

Village of Chicago Ridge, Illinois

Comprehensive Annual Financial Report

December 31, 2016

Village of Chicago Ridge, Illinois
Comprehensive Annual Financial Report
December 31, 2016

Contents

Introductory Section

Transmittal Letter	i
List of Elected and Appointed Officials	iv
Organization Chart	v

Financial Section

Independent Auditor's Report	1
Management's Discussion and Analysis	4

Basic Financial Statements

Government-wide Financial Statements

Statement of Net Position	12
Statement of Activities	14

Fund Financial Statements

Governmental Funds

Governmental Funds Balance Sheet	15
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	16
Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances	17
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	18

Proprietary Fund

Proprietary Fund Statement of Net Position	19
Proprietary Fund Statement of Revenues, Expenses and Changes in Net Position	20
Proprietary Fund Statement of Cash Flows	21

Village of Chicago Ridge, Illinois
Comprehensive Annual Financial Report
December 31, 2016

Fiduciary Funds

Fiduciary Funds Statement of Fiduciary Net Position	22
Fiduciary Funds Statement of Changes in Fiduciary Net Position	23
Notes to Basic Financial Statements	24

Required Supplementary Information

Schedule of Changes in the Village’s Net Pension Liability and Related Ratios

Illinois Municipal Retirement Fund	79
Police Pension Fund	80
Firefighters’ Pension Fund	81

Schedule of Village Contributions

Illinois Municipal Retirement Fund	82
Police Pension Fund	83
Firefighters’ Pension Fund	84
Retiree’s Health Plan	85

Schedule of Investment Returns

Police Pension Fund	86
Firefighters’ Pension Fund	87

Schedule of Revenues, Expenses and Changes in Fund Balance – Budget and Actual –

Non-GAAP Budgetary Basis – General Fund	88
---	----

Notes to Required Supplementary Information	89
---	----

Supplementary Information – Combining and Individual Fund Statements and Schedules

General Fund

Detailed Schedule of Revenues – Budget and Actual – General Fund – Non-GAAP Budgetary Basis	90
--	----

Detailed Schedule of Expenditures – Budget and Actual – General Fund – Non-GAAP Budgetary Basis	91
--	----

Village of Chicago Ridge, Illinois
Comprehensive Annual Financial Report
December 31, 2016

Governmental Funds

Combining Balance Sheet – Nonmajor Governmental Funds.....	93
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds	95
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual	
Motor Fuel Tax Fund	97
Community Development Fund	98
Harlem TIF Fund.....	99
Ridgeland TIF Fund	100
Bond and Interest Fund	101
Capital Improvements Fund	102

Fiduciary Funds

Schedule of Changes in Assets and Liabilities – All Agency Funds.....	103
---	-----

Other Supplementary Schedule

Debt Service Requirements – General Obligation Fire Station Project Bond Issue Dated August 15, 2008	104
---	-----

Statistical Section

Net Position by Component – Last Ten Fiscal Years.....	106
Changes in Net Position – Last Ten Fiscal Years	108
Fund Balances of Governmental Funds – Last Ten Fiscal Years	112
Changes in Fund Balances of Governmental Funds – Last Ten Fiscal Years.....	114
Assessed Value and Actual Value of Taxable Property – Last Ten Levy Years	116
Trend of Equalized Assessed Valuations – Last Ten Levy Years.....	117
Property Tax Rates Per \$100 Assessed Valuation – Direct and Overlapping Governments – Last Ten Levy Years.....	118
Property Tax Rates Per \$100 of Assessed Valuation – Last Ten Levy Years.....	120
Principal Property Taxpayers – Current Fiscal and Nine Years Ago.....	122

Village of Chicago Ridge, Illinois
Comprehensive Annual Financial Report
December 31, 2016

Property Tax Levies and Collections – Last Ten Levy Years.....	123
Taxable Sales by Category– Last Ten Fiscal Years	124
Ratio of Outstanding Debt by Type – Last Ten Fiscal Years.....	126
Ratio of Net General Bonded Debt Outstanding – Last Ten Fiscal Years.....	127
Calculation of Legal Debt Margin.....	128
Computation of Direct and Overlapping Bonded Debt.....	129
Demographic and Economic Statistics – Last Ten Fiscal Years.....	130
Principal Employers – Current Fiscal Year and Nine Years Ago	131
Full-Time Equivalent Village Government Employees by Function – Last Ten Fiscal Years.....	132
Operating Indicators by Function/Programs – Last Ten Fiscal Years.....	134
Capital Assets Statistics by Function – Last Ten Fiscal Years	136

Introductory Section



VILLAGE OF CHICAGO RIDGE

10455 S. RIDGELAND AVE. • CHICAGO RIDGE, ILLINOIS 60415 • (708) 425-7700

CHARLES E. TOKAR
PRESIDENT

BARB M. HARRISON
VILLAGE CLERK

TRUSTEES:

FRANCIS M. COGLIANSE
EDMUND M. KOWALSKI

LISEL KWARTNIK
JOHN "JACK" LIND
WILLIAM R. McFARLAND
DEBBY PYZNARSKI

August 24, 2017

To the Members of the Village Board and Citizens of the Village of Chicago Ridge, Illinois

State Law requires that all general-purpose local governments publish each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the Comprehensive Annual Financial Report of the Village of Chicago Ridge for the fiscal year ended December 31, 2016.

This report consists of management's representations concerning the finances of the Village of Chicago Ridge. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, management of the Village of Chicago Ridge has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and compile sufficient reliable information for the preparation of the Village of Chicago Ridge's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the Village of Chicago Ridge's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement.

BKD CPA's and Advisors, LLP, a firm of licensed certified public accountants, has audited the Village of Chicago Ridge's financial statements. The goal of the independent audit was to provide a reasonable assurance that the financial statements of the Village of Chicago Ridge for the fiscal year ended December 31, 2016 are free from material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was reasonable basis for rendering an unmodified opinion that the Village of Chicago Ridge's financial statements for the year ended December 31, 2016 are fairly presented in conformity with GAAP. The independent auditor's reports is presented as the first component of the financial section of this report.

This Report is presented in three sections:

The Introductory section contains a table of contents, this transmittal letter, a list of elected and appointed officials, and an organizational chart.

The Financial section contains the auditor's report on the financial statements and schedules, management's discussion and analysis, the basic financial statements, the notes to financial statements, required supplementary information, and the combining and individual fund schedules.

The Statistical section includes selected financial and demographic information, generally presented on a multi-year basis.

General Information

The Village of Chicago Ridge is a home-rule unit of government under the 1970 constitution of the state of Illinois and pursuant to the passage of a home-rule referendum in March 1994. The Village is located in the southwest portion of Cook County, Illinois which is about 20 miles southwest of downtown Chicago. The Village is bordered by the Village of Oak Lawn to the south, east and west; the Village of Worth and unincorporated Cook County to the north. The Village encompasses an area of approximately two and one third square miles and was incorporated in 1914. The Village population as of the 2010 Census is 14,305. The Village tax base is largely residential with significant retail and industrial development as well.

The legislative authority is a seven member Board elected at large and consists of six trustees and a Board President (Mayor) each serving a four-year term. Terms are staggered to allow for election of at least three members every two years. The President and Village Board, among other things, are responsible for passing ordinances, adopting a budget, appointment committees, setting policies and goals, and hiring of employees.

The Village of Chicago Ridge provides a full range of services, including police and fire protection, ambulance service, public works and sewer/water service.

The annual budget ordinance serves as the foundation for the Village of Chicago Ridge's financial planning and control. All departments of the Village are required to work with the Budget Officer to submit a proposed budget to the Village Board for review and approval, with final passage of the budget ordinance after a public hearing before the end of the last quarter of the fiscal year (January 1 through December 31). The budget ordinance is categorized by fund and department. Transfers of funds between the different departments or funds require approval of the Village Board. Budget to actual comparisons are provided in this report for each individual governmental fund for which an annual appropriated budget has been adopted.

Cash Management

Cash reserves of the Village are invested in the Illinois Funds, an investment pool managed by the State of Illinois.

Risk Management

The Village is exposed to various risks of loss related to employee health benefits; worker's compensation claims; theft of, damage to, and destruction of assets; and natural disasters. The Village has purchased insurance from private insurance companies for general liability, worker's compensation and other overages not included below. Premiums have been recorded as expenditures in the appropriate funds. There have been no significant reductions in insurance coverage from coverage in prior years.

Retirement Plans

The Village sponsors three retirement plans for its employees, all of which are defined benefit pension plans. The Village contributes to the Illinois Municipal Retirement (IMRF), which is an agent multiple employee retirement system that acts as a common investment and administrative agent for the majority of local governments and school districts in Illinois, the Village of Chicago Ridge Police Pension Fund ("Police Pension"), a single employer plan, and the Village of Chicago Ridge Firefighters' Pension Fund ("Firefighters' Pension), also a single employer plan.

Acknowledgements

The preparation of this report is possible through the efforts of the Village staff and the commitment towards excellence in financial reporting by the Board of Trustees.

Respectfully submitted,



Charles E. Tokar
Village President

Village of Chicago Ridge, Illinois
List of Elected and Appointed Officials
December 31, 2016

ELECTED OFFICIALS

President
Village Clerk / Collector
Trustee
Trustee
Trustee
Trustee
Trustee
Trustee

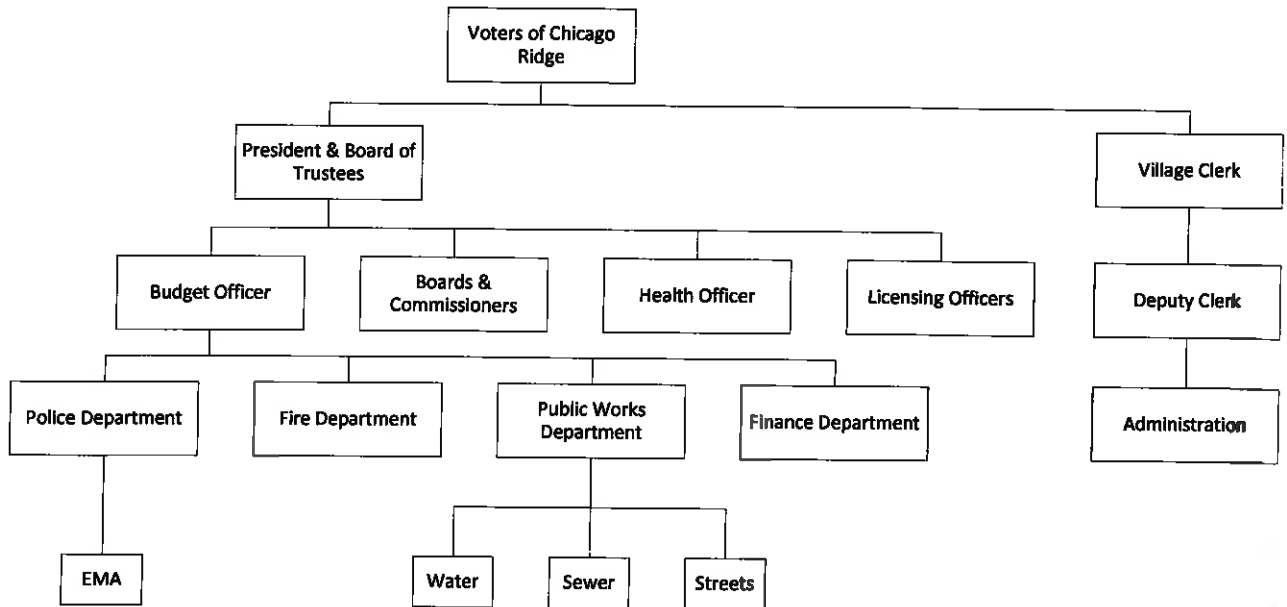
Charles E. Tokar
George M. Schleyer
Amanda V. Cardin
Frances M. Coglianese
Sally A. Durkin
John "Jack" Lind
William R. McFarland
Bruce D. Quintos

APPOINTED OFFICIALS

Treasurer
Fire Chief
Police Chief
Public Works Superintendent
Deputy Clerk
Attorney
Engineer

Deborah M. Pyznarski
George Sheets
Robert Pyznarski
Stanley Barwock
Lori A. Hill
Burt Odelson
Christopher B. Burke
Engineering, Ltd.

Village of Chicago Ridge, Illinois Organizational Chart



Financial Section

Independent Auditor's Report

Independent Auditor's Report

President and Board of Trustees
Village of Chicago Ridge
Chicago Ridge, Illinois

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Village of Chicago Ridge, Illinois, as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the Village'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 did not audit the financial statements of the pension trust funds, which represent 96%, 97% and 86%, respectively, of the assets, fund balance and net position and revenues and additions of the aggregate remaining fund information. The pension trust funds' financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinions, insofar as they relate to the amounts included for pension trust funds, are based on the reports of the other auditors.

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, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Village of Chicago Ridge, Illinois as of December 31, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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

Other Information

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

The 2016 combining and individual fund 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

President and Board of Trustees
Village of Chicago Ridge
Page 3

standards generally accepted in the United States of America. In our opinion, based on our audit, the combining and individual fund statements and schedules as of and for the year ended December 31, 2016, are fairly stated, in all material respects, in relation to the basic financial statements as a whole. The combining and individual fund statements and schedules include comparative actual amounts for the year ended December 31, 2015. In our report on the other information contained in the 2015 financial statements dated August 26, 2016, we expressed an in relation to opinion on the 2015 combining and individual fund statements and schedules.

The introductory and statistical sections are presented for additional analysis and are not a required part of the basic financial statements. Such information has 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
August 24, 2017

Management's Discussion and Analysis

Village of Chicago Ridge, Illinois

Management's Discussion and Analysis December 31, 2016

Our discussion and analysis of the Village of Chicago Ridge's (Village) financial performance provides an overview of the Village's financial activities for the fiscal year ended December 31, 2016. Management of the Village encourages readers to consider the information presented here in conjunction with the basic financial statements to enhance their understanding of the Village's financial performance.

FINANCIAL HIGHLIGHTS

- The Village's net position increased by a total of \$515,886. While net position of business-type activities decreased by \$107,270, or 1.3 percent, net position of our governmental activities increased by \$623,156, or 10.4 percent.
- During the year, expenses were \$1,927,154 less than the \$18,953,092 generated in tax and other revenues for governmental funds. In the prior year, expenses were \$1,585,389 less than the \$18,692,901 generated in tax and other revenues for governmental funds.
- Revenues for business-type activities increased to \$3,490,719 (or 5.5 percent) while expenses increased by 18.5 percent to \$3,597,989. The increase in the business-type activities expenses occurred due to an increase in personnel services expenses.
- The General Fund reported a surplus this year of \$2,350,274 which took fund balance from \$7,928,223 to \$10,278,497 at the end of the current year.
- The resources available for appropriation were \$2,406,149 more than budgeted for the General Fund. In addition, expenditures were over appropriations by \$202,649.

OVERVIEW OF THE FINANCIAL STATEMENTS

The discussion and analysis is intended to serve as an introduction to the Village's basic financial statements. The Village's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to the basic financial statements. This report also contains supplementary and statistical information in addition to the basic financial statements.

USING THE FINANCIAL SECTION OF THIS ANNUAL REPORT

The financial statement's focus is on the Village as a whole and on the major individual funds. Both perspectives allow the readers to address relevant questions, broaden the basis for comparison and enhance the reader's understanding of the statements.

Government-Wide Financial Statements

The government-wide financial statements provide readers with a broad overview of the Village's finances, in a matter similar to a private-sector business. The government-wide financial statements can be found on pages 12-14 of this report.

Village of Chicago Ridge, Illinois

Management's Discussion and Analysis December 31, 2016

The Statement of Net Position reports information on all of the Village's assets and deferred outflows and liabilities and deferred inflows, with the difference between the two reported as net position.

Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Village is improving or deteriorating. Consideration of other non-financial factors, such as changes in the Village's property tax base and the condition of the Village's roads, is needed to assess the overall health of the Village.

The Statement of Activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (*e.g.*, uncollected taxes).

Both of the government-wide financial statements distinguish functions of the Village that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Village include the Village board/administration, Village hall, building, police, fire, street and refuse. The business-type activities of the Village include water and sewer.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Village, like other local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Village can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the Village's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate the comparison between governmental funds and governmental activities.

Village of Chicago Ridge, Illinois

Management's Discussion and Analysis December 31, 2016

The Village maintains ten individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental funds statement of revenues, expenditure and changes in fund balances for the General Fund, Bond and Interest Fund and the Capital Improvements Fund, which are considered major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided elsewhere in this report as supplementary information.

The Village adopts an annual budget for all of the governmental funds. A budgetary comparison statement for these funds has been provided to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 15-18 of this report.

Proprietary Funds

The Village maintains enterprise funds that are proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Village utilizes enterprise funds to account for its Water and Sewer operations.

Proprietary fund financial statements provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water and Sewer Fund, which is considered to be a major fund.

The basic proprietary fund financial statements can be found on pages 19-21 of this report.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Village's own programs. The accounting use for fiduciary funds is much like that used for proprietary funds. The Village maintains fiduciary funds for Pension Trusts and an Agency Fund.

The basic fiduciary fund financial statements can be found on pages 22 and 23 of this report.

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the information provided in the government-wide and fund financial statements. The notes to the basic financial statements begin on page 24.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Village's I.M.R.F., Police and Firefighters' pension and Retiree's Health Plan obligations. Required supplementary information can be found on pages 79-89

Village of Chicago Ridge, Illinois

**Management's Discussion and Analysis
December 31, 2016**

of this report. The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information on pensions.

Combining and individual fund statements and schedules can be found on pages 90-104 of this report.

Also presented is the statistical section, which gives detailed schedules to help one understand what the information in the financial statements, notes and required supplementary information says about the Village's overall financial health. This section can be found on pages 106-136.

FINANCIAL ANALYSIS OF THE VILLAGE'S GOVERNMENT-WIDE FINANCIAL STATEMENTS

Statement of Net Position

The following chart reflects the condensed Statement of Net Position:

	<u>2016</u>	<u>2015</u>
Assets		
Current assets	\$ 23,557,376	\$ 21,512,820
Capital assets, net	<u>31,501,638</u>	<u>31,437,664</u>
Total assets	<u>55,059,014</u>	<u>52,950,484</u>
Total Deferred Outflows of Resources	<u>5,997,452</u>	<u>7,162,585</u>
Liabilities		
Current liabilities	936,851	1,329,345
Long-term liabilities	<u>49,253,864</u>	<u>51,378,309</u>
Total liabilities	<u>50,190,715</u>	<u>52,707,654</u>
Total Deferred Inflows of Resources	<u>8,215,020</u>	<u>5,270,570</u>
Net Position		
Invested in capital assets	25,237,208	24,764,768
Restricted	1,050,668	596,903
Unrestricted	<u>(23,637,145)</u>	<u>(23,226,826)</u>
	<u>\$ 2,650,731</u>	<u>\$ 2,134,845</u>

As noted above, current assets increased by approximately \$2 million, largely due to an increase in cash of \$1.3 million. Long-term liabilities decreased from the prior year by approximately \$2.1 million. Additionally, deferred inflow of resources for pensions increased from the prior year by \$2.9 million. The overall change of net position was an increase of roughly \$516,000.

Village of Chicago Ridge, Illinois

**Management's Discussion and Analysis
December 31, 2016**

Statement of Activities

The following chart reflects the condensed Statement of Activities:

**CONDENSED STATEMENTS OF ACTIVITIES
YEARS ENDED DECEMBER 31, 2016 AND 2015**

	<u>2016</u>	<u>2015</u>
Revenues		
Program revenues		
Charges for services	\$ 5,673,070	\$ 5,228,294
Grants and contributions	439,175	1,196,595
General revenues		
Property taxes	5,258,845	5,032,918
Sales taxes	6,932,470	6,750,892
State income tax	1,721,738	1,865,738
Miscellaneous	2,440,817	2,744,769
Total revenues	<u>22,466,115</u>	<u>22,819,206</u>
Expenses		
Village board/administration	1,864,121	1,806,407
Police department	7,656,351	7,615,615
Fire department	4,417,688	4,088,556
Water and sewer	3,597,989	3,036,488
Other departments	4,234,177	2,840,702
Interest and fiscal charges	179,903	221,050
Total expenses	<u>21,950,229</u>	<u>19,608,818</u>
Change in Net Position	515,886	3,210,388
Net Position - January 1	<u>2,134,845</u>	<u>(1,075,543)</u>
Net Position - December 31	<u>\$ 2,650,731</u>	<u>\$ 2,134,845</u>

Total revenues for fiscal year 2016 decreased by 1.6 percent from the prior year while expenses increased by 11.9 percent. The most significant change within revenue was due to the decrease in grant revenue. The most significant change within expenses was an increase from the prior year of approximately \$1.1 million in the street department due to the Village completing various street resurfacing projects.

Village of Chicago Ridge, Illinois

**Management's Discussion and Analysis
December 31, 2016**

FINANCIAL ANALYSIS OF THE VILLAGE'S FUND FINANCIAL STATEMENTS

As noted earlier, the Village uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds

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

As of the end of the current fiscal year, the governmental funds reported combined ending fund balances of \$13.9 million which is an increase of \$1.9 million over prior year. Although there was a net increase in fund balances, individual funds had different results. The General Fund has an increase of \$2,350,274 over the prior year; the Bond and Interest Fund had an increase of \$485; the Capital Improvements Fund had a decrease of (\$832,498); and nonmajor funds had an increase of \$413,468.

Proprietary funds

The Village's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

The Village reports the Water and Sewer Fund as a major proprietary fund. This fund accounts for all of the operations of the municipal water and sewer system. The spread between the sale rates and costs of processing the water pumped is intended to finance the operations of the waterworks and sewerage system, including labor costs, supplies and infrastructure maintenance.

The Village intends to run the fund at a breakeven rate. Periodically, there will be an annual surplus or draw down due to timing of capital projects. The deficit during the current fiscal year was (\$107,270).

Village of Chicago Ridge, Illinois

**Management's Discussion and Analysis
December 31, 2016**

BUDGETARY HIGHLIGHTS

The Village operates under the Budget Ordinance process. The budget is adopted by the Village board and filed at the Cook County Courthouse preceding January 1 of the budgeted fiscal year.

During fiscal year 2016, revenues and expenditures versus budgeted amounts for the General Fund showed the following variances:

Fund	Revenues			Expenditures		
	Budgeted	Actual	Variance	Budgeted	Actual	Variance
General	\$ 13,306,418	\$ 15,712,567	\$ (2,406,149)	\$ 12,836,179	\$ 13,038,828	\$ (202,649)

General Fund revenues differed by approximately 18.1 percent from budget while expenditures were over budget by about 1.6 percent. Revenue varied from the budgeted amount mainly due to state income taxes being almost \$721,000 over budget and sales taxes being approximately \$630,000 over budget.

CAPITAL ASSETS

The Village's investment in capital assets for its governmental and business-type activities as of December 31, 2016, was \$31.4 million (net of accumulated depreciation). This investment in capital assets includes land, land improvements, buildings, equipment and infrastructure.

Capital Assets - Net of Depreciation (in Millions)

	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
Land	\$ 1.0	\$ 1.0	\$ -	\$ -	\$ 1.0	\$ 1.0
Land Improvements	0.1	0.2	-	-	0.1	0.2
Buildings	11.6	11.9	0.2	0.2	11.8	12.1
Equipment	2.4	2.4	0.4	0.3	2.8	2.7
Infrastructure	9.9	9.4	5.8	6.0	15.7	15.4
Total	\$ 25.0	\$ 24.9	\$ 6.4	\$ 6.5	\$ 31.4	\$ 31.4

Further details on capital assets can be found in Note 5 to the financial statements.

Village of Chicago Ridge, Illinois

**Management's Discussion and Analysis
December 31, 2016**

DEBT ADMINISTRATION

At year-end, the Village had total outstanding debt of \$49.2 million as compared to \$51.4 million the previous year, a decrease of 4.1 percent. The decrease in debt from the prior year is mainly attributable to the decrease in pension liabilities for governmental activities of \$2.0 million. The following is a comparative statement of outstanding debt:

General Obligation and Revenue Bonds (in Millions)

	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
G.O. Bonds	\$ 3.4	\$ 3.8	\$ -	\$ -	\$ 3.4	\$ 3.8
TIF Bonds	2.7	2.7	-	-	2.7	2.7
Loans	0.2	0.2	-	-	0.2	0.2
Other Liabilities	41.9	43.7	1.0	1.0	42.9	44.7
Total	\$ 48.2	\$ 50.4	\$ 1.0	\$ 1.0	\$ 49.2	\$ 51.4

Further detail on the Village's long-term debt can be found in Note 6 to the financial statements.

CONTACTING THE VILLAGE'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the Village of Chicago Ridge's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be directed to the Village of Chicago Ridge, 10455 S. Ridgeland Ave., Chicago Ridge, Illinois 60415.

Basic Financial Statements

Village of Chicago Ridge, Illinois
Statement of Net Position
December 31, 2016

Assets	Governmental Activities	Business-type Activities	Total
Cash	\$ 11,572,403	\$ 2,057,424	\$ 13,629,827
Receivables (net)			
Property taxes	5,417,676	-	5,417,676
Sales taxes	2,132,595	-	2,132,595
Amusement taxes	20,577	-	20,577
Replacement taxes	13,831	-	13,831
Other taxes	84,863	-	84,863
Intergovernmental	459,775	-	459,775
Accounts	62,650	637,790	700,440
Internal balances	12,195	(12,195)	-
Prepaid items	141,661	18,117	159,778
Restricted assets	86	-	86
Assets held for resale	937,928	-	937,928
Capital assets			
Land	1,058,336	-	1,058,336
Construction in progress	-	29,882	29,882
Other capital assets, net of depreciation	24,016,951	6,396,469	30,413,420
Total assets	<u>45,931,527</u>	<u>9,127,487</u>	<u>55,059,014</u>
Deferred Outflows of Resources			
Deferred outflows of resources - pensions	5,684,068	313,384	5,997,452
Liabilities			
Accounts payable	147,207	247,590	394,797
Accrued salaries	173,761	13,472	187,233
Accrued interest payable	44,955	-	44,955
Other payables	148,660	-	148,660
Deposits payable	-	110,113	110,113
Due to fiduciary funds	51,093	-	51,093
Noncurrent liabilities			
Due within one year	783,631	11,448	795,079
Due in more than one year	47,438,468	1,020,317	48,458,785
Total liabilities	<u>48,787,775</u>	<u>1,402,940</u>	<u>50,190,715</u>
Deferred Inflows of Resources			
Deferred inflows of resources - pensions	2,757,755	39,589	2,797,344
Property taxes levied for future period	5,417,676	-	5,417,676
Total deferred inflows of resources	<u>8,175,431</u>	<u>39,589</u>	<u>8,215,020</u>
Net Position (Deficit)			
Net investment in capital assets	18,810,857	6,426,351	25,237,208
Restricted for			
Fire department	22,083	-	22,083
Streets and highways	126,666	-	126,666
Economic development	893,488	-	893,488
Special assessments	2,073	-	2,073
Debt service	6,358	-	6,358
Unrestricted	(25,209,136)	1,571,991	(23,637,145)
Total net position (deficit)	<u>\$ (5,347,611)</u>	<u>\$ 7,998,342</u>	<u>\$ 2,650,731</u>

Village of Chicago Ridge, Illinois
Statement of Activities
Year Ended December 31, 2016

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities				
Village board/administration	\$ 1,864,121	\$ -	\$ -	\$ -
Village Hall	843,555	322,202	-	-
Health department	67,355	-	-	-
Licensing/building department	193,019	484,674	-	-
Planning and zoning department	17,082	-	-	-
Police and fire commission	22,051	-	-	-
Professional services department	688,167	-	-	-
Special events department	287,359	221,304	-	-
Police department	7,656,351	651,067	-	-
Fire department	4,417,688	358,190	-	-
EMA department	73,502	-	-	-
Street department	1,371,678	-	415,743	23,432
Refuse department	479,829	224,018	-	-
TIF area development	190,580	-	-	-
Interest and fiscal charges	179,903	-	-	-
Total governmental activities	18,352,240	2,261,455	415,743	23,432
Business-type Activities				
Water	3,113,453	3,021,645	-	-
Sewer	363,978	389,970	-	-
Unallocated depreciation (excludes direct depreciation expense)	120,558	-	-	-
Total business-type activities	3,597,989	3,411,615	-	-
Total	\$ 21,950,229	\$ 5,673,070	\$ 415,743	\$ 23,432

General Revenues
Property taxes
Sales taxes
Telecommunications taxes
Vehicle fuel
Food and beverage taxes
Other taxes
Intergovernmental
Personal property replacement taxes
State income tax
Interest income
Miscellaneous
Total general revenues

Change in Net Position

Net Position, Beginning of Year

Net Position (Deficit), End of Year

**Net Revenues (Expenses) and
Changes in Net Position**

Governmental Activities	Business-type Activities	Total
\$ (1,864,121)	\$ -	\$ (1,864,121)
(521,353)	-	(521,353)
(67,355)	-	(67,355)
291,655	-	291,655
(17,082)	-	(17,082)
(22,051)	-	(22,051)
(688,167)	-	(688,167)
(66,055)	-	(66,055)
(7,005,284)	-	(7,005,284)
(4,059,498)	-	(4,059,498)
(73,502)	-	(73,502)
(932,503)	-	(932,503)
(255,811)	-	(255,811)
(190,580)	-	(190,580)
(179,903)	-	(179,903)
<u>(15,651,610)</u>	<u>-</u>	<u>(15,651,610)</u>
	(91,808)	(91,808)
	25,992	25,992
	(120,558)	(120,558)
	<u>(186,374)</u>	<u>(186,374)</u>
<u>(15,651,610)</u>	<u>(186,374)</u>	<u>(15,837,984)</u>
5,258,845	-	5,258,845
6,932,470	-	6,932,470
309,949	-	309,949
537,279	-	537,279
432,351	-	432,351
476,654	-	476,654
316,973	-	316,973
1,721,738	-	1,721,738
53,800	1,798	55,598
<u>234,707</u>	<u>77,306</u>	<u>312,013</u>
<u>16,274,766</u>	<u>79,104</u>	<u>16,353,870</u>
623,156	(107,270)	515,886
<u>(5,970,767)</u>	<u>8,105,612</u>	<u>2,134,845</u>
<u>\$ (5,347,611)</u>	<u>\$ 7,998,342</u>	<u>\$ 2,650,731</u>

Village of Chicago Ridge, Illinois
Governmental Funds Balance Sheet
December 31, 2016

	General	Bond and Interest	Capital Improvements	Nonmajor Governmental Funds	Total
Assets					
Cash and cash equivalents	\$ 8,790,129	\$ 39,290	\$ 2,344,123	\$ 398,861	\$ 11,572,403
Receivables					
Property taxes	5,317,676	-	-	100,000	5,417,676
Sales taxes	2,132,595	-	-	-	2,132,595
Amusement	20,577	-	-	-	20,577
Replacement	13,831	-	-	-	13,831
Other taxes	84,863	-	-	-	84,863
Intergovernmental	425,840	-	-	33,935	459,775
Accounts	62,650	-	-	-	62,650
Due from other funds	240,679	18,161	219,182	-	478,022
Prepaid items	102,660	-	39,001	-	141,661
Restricted cash	86	-	-	-	86
Assets held for resale	-	-	255,850	682,078	937,928
	<u>\$ 17,191,586</u>	<u>\$ 57,451</u>	<u>\$ 2,858,156</u>	<u>\$ 1,214,874</u>	<u>\$ 21,322,067</u>
Total assets					
Liabilities, Deferred Inflows of Resources and Fund Balances					
Liabilities					
Accounts payable	\$ 120,684	\$ -	\$ 26,523	\$ -	\$ 147,207
Accrued salaries	173,761	-	-	-	173,761
Retainage payable	-	-	-	-	-
Other payables	148,660	-	-	-	148,660
Due to other funds	126,215	-	200,000	139,612	465,827
Due to fiduciary funds	-	51,093	-	-	51,093
	<u>569,320</u>	<u>51,093</u>	<u>226,523</u>	<u>139,612</u>	<u>986,548</u>
Total liabilities					
Deferred Inflows of Resources					
Property taxes levied for future period	5,317,676	-	-	100,000	5,417,676
Unavailable other taxes	1,026,093	-	-	-	1,026,093
	<u>6,343,769</u>	<u>-</u>	<u>-</u>	<u>100,000</u>	<u>6,443,769</u>
Total deferred inflows of resources					
Fund Balances					
Nonspendable	102,660	-	39,001	-	141,661
Restricted	-	6,358	-	1,044,310	1,050,668
Assigned	-	-	2,592,632	-	2,592,632
Unassigned	10,175,837	-	-	(69,048)	10,106,789
	<u>10,278,497</u>	<u>6,358</u>	<u>2,631,633</u>	<u>975,262</u>	<u>13,891,750</u>
Total fund balances					
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 17,191,586</u>	<u>\$ 57,451</u>	<u>\$ 2,858,156</u>	<u>\$ 1,214,874</u>	<u>\$ 21,322,067</u>