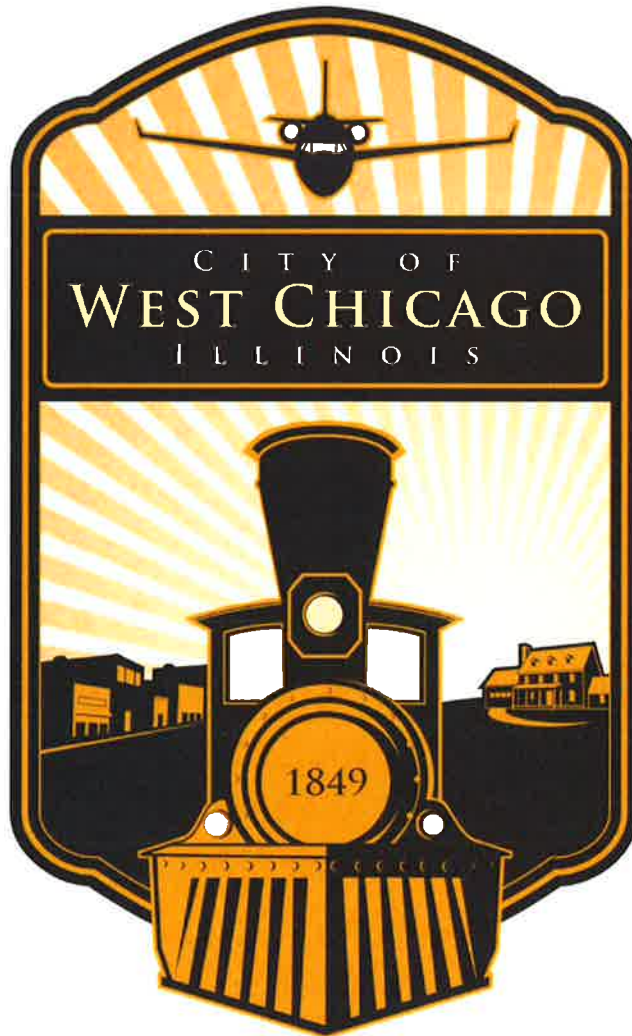


**CITY OF WEST CHICAGO,
ILLINOIS**



**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2012**

CITY OF WEST CHICAGO, ILLINOIS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2012

Prepared by

Linda Martin
Director of Administrative Services

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, 2012**

LEGISLATIVE

Acting City Mayor: Ruben Pineda
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

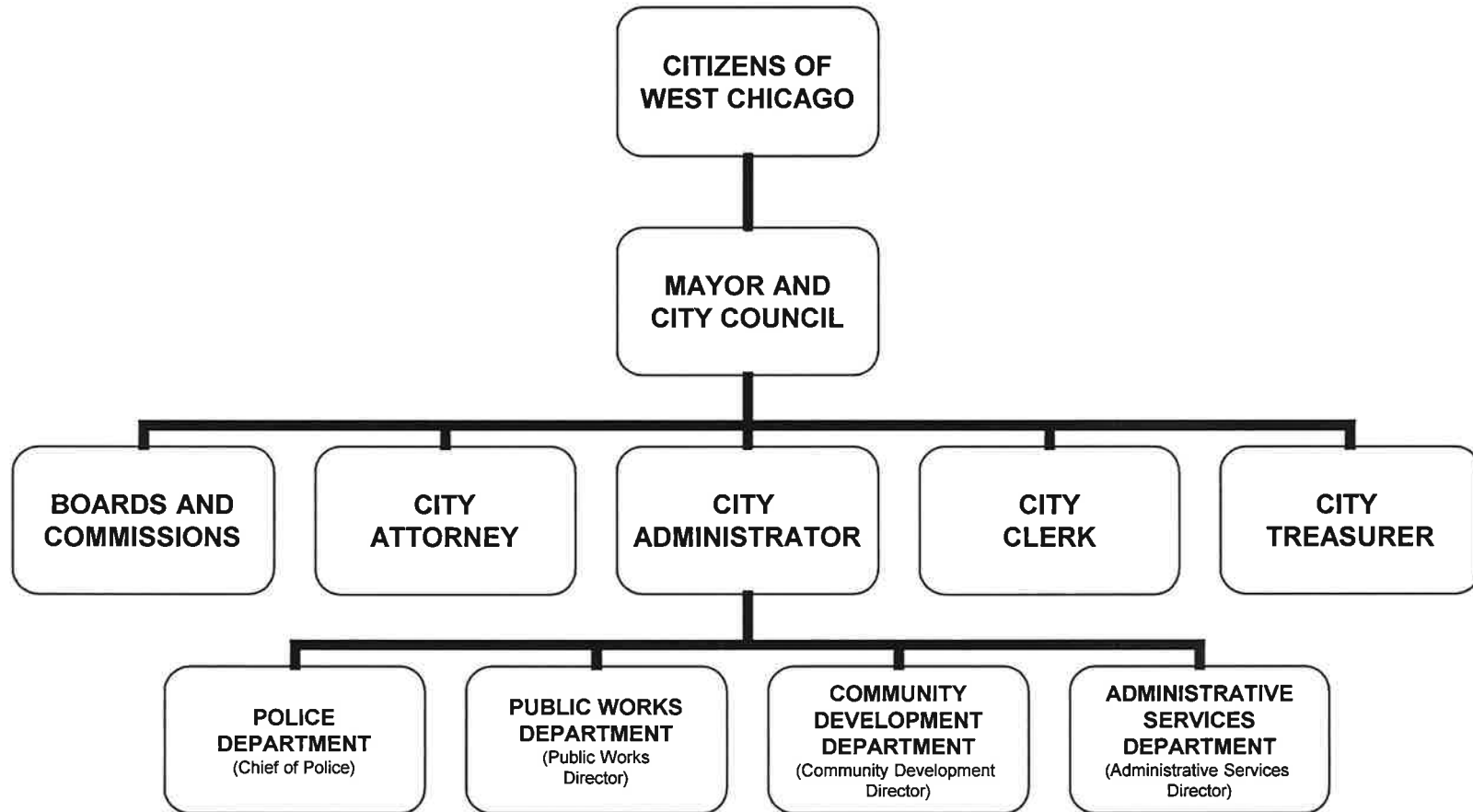
ADMINISTRATIVE

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

May 31, 2013

The Honorable Mayor Ruben Pineda
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, 2012, 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, 2012, 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 was eliminated by referendum effective May 1, 2013. The City Administrator is responsible for carrying out the policies of and ordinances adopted by 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, 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:

- Successful passage of a referendum allowing the City the authority to seek competitive pricing of electric supply through municipal aggregation rendering significant cost savings to participating residential and small non-residential electric accounts.
- The City acquired several key parcels in 2012, including the following: 322 High Street (the second to last parcel necessary to own all of the land in the Central Main Street Redevelopment Area); 804, 808 and 812 Forest Avenue (to address stormwater and floodplain issues in the neighborhood as well as to allow for the widening of Town Road and a small non-buildable parcel on West Washington Street (to protect the integrity of the Quiet Zone along the Wisconsin Central Railway (formerly the EJ&E Railway), once established).
- Implementation of an ordinance designed to regulate and license businesses identified as pawnbrokers or precious metal dealers to aid in the apprehension of criminals, the retrieval of stolen goods and to further deter crime.
- Expansion of the communication channels between the City and its residents, businesses and visitors with the launch of a mobile City website, the introduction of *CityBytes*, a continuing series of short educational podcasts, and the upgrade of a community-wide calendar.
- In cooperation with the Canadian National Railway Company and per the terms of its Voluntary Mitigation Agreement with the City, infrastructure improvements were completed along the Wisconsin Central Railway (formerly the EJ&E Railway), which were required in order for the Federal Railroad Administration to deem this stretch of track as a Quiet Zone.
- Focus on the retention and support of local businesses continued through the promotion of recognition programs such as the ongoing Brilliance in Business Awards and “Keep the Cheer Here”, a 3/50 Project campaign encouraging consumers to shop locally.
- Execution of the comprehensive, City-funded Water Meter Replacement Program progressed with the installation of new water meters in the northern portions of the City.

FACTORS AFFECTING LOCAL FINANCIAL CONDITION

Local Economy

As West Chicago has persistently transitioned itself into a center for commerce and industry, the diversity in its 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, 2012. 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:

The commitment of the City Council to support existing businesses facilitated an amendment to the Economic Incentive Agreement with Haggerty Ford, Inc., to increase the maximum reimbursable amount for the construction of a body shop which otherwise would not be built because the expected construction costs were significantly higher than originally projected. With this investment the City will realize in future years the enhancement of the City's tax base, the strengthening of the commercial sector of the City and employment preservation while retaining a larger percentage of sales tax revenue compared to the original agreement and receiving a discount on non-warranty repairs and body shop work which cannot be performed in-house.

The City Council recognized the lack of competitive pricing and resulting excessive bids received for the construction of a well house to protect and secure Well Number 12 so it was fiscally prudent by rejecting all bids for the project. Staff was also directed to revise the bid plans and specifications, improve the solicitation of bids and review the budget to determine if additional funds could be made available before seeking to re-bid the project in the following fiscal year.

The City Council approved the City Administrator's emergency purchase of tree removal and brush collection services after a significant storm event occurred July 1, 2012. That Ordinance also amended the Budget to allocate General Fund reserves in the amount of \$610,000 to cover those expenditures, as well as the anticipated costs of the impending restoration services that would be necessary.

The City Council has continued its policy of leveraging outside funding sources from various State and Federal agencies to subsidize the cost of infrastructure improvements. These proactive measures have allowed the City to continue its aggressive Street Resurfacing Program.

Additionally, with regard to policy analyses, the City Council established Local Vendor Preference for Purchasing Goods and Services Guidelines to maximize the amount of business that is awarded to vendors, businesses and companies located in West Chicago by providing local vendors with an advantage when quoting and bidding on goods and services. The Policy provides guidance to City staff, contractors, suppliers, and vendors regarding how local preference will be given and defines a local vendor and qualifying transaction, lists exclusions and establishes rules governing its applicability.

AWARDS AND ACHIEVEMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of West Chicago for its comprehensive annual financial report (CAFR) for the fiscal year ended December 31, 2011. This was the thirteenth 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 Department of Administrative Services. Each member of the Department has our sincere appreciation for the contribution made in the preparation of this report.

In closing, we would like to acknowledge and thank the Mayor and City Council 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, 2011

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.



Christopher P. Moynell

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

May 31, 2013

The Honorable City Mayor
Members of the City Council
City of West Chicago, Illinois

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of West Chicago, Illinois, as of and for the year ended December 31, 2012, which collectively comprise the City's basic financial statements as listed in the table of contents, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of West Chicago, Illinois, as of December 31, 2012, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 31, 2013, on our consideration of the City of West Chicago, Illinois' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. The report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Other Matters

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of West Chicago, Illinois', financial statements as a whole. The introductory section, combining and individual fund financial statements and schedules, supplemental schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual fund financial statements schedules, supplemental schedules, and the schedule of expenditures of federal awards 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, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.



LAUTERBACH & AMEN, LLP

MANAGEMENT'S DISCUSSION AND ANALYSIS

CITY OF WEST CHICAGO, ILLINOIS

Management's Discussion and Analysis December 31, 2012

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, 2012. 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 position decreased as a result of this year's operations. Net position of business-type activities decreased by \$487,746, or 0.7 percent and net position of the governmental activities decreased by \$4,190,709 or 3.8 percent.
- During the year, government-wide revenues before transfers for the primary government totaled \$33,739,937, while expenses totaled \$38,418,392, resulting in a decrease to net position of \$4,678,455.
- The City of West Chicago's net position totaled \$164,864,603 at December 31, 2012, which includes \$142,315,743 net investment in capital assets, \$5,954,537 subject to external restrictions, and \$16,594,323 unrestricted net position that may be used to meet the ongoing obligations to citizens and creditors.
- The General Fund reported a deficit, as planned, this year of \$453,232, resulting in ending fund balance of \$13,298,390, a decrease of 3.3 percent.

USING THIS REPORT

This annual report consists of a series of financial statements. The Statement of Net Position 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, 2012

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 Position reports information on all of the City of West Chicago's assets/deferred outflows and liabilities/deferred inflows, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the 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 position changed during the most recent fiscal period. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes 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 culture and recreation. 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, 2012

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, except the Other Special Service Areas Fund. A budgetary comparison schedule 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, 2012

USING THIS REPORT – Continued

Fund Financial Statements – Continued

Proprietary Funds – Continued

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

Proprietary fund financial statements provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Waterworks and Sewerage Funds, which are considered to be major funds of the City, and the Commuter Parking Fund, which is a non-major fund. Conversely, the internal service fund is presented in the proprietary fund financial statements in a single column. Individual fund data for the internal service fund is provided elsewhere in this report.

The basic proprietary fund financial statements can be found on pages 13 - 18 of this report.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City of West Chicago's own programs. The accounting use for fiduciary funds is much like that used for proprietary funds. The basic fiduciary fund financial statements can be found on pages 19 - 20 of this report.

Notes to the Financial Statements

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

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City of West Chicago's Illinois Municipal Retirement Fund (I.M.R.F.), police pension, and other post-employment benefits obligations, as well as budgetary comparison schedules for the General Fund and any major special revenue funds. Required supplementary information can be found on pages 55 - 60 of this report. The combining statements referred to earlier in connection with non-major governmental funds and internal service fund is presented immediately following the required supplementary information on pensions. Combining and individual fund statements and schedules can be found on pages 61 - 92 of this report.

CITY OF WEST CHICAGO, ILLINOIS

**Management's Discussion and Analysis
December 31, 2012**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position 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/deferred inflows by \$164,864,603.

	Net Position					
	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
Current Assets	\$ 26,130,535	28,949,171	10,679,092	12,016,598	36,809,627	40,965,769
Capital Assets	88,988,913	89,692,289	60,586,101	60,292,812	149,575,014	149,985,101
Total Assets	115,119,448	118,641,460	71,265,193	72,309,410	186,384,641	190,950,870
Current Liabilities/Deferred Inflows	7,887,075	7,174,906	3,538,600	3,583,148	11,425,675	10,758,054
Noncurrent Liabilities	3,222,260	3,270,284	6,872,103	7,384,026	10,094,363	10,654,310
Total Liabilities and Deferred Inflows	11,109,335	10,445,190	10,410,703	10,967,174	21,520,038	21,412,364
Net Position						
Net Investment in Capital Assets	88,988,913	89,692,289	53,326,830	52,523,108	142,315,743	142,215,397
Restricted	2,340,095	1,708,723	3,614,442	4,435,213	5,954,537	6,143,936
Unrestricted	12,681,105	16,795,258	3,913,218	4,383,915	16,594,323	21,179,173
Total Net Position	104,010,113	108,196,270	60,854,490	61,342,236	164,864,603	169,538,506

A large portion of the City's net position, \$142,315,743 or 86.32 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, \$5,954,537, or 3.61 percent, of the City of West Chicago's net position represents resources that are subject to external restrictions on how they may be used. The remaining 10.07 percent, or \$16,594,323, represents unrestricted net position 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, 2012**

GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

	Changes in Net Position					
	Governmental		Business-Type		Total	
	Activities	Activities	Activities	Activities	2012	2011
	2012	2011	2012	2011	2012	2011
Revenues						
Program Revenues						
Charges for Services	\$ 3,318,922	3,694,988	10,333,297	10,436,496	13,652,219	14,131,484
Operating Grants/Contrib.	181,074	78,140	-	-	181,074	78,140
Capital Grants/Contrib.	819,317	792,266	1,317,363	2,633,360	2,136,680	3,425,626
General Revenues						
Property Taxes	4,711,890	4,701,295	11,671	11,557	4,723,561	4,712,852
Other Taxes	1,176,228	1,383,971	-	-	1,176,228	1,383,971
Sales and Use Taxes	4,405,831	4,158,709	1,103,876	1,131,916	5,509,707	5,290,625
Income Taxes	2,379,976	2,117,490	-	-	2,379,976	2,117,490
Replacement Taxes	144,979	157,985	-	-	144,979	157,985
Other	2,013,401	2,098,719	-	-	2,013,401	2,098,719
Interest Income	79,150	102,820	6,878	121,733	86,028	224,553
Miscellaneous	1,465,234	1,638,724	270,850	459,444	1,736,084	2,098,168
Total Revenues	20,696,002	20,925,107	13,043,935	14,794,506	33,739,937	35,719,613
Expenses						
General Government	9,184,108	8,797,675	-	-	9,184,108	8,797,675
Public Safety	8,851,135	8,399,317	-	-	8,851,135	8,399,317
Highway and Streets	6,730,139	1,591,915	-	-	6,730,139	1,591,915
Culture and Recreation	83,232	193,879	-	-	83,232	193,879
Interest on Long-Term Debt	38,097	40,332	-	-	38,097	40,332
Waterworks	-	-	6,816,837	5,999,102	6,816,837	5,999,102
Sewerage	-	-	6,602,525	7,596,138	6,602,525	7,596,138
Commuter Parking	-	-	112,319	127,748	112,319	127,748
Total Expenses	24,886,711	19,023,118	13,531,681	13,722,988	38,418,392	32,746,106
Change in Net Position						
Before Transfers	(4,190,709)	1,901,989	(487,746)	1,071,518	(4,678,455)	2,973,507
Transfers	-	-	-	-	-	-
Change in Net Position	(4,190,709)	1,901,989	(487,746)	1,071,518	(4,678,455)	2,973,507
Net Position-Beginning as Restated	108,200,822	106,294,281	61,342,236	60,270,718	169,543,058	166,564,999
Net Position-Ending	104,010,113	108,196,270	60,854,490	61,342,236	164,864,603	169,538,506

CITY OF WEST CHICAGO, ILLINOIS

Management's Discussion and Analysis December 31, 2012

GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

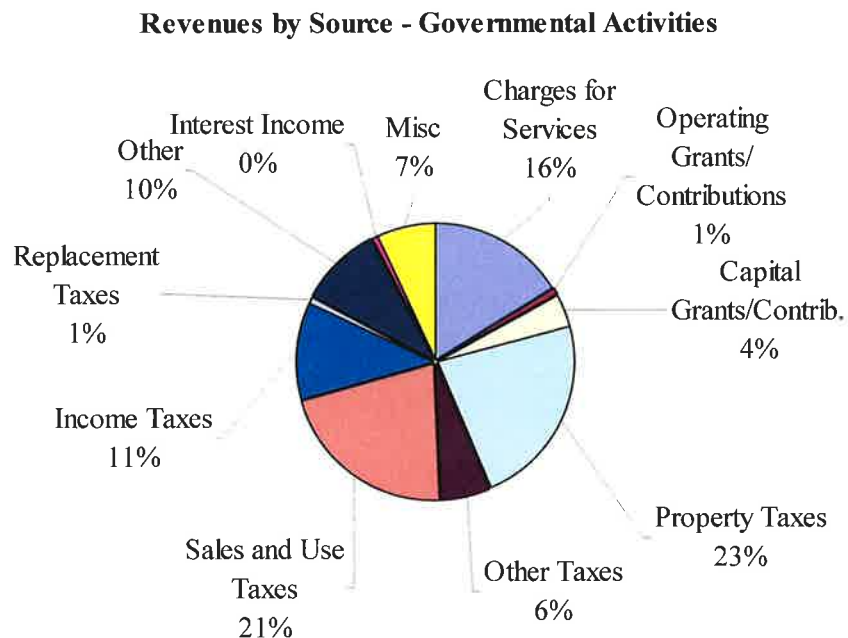
Net position of the City of West Chicago's governmental activities decreased 3.8 percent (\$104,010,113 at December 31, 2012, compared to \$108,200,822 at December 31, 2011 as restated). Unrestricted net position, the part of net position that can be used to finance day-to-day operations without constraints, totaled \$12,681,105 at December 31, 2012. Net position decreased due to a reduction in current assets by \$2,818,636 and an increase in current liabilities of \$991,771, both due to in part to the completion of capital projects for which payment was made or due at December 31, 2012.

Net position of business-type activities decreased by eight-tenths of a percent (\$60,854,490 at December 31, 2012 compared to \$61,342,236 at December 31, 2011). A deficit of \$627,219 in the Sewerage Fund was partially offset by surpluses of \$118,713 in the Waterworks Fund and \$20,760 in the Commuter Parking Fund.

Governmental Activities

Revenues for governmental activities totaled \$20,696,002 while the cost of all governmental functions totaled \$24,886,711. This results in a net position draw down of \$4,190,709 at December 31, 2012. At December 31, 2011, revenues for governmental activities totaled \$20,925,107, while the cost of all governmental functions totaled \$19,023,118, which resulted in a surplus of \$1,901,989. Revenues for other taxes and charges for services decreased \$207,743 and \$376,066, respectively.

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



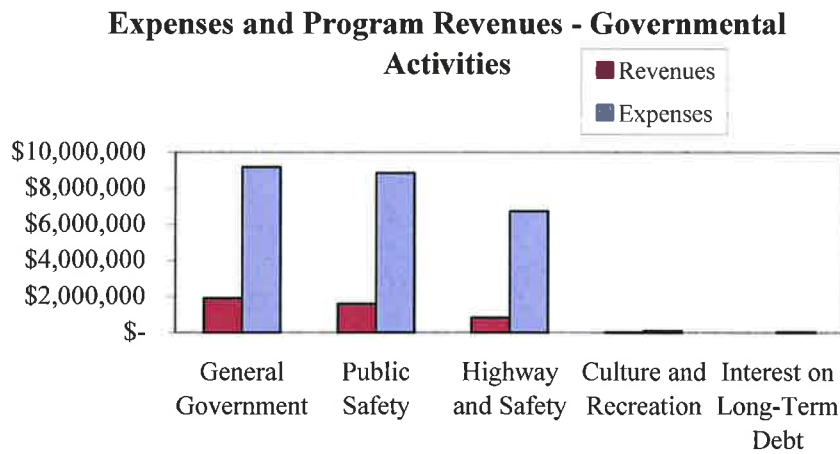
CITY OF WEST CHICAGO, ILLINOIS

**Management’s Discussion and Analysis
December 31, 2012**

GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

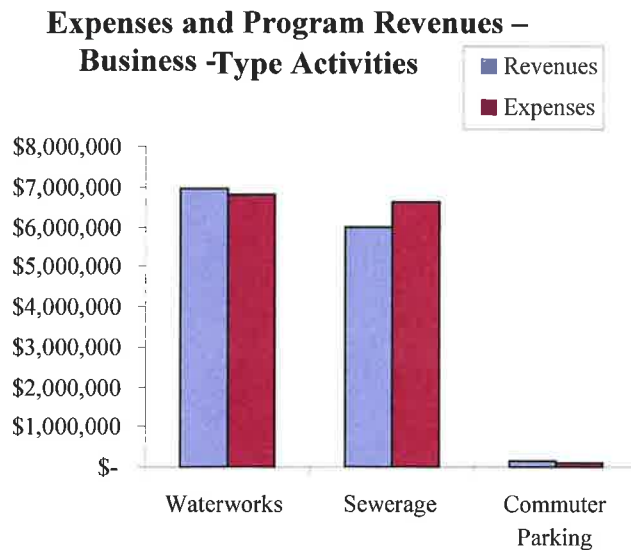
Governmental Activities – Continued

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 \$13,043,935, while the cost of all business-type activities totaled \$13,531,681. This results in a net position decrease of \$487,746. At December 31, 2011, revenues of \$14,794,506 were more than expenses of \$13,722,988, resulting in a surplus of \$1,071,518.



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

CITY OF WEST CHICAGO, ILLINOIS

Management's Discussion and Analysis December 31, 2012

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, unassigned 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, 2012, the City's governmental funds reported combined ending fund balances of \$18,380,136, which is a decrease of \$3,337,033 from last year's total of \$21,717,169. Of the \$18,380,136 total, \$11,309,771, or 61.5 percent, of the fund balance constitutes unassigned fund balance, while \$2,031,927 or 11.1 percent, is designated as nonspendable. Of the remaining \$5,038,438, or 27.4 percent, \$2,340,095, or 12.7 percent has been classified as restricted funds, and \$2,698,343, or 14.7 percent has been classified as assigned funds.

The General Fund is the chief operating fund of the City. The General Fund reported a deficit change in fund balance for the fiscal year of \$453,232, a decrease of 3.3 percent. This was due in part to Volkswagon of America finally completing the paperwork necessary for its sales tax rebate more than a year later than when it was expected and the incurrence of weather-related emergency expenditures. Overall, budgeted expenditures totaled \$17,687,400 while actual expenditures totaled \$16,441,716. 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 projects that meet the criteria established by the City Council and as detailed in the City Code. The Public Benefit Fund reported a deficit change in fund balance for the fiscal year of \$4,564, due to an annual transfer to the General Fund to cover continued oversight of the cleanup activities.

The TIF Special Tax Allocation #1 Fund reported a decrease of \$114,696 for the year, the majority of which resulted from actual revenues totaling \$1,153,942 and actual expenditures totaling \$1,268,638, which was \$529,462 less than expenditures budgeted. The fund balance of \$759,790 will be used for ongoing projects and prospect development.

The Capital Improvement Fund reported a deficit of \$2,331,635 for the year, which resulted from actual expenditures of \$5,828,386 exceeding actual revenues totaling \$3,496,751, as several large capital projects for which the City had been saving were finally completed, including the State of Illinois finally invoicing the City in an amount in excess of \$2,000,000 for the Hawthorne Lane Project which had been completed two years earlier.

CITY OF WEST CHICAGO, ILLINOIS

Management's Discussion and Analysis December 31, 2012

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 position in the Waterworks Fund during the fiscal year was \$118,713, while the increase in the previous fiscal year was \$3,175,621.

The Sewerage Fund experienced a decrease in net position of \$627,219, while the previous fiscal year reported a decrease of \$2,100,899. The Commuter Parking Fund had a decrease in net position for the fiscal year of \$20,760, compared to the decrease in the previous fiscal year of \$3,204. Total unrestricted net position in the Proprietary Funds were \$57,240,048 (net investment in capital assets and actual unrestricted net position) at December 31, 2012.

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 \$14,948,600 were decreased \$110,000 to reflect a change in State law restricting the City's ability to seize vehicles for certain offenses. General Fund actual revenues for the year totaled \$15,938,484 compared to final budgeted revenues of \$14,838,600. There were better than anticipated actual results for sales, income and use taxes.

Original budgeted expenditures of \$16,777,400 were increased \$910,000 for a sales tax rebate covering multiple years because the recipient failed to timely complete and submit the required documentation and expenditures resulting from a weather-related emergency. The General Fund actual expenditures for the year were \$1,245,684 lower than budgeted (\$16,441,716 actual compared to \$17,687,400 final budgeted). The general government and public safety functions' actual expenditures were lower than budgeted expenditures by \$941,012 and \$304,672, respectively due to overall cost controlling measures.

CITY OF WEST CHICAGO, ILLINOIS

**Management's Discussion and Analysis
December 31, 2012**

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, 2012 was \$149,575,014 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, vehicles and equipment, and parking lot equipment and improvements.

	Capital Assets - Net of Depreciation					
	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
Land and Right of Way	\$ 46,093,923	45,800,266	4,555,048	4,555,048	50,648,971	50,355,314
Construction in Progress	208,271	898,334	1,942,986	2,151,931	2,151,257	3,050,265
Land Improvements	1,322,472	1,231,016	794,421	848,878	2,116,893	2,079,894
Buildings and Improvements	1,733,231	1,609,045	18,449,272	17,971,318	20,182,503	19,580,363
Machinery and Equipment	398,485	332,656	3,120,746	3,703,801	3,519,231	4,036,457
Infrastructure	39,232,531	39,820,972	31,723,628	31,061,836	70,956,159	70,882,808
Total	88,988,913	89,692,289	60,586,101	60,292,812	149,575,014	149,985,101

This year's major additions included:

General Government Land	\$ 300,000
Buildings and Improvements	1,179,102
Infrastructure	1,896,633
Machinery & Equipment	182,956
	<u>3,558,691</u>

For the year ending December 31, 2013 the capital budget includes \$4.3 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, 2012**

CAPITAL ASSETS AND DEBT ADMINISTRATION – Continued

Debt Administration

At December 31, 2012, the City of West Chicago had total outstanding debt of \$7,259,271 as compared to \$7,769,704 at December 31, 2011, a decrease of \$510,433. The following is a comparative statement of outstanding debt:

	Long-Term Debt Outstanding					
	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
General Obligation Bonds	\$ -	-	-	-	-	-
IEPA Revolving Loan	-	-	7,259,271	7,769,704	7,259,271	7,769,704
Total	-	-	7,259,271	7,769,704	7,259,271	7,769,704

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 2013 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, 2012, for DuPage County was 8.6 percent and the state and national unemployment rates were 8.9 and 7.8 percent, respectively.

Amounts available for appropriation in the General Fund budget are \$15.4 million, an increase of 4.0 percent from the final 2012 budget of \$14.8 million. The City of West Chicago has budgeted increases in both sales and income tax earnings and building permit fees of approximately 5.0 percent and 25.0 percent, respectively. The City of West Chicago’s major initiatives in the 2013 budget include identifying the level of remediation necessary on the properties comprising the West Washington Street Redevelopment Project, completing the construction of the Well Number 12 Well House, updating the SCADA system for the City’s lift stations, replacement of the Wilson/Joliet culvert and construction of the pedestrian/bicycle pathway connecting the Great Western Trail at Illinois Route 59 to the Illinois Prairie Path – Geneva Spur at Reed-Keppler Park. The City of West Chicago maintains its strong commitment to fiscal accountability and pledges to continue to seek innovative strategies to maximize financial responsibility.

CITY OF WEST CHICAGO, ILLINOIS

**Management's Discussion and Analysis
December 31, 2012**

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 Position
December 31, 2012**

See Following Page

CITY OF WEST CHICAGO, ILLINOIS

**Statement of Net Position
December 31, 2012**

	Governmental Activities	Business- Type Activities	Total
ASSETS			
Current Assets			
Cash and Investments	\$ 17,382,795	\$ 8,022,181	\$ 25,404,976
Receivables - Net of Allowances	7,600,509	1,800,177	9,400,686
Prepaid Items/Inventories	1,147,231	240,370	1,387,601
Restricted Cash and Investments	-	616,364	616,364
Total Current Assets	<u>26,130,535</u>	<u>10,679,092</u>	<u>36,809,627</u>
Capital Assets			
Nondepreciable	46,302,194	6,498,034	52,800,228
Depreciable	84,665,254	87,492,334	172,157,588
Accumulated Depreciation	<u>(41,978,535)</u>	<u>(33,404,267)</u>	<u>(75,382,802)</u>
Total Capital Assets	<u>88,988,913</u>	<u>60,586,101</u>	<u>149,575,014</u>
Total Assets	<u>115,119,448</u>	<u>71,265,193</u>	<u>186,384,641</u>

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

	Governmental Activities	Business- Type Activities	Total
LIABILITIES			
Current Liabilities			
Accounts Payable	\$ 1,694,771	\$ 488,966	\$ 2,183,737
Accrued Payroll	377,393	126,271	503,664
Deposits Payable	728,989	1,300,856	2,029,845
Interest Payable	-	62,188	62,188
Other Payables	350,416	1,002,566	1,352,982
Current Portion of Long-Term Debt	204,431	557,753	762,184
Total Current Liabilities	3,356,000	3,538,600	6,894,600
Noncurrent Liabilities			
Compensated Absences Payable	817,725	136,468	954,193
Net Pension Obligation	1,594,455	-	1,594,455
Net Other Post-Employment Benefit Obligation	810,080	-	810,080
IEPA Revolving Loan Payable	-	6,735,635	6,735,635
Total Noncurrent Liabilities	3,222,260	6,872,103	10,094,363
Total Liabilities	6,578,260	10,410,703	16,988,963
DEFERRED INFLOWS OF RESOURCES			
Property Taxes	4,531,075	-	4,531,075
Total Liabilities and Deferred Inflows of Resources	11,109,335	10,410,703	21,520,038
NET POSITION			
Net Investment in Capital Assets	88,988,913	53,326,830	142,315,743
Restricted - MFT	843,105	-	843,105
Restricted - TIF	869,964	-	869,964
Restricted - Special Service Areas	17,328	-	17,328
Restricted - Kerr McGee Projects	609,698	-	609,698
Restricted - Per Intergovernmental Agreement -			
Sewer Plant Expansion	-	1,262,564	1,262,564
Sewer Plant Replacement	-	2,351,878	2,351,878
Unrestricted	12,681,105	3,913,218	16,594,323
Total Net Position	\$ 104,010,113	\$ 60,854,490	\$ 164,864,603

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, 2012**

	Expenses	Program Revenues		
		Charges for Services	Operating Grants/ Contributions	Capital Grants/ Contributions
Governmental Activities				
General Government	\$ 9,184,108	\$ 1,899,106	\$ -	\$ -
Public Safety	8,851,135	1,419,816	171,074	-
Highways and Streets	6,730,139	-	-	819,317
Culture and Recreation	83,232	-	10,000	-
Interest on Long-Term Debt	38,097	-	-	-
Total Governmental Activities	24,886,711	3,318,922	181,074	819,317
Business-Type Activities				
Waterworks	6,816,837	4,707,616	-	896,960
Sewerage	6,602,525	5,492,604	-	420,403
Commuter Parking	112,319	133,077	-	-
Total Business-Type Activities	13,531,681	10,333,297	-	1,317,363
	\$ 38,418,392	\$ 13,652,219	\$ 181,074	\$ 2,136,680

- 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 Position

Net Position - Beginning as Restated

Net Position - Ending

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

Net Expense/Revenue		
Governmental Activities	Business-Type Activities	Total
\$ (7,285,002)	\$ -	\$ (7,285,002)
(7,260,245)	-	(7,260,245)
(5,910,822)	-	(5,910,822)
(73,232)	-	(73,232)
(38,097)	-	(38,097)
<u>(20,567,398)</u>	<u>-</u>	<u>(20,567,398)</u>
-	(1,212,261)	(1,212,261)
-	(689,518)	(689,518)
-	20,758	20,758
-	<u>(1,881,021)</u>	<u>(1,881,021)</u>
<u>(20,567,398)</u>	<u>(1,881,021)</u>	<u>(22,448,419)</u>
4,711,890	11,671	4,723,561
1,059,853	-	1,059,853
116,375	-	116,375
4,405,831	1,103,876	5,509,707
2,379,976	-	2,379,976
144,979	-	144,979
2,013,401	-	2,013,401
79,150	6,878	86,028
1,465,234	270,850	1,736,084
<u>16,376,689</u>	<u>1,393,275</u>	<u>17,769,964</u>
(4,190,709)	(487,746)	(4,678,455)
<u>108,200,822</u>	<u>61,342,236</u>	<u>169,543,058</u>
<u>\$ 104,010,113</u>	<u>\$ 60,854,490</u>	<u>\$ 164,864,603</u>

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

CITY OF WEST CHICAGO, ILLINOIS

Balance Sheet - Governmental Funds
December 31, 2012

	General	Special Public Benefit
ASSETS		
Cash and Investments	\$ 11,374,172	\$ 609,698
Receivables - Net of Allowances		
Property Taxes	3,441,206	-
Accrued Interest	7,796	-
Other	2,316,670	-
Due From Other Funds	-	-
Prepays/Inventories	1,145,514	-
Advances to Other Funds	-	884,696
	<u>18,285,358</u>	<u>1,494,394</u>
Total Assets		
LIABILITIES		
Accounts Payable	466,057	-
Accrued Payroll	350,717	-
Deposits Payable	728,989	-
Due to Other Funds	-	-
Advances from Other Funds	-	-
Other Payables	-	-
Total Liabilities	<u>1,545,763</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES		
Property Taxes	<u>3,441,205</u>	<u>-</u>
Total Liabilities and Deferred Inflows of Resources	<u>4,986,968</u>	<u>-</u>
FUND BALANCES		
Nonspendable	1,145,514	884,696
Restricted	843,105	609,698
Assigned	-	-
Unassigned	11,309,771	-
Total Fund Balances	<u>13,298,390</u>	<u>1,494,394</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 18,285,358</u>	<u>\$ 1,494,394</u>

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

Revenue			
TIF	Capital	Nonmajor	Total
Special Tax	Improvement	Governmental	Governmental
Allocation #1		Funds	Funds
\$ 1,768,582	\$ 2,906,717	\$ 560,872	\$ 17,220,041
1,062,012	-	27,858	4,531,076
-	102	-	7,898
-	744,865	-	3,061,535
-	8,315	25,643	33,958
1,073	644	-	1,147,231
-	-	-	884,696
2,831,667	3,660,643	614,373	26,886,435
103,540	1,014,855	15,320	1,599,772
21,629	5,047	-	377,393
-	-	-	728,989
-	25,643	8,315	33,958
884,696	-	-	884,696
-	350,416	-	350,416
1,009,865	1,395,961	23,635	3,975,224
1,062,012	-	27,858	4,531,075
2,071,877	1,395,961	51,493	8,506,299
1,073	644	-	2,031,927
758,717	-	128,575	2,340,095
-	2,264,038	434,305	2,698,343
-	-	-	11,309,771
759,790	2,264,682	562,880	18,380,136
\$ 2,831,667	\$ 3,660,643	\$ 614,373	\$ 26,886,435

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 Position - Governmental Activities**

December 31, 2012

Total Governmental Fund Balances **\$ 18,380,136**

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

Capital assets used in governmental activities are not financial
resources and therefore, are not reported in the funds. 88,988,913

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 Position 67,755

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

Compensated Absences Payable	(1,022,156)
Pension Obligation Payable	(1,594,455)
Net Other Post-Employment Benefit Obligation Payable	<u>(810,080)</u>

Net Position of Governmental Activities **\$ 104,010,113**

CITY OF WEST CHICAGO, ILLINOIS

**Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
Year Ended December 31, 2012**

See Following Page

CITY OF WEST CHICAGO, ILLINOIS

**Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
Year Ended December 31, 2012**

	General	Special Public Benefit
Revenues		
Taxes	\$ 4,865,202	\$ -
Intergovernmental	7,234,262	-
Charges for Services	1,803,814	-
Licenses and Permits	481,698	-
Fines and Forfeitures	1,033,410	-
Interest Income	24,801	38,783
Miscellaneous	495,297	6,653
Total Revenues	<u>15,938,484</u>	<u>45,436</u>
Expenditures		
Current		
General Government	7,535,988	-
Public Safety	8,825,728	-
Streets and Highways	-	-
Culture and Recreation	80,000	-
Capital Outlay	-	-
Debt Service		
Interest and Fiscal Charges	-	-
Total Expenditures	<u>16,441,716</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(503,232)</u>	<u>45,436</u>
Other Financing Sources (Uses)		
Transfers In	50,000	-
Transfers Out	-	(50,000)
	<u>50,000</u>	<u>(50,000)</u>
Net Change in Fund Balances	(453,232)	(4,564)
Fund Balances - Beginning	<u>13,751,622</u>	<u>1,498,958</u>
Fund Balances - Ending	<u>\$ 13,298,390</u>	<u>\$ 1,494,394</u>

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
\$ 1,136,368	\$ 2,567,697	\$ 29,167	\$ 8,598,434
-	-	-	7,234,262
-	-	-	1,803,814
-	-	-	481,698
-	-	-	1,033,410
4,499	8,968	1,857	78,908
13,075	920,086	30,123	1,465,234
1,153,942	3,496,751	61,147	20,695,760
1,230,541	-	173,887	8,940,416
-	-	-	8,825,728
-	-	-	-
-	-	-	80,000
-	5,828,386	320,166	6,148,552
38,097	-	-	38,097
1,268,638	5,828,386	494,053	24,032,793
(114,696)	(2,331,635)	(432,906)	(3,337,033)
-	-	-	50,000
-	-	-	(50,000)
-	-	-	-
(114,696)	(2,331,635)	(432,906)	(3,337,033)
874,486	4,596,317	995,786	21,717,169
\$ 759,790	\$ 2,264,682	\$ 562,880	\$ 18,380,136

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, 2012

Net Change in Fund Balances - Total Governmental Funds \$ (3,337,033)

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	709,677
Depreciation Expense	(1,405,381)

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

Disposals - Cost	(70,153)
Disposals - Accumulated Depreciation	57,929

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.

Deductions to Net Pension Obligation	32,495
Deductions to Compensated Absences Payable	12,241
Deductions to Net Other Post-Employment Benefit Obligation Payable	5,736

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. (196,220)

Changes in Net Position of Governmental Activities \$ (4,190,709)

CITY OF WEST CHICAGO, ILLINOIS

**Statement of Net Position - Proprietary Funds
December 31, 2012**

See Following Page

CITY OF WEST CHICAGO, ILLINOIS

**Statement of Net Position - Proprietary Funds
December 31, 2012**

	Business-Type Activities - Enterprise				Governmental
	Waterworks	Sewerage	Nonmajor Commuter Parking	Total	Activities Internal Service
ASSETS					
Current Assets					
Cash and Investments	\$ 241,698	\$ 7,699,420	\$ 81,063	\$ 8,022,181	\$ 162,754
Receivables - Net of Allowances					
Property Taxes	-	11,671	-	11,671	-
Accounts	652,814	882,112	1,980	1,536,906	-
Other	251,116	-	-	251,116	-
Accrued Interest	-	484	-	484	-
Advances to Other Funds	-	1,850,000	-	1,850,000	-
Prepays	13,981	226,389	-	240,370	-
Restricted Investments	-	616,364	-	616,364	-
Total Current Assets	1,159,609	11,286,440	83,043	12,529,092	162,754
Noncurrent Assets					
Capital Assets					
Nondepreciable	6,368,629	129,405	-	6,498,034	-
Depreciable	49,574,635	37,226,857	690,842	87,492,334	34,572
Accumulated Depreciation	(13,442,558)	(19,576,132)	(385,577)	(33,404,267)	(34,572)
Total Noncurrent Assets	42,500,706	17,780,130	305,265	60,586,101	-
Total Assets	43,660,315	29,066,570	388,308	73,115,193	162,754

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

	Business-Type Activities - Enterprise				Governmental
	Waterworks	Sewerage	Nonmajor	Total	Activities
			Commuter Parking		Internal Service
LIABILITIES					
Current Liabilities					
Accounts Payable	\$ 373,521	\$ 112,839	\$ 2,606	\$ 488,966	\$ 94,999
Accrued Payroll	77,324	48,142	805	126,271	-
Interest Payable	62,188	-	-	62,188	-
Other Liabilities	-	1,300,856	-	1,300,856	-
Advances from Other Funds	1,850,000	-	-	1,850,000	-
Other Payables	985,466	-	17,100	1,002,566	-
Compensated Absences	31,614	2,503	-	34,117	-
IEPA Revolving Loan	523,636	-	-	523,636	-
Total Current Liabilities	3,903,749	1,464,340	20,511	5,388,600	94,999
Noncurrent Liabilities					
Compensated Absences	126,454	10,014	-	136,468	-
IEPA Revolving Loan	6,735,635	-	-	6,735,635	-
Total Noncurrent Liabilities	6,862,089	10,014	-	6,872,103	-
Total Liabilities	10,765,838	1,474,354	20,511	12,260,703	94,999
NET POSITION					
Net Investment in Capital Assets	35,241,435	17,780,130	305,265	53,326,830	-
Restricted - Per Intergovernmental Agreement -					
Sewer Plant Expansion	-	1,262,564	-	1,262,564	-
Sewer Plant Replacement	-	2,351,878	-	2,351,878	-
Unrestricted (Deficit)	(2,346,958)	6,197,644	62,532	3,913,218	67,755
Total Net Position	\$ 32,894,477	\$ 27,592,216	\$ 367,797	\$ 60,854,490	\$ 67,755

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 Position - Proprietary Funds
Year Ended December 31, 2012

	<u>Waterworks</u>
Operating Revenues	
Charges for Services	\$ 4,707,616
Licenses and Permits	-
Total Operating Revenues	<u>4,707,616</u>
Operating Expenses	
Operations	5,295,351
Depreciation	1,327,162
Total Operating Expenses	<u>6,622,513</u>
Operating Income (Loss)	<u>(1,914,897)</u>
Nonoperating Revenues (Expenses)	
Water and Sewer Connection Fees	28,488
Property Taxes	-
Sales Taxes	1,103,876
Interest Income	1,198
Other Income	197,412
Interest Expense and Fiscal Charges	<u>(194,324)</u>
	<u>1,136,650</u>
Income (Loss) Before Contributions	(778,247)
Capital Contributions	<u>896,960</u>
Change in Net Position	118,713
Net Position - Beginning	<u>32,775,764</u>
Net Position - Ending	<u>\$ 32,894,477</u>

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

Business-Type Activities - Enterprise			Governmental
	Nonmajor		Activities
Sewerage	Commuter	Total	Internal
	Parking		Service
\$ 5,456,284	\$ 70,675	\$ 10,234,575	\$ -
-	62,402	62,402	-
5,456,284	133,077	10,296,977	-
6,110,020	87,090	11,492,461	196,462
492,505	25,229	1,844,896	-
6,602,525	112,319	13,337,357	196,462
(1,146,241)	20,758	(3,040,380)	(196,462)
36,320	-	64,808	-
11,671	-	11,671	-
-	-	1,103,876	-
5,678	2	6,878	242
44,950	-	242,362	-
-	-	(194,324)	-
98,619	2	1,235,271	242
(1,047,622)	20,760	(1,805,109)	(196,220)
420,403	-	1,317,363	-
(627,219)	20,760	(487,746)	(196,220)
28,219,435	347,037	61,342,236	263,975
\$ 27,592,216	\$ 367,797	\$ 60,854,490	\$ 67,755

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, 2012**

	<u>Waterworks Fund</u>
Cash Flows from Operating Activities	
Receipts from Customers and Users	\$ 5,017,148
Payments to Employees	(1,438,460)
Payments to Suppliers	(4,114,118)
	<u>(535,430)</u>
Cash Flows from Noncapital Financing Activities	
Property Taxes	-
Sales Taxes	1,103,876
	<u>1,103,876</u>
Cash Flows from Capital and Related Financing Activities	
Purchase of Capital Assets	(526,054)
Interest on Capital Debt	(194,324)
Principal on Capital Debt	(510,433)
	<u>(1,230,811)</u>
Cash Flows from Investing Activities	
Interest Received	1,198
Net Change in Cash and Cash Equivalents	(661,167)
Cash and Cash Equivalents - Beginning	902,865
Cash and Cash Equivalents - Ending	<u>241,698</u>
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities	
Operating Income (Loss)	(1,914,897)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:	
Depreciation and Amortization Expense	1,327,162
Other Income	225,900
(Increase) Decrease in Current Assets	83,632
Increase (Decrease) in Current Liabilities	(257,227)
Net Cash Provided by Operating Activities	<u>\$ (535,430)</u>
Noncash Capital and Related Financing Activities	
Capital Contributions	<u>\$ 896,960</u>

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

<u>Business-Type Activities - Enterprise Funds</u>			
<u>Sewerage Fund</u>	<u>Nonmajor Enterprise Commuter Parking</u>	<u>Total</u>	<u>Governmental Activities Internal Service</u>
\$ 6,113,930	\$ 134,480	\$ 11,265,558	\$ -
(905,824)	(18,013)	(2,362,297)	-
(5,392,629)	(69,456)	(9,576,203)	(101,463)
(184,523)	47,011	(672,942)	(101,463)
11,671	-	11,671	-
-	-	1,103,876	-
11,671	-	1,115,547	-
(294,768)	-	(820,822)	-
-	-	(194,324)	-
-	-	(510,433)	-
(294,768)	-	(1,525,579)	-
5,678	2	6,878	242
(461,942)	47,013	(1,076,096)	(101,221)
8,777,726	34,050	9,714,641	263,975
8,315,784	81,063	8,638,545	162,754
(1,146,241)	20,758	(3,040,380)	(196,462)
492,505	25,229	1,844,896	-
81,270	-	307,170	-
576,376	1,403	661,411	-
(188,433)	(379)	(446,039)	94,999
\$ (184,523)	\$ 47,011	\$ (672,942)	\$ (101,463)
\$ 420,403	\$ -	\$ 1,317,363	\$ -

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

CITY OF WEST CHICAGO, ILLINOIS

**Statement of Fiduciary Net Position
December 31, 2012**

	Pension Trust Police Pension	Agency
ASSETS		
Cash and Cash Equivalents	\$ 125,546	\$ 126,245
Investments		
Money Market Mutual Funds	1,142,684	-
U.S. Government and Agency Obligations Mutual Funds	2,464,295	-
Insurance Contracts	8,760,590	-
	7,383,073	-
Receivables - Net of Allowances		
Accrued Interest	1,067	-
Prepays	1,000	-
Total Assets	<u>19,878,255</u>	<u>126,245</u>
LIABILITIES		
Accounts Payable	1,890	-
Due to Bondholders	-	126,245
Total Liabilities	<u>1,890</u>	<u>126,245</u>
NET POSITION		
Net Position Held in Trust for Pension Benefits	<u>\$ 19,876,365</u>	<u>\$ -</u>

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

CITY OF WEST CHICAGO, ILLINOIS

**Statement of Changes in Fiduciary Net Position
Year Ended December 31, 2012**

	<u>Pension Trust Police Pension</u>
Additions	
Contributions - Employer	\$ 1,380,000
Contributions - Plan Members	<u>434,320</u>
Total Contributions	<u>1,814,320</u>
Investment Income	
Interest Earned	265,807
Net Change in Fair Value	<u>509,765</u>
	775,572
Less Investment Expenses	<u>(36,340)</u>
	<u>739,232</u>
Total Additions	<u>2,553,552</u>
Deductions	
Administration	36,177
Benefits and Refunds	
Benefits	1,225,365
Refunds	<u>33,602</u>
Total Deductions	<u>1,295,144</u>
Change in Net Position	1,258,408
Net Position Held in Trust for Pension Benefits	
Beginning as Restated	<u>18,617,957</u>
Ending	<u>\$ 19,876,365</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, 2012

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). 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
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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, 2012

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 Position, 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/deferred outflows and receivables as well as long-term debt/deferred inflows and obligations. The City's net position is reported in three parts: net investment in capital assets; restricted; and unrestricted. 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) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment.

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

CITY OF WEST CHICAGO, ILLINOIS

Notes to the Financial Statements December 31, 2012

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 position 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/deferred outflows, liabilities/deferred inflows, 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.

GASB Statement No. 34 sets forth minimum criteria (percentage of the assets/deferred outflows, liabilities/deferred inflows, 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/deferred outflows, liabilities/deferred inflows, 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/deferred outflows, liabilities/deferred inflows, 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, 2012

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 position, 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, 2012

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 position and changes in net position 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, 2012

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 Position 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/deferred outflows and liabilities/deferred inflows 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 position (or cost recovery), financial position, and cash flows. All assets/deferred outflows and liabilities/deferred inflows (whether current or noncurrent) associated with their activities are reported. Proprietary and pension trust fund equity is classified as net position.

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, 2012

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 Position 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/deferred inflow is incurred or economic asset used. Revenues, expenses, gains, losses, assets/deferred outflows, and liabilities/deferred inflows 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, 2012

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION OR EQUITY

Cash and Investments

Cash and cash equivalents on the Statement of Net Position 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 prepays/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 prepays in both the government-wide and fund financial statements.

CITY OF WEST CHICAGO, ILLINOIS

**Notes to the Financial Statements
December 31, 2012**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION 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, 2012

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION 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 Position. Bond premiums and discounts 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 expenditures/expenses at the time of issuance.

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.

Net Position

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

Net investment in capital assets – 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 – Consists of net position 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 – All other net position balances that do not meet the definition of “restricted” or “net investment in capital assets.”

CITY OF WEST CHICAGO, ILLINOIS

Notes to the Financial Statements

December 31, 2012

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, 2012

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 position.

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 and business-type activities totaled \$20,488,928 and the bank balances totaled \$20,844,108. Additionally, at year-end the City has \$1,437,345 invested in the Illinois Funds and \$4,095,067 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, 2012

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 which were rated AAAM by Standard & Poor's and in Illinois Metropolitan Investment Trust Convenience Fund which were rated AAAF by Standard & Poor's and the 1-3 Year Fund is rated AAF 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 \$1,268,230 and the bank balances totaled \$1,274,325.

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, 2012**

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	\$ 1,388,614	\$ -	\$ -	\$ 1,388,614	\$ -
Federal National Mortgage Assoc.	270,480	-	-	270,480	-
Federal Home Loan Mortgage Corp. Financing Corporation FICO Strips	130,024	-	130,024	-	-
Zero Coupon Strips	522,945	-	522,945	-	-
	152,232	-	-	152,232	-
	<u>\$ 2,464,295</u>	<u>\$ -</u>	<u>\$ 652,969</u>	<u>\$ 1,811,326</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, 2012, 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, 2012, 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, 2012

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, 2012, the Pension Fund has over 5% of net plan position invested in various agency securities as indicated in the table above and the Invesco Floating Rate mutual fund (\$1,252,027), Protective Life Annuity (\$3,197,242), Lincoln National Life Annuity (\$1,029,894), Hartford Life Annuity (\$1,114,870), and MetLife Investors Annuity (\$1,860,153). Agency investments represent a large portion of the portfolio; however, the investments are diversified by maturity date and as mentioned earlier are backed by the issuing organization. Although unlike Treasuries, agency securities do not have the “full faith and credit” backing of the U.S. Government, they are considered to have a moral obligation of implicit backing and are supported by Treasury lines of credit and increasingly stringent federal regulation. In order to reduce the risk of default, the investment portfolio of the Pension Fund shall not exceed the following diversification limits unless specifically authorized by the Board of Trustees:

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

Additionally at year-end, the Pension Fund has \$7,383,073 invested in insurance contracts and has diversified its equity mutual fund holdings as follows:

Blackrock Equity	\$ 639,451
Franklin Templeton	459,375
Franklin Low Duration	473,560
Hartford Capital	124,968
Hartford Emerging Markets	398,116
Hartford Floating Rate	527,138
Invesco Floating Rate	1,252,027
Ishares Barclays ETF	340,164
Ivy Asset Strategy	705,501
Lord Abbett Emerging Markets	316,811
Lord Abbett Stock Appreciation	290,110
Lord Abbett Short Duration Income	965,614
Oppenheimer Capital Appreciation	266,313
Oppenheimer Equity Income	611,300
PIMCO Low Duration	437,502
Prudential Jennison	332,455
TransAmerica Short Term Bond	297,417
Van Eck	322,768
	<u>8,760,590</u>

CITY OF WEST CHICAGO, ILLINOIS

**Notes to the Financial Statements
December 31, 2012**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

CAPITAL ASSETS

Governmental Activities

Governmental capital asset activity for the year was as follows:

	Beginning Balances As Restated	Increases	Decreases	Ending Balances
Capital Assets - Not Being Depreciated				
Land	\$ 22,205,030	\$ 300,000	\$ -	\$ 22,505,030
Land Right of Way	23,595,236	-	6,343	23,588,893
Construction in Progress	898,334	13,355	703,418	208,271
	<u>46,698,600</u>	<u>313,355</u>	<u>709,761</u>	<u>46,302,194</u>
Other Capital Assets				
Land Improvements	1,873,145	188,179	-	2,061,324
Buildings and Improvements	3,187,449	191,770	-	3,379,219
Machinery and Equipment	1,188,654	-	-	1,188,654
Vehicles	2,788,911	140,521	-	2,929,432
Infrastructure	74,591,165	579,270	63,810	75,106,625
	<u>83,629,324</u>	<u>1,099,740</u>	<u>63,810</u>	<u>84,665,254</u>
Less Accumulated Depreciation				
Land Improvements	642,129	103,066	6,343	738,852
Buildings and Improvements	1,578,404	67,584	-	1,645,988
Machinery and Equipment	851,446	79,244	-	930,690
Vehicles	2,788,911	-	-	2,788,911
Infrastructure	34,770,193	1,155,487	51,586	35,874,094
	<u>40,631,083</u>	<u>1,405,381</u>	<u>57,929</u>	<u>41,978,535</u>
Total Other Capital Assets	<u>42,998,241</u>	<u>(305,641)</u>	<u>5,881</u>	<u>42,686,719</u>
Total Capital Assets	<u>\$ 89,696,841</u>	<u>\$ 7,714</u>	<u>\$ 715,642</u>	<u>\$ 88,988,913</u>

Depreciation expense was charged to governmental activities as follows:

General Government	\$ 52,983
Public Safety	57,902
Highways and Streets	1,291,264
Culture and Recreation	3,232
	<u>\$ 1,405,381</u>

CITY OF WEST CHICAGO, ILLINOIS

**Notes to the Financial Statements
December 31, 2012**

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	2,151,931	642,759	851,704	1,942,986
	<u>6,706,979</u>	<u>642,759</u>	<u>851,704</u>	<u>6,498,034</u>
Other Capital Assets				
Land Improvements	1,514,118	-	-	1,514,118
Buildings	24,481,586	987,332	-	25,468,918
Infrastructure	41,294,778	1,317,363	-	42,612,141
Machinery and Equipment	17,631,823	42,435	-	17,674,258
Vehicles	222,899	-	-	222,899
	<u>85,145,204</u>	<u>2,347,130</u>	<u>-</u>	<u>87,492,334</u>
Less Accumulated Depreciation				
Land Improvements	652,665	67,032	-	719,697
Buildings	6,510,268	509,378	-	7,019,646
Infrastructure	10,232,942	655,571	-	10,888,513
Machinery and Equipment	13,940,597	612,915	-	14,553,512
Vehicles	222,899	-	-	222,899
	<u>31,559,371</u>	<u>1,844,896</u>	<u>-</u>	<u>33,404,267</u>
Total Other Capital Assets	<u>53,585,833</u>	<u>502,234</u>	<u>-</u>	<u>54,088,067</u>
Total Capital Assets	<u>\$ 60,292,812</u>	<u>\$ 1,144,993</u>	<u>\$ 851,704</u>	<u>\$ 60,586,101</u>

Depreciation expense was charged to business-type as follows:

Waterworks	\$ 1,327,162
Sewerage	492,505
Commuter Parking	<u>25,229</u>
	<u>\$ 1,844,896</u>

CITY OF WEST CHICAGO, ILLINOIS

**Notes to the Financial Statements
December 31, 2012**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

PROPERTY TAXES

Property taxes for 2012 attach as an enforceable lien on January 1, 2012, 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, 2013, and September 1, 2013. 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:

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

Interfund balances are advances in anticipation of receipts.

Interfund Advances

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

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Public Benefit	TIF Special Tax Allocation #1	\$ 884,696
Sewerage	Waterworks	<u>1,850,000</u>
		<u>\$ 2,734,696</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 two years.

CITY OF WEST CHICAGO, ILLINOIS

**Notes to the Financial Statements
December 31, 2012**

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
General	Public Benefit	<u>\$ 50,000</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

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	<u>\$ 7,769,704</u>	\$ -	<u>\$ 510,433</u>	<u>\$ 7,259,271</u>

CITY OF WEST CHICAGO, ILLINOIS

**Notes to the Financial Statements
December 31, 2012**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

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	\$ 1,626,950	\$ -	\$ 32,495	\$ 1,594,455	\$ -
Compensated Absences	1,034,397	12,241	24,482	1,022,156	204,431
Net Other Post-Employment Benefit Obligation	815,816	-	5,736	810,080	-
	<u>3,477,163</u>	<u>12,241</u>	<u>62,713</u>	<u>3,426,691</u>	<u>204,431</u>
Business-type Activities					
Compensated Absences	155,944	29,282	14,641	170,585	34,117
IEPA Revolving Loan	7,769,704	-	510,433	7,259,271	523,636
	<u>\$ 7,925,648</u>	<u>\$ 29,282</u>	<u>\$ 525,074</u>	<u>\$ 7,429,856</u>	<u>\$ 557,753</u>

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. 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 \$320,700. 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.

CITY OF WEST CHICAGO, ILLINOIS

**Notes to the Financial Statements
December 31, 2012**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

Noncommitment Debt – Continued

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, 2012, 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.

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	
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	\$ 7,259,271	\$ 1,223,001	\$ 8,482,272

CITY OF WEST CHICAGO, ILLINOIS

**Notes to the Financial Statements
December 31, 2012**

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 POSITION RESTATEMENT

Beginning net position for the governmental activities of \$108,196,270 was increased \$4,552 to reflect an adjustment to beginning accumulated depreciation for governmental capital assets. The Police Pension Fund beginning net position of \$18,811,689 was decreased \$193,732 to reflect an adjustment to the beginning market value of investments, resulting in restated beginning net position of \$18,617,957.

NET POSITION CLASSIFICATIONS

Net investment in capital assets was comprised of the following as of December 31, 2012:

Governmental Activities	
Capital Assets - Net of Accumulated Depreciation	<u>\$ 88,988,913</u>
Business-Type Activities	
Capital Assets - Net of Accumulated Depreciation	60,586,101
Less Capital Related Debt:	
IEPA Revolving Loan	<u>(7,259,271)</u>
Net Investment in Capital Assets	<u>\$ 53,326,830</u>

CITY OF WEST CHICAGO, ILLINOIS

**Notes to the Financial Statements
December 31, 2012**

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						
Prepays/Inventories	\$ 1,145,514	\$ -	\$ 1,073	\$ 644	\$ -	\$ 1,147,231
Advances to Other Funds	-	884,696	-	-	-	884,696
	<u>1,145,514</u>	<u>884,696</u>	<u>1,073</u>	<u>644</u>	<u>-</u>	<u>2,031,927</u>
Restricted						
Motor Fuel Tax	843,105	-	-	-	-	843,105
Property Taxes						
TIF	-	-	758,717	-	111,247	869,964
Special Service Areas	-	-	-	-	17,328	17,328
Public Benefit Projects	-	609,698	-	-	-	609,698
	<u>843,105</u>	<u>609,698</u>	<u>758,717</u>	<u>-</u>	<u>128,575</u>	<u>2,340,095</u>
Assigned						
Capital Projects	-	-	-	2,264,038	434,305	2,698,343
Unassigned	<u>11,309,771</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,309,771</u>
Total Fund Balances	<u>\$ 13,298,390</u>	<u>\$ 1,494,394</u>	<u>\$ 759,790</u>	<u>\$ 2,264,682</u>	<u>\$ 562,880</u>	<u>\$ 18,380,136</u>

In the governmental funds financial statements, the City considers restricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. The City first utilizes committed, then assigned and then unassigned fund balance when an expenditure is incurred for purposes for which all three unrestricted fund balances are available.

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, 2012

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, 2012

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 2012 was 12.86 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, 2012**

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	30
Current Employees	
Vested	30
Nonvested	<u>17</u>
	<u>77</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 ½ 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 ½ 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, 2012**

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 position available for benefits (other than U.S. Government and U.S. Government-guaranteed obligations) invested in the Invesco Floating Rate mutual fund (\$1,252,027), Protective Life Annuity (\$3,197,242), Lincoln National Life Annuity (\$1,029,894), Hartford Life Annuity (\$1,114,870), and MetLife Investors Annuity (\$1,860,153). 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 for the Police Pension Plan is as follows:

	<u>Police Pension</u>
Annual Required Contribution	\$ 1,332,982
Interest on Net Pension Obligation	113,887
Adjustment to Annual Required Contribution	<u>(99,364)</u>
Annual Pension Cost	1,347,505
Actual Contribution	<u>1,380,000</u>
Decrease to the NPO	(32,495)
NPO - Beginning of Year	<u>1,626,950</u>
NPO - End of Year	<u>\$ 1,594,455</u>

CITY OF WEST CHICAGO, ILLINOIS

**Notes to the Financial Statements
December 31, 2012**

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	12.86%	34.89%
Employee	4.50%	9.91%
Actuarial Valuation Date	12/31/2012	12/31/2012
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	25 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, 2012**

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)	2010	\$ 666,310	\$ 1,244,607
	2011	616,541	1,239,566
	2012	636,873	1,347,505
Actual Contributions	2010	\$ 666,310	\$ 1,255,000
	2011	616,541	1,380,000
	2012	636,873	1,380,000
Percentage of APC Contributed	2010	100.00%	100.84%
	2011	100.00%	111.33%
	2012	100.00%	102.41%
Net Pension Obligation	2010	\$ -	\$ 1,767,384
	2011	-	1,626,950
	2012	-	1,594,455

CITY OF WEST CHICAGO, ILLINOIS

**Notes to the Financial Statements
December 31, 2012**

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	12/31/12	12/31/12
Percent Funded	69.06%	62.42%
Actuarial Accrued Liability for Benefits	\$15,034,280	\$33,115,477
Actuarial Value of Assets	\$10,382,229	\$20,671,600
Over (Under) Funded Actuarial Accrued Liability (UAAL)	(\$4,652,051)	(\$12,443,877)
Covered Payroll (Annual Payroll of Active Employees Covered by the Plan)	\$4,952,355	\$3,954,927
Ratio of UAAL to Covered Payroll	93.94%	314.64%

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, 2012**

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, 2012, retirees contributed \$122,460. Active employees contribute up to 12% to the plan upon retirement.

At December 31, 2012, 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, 2012**

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, 2012, was calculated as follows:

Annual Required Contribution	\$ 121,530
Interest on the NOPEBO	40,791
Adjustment to the ARC	<u>(27,191)</u>
Annual OPEB Cost	135,130
Actual Contribution	<u>140,866</u>
Increase in the NPO	(5,736)
NOPEBO - Beginning of Year	<u>815,816</u>
NOPEBO - End of Year	<u><u>\$ 810,080</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
2010	\$ 364,274	\$ 149,318	40.99%	\$ 612,192
2011	344,490	140,866	40.89%	815,816
2012	135,130	140,866	104.24%	810,080

CITY OF WEST CHICAGO, ILLINOIS

Notes to the Financial Statements December 31, 2012

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, the date of the most recent actuarial valuation, 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, 2012**

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, 2012, 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, 2012**

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)
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%
2012	10,382,229	15,034,280	69.06%	4,652,051	4,952,355	93.94%

Employer Contributions

Fiscal Year Ended	Employer Contributions	Annual Required Contribution	Percent Contributed
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%
2012	636,873	636,873	100.00%

CITY OF WEST CHICAGO, ILLINOIS

Police Pension Fund

**Required Supplementary Information
Schedule of Funding Progress and Employer Contributions
December 31, 2012**

Funding Progress

Actuarial Valuation Date	(1) Actuarial Value of Plan Assets	(2) Actuarial Liability (AAL) - Entry Age	(3) Funded Ratio (1) ÷ (2)	(4) Unfunded (Overfunded) Actuarial Liability (2) - (1)	(5) Annual Covered Payroll	(6) Unfunded (Overfunded) Actuarial Liability as a Percentage of Covered Payroll (4) ÷ (5)
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%
12/31/12	20,671,600	33,115,477	62.42%	12,443,877	3,954,927	314.64%

Employer Contributions

Fiscal Year Ended	Employer Contributions	Annual Required Contribution	Percent Contributed
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%
12/31/12	1,380,000	1,332,982	103.53%

* 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, 2012**

Funding Progress

Actuarial Valuation Date	(1) Actuarial Value of Plan Assets	(2) Actuarial Liability (AAL) - Entry Age	(3) Funded Ratio (1) ÷ (2)	(4) Unfunded (Overfunded) Actuarial Liability (2) - (1)	(5) Annual Covered Payroll	(6) Unfunded (Overfunded) Actuarial Liability as a Percentage of Covered Payroll (4) ÷ (5)
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%
2012	N/A	N/A	N/A	N/A	N/A	N/A

Employer Contributions

Fiscal Year Ended	Employer Contributions	Annual Required Contribution	Percent Contributed
4/30/08	\$ 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%
12/31/12	140,866	121,530	115.91%

* 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, 2012**

	Budget		Actual
	Original	Final	
Revenues			
Taxes	\$ 4,774,000	\$ 4,774,000	\$ 4,865,202
Intergovernmental	6,518,600	6,718,600	7,234,262
Charges for Services	1,873,000	1,613,000	1,803,814
Licenses and Permits	425,000	375,000	481,698
Fines and Forfeitures	810,000	810,000	1,033,410
Interest Income	45,000	45,000	24,801
Miscellaneous	503,000	503,000	495,297
Total Revenues	14,948,600	14,838,600	15,938,484
Expenditures			
General Government	7,540,500	8,477,000	7,535,988
Public Safety	9,156,900	9,130,400	8,825,728
Culture and Recreation	80,000	80,000	80,000
Total Expenditures	16,777,400	17,687,400	16,441,716
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,828,800)	(2,848,800)	(503,232)
Other Financing Sources			
Transfers In	50,000	50,000	50,000
Net Change in Fund Balance	\$ (1,778,800)	\$ (2,798,800)	(453,232)
Fund Balance - Beginning			13,751,622
Fund Balance - Ending			\$ 13,298,390

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, 2012**

	Budget		Actual
	Original	Final	
Revenues			
Interest Income	\$ 10,000	\$ 10,000	\$ 38,783
Miscellaneous	-	-	6,653
Total Revenues	10,000	10,000	45,436
Expenditures			
Capital Outlay			
Building and Grounds Improvement	150,000	150,000	-
Other Capital Outlay	200,000	25,000	-
Land	-	175,000	-
Total Expenditures	350,000	350,000	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(340,000)	(340,000)	45,436
Other Financing (Uses)			
Transfers Out	(50,000)	(50,000)	(50,000)
Net Change in Fund Balance	<u>\$ (390,000)</u>	<u>\$ (390,000)</u>	(4,564)
Fund Balance - Beginning			<u>1,498,958</u>
Fund Balance - Ending			<u>\$ 1,494,394</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, 2012**

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ 1,100,000	\$ 1,100,000	\$ 1,136,368
Interest Income	5,000	5,000	4,499
Miscellaneous	2,200	2,200	13,075
Total Revenues	<u>1,107,200</u>	<u>1,107,200</u>	<u>1,153,942</u>
Expenditures			
General Government	1,488,100	1,663,100	1,230,541
Debt Service			
Principal Retirement	90,000	90,000	-
Interest and Fiscal Charges	45,000	45,000	38,097
Total Expenditures	<u>1,623,100</u>	<u>1,798,100</u>	<u>1,268,638</u>
Net Change in Fund Balance	<u>\$ (515,900)</u>	<u>\$ (690,900)</u>	(114,696)
Fund Balance - Beginning			<u>874,486</u>
Fund Balance - Ending			<u>\$ 759,790</u>

OTHER SUPPLEMENTARY INFORMATION

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

Such statements and schedules include:

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

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

GENERAL FUND

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

SPECIAL REVENUE FUNDS

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

Public Benefit Fund

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

TIF Special Tax Allocation Fund #1

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

TIF Special Tax Allocation Fund #2

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

Other Special Service Areas Fund

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

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

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, 2012**

	Budget		Actual
	Original	Final	
Taxes			
Property Taxes	\$ 3,424,000	\$ 3,424,000	\$ 3,543,995
Telecommunications Tax	1,100,000	1,100,000	1,059,853
Amusement Tax	100,000	100,000	116,375
Personal Property Replacement Tax	150,000	150,000	144,979
	<u>4,774,000</u>	<u>4,774,000</u>	<u>4,865,202</u>
Intergovernmental			
Sales Tax	3,000,000	3,200,000	3,426,715
Income Tax	2,200,000	2,200,000	2,379,976
MFT Allotments	700,000	700,000	819,317
Use Tax	370,000	370,000	427,180
Grants	248,600	248,600	181,074
	<u>6,518,600</u>	<u>6,718,600</u>	<u>7,234,262</u>
Charges for Services			
Brush Collection Fees	73,000	73,000	74,427
Weed Cutting Fees	-	-	1,681
Business Registration	25,000	25,000	27,535
Police Counter Service	10,000	10,000	8,653
Police Contractual Services	260,000	260,000	272,028
Police Towing	200,000	90,000	88,550
False Alarm Fees	20,000	20,000	-
Change of Occupancy Fees	45,000	45,000	86,726
Rental Inspections	120,000	120,000	170,360
Plan Review Fees	20,000	20,000	8,725
Engineering Fees	200,000	50,000	103,974
Annexation Fees	-	-	700
Transfer Station Fees	525,000	525,000	547,314
Property Rental	135,000	135,000	144,280
Tower Rental Fees	40,000	40,000	41,849
Cable Franchise Fee	200,000	200,000	227,012
	<u>1,873,000</u>	<u>1,613,000</u>	<u>1,803,814</u>

CITY OF WEST CHICAGO, ILLINOIS

General Fund

**Schedule of Revenues - Budget and Actual - Continued
Year Ended December 31, 2012**

	Budget		Actual
	Original	Final	
Licenses and Permits			
Building Permits	\$ 250,000	\$ 200,000	\$ 238,443
Building Contractors Licenses	25,000	25,000	43,405
Oversize Truck Permits	15,000	15,000	17,175
Liquor Licenses	85,000	85,000	102,663
Vending Machine/Business Licenses	50,000	50,000	77,735
Other Licenses and Permits	-	-	2,277
	<u>425,000</u>	<u>375,000</u>	<u>481,698</u>
Fines and Forfeits			
Circuit Court Fines	375,000	375,000	387,832
Local Fines	435,000	435,000	639,366
Seizures	-	-	6,212
	<u>810,000</u>	<u>810,000</u>	<u>1,033,410</u>
Interest			
Interest Income	45,000	45,000	24,801
Miscellaneous			
Cemetery Lot Sales	25,000	25,000	45,600
Other Reimbursements	100,000	100,000	57,643
Health Insurance Reimbursements	150,000	150,000	168,225
IPBC and IRMA Revenue	100,000	100,000	89,625
Other Miscellaneous	128,000	128,000	134,204
	<u>503,000</u>	<u>503,000</u>	<u>495,297</u>
Total Revenues	<u>\$ 14,948,600</u>	<u>\$ 14,838,600</u>	<u>\$ 15,938,484</u>

CITY OF WEST CHICAGO, ILLINOIS

General Fund

**Schedule of Expenditures - Budget and Actual
Year Ended December 31, 2012**

	Budget		Actual
	Original	Final	
General Government			
Legislative	\$ 198,300	\$ 198,300	\$ 189,055
Administration	706,600	1,641,600	1,472,280
Administrative Services	2,638,500	2,640,000	2,474,868
Public Works	2,958,100	2,973,100	2,497,819
Community Development	1,039,000	1,024,000	901,966
	<u>7,540,500</u>	<u>8,477,000</u>	<u>7,535,988</u>
Public Safety			
Police Department	<u>9,156,900</u>	<u>9,130,400</u>	<u>8,825,728</u>
Culture and Recreation			
Museum and Cultural Services	<u>80,000</u>	<u>80,000</u>	<u>80,000</u>
Total Expenditures	<u>\$ 16,777,400</u>	<u>\$ 17,687,400</u>	<u>\$ 16,441,716</u>

CITY OF WEST CHICAGO, ILLINOIS

General Fund

**Schedule of Detailed Expenditures - Budget and Actual
Year Ended December 31, 2012**

	Budget		Actual
	Original	Final	
General Government			
Legislative			
Personal Services			
Salary of Aldermen	\$ 33,600	\$ 33,600	\$ 24,950
Salary of Mayor	15,000	15,000	15,000
Salary of Corporate Counsel	3,000	3,000	2,875
Salary of City Clerk	4,500	4,500	4,500
Salary of Deputy City Clerk	400	400	-
IMRF and FICA	4,100	4,100	3,401
Contractual Services			
Legal Fees	70,000	70,000	83,255
Consultants	2,000	2,000	622
Training and Tuition	3,000	3,000	286
Memberships/Dues/Subscriptions	35,000	35,000	31,455
Legal Notices	2,000	2,000	921
Telephone and Alarms	2,000	2,000	2,000
Printing and Binding	10,000	10,000	7,971
Legal Reporter Fees	500	500	-
Commodities			
Computer and Office Supplies	500	500	192
Postage	200	200	-
Miscellaneous Commodities	2,000	2,000	1,519
Grant Distribution	10,000	10,000	10,000
Other Charges	500	500	108
Total Legislative	198,300	198,300	189,055

CITY OF WEST CHICAGO, ILLINOIS

General Fund

**Schedule of Detailed Expenditures - Budget and Actual - Continued
Year Ended December 31, 2012**

	Budget		Actual
	Original	Final	
General Government - Continued			
Administration			
Personal Services			
Administrative Salaries	\$ 190,100	\$ 190,100	\$ 188,066
IMRF and FICA	39,200	39,200	35,608
ICMA	10,200	10,200	9,313
Contractual Services			
Legal Fees	10,500	10,500	7,835
Newsletter Preparation	32,000	32,000	26,031
Training and Tuition	9,000	9,000	4,298
Memberships/Dues/Subscriptions	4,400	4,400	2,777
Software Maintenance	1,300	1,300	453
Telephone and Alarms	6,500	6,500	7,708
Electric	1,000	1,000	485
Printing and Binding	1,500	1,500	1,500
Advertising	6,000	6,000	3,971
Other Contractual Services	61,000	696,000	666,445
Lobbying Services	36,000	36,000	36,000
IRMA General Insurance	5,800	5,800	5,739
Telephone Repair	300	300	-
Office Equipment Repairs	200	200	-
Commodities			
Sales Tax Rebate	275,000	575,000	471,915
Computer and Office Supplies	500	500	197
Gas and Oil	3,000	3,000	2,975
Postage	100	100	-
Miscellaneous Commodities	500	500	-
Special Events	10,500	10,500	408
Prospect Development	1,000	1,000	108
Other Charges	1,000	1,000	448
Total Administration	706,600	1,641,600	1,472,280

CITY OF WEST CHICAGO, ILLINOIS

General Fund

**Schedule of Detailed Expenditures - Budget and Actual - Continued
Year Ended December 31, 2012**

	Budget		Actual
	Original	Final	
General Government - Continued			
Administrative Services			
Personal Services			
Salary of Treasurer	\$ 4,500	\$ 4,500	\$ 4,500
Administrative Salaries	429,600	429,600	446,307
Administrative Salaries - Overtime	300	300	-
IMRF and FICA	89,100	89,100	89,866
ICMA	6,200	6,200	5,755
Health/Dental/Life Insurance	1,695,300	1,695,300	1,617,861
Contractual Services			
Legal Fees	55,500	55,500	30,710
Audit Fees	16,400	16,400	16,380
Consultants	4,200	4,200	1,813
Network Charges	13,600	13,600	11,605
Pre-employment Exams	8,900	8,900	8,253
Training and Tuition	23,700	23,700	5,003
Memberships/Dues/Subscriptions	3,300	3,300	2,327
Software Maintenance	59,200	59,200	35,699
Telephone and Alarms	5,300	5,300	5,866
Advertising	3,000	3,000	529
Other Contractual Services	79,900	79,900	73,460
IRMA General Insurance	5,800	5,800	5,739
Telephone Repair	400	400	-
Office Equipment Maintenance and Repair	25,000	25,000	17,760
Postage Meter Rental	2,300	2,300	1,461
Copier Fees	3,900	3,900	3,817
Commodities			
Computer and Office Supplies	14,000	14,000	7,743
Gas and Oil	100	100	20
Postage	8,500	8,500	5,264
Miscellaneous Commodities	400	400	16
Safety Program	3,800	3,800	3,087
Special Events	6,000	6,000	5,202
Bank Fees	9,500	9,500	8,023
Other Charges	100	100	54

CITY OF WEST CHICAGO, ILLINOIS

General Fund

**Schedule of Detailed Expenditures - Budget and Actual - Continued
Year Ended December 31, 2012**

	Budget		Actual
	Original	Final	
General Government - Continued			
Administrative Services - Continued			
Capital Outlay			
Other Capital Outlay	\$ 60,700	\$ 62,200	\$ 60,748
Total Administrative Services	2,638,500	2,640,000	2,474,868
Public Works			
Personal Services			
Administrative Salaries	134,400	134,400	124,559
Operating Salaries	571,400	571,400	600,714
Administrative Salaries - Overtime	60,500	60,500	42,658
IMRF and FICA	157,600	157,600	156,912
Unemployment Insurance	-	-	795
Contractual Services			
Legal Fees	21,000	36,000	21,650
Pre-employment Exams	800	800	642
Training and Tuition	2,500	2,500	2,458
Memberships/Dues/Subscriptions	1,000	1,000	613
Telephone and Alarms	18,500	18,500	20,013
Interments Program	25,000	25,000	19,300
Brush Pickup	63,000	63,000	63,000
Grounds Maintenance	47,500	47,500	40,975
Cemetery Maintenance	6,000	6,000	6,000
Janitor Contract	47,200	47,200	47,200
Heating Gas	8,000	8,000	1,004
Electric	131,000	131,000	125,516
Refuse Disposal	30,000	30,000	23,242
Other Contractual Services	353,700	353,700	342,972
Traffic Signal Maintenance	25,000	25,000	23,222
Street Light Maintenance	20,000	20,000	17,947

CITY OF WEST CHICAGO, ILLINOIS

General Fund

**Schedule of Detailed Expenditures - Budget and Actual - Continued
Year Ended December 31, 2012**

	Budget		Actual
	Original	Final	
General Government - Continued			
Public Works - Continued			
Contractual Services - Continued			
IRMA General Insurance	\$ 80,700	\$ 80,700	\$ 80,339
Other Insurance	13,000	13,000	13,912
Payment to Taxing Bodies	130,000	130,000	150,031
Vehicle Maintenance and Repair	45,500	45,500	36,247
Commodities			
Computer and Office Supplies	4,500	4,500	5,252
Field Equipment	1,000	1,000	-
Parts for Vehicles	62,000	62,000	98,640
Tools and Equipment	16,500	16,500	9,021
Gas and Oil	64,000	64,000	78,317
Materials	15,000	15,000	13,634
Street Patch Materials	300	300	180
Street Paint	2,000	2,000	1,783
Ice Control Materials	20,000	20,000	5,600
Parts - Mains	5,000	5,000	5,670
Rock Salt	287,000	287,000	171,721
BIT Patch - Cold	8,000	8,000	3,418
BIT Patch - Hot	45,000	45,000	45,516
Parts for Plows and Spreaders	25,000	25,000	16,042
Postage	300	300	17
Uniforms and Safety Equipment	7,100	7,100	4,558
Miscellaneous	64,500	64,500	76,339
Capital Outlay			
Building and Grounds Improvements	-	-	190
Vehicles	337,600	337,600	-
Total Public Works	2,958,100	2,973,100	2,497,819

CITY OF WEST CHICAGO, ILLINOIS

General Fund

**Schedule of Detailed Expenditures - Budget and Actual - Continued
Year Ended December 31, 2012**

	Budget		Actual
	Original	Final	
General Government - Continued			
Community Development			
Personal Services			
Administrative Salaries	\$ 370,500	\$ 346,000	\$ 312,325
Administrative Salaries - Overtime	1,000	1,000	-
IMRF and FICA	76,300	76,300	63,202
Contractual Services			
Legal Fees	55,000	55,000	51,413
Pre-employment Exams	200	200	-
Training and Tuition	5,500	5,500	511
Memberships/Dues/Subscriptions	3,100	3,100	1,996
Enforcement & Inspections	297,000	297,000	297,000
Bond/Deposit Refunds	-	-	6,550
Plan Review	60,000	60,000	54,021
Software Maintenance	12,100	12,100	9,200
Legal Notices	2,900	2,900	1,242
Telephone and Alarms	11,200	11,200	11,260
Weed Cutting	12,000	12,000	3,187
Printing and Binding	3,000	3,000	2,083
Advertising	300	300	-
Legal Reporter	5,000	5,000	3,085
Filing Fees	10,000	10,000	3,487
Other Contractual Services	34,500	44,000	28,294
IRMA General Insurance	7,800	7,800	7,651
Other Insurance	-	-	5,000
Telephone and Repairs	1,800	1,800	-
Office Equipment Maintenance and Repair	700	700	-
Copier Fees	600	600	331
Commodities			
Computer and Office Supplies	2,700	2,700	2,344
Maps and Plats	1,200	1,200	1,173
Tools and Equipment	300	300	428
Educational Displays	8,000	8,000	1,000
Gas and Oil	2,500	2,500	1,285
Postage	900	900	5
Uniforms and Safety Equipment	500	500	-
Educational Programming	3,800	3,800	2,257

CITY OF WEST CHICAGO, ILLINOIS

General Fund

**Schedule of Detailed Expenditures - Budget and Actual - Continued
Year Ended December 31, 2012**

	Budget		Actual
	Original	Final	
General Government - Continued			
Community Development - Continued			
Commodities - Continued			
Gallery 200	\$ 3,500	\$ 3,500	\$ 860
Miscellaneous Commodities	1,900	1,900	1,089
Artifacts Maintenance	800	800	396
Prospect Development	1,000	1,000	876
Other Charges	1,100	1,100	52
Capital Outlay			
Vehicles	5,300	5,300	-
CN Mitigation	35,000	35,000	28,363
Total Community Development	1,039,000	1,024,000	901,966
Total General Government	7,540,500	8,477,000	7,535,988
Public Safety			
Police Department			
Personal Services			
Administrative Salaries	1,132,800	1,132,800	1,088,929
Patrolman Salaries	3,187,600	3,136,100	3,179,874
Patrolman Salaries - Overtime	444,500	444,500	438,304
Sergeants Salaries	650,000	650,000	640,511
CSO Salaries	145,000	145,000	129,594
CSO - Overtime	2,000	2,000	836
Contract Services Salaries	20,000	20,000	15,340
Administrative Services - Overtime	2,000	2,000	-
IMRF and FICA	513,300	513,300	478,124
Police Pension	1,380,000	1,380,000	1,380,000
Health/Dental/Life Insurance	-	-	9
Unemployment Insurance	-	-	9,226
Contractual Services			
Legal Fees	140,000	140,000	127,418
Pre-employment Exams	-	-	2,109
Training and Tuition	33,900	33,900	22,402
Officer Training and Mileage	5,500	5,500	827
Memberships/Dues/Subscriptions	8,300	8,300	7,754

CITY OF WEST CHICAGO, ILLINOIS

General Fund

**Schedule of Detailed Expenditures - Budget and Actual - Continued
Year Ended December 31, 2012**

	Budget		Actual
	Original	Final	
Public Safety - Continued			
Police Department - Continued			
Contractual Services - Continued			
Software Maintenance	\$ 35,700	\$ 35,700	\$ 25,950
Telephone and Alarms	42,700	42,700	43,183
Electric	300	300	-
Printing and Binding	6,000	6,000	4,869
Grounds Maintenance	2,500	2,500	640
Social Services	1,000	1,000	462
DuComm Quarterly Share	448,800	448,800	447,304
Other Contractual Services	57,500	57,500	56,488
Graffiti Removal	13,000	13,000	13,574
Reception Support	103,000	103,000	107,734
Crossing Guard - Contractual	35,700	35,700	35,072
IRMA General Insurance	307,000	307,000	306,054
Other Insurance	15,000	15,000	18,132
Radio/Radar Equipment Maint. and Repair	15,200	15,200	14,650
Telephone Repair	300	300	-
Office Equipment and Repair	17,900	17,900	10,495
Postage Meter Rental	900	900	842
Copier Fees	9,300	9,300	9,494
Commodities			
Computer and Office Supplies	6,400	6,400	3,441
Field Equipment	10,000	10,000	9,035
Parts for Vehicles	-	-	353
Gas and Oil	101,000	126,000	122,611
Vehicle License Fees	1,000	1,000	788
Postage	7,000	7,000	3,114
Uniform and Safety Equipment	37,200	37,200	29,021
First Aid Supplies	1,000	1,000	1,036
Ammunition and Firearms	22,000	22,000	21,034
Tools and Equipment	500	500	304
Educational Programming	7,000	7,000	7,449
Miscellaneous Commodities	11,500	11,500	9,016

CITY OF WEST CHICAGO, ILLINOIS

General Fund

**Schedule of Detailed Expenditures - Budget and Actual - Continued
Year Ended December 31, 2012**

	Budget		Actual
	Original	Final	
Public Safety - Continued			
Police Department - Continued			
Capital Outlay			
Vehicles	\$ 173,600	\$ 173,600	\$ -
Communications Equipment	2,000	2,000	2,326
Total Public Safety	<u>9,156,900</u>	<u>9,130,400</u>	<u>8,825,728</u>
Culture and Recreation			
Museum and Cultural Services			
Commodities			
Special Events	<u>80,000</u>	<u>80,000</u>	<u>80,000</u>
Total Expenditures	<u>\$ 16,777,400</u>	<u>\$ 17,687,400</u>	<u>\$ 16,441,716</u>

CITY OF WEST CHICAGO, ILLINOIS

TIF Special Tax Allocation #1 - Special Revenue Fund

**Schedule of Expenditures - Budget and Actual
Year Ended December 31, 2012**

	Budget		Actual
	Original	Final	
General Government			
Personal Services			
Administrative Salaries	\$ 321,800	\$ 321,800	\$ 269,312
Operational Salaries	-	-	12,934
Administrative Salaries - Overtime	1,200	1,200	1,213
IMRF and FICA	66,400	66,400	56,572
ICMA	2,100	2,100	2,257
Health/Dental/Life Insurance	65,200	65,200	62,179
Contractual Services			
Legal Fees	15,000	15,000	10,473
Memberships/Dues/Subscriptions	-	-	375
Legal Notices	500	500	329
Telephone and Alarms	1,500	1,500	1,913
Grounds Maintenance	20,000	20,000	5,671
Other	441,300	226,300	238,751
Commodities			
Postage	100	100	-
Special Events	24,000	24,000	8,479
Prospect Development	1,000	1,000	-
Other	1,000	1,000	-
Capital Outlay			
Building Grounds Improvement	238,000	238,000	88,754
Other	161,000	161,000	161,000
Land	60,000	450,000	284,475
Façade Improvement	60,000	60,000	21,169
Streetscape Programs	8,000	8,000	4,685
	<u>1,488,100</u>	<u>1,663,100</u>	<u>1,230,541</u>
Debt Service			
Principal Retirement	90,000	90,000	-
Interest and Fiscal Charges	45,000	45,000	38,097
	<u>135,000</u>	<u>135,000</u>	<u>38,097</u>
Total Expenditures	<u>\$ 1,623,100</u>	<u>\$ 1,798,100</u>	<u>\$ 1,268,638</u>

CITY OF WEST CHICAGO, ILLINOIS

Capital Improvement - Capital Projects Fund

**Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
Year Ended December 31, 2012**

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ -	\$ -	\$ 2,360
Utility Taxes	2,100,000	2,100,000	2,013,401
Sales Taxes	500,000	500,000	551,936
Interest Income	10,000	10,000	8,968
Miscellaneous	1,647,300	1,647,300	920,086
Total Revenues	<u>4,257,300</u>	<u>4,257,300</u>	<u>3,496,751</u>
Expenditures			
Capital Outlay	<u>8,195,900</u>	<u>8,664,900</u>	<u>5,828,386</u>
Net Change in Fund Balance	<u>\$ (3,938,600)</u>	<u>\$ (4,407,600)</u>	<u>(2,331,635)</u>
Fund Balance - Beginning			<u>4,596,317</u>
Fund Balance - Ending			<u>\$ 2,264,682</u>

CITY OF WEST CHICAGO, ILLINOIS

Capital Improvement - Capital Projects Fund

**Schedule of Expenditures - Budget and Actual
Year Ended December 31, 2012**

	Budget		Actual
	Original	Final	
Capital Outlay			
Administrative Salaries	\$ 76,100	\$ 76,100	\$ 79,936
Operational Salaries	7,500	7,500	6,200
Administrative Salaries - Overtime	3,000	3,000	592
IMRF and FICA	17,900	17,900	17,086
Health/Dental/Life Insurance	39,200	39,200	37,308
IRMA General Insurance	7,700	7,700	7,651
Engineering and Inspections	131,200	131,200	57,889
Building and Grounds Improvements	285,000	285,000	224,262
Land	-	115,000	115,000
Street Improvements	6,443,000	6,443,000	4,260,883
Other Capital Outlay	1,185,300	1,539,300	1,021,579
Total Expenditures	<u>\$ 8,195,900</u>	<u>\$ 8,664,900</u>	<u>\$ 5,828,386</u>

CITY OF WEST CHICAGO, ILLINOIS

**Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2012**

	Special Revenue		Capital Projects	
	TIF Special Tax Allocation #2	Other Special Service Areas	Capital Equipment Replacement	Total
ASSETS				
Cash and Investments	\$ 123,478	\$ -	\$ 437,394	\$ 560,872
Receivables - Net of Allowances Property Taxes	27,570	288	-	27,858
Due From Other Funds	-	25,643	-	25,643
Total Assets	151,048	25,931	437,394	614,373
LIABILITIES				
Accounts Payable	12,231	-	3,089	15,320
Due to Other Funds	-	8,315	-	8,315
Total Liabilities	12,231	8,315	3,089	23,635
DEFERRED INFLOWS OF RESOURCES				
Property Taxes	27,570	288	-	27,858
Total Liabilities and Deferred Inflows of Resources	39,801	8,603	3,089	51,493
FUND BALANCES				
Restricted	111,247	17,328	-	128,575
Assigned	-	-	434,305	434,305
Total Fund Balances	111,247	17,328	434,305	562,880
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 151,048	\$ 25,931	\$ 437,394	\$ 614,373

CITY OF WEST CHICAGO, ILLINOIS

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended December 31, 2012**

	Special Revenue		Capital Projects	Total
	TIF Special Tax Allocation #2	Other Special Service Areas	Capital Equipment Replacement	
Revenues				
Taxes	\$ 29,167	\$ -	\$ -	\$ 29,167
Interest Income	407	-	1,450	1,857
Miscellaneous	-	-	30,123	30,123
Total Revenues	29,574	-	31,573	61,147
Expenditures				
Current				
General Government	173,887	-	-	173,887
Capital Outlay	-	-	320,166	320,166
Total Expenditures	173,887	-	320,166	494,053
Net Change in Fund Balances	(144,313)	-	(288,593)	(432,906)
Fund Balances - Beginning	255,560	17,328	722,898	995,786
Fund Balances - Ending	\$ 111,247	\$ 17,328	\$ 434,305	\$ 562,880

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, 2012

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ 36,000	\$ 36,000	\$ 29,167
Interest Income	-	-	407
Total Revenues	<u>36,000</u>	<u>36,000</u>	<u>29,574</u>
Expenditures			
General Government			
Contractual Services	50,000	50,000	33,887
Prospect Development	140,000	140,000	140,000
Total Expenditures	<u>190,000</u>	<u>190,000</u>	<u>173,887</u>
Net Change in Fund Balance	<u>\$ (154,000)</u>	<u>\$ (154,000)</u>	(144,313)
Fund Balance - Beginning			<u>255,560</u>
Fund Balance - Ending			<u>\$ 111,247</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, 2012**

	Budget		Actual
	Original	Final	
Revenues			
Interest Income	\$ 3,000	\$ 3,000	\$ 1,450
Miscellaneous	-	-	30,123
Total Revenues	<u>3,000</u>	<u>3,000</u>	<u>31,573</u>
Expenditures			
Capital Outlay			
Vehicles	644,100	644,100	320,166
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(641,100)</u>	<u>(641,100)</u>	<u>(288,593)</u>
Other Financing Sources			
Transfers In	777,200	777,200	-
Net Change in Fund Balance	<u>\$ 136,100</u>	<u>\$ 136,100</u>	<u>(288,593)</u>
Fund Balance - Beginning			<u>722,898</u>
Fund Balance - Ending			<u>\$ 434,305</u>

CITY OF WEST CHICAGO, ILLINOIS

Waterworks - Enterprise Fund

Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual
Year Ended December 31, 2012

	Budget		Actual
	Original	Final	
Operating Revenues			
Charges for Services			
Water Service	\$ 4,750,000	\$ 4,750,000	\$ 4,707,616
Operating Expenses			
Operations			
Water Distribution	2,828,000	2,828,000	3,994,440
Water Treatment Plant	2,302,700	2,302,700	1,300,911
Depreciation	-	-	1,327,162
Total Operating Expenses	5,130,700	5,130,700	6,622,513
Operating (Loss)	(380,700)	(380,700)	(1,914,897)
Nonoperating Revenues (Expenses)			
Connection Fees	20,000	20,000	28,488
Sales Taxes	1,000,000	1,000,000	1,103,876
Interest Income	30,000	30,000	1,198
Other Income	146,500	146,500	197,412
Interest Expense	(196,500)	(196,500)	(194,324)
	1,000,000	1,000,000	1,136,650
Income (Loss) Before Contributions	619,300	619,300	(778,247)
Capital Contributions	-	-	896,960
Change in Net Position	\$ 619,300	\$ 619,300	118,713
Net Position - Beginning			32,775,764
Net Position - Ending			\$ 32,894,477

CITY OF WEST CHICAGO, ILLINOIS

Waterworks - Enterprise Fund

**Schedule of Operating Expenses - Budget and Actual
Year Ended December 31, 2012**

	Budget		Actual
	Original	Final	
Water Distribution			
Personal Services			
Administrative Salaries	\$ 420,400	\$ 420,400	\$ 381,819
Operational Salaries	519,300	519,300	465,068
Administrative Salaries - Overtime	50,000	50,000	28,350
IMRF and FICA	203,100	203,100	171,368
ICMA	4,000	4,000	3,655
Health/Dental/Life Insurance	404,300	404,300	385,511
Contractual Services			
Legal Fees	15,000	15,000	8,437
Auditing Fees	13,700	13,700	13,650
JULIE System	1,700	1,700	1,645
Consultants	2,000	2,000	1,813
Pre-employment Exams	600	600	521
Training and Tuition	3,000	3,000	482
Memberships/Dues/Subscriptions	1,000	1,000	1,221
Software Maintenance	8,900	8,900	6,231
Legal Notices	1,000	1,000	872
Telephone and Alarms	30,000	30,000	27,749
Heating and Gas	5,000	5,000	2,746
Electric	400,000	400,000	308,147
Lab Results	7,000	7,000	5,864
Refuse Disposal	10,000	10,000	1,780
Printing and Binding	2,500	2,500	2,136
Grounds Maintenance	8,000	8,000	3,149
Other Contractual Services	194,400	194,400	139,914
IRMA General Insurance	145,900	145,900	145,375
Other Insurance	-	-	1,687
Vehicle Maintenance and Repair	3,500	3,500	2,308
Building Maintenance and Repair	500	500	922
Distribution System Maintenance and Repair	100,000	100,000	44,521
Pump Station Maintenance and Repair	100,000	100,000	24,531
Reservoir Maintenance and Repair	500	500	-
Office Equipment Maintenance and Repair	2,000	2,000	-

CITY OF WEST CHICAGO, ILLINOIS

Waterworks - Enterprise Fund

**Schedule of Operating Expenses - Budget and Actual - Continued
Year Ended December 31, 2012**

	Budget		Actual
	Original	Final	
Water Distribution - Continued			
Contractual Services - Continued			
Postage Meter Rental	\$ 1,400	\$ 1,400	\$ 1,463
Copier Rental	3,000	3,000	2,425
Commodities			
Computer and Office Supplies	7,800	7,800	4,769
Parts for Vehicles	5,000	5,000	5,995
Tools and Equipment	5,000	5,000	2,529
Gas and Oil	20,000	20,000	28,500
Postage	5,000	5,000	4,277
Uniforms and Safety Equipment	7,500	7,500	6,961
Parts and Equipment - Wells	4,000	4,000	2,884
Parts and Equipment - Distribution	60,000	60,000	43,015
Parts and Equipment - Pump Station	15,000	15,000	8,502
Lab Supplies	500	500	344
Chemicals	500	500	-
Water Meters	25,000	25,000	2,829
Miscellaneous Commodities	6,000	6,000	1,715
Bank Fees	5,000	5,000	7,983
Capital Outlay			
Vehicles	113,900	113,900	-
Other Capital Outlay	6,565,800	6,565,800	2,214,831
	9,507,700	9,507,700	4,520,494
Less Nonoperating Items			
Capital Assets Capitalized	(4,565,800)	(4,565,800)	(526,054)
Total Water Distribution	4,941,900	4,941,900	3,994,440
Water Treatment Plant			
Personal Services			
Administrative Salaries	68,100	68,100	28,285
Operational Salaries	510,000	510,000	509,914
Administrative Salaries - Overtime	35,000	35,000	25,024
IMRF and FICA	125,900	125,900	115,361

CITY OF WEST CHICAGO, ILLINOIS

Waterworks - Enterprise Fund

**Schedule of Operating Expenses - Budget and Actual - Continued
Year Ended December 31, 2012**

	Budget		Actual
	Original	Final	
Water Treatment Plant - Continued			
Contractual Services			
Pre-employment Exams	\$ 300	\$ 300	\$ -
Training and Tuition	3,000	3,000	1,263
Memberships/Dues/Subscriptions	400	400	-
Telephone and Alarms	10,000	10,000	10,000
Heating and Gas	4,000	4,000	2,608
Electric	185,000	185,000	151,508
Lab Results	2,000	2,000	279
Refuse Disposal	750,000	750,000	-
Grounds Maintenance	8,500	8,500	4,470
Janitorial Service	25,600	25,600	24,339
Other Contractual Services	15,000	15,000	12,499
IRMA General Insurance	53,800	53,800	53,559
Building Maintenance and Repair	10,000	10,000	9,622
WTP Operations Repair	18,000	18,000	16,722
Copier Rental	10,000	10,000	6,176
Equipment Rental	1,000	1,000	1,080
Commodities			
Computer and Office Supplies	2,000	2,000	890
Parts for Vehicles	200	200	66
Tools and Equipment	3,000	3,000	641
Gas and Oil	1,000	1,000	3,710
Uniforms and Safety Equipment	4,000	4,000	3,705
Parts for Building Repairs	3,000	3,000	1,721
Lab Supplies	11,000	11,000	11,402
Chemicals	375,000	375,000	294,795
Parts for WTP Operations	6,000	6,000	6,233
Miscellaneous Commodities	2,000	2,000	1,214
Capital Outlay			
Vehicles	2,900	2,900	-
Other Capital Outlay	57,000	57,000	3,825
Total Water Treatment Plant	<u>2,302,700</u>	<u>2,302,700</u>	<u>1,300,911</u>
Total Operating Expenses	<u>\$ 7,244,600</u>	<u>\$ 7,244,600</u>	<u>\$ 5,295,351</u>

CITY OF WEST CHICAGO, ILLINOIS

Sewerage - Enterprise Fund

**Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual
Year Ended December 31, 2012**

	Budget		Actual
	Original	Final	
Operating Revenues			
Charges for Services			
Sewer Service	\$ 5,000,000	\$ 5,000,000	\$ 5,452,929
Recapture Fees	-	-	3,355
Total Operating Revenues	5,000,000	5,000,000	5,456,284
Operating Expenses			
Operations			
Wastewater Treatment	2,722,100	2,722,100	2,672,103
Sanitary Sewer Collection	3,175,000	3,175,000	3,427,724
Treatment Plant Equipment Replacement	225,600	225,600	-
Special Service Area #2	16,800	16,800	10,193
Depreciation	-	-	492,505
Total Operating Expenses	6,139,500	6,139,500	6,602,525
Operating (Loss)	(1,139,500)	(1,139,500)	(1,146,241)
Nonoperating Revenues			
Connection Fees	25,000	25,000	36,320
Property Taxes	15,000	15,000	11,671
Interest Income	25,000	25,000	5,678
Other Income	30,000	30,000	44,950
	95,000	95,000	98,619
Income (Loss) Before Contributions	(1,044,500)	(1,044,500)	(1,047,622)
Capital Contributions	-	-	420,403
Change in Net Position	\$ (1,044,500)	\$ (1,044,500)	(627,219)
Net Position - Beginning			28,219,435
Net Position - Ending			\$ 27,592,216

CITY OF WEST CHICAGO, ILLINOIS

Sewerage - Enterprise Fund

**Schedule of Operating Expenses - Budget and Actual
Year Ended December 31, 2012**

	Budget		Actual
	Original	Final	
Wastewater Treatment			
Personal Services			
Administrative Services	\$ 28,500	\$ 28,500	\$ 28,773
Administrative Salaries - Overtime	400	400	132
IMRF and FICA	6,100	6,100	5,555
Contractual Services			
Legal Fees	2,000	2,000	-
Auditing Fees	3,900	3,900	3,900
Memberships/Dues/Subscriptions	13,600	13,600	14,015
Telephone and Alarms	-	-	1,500
Printing and Binding	200	200	353
Grounds Maintenance	10,100	10,100	4,764
Other Contractual Services	2,595,900	2,595,900	2,548,896
IRMA General Insurance	61,400	61,400	61,211
Capital Outlay			
Secondary Treatment Repair	132,000	132,000	3,004
	2,854,100	2,854,100	2,672,103
Less Nonoperating Items			
Capital Assets Capitalized	(132,000)	(132,000)	-
	2,722,100	2,722,100	2,672,103
Sanitary Sewer Collection			
Personal Services			
Administrative Salaries	557,400	557,400	422,566
Operational Salaries	396,000	396,000	449,571
Administrative Salaries - Overtime	49,500	49,500	37,586
IMRF and FICA	205,800	205,800	181,594
ICMA	4,000	4,000	3,655
Health/Dental/Life Insurance	404,300	404,300	385,511
Unemployment Insurance	-	-	190
Contractual Services			
Legal Fees	15,000	15,000	8,183
Auditing Fees	3,900	3,900	3,900
JULIE System	1,700	1,700	1,645
Engineering	110,000	110,000	6,500
Consultants	2,000	2,000	1,813

CITY OF WEST CHICAGO, ILLINOIS

Sewerage - Enterprise Fund

Schedule of Operating Expenses - Budget and Actual - Continued
 Year Ended December 31, 2012

	Budget		Actual
	Original	Final	
Sanitary Sewer Collection - Continued			
Contractual Services - Continued			
Training and Tuition	\$ 500	\$ 500	\$ 3
Software Maintenance	12,300	12,300	8,790
Telephone and Alarms	10,000	10,000	10,000
Heating Gas	6,000	6,000	4,424
Electric	62,000	62,000	45,708
Grounds Maintenance	4,700	4,700	1,906
Other Contractual Services	194,400	194,400	140,060
IRMA General Insurance	92,100	92,100	91,816
Vehicle Maintenance and Repair	20,000	20,000	3,877
Lift Station Maintenance and Repair	325,000	325,000	57,077
Sewer Main Maintenance and Repair	600,000	600,000	481,605
Postage Meter Rental	1,400	1,400	1,461
Commodities			
Copier and Rental	2,500	2,500	2,425
Computer and Office Supplies	5,000	5,000	4,715
Parts for Vehicles	15,000	15,000	13,859
Tools and Equipment	7,500	7,500	6,882
Gas and Oil	15,000	15,000	23,661
Postage	3,000	3,000	2,085
Chemicals	1,000	1,000	-
Parts for Lift Stations	30,000	30,000	24,219
Material for Trench Backfill	5,000	5,000	2,518
Parts for Mains	3,000	3,000	1,758
Miscellaneous Commodities	5,000	5,000	5,803
Bank Fees	5,000	5,000	7,983
Capital Outlay			
Vehicles	143,900	143,900	-
Other Capital Outlay	1,871,300	1,871,300	982,375
	5,190,200	5,190,200	3,427,724
Less Nonoperating Items			
Capital Assets Capitalized	(2,015,200)	(2,015,200)	-
Total Sanitary Sewer Collection	3,175,000	3,175,000	3,427,724

CITY OF WEST CHICAGO, ILLINOIS

Sewerage - Enterprise Fund

**Schedule of Operating Expenses - Budget and Actual - Continued
Year Ended December 31, 2012**

	Budget		Actual
	Original	Final	
Treatment Plant Equipment Replacement			
Capital Outlay			
Other Contractual Services	\$ 225,600	\$ 225,600	\$ -
Other Capital Outlay	2,316,800	2,316,800	294,768
	<u>2,542,400</u>	<u>2,542,400</u>	<u>294,768</u>
Less Nonoperating Items			
Capital Assets Capitalized	(2,316,800)	(2,316,800)	(294,768)
	<u>(2,316,800)</u>	<u>(2,316,800)</u>	<u>(294,768)</u>
Total Treatment Plant Equipment Replacement	<u>225,600</u>	<u>225,600</u>	<u>-</u>
Special Service Area #2			
Operating and Maintenance			
Personal Service			
Operational Salaries	4,600	4,600	4,673
Administrative Salaries - Overtime	500	500	109
IMRF and FICA	1,100	1,100	984
Commodities			
Electric	8,000	8,000	3,292
Grounds Maintenance	2,600	2,600	1,135
	<u>16,800</u>	<u>16,800</u>	<u>10,193</u>
Total Operating and Maintenance	<u>16,800</u>	<u>16,800</u>	<u>10,193</u>
Total Operating Expenses	<u>\$ 6,139,500</u>	<u>\$ 6,139,500</u>	<u>\$ 6,110,020</u>

CITY OF WEST CHICAGO, ILLINOIS

Commuter Parking - Enterprise

**Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual
Year Ended December 31, 2012**

	Budget		Actual
	Original	Final	
Operating Revenues			
Charges for Services			
Parking Fees	\$ 45,200	\$ 45,200	\$ 70,675
Licenses and Permits			
Parking Permits	75,000	75,000	62,402
Total Operating Revenues	<u>120,200</u>	<u>120,200</u>	<u>133,077</u>
Operating Expenses			
Operations	121,700	121,700	87,090
Depreciation	-	-	25,229
Total Operating Expenses	<u>121,700</u>	<u>121,700</u>	<u>112,319</u>
Operating Income (Loss)	(1,500)	(1,500)	20,758
Nonoperating Revenues			
Interest Income	<u>500</u>	<u>500</u>	<u>2</u>
Change in Net Position	<u>\$ (1,000)</u>	<u>\$ (1,000)</u>	20,760
Net Position - Beginning			<u>347,037</u>
Net Position - Ending			<u>\$ 367,797</u>

CITY OF WEST CHICAGO, ILLINOIS

Commuter Parking - Enterprise Fund

**Schedule of Operating Expenses - Budget and Actual
Year Ended December 31, 2012**

	Budget		Actual
	Original	Final	
Operations			
Personal Services			
Administrative Salaries Overtime	\$ 3,000	\$ 3,000	\$ 1,129
Operational Salaries	18,900	18,900	18,013
IMRF and FICA	4,600	4,600	3,933
Contractual Services			
Auditing Fees	1,300	1,300	1,170
Telephone and Alarms	4,000	4,000	4,000
Electric	20,000	20,000	18,843
Printing and Binding	900	900	826
Grounds Maintenance	9,000	9,000	6,662
Janitorial Services	3,500	3,500	3,461
Contractual Services	25,000	25,000	25,018
Commodities			
Postage	1,500	1,500	1,035
Miscellaneous Commodities	3,000	3,000	3,000
Capital Outlay			
Building and Ground Improvements	27,000	27,000	-
Total Operations	<u>\$ 121,700</u>	<u>\$ 121,700</u>	<u>\$ 87,090</u>

CITY OF WEST CHICAGO, ILLINOIS

MIS Replacement - Internal Service Fund

**Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual
Year Ended December 31, 2012**

	Budget		Actual
	Original	Final	
Operating Revenues			
Interfund Services	\$ -	\$ -	\$ -
Operating Expenses			
Operations	130,000	225,000	196,462
Operating (Loss)	(130,000)	(225,000)	(196,462)
Nonoperating Revenues			
Interest Income	500	500	242
Change in Net Position	<u>\$ (129,500)</u>	<u>\$ (224,500)</u>	(196,220)
Net Position - Beginning			<u>263,975</u>
Net Position - Ending			<u>\$ 67,755</u>

CITY OF WEST CHICAGO, ILLINOIS

Agency - Special Service Areas Funds

**Combining Statement of Changes in Assets and Liabilities
Year Ended December 31, 2012**

See Following Page

CITY OF WEST CHICAGO, ILLINOIS

Agency - Special Service Areas Funds

**Combining Statement of Changes in Assets and Liabilities
Year Ended December 31, 2012**

	<u>Beginning Balances</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balances</u>
ALL FUNDS				
ASSETS				
Cash and Investments	<u>\$ 121,585</u>	<u>\$ 121,752</u>	<u>\$ 117,092</u>	<u>\$ 126,245</u>
LIABILITIES				
Due to Bondholders	<u>\$ 121,585</u>	<u>\$ 121,752</u>	<u>\$ 117,092</u>	<u>\$ 126,245</u>
SPECIAL SERVICE AREA #17				
ASSETS				
Cash and Investments	<u>\$ 50,483</u>	<u>\$ 51,576</u>	<u>\$ 49,790</u>	<u>\$ 52,269</u>
LIABILITIES				
Due to Bondholders	<u>\$ 50,483</u>	<u>\$ 51,576</u>	<u>\$ 49,790</u>	<u>\$ 52,269</u>

	Beginning Balances	Additions	Deductions	Ending Balances
SPECIAL SERVICE AREA #18				
ASSETS				
Cash and Investments	\$ 52,333	\$ 51,982	\$ 49,790	\$ 54,525
LIABILITIES				
Due to Bondholders	\$ 52,333	\$ 51,982	\$ 49,790	\$ 54,525
 SPECIAL SERVICE AREA #20				
ASSETS				
Cash and Investments	\$ 18,769	\$ 18,194	\$ 17,512	\$ 19,451
LIABILITIES				
Due to Bondholders	\$ 18,769	\$ 18,194	\$ 17,512	\$ 19,451

SUPPLEMENTAL SCHEDULES

CITY OF WEST CHICAGO, ILLINOIS

Long-Term Debt Requirements

**IEPA Waterworks Revolving Loan
December 31, 2012**

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	
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>\$ 7,259,271</u>	<u>\$ 1,223,001</u>	<u>\$ 8,482,272</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 Position by Component - Last Ten Fiscal Years
December 31, 2012 (Unaudited)**

See Following Page

CITY OF WEST CHICAGO, ILLINOIS

**Net Position by Component - Last Ten Fiscal Years
December 31, 2012 (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
Governmental Activities				
Net Investment in Capital Assets	\$ 81,085,245	\$ 71,974,620	\$ 73,993,952	\$ 75,611,759
Restricted	1,546,531	1,666,393	1,501,944	1,462,074
Unrestricted	14,869,627	15,140,305	18,181,783	17,723,775
Total Governmental Activities Net Position	97,501,403	88,781,318	93,677,679	94,797,608
Business-Type Activities				
Net Investment in Capital Assets	36,748,410	41,863,003	40,858,481	38,575,240
Restricted	3,256,796	3,404,266	3,367,499	3,629,195
Unrestricted	12,115,564	10,799,853	15,713,801	19,237,261
Total Business-Type Activities Net Position	52,120,770	56,067,122	59,939,781	61,441,696
Primary Government				
Net Investment in Capital Assets	117,833,655	113,837,623	114,852,433	114,186,999
Restricted	4,803,327	5,070,659	4,869,443	5,091,269
Unrestricted	26,985,191	25,940,158	33,895,584	36,961,036
Total Primary Government Net Position	\$ 149,622,173	\$ 144,848,440	\$ 153,617,460	\$ 156,239,304

Data Source: City Records

The City implemented GASB 34 in Fiscal Year 2004.

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	Fiscal Year Ended 12/31/2012
\$ 75,663,542	\$ 77,409,060	\$ 79,007,408	\$ 88,164,059	\$ 89,692,289	\$ 88,988,913
1,328,804	1,264,241	479,320	-	1,708,723	2,340,095
17,986,270	19,850,570	22,492,259	18,130,222	16,795,258	12,681,105
94,978,616	98,523,871	101,978,987	106,294,281	108,196,270	104,010,113
37,577,723	36,528,712	35,884,266	36,356,211	52,523,108	53,326,830
3,533,535	3,806,146	3,833,998	4,715,215	4,435,213	3,614,442
21,061,429	21,276,997	20,588,763	19,199,292	4,383,915	3,913,218
62,172,687	61,611,855	60,307,027	60,270,718	61,342,236	60,854,490
113,241,265	113,937,772	114,891,674	124,520,270	142,215,397	142,315,743
4,862,339	5,070,387	4,313,318	4,715,215	6,143,936	5,954,537
39,047,699	41,127,567	43,081,022	37,329,514	21,179,173	16,594,323
\$ 157,151,303	\$ 160,135,726	\$ 162,286,014	\$ 166,564,999	\$ 169,538,506	\$ 164,864,603

CITY OF WEST CHICAGO, ILLINOIS

Changes in Net Position - Last Ten Fiscal Years
December 31, 2012 (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	Fiscal Year Ended 12/31/2012
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	\$ 9,184,108
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	8,851,135
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	6,730,139
Culture and Recreation	425,418	336,479	458,363	518,487	409,874	251,723	376,103	135,309	193,879	83,232
Interest on Long-Term Debt	92,235	85,490	82,532	74,596	123,108	87,034	95,920	63,505	40,332	38,097
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	24,886,711
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	6,816,837
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	6,602,525
Commuter Parking	56,622	87,362	98,565	132,148	136,383	119,829	535,811	220,345	127,748	112,319
Total Business-Type Activities Activities Net Position	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	13,531,681
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	38,418,392
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	1,899,106
Highways and Streets	933,667	1,590,339	1,275,803	1,051,912	1,249,338	1,186,037	2,330,517	-	-	1,419,816
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	181,074
Capital Grants/Contributions	-	-	998,677	777,051	778,850	536,437	714,671	4,832,786	792,266	819,317
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	4,319,313
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	4,707,616
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	5,492,604
Commuter Parking	94,057	96,371	99,526	94,043	98,111	81,994	120,240	116,169	124,830	133,077
Capital Grants/Contributions	802,009	-	-	-	-	-	-	-	2,633,360	1,317,363
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	11,650,660
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	\$ 15,969,973

	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	Fiscal Year Ended 12/31/2012
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)	\$ (20,567,398)
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)	(1,881,021)
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)	(22,448,419)
General Revenues and Other Changes in Net Position										
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	4,711,890
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	1,176,228
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	4,405,831
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	2,379,976
Replacement	105,660	117,523	158,186	155,243	193,689	117,888	159,185	171,227	157,985	144,979
Other	-	-	-	2,058,843	2,190,649	1,316,154	2,037,722	2,098,487	2,098,719	2,013,401
Interest Income	173,314	283,811	664,894	1,084,991	1,069,786	530,225	253,642	212,808	102,820	79,150
Miscellaneous	428,368	162,889	3,569,777	759,852	531,218	513,053	3,506,651	2,012,701	1,638,724	1,465,234
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	16,376,689
Business-Type Activities										
Property	-	-	15,171	15,158	15,172	15,025	15,161	15,172	11,557	11,671
Sales and Use	-	-	-	-	-	-	948,148	1,023,267	1,131,916	1,103,876
Interest Income	680,024	576,586	788,970	1,018,478	1,111,535	425,385	205,893	137,988	121,733	6,878
Miscellaneous	651,909	1,140,760	1,509,767	306,827	1,949,971	223,394	417,841	836,771	459,444	270,850
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	1,393,275
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	17,769,964
Changes in Net Position										
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	(4,190,709)
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	(487,746)
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	\$ (4,678,455)

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, 2012 (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
General Fund				
Reserved	\$ 95,335	\$ 172,890	\$ 160,863	\$ 1,115,019
Unreserved	3,455,827	4,867,620	6,426,774	7,547,196
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Unassigned	-	-	-	-
Total General Fund	3,551,162	5,040,510	6,587,637	8,662,215
All Other Governmental Funds				
Reserved	2,643,467	2,472,656	2,831,253	2,675,629
Unreserved, Reported in:				
Special Revenues Funds	9,541,225	8,735,946	10,145,240	6,868,385
Capital Projects Funds	2,536,907	2,528,662	1,983,701	3,182,862
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Assigned	-	-	-	-
Total All Other Governmental Funds	\$ 14,721,599	\$ 13,737,264	\$ 14,960,194	\$ 12,726,876

Data Source: City Records

The City implemented GASB 54 in Fiscal Year 2011.

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	Fiscal Year Ended 12/31/2012
\$ 1,468,640	\$ 1,258,433	\$ 1,277,811	\$ 985,505	\$ -	\$ -
8,260,787	10,789,860	12,278,094	11,659,744	-	-
-	-	-	-	1,134,891	1,145,514
-	-	-	-	-	843,105
-	-	-	-	12,616,731	11,309,771
9,729,427	12,048,293	13,555,905	12,645,249	13,751,622	13,298,390
2,479,613	2,347,877	1,516,583	986,267	-	-
6,637,886	6,350,617	6,275,876	2,270,787	-	-
2,815,078	2,959,936	4,542,708	5,245,994	-	-
-	-	-	-	938,215	886,413
-	-	-	-	1,708,723	1,496,990
-	-	-	-	5,318,609	2,698,343
\$ 11,932,577	\$ 11,658,430	\$ 12,335,167	\$ 8,503,048	\$ 7,965,547	\$ 5,081,746

CITY OF WEST CHICAGO, ILLINOIS

**General Governmental Revenues By Source - Last Ten Fiscal Years
December 31, 2012 (Unaudited)**

Source	Fiscal Year Ended 4/30/2004	Fiscal Year Ended 4/30/2005	Fiscal Year Ended 4/30/2006	Fiscal Year Ended 4/30/2007
Taxes	\$ 9,923,461	\$ 10,979,782	\$ 11,037,386	\$ 7,220,257
Intergovernmental	1,103,515	1,077,096	990,894	7,165,222
Charges for Services	2,420,199	2,549,845	806,360	2,315,647
Licenses and Permits	537,906	1,171,269	1,057,216	632,799
Fines and Forfeits	380,153	365,347	833,898	481,943
Fees	-	-	2,407,119	-
Interest Income	173,314	283,810	664,895	1,075,101
Rental Income	-	-	160,073	-
Miscellaneous	366,904	177,816	2,833,815	759,852
Total	\$ 14,905,452	\$ 16,604,965	\$ 20,791,656	\$ 19,650,821

Data Source: City Records

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	Fiscal Year Ended 12/31/2012
\$ 7,943,758	\$ 7,737,287	\$ 8,401,237	\$ 8,669,147	\$ 8,907,926	\$ 8,598,434
7,494,386	5,097,366	6,117,344	6,542,723	6,580,649	7,234,262
2,389,235	2,179,039	2,558,780	1,891,127	2,124,010	1,803,814
572,886	326,417	489,110	456,361	634,929	481,698
668,147	726,532	1,782,124	1,042,292	936,049	1,033,410
-	-	-	-	-	-
1,049,762	523,118	251,878	210,470	102,148	78,908
-	-	-	-	-	-
531,218	513,053	3,506,651	2,012,701	1,638,724	1,465,234
<u>\$ 20,649,392</u>	<u>\$ 17,102,812</u>	<u>\$ 23,107,124</u>	<u>\$ 20,824,821</u>	<u>\$ 20,924,435</u>	<u>\$ 20,695,760</u>

CITY OF WEST CHICAGO, ILLINOIS

**General Governmental Expenditures By Function - Last Ten Fiscal Years
December 31, 2012 (Unaudited)**

Function	Fiscal Year Ended 4/30/2004	Fiscal Year Ended 4/30/2005	Fiscal Year Ended 4/30/2006	Fiscal Year Ended 4/30/2007
General Government	\$ 5,113,922	\$ 4,952,629	\$ 4,540,750	\$ 6,030,937
Public Safety	6,834,854	7,074,392	7,756,125	7,511,979
Highways and Streets	587,890	699,073	758,534	826,980
Culture and Recreation	413,400	371,756	449,110	514,550
Capital Outlay	2,877,197	2,997,181	4,065,602	5,477,801
Debt Service				
Principal	110,000	130,000	135,000	150,000
Interest and Fiscal Charges	94,183	89,208	83,618	77,378
Total	\$ 16,031,446	\$ 16,314,239	\$ 17,788,739	\$ 20,589,625

Data Source: City Records

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	Fiscal Year Ended 12/31/2012
\$ 6,393,241	\$ 4,551,384	\$ 6,957,868	\$ 8,180,849	\$ 7,720,982	\$ 8,940,416
8,006,829	5,783,643	8,616,769	8,524,634	8,468,368	8,825,728
1,025,381	700,402	-	-	-	-
406,417	248,277	372,382	131,438	189,894	80,000
4,227,901	3,455,854	5,141,045	7,818,703	3,935,987	6,148,552
190,000	210,000	225,000	845,000	-	-
126,710	108,533	96,811	66,972	40,332	38,097
<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>	<u>\$ 24,032,793</u>

CITY OF WEST CHICAGO, ILLINOIS

**Changes in Fund Balances for Governmental Funds - Last Ten Fiscal Years
December 31, 2012 (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
Revenues				
Taxes	\$ 9,923,461	\$ 10,979,782	\$ 11,037,386	\$ 7,220,257
Intergovernmental	1,103,515	1,077,096	990,894	7,165,222
Charges for Services	2,420,199	2,549,845	806,360	2,315,647
Licenses and Permits	537,906	1,171,269	1,057,216	632,799
Fines and Forfeits	380,153	365,347	833,898	481,943
Fees	-	-	2,407,119	-
Interest Income	173,314	283,810	664,895	1,075,101
Rental Income	-	-	160,073	-
Miscellaneous	366,904	177,816	2,833,815	759,852
Total Revenues	14,905,452	16,604,965	20,791,656	19,650,821
Expenditures				
General Government	5,113,922	4,952,629	4,540,750	6,030,937
Public Safety	6,834,854	7,074,392	7,756,125	7,511,979
Highways and Streets	587,890	699,073	758,534	826,980
Culture and Recreation	413,400	371,756	449,110	514,550
Capital Outlay	2,877,197	2,997,181	4,065,602	5,477,801
Debt Service				
Principal	110,000	130,000	135,000	150,000
Interest and Fiscal Charges	94,183	89,208	83,618	77,378
Total Expenditures	16,031,446	16,314,239	17,788,739	20,589,625
Excess of Revenues Over (Under) Expenditures	(1,125,994)	290,726	3,002,917	(938,804)
Other Financing Sources (Uses)				
Transfer In	1,532,361	168,735	169,589	330,000
Transfer Out	(1,532,361)	(168,735)	(402,449)	(210,000)
Sale of Assets	-	214,287	-	-
	-	214,287	(232,860)	120,000
Net Change in Fund Balances	\$ (1,125,994)	\$ 505,013	\$ 2,770,057	\$ (818,804)
Debt Service as a Percentage of Noncapital Expenditures	1.55%	1.65%	1.59%	1.32%

Data Source: City Records

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	Fiscal Year Ended 12/31/2012
\$ 7,943,758	\$ 7,737,287	\$ 8,401,237	\$ 8,669,147	\$ 8,907,926	\$ 8,598,434
7,494,386	5,097,366	6,117,344	6,542,723	6,580,649	7,234,262
2,389,235	2,179,039	2,558,780	1,891,127	2,124,010	1,803,814
572,886	326,417	489,110	456,361	634,929	481,698
668,147	726,532	1,782,124	1,042,292	936,049	1,033,410
-	-	-	-	-	-
1,049,762	523,118	251,878	210,470	102,148	78,908
-	-	-	-	-	-
531,218	513,053	3,506,651	2,012,701	1,638,724	1,465,234
20,649,392	17,102,812	23,107,124	20,824,821	20,924,435	20,695,760
6,393,241	4,551,384	6,957,868	8,180,849	7,720,982	8,940,416
8,006,829	5,783,643	8,616,769	8,524,634	8,468,368	8,825,728
1,025,381	700,402	-	-	-	-
406,417	248,277	372,382	131,438	189,894	80,000
4,227,901	3,455,854	5,141,045	7,818,703	3,935,987	6,148,552
190,000	210,000	225,000	845,000	-	-
126,710	108,533	96,811	66,972	40,332	38,097
20,376,479	15,058,093	21,409,875	25,567,596	20,355,563	24,032,793
272,913	2,044,719	1,697,249	(4,742,775)	568,872	(3,337,033)
555,000	150,000	587,100	441,777	-	50,000
(555,000)	(150,000)	(100,000)	(441,777)	-	(50,000)
-	-	-	-	-	-
-	-	487,100	-	-	-
\$ 272,913	\$ 2,044,719	\$ 2,184,349	\$ (4,742,775)	\$ 568,872	\$ (3,337,033)
1.67%	2.65%	1.75%	5.86%	0.24%	0.16%

CITY OF WEST CHICAGO, ILLINOIS

**Assessed Value and Actual Value of Taxable Property - Last Ten Fiscal Years
December 31, 2012 (Unaudited)**

Tax Levy Year	Fiscal Year End	Residential Property	Farm
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
2012	12/31/2012	395,571,348	370,108

*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
\$ 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
92,055,282	132,161,380	620,158,118	10.1222

CITY OF WEST CHICAGO, ILLINOIS

**Direct and Overlapping Property Tax Rates - Last Ten Levy Years
December 31, 2012 (Unaudited)**

Taxing Body	2003	2004	2005
Countywide			
DuPage County	0.1999	0.1850	0.1797
Forest Preserve District	0.1419	0.1358	0.1271
DuPage Airport Authority	0.0230	0.0213	0.0198
DuPage Water Commission	0.0000	0.0000	0.0000
Local			
Wayne Township	0.0822	0.0696	0.0680
Wayne Township Road	0.0317	0.0754	0.0720
City of West Chicago - Wayne Township	0.4526	0.4486	0.4423
Winfield Township	0.0945	0.0924	0.0901
Winfield Township Road	0.1230	0.1203	0.1178
City of West Chicago - Winfield Township	0.4394	0.4298	0.4423
West Chicago Park District	0.3130	0.3016	0.2933
West Chicago Fire Protection District	0.5779	0.5578	0.5500
West Chicago Mosquito District	0.0063	0.0109	0.0105
West Chicago Library District	0.2655	0.2733	0.2651
Educational			
Grade School District 33	3.7140	3.6750	3.6993
High School District 94	1.9528	1.8829	1.8377
College of DuPage District 502	0.2097	0.1972	0.1874
Total Tax Rate - Winfield Township	8.0609	7.8833	7.8201
Share of Total Tax Rate Levied by the City of West Chicago	5.45%	5.45%	5.66%
Total Tax Rate - Wayne Township	7.9705	7.8344	7.7522
Share of Total Tax Rate Levied by the City of West Chicago	5.68%	5.73%	5.71%

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

Data Source: DuPage County Clerk

Tax Levy Year						
2006	2007	2008	2009	2010	2011	2012
0.1713	0.1651	0.1557	0.1554	0.1659	0.1773	0.1929
0.1303	0.1187	0.1206	0.1217	0.1321	0.1414	0.1542
0.0183	0.0170	0.0160	0.0148	0.0158	0.0169	0.0168
0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
0.0666	0.0647	0.0649	0.0658	0.0733	0.0804	0.0896
0.0704	0.0642	0.0604	0.0610	0.0645	0.0675	0.0730
0.4236	0.4273	0.4240	0.4263	0.4675	0.5011	0.5545
0.0869	0.0855	0.0845	0.0854	0.0924	0.1021	0.1174
0.1143	0.1125	0.1112	0.1123	0.1215	0.1342	0.1543
0.4236	0.4273	0.4240	0.4263	0.4675	0.5011	0.5545
0.2813	0.2718	0.2687	0.2703	0.2946	0.3177	0.4948
0.5335	0.6501	0.6506	0.6509	0.7078	0.8027	0.9212
0.0101	0.0099	0.0099	0.0101	0.0111	0.0122	0.0139
0.2532	0.2465	0.2443	0.2466	0.2307	0.2529	0.2903
3.5986	3.5300	3.5158	3.5290	3.8244	4.1734	4.6430
1.7669	1.7186	1.7011	1.7143	1.8613	2.0351	2.3008
0.1929	0.1888	0.1858	0.2127	0.2349	0.2495	0.2681
7.5812	7.5418	7.4882	7.5498	8.1600	8.9165	10.1222
5.59%	5.67%	5.66%	5.65%	5.73%	5.62%	5.48%
7.5170	7.4727	7.4178	7.4789	8.0839	8.8281	10.0131
5.64%	5.72%	5.72%	5.70%	5.78%	5.68%	5.54%

CITY OF WEST CHICAGO, ILLINOIS

**Principal Property Tax Payers - Current Year and Nine Years Ago
December 31, 2012 (Unaudited)**

	2012			2003		
	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	\$ 12,437,320	1	2.01%	17,817,030	1	3.43%
Blackhawk Center, LLC	9,826,920	2	1.58%	\$		
Cobalt Industrial REIT II	8,439,840	3	1.36%			
Northridge Holdings, Ltd	6,020,900	4	0.97%			
St. Andrews Country Club	5,342,670	5	0.86%			
Mapei Corp.	4,450,950	6	0.72%			
LaGrou Properties	4,390,210	7	0.71%	4,584,690	5	0.88%
Centerpoint Properties	4,358,910	8	0.70%			
Ball Horticultural	3,335,680	9	0.54%			
Menards, Inc	3,248,990	10	0.52%	3,099,690	8	
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				3,694,330	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>\$ 61,852,390</u>		<u>9.97%</u>	<u>\$ 63,265,880</u>		<u>11.59%</u>

Data Source: Office of the DuPage County Clerk's

CITY OF WEST CHICAGO, ILLINOIS

**Property Tax Levies and Collections - Last Ten Levy Years
December 31, 2012 (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
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%	20,000	3,304,623	99.17%
2009	3,403,867	3,384,410	99.43%	19,000	3,403,410	99.99%
2010	3,458,771	3,451,954	99.80%	6,809	3,458,763	100.00%
2011	3,458,693	3,453,662	99.85%	N/A	3,453,662	99.85%

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, 2012 (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			
4/30/2004	\$ 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
12/31/20112	-	7,259,271	-	7,259,271	0.96%	268

* 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, 2012 (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)
4/30/2004	\$ 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
12/31/2012	-	-	-	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, 2012 (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	216,715,000	1.65%	3,565,465
DuPage Water Commission	61,465,000	1.92%	1,180,128
Forest Preserve District	189,315,100	1.54%	2,909,589
Warrenville Park District	228,453	3.31%	7,555
West Chicago Park District	8,281,323	93.53%	7,745,837
Winfield Park District	3,986,500	0.80%	31,781
School District #25	4,006,987	27.12%	1,086,650
School District #33	40,190,000	80.17%	32,220,885
School District #94	12,295,000	59.60%	7,327,942
U-46 School District	287,505,996	0.93%	2,669,565
U-303 School District	118,255,000	5.41%	6,396,976
Community College District #502	271,090,000	2.42%	6,565,792
Community College District #509	151,114,841	1.41%	2,123,988
Total Overlapping Debt	1,364,449,200		73,832,153
Total Direct and Overlapping Debt	\$ 1,364,449,200		\$ 73,832,153

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, 2012 (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, 2012 (Unaudited)**

Fiscal Year Ended	(1) Revenues	(2) Expenses	(3) Net Revenue Available for Debt Service	(4) Debt Service		(5) Coverage
				Principal	Interest	
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
12/31/2012	11,593,493	11,405,371	188,122	-	-	-

* 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, 2012 (Unaudited)**

Fiscal Year Ended	(1) Population	(2) Personal Income (in Thousands)	Per Capita Personal Income	(1) Median Age	School Enrollment	(2) Unemployment Rate
4/30/2004	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
12/31/2012	27,086	755,157,680	27,880	33.0	7,765	8.6

* 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, 2012 (Unaudited)**

Employer	2012			2003		
	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	500	3	3.38%	N/A	N/A	N/A
Aspen Marketing Services	425	4	2.88%	N/A	N/A	N/A
Ball Horticulture	425	5	2.88%	N/A	N/A	N/A
Siemens Industry	350	6	2.37%	N/A	N/A	N/A
Community High School District 94	250	6	1.69%	N/A	N/A	N/A
Sims Recycling Solutions	250	7	1.69%	N/A	N/A	N/A
Advanced Urethane Technologies	235	8	1.59%	N/A	N/A	N/A
OSI Industries	230	9	1.56%	N/A	N/A	N/A
Tomenson Machine Works	220	10	1.49%	N/A	N/A	N/A
Osco Drug Store	200	11	1.35%	N/A	N/A	N/A
Mapei Corp	185	12	1.25%	N/A	N/A	N/A
New Wincup Holdings	185	12	1.25%	N/A	N/A	N/A
Express Packaging	160	12	1.08%	N/A	N/A	N/A
	<u>5,247</u>		<u>35.52%</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 2003 is not available.

CITY OF WEST CHICAGO, ILLINOIS

**Full-time Equivalent City Government Employees by Function - Last Ten Fiscal Years
December 31, 2012 (Unaudited)**

See Following Page

CITY OF WEST CHICAGO, ILLINOIS

**Full-Time Equivalent City Government Employees by Function - Last Ten Fiscal Years
December 31, 2012 (Unaudited)**

Function	Fiscal Year Ended 4/30/2004	Fiscal Year Ended 4/30/2005	Fiscal Year Ended 4/30/2006
General Government			
Administration	4.50	2.00	2.00
Finance/Administrative Services	8.00	11.00	11.00
Museum/Marketing	3.00	3.00	3.00
Public Works	30.55	17.57	17.41
Police	46.00	46.00	47.00
Community Development	10.00	9.00	9.90
Water and Sewer	22.70	48.65	37.40
Commuter Parking Lot	0.25	0.56	0.56
Total	125.00	137.78	128.27

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	Fiscal Year Ended 12/31/2012
2.50	3.00	2.25	2.25	2.25	1.13	1.13
10.50	8.00	8.00	8.00	8.00	5.00	5.00
4.00	4.00	3.38	1.75	1.75	0.50	0.50
18.21	21.50	23.00	23.00	23.00	11.74	11.74
47.00	49.00	50.00	48.00	48.00	47.00	49.00
9.90	6.00	6.00	6.00	6.00	5.50	5.00
48.81	24.00	20.00	20.00	20.00	37.50	37.50
0.63	0.50	0.81	1.00	1.00	0.38	0.38
141.55	116.00	113.44	110.00	110.00	108.75	110.25

CITY OF WEST CHICAGO, ILLINOIS

**Operating Indicators by Function/Program - Last Ten Fiscal Years
December 31, 2012 (Unaudited)**

Function/Program	Fiscal Year Ended 4/30/2004	Fiscal Year Ended 4/30/2005	Fiscal Year Ended 4/30/2006
Public Works			
Number of Parkway Trees Planted	134	146	146
Number of Parkway Trees Trimmed	1,659	1,126	1,575
Brush Pickup Program (Days to Collect)	4	4	4
Building Safety Inspections	12	12	12
Tunnel - Paint and Light Lens Replacements	6	10	15
Special Events Handled	6	6	6
Public Safety			
Fire			
Number of Fire Calls	1,288	1,330	1,272
Number of EMS Calls	1,531	1,489	1,821
ISO Rating	3/5	3/3	3/3
Police			
Part I Crime	773	787	642
Part II Crime	3,360	3,646	3,653
Calls for Service	56,309	44,941	40,168
Parking Tickets Issued	7,113	5,689	5,232
Community Development			
Number of Building Permits Issued	1,288	1,480	1,225
Number of Building Inspections	2,063	2,693	3,814
Highways and Streets			
Sidewalk Replaced (sq. ft.)	16,066	15,930	18,470
Crack Sealing (lbs. installed)	N/A	28,500	28,500
Tons of Salt Used	2,000	2,500	2,500
Water and Sewer			
Miles of Water Main	105	110	110
Number of metered accounts	6,042	6,150	6,300
Water Meters Read	36,437	36,900	37,800
Water Meter Service Requests	86	93	173
Water Meters Replaced	267	139	90
Average Daily Treated Water (Million Gallons)	3.50	3.57	3.76
Sanitary Sewer Repairs	-	-	3

N/A - Not Available

Data Source: City Records

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

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	Fiscal Year Ended 12/31/2012
121	115	0	140	150	85	300
1,125	1,255	80	1,087	1,087	1,458	1,287
4	4	5	4	4.5	4.0	4.0
12	12	8	12	12	12	12
15	132	33	30	29	22	42
6	6	5	6	10	3	4
1,440	N/A	1,506	1,159	1,146	1,279	1,238
1,692	N/A	1,733	1,826	1,821	1,629	1,629
3/3	3/3	3/3	3/3	3/3	3/3	3/3
536	N/A	451	509	438	374	379
3,803	N/A	2,933	3,009	2,342	2,402	1,393
40,960	N/A	40,990	38,828	37,407	38,910	38,509
5,051	N/A	4,654	4,294	3,728	3,376	2,888
1,083	967	729	882	1,097	954	1,199
1,951	1,205	880	881	753	1,116	1,049
18,032	18,491	18,159	13,195	10,935	9,849	10,000
-	-	-	26,520	14,983	37,320	36,429
2,000	4,100	3,300	3,000	3,577	3,000	2,800
120	130	123	123	125.33	127.38	127.99
6,450	6,600	6,707	6,438	6,437	6,430	6,432
38,700	39,600	40,242	38,700	38,700	38,580	35,000
87	155	66	90	103	92	70
100	60	35	80	117	41	30
3.80	3.67	3.60	3.37	3.28	3.00	3.45
3	1	3	2	3	2	1

CITY OF WEST CHICAGO, ILLINOIS

**Capital Asset Statistics by Function/Program - Last Ten Fiscal Years
December 31, 2012 (Unaudited)**

Function/Program	Fiscal Year Ended 4/30/2004	Fiscal Year Ended 4/30/2005	Fiscal Year Ended 4/30/2006
Police			
Stations	1	1	1
Patrol Units	29	29	28
Fire Stations	3	3	3
Public Works			
Streets (Miles)	140.20	153.76	161.94
Sidewalks (Miles)	N/A	N/A	N/A
Streetlights	446	446	446
Water and Sewer			
Water Mains (Miles)	130.00	130.00	125.00
Fire Hydrants	1,560	1,560	1,560
Sanitary Sewers (Miles)	124.50	103.06	103.06
Manholes	N/A	1,716	1,722

N/A - Not Available

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	Fiscal Year Ended 12/31/2012
1	1	1	1	1	1	1
28	28	28	28	28	27	27
3	3	3	3	3	4	4
165.00	165.41	173.65	169.71	167.20	167.20	174.18
84.00	102.20	103.40	104.05	108.38	111.18	111.00
446	883	883	964	964	964	961
125.00	130.00	123.00	123.00	125.33	127.38	127.99
1,560	1,560	1,472	1,482	1,483	1,518	1,528
103.06	103.12	105.60	105.60	105.60	106.19	106.34
1,725	2,075	2,176	2,176	2,186	2,202	2,211