Over (Under)
Revenues				
Property Taxes	\$	402,158	331,845	(70,313)
Expenditures				
Debt Service				
Principal		220,000	220,000	
Interest and Fiscal Agent Fees		137,478	137,478	
Total Expenditures	-	357,478	357,478	-
Net Change in Fund Balance	\$ -	44,680	(25,633)	(70,313)
Fund Balance				
May 1			161,099	
April 30			135,466	

CITY OF PARK RIDGE, ILLINOIS

2015B General Obligation Refunding Bond Fund

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

Year Ended April 30, 2016

	Original Budget	Final Budget	Actual	Variance With Final Budget Over (Under)
Revenues				
Property Taxes	\$	1,934,282	2,155,045	220,763
Expenditures				
Debt Service				
Principal		1,960,000	1,960,000	
Interest and Fiscal Agent Fees		76,024	76,024	
Total Expenditures	-	2,036,024	2,036,024	-
Excess (Deficiency) of Revenues over Expenditures	-	(101,742)	119,021	220,763
Other Financing Sources				
Transfers In		200,000	200,000	
Net Change in Fund Balance	\$ -	98,258	319,021	220,763
Fund Balance				
May 1			827,997	
April 30			1,147,018	

NONMAJOR CAPITAL PROJECTS FUNDS

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, 2016

	Original Budget	Final Budget	Actual	Variance With Final Budget Over (Under)
Revenues				
Investment Income	\$		919	919
Expenditures				
Capital Outlay	300,000	300,000	16,700	(283,300)
Excess (Deficiency) of Revenues over Expenditures	(300,000)	(300,000)	(15,781)	284,219
Other Financing Uses				
Transfers Out		(369,666)	(369,666)	
Net Change in Fund Balance	\$ (300,000)	(669,666)	(385,447)	284,219
Fund Balance				
May 1			385,447	
April 30			-	

PROPRIETARY FUND TYPES

ENTERPRISE FUNDS

CITY OF PARK RIDGE, ILLINOIS

Water Fund

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

Year Ended April 30, 2016

	Original Budget	Final Budget	Actual	Variance With Final Budget Over (Under)
Operating Revenues				
Charges for Services				
Water Sales	\$ 10,264,512	10,264,512	9,566,231	(698,281)
Water Meters	15,000	15,000	58,494	43,494
Total Operating Revenues	10,279,512	10,279,512	9,624,725	(654,787)
Operating Expenses				
Administration				
Regular Salaries	542,608	552,789	532,641	(20,148)
Overtime	115,000	104,819	67,623	(37,196)
Employee Benefits				
Health Insurance	211,100	198,826	191,967	(6,859)
Life Insurance	1,900	1,900	1,900	
Dental	12,500	11,773	11,773	
Data Processing Services	25,000	25,000	21,606	(3,394)
Pension Expense			(21,662)	(21,662)
Postal Charges	35,000	37,000	35,727	(1,273)
Motor Equipment			200,000	200,000
Total Administration	943,108	932,107	1,041,575	109,468
Water Supply and Treatment				
Purchase of Water	5,900,000	5,900,000	5,451,912	(448,088)
Testing	10,000	8,800	5,715	(3,085)
Building Maintenance	1,000	1,000	682	(318)
Training	1,000	1,000	225	(775)
General Contractual Services	20,000	20,000	14,379	(5,621)
Materials	20,000	12,245	7,304	(4,941)
Natural Gas	5,000	5,000	2,311	(2,689)
Electricity	110,000	110,000	83,759	(26,241)
Total Water Supply and Treatment	6,067,000	6,058,045	5,566,287	(491,758)
Water Main Services				
Regular Salaries	27,000	21,393	21,393	
Employee Benefits				
Uniforms	7,000	7,700	7,240	(460)
Water Sprays	15,000	15,000	11,940	(3,060)
General Contractual Services	10,000	10,000	4,776	(5,224)
Materials	225,000	225,000	187,411	(37,589)
Watermain Construction	1,800,000	1,800,000	105,374	(1,694,626)
Total Water Main Services	2,084,000	2,079,093	338,134	(1,740,959)
Less Fixed Assets Capitalized			(105,374)	(105,374)
Total Water Main Services	2,084,000	2,079,093	232,760	(1,846,333)

CITY OF PARK RIDGE, ILLINOIS

Water Fund

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

Year Ended April 30, 2016

	Original Budget	Final Budget	Actual	Variance With Final Budget Over (Under)
Operating Expenses (Cont.)				
Water Meter Services				
General Contractual Services	20,000	15,000	1,491	(13,509)
Meters	80,000	96,862	91,540	(5,322)
Total Water Meter Services	<u>100,000</u>	<u>111,862</u>	<u>93,031</u>	<u>(18,831)</u>
Depreciation			812,416	812,416
Total Operating Expenses	<u>9,194,108</u>	<u>9,181,107</u>	<u>7,746,069</u>	<u>(1,435,038)</u>
Operating Income	<u>1,085,404</u>	<u>1,098,405</u>	<u>1,878,656</u>	<u>780,251</u>
Nonoperating Revenues				
Investment Income			2,418	2,418
Miscellaneous	28,000	15,000	38,977	23,977
Total Nonoperating Revenues	<u>28,000</u>	<u>15,000</u>	<u>41,395</u>	<u>26,395</u>
Income before Transfers Out	1,113,404	1,113,405	1,920,051	806,646
Transfers Out	<u>(1,999,002)</u>	<u>(1,999,002)</u>	<u>(1,799,003)</u>	<u>199,999</u>
Change in Net Position	<u>\$ (885,598)</u>	<u>(885,597)</u>	<u>121,048</u>	<u>1,006,645</u>
Net Position				
May 1, Beginning of Year, as Previously Reported			25,406,146	
Restatement for Adoption of GASB 68 (see Note 14)			<u>(95,540)</u>	
May 1, Beginning of Year, as Restated			<u>25,310,606</u>	
April 30			<u>25,431,654</u>	

CITY OF PARK RIDGE, ILLINOIS

Sewer Fund

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

Year Ended April 30, 2016

	Original Budget	Final Budget	Actual	Variance With Final Budget Over (Under)
Operating Revenues				
Charges for Services	\$ 2,083,239	2,083,239	1,804,962	(278,277)
Developers Fees	20,000	20,000	109,684	89,684
Total Operating Revenues	2,103,239	2,103,239	1,914,646	(188,593)
Operating Expenses				
Sewer Line and Drainage				
Regular Salaries	399,207	381,752	374,982	(6,770)
Overtime	20,000	36,455	36,455	
Employee Benefits				
Health Insurance	42,220	36,556	31,730	(4,826)
Life Insurance	380	380	380	
Dental	2,500	2,165	2,165	
Uniforms	1,000	1,700	1,338	(362)
Pension Expense			(18,304)	(18,304)
General Contractual Services	250,000	230,300	123,673	(106,627)
Sewer Clean and Televis	20,000	20,000	5,850	(14,150)
Materials	80,000	100,000	84,152	(15,848)
Electricity	40,000	40,000	18,245	(21,755)
Motor Equipment			50,000	50,000
Sewer Construction	350,000	350,000	993	(349,007)
Depreciation			354,251	354,251
Total Sewer Line and Drainage	1,205,307	1,199,308	1,065,910	(133,398)
Operating Income	897,932	903,931	848,736	(55,195)
Nonoperating Revenues				
Investment Income			1,648	1,648
Miscellaneous	6,000		5,189	5,189
Total Nonoperating Revenues	6,000	-	6,837	6,837
Income before Transfers and Contributions	903,932	903,931	855,573	(48,358)
Capital Contributions				
Transfers In		369,666	369,666	
Transfers Out	(774,148)	(774,148)	(724,148)	50,000
Net Transfers and Contributions	(774,148)	(404,482)	(354,482)	50,000
Change in Net Position	\$ 129,784	499,449	501,091	1,642
Net Position				
May 1			18,649,681	
Restatement for Adoption of GASB 68 (see Note 14)			(80,725)	
May 1, Beginning of Year, as Restated			18,568,956	
April 30			19,070,047	

CITY OF PARK RIDGE, ILLINOIS

Parking Fund

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

Year Ended April 30, 2016

	Original Budget	Final Budget	Actual	Variance With Final Budget Over (Under)
Operating Revenues				
Charges for Services	\$ 325,000	325,000	319,904	(5,096)
Operating Expenses				
Parking Service and Maintenance				
Regular Salaries	149,142	148,090	136,546	(11,544)
Overtime	2,000	2,000		(2,000)
Employee Benefits				
Health Insurance	42,220	39,671	38,448	(1,223)
Life Insurance	380	380	380	
Dental	2,500	2,349	2,349	
Pension Expense			(4,930)	(4,930)
Real Property Rental	36,000	30,544	20,764	(9,780)
General Contractual Services	56,000	60,456	54,990	(5,466)
Citation Fees	10,000	11,052	11,052	
Materials	10,000	9,750	7,133	(2,617)
Electricity	3,000	4,000	3,203	(797)
Service Charges		250	114	(136)
Total Operating Expenses	311,242	308,542	270,049	(38,493)
Operating Income	13,758	16,458	49,855	33,397
Nonoperating Revenues				
Investment Income			376	376
Miscellaneous	2,700			
Total Nonoperating Revenues	2,700	-	376	376
Income before Transfers	16,458	16,458	50,231	33,773
Transfers Out	(108,663)	(108,663)	(108,662)	1
Change in Net Position	\$ (92,205)	(92,205)	(58,431)	33,774
Net Position				
May 1			1,426,990	
Restatement for Adoption of GASB 68 (see Note 14)			(21,739)	
May 1, Beginning of Year, as Restated			1,405,251	
April 30			1,346,820	

INTERNAL SERVICE FUNDS

CITY OF PARK RIDGE, ILLINOIS

Internal Service Funds

Combining Statement of Net Position

April 30, 2016

	Technology Replacement Fund	Motor Equipment Replacement Fund	Employee Benefits Fund	Total
Assets				
Current Assets				
Cash and Cash Equivalents	\$ 685,763	3,056,383	160,846	3,902,992
Prepaid Expenses			335	335
Total Current Assets	685,763	3,056,383	161,181	3,903,327
Noncurrent Assets				
Capital Assets				
Cost	301,024	6,293,414		6,594,438
Accumulated Depreciation	(155,852)	(4,680,893)		(4,836,745)
Total Noncurrent Assets	145,172	1,612,521	-	1,757,693
Total Assets	830,935	4,668,904	161,181	5,661,020
Liabilities				
Current Liabilities				
Accounts Payable	18,187	73,105	335	91,627
Unearned Revenue			30,867	30,867
Other Liabilities			145,218	145,218
Total Current Liabilities	18,187	73,105	176,420	267,712
Net Position				
Net Investment in Capital Assets	145,172	1,612,521		1,757,693
Unrestricted	667,576	2,983,278	(15,239)	3,635,615
Total Net Position	\$ 812,748	4,595,799	(15,239)	5,393,308

CITY OF PARK RIDGE, ILLINOIS

Internal Service Funds

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

Year Ended April 30, 2016

	Technology Replacement Fund	Motor Equipment Replacement Fund	Employee Benefits Fund	Total
Operating Revenues				
Charges for Services	\$ 100,000	152,000		252,000
Contributions				
Employee			941,714	941,714
Employer			3,778,846	3,778,846
Total Operating Revenues	100,000	152,000	4,720,560	4,972,560
Operating Expenses				
Materials	128,239	41,069		169,308
Depreciation	36,161	315,388		351,549
Premiums			4,586,082	4,586,082
Other Expense			149,717	149,717
Total Operating Expenses	164,400	356,457	4,735,799	5,256,656
Operating Loss	(64,400)	(204,457)	(15,239)	(284,096)
Nonoperating Revenues				
Investment Income	201	1,611		1,812
Gain on Disposal of Capital Assets		7,693		7,693
Total Nonoperating Revenues	201	9,304	-	9,505
Change in Net Position	(64,199)	(195,153)	(15,239)	(274,591)
Net Position				
May 1	876,947	4,790,952		5,667,899
April 30	\$ 812,748	4,595,799	(15,239)	5,393,308

CITY OF PARK RIDGE, ILLINOIS

Internal Service Funds

Combining Statement of Cash Flows

Year Ended April 30, 2016

	Technology Service Fund	Motor Equipment Replacement Fund	Employee Benefits Fund	Total
Cash Flows from Operating Activities				
Receipts from Service Providers	\$ 100,000	152,000		252,000
Receipts from Employers/Employees			4,751,427	4,751,427
Payments to Suppliers for Charges for Services	(110,982)	(74,484)	(4,590,581)	(4,776,047)
	<u>(10,982)</u>	<u>77,516</u>	<u>160,846</u>	<u>227,380</u>
Cash Flows from Capital and Related Financing Activities				
Purchases of Capital Assets		(217,220)		(217,220)
Cash Flows from Investing Activities				
Interest Income	201	1,611		1,812
Net Increase (Decrease) in Cash and Cash Equivalents	(10,781)	(138,093)	160,846	11,972
Cash and Cash Equivalents				
May 1	696,544	3,194,476		3,891,020
April 30	<u>\$ 685,763</u>	<u>3,056,383</u>	<u>160,846</u>	<u>3,902,992</u>
Cash Flows from Operating Activities				
Operating Loss	\$ (64,400)	(204,457)	(15,239)	(284,096)
Adjustment to Reconcile Operating Loss to Net Cash Provided by (Used in) Operating Activities				
Depreciation	36,161	315,388		351,549
Change in Assets				
Prepaid Expenses			(335)	(335)
Change in Liabilities				
Deferred Revenue			30,867	30,867
Accounts Payable	17,257	(33,415)	335	(15,823)
Other Liabilities			145,218	145,218
			<u>145,218</u>	<u>145,218</u>
Net Cash Provided by (Used in) Operating Activities	\$ (10,982)	77,516	160,846	227,380

CITY OF PARK RIDGE, ILLINOIS

Technology Replacement Fund

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

Year Ended April 30, 2016

	Original Budget	Final Budget	Actual	Variance With Final Budget Over (Under)
Operating Revenues				
Charges for Services	\$ 100,000	100,000	100,000	
Operating Expenses				
Materials	628,900	708,900	128,239	(580,661)
Depreciation			36,161	36,161
Total Operating Expenses	628,900	708,900	164,400	(544,500)
Operating Loss	(528,900)	(608,900)	(64,400)	544,500
Nonoperating Revenues				
Investment Income			201	201
Change in Net Position	\$ (528,900)	(608,900)	(64,199)	544,701
Net Position				
May 1			876,947	
April 30			812,748	

CITY OF PARK RIDGE, ILLINOIS

Motor Equipment Replacement Fund

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

Year Ended April 30, 2016

	Original and Final Budget	Actual	Variance With Final Budget Over (Under)
Operating Revenues			
Charges for Services	\$ 152,000	152,000	
Operating Expenses			
Materials	802,000	41,069	(760,931)
Depreciation		315,388	315,388
Total Operating Expenses	802,000	356,457	(445,543)
Operating Loss	(650,000)	(204,457)	445,543
Nonoperating Revenues			
Investment Income	1,000	1,611	611
Gain on Disposal of Capital Assets		7,693	7,693
Total Nonoperating Revenues	1,000	9,304	8,304
Change in Net Position	<u>\$ (649,000)</u>	(195,153)	<u>453,847</u>
Net Position			
May 1		<u>4,790,952</u>	
April 30		<u>4,595,799</u>	

CITY OF PARK RIDGE, ILLINOIS

Employee Benefits Fund

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

Year Ended April 30, 2016

	Original Budget	Final Budget	Actual	Variance With Final Budget Over (Under)
Operating Revenues				
Contributions				
Employee	\$	852,700	941,714	89,014
Employer		3,811,740	3,778,846	(32,894)
Total Operating Revenues	-	4,664,440	4,720,560	56,120
Operating Expenses				
Premiums		4,658,940	4,586,082	(72,858)
Other Expense		5,500	149,717	144,217
Total Operating Expenses	-	4,664,440	4,735,799	71,359
Change in Net Position	\$ -	-	(15,239)	(15,239)
Net Position				
May 1			-	
April 30			(15,239)	

FIDUCIARY FUND TYPES

AGENCY FUND

CITY OF PARK RIDGE, ILLINOIS

Escrow Deposit Agency Fund

Statement of Changes in Assets and Liabilities

April 30, 2016

	Balance at May 1, 2015	Additions	Deletions	Balance at April 30, 2016
Assets				
Current Assets				
Cash and Cash Equivalents	\$ 423,242	597,821	591,587	429,476
Liabilities				
Current Liabilities				
Accounts Payable	\$ 3,964	160,380	161,988	2,356
Deposits	419,278	620,835	612,993	427,120
Total Liabilities	423,242	781,215	774,981	429,476

COMPONENT UNIT

CITY OF PARK RIDGE, ILLINOIS

Component Unit - Park Ridge Public Library

Statement of Net Position and Governmental Funds Balance Sheet

April 30, 2016

	Balance Sheet			Statement of
	Library Fund	Library Technology Fund	Adjustments	Total Component Unit
Assets				
Cash and Cash Equivalents	\$ 3,931,416	305,753		4,237,169
Investments	147,737			147,737
Receivables				
Taxes	2,311,508			2,311,508
Prepaid Items	33,286			33,286
Capital Assets Not Being Depreciated			1,041,783	1,041,783
Capital Assets, Net of Accumulated Depreciation			862,108	862,108
Total Assets	6,423,947	305,753	1,903,891	8,633,591
Deferred Outflows of Resources				
Deferred Outflows of Resources - Pension			992,872	992,872
Liabilities				
Accounts Payable	163,965	3,558		167,523
Other Accrued Liabilities	13,888			13,888
Noncurrent Liabilities				
Due Within One Year			38,020	38,020
Due in More Than One Year			1,228,944	1,228,944
Total Liabilities	177,853	3,558	1,266,964	1,448,375
Deferred Inflows of Resources				
Deferred Inflows of Resources - Pension			206,553	206,553
Unavailable Property Taxes	2,269,607		(2,269,607)	
Fund Balances/Net Position				
Fund Balance				
Nonspendable - Prepaid Items	33,286		(33,286)	
Assigned for Library Technology		302,195	(302,195)	
Unassigned	3,943,201		(3,943,201)	
Total Fund Balances/Net Position	3,976,487	302,195	(4,278,682)	-
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 6,423,947	305,753		
Net Position				
Net Investment in Capital Assets			1,903,891	1,903,891
Unrestricted			6,067,644	6,067,644
Total Net Position			7,971,535	7,971,535

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, 2016

	Schedule of Revenues, Expenditures and Changes in Fund Balances			Statement of Activities
	Library		Adjustments	Total
	Library Fund	Technology Fund		Component Unit
Revenues				
Property Taxes	\$ 5,360,515		(528,700)	4,831,815
Other Taxes	66,182			66,182
Intergovernmental	46,850			46,850
Charges for Services	72,840	75,000	(75,000)	72,840
Investment Income	3,164	201		3,365
Miscellaneous	44,225			44,225
Total Revenues	5,593,776	75,201	(603,700)	5,065,277
Expenditures/Expenses				
Current				
Culture and Civic	4,188,013	50,029	(328,006)	3,910,036
Depreciation			30,994	30,994
Total Expenditures/Expenses	4,188,013	50,029	(297,012)	3,941,030
Excess (Deficiency) of Revenues over Expenditures/Changes in Net Position	1,405,763	25,172	(306,688)	1,124,247
Fund Balances/Net Position				
May 1, as Originally Stated	2,570,724	277,023	4,340,162	7,187,909
Restatement for Adoption of GASB 68 (see Note 14)			(340,621)	(340,621)
May 1, as Restated	2,570,724	277,023	3,999,541	6,847,288
April 30	\$ 3,976,487	302,195	3,692,853	7,971,535

CITY OF PARK RIDGE, ILLINOIS

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

Year Ended April 30, 2016

	Original Budget	Final Budget	Actual	Variance With Final Budget Over (Under)
Revenues				
Property Taxes	4,744,680	4,744,680	5,360,515	615,835
Other Taxes				
Personal Property Replacement			66,182	66,182
Intergovernmental	42,000	42,000	46,850	4,850
Charges for Services	100,000	100,000	72,840	(27,160)
Investment Income			3,164	3,164
Miscellaneous	60,000		44,225	44,225
Total Revenues	4,946,680	4,886,680	5,593,776	707,096
Expenditures				
Current				
Culture and Civic	4,886,657	4,824,657	4,188,013	(636,644)
Excess of Revenues over Expenditures	60,023	62,023	1,405,763	1,343,740
Other Financing Uses				
Transfers Out		(2,000)		2,000
Net Change in Fund Balance	60,023	60,023	1,405,763	1,345,740
Fund Balance				
May 1			2,570,724	
April 30			3,976,487	

**STATISTICAL SECTION
(UNAUDITED)**

CITY OF PARK RIDGE, ILLINOIS

Net Position by Component

Last Ten Fiscal Years

Fiscal Year	2007	2008	2009	2010
Governmental Activities				
Net Investment in Capital Assets	\$ 26,094,190	40,592,487	33,052,796	35,467,201
Restricted				
Road Construction				
Public Safety				
Economic Development				
Grant Purposes	468,032	275,000	275,000	275,000
Debt Service	2,320,938	2,229,942	2,015,318	47,693
Employee Benefits				
Capital Projects	1,181,871	2,602,423	1,956,800	727,702
Municipal Waste Management				
Special Service Areas				
Enabling Legislation	4,153,074	316,456	228,722	242,452
Unrestricted	27,752,517	14,127,990	16,920,850	13,063,311
Total Governmental Activities	\$ 61,970,622	60,144,298	54,449,486	49,823,359
Business-type Activities				
Invested in Capital Assets, Net of Related Debt	\$ 23,908,103	23,676,745	23,650,123	23,927,570
Restricted				
Parking Lot Improvements				
Debt Service				
Unrestricted	6,516,995	6,173,999	5,320,400	4,513,983
Total Business-type Activities	\$ 30,425,098	29,850,744	28,970,523	28,441,553
Primary Government				
Net Investment in Capital Assets	\$ 50,002,293	64,269,232	56,702,919	59,394,771
Restricted				
Road Construction				
Public Safety				
Economic Development				
Grant Purpose	468,032	275,000	275,000	275,000
Debt Service	2,320,938	2,229,942	2,015,318	47,693
Employee Benefits				
Capital Projects		2,602,423	1,956,800	727,702
Municipal Waste Management				
Social Service Areas				
Parking Lot Improvements				
Enabling Legislation		316,456	228,722	242,452
Unrestricted	34,269,512	20,301,989	22,241,250	17,577,294
Total Primary Government	\$ 87,060,775	89,995,042	83,420,009	78,264,912

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

2011	2012	2013	2014	2015	2016
36,096,982	18,123,295	20,306,211	27,588,932	28,660,777	30,976,721
		1,050,993	1,100,717	1,328,339	1,340,222
		125,973	181,113	169,077	228,302
		528,638	1,758,168	494,791	2,708,043
275,000					
3,842	133,159	402,774	1,611,051	3,485,737	3,423,434
			560,881	637,058	961,604
419,372	414,384	3,704,925			
			1,897,889	2,018,790	2,142,412
			277,229	160,766	181,824
630,046	760,752				
13,699,017	16,161,975	10,748,590	5,664,990	11,449,540	(27,046,081)
51,124,259	35,593,565	36,868,104	40,640,970	48,404,875	14,916,481
23,794,107	33,198,707	35,019,617	37,235,922	38,782,484	38,090,857
		182,471	97,953		
					369,666
5,539,465	6,301,746	7,096,779	7,117,031	6,700,333	7,387,998
29,333,572	39,500,453	42,298,867	44,450,906	45,482,817	45,848,521
59,891,089	51,322,002	55,325,828	64,824,854	67,443,261	69,068,869
			1,100,717	1,328,339	1,340,222
			181,113	169,077	228,302
			1,650,536	494,791	2,708,043
275,000					
3,842	133,159	402,774	1,611,051	3,485,737	3,793,100
			560,881	637,058	961,604
419,372	414,384	3,704,925			
			1,897,889	2,018,790	2,142,412
			277,229	160,766	181,824
		182,471	97,953		
630,046	760,752				
19,238,482	22,463,721	19,550,973	12,782,021	18,149,873	(19,658,083)
80,457,831	75,094,018	79,166,971	84,984,244	93,887,692	60,766,293

CITY OF PARK RIDGE, ILLINOIS

Changes in Net Position

Last Ten Fiscal Years

Fiscal Year	2007	2008	2009	2010	2011
Expenses					
Governmental Activities					
General Government	\$ 4,123,883	4,078,601	4,088,879	4,107,880	5,096,228
Public Safety	15,242,327	15,546,186	16,682,893	18,055,715	18,173,197
Public Works	14,604,233	12,820,471	15,489,133	12,465,191	11,497,272
Development	5,046,338	3,590,080	3,834,333	2,745,862	1,935,701
Culture and Civic	4,903,540	4,988,281	4,981,785	5,378,577	4,794,139
Interest	2,208,474	2,265,103	2,128,155	2,029,359	1,950,696
Total Governmental Activities Expenses	46,128,795	43,288,722	47,205,178	44,782,584	43,447,233
Business-type Activities					
Water	5,335,171	5,425,499	5,049,979	5,328,535	5,448,184
Parking	308,844	430,030	455,988	383,793	365,928
Sewer				733,804	882,017
Total Business-type Activities Expenses	5,644,015	5,855,529	5,505,967	6,446,132	6,696,129
Total Primary Government Expenses	\$ 51,772,810	49,144,251	52,711,145	51,228,716	50,143,362
Program Revenues					
Governmental Activities					
Charges for Services					
General Government	\$ 1,025,765	3,630,949	3,369,510	3,061,263	3,180,770
Public Safety	4,465,613	775,097	805,618	1,009,633	959,074
Public Works	337,823	251,660	499,371	171,047	174,442
Development	266,698	16,314	18,790	10,436	13,048
Culture and Civic	64,928	70,785	71,195	70,223	91,328
Operating Grants	1,242,106	1,341,646	1,502,522	1,513,862	2,098,882
Capital Grants					
Total Governmental Activities Program Revenues	7,402,933	6,086,451	6,267,006	5,836,464	6,517,544
Business-type Activities					
Charges for Services					
Water	5,873,392	6,161,215	6,069,670	6,342,875	7,154,555
Parking	458,991	350,063	276,014	442,053	443,577
Sewer				898,595	1,892,850
Operating Grants					
Capital Grants					
Total Business-type Activities Program Revenues	6,332,383	6,511,278	6,345,684	7,683,523	9,490,982
Total Primary Government Program Revenues	\$ 13,735,316	12,597,729	12,612,690	13,519,987	16,008,526
Net (Expense) Revenue					
Governmental Activities	\$ (38,725,862)	(37,202,271)	(40,938,172)	(38,946,120)	(36,929,689)
Business-type Activities	688,368	655,749	839,717	1,237,391	2,794,853
Total Primary Government Net Expense	\$ (38,037,494)	(36,546,522)	(40,098,455)	(37,708,729)	(34,134,836)

Data Source

Audited Financial Statements
Includes all available information.

2012	2013	2014	2015	2016
7,723,691	7,795,312	8,821,749	8,552,790	8,437,112
18,701,581	16,250,222	16,440,669	16,291,480	19,352,987
11,010,908	12,238,216	12,132,154	11,587,047	9,523,826
2,390,904	1,861,573	1,714,019	1,652,471	1,789,000
600,670	541,147	493,029	288,781	464,436
1,939,886	1,968,630	1,902,633	1,215,170	1,249,574
42,367,640	40,655,100	41,504,253	39,587,739	40,816,935
5,356,414	6,257,130	6,795,818	7,333,827	7,746,069
358,681	324,477	338,168	305,156	270,049
872,359	665,530	1,096,579	928,570	1,065,910
6,587,454	7,247,137	8,230,565	8,567,553	9,082,028
48,955,094	47,902,238	49,734,819	48,155,292	49,898,963
2,297,491	3,197,319	3,508,210	3,752,651	3,494,625
1,667,647	1,675,033	1,837,073	1,781,357	1,856,958
56,585	66,335	38,205	48,440	40,637
1,486,437	1,156,603	1,157,649	1,423,023	1,088,399
		572,373		
5,508,160	6,095,290	7,113,510	7,005,471	6,480,619
6,836,662	8,295,660	8,885,071	8,715,489	9,624,725
353,144	306,313	271,954	296,474	319,904
1,518,174	1,961,187	1,898,462	1,942,239	1,914,646
920,696	1,863,522	4,804	(4,804)	
		2,477,714	1,226,896	
9,628,676	12,426,682	13,538,005	12,176,294	11,859,275
15,136,836	18,521,972	20,651,515	19,181,765	18,339,894
(36,859,480)	(34,559,810)	(34,390,743)	(32,582,268)	(34,336,316)
3,041,222	5,179,545	5,307,440	3,608,741	2,777,247
(33,818,258)	(29,380,265)	(29,083,303)	(28,973,527)	(31,559,069)

(Cont.)

CITY OF PARK RIDGE, ILLINOIS

Changes in Net Position

Last Ten Fiscal Years

Fiscal Year	2007	2008	2009	2010	2011
General Revenues and Other Changes in Net Position					
Governmental Activities					
Taxes					
Property	\$ 14,467,133	16,106,676	17,386,365	18,028,634	19,913,292
Replacement		520,531	450,605	367,466	461,998
Utility	2,520,176	2,742,021	2,824,370	3,008,242	2,582,300
Telecommunications	1,701,899	1,871,134	1,903,751	1,890,388	1,729,231
Property Transfer		489,328	464,351	439,218	372,743
Emergency Telephone		457,778	582,513	514,296	460,138
Parking Garage		422,769	388,820	394,136	601,553
Other Taxes	6,905,472	2,372,780	2,475,457	2,469,256	2,833,298
Intergovernmental					
Income	3,258,110	3,559,023	3,326,676	2,393,258	2,828,519
Sales	5,684,122	3,754,466	3,179,232	3,149,028	3,751,560
Other Intergovernmental					
Unrestricted Investment Earnings	1,644,085	913,047	210,500	26,478	19,178
Miscellaneous		309,539	181,967	54,641	125,466
Proceeds from Sale of Capital Assets					
Transfers	1,786,836	1,856,855	1,868,754	1,584,952	1,945,254
Total Governmental Activities	37,967,833	35,375,947	35,243,361	34,319,993	37,624,530
Business-type Activities					
Other					
Investment Earnings	251,824	230,067	81,157	(230,151)	7,433
Miscellaneous	46,031	7,350	67,659	14,875	34,987
Transfers	(1,786,836)	(1,856,855)	(1,868,754)	33,867	(1,945,254)
Total Business-type Activities	(1,488,981)	(1,619,438)	(1,719,938)	(1,766,361)	(1,902,834)
Total Primary Government	\$ 36,478,852	33,756,509	33,523,423	32,553,632	35,721,696
Change in Net Position					
Governmental Activities	\$ 765,562	(5,562,225)	(5,694,811)	(4,626,127)	694,841
Business-type Activities	(833,232)	(779,721)	(1,719,938)	(528,970)	892,019
Total Primary Government Change in Net Position	\$ (67,670)	(6,341,946)	(7,414,749)	(5,155,097)	1,586,860

Data Source

Audited Financial Statements
Includes all available information.

2012	2013	2014	2015	2016
15,267,374	15,731,260	16,413,089	18,908,351	19,822,347
374,012	414,554	426,532	444,419	351,268
2,225,422	2,300,363	2,519,014	2,415,595	2,177,482
1,880,103	1,704,788	1,579,711	1,402,655	797,613
443,754	464,687	721,403	676,625	916,523
454,887	574,815	441,821	529,803	473,963
603,847	600,000	600,000	600,000	600,000
3,700,039	3,050,731	1,107,407	1,318,155	1,437,178
3,175,532	3,546,262	3,790,281	3,564,951	4,399,922
4,059,099	4,075,784	5,783,921	6,149,374	6,275,786
		463,878	451,382	465,447
7,587	19,015	7,284	7,017	21,334
1,269,947	1,130,296	1,330,141	1,258,004	445,925
				1,729,085
1,948,766	2,569,415	2,871,495	2,619,842	2,262,147
35,410,369	36,181,970	38,055,977	40,346,173	42,176,020
		(847,845)		
9,466	7,829	3,640	3,528	4,442
102,253	39,801	42,387	39,484	44,166
(1,948,766)	(2,569,415)	(2,871,495)	(2,619,842)	(2,262,147)
(1,837,047)	(2,521,785)	(3,673,313)	(2,576,830)	(2,213,539)
33,573,322	33,660,185	34,382,664	37,769,343	39,962,481
(1,449,111)	1,622,160	3,665,234	7,763,905	7,839,704
1,204,175	2,657,760	1,634,127	1,031,911	563,708
(244,936)	4,279,920	5,299,361	8,795,816	8,403,412

CITY OF PARK RIDGE, ILLINOIS

Fund Balances of Governmental Funds

Last Ten Fiscal Years

Fiscal Year	2007	2008	2009	2010	2011
General Fund					
Reserved	\$ 587,594	333,537	4,820,179	5,058,348	5,485,803
Unreserved	14,876,244	13,413,534	6,558,168	2,609,181	2,823,093
Nonspendable					
Unassigned					
Total General Fund	15,463,838	13,747,071	11,378,347	7,667,529	8,308,896
All Other Governmental Funds					
Reserved	2,391,880	2,453,531	4,324,157	1,560,769	1,256,309
Unreserved, Reported in					
Special Revenue Funds	(397,061)	(1,412,712)	(3,272,068)	(5,720,564)	(5,017,996)
Debt Service Funds		(438,615)	(435,047)	(285,055)	(3,568)
Capital Projects Funds	10,271,300	6,172,061			
Nonspendable					
Restricted for					
Road Construction					
Public Safety					
Economic Development					
Debt Service					
Capital Projects					
Municipal Waste					
Other					
Unassigned					
Total All Other Governmental Funds	12,266,119	6,774,265	617,042	(4,444,850)	(3,765,255)
Total Governmental Funds	\$ 27,729,957	20,521,336	11,995,389	3,222,679	4,543,641

Data Source

Audited Financial Statements

2012	2013	2014	2015	2016
5,429,798	278,835	246,253	323,680	249,333
4,708,038	6,835,033	6,578,652	10,094,683	16,361,475
10,137,836	7,113,868	6,824,905	10,418,363	16,610,808
29,495	4,279	62,130	58,541	44,732
647,393	1,050,993	1,100,717	1,328,339	1,340,222
113,359	125,973	181,113	169,077	228,302
530,492	528,638	1,650,536	494,791	2,708,043
133,159	402,774	961,551	1,615,187	1,994,293
5,492,742	3,704,925			
	83,872	206,899		420,671
	138,837	259,881	142,015	235,872
(5,667,673)	(457,272)	(230,756)	151,879	
1,278,967	5,583,019	4,192,071	3,959,829	6,972,135
11,416,803	12,696,887	11,016,976	14,378,192	23,582,943

CITY OF PARK RIDGE, ILLINOIS

Changes in Fund Balances of Governmental Funds

Last Ten Fiscal Years

Fiscal Year	2007	2008	2009	2010	2011
Revenues					
Property Taxes	\$ 14,705,990	15,274,233	17,139,702	18,176,917	18,733,669
Other Taxes	15,379,951	16,189,830	15,595,775	14,625,290	15,621,340
Licenses and Permits	4,164,109	2,925,371	2,712,700	2,495,432	2,715,714
Intergovernmental	1,242,106	1,337,116	1,502,522	1,513,862	2,098,882
Charges for Services	1,679,859	1,658,369	1,939,857	488,799	1,500,293
Fines and Forfeitures	434,039	332,367	337,499	1,562,486	367,859
Investment Income	1,405,997	917,577	210,500	26,478	19,178
Miscellaneous	125,956	309,539	181,967	54,641	125,466
Total Revenues	39,138,007	38,944,402	39,620,522	38,943,905	41,182,401
Expenditures					
Current					
General Government	3,809,780	4,157,170	4,031,893	4,325,678	4,134,388
Public Safety	14,506,356	15,451,231	16,337,357	17,534,169	17,371,716
Public Works	14,255,186	15,625,153	15,994,737	11,826,891	10,815,873
Development	5,037,294	3,590,080	3,591,522	2,745,862	1,913,925
Culture and Civic	4,874,296	5,026,920	4,963,167	5,234,822	4,629,385
Miscellaneous					
Capital Outlay	4,002,843		242,811		
Debt Service					
Principal	4,760,000	1,855,000	2,685,000	2,905,000	1,380,000
Interest	1,849,434	2,294,312	2,168,113	2,072,213	1,969,364
Total Expenditures	53,095,189	47,999,866	50,014,600	46,644,635	42,214,651
Excess (Deficiency) of Revenues over Expenditures	(13,957,182)	(9,055,464)	(10,394,078)	(7,700,730)	(1,032,250)
Other Financing Sources (Uses)					
Transfers In	9,172,390	3,491,870	4,800,660	4,248,350	5,593,660
Transfers Out	(7,385,553)	(1,635,015)	(2,931,906)	(2,663,398)	(3,648,406)
Bonds Issued	20,585,000				
Bond Premium					
Payment to Bond Escrow Agent					
Sale of Capital Assets	6,129,089				
Total Other Financing Sources (Uses)	28,500,926	1,856,855	1,868,754	1,584,952	1,945,254
Net Change in Fund Balance	\$ 14,543,744	(7,198,609)	(8,525,324)	(6,115,778)	913,004

Note:

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

Data Source

2012	2013	2014	2015	2016
15,793,475	15,476,842	15,498,819	16,964,039	21,331,637
8,628,834	8,709,681	8,816,045	9,772,401	9,783,946
2,803,147	3,127,080	3,421,693	3,756,561	3,547,151
8,934,123	9,483,609	8,464,262	9,270,689	9,822,827
1,700,035	594,887	1,451,154	1,506,394	1,586,758
561,700	1,525,213	707,126	687,622	713,292
9,966	19,020	7,306	7,017	21,334
747,851	783,555	1,077,255	927,819	76,430
39,179,131	39,719,887	39,443,660	42,892,542	46,883,375
7,566,936	7,310,957	8,018,592	7,853,932	7,423,471
18,489,915	15,803,702	16,649,220	16,313,366	17,394,546
10,292,021	11,478,117	12,671,264	11,816,700	9,993,588
2,390,904	1,861,573	1,714,019	1,652,471	1,818,648
600,670	541,147	553,730	484,090	464,436
1,580,000	1,985,000	1,855,000	2,605,000	3,435,000
1,920,945	2,028,721	1,995,552	1,812,614	1,140,167
42,841,391	41,009,218	43,457,377	42,538,173	41,669,856
(3,662,260)	(1,289,331)	(4,013,717)	354,369	5,213,519
6,193,586	12,842,672	7,624,968	6,460,921	3,784,752
(4,244,820)	(10,273,257)	(5,183,530)	(3,841,079)	(1,522,605)
7,545,000			22,230,000	
370,043			801,800	
			(22,752,427)	
				1,729,085
9,863,809	2,569,415	2,441,438	2,899,215	3,991,232
6,201,549	1,280,084	(1,572,279)	3,253,584	9,204,751

CITY OF PARK RIDGE, ILLINOIS

Changes in Fund Balances of Governmental Funds

Last Ten Fiscal Years

Fiscal Year	2007	2008	2009	2010	2011
Debt Service as a Percent of Noncapital Expenditures					
Total Expenditures	\$ 53,095,189	47,999,866	50,014,600	46,644,635	42,214,651
Less Capital Outlays		(3,547,798)	(1,333,964)		
Net Noncapital Expenditures	\$ 53,095,189	44,452,068	48,680,636	46,644,635	42,214,651
Debt Service					
Cost of Issuance					
Principal	\$ 4,760,000	1,855,000	2,685,000	2,905,000	1,380,000
Interest	1,849,435	2,294,312	2,168,113	2,072,213	1,969,364
	\$ 6,609,435	4,149,312	4,853,113	4,977,213	3,349,364
Debt Service as a Percentage of Noncapital Expenditures	12.45%	9.33%	9.97%	10.67%	7.93%

Note:

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

Data Source

2012	2013	2014	2015	2016
42,841,391	41,009,218	43,565,009	42,538,173	41,669,856
(114,879)	(463,165)	(2,725,154)	(2,639,574)	1,338,802
42,726,512	40,546,053	40,839,855	39,898,599	43,008,658
1,580,000	1,985,000	1,855,000	256,216 2,605,000	3,435,000
1,920,945	2,028,721	1,995,552	1,812,614	1,140,167
3,500,945	4,013,721	3,850,552	4,673,830	4,575,167
8.19%	9.90%	9.43%	11.71%	10.64%

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		
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
2014	1,150,054,131	173,848,283	662,237	1,324,564,651	1,083,917
2015*	1,117,312,297	169,577,486	655,193	1,287,544,976	1,300,198

Note:

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

Data Source

Office of the Cook County Clerk

Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Ratio of Estimated Actual Taxable Value
1,528,372,764	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%
1,325,648,568	1.273	3,976,985,474	33.333%
1,288,845,174		3,866,574,188	33.333%

CITY OF PARK RIDGE, ILLINOIS

Property Tax Rates - All Direct and Overlapping Governments

Last Ten Fiscal Years

	2006 - 2007	2007 - 2008	2008 - 2009	2009 - 2010	2010 - 2011
Direct Rates					
General Corporate	0.155	0.117	0.088	0.162	0.176
Debt Service (Bond and Interest)	0.108	0.091	0.083	0.000	0.000
Garbage	0.202	0.176	0.163	0.174	0.195
Police Pension	0.059	0.053	0.071	0.078	0.098
Fire Pension	0.013	0.039	0.057	0.071	0.094
Illinois Municipal Retirement	0.053	0.045	0.042	0.051	0.046
Social Security	0.051	0.043	0.042	0.041	0.047
Total Direct Rate as Rounded by Cook County	0.641	0.564	0.546	0.577	0.656
OVERLAPPING					
Park Ridge Public Library	0.274	0.230	0.214	0.203	0.213
High School District 207	1.826	1.602	1.577	1.617	1.782
Elementary School District 64	3.016	2.850	2.685	2.686	2.951
Cook County	0.397	0.446	0.415	0.394	0.423
Consolidated Elections	0.000	0.012	0.000	0.021	0.000
Cook County Health Facilities	0.103	0.000	0.000	0.000	0.000
Cook County Forest Preserve	0.057	0.053	0.051	0.049	0.051
Suburban T.B. Sanitarium	0.005	0.000	0.000	0.000	0.000
Water Reclamation District	0.284	0.263	0.252	0.261	0.274
Mosquito Abatement District	0.009	0.008	0.008	0.008	0.009
Maine Township*	0.073	0.065	0.064	0.067	0.075
Road and Bridge/Maine	0.038	0.034	0.033	0.034	0.038
General Assistance/Maine	0.016	0.015	0.015	0.016	0.018
Community College District 535	0.166	0.141	0.140	0.140	0.160
Recreation and Park District	0.337	0.286	0.278	0.279	0.307
Total Overlapping Rates	6.601	6.005	5.732	5.775	6.301
Total Tax Bill	7.242	6.569	6.278	6.352	6.957

Notes:

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

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

Data Source

Office of the County Clerk

2011 - 2012	2012- 2013	2013- 2014	2014- 2015	2015- 2016
0.254	0.283	0.311	0.352	0.352
0.016	0.017	0.104	0.247	0.239
0.208	0.222	0.270	0.267	0.280
0.097	0.103	0.129	0.144	0.155
0.095	0.101	0.124	0.132	0.142
0.044	0.074	0.060	0.064	0.075
0.040	0.052	0.066	0.066	0.077
0.752	0.851	1.064	1.273	1.323
0.233	0.239	0.290	0.365	0.379
1.995	2.215	2.722	2.739	2.901
3.285	3.659	4.572	4.610	4.788
0.462	0.531	0.560	0.568	0.552
0.025	0.000	0.031	0.000	0.034
0.000	0.000	0.000	0.000	0.000
0.058	0.063	0.069	0.069	0.069
0.000	0.000	0.000	0.000	0.000
0.320	0.370	0.417	0.430	0.426
0.010	0.011	0.013	0.013	0.011
0.085	0.096	0.120	0.119	0.124
0.043	0.049	0.061	0.062	0.065
0.021	0.023	0.029	0.029	0.031
0.196	0.219	0.256	0.258	0.271
0.344	0.391	0.554	0.559	0.584
7.077	7.866	9.694	9.821	10.235
7.829	8.717	10.758	11.094	11.558

CITY OF PARK RIDGE, ILLINOIS

Ten Principal Taxpayers

Current Year and Nine Years Ago

Taxpayer	Type of Business	2015 Assessed Valuation*	Percent of City's Total EAV
Park Ridge Bldg LLC	Office Building	\$ 7,769,778	0.60%
Advocate Health Care	Office Building, Parkside Center, Insurance	6,606,339	0.51%
Sunrise Assisted Living	Assisted Living Complex	5,691,281	0.44%
Crystal Landings	Commercial building over three stories	5,530,178	0.43%
Imperial Sales	Three story building	5,200,232	0.40%
Uptown Station LLC	Special commercial improvements	5,052,880	0.39%
Loja Midwest Portf 1	Supermarket	4,954,871	0.38%
Tri Land Properties	Shopping Center	4,522,422	0.35%
New Albertsons LLC	Supermarket	4,424,514	0.34%
1300 Higgins Co GNP	Office building	4,283,962	0.33%
		<u>\$ 54,036,457</u>	<u>4.17%</u>

Data Source

Cook County Clerk and Maine township Assessor's Office

Taxpayer	Type of Business	2006 Assessed Valuation	Percent of City's Total EAV
Protection Mutual Insurance	Mutual Insurance Company	\$ 15,453,574	1.10%
Renaissance Northwest Hwy	Office Building	9,191,197	0.65%
Kennedy Wilson Property	Office Center	9,116,873	0.65%
CPTS 106	Office Center	7,083,167	0.50%
Imperial Realty	Office Building	5,434,214	0.39%
Dempster Development	Car Dealership	5,336,791	0.38%
Tri Land Properties	Office Center	5,248,792	0.37%
Advocate Health Care	Office Building, Parkside Center, Insurance	5,235,365	0.37%
Fred Gillick Co	Real Estate	5,169,577	0.37%
Sunrise Assisted Living	Assisted Living Complex	<u>5,061,135</u>	<u>0.36%</u>
		<u>\$ 72,330,685</u>	<u>5.14%</u>

CITY OF PARK RIDGE, ILLINOIS

Property Tax Levies and Collections

Last Ten Fiscal Years

Fiscal Year Ended April 30	Tax Levy Year	Total Tax Levy for Fiscal Year	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
			Amount	Percent of Levy		Amount	Percent of Levy
2007	2006	\$ 13,977,900	6,295,678	45.04%	7,411,714	13,707,392	98.06%
2008	2007	14,683,000	6,540,883	44.55%	7,916,472	14,457,355	98.46%
2009	2008	15,162,800	6,726,447	44.36%	8,047,333	14,773,780	97.43%
2010	2009	15,652,500	7,646,334	48.85%	7,735,689	15,382,023	98.27%
2011	2010	16,435,200	7,797,203	47.44%	8,329,652	16,126,855	98.12%
2012	2011	17,005,542	8,538,806	50.21%	8,331,115	16,869,921	99.20%
2013	2012	17,370,371	8,997,990	51.80%	8,219,191	17,217,181	99.12%
2014	2013	17,753,360	9,089,761	51.20%	8,517,146	17,606,907	99.18%
2015	2014	21,697,290	8,999,666	41.48%	12,585,294	21,584,960	99.48%
2016	2015	21,930,994	11,196,967	51.06%		11,196,967	51.06%

Data Source:

Cook County Treasurer

CITY OF PARK RIDGE, ILLINOIS

Direct and Overlapping Sales Tax Rates

Last Ten Levy Years

Fiscal Year	RTA Rate	City Direct Rate	Cook County Rate	State Rate	Total
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%
2015	1.00%	1.00%	0.75%	6.25%	9.00%
2016	1.00%	1.00%	1.75%	6.25%	10.00%

Data Source

Illinois Tax Rate Finder

CITY OF PARK RIDGE, ILLINOIS

Schedule of Legal Debt Margin

April 30, 2016

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

Fiscal Year	Governmental Activities		Total Primary Government	Percent of Personal Income	Per Capita
	General Obligation Bonds	Installment Notes Payable			
2007	\$ 48,510,000		48,510,000	3.01%	1,284.2
2008	46,655,000		46,655,000	3.37%	1,235.1
2009	43,970,000		43,970,000	2.73%	1,164.0
2010	41,065,000		41,065,000	2.44%	1,095.7
2011	39,685,000		39,685,000	2.35%	1,058.8
2012	45,650,000		45,650,000	2.71%	1,214.1
2013	44,260,526		44,260,526	2.29%	1,173.4
2014	42,346,124		42,346,124	2.26%	1,119.1
2015	40,239,324		40,239,324	2.44%	1,072.7
2016	36,629,795		36,629,795	2.20%	970.1

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.

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
2007	\$ 48,510,000	(2,320,938)	46,189,062	0.83%	1,222.74
2008	46,655,000	(1,791,327)	44,863,673	0.75%	1,187.66
2009	43,970,000	(1,580,271)	42,389,729	0.70%	1,122.16
2010	41,065,000	(373,881)	40,691,119	0.72%	1,085.68
2011	39,685,000	(3,568)	39,681,432	0.77%	1,058.74
2012	45,650,000	(133,159)	45,516,841	0.95%	1,210.59
2013	44,260,526	(402,774)	43,857,752	1.11%	1,162.69
2014	42,346,124	(961,551)	41,384,573	1.07%	1,093.70
2015	40,239,324	(1,615,187)	38,624,137	0.97%	1,029.67
2016	36,629,795	(1,994,293)	34,635,502	0.90%	917.33

Notes:

*See the Schedule of Assessed Value and estimated Actual Value of Taxable Property for property value data. 2014 is the most recent EAV information available from the Office of Cook County Clerk as of the printing of this statement.

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

CITY OF PARK RIDGE, ILLINOIS

Schedule of Direct and Overlapping Bonded Debt
 April 30, 2016

	Gross Debt	Percentage Applicable to City of Park Ridge (1)		City of Park Ridge Share of Debt
Direct Debt				
City of Park Ridge	\$ 36,629,795	100.000%		36,629,795
Overlapping Debt				
Cook County	3,362,051,750	0.973%	32,712,764	
Cook County Forest Preserve	116,060,000 (2)	0.973%	1,129,264	
Metropolitan Water Reclamation District	2,629,938,991 (1)	0.991%	26,062,695	
Des Plaines Park District	5,063,000	1.857%	94,020	
Golf Maine Park District	1,125,000	11.148%	125,415	
Niles Park District	1,010,000 (2)	0.015%	152	
Park Ridge Recreation and Park District	19,623,300	96.446%	18,925,888	
School District #63	11,335,000	3.592%	407,153	
School District #64	11,405,000	91.489%	10,434,320	
High School District #207	7,310,000	32.624%	2,384,814	
Community College #535	33,175,000 (3)	6.898%	2,288,412	94,564,897
Direct and Overlapping General Obligation Bonded Debt				\$ 131,194,692

(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.

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

Fiscal Year	Population	Total Personal Income	Median Personal Income	Per Capita Personal Income	Unemployment Rate
2016	37,757	\$ 1,665,029,517	87,119	45,635	4.40%
2015	37,511	1,650,596,533	87,119	44,003	5.50%
2014	37,839	1,627,190,517	86,621	43,003	6.90%
2013	37,721	1,648,219,000	82,700	43,695	6.80%
2012	37,599	1,686,991,932	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%

Data Source

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

CITY OF PARK RIDGE, ILLINOIS

City Employers

Current Fiscal Year and Nine Years Ago

Employer	Product/Service	2016	
		Number of Employees	Percent of Total City Population
Advocate Lutheran General Hospital	Hospital	4,200	11.10%
Maine Township District 207	Public School District - Secondary Education	800	2.10%
Park Ridge Park District	Public Recreational Facilities and Programs	700	1.90%
School District 64	Public School District - Elementary Education	600	1.60%
City of Park Ridge	City Government	332	0.90%
Presence Resurrection Health Care	Nursing and Rehabilitation Home	300	0.80%
Parkside Lutheran Health Care	Physicians and surgeons	267	0.70%
Marianos	Grocery	250	0.70%
Avantara Park Ridge	Nursing and Rehabilitation Home	200	0.50%
Nesset Healthcare (Advocate)	Physicians	200	0.50%
			<u>20.80%</u>

*Includes Part-time Employees

**Seasonal Employees

2016 Population - 37,839 (estimated)

2007 Population - 37,775

Data Source

Phone canvass

Employer	Product/Service	2007	
		Number of Employees	Percent of Total City Population
Advocate Lutheran General Hospital	Healthcare Institution	4,000	10.59%
Maine Township District 207	Public School District - Secondary Education	950	2.52%
Advocate Medical Group	Healthcare	830	2.20%
School District 64	Public School District - Elementary Education	600	1.59%
City of Park Ridge	City Government	378	1.00%
George S. May International Co.	Management Consulting	325	0.86%
BECO, Inc.	Temporary Employment Firm	300	0.79%
Resurrection Health Care	Nursing and Rehabilitation Home	300	0.79%
Dominick's	Grocer	250	0.66%
FM Global	Commercial Property Insurance	219	0.58%
			<u>21.58%</u>

CITY OF PARK RIDGE, ILLINOIS

Full-Time Equivalent Employees

Last Ten Fiscal Years

Function/Program	06/07 2007	07/08 2008	08/09 2009	09/10 2010	10/11 2011
General Government					
City Administration	4.80	4.80	4.80	5.00	4.00
Legal Counsel					
Records Control	1.00	1.00	1.00	0.80	
Community Support	0.10	0.10	0.10	0.10	
Information Services	1.20	1.20	1.20	1.20	
Transportation	0.10	0.10	0.10	0.10	
Human Resources	2.00	2.00	2.00	1.00	1.00
Information Technology	3.00	3.00	3.00	3.00	3.00
Community Development	15.00	15.00	15.00	14.00	12.00
Finance	12.05	12.05	12.05	11.75	10.00
Total General Government	39.25	39.25	39.25	36.95	30.00
Public Safety					
Police					
Part Time*					41.00
Full Time*	82.94	82.94	83.38	83.38	65.00
Total Police	82.94	82.94	83.38	83.38	106.00
Fire					
Part Time				1.00	1.00
Full Time	53.00	53.00	53.00	52.00	46.00
Total Fire	53.00	53.00	53.00	53.00	47.00
Total Public Safety	135.94	135.94	136.38	136.38	153.00
Public Works					
Part Time*					1.00
Full Time*	56.84	56.84	56.84	55.34	46.00
Total Public Works	56.84	56.84	56.84	55.34	47.00
Library					
Part Time**					
Full Time**					
Total Library	-	-	-	-	-
Total Headcount	232.03	232.03	232.47	228.67	230.00

Notes:

*Headcount for 2010/11, 2012/13, 2013/14, 2014/15 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, 2014/15.

Data Source

Human Resources headcount

<i>11/12</i> 2012	<i>12/13</i> 2013	<i>13/14</i> 2014	<i>14/15</i> 2015	<i>15/16</i> 2016
4.00	4.00	4.00	3.50	3.50
1.00	1.00	1.50	1.50	1.50
3.00	3.00	3.00	3.00	2.00
12.00	12.50	12.50	12.50	13.75
10.00	10.25	10.25	12.00	12.75
30.00	30.75	31.25	33.25	33.50
40.00	48.00	46.00	48.00	46.00
65.00	65.00	65.00	65.00	65.00
105.00	113.00	111.00	113.00	111.00
1.00	1.00	2.00	2.00	2.00
50.00	48.00	50.00	49.00	49.00
51.00	49.00	52.00	51.00	51.00
156.00	162.00	163.00	163.00	162.00
6.00	0.00	1.00	1.00	1.00
45.00	45.00	45.00	45.00	47.00
51.00	45.00	46.00	46.00	48.00
	34.00	33.00	33.00	31.00
	64.00	57.00	57.00	56.00
-	98.00	90.00	90.00	87.00
237.00	335.75	330.25	332.25	330.50

CITY OF PARK RIDGE, ILLINOIS

Capital Asset Statistics

Last Ten Fiscal Years

Function/Program	2007	2008	2009	2010	2011
Public Safety					
Police					
Stations	1	1	1	1	1
Area Patrols	5	5	5	5	5
Patrol Units	7	7	7	7	7
Fire					
Stations	2	2	2	2	2
Fire Engines	3	3	3	3	3
Public Works					
Miles of Streets	128.2	128.2	128.2	128.2	128.2
Streetlights	1,427	1,568	1,664	1,664	1,664
Traffic Signals	44	51	51	51	51
Water					
Water Mains (Miles)	136	136	136	136	136
Fire Hydrants	1,540	1,585	1,585	1,585	1,585
Storage Capacity (Gallons)	14,000,000	15,200,000	15,200,000	15,200,000	15,200,000
Wastewater					
Miles of Sewers	133	133	133	133	133

Data Source

Various City Departments
GIS

2012	2013	2014	2015	2016
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
128.2	128.2	128.2	128.2	128.2
1,664	1,614	1,594	1,591	1,582
51	51	51	51	51
136	138.2	138.2	138.2	138.2
1,585	1,579	1,576	1,577	1,577
15,200,000	15,200,000	15,200,000	15,200,000	15,200,000
133	133	133	134.54	134.54

CITY OF PARK RIDGE, ILLINOIS

Operating Indicators

Last Ten Fiscal Years

Function/Program	2007	2008	2009	2010	2011
Public Safety					
Police					
Physical Arrests	1,413	1,102	762	788	750
Parking Violations	10,796	8,581	10,691	8,870	7,444
Traffic Violations	12,314	10,642	5,996	8,457	7,046
Fire					
Emergency Responses	4,199	4,515	4,372	4,028	4,044
Paramedic Responses	2,584	2,537	2,548	2,446	2,463
Fires Extinguished	44	51	155	50	43
Public Works					
Street Resurfacing (Miles)	9.3	5.5	5.0	4.4	5.0
Pothole Repairs*	300	325	276	297	241
Water					
Water Main Breaks	48	47	62	46	66

*Per Ton of Cold Patch

Data Source

Various City Departments
GIS

2012	2013	2014	2015	2016
639	588	510	506	456
7,661	6,589	5,935	5,239	6,687
3,347	5,454	5,142	4,230	4,146
4,279	4,264	4,277	4,718	4,684
2,436	2,619	2,555	2,766	2,800
47	46	36	33	38
4.9	5.0	5.0	3.5	3.5
147	169	304	178	275
48	145	119	74	51

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

As part of our audit of the financial statements of the City of Park Ridge (City) as of and for the year ended April 30, 2016, we wish to communicate the following to you.

Audit Scope and Results

Auditor's Responsibility Under Auditing Standards Generally Accepted in the United States of America

An audit performed in accordance with auditing standards generally accepted in the United States of America is designed to obtain reasonable, rather than absolute, assurance about the financial statements. In performing auditing procedures, we establish scopes of audit tests in relation to the financial statements taken as a whole. Our engagement does not include a detailed audit of every transaction. Our engagement letter more specifically describes our responsibilities.

These standards require communication of significant matters related to the financial statement audit that are relevant to the responsibilities of those charged with governance in overseeing the financial reporting process. Such matters are communicated in the remainder of this letter or have previously been communicated during other phases of the audit. The standards do not require the auditor to design procedures for the purpose of identifying other matters to be communicated with those charged with governance.

An audit of the financial statements does not relieve management or those charged with governance of their responsibilities. Our engagement letter more specifically describes your responsibilities.

Qualitative Aspects of Significant Accounting Policies and Practices

Significant Accounting Policies

The City's significant accounting policies are described in Note 1 of the audited financial statements.

As disclosed in Note 1 to the financial statements, in 2016 the City adopted new accounting guidance required by Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, and Governmental Accounting Standards Board Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*. Our opinions are not modified with respect to these matters.

Alternative Accounting Treatments

We had discussions with management regarding alternative accounting treatments within accounting principles generally accepted in the United States of America for policies and practices for material items, including recognition, measurement and disclosure considerations related to the accounting for specific transactions as well as general accounting policies, as follows:

- No matters are reportable.

Management Judgments and Accounting Estimates

Accounting estimates are an integral part of financial statement preparation by management, based on its judgments. The following areas involve significant estimates for which we are prepared to discuss management's estimation process and our procedures for testing the reasonableness of those estimates:

- Actuarial assumptions used to value pension and OPEB related amounts and disclosures.
- Useful lives of capital assets.

Financial Statement Disclosures

The following areas involve particularly sensitive financial statement disclosures for which we are prepared to discuss the issues involved and related judgments made in formulating those disclosures:

- Note 5 discloses the long-term debt obligations of the City, including future maturities.
- Notes 6 and 7 disclose interfund activity including during the fiscal year 2016.
- Note 11 discloses the activity and obligation for other postemployment benefits (OPEB).
- Note 12 discloses the activity and liability for pension benefits under the Illinois Municipal Retirement Fund (IMRF) and the City's Police and Firefighters' Pension Funds.
- Note 14 discloses restatements that were posted to beginning balances.

Audit Adjustments

During the course of any audit, an auditor may propose adjustments to financial statement amounts. Management evaluates our proposals and records those adjustments which, in its judgment, are required to prevent the financial statements from being materially misstated. Some adjustments proposed were not recorded because their aggregate effect is not currently material; however, they involve areas in which adjustments in the future could be material, individually or in the aggregate.

Proposed Audit Adjustments Recorded

- In the current year, we assisted the City with posting beginning balances and current year activity related to net pension liability, pension expense, deferred inflows and deferred outflows. These entries were required as a result of the implementation of GASB 68. Further details on the balances can be found in Notes 5, 12 and 14 of the CAFR.

Proposed Audit Adjustments Not Recorded

- In the current year, the City noted that the Net Investment Income as reported by IMRF in their CAFR was different from the Net Investment Income per the actuarial valuation. This difference would have an impact in the net pension liability, deferred outflows for pensions and pension expense line items. The City chose to record the net pension liability, deferred outflows for pensions and pension expense based on the actuarial valuation. The proposed entries had the amounts been recorded based on IMRF's CAFR have been attached to this letter.

Auditor's Judgments About the Quality of the Entity's Accounting Principles

During the course of the audit, we made the following observations regarding the City's application of accounting principles:

- No matters are reportable.

Other Material Written Communications

Listed below are other material written communications between management and us related to the audit:

- Management representation letter (attached).
- We verbally communicated other deficiencies in internal control that are not considered material weaknesses or significant deficiencies.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements of the City of Park Ridge as of and for the year ended April 30, 2016, in accordance with auditing standards generally accepted in the United States of America, we considered the City's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and, therefore, there can be no assurance that all

deficiencies, significant deficiencies or material weaknesses have been identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements of the City's financial statements on a timely basis. A deficiency in design exists when a control necessary to meet a control objective is missing or an existing control is not properly designed so that, even if the control operates as designed, a control objective would not be met. A deficiency in operation exists when a properly designed control does not operate as designed or when the person performing the control does not possess the necessary authority or competence to perform the control effectively.

A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented or detected and corrected on a timely basis.

A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

We observed the following matters that we consider to be deficiencies and significant deficiencies.

Significant Deficiencies

Accounting Procedures Manual

Accounting procedures manuals are used by organizations to ensure responsibilities and reporting standards are transparent. The City does not have an accounting procedures manual. We recommend management develop an accounting policies and procedures manual, including monthly closing process, annual year-end closing process and all other information necessary for the performance of the Finance Department's financial responsibilities. A good manual can prevent misunderstandings and also increase efficiency and control in the following ways:

- Indicate whether there is appropriate allocation of operating and supervisory responsibility.
- Objectives, responsibilities and authority would be clearly defined for all employees.
- Indicate whether there is adequate segregation of duties.
- Establish consistent organizational practices.
- Provide information for management to monitor and inquire into operations and procedures, assign new duties or responsibilities.
- Provide the City with a source of information that will not be lost if key personnel leave.

- Provide information to insure that all similar transactions are treated consistently.
- Assist the organization in resolving, or defending itself against disputes.

Management Response: All core processes within the Finance Department are documented and cross trained. It is now a required part of all positions to actively update and enhance the individual procedure documents related to their position. Staff continues to work toward consolidating these individual procedures into a comprehensive manual.

Risk Assessment

Risk assessments are valuable tools for entities to evaluate and plan for threats facing the entity. The City has not completed a recent fraud risk assessment. Recent reports indicate that fraud is rapidly growing in the United States. In its “2014 Report to the Nation on Occupational Fraud and Abuse,” the Association of Certified Fraud Examiners estimates that 5% of revenue is lost to fraud and abuse. A proven and effective deterrent to fraud and abuse is the establishment of an antifraud culture within the organization. A strong and highly ethical “tone at the top” can provide significant strength to deter fraud. We suggest the following:

- Define the role of the City Council and committees as they relate to fraud and abuse.
- Management and supervisors should continue to set an example.
- Management and supervisors should remain aware of fraud risks and indicators.
- Internal controls should be given high priority.
- Fraud-related policies should be enforced.
- Reports of potential fraud and abuse should be investigated promptly.

One key element of a fraud and abuse prevention and detection system is the implementation of a third-party hotline. Hotlines have proven to be effective in the communication of the appropriate “tone at the top” and in the early discovery of fraud and abuse within an organization, thereby reducing the financial impact of the fraud. We recommend the City consider implementing a hotline this year.

The above practices provide an organization with a significantly enhanced system for prevention of fraud and abuse. The related costs and efforts to put these policies and procedures in place will seem insignificant to the security and benefits they will provide.

Management Response: Management concurs that a formal risk assessment is appropriate and valuable and will work towards addressing this.

Deficiencies

Capital Asset Policy

A fixed asset policy is used by organizations to aid in the consistent accounting capital asset activity and provides safeguards to control the assets. The City does not have a documented fixed asset policy. We recommend that the City review procedures and document a policy regarding capital assets that would include:

- Identifying the dollar level above which capital asset expenditures will be capitalized.
- Useful lives for the various classes of fixed assets.
- Conducting a periodic physical inventory of property.
- Updating insurance policy detail and any other property records.
- Indicating to all department heads the proper procedures for acquiring assets, disposal of property and proper notification to the Finance Department.

Management Response: Management follows an internal process for capital assets. As new capital assets are acquired and reported, greater care and scrutiny is applied to ensure the asset grouping, useful lives and depreciation duration are appropriate. Management will propose a Council Policy Statement to formalize this Capital Asset process into a policy.

Debt Policy

A debt policy is used by an organization as a functional tool for debt management and capital planning. The City does not have a documented debt policy. We recommend that the City formally adopt a debt policy. A debt financing policy would set forth comprehensive guidelines for the financing of capital expenditures, as well as enhance the City's reputation for managing its debt in a conservative and prudent manner. A policy would also help to ensure the City obtain financing only when necessary, the process for identifying the timing and amount of debt or other financing be as efficient as possible, the most favorable interest rate and other related costs be obtained and, when appropriate, future financial flexibility be maintained.

Management Response: Management follows an internal process for debt management and administration and will propose a Council Policy Statement to formalize this process into a policy.

Compliance with Investment Policy

The City's investment policy states that the City's investment in Illinois Funds may not exceed \$10,000,000 and the City's investment in any one financial institution may not exceed 50% of the total investment portfolio. At April 30, 2016, the City's investment in Illinois Funds was below the \$10,000,000, but represented 100% of the total investment portfolio. We recommend that the City either modify its investment policy to allow for the

investment in Illinois Funds or diversify the investment portfolio so that no one institution holds greater than 50% of the City's investment portfolio.

Management Response: The City liquidated investments with IMET many years ago to address cash flow issues that resulted from the downturn in the economy coupled with construction of the Uptown TIF. Since that time, funds not required for short term operations have been maintained exclusively with Illinois Funds. While the monies held at Illinois Funds are classified as an investment, the funds are immediately available upon request. As such, management has viewed this fund as a cash equivalent. Due to the City's recent improved financial position and cash flow, the investment approach will be revitalized and monies held in deposit with Illinois Funds will be diversified.

Other Matters

Although not considered material weaknesses, significant deficiencies or deficiencies in internal control over financial reporting, we observed the following matters and offer these comments and suggestions with respect to matters which came to our attention during the course of the audit of the financial statements. Our audit procedures are designed primarily to enable us to form an opinion on the financial statements and, therefore, may not bring to light all weaknesses in policies and procedures that may exist. However, these matters are offered as constructive suggestions for the consideration of management as part of the ongoing process of modifying and improving financial and administrative practices and procedures. We can discuss these matters further at your convenience and may provide implementation assistance for changes or improvements.

Water Consumption

During the course of our testing of water revenue and expenses, we noted significant variances between the amount of water purchased and the amount of water charged to customers. Only about 78% and 74% of water purchased was billed to customers in 2016 and 2015, respectively. Water loss has a direct effect on the profitability of the Water Fund. We further noted that the manual read billing system utilized by the City is inefficient in accurately providing this type of analysis on a regular basis. The City has begun to investigate the cause of this discrepancy and we recommend additional steps be taken to address the ongoing variance. We suggest that the ratio of water purchased to water sold be analyzed on a regular basis and that the evaluations be reviewed by appropriate personnel periodically so that serious water loss problems can be monitored and resolved before becoming too costly.

Future Pronouncements

GASB Statement No. 72, Fair Value Measurement and Application (GASB 72)

GASB 72 addresses accounting and financial reporting issues related to fair value measurements. The definition of *fair value* is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. GASB 72 provides guidance for determining a fair value measurement for financial reporting purposes that aligns with the Financial Accounting Standards Board's Topic 820. GASB 72 also provides that all assets meeting the definition of an investment in the Statement should be measured at fair value, unless the Statement provided otherwise. Certain disclosures related to all fair value measurements will be required.

GASB 72 will enhance comparability of financial statements among governments by requiring measurement of certain assets and liabilities at fair value using a consistent and more detailed definition of fair value and accepted valuation techniques. GASB 72 will also enhance fair value application guidance and related disclosures in order to provide information to financial statement users about the impact of fair value measurements on a government's financial position.

GASB 72 is effective for financial statements for fiscal years beginning after June 15, 2015, and any prior periods presented should be restated, including disclosures, if practical.

GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pension (GASB 75)

GASB 75 replaces the requirements of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. GASB 75 requires governments to report a liability on the face of the financial statements, in accordance with the following:

- Employers that are responsible only for OPEB liabilities for their own employees and that provide OPEB through a defined benefit OPEB plan administered through a trust that meets specified criteria will report a net OPEB liability (the difference between the total OPEB liability and the assets accumulated in trust to make the benefit payments).
- Employers that participate in a cost-sharing OPEB plan that is administered through a trust that meets specified criteria will report a liability equal to the employer's proportionate share for the collective OPEB liability for all employers participating in the plan.
- Employers that do not provide OPEB through a trust that meets specified criteria will report the total OPEB liability for their own employees.

GASB 75 requires more extensive note disclosures and required supplementary information (RSI) about the OPEB liabilities. GASB 75 is effective for fiscal years

beginning after June 15, 2017, and requires restatement of any prior years presented, if practical.

While not effective in the short term, we recommend the City begin assessing the potential impact on the financial statements of both of these statements and begin the process of communicating this impact with those charged with governance and other stakeholders. Similar to the adoption of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, the adoption of 75 will require advance coordination with plans and actuaries so that the required information is available.

GASB Statement No. 82, Pension Issues (GASB 82)

GASB 82 provides amendments to pension guidance in GASB 67 and 68 based on three issues raised during implementation of those standards. It changes the payroll amount presented in required supplementary information back to covered payroll, being the amount on which contributions to the pension plan are based. It specifies that an actuarial valuation is not in conformity with the pension standards if it includes a deviation from the Actuarial Standards of Practice in the selection of assumptions. GASB 82 also specifies that payments made by employers to satisfy employee contribution requirements should be considered employee contributions and recognized as expense or expenditure in the same manner as other compensation.

GASB 82 is effective for financial statements for fiscal years beginning after June 15, 2016, with the exception of the provision related to a deviation from Actuarial Standards of Practice, which will be effective for fiscal years in which the measurement date is on or after June 15, 2017. Earlier application is encouraged.

GASB Lease Project

In January 2016, GASB released an exposure draft on its lease accounting project. The proposed standard would establish a single model for lease accounting based on the principle that leases represent the financing of the right to use an underlying asset. Specifically, the proposed standard contemplates the following accounting guidance for lessees and lessors:

Lessee Accounting – A lessee would recognize a liability measured at the present value of payments expected to be made for the lease term, and an asset measured at the amount of the initial lease liability, plus any payments made to the lessor at or before the beginning of the lease and certain indirect costs. A lessee would reduce the liability as payments are made and recognize an outflow of resources for interest on the liability. The asset would be amortized by the lessee over the shorter of the lease term or the useful life of the asset.

Lessor Accounting – A lessor would recognize a receivable measured at the present value of the lease payments expected for the lease term and a deferred inflow of resources measured at the value of the lease receivable plus any payments received at or prior to the beginning of the lease that relate to future periods. The lessor would reduce

the receivable as payments are received and recognize an inflow of resources from the deferred inflow of resources in a systematic and rational manner over the term of the lease. A lessor would not derecognize the asset underlying the lease.

The lease term used to measure the asset or liability would be based on the period in which the lessee has the noncancelable right to use the underlying asset. The lease term would also contemplate any lease extension or termination for which it is reasonably certain the lessee would exercise the related option.

This proposed standard would not apply to leases for intangible assets, biological assets (*i.e.* timber), service concession agreements or leases in which the underlying asset is financed with conduit debt that is reported on the lessor.

The deadline for comments on this exposure draft is May 31, 2016, and expected effective date is for periods beginning after December 15, 2018, or the City's 2020 fiscal year. It is anticipated that leases would be recognized using the facts and circumstances in effect at the beginning of the period of implementation (*i.e.* May 1, 2020, for the City). We will continue to keep the City apprised of the status of this project, as its impact could be significant to the City's accounting and financial reporting.

IRS Activity

As outlined in their priority guidance plan for fiscal year 2016, the Internal Revenue Service (IRS) is increasing their oversight of Governmental entities' tax compliance through a balanced approach of outreach, education and examination activities. The IRS plans to use and rely on data-driven analytics which will allow the IRS to improve their selections for examinations. The strategy behind this is to allow the IRS to invest their limited resources in areas that will provide the greatest impact for rising tax dollars and education. The IRS plans to focus 75% of their examinations on Governmental entities with \$10 million or more in gross wages which will allow them to maximize their wage base coverage while also allowing the IRS to address material and significant compliance issues, which include:

- Contractor vs employee classifications.
- Payroll compliance.
- Fringe benefits.

In addition, the IRS will also conduct specific compliance initiative projects where the IRS believes there is a high risk of non-compliance.

Management's written response to the significant deficiencies and material weaknesses identified in our audit has not been subjected to the auditing procedures applied in the audit of the financial statements and accordingly, we express no opinion on it.

The Honorable Mayor, City Council
and City Management
City of Park Ridge
Page 11

This communication is intended solely for the information and use of management, the City Council and, others within the organization and is not intended to be and should not be used by anyone other than these specified parties.

BKD, LLP

Oakbrook Terrace, Illinois
October 27, 2016



CITY OF PARK RIDGE

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October 27, 2016

BKD, LLP

Certified Public Accountants
1901 S Meyers Road, Suite 500
Oakbrook Terrace, IL 60181

We are providing this letter in connection with your audits of our financial statements as of and for the years ended April 30, 2016. We confirm that we are responsible for the fair presentation of the financial statements in conformity with accounting principles generally accepted in the United States of America. We are also responsible for adopting sound accounting policies, establishing and maintaining effective internal control over financial reporting, operations and compliance, and preventing and detecting fraud.

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

We confirm, to the best of our knowledge and belief, the following:

1. We have fulfilled our responsibilities, as set out in the terms of our engagement letter dated April 8, 2016, for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America.
2. We acknowledge our responsibility for 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.
3. We acknowledge our responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud.

Our Mission:

THE CITY OF PARK RIDGE IS COMMITTED TO PROVIDING EXCELLENCE IN CITY SERVICES IN ORDER TO UPHOLD A HIGH QUALITY OF LIFE,
SO OUR COMMUNITY REMAINS A WONDERFUL PLACE TO LIVE AND WORK.

4. We have reviewed and approved a draft of the financial statements and related notes referred to above, which you prepared in connection with your audit of our financial statements. We acknowledge that we are responsible for the fair presentation of the financial statements and related notes.
5. We have provided you with:
 - (a) Access to all information of which we are aware that is relevant to the preparation and fair presentation of the financial statements such as records, documentation and other matters.
 - (b) Additional information that you have requested from us for the purpose of the audit.
 - (c) Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
 - (d) All minutes of meetings of the governing body held through the date of this letter.
 - (e) All significant contracts and grants.
6. All transactions have been recorded in the accounting records and are reflected in the financial statements.
7. We have informed you of all current risks of a material amount that are not adequately prevented or detected by entity procedures with respect to:
 - (a) Misappropriation of assets.
 - (b) Misrepresented or misstated assets, liabilities or net position.
8. We believe the effects of the uncorrected financial statement misstatements summarized in the attached schedule are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.
9. We have no knowledge of any known or suspected:
 - (a) Fraudulent financial reporting or misappropriation of assets involving management or employees who have significant roles in internal control.
 - (b) Fraudulent financial reporting or misappropriation of assets involving others that could have a material effect on the financial statements.
10. We have no knowledge of any allegations of fraud or suspected fraud affecting the City received in communications from employees, customers, regulators, suppliers or others.

11. We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware. Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with accounting principles generally accepted in the United States of America. We understand that the term related party refers to an affiliate; management, and members of their immediate families, component units; and any other party with which the entity may deal if it can significantly influence, or be influenced by, the management or operating policies of the other. The term affiliate refers to a party that directly or indirectly controls, or is controlled by, or is under common control with us.
12. Except as reflected in the financial statements, there are no:
 - (a) Plans or intentions that may materially affect carrying values or classifications of assets and liabilities.
 - (b) Material transactions omitted or improperly recorded in the financial statements.
 - (c) Material gain/loss contingencies requiring accrual or disclosure, including those arising from environmental remediation obligations.
 - (d) Events occurring subsequent to the balance sheet date through the date of this letter requiring adjustment or disclosure in the financial statements.
 - (e) Agreements to purchase assets previously sold.
 - (f) Restrictions on cash balances or compensating balance agreements.
 - (g) Guarantees, whether written or oral, under which the City is contingently liable.
13. We have disclosed to you all known instances of noncompliance or suspected noncompliance with laws and regulations whose effects should be considered when preparing financial statements.
14. We have no reason to believe the Company owes any penalties or payments under the Employer Shared Responsibility Provisions of the Patient Protection and Affordable Care Act nor have we received any correspondence from the IRS or other agencies indicating such payments may be due.
15. We have disclosed to you all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements. The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with accounting principles generally accepted in the United States of America.

16. Adequate provisions and allowances have been accrued for any material losses from:
 - (a) Uncollectible receivables.
 - (b) Purchase commitments in excess of normal requirements or above prevailing market prices.

17. Except as disclosed in the financial statements, we have:
 - (a) Satisfactory title to all recorded assets, and they are not subject to any liens, pledges or other encumbrances.
 - (b) Complied with all aspects of contractual and grant agreements, for which noncompliance would materially affect the financial statements.

18. We have not been designated as a potentially responsible party (PRP or equivalent status) by the Environmental Protection Agency (EPA) or other cognizant regulatory agency with authority to enforce environmental laws and regulations.

19. With regard to deposit and investment activities:
 - (a) All deposit, repurchase and reverse repurchase agreements and investment transactions have been made in accordance with legal and contractual requirements.
 - (b) Disclosures of deposit and investment balances and risks in the financial statements are consistent with our understanding of the applicable laws regarding enforceability of any pledges of collateral.
 - (c) We understand that your audit does not represent an opinion regarding the enforceability of any collateral pledges.

20. With respect to any nonattest services you have provided us during the year, including drafting of the financial statements and related notes thereto:
 - (a) We have designated a qualified management-level individual to be responsible and accountable for overseeing the nonattest services.
 - (b) We have established and monitored the performance of the nonattest services to ensure that they meet our objectives.
 - (c) We have made any and all decisions involving management functions with respect to the nonattest services and accept full responsibility for such decisions.

- (d) We have evaluated the adequacy of the services performed and any findings that resulted.
21. We acknowledge that we are responsible for compliance with applicable laws, regulations and provisions of contracts and grant agreements.
 22. We have identified and disclosed to you all laws, regulations and provisions of contracts and grant agreements that have a direct and material effect on the determination of amounts in our financial statements or other financial data significant to the audit objectives.
 23. We have identified and disclosed to you any violations or possible violations of laws, regulations and provisions of contracts and grant agreements whose effects should be considered for recognition and/or disclosure in the financial statements or for your reporting on noncompliance.
 24. We have taken or will take timely and appropriate steps to remedy any fraud, abuse, illegal acts or violations of provisions of contracts or grant agreements that you or other auditors report.
 25. We have a process to track the status of audit findings and recommendations.
 26. We have identified to you any previous financial audits, attestation engagements, performance audits or other studies related to the objectives of your audit and the corrective actions taken to address any significant findings and recommendations made in such audits, attestation engagements or other studies.
 27. We have provided our views on any findings, conclusions and recommendations, as well as our planned corrective actions with respect thereto, to you for inclusion in the findings and recommendations referred to in your report on internal control over financial reporting and on compliance and other matters based on your audit of the financial statements performed in accordance with *Government Auditing Standards*.
 28. The financial statements disclose all significant estimates and material concentrations known to us. Significant estimates are estimates at the balance sheet date which could change materially within the next year. Concentrations refer to volumes of business, revenues, available sources of supply, or markets for which events could occur which would significantly disrupt normal finances within the next year. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.
 29. The supplementary information required by the Governmental Accounting Standards Board, consisting of management's discussion and analysis, budgetary comparisons, has been prepared and is measured and presented in conformity with the applicable GASB pronouncements, and we acknowledge our responsibility for

the information. The information contained therein is based on all facts, decisions and conditions currently known to us and is measured using the same methods and assumptions as were used in the preparation of the financial statements. We believe the significant assumptions underlying the measurement and/or presentation of the information are reasonable and appropriate. There has been no change from the preceding period in the methods of measurement and presentation.

30. With regard to supplementary information:

- (a) We acknowledge our responsibility for the presentation of the supplementary information in accordance with the applicable criteria.
- (b) We believe the supplementary information is fairly presented, both in form and content, in accordance with the applicable criteria.
- (c) The methods of measurement and presentation of the supplementary information are unchanged from those used in the prior period.
- (d) We believe the significant assumptions or interpretations underlying the measurement and/or presentation of the supplementary information are reasonable and appropriate.
- (e) If the supplementary information is not presented with the audited financial statements, we acknowledge we will make the audited financial statements readily available to intended users of the supplementary information no later than the date such information and the related auditor's report are issued.



Joe Gilmore, Acting City Manager



Andrea Lamberg, Acting Finance Director

Client: City of Park Ridge
 Period Ending: April 30, 2016

Sewer

SCHEDULE OF UNCORRECTED MISSTATEMENTS (ADJUSTMENTS PASSED)

Description	Financial Statement Line Item	Factual (F), Judgmental (J), Projected (P)	Assets & Deferred Outflows		Liabilities & Deferred Inflows		Operating				Net Effect on Following Year			
			Current		Non-Current		Revenues		Expenses		Revenues (Exp)		Net Position	
			DR	(CR)	DR	(CR)	DR	(CR)	DR	(CR)	DR	(CR)	DR	(CR)
To adjust Net Pension Liability to match the audited financials of IMRF		J	0	0	0	(25,148)	0	25,148	0	0	0	0	0	0
	Net Pension Liability					(8,134)								
	Pension Expense							25,148						
	Deferred Inflows of Resources					(17,014)								
			0	0	0	0	0	0	0	0	0	0	0	0
			0	0	0	0	0	0	0	0	0	0	0	0
			0	0	0	0	0	0	0	0	0	0	0	0
			0	0	0	0	0	0	0	0	0	0	0	0
			0	0	0	0	0	0	0	0	0	0	0	0
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			0	0	0	0	0	0	0	0	0	0	0	0
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			0	0	0	0	0	0	0	0	0	0	0	0
			0	0	0	0	0	0	0	0	0	0	0	0
			0	0	0	0	0	0	0	0	0	0	0	0
			0	0	0	0	0	0	0	0	0	0	0	0
			0	0	0	0	0	0	0	0	0	0	0	0
			0	0	0	0	0	0	0	0	0	0	0	0
			0	0	0	0	0	0	0	0	0	0	0	0
			0	0	0	0	0	0	0	0	0	0	0	0
			0	0</										

City of Park Ridge, Illinois Uptown Tax Increment Financing District Funds

Report on Compliance with Public Act 85-1142

April 30, 2016

INDEPENDENT AUDITOR'S REPORT

Independent Auditor's Report On Compliance with Public Act 85-1142

The Honorable Mayor
Members of the City Council
City of Park Ridge, Illinois

We have audited the basic financial statements of the City of Park Ridge, Illinois for the year ended April 30, 2016, and have issued our report thereon, dated October 27, 2016.

We have also audited the City's compliance with the provisions of subsection (q) of Section 11-74.4-3 of the Illinois Tax Increment Redevelopment Allocation Act (Illinois Public Act 85-1142) for its Uptown TIF District. The management of the City of Park Ridge, Illinois is responsible for the City's compliance with those requirements. Our responsibility is to express an opinion on compliance with those requirements.

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 City complied in all material respects with the requirements referred to above. An audit includes examining, on a test basis, evidence about the City of Park Ridge, Illinois' compliance with those requirements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the City of Park Ridge, Illinois complied, in all material respects, with the requirements of subsection (q) of Section 11-74.4-3 of the Illinois Tax Increment Redevelopment Allocation Act (Illinois Public Act 85-1142) for its Uptown TIF District.

BKD, LLP

Oakbrook Terrace, Illinois
October 27, 2016

SUPPLEMENTAL INFORMATION

Independent Auditor's Report On Supplemental Information

The Honorable Mayor
Members of the City Council
City of Park Ridge, Illinois

We have audited the basic financial statements of the City of Park Ridge, Illinois for the year ended April 30, 2016, and have issued our report thereon, dated October 27, 2016, which expressed an unmodified opinion on those financial statements. The financial statements are the responsibility of the City of Park Ridge, Illinois' management. Our responsibility is to express an opinion on the basic financial statements based on our audit.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements of the City of Park Ridge, Illinois. The accompanying Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance for the Uptown TIF District Funds is presented for purposes of additional analysis and is not a required part of the basic financial statements. This information is the responsibility of management and derives from and relates directly to the underlying and other records used to prepare the basic financial statements. That information has been subjected to the auditing procedures applied to the audit of the basic financial statements and certain other procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements, or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

BKD, LLP

Oakbrook Terrace, Illinois
October 27, 2016

CITY OF PARK RIDGE, ILLINOIS

Uptown Tax Increment Financing District

Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances
Year Ended April 30, 2016

	Special Revenue Fund	Debt Service 2006A Fund	Debt Service General Obligation Refunding 2015A Fund	Debt Service General Obligation Refunding 2015B Fund	Total
Revenues					
Property Taxes	\$ 2,524,531	668,839	331,845	2,155,045	5,680,260
Investment Income	38				38
Total Revenues	2,524,569	668,839	331,845	2,155,045	5,680,298
Expenditures					
Current					
Development	342,334				342,334
Debt Service					
Principal		100,000	220,000	1,960,000	2,280,000
Interest and Fiscal Agent Fees		515,000	137,478	76,024	728,502
Total Expenditures	342,334	615,000	357,478	2,036,024	3,350,836
Excess (Deficiency) of Revenues over Expenditures	2,182,235	53,839	(25,633)	119,021	2,329,462
Other Financing Sources (Uses)					
Operating Transfers In				200,000	200,000
Operating Transfers Out	(200,000)				(200,000)
Total Other Financing Sources (Uses)	(200,000)	-	-	200,000	-
Net Change in Fund Balance	1,982,235	53,839	(25,633)	319,021	2,329,462
Fund Balances					
May 1, 2015	615,593	243,034	161,099	827,997	1,847,723
April 30, 2016	\$ 2,597,828	296,873	135,466	1,147,018	4,177,185

CITY OF PARK RIDGE, ILLINOIS

Uptown Tax Increment Financing District

Notes to Schedule of Revenues, Expenditures and Changes in Fund Balances

Summary of Significant Accounting Policies

The accompanying Schedule of Revenues, Expenditures and Changes in Fund Balances for the Uptown Tax Increment Financing District Funds is intended to present the change in fund balance of only that fund of the City. It does not purport to, and does not, present fairly the net position of the City as of April 30, 2016, or the changes in its net position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Governmental funds 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. Expenditures generally are recorded when the liability is incurred, as under accrual accounting. General capital asset acquisitions are reported as expenditures in governmental funds.

City of Park Ridge, Illinois Dempster Tax Increment Financing District Fund

Report on Compliance with Public Act 85-1142

April 30, 2016

INDEPENDENT AUDITOR'S REPORTS

**Independent Auditor's Report
on Compliance with Public Act 85-1142**

The Honorable Mayor
Members of the City Council
City of Park Ridge, Illinois

We have audited the basic financial statements of the City of Park Ridge, Illinois for the year ended April 30, 2016, and have issued our report thereon, dated October 27, 2016.

We have also audited the City's compliance with the provisions of subsection (q) of Section 11-74.4-3 of the Illinois Tax Increment Redevelopment Allocation Act (Illinois Public Act 85-1142) for its Dempster TIF District. The management of the City of Park Ridge, Illinois is responsible for the City's compliance with those requirements. Our responsibility is to express an opinion on compliance with those requirements.

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 City complied in all material respects with the requirements referred to above. An audit includes examining, on a test basis, evidence about the City of Park Ridge, Illinois' compliance with those requirements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the City of Park Ridge, Illinois complied, in all material respects, with the requirements of subsection (q) of Section 11-74.4-3 of the Illinois Tax Increment Redevelopment Allocation Act (Illinois Public Act 85-1142) for its Dempster TIF District.

BKD, LLP

Oakbrook Terrace, Illinois
October 27, 2016

SUPPLEMENTAL INFORMATION

Independent Auditor's Report on Supplemental Information

The Honorable Mayor
Members of the City Council
City of Park Ridge, Illinois

We have audited the basic financial statements of the City of Park Ridge, Illinois for the year ended April 30, 2016, and have issued our report thereon, dated October 27, 2016, which expressed an unmodified opinion on those financial statements. The financial statements are the responsibility of the City of Park Ridge, Illinois' management. Our responsibility is to express opinions on the basic financial statements based on our audit.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements of the City of Park Ridge, Illinois. The accompanying Schedule of Revenues, Expenditures, and Changes in Fund Balance for the Dempster TIF District Fund is presented for purposes of additional analysis and is not a required part of the basic financial statements. This information is the responsibility of management and derives from and relates directly to the underlying and other records used to prepare the basic financial statements. That information has been subjected to the auditing procedures applied to the audit of the basic financial statements and certain other procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements, or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

BKD, LLP

Oakbrook Terrace, Illinois
October 27, 2016

CITY OF PARK RIDGE, ILLINOIS

Dempster Tax Increment Financing District Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance
Year Ended April 30, 2016

Revenues	
Property Taxes	\$ 172,409
Investment Income	2
Total Revenues	<u>172,411</u>
Expenditures	
Development	<u>171,540</u>
Change in Fund Balance	871
Fund Balance	
May 1, 2015	<u>109,344</u>
April 30, 2016	<u><u>\$ 110,215</u></u>

CITY OF PARK RIDGE, ILLINOIS

Dempster Tax Increment Financing District Fund

Notes to Schedule of Revenues, Expenditures and Changes in Fund Balances

Summary of Significant Accounting Policies

The accompanying Schedule of Revenues, Expenditures and Changes in Fund Balances for the Dempster Tax Increment Financing District Fund is intended to present the change in fund balance of only that fund of the City. It does not purport to, and does not, present fairly the net position of the City as of April 30, 2016, or the changes in its net position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Governmental funds 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. Expenditures generally are recorded when the liability is incurred, as under accrual accounting. General capital asset acquisitions are reported as expenditures in governmental funds.