

CITY OF PARK RIDGE, ILLINOIS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED
APRIL 30, 2017

Issued by the Finance Department

Andrea Lamberg, CPA
Finance Director

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Senior Accountant

CITY OF PARK RIDGE, ILLINOIS

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INTRODUCTORY SECTION



CITY OF PARK RIDGE

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October 24, 2017

To: The Residents of the City of Park Ridge

Ladies and Gentlemen:

The Comprehensive Annual Financial Report (CAFR) of the City of Park Ridge, Illinois for the fiscal year ended April 30, 2017 is submitted herewith. This report provides a broad view of the City's financial activities for the 2017 fiscal year and its financial position at April 30, Although addressed to the elected officials and the citizens of the City, this report has a number of other users. Foremost among those 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 (GAAP) 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, 2017. 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 a reasonable, but not absolute, assurance that these objectives be met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits derived; and (2) the evaluation of the costs and benefits requires estimates and judgements by management.

The letter of transmittal should be read in conjunction with the Management's Discussion and Analysis (MD&A) 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.

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.

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 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.

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

During the last five years, Park Ridge’s annual unemployment rate averaged 2.5% below that of the state and trends below neighboring communities. The average annual unemployment rate for Park Ridge in 2013, as reported by the Illinois Department of Employment Security, was 5.6% compared to 9.7% in Cook County and 8.1% 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.

Residential land use makes up 50% of the total area of Park Ridge. The remaining land use includes: commercial – 4%; public, institutional, park and open space – 23%; and transportation and utilities – 23%.

MAJOR INITIATIVES

Strategic Planning Objectives: In the fall of 2016, the City Council and Senior Staff embarked on a comprehensive strategic planning process under the direction of facilitators from Northern Illinois University’s Center for Governmental Studies. This process included numerous meetings and evening public workshops, questionnaires and interviews. The final strategic plan report includes a ranking of thirty-five strategic goals for the organization. The top 50% of those goals were considered “Tier 1”, or highest priority and were used to guide the fiscal year 2018 budget process. The overarching theme of the Tier 1 goals and in turn the fiscal year 2018 budget can be generally categorized into four key areas: financial stability, infrastructure, technology, and personnel.

An action plan was created which assigns actionable items to a department. The City Manager provides quarterly updates to City Council on the progress of the action plan. The will continue an annual review of the strategic plan every summer in advance of annual budget planning.

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

Following the annual update of the strategic plan, the City updated the long range capital plan. During a series of public meetings, an annual list of capital projects was presented and discussed. Projects that were approved include: 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 plans to spend approximately \$1,500,000 annually on water main replacement in the water fund. Funding for these capital projects comes from the sale of water. The determination of whether or not to install a radio read system for water meters continues to be analyzed by City staff and the City Council and is being proposed in the current warrant and sewer rate study.

In 2016 the City contracted for a study to update its Stormwater Master Plan. As part of this study, analysis for both overland flooding and sewer backup were presented to City Council in 2017. The City Council is currently discussing level of protection and projects, which will be followed by a stormwater utility fee to fund the projects. In an effort to mitigate flooding and support the strategic plan, the City increased funding for sewer lining projects from \$400,000 in fiscal year 2016 to \$600,000 in fiscal year 2017. The sewer fund will continue to provide funding through user charges to complete sewer lining projects.

The City contributes funds to three internal service funds: the motor equipment replacement fund, the technology replacement fund and the employee benefits fund. These funds pay for motor equipment and technology improvements when necessary. The annually contribution level has increased in recent years to ensure adequate funding for projects outlined in the strategic plan. The employee benefit fund pays for employee benefit coverage and programs.

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.

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, within the City which has generated more than \$500,000 in revenue each of the last two years. 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. The Finance Director and staff, in conjunction with the City Manager, continued to execute a long range strategic plan for an underperforming TIF District. Over the life of the Uptown TIF, the strategic plan implementation has reduced the overall loss estimate by \$15,600,000. With the help of our bond consultants, the department refinanced three bonds in FY15 (2004B, 2005A and 2006B) for a total net present value savings of \$2,663,000 and one bond in FY17 (2006A) for present value savings of \$1.4M. The Finance Department completed a series of technology upgrades including implementing online bill pay for Utility Billing and planning for the FY17 upgrade to a new Utility Billing system. 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. Finance staff continues the reporting of financial information on the City's webpage to promote transparency.

Fire Department: Annually, the Fire Department responds to over 4,500 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, station tours and fire extinguisher training. The Department worked with procurement to replace the entire lot of Automated External Defibrillators for use by staff in all City Departments and for public access at City facilities.

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 revised the job classification plan and completed a transition to a new 911 Dispatch Center with West Suburban Consolidated Police Dispatch. The Department is in the beginning phase of implementing a mental health grant project which is designed to be a model for other communities. The City, through the support of the Police Department, continues to rank in the top 100 safest Cities in the Nation with population size greater than 25,000.

Public Works Department: Public Works 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 is working on the Stormwater Master Plan. They also resurfaced 3.63 miles of streets, lined 15,968 feet of sewer, replaced or repaired 1,049 sidewalk squares, and replaced 633 feet of watermain. The Water Division delivered about 1.1B gallons of water to consumers through water purchases from the City of Chicago. The Forestry Division removed 393 trees and planted 675 trees. Public Works has provided for residential disposal of 12,868 tons of refuse, 5,091 tons of recycling and 2,912 tons of yardwaste.

FINANCIAL INFORMATION, MANAGEMENT AND CONTROL

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

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

Activities of the general fund, special revenue funds, debt service funds, enterprise funds and internal service funds are included in the budget. Budgets are not adopted for the pension trust funds and some of the special revenue funds.

Fund Balance Policies: Maintaining a health 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.

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

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

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

Purchase Amount	Quotations	Dept. Head Approval	City Manager Approval	City Council Approval
\$0.00 to \$500.00	None required.	X		
\$500.01 to \$1,000.00	Two quotes are required; (three quotes are recommended).	X		
\$1,000.01 to \$2,500.00	Three quotes are required.	X		
\$2,500.01 to \$5,000.00	Three written quotes are required.	X		
\$5,000.01 to \$10,000.00	Three written quotes are required.	X	X	
\$10,000.01 to \$20,000.00	Three written quotes are required; sealed bid process is recommended.	X	X	X
\$20,001.00 and up	Sealed bid process is required.	X	X	X

OTHER INFORMATION

Use of the Report: The City recognizes that the CAFR is management’s report to its governing body, constituents, oversight bodies, resource providers, investors, and creditors. A copy of the CAFR will be sent to the elected officials, City management personnel, bond rating agencies, and other agencies such as financial institutions and government agencies. A copy is available at the Park Ridge City Hall. In addition, the entire document is available for review on the City’s website, <http://www.parkridge.us/finance/default.aspx>.

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

government agencies. A copy is available at the Park Ridge City Hall. In addition, the entire document is available for review on the City's website, <http://www.parkridge.us/finance/default.aspx>.

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Award for Excellence in Financial Reporting: The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Park Ridge for its comprehensive annual financial report for the fiscal year ended April 30, 2016. 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, 2017.

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

Respectfully submitted,



Andrea Lamberg, CPA
Finance Director

CITY OF PARK RIDGE, ILLINOIS

Officers and Officials

Year Ended April 30, 2017

ACTING MAYOR
Marty Maloney

CITY CLERK
Betty W. Henneman

ALDERMEN

First Ward: John Moran
Second Ward: Nicholas Milissis
Third Ward: Gail Wilkening
Fourth Ward: Roger Shubert
Fifth Ward: Charlie Melidosian
Sixth Ward: Marc Mazzuca
Seventh Ward: Marty Joyce

CITY MANAGER
Joe Gilmore

FINANCE DIRECTOR
Andrea Lamberg

POLICE CHIEF
Frank Kaminski

COMMUNITY DEVELOPMENT DIRECTOR
James Brown

PUBLIC WORKS DIRECTOR
Wayne Zingsheim

FIRE CHIEF
Jeff Sorensen

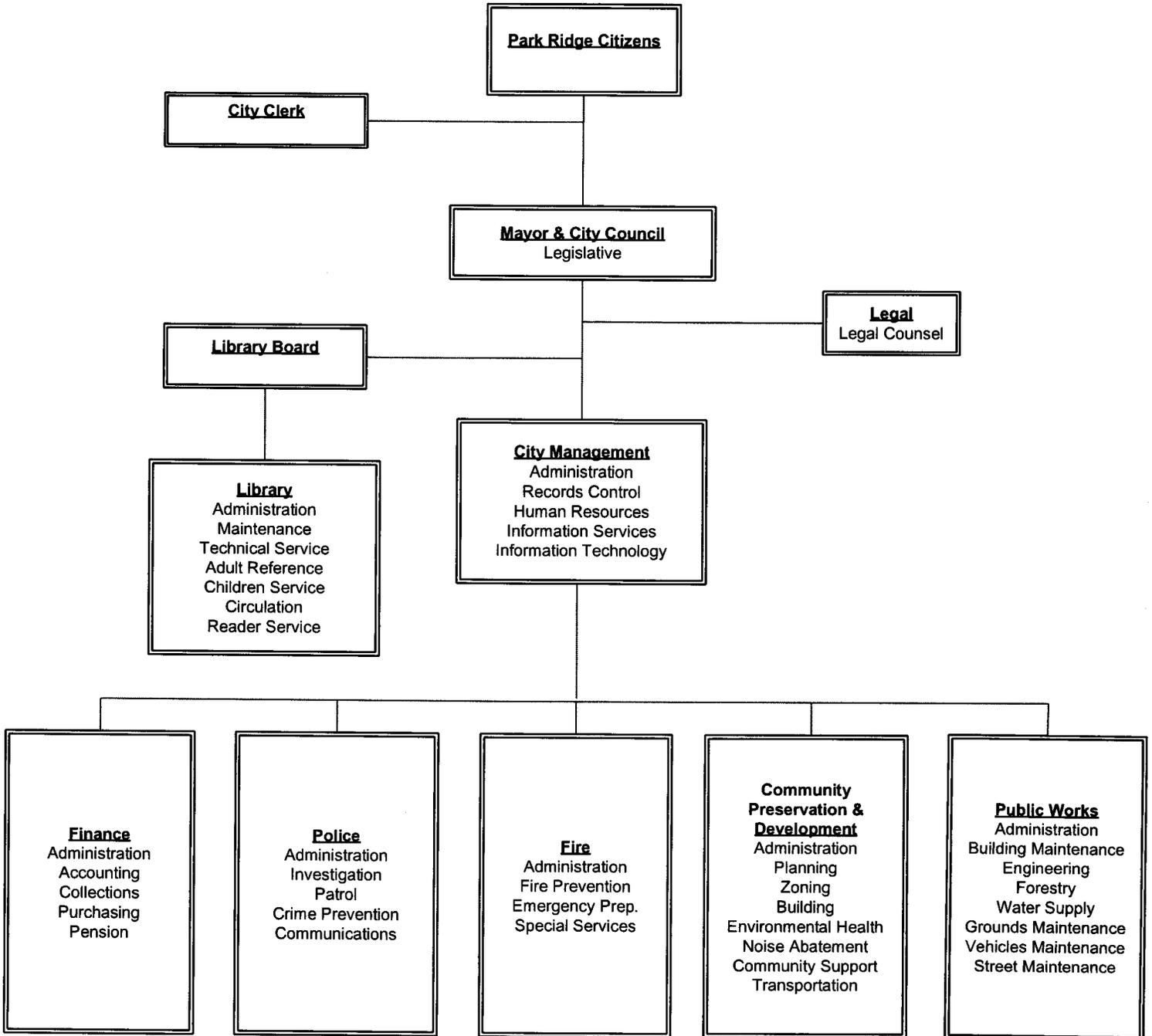
HUMAN RESOURCE MANAGER
Mike Suppan

LIBRARY DIRECTOR
Janet Van De Carr

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, 2016

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, 2017, 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, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and 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 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

The Honorable Mayor, City Council
and City Manager
City of Park Ridge, Illinois
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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 24, 2017

MANAGEMENT'S DISCUSSION AND ANALYSIS

CITY OF PARK RIDGE, ILLINOIS

MANAGEMENT'S DISCUSSION AND ANALYSIS

April 30, 2017

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 for the City exceeded its liabilities and deferred inflows by \$69.1M. This figure represents net position. Net position for fiscal year 2017 reflects an \$8.3M increase from the net position of fiscal year 2016. Much of this is attributable to the \$4.5M decrease in noncurrent liabilities as the City's net pension liability decreased by \$1.3M. Scheduled debt payments were made, reducing the City's total debt obligation. The net position is comprised of \$72.1M in net investment in capital assets, \$13.6M in restricted and (\$16.6M) 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 \$18.5M, or 63.0% 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 \$7.8M for fiscal year 2018.
- The City's total general obligation bonded debt decreased by \$3.3M (9.3%) during the fiscal year. This was due to the City refunding a bond issuance and making scheduled bond principal payments.
- 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 16-17) are designed to emulate the corporate sector in that all government and business-type activities are consolidated into columns that add to a total for the Primary Government.

The focus of the Statement of Net Position (the "Unrestricted Net Position") is designed to be similar to bottom line results for the City and its governmental and business-type activities. This statement combines and consolidates the governmental funds' current financial resources (short-term spendable resources) with capital assets and long-term obligations using the accrual basis of accounting and economic resources measurement focus.

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

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

(See Independent Auditor's Report)

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

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 Financial 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.

FINANCIAL ANALYSIS OF THE CITY AS A 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 15-16).

**Statement of Net Position
As of April 30, 2017
(In Thousands)**

	Governmental Activities		Business-Type Activities		Total Government	
	2017	2016	2017	2016	2017	2016
Assets						
Current Assets	\$ 42,617	37,893	11,218	8,917	53,835	46,810
Non Current Assets	67,143	66,219	37,866	37,721	105,009	103,940
Total Assets	109,760	104,112	49,084	46,638	158,844	150,750
Deferred Outflows	8,916	11,780	469	577	9,385	12,357
Liabilities						
Current Liabilities	2,224	2,571	1,602	538	3,826	3,109
Non Current Liabilities	92,901	97,426	606	709	93,507	98,135
Total Liabilities	95,125	99,997	2,208	1,247	97,333	101,244
Deferred Inflows	1,699	979	144	120	1,843	1,099
Net Position						
Net Investment in						
Capital Assets	34,184	30,977	37,866	38,091	72,050	69,068
Restricted	13,242	10,985	340	370	13,582	11,355
Unrestricted	(25,574)	(27,046)	8,995	7,388	(16,579)	(19,658)
Total Net Position	\$ 21,852	14,916	47,201	45,849	69,053	60,765

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,

(See Independent Auditor’s Report)

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

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, 2017 and April 30, 2016
(In Thousands)**

	Governmental Activities		Business-Type Activities		Total Government	
	2017	2016	2017	2016	2017	2016
REVENUES						
Program Revenues						
Charges for Services	\$ 5,485	5,392	12,668	11,859	18,153	17,251
Grants & Contributions						
Operating	1,025	1,088			1,025	1,088
Capital						
General Revenues						
Property Taxes	18,513	19,822			18,513	19,822
Other Taxes	7,506	6,754			7,506	6,754
Intergovernmental	10,321	11,141			10,321	11,141
Other	881	2,197	52	49	933	2,246
Total Revenues	43,731	46,394	12,720	11,908	56,451	58,302
EXPENSES						
General Government	6,334	8,437			6,334	8,437
Public Safety	19,897	19,353			19,897	19,353
Public Works	10,343	9,524			10,343	9,524
Development	1,629	1,789			1,629	1,789
Culture & Civic	444	464			444	464
Interest Expense	915	1,250			915	1,250
Water			7,069	7,746	7,069	7,746
Parking			313	270	313	270
Sewer			1,219	1,066	1,219	1,066
Total Expenses	39,562	40,817	8,601	9,082	48,163	49,899
Change in Net Position before Transfers	4,169	5,577	4,119	2,826	8,288	8,403
Transfers	2,767	2,262	(2,767)	(2,262)		
Change in Net Position	6,936	7,839	1,352	564	8,288	8,403
Net Position - Beginning	14,916	7,077	45,849	45,285	60,765	52,362
Net Position - Ending	\$ 21,852	14,916	47,201	45,849	69,053	60,765

(See Independent Auditor's Report)

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

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, 2017, the governmental funds reported a combined fund balance of \$29.2M, an increase of \$5.6M from the previous year's fund balance of \$23.6M. This increase is primarily attributable to the General Fund where actual revenues were \$773K greater than budgeted revenues. Revenue increases in the General Fund were attributed to the city fees and services which were \$773K greater than in FY16. Additionally, the City received a highway and transportation disbursements of \$218K. The Uptown TIF fund balance increased \$2M from FY16. This increase is attributed to the City no longer abating the property taxes for the TIF, as well as the segmentation of property pins to allow for the receipt of more property tax revenue. The Municipal Waste fund balance increased by \$738K. This increase is attributed to a decrease in expenditures that resulted in the City selecting a new waste disposal vendor.

The following list provides the fund balances for the governmental funds as of April 30, 2017 and April 30, 2016. Negative amounts are in ():

Fund Description	FY17 Fund Balance	FY16 Fund Balance	Increase (Decrease)
General Fund	\$ 19,148,686	16,610,808	2,537,878
Municipal Waste	1,202,965	465,403	737,562
Motor Fuel Tax	1,388,573	1,340,222	48,351
IMRF	603,476	54,048	549,428
Uptown Tax Increment Financing District	4,597,979	2,597,828	2,000,151
911 Emergency Telephone	207,540	80,956	126,584
Asset Forfeiture	149,791	91,675	58,116
Dempster TIF	108,378	110,215	(1,837)
Foreign Fire	53,002	55,671	(2,669)
Special Service Areas	181,826	181,824	2
Debt Service	1,564,287	1,994,293	(430,006)
	<u>\$ 29,206,503</u>	<u>23,582,943</u>	<u>5,623,560</u>

(See Independent Auditor's Report)

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

**General Fund
Revenues and Other Sources
(in Thousands)**

	2016/17 Revised Budget	2016/17 Actual	2015/16 Actual	Variance to Budget
Property Taxes	\$ 8,699	8,797	9,221	1.13%
Sales Taxes	5,202	5,392	5,399	3.65%
Income Taxes	3,400	3,032	4,506	-10.82%
Utility Taxes	3,815	3,726	3,715	-2.33%
Licenses & Permits	3,521	3,652	3,547	3.72%
Other Revenue	6,273	7,085	6,852	12.94%
Transfers In	1,287	1,287	1,118	
Proceeds from Sale of Capital Assets			1,729	
Total Revenues	\$ 32,197	32,971	36,087	2.40%

General Fund Revenue – Revenue for the year came in over budget by 2.50%. Property tax revenue saw a \$424K decrease from fiscal year 2016. This is attributed to the 1.90% decrease in the December 2015 General Fund property tax levy. State Income Taxes saw a \$1.47M decrease from the previous year, and were \$368K under budget. This was caused by inconsistency in the timing of distributions from the State of Illinois. Overall per capita distributions from the State remained consistent with prior years. Other revenue came in at \$812K or 12.94% over budget. Factors that led to the surplus in other revenue include; property transfer taxes were \$134K over budget due to the property sale activity being greater than anticipated, interest revenue came in \$109K over budget due to increasing market interest rates and an increase in City funds in interest bearing accounts. Use taxes were \$231K over budget due to increasing per capita distributions from the State of Illinois and a conservative budget based on prior years lower revenue. Use taxes throughout the State of Illinois have increased due to growing e-commerce sales.

**General Fund
Expenditures and Other Uses
(in Thousands)**

	2016/17 Revised Budget	2016/17 Actual	2015/16 Actual	Variance to Budget
General Government	\$ 7,452	6,950	7,149	-6.74%
Public Safety	16,157	15,746	15,744	-2.54%
Public Works	6,188	5,486	4,968	-11.34%
Development	1,274	1,224	1,072	-3.92%
Culture & Civic	5	4	8	-20.00%
Transfers Out	1,173	1,023	953	-12.79%
Total Expenditures	\$ 32,249	30,433	29,894	-5.63%

(See Independent Auditor's Report)

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

General contractual expenditures in general government were under budget by \$322K. Uptown TIF expenditures came in \$140K under budget due to contractual obligations being less than anticipated. Expenditures associated with accounting and payroll related vendors were under budget \$41K. Planning for capital and operational project expenditures occurred later in the year than planned and were completed in fiscal year 2018. These projects included: fire department building repairs of \$115K and reforestation of \$84K were under budget. Regular salaries in General Government came in \$106K under budget due to vacancies during the course of the fiscal year. Workers Compensation expenditures were under \$101K due to claims being lower than expected.

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 waste pick up vendor and adjusted the property tax. Fiscal year 2017 was the first full year utilizing the new vendor. Due to the savings in the new waste pick up contract, waste hauling expenses came in under budget by \$334K, and \$653K under fiscal year 2016 costs. The significant savings realized for waste hauling has meant that the City has been able to decrease the amount of property taxes needed for this fund. Property tax revenue decreased by \$459K, or 11.8%, from 2016. As a result of this planning the ending fund balance in fiscal year 2017 increased to \$1.2M.

Uptown TIF – The City continues to proactively forecast the needs of the Uptown TIF. The Uptown TIF fund balance increased from \$2.6M in fiscal year 2016 to \$4.6M in fiscal year 2017. The City is partially abating property tax on the TIF debt to ensure the fund will not need to rely on subsidy from the General Fund. As the Uptown TIF fund retires, the City plans to increase the property tax abatement.

Motor Fuel Tax – Motor Fuel has a fund balance of \$1.39M in fiscal year 2017, up from \$1.34M in fiscal year 2016. 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 2017 with a fund balance of \$603K. The total fiscal year 2017 surplus of \$549K was \$172K above the budgeted surplus of \$377K. This was caused by property taxes coming in at \$168K over budget. Property tax revenue was over budget due to a timing variance between the property tax year and the City's fiscal year. This fund's expenditures are dictated by the City's portion of IMRF, Social Security, and Medicare costs, which came in \$2K under budget in fiscal year 2017.

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 2017 the General Fund contributed \$1.0M to the Emergency telephone fund. The fund balance is \$208K as of April 30, 2017.

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 \$1.3M compared to a budgeted deficit of \$1.683M. Watermain construction planning occurred late in the fiscal year resulting a delay of projects. As a result watermain construction costs were under budget by \$1.3M. Continuing efforts to mitigate water loss resulted in water supply and treatment

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

costs coming in under budget by \$1.38M. Unrestricted net position increased from \$4.3M in fiscal year 2016 to \$5.7M in fiscal year 2017 due to the construction and water loss efforts described.

The Sewer Fund’s unrestricted net position increase by \$570K in fiscal year 2017. Contributing to this increase was operating income of \$747K compared to a budget of (\$115K). Operating income was over budget due to general contractual expenses and sewer construction expenses coming in under budget. General contractual expenses were \$376K under budget due to emergency repairs and stormwater utility planning expenses being less than expected. In addition, sewer construction was \$178K less than budgeted due to construction not being completed by the end of the fiscal year.

The Parking Fund has been operating at a deficit for several years so the City is assessing the needs of City parking to create a sustainable long term plan. A parking study, including a community survey, was completed in fiscal year 2017 to assess parking needs. Parking changes have been, and continue to be made throughout the City in response to this study. These changes led to an increase in revenue of \$93K in fiscal year 2017 over fiscal year 2016. The Parking Fund ended the year with a decrease in net position of \$4K, up from a decrease of \$58K in fiscal year 2016. Planning continues in fiscal year 2018, including a pilot of a remote pay parking option which is being rolled out in November 2017, to address the ongoing operating deficit.

Capital Assets

At the end of fiscal year 2017, the City had a combined total of capital assets of \$105.0 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 increase (including additions and deletions) of \$1.1M. The main factors for this increase were large projects such as water main replacement, sewer lining, and street resurfacing. There were also 13 new vehicles purchased during 2017. 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		Business-Type		Total Primary		Discretely Presented	
	Activities		Activities		Government		Component Unit	
	2017	2016	2017	2016	2017	2016	2017	2016
Assets								
Land & Improvements	\$ 36,651	\$ 36,589	1,283	1,283	37,934	37,872	170	170
Buildings	9,954	10,256			9,954	10,256	1,090	752
Machinery & Equipment	467	366	87	113	554	479	97	108
Furniture & Equipment	217	253			217	253		
Vehicles & Equipment	1,637	1,611	101	133	1,738	1,744	2	3
Infrastructure	16,858	16,142	36,058	35,856	52,916	51,998		
Works of Art							770	770
Construction in Progress	1,359	1,002	337	337	1,696	1,339	97	102
Total Capital Assets	\$ 67,143	\$ 66,219	37,866	37,722	105,009	103,941	2,225	1,904

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

Outstanding Debt

The City of Park Ridge has six general obligation bond series outstanding totaling \$32.4M. The City has an Aa2 rating by Moody's Investor Service. Moody's previously held a negative outlook on the City of Park Ridge which was removed during fiscal year 2017 to reflect the City's improved financial position. Outstanding debt consists of the following:

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, 2017, the outstanding debt on 2012A totaled \$4,505,000. 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.

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, 2017, the outstanding debt of these bonds totaled \$895,000. 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 refunding 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, 2017, the outstanding debt of these bonds totaled \$6,400,000. 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 refunding 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, 2017, 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, 2017, the outstanding debt on these bonds totaled \$4,290,000. 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 December 2016, the City issued Series 2016 Bonds. Proceeds from the 2016 bonds were used to refund outstanding series 2006A bonds. Present value savings from the refundings was \$1.4M. Proceeds from the series 2006A bonds were used to finance the last phase of development for target area II of the Uptown TIF district. These bonds are paid from incremental tax revenue from the Uptown TIF district. As of April 30, 2017, the outstanding debt of these bonds totaled \$9,990,000.

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

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

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. 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.

Capital investments in City facilities were deferred in recent years while the City focused on building a health fund balance. Now that the General Fund is consistently meeting targeted fund balance, the City has undertaken a comprehensive life and safety plan to address both short and long term building needs. City Hall parking lot and lighting improvement projects have been completed. Planning continues for Police Department renovations, City Hall life safety improvements and City building HVAC needs.

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 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. The Uptown TIF fund is now recovering allowing the City to move towards an increasing abatement of property tax on these bonds.

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.

(See Independent Auditor's Report)

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

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, 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, 2017

	Primary Government			Component
	Governmental Activities	Business-Type Activities	Total	Unit Public Library
Assets				
Cash and Cash Equivalents	\$ 31,255,743	8,562,925	39,818,668	5,067,801
Investments				148,966
Receivables				
Property Taxes, Net	6,390,175		6,390,175	2,151,295
Other Taxes	1,218,576		1,218,576	
Intergovernmental	2,302,596		2,302,596	
Customer Accounts		2,563,079	2,563,079	
Other Receivables	413,730		413,730	
Note Receivable	674		674	
Inventory	114,519	90,969	205,488	
Prepaid Items	353,398	960	354,358	56,945
Noncurrent Assets				
Capital Assets Not Being Depreciated	36,829,470	1,619,901	38,449,371	1,037,507
Capital Assets (Net of Accumulated Depreciation)	30,313,153	36,245,833	66,558,986	1,187,348
Other Assets				
Deposits - Public Entity Risk Pool	567,773		567,773	
Total Assets	109,759,807	49,083,667	158,843,474	9,649,862
Deferred Outflows of Resources				
Loss on Debt Refunding	76,039		76,039	
Deferred Outflows of Resources - Pensions	8,840,056	468,959	9,309,015	806,742
Total Deferred Outflows of Resources	8,916,095	468,959	9,385,054	806,742
Liabilities				
Accounts Payable	1,408,012	1,498,990	2,907,002	87,011
Accrued Interest Payable	327,949		327,949	
Other Accrued Liabilities	60,967	102,881	163,848	27,970
Unearned Revenue - Other	274,210		274,210	
Due to Other Governments	59,627		59,627	
Other Liabilities	93,594		93,594	
Noncurrent Liabilities				
Due Within One Year	4,763,185	18,058	4,781,243	37,082
Due in More Than One Year	88,137,351	588,030	88,725,381	1,039,886
Total Liabilities	95,124,895	2,207,959	97,332,854	1,191,949
Deferred Inflows of Resources				
Deferred Inflows of Resources - Pension	1,699,013	143,786	1,842,799	247,354
Net Position				
Net Investment in Capital Assets	34,184,219	37,865,734	72,049,953	2,224,855
Restricted for				
Road Construction	1,388,573		1,388,573	
Public Safety	492,049		492,049	
Economic Development	4,706,357		4,706,357	
Debt Service	2,721,121		2,721,121	
Employee Benefits	1,335,870		1,335,870	
Municipal Waste Management	2,291,322		2,291,322	
Special Service Areas	181,826		181,826	
Capital Outlay	125,060		125,060	
Parking Lot Improvements		339,927	339,927	
Unrestricted	(25,574,403)	8,995,220	(16,579,183)	6,792,446
Total Net Position	\$ 21,851,994	47,200,881	69,052,875	9,017,301

See Notes to Financial Statements

CITY OF PARK RIDGE, ILLINOIS

Statement of Activities

Year Ended April 30, 2017

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants	Capital Grants
Primary Government				
Governmental Activities				
General Government	\$ 6,334,349	3,711,183		
Public Safety	19,897,207	1,695,182	75,299	
Public Works	10,343,074	78,800	949,987	
Development	1,629,028			
Culture and Civic	443,744			
Interest Expense	914,890			
Total Governmental Activities	<u>39,562,292</u>	<u>5,485,165</u>	<u>1,025,286</u>	<u>-</u>
Business-Type Activities				
Water	7,069,448	10,292,012		
Parking	312,531	412,631		
Sewer	1,219,104	1,962,897		
Total Business-Type Activities	<u>8,601,083</u>	<u>12,667,540</u>	<u>-</u>	<u>-</u>
Total Primary Government	<u>\$ 48,163,375</u>	<u>18,152,705</u>	<u>1,025,286</u>	
Component Unit				
Public Library	\$ 3,939,170	73,782	28,891	

General Revenues and Transfers

Taxes

- Property
- Replacement
- Utility
- Telecommunications
- Property Transfer
- Emergency Telephone
- Other

Intergovernmental Taxes

- Income
- Sales
- Other

Unrestricted Investment Earnings

Miscellaneous

Transfers

Total General Revenues
and Transfers

Change in Net Position

Net Position

May 1

April 30

Net (Expense) Revenue and Changes in Net Position			
Governmental Activities	Primary Government		Component Unit
	Business-Type Activities	Total	Public Library
(2,623,166)		(2,623,166)	
(18,126,726)		(18,126,726)	
(9,314,287)		(9,314,287)	
(1,629,028)		(1,629,028)	
(443,744)		(443,744)	
(914,890)		(914,890)	
(33,051,841)	-	(33,051,841)	-
	3,222,564	3,222,564	
	100,100	100,100	
	743,793	743,793	
-	4,066,457	4,066,457	-
(33,051,841)	4,066,457	(28,985,384)	
			(3,836,497)
18,513,446		18,513,446	4,693,457
454,818		454,818	
2,350,314		2,350,314	
1,244,221		1,244,221	
783,966		783,966	
506,214		506,214	
2,166,649		2,166,649	73,253
3,533,908		3,533,908	
6,326,783		6,326,783	
460,348		460,348	
117,666	5,251	122,917	4,037
763,180	46,493	809,673	111,516
2,765,841	(2,765,841)		
39,987,354	(2,714,097)	37,273,257	4,882,263
6,935,513	1,352,360	8,287,873	1,045,766
14,916,481	45,848,521	60,765,002	7,971,535
21,851,994	47,200,881	69,052,875	9,017,301

CITY OF PARK RIDGE, ILLINOIS

Balance Sheet - Governmental Funds

April 30, 2017

	General Fund	Municipal Waste Management Fund	Uptown Tax Increment Financing (TIF) Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets					
Cash and Cash Equivalents	\$ 17,590,938	1,153,042	4,591,992	4,434,148	27,770,120
Receivables					
Property Tax, Net	3,617,680	1,103,887	17,450	1,651,158	6,390,175
Other Taxes Receivable					
Local Sales Tax	497,543				497,543
Simplified Telecommunications Tax	303,876				303,876
Personal Property Replacement Tax	64,803				64,803
Utility Tax	142,304				142,304
Gasoline Tax	41,047				41,047
Other Taxes	13,400			155,603	169,003
Intergovernmental	2,216,431			86,165	2,302,596
Other Receivables	413,730				413,730
Loans and Notes	674				674
Inventory	114,519				114,519
Due From Other Funds	261,432				261,432
Prepaid Items	174,295	89,032		70,143	333,470
Total Assets	\$ 25,452,672	2,345,961	4,609,442	6,397,217	38,805,292

(Cont.)

CITY OF PARK RIDGE, ILLINOIS

Balance Sheet - Governmental Funds

April 30, 2017

	General Fund	Municipal Waste Management Fund	Uptown Tax Increment Financing (TIF) Fund	Nonmajor Governmental Funds	Total Governmental Funds
Liabilities					
Accounts Payable	\$ 1,095,188	53,016	11,463	75,806	1,235,473
Other Accrued Liabilities	59,344	1,623			60,967
Unearned Revenue	258,565				258,565
Due to Other Funds				261,432	261,432
Due to Other Governments	59,627				59,627
Other Liabilities				93,594	93,594
Total Liabilities	1,472,724	54,639	11,463	430,832	1,969,658
Deferred Inflows of Resources					
Unavailable Property Taxes	3,533,018	1,088,357		1,627,796	6,249,171
Unavailable Intergovernmental Revenues	1,112,146			81,716	1,193,862
Other Unavailable Revenues	186,098				186,098
Total Deferred Inflows of Resources	4,831,262	1,088,357		1,709,512	7,629,131
Fund Balances					
Nonspendable					
Inventory	114,519				114,519
Prepaid Items	174,295	89,032		70,143	333,470
Restricted					
Municipal Waste		1,113,933			1,113,933
Road Construction				1,388,573	1,388,573
Public Safety				340,190	340,190
Economic Development			4,597,979	108,378	4,706,357
Debt Service				1,825,719	1,825,719
Employee Benefits				603,476	603,476
Special Service Areas				181,826	181,826
Capital Outlay	125,060				125,060
Committed					
Tree Bank	192,348				192,348
Unassigned	18,542,464			(261,432)	18,281,032
Total Fund Balances	19,148,686	1,202,965	4,597,979	4,256,873	29,206,503
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 25,452,672	2,345,961	4,609,442	6,397,217	38,805,292

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, 2017

Total Fund Balances - Governmental Funds \$ 29,206,503

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	86,882,183
Accumulated Depreciation	<u>(21,766,759)</u>

Net Capital Assets 65,115,424

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	(32,355,000)
Bond Premiums	(679,443)
Deferred Outflows of Resources, Pension Related	8,840,056
Deferred Inflows of Resources, Pension Related	(1,699,013)
Net Pension Liability	(53,842,231)
OPEB Obligations	(3,621,371)
Compensated Absences	(1,608,140)
Claims Liability	(794,351)
Interest Payable	<u>(327,949)</u>

Total Long-Term Liabilities (86,087,442)

Losses on refunding are not recognized in the governmental funds, but are capitalized and amortized over the life of the refunded bond in the Statement of Net Position.

76,039

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.

7,629,131

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.

5,912,339

Net Position of Governmental Activities

\$ 21,851,994

CITY OF PARK RIDGE, ILLINOIS

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

Year Ended April 30, 2017

	General Fund	Municipal Waste Management Fund	Uptown Tax Increment Financing (TIF) Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues					
Property Taxes	\$ 8,796,985	3,438,267	2,879,694	5,136,927	20,251,873
Other Taxes	9,368,067			515,173	9,883,240
Licenses and Permits	3,652,478				3,652,478
Intergovernmental	7,268,687			949,987	8,218,674
Charges for Services	1,712,622				1,712,622
Fines and Forfeitures	640,975				640,975
Investment Income	111,749		577	5,340	117,666
Miscellaneous	132,074			85,061	217,135
Total Revenues	31,683,637	3,438,267	2,880,271	6,692,488	44,694,663
Expenditures					
Current					
General Government	6,950,450			264,082	7,214,532
Public Safety	15,746,271			1,606,081	17,352,352
Public Works	5,486,103	2,700,705	880,120	1,573,621	10,640,549
Development	1,223,622			391,252	1,614,874
Culture and Civic	4,380			439,364	443,744
Debt Service					
Principal				3,170,000	3,170,000
Interest and Fiscal Agent Fees				1,171,423	1,171,423
Cost of Issuance				47,700	47,700
Total Expenditures	29,410,826	2,700,705	880,120	8,663,523	41,655,174
Excess of Revenues Over Expenditures	2,272,811	737,562	2,000,151	(1,971,035)	3,039,489
Other Financing Sources (Uses)					
Transfers In	1,287,269			2,501,543	3,788,812
Transfers Out	(1,022,971)				(1,022,971)
Issuance of Debt				9,990,000	9,990,000
Payment to Escrow Agent				(10,172,539)	(10,172,539)
Proceeds From Sale of Capital Assets	769				769
Total Other Financing Sources (Uses)	265,067	-	-	2,319,004	2,584,071
Net Change in Fund Balances	2,537,878	737,562	2,000,151	347,969	5,623,560
Fund Balance					
May 1	16,610,808	465,403	2,597,828	3,908,904	23,582,943
April 30	\$ 19,148,686	1,202,965	4,597,979	4,256,873	29,206,503

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, 2017

Net Change in Fund Balances - Total Governmental Funds \$ 5,623,560

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)	1,492,732
Depreciation (excluding internal service funds)	(819,034)
	673,698

Capital Outlay in Excess of Depreciation	673,698
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The net effect of disposals of capital assets is not recognized in the governmental fund statements.	(19,633)
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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.	3,170,000
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The issuance of long-term debt provides current financial resources to governmental funds, however has no effect on net position.	(9,990,000)
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The payment to the refunded bond escrow agent is reported as an other financing use in the governmental funds.	10,172,539
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Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the governmental funds.	(962,700)
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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	(97,226)
Amortization of Bond Premiums	136,224
Amortization of Loss on Bond Issuance	(39,835)
Decrease in Net Pension Liabilities	1,028,233
Decrease in Deferred Outflows - Pension	(2,717,272)
Increase in Deferred Inflows - Pension	(720,273)
Decrease in Claims Payable	204,801
Increase in Other Postemployment Benefits Obligation	(205,778)
Decrease in Accrued Interest on Debt	160,144
	(2,250,982)

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.	519,031
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Change in Net Position - Governmental Activities	\$ 6,935,513
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See Notes to Financial Statements

CITY OF PARK RIDGE, ILLINOIS

Statement of Net Position - Proprietary Funds

April 30, 2016

	Business-Type Activities - Enterprise Funds			Total	Governmental Activities - Internal Service Funds
	Water Fund	Sewer Fund	Nonmajor Parking Fund		
Assets					
Current Assets					
Cash and Cash Equivalents	\$ 4,511,432	4,049,989	1,504	8,562,925	3,485,623
Accounts Receivables, Net of Allowances	2,272,868	290,211		2,563,079	
Inventory	90,969			90,969	
Prepays			960	960	19,928
Total Current Assets	6,875,269	4,340,200	2,464	11,217,933	3,505,551
Noncurrent Assets					
Capital Assets					
Cost	35,090,955	24,445,233	1,772,535	61,308,723	6,978,631
Less Accumulated Depreciation	(14,048,725)	(9,091,173)	(303,091)	(23,442,989)	(4,951,432)
Total Noncurrent Assets	21,042,230	15,354,060	1,469,444	37,865,734	2,027,199
Other Assets					
Deposit - Public Entity Risk Pool					567,773
Total Assets	27,917,499	19,694,260	1,471,908	49,083,667	6,100,523
Deferred Outflows of Resources					
Deferred Outflows of Resources - Pension	226,281	191,191	51,487	468,959	
Liabilities					
Current Liabilities					
Accounts Payable	877,955	517,537	103,498	1,498,990	172,539
Other Accrued Liabilities	86,399	12,360	4,122	102,881	
Unearned Revenues					15,645
Due to Other Funds					
Compensated Absences Payable	18,058			18,058	
Total Current Liabilities	982,412	529,897	107,620	1,619,929	188,184
Noncurrent Liabilities					
Net Pension Liability	242,642	205,015	55,209	502,866	
Compensated Absences Payable	80,138	3,312	1,714	85,164	
Total Liabilities	1,305,192	738,224	164,543	2,207,959	188,184
Deferred Inflows of Resources					
Deferred Inflows of Resources - Pension	69,380	58,620	15,786	143,786	
Net Position					
Net Investment in Capital Assets	21,042,230	15,354,060	1,469,444	37,865,734	2,027,199
Restricted for Parking Lot Improvements			339,927	339,927	
Unrestricted	5,726,978	3,734,547	(466,305)	8,995,220	3,885,140
Total Net Position	\$ 26,769,208	19,088,607	1,343,066	47,200,881	5,912,339

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, 2017

	Business-Type Activities - Enterprise Funds			Total	Governmental Activities - Internal Service Funds
	Water Fund	Sewer Fund	Nonmajor Parking Fund		
Operating Revenues					
Charges for Services	\$ 10,292,012	1,807,165	412,631	12,511,808	425,325
Contributions					4,061,045
Developer Fees		155,732		155,732	
Total Operating Revenues	10,292,012	1,962,897	412,631	12,667,540	4,486,370
Operating Expenses					
Administration	1,024,103			1,024,103	
Water Supply and Treatment	4,773,291			4,773,291	
Watermain Services	361,001			361,001	
Water Meter Services	82,511			82,511	
Parking Services and Maintenance			312,531	312,531	
Sewer and Drainage		850,949		850,949	
Premiums					3,763,455
Materials					366,373
Other Expense					4,595
Depreciation	827,212	368,155		1,195,367	361,871
Total Operating Expenses	7,068,118	1,219,104	312,531	8,599,753	4,496,294
Operating Income (Loss)	3,223,894	743,793	100,100	4,067,787	(9,924)
Nonoperating Revenues					
Investment Income	2,423	2,828		5,251	1,818
Miscellaneous Revenues	46,402	2	89	46,493	510,241
Gain (loss) on Disposal of Capital Assets	(1,330)			(1,330)	16,896
Total Nonoperating Revenues	47,495	2,830	89	51,744	528,955
Income Before Transfers	3,271,389	746,623	100,189	4,119,531	519,031
Transfers Out	(1,933,835)	(728,063)	(103,943)	(2,765,841)	
Change in Net Position	1,337,554	18,560	(3,754)	1,353,690	519,031
Net Position					
May 1	25,431,654	19,070,047	1,346,820	45,848,521	5,393,308
April 30	\$ 26,769,208	19,088,607	1,343,066	47,202,211	5,912,339

See Notes to Financial Statements

CITY OF PARK RIDGE, ILLINOIS

Statement of Cash Flows - Proprietary Funds

Year Ended April 30, 2017

	Business-Type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Water Fund	Sewer Fund	Nonmajor Parking Fund	Total	
Cash Flows From Operating Activities					
Receipts From Customers and Users	\$ 10,371,157	1,991,414	412,720	12,775,291	
Receipts From Interfund Service Provided					425,325
Payments to Suppliers	(5,005,217)	74,404	(118,109)	(5,048,922)	(4,766,502)
Payments to Employees	(656,495)	(418,877)	(182,204)	(1,257,576)	4,536,471
Net Cash Provided by Operating Activities	4,709,445	1,646,941	112,407	6,468,793	195,294
Cash Flows From Noncapital Financing Activities					
Interfund Loan Transactions			(25,190)	(25,190)	
Transfers Out	(1,933,835)	(728,063)	(103,943)	(2,765,841)	
Net Cash Used for Noncapital Financing Activities	(1,933,835)	(728,063)	(129,133)	(2,791,031)	-
Cash Flows From Capital and Related Financing Activities					
Purchase of Capital Assets	(785,079)	(556,161)		(1,341,240)	(614,481)
Net Cash Used for Capital and Related Financing Activities	(785,079)	(556,161)	-	(1,341,240)	(614,481)
Cash Flows From Investing Activities					
Interest Income Received	2,423	2,828	-	5,251	1,818
Net Cash Provided by Investing Activities	2,423		-	5,251	1,818
Net Increase (Decrease) in Cash and and Cash Equivalents	1,992,954	365,545	(16,726)	2,341,773	(417,369)
Cash and Cash Equivalents					
May 1	2,518,478	3,684,444	18,230	6,221,152	3,902,992
April 30	\$ 4,511,432	4,049,989	1,504	8,562,925	3,485,623
Cash Flows From Operating Activities					
Operating Income (Loss)	\$ 3,223,894	743,793	100,100	4,067,787	(9,924)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities					
Depreciation	827,212	368,155		1,195,367	361,871
Miscellaneous Revenues	46,402	2	89	46,493	510,241
Deferred Outflows of Resources - Pension	52,207	44,111	11,879	108,197	
Net Pension Liabilities	(51,788)	(43,757)	(11,784)	(107,329)	
Deferred Inflows of Resources - Pension	11,444	9,669	2,604	23,717	
Changes in Assets and Liabilities					
Accounts Receivable	32,743	28,515		61,258	
Inventory	4,882			4,882	
Prepays			(60)	(60)	(19,593)
Deposits					(567,773)
Accounts Payable	541,676	482,060	7,367	1,031,103	80,912
Other Accrued Liabilities	17,292	13,454	2,122	32,868	
Compensated Absences Payable	3,481	939	90	4,510	
Claims and Judgments Payable					
Other Liabilities					(145,218)
Unearned Revenue					(15,222)
Net Cash Provided by Operating Activities	\$ 4,709,445	1,646,941	112,407	6,468,793	195,294

See Notes to Financial Statements

CITY OF PARK RIDGE, ILLINOIS

Statement of Fiduciary Net Position - Fiduciary Funds

April 30, 2017

	Pension Trust Funds	Agency Funds Escrow Deposit
Assets		
Cash and Cash Equivalents	\$ 3,155,100	481,875
Investments		
Certificates of Deposit	1,414,373	
U.S. Treasury Securities	5,490,183	
U.S. Agency Securities	8,306,182	
Municipal Bonds	436,238	
Corporate Bonds	13,026,666	
Common Stocks	4,352,502	
Real Estate	4,765,397	
Mutual Funds	48,505,840	
Receivables		
Accrued Interest	230,212	
Prepaid Expenses	33,846	
	<u>89,716,539</u>	<u>481,875</u>
Liabilities		
Accounts Payable and Accrued Expenses	10,997	2,607
Deposits		479,268
	<u>10,997</u>	<u>481,875</u>
Net Position		
Restricted for Pensions	<u>\$ 89,705,542</u>	<u>-</u>

See Notes to Financial Statements

CITY OF PARK RIDGE, ILLINOIS

Statement of Changes in Fiduciary Net Position - Pension Trust Funds

Year Ended April 30, 2017

Additions	
Contributions	
Employer	\$ 3,923,764
Participants	939,570
	<u>4,863,334</u>
Investment Income	
Net Decrease in Fair Value of Investments	5,761,424
Interest	1,052,962
Dividends	1,086,033
Less Investment Expense	(209,417)
	<u>7,691,002</u>
Total Additions	<u>12,554,336</u>
Deductions	
Administrative Expenses	104,103
Pension Benefits and Refunds	6,495,060
	<u>6,599,163</u>
Total Deductions	<u>6,599,163</u>
Change in Net Position	5,955,173
Net Position Restricted for Pensions	
May 1	<u>83,750,369</u>
April 30	<u>\$ 89,705,542</u>

See Notes to Financial Statements

CITY OF PARK RIDGE, ILLINOIS

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April 30, 2017

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CITY OF PARK RIDGE, ILLINOIS

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CITY OF PARK RIDGE, ILLINOIS

Notes to the Financial Statements
April 30, 2017

1. Summary of Significant Accounting Policies

Park Ridge was recognized as a City in 1873 and was incorporated as a City in 1910. The City of Park Ridge (the City) is operated under the Mayor/City Council form of government with the Mayor, seven Aldermen, and Clerk elected by the people. The City Council is the City's legislative body, enacting the laws and establishing the policies which govern the main activities of the City. The Mayor presides at all Council meetings. By ordinance, the Mayor and City Council appoint a City Manager to act as administrative head of the City. The City is a home-rule municipality under the 1970 Illinois Constitution.

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

A. Financial Reporting Entity

As defined by generally accepted accounting principles established by the Governmental Accounting Standards Board, the financial reporting entity consists of the primary government, as well as its component units, which are legally separate organizations for which the elected officials of the primary government are financially accountable. Financial accountability is defined as:

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

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, 2017.

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 Public Library may not issue bonded debt without the City's approval and the debt would be issued by the City. 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, 2017. The Library does not issue separate financial statements.

CITY OF PARK RIDGE, ILLINOIS

Notes to the Financial Statements
April 30, 2017

1. Summary of Significant Accounting Policies (Cont.)

A. Financial Reporting Entity (Cont.)

Joint Venture and Risk Pool

The City participates in two joint ventures and two risk pools, which are reported as nonequity governmental joint ventures and a nonequity governmental risk pools, respectively, and described in Note 10.

The joint ventures are the Solid Waste Agency of Northern Cook County (SWANCC) and West Suburban Consolidated Dispatch Center (WSCDC). The risk pools are the High-Level Excess Liability Pool (HELP) and Intergovernmental Personnel Benefit Cooperative.

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 nonfiduciary 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, 2017

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, 2017

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

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, 2017

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, 2017, the allowance was \$342,457, which includes the allowance recognized for the library levy.

The City also reports customer accounts receivable for services in its enterprise funds, at net realizable amounts. The City provides an allowance for uncollectible accounts based on a review of outstanding receivables, historical collection information and economic conditions. An allowance of \$8,918 and \$28,170 has been applied to Water and Parking Fund 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, 2017

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, 2017

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 reporting period(s) and so will not be recognized as an outflow of resources (expense/expenditure/reduction of liability) 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 or as a reduction in net pension liability 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 reporting period(s) and so will not be recognized as an inflow of resources (revenue/reduction of expense) 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.

The City also reports deferred inflows of resources in its Balance Sheet – Government Funds. These deferred inflows are comprised of the following: unavailable property taxes and unavailable intergovernmental and other revenues.

CITY OF PARK RIDGE, ILLINOIS

Notes to the Financial Statements
April 30, 2017

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.

The 2006A General Obligation Bond Fund had a deficit fund balance of \$261,432 as of April 30, 2017.

CITY OF PARK RIDGE, ILLINOIS

Notes to the Financial Statements
April 30, 2017

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, deferred outflows of resources, liabilities and deferred inflows of resources, 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 2017, the City adopted the provisions of GASB Statement No. 72, *Fair Value Measurement and Application*, which requires state and local governments to measure investments at fair value. GASB's goal is to enhance comparability of governmental financial statements by requiring fair value measurement for certain assets and liabilities using a consistent definition and accepted valuation techniques. This standard expands fair value disclosures to provide comprehensive information for financial statement users about the impact of fair value measurements on a government's financial position. See Note 12 for the related disclosures.

CITY OF PARK RIDGE, ILLINOIS

Notes to the Financial Statements
April 30, 2017

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, 2017, the City's cash and investments consisted of the following:

	Government- Wide	Agency	Total
Cash and Cash Equivalents	\$ 30,189,069	481,875	30,670,944
Restricted Cash	369,666		369,666
Illinois Funds	9,259,933		9,259,933
	<u>\$ 39,818,668</u>	<u>481,875</u>	<u>40,300,543</u>

For disclosure purposes, these amounts are 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	\$ 1,706
Deposits with Financial Institutions - City	39,816,962
Deposits with Financial Institutions - Agency Funds	<u>481,875</u>
	<u>\$ 40,300,543</u>

CITY OF PARK RIDGE, ILLINOIS

Notes to the Financial Statements
April 30, 2017

2. Deposits and Investments (Cont.)

As of April 30, 2017, 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	\$ 148,966	148,966		

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, 2017, 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, 2017, the carrying amount of the Library's deposits was \$5,068,929. As of April 30, 2017, 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, 2017.

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, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. 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, 2017

3. Receivables - Taxes

Property taxes for 2016 attach as an enforceable lien on January 1, 2016. Taxes are levied in December 2016, 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, 2017. 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	\$ 35,470,750			35,470,750
Construction in Progress	1,002,430	356,290		1,358,720
	<u>36,473,180</u>	<u>356,290</u>	-	<u>36,829,470</u>
Capital Assets Being Depreciated				
Land Improvements	2,472,347	180,392		2,652,739
Buildings	15,363,255			15,363,255
Machinery and Equipment	1,487,986	169,360		1,657,346
Office Furniture and Equipment	549,367			549,367
Vehicles	6,532,507	377,701	266,819	6,643,389
Infrastructure	29,124,883	1,040,365		30,165,248
	<u>55,530,345</u>	<u>1,767,818</u>	<u>266,819</u>	<u>57,031,344</u>
Less Accumulated Depreciation For				
Land Improvements	1,354,380	118,538		1,472,918
Buildings	5,107,740	301,186		5,408,926
Machinery and Equipment	1,121,778	68,404		1,190,182
Office Furniture and Equipment	296,041	36,160		332,201
Vehicles	4,921,976	331,676	247,186	5,006,466
Infrastructure	12,982,557	324,941		13,307,498
	<u>25,784,472</u>	<u>1,180,905</u>	<u>247,186</u>	<u>26,718,191</u>
Total Capital Assets Being Depreciated, Net	<u>29,745,873</u>	<u>586,913</u>	<u>19,633</u>	<u>30,313,153</u>
Governmental Activities Capital Assets, Net	<u>\$ 66,219,053</u>	<u>943,203</u>	<u>19,633</u>	<u>67,142,623</u>

CITY OF PARK RIDGE, ILLINOIS

Notes to the Financial Statements
April 30, 2017

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	336,518			336,518
	<u>1,619,901</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		5,326	302,728
Infrastructure	57,020,851	1,341,240		58,362,091
	<u>58,352,908</u>	<u>1,341,240</u>	<u>5,326</u>	<u>59,688,822</u>
Less Accumulated Depreciation For				
Land Improvements	303,091			303,091
Machinery and Equipment	608,267	25,329		633,596
Vehicles	175,539	30,273	3,996	201,816
Infrastructure	21,164,721	1,139,765		22,304,486
	<u>22,251,618</u>	<u>1,195,367</u>	<u>3,996</u>	<u>23,442,989</u>
Total Capital Assets Being Depreciated, Net	<u>36,101,290</u>	<u>145,873</u>	<u>1,330</u>	<u>36,245,833</u>
Business-Type Activities Capital Assets, Net	<u>\$ 37,721,191</u>	<u>145,873</u>	<u>1,330</u>	<u>37,865,734</u>

C. Depreciation Expense

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

Governmental Activities	
General Government	\$ 15,525
Public Safety	209,019
Public Works	<u>956,361</u>
	<u>\$ 1,180,905</u>
Business-Type Activities	
Water	\$ 827,212
Sewer	<u>368,155</u>
	<u>\$ 1,195,367</u>

CITY OF PARK RIDGE, ILLINOIS

Notes to the Financial Statements
April 30, 2017

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	295,000		295,000
	<u>\$ 1,700,928</u>	<u>1,013,090</u>	<u>687,838</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	97,424	101,700	97,424
Works of Art	770,000			770,000
	<u>1,041,783</u>	<u>97,424</u>	<u>101,700</u>	<u>1,037,507</u>
Capital Assets Being Depreciated				
Buildings	2,050,632	360,845		2,411,477
Machinery and Equipment	214,497			214,497
Office Furniture and Equipment	92,988			92,988
Vehicles	17,154			17,154
	<u>2,375,271</u>	<u>360,845</u>	<u>-</u>	<u>2,736,116</u>
Less Accumulated Depreciation For				
Buildings	1,299,097	21,137		1,320,234
Machinery and Equipment	106,785	13,325		120,110
Office Furniture and Equipment	92,988			92,988
Vehicles	14,293	1,143		15,436
	<u>1,513,163</u>	<u>35,605</u>	<u>-</u>	<u>1,548,768</u>
Total Capital Assets Being Depreciated, Net	<u>862,108</u>	<u>325,240</u>	<u>-</u>	<u>1,187,348</u>
Library Capital Assets, Net	<u>\$ 1,903,891</u>	<u>422,664</u>	<u>101,700</u>	<u>2,224,855</u>

CITY OF PARK RIDGE, ILLINOIS

Notes to the Financial Statements
April 30, 2017

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, 2017:

	Balances May 1	Additions	Reductions	Balances April 30	Due Within One Year
Governmental Activities					
General Obligation Bonds	\$ 35,665,000	9,990,000	13,300,000	32,355,000	3,560,000
Bond Issuance Premium	964,795		285,352	679,443	127,410
Compensated Absences	1,510,914	1,606,210	1,508,984	1,608,140	281,424
Net Pension Liability	54,870,464	4,692,420	5,720,653	53,842,231	
Claims and Judgments	999,152	365,339	570,140	794,351	794,351
Other Postemployment Benefits	3,415,593	393,280	187,502	3,621,371	
	<u>\$ 97,425,918</u>	<u>17,047,249</u>	<u>21,572,631</u>	<u>92,900,536</u>	<u>4,763,185</u>
Business-Type Activities					
Compensated Absences Payable	\$ 98,712	330,240	325,730	103,222	18,058
Net Pension Liability	610,195	237,844	345,173	502,866	
	<u>\$ 708,907</u>	<u>568,084</u>	<u>670,903</u>	<u>606,088</u>	<u>18,058</u>
Component Unit - Library					
Compensated Absences Payable	\$ 217,258	151,289	156,651	211,896	37,082
Net Pension Liability	1,049,706	16,015	200,649	865,072	
	<u>\$ 1,266,964</u>	<u>167,304</u>	<u>357,300</u>	<u>1,076,968</u>	<u>37,082</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.

B. General Obligation Bonds

At April 30, 2017, the City had the following general obligation bonds and notes outstanding:

\$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%.	4,505,000
\$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%.	895,000
\$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%.	6,400,000

CITY OF PARK RIDGE, ILLINOIS

Notes to the Financial Statements
April 30, 2017

5. Long-Term Obligations (Cont.)

B. General Obligation Bonds (Cont.)

\$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%.	4,290,000
\$9,990,000 2016 General Obligation Refunding Bonds, due in annual installments of \$1,165,000 to \$1,990,000 beginning in 2020 through 2025, plus interest at 1.77% to 2.72%.	<u>9,990,000</u>
	<u>\$ 32,355,000</u>

Future maturities of General Obligation Bonds are as follows:

Year Ending April 30,	Governmental Activities General Obligation Bonds	
	Principal	Interest
2018	\$ 3,560,000	787,077
2019	3,465,000	718,047
2020	3,570,000	640,297
2021	3,655,000	558,776
2022	3,745,000	472,435
2023-2027	13,500,000	976,109
2028-2029	860,000	38,850
	<u>\$ 32,355,000</u>	<u>4,191,591</u>

Current Refunding

On December 1, 2016, the City issued \$9,990,000 in General Obligation Refunding Bonds with an interest rate of 1.77%. The proceeds were used to current refund \$10,130,000 of outstanding Series 2006A Bonds which had interest rates of 4.25% to 5.00%. The net proceeds of \$10,172,539 (including \$47,700 in underwriting fees and other issuance costs) were deposited in an irrevocable trust with an escrow agent to provide fund for future debt service payments on the refunded bonds. The 2006A bonds were called on January 3, 2017. As a result, the above-referenced bonds are considered defeased and the liability for those bonds has been removed from the Statement of Net Position. The City refunded the above-referenced bonds to reduce its total debt service payments over 8 years by \$1,214,618 and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$1,397,484.

CITY OF PARK RIDGE, ILLINOIS

Notes to the Financial Statements
April 30, 2017

6. Interfund Balances

Due from/to Other Funds

Receivable Fund	Payable Fund	Amount
General	2006A General Obligation Bond Fund	<u>\$ 261,432</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	\$ 1,009,911
General	Parking	82,264
General	Sewer	<u>195,094</u>
Total General Fund		<u>1,287,269</u>
Nonmajor Governmental Funds		
Illinois Municipal Retirement	Water	114,699
Illinois Municipal Retirement	Parking	21,679
Illinois Municipal Retirement	Sewer	78,519
Emergency Telephone	General	1,022,971
2014A Debt Service Fund	Water	809,225
2012A Debt Service Fund	Sewer	<u>454,450</u>
Total Nonmajor Funds		<u>2,501,543</u>
Total Transfers		<u>\$ 3,788,812</u>

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.

CITY OF PARK RIDGE, ILLINOIS

Notes to the Financial Statements
April 30, 2017

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, 2017, the City has accrued \$431,023 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, 2017, the City has accrued \$363,828 (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, 2017

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, 2015	\$ 150,019	501,157	239,144	890,320
Incurring Claims (Including IBNR)	640,024	327,532		967,556
Claims Payments	(272,141)	(347,439)	(239,144)	(858,724)
Unpaid Claims, April 30, 2016	517,902	481,250	-	999,152
Incurring Claims (Including IBNR)	221,334	144,005		365,339
Claims Payments	(308,213)	(261,927)	-	(570,140)
Unpaid Claims, April 30, 2017	\$ 431,023	363,328	-	794,351
		April 30, 2015	April 30, 2016	April 30, 2017
Total Liability Presented As				
Governmental Activities		\$ 845,918	999,152	794,351
Business Type Activities		12,909		
Discretely Presented Component Unit		31,493		
		\$ 890,320	999,152	794,351

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, 2017, 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, 2017

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 5.76%. 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. 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, 2017, was \$922,984. Total payments related to this agreement in the current fiscal year are \$365,480.

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.

CITY OF PARK RIDGE, ILLINOIS

Notes to the Financial Statements
April 30, 2017

10. Joint Ventures (Cont.)

A summary of revenues, expenses and net income for SWANCC for the year ended April 30, 2017, follows:

Total Revenues	\$ 12,029,784
Total Expenses	<u>12,540,648</u>
Change in Net Position	(510,864)
Net Position, Beginning (Restated)	<u>9,088,562</u>
Net Position, Ending	<u>\$ 8,577,698</u>

In accordance with the joint venture agreement, the City made payments totaling \$468,873 to SWANCC related to fixed costs for the year ended April 30, 2017. These payments were recorded in the City's Municipal Waste Management Fund. At April 30, 2017, the City's share of SWANCC's assets, liabilities and equity was 5.29%. 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, 2017.

A summary of revenues, expenses, and net income for HELP for the year ended April 30, 2017, follows:

Total Revenues	\$ 2,068,035
Total Expenses	<u>(544,204)</u>
Change in Net Position	2,612,239
Net Position, Beginning	<u>5,352,842</u>
Net Position Ending	<u>\$ 7,965,081</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.

CITY OF PARK RIDGE, ILLINOIS

Notes to the Financial Statements
April 30, 2017

10. Joint Ventures (Cont.)

C. West Suburban Consolidated Dispatch Center

The City participates in the West Suburban Consolidated Dispatch Center (WSCDC), a governmental joint venture with the Cities 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 2017, the City's allocated cost share totaled \$974,759 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.

D. Intergovernmental Personnel Benefit Cooperative

The City along with other area municipalities, is a member of the Intergovernmental Personal Benefit Cooperative (IPBC). IPBC is a cooperative public entity risk pool established by certain units of local government in Illinois to administer some or all of the personnel benefit programs available to the officers, employees, and retirees of certain other nonmember governmental, quasi-governmental and nonprofit public service units. These benefit programs include, but are not limited to, medical expense claim payments, dental, and life insurance. The cooperative receives, processes and pays such claims that may come within the benefit programs of each participating unit. All units participating in IPBC pool their risks and funds and do share in the cost of losses or surpluses.

IPBC is governed by a Board of Directors, which consists of one appointed representative from each member entity as defined in its bylaws. Each Director has an equal vote. The officers of IPBC are chosen by the Board of Directors from among their membership. The Board of Directors determines the general policies of IPBC; makes all appropriations; approves contracts and renewal terms; adopts bylaws, rules and regulations; and exercises such powers and performs such duties as may be prescribed in its bylaws. During the fiscal year ended June 30, 2014, IPBC hired an Executive Director to administer and supervise the operations of IPBC. The City does not exercise any control over the activities of the IPBC beyond its representation on the Board of Directors.

As of April 30, 2017, the City has IPBC deposits totaling \$567,773.

11. Other Postemployment Benefits

The City provides postemployment 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

CITY OF PARK RIDGE, ILLINOIS

Notes to the Financial Statements
April 30, 2017

11. Other Postemployment Benefits (Cont.)

retirement eligibility in their respective pension plans are eligible to elect to continue their health care coverage by paying the monthly premium rate charged for the City's health plans. The plan operates on a pay-as-you-go funding basis. No assets are accumulated or dedicated to funding the retiree health plan benefits.

The contribution requirements of plan members and the City are established and may be amended by the City Council. The required contributions are based on projected financing requirements. For fiscal year 2017, the City contributed \$187,502 to the plan.

Membership

Retirees and Beneficiaries Currently Receiving Benefits and Terminated Employees Entitled to Benefits But Not Yet Receiving Them	37 194
Currently Employees	<u>231</u>
Total	<u><u>462</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 City's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the City's net OPEB obligation to the City's Retiree Health Employee Benefits plan.

	<u>April 30, 2017</u>
Other Postemployment Benefits (OPEB) Obligation	
Annual Required Obligation	\$ 370,509
Interest on Net OPEB Obligation	136,624
Adjustment to Annual Required Obligation	<u>(113,853)</u>
Annual OPEB Cost	393,280
Contributions Made	<u>(187,502)</u>
Increase in Net OPEB Obligation	205,778
Net OPEB Obligation	
Beginning of Year	<u>3,415,593</u>
End of Year	<u><u>\$ 3,621,371</u></u>

CITY OF PARK RIDGE, ILLINOIS

Notes to the Financial Statements
April 30, 2017

11. Other Postemployment Benefits (Cont.)

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
4/30/2017	\$ 398,280	47.98%	3,621,371
4/30/2016	527,931	28.34%	3,415,593
4/30/2015	505,820	23.35%	3,037,304

Funded Status and Funding Progress

The funded status of the plan as of April 30, 2017, was as follows:

Actuarial Accrued Liability (AAL)	\$ 6,327,439
Actuarial Value of Plan Net Assets	
Unfunded Actuarial Accrued Liability (UAAL)	6,327,439
Funded Ratio (Actuarial Value of Plan Assets/AAL)	
Covered Payroll (Active Plan Members)	20,103,509
UAAL as a Percentage of Covered Payroll	31.47%

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 7.0% for 2016, reduced by decrements to an ultimate rate of 5.50% for 2028 and after. Both rates included a 3.0% 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, 2017

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	\$ 2,226,768	502,866	2,729,634	865,072	3,594,706
Police	27,558,684		27,558,684		27,558,684
Firefighters	24,056,779		24,056,779		24,056,779
	<u>\$ 53,842,231</u>	<u>502,866</u>	<u>54,345,097</u>	<u>865,072</u>	<u>55,210,169</u>
Deferred Outflows of Resources					
IMRF	\$ 2,050,496	468,959	2,519,455	806,742	3,326,197
Police	3,824,287		3,824,287		3,824,287
Firefighters	2,965,273		2,965,273		2,965,273
	<u>\$ 8,840,056</u>	<u>468,959</u>	<u>9,309,015</u>	<u>806,742</u>	<u>10,115,757</u>
Deferred Inflows of Resources					
IMRF	\$ 649,021	143,786	792,807	247,354	1,040,161
Police	748,213		748,213		748,213
Firefighters	301,779		301,779		301,779
	<u>\$ 1,699,013</u>	<u>143,786</u>	<u>1,842,799</u>	<u>247,354</u>	<u>2,090,153</u>
Pension Expense					
IMRF	\$ 675,656	149,354	825,010	282,623	1,107,633
Police	3,297,549		3,297,549		3,297,549
Firefighters	2,951,512		2,951,512		2,951,512
	<u>\$ 6,924,717</u>	<u>149,354</u>	<u>7,074,071</u>	<u>282,623</u>	<u>7,356,694</u>

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

CITY OF PARK RIDGE, ILLINOIS

Notes to the Financial Statements
April 30, 2017

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, 2017

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, 2016, 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	229	0
Inactive, Nonretired Members	119	0
Active Members	<u>152</u>	<u>1</u>
	<u>500</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 2016 was 11.39%. For the year ended April 30, 2017, the City contributed \$933,365 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 2016 was 15.36%. For the year end April 30, 2017, the City contributed \$22,371 to the SLEP Plan.

Investments

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

CITY OF PARK RIDGE, ILLINOIS

Notes to the Financial Statements
April 30, 2017

12. Defined Benefit Pension Plans (Cont.)

A. Illinois Municipal Retirement Fund (Cont.)

Investments (Cont.)

Asset Class	Portfolio Target Percentage	Long-Term Expected Real Rate of Return
Domestic Equity	38%	6.85%
International Equity	17%	6.75%
Fixed Income	27%	3.00%
Alternative Investments	8%	2.65% - 7.35%
Real Estate	9%	5.75%
Short-term	1%	2.25%
	<u>100%</u>	

Net Pension Liability

The City's net pension liability at April 30, 2017, was measured as of December 31, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The net pension liability as of April 30, 2017, is \$3,594,706.

Actuarial Assumptions

The following are the methods and assumptions used to determine the net pension liability as of April 30, 2017:

Actuarial Valuation Date	December 31, 2016
Measurement Date	December 31, 2016
Actuarial Cost Method	Entry-age Normal
Assumptions	
Price Inflation	2.75%
Salary Increases	3.75% - 14.50%, Including Inflation
Investment Rate of Return	7.50%
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.

For nondisabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Blue

CITY OF PARK RIDGE, ILLINOIS

Notes to the Financial Statements
April 30, 2017

12. Defined Benefit Pension Plans (Cont.)

A. Illinois Municipal Retirement Fund (Cont.)

Actuarial Assumptions (Cont.)

Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

Discount Rate

A single discount rate (SDR) of 7.50% (7.49% in the prior year) for the Regular Plan and 7.50% (7.05% in the prior year) for the SLEP Fund was used to measure the total pension liability. The projection of cash flows 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 pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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	\$ 69,024,689	64,757,591	4,267,098
Changes for the Year			
Service Cost	888,908		888,908
Interest	5,059,718		5,059,718
Differences Between Expected and Actual Experience	(808,478)		(808,478)
Changes of Assumptions	(76,748)		(76,748)
Contributions - Employer		979,755	(979,755)
Contributions - Employee		390,183	(390,183)
Net Investment Income		4,448,246	(4,448,246)
Benefit Payments, Including Refunds of Employees' Contributions	(3,832,338)	(3,832,338)	
Administrative Expenses		(4,240)	4,240
Net Changes	1,231,062	1,981,606	(750,544)
Balance, End of Year	\$ 70,255,751	66,739,197	3,516,554

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, 2017

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	\$ 314,348	209,954	104,394
Changes for the Year			
Service Cost	27,790		27,790
Interest	23,141		23,141
Differences Between Expected and Actual Experience	(15,697)		(15,697)
Changes of Assumptions	(14,626)		(14,626)
Contributions - Employer		22,310	(22,310)
Contributions - Employee		10,893	(10,893)
Net Investment Income		14,955	(14,955)
Benefit Payments, Including Refunds of Employees' Contributions			
Administrative Expenses		(1,308)	1,308
Net Changes	20,608	46,850	(26,242)
Balance, End of Year	\$ 334,956	256,804	78,152

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 7.50%, 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 (6.50%) or one percentage point higher (8.50%) than the current rate:

Regular Plan

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
City's Net Pension Liability (Asset)	\$ 11,792,179	3,516,554	(3,286,907)

CITY OF PARK RIDGE, ILLINOIS

Notes to the Financial Statements
April 30, 2017

12. Defined Benefit Pension Plans (Cont.)

A. Illinois Municipal Retirement Fund (Cont.)

Discount Rate Sensitivity (Cont.)

SLEP

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Net Pension Liability	\$ 112,066	78,152	49,058

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, 2017, the City recognized pension expense of \$1,090,002 and \$17,631 for the Regular Plan and SLEP, respectively. At April 30, 2017, 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	
	Regular Plan	SLEP	Regular Plan	SLEP
Differences Between Expected and Actual Experience Changes of Assumptions	\$ 26,215	4,331	963,416	15,854
Net Differences Between Projected and Actual Earnings on Plan Investments	2,994,486	9,916	50,812	10,079
Total Deferred Amounts to be Recognized in Pension Expense in Future Periods	3,020,701	14,247	1,014,228	25,933
Pension Contributions Made Subsequent to the Measurement Date	284,765	6,484		
	<u>\$ 3,305,466</u>	<u>20,731</u>	<u>1,014,228</u>	<u>25,933</u>

At April 30, 2017, the City reported \$284,765 for the Regular Plan and \$6,484 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

CITY OF PARK RIDGE, ILLINOIS

Notes to the Financial Statements
April 30, 2017

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.)

April 30, 2018. 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,	Amount
2018	\$ 284,867
2019	668,086
2020	978,224
2021	63,610
2022	-
	<u>\$ 1,994,787</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, 2017

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, 2017, the Police Pension membership consisted of:

Inactive Plan Members Currently Receiving Benefits	54
Inactive Plan Members Entitled But Not Yet Receiving Benefits	0
Active Plan Members	<u>52</u>
	<u><u>106</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, 2017, the City contributed \$2,061,179 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, 2017

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%	1.50%
Investment Grade Bonds	40.00%	3.10%
Domestic Equity	54.00%	8.40 - 10.30%
International Equity	6.00%	7.00 - 7.50%
	<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 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, 2017, are listed in the table above.

Valuation of Investments

All investments in the Plan are stated at fair value and recorded as of the trade date. Fair value is based on quoted market prices at April 30 for debt securities, equity securities and mutual funds.

CITY OF PARK RIDGE, ILLINOIS

Notes to the Financial Statements
April 30, 2017

12. Defined Benefit Pension Plans (Cont.)

B. Police Pension (Cont.)

Valuation of Investments (Cont.)

The following table presents the fair value measurements of assets and liabilities recognized in the accompanying statement of net position measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at April 30, 2017:

Investment Type	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Negotiable CDs			1,414,373	
Debt Securities				
U.S. Government Treasuries	\$ 1,854,128	1,854,128		
U.S. Agency Securities	6,840,061		6,840,061	
Corporate Bonds	5,181,031		5,181,031	
	<u>13,875,220</u>	<u>1,854,128</u>	<u>13,435,465</u>	<u>-</u>
Equity Securities				
Common Stocks	4,352,502	4,352,502		
Mutual Funds	24,757,398	24,757,398		
	<u>29,109,900</u>	<u>29,109,900</u>	<u>-</u>	<u>-</u>
Total	<u>42,985,120</u>	<u>30,964,028</u>	<u>13,435,465</u>	<u>-</u>

Level 1 Quoted prices in active markets for an identical asset or liability that a government can access at the measurement date.

Level 2 Inputs other than quoted prices included with Level 1 that are observable for an asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets or liabilities, quoted prices for identical or similar assets or liabilities in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 Unobservable inputs for an asset or liability.

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. If quoted market prices are not available, then fair values are estimated by using quoted prices of securities with similar characteristics or independent asset pricing services and pricing models, the inputs of which are market-based or independently sourced market parameters, including, but not limited to, yield curves, interest rates, volatilities, prepayments, defaults, cumulative loss projections and cash flows. Such securities are classified in Level 2 of the valuation hierarchy.

CITY OF PARK RIDGE, ILLINOIS

Notes to the Financial Statements
April 30, 2017

12. Defined Benefit Pension Plans (Cont.)

B. Police Pension (Cont.)

Investment Rate of Return

For the year ended April 30, 2017, the annual money-weighted rate of return on the police pension plan investments, net of pension plan investment expense, was 8.62%. 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 \$1,273,759 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, 2017, 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
Certificates of Deposit	\$ 1,414,373	122,875	1,291,498		
U.S. Government Treasuries	1,854,128		965,864	364,945	523,319
U.S. Agency Securities	6,840,061		571,367	5,918,980	349,714
Corporate Bonds	5,181,031	249,346	1,778,654	1,975,956	1,177,075
	15,289,593	372,221	4,607,383	8,259,881	2,050,108
Not Subject to Interest Rate Risk					
Common Stocks	4,352,502				
Mutual Funds	24,757,398				
	\$ 44,399,493				

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.

CITY OF PARK RIDGE, ILLINOIS

Notes to the Financial Statements
April 30, 2017

12. Defined Benefit Pension Plans (Cont.)

B. Police Pension (Cont.)

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.

Net Pension Liability

The City's net pension liability was measured as of April 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The total pension liability above was determined by an actuarial valuation performed as of May 1, 2017, using the following actuarial methods and assumptions.

Actuarial Valuation Date	May 1, 2017
Measurement Date	April 30, 2017
Actuarial Cost Method	Entry-age Normal
Assumptions	
Inflation	2.00%
Salary Increases	2.84% - 14.70%, Including Inflation
Investment Rate of Return	6.75%
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.

The discount rate used to measure the total pension liability was 6.75% (same as prior year). 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. Therefore, the long-term expected rate of return on Pension Plan's investments was applied to all periods of projected benefit payments to determine the total pension liability.

CITY OF PARK RIDGE, ILLINOIS

Notes to the Financial Statements
April 30, 2017

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	\$ 70,589,966	42,985,067	27,604,899
Changes for the Year			
Service Cost	1,051,620		1,051,620
Interest	4,651,661		4,651,661
Differences Between Expected and Actual Experience	898,500		898,500
Changes in Assumptions	(466,190)		(466,190)
Contributions - Employer		2,061,179	(2,061,179)
Contributions - Employee		476,433	(476,433)
Net Investment Income		3,683,079	(3,683,079)
Benefit Payments, Including Refunds of Employees' Contributions	(3,352,940)	(3,352,940)	
Administrative Expenses		(38,885)	38,885
Net Changes	2,782,651	2,828,866	(46,215)
Balance, End of Year	\$ 73,372,617	45,813,933	27,558,684

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	\$ 38,294,497	27,558,684	18,829,914

CITY OF PARK RIDGE, ILLINOIS

Notes to the Financial Statements
April 30, 2017

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, 2017, the City recognized pension expense of \$3,297,549. At April 30, 2017, 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	\$ 742,510	362,959
Changes of Assumptions	2,125,203	385,254
Net Differences Between Projected and Actual Earnings on Plan Investments	<u>956,574</u>	
	<u>\$ 3,824,287</u>	<u>748,213</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
2018	\$ 904,478
2019	904,478
2020	904,477
2021	305,601
2022	<u>57,040</u>
	<u>\$ 3,076,074</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 stand-alone financial statement.

CITY OF PARK RIDGE, ILLINOIS

Notes to the Financial Statements
April 30, 2017

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 preceding calendar year.

Employees Covered by Benefit Terms

At April 30, 2017, the Firefighters' Pension Plan membership consisted of:

Inactive Plan Members Currently Receiving Benefits	50
Inactive Plan Members Entitled But Not Yet Receiving Benefits	2
Active Plan Members	<u>48</u>
	<u><u>100</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, 2017, the City contributed \$1,862,585 to the Fire Pension Plan.

CITY OF PARK RIDGE, ILLINOIS

Notes to the Financial Statements
April 30, 2017

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%	2.00%
US Equity	37.50%	5.60%
International Equity	17.50%	5.90%
Real Estate	10.00%	5.40%
	<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 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, 2017

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, 2017, are listed in the table above.

Valuation of Investments

All investments in the Plan are stated at fair value and recorded as of the trade date. Fair value is based on quoted market prices at April 30 for debt securities, equity securities and mutual funds.

The following table presents the fair value measurements of assets and liabilities recognized in the accompanying statement of net position measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at April 30, 2017:

Investment Type	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Debt Securities				
U.S. Government Treasuries	\$ 3,636,055	3,636,055		
U.S. Agency Securities	1,466,121		1,466,121	
Municipal Bonds	436,238		436,238	
Corporate Bonds	7,845,635		7,845,635	
	13,384,049	3,636,055	9,747,994	-
Equity Securities				
Mutual Funds	23,748,442	23,748,442		
	23,748,442	23,748,442		
Total	\$ 37,132,491	27,384,497	9,747,994	-

Level 1 Quoted prices in active markets for an identical asset or liability that a government can access at the measurement date.

Level 2 Inputs other than quoted prices included with Level 1 that are observable for an asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets or liabilities, quoted prices for identical or similar assets or liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 Unobservable inputs for an asset or liability.

CITY OF PARK RIDGE, ILLINOIS

Notes to the Financial Statements
April 30, 2017

12. Defined Benefit Pension Plans (Cont.)

C. Firefighters' Pension (Cont.)

Valuation of Investments (Cont.)

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. If quoted market prices are not available, then fair values are estimated by using quoted prices of securities with similar characteristics or independent asset pricing services and pricing models, the inputs of which are market-based or independently sourced market parameters, including, but not limited to, yield curves, interest rates, volatilities, prepayments, defaults, cumulative loss projections and cash flows. Such securities are classified in Level 2 of the valuation hierarchy.

Investment Rate of Return

For the year ended April 30, 2017, the annual money-weighted rate of return on the Firefighters' Pension Plan investments, net of pension plan investment expense, was 10.10%. 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 \$1,881,341 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, 2017, 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
U.S. Government Treasuries	\$ 3,636,055	327,324	1,371,625	1,800,668	136,438
U.S. Agency Securities	1,466,121	174,736	342,305	229,952	719,128
Municipal Bonds	436,238	50,786	176,594	131,256	77,602
Corporate Bonds	7,845,635	488,998	4,860,923	2,459,029	36,685
	13,384,049	1,041,844	6,751,447	4,620,905	969,853
Not Subject to Interest Rate Risk					
Mutual Funds	23,748,442				
	<u>\$ 37,132,491</u>				

CITY OF PARK RIDGE, ILLINOIS

Notes to the Financial Statements
April 30, 2017

12. Defined Benefit Pension Plans (Cont.)

C. Firefighters' Pension (Cont.)

Interest Rate Risk (Cont.)

	Investments Measured at the NAV			
	Fair Value	Unfunded Commitments	Redemption Frequency (if Currently Eligible	Redemption Notice Period
Annuity - Real Estate Funds	\$ 4,765,397		N/A	N/A

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.

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.

Net Pension Liability

The City's net pension liability was measured as of April 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

CITY OF PARK RIDGE, ILLINOIS

Notes to the Financial Statements
April 30, 2017

12. Defined Benefit Pension Plans (Cont.)

C. Firefighters' Pension (Cont.)

Actuarial Assumptions

The total pension liability above was determined by an actuarial valuation performed as of May 1, 2017, using the following actuarial methods and assumptions.

Actuarial Valuation Date	May 1, 2017
Measurement Date	April 30, 2017
Actuarial Cost Method	Entry-age Normal
Assumptions	
Inflation	2.00%
Salary Increases	2.84% - 7.14%, Including Inflation
Investment Rate of Return	6.75%
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.

Discount Rate

The discount rate used to measure the total pension liability was 6.75% (same as prior year). 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. Therefore, the long-term expected rate of return on Pension Plan's investments was applied to all periods of projected benefit payments to determine the total pension liability.

CITY OF PARK RIDGE, ILLINOIS

Notes to the Financial Statements
April 30, 2017

12. Defined Benefit Pension Plans (Cont.)

C. Firefighters' Pension (Cont.)

Changes to Net Pension Liability

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balance, Beginning of Year	\$ 65,319,276	40,765,302	24,553,974
Changes for the Year			
Service Cost	1,021,028		1,021,028
Interest	4,303,005		4,303,005
Differences Between Expected and Actual Experience	808,267		808,267
Changes in Assumptions	(361,068)		(361,068)
Contributions - Employer		1,862,585	(1,862,585)
Contributions - Employee		463,137	(463,137)
Net Investment Income		4,007,923	(4,007,923)
Benefit Payments, Including Refunds of Employees' Contributions	(3,142,120)	(3,142,120)	
Administrative Expenses		(65,218)	65,218
Other (Net Transfer)			
Net Changes	2,629,112	3,126,307	(497,195)
Balance, End of Year	\$ 67,948,388	43,891,609	24,056,779

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	\$ 33,643,137	24,056,779	16,222,796

CITY OF PARK RIDGE, ILLINOIS

Notes to the Financial Statements
April 30, 2017

12. Defined Benefit Pension Plans (Cont.)

C. Firefighters' Pension (Cont.)

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

For the year ended April 30, 2017, the City recognized pension expense of \$2,951,512. At April 30, 2017, 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	\$ 693,288	
Changes of Assumptions	1,674,988	301,779
Net Differences Between Projected and Actual Earnings on Plan Investments	596,997	
	<u>\$ 2,965,273</u>	<u>301,779</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
2018	\$ 747,302
2019	747,302
2020	747,301
2021	205,364
2022	209,618
Thereafter	<u>6,607</u>
	<u>\$ 2,663,494</u>

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, 2017, the Police Pension Funds' investments (other than U.S. government and U.S. government-guaranteed obligations) include a Vanguard Total Stock Market Index Mutual Fund and Vanguard Mid Cap Index Mutual Fund, which represents 5% or more of the plan's net position.

At April 30, 2017, the Firefighters' Pension Funds' investments (other than U.S. government and U.S. government-guaranteed obligations) include a Vanguard Developed Markets Index Mutual Fund, Vanguard Mid Cap Index Mutual Fund, Vanguard Value Index Adm Fund and Vanguard 500 Index Admiral Mutual Fund which represents 5% or more of the plan's net position.

CITY OF PARK RIDGE, ILLINOIS

Notes to the Financial Statements
April 30, 2017

13. Pension Trust Funds – Financial Data

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.

A. Schedule of Fiduciary Net Plan Position as of April 30, 2017:

	Police Pension	Firefighters’ Pension	Total
Assets			
Cash and Cash Equivalents	\$ 1,273,759	1,881,341	3,155,100
Investments			
Certificates of Deposit	1,414,373		1,414,373
U.S. Treasury Securities	1,854,128	3,636,055	5,490,183
U.S. Agency Securities	6,840,061	1,466,121	8,306,182
Municipal Bonds		436,238	436,238
Corporate Bonds	5,181,031	7,845,635	13,026,666
Common Stocks	4,352,502		4,352,502
Real Estate		4,765,397	4,765,397
Mutual Funds	24,757,398	23,748,442	48,505,840
Receivables			
Accrued Interest	129,998	100,214	230,212
Prepaid Expenses	15,359	18,487	33,846
Total Assets	45,818,609	43,897,930	89,716,539
Liabilities			
Accounts Payable	4,676	6,321	10,997
Net Position			
Restricted for Pensions	\$ 45,813,933	43,891,609	89,705,542

CITY OF PARK RIDGE, ILLINOIS

Notes to the Financial Statements
April 30, 2017

13. Pension Trust Funds – Financial Data (Cont.)

B. Schedule of Changes in Fiduciary Net Plan Position for the year ended of April 30, 2017:

	Police Pension	Firefighters' Pension	Total
Additions			
Contributions			
Employer	\$ 2,061,179	1,862,585	3,923,764
Plan Members	476,433	463,137	939,570
	<u>2,537,612</u>	<u>2,325,722</u>	<u>4,863,334</u>
Investment Income (Loss)			
Net Decrease in Fair Value of Investments	2,638,522	3,122,902	5,761,424
Interest	628,473	424,489	1,052,962
Dividends	538,127	547,906	1,086,033
	<u>3,805,122</u>	<u>4,095,297</u>	<u>7,900,419</u>
Less Investment Expense	(122,043)	(87,374)	(209,417)
	<u>3,683,079</u>	<u>4,007,923</u>	<u>7,691,002</u>
 Total Additions	 <u>6,220,691</u>	 <u>6,333,645</u>	 <u>12,554,336</u>
Deductions			
Administration	38,885	65,218	104,103
Pension Benefits and Refunds	3,352,940	3,142,120	6,495,060
	<u>3,391,825</u>	<u>3,207,338</u>	<u>6,599,163</u>
 Change in Net Position	 2,828,866	 3,126,307	 5,955,173
Net Position			
Beginning	42,985,067	40,765,302	83,750,369
Ending	<u>\$ 45,813,933</u>	<u>43,891,609</u>	<u>89,705,542</u>

14. Future Pronouncements

The Governmental Accounting Standards Board (GASB) recently issued the following standards:

GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statement 67 and 68*, was partially effective for the City for the year ended April 30, 2017, except those provisions that address employers and governmental nonemployer contributing entities for pension that are not within the scope of GASB Statement No. 68, which are effective for the City beginning with its year ending April 30, 2018. This statement will establish requirements for those pension and pension plans that are not administered through a trust meeting specified criteria.

GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, will be effective for the City beginning with its year ending April 30, 2019. This statement outlines reporting by governments that provide OPEB to their employees and for governments that finance OPEB for employees of other governments.

GASB Statement No. 80, *Blending Requirements for Certain Component Units – an amendment of GASB Statement No. 14*, will be effective for the City beginning with its year ending April 30, 2018. This Statement is to improve financial reporting by clarifying the financial statement presentation requirements for certain component units. This statement amends the blending requirements established in paragraph 53 of Statement No. 14, The Financial Reporting Entity, as amended.

CITY OF PARK RIDGE, ILLINOIS

Notes to the Financial Statements
April 30, 2017

14. Future Pronouncements (Cont.)

GASB Statement No. 81, *Irrevocable Split-Interest Agreements*, will be effective for the City beginning with its year ending April 30, 2018. This statement is to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement.

GASB Statement No. 82, *Pension Issues – an amendment of GASB Statements No. 67, No. 68, and No. 73*, will be effective for the City beginning with its year ending April 30, 2018, except for the requirements of paragraph 7 in a circumstance in which an employer's pension liability is measured as of a date other than the employer's most recent fiscal year-end. In that circumstance, the requirements of paragraph 7 are effective for that employer in the first reporting period in which the measurement date of the pension liability is on or after June 15, 2017. This statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements.

GASB Statement No. 84, *Fiduciary Activities* (GASB 84) establishes criteria for identifying fiduciary activities. It presents separate criteria for evaluating component units, pension and other postemployment benefit arrangements and other fiduciary activities. The focus is on a government controlling the assets of the fiduciary activity and identification of the beneficiaries of those assets. Fiduciary activities are reported in one of four types of funds: pension (and other employee benefit) trust funds, investment trust funds, private-purpose trust funds or custodial funds. Custodial funds are used to report fiduciary activities that are not held in a trust. The agency fund designation will no longer be used. GASB 84 also provides guidance on fiduciary fund statements and timing of recognition of a liability to beneficiaries.

GASB 84 is effective for financial statements for fiscal years beginning after December 15, 2018. Earlier application is encouraged.

GASB Statement No. 87, *Leases* (GASB 87) establishes a single approach to accounting for and reporting leases by state and local governments. The standard addresses the reporting for governments that are lessors or lessees. GASB 87 is effective for reporting periods beginning after December 15, 2019, with earlier application encouraged.

Management has not yet completed its evaluation of the impact, if any, of the provisions of these standards on its financial statements; however, the impact of GASB Statement No. 75 will likely be material to the financial statements of the City.

While not effective in the short term, the City will begin assessing the potential impact on the financial statements of these statement and begin the process of communicating the impact with those charged with governance and other stakeholders.

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, 2017

Fiscal Year Ending April 30,	2017	2016
Total Pension Liability		
Service Cost	\$ 888,908	950,342
Interest	5,059,718	4,987,306
Changes in Benefit Terms		
Differences Between Expected and Actual Experience	(808,478)	(1,251,138)
Change of Assumptions	(76,748)	76,603
Benefit Payments, Including Refunds of Member Contributions	(3,832,338)	(3,521,331)
Net Change in Total Pension Liability	1,231,062	1,241,782
Total Pension Liability - Beginning	69,024,689	67,782,907
Total Pension Liability - Ending	\$ 70,255,751	69,024,689
Plan Fiduciary Net Position		
Contributions - City	\$ 979,755	981,129
Contributions - Members	390,183	390,152
Net Investment Income	4,448,246	325,053
Benefit Payments, Including Refunds of Member Contributions	(3,832,338)	(3,521,331)
Administrative Expense	(4,240)	496,986
Net Change in Plan Fiduciary Net Position	1,981,606	(1,328,011)
Plan Net Position - Beginning	64,757,591	66,085,602
Plan Net Position - Ending	\$ 66,739,197	64,757,591
City's Net Pension Liability	\$ 3,516,554	4,267,098
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	94.99%	93.82%
Covered Employee Payroll	\$ 8,539,981	8,539,981
City's Net Pension Liability as a Percentage of Covered Employee Payroll	41.18%	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, 2017

Fiscal Year Ending April 30,	2017	2016
Total Pension Liability		
Service Cost	\$ 27,790	26,213
Interest	23,141	20,876
Changes in Benefit Terms		
Differences Between Expected and Actual Experience	(15,697)	(12,413)
Change of Assumptions	(14,626)	10,671
Benefit Payments, Including Refunds of Member Contributions	_____	_____
Net Change in Total Pension Liability	20,608	45,347
Total Pension Liability - Beginning	314,348	269,001
Total Pension Liability - Ending	\$ 334,956	314,348
Plan Fiduciary Net Position		
Contributions - City	\$ 22,310	22,134
Contributions - Members	10,893	10,682
Net Investment Income	14,955	1,024
Benefit Payments, Including Refunds of Member Contributions		
Other (Net Transfer)	(1,308)	(12,292)
Net Change in Plan Fiduciary Net Position	46,850	21,548
Plan Net Position - Beginning	209,954	188,406
Plan Net Position - Ending	\$ 256,804	209,954
City's Net Pension Liability	\$ 78,152	104,394
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	76.67%	66.79%
Covered Employee Payroll	\$ 145,246	142,432
City's Net Pension Liability as a Percentage of Covered Employee Payroll	53.81%	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, 2017

Fiscal Year Ending April 30,	2017	2016	2015
Total Pension Liability			
Service Cost	\$ 1,051,620	928,877	952,083
Interest	4,651,661	4,333,227	4,197,164
Changes in Benefit Terms			
Differences Between Expected and Actual Experience	898,500	(551,023)	
Change of Assumptions	(466,190)	3,226,345	
Benefit Payments, Including Refunds of Member Contributions	(3,352,940)	(3,086,845)	(3,180,124)
Net Change in Total Pension Liability	2,782,651	4,850,581	1,969,123
Total Pension Liability - Beginning	70,589,966	65,739,385	63,770,262
Total Pension Liability - Ending	\$ 73,372,617	70,589,966	65,739,385
Plan Fiduciary Net Position			
Contributions - City	\$ 2,061,179	2,027,060	1,713,170
Contributions - Members	476,433	482,744	569,210
Net Investment Income	3,683,079	231,697	2,989,641
Benefit Payments, Including Refunds of Member Contributions	(3,352,940)	(3,086,845)	(3,180,124)
Administrative Expense	(38,885)	(35,987)	(35,722)
Net Change in Plan Fiduciary Net Position	2,828,866	(381,331)	2,056,175
Plan Net Position - Beginning	42,985,067	43,366,398	41,310,224
Plan Net Position - Ending	\$ 45,813,933	42,985,067	43,366,399
City's Net Pension Liability	\$ 27,558,684	27,604,899	22,372,986
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	62.44%	60.89%	65.97%
Covered Employee Payroll	\$ 4,676,945	\$ 4,544,959	4,535,578
City's Net Pension Liability as a Percentage of Covered Employee Payroll	589.25%	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, 2017

Fiscal Year Ending April 30,	2017	2016	2015
Total Pension Liability			
Service Cost	\$ 1,021,028	949,134	997,064
Interest	4,303,005	4,008,181	3,878,251
Changes in Benefit Terms			
Differences Between Expected and Actual Experience	808,267	25,902	
Change of Assumptions	(361,068)	2,445,100	
Benefit Payments, Including Refunds of Member Contributions	(3,142,120)	(2,979,011)	(2,921,833)
Net Change in Total Pension Liability	2,629,112	4,449,306	1,953,482
Total Pension Liability - Beginning	65,319,276	60,869,970	58,916,488
Total Pension Liability - Ending	\$ 67,948,388	\$ 65,319,276	60,869,970
Plan Fiduciary Net Position			
Contributions - City	\$ 1,862,585	\$ 1,846,200	1,611,360
Contributions - Members	463,137	439,597	404,193
Net Investment Income	4,007,923	63,253	2,801,289
Benefit Payments, Including Refunds of Member Contributions	(3,142,120)	(2,979,011)	(2,921,833)
Administrative Expense	(65,218)	(63,941)	(62,305)
Net Change in Plan Fiduciary Net Position	3,126,307	(693,902)	1,832,704
Plan Net Position - Beginning	40,765,302	41,459,204	39,626,500
Plan Net Position - Ending	\$ 43,891,609	\$ 40,765,302	41,459,204
City's Net Pension Liability	\$ 24,056,779	\$ 24,553,974	19,410,766
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	64.60%	62.41%	68.11%
Covered Employee Payroll	\$ 4,375,911	\$ 4,288,195	4,141,254
City's Net Pension Liability as a Percentage of Covered Employee Payroll	549.75%	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, 2017

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
4/30/2017	\$			0.00		
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%

CITY OF PARK RIDGE, ILLINOIS

Required Supplementary Information

Illinois Municipal Retirement Fund - Regular Plan

Schedule of City Contributions

April 30, 2017

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
4/30/2017	\$ 933,365	933,365	-	8,144,951	11.46%
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 2016 Contribution Rates

Actuarial Cost Method	Aggregate Entry-age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	27-years Closed Period
Asset Valuation Method	5-year Smoothed Market; 20% Corridor
Wage Growth	3.50%
Price Inflation	2.75% approximate; no explicit price inflation assumption is used in this valuation.
Salary Increases	3.75% to 14.50%, 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 2011 to 2013.
Mortality	For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.
Other	There were no benefit changes during the year.

Information above based on valuation assumptions used in the December 31, 2014 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, 2017

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
4/30/2017	\$ 22,371	22,371	-	144,538	15.48%
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 2016 Contribution Rates

Actuarial Cost Method	Aggregate Entry-age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	27-years Closed Period
Asset Valuation Method	5-year Smoothed Market; 20% Corridor
Wage Growth	3.50%
Price Inflation	2.75% approximate; no explicit price inflation assumption is used in this valuation.
Salary Increases	3.75% to 14.50%, 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 2011 to 2013.
Mortality	For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

Other There were no benefit changes during the year.

Information above based on valuation assumptions used in the December 31, 2014 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, 2017

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
4/30/2017	\$ 1,909,863	2,061,179	151,316	4,676,945	44.07%
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 2017 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, 2017

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
4/30/2017	\$ 1,745,429	1,862,585	117,156	4,375,911	42.56%
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 2017 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, 2017

<u>Fiscal Year Ended</u>	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>
4/30/2017	\$ 507,682	29.48%
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%

CITY OF PARK RIDGE, ILLINOIS

Required Supplementary Information

Police Pension Fund

Schedule of Investment Returns

April 30, 2017

Fiscal Year Ended	Annual Money-Weighted Rate of Return Net of Investment Expense
4/30/2017	8.62%
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, 2017

Year Ended	Annual Money-Weighted Rate of Return Net of Investment Expense
4/30/2017	10.10%
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, 2017

	Original Budget	Final Budget	Actual	Variance With Final Budget Over (Under)
Revenues				
Property Taxes	\$ 8,538,557	8,698,764	8,796,985	98,221
Other Taxes	9,224,555	8,524,555	9,368,067	843,512
Licenses and Permits	2,790,925	3,520,925	3,652,478	131,553
Intergovernmental	7,849,360	7,871,860	7,268,687	(603,173)
Charges for Services	1,614,827	1,609,827	1,712,622	102,795
Fines and Forfeitures	574,000	574,000	640,975	66,975
Investment Income	2,500	2,500	111,749	109,249
Miscellaneous	100,500	108,000	132,074	24,074
Total Revenues	<u>30,695,224</u>	<u>30,910,431</u>	<u>31,683,637</u>	<u>773,206</u>
Expenditures				
Current				
General Government	7,420,378	7,452,226	6,950,450	(501,776)
Public Safety	15,950,659	16,157,078	15,746,271	(410,807)
Public Works	6,097,753	6,188,309	5,486,103	(702,206)
Development	1,180,137	1,274,020	1,223,622	(50,398)
Culture and Civic	4,500	4,500	4,380	(120)
Total Expenditures	<u>30,653,427</u>	<u>31,076,133</u>	<u>29,410,826</u>	<u>(1,665,307)</u>
Excess of Revenues Over Expenditures	<u>41,797</u>	<u>(165,702)</u>	<u>2,272,811</u>	<u>2,438,513</u>
Other Financing Sources (Uses)				
Transfers In				
Water Fund	1,009,911	1,009,911	1,009,911	
Sewer Fund	195,094	195,094	195,094	
Parking Fund	82,264	82,264	82,264	
Proceeds From Sale of Capital Assets			769	769
Transfers Out				
Emergency Telephone Fund	(1,172,971)	(1,172,971)	(1,022,971)	150,000
Total Other Financing Sources (Uses)	<u>114,298</u>	<u>114,298</u>	<u>265,067</u>	<u>150,769</u>
Net Change in Fund Balance	<u>\$ 156,095</u>	<u>(51,404)</u>	<u>2,537,878</u>	<u>2,589,282</u>
Fund Balance				
May 1			<u>16,610,808</u>	
April 30			<u>19,148,686</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, 2017

	Original and Final Budget	Actual	Variance With Final Budget Over (Under)
Revenues			
Property Taxes	\$ 3,550,153	3,438,267	(111,886)
Expenditures			
Current			
Public Works	3,051,538	2,700,705	(350,833)
Net Change in Fund Balance	<u>\$ 498,615</u>	737,562	<u>238,947</u>
Fund Balance			
May 1		<u>465,403</u>	
April 30		<u>1,202,965</u>	

See Note to Required Supplementary Information

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, 2017

	Original Budget	Final Budget	Actual	Variance With Final Budget Over (Under)
Revenues				
Property Taxes	\$ 2,571,310	\$ 2,571,310	2,879,694	308,384
Investment Income			577	577
Total Revenues	<u>2,571,310</u>	<u>2,571,310</u>	2,880,271	308,961
Expenditures				
Current				
Development	831,000	902,310	880,120	(22,190)
Excess of Revenues Over Expenditures	<u>1,740,310</u>	<u>1,669,000</u>	2,000,151	331,151
Net Change in Fund Balance	<u>\$ 1,740,310</u>	<u>\$ 1,669,000</u>	2,000,151	<u>331,151</u>
Fund Balance				
May 1			<u>2,597,828</u>	
April 30			<u>4,597,979</u>	

CITY OF PARK RIDGE, ILLINOIS

Notes to Required Supplementary Information
April 30, 2017

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

No funds had an excess of actual expenditures over budget for the year ended April 30, 2017.

The following funds did not adopt a budget for fiscal year 2017:

Nonmajor Special Revenue Funds

 Special Service Area Fund

Nonmajor Debt Service Fund

 2016 General Obligation Refunding Bond 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, 2017

	Original Budget	Final Budget	Actual
Taxes			
Property Taxes			
General	\$ 4,560,000	4,602,560	4,683,977
Fire	1,796,398	1,841,905	1,841,905
Police	1,967,159	2,039,299	2,039,299
Road and Bridge	215,000	215,000	231,804
Other Local Taxes			
Municipal Telecommunications	1,280,000	1,280,000	1,249,205
Package Liquor	482,000	482,000	468,715
Property Transfer	650,000	650,000	783,966
Exempt Property Transfer	14,175	14,175	12,100
Food and Beverage	700,000	700,000	760,371
Home Rule Sales	1,570,000	1,570,000	1,665,104
Utility	2,400,000	2,400,000	2,350,314
Natural Gas	135,000	135,000	126,430
Parking Garage	600,000	600,000	600,000
Use	693,380	693,380	924,124
Intergovernmental Taxes			
State Sales Tax	3,631,800	3,631,800	3,726,474
Gasoline Tax	450,000	450,000	460,348
State Income Tax	3,400,000	3,400,000	3,031,566
Personal Property Replacement Tax			
General	325,000	325,000	374,930
Police	21,880	21,880	26,404
Fire	20,680	20,680	26,404
	24,912,472	25,072,679	25,383,440
Licenses and Permits			
Vehicle Licenses	1,200,000	1,200,000	1,219,286
Oversize Vehicle Permits	5,400	5,400	6,995
Animal Licenses	32,000	32,000	35,925
Business Licenses	230,000	230,000	248,585
Liquor Licenses	120,000	120,000	130,875
Massage Licenses	500	500	1,225
Outdoor Café Licenses	2,500	2,500	2,140
Building Permits	1,200,000	1,230,000	1,432,582
Cable TV Franchise Fees	700,000	700,000	528,774
PEG Fees			45,566
Telecommunications Franchise Fees	525	525	525
	3,490,925	3,520,925	3,652,478

(Cont.)

CITY OF PARK RIDGE, ILLINOIS

General Fund

Schedule of Revenues - Budget and Actual

Year Ended April 30, 2017

	Original Budget	Final Budget	Actual
Intergovernmental Grants			
Federal Grants		22,500	44,255
State Grants			6,044
	-	22,500	50,299
Charges for Services			
Services to Other Agencies	250,000	250,000	214,770
Rent	103,827	103,827	95,160
Ambulance Service Charge	900,000	900,000	871,197
Ambulance Registration	20,000	20,000	33,570
Elevator Inspections	20,000	20,000	47,040
Miscellaneous Charges			
City Clerk	4,000	4,000	8,584
Police	12,000	12,000	10,817
Fire	1,500	1,500	18,203
Zoning	7,500	7,500	11,875
Street	225,000	225,000	320,250
Collection Agency	63,000	63,000	68,909
Other	3,000	3,000	12,247
	1,609,827	1,609,827	1,712,622
Fines and Forfeitures			
Court Fines	165,000	165,000	166,106
Police Alarm Fines	4,000	4,000	3,045
Police Penalty	171,000	171,000	235,544
Other Fines - Adjudication			
Municipal Code Violations	34,000	34,000	31,760
Red Light Fines	200,000	200,000	190,520
Administrative Tow Fines			14,000
	574,000	574,000	640,975
Interest			
Investment Income	2,500	2,500	111,749
Miscellaneous			
Employee Contributions			
Trees	45,000	45,000	69,722
Damage to City Property	10,000	10,000	18,029
Special Events	45,000	45,000	37,510
Other Miscellaneous	5,500	8,000	6,108
	105,500	108,000	132,074
Total Revenue	\$ 30,695,224	30,910,431	31,683,637

CITY OF PARK RIDGE, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual

Year Ended April 30, 2017

	Original Budget	Final Budget	Actual
General Government			
Legislative			
Regular Salaries	\$ 29,400	29,400	28,100
Training	1,500	1,500	860
Membership Dues	25,181	24,261	20,005
General Contractual Services	1,000	1,000	
Materials	2,000	2,000	1,916
Total Legislative	59,081	58,161	50,881
City Administration			
Regular Salaries	305,731	247,210	233,448
Overtime	8,000	9,342	9,342
Training	2,000	2,000	812
Membership Dues	3,000	3,920	3,220
Legal Notices	3,000	3,000	1,155
General Contractual Services	14,000	19,000	15,125
Contingency	150,000		
Materials	20,000	22,600	20,748
911 Memorial		5,000	
Motor Equipment			125,000
IT Equipment			25,000
Total Administration	505,731	312,072	433,850
Legal Counsel			
Special Counsel	175,000	245,000	236,596
Special Counsel - Prosecution	45,000	45,000	33,689
Special Counsel - Other	75,000	75,000	64,196
Total Counsel	295,000	365,000	334,481
Financial Administration			
Regular Salaries	750,178	685,481	685,481
Extra Help	5,000	5,884	5,884
Overtime	3,000	1,632	1,632
Insurance	423,200	423,200	383,769
Insurance Claims	225,000	375,000	348,244
Audit Fees	60,000	60,000	59,757
Citation Fees	32,000	32,000	29,996
Red Light Fees	120,000	120,000	82,251
Training	7,500	6,100	2,315
Postal Charges	50,000	50,000	46,588
Membership Dues	2,000	2,000	1,335
Bank Service Charges	80,000	80,000	67,668

(Cont.)

CITY OF PARK RIDGE, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual

Year Ended April 30, 2017

	Original Budget	Final Budget	Actual
General Government (Cont.)			
Financial Administration (Cont.)			
Bank Trustee Fees	10,000	10,000	4,750
General Contractual Services	345,000	409,628	296,317
Materials	10,000	11,400	10,923
License Supplies	7,000	7,000	6,151
Bad Debt Expense		372	372
Total Financial Administration	2,129,878	2,279,697	2,033,433
Information Technology			
Regular Salaries			
Telecommunications	128,000	143,900	127,445
Training			
Membership Dues			
General Contractual Services	317,500	317,500	305,877
Software Support and Licensing	65,000	49,100	36,335
Materials	15,000	7,400	3,717
Total Information Technology	525,500	517,900	473,374
Human Resources			
Regular Salaries	110,313	125,021	125,021
Overtime	500		
Health Insurance	2,504,640	2,504,640	2,504,640
Life Insurance	15,818	15,818	15,818
Dental	143,917	143,917	143,917
Unemployment	35,000	35,000	4,179
Workers' Compensation	325,000	325,000	223,246
Medical Exams	25,000	25,000	19,363
Recruiting and Testing	15,000	22,334	19,031
Training	5,000	5,000	3,083
Membership Dues	1,000	1,500	1,283
General Contractual Services	20,000	9,966	300
Materials	4,000	6,200	4,550
Total Human Resources	3,205,188	3,219,396	3,064,431
Economic Development			
General Contractual Services	700,000	700,000	560,000
Total Economic Development	700,000	700,000	560,000
Total General Government	7,420,378	7,452,226	6,950,450

(Cont.)

CITY OF PARK RIDGE, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual

Year Ended April 30, 2017

	Original Budget	Final Budget	Actual
Public Safety			
Police			
Police Administration			
Regular Salaries	1,112,825	982,725	982,725
Overtime	20,000	14,873	14,873
PSEBA	24,570	24,570	23,219
Uniforms - Payroll	1,650	1,650	600
Telecommunications	2,500	3,500	3,477
Training	32,000	37,200	36,537
Membership Dues	18,000	18,200	18,075
General Contractual Services	26,000	19,600	16,963
Pension Payments	1,967,159	2,061,179	2,061,179
Materials	21,000	74,041	54,030
Computer Equipment	15,000	15,000	
Total Police Administration	3,240,704	3,252,538	3,211,678
Investigation			
Regular Salaries	879,766	906,165	906,165
Overtime	75,000	79,647	79,647
Uniforms - Payroll	7,400	7,400	5,950
General Contractual Services	10,000	10,000	8,454
Materials	3,000	3,000	724
Total Investigation	975,166	1,006,212	1,000,940
Communications			
General Contractual Services	45,000	45,000	23,229
Extra Help	10,000	13,564	13,564
Total Communications	55,000	58,564	36,793
Patrol			
Regular Salaries	3,782,888	3,782,318	3,707,934
Crossing Guards	117,300	117,300	110,477
Overtime	250,000	272,600	272,600
Employee Benefits			
Uniforms	25,000	33,900	32,252
Uniforms - Payroll	26,000	26,000	22,650
Building Maintenance	20,000	20,000	18,859
Squad - Emergency Equipment Repair	10,000	11,500	11,479
Stray Animal Impoundment	3,000	3,000	1,086
General Contractual Services	33,000	26,463	17,477
Materials	50,000	43,105	39,019
Total Patrol	4,317,188	4,336,186	4,233,833

(Cont.)

CITY OF PARK RIDGE, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual

Year Ended April 30, 2017

	Original Budget	Final Budget	Actual
Public Safety (Cont.)			
Police (Cont.)			
Crime Prevention			
Regular Salaries	89,354	90,297	90,297
Uniform	750	750	750
Mileage Compensation	3,500	3,500	2,797
Materials	10,000	10,000	4,913
Total Crime Prevention	<u>103,604</u>	<u>104,999</u>	<u>98,757</u>
Total Police	<u>8,691,662</u>	<u>8,758,499</u>	<u>8,582,001</u>
Fire and Ambulance Services			
Fire Administration			
Regular Salaries	230,810	232,982	232,982
Overtime			
Employee Benefits			
Uniforms			
PSEBA	32,860	32,860	31,052
PEHP Contributions	60,000	60,000	56,288
Building Maintenance	25,000	25,000	23,807
Training	6,000	4,050	4,031
Membership Dues	18,000	18,000	14,803
General Contractual Services	30,000	30,000	28,318
Pension Payments	1,796,398	1,862,585	1,862,585
Materials	30,000	62,500	56,880
Natural Gas	7,250	7,250	3,907
Computer Equipment			
Building Repairs	260,000	260,000	83,023
Total Fire Administration	<u>2,496,318</u>	<u>2,595,227</u>	<u>2,397,676</u>
Fire Prevention			
Regular Salaries	126,056	126,056	120,053
Overtime	7,000	8,699	8,699
Training	500	175	175
General Contractual Services	3,000	3,000	2,420
Materials	10,000	10,000	9,605
Total Fire Prevention	<u>146,556</u>	<u>147,930</u>	<u>140,952</u>
Emergency Response			
Regular Salaries	4,105,123	4,145,191	4,145,191
Overtime	325,000	331,956	331,956

(Cont.)

CITY OF PARK RIDGE, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual

Year Ended April 30, 2017

	Original Budget	Final Budget	Actual
Public Safety (Cont.)			
Fire and Ambulance Services (Cont.)			
Emergency Response (Cont.)			
Employee Benefits			
Uniforms	28,000	28,000	23,564
Uniforms - PPC	10,000	10,000	2,348
Squad Emergency Equipment Repair	3,000	3,000	2,180
Training	35,000	37,275	33,066
General Contractual Services	20,000	20,000	13,060
Materials	80,000	70,000	65,997
Equipment Maintenance	10,000	10,000	8,280
Total Emergency Response	4,616,123	4,655,422	4,625,642
Total Fire and Ambulance Services	7,258,997	7,398,579	7,164,270
Total Public Safety	15,950,659	16,157,078	15,746,271
Public Works			
Public Works Administration			
Regular Salaries	310,706	310,706	310,523
Training	5,000	5,000	3,269
Membership Dues	3,000	3,000	2,380
General Contractual Services	1,000	1,000	267
Materials	4,000	4,000	2,464
Total Public Works Administration	323,706	323,706	318,903
Engineering			
Regular Salaries	315,077	315,077	308,398
Overtime	3,000		
General Contractual Services	114,000	114,000	101,231
Materials	2,000	2,000	1,160
Total Engineering	434,077	431,077	410,789
Traffic Control			
Electrical Equipment Maintenance	135,000	135,000	105,167
Traffic Improvement	30,000	30,000	21,200
Materials	30,000	30,000	23,507
Total Traffic Control	195,000	195,000	149,874
Street Lighting			
Electricity Equipment Maintenance	68,000	68,000	41,996
Electricity	220,000	220,000	186,311
Total Street Lighting	288,000	288,000	228,307

(Cont.)

CITY OF PARK RIDGE, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual

Year Ended April 30, 2017

	Original Budget	Final Budget	Actual
Public Safety (Cont.)			
Snow and Storm Control			
Regular Salaries	10,000	2,892	
Overtime	128,000	121,047	121,047
General Contractual Services	3,000	3,000	2,775
Snow Removal Supplies	250,000	203,946	150,258
Total Snow and Storm Control	<u>391,000</u>	<u>330,885</u>	<u>274,080</u>
Street Maintenance			
Regular Salaries	1,115,579	1,125,111	1,121,781
Employee Benefits			
Uniforms	15,000	15,000	11,964
Striping	40,000	40,000	39,500
General Contractual Services	1,000	1,000	522
Materials	102,000	102,900	89,609
Total Street Maintenance	<u>1,273,579</u>	<u>1,284,011</u>	<u>1,263,376</u>
Sidewalk Maintenance			
Materials	3,000	3,000	1,370
Sidewalk Repairs	150,000	181,208	181,208
Total Sidewalk Maintenance	<u>153,000</u>	<u>184,208</u>	<u>182,578</u>
City Buildings Maintenance			
Regular Salaries	154,605	155,321	154,855
Building Maintenance			
General	185,000	181,500	164,855
City Hall	218,795	218,635	204,577
Train Depot	6,000	5,100	4,122
Dee Road Train Station	6,000	5,200	4,867
Old PWSC			
Materials	30,000	38,100	36,340
Natural Gas and Electricity	44,000	45,000	24,786
Building Repairs	330,000	330,000	321,668
Total City Buildings Maintenance	<u>974,400</u>	<u>978,856</u>	<u>916,070</u>
Forestry			
Regular Salaries	105,588	117,301	117,301
Tree Trimming and Removal	655,000	644,258	402,735
Tree Spraying	40,000	41,592	41,592
General Contractual Services	5,000	5,650	5,242
Materials	152,000	241,952	156,376
Total Forestry	<u>957,588</u>	<u>1,050,753</u>	<u>723,246</u>

(Cont.)

CITY OF PARK RIDGE, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual

Year Ended April 30, 2017

	Original Budget	Final Budget	Actual
Public Safety (Cont.)			
Grounds Maintenance			
Regular Salaries	77,614	79,897	79,897
Gas for Gas Lights	12,000	12,000	8,744
Gas Light Maintenance	12,000	19,500	17,609
General Contractual Services	50,000	50,000	45,030
Materials	32,000	32,000	25,549
Total Grounds Maintenance	<u>183,614</u>	<u>193,397</u>	<u>176,829</u>
Vehicle Maintenance			
Regular Salaries	398,789	407,737	407,387
Overtime	30,000	25,679	25,679
Insurance Claims	30,000	38,000	33,935
General Contractual Services	80,000	80,000	71,113
Materials	140,000	146,000	142,580
Automobile Petroleum Products	225,000	211,000	142,377
Tires	20,000	20,000	18,980
Total Vehicle Maintenance	<u>923,789</u>	<u>928,416</u>	<u>842,051</u>
Total Public Works	<u>6,097,753</u>	<u>6,188,309</u>	<u>5,486,103</u>
Development			
Development Administration			
Regular Salaries	967,637	979,229	979,229
Extra Help		2,660	2,660
Overtime	26,000	19,556	19,556
Microfilming	1,500	1,500	
Training	5,000	5,000	4,341
Membership Dues	3,500	4,050	4,009
Pest Control	15,000	15,000	9,000
General Contractual Services	150,000	235,525	195,032
Materials	11,500	11,500	9,795
Total Development	<u>1,180,137</u>	<u>1,274,020</u>	<u>1,223,622</u>
Culture and Civic			
Community Support			
Youth Services	4,000	4,000	4,000
Historical Services	500	500	380
Total Culture and Civic	<u>4,500</u>	<u>4,500</u>	<u>4,380</u>
Total Expenditures	<u>\$ 30,653,427</u>	<u>31,076,133</u>	<u>29,410,826</u>

**NONMAJOR GOVERNMENTAL FUNDS –
COMBINING STATEMENTS**

CITY OF PARK RIDGE, ILLINOIS

Nonmajor Governmental Funds

Combining Balance Sheet

April 30, 2017

	Special Revenue	Debt Service	Total Nonmajor Funds
Assets			
Cash and Cash Equivalents	\$ 2,621,279	1,812,869	4,434,148
Receivables			
Property Taxes, Net	742,906	908,252	1,651,158
Intergovernmental	86,165		86,165
Other Taxes	155,603		155,603
Prepaid Items	70,143		70,143
Total Assets	\$ 3,676,096	2,721,121	6,397,217
Liabilities			
Accounts Payable	\$ 75,806		75,806
Due to Other Funds		261,432	261,432
Other Liabilities	93,594		93,594
Total Liabilities	169,400	261,432	430,832
Deferred Inflows of Resources			
Unavailable Property Taxes	732,394	895,402	1,627,796
Unavailable Intergovernmental Revenues	81,716		81,716
Total Deferred Inflows of Resources	814,110	895,402	1,709,512
Fund Balances			
Nonspendable:			
Prepaid Items	70,143		70,143
Restricted			
Road Construction	1,388,573		1,388,573
Public Safety	340,190		340,190
Economic Development	108,378		108,378
Debt Service		1,825,719	1,825,719
Employee Benefits	603,476		603,476
Special Service Areas	181,826		181,826
Unassigned		(261,432)	(261,432)
Total Fund Balances	2,692,586	1,564,287	4,256,873
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 3,676,096	2,721,121	6,397,217

CITY OF PARK RIDGE, ILLINOIS

Nonmajor Governmental Funds

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

Year Ended April 30, 2017

	Special Revenue	Debt Service	Total Nonmajor Funds
Revenues			
Property Taxes	\$ 2,258,946	2,877,981	5,136,927
Other Taxes	515,173		515,173
Intergovernmental	949,987		949,987
Investment Income	5,340		5,340
Miscellaneous	85,061		85,061
Total Revenues	3,814,507	2,877,981	6,692,488
Expenditures			
Current			
General Government	264,082		264,082
Public Safety	1,606,081		1,606,081
Public Works	1,573,621		1,573,621
Development	391,252		391,252
Culture and Civic	439,364		439,364
Debt Service			
Principal		3,170,000	3,170,000
Interest and Fiscal Agent Fees		1,171,423	1,171,423
Issuance Cost		47,700	47,700
Total Expenditures	4,274,400	4,389,123	8,663,523
Excess (Deficiency) of Revenues Over Expenditures	(459,893)	(1,511,142)	(1,971,035)
Other Financing Sources			
Transfers In	1,237,868	1,263,675	2,501,543
Bond Proceeds		9,990,000	9,990,000
Payment to Escrow Agent		(10,172,539)	(10,172,539)
Total Other Financing Sources (Uses)	1,237,868	1,081,136	2,319,004
Net Change in Fund Balances	777,975	(430,006)	347,969
Fund Balance			
May 1	1,914,611	1,994,293	3,908,904
April 30	\$ 2,692,586	1,564,287	4,256,873

NONMAJOR SPECIAL REVENUE FUNDS

CITY OF PARK RIDGE, ILLINOIS

Nonmajor Special Revenue Funds

Combining Balance Sheet

April 30, 2017

	Motor Fuel Tax Fund	Illinois Municipal Retirement Fund	Emergency Telephone Fund
Assets			
Cash and Cash Equivalents	\$ 1,306,512	588,860	134,664
Receivables			
Property Taxes, Net		742,906	
Intergovernmental	82,061	4,104	
Emergency Telephone Surcharges			155,603
Prepaid Items			70,143
	<hr/>		
Total Assets	<u>\$ 1,388,573</u>	<u>1,335,870</u>	<u>360,410</u>
Liabilities			
Accounts Payable	\$		71,154
Other Liabilities			
	<hr/>		
Total Liabilities	-	-	71,154
Deferred Inflows of Resources			
Deferred Property Taxes		732,394	
Unavailable Intergovernmental Revenues			81,716
	<hr/>		
Total Deferred Inflows of Resources	-	732,394	81,716
Fund Balances			
Nonspendable			
Prepaid Items			70,143
Restricted			
Road Construction	1,388,573		
Public Safety			137,397
Economic Development			
Employee Benefits		603,476	
Special Service Areas			
	<hr/>		
Total Fund Balances	<u>1,388,573</u>	<u>603,476</u>	<u>207,540</u>
	<hr/>		
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 1,388,573</u>	<u>1,335,870</u>	<u>360,410</u>

Asset Forfeiture Fund	Dempster Tax Increment Financing Fund	Foreign Fire Insurance Tax Fund	Special Service Area Fund	Total Nonmajor Special Revenue Funds
154,443	199,393	53,002	184,405	2,621,279
				742,906
				86,165
				155,603
				70,143
154,443	199,393	53,002	184,405	3,676,096
4,652				75,806
	91,015		2,579	93,594
4,652	91,015	-	2,579	169,400
				732,394
				81,716
-	-	-	-	814,110
				70,143
149,791		53,002		1,388,573
	108,378			340,190
				108,378
				603,476
			181,826	181,826
149,791	108,378	53,002	181,826	2,692,586
154,443	199,393	53,002	184,405	3,676,096

CITY OF PARK RIDGE, ILLINOIS

Nonmajor Special Revenue Funds

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

Year Ended April 30, 2017

	Motor Fuel Tax Fund	Illinois Municipal Retirement Fund	Emergency Telephone Fund
Revenues			
Property Taxes	\$	2,093,484	
Other Taxes			
Emergency Telephone Surcharge			424,498
Personal Property Replacement		27,080	
Foreign Fire Insurance			
Intergovernmental	949,987		
Investment Income	5,143		
Miscellaneous	10,341		
Total Revenues	965,471	2,120,564	424,498
Expenditures			
Current			
General Government		264,082	
Public Safety		202,135	1,320,885
Public Works	917,120	656,501	
Development		223,951	
Culture and Civic		439,364	
Total Expenditures	917,120	1,786,033	1,320,885
Excess (Deficiency) of Revenues Over Expenditures	48,351	334,531	(896,387)
Other Financing Sources			
Transfers In		214,897	1,022,971
Net Change in Fund Balances	48,351	549,428	126,584
Fund Balance			
May 1	1,340,222	54,048	80,956
April 30	\$ 1,388,573	603,476	207,540

Asset Forfeiture Fund	Dempster Tax Increment Financing Fund	Foreign Fire Insurance Tax Fund	Special Service Area Fund	Total Nonmajor Special Revenue Funds
	165,462			2,258,946
				424,498
				27,080
		63,595		63,595
				949,987
	2	193	2	5,340
74,720				85,061
74,720	165,464	63,788	2	3,814,507
				264,082
16,604		66,457		1,606,081
				1,573,621
	167,301			391,252
				439,364
16,604	167,301	66,457	-	4,274,400
58,116	(1,837)	(2,669)	2	(459,893)
				1,237,868
58,116	(1,837)	(2,669)	2	777,975
91,675	110,215	55,671	181,824	1,914,611
149,791	108,378	53,002	181,826	2,692,586

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, 2017

	Original Budget	Final Budget	Actual	Variance With Final Budget Over (Under)
Revenues				
Intergovernmental				
Allotment From State of Illinois	\$ 900,000	900,000	949,987	49,987
Investment Income			5,143	5,143
Miscellaneous			10,341	10,341
Total Revenues	900,000	900,000	965,471	65,471
Expenditures				
Public Works				
Street Repairs	900,000	917,120	917,120	
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ (17,120)</u>	48,351	<u>65,471</u>
Fund Balance				
May 1			<u>1,340,222</u>	
April 30			<u>1,388,573</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, 2017

	Original and Final Budget	Actual	Variance With Final Budget Over (Under)
Revenues			
Property Taxes	\$ 1,925,487	2,093,484	167,997
Other Taxes			
Personal Property Replacement	25,000	27,080	2,080
Total Revenues	<u>1,950,487</u>	<u>2,120,564</u>	<u>170,077</u>
Expenditures			
Pension Payments			
General Government	264,367	264,082	(285)
Public Safety	202,353	202,135	(218)
Public Works	657,210	656,501	(709)
Development	224,193	223,951	(242)
Culture and Civic	439,839	439,364	(475)
Total Expenditures	<u>1,787,963</u>	<u>1,786,033</u>	<u>(1,930)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>162,524</u>	<u>334,531</u>	<u>172,007</u>
Other Financing Sources			
Transfers In			
Water Fund	114,699	114,699	
Sewer Fund	78,519	78,519	
Parking Fund	21,679	21,679	
Total Other Financing Sources	<u>214,897</u>	<u>214,897</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ 377,421</u>	549,428	<u>172,007</u>
Fund Balance			
May 1		<u>54,048</u>	
April 30		<u>603,476</u>	

CITY OF PARK RIDGE, ILLINOIS

Emergency Telephone Fund

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

Year Ended April 30, 2017

	Original and Final Budget	Actual	Variance With Final Budget Over (Under)
Revenues			
Other Taxes			
Emergency Telephone Surcharge	\$ 500,000	424,498	(75,502)
Expenditures			
Public Safety			
Communications	1,522,971	1,320,885	(202,086)
Excess (Deficiency) of Revenues Over Expenditures	(1,022,971)	(896,387)	126,584
Other Financing Sources			
Transfers In			
General Fund	1,032,971	1,022,971	(10,000)
Net Change in Fund Balance	<u>\$ 10,000</u>	126,584	<u>116,584</u>
Fund Balance			
May 1		<u>80,956</u>	
April 30		<u><u>207,540</u></u>	

CITY OF PARK RIDGE, ILLINOIS

Asset Forfeiture Fund

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

Year Ended April 30, 2017

	Original Budget	Final Budget	Actual	Variance With Final Budget Over (Under)
Revenues				
Miscellaneous	\$ -	31,407	74,720	43,313
Expenditures				
Current				
Public Safety	25,000	36,915	16,604	(20,311)
Excess (Deficiency) of Revenues Over Expenditures	(25,000)	(5,508)	58,116	63,624
Net Change in Fund Balance	<u>\$ (25,000)</u>	<u>(5,508)</u>	58,116	<u>63,624</u>
Fund Balance				
May 1			<u>91,675</u>	
April 30			<u>149,791</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, 2017

	Original and Final Budget	Actual	Variance With Final Budget Over (Under)
Revenues			
Property Taxes	\$ 175,000	165,462	(9,538)
Investment Income		2	2
Total Revenues	<u>175,000</u>	<u>165,464</u>	<u>(9,536)</u>
Expenditures			
Current			
Development	<u>177,500</u>	<u>167,301</u>	<u>(10,199)</u>
Net Change in Fund Balance	<u>\$ (2,500)</u>	<u>(1,837)</u>	<u>663</u>
Fund Balance			
May 1		<u>110,215</u>	
April 30		<u>108,378</u>	

CITY OF PARK RIDGE, ILLINOIS

Foreign Fire Fund

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

Year Ended April 30, 2017

	Original Budget	Final Budget	Actual	Variance With Final Budget Over (Under)
Revenues				
Other Taxes - Foreign Fire Insurance	\$	63,595	63,595	
Investment Income			193	193
Total Revenues	-	63,595	63,788	193
Expenditures				
Current				
Public Safety		66,457	66,457	
Net Change in Fund Balance	\$ -	(2,862)	(2,669)	193
Fund Balance				
May 1			55,671	
April 30			53,002	

NONMAJOR DEBT SERVICE FUNDS

CITY OF PARK RIDGE, ILLINOIS

Nonmajor Debt Service Funds

Combining Balance Sheet

April 30, 2017

	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	\$		432,444	5,349
Receivables				
Property Taxes, Net			114,517	
Total Assets	\$ -	-	546,961	5,349
Liabilities				
Due to other funds	\$ 261,432			
Deferred Inflows of Resources				
Deferred Property Taxes			112,897	
Fund Balances				
Restricted for Debt Service			434,064	5,349
Unassigned	(261,432)			
Total Fund Balances	(261,432)		434,064	5,349
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ -	-	546,961	5,349

2015A General Obligation Refunding Bond Fund	2015B General Obligation Refunding Bond Fund	2016 General Obligation Refunding Bond Fund	Total Nonmajor Debt Service Funds
119,467	1,175,655	79,954	1,812,869
53,667	689,659	50,409	908,252
173,134	1,865,314	130,363	2,721,121
			261,432
52,907	679,902	49,696	895,402
120,227	1,185,412	80,667	1,825,719 (261,432)
120,227	1,185,412	80,667	1,564,287
173,134	1,865,314	130,363	2,721,121

CITY OF PARK RIDGE, ILLINOIS

Nonmajor Debt Service Funds

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

Year Ended April 30, 2017

	2006A General Obligation Bond Fund	2012A General Obligation Bond Fund	2012B General Obligation Bond Fund	2014A General Obligation Refunding Bond Fund
Revenues				
Property Taxes	\$ 282,684		320,075	
Investment Income				
Total Revenues	282,684	-	320,075	-
Expenditures				
Debt Service				
Principal	100,000	310,000	270,000	595,000
Interest and Fiscal Agent Fees	510,750	144,450	25,598	214,225
Issuance Costs	47,700			
Total Expenditures	658,450	454,450	295,598	809,225
Excess (Deficiency) of Revenues Over Expenditures	(375,766)	(454,450)	24,477	(809,225)
Other Financing Sources				
Transfers In		454,450		809,225
Bond Proceeds	9,990,000			
Payment to Escrow Agent	(10,172,539)			
Total Other Financing Sources	(182,539)	454,450	-	809,225
Net Change in Fund Balances	(558,305)		24,477	
Fund Balance				
May 1	296,873		409,587	5,349
April 30	\$ (261,432)	-	434,064	5,349

2015A General Obligation Refunding Bond Fund	2015B General Obligation Refunding Bond Fund	2016 General Obligation Refunding Bond Fund	Total Nonmajor Debt Service Funds
173,011	2,021,544	80,667	2,877,981
173,011	2,021,544	80,667	2,877,981
188,250	1,895,000 88,150		3,170,000 1,171,423 47,700
188,250	1,983,150	-	4,389,123
(15,239)	38,394	80,667	(1,511,142)
			1,263,675 9,990,000 (10,172,539)
-	-	-	1,081,136
(15,239)	38,394	80,667	(430,006)
135,466	1,147,018		1,994,293
120,227	1,185,412	80,667	1,564,287

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, 2017

	Original Budget	Final Budget	Actual	Variance With Final Budget Over (Under)
Revenues				
Property Taxes	\$ 600,828	600,828	282,684	(318,144)
Expenditures				
Debt Service				
Principal	100,000	330,239	100,000	(230,239)
Interest and Fiscal Agent Fees	510,750	510,750	510,750	
Cost of Issuance			47,700	47,700
Total Expenditures	610,750	840,989	658,450	(182,539)
Excess (Deficiency) of Revenues Over Expenditures	(9,922)	(240,161)	(375,766)	(135,605)
Other Financing Sources				
Bond Proceeds			9,990,000	9,990,000
Payment to Escrow Agent			(10,172,539)	(10,172,539)
Net Change in Fund Balance	<u>\$ (9,922)</u>	<u>(240,161)</u>	(558,305)	<u>(318,144)</u>
Fund Balance				
May 1			<u>296,873</u>	
April 30			<u>(261,432)</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, 2017

	Original Budget	Original and Final Budget	Actual	Variance With Final Budget Over (Under)
Expenditures				
Debt Service				
Principal	\$ 310,000	310,000	310,000	
Interest and Fiscal Agent Fees	144,450	144,450	144,450	
Total Expenditures	454,450	454,450	454,450	-
Excess (Deficiency) of Revenues Over Expenditures	(454,450)	(454,450)	(454,450)	-
Other Financing Sources				
Transfers In				
Sewer Fund	454,450	454,450	454,450	
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, 2017

	Original Budget	Final Budget	Actual	Variance With Final Budget Over (Under)
Revenues				
Property Taxes	\$ 290,795	290,795	320,075	29,280
Expenditures				
Debt Service				
Principal	270,000	270,000	270,000	
Interest and Fiscal Agent Fees	25,598	25,598	25,598	
Total Expenditures	295,598	295,598	295,598	-
Net Change in Fund Balance	<u>\$ (4,803)</u>	<u>(4,803)</u>	24,477	<u>29,280</u>
Fund Balance				
May 1			<u>409,587</u>	
April 30			<u>434,064</u>	

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, 2017

	Original Budget	Final Budget	Actual	Variance With Final Budget Over (Under)
Expenditures				
Debt Service				
Principal	\$ 595,000	595,000	595,000	
Interest and Fiscal Agent Fees	214,225	214,225	214,225	
Total Expenditures	<u>809,225</u>	<u>809,225</u>	<u>809,225</u>	-
Excess (Deficiency) of Revenues Over Expenditures	(809,225)	(809,225)	(809,225)	-
Other Financing Sources				
Transfers In	<u>809,225</u>	<u>809,225</u>	<u>809,225</u>	
Net Change in Fund Balance	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance				
May 1			<u>5,349</u>	
April 30			<u><u>5,349</u></u>	

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, 2017

	Original Budget	Final Budget	Actual	Variance With Final Budget Over (Under)
Revenues				
Property Taxes	\$ 185,192	185,192	173,011	(12,181)
Expenditures				
Debt Service				
Interest and Fiscal Agent Fees	188,250	188,250	188,250	
Net Change in Fund Balance	<u>\$ (3,058)</u>	<u>(3,058)</u>	(15,239)	<u>(12,181)</u>
Fund Balance				
May 1			<u>135,466</u>	
April 30			<u>120,227</u>	

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, 2017

	Original Budget	Final Budget	Actual	Variance With Final Budget Over (Under)
Revenues				
Property Taxes	\$ 1,950,933	1,950,933	2,021,544	70,611
Expenditures				
Debt Service				
Principal	1,895,000	1,895,000	1,895,000	
Interest and Fiscal Agent Fees	88,150	88,150	88,150	
Total Expenditures	1,983,150	1,983,150	1,983,150	-
Net Change in Fund Balance	\$ (32,217)	(32,217)	38,394	70,611
Fund Balance				
May 1			1,147,018	
April 30			1,185,412	

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, 2017

	Original Budget	Final Budget	Actual	Variance With Final Budget Over (Under)
Operating Revenues				
Charges for Services				
Water Sales	\$ 10,100,742	10,100,742	10,263,018	162,276
Water Meters	15,000	15,000	28,994	13,994
Total Operating Revenues	10,115,742	10,115,742	10,292,012	176,270
Operating Expenses				
Administration				
Regular Salaries	537,279	549,294	551,468	2,174
Overtime	90,000	106,158	106,158	
Employee Benefits				
Health Insurance	94,418	94,418	94,418	
Life Insurance	629	629	629	
Dental	5,104	5,104	5,104	
Data Processing Services	25,000	25,000	21,413	(3,587)
Pension Expense			11,863	11,863
Postal Charges	35,000	35,000	33,050	(1,950)
Motor Equipment			200,000	200,000
Total Administration	787,430	815,603	1,024,103	208,500
Water Supply and Treatment				
Purchase of Water	5,981,392	5,981,392	4,661,179	(1,320,213)
Testing	10,000	10,000	6,046	(3,954)
Building Maintenance	1,000	1,000	229	(771)
Training	1,000	1,000	10	(990)
General Contractual Services	25,000	25,000	18,092	(6,908)
Materials	20,000	20,000	3,575	(16,425)
Natural Gas	5,000	5,000	2,313	(2,687)
Electricity	110,000	110,000	81,847	(28,153)
Total Water Supply and Treatment	6,153,392	6,153,392	4,773,291	(1,380,101)
Water Main Services				
Regular Salaries	27,000	14,984	14,213	(771)
Employee Benefits				
Uniforms	7,000	7,000	6,905	(95)
Water Sprays	16,000	16,000		(16,000)
General Contractual Services	260,000	243,842	119,200	(124,642)
Materials	230,000	230,000	220,683	(9,317)
Watermain Construction	1,200,000	2,100,000	785,080	(1,314,920)
Total Water Main Services	1,740,000	2,611,826	1,146,081	(1,465,745)
Less Fixed Assets Capitalized			(785,080)	(785,080)
Total Water Main Services	1,740,000	2,611,826	361,001	(2,250,825)

CITY OF PARK RIDGE, ILLINOIS

Water Fund

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

Year Ended April 30, 2017

	Original Budget	Final Budget	Actual	Variance With Final Budget Over (Under)
Operating Expenses (Cont.)				
Water Meter Services				
General Contractual Services	20,000	10,500	6,710	(3,790)
Meters	80,000	89,500	75,801	(13,699)
Total Water Meter Services	<u>100,000</u>	<u>100,000</u>	<u>82,511</u>	<u>(17,489)</u>
Depreciation			827,212	827,212
Total Operating Expenses	<u>8,780,822</u>	<u>9,680,821</u>	<u>7,068,118</u>	<u>(2,612,703)</u>
Operating Income	<u>1,334,920</u>	<u>434,921</u>	<u>3,223,894</u>	<u>2,788,973</u>
Nonoperating Revenues				
Investment Income			2,423	2,423
Miscellaneous	15,000	15,000	46,402	31,402
Loss on Disposal of Capital Assets			(1,330)	(1,330)
Total Nonoperating Revenues	<u>15,000</u>	<u>15,000</u>	<u>47,495</u>	<u>32,495</u>
Income Before Transfers Out	1,349,920	449,921	3,271,389	2,821,468
Transfers Out	<u>(2,133,835)</u>	<u>(2,133,835)</u>	<u>(1,933,835)</u>	<u>200,000</u>
Change in Net Position	<u>\$ (783,915)</u>	<u>(1,683,914)</u>	<u>1,337,554</u>	<u>3,021,468</u>
Net Position				
May 1			<u>25,431,654</u>	
April 30			<u>26,769,208</u>	

CITY OF PARK RIDGE, ILLINOIS

Sewer Fund

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

Year Ended April 30, 2017

	Original Budget	Final Budget	Actual	Variance With Final Budget Over (Under)
Operating Revenues				
Charges for Services	\$ 1,788,347	1,788,347	1,807,165	18,818
Developers Fees	20,000	20,000	155,732	135,732
Total Operating Revenues	1,808,347	1,808,347	1,962,897	154,550
Operating Expenses				
Sewer Line and Drainage				
Regular Salaries	397,653	402,795	403,107	312
Overtime	30,000	26,732	26,732	
Employee Benefits				
Health Insurance	63,728	63,728	63,728	
Life Insurance	431	431	431	
Dental	4,124	4,124	4,124	
Uniforms	2,000	2,000	2,000	
Pension Expense			10,023	10,023
General Contractual Services	550,000	548,126	172,570	(375,556)
Sewer Clean and Televisive	20,000	20,000	7,100	(12,900)
Materials	82,000	82,000	77,353	(4,647)
Electricity	40,000	40,000	33,781	(6,219)
Motor Equipment			50,000	50,000
Sewer Construction	400,000	733,980	556,160	(177,820)
Depreciation			368,155	368,155
Total Sewer Line and Drainage	1,589,936	1,923,916	1,775,264	(148,652)
Less Fixed Assets Capitalized			(556,160)	(556,160)
Total Operating Expenses	1,589,936	1,923,916	1,219,104	(704,812)
Operating Income	218,411	(115,569)	743,793	859,362
Nonoperating Revenues				
Investment Income			2,828	2,828
Miscellaneous			2	2
Total Nonoperating Revenues	-	-	2,830	2,830
Income Before Transfers and Contributions	218,411	(115,569)	746,623	862,192
Capital Contributions				
Transfers Out	(778,063)	(778,063)	(728,063)	50,000
Change in Net Position	\$ (559,652)	(893,632)	18,560	912,192
Net Position				
May 1			19,070,047	
April 30			19,088,607	

CITY OF PARK RIDGE, ILLINOIS

Parking Fund

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

Year Ended April 30, 2017

	Original Budget	Final Budget	Actual	Variance With Final Budget Over (Under)
Operating Revenues				
Charges for Services	\$ 420,900	420,900	412,631	(8,269)
Operating Expenses				
Parking Service and Maintenance				
Regular Salaries	177,315	177,315	170,197	(7,118)
Overtime	2,000	2,000	101	(1,899)
Employee Benefits				
Health Insurance	13,869	13,869	13,869	
Life Insurance	83	83	83	
Dental	743	743	743	
Pension Expense			2,699	2,699
Real Property Rental	11,400	11,580	11,580	
General Contractual Services	61,000	79,754	73,131	(6,623)
Citation Fees	10,000	29,820	21,770	(8,050)
Materials	20,000	16,921	14,965	(1,956)
Electricity	3,000	3,279	3,279	
Service Charges		250	114	(136)
Total Operating Expenses	299,410	335,614	312,531	(23,083)
Operating Income	121,490	85,286	100,100	14,814
Nonoperating Revenues				
Miscellaneous			89	89
Total Nonoperating Revenues		-	89	89
Income Before Transfers	121,490	85,286	100,189	14,903
Transfers Out	(103,943)	(103,943)	(103,943)	
Change in Net Position	\$ 17,547	(18,657)	(3,754)	14,903
Net Position				
May 1			1,346,820	
April 30			1,343,066	

INTERNAL SERVICE FUNDS

CITY OF PARK RIDGE, ILLINOIS

Internal Service Funds

Combining Statement of Net Position

April 30, 2017

	Technology Replacement Fund	Motor Equipment Replacement Fund	Employee Benefits Fund	Total
Assets				
Current Assets				
Cash and Cash Equivalents	\$ 607,902	2,641,651	236,070	3,485,623
Prepaid Expenses			19,928	19,928
Total Current Assets	607,902	2,641,651	255,998	3,505,551
Noncurrent Assets				
Capital Assets				
Cost	301,024	6,677,607		6,978,631
Accumulated Depreciation	(192,013)	(4,759,419)		(4,951,432)
Total Noncurrent Assets	109,011	1,918,188	-	2,027,199
Other Assets				
Deposit - Public Entity Risk Pool			567,773	567,773
Total Assets	716,913	4,559,839	823,771	6,100,523
Liabilities				
Current Liabilities				
Accounts Payable	148,252	4,158	20,129	172,539
Unearned Revenue			15,645	15,645
Total Current Liabilities	148,252	4,158	35,774	188,184
Net Position				
Net Investment in Capital Assets	109,011	1,918,188		2,027,199
Unrestricted	459,650	2,637,493	787,997	3,885,140
Total Net Position	\$ 568,661	4,555,681	787,997	5,912,339

CITY OF PARK RIDGE, ILLINOIS

Internal Service Funds

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

Year Ended April 30, 2017

	Technology Replacement Fund	Motor Equipment Replacement Fund	Employee Benefits Fund	Total
Operating Revenues				
Charges for Services	\$ 125,000	300,325		425,325
Contributions				
Employee			804,168	804,168
Employer			3,256,877	3,256,877
Total Operating Revenues	125,000	300,325	4,061,045	4,486,370
Operating Expenses				
Materials	333,128	33,245		366,373
Depreciation	36,161	325,710		361,871
Premiums			3,763,455	3,763,455
Other Expense			4,595	4,595
Total Operating Expenses	369,289	358,955	3,768,050	4,496,294
Operating Loss	(244,289)	(58,630)	292,995	(9,924)
Nonoperating Revenues				
Investment Income	202	1,616		1,818
Miscellaneous Revenues			510,241	510,241
Gain on Disposal of Capital Assets		16,896		16,896
Total Nonoperating Revenues	202	18,512	510,241	528,955
Change in Net Position	(244,087)	(40,118)	803,236	519,031
Net Position				
May 1	812,748	4,595,799	(15,239)	5,393,308
April 30	\$ 568,661	4,555,681	787,997	5,912,339

CITY OF PARK RIDGE, ILLINOIS

Internal Service Funds

Combining Statement of Cash Flows

Year Ended April 30, 2017

	Technology Service Fund	Motor Equipment Replacement Fund	Employee Benefits Fund	Total
Cash Flows From Operating Activities				
Receipts From Service Providers	\$ 125,000	300,325		425,325
Receipts From Employers/Employees			4,536,471	4,536,471
Payments to Suppliers for Charges for Services	(203,063)	(102,192)	(4,461,247)	(4,766,502)
	<u>(78,063)</u>	<u>198,133</u>	<u>75,224</u>	<u>195,294</u>
Cash Flows From Capital and Related Financing Activities				
Purchases of Capital Assets		(614,481)		(614,481)
Cash Flows From Investing Activities				
Interest Income	202	1,616		1,818
Net Increase (Decrease) in Cash and Cash Equivalents				
	(77,861)	(414,732)	75,224	(417,369)
Cash and Cash Equivalents				
May 1	685,763	3,056,383	160,846	3,902,992
April 30	<u>\$ 607,902</u>	<u>2,641,651</u>	<u>236,070</u>	<u>3,485,623</u>
Cash Flows From Operating Activities				
Operating Income (Loss)	\$ (244,289)	(58,630)	292,995	(9,924)
Adjustment to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities				
Depreciation	36,161	325,710		361,871
Miscellaneous Revenues			510,241	510,241
Change in Assets				
Prepaid Expenses			(19,593)	(19,593)
Deposit			(567,773)	(567,773)
Change in Liabilities				
Deferred Revenue			(15,222)	(15,222)
Accounts Payable	130,065	(68,947)	19,794	80,912
Other Liabilities			(145,218)	(145,218)
Net Cash Provided by (Used in) Operating Activities	<u>\$ (78,063)</u>	<u>198,133</u>	<u>75,224</u>	<u>195,294</u>

CITY OF PARK RIDGE, ILLINOIS

Technology Replacement Fund

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

Year Ended April 30, 2017

	Original Budget	Final Budget	Actual	Variance With Final Budget Over (Under)
Operating Revenues				
Charges for Services	\$ 125,000	125,000	125,000	
Operating Expenses				
Materials	240,275	470,775	333,128	(137,647)
Depreciation			36,161	36,161
Total Operating Expenses	<u>240,275</u>	<u>470,775</u>	<u>369,289</u>	<u>(101,486)</u>
Operating Loss	(115,275)	(345,775)	(244,289)	101,486
Nonoperating Revenues				
Investment Income			202	202
Change in Net Position	<u>\$ (115,275)</u>	<u>(345,775)</u>	(244,087)	<u>101,688</u>
Net Position				
May 1			<u>812,748</u>	
April 30			<u><u>568,661</u></u>	

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, 2017

	Original Budget	Final Budget	Actual	Variance With Final Budget Over (Under)
Operating Revenues				
Charges for Services	\$ 277,000	\$ 277,000	300,325	23,325
Operating Expenses				
Materials	870,800	1,234,590	33,245	(1,201,345)
Depreciation			325,710	325,710
Total Operating Expenses	870,800	1,234,590	358,955	(875,635)
Operating Loss	(593,800)	(957,590)	(58,630)	898,960
Nonoperating Revenues				
Investment Income	1,000	1,000	1,616	616
Gain on Disposal of Capital Assets			16,896	16,896
Total Nonoperating Revenues	1,000	1,000	18,512	17,512
Change in Net Position	<u>\$ (592,800)</u>	<u>\$ (956,590)</u>	(40,118)	<u>916,472</u>
Net Position				
May 1			<u>4,595,799</u>	
April 30			<u>4,555,681</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, 2017

	Original Budget	Final Budget	Actual	Variance With Final Budget Over (Under)
Operating Revenues				
Contributions				
Employee	\$ 895,449	895,449	804,168	(91,281)
Employer	3,260,036	3,260,036	3,256,877	(3,159)
Total Operating Revenues	<u>4,155,485</u>	<u>4,155,485</u>	<u>4,061,045</u>	<u>(94,440)</u>
Operating Expenses				
Premiums	3,948,596	3,947,596	3,763,455	(184,141)
Other Expense	206,890	207,890	4,595	(203,295)
Total Operating Expenses	<u>4,155,486</u>	<u>4,155,486</u>	<u>3,768,050</u>	<u>(387,436)</u>
Operating Loss	(1)	(1)	292,995	292,996
Nonoperating Revenues				
Miscellaneous Revenues			510,241	510,241
Change in Net Position	<u>\$ (1)</u>	<u>(1)</u>	803,236	<u>292,996</u>
Net Position				
May 1			<u>(15,239)</u>	
April 30			<u><u>787,997</u></u>	

FIDUCIARY FUND TYPES

AGENCY FUND

CITY OF PARK RIDGE, ILLINOIS

Escrow Deposit Agency Fund

Statement of Changes in Assets and Liabilities

April 30, 2017

	Balance at May 1, 2016	Additions	Deletions	Balance at April 30, 2017
Assets				
Current Assets				
Cash and Cash Equivalents	\$ 429,476	248,523	196,124	481,875
Liabilities				
Current Liabilities				
Accounts Payable	\$ 2,356	130,898	130,647	2,607
Deposits	427,120	244,949	192,801	479,268
Total Liabilities	\$ 429,476	375,847	323,448	481,875

COMPONENT UNIT

CITY OF PARK RIDGE, ILLINOIS

Component Unit - Park Ridge Public Library

Statement of Net Position and Governmental Funds Balance Sheet

April 30, 2017

	Balance Sheet			Statement of
	Library Fund	Library Technology Fund	Adjustments	Total Component Unit
Assets				
Cash and Cash Equivalents	\$ 4,731,977	335,824		5,067,801
Investments	148,966			148,966
Receivables				
Taxes	2,151,295			2,151,295
Prepaid Items	56,945			56,945
Capital Assets Not Being Depreciated			1,037,507	1,037,507
Capital Assets, Net of Accumulated Depreciation			1,187,348	1,187,348
Total Assets	7,089,183	335,824	2,224,855	9,649,862
Deferred Outflows of Resources				
Deferred Outflows of Resources - Pension			806,742	806,742
Liabilities				
Accounts Payable	87,011			87,011
Other Accrued Liabilities	27,970			27,970
Noncurrent Liabilities				
Due Within One Year			37,082	37,082
Due in More Than One Year			1,039,886	1,039,886
Total Liabilities	114,981		1,076,968	1,191,949
Deferred Inflows of Resources				
Deferred Inflows of Resources - Pension			247,354	247,354
Unavailable Property Taxes	2,104,851		(2,104,851)	
Fund Balances/Net Position				
Fund Balance				
Nonspendable - Prepaid Items	56,945		(56,945)	
Assigned for Library Technology		335,824	(335,824)	
Unassigned	4,812,406		(4,812,406)	
Total Fund Balances/Net Position	4,869,351	335,824	(5,205,175)	-
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 7,089,183	335,824		
Net Position				
Net Investment in Capital Assets			2,224,855	2,224,855
Unrestricted			6,792,446	6,792,446
Total Net Position			9,017,301	9,017,301

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, 2017

	Schedule of Revenues, Expenditures and Changes in Fund Balances			Statement of Activities
	Library		Adjustments	Total
	Library Fund	Technology Fund		Component Unit
Revenues				
Property Taxes	\$ 4,858,213		(164,756)	4,693,457
Other Taxes	73,253			73,253
Intergovernmental	28,891			28,891
Charges for Services	73,782	100,000	(100,000)	73,782
Investment Income	3,835	202		4,037
Miscellaneous	111,516			111,516
Total Revenues	<u>5,149,490</u>	<u>100,202</u>	<u>(264,756)</u>	<u>4,984,936</u>
Expenditures/Expenses				
Current				
Culture and Civic	4,256,626	66,573	(419,635)	3,903,564
Depreciation			35,606	35,606
Total Expenditures/Expenses	<u>4,256,626</u>	<u>66,573</u>	<u>(384,029)</u>	<u>3,939,170</u>
Excess (Deficiency) of Revenues over Expenditures/Changes in Net Position	892,864	33,629	119,273	1,045,766
Fund Balances/Net Position				
May 1	<u>3,976,487</u>	<u>302,195</u>	<u>3,692,853</u>	<u>7,971,535</u>
April 30	<u>\$ 4,869,351</u>	<u>335,824</u>	<u>3,812,126</u>	<u>9,017,301</u>

CITY OF PARK RIDGE, ILLINOIS

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

Year Ended April 30, 2017

	Original Budget	Final Budget	Actual	Variance With Final Budget Over (Under)
Revenues				
Property Taxes	\$ 4,830,454	4,830,454	4,858,213	27,759
Other Taxes				
Personal Property Replacement	70,000	70,000	73,253	3,253
Intergovernmental	42,000	42,000	28,891	(13,109)
Charges for Services	100,000	100,000	73,782	(26,218)
Investment Income	2,500	2,500	3,835	1,335
Miscellaneous	49,500	49,500	111,516	62,016
Total Revenues	5,094,454	5,094,454	5,149,490	55,036
Expenditures				
Current				
Culture and Civic	5,355,453	5,355,453	4,256,626	(1,098,827)
Excess of Revenues Over Expenditures	(260,999)	(260,999)	892,864	1,153,863
Other Financing Uses				
Transfers Out	(2,000)	(2,000)		2,000
Net Change in Fund Balance	\$ (262,999)	(262,999)	892,864	1,155,863
Fund Balance				
May 1			3,976,487	
April 30			4,869,351	

**STATISTICAL SECTION
(UNAUDITED)**

CITY OF PARK RIDGE, ILLINOIS

STATISTICAL SECTION

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

<u>Contents</u>	<u>Page(s)</u>
Financial Trends	139-150
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have been changed over time.	
Revenue Capacity	151-158
These schedules contain information to help the readers assess the performance of property tax and sales tax revenues, two of the City's most significant revenue sources.	
Debt Capacity	159-162
These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	
Demographic and Economic Information	163-165
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	
Operating Information	166-171
These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

CITY OF PARK RIDGE, ILLINOIS

Net Position by Component

Last Ten Fiscal Years

Fiscal Year	2008	2009	2010	2011	2012
Governmental Activities					
Net Investment in Capital Assets	\$ 40,592,487	33,052,796	35,467,201	36,096,982	18,123,295
Restricted					
Road Construction					
Public Safety					
Economic Development					
Grant Purposes	275,000	275,000	275,000	275,000	
Debt Service	2,229,942	2,015,318	47,693	3,842	133,159
Employee Benefits					
Capital Projects	2,602,423	1,956,800	727,702	419,372	414,384
Municipal Waste Management					
Special Service Areas					
Enabling Legislation	316,456	228,722	242,452	630,046	760,752
Capital Outay					
Unrestricted	14,127,990	16,920,850	13,063,311	13,699,017	16,161,975
Total Governmental Activities	\$ 60,144,298	54,449,486	49,823,359	51,124,259	35,593,565
Business-type Activities					
Net Investment in Capital Assets	\$ 23,676,745	23,650,123	23,927,570	23,794,107	33,198,707
Restricted					
Parking Lot Improvements					
Debt Service					
Unrestricted	6,173,999	5,320,400	4,513,983	5,539,465	6,301,746
Total Business-type Activities	\$ 29,850,744	28,970,523	28,441,553	29,333,572	39,500,453
Primary Government					
Net Investment in Capital Assets	\$ 64,269,232	56,702,919	59,394,771	59,891,089	51,322,002
Restricted					
Road Construction					
Public Safety					
Economic Development					
Grant Purpose	275,000	275,000	275,000	275,000	
Debt Service	2,229,942	2,015,318	47,693	3,842	133,159
Employee Benefits					
Capital Projects	2,602,423	1,956,800	727,702	419,372	414,384
Municipal Waste Management					
Social Service Areas					
Enabling Legislation	316,456	228,722	242,452	630,046	760,752
Capital Outay					
Parking Lot Improvements					
Unrestricted	20,301,989	22,241,250	17,577,294	19,238,482	22,463,721
Total Primary Government	\$ 89,995,042	83,420,009	78,264,912	80,457,831	75,094,018

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

2013	2014	2015	2016	2017
20,306,211	27,588,932	28,660,777	30,976,721	34,184,219
1,050,993	1,100,717	1,328,339	1,340,222	1,388,573
125,973	181,113	169,077	228,302	492,049
528,638	1,758,168	494,791	2,708,043	4,706,357
402,774	1,611,051	3,485,737	3,423,434	2,721,121
	560,881	637,058	961,604	1,335,870
3,704,925				
	1,897,889	2,018,790	2,142,412	2,291,322
	277,229	160,766	181,824	181,826
				125,060
10,748,590	5,664,990	11,449,540	(27,046,081)	(25,574,403)
36,868,104	40,640,970	48,404,875	14,916,481	21,851,994
35,019,617	37,235,922	38,782,484	38,090,857	37,865,734
182,471	97,953			339,927
			369,666	
7,096,779	7,117,031	6,700,333	7,387,998	8,995,220
42,298,867	44,450,906	45,482,817	45,848,521	47,200,881
55,325,828	64,824,854	67,443,261	69,068,869	72,049,953
	1,100,717	1,328,339	1,340,222	1,388,573
	181,113	169,077	228,302	492,049
	1,650,536	494,791	2,708,043	4,706,357
402,774	1,611,051	3,485,737	3,793,100	2,721,121
	560,881	637,058	961,604	1,335,870
3,704,925				
	1,897,889	2,018,790	2,142,412	2,291,322
	277,229	160,766	181,824	181,826
				125,060
182,471	97,953			339,927
19,550,973	12,782,021	18,149,873	(19,658,083)	(16,579,183)
79,166,971	84,984,244	93,887,692	60,766,293	69,052,875

CITY OF PARK RIDGE, ILLINOIS

Changes in Net Position

Last Ten Fiscal Years

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

Data Source

Audited Financial Statements
Includes all available information.

2012	2013	2014	2015	2016	2017
7,723,691	7,795,312	8,821,749	8,552,790	8,437,112	6,334,349
18,701,581	16,250,222	16,440,669	16,291,480	19,352,987	19,897,207
11,010,908	12,238,216	12,132,154	11,587,047	9,523,826	10,343,074
2,390,904	1,861,573	1,714,019	1,652,471	1,789,000	1,629,028
600,670	541,147	493,029	288,781	464,436	443,744
1,939,886	1,968,630	1,902,633	1,215,170	1,249,574	914,890
42,367,640	40,655,100	41,504,253	39,587,739	40,816,935	39,562,292
5,356,414	6,257,130	6,795,818	7,333,827	7,746,069	7,069,448
358,681	324,477	338,168	305,156	270,049	312,531
872,359	665,530	1,096,579	928,570	1,065,910	1,219,104
6,587,454	7,247,137	8,230,565	8,567,553	9,082,028	8,601,083
48,955,094	47,902,238	49,734,819	48,155,292	49,898,963	48,163,375
2,297,491	3,197,319	3,508,210	3,752,651	3,494,625	3,711,183
1,667,647	1,675,033	1,837,073	1,781,357	1,856,958	1,695,182
56,585	66,335	38,205	48,440	40,637	78,800
1,486,437	1,156,603	1,157,649	1,423,023	1,088,399	1,025,286
		572,373			
5,508,160	6,095,290	7,113,510	7,005,471	6,480,619	6,510,451
6,836,662	8,295,660	8,885,071	8,715,489	9,624,725	10,292,012
353,144	306,313	271,954	296,474	319,904	412,631
1,518,174	1,961,187	1,898,462	1,942,239	1,914,646	1,962,897
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	12,667,540
15,136,836	18,521,972	20,651,515	19,181,765	18,339,894	19,177,991
(36,859,480)	(34,559,810)	(34,390,743)	(32,582,268)	(34,336,316)	(33,051,841)
3,041,222	5,179,545	5,307,440	3,608,741	2,777,247	4,066,457
(33,818,258)	(29,380,265)	(29,083,303)	(28,973,527)	(31,559,069)	(28,985,384)

CITY OF PARK RIDGE, ILLINOIS

Changes in Net Position (Cont.)

Last Ten Fiscal Years

Fiscal Year	2008	2009	2010	2011
General Revenues and Other Changes in Net Position				
Governmental Activities				
Taxes				
Property	\$ 16,106,676	17,386,365	18,028,634	19,913,292
Replacement	520,531	450,605	367,466	461,998
Utility	2,742,021	2,824,370	3,008,242	2,582,300
Telecommunications	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	2,372,780	2,475,457	2,469,256	2,833,298
Intergovernmental				
Income	3,559,023	3,326,676	2,393,258	2,828,519
Sales	3,754,466	3,179,232	3,149,028	3,751,560
Other Intergovernmental				
Unrestricted Investment Earnings	913,047	210,500	26,478	19,178
Miscellaneous	309,539	181,967	54,641	125,466
Proceeds from Sale of Capital Assets				
Transfers	1,856,855	1,868,754	1,584,952	1,945,254
Total Governmental Activities	35,375,947	35,243,361	34,319,993	37,624,530
Business-type Activities				
Other			(230,151)	
Investment Earnings	230,067	81,157	14,875	7,433
Miscellaneous	7,350	67,659	33,867	34,987
Transfers	(1,856,855)	(1,868,754)	(1,584,952)	(1,945,254)
Total Business-type Activities	(1,619,438)	(1,719,938)	(1,766,361)	(1,902,834)
Total Primary Government	\$ 33,756,509	33,523,423	32,553,632	35,721,696
Change in Net Position				
Governmental Activities	\$ (5,562,225)	(5,694,811)	(4,626,127)	694,841
Business-type Activities	(779,721)	(1,719,938)	(528,970)	892,019
Total Primary Government Change in Net Position	\$ (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	2017
15,267,374	15,731,260	16,413,089	18,908,351	19,822,347	18,513,446
374,012	414,554	426,532	444,419	351,268	454,818
2,225,422	2,300,363	2,519,014	2,415,595	2,177,482	2,350,314
1,880,103	1,704,788	1,579,711	1,402,655	797,613	1,244,221
443,754	464,687	721,403	676,625	916,523	783,966
454,887	574,815	441,821	529,803	473,963	506,214
603,847	600,000	600,000	600,000	600,000	600,000
3,700,039	3,050,731	1,107,407	1,318,155	1,437,178	1,566,649
3,175,532	3,546,262	3,790,281	3,564,951	4,399,922	3,533,908
4,059,099	4,075,784	5,783,921	6,149,374	6,275,786	6,326,783
		463,878	451,382	465,447	460,348
7,587	19,015	7,284	7,017	21,334	117,666
1,269,947	1,130,296	1,330,141	1,258,004	445,925	763,180
				1,729,085	
1,948,766	2,569,415	2,871,495	2,619,842	2,262,147	2,765,841
35,410,369	36,181,970	38,055,977	40,346,173	42,176,020	39,987,354
		(847,845)			
9,466	7,829	3,640	3,528	4,442	5,251
102,253	39,801	42,387	39,484	44,166	46,493
(1,948,766)	(2,569,415)	(2,871,495)	(2,619,842)	(2,262,147)	(2,765,841)
(1,837,047)	(2,521,785)	(3,673,313)	(2,576,830)	(2,213,539)	(2,714,097)
33,573,322	33,660,185	34,382,664	37,769,343	39,962,481	37,273,257
(1,449,111)	1,622,160	3,665,234	7,763,905	7,839,704	6,935,513
1,204,175	2,657,760	1,634,127	1,031,911	563,708	1,352,360
(244,936)	4,279,920	5,299,361	8,795,816	8,403,412	8,287,873

CITY OF PARK RIDGE, ILLINOIS

Fund Balances of Governmental Funds

Last Ten Fiscal Years

Fiscal Year	2008	2009	2010	2011	2012
General Fund					
Reserved	\$ 333,537	4,820,179	5,058,348	5,485,803	
Unreserved	13,413,534	6,558,168	2,609,181	2,823,093	
Nonspendable					5,429,798
Restricted for					
Capital Outlay					
Committed					
Unassigned					4,708,038
Total General Fund	13,747,071	11,378,347	7,667,529	8,308,896	10,137,836
All Other Governmental Funds					
Reserved	2,453,531	4,324,157	1,560,769	1,256,309	
Unreserved, Reported in					
Special Revenue Funds	(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	6,172,061				
Nonspendable					29,495
Restricted for					
Road Construction					647,393
Public Safety					113,359
Economic Development					530,492
Debt Service					133,159
Capital Projects					5,492,742
Municipal Waste					
Nonmajor Funds					
Unassigned					(5,667,673)
Total All Other Governmental Funds	6,774,265	617,042	(4,444,850)	(3,765,255)	1,278,967
Total Governmental Funds	\$ 20,521,336	11,995,389	3,222,679	4,543,641	11,416,803

Notes:

- (1) Nonspendable, Unassigned, and Restricted classifications effective beginning in 2012.
- (2) Since the Library was listed as a separate line item in previous years, it was removed from this report as it is not a component unit.

2013	2014	2015	2016	2017
278,835	246,253	323,680	249,333	288,814
				125,060
				192,348
6,835,033	6,578,652	10,094,683	16,361,475	18,542,464
7,113,868	6,824,905	10,418,363	16,610,808	19,148,686
4,279	62,130	58,541	44,732	159,175
1,050,993	1,100,717	1,328,339	1,340,222	1,388,573
125,973	181,113	169,077	228,302	340,190
528,638	1,650,536	494,791	2,708,043	4,706,357
402,774	961,551	1,615,187	1,994,293	1,825,719
3,704,925				
83,872	206,899		420,671	1,113,933
138,837	259,881	142,015	235,872	785,302
(457,272)	(230,756)	151,879		(261,432)
5,583,019	4,192,071	3,959,829	6,972,135	10,057,817
12,696,887	11,016,976	14,378,192	23,582,943	29,206,503

CITY OF PARK RIDGE, ILLINOIS

Changes in Fund Balances of Governmental Funds

Last Ten Fiscal Years

Fiscal Year	2008	2009	2010	2011	2012
Revenues					
Property Taxes	\$ 15,274,233	17,139,702	18,176,917	18,733,669	15,793,475
Other Taxes	16,189,830	15,595,775	14,625,290	15,621,340	8,628,834
Licenses and Permits	2,925,371	2,712,700	2,495,432	2,715,714	2,803,147
Intergovernmental	1,337,116	1,502,522	1,513,862	2,098,882	8,934,123
Charges for Services	1,658,369	1,939,857	488,799	1,500,293	1,700,035
Fines and Forfeitures	332,367	337,499	1,562,486	367,859	561,700
Investment Income	917,577	210,500	26,478	19,178	9,966
Miscellaneous	309,539	181,967	54,641	125,466	747,851
Total Revenues	38,944,402	39,620,522	38,943,905	41,182,401	39,179,131
Expenditures					
Current					
General Government	4,157,170	4,031,893	4,325,678	4,134,388	7,566,936
Public Safety	15,451,231	16,337,357	17,534,169	17,371,716	18,489,915
Public Works	15,625,153	15,994,737	11,826,891	10,815,873	10,292,021
Development	3,590,080	3,591,522	2,745,862	1,913,925	2,390,904
Culture and Civic	5,026,920	4,963,167	5,234,822	4,629,385	600,670
Miscellaneous					
Capital Outlay		242,811			
Debt Service					
Principal	1,855,000	2,685,000	2,905,000	1,380,000	1,580,000
Interest	2,294,312	2,168,113	2,072,213	1,969,364	1,920,945
Cost of Issuance					
Total Expenditures	47,999,866	50,014,600	46,644,635	42,214,651	42,841,391
Excess (Deficiency) of Revenues over Expenditures	(9,055,464)	(10,394,078)	(7,700,730)	(1,032,250)	(3,662,260)
Other Financing Sources (Uses)					
Transfers In	3,491,870	4,800,660	4,248,350	5,593,660	6,193,586
Transfers Out	(1,635,015)	(2,931,906)	(2,663,398)	(3,648,406)	(4,244,820)
Bonds Issued					7,545,000
Bond Premium					370,043
Payment to Bond Escrow Agent					
Discount on Bonds Issued					
Sale of Capital Assets					
Total Other Financing Sources (Uses)	1,856,855	1,868,754	1,584,952	1,945,254	9,863,809
Net Change in Fund Balance	\$ (7,198,609)	(8,525,324)	(6,115,778)	913,004	6,201,549

Note:

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

Data Source

Audited Financial Statements

2013	2014	2015	2016	2017
15,476,842	15,498,819	16,964,039	21,331,637	20,251,873
8,709,681	8,816,045	9,772,401	9,783,946	9,883,240
3,127,080	3,421,693	3,756,561	3,547,151	3,652,478
9,483,609	8,464,262	9,270,689	9,822,827	8,218,674
594,887	1,451,154	1,506,394	1,586,758	1,712,622
1,525,213	707,126	687,622	713,292	640,975
19,020	7,306	7,017	21,334	117,666
783,555	1,077,255	927,819	76,430	217,135
39,719,887	39,443,660	42,892,542	46,883,375	44,694,663
7,310,957	8,018,592	7,853,932	7,423,471	7,214,532
15,803,702	16,649,220	16,313,366	17,394,546	17,352,352
11,478,117	12,671,264	11,816,700	9,993,588	10,640,549
1,861,573	1,714,019	1,652,471	1,818,648	1,614,874
541,147	553,730	484,090	464,436	443,744
1,985,000	1,855,000	2,605,000	3,435,000	3,170,000
2,028,721	1,995,552	1,812,614	1,140,167	1,171,423
				47,700
41,009,217	43,457,377	42,538,173	41,669,856	41,655,174
(1,289,330)	(4,013,717)	354,369	5,213,519	3,039,489
12,842,672	7,624,968	6,460,921	3,784,752	3,788,812
(10,273,257)	(5,183,530)	(3,841,079)	(1,522,605)	(1,022,971)
		22,230,000		9,990,000
		801,800		
		(22,752,427)		(10,172,539)
			1,729,085	769
2,569,415	2,441,438	2,899,215	3,991,232	2,584,071
1,280,085	(1,572,279)	3,253,584	9,204,751	5,623,560

CITY OF PARK RIDGE, ILLINOIS

Changes in Fund Balances of Governmental Funds

Last Ten Fiscal Years

Fiscal Year	2008	2009	2010	2011	2012
Debt Service as a Percent of Noncapital Expenditures					
Total Expenditures	\$ 47,999,866	50,014,600	46,644,635	42,214,651	42,841,391
Less Capital Outlays	(3,547,798)	(1,333,964)			(114,879)
Net Noncapital Expenditures	\$ 44,452,068	48,680,636	46,644,635	42,214,651	42,726,512
Debt Service					
Cost of Issuance					
Principal	\$ 1,855,000	2,685,000	2,905,000	1,380,000	1,580,000
Interest	2,294,312	2,168,113	2,072,213	1,969,364	1,920,945
	\$ 4,149,312	4,853,113	4,977,213	3,349,364	3,500,945
Debt Service as a Percentage of Noncapital Expenditures	9.33%	9.97%	10.67%	7.93%	8.19%

Note:

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

Data Source

Audited Financial Statements

2013	2014	2015	2016	2017
41,009,217	43,565,009	42,538,173	41,669,856	41,655,174
(463,165)	(2,725,154)	(2,639,574)	(1,157,604)	(2,124,108)
40,546,052	40,839,855	39,898,599	40,512,252	39,531,066
1,985,000	1,855,000	256,216		47,700
2,028,721	1,995,552	2,605,000	3,435,000	3,170,000
		1,812,614	1,140,167	1,171,423
4,013,721	3,850,552	4,673,830	4,575,167	4,389,123
9.90%	9.43%	11.71%	11.29%	11.10%

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		
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
2016*	N.A.	N.A.	N.A.	1,534,649,105	1,322,833

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
1,852,758,740	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%
1,535,971,938		4,607,915,814	33.333%

CITY OF PARK RIDGE, ILLINOIS

Property Tax Rates - All Direct and Overlapping Governments

Last Ten Fiscal Years

	2007 - 2008	2008 - 2009	2009 - 2010	2010 - 2011	2011 - 2012
Direct Rates					
General Corporate	0.117	0.088	0.162	0.176	0.254
Debt Service (Bond and Interest)	0.091	0.083	0.000	0.000	0.016
Garbage	0.176	0.163	0.174	0.195	0.208
Police Pension	0.053	0.071	0.078	0.098	0.097
Fire Pension	0.039	0.057	0.071	0.094	0.095
Illinois Municipal Retirement	0.045	0.042	0.051	0.046	0.044
Social Security	0.043	0.042	0.041	0.047	0.040
Total Direct Rate as Rounded by Cook County	0.564	0.546	0.577	0.656	0.752
OVERLAPPING					
Park Ridge Public Library	0.230	0.214	0.203	0.213	0.233
High School District 207	1.602	1.577	1.617	1.782	1.995
Elementary School District 64	2.850	2.685	2.686	2.951	3.285
Cook County	0.446	0.415	0.394	0.423	0.462
Consolidated Elections	0.012	0.000	0.021	0.000	0.025
Cook County Health Facilities	0.000	0.000	0.000	0.000	0.000
Cook County Forest Preserve	0.053	0.051	0.049	0.051	0.058
Suburban T.B. Sanitarium	0.000	0.000	0.000	0.000	0.000
Water Reclamation District	0.263	0.252	0.261	0.274	0.320
Mosquito Abatement District	0.008	0.008	0.008	0.009	0.010
Maine Township*	0.065	0.064	0.067	0.075	0.085
Road and Bridge/Maine	0.034	0.033	0.034	0.038	0.043
General Assistance/Maine	0.015	0.015	0.016	0.018	0.021
Community College District 535	0.141	0.140	0.140	0.160	0.196
Recreation and Park District	0.286	0.278	0.279	0.307	0.344
Total Overlapping Rates	6.005	5.732	5.775	6.301	7.077
Total Tax Bill	6.569	6.278	6.352	6.957	7.829

Notes:

- (1) Most of Park Ridge is located in Maine Township, but a portion of the City is in Leyden and Norwood Townships.
- (2) Excluded are the rates of the Special Service Areas in the City.

Data Source

Office of the County Clerk

2012- 2013	2013- 2014	2014- 2015	2015- 2016	2016- 2017
0.283	0.311	0.352	0.352	0.2649
0.017	0.104	0.247	0.239	0.1556
0.222	0.270	0.267	0.280	0.1891
0.103	0.129	0.144	0.155	0.1411
0.101	0.124	0.132	0.142	0.1248
0.074	0.060	0.064	0.075	0.0594
0.052	0.066	0.066	0.077	0.0679
0.851	1.064	1.273	1.323	1.003
0.239	0.290	0.365	0.379	0.309
2.215	2.722	2.739	2.901	2.507
3.659	4.572	4.610	4.788	4.040
0.531	0.560	0.568	0.552	0.533
0.000	0.031	0.000	0.034	0.000
0.000	0.000	0.000	0.000	0.000
0.063	0.069	0.069	0.069	0.063
0.000	0.000	0.000	0.000	0.000
0.370	0.417	0.430	0.426	0.406
0.011	0.013	0.013	0.011	0.010
0.096	0.120	0.119	0.124	0.108
0.049	0.061	0.062	0.065	0.056
0.023	0.029	0.029	0.031	0.027
0.219	0.256	0.258	0.271	0.231
0.391	0.554	0.559	0.584	0.495
7.866	9.694	9.821	10.235	8.785
8.717	10.758	11.094	11.558	9.788

CITY OF PARK RIDGE, ILLINOIS

Ten Principal Taxpayers

Current Year and Nine Years Ago

Taxpayer	Type of Business	2016 Assessed Valuation*	Percent of City's Total EAV
Park Ridge Bldg LLC	Office Building	\$ 8,770,874	0.57%
Advocate Health Care	Office Building, Parkside Center, Insurance	7,602,599	0.49%
Uptown Station LLC	Special commercial improvements	7,032,632	0.46%
Sunrise Assisted Living	Assisted living complex	6,414,459	0.42%
Crystal Landings	Commercial building	5,932,681	0.39%
Loja Midwest	Supermarket	5,227,304	0.34%
New Albertsons LLC	Supermarket	5,047,445	0.33%
1300 Higgins Co GNP	Office building	5,032,546	0.33%
Imperial Sales Inc	Retail/Commercial Properties	4,826,713	0.31%
Chicagoland Whole Mkt	Supermarket	4,525,237	0.29%
		<u>\$ 60,412,490</u>	<u>3.93%</u>

Notes:

Includes only those parcels with 2016 equalized assessed valuations of approximately \$100,000 and over as recorded in the County Assessor's Office.

Data Source

Cook County Clerk and Maine township Assessor's Office

Taxpayer	Type of Business	2007 Assessed Valuation	Percent of City's Total EAV
Protection Mutual Insurance	Mutual Insurance Company	\$ 14,095,992	0.76%
Duke Realty Corp	Retail/Commercial Properties	10,102,918	0.55%
Renaissance NW Highway	Commercial properties	10,102,918	0.59%
CPTS 1032	Supermarket	8,197,073	0.44%
Dempster Development	Car agency	5,999,048	0.32%
Tri Land Properties	Shopping center	6,280,457	0.34%
Sunrise Assisted Living	Assisted living complex	6,379,926	0.34%
Fred I Gillick Co.	Retail/Commercial Properties	6,016,597	0.32%
Sam Markos	Retail and Commercial Buildings	5,938,979	0.32%
SBC Ameritech	Commercial Buildings	5,278,028	0.28%
		<u>\$ 78,391,936</u>	<u>4.28%</u>

Includes only those parcels with 2007 equalized assessed valuations of approximately \$107,000 and over as recorded in the County Assessor's Office.

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
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%	8,155,881	17,153,871	98.75%
2014	2013	17,753,360	9,089,761	51.20%	8,431,532	17,521,293	98.69%
2015	2014	21,697,290	8,999,666	41.48%	12,492,356	21,492,022	99.05%
2016	2015	21,930,994	11,196,967	51.06%	10,654,362	21,851,329	99.64%
2017	2016	20,144,529	11,327,772	56.23%		11,327,772	56.23%

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
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%
2017	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, 2017

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."

Notes:

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			
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
2017	33,034,443		33,034,443	1.86%	881.0

Notes:

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

(2) 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
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
2017	33,034,443	(1,564,287)	31,470,156	0.68%	839.29

Notes:

- (1) See the Schedule of Assessed Value and estimated Actual Value of Taxable Property for property value data.
- (2) 2014 is the most recent EAV information available from the Office of Cook County Clerk as of the printing of this statement.
- (3) 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, 2017

	Gross Debt	Percentage Applicable to City of Park Ridge (1)	City of Park Ridge Share of Debt
Direct Debt			
City of Park Ridge	\$ 32,355,000	100.000%	32,355,000
Overlapping Debt			
Cook County	3,213,141,750	1.072%	34,444,880
Cook County Forest Preserve	159,440,240	1.072%	1,709,199
Metropolitan Water Reclamation District	2,583,922,748 (1)	1.093%	28,242,276
Des Plaines Park District	3,573,015	1.808%	64,600
Golf Maine Park District	688,500	10.704%	73,697
Niles Park District	1,010,000 (2)	0.014%	141
Park Ridge Recreation and Park District	18,049,500	96.415%	17,402,425
School District #63	7,700,000	3.443%	265,111
School District #64	8,700,000	91.430%	7,954,410
High School District #207	15,600,000	33.197%	5,178,732
Community College #535	30,895,000 (3)	6.890%	<u>2,128,666</u>
			<u>97,464,137</u>
Direct and Overlapping General Obligation Bonded Debt			<u>\$ 129,819,137</u>

Notes:

- (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.

Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates a portion of the of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City. This process recognizes that, when considering the City’s ability to issue and repay long-term debt, the entire debt borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident and, therefore, responsible for repaying the debt of each overlapping government.

The percentage of overlapping General Obligation debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit’s taxable assessed value that is within the City’s boundaries and dividing it by each unit’s total taxable assessed value.

Data Source

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

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
2017	37,496	\$ 1,771,573,512	87,119	47,247	4.90%
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%

Data Source

U.S. Census Bureau Quick Facts
Illinois Department of Employment Security

CITY OF PARK RIDGE, ILLINOIS

City Employers

Current Fiscal Year and Nine Years Ago

Employer	Product/Service	2017	
		Number of Employees	Percent of Total City Population
Advocate Lutheran General Hospital	Hospital	4,500	12.00%
Maine Township District 207	Public School District - Secondary Education	865	2.31%
Park Ridge Park District	Public Recreational Facilities and Programs	813	2.17%
School District 64	Public School District - Elementary Education	722	1.93%
City of Park Ridge	City Government	332	0.89%
Presence Resurrection Health Care	Nursing and Rehabilitation Home	300	0.80%
FM Global	Commercial Property Insurance	300	0.80%
Marianos	Grocery	250	0.67%
Avantara Park Ridge	Nursing and Rehabilitation Home	200	0.53%
Nesset Healthcare (Advocate)	Physicians	200	0.53%
	Totals	8,482	22.62%

Notes:

- (1) Includes Part-time Employees
- (2) Seasonal Employees

2017 Population - 37,496
 2008 Population - 37,775

Data Sources

2017 Illinois Services and Manufacturers' Directories
 Official Employer Websites
 ReferenceUSA - April 2017

Employer	Product/Service	2008	
		Number of Employees	Percent of Total City Population
Advocate Lutheran General Hospital	Healthcare Institution	4,236	11.21%
BECO, Inc.	Temporary Employment Firm	2,499	6.62%
School District 207	Public School District - High School	1,549	4.10%
George S. May International Co.	Managemet Consulting	999	2.64%
Advocate Medical Group	Healthcare Institution	950	2.51%
School District 64	Public School District - Elementary Education	588	1.56%
Ragnar Benson Inc.	Construction Firm	400	1.06%
City of Park Ridge	City Government	384	1.02%
A-Abiding Care	Homecare Provider	149	0.39%
Marsh Affinity Group	Insurance Agents	149	0.39%
	Totals	11,903	31.51%

CITY OF PARK RIDGE, ILLINOIS

Full-Time Equivalent Employees

Last Ten Fiscal Years

Function/Program	07/08 2008	08/09 2009	09/10 2010	10/11 2011	11/12 2012
General Government					
City Administration					
Part Time					
Full Time	7.20	7.20	7.20	4.00	4.00
Total City Administration	7.20	7.20	7.20	4.00	4.00
Human Resources					
Part Time					
Full Time	2.00	2.00	1.00	1.00	1.00
Total Human Resources	2.00	2.00	1.00	1.00	1.00
Information Technology					
Part Time					
Full Time	3.00	3.00	3.00	3.00	3.00
Total Information Technology	3.00	3.00	3.00	3.00	3.00
Community Preservation and Development					
Part Time					
Full Time	15.00	15.00	14.00	12.00	12.00
Total Community Preservation and Development	15.00	15.00	14.00	12.00	12.00
Finance					
Part Time					
Full Time	12.05	12.05	11.75	10.00	10.00
Total Finance	12.05	12.05	11.75	10.00	10.00
Total General Government	39.25	39.25	36.95	30.00	30.00
Public Safety					
Police					
Part Time				41.00	40.00
Full Time	82.94	83.38	83.38	65.00	65.00
Total Police	82.94	83.38	83.38	106.00	105.00
Fire					
Part Time			1.00	1.00	1.00
Full Time	53.00	53.00	52.00	46.00	50.00
Total Fire	53.00	53.00	53.00	47.00	51.00
Total Public Safety	135.94	136.38	136.38	153.00	156.00
Public Works					
Part Time				1.00	6.00
Full Time	56.84	56.84	55.34	46.00	45.00
Total Public Works	56.84	56.84	55.34	47.00	51.00
Library**					
Part Time					
Full Time					
Total Library	-	-	-	-	-
Total Full-Time Equivalent Employees	232.03	232.47	228.67	230.00	237.00

Note:

*For 2011-2016 headcounts used for Public Safety, Public Works, and Library

** In previous years, library employees were not included. Library employees included beginning in 2013, at head count instead of FTE.

*** Beginning in 2017, Crossing Guards within the Police Department are reported as F.T.E., 2011-2016 crossing guards were reported at P.T. headcount

Data Source

Human Resources headcount.

<i>12/13</i> 2013	<i>13/14</i> 2014	<i>14/15</i> 2015	<i>15/16</i> 2016	<i>16/17</i> 2017
		0.50	0.50	0.50
4.00	4.00	3.00	3.00	3.00
4.00	4.00	3.50	3.50	3.50
	0.50	0.50	0.50	0.50
1.00	1.00	1.00	1.00	1.00
1.00	1.50	1.50	1.50	1.50
3.00	3.00	3.00	2.00	
3.00	3.00	3.00	2.00	-
0.50	0.50	0.50	0.75	0.75
12.00	12.00	12.00	13.00	14.00
12.50	12.50	12.50	13.75	14.75
0.25	0.25		0.75	0.50
10.00	10.00	12.00	12.00	13.00
10.25	10.25	12.00	12.75	13.50
30.75	31.25	32.50	33.50	33.25
48.00	46.00	48.00	46.00	16.75
65.00	65.00	65.00	65.00	65.00
113.00	111.00	113.00	111.00	81.75
1.00	2.00	2.00	2.00	1.00
48.00	50.00	49.00	49.00	49.00
49.00	52.00	51.00	51.00	50.00
162.00	163.00	164.00	162.00	131.75
	1.00	1.00	1.00	
45.00	45.00	45.00	47.00	48.00
45.00	46.00	46.00	48.00	48.00
64.00	57.00	57.00	56.00	53.00
34.00	33.00	33.00	31.00	30.00
98.00	90.00	90.00	87.00	83.00
335.75	330.25	332.50	330.50	296.00

CITY OF PARK RIDGE, ILLINOIS

Capital Asset Statistics

Last Ten Fiscal Years

Function/Program	2008	2009	2010	2011	2012
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	128	128	128	128
Streetlights*	1,568	1,664	1,664	1,664	1,664
Traffic Signals	51	51	51	51	51
Water					
Water Mains (Miles)	136	136	136	136	136
Fire Hydrants	1,585	1,585	1,585	1,585	1,585
Storage Capacity (Gallons)	15,200,000	15,200,000	15,200,000	15,200,000	15,200,000
Wastewater					
Miles of Sewers	133	133	133	133	133

Notes:

Beginning 2017, City owned parking lot lighting is also included

Data Sources

Various City Departments
GIS

2013	2014	2015	2016	2017
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	128	128	128	128
1,614	1,594	1,591	1,582	1,696
51	51	51	51	51
138	138	138	138	142
1,579	1,576	1,577	1,577	1,577
15,200,000	15,200,000	15,200,000	15,200,000	15,000,000
133	133	134.54	134.54	134.54

CITY OF PARK RIDGE, ILLINOIS

Operating Indicators

Last Ten Fiscal Years

Function/Program	2008	2009	2010	2011	2012
Public Safety					
Police					
Physical Arrests	1,102	762	788	750	639
Parking Violations	8,581	10,691	8,870	7,444	7,661
Traffic Violations	10,642	5,996	8,457	7,046	3,347
Fire					
Emergency Responses	4,515	4,372	4,028	4,044	4,279
Paramedic Responses	2,537	2,548	2,446	2,463	2,436
Fires Extinguished	51	155	50	43	47
Public Works					
Street Resurfacing (Miles)	6	5	4	5	5
Pothole Repairs ¹	325	276	297	241	147
Water					
Water Main Breaks	47	62	46	66	48

Notes:

(1) Per Ton of Cold Patch

Data Sources

Various City Departments
GIS

2013	2014	2015	2016	2017
588	510	506	456	376
6,589	5,935	5,239	6,687	8,677
5,454	5,142	4,230	4,146	2,031
4,264	4,277	4,718	4,684	4,950
2,619	2,555	2,766	2,800	3,145
46	36	33	38	39
5	5	4	4	4
169	304	178	275	228
145	119	74	51	57