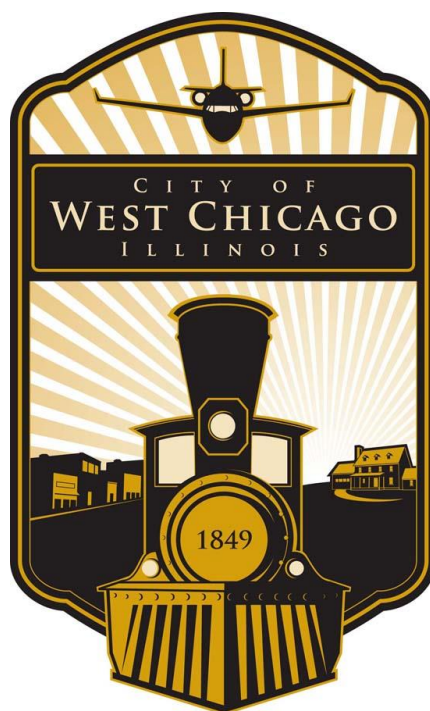


CITY OF WEST CHICAGO, ILLINOIS

COMPREHENSIVE ANNUAL FINANCIAL REPORT



FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2017

CITY OF WEST CHICAGO, ILLINOIS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017

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, 2017

LEGISLATIVE

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

ALDERMEN

James Beifuss
Heather Brown
Lori Chassee
George Garcia
Sandra Dimas
Michael Ferguson
Noreen Ligino-Kubinski

Jayme Sheahan
Kurt Meissner
Melissa Ferguson
Bonnie Gagliardi
Alton Hallett
Rebecca Stout

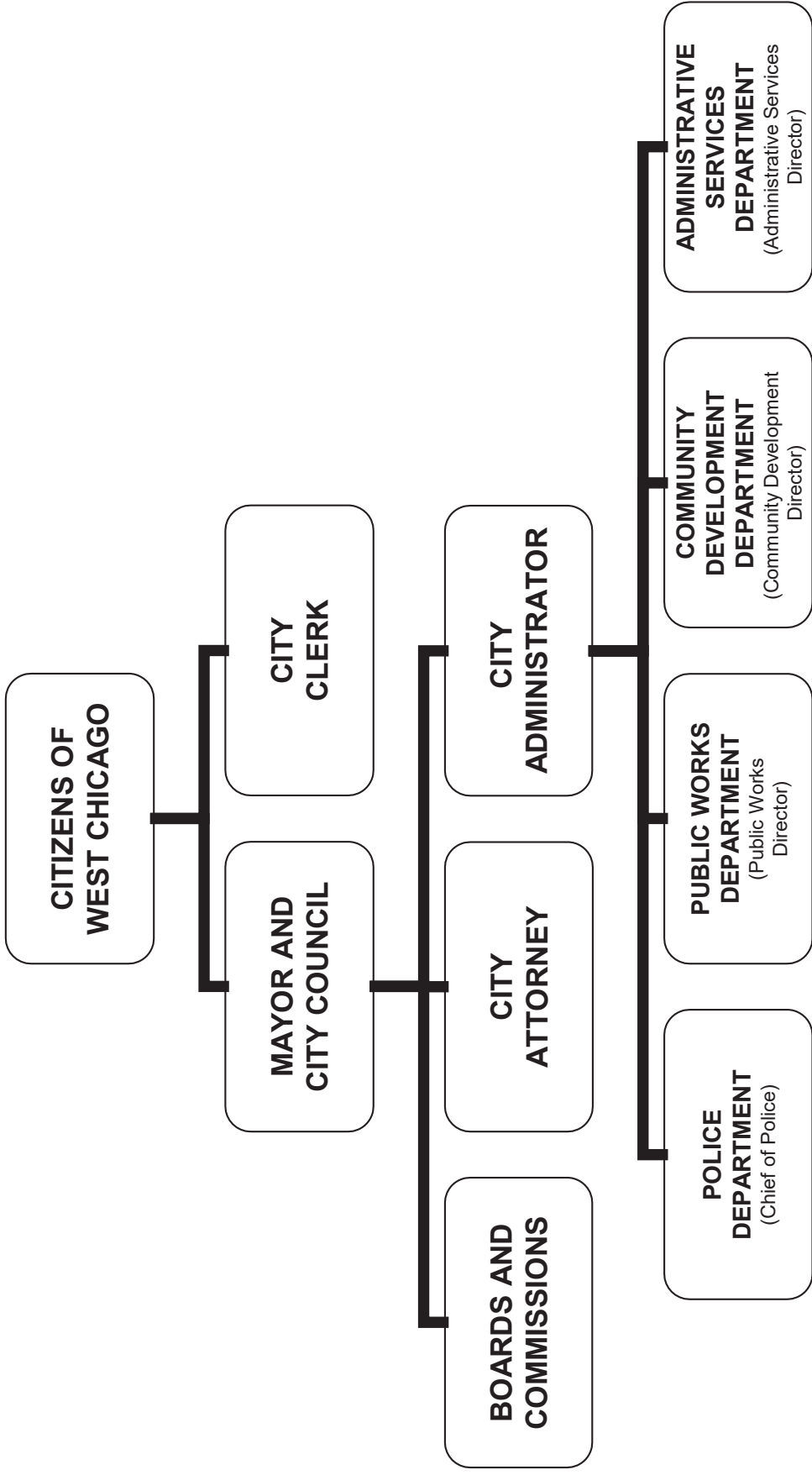
ADMINISTRATIVE

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

June 28, 2018

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, 2017, is hereby submitted as mandated by local ordinances and state statutes. These ordinances and statutes require that the City issue a report on its financial position and activity following the end of a fiscal period, and that this report be audited by an independent accounting firm of certified public accountants.

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

The City's financial statements have been audited by Lauterbach & Amen, LLP, a firm of licensed certified public accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements of the City of West Chicago for the fiscal period ended December 31, 2017, 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 position shall be at least 25% of revenues in the General, Water and Sewer Funds.
- User fees, such as water and sewer charges, will be reviewed annually. This is done to ensure that fees cover costs, meet debt service requirements, and are affordable.

MAJOR INITIATIVES

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

- Implementation of the 2016 Strategic Plan continued with the hiring of the City's first Community Outreach Specialist and with the creation of the West Chicago Community Open Project which addresses one of the primary goals of the plan by focusing on the creation of civic engagement opportunities for the Latino population within the community. Almost 95% of the action items outlined in the plan for the first 18 months were either completed or substantially completed.
- Written in complement to the City's Strategic Plan, the West Chicago Strategic Marketing Plan was adopted to facilitate effective communication efforts, the commitment to attracting new business and capitalizing on the City's diversity over the next three years.
- With ongoing dedication to continuing development and improvement, the West Chicago Police Department achieved Tier II Accreditation through the Illinois Law Enforcement Accreditation Program which requires 180 standards be met in the areas of Administration, Operations, Personnel and Training.
- Construction of the "Shell", a multi-faceted entertainment venue, was completed in time for a full inaugural season of community and family-friendly events, quickly becoming a favorite gathering spot in one of the City's most beautiful parks.
- City staff applied for and received a grant award in the maximum amount of \$400,000 from DuPage County Community Development Block Grant funding for the 2017 Roadway and Water Main Rehabilitation Project.

FACTORS AFFECTING LOCAL FINANCIAL CONDITION

Local Economy

As West Chicago has persistently transitioned itself into a center for commerce and industry, the diversity of its retail and industrial bases has helped to reduce dependency on outside revenues. The City continues to aggressively pursue economic development opportunities and partnerships with commercial and corporate developers and business owners, while supporting existing relationships, despite the current state of the economy.

Long-term Financial Planning

The City performs an annual review of its strategy designed to address the structural and cyclical financial challenges that continue to face the City. This strategy includes five major components:

Reduction in Operating Expenditures – To address the structural problem of rising operating costs, the City annually undergoes a target budgeting process to manage the organization's expenditure and revenue patterns. Additionally, a comprehensive multi-phased review of both the budget and cost for services continued to determine alternative ways of providing existing services, with any cost savings that result from such adjustments being reallocated to other operational and maintenance needs.

Systematic Use of Fund Reserves – As part of its policy, the City met its reserve target for the fiscal period ending December 31, 2017. The City maintains operating reserves that may be utilized during economic downturns and other unexpected circumstances. The systematic use of reserves helps to smooth the City's expenditure patterns and minimize fluctuations in the level of services provided and maintained.

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

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

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

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

Financial Policies

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

The City Council, committed to alleviating the financial burden on residents and businesses, 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 sixth 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 2017, the Curb and Gutter Rehabilitation Program was completed, as well as several resurfacing projects, including Willow Creek Subdivision, Meadow Wood and the Hillside Addition Resurfacing Project.

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

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, 2016. This was the eighteenth 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 read 'Linda M. Martin', with a long horizontal stroke at the end.

Linda M. Martin
Director of Administrative Services

A handwritten signature in black ink, appearing to read 'Nikki T. Giles', with a stylized 'G' and 'Z' 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, 2016

Christopher P. Morrell

Executive Director/CEO

FINANCIAL SECTION

This section includes:

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

INDEPENDENT AUDITORS' REPORT



INDEPENDENT AUDITORS' REPORT

June 28, 2018

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, 2017, 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, 2017, 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 schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements.

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

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, 2017

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, 2017. 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 \$566,144, or less than one percent, while net position of the governmental activities decreased by \$2,564,733 or 6.0 percent.
- During the year, government-wide revenues for the primary government totaled \$33,674,353, while expenses totaled \$36,805,230, resulting in a decrease to net position of \$3,130,877.
- The City of West Chicago's net position totaled \$145,114,465 at December 31, 2017, which includes \$155,746,964 net investment in capital assets, \$2,216,378 subject to external restrictions, and \$12,848,877 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 \$1,084,345, resulting in an ending fund balance of \$12,559,526, a decrease of 7.9 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, 2017

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, 2017

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, 2017

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 - 58 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 59 - 67 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 68 - 95 of this report.

CITY OF WEST CHICAGO, ILLINOIS

Management's Discussion and Analysis December 31, 2017

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 \$145,114,465.

	Net Position					
	Governmental		Business-type		Total	
	Activities		Activities			
	2017	2016	2017	2016	2017	2016
Current Assets	\$ 26,402,010	26,136,257	5,012,942	7,332,823	31,414,952	33,469,080
Capital Assets	54,585,585	54,867,141	110,305,979	109,511,126	164,891,564	164,378,267
Total Assets	80,987,595	81,003,398	115,318,921	116,843,949	196,306,516	197,847,347
Deferred Outflows	7,167,706	8,762,352	624,407	1,108,296	7,792,113	9,870,648
Total Assets/Deferred Outflows	88,155,301	89,765,750	115,943,328	117,952,245	204,098,629	207,717,995
Current Liabilities	2,895,235	1,905,432	4,274,924	4,790,134	7,170,159	6,695,566
Noncurrent Liabilities	35,755,666	35,380,959	4,515,737	7,299,128	40,271,403	42,680,087
Total Liabilities	38,650,901	37,286,391	8,790,661	12,089,262	47,441,562	49,375,653
Deferred Inflows	9,638,961	5,521,202	1,903,641	47,813	11,542,602	5,569,015
Total Liabilities/Deferred Inflows	48,289,862	42,807,593	10,694,302	12,137,075	58,984,164	54,944,668
Net Position						
Net Investment in Capital Assets	49,943,090	54,867,141	105,803,874	104,429,071	155,746,964	159,296,212
Restricted	2,216,378	2,636,828	-	2,409	2,216,378	2,639,237
Unrestricted	(12,294,029)	(10,545,812)	(554,848)	1,383,690	(12,848,877)	(9,162,122)
Total Net Position	39,865,439	46,958,157	105,249,026	105,815,170	145,114,465	152,773,327

A large portion of the City's net position, \$155,746,964, 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, \$2,216,378, 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 \$12,848,877 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, 2017

GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

	Changes in Net Position					
	Governmental		Business-Type		Totals	
	Activities		Activities			
	2017	2016	2017	2016	2017	2016
Revenues						
Program Revenues						
Charges for Services	\$ 4,473,447	4,888,432	10,784,070	10,641,252	15,257,517	15,529,684
Operating Grants/Contrib.	3,820	15,150	-	-	3,820	15,150
Capital Grants/Contrib.	704,074	716,433	645,461	-	1,349,535	716,433
General Revenues						
Property Taxes	4,489,622	4,448,829	8,907	8,894	4,498,529	4,457,723
Other Taxes	863,113	914,909	-	-	863,113	914,909
Sales and Use Taxes	6,178,849	4,544,609	-	1,185,841	6,178,849	5,730,450
Income Taxes	2,487,827	2,636,660	-	-	2,487,827	2,636,660
Replacement Taxes	173,517	160,396	-	-	173,517	160,396
Utility Taxes	1,909,065	1,994,900	-	-	1,909,065	1,994,900
Interest Income	13,271	6,983	6,878	2,660	20,149	9,643
Miscellaneous	560,955	2,032,609	371,477	239,675	932,432	2,272,284
Total Revenues	21,857,560	22,359,910	11,816,793	12,078,322	33,674,353	34,438,232
Expenses						
General Government	13,329,708	13,704,876	-	-	13,329,708	13,704,876
Public Safety	11,092,178	11,555,771	-	-	11,092,178	11,555,771
Interest on Long-Term Debt	407	518	-	-	407	518
Waterworks	-	-	6,208,086	6,923,648	6,208,086	6,923,648
Sewerage	-	-	6,061,776	6,552,406	6,061,776	6,552,406
Commuter Parking	-	-	113,075	99,935	113,075	99,935
Total Expenses	24,422,293	25,261,165	12,382,937	13,575,989	36,805,230	38,837,154
Change in Net Position	(2,564,733)	(2,901,255)	(566,144)	(1,497,667)	(3,130,877)	(4,398,922)
Net Position-Beginning	42,430,172	49,859,412	105,815,170	107,312,837	148,245,342	157,172,249
Net Position-Ending	39,865,439	46,958,157	105,249,026	105,815,170	145,114,465	152,773,327

CITY OF WEST CHICAGO, ILLINOIS

Management's Discussion and Analysis December 31, 2017

GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

Net position of the City of West Chicago's governmental activities decreased 6.0 percent (\$39,865,439 at December 31, 2017, compared to a restated \$42,430,1722 at December 31, 2016). Unrestricted net position, the part of net position that can be used to finance day-to-day operations without constraints, totaled a deficit of \$12,294,029 at December 31, 2017. Net position was restated to reflect the implementation of GASB Statement No. 75 related to other postemployment benefits. This adjustment reduced net position for the governmental activities by \$114,510 in the current year. The biggest decrease to net position came from the change in the police pension fund net pension liability and related deferred inflows/outflows.

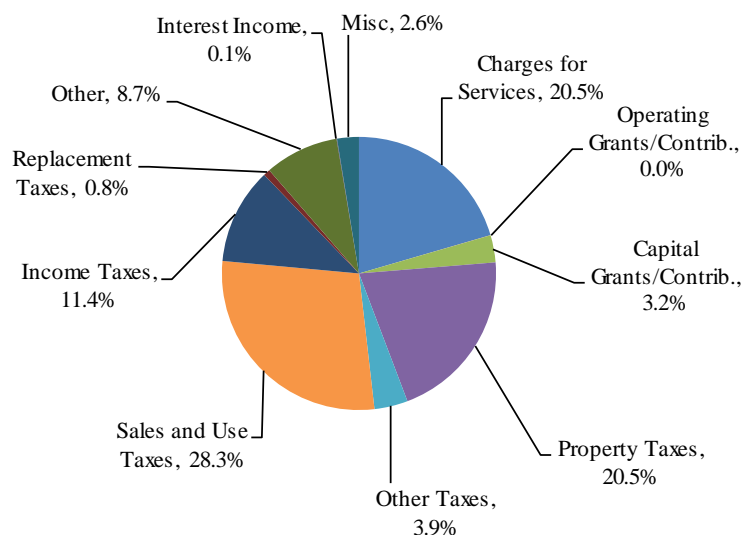
Net position of business-type activities decreased less than one percent (\$105,249,026 at December 31, 2017 compared to \$105,815,170 at December 31, 2016). A deficit of \$1,054,411 in the Waterworks Fund was partially offset by a surplus of \$459,175 and \$29,092 in the Sewerage and Commuter Parking Funds, respectively.

Governmental Activities

Revenues for governmental activities totaled \$21,857,560 while the cost of all governmental functions totaled \$24,422,293. This results in a net position draw down of \$2,564,733 at December 31, 2017. At December 31, 2016, revenues for governmental activities totaled \$22,359,910, while the cost of all governmental functions totaled \$25,261,165, which resulted in a drawdown of \$2,901,255. Revenues for miscellaneous income decreased \$1,471,654.

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



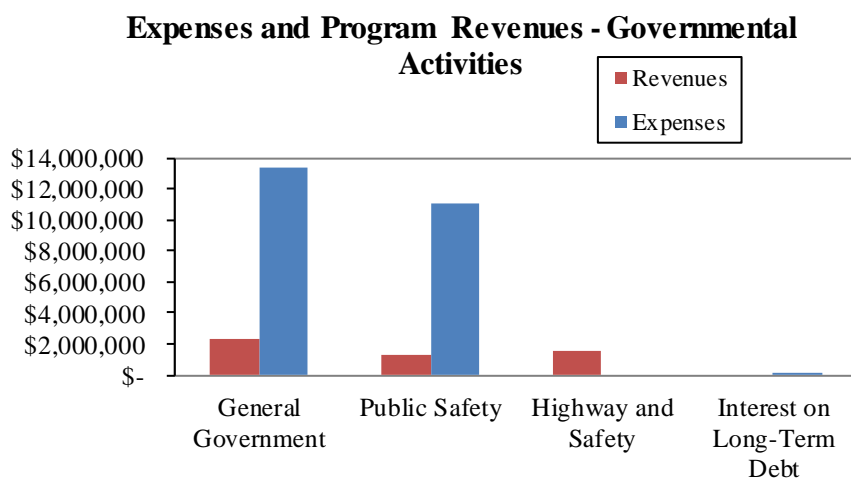
CITY OF WEST CHICAGO, ILLINOIS

Management's Discussion and Analysis December 31, 2017

GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

Governmental Activities – Continued

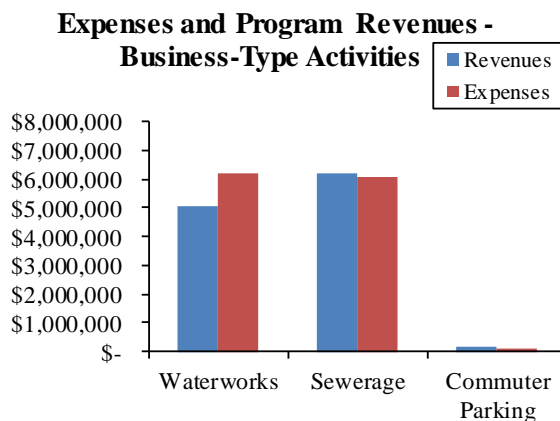
The 'Expenses and Program Revenues' Chart identifies those governmental functions where program expenses greatly exceed revenues. These expenses and revenues do not include the major revenue sources, such as property taxes, sales and use taxes and income taxes, described earlier. The Statement of Activities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



Business-Type Activities

Business-Type activities posted total revenues of \$11,816,793, while the cost of all business-type activities totaled \$12,382,937. This results in a net position decrease of \$566,144. At December 31, 2016, revenues of \$12,078,322 were less than expenses of \$13,575,989, resulting in a decrease of \$1,497,667.

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



CITY OF WEST CHICAGO, ILLINOIS

Management's Discussion and Analysis December 31, 2017

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, 2017, the City's governmental funds reported combined ending fund balances of \$19,263,329, which is a decrease of \$849,227 from last year's total of \$20,112,556. Of the \$19,263,329 total, \$11,841,410, or 61.5 percent, of the fund balance constitutes unassigned fund balance, while \$96,231, or less than one percent, is designated as nonspendable, \$2,216,378, or 11.5 percent, has been classified as restricted funds and \$5,109,310, or 26.5 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 \$1,084,345, a reduction of 7.9 percent. This was due to a budgeted use of reserves. Overall, budgeted expenditures totaled \$19,150,600 while actual expenditures totaled \$17,297,856. 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 \$384,254, a result of capital outlay expenditures.

The TIF Special Tax Allocation #1 Fund reported a decrease of \$295,753 for the year, the majority of which resulted from actual revenues totaling \$983,409 and actual expenditures totaling \$1,279,162, which was \$305,938 less than expenditures budgeted. The fund balance of \$494,474 will be used for ongoing projects and prospective development.

The Capital Improvement Fund reported an increase in fund balance of \$878,227 for the year, which resulted from actual expenditures of \$2,910,511 being below actual revenues totaling \$3,788,738.

CITY OF WEST CHICAGO, ILLINOIS

Management's Discussion and Analysis December 31, 2017

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 \$1,054,411, while the decrease in the previous fiscal year was \$1,148,477.

The Sewerage Fund experienced an increase in net position of \$459,175, while the previous fiscal year reported a decrease of \$389,234. The Commuter Parking Fund had an increase in net position for the fiscal year of \$29,092 while there was an increase in the previous fiscal year of \$40,044. Total net position in the Proprietary Funds was \$105,249,026 (net investment in capital assets, restricted, and unrestricted) at December 31, 2017.

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 \$16,213,511 compared to budgeted revenues of \$15,909,000. There were better than anticipated actual results for property taxes, sales tax and use tax.

Original budgeted expenditures of \$18,447,500 were increased \$703,100 for the West Washington Remediation Project, City Hall HVAC system survey and assessment as well as the commencement of a Sales Tax Sharing Agreement with Thortons once final occupancy was obtained. The General Fund actual expenditures for the year were \$1,852,744 lower than budgeted (\$17,297,856 actual compared to \$19,150,600 final budgeted). The general government's actual expenditures were lower than budgeted expenditures by \$1,526,293 due to overall cost controlling measures.

CITY OF WEST CHICAGO, ILLINOIS

Management's Discussion and Analysis December 31, 2017

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, 2017 was \$164,891,564 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		Totals	
	Activities		Activities			
	2017	2016	2017	2016	2017	2016
Land	\$ 20,061,128	19,864,898	28,649,611	28,649,611	48,710,739	48,514,509
Construction in Progress	-	176,387	1,161,719	4,778,457	1,161,719	4,954,844
Land Improvements	1,550,907	1,017,159	588,693	634,305	2,139,600	1,651,464
Buildings and Improvements	1,288,451	1,359,652	21,313,416	18,647,253	22,601,867	20,006,905
Machinery and Equipment	2,547,409	1,905,412	7,733,433	5,674,465	10,280,842	7,579,877
Infrastructure	29,137,690	30,543,633	50,859,107	51,127,035	79,996,797	81,670,668
Total	54,585,585	54,867,141	110,305,979	109,511,126	164,891,564	164,378,267

This year's major additions included:

Land	\$ 196,230
Construction in Progress	162,868
Land Improvements	561,966
Buildings and Improvements	3,505,350
Machinery and Equipment	3,349,227
Infrastructure	1,173,564
	<u>8,949,205</u>

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, 2017

CAPITAL ASSETS AND DEBT ADMINISTRATION – Continued

Debt Administration

At December 31, 2017, the City of West Chicago had total outstanding debt of \$4,502,105 as compared to \$5,082,055 at December 31, 2016, a decrease of \$579,950. The following is a comparative statement of outstanding debt:

	Long-Term Debt Outstanding					
	Governmental		Business-Type		Totals	
	Activities		Activities			
	2017	2016	2017	2016	2017	2016
IEPA Revolving Loan	\$ -	-	4,502,105	5,082,055	4,502,105	5,082,055

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 2018 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, 2017, for DuPage County was 4.3 percent and the state and national unemployment rates were 4.8 and 4.1 percent, respectively.

Amounts available for appropriation in the General Fund budget are \$18.2 million, a decrease of 4.90 percent from the final 2017 budget of \$19.1 million. The City of West Chicago has budgeted increases in engineering fees and transfer station fees of approximately 20 percent and 4.5 percent, respectively. The City of West Chicago's major initiatives in the 2018 budget include removing a substantial portion of the contamination at the West Washington Redevelopment Site, the continuation of the Inflow and Infiltration Program, replacement of the Aspen Ridge lift station, installation of a generator for Well #3 and the Booster #4 Rehabilitation Project, as well as security and HVAC improvements at City Hall and the design of a new salt storage facility. The City of West Chicago maintains its strong commitment to fiscal accountability and pledges to continue to seek innovative strategies to maximize financial responsibility.

REQUESTS FOR INFORMATION

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

BASIC FINANCIAL STATEMENTS

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

- Government-Wide Financial Statements
- Fund Financial Statements

Governmental Funds

Proprietary Funds

Fiduciary Funds

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

CITY OF WEST CHICAGO, ILLINOIS

Statement of Net Position

December 31, 2017

See Following Page

CITY OF WEST CHICAGO, ILLINOIS

**Statement of Net Position
December 31, 2017**

	Governmental Activities	Business- Type Activities	Totals
ASSETS			
Current Assets			
Cash and Investments	\$ 4,596,931	\$ 322,909	\$ 4,919,840
Receivables - Net of Allowances	8,537,524	17,216,153	25,753,677
Internal Balances	13,171,324	(13,171,324)	-
Prepaid Items/Inventories	96,231	24,872	121,103
Restricted Cash and Investments	-	620,332	620,332
Total Current Assets	26,402,010	5,012,942	31,414,952
Capital Assets			
Nondepreciable	20,061,128	29,811,330	49,872,458
Depreciable	73,530,552	126,313,629	199,844,181
Accumulated Depreciation	(39,006,095)	(45,818,980)	(84,825,075)
Total Capital Assets	54,585,585	110,305,979	164,891,564
Total Assets	80,987,595	115,318,921	196,306,516
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Items - IMRF	608,235	624,407	1,232,642
Deferred Items - Police Pension	6,559,471	-	6,559,471
Total Deferred Outflows of Resources	7,167,706	624,407	7,792,113
Total Assets and Deferred Outflows of Resources	88,155,301	115,943,328	204,098,629

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

	Governmental Activities	Business- Type Activities	Totals
LIABILITIES			
Current Liabilities			
Accounts Payable	\$ 1,148,939	\$ 1,204,288	\$ 2,353,227
Accrued Payroll	367,644	81,938	449,582
Deposits Payable	778,411	332,739	1,111,150
Interest Payable	-	38,568	38,568
Other Payables	300,416	17,850	318,266
Sewer Plant Expansion Restricted	-	1,972,242	1,972,242
Current Portion of Long-Term Debt	299,825	627,299	927,124
Total Current Liabilities	2,895,235	4,274,924	7,170,159
Noncurrent Liabilities			
Compensated Absences Payable	1,199,300	129,394	1,328,694
Net Pension Liability - IMRF	466,775	479,188	945,963
Net Pension Liability - Police Pension	27,457,126	-	27,457,126
Total OPEB Liability	6,632,465	-	6,632,465
IEPA Revolving Loan Payable	-	3,907,155	3,907,155
Total Noncurrent Liabilities	35,755,666	4,515,737	40,271,403
Total Liabilities	38,650,901	8,790,661	47,441,562
DEFERRED INFLOWS OF RESOURCES			
Deferred Items - IMRF	1,854,335	1,903,641	3,757,976
Deferred Items - Police Pension	3,241,355	-	3,241,355
Property Taxes	4,543,271	-	4,543,271
Total Deferred Inflows of Resources	9,638,961	1,903,641	11,542,602
Total Liabilities and Deferred Inflows of Resources	48,289,862	10,694,302	58,984,164
NET POSITION			
Net Investment in Capital Assets	49,943,090	105,803,874	155,746,964
Restricted - MFT	545,326	-	545,326
Restricted - Public Safety	78,735	-	78,735
Restricted - TIF	651,290	-	651,290
Restricted - Public Benefit Projects	941,027	-	941,027
Unrestricted (Deficit)	(12,294,029)	(554,848)	(12,848,877)
Total Net Position	\$ 39,865,439	\$ 105,249,026	\$ 145,114,465

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, 2017

	Expenses	Program Revenues		
		Charges for Services	Operating Grants/ Contributions	Capital Grants/ Contributions
Governmental Activities				
General Government	\$ 13,329,708	\$ 2,365,076	\$ -	\$ -
Public Safety	11,092,178	1,257,271	3,820	-
Streets and Highways	-	851,100	-	704,074
Interest on Long-Term Debt	407	-	-	-
Total Governmental Activities	24,422,293	4,473,447	3,820	704,074
Business-Type Activities				
Waterworks	6,208,086	4,423,819	-	645,461
Sewerage	6,061,776	6,218,263	-	-
Commuter Parking	113,075	141,988	-	-
Total Business-Type Activities	12,382,937	10,784,070	-	645,461
Total Primary Government	\$ 36,805,230	\$ 15,257,517	\$ 3,820	\$ 1,349,535

General Revenues

Taxes

Property Taxes

Telecommunications Taxes

Amusement Taxes

Intergovernmental - Unrestricted

Sales and Use Taxes

Income Taxes

Replacement Taxes

Utility Taxes

Interest Income

Miscellaneous

Change in Net Position

Net Position - Beginning as Restated

Net Position - Ending

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

Net (Expenses)/Revenues		
Primary Government		
Governmental Activities	Business-Type Activities	Totals
\$ (10,964,632)	\$ -	\$ (10,964,632)
(9,831,087)	-	(9,831,087)
1,555,174	-	1,555,174
(407)	-	(407)
(19,240,952)	-	(19,240,952)
-	(1,138,806)	(1,138,806)
-	156,487	156,487
-	28,913	28,913
-	(953,406)	(953,406)
(19,240,952)	(953,406)	(20,194,358)
4,489,622	8,907	4,498,529
759,135	-	759,135
103,978	-	103,978
6,178,849	-	6,178,849
2,487,827	-	2,487,827
173,517	-	173,517
1,909,065	-	1,909,065
13,271	6,878	20,149
560,955	371,477	932,432
16,676,219	387,262	17,063,481
(2,564,733)	(566,144)	(3,130,877)
42,430,172	105,815,170	148,245,342
\$ 39,865,439	\$ 105,249,026	\$ 145,114,465

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

CITY OF WEST CHICAGO, ILLINOIS

**Balance Sheet - Governmental Funds
December 31, 2017**

		Special
	General	Public Benefit
ASSETS		
Cash and Investments	\$ -	\$ 601,834
Receivables - Net of Allowances		
Property Taxes	3,548,663	-
Other	3,233,520	-
Due From Other Funds	10,915,183	-
Prepays/Inventories	94,055	-
Advances to Other Funds	-	339,193
	<hr/>	<hr/>
Total Assets	17,791,421	941,027
	<hr/> <hr/>	<hr/> <hr/>
LIABILITIES		
Accounts Payable	557,373	-
Accrued Payroll	347,448	-
Deposits Payable	778,411	-
Advances from Other Funds	-	-
Other Payables	-	-
Total Liabilities	<hr/> 1,683,232	<hr/> -
DEFERRED INFLOWS OF RESOURCES		
Property Taxes	<hr/> 3,548,663	<hr/> -
Total Liabilities and Deferred Inflows of Resources	<hr/> 5,231,895	<hr/> -
FUND BALANCES		
Nonspendable	94,055	-
Restricted	624,061	941,027
Assigned	-	-
Unassigned	11,841,410	-
Total Fund Balances	<hr/> 12,559,526	<hr/> 941,027
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<hr/> \$ 17,791,421	<hr/> \$ 941,027

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

Revenue			
TIF			
Special Tax Allocation #1	Capital Improvement	Nonmajor	Totals
\$ 950,447	\$ 1,256,411	\$ 1,788,239	\$ 4,596,931
979,456	-	14,863	4,542,982
-	761,022	-	3,994,542
-	2,256,141	-	13,171,324
1,360	816	-	96,231
-	-	-	339,193
1,931,263	4,274,390	1,803,102	26,741,203
106,311	302,207	183,048	1,148,939
11,829	8,367	-	367,644
-	-	-	778,411
339,193	-	-	339,193
-	300,416	-	300,416
457,333	610,990	183,048	2,934,603
979,456	288	14,864	4,543,271
1,436,789	611,278	197,912	7,477,874
1,360	816	-	96,231
493,114	-	158,176	2,216,378
-	3,662,296	1,447,014	5,109,310
-	-	-	11,841,410
494,474	3,663,112	1,605,190	19,263,329
\$ 1,931,263	\$ 4,274,390	\$ 1,803,102	\$ 26,741,203

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, 2017

Total Governmental Fund Balances	\$ 19,263,329
 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.	54,585,585
Deferred outflows (inflows) of resources related to the pensions not reported in the funds.	
Deferred Items - IMRF	(1,246,100)
Deferred Items - Police Pension	3,318,116
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	
Compensated Absences Payable	(1,499,125)
Net Pension Liability - IMRF	(466,775)
Net Pension Liability - Police Pension	(27,457,126)
Total OPEB Liability	<u>(6,632,465)</u>
 Net Position of Governmental Activities	 <u>\$ 39,865,439</u>

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

CITY OF WEST CHICAGO, ILLINOIS

**Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
For the Fiscal Year Ended December 31, 2017**

See Following Page

CITY OF WEST CHICAGO, ILLINOIS

**Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
For the Fiscal Year Ended December 31, 2017**

		Special
	General	Public Benefit
Revenues		
Taxes	\$ 4,541,744	\$ -
Intergovernmental	7,501,738	-
Charges for Services	2,136,075	-
Licenses and Permits	653,852	-
Fines and Forfeitures	832,420	-
Interest Income	9,756	1,324
Miscellaneous	537,926	-
Total Revenues	<u>16,213,511</u>	<u>1,324</u>
Expenditures		
Current		
General Government	7,294,807	-
Public Safety	10,003,049	-
Capital Outlay	-	385,578
Debt Service		
Interest and Fiscal Charges	-	-
Total Expenditures	<u>17,297,856</u>	<u>385,578</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,084,345)	(384,254)
Other Financing Sources (Uses)		
Disposal of Capital Assets	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(1,084,345)	(384,254)
Fund Balances - Beginning	<u>13,643,871</u>	<u>1,325,281</u>
Fund Balances - Ending	<u>\$ 12,559,526</u>	<u>\$ 941,027</u>

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

Revenue			
TIF			
Special Tax Allocation #1	Capital Improvement	Nonmajor	Totals
\$ 969,993	\$ 3,781,897	\$ 14,515	\$ 9,308,149
-	-	-	7,501,738
-	-	851,100	2,987,175
-	-	-	653,852
-	-	-	832,420
653	581	957	13,271
12,763	6,260	4,006	560,955
983,409	3,788,738	870,578	21,857,560
1,278,755	-	18,000	8,591,562
-	-	-	10,003,049
-	2,910,511	880,343	4,176,432
407	-	-	407
1,279,162	2,910,511	898,343	22,771,450
(295,753)	878,227	(27,765)	(913,890)
-	-	64,663	64,663
(295,753)	878,227	36,898	(849,227)
790,227	2,784,885	1,568,292	20,112,556
\$ 494,474	\$ 3,663,112	\$ 1,605,190	\$ 19,263,329

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, 2017

Net Change in Fund Balances - Total Governmental Funds	\$ (849,227)
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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	1,512,066
Depreciation Expense	(1,788,267)
Disposals - Cost	(215,114)
Disposals - Accumulated Depreciation	209,759

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

Change in Deferred Items - IMRF	(2,275,261)
Change in Deferred Items - Police Pension	(3,280,349)

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	2,125,063
Deductions to Net Pension Liability - Police Pension	2,269,198
Additions to Compensated Absences Payable	(158,091)
Additions to Total OPEB Liability	<u>(114,510)</u>

Changes in Net Position of Governmental Activities	<u><u>\$ (2,564,733)</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, 2017

See Following Page

CITY OF WEST CHICAGO, ILLINOIS

**Statement of Net Position - Proprietary Funds
December 31, 2017**

	Business-Type Activities - Enterprise			
			Nonmajor Commuter	
	Waterworks	Sewerage	Parking	Totals
ASSETS				
Current Assets				
Cash and Investments	\$ -	\$ -	\$ 322,909	\$ 322,909
Receivables - Net of Allowances				
Property Taxes	-	8,862	-	8,862
Accounts	8,219,403	8,840,833	3,915	17,064,151
Other	-	143,140	-	143,140
Advances to Other Funds	-	1,850,000	-	1,850,000
Prepays	9,556	9,556	5,760	24,872
Restricted Investments	-	620,332	-	620,332
Total Current Assets	8,228,959	11,472,723	332,584	20,034,266
Noncurrent Assets				
Capital Assets				
Nondepreciable	28,115,162	1,647,918	48,250	29,811,330
Depreciable	85,201,780	40,427,287	684,562	126,313,629
Accumulated Depreciation	(27,050,148)	(18,299,936)	(468,896)	(45,818,980)
Total Noncurrent Assets	86,266,794	23,775,269	263,916	110,305,979
Total Assets	94,495,753	35,247,992	596,500	130,340,245
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Items - IMRF	366,252	254,065	4,090	624,407
Total Assets and Deferred Outflows of Resources	94,862,005	35,502,057	600,590	130,964,652

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	\$ 952,768	\$ 246,927	\$ 4,593	\$ 1,204,288
Accrued Payroll	46,137	35,228	573	81,938
Interest Payable	38,568	-	-	38,568
Other Liabilities	-	332,739	-	332,739
Sewer Plant Expansion Restricted	-	1,972,242	-	1,972,242
Due to Other Funds	8,655,336	4,515,988	-	13,171,324
Advances from Other Funds	1,850,000	-	-	1,850,000
Other Payables	-	-	17,850	17,850
Compensated Absences	29,259	3,090	-	32,349
IEPA Revolving Loan	594,950	-	-	594,950
Total Current Liabilities	12,167,018	7,106,214	23,016	19,296,248
Noncurrent Liabilities				
Compensated Absences	117,036	12,358	-	129,394
Net Pension Liability - IMRF	281,072	194,977	3,139	479,188
IEPA Revolving Loan	3,907,155	-	-	3,907,155
Total Noncurrent Liabilities	4,305,263	207,335	3,139	4,515,737
Total Liabilities	16,472,281	7,313,549	26,155	23,811,985
DEFERRED INFLOWS OF RESOURCES				
Deferred Items - IMRF	1,116,600	774,573	12,468	1,903,641
Total Liabilities and Deferred Inflows of Resources	17,588,881	8,088,122	38,623	25,715,626
NET POSITION				
Net Investment in Capital Assets	81,764,689	23,775,269	263,916	105,803,874
Unrestricted (Deficit)	(4,491,565)	3,638,666	298,051	(554,848)
Total Net Position	\$ 77,273,124	\$ 27,413,935	\$ 561,967	\$ 105,249,026

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, 2017**

	Business-Type Activities - Enterprise			
	Waterworks	Sewerage	Nonmajor	Totals
			Commuter Parking	
Operating Revenues				
Charges for Services	\$ 4,399,356	\$ 6,185,663	\$ 82,415	\$ 10,667,434
Licenses and Permits	-	-	59,573	59,573
Total Operating Revenues	4,399,356	6,185,663	141,988	10,727,007
Operating Expenses				
Operations	4,225,771	5,333,038	86,228	9,645,037
Depreciation	1,860,377	728,738	26,847	2,615,962
Total Operating Expenses	6,086,148	6,061,776	113,075	12,260,999
Operating Income (Loss)	(1,686,792)	123,887	28,913	(1,533,992)
Nonoperating Revenues (Expenses)				
Water and Sewer Connection Fees	24,463	32,600	-	57,063
Property Taxes	-	8,907	-	8,907
Interest Income	3,803	3,075	-	6,878
Other Income	80,592	290,706	179	371,477
Interest Expense and Fiscal Charges	(121,938)	-	-	(121,938)
	(13,080)	335,288	179	322,387
Income (Loss) before Contributions	(1,699,872)	459,175	29,092	(1,211,605)
Capital Contributions	645,461	-	-	645,461
Change in Net Position	(1,054,411)	459,175	29,092	(566,144)
Net Position - Beginning	78,327,535	26,954,760	532,875	105,815,170
Net Position - Ending	\$ 77,273,124	\$ 27,413,935	\$ 561,967	\$ 105,249,026

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, 2017**

	Business-Type Activities - Enterprise Funds			Totals
	Waterworks Fund	Sewerage Fund	Nonmajor Enterprise Commuter Parking	
Cash Flows from Operating Activities				
Receipts from Customers and Users	\$ 4,995,798	\$ 6,142,737	\$ 459,011	\$ 11,597,546
Payments to Employees	(1,711,502)	(1,186,346)	(11,089)	(2,908,937)
Payments to Suppliers	(1,644,055)	(3,197,788)	(71,563)	(4,913,406)
	<u>1,640,241</u>	<u>1,758,603</u>	<u>376,359</u>	<u>3,775,203</u>
Cash Flows from Noncapital Financing Activities				
Property Taxes	-	8,907	-	8,907
Cash Flows from Capital and Related Financing Activities				
Purchase of Capital Assets	(1,012,487)	(1,769,748)	(53,450)	(2,835,685)
Disposal on Capital Assets	70,331	-	-	70,331
Interest on Capital Debt	(121,938)	-	-	(121,938)
Principal on Capital Debt	(579,950)	-	-	(579,950)
	<u>(1,644,044)</u>	<u>(1,769,748)</u>	<u>(53,450)</u>	<u>(3,467,242)</u>
Cash Flows from Investing Activities				
Interest Received	3,803	3,075	-	6,878
Net Change in Cash and Cash Equivalents	-	837	322,909	323,746
Cash and Cash Equivalents - Beginning	-	619,495	-	619,495
Cash and Cash Equivalents - Ending	<u>-</u>	<u>620,332</u>	<u>322,909</u>	<u>943,241</u>
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities				
Operating Income (Loss)	(1,686,792)	123,887	28,913	(1,533,992)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:				
Depreciation Expense	1,860,377	728,738	26,847	2,615,962
Other Income	105,055	323,306	179	428,540
(Increase) Decrease in Current Assets	491,387	(366,232)	316,844	441,999
Increase (Decrease) in Current Liabilities	870,214	948,904	3,576	1,822,694
Net Cash Provided by Operating Activities	<u>\$ 1,640,241</u>	<u>\$ 1,758,603</u>	<u>\$ 376,359</u>	<u>\$ 3,775,203</u>
Noncash Activity - Capital Contributions	<u>\$ 645,461</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 645,461</u>

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

CITY OF WEST CHICAGO, ILLINOIS

**Statement of Fiduciary Net Position
December 31, 2017**

	<u>Pension Trust Police Pension</u>
ASSETS	
Cash and Cash Equivalents	\$ 59,814
Investments	
Money Market Mutual Funds	1,330,964
U.S. Treasuries	1,476,166
U.S. Agencies	5,522,028
Corporate Bonds	1,046,163
Municipal Bonds	1,210,409
Mutual Funds	15,374,763
Insurance Contracts	3,809,511
Accrued Interest	49,106
Prepays	<u>5,235</u>
Total Assets	<u>29,884,159</u>
LIABILITIES	
Accounts Payable	<u>10,689</u>
NET POSITION	
Net Position Restricted for Pensions	<u><u>\$ 29,873,470</u></u>

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

CITY OF WEST CHICAGO, ILLINOIS

Statement of Changes in Fiduciary Net Position For the Fiscal Year Ended December 31, 2017

	Pension Trust Police Pension
Additions	
Contributions - Employer	\$ 2,358,000
Contributions - Plan Members	430,974
Total Contributions	2,788,974
Investment Income	
Interest Earned	1,866,306
Net Change in Fair Value	1,283,012
	3,149,318
Less Investment Expenses	(33,773)
Net Investment Income	3,115,545
Total Additions	5,904,519
Deductions	
Administration	61,553
Benefits and Refunds	
Benefits	1,887,288
Refunds	71,284
Total Deductions	2,020,125
Change in Fiduciary Net Position	3,884,394
Net Position Restricted for Pensions	
Beginning	25,989,076
Ending	\$ 29,873,470

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, 2017

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, 2017

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, 2017

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, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

BASIS OF PRESENTATION – Continued

Fund Financial Statements – Continued

Governmental Funds

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the City:

General fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund. The General Fund is a major fund.

Special revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The City maintains two major and two nonmajor special revenue funds. The two major funds are the Public Benefit Fund, which accounts for the accumulation of restricted funds from Kerr McGee to fund projects that meet the criteria detailed in the City Code, and the TIF Special Tax Allocation #1 Fund, which accounts for the accumulation of funds from restricted incremental tax revenue generated within the TIF #1 area.

Debt service funds are used to account for the accumulation of funds for the periodic payment of principal and interest on general long-term debt. The City does not currently utilize debt service funds.

Capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by business-type/proprietary funds). The City maintains one major and one nonmajor capital projects fund. The Capital Improvement Fund, the major fund, accounts for utility taxes and a three-quarter percent home rule sales tax that are set aside for funding major capital improvements throughout the City.

Proprietary Funds

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

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

CITY OF WEST CHICAGO, ILLINOIS

Notes to the Financial Statements December 31, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

BASIS OF PRESENTATION – Continued

Fund Financial Statements – Continued

Proprietary Funds – Continued

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

Fiduciary Funds

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

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

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

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Measurement Focus

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

CITY OF WEST CHICAGO, ILLINOIS

Notes to the Financial Statements December 31, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Measurement Focus – Continued

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

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

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

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

Basis of Accounting

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

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

CITY OF WEST CHICAGO, ILLINOIS

Notes to the Financial Statements December 31, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING – Continued

Basis of Accounting – Continued

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

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

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

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

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

Cash and Investments

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

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

CITY OF WEST CHICAGO, ILLINOIS

Notes to the Financial Statements December 31, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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

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.

Capital Assets

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

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

CITY OF WEST CHICAGO, ILLINOIS

Notes to the Financial Statements December 31, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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

Capital Assets – Continued

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

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

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

Deferred Outflows/Inflows of Resources

Deferred outflow/inflow of resources represents an acquisition 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, 2017

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, 2017

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

BUDGETARY INFORMATION

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

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

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

The Budget Officer is authorized to transfer budgeted amounts between departments and line items within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the City Council. Expenditures may not legally exceed budgeted appropriations at the fund level. During the year, 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, 2017

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 \$4,647,806 and the bank balances totaled \$5,343,043. Additionally, at year-end the City has \$853,673 invested in the Illinois Funds and \$38,693 invested in the Illinois Metropolitan Investment Fund, which are both measured at net asset value per share as determined by the pool.

CITY OF WEST CHICAGO, ILLINOIS

Notes to the Financial Statements December 31, 2017

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

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

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The City's investment policy states that the investment portfolio shall remain sufficiently liquid to enable the City to meet all operating requirements which may be reasonably anticipated in any City Fund. The average maturity for the Illinois Funds is less than one year and the Illinois Metropolitan Investment Fund is less than one year to three years.

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Besides investing in instruments authorized under State Statute, the City's investment policy does not further limit investment choices. The City limits its exposure to credit risk by primarily investing in Illinois Funds which were rated AAAm by Standard & Poor's, in Illinois Metropolitan Investment Trust Convenience Fund which is not rated, and in the Illinois Metropolitan Investment Trust 1-3 Year Fund 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, 2017

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 \$1,390,778 and the bank balances totaled \$843,477.

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

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1 to 5	6 to 10	Greater Than 10
U.S. Treasuries	\$ 1,476,166	\$ 299,750	\$ 921,383	\$ 255,033	\$ -
U.S. Agencies	5,522,028	397,613	1,458,313	3,666,102	-
Corporate Bonds	1,046,163	199,955	356,786	489,422	-
Municipal Bonds	1,210,409	49,734	865,179	194,300	101,196
	<u>\$ 9,254,766</u>	<u>\$ 947,052</u>	<u>\$ 3,601,661</u>	<u>\$ 4,604,857</u>	<u>\$ 101,196</u>

The Fund has the following recurring fair value measurements as of December 31, 2017:

Investments by Fair Value Level	Total	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Debt Securities				
U.S. Treasuries	\$ 1,476,166	1,476,166	-	-
U.S. Agencies	5,522,028	-	5,522,028	-
Corporate Bonds	1,046,163	-	1,046,163	-
Municipal Bonds	1,210,409	-	1,210,409	-
Equity Securities				
Insurance Contracts	3,809,511	-	3,809,511	-
Mutual Funds	15,374,763	15,374,763	-	-
Total Investments by Fair Value Level	<u>28,439,040</u>	<u>16,850,929</u>	<u>11,588,111</u>	<u>-</u>

CITY OF WEST CHICAGO, ILLINOIS

Notes to the Financial Statements December 31, 2017

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

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

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

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

Credit Risk. The Fund helps limit its exposure to credit risk by primarily investing in securities issued by the United States Government and/or its agencies that are implicitly guaranteed by the United States Government. The Pension Fund's investment policy establishes criteria for allowable investments; those criteria follow the requirements of the Illinois Pension Code. The investments in the securities of the U.S. Government agencies were not rated. Corporate bonds were rated A to Aaa 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, 2017, 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, 2017, the Pension Fund does not have any investments over 5 percent of net position available for benefits (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments). Agency investments represent a large portion of the portfolio; however, the investments are diversified by maturity date and as mentioned earlier are backed by the issuing organization. Although unlike Treasuries, agency securities do not have the "full faith and credit" backing of the U.S. Government, they are considered to have a moral obligation of implicit backing and are supported by Treasury lines of credit and increasingly stringent federal regulation. In order to reduce the risk of default, the investment portfolio of the Pension Fund shall not exceed the following diversification limits unless specifically authorized by the Board of Trustees:

CITY OF WEST CHICAGO, ILLINOIS

Notes to the Financial Statements December 31, 2017

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	45%	1.8%
Domestic Equities	50%	6.7% - 8.8%
International Equities	5%	6.7%
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 February 2018 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, 2017 are listed in the table above.

CITY OF WEST CHICAGO, ILLINOIS

Notes to the Financial Statements December 31, 2017

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

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

Concentration Credit Risk – Continued. At year-end, the Pension Fund has diversified its insurance contracts and equity mutual funds as follows:

Equity Mutual Funds	Fair Value
Bridgeway Ultra Small	\$ 443,373
Cohen and Steers	334,573
Fidelity Adv Materials	297,766
First Eagle Overseas	223,626
Goldman Sachs Intl Eqty	249,522
Hennessy Focus	457,595
Homestead Small	1,006,412
LSV Value Equity	1,654,982
Oppenheimer Developing	264,269
Oppenheimer Intl Growth	503,314
Pioneer Equity Income	1,645,576
T Rowe Price Growth Stock	3,613,270
T Rowe Price Small	1,072,478
Vanguard Energy Fund	82,988
Vanguard 500 Index	3,525,019
	<u>\$ 15,374,763</u>
Insurance Contracts	Fair Value
Protective Life Annuity	\$ 1,075,469
Lincoln National Life	1,056,431
Hartford Annuity	745,822
MetLife Investors	715,901
Nationwide	215,888
	<u>\$ 3,809,511</u>

Rate of Return

For the year ended December 31, 2017, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 12.01%. 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, 2017****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	\$ 196,230	\$ -	\$ 20,061,128
Construction in Progress	176,387	-	176,387	-
	<u>20,041,285</u>	<u>196,230</u>	<u>176,387</u>	<u>20,061,128</u>
Other Capital Assets				
Land Improvements	1,478,279	561,966	-	2,040,245
Buildings and Improvements	3,184,512	-	-	3,184,512
Machinery and Equipment	4,892,134	930,257	215,114	5,607,277
Infrastructure	62,698,518	-	-	62,698,518
	<u>72,253,443</u>	<u>1,492,223</u>	<u>215,114</u>	<u>73,530,552</u>
Less Accumulated Depreciation				
Land Improvements	461,120	28,218	-	489,338
Buildings and Improvements	1,824,860	71,201	-	1,896,061
Machinery and Equipment	2,986,722	282,905	209,759	3,059,868
Infrastructure	32,154,885	1,405,943	-	33,560,828
	<u>37,427,587</u>	<u>1,788,267</u>	<u>209,759</u>	<u>39,006,095</u>
Total Other Capital Assets	<u>34,825,856</u>	<u>(296,044)</u>	<u>5,355</u>	<u>34,524,457</u>
Total Capital Assets	<u>\$ 54,867,141</u>	<u>\$ (99,814)</u>	<u>\$ 181,742</u>	<u>\$ 54,585,585</u>

Depreciation expense was charged to governmental activities as follows:

General Government	\$ 1,710,289
Public Safety	<u>77,978</u>
	<u>\$ 1,788,267</u>

CITY OF WEST CHICAGO, ILLINOIS**Notes to the Financial Statements
December 31, 2017****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	4,778,457	162,868	3,779,606	1,161,719
	<u>33,428,068</u>	<u>162,868</u>	<u>3,779,606</u>	<u>29,811,330</u>
Other Capital Assets				
Land Improvements	1,426,823	-	-	1,426,823
Buildings	30,904,004	3,505,350	-	34,409,354
Machinery and Equipment	18,748,546	2,418,970	3,236,627	17,930,889
Infrastructure	71,469,241	1,173,564	96,242	72,546,563
	<u>122,548,614</u>	<u>7,097,884</u>	<u>3,332,869</u>	<u>126,313,629</u>
Less Accumulated Depreciation				
Land Improvements	792,518	45,612	-	838,130
Buildings	12,256,751	839,187	-	13,095,938
Machinery and Equipment	13,074,081	360,002	3,236,627	10,197,456
Infrastructure	20,342,206	1,371,161	25,911	21,687,456
	<u>46,465,556</u>	<u>2,615,962</u>	<u>3,262,538</u>	<u>45,818,980</u>
Total Other Capital Assets	<u>76,083,058</u>	<u>4,481,922</u>	<u>70,331</u>	<u>80,494,649</u>
Total Capital Assets	<u>\$ 109,511,126</u>	<u>\$ 4,644,790</u>	<u>\$ 3,849,937</u>	<u>\$ 110,305,979</u>

Depreciation expense was charged to business-type as follows:

Waterworks	\$ 1,860,377
Sewerage	728,738
Commuter Parking	<u>26,847</u>
	<u>\$ 2,615,962</u>

CITY OF WEST CHICAGO, ILLINOIS

Notes to the Financial Statements December 31, 2017

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund Balances

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

Receivable Fund	Payable Fund	Amount
General	Waterworks	\$ 8,655,336
General	Sewerage	2,259,847
Capital Projects	Sewerage	<u>2,256,141</u>
		<u><u>\$ 13,171,324</u></u>

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	\$ 339,193
Sewerage	Waterworks	<u>1,850,000</u>
		<u><u>\$ 2,189,193</u></u>

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

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, 2017

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	\$ 5,082,055	\$ -	\$ 579,950	\$ 4,502,105

Long-Term Liability Activity

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

Type of Debt	Restated Beginning Balances	Additions	Deductions	Ending Balances	Amounts Due within One Year
Governmental Activities					
Compensated Absences	\$ 1,341,034	\$ 316,182	\$ 158,091	\$ 1,499,125	\$ 299,825
Net Pension Liability					
IMRF	2,591,838	-	2,125,063	466,775	-
Police Pension	29,726,324	-	2,269,198	27,457,126	-
Total OPEB Obligation	6,517,955	114,510	-	6,632,465	-
	<u>40,177,151</u>	<u>430,692</u>	<u>4,552,352</u>	<u>36,055,491</u>	<u>299,825</u>
Business-type Activities					
Compensated Absences	157,875	7,736	3,868	161,743	32,349
Net Pension Liability					
IMRF	2,670,723	-	2,191,535	479,188	-
IEPA Revolving Loan	5,082,055	-	579,950	4,502,105	594,950
	<u>\$ 7,910,653</u>	<u>\$ 7,736</u>	<u>\$ 2,775,353</u>	<u>\$ 5,143,036</u>	<u>\$ 627,299</u>

For governmental activities, the General Fund makes payments on the net pension liabilities, 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, 2017

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, 2017, 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	
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>\$ 4,502,105</u>	<u>\$ 445,887</u>	<u>\$ 4,947,992</u>

CITY OF WEST CHICAGO, ILLINOIS

Notes to the Financial Statements December 31, 2017

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, 2017:

Governmental Activities	
Capital Assets - Net of Accumulated Depreciation	<u>\$ 54,585,585</u>
Business-Type Activities	
Capital Assets - Net of Accumulated Depreciation	110,305,979
Less Capital Related Debt:	
IEPA Revolving Loan	<u>(4,502,105)</u>
Net Investment in Capital Assets	<u>\$ 105,803,874</u>

FUND BALANCE CLASSIFICATIONS

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

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

CITY OF WEST CHICAGO, ILLINOIS

Notes to the Financial Statements December 31, 2017

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

FUND BALANCE CLASSIFICATIONS – Continued

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

	General	Public Benefit	TIF Special Tax Allocation #1	Capital Improvement	Nonmajor	Totals
Fund Balances						
Nonspendable						
Prepays/Inventories	\$ 94,055	\$ -	\$ 1,360	\$ 816	\$ -	\$ 96,231
Restricted						
Motor Fuel Tax	545,326	-	-	-	-	545,326
Public Safety	78,735	-	-	-	-	78,735
Property Taxes	-	-	493,114	-	158,176	651,290
TIF	-	-	-	-	-	-
Public Benefit Projects	-	941,027	-	-	-	941,027
	624,061	941,027	493,114	-	158,176	2,216,378
Assigned						
Capital Projects	-	-	-	3,662,296	1,447,014	5,109,310
Unassigned	11,841,410	-	-	-	-	11,841,410
Total Fund Balances	\$ 12,559,526	\$ 941,027	\$ 494,474	\$ 3,663,112	\$ 1,605,190	\$ 19,263,329

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

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

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

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

CITY OF WEST CHICAGO, ILLINOIS

Notes to the Financial Statements December 31, 2017

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

FUND BALANCE CLASSIFICATIONS – Continued

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

FUND BALANCE RESTATEMENT

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

Net Position	As Reported	As Restated	Increase (Decrease)
Governmental Activities	\$ 46,958,157	42,430,172	(4,527,985)

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.

CITY OF WEST CHICAGO, ILLINOIS

Notes to the Financial Statements December 31, 2017

NOTE 4 – OTHER INFORMATION – Continued

CONTINGENT LIABILITIES

Litigation

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

Grants

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

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS

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

CITY OF WEST CHICAGO, ILLINOIS

Notes to the Financial Statements December 31, 2017

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

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

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

Plan Membership. As of December 31, 2017, the measurement date, the following employees were covered by the benefit terms:

Inactive Plan Members Currently Receiving Benefits	93
Inactive Plan Members Entitled to but not yet Receiving Benefits	54
Active Plan Members	<u>72</u>
Total	<u><u>219</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. For the year-ended December 31, 2017, the City's contribution was 12.67% of covered payroll.

CITY OF WEST CHICAGO, ILLINOIS

Notes to the Financial Statements December 31, 2017

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Illinois Municipal Retirement Fund (IMRF) – Continued

Plan Descriptions – Continued

Net Pension Liability. The City's net pension liability was measured as of December 31, 2017. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions. The total pension liability was determined by an actuarial valuation performed, as of December 31, 2017, 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	3.39% to 14.25%
Cost of Living Adjustments	2.50%
Inflation	2.50%

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

CITY OF WEST CHICAGO, ILLINOIS

Notes to the Financial Statements December 31, 2017

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Illinois Municipal Retirement Fund (IMRF) – Continued

Plan Descriptions – Continued

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

Asset Class	Target	Long-Term Expected Real Rate of Return
Fixed Income	27%	3.0%
Domestic Equities	38%	6.9%
International Equities	17%	6.8%
Real Estate	8%	5.8%
Blended	9%	2.65% - 7.35%
Cash and Cash Equivalents	1%	2.3%

Discount Rate

The discount rate used to measure the total pension liability was 7.50%, the same as the prior valuation. 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, 2017

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Illinois Municipal Retirement Fund (IMRF) – Continued

Discount Rate Sensitivity

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

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Net Pension Liability/(Asset)	\$ 5,284,037	\$ 945,963	\$ (2,628,104)

Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2016	\$ 35,314,876	\$ 30,052,315	\$ 5,262,561
Changes for the Year:			
Service Cost	620,392	-	620,392
Interest on the Total Pension Liability	2,609,972	-	2,609,972
Difference Between Expected and Actual Experience of the Total Pension Liability	(516,181)	-	(516,181)
Changes of Assumptions	(1,103,990)	-	(1,103,990)
Contributions - Employer	-	725,095	(725,095)
Contributions - Employees	-	262,899	(262,899)
Net Investment Income	-	5,355,309	(5,355,309)
Benefit Payments, including Refunds of Employee Contributions	(1,650,895)	(1,650,895)	-
Other (Net Transfer)	-	(416,512)	416,512
Net Changes	(40,702)	4,275,896	(4,316,598)
Balances at December 31, 2017	\$ 35,274,174	\$ 34,328,211	\$ 945,963

CITY OF WEST CHICAGO, ILLINOIS

Notes to the Financial Statements December 31, 2017

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, 2017, the City recognized pension expense of \$1,025,062. At December 31, 2017, 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	\$ 261,250	\$ (380,339)	\$ (119,089)
Change in Assumptions	11,935	(864,147)	(852,212)
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	959,457	(2,513,490)	(1,554,033)
Total Deferred Amounts Related to IMRF	<u>\$ 1,232,642</u>	<u>\$ (3,757,976)</u>	<u>\$ (2,525,334)</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 (Inflows) of Resources
2018	\$ (405,120)
2019	(565,702)
2020	(926,141)
2021	(628,371)
2022	-
Thereafter	-
Total	<u>\$ (2,525,334)</u>

CITY OF WEST CHICAGO, ILLINOIS

Notes to the Financial Statements December 31, 2017

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, 2017, 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, 2017

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, 2017, the City's contribution was 53.24% of covered payroll.

Concentrations. At December 31, 2017, the Pension Fund does not have any investments over 5 percent of net position available for benefits (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments).

CITY OF WEST CHICAGO, ILLINOIS

Notes to the Financial Statements December 31, 2017

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, 2017, 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 study 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 6.07% was used to measure the total pension liability, while the prior year used 5.92%. 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 3.44%, and the resulting single discount rate is 6.07%.

CITY OF WEST CHICAGO, ILLINOIS

Notes to the Financial Statements December 31, 2017

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Police Pension Plan – Continued

Discount Rate Sensitivity

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

	1% Decrease (5.07%)	Current Discount Rate (6.07%)	1% Increase (7.07%)
Net Pension Liability	\$ 37,232,135	\$ 27,457,126	\$ 19,859,789

Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2016	\$ 55,715,400	\$ 25,989,076	\$ 29,726,324
Changes for the Year:			
Service Cost	1,426,187	-	1,426,187
Interest on the Total Pension Liability	3,240,378	-	3,240,378
Difference Between Expected and Actual Experience of the Total Pension Liability	324,349	-	324,349
Changes of Assumptions	(1,417,146)	-	(1,417,146)
Contributions - Employer	-	2,358,000	(2,358,000)
Contributions - Employees	-	430,974	(430,974)
Net Investment Income	-	3,115,545	(3,115,545)
Benefit Payments, including Refunds of Employee Contributions	(1,958,572)	(1,958,572)	-
Administration Expense	-	(61,553)	61,553
Net Changes	1,615,196	3,884,394	(2,269,198)
Balances at December 31, 2017	\$ 57,330,596	\$ 29,873,470	\$ 27,457,126

CITY OF WEST CHICAGO, ILLINOIS

Notes to the Financial Statements December 31, 2017

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, 2017, the City recognized pension expense of \$3,369,151. At December 31, 2017, 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	\$ 2,273,886	\$ (271,228)	\$ 2,002,658
Change in Assumptions	4,145,817	(1,683,339)	2,462,478
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	139,768	(1,286,788)	(1,147,020)
Total Deferred Amounts Related to Police Pension	<u>\$ 6,559,471</u>	<u>\$ (3,241,355)</u>	<u>\$ 3,318,116</u>

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

Fiscal Year	Net Deferred Outflows/ (Inflows) of Resources
2018	\$ 786,285
2019	786,283
2020	716,402
2021	771,662
2022	503,492
Thereafter	<u>(246,008)</u>
Total	<u>\$ 3,318,116</u>

CITY OF WEST CHICAGO, ILLINOIS

Notes to the Financial Statements December 31, 2017

NOTE 4 – OTHER INFORMATION – Continued

OTHER POST-EMPLOYMENT BENEFITS

General Information about the OPEB Plan

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

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

Plan Membership. As of December 31, 2016, the measurement date, the following employees were covered by the benefit terms:

Active Employees Full Eligible	12
Active Employees Not Yet Eligible	63
Retired Plan Members	<u>12</u>
Total	<u><u>87</u></u>

Total OPEB Liability

The City's total OPEB liability was measured as of December 31, 2017 and was determined by an actuarial valuation as of that date.

Actuarial assumptions and other inputs. The total OPEB liability in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.75%
Salary Increases	3.00%
Discount Rate	3.44%
Healthcare Cost Trend Rates	6.90% - 7.70% for 2017, decreasing to an ultimate rate of 5.00% for 2027 and later years
Retirees' Share of Benefit-Related Costs	20% - 40% of projected health insurance premiums for retirees

CITY OF WEST CHICAGO, ILLINOIS

Notes to the Financial Statements December 31, 2017

NOTE 4 – OTHER INFORMATION – Continued

OTHER POST-EMPLOYMENT BENEFITS – Continued

Total OPEB Liability – Continued

The discount rate was based on The Bond Buyer 20-Bond GO Index.

IMRF mortality follows the Sex Distinct Raw Rates as developed in the RP-2014 study, with Blue Collar Adjustment. These rates are improved generationally using MP-2016 improvement rates.

Police mortality follows the Sex Distinct Raw Rates as developed in the RP-2014 study, with Blue Collar Adjustment. These rates are improved generationally using MP-2016 improvement rates.

Spouse mortality follows the Sex Distinct Raw Rates as developed in the RP-2014 study, with Blue Collar Adjustment. These rates are improved generationally using MP-2016 improvement rates.

Disabled police mortality follows the Sex Distinct Raw Rates as developed in the RP-2014 study developed for disabled participants, with Blue Collar Adjustment. These rates are improved generationally using MP-2016 improvement rates.

Change in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Balance at December 31, 2016	<u>\$ 6,517,955</u>
Changes for the Year:	
Service Cost	99,027
Interest on the Total Pension Liability	220,826
Changes of Benefit Terms	-
Difference Between Expected and Actual Experience	-
Changes of Assumptions or Other Inputs	-
Benefit Payments	<u>(205,343)</u>
Net Changes	<u>114,510</u>
Balance at December 31, 2017	<u><u>6,632,465</u></u>

CITY OF WEST CHICAGO, ILLINOIS

Notes to the Financial Statements December 31, 2017

NOTE 4 – OTHER INFORMATION – Continued

OTHER POST-EMPLOYMENT BENEFITS – Continued

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

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

	1% Decrease (2.44%)	Current Discount Rate (3.44%)	1% Increase (4.44%)
Total OPEB Liability	\$ 7,414,957	6,632,465	5,744,955

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

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

	(6.70% decreasing to 4.00%)	Healthcare Cost Trend Rates (7.70% decreasing to 5.00%)	(8.70% decreasing to 6.00%)
Total OPEB Liability	\$ 5,703,423	6,632,465	7,500,018

CITY OF WEST CHICAGO, ILLINOIS

Notes to the Financial Statements December 31, 2017

NOTE 4 – OTHER INFORMATION – Continued

OTHER POST-EMPLOYMENT BENEFITS – Continued

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

For the year ended December 31, 2017, the City recognized negative OPEB expense of \$114,510. At December 31, 2017, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Difference Between Expected and Actual Experience	\$ -	-	-
Change in Assumptions	-	-	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	-	-
Total Deferred Amounts Related to OPEB	-	-	-

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

Fiscal Year	Net Deferred Outflows of Resources
2018	\$ -
2019	-
2020	-
2021	-
2022	-
Thereafter	-
Total	-

Because this is the first year of implementation of GASB 74/75, the beginning total OPEB liability is based on the same assumptions and data as the ending total OPEB liability. Therefore, there are no differences between actual and expected experience that are being deferred in the current year.

REQUIRED SUPPLEMENTARY INFORMATION

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

- Schedule of Employer Contributions
 Illinois Municipal Retirement Fund
 Police Pension Fund
- Schedule of Changes in the Employer's Net Pension Liability
 Illinois Municipal Retirement Fund
 Police Pension Fund
- Schedule of Investment Returns
 Police Pension Fund
- Schedule of Changes in the Employer's Total OPEB Liability
 Other Post-Employment Benefit Plan
- Budgetary Comparison Schedule
 General Fund
 Public Benefit – Special Revenue Fund
 TIF Special Tax Allocation #1 – Special Revenue Fund

Notes to the Required Supplementary Information

Budgetary Information – Budgets are adopted on a basis consistent with generally accepted accounting principles.

CITY OF WEST CHICAGO, ILLINOIS

Illinois Municipal Retirement Fund

Required Supplementary Information

Schedule of Employer Contributions

December 31, 2017

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

Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	26 Years
Asset Valuation Method	5-Year Smoothed Market
Inflation	2.75%
Salary Increases	3.75% - 14.50%
Investment Rate of Return	7.50%
Retirement Age	See the Notes to the Financial Statements
Mortality	IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012).

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

CITY OF WEST CHICAGO, ILLINOIS

Police Pension Fund

Required Supplementary Information

Schedule of Employer Contributions

December 31, 2017

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

Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	18 Years
Asset Valuation Method	Market Value
Inflation	2.50%
Salary Increases	3.50% - 8.25%
Investment Rate of Return	6.50%
Retirement Age	See the Notes to the Financial Statements
Mortality	Independent Actuary 2016 Illinois Police Mortality Rates

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

CITY OF WEST CHICAGO, ILLINOIS

Illinois Municipal Retirement Fund

Required Supplementary Information Schedule of Changes in the Employer's Net Pension Liability December 31, 2017

	2015	2016	2017
Total Pension Liability			
Service Cost	\$ 571,996	563,551	620,392
Interest	2,352,359	2,455,010	2,609,972
Differences Between Expected and Actual Experience	(9,382)	616,330	(516,181)
Change of Assumptions	80,218	(126,634)	(1,103,990)
Benefit Payments, Including Refunds of Member Contributions	(1,512,334)	(1,553,071)	(1,650,895)
Net Change in Total Pension Liability	1,482,857	1,955,186	(40,702)
Total Pension Liability - Beginning	31,876,833	33,359,690	35,314,876
Total Pension Liability - Ending	\$ 33,359,690	35,314,876	35,274,174
Plan Fiduciary Net Position			
Contributions - Employer	\$ 673,208	760,973	725,095
Contributions - Members	230,043	254,980	262,899
Net Investment Income	140,645	1,966,231	5,355,309
Benefit Payments, Including Refunds of Member Contributions	(1,512,334)	(1,553,071)	(1,650,895)
Administrative Expense	398,615	259,549	(416,512)
Net Change in Plan Fiduciary Net Position	(69,823)	1,688,662	4,275,896
Plan Net Position - Beginning	28,433,476	28,363,653	30,052,315
Plan Net Position - Ending	\$ 28,363,653	30,052,315	34,328,211
Employer's Net Pension Liability	\$ 4,996,037	5,262,561	945,963
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	85.02%	85.10%	97.32%
Covered Payroll	\$ 5,107,796	5,666,218	5,722,922
Employer's Net Pension Liability as a Percentage of Covered Payroll	97.81%	92.88%	16.53%

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

CITY OF WEST CHICAGO, ILLINOIS

Police Pension Fund

Required Supplementary Information Schedule of Changes in the Employer's Net Pension Liability December 31, 2017

	2015	2016	2017
Total Pension Liability			
Service Cost	\$ 1,339,124	1,346,476	1,426,187
Interest	2,354,602	3,142,264	3,240,378
Differences Between Expected and Actual Experience	3,296,819	(372,812)	324,349
Change of Assumptions	6,855,504	(631,278)	(1,417,146)
Benefit Payments, Including Refunds of Member Contributions	(1,595,484)	(1,696,065)	(1,958,572)
Net Change in Total Pension Liability	12,250,565	1,788,585	1,615,196
Total Pension Liability - Beginning	41,676,250	53,926,815	55,715,400
Total Pension Liability - Ending	<u>\$ 53,926,815</u>	<u>55,715,400</u>	<u>57,330,596</u>
Plan Fiduciary Net Position			
Contributions - Employer	\$ 1,800,000	2,174,000	2,358,000
Contributions - Members	416,324	427,412	430,974
Net Investment Income	1,079,639	1,820,171	3,115,545
Benefit Payments, Including Refunds of Member Contributions	(1,595,484)	(1,696,065)	(1,958,572)
Administrative Expense	(81,217)	(71,463)	(61,553)
Net Change in Plan Fiduciary Net Position	1,619,262	2,654,055	3,884,394
Plan Net Position - Beginning	21,715,759	23,335,021	25,989,076
Plan Net Position - Ending	<u>\$ 23,335,021</u>	<u>25,989,076</u>	<u>29,873,470</u>
Employer's Net Pension Liability	<u>\$ 30,591,794</u>	<u>29,726,324</u>	<u>27,457,126</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	43.27%	46.65%	52.11%
Covered Payroll	\$ 4,092,955	4,279,402	4,429,181
Employer's Net Pension Liability as a Percentage of Covered Payroll	747.43%	694.64%	619.91%

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

CITY OF WEST CHICAGO, ILLINOIS

Police Pension Fund

Required Supplementary Information

Schedule of Investment Returns

December 31, 2017

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

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

CITY OF WEST CHICAGO, ILLINOIS

Other Post-Employment Benefit Plan

Required Supplementary Information

Schedule of Changes in the Employer's Total OPEB Liability

December 31, 2017

	2017
Total OPEB Liability	
Service Cost	\$ 99,027
Interest	220,826
Changes in Benefit Terms	-
Differences Between Expected and Actual Experience	-
Change of Assumptions or Other Inputs	-
Benefit Payments	(205,343)
Net Change in Total OPEB Liability	114,510
Total OPEB Liability - Beginning	6,517,955
Total OPEB Liability - Ending	6,632,465
Covered Payroll	\$ 6,941,151
Total OPEB Liability as a Percentage of Covered Payroll	95.55%

Notes:

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

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

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

Fiscal Year	HMO	PPO
2018	6.90%	7.70%
2019	6.69%	7.40%
2020	6.48%	7.10%
2021	6.27%	6.80%
2022	6.06%	6.50%
2023	5.84%	6.20%
2024	6.63%	5.90%
2025	5.42%	5.60%
2026	5.21%	5.30%
2027	5.00%	5.00%
Ultimate	5.00%	5.00%

In 2017, there was no change in the healthcare trend rates from the prior year.

CITY OF WEST CHICAGO, ILLINOIS

General Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual For the Fiscal Year Ended December 31, 2017

	Budget		Actual
	Original	Final	
Revenues			
Taxes	\$ 4,465,000	\$ 4,465,000	\$ 4,541,744
Intergovernmental	7,300,000	7,300,000	7,501,738
Charges for Services	2,127,500	2,127,500	2,136,075
Licenses and Permits	623,500	623,500	653,852
Fines and Forfeitures	855,000	855,000	832,420
Interest Income	3,000	3,000	9,756
Miscellaneous	535,000	535,000	537,926
Total Revenues	15,909,000	15,909,000	16,213,511
Expenditures			
General Government	8,118,000	8,821,100	7,294,807
Public Safety	10,329,500	10,329,500	10,003,049
Total Expenditures	18,447,500	19,150,600	17,297,856
Net Change in Fund Balance	<u>\$ (2,538,500)</u>	<u>\$ (3,241,600)</u>	(1,084,345)
Fund Balance - Beginning			<u>13,643,871</u>
Fund Balance - Ending			<u>\$ 12,559,526</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, 2017**

	Budget		Actual
	Original	Final	
Revenues			
Interest Income	\$ -	\$ -	\$ 1,324
Expenditures			
Capital Outlay			
Building and Grounds Improvement	100,000	400,000	385,578
Net Change in Fund Balance	<u>\$ (100,000)</u>	<u>\$ (400,000)</u>	(384,254)
Fund Balance - Beginning			<u>1,325,281</u>
Fund Balance - Ending			<u>\$ 941,027</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, 2017**

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ 950,000	\$ 950,000	\$ 969,993
Interest Income	500	500	653
Miscellaneous	5,300	5,300	12,763
Total Revenues	955,800	955,800	983,409
Expenditures			
General Government	1,508,600	1,583,600	1,278,755
Debt Service			
Interest and Fiscal Charges	1,500	1,500	407
Total Expenditures	1,510,100	1,585,100	1,279,162
Net Change in Fund Balance	<u>\$ (554,300)</u>	<u>\$ (629,300)</u>	(295,753)
Fund Balance - Beginning			<u>790,227</u>
Fund Balance - Ending			<u>\$ 494,474</u>

OTHER SUPPLEMENTARY INFORMATION

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

Such statements and schedules include:

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

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

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.

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.

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

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.

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.

CITY OF WEST CHICAGO, ILLINOIS

General Fund

Schedule of Revenues - Budget and Actual For the Fiscal Year Ended December 31, 2017

	Budget		Actual
	Original	Final	
Taxes			
Property Taxes	\$ 3,430,000	\$ 3,430,000	\$ 3,505,114
Telecommunications Tax	775,000	775,000	759,135
Amusement Tax	100,000	100,000	103,978
Personal Property Replacement Tax	160,000	160,000	173,517
	4,465,000	4,465,000	4,541,744
Intergovernmental			
Sales Tax	3,300,000	3,300,000	3,604,875
Income Tax	2,700,000	2,700,000	2,487,827
MFT Allotments	700,000	700,000	704,074
Use Tax	600,000	600,000	701,142
Grants	-	-	3,820
	7,300,000	7,300,000	7,501,738
Charges for Services			
Weed Cutting Fees	2,500	2,500	685
Brush Collection Fees	75,000	75,000	76,571
Police Counter Service	10,000	10,000	-
Police Contractual Services	330,000	330,000	369,866
Change of Occupancy Fees	65,000	65,000	75,801
Rental Inspections	170,000	170,000	201,812
Business Registration	25,000	25,000	23,789
Police Towing	50,000	50,000	29,275
Plan Review Fees	20,000	20,000	10,150
Engineering Fees	250,000	250,000	208,802
Transfer Station Fees	675,000	675,000	626,144
Cable Franchise Fee	275,000	275,000	277,508
Property Rental	180,000	180,000	201,045
Tower Rental Fees	-	-	34,627
	2,127,500	2,127,500	2,136,075

CITY OF WEST CHICAGO, ILLINOIS**General Fund****Schedule of Revenues - Budget and Actual - Continued
For the Fiscal Year Ended December 31, 2017**

	Budget		Actual
	Original	Final	
Licenses and Permits			
Building Permits	\$ 400,000	\$ 400,000	\$ 415,824
Building Contractors Licenses	37,000	37,000	47,770
Oversize Truck Permits	20,000	20,000	25,710
Liquor Licenses	100,000	100,000	91,800
Vending Machine/Business Licenses	65,000	65,000	71,790
Other Licenses and Permits	1,500	1,500	958
	<u>623,500</u>	<u>623,500</u>	<u>653,852</u>
Fines and Forfeits			
Circuit Court Fines	375,000	375,000	336,695
Local Fines	480,000	480,000	399,537
Seizures	-	-	96,188
	<u>855,000</u>	<u>855,000</u>	<u>832,420</u>
Interest			
Interest Income	<u>3,000</u>	<u>3,000</u>	<u>9,756</u>
Miscellaneous			
Cemetery Lot Sales	40,000	40,000	36,005
Other Reimbursements	50,000	50,000	118,501
Health Insurance Reimbursements	145,000	145,000	165,871
IPBC and IRMA Revenue	200,000	200,000	106,659
Other Miscellaneous	100,000	100,000	110,890
	<u>535,000</u>	<u>535,000</u>	<u>537,926</u>
Total Revenues	<u>\$ 15,909,000</u>	<u>\$ 15,909,000</u>	<u>\$ 16,213,511</u>

CITY OF WEST CHICAGO, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual For the Fiscal Year Ended December 31, 2017

	Budget		Actual
	Original	Final	
General Government			
Legislative	\$ 176,200	\$ 236,800	\$ 129,745
Administration	575,600	1,100,600	457,631
Administrative Services	2,967,100	2,975,900	2,654,687
Public Works	3,144,300	3,178,000	2,844,931
Community Development	1,254,800	1,329,800	1,207,813
	<u>8,118,000</u>	<u>8,821,100</u>	<u>7,294,807</u>
Public Safety			
Police Department	<u>10,329,500</u>	<u>10,329,500</u>	<u>10,003,049</u>
Total Expenditures	<u>\$ 18,447,500</u>	<u>\$ 19,150,600</u>	<u>\$ 17,297,856</u>

CITY OF WEST CHICAGO, ILLINOIS

General Fund

Schedule of Detailed Expenditures - Budget and Actual For the Fiscal Year Ended December 31, 2017

	Budget		Actual
	Original	Final	
General Government			
Legislative			
Personal Services			
Salary of Aldermen	\$ 33,600	\$ 33,600	\$ 23,983
Salary of Mayor	15,000	15,000	14,375
Salary of Corporate Counsel	3,000	3,000	2,875
Salary of City Clerk	4,500	4,500	4,313
Salary of Deputy City Clerk	400	400	-
FICA and Medicare	4,100	4,100	3,265
Contractual Services			
Legal Fees	41,400	72,000	28,194
Consultants	1,000	1,000	-
Training and Tuition	3,000	3,000	101
Memberships/Dues/Subscriptions	45,000	45,000	31,146
Legal Notices	1,500	1,500	853
Printing and Binding	10,000	10,000	5,986
Legal Reporter Fees	500	500	907
Commodities			
Computer and Office Supplies	500	500	1,181
Postage	200	200	307
Miscellaneous Commodities	2,000	2,000	1,697
Grant Distribution	10,000	40,000	10,000
Other Charges	500	500	562
Total Legislative	176,200	236,800	129,745

CITY OF WEST CHICAGO, ILLINOIS

General Fund

Schedule of Detailed Expenditures - Budget and Actual - Continued For the Fiscal Year Ended December 31, 2017

	Budget		Actual
	Original	Final	
General Government - Continued			
Administration			
Personal Services			
Administrative Salaries	\$ 218,400	\$ 218,400	\$ 188,676
FICA and Medicare	16,800	16,800	11,856
ICMA	9,000	9,000	9,005
IMRF	27,700	27,700	23,896
Contractual Services			
Legal Fees	5,500	5,500	-
Newsletter Preparation	20,000	20,000	14,669
Training and Tuition	7,000	7,000	2,680
Memberships/Dues/Subscriptions	4,500	4,500	3,069
Software Maintenance	2,000	2,000	-
Telephone and Alarms	21,000	21,000	37,705
Electric	1,000	1,000	900
Printing and Binding	5,000	5,000	-
Advertising	50,000	50,000	11,042
Other Contractual Services	155,000	630,000	101,449
IRMA General Insurance	3,900	3,900	3,795
Commodities			
Sales Tax Rebate	-	50,000	27,195
Computer and Office Supplies	1,700	1,700	953
Gallery 200	6,000	6,000	6,000
Arts Programming Supplies	17,500	17,500	13,531
Special Events	500	500	-
Gas and Oil	2,000	2,000	1,058
Postage	100	100	-
Other Charges	1,000	1,000	152
Total Administration	575,600	1,100,600	457,631

CITY OF WEST CHICAGO, ILLINOIS

General Fund

Schedule of Detailed Expenditures - Budget and Actual - Continued For the Fiscal Year Ended December 31, 2017

	Budget		Actual
	Original	Final	
General Government - Continued			
Administrative Services			
Personal Services			
Administrative Salaries	\$ 458,900	\$ 458,900	\$ 458,382
Administrative Salaries - Overtime	300	300	-
FICA and Medicare	35,400	35,400	32,890
ICMA	6,700	6,700	6,376
Health/Dental/Life Insurance	1,605,800	1,605,800	1,602,071
IMRF	58,400	58,400	58,030
Contractual Services			
Legal Fees	39,500	39,500	63,980
Audit Fees	17,700	17,700	15,960
Consultants	3,800	3,800	1,133
Network Charges	13,200	13,200	13,514
Pre-employment Exams	20,100	20,100	5,065
Training and Tuition	12,500	12,500	1,878
Memberships/Dues/Subscriptions	3,400	3,400	2,579
Software Maintenance	124,800	124,800	82,839
Telephone and Alarms	30,000	30,000	22,270
Advertising	1,200	1,200	1,547
Other Contractual Services	84,200	84,200	38,936
IRMA General Insurance	3,900	3,900	3,795
Office Equipment Maintenance and Repair	29,900	29,900	17,414
Postage Meter Rental	1,800	1,800	1,465
Copier Fees	6,000	6,000	1,618
Commodities			
Computer and Office Supplies	16,300	16,300	12,592
Gas and Oil	100	100	57
Postage	6,300	6,300	4,446
Miscellaneous Commodities	600	600	489
Safety Program	5,200	5,200	4,346
Special Events	6,000	6,000	5,484
Bank Fees	8,000	16,800	12,068
Other Charges	200	200	80

CITY OF WEST CHICAGO, ILLINOIS

General Fund

Schedule of Detailed Expenditures - Budget and Actual - Continued For the Fiscal Year Ended December 31, 2017

	Budget		Actual
	Original	Final	
General Government - Continued			
Administrative Services - Continued			
Capital Outlay			
Other Capital Outlay	\$ 243,800	\$ 243,800	\$ 129,105
MIS Replacement	123,100	123,100	54,278
Total Administrative Services	2,967,100	2,975,900	2,654,687
Public Works			
Personal Services			
Administrative Salaries	163,500	163,500	149,486
Operating Salaries	572,500	572,500	526,198
Administrative Salaries - Overtime	55,500	55,500	27,246
FICA and Medicare	60,800	60,800	53,319
Unemployment Insurance	-	-	-
IMRF	100,500	100,500	89,016
Contractual Services			
Legal Fees	1,000	1,000	11,134
Legal Notices	100	100	-
Pre-employment Exams	800	800	485
Training and Tuition	3,300	3,300	3,873
Memberships/Dues/Subscriptions	1,100	1,100	1,483
Telephone and Alarms	34,500	34,500	45,794
Interments Program	25,000	25,000	16,625
Brush Pickup	64,700	64,700	64,645
Grounds Maintenance	54,600	54,600	44,421
Cemetery Maintenance	7,200	7,200	7,200
Janitor Contract	45,900	45,900	45,827
Heating Gas	11,000	11,000	4,721
Electric	134,000	134,000	150,001
Refuse Disposal	30,000	30,000	25,142
Other Contractual Services	85,000	85,800	39,199
Traffic Signal Maintenance	25,000	25,000	52,975
Street Light Maintenance	-	30,000	24,521

CITY OF WEST CHICAGO, ILLINOIS

General Fund

Schedule of Detailed Expenditures - Budget and Actual - Continued
For the Fiscal Year Ended December 31, 2017

	Budget		Actual
	Original	Final	
General Government - Continued			
Public Works - Continued			
Contractual Services - Continued			
IRMA General Insurance	\$ 54,500	\$ 54,500	\$ 53,185
Other Insurance	11,000	11,000	10,451
Payment to Taxing Bodies	200,000	200,000	170,744
Vehicle Maintenance and Repair	40,000	40,000	47,099
Commodities			
Computer and Office Supplies	4,500	4,500	2,576
Parts for Vehicles	140,000	140,000	161,891
Tools and Equipment	69,500	69,500	30,230
Gas and Oil	56,000	56,000	47,133
Materials	21,000	21,000	20,695
Street Patch Materials	1,000	1,000	1,294
Street Paint	2,000	2,000	1,998
Ice Control Materials	20,000	20,000	8,411
Parts - Mains	5,000	5,000	3,293
Rock Salt	255,800	255,800	110,092
BIT Patch - Cold	8,000	8,000	5,965
BIT Patch - Hot	45,000	45,000	39,976
Postage	100	100	-
Uniforms and Safety Equipment	10,700	13,600	13,853
Miscellaneous	74,100	74,100	82,634
Capital Outlay			
Vehicles	400,100	400,100	400,100
Street Improvements	250,000	250,000	250,000
Total Public Works	3,144,300	3,178,000	2,844,931

CITY OF WEST CHICAGO, ILLINOIS

General Fund

Schedule of Detailed Expenditures - Budget and Actual - Continued For the Fiscal Year Ended December 31, 2017

	Budget		Actual
	Original	Final	
General Government - Continued			
Community Development			
Personal Services			
Commissions Salary	\$ 2,000	\$ 2,000	\$ 463
Administrative Salaries	429,800	429,800	363,781
FICA and Medicare	33,200	33,200	27,064
IMRF	57,900	57,900	46,070
Contractual Services			
Legal Fees	49,000	49,000	49,633
Training and Tuition	9,000	9,000	1,247
Memberships/Dues/Subscriptions	4,000	4,000	2,170
Enforcement & Inspections	345,000	345,000	332,220
Plan Review	100,000	100,000	100,938
Software Maintenance	10,800	10,800	10,906
Legal Notices	5,200	5,200	4,712
Telephone and Alarms	37,000	37,000	56,762
Weed Cutting	10,000	10,000	6,860
Printing and Binding	3,500	3,500	1,526
Legal Reporter	5,000	5,000	4,479
Filing Fees	3,000	3,000	3,010
Microfiche Expenses	12,000	32,000	-
Other Contractual Services	45,000	45,000	65,495
IRMA General Insurance	5,400	5,400	5,070
Copier Fees	1,200	1,200	741
Commodities			
Computer and Office Supplies	5,500	20,500	20,998
Maps and Plats	500	500	1,030
Gas and Oil	3,000	3,000	1,155
Postage	1,300	1,300	11
Uniforms and Safety Equipment	300	300	-
Miscellaneous Commodities	1,000	1,000	-
Special Events	60,000	60,000	60,000
Prospect Development	7,500	7,500	1,629
Other Charges	3,000	3,000	-

CITY OF WEST CHICAGO, ILLINOIS

General Fund

Schedule of Detailed Expenditures - Budget and Actual - Continued For the Fiscal Year Ended December 31, 2017

	Budget		Actual
	Original	Final	
General Government - Continued			
Community Development - Continued			
Capital Outlay			
Office Equipment	\$ 2,000	\$ 42,000	\$ 37,143
Vehicles	2,700	2,700	2,700
Total Community Development	1,254,800	1,329,800	1,207,813
Total General Government	8,118,000	8,821,100	7,294,807
Public Safety			
Police Department			
Personal Services			
Administrative Salaries	767,300	767,300	724,358
Patrolman Salaries	3,480,700	3,480,700	3,309,798
Sergeants Salaries	696,900	696,900	706,484
CSO Salaries	172,000	172,000	166,535
Contract Services Salaries	15,000	15,000	9,277
Administrative Services - Overtime	500	500	-
Patrolman Salaries - Overtime	395,000	395,000	407,485
CSO - Overtime	3,900	3,900	5,830
FICA and Medicare	423,200	423,200	394,726
Police Pension	2,358,000	2,358,000	2,358,000
IMRF	61,100	61,100	54,751
Contractual Services			
Legal Fees	120,000	120,000	152,108
Training and Tuition	43,100	43,100	33,632
Officer Training and Mileage	3,000	3,000	1,600
Memberships/Dues/Subscriptions	14,800	14,800	9,971
Software Maintenance	97,700	97,700	24,120
Telephone and Alarms	147,000	147,000	152,769
Printing and Binding	6,000	6,000	5,126
Grounds Maintenance	1,200	1,200	994
DuComm Quarterly Share	491,100	491,100	494,016
Other Contractual Services	56,500	56,500	79,933
Graffiti Removal	13,500	13,500	7,679
Reception Support	133,200	133,200	131,073

CITY OF WEST CHICAGO, ILLINOIS

General Fund

Schedule of Detailed Expenditures - Budget and Actual - Continued
For the Fiscal Year Ended December 31, 2017

	Budget		Actual
	Original	Final	
Public Safety - Continued			
Police Department - Continued			
Contractual Services - Continued			
Crossing Guard - Contractual	\$ 38,000	\$ 38,000	\$ 35,913
IRMA General Insurance	207,000	207,000	202,610
Other Insurance	15,000	15,000	14,464
Radio/Radar Equipment Maint. and Repair	21,800	21,800	10,386
Office Equipment and Repair	8,100	8,100	8,374
Postage Meter Rental	1,000	1,000	958
Copier Fees	10,000	10,000	10,161
Commodities			
Computer and Office Supplies	6,600	6,600	2,876
Field Equipment	24,900	24,900	17,018
Gas and Oil	90,900	90,900	77,588
Postage	3,000	3,000	3,000
Uniform and Safety Equipment	63,000	63,000	46,522
Vehicle License Fees	1,000	1,000	606
First Aid Supplies	3,700	3,700	836
Ammunition and Firearms	35,300	35,300	35,751
Educational Programming	12,600	12,600	7,565
Cert Supplies	5,000	5,000	2,109
Miscellaneous Commodities	14,100	14,100	8,215
Tools and Equipment	500	500	140
Capital Outlay			
Vehicles	157,300	157,300	161,231
Other Capital Outlay	110,000	110,000	126,461
Total Public Safety	10,329,500	10,329,500	10,003,049
Total Expenditures	\$ 18,447,500	\$ 19,150,600	\$ 17,297,856

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, 2017

	Budget		Actual
	Original	Final	
General Government			
Personal Services			
Administrative Salaries	\$ 377,500	\$ 377,500	\$ 317,761
Operational Salaries	79,500	79,500	78,759
Administrative Salaries - Overtime	6,500	6,500	3,436
FICA and Medicare	35,500	35,500	30,001
ICMA	4,400	4,400	-
Health/Dental/Life Insurance	61,800	61,800	61,574
IMRF	58,800	58,800	50,617
Contractual Services			
Legal Fees	5,000	5,000	9,400
Memberships/Dues/Subscriptions	600	600	550
Legal Notices	1,000	1,000	-
Telephone and Alarms	6,500	6,500	8,160
Grounds Maintenance	15,000	15,000	12,937
Other Contractual Services	330,000	405,000	504,013
Payment to Taxing Bodies	93,000	93,000	81,043
Commodities			
Postage	500	500	-
Special Events	30,000	30,000	27,764
Prospect Development	2,000	2,000	-
Capital Outlay			
Building Grounds Improvement	300,000	300,000	6,847
Land	50,000	50,000	45,838
Façade Improvement	35,000	35,000	35,766
Streetscape Programs	6,000	6,000	4,289
Retail Grant Programs	10,000	10,000	-
	<u>1,508,600</u>	<u>1,583,600</u>	<u>1,278,755</u>
Debt Service			
Interest and Fiscal Charges	<u>1,500</u>	<u>1,500</u>	<u>407</u>
Total Expenditures	<u>\$ 1,510,100</u>	<u>\$ 1,585,100</u>	<u>\$ 1,279,162</u>

CITY OF WEST CHICAGO, ILLINOIS

Capital Improvement - Capital Projects Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual For the Fiscal Year Ended December 31, 2017

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Utility Taxes	\$ 2,100,000	\$ 2,100,000	\$ 1,909,065
Sales Taxes	1,520,000	1,520,000	1,872,832
Interest Income	2,000	2,000	581
Miscellaneous	803,800	803,800	6,260
Total Revenues	4,425,800	4,425,800	3,788,738
Expenditures			
Capital Outlay	5,461,700	6,049,800	2,910,511
Net Change in Fund Balance	<u>\$ (1,035,900)</u>	<u>\$ (1,624,000)</u>	878,227
Fund Balance - Beginning			<u>2,784,885</u>
Fund Balance - Ending			<u>\$ 3,663,112</u>

CITY OF WEST CHICAGO, ILLINOIS

Capital Improvement - Capital Projects Fund

Schedule of Expenditures - Budget and Actual For the Fiscal Year Ended December 31, 2017

	Budget		Actual
	Original	Final	
Capital Outlay			
Administrative Salaries	\$ 108,500	\$ 108,500	\$ 109,237
Operational Salaries	168,400	168,400	168,982
Administrative Salaries - Overtime	10,000	10,000	7,600
FICA and Medicare	35,000	35,000	21,148
Health/Dental/Life Insurance	37,100	37,100	36,944
IMRF	36,400	36,400	36,195
Legal Fees	-	-	19,652
Auditing Fees	4,000	4,000	3,780
Legal Notices	1,000	1,000	895
Other Contractual Services	1,010,300	1,020,300	1,042,070
IRMA General Insurance	5,200	5,200	5,063
Sales Tax Rebate	12,000	62,000	24,714
Building and Grounds Improvements	40,000	40,000	6,990
Street Improvements	2,831,000	2,909,100	544,877
Land	-	450,000	196,230
Other Capital Outlay	1,162,800	1,162,800	686,134
Total Expenditures	\$ 5,461,700	\$ 6,049,800	\$ 2,910,511

CITY OF WEST CHICAGO, ILLINOIS**Nonmajor Governmental Funds****Combining Balance Sheet
December 31, 2017**

	Special Revenue TIF Special Tax Allocation #2	Capital Projects Capital Equipment Replacement	Totals
ASSETS			
Cash and Investments	\$ 158,177	\$ 1,630,062	\$ 1,788,239
Receivables - Net of Allowances			
Property Taxes	14,863	-	14,863
Total Assets	173,040	1,630,062	1,803,102
LIABILITIES			
Accounts Payable	-	183,048	183,048
DEFERRED INFLOWS OF RESOURCES			
Property Taxes	14,864	-	14,864
Total Liabilities and Deferred Inflows of Resources	14,864	183,048	197,912
FUND BALANCES			
Restricted	158,176	-	158,176
Assigned	-	1,447,014	1,447,014
Total Fund Balances	158,176	1,447,014	1,605,190
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 173,040	\$ 1,630,062	\$ 1,803,102

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, 2017

	Special Revenue TIF Special Tax Allocation #2	Capital Projects Capital Equipment Replacement	Totals
Revenues			
Taxes	\$ 14,515	\$ -	\$ 14,515
Charges for Services	-	851,100	851,100
Interest Income	-	957	957
Miscellaneous	-	4,006	4,006
Total Revenues	14,515	856,063	870,578
Expenditures			
General Government	18,000	-	18,000
Capital Outlay	-	880,343	880,343
	18,000	880,343	898,343
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,485)	(24,280)	(27,765)
Other Financing Sources (Uses)			
Disposal of Capital Assets	-	64,663	64,663
Net Change in Fund Balances	(3,485)	40,383	36,898
Fund Balances - Beginning	161,661	1,406,631	1,568,292
Fund Balances - Ending	\$ 158,176	\$ 1,447,014	\$ 1,605,190

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, 2017**

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ 12,500	\$ 12,500	\$ 14,515
Expenditures			
General Government			
Prospect Development	30,000	30,000	18,000
Net Change in Fund Balance	<u>\$ (17,500)</u>	<u>\$ (17,500)</u>	(3,485)
Fund Balance - Beginning			<u>161,661</u>
Fund Balance - Ending			<u>\$ 158,176</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, 2017**

	Budget		Actual
	Original	Final	
Revenues			
Charges for Services	\$ 842,400	\$ 842,400	\$ 851,100
Interest Income	400	400	957
Miscellaneous	-	-	4,006
Total Revenues	842,800	842,800	856,063
Expenditures			
Capital Outlay			
Vehicles	1,498,400	1,893,400	880,343
Excess (Deficiency) of Revenues Over (Under) Expenditures	(655,600)	(1,050,600)	(24,280)
Other Financing Sources			
Disposal of Capital Assets	-	-	64,663
Net Change in Fund Balance	<u>\$ (655,600)</u>	<u>\$ (1,050,600)</u>	40,383
Fund Balance - Beginning			<u>1,406,631</u>
Fund Balance - Ending			<u>\$ 1,447,014</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, 2017

	Budget		Actual
	Original	Final	
Operating Revenues			
Charges for Services			
Water Service	\$ 4,500,000	\$ 4,500,000	\$ 4,399,356
Operating Expenses			
Operations			
Water Distribution	2,870,900	2,881,600	2,650,596
Water Treatment Plant	2,174,900	2,204,500	1,575,175
Depreciation	-	-	1,860,377
Total Operating Expenses	5,045,800	5,086,100	6,086,148
Operating Income (Loss)	(545,800)	(586,100)	(1,686,792)
Nonoperating Revenues (Expenses)			
Connection Fees	23,500	23,500	24,463
Interest Income	1,000	1,000	3,803
Other Income	91,000	91,000	80,592
Interest Expense	(127,000)	(127,000)	(121,938)
	(11,500)	(11,500)	(13,080)
Income (Loss) before Contributions	(557,300)	(597,600)	(1,699,872)
Capital Contributions	-	-	645,461
Change in Net Position	\$ (557,300)	\$ (597,600)	(1,054,411)
Net Position - Beginning			78,327,535
Net Position - Ending			\$ 77,273,124

CITY OF WEST CHICAGO, ILLINOIS

Waterworks - Enterprise Fund

Schedule of Operating Expenses - Budget and Actual For the Fiscal Year Ended December 31, 2017

	Budget		Actual
	Original	Final	
Water Distribution			
Personal Services			
Administrative Salaries	\$ 570,400	\$ 570,400	\$ 550,417
Operational Salaries	479,300	479,300	438,818
Administrative Salaries - Overtime	30,000	30,000	24,608
FICA and Medicare	82,600	82,600	74,075
ICMA	4,300	4,300	6,415
Health/Dental/Life Insurance	383,000	383,000	381,790
IMRF	136,800	136,800	207,574
Contractual Services			
Legal Fees	15,000	15,000	59,597
Auditing Fees	14,600	14,600	13,440
JULIE System	2,500	2,500	2,118
Consultants	2,000	2,000	1,133
Pre-employment Exams	600	600	40
Training and Tuition	1,000	1,000	1,079
Memberships/Dues/Subscriptions	1,000	1,000	216
Software Maintenance	10,000	10,000	10,604
Legal Notices	1,000	1,000	345
Telephone and Alarms	35,000	35,000	55,604
Heating and Gas	3,000	3,000	2,436
Electric	325,000	325,000	319,128
Lab Results	8,500	8,500	6,969
Refuse Disposal	1,000	1,000	-
Printing and Binding	2,000	2,000	2,130
Grounds Maintenance	7,700	7,700	6,646
Other Contractual Services	200,000	200,000	46,960
IRMA General Insurance	98,400	98,400	96,235
Vehicle Maintenance and Repair	1,000	1,000	2,160
Building Maintenance and Repair	1,000	1,000	40
Distribution System Maintenance and Repair	100,000	100,000	21,674
Pump Station Maintenance and Repair	432,000	648,700	549,366
Reservoir Maintenance and Repair	500	500	-
Office Equipment Maintenance and Repair	2,500	2,500	897
Postage Meter Rental	1,400	1,400	1,465
Copier Rental	3,000	3,000	567

CITY OF WEST CHICAGO, ILLINOIS

Waterworks - Enterprise Fund

Schedule of Operating Expenses - Budget and Actual - Continued For the Fiscal Year Ended December 31, 2017

	Budget		Actual
	Original	Final	
Water Distribution - Continued			
Commodities			
Computer and Office Supplies	\$ 6,000	\$ 6,000	\$ 6,390
Parts for Vehicles	5,000	5,000	5,110
Tools and Equipment	38,500	38,500	10,334
Gas and Oil	20,000	20,000	14,076
Postage	5,000	5,000	4,125
Uniforms and Safety Equipment	8,200	10,100	10,187
Parts and Equipment - Wells	13,000	13,000	12,135
Parts and Equipment - Distribution	50,000	50,000	35,554
Parts and Equipment - Pump Station	10,000	10,000	4,367
Lab Supplies	500	500	80
Water Meters	10,000	10,000	16,224
Miscellaneous Commodities	6,000	6,000	4,277
Bank Fees	8,000	16,800	15,286
Capital Outlay			
Vehicles	141,600	141,600	141,600
Other Capital Outlay	1,427,200	1,872,200	478,015
MIS Replacement	25,000	25,000	-
	4,730,100	5,402,500	3,642,306
Less Nonoperating Items			
Capital Assets Capitalized	(1,859,200)	(2,520,900)	(991,710)
Total Water Distribution	2,870,900	2,881,600	2,650,596
Water Treatment Plant			
Personal Services			
Administrative Salaries	186,000	186,000	176,074
Operational Salaries	468,300	468,300	454,610
Administrative Salaries - Overtime	60,000	60,000	66,975
FICA and Medicare	54,700	54,700	53,360
IMRF	90,600	90,600	88,835
Contractual Services			
Training and Tuition	1,000	1,000	760
Memberships/Dues/Subscriptions	500	500	969
Telephone and Alarms	20,000	20,000	51,312
Heating and Gas	5,000	5,000	3,473
Electric	150,000	150,000	168,125

CITY OF WEST CHICAGO, ILLINOIS

Waterworks - Enterprise Fund

Schedule of Operating Expenses - Budget and Actual - Continued
For the Fiscal Year Ended December 31, 2017

	Budget		Actual
	Original	Final	
Water Treatment Plant - Continued			
Contractual Services - Continued			
Lab Results	\$ 2,000	\$ 2,000	\$ -
Refuse Disposal	600,000	600,000	-
Grounds Maintenance	30,900	30,900	9,813
Janitorial Service	24,200	24,200	24,120
Other Contractual Services	19,000	22,000	19,471
IRMA General Insurance	36,300	36,300	35,460
Building Maintenance and Repair	10,000	10,000	3,866
WTP Operations Repair	20,000	20,000	11,161
Copier Rental	8,000	8,000	4,093
Equipment Rental	3,000	3,000	3,540
Commodities			
Computer and Office Supplies	2,000	2,000	879
Parts for Vehicles	200	200	2,750
Tools and Equipment	3,000	3,000	962
Gas and Oil	1,000	1,000	-
Uniforms and Safety Equipment	3,700	5,300	4,997
Parts for Building Repairs	3,000	3,000	8,068
Lab Supplies	15,000	15,000	16,137
Chemicals	350,000	350,000	349,328
Parts for WTP Operations	6,000	31,000	9,942
Miscellaneous Commodities	1,500	1,500	1,695
Capital Outlay			
Vehicles	4,400	4,400	4,400
Other Capital Outlay	85,000	85,000	21,777
	2,264,300	2,293,900	1,596,952
Less Nonoperating Items			
Capital Assets Capitalized	(89,400)	(89,400)	(21,777)
	2,174,900	2,204,500	1,575,175
Total Operating Expenses	\$ 5,045,800	\$ 5,086,100	\$ 4,225,771

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, 2017

	Budget		Actual
	Original	Final	
Operating Revenues			
Charges for Services			
Sewer Service	\$ 5,300,000	\$ 5,300,000	\$ 6,185,663
Operating Expenses			
Operations			
Wastewater Treatment	2,977,600	3,002,600	2,905,788
Sanitary Sewer Collection	3,345,000	3,550,800	2,414,527
Special Service Area #2	13,800	13,800	12,723
Depreciation	-	-	728,738
Total Operating Expenses	6,336,400	6,567,200	6,061,776
Operating Income (Loss)	(1,036,400)	(1,267,200)	123,887
Nonoperating Revenues			
Connection Fees	25,000	25,000	32,600
Property Taxes	9,000	9,000	8,907
Interest Income	1,000	1,000	3,075
Other Income	33,000	33,000	290,706
	68,000	68,000	335,288
Change in Net Position	\$ (968,400)	\$ (1,199,200)	459,175
Net Position - Beginning			26,954,760
Net Position - Ending			\$ 27,413,935

CITY OF WEST CHICAGO, ILLINOIS

Sewerage - Enterprise Fund

**Schedule of Operating Expenses - Budget and Actual
For the Fiscal Year Ended December 31, 2017**

	Budget		Actual
	Original	Final	
Wastewater Treatment			
Personal Services			
Administrative Services	\$ 28,200	\$ 28,200	\$ 27,688
Administrative Salaries - Overtime	100	100	5
FICA and Medicare	2,200	2,200	1,784
IMRF	3,600	3,600	3,507
Contractual Services			
Legal Fees	-	-	3,240
Auditing Fees	4,200	4,200	3,780
Memberships/Dues/Subscriptions	93,900	93,900	93,838
Printing and Binding	200	200	303
Grounds Maintenance	8,100	8,100	11,397
Other Contractual Services	2,795,700	2,820,700	2,719,726
IRMA General Insurance	41,400	41,400	40,520
Total Wastewater Treatment	2,977,600	3,002,600	2,905,788
Sanitary Sewer Collection			
Personal Services			
Administrative Salaries	592,900	592,900	573,134
Operational Salaries	627,700	627,700	555,803
Administrative Salaries - Overtime	40,000	40,000	24,620
FICA and Medicare	96,500	96,500	85,293
ICMA	4,300	4,300	6,415
Health/Dental/Life Insurance	383,000	383,000	381,790
IMRF	159,800	159,800	211,840
Contractual Services			
Legal Fees	15,000	15,000	41,224
Auditing Fees	4,200	4,200	3,780
JULIE System	2,300	2,300	2,118
Consultants	2,000	2,000	1,133
Training and Tuition	500	500	60
Software Maintenance	12,000	12,000	11,473
Telephone and Alarms	25,000	25,000	42,054
Heating Gas	6,500	6,500	6,329
Electric	50,000	50,000	43,732
Grounds Maintenance	3,800	3,800	3,287

CITY OF WEST CHICAGO, ILLINOIS

Sewerage - Enterprise Fund

Schedule of Operating Expenses - Budget and Actual - Continued
For the Fiscal Year Ended December 31, 2017

	Budget		Actual
	Original	Final	
Sanitary Sewer Collection - Continued			
Contractual Services - Continued			
Other Contractual Services	\$ 160,000	\$ 160,000	\$ 83,531
IRMA General Insurance	62,100	62,100	60,785
Vehicle Maintenance and Repair	10,000	10,000	182
Lift Station Maintenance and Repair	80,000	80,000	21,193
Sewer Main Maintenance and Repair	875,000	1,072,000	22,897
Postage Meter Rental	1,400	1,400	1,465
Commodities			
Copier and Rental	2,500	2,500	567
Computer and Office Supplies	5,000	5,000	5,909
Parts for Vehicles	15,000	15,000	22,355
Tools and Equipment	45,000	45,000	7,914
Gas and Oil	15,000	15,000	11,325
Postage	3,000	3,000	1,748
Chemicals	1,500	1,500	1,495
Parts for Lift Stations	25,000	25,000	8,389
Material for Trench Backfill	5,000	5,000	914
Parts for Mains	3,000	3,000	1,150
Miscellaneous Commodities	6,000	6,000	8,337
Bank Fees	5,000	13,800	15,286
Capital Outlay			
Vehicles	145,000	145,000	145,000
Other Capital Outlay	863,600	897,800	197,504
	4,353,600	4,593,600	2,612,031
Less Nonoperating Items			
Capital Assets Capitalized	(1,008,600)	(1,042,800)	(197,504)
Total Sanitary Sewer Collection	3,345,000	3,550,800	2,414,527
Treatment Plant Equipment Replacement			
Capital Outlay			
Other Contractual Services	225,200	229,300	75,413
Other Capital Outlay	2,542,200	2,671,200	1,496,831
	2,767,400	2,900,500	1,572,244
Less Nonoperating Items			
Capital Assets Capitalized	(2,767,400)	(2,900,500)	(1,572,244)
Total Treatment Plant Equipment Replacement	-	-	-

CITY OF WEST CHICAGO, ILLINOIS

Sewerage - Enterprise Fund

Schedule of Operating Expenses - Budget and Actual - Continued
For the Fiscal Year Ended December 31, 2017

	Budget		Actual
	Original	Final	
Special Service Area #2			
Operating and Maintenance			
Personal Service			
Operational Salaries	\$ 5,100	\$ 5,100	\$ 5,088
Administrative Salaries - Overtime	200	200	8
FICA and Medicare	500	500	392
IMRF	700	700	645
Commodities			
Electric	5,000	5,000	4,538
Grounds Maintenance	2,300	2,300	2,052
Total Operating and Maintenance	13,800	13,800	12,723
Total Operating Expenses	\$ 6,336,400	\$ 6,567,200	\$ 5,333,038

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, 2017**

	Budget		Actual
	Original	Final	
Operating Revenues			
Charges for Services			
Parking Fees	\$ 75,500	\$ 75,500	\$ 82,415
Licenses and Permits			
Parking Permits	60,000	60,000	59,573
Total Operating Revenues	135,500	135,500	141,988
Operating Expenses			
Operations	186,500	196,400	86,228
Depreciation	-	-	26,847
Total Operating Expenses	186,500	196,400	113,075
Operating Income (Loss)	(51,000)	(60,900)	28,913
Nonoperating Revenues			
Other Income	-	-	179
Change in Net Position	<u>\$ (51,000)</u>	<u>\$ (60,900)</u>	29,092
Net Position - Beginning			<u>532,875</u>
Net Position - Ending			<u><u>\$ 561,967</u></u>

CITY OF WEST CHICAGO, ILLINOIS

Commuter Parking - Enterprise Fund

Schedule of Operating Expenses - Budget and Actual For the Fiscal Year Ended December 31, 2017

	Budget		Actual
	Original	Final	
Operations			
Personal Services			
Administrative Salaries	\$ 7,200	\$ 7,200	\$ 7,494
Operational Salaries	11,700	11,700	11,089
Administrative Salaries Overtime	1,000	1,000	453
FICA and Medicare	1,600	1,600	1,455
IMRF	2,600	2,600	3,888
Contractual Services			
Auditing Fees	1,500	1,500	1,260
Telephone and Alarms	2,000	2,000	3,535
Electric	20,000	20,000	20,050
Printing and Binding	900	900	368
Grounds Maintenance	5,400	5,400	4,760
Janitorial Services	3,600	3,600	3,540
Contractual Services	25,000	28,900	15,730
Commodities			
Postage	1,000	1,000	874
Miscellaneous Commodities	3,000	3,000	3,676
Bank Fees	-	6,000	5,746
Capital Outlay			
Building and Ground Improvements	100,000	100,000	-
Other Capital Outlay	70,600	73,000	55,760
	257,100	269,400	139,678
Less Nonoperating Items			
Capital Assets Capitalized	(70,600)	(73,000)	(53,450)
Total Operations	\$ 186,500	\$ 196,400	\$ 86,228

SUPPLEMENTAL SCHEDULE

CITY OF WEST CHICAGO, ILLINOIS

Long-Term Debt Requirements

IEPA Waterworks Revolving Loan

December 31, 2017

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	
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>\$ 4,502,105</u>	<u>\$ 445,887</u>	<u>\$ 4,947,992</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, 2017 (Unaudited)

	Eight Months Ended 12/31/2008	Fiscal Year Ended 12/31/2009	Fiscal Year Ended 12/31/2010	Fiscal Year Ended 12/31/2011
Governmental Activities				
Net Investment in Capital Assets	\$ 77,409,060	\$ 79,007,408	\$ 88,164,059	\$ 89,692,289
Restricted	1,264,241	479,320	-	1,708,723
Unrestricted	19,850,570	22,492,259	18,130,222	16,795,258
Total Governmental Activities Net Position	98,523,871	101,978,987	106,294,281	108,196,270
Business-Type Activities				
Net Investment in Capital Assets	36,528,712	35,884,266	36,356,211	52,523,108
Restricted	3,806,146	3,833,998	4,715,215	4,435,213
Unrestricted	21,276,997	20,588,763	19,199,292	4,383,915
Total Business-Type Activities Net Position	61,611,855	60,307,027	60,270,718	61,342,236
Primary Government				
Net Investment in Capital Assets	113,937,772	114,891,674	124,520,270	142,215,397
Restricted	5,070,387	4,313,318	4,715,215	6,143,936
Unrestricted	41,127,567	43,081,022	37,329,514	21,179,173
Total Primary Government Net Position	\$ 160,135,726	\$ 162,286,014	\$ 166,564,999	\$ 169,538,506

Data Source: City Records

Fiscal Year Ended 12/31/2012	Fiscal Year Ended 12/31/2013	Fiscal Year Ended 12/31/2014	Fiscal Year Ended 12/31/2015	Fiscal Year Ended 12/31/2016	Fiscal Year Ended 12/31/2017
\$ 88,988,913	\$ 87,923,548	\$ 55,050,037	\$ 55,619,533	\$ 54,867,141	\$ 49,943,090
2,340,095	2,335,435	3,218,725	3,305,503	2,636,828	2,216,378
12,681,105	13,063,574	12,673,884	(9,065,624)	(10,545,812)	(12,294,029)
104,010,113	103,322,557	70,942,646	49,859,412	46,958,157	39,865,439
53,326,830	56,991,020	102,204,573	103,770,812	104,429,071	105,803,874
3,614,442	760,002	1,040,810	1,088,552	2,409	-
3,913,218	3,062,891	3,785,237	2,453,473	1,383,690	(554,848)
60,854,490	60,813,913	107,030,620	107,312,837	105,815,170	105,249,026
142,315,743	144,914,568	157,254,610	159,390,345	159,296,212	155,746,964
5,954,537	3,095,437	4,259,535	4,394,055	2,639,237	2,216,378
16,594,323	16,126,465	16,459,121	(6,612,151)	(9,162,122)	(12,848,877)
\$ 164,864,603	\$ 164,136,470	\$ 177,973,266	\$ 157,172,249	\$ 152,773,327	\$ 145,114,465

CITY OF WEST CHICAGO, ILLINOIS

**Changes in Net Position - Last Ten Fiscal Years
December 31, 2017 (Unaudited)**

	Eight Months Ended 12/31/2008	Fiscal Year Ended 12/31/2009	Fiscal Year Ended 12/31/2010	Fiscal Year Ended 12/31/2011	Fiscal Year Ended 12/31/2012	Fiscal Year Ended 12/31/2013	Fiscal Year Ended 12/31/2014	Fiscal Year Ended 12/31/2015	Fiscal Year Ended 12/31/2016	Fiscal Year Ended 12/31/2017
Expenses										
Governmental Activities										
General Government	\$ 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	\$ 13,329,708
Highways and Streets	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	11,092,178
Public Safety	2,499,094	1,486,314	1,546,316	1,591,915	6,730,139	9,388,129	1,955,626	-	-	-
Culture and Recreation	251,723	376,103	135,309	193,879	83,232	-	12,592	-	-	-
Interest on Long-Term Debt	87,034	95,920	63,505	40,332	38,097	1,769	1,195	608	518	407
Total Governmental Activities	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	24,422,293
Business-Type Activities										
Waterworks	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	6,208,086
Sewerage	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	6,061,776
Commuter Parking	119,829	535,811	220,345	127,748	112,319	84,748	140,431	91,985	99,935	113,075
Total Business-Type Activities	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	12,382,937
Activities Net Position										
Total Primary Government Expenses	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	36,805,230
Program Revenues										
Governmental Activities										
Charges for Services	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	2,365,076
General Government	1,186,037	2,330,517	-	-	1,419,816	1,557,400	1,178,937	1,400,121	1,297,112	1,257,271
Highways and Streets	485,533	745,000	1,573,088	1,448,786	-	1,373,123	788,000	796,700	780,800	851,100
Public Safety	-	-	-	-	-	-	-	-	-	-
Culture and Recreation	272,902	145,148	395,843	78,140	181,074	150,805	51,746	19,280	15,150	3,820
Operating Grants/Contributions	536,437	714,671	4,832,786	792,266	819,317	806,014	930,849	688,950	716,433	704,074
Total Governmental Activities	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	5,181,341
Business-Type Activities										
Charges for Services	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	4,423,819
Waterworks	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	6,218,263
Sewerage	81,994	120,240	116,169	124,830	133,077	131,813	137,147	139,635	139,977	141,988
Commuter Parking	-	-	-	2,633,360	1,317,363	-	-	1,051,704	-	645,461
Capital Grants/Contributions	-	-	-	-	-	-	-	-	-	-
Total Business-Type Activities	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	11,429,531
Program Revenues										
Total Primary Government Program Revenues	\$ 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	\$ 16,610,872

	Eight Months Ended 12/31/2008	Fiscal Year Ended 12/31/2009	Fiscal Year Ended 12/31/2010	Fiscal Year Ended 12/31/2011	Fiscal Year Ended 12/31/2012	Fiscal Year Ended 12/31/2013	Fiscal Year Ended 12/31/2014	Fiscal Year Ended 12/31/2015	Fiscal Year Ended 12/31/2016	Fiscal Year Ended 12/31/2017
Net (Expenses) Revenues										
Governmental Activities	\$ (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)	\$ (19,240,952)
Business-Type Activities	(1,224,636)	(2,404,771)	(2,049,507)	(653,132)	(1,881,021)	(2,616,520)	(792,297)	(837,584)	(2,934,737)	(953,406)
Total Primary Government	(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)	(20,194,358)
Net Revenues (Expenses)										
General Revenues and Other Changes in Net Position										
Governmental Activities										
Taxes										
Property	4,451,083	4,479,930	4,691,781	4,701,295	4,711,890	4,534,973	4,492,371	4,436,897	4,448,829	4,489,622
Other	877,403	1,250,406	1,200,551	1,383,971	1,176,228	1,032,614	1,033,012	961,256	914,909	863,113
Intergovernmental										
Sales and Use	3,607,854	3,549,910	3,832,745	4,158,709	4,405,831	4,515,729	5,476,959	4,855,454	4,544,609	6,178,849
Income	1,654,932	2,181,609	2,112,444	2,117,490	2,379,976	2,580,764	2,593,317	2,882,037	2,636,660	2,487,827
Replacement	117,888	159,185	171,227	157,985	144,979	169,568	170,517	187,625	160,396	173,517
Utility	1,316,154	2,037,722	2,098,487	2,098,719	2,013,401	2,051,702	2,111,109	2,029,538	1,994,900	1,909,065
Interest Income	530,225	253,642	212,808	102,820	79,150	21,399	(7,465)	3,522	6,983	13,271
Miscellaneous	513,053	3,506,651	2,012,701	1,638,724	1,465,234	917,461	1,607,960	1,102,056	2,032,609	560,955
Transfers	-	487,100	-	-	-	-	-	-	-	-
Total Governmental	13,068,592	17,906,155	16,332,744	16,359,713	16,376,689	15,824,210	17,477,780	16,458,385	16,739,895	16,676,219
Activities										
Business-Type Activities										
Property	15,025	15,161	15,172	11,557	11,671	8,804	8,888	8,604	8,894	8,907
Sales and Use	-	948,148	1,023,267	1,131,916	1,103,876	1,071,655	1,153,993	1,201,919	1,185,841	-
Interest Income	425,385	205,893	137,988	121,733	6,878	6,142	4,654	1,175	2,660	6,878
Miscellaneous	223,394	417,841	836,771	459,444	270,850	1,489,342	544,194	266,782	239,675	371,477
Transfers	-	(487,100)	-	-	-	-	-	-	-	-
Total Business-Type	663,804	1,099,943	2,013,198	1,724,650	1,393,275	2,575,943	1,711,729	1,478,480	1,437,070	387,262
Activities										
Total Primary Government	13,732,396	19,006,098	18,345,942	18,084,363	17,769,964	18,400,153	19,189,509	17,936,865	18,176,965	17,063,481
Changes in Net Position										
Governmental Activities	3,545,255	3,455,116	4,315,294	1,901,989	(4,190,709)	(687,556)	(283,591)	(4,051,315)	(2,901,255)	(2,564,733)
Business-Type Activities	(560,832)	(1,304,828)	(36,309)	1,071,518	(487,746)	(40,577)	919,432	640,896	(1,497,667)	(566,144)
Total Primary Government	\$ 2,984,423	\$ 2,150,288	\$ 4,278,985	\$ 2,973,507	\$ (4,678,455)	\$ (728,133)	\$ 635,841	\$ (3,410,419)	\$ (4,398,922)	\$ (3,130,877)

Data Source: City Records

CITY OF WEST CHICAGO, ILLINOIS

Fund Balances of Governmental Funds - Last Ten Fiscal Years December 31, 2017 (Unaudited)

	Eight Months Ended 12/31/2008	Fiscal Year Ended 12/31/2009	Fiscal Year Ended 12/31/2010	Fiscal Year Ended 12/31/2011
General Fund				
Reserved	\$ 1,258,433	\$ 1,277,811	\$ 985,505	\$ -
Unreserved	10,789,860	12,278,094	11,659,744	-
Nonspendable	-	-	-	1,134,891
Restricted	-	-	-	-
Unassigned	-	-	-	12,616,731
Total General Fund	12,048,293	13,555,905	12,645,249	13,751,622
All Other Governmental Funds				
Reserved	2,347,877	1,516,583	986,267	-
Unreserved, Reported in:				
Special Revenues Funds	6,350,617	6,275,876	2,270,787	-
Capital Projects Funds	2,959,936	4,542,708	5,245,994	-
Nonspendable	-	-	-	938,215
Restricted	-	-	-	1,708,723
Assigned	-	-	-	5,318,609
Total All Other Governmental Funds	11,658,430	12,335,167	8,503,048	7,965,547
Total All Governmental Funds	\$ 23,706,723	\$ 25,891,072	\$ 21,148,297	\$ 21,717,169

Data Source: City Records

The City implemented GASB 54 in Fiscal Year 2011.

Fiscal Year Ended 12/31/2012	Fiscal Year Ended 12/31/2013	Fiscal Year Ended 12/31/2014	Fiscal Year Ended 12/31/2015	Fiscal Year Ended 12/31/2016	Fiscal Year Ended 12/31/2017
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
1,145,514	1,028,304	1,104,969	736,988	549,669	94,055
843,105	844,754	846,315	846,315	360,944	624,061
11,309,771	10,931,741	11,507,102	12,302,595	12,733,258	11,841,410
13,298,390	12,804,799	13,458,386	13,885,898	13,643,871	12,559,526
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
886,413	797,991	2,029	12,815	2,056	2,176
1,496,990	1,490,681	2,372,410	2,459,188	2,275,884	1,592,317
2,698,343	3,943,537	4,636,090	4,006,583	4,190,745	5,109,310
5,081,746	6,232,209	7,010,529	6,478,586	6,468,685	6,703,803
\$ 18,380,136	\$ 19,037,008	\$ 20,468,915	\$ 20,364,484	\$ 20,112,556	\$ 19,263,329

CITY OF WEST CHICAGO, ILLINOIS

General Governmental Revenues By Source - Last Ten Fiscal Years December 31, 2017 (Unaudited)

Source	Eight Months Ended 12/31/2008	Fiscal Year Ended 12/31/2009	Fiscal Year Ended 12/31/2010	Fiscal Year Ended 12/31/2011
Taxes	\$ 7,737,287	\$ 8,401,237	\$ 8,669,147	\$ 8,907,926
Intergovernmental	5,097,366	6,117,344	6,542,723	6,580,649
Charges for Services	2,179,039	2,558,780	1,891,127	2,124,010
Licenses and Permits	326,417	489,110	456,361	634,929
Fines and Forfeits	726,532	1,782,124	1,042,292	936,049
Interest Income	523,118	251,878	210,470	102,148
Miscellaneous	513,053	3,506,651	2,012,701	1,638,724
Total	<u>\$ 17,102,812</u>	<u>\$ 23,107,124</u>	<u>\$ 20,824,821</u>	<u>\$ 20,924,435</u>

Data Source: City Records

Fiscal Year Ended 12/31/2012	Fiscal Year Ended 12/31/2013	Fiscal Year Ended 12/31/2014	Fiscal Year Ended 12/31/2015	Fiscal Year Ended 12/31/2016	Fiscal Year Ended 12/31/2017
\$ 8,598,434	\$ 8,324,682	\$ 8,383,993	\$ 8,216,205	\$ 8,109,944	\$ 9,308,149
7,234,262	7,517,487	8,475,887	7,844,832	7,321,942	7,501,738
1,803,814	3,407,944	2,718,832	2,982,446	3,193,936	2,987,175
481,698	530,638	484,106	608,401	843,502	653,852
1,033,410	999,346	782,187	997,523	850,994	832,420
78,908	21,307	(7,465)	3,522	6,983	13,271
1,465,234	917,461	1,607,960	1,102,056	2,032,609	560,955
<u>\$ 20,695,760</u>	<u>\$ 21,718,865</u>	<u>\$ 22,445,500</u>	<u>\$ 21,754,985</u>	<u>\$ 22,359,910</u>	<u>\$ 21,857,560</u>

CITY OF WEST CHICAGO, ILLINOIS

General Governmental Expenditures By Function - Last Ten Fiscal Years December 31, 2017 (Unaudited)

Function	Eight Months Ended 12/31/2008	Fiscal Year Ended 12/31/2009	Fiscal Year Ended 12/31/2010	Fiscal Year Ended 12/31/2011
General Government	\$ 4,551,384	\$ 6,957,868	\$ 8,180,849	\$ 7,720,982
Public Safety	5,783,643	8,616,769	8,524,634	8,468,368
Highways and Streets	700,402	-	-	-
Culture and Recreation	248,277	372,382	131,438	189,894
Capital Outlay	3,455,854	5,141,045	7,818,703	3,935,987
Debt Service				
Principal	210,000	225,000	845,000	-
Interest and Fiscal Charges	108,533	96,811	66,972	40,332
Total	<u>\$ 15,058,093</u>	<u>\$ 21,409,875</u>	<u>\$ 25,567,596</u>	<u>\$ 20,355,563</u>

Data Source: City Records

Fiscal Year Ended 12/31/2012	Fiscal Year Ended 12/31/2013	Fiscal Year Ended 12/31/2014	Fiscal Year Ended 12/31/2015	Fiscal Year Ended 12/31/2016	Fiscal Year Ended 12/31/2017
\$ 8,940,416	\$ 8,676,885	\$ 8,128,303	\$ 8,361,285	\$ 7,893,627	\$ 8,591,562
8,825,728	9,248,035	9,162,072	9,104,514	9,849,220	10,003,049
-	-	-	-	-	-
80,000	-	-	-	-	-
6,148,552	3,154,948	3,722,023	4,393,009	4,924,842	4,176,432
-	-	-	-	-	-
38,097	1,769	1,195	608	518	407
\$ 24,032,793	\$ 21,081,637	\$ 21,013,593	\$ 21,859,416	\$ 22,668,207	\$ 22,771,450

CITY OF WEST CHICAGO, ILLINOIS

Changes in Fund Balances for Governmental Funds - Last Ten Fiscal Years December 31, 2017 (Unaudited)

	Eight Months Ended 12/31/2008	Fiscal Year Ended 12/31/2009	Fiscal Year Ended 12/31/2010	Fiscal Year Ended 12/31/2011
Revenues				
Taxes	\$ 7,737,287	\$ 8,401,237	\$ 8,669,147	\$ 8,907,926
Intergovernmental	5,097,366	6,117,344	6,542,723	6,580,649
Charges for Services	2,179,039	2,558,780	1,891,127	2,124,010
Licenses and Permits	326,417	489,110	456,361	634,929
Fines and Forfeits	726,532	1,782,124	1,042,292	936,049
Interest Income	523,118	251,878	210,470	102,148
Miscellaneous	513,053	3,506,651	2,012,701	1,638,724
Total Revenues	17,102,812	23,107,124	20,824,821	20,924,435
Expenditures				
General Government	4,551,384	6,957,868	8,180,849	7,720,982
Public Safety	5,783,643	8,616,769	8,524,634	8,468,368
Highways and Streets	700,402	-	-	-
Culture and Recreation	248,277	372,382	131,438	189,894
Capital Outlay	3,455,854	5,141,045	7,818,703	3,935,987
Debt Service				
Principal	210,000	225,000	845,000	-
Interest and Fiscal Charges	108,533	96,811	66,972	40,332
Total Expenditures	15,058,093	21,409,875	25,567,596	20,355,563
Excess of Revenues Over (Under) Expenditures	2,044,719	1,697,249	(4,742,775)	568,872
Other Financing Sources (Uses)				
Disposal of Capital Assets	-	-	-	-
Transfer In	150,000	587,100	441,777	-
Transfer Out	(150,000)	(100,000)	(441,777)	-
	-	487,100	-	-
Net Change in Fund Balances	\$ 2,044,719	\$ 2,184,349	\$ (4,742,775)	\$ 568,872
Debt Service as a Percentage of Noncapital Expenditures	2.65%	1.75%	5.86%	0.24%

Data Source: City Records

Fiscal Year Ended 12/31/2012	Fiscal Year Ended 12/31/2013	Fiscal Year Ended 12/31/2014	Fiscal Year Ended 12/31/2015	Fiscal Year Ended 12/31/2016	Fiscal Year Ended 12/31/2017
\$ 8,598,434	\$ 8,324,682	\$ 8,383,993	\$ 8,216,205	\$ 8,109,944	\$ 9,308,149
7,234,262	7,517,487	8,475,887	7,844,832	7,321,942	7,501,738
1,803,814	3,407,944	2,718,832	2,982,446	3,193,936	2,987,175
481,698	530,638	484,106	608,401	843,502	653,852
1,033,410	999,346	782,187	997,523	850,994	832,420
78,908	21,307	(7,465)	3,522	6,983	13,271
1,465,234	917,461	1,607,960	1,102,056	2,032,609	560,955
20,695,760	21,718,865	22,445,500	21,754,985	22,359,910	21,857,560
8,940,416	8,676,885	8,128,303	8,361,285	7,893,627	8,591,562
8,825,728	9,248,035	9,162,072	9,104,514	9,849,220	10,003,049
-	-	-	-	-	-
80,000	-	-	-	-	-
6,148,552	3,154,948	3,722,023	4,393,009	4,924,842	4,176,432
-	-	-	-	-	-
38,097	1,769	1,195	608	518	407
24,032,793	21,081,637	21,013,593	21,859,416	22,668,207	22,771,450
(3,337,033)	637,228	1,431,907	(104,431)	(308,297)	(913,890)
-	-	-	-	56,369	64,663
50,000	19,644	7,776	-	25,643	-
(50,000)	-	(7,776)	-	(25,643)	-
-	19,644	-	-	56,369	64,663
\$ (3,337,033)	\$ 656,872	\$ 1,431,907	\$ (104,431)	\$ (251,928)	\$ (849,227)
0.16%	0.01%	0.01%	0.00%	0.00%	0.00%

CITY OF WEST CHICAGO, ILLINOIS

Assessed Value and Actual Value of Taxable Property - Last Ten Fiscal Years December 31, 2017 (Unaudited)

Tax Levy Year	Fiscal Year End	Residential Property	Farm
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
2017	12/31/2017	409,838,459	537,746

*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
\$ 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
95,961,612	143,776,700	650,114,517	0.5441

CITY OF WEST CHICAGO, ILLINOIS

Direct and Overlapping Property Tax Rates - Last Ten Tax Levy Years December 31, 2017 (Unaudited)

Taxing Body	2008	2009	2010
Countywide			
DuPage County	0.1557	0.1554	0.1659
Forest Preserve District	0.1206	0.1217	0.1321
DuPage Airport Authority	0.0160	0.0148	0.0158
Local			
Wayne Township	0.0649	0.0658	0.0733
Wayne Township Road	0.0604	0.0610	0.0645
City of West Chicago - Wayne Township	0.4240	0.4263	0.4675
Winfield Township	0.0845	0.0854	0.0924
Winfield Township Road	0.1112	0.1123	0.1215
City of West Chicago - Winfield Township	0.4240	0.4263	0.4675
West Chicago Park District	0.2687	0.2703	0.2946
West Chicago Fire Protection District	0.6506	0.6509	0.7078
West Chicago Mosquito District	0.0099	0.0101	0.0111
West Chicago Library District	0.2443	0.2466	0.2307
Educational			
Grade School District 33	3.5158	3.5290	3.8244
High School District 94	1.7011	1.7143	1.8613
College of DuPage District 502	0.1858	0.2127	0.2349
 Total Tax Rate - Winfield Township	 7.4882	 7.5498	 8.1600
 Share of Total Tax Rate Levied by the City of West Chicago	 5.66%	 5.65%	 5.73%
 Total Tax Rate - Wayne Township	 7.4178	 7.4789	 8.0839
 Share of Total Tax Rate Levied by the City of West Chicago	 5.72%	 5.70%	 5.78%

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

Data Source: DuPage County Clerk

2011	2012	2013	2014	2015	2016	2017
0.1773	0.1929	0.2040	0.2057	0.1971	0.1848	0.1749
0.1414	0.1542	0.1657	0.1691	0.1622	0.1514	0.1306
0.0169	0.0168	0.0178	0.0196	0.0188	0.0176	0.0166
0.0804	0.0896	0.0979	0.1025	0.1007	0.0959	0.0940
0.0675	0.0730	0.0817	0.0855	0.0840	0.0800	0.0784
0.5011	0.5545	0.5973	0.6187	0.6031	0.5582	0.5441
0.1021	0.1174	0.1318	0.1396	0.1370	0.1275	0.1192
0.1342	0.1543	0.1732	0.1835	0.1801	0.1676	0.1587
0.5011	0.5545	0.5973	0.6187	0.6031	0.5582	0.5441
0.3177	0.4948	0.4917	0.4239	0.5054	0.4889	0.4744
0.8027	0.9212	1.0190	1.0652	1.0556	0.9971	0.9663
0.0122	0.0139	0.0153	0.0161	0.0160	0.0152	0.0148
0.2529	0.2903	0.3225	0.3400	0.3367	0.3153	0.3056
4.1734	4.6430	5.4481	5.5749	5.5167	5.1727	4.8967
2.0351	2.3008	2.5376	2.6731	2.6293	2.4677	2.3770
0.2495	0.2681	0.2956	0.2975	0.2786	0.2626	0.2431
8.9165	10.1222	11.4196	11.7269	11.6366	10.9266	10.4220
5.62%	5.48%	5.23%	5.28%	5.18%	5.11%	5.22%
8.8281	10.0131	11.2942	11.5918	11.5042	10.8074	10.3165
5.68%	5.54%	5.29%	5.34%	5.24%	5.16%	5.27%

CITY OF WEST CHICAGO, ILLINOIS

**Principal Property Tax Payers - Current Fiscal Year and Nine Fiscal Years Ago
December 31, 2017 (Unaudited)**

	2017			2008		
	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	2.53%	\$ 20,793,700	1	2.95%
Cabot IV LLC	8,644,820	2	1.33%			
Colfin Cobalt II	8,452,840	3	1.30%	11,183,380	3	1.59%
Stag Industrial Holdings	5,629,410	4	0.87%			
Mapei Corp.	4,486,770	5	0.69%			
LaGrou Properties	4,442,320	6	0.68%	5,452,250	5	0.77%
Aspen Ridge LLC	3,795,000	7	0.58%	3,375,000	10	0.48%
Riverwoods West Chicago	3,770,350	8	0.58%			
Simpson Manufacturing Co	3,313,550	9	0.51%			
Centerpoint Properties	3,066,210	10	0.47%			
Dividend Capital Op				11,681,230	2	1.66%
Northridge Holdings LTD				6,648,670	4	0.94%
General Mills				5,245,550	6	0.74%
International Truck & Engine				5,124,210	7	0.73%
Menards				3,871,990	8	0.55%
Platinum Health Care				3,546,590	9	0.50%
	<u>\$ 62,068,320</u>		<u>9.55%</u>	<u>\$ 76,922,570</u>		<u>10.91%</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, 2017 (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
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%
2016	3,460,067	3,455,985	99.88%	N/A	3,455,985	99.88%

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, 2017 (Unaudited)

Fiscal Year Ended	Governmental Activities	Business-Type Activities		Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
	General Obligation Bonds	IEPA Revenue Bonds	General Obligation Bonds			
12/31/2008*	\$ 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
12/31/2017	-	4,502,105	-	4,502,105	0.64%	166

* 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, 2017 (Unaudited)

Fiscal Year Ended	Gross General Obligation Bonds	Less: Amounts Available in Debt Service Funds	Total	Percentage of Equalized Assessed Value (1)	Per Capita (2)
12/31/2008*	\$ 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%	-
12/31/2017	-	-	-	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, 2017 (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	219,526,254	1.71%	3,753,899
Forest Preserve District	148,669,500	1.71%	2,542,248
West Chicago Park District	29,129,467	72.70%	21,177,123
Winfield Park District	2,123,269	27.97%	593,878
School District #25	3,537,675	22.52%	796,684
School District #33	33,430,000	64.65%	21,612,495
School District #94	2,670,000	47.44%	1,266,648
U-46 School District	281,093,328	0.84%	2,361,184
U-303 School District	63,660,000	3.68%	2,342,688
Community College District #502	257,390,000	1.42%	3,654,938
Community College District #509	177,623,253	1.54%	2,735,398
Total Overlapping Debt	1,218,852,746		62,837,184
Total Direct and Overlapping Debt	\$ 1,218,852,746		\$ 62,837,184

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, 2017 (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, 2017 (Unaudited)

Fiscal Year Ended	(1) Revenues	(2) Expenses	(3) Net Revenue Available for Debt Service	(4) Debt Service		(5) Coverage
				Principal	Interest	
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	-	-	-
12/31/2017	11,029,165	9,558,809	1,470,356	-	-	-

* 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, 2017 (Unaudited)

Fiscal Year Ended	(1) Population	(2) Personal Income	Per Capita Personal Income	(1) Median Age	School Enrollment	(2) Unemployment Rate
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
12/31/2017	27,086	706,998,772	26,102	33.2	8,301	4.3

* 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, 2017 (Unaudited)

Employer	2017			2008		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Jel Sert	1,000	1	7.39%	858	1	6.09%
West Chicago Elementary School District	585	2	4.32%	632	2	4.48%
Aspen Marketing Services	425	3	3.14%	390	5	2.77%
Ball Horticultural	425	4	3.14%	425	4	3.01%
InNocor Inc	330	5	2.44%			
Siemens Industry				367	6	2.60%
General Mills				508	3	3.60%
Mapei Corp	285	6	2.11%	172	14	1.22%
Community High School District 94	244	7	1.80%	242	7	1.72%
OSI Industries	230	8	1.70%			
Sims Recycling Solutions	200	9	1.48%			
New Wincup Holdings	167	10	1.23%	212	11	1.50%
In The Swim	150	11	1.11%			
Menards	150	12	1.11%	180	13	1.28%
St. Andrews Golf & Country Club	150	13	1.11%	200	12	1.42%
Turtle Splash Water Park	150	14	1.11%			
Wood Glen Pavilion LLC	140	15	1.03%			
Buck Services				234	8	1.66%
Otto & Sons				230	9	1.63%
Pella Windows & Doors				229	10	1.62%
Advanced Urethane Technologies				160	15	1.13%
	<u>4,631</u>		<u>34.21%</u>	<u>5,039</u>		<u>35.73%</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, 2017 (Unaudited)**

See Following Page

CITY OF WEST CHICAGO, ILLINOIS

Full-Time Equivalent City Government Employees by Function - Last Ten Fiscal Years December 31, 2017 (Unaudited)

Function	Eight Months Ended 12/31/2008	Fiscal Year Ended 12/31/2009	Fiscal Year Ended 12/31/2010
General Government			
Administration	2.25	2.25	2.25
Finance/Administrative Services	8.00	8.00	8.00
Museum/Marketing	3.38	1.75	1.75
Public Works	23.00	23.00	23.00
Police	50.00	48.00	48.00
Community Development	6.00	6.00	6.00
Water and Sewer	20.00	20.00	20.00
Commuter Parking Lot	0.81	1.00	1.00
Totals	113.44	110.00	110.00

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	Fiscal Year Ended 12/31/2017
1.13	1.13	1.00	1.00	1.00	1.00	1.50
5.00	5.00	4.76	4.13	4.13	4.13	4.13
0.50	0.50	0.50	0.50	0.50	0.25	0.25
11.74	11.74	10.57	11.51	11.51	11.19	11.19
47.00	49.00	49.00	49.00	49.00	52.50	53.00
5.50	5.00	3.50	3.50	3.50	3.75	4.75
37.50	37.50	34.47	35.00	35.43	33.65	39.34
0.38	0.38	0.25	0.25	0.25	0.25	0.25
108.75	110.25	104.05	104.89	105.32	106.72	114.41

CITY OF WEST CHICAGO, ILLINOIS

Operating Indicators by Function/Program - Last Ten Fiscal Years December 31, 2017 (Unaudited)

Function/Program	Eight Months Ended 12/31/2008	Fiscal Year Ended 12/31/2009	Fiscal Year Ended 12/31/2010
Public Works			
Number of Parkway Trees Planted	-	140	150
Number of Parkway Trees Trimmed	80	1,087	1,087
Brush Pickup Program (Days to Collect)	5.0	4.0	4.5
Building Safety Inspections	8	12	12
Tunnel - Paint and Light Lens Replacements	33	30	29
Special Events Handled	5	6	10
Public Safety			
Fire			
Number of Fire Calls	1,506	1,159	1,146
Number of EMS Calls	1,733	1,826	1,821
ISO Rating	3/3	3/3	3/3
Police			
Part I Crime	451	509	438
Part II Crime	2933	3,009	2,342
Calls for Service	40990	38,828	37,407
Parking Tickets Issued	4654	4,294	3,728
Community Development			
Number of Building Permits Issued	729	882	1,097
Number of Building Inspections	880	881	753
Highways and Streets			
Sidewalk Replaced (Sq. Ft.)	18,159	13,195	10,935
Crack Sealing (Lbs. Installed)	-	26,520	14,983
Tons of Salt Used	3,300	3,000	3,577
Water and Sewer			
Number of metered accounts	6,707	6,438	6,437
Water Meters Read	40,242	38,700	38,700
Water Meter Service Requests	66	90	103
Water Meters Replaced	35	80	117
Average Daily Treated Water (Million Gallons)	3.60	3.37	3.28
Sanitary Sewer Repairs	3	2	3

Data Source: City Records

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

Fiscal Year Ended 12/31/2011	Fiscal Year Ended 12/31/2012	Fiscal Year Ended 12/31/2013	Fiscal Year Ended 12/31/2014	Fiscal Year Ended 12/31/2015	Fiscal Year Ended 12/31/2016	Fiscal Year Ended 12/31/2017
85	300	373	130	170	135	106
1,458	1,287	2,336	1,944	2,459	2,430	2,958
4.0	4.0	4.0	4.8	6.0	5.5	4.8
12	12	12	12	12	12	12
22	42	12	-	10	6	5
3	4	6	4	3	4	22
1,279	1,238	1,015	1,122	1,130	1,095	1,113
1,629	1,629	1,804	1,778	1,934	2,073	2,134
3/3	3/3	3/3	3/3	3/3	4	2
374	379	424	373	383	329	342
2,402	1,393	1,066	1,521	1,315	1,427	1,456
38,910	38,509	33,867	31,053	34,028	44,087	42,780
3,376	2,888	2,771	3,413	3,049	3,780	3,026
954	1,199	899	790	990	1,155	1,044
1,116	1,049	1,134	899	962	882	1,056
9,849	10,000	18,207	8,742	12,500	11,142	1,884
37,320	36,429	21,480	35,518	42,240	32,000	35,360
3,000	2,800	3,250	3,180	3,210	2,500	2,050
6,430	6,432	6,435	6,428	6,471	6,452	6,450
38,580	35,000	34,000	2,500	9,911	152	29
92	70	50	75	61	1,471	1,252
41	30	4,305	3,000	39	75	50
3.00	3.45	3.42	3.36	3.45	3.54	3.42
2	1	2	2	1	2	4

CITY OF WEST CHICAGO, ILLINOIS

Capital Asset Statistics by Function/Program - Last Ten Fiscal Years December 31, 2017 (Unaudited)

Function/Program	Eight Months Ended 12/31/2008	Fiscal Year Ended 12/31/2009	Fiscal Year Ended 12/31/2010
Police			
Stations	1	1	1
Patrol Units	28	28	28
Fire Stations	3	3	3
Public Works			
Streets (Miles)	165.41	169.71	167.20
Sidewalks (Miles)	103.40	104.05	108.38
Streetlights	883	964	964
Water and Sewer			
Water Mains (Miles)	123.00	123.00	125.33
Fire Hydrants	1,472	1,482	1,483
Sanitary Sewers (Miles)	105.60	105.60	105.60
Manholes	2,176	2,176	2,186

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	Fiscal Year Ended 12/31/2017
1 27	1 27	1 27	1 27	1 26	1 26	1 26
4	4	4	4	4	4	4
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	174.06 111.03 1168
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	129.64 1,551 106.43 2,213