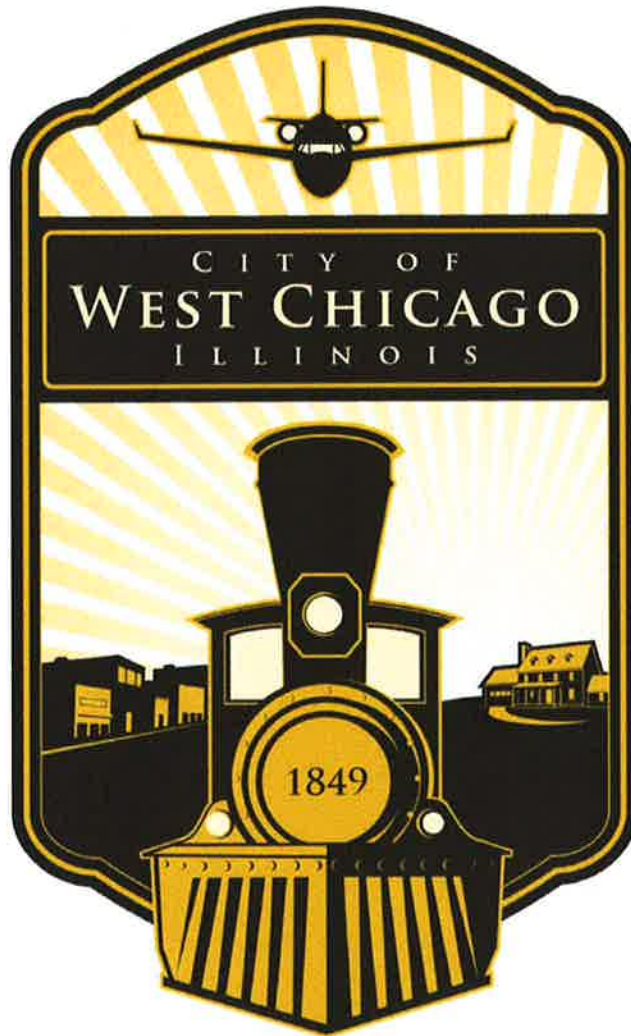


**CITY OF WEST CHICAGO,
ILLINOIS**



**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

**FOR THE YEAR ENDED
DECEMBER 31, 2010**

CITY OF WEST CHICAGO, ILLINOIS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2010

Prepared by

Linda Martin
Director of Administrative Services

CITY OF WEST CHICAGO, ILLINOIS

TABLE OF CONTENTS

PAGE

INTRODUCTORY SECTION

List of Principal Officials.....i
Organizational Chart..... ii
Transmittal Letter..... iii - viii
Certificate of Achievement for Excellence in Financial Reporting..... ix

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT..... 1 - 2
MANAGEMENT'S DISCUSSION AND ANALYSIS MD&A 1 - 12

BASIC FINANCIAL STATEMENTS

Government-Wide Financial Statements
Statement of Net Assets 3 - 4
Statement of Activities..... 5 - 6

Fund Financial Statements
Balance Sheet – Governmental Funds 7 - 8
Reconciliation of Total Governmental Fund Balance to the
Statement of Net Assets – Governmental Activities..... 9
Statement of Revenues, Expenditures and Changes in
Fund Balances – Governmental Funds 10 - 11
Reconciliation of the Statement of Revenues, Expenditures and Changes in
Fund Balances to the Statement of Activities – Governmental Activities..... 12
Statement of Net Assets – Proprietary Funds 13 - 14
Statement of Revenues, Expenses and Changes in
Net Assets – Proprietary Funds..... 15 - 16
Statement of Cash Flows – Proprietary Funds..... 17 - 18
Statement of Net Assets – Fiduciary Funds..... 19
Statement of Changes in Net Assets – Fiduciary Funds..... 20

Notes to the Financial Statements..... 21 - 54

CITY OF WEST CHICAGO, ILLINOIS

TABLE OF CONTENTS

PAGE

FINANCIAL SECTION – Continued

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Funding Progress and Employer Contributions
 Illinois Municipal Retirement Fund..... 55
 Police Pension Fund..... 56
 Other Post-Employment Benefit Plan..... 57
Schedule of Revenues, Expenditures and Changes in
 Fund Balance – Budget and Actual – General Fund..... 58
Schedule of Revenues, Expenditures and Changes in
 Fund Balance – Budget and Actual – Public Benefit – Special Revenue Fund 59
Schedule of Revenues, Expenditures and Changes in
 Fund Balance – Budget and Actual – TIF Special Tax Allocation #1 –
 Special Revenue Fund..... 60

OTHER SUPPLEMENTARY INFORMATION

Schedule of Revenues – Budget and Actual – General Fund61 - 62
Schedule of Expenditures – Budget and Actual – General Fund..... 63
Schedule of Detailed Expenditures – Budget and Actual – General Fund64 - 72
Schedule of Expenditures – Budget and Actual
 TIF Special Tax Allocation #1 – Special Revenue Fund..... 73
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual
 Capital Improvement – Capital Projects Fund..... 74
Schedule of Expenditures – Budget and Actual
 Capital Improvement – Capital Projects Fund..... 75
Combining Balance Sheet – Nonmajor Governmental Funds 76
Combining Statement of Revenues, Expenditures and Changes in
 Fund Balances – Nonmajor Governmental Funds 77
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual
 TIF Special Tax Allocation #2 – Special Revenue Fund..... 78

CITY OF WEST CHICAGO, ILLINOIS

TABLE OF CONTENTS

PAGE

FINANCIAL SECTION – Continued

OTHER SUPPLEMENTARY INFORMATION – Continued

Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual Other Special Service Areas – Special Revenue Fund	79
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual Tax Increment Alternate Revenue Bond Series of 1998 – Debt Service Fund	80
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual Capital Equipment Replacement – Capital Projects Fund.....	81
Schedule of Revenues, Expenses and Changes in Net Assets – Budget and Actual Waterworks – Enterprise Fund	82
Schedule of Operating Expenses – Budget and Actual Waterworks – Enterprise Fund	83 - 85
Schedule of Revenues, Expenses and Changes in Net Assets – Budget and Actual Sewerage – Enterprise Fund	86
Schedule of Operating Expenses – Budget and Actual Sewerage – Enterprise Fund	87 - 89
Schedule of Revenues, Expenses and Changes in Net Assets – Budget and Actual Commuter Parking – Enterprise Fund	90
Schedule of Operating Expenses – Budget and Actual Commuter Parking – Enterprise Fund	91
Schedule of Revenues, Expenses and Changes in Net Assets – Budget and Actual MIS Replacement – Internal Service Fund	92
Combining Statement of Changes in Assets and Liabilities – Agency Funds.....	93 - 94

SUPPLEMENTAL SCHEDULES

Long-Term Debt Requirements

Waterworks General Obligation Alternate Revenue Source Bonds of 2002.....	95
IEPA Waterworks Revolving Loan	96

CITY OF WEST CHICAGO, ILLINOIS

TABLE OF CONTENTS

PAGE

STATISTICAL SECTION (Unaudited)

Net Assets by Component – Last Eight Fiscal Years97 - 98
Change in Net Assets – Last Eight Fiscal Years.....99 - 100
Fund Balances of Governmental Funds – Last Ten Fiscal Years101 - 102
General Governmental Revenues by Sources – Last Ten Fiscal Years103 - 104
General Governmental Expenditures by Function – Last Ten Fiscal Years.....105 - 106
Changes in Fund Balances for Governmental Funds – Last Ten Fiscal Years107 - 108
Assessed Value and Actual Value of Taxable Property -
 Last Ten Fiscal Years.....109 - 110
Direct and Overlapping Property Tax Rates – Last Ten Levy Years111 - 112
Principal Property Tax Payers – Current Year and Nine Years Ago..... 113
Property Tax Levies and Collections – Last Ten Fiscal Years..... 114
Ratios of Outstanding Debt by Type – Last Ten Fiscal Years 115
Ratio of General Bonded Debt Outstanding – Last Ten Fiscal Years 116
Schedule of Direct and Overlapping Governmental Activities Debt..... 117
Schedule of Legal Debt Margin..... 118
Pledged Revenue Coverage – Last Ten Fiscal Years 119
Demographic and Economic Statistics – Last Ten Fiscal Years 120
Principal Employers – Current Fiscal Year and Nine Years Ago 121
Full-Time Equivalent City Government Employees by Function – Last Ten Fiscal Years122 - 123
Operating Indicators by Function/Program – Last Ten Fiscal Years124 - 125
Capital Asset Statistics by Function/Program – Last Ten Fiscal Years.....126 - 127

INTRODUCTORY SECTION

This section includes miscellaneous data regarding the City of West Chicago including: List of Principal Officials, Organizational Chart, Certificate of Achievement for Excellence in Financial Reporting and Letter of Transmittal from the Director of Administrative Services.

CITY OF WEST CHICAGO, ILLINOIS

List of Principal Officials

December 31, 2010

LEGISLATIVE

City Mayor: Michael B. Kwasman

City Clerk: Nancy M. Smith

City Treasurer: Donald F. Earley

ALDERMEN

James Beifuss

James Smith

John C. Smith, Jr.

Joseph Gianforte

Lori Chassee

H. Ronald Monroe

Nanette Connelly

Alan Murphy

Sandra Dimas

Ruben Pineda

Nicholas Dzierzanowski

Russell Radkiewicz

Matthew Fuesting

Rebecca Stout

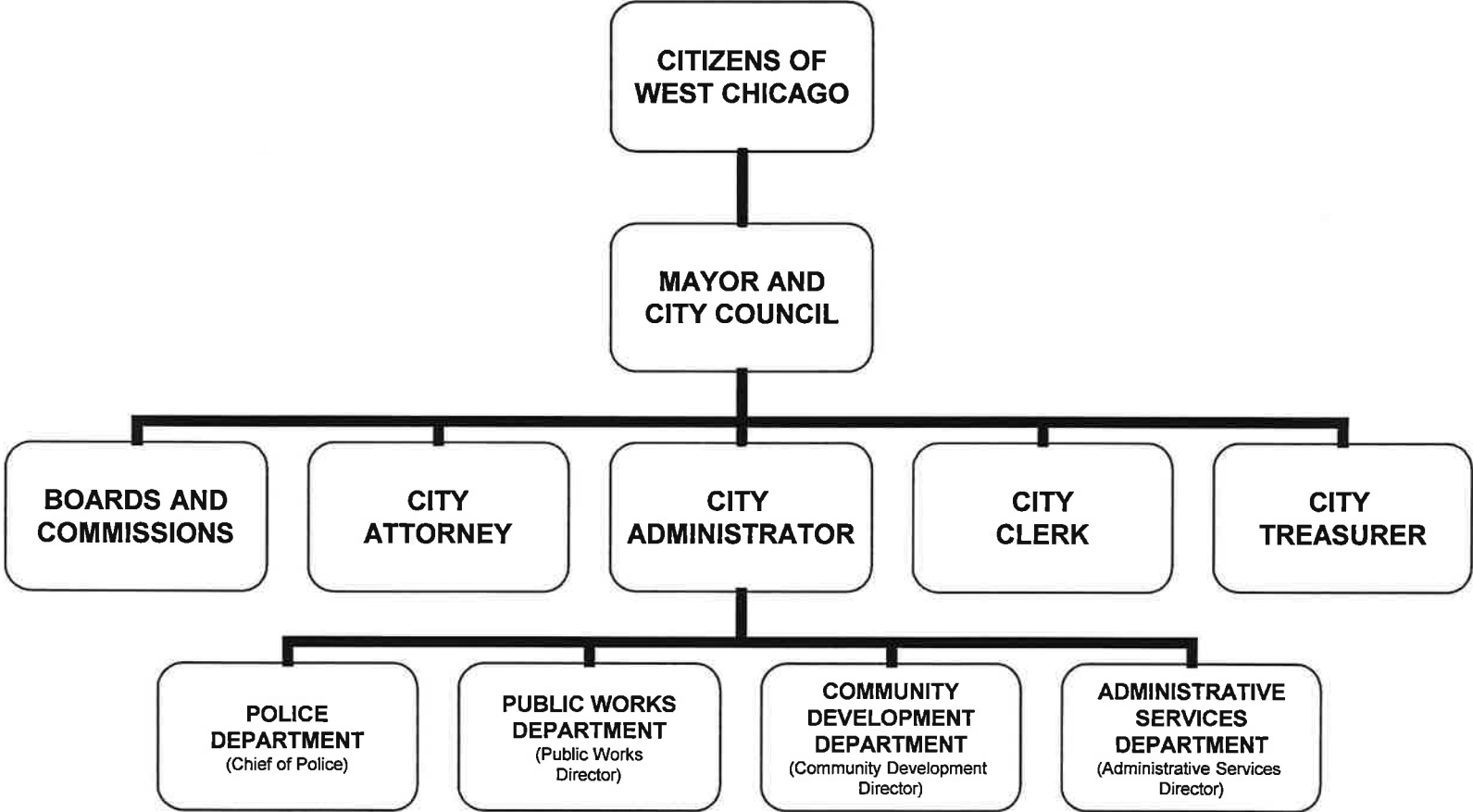
ADMINISTRATIVE

City Administrator: Michael L. Guttman

ADMINISTRATIVE SERVICES

Director of Administrative Services: Linda M. Martin
Assistant Director of Administrative Services: Nikki Giles

CITY OF WEST CHICAGO ORGANIZATIONAL CHART



CITY OF WEST CHICAGO

WHERE HISTORY & PROGRESS MEET

June 6, 2011

The Honorable Mayor Michael Kwasman
City Treasurer Donald F. Earley
Members of the West Chicago City Council
City Administrator Michael Guttman
Citizens of the City of West Chicago

The Comprehensive Annual Financial Report of the City of West Chicago (City) for the fiscal year ended December 31, 2010, is hereby submitted as mandated by local ordinances and state statutes. These ordinances and statutes require that the City issue a report on its financial position and activity following the end of a fiscal period, and that this report be audited by an independent accounting firm of certified public accountants.

Responsibility for both the accuracy of the data, and the completeness and reliability of the information presented in this report, including all disclosures, rests with management. The City is also responsible for establishing and maintaining internal controls designed to ensure that the assets of the City are protected from loss, theft or misuse, and to ensure adequate accounting of data is compiled to allow for the preparation of the City of West Chicago's financial statements in accordance with generally accepted accounting principles (GAAP). Internal control is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived and that the valuation of the costs and benefits requires estimates and judgments by management. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City's financial statements have been audited by Lauterbach and Amen, LLP, a firm of licensed certified public accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements of the City of West Chicago for the fiscal period ended December 31, 2010, are free of material misstatement. The auditors' report is presented as the first component of the financial section of this report.

GAAP requires that management provide an introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors.

PROFILE OF THE CITY OF WEST CHICAGO

The City of West Chicago is a diverse, family-oriented community with a rich cultural mix and a proud heritage, located in northeastern Illinois, approximately 30 miles west of Chicago. West Chicago is the first Illinois community established by the railroads and continues to be a convenient transportation hub served by three major rail lines, Illinois' third-busiest airport and three State highways. The population has nearly tripled since the 1970s, with an official population of 27,086, based upon the results of the census conducted in 2010. West Chicago became a home rule unit of government on March 3, 2004.

The equalized assessed valuation of the City reflects its strong economic condition. The City's assessed valuation has more than doubled since 1996, and one of the City's primary goals continues to be the active pursuit of commercial and industrial development that will aid in alleviating the tax burden on residents, while diversifying the long-term tax base.

The City operates under the Mayor-Council form of government. Policymaking and legislative authority are vested in the City Council, which is comprised of a Mayor and two aldermen from each of seven wards. The City Council is responsible for, among many responsibilities, passing ordinances, adopting an annual budget, appointing committees and hiring the City Administrator. The Council members are elected to four-year staggered terms with seven Council members being elected every two years. The Mayor is elected to a four-year term, as are the City Treasurer and the City Clerk. The City Administrator is responsible for carrying out the policies and ordinances of the City Council, for overseeing the day-to-day operations of the City, and for appointing all City staff except the Chief of Police.

The City provides a full range of services, including: police protection, the construction and maintenance of streets and other infrastructure, water and wastewater treatment, the distribution of potable water and the collection of wastewater and stormwater, cultural events, as well as community and economic development.

The annual budget serves as the foundation for the City's financial planning and control. It further prioritizes our core services and administrative functions, and reflects the policy direction established by the City Council. All department directors of the City are required to submit their budget requests to the City Administrator, who then uses these requests as the starting point for developing a proposed budget. The City Administrator presents the proposed budget to the City Council, and budget workshops with the Finance Committee begin shortly thereafter. The City targets budget adoption at a Council meeting approximately one month prior to the beginning of the fiscal year. Once approved, the City Administrator is given the flexibility to transfer amounts between departments and line items within a fund, but City Council action is necessary to transfer money between funds. The following are some of the major components of the budget policy that the City Council has used as a continuing foundation for fiscal discipline:

- Revenues are conservatively projected using historical trends, reasonably expected changes in the coming year, and an analysis of anticipated economic conditions in the region, the state and the nation.

- Expenditures reflect realistic projections of anticipated expenses. Efforts are made to ensure that programs and services are realistically funded. Expenditures will be paid with current revenues.
- Fund balances/unrestricted net assets shall be at least 25% of revenues in the General, Water and Sewer Funds; over the next several years the City should strive to increase this amount to 35%.
- User fees, such as water and sewer charges, will be reviewed annually. This is done to ensure that fees cover costs, meet debt service requirements, and are affordable.

MAJOR INITIATIVES

The City has been involved in a variety of projects throughout the year, which reflect its commitment to ensuring that its citizens are able to experience a high quality of life in an enviable environment. The most significant of these projects are outlined below:

- Recognized a 27% drop in the overall crime rate from 2007 – 2010, with a 17% decrease in violent crime and a 20% decrease in the rate of property crime since 2009.
- Privatized the staffing of the front desk at the police station and fleet maintenance services, resulting in cost-savings and improved efficiency.
- Implemented two original city ordinances designed to regulate solicitors that distribute unwanted promotional materials and to provide residents with the ability to prohibit the delivery of unsubscribed-to periodicals
- Addressed both present and anticipated water production demand by constructing one new well and acquiring land for two elevated towers; engineering design has begun for the first tower.
- Annexed approximately 45 areas in town to improve service delivery, to control future land use and development as well as to eliminate the inequity of having non-residents directly benefit from using the City's infrastructure without contributing towards the upkeep and maintenance.
- Continued to encourage residential growth through the promotion of outreach opportunities to the home-buying public through realtor training workshops, homebuyer fairs and the launch of an ongoing advertising campaign.
- Received an Illinois Arts Friendly Community designation by the Illinois Arts Alliance and re-established the community Preservation Awards.

FACTORS AFFECTING LOCAL FINANCIAL CONDITION

Local Economy

As West Chicago has persistently transitioned itself into a center for commerce and industry, the diversity in our retail and industrial base has helped to reduce dependency on outside revenues. The City continues to aggressively pursue economic development opportunities and partnerships with commercial and corporate developers and business owners, while supporting existing relationships, despite the current state of the economy.

Long-term Financial Planning

The City performs an annual review of its strategy designed to address the structural and cyclical financial challenges that continue to face the City of West Chicago. This strategy includes five major components:

Reduction in Operating Expenditures – To address the structural problem of rising operating costs, the City annually undergoes a target budgeting process to manage the organization's expenditure and revenue patterns. Additionally, a comprehensive multi-phased review of both the budget and cost for services continued to determine alternative ways of providing existing services, with any cost savings that result from such adjustments being reallocated to other operational and maintenance needs.

Systematic Use of Fund Reserves – As part of its policy, the City met its reserve target for the fiscal period ending December 31, 2008. The City maintains operating reserves that may be utilized during economic downturns and other unexpected circumstances. The systematic use of reserves helps to smooth the City's expenditure patterns and minimize fluctuations in the level of services provided and maintained.

Identification and Implementation of New Revenues – The City annually assesses new sources of revenue to ensure the continued delivery of core services to our customers. New revenue sources that are adopted adhere to the City Council's direction that users should pay for certain services from which only they benefit and/or require.

Increased Economic Development Focus – The City's Economic Development Program is designed to increase and diversify the City's sales tax and real estate tax bases. By doing so, the City has become more self-sufficient, generating revenues from within the City and reducing dependency on outside revenue sources.

Maintain and Improve City Services – The City has a proud history of providing exceptional services. During the implementation of this strategy, it was imperative that the residents and businesses not experience a reduction in service levels unless absolutely necessary. With few exceptions, the City has been able to provide excellent service with fewer employees and leaner budgets.

In addition to this financial strategy, the City continues to have a five-year Capital Improvement Plan (CIP) and a budget process that projects future operating budgets. The CIP lends guidance and continuity in the planning and development of budgets, but more importantly, it identifies and prioritizes infrastructure maintenance and replacement needs, and plans for projects several years in advance. The Capital Projects Fund, Water Fund and Sewer Fund each have their respective five-year plans.

Financial Policies

The following policies had significant impact on the City's financial statements:

On March 1, 2010, the City Council adopted an ordinance by which the City would refund its 2002 General Obligation Alternate Revenue Source Bonds that were issued to fund the construction of the water treatment plant. The primary criterion for the refunding was the anticipation of savings that would be realized from declining interest rates. Although subsequent to the fiscal year ending December 31, 2010, this debt would alternatively be retired in early 2011, 10.5 years prior to its scheduled maturity, resulting in substantial savings of over \$4.3 million.

The commitment of the City Council to support existing businesses while attracting new development resulted in the attainment of 11 new businesses within the TIF District. To further assist the City in accomplishing the goals and priorities of its redevelopment plan, the City Council approved an Economic Incentive Agreement with one restaurateur in May 2010. Furthermore, nine businesses submitted façade applications in 2010, demonstrating the continued investment the City has made by partnering with private property owners to maintain and upgrade structures within the District. The City Council also approved a Sales Tax Sharing Agreement with Haggerty Ford, which relocated to the much-needed larger space of the former Crossroads Chevrolet-Buick dealer and the move has resulted in much higher than projected sales (and sales tax).

In August 2010 and again in November 2010, the City successfully negotiated resolutions to separate condemnation cases and, combined with the acquisition of the West Chicago Park District Administration building earlier in the year, now has control over all of the land necessary for a future government campus that will include a new City Hall, the Park District Administration Building and possibly a community center as well as public space.

The City Council has continued its policy to participate in local agency agreements in order to maximize infrastructure improvements by way of federal funding, and to seek out various inter-governmental partnerships to further subsidize the cost of such improvements. These proactive measures have allowed the City to continue its aggressive street reconstruction, maintenance and resurfacing programs.

AWARDS AND ACHIEVEMENTS

The Government Finance Officer's Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of West Chicago for its comprehensive annual financial report (CAFR) for the fiscal year ended December 31, 2010. This was the eleventh consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the City 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. This report can be viewed on the City's website at www.westchicago.org. A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another Certificate.

The preparation of this report was made possible by the dedicated service of the entire staff of the Administrative Services Department. Each member of the Department has our sincere appreciation for the contribution made in the preparation of this report.

In closing, we would like to acknowledge and thank the Mayor, City Council and City Treasurer for their leadership and support in planning and conducting the financial operations of the City in a progressive manner throughout the year, and for their support in maintaining high standards of professionalism in the management of the City's finances.

Respectfully submitted,



Linda M. Martin
Director of Administrative Services



Nikki T. Giles
Assistant Director of Administrative
Services

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of West Chicago
Illinois

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2009

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President

Executive Director

FINANCIAL SECTION

This section includes:

- **Independent Auditors' Report**
- **Management's Discussion and Analysis**
- **Basic Financial Statements**
- **Required Supplementary Information**
- **Combining and Individual Fund Schedules**

INDEPENDENT AUDITORS' REPORT

This section includes the opinion of the City's independent auditing firm.

INDEPENDENT AUDITORS' REPORT

June 6, 2011

The Honorable City Mayor
Members of the City Council
City of West Chicago, 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 for the City of West Chicago, Illinois as of and for the year ended December 31, 2010, which collectively comprise the City of West Chicago's basic financial statements as listed in the accompanying table of contents. These financial statements are the responsibility of the City of West Chicago, Illinois' management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of West Chicago, Illinois as of December 31, 2010, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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

Our audit was conducted for the purposes of forming opinions on the financial statements that collectively comprise the City of West Chicago, Illinois' financial statements as a whole. The introductory section, combining and individual nonmajor fund financial statements, and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the 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.



LAUTERBACH & AMEN, LLP

MANAGEMENT'S DISCUSSION AND ANALYSIS

CITY OF WEST CHICAGO, ILLINOIS

Management's Discussion and Analysis December 31, 2010

Our discussion and analysis of the City of West Chicago's financial performance provides an overview of the City of West Chicago's financial activities for the fiscal year ended December 31, 2010. Please read it in conjunction with the transmittal letter, which begins on page iii and the City of West Chicago's financial statements, which begin on page 3.

FINANCIAL HIGHLIGHTS

- The City's net assets increased as a result of this year's operations. While net assets of business-type activities decreased by \$36,309, or less than one percent, net assets of the governmental activities increased by \$4,315,294 or 4.23 percent.
- During the year, government-wide revenues before transfers for the primary government totaled \$37,489,043, while expenses totaled \$33,210,058, resulting in an increase to net assets of \$4,278,985.
- The City of West Chicago's net assets totaled \$166,564,999 at December 31, 2010, which includes \$124,520,270 invested in capital assets, net of related debt, \$4,715,215 subject to external restrictions, and \$37,329,514 unrestricted net assets that may be used to meet the ongoing obligations to citizens and creditors.
- The General Fund reported a deficit this year of \$910,656, resulting in ending fund balance of \$12,645,249, a decrease of approximately 6.72 percent.

USING THIS REPORT

This annual report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities (on pages 3 - 6) provide information about the activities of the City of West Chicago as a whole and present a longer-term view of the City's finances. Fund financial statements begin on page 7. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the City's operations in more detail than the government-wide statements by providing information about the City of West Chicago's most significant funds. The remaining statements provide financial information about activities for which the City acts solely as a trustee or agent for the benefit of those outside of the government.

CITY OF WEST CHICAGO, ILLINOIS

Management's Discussion and Analysis December 31, 2010

USING THIS REPORT – Continued

Government-Wide Financial Statements

The government-wide financial statements provide readers with a broad overview of the City of West Chicago finances, in a matter similar to a private-sector business. The government wide financial statements can be found on pages 3 - 6 of this report.

The Statement of Net Assets reports information on all of the City of West Chicago's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. Consideration of other non-financial factors, such as changes in the City's property tax base and the condition of the City's infrastructure, is needed to assess the overall health of the City of West Chicago.

The Statement of Activities presents information showing how the government's net assets changed during the most recent fiscal period. All changes in net assets 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 and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City of West Chicago 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 City of West Chicago include general government, public safety and public works. The business-type activities of the City of West Chicago include waterworks, sewerage and commuter parking operations.

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 City of West Chicago, like other local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

CITY OF WEST CHICAGO, ILLINOIS

Management's Discussion and Analysis December 31, 2010

USING THIS REPORT – Continued

Fund Financial Statements – Continued

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 period. Such information may be useful in evaluating the City of West Chicago'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 fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate the comparison between governmental funds and governmental activities.

The City of West Chicago maintains eight individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Public Benefit Fund, TIF Special Tax Allocation #1 Fund, and Capital Improvement Fund, all of which are considered major funds. Data from the other four governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The City of West Chicago adopts an annual appropriated 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 7 - 12 of this report.

Proprietary Funds

The City of West Chicago maintains two proprietary fund types: enterprise and internal service. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City of West Chicago utilizes enterprise funds to account for its water and sewer operations, water and sewer construction, water and sewer debt retirement, and commuter parking operations. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions.

CITY OF WEST CHICAGO, ILLINOIS

Management's Discussion and Analysis December 31, 2010

USING THIS REPORT – Continued

Fund Financial Statements – Continued

Proprietary Funds – Continued

The City of West Chicago uses internal service funds to account for its Management Information System (MIS) program. This service predominantly benefits governmental rather than business-type functions, and therefore, has been included within governmental activities in the government-wide financial statements.

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 Waterworks and Sewerage Funds, which are considered to be major funds of the City, and the Commuter Parking Fund, which is a non-major fund. Conversely, the internal service fund is presented in the proprietary fund financial statements in a single column. Individual fund data for the internal service fund is provided elsewhere in this report.

The basic proprietary fund financial statements can be found on pages 13 - 18 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 City of West Chicago's own programs. The accounting use for fiduciary funds is much like that used for proprietary funds. The basic fiduciary fund financial statements can be found on pages 19 - 20 of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 21 - 54 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City of West Chicago's Illinois Municipal Retirement Fund (I.M.R.F.), police pension, and other post-employment benefits obligations, as well as budgetary comparison schedules for the General Fund and any major special revenue funds. Required supplementary information can be found on pages 55 - 60 of this report. The combining statements referred to earlier in connection with non-major governmental funds and internal service fund is presented immediately following the required supplementary information on pensions. Combining and individual fund statements and schedules can be found on pages 61 - 94 of this report.

CITY OF WEST CHICAGO, ILLINOIS

**Management's Discussion and Analysis
December 31, 2010**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net assets may serve over time as a useful indicator of a government's financial position. The following tables show that in the case of the City of West Chicago, assets exceeded liabilities by \$166,564,999.

	Net Assets					
	Governmental Activities		Business-type Activities		Total	
	2010	2009	2010	2009	2010	2009
Current and Other Assets	\$ 28,754,037	33,123,629	27,345,396	27,953,128	56,099,433	61,076,757
Capital Assets	88,164,059	79,852,408	59,918,478	60,876,553	148,082,537	140,728,961
Total Assets	116,918,096	112,976,037	87,263,874	88,829,681	204,181,970	201,805,718
Current Liabilities	7,461,241	7,366,735	4,791,630	4,854,110	12,252,871	12,220,845
Noncurrent Liabilities	3,162,574	3,630,315	22,201,526	23,668,544	25,364,100	27,298,859
Total Liabilities	10,623,815	10,997,050	26,993,156	28,522,654	37,616,971	39,519,704
Net Assets						
Invested in Capital Assets, Net of Related Debt	88,164,059	79,007,408	36,356,211	35,884,266	124,520,270	114,891,674
Restricted	-	479,320	4,715,215	3,833,998	4,715,215	4,313,318
Unrestricted (Deficit)	18,130,222	22,492,259	19,199,292	20,588,763	37,329,514	43,081,022
Total Net Assets	106,294,281	101,978,987	60,270,718	60,307,027	166,564,999	162,286,014

A large portion of the City's net assets, \$124,520,270 or 74.76 percent, reflects its investment in capital assets (i.e., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion, \$4,715,215, or 2.83 percent, of the City of West Chicago's net assets represents resources that are subject to external restrictions on how they may be used. The remaining 22.41 percent, or \$137,329,514, represents unrestricted net assets and may be used to meet the government's ongoing obligations to citizens and creditors.

CITY OF WEST CHICAGO, ILLINOIS

**Management's Discussion and Analysis
December 31, 2010**

GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

	Changes in Net Assets					
	Governmental		Business-Type		Total	
	Activities		Activities			
	2010	2009	2010	2009	2010	2009
Revenues						
Program Revenues						
Charges for Services	\$ 3,389,780	4,830,014	10,524,692	10,238,178	13,914,472	15,068,192
Operating Grants/Contrib.	395,843	145,148	-	-	395,843	145,148
Capital Grants/Contrib.	4,832,786	714,671	-	-	4,832,786	714,671
General Revenues						
Property Taxes	4,691,781	4,479,930	15,172	15,161	4,706,953	4,495,091
Other Taxes	1,200,551	1,250,406	-	-	1,200,551	1,250,406
Sales and Use Taxes	3,832,745	3,549,910	1,023,267	948,148	4,856,012	4,498,058
Income Taxes	2,112,444	2,181,609	-	-	2,112,444	2,181,609
Replacement Taxes	171,227	159,185	-	-	171,227	159,185
Other	2,098,487	2,037,722	-	-	2,098,487	2,037,722
Interest Income	212,808	253,642	137,988	205,893	350,796	459,535
Miscellaneous	2,012,701	3,506,651	836,771	417,841	2,849,472	3,924,492
Total Revenues	24,951,153	23,108,888	12,537,890	11,825,221	37,489,043	34,934,109
Expenses						
General Government	10,307,149	9,423,220	-	-	10,307,149	9,423,220
Public Safety	8,583,580	8,759,315	-	-	8,583,580	8,759,315
Highway and Streets	1,546,316	1,486,314	-	-	1,546,316	1,486,314
Culture and Recreation	135,309	376,103	-	-	135,309	376,103
Interest on Long-Term Debt	63,505	95,920	-	-	63,505	95,920
Waterworks	-	-	6,441,171	6,147,347	6,441,171	6,147,347
Sewerage	-	-	5,912,683	5,959,791	5,912,683	5,959,791
Commuter Parking	-	-	220,345	535,811	220,345	535,811
Total Expenses	20,635,859	20,140,872	12,574,199	12,642,949	33,210,058	32,783,821
Change in Net Assets						
Before Transfers	4,315,294	2,968,016	(36,309)	(817,728)	4,278,985	2,150,288
Transfers	-	487,100	-	(487,100)	-	-
Change in Net Assets	4,315,294	3,455,116	(36,309)	(1,304,828)	4,278,985	2,150,288
Net Assets-Beginning	101,978,987	98,523,871	60,307,027	61,611,855	162,286,014	160,135,726
Net Assets-Ending	106,294,281	101,978,987	60,270,718	60,307,027	166,564,999	162,286,014

CITY OF WEST CHICAGO, ILLINOIS

Management's Discussion and Analysis December 31, 2010

GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

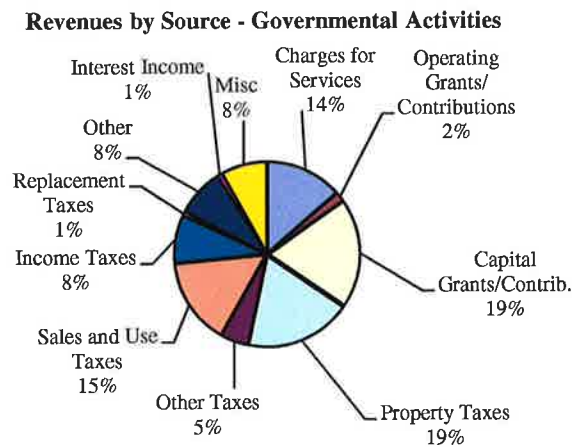
Net assets of the City of West Chicago's governmental activities increased 4.23 percent (\$106,294,281 at December 31, 2010, compared to \$101,978,987 at December 31, 2009). Unrestricted net assets, the part of net assets that can be used to finance day-to-day operations without constraints, totaled \$18,130,222 at December 31, 2010. Net assets increased due to assets increasing by \$3,942,059 reflecting capital asset additions for the year, while liabilities decreased \$373,235 due to the repayment of outstanding debt and no new debt issues during the year.

Net assets of business-type activities decreased slightly by less than one percent (\$60,270,718 at December 31, 2010 compared to \$60,307,027 at December 31, 2009). Deficits of \$190,993 in the Sewerage Fund and \$100,693 in the Commuter Parking Fund were not offset by the surplus of \$255,377 in the Waterworks Fund.

Governmental Activities

Revenues for governmental activities totaled \$24,951,153 while the cost of all governmental functions totaled \$20,635,859. This results in a surplus of \$4,315,294 at December 31, 2010. At December 31, 2009, revenues for governmental activities totaled \$23,108,888, while the cost of all governmental functions totaled \$20,140,872, which resulted in a surplus of \$2,968,016 prior to transfers in of \$487,100, resulting in a total surplus of \$3,455,116. Revenues for property taxes and sales taxes increased \$211,851 and \$282,835, respectively.

The following table graphically depicts the major revenue sources of the City of West Chicago. It depicts very clearly the reliance on property taxes, sales and use taxes, charges for services and other general revenues to fund governmental activities. It also clearly identifies the less significant percentage the City receives from replacement taxes.



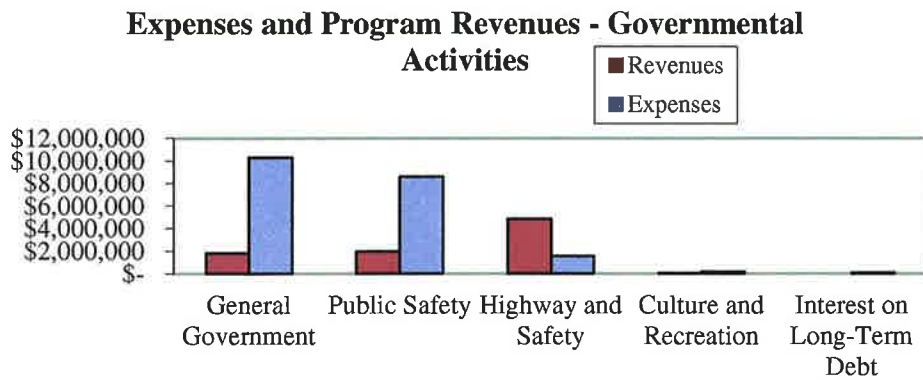
CITY OF WEST CHICAGO, ILLINOIS

**Management’s Discussion and Analysis
December 31, 2010**

GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

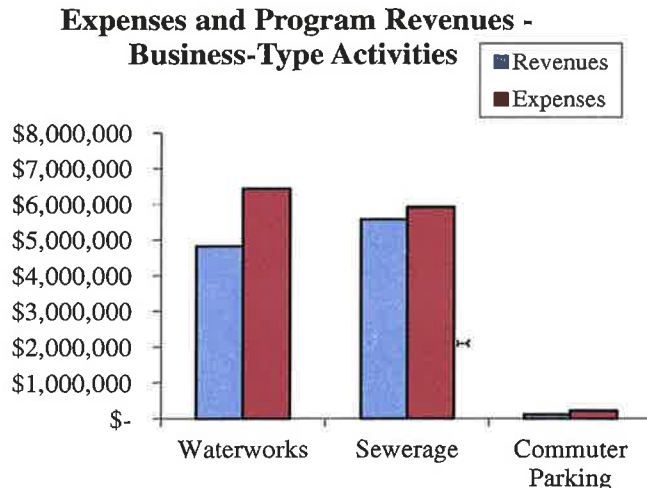
Governmental Activities – Continued

The ‘Expenses and Program Revenues’ Table identifies those governmental functions where program expenses greatly exceed revenues. These expenses and revenues do not include the major revenue sources, such as property taxes, sales and use taxes and income taxes, described earlier. The Statement of Activities on pages 5 - 6 further outlines those revenues and expenses considered program specific.



Business-Type Activities

Business-Type activities posted total revenues of \$12,537,890, while the cost of all business-type activities totaled \$12,574,199. This results in a deficit of \$36,309. At December 31, 2009, revenues of \$11,825,221 were less than expenses of \$12,642,949, resulting in a deficit of \$817,728 prior to transfers out of \$487,100.



The above graph compares program revenues to expenses for business-type activities.

CITY OF WEST CHICAGO, ILLINOIS

Management's Discussion and Analysis December 31, 2010

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

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

Governmental Funds

The focus of the City of West Chicago's governmental funds is to provide information on near-term inflows, outflows, and 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.

The City's governmental funds reported combined ending fund balances of \$21,148,297 for the year, which is a decrease of \$4,742,775 from last year's total of \$25,891,072. Of the \$21,148,297 total, \$19,176,525, or 90.68 percent, of the fund balance constitutes unreserved fund balance.

The General Fund reported a negative change in fund balance for the fiscal year of \$910,656, a decrease of 6.72 percent. This was due in part to a planned drawdown of the fund balance, as well as that anticipated payment of grant receipts were delayed by the State. In addition, expenditures for general government and public safety functions in the General Fund were under budget. Overall, budgeted expenditures totaled \$16,652,000 while actual expenditures totaled \$16,043,024. These variances are further outlined on the General Fund Schedule of Revenues, Expenditures and Changes in Fund Balance.

The General Fund is the chief operating fund of the City. At December 31, 2010, unreserved fund balance in the General Fund was \$11,659,744, which represents 92.21 percent of the total fund balance of the General Fund. As a measure of the General Fund's liquidity, it may be useful to compare unreserved fund balance to total fund expenditures. Unreserved fund balance in the General Fund at December 31, 2010, represents 72.68 percent of total General Fund expenditures. Unreserved fund balance in the General Fund for the prior year ending December 31, 2009 represented 79.48 percent of total General Fund expenditures.

The Public Benefit Fund is used to account for the accumulation of funds from Kerr McGee to fund the public portion of certain improvements. The Public Benefit Fund reported a deficit change in fund balance for the fiscal year of \$4,782,136, due to capital outlay expenditures of \$5,028,028 and \$50,000 in budgeted transfers to the General Fund to cover continued oversight of the cleanup activities.

The TIF Special Tax Allocation #1 Fund reported a surplus of \$498,896 for the year, the majority of which resulted from actual revenues totaling \$909,074 and actual expenditures totaling \$410,178, which was \$615,022 less than expenditures budgeted. The fund balance of \$677,747 will be used for projects and prospect development that were deferred in 2010 do to current economic conditions.

The Capital Improvement Fund reported a surplus of \$715,962 for the year, which resulted from actual revenues totaling \$3,483,962 and actual expenditures totaling \$2,768,000, which was \$4,725,900 less than budgeted expenditures, primarily due to delays in beginning the Wilson/Joliet culvert project. A drawdown of the \$4,544,325 fund balance is planned in 2011, as this project commences.

CITY OF WEST CHICAGO, ILLINOIS

Management's Discussion and Analysis December 31, 2010

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS – Continued

Proprietary Funds

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

The City reports the Waterworks Fund and the Sewerage Funds as two major proprietary funds. The Waterworks Fund accounts for all of the operations of the municipal water plant and distribution system while the Sewerage Fund accounts for all of the operations of the municipal sewer plant and collection system. Water is sold to municipal customers at a rate of \$2.90 per one hundred cubic feet for water and a rate of \$4.20 per one hundred cubic feet for sewer. The variance between the cost of operations and the rates charged to customers is intended to finance the debt and infrastructure of the utility system, including labor costs, supplies, infrastructure maintenance and future infrastructure improvements. The Commuter Parking Fund is recorded as a nonmajor fund.

Each year, the City of West Chicago projects the user rates charged to be sufficient that the funds operate at a breakeven level, including amortization of future capital costs. Periodically, there will be an annual surplus or decrease due to the timing of capital projects. The increase in the Waterworks Fund during the fiscal year was \$255,377, while the previous fiscal year reported a deficit of \$4,104.

The Sewerage Fund experienced a decrease of \$190,993, while the previous fiscal year reported a decrease of \$890,191. The Commuter Parking Fund had a decrease for the fiscal year of \$100,693, compared to the decrease in the previous fiscal year of \$410,533. Total unrestricted net assets in the Proprietary Funds were \$55,555,503 (invested in capital assets net of related debt and actual unrestricted net assets) at December 31, 2010.

GENERAL FUND BUDGETARY HIGHLIGHTS

The City of West Chicago Council made three budget amendments to the General Fund during the fiscal year. Original budgeted revenues of \$14,438,100 were decreased \$223,000 to reflect a decline in engineering fees and interest income, as well as use and amusement tax revenue. The decrease was offset in part by recognizing an increase in transfer station fees. General Fund actual revenues for the year totaled \$15,292,368 compared to final budgeted revenues of \$14,215,100. As stated earlier, certain revenues, such as property and sales taxes, were higher than budgeted.

Original budgeted expenditures of \$15,476,900 were increased \$1,175,100 for various projects, including a computer programmer, additional litigation, demolition expenses. The General Fund actual expenditures for the year were \$608,976 lower than budgeted (\$16,043,024 actual compared to \$16,652,000 final budgeted). The general government and public safety functions' actual expenditures were lower than budgeted expenditures by \$373,448 and \$236,966, respectively.

CITY OF WEST CHICAGO, ILLINOIS

**Management's Discussion and Analysis
December 31, 2010**

CAPITAL ASSETS AND DEBT ADMINISTRATION -- Continued

Capital Assets

The City of West Chicago's investment in capital assets for its governmental and business type activities as of December 31, 2010 was \$148,076,718 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, vehicles and equipment, and parking lot equipment and improvements.

	Capital Assets - Net of Depreciation					
	Governmental Activities		Business-type Activities		Total	
	2010	2009	2010	2009	2010	2009
Land and Right of Way \$	44,613,016	39,455,876	4,555,048	3,989,900	49,168,064	43,445,776
Construction in Progress	682,991	-	1,052,021	-	1,735,012	-
Land Improvements	710,541	762,992	924,584	1,000,290	1,635,125	1,763,282
Buildings	1,672,794	1,736,543	17,834,226	18,169,072	19,507,020	19,905,615
Machinery and Equipmen	760,514	1,168,372	4,965,312	5,990,778	5,725,826	7,159,150
Infrastructure	39,724,203	36,728,625	30,587,287	31,659,364	70,311,490	68,387,989
Total	88,164,059	79,852,408	59,918,478	60,809,404	148,082,537	140,661,812

This year's major additions included:

General Government Land	\$ 5,157,140
Enterprise Land	565,148
Construction in Progress	1,440,781
Land Improvements	10,500
Infrastructure	4,123,994
Machinery & Equipment	138,634
	<u>11,436,197</u>

For the year ending December 31, 2011 the capital budget includes \$7.6 million for capital projects, principally for various infrastructure improvements and for reconstruction of the Wilson/Joliet culvert.

Additional information on the City of West Chicago's capital assets can be found in note 3 on pages 36 - 37 of this report.

CITY OF WEST CHICAGO, ILLINOIS

Management's Discussion and Analysis December 31, 2010

CAPITAL ASSETS AND DEBT ADMINISTRATION – Continued

Debt Administration

At December 31, 2010, the City of West Chicago had total outstanding debt of \$23,562,267 as compared to \$25,837,286 at December 31, 2009, a decrease of five and eight-tenths percent. The following is a comparative statement of outstanding debt:

	Long-Term Debt Outstanding					
	Governmental		Business-type		Total	
	Activities	Activities	Activities	Activities	Activities	Activities
	Dec 31	Dec 31	Dec 31	Dec 31	Dec 31	Dec 31
	2010	2009	2010	2009	2010	2009
General Obligation Bonds	\$ -	845,000	15,295,000	16,240,000	15,295,000	17,085,000
IEPA Revolving Loan	-	-	8,267,267	8,752,286	8,267,267	8,752,286
Total	-	845,000	23,562,267	24,992,286	23,562,267	25,837,286

Chapter 65, Section 5/8-5-1 of the Illinois Compiled Statutes governs computation of the legal debt margin. The City is a home rule municipality and to date, the Illinois General Assembly has set no limits for home rule municipalities. Additional information on the City of West Chicago long-term debt can be found in Note 3 on pages 39 - 43 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The City of West Chicago's elected and appointed officials considered many factors when setting the fiscal year 2011 budget, tax rates, and fees that will be charged for its governmental and business-type activities. One of those factors is the economy. Unemployment rates for December 31, 2010, for DuPage County was six and seven-tenths percent and the state and national unemployment rates were nine and three-tenths and nine and four-tenths percent, respectively.

Amounts available for appropriation in the General Fund budget are \$14.8 million, a increase of four and two-tenths percent from the final 2010 budget of \$14.2 million. The City of West Chicago has budgeted increases in both investment earning and police contractual services of approximately seventeen percent and two and nine-tenths percent, respectively. The City of West Chicago's major initiatives in the 2011 budget include construction of an elevated water tank, completed of the North Avenue water and sewer main relocation and a comprehensive water meter replacement program. The City of West Chicago maintains its strong commitment to fiscal accountability and pledges to continue to seek innovative strategies to maximize financial responsibility.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the City of West Chicago'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 Director of Administrative Services, City of West Chicago, 475 Main Street, West Chicago, IL. 60185.

BASIC FINANCIAL STATEMENTS

The basic financial Statements include integrated sets of financial statements as required by the GASB. The sets of statements include:

- Government-Wide Financial Statements
- Fund Financial Statements
 - Governmental Funds
 - Proprietary Funds
 - Fiduciary Funds

In addition, the notes to the financial statements are included to provide information that is essential to a user's understanding of the basic financial statements.

CITY OF WEST CHICAGO, ILLINOIS

**Statement of Net Assets
December 31, 2010**

See Following Page

CITY OF WEST CHICAGO, ILLINOIS

**Statement of Net Assets
December 31, 2010**

	Governmental Activities	Business- Type Activities	Total
ASSETS			
Current Assets			
Cash and Investments	\$ 19,364,168	\$ 24,245,473	\$ 43,609,641
Receivables - Net of Allowances	8,004,364	2,190,752	10,195,116
Note Receivable	400,000	-	400,000
Prepaid Items/Inventories	985,505	298,181	1,283,686
Restricted Cash and Investments	-	610,990	610,990
Total Current Assets	<u>28,754,037</u>	<u>27,345,396</u>	<u>56,099,433</u>
Capital Assets			
Nondepreciable	45,296,007	5,607,069	50,903,076
Depreciable	81,771,085	84,643,052	166,414,137
Accumulated Depreciation	<u>(38,903,033)</u>	<u>(30,331,643)</u>	<u>(69,234,676)</u>
Total Capital Assets	<u>88,164,059</u>	<u>59,918,478</u>	<u>148,082,537</u>
Total Assets	<u>116,918,096</u>	<u>87,263,874</u>	<u>204,181,970</u>

The notes to the financial statements are an integral part of this statement.

	Governmental Activities	Business- Type Activities	Total
LIABILITIES			
Current Liabilities			
Accounts Payable	\$ 826,276	\$ 631,111	\$ 1,457,387
Accrued Payroll	335,502	106,995	442,497
Deposits Payable	1,063,441	1,086,859	2,150,300
Interest Payable	-	438,977	438,977
Unearned Revenues	5,040,272	1,014,668	6,054,940
Current Portion of Long-Term Debt	195,750	1,513,020	1,708,770
Total Current Liabilities	<u>7,461,241</u>	<u>4,791,630</u>	<u>12,252,871</u>
Noncurrent Liabilities			
Compensated Absences Payable	782,998	121,823	904,821
Net Pension Obligation	1,767,384	-	1,767,384
Net Other Post-Employment Benefit Obligation	612,192	-	612,192
IEPA Revolving Loan Payable	-	7,769,703	7,769,703
General Obligation Bonds Payable	-	14,310,000	14,310,000
Total Noncurrent Liabilities	<u>3,162,574</u>	<u>22,201,526</u>	<u>25,364,100</u>
Total Liabilities	<u>10,623,815</u>	<u>26,993,156</u>	<u>37,616,971</u>
NET ASSETS			
Invested in Capital Assets - Net of Related Debt	88,164,059	36,356,211	124,520,270
Restricted - Per Intergovernmental Agreement -			
Sewer Plant Expansion	-	1,004,836	1,004,836
Sewer Plant Replacement	-	3,710,379	3,710,379
Unrestricted	<u>18,130,222</u>	<u>19,199,292</u>	<u>37,329,514</u>
Total Net Assets	<u>\$ 106,294,281</u>	<u>\$ 60,270,718</u>	<u>\$ 166,564,999</u>

The notes to the financial statements are an integral part of this statement.

CITY OF WEST CHICAGO, ILLINOIS

Statement of Activities
Year Ended December 31, 2010

	Expenses	Program Revenues		
		Charges for Services	Operating Grants/ Contributions	Capital Grants/ Contributions
Governmental Activities				
General Government	\$ 10,307,149	\$ 1,816,692	\$ -	\$ -
Public Safety	8,583,580	1,573,088	385,843	-
Highways and Streets	1,546,316	-	-	4,832,786
Culture and Recreation	135,309	-	10,000	-
Interest on Long-Term Debt	63,505	-	-	-
Total Governmental Activities	<u>20,635,859</u>	<u>3,389,780</u>	<u>395,843</u>	<u>4,832,786</u>
Business-Type Activities				
Waterworks	6,441,171	4,829,368	-	-
Sewerage	5,912,683	5,579,155	-	-
Commuter Parking	220,345	116,169	-	-
Total Business-Type Activities	<u>12,574,199</u>	<u>10,524,692</u>	<u>-</u>	<u>-</u>
	<u>\$ 33,210,058</u>	<u>\$ 13,914,472</u>	<u>\$ 395,843</u>	<u>\$ 4,832,786</u>

General Revenues
 Taxes
 Property Taxes
 Telecommunications Taxes
 Amusement Taxes
 Intergovernmental - Unrestricted
 Sales and Use Taxes
 Income Taxes
 Replacement Taxes
 Utility Taxes
 Interest Income
 Miscellaneous

Change in Net Assets

 Net Assets - Beginning

 Net Assets - Ending

The notes to the financial statements are an integral part of this statement.

Net Expense/Revenue		
Governmental Activities	Business-Type Activities	Total
\$ (8,490,457)	\$ -	\$ (8,490,457)
(6,624,649)	-	(6,624,649)
3,286,470	-	3,286,470
(125,309)	-	(125,309)
(63,505)	-	(63,505)
(12,017,450)	-	(12,017,450)
-	(1,611,803)	(1,611,803)
-	(333,528)	(333,528)
-	(104,176)	(104,176)
-	(2,049,507)	(2,049,507)
(12,017,450)	(2,049,507)	(14,066,957)
4,691,781	15,172	4,706,953
1,141,848	-	1,141,848
58,703	-	58,703
3,832,745	1,023,267	4,856,012
2,112,444	-	2,112,444
171,227	-	171,227
2,098,487	-	2,098,487
212,808	137,988	350,796
2,012,701	836,771	2,849,472
16,332,744	2,013,198	18,345,942
4,315,294	(36,309)	4,278,985
101,978,987	60,307,027	162,286,014
\$ 106,294,281	\$ 60,270,718	\$ 166,564,999

The notes to the financial statements are an integral part of this statement.

CITY OF WEST CHICAGO, ILLINOIS

**Balance Sheet - Governmental Funds
December 31, 2010**

	General	Public Benefit
ASSETS		
Cash and Investments	\$ 10,999,245	\$ 946,108
Receivables - Net of Allowances		
Property Taxes	3,441,477	-
Accrued Interest	9,108	-
Other	2,647,043	-
Notes Receivable	-	400,000
Due From Other Funds	-	-
Prepays/Inventories	985,505	-
Advances to Other Funds	-	986,267
Total Assets	18,082,378	2,332,375
LIABILITIES AND FUND BALANCES		
Liabilities		
Accounts Payable	609,283	31
Accrued Payroll	322,928	-
Deposits Payable	1,063,441	-
Due to Other Funds	-	-
Advances from Other Funds	-	-
Unearned/Deferred Revenues	3,441,477	-
Total Liabilities	5,437,129	31
Fund Balances		
Reserved - Prepays/Inventories	985,505	-
Reserved - Advances	-	986,267
Unreserved - General	11,659,744	-
Unreserved - Special Revenue	-	1,346,077
Unreserved - Capital Projects	-	-
Total Fund Balances	12,645,249	2,332,344
Total Liabilities and Fund Balances	\$ 18,082,378	\$ 2,332,375

The notes to the financial statements are an integral part of this statement.

TIF Special Tax Allocation #1	Capital Improvement	Nonmajor Governmental Funds	Total Governmental Funds
\$ 1,681,890	\$ 4,452,584	\$ 931,303	\$ 19,011,130
1,290,411	-	88,385	4,820,273
-	393	-	9,501
-	527,547	-	3,174,590
-	-	-	400,000
-	8,315	25,643	33,958
-	-	-	985,505
-	-	-	986,267
2,972,301	4,988,839	1,045,331	29,421,224
9,059	195,114	-	813,487
8,817	3,757	-	335,502
-	-	-	1,063,441
-	25,643	8,315	33,958
986,267	-	-	986,267
1,290,411	220,000	88,384	5,040,272
2,294,554	444,514	96,699	8,272,927
-	-	-	985,505
-	-	-	986,267
-	-	-	11,659,744
677,747	-	246,963	2,270,787
-	4,544,325	701,669	5,245,994
677,747	4,544,325	948,632	21,148,297
\$ 2,972,301	\$ 4,988,839	\$ 1,045,331	\$ 29,421,224

The notes to the financial statements are an integral part of this statement.

CITY OF WEST CHICAGO, ILLINOIS

**Reconciliation of Total Governmental Fund Balance to the
Statement of Net Assets - Governmental Activities**

December 31, 2010

Total Governmental Fund Balances \$ 21,148,297

Amounts reported for governmental activities in the Statement of Net Assets
are different because:

Capital assets used in governmental activities are not financial
resources and therefore, are not reported in the funds. 88,164,059

Internal service funds are used by the City to charge the costs of vehicle
and equipment management and technology services to individual funds.
The assets and liabilities of the internal service funds are included
in the governmental activities in the Statement of Net Assets. 340,249

Long-term liabilities are not due and payable in the current
period and therefore are not reported in the funds.

Compensated Absences Payable	(978,748)
Pension Obligation Payable	(1,767,384)
Net Other Post-Employment Benefit Obligation Payable	<u>(612,192)</u>

Net Assets of Governmental Activities \$ 106,294,281

The notes to the financial statements are an integral part of this statement.

CITY OF WEST CHICAGO, ILLINOIS

**Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
Year Ended December 31, 2010**

See Following Page

CITY OF WEST CHICAGO, ILLINOIS

Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
Year Ended December 31, 2010

	General	Public Benefit
Revenues		
Taxes	\$ 4,756,059	\$ -
Intergovernmental	6,542,723	-
Charges for Services	1,891,127	-
Licenses and Permits	456,361	-
Fines and Forfeitures	1,042,292	-
Interest Income	115,353	71,147
Miscellaneous	488,453	650,000
Total Revenues	<u>15,292,368</u>	<u>721,147</u>
Expenditures		
Current		
General Government	7,386,952	425,255
Public Safety	8,524,634	-
Culture and Recreation	131,438	-
Capital Outlay	-	5,028,028
Debt Service		
Principal Retirement	-	-
Interest and Fiscal Charges	-	-
Total Expenditures	<u>16,043,024</u>	<u>5,453,283</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(750,656)</u>	<u>(4,732,136)</u>
Other Financing Sources (Uses)		
Transfers In	50,000	-
Transfers Out	(210,000)	(50,000)
	<u>(160,000)</u>	<u>(50,000)</u>
Net Change in Fund Balances	(910,656)	(4,782,136)
Fund Balances - Beginning	<u>13,555,905</u>	<u>7,114,480</u>
Fund Balances - Ending	<u>\$ 12,645,249</u>	<u>\$ 2,332,344</u>

The notes to the financial statements are an integral part of this statement.

TIF Special Tax Allocation #1	Capital Improvement	Nonmajor Governmental Funds	Total
\$ 897,976	\$ 2,607,841	\$ 407,271	\$ 8,669,147
-	-	-	6,542,723
-	-	-	1,891,127
-	-	-	456,361
-	-	-	1,042,292
5,157	12,872	5,941	210,470
5,941	863,249	5,058	2,012,701
909,074	3,483,962	418,270	20,824,821
367,707	-	935	8,180,849
-	-	-	8,524,634
-	-	-	131,438
-	2,768,000	22,675	7,818,703
-	-	845,000	845,000
42,471	-	24,501	66,972
410,178	2,768,000	893,111	25,567,596
498,896	715,962	(474,841)	(4,742,775)
181,777	-	210,000	441,777
-	-	(181,777)	(441,777)
181,777	-	28,223	-
680,673	715,962	(446,618)	(4,742,775)
(2,926)	3,828,363	1,395,250	25,891,072
\$ 677,747	\$ 4,544,325	\$ 948,632	\$ 21,148,297

The notes to the financial statements are an integral part of this statement.

CITY OF WEST CHICAGO, ILLINOIS

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

Year Ended December 31, 2010

Net Change in Fund Balances - Total Governmental Funds \$ (4,742,775)

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

Governmental funds report capital outlays as expenditures. However, in the
Statement of Activities the cost of those assets is allocated over their estimated
useful lives and reported as depreciation expense.

Capital Outlays	9,994,625
Depreciation Expense	(1,682,974)

The issuance of long-term debt provides current financial resources to
governmental funds, while the repayment of the principal on long-term
debt consumes the current financial resources of the governmental funds.

Deletions to Net Pension Obligation	10,393
Deletions to Compensated Absences Payable	84,129
Additions to Net Other Post-Employment Benefit Obligation Payable	(214,956)
Retirement of General Obligation Bonds	845,000

Changes to accrued interest on long-term debt in the Statement of Activities
does not require the use of current financial resources and, therefore, are not
reported as expenditures in the governmental funds.

3,467

Internal service funds are used by the City to charge the costs of vehicle
and equipment management and technology services to individual funds.
The net revenue of certain activities of internal service funds is
reported with governmental activities.

18,385

Changes in Net Assets of Governmental Activities \$ 4,315,294

The notes to the financial statements are an integral part of this statement.

CITY OF WEST CHICAGO, ILLINOIS

**Statement of Net Assets - Proprietary Funds
December 31, 2010**

See Following Page

CITY OF WEST CHICAGO, ILLINOIS

**Statement of Net Assets - Proprietary Funds
December 31, 2010**

	Business-Type Activities - Enterprise				Governmental
	Waterworks	Sewerage	Nonmajor Commuter Parking	Total	Activities Internal Service
ASSETS					
Current Assets					
Cash and Investments	\$ 12,539,834	\$ 11,690,026	\$ 15,613	\$ 24,245,473	\$ 353,038
Receivables - Net of Allowances Accounts	713,287	1,203,563	3,450	1,920,300	-
Other	268,753	-	-	268,753	-
Accrued Interest	192	1,507	-	1,699	-
Deferred Charges	298,181	-	-	298,181	-
Restricted Investments	-	610,990	-	610,990	-
Total Current Assets	13,820,247	13,506,086	19,063	27,345,396	353,038
Noncurrent Assets					
Capital Assets					
Nondepreciable	5,409,450	197,619	-	5,607,069	-
Depreciable	47,000,113	36,952,097	690,842	84,643,052	34,572
Accumulated Depreciation	(10,907,658)	(19,088,909)	(335,076)	(30,331,643)	(34,572)
Total Noncurrent Assets	41,501,905	18,060,807	355,766	59,918,478	-
Total Assets	55,322,152	31,566,893	374,829	87,263,874	353,038

The notes to the financial statements are an integral part of this statement.

	Business-Type Activities - Enterprise				Governmental
	Waterworks	Sewerage	Nonmajor	Total	Activities
			Commuter Parking		Internal Service
LIABILITIES					
Current Liabilities					
Accounts Payable	\$ 470,608	\$ 156,215	\$ 4,288	\$ 631,111	\$ 12,789
Accrued Payroll	65,310	38,560	3,125	106,995	-
Interest Payable	438,977	-	-	438,977	-
Other Liabilities	51,389	1,035,470	-	1,086,859	-
Unearned/Deferred Revenues	997,493	-	17,175	1,014,668	-
Compensated Absences	27,193	3,263	-	30,456	-
IEPA Revolving Loan	497,564	-	-	497,564	-
General Obligation Bonds	985,000	-	-	985,000	-
Total Current Liabilities	3,533,534	1,233,508	24,588	4,791,630	12,789
Noncurrent Liabilities					
Compensated Absences	108,772	13,051	-	121,823	-
IEPA Revolving Loan	7,769,703	-	-	7,769,703	-
General Obligation Bonds	14,310,000	-	-	14,310,000	-
Total Noncurrent Liabilities	22,188,475	13,051	-	22,201,526	-
Total Liabilities	25,722,009	1,246,559	24,588	26,993,156	12,789
NET ASSETS					
Invested in Capital Assets - Net of Related Debt	17,939,638	18,060,807	355,766	36,356,211	-
Restricted - Per Intergovernmental Agreement -					
Sewer Plant Expansion	-	1,004,836	-	1,004,836	-
Sewer Plant Replacement	-	3,710,379	-	3,710,379	-
Unrestricted	11,660,505	7,544,312	(5,525)	19,199,292	340,249
Total Net Assets	\$ 29,600,143	\$ 30,320,334	\$ 350,241	\$ 60,270,718	\$ 340,249

The notes to the financial statements are an integral part of this statement.

CITY OF WEST CHICAGO, ILLINOIS

Statement of Revenues, Expenses and Changes in Net Assets - Proprietary Funds
Year Ended December 31, 2010

	<u>Waterworks</u>
Operating Revenues	
Charges for Services	\$ 4,829,368
Interfund Services	-
Licenses and Permits	-
Total Operating Revenues	<u>4,829,368</u>
Operating Expenses	
Operations	4,158,363
Depreciation and Amortization	<u>1,328,818</u>
Total Operating Expenses	<u>5,487,181</u>
Operating Income (Loss)	<u>(657,813)</u>
Nonoperating Revenues (Expenses)	
Water and Sewer Connection Fees	31,994
Property Taxes	-
Sales Taxes	1,023,267
Interest Income	90,194
Other Income	721,725
Interest Expense and Fiscal Charges	<u>(953,990)</u>
	<u>913,190</u>
Change in Net Assets	255,377
Net Assets - Beginning	<u>29,344,766</u>
Net Assets - Ending	<u>\$ 29,600,143</u>

The notes to the financial statements are an integral part of this statement.

Business-Type Activities - Enterprise			Governmental
	Nonmajor		Activities
Sewerage	Commuter	Total	Internal
	Parking		Service
\$ 5,579,155	\$ 49,556	\$ 10,458,079	\$ -
-	-	-	81,400
-	66,613	66,613	-
5,579,155	116,169	10,524,692	81,400
4,839,938	195,153	9,193,454	65,353
1,072,745	25,192	2,426,755	-
5,912,683	220,345	11,620,209	65,353
(333,528)	(104,176)	(1,095,517)	16,047
47,970	-	79,964	-
15,172	-	15,172	-
-	-	1,023,267	-
44,311	3,483	137,988	2,338
35,082	-	756,807	-
-	-	(953,990)	-
142,535	3,483	1,059,208	2,338
(190,993)	(100,693)	(36,309)	18,385
30,511,327	450,934	60,307,027	321,864
\$ 30,320,334	\$ 350,241	\$ 60,270,718	\$ 340,249

The notes to the financial statements are an integral part of this statement.

CITY OF WEST CHICAGO, ILLINOIS

**Statement of Cash Flows - Proprietary Funds
Year Ended December 31, 2010**

	Waterworks Fund
Cash Flows from Operating Activities	
Receipts from Customers and Users	\$ 5,514,833
Receipts from Interfund Services	-
Payments to Employees	(1,370,404)
Payments to Suppliers	(3,250,145)
	894,284
Cash Flows from Noncapital Financing Activities	
Property Taxes	-
Sales Taxes	1,023,267
	1,023,267
Cash Flows from Capital and Related Financing Activities	
Purchase of Capital Assets	(1,251,153)
Interest on Capital Debt	(953,990)
Principal on Capital Debt	(1,430,019)
	(3,635,162)
Cash Flows from Investing Activities	
Interest Received	90,194
	90,194
Net Change in Cash and Cash Equivalents	(1,627,417)
Cash and Cash Equivalents - Beginning	14,167,251
Cash and Cash Equivalents - Ending	12,539,834
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities	
Operating Income (Loss)	(657,813)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:	
Depreciation and Amortization Expense	1,328,818
Other Income	753,719
(Increase) Decrease in Current Assets	(68,254)
Increase (Decrease) in Current Liabilities	(462,186)
	894,284
Net Cash Provided by Operating Activities	\$ 894,284

The notes to the financial statements are an integral part of this statement.

<u>Business-Type Activities - Enterprise Funds</u>			
<u>Sewerage Fund</u>	<u>Nonmajor Enterprise Commuter Parking</u>	<u>Total</u>	<u>Governmental Activities Internal Service</u>
\$ 5,673,124	\$ 114,294	\$ 11,302,251	\$ -
-	-	-	81,400
(835,411)	(54,628)	(2,260,443)	-
(3,542,007)	(267,446)	(7,059,598)	(52,564)
1,295,706	(207,780)	1,982,210	28,836
15,172	-	15,172	-
-	-	1,023,267	-
15,172	-	1,038,439	-
(190,419)	-	(1,441,572)	-
-	-	(953,990)	-
-	-	(1,430,019)	-
(190,419)	-	(3,825,581)	-
44,311	3,483	137,988	2,338
1,164,770	(204,297)	(666,944)	31,174
11,136,246	219,910	25,523,407	321,864
12,301,016	15,613	24,856,463	353,038
(333,528)	(104,176)	(1,095,517)	16,047
1,072,745	25,192	2,426,755	-
83,052	-	836,771	-
10,917	(1,875)	(59,212)	-
462,520	(126,921)	(126,587)	12,789
\$ 1,295,706	\$ (207,780)	\$ 1,982,210	\$ 28,836

The notes to the financial statements are an integral part of this statement.

CITY OF WEST CHICAGO, ILLINOIS

**Statement of Net Assets - Fiduciary Funds
December 31, 2010**

	Pension Trust Police Pension	Agency
ASSETS		
Cash and Cash Equivalents	\$ 4,385	\$ 117,495
Investments		
Money Market Mutual Funds	968,160	-
Certificates of Deposit	802,000	-
U.S. Government and Agency Obligations	2,342,168	-
Equity Mutual Funds	6,698,200	-
IMET	333,381	-
Insurance Contracts	7,012,797	-
Receivables - Net of Allowances		
Accrued Interest	4,549	
Prepays	1,675	-
Total Assets	<u>18,167,315</u>	<u>117,495</u>
LIABILITIES		
Accounts Payable	1,245	-
Due to Bondholders	-	117,495
Total Liabilities	<u>1,245</u>	<u>117,495</u>
NET ASSETS		
Net Plan Assets Held in Trust for Pension Benefits	<u>\$ 18,166,070</u>	<u>\$ -</u>

The notes to the financial statements are an integral part of this statement.

CITY OF WEST CHICAGO, ILLINOIS

**Statement of Changes in Net Assets - Fiduciary Funds
Year Ended December 31, 2010**

	<u>Pension Trust Police Pension</u>
Additions	
Contributions - Employer	\$ 1,255,000
Contributions - Plan Members	<u>449,218</u>
Total Contributions	<u>1,704,218</u>
Investment Income	
Interest Earned	210,703
Net Change in Fair Value	<u>1,296,463</u>
	1,507,166
Less Investment Expenses	<u>(33,587)</u>
	<u>1,473,579</u>
Total Additions	<u>3,177,797</u>
Deductions	
Administration	39,905
Benefits and Refunds	
Benefits	1,086,328
Refunds	<u>6,762</u>
Total Deductions	<u>1,132,995</u>
Change in Net Assets	2,044,802
Net Plan Assets Held in Trust for Pension Benefits	
Beginning - as Restated	<u>16,121,268</u>
Ending	<u>\$ 18,166,070</u>

The notes to the financial statements are an integral part of this statement.

CITY OF WEST CHICAGO, ILLINOIS

Notes to the Financial Statements December 31, 2010

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of West Chicago, Illinois, incorporated in 1849, is a municipal corporation governed by an elected Mayor and City Council. The City's major operations include public safety, highway and street maintenance and reconstruction, forestry, building, code enforcement, public improvements, economic development, planning and zoning, water, sanitation, commuter parking services, and general administrative services.

The government-wide financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989 (when applicable) that do not conflict with or contradict GASB Pronouncements. Although the City has the option to apply FASB pronouncements issued after that date to its business-type activities and enterprise funds, the City has chosen not to do so. The more significant of the City's accounting policies established in GAAP and used by the City are described below.

REPORTING ENTITY

The City's financial reporting entity comprises the following:

Primary Government:	City of West Chicago
Blended Component Unit:	Police Pension Employees Retirement System

In determining the financial reporting entity, the City complies with the provisions of GASB Statement No. 39, "Determining Whether Certain Organizations are Component Units – an Amendment of GASB Statement No. 14," and includes all component units that have a significant operational or financial relationship with the City.

Blended Component Units - Blended component units are separate legal entities that meet the component unit criteria described above and whose governing body is the same or substantially the same as the City Council or the Component unit provides services entirely to the City. The component unit fund is blended into those of the City's by appropriate activity type to compose the primary government presentation.

CITY OF WEST CHICAGO, ILLINOIS

**Notes to the Financial Statements
December 31, 2010**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

REPORTING ENTITY – Continued

Blended Component Unit

Police Pension Employees Retirement System

The City's sworn police employees participate in the Police Pension Employees Retirement System (PPERS). PPERS functions for the benefit of these employees and is governed by a five-member pension board. Two members appointed by the City's Mayor, one elected pension beneficiary and two elected police employees constitute the pension board. The participants are required to contribute a percentage of salary as established by state statute and the City is obligated to fund all remaining PPERS costs based upon actuarial valuations. The State of Illinois is authorized to establish benefit levels and the City is authorized to approve the actuarial assumptions used in the determination of contribution levels. Although it is legally separate from the City, the PPERS is reported as if it were part of the primary government because its sole purpose is to provide retirement benefits for the City's police employees. The PPERS is reported as a pension trust fund.

BASIS OF PRESENTATION

Government-Wide Statements

The City's basic financial statements include both government-wide (reporting the City as a whole) and fund financial statements (reporting the City's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type. The City's police, highway and street maintenance and reconstruction, forestry, building, code enforcement, public improvements, economic development, planning and zoning, and general administrative services are classified as governmental activities. The City's water, sewer and parking services are classified as business-type activities.

In the government-wide Statement of Net Assets, both the governmental and business-type activities columns are: (a) presented on a consolidated basis by column; and (b) reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The City's net assets are reported in three parts: invested in capital assets, net of related debt; restricted net assets; and unrestricted net assets. The City first utilizes restricted resources to finance qualifying activities.

CITY OF WEST CHICAGO, ILLINOIS

Notes to the Financial Statements December 31, 2010

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

BASIS OF PRESENTATION – Continued

Government-Wide Statements – Continued

The government-wide Statement of Activities reports both the gross and net cost of each of the City's functions and business-type activities (general government, public safety, water, sanitation, etc.) The functions are supported by general government revenues (property, sales and use taxes, certain intergovernmental revenues, fines, permits and charges, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, which 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.

The net costs (by function or business-type activity) are normally covered by general revenue (property tax, sales tax, intergovernmental revenues, interest income, etc).

The City allocates indirect costs paid from the General Fund to other funds for personnel who perform administrative services for those funds, along with other indirect costs deemed necessary for their operations.

This government-wide focus is more on the sustainability of the City as an entity and the change in the City's net assets resulting from the current year's activities.

Fund Financial Statements

The financial transactions of the City are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories. Nonmajor funds by category are summarized into a single column. GASB Statement No. 34 sets forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The City can electively add funds, as major funds, which either have debt outstanding or specific community focus. The nonmajor funds are combined in a column in the fund financial statements. A fund is considered major if it is the primary operating fund of the City or meets the following criteria:

Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and

CITY OF WEST CHICAGO, ILLINOIS

Notes to the Financial Statements December 31, 2010

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

BASIS OF PRESENTATION – Continued

Fund Financial Statements – Continued

Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The various funds are reported by generic classification within the financial statements. The following fund types are used by the City:

Governmental Funds

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the City:

The **General fund** is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund. The General Fund is a major fund.

Special revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The City maintains two major and two nonmajor special revenue funds. The two major funds are the Public Benefit Fund, which accounts for the accumulation of funds from Kerr McGee to fund projects that meet the criteria detailed in the City code and the TIF Special Tax Allocation #1 Fund, which accounts for the accumulation of funds from incremental revenue generated within the TIF #1 area.

Debt service funds are used to account for the accumulation of funds for the periodic payment of principal and interest on general long-term debt. The City maintains one nonmajor debt service fund, the Tax Increment Alternate Revenue Bonds Series 1998 Fund.

Capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by business-type/proprietary funds). The City maintains one major and one nonmajor capital projects fund. The Capital Improvement Fund, the major fund, accounts for utility taxes and a one-quarter percent home rule sales tax that are set aside for funding major capital improvements throughout the City.

Proprietary Funds

The focus of proprietary fund measurement is upon determination of operating income, changes in net assets, financial position, and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. The following is a description of the proprietary funds of the City:

CITY OF WEST CHICAGO, ILLINOIS

Notes to the Financial Statements December 31, 2010

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

BASIS OF PRESENTATION – Continued

Fund Financial Statements – Continued

Proprietary Funds – Continued

Enterprise funds are required to account for operations for which a fee is charged to external users for goods or services and the activity (a) is financed with debt that is solely secured by a pledge of the net revenues, (b) has third party requirements that the cost of providing services, including capital costs, be recovered with fees and charges, or (c) establishes fees and charges based on a pricing policy designed to recover similar costs.

The City maintains two major and one nonmajor enterprise funds; the major funds are the Waterworks and the Sewerage Fund. The Waterworks Fund is used to account for the provision of potable 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 and maintenance, financing and related debt service, billing and collection. The Sewerage Fund is used to account for the provision of wastewater treatment and collection 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 and maintenance, financing and related debt service, billing and collection.

Internal Service funds are used to account for the financing of goods or services provided by an activity to other departments, funds or component units of the City on a cost-reimbursement basis. The MIS Replacement Fund accounts for the City's IT equipment purchases, the costs of which are allocated out to the user funds/departments.

Fiduciary Funds

Fiduciary funds are used to report assets held in a trustee or agency capacity for others and therefore are not available to support City programs. The reporting focus is on net assets and changes in net assets and is reported using accounting principles similar to proprietary funds.

Pension trust funds are used to account for assets held in a trustee capacity for pension benefit payments. The Police Pension Fund accounts for the accumulation of resources to be used for disability and retirement annuity payments to employees covered by the plan.

Agency funds are used to account for assets held by the City in a purely custodial capacity. The Special Service Area Funds are used to account for the collection of property taxes within special service areas and payments of related special service area debt. The City is not obligated in any manner for the bonds, but rather is acting in an agent capacity.

CITY OF WEST CHICAGO, ILLINOIS

**Notes to the Financial Statements
December 31, 2010**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

BASIS OF PRESENTATION – Continued

Fund Financial Statements – Continued

Fiduciary Funds – Continued

The City’s fiduciary funds are presented in the fiduciary fund financial statements by type (pension trust and agency). Since by definition these assets are being held for the benefit of a third party (other local governments, private parties, pension participants, etc.) and cannot be used to address activities or obligations of the City, these funds are not incorporated into the government-wide statements.

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Measurement Focus

Measurement focus is a term used to describe “which” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

On the government-wide Statement of Net Assets and the Statement of Activities, both governmental and business-like activities are presented using the economic resources measurement focus as defined below.

In the fund financial statements, the “current financial resources” measurement focus or the “economic resources” measurement focus is used as appropriate.

All governmental funds utilize a “current financial resources” measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

All proprietary and pension trust funds utilize an “economic resources” measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net assets (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Proprietary and pension trust fund equity is classified as net assets.

Agency funds are not involved in the measurement of results of operations; therefore, measurement focus is not applicable to them.

CITY OF WEST CHICAGO, ILLINOIS

Notes to the Financial Statements December 31, 2010

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING – Continued

Basis of Accounting

In the government-wide Statement of Net Assets and Statement of Activities, both governmental and business-like activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when “measurable and available.” Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or within sixty days after year-end. The City recognizes property taxes when they become both measurable and available in accordance with GASB Codification Section P70.

A sixty day availability period is used for revenue recognition for all other governmental fund revenues. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are recognized when due.

In applying the susceptible to accrual concept under the modified accrual basis, those revenues susceptible to accrual are property taxes, sales and use taxes, franchise fees, interest revenue, and charges for services. All other revenues are not susceptible to accrual because generally they are not measurable until received in cash.

All proprietary, pension trust and agency funds utilize the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used.

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 City’s enterprise funds, are charges to customers for sales and services. The City also recognizes as operating revenue the portion of tap on fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

CITY OF WEST CHICAGO, ILLINOIS

Notes to the Financial Statements December 31, 2010

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY

Cash and Investments

Cash and cash equivalents on the Statement of Net Assets are considered to be cash on hand, demand deposits, and cash with fiscal agent. For the purpose of the proprietary funds “Statement of Cash Flows”, cash and cash equivalents are considered to be cash on hand, demand deposits, cash with fiscal agent, and all highly liquid investments with an original maturity of three months or less.

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.

Receivables

In the government-wide financial statements, receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable. Major receivables balances for governmental activities include property taxes, sales and use taxes, franchise fees, and grants. Business-type activities report utility charges as their major receivables.

Interfund Receivables, Payables and Activity

Interfund activity is reported as loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

Prepays/Inventories

Prepays/inventories are valued at cost, which approximates market, using the first-in/first-out (FIFO) method. The costs of governmental fund-type prepaids/inventories are recorded as expenditures when consumed rather than when purchased. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaids in both the government-wide and fund financial statements.

CITY OF WEST CHICAGO, ILLINOIS

**Notes to the Financial Statements
December 31, 2010**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY – Continued

Capital Assets

Capital assets purchased or acquired with an original cost of \$25,000 - \$30,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. General capital assets are long-lived assets of the City as a whole. Infrastructure such as streets and traffic signals are capitalized. The valuation basis for general capital assets are historical cost, or where historical cost is not available, estimated historical cost based on replacement costs.

Capital assets in the proprietary funds are capitalized in the fund in which they are utilized. The valuation bases for proprietary fund capital assets are the same as those used for the general capital assets. Donated capital assets are capitalized at estimated fair market value on the date donated.

Depreciation on all assets is computed and recorded using the straight-line method of depreciation over the following estimated useful lives:

Land Improvements	20 Years
Buildings	50 Years
Machinery and Equipment	5 – 15 Years
Vehicles	8 Years
Infrastructure	65 Years

Notes Receivable

The City issued a \$400,000 non-interest bearing note to the West Chicago Park District to help the District cover the local match for an OSLAD grant. The District is required to repay the note by June 30, 2011.

Compensated Absences

The City accrues accumulated unpaid vacation and associated employee-related costs when earned (or estimated to be earned) by the employee. In accordance with GASB Statement No. 16, no liability is recorded for nonvesting accumulation rights to receive sick pay benefits. However, a liability is recognized for that portion of accumulated sick leave that is estimated to be taken as “terminal leave” prior to retirement.

All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

CITY OF WEST CHICAGO, ILLINOIS

Notes to the Financial Statements December 31, 2010

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY – Continued

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, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

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

Unearned/Deferred Revenue

Governmental funds report unearned revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned.

Fund Equity

In the government-wide financial statements, equity is classified as net assets and displayed in three components:

Invested in capital assets, net of related debt—Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted net assets—Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislations.

Unrestricted net assets—All other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt”.

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

CITY OF WEST CHICAGO, ILLINOIS

Notes to the Financial Statements December 31, 2010

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

BUDGETARY INFORMATION

Budgets are adopted on a basis consistent with generally accepted accounting principles. Annual appropriations are adopted for the general, special revenue, debt service, capital projects, enterprise funds and internal service funds. All annual appropriations lapse at fiscal year end.

All departments of the City submit requests for appropriation to the City Administrator so that a budget may be prepared. The budget is prepared by fund, function, and activity, and includes information on the past year, current year estimates, and requested appropriations for the next fiscal year.

The proposed budget is presented to the governing body for review. The governing body holds a public hearing and may add to, subtract from, or change appropriations, but may not change the form of the budget.

The Budget Officer is authorized to transfer budgeted amounts between departments and line items within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the City Council. Expenditures may not legally exceed budgeted appropriations at the fund level. During the year, several supplementary appropriations were approved.

NOTE 3 – DETAIL NOTES ON ALL FUNDS

DEPOSITS AND INVESTMENTS

The City maintains a cash and investment pool that is available for use by all funds except the pension trust fund. Each fund type's portion of this pool is displayed on the financial statements as "cash 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.

Permitted Deposits and Investments - Statutes authorize the City to make deposits/invest in commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. Agencies, insured credit union shares, money market mutual funds with portfolios of securities issued or guaranteed by the United States or agreements to repurchase these same obligations, repurchase agreements, short-term commercial paper rated within the three highest classifications by at least two standard rating services and Illinois Funds. Pension fund may also invest in certain non-U.S. obligations, Illinois municipal corporation tax anticipation warrants, veteran's loans, obligations of the State of Illinois and its political subdivisions, Illinois insurance company general and separate accounts, mutual funds and equity securities.

CITY OF WEST CHICAGO, ILLINOIS

Notes to the Financial Statements December 31, 2010

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

The deposits and investments of the Pension Fund are held separately from those of other City funds. Statutes authorize the Pension Funds to make deposits/invest in interest bearing direct obligations of the United States of America; obligations that are fully guaranteed or insured as to the payment of principal and interest by the United States of America; bonds, notes, debentures, or similar obligations of agencies of the United States of America; savings accounts or certificates of deposit issued by banks or savings and loan associations chartered by the United States of America or by the State of Illinois, to the extent that the deposits are insured by the agencies or instrumentalities of the federal government; State of Illinois Bonds; pooled accounts managed by the Illinois Public Treasurer, or by banks, their subsidiaries or holding companies, in accordance with the laws of the State of Illinois; bonds or tax anticipation warrants of any county, township, or municipal corporation of the State of Illinois direct obligations of the State of Israel; money market mutual funds managed by investment companies that are registered under the federal Investment Company Act of 1940 and the Illinois Securities Law of 1953 and are diversified, open-ended management investment companies, provided the portfolio is limited to specified restrictions; general accounts of life insurance companies and separate accounts of life insurance companies provided the investment in separate accounts does not exceed ten percent of the pension fund's net assets.

Illinois Funds is an investment pool managed by the Illinois Public Treasurer's Office which allows governments within the State to pool their funds for investment purposes. Although not registered with the SEC, Illinois Funds does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in Illinois Funds are valued at the share price, the price for which the investment could be sold.

The Illinois Metropolitan Investment Fund (IMET) is a non-for-profit investment trust formed pursuant to the Illinois Municipal Code. IMET is managed by a Board of Trustees elected from the participating members. IMET is not registered with the SEC as an Investment Company. Investments in IMET are valued at the share price, the price for which the investment could be sold.

City Interest Rate Risk, Credit Risk, Custodial Credit Risk and Concentration Risk

Deposits and Investments. At year-end, the carrying amount of the City's deposits for governmental, business-type and agency activities totaled \$25,964,874 and the bank balances totaled \$26,104,454. Additionally, at year-end the City has \$1,026,837 invested in the Illinois Funds and \$17,346,415 invested in the Illinois Metropolitan Investment Fund.

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The City's investment policy states that the investment portfolio shall remain sufficiently liquid to enable the City to meet all operating requirements which may be reasonably anticipated in any City Fund. The average maturity for the Illinois Funds and the Illinois Metropolitan Investment Fund is less than one year.

CITY OF WEST CHICAGO, ILLINOIS

Notes to the Financial Statements December 31, 2010

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

City Interest Rate Risk, Credit Risk, Custodial Credit Risk and Concentration Risk – Continued

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Besides investing in instruments authorized under State Statute, the City's investment policy does not further limit investment choices. The City limits its exposure to credit risk by primarily investing in Illinois Funds and IMET which were both rated AAAM by Standard & Poor's.

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 to it. To limit its exposure, the City's investment policy states funds on deposit in excess of FDIC or Federal Savings and Loan Insurance Corporation limits must be secured by collateral. Acceptable collateral shall consist of any of the following: U.S. Government Securities, obligations of Federal Agencies, obligations of the State of Illinois, general obligations of Municipal Bonds rated "A" or better, and any other collateral identified by the Illinois State Statutes as acceptable for use by the Treasurer of the State of Illinois. At year-end, \$1,353,153 of the bank balance of deposits was not covered by federal depository or equivalent insurance. In the case of investments, this is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral. The City's investment policy does not specifically address custodial credit risk for investments. At year-end, the City's investment in the Illinois Funds and the Illinois Metropolitan Investment Trust are noncategorizable.

Concentration of Credit Risk. This is the risk of loss attributed to the magnitude of the City's investment in a single issuer. The City's investment policy states that the investment portfolio of the City shall not exceed the following limits:

- No financial institution shall hold more than 40% of the portfolio. This shall not include United States of America Securities held in safekeeping
- The Illinois Investment Pool shall not exceed 80% of the portfolio

At year-end, the City's investment in the Illinois Funds and the Illinois Metropolitan Investment Fund is over 5 percent of the total cash and investment portfolio.

Police Pension Fund Interest Rate Risk, Credit Risk, Custodial Credit Risk and Concentration Risk

Deposits. At year-end, the carrying amount of the Police Pension Fund's deposits totaled \$1,774,545 and the bank balances totaled \$1,777,185.

Investments. The fair value and maturities of the Fund's investments at year-end are as follows:

CITY OF WEST CHICAGO, ILLINOIS

**Notes to the Financial Statements
December 31, 2010**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

Police Pension Fund Interest Rate Risk, Credit Risk, Custodial Credit Risk and Concentration Risk – Continued

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1 to 5	6 to 10	Greater Than 10
U.S. Treasury Strips	\$ 1,344,259	\$ -	\$ -	\$ 823,191	\$ 521,068
Federal National Mortgage Assoc.	233,843	-	-	233,843	-
Federal Home Loan Mortgage Corp.	188,846	-	-	188,846	-
Zero Coupon Strips	575,220	-	-	575,220	-
IMET	333,381	333,381	-	-	-
	<u>\$ 2,675,549</u>	<u>\$ 333,381</u>	<u>\$ -</u>	<u>\$ 1,821,100</u>	<u>\$ 521,068</u>

Interest Rate Risk. In accordance with the Fund’s investment policy, the Fund limits its exposure to interest rate risk by structuring the portfolio to provide liquidity while at the same time matching investments with anticipated cash flow requirements.

Credit Risk. The Fund helps limit 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 Pension Fund’s investment policy establishes criteria for allowable investments; those criteria follow the requirements of the Illinois Pension Code. The investments in the securities of the U.S. Government agencies were all rated triple A by Standard & Poor’s and Moody’s Investor Services.

Custodial Credit Risk. At December 31, 2010, all of the Pension Fund’s deposits were covered by federal depository or equivalent insurance. The Pension Fund’s investment policy states that funds on deposit in excess of FDIC limits must be secured by collateral. The Pension Fund will accept any of the following assets as collateral: government securities, obligations of Federal Agencies, obligations of Federal Instrumentalities, and obligations of the State of Illinois. The amount of collateral provided will not be less than 110% of the fair market value of the net amount of public funds secured. Pledged collateral will be held in safekeeping, by an independent third party depository, or the Federal Reserve Bank of Chicago, designated by the Fund and evidenced by a safekeeping agreement. At December 31, 2010, the U.S. Government Securities are categorized as insured or registered with the Fund or its agent in the Fund’s name. Illinois Metropolitan Investment Funds, money market mutual funds, equity mutual funds, and insurance contracts are not subject to custodial credit risk disclosures. The Pension Fund’s investment policy requires that securities be held by a third party custodian designated by the Fund and evidenced by safekeeping receipts.

CITY OF WEST CHICAGO, ILLINOIS

**Notes to the Financial Statements
December 31, 2010**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

Police Pension Fund Interest Rate Risk, Credit Risk, Custodial Credit Risk and Concentration Risk – Continued

Concentration Credit Risk. At December 31, 2010, the Pension Fund has over 5% of net plan assets invested in various agency securities as indicated in the table above. Agency investments represent a large portion of the portfolio; however, the investments are diversified by maturity date and as mentioned earlier are backed by the issuing organization. Although unlike Treasuries, agency securities do not have the “full faith and credit” backing of the U.S. Government, they are considered to have a moral obligation of implicit backing and are supported by Treasury lines of credit and increasingly stringent federal regulation. In order to reduce the risk of default, the investment portfolio of the Pension Fund shall not exceed the following diversification limits unless specifically authorized by the Board of Trustees:

- Monies deposited at a financial institution shall not exceed 75% of the capital stock and surplus of that institution
- Commercial paper shall not exceed 10% of the Pension Fund’s investment portfolio
- Deposits in the Illinois Public Treasurer’s Investment Pool shall not exceed 50% of the Pension Fund’s investment portfolio
- Brokered certificates of deposit shall not exceed 25% of the Pension Fund’s investment portfolio

Additionally at year-end, the Pension Fund has \$7,012,797 invested in insurance contracts and has diversified its equity mutual fund holdings as follows:

American High Income Trust Class A	\$	754,481
Blackrock Equity		510,086
Columbia Acorn Fund A		301,808
Gabelli Utilities		246,420
Hartford Capital Appreciation Fund Class A		122,701
Invesco Floating Rate		976,464
Ivy Asset Strategy		504,558
Lord Abbett LC Growth		141,682
Lord Abbett Stock Appreciation Fund Class A		143,230
Lord Abbett Value Opportunities Fund Class A		298,876
Oppenheimer Developing Markets Fund Class A		404,371
Oppenheimer Equity Income Fund Class A		491,696
Oppenheimer International Fund Class A		137,641
Prudential Jennison		420,859
TA Index Growth Opportunity Class C		320,473
Templeton Foreign		527,214
Van Eck		395,640
		<u>6,698,200</u>

PROPERTY TAXES

Property taxes for 2010 attach as an enforceable lien on January 1, 2010, on property values assessed as of the same date. Taxes are levied by December of the subsequent fiscal year (by passage of a Tax Levy Ordinance). Tax bills are prepared by DuPage County and are payable in two installments, on or about June 1, 2011, and September 1, 2011. The County collects such taxes and remits them periodically.

CITY OF WEST CHICAGO, ILLINOIS

**Notes to the Financial Statements
December 31, 2010**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

CAPITAL ASSETS

Governmental Activities

Governmental capital asset activity for the year was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Capital Assets - Not Being Depreciated				
Land	\$ 15,860,640	\$ 5,157,140	\$ -	\$ 21,017,780
Land Right of Way	23,595,236	-	-	23,595,236
Construction in Progress	-	682,991	-	682,991
	<u>39,455,876</u>	<u>5,840,131</u>	<u>-</u>	<u>45,296,007</u>
Other Capital Assets				
Land Improvements	1,248,513	10,500	-	1,259,013
Buildings and Improvements	3,187,449	-	-	3,187,449
Machinery and Equipment	1,168,654	20,000	-	1,188,654
Vehicles	2,788,911	-	-	2,788,911
Infrastructure	69,223,064	4,123,994	-	73,347,058
	<u>77,616,591</u>	<u>4,154,494</u>	<u>-</u>	<u>81,771,085</u>
Less Accumulated Depreciation				
Land Improvements	485,521	62,951	-	548,472
Buildings and Improvements	1,450,906	63,749	-	1,514,655
Machinery and Equipment	692,958	79,244	-	772,202
Vehicles	2,096,235	348,614	-	2,444,849
Infrastructure	32,494,439	1,128,416	-	33,622,855
	<u>37,220,059</u>	<u>1,682,974</u>	<u>-</u>	<u>38,903,033</u>
Total Other Capital Assets	<u>40,396,532</u>	<u>2,471,520</u>	<u>-</u>	<u>42,868,052</u>
Total Capital Assets	<u>\$ 79,852,408</u>	<u>\$ 8,311,651</u>	<u>\$ -</u>	<u>\$ 88,164,059</u>

Depreciation expense was charged to governmental activities as follows:

General Government	\$ 63,448
Public Safety	69,339
Highways and Streets	1,546,316
Culture and Recreation	<u>3,871</u>
	<u>\$ 1,682,974</u>

CITY OF WEST CHICAGO, ILLINOIS

**Notes to the Financial Statements
December 31, 2010**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

CAPITAL ASSETS – Continued

Business-Type Activities

Business-type capital asset activity for the year was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Capital Assets - Not Being Depreciated				
Land	\$ 3,989,900	\$ 565,148	\$ -	\$ 4,555,048
Construction in Progress	294,231	757,790	-	1,052,021
	<u>4,284,131</u>	<u>1,322,938</u>	<u>-</u>	<u>5,607,069</u>
Other Capital Assets				
Land Improvements	1,514,118	-	-	1,514,118
Buildings	24,033,012	-	-	24,033,012
Infrastructure	41,121,398	-	-	41,121,398
Machinery and Equipment	17,632,991	118,634	-	17,751,625
Vehicles	222,899	-	-	222,899
	<u>84,524,418</u>	<u>118,634</u>	<u>-</u>	<u>84,643,052</u>
Less Accumulated Depreciation				
Land Improvements	513,828	75,706	-	589,534
Buildings	5,720,986	477,800	-	6,198,786
Infrastructure	9,899,274	634,837	-	10,534,111
Machinery and Equipment	11,548,365	1,183,441	-	12,731,806
Vehicles	249,543	27,863	-	277,406
	<u>27,931,996</u>	<u>2,399,647</u>	<u>-</u>	<u>30,331,643</u>
Total Other Capital Assets	<u>56,592,422</u>	<u>(2,281,013)</u>	<u>-</u>	<u>54,311,409</u>
Total Capital Assets	<u>\$ 60,876,553</u>	<u>\$ (958,075)</u>	<u>\$ -</u>	<u>\$ 59,918,478</u>

Depreciation expense was charged to business-type as follows:

Waterworks	\$ 1,301,710
Sewerage	1,072,745
Commuter Parking	<u>25,192</u>
	<u>\$ 2,399,647</u>

CITY OF WEST CHICAGO, ILLINOIS

**Notes to the Financial Statements
December 31, 2010**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund Balances

The composition of interfund balances as of the date of this report, is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Nonmajor Governmental	Capital Improvements	\$ 25,643
Capital Improvements	Nonmajor Governmental	<u>8,315</u>
		<u>\$ 33,958</u>

Interfund balances are advances in anticipation of receipts.

Interfund Advances

Interfund advances as of the date of this report are as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Public Benefit	TIF Special Tax Allocation #1	<u>\$ 986,267</u>

The interfund advance from the Public Benefit Fund is for the purchase of properties within the TIF District as part of future land improvement programs. A total of up to \$1.5 million dollars was approved by the City Council for lending to the TIF District for this purpose in lieu of selling additional bonds at a higher interest rate. The amounts will be repaid with interest as part of the agreement over the remaining years of the TIF District.

Interfund Transfers

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

CITY OF WEST CHICAGO, ILLINOIS

**Notes to the Financial Statements
December 31, 2010**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS – Continued

Interfund Transfers – Continued

Interfund transfers for the year consisted of the following:

Transfer In	Transfer Out	Amount
General	Public Benefit	\$ 50,000
TIF Special Tax Allocation #1	Nonmajor Governmental	181,777
Nonmajor Governmental	General	<u>210,000</u>
		<u>\$ 441,777</u>

LONG-TERM DEBT

General Obligation Alternate Revenue Bonds

The City has issued general obligation alternate revenue bonds where the City has pledged incremental property taxes, utility taxes and waterworks revenues for the payment of bond principal and interest. General Obligation Alternate revenue bonds are direct obligations and pledge the full faith and credit of the City. General Obligation Alternate revenue bonds currently outstanding are as follows:

Issue	Fund Debt Retired By	Beginning Balances	Issuances	Retirements	Ending Balances
General Obligation Alternate Revenue Refunding Bonds of 1998B (\$2,725,000), due in annual installments of \$60,000 to \$320,000, plus interest at 3.95% to 5.00% through December 1, 2012.	Debt Service	\$ 845,000	\$ -	\$ 845,000	\$ -
Waterworks General Obligation Alternate Revenue Source Bonds of 2002 (\$21,220,000), due in annual installments of \$765,000 to \$1,635,000, plus interest at 2.80% to 5.10% through January 1, 2022.	Waterworks	16,240,000	-	945,000	15,295,000
		<u>\$ 17,085,000</u>	<u>\$ -</u>	<u>\$ 1,790,000</u>	<u>\$ 15,295,000</u>

Note: Subsequent to the year ended December 31, 2010, the City retired the entire \$15,295,000 outstanding on the 2002 Waterworks General Obligation Alternate Revenue Source Bonds.

CITY OF WEST CHICAGO, ILLINOIS

**Notes to the Financial Statements
December 31, 2010**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

IEPA Revolving Loan

The City has entered into an agreement with the IEPA to provide low interest financing for waterworks and sewerage improvements. IEPA revolving loan currently outstanding are as follows:

Issue	Fund Debt Retired By	Beginning Balances	Issuances	Retirements	Ending Balances
IEPA Waterworks Revolving Loan (\$11,000,000), due in semi-annual installments of \$353,428, including interest at 2.57% through September 9, 2024.	Waterworks	\$ 8,752,286	\$ -	\$ 485,019	\$ 8,267,267

Long-Term Liability Activity

Changes in long-term liabilities during the fiscal year were as follows:

Type of Debt	Beginning Balances	Additions	Deductions	Ending Balances	Amounts Due within One Year
Governmental Activities					
Net Pension Obligation	\$ 1,777,777	\$ -	\$ 10,393	\$ 1,767,384	\$ -
Compensated Absences	1,062,877	84,129	168,258	978,748	195,750
General Obligation Bonds	845,000	-	845,000	-	-
Net Other Post-Employment Benefit Obligation	397,236	214,956	-	612,192	-
	<u>4,082,890</u>	<u>299,085</u>	<u>1,023,651</u>	<u>3,358,324</u>	<u>195,750</u>
Business-type Activities					
Compensated Absences	132,845	38,868	19,434	152,279	30,456
IEPA Revolving Loan	8,752,286	-	485,019	8,267,267	497,564
General Obligation Bonds	16,240,000	-	945,000	15,295,000	985,000
	<u>\$ 25,125,131</u>	<u>\$ 38,868</u>	<u>\$ 1,449,453</u>	<u>\$ 23,714,546</u>	<u>\$ 1,513,020</u>

CITY OF WEST CHICAGO, ILLINOIS

Notes to the Financial Statements December 31, 2010

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

Long-Term Liability Activity – Continued

For governmental activities the General Fund makes payments on the net pension obligation, net other post-employment benefit obligation and compensated absences. The Debt Service Fund makes payments on the general obligation bonds. For business-type activities, the Waterworks Fund makes payments on the IEPA revolving loan and general obligation bonds. Compensated absences are liquidated from the Waterworks and Sewerage Funds.

Noncommitment Debt

Special Service Area Bonds

Special service area bonds outstanding as of the date of this report totaled \$505,300. These bonds are not an obligation of the government and are secured by the levy of annual tax on the real property within the special service area. The government is in no way liable for repayment but is only acting as agent for the property owners in levying and collecting the tax, and forwarding the collections to bondholders.

Industrial Development Revenue Bonds

The City has issued Industrial Development Revenue Bonds (IDRB) to provide financial assistance to private organizations for the construction and acquisition of industrial and commercial facilities deemed to be in the public interest and to provide financing for low interest mortgages to qualified applicants. The bonds are secured solely by the property or mortgages financed and are payable solely from the payments received on the underlying mortgage loans on the property. The City is not obligated in any manner for the repayment of the bonds. Accordingly, the bonds outstanding are not recorded as a liability in these financial statements. As of December 31, 2010, there were two IDRBs outstanding. The aggregate principal amount payable for the bond series could not be determined; however, the original issue of the bonds totaled \$2,200,000 and \$7,800,000.

CITY OF WEST CHICAGO, ILLINOIS

**Notes to the Financial Statements
December 31, 2010**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

Debt Service Requirements to Maturity

The annual debt service requirements to maturity, including principal and interest, are as follows:

Fiscal Year Ending December 31	Business-Type Activities					
	General Obligation Alternate Revenue Bonds			IEPA Revolving Loan		
	Principal	Interest	Total	Principal	Interest	Total
2011	\$ 985,000	\$ 715,130	\$ 1,700,130	\$ 497,564	\$ 209,292	\$ 706,856
2012	1,025,000	671,659	1,696,659	510,433	196,423	706,856
2013	1,070,000	625,558	1,695,558	523,635	183,221	706,856
2014	1,115,000	576,384	1,691,384	537,179	169,677	706,856
2015	1,170,000	523,523	1,693,523	551,074	155,782	706,856
2016	1,225,000	466,628	1,691,628	565,327	141,529	706,856
2017	1,280,000	405,868	1,685,868	579,950	126,906	706,856
2018	1,345,000	341,219	1,686,219	594,950	111,906	706,856
2019	1,410,000	272,680	1,682,680	610,339	96,518	706,857
2020	1,480,000	200,060	1,680,060	626,125	80,731	706,856
2021	1,555,000	123,037	1,678,037	642,320	64,536	706,856
2022	1,635,000	41,692	1,676,692	658,933	47,923	706,856
2023	-	-	-	675,977	30,879	706,856
2024	-	-	-	693,461	13,393	706,854
Total	\$ 15,295,000	\$ 4,963,438	\$ 20,258,438	\$ 8,267,267	\$ 1,628,716	\$ 9,895,983

Legal Debt Margin

Article VII, Section 6(k) of the 1970 Illinois Constitution governs the computation of 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 which is thereafter approved by referendum...shall not be included in the foregoing percentage amounts.”

To date the Illinois General Assembly has set no limits for home rule municipalities. The City is a home rule municipality.

CITY OF WEST CHICAGO, ILLINOIS

**Notes to the Financial Statements
December 31, 2010**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

Legal Debt Margin

Article VII, Section 6(k) of the 1970 Illinois Constitution governs the computation of 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 which is thereafter approved by referendum...shall not be included in the foregoing percentage amounts.”

To date the Illinois General Assembly has set no limits for home rule municipalities. The City is a home rule municipality.

FUND BALANCE/NET ASSET RESTATEMENTS

The Police Pension Fund beginning plan net assets of \$15,927,536 were increased \$193,732 to reflect an error in recognition of investments, resulting in restated beginning plan net assets of \$16,121,268.

NET ASSETS CLASSIFICATIONS

Investment in capital assets – net of related debt, was comprised of the following as of December 31, 2010:

Governmental Activities		
Capital Assets - Net of Accumulated Depreciation		<u>\$ 88,164,059</u>
Business-Type Activities		
Capital Assets - Net of Accumulated Depreciation		59,918,478
Less Capital Related Debt:		
General Obligation Bonds	(15,295,000)	
IEPA Revolving Loan	(8,267,267)	<u>(23,562,267)</u>
Investment in Capital Assets - Net of Related Debt		<u>36,356,211</u>

CITY OF WEST CHICAGO, ILLINOIS

Notes to the Financial Statements December 31, 2010

NOTE 4 – OTHER INFORMATION

RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; natural disasters; and injuries to the City's employees. These risks are provided for through participation in the Intergovernmental Risk Management Agency (IRMA) and private insurance coverage. The City has purchased insurance from private insurance companies, covered risks included medical, dental, life, and other. Premiums have been displayed as expenditures/expenses in appropriate funds. There were no significant changes in insurance coverage from the prior year and settlements did not exceed insurance coverage in any of the past three fiscal years.

The City participates in the Intergovernmental Risk Management Agency (IRMA). IRMA is an organization of municipalities and special districts in Northeastern Illinois which have formed an association under the Illinois Intergovernmental Cooperation's Statute to pool their risk management needs. The agency administers a mix of self-insurance and commercial insurance coverages; property/casualty and workers' compensation claim administration/litigation management services; unemployment claim administration; extensive risk management/loss control consulting and training programs; and a risk information system and financial reporting service for its members.

The City's payments to IRMA are displayed on the financial statements as expenditures/expenses in appropriate funds. Each member assumes the first \$2,500 of each occurrence, and IRMA has a mix of self-insurance and commercial insurance at various amounts above that level. Each member appoints one delegate, along with an alternate delegate, to represent the member on the Board of Directors. The City does not exercise any control over the activities of the Agency beyond its representation on the Board of Directors. Initial contributions are determined each year based on the individual member's eligible revenue as defined in the by-laws of IRMA and experience modification factors based on past member loss experience. Members have a contractual obligation to fund any deficit of IRMA attributable to a membership year during which they were a member. Supplemental contributions may be required to fund these deficits.

CONTINGENT LIABILITIES

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 attorney, the resolution of these matters will not have a material adverse effect on the financial condition of the City.

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.

CITY OF WEST CHICAGO, ILLINOIS

Notes to the Financial Statements December 31, 2010

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS

The City contributes to two defined benefit pension plans, the Illinois Municipal Retirement Fund (IMRF), a defined benefit agent multiple-employer public employee retirement system; and the Police Pension Plan that is a single-employer pension plan. Separate, audited GAAP-basis financial statements for the Police Pension Plan can be obtained from the Treasurer of the Police Pension Plan at 475 Main Street, West Chicago, IL 60185. IMRF does issue a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole, but not by individual employer. That report may be obtained by writing to the Illinois Municipal Retirement Fund, 2211 York Road, Suite 500, Oak Brook, Illinois 60523. The benefit, benefit levels, employee contributions, and employer contributions are governed by Illinois Compiled Statutes and can only be amended by the Illinois General Assembly.

Plan Descriptions, Provisions and Funding Policies

Illinois Municipal Retirement System

All employees (other than those covered by the Police plan) hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. Pension benefits vest after eight years of service. Participating members who retire at or after age 60 with 8 years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3 percent of their final rate (average of the highest 48 consecutive months' earnings during the last 10 years) of earnings, for each year of credited service up to 15 years, and 2 percent for each year thereafter. IMRF also provides death and disability benefits. These benefit provisions and all other requirements are established by State Statute.

Employees participating in the plan are required to contribute 4.50 percent of their annual covered salary to IMRF. The employees' contribution rate is established by state statute. The City is required to contribute the remaining amount necessary to fund the IMRF plan as specified by statute. The employer rate for calendar year 2010 was 12.89 percent.

Police Pension Plan

The Police Pension Plan is a single-employer defined benefit pension plan that covers all sworn police personnel. Although this is a single-employer pension plan, the defined benefits and employee and employer contribution levels are governed by Illinois State Statutes and may be amended only by the Illinois legislature. The City accounts for the plan as a pension trust fund.

The following is a summary of the Police Pension Plan as provided for in Illinois State Statutes.

CITY OF WEST CHICAGO, ILLINOIS

**Notes to the Financial Statements
December 31, 2010**

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Plan Descriptions, Provisions and Funding Policies – Continued

Police Pension Plan – Continued

The Police Pension Plan provides retirement benefits as well as death and disability benefits. Covered employees attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive an annual retirement benefit of one-half of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The pension shall be increased by 2.5% of such salary for each additional year of service over 20 years 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 benefit 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% compounded annually thereafter.

Covered employees are required to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The City is required to contribute the remaining amounts necessary to finance the plan, including administrative costs, as actuarially determined by an enrolled actuary. By the year 2033 the City's contributions must accumulate to the point where the past service cost for the Police Pension Plan is fully funded.

At fiscal year end the Police Pension Plan membership consisted of:

Retirees and Beneficiaries Currently Receiving Benefits and Terminated Employees Entitled to Benefits but not yet Receiving Them	27
Current Employees	
Vested	31
Nonvested	<u>17</u>
	<u><u>75</u></u>

CITY OF WEST CHICAGO, ILLINOIS

**Notes to the Financial Statements
December 31, 2010**

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Summary of Significant Accounting Policies and Plan Asset Matters

Basis of Accounting

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

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.

Significant Investments

There are no investments (other than U.S. Government and U.S. Government-guaranteed obligations) in the police pension fund that represent 5 percent or more of net assets available for benefits for the Police Pension Fund.

Related Party Transactions

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

Annual Pension Cost and Net Pension Obligation

The annual pension cost for the current year and related plan information is as follows:

	<u>Police Pension</u>
Annual Required Contribution	\$ 1,224,126
Interest on Net Pension Obligation	124,445
Adjustment to Annual Required Contribution	<u>(103,964)</u>
Annual Pension Cost	1,244,607
Actual Contribution	<u>1,255,000</u>
Decrease to the NPO	(10,393)
NPO - Beginning of Year	<u>1,777,777</u>
NPO - End of Year	<u><u>1,767,384</u></u>

CITY OF WEST CHICAGO, ILLINOIS

**Notes to the Financial Statements
December 31, 2010**

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Annual Pension Cost and Net Pension Obligation – Continued

The pension liability was determined in accordance with GASB Statement No. 27, “Accounting for Pensions by State and Local Governmental Employers.” There is no net pension obligation for the IMRF plan. The pension liability (asset) for the Police Pension Plan is as follows:

	Illinois Municipal Retirement	Police Pension
Contribution Rates		
Employer	12.89%	23.30%
Employee	4.50%	9.91%
Actuarial Valuation Date	12/31/2010	12/31/2010
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Amortization Method	Level %of Projected Payroll Open Basis	Level %of Projected Payroll Closed Basis
Remaining Amortization Period	30 Years	27 Years
Asset Valuation Method	5-Year Smoothed Market	5-Year Smoothed Market
Actuarial Assumptions		
Investment Rate of Return	7.50% Compounded Annually	7.00% Compounded Annually
Projected Salary Increases	.4 to 10.0%	1.12% to 4.86%
Inflation Rate Included	4.00%	2.50%
Cost-of-Living Adjustments	3.00%	3.00%

CITY OF WEST CHICAGO, ILLINOIS

**Notes to the Financial Statements
December 31, 2010**

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Trend Information

Employer annual pension cost (APC), actual contributions and the net pension obligation (NPO) are as follows. The NPO is the cumulative difference between the APC and the contributions actually made.

	Year	Illinois Municipal Retirement	Police Pension
Annual Pension Cost (APC)	2008	\$ 530,641	\$ 625,609
	2009	589,855	1,124,913
	2010	666,310	1,244,607
Actual Contributions	2008	\$ 530,641	\$ 666,667
	2009	589,855	1,007,957
	2010	666,310	1,255,000
Percentage of APC Contributed	2008	100.00%	106.56%
	2009	100.00%	89.60%
	2010	100.00%	100.84%
Net Pension Obligation	2008	\$ -	\$ 1,660,821
	2009	-	1,777,777
	2010	-	1,767,384

CITY OF WEST CHICAGO, ILLINOIS

**Notes to the Financial Statements
December 31, 2010**

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Funded Status and Funding Progress

The City's funded status for the current year and related information for each plan is as follows:

	Illinois Municipal Retirement	Police Pension
Actuarial Valuation Date	12/31/10	12/31/10
Percent Funded	69.45%	60.39%
Actuarial Accrued Liability for Benefits	\$12,882,498	\$29,029,839
Actuarial Value of Assets	\$8,779,713	\$17,531,439
Over (Under) Funded Actuarial Accrued Liability (UAAL)	(\$4,102,785)	(\$11,498,400)
Covered Payroll (Annual Payroll of Active Employees Covered by the Plan)	\$5,169,204	\$3,591,014
Ratio of UAAL to Covered Payroll	79.37%	320.20%

The schedule of funding progress, presented as Required Supplementary Information (RSI) following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

CITY OF WEST CHICAGO, ILLINOIS

**Notes to the Financial Statements
December 31, 2010**

NOTE 4 – OTHER INFORMATION – Continued

OTHER POST-EMPLOYMENT BENEFITS

Plan Descriptions, Provisions, and Funding Policies

In addition to providing the pension benefits described, the City provides post-employment health care insurance benefits (OPEB) for its eligible retired employees through a single employer defined benefit plan. The benefits, benefit levels, employee contributions and employer contributions are governed by the City and can be amended by the City through its personnel manual and union contracts. The plan is not accounted for as a trust fund, as an irrevocable trust has not been established to account for the plan. The plan does not issue a separate report. The activity of the plan is reported in the City's General Fund.

The City provides post-employment health care benefits to its retirees. To be eligible for benefits, an employee must qualify for retirement under one of the City's retirement plans.

All health care benefits are provided through the City's health insurance plan. The benefit levels are the same as those afforded to active employees. Benefits include general inpatient and outpatient medial services; mental, nervous, and substance abuse care; vision care; dental care; and prescriptions. Upon a retiree reaching 65 years of age, Medicare becomes the primary insurer and the City's plan becomes secondary.

All retirees contribute 10% of the actuarially determined premium to the plan up until age 70. For the fiscal year ending December 31, 2010, retirees contributed \$149,318. Active employees do not contribute to the plan until retirement. Effective, May 1, 2007, new non-police employees are not eligible to participate in this program.

At December 31, 2008, the date of the most recent actuarial valuation, membership consisted of:

Retirees and Beneficiaries Currently Receiving Benefits and Terminated Employees Entitled to Benefits but not yet Receiving Them	21
Active Employees	<u>79</u>
Total	<u>100</u>
Participating Employers	1

The City does not currently have a funding policy.

CITY OF WEST CHICAGO, ILLINOIS

**Notes to the Financial Statements
December 31, 2010**

NOTE 4 – OTHER INFORMATION – Continued

OTHER POST-EMPLOYMENT BENEFITS – Continued

Annual OPEB Costs and Net OPEB Obligation

The net OPEB obligation (NOPEBO) as of December 31, 2010, was calculated as follows:

	<u>NOPEBO</u>
Annual Required Contribution	\$ 354,343
Interest on the NOPEBO	19,862
Adjustment to the ARC	<u>(9,931)</u>
Annual OPEB Cost	364,274
Actual Contribution	<u>149,318</u>
Increase in the NPO	214,956
NOPEBO - Beginning of Year	<u>397,236</u>
NOPEBO - End of Year	<u><u>612,192</u></u>

Trend Information

The City’s annual OPEB cost, actual contributions, the percentage of annual OPEB cost contributed and the net OPEB obligation are as follows:

Fiscal Year	Annual OPEB Cost	Actual Contributions	Percentage of OPEB Cost Contributed	Net OPEB Obligation
2008	\$ 334,976	\$ 140,866	42.05%	\$ 194,110
2009	343,992	140,866	40.95%	397,236
2010	364,274	149,318	40.99%	612,192

CITY OF WEST CHICAGO, ILLINOIS

Notes to the Financial Statements December 31, 2010

NOTE 4 – OTHER INFORMATION – Continued

OTHER POST-EMPLOYMENT BENEFITS – Continued

Annual OPEB Costs and Net OPEB Obligation – Continued

Funded Status and Funding Progress

The funded status of the plan as of December 31, 2008, the date of the latest actuarial valuation, was as follows:

Actuarial Accrued Liability (AAL)	\$ 4,759,755
Actuarial Value of Plan Assets	-
Unfunded Actuarial Accrued Liability (UAAL)	4,759,755
Funded Ratio (actuarial value of plan assets/AAL)	-
Covered Payroll (active plan members)	6,472,339
UAAL as a percentage of covered payroll	73.54%

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 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. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and 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 plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

CITY OF WEST CHICAGO, ILLINOIS

**Notes to the Financial Statements
December 31, 2010**

NOTE 4 – OTHER INFORMATION – Continued

OTHER POST-EMPLOYMENT BENEFITS – Continued

Actuarial Methods and Assumptions – Continued

In the December 31, 2008 actuarial valuation the entry age actuarial cost method was used. The actuarial assumptions included a 5.0% investment rate of return (net of administrative expenses and including a 3.0% inflation assumption) and an annual healthcare cost trend rate of 8.0%, with an ultimate rate of 6%. Both The actuarial value of assets was not determined as the City has not advance funded its obligation. The plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at December 31, 2010, was 28 years.

REQUIRED SUPPLEMENTARY INFORMATION

Required supplementary information includes financial information and disclosures that are required by the GASB but are not considered a part of the basic financial statements. Such information includes:

- **Schedule of Funding Progress and Employer Contributions**
 - **Illinois Municipal Retirement Fund**
 - **Police Pension Fund**
 - **Other Post-Employment Benefit Plan**

- **Budgetary Comparison Schedules**
 - **General Fund**
 - **Public Benefit – Special Revenue Fund**
 - **TIF Special Tax Allocation #1 – Special Revenue Fund**

Notes to the Required Supplementary Information

Budgetary Information – Budgets are adopted on a basis consistent with generally accepted accounting principles.

CITY OF WEST CHICAGO, ILLINOIS

Illinois Municipal Retirement Fund

**Required Supplementary Information
Schedule of Funding Progress and Employer Contributions
December 31, 2010**

Funding Progress

Actuarial Valuation Date Dec. 31	(1) Actuarial Value of Plan Assets	(2) Actuarial Accrued Liability (AAL) - Entry Age	(3) Funded Ratio (1) ÷ (2)	(4) Unfunded (Overfunded) Actuarial Accrued Liability (2) - (1)	(5) Annual Covered Payroll	(6) Unfunded (Overfunded) Actuarial Accrued Liability as a Percentage of Covered Payroll (4) ÷ (5)
2005	\$ 9,430,953	\$ 11,771,270	80.12%	\$ 2,340,317	\$ 4,979,611	47.00%
2006	9,008,286	11,200,406	80.43%	2,192,120	4,923,224	44.53%
2007	9,763,633	12,415,658	78.64%	2,652,025	6,008,273	44.14%
2008	8,402,455	12,585,769	66.76%	4,183,314	5,259,079	79.54%
2009	9,209,678	13,260,949	69.45%	4,051,271	5,275,984	76.79%
2010	8,779,713	12,882,498	68.15%	4,102,785	5,169,204	79.37%

Employer Contributions

Calendar Year	Employer Contributions	Annual Required Contribution	Percent Contributed
2005	\$ 626,933	\$ 626,933	100.00%
2006	622,788	622,788	100.00%
2007	728,116	728,116	100.00%
2008	530,641	530,641	100.00%
2009	589,855	589,855	100.00%
2010	666,310	666,310	100.00%

CITY OF WEST CHICAGO, ILLINOIS

Police Pension Fund

**Required Supplementary Information
Schedule of Funding Progress and Employer Contributions
December 31, 2010**

Funding Progress

Actuarial Valuation Date	(1) Actuarial Value of Plan Assets	(2) Actuarial Liability (AAL) - Entry Age	(3) Funded Ratio (1) ÷ (2)	(4) Unfunded (Overfunded) Actuarial Liability (2) - (1)	(5) Annual Covered Payroll	(6) Unfunded (Overfunded) Actuarial Accrued Liability as a Percentage of Covered Payroll (4) ÷ (5)
4/30/06	\$ 13,533,809	\$ 21,161,075	63.96%	\$ 7,627,266	\$ 2,881,161	264.73%
4/30/07	15,208,228	22,281,378	68.26%	7,073,150	2,985,785	236.89%
4/30/08	14,901,493	22,087,974	67.46%	7,186,481	3,449,980	208.31%
12/31/08*	16,406,961	25,328,066	64.78%	8,921,105	3,443,969	259.04%
12/31/09	16,073,611	26,877,186	59.80%	10,803,575	3,638,672	296.91%
12/31/10	17,531,439	29,029,839	60.39%	11,498,400	3,591,014	320.20%

Employer Contributions

Fiscal Year Ended	Employer Contributions	Annual Required Contribution	Percent Contributed
4/30/06	\$ 715,550	\$ 685,350	104.41%
4/30/07	845,944	791,712	106.85%
4/30/08	803,772	883,855	90.94%
12/31/08*	666,802	647,551	102.97%
12/31/09	1,007,957	1,108,550	90.93%
12/31/10	1,255,000	1,224,126	102.52%

* Eight months ended December 31, 2008

CITY OF WEST CHICAGO, ILLINOIS

Other Post-Employment Benefit Plan

**Required Supplementary Information
Schedule of Funding Progress and Employer Contributions
December 31, 2010**

Funding Progress

Actuarial Valuation Date	(1) Actuarial Value of Plan Assets	(2) Actuarial Liability (AAL) - Entry Age	(3) Funded Ratio (1) ÷ (2)	(4) Unfunded (Overfunded) Actuarial Liability (2) - (1)	(5) Annual Covered Payroll	(6) Unfunded (Overfunded) Actuarial Liability as a Percentage of Covered Payroll (4) ÷ (5)
2005	\$ N/A	\$ N/A	N/A	\$ N/A	\$ N/A	N/A
2006	N/A	N/A	N/A	N/A	N/A	N/A
2007	N/A	N/A	N/A	N/A	N/A	N/A
2008	-	4,759,755	-	4,759,755	6,472,339	73.54%
2009	N/A	N/A	N/A	N/A	N/A	N/A
2010	N/A	N/A	N/A	N/A	N/A	N/A

Employer Contributions

Fiscal Year Ended	Employer Contributions	Annual Required Contribution	Percent Contributed
4/30/06	\$ N/A	\$ N/A	N/A
4/30/07	N/A	N/A	N/A
4/30/08	N/A	N/A	N/A
12/31/08*	140,866	334,976	42.05%
12/31/09	140,866	334,286	42.14%
12/31/10	149,318	354,343	42.14%

* Eight months ended December 31, 2008

The City Implemented GASB Statement No. 45 for the fiscal year ended December 31, 2008. Information for other years is not available. The City is required to have the actuarial valuation performed triennially.

CITY OF WEST CHICAGO, ILLINOIS

General Fund

**Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Year Ended December 31, 2010**

	Budget		Actual
	Original	Final	
Revenues			
Taxes	\$ 4,795,000	\$ 4,752,000	\$ 4,756,059
Intergovernmental	6,094,100	6,074,100	6,542,723
Charges for Services	1,676,000	1,716,000	1,891,127
Licenses and Permits	390,000	390,000	456,361
Fines and Forfeitures	875,000	875,000	1,042,292
Interest Income	250,000	150,000	115,353
Miscellaneous	358,000	258,000	488,453
Total Revenues	<u>14,438,100</u>	<u>14,215,100</u>	<u>15,292,368</u>
Expenditures			
General Government	6,585,300	7,760,400	7,386,952
Public Safety	8,761,600	8,761,600	8,524,634
Culture and Recreation	130,000	130,000	131,438
Total Expenditures	<u>15,476,900</u>	<u>16,652,000</u>	<u>16,043,024</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,038,800)</u>	<u>(2,436,900)</u>	<u>(750,656)</u>
Other Financing Sources (Uses)			
Transfers In	50,000	50,000	50,000
Transfers Out	-	(210,000)	(210,000)
	<u>50,000</u>	<u>(160,000)</u>	<u>(160,000)</u>
Net Change in Fund Balance	<u>\$ (988,800)</u>	<u>\$ (2,596,900)</u>	<u>(910,656)</u>
Fund Balance - Beginning			<u>13,555,905</u>
Fund Balance - Ending			<u>\$ 12,645,249</u>

CITY OF WEST CHICAGO, ILLINOIS

Public Benefit - Special Revenue Fund

**Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
Year Ended December 31, 2010**

	Budget		Actual
	Original	Final	
Revenues			
Interest Income	\$ 150,000	\$ 120,000	\$ 71,147
Miscellaneous	-	-	650,000
Total Revenues	150,000	120,000	721,147
Expenditures			
General Government			
Contractual Services	461,000	511,000	425,255
Capital Outlay			
Building and Grounds Improvement	175,000	195,000	27,133
Other Capital Outlay	200,000	200,000	-
Land	-	5,000,000	5,000,895
Total Expenditures	836,000	5,906,000	5,453,283
Excess (Deficiency) of Revenues Over (Under) Expenditures	(686,000)	(5,786,000)	(4,732,136)
Other Financing (Uses)			
Transfers Out	(50,000)	(50,000)	(50,000)
Net Change in Fund Balance	\$ (736,000)	\$ (5,836,000)	(4,782,136)
Fund Balance - Beginning			7,114,480
Fund Balance - Ending			\$ 2,332,344

CITY OF WEST CHICAGO, ILLINOIS

TIF Special Tax Allocation #1 - Special Revenue Fund

**Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Year Ended December 31, 2010**

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ 775,000	\$ 775,000	\$ 897,976
Interest Income	25,000	10,000	5,157
Miscellaneous	3,000	3,000	5,941
Total Revenues	<u>803,000</u>	<u>788,000</u>	<u>909,074</u>
Expenditures			
General Government	710,200	935,200	367,707
Debt Service			
Interest and Fiscal Charges	90,000	90,000	42,471
Total Expenditures	<u>800,200</u>	<u>1,025,200</u>	<u>410,178</u>
Ecess (Deficiency) of Revenues Over (Under) Expenditures	2,800	(237,200)	498,896
Other Financing Sources			
Transfers In	-	-	181,777
Net Change in Fund Balance	<u>\$ 2,800</u>	<u>\$ (237,200)</u>	680,673
Fund Balance - Beginning			<u>(2,926)</u>
Fund Balance - Ending			<u>\$ 677,747</u>

OTHER SUPPLEMENTARY INFORMATION

Other supplementary information includes financial statements and schedules not required by the GASB, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

Such statements and schedules include:

- Budgetary Comparison Schedules – Major Governmental Funds
- Combining Statements – Nonmajor Governmental Funds
- Budgetary Comparison Schedules – Nonmajor Governmental Funds
- Budgetary Comparison Schedules – Enterprise Funds
- Budgetary Comparison Schedule – Internal Service Fund
- Combining Statement – Agency Funds

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

GENERAL FUND

The General Fund, a major fund, accounts for all financial resources except those required to be accounted for in another fund.

SPECIAL REVENUE FUNDS

The Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than fiduciary funds or capital projects funds) that are legally restricted to expenditure for specified purposes.

Public Benefit Fund

The Public Benefit Fund, a major fund, accounts for the accumulation of funds from Kerr McGee to fund the public portion of certain improvements.

TIF Special Tax Allocation Fund #1

The TIF Special Tax Allocation #1 Fund, a major fund, accounts for the accumulation of funds from incremental revenue generated within the TIF #1 area.

TIF Special Tax Allocation Fund #2

The TIF Special Tax Allocation #2 Fund, a nonmajor fund, accounts for the accumulation of funds from incremental revenue generated within the TIF #2 area.

Other Special Service Areas Fund

The Other Special Service Areas Fund, a nonmajor fund, accounts for the specific tax levies and related costs of the City's other special service areas.

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

DEBT SERVICE FUND

The Debt Service Fund, a nonmajor fund, accounts for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

Tax Increment Alternate Revenue Bonds Series 1998 Fund

The Tax Increment Alternate Revenue Bonds Series 1998 Fund, a nonmajor fund, accounts for the collection of taxes and repayment of the Tax Increment Alternate Revenue Bonds.

CAPITAL PROJECTS FUNDS

Capital Projects Funds are created to account for all resources used for the acquisition of capital facilities by a governmental unit except those financed by Proprietary Funds.

Capital Improvement Fund

The Capital Improvement Fund, a major fund, accounts for utility taxes that are set aside for funding major capital improvements throughout the City.

Capital Equipment Replacement Fund

The Capital Equipment Replacement Fund, a nonmajor fund accounts for funds set aside by the City Council during the budget process and costs allocated to user departments for future capital fleet purchases.

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

ENTERPRISE FUNDS

Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent is that costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or where it has been decided that periodic determination of revenues earned, expenses incurred and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purpose.

Waterworks Fund

The Waterworks Fund, a major fund, is used to account for the provision of potable water and water treatment 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 and maintenance, financing and related debt service, billing and collection.

Sewerage Fund

The Sewerage Fund, a major fund, is used to account for the provision of sewer repair, treatment, and improvement 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 and maintenance, financing and related debt service, billing and collection.

Commuter Parking Fund

The Commuter Parking Fund, a nonmajor fund, was established to account for commuter parking facilities operated by the City that are financed by user fees.

INTERNAL SERVICE FUND

Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies other governmental unit, or to other governmental units, on a cost-reimbursement basis.

MIS Replacement Fund

The MIS Replacement Fund accounts for the City's MIS equipment purchases, the costs of which are allocated out to the user funds/departments.

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

TRUST AND AGENCY FUNDS

PENSION TRUST FUNDS

Police Pension Fund

The Police Pension Fund is used to account for the accumulation of resources to be used for retirement annuity payments to employees on the police force at appropriate amounts and times in the future. Resources are contributed by employees at rates fixed by law and by the City at amounts determined by an annual actuarial study.

AGENCY FUNDS

Special Service Area #s 17, 18 & 20 Funds

These Special Service Area Funds are used to account for the collection of taxes levied against benefited property owners and remittance of those taxes to bond holders. The City is not obligated in any manner for the bonds, but rather is acting in an agent capacity.

CITY OF WEST CHICAGO, ILLINOIS

General Fund

**Schedule of Revenues - Budget and Actual
Year Ended December 31, 2010**

	Budget		Actual
	Original	Final	
Taxes			
Property Taxes	\$ 3,315,000	\$ 3,285,000	\$ 3,384,281
Telecommunications Tax	1,300,000	1,300,000	1,141,848
Amusement Tax	30,000	17,000	58,703
Personal Property Replacement Tax	150,000	150,000	171,227
	<u>4,795,000</u>	<u>4,752,000</u>	<u>4,756,059</u>
Intergovernmental			
Sales Tax	2,750,000	2,750,000	2,962,468
Income Tax	2,100,000	2,100,000	2,112,444
MFT Allotments	690,000	690,000	708,792
Use Tax	340,000	320,000	363,176
Grants	214,100	214,100	395,843
	<u>6,094,100</u>	<u>6,074,100</u>	<u>6,542,723</u>
Charges for Services			
Brush Collection Fees	75,000	75,000	76,685
Weed Cutting Fees	-	-	12,935
Business Registration	18,000	18,000	22,250
Police Counter Service	10,000	10,000	12,822
Police Contractual Services	250,000	250,000	252,309
Police Towing	258,000	258,000	230,290
False Alarm Fees	15,000	15,000	19,500
Change of Occupancy Fees	35,000	35,000	53,368
Rental Inspections	80,000	80,000	134,689
Plan Review Fees	20,000	20,000	14,875
Engineering Fees	150,000	75,000	109,102
Transfer Station Fees	450,000	565,000	578,251
Property Rental	120,000	120,000	135,524
Tower Rental Fees	25,000	25,000	44,136
Cable Franchise Fee	170,000	170,000	194,391
	<u>1,676,000</u>	<u>1,716,000</u>	<u>1,891,127</u>

CITY OF WEST CHICAGO, ILLINOIS

General Fund

**Schedule of Revenues - Budget and Actual - Continued
Year Ended December 31, 2010**

	Budget		Actual
	Original	Final	
Licenses and Permits			
Building Permits	\$ 210,000	\$ 210,000	\$ 255,254
Building Contractors Licenses	25,000	25,000	31,310
Oversize Truck Permits	15,000	15,000	15,875
Liquor Licenses	85,000	85,000	88,086
Vending Machine/Business Licenses	55,000	55,000	62,630
Other Licenses and Permits	-	-	3,206
	<u>390,000</u>	<u>390,000</u>	<u>456,361</u>
Fines and Forfeits			
Circuit Court Fines	525,000	525,000	407,065
Local Fines	350,000	350,000	628,293
Seizures	-	-	6,934
	<u>875,000</u>	<u>875,000</u>	<u>1,042,292</u>
Interest			
Interest Income	250,000	150,000	115,353
Miscellaneous			
Cemetery Lot Sales	25,000	25,000	56,475
Other Reimbursements	60,000	60,000	121,901
Health Insurance Reimbursements	140,000	140,000	160,469
IPBC and IRMA Revenue	100,000	-	-
Other Miscellaneous	33,000	33,000	149,608
	<u>358,000</u>	<u>258,000</u>	<u>488,453</u>
Total Revenues	<u>\$ 14,438,100</u>	<u>\$ 14,215,100</u>	<u>\$ 15,292,368</u>

CITY OF WEST CHICAGO, ILLINOIS

General Fund

**Schedule of Expenditures - Budget and Actual
Year Ended December 31, 2010**

	Budget		Actual
	Original	Final	
General Government			
Legislative	\$ 180,000	\$ 250,000	\$ 480,265
Administration	495,700	1,131,900	801,602
Administrative Services	2,290,000	2,349,000	2,200,120
Public Works	2,510,900	2,856,300	2,688,029
Community Development	1,108,700	1,173,200	1,216,936
	<u>6,585,300</u>	<u>7,760,400</u>	<u>7,386,952</u>
Public Safety			
Police Department	<u>8,761,600</u>	<u>8,761,600</u>	<u>8,524,634</u>
Culture and Recreation			
Museum and Cultural Services	<u>130,000</u>	<u>130,000</u>	<u>131,438</u>
Total Expenditures	<u>\$ 15,476,900</u>	<u>\$ 16,652,000</u>	<u>\$ 16,043,024</u>

CITY OF WEST CHICAGO, ILLINOIS

General Fund

**Schedule of Detailed Expenditures - Budget and Actual
Year Ended December 31, 2010**

	Budget		Actual
	Original	Final	
General Government			
Legislative			
Personal Services			
Salary of Alderman	\$ 33,600	\$ 33,600	\$ 25,950
Salary of Mayor	15,000	15,000	15,000
Salary of Corporate Counsel	3,000	3,000	3,000
Salary of City Clerk	4,500	4,500	4,500
Salary of Deputy City Clerk	400	400	150
IMRF and FICA	4,100	4,100	3,489
Insurance Reserves	-	-	310,574
Contractual Services			
Legal Fees	50,000	120,000	68,914
Consultants	2,000	2,000	-
Training and Tuition	4,000	4,000	105
Memberships/Dues/Subscriptions	30,000	30,000	28,070
Legal Notices	2,000	2,000	858
Telephone and Alarms	2,400	2,400	2,048
Printing and Binding	10,000	10,000	2,987
Legal Reporter Fees	1,000	1,000	203
Other Contractual Services	1,000	1,000	-
Commodities			
IRMA General Insurance	2,500	2,500	2,500
Computer and Office Supplies	800	800	249
Postage	200	200	-
Miscellaneous Commodities	3,000	3,000	1,482
Grant Distribution	10,000	10,000	10,000
Other Charges	500	500	186
Total Legislative	180,000	250,000	480,265

CITY OF WEST CHICAGO, ILLINOIS

General Fund

**Schedule of Detailed Expenditures - Budget and Actual
Year Ended December 31, 2010**

	Budget		Actual
	Original	Final	
General Government - Continued			
Administration			
Personal Services			
Administrative Salaries	\$ 196,400	\$ 196,400	\$ 190,581
Overtime	800	800	51
IMRF and FICA	40,800	40,800	36,153
ICMA	9,800	9,800	10,166
Contractual Services			
Legal Fees	12,200	25,200	14,049
Newsletter Preparation	35,000	35,000	28,462
Training and Tuition	6,500	8,700	4,000
Memberships/Dues/Subscriptions	3,800	3,800	2,463
Software Maintenance	1,500	1,500	598
Telephone and Alarms	7,500	7,500	6,798
Electric	-	-	685
Printing and Binding	2,500	2,500	1,905
Advertising	15,000	15,000	10,218
Other Contractual Services	68,000	539,000	338,427
Commodities			
IRMA General Insurance	6,600	6,600	6,600
Sales Tax Rebate	75,000	225,000	141,546
Telephone Repair	300	300	200
Office Equipment Repairs	200	200	-
Computer and Office Supplies	700	700	247
Gas and Oil	2,000	2,000	1,859
Postage	100	100	-
Miscellaneous Commodities	500	500	12
Special Events	500	500	505
Prospect Development	2,000	2,000	870
Other Charges	3,000	3,000	207
Capital Outlay			
MIS Replacement	5,000	5,000	5,000
Total Administration	495,700	1,131,900	801,602

CITY OF WEST CHICAGO, ILLINOIS

General Fund

**Schedule of Detailed Expenditures - Budget and Actual
Year Ended December 31, 2010**

	Budget		Actual
	Original	Final	
General Government - Continued			
Administrative Services			
Personal Services			
Salary of Treasurer	\$ 4,500	\$ 4,500	\$ 4,500
Administrative Salaries	382,000	382,000	398,432
Administrative Salaries - Overtime	300	300	-
IMRF and FICA	79,200	79,200	80,141
ICMA	5,900	5,900	235
Health/Dental/Life Insurance	1,448,000	1,448,000	1,380,185
Contractual Services			
Legal Fees	53,000	112,000	119,683
Audit Fees	17,500	17,500	16,625
Data Processing	6,000	6,000	5,868
Consultants	-	-	1,827
Network Charges	14,000	14,000	-
Pre-employment Exams	15,100	15,100	12,251
Training and Tuition	31,700	31,700	20,113
Memberships/Dues/Subscriptions	2,900	2,900	2,163
Software Maintenance	40,400	40,400	33,009
Telephone and Alarms	5,700	5,700	5,566
Advertising	3,000	3,000	-
Other Contractual Services	33,600	33,600	8,900
Commodities			
IRMA General Insurance	20,000	20,000	20,000
Office Equipment Maintenance and Repair	19,000	19,000	15,023
Postage Meter Rental	2,900	2,900	1,377
Copier Fees	4,500	4,500	3,673
Computer and Office Supplies	18,200	18,200	9,988
Gas and Oil	100	100	80
Postage	10,000	10,000	6,439
Miscellaneous Commodities	500	500	19
Safety Program	3,500	3,500	3,395
Special Events	6,000	6,000	5,481
Bank Fees	7,000	7,000	5,722
Other Charges	300	300	-

CITY OF WEST CHICAGO, ILLINOIS

General Fund

**Schedule of Detailed Expenditures - Budget and Actual
Year Ended December 31, 2010**

	Budget		Actual
	Original	Final	
General Government - Continued			
Administrative Services - Continued			
Capital Outlay			
Other Capital Outlay	\$ 19,300	\$ 19,300	\$ 3,525
MIS Replacement	35,900	35,900	35,900
Total Administrative Services	2,290,000	2,349,000	2,200,120
Public Works			
Personal Services			
Administrative Salaries	124,500	124,500	127,086
Operating Salaries	682,200	695,200	666,341
Administrative Salaries - Overtime	98,000	98,000	65,259
IMRF and FICA	186,500	189,200	175,495
Unemployment Insurance	-	-	299
Contractual Services			
Legal Fees	26,000	41,000	55,669
Engineering & Inspections	10,000	10,000	-
Pre-employment Exams	900	900	529
Training and Tuition	5,000	5,000	1,142
Memberships/Dues/Subscriptions	1,000	1,000	841
Legal Notices	400	400	333
Telephone and Alarms	22,000	22,000	18,645
Interments Program	20,000	20,000	13,150
Brush Pickup	63,000	63,000	63,000
Grounds Maintenance	47,000	47,000	44,009
Cemetery Maintenance	6,000	6,000	7,225
Janitor Contract	48,600	48,600	48,578
Heating Gas	18,000	18,000	10,378
Electric	131,000	131,000	138,264
Refuse Disposal	38,000	38,000	26,907
Other Contractual Services	205,400	329,100	329,866
Traffic Signal Maintenance	18,000	18,000	23,239
Street Light Maintenance	15,000	15,000	29,385
IRMA General Insurance	44,700	44,700	44,700
Other Insurance	13,000	13,000	10,040
Payment to Taxing Bodies	-	165,000	159,067

CITY OF WEST CHICAGO, ILLINOIS

General Fund

**Schedule of Detailed Expenditures - Budget and Actual
Year Ended December 31, 2010**

	Budget		Actual
	Original	Final	
General Government - Continued			
Public Works - Continued			
Contractual Services - Continued			
Vehicle Maintenance and Repair	\$ 15,000	\$ 15,000	\$ 18,974
Telephone Repair	600	600	-
Commodities			
Computer and Office Supplies	5,000	5,000	4,425
Field Equipment	1,000	1,000	1,006
Maps and Plats	-	-	2,267
Parts for Vehicles	35,900	35,900	44,948
Tools and Equipment	16,000	16,000	17,833
Gas and Oil	42,000	42,000	58,674
Materials	20,000	26,000	14,861
Street Patch Materials	300	300	122
Street Paint	3,000	3,000	1,669
Ice Control Materials	20,000	20,000	9,107
Parts - Mains	5,000	5,000	1,368
Rock Salt	361,000	361,000	284,019
BIT Patch - Cold	7,000	7,000	10,413
BIT Patch - Hot	40,000	40,000	49,184
Parts for Plows and Spreaders	15,000	15,000	25,606
Postage	300	300	144
Uniforms and Safety Equipment	11,300	11,300	5,953
Miscellaneous	52,500	52,500	71,232
Capital Outlay			
Building and Grounds Improvements	-	-	977
Land	30,000	50,000	-
MIS Replacement	5,800	5,800	5,800
Total Public Works	2,510,900	2,856,300	2,688,029

CITY OF WEST CHICAGO, ILLINOIS

General Fund

**Schedule of Detailed Expenditures - Budget and Actual
Year Ended December 31, 2010**

	Budget		Actual
	Original	Final	
Community Development			
Personal Services			
Administrative Salaries	\$ 437,700	\$ 437,700	\$ 499,410
Administrative Salaries - Overtime	1,000	1,000	38
IMRF and FICA	90,300	90,300	100,043
Contractual Services			
Legal Fees	33,000	46,000	49,548
Pre-employment Exams	200	200	-
Training and Tuition	7,500	7,500	931
Memberships/Dues/Subscriptions	3,300	3,300	2,547
Enforcement & Inspections	297,000	297,000	297,000
Plan Review	50,000	50,000	66,678
Software Maintenance	12,500	12,500	8,855
Legal Notices	1,600	1,600	1,524
Telephone and Alarms	13,400	13,400	9,371
Weed Cutting	3,500	17,000	14,623
Printing and Binding	4,000	4,000	1,805
Advertising	700	700	58
Legal Reporter	7,500	7,500	2,089
Filing Fees	-	18,000	5,828
Microfiche	4,000	4,000	-
Other Contractual Services	3,500	3,500	1,028
IRMA General Insurance	40,500	40,500	40,500
Other Insurance	-	-	3,333
Vehicle Maintenance and Repair	1,000	1,000	236
Telephone and Repairs	1,800	1,800	-
Office Equipment Maintenance and Repair	700	700	-
Copier Fees	800	800	418
Commodities			
Computer and Office Supplies	2,700	2,700	2,382
Maps and Plats	2,000	2,000	-
Parts for Vehicles	600	600	-
Tools and Equipment	300	300	78
Educational Displays	1,500	1,500	5,991
Gas and Oil	2,500	2,500	1,872
Postage	300	300	60
Uniforms and Safety Equipment	100	100	110
Educational Programming	2,500	2,500	2,386

CITY OF WEST CHICAGO, ILLINOIS

General Fund

**Schedule of Detailed Expenditures - Budget and Actual
Year Ended December 31, 2010**

	Budget		Actual
	Original	Final	
General Government - Continued			
Community Development - Continued			
Commodities - Continued			
Gallery 200	\$ 3,000	\$ 3,000	\$ 1,612
Miscellaneous Commodities	1,500	1,500	654
Artifacts Maintenance	500	500	407
Prospect Development	1,300	1,300	126
Other Charges	1,000	1,000	412
Capital Outlay			
Office Equipment	1,600	1,600	1,887
MIS Replacement	6,800	6,800	6,800
CN Mitigation	65,000	85,000	86,296
Total Community Development	1,108,700	1,173,200	1,216,936
Total General Government	6,585,300	7,760,400	7,386,952
Public Safety			
Police Department			
Personal Services			
Administrative Salaries	1,215,000	1,215,000	1,080,827
Patrolman Salaries	2,624,700	2,624,700	2,577,458
Patrolman Salaries - Overtime	500,600	500,600	505,248
Sergeants Salaries	814,800	814,800	850,249
CSO Salaries	131,100	131,100	127,368
CSO - Overtime	8,100	8,100	-
Contract Services Salaries	37,500	37,500	13,504
Administrative Services - Overtime	27,300	27,300	5,044
IMRF and FICA	502,600	502,600	461,344
Police Pension	1,255,000	1,255,000	1,255,000
Unemployment Insurance	-	-	82,667
Contractual Services			
Legal Fees	150,000	150,000	147,264
Data Processing	3,000	3,000	2,750
Pre-employment Exams	500	500	32
Training and Tuition	29,300	29,300	18,967
Officer Training and Mileage	5,000	5,000	4,004
Memberships/Dues/Subscriptions	11,400	11,400	5,485

CITY OF WEST CHICAGO, ILLINOIS

General Fund

**Schedule of Detailed Expenditures - Budget and Actual
Year Ended December 31, 2010**

	Budget		Actual
	Original	Final	
Public Safety - Continued			
Police Department - Continued			
Contractual Services - Continued			
Software Maintenance	\$ 2,200	\$ 2,200	\$ -
Telephone and Alarms	55,100	55,100	58,598
Electric	900	900	920
Printing and Binding	6,800	6,800	5,407
Grounds Maintenance	2,900	2,900	2,131
Social Services	4,900	4,900	142
DuComm Quarterly Share	452,900	452,900	442,214
Other Contractual Services	171,400	171,400	217,596
Graffiti Removal	17,000	17,000	14,385
IRMA General Insurance	307,700	307,700	307,548
Other Insurance	16,000	16,000	15,007
Vehicle Maintenance and Repair	25,000	25,000	29,253
Building Repair	3,000	3,000	-
Radio/Radar Equipment Maint. and Repair	20,800	20,800	15,018
Telephone Repair	2,800	2,800	200
Office Equipment and Repair	5,300	5,300	5,458
Postage Meter Rental	900	900	732
Copier Fees	18,600	18,600	13,337
Commodities			
Computer and Office Supplies	14,600	14,600	9,873
Field Equipment	45,000	45,000	15,397
Parts for Vehicles	15,500	15,500	16,136
Gas and Oil	123,300	123,300	93,765
Vehicle License Fees	1,300	1,300	930
Postage	13,000	13,000	7,893
Uniform and Safety Equipment	37,500	37,500	33,915
First Aid Supplies	1,300	1,300	1,175
Ammunition and Firearms	15,000	15,000	17,213
Tools and Equipment	700	700	-
Educational Programming	31,000	31,000	25,997
Film and Developing	1,500	1,500	35
Miscellaneous Commodities	13,700	13,700	18,030
Other Charges	-	-	1,831

CITY OF WEST CHICAGO, ILLINOIS

General Fund

**Schedule of Detailed Expenditures - Budget and Actual
Year Ended December 31, 2010**

	Budget		Actual
	Original	Final	
Public Safety - Continued			
Police Department - Continued			
Capital Outlay			
Communications Equipment	\$ 2,000	\$ 2,000	\$ 1,187
MIS Replacement	16,100	16,100	16,100
Total Public Safety	<u>8,761,600</u>	<u>8,761,600</u>	<u>8,524,634</u>
Culture and Recreation			
Museum and Cultural Services			
Contractual Services			
Telephone and Alarms	-	-	1,438
Advertising	10,000	10,000	10,000
Commodities			
Special Events	120,000	120,000	120,000
Total Culture and Recreation	<u>130,000</u>	<u>130,000</u>	<u>131,438</u>
Total Expenditures	<u>\$ 15,476,900</u>	<u>\$ 16,652,000</u>	<u>\$ 16,043,024</u>

CITY OF WEST CHICAGO, ILLINOIS

TIF Special Tax Allocation #1 - Special Revenue Fund

**Schedule of Expenditures - Budget and Actual
Year Ended December 31, 2010**

	Budget		Actual
	Original	Final	
General Government			
Personal Services			
Administrative Salaries	\$ 225,100	\$ 225,100	\$ 186,818
Administrative Salaries - Overtime	1,800	1,800	1,792
IMRF and FICA	46,700	46,700	37,316
ICMA	2,100	2,100	2,033
Health/Dental/Life Insurance	33,600	33,600	25,976
Contractual Services			
Legal Fees	12,000	12,000	832
Memberships/Dues/Subscriptions	600	600	-
Legal Notices	500	500	-
Telephone and Alarms	1,100	1,100	1,173
Grounds Maintenance	14,000	14,000	13,651
Other	-	-	3,000
Commodities			
Postage	100	100	-
Special Events	16,000	16,000	8,755
Prospect Development	600	600	-
Other	1,000	1,000	300
Capital Outlay			
Building Grounds Improvement	55,000	255,000	1,807
Other	200,000	200,000	-
Land	31,000	56,000	28,365
Façade Improvement	50,000	50,000	50,124
Beautification Program	4,000	4,000	5,297
Streetscape Programs	15,000	15,000	468
	<u>710,200</u>	<u>935,200</u>	<u>367,707</u>
Debt Service			
Interest and Fiscal Charges	<u>90,000</u>	<u>90,000</u>	<u>42,471</u>
Total Expenditures	<u>\$ 800,200</u>	<u>\$ 1,025,200</u>	<u>\$ 410,178</u>

CITY OF WEST CHICAGO, ILLINOIS

Capital Improvement - Capital Projects Fund

**Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
Year Ended December 31, 2010**

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ -	\$ -	\$ 2,253
Utility Taxes	2,100,000	2,100,000	2,098,487
Sales Taxes	400,000	400,000	507,101
Interest Income	75,000	25,000	12,872
Miscellaneous	1,468,600	1,468,600	863,249
Total Revenues	4,043,600	3,993,600	3,483,962
Expenditures			
Capital Outlay	7,486,600	7,493,900	2,768,000
Net Change in Fund Balance	\$ (3,443,000)	\$ (3,500,300)	715,962
Fund Balance - Beginning			3,828,363
Fund Balance - Ending			\$ 4,544,325

CITY OF WEST CHICAGO, ILLINOIS

Capital Improvement - Capital Projects Fund

Schedule of Expenditures - Budget and Actual
Year Ended December 31, 2010

	Budget		Actual
	Original	Final	
Capital Outlay			
Administrative Salaries	\$ 70,700	\$ 70,700	\$ 71,407
Operational Salaries	15,900	15,900	7,039
Administrative Salaries - Overtime	3,000	3,000	1,216
IMRF and FICA	18,500	18,500	15,731
Health/Dental/Life Insurance	33,600	33,600	30,953
Engineering and Inspections	117,600	117,600	48,894
Building and Grounds Improvements	40,000	40,000	30,951
Street Improvements	5,902,000	5,909,300	1,825,763
Other Capital Outlay	1,285,300	1,285,300	736,046
Total Expenditures	<u>\$ 7,486,600</u>	<u>\$ 7,493,900</u>	<u>\$ 2,768,000</u>

CITY OF WEST CHICAGO, ILLINOIS

**Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2010**

See Following Page

CITY OF WEST CHICAGO, ILLINOIS

**Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2010**

	Special Revenue		Debt Service Tax Increment Alternate Revenue Bonds Series 1998	Capital Projects Capital Equipment Replacement	Total
	TIF Special Tax Allocation #2	Other Special Service Areas			
ASSETS					
Cash and Investments	\$ 229,634	\$ -	\$ -	\$ 701,669	\$ 931,303
Receivables - Net of Allowances					
Property Taxes	86,072	2,313	-	-	88,385
Due From Other Funds	-	25,643	-	-	25,643
Total Assets	315,706	27,956	-	701,669	1,045,331
LIABILITIES AND FUND BALANCES					
Current Liabilities					
Accounts Payable	-	-	-	-	-
Due to Other Funds	-	8,315	-	-	8,315
Unearned/Deferred Revenues	86,071	2,313	-	-	88,384
Total Liabilities	86,071	10,628	-	-	96,699
Fund Balances					
Reserved - Debt Service	-	-	-	-	-
Unreserved	229,635	17,328	-	701,669	948,632
Total Fund Balances	229,635	17,328	-	701,669	948,632
Total Liabilities and Fund Balances	\$ 315,706	\$ 27,956	\$ -	\$ 701,669	\$ 1,045,331

CITY OF WEST CHICAGO, ILLINOIS

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
 Nonmajor Governmental Funds
 Year Ended December 31, 2010

	Special Revenue		Debt Service Tax Increment Alternate Revenue Bonds Series 1998	Capital Projects Capital Equipment Replacement	Total
	TIF Special Tax Allocation #2	Other Special Service Areas			
Revenues					
Taxes	\$ 49,336	\$ -	\$ 357,935	\$ -	\$ 407,271
Interest Income	444	-	556	4,941	5,941
Miscellaneous	-	-	-	5,058	5,058
Total Revenues	49,780	-	358,491	9,999	418,270
Expenditures					
Current					
General Government	935	-	-	-	935
Capital Outlay	-	-	-	22,675	22,675
Debt Service					
Principal Retirement	-	-	845,000	-	845,000
Interest and Fiscal Charges	-	-	24,501	-	24,501
Total Expenditures	935	-	869,501	22,675	893,111
Excess (Deficiency) of Revenues Over (Under) Expenditures	48,845	-	(511,010)	(12,676)	(474,841)
Other Financing Sources (Uses)					
Transfers In	-	-	210,000	-	210,000
Transfers Out	-	-	(181,777)	-	(181,777)
	-	-	28,223	-	28,223
Net Change in Fund Balances	48,845	-	(482,787)	(12,676)	(446,618)
Fund Balances - Beginning	180,790	17,328	482,787	714,345	1,395,250
Fund Balances - Ending	\$ 229,635	\$ 17,328	\$ -	\$ 701,669	\$ 948,632

CITY OF WEST CHICAGO, ILLINOIS

TIF Special Tax Allocation #2 - Special Revenue Fund

**Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
Year Ended December 31, 2010**

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ 75,000	\$ 75,000	\$ 49,336
Interest Income	1,000	1,000	444
Total Revenues	<u>76,000</u>	<u>76,000</u>	<u>49,780</u>
Expenditures			
General Government			
Contractual Services	-	-	935
Prospect Development	40,000	40,000	-
Total Expenditures	<u>40,000</u>	<u>40,000</u>	<u>935</u>
Net Change in Fund Balance	<u>\$ 36,000</u>	<u>\$ 36,000</u>	48,845
Fund Balance - Beginning			<u>180,790</u>
Fund Balance - Ending			<u>\$ 229,635</u>

CITY OF WEST CHICAGO, ILLINOIS

Other Special Service Areas - Special Revenue Fund

**Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
Year Ended December 31, 2010**

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ -	\$ -	\$ -
Interest Income	-	-	-
Total Revenues	-	-	-
Expenditures			
General Government	-	-	-
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	-
Fund Balance - Beginning			<u>17,328</u>
Fund Balance - Ending			<u>\$ 17,328</u>

CITY OF WEST CHICAGO, ILLINOIS

Tax Increment Alternate Revenue Bond Series 1998 - Debt Service Fund

**Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
Year Ended December 31, 2010**

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ 281,700	\$ 281,700	\$ 357,935
Interest Income	5,000	5,000	556
Total Revenues	<u>286,700</u>	<u>286,700</u>	<u>358,491</u>
Expenditures			
Debt Service			
Principal Retirement	240,000	845,000	845,000
Interest and Fiscal Charges	41,700	41,700	24,501
Total Expenditures	<u>281,700</u>	<u>886,700</u>	<u>869,501</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>5,000</u>	<u>(600,000)</u>	<u>(511,010)</u>
Other Financing Sources (Uses)			
Transfers In	-	210,000	210,000
Transfers Out	-	-	(181,777)
	<u>-</u>	<u>210,000</u>	<u>28,223</u>
Net Change in Fund Balance	<u>\$ 5,000</u>	<u>\$ (390,000)</u>	(482,787)
Fund Balance - Beginning			<u>482,787</u>
Fund Balance - Ending			<u>\$ -</u>

CITY OF WEST CHICAGO, ILLINOIS

Capital Equipment Replacement - Capital Projects Fund

**Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
Year Ended December 31, 2010**

	Budget		Actual
	Original	Final	
Revenues			
Interest Income	\$ 15,000	\$ 5,000	\$ 4,941
Miscellaneous	-	-	5,058
Total Revenues	<u>15,000</u>	<u>5,000</u>	<u>9,999</u>
Expenditures			
Capital Outlay			
Vehicles	-	143,800	22,675
Net Change in Fund Balance	<u>\$ 15,000</u>	<u>\$ (138,800)</u>	(12,676)
Fund Balance - Beginning			<u>714,345</u>
Fund Balance - Ending			<u>\$ 701,669</u>

CITY OF WEST CHICAGO, ILLINOIS

Waterworks - Enterprise Fund

**Schedule of Revenues, Expenses and Changes in Net Assets - Budget and Actual
Year Ended December 31, 2010**

	Budget		Actual
	Original	Final	
Operating Revenues			
Charges for Services			
Water Service	\$ 5,000,000	\$ 5,000,000	\$ 4,829,368
Operating Expenses			
Operations			
Water Distribution	2,912,000	3,057,400	2,430,457
Water Treatment Plant	2,387,700	2,387,700	1,727,906
Depreciation and Amortization	-	-	1,328,818
Total Operating Expenses	5,299,700	5,445,100	5,487,181
Operating Income (Loss)	(299,700)	(445,100)	(657,813)
Nonoperating Revenues (Expenses)			
Connection Fees	20,000	20,000	31,994
Sales Taxes	800,000	800,000	1,023,267
Interest Income	350,000	100,000	90,194
Other Income	141,500	141,500	721,725
Interest Expense	(978,100)	(978,100)	(953,990)
	333,400	83,400	913,190
Change in Net Assets	\$ 33,700	\$ (361,700)	255,377
Net Assets - Beginning			29,344,766
Net Assets - Ending			\$ 29,600,143

CITY OF WEST CHICAGO, ILLINOIS

Waterworks - Enterprise Fund

**Schedule of Operating Expenses - Budget and Actual
Year Ended December 31, 2010**

	Budget		Actual
	Original	Final	
Water Distribution			
Personal Services			
Administrative Salaries	\$ 429,700	\$ 429,700	\$ 331,537
Operational Salaries	538,700	538,700	463,729
Administrative Salaries - Overtime	50,000	50,000	34,747
IMRF and FICA	209,400	209,400	163,116
ICMA	3,800	3,800	2,104
Health/Dental/Life Insurance	346,600	346,600	304,550
Unemployment Insurance	-	-	1,360
Contractual Services			
Legal Fees	40,000	110,000	104,251
Auditing Fees	13,800	13,800	13,110
JULIE System	2,000	2,000	1,444
Consultants	-	-	1,827
Pre-employment Exams	600	600	411
Training and Tuition	3,000	3,000	628
Memberships/Dues/Subscriptions	1,000	1,000	1,077
Software Maintenance	8,300	8,300	6,625
Legal Notices	1,000	1,000	458
Telephone and Alarms	30,000	30,000	29,512
Heating and Gas	7,500	7,500	4,398
Electric	450,000	450,000	368,239
Lab Results	20,000	20,000	2,736
Refuse Disposal	15,000	15,000	2,037
Printing and Binding	2,500	2,500	1,927
Grounds Maintenance	8,000	8,000	7,319
Other Contractual Services	120,000	155,000	105,819
IRMA General Insurance	147,900	147,900	147,900
Other Insurance	12,000	12,000	4,306
Vehicle Maintenance and Repair	3,500	3,500	62
Building Maintenance and Repair	1,200	1,200	37
Distribution System Maintenance and Repair	100,000	140,400	67,471
Pump Station Maintenance and Repair	100,000	100,000	64,845
Reservoir Maintenance and Repair	1,000	1,000	-
Radio/Radar Equipment Maintenance and Repair	1,000	1,000	-
Office Equipment Maintenance and Repair	2,700	2,700	444

CITY OF WEST CHICAGO, ILLINOIS

Waterworks - Enterprise Fund

**Schedule of Operating Expenses - Budget and Actual
Year Ended December 31, 2010**

	Budget		Actual
	Original	Final	
Water Distribution - Continued			
Contractual Services - Continued			
Postage Meter Rental	\$ 1,200	\$ 1,200	\$ 1,377
Copier Rental	7,000	7,000	3,394
Commodities			
Computer and Office Supplies	14,800	14,800	16,037
Parts for Vehicles	5,000	5,000	1,014
Tools and Equipment	5,000	5,000	862
Gas and Oil	35,000	35,000	17,111
Postage	8,000	8,000	4,967
Uniforms and Safety Equipment	12,000	12,000	6,812
Parts and Equipment - Wells	4,000	4,000	1,985
Parts and Equipment - Distribution	60,000	60,000	35,302
Parts and Equipment - Pump Station	15,000	15,000	3,764
Lab Supplies	1,000	1,000	499
Chemicals	3,000	3,000	-
Water Meters	50,000	50,000	17,242
Miscellaneous Commodities	5,000	5,000	5,724
Bank Fees	4,000	4,000	8,352
Capital Outlay			
Other Capital Outlay	7,393,200	8,503,300	1,307,344
MIS Replacement Charge	11,800	11,800	11,800
	10,305,200	11,560,700	3,681,612
Less Nonoperating Items			
Capital Assets Capitalized	(7,393,200)	(8,503,300)	(1,251,155)
Total Water Distribution	2,912,000	3,057,400	2,430,457
Water Treatment Plant			
Personal Services			
Administrative Salaries	72,400	72,400	31,495
Operational Salaries	480,300	480,300	475,016
Administrative Salaries - Overtime	50,000	50,000	33,880
IMRF and FICA	113,800	113,800	110,645

CITY OF WEST CHICAGO, ILLINOIS

Waterworks - Enterprise Fund

**Schedule of Operating Expenses - Budget and Actual
Year Ended December 31, 2010**

	Budget		Actual
	Original	Final	
Water Treatment Plant - Continued			
Contractual Services			
Legal Fees	\$ 5,000	\$ 5,000	\$ -
Consultants	15,000	15,000	-
Pre-employment Exams	300	300	-
Training and Tuition	3,000	3,000	1,545
Memberships/Dues/Subscriptions	400	400	371
Telephone and Alarms	10,000	10,000	9,237
Heating and Gas	7,500	7,500	3,601
Electric	175,000	175,000	180,620
Lab Results	3,000	3,000	1,244
Refuse Disposal	700,000	700,000	462,884
Grounds Maintenance	20,000	20,000	7,914
Janitorial Service	22,800	22,800	22,829
Other Contractual Services	15,000	15,000	17,915
IRMA General Insurance	50,000	50,000	50,000
Building Maintenance and Repair	10,000	10,000	5,674
WTP Operations Repair	15,000	15,000	14,204
Copier Rental	7,000	7,000	5,680
Equipment Rental	1,000	1,000	859
Commodities			
Computer and Office Supplies	2,000	2,000	4,844
Parts for Vehicles	200	200	-
Tools and Equipment	3,000	3,000	2,874
Gas and Oil	1,000	1,000	32
Uniforms and Safety Equipment	4,000	4,000	2,668
Parts for Building Repairs	3,000	3,000	3,087
Lab Supplies	11,000	11,000	9,435
Chemicals	400,000	400,000	262,490
Parts for WTP Operations	6,000	6,000	3,301
Miscellaneous Commodities	1,000	1,000	3,562
Capital Outlay			
Other Capital Outlay	180,000	180,000	-
Total Water Treatment Plant	2,387,700	2,387,700	1,727,906
Total Operating Expenses	\$ 5,299,700	\$ 5,445,100	\$ 4,158,363

CITY OF WEST CHICAGO, ILLINOIS

Sewerage - Enterprise Fund

**Schedule of Revenues, Expenses and Changes in Net Assets - Budget and Actual
Year Ended December 31, 2010**

	Budget		Actual
	Original	Final	
Operating Revenues			
Charges for Services			
Sewer Service	\$ 4,500,000	\$ 4,500,000	\$ 5,577,536
Recapture Fees	-	-	1,619
Total Operating Revenues	<u>4,500,000</u>	<u>4,500,000</u>	<u>5,579,155</u>
Operating Expenses			
Operations			
Wastewater Treatment	2,714,200	2,714,200	2,757,322
Sanitary Sewer Collection	1,999,900	2,311,700	2,067,106
Treatment Plant Equipment Replacement	110,000	110,000	-
Special Service Area #2	14,700	14,700	15,510
Depreciation	-	-	1,072,745
Total Operating Expenses	<u>4,838,800</u>	<u>5,150,600</u>	<u>5,912,683</u>
Operating Income (Loss)	<u>(338,800)</u>	<u>(650,600)</u>	<u>(333,528)</u>
Nonoperating Revenues			
Connection Fees	15,000	15,000	47,970
Property Taxes	15,000	15,000	15,172
Interest Income	300,000	50,000	44,311
Other Income	29,000	29,000	35,082
	<u>359,000</u>	<u>109,000</u>	<u>142,535</u>
Change in Net Assets	<u>\$ 20,200</u>	<u>\$ (541,600)</u>	<u>(190,993)</u>
Net Assets - Beginning			<u>30,511,327</u>
Net Assets - Ending			<u>\$ 30,320,334</u>

CITY OF WEST CHICAGO, ILLINOIS

Sewerage - Enterprise Fund

**Schedule of Operating Expenses - Budget and Actual
Year Ended December 31, 2010**

	Budget		Actual
	Original	Final	
Wastewater Treatment			
Personal Services			
Administrative Services	\$ 26,500	\$ 26,500	\$ 27,519
Administrative Salaries - Overtime	-	-	333
IMRF and FICA	5,600	5,600	5,353
Health/Dental/Life Insurance	11,200	11,200	-
Contractual Services			
Legal Fees	5,000	5,000	-
Auditing Fees	3,700	3,700	3,515
Memberships/Dues/Subscriptions	13,600	13,600	13,607
Telephone and Alarms	-	-	5,319
Printing and Binding	-	-	227
Grounds Maintenance	13,000	13,000	6,958
Other Contractual Services	2,575,600	2,575,600	2,603,386
IRMA General Insurance	60,000	60,000	60,000
Capital Outlay			
Secondary Treatment Repair	250,000	250,000	31,105
	<u>2,964,200</u>	<u>2,964,200</u>	<u>2,757,322</u>
Less Nonoperating Items			
Capital Assets Capitalized	(250,000)	(250,000)	-
	<u>2,714,200</u>	<u>2,714,200</u>	<u>2,757,322</u>
Sanitary Sewer Collection			
Personal Services			
Administrative Salaries	393,600	393,600	344,054
Operational Salaries	537,100	537,100	458,162
Administrative Salaries - Overtime	50,000	50,000	47,061
IMRF and FICA	201,700	201,700	170,009
ICMA	3,800	3,800	2,104
Health/Dental/Life Insurance	335,400	335,400	304,422
Unemployment Insurance	-	-	3,913
Contractual Services			
Legal Fees	15,000	90,000	97,697
Auditing Fees	3,700	3,700	3,515
JULIE System	2,000	2,000	1,444
Consultants	-	-	1,827

CITY OF WEST CHICAGO, ILLINOIS

Sewerage - Enterprise Fund

Schedule of Operating Expenses - Budget and Actual
Year Ended December 31, 2010

	Budget		Actual
	Original	Final	
Sanitary Sewer Collection - Continued			
Contractual Services - Continued			
Training and Tuition	\$ 500	\$ 500	\$ 90
Software Maintenance	10,800	10,800	9,184
Telephone and Alarms	8,000	8,000	10,747
Heating Gas	6,000	6,000	6,918
Electric	60,000	60,000	66,517
Grounds Maintenance	4,700	4,700	4,047
Other Contractual Services	120,000	120,000	73,684
IRMA General Insurance	75,000	75,000	75,000
Other Insurance	4,000	4,000	-
Vehicle Maintenance and Repair	20,000	20,000	9,955
Lift Station Maintenance and Repair	25,000	121,800	131,097
Sewer Main Maintenance and Repair	25,000	165,000	99,613
Postage Meter Rental	1,300	1,300	1,377
Commodities			
Copier and Rental	5,000	5,000	2,242
Computer and Office Supplies	10,500	10,500	13,603
Parts for Vehicles	15,000	15,000	10,432
Tools and Equipment	7,500	7,500	5,352
Gas and Oil	15,000	15,000	14,441
Postage	4,000	4,000	2,649
Chemicals	800	800	865
Parts for Lift Stations	25,000	25,000	30,116
Material for Trench Backfill	5,000	5,000	38
Parts for Mains	2,000	2,000	2,615
Miscellaneous Commodities	2,500	2,500	5,032
Bank Fees	5,000	5,000	10,678
Capital Outlay			
Other Capital Outlay	3,570,000	3,589,400	46,606
	<u>5,569,900</u>	<u>5,901,100</u>	<u>2,067,106</u>
Less Nonoperating Items			
Capital Assets Capitalized	<u>(3,570,000)</u>	<u>(3,589,400)</u>	<u>-</u>
Total Sanitary Sewer Collection	<u>1,999,900</u>	<u>2,311,700</u>	<u>2,067,106</u>

CITY OF WEST CHICAGO, ILLINOIS

Sewerage - Enterprise Fund

**Schedule of Operating Expenses - Budget and Actual
Year Ended December 31, 2010**

	Budget		Actual
	Original	Final	
Treatment Plant Equipment Replacement			
Capital Outlay			
Other Contractual Services	\$ 110,000	\$ 110,000	\$ -
Other Capital Outlay	1,090,000	1,090,000	190,419
	<u>1,200,000</u>	<u>1,200,000</u>	<u>190,419</u>
Less Nonoperating Items			
Capital Assets Capitalized	<u>(1,090,000)</u>	<u>(1,090,000)</u>	<u>(190,419)</u>
Total Treatment Plant Equipment Replacement	<u>110,000</u>	<u>110,000</u>	<u>-</u>
Special Service Area #2			
Operating and Maintenance			
Personal Service			
Operational Salaries	4,500	4,500	4,811
Administrative Salaries - Overtime	500	500	532
IMRF and FICA	1,100	1,100	1,097
Commodities			
Electric	6,000	6,000	6,738
Grounds Maintenance	2,600	2,600	2,332
Capital Outlay			
Other Capital Outlay	70,000	70,000	-
	<u>84,700</u>	<u>84,700</u>	<u>15,510</u>
Less Nonoperating Items			
Capital Assets Capitalized	<u>(70,000)</u>	<u>(70,000)</u>	<u>-</u>
Total Operating and Maintenance	<u>14,700</u>	<u>14,700</u>	<u>15,510</u>
Total Operating Expenses	<u>\$ 4,838,800</u>	<u>\$ 5,150,600</u>	<u>\$ 4,839,938</u>

CITY OF WEST CHICAGO, ILLINOIS

Commuter Parking - Enterprise

**Schedule of Revenues, Expenses and Changes in Net Assets - Budget and Actual
Year Ended December 31, 2010**

	Budget		Actual
	Original	Final	
Operating Revenues			
Charges for Services			
Parking Fees	\$ 46,700	\$ 46,700	\$ 49,556
Licenses and Permits			
Parking Permits	65,000	65,000	66,613
Total Operating Revenues	<u>111,700</u>	<u>111,700</u>	<u>116,169</u>
Operating Expenses			
Operations	355,500	355,500	195,153
Depreciation	-	-	25,192
	<u>355,500</u>	<u>355,500</u>	<u>220,345</u>
Operating Income (Loss)	(243,800)	(243,800)	(104,176)
Nonoperating Revenues			
Interest Income	15,000	5,000	3,483
Change in Net Assets	<u>\$ (228,800)</u>	<u>\$ (238,800)</u>	(100,693)
Net Assets - Beginning			<u>450,934</u>
Net Assets - Ending			<u>\$ 350,241</u>

CITY OF WEST CHICAGO, ILLINOIS

Commuter Parking - Enterprise Fund

**Schedule of Operating Expenses - Budget and Actual
Year Ended December 31, 2010**

	Budget		Actual
	Original	Final	
Operations			
Personal Services			
Administrative Salaries	\$ 9,100	\$ 9,100	\$ 11,942
Operational Salaries	54,600	54,600	42,686
IMRF and FICA	13,200	13,200	11,199
Health/Dental/Life Insurance	22,400	22,400	20,641
Contractual Services			
Auditing Fees	1,300	1,300	1,235
Telephone and Alarms	3,700	3,700	4,212
Electric	18,000	18,000	20,077
Printing and Binding	1,000	1,000	811
Grounds Maintenance	8,600	8,600	8,234
Janitorial Services	3,600	3,600	3,593
Contractual Services	25,000	25,000	10,481
IRMA General Insurance	24,600	24,600	24,600
Commodities			
Postage	2,400	2,400	1,294
Miscellaneous Commodities	3,000	3,000	2,818
Capital Outlay			
Building and Ground Improvements	125,000	125,000	31,330
Other Capital Outlay	40,000	40,000	-
Total Operations	\$ 355,500	\$ 355,500	\$ 195,153

CITY OF WEST CHICAGO, ILLINOIS

MIS Replacement - Internal Service Fund

**Schedule of Revenues, Expenses and Changes in Net Assets - Budget and Actual
Year Ended December 31, 2010**

	Budget		Actual
	Original	Final	
Operating Revenues			
Interfund Services	\$ 81,400	\$ 81,400	\$ 81,400
Operating Expenses			
Operations	80,700	80,700	65,353
Operating Income	700	700	16,047
Nonoperating Revenues			
Interest Income	2,500	2,500	2,338
Change in Net Assets	<u>\$ 3,200</u>	<u>\$ 3,200</u>	18,385
Net Assets - Beginning			<u>321,864</u>
Net Assets - Ending			<u>\$ 340,249</u>

CITY OF WEST CHICAGO, ILLINOIS

Agency - Special Service Areas Funds

**Combining Statement of Changes in Assets and Liabilities
Year Ended December 31, 2010**

	<u>Beginning Balances</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balances</u>
ALL FUNDS				
ASSETS				
Cash and Investments	<u>\$ 113,015</u>	<u>\$ 121,833</u>	<u>\$ 117,353</u>	<u>\$ 117,495</u>
LIABILITIES				
Due to Bondholders	<u>\$ 113,015</u>	<u>\$ 121,833</u>	<u>\$ 117,353</u>	<u>\$ 117,495</u>
SPECIAL SERVICE AREA #17				
ASSETS				
Cash and Investments	<u>\$ 47,070</u>	<u>\$ 51,518</u>	<u>\$ 49,865</u>	<u>\$ 48,723</u>
LIABILITIES				
Due to Bondholders	<u>\$ 47,070</u>	<u>\$ 51,518</u>	<u>\$ 49,865</u>	<u>\$ 48,723</u>

	Beginning Balances	Additions	Deductions	Ending Balances
SPECIAL SERVICE AREA #18				
ASSETS				
Cash and Investments	\$ 48,294	\$ 52,186	\$ 49,865	\$ 50,615
LIABILITIES				
Due to Bondholders	\$ 48,294	\$ 52,186	\$ 49,865	\$ 50,615
 SPECIAL SERVICE AREA #20				
ASSETS				
Cash and Investments	\$ 17,651	\$ 18,129	\$ 17,623	\$ 18,157
LIABILITIES				
Due to Bondholders	\$ 17,651	\$ 18,129	\$ 17,623	\$ 18,157

SUPPLEMENTAL SCHEDULES

CITY OF WEST CHICAGO, ILLINOIS

Long-Term Debt Requirements

**Waterworks General Obligation Alternate Revenue Source Bonds of 2002
December 31, 2010**

Date of Issue	April 15, 2002
Date of Maturity	January 1, 2022
Authorized Issue	\$21,220,000
Denomination of Bonds	\$5,000
Interest Rates	2.80% - 5.10%
Interest Dates	January 1 and July 1
Principal Maturity Date	January 1
Payable at	BNY Midwest Trust Company

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Requirements			Interest Due on			
	Principal	Interest	Totals	Jan. 1	Amount	July. 1	Amount
2011	\$ 985,000	\$ 715,130	\$ 1,700,130	2011	\$ 368,154	2011	\$ 346,976
2012	1,025,000	671,659	1,696,659	2012	346,976	2012	324,683
2013	1,070,000	625,558	1,695,558	2013	324,683	2013	300,875
2014	1,115,000	576,384	1,691,384	2014	300,875	2014	275,509
2015	1,170,000	523,523	1,693,523	2015	275,509	2015	248,014
2016	1,225,000	466,628	1,691,628	2016	248,014	2016	218,614
2017	1,280,000	405,868	1,685,868	2017	218,614	2017	187,254
2018	1,345,000	341,219	1,686,219	2018	187,254	2018	153,965
2019	1,410,000	272,680	1,682,680	2019	153,965	2019	118,715
2020	1,480,000	200,060	1,680,060	2020	118,715	2020	81,345
2021	1,555,000	123,037	1,678,037	2021	81,345	2021	41,692
2022	1,635,000	41,692	1,676,692	2022	41,692	2022	-
	<u>\$ 15,295,000</u>	<u>\$ 4,963,438</u>	<u>\$ 20,258,438</u>		<u>\$ 2,665,796</u>		<u>\$ 2,297,642</u>

CITY OF WEST CHICAGO, ILLINOIS

Long-Term Debt Requirements

**IEPA Waterworks Revolving Loan
December 31, 2010**

Date of Issue	October 8, 2002
Date of Maturity	September 9, 2024
Authorized Issue	\$11,000,000
Interest Rates	2.57%
Interest Dates	March 9 and September 9
Principal Maturity Dates	March 9 and September 10
Payable at	Illinois Environmental Protection Agency

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Requirements		Totals
	Principal	Interest	
2011	\$ 497,564	\$ 209,292	\$ 706,856
2012	510,433	196,423	706,856
2013	523,635	183,221	706,856
2014	537,179	169,677	706,856
2015	551,074	155,782	706,856
2016	565,327	141,529	706,856
2017	579,950	126,906	706,856
2018	594,950	111,906	706,856
2019	610,339	96,518	706,857
2020	626,125	80,731	706,856
2021	642,320	64,536	706,856
2022	658,933	47,923	706,856
2023	675,977	30,879	706,856
2024	693,461	13,393	706,854
	<u>\$ 8,267,267</u>	<u>\$ 1,628,716</u>	<u>\$ 9,895,983</u>

STATISTICAL SECTION (Unaudited)

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

Financial Trends

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the City's most significant local revenue sources.

Debt Capacity

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

CITY OF WEST CHICAGO, ILLINOIS

**Net Assets by Component - Last Eight Fiscal Years
December 31, 2010 (Unaudited)**

See Following Page

CITY OF WEST CHICAGO, ILLINOIS

**Net Assets by Component - Last Eight Fiscal Years
December 31, 2010 (Unaudited)**

	Fiscal Year Ended 4/30/2004	Fiscal Year Ended 4/30/2005	Fiscal Year Ended 4/30/2006
Governmental Activities			
Invested in Capital Assets, Net of Related Debt	\$ 81,085,245	\$ 71,974,620	\$ 73,993,952
Restricted	1,546,531	1,666,393	1,501,944
Unrestricted	14,869,627	15,140,305	18,181,783
Total Governmental Activities Net Assets	97,501,403	88,781,318	93,677,679
Business-Type Activities			
Invested in Capital Assets, Net of Related Debt	36,748,410	41,863,003	40,858,481
Restricted	3,256,796	3,404,266	3,367,499
Unrestricted	12,115,564	10,799,853	15,713,801
Total Business-Type Activities Net Assets	52,120,770	56,067,122	59,939,781
Primary Government			
Invested in Capital Assets, Net of Related Debt	117,833,655	113,837,623	114,852,433
Restricted	4,803,327	5,070,659	4,869,443
Unrestricted	26,985,191	25,940,158	33,895,584
Total Primary Government Net Assets	\$ 149,622,173	\$ 144,848,440	\$ 153,617,460

Data Source: City Records

The City implemented GASB 34 in Fiscal Year 2004.

Fiscal Year Ended 4/30/2007	Fiscal Year Ended 4/30/2008	Eight Months Ended 12/31/2008	Fiscal Year Ended 12/31/2009	Fiscal Year Ended 12/31/2010
\$ 75,611,759	\$ 75,663,542	\$ 77,409,060	\$ 79,007,408	\$ 88,164,059
1,462,074	1,328,804	1,264,241	479,320	-
17,723,775	17,986,270	19,850,570	22,492,259	18,130,222
94,797,608	94,978,616	98,523,871	101,978,987	106,294,281
38,575,240	37,577,723	36,528,712	35,884,266	36,356,211
3,629,195	3,533,535	3,806,146	3,833,998	4,715,215
19,237,261	21,061,429	21,276,997	20,588,763	19,199,292
61,441,696	62,172,687	61,611,855	60,307,027	60,270,718
114,186,999	113,241,265	113,937,772	114,891,674	124,520,270
5,091,269	4,862,339	5,070,387	4,313,318	4,715,215
36,961,036	39,047,699	41,127,567	43,081,022	37,329,514
\$ 156,239,304	\$ 157,151,303	\$ 160,135,726	\$ 162,286,014	\$ 166,564,999

CITY OF WEST CHICAGO, ILLINOIS

**Changes in Net Assets - Last Eight Fiscal Years
December 31, 2010 (Unaudited)**

	Fiscal Year Ended 4/30/2004	Fiscal Year Ended 4/30/2005	Fiscal Year Ended 4/30/2006	Fiscal Year Ended 4/30/2007	Fiscal Year Ended 4/30/2008	Eight Months Ended 12/31/2008	Fiscal Year Ended 12/31/2009	Fiscal Year Ended 12/31/2010
Expenses								
Governmental Activities								
General Government	\$ 4,537,513	\$ 6,130,579	\$ 4,686,846	\$ 6,087,786	\$ 6,519,035	\$ 4,845,172	\$ 9,423,220	\$ 10,307,149
Highways and Streets	2,992,846	2,619,568	2,382,363	7,570,597	8,166,925	5,881,641	8,759,315	8,583,580
Public Safety	6,566,848	6,966,803	7,763,865	4,697,995	5,269,466	2,499,094	1,486,314	1,546,316
Culture and Recreation	425,418	336,479	458,363	518,487	409,874	251,723	376,103	135,309
Interest on Long-Term Debt	92,235	85,490	82,532	74,596	123,108	87,034	95,920	63,505
Total Governmental Activities Expenses	14,614,860	16,138,919	15,373,969	18,949,461	20,488,408	13,564,664	20,140,872	20,635,859
Business-Type Activities								
Waterworks	3,987,472	3,813,830	3,698,571	5,076,878	6,452,600	4,409,193	6,147,347	6,441,171
Sewerage	3,411,591	3,576,366	3,759,415	3,909,722	5,009,744	4,102,048	5,959,791	5,912,683
Commuter Parking	56,622	87,362	98,565	132,148	136,383	119,829	535,811	220,345
Total Business-Type Activities Activities Net Assets	7,455,685	7,477,558	7,556,551	9,118,748	11,598,727	8,631,070	12,642,949	12,574,199
Total Primary Government Expenses	22,070,545	23,616,477	22,930,520	28,068,209	32,087,135	22,195,734	32,783,821	33,210,058
Program Revenues								
Governmental Activities								
Charges for Services								
General Government	176,886	355,831	637,704	1,907,004	1,897,830	1,560,418	1,754,497	1,816,692
Highways and Streets	933,667	1,590,339	1,275,803	1,051,912	1,249,338	1,186,037	2,330,517	-
Public Safety	552,015	541,012	1,009,654	444,500	483,100	485,533	745,000	1,573,088
Culture and Recreation	1,207	959	77	26,973	-	-	-	-
Operating Grants/Contributions	926,513	1,173,828	-	293,396	359,576	272,902	145,148	395,843
Capital Grants/Contributions	-	-	998,677	777,051	778,850	536,437	714,671	4,832,786
Total Governmental Activities Program Revenues	2,590,288	3,661,969	3,921,915	4,500,836	4,768,694	4,041,327	5,689,833	8,618,409
Business-Type Activities								
Charges for Services								
Waterworks	4,627,213	4,895,059	5,207,640	5,391,870	5,193,617	3,503,214	4,980,408	4,829,368
Sewerage	3,483,604	3,932,096	3,575,276	3,982,237	3,961,312	3,821,226	5,137,530	5,579,155
Commuter Parking	94,057	96,371	99,526	94,043	98,111	81,994	120,240	116,169
Capital Grants/Contributions	802,009	-	-	-	-	-	-	-
Total Business-Type Activities Program Revenues	9,006,883	8,923,526	8,882,442	9,468,150	9,253,040	7,406,434	10,238,178	10,524,692
Total Primary Government Program Revenues	\$ 11,597,171	\$ 12,585,495	\$ 12,804,357	\$ 13,968,986	\$ 14,021,734	\$ 11,447,761	\$ 15,928,011	\$ 19,143,101

	Fiscal Year Ended 4/30/2004	Fiscal Year Ended 4/30/2005	Fiscal Year Ended 4/30/2006	Fiscal Year Ended 4/30/2007	Fiscal Year Ended 4/30/2008	Eight Months Ended 12/31/2008	Fiscal Year Ended 12/31/2009	Fiscal Year Ended 12/31/2010
Net (Expense) Revenue								
Governmental Activities	\$ (12,024,572)	\$ (12,476,950)	\$ (11,452,054)	\$ (14,448,625)	\$ (15,719,714)	\$ (9,523,337)	\$ (14,451,039)	\$ (12,017,450)
Business-Type Activities	1,551,198	1,445,968	1,325,891	349,402	(2,345,687)	(1,224,636)	(2,404,771)	(2,049,507)
Total Primary Government Net Revenue (Expense)	(10,473,374)	(11,030,982)	(10,126,163)	(14,099,223)	(18,065,401)	(10,747,973)	(16,855,810)	(14,066,957)
General Revenues and Other Changes in Net Assets								
Governmental Activities								
Taxes								
Property	2,969,894	3,187,882	3,367,882	3,751,770	4,086,381	4,451,083	4,479,930	4,691,781
Utility	2,876,665	3,100,842	2,001,813	-	-	-	-	-
Other	1,190,006	1,073,759	1,332,973	1,254,401	1,305,440	877,403	1,250,406	1,200,551
Intergovernmental								
Sales and Use	2,549,061	2,845,423	3,522,570	3,929,364	4,052,219	3,607,854	3,549,910	3,832,745
Income	1,418,371	1,706,851	1,963,180	2,165,411	2,471,340	1,654,932	2,181,609	2,112,444
Replacement	105,660	117,523	158,186	155,243	193,689	117,888	159,185	171,227
Other	-	-	-	2,058,843	2,190,649	1,316,154	2,037,722	2,098,487
Interest Income	173,314	283,811	664,894	1,084,991	1,069,786	530,225	253,642	212,808
Miscellaneous	428,368	162,889	3,569,777	759,852	531,218	513,053	3,506,651	2,012,701
Contributions	6,838,708	86,072	-	-	-	-	-	-
Transfers	-	-	(232,860)	120,000	-	-	487,100	-
Total Governmental Activities	18,550,047	12,565,052	16,348,415	15,279,875	15,900,722	13,068,592	17,906,155	16,332,744
Business-Type Activities								
Property	-	-	15,171	15,158	15,172	15,025	15,161	15,172
Sales and Use	-	-	-	-	-	-	948,148	1,023,267
Interest Income	680,024	576,586	788,970	1,018,478	1,111,535	425,385	205,893	137,988
Miscellaneous	651,909	1,140,760	1,509,767	306,827	1,949,971	223,394	417,841	836,771
Contributions	1,353,533	-	-	-	-	-	-	-
Transfers	-	-	232,860	(120,000)	-	-	(487,100)	-
Total Business-Type Activities	2,685,466	1,717,346	2,546,768	1,220,463	3,076,678	663,804	1,099,943	2,013,198
Total Primary Government	21,235,513	14,282,398	18,895,183	16,500,338	18,977,400	13,732,396	19,006,098	18,345,942
Changes in Net Assets								
Governmental Activities	6,525,475	88,102	4,896,361	831,250	181,008	3,545,255	3,455,116	4,315,294
Business-Type Activities	4,236,664	3,163,314	3,872,659	1,569,865	730,991	(560,832)	(1,304,828)	(36,309)
Total Primary Government	\$ 10,762,139	\$ 3,251,416	\$ 8,769,020	\$ 2,401,115	\$ 911,999	\$ 2,984,423	\$ 2,150,288	\$ 4,278,985

Data Source: City Records
The City implemented GASB 34 in Fiscal Year 2004.

CITY OF WEST CHICAGO, ILLINOIS

**Fund Balances of Governmental Funds - Last Ten Fiscal Years
December 31, 2010 (Unaudited)**

	Fiscal Year Ended 4/30/2002	Fiscal Year Ended 4/30/2003	Fiscal Year Ended 4/30/2004	Fiscal Year Ended 4/30/2005
General Fund				
Reserved	\$ 139,800	\$ 33,830	\$ 95,335	\$ 172,890
Unreserved	3,161,732	2,187,860	3,455,827	4,867,620
Total General Fund	3,301,532	2,221,690	3,551,162	5,040,510
All Other Governmental Funds				
Reserved	941,310	1,163,856	2,643,467	2,472,656
Unreserved, Reported in:				
Special Revenues Funds	13,311,798	12,958,166	9,541,225	8,735,946
Capital Projects Funds	3,899,888	3,440,925	2,536,907	2,528,662
Total All Other Governmental Funds	\$ 18,152,996	\$ 17,562,947	\$ 14,721,599	\$ 13,737,264

Data Source: City Records

Fiscal Year Ended 4/30/2006	Fiscal Year Ended 4/30/2007	Fiscal Year Ended 4/30/2008	Eight Months Ended 12/31/2008	Fiscal Year Ended 12/31/2009	Fiscal Year Ended 12/31/2010
\$ 160,863	\$ 1,115,019	\$ 1,468,640	\$ 1,258,433	\$ 1,277,811	\$ 985,505
6,426,774	7,547,196	8,260,787	10,789,860	12,278,094	11,659,744
6,587,637	8,662,215	9,729,427	12,048,293	13,555,905	12,645,249
2,831,253	2,675,629	2,479,613	2,347,877	1,516,583	986,267
10,145,240	6,868,385	6,637,886	6,350,617	6,275,876	2,270,787
1,983,701	3,182,862	2,815,078	2,959,936	4,542,708	5,245,994
\$ 14,960,194	\$ 12,726,876	\$ 11,932,577	\$ 11,658,430	\$ 12,335,167	\$ 8,503,048

CITY OF WEST CHICAGO, ILLINOIS

**General Governmental Revenues By Source - Last Ten Fiscal Years
December 31, 2010 (Unaudited)**

Source	Fiscal Year Ended 4/30/2002	Fiscal Year Ended 4/30/2003	Fiscal Year Ended 4/30/2004	Fiscal Year Ended 4/30/2005
Taxes	\$ 10,004,057	\$ 10,399,392	\$ 9,923,461	\$ 10,979,782
Intergovernmental	1,160,678	1,126,665	1,103,515	1,077,096
Charges for Services	1,457,392	1,566,722	2,420,199	2,549,845
Licenses and Permits	587,287	521,693	537,906	1,171,269
Fines and Forfeits	251,496	324,861	380,153	365,347
Fees	-	-	-	-
Interest Income	920,220	466,921	173,314	283,810
Rental Income	-	-	-	-
Miscellaneous	907,519	853,613	366,904	177,816
Total	<u>\$ 15,288,649</u>	<u>\$ 15,259,867</u>	<u>\$ 14,905,452</u>	<u>\$ 16,604,965</u>

Data Source: City Records

Fiscal Year Ended 4/30/2006	Fiscal Year Ended 4/30/2007	Fiscal Year Ended 4/30/2008	Eight Months Ended 12/31/2008	Fiscal Year Ended 12/31/2009	Fiscal Year Ended 12/31/2010
\$ 11,037,386	\$ 7,220,257	\$ 7,943,758	\$ 7,737,287	\$ 8,401,237	\$ 8,669,147
990,894	7,165,222	7,494,386	5,097,366	6,117,344	6,542,723
806,360	2,315,647	2,389,235	2,179,039	2,558,780	1,891,127
1,057,216	632,799	572,886	326,417	489,110	456,361
833,898	481,943	668,147	726,532	1,782,124	1,042,292
2,407,119	-	-	-	-	-
664,895	1,075,101	1,049,762	523,118	251,878	210,470
160,073	-	-	-	-	-
2,833,815	759,852	531,218	513,053	3,506,651	2,012,701
<u>\$ 20,791,656</u>	<u>\$ 19,650,821</u>	<u>\$ 20,649,392</u>	<u>\$ 17,102,812</u>	<u>\$ 23,107,124</u>	<u>\$ 20,824,821</u>

CITY OF WEST CHICAGO, ILLINOIS

**General Governmental Expenditures By Function - Last Ten Fiscal Years
December 31, 2010 (Unaudited)**

Function	Fiscal Year Ended 4/30/2002	Fiscal Year Ended 4/30/2003	Fiscal Year Ended 4/30/2004	Fiscal Year Ended 4/30/2005
General Government	\$ 3,314,245	\$ 4,073,288	\$ 5,113,922	\$ 4,952,629
Public Safety	5,739,317	6,589,122	6,834,854	7,074,392
Highways and Streets	1,405,049	1,684,227	587,890	699,073
Culture and Recreation	305,615	331,401	413,400	371,756
Capital Outlay	4,085,239	3,366,217	2,877,197	2,997,181
Debt Service				
Principal	735,000	760,000	110,000	130,000
Interest and Fiscal Charges	155,638	125,503	94,183	89,208
Total	\$ 15,740,103	\$ 16,929,758	\$ 16,031,446	\$ 16,314,239

Data Source: City Records

Fiscal Year Ended 4/30/2006	Fiscal Year Ended 4/30/2007	Fiscal Year Ended 4/30/2008	Eight Months Ended 12/31/2008	Fiscal Year Ended 12/31/2009	Fiscal Year Ended 12/31/2010
\$ 4,540,750	\$ 6,030,937	\$ 6,393,241	\$ 4,551,384	\$ 6,957,868	\$ 8,180,849
7,756,125	7,511,979	8,006,829	5,783,643	8,616,769	8,524,634
758,534	826,980	1,025,381	700,402	-	-
449,110	514,550	406,417	248,277	372,382	131,438
4,065,602	5,477,801	4,227,901	3,455,854	5,141,045	7,818,703
135,000	150,000	190,000	210,000	225,000	845,000
83,618	77,378	126,710	108,533	96,811	66,972
<u>\$ 17,788,739</u>	<u>\$ 20,589,625</u>	<u>\$ 20,376,479</u>	<u>\$ 15,058,093</u>	<u>\$ 21,409,875</u>	<u>\$ 25,567,596</u>

CITY OF WEST CHICAGO, ILLINOIS

**Changes in Fund Balances for Governmental Funds - Last Ten Fiscal Years
December 31, 2010 (Unaudited)**

	Fiscal Year Ended 4/30/2002	Fiscal Year Ended 4/30/2003	Fiscal Year Ended 4/30/2004	Fiscal Year Ended 4/30/2005
Revenues				
Taxes	\$ 10,004,057	\$ 10,399,392	\$ 9,923,461	\$ 10,979,782
Intergovernmental	1,160,678	1,126,665	1,103,515	1,077,096
Charges for Services	1,457,392	1,566,722	2,420,199	2,549,845
Licenses and Permits	587,287	521,693	537,906	1,171,269
Fines and Forfeits	251,496	324,861	380,153	365,347
Fees	-	-	-	-
Interest Income	920,220	466,921	173,314	283,810
Rental Income	-	-	-	-
Miscellaneous	907,519	853,613	366,904	177,816
Total Revenues	15,288,649	15,259,867	14,905,452	16,604,965
Expenditures				
General Government	3,314,245	4,073,288	5,113,922	4,952,629
Public Safety	5,739,317	6,589,122	6,834,854	7,074,392
Highways and Streets	1,405,049	1,684,227	587,890	699,073
Culture and Recreation	305,615	331,401	413,400	371,756
Capital Outlay	4,085,239	3,366,217	2,877,197	2,997,181
Debt Service				
Principal	735,000	760,000	110,000	130,000
Interest and Fiscal Charges	155,638	125,503	94,183	89,208
Total Expenditures	15,740,103	16,929,758	16,031,446	16,314,239
Excess of Revenues Over (Under) Expenditures	(451,454)	(1,669,891)	(1,125,994)	290,726
Other Financing Sources (Uses)				
Transfer In	888,326	303,403	1,532,361	168,735
Transfer Out	(888,326)	(303,403)	(1,532,361)	(168,735)
Sale of Assets	-	-	-	214,287
	-	-	-	214,287
Net Change in Fund Balances	\$ (451,454)	\$ (1,669,891)	\$ (1,125,994)	\$ 505,013
Debt Service as a Percentage of Noncapital Expenditures	7.64%	6.53%	1.55%	1.65%

Data Source: City Records

Fiscal Year Ended 4/30/2006	Fiscal Year Ended 4/30/2007	Fiscal Year Ended 4/30/2008	Eight Months Ended 12/31/2008	Fiscal Year Ended 12/31/2009	Fiscal Year Ended 12/31/2010
\$ 11,037,386	\$ 7,220,257	\$ 7,943,758	\$ 7,737,287	\$ 8,401,237	\$ 8,669,147
990,894	7,165,222	7,494,386	5,097,366	6,117,344	6,542,723
806,360	2,315,647	2,389,235	2,179,039	2,558,780	1,891,127
1,057,216	632,799	572,886	326,417	489,110	456,361
833,898	481,943	668,147	726,532	1,782,124	1,042,292
2,407,119	-	-	-	-	-
664,895	1,075,101	1,049,762	523,118	251,878	210,470
160,073	-	-	-	-	-
2,833,815	759,852	531,218	513,053	3,506,651	2,012,701
20,791,656	19,650,821	20,649,392	17,102,812	23,107,124	20,824,821
4,540,750	6,030,937	6,393,241	4,551,384	6,957,868	8,180,849
7,756,125	7,511,979	8,006,829	5,783,643	8,616,769	8,524,634
758,534	826,980	1,025,381	700,402	-	-
449,110	514,550	406,417	248,277	372,382	131,438
4,065,602	5,477,801	4,227,901	3,455,854	5,141,045	7,818,703
135,000	150,000	190,000	210,000	225,000	845,000
83,618	77,378	126,710	108,533	96,811	66,972
17,788,739	20,589,625	20,376,479	15,058,093	21,409,875	25,567,596
3,002,917	(938,804)	272,913	2,044,719	1,697,249	(4,742,775)
169,589	330,000	555,000	150,000	587,100	441,777
(402,449)	(210,000)	(555,000)	(150,000)	(100,000)	(441,777)
-	-	-	-	-	-
(232,860)	120,000	-	-	487,100	-
\$ 2,770,057	\$ (818,804)	\$ 272,913	\$ 2,044,719	\$ 2,184,349	\$ (4,742,775)
1.59%	1.32%	1.67%	2.65%	1.75%	5.86%

CITY OF WEST CHICAGO, ILLINOIS

**Assessed Value and Actual Value of Taxable Property - Last Ten Fiscal Years
December 31, 2010 (Unaudited)**

Tax Levy Year	Fiscal Year End	Residential Property	Farm
2001	4/30/2002	\$ 243,613,111	\$ 430,739
2002	4/30/2003	316,490,599	389,662
2003	4/30/2004	350,365,979	339,065
2004	4/30/2005	380,374,817	331,806
2005	4/30/2006	420,190,233	285,435
2006	4/30/2007	463,201,134	226,466
2007	4/30/2008	482,728,818	248,092
2008	12/31/2008*	509,905,446	276,390
2009	12/31/2009	503,652,130	286,844
2010	12/31/2010	477,222,120	325,577

N/A - Not Currently Available

*For the Eight Months Ended December 31, 2008

Data Source: DuPage County Clerk's and Treasurer's Offices

Commercial Property	Industrial Property	Total Assessed Value	Total Direct Tax Rate
\$ 63,264,142	\$ 123,697,590	\$ 431,005,582	7.7258
68,723,126	133,557,460	519,160,847	8.1099
67,615,490	129,318,270	547,638,804	8.0609
71,419,516	137,938,675	590,064,814	7.8833
75,951,359	140,810,220	637,237,247	7.8201
86,688,224	154,537,960	704,653,784	7.5812
100,599,520	156,767,550	740,343,980	7.5418
110,593,070	163,773,650	784,548,556	7.4882
114,043,959	161,948,610	779,931,543	7.5498
104,342,370	154,574,460	736,464,527	8.1600

CITY OF WEST CHICAGO, ILLINOIS

**Direct and Overlapping Property Tax Rates - Last Ten Levy Years
December 31, 2010 (Unaudited)**

Taxing Body	2001	2002	2003
Countywide			
DuPage County	0.2353	0.2154	0.1999
Forest Preserve District	0.1654	0.1534	0.1419
DuPage Airport Authority	0.0271	0.0248	0.0230
DuPage Water Commission	0.0000	0.0000	0.0000
Local			
Wayne Township	0.0812	0.0763	0.0822
Wayne Township Road	0.0988	0.0929	0.0317
City of West Chicago - Wayne Township	0.6352	0.4552	0.4526
Winfield Township	0.1036	0.0983	0.0945
Winfield Township Road	0.1349	0.1280	0.1230
City of West Chicago - Winfield Township	0.6182	0.4452	0.4394
West Chicago Park District	0.3133	0.2920	0.3130
West Chicago Fire Protection District	0.6237	0.5895	0.5779
West Chicago Mosquito District	0.0068	0.0065	0.0063
West Chicago Library District	0.2236	0.2689	0.2655
Educational			
Grade School District 33	3.0793	3.6340	3.7140
High School District 94	2.0016	20.3600	1.9528
College of DuPage District 502	0.1930	0.2179	0.2097
Total Tax Rate - Winfield Township	7.7258	8.1099	8.0609
Share of Total Tax Rate Levied by the City of West Chicago	8.00%	5.49%	5.45%
Total Tax Rate - Wayne Township	7.6843	8.0628	7.9705
Share of Total Tax Rate Levied by the City of West Chicago	8.27%	5.65%	5.68%

Property tax rates are per \$100 of assessed valuation.

Data Source: DuPage County Clerk

Tax Levy Year						
2004	2005	2006	2007	2008	2009	2010
0.1850	0.1797	0.1713	0.1651	0.1557	0.1554	0.1659
0.1358	0.1271	0.1303	0.1187	0.1206	0.1217	0.1321
0.0213	0.0198	0.0183	0.0170	0.0160	0.0148	0.0158
0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
0.0696	0.0680	0.0666	0.0647	0.0649	0.0658	0.0733
0.0754	0.0720	0.0704	0.0642	0.0604	0.0610	0.0645
0.4486	0.4423	0.4236	0.4273	0.4240	0.4263	0.4675
0.0924	0.0901	0.0869	0.0855	0.0845	0.0854	0.0924
0.1203	0.1178	0.1143	0.1125	0.1112	0.1123	0.1215
0.4298	0.4423	0.4236	0.4273	0.4240	0.4263	0.4675
0.3016	0.2933	0.2813	0.2718	0.2687	0.2703	0.2946
0.5578	0.5500	0.5335	0.6501	0.6506	0.6509	0.7078
0.0109	0.0105	0.0101	0.0099	0.0099	0.0101	0.0111
0.2733	0.2651	0.2532	0.2465	0.2443	0.2466	0.2307
3.6750	3.6993	3.5986	3.5300	3.5158	3.529	3.8244
1.8829	1.8377	1.7669	1.7186	1.7011	1.7143	1.8613
0.1972	0.1874	0.1929	0.1888	0.1858	0.2127	0.2349
7.8833	7.8201	7.5812	7.5418	7.4882	7.5498	8.1600
5.45%	5.66%	5.59%	5.67%	5.66%	5.65%	5.73%
7.8344	7.7522	7.5170	7.4727	7.4178	7.4789	8.0839
5.73%	5.71%	5.64%	5.72%	5.72%	5.70%	5.78%

CITY OF WEST CHICAGO, ILLINOIS

**Principal Property Tax Payers - Current Year and Nine Years Ago
December 31, 2010 (Unaudited)**

	2010			2001		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
DuPage Airport Authority	\$ 16,697,070	1	2.27%	\$ 7,374,070	3	1.71%
Blackhawk Center, LLC	11,265,800	2	1.53%			
Cobalt Industrial REIT II	9,761,620	3	1.33%			
Timber Lake Apartments	6,222,500	4	0.84%			
St. Andrews Country Club	5,780,230	5	0.78%			
LaGrou Properties	5,380,000	6	0.73%			
International Truck & Engine	4,795,750	7	0.65%			
Aspen Ridge 1-6 LLC	3,628,400	8	0.49%	3,076,010	9	0.71%
Menards, Inc	3,623,800	9	0.49%			
Platinum Health Care	3,587,630	10	0.49%			
USAA Real Estate Co				9,023,450	1	2.09%
Centerpoint Properties				8,905,890	2	2.07%
CNC				6,038,280	4	1.40%
General Mills				4,767,300	5	1.11%
Leland Stahelin				3,758,260	6	0.87%
First Industrial				3,473,680	7	0.81%
WCB Properties				3,212,880	8	0.75%
Rubloff Eagle Creek				3,172,700	9	0.74%
	<u>\$ 70,742,800</u>		<u>9.60%</u>	<u>\$ 52,802,520</u>		<u>12.26%</u>

Data Source: Office of the DuPage County Clerk's

CITY OF WEST CHICAGO, ILLINOIS

**Property Tax Levies and Collections - Last Ten Fiscal Years
December 31, 2010 (Unaudited)**

Tax Levy Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2000	\$ 3,585,299	\$ 3,585,033	99.99%	\$ N/A	\$ 3,585,033	99.99%
2001	3,791,289	3,790,244	99.97%	N/A	3,790,244	99.97%
2002	4,893,443	4,891,111	99.95%	N/A	4,891,111	99.95%
2003	3,141,457	3,140,545	99.97%	N/A	3,140,545	99.97%
2004	3,316,627	3,306,553	99.70%	N/A	3,306,553	99.70%
2005	2,578,507	2,576,288	99.91%	782	2,577,070	99.94%
2006	2,991,035	2,990,740	99.99%	292	2,991,032	100.00%
2007	3,168,990	3,161,494	99.76%	2,541	3,164,035	99.84%
2008	3,332,263	3,284,623	98.57%	N/A	3,284,623	98.57%
2009	3,403,867	3,384,410	99.43%	N/A	3,384,410	99.43%

Note: Levies for all Special Services Area have been excluded from this table.

Data Source: Office of the DuPage County Clerk's

N/A - Not Available

CITY OF WEST CHICAGO, ILLINOIS

**Ratios of Outstanding Debt By Type - Last Ten Fiscal Years
December 31, 2010 (Unaudited)**

Fiscal Year Ended	Governmental Activities	Business-Type Activities		Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
	General Obligation Bonds	IEPA Revenue Bonds	General Obligation Bonds			
4/30/2002	\$ 2,755,000	\$ -	\$ -	\$ 2,755,000	0.57%	\$ 117
4/30/2003	1,995,000	21,220,000	-	23,215,000	4.69%	989
4/30/2004	1,885,000	20,455,000	10,182,475	22,340,000	4.02%	874
4/30/2005	1,755,000	19,670,000	10,787,922	32,212,922	5.63%	1,260
4/30/2006	1,620,000	10,355,555	18,855,000	30,830,555	5.24%	1,206
4/30/2007	1,470,000	9,912,005	18,015,000	29,397,005	4.99%	1,095
4/30/2008	1,280,000	9,456,983	17,145,000	27,881,983	4.38%	1,039
12/31/2008*	1,070,000	9,225,076	14,145,000	24,440,076	3.84%	911
12/31/2009	845,000	8,752,286	16,240,000	25,837,286	4.06%	963
12/31/2010	-	8,267,267	15,295,000	23,562,267	3.80%	870

* For the Eight Months Ended December 31, 2008

Data Source: City's Records

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

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

CITY OF WEST CHICAGO, ILLINOIS

**Ratios of General Bonded Debt Outstanding - Last Ten Fiscal Years
December 31, 2010 (Unaudited)**

Fiscal Year Ended	Gross General Obligation Bonds	Less: Amounts Available in Debt Service Funds	Total	Percentage of Equalized Assessed Value (1)	Per Capita (2)
4/30/2002	\$ 2,755,000	\$ -	\$ 2,755,000	0.64%	\$ 117.39
4/30/2003	1,995,000	-	1,995,000	0.38%	85.01
4/30/2004	12,067,475	306,368	11,761,107	2.15%	459.94
4/30/2005	12,542,922	312,804	12,230,118	2.07%	478.28
4/30/2006	20,475,000	327,648	20,147,352	3.16%	787.90
4/30/2007	19,485,000	349,127	19,135,873	2.72%	712.93
4/30/2008	18,425,000	382,683	18,042,317	2.44%	672.19
12/31/2008*	15,215,000	442,842	14,772,158	1.88%	550.36
12/31/2009	17,085,000	482,787	16,602,213	2.13%	618.54
12/31/2010	15,295,000	-	15,295,000	2.08%	564.68

* For the Eight Months Ended December 31, 2008

Data Source: City Records

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

(1) See the Ratios of Outstanding Debt by Type Schedule for Equalized Assessed Value data (Actual Taxable Value of Property).

(2) See the Demographic and Economic Statistics Schedule for the Per Capita Income data.

CITY OF WEST CHICAGO, ILLINOIS

**Schedule of Direct and Overlapping Bonded Debt
December 31, 2010 (Unaudited)**

Governmental Unit	Gross Debt	Percentage to Debt Applicable to City (1)	City's Share of Debt
City of West Chicago	\$ -	100.00%	\$ -
DuPage County	227,150,000	1.83%	4,164,827
DuPage Water Commission	-	0.00%	-
Forest Preserve District	214,208,724	1.83%	3,927,547
Warrenville Park District	409,335	3.31%	13,536
West Chicago Park District	10,845,990	93.53%	10,144,668
Winfield Park District	4,331,500	0.80%	34,531
West Chicago Library District	-	0.00%	-
St. Charles Library District	-	0.00%	-
School District #25	7,350,000	27.12%	1,993,239
School District #33	37,872,457	80.17%	30,362,878
School District #94	16,805,000	59.60%	10,015,946
U-46 School District	381,208,366	0.93%	3,539,615
U-303 School District	142,590,000	5.41%	7,713,371
Community College District #502	223,950,000	2.42%	5,424,062
Community College District #509	157,300,389	1.41%	2,210,929
Total Overlapping Debt	1,424,021,761		79,545,149
Total Direct and Overlapping Debt	\$ 1,424,021,761		\$ 79,545,149

Data Source: DuPage County Clerks

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of outstanding debt of those overlapping governments that is borne by the residents and businesses of the City. Every resident is not responsible for paying the debt of each overlapping government.

(1) Determined by the ratio of assessed value of property in the City subject to taxation by the Governmental Unit to the total assessed value of property of the Governmental Unit using the 2010 tax levy year equalized assessed values.

CITY OF WEST CHICAGO, ILLINOIS

Schedule of Legal Debt Margin

December 31, 2010 (Unaudited)

The City is a home rule municipality.

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

The General Assembly may limit by law the amount and require referendum approval of debt to be incurred by some 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 which is thereafter approved by referendum...shall not be included in the foregoing percentage amounts.

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

CITY OF WEST CHICAGO, ILLINOIS

**Pledged-Revenue Coverage - Last Ten Fiscal Years
December 31, 2010 (Unaudited)**

Fiscal Year Ended	(1) Revenues	(2) Expenses	(3) Net Revenue Available for Debt Service	(4) Debt Service		(5) Coverage
				Principal	Interest	
4/30/2002	\$ 6,296,406	\$ 5,240,274	\$ 1,056,132	\$ 10,000	\$ 17,691	38.14
4/30/2003	10,477,253	5,434,133	5,043,120	50,000	-	100.86
4/30/2004	9,439,148	5,525,335	3,913,813	765,000	1,096,070	2.10
4/30/2005	10,537,583	5,944,066	4,593,517	785,000	1,232,867	2.28
4/30/2006	11,078,097	5,130,206	5,947,891	815,000	1,201,565	2.95
4/30/2007	10,692,329	6,518,489	4,173,840	840,000	1,131,057	2.12
4/30/2008	12,183,299	8,004,065	4,179,234	870,000	1,085,608	2.14
12/31/2008*	7,970,825	7,809,130	161,695	-	702,111	0.23
12/31/2009	11,699,943	8,702,660	2,997,283	905,000	1,006,014	1.57
12/31/2010	12,418,238	8,998,301	3,419,937	945,000	953,990	1.80

* For the Eight Months Ended December 31, 2008

(1) As defined in applicable bond indentures and governing laws.

(2) Totaled expenses exclusive of depreciation and bond interest.

(3) Gross revenue minus expenses.

(4) Revenue bonds through April 30, 2003, alternate revenue bonds subsequent to that date.

(5) Net revenue available for debt service divided by total debt requirements.

Data Source: City Records

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

CITY OF WEST CHICAGO, ILLINOIS

**Demographic and Economic Statistics - Last Ten Fiscal Years
December 31, 2010 (Unaudited)**

Fiscal Year Ended	(1) Population	(2) Personal Income (in Thousands)	Per Capita Personal Income	(1) Median Age	School Enrollment	(2) Unemployment Rate
4/30/2002	23,469	\$ 480,222,678	\$ 20,462	27.8	N/A	6.8
4/30/2003	23,469	494,629,358	21,076	27.8	N/A	6.9
4/30/2004	25,571	555,098,741	21,708	27.8	N/A	6.6
4/30/2005	25,571	571,751,703	22,359	27.8	N/A	6.0
4/30/2006	25,571	588,904,254	23,030	27.8	N/A	4.5
4/30/2007	26,841	636,697,135	23,721	27.8	6,265	4.9
4/30/2008	26,841	636,684,014	23,721	27.8	6,265	6.6
12/31/2008*	26,841	619,543,962	23,082	30.8	7,397	6.5
12/31/2009	26,841	693,141,984	25,824	31.2	7,314	10.8
12/31/2010	27,086	851,123,378	31,423	35.2	6,947	11.0

* For the Eight Months Ended December 31, 2008

Data Sources

(1) U.S. Census Bureau

(2) Illinois Department of Employment Security (using annual averages)

CITY OF WEST CHICAGO, ILLINOIS

**Principal Employers - Current Fiscal Year and Nine Fiscal Years Ago
December 31, 2010 (Unaudited)**

Employer	2010			2001		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Jel Sert	1,000	1	7.76%	N/A	N/A	N/A
West Chicago Elementary School District	632	2	4.90%	N/A	N/A	N/A
General Mills	500	3	3.88%	N/A	N/A	N/A
Ball Horticultural Co	425	4	3.30%	N/A	N/A	N/A
Siemens Energy & Automation	287	5	2.23%	N/A	N/A	N/A
Community High School District	250	6	1.94%	N/A	N/A	N/A
Otto & Sons	230	7	1.78%	N/A	N/A	N/A
Mapei Corporation	215	8	1.67%	N/A	N/A	N/A
Turtle Splash	200	9	1.55%	N/A	N/A	N/A
St. Andrews Golf & Country Club	190	10	1.47%	N/A	N/A	N/A
Express Packaging	175	11	1.36%	N/A	N/A	N/A
New Wincup Holdings	175	12	1.36%	N/A	N/A	N/A
Advanced Urethane Technologies	170	13	1.32%	N/A	N/A	N/A
Pella Windows & Doors	150	14	1.16%	N/A	N/A	N/A
Aspen Marketing Services	150	15	1.16%	N/A	N/A	N/A
In the Swim	150	15	1.16%			
Menards	150	15	1.16%			
Navistar	150	15	1.16%			
Sims Recycling Solutions, Inc	150	15	1.16%			
	<u>5,349</u>		<u>41.48%</u>	<u>N/A</u>		<u>N/A</u>

Data Sources: City Community Development Department Records and U.S. Census Bureau.

N/A - Information for 2001 is not available.

CITY OF WEST CHICAGO, ILLINOIS

**Full-time Equivalent City Government Employees by Function - Last Ten Fiscal Years
December 31, 2010 (Unaudited)**

See Following Page

CITY OF WEST CHICAGO, ILLINOIS

**Full-Time Equivalent City Government Employees by Function - Last Ten Fiscal Years
December 31, 2010 (Unaudited)**

Function	Fiscal Year Ended 4/30/2002	Fiscal Year Ended 4/30/2003	Fiscal Year Ended 4/30/2004
General Government			
Administration	5.50	4.50	4.50
Finance/Administrative Services	8.00	8.00	8.00
Museum/Marketing	3.00	3.00	3.00
Public Works	31.50	32.55	30.55
Police	46.00	46.00	46.00
Community Development	13.00	12.00	10.00
Water and Sewer	20.75	21.70	22.70
Commuter Parking Lot	0.25	0.25	0.25
Total	128.00	128.00	125.00

Data Source: City Records

Fiscal Year Ended 4/30/2005	Fiscal Year Ended 4/30/2006	Fiscal Year Ended 4/30/2007	Fiscal Year Ended 4/30/2008	Eight Months Ended 12/31/2008	Fiscal Year Ended 12/31/2009	Fiscal Year Ended 12/31/2010
2.00	2.00	2.50	3.00	2.25	2.25	2.25
11.00	11.00	10.50	8.00	8.00	8.00	8.00
3.00	3.00	4.00	4.00	3.38	1.75	1.75
17.57	17.41	18.21	21.50	23.00	23.00	23.00
46.00	47.00	47.00	49.00	50.00	48.00	48.00
9.00	9.90	9.90	6.00	6.00	6.00	6.00
48.65	37.40	48.81	24.00	20.00	20.00	20.00
0.56	0.56	0.63	0.50	0.81	1.00	1.00
137.78	128.27	141.55	116.00	113.44	110.00	110.00

CITY OF WEST CHICAGO, ILLINOIS

**Operating Indicators by Function/Program - Last Ten Fiscal Years
December 31, 2010 (Unaudited)**

Function/Program	Fiscal Year Ended 4/30/2002	Fiscal Year Ended 4/30/2003	Fiscal Year Ended 4/30/2004
Public Works			
Number of Parkway Trees Planted	309	165	134
Number of Parkway Trees Trimmed	1,027	582	1,659
Brush Pickup Program (Days to Collect)	4	4	4
Building Safety Inspections	12	12	12
Tunnel - Paint and Light Lens Replacements	1	13	6
Special Events Handled	6	6	6
Public Safety			
Fire			
Number of Fire Calls	N/A	N/A	1,288
Number of EMS Calls	N/A	N/A	1,531
ISO Rating	3/9	3/9	3/5
Police			
Part I Crime	841	847	773
Part II Crime	3,371	3,615	3,360
Calls for Service	42,493	57,879	56,309
Parking Tickets Issued	3,147	5,633	7,113
Community Development			
Number of Building Permits Issued	917	1,122	1,288
Number of Building Inspections	6,861	6,301	2,063
Highways and Streets			
Sidewalk Replaced (sq. ft.)	19,720	16,187	16,066
Crack Sealing (lbs. installed)	N/A	N/A	N/A
Tons of Salt Used	N/A	2,000	2,000
Water and Sewer			
Miles of Water Main	100	100	105
Number of metered accounts	5,900	6,011	6,042
Water Meters Read	25,465	35,916	36,437
Water Meter Service Requests	116	109	86
Water Meters Replaced	298	332	267
Average Daily Treated Water (Million Gallons)	3.6	3.65	3.5
Sanitary Sewer Repairs	1	-	-

N/A - Not Available

Data Source: City Records

Note: Indicators are not available for the general government function.

Fiscal Year Ended 4/30/2005	Fiscal Year Ended 4/30/2006	Fiscal Year Ended 4/30/2007	Fiscal Year Ended 4/30/2008	Eight Months Ended 12/31/2008	Fiscal Year Ended 12/31/2009	Fiscal Year Ended 12/31/2010
146	146	121	115	0	140	150
1,126	1,575	1,125	1,255	80	1,087	1,087
4	4	4	4	5	4	4.5
12	12	12	12	8	12	12
10	15	15	132	33	30	29
6	6	6	6	5	6	10
1,330	1,272	1,440	N/A	1,506	1,159	1,146
1,489	1,821	1,692	N/A	1,733	1,826	1,821
3/3	3/3	3/3	3/3	3/3	3/3	3/3
787	642	536	N/A	451	509	438
3,646	3,653	3,803	N/A	2,933	3,009	2,342
44,941	40,168	40,960	N/A	40,990	38,828	37,407
5,689	5,232	5,051	N/A	4,654	4,294	3,728
1,480	1,225	1,083	967	729	882	1,097
2,693	3,814	1,951	1,205	880	881	753
15,930	18,470	18,032	18,491	18,159	13,195	10,935
28,500	28,500	-	-	-	26,520	14,983
2,500	2,500	2,000	4,100	3,300	3,000	3,577
110	110	120	130	123	123	125.33
6,150	6,300	6,450	6,600	6,707	6,438	6,437
36,900	37,800	38,700	39,600	40,242	38,700	38,700
93	173	87	155	66	90	103
139	90	100	60	35	80	117
3.57	3.76	3.80	3.67	3.60	3.37	3.28
-	3	3	1	3	2	3

CITY OF WEST CHICAGO, ILLINOIS

**Capital Asset Statistics by Function/Program - Last Ten Fiscal Years
December 31, 2010 (Unaudited)**

Function/Program	Fiscal Year Ended 4/30/2002	Fiscal Year Ended 4/30/2003	Fiscal Year Ended 4/30/2004
Police			
Stations	1	1	1
Patrol Units	29	29	29
Fire Stations	3	3	3
Public Works			
Streets (Miles)	122.00	123.50	140.20
Sidewalks (Miles)	N/A	N/A	N/A
Streetlights	N/A	381	446
Water and Sewer			
Water Mains (Miles)	122.00	123.00	130.00
Fire Hydrants	1,500	1,500	1,560
Sanitary Sewers (Miles)	120.00	121.00	124.50
Manholes	N/A	N/A	N/A

N/A - Not Available

Data Source: City Records

Fiscal Year Ended 4/30/2005	Fiscal Year Ended 4/30/2006	Fiscal Year Ended 4/30/2007	Fiscal Year Ended 4/30/2008	Eight Months Ended 12/31/2008	Fiscal Year Ended 12/31/2009	Fiscal Year Ended 12/31/2010
1	1	1	1	1	1	1
29	28	28	28	28	28	28
3	3	3	3	3	3	3
153.76	161.94	165.00	165.41	173.65	169.71	167.20
N/A	N/A	84.00	102.20	103.40	104.05	108.38
446	446	446	883	883	964	964
130.00	125.00	125.00	130.00	123.00	123.00	125.33
1,560	1,560	1,560	1,560	1,472	1,482	1,483
103.06	103.06	103.06	103.12	105.60	105.60	105.60
1,716	1,722	1,725	2,075	2,176	2,176	2,186