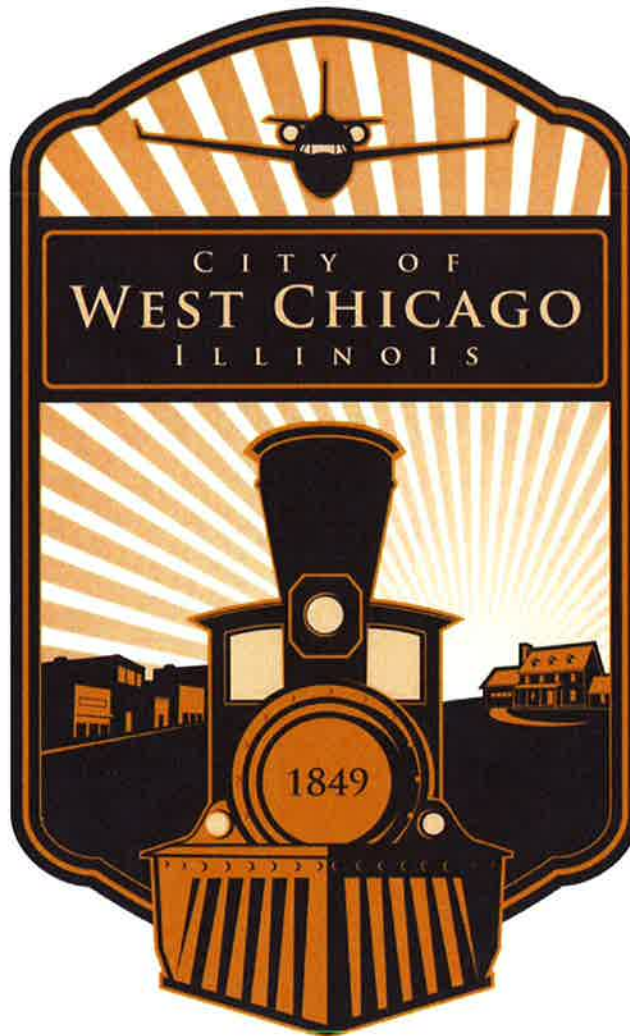


CITY OF WEST CHICAGO, ILLINOIS



COMPREHENSIVE ANNUAL FINANCIAL REPORT

**FOR THE YEAR ENDED
DECEMBER 31, 2011**

CITY OF WEST CHICAGO, ILLINOIS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2011

Prepared by

Linda Martin
Director of Administrative Services

CITY OF WEST CHICAGO, ILLINOIS

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CITY OF WEST CHICAGO, ILLINOIS

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CITY OF WEST CHICAGO, ILLINOIS

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INTRODUCTORY SECTION

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

CITY OF WEST CHICAGO, ILLINOIS

List of Principal Officials December 31, 2011

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.	Kurt Meissner
Lori Chassee	H. Ronald Monroe
Nanette Connelly	Alan Murphy
Sandra Dimas	Ruben Pineda
Nicholas Dzierzanowski	Russell Radkiewicz
Matthew Fuesting	Rebecca Stout

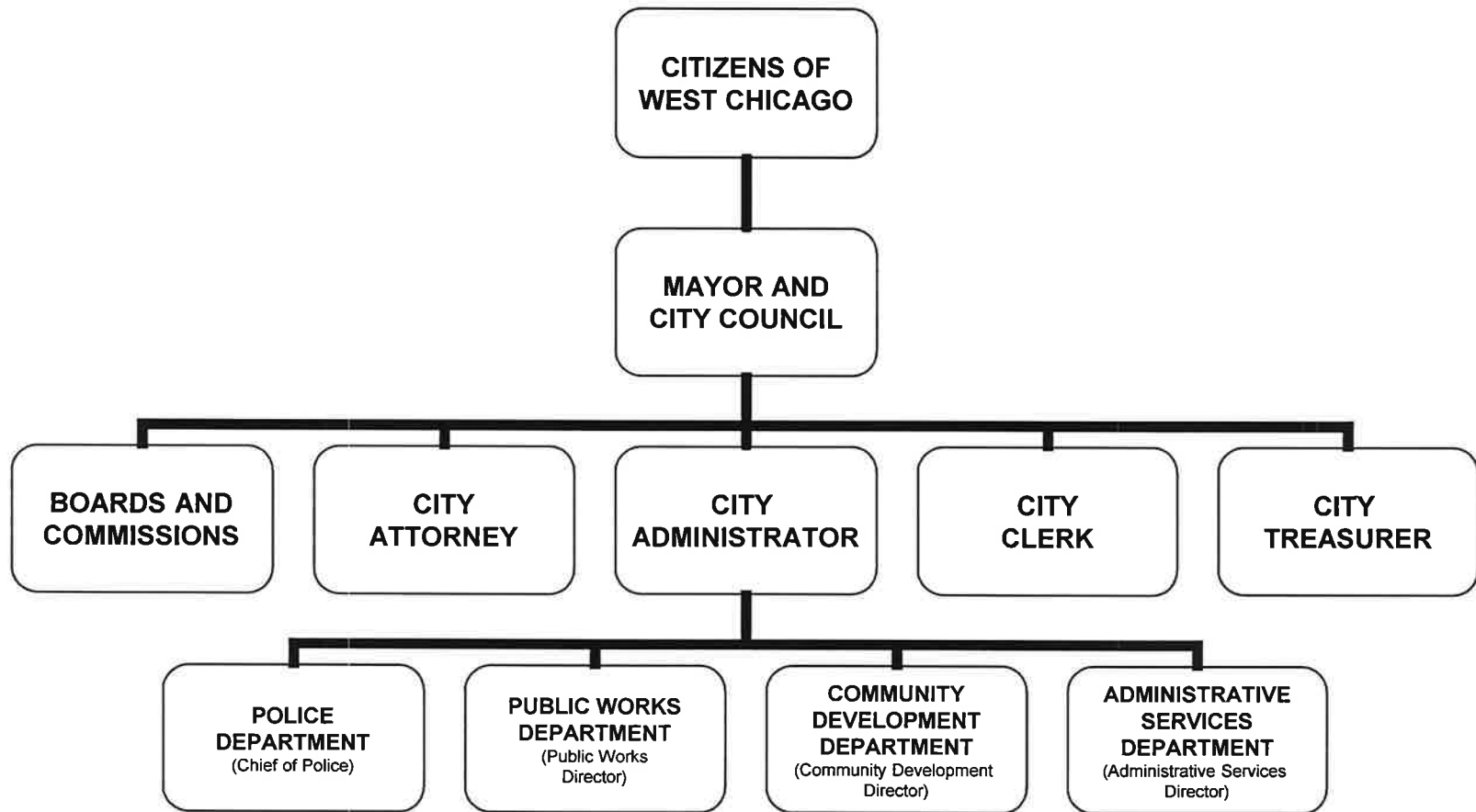
ADMINISTRATIVE

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 11, 2012

The Honorable Acting Mayor Ruben Pineda
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, 2011, 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, 2011, 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 is the City Clerk. The position of elected City Treasurer has been eliminated by referendum after the current term expires in 2013. 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:

- Substantial savings of over \$4.3 million dollars were realized when bonds issued in 2002 for construction of a water treatment plant were retired 10.5 years prior to scheduled maturity.
- In cooperation with the Canadian National Railway Company, approval for the designation of a quiet zone moves forward with the completion of a risk analysis and the identification of three required improvements, all of which have progressed to the engineering design phase.
- Introduction of a three phase Crime Free Multi Housing Program to further solidify the commitment to public safety by strengthening the partnership with property owners and residents with a proactive approach to further reduce crime.
- The City purchased properties at 308-310 High Street, 114 Chicago Street, 145-147 West Washington Street and 151 West Washington Street under the principles as outlined in the Central Main Street Redevelopment Area and the Downtown Redevelopment Plan and Project.
- Continued focus on business retention and support through the promotion of recognition programs such as Brilliance in Business Awards, the 3/50 Project – a project that promotes participation by consumers in spending a combined \$50 per month at 3 private, locally owned independent stores in the community and a multi-coordinated sales event campaign.
- Began implementation of the comprehensive, City-funded water meter replacement program to better serve utility system customers and promote efficiency.

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, 2011. 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:

In January 2011, an ordinance requiring that water and sewer accounts be held in the name of the property owner/landlord was passed to alleviate the burden of receivables previously deemed arduous to collect in the wake of frequent occupant/tenant changes. Enforceability of the repercussions of non-payment was further strengthened within the parameters encompassing the issuance of rental licenses, which resulted in increased collections and the overall reduction of aging receivables.

The City Council, having determined that the implementation of the Downtown Redevelopment Plan and Project will attract additional commercial businesses and increase business for currently established ventures while strengthening tax and income bases and providing opportunity for City residents, continued to advance with the development of a conceptual site plan for the West Washington Street Redevelopment Project, including architectural options for the buildings, as well as the acquisition of two additional properties.

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.

As part of the City's annual review of certain policies and cost reduction measures, the increased costs relative to the City's sharing of retiree medical insurance premium costs, and resulting claims experience, were analyzed to determine the feasibility of continued cost sharing. In light of the annual trend of mounting costs and significantly limited funds available for such a program, the determination was made to terminate the program. With the elimination of the program, the City will realize in future years a reduction in post-employment benefit costs, actual contribution obligations and actuarial accrued liabilities.

Additionally, with regard to policy analyses, alternative purchasing procedures were identified in contemplation of limiting the use of departmental credit cards for purchases, and a strategy was developed that allowed for the complete elimination of all City issued credit cards. By eliminating the use of all City credit cards for purchases, a strengthening of internal controls was realized and administrative responsibilities are no longer required to ensure security related to credit risk.

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 twelfth 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.

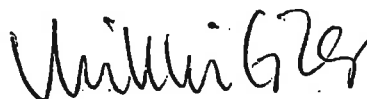
The preparation of this report was made possible by the dedicated service of the entire staff of the Administrative Services Department. Each member of the Department has our sincere appreciation for the contribution made in the preparation of this report.

In closing, we would like to acknowledge and thank the Acting 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, 2010

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.



Linda C. Sandison

President

Jeffrey R. Emer

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 11, 2012

The Honorable Acting 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 of the City of West Chicago, Illinois as of and for the year ended December 31, 2011, 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 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, 2011, 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 other required supplementary 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 generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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 combining and individual nonmajor fund financial statements and schedules and other information listed as schedules and other supplementary information in the accompanying table of contents, 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 and schedules and other information listed as schedules and other supplementary information in the accompanying table of contents 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 by us 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, 2011

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, 2011. 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. Net assets of business-type activities increased by \$1,071,518, or 1.7 percent and net assets of the governmental activities increased by \$1,901,989 or also 1.7 percent.
- During the year, government-wide revenues before transfers for the primary government totaled \$35,719,613, while expenses totaled \$32,746,106, resulting in an increase to net assets of \$2,973,507.
- The City of West Chicago's net assets totaled \$169,538,506 at December 31, 2011, which includes \$142,215,397 invested in capital assets, net of related debt, \$6,143,936 subject to external restrictions, and \$21,179,173 unrestricted net assets that may be used to meet the ongoing obligations to citizens and creditors.
- The General Fund reported a surplus this year of \$1,106,373, resulting in ending fund balance of \$13,751,622, an increase of approximately 8.7 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, 2011

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, 2011

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 seven 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 three 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, 2011

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 - 55 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 56 - 61 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 62 - 93 of this report.

CITY OF WEST CHICAGO, ILLINOIS

Management's Discussion and Analysis December 31, 2011

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 \$169,538,506.

	Net Assets					
	Governmental		Business-type		Total	
	Activities		Activities			
	2011	2010	2011	2010	2011	2010
Current Assets	\$ 28,949,171	28,754,037	12,016,598	27,345,396	40,965,769	56,099,433
Capital Assets	89,692,289	88,164,059	60,292,812	59,918,478	149,985,101	148,082,537
Total Assets	118,641,460	116,918,096	72,309,410	87,263,874	190,950,870	204,181,970
Current Liabilities	7,174,906	7,461,241	3,583,148	4,791,630	10,758,054	12,252,871
Noncurrent Liabilities	3,270,284	3,162,574	7,384,026	22,201,526	10,654,310	25,364,100
Total Liabilities	10,445,190	10,623,815	10,967,174	26,993,156	21,412,364	37,616,971
Net Assets						
Invested in Capital Assets,						
Net of Related Debt	89,692,289	88,164,059	52,523,108	36,356,211	142,215,397	124,520,270
Restricted	1,708,723	-	4,435,213	4,715,215	6,143,936	4,715,215
Unrestricted	16,795,258	18,130,222	4,383,915	19,199,292	21,179,173	37,329,514
Total Net Assets	108,196,270	106,294,281	61,342,236	60,270,718	169,538,506	166,564,999

A large portion of the City's net assets, \$142,215,397 or 83.88 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, \$6,143,936, or 3.62 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 12.50 percent, or \$21,179,173, 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, 2011

GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

	Changes in Net Assets					
	Governmental		Business-Type		Total	
	Activities		Activities			
	2011	2010	2011	2010	2011	2010
Revenues						
Program Revenues						
Charges for Services	\$ 3,694,988	3,389,780	10,436,496	10,524,692	14,131,484	13,914,472
Operating Grants/Contrib.	78,140	395,843	-	-	78,140	395,843
Capital Grants/Contrib.	792,266	4,832,786	2,633,360	-	3,425,626	4,832,786
General Revenues						
Property Taxes	4,701,295	4,691,781	11,557	15,172	4,712,852	4,706,953
Other Taxes	1,383,971	1,200,551	-	-	1,383,971	1,200,551
Sales and Use Taxes	4,158,709	3,832,745	1,131,916	1,023,267	5,290,625	4,856,012
Income Taxes	2,117,490	2,112,444	-	-	2,117,490	2,112,444
Replacement Taxes	157,985	171,227	-	-	157,985	171,227
Other	2,098,719	2,098,487	-	-	2,098,719	2,098,487
Interest Income	102,820	212,808	121,733	137,988	224,553	350,796
Miscellaneous	1,638,724	2,012,701	459,444	836,771	2,098,168	2,849,472
Total Revenues	20,925,107	24,951,153	14,794,506	12,537,890	35,719,613	37,489,043
Expenses						
General Government	8,797,675	10,307,149	-	-	8,797,675	10,307,149
Public Safety	8,399,317	8,583,580	-	-	8,399,317	8,583,580
Highway and Streets	1,591,915	1,546,316	-	-	1,591,915	1,546,316
Culture and Recreation	193,879	135,309	-	-	193,879	135,309
Interest on Long-Term Debt	40,332	63,505	-	-	40,332	63,505
Waterworks	-	-	5,999,102	6,441,171	5,999,102	6,441,171
Sewerage	-	-	7,596,138	5,912,683	7,596,138	5,912,683
Commuter Parking	-	-	127,748	220,345	127,748	220,345
Total Expenses	19,023,118	20,635,859	13,722,988	12,574,199	32,746,106	33,210,058
Change in Net Assets						
Before Transfers	1,901,989	4,315,294	1,071,518	(36,309)	2,973,507	4,278,985
Transfers	-	-	-	-	-	-
Change in Net Assets	1,901,989	4,315,294	1,071,518	(36,309)	2,973,507	4,278,985
Net Assets-Beginning	106,294,281	101,978,987	60,270,718	60,307,027	166,564,999	162,286,014
Net Assets-Ending	108,196,270	106,294,281	61,342,236	60,270,718	169,538,506	166,564,999

CITY OF WEST CHICAGO, ILLINOIS

Management's Discussion and Analysis December 31, 2011

GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

Net assets of the City of West Chicago's governmental activities increased 1.8 percent (\$108,196,270 at December 31, 2011, compared to \$106,294,281 at December 31, 2010). Unrestricted net assets, the part of net assets that can be used to finance day-to-day operations without constraints, totaled \$16,795,258 at December 31, 2011. Net assets increased due to assets increasing by \$1,723,364 reflecting capital asset additions for the year, while liabilities decreased \$178,625 due to the repayment of outstanding debt and no new debt issues during the year.

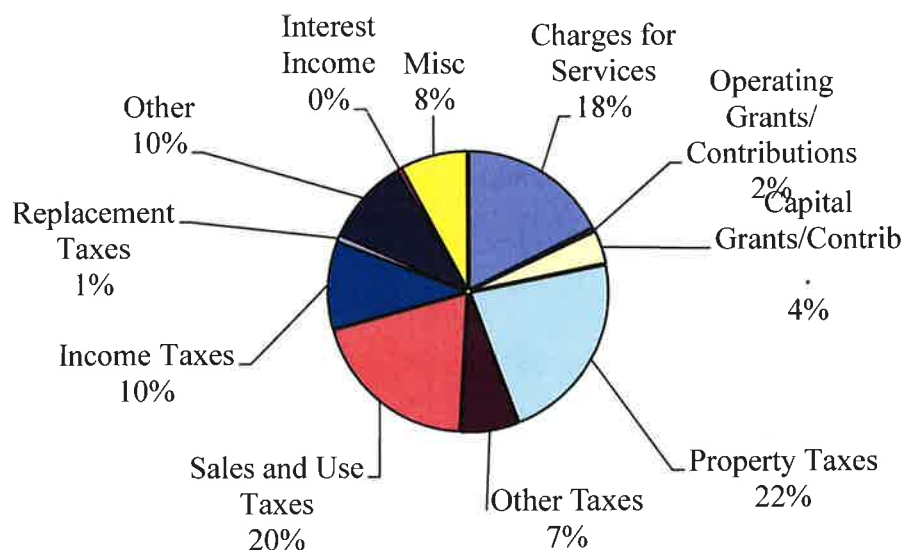
Net assets of business-type activities increased by 1.8 percent (\$61,342,236 at December 31, 2011 compared to \$60,270,718 at December 31, 2010). Deficits of \$2,100,899 in the Sewerage Fund and \$3,204 in the Commuter Parking Fund were offset by the surplus of \$3,175,621 in the Waterworks Fund.

Governmental Activities

Revenues for governmental activities totaled \$20,925,107 while the cost of all governmental functions totaled \$19,023,118. This results in a surplus of \$1,901,989 at December 31, 2011. At December 31, 2010, revenues for governmental activities totaled \$24,951,153, while the cost of all governmental functions totaled \$20,635,859, which resulted in a surplus of \$4,315,294. Revenues for sales taxes and charges for services increased \$325,964 and \$305,208, 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.

Revenues by Source - Governmental Activities



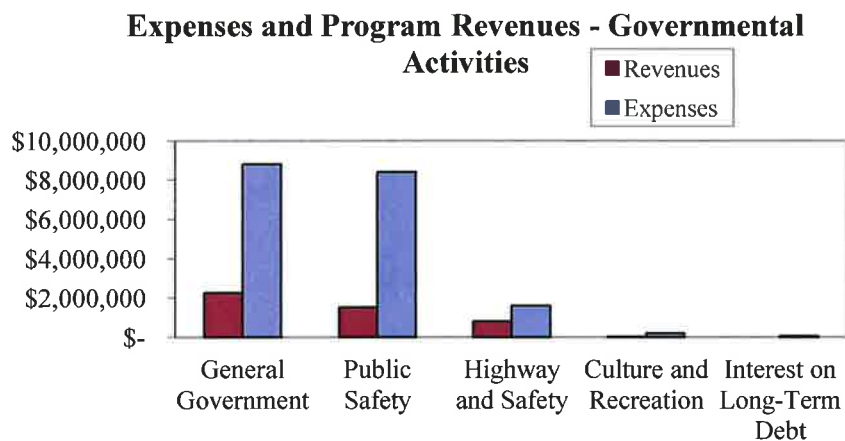
CITY OF WEST CHICAGO, ILLINOIS

Management's Discussion and Analysis December 31, 2011

GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

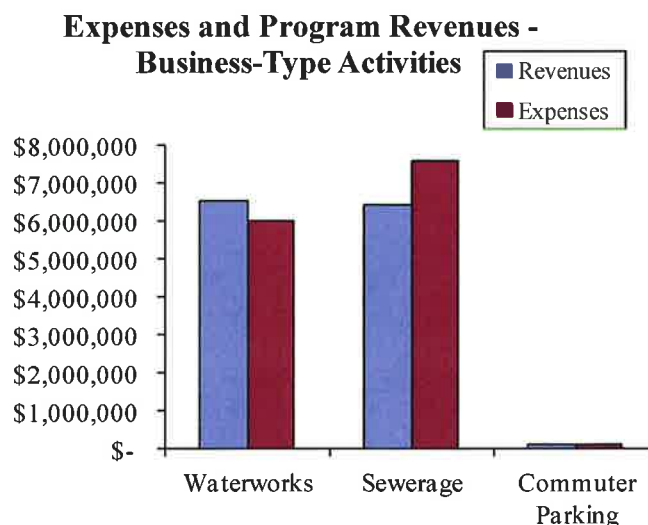
Governmental Activities – Continued

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 \$14,794,506, while the cost of all business-type activities totaled \$13,722,988. This results in a surplus of 1,071,518. At December 31, 2010, revenues of \$12,537,890 were less than expenses of \$12,574,199, resulting in a deficit of \$36,309.



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

CITY OF WEST CHICAGO, ILLINOIS

Management's Discussion and Analysis December 31, 2011

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.

At December 31, 2011, the City's governmental funds reported combined ending fund balances of \$21,717,169, which is an increase of \$568,872 from last year's total of \$21,148,297. Of the \$21,717,169 total, \$12,616,731, or 58.1 percent, of the fund balance constitutes unassigned fund balance, while \$2,073,106, or 9.5 percent, is designated as nonspendable. Of the remaining \$7,027,332, or 32.4 percent, \$1,708,723, or 7.9 percent has been classified as restricted funds, and \$5,318,609, or 24.5 percent has been classified as assigned funds.

The General Fund is the chief operating fund of the City. The General Fund reported a positive change in fund balance for the fiscal year of \$1,106,373, an increase of 8.7 percent. This was due in part to tax and intergovernmental revenue, as well as charges for services, exceeding projections. In addition, expenditures for general government and public safety functions in the General Fund were under budget. Overall, budgeted expenditures totaled \$16,594,600 while actual expenditures totaled \$15,425,619. These variances are further outlined on the General Fund Schedule of Revenues, Expenditures and Changes in Fund Balance.

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 \$833,386, due to capital outlay expenditures (land purchases) of \$927,250.

The TIF Special Tax Allocation #1 Fund reported a surplus of \$196,739 for the year, the majority of which resulted from actual revenues totaling \$1,181,377 and actual expenditures totaling \$984,638, which was \$535,062 less than expenditures budgeted. The fund balance of \$874,489 will be used for projects and prospect development that were deferred in 2011 due to current economic conditions.

The Capital Improvement Fund reported a surplus of \$51,992 for the year, which resulted from actual revenues totaling \$3,048,718 and actual expenditures totaling \$2,996,726, which was \$5,819,874 less than budgeted expenditures.

CITY OF WEST CHICAGO, ILLINOIS

Management's Discussion and Analysis December 31, 2011

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 net assets in the Waterworks Fund during the fiscal year was \$3,175,621, while the increase in the previous fiscal year was \$255,377.

The Sewerage Fund experienced a decrease in net assets of \$2,100,899, while the previous fiscal year reported a decrease of \$190,993. The Commuter Parking Fund had a decrease in net assets for the fiscal year of \$3,204, compared to the decrease in the previous fiscal year of \$100,693. Total unrestricted net assets in the Proprietary Funds were \$56,907,023 (invested in capital assets net of related debt and actual unrestricted net assets) at December 31, 2011.

GENERAL FUND BUDGETARY HIGHLIGHTS

The City of West Chicago Council made two budget amendments to the General Fund during the fiscal year. Original budgeted revenues of \$14,740,400 were decreased \$400,000 to reflect a decline in telecommunications tax and interest income. General Fund actual revenues for the year totaled \$16,531,992 compared to final budgeted revenues of \$14,340,400. As stated earlier, certain revenues, such as charges for services, were higher than budgeted.

Original budgeted expenditures of \$16,090,100 were increased \$504,500 for various projects, including a tax rebate and additional litigation expenditures. The General Fund actual expenditures for the year were \$1,168,981 lower than budgeted (\$15,425,619 actual compared to \$16,594,600 final budgeted). The general government and public safety functions' actual expenditures were lower than budgeted expenditures by \$782,843 and \$481,032, respectively.

CITY OF WEST CHICAGO, ILLINOIS

Management's Discussion and Analysis December 31, 2011

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The City of West Chicago's investment in capital assets for its governmental and business type activities as of December 31, 2011 was \$149,985,101 (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		Business-type		Total	
	Activities		Activities			
	2011	2010	2011	2010	2011	2010
Land and Right of Way	\$ 45,800,266	44,613,016	4,555,048	4,555,048	50,355,314	49,168,064
Construction in Progress	898,334	682,991	2,151,931	1,052,021	3,050,265	1,735,012
Land Improvements	1,231,016	710,541	848,878	924,584	2,079,894	1,635,125
Buildings and Improvements	1,609,045	1,672,794	17,971,318	17,834,226	19,580,363	19,507,020
Machinery and Equipment	332,656	760,514	3,703,801	4,965,312	4,036,457	5,725,826
Infrastructure	39,820,972	39,724,203	31,061,836	30,587,287	70,882,808	70,311,490
Total	89,692,289	88,164,059	60,292,812	59,918,478	149,985,101	148,082,537

This year's major additions included:

General Government Land	\$ 1,187,250
Construction in Progress	1,315,253
Land Improvements	444,769
Infrastructure	571,318
Machinery & Equipment	138,634
	<u>3,657,224</u>

For the year ending December 31, 2012 the capital budget includes \$7.3 million for capital projects, principally for various infrastructure improvements.

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, 2011

CAPITAL ASSETS AND DEBT ADMINISTRATION – Continued

Debt Administration

At December 31, 2011, the City of West Chicago had total outstanding debt of \$7,769,704 as compared to \$23,562,267 at December 31, 2010, a decrease of \$15,792,563. The following is a comparative statement of outstanding debt:

		Long-Term Debt Outstanding					
		Governmental Activities		Business-type Activities		Total	
		2011	2010	2011	2010	2011	2010
General Obligation Bonds	\$	-	-	-	15,295,000	-	15,295,000
IEPA Revolving Loan		-	-	7,769,704	8,267,267	7,769,704	8,267,267
Total		-	-	7,769,704	23,562,267	7,769,704	23,562,267

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 2012 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, 2011, for DuPage County was 7.6 percent and the state and national unemployment rates were 9.7 and 8.5 percent, respectively.

Amounts available for appropriation in the General Fund budget are \$14.9 million, a increase of 4.2 percent from the final 2011 budget of \$14.3 million. The City of West Chicago has budgeted increases in both sales and income tax earning and rental license fees of approximately 6.0 percent and 33.0 percent, respectively. The City of West Chicago's major initiatives in the 2012 budget include construction of an elevated water tank, replacement of the Wilson/Joliet culvert and construction of the Great Western Bike Path. 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, 2011**

See Following Page

CITY OF WEST CHICAGO, ILLINOIS

**Statement of Net Assets
December 31, 2011**

	Governmental Activities	Business- Type Activities	Total
ASSETS			
Current Assets			
Cash and Investments	\$ 20,206,208	\$ 9,100,075	\$ 29,306,283
Receivables - Net of Allowances	7,606,456	2,061,289	9,667,745
Prepaid Items/Inventories	1,136,507	240,668	1,377,175
Restricted Cash and Investments	-	614,566	614,566
Total Current Assets	28,949,171	12,016,598	40,965,769
Capital Assets			
Nondepreciable	46,698,600	6,706,979	53,405,579
Depreciable	83,629,324	85,145,204	168,774,528
Accumulated Depreciation	(40,635,635)	(31,559,371)	(72,195,006)
Total Capital Assets	89,692,289	60,292,812	149,985,101
Total Assets	118,641,460	72,309,410	190,950,870

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

	Governmental Activities	Business- Type Activities	Total
LIABILITIES			
Current Liabilities			
Accounts Payable	\$ 1,209,548	\$ 652,662	\$ 1,862,210
Accrued Payroll	319,503	111,641	431,144
Deposits Payable	628,299	1,206,682	1,834,981
Interest Payable	-	66,560	66,560
Unearned Revenues	4,810,677	1,003,981	5,814,658
Current Portion of Long-Term Debt	206,879	541,622	748,501
Total Current Liabilities	<u>7,174,906</u>	<u>3,583,148</u>	<u>10,758,054</u>
Noncurrent Liabilities			
Compensated Absences Payable	827,518	124,755	952,273
Net Pension Obligation	1,626,950	-	1,626,950
Net Other Post-Employment Benefit Obligation	815,816	-	815,816
IEPA Revolving Loan Payable	-	7,259,271	7,259,271
Total Noncurrent Liabilities	<u>3,270,284</u>	<u>7,384,026</u>	<u>10,654,310</u>
Total Liabilities	<u>10,445,190</u>	<u>10,967,174</u>	<u>21,412,364</u>
NET ASSETS			
Invested in Capital Assets - Net of Related Debt	89,692,289	52,523,108	142,215,397
Restricted - TIF	1,129,036	-	1,129,036
Restricted - Special Service Areas	17,328	-	17,328
Restricted - Kerr McGee Projects	562,359	-	562,359
Restricted - Per Intergovernmental Agreement -			
Sewer Plant Expansion	-	1,177,067	1,177,067
Sewer Plant Replacement	-	3,258,146	3,258,146
Unrestricted	<u>16,795,258</u>	<u>4,383,915</u>	<u>21,179,173</u>
Total Net Assets	<u>\$ 108,196,270</u>	<u>\$ 61,342,236</u>	<u>\$ 169,538,506</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, 2011

		Program Revenues		
		Charges for Services	Operating Grants/ Contributions	Capital Grants/ Contributions
	Expenses			
Governmental Activities				
General Government	\$ 8,797,675	\$ 2,246,202	\$ -	\$ -
Public Safety	8,399,317	1,448,786	68,140	-
Highways and Streets	1,591,915	-	-	792,266
Culture and Recreation	193,879	-	10,000	-
Interest on Long-Term Debt	40,332	-	-	-
Total Governmental Activities	19,023,118	3,694,988	78,140	792,266
Business-Type Activities				
Waterworks	5,999,102	4,720,319	-	1,797,562
Sewerage	7,596,138	5,591,347	-	835,798
Commuter Parking	127,748	124,830	-	-
Total Business-Type Activities	13,722,988	10,436,496	-	2,633,360
	\$ 32,746,106	\$ 14,131,484	\$ 78,140	\$ 3,425,626

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
\$ (6,551,473)	\$ -	\$ (6,551,473)
(6,882,391)	-	(6,882,391)
(799,649)	-	(799,649)
(183,879)	-	(183,879)
(40,332)	-	(40,332)
(14,457,724)	-	(14,457,724)
-	518,779	518,779
-	(1,168,993)	(1,168,993)
-	(2,918)	(2,918)
-	(653,132)	(653,132)
(14,457,724)	(653,132)	(15,110,856)
4,701,295	11,557	4,712,852
1,275,911	-	1,275,911
108,060	-	108,060
4,158,709	1,131,916	5,290,625
2,117,490	-	2,117,490
157,985	-	157,985
2,098,719	-	2,098,719
102,820	121,733	224,553
1,638,724	459,444	2,098,168
16,359,713	1,724,650	18,084,363
1,901,989	1,071,518	2,973,507
106,294,281	60,270,718	166,564,999
\$ 108,196,270	\$ 61,342,236	\$ 169,538,506

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

CITY OF WEST CHICAGO, ILLINOIS

Balance Sheet - Governmental Funds December 31, 2011

		Special
	General	Public Benefit
ASSETS		
Cash and Investments	\$ 11,696,457	\$ 562,359
Receivables - Net of Allowances		
Property Taxes	3,441,400	-
Accrued Interest	6,350	-
Other	2,473,863	-
Due From Other Funds	-	-
Prepays/Inventories	1,134,891	-
Advances to Other Funds	-	936,599
Total Assets	18,752,961	1,498,958
LIABILITIES AND FUND BALANCES		
Liabilities		
Accounts Payable	626,614	-
Accrued Payroll	305,026	-
Deposits Payable	628,299	-
Due to Other Funds	-	-
Advances from Other Funds	-	-
Unearned/Deferred Revenues	3,441,400	-
Total Liabilities	5,001,339	-
Fund Balances		
Nonspendable	1,134,891	936,599
Restricted	-	562,359
Assigned	-	-
Unassigned	12,616,731	-
Total Fund Balances	13,751,622	1,498,958
Total Liabilities and Fund Balances	\$ 18,752,961	\$ 1,498,958

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

Revenue TIF Special Tax Allocation #1	Capital Improvement	Nonmajor Governmental Funds	Total Governmental Funds
\$ 1,904,224	\$ 4,800,411	\$ 978,782	\$ 19,942,233
1,117,907	-	31,370	4,590,677
-	105	-	6,455
-	535,461	-	3,009,324
-	8,315	25,643	33,958
1,010	606	-	1,136,507
-	-	-	936,599
3,023,141	5,344,898	1,035,795	29,655,753
83,414	499,196	324	1,209,548
10,735	3,742	-	319,503
-	-	-	628,299
-	25,643	8,315	33,958
936,599	-	-	936,599
1,117,907	220,000	31,370	4,810,677
2,148,655	748,581	40,009	7,938,584
1,010	606	-	2,073,106
873,476	-	272,888	1,708,723
-	4,595,711	722,898	5,318,609
-	-	-	12,616,731
874,486	4,596,317	995,786	21,717,169
\$ 3,023,141	\$ 5,344,898	\$ 1,035,795	\$ 29,655,753

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, 2011

Total Governmental Fund Balances	\$ 21,717,169
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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.	89,692,289
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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.	263,975
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Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	
Compensated Absences Payable	(1,034,397)
Pension Obligation Payable	(1,626,950)
Net Other Post-Employment Benefit Obligation Payable	<u>(815,816)</u>

Net Assets of Governmental Activities	<u>\$ 108,196,270</u>
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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, 2011**

See Following Page

CITY OF WEST CHICAGO, ILLINOIS

**Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
Year Ended December 31, 2011**

		Special
	General	Public Benefit
Revenues		
Taxes	\$ 5,038,676	\$ -
Intergovernmental	6,580,649	-
Charges for Services	2,124,010	-
Licenses and Permits	634,929	-
Fines and Forfeitures	936,049	-
Interest Income	43,124	42,607
Miscellaneous	1,174,555	51,257
Total Revenues	<u>16,531,992</u>	<u>93,864</u>
Expenditures		
Current		
General Government	6,767,357	-
Public Safety	8,468,368	-
Culture and Recreation	189,894	-
Capital Outlay	-	927,250
Debt Service		
Interest and Fiscal Charges	-	-
Total Expenditures	<u>15,425,619</u>	<u>927,250</u>
Net Change in Fund Balances	1,106,373	(833,386)
Fund Balances - Beginning	<u>12,645,249</u>	<u>2,332,344</u>
Fund Balances - Ending	<u>\$ 13,751,622</u>	<u>\$ 1,498,958</u>

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

Revenue			
TIF		Nonmajor	
Special Tax	Capital	Governmental	
Allocation #1	Improvement	Funds	Total
\$ 1,167,516	\$ 2,667,071	\$ 34,663	\$ 8,907,926
-	-	-	6,580,649
-	-	-	2,124,010
-	-	-	634,929
-	-	-	936,049
2,206	11,354	2,857	102,148
11,655	370,293	30,964	1,638,724
1,181,377	3,048,718	68,484	20,924,435
944,306	-	9,319	7,720,982
-	-	-	8,468,368
-	-	-	189,894
-	2,996,726	12,011	3,935,987
40,332	-	-	40,332
984,638	2,996,726	21,330	20,355,563
196,739	51,992	47,154	568,872
677,747	4,544,325	948,632	21,148,297
\$ 874,486	\$ 4,596,317	\$ 995,786	\$ 21,717,169

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, 2011

Net Change in Fund Balances - Total Governmental Funds	\$ 568,872
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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	3,329,174
Depreciation Expense	(1,732,602)

The net effect of various transactions involving capital assets
is to decrease net assets

Disposals - Cost	(68,342)
Disposals - Accumulated Depreciation	-

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	140,434
Additions to Compensated Absences Payable	(55,649)
Additions to Net Other Post-Employment Benefit Obligation Payable	(203,624)

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.

	<u>(76,274)</u>
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Changes in Net Assets of Governmental Activities	<u>\$ 1,901,989</u>
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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, 2011**

See Following Page

CITY OF WEST CHICAGO, ILLINOIS

**Statement of Net Assets - Proprietary Funds
December 31, 2011**

	Business-Type Activities - Enterprise				Governmental
			Nonmajor		Activities
	Waterworks	Sewerage	Commuter Parking	Total	Internal Service
ASSETS					
Current Assets					
Cash and Investments	\$ 902,865	\$ 8,163,160	\$ 34,050	\$ 9,100,075	\$ 263,975
Receivables - Net of Allowances					
Property Taxes	-	11,557	-	11,557	-
Accounts	697,551	1,058,876	3,383	1,759,810	-
Other	289,811	-	-	289,811	-
Accrued Interest	51	60	-	111	-
Advances to Other Funds	-	2,250,000	-	2,250,000	-
Prepays	14,130	226,538	-	240,668	-
Restricted Investments	-	614,566	-	614,566	-
Total Current Assets	1,904,408	12,324,757	37,433	14,266,598	263,975
Noncurrent Assets					
Capital Assets					
Nondepreciable	5,842,575	864,404	-	6,706,979	-
Depreciable	48,677,675	35,776,687	690,842	85,145,204	34,572
Accumulated Depreciation	(12,115,396)	(19,083,626)	(360,349)	(31,559,371)	(34,572)
Total Noncurrent Assets	42,404,854	17,557,465	330,493	60,292,812	-
Total Assets	44,309,262	29,882,222	367,926	74,559,410	263,975

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

	Business-Type Activities - Enterprise				Governmental
			Nonmajor		Activities
	Waterworks	Sewerage	Commuter	Total	Internal
			Parking		Service
LIABILITIES					
Current Liabilities					
Accounts Payable	\$ 251,878	\$ 397,861	\$ 2,923	\$ 652,662	\$ -
Accrued Payroll	65,556	45,219	866	111,641	-
Interest Payable	66,560	-	-	66,560	-
Other Liabilities	-	1,206,682	-	1,206,682	-
Advances from Other Funds	2,250,000	-	-	2,250,000	-
Unearned/Deferred Revenues	986,881	-	17,100	1,003,981	-
Compensated Absences	28,584	2,605	-	31,189	-
IEPA Revolving Loan	510,433	-	-	510,433	-
Total Current Liabilities	4,159,892	1,652,367	20,889	5,833,148	-
Noncurrent Liabilities					
Compensated Absences	114,335	10,420	-	124,755	-
IEPA Revolving Loan	7,259,271	-	-	7,259,271	-
Total Noncurrent Liabilities	7,373,606	10,420	-	7,384,026	-
Total Liabilities	11,533,498	1,662,787	20,889	13,217,174	-
NET ASSETS					
Invested in Capital Assets - Net of Related Debt					
	34,635,150	17,557,465	330,493	52,523,108	-
Restricted - Per Intergovernmental Agreement -					
Sewer Plant Expansion	-	1,177,067	-	1,177,067	-
Sewer Plant Replacement	-	3,258,146	-	3,258,146	-
Unrestricted (Deficit)	(1,859,386)	6,226,757	16,544	4,383,915	263,975
Total Net Assets	\$ 32,775,764	\$ 28,219,435	\$ 347,037	\$ 61,342,236	\$ 263,975

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, 2011

	<u>Waterworks</u>
Operating Revenues	
Charges for Services	\$ 4,720,319
Licenses and Permits	-
Total Operating Revenues	<u>4,720,319</u>
Operating Expenses	
Operations	3,918,303
Depreciation	1,327,738
Total Operating Expenses	<u>5,246,041</u>
Operating Income (Loss)	<u>(525,722)</u>
Nonoperating Revenues (Expenses)	
Water and Sewer Connection Fees	41,019
Property Taxes	-
Sales Taxes	1,131,916
Disposal of Capital Assets	-
Interest Income	99,109
Other Income	384,798
Interest Expense and Fiscal Charges	(753,061)
	<u>903,781</u>
Income (Loss) Before Contributions and Transfers	378,059
Capital Contributions	1,797,562
Transfers In	1,000,000
Transfers Out	<u>-</u>
Change in Net Assets	3,175,621
Net Assets - Beginning	<u>29,600,143</u>
Net Assets - Ending	<u>\$ 32,775,764</u>

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

Business-Type Activities - Enterprise			Governmental
	Nonmajor		Activities
Sewerage	Commuter Parking	Total	Internal Service
\$ 5,523,877	\$ 54,372	\$ 10,298,568	\$ -
-	70,458	70,458	-
5,523,877	124,830	10,369,026	-
4,954,560	102,475	8,975,338	76,946
1,050,992	25,273	2,404,003	-
6,005,552	127,748	11,379,341	76,946
(481,675)	(2,918)	(1,010,315)	(76,946)
67,470	-	108,489	-
11,557	-	11,557	-
-	-	1,131,916	-
(1,590,586)	-	(1,590,586)	-
22,910	(286)	121,733	672
33,627	-	418,425	-
-	-	(753,061)	-
(1,455,022)	(286)	(551,527)	672
(1,936,697)	(3,204)	(1,561,842)	(76,274)
835,798	-	2,633,360	-
-	-	1,000,000	-
(1,000,000)	-	(1,000,000)	-
(2,100,899)	(3,204)	1,071,518	(76,274)
30,320,334	350,241	60,270,718	340,249
\$ 28,219,435	\$ 347,037	\$ 61,342,236	\$ 263,975

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, 2011

	Waterworks Fund
Cash Flows from Operating Activities	
Receipts from Customers and Users	\$ 5,425,006
Payments to Employees	(1,352,122)
Payments to Suppliers	(962,129)
	<u>3,110,755</u>
Cash Flows from Noncapital Financing Activities	
Property Taxes	-
Sales Taxes	1,131,916
Transfers In	1,000,000
Transfers Out	-
	<u>2,131,916</u>
Cash Flows from Capital and Related Financing Activities	
Purchase of Capital Assets	(433,125)
Interest on Capital Debt	(753,061)
Principal on Capital Debt	(15,792,563)
	<u>(16,978,749)</u>
Cash Flows from Investing Activities	
Interest Received	99,109
Net Change in Cash and Cash Equivalents	(11,636,969)
Cash and Cash Equivalents - Beginning	12,539,834
Cash and Cash Equivalents - Ending	<u>902,865</u>
Reconciliation of Operating Income to Net Cash	
Provided (Used) by Operating Activities	
Operating Income (Loss)	(525,722)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:	
Depreciation and Amortization Expense	1,327,738
Other Income	425,817
(Increase) Decrease in Current Assets	278,870
Increase (Decrease) in Current Liabilities	1,604,052
Net Cash Provided by Operating Activities	<u>\$ 3,110,755</u>
Noncash Capital and Related Financing Activities	
Capital Contributions	<u>\$ 1,797,562</u>

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

Business-Type Activities - Enterprise Funds			
Sewerage Fund	Nonmajor Enterprise Commuter Parking	Total	Governmental Activities Internal Service
\$ 3,283,013	\$ 124,897	\$ 8,832,916	\$ -
(848,400)	(37,296)	(2,237,818)	-
(3,689,932)	(68,878)	(4,720,939)	(89,735)
(1,255,319)	18,723	1,874,159	(89,735)
11,557	-	11,557	-
-	-	1,131,916	-
-	-	1,000,000	-
(1,000,000)	-	(1,000,000)	-
(988,443)	-	1,143,473	-
(1,302,438)	-	(1,735,563)	-
-	-	(753,061)	-
-	-	(15,792,563)	-
(1,302,438)	-	(18,281,187)	-
22,910	(286)	121,733	672
(3,523,290)	18,437	(15,141,822)	(89,063)
12,301,016	15,613	24,856,463	353,038
8,777,726	34,050	9,714,641	263,975
(481,675)	(2,918)	(1,010,315)	(76,946)
1,050,992	25,273	2,404,003	-
101,097	-	526,914	-
(2,341,961)	67	(2,063,024)	-
416,228	(3,699)	2,016,581	(12,789)
\$ (1,255,319)	\$ 18,723	\$ 1,874,159	\$ (89,735)
\$ 835,798	\$ -	\$ 2,633,360	\$ -

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, 2011**

	Pension Trust Police Pension	Agency
ASSETS		
Cash and Cash Equivalents	\$ 27,081	\$ 121,585
Investments		
Money Market Mutual Funds	1,194,964	-
Certificates of Deposit	602,000	-
U.S. Government and Agency Obligations	2,354,073	-
Equity Mutual Funds	7,334,143	-
IMET	335,024	-
Insurance Contracts	6,959,920	-
Receivables - Net of Allowances		
Accrued Interest	4,058	-
Prepays	1,000	-
Total Assets	18,812,263	121,585
LIABILITIES		
Accounts Payable	574	-
Due to Bondholders	-	121,585
Total Liabilities	574	121,585
NET ASSETS		
Net Plan Assets Held in Trust for Pension Benefits	\$ 18,811,689	\$ -

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, 2011**

	Pension Trust Police Pension
Additions	
Contributions - Employer	\$ 1,380,000
Contributions - Plan Members	416,802
Total Contributions	<u>1,796,802</u>
Investment Income	
Interest Earned	219,016
Net Change in Fair Value	<u>(25,789)</u>
	193,227
Less Investment Expenses	<u>(34,916)</u>
	<u>158,311</u>
Total Additions	<u>1,955,113</u>
Deductions	
Administration	40,910
Benefits and Refunds	
Benefits	1,187,588
Refunds	<u>80,996</u>
Total Deductions	<u>1,309,494</u>
Change in Net Assets	645,619
Net Plan Assets Held in Trust for Pension Benefits	
Beginning	<u>18,166,070</u>
Ending	<u><u>\$ 18,811,689</u></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, 2011

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

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. Based upon the criteria set forth in the GASB Statement No. 39, there are no component units included in the reporting entity.

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 fiduciary fund, and specifically a pension trust fund, due to the fiduciary responsibility exercised over the PPERS.

CITY OF WEST CHICAGO, ILLINOIS

Notes to the Financial Statements December 31, 2011

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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.

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) changes 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).

CITY OF WEST CHICAGO, ILLINOIS

Notes to the Financial Statements December 31, 2011

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

BASIS OF PRESENTATION – Continued

Government-Wide Statements – Continued

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.

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:

CITY OF WEST CHICAGO, ILLINOIS

Notes to the Financial Statements December 31, 2011

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

BASIS OF PRESENTATION – Continued

Fund Financial Statements – Continued

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:

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 restricted 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 restricted 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 does not currently utilize debt service funds.

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, 2011

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 Funds. 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, 2011

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, 2011

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, 2011

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, 2011

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

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, 2011

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”.

CITY OF WEST CHICAGO, ILLINOIS

Notes to the Financial Statements December 31, 2011

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 (except the Other Special Service Areas Fund), 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, 2011

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 \$18,873,914 and the bank balances totaled \$18,998,695. Additionally, at year-end the City has \$609,784 invested in the Illinois Funds and \$10,558,736 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, 2011

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, the entire amount of the bank balance of deposits was 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 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 \$1,824,045 and the bank balances totaled \$1,824,670.

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, 2011

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	\$ 1,319,447	\$ -	\$ -	\$ 1,319,447	\$ -
Federal National Mortgage Assoc.	261,184	-	-	261,184	-
Federal Home Loan Mortgage Corp.	122,545	-	-	122,545	-
Zero Coupon Strips	650,897	-	-	650,897	-
IMET	335,024	335,024	-	-	-
	<u>\$ 2,689,097</u>	<u>\$ 335,024</u>	<u>\$ -</u>	<u>\$ 2,354,073</u>	<u>\$ -</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, 2011, 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, 2011, 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, 2011

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, 2011, the Pension Fund has over 5% of net plan assets invested in various agency securities as indicated in the table above and the Invesco Floating Rate mutual fund (\$977,008). 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 \$6,959,920 invested in insurance contracts and has diversified its equity mutual fund holdings as follows:

Blackrock Equity	\$ 528,428
Columbia Acorn Fund A	443,260
Franklin Templeton	326,910
Gabelli Utilities	436,398
Hartford Capital	103,998
Hartford Emerging Markets	324,779
Invesco Floating Rate	977,008
Ishares Barclays	336,633
Ivy Asset Strategy	606,818
Lord Abbett Emerging Markets	290,257
Lord Abbett Stock Appreciation Fund Class A	258,926
Lord Abbett Value Opportunities Fund Class A	437,602
Oppenheimer Developing Markets Fund Class A	327,946
Oppenheimer Equity Income Fund Class A	460,076
Oppenheimer International Fund Class A	127,026
Prudential Jennison	341,745
TA Index Growth Opportunity Class C	217,055
Templeton Foreign	460,208
Van Eck	329,070
	7,334,143

CITY OF WEST CHICAGO, ILLINOIS

Notes to the Financial Statements December 31, 2011

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	\$ 21,017,780	\$ 1,187,250	\$ -	\$ 22,205,030
Land Right of Way	23,595,236	-	-	23,595,236
Construction in Progress	682,991	810,323	594,980	898,334
	<u>45,296,007</u>	<u>1,997,573</u>	<u>594,980</u>	<u>46,698,600</u>
Other Capital Assets				
Land Improvements	1,259,013	614,132	-	1,873,145
Buildings and Improvements	3,187,449	-	-	3,187,449
Machinery and Equipment	1,188,654	-	-	1,188,654
Vehicles	2,788,911	-	-	2,788,911
Infrastructure	73,347,058	1,312,449	68,342	74,591,165
	<u>81,771,085</u>	<u>1,926,581</u>	<u>68,342</u>	<u>83,629,324</u>
Less Accumulated Depreciation				
Land Improvements	548,472	93,657	-	642,129
Buildings and Improvements	1,514,655	63,749	-	1,578,404
Machinery and Equipment	772,202	79,244	-	851,446
Vehicles	2,444,849	348,614	-	2,793,463
Infrastructure	33,622,855	1,147,338	-	34,770,193
	<u>38,903,033</u>	<u>1,732,602</u>	<u>-</u>	<u>40,635,635</u>
Total Other Capital Assets	<u>42,868,052</u>	<u>193,979</u>	<u>68,342</u>	<u>42,993,689</u>
Total Capital Assets	<u>\$ 88,164,059</u>	<u>\$ 2,191,552</u>	<u>\$ 663,322</u>	<u>\$ 89,692,289</u>

Depreciation expense was charged to governmental activities as follows:

General Government	\$ 65,319
Public Safety	71,383
Highways and Streets	1,591,915
Culture and Recreation	<u>3,985</u>
	<u>\$ 1,732,602</u>

CITY OF WEST CHICAGO, ILLINOIS**Notes to the Financial Statements
December 31, 2011****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	\$ 4,555,048	\$ -	\$ -	\$ 4,555,048
Construction in Progress	1,052,021	1,290,329	190,419	2,151,931
	<u>5,607,069</u>	<u>1,290,329</u>	<u>190,419</u>	<u>6,706,979</u>
Other Capital Assets				
Land Improvements	1,514,118	-	-	1,514,118
Buildings	24,033,012	635,653	187,079	24,481,586
Infrastructure	41,121,398	2,633,360	2,459,980	41,294,778
Machinery and Equipment	17,751,625	-	119,802	17,631,823
Vehicles	222,899	-	-	222,899
	<u>84,643,052</u>	<u>3,269,013</u>	<u>2,766,861</u>	<u>85,145,204</u>
Less Accumulated Depreciation				
Land Improvements	589,534	75,706	-	665,240
Buildings	6,140,662	489,606	120,000	6,510,268
Infrastructure	10,534,111	635,304	936,473	10,232,942
Machinery and Equipment	12,789,930	1,175,524	119,802	13,845,652
Vehicles	277,406	27,863	-	305,269
	<u>30,331,643</u>	<u>2,404,003</u>	<u>1,176,275</u>	<u>31,559,371</u>
Total Other Capital Assets	<u>54,311,409</u>	<u>865,010</u>	<u>1,590,586</u>	<u>53,585,833</u>
Total Capital Assets	<u>\$ 59,918,478</u>	<u>\$ 2,155,339</u>	<u>\$ 1,781,005</u>	<u>\$ 60,292,812</u>

Depreciation expense was charged to business-type as follows:

Waterworks	\$ 1,327,738
Sewerage	1,050,992
Commuter Parking	<u>25,273</u>
	<u>\$ 2,404,003</u>

CITY OF WEST CHICAGO, ILLINOIS

Notes to the Financial Statements December 31, 2011

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

PROPERTY TAXES

Property taxes for 2011 attach as an enforceable lien on January 1, 2011, 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.

INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund Balances

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

Receivable Fund	Payable Fund	Amount
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:

Receivable Fund	Payable Fund	Amount
Public Benefit	TIF Special Tax Allocation #1	\$ 936,599
Sewerage	Waterworks	<u>2,250,000</u>
		<u>\$ 3,186,599</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 accrued interest, as part of the agreement over the remaining years of the TIF District. The interfund advance from the Sewerage Fund was for the payoff of the Waterworks General Obligation Alternate Revenue Source Bonds of 2002. The amounts will be repaid, with accrued interest, as part of the agreement over the next three years.

CITY OF WEST CHICAGO, ILLINOIS

Notes to the Financial Statements December 31, 2011

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS – Continued

Interfund Transfers

Interfund transfers for the year consisted of the following:

Transfer In	Transfer Out	Amount
Waterworks	Sewerage	<u>\$ 1,000,000</u>

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.

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
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	<u>\$ 15,295,000</u>	<u>\$ -</u>	<u>\$ 15,295,000</u>	<u>\$ -</u>

CITY OF WEST CHICAGO, ILLINOIS

**Notes to the Financial Statements
December 31, 2011**

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	\$ 8,267,267	\$ -	\$ 497,563	\$ 7,769,704

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	\$ 1,767,384	\$ -	\$ 140,434	\$ 1,626,950	\$ -
Compensated Absences	978,748	111,298	55,649	1,034,397	206,879
Net Other Post-Employment Benefit Obligation	612,192	203,624	-	815,816	-
	<u>3,358,324</u>	<u>314,922</u>	<u>196,083</u>	<u>3,477,163</u>	<u>206,879</u>
Business-type Activities					
Compensated Absences	152,279	7,330	3,665	155,944	31,189
General Obligation Bonds	15,295,000	-	15,295,000	-	-
IEPA Revolving Loan	8,267,267	-	497,563	7,769,704	510,433
	<u>\$ 23,714,546</u>	<u>\$ 7,330</u>	<u>\$ 15,796,228</u>	<u>\$ 7,925,648</u>	<u>\$ 541,622</u>

CITY OF WEST CHICAGO, ILLINOIS

Notes to the Financial Statements December 31, 2011

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. 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 \$415,700. These bonds are not an obligation of the government and are secured by the levy of an 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, 2011, 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, 2011**

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		
	IEPA Revolving Loan		Total
	Principal	Interest	
2012	\$ 510,433	\$ 196,423	\$ 706,856
2013	523,636	183,220	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	96,517	706,856
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	13,395	706,856
Total	<u>\$ 7,769,704</u>	<u>\$ 1,419,424</u>	<u>\$ 9,189,128</u>

CITY OF WEST CHICAGO, ILLINOIS

Notes to the Financial Statements December 31, 2011

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.

NET ASSETS CLASSIFICATIONS

Investment in capital assets – net of related debt, was comprised of the following as of December 31, 2011:

Governmental Activities	
Capital Assets - Net of Accumulated Depreciation	<u>\$ 89,692,289</u>
Business-Type Activities	
Capital Assets - Net of Accumulated Depreciation	60,292,812
Less Capital Related Debt:	
IEPA Revolving Loan	<u>(7,769,704)</u>
Investment in Capital Assets - Net of Related Debt	<u>52,523,108</u>

CITY OF WEST CHICAGO, ILLINOIS

Notes to the Financial Statements December 31, 2011

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

FUND BALANCE CLASSIFICATIONS

The following is a schedule of fund balance classifications for the governmental funds as of the date of this report:

	General	Public Benefit	TIF Special Tax Allocation #1	Capital Improvement	Nonmajor	Total
Fund Balances						
Nonspendable	\$ 1,134,891	\$ 936,599	\$ 1,010	\$ 606	\$ -	\$ 2,073,106
Restricted						
Property Taxes						
TIF	-	-	873,476	-	255,560	1,129,036
Special Service Areas	-	-	-	-	17,328	17,328
Kerr McGee Projects	-	562,359	-	-	-	562,359
	-	562,359	873,476	-	272,888	1,708,723
Assigned						
Capital Projects	-	-	-	4,595,711	722,898	5,318,609
Unassigned	12,616,731	-	-	-	-	12,616,731
Total Fund Balances	\$ 13,751,622	\$ 1,498,958	\$ 874,486	\$ 4,596,317	\$ 995,786	\$ 21,717,169

The City implemented the provisions of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* for the fiscal year ended December 31, 2011. In the governmental funds financial statements, the City first utilizes restricted resources to finance qualifying activities, then committed, assigned and unassigned fund balance.

Assigned Fund Balance. The City reports assigned fund balance in the Capital Improvement Fund, a major fund and the Capital Equipment Replacement Fund, a nonmajor fund. The City's management has assigned fund balances in these two funds to future improvement projects and equipment and vehicle purchases based on approved management expenditures as determined through the annual budget process.

Minimum Fund Balance Policy. The City's policy manual states that General Fund should maintain a minimum fund balance equal to 25% of current budget projected revenue, with a target goal to increase the amount to 35%.

CITY OF WEST CHICAGO, ILLINOIS

Notes to the Financial Statements December 31, 2011

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, 2011

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 online at www.imrf.org. 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. Participating members hired before January 1, 2011 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. For participating members hired on or after January 1, 2011 who retire at or after age 67 with 10 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 96 consecutive months' earnings during the last 10 years) of earnings, for each year of credited service, with a maximum salary cap of \$106,800 at January 1, 2011. The maximum salary cap increases each year thereafter. The monthly pension of a member hired on or after January 1, 2011, shall be increased annually, following the later of the first anniversary date of retirement or the month following the attainment of age 62, by the lesser of 3% or ½ of the consumer price index. Employees with at least 10 years of credited service may retire at or after age 62 and receive a reduced benefit. 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 contribution and annual required contribution rate for calendar year 2011 was 12.37 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.

CITY OF WEST CHICAGO, ILLINOIS

Notes to the Financial Statements December 31, 2011

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Plan Descriptions, Provisions and Funding Policies – Continued

Police Pension Plan – Continued

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	29
Current Employees	
Vested	30
Nonvested	<u>17</u>
	<u>76</u>

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

The Police Pension Plan provides retirement benefits as well as death and disability benefits. Covered employees hired before January 1, 2011, attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive an annual retirement benefit of $\frac{1}{2}$ 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. Covered employees hired on or after January 1, 2011, attaining the age of 55 with at least 10 years creditable service are entitled to receive an annual retirement benefit of 2.5% of final average salary for each year of service, with a maximum salary cap of \$106,800 as of January 1, 2011. The maximum salary cap increases each year thereafter. The monthly benefit of a police officer hired before January 1, 2011, 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. The monthly pension of a police officer hired on or after January 1, 2011, shall be increased annually, following the later of the first anniversary date of retirement or the month following the attainment of age 60, but the lesser of 3% or $\frac{1}{2}$ of the consumer price index. Employees with at least 10 years but less than 20 years of creditable service may retire at or after age 60 and receive a reduced benefit.

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 2040 the City's contributions must accumulate to the point where the past service cost for the Police Pension Plan is 90% funded.

CITY OF WEST CHICAGO, ILLINOIS

Notes to the Financial Statements December 31, 2011

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

The Police Pension Fund has 5 percent or more of net assets available for benefits (other than U.S. Government and U.S. Government-guaranteed obligations) invested in the Invesco Floating Rate mutual fund (\$977,008). Information for IMRF is not available.

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 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:

	<u>Police Pension</u>
Annual Required Contribution	\$ 1,221,404
Interest on Net Pension Obligation	123,717
Adjustment to Annual Required Contribution	<u>(105,555)</u>
Annual Pension Cost	1,239,566
Actual Contribution	<u>1,380,000</u>
Decrease to the NPO	(140,434)
NPO - Beginning of Year	<u>1,767,384</u>
NPO - End of Year	<u><u>1,626,950</u></u>

CITY OF WEST CHICAGO, ILLINOIS**Notes to the Financial Statements
December 31, 2011****NOTE 4 – OTHER INFORMATION – Continued****EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued****Annual Pension Cost and Net Pension Obligation – Continued**

The plan information is as follows:

	Illinois Municipal Retirement	Police Pension
Contribution Rates		
Employer	12.37%	23.30%
Employee	4.50%	9.91%
Actuarial Valuation Date	12/31/2011	12/31/2011
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	26 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, 2011

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)	2009	\$ 589,855	\$ 1,124,913
	2010	666,310	1,244,607
	2011	616,541	1,239,566
Actual Contributions	2009	\$ 589,855	\$ 1,007,957
	2010	666,310	1,255,000
	2011	616,541	1,380,000
Percentage of APC Contributed	2009	100.00%	89.60%
	2010	100.00%	100.84%
	2011	100.00%	111.33%
Net Pension Obligation	2009	\$ -	\$ 1,777,777
	2010	-	1,767,384
	2011	-	1,626,950

CITY OF WEST CHICAGO, ILLINOIS

**Notes to the Financial Statements
December 31, 2011**

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	12/31/11	12/31/11
Percent Funded	65.84%	62.90%
Actuarial Accrued Liability for Benefits	\$14,046,572	\$30,706,854
Actuarial Value of Assets	\$9,248,012	\$19,313,525
Over (Under) Funded Actuarial Accrued Liability (UAAL)	(\$4,798,560)	(\$11,393,329)
Covered Payroll (Annual Payroll of Active Employees Covered by the Plan)	\$4,984,163	\$3,707,061
Ratio of UAAL to Covered Payroll	96.28%	307.34%

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, 2011

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 for limited health care insurance coverage and benefits for its eligible 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 medical services; 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.

Retirees are responsible for the full premium cost with the exception of the city funding 90% of single portion coverage for qualifying, eligible sworn police personnel that retire in accordance with a collective bargaining agreement provision in effect until April 30, 2016. For the fiscal year ending December 31, 2011, retirees contributed \$113,346. Active employees contribute up to 12% to the plan upon retirement.

At December 31, 2011, the membership consisted of:

Retirees and Beneficiaries Currently Receiving Benefits and Terminated Employees Entitled to Benefits but not yet Receiving Them	12
Active Employees	<u>79</u>
Total	<u>91</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, 2011

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, 2011, was calculated as follows:

	<u>NOPEBO</u>
Annual Required Contribution	\$ 334,286
Interest on the NOPEBO	30,610
Adjustment to the ARC	<u>(20,406)</u>
Annual OPEB Cost	344,490
Actual Contribution	<u>140,866</u>
Increase in the NPO	203,624
NOPEBO - Beginning of Year	<u>612,192</u>
NOPEBO - End of Year	<u><u>815,816</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
2009	\$ 343,992	\$ 140,866	40.95%	\$ 397,236
2010	364,274	149,318	40.99%	612,192
2011	344,490	140,866	40.89%	815,816

CITY OF WEST CHICAGO, ILLINOIS

Notes to the Financial Statements December 31, 2011

NOTE 4 – OTHER INFORMATION – Continued

OTHER POST-EMPLOYMENT BENEFITS – Continued

Funded Status and Funding Progress

The funded status of the plan as of December 31, 2011, was as follows:

Actuarial Accrued Liability (AAL)	\$ 2,412,937
Actuarial Value of Plan Assets	-
Unfunded Actuarial Accrued Liability (UAAL)	2,412,937
Funded Ratio (actuarial value of plan assets/AAL)	-
Covered Payroll (active plan members)	9,668,355
UAAL as a percentage of covered payroll	24.96%

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, 2011

NOTE 4 – OTHER INFORMATION – Continued

OTHER POST-EMPLOYMENT BENEFITS – Continued

Actuarial Methods and Assumptions – Continued

In the December 31, 2011 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 an open basis. The remaining amortization period at December 31, 2011, was 30 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, 2011

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)
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%
2011	9,248,012	14,046,572	65.84%	4,798,560	4,984,163	96.28%

Employer Contributions

Fiscal Year Ended	Employer Contributions	Annual Required Contribution	Percent Contributed
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%
2011	616,541	616,541	100.00%

CITY OF WEST CHICAGO, ILLINOIS

Police Pension Fund

Required Supplementary Information Schedule of Funding Progress and Employer Contributions December 31, 2011

Funding Progress

Actuarial Valuation Date	(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)
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%
12/31/11	19,313,525	30,706,854	62.90%	11,393,329	3,707,061	307.34%

Employer Contributions

Fiscal Year Ended	Employer Contributions	Annual Required Contribution	Percent Contributed
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%
12/31/11	1,380,000	1,221,404	112.98%

* 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, 2011**

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)
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
2011	-	2,412,937	-	2,412,937	9,668,355	24.96%

Employer Contributions

Fiscal Year Ended	Employer Contributions	Annual Required Contribution	Percent Contributed
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%
12/31/11	140,866	334,286	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, 2011

	Budget		Actual
	Original	Final	
Revenues			
Taxes	\$ 4,924,000	\$ 4,624,000	\$ 5,038,676
Intergovernmental	6,098,800	6,098,800	6,580,649
Charges for Services	1,814,600	1,814,600	2,124,010
Licenses and Permits	405,000	405,000	634,929
Fines and Forfeitures	850,000	850,000	936,049
Interest Income	175,000	75,000	43,124
Miscellaneous	473,000	473,000	1,174,555
Total Revenues	14,740,400	14,340,400	16,531,992
Expenditures			
General Government	7,060,700	7,550,200	6,767,357
Public Safety	8,934,400	8,949,400	8,468,368
Culture and Recreation	95,000	95,000	189,894
Total Expenditures	16,090,100	16,594,600	15,425,619
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,349,700)	(2,254,200)	1,106,373
Other Financing Sources			
Transfers In	50,000	50,000	-
Net Change in Fund Balance	\$ (1,299,700)	\$ (2,204,200)	1,106,373
Fund Balance - Beginning			12,645,249
Fund Balance - Ending			\$ 13,751,622

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, 2011**

	Budget		Actual
	Original	Final	
Revenues			
Interest Income	\$ 120,000	\$ 40,000	\$ 42,607
Miscellaneous	440,000	440,000	51,257
Total Revenues	560,000	480,000	93,864
Expenditures			
Capital Outlay			
Building and Grounds Improvement	195,000	195,000	-
Other Capital Outlay	200,000	200,000	-
Land	-	900,000	927,250
Total Expenditures	395,000	1,295,000	927,250
Excess (Deficiency) of Revenues Over (Under) Expenditures	165,000	(815,000)	(833,386)
Other Financing (Uses)			
Transfers Out	(50,000)	(50,000)	-
Net Change in Fund Balance	<u>\$ 115,000</u>	<u>\$ (865,000)</u>	(833,386)
Fund Balance - Beginning			<u>2,332,344</u>
Fund Balance - Ending			<u>\$ 1,498,958</u>

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, 2011**

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ 1,000,000	\$ 1,000,000	\$ 1,167,516
Interest Income	10,000	5,000	2,206
Miscellaneous	2,500	2,500	11,655
Total Revenues	1,012,500	1,007,500	1,181,377
Expenditures			
General Government	964,700	1,379,700	944,306
Debt Service			
Principal Retirement	90,000	90,000	-
Interest and Fiscal Charges	50,000	50,000	40,332
Total Expenditures	1,104,700	1,519,700	984,638
Net Change in Fund Balance	\$ (92,200)	\$ (512,200)	196,739
Fund Balance - Beginning			677,747
Fund Balance - Ending			\$ 874,486

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

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 property taxes, utility taxes and home rule sales 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.

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.

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

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.

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, 2011**

	Budget		Actual
	Original	Final	
Taxes			
Property Taxes	\$ 3,424,000	\$ 3,424,000	\$ 3,496,720
Telecommunications Tax	1,300,000	1,000,000	1,275,911
Amusement Tax	50,000	50,000	108,060
Personal Property Replacement Tax	150,000	150,000	157,985
	<u>4,924,000</u>	<u>4,624,000</u>	<u>5,038,676</u>
Intergovernmental			
Sales Tax	2,800,000	2,800,000	3,197,119
Income Tax	2,100,000	2,100,000	2,117,490
MFT Allotments	700,000	700,000	792,266
Use Tax	320,000	320,000	395,634
Grants	178,800	178,800	78,140
	<u>6,098,800</u>	<u>6,098,800</u>	<u>6,580,649</u>
Charges for Services			
Brush Collection Fees	75,000	75,000	74,153
Weed Cutting Fees	-	-	7,956
Business Registration	20,000	20,000	29,900
Police Counter Service	10,000	10,000	10,004
Police Contractual Services	259,600	259,600	261,298
Police Towing	225,000	225,000	221,135
False Alarm Fees	20,000	20,000	-
Change of Occupancy Fees	45,000	45,000	59,902
Rental Inspections	90,000	90,000	132,209
Plan Review Fees	20,000	20,000	14,400
Engineering Fees	125,000	125,000	339,922
Annexation Fees	-	-	3,100
Transfer Station Fees	585,000	585,000	565,290
Property Rental	125,000	125,000	127,560
Tower Rental Fees	25,000	25,000	69,075
Cable Franchise Fee	190,000	190,000	208,106
	<u>1,814,600</u>	<u>1,814,600</u>	<u>2,124,010</u>

CITY OF WEST CHICAGO, ILLINOIS**General Fund****Schedule of Revenues - Budget and Actual - Continued**
Year Ended December 31, 2011

	Budget		Actual
	Original	Final	
Licenses and Permits			
Building Permits	\$ 220,000	\$ 220,000	\$ 413,953
Building Contractors Licenses	25,000	25,000	35,090
Oversize Truck Permits	15,000	15,000	20,300
Liquor Licenses	90,000	90,000	102,062
Vending Machine/Business Licenses	55,000	55,000	59,715
Other Licenses and Permits	-	-	3,809
	405,000	405,000	634,929
Fines and Forfeits			
Circuit Court Fines	400,000	400,000	388,246
Local Fines	450,000	450,000	522,561
Seizures	-	-	25,242
	850,000	850,000	936,049
Interest			
Interest Income	175,000	75,000	43,124
Miscellaneous			
Cemetery Lot Sales	25,000	25,000	75,650
Other Reimbursements	80,000	80,000	137,319
Health Insurance Reimbursements	140,000	140,000	159,848
IPBC and IRMA Revenue	100,000	100,000	336,949
Other Miscellaneous	128,000	128,000	464,789
	473,000	473,000	1,174,555
Total Revenues	\$ 14,740,400	\$ 14,340,400	\$ 16,531,992

CITY OF WEST CHICAGO, ILLINOIS

General Fund

**Schedule of Expenditures - Budget and Actual
Year Ended December 31, 2011**

	Budget		Actual
	Original	Final	
General Government			
Legislative	\$ 176,600	\$ 206,600	\$ 166,746
Administration	625,400	939,900	529,891
Administrative Services	2,492,100	2,502,100	2,323,607
Public Works	2,645,600	2,780,600	2,615,591
Community Development	1,121,000	1,121,000	1,131,522
	<u>7,060,700</u>	<u>7,550,200</u>	<u>6,767,357</u>
Public Safety			
Police Department	<u>8,934,400</u>	<u>8,949,400</u>	<u>8,468,368</u>
Culture and Recreation			
Museum and Cultural Services	<u>95,000</u>	<u>95,000</u>	<u>189,894</u>
Total Expenditures	<u>\$ 16,090,100</u>	<u>\$ 16,594,600</u>	<u>\$ 15,425,619</u>

CITY OF WEST CHICAGO, ILLINOIS

General Fund

Schedule of Detailed Expenditures - Budget and Actual Year Ended December 31, 2011

	Budget		Actual
	Original	Final	
General Government			
Legislative			
Personal Services			
Salary of Alderman	\$ 33,600	\$ 33,600	\$ 26,945
Salary of Mayor	15,000	15,000	15,270
Salary of Corporate Counsel	3,000	3,000	3,000
Salary of City Clerk	4,500	4,500	4,508
Salary of Deputy City Clerk	400	400	150
IMRF and FICA	4,100	4,100	3,581
Contractual Services			
Legal Fees	45,000	75,000	50,326
Consultants	2,000	2,000	311
Training and Tuition	3,000	3,000	110
Memberships/Dues/Subscriptions	35,000	35,000	32,418
Legal Notices	2,000	2,000	1,077
Telephone and Alarms	2,400	2,400	1,589
Printing and Binding	10,000	10,000	12,713
Legal Reporter Fees	500	500	456
IRMA General Insurance	2,600	2,600	2,600
Commodities			
Computer and Office Supplies	800	800	17
Postage	200	200	34
Miscellaneous Commodities	2,000	2,000	1,318
Grant Distribution	10,000	10,000	10,000
Other Charges	500	500	323
Total Legislative	176,600	206,600	166,746

CITY OF WEST CHICAGO, ILLINOIS

General Fund

Schedule of Detailed Expenditures - Budget and Actual - Continued Year Ended December 31, 2011

	Budget		Actual
	Original	Final	
General Government - Continued			
Administration			
Personal Services			
Administrative Salaries	\$ 186,100	\$ 186,100	\$ 190,609
IMRF and FICA	38,400	38,400	34,809
ICMA	10,600	10,600	9,600
Contractual Services			
Legal Fees	15,500	15,500	5,556
Newsletter Preparation	30,000	30,000	28,231
Training and Tuition	9,500	9,500	3,220
Memberships/Dues/Subscriptions	4,000	4,000	3,105
Software Maintenance	1,500	1,500	742
Telephone and Alarms	7,500	7,500	8,178
Electric	1,000	1,000	1,914
Printing and Binding	2,000	2,000	1,651
Advertising	10,000	10,000	7,439
Other Contractual Services	65,000	229,500	71,417
IRMA General Insurance	6,700	6,700	6,700
Telephone Repair	300	300	-
Office Equipment Repairs	200	200	-
Commodities			
Sales Tax Rebate	225,000	375,000	151,878
Computer and Office Supplies	500	500	387
Gas and Oil	2,000	2,000	2,787
Postage	100	100	-
Miscellaneous Commodities	500	500	-
Special Events	500	500	359
Prospect Development	2,000	2,000	100
Other Charges	1,500	1,500	1,209
Capital Outlay			
MIS Replacement	5,000	5,000	-
Total Administration	625,400	939,900	529,891

CITY OF WEST CHICAGO, ILLINOIS

General Fund

Schedule of Detailed Expenditures - Budget and Actual - Continued
Year Ended December 31, 2011

	Budget		
	Original	Final	Actual
General Government - Continued			
Administrative Services			
Personal Services			
Salary of Treasurer	\$ 4,500	\$ 4,500	\$ 4,508
Administrative Salaries	414,100	414,100	426,203
Administrative Salaries - Overtime	300	300	-
IMRF and FICA	85,800	85,800	83,412
ICMA	5,900	5,900	10,169
Health/Dental/Life Insurance	1,532,000	1,532,000	1,520,226
Contractual Services			
Legal Fees	66,000	66,000	20,638
Audit Fees	16,800	16,800	15,960
Data Processing	3,500	3,500	3,114
Consultants	6,400	6,400	2,000
Network Charges	14,000	14,000	8,914
Pre-employment Exams	28,100	28,100	19,745
Training and Tuition	27,500	27,500	1,907
Memberships/Dues/Subscriptions	3,400	3,400	2,300
Software Maintenance	54,800	54,800	44,571
Telephone and Alarms	5,400	5,400	6,182
Advertising	3,000	3,000	1,882
Other Contractual Services	59,500	69,500	69,337
IRMA General Insurance	20,600	20,600	20,600
Telephone Repair	1,000	1,000	-
Office Equipment Maintenance and Repair	26,000	26,000	17,760
Postage Meter Rental	3,000	3,000	1,400
Copier Fees	3,900	3,900	3,812
Commodities			
Computer and Office Supplies	16,700	16,700	10,798
Gas and Oil	100	100	92
Postage	8,500	8,500	5,249
Miscellaneous Commodities	500	500	471
Safety Program	4,000	4,000	3,086
Special Events	6,000	6,000	4,913
Bank Fees	8,100	8,100	9,896
Other Charges	300	300	83

CITY OF WEST CHICAGO, ILLINOIS

General Fund

Schedule of Detailed Expenditures - Budget and Actual - Continued
Year Ended December 31, 2011

	Budget		Actual
	Original	Final	
General Government - Continued			
Administrative Services - Continued			
Capital Outlay			
Other Capital Outlay	\$ 10,100	\$ 10,100	\$ 4,379
MIS Replacement	52,300	52,300	-
Total Administrative Services	2,492,100	2,502,100	2,323,607
Public Works			
Personal Services			
Administrative Salaries	130,400	130,400	131,678
Operating Salaries	507,600	507,600	586,344
Administrative Salaries - Overtime	70,000	70,000	62,111
IMRF and FICA	145,900	145,900	141,045
Unemployment Insurance	-	-	1,508
Contractual Services			
Legal Fees	25,000	45,000	25,656
Engineering & Inspections	10,000	10,000	1,450
Pre-employment Exams	900	900	637
Training and Tuition	4,500	4,500	1,548
Memberships/Dues/Subscriptions	1,000	1,000	1,232
Legal Notices	400	400	-
Telephone and Alarms	21,000	21,000	19,977
Interments Program	20,000	20,000	19,375
Brush Pickup	63,000	63,000	63,000
Grounds Maintenance	47,000	47,000	49,259
Cemetery Maintenance	6,000	6,000	6,000
Janitor Contract	49,600	49,600	48,578
Heating Gas	6,000	6,000	12,986
Electric	131,000	131,000	129,889
Refuse Disposal	38,000	38,000	22,979
Other Contractual Services	454,100	559,100	411,971
Traffic Signal Maintenance	26,700	26,700	27,121
Street Light Maintenance	20,000	20,000	14,186

CITY OF WEST CHICAGO, ILLINOIS

General Fund

Schedule of Detailed Expenditures - Budget and Actual - Continued Year Ended December 31, 2011

	Budget		Actual
	Original	Final	
General Government - Continued			
Public Works - Continued			
Contractual Services - Continued			
IRMA General Insurance	\$ 45,600	\$ 55,600	\$ 55,300
Other Insurance	13,000	13,000	10,403
Payment to Taxing Bodies	150,000	150,000	155,274
Vehicle Maintenance and Repair	15,000	15,000	15,874
Telephone Repair	600	600	-
Commodities			
Computer and Office Supplies	5,500	5,500	4,878
Field Equipment	1,000	1,000	234
Maps and Plats	-	-	83
Parts for Vehicles	35,900	35,900	69,261
Tools and Equipment	16,500	16,500	14,042
Gas and Oil	51,000	51,000	83,655
Materials	20,000	20,000	16,004
Street Patch Materials	300	300	-
Street Paint	2,000	2,000	2,231
Ice Control Materials	15,000	15,000	19,322
Parts - Mains	5,000	5,000	1,758
Rock Salt	336,000	336,000	221,591
BIT Patch - Cold	8,000	8,000	7,387
BIT Patch - Hot	45,000	45,000	44,007
Parts for Plows and Spreaders	20,000	20,000	23,105
Postage	300	300	82
Uniforms and Safety Equipment	8,500	8,500	7,724
Miscellaneous	67,500	67,500	83,704
Capital Outlay			
Building and Grounds Improvements	-	-	1,142
MIS Replacement	5,800	5,800	-
Total Public Works	2,645,600	2,780,600	2,615,591

CITY OF WEST CHICAGO, ILLINOIS

General Fund

Schedule of Detailed Expenditures - Budget and Actual - Continued
Year Ended December 31, 2011

	Budget		Actual
	Original	Final	
General Government - Continued			
Community Development			
Personal Services			
Administrative Salaries	\$ 415,700	\$ 415,700	\$ 447,710
Administrative Salaries - Overtime	1,000	1,000	-
IMRF and FICA	85,700	85,700	86,458
Contractual Services			
Legal Fees	37,000	37,000	55,548
Pre-employment Exams	200	200	-
Training and Tuition	5,500	5,500	986
Memberships/Dues/Subscriptions	3,400	3,400	2,837
Enforcement & Inspections	297,000	297,000	297,165
Plan Review	55,000	55,000	66,346
Software Maintenance	16,500	16,500	8,801
Legal Notices	2,900	2,900	1,913
Telephone and Alarms	14,200	14,200	11,281
Weed Cutting	12,000	12,000	8,765
Printing and Binding	3,500	3,500	2,140
Advertising	300	300	88
Legal Reporter	4,500	4,500	4,842
Filing Fees	10,000	10,000	8,975
Other Contractual Services	8,000	8,000	14,747
IRMA General Insurance	41,300	41,300	41,000
Other Insurance	1,000	1,000	167
Vehicle Maintenance and Repair	1,000	1,000	-
Telephone and Repairs	1,800	1,800	-
Office Equipment Maintenance and Repair	700	700	-
Copier Fees	500	500	570
Commodities			
Computer and Office Supplies	2,700	2,700	2,331
Maps and Plats	500	500	1,157
Parts for Vehicles	600	600	124
Tools and Equipment	300	300	285
Educational Displays	2,000	2,000	500
Gas and Oil	2,500	2,500	1,922
Postage	300	300	830
Uniforms and Safety Equipment	200	200	200
Educational Programming	3,800	3,800	3,160

CITY OF WEST CHICAGO, ILLINOIS

General Fund

Schedule of Detailed Expenditures - Budget and Actual - Continued Year Ended December 31, 2011

	Budget		Actual
	Original	Final	
General Government - Continued			
Community Development - Continued			
Commodities - Continued			
Gallery 200	\$ 3,500	\$ 3,500	\$ 387
Miscellaneous Commodities	1,500	1,500	854
Artifacts Maintenance	500	500	728
Prospect Development	1,000	1,000	10
Other Charges	1,100	1,100	514
Capital Outlay			
MIS Replacement	6,800	6,800	-
CN Mitigation	75,000	75,000	58,181
Total Community Development	1,121,000	1,121,000	1,131,522
Total General Government	7,060,700	7,550,200	6,767,357
Public Safety			
Police Department			
Personal Services			
Administrative Salaries	739,100	739,100	778,754
Patrolman Salaries	2,989,000	2,989,000	2,795,936
Patrolman Salaries - Overtime	545,900	545,900	413,488
Sergeants Salaries	933,000	933,000	924,711
CSO Salaries	140,000	140,000	140,762
CSO - Overtime	8,600	8,600	277
Contract Services Salaries	20,000	20,000	14,529
Administrative Services - Overtime	3,500	3,500	-
IMRF and FICA	474,900	474,900	440,825
Police Pension	1,380,000	1,380,000	1,380,000
Unemployment Insurance	-	-	4,126
Contractual Services			
Legal Fees	150,000	150,000	140,122
Pre-employment Exams	-	-	173
Training and Tuition	32,500	32,500	12,344
Officer Training and Mileage	6,600	6,600	1,729
Memberships/Dues/Subscriptions	9,900	9,900	3,814

CITY OF WEST CHICAGO, ILLINOIS

General Fund

Schedule of Detailed Expenditures - Budget and Actual - Continued Year Ended December 31, 2011

	Budget		Actual
	Original	Final	
Public Safety - Continued			
Police Department - Continued			
Contractual Services - Continued			
Software Maintenance	\$ 40,400	\$ 40,400	\$ 37,439
Telephone and Alarms	54,100	54,100	49,355
Electric	900	900	222
Printing and Binding	6,800	6,800	5,976
Grounds Maintenance	2,900	2,900	2,255
Social Services	4,900	4,900	556
DuComm Quarterly Share	475,500	475,500	446,847
Other Contractual Services	55,200	55,200	54,541
Graffiti Removal	14,000	14,000	13,925
Reception Support	106,300	106,300	108,134
Crossing Guard - Contractual	39,600	39,600	35,451
IRMA General Insurance	312,000	327,000	324,803
Other Insurance	16,000	16,000	15,370
Vehicle Maintenance and Repair	25,000	25,000	25,746
Building Repair	1,000	1,000	-
Radio/Radar Equipment Maint. and Repair	20,800	20,800	17,229
Telephone Repair	2,500	2,500	68
Office Equipment and Repair	31,500	31,500	23,349
Postage Meter Rental	900	900	802
Copier Fees	11,500	11,500	9,853
Commodities			
Computer and Office Supplies	14,600	14,600	6,342
Field Equipment	15,000	15,000	14,427
Parts for Vehicles	15,500	15,500	29,228
Gas and Oil	101,300	101,300	126,476
Vehicle License Fees	1,300	1,300	689
Postage	13,000	13,000	475
Uniform and Safety Equipment	37,600	37,600	28,095
First Aid Supplies	1,300	1,300	627
Ammunition and Firearms	15,000	15,000	15,074
Tools and Equipment	700	700	103
Educational Programming	31,000	31,000	8,996
Film and Developing	1,500	1,500	94
Miscellaneous Commodities	13,700	13,700	10,478
Other Charges	-	-	3,255

CITY OF WEST CHICAGO, ILLINOIS

General Fund

Schedule of Detailed Expenditures - Budget and Actual - Continued
Year Ended December 31, 2011

	Budget		Actual
	Original	Final	
Public Safety - Continued			
Police Department - Continued			
Capital Outlay			
Communications Equipment	\$ 2,000	\$ 2,000	\$ 498
MIS Replacement	16,100	16,100	-
Total Public Safety	8,934,400	8,949,400	8,468,368
Culture and Recreation			
Museum and Cultural Services			
Commodities			
Miscellaneous Commodities	-	-	94,894
Special Events	95,000	95,000	95,000
Total Culture and Recreation	95,000	95,000	189,894
Total Expenditures	\$ 16,090,100	\$ 16,594,600	\$ 15,425,619

CITY OF WEST CHICAGO, ILLINOIS**TIF Special Tax Allocation #1 - Special Revenue Fund****Schedule of Expenditures - Budget and Actual
Year Ended December 31, 2011**

	Budget		Actual
	Original	Final	
General Government			
Personal Services			
Administrative Salaries	\$ 300,500	\$ 300,500	\$ 289,574
Administrative Salaries - Overtime	1,200	1,200	656
IMRF and FICA	62,100	62,100	55,080
ICMA	2,100	2,100	1,920
Health/Dental/Life Insurance	35,400	35,400	43,317
Contractual Services			
Legal Fees	12,000	12,000	31,228
Memberships/Dues/Subscriptions	600	600	-
Legal Notices	500	500	68
Telephone and Alarms	1,200	1,200	1,370
Grounds Maintenance	20,000	20,000	18,906
Other	100,000	125,000	78,508
Commodities			
Postage	100	100	16
Special Events	24,000	24,000	12,450
Prospect Development	1,000	1,000	-
Other	1,000	1,000	300
Capital Outlay			
Building Grounds Improvement	100,000	190,000	44,483
Other	170,000	170,000	-
Land	56,000	356,000	291,490
Façade Improvement	60,000	60,000	68,423
Streetscape Programs	17,000	17,000	6,517
	964,700	1,379,700	944,306
Debt Service			
Principal Retirement	90,000	90,000	-
Interest and Fiscal Charges	50,000	50,000	40,332
	140,000	140,000	40,332
Total Expenditures	\$ 1,104,700	\$ 1,519,700	\$ 984,638

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, 2011**

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ -	\$ -	\$ 2,396
Utility Taxes	2,100,000	2,100,000	2,098,719
Sales Taxes	500,000	500,000	565,956
Interest Income	25,000	10,000	11,354
Miscellaneous	2,059,700	2,059,700	370,293
Total Revenues	4,684,700	4,669,700	3,048,718
Expenditures			
Capital Outlay	8,587,400	8,816,600	2,996,726
Net Change in Fund Balance	<u>\$ (3,902,700)</u>	<u>\$ (4,146,900)</u>	51,992
Fund Balance - Beginning			<u>4,544,325</u>
Fund Balance - Ending			<u>\$ 4,596,317</u>

CITY OF WEST CHICAGO, ILLINOIS

Capital Improvement - Capital Projects Fund

**Schedule of Expenditures - Budget and Actual
Year Ended December 31, 2011**

	Budget		Actual
	Original	Final	
Capital Outlay			
Administrative Salaries	\$ 98,600	\$ 98,600	\$ 74,926
Operational Salaries	7,100	7,100	6,982
Administrative Salaries - Overtime	3,000	3,000	1,026
IMRF and FICA	22,500	22,500	15,889
Health/Dental/Life Insurance	36,300	36,300	34,442
Engineering and Inspections	107,600	231,300	75,213
Building and Grounds Improvements	40,000	49,600	34,112
Street Improvements	7,308,400	7,398,300	1,810,408
Other Capital Outlay	963,900	969,900	943,728
Total Expenditures	\$ 8,587,400	\$ 8,816,600	\$ 2,996,726

CITY OF WEST CHICAGO, ILLINOIS

Combining Balance Sheet Nonmajor Governmental Funds December 31, 2011

	Special Revenue		Capital Projects	
	TIF Special Tax Allocation #2	Other Special Service Areas	Capital Equipment Replacement	Total
ASSETS				
Cash and Investments	\$ 255,884	\$ -	\$ 722,898	\$ 978,782
Receivables - Net of Allowances Property Taxes	29,021	2,349	-	31,370
Due From Other Funds	-	25,643	-	25,643
Total Assets	284,905	27,992	722,898	1,035,795
LIABILITIES AND FUND BALANCES				
Current Liabilities				
Accounts Payable	324	-	-	324
Due to Other Funds	-	8,315	-	8,315
Unearned/Deferred Revenues	29,021	2,349	-	31,370
Total Liabilities	29,345	10,664	-	40,009
Fund Balances				
Restricted	255,560	17,328	-	272,888
Assigned	-	-	722,898	722,898
Total Fund Balances	255,560	17,328	722,898	995,786
Total Liabilities and Fund Balances	\$ 284,905	\$ 27,992	\$ 722,898	\$ 1,035,795

CITY OF WEST CHICAGO, ILLINOIS

Combining Statement of Revenues, Expenditures and Changes in Fund Balances Nonmajor Governmental Funds Year Ended December 31, 2011

	Special Revenue		Capital Projects	
	TIF	Other Special	Capital	
	Special Tax	Service	Equipment	
	Allocation #2	Areas	Replacement	Total
Revenues				
Taxes	\$ 34,663	\$ -	\$ -	\$ 34,663
Interest Income	581	-	2,276	2,857
Miscellaneous	-	-	30,964	30,964
Total Revenues	35,244	-	33,240	68,484
Expenditures				
Current				
General Government	9,319	-	-	9,319
Capital Outlay	-	-	12,011	12,011
Total Expenditures	9,319	-	12,011	21,330
Net Change in Fund Balances	25,925	-	21,229	47,154
Fund Balances - Beginning	229,635	17,328	701,669	948,632
Fund Balances - Ending	\$ 255,560	\$ 17,328	\$ 722,898	\$ 995,786

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, 2011**

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ -	\$ -	\$ 34,663
Interest Income	-	-	581
Total Revenues	-	-	35,244
Expenditures			
General Government			
Contractual Services	-	52,500	9,319
Prospect Development	140,000	140,000	-
Total Expenditures	140,000	192,500	9,319
Net Change in Fund Balance	<u>\$ (140,000)</u>	<u>\$ (192,500)</u>	25,925
Fund Balance - Beginning			<u>229,635</u>
Fund Balance - Ending			<u>\$ 255,560</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, 2011**

	Budget		Actual
	Original	Final	
Revenues			
Interest Income	\$ 10,000	\$ 5,000	\$ 2,276
Miscellaneous	-	-	30,964
Total Revenues	10,000	5,000	33,240
Expenditures			
Capital Outlay			
Vehicles	-	143,800	12,011
Net Change in Fund Balance	<u>\$ 10,000</u>	<u>\$ (138,800)</u>	21,229
Fund Balance - Beginning			<u>701,669</u>
Fund Balance - Ending			<u>\$ 722,898</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, 2011**

	Budget		Actual
	Original	Final	
Operating Revenues			
Charges for Services			
Water Service	\$ 4,750,000	\$ 4,750,000	\$ 4,720,319
Operating Expenses			
Operations			
Water Distribution	2,982,500	3,077,000	2,556,000
Water Treatment Plant	1,639,400	1,831,400	1,362,303
Depreciation	-	-	1,327,738
Total Operating Expenses	4,621,900	4,908,400	5,246,041
Operating Income (Loss)	128,100	(158,400)	(525,722)
Nonoperating Revenues (Expenses)			
Connection Fees	20,000	20,000	41,019
Sales Taxes	900,000	900,000	1,131,916
Interest Income	100,000	50,000	99,109
Other Income	148,000	148,000	384,798
Interest Expense	(924,500)	(924,500)	(753,061)
	243,500	193,500	903,781
Income (Loss) Before Contributions and Transfers	371,600	35,100	378,059
Capital Contributions	-	-	1,797,562
Transfers In	-	1,000,000	1,000,000
Change in Net Assets	<u>\$ 371,600</u>	<u>\$ 1,035,100</u>	3,175,621
Net Assets - Beginning			<u>29,600,143</u>
Net Assets - Ending			<u>\$ 32,775,764</u>

CITY OF WEST CHICAGO, ILLINOIS

Waterworks - Enterprise Fund

Schedule of Operating Expenses - Budget and Actual Year Ended December 31, 2011

	Budget		Actual
	Original	Final	
Water Distribution			
Personal Services			
Administrative Salaries	\$ 389,400	\$ 400,700	\$ 356,494
Operational Salaries	515,300	515,300	411,215
Administrative Salaries - Overtime	50,000	50,000	35,342
IMRF and FICA	196,300	196,300	155,152
ICMA	3,900	3,900	4,971
Health/Dental/Life Insurance	365,200	365,200	347,410
Unemployment Insurance	-	-	503
Contractual Services			
Legal Fees	15,000	15,000	13,813
Auditing Fees	14,000	14,000	13,300
JULIE System	2,000	2,000	1,615
Consultants	-	-	1,880
Pre-employment Exams	600	600	421
Training and Tuition	3,000	3,000	375
Memberships/Dues/Subscriptions	1,000	1,000	324
Software Maintenance	10,500	10,500	6,336
Legal Notices	1,000	1,000	599
Telephone and Alarms	30,000	30,000	25,674
Heating and Gas	7,500	7,500	2,676
Electric	415,000	415,000	359,942
Lab Results	10,000	10,000	6,069
Refuse Disposal	10,000	10,000	512
Printing and Binding	2,500	2,500	1,889
Grounds Maintenance	8,000	8,000	7,319
Other Contractual Services	199,200	214,400	155,750
IRMA General Insurance	149,900	149,900	149,000
Other Insurance	12,000	12,000	1,346
Vehicle Maintenance and Repair	3,500	3,500	516
Building Maintenance and Repair	500	500	888
Distribution System Maintenance and Repair	100,000	100,000	74,016
Pump Station Maintenance and Repair	275,000	343,000	304,688
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 - Continued Year Ended December 31, 2011

	Budget		Actual
	Original	Final	
Water Distribution - Continued			
Contractual Services - Continued			
Postage Meter Rental	\$ 1,400	\$ 1,400	\$ 1,400
Copier Rental	4,500	4,500	2,831
Commodities			
Computer and Office Supplies	7,800	7,800	6,467
Parts for Vehicles	5,000	5,000	5,701
Tools and Equipment	5,000	5,000	1,617
Gas and Oil	20,000	20,000	24,581
Postage	8,000	8,000	3,934
Uniforms and Safety Equipment	7,500	7,500	5,399
Parts and Equipment - Wells	4,000	4,000	1,863
Parts and Equipment - Distribution	60,000	60,000	29,969
Parts and Equipment - Pump Station	15,000	15,000	5,336
Lab Supplies	500	500	161
Chemicals	1,000	1,000	-
Water Meters	25,000	25,000	2,417
Miscellaneous Commodities	6,000	6,000	5,524
Bank Fees	5,000	5,000	9,896
Capital Outlay			
Other Capital Outlay	8,977,100	9,044,000	421,421
Land	-	-	8,425
MIS Replacement Charge	11,800	11,800	-
	11,959,600	12,121,000	2,977,421
Less Nonoperating Items			
Capital Assets Capitalized	(8,977,100)	(9,044,000)	(421,421)
Total Water Distribution	2,982,500	3,077,000	2,556,000
Water Treatment Plant			
Personal Services			
Administrative Salaries	63,000	63,000	28,877
Operational Salaries	488,500	488,500	493,833
Administrative Salaries - Overtime	50,000	50,000	26,361
IMRF and FICA	123,700	123,700	108,725

CITY OF WEST CHICAGO, ILLINOIS

Waterworks - Enterprise Fund

Schedule of Operating Expenses - Budget and Actual - Continued Year Ended December 31, 2011

	Budget		Actual
	Original	Final	
Water Treatment Plant - Continued			
Contractual Services			
Legal Fees	\$ 5,000	\$ 5,000	\$ -
Pre-employment Exams	300	300	-
Training and Tuition	3,000	3,000	473
Memberships/Dues/Subscriptions	400	400	609
Telephone and Alarms	10,000	10,000	9,201
Heating and Gas	4,000	4,000	3,554
Electric	185,000	185,000	189,762
Lab Results	2,000	2,000	-
Refuse Disposal	-	192,000	56,479
Grounds Maintenance	8,500	8,500	7,568
Janitorial Service	23,600	23,600	22,829
Other Contractual Services	15,000	15,000	11,609
IRMA General Insurance	50,700	50,700	50,400
Building Maintenance and Repair	10,000	10,000	10,330
WTP Operations Repair	15,000	15,000	19,482
Copier Rental	24,000	24,000	8,211
Equipment Rental	1,000	1,000	665
Commodities			
Computer and Office Supplies	2,000	2,000	1,386
Parts for Vehicles	200	200	29
Tools and Equipment	3,000	3,000	549
Gas and Oil	500	500	1,881
Uniforms and Safety Equipment	4,000	4,000	2,870
Parts for Building Repairs	3,000	3,000	4,377
Lab Supplies	11,000	11,000	8,831
Chemicals	350,000	350,000	273,305
Parts for WTP Operations	6,000	6,000	5,332
Miscellaneous Commodities	2,000	2,000	2,965
Capital Outlay			
Other Capital Outlay	175,000	175,000	11,810
Total Water Treatment Plant	1,639,400	1,831,400	1,362,303
Total Operating Expenses	\$ 4,621,900	\$ 4,908,400	\$ 3,918,303

CITY OF WEST CHICAGO, ILLINOIS

Sewerage - Enterprise Fund

Schedule of Revenues, Expenses and Changes in Net Assets - Budget and Actual Year Ended December 31, 2011

	Budget		Actual
	Original	Final	
Operating Revenues			
Charges for Services			
Sewer Service	\$ 4,700,000	\$ 4,700,000	\$ 5,523,342
Recapture Fees	-	-	535
Total Operating Revenues	<u>4,700,000</u>	<u>4,700,000</u>	<u>5,523,877</u>
Operating Expenses			
Operations			
Wastewater Treatment	2,742,100	2,742,100	2,763,994
Sanitary Sewer Collection	2,983,400	2,993,400	2,176,117
Special Service Area #2	-	-	14,449
Depreciation	-	-	1,050,992
Total Operating Expenses	<u>5,725,500</u>	<u>5,735,500</u>	<u>6,005,552</u>
Operating Income (Loss)	<u>(1,025,500)</u>	<u>(1,035,500)</u>	<u>(481,675)</u>
Nonoperating Revenues (Expenses)			
Connection Fees	15,000	15,000	67,470
Property Taxes	-	-	11,557
Disposal of Capital Assets	-	-	(1,590,586)
Interest Income	50,000	30,000	22,910
Other Income	30,000	30,000	33,627
	<u>95,000</u>	<u>75,000</u>	<u>(1,455,022)</u>
Income (Loss) Before Contributions and Transfers	<u>(930,500)</u>	<u>(960,500)</u>	<u>(1,936,697)</u>
Capital Contributions	-	-	835,798
Transfers Out	-	(1,000,000)	(1,000,000)
Change in Net Assets	<u>\$ (930,500)</u>	<u>\$ (1,960,500)</u>	<u>(2,100,899)</u>
Net Assets - Beginning			<u>30,320,334</u>
Net Assets - Ending			<u>\$ 28,219,435</u>

CITY OF WEST CHICAGO, ILLINOIS

Sewerage - Enterprise Fund

Schedule of Operating Expenses - Budget and Actual Year Ended December 31, 2011

	Budget		Actual
	Original	Final	
Wastewater Treatment			
Personal Services			
Administrative Services	\$ 27,800	\$ 27,800	\$ 28,877
Administrative Salaries - Overtime	-	-	273
IMRF and FICA	5,800	5,800	5,409
Contractual Services			
Legal Fees	2,000	2,000	-
Auditing Fees	3,900	3,900	3,800
Memberships/Dues/Subscriptions	13,600	13,600	13,607
Telephone and Alarms	-	-	1,956
Printing and Binding	-	-	114
Grounds Maintenance	13,000	13,000	9,233
Other Contractual Services	2,615,100	2,615,100	2,553,612
IRMA General Insurance	60,900	60,900	60,500
Commodities			
Miscellaneous Commodities	-	-	16
Capital Outlay			
Secondary Treatment Repair	132,000	204,000	86,597
	2,874,100	2,946,100	2,763,994
Less Nonoperating Items			
Capital Assets Capitalized	(132,000)	(204,000)	-
Total Wastewater Treatment	2,742,100	2,742,100	2,763,994
Sanitary Sewer Collection			
Personal Services			
Administrative Salaries	504,200	515,500	397,088
Operational Salaries	443,500	443,500	417,420
Administrative Salaries - Overtime	50,000	50,000	43,206
IMRF and FICA	205,200	205,200	167,417
ICMA	3,900	3,900	4,971
Health/Dental/Life Insurance	365,200	365,200	347,410
Unemployment Insurance	-	-	670
Contractual Services			
Legal Fees	15,000	15,000	14,489
Auditing Fees	3,900	3,900	3,800
JULIE System	2,000	2,000	1,615
Consultants	-	-	1,880

CITY OF WEST CHICAGO, ILLINOIS

Sewerage - Enterprise Fund

Schedule of Operating Expenses - Budget and Actual - Continued
Year Ended December 31, 2011

	Budget		Actual
	Original	Final	
Sanitary Sewer Collection - Continued			
Contractual Services - Continued			
Training and Tuition	\$ 500	\$ 500	\$ -
Software Maintenance	13,800	13,800	8,895
Telephone and Alarms	10,000	10,000	9,007
Heating Gas	6,000	6,000	6,218
Electric	70,000	70,000	68,690
Grounds Maintenance	7,300	7,300	4,047
Other Contractual Services	199,200	197,900	140,377
IRMA General Insurance	76,100	76,100	75,600
Other Insurance	-	-	1,000
Vehicle Maintenance and Repair	20,000	20,000	18,871
Lift Station Maintenance and Repair	425,000	425,000	40,205
Sewer Main Maintenance and Repair	465,000	465,000	151,700
Postage Meter Rental	1,300	1,300	1,400
Commodities			
Copier and Rental	4,000	4,000	2,324
Computer and Office Supplies	5,000	5,000	5,979
Parts for Vehicles	15,000	15,000	15,986
Tools and Equipment	7,500	7,500	3,192
Gas and Oil	15,000	15,000	19,581
Postage	3,000	3,000	2,456
Chemicals	800	800	2,165
Parts for Lift Stations	30,000	30,000	105,404
Material for Trench Backfill	5,000	5,000	10,484
Parts for Mains	2,000	2,000	3,330
Miscellaneous Commodities	4,000	4,000	8,794
Bank Fees	5,000	5,000	9,896
Capital Outlay			
Other Capital Outlay	3,775,000	3,775,000	60,550
	6,758,400	6,768,400	2,176,117
Less Nonoperating Items			
Capital Assets Capitalized	(3,775,000)	(3,775,000)	-
Total Sanitary Sewer Collection	2,983,400	2,993,400	2,176,117

CITY OF WEST CHICAGO, ILLINOIS

Sewerage - Enterprise Fund

Schedule of Operating Expenses - Budget and Actual - Continued Year Ended December 31, 2011

	Budget		Actual
	Original	Final	
Treatment Plant Equipment Replacement			
Capital Outlay			
Other Contractual Services	\$ 309,200	\$ 309,200	\$ 126,166
Other Capital Outlay	1,850,000	1,930,000	1,116,352
	2,159,200	2,239,200	1,242,518
Less Nonoperating Items			
Capital Assets Capitalized	(2,159,200)	(2,239,200)	(1,242,518)
Total Treatment Plant Equipment Replacement	-	-	-
Special Service Area #2			
Operating and Maintenance			
Personal Service			
Operational Salaries	-	-	4,572
Administrative Salaries - Overtime	-	-	170
IMRF and FICA	-	-	950
Commodities			
Electric	-	-	6,425
Grounds Maintenance	-	-	2,332
Total Operating and Maintenance	-	-	14,449
Total Operating Expenses	\$ 5,725,500	\$ 5,735,500	\$ 4,954,560

CITY OF WEST CHICAGO, ILLINOIS

Commuter Parking - Enterprise

Schedule of Revenues, Expenses and Changes in Net Assets - Budget and Actual Year Ended December 31, 2011

	Budget		Actual
	Original	Final	
Operating Revenues			
Charges for Services			
Parking Fees	\$ 46,700	\$ 46,700	\$ 54,372
Licenses and Permits			
Parking Permits	65,000	65,000	70,458
Total Operating Revenues	<u>111,700</u>	<u>111,700</u>	<u>124,830</u>
Operating Expenses			
Operations	194,900	196,900	102,475
Depreciation	-	-	25,273
Total Operating Expenses	<u>194,900</u>	<u>196,900</u>	<u>127,748</u>
Operating Income (Loss)	(83,200)	(85,200)	(2,918)
Nonoperating Revenues			
Interest Income	<u>5,000</u>	<u>3,000</u>	<u>(286)</u>
Change in Net Assets	<u>\$ (78,200)</u>	<u>\$ (82,200)</u>	(3,204)
Net Assets - Beginning			<u>350,241</u>
Net Assets - Ending			<u>\$ 347,037</u>

CITY OF WEST CHICAGO, ILLINOIS

Commuter Parking - Enterprise Fund

**Schedule of Operating Expenses - Budget and Actual
Year Ended December 31, 2011**

	Budget		Actual
	Original	Final	
Operations			
Personal Services			
Administrative Salaries	\$ 6,400	\$ 6,400	\$ 3,323
Administrative Salaries Overtime	3,000	3,000	2,894
Operational Salaries	53,100	53,100	33,973
IMRF and FICA	12,900	12,900	8,035
Health/Dental/Life Insurance	23,600	23,600	11,322
Contractual Services			
Auditing Fees	1,500	1,500	1,140
Telephone and Alarms	3,700	3,700	2,360
Electric	20,000	20,000	20,737
Printing and Binding	900	900	813
Grounds Maintenance	11,600	11,600	8,234
Janitorial Services	3,700	3,700	3,593
Contractual Services	25,000	25,000	3,991
IRMA General Insurance	25,000	-	-
Commodities			
Postage	1,500	1,500	1,021
Miscellaneous Commodities	3,000	3,000	1,039
Capital Outlay			
Building and Ground Improvements	-	27,000	-
Total Operations	\$ 194,900	\$ 196,900	\$ 102,475

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, 2011**

	Budget		Actual
	Original	Final	
Operating Revenues			
Interfund Services	\$ -	\$ -	\$ -
Operating Expenses			
Operations	99,000	99,000	76,946
Operating Income (Loss)	(99,000)	(99,000)	(76,946)
Nonoperating Revenues			
Interest Income	-	-	672
Change in Net Assets	<u>\$ (99,000)</u>	<u>\$ (99,000)</u>	(76,274)
Net Assets - Beginning			<u>340,249</u>
Net Assets - Ending			<u>\$ 263,975</u>

CITY OF WEST CHICAGO, ILLINOIS

Agency - Special Service Areas Funds

**Combining Statement of Changes in Assets and Liabilities
December 31, 2011**

See Following Page

CITY OF WEST CHICAGO, ILLINOIS

Agency - Special Service Areas Funds

**Combining Statement of Changes in Assets and Liabilities
December 31, 2011**

	<u>Beginning Balances</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balances</u>
ALL FUNDS				
ASSETS				
Cash and Investments	<u>\$ 117,495</u>	<u>\$ 121,320</u>	<u>\$ 117,230</u>	<u>\$ 121,585</u>
LIABILITIES				
Due to Bondholders	<u>\$ 117,495</u>	<u>\$ 121,320</u>	<u>\$ 117,230</u>	<u>\$ 121,585</u>
SPECIAL SERVICE AREA #17				
ASSETS				
Cash and Investments	<u>\$ 48,723</u>	<u>\$ 51,605</u>	<u>\$ 49,845</u>	<u>\$ 50,483</u>
LIABILITIES				
Due to Bondholders	<u>\$ 48,723</u>	<u>\$ 51,605</u>	<u>\$ 49,845</u>	<u>\$ 50,483</u>

	Beginning Balances	Additions	Deductions	Ending Balances
SPECIAL SERVICE AREA #18				
ASSETS				
Cash and Investments	\$ 50,615	\$ 51,563	\$ 49,845	\$ 52,333
LIABILITIES				
Due to Bondholders	\$ 50,615	\$ 51,563	\$ 49,845	\$ 52,333
SPECIAL SERVICE AREA #20				
ASSETS				
Cash and Investments	\$ 18,157	\$ 18,152	\$ 17,540	\$ 18,769
LIABILITIES				
Due to Bondholders	\$ 18,157	\$ 18,152	\$ 17,540	\$ 18,769

SUPPLEMENTAL SCHEDULES

CITY OF WEST CHICAGO, ILLINOIS

Long-Term Debt Requirements

IEPA Waterworks Revolving Loan December 31, 2011

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 9
Payable at	Illinois Environmental Protection Agency

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Requirements		Totals
	Principal	Interest	
2012	\$ 510,433	\$ 196,423	\$ 706,856
2013	523,636	183,220	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	96,517	706,856
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	13,395	706,856
	<u>\$ 7,769,704</u>	<u>\$ 1,419,424</u>	<u>\$ 9,189,128</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 Nine Fiscal Years
December 31, 2011 (Unaudited)**

See Following Page

CITY OF WEST CHICAGO, ILLINOIS

**Net Assets by Component - Last Nine Fiscal Years
December 31, 2011 (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	Fiscal Year Ended 12/31/2011
\$ 75,611,759	\$ 75,663,542	\$ 77,409,060	\$ 79,007,408	\$ 88,164,059	\$ 89,692,289
1,462,074	1,328,804	1,264,241	479,320	-	1,708,723
17,723,775	17,986,270	19,850,570	22,492,259	18,130,222	16,795,258
94,797,608	94,978,616	98,523,871	101,978,987	106,294,281	108,196,270
38,575,240	37,577,723	36,528,712	35,884,266	36,356,211	52,523,108
3,629,195	3,533,535	3,806,146	3,833,998	4,715,215	4,435,213
19,237,261	21,061,429	21,276,997	20,588,763	19,199,292	4,383,915
61,441,696	62,172,687	61,611,855	60,307,027	60,270,718	61,342,236
114,186,999	113,241,265	113,937,772	114,891,674	124,520,270	142,215,397
5,091,269	4,862,339	5,070,387	4,313,318	4,715,215	6,143,936
36,961,036	39,047,699	41,127,567	43,081,022	37,329,514	21,179,173
\$ 156,239,304	\$ 157,151,303	\$ 160,135,726	\$ 162,286,014	\$ 166,564,999	\$ 169,538,506

CITY OF WEST CHICAGO, ILLINOIS

**Changes in Net Assets - Last Nine Fiscal Years
December 31, 2011 (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	Fiscal Year Ended 12/31/2011
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	\$ 8,797,675
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	8,399,317
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	1,591,915
Culture and Recreation	425,418	336,479	458,363	518,487	409,874	251,723	376,103	135,309	193,879
Interest on Long-Term Debt	92,235	85,490	82,532	74,596	123,108	87,034	95,920	63,505	40,332
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	19,023,118
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	5,999,102
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	7,596,138
Commuter Parking	56,622	87,362	98,565	132,148	136,383	119,829	535,811	220,345	127,748
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	13,722,988
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	32,746,106
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	2,246,202
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	1,448,786
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	78,140
Capital Grants/Contributions	-	-	998,677	777,051	778,850	536,437	714,671	4,832,786	792,266
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	4,565,394
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	4,720,319
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	5,591,347
Commuter Parking	94,057	96,371	99,526	94,043	98,111	81,994	120,240	116,169	124,830
Capital Grants/Contributions	802,009	-	-	-	-	-	-	-	2,633,360
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	13,069,856
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	\$ 17,635,250

	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	Fiscal Year Ended 12/31/2011
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)	\$ (14,457,724)
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)	(653,132)
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)	(15,110,856)
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	4,701,295
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	1,383,971
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	4,158,709
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	2,117,490
Replacement	105,660	117,523	158,186	155,243	193,689	117,888	159,185	171,227	157,985
Other	-	-	-	2,058,843	2,190,649	1,316,154	2,037,722	2,098,487	2,098,719
Interest Income	173,314	283,811	664,894	1,084,991	1,069,786	530,225	253,642	212,808	102,820
Miscellaneous	428,368	162,889	3,569,777	759,852	531,218	513,053	3,506,651	2,012,701	1,638,724
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	16,359,713
Business-Type Activities									
Property	-	-	15,171	15,158	15,172	15,025	15,161	15,172	11,557
Sales and Use	-	-	-	-	-	-	948,148	1,023,267	1,131,916
Interest Income	680,024	576,586	788,970	1,018,478	1,111,535	425,385	205,893	137,988	121,733
Miscellaneous	651,909	1,140,760	1,509,767	306,827	1,949,971	223,394	417,841	836,771	459,444
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	1,724,650
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	18,084,363
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	1,901,989
Business-Type Activities	4,236,664	3,163,314	3,872,659	1,569,865	730,991	(560,832)	(1,304,828)	(36,309)	1,071,518
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	\$ 2,973,507

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, 2011 (Unaudited)

	Fiscal Year Ended 4/30/2003	Fiscal Year Ended 4/30/2004	Fiscal Year Ended 4/30/2005	Fiscal Year Ended 4/30/2006
General Fund				
Reserved	\$ 33,830	\$ 95,335	\$ 172,890	\$ 160,863
Unreserved	2,187,860	3,455,827	4,867,620	6,426,774
Nonspendable	-	-	-	-
Unassigned	-	-	-	-
Total General Fund	2,221,690	3,551,162	5,040,510	6,587,637
All Other Governmental Funds				
Reserved	1,163,856	2,643,467	2,472,656	2,831,253
Unreserved, Reported in:				
Special Revenues Funds	12,958,166	9,541,225	8,735,946	10,145,240
Capital Projects Funds	3,440,925	2,536,907	2,528,662	1,983,701
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Assigned	-	-	-	-
Total All Other Governmental Funds	\$ 17,562,947	\$ 14,721,599	\$ 13,737,264	\$ 14,960,194

Data Source: City Records

The City implemented GASB 54 in Fiscal Year 2012.

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	Fiscal Year Ended 12/31/2011
\$ 1,115,019	\$ 1,468,640	\$ 1,258,433	\$ 1,277,811	\$ 985,505	\$ -
7,547,196	8,260,787	10,789,860	12,278,094	11,659,744	-
-	-	-	-	-	1,134,891
-	-	-	-	-	12,616,731
8,662,215	9,729,427	12,048,293	13,555,905	12,645,249	13,751,622
2,675,629	2,479,613	2,347,877	1,516,583	986,267	-
6,868,385	6,637,886	6,350,617	6,275,876	2,270,787	-
3,182,862	2,815,078	2,959,936	4,542,708	5,245,994	-
-	-	-	-	-	938,215
-	-	-	-	-	1,708,723
-	-	-	-	-	5,318,609
\$ 12,726,876	\$ 11,932,577	\$ 11,658,430	\$ 12,335,167	\$ 8,503,048	\$ 7,965,547

CITY OF WEST CHICAGO, ILLINOIS

**General Governmental Revenues By Source - Last Ten Fiscal Years
December 31, 2011 (Unaudited)**

Source	Fiscal Year Ended 4/30/2003	Fiscal Year Ended 4/30/2004	Fiscal Year Ended 4/30/2005	Fiscal Year Ended 4/30/2006
Taxes	\$ 10,399,392	\$ 9,923,461	\$ 10,979,782	\$ 11,037,386
Intergovernmental	1,126,665	1,103,515	1,077,096	990,894
Charges for Services	1,566,722	2,420,199	2,549,845	806,360
Licenses and Permits	521,693	537,906	1,171,269	1,057,216
Fines and Forfeits	324,861	380,153	365,347	833,898
Fees	-	-	-	2,407,119
Interest Income	466,921	173,314	283,810	664,895
Rental Income	-	-	-	160,073
Miscellaneous	853,613	366,904	177,816	2,833,815
Total	\$ 15,259,867	\$ 14,905,452	\$ 16,604,965	\$ 20,791,656

Data Source: City Records

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	Fiscal Year Ended 12/31/2011
\$ 7,220,257	\$ 7,943,758	\$ 7,737,287	\$ 8,401,237	\$ 8,669,147	\$ 8,907,926
7,165,222	7,494,386	5,097,366	6,117,344	6,542,723	6,580,649
2,315,647	2,389,235	2,179,039	2,558,780	1,891,127	2,124,010
632,799	572,886	326,417	489,110	456,361	634,929
481,943	668,147	726,532	1,782,124	1,042,292	936,049
-	-	-	-	-	-
1,075,101	1,049,762	523,118	251,878	210,470	102,148
-	-	-	-	-	-
759,852	531,218	513,053	3,506,651	2,012,701	1,638,724
\$ 19,650,821	\$ 20,649,392	\$ 17,102,812	\$ 23,107,124	\$ 20,824,821	\$ 20,924,435

CITY OF WEST CHICAGO, ILLINOIS

General Governmental Expenditures By Function - Last Ten Fiscal Years December 31, 2011 (Unaudited)

Function	Fiscal Year Ended 4/30/2003	Fiscal Year Ended 4/30/2004	Fiscal Year Ended 4/30/2005	Fiscal Year Ended 4/30/2006
General Government	\$ 4,073,288	\$ 5,113,922	\$ 4,952,629	\$ 4,540,750
Public Safety	6,589,122	6,834,854	7,074,392	7,756,125
Highways and Streets	1,684,227	587,890	699,073	758,534
Culture and Recreation	331,401	413,400	371,756	449,110
Capital Outlay	3,366,217	2,877,197	2,997,181	4,065,602
Debt Service				
Principal	760,000	110,000	130,000	135,000
Interest and Fiscal Charges	125,503	94,183	89,208	83,618
Total	<u>\$ 16,929,758</u>	<u>\$ 16,031,446</u>	<u>\$ 16,314,239</u>	<u>\$ 17,788,739</u>

Data Source: City Records

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	Fiscal Year Ended 12/31/2011
\$ 6,030,937	\$ 6,393,241	\$ 4,551,384	\$ 6,957,868	\$ 8,180,849	\$ 7,720,982
7,511,979	8,006,829	5,783,643	8,616,769	8,524,634	8,468,368
826,980	1,025,381	700,402	-	-	-
514,550	406,417	248,277	372,382	131,438	189,894
5,477,801	4,227,901	3,455,854	5,141,045	7,818,703	3,935,987
150,000	190,000	210,000	225,000	845,000	-
77,378	126,710	108,533	96,811	66,972	40,332
<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>	<u>\$ 20,355,563</u>

CITY OF WEST CHICAGO, ILLINOIS

Changes in Fund Balances for Governmental Funds - Last Ten Fiscal Years December 31, 2011 (Unaudited)

	Fiscal Year Ended 4/30/2003	Fiscal Year Ended 4/30/2004	Fiscal Year Ended 4/30/2005	Fiscal Year Ended 4/30/2006
Revenues				
Taxes	\$ 10,399,392	\$ 9,923,461	\$ 10,979,782	\$ 11,037,386
Intergovernmental	1,126,665	1,103,515	1,077,096	990,894
Charges for Services	1,566,722	2,420,199	2,549,845	806,360
Licenses and Permits	521,693	537,906	1,171,269	1,057,216
Fines and Forfeits	324,861	380,153	365,347	833,898
Fees	-	-	-	2,407,119
Interest Income	466,921	173,314	283,810	664,895
Rental Income	-	-	-	160,073
Miscellaneous	853,613	366,904	177,816	2,833,815
Total Revenues	15,259,867	14,905,452	16,604,965	20,791,656
Expenditures				
General Government	4,073,288	5,113,922	4,952,629	4,540,750
Public Safety	6,589,122	6,834,854	7,074,392	7,756,125
Highways and Streets	1,684,227	587,890	699,073	758,534
Culture and Recreation	331,401	413,400	371,756	449,110
Capital Outlay	3,366,217	2,877,197	2,997,181	4,065,602
Debt Service				
Principal	760,000	110,000	130,000	135,000
Interest and Fiscal Charges	125,503	94,183	89,208	83,618
Total Expenditures	16,929,758	16,031,446	16,314,239	17,788,739
Excess of Revenues Over (Under) Expenditures	(1,669,891)	(1,125,994)	290,726	3,002,917
Other Financing Sources (Uses)				
Transfer In	303,403	1,532,361	168,735	169,589
Transfer Out	(303,403)	(1,532,361)	(168,735)	(402,449)
Sale of Assets	-	-	214,287	-
	-	-	214,287	(232,860)
Net Change in Fund Balances	\$ (1,669,891)	\$ (1,125,994)	\$ 505,013	\$ 2,770,057
Debt Service as a Percentage of Noncapital Expenditures	6.53%	1.55%	1.65%	1.59%

Data Source: City Records

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	Fiscal Year Ended 12/31/2011
\$ 7,220,257	\$ 7,943,758	\$ 7,737,287	\$ 8,401,237	\$ 8,669,147	\$ 8,907,926
7,165,222	7,494,386	5,097,366	6,117,344	6,542,723	6,580,649
2,315,647	2,389,235	2,179,039	2,558,780	1,891,127	2,124,010
632,799	572,886	326,417	489,110	456,361	634,929
481,943	668,147	726,532	1,782,124	1,042,292	936,049
-	-	-	-	-	-
1,075,101	1,049,762	523,118	251,878	210,470	102,148
-	-	-	-	-	-
759,852	531,218	513,053	3,506,651	2,012,701	1,638,724
19,650,821	20,649,392	17,102,812	23,107,124	20,824,821	20,924,435
6,030,937	6,393,241	4,551,384	6,957,868	8,180,849	7,720,982
7,511,979	8,006,829	5,783,643	8,616,769	8,524,634	8,468,368
826,980	1,025,381	700,402	-	-	-
514,550	406,417	248,277	372,382	131,438	189,894
5,477,801	4,227,901	3,455,854	5,141,045	7,818,703	3,935,987
150,000	190,000	210,000	225,000	845,000	-
77,378	126,710	108,533	96,811	66,972	40,332
20,589,625	20,376,479	15,058,093	21,409,875	25,567,596	20,355,563
(938,804)	272,913	2,044,719	1,697,249	(4,742,775)	568,872
330,000	555,000	150,000	587,100	441,777	-
(210,000)	(555,000)	(150,000)	(100,000)	(441,777)	-
-	-	-	-	-	-
120,000	-	-	487,100	-	-
\$ (818,804)	\$ 272,913	\$ 2,044,719	\$ 2,184,349	\$ (4,742,775)	\$ 568,872
1.32%	1.67%	2.65%	1.75%	5.86%	0.24%

CITY OF WEST CHICAGO, ILLINOIS

Assessed Value and Actual Value of Taxable Property - Last Ten Fiscal Years December 31, 2011 (Unaudited)

Tax Levy Year	Fiscal Year End	Residential Property	Farm
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
2011	12/31/2011	439,560,682	341,675

*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
\$ 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
100,671,895	146,221,310	686,795,562	8.9165

CITY OF WEST CHICAGO, ILLINOIS

Direct and Overlapping Property Tax Rates - Last Ten Levy Years December 31, 2011 (Unaudited)

Taxing Body	2002	2003	2004
Countywide			
DuPage County	0.2154	0.1999	0.1850
Forest Preserve District	0.1534	0.1419	0.1358
DuPage Airport Authority	0.0248	0.0230	0.0213
DuPage Water Commission	0.0000	0.0000	0.0000
Local			
Wayne Township	0.0763	0.0822	0.0696
Wayne Township Road	0.0929	0.0317	0.0754
City of West Chicago - Wayne Township	0.4552	0.4526	0.4486
Winfield Township	0.0983	0.0945	0.0924
Winfield Township Road	0.1280	0.1230	0.1203
City of West Chicago - Winfield Township	0.4452	0.4394	0.4298
West Chicago Park District	0.2920	0.3130	0.3016
West Chicago Fire Protection District	0.5895	0.5779	0.5578
West Chicago Mosquito District	0.0065	0.0063	0.0109
West Chicago Library District	0.2689	0.2655	0.2733
Educational			
Grade School District 33	3.6340	3.7140	3.6750
High School District 94	20.3600	1.9528	1.8829
College of DuPage District 502	0.2179	0.2097	0.1972
Total Tax Rate - Winfield Township	8.1099	8.0609	7.8833
Share of Total Tax Rate Levied by the City of West Chicago	5.49%	5.45%	5.45%
Total Tax Rate - Wayne Township	8.0628	7.9705	7.8344
Share of Total Tax Rate Levied by the City of West Chicago	5.65%	5.68%	5.73%

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

Data Source: DuPage County Clerk

Tax Levy Year						
2005	2006	2007	2008	2009	2010	2011
0.1797	0.1713	0.1651	0.1557	0.1554	0.1659	0.1773
0.1271	0.1303	0.1187	0.1206	0.1217	0.1321	0.1414
0.0198	0.0183	0.0170	0.0160	0.0148	0.0158	0.0169
0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
0.0680	0.0666	0.0647	0.0649	0.0658	0.0733	0.0804
0.0720	0.0704	0.0642	0.0604	0.0610	0.0645	0.0675
0.4423	0.4236	0.4273	0.4240	0.4263	0.4675	0.5011
0.0901	0.0869	0.0855	0.0845	0.0854	0.0924	0.1021
0.1178	0.1143	0.1125	0.1112	0.1123	0.1215	0.1342
0.4423	0.4236	0.4273	0.4240	0.4263	0.4675	0.5011
0.2933	0.2813	0.2718	0.2687	0.2703	0.2946	0.3177
0.5500	0.5335	0.6501	0.6506	0.6509	0.7078	0.8027
0.0105	0.0101	0.0099	0.0099	0.0101	0.0111	0.0122
0.2651	0.2532	0.2465	0.2443	0.2466	0.2307	0.2529
3.6993	3.5986	3.5300	3.5158	3.5290	3.8244	4.1734
1.8377	1.7669	1.7186	1.7011	1.7143	1.8613	2.0351
0.1874	0.1929	0.1888	0.1858	0.2127	0.2349	0.2495
7.8201	7.5812	7.5418	7.4882	7.5498	8.1600	8.9165
5.66%	5.59%	5.67%	5.66%	5.65%	5.73%	5.62%
7.7522	7.5170	7.4727	7.4178	7.4789	8.0839	8.8281
5.71%	5.64%	5.72%	5.72%	5.70%	5.78%	5.68%

CITY OF WEST CHICAGO, ILLINOIS

Principal Property Tax Payers - Current Year and Nine Years Ago December 31, 2011 (Unaudited)

	2011			2002		
	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	\$ 16,614,290	1	2.42%	\$ 17,817,030	1	3.43%
Blackhawk Center, LLC	10,927,820	2	1.48%			
Northridge Holdings Ltd.	7,916,400	3	1.07%			
St. Andrews Country Club	7,783,890	4	1.06%			
Colbalt Industrial REIT II	7,437,800	5	1.01%			
Mapei Corp.	4,918,710	6	0.67%			
LaGrou Properties	4,851,600	7	0.66%	4,584,690	5	0.88%
A.A. Conte Joint Venture	4,736,700	8	0.64%			
Menards, Inc.	3,515,090	9	0.48%	3,099,690	8	0.60%
Platinum Health Care	3,480,010	10	0.47%			
USAA Real Estate Co.				11,103,280	2	2.14%
CNC				9,195,060	3	1.77%
General Mills				4,838,400	4	0.93%
WCB Properties				3,694,300	6	0.71%
Navistar International				3,481,270	7	0.67%
Centerpoint Properties				2,942,490	9	0.57%
Toyota Motor Sales, Inc.				2,509,640	10	0.48%
	<u>\$ 72,182,310</u>		<u>9.96%</u>	<u>\$ 63,265,850</u>		<u>12.18%</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, 2011 (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
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%
2010	3,458,771	3,451,954	99.80%	N/A	3,451,954	99.80%

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, 2011 (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			
4/30/2003	\$ 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	4.62%	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	3.94%	911
12/31/2009	845,000	8,752,286	16,240,000	25,837,286	3.73%	963
12/31/2010	-	8,267,267	15,295,000	23,562,267	2.77%	870
12/31/2011	-	7,769,704	-	7,769,704	1.17%	287

* 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, 2011 (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)
4/30/2003	\$ 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
12/31/2011	-	-	-	0.00%	0.00

* 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, 2011 (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	224,300,000	1.83%	4,112,570
DuPage Water Commission	69,967,918	0.00%	-
Forest Preserve District	164,208,724	1.83%	3,010,790
Warrenville Park District	354,335	3.31%	11,717
West Chicago Park District	9,500,000	93.53%	8,885,712
Winfield Park District	3,986,500	0.80%	31,781
School District #25	5,375,000	27.12%	1,457,640
School District #33	7,872,457	80.17%	6,311,459
School District #94	12,305,000	59.60%	7,333,902
U-46 School District	311,208,366	0.93%	2,889,647
U-303 School District	119,590,000	5.41%	6,469,192
Community College District #502	123,950,000	2.42%	3,002,065
Community College District #509	122,300,000	1.41%	1,718,982
Total Overlapping Debt	1,174,918,300		45,235,457
Total Direct and Overlapping Debt	\$ 1,174,918,300		\$ 45,235,457

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, 2011 (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, 2011 (Unaudited)

Fiscal Year Ended	(1) Revenues	(2) Expenses	(3) Net Revenue Available for Debt Service	(4) Debt Service		(5) Coverage
				Principal	Interest	
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
12/31/2011	12,036,602	8,872,863	3,163,739	15,295,000	753,061	0.20

* 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, 2011 (Unaudited)

Fiscal Year Ended	(1) Population	(2) Personal Income (in Thousands)	Per Capita Personal Income	(1) Median Age	School Enrollment	(2) Unemployment Rate
4/30/2003	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
12/31/2011	27,086	663,552,828	24,498	30.1	5,348	11.6

* 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, 2011 (Unaudited)

Employer	2011			2002		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Jel Sert	1,000	1	6.77%	N/A	N/A	N/A
West Chicago Elementary School District	632	2	4.28%	N/A	N/A	N/A
General Mills	510	3	3.45%	N/A	N/A	N/A
Ball Horticultural Co	425	4	2.88%	N/A	N/A	N/A
Siemens Energy & Automation	350	5	2.37%	N/A	N/A	N/A
Sims Recycling Solutions, Inc	250	6	1.69%	N/A	N/A	N/A
Community High School District	250	6	1.69%	N/A	N/A	N/A
Advanced Urethane Technologies	235	7	1.59%	N/A	N/A	N/A
Otto & Sons	230	8	1.56%	N/A	N/A	N/A
Mapei Corporation	215	9	1.46%	N/A	N/A	N/A
New Wincup Holdings	196	10	1.33%	N/A	N/A	N/A
Tomenson Machine Works	158	11	1.07%	N/A	N/A	N/A
Aspen Marketing Services	150	12	1.02%	N/A	N/A	N/A
Menards	150	12	1.02%	N/A	N/A	N/A
St. Andrews Golf & Country Club	150	12	1.02%	N/A	N/A	N/A
Jewel Foods	150	12	1.02%	N/A	N/A	N/A
	<u>5,051</u>		<u>34.22%</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 2002 is not available.

CITY OF WEST CHICAGO, ILLINOIS

**Full-time Equivalent City Government Employees by Function - Last Ten Fiscal Years
December 31, 2011 (Unaudited)**

See Following Page

CITY OF WEST CHICAGO, ILLINOIS

Full-Time Equivalent City Government Employees by Function - Last Ten Fiscal Years December 31, 2011 (Unaudited)

Function	Fiscal Year Ended 4/30/2003	Fiscal Year Ended 4/30/2004	Fiscal Year Ended 4/30/2005
General Government			
Administration	4.50	4.50	2.00
Finance/Administrative Services	8.00	8.00	11.00
Museum/Marketing	3.00	3.00	3.00
Public Works	32.55	30.55	17.57
Police	46.00	46.00	46.00
Community Development	12.00	10.00	9.00
Water and Sewer	21.70	22.70	48.65
Commuter Parking Lot	0.25	0.25	0.56
Total	128.00	125.00	137.78

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	Fiscal Year Ended 12/31/2011
2.00	2.50	3.00	2.25	2.25	2.25	1.13
11.00	10.50	8.00	8.00	8.00	8.00	5.00
3.00	4.00	4.00	3.38	1.75	1.75	0.50
17.41	18.21	21.50	23.00	23.00	23.00	11.74
47.00	47.00	49.00	50.00	48.00	48.00	47.00
9.90	9.90	6.00	6.00	6.00	6.00	5.50
37.40	48.81	24.00	20.00	20.00	20.00	37.50
0.56	0.63	0.50	0.81	1.00	1.00	0.38
128.27	141.55	116.00	113.44	110.00	110.00	108.75

CITY OF WEST CHICAGO, ILLINOIS

Operating Indicators by Function/Program - Last Ten Fiscal Years December 31, 2011 (Unaudited)

Function/Program	Fiscal Year Ended 4/30/2003	Fiscal Year Ended 4/30/2004	Fiscal Year Ended 4/30/2005
Public Works			
Number of Parkway Trees Planted	165	134	146
Number of Parkway Trees Trimmed	582	1,659	1,126
Brush Pickup Program (Days to Collect)	4	4	4
Building Safety Inspections	12	12	12
Tunnel - Paint and Light Lens Replacements	13	6	10
Special Events Handled	6	6	6
Public Safety			
Fire			
Number of Fire Calls	N/A	1,288	1,330
Number of EMS Calls	N/A	1,531	1,489
ISO Rating	3/9	3/5	3/3
Police			
Part I Crime	847	773	787
Part II Crime	3,615	3,360	3,646
Calls for Service	57,879	56,309	44,941
Parking Tickets Issued	5,633	7,113	5,689
Community Development			
Number of Building Permits Issued	1,122	1,288	1,480
Number of Building Inspections	6,301	2,063	2,693
Highways and Streets			
Sidewalk Replaced (sq. ft.)	16,187	16,066	15,930
Crack Sealing (lbs. installed)	N/A	N/A	28,500
Tons of Salt Used	2,000	2,000	2,500
Water and Sewer			
Miles of Water Main	100	105	110
Number of metered accounts	6,011	6,042	6,150
Water Meters Read	35,916	36,437	36,900
Water Meter Service Requests	109	86	93
Water Meters Replaced	332	267	139
Average Daily Treated Water (Million Gallons)	3.65	3.50	3.57
Sanitary Sewer Repairs	-	-	-

N/A - Not Available

Data Source: City Records

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

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	Fiscal Year Ended 12/31/2011
146	121	115	0	140	150	85
1,575	1,125	1,255	80	1,087	1,087	1,458
4	4	4	5	4	4.5	4.0
12	12	12	8	12	12	12
15	15	132	33	30	29	22
6	6	6	5	6	10	3
1,272	1,440	N/A	1,506	1,159	1,146	1,279
1,821	1,692	N/A	1,733	1,826	1,821	1,629
3/3	3/3	3/3	3/3	3/3	3/3	3/3
642	536	N/A	451	509	438	374
3,653	3,803	N/A	2,933	3,009	2,342	2,402
40,168	40,960	N/A	40,990	38,828	37,407	38,910
5,232	5,051	N/A	4,654	4,294	3,728	3,376
1,225	1,083	967	729	882	1,097	954
3,814	1,951	1,205	880	881	753	1,116
18,470	18,032	18,491	18,159	13,195	10,935	9,849
28,500	-	-	-	26,520	14,983	37,320
2,500	2,000	4,100	3,300	3,000	3,577	3,000
110	120	130	123	123	125.33	127.38
6,300	6,450	6,600	6,707	6,438	6,437	6,430
37,800	38,700	39,600	40,242	38,700	38,700	38,580
173	87	155	66	90	103	92
90	100	60	35	80	117	41
3.76	3.80	3.67	3.60	3.37	3.28	3.00
3	3	1	3	2	3	2

CITY OF WEST CHICAGO, ILLINOIS

Capital Asset Statistics by Function/Program - Last Ten Fiscal Years December 31, 2011 (Unaudited)

Function/Program	Fiscal Year Ended 4/30/2003	Fiscal Year Ended 4/30/2004	Fiscal Year Ended 4/30/2005
Police			
Stations	1	1	1
Patrol Units	29	29	29
Fire Stations	3	3	3
Public Works			
Streets (Miles)	123.50	140.20	153.76
Sidewalks (Miles)	N/A	N/A	N/A
Streetlights	381	446	446
Water and Sewer			
Water Mains (Miles)	123.00	130.00	130.00
Fire Hydrants	1,500	1,560	1,560
Sanitary Sewers (Miles)	121.00	124.50	103.06
Manholes	N/A	N/A	1,716

N/A - Not Available

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	Fiscal Year Ended 12/31/2011
1	1	1	1	1	1	1
28	28	28	28	28	28	27
3	3	3	3	3	3	4
161.94	165.00	165.41	173.65	169.71	167.20	167.20
N/A	84.00	102.20	103.40	104.05	108.38	111.18
446	446	883	883	964	964	964
125.00	125.00	130.00	123.00	123.00	125.33	127.38
1,560	1,560	1,560	1,472	1,482	1,483	1,518
103.06	103.06	103.12	105.60	105.60	105.60	106.19
1,722	1,725	2,075	2,176	2,176	2,186	2,202