



WHERE HISTORY & PROGRESS MEET

FINANCE COMMITTEE

WEDNESDAY, JUNE 9, 2021¹
6:00 P.M. – COMMITTEE ROOM A

AGENDA

1. Call to Order, Roll Call, and Establishment of a Quorum
2. Approval of Minutes
 - A. Finance Committee Meeting Minutes of September 22, 2020
 - B. Finance Committee Meeting Minutes of December 10, 2020
3. Public Participation / Presentations
 - A. 2019 Audit
4. Selection of Committee Chairman and Vice Chairman
5. Items for Consent
 - A. Resolution No. 21-R-0046 – First Amendment to the IGA with Crest Hill Investment LLC
 - B. Resolution No. 21-R-0047 – Updated EIA with OSI Industries, LLC
6. Items for Discussion
7. Unfinished Business
8. New Business
9. Reports from Staff
10. Executive Session (if needed)
11. Adjournment

¹ Rescheduled from June 24, 2021

MINUTES

FINANCE COMMITTEE

September 22, 2020

1. **Call to Order, Roll Call, and Establishment of a Quorum – Mayor Pineda has determined that in-person meetings are not practical and prudent.**

The meeting was called to order at 6:00 P.M. Roll call found Aldermen Chassee, Ferguson, Ligino-Kubinski, Sheahan, Stout and Swiatek present remotely. Alderman Dimas was absent.

Staff in attendance: City Administrator Michael Guttman, Administrative Services Director Linda Martin, and Assistant Administrative Services Director Nikki Giles.

2. **Approval of Minutes**

A. Finance Committee Meeting of December 12, 2019.

Alderman Swiatek moved and Alderman Ferguson seconded a motion to approve the minutes. Voting Aye: Aldermen Chassee, Ferguson, Ligino-Kubinski, Sheahan, Stout and Swiatek. Voting Nay: 0. Absent: Alderman Dimas. Motion Carried

3. **Items for Consent**

- A. Ordinance No. 20-O-0020-Third Quarter Budget Amendment
- B. Ordinance No. 20-O-0021-Updating the Fair Market Value of Residential, Commercial and Industrial Land – Subdivision Regulation
- C. Resolution No. 20-R-0052-Partial Property Tax Abatement – Greco/DeRosa Investment Group
- D. Resolution No. 20-R-0053-Economic Incentives – Greco/DeRosa Investment Group
- E. Resolution No 20-R-0023-Amending the City's Loss Prevention Policy

Alderman Swiatek moved and Alderman Stout seconded a motion to approve the Consent Agenda. Voting Aye: Aldermen Chassee, Ferguson, Ligino-Kubinski, Sheahan, Stout and Swiatek. Voting Nay: 0. Absent: Alderman Dimas. Motion Carried

4. **Items for Discussion - None**
5. **Unfinished Business - None**
6. **New Business - None**
7. **Reports from Staff – None**
8. **Executive Session (if needed) – None**

9. Adjournment

Alderman Stout moved and Alderman Ferguson seconded a motion to adjourn at 6:05 p.m. Voting Aye: Aldermen Chassee, Ferguson, Sheahan, Stout and Swiatek, Voting Nay: 0. Absent: Alderman Dimas.

Respectfully submitted,
Jacki Stern

MINUTES

FINANCE COMMITTEE December 10, 2020

1. **Call to Order, Roll Call, and Establishment of a Quorum – Mayor Pineda has determined that in-person meetings are not practical and prudent.**

The meeting was called to order at 6:00 P.M. via Zoom. Roll call found Aldermen Dimas, Ferguson, Ligino-Kubinski and Stout present remotely. Alderman Chassee, Sheahan, and Swiatek were absent.

Staff in attendance: City Administrator Michael Guttman, Administrative Services Director Linda Martin, and Assistant Administrative Services Director Nikki Giles.

2. **Items for Consent**

- A. Ordinance No. 20-O-0026-Fourth Quarter Budget Amendment
- B. Ordinance No. 20-O-0027-2021 Draft Budget

Alderman Stout moved and Alderman Ligino-Kubinski seconded a motion to approve the Consent Agenda. Voting Aye: Aldermen Stout, Ligino-Kubinski, Dimas, Ferguson. Voting Nay: 0. Absent: Alderman Chassee, Sheahan, and Swiatek. Motion Carried

3. **Items for Discussion - None**
4. **Unfinished Business - None**
5. **New Business - None**
6. **Reports from Staff – None**
7. **Executive Session (if needed) – None**

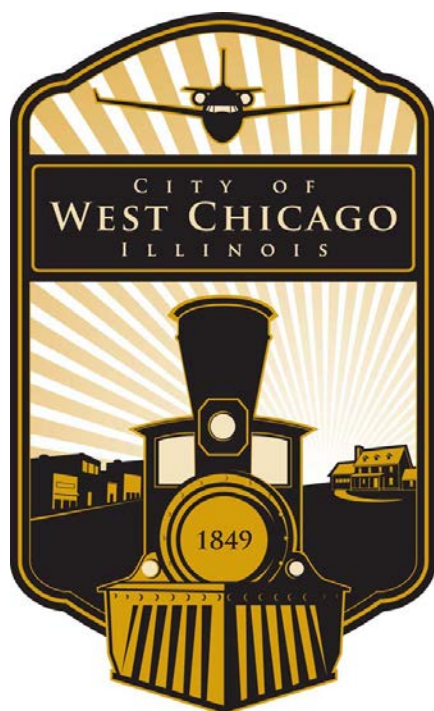
8. **Adjournment**

Alderman Stout moved and Alderman Dimas seconded a motion to adjourn at 6:05 p.m. Voting Aye: Aldermen Stout, Dimas, Ferguson, Ligino-Kubinski, Voting Nay: 0. Absent: Alderman Chassee, Sheahan, and Swiatek.

Respectfully submitted,
Jacki Stern

CITY OF WEST CHICAGO, ILLINOIS

COMPREHENSIVE ANNUAL FINANCIAL REPORT



FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2019

CITY OF WEST CHICAGO, ILLINOIS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2019

Prepared by

Linda Martin
Director of Administrative Services

CITY OF WEST CHICAGO, ILLINOIS

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CITY OF WEST CHICAGO, ILLINOIS

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CITY OF WEST CHICAGO, ILLINOIS

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INTRODUCTORY SECTION

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

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

CITY OF WEST CHICAGO, ILLINOIS

List of Principal Officials December 31, 2019

LEGISLATIVE

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

ALDERMEN

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

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

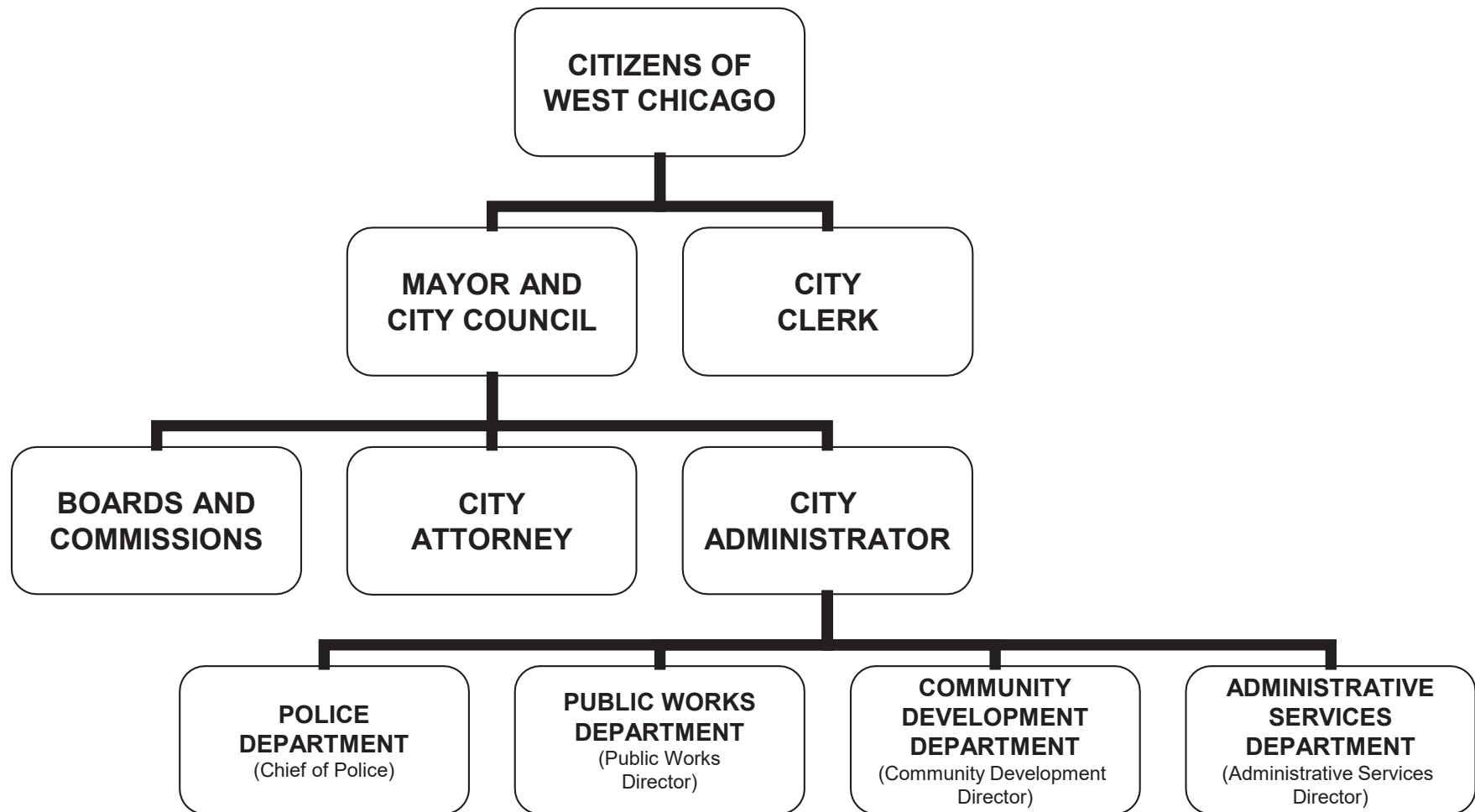
ADMINISTRATIVE

City Administrator: Michael L. Guttman

ADMINISTRATIVE SERVICES

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

CITY OF WEST CHICAGO ORGANIZATIONAL CHART



CITY OF WEST CHICAGO

WHERE HISTORY & PROGRESS MEET

January 22, 2021

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, 2019, 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, 2019, are free of material misstatement. The auditors' report is presented as the first component of the financial section of this report.

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

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West Chicago, Illinois
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www.westchicago.org

Ruben Pineda
MAYOR
Nancy M. Smith
CITY CLERK

Michael L. Guttman
CITY ADMINISTRATOR

PROFILE OF THE CITY OF WEST CHICAGO

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

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

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

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

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

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

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

MAJOR INITIATIVES

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

- Commemorated the historically meaningful and relevant visit of the Union Pacific's Big Boy, the world's largest steam locomotive, over a three day period which brought more than 45,000 people from around the world to the City to share in this unique event.
- Welcomed several new businesses to the DuPage Business Center and witnessed the twenty million dollar expansion project of the headquarters of a global leader in the horticulture field.
- Celebrated a milestone event with the win of the IHSA Class 3A Boys State Soccer Championship by the West Chicago Wildcats Boys' Soccer Team.
- Partnered with the City of Warrenville and Winfield Township to begin a one year pilot transportation program that provides 24/7 paratransit bus and taxi services for seniors and disabled residents, joining a number of other DuPage County municipalities as part of a larger program.

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, 2019. 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 has continued its policy to participate in local agency and other agreements to maximize infrastructure improvements by way of federal funding, and to seek out various intergovernmental partnerships to further subsidize the cost of such improvements. These proactive measures have allowed the City to continue its aggressive street reconstruction, maintenance and resurfacing programs, along with other public infrastructure improvements. In 2019, the Forest Avenue Resurfacing Project and the Elm Road Resurfacing Project were completed.

The City Council's continued partnership with the Boards of the Fire Protection District, School District 33, School District 94, DuPage Airport Authority and the Library District allowed for a package of incentives to attract Alton Industry Ltd. Group and Midwest Industrial Funds (Skyjack Project) to the DuPage Business Center. The economic incentives included a partial property tax

abatement for both companies, as well as a partial rebate of utility taxes and a partial waiver of building permit fees for Alton Industry Ltd. Group. These development projects are expected to enhance the work force and have a meaningful impact on economic development in the area.

Following the direction of the City Council, the transition to the newly-formed Joint Venture with the Village of Winfield, which was created to oversee the operation and maintenance of the Wastewater Treatment Plant, was completed, including all asset and liability transfers previously held and accounted for the by City.

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, 2018. This was the twentieth 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.

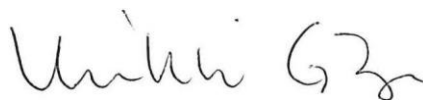
The preparation of this report was made possible by the dedicated service of the entire staff of the Department of Administrative Services. Each member of the Department has our sincere appreciation for the contribution made in the preparation of this report.

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,



Linda M. Martin
Director of Administrative Services



Nikki T. Giles
Assistant Director of Administrative
Services



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of West Chicago
Illinois**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2018

Christopher P. Morill

Executive Director/CEO

FINANCIAL SECTION

This section includes:

- Independent Auditors' Report
- Management's Discussion and Analysis
- Basic Financial Statements
- Required Supplementary Information
- Other Supplementary Information
- Supplemental Schedule

INDEPENDENT AUDITORS' REPORT



INDEPENDENT AUDITORS' REPORT

January 22, 2021

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, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of West Chicago, Illinois, as of December 31, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

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

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

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

Lauterbach & Amen, LLP
LAUTERBACH & AMEN, LLP

MANAGEMENT'S DISCUSSION AND ANALYSIS

CITY OF WEST CHICAGO, ILLINOIS

Management's Discussion and Analysis December 31, 2019

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, 2019. Please read it in conjunction with the transmittal letter, which begins on page 3 and the City of West Chicago's financial statements, which begin on page 23.

FINANCIAL HIGHLIGHTS

- The City's net position decreased as a result of this year's operations. Net position of business-type activities decreased by \$13,758,682, or 14.5 percent, while net position of the governmental activities decreased by \$569,691 or 1.4 percent.
- During the year, government-wide revenues for the primary government totaled \$25,201,949, while expenses totaled \$39,530,322, resulting in a decrease to net position of \$14,328,373.
- The City of West Chicago's net position totaled \$122,269,264 at December 31, 2019, which includes \$150,502,392 net investment in capital assets, \$3,795,378 subject to external restrictions, and \$32,028,506 unrestricted deficit net position that may be used to meet the ongoing obligations to citizens and creditors.
- The General Fund reported an increase this year of \$2,068,800, resulting in an ending fund balance of \$15,486,324, an increase of 15.4 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 23 - 26) provide information about the activities of the City of West Chicago as a whole and present a longer-term view of the City's finances. Fund financial statements begin on page 27. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the City's operations in more detail than the government-wide statements by providing information about the City of West Chicago's most significant funds. The remaining statements provide financial information about activities for which the City acts solely as a trustee or agent for the benefit of those outside of the government.

CITY OF WEST CHICAGO, ILLINOIS

Management's Discussion and Analysis December 31, 2019

USING THIS REPORT – Continued

Government-Wide Financial Statements

The government-wide financial statements provide readers with a broad overview of the City of West Chicago's finances, in a manner similar to a private-sector business. The government wide financial statements can be found on pages 23 - 26 of this report.

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

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

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

Fund Financial Statements

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

CITY OF WEST CHICAGO, ILLINOIS

Management's Discussion and Analysis December 31, 2019

USING THIS REPORT – Continued

Fund Financial Statements – Continued

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal period. Such information may be useful in evaluating the City of West Chicago's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate the comparison between governmental funds and governmental activities.

The City of West Chicago maintains seven individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Public Benefit Fund, TIF Special Tax Allocation #1 Fund, and Capital Improvement Fund, all of which are considered major funds. Data from the other three governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The City of West Chicago adopts an annual budget for all of the governmental funds, except the Other Special Service Areas Fund. A budgetary comparison schedule for these funds has been provided to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 27 - 32 of this report.

Proprietary Funds

The City of West Chicago maintains one proprietary fund type: enterprise. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City of West Chicago utilizes enterprise funds to account for its water and sewer operations, water and sewer construction, water and sewer debt retirement, and commuter parking operations.

CITY OF WEST CHICAGO, ILLINOIS

Management's Discussion and Analysis December 31, 2019

USING THIS REPORT – Continued

Fund Financial Statements – Continued

Proprietary Funds – Continued

Proprietary fund financial statements provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Waterworks and Sewerage Funds, which are considered to be major funds of the City, and the Commuter Parking Fund, which is a non-major fund.

The basic proprietary fund financial statements can be found on pages 33 - 36 of this report.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City of West Chicago's own programs. The accounting use for fiduciary funds is much like that used for proprietary funds. The basic fiduciary fund financial statements can be found on pages 37 - 38 of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 39 - 78 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City of West Chicago's Illinois Municipal Retirement Fund (I.M.R.F.), Police Pension Fund, and retiree benefits plan, as well as budgetary comparison schedules for the General Fund and any major special revenue funds. Required supplementary information can be found on pages 79 - 89 of this report. The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the required supplementary information on pensions. Combining and individual fund statements and schedules can be found on pages 90 - 120 of this report.

CITY OF WEST CHICAGO, ILLINOIS

Management's Discussion and Analysis December 31, 2019

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of a government's financial position. The following tables show that in the case of the City of West Chicago, assets/deferred outflows exceeded liabilities/deferred inflows by \$122,269,264.

	Net Position					
	Governmental		Business-type		Total	
	Activities		Activities			
	2019	2018	2019	2018	2019	2018
Current Assets	\$ 31,284,965	28,050,930	(8,905,152)	(2,972,086)	22,379,813	25,078,844
Capital Assets	54,970,284	54,014,124	98,828,924	109,261,535	153,799,208	163,275,659
Total Assets	86,255,249	82,065,054	89,923,772	106,289,449	176,179,021	188,354,503
Deferred Outflows	10,656,094	8,189,233	276,575	1,585,681	10,932,669	9,774,914
Total Assets/Deferred Outflows	96,911,343	90,254,287	90,200,347	107,875,130	187,111,690	198,129,417
Current Liabilities	4,591,208	2,778,810	2,290,082	4,391,487	6,881,290	7,170,297
Noncurrent Liabilities	41,501,352	37,438,073	5,936,596	8,253,253	47,437,948	45,691,326
Total Liabilities	46,092,560	40,216,883	8,226,678	12,644,740	54,319,238	52,861,623
Deferred Inflows	9,486,259	8,135,189	1,036,929	534,968	10,523,188	8,670,157
Total Liabilities/Deferred Inflows	55,578,819	48,352,072	9,263,607	13,179,708	64,842,426	61,531,780
Net Position						
Net Investment in Capital Assets	54,970,284	54,014,124	95,532,108	105,354,380	150,502,392	159,368,504
Restricted	3,615,057	2,944,399	180,321	-	3,795,378	2,944,399
Unrestricted	(17,252,817)	(15,056,308)	(14,775,689)	(10,658,958)	(32,028,506)	(25,715,266)
Total Net Position	41,332,524	41,902,215	80,936,740	94,695,422	122,269,264	136,597,637

A large portion of the City's net position, \$150,502,392, 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, \$3,795,378, 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 \$32,028,506 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, 2019

GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

	Changes in Net Position					
	Governmental		Business-Type		Totals	
	Activities		Activities			
	2019	2018	2019	2018	2019	2018
Revenues						
Program Revenues						
Charges for Services	\$ 6,489,489	5,119,650	8,764,421	4,429,049	15,253,910	9,548,699
Operating Grants/Contrib.	128,544	194,395	-	-	128,544	194,395
Capital Grants/Contrib.	895,088	732,621	219,837	355,577	1,114,925	1,088,198
General Revenues						
Property Taxes	4,666,636	4,623,840	8,882	9,049	4,675,518	4,632,889
Other Taxes	641,440	764,365	-	-	641,440	764,365
Sales and Use Taxes	7,470,171	6,871,960	-	-	7,470,171	6,871,960
Income Taxes	2,883,008	2,593,920	-	-	2,883,008	2,593,920
Replacement Taxes	198,860	152,578	-	-	198,860	152,578
Utility Taxes	2,205,508	2,070,351	-	-	2,205,508	2,070,351
Interest Income	25,729	12,224	7,598	8,095	33,327	20,319
Miscellaneous	732,686	637,785	428,265	584,062	1,160,951	1,221,847
Disposal of Capital Assets	22,171	-	(10,586,384)		(10,564,213)	
Total Revenues	26,359,330	23,773,689	(1,157,381)	5,385,832	25,201,949	29,159,521
Expenses						
General Government	9,256,029	13,667,469	-	-	9,256,029	13,667,469
Public Safety	12,429,913	10,121,701	-	-	12,429,913	10,121,701
Culture and Recreation	49,692	-	-	-	49,692	-
Streets and Highways	5,193,137	-	-	-	5,193,137	-
Interest on Long-Term Debt	250	339	-	-	250	339
Waterworks	-	-	6,710,153	6,936,383	6,710,153	6,936,383
Sewerage	-	-	5,776,914	6,822,477	5,776,914	6,822,477
Commuter Parking	-	-	114,234	127,980	114,234	127,980
Total Expenses	26,929,021	23,789,509	12,601,301	13,886,840	39,530,322	37,676,349
Change in Net Position	(569,691)	(15,820)	(13,758,682)	(8,501,008)	(14,328,373)	(8,516,828)
Net Position	41,902,215	41,918,035	94,695,422	103,196,430	136,597,637	145,114,465
Net Position-Ending	41,332,524	41,902,215	80,936,740	94,695,422	122,269,264	136,597,637

CITY OF WEST CHICAGO, ILLINOIS

Management's Discussion and Analysis December 31, 2019

GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

Net position of the City of West Chicago's governmental activities decreased 1.4 percent (\$41,332,524 at December 31, 2019, compared to \$41,902,215 at December 31, 2018). Unrestricted net position, the part of net position that can be used to finance day-to-day operations without constraints, totaled a deficit of \$17,252,817 at December 31, 2019.

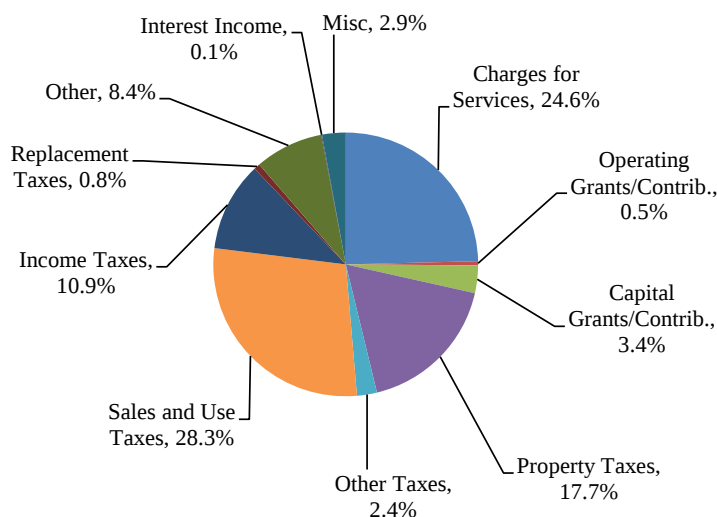
Net position of business-type activities decreased 14.5 percent (\$80,936,740 at December 31, 2019 compared to \$94,695,422 at December 31, 2018). The City reported a deficit of \$2,341,617 in the Waterworks Fund and a deficit of \$11,463,632 in the Sewerage Fund and a surplus of \$46,567 in the Commuter Parking Fund. The Sewerage Fund underwent a large transfer of capital assets to a newly-formed joint authority in 2019, resulting in the large decrease.

Governmental Activities

Revenues for governmental activities totaled \$26,359,330 while the cost of all governmental functions totaled \$26,929,021. This results in a net position draw down of \$569,691 at December 31, 2019. At December 31, 2018, revenues for governmental activities totaled \$23,773,689, while the cost of all governmental functions totaled \$23,789,509, which resulted in a drawdown of \$15,820. Revenues for charges for services and sales and use taxes increased \$1,369,839 and \$598,211, respectively.

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

Revenues by Source - Governmental Activities



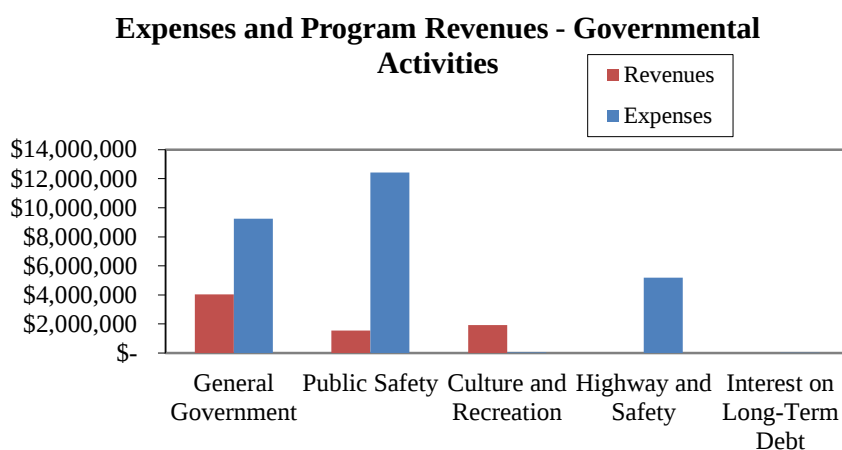
CITY OF WEST CHICAGO, ILLINOIS

Management's Discussion and Analysis December 31, 2019

GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

Governmental Activities – Continued

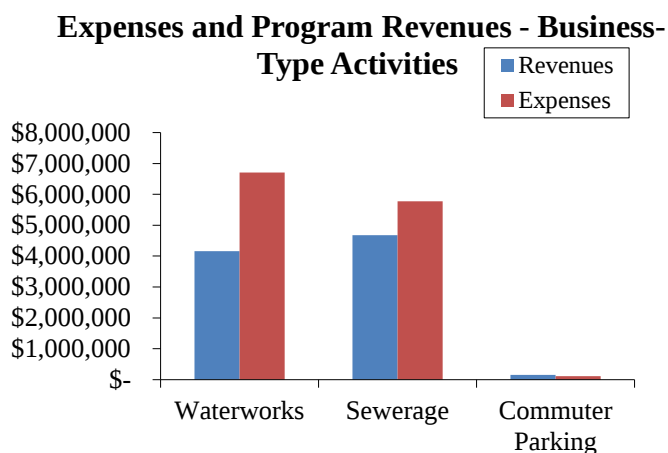
The 'Expenses and Program Revenues' Chart identifies those governmental functions where program expenses greatly exceed revenues. These expenses and revenues do not include the major revenue sources, such as property taxes, sales and use taxes and income taxes, described earlier. The Statement of Activities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



Business-Type Activities

Business-Type activities posted total revenues of \$9,429,003 before the \$10,586,384 disposal of capital assets, while the cost of all business-type activities totaled \$12,601,301. This results in a net position decrease of \$13,758,682. At December 31, 2018, revenues of \$5,385,832 were less than expenses of \$13,886,840, resulting in a decrease of \$8,501,008.

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



CITY OF WEST CHICAGO, ILLINOIS

Management's Discussion and Analysis December 31, 2019

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, 2019, the City's governmental funds reported combined ending fund balances of \$22,314,181, which is an increase of \$1,264,795 from last year's total of \$21,049,386. Of the \$22,314,181 total, \$13,844,971, or 62.0 percent, of the fund balance constitutes unassigned fund balance, while \$108,429, or half of one percent, is designated as nonspendable, \$3,615,057, or 16.2 percent, has been classified as restricted funds and \$4,745,724, or 21.3 percent, has been classified as assigned funds.

The General Fund is the chief operating fund of the City. The General Fund reported an increase change in fund balance for the fiscal year of \$2,068,800, an increase of 15.4 percent. Overall, budgeted expenditures totaled \$20,669,700 while actual expenditures totaled \$18,040,728. These variances are further outlined on the General Fund Schedule of Revenues, Expenditures and Changes in Fund Balance.

The Public Benefit Fund is used to account for the accumulation of funds from Kerr McGee to fund projects that meet the criteria established by the City Council and as detailed in the City Code. The Public Benefit Fund reported an increase change in fund balance for the fiscal year of \$2,245, a result of no capital outlay expenditures.

The TIF Special Tax Allocation #1 Fund reported an increase of \$318,737 for the year, the majority of which resulted from actual revenues totaling \$1,059,782 and actual expenditures totaling \$741,045, which was \$346,155 less than expenditures budgeted. The fund balance of \$931,225 will be used for ongoing projects and prospective development.

The Capital Improvement Fund reported a decrease in fund balance of \$1,717,221 for the year, which resulted from actual expenditures of \$5,950,999 being below actual revenues totaling \$3,733,778, due to completion of resurfacing projects, the widening of Elm Road and construction of a salt storage facility.

CITY OF WEST CHICAGO, ILLINOIS

Management's Discussion and Analysis December 31, 2019

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 \$2,341,617, while the decrease in the previous fiscal year was \$5,215,949.

The Sewerage Fund experienced a decrease in net position of \$11,463,632, due in large part to the disposal of capital assets, while the previous fiscal year reported a decrease of \$3,315,784. The Commuter Parking Fund had an increase in net position for the fiscal year of \$46,567 compared to the increase in the previous fiscal year of \$30,725. Total net position in the Proprietary Funds was \$80,936,740 (net investment in capital assets, restricted, and unrestricted) at December 31, 2019.

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 \$20,609,528 compared to budgeted revenues of \$18,239,200. There was better than anticipated actual results within permit and license revenue categories.

Original budgeted expenditures of \$20,461,000 were increased \$208,700 for software and uniform purchases, and the 2018 Sherman Street Resurfacing Project. The General Fund actual expenditures for the year were \$2,628,972 lower than budgeted (\$18,040,728 actual compared to \$20,669,700 final budgeted). The general government's actual expenditures were lower than budgeted expenditures by \$1,733,745 due to overall cost controlling measures.

CITY OF WEST CHICAGO, ILLINOIS

Management's Discussion and Analysis December 31, 2019

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, 2019 was \$153,799,208, 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			
	2019	2018	2019	2018	2019	2018
Land	\$ 20,218,128	20,218,128	28,040,111	28,649,611	48,258,239	48,867,739
Construction in Progress	2,756,726	174,895	2,268,665	2,163,591	5,025,391	2,338,486
Land Improvements	1,438,275	1,494,591	517,720	549,832	1,955,995	2,044,423
Buildings and Improvements	1,146,049	1,217,250	16,310,501	20,380,577	17,456,550	21,597,827
Machinery and Equipment	2,623,313	2,718,777	3,257,076	7,501,876	5,880,389	10,220,653
Infrastructure	26,787,793	28,190,483	48,434,851	50,016,048	75,222,644	78,206,531
Total	54,970,284	54,014,124	98,828,924	109,261,535	153,799,208	163,275,659

This year's major additions included:

Construction in Progress	\$ 3,900,707
Machinery and Equipment	412,818
Infrastructure	297,126
	<u>4,610,651</u>

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

CITY OF WEST CHICAGO, ILLINOIS

Management's Discussion and Analysis December 31, 2019

CAPITAL ASSETS AND DEBT ADMINISTRATION – Continued

Debt Administration

At December 31, 2019, the City of West Chicago had total outstanding debt of \$3,296,816 as compared to \$3,907,155 at December 31, 2018, a decrease of \$610,339. The following is a comparative statement of outstanding debt:

	Long-Term Debt Outstanding					
	Governmental		Business-Type		Totals	
	Activities		Activities			
	2019	2018	2019	2018	2019	2018
IEPA Revolving Loan	\$ -	-	3,296,816	3,907,155	3,296,816	3,907,155

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

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The City of West Chicago's elected and appointed officials considered many factors when setting the fiscal year 2020 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, 2019, for DuPage County was 3.6 percent and the state and national unemployment rates were 3.7 and 3.5 percent, respectively.

Amounts available for appropriation in the General Fund budget are \$20,651,400 million, a decrease of 0.09 percent from the final 2019 budget of \$20,669,700 million. The City of West Chicago has budgeted increases in sales and income tax of approximately 3 percent each. The City of West Chicago's major initiatives in the 2020 budget include the continued West Washington Street environmental remediation and the replacement of Lift Station #5. 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, 2019**

	Governmental Activities	Business- Type Activities	Totals
ASSETS			
Current Assets			
Cash and Investments	\$ 3,014,961	\$ 442,293	\$ 3,457,254
Receivables - Net of Allowances	9,582,199	9,209,725	18,791,924
Internal Balances	18,579,376	(18,579,376)	-
Prepaid Items/Inventories	108,429	22,206	130,635
Total Current Assets	31,284,965	(8,905,152)	22,379,813
Capital Assets			
Nondepreciable	22,974,854	30,308,776	53,283,630
Depreciable	74,609,119	108,377,663	182,986,782
Accumulated Depreciation	(42,613,689)	(39,857,515)	(82,471,204)
Total Capital Assets	54,970,284	98,828,924	153,799,208
Total Assets	86,255,249	89,923,772	176,179,021
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Items - IMRF	269,476	276,575	546,051
Deferred Items - Police Pension	10,386,618	-	10,386,618
Total Deferred Outflows of Resources	10,656,094	276,575	10,932,669
Total Assets and Deferred Outflows of Resources	96,911,343	90,200,347	187,111,690

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

	Governmental Activities	Business- Type Activities	Totals
LIABILITIES			
Current Liabilities			
Accounts Payable	\$ 1,439,246	\$ 956,450	\$ 2,395,696
Accrued Payroll	361,198	105,192	466,390
Retainage Payable	167,775	344,441	512,216
Deposits Payable	1,968,416	179,840	2,148,256
Interest Payable	-	28,243	28,243
Other Payables	300,416	17,850	318,266
Current Portion of Long-Term Debt	354,157	658,066	1,012,223
Total Current Liabilities	4,591,208	2,290,082	6,881,290
Noncurrent Liabilities			
Compensated Absences Payable	1,416,627	127,762	1,544,389
Net Pension Liability - IMRF	994,932	1,021,141	2,016,073
Net Pension Liability - Police Pension	34,374,981	-	34,374,981
Total OPEB Liability - RBP	4,714,812	2,117,002	6,831,814
IEPA Revolving Loan Payable	-	2,670,691	2,670,691
Total Noncurrent Liabilities	41,501,352	5,936,596	47,437,948
Total Liabilities	46,092,560	8,226,678	54,319,238
DEFERRED INFLOWS OF RESOURCES			
Deferred Items - IMRF	1,010,315	1,036,929	2,047,244
Deferred Items - Police Pension	3,742,211	-	3,742,211
Property Taxes	4,733,733	-	4,733,733
Total Deferred Inflows of Resources	9,486,259	1,036,929	10,523,188
Total Liabilities and Deferred Inflows of Resources	55,578,819	9,263,607	64,842,426
NET POSITION			
Net Investment in Capital Assets	54,970,284	95,532,108	150,502,392
Restricted - MFT	981,483	-	981,483
Restricted - Public Safety	554,009	-	554,009
Restricted - TIF	1,135,403	-	1,135,403
Restricted - Public Benefit Projects	944,162	-	944,162
Restricted - Water	-	180,321	180,321
Unrestricted (Deficit)	(17,252,817)	(14,775,689)	(32,028,506)
Total Net Position	\$ 41,332,524	\$ 80,936,740	\$ 122,269,264

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, 2019

		Program Revenues		
		Charges for Services	Operating Grants/ Contributions	Capital Grants/ Contributions
	Expenses			
Governmental Activities				
General Government	\$ 9,256,029	\$ 4,041,799	\$ 5,718	\$ -
Public Safety	12,429,913	1,551,190	-	-
Culture and Recreation	49,692	896,500	122,826	895,088
Streets and Highways	5,193,137	-	-	-
Interest and Fiscal Charges	250	-	-	-
Total Governmental Activities	26,929,021	6,489,489	128,544	895,088
Business-Type Activities				
Waterworks	6,710,153	3,934,811	-	219,837
Sewerage	5,776,914	4,678,920	-	-
Commuter Parking	114,234	150,690	-	-
Total Business-Type Activities	12,601,301	8,764,421	-	219,837
Total Primary Government	\$ 39,530,322	\$ 15,253,910	\$ 128,544	\$ 1,114,925

General Revenues

Taxes

Property Taxes

Telecommunications Taxes

Amusement Taxes

Intergovernmental - Unrestricted

Sales and Use Taxes

Income Taxes

Replacement Taxes

Utility Taxes

Interest Income

Miscellaneous

Disposal of Capital Assets

Change in Net Position

Net Position - Beginning

Net Position - Ending

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

Net (Expenses)/Revenues		
Primary Government		
Governmental Activities	Business-Type Activities	Totals
\$ (5,208,512)	\$ -	\$ (5,208,512)
(10,878,723)	-	(10,878,723)
1,864,722	-	1,864,722
(5,193,137)	-	(5,193,137)
(250)	-	(250)
(19,415,900)	-	(19,415,900)
-	(2,555,505)	(2,555,505)
-	(1,097,994)	(1,097,994)
-	36,456	36,456
-	(3,617,043)	(3,617,043)
(19,415,900)	(3,617,043)	(23,032,943)
4,666,636	8,882	4,675,518
562,050	-	562,050
79,390	-	79,390
7,470,171	-	7,470,171
2,883,008	-	2,883,008
198,860	-	198,860
2,205,508	-	2,205,508
25,729	7,598	33,327
732,686	428,265	1,160,951
22,171	(10,586,384)	(10,564,213)
18,846,209	(10,141,639)	8,704,570
(569,691)	(13,758,682)	(14,328,373)
41,902,215	94,695,422	136,597,637
\$ 41,332,524	\$ 80,936,740	\$ 122,269,264

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

CITY OF WEST CHICAGO, ILLINOIS

**Balance Sheet - Governmental Funds
December 31, 2019**

		Special
	General	Public Benefit
ASSETS		
Cash and Investments	\$ 114,465	\$ 784,381
Receivables - Net of Allowances		
Property Taxes	3,618,258	-
Other	4,038,515	-
Due From Other Funds	14,579,376	-
Prepays/Inventories	105,861	-
Advances to Other Funds	-	159,781
Total Assets	22,456,475	944,162
LIABILITIES		
Accounts Payable	1,045,941	-
Accrued Payroll	337,536	-
Retainage Payable	-	-
Deposits Payable	1,968,416	-
Advances from Other Funds	-	-
Other Payables	-	-
Total Liabilities	3,351,893	-
DEFERRED INFLOWS OF RESOURCES		
Property Taxes	3,618,258	-
Total Liabilities and Deferred Inflows of Resources	6,970,151	-
FUND BALANCES		
Nonspendable	105,861	-
Restricted	1,535,492	944,162
Assigned	-	-
Unassigned	13,844,971	-
Total Fund Balances	15,486,324	944,162
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 22,456,475	\$ 944,162

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

Revenue			
TIF			
Special Tax Allocation #1	Capital Improvement	Nonmajor	Totals
\$ 104,785	\$ 20,956	\$ 1,990,374	\$ 3,014,961
1,080,095	-	35,092	4,733,445
-	810,239	-	4,848,754
1,000,000	3,000,000	-	18,579,376
1,605	963	-	108,429
-	-	-	159,781
2,186,485	3,832,158	2,025,466	31,444,746
3,758	283,252	106,295	1,439,246
11,626	12,036	-	361,198
-	167,775	-	167,775
-	-	-	1,968,416
159,781	-	-	159,781
-	300,416	-	300,416
175,165	763,479	106,295	4,396,832
1,080,095	288	35,092	4,733,733
1,255,260	763,767	141,387	9,130,565
1,605	963	-	108,429
929,620	-	205,783	3,615,057
-	3,067,428	1,678,296	4,745,724
-	-	-	13,844,971
931,225	3,068,391	1,884,079	22,314,181
\$ 2,186,485	\$ 3,832,158	\$ 2,025,466	\$ 31,444,746

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, 2019

Total Governmental Fund Balances	\$ 22,314,181
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Amounts reported for governmental activities in the Statement of Net Position
are different because:

Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.	54,970,284
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Deferred outflows (inflows) of resources related to the pensions not reported
in the funds.

Deferred Items - IMRF	(740,839)
Deferred Items - Police Pension	6,644,407

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

Compensated Absences Payable	(1,770,784)
Net Pension Liability - IMRF	(994,932)
Net Pension Liability - Police Pension	(34,374,981)
Total OPEB Liability - RBP	<u>(4,714,812)</u>

Net Position of Governmental Activities	<u>\$ 41,332,524</u>
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The notes to the financial statements are an integral part of this statement.

CITY OF WEST CHICAGO, ILLINOIS

**Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
For the Fiscal Year Ended December 31, 2019**

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, 2019**

		Special
	General	Public Benefit
Revenues		
Taxes	\$ 4,445,630	\$ -
Intergovernmental	9,864,117	-
Charges for Services	3,469,173	-
Licenses and Permits	1,108,091	-
Fines and Forfeitures	1,015,725	-
Interest Income	13,841	2,245
Miscellaneous	692,951	-
Total Revenues	<u>20,609,528</u>	<u>2,245</u>
Expenditures		
Current		
General Government	8,153,755	-
Public Safety	9,886,973	-
Capital Outlay	-	-
Debt Service		
Interest and Fiscal Charges	-	-
Total Expenditures	<u>18,040,728</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>2,568,800</u>	<u>2,245</u>
Other Financing Sources (Uses)		
Disposal of Assets	-	-
Transfer In	-	-
Transfer Out	(500,000)	-
	<u>(500,000)</u>	<u>-</u>
Net Change in Fund Balances	2,068,800	2,245
Fund Balances - Beginning	<u>13,417,524</u>	<u>941,917</u>
Fund Balances - Ending	<u>\$ 15,486,324</u>	<u>\$ 944,162</u>

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

Revenue			
TIF			
Special Tax Allocation #1	Capital Improvement	Nonmajor	Totals
\$ 1,035,146	\$ 823,860	\$ 26,160	\$ 6,330,796
-	2,894,342	-	12,758,459
-	-	896,500	4,365,673
-	-	-	1,108,091
-	-	-	1,015,725
2,761	5,502	1,380	25,729
21,875	10,074	7,786	732,686
1,059,782	3,733,778	931,826	26,337,159
740,795	-	-	8,894,550
-	-	-	9,886,973
-	5,950,999	361,763	6,312,762
250	-	-	250
741,045	5,950,999	361,763	25,094,535
318,737	(2,217,221)	570,063	1,242,624
-	-	22,171	22,171
-	500,000	-	500,000
-	-	-	(500,000)
-	500,000	22,171	22,171
318,737	(1,717,221)	592,234	1,264,795
612,488	4,785,612	1,291,845	21,049,386
\$ 931,225	\$ 3,068,391	\$ 1,884,079	\$ 22,314,181

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, 2019

Net Change in Fund Balances - Total Governmental Funds	\$ 1,264,795
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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	2,879,919
Depreciation Expense	(1,923,759)
Disposals - Cost	67,274
Disposals - Accumulated Depreciation	(67,274)

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

Change in Deferred Items - IMRF	(1,885,765)
Change in Deferred Items - Police Pension	2,880,419
Change in Deferred Items - RBP	311,297

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

Change to Compensated Absences Payable	(166,591)
Change to Net Pension Liability - IMRF	1,805,264
Change to Net Pension Liability - Police Pension	(5,334,316)
Change to Total OPEB Liability - RBP	<u>(400,954)</u>

Changes in Net Position of Governmental Activities	<u>\$ (569,691)</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, 2019**

See Following Page

CITY OF WEST CHICAGO, ILLINOIS

**Statement of Net Position - Proprietary Funds
December 31, 2019**

	Business-Type Activities - Enterprise			
			Nonmajor Commuter	
	Waterworks	Sewerage	Parking	Totals
ASSETS				
Current Assets				
Cash and Investments	\$ -	\$ -	\$ 442,293	\$ 442,293
Receivables - Net of Allowances				
Property Taxes	-	8,849	-	8,849
Accounts	3,978,794	5,211,990	3,990	9,194,774
Other	6,102	-	-	6,102
Advances to Other Funds	-	1,850,000	-	1,850,000
Prepays	11,103	11,103	-	22,206
Total Current Assets	3,995,999	7,081,942	446,283	11,524,224
Noncurrent Assets				
Capital Assets				
Nondepreciable	28,097,524	2,163,002	48,250	30,308,776
Depreciable	86,650,028	21,043,073	684,562	108,377,663
Accumulated Depreciation	(30,951,755)	(8,402,265)	(503,495)	(39,857,515)
Total Noncurrent Assets	83,795,797	14,803,810	229,317	98,828,924
Total Assets	87,791,796	21,885,752	675,600	110,353,148
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Items - IMRF	158,519	116,145	1,911	276,575
Total Assets and Deferred Outflows of Resources	87,950,315	22,001,897	677,511	110,629,723

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

	Business-Type Activities - Enterprise			
			Nonmajor	
	Waterworks	Sewerage	Commuter Parking	Totals
LIABILITIES				
Current Liabilities				
Accounts Payable	\$ 278,987	\$ 672,066	\$ 5,397	\$ 956,450
Accrued Payroll	60,156	44,252	784	105,192
Retainage Payable	284,317	60,124	-	344,441
Interest Payable	28,243	-	-	28,243
Other Liabilities	-	179,840	-	179,840
Due to Other Funds	11,069,570	7,509,806	-	18,579,376
Advances from Other Funds	1,850,000	-	-	1,850,000
Other Payables	-	-	17,850	17,850
Compensated Absences	30,977	964	-	31,941
IEPA Revolving Loan	626,125	-	-	626,125
Total Current Liabilities	14,228,375	8,467,052	24,031	22,719,458
Noncurrent Liabilities				
Compensated Absences	123,907	3,855	-	127,762
Net Pension Liability - IMRF	585,266	428,819	7,056	1,021,141
Total OPEB Liability - RBP	1,058,501	1,058,501	-	2,117,002
IEPA Revolving Loan	2,670,691	-	-	2,670,691
Total Noncurrent Liabilities	4,438,365	1,491,175	7,056	5,936,596
Total Liabilities	18,666,740	9,958,227	31,087	28,656,054
DEFERRED INFLOWS OF RESOURCES				
Deferred Items - IMRF	594,315	435,449	7,165	1,036,929
Total Liabilities and Deferred Inflows of Resources	19,261,055	10,393,676	38,252	29,692,983
NET POSITION				
Net Investment in Capital Assets	80,498,981	14,803,810	229,317	95,532,108
Restricted - Water	-	180,321	-	180,321
Unrestricted (Deficit)	(11,809,721)	(3,375,910)	409,942	(14,775,689)
Total Net Position	\$ 68,689,260	\$ 11,608,221	\$ 639,259	\$ 80,936,740

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, 2019**

	Business-Type Activities - Enterprise			
	Waterworks	Sewerage	Nonmajor Commuter Parking	Totals
Operating Revenues				
Charges for Services	\$ 3,890,786	\$ 4,614,965	\$ 81,845	\$ 8,587,596
Licenses and Permits	-	-	68,845	68,845
Total Operating Revenues	3,890,786	4,614,965	150,690	8,656,441
Operating Expenses				
Operations	4,674,839	5,456,149	100,309	10,231,297
Depreciation	1,944,024	320,765	13,925	2,278,714
Total Operating Expenses	6,618,863	5,776,914	114,234	12,510,011
Operating Income (Loss)	(2,728,077)	(1,161,949)	36,456	(3,853,570)
Nonoperating Revenues (Expenses)				
Water and Sewer Connection Fees	44,025	63,955	-	107,980
Property Taxes	-	8,882	-	8,882
Interest Income	2,515	5,083	-	7,598
Other Income	211,373	206,781	10,111	428,265
Interest Expense and Fiscal Charges	(91,290)	-	-	(91,290)
Disposal of Capital Assets	-	(10,586,384)	-	(10,586,384)
	166,623	(10,301,683)	10,111	(10,124,949)
Income (Loss) before Contributions and Capital Grants	(2,561,454)	(11,463,632)	46,567	(13,978,519)
Capital Contributions	171,654	-	-	171,654
Capital Grants	48,183	-	-	48,183
Change in Net Position	(2,341,617)	(11,463,632)	46,567	(13,758,682)
Net Position - Beginning	71,030,877	23,071,853	592,692	94,695,422
Net Position - Ending	\$ 68,689,260	\$ 11,608,221	\$ 639,259	\$ 80,936,740

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, 2019**

	Business-Type Activities - Enterprise Funds			Totals
	Waterworks Fund	Sewerage Fund	Nonmajor Enterprise Commuter Parking	
Cash Flows from Operating Activities				
Receipts from Customers and Users	\$ 6,170,811	\$ 6,795,269	\$ 168,769	\$ 13,134,849
Payments to Employees	(1,764,924)	(1,261,253)	(20,918)	(3,047,095)
Payments to Suppliers	(3,087,973)	(4,402,809)	(85,107)	(7,575,889)
	<u>1,317,914</u>	<u>1,131,207</u>	<u>62,744</u>	<u>2,511,865</u>
Cash Flows from Noncapital Financing Activities				
Property Taxes	-	8,882	-	8,882
Cash Flows from Capital and Related Financing Activities				
Capital Grants	48,183	-	-	48,183
Purchase of Capital Assets	(666,983)	(454,249)	-	(1,121,232)
Disposal of Capital Assets	-	(1,311,255)	-	(1,311,255)
Interest on Capital Debt	(91,290)	-	-	(91,290)
Principal on Capital Debt	(610,339)	-	-	(610,339)
	<u>(1,320,429)</u>	<u>(1,765,504)</u>	<u>-</u>	<u>(3,085,933)</u>
Cash Flows from Investing Activities				
Interest Received	2,515	5,083	-	7,598
Net Change in Cash and Cash Equivalents	-	(620,332)	62,744	(557,588)
Cash and Cash Equivalents - Beginning	-	620,332	379,549	999,881
Cash and Cash Equivalents - Ending	<u>-</u>	<u>-</u>	<u>442,293</u>	<u>442,293</u>
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities				
Operating Income (Loss)	(2,728,077)	(1,161,949)	36,456	(3,853,570)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:				
Depreciation Expense	1,944,024	320,765	13,925	2,278,714
Other Income	427,052	270,736	10,111	707,899
(Increase) Decrease in Current Assets	1,852,973	1,909,568	7,968	3,770,509
Increase (Decrease) in Current Liabilities	(178,058)	(207,913)	(5,716)	(391,687)
Net Cash Provided by Operating Activities	<u>\$ 1,317,914</u>	<u>\$ 1,131,207</u>	<u>\$ 62,744</u>	<u>\$ 2,511,865</u>
Noncash Activity				
Capital Contributions	<u>\$ 171,654</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 171,654</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, 2019**

	<u>Pension Trust Police Pension</u>
ASSETS	
Cash and Cash Equivalents	\$ 53,175
Investments	
Money Market Mutual Funds	711,927
U.S. Treasuries	1,289,027
U.S. Agencies	7,838,066
Corporate Bonds	1,954,557
Municipal Bonds	1,591,827
Mutual Funds	19,582,996
Insurance Contracts	1,633,693
Accrued Interest	82,799
Prepays	<u>6,415</u>
Total Assets	34,744,482
LIABILITIES	
Accounts Payable	<u>14,713</u>
NET POSITION	
Net Position Restricted for Pensions	<u><u>\$ 34,729,769</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, 2019

	Pension Trust Police Pension
Additions	
Contributions - Employer	\$ 1,949,252
Contributions - Plan Members	441,291
Total Contributions	2,390,543
Investment Income	
Interest Earned	884,641
Net Change in Fair Value	4,383,269
	5,267,910
Less Investment Expenses	(46,959)
Net Investment Income	5,220,951
Total Additions	7,611,494
Deductions	
Administration	61,544
Benefits and Refunds	2,405,200
Total Deductions	2,466,744
Change in Fiduciary Net Position	5,144,750
Net Position Restricted for Pensions	
Beginning	29,585,019
Ending	\$ 34,729,769

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, 2019

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, 2019

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, sewer, etc.). The functions are supported by general government revenues (property, sales and use taxes, certain intergovernmental revenues, fines, permits and charges, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, which include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment.

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

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

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

CITY OF WEST CHICAGO, ILLINOIS

Notes to the Financial Statements December 31, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

BASIS OF PRESENTATION – Continued

Fund Financial Statements

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

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

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

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

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

CITY OF WEST CHICAGO, ILLINOIS

Notes to the Financial Statements December 31, 2019

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 natural gas use taxes and a one 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, 2019

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, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING – Continued

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, 2019

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, and Level 3 inputs are significant unobservable inputs.

CITY OF WEST CHICAGO, ILLINOIS

Notes to the Financial Statements December 31, 2019

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 receivable balances for governmental activities include property taxes, sales and use taxes, franchise fees, and grants. Business-type activities report utility charges as their major receivables.

Interfund Receivables, Payables and Activity

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

Prepays/Inventories

Prepays/inventories are valued at cost, which approximates market, using the first-in/first-out (FIFO) method. The costs of governmental fund-type 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.

CITY OF WEST CHICAGO, ILLINOIS

Notes to the Financial Statements

December 31, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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

Capital Assets – Continued

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

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

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

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

Deferred Outflows/Inflows of Resources

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

Compensated Absences

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

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

CITY OF WEST CHICAGO, ILLINOIS

Notes to the Financial Statements December 31, 2019

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, 2019

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

BUDGETARY INFORMATION

Budgets are adopted on a basis consistent with generally accepted accounting principles. Annual appropriations are adopted for the general, special revenue (except for the TIF Special Tax Allocation #3 Fund), capital projects, and enterprise funds. All annual appropriations lapse at fiscal year end.

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

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

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

NOTE 3 – DETAIL NOTES ON ALL FUNDS

DEPOSITS AND INVESTMENTS

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

Permitted Deposits and Investments – Statutes authorize the City to make deposits/invest in commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. Agencies, obligations of States and their political subdivisions, credit union shares, repurchase agreements, commercial paper rated within the three highest classifications by at least two standard rating services, Illinois Funds and the Illinois Metropolitan Investment Fund.

Illinois Funds is an investment pool managed by the Illinois Public Treasurer's Office which allows governments within the State to pool their funds for investment purposes. The Illinois Funds is not registered with the SEC as an investment company. Investments in Illinois Funds are valued at the share price, the price for which the investment could be sold.

CITY OF WEST CHICAGO, ILLINOIS

Notes to the Financial Statements December 31, 2019

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 \$2,842,830 and the bank balances totaled \$2,961,621. Additionally, at year-end the City has \$574,016 invested in the Illinois Funds and \$40,408 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, 2019

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

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

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

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

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

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

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

At year-end, the City does not have any investments over 5 percent of cash and investments (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments).

CITY OF WEST CHICAGO, ILLINOIS

Notes to the Financial Statements December 31, 2019

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 \$765,102 and the bank balances totaled \$829,452. In addition, the Pension Fund has \$19,582,996 invested in money market mutual funds at year end.

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

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1 to 5	6 to 10	Greater Than 10
U.S. Treasuries	\$ 1,289,027	\$ 299,770	\$ 681,866	\$ 307,391	\$ -
U.S. Agencies	7,838,066	140,198	1,419,444	6,171,405	107,019
Corporate Bonds	1,954,557	50,219	758,184	1,146,154	-
Municipal Bonds	1,591,827	149,983	931,657	410,451	99,736
	<u>\$ 12,673,477</u>	<u>\$ 640,170</u>	<u>\$ 3,791,151</u>	<u>\$ 8,035,401</u>	<u>\$ 206,755</u>

The Fund has the following recurring fair value measurements as of December 31, 2019:

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	\$ 1,289,027	\$ 1,289,027	\$ -	\$ -
U.S. Agencies	7,838,066	-	7,838,066	-
Corporate Bonds	1,954,557	-	1,954,557	-
Municipal Bonds	1,591,827	-	1,591,827	-
Equity Securities				
Insurance Contracts	1,633,693	-	1,633,693	-
Mutual Funds	19,582,996	19,582,996	-	-
Total Investments by Fair Value Level	<u>\$ 33,890,166</u>	<u>\$ 20,872,023</u>	<u>\$ 13,018,143</u>	<u>\$ -</u>

CITY OF WEST CHICAGO, ILLINOIS

Notes to the Financial Statements December 31, 2019

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

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

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

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

Credit Risk. The Fund helps limit its exposure to credit risk by primarily investing in securities issued by the United States Government and/or its agencies that are implicitly guaranteed by the United States Government. The Pension Fund's investment policy establishes criteria for allowable investments; those criteria follow the requirements of the Illinois Pension Code. The investments in the securities of the U.S. Government agencies were not rated. Corporate bonds were rated A3 to Aaa by Moody's Investor Services. Municipal bonds were rated AAA to Aaa by Standard & Poor's and Moody's Investor Services.

Custodial Credit Risk. At December 31, 2019, 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, 2019, 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, 2019

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	45.00%	1.40%
Domestic Equities	11% - 38.50%	6.20% - 8.00%
International Equities	5.50%	6.90%
Cash and Cash Equivalents	0.00%	0.00%

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

The long-term expected rate of return on the Fund's investments was determined using an asset allocation study conducted by the Fund's investment management consultant in April 2020 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, 2019 are listed in the table above.

CITY OF WEST CHICAGO, ILLINOIS

Notes to the Financial Statements December 31, 2019

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

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

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

<u>Equity Mutual Funds</u>	<u>Fair Value</u>
AQR LG Cap Defensive	\$ 903,640
Cohen and Steers	432,209
First Eagle Overseas	279,671
Goldman Sachs Intl Eqty	379,610
Goldman Sachs Small Cap	1,350,641
LSV Value Equity	1,697,080
MFS Intl Growth CL I	473,628
Oppenheimer Developing	278,938
Pioneer Equity Income	2,171,064
T Rowe Price Growth Stock	4,415,090
T Rowe Price Small	1,436,640
TIAA CREF Small Cap	448,256
Vanguard 500 Index	4,715,213
Victory Sycamore	601,316
	<u>\$ 19,582,996</u>
<u>Insurance Contracts</u>	<u>Fair Value</u>
Protective Life Annuity	\$ 610,561
Hartford Annuity	791,375
Nationwide	231,757
	<u>\$ 1,633,693</u>

Rate of Return

For the year ended December 31, 2019, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 17.79%. 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, 2019

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

SALES TAX AGREEMENT

The City of West Chicago entered into a tax rebate agreement with a corporation in 2015. Under this agreement, the City rebates a portion of sales taxes. For the fiscal year ended December 31, 2019, the City rebated a total of \$94,955 in taxes under this agreement.

CAPITAL ASSETS

Governmental Activities

Governmental capital asset activity for the year was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Capital Assets - Not Being Depreciated				
Land	\$ 20,218,128	\$ -	\$ -	\$ 20,218,128
Construction in Progress	174,895	2,581,831	-	2,756,726
	<u>20,393,023</u>	<u>2,581,831</u>	<u>-</u>	<u>22,974,854</u>
Other Capital Assets				
Land Improvements	2,040,245	-	-	2,040,245
Buildings and Improvements	3,184,512	-	-	3,184,512
Machinery and Equipment	5,988,941	298,088	67,274	6,219,755
Infrastructure	63,164,607	-	-	63,164,607
	<u>74,378,305</u>	<u>298,088</u>	<u>67,274</u>	<u>74,609,119</u>
Less Accumulated Depreciation				
Land Improvements	545,654	56,316	-	601,970
Buildings and Improvements	1,967,262	71,201	-	2,038,463
Machinery and Equipment	3,270,164	393,552	67,274	3,596,442
Infrastructure	34,974,124	1,402,690	-	36,376,814
	<u>40,757,204</u>	<u>1,923,759</u>	<u>67,274</u>	<u>42,613,689</u>
Total Other Capital Assets	<u>33,621,101</u>	<u>(1,625,671)</u>	<u>-</u>	<u>31,995,430</u>
Total Capital Assets	<u>\$ 54,014,124</u>	<u>\$ 956,160</u>	<u>\$ -</u>	<u>\$ 54,970,284</u>

Depreciation expense was charged to governmental activities as follows:

General Government	\$ 24,730
Public Safety	89,043
Culture and Recreation	49,692
Highways and Streets	<u>1,760,294</u>
	<u>\$ 1,923,759</u>

CITY OF WEST CHICAGO, ILLINOIS

**Notes to the Financial Statements
December 31, 2019**

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	\$ -	\$ 609,500	\$ 28,040,111
Construction in Progress	2,163,591	1,318,876	1,213,802	2,268,665
	<u>30,813,202</u>	<u>1,318,876</u>	<u>1,823,302</u>	<u>30,308,776</u>
Other Capital Assets				
Land Improvements	1,426,823	-	173,485	1,253,338
Buildings and Improvements	34,409,354	884,042	9,314,666	25,978,730
Machinery and Equipment	18,068,324	114,730	9,224,236	8,958,818
Infrastructure	73,092,720	626,886	1,532,829	72,186,777
	<u>126,997,221</u>	<u>1,625,658</u>	<u>20,245,216</u>	<u>108,377,663</u>
Less Accumulated Depreciation				
Land Improvements	876,991	32,112	173,485	735,618
Buildings and Improvements	14,028,777	675,997	5,036,545	9,668,229
Machinery and Equipment	10,566,448	194,920	5,059,626	5,701,742
Infrastructure	23,076,672	1,375,685	700,431	23,751,926
	<u>48,548,888</u>	<u>2,278,714</u>	<u>10,970,087</u>	<u>39,857,515</u>
Total Other Capital Assets	<u>78,448,333</u>	<u>(653,056)</u>	<u>9,275,129</u>	<u>68,520,148</u>
Total Capital Assets	<u>\$ 109,261,535</u>	<u>\$ 665,820</u>	<u>\$ 11,098,431</u>	<u>\$ 98,828,924</u>

Depreciation expense was charged to business-type as follows:

Waterworks	\$ 1,944,024
Sewerage	320,765
Commuter Parking	<u>13,925</u>
	<u>\$ 2,278,714</u>

CITY OF WEST CHICAGO, ILLINOIS

Notes to the Financial Statements December 31, 2019

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	\$ 11,069,570
General	Sewerage	3,509,806
TIF Special Tax Allcoation #1	Sewerage	1,000,000
Capital Improvement	Sewerage	3,000,000
		<u>\$ 18,579,376</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	\$ 159,781
Sewerage	Waterworks	<u>1,850,000</u>
		<u>\$ 2,009,781</u>

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

CITY OF WEST CHICAGO, ILLINOIS

Notes to the Financial Statements December 31, 2019

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS – Continued

Interfund Transfers

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them.

Transfer In	Transfer Out	Amount
Capital Improvement	General	<u>\$ 500,000</u>

PROPERTY TAXES

Property taxes for 2018 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.

LONG-TERM DEBT

IEPA Revolving Loan

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

Issue	Fund Debt Retired By	Beginning Balances	Issuances	Retirements	Ending Balances
IEPA Waterworks Revolving Loan (\$11,000,000), due in semi- annual installments of \$353,428, including interest at 2.57% through September 9, 2024.	Waterworks	<u>\$ 3,907,155</u>	<u>\$ -</u>	<u>\$ 610,339</u>	<u>\$ 3,296,816</u>

CITY OF WEST CHICAGO, ILLINOIS**Notes to the Financial Statements
December 31, 2019****NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued****LONG-TERM DEBT – Continued****Long-Term Liability Activity**

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

Type of Debt	Beginning Balances	Additions	Deductions	Ending Balances	Amounts Due within One Year
Governmental Activities					
Compensated Absences	\$ 1,604,193	\$ 333,182	\$ 166,591	\$ 1,770,784	\$ 354,157
Net Pension Liability					
IMRF	2,800,196	-	1,805,264	994,932	-
Police Pension	29,040,665	5,334,316	-	34,374,981	-
Total OPEB Liability - RBP	4,313,858	400,954	-	4,714,812	-
	<u>37,758,912</u>	<u>6,068,452</u>	<u>1,971,855</u>	<u>41,855,509</u>	<u>354,157</u>
Business-type Activities					
Compensated Absences	140,084	39,238	19,619	159,703	31,941
Net Pension Liability					
IMRF	2,910,994	-	1,889,853	1,021,141	-
Total OPEB Liability - RBP	1,933,376	183,626	-	2,117,002	-
IEPA Revolving Loan	3,907,155	-	610,339	3,296,816	626,125
	<u>\$ 8,891,609</u>	<u>\$ 222,864</u>	<u>\$ 2,519,811</u>	<u>\$ 6,594,662</u>	<u>\$ 658,066</u>

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

Line of Credit

The City has a \$3,500,000 line of credit with Fifth Third Bank maturing on November 1, 2020. Interest on the line of credit is payable at a floating rate of 30-day LIBOR + .75%. The line of credit is secured by a general obligation pledge. At December 31, 2019, the balance is \$0 as the City has not drawn on the line of credit.

CITY OF WEST CHICAGO, ILLINOIS

Notes to the Financial Statements December 31, 2019

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, 2019, the IDRB bonds matured resulting in an outstanding balance of \$0.

Debt Service Requirements to Maturity

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

Fiscal Year	Business-Type Activities		
	IEPA Revolving		Totals
	Principal	Interest	
2020	\$ 626,125	\$ 80,731	\$ 706,856
2021	642,320	64,536	706,856
2022	658,933	47,923	706,856
2023	675,977	30,879	706,856
2024	693,461	13,395	706,856
Totals	<u>\$ 3,296,816</u>	<u>\$ 237,464</u>	<u>\$ 3,534,280</u>

CITY OF WEST CHICAGO, ILLINOIS

Notes to the Financial Statements December 31, 2019

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, 2019:

Governmental Activities	
Capital Assets - Net of Accumulated Depreciation	<u>\$ 54,970,284</u>
Business-Type Activities	
Capital Assets - Net of Accumulated Depreciation	98,828,924
Less Capital Related Debt:	
IEPA Revolving Loan	<u>(3,296,816)</u>
Net Investment in Capital Assets	<u>\$ 95,532,108</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, 2019

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	\$ 105,861	\$ -	\$ 1,605	\$ 963	\$ -	\$ 108,429
Restricted						
Motor Fuel Tax	981,483	-	-	-	-	981,483
Public Safety	554,009	-	-	-	-	554,009
Property Taxes						
TIF	-	-	929,620	-	205,783	1,135,403
Public Benefit Projects	-	944,162	-	-	-	944,162
	1,535,492	944,162	929,620	-	205,783	3,615,057
Assigned						
Capital Projects	-	-	-	3,067,428	1,678,296	4,745,724
Unassigned	13,844,971	-	-	-	-	13,844,971
Total Fund Balances	\$ 15,486,324	\$ 944,162	\$ 931,225	\$ 3,068,391	\$ 1,884,079	\$ 22,314,181

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, 2019

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.

NOTE 4 – OTHER INFORMATION

RISK MANAGEMENT

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

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

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

CITY OF WEST CHICAGO, ILLINOIS

Notes to the Financial Statements December 31, 2019

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.

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

	Expenses (Revenues)	Net Pension Liabilities	Deferred Outflows	Deferred Inflows
IMRF	695,801	2,016,073	546,051	2,047,244
Police Pension	4,403,149	34,374,981	10,386,618	3,742,211
	5,098,950	56,346,067	10,295,793	(8,597,521)

CITY OF WEST CHICAGO, ILLINOIS

Notes to the Financial Statements December 31, 2019

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Illinois Municipal Retirement Fund (IMRF)

Plan Descriptions

Plan Administration. All employees (other than those covered by the Police Pension Plan) hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. The plan is accounted for on the economic resources measurement focus and the accrual basis of accounting. Employer and employee contributions are recognized when earned in the year that the contributions are required; benefits and refunds are recognized as an expense and liability when due and payable.

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

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

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.

CITY OF WEST CHICAGO, ILLINOIS

Notes to the Financial Statements December 31, 2019

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Illinois Municipal Retirement Fund (IMRF) – Continued

Plan Descriptions – Continued

Plan Membership. As of December 31, 2019, the measurement date, the following employees were covered by the benefit terms:

Inactive Plan Members Currently Receiving Benefits	102
Inactive Plan Members Entitled to but not yet Receiving Benefits	55
Active Plan Members	<u>68</u>
Total	<u><u>225</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, 2019, the City's contribution was 9.40% of covered payroll.

Net Pension Liability. The City's net pension liability was measured as of December 31, 2019. 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, 2019, using the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market
Actuarial Assumptions	
Interest Rate	7.25%
Salary Increases	3.35% to 14.25%
Cost of Living Adjustments	2.50%
Inflation	2.50%

CITY OF WEST CHICAGO, ILLINOIS

Notes to the Financial Statements December 31, 2019

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. 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.

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	28.00%	3.25%
Domestic Equities	37.00%	5.75%
International Equities	18.00%	6.50%
Real Estate	9.00%	5.20%
Blended	7.00%	3.60% - 7.60%
Cash and Cash Equivalents	1.00%	1.85%

Discount Rate

The discount rate used to measure the total pension liability was 7.25%, the same as in 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 projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all period of projected benefit payments to determine the total pension liability.

CITY OF WEST CHICAGO, ILLINOIS

Notes to the Financial Statements December 31, 2019

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Illinois Municipal Retirement Fund (IMRF) – Continued

Discount Rate Sensitivity

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net Pension Liability/(Asset)	\$ 6,917,798	\$ 2,016,073	\$ (1,993,659)

Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2018	\$ 37,789,801	\$ 32,078,611	\$ 5,711,190
Changes for the Year:			
Service Cost	602,034	-	602,034
Interest on the Total Pension Liability	2,692,802	-	2,692,802
Difference Between Expected and Actual Experience of the Total Pension Liability	(172,461)	-	(172,461)
Changes of Assumptions	-	-	-
Contributions - Employer	-	554,570	(554,570)
Contributions - Employees	-	265,485	(265,485)
Net Investment Income	-	6,121,775	(6,121,775)
Benefit Payments, including Refunds of Employee Contributions	(1,897,435)	(1,897,435)	-
Other (Net Transfer)	-	(124,338)	124,338
Net Changes	1,224,940	4,920,057	(3,695,117)
Balances at December 31, 2019	\$ 39,014,741	\$ 36,998,668	\$ 2,016,073

CITY OF WEST CHICAGO, ILLINOIS**Notes to the Financial Statements
December 31, 2019****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, 2019, the City recognized pension expense of \$695,801. At December 31, 2019, 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	\$ 42,073	\$ (228,865)	\$ (186,792)
Change in Assumptions	503,978	(223,427)	280,551
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	(1,594,952)	(1,594,952)
Total Deferred Amounts Related to IMRF	<u>\$ 546,051</u>	<u>\$ (2,047,244)</u>	<u>\$ (1,501,193)</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
2020	\$ (536,190)
2021	(302,003)
2022	104,926
2023	(767,926)
2024	-
Thereafter	-
Total	<u>\$ (1,501,193)</u>

CITY OF WEST CHICAGO, ILLINOIS

Notes to the Financial Statements December 31, 2019

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, 2019, the measurement date, membership consisted of the following:

Inactive Plan Members Currently Receiving Benefits	31
Inactive Plan Members Entitled to but not yet Receiving Benefits	4
Active Plan Members	<u>43</u>
Total	<u><u>78</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, 2019

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 officer retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3 percent of ½ of the change in the Consumer Price Index for the proceeding calendar year.

Contributions. Covered employees are required to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The City is required to contribute the remaining amounts necessary to finance the plan and the administrative costs as actuarially determined by an enrolled actuary. However, effective January 1, 2011, ILCS requires the City to contribute a minimum amount annually calculated using the projected unit credit actuarial cost method that will result in the funding of 90% of the past service cost by the year 2040. For the year-ended December 31, 2019, the City's contribution was 43.77% of covered payroll.

Concentrations. At December 31, 2019, 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, 2019

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, 2019, using the following actuarial methods and assumptions:

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

Mortality rates were based on Pub-2010 adjusted for Plan Status, Demographics, and Illinois Public Pension Data.

Discount Rate

A Single Discount Rate of 5.60% was used to measure the total pension liability, while the prior year used 6.20%. 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 2.74%, and the resulting Single Discount Rate is 5.60%.

CITY OF WEST CHICAGO, ILLINOIS

Notes to the Financial Statements December 31, 2019

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Police Pension Plan – Continued

Discount Rate Sensitivity

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

	1% Decrease (4.60%)	Current Discount Rate (5.60%)	1% Increase (6.60%)
Net Pension Liability	\$ 46,867,578	\$ 34,374,981	\$ 24,564,162

Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2018	\$ 58,625,684	\$ 29,585,019	\$ 29,040,665
Changes for the Year:			
Service Cost	1,296,222	-	1,296,222
Interest on the Total Pension Liability	3,560,231	-	3,560,231
Difference Between Expected and Actual Experience of the Total Pension Liability	375,254	-	375,254
Changes of Assumptions	269,777	-	269,777
Contributions - Employer	-	1,949,252	(1,949,252)
Contributions - Employees	-	441,291	(441,291)
Net Investment Income	-	5,220,951	(5,220,951)
Benefit Payments, including Refunds of Employee Contributions	(2,405,200)	(2,405,200)	-
Administration Expense	-	(61,544)	61,544
Net Changes	10,479,066	5,144,750	5,334,316
Balances at December 31, 2019	\$ 69,104,750	\$ 34,729,769	\$ 34,374,981

CITY OF WEST CHICAGO, ILLINOIS

Notes to the Financial Statements December 31, 2019

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, 2019, the City recognized pension expense of \$4,403,149. At December 31, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Difference Between Expected and Actual Experience	\$ 1,642,329	\$ (414,712)	\$ 1,227,617
Change in Assumptions	8,744,289	(1,951,950)	6,792,339
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	(1,375,549)	(1,375,549)
Total Deferred Amounts Related to Police Pension	<u>\$ 10,386,618</u>	<u>\$ (3,742,211)</u>	<u>\$ 6,644,407</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
2020	\$ 1,507,335
2021	1,562,595
2022	1,294,423
2023	(31,293)
2024	773,546
Thereafter	<u>1,537,801</u>
Total	<u>\$ 6,644,407</u>

CITY OF WEST CHICAGO, ILLINOIS

Notes to the Financial Statements December 31, 2019

NOTE 4 – OTHER INFORMATION – Continued

OTHER POST-EMPLOYMENT BENEFITS

General Information about the OPEB Plan

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

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

Plan Membership. As of December 31, 2019, the measurement date, the following employees were covered by the benefit terms:

Inactive Plan Members Currently Receiving Benefits	12
Inactive Plan Members Entitled to but not yet Receiving Benefits	-
Active Plan Members	<u>73</u>
Total	<u><u>85</u></u>

Total OPEB Liability

The City's total OPEB liability was measured as of December 31, 2019, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs. The total OPEB liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

CITY OF WEST CHICAGO, ILLINOIS

Notes to the Financial Statements December 31, 2019

NOTE 4 – OTHER INFORMATION – Continued

OTHER POST-EMPLOYMENT BENEFITS – Continued

Total OPEB Liability – Continued

Actuarial Assumptions and Other Inputs – Continued.

Inflation	2.25%
Salary Increases	3.00%
Discount Rate	2.74%
Healthcare Cost Trend Rates	6.60% - 7.70% for 2019, decreasing to an ultimate rate of 5.00% for 2028 and later years
Retirees' Share of Benefit-Related Costs	100% of projected health insurance premiums for retirees

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

Mortality rates were based on the Sex Distinct Raw Rates as developed in the RP-2010(A) Study improved to 2017 using MP-2019 Improvement Rates. These rates are improved generationally using MP-2019 Improvement Rates.

Change in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Balance at December 31, 2018	<u>\$ 6,247,234</u>
Changes for the Year:	
Service Cost	46,336
Interest on the Total Pension Liability	251,531
Changes of Benefit Terms	-
Difference Between Expected and Actual Experience	(1,247,848)
Changes of Assumptions or Other Inputs	1,759,270
Benefit Payments	<u>(224,709)</u>
Net Changes	<u>584,580</u>
Balance at December 31, 2019	<u><u>\$ 6,831,814</u></u>

CITY OF WEST CHICAGO, ILLINOIS

Notes to the Financial Statements December 31, 2019

NOTE 4 – OTHER INFORMATION – Continued

OTHER POST-EMPLOYMENT BENEFITS – Continued

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

The following presents the total OPEB liability, calculated using a Single Discount Rate of 2.74%, 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 (1.74%)	Current Discount Rate (2.74%)	1% Increase (3.74%)
Total OPEB Liability	\$ 8,035,353	\$ 6,831,814	\$ 5,881,530

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

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

	1% Decrease (Varies)	Healthcare Cost Trend Rates (Varies)	1% Increase (Varies)
Total OPEB Liability	\$ 5,853,619	\$ 6,831,814	\$ 8,053,842

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

For the year ended December 31, 2019, the City recognized OPEB expense of \$358,475. Per GASB Statement No. 75, under the Alternative Measurement Method, changes in Total OPEB Liability are immediately recognized as expense, resulting in no deferred outflows of resources or deferred inflows of resources related to OPEB.

SUBSEQUENT EVENT

Subsequent to the date of the financial statements and prior to the audit opinion date, the World Health Organization declared the COVID-19 virus a public health emergency. As of the date of this report, the extent of the impact of COVID-19 on the City's operations and financial position cannot be determined.

REQUIRED SUPPLEMENTARY INFORMATION

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

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

Notes to the Required Supplementary Information

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

CITY OF WEST CHICAGO, ILLINOIS

Illinois Municipal Retirement Fund

Required Supplementary Information

Schedule of Employer Contributions

December 31, 2019

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2015	\$ 673,208	\$ 673,208	\$ -	\$ 5,107,796	13.18%
2016	760,973	760,973	-	5,666,218	13.43%
2017	725,095	725,095	-	5,722,922	12.67%
2018	748,485	748,485	-	6,031,302	12.41%
2019	554,570	554,570	-	5,899,672	9.40%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	24 Years
Asset Valuation Method	5-Year Smoothed Market
Inflation	2.50%
Salary Increases	3.35% - 14.25%
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-2017 (base year 2015).

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, 2019**

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2015	\$ 1,953,538	\$ 1,800,000	\$ (153,538)	\$ 4,092,955	43.98%
2016	2,496,300	2,174,000	(322,300)	4,279,402	50.80%
2017	2,357,486	2,358,000	514	4,429,181	53.24%
2018	2,499,282	2,500,000	718	4,352,534	57.44%
2019	2,563,133	1,949,252	(613,881)	4,452,989	43.77%

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, 2019**

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

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

2016	2017	2018	2019
563,551	620,392	566,525	602,034
2,455,010	2,609,972	2,599,095	2,692,802
616,330	(516,181)	89,045	(172,461)
(126,634)	(1,103,990)	1,066,640	-
(1,553,071)	(1,650,895)	(1,805,678)	(1,897,435)
1,955,186	(40,702)	2,515,627	1,224,940
33,359,690	35,314,876	35,274,174	37,789,801
35,314,876	35,274,174	37,789,801	39,014,741
760,973	725,095	748,485	554,570
254,980	262,899	271,408	265,485
1,966,231	5,355,309	(1,942,525)	6,121,775
(1,553,071)	(1,650,895)	(1,805,678)	(1,897,435)
259,549	(416,512)	478,710	(124,338)
1,688,662	4,275,896	(2,249,600)	4,920,057
28,363,653	30,052,315	34,328,211	32,078,611
30,052,315	34,328,211	32,078,611	36,998,668
5,262,561	945,963	5,711,190	2,016,073
85.10%	97.32%	84.89%	94.83%
5,666,218	5,722,922	6,031,032	5,899,672
92.88%	16.53%	94.70%	34.17%

CITY OF WEST CHICAGO, ILLINOIS

Police Pension Fund

Required Supplementary Information Schedule of Changes in the Employer's Net Pension Liability December 31, 2019

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

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

2016	2017	2018	2019
1,346,476	1,426,187	1,349,278	1,296,222
3,142,264	3,240,378	3,419,420	3,560,231
-	-	-	269,777
(372,812)	324,349	(338,074)	375,254
(631,278)	(1,417,146)	(1,140,533)	7,382,782
(1,696,065)	(1,958,572)	(1,995,003)	(2,405,200)
1,788,585	1,615,196	1,295,088	10,479,066
53,926,815	55,715,400	57,330,596	58,625,684
55,715,400	57,330,596	58,625,684	69,104,750

2,174,000	2,358,000	2,500,000	1,949,252
427,412	430,974	432,433	441,291
1,820,171	3,115,545	(1,163,991)	5,220,951
(1,696,065)	(1,958,572)	(1,995,003)	(2,405,200)
(71,463)	(61,553)	(61,890)	(61,544)
2,654,055	3,884,394	(288,451)	5,144,750
23,335,021	25,989,076	29,873,470	29,585,019
25,989,076	29,873,470	29,585,019	34,729,769
29,726,324	27,457,126	29,040,665	34,374,981

46.65%	52.11%	50.46%	50.26%
4,279,402	4,429,181	4,352,534	4,452,989
694.64%	619.91%	667.21%	771.95%

CITY OF WEST CHICAGO, ILLINOIS

Police Pension Fund

**Required Supplementary Information
Schedule of Investment Returns
December 31, 2019**

Fiscal Year	Annual Money- Weighted Rate of Return, Net of Investment Expense
2015	4.99%
2016	7.85%
2017	12.01%
2018	(3.89%)
2019	17.79%

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

CITY OF WEST CHICAGO, ILLINOIS

Retiree Benefits Plan

Required Supplementary Information

Schedule of Changes in the Employer's Total OPEB Liability

December 31, 2019

	2017	2018	2019
Total OPEB Liability			
Service Cost	\$ 99,027	\$ 102,436	\$ 46,336
Interest	220,826	224,412	251,531
Changes in Benefit Terms	-	-	-
Differences Between			
Expected and Actual Experience	-	-	(1,247,848)
Change of Assumptions or Other Inputs	-	(485,359)	1,759,270
Benefit Payments	(205,343)	(226,720)	(224,709)
Net Change in Total OPEB Liability	114,510	(385,231)	584,580
Total OPEB Liability - Beginning	6,517,955	6,632,465	6,247,234
Total OPEB Liability - Ending	6,632,465	6,247,234	6,831,814
Covered Payroll	\$ 6,941,151	\$ 7,149,386	\$ 7,406,846
Total OPEB Liability as a Percentage of Covered Payroll	95.55%	87.38%	92.24%

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. In 2019, amounts reflect adjustments to assumptions for inflation rates, mortality rates, mortality improvement rates, retirement rates, termination rates, disability rates, and coverage election splits to better reflect actual plan experience. The discount rate was also changed from 4.10% in 2018 to 2.74% in 2019.

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, 2019

	Budget		Actual
	Original	Final	
Revenues			
Taxes	\$ 4,433,400	\$ 4,433,400	\$ 4,445,630
Intergovernmental	9,514,000	9,514,000	9,864,117
Charges for Services	2,249,800	2,249,800	3,469,173
Licenses and Permits	762,000	762,000	1,108,091
Fines and Forfeitures	825,000	825,000	1,015,725
Interest Income	5,000	5,000	13,841
Miscellaneous	450,000	450,000	692,951
Total Revenues	18,239,200	18,239,200	20,609,528
Expenditures			
General Government	9,678,800	9,887,500	8,153,755
Public Safety	10,782,200	10,782,200	9,886,973
Total Expenditures	20,461,000	20,669,700	18,040,728
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,221,800)	(2,430,500)	2,568,800
Other Financing (Uses)			
Transfer Out	-	-	(500,000)
Net Change in Fund Balance	<u>\$ (2,221,800)</u>	<u>\$ (2,430,500)</u>	2,068,800
Fund Balance - Beginning			<u>13,417,524</u>
Fund Balance - Ending			<u><u>\$ 15,486,324</u></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, 2019**

	Budget		Actual
	Original	Final	
Revenues			
Interest Income	\$ 800	\$ 800	\$ 2,245
Expenditures			
Capital Outlay			
Building and Grounds Improvement	-	-	-
Net Change in Fund Balance	<u>\$ 800</u>	<u>\$ 800</u>	2,245
Fund Balance - Beginning			<u>941,917</u>
Fund Balance - Ending			<u>\$ 944,162</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, 2019**

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ 950,000	\$ 950,000	\$ 1,035,146
Interest Income	500	500	2,761
Miscellaneous	5,300	5,300	21,875
Total Revenues	955,800	955,800	1,059,782
Expenditures			
General Government	1,086,500	1,086,500	740,795
Debt Service			
Interest and Fiscal Charges	700	700	250
Total Expenditures	1,087,200	1,087,200	741,045
Net Change in Fund Balance	<u>\$ (131,400)</u>	<u>\$ (131,400)</u>	318,737
Fund Balance - Beginning			<u>612,488</u>
Fund Balance - Ending			<u>\$ 931,225</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

INDIVIDUAL FUND DESCRIPTIONS

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.

TIF Special Tax Allocation Fund #3

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

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.

INDIVIDUAL FUND DESCRIPTIONS

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, 2019**

	Budget		Actual
	Original	Final	
Taxes			
Property Taxes	\$ 3,505,400	\$ 3,505,400	\$ 3,605,330
Telecommunications Tax	700,000	700,000	562,050
Amusement Tax	90,000	90,000	79,390
Personal Property Replacement Tax	138,000	138,000	198,860
	<u>4,433,400</u>	<u>4,433,400</u>	<u>4,445,630</u>
Intergovernmental			
Sales Tax	3,960,000	3,960,000	3,784,136
Income Tax	2,500,000	2,500,000	2,883,008
Utility Tax	1,400,000	1,400,000	1,381,648
MFT Allotments	925,000	925,000	895,088
Use Tax	725,000	725,000	914,519
Grants	4,000	4,000	5,718
	<u>9,514,000</u>	<u>9,514,000</u>	<u>9,864,117</u>
Charges for Services			
Weed Cutting Fees	2,500	2,500	6,221
Brush Collection Fees	100,000	100,000	106,680
Police Counter Service	10,000	10,000	-
Police Contractual Services	448,700	448,700	446,160
Change of Occupancy Fees	90,000	90,000	131,213
Rental Inspections	200,000	200,000	244,605
Business Registration	30,000	30,000	29,164
Foreclosed or Vacant Registration	35,000	35,000	23,864
Relocate Fees	3,600	3,600	7,965
Police Towing	35,000	35,000	47,150
Plan Review Fees	20,000	20,000	13,735
Engineering Fees	350,000	350,000	1,252,000
Transfer Station Fees	550,000	550,000	678,303
Cable Franchise Fee	275,000	275,000	261,635
Arts Commission	-	-	2,845
Property Rental	100,000	100,000	180,916
Tower Rental Fees	-	-	36,717
	<u>2,249,800</u>	<u>2,249,800</u>	<u>3,469,173</u>

CITY OF WEST CHICAGO, ILLINOIS

General Fund

**Schedule of Revenues - Budget and Actual - Continued
For the Fiscal Year Ended December 31, 2019**

	Budget		Actual
	Original	Final	
Licenses and Permits			
Building Permits	\$ 500,000	\$ 500,000	\$ 809,550
Building Contractors Licenses	40,000	40,000	63,040
Oversize Truck Permits	20,000	20,000	42,155
Liquor Licenses	100,000	100,000	105,010
Vending Machine/Business Licenses	75,000	75,000	69,275
Other Licenses and Permits	27,000	27,000	19,061
	<u>762,000</u>	<u>762,000</u>	<u>1,108,091</u>
Fines and Forfeits			
Circuit Court Fines	360,000	360,000	357,842
Local Fines	465,000	465,000	434,842
Seizures	-	-	223,041
	<u>825,000</u>	<u>825,000</u>	<u>1,015,725</u>
Interest			
Interest Income	<u>5,000</u>	<u>5,000</u>	<u>13,841</u>
Miscellaneous			
Cemetery Lot Sales	45,000	45,000	9,350
Other Reimbursements	50,000	50,000	77,021
Health Insurance Reimbursements	155,000	155,000	155,180
IPBC and IRMA Revenue	100,000	100,000	327,963
Other Miscellaneous	100,000	100,000	123,437
	<u>450,000</u>	<u>450,000</u>	<u>692,951</u>
Total Revenues	<u>\$ 18,239,200</u>	<u>\$ 18,239,200</u>	<u>\$ 20,609,528</u>

CITY OF WEST CHICAGO, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual For the Fiscal Year Ended December 31, 2019

	Budget		Actual
	Original	Final	
General Government			
Legislative	\$ 174,600	\$ 174,600	\$ 156,867
Administration	1,582,000	1,586,400	739,676
Administrative Services	3,105,600	3,105,600	2,769,717
Public Works	3,465,600	3,669,900	3,136,536
Community Development	1,351,000	1,351,000	1,350,959
	<u>9,678,800</u>	<u>9,887,500</u>	<u>8,153,755</u>
Public Safety			
Police Department	<u>10,782,200</u>	<u>10,782,200</u>	<u>9,886,973</u>
Total Expenditures	<u>\$ 20,461,000</u>	<u>\$ 20,669,700</u>	<u>\$ 18,040,728</u>

CITY OF WEST CHICAGO, ILLINOIS

General Fund

**Schedule of Detailed Expenditures - Budget and Actual
For the Fiscal Year Ended December 31, 2019**

	Budget		Actual
	Original	Final	
General Government			
Legislative			
Personal Services			
Salary of Aldermen	\$ 33,600	\$ 33,600	\$ 24,760
Salary of Mayor	15,000	15,000	15,125
Salary of Corporate Counsel	3,000	3,000	3,000
Salary of City Clerk	4,500	4,500	4,538
FICA and Medicare	4,100	4,100	3,399
Contractual Services			
Legal Fees	40,000	40,000	49,204
Consultants	1,000	1,000	-
Training and Tuition	3,000	3,000	30
Memberships/Dues/Subscriptions	45,000	45,000	36,326
Legal Notices	1,500	1,500	28
Printing and Binding	10,000	10,000	5,672
Legal Reporter Fees	600	600	551
Commodities			
Computer and Office Supplies	500	500	634
Postage	300	300	502
Miscellaneous Commodities	2,000	2,000	2,412
Grant Distribution	10,000	10,000	10,000
Other Charges	500	500	686
Total Legislative	174,600	174,600	156,867

CITY OF WEST CHICAGO, ILLINOIS

General Fund

Schedule of Detailed Expenditures - Budget and Actual - Continued
For the Fiscal Year Ended December 31, 2019

	Budget		Actual
	Original	Final	
General Government - Continued			
Administration			
Personal Services			
Administrative Salaries	\$ 211,400	\$ 211,400	\$ 195,657
FICA and Medicare	16,300	16,300	12,462
ICMA	9,300	9,300	9,540
IMRF	26,300	26,300	18,131
Contractual Services			
Legal Fees	5,500	5,500	780
Newsletter Preparation	25,000	25,000	18,464
Training and Tuition	6,500	6,500	2,435
Memberships/Dues/Subscriptions	4,500	4,500	4,291
Software Maintenance	7,300	11,700	10,678
Telephone and Alarms	21,000	21,000	56,812
Electric	1,000	1,000	999
Printing and Binding	5,000	5,000	-
Advertising	25,000	25,000	10,167
Other Contractual Services	1,115,000	1,115,000	323,672
IRMA General Insurance	3,300	3,300	3,400
Commodities			
Sales Tax Rebate	70,000	70,000	54,958
Computer and Office Supplies	1,000	1,000	700
Gallery 200	6,000	6,000	6,000
Arts Programming Supplies	10,000	10,000	8,032
Special Events	500	500	-
Gas and Oil	1,000	1,000	913
Postage	100	100	-
Miscellaneous	10,000	10,000	1,531
Other Charges	1,000	1,000	54
Total Administration	1,582,000	1,586,400	739,676

CITY OF WEST CHICAGO, ILLINOIS

General Fund

Schedule of Detailed Expenditures - Budget and Actual - Continued For the Fiscal Year Ended December 31, 2019

	Budget		Actual
	Original	Final	
General Government - Continued			
Administrative Services			
Personal Services			
Administrative Salaries	\$ 423,700	\$ 423,700	\$ 397,213
Administrative Salaries - Overtime	300	300	-
FICA and Medicare	32,700	32,700	28,227
ICMA	6,900	6,900	6,691
Health/Dental/Life Insurance	1,790,000	1,790,000	1,695,437
IMRF	52,900	52,900	37,594
Contractual Services			
Legal Fees	46,500	46,500	15,567
Audit Fees	15,200	15,200	14,400
Consultants	4,000	4,000	149,328
Network Charges	16,500	16,500	14,331
Pre-employment Exams	20,000	20,000	18,274
Training and Tuition	12,500	12,500	2,432
Memberships/Dues/Subscriptions	4,000	4,000	2,603
Software Maintenance	111,300	111,300	83,403
Telephone and Alarms	34,000	34,000	29,577
Advertising	1,500	1,500	21
Other Contractual Services	40,200	40,200	29,475
IRMA General Insurance	3,300	3,300	3,400
Office Equipment Maintenance and Repair	59,000	59,000	18,523
Postage Meter Rental	1,700	1,700	1,613
Copier Fees	2,000	2,000	326
Commodities			
Computer and Office Supplies	16,500	16,500	10,114
Gas and Oil	100	100	88
Postage	6,000	6,000	4,402
Miscellaneous Commodities	600	600	219
Safety Program	5,500	5,500	5,057
Special Events	6,000	6,000	4,030
Bank Fees	13,500	13,500	11,516
Other Charges	200	200	11

CITY OF WEST CHICAGO, ILLINOIS

General Fund

Schedule of Detailed Expenditures - Budget and Actual - Continued
For the Fiscal Year Ended December 31, 2019

	Budget		Actual
	Original	Final	
General Government - Continued			
Administrative Services - Continued			
Capital Outlay			
Other Capital Outlay	\$ 228,500	\$ 228,500	\$ 63,631
MIS Replacement	150,500	150,500	122,214
Total Administrative Services	3,105,600	3,105,600	2,769,717
Public Works			
Personal Services			
Administrative Salaries	212,100	212,100	210,897
Operating Salaries	633,500	633,500	587,950
Administrative Salaries - Overtime	60,500	60,500	79,348
FICA and Medicare	69,500	69,500	66,395
IMRF	112,500	112,500	82,729
Contractual Services			
Legal Fees	1,000	1,000	2,948
Legal Notices	100	100	-
Pre-employment Exams	500	500	545
Training and Tuition	3,500	3,500	5,223
Memberships/Dues/Subscriptions	1,300	1,300	1,541
Telephone and Alarms	50,000	50,000	60,878
Interments Program	20,000	20,000	21,100
Brush Pickup	87,900	87,900	87,850
Grounds Maintenance	53,600	53,600	47,900
Cemetery Maintenance	7,200	7,200	7,343
Janitor Contract	43,000	43,000	39,648
Heating Gas	5,000	5,000	10,051
Electric	135,000	135,000	60,354
Refuse Disposal	45,000	45,000	36,016
Other Contractual Services	135,000	135,000	36,586

CITY OF WEST CHICAGO, ILLINOIS**General Fund****Schedule of Detailed Expenditures - Budget and Actual - Continued
For the Fiscal Year Ended December 31, 2019**

	Budget		Actual
	Original	Final	
General Government - Continued			
Public Works - Continued			
Contractual Services - Continued			
IRMA General Insurance	\$ 46,200	\$ 46,200	\$ 47,600
Other Insurance	11,000	11,000	17,902
Payment to Taxing Bodies	150,000	150,000	184,419
Vehicle Maintenance and Repair	40,000	40,000	50,569
Commodities			
Computer and Office Supplies	3,500	3,500	2,735
Parts for Vehicles	150,000	150,000	196,414
Tools and Equipment	73,500	73,500	28,735
Gas and Oil	56,500	56,500	63,642
Postage	100	100	-
Uniforms and Safety Equipment	13,100	17,400	18,102
Miscellaneous	82,200	82,200	78,760
Capital Outlay			
Vehicles	436,300	436,300	436,300
Street Improvements	727,000	927,000	566,056
Total Public Works	3,465,600	3,669,900	3,136,536

CITY OF WEST CHICAGO, ILLINOIS

General Fund

Schedule of Detailed Expenditures - Budget and Actual - Continued
For the Fiscal Year Ended December 31, 2019

	Budget		Actual
	Original	Final	
General Government - Continued			
Community Development			
Personal Services			
Commissions Salary	\$ 1,000	\$ 1,000	\$ 465
Administrative Salaries	445,100	445,100	390,382
FICA and Medicare	34,200	34,200	28,963
IMRF	55,700	55,700	36,549
Contractual Services			
Legal Fees	55,000	55,000	83,881
Training and Tuition	6,600	6,600	645
Memberships/Dues/Subscriptions	3,400	3,400	2,053
Enforcement & Inspections	345,000	345,000	345,000
Plan Review	135,000	135,000	194,066
Software Maintenance	12,200	12,200	10,264
Legal Notices	4,200	4,200	2,661
Telephone and Alarms	61,200	61,200	81,495
Weed Cutting	4,000	4,000	5,171
Printing and Binding	4,200	4,200	2,692
Legal Reporter	8,500	8,500	6,104
Filing Fees	3,000	3,000	2,432
Microfiche Expenses	7,500	7,500	4,733
Other Contractual Services	69,100	69,100	70,659
IRMA General Insurance	4,500	4,500	7,455
Copier Fees	1,000	1,000	1,127
Commodities			
Computer and Office Supplies	5,000	5,000	2,159
Maps and Plats	800	800	282
Gas and Oil	1,800	1,800	645
Postage	800	800	-
Uniforms and Safety Equipment	300	300	-
Miscellaneous Commodities	500	500	448
Special Events	65,000	65,000	64,922
Prospect Development	5,000	5,000	400
Other Charges	1,500	1,500	-

CITY OF WEST CHICAGO, ILLINOIS

General Fund

Schedule of Detailed Expenditures - Budget and Actual - Continued For the Fiscal Year Ended December 31, 2019

	Budget		Actual
	Original	Final	
General Government - Continued			
Community Development - Continued			
Capital Outlay			
Office Equipment	\$ 8,500	\$ 8,500	\$ 3,906
Vehicles	1,400	1,400	1,400
Total Community Development	1,351,000	1,351,000	1,350,959
Total General Government	9,678,800	9,887,500	8,153,755
Public Safety			
Police Department			
Personal Services			
Administrative Salaries	528,900	528,900	612,646
Patrolman Salaries	3,733,400	3,733,400	3,556,964
Sergeants Salaries	750,600	750,600	713,406
CSO Salaries	179,100	179,100	154,403
Contract Services Salaries	15,000	15,000	6,471
Administrative Services - Overtime	410,000	410,000	517,442
Patrolman Salaries - Overtime	-	-	463
CSO - Overtime	10,000	10,000	7,914
FICA and Medicare	430,500	430,500	412,775
Police Pension	2,630,000	2,630,000	1,949,252
IMRF	51,900	51,900	38,285
Contractual Services			
Legal Fees	113,700	113,700	119,247
Training and Tuition	44,300	44,300	31,600
Officer Training and Mileage	4,300	4,300	2,759
Memberships/Dues/Subscriptions	11,600	11,600	12,218
Software Maintenance	74,800	74,800	41,697
Telephone and Alarms	194,500	194,500	223,311
Printing and Binding	7,000	7,000	4,955
Grounds Maintenance	1,100	1,100	1,025
DuComm Quarterly Share	548,700	548,700	530,642
Other Contractual Services	117,000	117,000	123,993
Graffiti Removal	12,000	12,000	12,370
Reception Support	137,100	137,100	125,114

CITY OF WEST CHICAGO, ILLINOIS

General Fund

Schedule of Detailed Expenditures - Budget and Actual - Continued
For the Fiscal Year Ended December 31, 2019

	Budget		Actual
	Original	Final	
Public Safety - Continued			
Police Department - Continued			
Contractual Services - Continued			
Crossing Guard - Contractual	\$ 36,000	\$ 36,000	\$ 37,508
IRMA General Insurance	175,800	175,800	179,986
Other Insurance	15,000	15,000	4,435
Radio/Radar Equipment Maint. and Repair	18,600	18,600	14,075
Office Equipment and Repair	11,300	11,300	9,706
Postage Meter Rental	1,000	1,000	958
Copier Fees	10,000	10,000	7,072
Commodities			
Computer and Office Supplies	5,500	5,500	5,915
Field Equipment	28,900	28,900	29,525
Gas and Oil	80,600	80,600	67,389
Postage	6,100	6,100	5,274
Uniform and Safety Equipment	54,500	54,500	47,875
Vehicle License Fees	1,100	1,100	1,007
First Aid Supplies	1,500	1,500	1,109
Ammunition and Firearms	39,600	39,600	14,462
Educational Programming	11,000	11,000	9,324
Cert Supplies	5,000	5,000	3,272
Miscellaneous Commodities	15,300	15,300	17,452
Tools and Equipment	300	300	10
Capital Outlay			
Vehicles	259,600	259,600	231,667
Total Public Safety	10,782,200	10,782,200	9,886,973
Total Expenditures	\$ 20,461,000	\$ 20,669,700	\$ 18,040,728

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, 2019**

	Budget		
	Original	Final	Actual
General Government			
Personal Services			
Administrative Salaries	\$ 304,700	\$ 304,700	\$ 280,610
Operational Salaries	46,900	46,900	54,546
Administrative Salaries - Overtime	9,000	9,000	5,902
FICA and Medicare	27,600	27,600	25,439
Health/Dental/Life Insurance	70,100	70,100	65,168
Unemployment Insurance	-	-	258
IMRF	44,800	44,800	31,272
Contractual Services			
Legal Fees	5,000	5,000	3,615
Memberships/Dues/Subscriptions	900	900	1,100
Legal Notices	1,000	1,000	-
Telephone and Alarms	8,500	8,500	11,880
Grounds Maintenance	14,900	14,900	15,350
Other Contractual Services	79,100	79,100	47,250
Payment to Taxing Bodies	85,000	85,000	85,631
Commodities			
Postage	500	500	-
Special Events	43,000	43,000	42,236
Prospect Development	2,000	2,000	
Capital Outlay			
Building Grounds Improvement	250,000	250,000	2,815
Land	48,500	48,500	52,252
Façade Improvement	30,000	30,000	10,000
Streetscape Programs	5,000	5,000	5,471
Retail Grant Programs	10,000	10,000	-
	1,086,500	1,086,500	740,795
Debt Service			
Interest and Fiscal Charges	700	700	250
Total Expenditures	\$ 1,087,200	\$ 1,087,200	\$ 741,045

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, 2019**

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Utility Taxes	\$ 850,000	\$ 850,000	\$ 823,860
Intergovernmental			
Sales Taxes	2,650,000	2,650,000	2,771,516
Grants	400,000	400,000	122,826
Interest Income	2,000	2,000	5,502
Miscellaneous	4,100	4,100	10,074
Total Revenues	3,906,100	3,906,100	3,733,778
Expenditures			
Capital Outlay	8,212,700	8,743,700	5,950,999
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,306,600)	(4,837,600)	(2,217,221)
Other Financing Sources			
Transfer In	500,000	500,000	500,000
Net Change in Fund Balance	<u>\$ (3,806,600)</u>	<u>\$ (4,337,600)</u>	(1,717,221)
Fund Balance - Beginning			<u>4,785,612</u>
Fund Balance - Ending			<u>\$ 3,068,391</u>

CITY OF WEST CHICAGO, ILLINOIS

Capital Improvement - Capital Projects Fund

**Schedule of Expenditures - Budget and Actual
For the Fiscal Year Ended December 31, 2019**

	Budget		Actual
	Original	Final	
Capital Outlay			
Administrative Salaries	\$ 139,500	\$ 139,500	\$ 148,356
Operational Salaries	178,500	178,500	173,328
Administrative Salaries - Overtime	10,000	10,000	20,255
FICA and Medicare	25,100	25,100	25,253
Health/Dental/Life Insurance	41,500	41,500	39,101
IMRF	40,800	40,800	31,980
Legal Fees	-	-	21,979
Auditing Fees	4,100	4,100	4,000
Legal Notices	1,000	1,000	412
Other Contractual Services	911,700	911,700	897,702
Traffic Signal Maintenance	25,000	25,000	38,175
Street Light Maintenance	30,000	30,000	33,758
IRMA General Insurance	4,400	4,400	4,600
Sales Tax Rebate	60,000	60,000	39,997
Materials	21,000	21,000	27,547
Street Patch Materials	1,000	1,000	456
Street Paint	2,000	2,000	1,987
Ice Control Materials	20,000	20,000	29,389
Storm Sewer Repair	25,000	25,000	9,216
Rock Salt	300,000	300,000	342,984
Bit Patch Cold	8,000	8,000	8,234
Bit Patch Hot	45,000	45,000	39,798
Building and Grounds Improvements	40,000	40,000	8,965
Street Improvements	1,136,200	1,667,200	532,678
Land	250,000	250,000	468
Street Division Lot Repair	400,000	400,000	-
Other Capital Outlay	4,492,900	4,492,900	3,470,381
Total Expenditures	\$ 8,212,700	\$ 8,743,700	\$ 5,950,999

CITY OF WEST CHICAGO, ILLINOIS

Nonmajor Governmental Funds

Combining Balance Sheet

December 31, 2019

	Special Revenue		Capital Projects	
	TIF	TIF	Capital	
	Special Tax	Special Tax	Equipment	
	Allocation #2	Allocation #3	Replacement	Totals
ASSETS				
Cash and Investments	\$ 183,904	\$ 21,879	\$ 1,784,591	\$ 1,990,374
Receivables - Net of Allowances				
Property Taxes	18,625	16,467	-	35,092
Total Assets	202,529	38,346	1,784,591	2,025,466
LIABILITIES				
Accounts Payable	-	-	106,295	106,295
DEFERRED INFLOWS OF RESOURCES				
Property Taxes	18,625	16,467	-	35,092
Total Liabilities and Deferred Inflows of Resources	18,625	16,467	106,295	141,387
FUND BALANCES				
Restricted	183,904	21,879	-	205,783
Assigned	-	-	1,678,296	1,678,296
Total Fund Balances	183,904	21,879	1,678,296	1,884,079
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 202,529	\$ 38,346	\$ 1,784,591	\$ 2,025,466

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, 2019**

	Special Revenue		Capital Projects	
	TIF	TIF	Capital	
	Special Tax	Special Tax	Equipment	
	Allocation #2	Allocation #3	Replacement	Totals
Revenues				
Taxes	\$ 13,522	\$ 12,638	\$ -	\$ 26,160
Charges for Services	-	-	896,500	896,500
Interest Income	-	-	1,380	1,380
Miscellaneous	-	-	7,786	7,786
Total Revenues	13,522	12,638	905,666	931,826
Expenditures				
Capital Outlay	-	-	361,763	361,763
Excess (Deficiency) of Revenues Over (Under) Expenditures	13,522	12,638	543,903	570,063
Other Financing Sources				
Disposal of Assets	-	-	22,171	22,171
Net Change in Fund Balances	13,522	12,638	566,074	592,234
Fund Balances - Beginning	170,382	9,241	1,112,222	1,291,845
Fund Balances - Ending	\$ 183,904	\$ 21,879	\$ 1,678,296	\$ 1,884,079

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, 2019**

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ 13,000	\$ 13,000	\$ 13,522
Expenditures			
General Government			
Prospect Development	-	-	-
Net Change in Fund Balance	<u>\$ 13,000</u>	<u>\$ 13,000</u>	13,522
Fund Balance - Beginning			<u>170,382</u>
Fund Balance - Ending			<u>\$ 183,904</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, 2019**

	Budget		Actual
	Original	Final	
Revenues			
Charges for Services	\$ 896,500	\$ 896,500	\$ 896,500
Interest Income	400	400	1,380
Miscellaneous	-	-	7,786
Total Revenues	896,900	896,900	905,666
Expenditures			
Capital Outlay			
Vehicles	1,618,300	1,671,300	361,763
Excess (Deficiency) of Revenues Over (Under) Expenditures	(721,400)	(774,400)	543,903
Other Financing Sources			
Disposal of Assets	-	-	22,171
Net Change in Fund Balance	<u>\$ (721,400)</u>	<u>\$ (774,400)</u>	566,074
Fund Balance - Beginning			<u>1,112,222</u>
Fund Balance - Ending			<u>\$ 1,678,296</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, 2019**

	Budget		Actual
	Original	Final	
Operating Revenues			
Charges for Services			
Water Service	\$ 4,500,000	\$ 4,500,000	\$ 3,890,786
Operating Expenses			
Operations			
Water Distribution	3,141,100	3,143,700	2,921,498
Water Treatment Plant	1,641,700	1,785,500	1,753,341
Depreciation	-	-	1,944,024
Total Operating Expenses	4,782,800	4,929,200	6,618,863
Operating Income (Loss)	(282,800)	(429,200)	(2,728,077)
Nonoperating Revenues (Expenses)			
Connection Fees	23,500	23,500	44,025
Interest Income	1,000	1,000	2,515
Other Income	91,000	91,000	211,373
Interest Expense	(96,600)	(96,600)	(91,290)
	18,900	18,900	166,623
Income (Loss) before Contributions and Capital Grants	(263,900)	(410,300)	(2,561,454)
Capital Contributions	-	-	171,654
Capital Grants	-	-	48,183
Change in Net Position	<u>\$ (263,900)</u>	<u>\$ (410,300)</u>	(2,341,617)
Net Position - Beginning			<u>71,030,877</u>
Net Position - Ending			<u>\$ 68,689,260</u>

CITY OF WEST CHICAGO, ILLINOIS

Waterworks - Enterprise Fund

**Schedule of Operating Expenses - Budget and Actual
For the Fiscal Year Ended December 31, 2019**

	Budget		Actual
	Original	Final	
Water Distribution			
Personal Services			
Administrative Salaries	\$ 555,700	\$ 555,700	\$ 589,569
Operational Salaries	500,800	500,800	403,174
Administrative Salaries - Overtime	30,000	30,000	43,671
FICA and Medicare	83,200	83,200	74,455
ICMA	6,600	6,600	6,777
Health/Dental/Life Insurance	428,200	428,200	404,044
Unemployment Insurance	-	-	251
IMRF	134,900	134,900	94,718
OPEB Pension Expense	-	-	22,055
Contractual Services			
Legal Fees	35,000	35,000	112,194
Auditing Fees	14,200	14,200	13,600
JULIE System	2,500	2,500	1,740
Consultants	2,000	2,000	50,276
Pre-employment Exams	600	600	940
Training and Tuition	1,000	1,000	1,908
Memberships/Dues/Subscriptions	4,500	4,500	2,731
Software Maintenance	10,000	10,000	7,900
Legal Notices	500	500	-
Telephone and Alarms	65,000	65,000	79,289
Heating and Gas	2,500	2,500	2,961
Electric	320,000	320,000	346,294
Lab Results	7,000	7,000	39,509
Refuse Disposal	1,000	1,000	-
Printing and Binding	2,000	2,000	2,272
Grounds Maintenance	7,600	7,600	7,605
Other Contractual Services	350,000	350,000	37,409
IRMA General Insurance	83,600	83,600	85,900
Other Insurance	-	-	7,816
Vehicle Maintenance and Repair	1,500	1,500	6,263
Building Maintenance and Repair	74,000	74,000	590
Distribution System Maintenance and Repair	65,000	65,000	119,882
Pump Station Maintenance and Repair	50,000	61,900	59,402
Reservoir Maintenance and Repair	25,000	25,000	1,340
Office Equipment Maintenance and Repair	2,500	2,500	-
Postage Meter Rental	1,400	1,400	1,613

CITY OF WEST CHICAGO, ILLINOIS

Waterworks - Enterprise Fund

Schedule of Operating Expenses - Budget and Actual - Continued
For the Fiscal Year Ended December 31, 2019

	Budget		Actual
	Original	Final	
Water Distribution - Continued			
Commodities			
Copier Rental	\$ 3,000	\$ 3,000	\$ 255
Computer and Office Supplies	6,500	6,500	5,742
Parts for Vehicles	12,000	12,000	22,601
Tools and Equipment	10,000	10,000	4,761
Gas and Oil	20,000	20,000	20,197
Postage	5,000	5,000	4,259
Uniforms and Safety Equipment	9,700	12,300	12,083
Parts and Equipment - Wells	13,000	13,000	2,704
Parts and Equipment - Distribution	30,000	30,000	29,507
Parts and Equipment - Pump Station	10,000	10,000	2,784
Lab Supplies	500	500	417
Water Meters	30,000	30,000	27,159
Miscellaneous Commodities	6,000	6,000	8,608
Bank Fees	15,000	15,000	13,517
Capital Outlay			
Vehicles	127,600	127,600	127,600
Other Capital Outlay	1,353,000	1,542,500	26,832
MIS Replacement	25,000	25,000	-
	4,544,100	4,748,100	2,937,174
Less Nonoperating Items			
Capital Assets Capitalized	(1,403,000)	(1,604,400)	(15,676)
Total Water Distribution	3,141,100	3,143,700	2,921,498
Water Treatment Plant			
Personal Services			
Administrative Salaries	199,200	199,200	204,154
Operational Salaries	461,900	461,900	460,741
Administrative Salaries - Overtime	60,000	60,000	63,615
FICA and Medicare	55,200	55,200	54,673
IMRF	89,500	89,500	99,513
Contractual Services			
Training and Tuition	1,000	1,000	786
Memberships/Dues/Subscriptions	500	500	398
Telephone and Alarms	55,000	55,000	74,217
Heating and Gas	4,000	4,000	3,637

CITY OF WEST CHICAGO, ILLINOIS

Waterworks - Enterprise Fund

Schedule of Operating Expenses - Budget and Actual - Continued
For the Fiscal Year Ended December 31, 2019

	Budget		Actual
	Original	Final	
Water Treatment Plant - Continued			
Contractual Services - Continued			
Electric	\$ 160,000	\$ 160,000	\$ 160,629
Lab Results	2,500	2,500	-
Grounds Maintenance	27,100	27,100	6,840
Janitorial Service	20,900	20,900	20,810
Other Contractual Services	19,000	19,000	19,888
IRMA General Insurance	30,800	30,800	31,700
Building Maintenance and Repair	10,000	152,600	160,153
WTP Operations Repair	20,000	20,000	15,959
Copier Rental	5,000	5,000	13,242
Equipment Rental	3,000	3,000	1,350
Commodities			
Computer and Office Supplies	1,000	1,000	601
Parts for Vehicles	2,000	2,000	1,023
Tools and Equipment	2,000	2,000	1,617
Gas and Oil	1,000	1,000	4,482
Uniforms and Safety Equipment	4,600	5,800	4,648
Parts for Building Repairs	5,000	5,000	7,839
Lab Supplies	15,000	15,000	13,388
Chemicals	375,000	375,000	426,912
Parts for WTP Operations	10,000	10,000	9,140
Miscellaneous Commodities	1,500	1,500	1,716
Capital Outlay			
Vehicles	4,400	4,400	4,400
Other Capital Outlay	310,000	310,000	536,577
	1,956,100	2,099,900	2,404,648
Less Nonoperating Items			
Capital Assets Capitalized	(314,400)	(314,400)	(651,307)
Total Water Treatment Plant	1,641,700	1,785,500	1,753,341
Total Operating Expenses	\$ 4,782,800	\$ 4,929,200	\$ 4,674,839

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, 2019**

	Budget		Actual
	Original	Final	
Operating Revenues			
Charges for Services			
Sewer Service	\$ 5,300,000	\$ 5,300,000	\$ 4,614,965
Operating Expenses			
Operations			
Wastewater Treatment	-	-	33,715
Sanitary Sewer Collection	6,163,800	9,272,900	5,408,273
Special Service Area #2	24,000	24,000	14,161
Depreciation	-	-	320,765
Total Operating Expenses	6,187,800	9,296,900	5,776,914
Operating Income (Loss)	(887,800)	(3,996,900)	(1,161,949)
Nonoperating Revenues			
Connection Fees	25,000	25,000	63,955
Property Taxes	9,000	9,000	8,882
Interest Income	1,000	1,000	5,083
Other Income	71,600	71,600	206,781
Disposal of Capital Assets	-	-	(10,586,384)
	106,600	106,600	(10,301,683)
Change in Net Position	\$ (781,200)	\$ (3,890,300)	(11,463,632)
Net Position - Beginning			23,071,853
Net Position - Ending			\$ 11,608,221

CITY OF WEST CHICAGO, ILLINOIS

Sewerage - Enterprise Fund

**Schedule of Operating Expenses - Budget and Actual
For the Fiscal Year Ended December 31, 2019**

	Budget		Actual
	Original	Final	
Wastewater Treatment			
Personal Services			
Administrative Services	\$ -	\$ -	\$ 29,144
FICA and Medicare	-	-	1,908
IMRF	-	-	2,663
Total Wastewater Treatment	-	-	33,715
Sanitary Sewer Collection			
Personal Services			
Administrative Salaries	579,400	579,400	613,084
Operational Salaries	666,900	666,900	552,002
Administrative Salaries - Overtime	40,000	40,000	62,165
FICA and Medicare	98,500	98,500	91,731
ICMA	7,000	7,000	6,777
Health/Dental/Life Insurance	428,200	428,200	404,044
Unemployment Insurance	-	-	251
IMRF	159,700	159,700	144,754
OPEB Pension Expense	-	-	22,055
Contractual Services			
Legal Fees	15,000	15,000	9,527
Auditing Fees	7,200	7,200	6,800
JULIE System	2,500	2,500	1,740
Consultants	2,000	2,000	50,276
Training and Tuition	6,000	6,000	6,237
Software Maintenance	12,000	12,000	11,139
Telephone and Alarms	50,000	50,000	55,720
Heating Gas	6,000	6,000	6,816
Electric	50,000	50,000	52,792
Grounds Maintenance	3,700	3,700	3,468
Other Contractual Services	2,797,900	5,518,700	2,535,459
IRMA General Insurance	87,900	87,900	91,359
Vehicle Maintenance and Repair	10,000	10,000	5,678
Lift Station Maintenance and Repair	140,000	156,200	137,312
Sewer Main Maintenance and Repair	875,000	1,247,100	258,978
Postage Meter Rental	1,400	1,400	1,613

CITY OF WEST CHICAGO, ILLINOIS

Sewerage - Enterprise Fund

Schedule of Operating Expenses - Budget and Actual - Continued
For the Fiscal Year Ended December 31, 2019

	Budget		
	Original	Final	Actual
Sanitary Sewer Collection - Continued			
Commodities			
Copier and Rental	\$ 2,500	\$ 2,500	\$ 255
Computer and Office Supplies	5,000	5,000	5,939
Parts for Vehicles	15,000	15,000	28,928
Tools and Equipment	20,000	20,000	9,712
Gas and Oil	15,000	15,000	10,807
Postage	3,000	3,000	1,812
Chemicals	2,500	2,500	3,099
Parts for Lift Stations	25,000	25,000	9,415
Material for Trench Backfill	5,000	5,000	1,940
Parts for Mains	3,000	3,000	3,030
Miscellaneous Commodities	8,000	8,000	10,342
Bank Fees	13,500	13,500	13,517
Capital Outlay			
Vehicles	177,700	177,700	177,700
Other Capital Outlay	2,419,000	2,909,500	-
	8,760,500	12,360,100	5,408,273
Less Nonoperating Items			
Capital Assets Capitalized	(2,596,700)	(3,087,200)	-
Total Sanitary Sewer Collection	6,163,800	9,272,900	5,408,273
Treatment Plant Equipment Replacement			
Capital Outlay			
Other Contractual Services	-	-	446,629
Other Capital Outlay	-	-	617,120
	-	-	1,063,749
Less Nonoperating Items			
Capital Assets Capitalized	-	-	(1,063,749)
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, 2019

	Budget		Actual
	Original	Final	
Special Service Area #2			
Personal Service			
Operational Salaries	\$ 5,200	\$ 5,200	\$ 4,755
Administrative Salaries - Overtime	200	200	103
FICA and Medicare	500	500	373
IMRF	700	700	459
Commodities			
Electric	5,000	5,000	6,216
Grounds Maintenance	2,400	2,400	2,255
Capital Outlay			
Other Capital Outlay	10,000	10,000	-
Total Special Service Area #2	24,000	24,000	14,161
Total Operating Expenses	\$ 6,187,800	\$ 9,296,900	\$ 5,456,149

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, 2019**

	Budget		Actual
	Original	Final	
Operating Revenues			
Charges for Services			
Parking Fees	\$ 80,500	\$ 80,500	\$ 81,845
Licenses and Permits			
Parking Permits	68,000	68,000	68,845
Total Operating Revenues	148,500	148,500	150,690
Operating Expenses			
Operations	194,700	194,700	100,309
Depreciation	-	-	13,925
Total Operating Expenses	194,700	194,700	114,234
Operating Income (Loss)	(46,200)	(46,200)	36,456
Nonoperating Revenues			
Other Income	-	-	10,111
Change in Net Position	<u>\$ (46,200)</u>	<u>\$ (46,200)</u>	46,567
Net Position - Beginning			<u>592,692</u>
Net Position - Ending			<u>\$ 639,259</u>

CITY OF WEST CHICAGO, ILLINOIS

Commuter Parking - Enterprise Fund

**Schedule of Operating Expenses - Budget and Actual
For the Fiscal Year Ended December 31, 2019**

	Budget		Actual
	Original	Final	
Operations			
Personal Services			
Administrative Salaries	\$ 7,900	\$ 7,900	\$ 9,942
Operational Salaries	12,700	12,700	10,066
Administrative Salaries Overtime	1,000	1,000	910
FICA and Medicare	1,700	1,700	1,597
IMRF	2,700	2,700	2,474
Contractual Services			
Auditing Fees	1,400	1,400	1,200
Telephone and Alarms	3,600	3,600	4,802
Electric	20,000	20,000	21,800
Printing and Binding	500	500	380
Grounds Maintenance	4,800	4,800	4,510
Janitorial Services	3,400	3,400	3,380
Contractual Services	25,000	25,000	13,738
Commodities			
Postage	1,000	1,000	871
Miscellaneous Commodities	3,000	3,000	3,392
Bank Fees	6,000	6,000	9,245
Capital Outlay			
Building and Ground Improvements	100,000	100,000	-
Other Capital Outlay	-	-	12,002
Total Operations	\$ 194,700	\$ 194,700	\$ 100,309

CITY OF WEST CHICAGO, ILLINOIS

Consolidated Year-End Financial Report

December 31, 2019

CSFA #	Program Name	State	Federal	Other	Total
494-00-0967	High-Growth Cities Program	\$ 6,507	-	-	6,507
494-00-1488	Motor Fuel Tax Program	651,913	-	-	651,913
494-10-0343	State and Community Highway Safety/ National Priority Safety Program	-	1,687	-	1,687
494-42-0495	Local Surface Transportation Program	-	-	462,129	462,129
	Other Grant Programs and Activities	-	4,031	171,009	175,040
	All Other Costs Not Allocated	-	-	38,233,046	38,233,046
	Totals	658,420	5,718	38,866,184	39,530,322



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

January 22, 2021

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of West Chicago, Illinois, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated January 22, 2021.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Lauterbach & Amen, LLP
LAUTERBACH & AMEN, LLP

SUPPLEMENTAL SCHEDULE

CITY OF WEST CHICAGO, ILLINOIS

Long-Term Debt Requirements

IEPA Waterworks Revolving Loan

December 31, 2019

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	
2020	\$ 626,125	\$ 80,731	\$ 706,856
2021	642,320	64,536	706,856
2022	658,933	47,923	706,856
2023	675,977	30,879	706,856
2024	693,461	13,395	706,856
	<u>\$ 3,296,816</u>	<u>\$ 237,464</u>	<u>\$ 3,534,280</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, 2019 (Unaudited)**

	Fiscal Year Ended 12/31/2010	Fiscal Year Ended 12/31/2011	Fiscal Year Ended 12/31/2012	Fiscal Year Ended 12/31/2013
Governmental Activities				
Net Investment in Capital Assets	\$ 88,164,059	\$ 89,692,289	\$ 88,988,913	\$ 87,923,548
Restricted	-	1,708,723	2,340,095	2,335,435
Unrestricted	18,130,222	16,795,258	12,681,105	13,063,574
Total Governmental Activities Net Position	106,294,281	108,196,270	104,010,113	103,322,557
Business-Type Activities				
Net Investment in Capital Assets	36,356,211	52,523,108	53,326,830	56,991,020
Restricted	4,715,215	4,435,213	3,614,442	760,002
Unrestricted	19,199,292	4,383,915	3,913,218	3,062,891
Total Business-Type Activities Net Position	60,270,718	61,342,236	60,854,490	60,813,913
Primary Government				
Net Investment in Capital Assets	124,520,270	142,215,397	142,315,743	144,914,568
Restricted	4,715,215	6,143,936	5,954,537	3,095,437
Unrestricted	37,329,514	21,179,173	16,594,323	16,126,465
Total Primary Government Net Position	\$ 166,564,999	\$ 169,538,506	\$ 164,864,603	\$ 164,136,470

Data Source: City Records

Fiscal Year Ended 12/31/2014	Fiscal Year Ended 12/31/2015	Fiscal Year Ended 12/31/2016	Fiscal Year Ended 12/31/2017	Fiscal Year Ended 12/31/2018	Fiscal Year Ended 12/31/2019
\$ 55,050,037	\$ 55,619,533	\$ 54,867,141	\$ 49,943,090	\$ 54,014,124	\$ 54,970,284
3,218,725	3,305,503	2,636,828	2,216,378	2,944,399	3,615,057
12,673,884	(9,065,624)	(10,545,812)	(12,294,029)	(15,056,308)	(17,252,817)
70,942,646	49,859,412	46,958,157	39,865,439	41,902,215	41,332,524
102,204,573	103,770,812	104,429,071	105,803,874	105,354,380	95,532,108
1,040,810	1,088,552	2,409	-	-	180,321
3,785,237	2,453,473	1,383,690	(554,848)	(10,658,958)	(14,775,689)
107,030,620	107,312,837	105,815,170	105,249,026	94,695,422	80,936,740
157,254,610	159,390,345	159,296,212	155,746,964	159,368,504	150,502,392
4,259,535	4,394,055	2,639,237	2,216,378	2,944,399	3,795,378
16,459,121	(6,612,151)	(9,162,122)	(12,848,877)	(25,715,266)	(32,028,506)
\$ 177,973,266	\$ 157,172,249	\$ 152,773,327	\$ 145,114,465	\$ 136,597,637	\$ 122,269,264

CITY OF WEST CHICAGO, ILLINOIS

Changes in Net Position - Last Ten Fiscal Years
December 31, 2019 (Unaudited)

	Fiscal Year Ended 12/31/2010	Fiscal Year Ended 12/31/2011	Fiscal Year Ended 12/31/2012	Fiscal Year Ended 12/31/2013	Fiscal Year Ended 12/31/2014	Fiscal Year Ended 12/31/2015	Fiscal Year Ended 12/31/2016	Fiscal Year Ended 12/31/2017	Fiscal Year Ended 12/31/2018	Fiscal Year Ended 12/31/2019
Expenses										
Governmental Activities										
General Government	\$ 10,307,149	\$ 8,797,675	\$ 9,184,108	\$ 8,912,745	\$ 11,058,516	\$ 13,280,738	\$ 13,704,876	\$ 13,329,708	\$ 13,667,469	\$ 9,256,029
Public Safety	1,546,316	1,591,915	6,730,139	9,388,129	1,955,626	-	-	-	-	12,429,913
Culture and Recreation	135,309	193,879	83,232	-	12,592	-	-	-	-	49,692
Streets and Highways	8,583,580	8,399,317	8,851,135	4,103,870	9,701,162	12,524,954	11,555,771	11,092,178	10,121,701	5,193,137
Interest on Long-Term Debt	63,505	40,332	38,097	1,769	1,195	608	518	407	339	250
Total Governmental Activities Expenses	20,635,859	19,023,118	24,886,711	22,406,513	22,729,091	25,806,300	25,261,165	24,422,293	23,789,509	26,929,021
Business-Type Activities										
Waterworks	6,441,171	5,999,102	6,816,837	6,136,247	5,812,503	6,211,353	6,923,648	6,208,086	6,936,383	6,710,153
Sewerage	5,912,683	7,596,138	6,602,525	6,073,613	5,888,300	6,075,753	6,552,406	6,061,776	6,822,477	5,776,914
Commuter Parking	220,345	127,748	112,319	84,748	140,431	91,985	99,935	113,075	127,980	114,234
Total Business-Type Activities										
Activities Net Position	12,574,199	13,722,988	13,531,681	12,294,608	11,841,234	12,379,091	13,575,989	12,382,937	13,886,840	12,601,301
Total Primary Government Expenses	33,210,058	32,746,106	38,418,392	34,701,121	34,570,325	38,185,391	38,837,154	36,805,230	37,676,349	39,530,322
Program Revenues										
Governmental Activities										
Charges for Services										
General Government	1,816,692	2,246,202	1,899,106	2,007,405	2,018,188	2,391,549	2,810,520	2,365,076	3,082,228	4,041,799
Public Safety	1,573,088	1,448,786	-	1,373,123	788,000	796,700	780,800	851,100	278,100	1,551,190
Culture and Recreation	-	-	-	-	-	-	-	-	-	896,500
Streets and Highways	-	-	1,419,816	1,557,400	1,178,937	1,400,121	1,297,112	1,257,271	1,759,322	-
Operating Grants/Contributions	395,843	78,140	181,074	150,805	51,746	19,280	15,150	3,820	194,395	128,544
Capital Grants/Contributions	4,832,786	792,266	819,317	806,014	930,849	688,950	716,433	704,074	732,621	895,088
Total Governmental Activities										
Program Revenues	8,618,409	4,565,394	4,319,313	5,894,747	4,967,720	5,296,600	5,620,015	5,181,341	6,046,666	7,513,121
Business-Type Activities										
Charges for Services										
Waterworks	4,829,368	4,720,319	4,707,616	4,218,252	4,889,559	4,581,798	4,430,455	4,423,819	1,163,807	3,934,811
Sewerage	5,579,155	5,591,347	5,492,604	5,328,023	6,022,231	5,768,370	6,070,820	6,218,263	3,106,749	4,678,920
Commuter Parking	116,169	124,830	133,077	131,813	137,147	139,635	139,977	141,988	158,493	150,690
Capital Grants/Contributions	-	2,633,360	1,317,363	-	-	1,051,704	-	645,461	355,577	219,837
Total Business-Type Activities										
Program Revenues	10,524,692	13,069,856	11,650,660	9,678,088	11,048,937	11,541,507	10,641,252	11,429,531	4,784,626	8,984,258
Total Primary Government Program Revenues	\$ 19,143,101	\$ 17,635,250	\$ 15,969,973	\$ 15,572,835	\$ 16,016,657	\$ 16,838,107	\$ 16,261,267	\$ 16,610,872	\$ 10,831,292	\$ 16,497,379

	Fiscal Year Ended 12/31/2010	Fiscal Year Ended 12/31/2011	Fiscal Year Ended 12/31/2012	Fiscal Year Ended 12/31/2013	Fiscal Year Ended 12/31/2014	Fiscal Year Ended 12/31/2015	Fiscal Year Ended 12/31/2016	Fiscal Year Ended 12/31/2017	Fiscal Year Ended 12/31/2018	Fiscal Year Ended 12/31/2019
Net (Expenses) Revenues										
Governmental Activities	\$ (12,017,450)	\$ (14,457,724)	\$ (20,567,398)	\$ (16,511,766)	\$ (17,761,371)	\$ (20,509,700)	\$ (19,641,150)	\$ (19,240,952)	\$ (17,742,843)	\$ (19,415,900)
Business-Type Activities	(2,049,507)	(653,132)	(1,881,021)	(2,616,520)	(792,297)	(837,584)	(2,934,737)	(953,406)	(9,102,214)	(3,617,043)
Total Primary Government Net Revenues (Expenses)	<u>(14,066,957)</u>	<u>(15,110,856)</u>	<u>(22,448,419)</u>	<u>(19,128,286)</u>	<u>(18,553,668)</u>	<u>(21,347,284)</u>	<u>(22,575,887)</u>	<u>(20,194,358)</u>	<u>(26,845,057)</u>	<u>(23,032,943)</u>
General Revenues and Other Changes in Net Position										
Governmental Activities										
Taxes										
Property	4,691,781	4,701,295	4,711,890	4,534,973	4,492,371	4,436,897	4,448,829	4,489,622	4,623,840	4,666,636
Other	1,200,551	1,383,971	1,176,228	1,032,614	1,033,012	961,256	914,909	863,113	764,365	641,440
Intergovernmental										
Sales and Use	3,832,745	4,158,709	4,405,831	4,515,729	5,476,959	4,855,454	4,544,609	6,178,849	6,871,960	7,470,171
Income	2,112,444	2,117,490	2,379,976	2,580,764	2,593,317	2,882,037	2,636,660	2,487,827	2,593,920	2,883,008
Replacement	171,227	157,985	144,979	169,568	170,517	187,625	160,396	173,517	152,578	198,860
Utility	2,098,487	2,098,719	2,013,401	2,051,702	2,111,109	2,029,538	1,994,900	1,909,065	2,070,351	2,205,508
Interest Income	212,808	102,820	79,150	21,399	(7,465)	3,522	6,983	13,271	12,224	25,729
Miscellaneous	2,012,701	1,638,724	1,465,234	917,461	1,607,960	1,102,056	2,032,609	560,955	637,785	732,686
Transfers	-	-	-	-	-	-	-	-	-	22,171
Total Governmental Activities	<u>16,332,744</u>	<u>16,359,713</u>	<u>16,376,689</u>	<u>15,824,210</u>	<u>17,477,780</u>	<u>16,458,385</u>	<u>16,739,895</u>	<u>16,676,219</u>	<u>17,727,023</u>	<u>18,846,209</u>
Business-Type Activities										
Property	15,172	11,557	11,671	8,804	8,888	8,604	8,894	8,907	9,049	8,882
Sales and Use	1,023,267	1,131,916	1,103,876	1,071,655	1,153,993	1,201,919	1,185,841	-	-	-
Interest Income	137,988	121,733	6,878	6,142	4,654	1,175	2,660	6,878	8,095	7,598
Miscellaneous	836,771	459,444	270,850	1,489,342	544,194	266,782	239,675	371,477	584,062	428,265
Transfers	-	-	-	-	-	-	-	-	-	(10,586,384)
Total Business-Type Activities	<u>2,013,198</u>	<u>1,724,650</u>	<u>1,393,275</u>	<u>2,575,943</u>	<u>1,711,729</u>	<u>1,478,480</u>	<u>1,437,070</u>	<u>387,262</u>	<u>601,206</u>	<u>(10,141,639)</u>
Total Primary Government	<u>18,345,942</u>	<u>18,084,363</u>	<u>17,769,964</u>	<u>18,400,153</u>	<u>19,189,509</u>	<u>17,936,865</u>	<u>18,176,965</u>	<u>17,063,481</u>	<u>18,328,229</u>	<u>8,704,570</u>
Changes in Net Position										
Governmental Activities	4,315,294	1,901,989	(4,190,709)	(687,556)	(283,591)	(4,051,315)	(2,901,255)	(2,564,733)	(15,820)	(569,691)
Business-Type Activities	(36,309)	1,071,518	(487,746)	(40,577)	919,432	640,896	(1,497,667)	(566,144)	(8,501,008)	(13,758,682)
Total Primary Government	<u>\$ 4,278,985</u>	<u>\$ 2,973,507</u>	<u>\$ (4,678,455)</u>	<u>\$ (728,133)</u>	<u>\$ 635,841</u>	<u>\$ (3,410,419)</u>	<u>\$ (4,398,922)</u>	<u>\$ (3,130,877)</u>	<u>\$ (8,516,828)</u>	<u>\$ (14,328,373)</u>

Data Source: City Records

CITY OF WEST CHICAGO, ILLINOIS

**Fund Balances of Governmental Funds - Last Ten Fiscal Years
December 31, 2019 (Unaudited)**

	Fiscal Year Ended 12/31/2010	Fiscal Year Ended 12/31/2011	Fiscal Year Ended 12/31/2012	Fiscal Year Ended 12/31/2013
General Fund				
Reserved	\$ 985,505	\$ -	\$ -	\$ -
Unreserved	11,659,744	-	-	-
Nonspendable	-	1,134,891	1,145,514	1,028,304
Restricted	-	-	843,105	844,754
Unassigned	-	12,616,731	11,309,771	10,931,741
Total General Fund	12,645,249	13,751,622	13,298,390	12,804,799
All Other Governmental Funds				
Reserved	986,267	-	-	-
Unreserved, Reported in:				
Special Revenues Funds	2,270,787	-	-	-
Capital Projects Funds	5,245,994	-	-	-
Nonspendable	-	938,215	886,413	797,991
Restricted	-	1,708,723	1,496,990	1,490,681
Assigned	-	5,318,609	2,698,343	3,943,537
Total All Other Governmental Funds	8,503,048	7,965,547	5,081,746	6,232,209
Total All Governmental Funds	\$ 21,148,297	\$ 21,717,169	\$ 18,380,136	\$ 19,037,008

Data Source: City Records

The City implemented GASB 54 in Fiscal Year 2011.

Fiscal Year Ended 12/31/2014	Fiscal Year Ended 12/31/2015	Fiscal Year Ended 12/31/2016	Fiscal Year Ended 12/31/2017	Fiscal Year Ended 12/31/2018	Fiscal Year Ended 12/31/2019
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
1,104,969	736,988	549,669	94,055	78,908	105,861
846,315	846,315	360,944	624,061	1,211,793	1,535,492
11,507,102	12,302,595	12,733,258	11,841,410	12,126,823	13,844,971
13,458,386	13,885,898	13,643,871	12,559,526	13,417,524	15,486,324
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
2,029	12,815	2,056	2,176	2,275	2,568
2,372,410	2,459,188	2,275,884	1,592,317	1,732,606	2,079,565
4,636,090	4,006,583	4,190,745	5,109,310	5,896,981	4,745,724
7,010,529	6,478,586	6,468,685	6,703,803	7,631,862	6,827,857
\$ 20,468,915	\$ 20,364,484	\$ 20,112,556	\$ 19,263,329	\$ 21,049,386	\$ 22,314,181

CITY OF WEST CHICAGO, ILLINOIS

**General Governmental Revenues By Source - Last Ten Fiscal Years
December 31, 2019 (Unaudited)**

Source	Fiscal Year Ended 12/31/2010	Fiscal Year Ended 12/31/2011	Fiscal Year Ended 12/31/2012	Fiscal Year Ended 12/31/2013
Taxes	\$ 8,669,147	\$ 8,907,926	\$ 8,598,434	\$ 8,324,682
Intergovernmental	6,542,723	6,580,649	7,234,262	7,517,487
Charges for Services	1,891,127	2,124,010	1,803,814	3,407,944
Licenses and Permits	456,361	634,929	481,698	530,638
Fines and Forfeits	1,042,292	936,049	1,033,410	999,346
Interest Income	210,470	102,148	78,908	21,307
Miscellaneous	2,012,701	1,638,724	1,465,234	917,461
Total	<u>\$ 20,824,821</u>	<u>\$ 20,924,435</u>	<u>\$ 20,695,760</u>	<u>\$ 21,718,865</u>

Data Source: City Records

Fiscal Year Ended 12/31/2014	Fiscal Year Ended 12/31/2015	Fiscal Year Ended 12/31/2016	Fiscal Year Ended 12/31/2017	Fiscal Year Ended 12/31/2018	Fiscal Year Ended 12/31/2019
\$ 8,383,993	\$ 8,216,205	\$ 8,109,944	\$ 9,308,149	\$ 7,611,134	\$ 6,330,796
8,475,887	7,844,832	7,321,942	7,501,738	10,392,896	12,758,459
2,718,832	2,982,446	3,193,936	2,987,175	2,951,250	4,365,673
484,106	608,401	843,502	653,852	887,198	1,108,091
782,187	997,523	850,994	832,420	1,281,202	1,015,725
(7,465)	3,522	6,983	13,271	12,224	25,729
1,607,960	1,102,056	2,032,609	560,955	637,785	732,686
\$ 22,445,500	\$ 21,754,985	\$ 22,359,910	\$ 21,857,560	\$ 23,773,689	\$ 26,337,159

CITY OF WEST CHICAGO, ILLINOIS

**General Governmental Expenditures By Function - Last Ten Fiscal Years
December 31, 2019 (Unaudited)**

Function	Fiscal Year Ended 12/31/2010	Fiscal Year Ended 12/31/2011	Fiscal Year Ended 12/31/2012	Fiscal Year Ended 12/31/2013
General Government	\$ 8,180,849	\$ 7,720,982	\$ 8,940,416	\$ 8,676,885
Public Safety	8,524,634	8,468,368	8,825,728	9,248,035
Culture and Recreation	131,438	189,894	80,000	-
Capital Outlay	7,818,703	3,935,987	6,148,552	3,154,948
Debt Service				
Principal	845,000	-	-	-
Interest and Fiscal Charges	66,972	40,332	38,097	1,769
Total	<u>\$ 25,567,596</u>	<u>\$ 20,355,563</u>	<u>\$ 24,032,793</u>	<u>\$ 21,081,637</u>

Data Source: City Records

Fiscal Year Ended 12/31/2014	Fiscal Year Ended 12/31/2015	Fiscal Year Ended 12/31/2016	Fiscal Year Ended 12/31/2017	Fiscal Year Ended 12/31/2018	Fiscal Year Ended 12/31/2019
\$ 8,128,303	\$ 8,361,285	\$ 7,893,627	\$ 8,591,562	\$ 8,150,224	\$ 8,894,550
9,162,072	9,104,514	9,849,220	10,003,049	10,011,442	9,886,973
-	-	-	-	-	-
3,722,023	4,393,009	4,924,842	4,176,432	3,825,627	6,312,762
-	-	-	-	-	-
1,195	608	518	407	339	250
\$ 21,013,593	\$ 21,859,416	\$ 22,668,207	\$ 22,771,450	\$ 21,987,632	\$ 25,094,535

CITY OF WEST CHICAGO, ILLINOIS

**Changes in Fund Balances for Governmental Funds - Last Ten Fiscal Years
December 31, 2019 (Unaudited)**

	Fiscal Year Ended 12/31/2010	Fiscal Year Ended 12/31/2011	Fiscal Year Ended 12/31/2012	Fiscal Year Ended 12/31/2013
Revenues				
Taxes	\$ 8,669,147	\$ 8,907,926	\$ 8,598,434	\$ 8,324,682
Intergovernmental	6,542,723	6,580,649	7,234,262	7,517,487
Charges for Services	1,891,127	2,124,010	1,803,814	3,407,944
Licenses and Permits	456,361	634,929	481,698	530,638
Fines and Forfeits	1,042,292	936,049	1,033,410	999,346
Interest Income	210,470	102,148	78,908	21,307
Miscellaneous	2,012,701	1,638,724	1,465,234	917,461
Total Revenues	20,824,821	20,924,435	20,695,760	21,718,865
Expenditures				
General Government	8,180,849	7,720,982	8,940,416	8,676,885
Public Safety	8,524,634	8,468,368	8,825,728	9,248,035
Culture and Recreation	131,438	189,894	80,000	-
Capital Outlay	7,818,703	3,935,987	6,148,552	3,154,948
Debt Service				
Principal	845,000	-	-	-
Interest and Fiscal Charges	66,972	40,332	38,097	1,769
Total Expenditures	25,567,596	20,355,563	24,032,793	21,081,637
Excess of Revenues Over (Under) Expenditures	(4,742,775)	568,872	(3,337,033)	637,228
Other Financing Sources (Uses)				
Disposal of Capital Assets	-	-	-	-
Transfer In	441,777	-	50,000	19,644
Transfer Out	(441,777)	-	(50,000)	-
	-	-	-	19,644
Net Change in Fund Balances	\$ (4,742,775)	\$ 568,872	\$ (3,337,033)	\$ 656,872
Debt Service as a Percentage of Noncapital Expenditures	5.86%	0.24%	0.16%	0.01%

Data Source: City Records

Fiscal Year Ended 12/31/2014	Fiscal Year Ended 12/31/2015	Fiscal Year Ended 12/31/2016	Fiscal Year Ended 12/31/2017	Fiscal Year Ended 12/31/2018	Fiscal Year Ended 12/31/2019
\$ 8,383,993	\$ 8,216,205	\$ 8,109,944	\$ 9,308,149	\$ 7,611,134	\$ 6,330,796
8,475,887	7,844,832	7,321,942	7,501,738	10,392,896	12,758,459
2,718,832	2,982,446	3,193,936	2,987,175	2,951,250	4,365,673
484,106	608,401	843,502	653,852	887,198	1,108,091
782,187	997,523	850,994	832,420	1,281,202	1,015,725
(7,465)	3,522	6,983	13,271	12,224	25,729
1,607,960	1,102,056	2,032,609	560,955	637,785	732,686
22,445,500	21,754,985	22,359,910	21,857,560	23,773,689	26,337,159
8,128,303	8,361,285	7,893,627	8,591,562	8,150,224	8,894,550
9,162,072	9,104,514	9,849,220	10,003,049	10,011,442	9,886,973
-	-	-	-	-	-
3,722,023	4,393,009	4,924,842	4,176,432	3,825,627	6,312,762
-	-	-	-	-	-
1,195	608	518	407	339	250
21,013,593	21,859,416	22,668,207	22,771,450	21,987,632	25,094,535
1,431,907	(104,431)	(308,297)	(913,890)	1,786,057	1,242,624
-	-	56,369	64,663	-	22,171
7,776	-	25,643	-	-	500,000
(7,776)	-	(25,643)	-	-	(500,000)
-	-	56,369	64,663	-	22,171
\$ 1,431,907	\$ (104,431)	\$ (251,928)	\$ (849,227)	\$ 1,786,057	\$ 1,264,795
0.01%	0.00%	0.00%	0.00%	0.00%	0.00%

CITY OF WEST CHICAGO, ILLINOIS

**Assessed Value and Actual Value of Taxable Property - Last Ten Fiscal Years
December 31, 2019 (Unaudited)**

Tax Levy Year	Fiscal Year End	Residential Property	Farm	Commercial Property
2010	12/31/2010	\$ 477,222,120	\$ 325,577	\$ 104,342,370
2011	12/31/2011	439,560,682	341,675	100,671,895
2012	12/31/2012	395,571,348	370,108	92,055,282
2013	12/31/2013	367,424,630	392,261	82,237,691
2014	12/31/2014	354,736,670	426,235	79,649,467
2015	12/31/2015	363,843,948	462,209	81,068,291
2016	12/31/2016	390,758,862	487,626	89,670,605
2017	12/31/2017	409,838,459	537,746	95,961,612
2018	12/31/2018	427,634,113	512,185	95,314,124
2019	12/31/2019	445,466,549	498,632	97,014,387

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

Industrial Property	Railroad	Total Assessed Value	Total Direct Tax Rate
154,574,460	\$ -	\$ 736,464,527	0.4675
146,221,310	-	686,795,562	0.5011
132,161,380	-	620,158,118	0.5545
124,152,620	-	574,207,202	0.5973
119,236,720	-	554,049,092	0.6187
122,668,530	-	568,042,978	0.6031
133,199,600	-	614,116,693	0.5582
143,776,700	5,370,770	655,485,287	0.5441
159,831,453	5,545,256	688,837,131	0.5178
173,613,020	5,783,209	722,375,797	0.5034

CITY OF WEST CHICAGO, ILLINOIS

Direct and Overlapping Property Tax Rates - Last Ten Tax Levy Years December 31, 2019 (Unaudited)

Taxing Body	2010	2011	2012
Countywide			
DuPage County	0.1659	0.1773	0.1929
Forest Preserve District	0.1321	0.1414	0.1542
DuPage Airport Authority	0.0158	0.0169	0.0168
Local			
Wayne Township	0.0733	0.0804	0.0896
Wayne Township Road	0.0645	0.0675	0.0730
City of West Chicago - Wayne Township	0.4675	0.5011	0.5545
Winfield Township	0.0924	0.1021	0.1174
Winfield Township Road	0.1215	0.1342	0.1543
City of West Chicago - Winfield Township	0.4675	0.5011	0.5545
West Chicago Park District	0.2946	0.3177	0.4948
West Chicago Fire Protection District	0.7078	0.8027	0.9212
West Chicago Mosquito District	0.0111	0.0122	0.0139
West Chicago Library District	0.2307	0.2529	0.2903
Educational			
Grade School District 33	3.8244	4.1734	4.6430
High School District 94	1.8613	2.0351	2.3008
College of DuPage District 502	0.2349	0.2495	0.2681
Total Tax Rate - Winfield Township	<u>8.1600</u>	<u>8.9165</u>	<u>10.1222</u>
Share of Total Tax Rate Levied by the City of West Chicago	<u>5.73%</u>	<u>5.62%</u>	<u>5.48%</u>
Total Tax Rate - Wayne Township	<u>8.0839</u>	<u>8.8281</u>	<u>10.0131</u>
Share of Total Tax Rate Levied by the City of West Chicago	<u>5.78%</u>	<u>5.68%</u>	<u>5.54%</u>

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

Data Source: DuPage County Clerk

2013	2014	2015	2016	2017	2018	2019
0.2040	0.2057	0.1971	0.1848	0.1749	0.1673	0.1655
0.1657	0.1691	0.1622	0.1514	0.1306	0.1278	0.1242
0.0178	0.0196	0.0188	0.0176	0.0166	0.0146	0.0141
0.0979	0.1025	0.1007	0.0959	0.0940	0.0929	0.0911
0.0817	0.0855	0.0840	0.0800	0.0784	0.0775	0.0744
0.5973	0.6187	0.6031	0.5582	0.5441	0.5178	0.5034
0.1318	0.1396	0.1370	0.1275	0.1192	0.1008	0.0939
0.1732	0.1835	0.1801	0.1676	0.1587	0.1526	0.1483
0.5973	0.6187	0.6031	0.5582	0.5441	0.5178	0.5034
0.4917	0.4239	0.5054	0.4889	0.4744	0.4683	0.4603
1.0190	1.0652	1.0556	0.9971	0.9663	0.9448	0.9295
0.0153	0.0161	0.0160	0.0152	0.0148	0.0143	0.0135
0.3225	0.3400	0.3367	0.3153	0.3056	0.2968	0.2893
5.4481	5.5749	5.5167	5.1727	4.8967	4.7555	4.6806
2.5376	2.6731	2.6293	2.4677	2.3770	2.3136	2.2573
0.2956	0.2975	0.2786	0.2626	0.2431	0.2317	0.2112
11.4196	11.7269	11.6366	10.9266	10.4220	10.1059	9.8911
5.23%	5.28%	5.18%	5.11%	5.22%	5.12%	5.09%
11.2942	11.5918	11.5042	10.8074	10.3165	10.0229	9.8144
5.29%	5.34%	5.24%	5.16%	5.27%	5.17%	5.13%

CITY OF WEST CHICAGO, ILLINOIS

**Principal Property Tax Payers - Current Fiscal Year and Nine Fiscal Years Ago
December 31, 2019 (Unaudited)**

	2019			2010		
	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	\$ 16,110,140	1	2.34%	\$ 16,697,070	1	2.27%
DS Containers	12,661,520	2	1.84%			
Colfin Cobalt II	9,331,220	3	1.35%			
Cabot IV LLC	9,037,280	4	1.31%			
Northridge Holdings LTD	7,837,650	5	1.14%			
Mapei	6,054,170	6	0.88%			
Stag Industrial Holdings	5,971,020	7	0.87%			
La Grou Properties	4,730,000	8	0.69%	5,380,000	6	0.73%
Simpson Manufacturing	3,944,170	9	0.57%	3,628,400	8	0.49%
Aspen Ridge, LLC	3,836,290	10	0.56%			
International Truck & Engine				4,795,750	7	0.65%
Blackhawk Center, LLC				11,265,800	2	1.53%
Menards, Inc				3,623,800	9	0.49%
Platinum Health Care				3,587,630	10	0.49%
Cobalt Industrial REIT II				9,761,620	3	1.33%
Timber Lake Apartments				6,222,500	4	0.84%
St. Andrews Country Club				5,780,230	5	0.78%
	<u>\$ 79,513,460</u>		<u>11.55%</u>	<u>\$ 70,742,800</u>		<u>9.60%</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, 2019 (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
2009	\$ 3,403,867	\$ 3,384,410	99.43%	\$ 19,000	\$ 3,403,410	99.99%
2010	3,458,771	3,451,954	99.80%	6,809	3,458,763	100.00%
2011	3,458,693	3,453,662	99.85%	N/A	3,453,662	99.85%
2012	3,458,498	3,453,081	99.84%	N/A	3,453,081	99.84%
2013	3,458,756	3,452,708	99.83%	N/A	3,452,708	99.83%
2014	3,458,444	3,453,211	99.85%	N/A	3,453,211	99.85%
2015	3,458,315	3,450,239	99.77%	N/A	3,450,239	99.77%
2016	3,460,067	3,455,985	99.88%	N/A	3,455,985	99.88%
2017	3,568,729	3,563,021	99.84%	N/A	3,563,021	99.84%
2018	3,569,845	3,560,169	99.73%	N/A	3,560,169	99.73%

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, 2019 (Unaudited)**

Fiscal Year Ended	Business-Type Activities		Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
	IEPA Revenue Bonds	General Obligation Bonds			
12/31/2010	\$ 8,267,267	\$ 15,295,000	\$ 23,562,267	3.40%	\$ 870
12/31/2011	7,769,704	-	7,769,704	0.91%	287
12/31/2012	7,259,271	-	7,259,271	1.09%	268
12/31/2013	6,735,635	-	6,735,635	0.89%	249
12/31/2014	6,198,456	-	6,198,456	0.88%	229
12/31/2015	5,647,382	-	5,647,382	0.82%	208
12/31/2016	5,082,055	-	5,082,055	0.75%	188
12/31/2017	4,502,105	-	4,502,105	0.64%	166
12/31/2018	3,907,155	-	3,907,155	0.55%	144
12/31/2019	3,296,816	-	3,296,816	0.45%	122

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, 2019 (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)
12/31/2010	\$ 15,295,000	\$ 482,787	\$ 14,812,213	2.01%	\$ 547
12/31/2011	-	-	-	0.00%	-
12/31/2012	-	-	-	0.00%	-
12/31/2013	-	-	-	0.00%	-
12/31/2014	-	-	-	0.00%	-
12/31/2015	-	-	-	0.00%	-
12/31/2016	-	-	-	0.00%	-
12/31/2017	-	-	-	0.00%	-
12/31/2018	-	-	-	0.00%	-
12/31/2019	-	-	-	0.00%	-

Data Source: City Records

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

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

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

CITY OF WEST CHICAGO, ILLINOIS

**Schedule of Direct and Overlapping Bonded Debt
December 31, 2019 (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	162,504,806	1.72%	2,795,083
Forest Preserve District	102,861,129	1.72%	1,769,211
West Chicago Park District	25,895,000	72.69%	18,823,076
Winfield Park District	1,000,000	28.08%	280,800
School District #25	7,671,081	22.48%	1,724,459
School District #33	30,990,000	64.89%	20,109,411
School District #94	48,399,750	47.69%	23,081,841
U-46 School District	237,542,304	76.00%	180,532,151
U-303 School District	36,510,000	74.64%	27,251,064
Community College District #502	200,635,000	1.44%	2,889,144
Community College District #509	168,661,226	9.91%	16,714,327
Total Overlapping Debt	1,022,670,296		295,970,567
Total Direct and Overlapping Debt	\$ 1,022,670,296		\$ 295,970,567

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, 2019 (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, 2019 (Unaudited)**

Fiscal Year Ended	(1) Revenues	(2) Expenses	(3) Net Revenue Available for Debt Service	(4) Debt Service		(5) Coverage
				Principal	Interest	
12/31/2010	\$ 12,418,238	\$ 8,998,301	\$ 3,419,937	\$ 945,000	\$ 953,990	1.80
12/31/2011	12,036,602	8,872,863	3,163,739	15,295,000	753,061	0.20
12/31/2012	11,593,493	11,405,371	188,122	-	-	-
12/31/2013	12,122,215	10,177,161	1,945,054	-	-	-
12/31/2014	12,623,517	9,052,942	3,570,575	-	-	-
12/31/2015	10,626,728	9,704,717	922,011	-	-	-
12/31/2016	11,938,343	11,023,837	914,506	-	-	-
12/31/2017	11,029,165	9,558,809	1,470,356	-	-	-
12/31/2018	4,871,550	10,834,817	(5,963,267)	-	-	-
12/31/2019	9,048,365	10,130,988	(1,082,623)	-	-	-

(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, 2019 (Unaudited)

Fiscal Year Ended	(1) Population	(2) Personal Income	Per Capita Personal Income	(1) Median Age	School Enrollment	(2) Unemployment Rate
12/31/2010	27,086	\$ 851,123,378	\$ 31,423	35.2	6,947	11.0
12/31/2011	27,086	663,552,828	24,498	30.1	5,348	11.6
12/31/2012	27,086	755,157,680	27,880	33.0	7,765	8.6
12/31/2013	27,086	700,498,132	25,862	30.8	6,293	6.6
12/31/2014	27,086	751,636,500	27,750	33.2	7,552	5.5
12/31/2015	27,086	692,182,730	25,555	30.1	8,005	5.4
12/31/2016	27,086	681,104,556	25,146	31.6	8,390	6.4
12/31/2017	27,086	706,998,772	26,102	33.2	8,301	4.3
12/31/2018	27,086	706,782,084	26,094	33.0	8,350	3.0
12/31/2019	27,086	731,619,946	27,011	33.0	8,202	3.6

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, 2019 (Unaudited)

Employer	2019			2010		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Jel Sert	900	1	6.44%	1,000	1	7.76%
West Chicago Elementary School District	600	2	4.36%	632	2	4.90%
Aspen Marketing Services	543	3	3.89%			
Ball Horticultural	500	4	3.51%	425	4	3.30%
Mapei Corporation	290	5	2.04%	215	8	1.67%
Innocor Corporation	250	6	1.79%			
Community High School District 94	252	7	1.76%	250	6	1.94%
WinCup	200	8	1.46%	175	12	1.36%
OSI Industries LLC	200	9	1.43%			
Wise Plastics Technologies, Inc	150	10	1.07%			
In The Swim	150	11	1.07%			
St. Andrews Golf & Country Club	150	12	1.07%	190	10	1.47%
Menards	150	13	1.07%			
General Mills				500	3	3.88%
Siemens Energy				287	5	2.23%
Otto & Sons				230	7	1.78%
Turtle Splash				200	9	1.55%
Express Packaging				175	11	1.36%
Advanced Urethane Technologies				170	13	1.32%
	<u>4,335</u>		<u>30.97%</u>	<u>4,449</u>		<u>34.52%</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, 2019 (Unaudited)

Function	Fiscal Year Ended 12/31/2010	Fiscal Year Ended 12/31/2011	Fiscal Year Ended 12/31/2012
General Government			
Administration	2.25	1.13	1.13
Finance/Administrative Services	8.00	5.00	5.00
Museum/Marketing	1.75	0.50	0.50
Public Works	23.00	11.74	11.74
Police	48.00	47.00	49.00
Community Development	6.00	5.50	5.00
Water and Sewer	20.00	37.50	37.50
Commuter Parking Lot	1.00	0.38	0.38
Totals	110.00	108.75	110.25

Data Source: City Records

Fiscal Year Ended 12/31/2013	Fiscal Year Ended 12/31/2014	Fiscal Year Ended 12/31/2015	Fiscal Year Ended 12/31/2016	Fiscal Year Ended 12/31/2017	Fiscal Year Ended 12/31/2018	Fiscal Year Ended 12/31/2019
1.00	1.00	1.00	1.00	1.50	1.50	1.50
4.76	4.13	4.13	4.13	4.13	4.13	4.13
0.50	0.50	0.50	0.25	0.25	0.25	0.25
10.57	11.51	11.51	11.19	11.19	11.19	11.94
49.00	49.00	49.00	52.50	53.00	51.00	51.00
3.50	3.50	3.50	3.75	4.75	4.75	4.75
34.47	35.00	35.43	33.65	39.34	38.12	38.72
0.25	0.25	0.25	0.25	0.25	0.25	0.25
104.05	104.89	105.32	106.72	114.41	111.19	112.54

CITY OF WEST CHICAGO, ILLINOIS

**Operating Indicators by Function/Program - Last Ten Fiscal Years
December 31, 2019 (Unaudited)**

Function/Program	Fiscal Year Ended 12/31/2010	Fiscal Year Ended 12/31/2011	Fiscal Year Ended 12/31/2012
Public Works			
Number of Parkway Trees Planted	150	85	300
Number of Parkway Trees Trimmed	1,087	1,458	1,287
Brush Pickup Program (Days to Collect)	4.5	4.0	4.0
Building Safety Inspections	12	12	12
Tunnel - Paint and Light Lens Replacements	29	22	42
Special Events Handled	10	3	4
Public Safety			
Fire			
Number of Fire Calls	1,146	1,279	1,238
Number of EMS Calls	1,821	1,629	1,629
ISO Rating	3/3	3/3	3/3
Police			
Part I Crime	438	374	379
Part II Crime	2,342	2,402	1,393
Calls for Service	37,407	38,910	38,509
Parking Tickets Issued	3,728	3,376	2,888
Community Development			
Number of Building Permits Issued	1,097	954	1,199
Number of Building Inspections	753	1,116	1,049
Highways and Streets			
Sidewalk Replaced (Sq. Ft.)	10,935	9,849	10,000
Crack Sealing (Lbs. Installed)	14,983	37,320	36,429
Tons of Salt Used	3,577	3,000	2,800
Water and Sewer			
Number of metered accounts	6,437	6,430	6,432
Water Meters Read	38,700	38,580	35,000
Water Meter Service Requests	103	92	70
Water Meters Replaced	117	41	30
Average Daily Treated Water (Million Gallons)	3.28	3.00	3.45
Sanitary Sewer Repairs	3	2	1

Data Source: City Records

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

Fiscal Year Ended 12/31/2013	Fiscal Year Ended 12/31/2014	Fiscal Year Ended 12/31/2015	Fiscal Year Ended 12/31/2016	Fiscal Year Ended 12/31/2017	Fiscal Year Ended 12/31/2018	Fiscal Year Ended 12/31/2019
373	130	170	135	106	110	160
2,336	1,944	2,459	2,430	2,958	2,566	800
4.0	4.8	6.0	5.5	4.8	4.7	4.9
12	12	12	12	12	12	12
12	-	10	6	5	6	10
6	4	3	4	22	19	15
1,015	1,122	1,130	1,095	1,113	1,238	1,250
1,804	1,778	1,934	2,073	2,134	2,339	2,350
3/3	3/3	3/3	4	2	2	2
424	373	383	329	342	265	258
1,066	1,521	1,315	1,427	1,456	1,589	1,596
33,867	31,053	34,028	44,087	42,780	40,713	33,516
2,771	3,413	3,049	3,780	3,026	3,094	2,301
899	790	990	1,155	1,044	1,352	1,264
1,134	899	962	882	1,056	1,211	1,251
18,207	8,742	12,500	11,142	1,884	12,545	920
21,480	35,518	42,240	32,000	35,360	27,330	-
3,250	3,180	3,210	2,500	2,050	2,270	2,540
6,435	6,428	6,471	6,452	6,450	6,455	6,455
34,000	2,500	9,911	152	29	-	-
50	75	61	1,471	1,252	961	723
4,305	3,000	39	75	50	35	16
3.42	3.36	3.45	3.54	3.42	3.66	3.62
2	2	1	2	4	4	1

CITY OF WEST CHICAGO, ILLINOIS

Capital Asset Statistics by Function/Program - Last Ten Fiscal Years December 31, 2019 (Unaudited)

Function/Program	Fiscal Year Ended 12/31/2010	Fiscal Year Ended 12/31/2011	Fiscal Year Ended 12/31/2012
Police			
Stations	1	1	1
Patrol Units	28	27	27
Fire Stations	3	4	4
Public Works			
Streets (Miles)	167.20	167.20	174.18
Sidewalks (Miles)	108.38	111.18	111.00
Streetlights	964	964	961
Water and Sewer			
Water Mains (Miles)	125.33	127.38	127.99
Fire Hydrants	1,483	1,518	1,528
Sanitary Sewers (Miles)	105.60	106.19	106.34
Manholes	2,186	2,202	2,211

Data Source: City Records

Fiscal Year Ended 12/31/2013	Fiscal Year Ended 12/31/2014	Fiscal Year Ended 12/31/2015	Fiscal Year Ended 12/31/2016	Fiscal Year Ended 12/31/2017	Fiscal Year Ended 12/31/2018	Fiscal Year Ended 12/31/2019
1	1	1	1	1	1	1
27	27	26	26	26	26	26
4	4	4	4	4	4	4
174.18	174.18	174.06	174.06	174.06	174.21	175.02
111.00	111.00	111.00	111.03	111.03	111.38	111.38
961	961	1,046	1,168	1,168	1,168	1,169
127.99	127.99	128.87	128.87	129.64	129.90	130.05
1,528	1,528	1,537	1,537	1,551	1,555	1,557
106.34	106.34	106.43	106.43	106.43	106.60	106.60
2,211	2,211	2,213	2,213	2,213	2,217	2,217

CITY OF WEST CHICAGO

FINANCE COMMITTEE AGENDA ITEM SUMMARY

ITEM TITLE:

Resolution No. 21-R-0046 – First Amendment to the IGA
with Crest Hill Investment LLC

Resolution No. 21-R-0047 – Updated EIA with OSI
Industries, LLC

AGENDA ITEM NUMBER: 5. A + B.

FILE NUMBER: _____

COMMITTEE AGENDA DATE: 6/9/2021

COUNCIL AGENDA DATE: 6/21/2021

STAFF REVIEW:

SIGNATURE _____

APPROVED BY CITY ADMINISTRATOR:

SIGNATURE _____

ITEM SUMMARY:

Regarding the First Amendment to the IGA, a minor change is needed in the legal description, and references to Greco and Sons need to be eliminated as that company is no longer in existence, All substantive terms approved in the original IGA remain.

Regarding the Updated EIA, the initial version didn't include any term limit for the clawback of the utility rebate, which wasn't raised at any time prior to the original approval. It would be inappropriate for a company who has been operating for 100 years to repay 50% of the rebate provided from inception, so language has been added to limit the clawback provision to 15 years, which matches those included in the EIAs with Ball Horticultural, Norix and Discovery Drive Investors.

STAFF RECOMMENDATION:

Staff recommends approval of Resolution Nos. 21-R-0046 and 21-R-0047..

COMMITTEE RECOMMENDATION:

RESOLUTION NO. 21-R-0046

A RESOLUTION AUTHORIZING THE MAYOR TO EXECUTE
A FIRST AMENDMENT TO THE INTERGOVERNMENTAL AGREEMENT
BETWEEN THE CITY OF WEST CHICAGO, DUPAGE AIRPORT
AUTHORITY, WEST CHICAGO LIBRARY DISTRICT, WEST CHICAGO
FIRE PROTECTION DISTRICT, WEST CHICAGO ELEMENTARY SCHOOL
DISTRICT 33, COMMUNITY HIGH SCHOOL DISTRICT 94 AND CREST
HILL INVESTMENT LLC IN REGARD TO A PROPERTY TAX
ABATEMENT RELATIVE TO THE DEVELOPMENT OF THE
GRECO/DEROSA PROPERTY

BE IT RESOLVED by the City Council of the City of West Chicago, in regular session assembled, that the Mayor is hereby authorized to execute a certain First Amendment to the Intergovernmental Agreement by and between Crest Hill Investment LLC and the City of West Chicago, DuPage Airport Authority, West Chicago Library District, West Chicago Fire Protection District, West Chicago Elementary School District 33, and Community High School District 94, in substantially the form which is attached hereto and incorporated herein as Exhibit "A".

APPROVED this 21st day of June, 2021.

AYES: _____

NAYES: _____

ABSTAIN: _____

ABSENT: _____

Mayor Ruben Pineda

ATTEST:

City Clerk Nancy M. Smith

**FIRST AMENDMENT TO THE INTERGOVERNMENTAL AGREEMENT
BETWEEN THE CITY OF WEST CHICAGO, DUPAGE AIRPORT AUTHORITY, WEST
CHICAGO LIBRARY DISTRICT, WEST CHICAGO FIRE PROTECTION DISTRICT,
WEST CHICAGO ELEMENTARY SCHOOL DISTRICT 33, COMMUNITY HIGH
SCHOOL DISTRICT 94 AND CREST HILL INVESTMENT LLC IN REGARD TO A
PROPERTY TAX ABATEMENT RELATIVE TO THE DEVELOPMENT OF THE
GRECO/DEROSA PROPERTY**

This FIRST AMENDMENT TO THE INTERGOVERNMENTAL AGREEMENT ("Amendment") is entered into this ____ day of _____, 2021 ("Effective Date"), by and between the CITY OF WEST CHICAGO, an Illinois home rule municipal corporation ("CITY"), the DUPAGE AIRPORT AUTHORITY, an Illinois airport authority ("AIRPORT"), the WEST CHICAGO LIBRARY DISTRICT, an Illinois library district ("LIBRARY"), the WEST CHICAGO FIRE PROTECTION DISTRICT, an Illinois fire protection district ("FIRE PROTECTION DISTRICT"), the WEST CHICAGO ELEMENTARY SCHOOL DISTRICT 33, an Illinois school district ("ELEMENTARY SCHOOL DISTRICT"), the COMMUNITY HIGH SCHOOL DISTRICT 94, an Illinois school district ("HIGH SCHOOL DISTRICT"), CREST HILL INVESTMENT LLC, an Illinois limited liability company ("DEVELOPER"), and 280 WESTGATE DRIVE LIMITED PARTNERSHIP, an Illinois limited partnership. The CITY, the AIRPORT, the LIBRARY, the FIRE PROTECTION DISTRICT, the ELEMENTARY SCHOOL DISTRICT, the HIGH SCHOOL DISTRICT, and the DEVELOPER are sometimes individually referred to herein as a "Party" and collectively referred to as the "Parties."

WITNESSETH

WHEREAS, the Parties entered into an "Intergovernmental Agreement" on February __, 2021, regarding the development of property owned by the DEVELOPER and certain economic development incentives related thereto ("Agreement"); and

WHEREAS, since the execution of the Agreement, the Parties became aware that the Agreement required certain amendments, including with regard to the identity of the DEVELOPER, the legal description of the "Subject Property," as defined in the Agreement, among other terms; and

WHEREAS, the Parties desire to amend the Agreement on the terms and conditions set forth below; and

WHEREAS, Section 5.K. of the Agreement, Article VII, Section 10 of the 1970 Illinois Constitution, 5 ILCS 220/1 *et seq.*, and the CITY'S home rule powers provide the authority for this Amendment; and

WHEREAS, it is in the best interests of the Parties to enter into this Amendment.

NOW, THEREFORE, in consideration of the foregoing, and the mutual covenants and agreements contained herein, the Parties hereto agree as follows:

1. **INCORPORATION OF PREAMBLES.** The preambles hereto, as set forth above, are incorporated herein by reference and are made part hereof.
2. **AMENDMENTS.** The Agreement is amended as follows:

Amendment One:

280 Westgate Drive Limited Partnership, an Illinois limited partnership, owns the "Subject Property," as defined in the Agreement. The Agreement is assigned from Crest Hill Investment LLC, an Illinois limited liability company, to 280 Westgate Drive Limited Partnership and the DEVELOPER is substituted and changed from Crest Hill Investment LLC to 280 Westgate Drive Limited Partnership.

Amendment Two:

Section 2.C. of the Agreement is amended as follows, with deletions struck through:

Have Cheese Merchants of America LLC ("Cheese Merchants") or its successors and / or assigns, ~~so long as the successors and / or assigns are another company owned by Greco and Sons, Inc., as a~~

tenant on the Subject Property, or else during the first ten (10) years following the Commencement Date, obtain the CITY'S prior written consent before any other user, licensee, tenant or occupant, takes possession, by license, lease or otherwise ("Occupant"), of any portion of the Subject Property. The CITY may withhold its consent if, in its sole discretion, the CITY determines that: (i) the contemplated use by such Occupant may have an adverse and harmful effect on the environment, (ii) the contemplated use by such Occupant may contribute to the CITY having a negative identity or image, (iii) the contemplated use by such Occupant, or the Occupant, is deemed undesirable, or (iv) the Occupant is a non-taxable entity. Prior to allowing any Occupant, other than Cheese Merchants or its permitted successors and / or assigns, to take possession, by license, lease or otherwise, of any portion of the Project, the DEVELOPER shall provide the CITY with a written request for the CITY'S consent. The CITY shall review the request and respond within thirty (30) calendar days from the date the request was received by the CITY. The DEVELOPER shall provide the CITY with information and documents reasonably requested by the CITY regarding the DEVELOPER'S request. Each calendar day between the time of the CITY'S request for information and documents, and the DEVELOPER providing the information and documents, shall extend the thirty (30) calendar day period for the CITY'S response by an equal number of calendar days. If the CITY does not respond within thirty (30) calendar days from the date the request was received by the CITY, or such greater number of calendar days as extended due to days passing before DEVELOPER has provided the CITY the requested information and documents, the CITY'S prior written consent shall not be needed with regard to the Occupant set forth in the DEVELOPER'S request. If the CITY does not consent to an Occupant, the DEVELOPER may terminate this Agreement, which termination shall serve as a "Termination" as defined in Section 3.B. below, and the DEVELOPER shall be required to make any payments to the UNITS OF GOVERNMENT as set forth in Sections 3.B.1. and 3.B.2.;

Amendment Three:

Section 8. of the Agreement is amended as follows, with deletions struck through:

Upon prior written notice to the CITY, DEVELOPER shall have the right to assign all rights, duties and obligations under this Agreement to any entity that is ~~an affiliate or subsidiary of Greco and Sons, Inc. which~~ takes title to the Subject Property. ~~All other~~

~~assignments of this Agreement by DEVELOPER shall require the CITY's consent, which may be withheld in the CITY's sole discretion.~~

Amendment Four:

EXHIBIT A-1 to the Agreement, the legal description of the "Subject Property," as defined in the Agreement, is replaced in its entirety by EXHIBIT A-1 attached hereto and made a part hereof.

3. **CONTINUING EFFECT.** All parts of the Agreement not amended herein shall remain in full force and effect.
4. **EFFECTIVE DATE.** The Effective Date of this Amendment shall be the date the last of the Parties executes this Amendment as set forth below, which date shall be filled in on page 1 hereof.

IN WITNESS WHEREOF, the CITY, pursuant to authority granted by the adoption of a Motion/Resolution by its City Council, has caused this Amendment to be executed by its Mayor and attested by its Clerk; the AIRPORT, pursuant to authority granted by the adoption of a Motion/Resolution by its Board of Commissioners, has caused this Amendment to be signed by its Chairman and attested by its Secretary; the LIBRARY, pursuant to the authority granted by the adoption of a Motion/Resolution by its Board of Trustees, has caused this Amendment to be signed by its President and attested by its Secretary; the FIRE PROTECTION DISTRICT, pursuant to the authority granted by the adoption of a Motion/Resolution by its Board of Trustees, has caused this Amendment to be signed by its President and attested by its Secretary; the ELEMENTARY SCHOOL DISTRICT, pursuant to the authority granted by the adoption of a Motion/Resolution by its Board of Education, has caused this Amendment to be signed by its President and attested by its Secretary; the HIGH SCHOOL DISTRICT, pursuant to the authority granted by the adoption of a Motion/Resolution by its Board of Education, has caused this Amendment to be signed by its President and attested by its

Secretary; DEVELOPER, pursuant to proper authority granted in accordance with its organizational documents, has caused this Amendment to be executed by its Manager; and 280 Westgate Drive Limited Partnership, pursuant to proper authority granted in accordance with its organizational documents, has caused this Amendment to be executed by an authorized Partner and properly attested.

[THIS SPACE INTENTIONALLY LEFT BLANK]

CITY OF WEST CHICAGO

By: _____
_____, Mayor

ATTEST:

_____, City Clerk

Dated: _____

**WEST CHICAGO PUBLIC LIBRARY
DISTRICT**

By: _____
_____, President

ATTEST:

_____, Secretary

Dated: _____

**WEST CHICAGO ELEMENTARY
SCHOOL DISTRICT 33**

By: _____
_____, President

ATTEST:

_____, Secretary

Dated: _____

**WEST CHICAGO COMMUNITY HIGH
SCHOOL DISTRICT 94**

By: _____
_____, President

ATTEST:

_____, Secretary

Dated: _____

DUPAGE AIRPORT AUTHORITY

By: _____
_____, Chairman

ATTEST:

_____, Secretary

Dated: _____

CREST HILL INVESTMENT LLC

By: _____
_____, _____

ATTEST:

_____, _____

Dated: _____

**WEST CHICAGO FIRE PROTECTION
DISTRICT**

By: _____
_____, President

ATTEST:

_____, Secretary

Dated: _____

**280 WESTGATE DRIVE LIMITED
PARTNERSHIP**

By: _____
_____, its _____

ATTEST:

_____, Secretary

Dated: _____

STATE OF ILLINOIS)
) SS
COUNTY OF DUPAGE)

I, the undersigned, a Notary Public, in and for the County and State aforesaid, DO HEREBY CERTIFY that the above-named _____ and _____, personally known to me to be the Mayor and City Clerk of the City of West Chicago, and also known to me to be the same persons whose names are subscribed to the foregoing instrument as such Mayor and City Clerk, respectively, appeared before me this day in person and severally acknowledged that, as such Mayor and City Clerk, they signed and delivered the signed instrument, pursuant to authority given by the City of West Chicago, as their free and voluntary act, and as the free and voluntary act and deed of said City of West Chicago, for the uses and purposes therein set forth.

GIVEN under my hand and Notary Seal, this _____ day of _____, 2021.

Notary Public

My Commission Expires: _____

STATE OF ILLINOIS)
) SS
COUNTY OF DUPAGE)

I, the undersigned, a Notary Public, in and for the County and State aforesaid, DO HEREBY CERTIFY that the above-named _____ and _____, personally known to me to be the President and Secretary of the West Chicago Public Library District, and also known to me to be the same persons whose names are subscribed to the foregoing instrument as such President and Secretary, respectively, appeared before me this day in person and severally acknowledged that, as such President and Secretary, they signed and delivered the signed instrument, pursuant to authority given by the West Chicago Public Library District, as their free and voluntary act, and as the free and voluntary act and deed of said West Chicago Public Library District, for the uses and purposes therein set forth.

GIVEN under my hand and Notary Seal, this _____ day of _____, 2021.

Notary Public

My Commission Expires: _____

STATE OF ILLINOIS)
) SS
COUNTY OF DUPAGE)

I, the undersigned, a Notary Public, in and for the County and State aforesaid, DO HEREBY CERTIFY that the above-named _____ and _____, personally known to me to be the President and Secretary of the West Chicago Fire Protection District, and also known to me to be the same persons whose names are subscribed to the foregoing instrument as such President and Secretary, respectively, appeared before me this day in person and severally acknowledged that, as such President and Secretary, they signed and delivered the signed instrument, pursuant to authority given by the West Chicago Fire Protection District, as their free and voluntary act, and as the free and voluntary act and deed of said West Chicago Fire Protection District, for the uses and purposes therein set forth.

GIVEN under my hand and Notary Seal, this _____ day of _____, 2021.

Notary Public

My Commission Expires: _____

STATE OF ILLINOIS)
) SS
COUNTY OF DUPAGE)

I, the undersigned, a Notary Public, in and for the County and State aforesaid, DO HEREBY CERTIFY that the above-named _____ and _____, personally known to me to be the President and Secretary of the West Chicago Elementary School District 33, and also known to me to be the same persons whose names are subscribed to the foregoing instrument as such President and Secretary, respectively, appeared before me this day in person and severally acknowledged that, as such President and Secretary, they signed and delivered the signed instrument, pursuant to authority given by the West Chicago Elementary School District 33, as their free and voluntary act, and as the free and voluntary act and deed of said West Chicago Elementary School District 33, for the uses and purposes therein set forth.

GIVEN under my hand and Notary Seal, this _____ day of _____, 2021.

Notary Public

My Commission Expires: _____

STATE OF ILLINOIS)
) SS
COUNTY OF DUPAGE)

I, the undersigned, a Notary Public, in and for the County and State aforesaid, DO HEREBY CERTIFY that the above-named _____ and _____, personally known to me to be the President and Secretary of the West Community High School District 94, and also known to me to be the same persons whose names are subscribed to the foregoing instrument as such President and Secretary, respectively, appeared before me this day in person and severally acknowledged that, as such President and Secretary, they signed and delivered the signed instrument, pursuant to authority given by the West Chicago Community High School District 94, as their free and voluntary act, and as the free and voluntary act and deed of said West Chicago Community High School District 94, for the uses and purposes therein set forth.

GIVEN under my hand and Notary Seal, this _____ day of _____, 2021.

Notary Public

My Commission Expires: _____

STATE OF ILLINOIS)
) SS
COUNTY OF DUPAGE)

I, the undersigned, a Notary Public, in and for the County and State aforesaid, DO HEREBY CERTIFY that the above-named _____ and _____, personally known to me to be the Chairman and Secretary of the DuPage Airport Authority, and also known to me to be the same persons whose names are subscribed to the foregoing instrument as such Chairman and Secretary, respectively, appeared before me this day in person and severally acknowledged that, as such Chairman and Secretary, they signed and delivered the signed instrument, pursuant to authority given by the DuPage Airport Authority, as their free and voluntary act, and as the free and voluntary act and deed of said DuPage Airport Authority, for the uses and purposes therein set forth.

GIVEN under my hand and Notary Seal, this _____ day of _____, 2021.

Notary Public

My Commission Expires: _____

STATE OF ILLINOIS)
) SS
COUNTY OF DUPAGE)

I, the undersigned, a Notary Public, in and for the County and State aforesaid, DO HEREBY CERTIFY that the above-named Eduardo Greco, personally known to me to be the Manager of Crest Hill Investment LLC, and also known to me to be the same person whose name is subscribed to the foregoing instrument as such Manager appeared before me this day in person and acknowledged that, as such Manager, he signed and delivered the signed instrument, pursuant to authority given by said limited liability company, as his free and voluntary act, and as the free and voluntary act and deed of said limited liability company, for the uses and purposes therein set forth.

GIVEN under my hand and Notary Seal, this _____ day of _____, 2021.

Notary Public

My Commission Expires: _____

STATE OF ILLINOIS)
) SS
COUNTY OF DUPAGE)

I, the undersigned, a Notary Public, in and for the County and State aforesaid, DO HEREBY CERTIFY that the above-named _____ and _____, personally known to me to be the _____ and _____ of 280 Westgate Drive Limited Partnership, and also known to me to be the same persons whose names are subscribed to the foregoing instrument as such _____ and _____, respectively, appeared before me this day in person and severally acknowledged that, as such _____ and _____, respectively, they signed and delivered the signed instrument, pursuant to authority given by said limited partnership, as their free and voluntary act, and as the free and voluntary act and deed of said limited partnership, for the uses and purposes therein set forth.

GIVEN under my hand and Notary Seal, this _____ day of _____, 2021.

Notary Public

My Commission Expires: _____

EXHIBIT A-1

Legal Description of Subject Property

(attached)

RESOLUTION NO. 21-R-0047

A RESOLUTION AUTHORIZING THE MAYOR TO EXECUTE
AN UPDATED ECONOMIC INCENTIVE AGREEMENT BY AND
BETWEEN THE CITY OF WEST CHICAGO AND OSI INDUSTRIES, LLC

BE IT RESOLVED by the City Council of the City of West Chicago, in regular session assembled, that the Mayor is hereby authorized to execute a certain updated Economic Incentive Agreement by and between the City of West Chicago and OSI Industries, LLC, in substantially the form which is attached hereto and incorporated herein as Exhibit "A".

APPROVED this 21st day of June, 2021.

AYES: _____

NAYES: _____

ABSTAIN: _____

ABSENT: _____

Mayor Ruben Pineda

ATTEST:

City Clerk Nancy M. Smith

**ECONOMIC INCENTIVE AGREEMENT BY AND BETWEEN THE
CITY OF WEST CHICAGO AND OSI INDUSTRIES, LLC**

This ECONOMIC INCENTIVE AGREEMENT ("Agreement") is entered into this ____ day of _____, 2021 ("Effective Date") by and between the City of West Chicago, an Illinois home rule municipal corporation ("CITY"), and OSI INDUSTRIES, LLC, a Delaware limited liability company authorized to conduct business in the State of Illinois ("DEVELOPER"). The CITY and the DEVELOPER are sometimes individually referred to herein as a "Party" and collectively referred to as the "Parties."

W I T N E S S E T H

WHEREAS, DEVELOPER, the CITY, and certain other units of government, entered into the "INTERGOVERNMENTAL AGREEMENT BETWEEN THE CITY OF WEST CHICAGO, DUPAGE AIRPORT AUTHORITY, WEST CHICAGO LIBRARY DISTRICT, WEST CHICAGO FIRE PROTECTION DISTRICT, WEST CHICAGO ELEMENTARY SCHOOL DISTRICT 33, COMMUNITY HIGH SCHOOL DISTRICT 94 AND OSI INDUSTRIES, LLC IN REGARD TO A PROPERTY TAX ABATEMENT RELATIVE TO THE DEVELOPMENT OF THE OSI INDUSTRIES PROPERTY" on _____, 2021 ("IGA"); and

WHEREAS, as set forth in the IGA, the DEVELOPER desires to acquire approximately eleven (11) acres of land in the DuPage Business Park located in West Chicago, Illinois, with said property being legally described on EXHIBIT A-1, attached to the IGA, and depicted on EXHIBIT A-2, attached to the IGA ("Subject Property"); and

WHEREAS, the DEVELOPER desires to develop the Subject Property into an

industrial manufacturing food processing operation consisting of a building of approximately one hundred eighty-six thousand (186,000) square feet, as depicted and further described in EXHIBIT B-1 and EXHIBIT B-2, respectively, attached to the IGA ("Project"); and

WHEREAS, the IGA provides that the DEVELOPER will receive a real estate tax abatement from the CITY and certain other units of government pursuant to 35 ILCS 200/18-165 ("Tax Abatement"), if the conditions for the Tax Abatement in the IGA are satisfied; and

WHEREAS, the DEVELOPER has requested that, in addition to the Tax Abatement, the CITY provide the DEVELOPER with additional incentives set forth in this Agreement ("Additional Incentives") to assist the DEVELOPER in acquiring the Subject Property and improving it with the Project; and

WHEREAS, to induce the DEVELOPER to cause the Project to be constructed and operated, which will provide future financial benefits for the CITY, the CITY agrees to provide the DEVELOPER with the Additional Incentives set forth herein, in exchange for the DEVELOPER'S agreement to (a) comply with the terms of the IGA and the terms of this this Agreement, and (b) develop the Project on the Subject Property; and

WHEREAS, Article VII, Section 10 of the 1970 Illinois Constitution, 65 ILCS 5/8-1-2.5, 5 ILCS 220/1 *et seq.* and the CITY'S home rule powers provide the authority for this Agreement; and

WHEREAS, it is in the best interests of the Parties to enter into this Agreement;

NOW, THEREFORE, in consideration of the foregoing, and the mutual covenants and agreements contained herein, the Parties hereto agree as follows:

1. **INCORPORATION OF PREAMBLES.** The preambles hereto, as set forth above, are incorporated herein by reference and are made part hereof.
2. **DEVELOPER CONDITIONS.** The DEVELOPER'S right to receive the Additional Incentives under this Agreement is expressly conditioned upon the performance by the DEVELOPER of the following conditions, to the extent the conditions can be met prior to the Additional Incentives being granted to the DEVELOPER. The DEVELOPER shall:
 - A. Not be in default of its obligations in the IGA.
 - B. Operate the Project on the Subject Property as ongoing business operation of approximately one hundred eighty-six thousand (186,000) square feet.
 - C. Provide the CITY all documents reasonably requested by the CITY regarding the matters set forth in the IGA and this Agreement.
 - D. Within a reasonable time after the Commencement Date (as defined in the IGA), two hundred (200) or more full-time employees shall work in the building constructed as part of the Project initially, and four hundred (400) or more full-time employees shall work there when the building developed as part of the Project is fully occupied, at an average total compensation of Thirty-Two Thousand and No/100 Dollars (\$32,000.00)
 - E. No less than once per calendar year, on a date selected by the CITY, provide a written report to the CITY with:
 1. A summary of the Project's, the DEVELOPER's then-current operations at the Subject Property (including the number of full-time equivalent employees, employed at or as a result of the Project), and any plans for prospective growth or expansion at the Subject Property; and
 2. Copies of documentation showing the number of square feet of the Subject Property used for carrying out the Project, including but not limited to property casualty policy renewal certificate, and/or annual fire inspection reports.

- F. No more often than once per calendar year, on a date selected by the CITY, provide a certified payroll summary, or similar documentation acceptable to the CITY, to verify the DEVELOPER's compliance with its obligations in Section 2.D. above.
- G. Only use water on the Subject Property purchased from the CITY.
- H. Purchase no less than twenty-five million (25,000,000) gallons of water from the CITY in each twelve (12) month period after the Commencement Date (as defined in the IGA).

3. **ADDITIONAL INCENTIVES.** The Additional Incentives are:

- A. **PARTIAL BUILDING PERMIT COSTS REIMBURSEMENT.** So long as the DEVELOPER paid the CITY for a building permit for the Project in excess of One Hundred Thousand and No/100 Dollars (\$100,000.00), the CITY shall reimburse the DEVELOPER One Hundred Thousand and No/100 Dollars (\$100,000.00) of the building permit fees paid by the DEVELOPER to the CITY for the Project. Building permit costs reimbursed herein exclude the sewer capacity fee and all third party costs paid by the CITY associated with the building permit for the Project, such as, but not limited to, plan review costs and the land cash fee to the West Chicago Fire Protection District. The amount of the building permit costs reimbursed herein shall be the "Building Permit Waiver Costs." The CITY shall pay the reimbursement in this Section 3.A. within ninety (90) days after a request by the DEVELOPER to the CITY for payment of the Building Permit Waiver Costs.
- B. **PARTIAL MUNICIPAL WATER AND SEWER CHARGES REBATE.** So long as DEVELOPER is operating an industrial manufacturing food processing operation at the Subject Property, so long as the Subject Property only uses water purchased from the City, and so long as the Subject Property has used more than twenty five million (25,000,000) gallons of water provided by the CITY in each twelve (12) month period after the Commencement Date (as defined in the IGA), then during the period beginning on January 1st of the calendar year immediately following the "Commencement Date" (as defined in the IGA), the CITY shall rebate to the DEVELOPER, in the time and manner described in Section 4 below, Twenty-Five Percent (25%) of the CITY's water and sewer charges paid by the DEVELOPER and received by the CITY for the Subject Property. The amount of the CITY's water and sewer charges actually rebated to the DEVELOPER herein shall be the "Water and Sewer Charges Rebate."

4. **PARTIAL WATER AND SEWER CHARGES REBATE PAYMENT.** The CITY shall rebate the DEVELOPER a portion of the CITY's water and sewer charges as set forth in Section 3.B. above paid by the DEVELOPER no more than one (1) time annually, and covering no more than twelve (12) months of water and sewer usage on the Project per payment. The DEVELOPER shall submit invoices to the CITY by January 31 requesting the Water and Sewer Charges Rebate for the prior calendar year, together with documentation of the payment of the CITY water and sewer charges paid for the Subject Property, along proof of payment and such other information and/or documents reasonably requested by the CITY. Upon the CITY's receipt of all supporting documentation and information, and upon confirmation the DEVELOPER is entitled to receive the Water and Sewer Charges Rebate payment, the CITY shall pay the DEVELOPER the Water and Sewer Charges Rebate within sixty (60) days thereafter.
5. **ADDITIONAL INCENTIVES CLAWBACK.** If the Project ceases on the Subject Property, or if the DEVELOPER breaches any of its obligations in this Agreement or the IGA, including that water used on the Subject Property be purchased only from the CITY and that water purchased for the Subject Property from the CITY be more than twenty-five million (25,000,000) gallons per year, then, in such instance, the CITY shall provide written notice of such cessation or breach to DEVELOPER ("Default Notice"). If DEVELOPER does not (a) recommence operation of the Project within thirty (30) days following DEVELOPER's receipt of a Default Notice, or (b) cure any such breach of this

Agreement within such thirty (30) day period (provided, that if such cure cannot reasonably be performed in thirty (30) days, then, DEVELOPER shall have such additional time as may be reasonably required to effect such cure provided that DEVELOPER commences such cure within such thirty (30) day period and diligently pursues the same to completion), then the CITY may elect, by written notice to DEVELOPER, to terminate this Agreement ("Termination"), whereupon the DEVELOPER shall reimburse the CITY the Additional Incentives as follows:

- A. If a Termination occurs within five (5) years from the "Commencement Date," as defined in the IGA, the DEVELOPER shall pay the CITY Seventy Five Percent (75%) of both the Building Permit Waiver Costs and the Water and Sewer Charges Rebate realized by DEVELOPER prior to the date on which the Termination occurs, and thereafter the DEVELOPER shall not be entitled to receive any Additional Incentives pursuant to this Agreement; or
- B. If a Termination occurs ~~after~~ between five (5) years and fifteen (15) years from the "Commencement Date," as defined in the IGA, the DEVELOPER shall pay the CITY Fifty Percent (50%) of both the Building Permit Waiver Costs and the Water and Sewer Charges Rebate, and thereafter the DEVELOPER shall not be entitled to receive any Additional Incentives pursuant to this Agreement.

The DEVELOPER's reimbursement obligations herein shall survive, and be binding upon the DEVELOPER, regardless of the termination of this Agreement.

The DEVELOPER shall reimburse the CITY as provided herein within thirty (30) days of a written demand from the CITY for such reimbursement.

6. **INTERVENING ACTIONS.** The Parties acknowledge that the Additional Incentives are predicated upon current law in the State of Illinois, as of the Effective Date, allowing the CITY to make the Additional Incentives available to the DEVELOPER. Should the Illinois General Assembly, or a court of competent jurisdiction, hereafter eliminate or limit the CITY's authority to make

the Additional Incentives available to the DEVELOPER, or which prevents the CITY from paying the Water and Sewer Charges Rebate to the DEVELOPER, or should the CITY's ability to make any Additional Incentives to DEVELOPER be limited or eliminated in any manner, then, upon the occurrence of any of the foregoing events, (a) the DEVELOPER shall not be entitled to receive the Additional Incentive(s) so limited, and (b) DEVELOPER may, by written notice delivered to the CITY at any time following the occurrence of any of the foregoing events, elect to terminate this Agreement whereupon this Agreement shall be of no further force or effect (including, without limitation, the DEVELOPER's liability under Section 5 above).

7. GENERAL CONDITIONS/REQUIREMENTS.

- A. This Agreement is entered into for the benefit of each of the Parties, solely, and not for the benefit of any third party.
- B. Nothing contained in this Agreement shall constitute a waiver of any privileges, defenses or immunities which the CITY may have under the Local Governmental and Governmental Employees Tort Immunity Act, 745 ILCS 10/1-101, *et seq.*, with respect to any claim brought by a third party.
- C. The rights and obligations of the DEVELOPER shall constitute covenants running with the land of the Subject Property and shall be binding on successors and assigns of the DEVELOPER and shall bind all owners of the Subject Property, including the Project located thereon, or any portion thereof.
- D. This Agreement shall be recorded on title to the Subject Property at the expense of the DEVELOPER upon taking effect.
- E. Upon a breach of this Agreement the non-breaching Party, by an action or proceeding solely in equity brought in the 18th Judicial Circuit Court, in DuPage County, Illinois, may secure the specific performance of the covenants and agreements herein contained, for failure of performance.
- F. In the event of a default by any of the Parties, the defaulting Party, as

adjudicated by a court of competent jurisdiction, shall pay to the non-defaulting Party, upon demand, all of the non-defaulting Party's reasonable costs, charges and expenses, including, but not limited to, the costs of accountants, consultants, attorneys and others retained by the non-defaulting Party for the purpose of enforcing any of the obligations of the defaulting Party under this Agreement.

- G. The failure of any Party to insist upon the strict and prompt performance of the terms, covenants, agreements and conditions herein contained, or any of them, by any other Party, shall not constitute or be construed as a waiver or relinquishment of any Party's right thereafter to enforce any such term, covenant, agreement or condition, but the same shall continue in full force and effect.
- H. If the performance by any Party hereunder is delayed as a result of circumstances which are beyond the reasonable control of such Party (which circumstances shall only include acts of God, war, strikes, a virus, including COVID-19, pandemic or similar acts of *force majeure*), the time for such performance shall be extended by the amount of time of such delay.
- I. This Agreement shall remain in full force and effect until the earlier of a Termination or the other termination of this Agreement.
- J. In the event that the CITY's authority to carry out its obligation in this Agreement is repealed, become null and void or otherwise become invalid, then the CITY's obligations hereunder shall cease and no further obligations of any sort shall be required of the CITY. The DEVELOPER shall have no recourse against the CITY in such event.
- K. No amendment to, or modification of, this Agreement shall be effective unless and until it is in writing and approved by the authorized representative of the DEVELOPER and by the CITY'S corporate authorities, and executed and delivered by the authorized representatives of each Party.
- L. If, during the term of this Agreement, any lawsuits or other proceedings are filed or initiated against any Party before any court, commission, board, bureau, agency, unit of government or sub-unit thereof, arbitrator, or other instrumentality, that may materially affect or inhibit the ability of any Party to perform its obligations under, or otherwise to comply with, this Agreement ("Litigation"), the Party against which the Litigation is filed or initiated shall promptly deliver a copy of the complaint or charge related thereto to the other Parties and shall thereafter keep the other Parties fully informed concerning all aspects of the Litigation. Each Party shall, to the extent necessary, cooperate with the other Parties in this event. The

Parties each agree to use their respective best efforts to defend the validity of this Agreement and all approvals of the Parties related thereto, including every portion thereof and every approval given, and every action taken, pursuant thereto.

- M. The DEVELOPER shall and hereby agrees to defend, hold harmless and indemnify the CITY, and its respective elected officials, appointed officials, employees, agents and attorneys (collectively the "CITY Affiliates") from and against any and all third-party claims, demands, suits, damages, liabilities, losses, expenses, and judgments against any CITY Affiliates resulting from DEVELOPER's breach of its obligations hereunder. The obligation of the DEVELOPER in this regard shall include, but shall not be limited, to all costs and expenses, including reasonable attorneys' fees, incurred by the CITY Affiliates in responding to, defending against, or settling any such claims, demands, suits, damages, liabilities, losses, expenses or judgments. The DEVELOPER covenants that it will reimburse the CITY Affiliates, or pay over to the CITY Affiliates, all reasonable sums of money the CITY Affiliates pay, or becomes liable to pay, to any such third-party by reason of any of the foregoing; provided, however, that the DEVELOPER's liability under this Section 8.M. shall be limited to the total amount of the Additional Incentives that the DEVELOPER has received pursuant to this Agreement as of the date of any such claim, demand, suit, damage, liability, loss, expense, or judgment. In any suit or proceeding for which DEVELOPER is required to indemnify and hold any CITY Affiliates harmless hereunder, such CITY Affiliates shall have the right to appoint counsel of their own choosing to represent it, the reasonable costs and expenses of which shall be paid by the DEVELOPER.
- N. The DEVELOPER shall maintain the Subject Property or cause it to be maintained, and operate the Project, in compliance with all Federal, State, County, and CITY laws, ordinances, resolutions, rules and regulations.

8. **NOTICES.** Notice or other writings which any Party is required to, or may wish to, serve upon any other Party in connection with this Agreement shall be in writing and shall be delivered personally or sent by registered or certified mail, return receipt requested, postage prepaid, addressed as follows:

A. If to the CITY:

City of West Chicago
475 Main Street
West Chicago, Illinois 60185
Attention: Mayor

B. If to the DEVELOPER:

OSI Industries, LLC
1225 Corporate Boulevard
Aurora, Illinois 60505
Attention: _____

With copies to:
City of West Chicago
475 Main Street
West Chicago, Illinois 60185
Attn: City Administrator

With a copy to:

Attn: _____

Bond, Dickson & Associates
400 Knoll Street
Wheaton, Illinois 60187
Attn: Patrick Bond

or to such other address, or additional individuals/entities, as any Party may from time to time designate in a written notice to the other Parties. Service by personal delivery shall be deemed given when delivery occurs, and service by certified or registered mail shall be deemed given three (3) days after depositing same in the mail.

9. **COUNTERPARTS.** This Agreement may be executed simultaneously in two (2) counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same Agreement.
10. **ENTIRE AGREEMENT.** This Agreement contains the entire understanding between the Parties and supersedes any prior understanding or written or oral agreements between them regarding the within subject matter. There are no representations, agreements, arrangements or understandings, oral or written, between and among the Parties hereto relating to the subject matter of this Agreement which are not fully expressed herein.
11. **EFFECTIVE DATE.** This Agreement shall be deemed dated and become effective on the date the last of the Parties execute this Agreement as set forth below, which date shall be filled in on page 1 hereof.

IN WITNESS WHEREOF, the CITY, pursuant to authority granted by the adoption of a Motion/Resolution by its City Council, has caused this Agreement to be executed by its Mayor and attested by its Clerk and DEVELOPER, pursuant to proper authority granted in accordance with its organizational documents, has caused this Agreement to be executed by its Manager and attested by its _____.

CITY:

DEVELOPER:

CITY OF WEST CHICAGO

OSI INDUSTRIES, LLC

By: _____
_____, Mayor

By: _____
_____, _____

ATTEST:

ATTEST:

_____, City Clerk

_____, _____

Dated: _____

Dated: _____