



WHEATON FINANCES RECEIVE 'C' GRADE

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THE FINANCIAL STATE OF WHEATON

A new analysis of the latest available comprehensive annual financial report found Wheaton had a Taxpayer Burden™ of \$500, earning it a "C" grade based on Truth in Accounting's grading scale.

Wheaton's elected officials have made repeated financial decisions that have left the city with a debt burden of \$8.6 million, according to the analysis. That burden equates to \$500 for every city taxpayer. Wheaton's financial problems stem from unfunded retirement obligations in the form of pension and other post-employment benefits. The city has promised to pay out \$52.6 million in pensions and \$2.5 million in retiree health care benefits, but hasn't set aside enough money to fully fund them.

Wheaton's financial condition is misleading because government officials have failed to disclose significant amounts of retirement debt on the city's balance sheet. As a result, residents and taxpayers have been presented with an inaccurate and untruthful accounting of the city government's finances.

Here's the truth:

\$8.6
million

Money needed to
pay bills

-\$500

Taxpayer
Burden

C

Financial grade

Data included in this report is derived from the city of Wheaton's 2017 audited Comprehensive Annual Financial Report and retirement plans' actuarial reports.

WHEATON FINANCIAL BREAKDOWN

FAST FACTS

- + Wheaton has \$88 million available in assets to pay \$96.6 million worth of bills.
- + The outcome: A \$8.6 million shortfall and a \$500 Taxpayer Burden.
- + Despite reporting all of its pension debt, the city continues to hide \$1.9 million of its retiree health care debt.
- + Wheaton's reported net position is inflated by \$5.2 million, largely because it has delayed recognizing changes to its net pension liability.

THE CITY'S BILLS EXCEED ITS ASSETS

Assets	\$348,393,000
<i>Minus:</i> Capital assets	-\$251,700,000
Restricted assets	-\$8,659,000
Assets available to pay bills	\$88,034,000
<i>Minus:</i> Bills	-\$96,625,000
Money needed to pay bills	-\$8,591,000
Each taxpayer's share of this debt	-\$500

BILLS THE CITY HAS ACCUMULATED

Bonds	\$24,492,000
Other liabilities	\$35,828,000
<i>Minus:</i> Debt related to capital assets	-\$18,777,000
Unfunded pension benefits	\$52,605,000
Unfunded retiree health care	\$2,477,000
Bills	\$96,625,000

GRADE: C

Bottom line: Wheaton's Taxpayer Burden is less than \$5,000, so it has received a "C" for its finances from Truth in Accounting. While better off than many other cities in Illinois, Wheaton still owes more than it owns.

Truth in Accounting is committed to educating and empowering citizens with understandable, reliable, and transparent government financial information. To be knowledgeable participants in their government and its budget process, citizens need truthful and transparent financial information.