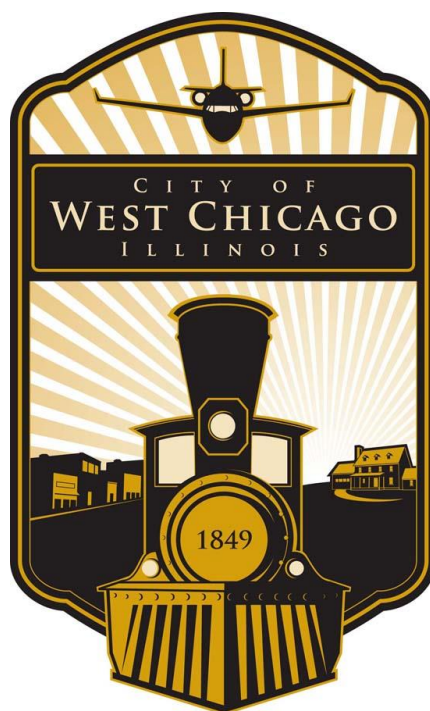


CITY OF WEST CHICAGO, ILLINOIS

COMPREHENSIVE ANNUAL FINANCIAL REPORT



FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2016

CITY OF WEST CHICAGO, ILLINOIS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2016

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, 2016

LEGISLATIVE

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

ALDERMEN

James Beifuss
John C. Smith, Jr.
Lori Chassee
George Garcia
Sandra Dimas
Laura Grodoski
Noreen Ligino-Kubinski

Jayme Sheahan
Kurt Meissner
Melissa Ferguson
John F. Banas
Alton Hallett
Rebecca Stout

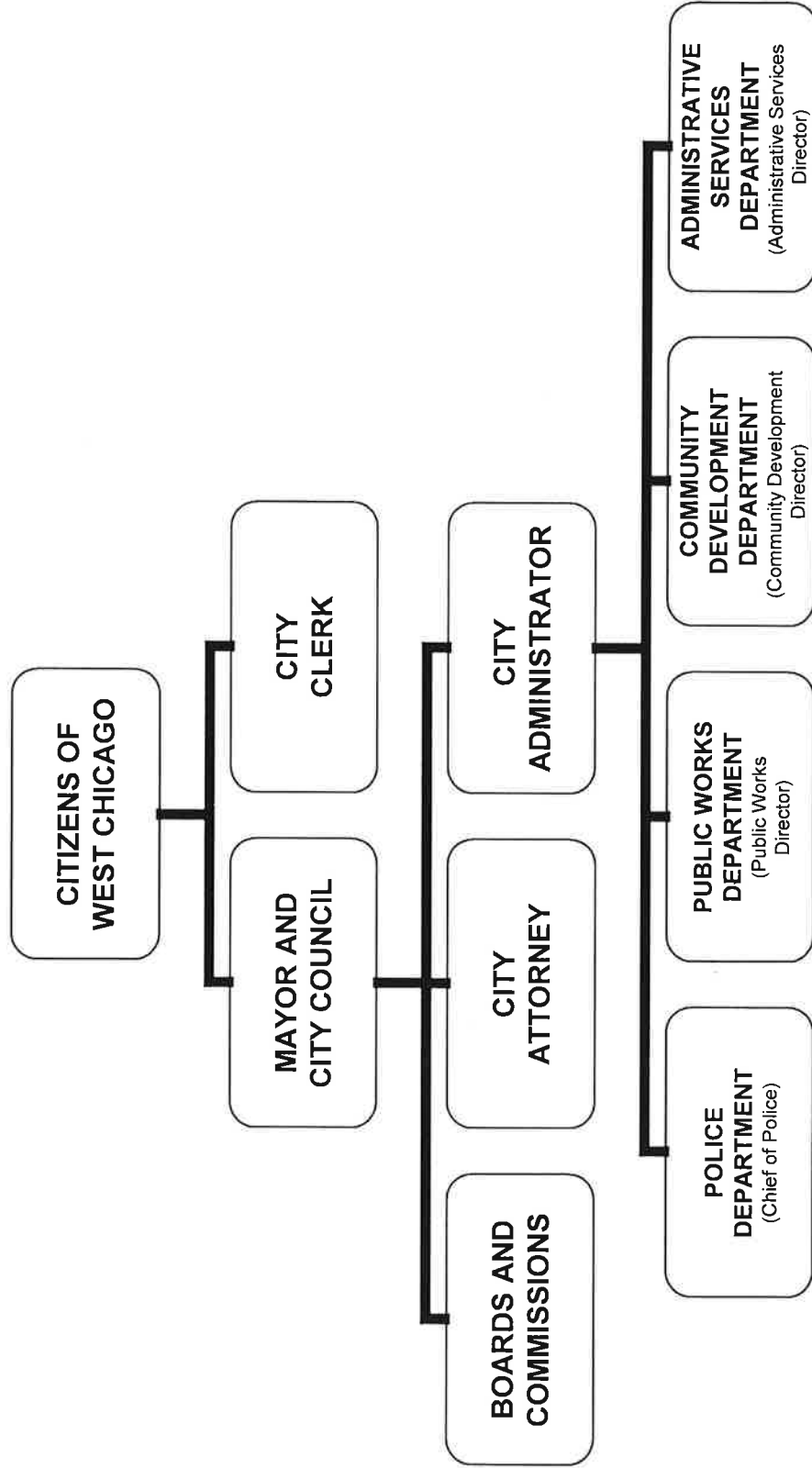
ADMINISTRATIVE

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 30, 2017

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, 2016, 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, 2016, 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:

- Initiated several major studies to fulfill the economic development objectives outlined in the 2016 Strategic Plan, including a market feasibility study for the North Avenue/Route 59 District and updating the 2007 Central Main Street Redevelopment Area study, which more accurately correlates with current market trends and emphasizes residential development for this corridor.
- Continuing the commitment to the City-wide initiative focusing on the health and wellness of the community, and striving to lead by example, Healthy West Chicago partnered with the National Forum for Heart Disease and Stroke Prevention to introduce the very successful Move with the Mayor campaign, to promote and encourage a healthier West Chicago.
- The City commenced the construction of a family-friendly entertainment venue designed to foster the arts in the community. In collaboration with the West Chicago Park District, the band shell is destined to be a community gathering spot located in one of the City's most beautiful parks.
- Work continued on the delineation of the contamination present on the West Washington Street Redevelopment Area in an effort to ultimately obtain a No Further Remediation letter from the Environmental Protection Agency; estimated costs were reviewed by the City Council. With that information, the next step is to prepare specifications for bidding.

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, 2016. 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 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 fifth consecutive year.

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 2016, the Blair Street Roadway and Water Main Rehabilitation Project, repairs to the A. Eugene Rennels Bridge, the Street Resurfacing Program in the Cornerstone Lakes Subdivision and curb rehabilitation throughout the Forest Trails Subdivision were all completed.

The City Council, recognizing that the increased costs associated with the outsourcing of street sweeping and fleet maintenance operations made this no longer the most economical option, and after reviewing other private sector options, resolved that the most viable alternative was to bring these operations back in house.

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, 2015. This was the seventeenth 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 'L. Martin', with a long horizontal stroke extending to the right.

Linda M. Martin
Director of Administrative Services

A handwritten signature in black ink, appearing to be 'Nikki T. Giles', with a stylized 'G' and 'S' at the end.

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, 2015

Executive Director/CEO

FINANCIAL SECTION

This section includes:

- Independent Auditors' Report
- Management's Discussion and Analysis
- Basic Financial Statements
- Required Supplementary Information
- Combining and Individual Fund Statements and Schedules
- Supplemental Schedule

INDEPENDENT AUDITORS' REPORT



INDEPENDENT AUDITORS' REPORT

May 30, 2017

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, 2016, 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, 2016, 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, 2016

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, 2016. Please read it in conjunction with the transmittal letter, which begins on page iii and the City of West Chicago's financial statements, which begin on page 3.

FINANCIAL HIGHLIGHTS

- The City's net position decreased as a result of this year's operations. Net position of business-type activities decreased by \$1,497,667, or 1.4 percent, while net position of the governmental activities decreased by \$2,901,255 or 5.8 percent.
- During the year, government-wide revenues for the primary government totaled \$34,438,232, while expenses totaled \$38,837,154, resulting in a decrease to net position of \$4,398,922.
- The City of West Chicago's net position totaled \$152,773,327 at December 31, 2016, which includes \$159,296,212 net investment in capital assets, \$2,639,237 subject to external restrictions, and \$9,162,122 unrestricted deficit net position that may be used to meet the ongoing obligations to citizens and creditors.
- The General Fund reported a decrease this year of \$242,027, resulting in an ending fund balance of \$13,643,871, a decrease of 1.7 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, 2016

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, 2016

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, 2016

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, 2016

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 \$152,773,327.

	Net Position					
	Governmental		Business-type		Total	
	Activities		Activities			
	2016	2015	2016	2015	2016	2015
Current Assets	\$ 26,136,257	27,028,008	7,332,823	9,092,597	33,469,080	36,120,605
Capital Assets	54,867,141	55,619,533	109,511,126	109,418,194	164,378,267	165,037,727
Deferred Outflows	8,762,352	10,971,202	1,108,296	-	9,870,648	10,971,202
Total Assets/Deferred Outflows	89,765,750	93,618,743	117,952,245	118,510,791	207,717,995	212,129,534
Current Liabilities	1,905,432	2,535,039	4,790,134	4,677,970	6,695,566	7,213,009
Noncurrent Liabilities	35,380,959	36,842,731	7,299,128	6,519,984	42,680,087	43,362,715
Deferred Inflows	5,521,202	4,381,561	47,813	-	5,569,015	4,381,561
Total Liabilities/Deferred Inflows	42,807,593	43,759,331	12,137,075	11,197,954	54,944,668	54,957,285
Net Position						
Net Investment in Capital Assets	54,867,141	55,619,533	104,429,071	103,770,812	159,296,212	159,390,345
Restricted	2,636,828	3,305,503	2,409	1,088,552	2,639,237	4,394,055
Unrestricted	(10,545,812)	(9,065,624)	1,383,690	2,453,473	(9,162,122)	(6,612,151)
Total Net Position	46,958,157	49,859,412	105,815,170	107,312,837	152,773,327	157,172,249

A large portion of the City's net position, \$159,296,212, reflects its investment in capital assets (i.e., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion, \$2,639,237, of the City of West Chicago's net position represents resources that are subject to external restrictions on how they may be used. The remaining \$9,162,122 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, 2016

GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

	Changes in Net Position					
	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
Revenues						
Program Revenues						
Charges for Services	\$ 4,888,432	4,588,370	10,641,252	10,489,803	15,529,684	15,078,173
Operating Grants/Contrib.	15,150	19,280	-	-	15,150	19,280
Capital Grants/Contrib.	716,433	688,950	-	1,051,704	716,433	1,740,654
General Revenues						
Property Taxes	4,448,829	4,436,897	8,894	8,604	4,457,723	4,445,501
Other Taxes	914,909	961,256	-	-	914,909	961,256
Sales and Use Taxes	4,544,609	4,855,454	1,185,841	1,201,919	5,730,450	6,057,373
Income Taxes	2,636,660	2,882,037	-	-	2,636,660	2,882,037
Replacement Taxes	160,396	187,625	-	-	160,396	187,625
Utility Taxes	1,994,900	2,029,538	-	-	1,994,900	2,029,538
Interest Income	6,983	3,522	2,660	1,175	9,643	4,697
Miscellaneous	2,032,609	1,102,056	239,675	266,782	2,272,284	1,368,838
Total Revenues	22,359,910	21,754,985	12,078,322	13,019,987	34,438,232	34,774,972
Expenses						
General Government	13,704,876	13,280,738	-	-	13,704,876	13,280,738
Public Safety	11,555,771	12,524,954	-	-	11,555,771	12,524,954
Interest on Long-Term Debt	518	608	-	-	518	608
Waterworks	-	-	6,923,648	6,211,353	6,923,648	6,211,353
Sewerage	-	-	6,552,406	6,075,753	6,552,406	6,075,753
Commuter Parking	-	-	99,935	91,985	99,935	91,985
Total Expenses	25,261,165	25,806,300	13,575,989	12,379,091	38,837,154	38,185,391
Change in Net Position	(2,901,255)	(4,051,315)	(1,497,667)	640,896	(4,398,922)	(3,410,419)
Net Position-Beginning	49,859,412	53,910,727	107,312,837	106,671,941	157,172,249	160,582,668
Net Position-Ending	46,958,157	49,859,412	105,815,170	107,312,837	152,773,327	157,172,249

CITY OF WEST CHICAGO, ILLINOIS

Management's Discussion and Analysis December 31, 2016

GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

Net position of the City of West Chicago's governmental activities decreased 5.8 percent (\$46,958,157 at December 31, 2016, compared to \$49,859,412 at December 31, 2015). Unrestricted net position, the part of net position that can be used to finance day-to-day operations without constraints, totaled a deficit of \$10,545,812 at December 31, 2016. Net position decreased in part due to increases in general government expenses of \$424,138 and other post-employment benefit obligations of \$408,908.

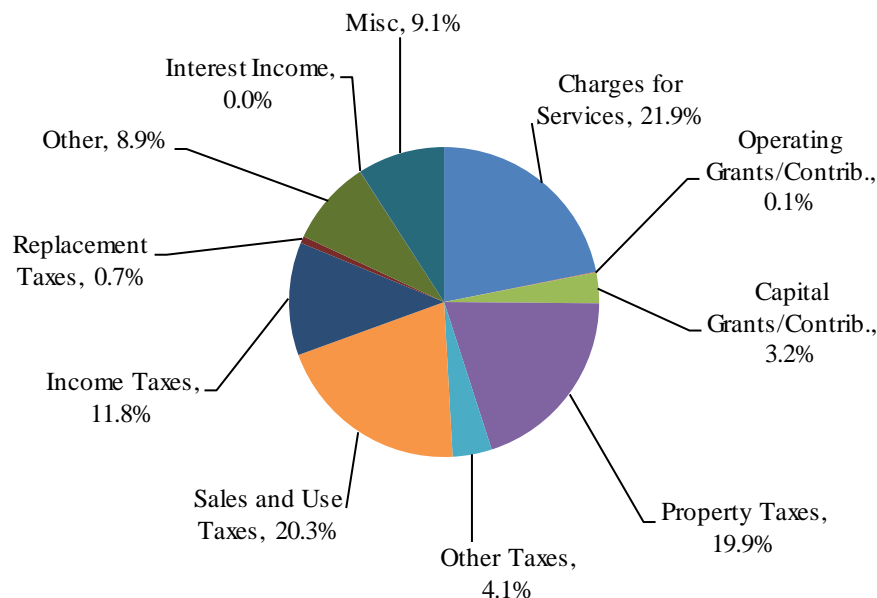
Net position of business-type activities decreased 1.4 percent (\$105,815,170 at December 31, 2016 compared to \$107,312,837 at December 31, 2015). Deficits of \$1,148,477 in the Waterworks Fund and \$389,234 in the Sewerage Fund were partially offset by a surplus of \$40,044 in the Commuter Parking Fund.

Governmental Activities

Revenues for governmental activities totaled \$22,359,910 while the cost of all governmental functions totaled \$25,261,165. This results in a net position draw down of \$2,901,255 at December 31, 2016. At December 31, 2015, revenues for governmental activities totaled \$21,754,985, while the cost of all governmental functions totaled \$25,806,300, which resulted in a drawdown of \$4,051,315. Revenues for sales and use taxes and income taxes decreased \$310,845 and \$245,377, 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



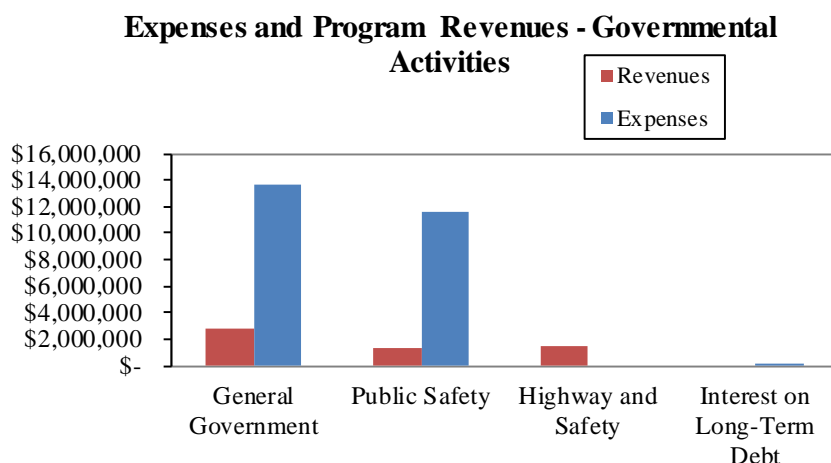
CITY OF WEST CHICAGO, ILLINOIS

Management's Discussion and Analysis December 31, 2016

GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

Governmental Activities – Continued

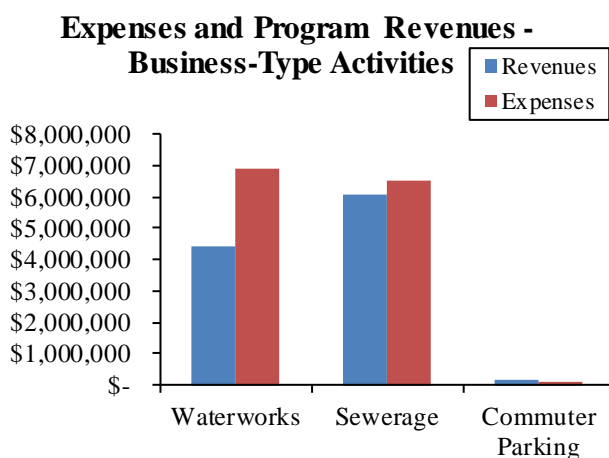
The 'Expenses and Program Revenues' Chart identifies those governmental functions where program expenses greatly exceed revenues. These expenses and revenues do not include the major revenue sources, such as property taxes, sales and use taxes and income taxes, described earlier. The Statement of Activities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



Business-Type Activities

Business-Type activities posted total revenues of \$12,078,322, while the cost of all business-type activities totaled \$13,575,989. This results in a net position decrease of \$1,497,667. At December 31, 2015, revenues of \$13,019,987 were greater than expenses of \$12,379,091, resulting in an increase of \$640,896.

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



CITY OF WEST CHICAGO, ILLINOIS

Management's Discussion and Analysis December 31, 2016

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, 2016, the City's governmental funds reported combined ending fund balances of \$20,112,556, which is a decrease of \$251,928 from last year's total of \$20,364,484. Of the \$20,112,556 total, \$12,733,258, or 63.3 percent, of the fund balance constitutes unassigned fund balance, while \$551,725, or 2.7 percent, is designated as nonspendable, \$2,636,828, or 13.1 percent, has been classified as restricted funds and \$4,190,745, or 20.8 percent, has been classified as assigned funds.

The General Fund is the chief operating fund of the City. The General Fund reported a decrease change in fund balance for the fiscal year of \$242,027, a reduction of 1.7 percent. This was due to a budgeted use of reserves. Overall, budgeted expenditures totaled \$18,182,100 while actual expenditures totaled \$16,788,227. 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 decrease change in fund balance for the fiscal year of \$175,469, a result of capital outlay expenditures.

The TIF Special Tax Allocation #1 Fund reported a decrease of \$3,143 for the year, the majority of which resulted from actual revenues totaling \$951,995 and actual expenditures totaling \$955,138, which was \$487,362 less than expenditures budgeted. The fund balance of \$790,227 will be used for ongoing projects and prospective development.

The Capital Improvement Fund reported an increase before transfers of \$77,447 for the year, which resulted from actual expenditures of \$3,980,349 being below actual revenues totaling \$4,057,796, which was \$814,696 more than budgeted revenues.

CITY OF WEST CHICAGO, ILLINOIS

Management's Discussion and Analysis December 31, 2016

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS – Continued

Proprietary Funds

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

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

Each year, the City of West Chicago projects the user rates charged to be sufficient that the funds operate at a breakeven level, including amortization of future capital costs. Periodically, there will be an annual surplus or decrease due to the timing of capital projects. The decrease in net position in the Waterworks Fund during the fiscal year was \$1,148,477, while the increase in the previous fiscal year was \$641,637.

The Sewerage Fund experienced a decrease in net position of \$389,234, while the previous fiscal year reported a decrease of \$48,392. The Commuter Parking Fund had an increase in net position for the fiscal year of \$40,044 while there was an increase in the previous fiscal year of \$47,651. Total net position in the Proprietary Funds was \$105,815,170 (net investment in capital assets, restricted, and unrestricted) at December 31, 2016.

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 \$16,546,200 compared to budgeted revenues of \$16,075,300. There were better than anticipated actual results for property taxes, engineering and transfer station fees.

Original budgeted expenditures of \$17,669,000 were increased \$513,100 for emergency fueling station repairs, software and legal fees. The General Fund actual expenditures for the year were \$1,393,873 lower than budgeted (\$16,788,227 actual compared to \$18,182,100 final budgeted). The general government's actual expenditures were lower than budgeted expenditures by \$1,215,193 due to overall cost controlling measures.

CITY OF WEST CHICAGO, ILLINOIS

Management's Discussion and Analysis December 31, 2016

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, 2016 was \$164,378,267 (net of accumulated depreciation). This investment in capital assets includes land, construction on progress, buildings and improvements, vehicles and equipment and infrastructure.

	Capital Assets - Net of Depreciation					
	Governmental		Business-type		Total	
	Activities		Activities			
	2016	2015	2016	2015	2016	2015
Land	\$ 19,864,898	19,864,898	28,649,611	28,649,611	48,514,509	48,514,509
Construction in Progress	176,387	-	4,778,457	9,457,877	4,954,844	9,457,877
Land Improvements	1,017,159	921,908	634,305	677,978	1,651,464	1,599,886
Buildings and Improvements	1,359,652	1,444,453	18,647,253	17,692,402	20,006,905	19,136,855
Machinery and Equipment	1,905,412	1,426,443	5,674,465	4,575,468	7,579,877	6,001,911
Infrastructure	30,543,633	31,961,831	51,127,035	48,364,858	81,670,668	80,326,689
Total	54,867,141	55,619,533	109,511,126	109,418,194	164,378,267	165,037,727

This year's major additions included:

Construction in Progress	\$ 1,169,871
Land Improvements	119,900
Buildings	37,289
Machinery and Equipment	2,097,548
	<u>3,424,608</u>

For the year ending December 31, 2017 the capital budget includes \$4.0 million for capital projects, principally for various infrastructure improvements.

Additional information on the City of West Chicago's capital assets can be found in note 3 on pages 36 - 37 of this report.

CITY OF WEST CHICAGO, ILLINOIS

Management's Discussion and Analysis December 31, 2016

CAPITAL ASSETS AND DEBT ADMINISTRATION – Continued

Debt Administration

At December 31, 2016, the City of West Chicago had total outstanding debt of \$5,082,055 as compared to \$5,647,382 at December 31, 2015, a decrease of \$565,327. The following is a comparative statement of outstanding debt:

	Long-Term Debt Outstanding					
	Governmental		Business-type		Total	
	Activities		Activities			
	2016	2015	2016	2015	2016	2015
IEPA Revolving Loan	\$ -	-	5,082,055	5,647,382	5,082,055	5,647,382

Chapter 65, Section 5/8-5-1 of the Illinois Compiled Statutes governs computation of the legal debt margin. The City is a home rule municipality and to date, the Illinois General Assembly has set no limits for home rule municipalities. Additional information on the City of West Chicago long-term debt can be found in Note 3 on pages 39 - 41 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 2017 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, 2016, for DuPage County was 6.4 percent and the state and national unemployment rates were 5.7 and 4.7 percent, respectively.

Amounts available for appropriation in the General Fund budget are \$18.4 million, an increase of 1.48 percent from the final 2016 budget of \$18.2 million. The City of West Chicago has budgeted increases in use tax and transfer station fees of approximately 20 percent and 17.4 percent, respectively. The City of West Chicago's major initiatives in the 2017 budget include the Inflow and Infiltration Program, improvements to the Aspen Ridge lift station, replacement of the filtration system at the Wastewater Treatment Plant, installation of a generator for Well #3 and the Booster Station #4 Rehabilitation 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, 2016**

	Governmental Activities	Business- Type Activities	Totals
ASSETS			
Current Assets			
Cash and Investments	\$ 8,650,682	\$ -	\$ 8,650,682
Receivables - Net of Allowances	6,763,642	16,861,838	23,625,480
Internal Balances	10,170,208	(10,170,208)	-
Prepaid Items/Inventories	551,725	21,698	573,423
Restricted Cash and Investments	-	619,495	619,495
Total Current Assets	26,136,257	7,332,823	33,469,080
Capital Assets			
Nondepreciable	20,041,285	33,428,068	53,469,353
Depreciable	72,253,443	122,548,614	194,802,057
Accumulated Depreciation	(37,427,587)	(46,465,556)	(83,893,143)
Total Capital Assets	54,867,141	109,511,126	164,378,267
Total Assets	81,003,398	116,843,949	197,847,347
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Items - IMRF	1,075,562	1,108,296	2,183,858
Deferred Items - Police Pension	7,686,790	-	7,686,790
Total Deferred Outflows of Resources	8,762,352	1,108,296	9,870,648
Total Assets and Deferred Outflows of Resources	89,765,750	117,952,245	207,717,995

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

	Governmental Activities	Business- Type Activities	Totals
LIABILITIES			
Current Liabilities			
Accounts Payable	\$ 820,664	\$ 1,799,679	\$ 2,620,343
Accrued Payroll	353,168	76,442	429,610
Deposits Payable	162,977	316,757	479,734
Interest Payable	-	43,536	43,536
Other Payables	300,416	15,300	315,716
Sewer Plant Expansion Restricted	-	1,926,895	1,926,895
Current Portion of Long-Term Debt	268,207	611,525	879,732
Total Current Liabilities	1,905,432	4,790,134	6,695,566
Noncurrent Liabilities			
Compensated Absences Payable	1,072,827	126,300	1,199,127
Net Pension Liability - IMRF	2,591,838	2,670,723	5,262,561
Net Pension Liability - Police Pension	29,726,324	-	29,726,324
Net Other Post-Employment Benefit Obligation	1,989,970	-	1,989,970
IEPA Revolving Loan Payable	-	4,502,105	4,502,105
Total Noncurrent Liabilities	35,380,959	7,299,128	42,680,087
Total Liabilities	37,286,391	12,089,262	49,375,653
DEFERRED INFLOWS OF RESOURCES			
Deferred Items - IMRF	46,401	47,813	94,214
Deferred Items - Police Pension	1,088,325	-	1,088,325
Property Taxes	4,386,476	-	4,386,476
Total Deferred Inflows of Resources	5,521,202	47,813	5,569,015
Total Liabilities and Deferred Inflows of Resources	42,807,593	12,137,075	54,944,668
NET POSITION			
Net Investment in Capital Assets	54,867,141	104,429,071	159,296,212
Restricted - MFT	360,944	-	360,944
Restricted - TIF	950,603	-	950,603
Restricted - Public Benefit Projects	1,325,281	-	1,325,281
Restricted - Per Intergovernmental Agreement - Sewer Plant Replacement	-	2,409	2,409
Unrestricted (Deficit)	(10,545,812)	1,383,690	(9,162,122)
Total Net Position	\$ 46,958,157	\$ 105,815,170	\$ 152,773,327

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, 2016

	Expenses	Program Revenues		
		Charges for Services	Operating Grants/ Contributions	Capital Grants/ Contributions
Governmental Activities				
General Government	\$ 13,704,876	\$ 2,810,520	\$ -	\$ -
Public Safety	11,555,771	1,297,112	15,150	-
Streets and Highways	-	780,800	-	716,433
Interest on Long-Term Debt	518	-	-	-
Total Governmental Activities	25,261,165	4,888,432	15,150	716,433
Business-Type Activities				
Waterworks	6,923,648	4,430,455	-	-
Sewerage	6,552,406	6,070,820	-	-
Commuter Parking	99,935	139,977	-	-
Total Business-Type Activities	13,575,989	10,641,252	-	-
Total Primary Government	\$ 38,837,154	\$ 15,529,684	\$ 15,150	\$ 716,433

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

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
\$ (10,894,356)	\$ -	\$ (10,894,356)
(10,243,509)	-	(10,243,509)
1,497,233	-	1,497,233
(518)	-	(518)
(19,641,150)	-	(19,641,150)
-	(2,493,193)	(2,493,193)
-	(481,586)	(481,586)
-	40,042	40,042
-	(2,934,737)	(2,934,737)
(19,641,150)	(2,934,737)	(22,575,887)
4,448,829	8,894	4,457,723
806,698	-	806,698
108,211	-	108,211
4,544,609	1,185,841	5,730,450
2,636,660	-	2,636,660
160,396	-	160,396
1,994,900	-	1,994,900
6,983	2,660	9,643
2,032,609	239,675	2,272,284
16,739,895	1,437,070	18,176,965
(2,901,255)	(1,497,667)	(4,398,922)
49,859,412	107,312,837	157,172,249
\$ 46,958,157	\$ 105,815,170	\$ 152,773,327

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

CITY OF WEST CHICAGO, ILLINOIS

**Balance Sheet - Governmental Funds
December 31, 2016**

		Special
	General	Public Benefit
ASSETS		
Cash and Investments	\$ 1,789,863	\$ 899,366
Receivables - Net of Allowances		
Property Taxes	3,440,985	-
Accrued Interest	398	-
Other	2,052,094	-
Due From Other Funds	10,170,208	-
Prepays/Inventories	549,669	-
Advances to Other Funds	-	428,786
	<hr/>	<hr/>
Total Assets	18,003,217	1,328,152
	<hr/> <hr/>	<hr/> <hr/>
LIABILITIES		
Accounts Payable	419,644	2,871
Accrued Payroll	335,740	-
Deposits Payable	162,977	-
Advances from Other Funds	-	-
Other Payables	-	-
Total Liabilities	<hr/> 918,361	<hr/> 2,871
DEFERRED INFLOWS OF RESOURCES		
Property Taxes	<hr/> 3,440,985	<hr/> -
Total Liabilities and Deferred Inflows of Resources	<hr/> 4,359,346	<hr/> 2,871
FUND BALANCES		
Nonspendable	549,669	-
Restricted	360,944	1,325,281
Assigned	-	-
Unassigned	12,733,258	-
Total Fund Balances	<hr/> 13,643,871	<hr/> 1,325,281
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<hr/> \$ 18,003,217	<hr/> \$ 1,328,152
	<hr/> <hr/>	<hr/> <hr/>

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

Revenue			
TIF			
Special Tax Allocation #1	Capital Improvement	Nonmajor	Totals
\$ 1,269,440	\$ 3,091,143	\$ 1,600,870	\$ 8,650,682
932,814	288	12,388	4,386,475
-	91	-	489
-	324,584	-	2,376,678
-	-	-	10,170,208
1,285	771	-	551,725
-	-	-	428,786
2,203,539	3,416,877	1,613,258	26,565,043
40,908	324,663	32,578	820,664
10,803	6,625	-	353,168
-	-	-	162,977
428,786	-	-	428,786
-	300,416	-	300,416
480,497	631,704	32,578	2,066,011
932,815	288	12,388	4,386,476
1,413,312	631,992	44,966	6,452,487
1,285	771	-	551,725
788,942	-	161,661	2,636,828
-	2,784,114	1,406,631	4,190,745
-	-	-	12,733,258
790,227	2,784,885	1,568,292	20,112,556
\$ 2,203,539	\$ 3,416,877	\$ 1,613,258	\$ 26,565,043

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, 2016

Total Governmental Fund Balances	\$ 20,112,556
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Amounts reported for governmental activities in the Statement of Net Position
are different because:

Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.	54,867,141
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Deferred outflows (inflows) of resources related to the pensions not reported
in the funds.

Deferred Items - IMRF	1,029,161
Deferred Items - Police Pension	6,598,465

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

Compensated Absences Payable	(1,341,034)
Net Pension Liability - IMRF	(2,591,838)
Net Pension Liability - Police Pension	(29,726,324)
Net Other Post-Employment Benefit Obligation Payable	<u>(1,989,970)</u>

Net Position of Governmental Activities	<u>\$ 46,958,157</u>
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The notes to the financial statements are an integral part of this statement.

CITY OF WEST CHICAGO, ILLINOIS

**Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
For the Fiscal Year Ended December 31, 2016**

		Special
	General	Public Benefit
Revenues		
Taxes	\$ 4,573,776	\$ -
Intergovernmental	7,321,942	-
Charges for Services	2,413,136	-
Licenses and Permits	843,502	-
Fines and Forfeitures	850,994	-
Interest Income	4,923	918
Miscellaneous	537,927	-
Total Revenues	<u>16,546,200</u>	<u>918</u>
Expenditures		
Current		
General Government	6,939,007	-
Public Safety	9,849,220	-
Capital Outlay	-	176,387
Debt Service		
Interest and Fiscal Charges	-	-
Total Expenditures	<u>16,788,227</u>	<u>176,387</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(242,027)</u>	<u>(175,469)</u>
Other Financing Sources (Uses)		
Disposal of Capital Assets	-	-
Transfers In	-	-
Transfers Out	-	-
	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(242,027)	(175,469)
Fund Balances - Beginning	<u>13,885,898</u>	<u>1,500,750</u>
Fund Balances - Ending	<u>\$ 13,643,871</u>	<u>\$ 1,325,281</u>

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

Revenue			
TIF			
Special Tax Allocation #1	Capital Improvement	Nonmajor	Totals
\$ 937,909	\$ 2,585,810	\$ 12,449	\$ 8,109,944
-	-	-	7,321,942
-	-	780,800	3,193,936
-	-	-	843,502
-	-	-	850,994
287	439	416	6,983
13,799	1,471,547	9,336	2,032,609
951,995	4,057,796	803,001	22,359,910
954,620	-	-	7,893,627
-	-	-	9,849,220
-	3,980,349	768,106	4,924,842
518	-	-	518
955,138	3,980,349	768,106	22,668,207
(3,143)	77,447	34,895	(308,297)
-	-	56,369	56,369
-	25,643	-	25,643
-	-	(25,643)	(25,643)
-	25,643	30,726	56,369
(3,143)	103,090	65,621	(251,928)
793,370	2,681,795	1,502,671	20,364,484
\$ 790,227	\$ 2,784,885	\$ 1,568,292	\$ 20,112,556

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, 2016

Net Change in Fund Balances - Total Governmental Funds	\$ (251,928)
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Amounts reported for governmental activities in the Statement of Activities
are different because:

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

Capital Outlays	989,878
Depreciation Expense	(1,742,270)
Disposals - Cost	(199,690)
Disposals - Accumulated Depreciation	199,690

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

Change in Deferred Items - IMRF	(842,826)
Change in Deferred Items - Police Pension	(2,495,802)

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

Deductions to Net Pension Liability - IMRF	1,085,522
Deductions to Net Pension Liability - Police Pension	865,470
Additions to Compensated Absences Payable	(100,390)
Additions to Net Other Post-Employment Benefit Obligation Payable	<u>(408,909)</u>

Changes in Net Position of Governmental Activities	<u><u>\$ (2,901,255)</u></u>
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The notes to the financial statements are an integral part of this statement.

CITY OF WEST CHICAGO, ILLINOIS

**Statement of Net Position - Proprietary Funds
December 31, 2016**

	Business-Type Activities - Enterprise			
			Nonmajor	
	Waterworks	Sewerage	Commuter	Totals
			Parking	
ASSETS				
Current Assets				
Cash and Investments	\$ -	\$ -	\$ -	\$ -
Receivables - Net of Allowances				
Property Taxes	-	8,852	-	8,852
Accounts	8,130,100	8,426,129	2,340	16,558,569
Other	294,024	-	-	294,024
Accrued Interest	-	393	-	393
Due From Other Funds	-	-	315,599	315,599
Advances to Other Funds	-	1,850,000	-	1,850,000
Prepays	7,969	7,969	5,760	21,698
Restricted Investments	-	619,495	-	619,495
Total Current Assets	8,432,093	10,912,838	323,699	19,668,630
Noncurrent Assets				
Capital Assets				
Nondepreciable	30,583,154	2,796,664	48,250	33,428,068
Depreciable	81,229,598	40,628,174	690,842	122,548,614
Accumulated Depreciation	(25,273,199)	(20,690,578)	(501,779)	(46,465,556)
Total Noncurrent Assets	86,539,553	22,734,260	237,313	109,511,126
Total Assets	94,971,646	33,647,098	561,012	129,179,756
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Items - IMRF	654,505	446,881	6,910	1,108,296
Total Assets and Deferred Outflows of Resources	95,626,151	34,093,979	567,922	130,288,052

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

	Business-Type Activities - Enterprise			
			Nonmajor Commuter	
	Waterworks	Sewerage	Parking	Totals
LIABILITIES				
Current Liabilities				
Accounts Payable	\$ 456,395	\$ 1,340,932	\$ 2,352	\$ 1,799,679
Accrued Payroll	44,755	31,242	445	76,442
Interest Payable	43,536	-	-	43,536
Other Liabilities	-	316,757	-	316,757
Sewer Plant Expansion Restricted	-	1,926,895	-	1,926,895
Due to Other Funds	8,073,562	2,412,245	-	10,485,807
Advances from Other Funds	1,850,000	-	-	1,850,000
Other Payables	-	-	15,300	15,300
Compensated Absences	28,576	2,999	-	31,575
IEPA Revolving Loan	579,950	-	-	579,950
Total Current Liabilities	11,076,774	6,031,070	18,097	17,125,941
Noncurrent Liabilities				
Compensated Absences	114,304	11,996	-	126,300
Net Pension Liability - IMRF	1,577,197	1,076,874	16,652	2,670,723
IEPA Revolving Loan	4,502,105	-	-	4,502,105
Total Noncurrent Liabilities	6,193,606	1,088,870	16,652	7,299,128
Total Liabilities	17,270,380	7,119,940	34,749	24,425,069
DEFERRED INFLOWS OF RESOURCES				
Deferred Items - IMRF	28,236	19,279	298	47,813
Total Liabilities and Deferred Inflows of Resources	17,298,616	7,139,219	35,047	24,472,882
NET POSITION				
Net Investment in Capital Assets	81,457,498	22,734,260	237,313	104,429,071
Restricted - Per Intergovernmental Agreement -				
Sewer Plant Replacement	-	2,409	-	2,409
Unrestricted (Deficit)	(3,129,963)	4,218,091	295,562	1,383,690
Total Net Position	\$ 78,327,535	\$ 26,954,760	\$ 532,875	\$ 105,815,170

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, 2016**

	Business-Type Activities - Enterprise			
	Waterworks	Sewerage	Nonmajor	Totals
			Commuter Parking	
Operating Revenues				
Charges for Services	\$ 4,396,255	\$ 6,022,740	\$ 81,882	\$ 10,500,877
Licenses and Permits	-	-	58,095	58,095
Total Operating Revenues	4,396,255	6,022,740	139,977	10,558,972
Operating Expenses				
Operations	5,101,911	5,921,926	73,668	11,097,505
Depreciation	1,685,051	630,480	26,267	2,341,798
Total Operating Expenses	6,786,962	6,552,406	99,935	13,439,303
Operating Income (Loss)	(2,390,707)	(529,666)	40,042	(2,880,331)
Nonoperating Revenues (Expenses)				
Water and Sewer Connection Fees	34,200	48,080	-	82,280
Property Taxes	-	8,894	-	8,894
Sales Taxes	1,185,841	-	-	1,185,841
Interest Income	1,278	1,380	2	2,660
Other Income	157,597	82,078	-	239,675
Interest Expense and Fiscal Charges	(136,686)	-	-	(136,686)
	1,242,230	140,432	2	1,382,664
Change in Net Position	(1,148,477)	(389,234)	40,044	(1,497,667)
Net Position - Beginning	79,476,012	27,343,994	492,831	107,312,837
Net Position - Ending	\$ 78,327,535	\$ 26,954,760	\$ 532,875	\$ 105,815,170

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, 2016**

	Business-Type Activities - Enterprise Funds			Totals
	Waterworks Fund	Sewerage Fund	Nonmajor Enterprise Commuter Parking	
Cash Flows from Operating Activities				
Receipts from Customers and Users	\$ 4,503,460	\$ 6,053,920	\$ 69,004	\$ 10,626,384
Payments to Employees	(1,694,143)	(1,165,144)	(9,446)	(2,868,733)
Payments to Suppliers	(3,230,033)	(2,528,366)	(59,560)	(5,817,959)
	(420,716)	2,360,410	(2)	1,939,692
Cash Flows from Noncapital Financing Activities				
Property Taxes	-	8,894	-	8,894
Sales Taxes	1,185,841	-	-	1,185,841
	1,185,841	8,894	-	1,194,735
Cash Flows from Capital and Related Financing Activities				
Purchase of Capital Assets	(64,390)	(2,370,340)	-	(2,434,730)
Interest on Capital Debt	(136,686)	-	-	(136,686)
Principal on Capital Debt	(565,327)	-	-	(565,327)
	(766,403)	(2,370,340)	-	(3,136,743)
Cash Flows from Investing Activities				
Interest Received	1,278	1,380	2	2,660
Net Change in Cash and Cash Equivalents	-	344	-	344
Cash and Cash Equivalents - Beginning	-	619,151	-	619,151
Cash and Cash Equivalents - Ending	-	619,495	-	619,495
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities				
Operating Income (Loss)	(2,390,707)	(529,666)	40,042	(2,880,331)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:				
Depreciation Expense	1,685,051	630,480	26,267	2,341,798
Other Income	191,797	130,158	-	321,955
Other Expense - IMRF	571,943	385,356	5,547	962,846
(Increase) Decrease in Current Assets	(84,592)	(98,978)	(70,973)	(254,543)
Increase (Decrease) in Current Liabilities	(394,208)	1,843,060	(885)	1,447,967
Net Cash Provided by Operating Activities	\$ (420,716)	\$ 2,360,410	\$ (2)	\$ 1,939,692

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, 2016**

	Pension Trust Police Pension	Agency
ASSETS		
Cash and Cash Equivalents	\$ 265,303	\$ -
Investments		
Money Market Mutual Funds	725,503	-
U.S. Government and Agency Obligations	5,903,454	-
Corporate Bonds	1,013,518	-
Municipal Bonds	1,192,411	-
Mutual Funds	10,388,970	-
Insurance Contracts	6,465,245	-
Accrued Interest	38,205	-
Prepays	<u>7,297</u>	<u>-</u>
Total Assets	<u>25,999,906</u>	<u>-</u>
LIABILITIES		
Accounts Payable	<u>10,830</u>	<u>-</u>
NET POSITION		
Net Position Restricted for Pensions	<u>\$ 25,989,076</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, 2016

	Pension Trust Police Pension
Additions	
Contributions - Employer	\$ 2,174,000
Contributions - Plan Members	427,412
Total Contributions	2,601,412
Investment Income	
Interest Earned	636,556
Net Change in Fair Value	1,209,549
	1,846,105
Less Investment Expenses	(25,934)
	1,820,171
Total Additions	4,421,583
Deductions	
Administration	71,463
Benefits and Refunds	
Benefits	1,695,416
Refunds	649
Total Deductions	1,767,528
Change in Fiduciary Net Position	2,654,055
Net Position Restricted for Pensions	
Beginning	23,335,021
Ending	\$ 25,989,076

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, 2016

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, 2016

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, 2016

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, 2016

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, 2016

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, 2016

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, 2016

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 is used. Revenues, expenses, gains, losses, assets/deferred outflows, and liabilities/deferred inflows resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

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

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 is used.

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

CITY OF WEST CHICAGO, ILLINOIS

Notes to the Financial Statements December 31, 2016

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

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, 2016

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 of resources (expense)/inflow of resources (revenue) until that future time.

Compensated Absences

The City accrues accumulated unpaid vacation and associated employee-related costs when earned (or estimated to be earned) by the employee. In accordance with GASB Statement No. 16, no liability is recorded for nonvesting accumulation rights to receive sick pay benefits. However, a liability is recognized for that portion of accumulated sick leave that is estimated to be taken as “terminal leave” prior to retirement.

All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

CITY OF WEST CHICAGO, ILLINOIS

Notes to the Financial Statements December 31, 2016

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, 2016

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

Illinois Funds is an investment pool managed by the Illinois Public Treasurer's Office which allows governments within the State to pool their funds for investment purposes. 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.

CITY OF WEST CHICAGO, ILLINOIS

Notes to the Financial Statements December 31, 2016

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

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

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

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

Deposits and Investments. At year-end, the carrying amount of the City's deposits for governmental and business-type activities totaled \$8,982,807 and the bank balances totaled \$9,280,157. Additionally, at year-end the City has \$248,883 invested in the Illinois Funds and \$38,487 invested in the Illinois Metropolitan Investment Fund, which are both measured at net asset value per share valued by the pool.

CITY OF WEST CHICAGO, ILLINOIS

Notes to the Financial Statements December 31, 2016

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 cash and investments (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments).

CITY OF WEST CHICAGO, ILLINOIS

Notes to the Financial Statements December 31, 2016

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

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

Deposits. At year-end, the carrying amount of the Police Pension Fund's deposits totaled \$990,806 and the bank balances totaled \$1,000,718.

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	\$ 1,120,032	\$ -	\$ 1,069,337	\$ 50,695	\$ -
U.S. Agencies	4,783,422	167,450	1,720,972	2,796,034	98,966
Corporate Bonds	1,013,518	250,295	150,117	613,106	-
Municipal Bonds	1,192,411	60,239	934,949	95,329	101,894
	<u>\$ 8,109,383</u>	<u>\$ 477,984</u>	<u>\$ 3,875,375</u>	<u>\$ 3,555,164</u>	<u>\$ 200,860</u>

The Fund has the following recurring fair value measurements as of December 31, 2016:

Investments by Fair Value Level	December 31, 2016	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Debt Securities				
U.S. Treasuries	\$ 1,120,032	1,120,032	-	-
U.S. Agencies	4,783,422	-	4,783,422	-
Corporate Bonds	1,013,518	-	1,013,518	-
Municipal Bonds	1,192,411	-	1,192,411	-
Equity Securities				
Insurance Contracts	6,465,245	-	6,465,245	-
Mutual Funds	10,388,970	10,388,970	-	-
Total Investments by Fair Value Level	24,963,598	11,509,002	13,454,596	-

CITY OF WEST CHICAGO, ILLINOIS

Notes to the Financial Statements December 31, 2016

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

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

Credit Risk. The Fund helps limit its exposure to credit risk by primarily investing in securities issued by the United States Government and/or its agencies that are implicitly guaranteed by the United States Government. The Pension Fund's investment policy establishes criteria for allowable investments; those criteria follow the requirements of the Illinois Pension Code. The investments in the securities of the U.S. Government agencies were not rated. Corporate bonds were rated Baaa1 to Aa by Moody's Investor Services. Municipal bonds were rated AA to Aaa by Standard & Poor's and Moody's Investor Services.

Custodial Credit Risk. At December 31, 2016, 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, 2016, the Pension Fund has over 5% of net plan position invested in investments in Protective Life Annuity (\$2,949,933) and MetLife Investors Annuity (\$1,586,414).

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

CITY OF WEST CHICAGO, ILLINOIS

Notes to the Financial Statements December 31, 2016

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

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

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

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

Asset Class	Target	Long-Term Expected Real Rate of Return
Fixed Income	60%	1.4%
Domestic Equities	36%	6.6% - 8.6%
International Equities	4%	6.9%
Cash and Cash Equivalents	0%	0.0%

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 2017 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, 2016 are listed in the table above.

CITY OF WEST CHICAGO, ILLINOIS

Notes to the Financial Statements December 31, 2016

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 \$6,465,245 invested in insurance contracts and has diversified its equity mutual fund holdings as follows:

Equity Mutual Funds	Fair Value
American Beacon Intl	\$ 163,151
Bridgeway Ultra Small	324,090
Cohen and Steers	255,828
Fidelity Adv Materials	194,723
First Eagle Overseas	161,144
Hennessy Focus	315,091
Homestead Small	734,107
LSV Value Equity	1,150,314
Oppenheimer Developing	162,119
Oppenheimer Intl Growth	327,917
Pioneer Equity Income	1,180,218
T Rowe Price Growth Stock	2,242,246
T Rowe Price Small	723,936
Vanguard Energy Fund	65,269
Vanguard 500 Index	2,388,817
	<u>\$ 10,388,970</u>

Rate of Return

For the year ended December 31, 2016, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 7.85%. 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, 2016****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	-	176,387	-	176,387
	<u>19,864,898</u>	<u>176,387</u>	<u>-</u>	<u>20,041,285</u>
Other Capital Assets				
Land Improvements	1,464,183	119,900	105,804	1,478,279
Buildings and Improvements	3,184,512	-	-	3,184,512
Machinery and Equipment	4,292,429	693,591	93,886	4,892,134
Infrastructure	62,698,518	-	-	62,698,518
	<u>71,639,642</u>	<u>813,491</u>	<u>199,690</u>	<u>72,253,443</u>
Less Accumulated Depreciation				
Land Improvements	542,275	24,649	105,804	461,120
Buildings and Improvements	1,753,659	71,201	-	1,824,860
Machinery and Equipment	2,852,386	228,222	93,886	2,986,722
Infrastructure	30,736,687	1,418,198	-	32,154,885
	<u>35,885,007</u>	<u>1,742,270</u>	<u>199,690</u>	<u>37,427,587</u>
Total Other Capital Assets	<u>35,754,635</u>	<u>(928,779)</u>	<u>-</u>	<u>34,825,856</u>
Total Capital Assets	<u>\$ 55,619,533</u>	<u>\$ (752,392)</u>	<u>\$ -</u>	<u>\$ 54,867,141</u>

Depreciation expense was charged to governmental activities as follows:

General Government	\$ 1,666,051
Public Safety	<u>76,219</u>
	<u>\$ 1,742,270</u>

CITY OF WEST CHICAGO, ILLINOIS

Notes to the Financial Statements December 31, 2016

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	\$ 28,649,611	\$ -	\$ -	\$ 28,649,611
Construction in Progress	9,457,877	993,484	5,672,904	4,778,457
	<u>38,107,488</u>	<u>993,484</u>	<u>5,672,904</u>	<u>33,428,068</u>
Other Capital Assets				
Land Improvements	1,426,823	-	-	1,426,823
Buildings	29,141,951	1,762,053	-	30,904,004
Machinery and Equipment	17,691,905	1,403,957	347,316	18,748,546
Infrastructure	67,521,101	3,948,140	-	71,469,241
	<u>115,781,780</u>	<u>7,114,150</u>	<u>347,316</u>	<u>122,548,614</u>
Less Accumulated Depreciation				
Land Improvements	746,906	45,612	-	792,518
Buildings	11,449,549	807,202	-	12,256,751
Machinery and Equipment	13,118,376	303,021	347,316	13,074,081
Infrastructure	19,156,243	1,185,963	-	20,342,206
	<u>44,471,074</u>	<u>2,341,798</u>	<u>347,316</u>	<u>46,465,556</u>
Total Other Capital Assets	<u>71,310,706</u>	<u>4,772,352</u>	<u>-</u>	<u>76,083,058</u>
Total Capital Assets	<u>\$ 109,418,194</u>	<u>\$ 5,765,836</u>	<u>\$ 5,672,904</u>	<u>\$ 109,511,126</u>

Depreciation expense was charged to business-type as follows:

Waterworks	\$ 1,685,051
Sewerage	630,480
Commuter Parking	<u>26,267</u>
	<u>\$ 2,341,798</u>

PROPERTY TAXES

Property taxes for 2016 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, 2016

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund Balances

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

Receivable Fund	Payable Fund	Amount
General	Waterworks	\$ 7,757,963
General	Sewerage	2,412,245
Nonmajor Business-Type	Waterworks	<u>315,599</u>
		<u>\$ 10,485,807</u>

Interfund balances are advances in anticipation of receipts.

Interfund Advances

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

Receivable Fund	Payable Fund	Amount
Public Benefit	TIF Special Tax Allocation #1	\$ 428,786
Sewerage	Waterworks	<u>1,850,000</u>
		<u>\$ 2,278,786</u>

The interfund advance from the Public Benefit Fund is for the purchase of properties within the TIF District as part of future land improvement programs. A total of up to \$1.5 million dollars was approved by the City Council for lending to the TIF District for this purpose in lieu of selling additional bonds at a higher interest rate. The amounts will be repaid, with accrued interest, as part of the agreement over the remaining years of the TIF District. The interfund advance from the Sewerage Fund was for the payoff of the Waterworks General Obligation Alternate Revenue Source Bonds of 2002. The amounts will be repaid, with accrued interest.

Interfund Transfers

Interfund transfers for the year consisted of the following:

Transfer In	Transfer Out	Amount
Capital Improvement	Nonmajor Governmental	<u>\$ 25,643</u>

The City transferred the remaining fund balance in the Other Special Service Areas Fund to the Capital Improvement Fund as of December 31, 2016.

CITY OF WEST CHICAGO, ILLINOIS

Notes to the Financial Statements December 31, 2016

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	\$ 5,647,382	\$ -	\$ 565,327	\$ 5,082,055

Long-Term Liability Activity

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

Type of Debt	Beginning Balances	Additions	Deductions	Ending Balances	Amounts Due within One Year
Governmental Activities					
Compensated Absences	\$ 1,240,644	\$ 200,780	\$ 100,390	\$ 1,341,034	\$ 268,207
Net Pension Liability					
IMRF	3,677,360	-	1,085,522	2,591,838	-
Police Pension	30,591,794	-	865,470	29,726,324	-
Net Other Post-Employment Benefit Obligation	1,581,061	408,909	-	1,989,970	-
	<u>37,090,859</u>	<u>609,689</u>	<u>2,051,382</u>	<u>35,649,166</u>	<u>268,207</u>
Business-type Activities					
Compensated Absences	149,065	17,620	8,810	157,875	31,575
Net Pension Liability					
IMRF	1,318,677	1,352,046	-	2,670,723	-
IEPA Revolving Loan	5,647,382	-	565,327	5,082,055	579,950
	<u>\$ 7,115,124</u>	<u>\$ 1,369,666</u>	<u>\$ 574,137</u>	<u>\$ 7,910,653</u>	<u>\$ 611,525</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. The compensated absences and the net pension liability are liquidated from the Waterworks and Sewerage Funds.

CITY OF WEST CHICAGO, ILLINOIS

Notes to the Financial Statements December 31, 2016

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, 2016, 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		Totals
	Principal	Loan Interest	
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>\$ 5,082,055</u>	<u>\$ 572,793</u>	<u>\$ 5,654,848</u>

CITY OF WEST CHICAGO, ILLINOIS

Notes to the Financial Statements December 31, 2016

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, 2016:

Governmental Activities

Capital Assets - Net of Accumulated Depreciation	<u>\$ 54,867,141</u>
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Business-Type Activities

Capital Assets - Net of Accumulated Depreciation	109,511,126
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Less Capital Related Debt:

IEPA Revolving Loan	<u>(5,082,055)</u>
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Net Investment in Capital Assets	<u>\$ 104,429,071</u>
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CITY OF WEST CHICAGO, ILLINOIS

Notes to the Financial Statements December 31, 2016

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	\$ 549,669	\$ -	\$ 1,285	\$ 771	\$ -	\$ 551,725
Restricted						
Motor Fuel Tax	360,944	-	-	-	-	360,944
Property Taxes						
TIF	-	-	788,942	-	161,661	950,603
Public Benefit Projects	-	1,325,281	-	-	-	1,325,281
	360,944	1,325,281	788,942	-	161,661	2,636,828
Assigned						
Capital Projects	-	-	-	2,784,114	1,406,631	4,190,745
Unassigned	12,733,258	-	-	-	-	12,733,258
Total Fund Balances	\$ 13,643,871	\$ 1,325,281	\$ 790,227	\$ 2,784,885	\$ 1,568,292	\$ 20,112,556

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, 2016

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 attorneys, the resolution of these matters will not have a material adverse effect on the financial condition of the City.

Grants

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

CITY OF WEST CHICAGO, ILLINOIS

Notes to the Financial Statements December 31, 2016

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, 2016

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, 2016, the measurement date, the following employees were covered by the benefit terms:

Inactive Plan Members Currently Receiving Benefits	89
Inactive Plan Members Entitled to but not yet Receiving Benefits	56
Active Plan Members	<u>69</u>
Total	<u><u>214</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 2016 was 13.43% of covered payroll.

Net Pension Liability. The City's net pension liability was measured as of December 31, 2016. 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, 2016

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, 2016, using the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market
Actuarial Assumptions	
Interest Rate	7.50%
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 2012). 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 2012). 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 2012). IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

Discount Rate

The discount rate used to measure the total pension liability was 7.50% and discount rate in the prior valuation was 7.47%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that City contributions will be made at rates equal to the difference between the actuarially determined contribution rates and the member rate. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all project future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all period of projected benefit payments to determine the total pension liability.

CITY OF WEST CHICAGO, ILLINOIS

Notes to the Financial Statements December 31, 2016

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Illinois Municipal Retirement Fund (IMRF) – Continued

Discount Rate Sensitivity

The following presents the plan's net pension liability, calculated using a Single Discount Rate of 7.50%, 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 (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Net Pension Liability	\$ 9,861,369	\$ 5,262,561	\$ 1,513,780

Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2015	\$ 33,359,690	\$ 28,363,653	\$ 4,996,037
Changes for the Year:			
Service Cost	563,551	-	563,551
Interest on the Total Pension Liability	2,455,010	-	2,455,010
Difference Between Expected and Actual Experience of the Total Pension Liability	616,330	-	616,330
Changes of Assumptions	(126,634)	-	(126,634)
Contributions - Employer	-	760,973	(760,973)
Contributions - Employees	-	254,980	(254,980)
Net Investment Income	-	1,966,231	(1,966,231)
Benefit Payments, including Refunds of Employee Contributions	(1,553,071)	(1,553,071)	-
Other (Net Transfer)	-	259,549	(259,549)
Net Changes	1,955,186	1,688,662	266,524
Balances at December 31, 2016	\$ 35,314,876	\$ 30,052,315	\$ 5,262,561

CITY OF WEST CHICAGO, ILLINOIS

Notes to the Financial Statements December 31, 2016

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, 2016, the City recognized pension expense of \$1,458,705. At December 31, 2016, 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	\$ 514,333	\$ (4,058)	\$ 510,275
Change in Assumptions	207,655	(90,156)	117,499
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	1,461,870	-	1,461,870
Total Deferred Amounts Related to IMRF	<u>\$ 2,183,858</u>	<u>\$ (94,214)</u>	<u>\$ 2,089,644</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
2017	\$ 912,076
2018	654,012
2019	493,430
2020	30,126
2021	-
Thereafter	-
Total	<u>\$ 2,089,644</u>

CITY OF WEST CHICAGO, ILLINOIS

Notes to the Financial Statements December 31, 2016

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Police Pension Plan

Plan Descriptions

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

Plan Membership. At December 31, 2016, the measurement date, membership consisted of the following:

Inactive Plan Members Currently Receiving Benefits	29
Inactive Plan Members Entitled to but not yet Receiving Benefits	5
Active Plan Members	<u>45</u>
Total	<u><u>79</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 $\frac{1}{2}$ of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The 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, 2016

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 proceeding calendar year.

Contributions. Covered employees are required to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The City is required to contribute the remaining amounts necessary to finance the plan and the administrative costs as actuarially determined by an enrolled actuary. However, effective January 1, 2011, ILCS requires the City to contribute a minimum amount annually calculated using the projected unit credit actuarial cost method that will result in the funding of 90% of the past service cost by the year 2040. For the year-ended December 31, 2016, the City's contribution was 50.80% 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
Protective Live Annuity	\$ 2,949,933
MetLife Investors Annuity	1,586,414

CITY OF WEST CHICAGO, ILLINOIS

Notes to the Financial Statements December 31, 2016

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, 2016, using the following actuarial methods and assumptions:

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

Mortality rates were based on the independent actuary 2016 Illinois Police Mortality Rates table. Mortality rates are based on the assumption study prepared by an independent actuary 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 5.92% 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 3.78%, and the resulting single discount rate is 5.92%.

CITY OF WEST CHICAGO, ILLINOIS**Notes to the Financial Statements
December 31, 2016****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 (4.92%)	Current Discount Rate (5.92%)	1% Increase (6.92%)
Net Pension Liability	\$ 39,359,539	\$ 29,726,324	\$ 22,072,521

Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2015	\$ 53,926,815	\$ 23,335,021	\$ 30,591,794
Changes for the Year:			
Service Cost	1,346,476	-	1,346,476
Interest on the Total Pension Liability	3,142,264	-	3,142,264
Difference Between Expected and Actual Experience of the Total Pension Liability	(372,812)	-	(372,812)
Changes of Assumptions	(631,278)	-	(631,278)
Contributions - Employer	-	2,174,000	(2,174,000)
Contributions - Employees	-	427,412	(427,412)
Net Investment Income	-	1,820,171	(1,820,171)
Benefit Payments, including Refunds of Employee Contributions	(1,696,065)	(1,696,065)	-
Administration Expense	-	(71,463)	71,463
Net Changes	1,788,585	2,654,055	(865,470)
Balances at December 31, 2016	\$ 55,715,400	\$ 25,989,076	\$ 29,726,324

CITY OF WEST CHICAGO, ILLINOIS

Notes to the Financial Statements December 31, 2016

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, 2016, the City recognized pension expense of \$3,804,334. At December 31, 2016, 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	\$ 2,428,091	\$ (322,020)	\$ 2,106,071
Change in Assumptions	5,049,046	(545,271)	4,503,775
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	209,653	(221,034)	(11,381)
Total Deferred Amounts Related to Police Pension	<u>\$ 7,686,790</u>	<u>\$ (1,088,325)</u>	<u>\$ 6,598,465</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
2017	\$ 1,215,421
2018	1,215,421
2019	1,215,419
2020	1,145,538
2021	1,200,795
Thereafter	<u>605,871</u>
Total	<u>\$ 6,598,465</u>

CITY OF WEST CHICAGO, ILLINOIS

Notes to the Financial Statements December 31, 2016

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. 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, 2016. For the fiscal year ending December 31, 2016, retirees contributed \$111,929. Active employees contribute up to 12% to the plan before retirement.

At December 31, 2016, the membership consisted of:

Retirees and Beneficiaries Currently Receiving Benefits and Terminated Employees Entitled to Benefits but not yet Receiving Them	13
Active Employees	<u>73</u>
Total	<u>86</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, 2016

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, 2016, was calculated as follows:

Annual Required Contribution	\$ 625,676
Interest on the NOPEBO	79,054
Adjustment to the ARC	<u>(102,850)</u>
Annual OPEB Cost	601,880
Actual Contribution	<u>192,971</u>
Increase in the NPO	408,909
NOPEBO - Beginning	<u>1,581,061</u>
NOPEBO - Ending	<u>\$ 1,989,970</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
2014	\$ 555,133	\$ 180,425	32.50%	\$ 1,196,808
2015	577,868	193,615	33.51%	1,581,061
2016	601,880	192,971	32.06%	1,989,970

CITY OF WEST CHICAGO, ILLINOIS

Notes to the Financial Statements December 31, 2016

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, 2016

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, 2016, 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, 2016**

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)
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
2016	N/A	N/A	N/A	N/A	N/A	N/A

Employer Contributions

Fiscal Year Ended	Employer Contributions	Annual Required Contribution	Percent Contributed
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%
2016	192,971	625,676	30.84%

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, 2016

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%
2016	760,973	760,973	-	5,666,218	13.43%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	27 Years
Asset Valuation Method	5-Year Smoothed Market
Inflation	2.75%
Salary Increases	3.75% - 14.50%
Investment Rate of Return	7.50%
Retirement Age	See the Notes to the Financial Statements
Mortality	IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012).

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

CITY OF WEST CHICAGO, ILLINOIS

Police Pension Fund

Required Supplementary Information

Schedule of Employer Contributions

December 31, 2016

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	43.98%
2016	2,496,300	2,174,000	(322,300)	4,279,402	50.80%

Notes to the Required Supplementary Information:

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

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

CITY OF WEST CHICAGO, ILLINOIS

Illinois Municipal Retirement Fund

Required Supplementary Information Schedule of Changes in the Employer's Net Pension Liability December 31, 2016

	2015	2016
Total Pension Liability		
Service Cost	\$ 571,996	563,551
Interest	2,352,359	2,455,010
Changes in Benefit Terms	-	-
Differences Between Expected and Actual Experience	(9,382)	616,330
Change of Assumptions	80,218	(126,634)
Benefit Payments, Including Refunds of Member Contributions	(1,512,334)	(1,553,071)
Net Change in Total Pension Liability	1,482,857	1,955,186
Total Pension Liability - Beginning	31,876,833	33,359,690
Total Pension Liability - Ending	\$ 33,359,690	35,314,876
Plan Fiduciary Net Position		
Contributions - Employer	\$ 673,208	760,973
Contributions - Members	230,043	254,980
Net Investment Income	140,645	1,966,231
Benefit Payments, Including Refunds of Member Contributions	(1,512,334)	(1,553,071)
Administrative Expense	398,615	259,549
Net Change in Plan Fiduciary Net Position	(69,823)	1,688,662
Plan Net Position - Beginning	28,433,476	28,363,653
Plan Net Position - Ending	\$ 28,363,653	30,052,315
Employer's Net Pension Liability	\$ 4,996,037	5,262,561
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	85.02%	85.10%
Covered-Employee Payroll	\$ 5,107,796	5,666,218
Employer's Net Pension Liability as a Percentage of Covered-Employee Payroll	97.81%	92.88%

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

CITY OF WEST CHICAGO, ILLINOIS

Police Pension Fund

Required Supplementary Information Schedule of Changes in the Employer's Net Pension Liability December 31, 2016

	2015	2016
Total Pension Liability		
Service Cost	\$ 1,339,124	1,346,476
Interest	2,354,602	3,142,264
Differences Between Expected and Actual Experience	3,296,819	(372,812)
Change of Assumptions	6,855,504	(631,278)
Benefit Payments, Including Refunds of Member Contributions	(1,595,484)	(1,696,065)
Net Change in Total Pension Liability	12,250,565	1,788,585
Total Pension Liability - Beginning	41,676,250	53,926,815
Total Pension Liability - Ending	\$ 53,926,815	55,715,400
Plan Fiduciary Net Position		
Contributions - Employer	\$ 1,800,000	2,174,000
Contributions - Members	416,324	427,412
Net Investment Income	1,079,639	1,820,171
Benefit Payments, Including Refunds of Member Contributions	(1,595,484)	(1,696,065)
Administrative Expense	(81,217)	(71,463)
Net Change in Plan Fiduciary Net Position	1,619,262	2,654,055
Plan Net Position - Beginning	21,715,759	23,335,021
Plan Net Position - Ending	\$ 23,335,021	25,989,076
Employer's Net Pension Liability	\$ 30,591,794	29,726,324
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	43.27%	46.65%
Covered-Employee Payroll	\$ 4,092,955	4,279,402
Employer's Net Pension Liability as a Percentage of Covered-Employee Payroll	747.43%	694.64%

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

CITY OF WEST CHICAGO, ILLINOIS

Police Pension Fund

**Required Supplementary Information
Schedule of Investment Returns
December 31, 2016**

Fiscal Year	Annual Money- Weighted Rate of Return, Net of Investment Expense
2015	4.99%
2016	7.85%

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

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, 2016

	Budget		Actual
	Original	Final	
Revenues			
Taxes	\$ 4,540,000	\$ 4,540,000	\$ 4,573,776
Intergovernmental	7,642,800	7,642,800	7,321,942
Charges for Services	1,938,500	1,938,500	2,413,136
Licenses and Permits	566,500	566,500	843,502
Fines and Forfeitures	850,000	850,000	850,994
Interest Income	2,500	2,500	4,923
Miscellaneous	535,000	535,000	537,927
Total Revenues	16,075,300	16,075,300	16,546,200
Expenditures			
General Government	7,825,100	8,154,200	6,939,007
Public Safety	9,843,900	10,027,900	9,849,220
Total Expenditures	17,669,000	18,182,100	16,788,227
Net Change in Fund Balance	<u>\$ (1,593,700)</u>	<u>\$ (2,106,800)</u>	(242,027)
Fund Balance - Beginning			<u>13,885,898</u>
Fund Balance - Ending			<u>\$ 13,643,871</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, 2016**

	Budget		Actual
	Original	Final	
Revenues			
Interest Income	\$ 100	\$ 100	\$ 918
Expenditures			
Capital Outlay			
Building and Grounds Improvement	400,000	550,000	176,387
Net Change in Fund Balance	<u>\$ (399,900)</u>	<u>\$ (549,900)</u>	(175,469)
Fund Balance - Beginning			<u>1,500,750</u>
Fund Balance - Ending			<u>\$ 1,325,281</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, 2016**

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ 950,000	\$ 950,000	\$ 937,909
Interest Income	500	500	287
Miscellaneous	5,300	5,300	13,799
Total Revenues	955,800	955,800	951,995
Expenditures			
General Government	1,431,000	1,441,000	954,620
Debt Service			
Interest and Fiscal Charges	1,500	1,500	518
Total Expenditures	1,432,500	1,442,500	955,138
Excess (Deficiency) of Revenues Over (Under) Expenditures	(476,700)	(486,700)	(3,143)
Other Financing (Uses)			
Transfers Out	(100,000)	(100,000)	-
Net Change in Fund Balance	<u>\$ (576,700)</u>	<u>\$ (586,700)</u>	(3,143)
Fund Balance - Beginning			<u>793,370</u>
Fund Balance - Ending			<u>\$ 790,227</u>

OTHER SUPPLEMENTARY INFORMATION

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

Such statements and schedules include:

- Budgetary Comparison Schedules – Major Governmental Funds
- Combining Statements – Nonmajor Governmental Funds
- Budgetary Comparison Schedules – Nonmajor Governmental Funds
- Budgetary Comparison Schedules – Enterprise Funds
- Combining 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, 2016

	Budget		Actual
	Original	Final	
Taxes			
Property Taxes	\$ 3,430,000	\$ 3,430,000	\$ 3,498,471
Telecommunications Tax	850,000	850,000	806,698
Amusement Tax	100,000	100,000	108,211
Personal Property Replacement Tax	160,000	160,000	160,396
	<u>4,540,000</u>	<u>4,540,000</u>	<u>4,573,776</u>
Intergovernmental			
Sales Tax	3,700,000	3,700,000	3,272,859
Income Tax	2,700,000	2,700,000	2,636,660
MFT Allotments	725,000	725,000	716,433
Use Tax	500,000	500,000	680,840
Grants	17,800	17,800	15,150
	<u>7,642,800</u>	<u>7,642,800</u>	<u>7,321,942</u>
Charges for Services			
Weed Cutting Fees	2,500	2,500	350
Brush Collection Fees	75,000	75,000	77,576
Police Counter Service	6,000	6,000	29,389
Police Contractual Services	320,000	320,000	360,774
Change of Occupancy Fees	65,000	65,000	89,900
Rental Inspections	170,000	170,000	217,604
Business Registration	25,000	25,000	22,490
Police Towing	50,000	50,000	27,600
Plan Review Fees	20,000	20,000	9,650
Engineering Fees	200,000	200,000	355,157
Transfer Station Fees	575,000	575,000	713,942
Cable Franchise Fee	250,000	250,000	279,676
Property Rental	180,000	180,000	195,428
Tower Rental Fees	-	-	33,600
	<u>1,938,500</u>	<u>1,938,500</u>	<u>2,413,136</u>

CITY OF WEST CHICAGO, ILLINOIS**General Fund****Schedule of Revenues - Budget and Actual - Continued
For the Fiscal Year Ended December 31, 2016**

	Budget		Actual
	Original	Final	
Licenses and Permits			
Building Permits	\$ 350,000	\$ 350,000	\$ 586,801
Building Contractors Licenses	37,000	37,000	42,775
Oversize Truck Permits	15,000	15,000	28,355
Liquor Licenses	100,000	100,000	106,015
Vending Machine/Business Licenses	63,000	63,000	74,890
Other Licenses and Permits	1,500	1,500	4,666
	<u>566,500</u>	<u>566,500</u>	<u>843,502</u>
Fines and Forfeits			
Circuit Court Fines	370,000	370,000	339,807
Local Fines	480,000	480,000	456,826
Seizures	-	-	54,361
	<u>850,000</u>	<u>850,000</u>	<u>850,994</u>
Interest			
Interest Income	<u>2,500</u>	<u>2,500</u>	<u>4,923</u>
Miscellaneous			
Cemetery Lot Sales	40,000	40,000	37,100
Other Reimbursements	50,000	50,000	107,423
Health Insurance Reimbursements	145,000	145,000	143,857
IPBC and IRMA Revenue	200,000	200,000	149,994
Other Miscellaneous	100,000	100,000	99,553
	<u>535,000</u>	<u>535,000</u>	<u>537,927</u>
Total Revenues	<u>\$ 16,075,300</u>	<u>\$ 16,075,300</u>	<u>\$ 16,546,200</u>

CITY OF WEST CHICAGO, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual For the Fiscal Year Ended December 31, 2016

	Budget		Actual
	Original	Final	
General Government			
Legislative	\$ 171,800	\$ 251,800	\$ 172,117
Administration	469,400	514,400	344,719
Administrative Services	2,961,500	3,008,100	2,518,763
Public Works	3,133,800	3,281,300	2,761,469
Community Development	1,088,600	1,098,600	1,141,939
	<u>7,825,100</u>	<u>8,154,200</u>	<u>6,939,007</u>
Public Safety			
Police Department	<u>9,843,900</u>	<u>10,027,900</u>	<u>9,849,220</u>
Total Expenditures	<u>\$ 17,669,000</u>	<u>\$ 18,182,100</u>	<u>\$ 16,788,227</u>

CITY OF WEST CHICAGO, ILLINOIS

General Fund

**Schedule of Detailed Expenditures - Budget and Actual
For the Fiscal Year Ended December 31, 2016**

	Budget		Actual
	Original	Final	
General Government			
Legislative			
Personal Services			
Salary of Aldermen	\$ 33,600	\$ 33,600	\$ 22,853
Salary of Mayor	15,000	15,000	15,000
Salary of Corporate Counsel	3,000	3,000	3,000
Salary of City Clerk	4,500	4,500	4,500
Salary of Deputy City Clerk	400	400	-
IMRF and FICA	4,100	4,100	3,241
Contractual Services			
Legal Fees	40,000	90,000	38,764
Consultants	1,000	1,000	-
Training and Tuition	3,000	3,000	-
Memberships/Dues/Subscriptions	42,000	42,000	32,647
Legal Notices	1,500	1,500	890
Printing and Binding	10,000	10,000	7,802
Legal Reporter Fees	500	500	580
Commodities			
Computer and Office Supplies	500	500	858
Postage	200	200	71
Miscellaneous Commodities	2,000	2,000	1,626
Grant Distribution	10,000	40,000	40,000
Other Charges	500	500	285
Total Legislative	171,800	251,800	172,117

CITY OF WEST CHICAGO, ILLINOIS

General Fund

**Schedule of Detailed Expenditures - Budget and Actual - Continued
For the Fiscal Year Ended December 31, 2016**

	Budget		Actual
	Original	Final	
General Government - Continued			
Administration			
Personal Services			
Administrative Salaries	\$ 162,800	\$ 162,800	\$ 166,137
IMRF and FICA	34,500	34,500	32,109
ICMA	9,000	9,000	8,663
Contractual Services			
Legal Fees	5,500	5,500	-
Newsletter Preparation	32,000	32,000	10,330
Training and Tuition	7,000	7,000	-
Memberships/Dues/Subscriptions	4,000	4,000	2,653
Software Maintenance	1,000	1,000	1,973
Telephone and Alarms	21,000	21,000	30,837
Electric	1,000	1,000	865
Printing and Binding	1,000	1,000	-
Advertising	4,000	4,000	5,762
Other Contractual Services	84,000	129,000	69,885
IRMA General Insurance	4,300	4,300	4,230
Commodities			
Sales Tax Rebate	80,000	80,000	-
Computer and Office Supplies	1,200	1,200	288
Gas and Oil	3,000	3,000	1,014
Postage	100	100	-
Gallery 200	6,500	6,500	6,000
Arts Programming Supplies	5,500	5,500	2,665
Special Events	500	500	-
Prospect Development	500	500	440
Other Charges	1,000	1,000	868
Total Administration	469,400	514,400	344,719

CITY OF WEST CHICAGO, ILLINOIS

General Fund

Schedule of Detailed Expenditures - Budget and Actual - Continued For the Fiscal Year Ended December 31, 2016

	Budget		Actual
	Original	Final	
General Government - Continued			
Administrative Services			
Personal Services			
Administrative Salaries	\$ 447,400	\$ 447,400	\$ 444,184
Administrative Salaries - Overtime	300	300	-
IMRF and FICA	94,600	94,600	90,765
ICMA	6,500	6,500	5,986
Health/Dental/Life Insurance	1,646,400	1,646,400	1,530,513
Contractual Services			
Legal Fees	32,000	32,000	34,485
Audit Fees	17,300	17,300	15,580
Consultants	3,000	3,000	3,583
Network Charges	13,600	13,600	12,609
Pre-employment Exams	20,100	30,100	28,854
Training and Tuition	12,500	12,500	2,499
Memberships/Dues/Subscriptions	3,400	3,400	2,365
Software Maintenance	129,600	132,200	101,439
Telephone and Alarms	16,600	16,600	19,670
Advertising	1,500	1,500	680
Other Contractual Services	78,200	78,200	25,738
IRMA General Insurance	4,300	4,300	4,230
Office Equipment Maintenance and Repair	33,900	33,900	11,970
Postage Meter Rental	1,700	1,700	1,508
Copier Fees	5,800	5,800	2,934
Commodities			
Computer and Office Supplies	19,300	19,300	7,332
Gas and Oil	100	100	39
Postage	7,000	7,000	5,812
Miscellaneous Commodities	800	800	-
Safety Program	5,500	5,500	3,469
Special Events	6,000	6,000	4,587
Bank Fees	7,000	7,000	11,099
Other Charges	200	200	121

CITY OF WEST CHICAGO, ILLINOIS

General Fund

Schedule of Detailed Expenditures - Budget and Actual - Continued For the Fiscal Year Ended December 31, 2016

	Budget		Actual
	Original	Final	
General Government - Continued			
Administrative Services - Continued			
Capital Outlay			
Other Capital Outlay	\$ 225,400	\$ 259,400	\$ 55,430
MIS Replacement	121,500	121,500	91,282
Total Administrative Services	2,961,500	3,008,100	2,518,763
Public Works			
Personal Services			
Administrative Salaries	165,200	165,200	152,593
Operating Salaries	557,700	557,700	481,309
Administrative Salaries - Overtime	60,500	60,500	41,243
IMRF and FICA	165,400	165,400	140,260
Unemployment Insurance	-	-	3,262
Contractual Services			
Legal Fees	1,100	1,100	10,579
Pre-employment Exams	800	800	973
Training and Tuition	3,300	3,300	2,057
Memberships/Dues/Subscriptions	1,100	1,100	463
Telephone and Alarms	26,500	26,500	41,671
Interments Program	25,000	25,000	13,825
Brush Pickup	62,900	62,900	62,841
Grounds Maintenance	54,600	54,600	45,326
Cemetery Maintenance	6,000	6,000	6,000
Janitor Contract	45,900	45,900	45,855
Heating Gas	11,000	11,000	4,687
Electric	134,000	134,000	138,089
Refuse Disposal	30,000	30,000	19,494
Other Contractual Services	67,000	187,000	124,756
Traffic Signal Maintenance	25,000	25,000	27,978
Street Light Maintenance	15,000	15,000	27,323

CITY OF WEST CHICAGO, ILLINOIS

General Fund

Schedule of Detailed Expenditures - Budget and Actual - Continued
For the Fiscal Year Ended December 31, 2016

	Budget		Actual
	Original	Final	
General Government - Continued			
Public Works - Continued			
Contractual Services - Continued			
IRMA General Insurance	\$ 59,400	\$ 59,400	\$ 59,205
Other Insurance	11,000	11,000	6,915
Payment to Taxing Bodies	165,000	165,000	194,946
Vehicle Maintenance and Repair	40,000	39,000	39,900
Commodities			
Computer and Office Supplies	4,500	4,500	3,572
Parts for Vehicles	170,000	170,000	171,624
Tools and Equipment	18,500	37,500	28,790
Gas and Oil	77,000	77,000	40,628
Materials	15,000	21,000	19,801
Street Patch Materials	1,000	1,000	293
Street Paint	2,000	2,000	2,352
Ice Control Materials	20,000	20,000	28,027
Parts - Mains	5,000	5,000	1,014
Rock Salt	311,100	311,100	237,458
BIT Patch - Cold	8,000	8,000	7,716
BIT Patch - Hot	45,000	45,000	41,287
Postage	100	100	16
Uniforms and Safety Equipment	10,900	14,400	9,929
Miscellaneous	67,500	67,500	79,612
Capital Outlay			
Vehicles	397,800	397,800	397,800
Street Improvements	247,000	247,000	-
Total Public Works	3,133,800	3,281,300	2,761,469

CITY OF WEST CHICAGO, ILLINOIS

General Fund

Schedule of Detailed Expenditures - Budget and Actual - Continued For the Fiscal Year Ended December 31, 2016

	Budget		Actual
	Original	Final	
General Government - Continued			
Community Development			
Personal Services			
Administrative Salaries	\$ 344,700	\$ 344,700	\$ 342,842
IMRF and FICA	72,500	72,500	70,561
Contractual Services			
Legal Fees	40,000	40,000	60,220
Training and Tuition	9,000	9,000	703
Memberships/Dues/Subscriptions	2,500	2,500	1,778
Enforcement & Inspections	345,000	345,000	345,000
Plan Review	55,000	55,000	99,132
Software Maintenance	10,800	10,800	9,600
Legal Notices	2,700	2,700	5,377
Telephone and Alarms	37,400	37,400	46,374
Weed Cutting	8,000	18,000	7,535
Printing and Binding	2,300	2,300	1,992
Legal Reporter	3,500	3,500	5,408
Filing Fees	5,000	5,000	2,864
Microfiche Expenses	10,000	10,000	5,393
Other Contractual Services	36,500	36,500	36,750
IRMA General Insurance	5,700	5,700	5,580
Copier Fees	600	600	1,251
Commodities			
Computer and Office Supplies	2,500	2,500	4,325
Maps and Plats	300	300	1,405
Gas and Oil	3,000	3,000	1,615
Postage	800	800	-
Uniforms and Safety Equipment	300	300	-
Miscellaneous Commodities	500	500	-
Special Events	80,000	80,000	80,000
Prospect Development	5,000	5,000	2,653
Other Charges	300	300	-

CITY OF WEST CHICAGO, ILLINOIS

General Fund

Schedule of Detailed Expenditures - Budget and Actual - Continued For the Fiscal Year Ended December 31, 2016

	Budget		Actual
	Original	Final	
General Government - Continued			
Community Development - Continued			
Capital Outlay			
Office Equipment	\$ 2,000	\$ 2,000	\$ 872
Vehicles	2,700	2,700	2,709
Total Community Development	1,088,600	1,098,600	1,141,939
Total General Government	7,825,100	8,154,200	6,939,007
Public Safety			
Police Department			
Personal Services			
Administrative Salaries	701,000	701,000	712,717
Patrolman Salaries	3,454,200	3,454,200	3,522,375
Patrolman Salaries - Overtime	416,500	416,500	357,525
Sergeants Salaries	697,500	697,500	587,607
CSO Salaries	132,800	217,800	214,789
CSO - Overtime	1,700	1,700	3,617
Contract Services Salaries	15,000	15,000	12,477
Administrative Services - Overtime	500	500	-
IMRF and FICA	471,200	471,200	447,841
Police Pension	2,174,000	2,174,000	2,174,000
Contractual Services			
Legal Fees	115,000	115,000	126,331
Training and Tuition	40,300	40,300	48,045
Officer Training and Mileage	3,000	3,000	1,645
Memberships/Dues/Subscriptions	10,600	10,600	8,960
Software Maintenance	26,100	26,100	21,093
Telephone and Alarms	100,300	100,300	133,917
Printing and Binding	5,000	5,000	5,135
Grounds Maintenance	1,100	1,100	989
DuComm Quarterly Share	516,500	516,500	496,885
Other Contractual Services	72,700	72,700	98,654
Graffiti Removal	13,500	13,500	12,780
Reception Support	131,500	131,500	128,052

CITY OF WEST CHICAGO, ILLINOIS

General Fund

Schedule of Detailed Expenditures - Budget and Actual - Continued
For the Fiscal Year Ended December 31, 2016

	Budget		Actual
	Original	Final	
Public Safety - Continued			
Police Department - Continued			
Contractual Services - Continued			
Crossing Guard - Contractual	\$ 36,500	\$ 36,500	\$ 35,050
IRMA General Insurance	225,600	225,600	225,520
Other Insurance	15,000	15,000	22,008
Radio/Radar Equipment Maint. and Repair	24,500	32,500	11,361
Office Equipment and Repair	8,100	8,100	3,672
Postage Meter Rental	1,000	1,000	958
Copier Fees	10,000	10,000	9,777
Commodities			
Computer and Office Supplies	19,400	19,400	17,720
Field Equipment	16,300	107,300	98,721
Gas and Oil	114,000	114,000	75,632
Vehicle License Fees	1,000	1,000	9,174
Postage	3,000	3,000	2,540
Uniform and Safety Equipment	55,300	55,300	43,118
First Aid Supplies	2,300	2,300	676
Ammunition and Firearms	35,000	35,000	36,490
Tools and Equipment	7,500	7,500	1,831
Educational Programming	6,000	6,000	4,316
Cert Supplies	5,000	5,000	2,116
Miscellaneous Commodities	14,100	14,100	7,686
Capital Outlay			
Vehicles	124,300	124,300	125,420
Other Capital Outlay	20,000	20,000	-
Total Public Safety	9,843,900	10,027,900	9,849,220
Total Expenditures	\$ 17,669,000	\$ 18,182,100	\$ 16,788,227

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, 2016

	Budget		Actual
	Original	Final	
General Government			
Personal Services			
Administrative Salaries	\$ 365,600	\$ 365,600	\$ 339,195
Operational Salaries	78,000	78,000	73,316
Administrative Salaries - Overtime	6,500	6,500	5,823
IMRF and FICA	95,000	95,000	84,895
ICMA	4,400	4,400	3,675
Health/Dental/Life Insurance	63,400	63,400	58,822
Unemployment Insurance	-	-	126
Contractual Services			
Legal Fees	10,000	10,000	420
Memberships/Dues/Subscriptions	600	600	550
Legal Notices	500	500	-
Telephone and Alarms	6,500	6,500	6,693
Grounds Maintenance	14,800	14,800	12,692
Other	300,000	310,000	168,693
Payment to Taxing Bodies	90,000	90,000	80,146
Commodities			
Postage	200	200	-
Special Events	20,000	20,000	22,520
Prospect Development	1,500	1,500	-
Capital Outlay			
Building Grounds Improvement	250,000	250,000	36,995
Land	50,000	50,000	44,998
Façade Improvement	50,000	50,000	5,741
Streetscape Programs	4,000	4,000	9,320
Retail Grant Programs	20,000	20,000	-
	1,431,000	1,441,000	954,620
Debt Service			
Interest and Fiscal Charges	1,500	1,500	518
Total Expenditures	\$ 1,432,500	\$ 1,442,500	\$ 955,138

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, 2016**

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Utility Taxes	\$ 2,100,000	\$ 2,100,000	\$ 1,994,900
Sales Taxes	587,500	587,500	590,910
Interest Income	2,000	2,000	439
Miscellaneous	553,600	553,600	1,471,547
Total Revenues	3,243,100	3,243,100	4,057,796
Expenditures			
Capital Outlay	5,921,200	6,664,100	3,980,349
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,678,100)	(3,421,000)	77,447
Other Financing Sources			
Transfers In	-	-	25,643
Net Change in Fund Balance	<u>\$ (2,678,100)</u>	<u>\$ (3,421,000)</u>	103,090
Fund Balance - Beginning			<u>2,681,795</u>
Fund Balance - Ending			<u><u>\$ 2,784,885</u></u>

CITY OF WEST CHICAGO, ILLINOIS**Capital Improvement - Capital Projects Fund****Schedule of Expenditures - Budget and Actual
For the Fiscal Year Ended December 31, 2016**

	Budget		Actual
	Original	Final	
Capital Outlay			
Administrative Salaries	\$ 113,200	\$ 113,200	\$ 116,150
Operational Salaries	165,600	165,600	152,832
Administrative Salaries - Overtime	15,000	15,000	13,465
IMRF and FICA	102,700	102,700	57,208
Health/Dental/Life Insurance	38,000	38,000	35,299
Unemployment Insurance	-	-	3,213
Legal Fees	2,500	2,500	5,177
Auditing Fees	4,000	4,000	3,690
Other Contractual Services	962,900	962,900	830,743
IRMA General Insurance	5,700	5,700	5,640
Sales Tax Rebate	20,000	20,000	10,994
Building and Grounds Improvements	110,000	128,000	101,740
Street Improvements	3,994,800	4,506,800	2,460,578
Land	-	200,000	15,269
Other Capital Outlay	386,800	399,700	168,351
Total Expenditures	\$ 5,921,200	\$ 6,664,100	\$ 3,980,349

CITY OF WEST CHICAGO, ILLINOIS

Nonmajor Governmental Funds

**Combining Balance Sheet
December 31, 2016**

	Special Revenue		Capital Projects	
	TIF	Other Special	Capital	
	Special Tax	Service	Equipment	
	Allocation #2	Areas	Replacement	Totals
ASSETS				
Cash and Investments	\$ 161,661	\$ -	\$ 1,439,209	\$ 1,600,870
Receivables - Net of Allowances				
Property Taxes	12,388	-	-	12,388
Total Assets	174,049	-	1,439,209	1,613,258
LIABILITIES				
Accounts Payable	-	-	32,578	32,578
DEFERRED INFLOWS OF RESOURCES				
Property Taxes	12,388	-	-	12,388
Total Liabilities and Deferred Inflows of Resources	12,388	-	32,578	44,966
FUND BALANCES				
Restricted	161,661	-	-	161,661
Assigned	-	-	1,406,631	1,406,631
Total Fund Balances	161,661	-	1,406,631	1,568,292
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 174,049	\$ -	\$ 1,439,209	\$ 1,613,258

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, 2016**

	Special Revenue		Capital Projects	
	TIF	Other Special	Capital	
	Special Tax	Service	Equipment	
	Allocation #2	Areas	Replacement	Totals
Revenues				
Taxes	\$ 12,449	\$ -	\$ -	\$ 12,449
Charges for Services	-	-	780,800	780,800
Interest Income	-	-	416	416
Miscellaneous	-	-	9,336	9,336
Total Revenues	12,449	-	790,552	803,001
Expenditures				
Capital Outlay	-	-	768,106	768,106
Excess (Deficiency) of Revenues Over (Under) Expenditures	12,449	-	22,446	34,895
Other Financing Sources (Uses)				
Disposal of Capital Assets	-	-	56,369	56,369
Transfers Out	-	(25,643)	-	(25,643)
	-	(25,643)	56,369	30,726
Net Change in Fund Balances	12,449	(25,643)	78,815	65,621
Fund Balances - Beginning	149,212	25,643	1,327,816	1,502,671
Fund Balances - Ending	\$ 161,661	\$ -	\$ 1,406,631	\$ 1,568,292

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, 2016**

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ 12,500	\$ 12,500	\$ 12,449
Expenditures			
General Government			
Prospect Development	5,000	5,000	-
Net Change in Fund Balance	<u>\$ 7,500</u>	<u>\$ 7,500</u>	12,449
Fund Balance - Beginning			<u>149,212</u>
Fund Balance - Ending			<u>\$ 161,661</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, 2016**

	Budget		Actual
	Original	Final	
Revenues			
Charges for Services	\$ 780,800	\$ 780,800	\$ 780,800
Interest Income	500	500	416
Miscellaneous	-	-	9,336
Total Revenues	781,300	781,300	790,552
Expenditures			
Capital Outlay			
Vehicles	999,800	1,661,400	768,106
Excess (Deficiency) of Revenues Over (Under) Expenditures	(218,500)	(880,100)	22,446
Other Financing Sources			
Disposal of Capital Assets	-	-	56,369
Net Change in Fund Balance	<u>\$ (218,500)</u>	<u>\$ (880,100)</u>	78,815
Fund Balance - Beginning			<u>1,327,816</u>
Fund Balance - Ending			<u>\$ 1,406,631</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, 2016

	Budget		Actual
	Original	Final	
Operating Revenues			
Charges for Services			
Water Service	\$ 4,500,000	\$ 4,500,000	\$ 4,396,255
Operating Expenses			
Operations			
Water Distribution	3,661,200	4,311,000	3,130,828
Water Treatment Plant	1,696,600	2,079,300	1,971,083
Depreciation	-	-	1,685,051
Total Operating Expenses	5,357,800	6,390,300	6,786,962
Operating Income (Loss)	(857,800)	(1,890,300)	(2,390,707)
Nonoperating Revenues (Expenses)			
Connection Fees	23,500	23,500	34,200
Sales Taxes	1,100,000	1,100,000	1,185,841
Interest Income	1,000	1,000	1,278
Other Income	101,000	101,000	157,597
Interest Expense	(141,600)	(141,600)	(136,686)
	1,083,900	1,083,900	1,242,230
Change in Net Position	\$ 226,100	\$ (806,400)	(1,148,477)
Net Position - Beginning			79,476,012
Net Position - Ending			\$ 78,327,535

CITY OF WEST CHICAGO, ILLINOIS

Waterworks - Enterprise Fund

Schedule of Operating Expenses - Budget and Actual For the Fiscal Year Ended December 31, 2016

	Budget		Actual
	Original	Final	
Water Distribution			
Personal Services			
Administrative Salaries	\$ 503,200	\$ 511,400	\$ 515,984
Operational Salaries	461,400	461,400	446,909
Administrative Salaries - Overtime	30,000	30,000	26,310
IMRF and FICA	209,700	210,300	771,586
ICMA	4,200	4,300	4,290
Health/Dental/Life Insurance	392,600	392,600	364,679
Unemployment Insurance	-	-	2,127
Contractual Services			
Legal Fees	15,000	15,000	76,562
Auditing Fees	14,300	14,300	13,120
JULIE System	2,300	2,300	2,259
Consultants	2,000	2,000	3,583
Pre-employment Exams	600	600	933
Training and Tuition	1,000	1,000	458
Memberships/Dues/Subscriptions	1,000	1,000	200
Software Maintenance	10,000	10,000	7,748
Legal Notices	1,000	1,000	-
Telephone and Alarms	35,000	35,000	50,510
Heating and Gas	3,000	3,000	2,552
Electric	275,000	275,000	331,487
Lab Results	8,500	8,500	5,132
Refuse Disposal	5,000	5,000	-
Printing and Binding	2,000	2,000	2,432
Grounds Maintenance	7,700	7,700	7,334
Other Contractual Services	190,600	194,800	36,295
IRMA General Insurance	107,200	107,200	107,170
Other Insurance	-	-	3,070
Vehicle Maintenance and Repair	3,500	3,500	62
Building Maintenance and Repair	1,000	1,000	191
Distribution System Maintenance and Repair	100,000	100,000	27,194
Pump Station Maintenance and Repair	351,000	567,700	24,413
Reservoir Maintenance and Repair	25,000	75,000	49,165
Office Equipment Maintenance and Repair	2,500	2,500	-

CITY OF WEST CHICAGO, ILLINOIS

Waterworks - Enterprise Fund

Schedule of Operating Expenses - Budget and Actual - Continued For the Fiscal Year Ended December 31, 2016

	Budget		Actual
	Original	Final	
Water Distribution - Continued			
Contractual Services - Continued			
Postage Meter Rental	\$ 1,400	\$ 1,400	\$ 1,508
Copier Rental	3,000	3,000	1,526
Commodities			
Computer and Office Supplies	7,000	7,000	5,550
Parts for Vehicles	8,000	8,000	744
Tools and Equipment	3,500	3,500	3,005
Gas and Oil	25,000	25,000	13,780
Postage	5,000	5,000	4,349
Uniforms and Safety Equipment	7,500	8,700	6,200
Parts and Equipment - Wells	4,000	4,000	6,611
Parts and Equipment - Distribution	50,000	50,000	23,200
Parts and Equipment - Pump Station	10,000	10,000	2,340
Lab Supplies	500	500	434
Water Meters	5,000	5,000	17,710
Miscellaneous Commodities	6,000	6,000	5,556
Bank Fees	8,000	8,000	12,659
Capital Outlay			
Vehicles	132,900	132,900	132,900
Other Capital Outlay	594,100	962,900	9,001
MIS Replacement	25,000	25,000	-
Total Water Distribution	3,661,200	4,311,000	3,130,828
Water Treatment Plant			
Personal Services			
Administrative Salaries	183,800	183,800	180,294
Operational Salaries	453,700	453,700	463,463
Administrative Salaries - Overtime	60,000	60,000	61,183
IMRF and FICA	147,100	147,100	146,999
Unemployment Insurance	-	-	709
Training and Tuition	1,000	1,000	896
Memberships/Dues/Subscriptions	600	600	410
Telephone and Alarms	20,000	20,000	38,701
Heating and Gas	5,000	5,000	3,109
Electric	140,000	140,000	154,372
Lab Results	1,000	1,000	-
Refuse Disposal	-	366,900	363,381

CITY OF WEST CHICAGO, ILLINOIS

Waterworks - Enterprise Fund

Schedule of Operating Expenses - Budget and Actual - Continued
For the Fiscal Year Ended December 31, 2016

	Budget		Actual
	Original	Final	
Water Treatment Plant - Continued			
Contractual Services			
Grounds Maintenance	\$ 24,700	\$ 24,700	\$ 29,800
Janitorial Service	24,200	24,200	24,120
Other Contractual Services	15,000	26,600	27,388
IRMA General Insurance	39,500	39,500	39,465
Building Maintenance and Repair	10,000	10,000	12,409
WTP Operations Repair	80,000	80,000	18,980
Copier Rental	8,000	8,000	7,955
Equipment Rental	3,000	3,000	1,720
Commodities			
Computer and Office Supplies	2,000	5,100	4,483
Parts for Vehicles	200	200	-
Tools and Equipment	3,000	3,000	2,042
Gas and Oil	2,500	2,500	1,015
Uniforms and Safety Equipment	4,000	5,100	2,949
Parts for Building Repairs	3,000	3,000	6,820
Lab Supplies	11,000	11,000	12,248
Chemicals	446,800	446,800	352,057
Parts for WTP Operations	6,000	6,000	8,341
Miscellaneous Commodities	1,500	1,500	1,374
Capital Outlay			
Vehicles	4,400	4,400	4,400
Other Capital Outlay	61,200	61,200	64,390
	1,762,200	2,144,900	2,035,473
Less Nonoperating Items			
Capital Assets Capitalized	(65,600)	(65,600)	(64,390)
Total Water Treatment Plant	1,696,600	2,079,300	1,971,083
Total Operating Expenses	\$ 5,357,800	\$ 6,390,300	\$ 5,101,911

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, 2016**

	Budget		Actual
	Original	Final	
Operating Revenues			
Charges for Services			
Sewer Service	\$ 5,300,000	\$ 5,300,000	\$ 6,022,740
Operating Expenses			
Operations			
Wastewater Treatment	2,888,900	2,888,900	2,858,540
Sanitary Sewer Collection	3,740,300	4,347,800	3,050,453
Treatment Plant Equipment Replacement	4,856,300	5,443,300	-
Special Service Area #2	13,500	13,500	12,933
Depreciation	-	-	630,480
Total Operating Expenses	11,499,000	12,693,500	6,552,406
Operating Income (Loss)	(6,199,000)	(7,393,500)	(529,666)
Nonoperating Revenues			
Connection Fees	25,000	25,000	48,080
Property Taxes	9,000	9,000	8,894
Interest Income	1,000	1,000	1,380
Other Income	33,000	33,000	82,078
	68,000	68,000	140,432
Change in Net Position	\$ (6,131,000)	\$ (7,325,500)	(389,234)
Net Position - Beginning			27,343,994
Net Position - Ending			\$ 26,954,760

CITY OF WEST CHICAGO, ILLINOIS

Sewerage - Enterprise Fund

**Schedule of Operating Expenses - Budget and Actual
For the Fiscal Year Ended December 31, 2016**

	Budget		Actual
	Original	Final	
Wastewater Treatment			
Personal Services			
Administrative Services	\$ 30,300	\$ 30,300	\$ 31,871
Administrative Salaries - Overtime	300	300	14
IMRF and FICA	6,600	6,600	5,628
Unemployment Insurance	-	-	1,418
Contractual Services			
Legal Fees	-	-	48,927
Auditing Fees	4,100	4,100	3,690
Memberships/Dues/Subscriptions	64,600	64,600	64,551
Printing and Binding	200	200	246
Grounds Maintenance	8,100	8,100	8,377
Other Contractual Services	2,729,500	2,729,500	2,648,684
IRMA General Insurance	45,200	45,200	45,105
Capital Outlay			
Other Capital Outlay	-	-	29
Total Wastewater Treatment	2,888,900	2,888,900	2,858,540
Sanitary Sewer Collection			
Personal Services			
Administrative Salaries	524,700	532,900	537,856
Operational Salaries	607,400	607,400	554,757
Administrative Salaries - Overtime	40,000	40,000	35,427
IMRF and FICA	247,200	247,800	615,223
ICMA	4,200	4,200	4,290
Health/Dental/Life Insurance	392,600	392,600	364,686
Unemployment Insurance	-	-	2,504
Contractual Services			
Legal Fees	15,000	15,000	32,461
Auditing Fees	4,100	4,100	3,690
JULIE System	2,300	2,300	2,259
Consultants	2,000	2,000	3,583
Training and Tuition	500	500	83
Software Maintenance	12,000	12,000	10,600
Telephone and Alarms	20,000	20,000	41,642
Heating Gas	8,000	8,000	5,838
Electric	50,000	50,000	45,752
Grounds Maintenance	3,400	3,400	3,418

CITY OF WEST CHICAGO, ILLINOIS

Sewerage - Enterprise Fund

Schedule of Operating Expenses - Budget and Actual - Continued
For the Fiscal Year Ended December 31, 2016

	Budget		Actual
	Original	Final	
Sanitary Sewer Collection - Continued			
Contractual Services - Continued			
Other Contractual Services	\$ 154,800	\$ 268,800	\$ 147,854
IRMA General Insurance	67,700	67,700	67,660
Vehicle Maintenance and Repair	10,000	10,000	354
Lift Station Maintenance and Repair	585,000	842,800	953,229
Sewer Main Maintenance and Repair	875,000	1,101,900	1,554,491
Postage Meter Rental	1,400	1,400	1,508
Commodities			
Copier and Rental	2,500	2,500	1,526
Computer and Office Supplies	5,000	5,000	5,456
Parts for Vehicles	15,000	15,000	5,629
Tools and Equipment	20,000	20,000	17,273
Gas and Oil	22,000	22,000	12,294
Postage	3,000	3,000	2,186
Chemicals	1,500	1,500	1,495
Parts for Lift Stations	25,000	25,000	14,558
Material for Trench Backfill	5,000	5,000	1,417
Parts for Mains	3,000	3,000	3,361
Miscellaneous Commodities	6,000	6,000	8,594
Bank Fees	5,000	5,000	13,192
Capital Outlay			
Vehicles	118,700	118,700	118,700
Other Capital Outlay	190,000	444,600	225,946
	4,049,000	4,911,100	5,420,792
Less Nonoperating Items			
Capital Assets Capitalized	(308,700)	(563,300)	(2,370,339)
Total Sanitary Sewer Collection	3,740,300	4,347,800	3,050,453
Treatment Plant Equipment Replacement			
Capital Outlay			
Other Contractual Services	300,700	421,800	-
Other Capital Outlay	4,555,600	5,021,500	-
Total Treatment Plant Equipment Replacement	4,856,300	5,443,300	-

CITY OF WEST CHICAGO, ILLINOIS

Sewerage - Enterprise Fund

Schedule of Operating Expenses - Budget and Actual - Continued
For the Fiscal Year Ended December 31, 2016

	Budget		Actual
	Original	Final	
Special Service Area #2			
Operating and Maintenance			
Personal Service			
Operational Salaries	\$ 4,900	\$ 4,900	\$ 5,032
Administrative Salaries - Overtime	200	200	187
IMRF and FICA	1,100	1,100	1,101
Commodities			
Electric	5,000	5,000	4,495
Grounds Maintenance	2,300	2,300	2,118
Total Operating and Maintenance	13,500	13,500	12,933
Total Operating Expenses	\$ 11,499,000	\$ 12,693,500	\$ 5,921,926

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, 2016

	Budget		Actual
	Original	Final	
Operating Revenues			
Charges for Services			
Parking Fees	\$ 65,500	\$ 65,500	\$ 81,882
Licenses and Permits			
Parking Permits	60,000	60,000	58,095
Total Operating Revenues	125,500	125,500	139,977
Operating Expenses			
Operations	228,200	228,200	73,668
Depreciation	-	-	26,267
Total Operating Expenses	228,200	228,200	99,935
Operating Income (Loss)	(102,700)	(102,700)	40,042
Nonoperating Revenues			
Interest Income	-	-	2
Change in Net Position	<u>\$ (102,700)</u>	<u>\$ (102,700)</u>	40,044
Net Position - Beginning			<u>492,831</u>
Net Position - Ending			<u>\$ 532,875</u>

CITY OF WEST CHICAGO, ILLINOIS**Commuter Parking - Enterprise Fund****Schedule of Operating Expenses - Budget and Actual
For the Fiscal Year Ended December 31, 2016**

	Budget		Actual
	Original	Final	
Operations			
Personal Services			
Administrative Salaries	\$ 7,700	\$ 7,700	\$ 7,300
Administrative Salaries Overtime	1,000	1,000	672
Operational Salaries	11,500	11,500	9,446
IMRF and FICA	4,400	4,400	9,211
Contractual Services			
Auditing Fees	1,500	1,500	1,230
Telephone and Alarms	2,000	2,000	2,785
Electric	20,000	20,000	17,686
Printing and Binding	900	900	711
Grounds Maintenance	4,900	4,900	4,874
Janitorial Services	3,600	3,600	3,540
Contractual Services	25,000	25,000	5,780
Commodities			
Postage	1,100	1,100	1,093
Miscellaneous Commodities	3,000	3,000	3,468
Capital Outlay			
Building and Ground Improvements	71,000	71,000	5,872
Other Capital Outlay	70,600	70,600	-
Total Operations	<u>\$ 228,200</u>	<u>\$ 228,200</u>	<u>\$ 73,668</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, 2016**

	Beginning Balances	Additions	Deductions	Ending Balances
ALL FUNDS				
ASSETS				
Cash and Investments	\$ 18,935	\$ -	\$ 18,935	\$ -
LIABILITIES				
Due to Bondholders	\$ 18,935	\$ -	\$ 18,935	\$ -
SPECIAL SERVICE AREA #17				
ASSETS				
Cash and Investments	\$ 6,739	\$ -	\$ 6,739	\$ -
LIABILITIES				
Due to Bondholders	\$ 6,739	\$ -	\$ 6,739	\$ -

	Beginning Balances	Additions	Deductions	Ending Balances
SPECIAL SERVICE AREA #18				
ASSETS				
Cash and Investments	\$ 8,819	\$ -	\$ 8,819	\$ -
LIABILITIES				
Due to Bondholders	\$ 8,819	\$ -	\$ 8,819	\$ -
SPECIAL SERVICE AREA #20				
ASSETS				
Cash and Investments	\$ 3,377	\$ -	\$ 3,377	\$ -
LIABILITIES				
Due to Bondholders	\$ 3,377	\$ -	\$ 3,377	\$ -

SUPPLEMENTAL SCHEDULE

CITY OF WEST CHICAGO, ILLINOIS

Long-Term Debt Requirements

IEPA Waterworks Revolving Loan

December 31, 2016

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	
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>\$ 5,082,055</u>	<u>\$ 572,793</u>	<u>\$ 5,654,848</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, 2016 (Unaudited)

	Fiscal Year Ended 4/30/2008	Eight Months Ended 12/31/2008	Fiscal Year Ended 12/31/2009	Fiscal Year Ended 12/31/2010
Governmental Activities				
Net Investment in Capital Assets	\$ 75,663,542	\$ 77,409,060	\$ 79,007,408	\$ 88,164,059
Restricted	1,328,804	1,264,241	479,320	-
Unrestricted	17,986,270	19,850,570	22,492,259	18,130,222
Total Governmental Activities Net Position	94,978,616	98,523,871	101,978,987	106,294,281
Business-Type Activities				
Net Investment in Capital Assets	37,577,723	36,528,712	35,884,266	36,356,211
Restricted	3,533,535	3,806,146	3,833,998	4,715,215
Unrestricted	21,061,429	21,276,997	20,588,763	19,199,292
Total Business-Type Activities Net Position	62,172,687	61,611,855	60,307,027	60,270,718
Primary Government				
Net Investment in Capital Assets	113,241,265	113,937,772	114,891,674	124,520,270
Restricted	4,862,339	5,070,387	4,313,318	4,715,215
Unrestricted	39,047,699	41,127,567	43,081,022	37,329,514
Total Primary Government Net Position	\$ 157,151,303	\$ 160,135,726	\$ 162,286,014	\$ 166,564,999

Data Source: City Records

Fiscal Year Ended 12/31/2011	Fiscal Year Ended 12/31/2012	Fiscal Year Ended 12/31/2013	Fiscal Year Ended 12/31/2014	Fiscal Year Ended 12/31/2015	Fiscal Year Ended 12/31/2016
\$ 89,692,289	\$ 88,988,913	\$ 87,923,548	\$ 55,050,037	\$ 55,619,533	\$ 54,867,141
1,708,723	2,340,095	2,335,435	3,218,725	3,305,503	2,636,828
16,795,258	12,681,105	13,063,574	12,673,884	(9,065,624)	(10,545,812)
108,196,270	104,010,113	103,322,557	70,942,646	49,859,412	46,958,157
52,523,108	53,326,830	56,991,020	102,204,573	103,770,812	104,429,071
4,435,213	3,614,442	760,002	1,040,810	1,088,552	2,409
4,383,915	3,913,218	3,062,891	3,785,237	2,453,473	1,383,690
61,342,236	60,854,490	60,813,913	107,030,620	107,312,837	105,815,170
142,215,397	142,315,743	144,914,568	157,254,610	159,390,345	159,296,212
6,143,936	5,954,537	3,095,437	4,259,535	4,394,055	2,639,237
21,179,173	16,594,323	16,126,465	16,459,121	(6,612,151)	(9,162,122)
\$ 169,538,506	\$ 164,864,603	\$ 164,136,470	\$ 177,973,266	\$ 157,172,249	\$ 152,773,327

CITY OF WEST CHICAGO, ILLINOIS

**Changes in Net Position - Last Ten Fiscal Years
December 31, 2016 (Unaudited)**

	Fiscal Year Ended	4/30/2008	Eight Months Ended	Fiscal Year Ended	12/31/2009	Fiscal Year Ended	12/31/2010	Fiscal Year Ended	12/31/2011	Fiscal Year Ended	12/31/2012	Fiscal Year Ended	12/31/2013	Fiscal Year Ended	12/31/2014	Fiscal Year Ended	12/31/2015	Fiscal Year Ended	12/31/2016	
Expenses																				
Governmental Activities																				
General Government	\$	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	\$	13,704,876
Highways and Streets		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		11,555,771
Public Safety		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		409,874		251,723		376,103		135,309		193,879		83,232		-		12,592		-		-
Interest on Long-Term Debt		123,108		87,034		95,920		63,505		40,332		38,097		1,769		1,195		608		518
Total Governmental Activities Expenses		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		25,261,165
Business-Type Activities																				
Waterworks		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		6,923,648
Sewerage		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		6,552,406
Commuter Parking		136,383		119,829		535,811		220,345		127,748		112,319		84,748		140,431		91,985		99,935
Total Business-Type Activities Activities Net Position		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		13,575,989
Total Primary Government Expenses		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		38,837,154
Program Revenues																				
Governmental Activities																				
Charges for Services																				
General Government		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		2,810,520
Highways and Streets		1,249,338		1,186,037		2,330,517		-		-		1,419,816		1,557,400		1,178,937		1,400,121		1,297,112
Public Safety		483,100		485,533		745,000		1,573,088		1,448,786		-		1,373,123		788,000		796,700		780,800
Culture and Recreation		-		-		-		-		-		-		-		-		-		-
Operating Grants/Contributions		359,576		272,902		145,148		395,843		78,140		181,074		150,805		51,746		19,280		15,150
Capital Grants/Contributions		778,850		536,437		714,671		4,832,786		792,266		819,317		806,014		930,849		688,950		716,433
Total Governmental Activities Program Revenues		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		5,620,015
Business-Type Activities																				
Charges for Services																				
Waterworks		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		4,430,455
Sewerage		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		6,070,820
Commuter Parking		98,111		81,994		120,240		116,169		124,830		133,077		131,813		137,147		139,635		139,977
Capital Grants/Contributions		-		-		-		-		2,633,360		1,317,363		-		-		1,051,704		-
Total Business-Type Activities Program Revenues		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		10,641,252
Total Primary Government Program Revenues		\$ 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		\$ 16,261,267

Net (Expenses) Revenues											
Governmental Activities											
Business-Type Activities											
Fiscal Year Ended	Eight Months Ended	Fiscal Year Ended	Fiscal Year Ended	Fiscal Year Ended	Fiscal Year Ended	Fiscal Year Ended	Fiscal Year Ended	Fiscal Year Ended	Fiscal Year Ended	Fiscal Year Ended	Fiscal Year Ended
4/30/2008	12/31/2008	12/31/2009	12/31/2010	12/31/2011	12/31/2012	12/31/2013	12/31/2014	12/31/2015	12/31/2016		
\$ (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) \$	(19,641,150)		
(2,345,687)	(1,224,636)	(2,404,771)	(2,049,507)	(653,132)	(1,881,021)	(2,616,520)	(792,297)	(837,584)	(2,934,737)		
(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)	(22,575,887)		
Total Primary Government											
Net Revenues (Expenses)											
General Revenues and Other Changes in Net Position											
Governmental Activities											
Taxes											
Property											
Other	4,086,381	4,451,083	4,691,781	4,701,295	4,711,890	4,534,973	4,492,371	4,436,897	4,448,829		
	1,305,440	877,403	1,200,551	1,383,971	1,176,228	1,032,614	1,033,012	961,256	914,909		
Intergovernmental											
Sales and Use	4,052,219	3,607,854	3,832,745	4,158,709	4,405,831	4,515,729	5,476,959	4,855,454	4,544,609		
Income	2,471,340	1,654,932	2,181,609	2,117,490	2,379,976	2,580,764	2,593,317	2,882,037	2,636,660		
Replacement	193,689	117,888	159,185	157,985	144,979	169,568	170,517	187,625	160,396		
Utility	2,190,649	1,316,154	2,037,722	2,098,719	2,013,401	2,051,702	2,111,109	2,029,538	1,994,900		
Interest Income	1,069,786	530,225	212,808	102,820	79,150	21,399	(7,465)	3,522	6,983		
Miscellaneous	531,218	513,053	2,012,701	1,638,724	1,465,234	917,461	1,607,960	1,102,056	2,032,609		
Transfers	-	-	487,100	-	-	-	-	-	-		
Total Governmental Activities	15,900,722	13,068,592	17,906,155	16,332,744	16,376,689	15,824,210	17,477,780	16,458,385	16,739,895		
Business-Type Activities											
Property	15,172	15,025	15,172	11,557	11,671	8,804	8,888	8,604	8,894		
Sales and Use	-	-	948,148	1,131,916	1,103,876	1,071,655	1,153,993	1,201,919	1,185,841		
Interest Income	1,111,535	425,385	205,893	121,733	6,878	6,142	4,654	1,175	2,660		
Miscellaneous	1,949,971	223,394	417,841	459,444	270,850	1,489,342	544,194	266,782	239,675		
Transfers	-	-	(487,100)	-	-	-	-	-	-		
Total Business-Type Activities	3,076,678	663,804	1,099,943	1,724,650	1,393,275	2,575,943	1,711,729	1,478,480	1,437,070		
Total Primary Government	18,977,400	13,732,396	19,006,098	18,345,942	17,769,964	18,400,153	19,189,509	17,936,865	18,176,965		
Changes in Net Position											
Governmental Activities											
Business-Type Activities	181,008	3,545,255	3,455,116	4,315,294	1,901,989	(687,556)	(283,591)	(4,051,315)	(2,901,255)		
	730,991	(560,832)	(1,304,828)	(36,309)	(487,746)	(40,577)	919,432	640,896	(1,497,667)		
Total Primary Government	\$ 911,999	\$ 2,984,423	\$ 2,150,288	\$ 4,278,985	\$ 2,973,507	\$ (728,133)	\$ 635,841	\$ (3,410,419)	\$ (4,398,922)		

Data Source: City Records

CITY OF WEST CHICAGO, ILLINOIS

Fund Balances of Governmental Funds - Last Ten Fiscal Years December 31, 2016 (Unaudited)

	Fiscal Year Ended 4/30/2008	Eight Months Ended 12/31/2008	Fiscal Year Ended 12/31/2009	Fiscal Year Ended 12/31/2010
General Fund				
Reserved	\$ 1,468,640	\$ 1,258,433	\$ 1,277,811	\$ 985,505
Unreserved	8,260,787	10,789,860	12,278,094	11,659,744
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Unassigned	-	-	-	-
Total General Fund	9,729,427	12,048,293	13,555,905	12,645,249
All Other Governmental Funds				
Reserved	2,479,613	2,347,877	1,516,583	986,267
Unreserved, Reported in:				
Special Revenues Funds	6,637,886	6,350,617	6,275,876	2,270,787
Capital Projects Funds	2,815,078	2,959,936	4,542,708	5,245,994
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Assigned	-	-	-	-
Total All Other Governmental Funds	11,932,577	11,658,430	12,335,167	8,503,048
Total All Governmental Funds	\$ 21,662,004	\$ 23,706,723	\$ 25,891,072	\$ 21,148,297

Data Source: City Records

The City implemented GASB 54 in Fiscal Year 2011.

Fiscal Year Ended 12/31/2011	Fiscal Year Ended 12/31/2012	Fiscal Year Ended 12/31/2013	Fiscal Year Ended 12/31/2014	Fiscal Year Ended 12/31/2015	Fiscal Year Ended 12/31/2016
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
1,134,891	1,145,514	1,028,304	1,104,969	736,988	549,669
-	843,105	844,754	846,315	846,315	360,944
12,616,731	11,309,771	10,931,741	11,507,102	12,302,595	12,733,258
13,751,622	13,298,390	12,804,799	13,458,386	13,885,898	13,643,871
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
938,215	886,413	797,991	2,029	12,815	2,056
1,708,723	1,496,990	1,490,681	2,372,410	2,459,188	2,275,884
5,318,609	2,698,343	3,943,537	4,636,090	4,006,583	4,190,745
7,965,547	5,081,746	6,232,209	7,010,529	6,478,586	6,468,685
\$ 21,717,169	\$ 18,380,136	\$ 19,037,008	\$ 20,468,915	\$ 20,364,484	\$ 20,112,556

CITY OF WEST CHICAGO, ILLINOIS

General Governmental Revenues By Source - Last Ten Fiscal Years December 31, 2016 (Unaudited)

Source	Fiscal Year Ended 4/30/2008	Eight Months Ended 12/31/2008	Fiscal Year Ended 12/31/2009	Fiscal Year Ended 12/31/2010
Taxes	\$ 7,943,758	\$ 7,737,287	\$ 8,401,237	\$ 8,669,147
Intergovernmental	7,494,386	5,097,366	6,117,344	6,542,723
Charges for Services	2,389,235	2,179,039	2,558,780	1,891,127
Licenses and Permits	572,886	326,417	489,110	456,361
Fines and Forfeits	668,147	726,532	1,782,124	1,042,292
Interest Income	1,049,762	523,118	251,878	210,470
Miscellaneous	531,218	513,053	3,506,651	2,012,701
Total	<u>\$ 20,649,392</u>	<u>\$ 17,102,812</u>	<u>\$ 23,107,124</u>	<u>\$ 20,824,821</u>

Data Source: City Records

Fiscal Year Ended 12/31/2011	Fiscal Year Ended 12/31/2012	Fiscal Year Ended 12/31/2013	Fiscal Year Ended 12/31/2014	Fiscal Year Ended 12/31/2015	Fiscal Year Ended 12/31/2016
\$ 8,907,926	\$ 8,598,434	\$ 8,324,682	\$ 8,383,993	\$ 8,216,205	\$ 8,109,944
6,580,649	7,234,262	7,517,487	8,475,887	7,844,832	7,321,942
2,124,010	1,803,814	3,407,944	2,718,832	2,982,446	3,193,936
634,929	481,698	530,638	484,106	608,401	843,502
936,049	1,033,410	999,346	782,187	997,523	850,994
102,148	78,908	21,307	(7,465)	3,522	6,983
1,638,724	1,465,234	917,461	1,607,960	1,102,056	2,032,609
\$ 20,924,435	\$ 20,695,760	\$ 21,718,865	\$ 22,445,500	\$ 21,754,985	\$ 22,359,910

CITY OF WEST CHICAGO, ILLINOIS

General Governmental Expenditures By Function - Last Ten Fiscal Years December 31, 2016 (Unaudited)

Function	Fiscal Year Ended 4/30/2008	Eight Months Ended 12/31/2008	Fiscal Year Ended 12/31/2009	Fiscal Year Ended 12/31/2010
General Government	\$ 6,393,241	\$ 4,551,384	\$ 6,957,868	\$ 8,180,849
Public Safety	8,006,829	5,783,643	8,616,769	8,524,634
Highways and Streets	1,025,381	700,402	-	-
Culture and Recreation	406,417	248,277	372,382	131,438
Capital Outlay	4,227,901	3,455,854	5,141,045	7,818,703
Debt Service				
Principal	190,000	210,000	225,000	845,000
Interest and Fiscal Charges	126,710	108,533	96,811	66,972
Total	<u>\$ 20,376,479</u>	<u>\$ 15,058,093</u>	<u>\$ 21,409,875</u>	<u>\$ 25,567,596</u>

Data Source: City Records

Fiscal Year Ended 12/31/2011	Fiscal Year Ended 12/31/2012	Fiscal Year Ended 12/31/2013	Fiscal Year Ended 12/31/2014	Fiscal Year Ended 12/31/2015	Fiscal Year Ended 12/31/2016
\$ 7,720,982	\$ 8,940,416	\$ 8,676,885	\$ 8,128,303	\$ 8,361,285	\$ 7,893,627
8,468,368	8,825,728	9,248,035	9,162,072	9,104,514	9,849,220
-	-	-	-	-	-
189,894	80,000	-	-	-	-
3,935,987	6,148,552	3,154,948	3,722,023	4,393,009	4,924,842
-	-	-	-	-	-
40,332	38,097	1,769	1,195	608	518
\$ 20,355,563	\$ 24,032,793	\$ 21,081,637	\$ 21,013,593	\$ 21,859,416	\$ 22,668,207

CITY OF WEST CHICAGO, ILLINOIS

**Changes in Fund Balances for Governmental Funds - Last Ten Fiscal Years
December 31, 2016 (Unaudited)**

	Fiscal Year Ended 4/30/2008	Eight Months Ended 12/31/2008	Fiscal Year Ended 12/31/2009	Fiscal Year Ended 12/31/2010
Revenues				
Taxes	\$ 7,943,758	\$ 7,737,287	\$ 8,401,237	\$ 8,669,147
Intergovernmental	7,494,386	5,097,366	6,117,344	6,542,723
Charges for Services	2,389,235	2,179,039	2,558,780	1,891,127
Licenses and Permits	572,886	326,417	489,110	456,361
Fines and Forfeits	668,147	726,532	1,782,124	1,042,292
Interest Income	1,049,762	523,118	251,878	210,470
Miscellaneous	531,218	513,053	3,506,651	2,012,701
Total Revenues	20,649,392	17,102,812	23,107,124	20,824,821
Expenditures				
General Government	6,393,241	4,551,384	6,957,868	8,180,849
Public Safety	8,006,829	5,783,643	8,616,769	8,524,634
Highways and Streets	1,025,381	700,402	-	-
Culture and Recreation	406,417	248,277	372,382	131,438
Capital Outlay	4,227,901	3,455,854	5,141,045	7,818,703
Debt Service				
Principal	190,000	210,000	225,000	845,000
Interest and Fiscal Charges	126,710	108,533	96,811	66,972
Total Expenditures	20,376,479	15,058,093	21,409,875	25,567,596
Excess of Revenues Over (Under) Expenditures	272,913	2,044,719	1,697,249	(4,742,775)
Other Financing Sources (Uses)				
Disposal of Capital Assets	-	-	-	-
Transfer In	555,000	150,000	587,100	441,777
Transfer Out	(555,000)	(150,000)	(100,000)	(441,777)
	-	-	487,100	-
Net Change in Fund Balances	\$ 272,913	\$ 2,044,719	\$ 2,184,349	\$ (4,742,775)
Debt Service as a Percentage of Noncapital Expenditures	1.67%	2.65%	1.75%	5.86%

Data Source: City Records

Fiscal Year Ended 12/31/2011	Fiscal Year Ended 12/31/2012	Fiscal Year Ended 12/31/2013	Fiscal Year Ended 12/31/2014	Fiscal Year Ended 12/31/2015	Fiscal Year Ended 12/31/2016
\$ 8,907,926	\$ 8,598,434	\$ 8,324,682	\$ 8,383,993	\$ 8,216,205	\$ 8,109,944
6,580,649	7,234,262	7,517,487	8,475,887	7,844,832	7,321,942
2,124,010	1,803,814	3,407,944	2,718,832	2,982,446	3,193,936
634,929	481,698	530,638	484,106	608,401	843,502
936,049	1,033,410	999,346	782,187	997,523	850,994
102,148	78,908	21,307	(7,465)	3,522	6,983
1,638,724	1,465,234	917,461	1,607,960	1,102,056	2,032,609
20,924,435	20,695,760	21,718,865	22,445,500	21,754,985	22,359,910
7,720,982	8,940,416	8,676,885	8,128,303	8,361,285	7,893,627
8,468,368	8,825,728	9,248,035	9,162,072	9,104,514	9,849,220
-	-	-	-	-	-
189,894	80,000	-	-	-	-
3,935,987	6,148,552	3,154,948	3,722,023	4,393,009	4,924,842
-	-	-	-	-	-
40,332	38,097	1,769	1,195	608	518
20,355,563	24,032,793	21,081,637	21,013,593	21,859,416	22,668,207
568,872	(3,337,033)	637,228	1,431,907	(104,431)	(308,297)
-	-	-	-	-	56,369
-	50,000	19,644	7,776	-	25,643
-	(50,000)	-	(7,776)	-	(25,643)
-	-	19,644	-	-	56,369
\$ 568,872	\$ (3,337,033)	\$ 656,872	\$ 1,431,907	\$ (104,431)	\$ (251,928)
0.24%	0.16%	0.01%	0.01%	0.00%	0.00%

CITY OF WEST CHICAGO, ILLINOIS

**Assessed Value and Actual Value of Taxable Property - Last Ten Fiscal Years
December 31, 2016 (Unaudited)**

Tax Levy Year	Fiscal Year End	Residential Property	Farm
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
2016	12/31/2016	390,758,862	487,626

*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
\$ 100,599,520	\$ 156,767,550	\$ 740,343,980	0.4273
110,593,070	163,773,650	784,548,556	0.4240
114,043,959	161,948,610	784,548,556	0.4263
104,342,370	154,574,460	736,464,527	0.4675
100,671,895	146,221,310	686,795,562	0.5011
92,055,282	132,161,380	620,158,118	0.5545
82,237,691	124,152,620	574,207,202	0.5973
79,649,467	119,236,720	554,049,092	0.6187
81,068,291	122,668,530	568,042,978	0.6031
89,670,605	133,199,600	614,116,693	0.5582

CITY OF WEST CHICAGO, ILLINOIS

Direct and Overlapping Property Tax Rates - Last Ten Tax Levy Years December 31, 2016 (Unaudited)

Taxing Body	2007	2008	2009
Countywide			
DuPage County	0.1651	0.1557	0.1554
Forest Preserve District	0.1187	0.1206	0.1217
DuPage Airport Authority	0.0170	0.0160	0.0148
Local			
Wayne Township	0.0647	0.0649	0.0658
Wayne Township Road	0.0642	0.0604	0.0610
City of West Chicago - Wayne Township	0.4273	0.4240	0.4263
Winfield Township	0.0855	0.0845	0.0854
Winfield Township Road	0.1125	0.1112	0.1123
City of West Chicago - Winfield Township	0.4273	0.4240	0.4263
West Chicago Park District	0.2718	0.2687	0.2703
West Chicago Fire Protection District	0.6501	0.6506	0.6509
West Chicago Mosquito District	0.0099	0.0099	0.0101
West Chicago Library District	0.2465	0.2443	0.2466
Educational			
Grade School District 33	3.5300	3.5158	3.5290
High School District 94	1.7186	1.7011	1.7143
College of DuPage District 502	0.1888	0.1858	0.2127
 Total Tax Rate - Winfield Township	 7.5418	 7.4882	 7.5498
 Share of Total Tax Rate Levied by the City of West Chicago	 5.67%	 5.66%	 5.65%
 Total Tax Rate - Wayne Township	 7.4727	 7.4178	 7.4789
 Share of Total Tax Rate Levied by the City of West Chicago	 5.72%	 5.72%	 5.70%

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

Data Source: DuPage County Clerk

2010	2011	2012	2013	2014	2015	2016
0.1659	0.1773	0.1929	0.2040	0.2057	0.1971	0.1848
0.1321	0.1414	0.1542	0.1657	0.1691	0.1622	0.1514
0.0158	0.0169	0.0168	0.0178	0.0196	0.0188	0.0176
0.0733	0.0804	0.0896	0.0979	0.1025	0.1007	0.0959
0.0645	0.0675	0.0730	0.0817	0.0855	0.0840	0.0800
0.4675	0.5011	0.5545	0.5973	0.6187	0.6031	0.5582
0.0924	0.1021	0.1174	0.1318	0.1396	0.1370	0.1275
0.1215	0.1342	0.1543	0.1732	0.1835	0.1801	0.1676
0.4675	0.5011	0.5545	0.5973	0.6187	0.6031	0.5582
0.2946	0.3177	0.4948	0.4917	0.4239	0.5054	0.4889
0.7078	0.8027	0.9212	1.0190	1.0652	1.0556	0.9971
0.0111	0.0122	0.0139	0.0153	0.0161	0.0160	0.0152
0.2307	0.2529	0.2903	0.3225	0.3400	0.3367	0.3153
3.8244	4.1734	4.6430	5.4481	5.5749	5.5167	5.1727
1.8613	2.0351	2.3008	2.5376	2.6731	2.6293	2.4677
0.2349	0.2495	0.2681	0.2956	0.2975	0.2786	0.2626
8.1600	8.9165	10.1222	11.4196	11.7269	11.6366	10.9266
5.73%	5.62%	5.48%	5.23%	5.28%	5.18%	5.11%
8.0839	8.8281	10.0131	11.2942	11.5918	11.5042	10.8074
5.78%	5.68%	5.54%	5.29%	5.34%	5.24%	5.16%

CITY OF WEST CHICAGO, ILLINOIS

**Principal Property Tax Payers - Current Fiscal Year and Nine Fiscal Years Ago
December 31, 2016 (Unaudited)**

	2016			2007		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
DuPage Airport Authority	\$ 16,467,050	1	2.68%	\$ 17,117,830	1	2.68%
Cabot IV LLC	8,644,820	2	1.41%			
Colfin Cobalt II	8,452,840	3	1.38%	8,195,310	2	1.28%
Stag Industrial Holdings	5,629,410	4	0.92%			
Mapei Corp.	4,486,770	5	0.73%			
LaGrou Properties	4,442,320	6	0.72%			
Aspen Ridge LLC	3,795,000	7	0.62%			
Riverwoods West Chicago	3,770,350	8	0.61%			
Simpson Manufacturing Co	3,313,550	9	0.54%			
Centerpoint Properties	3,066,210	10	0.50%	3,897,690	7	0.61%
Dividend Capital Op				7,605,290	3	1.19%
General Mills				5,215,590	4	0.82%
Northridge Holdings LTD				5,035,450	5	0.79%
International Truck & Engine				4,184,650	6	0.66%
Three Oaks Distribution				3,433,710	8	0.54%
Menards				3,394,190	9	0.53%
Marina Properties				2,980,000	10	0.47%
	<u>\$ 62,068,320</u>		<u>10.11%</u>	<u>\$ 61,059,710</u>		<u>9.57%</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, 2016 (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
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%
2015	3,458,315	3,450,239	99.77%	N/A	3,450,239	99.77%

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, 2016 (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			
4/30/2008	\$ 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
12/31/2016	-	5,082,055	-	5,082,055	0.75%	188

* 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, 2016 (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)
4/30/2008	\$ 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%	-
12/31/2016	-	-	-	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, 2016 (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	221,573,337	1.71%	3,794,260
DuPage Water Commission	-	0.00%	-
Forest Preserve District	147,625,546	1.71%	2,527,965
Warrenville Park District	524,700	1.63%	8,553
West Chicago Park District	24,413,075	73.85%	18,028,638
Winfield Park District	2,676,587	0.45%	12,045
School District #25	3,556,403	22.84%	812,315
School District #33	34,465,000	65.60%	22,607,761
School District #94	5,225,000	47.91%	2,503,207
U-46 School District	565,899,490	0.80%	4,545,068
U-303 School District	127,864,381	4.01%	5,127,362
Community College District #502	278,385,000	1.42%	3,947,657
Community College District #509	216,400,450	1.04%	2,250,565
Total Overlapping Debt	1,628,608,969		66,165,395
Total Direct and Overlapping Debt	\$ 1,628,608,969		\$ 66,165,395

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, 2016 (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, 2016 (Unaudited)

Fiscal Year Ended	(1) Revenues	(2) Expenses	(3) Net Revenue Available for Debt Service	(4) Debt Service		(5) Coverage
				Principal	Interest	
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	-	-	-
12/31/2016	11,938,343	11,023,837	914,506	-	-	-

* 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, 2016 (Unaudited)

Fiscal Year Ended	(1) Population	(2) Personal Income	Per Capita Personal Income	(1) Median Age	School Enrollment	(2) Unemployment Rate
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
12/31/2016	27,086	681,104,556	25,146	31.6	8,390	6.4

* 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, 2016 (Unaudited)

Employer	2016			2007		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Jel Sert	1,000	1	7.39%	480	3	3.00%
West Chicago Elementary School District	585	2	4.32%	649	1	4.06%
Aspen Marketing Services	425	3	3.14%	447	4	2.79%
Ball Horticultural	425	4	3.14%	335	5	2.09%
InNocor Inc	330	5	2.44%			
Siemens Industry	320	6	2.36%			
General Mills	295	7	2.18%	531	2	3.32%
Mapei Corp	285	8	2.11%			
Community High School District 94	244	9	1.80%			
OSI Industries	230	10	1.70%			
Sims Recycling Solutions	200	11	1.48%			
New Wincup Holdings	167	12	1.23%			
In The Swim	150	13	1.11%			
Menards	150	14	1.11%			
St. Andrews Golf & Country Club	150	15	1.11%			
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>4,956</u>		<u>36.61%</u>	<u>3,567</u>		<u>22.29%</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, 2016 (Unaudited)

Function	Fiscal Year Ended 4/30/2008	Eight Months Ended 12/31/2008	Fiscal Year Ended 12/31/2009
General Government			
Administration	3.00	2.25	2.25
Finance/Administrative Services	8.00	8.00	8.00
Museum/Marketing	4.00	3.38	1.75
Public Works	21.50	23.00	23.00
Police	49.00	50.00	48.00
Community Development	6.00	6.00	6.00
Water and Sewer	24.00	20.00	20.00
Commuter Parking Lot	0.50	0.81	1.00
Total	116.00	113.44	110.00

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	Fiscal Year Ended 12/31/2016
2.25	1.13	1.13	1.00	1.00	1.00	1.00
8.00	5.00	5.00	4.76	4.13	4.13	4.13
1.75	0.50	0.50	0.50	0.50	0.50	0.25
23.00	11.74	11.74	10.57	11.51	11.51	11.19
48.00	47.00	49.00	49.00	49.00	49.00	52.50
6.00	5.50	5.00	3.50	3.50	3.50	3.75
20.00	37.50	37.50	34.47	35.00	35.43	33.65
1.00	0.38	0.38	0.25	0.25	0.25	0.25
110.00	108.75	110.25	104.05	104.89	105.32	106.72

CITY OF WEST CHICAGO, ILLINOIS

Operating Indicators by Function/Program - Last Ten Fiscal Years December 31, 2016 (Unaudited)

Function/Program	Fiscal Year Ended 4/30/2008	Eight Months Ended 12/31/2008	Fiscal Year Ended 12/31/2009
Public Works			
Number of Parkway Trees Planted	115	-	140
Number of Parkway Trees Trimmed	1,255	80	1,087
Brush Pickup Program (Days to Collect)	4.0	5.0	4.0
Building Safety Inspections	12	8	12
Tunnel - Paint and Light Lens Replacements	132	33	30
Special Events Handled	6	5	6
Public Safety			
Fire			
Number of Fire Calls	N/A	1,506	1,159
Number of EMS Calls	N/A	1,733	1,826
ISO Rating	3/3	3/3	3/3
Police			
Part I Crime	N/A	451	509
Part II Crime	N/A	2933	3,009
Calls for Service	N/A	40990	38,828
Parking Tickets Issued	N/A	4654	4,294
Community Development			
Number of Building Permits Issued	967	729	882
Number of Building Inspections	1,205	880	881
Highways and Streets			
Sidewalk Replaced (Sq. Ft.)	18,491	18,159	13,195
Crack Sealing (Lbs. Installed)	-	-	26,520
Tons of Salt Used	4,100	3,300	3,000
Water and Sewer			
Number of metered accounts	6,600	6,707	6,438
Water Meters Read	39,600	40,242	38,700
Water Meter Service Requests	155	66	90
Water Meters Replaced	60	35	80
Average Daily Treated Water (Million Gallons)	3.67	3.60	3.37
Sanitary Sewer Repairs	1	3	2

N/A - Not Available

Data Source: City Records

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

Fiscal Year Ended 12/31/2010	Fiscal Year Ended 12/31/2011	Fiscal Year Ended 12/31/2012	Fiscal Year Ended 12/31/2013	Fiscal Year Ended 12/31/2014	Fiscal Year Ended 12/31/2015	Fiscal Year Ended 12/31/2016
150	85	300	373	130	170	135
1,087	1,458	1,287	2,336	1,944	2,459	2,430
4.5	4.0	4.0	4.0	4.8	6.0	5.5
12	12	12	12	12	12	12
29	22	42	12	-	10	6
10	3	4	6	4	3	4
1,146	1,279	1,238	1,015	1,122	1,130	1,095
1,821	1,629	1,629	1,804	1,778	1,934	2,073
3/3	3/3	3/3	3/3	3/3	3/3	4
438	374	379	424	373	383	329
2,342	2,402	1,393	1,066	1,521	1,315	1,427
37,407	38,910	38,509	33,867	31,053	34,028	44,087
3,728	3,376	2,888	2,771	3,413	3,049	3,780
1,097	954	1,199	899	790	990	1,155
753	1,116	1,049	1,134	899	962	882
10,935	9,849	10,000	18,207	8,742	12,500	11,142
14,983	37,320	36,429	21,480	35,518	42,240	32,000
3,577	3,000	2,800	3,250	3,180	3,210	2,500
6,437	6,430	6,432	6,435	6,428	6,471	6,452
38,700	38,580	35,000	34,000	2,500	9,911	152
103	92	70	50	75	61	1,471
117	41	30	4,305	3,000	39	75
3.28	3.00	3.45	3.42	3.36	3.45	3.54
3	2	1	2	2	1	2

CITY OF WEST CHICAGO, ILLINOIS

Capital Asset Statistics by Function/Program - Last Ten Fiscal Years December 31, 2016 (Unaudited)

Function/Program	Fiscal Year Ended 4/30/2008	Eight Months Ended 12/31/2008	Fiscal Year Ended 12/31/2009
Police			
Stations	1	1	1
Patrol Units	28	28	28
Fire Stations	3	3	3
Public Works			
Streets (Miles)	165.41	165.41	169.71
Sidewalks (Miles)	102.20	103.40	104.05
Streetlights	883	883	964
Water and Sewer			
Water Mains (Miles)	123.00	123.00	123.00
Fire Hydrants	1,560	1,472	1,482
Sanitary Sewers (Miles)	103.12	105.60	105.60
Manholes	2,075	2,176	2,176

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	Fiscal Year Ended 12/31/2016
1 28	1 27	1 27	1 27	1 27	1 26	1 26
3	4	4	4	4	4	4
167.20 108.38 964	167.20 111.18 964	174.18 111.00 961	174.18 111.00 961	174.18 111.00 961	174.06 111.00 1046	174.06 111.03 1168
125.33 1,483 105.60 2,186	127.38 1,518 106.19 2,202	127.99 1,528 106.34 2,211	127.99 1,528 106.34 2,211	127.99 1,528 106.34 2,211	128.87 1,537 106.43 2,213	128.87 1,537 106.43 2,213