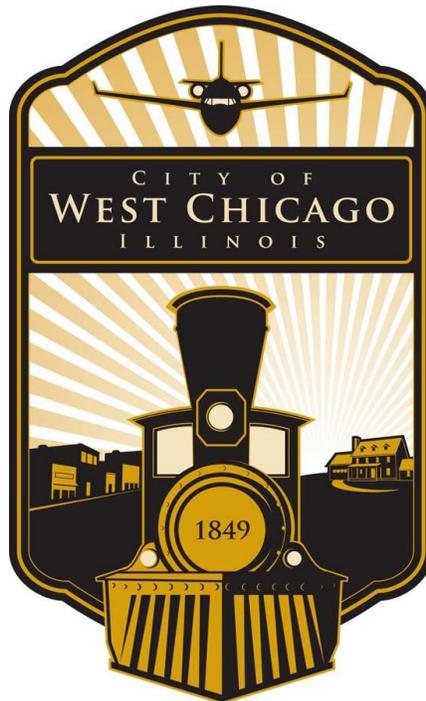


CITY OF WEST CHICAGO, ILLINOIS

COMPREHENSIVE ANNUAL FINANCIAL REPORT



FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2015

CITY OF WEST CHICAGO, ILLINOIS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2015

Prepared by

Linda Martin
Director of Administrative Services

CITY OF WEST CHICAGO, ILLINOIS

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CITY OF WEST CHICAGO, ILLINOIS

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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, 2015

LEGISLATIVE

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

ALDERMEN

James Beifuss

John C. Smith, Jr.

Lori Chassee

Donald Earley

Sandra Dimas

Laura Grodoski

Noreen Ligino-Kubinski

Jayne Sheahan

Kurt Meissner

Mark Edwalds

Melissa Ferguson

John F. Banas

Alton Hallett

Rebecca Stout

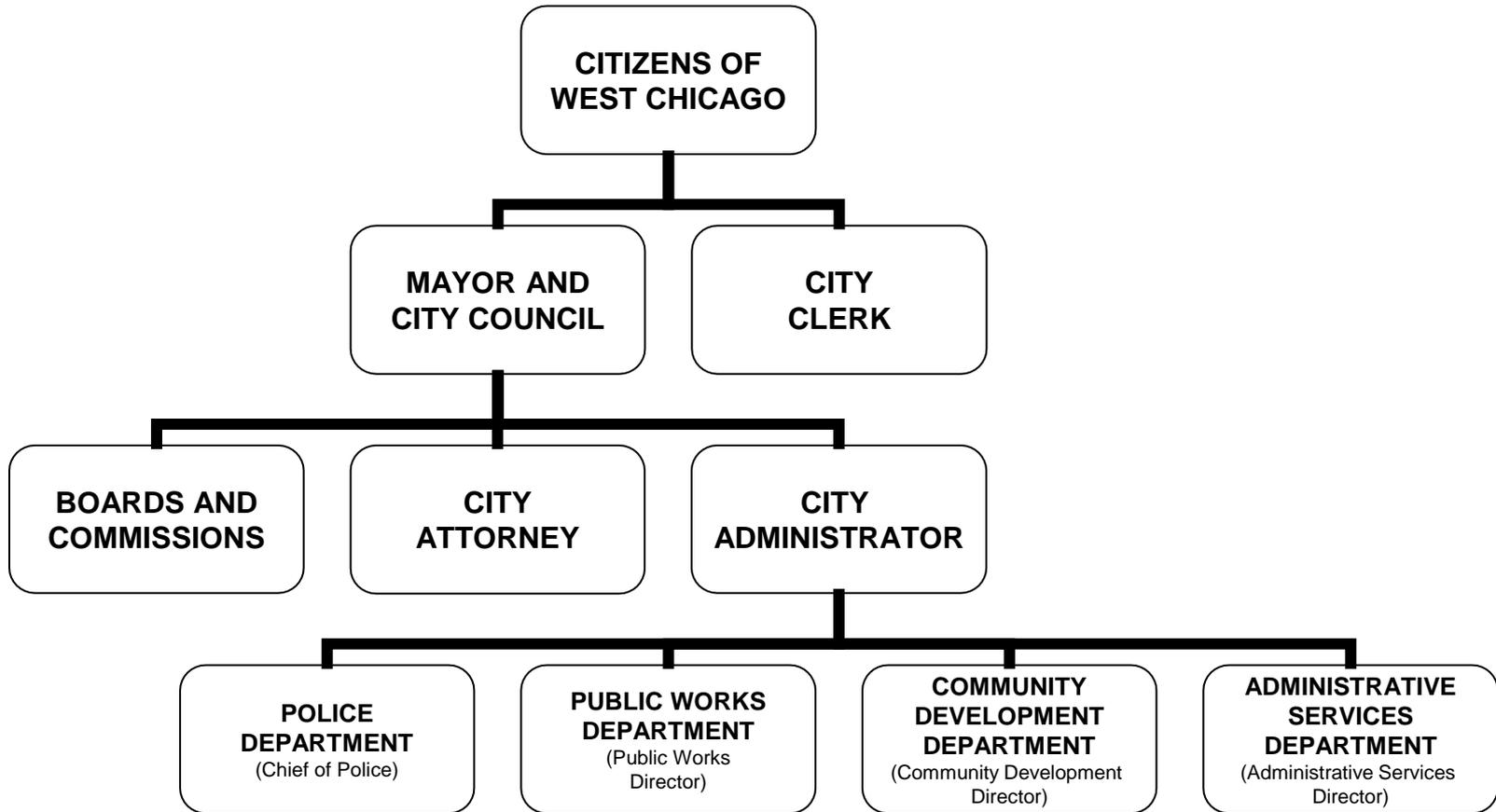
ADMINISTRATIVE

City Administrator: Michael L. Guttman

ADMINISTRATIVE SERVICES

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

CITY OF WEST CHICAGO ORGANIZATIONAL CHART



CITY OF WEST CHICAGO

WHERE HISTORY & PROGRESS MEET

May 27, 2016

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, 2015, is hereby submitted as mandated by local ordinances and state statutes. These ordinances and statutes require that the City issue a report on its financial position and activity following the end of a fiscal period, and that this report be audited by an independent accounting firm of certified public accountants.

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

The City's financial statements have been audited by Lauterbach and Amen, LLP, a firm of licensed certified public accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements of the City of West Chicago for the fiscal period ended December 31, 2015, are free of material misstatement. The auditors' report is presented as the first component of the financial section of this report.

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

PROFILE OF THE CITY OF WEST CHICAGO

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

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

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

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

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

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

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

MAJOR INITIATIVES

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

- Commemorated a milestone event when the final rail car carrying the last remnants of thorium waste from the West Washington Street Redevelopment Area pulled out of West Chicago, demonstrating the collective effort and determination of many individuals, as well as local, county, state and federal representatives committed to the restoration of the City over the last several decades. This effort enabled the City to move forward to remediate the contaminants within the balance of the Redevelopment Area as well as begin to plan for recreational amenities on the REF site.
- The development of the first ever City-wide Strategic Plan advanced during many months of community outreach which engaged hundreds of residents and stakeholders in the community with forums, interviews and roundtables designed to encourage public participation and guide the planning process in partnership with the Strategic Plan Advisory Committee.
- Healthy West Chicago, a City-wide initiative focusing on the health and wellness of the community, recognized the completion of the Healthy West Chicago Action Plan, formed new alliances with the American Cancer Society and American Heart Association and also initiated a search for a Program Director to further promote and encourage a healthier West Chicago and to make the healthy choice the easy choice.
- A number of operational improvements occurred within the Police Department, including the elimination of the Deputy Chief position, changing a Commander position to a civilian Management Analyst position, moving an undercover officer position from the DuPage County Sheriff's Office to Homeland Security, and requiring officers to stay within a beat on any given shift to improve patrol and accountability.

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, 2015. The City maintains operating reserves that may be utilized during economic downturns and other unexpected circumstances. The systematic use of reserves helps to smooth the City’s expenditure patterns and minimize fluctuations in the level of services provided and maintained.

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

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

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

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

Financial Policies

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

The City Council, committed to alleviating the financial burden on residents and businesses, implemented no new tax or fees during the year; also the provision within the City Code which had provided for an automatic annual increase of various business licenses and liquor licenses has been eliminated. Furthermore, the approved property tax levy remained the same for the fourth consecutive year.

The City Council authorized the participation in a collaborative formed to obtain alternative pricing from third party electric suppliers and approved the execution of a two year contract for the supply of electricity to the City's Water Treatment Plant, all Well Stations and Sanitary Lift Stations to recognize considerable savings when compared to the original electric supplier.

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. In 2015, the Alta Vista Rehabilitation Project, the George Street Underpass Project, the Wood Street Reconstruction Project and the Main Street Tunnel Improvement Project were all completed.

Finally, the City Council took a key interest in the operations of the Police Pension Fund Board, noting underperforming investment returns and improper operations. In the end, the Board has new leadership, a new actuary, a new investment manager and a new attorney, all of which should lead to adherence to all laws applicable to it and improved investments, alleviating the taxpayers from having to pay more than they should for police pension.

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, 2014. This was the sixteenth consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the City must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. This report can be viewed on the City's website at www.westchicago.org. A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another Certificate.

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

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

Respectfully submitted,

A handwritten signature in black ink, appearing to be 'Linda M. Martin', written in a cursive style.

Linda M. Martin
Director of Administrative Services

A handwritten signature in black ink, appearing to be 'Nikki T. Giles', written in a cursive style.

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, 2014

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

INDEPENDENT AUDITORS' REPORT



INDEPENDENT AUDITORS' REPORT

May 27, 2016

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, 2015, 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 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, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of West Chicago, Illinois' basic financial statements. The introductory section, combining and individual fund financial statements and budgetary comparison schedules, supplemental schedule, and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements.

The combining and individual fund financial statements and budgetary comparison schedules and supplemental schedule are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and budgetary comparison schedules and supplemental schedule 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

MANAGEMENT'S DISCUSSION AND ANALYSIS

CITY OF WEST CHICAGO, ILLINOIS

Management's Discussion and Analysis December 31, 2015

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, 2015. Please read it in conjunction with the transmittal letter, which begins on page iii and the City of West Chicago's financial statements, which begin on page 3.

FINANCIAL HIGHLIGHTS

- The City's net position decreased as a result of this year's operations. Net position of business-type activities increased by \$640,896, or 0.6 percent, while net position of the governmental activities decreased by \$4,051,315 or 7.5 percent.
- During the year, government-wide revenues before transfers for the primary government totaled \$34,774,972, while expenses totaled \$38,185,391, resulting in a decrease to net position of \$3,410,419.
- The City of West Chicago's net position totaled \$157,172,249 at December 31, 2015, which includes \$159,390,345 net investment in capital assets, \$4,394,055 subject to external restrictions, and \$6,612,151 unrestricted deficit net position that may be used to meet the ongoing obligations to citizens and creditors.
- The General Fund reported a surplus this year of \$427,512, resulting in an ending fund balance of \$13,885,898, an increase of 3.2 percent.

USING THIS REPORT

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (on pages 3 - 6) provide information about the activities of the City of West Chicago as a whole and present a longer-term view of the City's finances. Fund financial statements begin on page 8. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the City's operations in more detail than the government-wide statements by providing information about the City of West Chicago's most significant funds. The remaining statements provide financial information about activities for which the City acts solely as a trustee or agent for the benefit of those outside of the government.

CITY OF WEST CHICAGO, ILLINOIS

Management's Discussion and Analysis December 31, 2015

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 3 - 6 of this report.

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

The Statement of Activities presents information showing how the government's net position changed during the most recent fiscal period. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City of West Chicago that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City of West Chicago include general government, public safety and culture and recreation. The business-type activities of the City of West Chicago include waterworks, sewerage and commuter parking operations.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of West Chicago, like other local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

CITY OF WEST CHICAGO, ILLINOIS

Management's Discussion and Analysis December 31, 2015

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 7 - 12 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, 2015

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 13 - 16 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 17 - 18 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 19 - 57 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City of West Chicago's Illinois Municipal Retirement Fund (I.M.R.F.), Police Pension Fund, and other post-employment benefits obligations, as well as budgetary comparison schedules for the General Fund and any major special revenue funds. Required supplementary information can be found on pages 58 - 66 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 67 - 96 of this report.

CITY OF WEST CHICAGO, ILLINOIS

**Management’s Discussion and Analysis
December 31, 2015**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of a government’s financial position. The following tables show that in the case of the City of West Chicago, assets exceeded liabilities/deferred inflows by \$157,172,249.

	Net Position					
	Governmental		Business-type		Total	
	Activities	Activities	Activities	Activities	2015	2014
	2015	2014	2015	2014	2015	2014
Current Assets	\$ 27,028,008	27,534,581	9,092,597	8,649,791	36,120,605	36,184,372
Capital Assets	55,619,533	55,050,037	109,418,194	108,403,029	165,037,727	163,453,066
Deferred Outflows	10,971,202	-	-	-	10,971,202	163,453,067
Total Assets/Deferred Outflows	93,618,743	82,584,618	118,510,791	117,052,820	212,129,534	363,090,505
Current Liabilities	2,535,039	2,941,450	4,677,970	4,258,359	7,213,009	11,574,162
Noncurrent Liabilities	36,842,731	4,326,169	6,519,984	5,763,841	43,362,715	10,090,010
Deferred Inflows	4,381,561	4,374,353	-	-	4,381,561	10,090,011
Total Liabilities/Deferred Inflows	43,759,331	11,641,972	11,197,954	10,022,200	54,957,285	31,754,183
Net Position						
Net Investment in Capital Assets	55,619,533	55,050,037	103,770,812	102,204,573	159,390,345	157,254,610
Restricted	3,305,503	3,218,725	1,088,552	1,040,810	4,394,055	4,259,535
Unrestricted	(9,065,624)	12,673,884	2,453,473	3,785,237	(6,612,151)	16,459,121
Total Net Position	49,859,412	70,942,646	107,312,837	107,030,620	157,172,249	177,973,266

A large portion of the City’s net position, \$159,390,345, reflects its investment in capital assets (i.e., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City’s investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion, \$4,394,055, 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 \$6,612,151 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, 2015**

GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

	Changes in Net Position					
	Governmental		Business-Type		Total	
	2015	2014	2015	2014	2015	2014
Revenues						
Program Revenues						
Charges for Services	\$ 4,588,370	3,985,125	10,489,803	11,048,937	15,078,173	15,034,062
Operating Grants/Contrib.	19,280	51,746	-	-	19,280	51,746
Capital Grants/Contrib.	688,950	930,849	1,051,704	-	1,740,654	930,849
General Revenues						
Property Taxes	4,436,897	4,492,371	8,604	8,888	4,445,501	4,501,259
Other Taxes	961,256	1,033,012	-	-	961,256	1,033,012
Sales and Use Taxes	4,855,454	5,476,959	1,201,919	1,153,993	6,057,373	6,630,952
Income Taxes	2,882,037	2,593,317	-	-	2,882,037	2,593,317
Replacement Taxes	187,625	170,517	-	-	187,625	170,517
Other	2,029,538	2,111,109	-	-	2,029,538	2,111,109
Interest Income	3,522	(7,465)	1,175	4,654	4,697	(2,811)
Miscellaneous	1,102,056	1,607,960	266,782	544,194	1,368,838	2,152,154
Total Revenues	21,754,985	22,445,500	13,019,987	12,760,666	34,774,972	35,206,166
Expenses						
General Government	13,280,738	11,058,516	-	-	13,280,738	11,058,516
Public Safety	12,524,954	9,701,162	-	-	12,524,954	9,701,162
Highway and Streets	-	1,955,626	-	-	-	1,955,626
Culture and Recreation	-	12,592	-	-	-	12,592
Interest on Long-Term Debt	608	1,195	-	-	608	1,195
Waterworks	-	-	6,211,353	5,812,503	6,211,353	5,812,503
Sewerage	-	-	6,075,753	5,888,300	6,075,753	5,888,300
Commuter Parking	-	-	91,985	140,431	91,985	140,431
Total Expenses	25,806,300	22,729,091	12,379,091	11,841,234	38,185,391	34,570,325
Change in Net Position	(4,051,315)	(283,591)	640,896	919,432	(3,410,419)	635,841
Net Position-Beginning as Restated*	53,910,727	71,226,237	106,671,941	106,111,188	160,582,668	177,337,425
Net Position-Ending	49,859,412	70,942,646	107,312,837	107,030,620	157,172,249	177,973,266

*Beginning net position in the governmental activities and business-type activities was restated due to the implementation of GASB Statement No. 68.

CITY OF WEST CHICAGO, ILLINOIS

Management's Discussion and Analysis December 31, 2015

GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

Net position of the City of West Chicago's governmental activities decreased 7.5 percent (\$49,859,412 at December 31, 2015, compared to \$53,910,727 at December 31, 2014 as restated). Unrestricted net position, the part of net position that can be used to finance day-to-day operations without constraints, totaled a deficit of \$9,065,624 at December 31, 2015. Net position decreased due to increases in non-current liabilities of \$32,516,562, due primarily to increases in net pension and other post-employment benefit obligations.

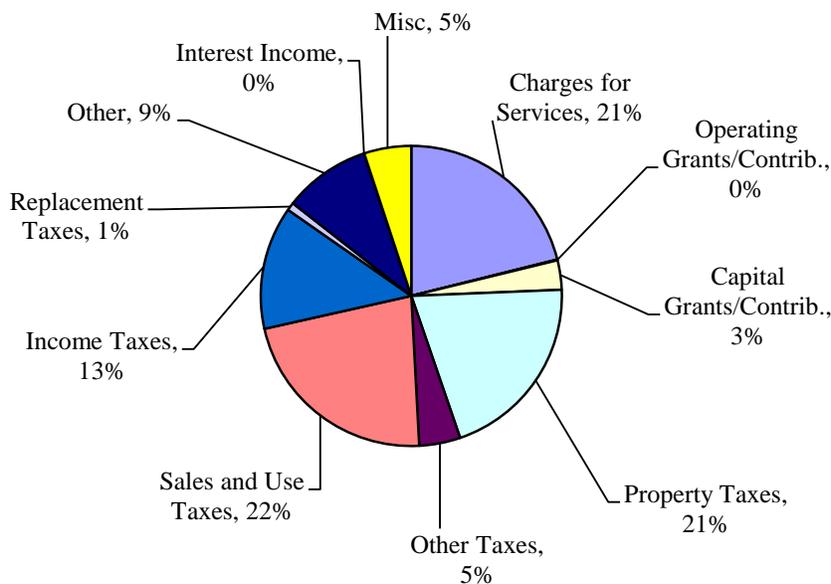
Net position of business-type activities increased 0.60 of a percent (\$107,312,837 at December 31, 2015 compared to \$106,671,941 at December 31, 2014 as restated). A deficit of \$48,392 in the Sewer Fund was offset by surpluses of \$641,637 in the Waterworks Fund and \$47,651 in the Commuter Parking Fund.

Governmental Activities

Revenues for governmental activities totaled \$21,754,985 while the cost of all governmental functions totaled \$25,806,300. This results in a net position draw down of \$4,051,315 at December 31, 2015. At December 31, 2014, revenues for governmental activities totaled \$22,445,500, while the cost of all governmental functions totaled \$22,729,091, which resulted in a drawdown of \$283,591. Revenues for operating and capital grants and other tax revenues decreased \$274,365 and \$71,756, 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



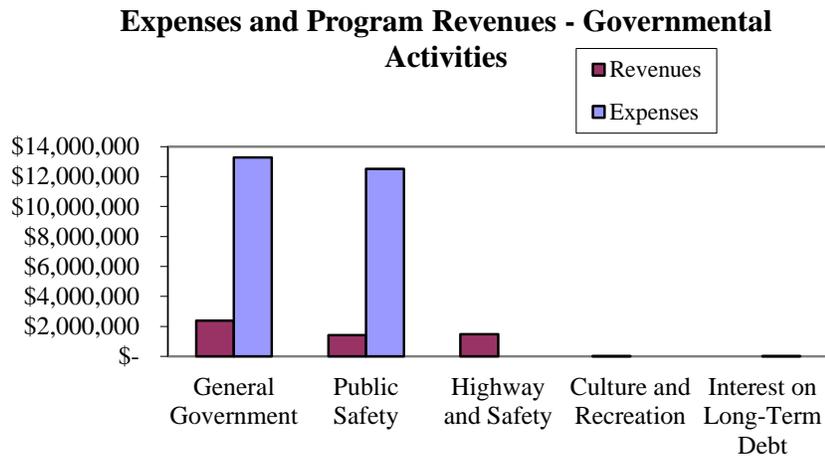
CITY OF WEST CHICAGO, ILLINOIS

**Management’s Discussion and Analysis
December 31, 2015**

GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

Governmental Activities – Continued

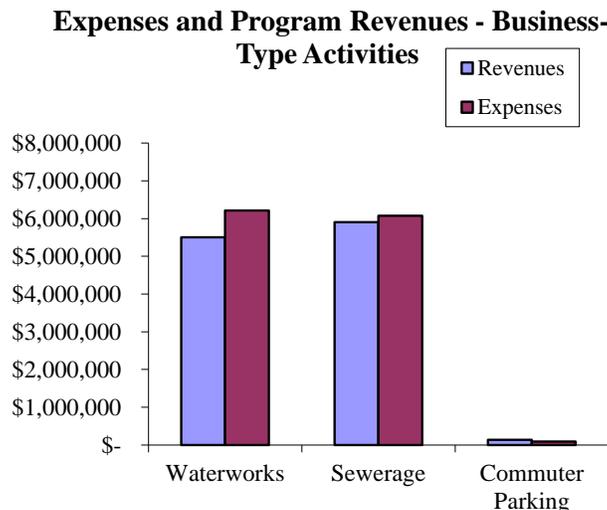
The ‘Expenses and Program Revenues’ Chart identifies those governmental functions where program expenses greatly exceed revenues. These expenses and revenues do not include the major revenue sources, such as property taxes, sales and use taxes and income taxes, described earlier. The Statement of Activities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



Business-Type Activities

Business-Type activities posted total revenues of \$13,019,987, while the cost of all business-type activities totaled \$12,379,091. This results in a net position increase of \$640,896. At December 31, 2014, revenues of \$12,760,666 were greater than expenses of \$11,841,234, resulting in an increase of \$919,432.

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



CITY OF WEST CHICAGO, ILLINOIS

Management's Discussion and Analysis December 31, 2015

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, 2015, the City's governmental funds reported combined ending fund balances of \$20,364,484, which is a decrease of \$104,431 from last year's total of \$20,468,915. Of the \$20,364,484 total, \$12,302,595, or 60.4 percent, of the fund balance constitutes unassigned fund balance, while \$749,803, or 3.7 percent, is designated as nonspendable. Of the remaining \$7,312,086, or 35.9 percent, \$3,305,503, or 16.2 percent, has been classified as restricted funds, and \$4,006,583, or 19.7 percent, has been classified as assigned funds.

The General Fund is the chief operating fund of the City. The General Fund reported a surplus change in fund balance for the fiscal year of \$427,512, an increase of 3.2 percent. This was due in part to tax and intergovernmental revenue, as well as charges for services, exceeding projections. Overall, budgeted expenditures totaled \$17,882,500 while actual expenditures totaled \$16,598,710. These variances are further outlined on the General Fund Schedule of Revenues, Expenditures and Changes in Fund Balance.

The Public Benefit Fund is used to account for the accumulation of funds from Kerr McGee to fund projects that meet the criteria established by the City Council and as detailed in the City Code. The Public Benefit Fund reported a surplus change in fund balance for the fiscal year of \$734, a result of interest earning activity.

The TIF Special Tax Allocation #1 Fund reported an increase of \$82,020 for the year, the majority of which resulted from actual revenues totaling \$949,717 and actual expenditures totaling \$867,697, which was \$372,503 less than expenditures budgeted. The fund balance of \$793,370 will be used for ongoing projects and prospective development.

The Capital Improvement Fund reported a decrease of \$571,139 for the year, which resulted from actual expenditures of \$3,531,286 exceeding actual revenues totaling \$2,960,147, which was \$1,161,853 less than budgeted revenues.

CITY OF WEST CHICAGO, ILLINOIS

Management's Discussion and Analysis December 31, 2015

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS – Continued

Proprietary Funds

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

The City reports the Waterworks Fund and the Sewerage Funds as two major proprietary funds. The Waterworks Fund accounts for all of the operations of the municipal water plant and distribution system while the Sewerage Fund accounts for all of the operations of the municipal sewer plant and collection system. Water is sold to municipal customers at a rate of \$3.88 per one thousand gallons of water (\$2.90 per one hundred cubic feet for water) and a rate of \$5.61 per one thousand gallons of sewer (\$4.20 per one hundred cubic feet for sewer). The variance between the cost of operations and the rates charged to customers is intended to finance the debt and infrastructure of the utility system, including labor costs, supplies, infrastructure maintenance and future infrastructure improvements. The Commuter Parking Fund is recorded as a nonmajor fund.

Each year, the City of West Chicago projects the user rates charged to be sufficient that the funds operate at a breakeven level, including amortization of future capital costs. Periodically, there will be an annual surplus or decrease due to the timing of capital projects. The increase in net position in the Waterworks Fund during the fiscal year was \$641,637, while the increase in the previous fiscal year was \$646,185.

The Sewerage Fund experienced a decrease in net position of \$48,392, while the previous fiscal year reported an increase of \$276,529. The Commuter Parking Fund had an increase in net position for the fiscal year of \$47,651 while there was a decrease in the previous fiscal year of \$3,282. Total net position in the Proprietary Funds was \$107,312,837 (net investment in capital assets, restricted, and unrestricted) at December 31, 2015.

GENERAL FUND BUDGETARY HIGHLIGHTS

The City of West Chicago Council made two budget amendments to the General Fund during the fiscal year, to amend budgeted expenditures only. General Fund actual revenues for the year totaled \$17,026,222 compared to budgeted revenues of \$15,611,000. There were better than anticipated actual results for property, sales, income and use taxes.

Original budgeted expenditures of \$17,515,900 were increased \$366,600 for the purchase of rock salt, emergency replacement of a fueling station, fueling station software and legal fees. The General Fund actual expenditures for the year were \$1,283,790 lower than budgeted (\$16,598,710 actual compared to \$17,882,500 final budgeted). The general government's actual expenditures were lower than budgeted expenditures by \$727,204 due to overall cost controlling measures.

CITY OF WEST CHICAGO, ILLINOIS

Management's Discussion and Analysis December 31, 2015

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, 2015 was \$165,037,727 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, vehicles and equipment and infrastructure.

	Capital Assets - Net of Depreciation					
	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Land	\$ 19,864,898	19,864,898	28,649,611	28,664,505	48,514,509	48,529,403
Construction in Progress	-	307,385	9,457,877	7,058,514	9,457,877	7,365,899
Land Improvements	921,908	637,734	677,978	725,528	1,599,886	1,363,262
Buildings and Improvements	1,444,453	1,477,254	17,692,402	18,484,645	19,136,855	19,961,899
Machinery and Equipment	1,426,443	1,448,265	4,575,468	4,973,222	6,001,911	6,421,487
Infrastructure	31,961,831	31,314,501	48,364,858	48,496,615	80,326,689	79,811,116
Total	55,619,533	55,050,037	109,418,194	108,403,029	165,037,727	163,453,066

This year's major additions included:

Infrastructure	\$ 3,095,895
Construction in Progress	<u>2,399,363</u>
	<u>5,495,258</u>

For the year ending December 31, 2016 the capital budget includes \$3.1 million for capital projects, principally for various infrastructure improvements.

Additional information on the City of West Chicago's capital assets can be found in note 3 on pages 35 - 36 of this report.

CITY OF WEST CHICAGO, ILLINOIS

Management's Discussion and Analysis December 31, 2015

CAPITAL ASSETS AND DEBT ADMINISTRATION – Continued

Debt Administration

At December 31, 2015, the City of West Chicago had total outstanding debt of \$5,647,382 as compared to \$6,198,456 at December 31, 2014, a decrease of \$551,074. The following is a comparative statement of outstanding debt:

	Long-Term Debt Outstanding					
	Governmental		Business-type		Total	
	Activities	Activities	Activities	Activities	2015	2014
	2015	2014	2015	2014	2015	2014
IEPA Revolving Loan	\$ -	-	5,647,382	6,198,456	5,647,382	6,198,456

Chapter 65, Section 5/8-5-1 of the Illinois Compiled Statutes governs computation of the legal debt margin. The City is a home rule municipality and to date, the Illinois General Assembly has set no limits for home rule municipalities. Additional information on the City of West Chicago long-term debt can be found in Note 3 on pages 38 - 40 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The City of West Chicago's elected and appointed officials considered many factors when setting the fiscal year 2016 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, 2015, for DuPage County was 5.4 percent and the state and national unemployment rates were 6.1 and 5.0 percent, respectively.

Amounts available for appropriation in the General Fund budget are \$17.7 million, a decrease of 1.2 percent from the final 2015 budget of \$17.9 million. The City of West Chicago has budgeted increases in sales tax and income tax earnings of approximately 2.8 percent and 6.7 percent, respectively. The City of West Chicago's major initiatives in the 2016 budget include installation of a generator for Well #3, replacement of the filtration system at the Wastewater Treatment Plant, the replacement of the force main at Lift Station #5 and the A. Eugene Rennels Bridge maintenance project. 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, 2015**

See Following Page

CITY OF WEST CHICAGO, ILLINOIS

**Statement of Net Position
December 31, 2015**

	Governmental Activities	Business- Type Activities	Totals
ASSETS			
Current Assets			
Cash and Investments	\$ 10,089,301	\$ -	\$ 10,089,301
Receivables - Net of Allowances	7,294,120	16,622,175	23,916,295
Internal Balances	8,894,784	(8,894,784)	-
Prepaid Items/Inventories	749,803	72,999	822,802
Restricted Cash and Investments	-	619,151	619,151
Total Current Assets	27,028,008	8,419,541	35,447,549
Capital Assets			
Nondepreciable	19,864,898	38,107,488	57,972,386
Depreciable	71,639,642	115,781,780	187,421,422
Accumulated Depreciation	(35,885,007)	(44,471,074)	(80,356,081)
Total Capital Assets	55,619,533	109,418,194	165,037,727
Total Assets	82,647,541	117,837,735	200,485,276
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Items - IMRF	1,876,934	673,056	2,549,990
Deferred Items - Police Pension	9,094,268	-	9,094,268
Total Deferred Outflows of Resources	10,971,202	673,056	11,644,258
Total Assets and Deferred Outflows of Resources	93,618,743	118,510,791	212,129,534

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

	Governmental Activities	Business- Type Activities	Totals
LIABILITIES			
Current Liabilities			
Accounts Payable	\$ 1,136,282	\$ 1,285,129	\$ 2,421,411
Accrued Payroll	464,321	175,942	640,263
Deposits Payable	369,641	775,952	1,145,593
Interest Payable	-	48,379	48,379
Other Payables	316,666	15,300	331,966
Sewer Plant Expansion Restricted	-	1,780,355	1,780,355
Current Portion of Long-Term Debt	248,129	595,140	843,269
Total Current Liabilities	<u>2,535,039</u>	<u>4,676,197</u>	<u>7,211,236</u>
Noncurrent Liabilities			
Compensated Absences Payable	992,515	119,252	1,111,767
Net Pension Liability - IMRF	3,677,360	1,318,677	4,996,037
Net Pension Liability - Police Pension	30,591,794	-	30,591,794
Net Other Post-Employment Benefit Obligation	1,581,062	-	1,581,062
IEPA Revolving Loan Payable	-	5,082,055	5,082,055
Total Noncurrent Liabilities	<u>36,842,731</u>	<u>6,519,984</u>	<u>43,362,715</u>
Total Liabilities	<u>39,377,770</u>	<u>11,196,181</u>	<u>50,573,951</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Items - IMRF	4,947	1,773	6,720
Property Taxes	4,376,614	-	4,376,614
Total Deferred Inflows of Resources	<u>4,381,561</u>	<u>1,773</u>	<u>4,383,334</u>
Total Liabilities and Deferred Inflows of Resources	<u>43,759,331</u>	<u>11,197,954</u>	<u>54,957,285</u>
NET POSITION			
Net Investment in Capital Assets	55,619,533	103,770,812	159,390,345
Restricted - MFT	846,315	-	846,315
Restricted - TIF	932,795	-	932,795
Restricted - Special Service Areas	25,643	-	25,643
Restricted - Public Benefit Projects	1,500,750	-	1,500,750
Restricted - Per Intergovernmental Agreement - Sewer Plant Replacement	-	1,088,552	1,088,552
Unrestricted	<u>(9,065,624)</u>	<u>2,453,473</u>	<u>(6,612,151)</u>
Total Net Position	<u>\$ 49,859,412</u>	<u>\$ 107,312,837</u>	<u>\$ 157,172,249</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, 2015

	Expenses	Program Revenues		
		Charges for Services	Operating Grants/ Contributions	Capital Grants/ Contributions
Governmental Activities				
General Government	\$ 13,280,738	\$ 2,391,549	\$ -	\$ -
Public Safety	12,524,954	1,400,121	9,280	-
Streets and Highways	-	796,700	-	688,950
Culture and Recreation	-	-	10,000	-
Interest on Long-Term Debt	608	-	-	-
Total Governmental Activities	25,806,300	4,588,370	19,280	688,950
Business-Type Activities				
Waterworks	6,211,353	4,581,798	-	918,467
Sewerage	6,075,753	5,768,370	-	133,237
Commuter Parking	91,985	139,635	-	-
Total Business-Type Activities	12,379,091	10,489,803	-	1,051,704
Total Primary Government	\$ 38,185,391	\$ 15,078,173	\$ 19,280	\$ 1,740,654

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
\$ (10,889,189)	\$ -	\$ (10,889,189)
(11,115,553)	-	(11,115,553)
1,485,650	-	1,485,650
10,000	-	10,000
(608)	-	(608)
<u>(20,509,700)</u>	<u>-</u>	<u>(20,509,700)</u>
-	(711,088)	(711,088)
-	(174,146)	(174,146)
-	47,650	47,650
-	<u>(837,584)</u>	<u>(837,584)</u>
<u>(20,509,700)</u>	<u>(837,584)</u>	<u>(21,347,284)</u>
4,436,897	8,604	4,445,501
853,407	-	853,407
107,849	-	107,849
4,855,454	1,201,919	6,057,373
2,882,037	-	2,882,037
187,625	-	187,625
2,029,538	-	2,029,538
3,522	1,175	4,697
1,102,056	266,782	1,368,838
<u>16,458,385</u>	<u>1,478,480</u>	<u>17,936,865</u>
(4,051,315)	640,896	(3,410,419)
<u>53,910,727</u>	<u>106,671,941</u>	<u>160,582,668</u>
<u>\$ 49,859,412</u>	<u>\$ 107,312,837</u>	<u>\$ 157,172,249</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, 2015**

	General	Special Public Benefit
ASSETS		
Cash and Investments	\$ 3,208,861	\$ 982,482
Receivables - Net of Allowances		
Property Taxes	3,441,023	-
Accrued Interest	442	-
Other	2,258,118	-
Due From Other Funds	8,894,784	-
Prepays/Inventories	736,988	-
Advances to Other Funds	-	518,268
	<hr/>	<hr/>
Total Assets	<u>18,540,216</u>	<u>1,500,750</u>
LIABILITIES		
Accounts Payable	397,357	-
Accrued Payroll	430,047	-
Deposits Payable	369,641	-
Due to Other Funds	-	-
Advances from Other Funds	-	-
Other Payables	16,250	-
Total Liabilities	<hr/> 1,213,295	<hr/> -
DEFERRED INFLOWS OF RESOURCES		
Property Taxes	<hr/> 3,441,023	<hr/> -
Total Liabilities and Deferred Inflows of Resources	<hr/> 4,654,318	<hr/> -
FUND BALANCES		
Nonspendable	736,988	-
Restricted	846,315	1,500,750
Assigned	-	-
Unassigned	12,302,595	-
Total Fund Balances	<hr/> 13,885,898	<hr/> 1,500,750
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<hr/> <u>\$ 18,540,216</u>	<hr/> <u>\$ 1,500,750</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>		
\$ 1,346,288	\$ 2,919,340	\$ 1,632,330	\$ 10,089,301
922,864	288	12,438	4,376,613
-	90	-	532
-	658,857	-	2,916,975
-	-	25,643	8,920,427
9,787	3,028	-	749,803
-	-	-	518,268
<u>2,278,939</u>	<u>3,581,603</u>	<u>1,670,411</u>	<u>27,571,919</u>
16,377	567,246	155,302	1,136,282
28,059	6,215	-	464,321
-	-	-	369,641
-	25,643	-	25,643
518,268	-	-	518,268
-	300,416	-	316,666
<u>562,704</u>	<u>899,520</u>	<u>155,302</u>	<u>2,830,821</u>
922,865	288	12,438	4,376,614
<u>1,485,569</u>	<u>899,808</u>	<u>167,740</u>	<u>7,207,435</u>
9,787	3,028	-	749,803
783,583	-	174,855	3,305,503
-	2,678,767	1,327,816	4,006,583
-	-	-	12,302,595
<u>793,370</u>	<u>2,681,795</u>	<u>1,502,671</u>	<u>20,364,484</u>
<u>\$ 2,278,939</u>	<u>\$ 3,581,603</u>	<u>\$ 1,670,411</u>	<u>\$ 27,571,919</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, 2015

Total Governmental Fund Balances	\$ 20,364,484
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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.	55,619,533
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Deferred outflows (inflows) of resources related to the pensions not reported
in the funds.

Deferred Items - IMRF	1,871,987
Deferred Items - Police Pension	9,094,268

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

Compensated Absences Payable	(1,240,644)
Net Pension Liability - IMRF	(3,677,360)
Net Pension Liability - Police Pension	(30,591,794)
Net Other Post-Employment Benefit Obligation Payable	<u>(1,581,062)</u>

Net Position of Governmental Activities	<u>\$ 49,859,412</u>
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CITY OF WEST CHICAGO, ILLINOIS

**Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
For the Fiscal Year Ended December 31, 2015**

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, 2015**

	General	Special Public Benefit
Revenues		
Taxes	\$ 4,644,654	\$ -
Intergovernmental	7,844,832	-
Charges for Services	2,185,746	-
Licenses and Permits	608,401	-
Fines and Forfeitures	997,523	-
Interest Income	2,129	734
Miscellaneous	742,937	-
Total Revenues	17,026,222	734
Expenditures		
Current		
General Government	7,494,196	-
Public Safety	9,104,514	-
Capital Outlay	-	-
Debt Service		
Interest and Fiscal Charges	-	-
Total Expenditures	16,598,710	-
Net Change in Fund Balances	427,512	734
Fund Balances - Beginning	13,458,386	1,500,016
Fund Balances - Ending	\$ 13,885,898	\$ 1,500,750

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>		
\$ 928,581	\$ 2,630,427	\$ 12,543	\$ 8,216,205
-	-	-	7,844,832
-	-	796,700	2,982,446
-	-	-	608,401
-	-	-	997,523
130	357	172	3,522
21,006	329,363	8,750	1,102,056
949,717	2,960,147	818,165	21,754,985
867,089	-	-	8,361,285
-	-	-	9,104,514
-	3,531,286	861,723	4,393,009
608	-	-	608
867,697	3,531,286	861,723	21,859,416
82,020	(571,139)	(43,558)	(104,431)
711,350	3,252,934	1,546,229	20,468,915
\$ 793,370	\$ 2,681,795	\$ 1,502,671	\$ 20,364,484

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, 2015

Net Change in Fund Balances - Total Governmental Funds \$ (104,431)

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	2,310,153
Depreciation Expense	(1,725,400)
Disposals - Net	(15,257)

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

Change in Deferred Items - IMRF	337,728
Change in Deferred Items - Police Pension	7,294,268

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

Additions to Net Pension Liability - IMRF	(1,142,859)
Additions to Net Pension Liability - Police Pension	(10,631,303)
Deductions to Compensated Absences Payable	10,040
Additions to Net Other Post-Employment Benefit Obligation Payable	<u>(384,254)</u>

Changes in Net Position of Governmental Activities \$ (4,051,315)

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, 2015**

See Following Page

CITY OF WEST CHICAGO, ILLINOIS

**Statement of Net Position - Proprietary Funds
December 31, 2015**

	Business-Type Activities - Enterprise			
	Waterworks	Sewerage	Nonmajor	Totals
			Commuter Parking	
ASSETS				
Current Assets				
Cash and Investments	\$ -	\$ -	\$ -	\$ -
Receivables - Net of Allowances				
Property Taxes	-	8,560	-	8,560
Accounts	7,998,034	8,305,020	2,740	16,305,794
Other	307,563	-	-	307,563
Accrued Interest	-	258	-	258
Due From Other Funds	-	-	249,418	249,418
Advances to Other Funds	-	1,850,000	-	1,850,000
Prepays	41,904	30,527	568	72,999
Restricted Investments	-	619,151	-	619,151
Total Current Assets	8,347,501	10,813,516	252,726	19,413,743
Noncurrent Assets				
Capital Assets				
Nondepreciable	34,310,167	3,749,071	48,250	38,107,488
Depreciable	77,586,942	37,503,996	690,842	115,781,780
Accumulated Depreciation	(23,736,895)	(20,258,667)	(475,512)	(44,471,074)
Total Noncurrent Assets	88,160,214	20,994,400	263,580	109,418,194
Total Assets	96,507,715	31,807,916	516,306	128,831,937
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Items - IMRF	394,007	274,377	4,672	673,056
Total Assets and Deferred Outflows of Resources	96,901,722	32,082,293	520,978	129,504,993

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

	Business-Type Activities - Enterprise			
	Waterworks	Sewerage	Nonmajor	
			Commuter	
		Parking	Totals	
LIABILITIES				
Current Liabilities				
Accounts Payable	\$ 648,770	\$ 633,884	\$ 2,475	\$ 1,285,129
Accrued Payroll	102,468	72,267	1,207	175,942
Interest Payable	48,379	-	-	48,379
Other Liabilities	-	775,952	-	775,952
Sewer Plant Expansion Restricted	-	1,780,355	-	1,780,355
Due to Other Funds	8,221,196	923,006	-	9,144,202
Advances from Other Funds	1,850,000	-	-	1,850,000
Other Payables	-	-	15,300	15,300
Compensated Absences	26,905	2,908	-	29,813
IEPA Revolving Loan	565,327	-	-	565,327
Total Current Liabilities	<u>11,463,045</u>	<u>4,188,372</u>	<u>18,982</u>	<u>15,670,399</u>
Noncurrent Liabilities				
Compensated Absences	107,618	11,634	-	119,252
Net Pension Liability	771,954	537,570	9,153	1,318,677
IEPA Revolving Loan	5,082,055	-	-	5,082,055
Total Noncurrent Liabilities	<u>5,961,627</u>	<u>549,204</u>	<u>9,153</u>	<u>6,519,984</u>
Total Liabilities	<u>17,424,672</u>	<u>4,737,576</u>	<u>28,135</u>	<u>22,190,383</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred Items - IMRF	1,038	723	12	1,773
Total Liabilities and Deferred Inflows of Resources	<u>17,425,710</u>	<u>4,738,299</u>	<u>28,147</u>	<u>22,192,156</u>
NET POSITION				
Net Investment in Capital Assets Restricted - Per Intergovernmental Agreement - Sewer Plant Replacement	82,512,832	20,994,400	263,580	103,770,812
Unrestricted (Deficit)	-	1,088,552	-	1,088,552
	<u>(3,036,820)</u>	<u>5,261,042</u>	<u>229,251</u>	<u>2,453,473</u>
Total Net Position	<u>\$ 79,476,012</u>	<u>\$ 27,343,994</u>	<u>\$ 492,831</u>	<u>\$ 107,312,837</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, 2015**

	Business-Type Activities - Enterprise			Totals
	Waterworks	Sewerage	Nonmajor	
			Commuter Parking	
Operating Revenues				
Charges for Services	\$ 4,556,098	\$ 5,737,670	\$ 79,860	\$ 10,373,628
Licenses and Permits	-	-	59,775	59,775
Total Operating Revenues	4,556,098	5,737,670	139,635	10,433,403
Operating Expenses				
Operations	4,273,428	5,431,289	65,715	9,770,432
Depreciation	1,771,970	644,464	26,270	2,442,704
Total Operating Expenses	6,045,398	6,075,753	91,985	12,213,136
Operating Income (Loss)	(1,489,300)	(338,083)	47,650	(1,779,733)
Nonoperating Revenues (Expenses)				
Water and Sewer Connection Fees	25,700	30,700	-	56,400
Property Taxes	-	8,604	-	8,604
Sales Taxes	1,201,919	-	-	1,201,919
Interest Income	326	848	1	1,175
Other Income	150,480	116,302	-	266,782
Disposal of Capital Assets	(14,894)	-	-	(14,894)
Interest Expense and Fiscal Charges	(151,061)	-	-	(151,061)
	1,212,470	156,454	1	1,368,925
Income (Loss) Before Contributions	(276,830)	(181,629)	47,651	(410,808)
Capital Contributions	918,467	133,237	-	1,051,704
Change in Net Position	641,637	(48,392)	47,651	640,896
Net Position - Beginning as Restated	78,834,375	27,392,386	445,180	106,671,941
Net Position - Ending	\$ 79,476,012	\$ 27,343,994	\$ 492,831	\$ 107,312,837

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, 2015**

	Business-Type Activities - Enterprise Funds			Totals
	Waterworks Fund	Sewerage Fund	Nonmajor Enterprise Commuter Parking	
Cash Flows from Operating Activities				
Receipts from Customers and Users	\$ 2,345,135	\$ 5,929,269	\$ 105,622	\$ 8,380,026
Payments to Employees	(1,560,778)	(1,086,887)	(10,806)	(2,658,471)
Payments to Suppliers	(1,136,994)	(2,577,905)	(94,817)	(3,809,716)
	<u>(352,637)</u>	<u>2,264,477</u>	<u>(1)</u>	<u>1,911,839</u>
Cash Flows from Noncapital Financing Activities				
Property Taxes	-	8,604	-	8,604
Sales Taxes	1,201,919	-	-	1,201,919
	<u>1,201,919</u>	<u>8,604</u>	<u>-</u>	<u>1,210,523</u>
Cash Flows from Capital and Related Financing Activities				
Purchase of Capital Assets	(147,473)	(2,273,586)	-	(2,421,059)
Interest on Capital Debt	(151,061)	-	-	(151,061)
Principal on Capital Debt	(551,074)	-	-	(551,074)
	<u>(849,608)</u>	<u>(2,273,586)</u>	<u>-</u>	<u>(3,123,194)</u>
Cash Flows from Investing Activities				
Interest Received	326	848	1	1,175
Net Change in Cash and Cash Equivalents	-	343	-	343
Cash and Cash Equivalents - Beginning	-	618,808	-	618,808
Cash and Cash Equivalents - Ending	-	619,151	-	619,151
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities				
Operating Income (Loss)	(1,489,300)	(338,083)	47,650	(1,779,733)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:				
Depreciation Expense	1,771,970	644,464	26,270	2,442,704
Other Income	176,180	147,002	-	323,182
(Increase) Decrease in Current Assets	(2,387,143)	44,597	(34,013)	(2,376,559)
Increase (Decrease) in Current Liabilities	1,575,656	1,766,497	(39,908)	3,302,245
Net Cash Provided by Operating Activities	<u>\$ (352,637)</u>	<u>\$ 2,264,477</u>	<u>\$ (1)</u>	<u>\$ 1,911,839</u>
Noncash Activity - Capital Contributions	<u>\$ 918,467</u>	<u>\$ 133,237</u>	<u>\$ -</u>	<u>\$ 1,051,704</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, 2015**

	Pension Trust Police Pension	Agency
ASSETS		
Cash and Cash Equivalents	\$ 510,451	\$ 18,935
Investments		
Money Market Mutual Funds	910,886	-
U.S. Government and Agency Obligations	1,876,476	-
Mutual Funds	13,265,431	-
Insurance Contracts	6,766,441	-
Prepays	<u>6,795</u>	<u>-</u>
Total Assets	<u>23,336,480</u>	<u>18,935</u>
LIABILITIES		
Accounts Payable	1,459	-
Due to Bondholders	<u>-</u>	<u>18,935</u>
Total Liabilities	<u>1,459</u>	<u>\$ 18,935</u>
NET POSITION		
Net Position Restricted for Pensions	<u>\$ 23,335,021</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, 2015

	<u>Pension Trust Police Pension</u>
Additions	
Contributions - Employer	\$ 1,800,000
Contributions - Plan Members	<u>416,324</u>
Total Contributions	<u>2,216,324</u>
Investment Income	
Interest Earned	605,971
Net Change in Fair Value	<u>513,489</u>
	1,119,460
Less Investment Expenses	<u>(39,821)</u>
	<u>1,079,639</u>
Total Additions	<u>3,295,963</u>
Deductions	
Administration	81,217
Benefits and Refunds	
Benefits	1,592,882
Refunds	<u>2,602</u>
Total Deductions	<u>1,676,701</u>
Change in Fiduciary Net Position	1,619,262
Net Position Restricted for Pensions	
Beginning	<u>21,715,759</u>
Ending	<u><u>\$ 23,335,021</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, 2015

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, 2015

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

BASIS OF PRESENTATION

Government-Wide Statements

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

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

The government-wide Statement of Activities reports both the gross and net cost of each of the City's functions and business-type activities (general government, public safety, water, sanitation, etc.). The functions are supported by general government revenues (property, sales and use taxes, certain intergovernmental revenues, fines, permits and charges, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, which include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment.

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

CITY OF WEST CHICAGO, ILLINOIS

Notes to the Financial Statements December 31, 2015

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

BASIS OF PRESENTATION – Continued

Government-Wide Statements – Continued

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

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

Fund Financial Statements

The financial transactions of the City are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets/deferred outflows, liabilities/deferred inflows, fund equity, revenues and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories.

GASB Statement No. 34 sets forth minimum criteria (percentage of the assets/deferred outflows, liabilities/deferred inflows, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The City can electively add funds, as major funds, which either have debt outstanding or specific community focus. The nonmajor funds are combined in a column in the fund financial statements. A fund is considered major if it is the primary operating fund of the City or meets the following criteria:

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

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

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

CITY OF WEST CHICAGO, ILLINOIS

Notes to the Financial Statements December 31, 2015

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 one-quarter percent home rule sales tax that are set aside for funding major capital improvements throughout the City.

Proprietary Funds

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

CITY OF WEST CHICAGO, ILLINOIS

Notes to the Financial Statements December 31, 2015

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

BASIS OF PRESENTATION – Continued

Fund Financial Statements – Continued

Proprietary Funds – Continued

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

The City maintains two major and one nonmajor enterprise funds; the major funds are the Waterworks and the Sewerage Funds. The Waterworks Fund is used to account for the provision of potable water services to the residents of the City. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations and maintenance, financing and related debt service, billing and collection. The Sewerage Fund is used to account for the provision of wastewater treatment and collection services to the residents of the City. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations and maintenance, financing and related debt service, billing and collection.

Fiduciary Funds

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

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

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

CITY OF WEST CHICAGO, ILLINOIS

Notes to the Financial Statements December 31, 2015

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

BASIS OF PRESENTATION – Continued

Fund Financial Statements – Continued

Fiduciary Funds – Continued

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

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Measurement Focus

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

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

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

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

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

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

CITY OF WEST CHICAGO, ILLINOIS

Notes to the Financial Statements December 31, 2015

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING – Continued

Basis of Accounting

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

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

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

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

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund’s principal ongoing operations. The principal operating revenues of the City’s enterprise funds are charges to customers for sales and services. The City also recognizes as operating revenue the portion of tap on fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

CITY OF WEST CHICAGO, ILLINOIS

Notes to the Financial Statements December 31, 2015

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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

Cash and Investments

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

Investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on national exchanges are valued at the last reported sales price. Investments that do not have any established market, if any, are reported at estimated fair value.

Receivables

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

Interfund Receivables, Payables and Activity

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

Prepays/Inventories

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

CITY OF WEST CHICAGO, ILLINOIS

**Notes to the Financial Statements
December 31, 2015**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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

Capital Assets

Capital assets purchased or acquired with an original cost of \$10,000 - \$30,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

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

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

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

Land Improvements	20 Years
Buildings	50 Years
Machinery and Equipment	5 - 15 Years
Infrastructure	65 Years

Deferred Outflows/Inflows of Resources

Deferred outflow/inflow of resources represents an acquisition of net position that applies to a future period and therefore will not be recognized as an outflow or 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, 2015

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, 2015

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

BUDGETARY INFORMATION

Budgets are adopted on a basis consistent with generally accepted accounting principles. Annual appropriations are adopted for the general, special revenue (except the Other Special Service Areas Fund), capital projects, and enterprise funds. All annual appropriations lapse at fiscal year end.

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

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

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

NOTE 3 – DETAIL NOTES ON ALL FUNDS

DEPOSITS AND INVESTMENTS

The City maintains a cash and investment pool that is available for use by all funds except the pension trust fund. Each fund type's portion of this pool is displayed on the financial statements as "cash and investments". In addition, investments are separately held by several of the City's funds. The deposits and investments of the pension trust fund are held separately from those of other funds.

Permitted Deposits and Investments – Statutes authorize the City to make deposits/invest in commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. Agencies, insured credit union shares, money market mutual funds with portfolios of securities issued or guaranteed by the United States or agreements to repurchase these same obligations, repurchase agreements, short-term commercial paper rated within the three highest classifications by at least two standard rating services and Illinois Funds.

The deposits and investments of the Pension Fund are held separately from those of other City funds. Statutes authorize the Pension Fund to make deposits/invest in interest bearing direct obligations of the United States of America; obligations that are fully guaranteed or insured as to the payment of principal and interest by the United States of America; bonds, notes, debentures, or similar obligations of agencies of the United States of America; savings accounts or certificates of deposit issued by banks or savings and loan associations chartered by the United States of America or by the State of Illinois, to the extent that

CITY OF WEST CHICAGO, ILLINOIS

Notes to the Financial Statements December 31, 2015

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

the deposits are insured by the agencies or instrumentalities of the federal government; credit unions, to the extent that the deposits are insured by the agencies or instrumentalities of the federal government; State of Illinois bonds; pooled accounts managed by the Illinois Funds Market Fund (Formerly known as IPTIP, Illinois Public Treasurer's Investment Pool), or by banks, their subsidiaries or holding companies, in accordance with the laws of the State of Illinois; bonds or tax anticipation warrants of any county, township, or municipal corporation of the State of Illinois; direct obligations of the State of Israel; money market mutual funds managed by investment companies that are registered under the Federal Investment Company Act of 1940 and the Illinois Securities Law of 1953 and are diversified, open-ended management investment companies, provided the portfolio is limited to specified restrictions; general accounts of life insurance companies; and separate accounts of life insurance companies and mutual funds, the mutual funds must meet specific restrictions, provided the investment in separate accounts and mutual funds does not exceed ten percent of the Pension Fund's plan net position; and corporate bonds managed through an investment advisor, rated as investment grade by one of the two largest rating services at the time of purchase. Pension Funds with plan net position of \$2.5 million or more may invest up to forty-five percent of plan net position in separate accounts of life insurance companies and mutual funds. Pension Funds with plan net position of at least \$5 million that have appointed an investment advisor, may through that investment advisor invest up to forty-five percent of the plan net position in common and preferred stocks that meet specific restrictions. In addition, Pension Funds with plan net position of at least \$10 million that have appointed an investment advisor, may invest up to fifty percent of its net position in common and preferred stocks and mutual funds that meet specific restrictions effective July 1, 2011 and up to fifty-five percent effective July 1, 2012.

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

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

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

Deposits and Investments. At year-end, the carrying amount of the City's deposits for governmental and business-type activities totaled \$10,435,286 and the bank balances totaled \$10,766,771. Additionally, at year-end the City has \$234,886 invested in the Illinois Funds and \$38,280 invested in the Illinois Metropolitan Investment Fund.

CITY OF WEST CHICAGO, ILLINOIS

Notes to the Financial Statements December 31, 2015

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 one 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 and in Illinois Metropolitan Investment Trust Convenience Fund which is not rated and the 1-3 Year Fund is rated Aaa by Moody's.

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

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

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

At year-end, the City does not have any investments over 5 percent of the total cash and investment portfolio.

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

Deposits. At year-end, the carrying amount of the Police Pension Fund's deposits totaled \$1,421,337 and the bank balances totaled \$1,427,602.

CITY OF WEST CHICAGO, ILLINOIS

**Notes to the Financial Statements
December 31, 2015**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

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

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

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1 to 5	6 to 10	Greater Than 10
U.S. Treasuries	\$ 1,419,526	\$ -	\$ 1,063,789	\$ 355,737	\$ -
U.S. Agencies	456,950	-	456,950	-	-
	<u>\$ 1,876,476</u>	<u>\$ -</u>	<u>\$ 1,520,739</u>	<u>\$ 355,737</u>	<u>\$ -</u>

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

Credit Risk. The Fund helps limit its exposure to credit risk by primarily investing in securities issued by the United States Government and/or its agencies that are implicitly guaranteed by the United States Government. The Pension Fund’s investment policy establishes criteria for allowable investments; those criteria follow the requirements of the Illinois Pension Code. The investments in the securities of the U.S. Government agencies were all rated AA to AAAM by Standard & Poor’s and Moody’s Investor Services.

Custodial Credit Risk. At December 31, 2015, 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, 2015, the Pension Fund has over 5% of net plan position invested in various agency securities as indicated in the table below as well as investments in Lord Abbott Total Return Fund (\$1,263,300), Protective Life Annuity (\$2,850,198), and MetLife Investors Annuity (\$2,056,409).

CITY OF WEST CHICAGO, ILLINOIS

**Notes to the Financial Statements
December 31, 2015**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

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

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

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

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	60%	2.30%
Domestic Equities	36%	16.30%
International Equities	4%	7.30%
Cash and Cash Equivalentents	0%	0.00%

Illinois Compiled Statutes (ILCS) limit the Fund’s investments in equities, mutual funds and variable annuities to 55%. Securities in any one company should not exceed 5% of the total fund.

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 January 2016 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, 2015 are listed in the table above.

CITY OF WEST CHICAGO, ILLINOIS

Notes to the Financial Statements December 31, 2015

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. Additionally at year-end, the Pension Fund has \$6,766,441 invested in insurance contracts and has diversified its equity mutual fund holdings as follows:

<u>Equity Mutual Funds</u>	<u>Fair Value</u>
American Balanced Fund	\$ 981,047
Blackrock Equity	352,763
Columbia Balanced	972,643
Eaton Vance Balanced	723,581
Eaton Vance Floating Rate	399,525
Franklin Floating Rate Daily	228,703
Goldman Sachs Short Duration	212,752
Goldman Sachs Small Mid Cap	259,971
Hartford Capital	192,539
Hartford Floating Rate	866,210
Hartford Floating Rate Fund - R3	419,295
Invesco Convertible Securities	975,099
Invesco Floating Rate	746,149
Ishares Barclays ETF	326,436
Lord Abbett Floating Rate	1,019,905
Lord Abbett Growth Leaders	473,913
Lord Abbott Total Return Fund	1,263,311
Lord Abbett Value	751,696
Nuveen Preferred Securities	945,309
PIMCO Low Duration	446,447
Prudential Jennison	206,227
TransAmerica Short Term Bond	301,218
Van Eck	200,692
	<u>\$ 13,265,431</u>

Rate of Return

For the year ended December 31, 2015, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 4.99%. 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, 2015**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

CAPITAL ASSETS

Governmental Activities

Governmental capital asset activity for the year was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Capital Assets - Not Being Depreciated				
Land	\$ 19,864,898	\$ -	\$ -	\$ 19,864,898
Construction in Progress	307,385	-	307,385	-
	<u>20,172,283</u>	-	<u>307,385</u>	<u>19,864,898</u>
Other Capital Assets				
Land Improvements	1,156,798	307,385	-	1,464,183
Buildings and Improvements	3,178,416	38,096	-	3,216,512
Machinery and Equipment	4,146,037	227,866	113,474	4,260,429
Infrastructure	60,654,327	2,044,191	-	62,698,518
	<u>69,135,578</u>	<u>2,617,538</u>	<u>113,474</u>	<u>71,639,642</u>
Less Accumulated Depreciation				
Land Improvements	519,064	23,211	-	542,275
Buildings and Improvements	1,701,162	70,897	-	1,772,059
Machinery and Equipment	2,697,772	234,431	98,217	2,833,986
Infrastructure	29,339,826	1,396,861	-	30,736,687
	<u>34,257,824</u>	<u>1,725,400</u>	<u>98,217</u>	<u>35,885,007</u>
Total Other Capital Assets	<u>34,877,754</u>	<u>892,138</u>	<u>15,257</u>	<u>35,754,635</u>
Total Capital Assets	<u>\$ 55,050,037</u>	<u>\$ 892,138</u>	<u>\$ 322,642</u>	<u>\$ 55,619,533</u>

Depreciation expense was charged to governmental activities as follows:

General Government	\$ 1,641,995
Public Safety	<u>83,405</u>
	<u>\$ 1,725,400</u>

CITY OF WEST CHICAGO, ILLINOIS

**Notes to the Financial Statements
December 31, 2015**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

CAPITAL ASSETS – Continued

Business-Type Activities

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

	Beginning Balances	Increases	Decreases	Ending Balances
Capital Assets - Not Being Depreciated				
Land	\$ 28,664,505	\$ -	\$ 14,894	\$ 28,649,611
Construction in Progress	7,058,514	2,399,363	-	9,457,877
	<u>35,723,019</u>	<u>2,399,363</u>	<u>14,894</u>	<u>38,107,488</u>
Other Capital Assets				
Land Improvements	1,426,823	-	-	1,426,823
Buildings	29,120,255	21,696	-	29,141,951
Machinery and Equipment	17,691,905	-	-	17,691,905
Infrastructure	66,469,397	1,051,704	-	67,521,101
	<u>114,708,380</u>	<u>1,073,400</u>	<u>-</u>	<u>115,781,780</u>
Less Accumulated Depreciation				
Land Improvements	701,295	47,550	-	748,845
Buildings	10,635,610	813,939	-	11,449,549
Machinery and Equipment	12,718,683	397,754	-	13,116,437
Infrastructure	17,972,782	1,183,461	-	19,156,243
	<u>42,028,370</u>	<u>2,442,704</u>	<u>-</u>	<u>44,471,074</u>
Total Other Capital Assets	<u>72,680,010</u>	<u>(1,369,304)</u>	<u>-</u>	<u>71,310,706</u>
Total Capital Assets	<u>\$ 108,403,029</u>	<u>\$ 1,030,059</u>	<u>\$ 14,894</u>	<u>\$ 109,418,194</u>

Depreciation expense was charged to business-type as follows:

Waterworks	\$ 1,771,970
Sewerage	644,464
Commuter Parking	<u>26,270</u>
	<u>\$ 2,442,704</u>

PROPERTY TAXES

Property taxes for 2015 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, 2015**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund Balances

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

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Waterworks	\$ 7,971,778
General	Sewerage	923,006
Nonmajor Governmental	Capital Improvement	25,643
Nonmajor Business-Type	Waterworks	<u>249,418</u>
		<u><u>\$ 9,169,845</u></u>

Interfund balances are advances in anticipation of receipts.

Interfund Advances

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

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Public Benefit	TIF Special Tax Allocation #1	\$ 518,268
Sewerage	Waterworks	<u>1,850,000</u>
		<u><u>\$ 2,368,268</u></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.

CITY OF WEST CHICAGO, ILLINOIS

**Notes to the Financial Statements
December 31, 2015**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT

IEPA Revolving Loan

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

Issue	Fund Debt Retired By	Beginning Balances	Issuances	Retirements	Ending Balances
IEPA Waterworks Revolving Loan (\$11,000,000), due in semi-annual installments of \$353,428, including interest at 2.57% through September 9, 2024.	Waterworks	\$ 6,198,456	\$ -	\$ 551,074	\$ 5,647,382

Long-Term Liability Activity

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

Type of Debt	Beginning Balances as Restated	Additions	Deductions	Ending Balances	Amounts Due within One Year
Governmental Activities					
Compensated Absences	\$ 1,250,684	\$ 10,040	\$ 20,080	\$ 1,240,644	\$ 248,129
Net Pension Liability					
IMRF	2,534,501	1,142,859	-	3,677,360	-
Police Pension	19,960,491	10,631,303	-	30,591,794	
Net Other Post-Employment Benefit Obligation	1,196,808	384,254	-	1,581,062	-
	<u>23,691,800</u>	<u>12,158,416</u>	<u>-</u>	<u>35,850,216</u>	<u>-</u>
Business-type Activities					
Compensated Absences	145,574	6,982	3,491	149,065	29,813
Net Pension Liability					
IMRF	908,856	409,821	-	1,318,677	-
IEPA Revolving Loan	6,198,456	-	551,074	5,647,382	565,327
	<u>\$ 7,252,886</u>	<u>\$ 416,803</u>	<u>\$ 554,565</u>	<u>\$ 7,115,124</u>	<u>\$ 595,140</u>

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

CITY OF WEST CHICAGO, ILLINOIS

**Notes to the Financial Statements
December 31, 2015**

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, 2015, there was one IDRB outstanding. The aggregate principal amount payable for the bond series is \$600,000.

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 Loan		Totals
	Principal	Interest	
2016	\$ 565,327	\$ 141,529	\$ 706,856
2017	579,950	126,906	706,856
2018	594,950	111,906	706,856
2019	610,339	96,517	706,856
2020	626,125	80,731	706,856
2021	642,320	64,536	706,856
2022	658,933	47,923	706,856
2023	675,977	30,879	706,856
2024	693,461	13,395	706,856
Totals	<u>\$ 5,647,382</u>	<u>\$ 714,322</u>	<u>\$ 6,361,704</u>

CITY OF WEST CHICAGO, ILLINOIS

**Notes to the Financial Statements
December 31, 2015**

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, 2015:

Governmental Activities		
Capital Assets - Net of Accumulated Depreciation		<u>\$ 55,619,533</u>
Business-Type Activities		
Capital Assets - Net of Accumulated Depreciation		109,418,194
Less Capital Related Debt:		
IEPA Revolving Loan		<u>(5,647,382)</u>
Net Investment in Capital Assets		<u>\$ 103,770,812</u>

NET POSITION RESTATEMENT

Net position was restated due to the implementation of GASB Statement No. 68. The following is a summary of the net position as originally reported and as restated:

Net Position	As Reported	As Restated	Increase (Decrease)
Governmental Activities	\$ 70,942,646	53,910,727	(17,031,919)
Business-Type Activities	107,030,620	106,671,941	(358,679)
Waterworks	79,044,346	78,834,375	(209,971)
Sewerage	27,538,605	27,392,386	(146,219)
Commuter Parking	447,669	445,180	(2,489)

CITY OF WEST CHICAGO, ILLINOIS

**Notes to the Financial Statements
December 31, 2015**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

FUND BALANCE CLASSIFICATIONS

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

	General	Public Benefit	TIF Special Tax Allocation #1	Capital Improvement	Nonmajor	Totals
Fund Balances						
Nonspendable						
Prepays/Inventories	\$ 736,988	\$ -	\$ 9,787	\$ 3,028	\$ -	\$ 749,803
Restricted						
Motor Fuel Tax	846,315	-	-	-	-	846,315
Property Taxes						
TIF	-	-	783,583	-	149,212	932,795
Special Service Areas	-	-	-	-	25,643	25,643
Public Benefit Projects	-	1,500,750	-	-	-	1,500,750
	846,315	1,500,750	783,583	-	174,855	3,305,503
Assigned						
Capital Projects	-	-	-	2,678,767	1,327,816	4,006,583
Unassigned	12,302,595	-	-	-	-	12,302,595
Total Fund Balances	\$ 13,885,898	\$ 1,500,750	\$ 793,370	\$ 2,681,795	\$ 1,502,671	\$ 20,364,484

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

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

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

CITY OF WEST CHICAGO, ILLINOIS

Notes to the Financial Statements December 31, 2015

NOTE 4 – OTHER INFORMATION

RISK MANAGEMENT

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

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

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

CONTINGENT LIABILITIES

Litigation

The City is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the City's attorney, the resolution of these matters will not have a material adverse effect on the financial condition of the City.

Grants

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

CITY OF WEST CHICAGO, ILLINOIS

Notes to the Financial Statements December 31, 2015

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS

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

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.

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.

CITY OF WEST CHICAGO, ILLINOIS

**Notes to the Financial Statements
December 31, 2015**

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Illinois Municipal Retirement Fund (IMRF) – Continued

Plan Descriptions – Continued

Benefits Provided – Continued. 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, 2015, the following employees were covered by the benefit terms:

Inactive Plan Members Currently Receiving Benefits	87
Inactive Plan Members Entitled to but not yet Receiving Benefits	58
Active Plan Members	<u>63</u>
Total	<u><u>208</u></u>

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. The City’s annual contribution rate for calendar year 2015 was 13.18% of covered payroll.

Net Pension Liability. The City’s net pension liability was measured as of December 31, 2015. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

CITY OF WEST CHICAGO, ILLINOIS

Notes to the Financial Statements December 31, 2015

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Illinois Municipal Retirement Fund (IMRF) – Continued

Plan Descriptions – Continued

Actuarial Assumptions. The total pension liability was determined by an actuarial valuation performed, as of December 31, 2015, using the following actuarial methods and assumptions:

Actuarial Valuation Date	12/31/2015
Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market
Actuarial Assumptions	
Interest Rate	7.47%
Salary Increases	3.75% to 14.50%
Cost of Living Adjustments	2.75%
Inflation	2.75%

For nondisabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). 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 tables was used with fully generational projection scale MP-2014 (base year 2014). IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for nondisabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). 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, 2015**

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Illinois Municipal Retirement Fund (IMRF) – Continued

Discount Rate

A Single Discount Rate of 7.47% was used to measure the total pension liability. 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 7.50%, the municipal bond rate is 3.57%, and the resulting single discount rate is 7.47%.

Discount Rate Sensitivity

The following presents the plan's net pension liability, calculated using a Single Discount Rate of 7.47%, as well as what the plan's net pension liability would be if it were calculated using a Single Discount Rate that is 1% lower or 1% higher:

	1% Decrease (6.47%)	Current Discount Rate (7.47%)	1% Increase (8.47%)
Net Pension Liability	\$ 9,369,024	\$ 4,996,037	\$ 1,412,325

CITY OF WEST CHICAGO, ILLINOIS

**Notes to the Financial Statements
December 31, 2015**

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Illinois Municipal Retirement Fund (IMRF) – Continued

Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2014	\$ 31,876,833	\$ 28,433,476	\$ 3,443,357
Changes for the Year:			
Service Cost	571,996	-	571,996
Interest on the Total Pension Liability	2,352,359	-	2,352,359
Difference Between Expected and Actual Experience of the Total Pension Liability	(9,382)	-	(9,382)
Changes of Assumptions	80,218	-	80,218
Contributions - Employer	-	673,208	(673,208)
Contributions - Employees	-	230,043	(230,043)
Net Investment Income	-	140,645	(140,645)
Benefit Payments, including Refunds of Employee Contributions	(1,512,334)	(1,512,334)	-
Other (Net Transfer)	-	398,615	(398,615)
Net Changes	1,482,857	(69,823)	1,552,680
Balances at December 31, 2015	\$ 33,359,690	\$ 28,363,653	\$ 4,996,037

CITY OF WEST CHICAGO, ILLINOIS

**Notes to the Financial Statements
December 31, 2015**

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, 2015, the City recognized pension expense of \$1,093,846. At December 31, 2015, 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	\$ 206,378	\$ (6,720)	\$ 199,658
Change in Assumptions	529,963	-	529,963
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	1,813,649	-	1,813,649
Total Deferred Amounts Related to IMRF	<u>\$ 2,549,990</u>	<u>\$ (6,720)</u>	<u>\$ 2,543,270</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
2016	\$ 922,767
2017	740,887
2018	482,823
2019	396,793
2020	-
Thereafter	-
Total	<u>\$ 2,543,270</u>

CITY OF WEST CHICAGO, ILLINOIS

**Notes to the Financial Statements
December 31, 2015**

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 employees.

Plan Membership. At December 31, 2015, the measurement date, membership consisted of the following:

Inactive Plan Members Currently Receiving Benefits	24
Inactive Plan Members Entitled to but not yet Receiving Benefits	1
Active Plan Members	<u>43</u>
Total	<u><u>68</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, 2015**

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 1st after the police office 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 preceding 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, 2015, the City's contribution was 44.0% of covered payroll.

Concentrations. At year end, the Pension Plan has investments (other than U.S. Government and U.S. Government-guaranteed obligations) in any one organization that represent 5 percent or more of net position available for benefits as follows:

Investment	Amount
Lord Abbott Total Return Fund	\$ 1,263,311
Protective Live Annuity	2,850,198
MetLife Investors Annuity	2,056,409

CITY OF WEST CHICAGO, ILLINOIS

**Notes to the Financial Statements
December 31, 2015**

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, 2015, using the following actuarial methods and assumptions:

Actuarial Valuation Date	12/31/2015
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	2.50%
Inflation	2.50%

Mortality rates were based on the L&A 2016 Illinois Police Mortality Rates table. Mortality rates are based on the assumption study prepared by Lauterbach & Amen, LLP in 2016. 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 5.76% was used to measure the total pension liability. 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 3.57%, and the resulting single discount rate is 5.76%.

CITY OF WEST CHICAGO, ILLINOIS

**Notes to the Financial Statements
December 31, 2015**

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 (4.76%)	Current Discount Rate (5.76%)	1% Increase (6.76%)
Net Pension Liability	\$ 39,921,725	\$ 30,591,794	\$ 23,153,635

Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2014	\$ 41,676,250	\$ 21,715,759	\$ 19,960,491
Changes for the Year:			
Service Cost	1,339,124	-	1,339,124
Interest on the Total Pension Liability	2,354,602	-	2,354,602
Difference Between Expected and Actual Experience of the Total Pension Liability	3,296,819	-	3,296,819
Changes of Assumptions	6,855,504	-	6,855,504
Contributions - Employer	-	1,800,000	(1,800,000)
Contributions - Employees	-	416,324	(416,324)
Net Investment Income	-	1,079,639	(1,079,639)
Benefit Payments, including Refunds of Employee Contributions	(1,595,484)	(1,595,484)	-
Administration Expense	-	(81,217)	81,217
Net Changes	12,250,565	1,619,262	10,631,303
Balances at December 31, 2015	\$ 53,926,815	\$ 23,335,021	\$ 30,591,794

CITY OF WEST CHICAGO, ILLINOIS

**Notes to the Financial Statements
December 31, 2015**

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, 2015, the City recognized pension expense of \$3,337,035. At December 31, 2015, the City reported deferred outflows or 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	\$ 2,862,455	\$ -	\$ 2,862,455
Change in Assumptions	5,952,275	-	5,952,275
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	279,538	-	279,538
Total Deferred Amounts Related to Police Pension	<u>\$ 9,094,268</u>	<u>\$ -</u>	<u>\$ 9,094,268</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
2016	\$ 1,407,478
2017	1,407,478
2018	1,407,478
2019	1,407,476
2020	1,337,593
Thereafter	<u>2,126,765</u>
Total	<u>\$ 9,094,268</u>

CITY OF WEST CHICAGO, ILLINOIS

**Notes to the Financial Statements
December 31, 2015**

NOTE 4 – OTHER INFORMATION – Continued

OTHER POST-EMPLOYMENT BENEFITS

Plan Descriptions, Provisions, and Funding Policies

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

The City provides for limited health care insurance coverage and benefits for its eligible retirees. To be eligible for benefits, an employee must qualify for retirement under one of the City's retirement plans.

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

Retirees are responsible for the full premium cost with the exception of the City funding 90% of single portion coverage for qualifying, eligible sworn police personnel who retire in accordance with a collective bargaining agreement provision in effect until December 31, 2015. For the fiscal year ending December 31, 2015, retirees contributed \$104,378. Active employees contribute up to 12% to the plan before retirement.

At December 31, 2015, the membership consisted of:

Retirees and Beneficiaries Currently Receiving Benefits and Terminated Employees Entitled to Benefits but not yet Receiving Them	17
Active Employees	<u>75</u>
Total	<u>92</u>
Participating Employers	1

The City does not currently have a funding policy.

CITY OF WEST CHICAGO, ILLINOIS

**Notes to the Financial Statements
December 31, 2015**

NOTE 4 – OTHER INFORMATION – Continued

OTHER POST-EMPLOYMENT BENEFITS – Continued

Annual OPEB Costs and Net OPEB Obligation

The net OPEB obligation (NOPEBO) as of December 31, 2015, was calculated as follows:

Annual Required Contribution	\$ 595,882
Interest on the NOPEBO	59,840
Adjustment to the ARC	<u>(77,854)</u>
Annual OPEB Cost	577,868
Actual Contribution	<u>193,615</u>
Increase in the NPO	384,253
NOPEBO - Beginning	<u>1,196,808</u>
NOPEBO - Ending	<u><u>\$ 1,581,061</u></u>

Trend Information

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

Fiscal Year	Annual OPEB Cost	Actual Contributions	Percentage of OPEB Cost Contributed	Net OPEB Obligation
2013	\$ 142,326	\$ 130,306	91.55%	\$ 822,100
2014	555,133	180,425	32.50%	1,196,808
2015	577,868	193,615	33.51%	1,581,061

CITY OF WEST CHICAGO, ILLINOIS

Notes to the Financial Statements December 31, 2015

NOTE 4 – OTHER INFORMATION – Continued

OTHER POST-EMPLOYMENT BENEFITS – Continued

Funded Status and Funding Progress

The funded status of the plan as of December 31, 2014, the date of the most recent actuarial valuation, was as follows:

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

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

CITY OF WEST CHICAGO, ILLINOIS

**Notes to the Financial Statements
December 31, 2015**

NOTE 4 – OTHER INFORMATION – Continued

OTHER POST-EMPLOYMENT BENEFITS – Continued

Actuarial Methods and Assumptions – Continued

In the December 31, 2014 actuarial valuation the entry age actuarial cost method was used. The actuarial assumptions included a 5.00% investment rate of return (net of administrative expenses and including a 3.00% inflation assumption) and an annual healthcare cost trend rate of 7.20% to 7.90%, with an ultimate rate of 5.00%. The actuarial value of assets was not determined as the City has not advance funded its obligation. The plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at December 31, 2015, was 30 years.

REQUIRED SUPPLEMENTARY INFORMATION

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

- Schedule of Funding Progress and Employer Contributions
Other Post-Employment Benefit Plan

- 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

- 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

Other Post-Employment Benefit Plan

**Required Supplementary Information
Schedule of Funding Progress and Employer Contributions
December 31, 2015**

Funding Progress

Actuarial Valuation Date Dec. 31	(1) Actuarial Value of Plan Assets	(2) Actuarial Accrued Liability (AAL) - Entry Age	(3) Funded Ratio (1) ÷ (2)	(4) Unfunded (Overfunded) Actuarial Accrued Liability (2) - (1)	(5) Annual Covered Payroll	(6) Unfunded (Overfunded) Actuarial Accrued Liability as a Percentage of Covered Payroll (4) ÷ (5)
2010	\$ N/A	\$ N/A	N/A	\$ N/A	\$ N/A	N/A
2011	-	2,412,937	0.00%	2,412,937	9,668,355	24.96%
2012	N/A	N/A	N/A	N/A	N/A	N/A
2013	N/A	N/A	N/A	N/A	N/A	N/A
2014	-	5,873,381	0.00%	5,873,381	6,948,746	84.52%
2015	N/A	N/A	N/A	N/A	N/A	N/A

Employer Contributions

Fiscal Year Ended	Employer Contributions	Annual Required Contribution	Percent Contributed
2010	\$ 149,318	\$ 354,343	42.14%
2011	140,866	334,286	42.14%
2012	140,866	121,530	115.91%
2013	130,306	128,822	101.15%
2014	180,425	567,507	31.79%
2015	193,615	595,882	32.49%

The City is required to have the actuarial valuation performed triennially.

CITY OF WEST CHICAGO, ILLINOIS

Illinois Municipal Retirement Fund

Required Supplementary Information

Schedule of Employer Contributions

December 31, 2015

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered-Employee Payroll	Contributions as a Percentage of Covered-Employee Payroll
2015	\$ 673,208	\$ 673,208	\$ -	\$ 5,107,796	13.18%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	28 Years
Asset Valuation Method	5-Year Smoothed Market
Inflation	3.00%
Salary Increases	4.40% - 16.00%
Investment Rate of Return	7.50%
Retirement Age	See the Notes to the Financial Statements
Mortality	RP-2000 Combined Healthy Mortality Table

Note: The information presented above is formatted to comply with the requirement of GASB Statement No. 67.

CITY OF WEST CHICAGO, ILLINOIS

Police Pension Fund

**Required Supplementary Information
Schedule of Employer Contributions
December 31, 2015**

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered-Employee Payroll	Contributions as a Percentage of Covered-Employee Payroll
2015	\$ 1,953,538	\$ 1,800,000	\$ (153,538)	\$ 4,092,955	44.0%

Notes to the Required Supplementary Information:

Actuarial Valuation Date	December 31, 2015
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	20 Years
Asset Valuation Method	Market Value
Inflation	2.50%
Salary Increases	3.50% - 8.25%
Investment Rate of Return	6.50%
Mortality	L&A 2016 Illinois Police Mortality Rates

Note: The information presented above is formatted to comply with the requirement of GASB Statement No. 67.

CITY OF WEST CHICAGO, ILLINOIS

Illinois Municipal Retirement Fund

**Required Supplementary Information
Schedule of Changes in the Employer's Net Pension Liability
December 31, 2015**

	<u>2015</u>
Total Pension Liability	
Service Cost	\$ 571,996
Interest	2,352,359
Changes in Benefit Terms	-
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>\$ 33,359,690</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>\$ 28,363,653</u>
 Employer's Net Pension Liability	 <u>\$ 4,996,037</u>
 Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	 85.02%
 Covered-Employee Payroll	 \$ 5,107,796
 Employer's Net Pension Liability as a Percentage of Covered-Employee Payroll	 97.81%

CITY OF WEST CHICAGO, ILLINOIS

Police Pension Fund

**Required Supplementary Information
Schedule of Changes in the Employer's Net Pension Liability
December 31, 2015**

	<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-Employee Payroll	 \$ 4,092,955
 Employer's Net Pension Liability as a Percentage of Covered-Employee Payroll	 747.43%

CITY OF WEST CHICAGO, ILLINOIS

Police Pension Fund

**Required Supplementary Information
Schedule of Investment Returns
December 31, 2015**

Fiscal Year	Annual Money- Weighted Rate of Return, Net of Investment Expense
2015	4.99%

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, 2015**

	Budget		Actual
	Original	Final	
Revenues			
Taxes	\$ 4,540,000	\$ 4,540,000	\$ 4,644,654
Intergovernmental	7,355,000	7,355,000	7,844,832
Charges for Services	1,845,500	1,845,500	2,185,746
Licenses and Permits	518,500	518,500	608,401
Fines and Forfeitures	855,000	855,000	997,523
Interest Income	7,000	7,000	2,129
Miscellaneous	490,000	490,000	742,937
Total Revenues	<u>15,611,000</u>	<u>15,611,000</u>	<u>17,026,222</u>
Expenditures			
General Government	7,854,800	8,221,400	7,494,196
Public Safety	9,661,100	9,661,100	9,104,514
Total Expenditures	<u>17,515,900</u>	<u>17,882,500</u>	<u>16,598,710</u>
Net Change in Fund Balance	<u>\$ (1,904,900)</u>	<u>\$ (2,271,500)</u>	427,512
Fund Balance - Beginning			<u>13,458,386</u>
Fund Balance - Ending			<u>\$ 13,885,898</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, 2015**

	Budget		Actual
	Original	Final	
Revenues			
Interest Income	\$ 2,500	\$ 2,500	\$ 734
Expenditures			
Capital Outlay			
Building and Grounds Improvement	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,500	2,500	734
Other Financing Sources			
Transfers In	100,000	100,000	-
Net Change in Fund Balance	<u>\$ 102,500</u>	<u>\$ 102,500</u>	734
Fund Balance - Beginning			<u>1,500,016</u>
Fund Balance - Ending			<u>\$ 1,500,750</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, 2015**

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ 950,000	\$ 950,000	\$ 928,581
Interest Income	5,000	5,000	130
Miscellaneous	6,000	6,000	21,006
Total Revenues	<u>961,000</u>	<u>961,000</u>	<u>949,717</u>
Expenditures			
General Government	1,227,700	1,237,700	867,089
Debt Service			
Interest and Fiscal Charges	2,500	2,500	608
Total Expenditures	<u>1,230,200</u>	<u>1,240,200</u>	<u>867,697</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(269,200)	(279,200)	82,020
Other Financing (Uses)			
Transfers Out	<u>(100,000)</u>	<u>(100,000)</u>	-
Net Change in Fund Balance	<u>\$ (369,200)</u>	<u>\$ (379,200)</u>	82,020
Fund Balance - Beginning			<u>711,350</u>
Fund Balance - Ending			<u>\$ 793,370</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

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 Statements – Agency Funds

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

GENERAL FUND

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

SPECIAL REVENUE FUNDS

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

Public Benefit Fund

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

TIF Special Tax Allocation Fund #1

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

TIF Special Tax Allocation Fund #2

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

Other Special Service Areas Fund

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

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

CAPITAL PROJECTS 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.

ENTERPRISE FUNDS

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

Waterworks Fund

The Waterworks Fund, a major fund, is used to account for the provision of potable water and water treatment services to the residents of the City. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations and maintenance, financing and related debt service, billing and collection.

Sewerage Fund

The Sewerage Fund, a major fund, is used to account for the provision of sewer repair, treatment, and improvement services to the residents of the City. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations and maintenance, financing and related debt service, billing and collection.

Commuter Parking Fund

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

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

TRUST AND AGENCY FUNDS

PENSION TRUST FUNDS

Police Pension Fund

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

AGENCY FUNDS

Special Service Area #s 17, 18 & 20 Funds

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

CITY OF WEST CHICAGO, ILLINOIS

General Fund

**Schedule of Revenues - Budget and Actual
For the Fiscal Year Ended December 31, 2015**

	Budget		Actual
	Original	Final	
Taxes			
Property Taxes	\$ 3,430,000	\$ 3,430,000	\$ 3,495,773
Telecommunications Tax	850,000	850,000	853,407
Amusement Tax	105,000	105,000	107,849
Personal Property Replacement Tax	155,000	155,000	187,625
	<u>4,540,000</u>	<u>4,540,000</u>	<u>4,644,654</u>
Intergovernmental			
Sales Tax	3,600,000	3,600,000	3,668,446
Income Tax	2,530,000	2,530,000	2,882,037
MFT Allotments	725,000	725,000	688,950
Use Tax	470,000	470,000	586,119
Grants	30,000	30,000	19,280
	<u>7,355,000</u>	<u>7,355,000</u>	<u>7,844,832</u>
Charges for Services			
Brush Collection Fees	73,000	73,000	79,808
Weed Cutting Fees	2,500	2,500	1,710
Business Registration	25,000	25,000	43,495
Police Counter Service	10,000	10,000	7,226
Police Contractual Services	290,000	290,000	332,292
Police Towing	60,000	60,000	38,525
Change of Occupancy Fees	65,000	65,000	78,140
Rental Inspections	170,000	170,000	208,393
Plan Review Fees	20,000	20,000	15,625
Engineering Fees	150,000	150,000	229,221
Transfer Station Fees	550,000	550,000	662,242
Property Rental	185,000	185,000	180,908
Tower Rental Fees	-	-	32,622
Cable Franchise Fee	245,000	245,000	275,539
	<u>1,845,500</u>	<u>1,845,500</u>	<u>2,185,746</u>

CITY OF WEST CHICAGO, ILLINOIS

General Fund

**Schedule of Revenues - Budget and Actual - Continued
For the Fiscal Year Ended December 31, 2015**

	Budget		Actual
	Original	Final	
Licenses and Permits			
Building Permits	\$ 300,000	\$ 300,000	\$ 369,795
Building Contractors Licenses	37,000	37,000	42,405
Oversize Truck Permits	15,000	15,000	24,555
Liquor Licenses	100,000	100,000	98,055
Vending Machine/Business Licenses	65,000	65,000	70,675
Other Licenses and Permits	1,500	1,500	2,916
	<u>518,500</u>	<u>518,500</u>	<u>608,401</u>
Fines and Forfeits			
Circuit Court Fines	370,000	370,000	287,228
Local Fines	485,000	485,000	553,356
Seizures	-	-	156,939
	<u>855,000</u>	<u>855,000</u>	<u>997,523</u>
Interest			
Interest Income	<u>7,000</u>	<u>7,000</u>	<u>2,129</u>
Miscellaneous			
Cemetery Lot Sales	35,000	35,000	70,400
Other Reimbursements	50,000	50,000	122,795
Health Insurance Reimbursements	155,000	155,000	138,518
IPBC and IRMA Revenue	150,000	150,000	321,906
Other Miscellaneous	100,000	100,000	89,318
	<u>490,000</u>	<u>490,000</u>	<u>742,937</u>
Total Revenues	<u>\$ 15,611,000</u>	<u>\$ 15,611,000</u>	<u>\$ 17,026,222</u>

CITY OF WEST CHICAGO, ILLINOIS

General Fund

**Schedule of Expenditures - Budget and Actual
For the Fiscal Year Ended December 31, 2015**

	Budget		Actual
	Original	Final	
General Government			
Legislative	\$ 169,800	\$ 239,800	\$ 160,540
Administration	538,700	538,700	437,639
Administrative Services	2,923,100	2,923,100	2,504,128
Public Works	3,178,700	3,425,300	3,359,612
Community Development	1,044,500	1,094,500	1,032,277
	<u>7,854,800</u>	<u>8,221,400</u>	<u>7,494,196</u>
Public Safety			
Police Department	<u>9,661,100</u>	<u>9,661,100</u>	<u>9,104,514</u>
Total Expenditures	<u>\$ 17,515,900</u>	<u>\$ 17,882,500</u>	<u>\$ 16,598,710</u>

CITY OF WEST CHICAGO, ILLINOIS

General Fund

**Schedule of Detailed Expenditures - Budget and Actual - Continued
For the Fiscal Year Ended December 31, 2015**

	Budget		Actual
	Original	Final	
General Government - Continued			
Administration			
Personal Services			
Administrative Salaries	\$ 177,400	\$ 177,400	\$ 178,165
IMRF and FICA	37,700	37,700	34,535
ICMA	9,000	9,000	9,037
Contractual Services			
Legal Fees	10,500	10,500	540
Training and Tuition	7,500	7,500	2,345
Memberships/Dues/Subscriptions	4,000	4,000	3,268
Software Maintenance	1,000	1,000	585
Telephone and Alarms	21,000	21,000	24,461
Electric	1,000	1,000	762
Printing and Binding	1,000	1,000	448
Advertising	3,000	3,000	3,820
Other Contractual Services	130,000	130,000	80,666
IRMA General Insurance	4,300	4,300	4,240
Commodities			
Sales Tax Rebate	100,000	100,000	84,044
Telecomm Expense	11,000	11,000	-
Computer and Office Supplies	1,700	1,700	141
Gas and Oil	3,000	3,000	1,333
Postage	100	100	-
Gallery 200	6,000	6,000	6,000
Arts Programming Supplies	7,500	7,500	2,236
Special Events	500	500	345
Prospect Development	500	500	189
Other Charges	1,000	1,000	479
Total Administration	538,700	538,700	437,639

CITY OF WEST CHICAGO, ILLINOIS

General Fund

**Schedule of Detailed Expenditures - Budget and Actual - Continued
For the Fiscal Year Ended December 31, 2015**

	Budget		Actual
	Original	Final	
General Government - Continued			
Administrative Services			
Personal Services			
Administrative Salaries	\$ 421,100	\$ 421,100	\$ 433,561
Administrative Salaries - Overtime	300	300	-
IMRF and FICA	88,200	88,200	88,294
ICMA	6,400	6,400	6,100
Health/Dental/Life Insurance	1,646,400	1,646,400	1,550,182
Contractual Services			
Legal Fees	32,000	32,000	21,748
Audit Fees	18,900	18,900	20,520
Consultants	8,000	8,000	317
Network Charges	13,600	13,600	12,609
Pre-employment Exams	9,800	9,800	18,910
Training and Tuition	15,000	15,000	6,033
Memberships/Dues/Subscriptions	3,300	3,300	2,442
Software Maintenance	94,100	94,100	80,306
Telephone and Alarms	13,600	13,600	15,866
Advertising	2,000	2,000	1,082
Other Contractual Services	65,700	65,700	37,470
IRMA General Insurance	4,300	4,300	4,240
Office Equipment Maintenance and Repair	40,400	40,400	14,280
Postage Meter Rental	1,700	1,700	1,377
Copier Fees	4,800	4,800	3,820
Commodities			
Computer and Office Supplies	21,100	21,100	13,635
Gas and Oil	100	100	18
Postage	7,300	7,300	4,969
Miscellaneous Commodities	800	800	-
Safety Program	7,000	7,000	4,831
Special Events	6,000	6,000	4,529
Bank Fees	4,000	4,000	6,578
Other Charges	200	200	197

CITY OF WEST CHICAGO, ILLINOIS

General Fund

**Schedule of Detailed Expenditures - Budget and Actual - Continued
For the Fiscal Year Ended December 31, 2015**

	Budget		Actual
	Original	Final	
General Government - Continued			
Administrative Services - Continued			
Capital Outlay			
Other Capital Outlay	\$ 275,300	\$ 275,300	\$ 76,702
MIS Replacement	111,700	111,700	73,512
Total Administrative Services	2,923,100	2,923,100	2,504,128
Public Works			
Personal Services			
Administrative Salaries	187,900	187,900	181,554
Operating Salaries	565,600	619,100	618,235
Administrative Salaries - Overtime	60,000	60,000	43,969
IMRF and FICA	167,200	171,300	168,130
Contractual Services			
Legal Fees	1,100	1,100	5,230
Pre-employment Exams	700	700	1,278
Training and Tuition	2,000	2,000	1,250
Memberships/Dues/Subscriptions	1,000	1,000	1,111
Telephone and Alarms	30,500	30,500	35,660
Internments Program	27,700	27,700	17,775
Brush Pickup	73,200	73,200	61,272
Grounds Maintenance	53,600	53,600	45,809
Cemetery Maintenance	6,000	6,000	6,375
Janitor Contract	51,700	51,700	51,762
Heating Gas	11,000	11,000	7,228
Electric	132,500	132,500	167,978
Refuse Disposal	30,000	30,000	28,359
Other Contractual Services	328,000	378,000	314,018
Traffic Signal Maintenance	25,000	25,000	29,618
Street Light Maintenance	15,000	15,000	31,923

CITY OF WEST CHICAGO, ILLINOIS

General Fund

**Schedule of Detailed Expenditures - Budget and Actual - Continued
For the Fiscal Year Ended December 31, 2015**

	Budget		Actual
	Original	Final	
General Government - Continued			
Public Works - Continued			
Contractual Services - Continued			
IRMA General Insurance	\$ 59,400	\$ 59,400	\$ 59,366
Other Insurance	11,000	11,000	34,338
Payment to Taxing Bodies	150,000	150,000	180,908
Vehicle Maintenance and Repair	40,000	40,000	28,158
Commodities			
Computer and Office Supplies	4,500	4,500	3,231
Parts for Vehicles	120,000	150,000	140,689
Tools and Equipment	18,500	68,500	49,129
Gas and Oil	80,000	80,000	54,438
Materials	15,000	15,000	21,235
Street Patch Materials	1,000	1,000	456
Street Paint	2,000	2,000	1,860
Ice Control Materials	20,000	20,000	14,534
Parts - Mains	5,000	5,000	2,526
Rock Salt	398,200	457,200	460,264
BIT Patch - Cold	8,000	8,000	4,936
BIT Patch - Hot	45,000	45,000	46,217
Postage	100	100	27
Uniforms and Safety Equipment	6,900	6,900	4,300
Miscellaneous	65,500	65,500	75,566
Capital Outlay			
Vehicles	358,900	358,900	358,900
Total Public Works	3,178,700	3,425,300	3,359,612

CITY OF WEST CHICAGO, ILLINOIS

General Fund

**Schedule of Detailed Expenditures - Budget and Actual - Continued
For the Fiscal Year Ended December 31, 2015**

	Budget		Actual
	Original	Final	
General Government - Continued			
Community Development			
Personal Services			
Administrative Salaries	\$ 319,800	\$ 319,800	\$ 315,701
IMRF and FICA	66,600	66,600	64,240
Contractual Services			
Legal Fees	40,000	40,000	57,429
Training and Tuition	8,000	8,000	864
Memberships/Dues/Subscriptions	2,300	2,300	3,099
Enforcement & Inspections	345,000	345,000	345,000
Plan Review	55,000	95,000	90,975
Software Maintenance	9,900	9,900	9,581
Legal Notices	2,700	2,700	5,188
Telephone and Alarms	11,500	11,500	36,913
Weed Cutting	8,000	8,000	1,710
Printing and Binding	5,300	5,300	2,861
Legal Reporter	3,500	3,500	3,706
Filing Fees	4,000	4,000	3,357
Microfiche Expenses	8,000	8,000	8,063
Other Contractual Services	48,500	58,500	40,253
IRMA General Insurance	5,700	5,700	5,598
Copier Fees	600	600	772
Commodities			
Computer and Office Supplies	3,500	3,500	3,183
Maps and Plats	300	300	364
Gas and Oil	3,000	3,000	1,657
Postage	800	800	-
Uniforms and Safety Equipment	300	300	-
Miscellaneous Commodities	500	500	128
Special Events	80,000	80,000	24,584
Prospect Development	5,000	5,000	2,345
Other Charges	300	300	12

CITY OF WEST CHICAGO, ILLINOIS

General Fund

**Schedule of Detailed Expenditures - Budget and Actual - Continued
For the Fiscal Year Ended December 31, 2015**

	Budget		Actual
	Original	Final	
General Government - Continued			
Community Development - Continued			
Capital Outlay			
Office Equipment	\$ 2,000	\$ 2,000	\$ 294
Vehicles	4,400	4,400	4,400
Total Community Development	1,044,500	1,094,500	1,032,277
Total General Government	7,854,800	8,221,400	7,494,196
Public Safety			
Police Department			
Personal Services			
Administrative Salaries	926,600	926,600	713,221
Patrolman Salaries	3,341,500	3,341,500	3,195,016
Patrolman Salaries - Overtime	474,500	474,500	439,237
Sergeants Salaries	668,100	668,100	644,022
CSO Salaries	107,400	107,400	104,326
CSO - Overtime	1,700	1,700	3,452
Contract Services Salaries	15,000	15,000	13,960
Administrative Services - Overtime	500	500	-
IMRF and FICA	483,200	483,200	420,776
Police Pension	1,800,000	1,800,000	1,800,000
Contractual Services			
Legal Fees	139,700	139,700	120,577
Training and Tuition	30,500	30,500	24,680
Officer Training and Mileage	4,800	4,800	2,236
Memberships/Dues/Subscriptions	10,000	10,000	8,552
Software Maintenance	26,600	26,600	25,955
Telephone and Alarms	78,600	78,600	100,007
Printing and Binding	6,000	6,000	2,628
Grounds Maintenance	1,000	1,000	942
DuComm Quarterly Share	514,100	514,100	514,100
Other Contractual Services	78,000	78,000	62,528
Graffiti Removal	13,500	13,500	9,050
Reception Support	131,500	131,500	127,199

CITY OF WEST CHICAGO, ILLINOIS

General Fund

**Schedule of Detailed Expenditures - Budget and Actual - Continued
For the Fiscal Year Ended December 31, 2015**

	Budget		Actual
	Original	Final	
Public Safety - Continued			
Police Department - Continued			
Contractual Services - Continued			
Crossing Guard - Contractual	\$ 36,500	\$ 36,500	\$ 35,164
IRMA General Insurance	225,800	225,800	226,156
Other Insurance	15,000	15,000	12,711
Radio/Radar Equipment Maint. and Repair	23,000	23,000	8,395
Office Equipment and Repair	15,000	15,000	5,244
Postage Meter Rental	1,000	1,000	958
Copier Fees	9,300	9,300	9,438
Commodities			
Computer and Office Supplies	5,100	5,100	30,881
Field Equipment	47,400	47,400	44,274
Gas and Oil	124,300	124,300	74,740
Vehicle License Fees	1,000	1,000	262
Postage	3,000	3,000	2,595
Uniform and Safety Equipment	61,300	61,300	46,115
First Aid Supplies	4,100	4,100	3,407
Ammunition and Firearms	35,000	35,000	28,805
Tools and Equipment	11,800	11,800	11,430
Educational Programming	6,000	6,000	2,708
Cert Supplies	5,000	5,000	1,608
Miscellaneous Commodities	17,000	17,000	11,203
Capital Outlay			
Vehicles	161,700	161,700	161,700
Other Capital Outlay	-	-	54,256
Total Public Safety	9,661,100	9,661,100	9,104,514
Total Expenditures	\$ 17,515,900	\$ 17,882,500	\$ 16,598,710

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, 2015**

	Budget		Actual
	Original	Final	
General Government			
Personal Services			
Administrative Salaries	\$ 358,000	\$ 358,000	\$ 334,937
Operational Salaries	75,300	75,300	78,219
Administrative Salaries - Overtime	6,500	6,500	5,139
IMRF and FICA	91,700	91,700	84,324
ICMA	4,500	4,500	4,519
Health/Dental/Life Insurance	63,400	63,400	59,601
Contractual Services			
Legal Fees	10,000	10,000	311
Memberships/Dues/Subscriptions	600	600	-
Legal Notices	500	500	80
Telephone and Alarms	1,500	1,500	5,480
Grounds Maintenance	14,100	14,100	11,517
Other	300,000	310,000	96,320
Payment to Taxing Bodies	100,000	100,000	84,199
Commodities			
Postage	100	100	24
Special Events	21,500	21,500	17,870
Prospect Development	1,000	1,000	213
Capital Outlay			
Building Grounds Improvement	65,000	65,000	16,890
Land	50,000	50,000	49,363
Façade Improvement	50,000	50,000	14,276
Streetscape Programs	4,000	4,000	3,807
Retail Grant Programs	10,000	10,000	-
	<u>1,227,700</u>	<u>1,237,700</u>	<u>867,089</u>
Debt Service			
Interest and Fiscal Charges	<u>2,500</u>	<u>2,500</u>	<u>608</u>
Total Expenditures	<u>\$ 1,230,200</u>	<u>\$ 1,240,200</u>	<u>\$ 867,697</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, 2015**

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Utility Taxes	\$ 2,100,000	\$ 2,100,000	\$ 2,029,538
Sales Taxes	520,000	520,000	600,889
Interest Income	2,000	2,000	357
Miscellaneous	1,500,000	1,500,000	329,363
Total Revenues	<u>4,122,000</u>	<u>4,122,000</u>	<u>2,960,147</u>
Expenditures			
Capital Outlay	<u>4,884,400</u>	<u>5,213,900</u>	<u>3,531,286</u>
Net Change in Fund Balance	<u>\$ (762,400)</u>	<u>\$ (1,091,900)</u>	(571,139)
Fund Balance - Beginning			<u>3,252,934</u>
Fund Balance - Ending			<u>\$ 2,681,795</u>

CITY OF WEST CHICAGO, ILLINOIS

Capital Improvement - Capital Projects Fund

**Schedule of Expenditures - Budget and Actual
For the Fiscal Year Ended December 31, 2015**

	Budget		Actual
	Original	Final	
Capital Outlay			
Administrative Salaries	\$ 73,800	\$ 73,800	\$ 75,477
Operational Salaries	10,900	10,900	10,806
Administrative Salaries - Overtime	1,000	1,000	789
IMRF and FICA	17,900	17,900	17,416
Health/Dental/Life Insurance	38,000	38,000	35,755
IRMA General Insurance	5,700	5,700	5,654
Legal Fees	2,500	2,500	2,641
Other Contractual Services	917,800	917,800	833,167
Building and Grounds Improvements	115,000	115,000	52,758
Street Improvements	3,312,900	3,642,400	2,280,774
Other Capital Outlay	388,900	388,900	216,049
Total Expenditures	<u>\$ 4,884,400</u>	<u>\$ 5,213,900</u>	<u>\$ 3,531,286</u>

CITY OF WEST CHICAGO, ILLINOIS

Nonmajor Governmental Funds

**Combining Balance Sheet
December 31, 2015**

	Special Revenue		Capital Projects	
	TIF	Other Special	Capital	
	Special Tax	Service	Equipment	
	Allocation #2	Areas	Replacement	Totals
ASSETS				
Cash and Investments	\$ 149,212	\$ -	\$ 1,483,118	\$ 1,632,330
Receivables - Net of Allowances				
Property Taxes	12,438	-	-	12,438
Due from Other Funds	-	25,643	-	25,643
Total Assets	161,650	25,643	1,483,118	1,670,411
LIABILITIES				
Accounts Payable	-	-	155,302	155,302
DEFERRED INFLOWS OF RESOURCES				
Property Taxes	12,438	-	-	12,438
Total Liabilities and Deferred Inflows of Resources	12,438	-	155,302	167,740
FUND BALANCES				
Restricted	149,212	25,643	-	174,855
Assigned	-	-	1,327,816	1,327,816
Total Fund Balances	149,212	25,643	1,327,816	1,502,671
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 161,650	\$ 25,643	\$ 1,483,118	\$ 1,670,411

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, 2015**

	Special Revenue		Capital Projects	Totals
	TIF Special Tax Allocation #2	Other Special Service Areas	Capital Equipment Replacement	
Revenues				
Taxes	\$ 12,543	\$ -	\$ -	\$ 12,543
Charges for Services	-	-	796,700	796,700
Interest Income	-	-	172	172
Miscellaneous	-	-	8,750	8,750
Total Revenues	12,543	-	805,622	818,165
Expenditures				
Capital Outlay	-	-	861,723	861,723
Net Change in Fund Balances	12,543	-	(56,101)	(43,558)
Fund Balances - Beginning	136,669	25,643	1,383,917	1,546,229
Fund Balances - Ending	\$ 149,212	\$ 25,643	\$ 1,327,816	\$ 1,502,671

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, 2015**

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ 15,000	\$ 15,000	\$ 12,543
Interest Income	100	100	-
Total Revenues	<u>15,100</u>	<u>15,100</u>	<u>12,543</u>
Expenditures			
General Government			
Prospect Development	<u>5,000</u>	<u>5,000</u>	-
Net Change in Fund Balance	<u>\$ 10,100</u>	<u>\$ 10,100</u>	12,543
Fund Balance - Beginning			<u>136,669</u>
Fund Balance - Ending			<u>\$ 149,212</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, 2015**

	Budget		Actual
	Original	Final	
Revenues			
Charges for Services	\$ 907,900	\$ 907,900	\$ 796,700
Interest Income	500	500	172
Miscellaneous	-	-	8,750
Total Revenues	<u>908,400</u>	<u>908,400</u>	<u>805,622</u>
Expenditures			
Capital Outlay			
Vehicles	<u>1,911,900</u>	<u>2,279,400</u>	<u>861,723</u>
Net Change in Fund Balance	<u>\$ (1,003,500)</u>	<u>\$ (1,371,000)</u>	(56,101)
Fund Balance - Beginning			<u>1,383,917</u>
Fund Balance - Ending			<u>\$ 1,327,816</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, 2015**

	Budget		Actual
	Original	Final	
Operating Revenues			
Charges for Services			
Water Service	\$ 4,500,000	\$ 4,500,000	\$ 4,556,098
Operating Expenses			
Operations			
Water Distribution	3,266,400	4,286,700	2,532,660
Water Treatment Plant	2,067,800	2,067,800	1,740,768
Depreciation	-	-	1,771,970
Total Operating Expenses	5,334,200	6,354,500	6,045,398
Operating Income (Loss)	(834,200)	(1,854,500)	(1,489,300)
Nonoperating Revenues (Expenses)			
Connection Fees	24,000	24,000	25,700
Sales Taxes	1,100,000	1,100,000	1,201,919
Interest Income	3,000	3,000	326
Other Income	119,000	119,000	150,480
Disposal of Capital Assets	-	-	(14,894)
Interest Expense	(155,800)	(155,800)	(151,061)
	1,090,200	1,090,200	1,212,470
Income (Loss) Before Contributions and Transfers	256,000	(764,300)	(276,830)
Capital Contributions	-	-	918,467
Change in Net Position	\$ 256,000	\$ (764,300)	641,637
Net Position - Beginning as Restated			78,834,375
Net Position - Ending			\$ 79,476,012

CITY OF WEST CHICAGO, ILLINOIS

Waterworks - Enterprise Fund

**Schedule of Operating Expenses - Budget and Actual
For the Fiscal Year Ended December 31, 2015**

	Budget		Actual
	Original	Final	
Water Distribution			
Personal Services			
Administrative Salaries	\$ 480,600	\$ 480,600	\$ 462,076
Operational Salaries	402,800	420,700	412,469
Administrative Salaries - Overtime	30,000	30,000	25,121
IMRF and FICA	190,300	191,700	349,568
ICMA	4,200	4,200	4,090
Health/Dental/Life Insurance	392,600	392,600	369,574
Unemployment Insurance	-	-	390
Contractual Services			
Legal Fees	15,000	15,000	19,751
Auditing Fees	15,600	15,600	15,086
JULIE System	2,800	2,800	2,361
Consultants	2,000	2,000	317
Pre-employment Exams	600	600	665
Training and Tuition	1,000	1,000	857
Memberships/Dues/Subscriptions	1,000	1,000	1,325
Software Maintenance	10,000	10,000	8,853
Legal Notices	1,000	1,000	476
Telephone and Alarms	35,000	35,000	43,329
Heating and Gas	3,000	3,000	2,392
Electric	275,000	275,000	315,950
Lab Results	8,500	8,500	6,389
Refuse Disposal	5,000	5,000	-
Printing and Binding	2,000	2,000	1,745
Grounds Maintenance	7,700	7,700	7,277
Other Contractual Services	200,000	200,000	113,286
IRMA General Insurance	107,300	107,300	107,425
Other Insurance	-	-	5,236
Vehicle Maintenance and Repair	3,500	3,500	208
Building Maintenance and Repair	1,000	1,000	687
Distribution System Maintenance and Repair	100,000	100,000	3,447
Pump Station Maintenance and Repair	100,000	316,700	2,987
Reservoir Maintenance and Repair	25,000	25,000	-
Office Equipment Maintenance and Repair	2,500	2,500	719

CITY OF WEST CHICAGO, ILLINOIS

Waterworks - Enterprise Fund

**Schedule of Operating Expenses - Budget and Actual - Continued
For the Fiscal Year Ended December 31, 2015**

	Budget		Actual
	Original	Final	
Water Distribution - Continued			
Contractual Services - Continued			
Postage Meter Rental	\$ 1,400	\$ 1,400	\$ 1,352
Copier Rental	3,000	3,000	2,310
Commodities			
Computer and Office Supplies	7,000	7,000	4,998
Parts for Vehicles	8,000	8,000	2,945
Tools and Equipment	3,500	3,500	1,089
Gas and Oil	25,000	25,000	15,738
Postage	5,000	5,000	4,136
Uniforms and Safety Equipment	7,500	7,500	5,968
Parts and Equipment - Wells	4,000	4,000	6,933
Parts and Equipment - Distribution	50,000	50,000	48,094
Parts and Equipment - Pump Station	10,000	10,000	6,154
Lab Supplies	500	500	-
Water Meters	5,000	5,000	11,167
Miscellaneous Commodities	6,000	6,000	2,771
Bank Fees	8,000	8,000	6,549
Capital Outlay			
Vehicles	128,400	128,400	128,400
Other Capital Outlay	544,100	1,328,400	-
MIS Replacement	25,000	25,000	-
Total Water Distribution	3,266,400	4,286,700	2,532,660
Water Treatment Plant			
Personal Services			
Administrative Salaries	173,200	173,200	141,896
Operational Salaries	440,700	440,700	453,956
Administrative Salaries - Overtime	50,000	50,000	65,260
IMRF and FICA	138,400	138,400	136,650
Training and Tuition	1,000	1,000	1,406
Memberships/Dues/Subscriptions	600	600	471
Telephone and Alarms	12,000	12,000	34,706
Heating and Gas	5,000	5,000	3,091
Electric	140,000	140,000	143,657
Lab Results	1,000	1,000	1,600
Refuse Disposal	600,000	600,000	233,229
Grounds Maintenance	24,700	24,700	9,650

CITY OF WEST CHICAGO, ILLINOIS

Waterworks - Enterprise Fund

**Schedule of Operating Expenses - Budget and Actual - Continued
For the Fiscal Year Ended December 31, 2015**

	Budget		Actual
	Original	Final	
Water Treatment Plant - Continued			
Contractual Services			
Janitorial Service	\$ 24,400	\$ 24,400	\$ 24,219
Other Contractual Services	15,000	15,000	37,002
IRMA General Insurance	39,600	39,600	39,578
Building Maintenance and Repair	10,000	10,000	8,747
WTP Operations Repair	50,000	50,000	39,052
Copier Rental	8,000	8,000	5,614
Equipment Rental	1,000	1,000	565
Commodities			
Computer and Office Supplies	2,000	2,000	850
Parts for Vehicles	200	200	181
Tools and Equipment	3,000	3,000	2,068
Gas and Oil	2,500	2,500	54
Uniforms and Safety Equipment	4,000	4,000	1,936
Parts for Building Repairs	3,000	3,000	1,596
Lab Supplies	11,000	11,000	11,625
Chemicals	300,000	300,000	340,773
Parts for WTP Operations	6,000	6,000	5,045
Miscellaneous Commodities	1,500	1,500	1,236
Capital Outlay			
Vehicles	6,000	6,000	6,000
Other Capital Outlay	92,000	92,000	10,751
	<u>2,165,800</u>	<u>2,165,800</u>	<u>1,762,464</u>
Less Nonoperating Items			
Capital Assets Capitalized	(98,000)	(98,000)	(21,696)
	<u>2,067,800</u>	<u>2,067,800</u>	<u>1,740,768</u>
Total Operating Expenses	<u>\$ 5,334,200</u>	<u>\$ 6,354,500</u>	<u>\$ 4,273,428</u>

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, 2015**

	Budget		Actual
	Original	Final	
Operating Revenues			
Charges for Services			
Sewer Service	\$ 5,300,000	\$ 5,300,000	\$ 5,737,670
Operating Expenses			
Operations			
Wastewater Treatment	2,793,200	2,793,200	2,785,776
Sanitary Sewer Collection	3,973,700	4,615,700	2,633,008
Treatment Plant Equipment Replacement	1,776,500	1,776,500	-
Special Service Area #2	13,800	13,800	12,505
Depreciation	-	-	644,464
Total Operating Expenses	8,557,200	9,199,200	6,075,753
Operating Income (Loss)	(3,257,200)	(3,899,200)	(338,083)
Nonoperating Revenues			
Connection Fees	25,000	25,000	30,700
Property Taxes	11,000	11,000	8,604
Interest Income	5,000	5,000	848
Other Income	38,000	38,000	116,302
	79,000	79,000	156,454
Income (Loss) Before Contributions	(3,178,200)	(3,820,200)	(181,629)
Capital Contributions	-	-	133,237
Change in Net Position	\$ (3,178,200)	\$ (3,820,200)	(48,392)
Net Position - Beginning as Restated			27,392,386
Net Position - Ending			\$ 27,343,994

CITY OF WEST CHICAGO, ILLINOIS

Sewerage - Enterprise Fund

**Schedule of Operating Expenses - Budget and Actual
For the Fiscal Year Ended December 31, 2015**

	Budget		Actual
	Original	Final	
Wastewater Treatment			
Personal Services			
Administrative Services	\$ 29,800	\$ 29,800	\$ 30,163
Administrative Salaries - Overtime	300	300	100
IMRF and FICA	6,400	6,400	5,961
Contractual Services			
Legal Fees	-	-	4,984
Auditing Fees	4,700	4,700	4,568
Memberships/Dues/Subscriptions	75,000	75,000	62,688
Printing and Binding	200	200	-
Grounds Maintenance	8,000	8,000	7,860
Other Contractual Services	2,623,600	2,623,600	2,624,221
IRMA General Insurance	45,200	45,200	45,231
Total Wastewater Treatment	2,793,200	2,793,200	2,785,776
Sanitary Sewer Collection			
Personal Services			
Administrative Salaries	500,400	500,400	483,245
Operational Salaries	512,900	536,700	534,349
Administrative Salaries - Overtime	40,000	40,000	33,993
IMRF and FICA	219,500	221,400	328,568
ICMA	4,200	4,200	4,090
Health/Dental/Life Insurance	392,600	392,600	369,512
Unemployment Insurance	-	-	390
Contractual Services			
Legal Fees	15,000	15,000	11,946
Auditing Fees	4,700	4,700	4,568
JULIE System	2,800	2,800	2,361
Consultants	2,000	2,000	317
Training and Tuition	500	500	60
Software Maintenance	12,000	12,000	11,644
Telephone and Alarms	15,000	15,000	31,784
Heating Gas	8,000	8,000	5,393
Electric	50,000	50,000	50,125
Grounds Maintenance	3,700	3,700	3,155
Other Contractual Services	155,000	155,000	112,289
IRMA General Insurance	67,800	67,800	67,903

CITY OF WEST CHICAGO, ILLINOIS

Sewerage - Enterprise Fund

**Schedule of Operating Expenses - Budget and Actual - Continued
For the Fiscal Year Ended December 31, 2015**

	Budget		Actual
	Original	Final	
Sanitary Sewer Collection - Continued			
Contractual Services - Continued			
Vehicle Maintenance and Repair	\$ 10,000	\$ 10,000	\$ 7,323
Lift Station Maintenance and Repair	1,223,200	1,839,500	1,905,541
Sewer Main Maintenance and Repair	620,000	620,000	508,548
Postage Meter Rental	1,400	1,400	1,352
Commodities			
Copier and Rental	2,500	2,500	2,310
Computer and Office Supplies	5,000	5,000	4,784
Parts for Vehicles	15,000	15,000	12,748
Tools and Equipment	20,000	20,000	12,325
Gas and Oil	22,000	22,000	14,161
Postage	3,000	3,000	2,043
Chemicals	1,500	1,500	-
Parts for Lift Stations	25,000	25,000	13,032
Material for Trench Backfill	5,000	5,000	9,265
Parts for Mains	3,000	3,000	1,413
Miscellaneous Commodities	6,000	6,000	4,672
Bank Fees	5,000	5,000	6,549
Capital Outlay			
Vehicles	137,300	137,300	137,300
Other Capital Outlay	315,000	562,000	207,536
	4,426,000	5,315,000	4,906,594
Less Nonoperating Items			
Capital Assets Capitalized	(452,300)	(699,300)	(2,273,586)
Total Sanitary Sewer Collection	3,973,700	4,615,700	2,633,008
Treatment Plant Equipment Replacement			
Capital Outlay			
Other Contractual Services	347,300	347,300	-
Other Capital Outlay	1,429,200	1,429,200	-
Total Treatment Plant Equipment Replacement	1,776,500	1,776,500	-

CITY OF WEST CHICAGO, ILLINOIS

Sewerage - Enterprise Fund

**Schedule of Operating Expenses - Budget and Actual - Continued
For the Fiscal Year Ended December 31, 2015**

	Budget		Actual
	Original	Final	
Special Service Area #2			
Operating and Maintenance			
Personal Service			
Operational Salaries	\$ 4,900	\$ 4,900	\$ 4,929
Administrative Salaries - Overtime	200	200	108
IMRF and FICA	1,100	1,100	1,051
Commodities			
Electric	5,000	5,000	4,354
Grounds Maintenance	2,600	2,600	2,063
Total Operating and Maintenance	13,800	13,800	12,505
Total Operating Expenses	\$ 8,557,200	\$ 9,199,200	\$ 5,431,289

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, 2015**

	Budget		Actual
	Original	Final	
Operating Revenues			
Charges for Services			
Parking Fees	\$ 70,800	\$ 70,800	\$ 79,860
Licenses and Permits			
Parking Permits	60,000	60,000	59,775
Total Operating Revenues	<u>130,800</u>	<u>130,800</u>	<u>139,635</u>
Operating Expenses			
Operations	220,400	220,400	65,715
Depreciation	-	-	26,270
Total Operating Expenses	<u>220,400</u>	<u>220,400</u>	<u>91,985</u>
Operating Income (Loss)	(89,600)	(89,600)	47,650
Nonoperating Revenues			
Interest Income	-	-	<u>1</u>
Change in Net Position	<u>\$ (89,600)</u>	<u>\$ (89,600)</u>	47,651
Net Position - Beginning as Restated			<u>445,180</u>
Net Position - Ending			<u>\$ 492,831</u>

CITY OF WEST CHICAGO, ILLINOIS

Commuter Parking - Enterprise Fund

**Schedule of Operating Expenses - Budget and Actual
For the Fiscal Year Ended December 31, 2015**

	Budget		Actual
	Original	Final	
Operations			
Personal Services			
Administrative Salaries	\$ 6,600	\$ 6,600	\$ 7,111
Administrative Salaries Overtime	1,000	1,000	591
Operational Salaries	10,900	10,900	10,806
IMRF and FICA	4,000	4,000	5,859
Contractual Services			
Auditing Fees	1,600	1,600	1,508
Telephone and Alarms	2,000	2,000	1,781
Electric	20,000	20,000	18,704
Printing and Binding	900	900	710
Grounds Maintenance	4,900	4,900	4,680
Janitorial Services	3,800	3,800	3,672
Contractual Services	25,000	25,000	6,552
Commodities			
Postage	1,100	1,100	985
Miscellaneous Commodities	3,000	3,000	2,756
Capital Outlay			
Building and Ground Improvements	65,000	65,000	-
Other Capital Outlay	70,600	70,600	-
Total Operations	<u>\$ 220,400</u>	<u>\$ 220,400</u>	<u>\$ 65,715</u>

CITY OF WEST CHICAGO, ILLINOIS

Agency - Special Service Areas Funds

**Combining Statement of Changes in Assets and Liabilities
For the Fiscal Year Ended December 31, 2015**

See Following Page

CITY OF WEST CHICAGO, ILLINOIS

Agency - Special Service Areas Funds

**Combining Statement of Changes in Assets and Liabilities
For the Fiscal Year Ended December 31, 2015**

	Beginning Balances	Additions	Deductions	Ending Balances
ALL FUNDS				
ASSETS				
Cash and Investments	\$ 135,531	\$ -	\$ 116,596	\$ 18,935
LIABILITIES				
Due to Bondholders	\$ 135,531	\$ -	\$ 116,596	\$ 18,935
SPECIAL SERVICE AREA #17				
ASSETS				
Cash and Investments	\$ 56,282	\$ -	\$ 49,543	\$ 6,739
LIABILITIES				
Due to Bondholders	\$ 56,282	\$ -	\$ 49,543	\$ 6,739

	Beginning Balances	Additions	Deductions	Ending Balances
SPECIAL SERVICE AREA #18				
ASSETS				
Cash and Investments	\$ 58,362	\$ -	\$ 49,543	\$ 8,819
LIABILITIES				
Due to Bondholders	\$ 58,362	\$ -	\$ 49,543	\$ 8,819
SPECIAL SERVICE AREA #20				
ASSETS				
Cash and Investments	\$ 20,887	\$ -	\$ 17,510	\$ 3,377
LIABILITIES				
Due to Bondholders	\$ 20,887	\$ -	\$ 17,510	\$ 3,377

SUPPLEMENTAL SCHEDULE

CITY OF WEST CHICAGO, ILLINOIS

Long-Term Debt Requirements

**IEPA Waterworks Revolving Loan
December 31, 2015**

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	
2016	\$ 565,327	\$ 141,529	\$ 706,856
2017	579,950	126,906	706,856
2018	594,950	111,906	706,856
2019	610,339	96,517	706,856
2020	626,125	80,731	706,856
2021	642,320	64,536	706,856
2022	658,933	47,923	706,856
2023	675,977	30,879	706,856
2024	693,461	13,395	706,856
	<u>\$ 5,647,382</u>	<u>\$ 714,322</u>	<u>\$ 6,361,704</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, 2015 (Unaudited)**

See Following Page

CITY OF WEST CHICAGO, ILLINOIS

**Net Position by Component - Last Ten Fiscal Years
December 31, 2015 (Unaudited)**

	Fiscal Year Ended 4/30/2007	Fiscal Year Ended 4/30/2008	Eight Months Ended 12/31/2008	Fiscal Year Ended 12/31/2009
Governmental Activities				
Net Investment in Capital Assets	\$ 75,611,759	\$ 75,663,542	\$ 77,409,060	\$ 79,007,408
Restricted	1,462,074	1,328,804	1,264,241	479,320
Unrestricted	17,723,775	17,986,270	19,850,570	22,492,259
Total Governmental Activities Net Position	94,797,608	94,978,616	98,523,871	101,978,987
Business-Type Activities				
Net Investment in Capital Assets	38,575,240	37,577,723	36,528,712	35,884,266
Restricted	3,629,195	3,533,535	3,806,146	3,833,998
Unrestricted	19,237,261	21,061,429	21,276,997	20,588,763
Total Business-Type Activities Net Position	61,441,696	62,172,687	61,611,855	60,307,027
Primary Government				
Net Investment in Capital Assets	114,186,999	113,241,265	113,937,772	114,891,674
Restricted	5,091,269	4,862,339	5,070,387	4,313,318
Unrestricted	36,961,036	39,047,699	41,127,567	43,081,022
Total Primary Government Net Position	\$ 156,239,304	\$ 157,151,303	\$ 160,135,726	\$ 162,286,014

Data Source: City Records

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
\$ 88,164,059	\$ 89,692,289	\$ 88,988,913	\$ 87,923,548	\$ 55,050,037	\$ 55,619,533
-	1,708,723	2,340,095	2,335,435	3,218,725	3,305,503
18,130,222	16,795,258	12,681,105	13,063,574	12,673,884	(9,065,624)
106,294,281	108,196,270	104,010,113	103,322,557	70,942,646	49,859,412
36,356,211	52,523,108	53,326,830	56,991,020	102,204,573	103,770,812
4,715,215	4,435,213	3,614,442	760,002	1,040,810	1,088,552
19,199,292	4,383,915	3,913,218	3,062,891	3,785,237	2,453,473
60,270,718	61,342,236	60,854,490	60,813,913	107,030,620	107,312,837
124,520,270	142,215,397	142,315,743	144,914,568	157,254,610	159,390,345
4,715,215	6,143,936	5,954,537	3,095,437	4,259,535	4,394,055
37,329,514	21,179,173	16,594,323	16,126,465	16,459,121	(6,612,151)
\$ 166,564,999	\$ 169,538,506	\$ 164,864,603	\$ 164,136,470	\$ 177,973,266	\$ 157,172,249

CITY OF WEST CHICAGO, ILLINOIS

Changes in Net Position - Last Ten Fiscal Years
December 31, 2015 (Unaudited)

	Fiscal Year Ended 4/30/2007	Fiscal Year Ended 4/30/2008	Eight Months Ended 12/31/2008	Fiscal Year Ended 12/31/2009	Fiscal Year Ended 12/31/2010	Fiscal Year Ended 12/31/2011	Fiscal Year Ended 12/31/2012	Fiscal Year Ended 12/31/2013	Fiscal Year Ended 12/31/2014	Fiscal Year Ended 12/31/2015
Expenses										
Governmental Activities										
General Government	\$ 6,087,786	\$ 6,519,035	\$ 4,845,172	\$ 9,423,220	\$ 10,307,149	\$ 8,797,675	\$ 9,184,108	\$ 8,912,745	\$ 11,058,516	\$ 13,280,738
Highways and Streets	7,570,597	8,166,925	5,881,641	8,759,315	8,583,580	8,399,317	8,851,135	4,103,870	9,701,162	12,524,954
Public Safety	4,697,995	5,269,466	2,499,094	1,486,314	1,546,316	1,591,915	6,730,139	9,388,129	1,955,626	-
Culture and Recreation	518,487	409,874	251,723	376,103	135,309	193,879	83,232	-	12,592	-
Interest on Long-Term Debt	74,596	123,108	87,034	95,920	63,505	40,332	38,097	1,769	1,195	608
Total Governmental Activities Expenses	18,949,461	20,488,408	13,564,664	20,140,872	20,635,859	19,023,118	24,886,711	22,406,513	22,729,091	25,806,300
Business-Type Activities										
Waterworks	5,076,878	6,452,600	4,409,193	6,147,347	6,441,171	5,999,102	6,816,837	6,136,247	5,812,503	6,211,353
Sewerage	3,909,722	5,009,744	4,102,048	5,959,791	5,912,683	7,596,138	6,602,525	6,073,613	5,888,300	6,075,753
Commuter Parking	132,148	136,383	119,829	535,811	220,345	127,748	112,319	84,748	140,431	91,985
Total Business-Type Activities Activities Net Position	9,118,748	11,598,727	8,631,070	12,642,949	12,574,199	13,722,988	13,531,681	12,294,608	11,841,234	12,379,091
Total Primary Government Expenses	28,068,209	32,087,135	22,195,734	32,783,821	33,210,058	32,746,106	38,418,392	34,701,121	34,570,325	38,185,391
Program Revenues										
Governmental Activities										
Charges for Services										
General Government	1,907,004	1,897,830	1,560,418	1,754,497	1,816,692	2,246,202	1,899,106	2,007,405	2,018,188	2,391,549
Highways and Streets	1,051,912	1,249,338	1,186,037	2,330,517	-	-	1,419,816	1,557,400	1,178,937	1,400,121
Public Safety	444,500	483,100	485,533	745,000	1,573,088	1,448,786	-	1,373,123	788,000	796,700
Culture and Recreation	26,973	-	-	-	-	-	-	-	-	-
Operating Grants/Contributions	293,396	359,576	272,902	145,148	395,843	78,140	181,074	150,805	51,746	19,280
Capital Grants/Contributions	777,051	778,850	536,437	714,671	4,832,786	792,266	819,317	806,014	930,849	688,950
Total Governmental Activities Program Revenues	4,500,836	4,768,694	4,041,327	5,689,833	8,618,409	4,565,394	4,319,313	5,894,747	4,967,720	5,296,600
Business-Type Activities										
Charges for Services										
Waterworks	5,391,870	5,193,617	3,503,214	4,980,408	4,829,368	4,720,319	4,707,616	4,218,252	4,889,559	4,581,798
Sewerage	3,982,237	3,961,312	3,821,226	5,137,530	5,579,155	5,591,347	5,492,604	5,328,023	6,022,231	5,768,370
Commuter Parking	94,043	98,111	81,994	120,240	116,169	124,830	133,077	131,813	137,147	139,635
Capital Grants/Contributions	-	-	-	-	-	2,633,360	1,317,363	-	-	1,051,704
Total Business-Type Activities Program Revenues	9,468,150	9,253,040	7,406,434	10,238,178	10,524,692	13,069,856	11,650,660	9,678,088	11,048,937	11,541,507
Total Primary Government Program Revenues	\$ 13,968,986	\$ 14,021,734	\$ 11,447,761	\$ 15,928,011	\$ 19,143,101	\$ 17,635,250	\$ 15,969,973	\$ 15,572,835	\$ 16,016,657	\$ 16,838,107

	Fiscal Year Ended 4/30/2007	Fiscal Year Ended 4/30/2008	Eight Months Ended 12/31/2008	Fiscal Year Ended 12/31/2009	Fiscal Year Ended 12/31/2010	Fiscal Year Ended 12/31/2011	Fiscal Year Ended 12/31/2012	Fiscal Year Ended 12/31/2013	Fiscal Year Ended 12/31/2014	Fiscal Year Ended 12/31/2015
Net (Expenses) Revenues										
Governmental Activities	\$ (14,448,625)	\$ (15,719,714)	\$ (9,523,337)	\$ (14,451,039)	\$ (12,017,450)	\$ (14,457,724)	\$ (20,567,398)	\$ (16,511,766)	\$ (17,761,371)	\$ (20,509,700)
Business-Type Activities	349,402	(2,345,687)	(1,224,636)	(2,404,771)	(2,049,507)	(653,132)	(1,881,021)	(2,616,520)	(792,297)	(837,584)
Total Primary Government Net Revenues (Expenses)	(14,099,223)	(18,065,401)	(10,747,973)	(16,855,810)	(14,066,957)	(15,110,856)	(22,448,419)	(19,128,286)	(18,553,668)	(21,347,284)
General Revenues and Other Changes in Net Position										
Governmental Activities										
Taxes										
Property	3,751,770	4,086,381	4,451,083	4,479,930	4,691,781	4,701,295	4,711,890	4,534,973	4,492,371	4,436,897
Other	1,254,401	1,305,440	877,403	1,250,406	1,200,551	1,383,971	1,176,228	1,032,614	1,033,012	961,256
Intergovernmental										
Sales and Use	3,929,364	4,052,219	3,607,854	3,549,910	3,832,745	4,158,709	4,405,831	4,515,729	5,476,959	4,855,454
Income	2,165,411	2,471,340	1,654,932	2,181,609	2,112,444	2,117,490	2,379,976	2,580,764	2,593,317	2,882,037
Replacement	155,243	193,689	117,888	159,185	171,227	157,985	144,979	169,568	170,517	187,625
Utility	2,058,843	2,190,649	1,316,154	2,037,722	2,098,487	2,098,719	2,013,401	2,051,702	2,111,109	2,029,538
Interest Income	1,084,991	1,069,786	530,225	253,642	212,808	102,820	79,150	21,399	(7,465)	3,522
Miscellaneous	759,852	531,218	513,053	3,506,651	2,012,701	1,638,724	1,465,234	917,461	1,607,960	1,102,056
Transfers	120,000	-	-	487,100	-	-	-	-	-	-
Total Governmental Activities	15,279,875	15,900,722	13,068,592	17,906,155	16,332,744	16,359,713	16,376,689	15,824,210	17,477,780	16,458,385
Business-Type Activities										
Property	15,158	15,172	15,025	15,161	15,172	11,557	11,671	8,804	8,888	8,604
Sales and Use	-	-	-	948,148	1,023,267	1,131,916	1,103,876	1,071,655	1,153,993	1,201,919
Interest Income	1,018,478	1,111,535	425,385	205,893	137,988	121,733	6,878	6,142	4,654	1,175
Miscellaneous	306,827	1,949,971	223,394	417,841	836,771	459,444	270,850	1,489,342	544,194	266,782
Transfers	(120,000)	-	-	(487,100)	-	-	-	-	-	-
Total Business-Type Activities	1,220,463	3,076,678	663,804	1,099,943	2,013,198	1,724,650	1,393,275	2,575,943	1,711,729	1,478,480
Total Primary Government	16,500,338	18,977,400	13,732,396	19,006,098	18,345,942	18,084,363	17,769,964	18,400,153	19,189,509	17,936,865
Changes in Net Position										
Governmental Activities	831,250	181,008	3,545,255	3,455,116	4,315,294	1,901,989	(4,190,709)	(687,556)	(283,591)	(4,051,315)
Business-Type Activities	1,569,865	730,991	(560,832)	(1,304,828)	(36,309)	1,071,518	(487,746)	(40,577)	919,432	640,896
Total Primary Government	\$ 2,401,115	\$ 911,999	\$ 2,984,423	\$ 2,150,288	\$ 4,278,985	\$ 2,973,507	\$ (4,678,455)	\$ (728,133)	\$ 635,841	\$ (3,410,419)

Data Source: City Records

CITY OF WEST CHICAGO, ILLINOIS

**Fund Balances of Governmental Funds - Last Ten Fiscal Years
December 31, 2015 (Unaudited)**

	Fiscal Year Ended 4/30/2007	Fiscal Year Ended 4/30/2008	Eight Months Ended 12/31/2008	Fiscal Year Ended 12/31/2009
General Fund				
Reserved	\$ 1,115,019	\$ 1,468,640	\$ 1,258,433	\$ 1,277,811
Unreserved	7,547,196	8,260,787	10,789,860	12,278,094
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Unassigned	-	-	-	-
Total General Fund	<u>8,662,215</u>	<u>9,729,427</u>	<u>12,048,293</u>	<u>13,555,905</u>
All Other Governmental Funds				
Reserved	2,675,629	2,479,613	2,347,877	1,516,583
Unreserved, Reported in:				
Special Revenues Funds	6,868,385	6,637,886	6,350,617	6,275,876
Capital Projects Funds	3,182,862	2,815,078	2,959,936	4,542,708
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Assigned	-	-	-	-
Total All Other Governmental Funds	<u>12,726,876</u>	<u>11,932,577</u>	<u>11,658,430</u>	<u>12,335,167</u>
Total All Governmental Funds	<u>\$ 21,389,091</u>	<u>\$ 21,662,004</u>	<u>\$ 23,706,723</u>	<u>\$ 25,891,072</u>

Data Source: City Records

The City implemented GASB 54 in Fiscal Year 2011.

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
\$ 985,505	\$ -	\$ -	\$ -	\$ -	\$ -
11,659,744	-	-	-	-	-
-	1,134,891	1,145,514	1,028,304	1,104,969	736,988
-	-	843,105	844,754	846,315	846,315
-	12,616,731	11,309,771	10,931,741	11,507,102	12,302,595
12,645,249	13,751,622	13,298,390	12,804,799	13,458,386	13,885,898
986,267	-	-	-	-	-
2,270,787	-	-	-	-	-
5,245,994	-	-	-	-	-
-	938,215	886,413	797,991	2,029	12,815
-	1,708,723	1,496,990	1,490,681	2,372,410	2,459,188
-	5,318,609	2,698,343	3,943,537	4,636,090	4,006,583
8,503,048	7,965,547	5,081,746	6,232,209	7,010,529	6,478,586
\$ 21,148,297	\$ 21,717,169	\$ 18,380,136	\$ 19,037,008	\$ 20,468,915	\$ 20,364,484

CITY OF WEST CHICAGO, ILLINOIS

**General Governmental Revenues By Source - Last Ten Fiscal Years
December 31, 2015 (Unaudited)**

Source	Fiscal Year Ended 4/30/2007	Fiscal Year Ended 4/30/2008	Eight Months Ended 12/31/2008	Fiscal Year Ended 12/31/2009
Taxes	\$ 7,220,257	\$ 7,943,758	\$ 7,737,287	\$ 8,401,237
Intergovernmental	7,165,222	7,494,386	5,097,366	6,117,344
Charges for Services	2,315,647	2,389,235	2,179,039	2,558,780
Licenses and Permits	632,799	572,886	326,417	489,110
Fines and Forfeits	481,943	668,147	726,532	1,782,124
Interest Income	1,075,101	1,049,762	523,118	251,878
Miscellaneous	759,852	531,218	513,053	3,506,651
Total	<u>\$ 19,650,821</u>	<u>\$ 20,649,392</u>	<u>\$ 17,102,812</u>	<u>\$ 23,107,124</u>

Data Source: City Records

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
\$ 8,669,147	\$ 8,907,926	\$ 8,598,434	\$ 8,324,682	\$ 8,383,993	\$ 8,216,205
6,542,723	6,580,649	7,234,262	7,517,487	8,475,887	7,844,832
1,891,127	2,124,010	1,803,814	3,407,944	2,718,832	2,982,446
456,361	634,929	481,698	530,638	484,106	608,401
1,042,292	936,049	1,033,410	999,346	782,187	997,523
210,470	102,148	78,908	21,307	(7,465)	3,522
2,012,701	1,638,724	1,465,234	917,461	1,607,960	1,102,056
<u>\$ 20,824,821</u>	<u>\$ 20,924,435</u>	<u>\$ 20,695,760</u>	<u>\$ 21,718,865</u>	<u>\$ 22,445,500</u>	<u>\$ 21,754,985</u>

CITY OF WEST CHICAGO, ILLINOIS

**General Governmental Expenditures By Function - Last Ten Fiscal Years
December 31, 2015 (Unaudited)**

Function	Fiscal Year Ended 4/30/2007	Fiscal Year Ended 4/30/2008	Eight Months Ended 12/31/2008	Fiscal Year Ended 12/31/2009
General Government	\$ 6,030,937	\$ 6,393,241	\$ 4,551,384	\$ 6,957,868
Public Safety	7,511,979	8,006,829	5,783,643	8,616,769
Highways and Streets	826,980	1,025,381	700,402	-
Culture and Recreation	514,550	406,417	248,277	372,382
Capital Outlay	5,477,801	4,227,901	3,455,854	5,141,045
Debt Service				
Principal	150,000	190,000	210,000	225,000
Interest and Fiscal Charges	77,378	126,710	108,533	96,811
Total	<u>\$ 20,589,625</u>	<u>\$ 20,376,479</u>	<u>\$ 15,058,093</u>	<u>\$ 21,409,875</u>

Data Source: City Records

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
\$ 8,180,849	\$ 7,720,982	\$ 8,940,416	\$ 8,676,885	\$ 8,128,303	\$ 8,361,285
8,524,634	8,468,368	8,825,728	9,248,035	9,162,072	9,104,514
-	-	-	-	-	-
131,438	189,894	80,000	-	-	-
7,818,703	3,935,987	6,148,552	3,154,948	3,722,023	4,393,009
845,000	-	-	-	-	-
66,972	40,332	38,097	1,769	1,195	608
<u>\$ 25,567,596</u>	<u>\$ 20,355,563</u>	<u>\$ 24,032,793</u>	<u>\$ 21,081,637</u>	<u>\$ 21,013,593</u>	<u>\$ 21,859,416</u>

CITY OF WEST CHICAGO, ILLINOIS

**Changes in Fund Balances for Governmental Funds - Last Ten Fiscal Years
December 31, 2015 (Unaudited)**

	Fiscal Year Ended 4/30/2007	Fiscal Year Ended 4/30/2008	Eight Months Ended 12/31/2008	Fiscal Year Ended 12/31/2009
Revenues				
Taxes	\$ 7,220,257	\$ 7,943,758	\$ 7,737,287	\$ 8,401,237
Intergovernmental	7,165,222	7,494,386	5,097,366	6,117,344
Charges for Services	2,315,647	2,389,235	2,179,039	2,558,780
Licenses and Permits	632,799	572,886	326,417	489,110
Fines and Forfeits	481,943	668,147	726,532	1,782,124
Interest Income	1,075,101	1,049,762	523,118	251,878
Miscellaneous	759,852	531,218	513,053	3,506,651
Total Revenues	19,650,821	20,649,392	17,102,812	23,107,124
Expenditures				
General Government	6,030,937	6,393,241	4,551,384	6,957,868
Public Safety	7,511,979	8,006,829	5,783,643	8,616,769
Highways and Streets	826,980	1,025,381	700,402	-
Culture and Recreation	514,550	406,417	248,277	372,382
Capital Outlay	5,477,801	4,227,901	3,455,854	5,141,045
Debt Service				
Principal	150,000	190,000	210,000	225,000
Interest and Fiscal Charges	77,378	126,710	108,533	96,811
Total Expenditures	20,589,625	20,376,479	15,058,093	21,409,875
Excess of Revenues Over (Under) Expenditures	(938,804)	272,913	2,044,719	1,697,249
Other Financing Sources (Uses)				
Transfer In	330,000	555,000	150,000	587,100
Transfer Out	(210,000)	(555,000)	(150,000)	(100,000)
Sale of Assets	-	-	-	-
	120,000	-	-	487,100
Net Change in Fund Balances	\$ (818,804)	\$ 272,913	\$ 2,044,719	\$ 2,184,349
Debt Service as a Percentage of Noncapital Expenditures	1.50%	1.67%	2.65%	1.75%

Data Source: City Records

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
\$ 8,669,147	\$ 8,907,926	\$ 8,598,434	\$ 8,324,682	\$ 8,383,993	\$ 8,216,205
6,542,723	6,580,649	7,234,262	7,517,487	8,475,887	7,844,832
1,891,127	2,124,010	1,803,814	3,407,944	2,718,832	2,982,446
456,361	634,929	481,698	530,638	484,106	608,401
1,042,292	936,049	1,033,410	999,346	782,187	997,523
210,470	102,148	78,908	21,307	(7,465)	3,522
2,012,701	1,638,724	1,465,234	917,461	1,607,960	1,102,056
20,824,821	20,924,435	20,695,760	21,718,865	22,445,500	21,754,985
8,180,849	7,720,982	8,940,416	8,676,885	8,128,303	8,361,285
8,524,634	8,468,368	8,825,728	9,248,035	9,162,072	9,104,514
-	-	-	-	-	-
131,438	189,894	80,000	-	-	-
7,818,703	3,935,987	6,148,552	3,154,948	3,722,023	4,393,009
845,000	-	-	-	-	-
66,972	40,332	38,097	1,769	1,195	608
25,567,596	20,355,563	24,032,793	21,081,637	21,013,593	21,859,416
(4,742,775)	568,872	(3,337,033)	637,228	1,431,907	(104,431)
441,777	-	50,000	19,644	7,776	-
(441,777)	-	(50,000)	-	(7,776)	-
-	-	-	-	-	-
-	-	-	19,644	-	-
\$ (4,742,775)	\$ 568,872	\$ (3,337,033)	\$ 656,872	\$ 1,431,907	\$ (104,431)
5.86%	0.24%	0.16%	0.01%	0.01%	0.00%

CITY OF WEST CHICAGO, ILLINOIS

**Assessed Value and Actual Value of Taxable Property - Last Ten Fiscal Years
December 31, 2015 (Unaudited)**

Tax Levy Year	Fiscal Year End	Residential Property	Farm
2006	4/30/2007	\$ 463,201,134	\$ 226,466
2007	4/30/2008	482,728,818	248,092
2008	12/31/2008*	509,905,446	276,390
2009	12/31/2009	503,652,130	286,844
2010	12/31/2010	477,222,120	325,577
2011	12/31/2011	439,560,682	341,675
2012	12/31/2012	395,571,348	370,108
2013	12/31/2013	367,424,630	392,261
2014	12/31/2014	354,736,670	426,235
2015	12/31/2015	363,843,948	462,209

*For the Eight Months Ended December 31, 2008

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

Commercial Property	Industrial Property	Total Assessed Value	Total Direct Tax Rate
\$ 86,688,224	\$ 154,537,960	\$ 704,653,784	7.5812
100,599,520	156,767,550	740,343,980	7.5418
110,593,070	163,773,650	784,548,556	7.4882
114,043,959	161,948,610	784,548,556	7.5498
104,342,370	154,574,460	736,464,527	8.1600
100,671,895	146,221,310	686,795,562	8.9165
92,055,282	132,161,380	620,158,118	10.1222
82,237,691	124,152,620	574,207,202	11.4196
79,649,467	119,236,720	554,049,092	11.7269
81,068,291	122,668,530	568,042,978	11.6366

CITY OF WEST CHICAGO, ILLINOIS

**Direct and Overlapping Property Tax Rates - Last Ten Tax Levy Years
December 31, 2015 (Unaudited)**

Taxing Body	2006	2007	2008
Countywide			
DuPage County	0.1713	0.1651	0.1557
Forest Preserve District	0.1303	0.1187	0.1206
DuPage Airport Authority	0.0183	0.0170	0.0160
DuPage Water Commission	0.0000	0.0000	0.0000
Local			
Wayne Township	0.0666	0.0647	0.0649
Wayne Township Road	0.0704	0.0642	0.0604
City of West Chicago - Wayne Township	0.4236	0.4273	0.4240
Winfield Township	0.0869	0.0855	0.0845
Winfield Township Road	0.1143	0.1125	0.1112
City of West Chicago - Winfield Township	0.4236	0.4273	0.4240
West Chicago Park District	0.2813	0.2718	0.2687
West Chicago Fire Protection District	0.5335	0.6501	0.6506
West Chicago Mosquito District	0.0101	0.0099	0.0099
West Chicago Library District	0.2532	0.2465	0.2443
Educational			
Grade School District 33	3.5986	3.5300	3.5158
High School District 94	1.7669	1.7186	1.7011
College of DuPage District 502	0.1929	0.1888	0.1858
Total Tax Rate - Winfield Township	7.5812	7.5418	7.4882
Share of Total Tax Rate Levied by the City of West Chicago	5.59%	5.67%	5.66%
Total Tax Rate - Wayne Township	7.5170	7.4727	7.4178
Share of Total Tax Rate Levied by the City of West Chicago	5.64%	5.72%	5.72%

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

Data Source: DuPage County Clerk

2009	2010	2011	2012	2013	2014	2015
0.1554	0.1659	0.1773	0.1929	0.2040	0.2057	0.1971
0.1217	0.1321	0.1414	0.1542	0.1657	0.1691	0.1622
0.0148	0.0158	0.0169	0.0168	0.0178	0.0196	0.0188
0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
0.0658	0.0733	0.0804	0.0896	0.0979	0.1025	0.1007
0.0610	0.0645	0.0675	0.0730	0.0817	0.0855	0.0840
0.4263	0.4675	0.5011	0.5545	0.5973	0.6187	0.6031
0.0854	0.0924	0.1021	0.1174	0.1318	0.1396	0.1370
0.1123	0.1215	0.1342	0.1543	0.1732	0.1835	0.1801
0.4263	0.4675	0.5011	0.5545	0.5973	0.6187	0.6031
0.2703	0.2946	0.3177	0.4948	0.4917	0.4239	0.5054
0.6509	0.7078	0.8027	0.9212	1.0190	1.0652	1.0556
0.0101	0.0111	0.0122	0.0139	0.0153	0.0161	0.0160
0.2466	0.2307	0.2529	0.2903	0.3225	0.3400	0.3367
3.5290	3.8244	4.1734	4.6430	5.4481	5.5749	5.5167
1.7143	1.8613	2.0351	2.3008	2.5376	2.6731	2.6293
0.2127	0.2349	0.2495	0.2681	0.2956	0.2975	0.2786
7.5498	8.1600	8.9165	10.1222	11.4196	11.7269	11.6366
5.65%	5.73%	5.62%	5.48%	5.23%	5.28%	5.18%
7.4789	8.0839	8.8281	10.0131	11.2942	11.5918	11.5042
5.70%	5.78%	5.68%	5.54%	5.29%	5.34%	5.24%

CITY OF WEST CHICAGO, ILLINOIS

**Principal Property Tax Payers - Current Fiscal Year and Nine Fiscal Years Ago
December 31, 2015 (Unaudited)**

	2015			2006		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
DuPage Airport Authority	\$ 11,966,970	1	2.08%	\$ 13,617,880	1	2.14%
Blackhawk Center, LLC	8,186,810	2	1.43%			
Cobalt Industrial Reit II	7,665,890	3	1.34%			
Centerpoint Properties	4,013,940	4	0.70%			
Mapei Corp.	3,955,480	5	0.69%			
LaGrou Properties	3,901,490	6	0.68%	4,501,180	5	0.71%
Platinum Health Care	2,984,240	7	0.52%	2,623,020	8	0.41%
Prologis	2,854,260	8	0.50%			
Menards, Inc	2,740,460	9	0.48%	3,177,500	7	0.50%
St. Andrews Country Club	2,505,340	10	0.44%			
Dividend Capital Op				10,206,250	2	1.60%
CNC				8,776,680	3	1.38%
General Mills				5,432,390	4	0.85%
Navistar International				3,763,290	6	0.59%
Three Oaks Distribution				2,619,100	9	0.41%
West Chicago Preservation				2,500,000	10	0.39%
	<u>\$ 50,774,880</u>		<u>8.84%</u>	<u>\$ 57,217,290</u>		<u>8.98%</u>

Data Source: Office of the DuPage County Clerk's

CITY OF WEST CHICAGO, ILLINOIS

**Property Tax Levies and Collections - Last Ten Tax Levy Years
December 31, 2015 (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
2005	\$ 2,578,507	\$ 2,576,288	99.91%	\$ 782	\$ 2,577,070	99.94%
2006	2,991,035	2,990,740	99.99%	292	2,991,032	100.00%
2007	3,168,990	3,161,494	99.76%	2,541	3,164,035	99.84%
2008	3,332,263	3,284,623	98.57%	20,000	3,304,623	99.17%
2009	3,403,867	3,384,410	99.43%	19,000	3,403,410	99.99%
2010	3,458,771	3,451,954	99.80%	6,809	3,458,763	100.00%
2011	3,458,693	3,453,662	99.85%	N/A	3,453,662	99.85%
2012	3,458,498	3,453,081	99.84%	N/A	3,453,081	99.84%
2013	3,458,756	3,452,708	99.83%	N/A	3,452,708	99.83%
2014	3,458,444	3,453,211	99.85%	N/A	3,453,211	99.85%

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

Data Source: Office of the DuPage County Clerk's

N/A - Not Available

CITY OF WEST CHICAGO, ILLINOIS

**Ratios of Outstanding Debt By Type - Last Ten Fiscal Years
December 31, 2015 (Unaudited)**

Fiscal Year Ended	Governmental Activities	Business-Type Activities		Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
	General Obligation Bonds	IEPA Revenue Bonds	General Obligation Bonds			
4/30/2007	\$ 1,470,000	\$ 9,912,005	\$ 18,015,000	\$ 29,397,005	4.99%	\$ 1,095
4/30/2008	1,280,000	9,456,983	17,145,000	27,881,983	4.38%	1,039
12/31/2008*	1,070,000	9,225,076	14,145,000	24,440,076	3.84%	911
12/31/2009	845,000	8,752,286	16,240,000	25,837,286	4.17%	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

* For the Eight Months Ended December 31, 2008

Data Source: City's Records

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

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

CITY OF WEST CHICAGO, ILLINOIS

**Ratios of General Bonded Debt Outstanding - Last Ten Fiscal Years
December 31, 2015 (Unaudited)**

Fiscal Year Ended	Gross General Obligation Bonds	Less: Amounts Available in Debt Service Funds	Total	Percentage of Equalized Assessed Value (1)	Per Capita (2)
4/30/2007	19,485,000	349,127	19,135,873	2.72%	713
4/30/2008	18,425,000	382,683	18,042,317	2.44%	672
12/31/2008*	15,215,000	442,842	14,772,158	1.88%	550
12/31/2009	17,085,000	482,787	16,602,213	2.12%	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%	-

* For the Eight Months Ended December 31, 2008

Data Source: City Records

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

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

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

CITY OF WEST CHICAGO, ILLINOIS

**Schedule of Direct and Overlapping Bonded Debt
December 31, 2015 (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	247,798,636	1.75%	4,336,476
DuPage Water Commission	0	1.94%	-
Forest Preserve District	191,729,637	1.75%	3,355,269
Warrenville Park District	401,112	1.91%	7,661
West Chicago Park District	25,019,454	74.87%	18,732,065
Winfield Park District	3,174,834	0.68%	21,589
School District #25	5,676,748	22.52%	1,278,404
School District #33	35,245,000	64.49%	22,729,501
School District #94	7,675,000	47.47%	3,643,323
U-46 School District	300,649,212	0.75%	2,254,869
U-303 School District	84,383,449	3.69%	3,113,749
Community College District #502	298,530,000	1.46%	4,358,538
Community College District #509	189,280,855	0.99%	1,873,880
Total Overlapping Debt	1,389,563,937		65,705,324
Total Direct and Overlapping Debt	\$ 1,389,563,937		\$ 65,705,324

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, 2015 (Unaudited)

The City is a home rule municipality.

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

The General Assembly may limit by law the amount and require referendum approval of debt to be incurred by some home rule municipalities, payable from ad valorem property tax receipts, only in excess of the following percentages of the assessed value of its taxable property...(2) if its population is more than 25,000 and less than 500,000 an aggregate of one percent: indebtedness which is outstanding on the effective date (July 1, 1971) of this constitution or which is thereafter approved by referendum...shall not be included in the foregoing percentage amounts.

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

CITY OF WEST CHICAGO, ILLINOIS

**Pledged-Revenue Coverage - Last Ten Fiscal Years
December 31, 2015 (Unaudited)**

Fiscal Year Ended	(1) Revenues	(2) Expenses	(3) Net Revenue Available for Debt Service	(4) Debt Service		(5) Coverage
				Principal	Interest	
4/30/2007	\$ 10,692,329	\$ 6,518,489	\$ 4,173,840	\$ 840,000	\$ 1,131,057	2.12
4/30/2008	12,183,299	8,004,065	4,179,234	870,000	1,085,608	2.14
12/31/2008*	7,970,825	7,809,130	161,695	-	702,111	0.23
12/31/2009	11,699,943	8,702,660	2,997,283	905,000	1,006,014	1.57
12/31/2010	12,418,238	8,998,301	3,419,937	945,000	953,990	1.80
12/31/2011	12,036,602	8,872,863	3,163,739	15,295,000	753,061	0.20
12/31/2012	11,593,493	11,405,371	188,122	-	-	-
12/31/2013	12,122,215	10,177,161	1,945,054	-	-	-
12/31/2014	12,623,517	9,052,942	3,570,575	-	-	-
12/31/2015	10,626,728	9,704,717	922,011	-	-	-

* For the Eight Months Ended December 31, 2008

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

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

(3) Gross revenue minus expenses.

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

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

Data Source: City Records

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

CITY OF WEST CHICAGO, ILLINOIS

**Demographic and Economic Statistics - Last Ten Fiscal Years
December 31, 2015 (Unaudited)**

Fiscal Year Ended	(1) Population	(2) Personal Income	Per Capita Personal Income	(1) Median Age	School Enrollment	(2) Unemployment Rate
4/30/2007	26,841	\$ 636,697,135	\$ 23,721	27.8	6,265	4.9
4/30/2008	26,841	636,684,014	23,721	27.8	6,265	6.6
12/31/2008*	26,841	619,543,962	23,082	30.8	7,397	6.5
12/31/2009	26,841	693,141,984	25,824	31.2	7,314	10.8
12/31/2010	27,086	851,123,378	31,423	35.2	6,947	11.0
12/31/2011	27,086	663,552,828	24,498	30.1	5,348	11.6
12/31/2012	27,086	755,157,680	27,880	33.0	7,765	8.6
12/31/2013	27,086	700,498,132	25,862	30.8	6,293	6.6
12/31/2014	27,086	751,636,500	27,750	33.2	7,552	5.5
12/31/2015	27,086	692,182,730	25,555	30.1	8,005	5.4

* For the Eight Months Ended December 31, 2008

Data Sources

(1) U.S. Census Bureau

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

CITY OF WEST CHICAGO, ILLINOIS

**Principal Employers - Current Fiscal Year and Nine Fiscal Years Ago
December 31, 2015 (Unaudited)**

Employer	2015			2006		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Jel Sert	1,000	1	6.77%	480	3	3.00%
West Chicago Elementary School District	585	2	3.96%	649	1	4.06%
General Mills	500	3	3.39%	531	2	3.32%
Sims Recycling Solutions	500	3	3.39%			
Ball Horticultural	425	4	2.88%	335	5	2.09%
Aspen Marketing Services	425	4	2.88%	447	4	2.79%
Advanced Urethane Technologies	350	5	2.37%			
Siemens Industry	350	5	2.37%			
Community High School District 94	240	6	1.62%			
OSI Industries	230	7	1.56%			
Mapei Corp	218	8	1.48%			
Classic Landscaping	200	9	1.35%			
Tomenson Machine Works	170	10	1.15%			
New Wincup Holdings	160	11	1.08%	236	10	1.48%
Menards	150	12	1.02%			
Liquid Container				311	6	1.94%
Siemens Energy & Automation				304	7	1.90%
West Chicago Park District				268	8	1.68%
Community High School District 94				242	9	1.51%
	<u>5,503</u>		<u>37.26%</u>	<u>3,803</u>		<u>23.77%</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, 2015 (Unaudited)**

See Following Page

CITY OF WEST CHICAGO, ILLINOIS

**Full-Time Equivalent City Government Employees by Function - Last Ten Fiscal Years
December 31, 2015 (Unaudited)**

Function	Fiscal Year Ended 4/30/2007	Fiscal Year Ended 4/30/2008	Eight Months Ended 12/31/2008
General Government			
Administration	2.50	3.00	2.25
Finance/Administrative Services	10.50	8.00	8.00
Museum/Marketing	4.00	4.00	3.38
Public Works	18.21	21.50	23.00
Police	47.00	49.00	50.00
Community Development	9.90	6.00	6.00
Water and Sewer	48.81	24.00	20.00
Commuter Parking Lot	0.63	0.50	0.81
Total	141.55	116.00	113.44

Data Source: City Records

Fiscal Year Ended 12/31/2009	Fiscal Year Ended 12/31/2010	Fiscal Year Ended 12/31/2011	Fiscal Year Ended 12/31/2012	Fiscal Year Ended 12/31/2013	Fiscal Year Ended 12/31/2014	Fiscal Year Ended 12/31/2015
2.25	2.25	1.13	1.13	1.00	1.00	1.00
8.00	8.00	5.00	5.00	4.76	4.13	4.13
1.75	1.75	0.50	0.50	0.50	0.50	0.50
23.00	23.00	11.74	11.74	10.57	11.51	11.51
48.00	48.00	47.00	49.00	49.00	49.00	49.00
6.00	6.00	5.50	5.00	3.50	3.50	3.50
20.00	20.00	37.50	37.50	34.47	35.00	35.43
1.00	1.00	0.38	0.38	0.25	0.25	0.25
110.00	110.00	108.75	110.25	104.05	104.89	105.32

CITY OF WEST CHICAGO, ILLINOIS

**Operating Indicators by Function/Program - Last Ten Fiscal Years
December 31, 2015 (Unaudited)**

Function/Program	Fiscal Year Ended 4/30/2007	Fiscal Year Ended 4/30/2008	Eight Months Ended 12/31/2008
Public Works			
Number of Parkway Trees Planted	121	115	-
Number of Parkway Trees Trimmed	1,125	1,255	80
Brush Pickup Program (Days to Collect)	4.0	4.0	5.0
Building Safety Inspections	12	12	8
Tunnel - Paint and Light Lens Replacements	15	132	33
Special Events Handled	6	6	5
Public Safety			
Fire			
Number of Fire Calls	1,440	N/A	1,506.0
Number of EMS Calls	1,692	N/A	1,733.0
ISO Rating	3/3	3/3	3/3
Police			
Part I Crime	536	N/A	451
Part II Crime	3,803	N/A	2933
Calls for Service	40,960	N/A	40990
Parking Tickets Issued	5,051	N/A	4654
Community Development			
Number of Building Permits Issued	1,083	967	729
Number of Building Inspections	1,951	1,205	880
Highways and Streets			
Sidewalk Replaced (Sq. Ft.)	18,032	18,491	18,159
Crack Sealing (Lbs. Installed)	-	-	-
Tons of Salt Used	2,000	4,100	3,300
Water and Sewer			
Number of metered accounts	6,450	6,600	6,707
Water Meters Read	38,700	39,600	40,242
Water Meter Service Requests	87	155	66
Water Meters Replaced	100	60	35
Average Daily Treated Water (Million Gallons)	3.80	3.67	3.60
Sanitary Sewer Repairs	3	1	3

N/A - Not Available

Data Source: City Records

Note: Indicators are not available for the general government 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	Fiscal Year Ended 12/31/2013	Fiscal Year Ended 12/31/2014	Fiscal Year Ended 12/31/2015
140	150	85	300	373	130	170
1,087	1,087	1,458	1,287	2,336	1,944	2,459
4.0	4.5	4.0	4.0	4.0	4.8	6.0
12	12	12	12	12	12	12
30	29	22	42	12	-	10
6	10	3	4	6	4	3
1,159.0	1,146.0	1,279.0	1,238.0	1,015.0	1,122.0	1,130.0
1,826.0	1,821.0	1,629.0	1,629.0	1,804.0	1,778.0	1,934.0
3/3	3/3	3/3	3/3	3/3	3/3	3/3
509	438	374	379	424	373	383
3,009	2,342	2,402	1,393	1,066	1,521	1,315
38,828	37,407	38,910	38,509	33,867	31,053	34,028
4,294	3,728	3,376	2,888	2,771	3,413	3,049
882	1,097	954	1,199	899	790	990
881	753	1,116	1,049	1,134	899	962
13,195	10,935	9,849	10,000	18,207	8,742	12,500
26,520	14,983	37,320	36,429	21,480	35,518	42,240
3,000	3,577	3,000	2,800	3,250	3,180	3,210
6,438	6,437	6,430	6,432	6,435	6,428	6,471
38,700	38,700	38,580	35,000	34,000	2,500	9,911
90	103	92	70	50	75	61
80	117	41	30	4,305	3,000	39
3.37	3.28	3.00	3.45	3.42	3.36	3.45
2	3	2	1	2	2	1

CITY OF WEST CHICAGO, ILLINOIS

**Capital Asset Statistics by Function/Program - Last Ten Fiscal Years
December 31, 2015 (Unaudited)**

Function/Program	Fiscal Year Ended 4/30/2007	Fiscal Year Ended 4/30/2008	Eight Months Ended 12/31/2008
Police			
Stations	1	1	1
Patrol Units	28	28	28
Fire Stations	3	3	3
Public Works			
Streets (Miles)	165.00	165.41	165.41
Sidewalks (Miles)	84.00	102.20	103.40
Streetlights	446	883	883
Water and Sewer			
Water Mains (Miles)	125.00	123.00	123.00
Fire Hydrants	1,560	1,560	1,472
Sanitary Sewers (Miles)	103.06	103.12	105.60
Manholes	1,725	2,075	2,176

Data Source: City Records

Fiscal Year Ended 12/31/2009	Fiscal Year Ended 12/31/2010	Fiscal Year Ended 12/31/2011	Fiscal Year Ended 12/31/2012	Fiscal Year Ended 12/31/2013	Fiscal Year Ended 12/31/2014	Fiscal Year Ended 12/31/2015
1	1	1	1	1	1	1
28	28	27	27	27	27	26
3	3	4	4	4	4	4
169.71	167.20	167.20	174.18	174.18	174.18	174.06
104.05	108.38	111.18	111.00	111.00	111.00	111.00
964	964	964	961	961	961	1046
123.00	125.33	127.38	127.99	127.99	127.99	128.87
1,482	1,483	1,518	1,528	1,528	1,528	1,537
105.60	105.60	106.19	106.34	106.34	106.34	106.43
2,176	2,186	2,202	2,211	2,211	2,211	2,213