

CITY OF WEST CHICAGO

WHERE HISTORY & PROGRESS MEET

FINANCE COMMITTEE

**Thursday, November 12, 2015¹
6:00 P.M.² – Committee Room A**

AGENDA

1. Call to Order, Roll Call, and Establishment of a Quorum
2. Approval of Minutes
 - A. Finance Committee of June 9, 2015
3. Public Participation / Presentations
 - A. 2014 Audit
4. Items for Consent
 - A. Resolution No. 15-R-0053 - Lease with Fire Protection District – 509 Church Street
 - B. Ordinance No. 15-O-0038 – Fourth Quarter 2015 Budget Amendment
5. Items for Discussion
 - A. Impact and Permit Fees for WCERT Project
 - B. Property Tax Abatement Program
6. Unfinished Business
7. New Business
8. Reports from Staff
9. Executive Session (if needed)
10. Adjournment

¹ Rescheduled from November 26, 2015

² Rescheduled from 7:00 P.M.

Draft

MINUTES

FINANCE COMMITTEE

June 9, 2015 6:00 P.M.

1. Call to Order, Roll Call, and Establishment of a Quorum.

The meeting was called to order at 6:00 P.M. Roll call found Aldermen Dimas, Chassee, Kubinski, Sheahan, Stout, Meissner and Grodoski present.

Staff in attendance: City Administrator Michael Guttman, Administrative Services Department Director Linda Martin and Community Development Department Director John Said.

Also in attendance: Mike Mackinnon, Managing Broker - Banbury Commercial Real Estate.

2. Selection of a Chairman and Vice-Chairman. Alderman Stout moved and Alderman Chassee seconded a motion to select Alderman Dimas as Chairman of the Finance Committee. Voting Yea: Alderman Stout, Chassee, Kubinski, Sheahan, Meissner, Grodoski and Dimas. Voting Nay: 0. Motion carried.

Alderman Chassee moved and Alderman Kubinski seconded a motion to select Alderman Meissner as Vice-Chairman of the Finance Committee. Voting Yea: Aldermen Chassee, Kubinski, Sheahan, Stout, Dimas, Grodoski and Meissner. Voting Nay: 0. Motion carried.

3. Approval of Minutes.

A. Finance Committee February 26, 2015. Alderman Grodoski moved and Alderman Chassee seconded a motion to approve the minutes as presented. The motion was approved by voice vote.

4. Public Participation / Presentations.

5. Items for Consent.

A. Ordinance No. 15-O-0020 – Amending Chapters 1 and 18 of the Code of Ordinances of the City of West Chicago – Procedures for Obtaining a Deed Certification Stamp and a Water and Sewer Service Hearing.

B. Ordinance No. 15-O-0021 – Amendments to Article 3, Chapter 9 and Appendix G of the Municipal Code Regarding Business Registration Regulations and Fees.

C. Ordinance No. 15-O-0022 – Authorizing the Mayor to Execute a Certain Economic Incentive Agreement – Bluestone Single Tenant Properties.

Alderman Chassee moved and Alderman Stout seconded a motion to recommend to City Council the approval of Consent Items A., B. and C. Voting Yea: Aldermen Chassee, Stout, Dimas, Kubinski, Sheahan, Meissner and Grodoski. Voting Nay: 0. Motion carried.

6. Items for Discussion.

A. Ordinance No. 15-O-0015 – Amending the Code of Ordinances of the City of West Chicago - Residency Requirements.

Alderman Chassee moved and Alderman Stout seconded a motion to recommend to City Council the approval of Ordinance No. 15-O-0015. Voting Yea: Aldermen Chassee, Stout, Dimas, Kubinski, Sheahan, Meissner and Grodoski. Voting Nay: 0. Motion carried.

7. Unfinished Business. None

8. New Business. None

9. Reports from Staff. None

10. Executive Session. None

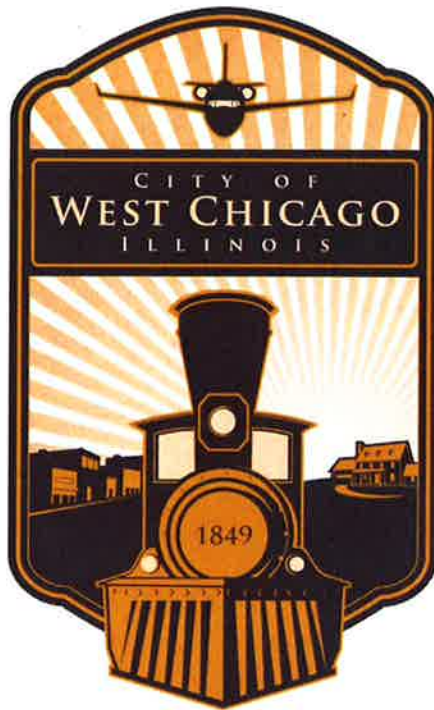
11. Adjournment.

Alderman Chassee moved and Alderman Stout seconded a motion to adjourn. The motion was approved by voice vote and the meeting adjourned at 6:05 P.M.

Respectfully submitted,
Arlene Fisher

CITY OF WEST CHICAGO, ILLINOIS

COMPREHENSIVE ANNUAL FINANCIAL REPORT



FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2014

CITY OF WEST CHICAGO, ILLINOIS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2014

Prepared by

Linda Martin
Director of Administrative Services

CITY OF WEST CHICAGO, ILLINOIS

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CITY OF WEST CHICAGO, ILLINOIS

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CITY OF WEST CHICAGO, ILLINOIS

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INTRODUCTORY SECTION

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

CITY OF WEST CHICAGO, ILLINOIS

List of Principal Officials December 31, 2014

LEGISLATIVE

City Mayor: Ruben Pineda
City Clerk: Nancy M. Smith

ALDERMEN

James Beifuss

John C. Smith, Jr.

Lori Chassee

Donald Earley

Sandra Dimas

Laura Grodoski

Matthew Fuesting

James Smith

Kurt Meissner

Mark Edwalds

Melissa Birch

John F. Banas

Alton Hallet

Rebecca Stout

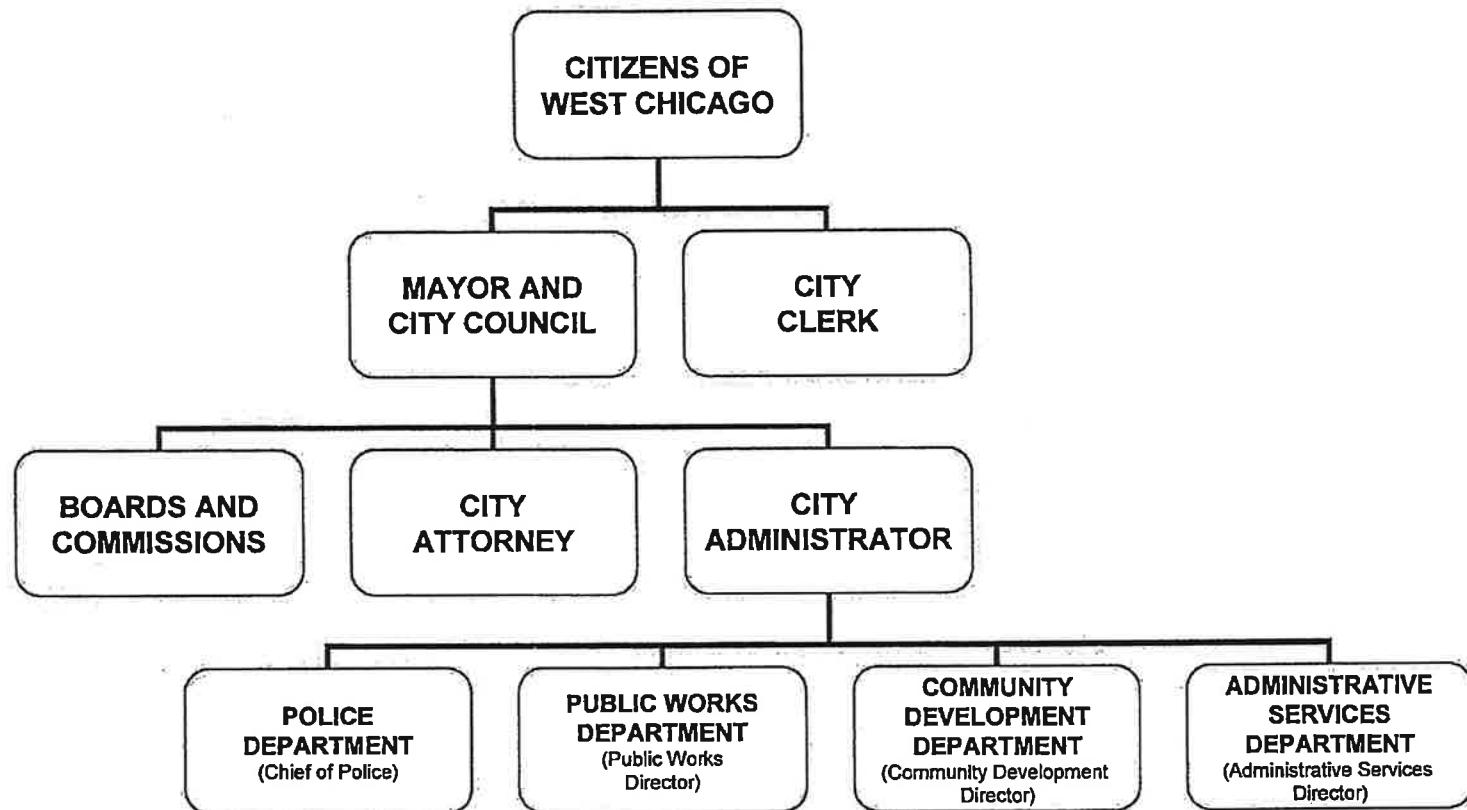
ADMINISTRATIVE

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 29, 2015

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, 2014, 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, 2014, 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 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.
- 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:

- Received distinction of being named the 90th safest City in the United States by the neighborhood research site, NeighborhoodScout, which analyzes crime statistics and population to develop a list of the top 100 safest cities in America with populations of 25,000 or greater, and has been named the 16th safest City in Illinois by Movoto.
- Solicited bids for the City's second term Electricity Aggregation Program and, with direction from the Infrastructure Committee, a three-year agreement for the procurement of electricity at the rate of 6.51 cents per kilowatt-hour was executed; this rate is one of the best in the Chicagoland area and is anticipated to remain as such over the next several years.
- City staff applied for and received a grant of services for an upcoming Developer Review Panel to be conducted by the Urban Land Institute, Chicago Metropolitan Agency for Planning and the Regional Transit Agency. This panel will welcome real estate developers from around the region to provide an independent assessment and recommendations for the City concerning future Downtown Redevelopment opportunities.
- The City Council approved funds to retain a consultant to facilitate the creation of the City's first ever City-wide Strategic Plan.
- The City Council approved an agreement with the West Chicago Community Center to sell 151 West Washington Street and make this building compliant with the City Code. Known as the Wiant House, which was originally constructed in 1859 and was considered one of the most endangered historic places in Illinois, the agreed-upon plan for restoration of the landmark avoided its demolition.
- The City acquired 120 Chicago Street, the final parcel necessary to own all of the land needed for the Central Main Street Redevelopment Plan and Project.

FACTORS AFFECTING LOCAL FINANCIAL CONDITION

Local Economy

As West Chicago has persistently transitioned itself into a center for commerce and industry, the diversity of its retail and industrial bases 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. 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, 2014. 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 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 City Council, committed to alleviating the financial burden on residents and businesses, implemented no new tax or fees during the year; also the provision within the City Code which had provided for an automatic annual increase of various business licenses and liquor licenses was eliminated. Furthermore, the approved property tax levy remained the same for the third consecutive year.

The City Council recognized the lack of competitive pricing and resulting excessive bids received for the planned rehabilitation of the sanitary sewer collection system so it was fiscally prudent by rejecting all bids for the project. Staff was also directed to revise the bid plans and specifications to secure improved pricing while focusing on soliciting bids from multiple qualified contractors.

The City Council has continued its policy to participate in local agency agreements to maximize infrastructure improvements by way of federal funding, and to seek out various intergovernmental partnerships to further subsidize the cost of such improvements. The City has also joined the newly formed Municipal Purchasing Initiative (MPI), a cooperative of DuPage County municipalities that jointly bid infrastructure projects and equipment purchases. These proactive measures have allowed the City to continue its aggressive street reconstruction, maintenance and resurfacing programs.

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, 2013. This was the fifteenth 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.

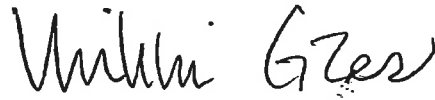
The preparation of this report was made possible by the dedicated service of the entire staff of the Department of Administrative Services. Each member of the Department has our sincere appreciation for the contribution made in the preparation of this report.

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,

A handwritten signature in black ink, appearing to be 'Linda M. Martin', with a stylized, flowing script.

Linda M. Martin
Director of Administrative Services

A handwritten signature in black ink, appearing to be 'Nikki T. Giles', with a stylized, flowing script.

Nikki T. Giles
Assistant Director of Administrative
Services



Government Finance Officers Association

**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, 2013



Executive Director/CEO

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 29, 2015

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

Report on the Financial Statements

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, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of West Chicago, Illinois', financial statements as a whole. The introductory section, combining and individual fund financial statements and budgetary comparison 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 and budgetary comparison schedules and supplemental schedules 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. Such 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 basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and budgetary comparison schedules and supplemental schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Matters – Continued

Other Information – Continued

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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 29, 2015, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provision 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. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.


LAUTERBACH & AMEN, LLP

MANAGEMENT'S DISCUSSION AND ANALYSIS

CITY OF WEST CHICAGO, ILLINOIS

Management's Discussion and Analysis December 31, 2014

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, 2014. 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 increased as a result of this year's operations. Net position of business-type activities increased by \$919,432, or .87 percent and net position of the governmental activities decreased by \$283,591 or .40 percent.
- During the year, government-wide revenues before transfers for the primary government totaled \$35,206,166, while expenses totaled \$34,570,325, resulting in an increase to net position of \$635,841.
- The City of West Chicago's net position totaled \$177,973,266 at December 31, 2014, which includes \$157,254,610 net investment in capital assets, \$4,259,535 subject to external restrictions, and \$16,459,121 unrestricted net position that may be used to meet the ongoing obligations to citizens and creditors.
- The General Fund reported a surplus this year of \$653,587, resulting in an ending fund balance of \$13,458,386, an increase of 5.1 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 4 - 7) 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 8. 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, 2014

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's finances, in a manner similar to a private-sector business. The government wide financial statements can be found on pages 4 - 7 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, 2014

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 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 8 - 13 of this report.

Proprietary Funds

The City of West Chicago maintains one proprietary fund type: enterprise. 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.

CITY OF WEST CHICAGO, ILLINOIS

Management's Discussion and Analysis December 31, 2014

USING THIS REPORT – Continued

Fund Financial Statements – Continued

Proprietary Funds – Continued

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.

The basic proprietary fund financial statements can be found on pages 14 - 17 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 18 - 19 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 20 - 52 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 Fund, 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 53 - 58 of this report. The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the required supplementary information on pensions. Combining and individual fund statements and schedules can be found on pages 59 - 88 of this report.

CITY OF WEST CHICAGO, ILLINOIS

Management's Discussion and Analysis December 31, 2014

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 \$177,973,266.

	Net Position					
	Governmental		Business-type		Total	
	Activities		Activities			
	2014	2013	2014	2013	2014	2013
Current Assets	\$ 27,534,581	26,095,944	8,649,791	8,531,865	36,184,372	34,627,809
Capital Assets	55,050,037	87,923,548	108,403,029	63,726,655	163,453,066	151,650,203
Total Assets	82,584,618	114,019,492	117,052,820	72,258,520	199,637,438	186,278,012
Current Liabilities/Deferred Inflows	7,315,803	7,287,022	4,258,359	5,131,029	11,574,162	12,418,051
Noncurrent Liabilities	4,326,169	3,409,913	5,763,841	6,313,578	10,090,010	9,723,491
Total Liabilities and Deferred Inflows	11,641,972	10,696,935	10,022,200	11,444,607	21,664,172	22,141,542
Net Position						
Net Investment in Capital Assets	55,050,037	87,923,548	102,204,573	56,991,020	157,254,610	144,914,568
Restricted	3,218,725	2,335,435	1,040,810	760,002	4,259,535	3,095,437
Unrestricted	12,673,884	13,063,574	3,785,237	3,062,891	16,459,121	16,126,465
Total Net Position	70,942,646	103,322,557	107,030,620	60,813,913	177,973,266	164,136,470

A large portion of the City's net position, \$157,254,610 or 88.36 percent, reflects its investment in capital assets (i.e., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion, \$4,259,535, or 2.39 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 9.25 percent, or \$16,459,121, 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, 2014

GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

	Changes in Net Position					
	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
Revenues						
Program Revenues						
Charges for Services	\$ 3,985,125	4,937,928	11,048,937	9,678,088	15,034,062	14,616,016
Operating Grants/Contrib.	51,746	150,805	-	-	51,746	150,805
Capital Grants/Contrib.	930,849	806,014	-	-	930,849	806,014
General Revenues						
Property Taxes	4,492,371	4,534,973	8,888	8,804	4,501,259	4,543,777
Other Taxes	1,033,012	1,032,614	-	-	1,033,012	1,032,614
Sales and Use Taxes	5,476,959	4,515,729	1,153,993	1,071,655	6,630,952	5,587,384
Income Taxes	2,593,317	2,580,764	-	-	2,593,317	2,580,764
Replacement Taxes	170,517	169,568	-	-	170,517	169,568
Other	2,111,109	2,051,702	-	-	2,111,109	2,051,702
Interest Income	(7,465)	21,399	4,654	6,142	(2,811)	27,541
Miscellaneous	1,607,960	917,461	544,194	1,489,342	2,152,154	2,406,803
Total Revenues	22,445,500	21,718,957	12,760,666	12,254,031	35,206,166	33,972,988
Expenses						
General Government	11,058,516	8,912,745	-	-	11,058,516	8,912,745
Public Safety	9,701,162	9,388,129	-	-	9,701,162	9,388,129
Highway and Streets	1,955,626	4,103,870	-	-	1,955,626	4,103,870
Culture and Recreation	12,592	-	-	-	12,592	-
Interest on Long-Term Debt	1,195	1,769	-	-	1,195	1,769
Waterworks	-	-	5,812,503	6,136,247	5,812,503	6,136,247
Sewerage	-	-	5,888,300	6,073,613	5,888,300	6,073,613
Commuter Parking	-	-	140,431	84,748	140,431	84,748
Total Expenses	22,729,091	22,406,513	11,841,234	12,294,608	34,570,325	34,701,121
Change in Net Position	(283,591)	(687,556)	919,432	(40,577)	635,841	(728,133)
Net Position-Beginning as Restated*	71,226,237	104,010,113	106,111,188	60,854,490	177,337,425	164,864,603
Net Position-Ending	70,942,646	103,322,557	107,030,620	60,813,913	177,973,266	164,136,470

*Beginning net position in the governmental activities and business-type activities was restated due to the completion of a capital asset appraisal.

CITY OF WEST CHICAGO, ILLINOIS

Management's Discussion and Analysis December 31, 2014

GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

Net position of the City of West Chicago's governmental activities decreased 0.40 percent (\$70,942,646 at December 31, 2014, compared to \$71,226,237 at December 31, 2013 as restated). Unrestricted net position, the part of net position that can be used to finance day-to-day operations without constraints, totaled \$12,673,884 at December 31, 2014. Net position decreased due to increases in non-current liabilities of \$916,256, due to in part to increases in net pension and other post-employment benefit obligations.

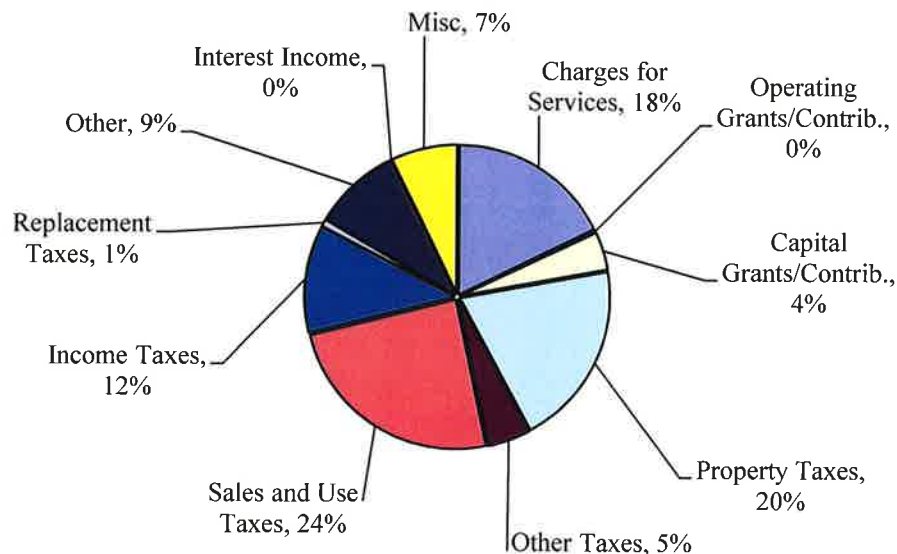
Net position of business-type activities increased 0.87 of a percent (\$107,030,620 at December 31, 2014 compared to \$106,111,188 at December 31, 2013 as restated). A deficit of \$3,282 in the Commuter Parking Fund was offset by surpluses of \$646,185 in the Waterworks Fund and \$276,529 in the Sewer Fund.

Governmental Activities

Revenues for governmental activities totaled \$22,445,500 while the cost of all governmental functions totaled \$22,729,091. This results in a net position draw down of \$283,591 at December 31, 2014. At December 31, 2013, revenues for governmental activities totaled \$21,718,957, while the cost of all governmental functions totaled \$22,406,513, which resulted in a drawdown of \$687,556. Revenues for interest income and property taxes decreased \$28,864 and \$42,602, respectively.

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

Revenues by Source - Governmental Activities



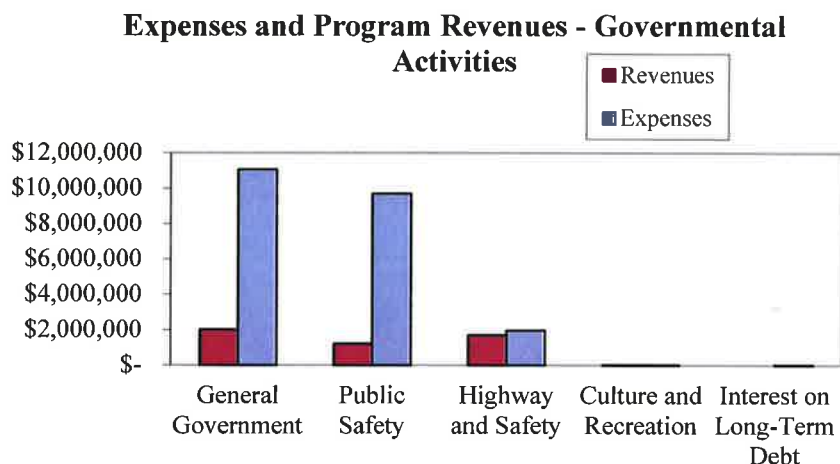
CITY OF WEST CHICAGO, ILLINOIS

Management's Discussion and Analysis December 31, 2014

GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

Governmental Activities – Continued

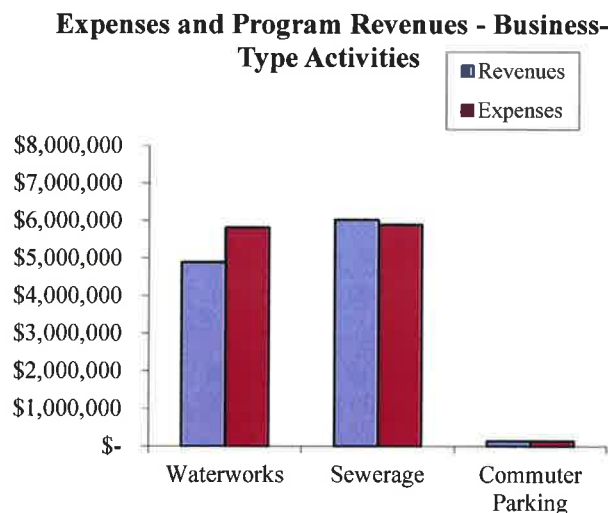
The 'Expenses and Program Revenues' Chart identifies those governmental functions where program expenses greatly exceed revenues. These expenses and revenues do not include the major revenue sources, such as property taxes, sales and use taxes and income taxes, described earlier. The Statement of Activities on pages 6 - 7 further outlines those revenues and expenses considered program specific.



Business-Type Activities

Business-Type activities posted total revenues of \$12,760,666, while the cost of all business-type activities totaled \$11,841,234. This results in a net position increase of \$919,432. At December 31, 2013, revenues of \$12,254,031 were less than expenses of \$12,294,608, resulting in a decrease of \$40,577.

The chart below compares program revenues to expenses for business-type activities.



CITY OF WEST CHICAGO, ILLINOIS

Management's Discussion and Analysis December 31, 2014

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, 2014, the City's governmental funds reported combined ending fund balances of \$20,468,915, which is an increase of \$1,431,907 from last year's total of \$19,037,008. Of the \$20,468,915 total, \$11,507,102, or 56.2 percent, of the fund balance constitutes unassigned fund balance, while \$1,106,998 or 5.4 percent, is designated as nonspendable. Of the remaining \$7,854,815, or 38.4 percent, \$3,218,725, or 15.7 percent has been classified as restricted funds, and \$4,636,090, or 22.6 percent has been classified as assigned funds.

The General Fund is the chief operating fund of the City. The General Fund reported a surplus change in fund balance for the fiscal year of \$653,587, an increase of 5.1 percent. This was due in part to tax and intergovernmental revenue, as well as charges for services, exceeding projections. Overall, budgeted expenditures totaled \$16,937,000 while actual expenditures totaled \$16,360,202. 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 surplus change in fund balance for the fiscal year of \$3,328, a result of interest earning activity.

The TIF Special Tax Allocation #1 Fund reported an increase of \$60,804 for the year, the majority of which resulted from actual revenues totaling \$992,172 and actual expenditures totaling \$931,368, which was \$585,332 less than expenditures budgeted. The fund balance of \$711,350 will be used for ongoing projects and prospective development.

The Capital Improvement Fund reported a surplus of \$1,005,720 for the year, which resulted from actual revenues of \$3,605,384 exceeding actual expenditures totaling \$2,591,888, which was \$2,846,812 less than budgeted expenditures.

CITY OF WEST CHICAGO, ILLINOIS

Management's Discussion and Analysis December 31, 2014

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 \$3.88 per one thousand gallons of water (\$2.90 per one hundred cubic feet for water) and a rate of \$5.61 per one thousand gallons of sewer (\$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 \$646,185, while the increase in the previous fiscal year was \$353,601.

The Sewerage Fund experienced an increase in net position of \$276,529, while the previous fiscal year reported a decrease of \$441,246. The Commuter Parking Fund had a decrease in net position for the fiscal year of \$3,282 while there was an increase in the previous fiscal year of \$47,068. Total net position in the Proprietary Funds was \$107,030,620 (net investment in capital assets, restricted, and unrestricted) at December 31, 2014.

GENERAL FUND BUDGETARY HIGHLIGHTS

The City of West Chicago Council made two budget amendments to the General Fund during the fiscal year, to amend budgeted expenditures only. General Fund actual revenues for the year totaled \$17,013,789 compared to budgeted revenues of \$15,291,500. There were better than anticipated actual results for property, sales, income and use taxes.

Original budgeted expenditures of \$16,801,000 were increased \$136,000 for the mandated Telecomm Recovery, a training center study and for the purchase of a new audio and video system for the City Council Chambers. The General Fund actual expenditures for the year were \$576,798 lower than budgeted (\$16,360,202 actual compared to \$16,937,000 final budgeted). The general government's actual expenditures were lower than budgeted expenditures by \$458,470 due to overall cost controlling measures.

CITY OF WEST CHICAGO, ILLINOIS

Management's Discussion and Analysis December 31, 2014

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, 2014 was \$163,453,066 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, vehicles and equipment, and parking lot equipment and improvements.

	Capital Assets - Net of Depreciation					
	Governmental		Business-type		Total	
	Activities		Activities			
	2014	2013	2014	2013	2014	2013
Land	\$ 19,864,898	19,734,898	28,664,505	28,664,505	48,529,403	48,399,403
Construction in Progress	307,385	307,385	7,058,514	5,170,857	7,365,899	5,478,242
Land Improvements	637,734	658,348	725,528	771,140	1,363,262	1,429,488
Buildings and Improvements	1,477,254	1,548,151	18,484,645	19,306,405	19,961,899	20,854,556
Machinery and Equipment	1,448,265	854,091	4,973,222	5,444,776	6,421,487	6,298,867
Infrastructure	31,314,501	32,724,355	48,496,615	49,666,745	79,811,116	82,391,100
Total	55,050,037	55,827,228	108,403,029	109,024,428	163,453,066	164,851,656

This year's major additions included:

Land	\$ 130,000
Construction in Progress	1,887,657
Machinery & Equipment	798,035
	<u>2,815,692</u>

For the year ending December 31, 2015 the capital budget includes \$4.9 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 35 - 36 of this report.

CITY OF WEST CHICAGO, ILLINOIS

Management's Discussion and Analysis December 31, 2014

CAPITAL ASSETS AND DEBT ADMINISTRATION – Continued

Debt Administration

At December 31, 2014, the City of West Chicago had total outstanding debt of \$6,198,456 as compared to \$6,735,635 at December 31, 2013, a decrease of \$537,179. The following is a comparative statement of outstanding debt:

	Long-Term Debt Outstanding					
	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
IEPA Revolving Loan	\$ -	-	6,198,456	6,735,635	6,198,456	6,735,635

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 38 - 40 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 2015 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, 2014, for DuPage County was 5.5 percent and the state and national unemployment rates were 6.2 and 5.6 percent, respectively.

Amounts available for appropriation in the General Fund budget are \$17.5 million, an increase of 3.42 percent from the final 2014 budget of \$16.9 million. The City of West Chicago has budgeted increases in sales tax earnings and rental income of approximately 5.9 percent and 10.6 percent, respectively. The City of West Chicago's major initiatives in the 2015 budget include installation of a generator for Well #3, the installation of sewer mains in the W. Brown and W. Pomeroy neighborhood, replacement of the grit removal system at the Wastewater Treatment Plant and the repair and upgrade of the City's primary lift station (lift station #3). The City of West Chicago maintains its strong commitment to fiscal accountability and pledges to continue to seek innovative strategies to maximize financial responsibility.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the City of West Chicago's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be directed to the Director of Administrative Services, City of West Chicago, 475 Main Street, West Chicago, IL. 60185.

BASIC FINANCIAL STATEMENTS

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

- Government-Wide Financial Statements
- Fund Financial Statements

Governmental Funds

Proprietary Funds

Fiduciary Funds

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

CITY OF WEST CHICAGO, ILLINOIS

**Statement of Net Position
December 31, 2014**

	Governmental Activities	Business- Type Activities	Totals
ASSETS			
Current Assets			
Cash and Investments	\$ 13,743,822	\$ -	\$ 13,743,822
Receivables - Net of Allowances	7,740,483	12,938,369	20,678,852
Internal Balances	4,943,278	(4,943,278)	-
Prepaid Items/Inventories	1,106,998	35,892	1,142,890
Restricted Cash and Investments	-	618,808	618,808
Total Current Assets	27,534,581	8,649,791	36,184,372
Capital Assets			
Nondepreciable	20,172,283	35,723,019	55,895,302
Depreciable	69,135,578	114,708,380	183,843,958
Accumulated Depreciation	(34,257,824)	(42,028,370)	(76,286,194)
Total Capital Assets	55,050,037	108,403,029	163,453,066
Total Assets	82,584,618	117,052,820	199,637,438

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

	Governmental Activities	Business- Type Activities	Totals
LIABILITIES			
Current Liabilities			
Accounts Payable	\$ 928,009	\$ 977,201	\$ 1,905,210
Accrued Payroll	462,622	158,896	621,518
Deposits Payable	1,000,266	782,675	1,782,941
Interest Payable	-	53,100	53,100
Other Payables	300,416	15,300	315,716
Sewer Plant Expansion Restricted	-	1,690,998	1,690,998
Current Portion of Long-Term Debt	250,137	580,189	830,326
Total Current Liabilities	2,941,450	4,258,359	7,199,809
Noncurrent Liabilities			
Compensated Absences Payable	1,000,547	116,459	1,117,006
Net Pension Obligation	2,128,814	-	2,128,814
Net Other Post-Employment Benefit Obligation	1,196,808	-	1,196,808
IEPA Revolving Loan Payable	-	5,647,382	5,647,382
Total Noncurrent Liabilities	4,326,169	5,763,841	10,090,010
Total Liabilities	7,267,619	10,022,200	17,289,819
DEFERRED INFLOWS OF RESOURCES			
Property Taxes	4,374,353	-	4,374,353
Total Liabilities and Deferred Inflows of Resources	11,641,972	10,022,200	21,664,172
NET POSITION			
Net Investment in Capital Assets	55,050,037	102,204,573	157,254,610
Restricted - MFT	846,315	-	846,315
Restricted - TIF	846,751	-	846,751
Restricted - Special Service Areas	25,643	-	25,643
Restricted - Public Benefit Projects	1,500,016	-	1,500,016
Restricted - Per Intergovernmental Agreement - Sewer Plant Replacement	-	1,040,810	1,040,810
Unrestricted	12,673,884	3,785,237	16,459,121
Total Net Position	\$ 70,942,646	\$ 107,030,620	\$ 177,973,266

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

CITY OF WEST CHICAGO, ILLINOIS

Statement of Activities

For the Fiscal Year Ended December 31, 2014

		Program Revenues		
		Charges for Services	Operating Grants/ Contributions	Capital Grants/ Contributions
	Expenses			
Governmental Activities				
General Government	\$ 11,058,516	\$ 2,018,188	\$ -	\$ -
Public Safety	9,701,162	1,178,937	41,746	-
Streets and Highways	1,955,626	788,000	-	930,849
Culture and Recreation	12,592	-	10,000	-
Interest on Long-Term Debt	1,195	-	-	-
Total Governmental Activities	22,729,091	3,985,125	51,746	930,849
Business-Type Activities				
Waterworks	5,812,503	4,889,559	-	-
Sewerage	5,888,300	6,022,231	-	-
Commuter Parking	140,431	137,147	-	-
Total Business-Type Activities	11,841,234	11,048,937	-	-
Total Primary Government	\$ 34,570,325	\$ 15,034,062	\$ 51,746	\$ 930,849

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 (Expenses)/Revenues		
Governmental Activities	Business-Type Activities	Totals
\$ (9,040,328)	\$ -	\$ (9,040,328)
(8,480,479)	-	(8,480,479)
(236,777)	-	(236,777)
(2,592)	-	(2,592)
(1,195)	-	(1,195)
(17,761,371)	-	(17,761,371)
-	(922,944)	(922,944)
-	133,931	133,931
-	(3,284)	(3,284)
-	(792,297)	(792,297)
(17,761,371)	(792,297)	(18,553,668)
4,492,371	8,888	4,501,259
926,440	-	926,440
106,572	-	106,572
5,476,959	1,153,993	6,630,952
2,593,317	-	2,593,317
170,517	-	170,517
2,111,109	-	2,111,109
(7,465)	4,654	(2,811)
1,607,960	544,194	2,152,154
17,477,780	1,711,729	19,189,509
(283,591)	919,432	635,841
71,226,237	106,111,188	177,337,425
\$ 70,942,646	\$ 107,030,620	\$ 177,973,266

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

CITY OF WEST CHICAGO, ILLINOIS

**Balance Sheet - Governmental Funds
December 31, 2014**

		Special
	General	Public Benefit
ASSETS		
Cash and Investments	\$ 6,673,751	\$ 892,356
Receivables - Net of Allowances		
Property Taxes	3,441,152	-
Accrued Interest	345	-
Other	2,558,337	-
Due From Other Funds	4,943,278	-
Prepays/Inventories	1,104,969	-
Advances to Other Funds	-	607,660
Total Assets	<u>18,721,832</u>	<u>1,500,016</u>
LIABILITIES		
Accounts Payable	389,045	-
Accrued Payroll	432,983	-
Deposits Payable	1,000,266	-
Due to Other Funds	-	-
Advances from Other Funds	-	-
Other Payables	-	-
Total Liabilities	<u>1,822,294</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES		
Property Taxes	<u>3,441,152</u>	<u>-</u>
Total Liabilities and Deferred Inflows of Resources	<u>5,263,446</u>	<u>-</u>
FUND BALANCES		
Nonspendable	1,104,969	-
Restricted	846,315	1,500,016
Assigned	-	-
Unassigned	11,507,102	-
Total Fund Balances	<u>13,458,386</u>	<u>1,500,016</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 18,721,832</u>	<u>\$ 1,500,016</u>

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

<u>Revenue</u>			
TIF			
Special Tax Allocation #1	Capital Improvement	Nonmajor	Totals
\$ 1,349,126	\$ 3,263,016	\$ 1,565,573	\$ 13,743,822
920,377	288	12,536	4,374,353
-	85	-	430
-	807,363	-	3,365,700
-	-	25,643	4,968,921
1,268	761	-	1,106,998
-	-	-	607,660
2,270,771	4,071,513	1,603,752	28,167,884
7,065	486,912	44,987	928,009
24,319	5,320	-	462,622
-	-	-	1,000,266
-	25,643	-	25,643
607,660	-	-	607,660
-	300,416	-	300,416
639,044	818,291	44,987	3,324,616
920,377	288	12,536	4,374,353
1,559,421	818,579	57,523	7,698,969
1,268	761	-	1,106,998
710,082	-	162,312	3,218,725
-	3,252,173	1,383,917	4,636,090
-	-	-	11,507,102
711,350	3,252,934	1,546,229	20,468,915
\$ 2,270,771	\$ 4,071,513	\$ 1,603,752	\$ 28,167,884

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, 2014

Total Governmental Fund Balances	\$ 20,468,915
 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.	55,050,037
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	
Compensated Absences Payable	(1,250,684)
Pension Obligation Payable	(2,128,814)
Net Other Post-Employment Benefit Obligation Payable	<u>(1,196,808)</u>
 Net Position of Governmental Activities	 <u>\$ 70,942,646</u>

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

CITY OF WEST CHICAGO, ILLINOIS

**Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
For the Fiscal Year Ended December 31, 2014**

See Following Page

CITY OF WEST CHICAGO, ILLINOIS

**Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
For the Fiscal Year Ended December 31, 2014**

		Special
	General	Public Benefit
Revenues		
Taxes	\$ 4,710,939	\$ -
Intergovernmental	8,475,887	-
Charges for Services	1,930,832	-
Licenses and Permits	484,106	-
Fines and Forfeitures	782,187	-
Interest Income	(19,855)	3,328
Miscellaneous	649,693	-
Total Revenues	<u>17,013,789</u>	<u>3,328</u>
Expenditures		
Current		
General Government	7,198,130	-
Public Safety	9,162,072	-
Capital Outlay	-	-
Debt Service		
Interest and Fiscal Charges	-	-
Total Expenditures	<u>16,360,202</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>653,587</u>	<u>3,328</u>
Other Financing Sources (Uses)		
Transfers In	-	-
Transfers Out	-	-
	<u>-</u>	<u>-</u>
Net Change in Fund Balances	653,587	3,328
Fund Balances - Beginning	<u>12,804,799</u>	<u>1,496,688</u>
Fund Balances - Ending	<u>\$ 13,458,386</u>	<u>\$ 1,500,016</u>

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

<u>Revenue</u>			
TIF			
Special Tax Allocation #1	Capital Improvement	Nonmajor	Totals
\$ 971,411	\$ 2,688,093	\$ 13,550	\$ 8,383,993
-	-	-	8,475,887
-	-	788,000	2,718,832
-	-	-	484,106
-	-	-	782,187
5,051	3,255	756	(7,465)
15,710	914,036	28,521	1,607,960
992,172	3,605,384	830,827	22,445,500
930,173	-	-	8,128,303
-	-	-	9,162,072
-	2,591,888	1,130,135	3,722,023
1,195	-	-	1,195
931,368	2,591,888	1,130,135	21,013,593
60,804	1,013,496	(299,308)	1,431,907
-	-	7,776	7,776
-	(7,776)	-	(7,776)
-	(7,776)	7,776	-
60,804	1,005,720	(291,532)	1,431,907
650,546	2,247,214	1,837,761	19,037,008
\$ 711,350	\$ 3,252,934	\$ 1,546,229	\$ 20,468,915

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

For the Fiscal Year Ended December 31, 2014

Net Change in Fund Balances - Total Governmental Funds	\$ 1,431,907
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Amounts reported for governmental activities in the Statement of Activities
are different because:

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

Capital Outlays	928,035
Depreciation Expense	(1,705,226)

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

Disposals - Cost	(303,605)
Disposals - Accumulated Depreciation	303,605

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.

Additions to Net Pension Obligation	(453,347)
Additions to Compensated Absences Payable	(110,252)
Additions to Net Other Post-Employment Benefit Obligation Payable	<u>(374,708)</u>

Changes in Net Position of Governmental Activities	<u>\$ (283,591)</u>
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The notes to the financial statements are an integral part of this statement.

CITY OF WEST CHICAGO, ILLINOIS

**Statement of Net Position - Proprietary Funds
December 31, 2014**

See Following Page

CITY OF WEST CHICAGO, ILLINOIS

**Statement of Net Position - Proprietary Funds
December 31, 2014**

	Business-Type Activities - Enterprise			
			Nonmajor Commuter Parking	Totals
ASSETS				
Current Assets				
Cash and Investments	\$ -	\$ -	\$ -	\$ -
Receivables - Net of Allowances				
Property Taxes	-	8,845	-	8,845
Accounts	6,045,110	6,587,870	2,340	12,635,320
Other	294,069	-	-	294,069
Accrued Interest	-	135	-	135
Due From Other Funds	-	2,051,303	215,525	2,266,828
Advances to Other Funds	-	1,850,000	-	1,850,000
Prepays	15,186	15,186	5,520	35,892
Restricted Investments	-	618,808	-	618,808
Total Current Assets	6,354,365	11,132,147	223,385	17,709,897
Noncurrent Assets				
Capital Assets				
Nondepreciable	34,199,284	1,475,485	48,250	35,723,019
Depreciable	76,646,779	37,370,759	690,842	114,708,380
Accumulated Depreciation	(21,964,925)	(19,614,203)	(449,242)	(42,028,370)
Total Noncurrent Assets	88,881,138	19,232,041	289,850	108,403,029
Total Assets	95,235,503	30,364,188	513,235	126,112,926

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

	Business-Type Activities - Enterprise			
			Nonmajor	
	Waterworks	Sewerage	Commuter Parking	Totals
LIABILITIES				
Current Liabilities				
Accounts Payable	\$ 655,020	\$ 273,010	\$ 49,171	\$ 977,201
Accrued Payroll	92,300	65,501	1,095	158,896
Interest Payable	53,100	-	-	53,100
Other Liabilities	-	782,675	-	782,675
Sewer Plant Expansion Restriced	-	1,690,998	-	1,690,998
Due to Other Funds	7,210,106	-	-	7,210,106
Advances from Other Funds	1,850,000	-	-	1,850,000
Other Payables	-	-	15,300	15,300
Compensated Absences	26,435	2,680	-	29,115
IEPA Revolving Loan	551,074	-	-	551,074
Total Current Liabilities	10,438,035	2,814,864	65,566	13,318,465
Noncurrent Liabilities				
Compensated Absences	105,740	10,719	-	116,459
IEPA Revolving Loan	5,647,382	-	-	5,647,382
Total Noncurrent Liabilities	5,753,122	10,719	-	5,763,841
Total Liabilities	16,191,157	2,825,583	65,566	19,082,306
NET POSITION				
Net Investment in Capital Assets	82,682,682	19,232,041	289,850	102,204,573
Restricted - Per Intergovernmental Agreement -				
Sewer Plant Replacement	-	1,040,810	-	1,040,810
Unrestricted (Deficit)	(3,638,336)	7,265,754	157,819	3,785,237
Total Net Position	\$ 79,044,346	\$ 27,538,605	\$ 447,669	\$ 107,030,620

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
For the Fiscal Year Ended December 31, 2014**

	Business-Type Activities - Enterprise			Totals
	Waterworks	Sewerage	Nonmajor Commuter Parking	
Operating Revenues				
Charges for Services	\$ 4,864,340	\$ 5,991,731	\$ 77,222	\$ 10,933,293
Licenses and Permits	-	-	59,925	59,925
Total Operating Revenues	4,864,340	5,991,731	137,147	10,993,218
Operating Expenses				
Operations	3,818,924	5,234,018	114,161	9,167,103
Depreciation	1,828,504	654,282	26,270	2,509,056
Total Operating Expenses	5,647,428	5,888,300	140,431	11,676,159
Operating Income (Loss)	(783,088)	103,431	(3,284)	(682,941)
Nonoperating Revenues (Expenses)				
Water and Sewer Connection Fees	25,219	30,500	-	55,719
Property Taxes	-	8,888	-	8,888
Sales Taxes	1,153,993	-	-	1,153,993
Interest Income	(2,172)	6,824	2	4,654
Other Income	417,308	126,886	-	544,194
Interest Expense and Fiscal Charges	(165,075)	-	-	(165,075)
	1,429,273	173,098	2	1,602,373
Change in Net Position	646,185	276,529	(3,282)	919,432
Net Position - Beginning as Restated	78,398,161	27,262,076	450,951	106,111,188
Net Position - Ending	\$ 79,044,346	\$ 27,538,605	\$ 447,669	\$ 107,030,620

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

CITY OF WEST CHICAGO, ILLINOIS

**Statement of Cash Flows - Proprietary Funds
For the Fiscal Year Ended December 31, 2014**

	Business-Type Activities - Enterprise Funds			Totals
	Waterworks Fund	Sewerage Fund	Nonmajor Enterprise Commuter Parking	
Cash Flows from Operating Activities				
Receipts from Customers and Users	\$ 1,397,816	\$ 2,822,936	\$ (83,887)	\$ 4,136,865
Payments to Employees	(1,516,752)	(972,505)	(9,990)	(2,499,247)
Payments to Suppliers	1,118,450	(4,465,703)	(58,117)	(3,405,370)
	999,514	(2,615,272)	(151,994)	(1,767,752)
Cash Flows from Noncapital Financing Activities				
Property Taxes	-	8,888	-	8,888
Sales Taxes	1,153,993	-	-	1,153,993
	1,153,993	8,888	-	1,162,881
Cash Flows from Capital and Related Financing Activities				
Purchase of Capital Assets	(1,449,081)	(438,576)	-	(1,887,657)
Interest on Capital Debt	(165,075)	-	-	(165,075)
Principal on Capital Debt	(537,179)	-	-	(537,179)
	(2,151,335)	(438,576)	-	(2,589,911)
Cash Flows from Investing Activities				
Interest Received	(2,172)	6,824	2	4,654
Net Change in Cash and Cash Equivalents	-	(3,038,136)	(151,992)	(3,190,128)
Cash and Cash Equivalents - Beginning	-	3,656,944	151,992	3,808,936
Cash and Cash Equivalents - Ending	-	618,808	-	618,808
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities				
Operating Income (Loss)	(783,088)	103,431	(3,284)	(682,941)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:				
Depreciation Expense	1,828,504	654,282	26,270	2,509,056
Other Income	442,527	157,386	-	599,913
(Increase) Decrease in Current Assets	(3,909,051)	(3,326,181)	(221,034)	(7,456,266)
Increase (Decrease) in Current Liabilities	3,420,622	(204,190)	46,054	3,262,486
Net Cash Provided by Operating Activities	\$ 999,514	\$ (2,615,272)	\$ (151,994)	\$ (1,767,752)

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, 2014**

	<u>Pension Trust Police Pension</u>	<u>Agency</u>
ASSETS		
Cash and Cash Equivalents	\$ 4,500	\$ 135,531
Investments		
Money Market Mutual Funds	845,687	-
U.S. Government and Agency Obligations	1,839,018	-
Mutual Funds	12,539,561	-
Insurance Contracts	6,477,062	-
Prepays	<u>11,241</u>	<u>-</u>
Total Assets	<u>21,717,069</u>	<u>135,531</u>
LIABILITIES		
Accounts Payable	1,310	-
Due to Bondholders	<u>-</u>	<u>135,531</u>
Total Liabilities	<u>1,310</u>	<u>135,531</u>
NET POSITION		
Net Position Held in Trust for Pension Benefits	<u>\$ 21,715,759</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 For the Fiscal Year Ended December 31, 2014

	Pension Trust Police Pension
Additions	
Contributions - Employer	\$ 1,380,000
Contributions - Plan Members	456,991
Total Contributions	1,836,991
Investment Income	
Interest Earned	666,737
Net Change in Fair Value	(451,447)
	215,290
Less Investment Expenses	(29,538)
	185,752
Total Additions	2,022,743
Deductions	
Administration	50,648
Benefits and Refunds	
Benefits	1,397,205
Total Deductions	1,447,853
Change in Net Position	574,890
Net Position Held in Trust for Pension Benefits	
Beginning	21,140,869
Ending	\$ 21,715,759

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, 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of West Chicago (City), 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, sewer, 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. 61, "The Financial Reporting Omnibus – an Amendment of GASB Statements No. 14 and No. 34," 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. 61, 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, 2014

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, 2014

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, 2014

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, 2014

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.

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, 2014

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-type 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, 2014

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-type 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 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, 2014

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, 2014

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
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, 2014

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 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, 2014

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), capital projects, and enterprise 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, two 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.

The deposits and investments of the Pension Fund are held separately from those of other City funds. Statutes authorize the Pension Fund 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

CITY OF WEST CHICAGO, ILLINOIS

Notes to the Financial Statements December 31, 2014

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

the deposits are insured by the agencies or instrumentalities of the federal government; credit unions, 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 Funds Market Fund (Formerly known as IPTIP, Illinois Public Treasurer's Investment Pool), 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 and mutual funds, the mutual funds must meet specific restrictions, provided the investment in separate accounts and mutual funds does not exceed ten percent of the Pension Fund's plan net position; and corporate bonds managed through an investment advisor, rated as investment grade by one of the two largest rating services at the time of purchase. Pension Funds with plan net position of \$2.5 million or more may invest up to forty-five percent of plan net position in separate accounts of life insurance companies and mutual funds. Pension Funds with plan net position of at least \$5 million that have appointed an investment advisor, may through that investment advisor invest up to forty-five percent of the plan net position in common and preferred stocks that meet specific restrictions. In addition, pension funds with plan net position of at least \$10 million that have appointed an investment advisor, may invest up to fifty percent of its net position in common and preferred stocks and mutual funds that meet specific restrictions effective July 1, 2011 and up to fifty-five percent effective July 1, 2012.

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 \$10,927,416 and the bank balances totaled \$10,988,560. Additionally, at year-end the City has \$3,397,023 invested in the Illinois Funds and \$38,191 invested in the Illinois Metropolitan Investment Fund.

CITY OF WEST CHICAGO, ILLINOIS

Notes to the Financial Statements December 31, 2014

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

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.

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 not rated and the 1-3 Year Fund is rated Aaa by Moody'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 not subject to custodial credit risk.

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 does not have any investments 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 \$850,187 and the bank balances totaled \$850,187.

CITY OF WEST CHICAGO, ILLINOIS

Notes to the Financial Statements December 31, 2014

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

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

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1 to 5	6 to 10	Greater Than 10
U.S. Treasuries	\$ 1,393,357	\$ -	\$ 540,042	\$ 853,315	\$ -
U.S. Agencies	445,661	-	445,661		-
	<u>\$ 1,839,018</u>	<u>\$ -</u>	<u>\$ 985,703</u>	<u>\$ 853,315</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, 2014, all of the Pension Fund's deposits were covered by federal depository or equivalent insurance. The Pension Fund's investment policy states security shall be held with a third party custodian and all securities purchased by, and all collateral obtained by, the Board should be properly designated as an asset of the Board. No withdrawal of securities, in whole or in part, shall be made from safekeeping except by an authorized member of the Board or the Board's designee. 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. Securities transactions between a broker/dealer and the third party custodian involving a purchase or sale of securities by transfer of money or securities must be made on a "delivery versus payment" basis, if applicable, to insure that the third party custodian will have the security or money, as appropriate, in hand at the conclusion of the transaction.

Concentration Credit Risk. At December 31, 2014, the Pension Fund has over 5% of net plan position invested in various agency securities as indicated in the table below as well as investments in Invesco Floating Rate mutual fund (\$1,786,286), Lord Abbett Floating Rate mutual fund (\$1,127,002), Protective Life Annuity (\$2,681,448), and MetLife Investors Annuity (\$1,994,143).

CITY OF WEST CHICAGO, ILLINOIS

Notes to the Financial Statements December 31, 2014

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 – Continued. 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:

- Exposure of the portfolio to any one corporate issuer, other than securities of the United States Government or agencies, shall not exceed 3% of the market value of the fixed income portfolio
- Holdings in individual issuers shall be large enough for easy liquidation
- The fixed income portfolio may be invested in securities with a maturity up to thirty (30) years, so long as the average effective duration of the portfolio will not exceed 125% of the duration of the Lehman Corporate Government Bond Index, A Rated and Above Bond Index duration
- No more than 5% of the Fund assets shall be invested in the common stock or capital stock of any one issuing company nor shall the aggregate investment in any one issuing company exceed 5% of the outstanding capital stock of the company

Additionally at year-end, the Pension Fund has \$6,477,062 invested in insurance contracts and has diversified its equity mutual fund holdings as follows:

Blackrock Equity	\$ 864,922
Eaton Vance Floating Rate	509,875
Franklin Floating Rate Daily	491,822
Goldman Sachs Small Mid Cap	251,373
Hartford Capital	190,018
Hartford Floating Rate	603,563
Invesco Convertible Securities	964,640
Invesco Floating Rate	1,786,286
Ishares Barclays ETF	326,766
Ivy Asset Strategy	694,869
Lord Abbett Floating Rate	1,127,002
Lord Abbett Growth Leaders	234,112
Lord Abbett Stock Appreciation	158,130
Lord Abbett Value	816,777
Nuveen Preferred Securities	921,584
Oppenheimer Capital Appreciation	396,034
Oppenheimer Equity Income	885,494
PIMCO Low Duration	417,938
Prudential Jennison	292,124
TransAmerica Short Term Bond	303,570
Van Eck	302,662
	<u>\$ 12,539,561</u>

CITY OF WEST CHICAGO, ILLINOIS

Notes to the Financial Statements December 31, 2014

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

CAPITAL ASSETS

Governmental Activities

Governmental capital asset activity for the year was as follows:

	Restated Beginning Balances	Increases	Decreases	Ending Balances
Capital Assets - Not Being Depreciated				
Land	\$ 19,734,898	\$ 130,000	\$ -	\$ 19,864,898
Construction in Progress	307,385	-	-	307,385
	<u>20,042,283</u>	<u>130,000</u>	<u>-</u>	<u>20,172,283</u>
Other Capital Assets				
Land Improvements	1,156,798	-	-	1,156,798
Buildings	3,178,416	-	-	3,178,416
Machinery & Equipment	3,651,607	798,035	303,605	4,146,037
Infrastructure	60,654,327	-	-	60,654,327
	<u>68,641,148</u>	<u>798,035</u>	<u>303,605</u>	<u>69,135,578</u>
Less Accumulated Depreciation				
Land Improvements	498,450	20,614	-	519,064
Buildings	1,630,265	70,897	-	1,701,162
Machinery & Equipment	2,797,516	203,861	303,605	2,697,772
Infrastructure	27,929,972	1,409,854	-	29,339,826
	<u>32,856,203</u>	<u>1,705,226</u>	<u>303,605</u>	<u>34,257,824</u>
Total Other Capital Assets	<u>35,784,945</u>	<u>(907,191)</u>	<u>-</u>	<u>34,877,754</u>
Total Capital Assets	<u>\$ 55,827,228</u>	<u>\$ (777,191)</u>	<u>\$ -</u>	<u>\$ 55,050,037</u>

Depreciation expense was charged to governmental activities as follows:

General Government	\$ 37,537
Public Safety	85,743
Culture and Recreation	12,592
Highways and Streets	<u>1,569,354</u>
	<u>\$ 1,705,226</u>

CITY OF WEST CHICAGO, ILLINOIS

Notes to the Financial Statements December 31, 2014

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:

	Restated Beginning Balances	Increases	Decreases	Ending Balances
Capital Assets - Not Being Depreciated				
Land	\$ 28,664,505	\$ -	\$ -	\$ 28,664,505
Construction in Progress	5,170,857	1,887,657	-	7,058,514
	<u>33,835,362</u>	<u>1,887,657</u>	<u>-</u>	<u>35,723,019</u>
Other Capital Assets				
Land Improvements	1,426,823	-	-	1,426,823
Buildings	29,120,255	-	-	29,120,255
Machinery & Equipment	17,691,905	-	-	17,691,905
Infrastructure	66,469,397	-	-	66,469,397
	<u>114,708,380</u>	<u>-</u>	<u>-</u>	<u>114,708,380</u>
Less Accumulated Depreciation				
Land Improvements	655,683	45,612	-	701,295
Buildings	9,813,850	821,760	-	10,635,610
Machinery & Equipment	12,247,129	471,554	-	12,718,683
Infrastructure	16,802,652	1,170,130	-	17,972,782
	<u>39,519,314</u>	<u>2,509,056</u>	<u>-</u>	<u>42,028,370</u>
Total Other Capital Assets	<u>75,189,066</u>	<u>(2,509,056)</u>	<u>-</u>	<u>72,680,010</u>
Total Capital Assets	<u>\$ 109,024,428</u>	<u>\$ (621,399)</u>	<u>\$ -</u>	<u>\$ 108,403,029</u>

Depreciation expense was charged to business-type as follows:

Waterworks	\$ 1,828,504
Sewerage	654,282
Commuter Parking	<u>26,270</u>
	<u>\$ 2,509,056</u>

PROPERTY TAXES

Property taxes for 2014 attach as an enforceable lien on January 1, 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 and September 1. The County collects such taxes and remits them periodically.

CITY OF WEST CHICAGO, ILLINOIS

Notes to the Financial Statements December 31, 2014

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund Balances

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

Receivable Fund	Payable Fund	Amount
General	Waterworks	\$ 4,943,278
Nonmajor Governmental	Capital Improvement	25,643
Sewerage	Waterworks	2,051,303
Commuter Parking	Waterworks	215,525
		<u>\$ 7,235,749</u>

Interfund balances are advances in anticipation of receipts.

Interfund Advances

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

Receivable Fund	Payable Fund	Amount
Public Benefit	TIF Special Tax Allocation #1	\$ 607,660
Sewerage	Waterworks	1,850,000
		<u>\$ 2,457,660</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.

Interfund Transfers

Interfund transfers for the year consisted of the following:

Transfer In	Transfer Out	Amount
Nonmajor Governmental	Capital Improvement	<u>\$ 7,776</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.

CITY OF WEST CHICAGO, ILLINOIS

Notes to the Financial Statements December 31, 2014

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

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	\$ 6,735,635	\$ -	\$ 537,179	\$ 6,198,456

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	\$ 1,675,467	\$ 453,347	\$ -	\$ 2,128,814	\$ -
Compensated Absences	1,140,432	220,504	110,252	1,250,684	250,137
Net Other Post-Employment Benefit Obligation	822,100	374,708	-	1,196,808	-
	<u>3,637,999</u>	<u>1,048,559</u>	<u>110,252</u>	<u>4,576,306</u>	<u>250,137</u>
Business-type Activities					
Compensated Absences	143,903	3,342	1,671	145,574	29,115
IEPA Revolving Loan	6,735,635	-	537,179	6,198,456	551,074
	<u>\$ 6,879,538</u>	<u>\$ 3,342</u>	<u>\$ 538,850</u>	<u>\$ 6,344,030</u>	<u>\$ 580,189</u>

For governmental activities, the General Fund makes payments on the net pension obligation, the net other post-employment benefit obligation and the 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.

CITY OF WEST CHICAGO, ILLINOIS

Notes to the Financial Statements December 31, 2014

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

Noncommitment Debt

Special Service Area Bonds

Special service area bonds outstanding as of the date of this report totaled \$113,000. These bonds are not an obligation of the government and are secured by the levy of an annual tax on the real property within the special service area. The government is in no way liable for repayment but is only acting as agent for the property owners in levying and collecting the tax, and forwarding the collections to bondholders.

Industrial Development Revenue Bonds

The City has issued Industrial Development Revenue Bonds (IDRB) to provide financial assistance to private organizations for the construction and acquisition of industrial and commercial facilities deemed to be in the public interest and to provide financing for low interest mortgages to qualified applicants. The bonds are secured solely by the property or mortgages financed and are payable solely from the payments received on the underlying mortgage loans on the property. The City is not obligated in any manner for the repayment of the bonds. Accordingly, the bonds outstanding are not recorded as a liability in these financial statements. As of December 31, 2014, there was one IDRB outstanding. The aggregate principal amount payable for the bond series is \$800,000.

Debt Service Requirements to Maturity

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

Fiscal Year	Business-Type Activities		
	IEPA Revolving		Total
	Principal	Loan Interest	
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	\$ 6,198,456	\$ 870,104	\$ 7,068,560

CITY OF WEST CHICAGO, ILLINOIS

Notes to the Financial Statements December 31, 2014

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 CLASSIFICATIONS

Net investment in capital assets was comprised of the following as of December 31, 2014:

Governmental Activities	
Capital Assets - Net of Accumulated Depreciation	<u>\$ 55,050,037</u>
Business-Type Activities	
Capital Assets - Net of Accumulated Depreciation	108,403,029
Less Capital Related Debt:	
IEPA Revolving Loan	<u>(6,198,456)</u>
Net Investment in Capital Assets	<u>\$ 102,204,573</u>

NET POSITION RESTATEMENT

Beginning net position in the governmental activities and business-type activities and in multiple funds was restated due to the completion of a capital asset appraisal. The following is a summary of the net position as originally reported and as restated.

Fund Equity	As Reported	As Restated	Increase (Decrease)
Governmental Activities	\$ 103,322,557	71,226,237	(32,096,320)
Business-Type Activities	60,813,913	106,111,188	45,297,275
Water	33,248,078	78,398,161	45,150,083
Sewer	27,150,970	27,262,076	111,106
Commuter Parking	414,865	450,951	36,086

CITY OF WEST CHICAGO, ILLINOIS

Notes to the Financial Statements December 31, 2014

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	Totals
Fund Balances						
Nonspendable						
Prepays/Inventories	\$ 1,104,969	\$ -	\$ 1,268	\$ 761	\$ -	\$ 1,106,998
Restricted						
Motor Fuel Tax	846,315	-	-	-	-	846,315
Property Taxes						
TIF	-	-	710,082	-	136,669	846,751
Special Service Areas	-	-	-	-	25,643	25,643
Public Benefit Projects	-	1,500,016	-	-	-	1,500,016
	846,315	1,500,016	710,082	-	162,312	3,218,725
Assigned						
Capital Projects	-	-	-	3,252,173	1,383,917	4,636,090
Unassigned	11,507,102	-	-	-	-	11,507,102
Total Fund Balances	\$ 13,458,386	\$ 1,500,016	\$ 711,350	\$ 3,252,934	\$ 1,546,229	\$ 20,468,915

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 Administrative Services Director 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, and under authority granted in the City's budget policy.

Minimum Fund Balance Policy. The City's budget policy 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, 2014

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.

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, 2014

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 (ILCS) 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 Pension Plan) hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. IMRF provides two tiers of pension benefits. Participating members hired before January 1, 2011 (Tier 1) who retire at or after age 60 (full benefits) or age 55 (reduced benefits) with 8 years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3 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 (Tier 2) who retire at or after age 67 (full benefits) or age 62 (reduced benefits) with 10 years of credited service are entitled to an annual retirement benefit, payable monthly for life in an amount equal to 1-2/3 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 up to 15 years, and 2 percent for each year thereafter. IMRF also provides death and disability benefits. These benefit provisions and all other requirements are established by state statute. Employees participating in the plan are required to contribute 4.50 percent of their annual covered salary to IMRF. The employees' contribution rate is established by state statute. The City is required to contribute the remaining amount necessary to fund the IMRF plan as specified by statute. The employer contribution and annual required contribution rate for calendar year 2014 was 13.48 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, 2014

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:

Police	
Inactive Plan Members Currently Receiving Benefits	27
Inactive Plan Members Entitled to but not yet Receiving Benefits	1
Employees	
Vested	33
Nonvested	<u>12</u>
Total	<u>73</u>

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

The Police Pension Plan provides retirement benefits as well as death and disability benefits. Covered employees hired before January 1, 2011, attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive an annual retirement benefit of $\frac{1}{2}$ of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The pension shall be increased by 2.5% of such salary for each additional year of service over 20 years up to 30 years, to a maximum of 75% of such salary. Covered employees hired on or after January 1, 2011, attaining the age of 55 with at least 10 years creditable service are entitled to receive an annual retirement benefit of 2.5% of final average salary for each year of service, with a maximum salary cap of \$106,800 as of January 1, 2011. The maximum salary cap increases each year thereafter. The monthly benefit of a police officer hired before January 1, 2011, who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3% of the original pension and 3% compounded annually thereafter. The monthly pension of a police officer hired on or after January 1, 2011, shall be increased annually, following the later of the first anniversary date of retirement or the month following the attainment of age 60, but the lesser of 3% or $\frac{1}{2}$ of the consumer price index. Employees with at least 10 years but less than 20 years of creditable service may retire at or after age 60 and receive a reduced benefit.

Covered employees are required to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The City is required to contribute the statutory minimum contribution as determined by state statute and remaining amounts necessary to finance the plan, including administrative costs. 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, 2014

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 (\$1,786,286), Lord Abbett Floating Rate mutual fund (\$1,127,002), Protective Life Annuity (\$2,681,448), and MetLife Investors Annuity (\$1,994,143). 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:

	Police Pension
Annual Required Contribution	\$ 1,796,013
Interest on Net Pension Obligation	117,283
Adjustment to Annual Required Contribution	(79,949)
Annual Pension Cost	1,833,347
Actual Contribution	1,380,000
Increase to the NPO	453,347
NPO - Beginning	1,675,467
NPO - Ending	<u>\$ 2,128,814</u>

CITY OF WEST CHICAGO, ILLINOIS

Notes to the Financial Statements December 31, 2014

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Annual Pension Cost and Net Pension Obligation – Continued

The actuarial assumptions are as follows:

	Illinois Municipal Retirement	Police Pension
Contribution Rates		
Employer	13.48%	32.43%
Employee	4.50%	9.91%
Actuarial Valuation Date	12/31/2014	12/31/2014
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	29 Years	26 Years
Asset Valuation Method	5-Year Smoothed Market	5-Year Smoothed Market
Actuarial Assumptions		
Investment Rate of Return	7.50% Compounded Annually	6.75% Compounded Annually
Projected Salary Increases	.4 to 10.0%	5.00%
Inflation Rate Included	4.00%	3.00%
Cost-of-Living Adjustments	3.00%	2.00 - 3.00%

CITY OF WEST CHICAGO, ILLINOIS**Notes to the Financial Statements
December 31, 2014****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)	2012	\$ 636,873	\$ 1,347,505
	2013	664,742	1,461,012
	2014	689,705	1,833,347
Actual Contributions	2012	\$ 636,873	\$ 1,380,000
	2013	664,742	1,380,000
	2014	689,705	1,380,000
Percentage of APC Contributed	2012	100.00%	102.41%
	2013	100.00%	94.46%
	2014	100.00%	75.27%
Net Pension Obligation	2012	\$ -	\$ 1,594,455
	2013	-	1,675,467
	2014	-	2,128,814

CITY OF WEST CHICAGO, ILLINOIS

Notes to the Financial Statements December 31, 2014

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	12/31/2014	12/31/2014
Percent Funded	68.06%	52.44%
Actuarial Accrued Liability for Benefits	\$15,132,507	\$45,414,499
Actuarial Value of Assets	\$10,299,135	\$23,814,079
Over (Under) Funded Actuarial Accrued Liability (UAAL)	(\$4,833,372)	(\$21,600,420)
Covered Payroll (Annual Payroll of Active Employees Covered by the Plan)	\$5,116,507	\$4,255,046
Ratio of UAAL to Covered Payroll	94.47%	507.64%

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, 2014

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 who retire in accordance with a collective bargaining agreement provision in effect until December 31, 2015. For the fiscal year ending December 31, 2014, retirees contributed \$121,782. Active employees contribute up to 12% to the plan before retirement.

At December 31, 2014, the membership consisted of:

Retirees and Beneficiaries Currently Receiving Benefits and Terminated Employees Entitled to Benefits but not yet Receiving Them	18
Active Employees	<u>72</u>
Total	<u>90</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, 2014

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, 2014, was calculated as follows:

Annual Required Contribution	\$ 567,507
Interest on the NOPEBO	41,105
Adjustment to the ARC	<u>(53,479)</u>
Annual OPEB Cost	555,133
Actual Contribution	<u>180,425</u>
Increase in the NPO	374,708
NOPEBO - Beginning	<u>822,100</u>
NOPEBO - Ending	<u><u>\$ 1,196,808</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
2012	\$ 135,130	\$ 140,866	104.24%	\$ 810,080
2013	142,326	130,306	91.55%	822,100
2014	555,133	180,425	32.50%	1,196,808

CITY OF WEST CHICAGO, ILLINOIS

Notes to the Financial Statements December 31, 2014

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, 2014, the date of the most recent actuarial valuation, was as follows:

Actuarial Accrued Liability (AAL)	\$ 5,873,381
Actuarial Value of Plan Assets	\$ -
Unfunded Actuarial Accrued Liability (UAAL)	\$ 5,873,381
Funded Ratio (actuarial value of plan assets/AAL)	0.00%
Covered Payroll (active plan members)	\$ 6,948,746
UAAL as a percentage of covered payroll	84.52%

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, 2014

NOTE 4 – OTHER INFORMATION – Continued

OTHER POST-EMPLOYMENT BENEFITS – Continued

Actuarial Methods and Assumptions – Continued

In the December 31, 2014 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 6.0%. 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, 2014, 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, 2014

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)
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%
2013	10,108,009	14,113,339	71.62%	4,005,330	4,884,216	82.01%
2014	10,299,135	15,132,507	68.06%	4,833,372	5,116,507	94.47%

Employer Contributions

Fiscal Year Ended	Employer Contributions	Annual Required Contribution	Percent Contributed
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%
2013	664,742	664,742	100.00%
2014	689,705	689,705	100.00%

CITY OF WEST CHICAGO, ILLINOIS

Police Pension Fund

**Required Supplementary Information
Schedule of Funding Progress and Employer Contributions
December 31, 2014**

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)
2009	\$ 16,073,611	\$ 26,877,186	59.80%	\$ 10,803,575	\$ 3,638,672	296.91%
2010	17,531,439	29,029,839	60.39%	11,498,400	3,591,014	320.20%
2011	19,313,525	30,706,854	62.90%	11,393,329	3,707,061	307.34%
2012	20,671,600	33,115,477	62.42%	12,443,877	3,954,927	314.64%
2013	21,893,814	35,363,830	61.91%	13,470,016	4,377,060	307.74%
2014	23,814,079	45,414,499	52.44%	21,600,420	4,255,046	507.64%

Employer Contributions

Fiscal Year Ended	Employer Contributions	Annual Required Contribution	Percent Contributed
2009	\$ 1,007,957	\$ 1,108,550	90.93%
2010	1,255,000	1,224,126	102.52%
2011	1,380,000	1,221,404	112.98%
2012	1,380,000	1,332,982	103.53%
2013	1,380,000	1,449,125	95.23%
2014	1,380,000	1,796,013	76.84%

CITY OF WEST CHICAGO, ILLINOIS

Other Post-Employment Benefit Plan

Required Supplementary Information Schedule of Funding Progress and Employer Contributions December 31, 2014

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)
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	0.00%	2,412,937	9,668,355	24.96%
2012	N/A	N/A	N/A	N/A	N/A	N/A
2013	N/A	N/A	N/A	N/A	N/A	N/A
2014	-	5,873,381	0.00%	5,873,381	6,948,746	84.52%

Employer Contributions

Fiscal Year Ended	Employer Contributions	Annual Required Contribution	Percent Contributed
2009	\$ 140,866	\$ 334,286	42.14%
2010	149,318	354,343	42.14%
2011	140,866	334,286	42.14%
2012	140,866	121,530	115.91%
2013	130,306	128,822	101.15%
2014	180,425	567,507	31.79%

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 For the Fiscal Year Ended December 31, 2014

	Budget		Actual
	Original	Final	
Revenues			
Taxes	\$ 4,680,000	\$ 4,680,000	\$ 4,710,939
Intergovernmental	7,005,000	7,005,000	8,475,887
Charges for Services	1,780,500	1,780,500	1,930,832
Licenses and Permits	476,000	476,000	484,106
Fines and Forfeitures	850,000	850,000	782,187
Interest Income	10,000	10,000	(19,855)
Miscellaneous	490,000	490,000	649,693
Total Revenues	<u>15,291,500</u>	<u>15,291,500</u>	<u>17,013,789</u>
Expenditures			
General Government	7,520,600	7,656,600	7,198,130
Public Safety	9,280,400	9,280,400	9,162,072
Total Expenditures	<u>16,801,000</u>	<u>16,937,000</u>	<u>16,360,202</u>
Net Change in Fund Balance	<u>\$ (1,509,500)</u>	<u>\$ (1,645,500)</u>	653,587
Fund Balance - Beginning			<u>12,804,799</u>
Fund Balance - Ending			<u>\$ 13,458,386</u>

CITY OF WEST CHICAGO, ILLINOIS

Public Benefit - Special Revenue Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended December 31, 2014**

	Budget		Actual
	Original	Final	
Revenues			
Interest Income	\$ 35,000	\$ 35,000	\$ 3,328
Expenditures			
Capital Outlay			
Building and Grounds Improvement	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	35,000	35,000	3,328
Other Financing Sources			
Transfers In	125,000	125,000	-
Net Change in Fund Balance	<u>\$ 160,000</u>	<u>\$ 160,000</u>	3,328
Fund Balance - Beginning			<u>1,496,688</u>
Fund Balance - Ending			<u>\$ 1,500,016</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
For the Fiscal Year Ended December 31, 2014**

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ 1,100,000	\$ 1,100,000	\$ 971,411
Interest Income	2,400	2,400	5,051
Miscellaneous	6,500	6,500	15,710
Total Revenues	<u>1,108,900</u>	<u>1,108,900</u>	<u>992,172</u>
Expenditures			
General Government	1,361,700	1,481,700	930,173
Debt Service			
Interest and Fiscal Charges	35,000	35,000	1,195
Total Expenditures	<u>1,396,700</u>	<u>1,516,700</u>	<u>931,368</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(287,800)	(407,800)	60,804
Other Financing (Uses)			
Transfers Out	<u>(125,000)</u>	<u>(125,000)</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ (412,800)</u>	<u>\$ (532,800)</u>	60,804
Fund Balance - Beginning			<u>650,546</u>
Fund Balance - Ending			<u>\$ 711,350</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
- 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

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 For the Fiscal Year Ended December 31, 2014

	Budget		Actual
	Original	Final	
Taxes			
Property Taxes	\$ 3,430,000	\$ 3,430,000	\$ 3,507,410
Telecommunications Tax	1,000,000	1,000,000	926,440
Amusement Tax	105,000	105,000	106,572
Personal Property Replacement Tax	145,000	145,000	170,517
	<u>4,680,000</u>	<u>4,680,000</u>	<u>4,710,939</u>
Intergovernmental			
Sales Tax	3,400,000	3,400,000	4,370,276
Income Tax	2,500,000	2,500,000	2,593,317
MFT Allotments	650,000	650,000	930,849
Use Tax	425,000	425,000	529,699
Grants	30,000	30,000	51,746
	<u>7,005,000</u>	<u>7,005,000</u>	<u>8,475,887</u>
Charges for Services			
Brush Collection Fees	73,000	73,000	75,375
Weed Cutting Fees	2,500	2,500	4,416
Business Registration	25,000	25,000	31,370
Police Counter Service	10,000	10,000	9,590
Police Contractual Services	280,000	280,000	309,730
Police Towing	60,000	60,000	56,350
Change of Occupancy Fees	60,000	60,000	78,405
Rental Inspections	150,000	150,000	222,701
Plan Review Fees	20,000	20,000	11,775
Engineering Fees	150,000	150,000	57,419
Transfer Station Fees	545,000	545,000	601,795
Property Rental	175,000	175,000	189,151
Tower Rental Fees	-	-	31,670
Cable Franchise Fee	230,000	230,000	251,085
	<u>1,780,500</u>	<u>1,780,500</u>	<u>1,930,832</u>

CITY OF WEST CHICAGO, ILLINOIS

General Fund

**Schedule of Revenues - Budget and Actual - Continued
For the Fiscal Year Ended December 31, 2014**

	Budget		Actual
	Original	Final	
Licenses and Permits			
Building Permits	\$ 250,000	\$ 250,000	\$ 255,431
Building Contractors Licenses	35,000	35,000	42,175
Oversize Truck Permits	15,000	15,000	21,080
Liquor Licenses	100,000	100,000	91,160
Vending Machine/Business Licenses	75,000	75,000	71,858
Other Licenses and Permits	1,000	1,000	2,402
	<u>476,000</u>	<u>476,000</u>	<u>484,106</u>
Fines and Forfeits			
Circuit Court Fines	365,000	365,000	376,361
Local Fines	485,000	485,000	402,145
Seizures	-	-	3,681
	<u>850,000</u>	<u>850,000</u>	<u>782,187</u>
Interest			
Interest Income	<u>10,000</u>	<u>10,000</u>	<u>(19,855)</u>
Miscellaneous			
Cemetery Lot Sales	30,000	30,000	78,775
Other Reimbursements	50,000	50,000	111,593
Health Insurance Reimbursements	160,000	160,000	152,641
IPBC and IRMA Revenue	150,000	150,000	185,448
Other Miscellaneous	100,000	100,000	121,236
	<u>490,000</u>	<u>490,000</u>	<u>649,693</u>
Total Revenues	<u>\$ 15,291,500</u>	<u>\$ 15,291,500</u>	<u>\$ 17,013,789</u>

CITY OF WEST CHICAGO, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual For the Fiscal Year Ended December 31, 2014

	Budget		Actual
	Original	Final	
General Government			
Legislative	\$ 179,800	\$ 179,800	\$ 130,969
Administration	583,700	638,700	527,662
Administrative Services	2,797,500	2,853,500	2,479,990
Public Works	2,981,400	2,981,400	3,060,193
Community Development	978,200	1,003,200	999,316
	<u>7,520,600</u>	<u>7,656,600</u>	<u>7,198,130</u>
Public Safety			
Police Department	<u>9,280,400</u>	<u>9,280,400</u>	<u>9,162,072</u>
Total Expenditures	<u>\$ 16,801,000</u>	<u>\$ 16,937,000</u>	<u>\$ 16,360,202</u>

CITY OF WEST CHICAGO, ILLINOIS

General Fund

Schedule of Detailed Expenditures - Budget and Actual For the Fiscal Year Ended December 31, 2014

	Budget		Actual
	Original	Final	
General Government			
Legislative			
Personal Services			
Salary of Aldermen	\$ 33,600	\$ 33,600	\$ 25,614
Salary of Mayor	15,000	15,000	15,000
Salary of Corporate Counsel	3,000	3,000	3,000
Salary of City Clerk	4,500	4,500	4,500
Salary of Deputy City Clerk	400	400	-
IMRF and FICA	4,100	4,100	3,452
Contractual Services			
Legal Fees	50,000	50,000	24,593
Consultants	1,000	1,000	2,326
Training and Tuition	3,000	3,000	-
Memberships/Dues/Subscriptions	40,000	40,000	31,876
Legal Notices	1,500	1,500	877
Printing and Binding	10,000	10,000	5,805
Legal Reporter Fees	500	500	198
Commodities			
Computer and Office Supplies	500	500	597
Postage	200	200	-
Miscellaneous Commodities	2,000	2,000	3,026
Grant Distribution	10,000	10,000	10,000
Other Charges	500	500	105
Total Legislative	179,800	179,800	130,969

CITY OF WEST CHICAGO, ILLINOIS

General Fund

Schedule of Detailed Expenditures - Budget and Actual - Continued For the Fiscal Year Ended December 31, 2014

	Budget		Actual
	Original	Final	
General Government - Continued			
Administration			
Personal Services			
Administrative Salaries	\$ 173,100	\$ 173,100	\$ 175,953
IMRF and FICA	36,700	36,700	34,590
ICMA	9,000	9,000	8,800
Contractual Services			
Legal Fees	10,500	10,500	414
Training and Tuition	7,500	7,500	1,819
Memberships/Dues/Subscriptions	4,500	4,500	3,087
Software Maintenance	500	500	522
Telephone and Alarms	7,800	7,800	21,436
Electric	1,000	1,000	542
Printing and Binding	1,000	1,000	-
Advertising	5,000	5,000	1,314
Other Contractual Services	73,000	73,000	31,495
IRMA General Insurance	5,100	5,100	5,068
Commodities			
Sales Tax Rebate	230,000	230,000	163,405
Telecomm Expense	-	55,000	65,871
Computer and Office Supplies	1,700	1,700	546
Gas and Oil	3,200	3,200	2,085
Postage	100	100	5
Gallery 200	6,000	6,000	6,000
Arts Programming Supplies	6,000	6,000	3,985
Special Events	500	500	-
Prospect Development	500	500	414
Other Charges	1,000	1,000	311
Total Administration	583,700	638,700	527,662

CITY OF WEST CHICAGO, ILLINOIS

General Fund

Schedule of Detailed Expenditures - Budget and Actual - Continued For the Fiscal Year Ended December 31, 2014

	Budget		Actual
	Original	Final	
General Government - Continued			
Administrative Services			
Personal Services			
Administrative Salaries	\$ 420,100	\$ 420,100	\$ 421,173
Administrative Salaries - Overtime	300	300	-
IMRF and FICA	89,500	89,500	86,983
ICMA	6,300	6,300	5,875
Health/Dental/Life Insurance	1,691,000	1,691,000	1,632,476
Contractual Services			
Legal Fees	21,000	21,000	33,703
Audit Fees	19,500	19,500	17,220
Consultants	3,000	3,000	2,117
Network Charges	13,600	13,600	12,600
Pre-employment Exams	9,100	9,100	13,204
Training and Tuition	12,500	12,500	1,990
Memberships/Dues/Subscriptions	3,300	3,300	2,335
Software Maintenance	73,900	73,900	48,153
Telephone and Alarms	8,600	8,600	13,649
Advertising	1,500	1,500	100
Other Contractual Services	143,400	143,400	55,016
IRMA General Insurance	5,100	5,100	5,068
Office Equipment Maintenance and Repair	29,600	29,600	19,535
Postage Meter Rental	1,700	1,700	1,521
Copier Fees	4,600	4,600	3,843
Commodities			
Computer and Office Supplies	16,300	16,300	8,914
Gas and Oil	100	100	67
Postage	7,300	7,300	5,087
Miscellaneous Commodities	800	800	90
Safety Program	3,500	3,500	3,876
Special Events	5,700	5,700	5,345
Bank Fees	8,000	8,000	8,071
Other Charges	200	200	-

CITY OF WEST CHICAGO, ILLINOIS

General Fund

**Schedule of Detailed Expenditures - Budget and Actual - Continued
For the Fiscal Year Ended December 31, 2014**

	Budget		Actual
	Original	Final	
General Government - Continued			
Administrative Services - Continued			
Capital Outlay			
Other Capital Outlay	\$ 124,500	\$ 180,500	\$ -
MIS Replacement	73,500	73,500	71,979
Total Administrative Services	2,797,500	2,853,500	2,479,990
Public Works			
Personal Services			
Administrative Salaries	187,100	187,100	175,804
Operating Salaries	558,800	558,800	510,305
Administrative Salaries - Overtime	43,000	43,000	53,781
IMRF and FICA	167,000	167,000	155,729
Contractual Services			
Legal Fees	1,000	1,000	23,736
Pre-employment Exams	700	700	838
Training and Tuition	2,000	2,000	1,558
Memberships/Dues/Subscriptions	1,000	1,000	711
Telephone and Alarms	18,000	18,000	33,317
Interments Program	26,300	26,300	22,650
Brush Pickup	70,000	70,000	69,650
Grounds Maintenance	49,800	49,800	47,671
Cemetery Maintenance	6,000	6,000	5,625
Janitor Contract	51,800	51,800	51,676
Heating Gas	2,000	2,000	18,054
Electric	132,000	132,000	128,490
Refuse Disposal	30,000	30,000	32,257
Other Contractual Services	333,400	333,400	320,456
Traffic Signal Maintenance	25,000	25,000	17,058
Street Light Maintenance	18,000	18,000	16,712

CITY OF WEST CHICAGO, ILLINOIS

General Fund

Schedule of Detailed Expenditures - Budget and Actual - Continued For the Fiscal Year Ended December 31, 2014

	Budget		Actual
	Original	Final	
General Government - Continued			
Public Works - Continued			
Contractual Services - Continued			
IRMA General Insurance	\$ 71,400	\$ 71,400	\$ 70,956
Other Insurance	11,000	11,000	12,339
Payment to Taxing Bodies	150,000	150,000	165,186
Vehicle Maintenance and Repair	40,000	40,000	62,280
Commodities			
Computer and Office Supplies	4,500	4,500	2,661
Parts for Vehicles	100,000	100,000	170,003
Tools and Equipment	12,500	12,500	19,286
Gas and Oil	80,500	80,500	80,855
Materials	15,000	15,000	23,135
Street Patch Materials	300	300	300
Street Paint	2,000	2,000	1,638
Ice Control Materials	20,000	20,000	15,213
Parts - Mains	5,000	5,000	4,034
Rock Salt	250,000	250,000	252,986
BIT Patch - Cold	8,000	8,000	9,565
BIT Patch - Hot	45,000	45,000	41,558
Postage	100	100	-
Uniforms and Safety Equipment	6,900	6,900	10,584
Miscellaneous	71,500	71,500	66,736
Capital Outlay			
Vehicles	364,800	364,800	364,800
Total Public Works	2,981,400	2,981,400	3,060,193

CITY OF WEST CHICAGO, ILLINOIS

General Fund

Schedule of Detailed Expenditures - Budget and Actual - Continued For the Fiscal Year Ended December 31, 2014

	Budget		Actual
	Original	Final	
General Government - Continued			
Community Development			
Personal Services			
Administrative Salaries	\$ 306,200	\$ 306,200	\$ 307,112
Administrative Salaries - Overtime	500	500	-
IMRF and FICA	64,800	64,800	67,498
Contractual Services			
Legal Fees	40,000	40,000	38,365
Training and Tuition	8,000	8,000	230
Memberships/Dues/Subscriptions	2,300	2,300	2,179
Enforcement & Inspections	307,000	307,000	294,693
Plan Review	55,000	55,000	47,673
Software Maintenance	9,100	9,100	9,049
Legal Notices	2,200	2,200	3,166
Telephone and Alarms	11,500	11,500	33,312
Weed Cutting	8,000	8,000	5,805
Printing and Binding	2,300	2,300	2,335
Legal Reporter	3,000	3,000	4,044
Filing Fees	5,000	5,000	3,300
Microfiche Expenses	4,000	4,000	4,156
Other Contractual Services	47,100	72,100	67,965
IRMA General Insurance	7,200	7,200	6,758
Other Insurance	-	-	2,870
Copier Fees	600	600	385
Commodities			
Computer and Office Supplies	1,700	1,700	2,310
Maps and Plats	500	500	452
Gas and Oil	3,000	3,000	4,483
Postage	600	600	-
Uniforms and Safety Equipment	300	300	-
Miscellaneous Commodities	1,000	1,000	286
Special Events	80,000	80,000	80,000
Prospect Development	1,500	1,500	3,272
Other Charges	400	400	2,951

CITY OF WEST CHICAGO, ILLINOIS

General Fund

Schedule of Detailed Expenditures - Budget and Actual - Continued For the Fiscal Year Ended December 31, 2014

	Budget		Actual
	Original	Final	
General Government - Continued			
Community Development - Continued			
Capital Outlay			
Office Equipment	\$ 1,000	\$ 1,000	\$ 267
Vehicles	4,400	4,400	4,400
Total Community Development	978,200	1,003,200	999,316
Total General Government	7,520,600	7,656,600	7,198,130
Public Safety			
Police Department			
Personal Services			
Administrative Salaries	965,000	965,000	975,967
Patrolman Salaries	3,446,000	3,446,000	3,378,952
Patrolman Salaries - Overtime	457,100	457,100	482,054
Sergeants Salaries	674,800	674,800	670,970
CSO Salaries	109,500	109,500	83,509
CSO - Overtime	1,500	1,500	1,604
Contract Services Salaries	15,000	15,000	14,378
Administrative Services - Overtime	500	500	-
IMRF and FICA	491,700	491,700	471,471
Police Pension	1,380,000	1,380,000	1,380,000
Unemployment Insurance	-	-	13,967
Contractual Services			
Legal Fees	138,200	138,200	114,543
Training and Tuition	27,900	27,900	15,684
Officer Training and Mileage	4,100	4,100	1,458
Memberships/Dues/Subscriptions	10,000	10,000	8,512
Software Maintenance	31,200	31,200	18,650
Telephone and Alarms	41,000	41,000	91,713
Printing and Binding	5,000	5,000	4,611
Grounds Maintenance	2,500	2,500	888
DuComm Quarterly Share	493,500	493,500	491,317
Other Contractual Services	69,600	69,600	60,348
Graffiti Removal	13,500	13,500	11,677
Reception Support	103,000	103,000	112,731

CITY OF WEST CHICAGO, ILLINOIS

General Fund

Schedule of Detailed Expenditures - Budget and Actual - Continued For the Fiscal Year Ended December 31, 2014

	Budget		Actual
	Original	Final	
Public Safety - Continued			
Police Department - Continued			
Contractual Services - Continued			
Crossing Guard - Contractual	\$ 36,500	\$ 36,500	\$ 36,400
IRMA General Insurance	272,000	272,000	270,310
Other Insurance	15,000	15,000	22,070
Radio/Radar Equipment Maint. and Repair	20,800	20,800	9,981
Office Equipment and Repair	13,400	13,400	11,273
Postage Meter Rental	1,000	1,000	1,038
Copier Fees	11,000	11,000	9,924
Commodities			
Computer and Office Supplies	5,100	5,100	3,808
Field Equipment	6,000	6,000	5,483
Parts for Vehicles	-	-	4
Gas and Oil	124,000	124,000	106,271
Vehicle License Fees	1,700	1,700	1,003
Postage	7,000	7,000	2,523
Uniform and Safety Equipment	44,000	44,000	42,149
First Aid Supplies	3,000	3,000	869
Ammunition and Firearms	29,100	29,100	25,201
Tools and Equipment	500	500	264
Educational Programming	3,000	3,000	4,720
Cert Supplies	5,000	5,000	2,891
Miscellaneous Commodities	9,400	9,400	8,586
Capital Outlay			
Vehicles	176,300	176,300	176,300
Other Capital Outlay	16,000	16,000	16,000
Total Public Safety	9,280,400	9,280,400	9,162,072
Total Expenditures	\$ 16,801,000	\$ 16,937,000	\$ 16,360,202

CITY OF WEST CHICAGO, ILLINOIS

TIF Special Tax Allocation #1 - Special Revenue Fund

Schedule of Expenditures - Budget and Actual For the Fiscal Year Ended December 31, 2014

	Budget		Actual
	Original	Final	
General Government			
Personal Services			
Administrative Salaries	\$ 349,500	\$ 349,500	\$ 333,258
Operational Salaries	74,100	74,100	68,333
Administrative Salaries - Overtime	4,000	4,000	6,527
IMRF and FICA	90,500	90,500	87,430
ICMA	4,500	4,500	4,400
Health/Dental/Life Insurance	65,000	65,000	62,718
Contractual Services			
Legal Fees	10,000	10,000	7,527
Memberships/Dues/Subscriptions	600	600	550
Legal Notices	500	500	-
Telephone and Alarms	1,500	1,500	4,803
Grounds Maintenance	13,400	13,400	11,148
Other	540,000	540,000	97,794
Commodities			
Postage	100	100	22
Special Events	24,000	24,000	11,951
Prospect Development	1,000	1,000	-
Capital Outlay			
Building Grounds Improvement	30,000	30,000	14,184
Land	50,000	170,000	174,223
Façade Improvement	75,000	75,000	42,354
Streetscape Programs	8,000	8,000	2,951
Retail Grant Programs	20,000	20,000	-
	1,361,700	1,481,700	930,173
Debt Service			
Interest and Fiscal Charges	35,000	35,000	1,195
Total Expenditures	\$ 1,396,700	\$ 1,516,700	\$ 931,368

CITY OF WEST CHICAGO, ILLINOIS**Capital Improvement - Capital Projects Fund****Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended December 31, 2014**

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Utility Taxes	\$ 2,100,000	\$ 2,100,000	\$ 2,111,109
Sales Taxes	520,000	520,000	576,984
Interest Income	2,000	2,000	3,255
Miscellaneous	1,635,300	1,635,300	914,036
Total Revenues	4,257,300	4,257,300	3,605,384
Expenditures			
Capital Outlay	5,438,700	5,438,700	2,591,888
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,181,400)	(1,181,400)	1,013,496
Other Financing (Uses)			
Transfers Out	-	-	(7,776)
Net Change in Fund Balance	\$ (1,181,400)	\$ (1,181,400)	1,005,720
Fund Balance - Beginning			2,247,214
Fund Balance - Ending			\$ 3,252,934

CITY OF WEST CHICAGO, ILLINOIS

Capital Improvement - Capital Projects Fund

Schedule of Expenditures - Budget and Actual For the Fiscal Year Ended December 31, 2014

	Budget		Actual
	Original	Final	
Capital Outlay			
Administrative Salaries	\$ 72,600	\$ 72,600	\$ 74,337
Operational Salaries	10,800	10,800	9,990
Administrative Salaries - Overtime	1,000	1,000	856
IMRF and FICA	17,900	17,900	17,235
Health/Dental/Life Insurance	39,000	39,000	37,626
IRMA General Insurance	6,800	6,800	6,758
Engineering and Inspections	-	-	7,753
Building and Grounds Improvements	65,000	65,000	-
Street Improvements	3,980,800	3,980,800	1,529,323
Other Capital Outlay	1,244,800	1,244,800	908,010
Total Expenditures	\$ 5,438,700	\$ 5,438,700	\$ 2,591,888

CITY OF WEST CHICAGO, ILLINOIS

Nonmajor Governmental Funds

**Combining Balance Sheet
December 31, 2014**

	Special Revenue		Capital Projects	
	TIF	Other Special	Capital	
	Special Tax	Service	Equipment	
	Allocation #2	Areas	Replacement	Totals
ASSETS				
Cash and Investments	\$ 136,669	\$ -	\$ 1,428,904	\$ 1,565,573
Receivables - Net of Allowances				
Property Taxes	12,536	-	-	12,536
Due from Other Funds	-	25,643	-	25,643
Total Assets	149,205	25,643	1,428,904	1,603,752
LIABILITIES				
Accounts Payable	-	-	44,987	44,987
DEFERRED INFLOWS OF RESOURCES				
Property Taxes	12,536	-	-	12,536
Total Liabilities and Deferred Inflows of Resources	12,536	-	44,987	57,523
FUND BALANCES				
Restricted	136,669	25,643	-	162,312
Assigned	-	-	1,383,917	1,383,917
Total Fund Balances	136,669	25,643	1,383,917	1,546,229
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 149,205	\$ 25,643	\$ 1,428,904	\$ 1,603,752

CITY OF WEST CHICAGO, ILLINOIS

Nonmajor Governmental Funds

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Year Ended December 31, 2014**

	Special Revenue		Capital Projects	
	TIF	Other Special	Capital	
	Special Tax	Service	Equipment	
	Allocation #2	Areas	Replacement	Totals
Revenues				
Taxes	\$ 13,262	\$ 288	\$ -	\$ 13,550
Charges for Services	-	-	788,000	788,000
Interest Income	120	-	636	756
Miscellaneous	-	-	28,521	28,521
Total Revenues	13,382	288	817,157	830,827
Expenditures				
Capital Outlay	-	-	1,130,135	1,130,135
Excess (Deficiency) of Revenues Over (Under) Expenditures	13,382	288	(312,978)	(299,308)
Other Financing Sources				
Transfers In	-	7,776	-	7,776
Net Change in Fund Balances	13,382	8,064	(312,978)	(291,532)
Fund Balances - Beginning	123,287	17,579	1,696,895	1,837,761
Fund Balances - Ending	\$ 136,669	\$ 25,643	\$ 1,383,917	\$ 1,546,229

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
For the Fiscal Year Ended December 31, 2014**

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ 20,000	\$ 20,000	\$ 13,262
Interest Income	-	-	120
Total Revenues	20,000	20,000	13,382
Expenditures			
General Government			
Prospect Development	20,000	20,000	-
Net Change in Fund Balance	\$ -	\$ -	13,382
Fund Balance - Beginning			123,287
Fund Balance - Ending			\$ 136,669

CITY OF WEST CHICAGO, ILLINOIS

Capital Equipment Replacement - Capital Projects Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended December 31, 2014**

	Budget		Actual
	Original	Final	
Revenues			
Charges for Services	\$ 788,000	\$ 788,000	\$ 788,000
Interest Income	500	500	636
Miscellaneous	-	-	28,521
Total Revenues	788,500	788,500	817,157
Expenditures			
Capital Outlay			
Vehicles	1,806,600	1,806,600	1,130,135
Net Change in Fund Balance	\$ (1,018,100)	\$ (1,018,100)	(312,978)
Fund Balance - Beginning			1,696,895
Fund Balance - Ending			\$ 1,383,917

CITY OF WEST CHICAGO, ILLINOIS

Waterworks - Enterprise Fund

Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual For the Fiscal Year Ended December 31, 2014

	Budget		Actual
	Original	Final	
Operating Revenues			
Charges for Services			
Water Service	\$ 4,500,000	\$ 4,500,000	\$ 4,864,340
Operating Expenses			
Operations			
Water Distribution	2,635,000	2,635,000	2,381,920
Water Treatment Plant	1,446,900	1,446,900	1,437,004
Depreciation	-	-	1,828,504
Total Operating Expenses	4,081,900	4,081,900	5,647,428
Operating Income (Loss)	418,100	418,100	(783,088)
Nonoperating Revenues (Expenses)			
Connection Fees	24,000	24,000	25,219
Sales Taxes	1,100,000	1,100,000	1,153,993
Interest Income	3,000	3,000	(2,172)
Other Income	532,400	532,400	417,308
Interest Expense	(169,700)	(183,200)	(165,075)
	1,489,700	1,476,200	1,429,273
Change in Net Position	\$ 1,907,800	\$ 1,894,300	646,185
Net Position - Beginning as Restated			78,398,161
Net Position - Ending			\$ 79,044,346

CITY OF WEST CHICAGO, ILLINOIS

Waterworks - Enterprise Fund

Schedule of Operating Expenses - Budget and Actual For the Fiscal Year Ended December 31, 2014

	Budget		Actual
	Original	Final	
Water Distribution			
Personal Services			
Administrative Salaries	\$ 469,100	\$ 469,100	\$ 453,781
Operational Salaries	444,900	444,900	401,944
Administrative Salaries - Overtime	30,000	30,000	27,821
IMRF and FICA	199,600	199,600	182,910
ICMA	4,200	4,200	3,963
Health/Dental/Life Insurance	403,100	403,100	388,798
Unemployment Insurance	-	-	2,230
Contractual Services			
Legal Fees	15,000	15,000	12,906
Auditing Fees	16,100	16,100	14,166
JULIE System	2,800	2,800	2,744
Consultants	2,000	2,000	2,117
Pre-employment Exams	600	600	786
Training and Tuition	1,000	1,000	927
Memberships/Dues/Subscriptions	1,000	1,000	1,084
Software Maintenance	6,600	6,600	6,554
Legal Notices	1,000	1,000	650
Telephone and Alarms	25,000	25,000	46,998
Heating and Gas	3,000	3,000	2,771
Electric	300,000	300,000	267,009
Lab Results	6,000	6,000	8,135
Refuse Disposal	5,000	5,000	-
Printing and Binding	2,500	2,500	2,270
Grounds Maintenance	7,900	7,900	6,970
Other Contractual Services	210,000	210,000	100,554
IRMA General Insurance	129,200	129,200	128,397
Other Insurance	-	-	5,777
Vehicle Maintenance and Repair	3,500	3,500	5,067
Building Maintenance and Repair	1,000	1,000	707
Distribution System Maintenance and Repair	100,000	100,000	41,865
Pump Station Maintenance and Repair	100,000	100,000	18,670
Reservoir Maintenance and Repair	500	500	-
Office Equipment Maintenance and Repair	2,500	2,500	657

CITY OF WEST CHICAGO, ILLINOIS

Waterworks - Enterprise Fund

**Schedule of Operating Expenses - Budget and Actual - Continued
For the Fiscal Year Ended December 31, 2014**

	Budget		Actual
	Original	Final	
Water Distribution - Continued			
Contractual Services - Continued			
Postage Meter Rental	\$ 1,400	\$ 1,400	\$ 1,521
Copier Rental	3,000	3,000	2,451
Commodities			
Computer and Office Supplies	7,000	7,000	6,137
Parts for Vehicles	6,000	6,000	8,890
Tools and Equipment	3,500	3,500	3,180
Gas and Oil	25,000	25,000	19,369
Postage	5,000	5,000	4,231
Uniforms and Safety Equipment	7,500	7,500	10,842
Parts and Equipment - Wells	4,000	4,000	3,905
Parts and Equipment - Distribution	50,000	50,000	43,259
Parts and Equipment - Pump Station	10,000	10,000	6,831
Lab Supplies	500	500	265
Chemicals	-	-	29
Water Meters	5,000	5,000	5,803
Miscellaneous Commodities	6,000	6,000	2,748
Bank Fees	8,000	8,000	7,605
Capital Outlay			
Vehicles	111,600	111,600	111,600
Other Capital Outlay	2,394,500	2,394,500	1,449,081
MIS Replacement	12,700	12,700	4,026
	5,153,800	5,153,800	3,831,001
Less Nonoperating Items			
Capital Assets Capitalized	(2,518,800)	(2,518,800)	(1,449,081)
Total Water Distribution	2,635,000	2,635,000	2,381,920
Water Treatment Plant			
Personal Services			
Administrative Salaries	172,900	172,900	139,254
Operational Salaries	431,500	431,500	438,185
Administrative Salaries - Overtime	30,000	30,000	55,767
IMRF and FICA	134,200	134,200	132,479

CITY OF WEST CHICAGO, ILLINOIS

Waterworks - Enterprise Fund

Schedule of Operating Expenses - Budget and Actual - Continued
For the Fiscal Year Ended December 31, 2014

	Budget		
	Original	Final	Actual
Water Treatment Plant - Continued			
Contractual Services			
Pre-employment Exams	\$ 300	\$ 300	\$ -
Training and Tuition	2,000	2,000	913
Memberships/Dues/Subscriptions	600	600	821
Telephone and Alarms	10,000	10,000	31,312
Heating and Gas	4,000	4,000	5,251
Electric	150,000	150,000	131,379
Lab Results	1,000	1,000	-
Grounds Maintenance	10,500	10,500	8,964
Janitorial Service	24,400	24,400	24,219
Other Contractual Services	15,000	15,000	18,136
IRMA General Insurance	47,600	47,600	47,304
Building Maintenance and Repair	10,000	10,000	5,621
WTP Operations Repair	20,000	20,000	45,493
Copier Rental	8,000	8,000	7,624
Equipment Rental	1,000	1,000	895
Commodities			
Computer and Office Supplies	2,000	2,000	1,629
Parts for Vehicles	200	200	154
Tools and Equipment	3,000	3,000	1,594
Gas and Oil	2,500	2,500	4,007
Uniforms and Safety Equipment	4,000	4,000	3,416
Parts for Building Repairs	3,000	3,000	4,271
Lab Supplies	11,000	11,000	7,270
Chemicals	300,000	300,000	313,161
Parts for WTP Operations	6,000	6,000	3,011
Miscellaneous Commodities	1,500	1,500	1,174
Capital Outlay			
Vehicles	2,500	2,500	2,500
Other Capital Outlay	38,200	38,200	1,200
Total Water Treatment Plant	1,446,900	1,446,900	1,437,004
Total Operating Expenses	\$ 4,081,900	\$ 4,081,900	\$ 3,818,924

CITY OF WEST CHICAGO, ILLINOIS

Sewerage - Enterprise Fund

Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual For the Fiscal Year Ended December 31, 2014

	Budget		Actual
	Original	Final	
Operating Revenues			
Charges for Services			
Sewer Service	\$ 5,300,000	\$ 5,300,000	\$ 5,991,731
Operating Expenses			
Operations			
Wastewater Treatment	2,687,200	2,687,200	2,726,391
Sanitary Sewer Collection	4,725,800	4,725,800	2,495,370
Treatment Plant Equipment Replacement	205,100	205,100	-
Special Service Area #2	13,700	13,700	12,257
Depreciation	-	-	654,282
Total Operating Expenses	7,631,800	7,631,800	5,888,300
Operating Income (Loss)	(2,331,800)	(2,331,800)	103,431
Nonoperating Revenues			
Connection Fees	25,000	25,000	30,500
Property Taxes	11,000	11,000	8,888
Interest Income	5,000	5,000	6,824
Other Income	38,000	38,000	126,886
	79,000	79,000	173,098
Change in Net Position	\$ (2,252,800)	\$ (2,252,800)	276,529
Net Position - Beginning as Restated			27,262,076
Net Position - Ending			\$ 27,538,605

CITY OF WEST CHICAGO, ILLINOIS

Sewerage - Enterprise Fund

**Schedule of Operating Expenses - Budget and Actual
For the Fiscal Year Ended December 31, 2014**

	Budget		Actual
	Original	Final	
Wastewater Treatment			
Personal Services			
Administrative Services	\$ 29,200	\$ 29,200	\$ 29,842
Administrative Salaries - Overtime	300	300	85
IMRF and FICA	6,300	6,300	5,959
Contractual Services			
Legal Fees	-	-	3,600
Auditing Fees	4,700	4,700	4,100
Memberships/Dues/Subscriptions	15,000	15,000	14,867
Printing and Binding	200	200	130
Grounds Maintenance	8,600	8,600	7,360
Other Contractual Services	2,568,500	2,568,500	2,572,047
IRMA General Insurance	54,400	54,400	54,062
Capital Outlay			
Secondary Treatment Repair	-	-	34,339
	2,687,200	2,687,200	2,726,391
Less Nonoperating Items			
Capital Assets Capitalized	-	-	-
Total Wastewater Treatment	2,687,200	2,687,200	2,726,391
Sanitary Sewer Collection			
Personal Services			
Administrative Salaries	488,900	488,900	473,920
Operational Salaries	489,200	489,200	463,411
Administrative Salaries - Overtime	40,000	40,000	51,043
IMRF and FICA	215,200	215,200	204,274
ICMA	4,200	4,200	3,963
Health/Dental/Life Insurance	403,100	403,100	388,798
Unemployment Insurance	-	-	2,230
Contractual Services			
Legal Fees	15,000	15,000	10,905
Auditing Fees	4,700	4,700	4,100
JULIE System	2,800	2,800	2,744
Engineering	5,000	5,000	-
Consultants	2,000	2,000	2,117

CITY OF WEST CHICAGO, ILLINOIS

Sewerage - Enterprise Fund

**Schedule of Operating Expenses - Budget and Actual - Continued
For the Fiscal Year Ended December 31, 2014**

	Budget		Actual
	Original	Final	
Sanitary Sewer Collection - Continued			
Contractual Services - Continued			
Training and Tuition	\$ 500	\$ 500	\$ 186
Software Maintenance	9,300	9,300	9,243
Telephone and Alarms	8,000	8,000	30,103
Heating Gas	8,000	8,000	6,264
Electric	50,000	50,000	50,261
Grounds Maintenance	3,700	3,700	2,955
Other Contractual Services	160,200	160,200	103,179
IRMA General Insurance	81,600	81,600	81,093
Vehicle Maintenance and Repair	10,000	10,000	4,227
Lift Station Maintenance and Repair	2,000,000	2,000,000	151,136
Sewer Main Maintenance and Repair	610,000	610,000	224,544
Postage Meter Rental	1,400	1,400	1,521
Commodities			
Copier and Rental	2,500	2,500	2,456
Computer and Office Supplies	5,000	5,000	6,169
Parts for Vehicles	15,000	15,000	10,531
Tools and Equipment	20,000	20,000	17,157
Gas and Oil	22,000	22,000	19,805
Postage	3,000	3,000	2,221
Chemicals	1,500	1,500	995
Parts for Lift Stations	25,000	25,000	18,997
Material for Trench Backfill	5,000	5,000	3,849
Parts for Mains	3,000	3,000	1,569
Miscellaneous Commodities	6,000	6,000	3,399
Bank Fees	5,000	5,000	7,605
Capital Outlay			
Vehicles	128,400	128,400	128,400
Other Capital Outlay	1,157,200	1,157,200	438,576
	6,011,400	6,011,400	2,933,946
Less Nonoperating Items			
Capital Assets Capitalized	(1,285,600)	(1,285,600)	(438,576)
Total Sanitary Sewer Collection	4,725,800	4,725,800	2,495,370

CITY OF WEST CHICAGO, ILLINOIS

Sewerage - Enterprise Fund

Schedule of Operating Expenses - Budget and Actual - Continued
For the Fiscal Year Ended December 31, 2014

	Budget		Actual
	Original	Final	
Treatment Plant Equipment Replacement			
Capital Outlay			
Other Contractual Services	\$ 205,100	\$ 205,100	\$ -
Other Capital Outlay	1,615,000	1,615,000	-
	1,820,100	1,820,100	-
Less Nonoperating Items			
Capital Assets Capitalized	(1,615,000)	(1,615,000)	-
Total Treatment Plant Equipment Replacement	205,100	205,100	-
Special Service Area #2			
Operating and Maintenance			
Personal Service			
Operational Salaries	4,800	4,800	4,930
Administrative Salaries - Overtime	200	200	317
IMRF and FICA	1,100	1,100	1,111
Commodities			
Electric	5,000	5,000	3,937
Grounds Maintenance	2,600	2,600	1,962
Total Operating and Maintenance	13,700	13,700	12,257
Total Operating Expenses	\$ 7,631,800	\$ 7,631,800	\$ 5,234,018

CITY OF WEST CHICAGO, ILLINOIS

Commuter Parking - Enterprise

Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual For the Fiscal Year Ended December 31, 2014

	Budget		Actual
	Original	Final	
Operating Revenues			
Charges for Services			
Parking Fees	\$ 70,800	\$ 70,800	\$ 77,222
Licenses and Permits			
Parking Permits	60,000	60,000	59,925
Total Operating Revenues	130,800	130,800	137,147
Operating Expenses			
Operations	233,100	233,100	114,161
Depreciation	-	-	26,270
Total Operating Expenses	233,100	233,100	140,431
Operating Income (Loss)	(102,300)	(102,300)	(3,284)
Nonoperating Revenues			
Interest Income	-	-	2
Change in Net Position	<u>\$ (102,300)</u>	<u>\$ (102,300)</u>	(3,282)
Net Position - Beginning as Restated			<u>450,951</u>
Net Position - Ending			<u>\$ 447,669</u>

CITY OF WEST CHICAGO, ILLINOIS

Commuter Parking - Enterprise Fund

**Schedule of Operating Expenses - Budget and Actual
For the Fiscal Year Ended December 31, 2014**

	Budget		Actual
	Original	Final	
Operations			
Personal Services			
Administrative Salaries	\$ 6,600	\$ 6,600	\$ 6,831
Administrative Salaries Overtime	1,500	1,500	686
Operational Salaries	10,700	10,700	9,990
IMRF and FICA	4,100	4,100	3,699
Contractual Services			
Auditing Fees	1,600	1,600	1,414
Telephone and Alarms	4,000	4,000	1,518
Electric	20,000	20,000	18,699
Printing and Binding	900	900	829
Grounds Maintenance	5,200	5,200	4,517
Janitorial Services	3,800	3,800	3,672
Contractual Services	25,000	25,000	7,457
Commodities			
Postage	1,100	1,100	1,005
Miscellaneous Commodities	3,000	3,000	4,018
Capital Outlay			
Building and Ground Improvements	75,000	75,000	48,266
Other Capital Outlay	70,600	70,600	1,560
Total Operations	<u>\$ 233,100</u>	<u>\$ 233,100</u>	<u>\$ 114,161</u>

CITY OF WEST CHICAGO, ILLINOIS

Agency - Special Service Areas Funds

**Combining Statement of Changes in Assets and Liabilities
For the Fiscal Year Ended December 31, 2014**

See Following Page

CITY OF WEST CHICAGO, ILLINOIS

Agency - Special Service Areas Funds

**Combining Statement of Changes in Assets and Liabilities
For the Fiscal Year Ended December 31, 2014**

	Beginning Balances	Additions	Deductions	Ending Balances
ALL FUNDS				
ASSETS				
Cash and Investments	\$ 130,713	\$ 121,614	\$ 116,796	\$ 135,531
LIABILITIES				
Due to Bondholders	\$ 130,713	\$ 121,614	\$ 116,796	\$ 135,531
SPECIAL SERVICE AREA #17				
ASSETS				
Cash and Investments	\$ 54,205	\$ 51,725	\$ 49,648	\$ 56,282
LIABILITIES				
Due to Bondholders	\$ 54,205	\$ 51,725	\$ 49,648	\$ 56,282

	Beginning Balances	Additions	Deductions	Ending Balances
SPECIAL SERVICE AREA #18				
ASSETS				
Cash and Investments	\$ 56,395	\$ 51,615	\$ 49,648	\$ 58,362
LIABILITIES				
Due to Bondholders	\$ 56,395	\$ 51,615	\$ 49,648	\$ 58,362
SPECIAL SERVICE AREA #20				
ASSETS				
Cash and Investments	\$ 20,113	\$ 18,274	\$ 17,500	\$ 20,887
LIABILITIES				
Due to Bondholders	\$ 20,113	\$ 18,274	\$ 17,500	\$ 20,887

SUPPLEMENTAL SCHEDULES

CITY OF WEST CHICAGO, ILLINOIS

Long-Term Debt Requirements

IEPA Waterworks Revolving Loan

December 31, 2014

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 LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Requirements		Totals
	Principal	Interest	
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>\$ 6,198,456</u>	<u>\$ 870,104</u>	<u>\$ 7,068,560</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, 2014 (Unaudited)**

See Following Page

CITY OF WEST CHICAGO, ILLINOIS

Net Position by Component - Last Ten Fiscal Years December 31, 2014 (Unaudited)

	Fiscal Year Ended 4/30/2006	Fiscal Year Ended 4/30/2007	Fiscal Year Ended 4/30/2008	Fiscal Year Ended 12/31/2008
Governmental Activities				
Net Investment in Capital Assets	\$ 73,993,952	\$ 75,611,759	\$ 75,663,542	\$ 77,409,060
Restricted	1,501,944	1,462,074	1,328,804	1,264,241
Unrestricted	18,181,783	17,723,775	17,986,270	19,850,570
Total Governmental Activities Net Position	93,677,679	94,797,608	94,978,616	98,523,871
Business-Type Activities				
Net Investment in Capital Assets	40,858,481	38,575,240	37,577,723	36,528,712
Restricted	3,367,499	3,629,195	3,533,535	3,806,146
Unrestricted	15,713,801	19,237,261	21,061,429	21,276,997
Total Business-Type Activities Net Position	59,939,781	61,441,696	62,172,687	61,611,855
Primary Government				
Net Investment in Capital Assets	114,852,433	114,186,999	113,241,265	113,937,772
Restricted	4,869,443	5,091,269	4,862,339	5,070,387
Unrestricted	33,895,584	36,961,036	39,047,699	41,127,567
Total Primary Government Net Position	\$ 153,617,460	\$ 156,239,304	\$ 157,151,303	\$ 160,135,726

Data Source: City Records

Eight Months Ended 12/31/2009	Fiscal Year Ended 12/31/2010	Fiscal Year Ended 12/31/2011	Fiscal Year Ended 12/31/2012	Fiscal Year Ended 12/31/2013	Fiscal Year Ended 12/31/2014
\$ 79,007,408	\$ 88,164,059	\$ 89,692,289	\$ 88,988,913	\$ 87,923,548	\$ 55,050,037
479,320	-	1,708,723	2,340,095	2,335,435	3,218,725
22,492,259	18,130,222	16,795,258	12,681,105	13,063,574	12,673,884
101,978,987	106,294,281	108,196,270	104,010,113	103,322,557	70,942,646
35,884,266	36,356,211	52,523,108	53,326,830	56,991,020	102,204,573
3,833,998	4,715,215	4,435,213	3,614,442	760,002	1,040,810
20,588,763	19,199,292	4,383,915	3,913,218	3,062,891	3,785,237
60,307,027	60,270,718	61,342,236	60,854,490	60,813,913	107,030,620
114,891,674	124,520,270	142,215,397	142,315,743	144,914,568	157,254,610
4,313,318	4,715,215	6,143,936	5,954,537	3,095,437	4,259,535
43,081,022	37,329,514	21,179,173	16,594,323	16,126,465	16,459,121
\$ 162,286,014	\$ 166,564,999	\$ 169,538,506	\$ 164,864,603	\$ 164,136,470	\$ 177,973,266

CITY OF WEST CHICAGO, ILLINOIS

Changes in Net Position - Last Ten Fiscal Years
December 31, 2014 (Unaudited)

	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	Fiscal Year Ended 12/31/2013	Fiscal Year Ended 12/31/2014
Expenses										
Governmental Activities										
General Government	\$ 4,686,846	\$ 6,087,786	\$ 6,519,035	\$ 4,845,172	\$ 9,423,220	\$ 10,307,149	\$ 8,797,675	\$ 9,184,108	\$ 8,912,745	\$ 11,058,516
Public Safety	7,763,865	4,697,995	5,269,466	2,499,094	1,486,314	1,546,316	1,591,915	6,730,139	9,388,129	9,701,162
Highways and Streets	2,382,363	7,570,597	8,166,925	5,881,641	8,759,315	8,583,580	8,399,317	8,851,135	4,103,870	1,955,626
Culture and Recreation	458,363	518,487	409,874	251,723	376,103	135,309	193,879	83,232	-	12,592
Interest on Long-Term Debt	82,532	74,596	123,108	87,034	95,920	63,505	40,332	38,097	1,769	1,195
Total Governmental Activities Expenses	15,373,969	18,949,461	20,488,408	13,564,664	20,140,872	20,635,859	19,023,118	24,886,711	22,406,513	22,729,091
Business-Type Activities										
Waterworks	3,698,571	5,076,878	6,452,600	4,409,193	6,147,347	6,441,171	5,999,102	6,816,837	6,136,247	5,812,503
Sewerage	3,759,415	3,909,722	5,009,744	4,102,048	5,959,791	5,912,683	7,596,138	6,602,525	6,073,613	5,888,300
Commuter Parking	98,565	132,148	136,383	119,829	535,811	220,345	127,748	112,319	84,748	140,431
Total Business-Type Activities	7,556,551	9,118,748	11,598,727	8,631,070	12,642,949	12,574,199	13,722,988	13,531,681	12,294,608	11,841,234
Activities Net Position										
Total Primary Government Expenses	22,930,520	28,068,209	32,087,135	22,195,734	32,783,821	33,210,058	32,746,106	38,418,392	34,701,121	34,570,325
Program Revenues										
Governmental Activities										
Charges for Services										
General Government	637,704	1,907,004	1,897,830	1,560,418	1,754,497	1,816,692	2,246,202	1,899,106	2,007,405	2,018,188
Highways and Streets	1,275,803	1,051,912	1,249,338	1,186,037	2,330,517	-	-	1,419,816	1,557,400	1,178,937
Public Safety	1,009,654	444,500	483,100	485,533	745,000	1,573,088	1,448,786	-	1,373,123	788,000
Culture and Recreation	77	26,973	-	-	-	-	-	-	-	-
Operating Grants/Contributions	-	293,396	359,576	272,902	145,148	395,843	78,140	181,074	150,805	51,746
Capital Grants/Contributions	998,677	777,051	778,850	536,437	714,671	4,832,786	792,266	819,317	806,014	930,849
Total Governmental Activities Program Revenues	3,921,915	4,500,836	4,768,694	4,041,327	5,689,833	8,618,409	4,565,394	4,319,313	5,894,747	4,967,720
Business-Type Activities										
Charges for Services										
Waterworks	5,207,640	5,391,870	5,193,617	3,503,214	4,980,408	4,829,368	4,720,319	4,707,616	4,218,252	4,889,559
Sewerage	3,575,276	3,982,237	3,961,312	3,821,226	5,137,530	5,579,155	5,591,347	5,492,604	5,328,023	6,022,231
Commuter Parking	99,526	94,043	98,111	81,994	120,240	116,169	124,830	133,077	131,813	137,147
Capital Grants/Contributions	-	-	-	-	-	-	2,633,360	1,317,363	-	-
Total Business-Type Activities Program Revenues	8,882,442	9,468,150	9,253,040	7,406,434	10,238,178	10,524,692	13,069,856	11,650,660	9,678,088	11,048,937
Total Primary Government Program Revenues	\$ 12,804,357	\$ 13,968,986	\$ 14,021,734	\$ 11,447,761	\$ 15,928,011	\$ 19,143,101	\$ 17,635,250	\$ 15,969,973	\$ 15,572,835	\$ 16,016,657

	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	Fiscal Year Ended 12/31/2013	Fiscal Year Ended 12/31/2014
Net (Expense) Revenue										
Governmental Activities	\$ (11,452,054)	\$ (14,448,625)	\$ (15,719,714)	\$ (9,523,337)	\$ (14,451,039)	\$ (12,017,450)	\$ (14,457,724)	\$ (20,567,398)	\$ (16,511,766)	\$ (17,761,371)
Business-Type Activities	1,325,891	349,402	(2,345,687)	(1,224,636)	(2,404,771)	(2,049,507)	(653,132)	(1,881,021)	(2,616,520)	(792,297)
Total Primary Government										
Net Revenue (Expense)	(10,126,163)	(14,099,223)	(18,065,401)	(10,747,973)	(16,855,810)	(14,066,957)	(15,110,856)	(22,448,419)	(19,128,286)	(18,553,668)
General Revenues and Other Changes in Net Position										
Governmental Activities										
Taxes										
Property	3,367,882	3,751,770	4,086,381	4,451,083	4,479,930	4,691,781	4,701,295	4,711,890	4,534,973	4,492,371
Utility	2,001,813	-	-	-	-	-	-	-	-	-
Other	1,332,973	1,254,401	1,305,440	877,403	1,250,406	1,200,551	1,383,971	1,176,228	1,032,614	1,033,012
Intergovernmental										
Sales and Use	3,522,570	3,929,364	4,052,219	3,607,854	3,549,910	3,832,745	4,158,709	4,405,831	4,515,729	5,476,959
Income	1,963,180	2,165,411	2,471,340	1,654,932	2,181,609	2,112,444	2,117,490	2,379,976	2,580,764	2,593,317
Replacement	158,186	155,243	193,689	117,888	159,185	171,227	157,985	144,979	169,568	170,517
Other	-	2,058,843	2,190,649	1,316,154	2,037,722	2,098,487	2,098,719	2,013,401	2,051,702	2,111,109
Interest Income	664,894	1,084,991	1,069,786	530,225	253,642	212,808	102,820	79,150	21,399	(7,465)
Miscellaneous	3,569,777	759,852	531,218	513,053	3,506,651	2,012,701	1,638,724	1,465,234	917,461	1,607,960
Contributions	-	-	-	-	-	-	-	-	-	-
Transfers	(232,860)	120,000	-	-	487,100	-	-	-	-	-
Total Governmental Activities	16,348,415	15,279,875	15,900,722	13,068,592	17,906,155	16,332,744	16,359,713	16,376,689	15,824,210	17,477,780
Business-Type Activities										
Property	15,171	15,158	15,172	15,025	15,161	15,172	11,557	11,671	8,804	8,888
Sales and Use	-	-	-	-	948,148	1,023,267	1,131,916	1,103,876	1,071,655	1,153,993
Interest Income	788,970	1,018,478	1,111,535	425,385	205,893	137,988	121,733	6,878	6,142	4,654
Miscellaneous	1,509,767	306,827	1,949,971	223,394	417,841	836,771	459,444	270,850	1,489,342	544,194
Contributions	-	-	-	-	-	-	-	-	-	-
Transfers	232,860	(120,000)	-	-	(487,100)	-	-	-	-	-
Total Business-Type Activities	2,546,768	1,220,463	3,076,678	663,804	1,099,943	2,013,198	1,724,650	1,393,275	2,575,943	1,711,729
Total Primary Government	18,895,183	16,500,338	18,977,400	13,732,396	19,006,098	18,345,942	18,084,363	17,769,964	18,400,153	19,189,509
Changes in Net Position										
Governmental Activities	4,896,361	831,250	181,008	3,545,255	3,455,116	4,315,294	1,901,989	(4,190,709)	(687,556)	(283,591)
Business-Type Activities	3,872,659	1,569,865	730,991	(560,832)	(1,304,828)	(36,309)	1,071,518	(487,746)	(40,577)	919,432
Total Primary Government	\$ 8,769,020	\$ 2,401,115	\$ 911,999	\$ 2,984,423	\$ 2,150,288	\$ 4,278,985	\$ 2,973,507	\$ (4,678,455)	\$ (728,133)	\$ 635,841

Data Source: City Records

CITY OF WEST CHICAGO, ILLINOIS

Fund Balances of Governmental Funds - Last Ten Fiscal Years December 31, 2014 (Unaudited)

	Fiscal Year Ended 4/30/2006	Fiscal Year Ended 4/30/2007	Fiscal Year Ended 4/30/2008	Eight Months Ended 12/31/2008
General Fund				
Reserved	\$ 160,863	\$ 1,115,019	\$ 1,468,640	\$ 1,258,433
Unreserved	6,426,774	7,547,196	8,260,787	10,789,860
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Unassigned	-	-	-	-
Total General Fund	6,587,637	8,662,215	9,729,427	12,048,293
All Other Governmental Funds				
Reserved	2,831,253	2,675,629	2,479,613	2,347,877
Unreserved, Reported in:				
Special Revenues Funds	10,145,240	6,868,385	6,637,886	6,350,617
Capital Projects Funds	1,983,701	3,182,862	2,815,078	2,959,936
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Assigned	-	-	-	-
Total All Other Governmental Funds	\$ 14,960,194	\$ 12,726,876	\$ 11,932,577	\$ 11,658,430

Data Source: City Records

The City implemented GASB 54 in Fiscal Year 2011.

Fiscal Year Ended 12/31/2009	Fiscal Year Ended 12/31/2010	Fiscal Year Ended 12/31/2011	Fiscal Year Ended 12/31/2012	Fiscal Year Ended 12/31/2013	Fiscal Year Ended 12/31/2014
\$ 1,277,811	\$ 985,505	\$ -	\$ -	\$ -	\$ -
12,278,094	11,659,744	-	-	-	-
-	-	1,134,891	1,145,514	1,028,304	1,104,969
-	-	-	843,105	844,754	846,315
-	-	12,616,731	11,309,771	10,931,741	11,507,102
13,555,905	12,645,249	13,751,622	13,298,390	12,804,799	13,458,386
1,516,583	986,267	-	-	-	-
6,275,876	2,270,787	-	-	-	-
4,542,708	5,245,994	-	-	-	-
-	-	938,215	886,413	797,991	2,029
-	-	1,708,723	1,496,990	1,490,681	2,372,410
-	-	5,318,609	2,698,343	3,943,537	4,636,090
\$ 12,335,167	\$ 8,503,048	\$ 7,965,547	\$ 5,081,746	\$ 6,232,209	\$ 7,010,529

CITY OF WEST CHICAGO, ILLINOIS

General Governmental Revenues By Source - Last Ten Fiscal Years December 31, 2014 (Unaudited)

Source	Fiscal Year Ended 4/30/2006	Fiscal Year Ended 4/30/2007	Fiscal Year Ended 4/30/2008	Eight Months Ended 12/31/2008
Taxes	\$ 11,037,386	\$ 7,220,257	\$ 7,943,758	\$ 7,737,287
Intergovernmental	990,894	7,165,222	7,494,386	5,097,366
Charges for Services	806,360	2,315,647	2,389,235	2,179,039
Licenses and Permits	1,057,216	632,799	572,886	326,417
Fines and Forfeits	833,898	481,943	668,147	726,532
Fees	2,407,119	-	-	-
Interest Income	664,895	1,075,101	1,049,762	523,118
Rental Income	160,073	-	-	-
Miscellaneous	2,833,815	759,852	531,218	513,053
Total	<u>\$ 20,791,656</u>	<u>\$ 19,650,821</u>	<u>\$ 20,649,392</u>	<u>\$ 17,102,812</u>

Data Source: City Records

Fiscal Year Ended 12/31/2009	Fiscal Year Ended 12/31/2010	Fiscal Year Ended 12/31/2011	Fiscal Year Ended 12/31/2012	Fiscal Year Ended 12/31/2013	Fiscal Year Ended 12/31/2014
\$ 8,401,237	\$ 8,669,147	\$ 8,907,926	\$ 8,598,434	\$ 8,324,682	\$ 8,383,993
6,117,344	6,542,723	6,580,649	7,234,262	7,517,487	8,475,887
2,558,780	1,891,127	2,124,010	1,803,814	3,407,944	2,718,832
489,110	456,361	634,929	481,698	530,638	484,106
1,782,124	1,042,292	936,049	1,033,410	999,346	782,187
-	-	-	-	-	-
251,878	210,470	102,148	78,908	21,307	(7,465)
-	-	-	-	-	-
3,506,651	2,012,701	1,638,724	1,465,234	917,461	1,607,960
\$ 23,107,124	\$ 20,824,821	\$ 20,924,435	\$ 20,695,760	\$ 21,718,865	\$ 22,445,500

CITY OF WEST CHICAGO, ILLINOIS

General Governmental Expenditures By Function - Last Ten Fiscal Years December 31, 2014 (Unaudited)

Function	Fiscal Year Ended 4/30/2006	Fiscal Year Ended 4/30/2007	Fiscal Year Ended 4/30/2008	Eight Months Ended 12/31/2008
General Government	\$ 4,540,750	\$ 6,030,937	\$ 6,393,241	\$ 4,551,384
Public Safety	7,756,125	7,511,979	8,006,829	5,783,643
Highways and Streets	758,534	826,980	1,025,381	700,402
Culture and Recreation	449,110	514,550	406,417	248,277
Capital Outlay	4,065,602	5,477,801	4,227,901	3,455,854
Debt Service				
Principal	135,000	150,000	190,000	210,000
Interest and Fiscal Charges	83,618	77,378	126,710	108,533
Total	<u>\$ 17,788,739</u>	<u>\$ 20,589,625</u>	<u>\$ 20,376,479</u>	<u>\$ 15,058,093</u>

Data Source: City Records

Fiscal Year Ended 12/31/2009	Fiscal Year Ended 12/31/2010	Fiscal Year Ended 12/31/2011	Fiscal Year Ended 12/31/2012	Fiscal Year Ended 12/31/2013	Fiscal Year Ended 12/31/2014
\$ 6,957,868	\$ 8,180,849	\$ 7,720,982	\$ 8,940,416	\$ 8,676,885	\$ 8,128,303
8,616,769	8,524,634	8,468,368	8,825,728	9,248,035	9,162,072
-	-	-	-	-	-
372,382	131,438	189,894	80,000	-	-
5,141,045	7,818,703	3,935,987	6,148,552	3,154,948	3,722,023
225,000	845,000	-	-	-	-
96,811	66,972	40,332	38,097	1,769	1,195
\$ 21,409,875	\$ 25,567,596	\$ 20,355,563	\$ 24,032,793	\$ 21,081,637	\$ 21,013,593

CITY OF WEST CHICAGO, ILLINOIS

Changes in Fund Balances for Governmental Funds - Last Ten Fiscal Years December 31, 2014 (Unaudited)

	Fiscal Year Ended 4/30/2006	Fiscal Year Ended 4/30/2007	Fiscal Year Ended 4/30/2008	Eight Months Ended 12/31/2008
Revenues				
Taxes	\$ 11,037,386	\$ 7,220,257	\$ 7,943,758	\$ 7,737,287
Intergovernmental	990,894	7,165,222	7,494,386	5,097,366
Charges for Services	806,360	2,315,647	2,389,235	2,179,039
Licenses and Permits	1,057,216	632,799	572,886	326,417
Fines and Forfeits	833,898	481,943	668,147	726,532
Fees	2,407,119	-	-	-
Interest Income	664,895	1,075,101	1,049,762	523,118
Rental Income	160,073	-	-	-
Miscellaneous	2,833,815	759,852	531,218	513,053
Total Revenues	20,791,656	19,650,821	20,649,392	17,102,812
Expenditures				
General Government	4,540,750	6,030,937	6,393,241	4,551,384
Public Safety	7,756,125	7,511,979	8,006,829	5,783,643
Highways and Streets	758,534	826,980	1,025,381	700,402
Culture and Recreation	449,110	514,550	406,417	248,277
Capital Outlay	4,065,602	5,477,801	4,227,901	3,455,854
Debt Service				
Principal	135,000	150,000	190,000	210,000
Interest and Fiscal Charges	83,618	77,378	126,710	108,533
Total Expenditures	17,788,739	20,589,625	20,376,479	15,058,093
Excess of Revenues Over (Under) Expenditures	3,002,917	(938,804)	272,913	2,044,719
Other Financing Sources (Uses)				
Transfer In	169,589	330,000	555,000	150,000
Transfer Out	(402,449)	(210,000)	(555,000)	(150,000)
Sale of Assets	-	-	-	-
	(232,860)	120,000	-	-
Net Change in Fund Balances	\$ 2,770,057	\$ (818,804)	\$ 272,913	\$ 2,044,719
Debt Service as a Percentage of Noncapital Expenditures	1.59%	1.50%	1.67%	2.65%

Data Source: City Records

Fiscal Year Ended 12/31/2009	Fiscal Year Ended 12/31/2010	Fiscal Year Ended 12/31/2011	Fiscal Year Ended 12/31/2012	Fiscal Year Ended 12/31/2013	Fiscal Year Ended 12/31/2014
\$ 8,401,237	\$ 8,669,147	\$ 8,907,926	\$ 8,598,434	\$ 8,324,682	\$ 8,383,993
6,117,344	6,542,723	6,580,649	7,234,262	7,517,487	8,475,887
2,558,780	1,891,127	2,124,010	1,803,814	3,407,944	2,718,832
489,110	456,361	634,929	481,698	530,638	484,106
1,782,124	1,042,292	936,049	1,033,410	999,346	782,187
-	-	-	-	-	-
251,878	210,470	102,148	78,908	21,307	(7,465)
-	-	-	-	-	-
3,506,651	2,012,701	1,638,724	1,465,234	917,461	1,607,960
23,107,124	20,824,821	20,924,435	20,695,760	21,718,865	22,445,500
6,957,868	8,180,849	7,720,982	8,940,416	8,676,885	8,128,303
8,616,769	8,524,634	8,468,368	8,825,728	9,248,035	9,162,072
-	-	-	-	-	-
372,382	131,438	189,894	80,000	-	-
5,141,045	7,818,703	3,935,987	6,148,552	3,154,948	3,722,023
225,000	845,000	-	-	-	-
96,811	66,972	40,332	38,097	1,769	1,195
21,409,875	25,567,596	20,355,563	24,032,793	21,081,637	21,013,593
1,697,249	(4,742,775)	568,872	(3,337,033)	637,228	1,431,907
587,100	441,777	-	50,000	19,644	7,776
(100,000)	(441,777)	-	(50,000)	-	(7,776)
-	-	-	-	-	-
487,100	-	-	-	19,644	-
\$ 2,184,349	\$ (4,742,775)	\$ 568,872	\$ (3,337,033)	\$ 656,872	\$ 1,431,907
1.75%	5.86%	0.24%	0.16%	0.01%	0.01%

CITY OF WEST CHICAGO, ILLINOIS

**Assessed Value and Actual Value of Taxable Property - Last Ten Fiscal Years
December 31, 2014 (Unaudited)**

Tax Levy Year	Fiscal Year End	Residential Property	Farm
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
2013	12/31/2013	367,424,630	392,261
2014	12/31/2014	354,736,670	426,235

*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
\$ 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
82,237,691	124,152,620	574,207,202	11.4196
79,649,467	119,236,720	554,049,092	11.7269

CITY OF WEST CHICAGO, ILLINOIS

**Direct and Overlapping Property Tax Rates - Last Ten Fiscal Years
December 31, 2014 (Unaudited)**

See Following Page

CITY OF WEST CHICAGO, ILLINOIS

Direct and Overlapping Property Tax Rates - Last Ten Tax Levy Years December 31, 2014 (Unaudited)

Taxing Body	2005	2006	2007
Countywide			
DuPage County	0.1797	0.1713	0.1651
Forest Preserve District	0.1271	0.1303	0.1187
DuPage Airport Authority	0.0198	0.0183	0.0170
DuPage Water Commission	0.0000	0.0000	0.0000
Local			
Wayne Township	0.0680	0.0666	0.0647
Wayne Township Road	0.0720	0.0704	0.0642
City of West Chicago - Wayne Township	0.4423	0.4236	0.4273
Winfield Township	0.0901	0.0869	0.0855
Winfield Township Road	0.1178	0.1143	0.1125
City of West Chicago - Winfield Township	0.4423	0.4236	0.4273
West Chicago Park District	0.2933	0.2813	0.2718
West Chicago Fire Protection District	0.5500	0.5335	0.6501
West Chicago Mosquito District	0.0105	0.0101	0.0099
West Chicago Library District	0.2651	0.2532	0.2465
Educational			
Grade School District 33	3.6993	3.5986	3.5300
High School District 94	1.8377	1.7669	1.7186
College of DuPage District 502	0.1874	0.1929	0.1888
Total Tax Rate - Winfield Township	7.8201	7.5812	7.5418
Share of Total Tax Rate Levied by the City of West Chicago	5.66%	5.59%	5.67%
Total Tax Rate - Wayne Township	7.7522	7.5170	7.4727
Share of Total Tax Rate Levied by the City of West Chicago	5.71%	5.64%	5.72%

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

Data Source: DuPage County Clerk

2008	2009	2010	2011	2012	2013	2014
0.1557	0.1554	0.1659	0.1773	0.1929	0.2040	0.2057
0.1206	0.1217	0.1321	0.1414	0.1542	0.1657	0.1691
0.0160	0.0148	0.0158	0.0169	0.0168	0.0178	0.0196
0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
0.0649	0.0658	0.0733	0.0804	0.0896	0.0979	0.1025
0.0604	0.0610	0.0645	0.0675	0.0730	0.0817	0.0855
0.4240	0.4263	0.4675	0.5011	0.5545	0.5973	0.6187
0.0845	0.0854	0.0924	0.1021	0.1174	0.1318	0.1396
0.1112	0.1123	0.1215	0.1342	0.1543	0.1732	0.1835
0.4240	0.4263	0.4675	0.5011	0.5545	0.5973	0.6187
0.2687	0.2703	0.2946	0.3177	0.4948	0.4917	0.4239
0.6506	0.6509	0.7078	0.8027	0.9212	1.0190	1.0652
0.0099	0.0101	0.0111	0.0122	0.0139	0.0153	0.0161
0.2443	0.2466	0.2307	0.2529	0.2903	0.3225	0.3400
3.5158	3.5290	3.8244	4.1734	4.6430	5.4481	5.5749
1.7011	1.7143	1.8613	2.0351	2.3008	2.5376	2.6731
0.1858	0.2127	0.2349	0.2495	0.2681	0.2956	0.2975
7.4882	7.5498	8.1600	8.9165	10.1222	11.4196	11.7269
5.66%	5.65%	5.73%	5.62%	5.48%	5.23%	5.28%
7.4178	7.4789	8.0839	8.8281	10.0131	11.2942	11.5918
5.72%	5.70%	5.78%	5.68%	5.54%	5.29%	5.34%

CITY OF WEST CHICAGO, ILLINOIS

**Principal Property Tax Payers - Current Fiscal Year and Nine Fiscal Years Ago
December 31, 2014 (Unaudited)**

	2014			2005		
	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	\$ 11,966,970	1	2.08%	\$ 13,617,880	1	2.14%
Blackhawk Center, LLC	8,186,810	2	1.43%			
Cobalt Industrial Reit II	7,665,890	3	1.34%			
Centerpoint Properties	4,013,940	4	0.70%			
Mapei Corp.	3,955,480	5	0.69%			
LaGrou Properties	3,901,490	6	0.68%	4,501,180	5	0.71%
Platinum Health Care	2,984,240	7	0.52%	2,623,020	8	0.41%
Prologis	2,854,260	8	0.50%			
Menards, Inc	2,740,460	9	0.48%	3,177,500	7	0.50%
St. Andrews Country Club	2,505,340	10	0.44%			
Dividend Capital Op				10,206,250	2	1.60%
CNC				8,776,680	3	1.38%
General Mills				5,432,390	4	0.85%
Navistar International				3,763,290	6	0.59%
Three Oaks Distribution				2,619,100	9	0.41%
West Chicago Preservation				2,500,000	10	0.39%
	<u>\$ 50,774,880</u>		<u>8.84%</u>	<u>\$ 57,217,290</u>		<u>8.98%</u>

Data Source: Office of the DuPage County Clerk's

CITY OF WEST CHICAGO, ILLINOIS

Property Tax Levies and Collections - Last Ten Tax Levy Years December 31, 2014 (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
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%
2012	3,458,498	3,453,081	99.84%	N/A	3,453,081	99.84%
2013	3,458,756	3,452,708	99.83%	N/A	3,452,708	99.83%

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, 2014 (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			
4/30/2006	\$ 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
12/31/2012	-	7,259,271	-	7,259,271	0.96%	268
12/31/2013	-	6,735,635	-	6,735,635	0.96%	249
12/31/2014	-	6,198,456	-	6,198,456	0.82%	229

* 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, 2014 (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)
4/30/2006	\$ 20,475,000	\$ 327,648	\$ 20,147,352	3.16%	\$ 788
4/30/2007	19,485,000	349,127	19,135,873	2.72%	713
4/30/2008	18,425,000	382,683	18,042,317	2.44%	672
12/31/2008*	15,215,000	442,842	14,772,158	1.88%	550
12/31/2009	17,085,000	482,787	16,602,213	2.13%	619
12/31/2010	15,295,000	482,787	14,812,213	2.01%	547
12/31/2011	-	-	-	0.00%	-
12/31/2012	-	-	-	0.00%	-
12/31/2013	-	-	-	0.00%	-
12/31/2014	-	-	-	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, 2014 (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	267,277,785	1.73%	4,623,906
Forest Preserve District	216,146,058	1.73%	3,739,327
Warrenville Park District	504,966	1.90%	9,594
West Chicago Park District	22,909,943	74.50%	17,067,908
Winfield Park District	3,186,500	0.68%	21,668
School District #25	5,478,140	22.50%	1,232,582
School District #33	37,510,000	64.53%	24,205,203
School District #94	10,030,000	47.95%	4,809,385
U-46 School District	319,635,109	81.00%	258,904,438
U-303 School District	133,915,000	3.72%	4,981,638
Community College District #502	317,630,000	1.48%	4,700,924
Community College District #509	187,887,832	0.99%	1,860,090
Total Overlapping Debt	1,522,111,333		326,156,662
Total Direct and Overlapping Debt	\$ 1,522,111,333		\$ 326,156,662

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.

CITY OF WEST CHICAGO, ILLINOIS

Schedule of Legal Debt Margin December 31, 2014 (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, 2014 (Unaudited)

Fiscal Year Ended	(1) Revenues	(2) Expenses	(3) Net Revenue Available for Debt Service	(4) Debt Service		(5) Coverage
				Principal	Interest	
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	-	-	-
12/31/2013	12,122,215	10,177,161	1,945,054	-	-	-
12/31/2014	12,623,517	9,052,942	3,570,575	-	-	-

* 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, 2014 (Unaudited)

Fiscal Year Ended	(1) Population	(2) Personal Income (in Thousands)	Per Capita Personal Income	(1) Median Age	School Enrollment	(2) Unemployment Rate
4/30/2006	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
12/31/2013	27,086	700,498,132	25,862	30.8	6,293	6.6
12/31/2014	27,086	751,636,500	27,750	33.2	7,552	5.5

* 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, 2014 (Unaudited)

Employer	2014			2005		
	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	650	2	4.40%	N/A	N/A	N/A
General Mills	500	3	3.39%	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
Advanced Urethane Technologies	350	6	2.37%	N/A	N/A	N/A
Sims Recycling Solutions	250	7	1.69%	N/A	N/A	N/A
Community High School District 94	250	8	1.69%	N/A	N/A	N/A
OSI Industries	230	9	1.56%	N/A	N/A	N/A
Mapei Corp	218	10	1.48%	N/A	N/A	N/A
Tomenson Machine Works	170	11	1.15%	N/A	N/A	N/A
New Wincup Holdings	160	12	1.08%	N/A	N/A	N/A
Menards	150	12	1.02%	N/A	N/A	N/A
Midwestern Contractors	150	12	1.02%	N/A	N/A	N/A
	<u>5,278</u>		<u>35.73%</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 2005 is not available.

CITY OF WEST CHICAGO, ILLINOIS

**Full-time Equivalent City Government Employees by Function - Last Ten Fiscal Years
December 31, 2014 (Unaudited)**

See Following Page

CITY OF WEST CHICAGO, ILLINOIS

Full-Time Equivalent City Government Employees by Function - Last Ten Fiscal Years December 31, 2014 (Unaudited)

Function	Fiscal Year Ended 4/30/2006	Fiscal Year Ended 4/30/2007	Fiscal Year Ended 4/30/2008
General Government			
Administration	2.00	2.50	3.00
Finance/Administrative Services	11.00	10.50	8.00
Museum/Marketing	3.00	4.00	4.00
Public Works	17.41	18.21	21.50
Police	47.00	47.00	49.00
Community Development	9.90	9.90	6.00
Water and Sewer	37.40	48.81	24.00
Commuter Parking Lot	0.56	0.63	0.50
Total	128.27	141.55	116.00

Data Source: City Records

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	Fiscal Year Ended 12/31/2013	Fiscal Year Ended 12/31/2014
2.25	2.25	2.25	1.13	1.13	1.00	1.00
8.00	8.00	8.00	5.00	5.00	4.76	4.13
3.38	1.75	1.75	0.50	0.50	0.50	0.50
23.00	23.00	23.00	11.74	11.74	10.57	11.51
50.00	48.00	48.00	47.00	49.00	49.00	49.00
6.00	6.00	6.00	5.50	5.00	3.50	3.50
20.00	20.00	20.00	37.50	37.50	34.47	35.00
0.81	1.00	1.00	0.38	0.38	0.25	0.25
113.44	110.00	110.00	108.75	110.25	104.05	104.89

CITY OF WEST CHICAGO, ILLINOIS

Operating Indicators by Function/Program - Last Ten Fiscal Years December 31, 2014 (Unaudited)

Function/Program	Fiscal Year Ended 4/30/2006	Fiscal Year Ended 4/30/2007	Fiscal Year Ended 4/30/2008
Public Works			
Number of Parkway Trees Planted	146	121	115
Number of Parkway Trees Trimmed	1,575	1,125	1,255
Brush Pickup Program (Days to Collect)	4	4	4
Building Safety Inspections	12	12	12
Tunnel - Paint and Light Lens Replacements	15	15	132
Special Events Handled	6	6	6
Public Safety			
Fire			
Number of Fire Calls	1,272	1,440	N/A
Number of EMS Calls	1,821	1,692	N/A
ISO Rating	3/3	3/3	3/3
Police			
Part I Crime	642	536	N/A
Part II Crime	3,653	3,803	N/A
Calls for Service	40,168	40,960	N/A
Parking Tickets Issued	5,232	5,051	N/A
Community Development			
Number of Building Permits Issued	1,225	1,083	967
Number of Building Inspections	3,814	1,951	1,205
Highways and Streets			
Sidewalk Replaced (sq. ft.)	18,470	18,032	18,491
Crack Sealing (lbs. installed)	28,500	-	-
Tons of Salt Used	2,500	2,000	4,100
Water and Sewer			
Number of metered accounts	6,300	6,450	6,600
Water Meters Read	37,800	38,700	39,600
Water Meter Service Requests	173	87	155
Water Meters Replaced	90	100	60
Average Daily Treated Water (Million Gallons)	3.76	3.80	3.67
Sanitary Sewer Repairs	3	3	1

N/A - Not Available

Data Source: City Records

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

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	Fiscal Year Ended 12/31/2013	Fiscal Year Ended 12/31/2014
0	140	150	85	300	373	130
80	1,087	1,087	1,458	1,287	2,336	1,944
5	4	4.5	4.0	4.0	4.0	4.8
8	12	12	12	12	12	12
33	30	29	22	42	12	0
5	6	10	3	4	6	4
1,506	1,159	1,146	1,279	1,238	1,015	1,122
1,733	1,826	1,821	1,629	1,629	1,804	1,778
3/3	3/3	3/3	3/3	3/3	3/3	3/3
451	509	438	374	379	424	373
2,933	3,009	2,342	2,402	1,393	1,066	1,521
40,990	38,828	37,407	38,910	38,509	33,867	31,053
4,654	4,294	3,728	3,376	2,888	2,771	3,413
729	882	1,097	954	1,199	899	790
880	881	753	1,116	1,049	1,134	899
18,159	13,195	10,935	9,849	10,000	18,207	8,742
-	26,520	14,983	37,320	36,429	21,480	35,518
3,300	3,000	3,577	3,000	2,800	3,250	3,180
6,707	6,438	6,437	6,430	6,432	6,435	6,428
40,242	38,700	38,700	38,580	35,000	34,000	2,500
66	90	103	92	70	50	75
35	80	117	41	30	4,305	3,000
3.60	3.37	3.28	3.00	3.45	3.42	3.36
3	2	3	2	1	2	2

CITY OF WEST CHICAGO, ILLINOIS

Capital Asset Statistics by Function/Program - Last Ten Fiscal Years December 31, 2014 (Unaudited)

Function/Program	Fiscal Year Ended 4/30/2006	Fiscal Year Ended 4/30/2007	Fiscal Year Ended 4/30/2008
Police			
Stations	1	1	1
Patrol Units	28	28	28
Fire Stations	3	3	3
Public Works			
Streets (Miles)	161.94	165.00	165.41
Sidewalks (Miles)	N/A	84.00	102.20
Streetlights	446	446	883
Water and Sewer			
Water Mains (Miles)	125.00	125.00	123.00
Fire Hydrants	1,560	1,560	1,560
Sanitary Sewers (Miles)	103.06	103.06	103.12
Manholes	1,722	1,725	2,075

N/A - Not Available

Data Source: City Records

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	Fiscal Year Ended 12/31/2013	Fiscal Year Ended 12/31/2014
1 28	1 28	1 28	1 27	1 27	1 2	1 27
3	3	3	4	4	4	4
165.41	169.71	167.20	167.20	174.18	174.18	174.18
103.40	104.05	108.38	111.18	111.00	111.00	111.00
883	964	964	964	961	961	961
123.00	123.00	125.33	127.38	127.99	127.99	127.99
1,472	1,482	1,483	1,518	1,528	1,528	1,528
105.60	105.60	105.60	106.19	106.34	106.34	106.34
2,176	2,176	2,186	2,202	2,211	2,211	2,211

CITY OF WEST CHICAGO

FINANCE COMMITTEE AGENDA ITEM SUMMARY

ITEM TITLE:

Resolution No. 15-R-0053 – Lease Renewal – 509 Church Street

AGENDA ITEM NUMBER:4.A.**FILE NUMBER:****COMMITTEE AGENDA DATE:****COUNCIL AGENDA DATE:****STAFF REVIEW:****SIGNATURE** _____**APPROVED BY CITY ADMINISTRATOR:****SIGNATURE** _____**ITEM SUMMARY:**

City staff was directed to work with the West Chicago Fire Protection District to renew the lease for 509 Church Street, which currently houses the Facilities Management Division. The attached lease contains the following key provisions:

- (1) The lease term is extended through December 31, 2017.
- (2) The City will provide the District with nine months' notice of what it intends to do after December 31, 2017 (vacate or purchase).
- (3) The City can terminate lease and vacate the premises earlier than December 31, 2017 upon written notice to the District.

ACTIONS PROPOSED:

Staff recommends approval of Resolution No. 15-R-0053.

COMMITTEE RECOMMENDATION:

RESOLUTION NO. 15-R-0053

**A RESOLUTION RENEWING A LEASE AGREEMENT
BETWEEN THE CITY OF WEST CHICAGO AND
THE WEST CHICAGO FIRE PROTECTION DISTRICT
FOR 509 CHURCH STREET**

BE IT RESOLVED by the City Council of the City of West Chicago, in regular session assembled, that the Mayor is hereby authorized to execute a Lease Agreement for the property located at 509 Church Street, between the City of West Chicago and the West Chicago Fire Protection District, a copy of which is attached hereto and incorporated herein as Exhibit "A".

APPROVED this 16th day of November 2015.

AYES: _____

NAYES: _____

ABSTAIN: _____

ABSENT: _____

Ruben Pineda, Mayor

ATTEST:

Nancy M. Smith, City Clerk

509 CHURCH STREET LEASE AGREEMENT

Date of Lease	Term of Lease	Base Rent	Additional Rent
September 1, 2015	28 months through December 31, 2017	\$1.00 per year	Taxes, Utilities and Expenses (see ¶ 9 and 19)
Premises: See legal description attached as Exhibit A			
Purpose: _____			
NAME	LESSEE City of West Chicago ____ Main Street West Chicago, IL 60185	LESSOR West Chicago Fire Protection District 200 Fremont Street West Chicago, IL 60185	
CURRENT ADDRESS			

In consideration of the mutual covenants and agreements herein contained, the Premises designated above (the "Premises"), including the land and the buildings thereon at 509 Church Street, West Chicago, IL, are hereby leased to Lessee by Lessor solely for the above-stated purposes upon the following terms and conditions.

1. **RENT.** Promptly on the first day of every calendar year of the Term of this Lease stated above, and without notice or demand and without abatements, deduction or set-off, Lessee will pay the Base Rent in advance at the initial rate of Base Rent stated above to Lessor or Lessor's agent at Lessor's address stated above or at such other address as Lessor may designate in writing, .

2. **USE** Lessee shall have the right to use the Premises to house employees, vehicles and equipment of the Facilities Management Division in the Public Works Department.

3. **CONDITION; UPKEEP.**

a. Lessee has examined and knows the condition of the Premises and shall be conclusively presumed to have accepted the Premises in the condition existing on the date hereof and to have waived all claims relating to the condition of the Premises. Lessee acknowledges that no representations as to the condition or repair of the Premises have been made by Lessor prior to or at the execution of this Lease. Lessee shall, at its own expense, keep all portions of the Premises (including, without limitation, all structural and exterior elements, roof, heating, ventilating, plumbing, air conditioning, electrical systems, components, equipment and fixtures) in good order, condition and repair during the term of this Lease, including replacing all broken glass with glass of the same size and quality and replacing damaged plumbing, water pipes, doors, docks, dock bumpers, sprinklers, frames and other equipment and fixtures with others of equal quality. Lessee shall maintain and repair the parking lot, including, but not limited to, sealing, resurfacing, striping and snow removal. If Lessee does not make necessary repairs promptly and adequately, Lessor may, but need not, make such repairs, and Lessee shall pay the cost promptly upon demand by Lessor. Lessee, at its own expense, shall keep the Premises in a clean and healthful condition according to all applicable federal, state, local and municipal statutes, ordinances, regulations and the direction of

the appropriate public officials, and, upon termination of this Lease will yield up the Premises in clean, good and tenantable condition and repair, ordinary wear excepted, failing which Lessor may restore the Premises as necessary and Lessee shall reimburse Lessor promptly upon demand for such restoration. Lessee shall, at its own expense, provide its own janitorial service and garbage removal, and shall not allow or permit accumulation of debris in the Premises or adjacent thereto.

b. Lessor shall not be responsible for the maintenance or repair of any part of the Premises. In addition, the cost of performing any maintenance or repairs caused by the negligence of Lessee, its employees, agents, servants, licensees, sublessees, contractors or invitees, or by the failure of Lessee to perform its obligations under this Lease, shall be paid by Lessee, except to the extent of insurance proceeds, if any, actually collected by Lessor with regard to the damage necessitating such repairs.

4. NON-LIABILITY. Lessor shall not be liable for any damage done or occasioned by or from plumbing, gas, water, sprinkler, steam or other pipes or sewerage or the bursting, leading or running of any pipes, tank or plumbing fixtures, in, above, upon or about the Premises or the Building or related improvements nor for any damage occasioned by water, snow or ice being upon or coming through the roof, skylights, trap doors or otherwise. Lessor shall not be liable for damage to or theft or misappropriation of property belonging to Lessee or any person.

5. COMPLIANCE WITH ENVIRONMENTAL LAWS. Lessee shall not use or store any Hazardous Materials, and shall at all times operate the Premises and all adjacent areas in full compliance with Environmental Laws. For purposes of this paragraph, "Hazardous Materials" shall mean any substance, material, waste, gas or particulate matter which is regulated by any local governmental authority, the State of Illinois or the United States government, including but not limited to any material or substance which is (i) defined as a "hazardous waste," "hazardous substance," "hazardous material," "extremely hazardous waste," or "restricted hazardous waste" under any provision of Illinois law; (ii) petroleum; (iii) asbestos; (iv) polychlorinated biphenyl; (v) radioactive material; or (vi) designated as a "hazardous waste" pursuant to Section 1004 of the Resource Conservation and Recovery Act, 42 U.S.C.A. 6901) or a "hazardous substance" under the Clean Water Act (33 U.S.C.A. 1251 et seq., or any other state or federal statute regulating air, water or Hazardous Materials ("Environmental Laws")). Lessee shall indemnify and hold Lessor harmless from any and all claims, costs, and charges (including reasonable attorney's fees) arising out of Lessee's failure to comply with this paragraph. This paragraph shall survive expiration or termination of this Lease.

6. ALTERATIONS BY LESSEE Lessee shall not make any alterations, improvements or installations, or do any remodeling or construction in or about the Premises without the advance written consent of Lessor. Lessee shall pay the cost of any approved alterations, improvements or installations, remodeling or construction and also the cost of redecorating of the Premises occasioned by such work. All work shall comply with all Lessor's insurance requirements and with all applicable local ordinances and regulations and all applicable statutes and regulations of the State of Illinois or the United States and its agencies.

Before commencement of any approved work or delivery of any materials onto the Premises, Lessee shall furnish the following to the Lessor at Lessor's request: (a) complete, detailed, AIA-stamped architectural plans and specifications (provided, however, that Lessor shall not require AIA-stamped plans if local building codes and ordinances do not so require); (b) names and addresses of all contractors; (c) copies of all contracts and necessary permits and licenses; (d) indemnification in form and amount satisfactory to Lessor, any holder of a mortgage on the Building or land thereunder and the record owner of the Building against any and all liens, claims, costs, damages, liabilities and expenses which may arise in connection with such alteration, construction or remodeling; (e) waivers of lien; and (f) certificates of insurance from all contractors performing Labor or furnishing materials insuring Lessor, any holder of a mortgage on the Building or land thereunder and the record owner of the Building against any and all liabilities in connection with alterations, improvements or installations, remodeling or construction. All

such work shall be done only by contractors or mechanics approved by Lessor and at such time and in such manner as Lessor may from time to time designate. Lessee shall pay the cost of all such work. All such work shall be in compliance with all applicable legal, governmental and quasi-governmental requirements, ordinances and rules (including the Board of Fire Underwriters), and all requirements of applicable insurance companies. All such work shall be done in a good and workmanlike manner and with the use of good grades of materials. Upon completion of the work, Lessee shall furnish to Lessor all sworn statements, contractors' affidavits and full and final waivers of Lien and receipted bills covering payment for all labor and materials.

7. ADDITIONS; PERSONAL PROPERTY. All permanently affixed additions, hardware, non-trade fixtures and all improvements in or upon the Premises whether placed there by Lessee or Lessor, shall, unless Lessor requires their removal by Lessee, become Lessor's property and shall remain upon the Premises at the termination of this Lease by lapse of time or otherwise without compensation or allowance of credit to Lessee. If, upon Lessor's request, Lessee does not remove such additions, hardware, non-trade fixtures and improvements, Lessor, at its discretion, may remove the same at Lessee's cost.

Lessee shall remove all Lessee's furniture, machinery, safes, trade fixtures and other items of personal property of every kind and description from the Premises and shall return the Premises to their original condition (ordinary wear and tear excepted) prior to the end of the Term of this Lease, however ended, with no obligation to reverse the initial build-out. If not so removed by Lessee, Lessor may, at Lessor's sole and absolute discretion, either: (i) remove such items at Lessee's cost; or (ii) retain such items which shall conclusively be presumed to have been conveyed by Lessee to Lessor under this Lease as a bill of sale without further payment or credit to Lessee.

8. USE OF PREMISES.

a. Lessee shall occupy and use the Premises during the Term for the purpose specified above and none other and will not allow the Premises to be occupied in whole or in part by any other person or entity. Lessee shall provide Lessor a 10 x 10 square foot space on the Premises to allow Lessor to store necessary seasonable equipment, i.e. snowplows, lawnmowers, air compressors, etc.

b. Lessee shall allow Lessor to use the training trailer attached to the adjacent Burlington Northern property to the rear of the Premises upon receipt of five (5) days notice from the Lessor.

c. Lessee will not make or permit to be made any use of the Premises which, directly or indirectly, is forbidden by public law, ordinance or regulation or which may be dangerous to life, limb or property, or which may injure the reputation of Lessor, or which might tend to impair the record owner's title to the Building or any portion thereof, or in such manner as might make possible a claim or claims of adverse usage or adverse possession by the public, as such, or of implied dedication of the Building or any portion thereof, or increase the fire hazard of the Building or which may invalidate or increase the premium cost of any policy of insurance affecting the Building or covering its operations or violate the terms thereof and if any additional amounts of insurance premiums are payable as a result of Lessee's occupancy or use of the Premises, Lessee shall pay to Lessor any such additional amounts on demand.

d. Lessee shall not display, inscribe, print, paint, maintain or affix on any place on the exterior of the Building any sign, notice, legend, direction, figure or advertisement except as approved in advance in writing by Lessor and in strict compliance with zoning ordinances. .

e. Lessee shall not create, permit or maintain any unreasonable noise, vibration, fumes, odor or other objectionable nuisance. In the event Lessor, in its sole and absolute discretion, determines that such nuisance exists, Lessee shall correct the situation

immediately upon receipt of oral or written notice from Lessor. Failure to do so shall be a default under this Lease and shall subject Lessee to all remedies provided to Lessor, including, but not limited to, immediate cancellation of this Lease.

f. Lessee shall not waste electricity, water, heat or air conditioning and shall cooperate fully with Lessor to assure the most effective and efficient operation of the electrical, plumbing and heating, ventilation and air conditioning systems of the Building.

g. Upon termination this Lease or of Lessee's possession of the Premises for any reason, Lessee shall surrender all keys to the Premises and shall make known to Lessor the explanation of and deliver all keys to all locks on safes, cabinets and vaults.

h. Lessee assumes full responsibility for protecting the Premises from theft, robbery and pilferage. Except during Lessee's normal business hours, Lessee shall be responsible for the locking of doors and the closing of windows in and to the Premises and shall be responsible for any damage resulting from the failure to do so.

i. If Lessee desires telegraphic, and/or telephonic services, Lessee shall install and pay for same; provided, however that Lessor shall direct where and how connections and all wiring for such services shall be introduced and run. Without such direction, no boring, cutting or installation of wires or cables shall be permitted. Further, Lessee shall be responsible for continued payment of the monthly fee associated with the burglar and fire alarm service currently located on the Premises.

j. If applicable, Lessee shall be responsible for any costs, applications, or publications related to the re-zoning of the Premises related to its use of the Premises pursuant to this lease agreement.

9. SERVICES.

a. Lessee shall pay directly for all electric, gas, water, fuel and other services used or consumed in the Premises, including the cost of installing any separate meters.

b. Lessor shall not be liable for the failure of services on account of machinery or equipment breakdown, strikes, accidents, unavoidable delays, civil commotion, riots, picketing, whether legal or illegal, inability to obtain fuel or supplies or any other causes beyond the reasonable control of Lessor. No such failure of services shall give rise either to claims for damages or Rent abatement.

10. WAIVER AND INDEMNITY.

(a) General Waiver. In addition to and without limiting or being limited by any other releases or waivers of claims in this Lease, to the extent not prohibited by law, Lessor, or any of its officers, commissioners, agents, consultants, contractors or employees, shall not be liable, and Lessee hereby waives and releases them from any liability, for any injury to or death of any person or injury or damage to or theft, robbery, pilferage, loss or loss of the use of any property, sustained by Lessee or by other persons arising out of or relating to the Premises or Building becoming out of repair, or due to the happening of any accident or event in or about any part of the Premises or Building, or due to any act or neglect of any other person; provided however, that Lessee does not waive or release Lessor, or any of its officers, commissioners, agents, consultants, contractors or employees, from liability for their respective negligence or willful misconduct which causes any injury to or death of any person.

(b) Special Waivers. In addition to and without limiting or being limited by any other releases or waivers of claims in this Lease, to the extent not prohibited by law, and

also notwithstanding that Lessor may or does establish security controls or regulations from time to time, Lessee further agrees that all personal property in or upon the Premises or Building shall be at the risk of Lessee only, and that Lessor, or any of its officers, commissioners, agents, consultants, contractors or employees, shall not be liable, and Lessee hereby waives and releases them from any liability, for any injury or damage thereto or theft, robbery, pilferage, loss or loss of the use thereof.

Lessee acknowledges and agrees that the terms and conditions of this Lease are fair and reasonable, that this Lease represents an arm's length transaction between Lessor and Lessee, that Lessor has not favored Lessee over other lessees of Lessor nor discriminated against Lessee with respect to other lessees of Lessor and that Lessee has been represented by competent legal counsel in connection with this Lease. Lessee hereby waives and forever releases and discharges Lessor from and against any and all of its claims, actions, liabilities, damages, losses and expenses arising or accruing prior to the date hereof with respect to this Lease.

(c) Waiver of Subrogation. Notwithstanding any other provisions herein, Lessor and Lessee each releases the other and, on behalf of its insurers, waives its entire right to recovery against the other for loss or damage to the waiving party and its property to the extent that the loss or damage is customarily insurable by property insurance policies described in this Lease at Section 16(a)(ii) and Section 16(b)(i) above. This waiver shall not be effective to relieve Lessor or Lessee of liability if either party fails to maintain such property insurance.

(d) Indemnity. In addition to and without limiting or being limited by any other indemnity in this Lease, but rather in confirmation and furtherance thereof, Lessee agrees to indemnify, defend by counsel reasonably acceptable to Lessor and hold Lessor, and its officers, commissioners, agents, consultants, contractors and employees, harmless of, from and against any and all losses, damages, liabilities, claims, liens, costs and expenses including court costs and reasonable attorneys' fees and expenses, in connection with injury to or death of any person or injury or damage to or theft, robbery, pilferage, loss or loss of the use of any property not owned by Lessor occurring in or about the Premises or Building arising from Lessee's occupancy of the Premises or Building, or the conduct of its business or from any activity, work, or thing done, permitted or suffered by Lessee in or about the Premises or Building, or from any breach or default on the part of Lessee in the performance of any covenant or agreement on the part of Lessee to be performed pursuant to the terms of this Lease, or due to any other act or omission of Lessee, or any of its employees, agents, licensees, invitees or contractors.

11. ASSIGNMENT; SUBLETTING. Lessee may not sublet the Premises or any part of them without the written consent of Lessor. Lessee shall not assign, convey, encumber, mortgage, pledge, hypothecate or otherwise transfer this Lease or any interest under it or allow any transfer of or any lien upon Lessee's interest by operation of law or otherwise.

12. TITLE; SUBORDINATION. Lessor's title to the Premises is and always shall be paramount to the title of Lessee and nothing in this Lease shall empower the Lessee to do any act which would or might encumber the title of Lessor. This Lease and the rights of Lessee hereunder shall be and are subject and subordinate at all times to the lien of any mortgage now or hereafter existing encumbering the Building or any part thereof, and all amendments, renewals, modifications and extensions of and to any said mortgage, and to any and all advances made or in the future to be made upon the security of said mortgage. Lessee shall execute and deliver such further instruments required in connection with such subordination as shall be requested by Lessor from time to time.

13. DAMAGE BY FIRE OR OTHER CASUALTY.

a. If either the Premises or the Building is rendered substantially untenable by fire or other casualty, Lessor may elect by giving Lessee written notice within 120 days after the date of said fire or casualty, either to:

(i) terminate this Lease as of the date of the fire or other casualty;
or

(ii) proceed to repair or restore the Premises or the Building, other than additions or improvements and personal property installed by Lessee, to substantially the same condition as existed immediately prior to such fire or casualty.

If Lessor elects to proceed pursuant to subsection (ii) above, Lessor's notice shall contain Lessor's estimate, in its sole and absolute discretion, of the time required to substantially complete such repair or restoration. If such estimate indicates that the time so required will exceed one hundred eighty (180) days from the date of the casualty, then Lessee shall have the right to terminate this Lease as of the date of such casualty by giving written notice to Lessor not later than twenty (20) days after the date of Lessor's notice. If Lessor's estimate indicates that the repair or restoration can be substantially completed within one hundred eighty (180) days, or if Lessee fails to exercise its said right to terminate this Lease, this Lease shall remain in force and effect. If all or any part of the Premises are damaged by fire or other casualty and this Lease is not terminated, Lessee shall promptly and with due diligence repair and restore the leasehold additions, improvements and personal property previously installed by Lessee pursuant to this Lease.

14. MECHANIC'S LIEN. Lessee will not permit any mechanic's or materialman's liens to be placed upon the Premises or the Building during the term of this Lease and will promptly pay any such liens if filed. If default in payment of any such lien continues for fifteen (15) days after notice from Lessor, Lessor shall have the right and privilege at its own option of paying any such liens or any portion of them without inquiry as to their validity, and any amounts so paid, including expenses, attorney's fees and interest, shall be additional rent under this Lease and shall be repaid by Lessee immediately upon rendition of a bill by Lessor; provided, however that Lessee may contest payment to a contractor if a bond or other security is posted for the lien amount.

15. DEFAULT BY LESSEE. Any of the following shall constitute a default by Lessee under this Lease:

a. Default in the payment of any installment of Rent when due;

b. Default in the prompt and full performance of any other provision of this Lease which is not cured within seven (7) days after demand, with the exception of any hazardous condition or nuisance, which shall be cured immediately upon demand or as soon thereafter as is practicable within said seven-day period;

16. REMEDIES OF LESSOR. Upon default of Lessee, Lessor shall have the following rights and remedies, without further notice or demand to Lessee, which shall be cumulative, and none of which shall exclude any other right or remedy allowed by law:

a. Lessor may elect with or without notice of such election, and with or without demand, either to terminate this Lease and Lessee's right to possession of the Premises or to terminate Lessee's right to possession of the Premises without terminating this Lease.

b. Upon any termination of this Lease or Lessee's right to possession, Lessee shall surrender possession to Lessor and vacate the Premises immediately. If Lessee fails to surrender possession, Lessor may elect whether or not to re-enter the Premises.

c. If Lessee fails to surrender possession and Lessor elects not to re-enter the Premises, Lessee will pay as liquidated damages for the time such possession is withheld, 150% of the amounts of Base Rent and Additional Rent applicable at the time of termination of this Lease for each month or partial month during which Lessee retains possession of the Premises; provided, however, that this subparagraph shall not be held to be a waiver of Lessor's right of re-entry nor shall the receipt of any sums under this subparagraph operate as a waiver of the right to terminate this Lease. Lessee shall indemnify Lessor against all liabilities and damages sustained by Lessor by reason of such retention of possession. Lessee's retention of possession of the Premises, or any part, for thirty (30) days after the expiration or termination of this Lease shall in no event constitute a renewal of this Lease.

d. If Lessee fails to surrender possession and Lessor does elect to re-enter the Premises, or if Lessee abandons the Premises, Lessor may re-enter using such force as may be necessary and may remove all persons and effects without being deemed guilty of any trespass or forcible entry or detainer. Such entry shall not be deemed to terminate this Lease or release Lessee, in whole or in part, from its obligation to pay Rent under this Lease and in any such case Lessee shall pay to Lessor, at Lessor's election, a sum equal to the entire amount of the Rent due for the remainder of the term of this Lease, plus any sums due for repairs, alterations, additions or redecorating pursuant to subparagraph "e" below. Upon making such payment Lessee shall be entitled to receive from Lessor all the rents received from subsequent lessees in the Premises during the remainder of the term under this Lease; provided, however, that Lessee shall not be entitled to receive any money in excess of that paid by Lessee as the remainder of the Rent due under this Lease.

e. After re-entry by Lessor, Lessor may, but need not, re-let the Premises for the account of Lessee to any person or entity other than Lessee and for any such rent and upon such terms as Lessor shall determine in its sole and absolute discretion. Lessor shall not be required to accept any lessees offered by Lessee or to observe any instructions given by Lessee in connection with such re-letting. Lessee shall, upon demand, pay to Lessor the cost of any repairs, alterations, additions or redecorating deemed by Lessor, in its reasonable discretion, to be necessary, together with all expenses of the re-letting.

f. Any and all property which may be removed from the Premises by Lessor pursuant to the authority of this Lease or of law, to which Lessee is or may be entitled,

may be handled, removed or stored by Lessor at the risk, cost and expense of Lessee and Lessor shall in no event be responsible for the value, preservation or safe-keeping of such property. Lessee shall pay to Lessor, upon demand, all expenses incurred in such removal and all storage charges so long as the same shall be in the possession of Lessor or under its control. Any such property not removed from the Premises or retaken from storage by Lessee within thirty (30) days of the end of the term, however ended, or within thirty (30) days of termination of Lessee's right to possession without termination of this Lease, shall be presumed to have been conveyed by Lessee to Lessor under this Lease as a bill of sale without further payment or credit to Lessee.

g. Lessee will pay and discharge all costs, attorney's fees and expenses that may be incurred by Lessor, in enforcing the covenant and agreements of this Lease.

17. INSURANCE.

(a) Lessee's Insurance. Lessee shall, at its expense, carry insurance during the entire Term (and prior thereto, to the extent hereinafter provided) insuring Lessee, and insuring Lessor as an additional insured, under the coverage required pursuant to Clause (a)(i) hereof), in companies qualified to do business in the State of Illinois and rated A-/VII or better in the most recent edition of Best's Insurance Reports (or the equivalent thereof if Best's Insurance Reports is not longer published), with such coverages and in the following amounts:

(i) During the Term, and at any time prior to the Term when Lessee is causing any work to be done at the Premises, commercial general liability insurance with the broad form comprehensive liability endorsement, including contractual liability insurance covering Lessee's indemnity obligations hereunder in an amount not less than Two Million Dollars (\$2,000,000) combined single limit per occurrence, and Lessee's general liability insurance policy shall provide Lessor primary and non-contributory coverage;

(ii) During the Term, and at any time prior to the Term when Lessee is causing any work to be done at the Premises, comprehensive automobile liability insurance covering all owned, non-owned and hired automobiles of Lessee, including the loading and unloading of any automobile, in an amount not less than Two Million Dollars (\$2,000,000) combined single limit per occurrence;

(iii) fire and extended coverage insurance for what Lessor reasonably believes to be the full replacement cost of the Building and fire and extended coverage for what Lessor reasonably believes to be the full replacement cost of the alterations, additions and improvements to the Premises, but excluding Lessee's contents, trade fixtures, furniture and equipment, with normal and customary deductibles;

(iv) During the Term and at any time prior to the Term when Lessee is causing any work to be done at the Premises, "all risk" physical damage insurance, including fire, sprinkler leakage, vandalism and extended coverage, for the full replacement cost of and all office furniture, office equipment, merchandise, trade fixtures and all other items of Lessee's personal property in the Premises;

(v) Comprehensive builder's risk insurance, but only at any time and from time to time during the Term when Lessee is causing any work or alterations to be done, for the full replacement cost of such work or alterations;

(vi) Worker's Compensation Insurance at statutory limits with a waiver of subrogation in favor of Lessor; and

Lessee shall be solely responsible for obtaining insurance coverage for its equipment, including liability and physical damage insurance at limits appropriate to the exposure.

Lessee shall, prior to the commencement of the Term and from time-to-time during the Term (and in the case of the aforesaid commercial general liability insurance, "all risk" physical damage insurance and builder's risk insurance, prior to commencement of construction of the subject work), furnish to Lessor certificates evidencing the foregoing insurance coverages. Accordingly, Lessee shall provide Lessor a certificate of insurance showing Lessor as an additional insured. The certificate of insurance shall provide Lessor with primary and non-contributory coverage on its general liability policy and a waiver of subrogation in favor of Lessor on its worker's compensation policy. Lessee's policies and certificates shall state that such insurance coverage may not be reduced, canceled or renewed without at least thirty (30) days' prior written notice to Lessor and Lessee.

Lessee may meet its insurance obligations under this Lease through a blanket insurance policy, or through any combination of primary or umbrella/excess coverages, or through a program of self-insurance.

18. COSTS OF LESSEE'S OCCUPANCY.

Lessee shall be responsible for all operating and maintenance costs associated with its tenancy,. Furthermore, Lessee shall be responsible for capital costs associated with its tenancy, however should the cost to repair or replace any item be deemed by the Lessee to be excessive, Lessee may immediately terminate the Lease and vacate the premises within fourteen (14) days.

19. MUTUAL OPTION TO TERMINATE LEASE OR CONVERT TO A LEASE/PURCHASE AGREEMENT.

Lessor and Lessee shall have the option to terminate this Lease any time after one year from the date of this Lease . The option to terminate this Lease is exercisable by written notice to the other party 90 days prior to the desired early termination date.

By March 30, 2017, Lessee shall notify Lessor by written notice of a decision on whether it desires to convert this Lease to a Lease/Purchase Agreement wherein Lessee would purchase the Premises/Property from Lessor.

20. MISCELLANEOUS.

a. No waiver by Lessor of any default of Lessee under this Lease shall be implied from any omission by Lessor to take any action on account of such default if such default persists or is repeated, and no express waiver shall affect any default other than the default specified in the express waiver and that only for the time and to the extent stated. The invalidity or unenforceability of any provision of this Lease shall not affect or impair any other provision.

b. The words "Lessor" and "Lessee" wherever used in this Lease shall be construed to mean Lessors or Lessees where there is more than one lessor or lessee, and the necessary grammatical changes required to make the provisions hereof apply either to corporations or individuals, men or women, shall in all cases be assumed to be made.

c. Each provision of this Lease shall extend to and shall, as the case may require, bind and inure to the benefit of Lessor and Lessee and their respective heirs, legal representatives and successors, and assigns in the event this Lease has been assigned with the express written consent of Lessor.

d. The headings of paragraphs are for convenience only and do not limit or construe the contents of the paragraphs.

f. All amounts owed by Lessee to Lessor under this Lease shall be paid within five (5) days from the date Lessor renders its statements of account.

e. All notices required or permitted to be given under this Lease shall be in writing and shall be deemed given and delivered, whether or not received, on the date when personally delivered or the day after transmission via Federal Express or other comparable overnight delivery service, or two (2) days following the date when deposited in the United States Mail, postage prepaid and properly addressed, certified mail, to the address set forth at the beginning of this Lease or to such other address designated in a written notice delivered by a party to the other party.

f. This Lease and all Riders attached hereto contain the entire agreement between Lessor and Lessee concerning the Premises and there are no other agreements, either oral or written. The execution of this Lease by Lessee and delivery of same to Lessor does not constitute a reservation of or option for the Premises or an agreement to enter into a lease and this Lease shall become effective only if and when Lessor executes and delivers same to Lessee; provided, however, the execution and delivery by Lessee of this Lease to Lessor shall constitute an irrevocable offer by Lessee to lease the Premises on the terms and conditions herein contained, which offer may not be withdrawn or revoked for thirty (30) days after such execution and delivery. If Lessee is a corporation, it shall deliver to Lessor concurrently with the delivery to Lessor of an executed Lease, certified resolutions of Lessor's directors authorizing execution and delivery of this Lease and the performance by Lessee of its obligations hereunder.

g. Lessor shall not be deemed in default with respect to any of the terms, covenants and conditions of this Lease on Lessor's part to be performed, if Lessor fails to timely perform same and such failure is due in whole or in part to any strike, lockout, labor trouble (whether legal or illegal), civil disorder, inability to procure materials, failure of power, restrictive governmental laws and regulations, riots, insurrections, war, fuel shortages, accidents, casualties, Acts of God, acts caused directly or indirectly by Lessee (or Lessee's agents, employees or invitees) or any other cause beyond the reasonable control of Lessor.

h. This Lease shall be construed in accordance with the laws of the State of Illinois. Time is of the essence of this Lease and the performance of all obligations hereunder.

i. Lessee agrees that it will not, on the grounds of race, color or national origin, discriminate or permit discrimination against any person or group of persons in any manner prohibited by Part 21 of the regulations of the Office of the Secretary of Transportation and Title VI of the Civil Rights Act 1964. Lessor reserves the right to take such action as the United States Government may direct to enforce this covenant.

j. This Lease will not be recorded with the Recorder of Deeds of DuPage County without the prior written consent of Lessor.

k. Without limitation on any other obligations of Lessee or Lessor which shall survive the expiration or termination of this Lease, the parties' respective obligations to indemnify, defend and hold harmless the other party and others pursuant to any provisions of this Lease shall survive the expiration or termination of this Lease indefinitely, except as otherwise expressly provided herein.

IN WITNESS WHEREOF, the parties have executed and delivered this Lease on the date above written.

**LESSOR: WEST CHICAGO FIRE
PROTECTION DISTRICT**

By: _____
Name: _____
Title: _____

LESSEE: CITY OF WEST CHICAGO

By: _____
Name: _____
Title: _____

CITY OF WEST CHICAGO

FINANCE COMMITTEE AGENDA ITEM SUMMARY

ITEM TITLE:

Ordinance No. 15-O-0038 – Fourth Quarter Budget Amendment

AGENDA ITEM NUMBER:4.B.**FILE NUMBER:****COMMITTEE AGENDA DATE:** November 12, 2015**COUNCIL AGENDA DATE:** November 16, 2015**STAFF REVIEW:****SIGNATURE** _____**APPROVED BY CITY ADMINISTRATOR:****SIGNATURE** _____**ITEM SUMMARY:**

This budget amendment provides for the following:

- (1) Additional legal fees due to three cases not being foreseen during budget preparation: Oliver Hoffman litigation; police pension issues; and Reque Road acquisition.
- (2) Additional play review fees which are offset by additional revenues.
- (3) Additional parts for vehicles required to maintain an aging fleet.
- (4) Fleet maintenance software to assist with scheduling and tracking of repairs, inventory and man hours required due to our existing software no longer being support or sufficient.
- (5) Rock salt due to the additional Thawrox being purchased at the direction of the Infrastructure Committee in early 2015.
- (6) Healthy West Chicago contribution per direction from the Public Affairs Committee.
- (7) Emergency purchase of unleaded and diesel fueling station equipment and installation.

ACTIONS PROPOSED:

Staff recommends adoption of Ordinance No. 15-O-0038.

COMMITTEE RECOMMENDATION:

ORDINANCE NO. 15-O-0038

**AN ORDINANCE AMENDING THE ANNUAL BUDGET FOR
THE CITY OF WEST CHICAGO, DUPAGE COUNTY, ILLINOIS
FOR THE FISCAL YEAR COMMENCING JANUARY 1, 2015
AND ENDING DECEMBER 31, 2015 PASSED AND
ADOPTED BY ORDINANCE NO. 14-O-0030**

WHEREAS, the City of West Chicago has heretofore adopted the annual budget procedure providing for in 65 ILCS 5/8-2-9.1 through 5/8-2-9.10; and,

WHEREAS, the City of West Chicago has passed Ordinance No. 14-O-0030 passing and adopting the "2015 Proposed Budget" (ANNUAL BUDGET); and,

WHEREAS, said Ordinance No. 14-O-0030 was filed with the County Clerk of DuPage County as required by law; and,

WHEREAS, the City of West Chicago revised its ANNUAL BUDGET in March 2015 via Ordinance No. 15-O-0007 to provide for project carryover expenses and now desires to revise the ANNUAL BUDGET again to account for certain items that were either not originally foreseen (e.g. legal cases) or were more expensive than believed when the budget was originally submitted; and,

WHEREAS, 65 ILCS 5/8-2-9.6 provides in part that by a vote of two-thirds of the corporate authorities then holding office, the annual budget of a municipality may be revised by deleting, adding to, changing or creating sub-classes within object classes and object classes themselves, provided no revision increasing the budget shall be made in the event funds are not available to effectuate the purpose of the revision.

NOW, THEREFORE, BE IT ORDAINED, by the City Council of the City of West Chicago, DuPage County, Illinois, in regular session assembled as follows:

SECTION 1. That the ANNUAL BUDGET of the City of West Chicago is hereby amended as detailed in "Exhibit A":

SECTION 2. That the City Clerk is authorized and directed to file a certified copy of this Ordinance with the County Clerk of DuPage County.

SECTION 3. That all ordinances and resolutions, or parts thereof, in conflict with the provisions of this Ordinance are, to the extent of such conflict, expressly repealed.

SECTION 4. That this Ordinance shall be in full force and effect from and after its passage by two-thirds of the corporate authorities and approval and publication in pamphlet form as provided by law.

PASSED this 16th day of November 2015.

Alderman J. Beifuss _____
Alderman J. Sheahan _____
Alderman A. Hallett _____
Alderman M. Birch _____
Alderman K. Meissner _____
Alderman R. Stout _____
Alderman N. Ligino-Kubinski _____

Alderman L. Chassee _____
Alderman D. Earley _____
Alderman L. Grodoski _____
Alderman S. Dimas _____
Alderman J.C. Smith, Jr. _____
Alderman M. Edwalds _____
Alderman J.F. Banas _____

APPROVED as to form: _____
City Attorney

ADOPTED this 16th day of November 2015.

Mayor Ruben Pineda

ATTEST:

City Clerk Nancy M. Smith

PUBLISHED: _____

**Ordinance No. 15-O-0038
Fourth Quarter Budget Amendment
Exhibit A**

		<u>original</u>	<u>amended</u>
Plan Review			
01-10-29-4120	40,000	55,000	95,000
Legal Fees - Reque Road, Oliver Hoffman and Police Pension Issues			
01-01-10-4100	40,000	40,000	80,000
Fleet Management Software			
01-09-25-4604	50,000	11,000	61,000
Rock Salt			
01-09-26-4670	59,000	398,200	457,200
Parts for Vehicles			
01-09-25-4603	30,000	120,000	150,000
Healthy West Chicago Contribution			
01-01-10-4660	30,000	10,000	40,000
Emergency Purchase of Unleaded and Diesel Fueling Station Equipment and Installation			
01-09-24-4225	50,000	4,000	54,000
<u>Expenditures</u>		<u>Current</u>	<u>Amended</u>
General Fund	299,000	17,583,500	17,882,500
Capital Equipment Replacement Fund		2,279,400	2,279,400
Sewer Fund		9,898,500	9,898,500
Water Fund		7,159,400	7,159,400
Capital Projects Fund		5,213,900	5,213,900
Downtown TIF Fund		1,340,200	1,340,200
Public Benefit Fund		-	-
Oliver Square TIF Fund		5,000	5,000
Commuter Parking Fund		220,400	220,400
	<u>299,000</u>	<u>43,700,300</u>	<u>43,999,300</u>

**CITY OF WEST CHICAGO
CITY COUNCIL MEMORANDUM**

TO: Honorable Mayor and Members of Council

FROM: Michael Guttman, City Administrator

SUBJ: Impact and Permit Fees for WCERT Project

DATE: November 4, 2015

Background

Development impact fees are one-time charges applied to offset the additional public-service costs of new development. They are applied at the time a building permit is issued and are dedicated to provision of additional services, such as water and sewer systems. They are essentially user fees levied against new developments in anticipation of infrastructure use. Revenues received are used to expand the capacity of existing infrastructure to handle additional demand. Although impact fees do not alter total service or infrastructure costs, they do affect who pays those costs. Each community must decide whether the cost of new infrastructure is charged directly to developers, who ultimately pass the fees onto tenants, buyers, and/or new residents, by using impact fees, or shared among all new and current residents through higher rates.

As part of the final cleanup of the former Kerr-McGee site, the West Chicago Environmental Response Trust (WCERT, the agent responsible for completing this project) has installed a new water main in the right-of-way of Pomeroy and Brown Streets, between Sherman Street and the Pearl Road right-of-way. Since the street/right-of-way is already being disturbed, the City of West Chicago has requested that WCERT also install a sewer main simultaneously.

As part of the Project, WCERT will, at its sole cost and expense, connect each the twelve adjacent homes to the new water main and abandon all existing drinking water wells at no cost to the residents. The Project will not involve individual property connections to the sanitary sewer system and the concurrent abandonment of any septic field. Connections to the sanitary sewer system and abandonment of your existing septic field will be the responsibility of each individual property owner.

Finally, within the last two months, a resident on Ridgeland Avenue (and many previous to this one) annexed into the City because his septic field failed and he was required to connect to our sanitary sewer main; he also chose to connect to our water main. The resident paid all permit and impact fees.

Water Impact and Permit Fees

The City has historically waived the water impact and permit fees for all water mains and services that involved Kerr McGee/Tronox projects when that company installed the City's infrastructure at no cost to our ratepayers. WCERT has requested that the fees be waived by the City Council for the current project on W. Brown/W. Pomeroy Streets.

Sewer Impact and Permit Fees

Attached are the costs associated with connecting the homeowners in this area to the new sewer main that is being installed by WCERT but paid for by the City (cost not to exceed \$241,156). The residents have asked that the City consider waiving these fees. A few items to note:

- (1) Current customers paid for the entire amount of the sewer main, and for the costs associated with maintaining the infrastructure to which the new main is connected and through which the discharge from any newly connected homes will travel; the purpose of connection fees is to recognize this fact.
- (2) If no new users were added to the City's and Village of Winfield's sewer systems, the Waste Water Treatment Plant (WWTP) would obviously never need to expand. However, current customers have been paying for future capital projects to eventually expand the capacity at the WWTP though the rates they are charged. For new customers, who would now be contributing later than current customers, there is a capacity charge included in the municipalities' Intergovernmental Agreement (IGA) that requires that we both charge a capacity fee that is earmarked for projects that will expand the capacity at the WWTP. Neither the City of West Chicago nor the Village of Winfield may waive this fee, unless it is willing to use its own money (received from current customers) to offset such. Again an inequity would exist by having existing customers pay more to accommodate customers who want to connect to the system. Per the terms of the IGA, the capacity charge increases 3.0 percent per year (rounded up to the nearest five dollars).

Conclusion

Staff recommends that the City Council follow past practice and direct us to waive the water impact and permit fees for WCERT. Staff needs direction from the City Council on whether or not to waive the sewer impact and permit fees for the new customers in the W. Brown/W. Pomeroy neighborhood.

West Chicago Preservation Project: Pomeroy and Brown Streets

Sewer Charges

	<u>Last Name</u>	<u>First Name</u>	<u>House #</u>	<u>Street</u>	<u>DFUs*</u>	<u>Capacity</u>	<u>Connection</u>	<u>Permit Fee</u>	<u>Totals</u>
Montalvo		Samuel	30W266	Pomeroy St.	35	\$ 2,730.00	\$ 3,100.00	\$ 75.00	\$ 5,905.00
Zinelli		Aldo	30W267	Pomeroy St.	46	\$ 2,730.00	\$ 3,540.00	\$ 75.00	\$ 6,345.00
Ferguson		Michael	30W276	Pomeroy St.	34	\$ 2,730.00	\$ 3,060.00	\$ 75.00	\$ 5,865.00
Garcia		Armondo	30W279	Pomeroy St.	34	\$ 2,730.00	\$ 3,060.00	\$ 75.00	\$ 5,865.00
Barrera		Valentin	30W305	Pomeroy St.	32	\$ 2,730.00	\$ 2,980.00	\$ 75.00	\$ 5,785.00
Radziszewski		Marek	30W306	Pomeroy St.	34	\$ 2,730.00	\$ 3,060.00	\$ 75.00	\$ 5,865.00
Sumner		Susana	30W320	Pomeroy St.	31	\$ 2,730.00	\$ 2,940.00	\$ 75.00	\$ 5,745.00
Salinas		Juan	30W325	Pomeroy St.	34	\$ 2,730.00	\$ 3,060.00	\$ 75.00	\$ 5,865.00
Mancera		Benjamin	30W264	Brown St.	32	\$ 2,730.00	\$ 2,980.00	\$ 75.00	\$ 5,785.00
Beltran		Thomas	30W280	Brown St.	29	\$ 2,730.00	\$ 2,860.00	\$ 75.00	\$ 5,665.00
Stewart		Jack	30W308	Brown St.	23	\$ 2,730.00	\$ 2,620.00	\$ 75.00	\$ 5,425.00
Mendez		Jose	30W320	Brown St.	25	\$ 2,730.00	\$ 2,700.00	\$ 75.00	\$ 5,505.00
		Totals				\$ 32,760.00	\$ 35,960.00	\$ 900.00	\$ 69,620.00

* - Drainage Fixture Units per Illinois Plumbing Code

CITY OF WEST CHICAGO

FINANCE COMMITTEE AGENDA ITEM SUMMARY

ITEM TITLE:

Property Tax Abatement Program

AGENDA ITEM NUMBER: 5.B.

FILE NUMBER: _____

COMMITTEE AGENDA DATE:
COUNCIL AGENDA DATE:

STAFF REVIEW:

SIGNATURE _____

APPROVED BY CITY ADMINISTRATOR:

SIGNATURE _____

ITEM SUMMARY:

City staff met with representatives of the DuPage Airport Authority (DAA) late last year, and was asked about the issue of property tax abatements for new development in the DuPage Business Center (DAA-owned land between Roosevelt Road and south of Fabyan Parkway, being developed by CenterPoint Properties). This is the first time this type of economic development incentive has been raised during my tenure here. Seeing how the City comprises only about 5% of the property tax bill in Winfield Township, this type of incentive doesn't really impact us much, but it certainly would impact the school districts, should they participate in the program. Staff has talked with the Chief Administrative Officers of District 33, District 94, the Park District, the Fire District and the Library District about developing a Property Tax Abatement Program, a draft of which is attached for your review.

About three months ago, I met with David Bird, Executive Director of the DuPage Airport Authority. David informed me that he has been approached by the owner of a current business (operations within three separate buildings, two of which are owned with the third being leased) in Kane County who is interested in possibly consolidating/moving to land owned by the Authority. The site would be the current golf course (Prairie Landing) in order to take advantage of the rail spur that runs along Kautz Road. This consolidation would first start with a 500,000 square foot manufacturing facility, with expansions resulting in approximately two million square feet (and 2,000 jobs). One of the primary reasons for wanting to consolidate and relocate is that the business is paying over \$6 million for electric service. I am told the owner is also looking at relocating to South Carolina. For your information, the total property taxes paid by this business at the two owned properties approximates \$1,000,000.

The Boards for each of the six other taxing bodies (DAA included) have indicated an interest in participating in a property tax abatement for this specific user. An attorney with expertise in this area has been retained to draft the documents necessary to effect such an arrangement (IGA and Ordinance).

ACTIONS PROPOSED:

Staff is requesting direction as to: (1) participation in an abatement for the user in question; and (2) concept of having this Program as a tool for other new projects if the other taxing bodies adopt such as well.

COMMITTEE RECOMMENDATION:

West Chicago Property Tax Abatement Program

Introduction

Property tax abatement is an incentive that local jurisdictions may offer to a business expanding an existing facility or locating a new facility within the jurisdiction. Abatement allows the subject business to keep a portion of the difference between the current property tax revenue from a building or site and the resulting property tax revenue after expansion, improvement, or new construction. Since the taxing district or districts involved forego some of that new revenue, there must be a clear purpose and need for abatement.

Statutory Authority

Illinois Statute 35 ILCS 200/18-165 provides that any taxing jurisdiction upon a majority vote of its governing authority may, after the determination of the assessed value of a property, order the Clerk of the County to abate any portion of its taxes on the following types of commercial and industrial property:

1. The property of any commercial or industrial firm. The abatement shall not exceed a period of ten years and the aggregate amount of abated taxes for all jurisdictions combined shall not exceed \$4,000,000; or,
2. The property of any commercial or industrial development of at least 500 acres having been created within a taxing district. The abatement shall not exceed a period of twenty (20) years and the aggregate amount of abated taxes for all taxing jurisdictions combined shall not exceed \$12,000,000.

Eligibility

The property on which the tax is to be abated must be owner-occupied or leased. The maximum term of an abatement is ten years. In the case of leased properties, the developer/owner of the leased property will need to be a party to the abatement agreement. If there is a lease arrangement, a company must submit a signed lease with a minimum of five years in order to be eligible to apply for property tax abatement. An abatement will not be offered in excess of the length of the lease. However, should a company have, for example, a five-year lease with a renewable option after five years, they could be granted a ten-year abatement. Should the company choose not to renew their contract after five years, the abatement would cease.

Applicants must show a competitive need for the property tax abatement through providing evidence of location options. Proof shall include, but is not limited to, incentive letters, prospective offers from other governments or other documentation indicating the firm's interest in alternative locations. Alternatively, applicants can provide only a gap analysis and detailed pro forma that shows the need for the abatement.

"New investment" of at least \$1,000,000 is necessary to be eligible for an abatement of taxes. For example, if a company builds a new building or makes capital improvements to an existing building, those investments would be eligible, as they represent an addition to the fair market value of the property and therefore, the equalized assessed valuation. However, if a company

buys an existing building and makes no additional improvements, no abatement would be applicable, as there would be no new value added to the tax base. The one exception to this would be for the re-occupancy of a building that has been vacant for at least five years, so long as the EAV increases by at least \$1,000,000 (here the job creation requirement would not be applicable).

An applicant is required to provide supporting documentation to the satisfaction of the participating taxing jurisdictions of the current fair market value of a property and the future fair market value of the property once the new investment is made.

Businesses located or locating with a Tax Increment Financing District are ineligible to apply for property tax abatement under the provisions of this program.

Businesses receiving tax abatement must abide by the Illinois Prevailing Wage Act, and comply with all other relevant local, state and federal regulations.

Additional Provisions

Any company approved for tax abatement will be required to maintain operations at the project location for the length of the abatement or to repay the abatement to the taxing districts issuing the abatement.

The year in which a final Certificate of Occupancy is issued by the City of West Chicago shall be the first abatement year for a company.

Immediate repayment of an abatement will be required under any of the following conditions:

1. There is a material misrepresentation in the company's application.
2. A violation of the Property Tax Abatement Agreement that is not corrected within the specified timeframe.
3. The business becomes insolvent, but only in the event the insolvency causes the subject property to cease operations.
4. The sale of the subject property (if owner-occupied) or assignment of the Property Tax Abatement Agreement.
5. The construction of residential improvements on the subject property, provided however that in the event said residential improvements are identified by separate Permanent Index Numbers (PIN), the cancellation of the abatement shall apply only to the abatement attributable to those PINs so identified.
6. The company files tax rate objections or otherwise challenges the rate of taxes levied by and extended by the taxing jurisdictions during a period of time commencing on the date of the Property Tax Abatement Agreement and concluding on December 31st of the year in which the last abatement provided for is realized.
7. The subject property ceases to operate as originally intended.

Review of Applications

A Review Committee comprising the chief administrative officer from District 25 or District 33, District 94, City of West Chicago, West Chicago Fire Protection District and West Chicago or

Warrenville Park District shall review each application that is received to ensure compliance with the eligibility requirements of this Program. A representative of the DuPage Airport Authority shall participate in the review of all abatements being considered on land it owns. Any other taxing body whose jurisdiction includes the subject parcel within the corporate limits of the City of West Chicago shall have a representative serve on this Committee so long as each respective authority has adopted this Program by a majority vote of its governing body, and having done such, obligates its governing body to approve a Property Tax Abatement Agreement to any applicant that meets the criteria of this Program.

The Review Committee shall meet within 14 days of a complete application being received (e.g. all required supporting documentation must be included) and shall make a determination as to whether or not an applicant meets the eligibility criteria. If the Committee believes that an applicant does not meet the criteria, the applicant shall be so advised. If the Committee believes that an applicant does meet the criteria, within 14 days following the meeting, each participating taxing bodies' governing body shall approve an Abatement Agreement with that applicant.

This Committee shall also be responsible for verifying that a company complies with the terms of its Property Tax Abatement Agreement during its duration.

Economic Incentive

Those applicants that meet the criteria of this Program and are thereafter in compliance with its Property Tax Abatement Agreement shall receive the following abatement from each of the taxing jurisdictions that are participating in this Program:

<u>Year</u>	<u>Percentage of Property Tax Abated</u>
1	85%
2	80%
3	70%
4	60%
5	50%
6	50%
7	40%
8	30%
9	20%
10	10%