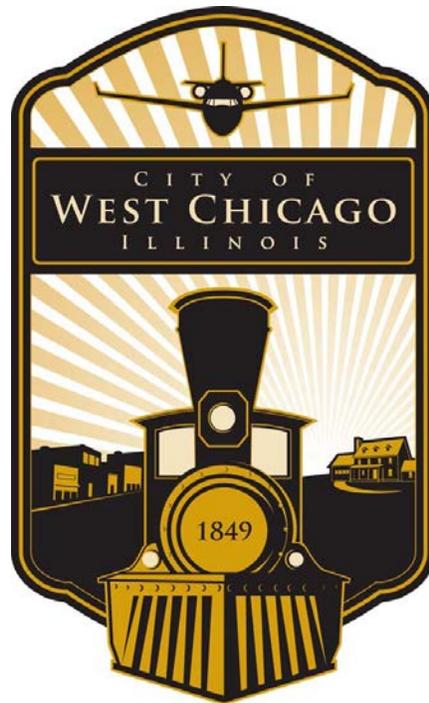


CITY OF WEST CHICAGO, ILLINOIS

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COMPREHENSIVE ANNUAL FINANCIAL  
REPORT



FOR THE FISCAL YEAR ENDED  
DECEMBER 31, 2018

**CITY OF WEST CHICAGO, ILLINOIS**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018**

Prepared by  
Linda Martin  
Director of Administrative Services

# CITY OF WEST CHICAGO, ILLINOIS

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## **INTRODUCTORY SECTION**

This section includes miscellaneous data regarding the City of West Chicago including:

- List of Principal Officials
- Organizational Chart
- Letter of Transmittal
- GFOA Certificate of Achievement for Excellence in Financial Reporting

**CITY OF WEST CHICAGO, ILLINOIS**

**List of Principal Officials  
December 31, 2018**

---

**LEGISLATIVE**

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

**ALDERMEN**

James Beifuss  
Heather Brown  
Lori Chassee  
Matthew Garling  
Sandra Dimas  
Michael Ferguson  
Noreen Ligino-Kubinski

Jayme Sheahan  
Jeanne Short  
Melissa Ferguson  
Bonnie Gagliardi  
Alton Hallett  
Rebecca Stout  
Christopher Swiatek

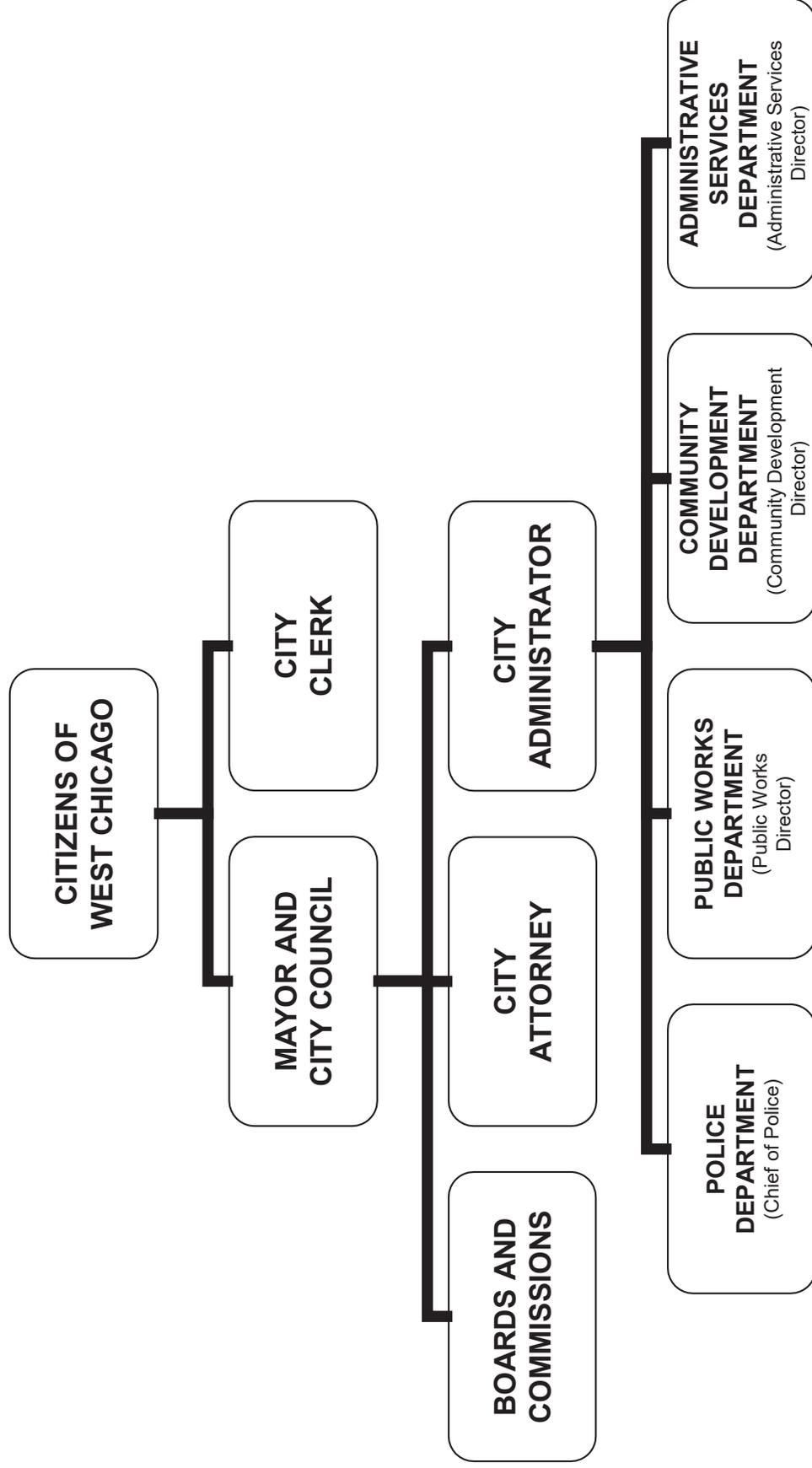
**ADMINISTRATIVE**

City Administrator: Michael L. Guttman

**ADMINISTRATIVE SERVICES**

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

# CITY OF WEST CHICAGO ORGANIZATIONAL CHART



# CITY OF WEST CHICAGO

WHERE HISTORY & PROGRESS MEET

June 5, 2019

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, 2018, 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 & 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, 2018, 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.

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West Chicago, Illinois  
60185

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Ruben Pineda  
MAYOR  
Nancy M. Smith  
CITY CLERK

Michael L. Guttman  
CITY ADMINISTRATOR

## **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 position 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:

- Awarded the Best Community Celebration special award after receiving an 8-star rating out of a possible 10 stars and also received special recognition for community-wide efforts celebrating heritage from the prestigious 2018 America in Bloom National Program.
- Commenced with the environmental remediation of the West Washington Street Redevelopment Area, including removing thorium from the rear of 157 West Washington Street and all contamination on the former junkyard property but for the material adjacent to the buildings containing rock salt.
- Updated the Central Main Street Redevelopment Plan, representing the largest single physical transition to downtown in the City's history, and began preparing a RFP to issue the development community. Also, the City purchased 206 Chicago Avenue to add to the available development footprint.
- Continuing in the spirit of the One West Chicago initiative which honors and celebrates community diversity, a priority of the strategic plan, hosted an inaugural Food Festival, complementing the varied series of events, festivals and celebrations held throughout the year promoting heritage through cultural, ethnic and civic activities.

## **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, 2018. 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, utility 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 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 and enhancing the tax base of the City, approved the Roosevelt/Fabyan Tax Increment Redevelopment Plan and Project, designed to improve this area and increase the opportunity for future commercial growth and development.

The City Council has continued its policy to participate in local agency and other 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. These proactive measures have allowed the City to continue its aggressive street reconstruction,

maintenance and resurfacing programs, along with other public infrastructure improvements. In 2018, the 2017 Roadway and Water Main Rehabilitation Project was substantially completed.

The City Council partnered with the Boards of the Fire Protection District, School District 33, School District 94, DuPage Airport Authority and the Library District to offer a package of incentives to attract Suncoast and Norix to the DuPage Business Center. The economic incentives included a partial property tax abatement, a partial rebate of utility taxes and a partial waiver of building permit fees. Those same entities, with the addition of the West Chicago Park District and using the same incentive package, enticed Ball Horticultural to make a sizeable investment on its campus where a new research and development facility will now be constructed. All three development projects are expected to enhance the work force and have a meaningful impact on economic development in the area.

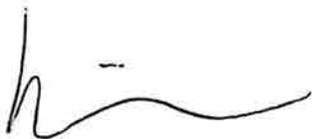
## AWARDS AND ACHIEVEMENTS

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, 2017. This was the nineteenth 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](http://www.westchicago.org). A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another Certificate.

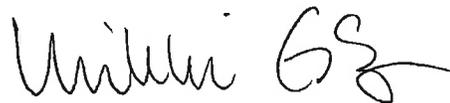
The preparation of this report was made possible by the dedicated service of the entire staff of the Department of Administrative Services. Each member of the Department has our sincere appreciation for the contribution made in the preparation of this report.

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

Respectfully submitted,



Linda M. Martin  
Director of Administrative Services



Nikki T. Giles  
Assistant Director of Administrative  
Services



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, 2017**

*Christopher P. Morvill*

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 Statements and Schedules
- Supplemental Schedule

# **INDEPENDENT AUDITORS' REPORT**



## **INDEPENDENT AUDITORS' REPORT**

June 5, 2019

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of West Chicago, Illinois, as of and for the year ended December 31, 2018, 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. 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 the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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, 2018, 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 a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *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' basic financial statements. 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 basic 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 basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing 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.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

*Lauterbach & Amen, LLP*  
LAUTERBACH & AMEN, LLP

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

# **CITY OF WEST CHICAGO, ILLINOIS**

## **Management's Discussion and Analysis December 31, 2018**

---

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, 2018. Please read it in conjunction with the transmittal letter, which begins on page 3 and the City of West Chicago's financial statements, which begin on page 23.

### **FINANCIAL HIGHLIGHTS**

- The City's net position decreased as a result of this year's operations. Net position of business-type activities decreased by \$8,501,008, or 8.2 percent, while net position of the governmental activities decreased by \$15,820 or less than one percent.
- During the year, government-wide revenues for the primary government totaled \$29,159,521, while expenses totaled \$37,676,349, resulting in a decrease to net position of \$8,516,828.
- The City of West Chicago's net position totaled \$136,597,637 at December 31, 2018, which includes \$159,368,504 net investment in capital assets, \$2,944,399 subject to external restrictions, and \$25,715,266 unrestricted deficit net position that may be used to meet the ongoing obligations to citizens and creditors.
- The General Fund reported an increase this year of \$857,998, resulting in an ending fund balance of \$13,417,524, an increase of 6.8 percent.
- Beginning net position was restated to move a portion of the total OPEB liability from governmental activities to business-type funds.

### **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 23 - 26) 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 27. 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, 2018

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### 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 23 - 26 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, 2018

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### 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 27 - 32 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, 2018**

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### **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 33 - 36 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 37 - 38 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 39 - 78 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 retiree benefits plan, as well as budgetary comparison schedules for the General Fund and any major special revenue funds. Required supplementary information can be found on pages 79 - 89 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 90 - 120 of this report.

**CITY OF WEST CHICAGO, ILLINOIS**

**Management’s Discussion and Analysis  
December 31, 2018**

**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/deferred outflows exceeded liabilities/deferred inflows by \$136,158,081.

	Governmental Activities		Net Position		Total	
			Business-type Activities			
	2018	2017	2018	2017	2018	2017
Current Assets	\$ 28,050,930	26,402,010	(2,972,086)	5,012,942	25,078,844	31,414,952
Capital Assets	54,014,124	54,585,585	109,261,535	110,305,979	163,275,659	164,891,564
Total Assets	82,065,054	80,987,595	106,289,449	115,318,921	188,354,503	196,306,516
Deferred Outflows	8,189,233	7,167,706	1,585,681	624,407	9,774,914	7,792,113
Total Assets/Deferred Outflows	90,254,287	88,155,301	107,875,130	115,943,328	198,129,417	204,098,629
Current Liabilities	2,778,810	2,895,235	4,391,487	4,274,924	7,170,297	7,170,159
Noncurrent Liabilities	37,438,073	35,755,666	8,253,253	4,515,737	45,691,326	40,271,403
Total Liabilities	40,216,883	38,650,901	12,644,740	8,790,661	52,861,623	47,441,562
Deferred Inflows	8,135,189	9,638,961	534,968	1,903,641	8,670,157	11,542,602
Total Liabilities/Deferred Inflows	48,352,072	48,289,862	13,179,708	10,694,302	61,531,780	58,984,164
Net Position						
Net Investment in Capital Assets	54,014,124	49,943,090	105,354,380	105,803,874	159,368,504	155,746,964
Restricted	2,944,399	2,216,378	-	-	2,944,399	2,216,378
Unrestricted	(15,056,308)	(12,294,029)	(10,658,958)	(554,848)	(25,715,266)	(12,848,877)
Total Net Position	41,902,215	39,865,439	94,695,422	105,249,026	136,597,637	145,114,465

A large portion of the City’s net position, \$159,368,504, 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, \$2,944,399, 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 \$25,715,266 represents unrestricted deficit 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, 2018**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued**

	Changes in Net Position					
	Governmental		Business-Type		Totals	
	Activities		Activities			
	2018	2017	2018	2017	2018	2017
Revenues						
Program Revenues						
Charges for Services	\$ 5,119,650	4,473,447	4,429,049	10,784,070	9,548,699	15,257,517
Operating Grants/Contrib.	194,395	3,820	-	-	194,395	3,820
Capital Grants/Contrib.	732,621	704,074	355,577	645,461	1,088,198	1,349,535
General Revenues						
Property Taxes	4,623,840	4,489,622	9,049	8,907	4,632,889	4,498,529
Other Taxes	764,365	863,113	-	-	764,365	863,113
Sales and Use Taxes	6,871,960	6,178,849	-	-	6,871,960	6,178,849
Income Taxes	2,593,920	2,487,827	-	-	2,593,920	2,487,827
Replacement Taxes	152,578	173,517	-	-	152,578	173,517
Utility Taxes	2,070,351	1,909,065	-	-	2,070,351	1,909,065
Interest Income	12,224	13,271	8,095	6,878	20,319	20,149
Miscellaneous	637,785	560,955	584,062	371,477	1,221,847	932,432
Total Revenues	23,773,689	21,857,560	5,385,832	11,816,793	29,159,521	33,674,353
Expenses						
General Government	13,667,469	13,329,708	-	-	13,667,469	13,329,708
Public Safety	10,121,701	11,092,178	-	-	10,121,701	11,092,178
Interest on Long-Term Debt	339	407	-	-	339	407
Waterworks	-	-	6,936,383	6,208,086	6,936,383	6,208,086
Sewerage	-	-	6,822,477	6,061,776	6,822,477	6,061,776
Commuter Parking	-	-	127,980	113,075	127,980	113,075
Total Expenses	23,789,509	24,422,293	13,886,840	12,382,937	37,676,349	36,805,230
Change in Net Position	(15,820)	(2,564,733)	(8,501,008)	(566,144)	(8,516,828)	(3,130,877)
Net Position-Beginning as Restated	41,918,035	42,430,172	103,196,430	105,815,170	145,114,465	148,245,342
Net Position-Ending	41,902,215	39,865,439	94,695,422	105,249,026	136,597,637	145,114,465

# CITY OF WEST CHICAGO, ILLINOIS

## Management's Discussion and Analysis December 31, 2018

### GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

Net position of the City of West Chicago's governmental activities decreased less than one percent (\$41,902,215 at December 31, 2018, compared to a restated \$41,918,035 at December 31, 2017). Unrestricted net position, the part of net position that can be used to finance day-to-day operations without constraints, totaled a deficit of \$15,056,308 at December 31, 2018. Net position was restated move a portion of the total OPEB liability from governmental activities to business-type funds. This adjustment increased net position for the governmental activities by \$2,052,596 in the current year.

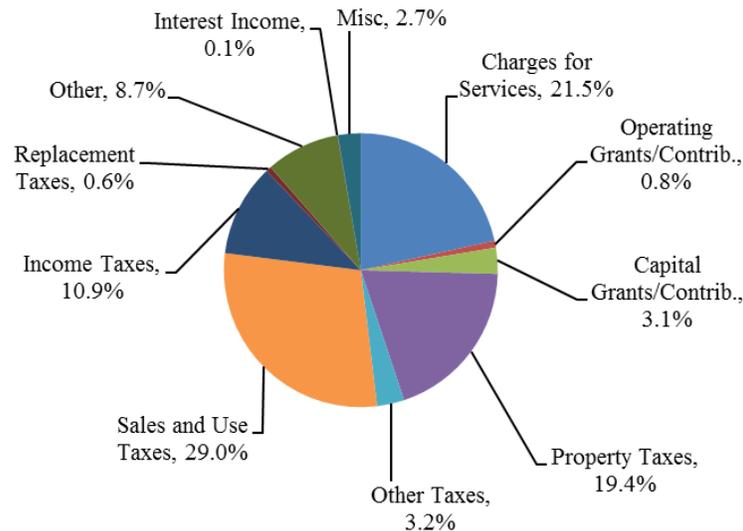
Net position of business-type activities decreased 8.2 percent (\$94,695,422 at December 31, 2018 compared to \$103,196,430 restated at December 31, 2017). A deficit of \$5,215,949 in the Waterworks Fund and \$3,315,784 in the Sewerage Fund was offset by a surplus of \$30,725 in the Commuter Parking Funds.

### Governmental Activities

Revenues for governmental activities totaled \$23,773,689 while the cost of all governmental functions totaled \$23,789,509. This results in a net position draw down of \$15,820 at December 31, 2018. At December 31, 2017, revenues for governmental activities totaled \$21,857,560, while the cost of all governmental functions totaled \$24,422,293, which resulted in a drawdown of \$2,564,733. Revenues for charges for services and sales and use taxes increased \$646,203 and \$693,111, 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**



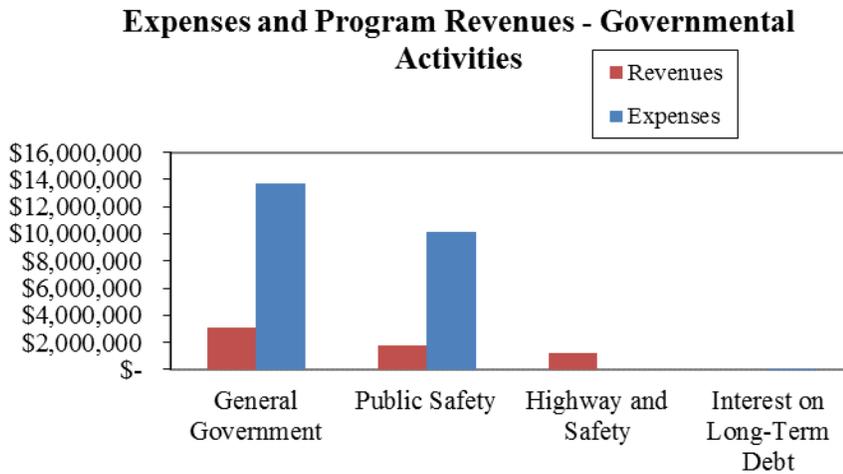
**CITY OF WEST CHICAGO, ILLINOIS**

**Management’s Discussion and Analysis  
December 31, 2018**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued**

**Governmental Activities – Continued**

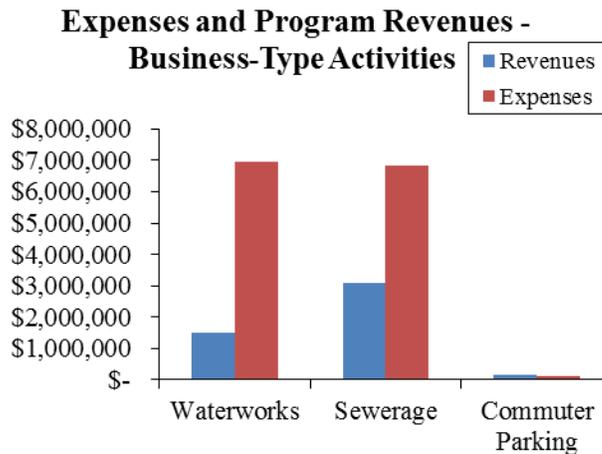
The ‘Expenses and Program Revenues’ Chart identifies those governmental functions where program expenses greatly exceed revenues. These expenses and revenues do not include the major revenue sources, such as property taxes, sales and use taxes and income taxes, described earlier. The Statement of Activities on pages 25 - 26 further outlines those revenues and expenses considered program specific.



**Business-Type Activities**

Business-Type activities posted total revenues of \$5,385,832, while the cost of all business-type activities totaled \$13,886,840. This results in a net position decrease of \$8,501,008. At December 31, 2017, revenues of \$11,816,793 were less than expenses of \$12,382,937, resulting in a decrease of \$566,144.

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



# CITY OF WEST CHICAGO, ILLINOIS

## Management's Discussion and Analysis December 31, 2018

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### 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, 2018, the City's governmental funds reported combined ending fund balances of \$21,049,386, which is an increase of \$1,786,057 from last year's total of \$19,263,329. Of the \$21,049,386 total, \$12,126,823, or 57.6 percent, of the fund balance constitutes unassigned fund balance, while \$81,183, or less than one percent, is designated as nonspendable, \$2,944,399, or 14.0 percent, has been classified as restricted funds and \$5,896,981, or 28.0 percent, has been classified as assigned funds.

The General Fund is the chief operating fund of the City. The General Fund reported an increase change in fund balance for the fiscal year of \$857,998, an increase of 6.8 percent. Overall, budgeted expenditures totaled \$18,845,000 while actual expenditures totaled \$17,270,600. 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 an increase change in fund balance for the fiscal year of \$890, a result of no capital outlay expenditures.

The TIF Special Tax Allocation #1 Fund reported an increase of \$118,014 for the year, the majority of which resulted from actual revenues totaling \$1,009,419 and actual expenditures totaling \$891,405, which was \$418,695 less than expenditures budgeted. The fund balance of \$612,488 will be used for ongoing projects and prospective development.

The Capital Improvement Fund reported an increase in fund balance of \$1,122,500 for the year, which resulted from actual expenditures of \$3,192,516 being below actual revenues totaling \$4,315,016.

# CITY OF WEST CHICAGO, ILLINOIS

## Management's Discussion and Analysis December 31, 2018

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### 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 decrease in net position in the Waterworks Fund during the fiscal year was \$5,215,949, while the decrease in the previous fiscal year was \$1,054,411.

The Sewerage Fund experienced a decrease in net position of \$3,315,784, while the previous fiscal year reported an increase of \$459,175. The Commuter Parking Fund had an increase in net position for the fiscal year of \$30,725 while there was an increase in the previous fiscal year of \$29,092. Total net position in the Proprietary Funds was \$94,695,422 (net investment in capital assets, restricted, and unrestricted) at December 31, 2018.

#### GENERAL FUND BUDGETARY HIGHLIGHTS

The City of West Chicago Council made three budget amendments to the General Fund during the fiscal year, to amend budgeted expenditures only. General Fund actual revenues for the year totaled \$18,128,598 compared to budgeted revenues of \$15,943,400. There were better than anticipated actual results for all revenue categories.

Original budgeted expenditures of \$18,213,000 were increased \$632,000 for property acquisition, the West Washington Remediation Project and a grant for the Healthy West Chicago initiative. The General Fund actual expenditures for the year were \$1,574,400 lower than budgeted (\$17,270,600 actual compared to \$18,845,000 final budgeted). The general government's actual expenditures were lower than budgeted expenditures by \$1,458,842 due to overall cost controlling measures.

**CITY OF WEST CHICAGO, ILLINOIS**

**Management’s Discussion and Analysis  
December 31, 2018**

**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, 2018 was \$163,275,659 net of accumulated depreciation). This investment in capital assets includes land, construction on progress, buildings and improvements, vehicles and equipment and infrastructure.

	Capital Assets - Net of Depreciation					
	Governmental Activities		Business-Type Activities		Totals	
	2018	2017	2018	2017	2018	2017
Land	\$ 20,218,128	20,061,128	28,649,611	28,649,611	48,867,739	48,710,739
Construction in Progress	174,895	-	2,163,591	1,161,719	2,338,486	1,161,719
Land Improvements	1,494,591	1,550,907	549,832	588,693	2,044,423	2,139,600
Buildings and Improvements	1,217,250	1,288,451	20,380,577	21,313,416	21,597,827	22,601,867
Machinery and Equipment	2,718,777	2,547,409	7,501,876	7,733,433	10,220,653	10,280,842
Infrastructure	28,190,483	29,137,690	50,016,048	50,859,107	78,206,531	79,996,797
<b>Total</b>	<b>54,014,124</b>	<b>54,585,585</b>	<b>109,261,535</b>	<b>110,305,979</b>	<b>163,275,659</b>	<b>164,891,564</b>

This year’s major additions included:

Land	\$ 177,000
Construction in Progress	1,277,259
Machinery and Equipment	785,205
Infrastructure	911,754
	<u>3,151,218</u>

Additional information on the City of West Chicago’s capital assets can be found in note 3 of this report.

# CITY OF WEST CHICAGO, ILLINOIS

## Management's Discussion and Analysis December 31, 2018

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### CAPITAL ASSETS AND DEBT ADMINISTRATION – Continued

#### Debt Administration

At December 31, 2018, the City of West Chicago had total outstanding debt of \$3,907,155 as compared to \$4,502,105 at December 31, 2017, a decrease of \$594,950. The following is a comparative statement of outstanding debt:

	Long-Term Debt Outstanding					
	Governmental Activities		Business-Type Activities		Totals	
	2018	2017	2018	2017	2018	2017
IEPA Revolving Loan	\$ -	-	3,907,155	4,502,105	3,907,155	4,502,105

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 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 2019 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, 2018, for DuPage County was 3.0 percent and the state and national unemployment rates were 3.6 and 3.9 percent, respectively.

Amounts available for appropriation in the General Fund budget are \$20.5 million, an increase of 8.58 percent from the final 2018 budget of \$18.5 million. The City of West Chicago has budgeted increases in rental license fees and transfer station fees of approximately 15 percent and 5 percent, respectively. The City of West Chicago's major initiatives in the 2019 budget include the continued West Washington Street environmental remediation and a newly-constructed salt storage facility. 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, 2018**

	Governmental Activities	Business- Type Activities	Totals
<b>ASSETS</b>			
Current Assets			
Cash and Investments	\$ 3,481,092	\$ 379,549	\$ 3,860,641
Receivables - Net of Allowances	8,823,352	11,675,700	20,499,052
Internal Balances	15,665,303	(15,665,303)	-
Prepaid Items/Inventories	81,183	17,636	98,819
Restricted Cash and Investments	-	620,332	620,332
Total Current Assets	28,050,930	(2,972,086)	25,078,844
Capital Assets			
Nondepreciable	20,393,023	30,813,202	51,206,225
Depreciable	74,378,305	126,997,221	201,375,526
Accumulated Depreciation	(40,757,204)	(48,548,888)	(89,306,092)
Total Capital Assets	54,014,124	109,261,535	163,275,659
Total Assets	82,065,054	106,289,449	188,354,503
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Items - IMRF	1,525,327	1,585,681	3,111,008
Deferred Items - Police Pension	6,663,906	-	6,663,906
Total Deferred Outflows of Resources	8,189,233	1,585,681	9,774,914
Total Assets and Deferred Outflows of Resources	90,254,287	107,875,130	198,129,417

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

	Governmental Activities	Business- Type Activities	Totals
<b>LIABILITIES</b>			
Current Liabilities			
Accounts Payable	\$ 698,172	\$ 736,345	\$ 1,434,517
Accrued Payroll	361,022	85,923	446,945
Retainage Payable	57,311	366,472	423,783
Deposits Payable	1,041,050	280,250	1,321,300
Interest Payable	-	33,471	33,471
Other Payables	300,416	17,850	318,266
Sewer Plant Expansion Restricted	-	2,232,820	2,232,820
Current Portion of Long-Term Debt	320,839	638,356	959,195
Total Current Liabilities	<u>2,778,810</u>	<u>4,391,487</u>	<u>7,170,297</u>
Noncurrent Liabilities			
Compensated Absences Payable	1,283,354	112,067	1,395,421
Net Pension Liability - IMRF	2,800,196	2,910,994	5,711,190
Net Pension Liability - Police Pension	29,040,665	-	29,040,665
Total OPEB Liability - RBP	4,313,858	1,933,376	6,247,234
IEPA Revolving Loan Payable	-	3,296,816	3,296,816
Total Noncurrent Liabilities	<u>37,438,073</u>	<u>8,253,253</u>	<u>45,691,326</u>
Total Liabilities	<u>40,216,883</u>	<u>12,644,740</u>	<u>52,861,623</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Items - IMRF	380,401	395,452	775,853
Deferred Items - Police Pension	2,899,918	-	2,899,918
Deferred Items - RBP	311,297	139,516	450,813
Property Taxes	4,543,573	-	4,543,573
Total Deferred Inflows of Resources	<u>8,135,189</u>	<u>534,968</u>	<u>8,670,157</u>
Total Liabilities and Deferred Inflows of Resources	<u>48,352,072</u>	<u>13,179,708</u>	<u>61,531,780</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	54,014,124	105,354,380	159,368,504
Restricted - MFT	744,815	-	744,815
Restricted - Public Safety	466,978	-	466,978
Restricted - TIF	790,689	-	790,689
Restricted - Public Benefit Projects	941,917	-	941,917
Unrestricted (Deficit)	<u>(15,056,308)</u>	<u>(10,658,958)</u>	<u>(25,715,266)</u>
Total Net Position	<u>\$ 41,902,215</u>	<u>\$ 94,695,422</u>	<u>\$ 136,597,637</u>

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, 2018**

	Expenses	Program Revenues		
		Charges for Services	Operating Grants/ Contributions	Capital Grants/ Contributions
<b>Governmental Activities</b>				
General Government	\$ 13,667,469	\$ 3,082,228	\$ 22,906	\$ -
Public Safety	10,121,701	1,759,322	3,855	-
Streets and Highways	-	278,100	167,634	732,621
Interest on Long-Term Debt	339	-	-	-
<b>Total Governmental Activities</b>	<b>23,789,509</b>	<b>5,119,650</b>	<b>194,395</b>	<b>732,621</b>
<b>Business-Type Activities</b>				
Waterworks	6,936,383	1,163,807	-	355,577
Sewerage	6,822,477	3,106,749	-	-
Commuter Parking	127,980	158,493	-	-
<b>Total Business-Type Activities</b>	<b>13,886,840</b>	<b>4,429,049</b>	<b>-</b>	<b>355,577</b>
<b>Total Primary Government</b>	<b>\$ 37,676,349</b>	<b>\$ 9,548,699</b>	<b>\$ 194,395</b>	<b>\$ 1,088,198</b>

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		
Primary Government		
Governmental Activities	Business-Type Activities	Totals
\$ (10,562,335)	\$ -	\$ (10,562,335)
(8,358,524)	-	(8,358,524)
1,178,355	-	1,178,355
(339)	-	(339)
<u>(17,742,843)</u>	<u>-</u>	<u>(17,742,843)</u>
-	(5,416,999)	(5,416,999)
-	(3,715,728)	(3,715,728)
-	30,513	30,513
<u>-</u>	<u>(9,102,214)</u>	<u>(9,102,214)</u>
<u>(17,742,843)</u>	<u>(9,102,214)</u>	<u>(26,845,057)</u>
4,623,840	9,049	4,632,889
669,750	-	669,750
94,615	-	94,615
6,871,960	-	6,871,960
2,593,920	-	2,593,920
152,578	-	152,578
2,070,351	-	2,070,351
12,224	8,095	20,319
637,785	584,062	1,221,847
<u>17,727,023</u>	<u>601,206</u>	<u>18,328,229</u>
(15,820)	(8,501,008)	(8,516,828)
<u>41,918,035</u>	<u>103,196,430</u>	<u>145,114,465</u>
<u>\$ 41,902,215</u>	<u>\$ 94,695,422</u>	<u>\$ 136,597,637</u>

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

**CITY OF WEST CHICAGO, ILLINOIS**

**Balance Sheet - Governmental Funds  
December 31, 2018**

	General	Special Public Benefit
<b>ASSETS</b>		
Cash and Investments	\$ -	\$ 692,385
Receivables - Net of Allowances		
Property Taxes	3,548,965	-
Other	3,394,666	-
Due From Other Funds	11,675,933	-
Prepays/Inventories	78,908	-
Advances to Other Funds	-	249,532
	<hr/>	<hr/>
Total Assets	<u>18,698,472</u>	<u>941,917</u>
<b>LIABILITIES</b>		
Accounts Payable	351,698	-
Accrued Payroll	339,235	-
Retainage Payable	-	-
Deposits Payable	1,041,050	-
Advances from Other Funds	-	-
Other Payables	-	-
Total Liabilities	<hr/> 1,731,983	<hr/> -
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Property Taxes	<hr/> 3,548,965	<hr/> -
Total Liabilities and Deferred Inflows of Resources	<hr/> 5,280,948	<hr/> -
<b>FUND BALANCES</b>		
Nonspendable	78,908	-
Restricted	1,211,793	941,917
Assigned	-	-
Unassigned	12,126,823	-
Total Fund Balances	<hr/> 13,417,524	<hr/> 941,917
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<hr/> <u>\$ 18,698,472</u>	<hr/> <u>\$ 941,917</u>

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

<u>Revenue</u>			
<u>TIF</u>			
<u>Special Tax</u>	<u>Capital</u>	<u>Nonmajor</u>	<u>Totals</u>
<u>Allocation #1</u>	<u>Improvement</u>		
\$ 884,914	\$ 603,192	\$ 1,300,601	\$ 3,481,092
979,456	-	14,864	4,543,285
-	885,401	-	4,280,067
-	3,989,370	-	15,665,303
1,422	853	-	81,183
-	-	-	249,532
<u>1,865,792</u>	<u>5,478,816</u>	<u>1,315,465</u>	<u>28,300,462</u>
11,827	325,891	8,756	698,172
12,489	9,298	-	361,022
-	57,311	-	57,311
-	-	-	1,041,050
249,532	-	-	249,532
-	300,416	-	300,416
<u>273,848</u>	<u>692,916</u>	<u>8,756</u>	<u>2,707,503</u>
979,456	288	14,864	4,543,573
<u>1,253,304</u>	<u>693,204</u>	<u>23,620</u>	<u>7,251,076</u>
1,422	853	-	81,183
611,066	-	179,623	2,944,399
-	4,784,759	1,112,222	5,896,981
-	-	-	12,126,823
<u>612,488</u>	<u>4,785,612</u>	<u>1,291,845</u>	<u>21,049,386</u>
<u>\$ 1,865,792</u>	<u>\$ 5,478,816</u>	<u>\$ 1,315,465</u>	<u>\$ 28,300,462</u>

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, 2018**

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<b>Total Governmental Fund Balances</b>	<b>\$ 21,049,386</b>
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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.	54,014,124
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Deferred outflows (inflows) of resources related to the pensions not reported  
in the funds.

Deferred Items - IMRF	1,144,926
Deferred Items - Police Pension	3,763,988
Deferred Items - RBP	(311,297)

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

Compensated Absences Payable	(1,604,193)
Net Pension Liability - IMRF	(2,800,196)
Net Pension Liability - Police Pension	(29,040,665)
Total OPEB Liability	<u>(4,313,858)</u>

<b>Net Position of Governmental Activities</b>	<b><u>\$ 41,902,215</u></b>
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The notes to the financial statements are an integral part of this statement.

**CITY OF WEST CHICAGO, ILLINOIS**

**Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds  
For the Fiscal Year Ended December 31, 2018**

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**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, 2018

	General	Special Public Benefit
Revenues		
Taxes	\$ 4,529,321	\$ -
Intergovernmental	8,181,690	-
Charges for Services	2,673,150	-
Licenses and Permits	887,198	-
Fines and Forfeitures	1,281,202	-
Interest Income	8,978	890
Miscellaneous	567,059	-
Total Revenues	<u>18,128,598</u>	<u>890</u>
Expenditures		
Current		
General Government	7,259,158	-
Public Safety	10,011,442	-
Capital Outlay	-	-
Debt Service		
Interest and Fiscal Charges	-	-
Total Expenditures	<u>17,270,600</u>	<u>-</u>
Net Change in Fund Balances	857,998	890
Fund Balances - Beginning	<u>12,559,526</u>	<u>941,027</u>
Fund Balances - Ending	<u>\$ 13,417,524</u>	<u>\$ 941,917</u>

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

<u>Revenue</u>			
<u>TIF</u>			
<u>Special Tax</u>	<u>Capital</u>	<u>Nonmajor</u>	<u>Totals</u>
<u>Allocation #1</u>	<u>Improvement</u>		
\$ 990,015	\$ 2,070,351	\$ 21,447	\$ 7,611,134
-	2,211,206	-	10,392,896
-	-	278,100	2,951,250
-	-	-	887,198
-	-	-	1,281,202
283	1,657	416	12,224
19,121	31,802	19,803	637,785
<u>1,009,419</u>	<u>4,315,016</u>	<u>319,766</u>	<u>23,773,689</u>
891,066	-	-	8,150,224
-	-	-	10,011,442
-	3,192,516	633,111	3,825,627
339	-	-	339
<u>891,405</u>	<u>3,192,516</u>	<u>633,111</u>	<u>21,987,632</u>
118,014	1,122,500	(313,345)	1,786,057
494,474	3,663,112	1,605,190	19,263,329
<u>\$ 612,488</u>	<u>\$ 4,785,612</u>	<u>\$ 1,291,845</u>	<u>\$ 21,049,386</u>

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, 2018**

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**Net Change in Fund Balances - Total Governmental Funds** **\$ 1,786,057**

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	1,357,754
Depreciation Expense	(1,909,215)
Disposals - Cost	(178,106)
Disposals - Accumulated Depreciation	158,106

Deferred outflows (inflows) of resources related to the pensions not reported in the funds.

Change in Deferred Items - IMRF	2,391,026
Change in Deferred Items - Police Pension	445,872
Change in Deferred Items - RBP	(311,297)

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 Compensated Absences Payable	(105,068)
Additions to Net Pension Liability - IMRF	(2,333,421)
Additions to Net Pension Liability - Police Pension	(1,583,539)
Deductions to Total OPEB Liability - RBP	<u>266,011</u>

**Changes in Net Position of Governmental Activities** **\$ (15,820)**

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, 2018**

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**See Following Page**

**CITY OF WEST CHICAGO, ILLINOIS**

**Statement of Net Position - Proprietary Funds  
December 31, 2018**

	Business-Type Activities - Enterprise			
	Waterworks	Sewerage	Nonmajor	Totals
			Commuter Parking	
<b>ASSETS</b>				
Current Assets				
Cash and Investments	\$ -	\$ -	\$ 379,549	\$ 379,549
Receivables - Net of Allowances				
Property Taxes	-	9,001	-	9,001
Accounts	5,000,480	6,576,882	2,980	11,580,342
Other	86,357	-	-	86,357
Advances to Other Funds	-	1,850,000	-	1,850,000
Prepays	8,818	8,818	-	17,636
Restricted Investments	-	620,332	-	620,332
<b>Total Current Assets</b>	<b>5,095,655</b>	<b>9,065,033</b>	<b>382,529</b>	<b>14,543,217</b>
Noncurrent Assets				
Capital Assets				
Nondepreciable	28,609,570	2,155,382	48,250	30,813,202
Depreciable	85,471,000	40,841,659	684,562	126,997,221
Accumulated Depreciation	(29,007,730)	(19,051,588)	(489,570)	(48,548,888)
<b>Total Noncurrent Assets</b>	<b>85,072,840</b>	<b>23,945,453</b>	<b>243,242</b>	<b>109,261,535</b>
<b>Total Assets</b>	<b>90,168,495</b>	<b>33,010,486</b>	<b>625,771</b>	<b>123,804,752</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred Items - IMRF	911,836	662,956	10,889	1,585,681
<b>Total Assets and Deferred Outflows of Resources</b>	<b>91,080,331</b>	<b>33,673,442</b>	<b>636,660</b>	<b>125,390,433</b>

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

	Business-Type Activities - Enterprise			
	Waterworks	Sewerage	Nonmajor	Totals
			Commuter Parking	
<b>LIABILITIES</b>				
Current Liabilities				
Accounts Payable	\$ 326,416	\$ 407,081	\$ 2,848	\$ 736,345
Accrued Payroll	48,745	36,612	566	85,923
Retainage Payable	313,841	52,631	-	366,472
Interest Payable	33,471	-	-	33,471
Other Liabilities	-	280,250	-	280,250
Sewer Plant Expansion Restricted	-	2,232,820	-	2,232,820
Due to Other Funds	10,508,598	5,156,705	-	15,665,303
Advances from Other Funds	1,850,000	-	-	1,850,000
Other Payables	-	-	17,850	17,850
Compensated Absences	24,686	3,331	-	28,017
IEPA Revolving Loan	610,339	-	-	610,339
Total Current Liabilities	<u>13,716,096</u>	<u>8,169,430</u>	<u>21,264</u>	<u>21,906,790</u>
Noncurrent Liabilities				
Compensated Absences	98,743	13,324	-	112,067
Net Pension Liability - IMRF	1,673,950	1,217,055	19,989	2,910,994
Total OPEB Liability - RBP	966,688	966,688	-	1,933,376
IEPA Revolving Loan	3,296,816	-	-	3,296,816
Total Noncurrent Liabilities	<u>6,036,197</u>	<u>2,197,067</u>	<u>19,989</u>	<u>8,253,253</u>
Total Liabilities	<u>19,752,293</u>	<u>10,366,497</u>	<u>41,253</u>	<u>30,160,043</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred Items - IMRF	227,403	165,334	2,715	395,452
Deferred Items - RBP	69,758	69,758	-	139,516
Total Deferred Inflows of Resources	<u>297,161</u>	<u>235,092</u>	<u>2,715</u>	<u>534,968</u>
Total Liabilities and Deferred Inflows of Resources	<u>20,049,454</u>	<u>10,601,589</u>	<u>43,968</u>	<u>30,695,011</u>
<b>NET POSITION</b>				
Net Investment in Capital Assets	81,165,685	23,945,453	243,242	105,354,380
Unrestricted (Deficit)	<u>(10,134,808)</u>	<u>(873,600)</u>	<u>349,450</u>	<u>(10,658,958)</u>
Total Net Position	<u>\$ 71,030,877</u>	<u>\$ 23,071,853</u>	<u>\$ 592,692</u>	<u>\$ 94,695,422</u>

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, 2018**

	Business-Type Activities - Enterprise			
	Waterworks	Sewerage	Nonmajor	Totals
			Commuter Parking	
Operating Revenues				
Charges for Services	\$ 1,116,204	\$ 3,025,259	\$ 90,138	\$ 4,231,601
Licenses and Permits	-	-	68,355	68,355
Total Operating Revenues	<u>1,116,204</u>	<u>3,025,259</u>	<u>158,493</u>	<u>4,299,956</u>
Operating Expenses				
Operations	4,871,991	5,962,826	107,306	10,942,123
Depreciation	1,957,583	859,651	20,674	2,837,908
Total Operating Expenses	<u>6,829,574</u>	<u>6,822,477</u>	<u>127,980</u>	<u>13,780,031</u>
Operating Income (Loss)	<u>(5,713,370)</u>	<u>(3,797,218)</u>	<u>30,513</u>	<u>(9,480,075)</u>
Nonoperating Revenues (Expenses)				
Water and Sewer Connection Fees	47,603	81,490	-	129,093
Property Taxes	-	9,049	-	9,049
Interest Income	4,358	3,737	-	8,095
Other Income	196,692	387,158	212	584,062
Interest Expense and Fiscal Charges	(106,809)	-	-	(106,809)
	<u>141,844</u>	<u>481,434</u>	<u>212</u>	<u>623,490</u>
Income (Loss) before Contributions and Capital Grants	(5,571,526)	(3,315,784)	30,725	(8,856,585)
Capital Contributions	269,220	-	-	269,220
Capital Grants	86,357	-	-	86,357
Change in Net Position	(5,215,949)	(3,315,784)	30,725	(8,501,008)
Net Position - Beginning as Restated	<u>76,246,826</u>	<u>26,387,637</u>	<u>561,967</u>	<u>103,196,430</u>
Net Position - Ending	<u>\$ 71,030,877</u>	<u>\$ 23,071,853</u>	<u>\$ 592,692</u>	<u>\$ 94,695,422</u>

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, 2018**

	Business-Type Activities - Enterprise Funds			Totals
	Waterworks Fund	Sewerage Fund	Nonmajor Enterprise Commuter Parking	
Cash Flows from Operating Activities				
Receipts from Customers and Users	\$ 3,948,209	\$ 5,492,706	\$ 158,601	\$ 9,599,516
Payments to Employees	(1,752,314)	(1,293,240)	(21,176)	(3,066,730)
Payments to Suppliers	(1,090,443)	(3,182,416)	(80,785)	(4,353,644)
	<u>1,105,452</u>	<u>1,017,050</u>	<u>56,640</u>	<u>2,179,142</u>
Cash Flows from Noncapital Financing Activities				
Property Taxes	-	9,049	-	9,049
Cash Flows from Capital and Related Financing Activities				
Capital Grants	86,357	-	-	86,357
Purchase of Capital Assets	(494,408)	(1,029,836)	-	(1,524,244)
Interest on Capital Debt	(106,809)	-	-	(106,809)
Principal on Capital Debt	(594,950)	-	-	(594,950)
	<u>(1,109,810)</u>	<u>(1,029,836)</u>	<u>-</u>	<u>(2,139,646)</u>
Cash Flows from Investing Activities				
Interest Received	4,358	3,737	-	8,095
Net Change in Cash and Cash Equivalents	-	-	56,640	56,640
Cash and Cash Equivalents - Beginning	-	620,332	322,909	943,241
Cash and Cash Equivalents - Ending	-	620,332	379,549	999,881
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities				
Operating Income (Loss)	(5,713,370)	(3,797,218)	30,513	(9,480,075)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:				
Depreciation Expense	1,957,583	859,651	20,674	2,837,908
Other Income	244,295	468,648	212	713,155
(Increase) Decrease in Current Assets	2,587,710	1,998,799	(104)	4,586,405
Increase (Decrease) in Current Liabilities	2,029,234	1,487,170	5,345	3,521,749
Net Cash Provided by Operating Activities	<u>\$ 1,105,452</u>	<u>\$ 1,017,050</u>	<u>\$ 56,640</u>	<u>\$ 2,179,142</u>
Noncash Activity - Capital Contributions	<u>\$ 269,220</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 269,220</u>

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, 2018**

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	<u>Pension Trust Police Pension</u>
<b>ASSETS</b>	
Cash and Cash Equivalents	\$ 50,855
Investments	
Money Market Mutual Funds	916,313
U.S. Treasuries	1,476,177
U.S. Agencies	6,802,405
Corporate Bonds	1,127,917
Municipal Bonds	1,532,387
Mutual Funds	14,959,896
Insurance Contracts	2,658,882
Accrued Interest	66,038
Prepays	<u>6,057</u>
Total Assets	<u>29,596,927</u>
<b>LIABILITIES</b>	
Accounts Payable	<u>11,908</u>
<b>NET POSITION</b>	
Net Position Restricted for Pensions	<u><u>\$ 29,585,019</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, 2018**

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	<u>Pension Trust Police Pension</u>
Additions	
Contributions - Employer	\$ 2,500,000
Contributions - Plan Members	<u>432,433</u>
Total Contributions	<u>2,932,433</u>
Investment Income	
Interest Earned	1,175,742
Net Change in Fair Value	<u>(2,298,849)</u>
	(1,123,107)
Less Investment Expenses	<u>(40,884)</u>
Net Investment Income	<u>(1,163,991)</u>
Total Additions	<u>1,768,442</u>
Deductions	
Administration	61,890
Benefits and Refunds	
Benefits	<u>1,995,003</u>
Total Deductions	<u>2,056,893</u>
Change in Fiduciary Net Position	(288,451)
Net Position Restricted for Pensions	
Beginning	<u>29,873,470</u>
Ending	<u><u>\$ 29,585,019</u></u>

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

# CITY OF WEST CHICAGO, ILLINOIS

## Notes to the Financial Statements December 31, 2018

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### 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, 2018

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### 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.).

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.

# CITY OF WEST CHICAGO, ILLINOIS

## Notes to the Financial Statements December 31, 2018

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### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

#### BASIS OF PRESENTATION – Continued

##### 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, 2018

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### 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 tax 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 three-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:

*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.

# CITY OF WEST CHICAGO, ILLINOIS

## Notes to the Financial Statements December 31, 2018

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### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

#### BASIS OF PRESENTATION – Continued

#### Fund Financial Statements – Continued

#### Proprietary Funds – Continued

*Enterprise funds – Continued.* 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.

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.

# CITY OF WEST CHICAGO, ILLINOIS

## Notes to the Financial Statements December 31, 2018

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### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

#### MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

##### Measurement Focus – Continued

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.

##### 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 is 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.

# CITY OF WEST CHICAGO, ILLINOIS

## Notes to the Financial Statements December 31, 2018

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### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

#### MEASUREMENT FOCUS AND BASIS OF ACCOUNTING – Continued

##### Basis of Accounting – Continued

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 and pension trust 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 is 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 of capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

#### 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 generally reported at fair value. Short-term investments are reported at cost, which approximates fair value. For investments, the City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

# CITY OF WEST CHICAGO, ILLINOIS

## Notes to the Financial Statements December 31, 2018

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### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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

##### **Restricted Cash and Investments**

Certain proceeds of bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because their use is limited by bond covenants.

##### **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 receivable 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.

##### **Capital Assets**

Capital assets purchased or acquired with an original cost of \$10,000 - \$30,000 or more, depending on asset class, are reported at historical cost or estimated historical cost. Contributed assets are reported at acquisition 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.

**CITY OF WEST CHICAGO, ILLINOIS**

**Notes to the Financial Statements  
December 31, 2018**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

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

**Capital Assets – Continued**

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

**Deferred Outflows/Inflows of Resources**

Deferred outflow/inflow of resources represents an acquisition/reduction of net position that applies to a future period and therefore will not be recognized as an outflow of resources (expense)/inflow of resources (revenue) until that future time.

**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, 2018

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### 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 for 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, 2018**

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### **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, 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, three 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, obligations of States and their political subdivisions, credit union shares, repurchase agreements, commercial paper rated within the three highest classifications by at least two standard rating services, Illinois Funds and the Illinois Metropolitan Investment Fund.

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. The Illinois Funds is not registered with the SEC as an investment company. Investments in Illinois Funds are valued at the share price, the price for which the investment could be sold.

## CITY OF WEST CHICAGO, ILLINOIS

### Notes to the Financial Statements December 31, 2018

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#### NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

##### DEPOSITS AND INVESTMENTS – Continued

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.

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 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.

##### **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 \$3,820,196 and the bank balances totaled \$4,707,276. Additionally, at year-end the City has \$621,529 invested in the Illinois Funds and \$39,248 invested in the Illinois Metropolitan Investment Fund, which are both measured at net asset value per share as determined by the pool.

## CITY OF WEST CHICAGO, ILLINOIS

### Notes to the Financial Statements December 31, 2018

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#### 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 is less than one year and the Illinois Metropolitan Investment Fund is less than one year to three years.

*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, in Illinois Metropolitan Investment Trust Convenience Fund which is not rated, and in the Illinois Metropolitan Investment Trust 1-3 Year Fund that 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 collateral, 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 does not have any investments over 5 percent of cash and investments (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments).

**CITY OF WEST CHICAGO, ILLINOIS**

**Notes to the Financial Statements  
December 31, 2018**

**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**

*Deposits.* At year-end, the carrying amount of the Police Pension Fund’s deposits totaled \$50,855 and the bank balances totaled \$344,979. In addition, the Pension Fund has \$916,313 invested in money market mutual funds at year end.

*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	\$ 1,476,177	\$ 383,431	\$ 941,808	\$ 150,938	\$ -
U.S. Agencies	6,802,405	296,918	1,650,060	4,693,770	161,657
Corporate Bonds	1,127,917	34,877	348,545	744,495	-
Municipal Bonds	1,532,387	1,138,789	294,252	99,346	-
	<u>\$ 10,938,886</u>	<u>\$ 1,854,015</u>	<u>\$ 3,234,665</u>	<u>\$ 5,688,549</u>	<u>\$ 161,657</u>

The Fund has the following recurring fair value measurements as of December 31, 2018:

Investments by Fair Value Level	Total	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Debt Securities				
U.S. Treasuries	\$ 1,476,177	1,476,177	-	-
U.S. Agencies	6,802,405	-	6,802,405	-
Corporate Bonds	1,127,917	-	1,127,917	-
Municipal Bonds	1,532,387	-	1,532,387	-
Equity Securities				
Insurance Contracts	2,658,882	-	2,658,882	-
Mutual Funds	14,959,896	14,959,896	-	-
Total Investments by Fair Value Level	<u>28,557,664</u>	<u>16,436,073</u>	<u>12,121,591</u>	<u>-</u>

## CITY OF WEST CHICAGO, ILLINOIS

### Notes to the Financial Statements December 31, 2018

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#### 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 – Continued.* Debt Securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

*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 not rated. Corporate bonds were rated A3 to Aaa by Moody's Investor Services. Municipal bonds were rated AAA to Aaa by Standard & Poor's and Moody's Investor Services.

*Custodial Credit Risk.* At December 31, 2018, 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, 2018, the Pension Fund does not have any investments over 5 percent of net position available for benefits (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments). 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:

# CITY OF WEST CHICAGO, ILLINOIS

## Notes to the Financial Statements December 31, 2018

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### 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.*

- 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

The Fund's investment policy in accordance with Illinois Compiled Statutes (ILCS) establishes the following target allocation across asset classes:

<u>Asset Class</u>	<u>Target</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed Income	5% - 35%	1.60%
Domestic Equities	20% - 70%	6.80% - 8.70%
International Equities	10%	6.60%
Cash and Cash Equivalents	0%	0.0%

Illinois Compiled Statutes (ILCS) limit the Fund's investments in equities, mutual funds and variable annuities to 65%.

The long-term expected rate of return on the Fund's investments was determined using an asset allocation study conducted by the Fund's investment management consultant in April 2019 in which best-estimate ranges of expected future real rates of return (net of pension plan investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding the expected inflation. Best estimates or arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of December 31, 2018 are listed in the table above.

**CITY OF WEST CHICAGO, ILLINOIS**

**Notes to the Financial Statements  
December 31, 2018**

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**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.* At year-end, the Pension Fund has diversified its insurance contracts and equity mutual funds as follows:

<u>Equity Mutual Funds</u>	<u>Fair Value</u>
AQR LG Cap Defensive	\$ 322,744
Bridgeway Ultra Small	385,016
Cohen and Steers	321,223
First Eagle Overseas	237,187
Goldman Sachs Intl Eqty	262,431
Goldman Sachs Small Cap	928,201
LSV Value Equity	1,660,195
MFS Intl Growth CL I	372,382
Oppenheimer Developing	223,986
Pioneer Equity Income	1,715,966
T Rowe Price Growth Stock	3,435,044
T Rowe Price Small	1,061,718
Vanguard 500 Index	3,630,407
Victory Sycamore	403,396
	<u>\$ 14,959,896</u>
<u>Insurance Contracts</u>	<u>Fair Value</u>
Protective Life Annuity	\$ 596,046
Lincoln National Life	1,070,932
Hartford Annuity	768,200
Nationwide	223,704
	<u>\$ 2,658,882</u>

**Rate of Return**

For the year ended December 31, 2018, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was (3.89%). The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**CITY OF WEST CHICAGO, ILLINOIS**

**Notes to the Financial Statements  
December 31, 2018**

**NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued**

**SALES TAX AGREEMENT**

The City of West Chicago entered into a tax rebate agreement with a corporation in 2015. Under this agreement, the City rebates a portion of sales taxes. For the fiscal year ended December 31, 2018, the City rebated a total of \$104,132 in taxes under this agreement.

**CAPITAL ASSETS**

**Governmental Activities**

Governmental capital asset activity for the year was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Capital Assets - Not Being Depreciated				
Land	\$ 20,061,128	\$ 177,000	\$ 20,000	\$ 20,218,128
Construction in Progress	-	174,895	-	174,895
	<u>20,061,128</u>	<u>351,895</u>	<u>20,000</u>	<u>20,393,023</u>
Other Capital Assets				
Land Improvements	2,040,245	-	-	2,040,245
Buildings and Improvements	3,184,512	-	-	3,184,512
Machinery and Equipment	5,607,277	539,770	158,106	5,988,941
Infrastructure	62,698,518	466,089	-	63,164,607
	<u>73,530,552</u>	<u>1,005,859</u>	<u>158,106</u>	<u>74,378,305</u>
Less Accumulated Depreciation				
Land Improvements	489,338	56,316	-	545,654
Buildings and Improvements	1,896,061	71,201	-	1,967,262
Machinery and Equipment	3,059,868	368,402	158,106	3,270,164
Infrastructure	33,560,828	1,413,296	-	34,974,124
	<u>39,006,095</u>	<u>1,909,215</u>	<u>158,106</u>	<u>40,757,204</u>
Total Other Capital Assets	<u>34,524,457</u>	<u>(903,356)</u>	<u>-</u>	<u>33,621,101</u>
Total Capital Assets	<u>\$ 54,585,585</u>	<u>\$ (551,461)</u>	<u>\$ 20,000</u>	<u>\$ 54,014,124</u>

Depreciation expense was charged to governmental activities as follows:

General Government	\$ 1,798,956
Public Safety	<u>110,259</u>
	<u>\$ 1,909,215</u>

**CITY OF WEST CHICAGO, ILLINOIS**

**Notes to the Financial Statements  
December 31, 2018**

**NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued**

**CAPITAL ASSETS – Continued**

**Business-Type Activities**

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

	Beginning Balances	Increases	Decreases	Ending Balances
<b>Capital Assets - Not Being Depreciated</b>				
Land	\$ 28,649,611	\$ -	\$ -	\$ 28,649,611
Construction in Progress	1,161,719	1,102,364	100,492	2,163,591
	<u>29,811,330</u>	<u>1,102,364</u>	<u>100,492</u>	<u>30,813,202</u>
<b>Other Capital Assets</b>				
Land Improvements	1,426,823	-	-	1,426,823
Buildings	34,409,354	-	-	34,409,354
Machinery and Equipment	17,930,889	245,435	108,000	18,068,324
Infrastructure	72,546,563	546,157	-	73,092,720
	<u>126,313,629</u>	<u>791,592</u>	<u>108,000</u>	<u>126,997,221</u>
<b>Less Accumulated Depreciation</b>				
Land Improvements	838,130	38,861	-	876,991
Buildings	13,095,938	932,839	-	14,028,777
Machinery and Equipment	10,197,456	476,992	108,000	10,566,448
Infrastructure	21,687,456	1,389,216	-	23,076,672
	<u>45,818,980</u>	<u>2,837,908</u>	<u>108,000</u>	<u>48,548,888</u>
<b>Total Other Capital Assets</b>	<u>80,494,649</u>	<u>(2,046,316)</u>	<u>-</u>	<u>78,448,333</u>
<b>Total Capital Assets</b>	<u>\$ 110,305,979</u>	<u>\$ (943,952)</u>	<u>\$ 100,492</u>	<u>\$ 109,261,535</u>

Depreciation expense was charged to business-type as follows:

Waterworks	\$ 1,957,583
Sewerage	859,651
Commuter Parking	<u>20,674</u>
	<u>\$ 2,837,908</u>

**CITY OF WEST CHICAGO, ILLINOIS**

**Notes to the Financial Statements  
December 31, 2018**

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**NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued**

**INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS**

**Interfund Balances**

Interfund balances are advances to cover cash shortages. The composition of interfund balances as of the date of this report, is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Waterworks	\$ 10,508,598
General	Sewerage	1,167,335
Capital Projects	Sewerage	<u>3,989,370</u>
		<u>\$ 15,665,303</u>

**Interfund Advances**

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

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Public Benefit	TIF Special Tax Allocation #1	\$ 249,532
Sewerage	Waterworks	<u>1,850,000</u>
		<u>\$ 2,099,532</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.

**PROPERTY TAXES**

Property taxes for 2017 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, 2018**

**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 improvements. The IEPA revolving loan currently outstanding is 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	\$ 4,502,105	\$ -	\$ 594,950	\$ 3,907,155

**Long-Term Liability Activity**

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

Type of Debt	Restated Beginning Balances	Additions	Deductions	Ending Balances	Amounts Due within One Year
<b>Governmental Activities</b>					
Compensated Absences	\$ 1,499,125	\$ 210,136	\$ 105,068	\$ 1,604,193	\$ 320,839
Net Pension Liability					
IMRF	466,775	2,333,421	-	2,800,196	-
Police Pension	27,457,126	1,583,539	-	29,040,665	-
Total OPEB Liability - RBP	4,579,869	-	266,011	4,313,858	-
	<u>34,002,895</u>	<u>4,127,096</u>	<u>371,079</u>	<u>37,758,912</u>	<u>320,839</u>
<b>Business-type Activities</b>					
Compensated Absences	161,743	21,659	43,318	140,084	28,017
Net Pension Liability					
IMRF	479,188	2,431,806	-	2,910,994	-
Total OPEB Liability - RBP	2,052,596	-	119,220	1,933,376	-
IEPA Revolving Loan	4,502,105	-	594,950	3,907,155	610,339
	<u>\$ 7,195,632</u>	<u>\$ 2,453,465</u>	<u>\$ 757,488</u>	<u>\$ 8,891,609</u>	<u>\$ 638,356</u>

For governmental activities, the General Fund makes payments on the net pension liabilities, the total OPEB liability, and the compensated absences. For business-type activities, the Waterworks Fund makes payments on the IEPA revolving loan. The compensated absences, the net pension liability, and the total OPEB liability are liquidated from the Waterworks and Sewerage Funds.

**CITY OF WEST CHICAGO, ILLINOIS**

**Notes to the Financial Statements  
December 31, 2018**

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**NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued**

**LONG-TERM DEBT – Continued**

**Noncommitment Debt**

Special Service Area Bonds

Special service area bonds have been paid in full as of the date of this report. 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, 2018, there was one IDRB outstanding. The aggregate principal amount payable for the bond series is \$300,000.

**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		Totals
	Principal	Interest	
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
Totals	<u>\$ 3,907,155</u>	<u>\$ 333,981</u>	<u>\$ 4,241,136</u>

**CITY OF WEST CHICAGO, ILLINOIS**

**Notes to the Financial Statements  
December 31, 2018**

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**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, 2018:

Governmental Activities	
Capital Assets - Net of Accumulated Depreciation	<u>\$ 54,014,124</u>
Business-Type Activities	
Capital Assets - Net of Accumulated Depreciation	109,261,535
Less Capital Related Debt:	
IEPA Revolving Loan	<u>(3,907,155)</u>
Net Investment in Capital Assets	<u>\$ 105,354,380</u>

**FUND BALANCE CLASSIFICATIONS**

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.

*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, 2018**

**NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued**

**FUND BALANCE CLASSIFICATIONS – Continued**

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	\$ 78,908	\$ -	\$ 1,422	\$ 853	\$ -	\$ 81,183
Restricted						
Motor Fuel Tax	744,815	-	-	-	-	744,815
Public Safety	466,978	-	-	-	-	466,978
Property Taxes						
TIF	-	-	611,066	-	179,623	790,689
Public Benefit Projects	-	941,917	-	-	-	941,917
	<u>1,211,793</u>	<u>941,917</u>	<u>611,066</u>	<u>-</u>	<u>179,623</u>	<u>2,944,399</u>
Assigned						
Capital Projects	-	-	-	4,784,759	1,112,222	5,896,981
Unassigned	<u>12,126,823</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,126,823</u>
Total Fund Balances	<u>\$ 13,417,524</u>	<u>\$ 941,917</u>	<u>\$ 612,488</u>	<u>\$ 4,785,612</u>	<u>\$ 1,291,845</u>	<u>\$ 21,049,386</u>

*Nonspendable Fund Balance.* Consists of resources that cannot be spent because they are either: a) not in a spendable form; or b) legally or contractually required to be maintained intact.

*Restricted Fund Balance.* Consists of resources that are restricted to specific purposes, that is, when constraints placed on the use of resources are either: a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or b) imposed by law through constitutional provisions or enabling legislation.

*Committed Fund Balance.* Consists of resources constrained (issuance of an ordinance) to specific purposes by the government itself, using its highest level of decision-making authority, the City Council; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest-level action to remove or change the constraint.

*Assigned Fund Balance.* Consists of amounts that are constrained by the City Council's intent to be used for specific purposes but are neither restricted nor committed. Intent is expressed by: a) the City Council itself; or b) a body or official to which the City Council has delegated the authority to assign amounts to be used for specific purposes. The City's highest level of decision-making authority is the City Council, who is authorized to assign amounts to a specific purpose.

# CITY OF WEST CHICAGO, ILLINOIS

## Notes to the Financial Statements December 31, 2018

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### NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

#### FUND BALANCE CLASSIFICATIONS – Continued

*Unassigned Fund Balance.* Consists of residual net resources of a fund that has not been restricted, committed, or assigned within the General Fund and deficit fund balances of other governmental funds.

#### NET POSITION RESTATEMENT

Beginning net position was restated to move a portion of the total OPEB liability from the governmental activities to the business-type funds.

Net Position	As Reported	As Restated	Increase (Decrease)
Governmental Activities	\$ 39,865,439	41,918,035	2,052,596
Business-Type Activities	105,249,026	103,196,430	(2,052,596)
Waterworks	77,273,124	76,246,826	(1,026,298)
Sewerage	27,413,935	26,387,637	(1,026,298)

### 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. The City 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 members' 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.

**CITY OF WEST CHICAGO, ILLINOIS**

**Notes to the Financial Statements  
December 31, 2018**

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**NOTE 4 – OTHER INFORMATION – Continued**

**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 attorneys, 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.

**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](http://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.

The aggregate amount of pension expense recognized for the two pension plans is:

IMRF	\$ 653,223
Police Pension	<u>3,637,666</u>
	<u><u>4,290,889</u></u>

**Illinois Municipal Retirement Fund (IMRF)**

**Plan Descriptions**

*Plan Administration.* 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. The plan is accounted for on the economic resources measurement focus and the accrual basis of accounting. Employer and employee contributions are recognized when earned in the year that the contributions are required; benefits and refunds are recognized as an expense and liability when due and payable.

**CITY OF WEST CHICAGO, ILLINOIS**

**Notes to the Financial Statements  
December 31, 2018**

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**NOTE 4 – OTHER INFORMATION – Continued**

**EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued**

**Illinois Municipal Retirement Fund (IMRF) – Continued**

**Plan Descriptions – Continued**

*Benefits Provided.* IMRF has three benefit plans. The vast majority of IMRF members participate in the Regular Plan (RP). The Sheriff’s Law Enforcement Personnel (SLEP) plan is for sheriffs, deputy sheriffs, and selected police chiefs. Counties could adopt the Elected County Official (ECO) plan for officials elected prior to August 8, 2011 (the ECO plan was closed to new participants after that date).

IMRF provides two tiers of pension benefits. Employees hired *before* January 1, 2011, are eligible for Tier 1 benefits. Tier 1 employees are vested for pension benefits when they have at least eight years of qualifying service credit. Tier 1 employees who retire at age 55 (at reduced benefits) or after age 60 (at full benefits) with eight years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any consecutive 48 months within the last 10 years of service, divided by 48. Under Tier 1, the pension is increased by 3% of the original amount on January 1 every year after retirement.

Employees hired *on or after* January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating employees who retire at age 62 (at reduced benefits) or after age 67 (at full benefits) with ten years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any 96 consecutive months within the last 10 years of service, divided by 96. Under Tier 2, the pension is increased on January 1 every year after retirement, upon reaching age 67, by the *lesser* of:

- 3% of the original pension amount; or
- 1/2 of the increase in the Consumer Price Index of the original pension amount.

*Plan Membership.* As of December 31, 2018, the measurement date, the following employees were covered by the benefit terms:

Inactive Plan Members Currently Receiving Benefits	99
Inactive Plan Members Entitled to but not yet Receiving Benefits	53
Active Plan Members	<u>69</u>
Total	<u><u>221</u></u>

**CITY OF WEST CHICAGO, ILLINOIS**

**Notes to the Financial Statements  
December 31, 2018**

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**NOTE 4 – OTHER INFORMATION – Continued**

**EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued**

**Illinois Municipal Retirement Fund (IMRF) – Continued**

**Plan Descriptions – Continued**

*Contributions.* As set by statute, the City’s Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. For the year-ended December 31, 2018, the City’s contribution was 12.41% of covered payroll.

*Net Pension Liability.* The City’s net pension liability was measured as of December 31, 2018. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

*Actuarial Assumptions.* The total pension liability was determined by an actuarial valuation performed, as of December 31, 2018, using the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market
Actuarial Assumptions	
Interest Rate	7.25%
Salary Increases	3.39% to 14.25%
Cost of Living Adjustments	2.50%
Inflation	2.50%

For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

# CITY OF WEST CHICAGO, ILLINOIS

## Notes to the Financial Statements December 31, 2018

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### NOTE 4 – OTHER INFORMATION – Continued

#### EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

##### Illinois Municipal Retirement Fund (IMRF) – Continued

##### Plan Descriptions – Continued

*Actuarial Assumptions – Continued.* The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed Income	28.00%	3.00%
Domestic Equities	37.00%	6.85%
International Equities	18.00%	6.75%
Real Estate	9.00%	5.75%
Blended	7.00%	2.65% - 7.35%
Cash and Cash Equivalents	1.00%	2.25%

##### Discount Rate

The discount rate used to measure the total pension liability was 7.25%, the prior valuation was 7.50%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that City contributions will be made at rates equal to the difference between the actuarially determined contribution rates and the member rate. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all period of projected benefit payments to determine the total pension liability.

**CITY OF WEST CHICAGO, ILLINOIS**

**Notes to the Financial Statements  
December 31, 2018**

**NOTE 4 – OTHER INFORMATION – Continued**

**EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued**

**Illinois Municipal Retirement Fund (IMRF) – Continued**

**Discount Rate Sensitivity**

The following is a sensitivity analysis of the net pension liability to changes in the discount rate. The table below presents the pension liability of the City calculated using the discount rate as well as what the City’s net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net Pension Liability	\$ 10,574,901	\$ 5,711,190	\$ 1,731,009

**Changes in the Net Pension Liability**

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2017	\$ 35,274,174	\$ 34,328,211	\$ 945,963
Changes for the Year:			
Service Cost	566,525	-	566,525
Interest on the Total Pension Liability	2,599,095	-	2,599,095
Difference Between Expected and Actual Experience of the Total Pension Liability	89,045	-	89,045
Changes of Assumptions	1,066,640	-	1,066,640
Contributions - Employer	-	748,485	(748,485)
Contributions - Employees	-	271,408	(271,408)
Net Investment Income	-	(1,942,525)	1,942,525
Benefit Payments, including Refunds of Employee Contributions	(1,805,678)	(1,805,678)	-
Other (Net Transfer)	-	478,710	(478,710)
Net Changes	2,515,627	(2,249,600)	4,765,227
Balances at December 31, 2018	\$ 37,789,801	\$ 32,078,611	\$ 5,711,190

**CITY OF WEST CHICAGO, ILLINOIS**

**Notes to the Financial Statements  
December 31, 2018**

**NOTE 4 – OTHER INFORMATION – Continued**

**EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued**

**Illinois Municipal Retirement Fund (IMRF) – Continued**

**Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions**

For the year ended December 31, 2018, the City recognized pension expense of \$653,223. At December 31, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Difference Between Expected and Actual Experience	\$ 149,269	\$ (241,705)	\$ (92,436)
Change in Assumptions	785,309	(534,148)	251,161
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	<u>2,176,430</u>	-	<u>2,176,430</u>
Total Deferred Amounts Related to IMRF	<u>\$ 3,111,008</u>	<u>\$ (775,853)</u>	<u>\$ 2,335,155</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future periods as follows:

Fiscal Year	Net Deferred Outflows of Resources
2019	\$ 640,240
2020	279,801
2021	513,988
2022	901,126
2023	-
Thereafter	<u>-</u>
Total	<u>\$ 2,335,155</u>

**CITY OF WEST CHICAGO, ILLINOIS**

**Notes to the Financial Statements  
December 31, 2018**

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**NOTE 4 – OTHER INFORMATION – Continued**

**EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued**

**Police Pension Plan**

**Plan Descriptions**

*Plan Administration.* The Police Pension Plan is a single-employer defined benefit pension plan that covers all sworn police personnel. The defined benefits and employee and minimum employer contribution levels are governed by Illinois Compiled Statutes (40 ILCS 5/3-1) and may be amended only by the Illinois legislature. The City accounts for the Fund as a pension trust fund. The Fund is governed by a five-member pension board. Two members of the Board are appointed by the City Mayor, one member is elected by pension beneficiaries and two members are elected by active police members.

*Plan Membership.* At December 31, 2018, the measurement date, membership consisted of the following:

Inactive Plan Members Currently Receiving Benefits	31
Inactive Plan Members Entitled to but not yet Receiving Benefits	3
Active Plan Members	<u>43</u>
Total	<u><u>77</u></u>

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

The Police Pension Plan provides retirement benefits through two tiers of benefits as well as death and disability benefits. Covered employees hired before January 1, 2011 (Tier 1), attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit of ½ of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The annual benefit shall be increased by 2.5 percent of such salary for each additional year of service over 20 years up to 30 years, to a maximum of 75 percent of such salary. Employees with at least eight years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit. The monthly benefit of a police officer who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3 percent of the original pension and 3 percent compounded annually thereafter.

# CITY OF WEST CHICAGO, ILLINOIS

## Notes to the Financial Statements December 31, 2018

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### NOTE 4 – OTHER INFORMATION – Continued

#### EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

##### Police Pension Plan – Continued

##### Plan Descriptions – Continued

*Benefits Provided – Continued.* Covered employees hired on or after January 1, 2011 (Tier 2), attaining the age of 55 or older with 10 or more years of creditable service are entitled to receive an annual retirement benefit equal to the average monthly salary obtained by dividing the total salary of the police officer during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. Police officer salary for the pension purposes is capped at \$106,800, plus the lesser of ½ of the annual change in the Consumer Price Index or 3 percent compounded. The annual benefit shall be increased by 2.5 percent of such a salary for each additional year of service over 20 years up to 30 years to a maximum of 75 percent of such salary. Employees with at least 10 years may retire at or after age 50 and receive a reduced benefit (i.e., ½ percent for each month under 55). The monthly benefit of a Tier 2 police officer shall be increased annually at age 60 on the January 1<sup>st</sup> after the police officer retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3 percent of ½ of the change in the Consumer Price Index for the proceeding calendar year.

*Contributions.* Covered employees are required to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The City is required to contribute the remaining amounts necessary to finance the plan and the administrative costs as actuarially determined by an enrolled actuary. However, effective January 1, 2011, ILCS requires the City to contribute a minimum amount annually calculated using the projected unit credit actuarial cost method that will result in the funding of 90% of the past service cost by the year 2040. For the year-ended December 31, 2018, the City's contribution was 57.44% of covered payroll.

*Concentrations.* At December 31, 2018, the Pension Fund does not have any investments over 5 percent of net position available for benefits (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments).

**CITY OF WEST CHICAGO, ILLINOIS**

**Notes to the Financial Statements  
December 31, 2018**

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**NOTE 4 – OTHER INFORMATION – Continued**

**EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued**

**Police Pension Plan – Continued**

**Actuarial Assumptions**

The total pension liability was determined by an actuarial valuation performed, as of December 31, 2018, using the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market
Actuarial Assumptions	
Interest Rate	6.50%
Salary Increases	3.50% - 8.25%
Cost of Living Adjustments	3.50%
Inflation	2.50%

Mortality rates were based on the independent actuary 2017 Illinois Police Mortality Rates table. Mortality rates are based on the assumption study prepared by an independent actuary study in 2017. The table combines observed experience of Illinois Police Officers with the RP-2014 mortality table for blue collar workers. Mortality improvements have been made to 5 years past the valuation date.

**Discount Rate**

A Single Discount Rate of 6.20% was used to measure the total pension liability, while the prior year used 6.07%. The projection of cash flow used to determine this Single Discount Rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The Single Discount Rate reflects:

1. The long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits); and
2. The tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of the most recent valuation, the expected rate of return on plan investments is 6.50%, the municipal bond rate is 4.10%, and the resulting Single Discount Rate is 6.20%.

**CITY OF WEST CHICAGO, ILLINOIS**

**Notes to the Financial Statements  
December 31, 2018**

**NOTE 4 – OTHER INFORMATION – Continued**

**EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued**

**Police Pension Plan – Continued**

**Discount Rate Sensitivity**

The following is a sensitivity analysis of the net pension liability to changes in the discount rate. The table below presents the pension liability of the City calculated using the discount rate as well as what the City’s net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	1% Decrease (5.20%)	Current Discount Rate (6.20%)	1% Increase (7.20%)
Net Pension Liability	\$ 38,755,076	\$ 29,040,665	\$ 21,280,938

**Changes in the Net Pension Liability**

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2017	\$ 57,330,596	\$ 29,873,470	\$ 27,457,126
Changes for the Year:			
Service Cost	1,349,278	-	1,349,278
Interest on the Total Pension Liability	3,419,420	-	3,419,420
Difference Between Expected and Actual Experience of the Total Pension Liability	(338,074)	-	(338,074)
Changes of Assumptions	(1,140,533)	-	(1,140,533)
Contributions - Employer	-	2,500,000	(2,500,000)
Contributions - Employees	-	432,433	(432,433)
Net Investment Income	-	(1,163,991)	1,163,991
Benefit Payments, including Refunds of Employee Contributions	(1,995,003)	(1,995,003)	-
Administration Expense	-	(61,890)	61,890
Net Changes	1,295,088	(288,451)	1,583,539
Balances at December 31, 2018	\$ 58,625,684	\$ 29,585,019	\$ 29,040,665

**CITY OF WEST CHICAGO, ILLINOIS**

**Notes to the Financial Statements  
December 31, 2018**

**NOTE 4 – OTHER INFORMATION – Continued**

**EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued**

**Police Pension Plan – Continued**

**Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions**

For the year ended December 31, 2018, the City recognized pension expense of \$3,637,666. At December 31, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Difference Between Expected and Actual Experience	\$ 1,795,332	\$ (512,007)	\$ 1,283,325
Change in Assumptions	3,242,588	(2,387,911)	854,677
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	<u>1,625,986</u>	-	<u>1,625,986</u>
Total Deferred Amounts Related to Police Pension	<u>\$ 6,663,906</u>	<u>\$ (2,899,918)</u>	<u>\$ 3,763,988</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future periods as follows:

Fiscal Year	Net Deferred Outflows/ (Inflows) of Resources
2019	\$ 1,209,742
2020	1,139,861
2021	1,195,121
2022	926,949
2023	(398,771)
Thereafter	<u>(308,914)</u>
Total	<u>\$ 3,763,988</u>

**CITY OF WEST CHICAGO, ILLINOIS**

**Notes to the Financial Statements  
December 31, 2018**

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**NOTE 4 – OTHER INFORMATION – Continued**

**OTHER POST-EMPLOYMENT BENEFITS**

**General Information about the OPEB Plan**

*Plan Description.* The City’s defined benefit OPEB plan, Retiree Benefits Plan (RBP), provides OPEB for eligible permanent full-time general and public safety employees of the City. RBP is a single-employer defined benefit OPEB plan administered by the City. Article 11 of the State Compiled Statutes grants the authority to establish and amend the benefit terms and financing requirements to the City Council. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

*Benefits Provided.* RBP provides healthcare insurance coverage and benefits for eligible retirees and their dependents. The premium cost terms provide for payment of 100 percent of health insurance premiums for non-Medicare-eligible retirees and 100 percent of health insurance premiums for Medicare-eligible retirees paid by retirees.

*Plan Membership.* As of December 31, 2018, the measurement date, the following employees were covered by the benefit terms:

Inactive Plan Members Currently Receiving Benefits	12
Inactive Plan Members Entitled to but not yet Receiving Benefits	-
Active Plan Members	<u>75</u>
Total	<u><u>87</u></u>

**Total OPEB Liability**

The City’s total OPEB liability was measured as of December 31, 2018, and was determined by an actuarial valuation as of that date.

*Actuarial Assumptions and Other Inputs.* The total OPEB liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Salary Increases	3.00%
Discount Rate	4.10%
Healthcare Cost Trend Rates	6.90% - 7.70% for 2018, decreasing to an ultimate rate of 5.00% for 2027 and later years
Retirees' Share of Benefit-Related Costs	100% of projected health insurance premiums for retirees

**CITY OF WEST CHICAGO, ILLINOIS**

**Notes to the Financial Statements  
December 31, 2018**

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**NOTE 4 – OTHER INFORMATION – Continued**

**OTHER POST-EMPLOYMENT BENEFITS – Continued**

**Total OPEB Liability – Continued**

*Actuarial Assumptions and Other Inputs* – Continued. The discount rate was based on the 20 year municipal bond index.

Mortality rates were based on the Sex Distinct Raw Rates as Developed in the RP-2014 Study. These Rates are improved generationally using MP-2016 Improvement Rates.

**Change in the Total OPEB Liability**

	<u>Total OPEB Liability</u>
Balance at December 31, 2017	<u>\$ 6,632,465</u>
Changes for the Year:	
Service Cost	102,436
Interest on the Total Pension Liability	224,412
Changes of Benefit Terms	-
Difference Between Expected and Actual Experience	-
Changes of Assumptions or Other Inputs	(485,359)
Benefit Payments	<u>(226,720)</u>
Net Changes	<u>(385,231)</u>
Balance at December 31, 2018	<u><u>6,247,234</u></u>

**CITY OF WEST CHICAGO, ILLINOIS**

**Notes to the Financial Statements  
December 31, 2018**

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**NOTE 4 – OTHER INFORMATION – Continued**

**OTHER POST-EMPLOYMENT BENEFITS – Continued**

**Sensitivity of the Total OPEB Liability to Changes in the Discount Rate**

The following presents the total OPEB liability, calculated using a Single Discount Rate of 4.10%, as well as what the total OPEB liability would be if it were calculated using a Single Discount Rate that is one percentage point lower or one percentage point higher:

	1% Decrease (3.10%)	Current Discount Rate (4.10%)	1% Increase (5.10%)
Total OPEB Liability	\$ 7,009,502	6,247,234	5,605,752

**Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates**

The following presents the total OPEB liability, calculated using a varied Healthcare Trend Rate, as well as what the total OPEB liability would be if it were calculated using a Healthcare Trend Rate that is one percentage point lower or one percentage point higher:

	1% Decrease (Varies)	Healthcare Cost Trend Rates (Varies)	1% Increase (Varies)
Total OPEB Liability	\$ 5,425,520	6,247,234	7,236,671

**CITY OF WEST CHICAGO, ILLINOIS**

**Notes to the Financial Statements  
December 31, 2018**

**NOTE 4 – OTHER INFORMATION – Continued**

**OTHER POST-EMPLOYMENT BENEFITS – Continued**

**OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

For the year ended December 31, 2018, the City recognized OPEB expense of \$292,302. At December 31, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Difference Between Expected and Actual Experience	\$ -	-	-
Change in Assumptions	-	(450,813)	(450,813)
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	-	-
Total Deferred Amounts Related to OPEB	<u>-</u>	<u>(450,813)</u>	<u>(450,813)</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year	Net Deferred (Inflows) of Resources
2019	\$ (34,546)
2020	(34,546)
2021	(34,546)
2022	(34,546)
2023	(34,546)
Thereafter	<u>(278,083)</u>
Total	<u><u>(450,813)</u></u>

## **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 Employer Contributions
  - Illinois Municipal Retirement Fund
  - Police Pension Fund
  
- Schedule of Changes in the Employer's Net Pension Liability
  - Illinois Municipal Retirement Fund
  - Police Pension Fund
  
- Schedule of Investment Returns
  - Police Pension Fund
  
- Schedule of Changes in the Employer's Total OPEB Liability
  - Retiree Benefits Plan
  
- Budgetary Comparison Schedule
  - 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 Employer Contributions  
December 31, 2018**

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2015	\$ 673,208	\$ 673,208	\$ -	\$ 5,107,796	13.18%
2016	760,973	760,973	-	5,666,218	13.43%
2017	725,095	725,095	-	5,722,922	12.67%
2018	748,485	748,485	-	6,031,302	12.41%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	25 Years
Asset Valuation Method	5-Year Smoothed Market
Inflation	2.75%
Salary Increases	3.75% - 14.50%
Investment Rate of Return	7.50%
Retirement Age	See the Notes to the Financial Statements
Mortality	IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012).

Note: This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

**CITY OF WEST CHICAGO, ILLINOIS**

**Police Pension Fund**

**Required Supplementary Information  
Schedule of Employer Contributions  
December 31, 2018**

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2015	\$ 1,953,538	\$ 1,800,000	\$ (153,538)	\$ 4,092,955	43.98%
2016	2,496,300	2,174,000	(322,300)	4,279,402	50.80%
2017	2,357,486	2,358,000	514	4,429,181	53.24%
2018	2,499,282	2,500,000	718	4,352,534	57.44%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	19 Years
Asset Valuation Method	Market Value
Inflation	2.50%
Salary Increases	3.50% - 8.25%
Investment Rate of Return	6.50%
Retirement Age	See the Notes to the Financial Statements
Mortality	Independent Actuary 2016 Illinois Police Mortality Rates

Note: This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

**CITY OF WEST CHICAGO, ILLINOIS**

**Illinois Municipal Retirement Fund**

**Required Supplementary Information  
Schedule of Changes in the Employer's Net Pension Liability  
December 31, 2018**

	<u>2015</u>
Total Pension Liability	
Service Cost	\$ 571,996
Interest	2,352,359
Differences Between Expected and Actual Experience	(9,382)
Change of Assumptions	80,218
Benefit Payments, Including Refunds of Member Contributions	<u>(1,512,334)</u>
Net Change in Total Pension Liability	1,482,857
Total Pension Liability - Beginning	<u>31,876,833</u>
Total Pension Liability - Ending	<u><u>\$ 33,359,690</u></u>
Plan Fiduciary Net Position	
Contributions - Employer	\$ 673,208
Contributions - Members	230,043
Net Investment Income	140,645
Benefit Payments, Including Refunds of Member Contributions	(1,512,334)
Administrative Expense	<u>398,615</u>
Net Change in Plan Fiduciary Net Position	(69,823)
Plan Net Position - Beginning	<u>28,433,476</u>
Plan Net Position - Ending	<u><u>\$ 28,363,653</u></u>
Employer's Net Pension Liability	<u><u>\$ 4,996,037</u></u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	85.02%
Covered Payroll	\$ 5,107,796
Employer's Net Pension Liability as a Percentage of Covered Payroll	97.81%

Note: This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

2016	2017	2018
563,551	620,392	566,525
2,455,010	2,609,972	2,599,095
616,330	(516,181)	89,045
(126,634)	(1,103,990)	1,066,640
(1,553,071)	(1,650,895)	(1,805,678)
1,955,186	(40,702)	2,515,627
33,359,690	35,314,876	35,274,174
35,314,876	35,274,174	37,789,801
760,973	725,095	748,485
254,980	262,899	271,408
1,966,231	5,355,309	(1,942,525)
(1,553,071)	(1,650,895)	(1,805,678)
259,549	(416,512)	478,710
1,688,662	4,275,896	(2,249,600)
28,363,653	30,052,315	34,328,211
30,052,315	34,328,211	32,078,611
5,262,561	945,963	5,711,190
85.10%	97.32%	84.89%
5,666,218	5,722,922	6,031,032
92.88%	16.53%	94.70%

**CITY OF WEST CHICAGO, ILLINOIS**

**Police Pension Fund**

**Required Supplementary Information  
Schedule of Changes in the Employer's Net Pension Liability  
December 31, 2018**

	<u>2015</u>
Total Pension Liability	
Service Cost	\$ 1,339,124
Interest	2,354,602
Differences Between Expected and Actual Experience	3,296,819
Change of Assumptions	6,855,504
Benefit Payments, Including Refunds of Member Contributions	<u>(1,595,484)</u>
Net Change in Total Pension Liability	12,250,565
Total Pension Liability - Beginning	<u>41,676,250</u>
Total Pension Liability - Ending	<u><u>\$ 53,926,815</u></u>
Plan Fiduciary Net Position	
Contributions - Employer	\$ 1,800,000
Contributions - Members	416,324
Net Investment Income	1,079,639
Benefit Payments, Including Refunds of Member Contributions	(1,595,484)
Administrative Expense	<u>(81,217)</u>
Net Change in Plan Fiduciary Net Position	1,619,262
Plan Net Position - Beginning	<u>21,715,759</u>
Plan Net Position - Ending	<u><u>\$ 23,335,021</u></u>
Employer's Net Pension Liability	<u><u>\$ 30,591,794</u></u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	43.27%
Covered Payroll	\$ 4,092,955
Employer's Net Pension Liability as a Percentage of Covered Payroll	747.43%

Note: This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

2016	2017	2018
1,346,476	1,426,187	1,349,278
3,142,264	3,240,378	3,419,420
(372,812)	324,349	(338,074)
(631,278)	(1,417,146)	(1,140,533)
(1,696,065)	(1,958,572)	(1,995,003)
1,788,585	1,615,196	1,295,088
53,926,815	55,715,400	57,330,596
55,715,400	57,330,596	58,625,684
2,174,000	2,358,000	2,500,000
427,412	430,974	432,433
1,820,171	3,115,545	(1,163,991)
(1,696,065)	(1,958,572)	(1,995,003)
(71,463)	(61,553)	(61,890)
2,654,055	3,884,394	(288,451)
23,335,021	25,989,076	29,873,470
25,989,076	29,873,470	29,585,019
29,726,324	27,457,126	29,040,665
46.65%	52.11%	50.46%
4,279,402	4,429,181	4,352,534
694.64%	619.91%	667.21%

**CITY OF WEST CHICAGO, ILLINOIS**

**Police Pension Fund**

**Required Supplementary Information  
Schedule of Investment Returns  
December 31, 2018**

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Fiscal Year	Annual Money- Weighted Rate of Return, Net of Investment Expense
2015	4.99%
2016	7.85%
2017	12.01%
2018	(3.89%)

Note: This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

**CITY OF WEST CHICAGO, ILLINOIS**

**Retiree Benefits Plan**

**Required Supplementary Information  
Schedule of Changes in the Employer's Total OPEB Liability  
December 31, 2018**

	2017	2018
Total OPEB Liability		
Service Cost	\$ 99,027	\$ 102,436
Interest	220,826	224,412
Changes in Benefit Terms	-	-
Differences Between Expected and Actual Experience	-	-
Change of Assumptions or Other Inputs	-	(485,359)
Benefit Payments	(205,343)	(226,720)
Net Change in Total OPEB Liability	114,510	(385,231)
Total OPEB Liability - Beginning	6,517,955	6,632,465
Total OPEB Liability - Ending	6,632,465	6,247,234
Covered Payroll	\$ 6,941,151	\$ 7,149,386
Total OPEB Liability as a Percentage of Covered Payroll	95.55%	87.38%

Notes:

This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

*Changes of Benefit Terms.* There was no change in the retirees' share of health insurance premiums.

*Changes of Assumptions.* Changes of assumptions and other inputs reflect the effects of changes in the trend rate each period. The following are the trend rates used in each period:

Fiscal Year	HMO	PPO
2019	6.69%	7.40%
2020	6.48%	7.10%
2021	6.27%	6.80%
2022	6.06%	6.50%
2023	5.84%	6.20%
2024	6.63%	5.90%
2025	5.42%	5.60%
2026	5.21%	5.30%
2027	5.00%	5.00%
Ultimate	5.00%	5.00%

In 2018, there was no change in the healthcare trend rates from the prior year.

**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, 2018**

	Budget		Actual
	Original	Final	
Revenues			
Taxes	\$ 4,518,400	\$ 4,518,400	\$ 4,529,321
Intergovernmental	7,354,000	7,354,000	8,181,690
Charges for Services	2,162,500	2,162,500	2,673,150
Licenses and Permits	628,500	628,500	887,198
Fines and Forfeitures	725,000	725,000	1,281,202
Interest Income	5,000	5,000	8,978
Miscellaneous	550,000	550,000	567,059
Total Revenues	<u>15,943,400</u>	<u>15,943,400</u>	<u>18,128,598</u>
Expenditures			
General Government	8,086,000	8,718,000	7,259,158
Public Safety	10,127,000	10,127,000	10,011,442
Total Expenditures	<u>18,213,000</u>	<u>18,845,000</u>	<u>17,270,600</u>
Net Change in Fund Balance	<u>\$ (2,269,600)</u>	<u>\$ (2,901,600)</u>	857,998
Fund Balance - Beginning			<u>12,559,526</u>
Fund Balance - Ending			<u>\$ 13,417,524</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, 2018**

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	Budget		Actual
	Original	Final	
Revenues			
Interest Income	\$ 800	\$ 800	\$ 890
Expenditures			
Capital Outlay			
Building and Grounds Improvement	-	-	-
Net Change in Fund Balance	<u>\$ 800</u>	<u>\$ 800</u>	890
Fund Balance - Beginning			<u>941,027</u>
Fund Balance - Ending			<u>\$ 941,917</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, 2018**

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ 950,000	\$ 950,000	\$ 990,015
Interest Income	500	500	283
Miscellaneous	5,300	5,300	19,121
Total Revenues	<u>955,800</u>	<u>955,800</u>	<u>1,009,419</u>
Expenditures			
General Government	1,300,100	1,309,100	891,066
Debt Service			
Interest and Fiscal Charges	1,000	1,000	339
Total Expenditures	<u>1,301,100</u>	<u>1,310,100</u>	<u>891,405</u>
Net Change in Fund Balance	<u>\$ (345,300)</u>	<u>\$ (354,300)</u>	118,014
Fund Balance - Beginning			<u>494,474</u>
Fund Balance - Ending			<u>\$ 612,488</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 AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES**

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## **GENERAL FUND**

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

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## **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.

### **TIF Special Tax Allocation Fund #3**

The TIF Special Tax Allocation #3 Fund, a nonmajor fund, accounts for the accumulation of funds from incremental revenue generated within the TIF #3 area.

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## **CAPITAL PROJECTS FUND**

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.

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## **COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES**

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### **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.

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### **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.

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**CITY OF WEST CHICAGO, ILLINOIS**

**General Fund**

**Schedule of Revenues - Budget and Actual  
For the Fiscal Year Ended December 31, 2018**

	Budget		Actual
	Original	Final	
<b>Taxes</b>			
Property Taxes	\$ 3,505,400	\$ 3,505,400	\$ 3,612,378
Telecommunications Tax	775,000	775,000	669,750
Amusement Tax	100,000	100,000	94,615
Personal Property Replacement Tax	138,000	138,000	152,578
	<u>4,518,400</u>	<u>4,518,400</u>	<u>4,529,321</u>
<b>Intergovernmental</b>			
Sales Tax	3,550,000	3,550,000	4,032,063
Income Tax	2,450,000	2,450,000	2,593,920
MFT Allotments	700,000	700,000	732,621
Use Tax	650,000	650,000	796,325
Grants	4,000	4,000	26,761
	<u>7,354,000</u>	<u>7,354,000</u>	<u>8,181,690</u>
<b>Charges for Services</b>			
Weed Cutting Fees	2,500	2,500	2,490
Brush Collection Fees	75,000	75,000	91,048
Police Counter Service	10,000	10,000	-
Police Contractual Services	390,000	390,000	395,995
Change of Occupancy Fees	65,000	65,000	124,054
Rental Inspections	170,000	170,000	260,098
Business Registration	25,000	25,000	26,130
Foreclosed or Vacant Registration	-	-	13,240
Relocate Fees	-	-	990
Police Towing	25,000	25,000	41,975
Plan Review Fees	20,000	20,000	31,250
Engineering Fees	250,000	250,000	596,924
Transfer Station Fees	675,000	675,000	573,115
Cable Franchise Fee	275,000	275,000	269,921
Arts Commission	-	-	395
Property Rental	180,000	180,000	209,877
Tower Rental Fees	-	-	35,648
	<u>2,162,500</u>	<u>2,162,500</u>	<u>2,673,150</u>

**CITY OF WEST CHICAGO, ILLINOIS**

**General Fund**

**Schedule of Revenues - Budget and Actual - Continued  
For the Fiscal Year Ended December 31, 2018**

	Budget		Actual
	Original	Final	
Licenses and Permits			
Building Permits	\$ 400,000	\$ 400,000	\$ 595,904
Building Contractors Licenses	37,000	37,000	54,010
Oversize Truck Permits	20,000	20,000	40,150
Liquor Licenses	100,000	100,000	109,830
Vending Machine/Business Licenses	70,000	70,000	61,065
Other Licenses and Permits	1,500	1,500	26,239
	<u>628,500</u>	<u>628,500</u>	<u>887,198</u>
Fines and Forfeits			
Circuit Court Fines	325,000	325,000	398,121
Local Fines	400,000	400,000	494,839
Seizures	-	-	388,242
	<u>725,000</u>	<u>725,000</u>	<u>1,281,202</u>
Interest			
Interest Income	5,000	5,000	8,978
Miscellaneous			
Cemetery Lot Sales	45,000	45,000	19,675
Other Reimbursements	50,000	50,000	72,125
Health Insurance Reimbursements	155,000	155,000	153,322
IPBC and IRMA Revenue	200,000	200,000	197,872
Other Miscellaneous	100,000	100,000	124,065
	<u>550,000</u>	<u>550,000</u>	<u>567,059</u>
Total Revenues	<u>\$ 15,943,400</u>	<u>\$ 15,943,400</u>	<u>\$ 18,128,598</u>

**CITY OF WEST CHICAGO, ILLINOIS**

**General Fund**

**Schedule of Expenditures - Budget and Actual  
For the Fiscal Year Ended December 31, 2018**

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	Budget		Actual
	Original	Final	
General Government			
Legislative	\$ 174,600	\$ 204,600	\$ 177,873
Administration	909,100	1,384,100	990,852
Administrative Services	3,035,300	3,035,300	2,536,056
Public Works	2,708,500	2,708,500	2,262,998
Community Development	1,258,500	1,385,500	1,291,379
	<u>8,086,000</u>	<u>8,718,000</u>	<u>7,259,158</u>
Public Safety			
Police Department	<u>10,127,000</u>	<u>10,127,000</u>	<u>10,011,442</u>
Total Expenditures	<u>\$ 18,213,000</u>	<u>\$ 18,845,000</u>	<u>\$ 17,270,600</u>

**CITY OF WEST CHICAGO, ILLINOIS**

**General Fund**

**Schedule of Detailed Expenditures - Budget and Actual  
For the Fiscal Year Ended December 31, 2018**

	Budget		Actual
	Original	Final	
General Government			
Legislative			
Personal Services			
Salary of Aldermen	\$ 33,600	\$ 33,600	\$ 25,493
Salary of Mayor	15,000	15,000	15,125
Salary of Corporate Counsel	3,000	3,000	2,875
Salary of City Clerk	4,500	4,500	4,538
FICA and Medicare	4,100	4,100	3,455
Contractual Services			
Legal Fees	40,000	40,000	36,796
Consultants	1,000	1,000	-
Training and Tuition	3,000	3,000	290
Memberships/Dues/Subscriptions	45,000	45,000	34,181
Legal Notices	1,500	1,500	765
Printing and Binding	10,000	10,000	9,003
Legal Reporter Fees	600	600	390
Commodities			
Computer and Office Supplies	500	500	832
Postage	300	300	630
Miscellaneous Commodities	2,000	2,000	2,649
Grant Distribution	10,000	40,000	40,000
Other Charges	500	500	851
Total Legislative	174,600	204,600	177,873

**CITY OF WEST CHICAGO, ILLINOIS**

**General Fund**

**Schedule of Detailed Expenditures - Budget and Actual - Continued  
For the Fiscal Year Ended December 31, 2018**

	Budget		Actual
	Original	Final	
General Government - Continued			
Administration			
Personal Services			
Administrative Salaries	\$ 206,100	\$ 206,100	\$ 208,154
FICA and Medicare	15,900	15,900	13,333
ICMA	9,300	9,300	9,295
IMRF	25,700	25,700	25,291
Contractual Services			
Legal Fees	5,500	5,500	120
Newsletter Preparation	25,000	25,000	17,945
Training and Tuition	6,500	6,500	4,904
Memberships/Dues/Subscriptions	4,500	4,500	4,399
Software Maintenance	7,300	7,300	6,303
Telephone and Alarms	21,000	21,000	45,169
Electric	1,000	1,000	943
Printing and Binding	5,000	5,000	-
Advertising	38,500	38,500	18,998
Other Contractual Services	442,000	917,000	538,853
IRMA General Insurance	3,700	3,700	3,645
Commodities			
Sales Tax Rebate	50,000	50,000	74,956
Computer and Office Supplies	700	700	422
Gallery 200	6,000	6,000	6,000
Arts Programming Supplies	22,500	22,500	8,665
Special Events	500	500	375
Gas and Oil	1,300	1,300	896
Postage	100	100	-
Miscellaneous	10,000	10,000	1,714
Other Charges	1,000	1,000	472
Total Administration	909,100	1,384,100	990,852

**CITY OF WEST CHICAGO, ILLINOIS**

**General Fund**

**Schedule of Detailed Expenditures - Budget and Actual - Continued  
For the Fiscal Year Ended December 31, 2018**

	Budget		Actual
	Original	Final	
General Government - Continued			
Administrative Services			
Personal Services			
Administrative Salaries	\$ 455,200	\$ 455,200	\$ 419,869
Administrative Salaries - Overtime	300	300	-
FICA and Medicare	35,100	35,100	29,892
ICMA	6,900	6,900	6,532
Health/Dental/Life Insurance	1,715,900	1,715,900	1,658,281
IMRF	56,800	56,800	51,720
Contractual Services			
Legal Fees	36,500	36,500	7,107
Audit Fees	16,400	16,400	16,200
Consultants	5,000	5,000	-
Network Charges	16,300	16,300	14,456
Pre-employment Exams	35,000	35,000	18,706
Training and Tuition	12,500	12,500	2,293
Memberships/Dues/Subscriptions	3,700	3,700	2,291
Software Maintenance	111,000	111,000	70,340
Telephone and Alarms	30,000	30,000	24,749
Advertising	1,500	1,500	415
Other Contractual Services	44,300	44,300	65,748
IRMA General Insurance	3,700	3,700	3,645
Office Equipment Maintenance and Repair	60,300	60,300	22,917
Postage Meter Rental	1,600	1,600	1,352
Copier Fees	3,500	3,500	779
Commodities			
Computer and Office Supplies	15,300	15,300	5,705
Gas and Oil	100	100	41
Postage	6,000	6,000	4,894
Miscellaneous Commodities	600	600	380
Safety Program	3,500	3,500	3,640
Special Events	6,000	6,000	5,200
Bank Fees	17,000	17,000	10,647
Other Charges	200	200	108

**CITY OF WEST CHICAGO, ILLINOIS**

**General Fund**

**Schedule of Detailed Expenditures - Budget and Actual - Continued  
For the Fiscal Year Ended December 31, 2018**

	Budget		Actual
	Original	Final	
General Government - Continued			
Administrative Services - Continued			
Capital Outlay			
Other Capital Outlay	\$ 192,200	\$ 192,200	\$ 37,638
MIS Replacement	142,900	142,900	50,511
Total Administrative Services	3,035,300	3,035,300	2,536,056
Public Works			
Personal Services			
Administrative Salaries	167,500	167,500	154,516
Operating Salaries	590,300	590,300	575,865
Administrative Salaries - Overtime	55,500	55,500	73,064
FICA and Medicare	62,400	62,400	60,915
IMRF	101,100	101,100	98,860
Contractual Services			
Legal Fees	1,000	1,000	4,475
Legal Notices	100	100	-
Pre-employment Exams	800	800	415
Training and Tuition	2,800	2,800	1,870
Memberships/Dues/Subscriptions	900	900	902
Telephone and Alarms	29,500	29,500	55,126
Interments Program	20,000	20,000	16,425
Brush Pickup	80,000	80,000	79,975
Grounds Maintenance	54,600	54,600	45,465
Cemetery Maintenance	7,200	7,200	7,200
Janitor Contract	50,500	50,500	45,938
Heating Gas	7,000	7,000	8,813
Electric	135,000	135,000	138,473
Refuse Disposal	30,000	30,000	46,111
Other Contractual Services	60,000	60,000	35,424

**CITY OF WEST CHICAGO, ILLINOIS**

**General Fund**

**Schedule of Detailed Expenditures - Budget and Actual - Continued  
For the Fiscal Year Ended December 31, 2018**

	Budget		Actual
	Original	Final	
General Government - Continued			
Public Works - Continued			
Contractual Services - Continued			
IRMA General Insurance	\$ 51,200	\$ 51,200	\$ 51,020
Other Insurance	11,000	11,000	18,468
Payment to Taxing Bodies	180,000	180,000	156,046
Vehicle Maintenance and Repair	40,000	40,000	38,296
Commodities			
Computer and Office Supplies	3,500	3,500	2,824
Parts for Vehicles	150,000	150,000	180,501
Tools and Equipment	29,500	29,500	26,696
Gas and Oil	46,500	46,500	70,829
Rock Salt	-	-	87,287
Postage	100	100	58
Uniforms and Safety Equipment	9,900	9,900	8,357
Miscellaneous	67,700	67,700	77,453
Capital Outlay			
Street Improvements	662,900	662,900	95,331
Total Public Works	2,708,500	2,708,500	2,262,998

**CITY OF WEST CHICAGO, ILLINOIS**

**General Fund**

**Schedule of Detailed Expenditures - Budget and Actual - Continued  
For the Fiscal Year Ended December 31, 2018**

	Budget		Actual
	Original	Final	
General Government - Continued			
Community Development			
Personal Services			
Commissions Salary	\$ 1,200	\$ 1,200	\$ 638
Administrative Salaries	427,900	427,900	386,791
FICA and Medicare	32,900	32,900	28,685
IMRF	53,600	53,600	47,374
Contractual Services			
Legal Fees	50,000	95,000	83,708
Training and Tuition	8,000	8,000	3,510
Memberships/Dues/Subscriptions	3,800	3,800	2,753
Enforcement & Inspections	345,000	345,000	345,000
Plan Review	100,000	175,000	136,503
Software Maintenance	11,500	11,500	10,999
Legal Notices	5,200	5,200	4,159
Telephone and Alarms	37,000	37,000	65,013
Weed Cutting	8,000	8,000	2,390
Printing and Binding	4,200	4,200	3,189
Legal Reporter	5,000	5,000	9,103
Filing Fees	3,000	3,000	2,554
Microfiche Expenses	10,000	10,000	6,380
Other Contractual Services	45,000	48,000	55,128
IRMA General Insurance	5,100	5,100	5,526
Copier Fees	1,200	1,200	962
Commodities			
Computer and Office Supplies	8,000	8,000	2,579
Maps and Plats	1,000	1,000	546
Gas and Oil	1,800	1,800	548
Postage	1,300	1,300	144
Uniforms and Safety Equipment	300	300	-
Miscellaneous Commodities	500	500	324
Special Events	75,000	75,000	74,254
Prospect Development	7,500	7,500	371
Other Charges	2,500	2,500	178

**CITY OF WEST CHICAGO, ILLINOIS**

**General Fund**

**Schedule of Detailed Expenditures - Budget and Actual - Continued  
For the Fiscal Year Ended December 31, 2018**

	Budget		Actual
	Original	Final	
General Government - Continued			
Community Development - Continued			
Capital Outlay			
Office Equipment	\$ 3,000	\$ 7,000	\$ 12,070
Total Community Development	1,258,500	1,385,500	1,291,379
Total General Government	8,086,000	8,718,000	7,259,158
Public Safety			
Police Department			
Personal Services			
Administrative Salaries	568,100	568,100	583,415
Patrolman Salaries	3,537,100	3,537,100	3,486,477
Sergeants Salaries	719,300	719,300	706,965
CSO Salaries	171,600	171,600	152,383
Contract Services Salaries	15,000	15,000	7,662
Patrolman Salaries - Overtime	400,000	400,000	407,189
CSO - Overtime	4,000	4,000	10,959
FICA and Medicare	414,300	414,300	397,994
Police Pension	2,500,000	2,500,000	2,500,000
IMRF	50,700	50,700	49,842
Contractual Services			
Legal Fees	130,000	130,000	101,806
Training and Tuition	45,500	45,500	24,923
Officer Training and Mileage	5,700	5,700	3,022
Memberships/Dues/Subscriptions	11,000	11,000	9,621
Software Maintenance	106,000	106,000	83,787
Telephone and Alarms	139,200	139,200	176,664
Printing and Binding	5,000	5,000	5,469
Grounds Maintenance	1,200	1,200	960
DuComm Quarterly Share	541,900	541,900	526,434
Other Contractual Services	67,000	67,000	95,481
Graffiti Removal	12,000	12,000	17,420
Reception Support	137,100	137,100	135,180

**CITY OF WEST CHICAGO, ILLINOIS**

**General Fund**

**Schedule of Detailed Expenditures - Budget and Actual - Continued  
For the Fiscal Year Ended December 31, 2018**

	Budget		Actual
	Original	Final	
Public Safety - Continued			
Police Department - Continued			
Contractual Services - Continued			
Crossing Guard - Contractual	\$ 40,400	\$ 40,400	\$ 35,290
IRMA General Insurance	194,600	194,600	194,365
Other Insurance	15,000	15,000	2,192
Radio/Radar Equipment Maint. and Repair	17,800	17,800	14,346
Office Equipment and Repair	12,800	12,800	7,506
Postage Meter Rental	1,000	1,000	1,038
Copier Fees	10,000	10,000	9,931
Commodities			
Computer and Office Supplies	4,600	4,600	3,129
Field Equipment	41,900	41,900	56,516
Gas and Oil	80,500	80,500	76,075
Postage	3,000	3,000	6,562
Uniform and Safety Equipment	50,900	50,900	60,802
Vehicle License Fees	1,400	1,400	701
First Aid Supplies	2,700	2,700	522
Ammunition and Firearms	36,000	36,000	32,283
Educational Programming	11,000	11,000	6,730
Cert Supplies	5,000	5,000	3,767
Miscellaneous Commodities	10,500	10,500	16,006
Tools and Equipment	500	500	28
Capital Outlay			
Vehicles	5,700	5,700	-
Total Public Safety	10,127,000	10,127,000	10,011,442
Total Expenditures	\$ 18,213,000	\$ 18,845,000	\$ 17,270,600

**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, 2018**

	Budget		Actual
	Original	Final	
General Government			
Personal Services			
Administrative Salaries	\$ 361,100	\$ 361,100	\$ 341,602
Operational Salaries	84,400	84,400	85,812
Administrative Salaries - Overtime	5,000	5,000	9,384
FICA and Medicare	34,500	34,500	32,503
Health/Dental/Life Insurance	66,000	66,000	63,611
IMRF	56,000	56,000	53,265
Contractual Services			
Legal Fees	3,000	3,000	1,025
Memberships/Dues/Subscriptions	600	600	-
Legal Notices	1,000	1,000	-
Telephone and Alarms	6,500	6,500	9,410
Grounds Maintenance	15,000	15,000	12,408
Other Contractual Services	200,000	209,000	75,707
Payment to Taxing Bodies	85,000	85,000	83,943
Commodities			
Postage	500	500	-
Special Events	35,000	35,000	38,752
Prospect Development	2,000	2,000	-
Miscellaneous	-	-	14
Capital Outlay			
Building Grounds Improvement	250,000	250,000	11,048
Land	48,500	48,500	47,054
Façade Improvement	30,000	30,000	20,000
Streetscape Programs	6,000	6,000	5,528
Retail Grant Programs	10,000	10,000	-
	<u>1,300,100</u>	<u>1,309,100</u>	<u>891,066</u>
Debt Service			
Interest and Fiscal Charges	<u>1,000</u>	<u>1,000</u>	<u>339</u>
Total Expenditures	<u>\$ 1,301,100</u>	<u>\$ 1,310,100</u>	<u>\$ 891,405</u>

**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, 2018**

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Utility Taxes	\$ 2,100,000	\$ 2,100,000	\$ 2,070,351
Intergovernmental			
Sales Taxes	1,489,600	1,489,600	2,043,572
Grants	800,000	800,000	167,634
Interest Income	2,000	2,000	1,657
Miscellaneous	4,000	4,000	31,802
Total Revenues	4,395,600	4,395,600	4,315,016
Expenditures			
Capital Outlay	7,453,100	7,653,500	3,192,516
Net Change in Fund Balance	<u>\$ (3,057,500)</u>	<u>\$ (3,257,900)</u>	1,122,500
Fund Balance - Beginning			<u>3,663,112</u>
Fund Balance - Ending			<u>\$ 4,785,612</u>

**CITY OF WEST CHICAGO, ILLINOIS**

**Capital Improvement - Capital Projects Fund**

**Schedule of Expenditures - Budget and Actual  
For the Fiscal Year Ended December 31, 2018**

	Budget		Actual
	Original	Final	
Capital Outlay			
Administrative Salaries	\$ 110,300	\$ 110,300	\$ 112,089
Operational Salaries	174,600	174,600	183,993
Administrative Salaries - Overtime	10,000	10,000	20,906
FICA and Medicare	22,600	22,600	23,575
Health/Dental/Life Insurance	39,600	39,600	38,167
IMRF	36,600	36,600	38,860
Legal Fees	-	-	58,451
Auditing Fees	3,900	3,900	3,900
Legal Notices	1,000	1,000	1,254
Other Contractual Services	880,700	880,700	884,292
Traffic Signal Maintenance	25,000	25,000	23,668
Street Light Maintenance	30,000	30,000	14,060
IRMA General Insurance	4,900	4,900	4,900
Sales Tax Rebate	60,000	60,000	29,176
Materials	-	-	22,898
Street Patch Materials	1,000	1,000	1,000
Street Paint	2,000	2,000	2,522
Ice Control Materials	20,000	20,000	25,042
Parts	21,000	21,000	-
Storm Sewer Repair	25,000	25,000	22,503
Miscellaneous Commodities	-	-	119
Rock Salt	235,900	235,900	201,988
Bit Patch Cold	8,000	8,000	3,227
Bit Patch Hot	45,000	45,000	49,000
Building and Grounds Improvements	40,000	40,000	64,181
Street Improvements	1,283,200	1,483,600	570,680
Land	250,000	250,000	6,433
Other Capital Outlay	4,122,800	4,122,800	785,632
Total Expenditures	\$ 7,453,100	\$ 7,653,500	\$ 3,192,516

**CITY OF WEST CHICAGO, ILLINOIS**

**Nonmajor Governmental Funds**

**Combining Balance Sheet  
December 31, 2018**

	Special Revenue		Capital Projects	
	TIF	TIF	Capital	
	Special Tax	Special Tax	Equipment	
	Allocation #2	Allocation #3	Replacement	Totals
<b>ASSETS</b>				
Cash and Investments	\$ 170,382	\$ 9,241	\$ 1,120,978	\$ 1,300,601
Receivables - Net of Allowances Property Taxes	14,864	-	-	14,864
Total Assets	185,246	9,241	1,120,978	1,315,465
<b>LIABILITIES</b>				
Accounts Payable	-	-	8,756	8,756
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Property Taxes	14,864	-	-	14,864
Total Liabilities and Deferred Inflows of Resources	14,864	-	8,756	23,620
<b>FUND BALANCES</b>				
Restricted	170,382	9,241	-	179,623
Assigned	-	-	1,112,222	1,112,222
Total Fund Balances	170,382	9,241	1,112,222	1,291,845
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 185,246	\$ 9,241	\$ 1,120,978	\$ 1,315,465

**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, 2018**

	Special Revenue		Capital Projects	Totals
	TIF Special Tax Allocation #2	TIF Special Tax Allocation #3	Capital Equipment Replacement	
Revenues				
Taxes	\$ 12,206	\$ 9,241	\$ -	\$ 21,447
Charges for Services	-	-	278,100	278,100
Interest Income	-	-	416	416
Miscellaneous	-	-	19,803	19,803
Total Revenues	12,206	9,241	298,319	319,766
Expenditures				
Capital Outlay	-	-	633,111	633,111
Net Change in Fund Balances	12,206	9,241	(334,792)	(313,345)
Fund Balances - Beginning	158,176	-	1,447,014	1,605,190
Fund Balances - Ending	\$ 170,382	\$ 9,241	\$ 1,112,222	\$ 1,291,845

**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, 2018**

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	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ 19,000	\$ 19,000	\$ 12,206
Expenditures			
General Government			
Prospect Development	-	-	-
Net Change in Fund Balance	<u>\$ 19,000</u>	<u>\$ 19,000</u>	12,206
Fund Balance - Beginning			<u>158,176</u>
Fund Balance - Ending			<u>\$ 170,382</u>

**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, 2018**

	Budget		Actual
	Original	Final	
Revenues			
Charges for Services	\$ 278,500	\$ 278,500	\$ 278,100
Interest Income	400	400	416
Miscellaneous	-	-	19,803
Total Revenues	<u>278,900</u>	<u>278,900</u>	<u>298,319</u>
Expenditures			
Capital Outlay			
Vehicles	<u>999,900</u>	<u>999,900</u>	<u>633,111</u>
Net Change in Fund Balance	<u>\$ (721,000)</u>	<u>\$ (721,000)</u>	(334,792)
Fund Balance - Beginning			<u>1,447,014</u>
Fund Balance - Ending			<u>\$ 1,112,222</u>

**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, 2018**

	Budget		Actual
	Original	Final	
Operating Revenues			
Charges for Services			
Water Service	\$ 4,500,000	\$ 4,500,000	\$ 1,116,204
Operating Expenses			
Operations			
Water Distribution	2,871,000	2,871,000	2,612,488
Water Treatment Plant	2,181,400	2,201,400	2,259,503
Depreciation	-	-	1,957,583
Total Operating Expenses	5,052,400	5,072,400	6,829,574
Operating Income (Loss)	(552,400)	(572,400)	(5,713,370)
Nonoperating Revenues (Expenses)			
Connection Fees	23,500	23,500	47,603
Interest Income	1,000	1,000	4,358
Other Income	91,000	91,000	196,692
Interest Expense	(112,000)	(112,000)	(106,809)
	3,500	3,500	141,844
Income (Loss) before Contributions and Capital Grants	(548,900)	(568,900)	(5,571,526)
Capital Contributions	-	-	269,220
Capital Grants	-	-	86,357
Change in Net Position	\$ (548,900)	\$ (568,900)	(5,215,949)
Net Position - Beginning as Restated			76,246,826
Net Position - Ending			\$ 71,030,877

**CITY OF WEST CHICAGO, ILLINOIS**

**Waterworks - Enterprise Fund**

**Schedule of Operating Expenses - Budget and Actual  
For the Fiscal Year Ended December 31, 2018**

	Budget		Actual
	Original	Final	
Water Distribution			
Personal Services			
Administrative Salaries	\$ 575,500	\$ 575,500	\$ 559,406
Operational Salaries	492,900	492,900	433,399
Administrative Salaries - Overtime	30,000	30,000	38,415
FICA and Medicare	84,100	84,100	77,694
ICMA	6,600	6,600	6,607
Health/Dental/Life Insurance	409,200	409,200	394,410
Unemployment Insurance	-	-	3,614
IMRF	136,400	136,400	87,576
OPEB Pension Expense	-	-	10,148
Contractual Services			
Legal Fees	60,000	60,000	34,550
Auditing Fees	13,800	13,800	13,800
JULIE System	2,500	2,500	1,938
Consultants	2,000	2,000	-
Pre-employment Exams	600	600	300
Training and Tuition	1,000	1,000	1,131
Memberships/Dues/Subscriptions	1,000	1,000	373
Software Maintenance	10,000	10,000	8,176
Legal Notices	1,000	1,000	205
Telephone and Alarms	50,000	50,000	65,334
Heating and Gas	3,000	3,000	2,679
Electric	325,000	325,000	316,812
Lab Results	5,000	5,000	6,203
Refuse Disposal	1,000	1,000	-
Printing and Binding	2,000	2,000	2,151
Grounds Maintenance	7,700	7,700	7,109
Other Contractual Services	200,000	200,000	63,374
IRMA General Insurance	92,500	92,500	92,326
Other Insurance	-	-	1,533
Vehicle Maintenance and Repair	1,000	1,000	11,527
Building Maintenance and Repair	1,000	1,000	-
Distribution System Maintenance and Repair	35,000	35,000	60,489
Pump Station Maintenance and Repair	432,000	432,000	4,466
Reservoir Maintenance and Repair	500	500	-
Office Equipment Maintenance and Repair	2,500	2,500	-
Postage Meter Rental	1,400	1,400	1,352
Copier Rental	3,000	3,000	463

**CITY OF WEST CHICAGO, ILLINOIS**

**Waterworks - Enterprise Fund**

**Schedule of Operating Expenses - Budget and Actual - Continued  
For the Fiscal Year Ended December 31, 2018**

	Budget		Actual
	Original	Final	
<b>Water Distribution - Continued</b>			
<b>Commodities</b>			
Computer and Office Supplies	\$ 6,000	\$ 6,000	\$ 9,494
Parts for Vehicles	5,000	5,000	17,186
Tools and Equipment	32,500	32,500	14,618
Gas and Oil	20,000	20,000	18,311
Postage	5,000	5,000	4,544
Uniforms and Safety Equipment	8,200	8,200	4,346
Parts and Equipment - Wells	13,000	13,000	3,888
Parts and Equipment - Distribution	30,000	30,000	36,787
Parts and Equipment - Pump Station	10,000	10,000	1,970
Lab Supplies	500	500	447
Water Meters	10,000	10,000	29,995
Miscellaneous Commodities	6,000	6,000	10,227
Bank Fees	15,000	15,000	13,425
<b>Capital Outlay</b>			
Vehicles	127,600	127,600	127,600
Other Capital Outlay	1,714,500	1,750,800	494,834
MIS Replacement	25,000	25,000	11,664
	<u>5,017,500</u>	<u>5,053,800</u>	<u>3,106,896</u>
<b>Less Nonoperating Items</b>			
Capital Assets Capitalized	<u>(2,146,500)</u>	<u>(2,182,800)</u>	<u>(494,408)</u>
<b>Total Water Distribution</b>	<u>2,871,000</u>	<u>2,871,000</u>	<u>2,612,488</u>
<b>Water Treatment Plant</b>			
<b>Personal Services</b>			
Administrative Salaries	193,100	193,100	193,318
Operational Salaries	453,400	453,400	435,140
Administrative Salaries - Overtime	60,000	60,000	92,636
FICA and Medicare	54,100	54,100	54,835
IMRF	87,700	87,700	88,830
<b>Contractual Services</b>			
Training and Tuition	1,000	1,000	915
Memberships/Dues/Subscriptions	500	500	385
Telephone and Alarms	40,000	40,000	59,545
Heating and Gas	5,000	5,000	2,837
Electric	150,000	150,000	149,540

**CITY OF WEST CHICAGO, ILLINOIS**

**Waterworks - Enterprise Fund**

**Schedule of Operating Expenses - Budget and Actual - Continued  
For the Fiscal Year Ended December 31, 2018**

	Budget		Actual
	Original	Final	
Water Treatment Plant - Continued			
Contractual Services - Continued			
Lab Results	\$ 2,000	\$ 2,000	\$ 2,972
Refuse Disposal	600,000	600,000	591,556
Grounds Maintenance	30,900	30,900	9,418
Janitorial Service	24,200	24,200	24,120
Other Contractual Services	19,000	19,000	19,086
IRMA General Insurance	34,100	34,100	34,010
Building Maintenance and Repair	10,000	10,000	26,385
WTP Operations Repair	20,000	40,000	36,441
Copier Rental	8,000	8,000	5,042
Equipment Rental	3,000	3,000	1,260
Commodities			
Computer and Office Supplies	2,000	2,000	525
Parts for Vehicles	200	200	1,649
Tools and Equipment	3,000	3,000	915
Gas and Oil	1,000	1,000	1,551
Uniforms and Safety Equipment	3,700	3,700	1,677
Parts for Building Repairs	3,000	3,000	4,423
Lab Supplies	15,000	15,000	12,386
Chemicals	350,000	350,000	395,075
Parts for WTP Operations	6,000	6,000	6,712
Miscellaneous Commodities	1,500	1,500	1,919
Capital Outlay			
Vehicles	4,400	4,400	4,400
Other Capital Outlay	85,000	85,000	-
	2,270,800	2,290,800	2,259,503
Less Nonoperating Items			
Capital Assets Capitalized	(89,400)	(89,400)	-
	2,181,400	2,201,400	2,259,503
Total Operating Expenses	\$ 5,052,400	\$ 5,072,400	\$ 4,871,991

**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, 2018**

	Budget		Actual
	Original	Final	
Operating Revenues			
Charges for Services			
Sewer Service	\$ 5,300,000	\$ 5,300,000	\$ 3,025,259
Operating Expenses			
Operations			
Wastewater Treatment	2,913,100	2,963,100	2,976,019
Sanitary Sewer Collection	3,459,700	3,474,000	2,974,798
Treatment Plant Equipment Replacement	-	-	-
Special Service Area #2	13,800	13,800	12,009
Depreciation	-	-	859,651
Total Operating Expenses	6,386,600	6,450,900	6,822,477
Operating Income (Loss)	(1,086,600)	(1,150,900)	(3,797,218)
Nonoperating Revenues			
Connection Fees	25,000	25,000	81,490
Property Taxes	9,000	9,000	9,049
Interest Income	1,000	1,000	3,737
Other Income	33,000	33,000	387,158
	68,000	68,000	481,434
Change in Net Position	\$ (1,018,600)	\$ (1,082,900)	(3,315,784)
Net Position - Beginning as Restated			26,387,637
Net Position - Ending			\$ 23,071,853

**CITY OF WEST CHICAGO, ILLINOIS**

**Sewerage - Enterprise Fund**

**Schedule of Operating Expenses - Budget and Actual  
For the Fiscal Year Ended December 31, 2018**

	Budget		Actual
	Original	Final	
<b>Wastewater Treatment</b>			
Personal Services			
Administrative Services	\$ 28,600	\$ 28,600	\$ 28,079
Administrative Salaries - Overtime	100	100	-
FICA and Medicare	2,200	2,200	1,838
IMRF	3,600	3,600	3,369
Contractual Services			
Legal Fees	-	25,000	39,298
Auditing Fees	3,900	3,900	3,900
Consultants	-	25,000	9,025
Memberships/Dues/Subscriptions	96,700	96,700	96,654
Printing and Binding	200	200	625
Grounds Maintenance	8,100	8,100	7,744
Other Contractual Services	2,730,700	2,730,700	2,746,617
IRMA General Insurance	39,000	39,000	38,870
<b>Total Wastewater Treatment</b>	<b>2,913,100</b>	<b>2,963,100</b>	<b>2,976,019</b>
<b>Sanitary Sewer Collection</b>			
Personal Services			
Administrative Salaries	599,000	599,000	583,124
Operational Salaries	646,200	646,200	620,077
Administrative Salaries - Overtime	40,000	40,000	56,465
FICA and Medicare	98,400	98,400	93,353
ICMA	6,600	6,600	6,607
Health/Dental/Life Insurance	409,200	409,200	394,410
Unemployment Insurance	-	-	3,613
IMRF	159,500	159,500	158,611
OPEB Pension Expense	-	-	10,148
Contractual Services			
Legal Fees	15,000	15,000	3,736
Auditing Fees	3,900	3,900	3,900
JULIE System	2,300	2,300	1,938
Consultants	2,000	2,000	-
Training and Tuition	500	500	643
Software Maintenance	12,000	12,000	11,260
Telephone and Alarms	41,000	41,000	47,821
Heating Gas	6,000	6,000	6,315
Electric	50,000	50,000	47,582
Grounds Maintenance	3,800	3,800	3,107

**CITY OF WEST CHICAGO, ILLINOIS**

**Sewerage - Enterprise Fund**

**Schedule of Operating Expenses - Budget and Actual - Continued  
For the Fiscal Year Ended December 31, 2018**

	Budget		Actual
	Original	Final	
Sanitary Sewer Collection - Continued			
Contractual Services - Continued			
Other Contractual Services	\$ 200,000	\$ 200,000	\$ 54,544
IRMA General Insurance	58,400	58,400	58,310
Vehicle Maintenance and Repair	10,000	10,000	8,379
Lift Station Maintenance and Repair	80,000	94,300	60,332
Sewer Main Maintenance and Repair	875,000	875,000	507,870
Postage Meter Rental	1,400	1,400	1,352
Commodities			
Copier and Rental	2,500	2,500	463
Computer and Office Supplies	5,000	5,000	4,927
Parts for Vehicles	15,000	15,000	11,129
Tools and Equipment	45,000	45,000	13,042
Gas and Oil	15,000	15,000	12,777
Postage	3,000	3,000	2,100
Chemicals	1,500	1,500	1,499
Parts for Lift Stations	25,000	25,000	10,620
Material for Trench Backfill	5,000	5,000	4,630
Parts for Mains	3,000	3,000	1,491
Miscellaneous Commodities	6,000	6,000	9,097
Bank Fees	13,500	13,500	13,426
Capital Outlay			
Vehicles	146,100	146,100	146,100
Other Capital Outlay	805,600	809,800	276,937
	4,411,400	4,429,900	3,251,735
Less Nonoperating Items			
Capital Assets Capitalized	(951,700)	(955,900)	(276,937)
Total Sanitary Sewer Collection	3,459,700	3,474,000	2,974,798
Treatment Plant Equipment Replacement			
Capital Outlay			
Other Contractual Services	137,200	137,200	-
Other Capital Outlay	1,203,000	1,562,100	752,899
	1,340,200	1,699,300	752,899
Less Nonoperating Items			
Capital Assets Capitalized	(1,340,200)	(1,699,300)	(752,899)
Total Treatment Plant Equipment Replacement	-	-	-

**CITY OF WEST CHICAGO, ILLINOIS**

**Sewerage - Enterprise Fund**

**Schedule of Operating Expenses - Budget and Actual - Continued  
For the Fiscal Year Ended December 31, 2018**

	Budget		Actual
	Original	Final	
Special Service Area #2			
Operating and Maintenance			
Personal Service			
Operational Salaries	\$ 5,100	\$ 5,100	\$ 5,346
Administrative Salaries - Overtime	200	200	149
FICA and Medicare	500	500	422
IMRF	700	700	678
Commodities			
Electric	5,000	5,000	3,464
Grounds Maintenance	2,300	2,300	1,950
Total Operating and Maintenance	13,800	13,800	12,009
Total Operating Expenses	\$ 6,386,600	\$ 6,450,900	\$ 5,962,826

**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, 2018**

	Budget		Actual
	Original	Final	
Operating Revenues			
Charges for Services			
Parking Fees	\$ 80,500	\$ 80,500	\$ 90,138
Licenses and Permits			
Parking Permits	68,000	68,000	68,355
Total Operating Revenues	<u>148,500</u>	<u>148,500</u>	<u>158,493</u>
Operating Expenses			
Operations	193,800	193,800	107,306
Depreciation	-	-	20,674
Total Operating Expenses	<u>193,800</u>	<u>193,800</u>	<u>127,980</u>
Operating Income (Loss)	(45,300)	(45,300)	30,513
Nonoperating Revenues			
Other Income	-	-	212
Change in Net Position	<u>\$ (45,300)</u>	<u>\$ (45,300)</u>	30,725
Net Position - Beginning			<u>561,967</u>
Net Position - Ending			<u>\$ 592,692</u>

**CITY OF WEST CHICAGO, ILLINOIS**

**Commuter Parking - Enterprise Fund**

**Schedule of Operating Expenses - Budget and Actual  
For the Fiscal Year Ended December 31, 2018**

	Budget		Actual
	Original	Final	
Operations			
Personal Services			
Administrative Salaries	\$ 7,200	\$ 7,200	\$ 7,727
Operational Salaries	12,200	12,200	12,241
Administrative Salaries Overtime	1,000	1,000	1,208
FICA and Medicare	1,600	1,600	1,619
IMRF	2,600	2,600	2,912
Contractual Services			
Auditing Fees	1,300	1,300	1,300
Telephone and Alarms	3,000	3,000	3,842
Electric	20,000	20,000	16,947
Printing and Binding	900	900	368
Grounds Maintenance	5,400	5,400	4,660
Janitorial Services	3,600	3,600	3,540
Contractual Services	25,000	25,000	17,988
Commodities			
Postage	1,000	1,000	977
Miscellaneous Commodities	3,000	3,000	3,349
Bank Fees	6,000	6,000	8,712
Capital Outlay			
Building and Ground Improvements	100,000	100,000	1,192
Other Capital Outlay	20,000	50,000	18,724
	<u>213,800</u>	<u>243,800</u>	<u>107,306</u>
Less Nonoperating Items			
Capital Assets Capitalized	(20,000)	(50,000)	-
	<u>\$ 193,800</u>	<u>\$ 193,800</u>	<u>\$ 107,306</u>

**CITY OF WEST CHICAGO, ILLINOIS**

**Consolidated Year-End Financial Report**

**December 31, 2018**

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CSFA #	Program Name	State	Federal	Other	Total
420-75-1633	Community Development Block Grant				
	Housing Rehabilitation Program	\$ -	253,991	527,519	781,510
494-00-0967	High-Growth Cities Program	39,337	-	-	39,337
494-00-1488	Motor Fuel Tax Program	323,743	-	-	323,743
494-10-0343	State and Community Highway Safety/ National Priority Safety Program	-	4,306	-	4,306
494-42-0495	Local Surface Transportation Program	-	114,599	28,650	143,249
569-00-1669	Law Enforcement Camera Grant	18,600	-	-	18,600
	Other Grant Programs and Activities	-	3,855	28,927	32,782
	All Other Costs Not Allocated	-	-	22,445,982	22,445,982
	Totals	381,680	376,751	23,031,078	23,789,509

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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENTAL AUDITING STANDARDS**

June 5, 2019

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

We have audited, in accordance with the 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, the 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, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 5, 2019.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Lauterbach & Amen, LLP*  
LAUTERBACH & AMEN, LLP

**SUPPLEMENTAL SCHEDULE**

**CITY OF WEST CHICAGO, ILLINOIS**

**Long-Term Debt Requirements**

**IEPA Waterworks Revolving Loan  
December 31, 2018**

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Date of Issue	October 8, 2002
Date of Maturity	September 9, 2024
Authorized Issue	\$11,000,000
Interest Rate	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	
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>\$ 3,907,155</u>	<u>\$ 333,981</u>	<u>\$ 4,241,136</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, 2018 (Unaudited)**

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**See Following Page**

**CITY OF WEST CHICAGO, ILLINOIS**

**Net Position by Component - Last Ten Fiscal Years  
December 31, 2018 (Unaudited)**

	Fiscal Year Ended 12/31/2009	Fiscal Year Ended 12/31/2010	Fiscal Year Ended 12/31/2011	Fiscal Year Ended 12/31/2012
<b>Governmental Activities</b>				
Net Investment in Capital Assets	\$ 79,007,408	\$ 88,164,059	\$ 89,692,289	\$ 88,988,913
Restricted	479,320	-	1,708,723	2,340,095
Unrestricted	22,492,259	18,130,222	16,795,258	12,681,105
<b>Total Governmental Activities Net Position</b>	<b>101,978,987</b>	<b>106,294,281</b>	<b>108,196,270</b>	<b>104,010,113</b>
<b>Business-Type Activities</b>				
Net Investment in Capital Assets	35,884,266	36,356,211	52,523,108	53,326,830
Restricted	3,833,998	4,715,215	4,435,213	3,614,442
Unrestricted	20,588,763	19,199,292	4,383,915	3,913,218
<b>Total Business-Type Activities Net Position</b>	<b>60,307,027</b>	<b>60,270,718</b>	<b>61,342,236</b>	<b>60,854,490</b>
<b>Primary Government</b>				
Net Investment in Capital Assets	114,891,674	124,520,270	142,215,397	142,315,743
Restricted	4,313,318	4,715,215	6,143,936	5,954,537
Unrestricted	43,081,022	37,329,514	21,179,173	16,594,323
<b>Total Primary Government Net Position</b>	<b>\$ 162,286,014</b>	<b>\$ 166,564,999</b>	<b>\$ 169,538,506</b>	<b>\$ 164,864,603</b>

Data Source: City Records

Fiscal Year Ended	Fiscal Year Ended	Fiscal Year Ended	Fiscal Year Ended	Fiscal Year Ended	Fiscal Year Ended
12/31/2013	12/31/2014	12/31/2015	12/31/2016	12/31/2017	12/31/2018
\$ 87,923,548	\$ 55,050,037	\$ 55,619,533	\$ 54,867,141	\$ 49,943,090	\$ 54,014,124
2,335,435	3,218,725	3,305,503	2,636,828	2,216,378	2,944,399
13,063,574	12,673,884	(9,065,624)	(10,545,812)	(12,294,029)	(15,056,308)
103,322,557	70,942,646	49,859,412	46,958,157	39,865,439	41,902,215
56,991,020	102,204,573	103,770,812	104,429,071	105,803,874	105,354,380
760,002	1,040,810	1,088,552	2,409	-	-
3,062,891	3,785,237	2,453,473	1,383,690	(554,848)	(10,658,958)
60,813,913	107,030,620	107,312,837	105,815,170	105,249,026	94,695,422
144,914,568	157,254,610	159,390,345	159,296,212	155,746,964	159,368,504
3,095,437	4,259,535	4,394,055	2,639,237	2,216,378	2,944,399
16,126,465	16,459,121	(6,612,151)	(9,162,122)	(12,848,877)	(25,715,266)
\$ 164,136,470	\$ 177,973,266	\$ 157,172,249	\$ 152,773,327	\$ 145,114,465	\$ 136,597,637

CITY OF WEST CHICAGO, ILLINOIS

Changes in Net Position - Last Ten Fiscal Years  
December 31, 2018 (Unaudited)

	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	Fiscal Year Ended 12/31/2015	Fiscal Year Ended 12/31/2016	Fiscal Year Ended 12/31/2017	Fiscal Year Ended 12/31/2018
<b>Expenses</b>										
<b>Governmental Activities</b>										
General Government	\$ 9,423,220	\$ 10,307,149	\$ 8,797,675	\$ 9,184,108	\$ 8,912,745	\$ 11,058,516	\$ 13,280,738	\$ 13,704,876	\$ 13,329,708	\$ 13,667,469
Highways and Streets	8,759,315	8,583,580	8,399,317	8,851,135	4,103,870	9,701,162	12,524,954	11,555,771	11,092,178	10,121,701
Public Safety	1,486,314	1,546,316	1,591,915	6,730,139	9,388,129	1,955,626	-	-	-	-
Culture and Recreation	376,103	135,309	193,879	83,232	-	12,592	-	-	-	-
Interest on Long-Term Debt	95,920	63,505	40,332	38,097	1,769	1,195	608	518	407	339
Total Governmental Activities Expenses	20,140,872	20,635,859	19,023,118	24,886,711	22,406,513	22,729,091	25,806,300	25,261,165	24,422,293	23,789,509
<b>Business-Type Activities</b>										
Waterworks	6,147,347	6,441,171	5,999,102	6,816,837	6,136,247	5,812,503	6,211,353	6,923,648	6,208,086	6,936,383
Sewerage	5,959,791	5,912,683	7,596,138	6,602,525	6,073,613	5,888,300	6,075,753	6,552,406	6,061,776	6,822,477
Commuter Parking	535,811	220,345	127,748	112,319	84,748	140,431	91,985	99,935	113,075	127,980
Total Business-Type Activities	12,642,949	12,574,199	13,722,988	13,531,681	12,294,608	11,841,234	12,379,091	13,575,989	12,382,937	13,886,840
<b>Total Primary Government Expenses</b>	<b>32,783,821</b>	<b>33,210,058</b>	<b>32,746,106</b>	<b>38,418,392</b>	<b>34,701,121</b>	<b>34,570,325</b>	<b>38,185,391</b>	<b>38,837,154</b>	<b>36,805,230</b>	<b>37,676,349</b>
<b>Program Revenues</b>										
<b>Governmental Activities</b>										
Charges for Services										
General Government	1,754,497	1,816,692	2,246,202	1,899,106	2,007,405	2,018,188	2,391,549	2,810,520	2,365,076	3,082,228
Highways and Streets	2,330,517	-	-	1,419,816	1,557,400	1,178,937	1,400,121	1,297,112	1,257,271	1,759,322
Public Safety	745,000	1,573,088	1,448,786	-	1,373,123	788,000	796,700	780,800	851,100	278,100
Culture and Recreation	-	-	-	-	-	-	-	-	-	-
Operating Grants/Contributions	145,148	395,843	78,140	181,074	150,805	51,746	19,280	15,150	3,820	194,395
Capital Grants/Contributions	714,671	4,832,786	792,266	819,317	806,014	930,849	688,950	716,433	704,074	732,621
Total Governmental Activities Program Revenues	5,689,833	8,618,409	4,565,394	4,319,313	5,894,747	4,967,720	5,296,600	5,620,015	5,181,341	6,046,666
<b>Business-Type Activities</b>										
Charges for Services										
Waterworks	4,980,408	4,829,368	4,720,319	4,707,616	4,218,252	4,889,559	4,581,798	4,430,455	4,423,819	1,163,807
Sewerage	5,137,530	5,579,155	5,591,347	5,492,604	5,328,023	6,022,231	5,768,370	6,070,820	6,218,263	3,106,749
Commuter Parking	120,240	116,169	124,830	133,077	131,813	137,147	139,635	139,977	141,988	158,493
Capital Grants/Contributions	-	-	2,633,360	1,317,363	-	-	1,051,704	-	645,461	355,577
Total Business-Type Activities Program Revenues	10,238,178	10,524,692	13,069,856	11,650,660	9,678,088	11,048,937	11,541,507	10,641,252	11,429,531	4,784,626
<b>Total Primary Government Program Revenues</b>	<b>\$ 15,928,011</b>	<b>\$ 19,143,101</b>	<b>\$ 17,635,250</b>	<b>\$ 15,969,973</b>	<b>\$ 15,572,835</b>	<b>\$ 16,016,657</b>	<b>\$ 16,838,107</b>	<b>\$ 16,261,267</b>	<b>\$ 16,610,872</b>	<b>\$ 10,831,292</b>

	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	Fiscal Year Ended 12/31/2015	Fiscal Year Ended 12/31/2016	Fiscal Year Ended 12/31/2017	Fiscal Year Ended 12/31/2018
<b>Net (Expenses) Revenues</b>										
Governmental Activities	\$ (14,451,039)	\$ (12,017,450)	\$ (14,457,724)	\$ (20,567,398)	\$ (16,511,766)	\$ (17,761,371)	\$ (20,509,700)	\$ (19,641,150)	\$ (19,240,952)	\$ (17,742,843)
Business-Type Activities	(2,404,771)	(2,049,507)	(653,132)	(1,881,021)	(2,616,520)	(792,297)	(837,584)	(2,934,737)	(953,406)	(9,102,214)
<b>Total Primary Government Net Revenues (Expenses)</b>	<b>(16,855,810)</b>	<b>(14,066,957)</b>	<b>(15,110,856)</b>	<b>(22,448,419)</b>	<b>(19,128,286)</b>	<b>(18,553,668)</b>	<b>(21,347,284)</b>	<b>(22,575,887)</b>	<b>(20,194,358)</b>	<b>(26,845,057)</b>
<b>General Revenues and Other Changes in Net Position</b>										
Governmental Activities	4,479,930	4,691,781	4,701,295	4,711,890	4,534,973	4,492,371	4,436,897	4,448,829	4,489,622	4,623,840
Taxes	1,250,406	1,200,551	1,383,971	1,176,228	1,032,614	1,033,012	961,256	914,909	863,113	764,365
Intergovernmental	3,549,910	3,832,745	4,158,709	4,405,831	4,515,729	5,476,959	4,855,454	4,544,609	6,178,849	6,871,960
Sales and Use	2,181,609	2,112,444	2,117,490	2,379,976	2,580,764	2,593,317	2,882,037	2,636,660	2,487,827	2,593,920
Income	159,185	171,227	157,985	144,979	169,568	170,517	187,625	160,396	173,517	152,578
Replacement	2,037,722	2,098,487	2,098,719	2,013,401	2,051,702	2,111,109	2,029,538	1,994,900	1,909,065	2,070,351
Utility	253,642	212,808	102,820	79,150	21,399	(7,465)	3,522	6,983	13,271	12,224
Interest Income	3,506,651	2,012,701	1,638,724	1,465,234	917,461	1,607,960	1,102,056	2,032,609	560,955	637,785
Miscellaneous	487,100	-	-	-	-	-	-	-	-	-
Transfers	17,906,155	16,332,744	16,359,713	16,376,689	15,824,210	17,477,780	16,458,385	16,739,895	16,676,219	17,727,023
<b>Total Governmental Activities</b>	<b>15,161</b>	<b>15,172</b>	<b>11,557</b>	<b>11,671</b>	<b>8,804</b>	<b>8,888</b>	<b>8,604</b>	<b>8,894</b>	<b>8,907</b>	<b>9,049</b>
Business-Type Activities	948,148	1,023,267	1,131,916	1,103,876	1,071,655	1,153,993	1,201,919	1,185,841	-	-
Property	205,893	137,988	121,733	6,878	6,142	4,654	1,175	2,660	6,878	8,095
Sales and Use	417,841	836,771	459,444	270,850	1,489,342	544,194	266,782	239,675	371,477	584,062
Interest Income	(487,100)	-	-	-	-	-	-	-	-	-
Miscellaneous	1,099,943	2,013,198	1,724,650	1,393,275	2,575,943	1,711,729	1,478,480	1,437,070	387,262	601,206
Transfers	19,006,098	18,345,942	18,084,363	17,769,964	18,400,153	19,189,509	17,936,865	18,176,965	17,063,481	18,328,229
<b>Total Business-Type Activities</b>	<b>3,455,116</b>	<b>4,315,294</b>	<b>1,901,989</b>	<b>(4,190,709)</b>	<b>(687,556)</b>	<b>(283,591)</b>	<b>(4,051,315)</b>	<b>(2,901,255)</b>	<b>(2,564,733)</b>	<b>(15,820)</b>
<b>Changes in Net Position</b>	<b>(1,304,828)</b>	<b>(36,309)</b>	<b>1,071,518</b>	<b>(487,746)</b>	<b>(40,577)</b>	<b>919,432</b>	<b>640,896</b>	<b>(1,497,667)</b>	<b>(566,144)</b>	<b>(8,501,008)</b>
Governmental Activities	\$ 2,150,288	\$ 4,278,985	\$ 2,973,507	\$ (4,678,455)	\$ (728,133)	\$ 635,841	\$ (3,410,419)	\$ (4,398,922)	\$ (3,130,877)	\$ (8,516,828)
Business-Type Activities										

Data Source: City Records

**CITY OF WEST CHICAGO, ILLINOIS**

**Fund Balances of Governmental Funds - Last Ten Fiscal Years  
December 31, 2018 (Unaudited)**

	Fiscal Year Ended 12/31/2009	Fiscal Year Ended 12/31/2010	Fiscal Year Ended 12/31/2011	Fiscal Year Ended 12/31/2012
General Fund				
Reserved	\$ 1,277,811	\$ 985,505	\$ -	\$ -
Unreserved	12,278,094	11,659,744	-	-
Nonspendable	-	-	1,134,891	1,145,514
Restricted	-	-	-	843,105
Unassigned	-	-	12,616,731	11,309,771
Total General Fund	<u>13,555,905</u>	<u>12,645,249</u>	<u>13,751,622</u>	<u>13,298,390</u>
All Other Governmental Funds				
Reserved	1,516,583	986,267	-	-
Unreserved, Reported in:				
Special Revenues Funds	6,275,876	2,270,787	-	-
Capital Projects Funds	4,542,708	5,245,994	-	-
Nonspendable	-	-	938,215	886,413
Restricted	-	-	1,708,723	1,496,990
Assigned	-	-	5,318,609	2,698,343
Total All Other Governmental Funds	<u>12,335,167</u>	<u>8,503,048</u>	<u>7,965,547</u>	<u>5,081,746</u>
Total All Governmental Funds	<u>\$ 25,891,072</u>	<u>\$ 21,148,297</u>	<u>\$ 21,717,169</u>	<u>\$ 18,380,136</u>

Data Source: City Records

The City implemented GASB 54 in Fiscal Year 2011.

Fiscal Year Ended 12/31/2013	Fiscal Year Ended 12/31/2014	Fiscal Year Ended 12/31/2015	Fiscal Year Ended 12/31/2016	Fiscal Year Ended 12/31/2017	Fiscal Year Ended 12/31/2018
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
1,028,304	1,104,969	736,988	549,669	94,055	78,908
844,754	846,315	846,315	360,944	624,061	1,211,793
10,931,741	11,507,102	12,302,595	12,733,258	11,841,410	12,126,823
12,804,799	13,458,386	13,885,898	13,643,871	12,559,526	13,417,524
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
797,991	2,029	12,815	2,056	2,176	2,275
1,490,681	2,372,410	2,459,188	2,275,884	1,592,317	1,732,606
3,943,537	4,636,090	4,006,583	4,190,745	5,109,310	5,896,981
6,232,209	7,010,529	6,478,586	6,468,685	6,703,803	7,631,862
\$ 19,037,008	\$ 20,468,915	\$ 20,364,484	\$ 20,112,556	\$ 19,263,329	\$ 21,049,386

**CITY OF WEST CHICAGO, ILLINOIS**

**General Governmental Revenues By Source - Last Ten Fiscal Years  
December 31, 2018 (Unaudited)**

Source	Fiscal Year Ended 12/31/2009	Fiscal Year Ended 12/31/2010	Fiscal Year Ended 12/31/2011	Fiscal Year Ended 12/31/2012
Taxes	\$ 8,401,237	\$ 8,669,147	\$ 8,907,926	\$ 8,598,434
Intergovernmental	6,117,344	6,542,723	6,580,649	7,234,262
Charges for Services	2,558,780	1,891,127	2,124,010	1,803,814
Licenses and Permits	489,110	456,361	634,929	481,698
Fines and Forfeits	1,782,124	1,042,292	936,049	1,033,410
Interest Income	251,878	210,470	102,148	78,908
Miscellaneous	3,506,651	2,012,701	1,638,724	1,465,234
Total	<u>\$ 23,107,124</u>	<u>\$ 20,824,821</u>	<u>\$ 20,924,435</u>	<u>\$ 20,695,760</u>

Data Source: City Records

Fiscal Year Ended 12/31/2013	Fiscal Year Ended 12/31/2014	Fiscal Year Ended 12/31/2015	Fiscal Year Ended 12/31/2016	Fiscal Year Ended 12/31/2017	Fiscal Year Ended 12/31/2018
\$ 8,324,682	\$ 8,383,993	\$ 8,216,205	\$ 8,109,944	\$ 9,308,149	\$ 7,611,134
7,517,487	8,475,887	7,844,832	7,321,942	7,501,738	10,392,896
3,407,944	2,718,832	2,982,446	3,193,936	2,987,175	2,951,250
530,638	484,106	608,401	843,502	653,852	887,198
999,346	782,187	997,523	850,994	832,420	1,281,202
21,307	(7,465)	3,522	6,983	13,271	12,224
917,461	1,607,960	1,102,056	2,032,609	560,955	637,785
<u>\$ 21,718,865</u>	<u>\$ 22,445,500</u>	<u>\$ 21,754,985</u>	<u>\$ 22,359,910</u>	<u>\$ 21,857,560</u>	<u>\$ 23,773,689</u>

**CITY OF WEST CHICAGO, ILLINOIS**

**General Governmental Expenditures By Function - Last Ten Fiscal Years  
December 31, 2018 (Unaudited)**

Function	Fiscal Year Ended 12/31/2009	Fiscal Year Ended 12/31/2010	Fiscal Year Ended 12/31/2011	Fiscal Year Ended 12/31/2012
General Government	\$ 6,957,868	\$ 8,180,849	\$ 7,720,982	\$ 8,940,416
Public Safety	8,616,769	8,524,634	8,468,368	8,825,728
Culture and Recreation	372,382	131,438	189,894	80,000
Capital Outlay	5,141,045	7,818,703	3,935,987	6,148,552
Debt Service				
Principal	225,000	845,000	-	-
Interest and Fiscal Charges	96,811	66,972	40,332	38,097
<b>Total</b>	<b>\$ 21,409,875</b>	<b>\$ 25,567,596</b>	<b>\$ 20,355,563</b>	<b>\$ 24,032,793</b>

Data Source: City Records

Fiscal Year Ended 12/31/2013	Fiscal Year Ended 12/31/2014	Fiscal Year Ended 12/31/2015	Fiscal Year Ended 12/31/2016	Fiscal Year Ended 12/31/2017	Fiscal Year Ended 12/31/2018
\$ 8,676,885	\$ 8,128,303	\$ 8,361,285	\$ 7,893,627	\$ 8,591,562	\$ 8,150,224
9,248,035	9,162,072	9,104,514	9,849,220	10,003,049	10,011,442
-	-	-	-	-	-
3,154,948	3,722,023	4,393,009	4,924,842	4,176,432	3,825,627
-	-	-	-	-	-
1,769	1,195	608	518	407	339
<u>\$ 21,081,637</u>	<u>\$ 21,013,593</u>	<u>\$ 21,859,416</u>	<u>\$ 22,668,207</u>	<u>\$ 22,771,450</u>	<u>\$ 21,987,632</u>

**CITY OF WEST CHICAGO, ILLINOIS**

**Changes in Fund Balances for Governmental Funds - Last Ten Fiscal Years  
December 31, 2018 (Unaudited)**

	Fiscal Year Ended 12/31/2009	Fiscal Year Ended 12/31/2010	Fiscal Year Ended 12/31/2011	Fiscal Year Ended 12/31/2012
<b>Revenues</b>				
Taxes	\$ 8,401,237	\$ 8,669,147	\$ 8,907,926	\$ 8,598,434
Intergovernmental	6,117,344	6,542,723	6,580,649	7,234,262
Charges for Services	2,558,780	1,891,127	2,124,010	1,803,814
Licenses and Permits	489,110	456,361	634,929	481,698
Fines and Forfeits	1,782,124	1,042,292	936,049	1,033,410
Interest Income	251,878	210,470	102,148	78,908
Miscellaneous	3,506,651	2,012,701	1,638,724	1,465,234
<b>Total Revenues</b>	<b>23,107,124</b>	<b>20,824,821</b>	<b>20,924,435</b>	<b>20,695,760</b>
<b>Expenditures</b>				
General Government	6,957,868	8,180,849	7,720,982	8,940,416
Public Safety	8,616,769	8,524,634	8,468,368	8,825,728
Culture and Recreation	372,382	131,438	189,894	80,000
Capital Outlay	5,141,045	7,818,703	3,935,987	6,148,552
Debt Service				
Principal	225,000	845,000	-	-
Interest and Fiscal Charges	96,811	66,972	40,332	38,097
<b>Total Expenditures</b>	<b>21,409,875</b>	<b>25,567,596</b>	<b>20,355,563</b>	<b>24,032,793</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>1,697,249</b>	<b>(4,742,775)</b>	<b>568,872</b>	<b>(3,337,033)</b>
<b>Other Financing Sources (Uses)</b>				
Disposal of Capital Assets	-	-	-	-
Transfer In	587,100	441,777	-	50,000
Transfer Out	(100,000)	(441,777)	-	(50,000)
	487,100	-	-	-
<b>Net Change in Fund Balances</b>	<b>\$ 2,184,349</b>	<b>\$ (4,742,775)</b>	<b>\$ 568,872</b>	<b>\$ (3,337,033)</b>
<b>Debt Service as a Percentage of Noncapital Expenditures</b>	<b>1.75%</b>	<b>5.86%</b>	<b>0.24%</b>	<b>0.16%</b>

Data Source: City Records

Fiscal Year Ended 12/31/2013	Fiscal Year Ended 12/31/2014	Fiscal Year Ended 12/31/2015	Fiscal Year Ended 12/31/2016	Fiscal Year Ended 12/31/2017	Fiscal Year Ended 12/31/2018
\$ 8,324,682	\$ 8,383,993	\$ 8,216,205	\$ 8,109,944	\$ 9,308,149	\$ 7,611,134
7,517,487	8,475,887	7,844,832	7,321,942	7,501,738	10,392,896
3,407,944	2,718,832	2,982,446	3,193,936	2,987,175	2,951,250
530,638	484,106	608,401	843,502	653,852	887,198
999,346	782,187	997,523	850,994	832,420	1,281,202
21,307	(7,465)	3,522	6,983	13,271	12,224
917,461	1,607,960	1,102,056	2,032,609	560,955	637,785
21,718,865	22,445,500	21,754,985	22,359,910	21,857,560	23,773,689
8,676,885	8,128,303	8,361,285	7,893,627	8,591,562	8,150,224
9,248,035	9,162,072	9,104,514	9,849,220	10,003,049	10,011,442
-	-	-	-	-	-
3,154,948	3,722,023	4,393,009	4,924,842	4,176,432	3,825,627
-	-	-	-	-	-
1,769	1,195	608	518	407	339
21,081,637	21,013,593	21,859,416	22,668,207	22,771,450	21,987,632
637,228	1,431,907	(104,431)	(308,297)	(913,890)	1,786,057
-	-	-	56,369	64,663	-
19,644	7,776	-	25,643	-	-
-	(7,776)	-	(25,643)	-	-
19,644	-	-	56,369	64,663	-
\$ 656,872	\$ 1,431,907	\$ (104,431)	\$ (251,928)	\$ (849,227)	\$ 1,786,057
0.01%	0.01%	0.00%	0.00%	0.00%	0.00%

**CITY OF WEST CHICAGO, ILLINOIS**

**Assessed Value and Actual Value of Taxable Property - Last Ten Fiscal Years  
December 31, 2018 (Unaudited)**

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Tax Levy Year	Fiscal Year End	Residential Property	Farm	Commercial Property
2009	12/31/2009	\$ 503,652,130	\$ 286,844	\$ 114,043,959
2010	12/31/2010	477,222,120	325,577	104,342,370
2011	12/31/2011	439,560,682	341,675	100,671,895
2012	12/31/2012	395,571,348	370,108	92,055,282
2013	12/31/2013	367,424,630	392,261	82,237,691
2014	12/31/2014	354,736,670	426,235	79,649,467
2015	12/31/2015	363,843,948	462,209	81,068,291
2016	12/31/2016	390,758,862	487,626	89,670,605
2017	12/31/2017	409,838,459	537,746	95,961,612
2018	12/31/2018	427,634,113	512,185	95,314,124

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

Industrial Property	Railroad	Total Assessed Value	Total Direct Tax Rate
\$ 161,948,610	\$ -	\$ 779,931,543	0.4263
154,574,460	-	736,464,527	0.4675
146,221,310	-	686,795,562	0.5011
132,161,380	-	620,158,118	0.5545
124,152,620	-	574,207,202	0.5973
119,236,720	-	554,049,092	0.6187
122,668,530	-	568,042,978	0.6031
133,199,600	-	614,116,693	0.5582
143,776,700	5,370,770	655,485,287	0.5441
159,831,453	5,545,256	688,837,131	0.5178

**CITY OF WEST CHICAGO, ILLINOIS**

**Direct and Overlapping Property Tax Rates - Last Ten Tax Levy Years  
December 31, 2018 (Unaudited)**

Taxing Body	2009	2010	2011
Countywide			
DuPage County	0.1554	0.1659	0.1773
Forest Preserve District	0.1217	0.1321	0.1414
DuPage Airport Authority	0.0148	0.0158	0.0169
Local			
Wayne Township	0.0658	0.0733	0.0804
Wayne Township Road	0.0610	0.0645	0.0675
City of West Chicago - Wayne Township	0.4263	0.4675	0.5011
Winfield Township	0.0854	0.0924	0.1021
Winfield Township Road	0.1123	0.1215	0.1342
City of West Chicago - Winfield Township	0.4263	0.4675	0.5011
West Chicago Park District	0.2703	0.2946	0.3177
West Chicago Fire Protection District	0.6509	0.7078	0.8027
West Chicago Mosquito District	0.0101	0.0111	0.0122
West Chicago Library District	0.2466	0.2307	0.2529
Educational			
Grade School District 33	3.5290	3.8244	4.1734
High School District 94	1.7143	1.8613	2.0351
College of DuPage District 502	0.2127	0.2349	0.2495
Total Tax Rate - Winfield Township	7.5498	8.1600	8.9165
Share of Total Tax Rate Levied by the City of West Chicago	5.65%	5.73%	5.62%
Total Tax Rate - Wayne Township	7.4789	8.0839	8.8281
Share of Total Tax Rate Levied by the City of West Chicago	5.70%	5.78%	5.68%

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

Data Source: DuPage County Clerk

2012	2013	2014	2015	2016	2017	2018
0.1929	0.2040	0.2057	0.1971	0.1848	0.1749	0.1673
0.1542	0.1657	0.1691	0.1622	0.1514	0.1306	0.1278
0.0168	0.0178	0.0196	0.0188	0.0176	0.0166	0.0146
0.0896	0.0979	0.1025	0.1007	0.0959	0.0940	0.0929
0.0730	0.0817	0.0855	0.0840	0.0800	0.0784	0.0775
0.5545	0.5973	0.6187	0.6031	0.5582	0.5441	0.5178
0.1174	0.1318	0.1396	0.1370	0.1275	0.1192	0.1008
0.1543	0.1732	0.1835	0.1801	0.1676	0.1587	0.1526
0.5545	0.5973	0.6187	0.6031	0.5582	0.5441	0.5178
0.4948	0.4917	0.4239	0.5054	0.4889	0.4744	0.4683
0.9212	1.0190	1.0652	1.0556	0.9971	0.9663	0.9448
0.0139	0.0153	0.0161	0.0160	0.0152	0.0148	0.0143
0.2903	0.3225	0.3400	0.3367	0.3153	0.3056	0.2968
4.6430	5.4481	5.5749	5.5167	5.1727	4.8967	4.7555
2.3008	2.5376	2.6731	2.6293	2.4677	2.3770	2.3136
0.2681	0.2956	0.2975	0.2786	0.2626	0.2431	0.2317
10.1222	11.4196	11.7269	11.6366	10.9266	10.4220	10.1059
5.48%	5.23%	5.28%	5.18%	5.11%	5.22%	5.12%
10.0131	11.2942	11.5918	11.5042	10.8074	10.3165	10.0229
5.54%	5.29%	5.34%	5.24%	5.16%	5.27%	5.17%

**CITY OF WEST CHICAGO, ILLINOIS**

**Principal Property Tax Payers - Current Fiscal Year and Nine Fiscal Years Ago  
December 31, 2018 (Unaudited)**

	2018			2009		
	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	\$ 13,842,570	1	2.11%	\$ 18,618,700	1	2.39%
Colfin Cobalt II	8,974,670	2	1.37%	10,795,180	3	1.38%
Cabot IV LLC	8,707,070	3	1.33%			
DS Containers	7,833,330	4	1.20%			
Northridge Holdings LTD	7,508,090	5	1.15%	6,648,670	4	0.85%
Stag Industrial Holdings	5,845,980	6	0.89%			0.00%
Mapei	5,752,720	7	0.88%			
La Grou Properties	4,730,000	8	0.72%	5,721,610	5	0.73%
Aspen Ridge, LLC	4,070,140	9	0.62%	4,638,330	7	0.59%
Riverwoods West Chicago	3,811,240	10	0.58%	4,638,330	8	0.59%
Dividend Capital Op				11,681,230	2	1.50%
International Truck & Engine				5,124,210	6	0.66%
General Mills				4,000,000	9	0.51%
Menards				3,871,990	10	0.50%
	<u>\$ 71,075,810</u>		<u>10.84%</u>	<u>\$ 75,738,250</u>		<u>9.70%</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, 2018 (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
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%
2014	3,458,444	3,453,211	99.85%	N/A	3,453,211	99.85%
2015	3,458,315	3,450,239	99.77%	N/A	3,450,239	99.77%
2016	3,460,067	3,455,985	99.88%	N/A	3,455,985	99.88%
2017	3,568,729	3,563,021	99.84%	N/A	3,563,021	99.84%

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, 2018 (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			
12/31/2009	\$ 845,000	\$ 8,752,286	\$ 16,240,000	\$ 25,837,286	4.17%	\$ 963
12/31/2010	-	8,267,267	15,295,000	23,562,267	3.40%	870
12/31/2011	-	7,769,704	-	7,769,704	0.91%	287
12/31/2012	-	7,259,271	-	7,259,271	1.09%	268
12/31/2013	-	6,735,635	-	6,735,635	0.89%	249
12/31/2014	-	6,198,456	-	6,198,456	0.88%	229
12/31/2015	-	5,647,382	-	5,647,382	0.82%	208
12/31/2016	-	5,082,055	-	5,082,055	0.75%	188
12/31/2017	-	4,502,105	-	4,502,105	0.64%	166
12/31/2018	-	3,907,155	-	3,907,155	0.55%	144

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, 2018 (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)
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%	-
12/31/2015	-	-	-	0.00%	-
12/31/2016	-	-	-	0.00%	-
12/31/2017	-	-	-	0.00%	-
12/31/2018	-	-	-	0.00%	-

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, 2018 (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	186,444,944	1.71%	3,188,209
Forest Preserve District	127,639,000	1.71%	2,182,627
West Chicago Park District	26,823,697	72.70%	19,500,828
Winfield Park District	1,539,952	27.97%	430,725
School District #25	3,276,192	22.52%	737,798
School District #33	32,275,000	64.65%	20,865,788
School District #94	8,960,000	47.44%	4,250,624
U-46 School District	260,203,433	0.84%	2,185,709
U-303 School District	43,135,000	74.64%	32,195,964
Community College District #502	151,525,000	1.42%	2,151,655
Community College District #509	173,388,754	9.89%	17,148,148
<b>Total Overlapping Debt</b>	<b>1,015,210,972</b>		<b>104,838,073</b>
<b>Total Direct and Overlapping Debt</b>	<b>\$ 1,015,210,972</b>		<b>\$ 104,838,073</b>

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, 2018 (Unaudited)**

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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, 2018 (Unaudited)**

Fiscal Year Ended	(1) Revenues	(2) Expenses	(3) Net Revenue Available for Debt Service	(4) Debt Service		(5) Coverage
				Principal	Interest	
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	-	-	-
12/31/2015	10,626,728	9,704,717	922,011	-	-	-
12/31/2016	11,938,343	11,023,837	914,506	-	-	-
12/31/2017	11,029,165	9,558,809	1,470,356	-	-	-
12/31/2018	4,871,550	10,834,817	(5,963,267)	-	-	-

(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, 2018 (Unaudited)**

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Fiscal Year Ended	(1) Population	(2) Personal Income	Per Capita Personal Income	(1) Median Age	School Enrollment	(2) Unemployment Rate
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
12/31/2015	27,086	692,182,730	25,555	30.1	8,005	5.4
12/31/2016	27,086	681,104,556	25,146	31.6	8,390	6.4
12/31/2017	27,086	706,998,772	26,102	33.2	8,301	4.3
12/31/2018	27,086	706,782,084	26,094	33.0	8,350	3.0

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, 2018 (Unaudited)**

Employer	2018			2009		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Jel Sert	900	1	6.44%	1,000	1	7.77%
West Chicago Elementary School District	612	2	4.38%	632	2	4.91%
Aspen Marketing Services	543	3	3.89%	281	6	2.18%
Ball Horticultural	450	4	3.22%	434	4	3.37%
Mapei Corporation	285	5	2.04%	190	12	1.48%
Innocor Corporation	250	6	1.79%			
Community High School District 94	244	7	1.75%	257	8	2.00%
WinCup	205	8	1.47%	212	10	1.65%
OSI Industries LLC	200	9	1.43%			
Wise Plastics Technologies, Inc	150	10	1.07%			
In The Swim	150	11	1.07%			
St. Andrews Golf & Country Club	150	12	1.07%	160	15	1.24%
Menards	150	13	1.07%			
General Mills				510	3	3.96%
Siemens Energy				306	5	2.38%
Buck Services				260	7	2.02%
Otto & Sons				230	9	1.79%
Turtle Splash				200	11	1.55%
Express Packaging				175	13	1.36%
Pella Windows Doors				175	14	1.36%
	<u>4,289</u>		<u>30.69%</u>	<u>5,022</u>		<u>39.02%</u>

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

**CITY OF WEST CHICAGO, ILLINOIS**

**Full-Time Equivalent City Government Employees by Function - Last Ten Fiscal Years  
December 31, 2018 (Unaudited)**

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**See Following Page**

**CITY OF WEST CHICAGO, ILLINOIS**

**Full-Time Equivalent City Government Employees by Function - Last Ten Fiscal Years  
December 31, 2018 (Unaudited)**

Function	Fiscal Year Ended 12/31/2009	Fiscal Year Ended 12/31/2010	Fiscal Year Ended 12/31/2011
General Government			
Administration	2.25	2.25	1.13
Finance/Administrative Services	8.00	8.00	5.00
Museum/Marketing	1.75	1.75	0.50
Public Works	23.00	23.00	11.74
Police	48.00	48.00	47.00
Community Development	6.00	6.00	5.50
Water and Sewer	20.00	20.00	37.50
Commuter Parking Lot	1.00	1.00	0.38
Totals	110.00	110.00	108.75

Data Source: City Records

Fiscal Year Ended 12/31/2012	Fiscal Year Ended 12/31/2013	Fiscal Year Ended 12/31/2014	Fiscal Year Ended 12/31/2015	Fiscal Year Ended 12/31/2016	Fiscal Year Ended 12/31/2017	Fiscal Year Ended 12/31/2018
1.13	1.00	1.00	1.00	1.00	1.50	1.50
5.00	4.76	4.13	4.13	4.13	4.13	4.13
0.50	0.50	0.50	0.50	0.25	0.25	0.25
11.74	10.57	11.51	11.51	11.19	11.19	11.19
49.00	49.00	49.00	49.00	52.50	53.00	51.00
5.00	3.50	3.50	3.50	3.75	4.75	4.75
37.50	34.47	35.00	35.43	33.65	39.34	38.12
0.38	0.25	0.25	0.25	0.25	0.25	0.25
110.25	104.05	104.89	105.32	106.72	114.41	111.19

**CITY OF WEST CHICAGO, ILLINOIS**

**Operating Indicators by Function/Program - Last Ten Fiscal Years  
December 31, 2018 (Unaudited)**

Function/Program	Fiscal Year Ended 12/31/2009	Fiscal Year Ended 12/31/2010	Fiscal Year Ended 12/31/2011
<b>Public Works</b>			
Number of Parkway Trees Planted	140	150	85
Number of Parkway Trees Trimmed	1,087	1,087	1,458
Brush Pickup Program (Days to Collect)	4.0	4.5	4.0
Building Safety Inspections	12	12	12
Tunnel - Paint and Light Lens Replacements	30	29	22
Special Events Handled	6	10	3
<b>Public Safety</b>			
<b>Fire</b>			
Number of Fire Calls	1,159	1,146	1,279
Number of EMS Calls	1,826	1,821	1,629
ISO Rating	3/3	3/3	3/3
<b>Police</b>			
Part I Crime	509	438	374
Part II Crime	3,009	2,342	2,402
Calls for Service	38,828	37,407	38,910
Parking Tickets Issued	4,294	3,728	3,376
<b>Community Development</b>			
Number of Building Permits Issued	882	1,097	954
Number of Building Inspections	881	753	1,116
<b>Highways and Streets</b>			
Sidewalk Replaced (Sq. Ft.)	13,195	10,935	9,849
Crack Sealing (Lbs. Installed)	26,520	14,983	37,320
Tons of Salt Used	3,000	3,577	3,000
<b>Water and Sewer</b>			
Number of metered accounts	6,438	6,437	6,430
Water Meters Read	38,700	38,700	38,580
Water Meter Service Requests	90	103	92
Water Meters Replaced	80	117	41
Average Daily Treated Water (Million Gallons)	3.37	3.28	3.00
Sanitary Sewer Repairs	2	3	2

Data Source: City Records

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

Fiscal Year Ended 12/31/2012	Fiscal Year Ended 12/31/2013	Fiscal Year Ended 12/31/2014	Fiscal Year Ended 12/31/2015	Fiscal Year Ended 12/31/2016	Fiscal Year Ended 12/31/2017	Fiscal Year Ended 12/31/2018
300	373	130	170	135	106	110
1,287	2,336	1,944	2,459	2,430	2,958	2,566
4.0	4.0	4.8	6.0	5.5	4.8	4.7
12	12	12	12	12	12	12
42	12	-	10	6	5	6
4	6	4	3	4	22	19
1,238	1,015	1,122	1,130	1,095	1,113	1,238
1,629	1,804	1,778	1,934	2,073	2,134	2,339
3/3	3/3	3/3	3/3	4	2	2
379	424	373	383	329	342	265
1,393	1,066	1,521	1,315	1,427	1,456	1,589
38,509	33,867	31,053	34,028	44,087	42,780	40,713
2,888	2,771	3,413	3,049	3,780	3,026	3,094
1,199	899	790	990	1,155	1,044	1,352
1,049	1,134	899	962	882	1,056	1,211
10,000	18,207	8,742	12,500	11,142	1,884	12,545
36,429	21,480	35,518	42,240	32,000	35,360	27,330
2,800	3,250	3,180	3,210	2,500	2,050	2,270
6,432	6,435	6,428	6,471	6,452	6,450	6,455
35,000	34,000	2,500	9,911	152	29	-
70	50	75	61	1,471	1,252	961
30	4,305	3,000	39	75	50	35
3.45	3.42	3.36	3.45	3.54	3.42	3.66
1	2	2	1	2	4	4

**CITY OF WEST CHICAGO, ILLINOIS**

**Capital Asset Statistics by Function/Program - Last Ten Fiscal Years  
December 31, 2018 (Unaudited)**

Function/Program	Fiscal Year Ended 12/31/2009	Fiscal Year Ended 12/31/2010	Fiscal Year Ended 12/31/2011
Police			
Stations	1	1	1
Patrol Units	28	28	27
Fire Stations	3	3	4
Public Works			
Streets (Miles)	169.71	167.20	167.20
Sidewalks (Miles)	104.05	108.38	111.18
Streetlights	964	964	964
Water and Sewer			
Water Mains (Miles)	123.00	125.33	127.38
Fire Hydrants	1,482	1,483	1,518
Sanitary Sewers (Miles)	105.60	105.60	106.19
Manholes	2,176	2,186	2,202

Data Source: City Records

Fiscal Year Ended 12/31/2012	Fiscal Year Ended 12/31/2013	Fiscal Year Ended 12/31/2014	Fiscal Year Ended 12/31/2015	Fiscal Year Ended 12/31/2016	Fiscal Year Ended 12/31/2017	Fiscal Year Ended 12/31/2018
1	1	1	1	1	1	1
27	27	27	26	26	26	26
4	4	4	4	4	4	4
174.18	174.18	174.18	174.06	174.06	174.06	174.21
111.00	111.00	111.00	111.00	111.03	111.03	111.38
961	961	961	1046	1168	1168	1168
127.99	127.99	127.99	128.87	128.87	129.64	129.90
1,528	1,528	1,528	1,537	1,537	1,551	1,555
106.34	106.34	106.34	106.43	106.43	106.43	106.60
2,211	2,211	2,211	2,213	2,213	2,213	2,217