

CITY OF WAUKEGAN

Waukegan, IL

FINANCIAL STATEMENTS

For the Year Ended
April 30, 2009

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CITY OF WAUKEGAN

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INDEPENDENT AUDITORS' REPORT

City of Waukegan
100 N. Martin Luther King Jr. Ave.
Waukegan, Illinois

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Waukegan, Illinois, as of and for the year ended April 30, 2009, which collectively comprise City of Waukegan's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Waukegan's management. Our responsibility is to express opinions on these financial statements based on our audit. We have also audited the adjustments described in Note III. I. that were applied to restate the 2008 financial statements. In our opinion such adjustments are appropriate and have been properly applied.

We conducted our audit in accordance with 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. 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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Waukegan, IL as of April 30, 2009, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note I. B., the City adopted the provisions of GASB Statement No. 45, Accounting and Financial Reporting for Post Employment Benefits Other than Pensions, effective May 1, 2008.

In accordance with Government Auditing Standards, we have also issued a report dated May 14, 2010 on our consideration of City of Waukegan's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

City of Waukegan

The management's discussion and analysis, the historical pension information and retirees' health plan information and the General Fund budgetary comparison schedule as listed in the table of contents are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Waukegan's basic financial statements. The supplementary information and the other information section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is stated in all material respects in relation to the basic financial statements taken as a whole. The other information section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.

Baker Tilly Virchow Krause, LLP

Oak Brook, Illinois
May 14, 2010

CITY OF WAUKEGAN, ILLINOIS
MANAGEMENT'S DISCUSSION & ANALYSIS
APRIL 30, 2009

As the financial management of the City of Waukegan (City), we offer readers a discussion and analysis of the City's financial performance that provides an overview of the financial activities and identifies changes in the City's financial position for the years ended April 30, 2009 and April 30, 2008. Please read this analysis in conjunction with the City's financial statements, which begins with of the Basic Financial Statements and the Independent Auditor's Report for the fiscal year ended April 30, 2009.

FINANCIAL HIGHLIGHTS

- > The City's net assets as a result of operations are \$78.5 million for fiscal year ending April 30, 2009, with \$114.8 million invested in capital assets net of related debt, \$6.3 million in restricted assets, and a negative \$(42.6) million in unrestricted assets.
 - o Governmental net assets are \$21.2 million, with \$53.0 million invested in capital assets net of related debt, \$6.3 million in restricted assets, and a negative balance of \$(38.0) million in unrestricted net assets.
 - o Business-type activities net assets are \$57.3 million, with \$61.8 million invested in capital assets net of related debt, and a negative \$(4.6) million in unrestricted net assets.

- > Total general revenues, program revenues and transfers were \$86.4 million for the fiscal year and expenses totaled \$131.0 million, resulting in a decrease of net assets of \$(44.6) million.
 - o During the fiscal year, the City had governmental revenues generated in tax, other governmental programs and net transfers totaling \$74.3 million and expenses totaling \$115.8 million, resulting in a decrease in net assets of \$(40.7) million.
 - o The City's business-type activities revenues and net transfers were \$11.3 million and expenses were \$15.2 million, resulting in a decrease in net assets of \$(3.9) million.

- > The total cost of all City programs was 152% of revenues and net transfers.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: 1) City-wide financial statements; 2) fund financial statements; and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

CITY OF WAUKEGAN, ILLINOIS
MANAGEMENT'S DISCUSSION & ANALYSIS
APRIL 30, 2009

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to the private-sector. The *statement of net assets* presents information on all of the City's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. The *statement of activities* presents information showing how the City's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of cash flows. Thus, revenues and expenses are reported in this statements for some items that will only results 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, 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 include general government, public safety, building and zoning, streets and public works, economic development, culture and recreation and community development. The business-type activities of the City include a water and sewer department as well as a motor vehicle parking system.

The government-wide financial statements include not only the City itself (known as the *primary government*), but also a legally separate library operation, known as the Waukegan Public Library, for which the City is financially accountable. Financial information on this *component unit* is reported separately from the financial information presented for the primary government itself. In addition, separately issued financial statements are available for the Library.

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, like other state and local governments used 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.

Governmental funds. *Governmental funds* are used to account for essentially the functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, government 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 year. Such information may be useful in evaluating a government's near-term financial requirements.

CITY OF WAUKEGAN, ILLINOIS
MANAGEMENT'S DISCUSSION & ANALYSIS
APRIL 30, 2009

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 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 this comparison between *governmental funds* and *governmental activities*.

The City maintains thirty governmental funds including the Waukegan Public Library, as a Component Unit. 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, four capital improvement funds, and the debt service fund, both of which are considered to be major funds. Data from the other twenty-five governmental funds are combined into a single, aggregated presentation. Individual fund data for each of the non-major governmental funds is provided in the form of *combining and individual statements* in this report.

The City adopts an annual appropriated budget for all funds of the City. Budgetary comparison statements have been provided in this report. The original budget was not amended during the year.

The basic governmental fund financial statements can be found in this report.

Proprietary funds. The City maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses enterprise funds to account for its Waterworks and Sewerage operations and for its Motor Vehicle Parking System. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for self-insurance programs in its safety and risk management and employee benefit plan funds. Because both of these services predominantly benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements.

Proprietary funds 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 Waterworks and Sewerage Fund and for the Motor Vehicle Parking System, both of which are considered to be major funds of the City. Conversely, both internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in this report.

CITY OF WAUKEGAN, ILLINOIS
MANAGEMENT'S DISCUSSION & ANALYSIS
APRIL 30, 2009

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's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

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.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the aforementioned budgetary comparisons for the General Fund, as well as the City's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found in this report.

Combining statements presenting the financial statements of individual non-major funds are presented in this report.

CITY OF WAUKEGAN, ILLINOIS
MANAGEMENT'S DISCUSSION & ANALYSIS
APRIL 30, 2009

GOVERNMENT-WIDE STATEMENTS & ANALYSIS

Governmental Activities

CONDENSED STATEMENT OF NET ASSETS, AS OF APRIL 30

<i>(in millions)</i>	Governmental Activities 2009	Governmental Activities 2008	Increase / (Decrease)
Assets:			
Current Assets	\$ 36.2	\$ 42.5	\$ (6.3)
Internal Balances	5.2	1.3	3.9
Deferred Charges	0.8	1.0	(0.2)
Restricted Assets	-	-	-
Capital Assets Net of Depreciation	126.0	65.7	60.3
Total Assets	168.2	110.5	57.7
Liabilities			
Current Liabilities	11.3	4.6	6.7
Unearned Revenue	21.0	20.7	0.3
Non-Current Liabilities	114.6	93.9	20.7
Total Liabilities	146.9	119.2	27.7
Net Assets			
Investments in Capital Assets, net of Related Debt	53.0	19.3	33.7
Restricted Assets	6.3	14.2	(7.9)
Unrestricted Assets	(38.0)	(42.2)	4.2
Total Net Assets	21.3	(8.7)	30.0
Total Liabilities & Net Assets	\$ 168.2	\$ 110.5	\$ 57.7

The City's governmental activities current assets decreased by \$(6.3) million during the fiscal year to \$36.2 million, internal balances increased by \$3.9 million to \$5.2 million and deferred charges decreased by \$(200) thousand to \$800 thousand. Capital assets, net of depreciation, increased by \$60.3 million to \$126 million mostly attributed to the a restatement as infrastructure and other capital assets were erroneously understated in the prior fiscal year. Total governmental activities assets increased by \$57.7 million to \$168.2 million for the fiscal year.

CITY OF WAUKEGAN, ILLINOIS
MANAGEMENT'S DISCUSSION & ANALYSIS
APRIL 30, 2009

Governmental activities current liabilities increased \$6.7 million to \$11.3 million, and unearned revenue increased \$300 thousand to \$21 million. Claims payable increased \$25.8 million to a total of \$28.5 million for the fiscal year. The largest part of this increase is due to a dollar wrongful imprisonment lawsuit; and in the past, there was no Estimate for Claims incurred, but not reported, which was added for the first time this year related to general liability and workers compensation claims. Other non-current liabilities decreased \$(5.1) million to \$86.1 million. Total governmental activities liabilities are \$146.9 million for the fiscal year.

Total governmental activities net assets increased \$30.0 million to \$21.3 million for the fiscal year, as capital assets net of related debt were restated upward by \$70.7 million to \$62.0 million; restricted assets declined \$(7.9) million to \$6.3 million; and, unrestricted assets remained in a negative balance for a total of \$(38.0) million at the close of the fiscal year.

CITY OF WAUKEGAN, ILLINOIS
MANAGEMENT'S DISCUSSION & ANALYSIS
APRIL 30, 2009

CONDENSED STATEMENT OF ACTIVITIES, AS OF APRIL 30

<i>(in millions)</i>	Governmental Activities 2009	Governmental Activities 2008	Increase / (Decrease)
Revenues:			
Program Revenues			
Charges for Services	\$ 12.7	\$ 12.9	\$ (0.2)
Operating Grants & Contributions	0.1	2.6	(2.5)
Capital Grants & Contributions	0.6	-	0.6
General Revenues			
Taxes	43.3	44.1	(0.8)
Intergovernmental	16.4	16.5	(0.1)
Investment Income	0.4	1.0	(0.6)
Miscellaneous	0.8	0.0	0.8
Total Revenues	<u>74.3</u>	<u>77.1</u>	<u>(2.8)</u>
Expenses:			
General Government	8.9	6.3	2.6
Public Safety	65.5	44.2	21.3
Building & Zoning	3.6	-	3.6
Streets, Bridges & Public Works	22.7	10.5	12.2
Sanitation & Environment	4.6	3.6	1.0
Economic Development	4.9	4.4	0.5
Culture & Recreation	0.1	2.5	(2.4)
Community Development	1.6	1.0	0.6
Interest & Fiscal Charges	3.9	3.7	0.2
Total Expenses	<u>115.8</u>	<u>76.2</u>	<u>39.6</u>
Excess (Deficiency) Before Transfers	(41.5)	1.0	
Net Transfers	0.8	1.4	
Change in Net Assets	(40.7)	2.4	
Net Assets, beginning of year *	<u>62.0</u>	<u>(11.1)</u>	
Net Assets, end of year	<u>\$ 21.3</u>	<u>\$ (8.7)</u>	

* April 30, 2008 Net Assets Restated, see Notes to Financial Statements

The City's governmental activities revenues decreased \$(2.8) million from the prior year to a total of \$74.3 million, and expenses increased \$39.6 million from the prior year to a total of \$115.8 million. This resulted in a deficit before transfers of \$(41.5) million.

CITY OF WAUKEGAN, ILLINOIS
MANAGEMENT'S DISCUSSION & ANALYSIS
APRIL 30, 2009

After net transfers of \$800 thousand, net assets decreased by \$(40.7) million for the fiscal year to \$21.3 million.

Charges for service revenues decreased by \$(200) thousand, or -2% versus the prior year. More significantly, operating grants and contributions declined by \$(2.5) million as one-time grant funding for public safety and non-recurring contributions for community development were not repeated; however, the City did receive capital grants and contributions in environmental and community development versus compared to none of these types of revenues in the prior year. Taxes, the City's largest source of governmental activities revenues, decreased \$(800) thousand or -2% from the prior year and intergovernmental revenues stayed flat. While property taxes did increase related to the higher levy amount, economically sensitive revenue sources declined from the prior year. Similarly, investment income dropped \$(600) thousand as cash balances decreased and interest rates declined.

Total governmental activities expenses increased by \$39.7 million to \$115.9 million. Most of the increases over prior year due to the increase in the proper recognition of claims payable, the majority of which are associated with public safety. In addition, there were increases due to recording Other Post-Employment Benefits (OPEB) liabilities for the first time including costs associated with retiree subsidized health insurance. Furthermore streets, bridges and public works expenses have increased substantially due to recording depreciation on infrastructure that was erroneously left out of the prior year figures.

CITY OF WAUKEGAN, ILLINOIS
MANAGEMENT'S DISCUSSION & ANALYSIS
APRIL 30, 2009

Business-Type Activities

CONDENSED STATEMENT OF NET ASSETS, AS OF APRIL 30

<i>(in millions)</i>	Business-type Activities 2009	Business-type Activities 2008	Increase / (Decrease)
Assets:			
Current Assets	\$ 2.7	\$ 3.7	\$ (1.0)
Internal Balances	(5.2)	(1.3)	(3.9)
Deferred Charges	0.1	0.2	(0.1)
Restricted Assets	0.6	0.6	-
Capital Assets Net of Depreciation	72.6	55.7	16.9
Total Assets	70.8	58.9	11.9
Liabilities			
Current Liabilities	2.3	1.9	0.4
Non-Current Liabilities	11.2	12.8	(1.6)
Total Liabilities	13.5	14.7	(1.2)
Net Assets			
Investments in Capital Assets, net of Related Debt	61.8	43.3	18.5
Restricted Assets		0.6	(0.6)
Unrestricted Assets	(4.5)	0.3	(4.8)
Total Net Assets	\$ 57.3	\$ 44.2	\$ 13.1
Total Liabilities & Net Assets	\$ 70.8	\$ 58.9	\$ 11.9

The City's business-type activities current assets decreased by \$(1.0) million during the fiscal year to \$2.7 million, internal balances decreased by \$(3.9) million to \$(5.2) million and deferred charges stayed relatively flat over the prior year. Capital assets, net of depreciation, increased by \$16.9 million to \$72.6 million mostly attributed to restatements of infrastructure and other capital assets that were erroneously understated in the prior fiscal year. Total business-type activities assets increased by \$11.9 million to \$70.8 million for the fiscal year.

Business-type activities current liabilities increased \$400 thousand million to \$2.4 million, and non-current liabilities decreased \$(1.6) million to \$11.2 million related to the retirement of long-term debt. Total business-type activities liabilities are \$13.9 million for the fiscal year.

CITY OF WAUKEGAN, ILLINOIS
MANAGEMENT'S DISCUSSION & ANALYSIS
APRIL 30, 2009

Total business-type activities net assets increased \$13.1 million to \$57.3 million for the fiscal year, as capital assets net of related debt were restated upward by \$18.5 million to \$61.8 million, and unrestricted assets declined \$(4.9) million to \$(4.6) million at the close of the fiscal year.

CONDENSED STATEMENT OF ACTIVITIES, AS OF APRIL 30

<i>(in millions)</i>	Business-type Activities 2009	Business-type Activities 2008	Increase / (Decrease)
Revenues:			
Program Revenues			
Charges for Services	\$ 11.8	\$ 12.0	\$ (0.2)
Operating Grants & Contributions	0.3	-	0.3
Capital Grants & Contributions	-	0.1	(0.1)
General Revenues			
Investment Income	-	0.1	(0.1)
Miscellaneous	-	-	-
Total Revenues	<u>12.1</u>	<u>12.2</u>	<u>(0.1)</u>
Expenses:			
Water & Sewer	14.0	10.8	3.2
Motor Vehicle Parking Lot	1.2	1.0	0.2
Total Expenses	<u>15.2</u>	<u>11.7</u>	<u>3.5</u>
Excess (Deficiency) Before Transfers	(3.1)	0.5	
Net Transfers	(0.8)	(1.4)	
Change in Net Assets	<u>(3.9)</u>	<u>(1.0)</u>	
Net Assets, beginning of year *	61.1	45.2	
Net Assets, end of year	<u>\$ 57.3</u>	<u>\$ 44.2</u>	

*April 30, 2008 Net Assets Restated, see Notes to Financial Statements

The City's business-type activities revenues decreased \$(200) thousand from the prior year to a total of \$12 million with the largest revenue, charges for services, decreasing by \$(200) thousand to \$11.8 million. Expenses increased \$3.5 million from the prior year to a total of \$15.2 million most notably due to inclusion of depreciation on infrastructure erroneously left out of the prior year figures. This resulted in a deficit before transfers of \$(3.1) million. After net transfers of \$(800) thousand, net assets decreased by \$(3.9) million for the fiscal year.

CITY OF WAUKEGAN, ILLINOIS
MANAGEMENT'S DISCUSSION & ANALYSIS
APRIL 30, 2009

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Fund analysis highlights are:

- > Fund increased by \$70,229 in the debt service fund to approximately \$2.2 million.
- > Due to road projects in the Motor Fuel Tax Expenditures exceeded revenue's by approximately \$3.3 million leaving the fund balance at a negative \$1.4 million.
- > Due to capital projects in the Street/Sidewalk Rehabilitation fund, the fund balance decreased by \$1.4 million to negative \$874 thousand.
- > The majority of the balance of the working cash fund was transferred to other funds leaves the working cash fund with a fund balance of \$42.

CITY OF WAUKEGAN, ILLINOIS
MANAGEMENT'S DISCUSSION & ANALYSIS
APRIL 30, 2009

BUDGET HIGHLIGHTS

The City adopts a budget on a fund basis consistent with generally accepting accounting principles. During the year, the Council amended the General Fund budget. Following, a budget and actual comparison is provided for the General Fund, the major fund component of the governmental activities statements and accounts for the bulk of the City's revenue receipts and disbursements related to governmental services.

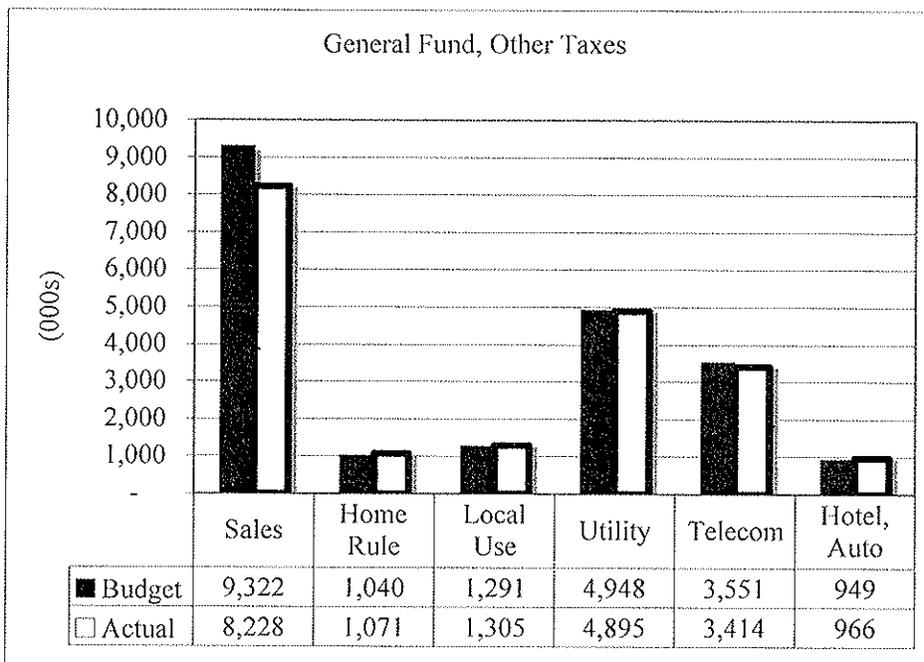
GENERAL FUND, FISCAL YEAR ENDED APRIL 30, 2009

<i>(in thousands)</i>	Amended			
	Budget	Actual	Over / (Under) Budget	
Revenues:				
Property Taxes	\$ 8,601	\$ 13,863	\$ 5,262	61%
Other Taxes	21,100	19,879	(1,221)	-6%
Intergovernmental	13,354	11,772	(1,582)	-12%
Licenses	2,517	2,420	(97)	-4%
Permits	1,586	1,370	(216)	-14%
Franchise Fees	950	959	9	1%
Fine & Forfeitures	4,463	4,158	(305)	-7%
Charges for Services	3,287	1,846	(1,441)	-44%
Miscellaneous Revenues	1,140	1,091	(49)	-4%
Investment Income	250	70	(180)	-72%
Total Revenues	<u>57,248</u>	<u>57,428</u>	<u>180</u>	<u>0%</u>
Expenses:				
Central Services	\$ 6,498	\$ 6,655	\$ 157	2%
Public Safety - Police & Comm	23,805	26,248	2,443	10%
Public Safety - Fire	13,557	16,006	2,449	18%
Building & Zoning	2,414	2,247	(167)	-7%
Streets, Bridges & Public Works	7,677	7,361	(316)	-4%
Sanitation & Environment	4,091	3,889	(202)	-5%
Economic Development	1,357	922	(435)	-32%
Debt Service	-	875	875	N/A
Total Expenses	<u>59,399</u>	<u>64,203</u>	<u>4,804</u>	<u>8%</u>
Excess (deficiency) of revenues over expenditures	<u>(2,151)</u>	<u>(6,775)</u>		
Net Transfers in / (out)		2,433		
Proceeds of capital leases & sales		140		
Total Other Financing Sources (Uses)		<u>2,573</u>		
Net Change in Fund Balance			(4,202)	
Fund Balance, beginning of year*		12,263		
Fund Balance, end of year		<u>\$ 8,062</u>		

*April 30, 2008 Fund Balance Restated, see Notes to Financial Statements

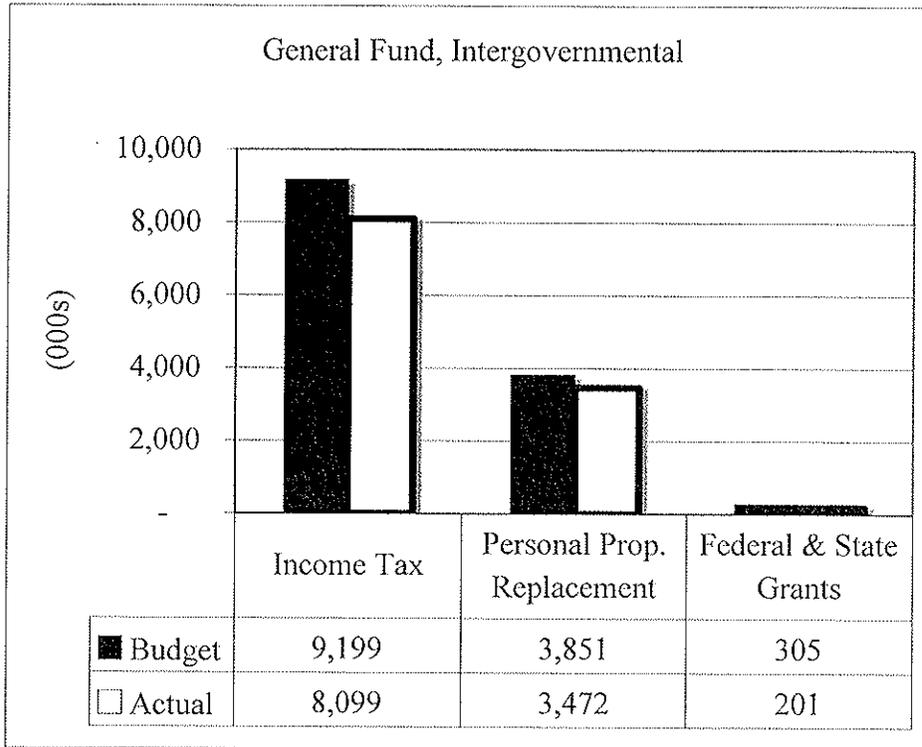
CITY OF WAUKEGAN, ILLINOIS
MANAGEMENT'S DISCUSSION & ANALYSIS
APRIL 30, 2009

Total General Fund revenues finished \$180 thousand above budget for a total of \$57.4 million. Property taxes exceeded the budget by over \$5 million. While the general corporate levy finish \$(34) thousand below budget for a total of \$8.2 million, and the road & bridge levy exceeded the budget by \$21 thousand for a total of \$395 thousand, the City did not budget for the police and fire pension employer contribution that was in fact levied and collected for a total of \$5.3 million. Therefore, this variance was due not to an improvement in the revenue source but rather the discrepancy between the budgeting and levy process.



Other taxes consist of sales and home rule sales tax, local use tax, utility tax, telecommunication tax, hotel/motel tax, municipal auto rental and amusement tax. In total, other taxes finished under budget by \$(1.2) million for a total of \$19.9 million. The largest of these revenues, sales tax, ended the year \$(1) million or -12% under budget for a total of \$8.2 million. Home rule sales tax exceed the budget by \$31 thousand or 3% for a total of \$1 million, likewise local use tax exceeded the budget by 1% or \$14 thousand for a total of \$1.3 million. The second largest other tax revenue, utility taxes, finished -1% or \$(52) thousand under budget for a total of \$4.9 million. The third largest other tax revenue is telecommunications tax which missed the budget for -4% or \$(138) thousand for a total of \$3.4 million. Hotel, auto rental and amusement tax exceeded budget by 2% or \$17 thousand for a combined total of \$966 thousand.

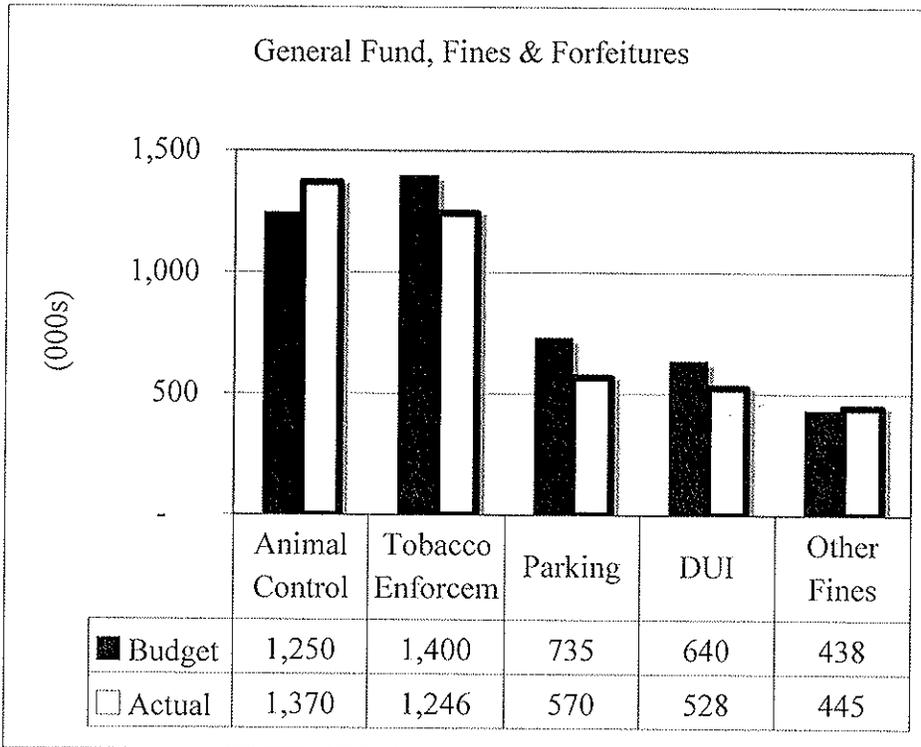
CITY OF WAUKEGAN, ILLINOIS
MANAGEMENT'S DISCUSSION & ANALYSIS
APRIL 30, 2009



General fund intergovernmental revenue includes the City's share of State of Illinois income tax and personal property replacement tax as well as federal and state grants received. All of these revenue sources finished under budget. Income tax fell \$(1.1) million below the budget for a total of \$8.1 million, personal property replacement tax missed the budget by \$(379) thousand for a total of \$3.5 million, and grants missed the budget by \$(104) thousand for a total of \$201 thousand.

License revenue failed to meet budget projections by \$(97) thousand for a total of \$2.4 million. This is due to several license categories being included in budget projections that had zero collections in defunct categories such as grocery and warehouse, coupled with significant under-collections versus the budget in other categories such as vehicle licenses and garbage stickers. Permits also finished under budget for the fiscal year, missing budget projections by \$(216) thousand for a total of \$1.4 million. Eighty-nine percent of the permit category is made-up of building, electrical, plumbing and HVAC permits all of which are heavily dependent on economic growth and were the primary reason for the unfavorable variance versus budget during the fiscal year. Franchise fees did finish \$9 thousand in excess of the budget, for a total of \$959 thousand.

CITY OF WAUKEGAN, ILLINOIS
MANAGEMENT'S DISCUSSION & ANALYSIS
APRIL 30, 2009

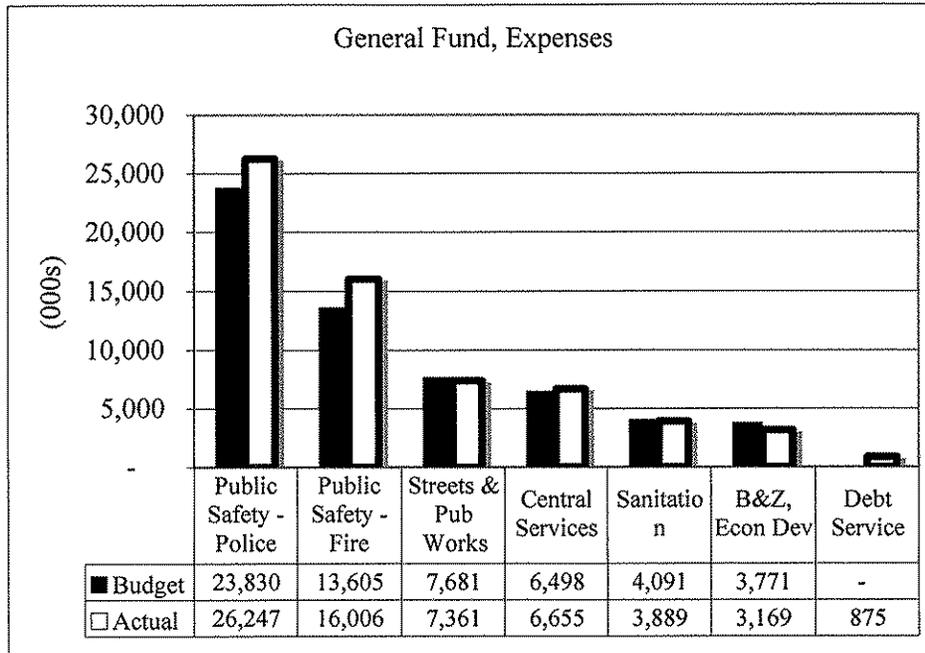


Fines and forfeitures finished under budget by \$(305) thousand for a total of \$4.2 million. Animal control violations did exceed budget by \$120 thousand for a total of \$1.4 million; however the other significant fines did not meet budget estimated including tobacco enforcement, parking violations, and DUI violations. These categories finished under budget -11%, -23% and -18% respectively or a total of \$(432) thousand under their collective budget. Other fines finished 2% over budget, or \$7 thousand in excess of projections.

Charges for services finished under budget by \$(1.4) million for a total of \$1.9 million. The largest revenue in this category, Services Provided to Water & Sewerage Fund 555 went completely unfunded with none of the \$944 thousand budgeted transferred due to cash flow restrictions. Furthermore, ambulance service missed the budget by \$(262) thousand for a total of \$738 thousand. The other significant revenue source in this category is plan and specification revenue, which due to economic decline missed budget by \$(100) thousand for a total of \$300 thousand recorded for the fiscal year.

Miscellaneous revenues finished under budget by -4% for a total collection of \$1 million. Investment income completed the fiscal year at a total of \$70 thousand, well under budget, due to lack of idle cash for investments in the General Fund and low interest rates.

CITY OF WAUKEGAN, ILLINOIS
MANAGEMENT'S DISCUSSION & ANALYSIS
APRIL 30, 2009



General Fund expenses exceed the budget by \$4.7 million for a total of \$64.2 million. The majority of this budget overage relates to Public Safety Police & Communications and Public Safety Fire exceeding the budget by \$2.4 million, or 10%, and \$2.4 million, or 18% respectively. The employer contribution to the Police Pension and Fire Pension funds were not included in the budget; however, those expenses were recorded in the actual figures for \$2.9 million to the Police Pension and \$2.4 million to the Fire Pension funds. Streets, Bridges & Public Works is \$(320) thousand or -4% under budget, Central Services is \$158 thousand or 2% over budget, and Sanitation & Environmental expense is \$(203) thousand or -5% under budget. Building & Zoning combined with Economic Development completed the fiscal year -16% or \$(602) thousand under the budget. Debt Service expenses were not budgeted; however, the principal and interest payments on a two fire trucks and other fleet equipment did occur for a total of \$875 thousand.

The General Fund's fiscal year deficiency is \$(6.8) million before transfers. After transfers-in from other funds, the change in net assets is \$(4.2) million, resulting in a General Fund ending fund balance of \$8.1 million. However, this fund balance is reserved; and should not be considered a liquid resource for operational needs, or "rainy days" funds. Rather this reflects amounts owed to the General Fund from other City funds, amounts which are not likely to be repaid in the near future due to the City's lack of cash flow. Specifically, the Water and Sewer fund owe the General Fund \$752 thousand, the Internal Service funds owe the General Fund \$3.9 million, and other Non-Major funds owe the General Fund \$3.8 million in outstanding amounts due at April 30, 2009. The unreserved fund balance as of April 30, 2009 is zero.

CITY OF WAUKEGAN, ILLINOIS
MANAGEMENT'S DISCUSSION & ANALYSIS
APRIL 30, 2009

CAPITAL ASSETS

The City's investment in capital assets for its governmental and business-type activities as of April 30, 2009 is shown below (net of accumulated depreciation).

CAPITAL ASSETS, NET OF ACCUMULATED DEPRECIATION, APRIL 30

<i>(in thousands)</i>	2009	2008	Increase / (Decrease)
	Governmental Activities		
Land <i>(not depreciated)</i>	\$ 12,971	\$ 12,557	\$ 414
Construction in progress <i>(not depreciated)</i>	1,504	118	1,386
Land improvements	670	686	(16)
Buildings	37,171	38,509	(1,338)
Machinery and equipment	3,044	3,258	(214)
Infrastructure	68,305	72,661	(4,356)
Vehicles	2,330	3,103	(773)
Total Net Capital Assets	125,995	130,892	(4,897)
	Business-Type Activities		
Land <i>(not depreciated)</i>	\$ 2,417	\$ 2,417	\$ -
Construction in progress <i>(not depreciated)</i>	2,147	1,218	929
Land improvements	111	118	(7)
Buildings	13,129	13,547	(418)
Machinery and equipment	1,448	1,154	294
Infrastructure	53,079	53,561	(482)
Vehicles	276	1,052	(776)
Total Net Capital Assets	72,607	73,067	(460)
Grant Total	\$ 198,602	\$ 203,959	\$ (5,357)

The City's total capital assets, net of accumulated depreciation, decreased by \$(10.3) million from last fiscal year to the current fiscal year as the annual depreciation expense exceeded the value of the year's additions to the assets. More detailed information about capital assets can be found in Note III D. of the basic financial statements.

CITY OF WAUKEGAN, ILLINOIS
MANAGEMENT'S DISCUSSION & ANALYSIS
APRIL 30, 2009

DEBT ADMINISTRATION

The City's outstanding general obligation debt as of April 30, 2009 is as follows:

1998 G.O. Bonds	\$ 1,760,000
2001 G.O. Bonds	890,000
2001A G.O. Bonds	7,280,000
2003A G.O. Bonds	29,318,409
2005A G.O. Refunding	23,725,000
2005 G.O. Note	6,900,000
2006 G.O. Note	<u>2,707,946</u>
Total	<u>\$ 72,581,355</u>

More detailed information on long-term debt can be found in Note III F. of the basic financial statements.

FUTURE EVENTS

Management is not aware of any currently known facts, decisions, or conditions that would have a significant impact on the City's financial position (net assets) or results of operations (revenues, expense, and other changes in net assets).

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our residents, customers, investors and creditors with a general knowledge of the City's finances and to demonstrate the City's accountability for the money it receives. Questions concerning this report or request for additional financial information should be directed to the City's Director of Finance and Administration, 100 N. Martin Luther King Jr. Ave., Waukegan, IL 60085.

CITY OF WAUKEGAN
STATEMENT OF NET ASSETS
April 30, 2009

	Primary Government			Component
	Governmental	Business-type	Totals	Unit
	Activities	Activities		Public Library
ASSETS				
Cash and investments	\$ 3,696,748	\$ 197,516	\$ 3,894,264	\$ 1,079,211
Receivables (net)				
Taxes receivable	20,977,162	-	20,977,162	3,850,116
Other taxes	5,336,472	-	5,336,472	128,924
Intergovernmental	3,727,271	104,232	3,831,503	-
Accounts	1,136,111	2,430,076	3,566,187	-
Special assessments	1,009,153	-	1,009,153	-
Prepaid items	4,946	16,749	21,695	-
Inventories	275,000	-	275,000	-
Internal balances	5,239,084	(5,239,084)	-	-
Deferred charges	814,912	103,603	918,515	-
Restricted assets	-	626,331	626,331	-
Capital assets				
Land	12,971,120	2,416,728	15,387,848	71,486
Construction in progress	1,503,923	2,146,902	3,650,825	-
Land improvements	708,631	131,780	840,411	-
Buildings	48,392,657	17,817,655	66,210,312	5,232,752
Machinery and equipment	11,803,101	5,895,356	17,698,457	1,114,030
Infrastructure	187,333,993	82,947,352	270,281,345	-
Vehicles	13,305,149	1,615,079	14,920,228	-
Less Accumulated depreciation	(150,023,100)	(40,364,087)	(190,387,187)	(3,738,378)
Total Assets	<u>168,212,333</u>	<u>70,846,188</u>	<u>239,058,521</u>	<u>7,738,141</u>
LIABILITIES				
Accounts payable	7,975,129	1,897,449	9,872,578	18,973
Accrued payroll	1,506,205	205,318	1,711,523	11,310
Other liabilities	1,077,814	-	1,077,814	3,790
Interest payable	820,655	116,869	937,524	27,786
Unearned revenue	20,977,162	33,129	21,010,291	3,850,116
Deposits	-	99,173	99,173	-
Noncurrent liabilities				
Due within one year	45,694,892	1,331,607	47,026,499	279,619
Due in more than one year	68,881,828	9,911,070	78,792,898	1,295,000
Total Liabilities	<u>146,933,685</u>	<u>13,594,615</u>	<u>160,528,300</u>	<u>5,486,594</u>
NET ASSETS				
Invested in capital assets, net of related debt	52,966,924	61,804,687	114,771,611	1,239,890
Restricted for				
Community development	3,096,482	-	3,096,482	-
Public safety	750,900	-	750,900	-
Debt service	2,465,782	-	2,465,782	-
Cemetery care	43,025	-	43,025	-
Unrestricted (deficit)	(38,044,465)	(4,553,114)	(42,597,579)	1,011,657
TOTAL NET ASSETS	<u>\$ 21,278,648</u>	<u>\$ 57,251,573</u>	<u>\$ 78,530,221</u>	<u>\$ 2,251,547</u>

See accompanying notes to financial statements.

CITY OF WAUKEGAN
STATEMENT OF ACTIVITIES
For the Year Ended April 30, 2009

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Primary Government				
Governmental Activities				
General government	\$ 8,922,101	\$ 7,107,474	\$ -	\$ -
Public safety	65,437,824	5,352,807	96,247	-
Building and zoning	3,621,627	-	-	-
Streets, bridges and public works	22,724,464	109,606	5,494	61,771
Sanitation and environment	4,628,080	67,620	-	287,992
Economic development	4,877,822	-	-	-
Culture and recreation	96,221	101,399	-	-
Community development	1,580,084	-	-	286,605
Interest and fiscal charges	<u>3,945,701</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Governmental Activities	<u>115,833,924</u>	<u>12,738,906</u>	<u>101,741</u>	<u>636,368</u>
Business-type Activities				
Water & sewer	13,960,487	10,894,785	250,000	-
Motor vehicle parking lot	<u>1,217,020</u>	<u>880,198</u>	<u>-</u>	<u>-</u>
Total Business-type Activities	<u>15,177,507</u>	<u>11,774,983</u>	<u>250,000</u>	<u>-</u>
Total Primary Government	<u>\$ 131,011,431</u>	<u>\$ 24,513,889</u>	<u>\$ 351,741</u>	<u>\$ 636,368</u>
Component Unit				
Public Library	<u>\$ 3,708,517</u>	<u>\$ 109,881</u>	<u>\$ 453,224</u>	<u>\$ -</u>

General Revenues
Taxes
 Sales taxes
 Telecommunications taxes
 Local use taxes
 Utility taxes
 Other taxes
Intergovernmental
 Intergovernmental
 Income taxes
 Personal property replacement tax
 Motor fuel taxes
Investment income
Miscellaneous
Total General Revenues

Transfers

Change in net assets

NET ASSETS - Beginning of Year (as restated)

NET ASSETS - END OF YEAR

See accompanying notes to financial statements.

Net (Expenses) Revenues and Changes in Net Assets			
Primary Government			Component Unit
Governmental Activities	Business-type Activities	Totals	Public Library
\$ (1,814,627)	\$ -	\$ (1,814,627)	\$ -
(59,988,770)	-	(59,988,770)	-
(3,621,627)	-	(3,621,627)	-
(22,547,593)	-	(22,547,593)	-
(4,272,468)	-	(4,272,468)	-
(4,877,822)	-	(4,877,822)	-
5,178	-	5,178	-
(1,293,479)	-	(1,293,479)	-
(3,945,701)	-	(3,945,701)	-
<u>(102,356,909)</u>	<u>-</u>	<u>(102,356,909)</u>	<u>-</u>
-	(2,815,702)	(2,815,702)	-
-	(336,822)	(336,822)	-
-	<u>(3,152,524)</u>	<u>(3,152,524)</u>	<u>-</u>
<u>(102,356,909)</u>	<u>(3,152,524)</u>	<u>(105,509,433)</u>	<u>-</u>
-	-	-	(3,145,412)
19,437,810	-	19,437,810	3,671,947
13,295,674	-	13,295,674	-
3,344,177	-	3,344,177	-
1,297,715	-	1,297,715	-
4,895,372	-	4,895,372	-
966,079	-	966,079	-
2,457,956	-	2,457,956	-
8,098,684	-	8,098,684	-
3,471,610	-	3,471,610	-
2,444,393	-	2,444,393	-
381,911	628	382,539	44,428
<u>839,615</u>	<u>-</u>	<u>839,615</u>	<u>162,886</u>
<u>60,930,996</u>	<u>628</u>	<u>60,931,624</u>	<u>3,879,261</u>
<u>753,018</u>	<u>(753,018)</u>	<u>-</u>	<u>-</u>
(40,672,895)	(3,904,914)	(44,577,809)	733,849
<u>61,951,543</u>	<u>61,156,487</u>	<u>123,108,030</u>	<u>1,517,698</u>
<u>\$ 21,278,648</u>	<u>\$ 57,251,573</u>	<u>\$ 78,530,221</u>	<u>\$ 2,251,547</u>

See accompanying notes to financial statements.

CITY OF WAUKEGAN

BALANCE SHEET
GOVERNMENTAL FUNDS
April 30, 2009

	General	Debt Service	Nonmajor Governmental Funds	Totals
ASSETS				
Cash and investments	\$ 880,391	\$ 323,909	\$ 2,205,614	\$ 3,409,914
Receivables (net)				
Property taxes	14,529,548	5,363,521	1,084,093	20,977,162
Other taxes	4,400,315	234,039	702,117	5,336,471
Intergovernmental	3,038,771	-	688,500	3,727,271
Accounts	896,399	-	190,298	1,086,697
Special assessments receivable	-	1,009,153	-	1,009,153
Due from other funds	8,386,870	1,903,027	4,059,454	14,349,351
Prepaid items	4,946	-	-	4,946
Inventories	-	-	275,000	275,000
TOTAL ASSETS	<u>\$ 32,137,240</u>	<u>\$ 8,833,649</u>	<u>\$ 9,205,076</u>	<u>\$ 50,175,965</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 3,605,022	\$ -	\$ 3,443,732	\$ 7,048,754
Accrued payroll	1,413,504	-	85,688	1,499,192
Other current liabilities	394,558	-	481,056	875,614
Deposits	203,660	-	-	203,660
Due to other funds	2,145,878	205,137	5,861,631	8,212,646
Deferred revenues	<u>16,312,274</u>	<u>6,452,163</u>	<u>1,521,589</u>	<u>24,286,026</u>
Total Liabilities	<u>24,074,896</u>	<u>6,657,300</u>	<u>11,393,696</u>	<u>42,125,892</u>
Fund Balances				
Reserved				
Reserved for inventories and prepaid items	4,946	-	275,000	279,946
Reserved for non-current interfunds	8,057,398	-	-	8,057,398
Unreserved, reported in:				
Special revenue funds undesignated	-	-	(1,745,657)	(1,745,657)
Debt service funds undesignated	-	2,176,349	-	2,176,349
Capital projects funds undesignated	-	-	(761,030)	(761,030)
Permanent funds undesignated	-	-	43,067	43,067
Total Fund Balances (deficit)	<u>8,062,344</u>	<u>2,176,349</u>	<u>(2,188,620)</u>	<u>8,050,073</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 32,137,240</u>	<u>\$ 8,833,649</u>	<u>\$ 9,205,076</u>	<u>\$ 50,175,965</u>

See accompanying notes to financial statements.

CITY OF WAUKEGAN

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET ASSETS April 30, 2009

Total Fund Balances - Governmental Funds	\$ 8,050,073
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental funds are not financial resources (less internal service fund assets of \$892) and, therefore, are not reported in the funds. See Note III d.	125,994,582
Some receivables that are not currently available are reported as deferred revenues in the fund financial statements but are recognized as revenue when earned in the government-wide statements.	3,308,864
Internal service funds are reported in the statement of net assets as governmental activities.	(30,013,737)
Interest on long-term debt is not accrued in governmental funds, but rather is recognized when due.	(820,655)
Costs related to the issuance of long-term debt, are recorded as expenditures when incurred in governmental funds, but are capitalized and amortized over the life of the debt issue in the statement of net assets.	814,912
Some liabilities, including long-term debt, are not due and payable in the current period and, therefore, are not reported in the funds. See Note III f.	<u>(86,055,391)</u>
NET ASSETS OF GOVERNMENTAL ACTIVITIES	<u>\$ 21,278,648</u>

See accompanying notes to financial statements.

CITY OF WAUKEGAN

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
For the Year Ended April 30, 2009

	<u>General</u>	<u>Debt Service</u>	<u>Nonmajor Governmental Funds</u>	<u>Totals</u>
REVENUES				
Property taxes	\$ 13,863,171	\$ 4,643,252	\$ 931,387	\$ 19,437,810
Other taxes	19,878,962	1,070,523	3,211,570	24,161,055
Intergovernmental	11,771,701	-	4,700,942	16,472,643
Licenses	2,419,636	-	-	2,419,636
Permits	1,369,755	-	-	1,369,755
Franchise fees	959,485	-	-	959,485
Fines and forfeitures	4,157,576	351,460	795,712	5,304,748
Charges for services	1,846,116	-	943,729	2,789,845
Miscellaneous	1,091,887	677,598	154,753	1,924,238
Investment income	70,060	253,361	58,490	381,911
Total Revenues	<u>57,428,349</u>	<u>6,996,194</u>	<u>10,796,583</u>	<u>75,221,126</u>
EXPENDITURES				
Current				
Central services	6,595,038	-	1,282	6,596,320
Public safety - police and communication services	26,247,302	-	1,860,371	28,107,673
Public safety - fire services	16,003,350	-	288,105	16,291,455
Streets, bridges and public works	7,310,980	-	3,100,053	10,411,033
Building and zoning	2,224,094	-	-	2,224,094
Sanitation and environment	3,888,639	-	1,016,721	4,905,360
Economic development	920,883	-	3,211,811	4,132,694
Culture and recreation	-	-	402,235	402,235
Community development	-	-	1,085,105	1,085,105
Capital Outlay	136,653	-	5,836,112	5,972,765
Debt Service				
Principal	365,646	5,098,220	-	5,463,866
Interest and fiscal charges	509,721	1,716,370	-	2,226,091
Total Expenditures	<u>64,202,306</u>	<u>6,814,590</u>	<u>16,801,795</u>	<u>87,818,691</u>
Excess (deficiency) of revenues over expenditures	<u>(6,773,957)</u>	<u>181,604</u>	<u>(6,005,212)</u>	<u>(12,597,565)</u>

See accompanying notes to financial statements.

	General	Debt Service	Nonmajor Governmental Funds	Totals
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 2,434,152	\$ 583,542	\$ 354,871	\$ 3,372,565
Transfers out	(1,571)	(694,917)	(1,923,059)	(2,619,547)
Capital leases value	112,765	-	-	112,765
Sale of capital assets	27,523	-	-	27,523
Total Other Financing Sources (Uses)	<u>2,572,869</u>	<u>(111,375)</u>	<u>(1,568,188)</u>	<u>893,306</u>
Net Change in Fund Balances	(4,201,088)	70,229	(7,573,400)	(11,704,259)
FUND BALANCES - Beginning of Year (as restated)	<u>12,263,432</u>	<u>2,106,120</u>	<u>5,384,780</u>	<u>19,754,332</u>
FUND BALANCES (DEFICIT) - END OF YEAR	<u>\$ 8,062,344</u>	<u>\$ 2,176,349</u>	<u>\$ (2,188,620)</u>	<u>\$ 8,050,073</u>

See accompanying notes to financial statements.

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CITY OF WAUKEGAN

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES For the Year Ended April 30, 2009

Net change in fund balances - total governmental funds \$ (11,704,259)

Amounts reported for governmental activities in the statement of net assets are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of net assets the cost of these assets is capitalized and they are depreciated over their estimated useful lives and reported as depreciation expense in the statement of activities.

Capital outlay is reported as an expenditure in the fund financial statements but is capitalized in the government-wide financial statements	4,538,715
Depreciation is reported in the government-wide financial statements	(9,435,654)

Receivables not currently available are reported as revenue when collected or currently available in the fund financial statements but are recognized as revenue when earned in the government-wide financial statements.	(899,579)
---	-----------

Debt issued provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.	
Debt issued	(112,765)
Principal repaid	5,463,866

Some of the bonds are accretion bonds. Accretion of the bonds during the year increases the carrying value of the bonds and will be repaid using future year resources. The current year's accretion is charged to interest expense in the Statement of Activities.	(1,431,717)
---	-------------

Governmental funds report debt premiums, discounts and issuance costs as other financing sources (uses) or expenditures. However, in the statement of net assets, these are deferred and reported as other assets or deductions from long-term debt. These are allocated over the period the debt is outstanding in the statement of activities and are reported as interest expense.	
Debt discount and issuance costs	(206,677)
Amortization	12,837

Some expenses in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.	
Compensated absences	(813,781)
Net pension obligation	(409,672)
Net OPEB obligation	(1,918,375)
Environmental clean up liabilities	277,648
Accrued interest on debt	(94,053)

Internal service funds are used by management to charge self insurance costs to individual funds. The change in net assets of the internal service fund reported with governmental activities	(23,939,429)
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CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES	<u>\$ (40,672,895)</u>
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See accompanying notes to financial statements.

CITY OF WAUKEGAN
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
April 30, 2009

	<u>Business-type Activities - Enterprise Funds</u>			<u>Governmental</u>
	<u>Water & Sewer</u>	<u>Motor Vehicle Parking Lot</u>	<u>Totals</u>	<u>Internal Service Funds</u>
ASSETS				
Current Assets				
Cash and cash equivalents	\$ 98,071	\$ 99,445	\$ 197,516	\$ 286,834
Receivables (net)				
Accounts	2,215,094	-	2,215,094	49,415
Intergovernmental	104,232	-	104,232	-
Due from other funds	-	141,876	141,876	1,522,428
Prepaid items	16,749	-	16,749	-
Deferred charges	-	103,603	103,603	-
Total Current Assets	<u>2,434,146</u>	<u>344,924</u>	<u>2,779,070</u>	<u>1,858,677</u>
Noncurrent Assets				
Restricted Assets				
Restricted cash	-	626,331	626,331	-
Special assessment receivable	214,982	-	214,982	-
Capital assets (net of accumulated depreciation)				
Capital assets not being depreciated	3,305,650	1,257,980	4,563,630	-
Capital assets, being depreciated	<u>58,041,783</u>	<u>10,001,352</u>	<u>68,043,135</u>	<u>890</u>
Total Noncurrent Assets	<u>61,562,415</u>	<u>11,885,663</u>	<u>73,448,078</u>	<u>890</u>
Total Assets	<u>63,996,561</u>	<u>12,230,587</u>	<u>76,227,148</u>	<u>1,859,567</u>

See accompanying notes to financial statements.

CITY OF WAUKEGAN
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
April 30, 2009

	<u>Business-type Activities - Enterprise Funds</u>			Governmental Activities - Internal Service Funds
	<u>Water & Sewer</u>	<u>Motor Vehicle Parking Lot</u>	<u>Totals</u>	
LIABILITIES				
Current Liabilities				
Accounts payable	\$ 1,529,102	\$ 368,347	\$ 1,897,449	\$ 926,375
Accrued payroll	153,699	5,131	158,830	4,548
Interest payable	26,232	90,637	116,869	-
Other current liabilities	32,794	13,694	46,488	1,005
Due to other funds	1,910,714	376,898	2,287,612	5,513,397
Deferred revenues	33,129	-	33,129	-
Current portion of long term debt	964,129	367,478	1,331,607	28,521,327
Deposits	99,173	-	99,173	-
Total Current Liabilities	<u>4,748,972</u>	<u>1,222,185</u>	<u>5,971,157</u>	<u>34,966,652</u>
Noncurrent Liabilities				
Long-Term Debt				
Noncurrent portion of long term debt	<u>3,031,241</u>	<u>6,879,829</u>	<u>9,911,070</u>	<u>-</u>
Total Noncurrent Liabilities	<u>3,031,241</u>	<u>6,879,829</u>	<u>9,911,070</u>	<u>-</u>
Total Liabilities	<u>7,780,213</u>	<u>8,102,014</u>	<u>15,882,227</u>	<u>34,966,652</u>
NET ASSETS				
Invested in capital assets, net of related debt	58,216,123	3,591,564	61,807,687	-
Unrestricted (deficit)	<u>(1,999,775)</u>	<u>537,009</u>	<u>(1,462,766)</u>	<u>(33,107,085)</u>
TOTAL NET ASSETS	<u>\$ 56,216,348</u>	<u>\$ 4,128,573</u>	60,344,921	<u>\$ (33,107,085)</u>
Adjustments to reflect the consolidation of internal service funds activities related to enterprise funds.			<u>(3,093,348)</u>	<u>3,093,348</u>
Net Assets Business-type Activities			<u>\$ 57,251,573</u>	
Net internal service funds reported in the statement of net assets as governmental activities				<u>\$ (30,013,737)</u>

See accompanying notes to financial statements.

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CITY OF WAUKEGAN

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
 PROPRIETARY FUNDS
 For the Year Ended April 30, 2009

	<u>Business-type Activities - Enterprise Funds</u>			<u>Governmental</u>
	<u>Water & Sewer</u>	<u>Motor Vehicle Parking Lot</u>	<u>Totals</u>	<u>Internal Service Funds</u>
OPERATING REVENUES				
Charges for services	\$ 10,395,887	\$ 737,343	\$ 11,133,230	\$ 13,166,411
Fines and forfeitures	245,990	-	245,990	-
Permits	174,519	-	174,519	-
Miscellaneous	78,389	142,855	221,244	48,067
Total Operating Revenues	<u>10,894,785</u>	<u>880,198</u>	<u>11,774,983</u>	<u>13,214,478</u>
OPERATING EXPENSES				
Personnel services	3,462,521	124,857	3,587,378	104,978
Personnel benefits	1,610,866	48,283	1,659,149	44,455
Contractual services	1,424,310	249,417	1,673,727	304,367
Commodities	1,170,579	64,418	1,234,997	5,483
Claims and judgments	-	-	-	30,763,373
Insurance premiums	-	-	-	8,988,528
Depreciation	2,137,125	331,826	2,468,951	-
Capital Outlay	888,290	-	888,290	-
Total Operating Expenses	<u>10,693,691</u>	<u>818,801</u>	<u>11,512,492</u>	<u>40,211,184</u>
Operating Income (Loss)	<u>201,094</u>	<u>61,397</u>	<u>262,491</u>	<u>(26,996,706)</u>
NONOPERATING REVENUES (EXPENSES)				
Investment income	603	25	628	630
State grants	250,000	-	250,000	-
Loss on sale of capital assets	(80,486)	-	(80,486)	-
Interest and fiscal charges	(190,063)	(301,118)	(491,181)	(36,701)
Total Nonoperating Revenues (Expenses)	<u>(19,946)</u>	<u>(301,093)</u>	<u>(321,039)</u>	<u>(36,071)</u>
Income (Loss) Before Transfers	<u>181,148</u>	<u>(239,696)</u>	<u>(58,548)</u>	<u>(27,032,777)</u>
TRANSFERS				
Transfers in	513,646	700,482	1,214,128	-
Transfers out	(1,569,300)	(397,846)	(1,967,146)	-
Total Transfers	<u>(1,055,654)</u>	<u>302,636</u>	<u>(753,018)</u>	<u>-</u>
Change in Net Assets	(874,506)	62,940	(811,566)	(27,032,777)
NET ASSETS - Beginning of Year (as restated)	<u>57,090,854</u>	<u>4,065,633</u>		<u>(6,074,308)</u>
NET ASSETS - END OF YEAR	<u>\$ 56,216,348</u>	<u>\$ 4,128,573</u>		<u>\$ (33,107,085)</u>
Adjustment to reflect the consolidation of internal service funds activities related to enterprise funds			(3,093,348)	
Change in Net Assets of Business-type Activites			<u>\$ (3,904,914)</u>	

See accompanying notes to financial statements.

CITY OF WAUKEGAN
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended April 30, 2009

	<u>Business-type Activities - Enterprise Funds</u>			<u>Internal Service Funds</u>
	<u>Water & Sewer</u>	<u>Motor Vehicle Parking Lot</u>	<u>Totals</u>	
CASH FLOWS FROM OPERATING ACTIVITIES				
Received from customers	\$ 10,825,404	\$ 880,198	\$ 11,705,602	\$ 13,166,139
Paid to suppliers for goods and services	(4,478,941)	(460,518)	(4,939,459)	(13,340,731)
Paid to employees for services	(3,291,390)	(4,763)	(3,296,153)	(150,300)
Net Cash Flows From Operating Activities	<u>3,055,073</u>	<u>414,917</u>	<u>3,469,990</u>	<u>(324,892)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Investment income	<u>603</u>	<u>25</u>	<u>628</u>	<u>630</u>
Net Cash Flows From Investing Activities	<u>603</u>	<u>25</u>	<u>628</u>	<u>630</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
State grants	250,000	-	250,000	-
Transfers	(1,055,654)	302,636	(753,018)	-
Due to/from	<u>712,301</u>	<u>(189,991)</u>	<u>522,310</u>	<u>18,972</u>
Net Cash Flows From Noncapital Financing Activities	<u>(93,353)</u>	<u>112,645</u>	<u>19,292</u>	<u>18,972</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Debt retired	(1,286,089)	(353,244)	(1,639,333)	-
Interest paid	(192,687)	(276,528)	(469,215)	(36,701)
Special assessments received	333,907	-	333,907	-
Acquisition and construction of capital assets	(2,084,085)	(5,565)	(2,089,650)	-
Bond amortization costs	<u>16,823</u>	<u>32,322</u>	<u>49,145</u>	<u>-</u>
Net Cash Flows From Capital and Related Financing Activities	<u>(3,212,131)</u>	<u>(603,015)</u>	<u>(3,815,146)</u>	<u>(36,701)</u>
Net Change in Cash and Cash Equivalents	(249,808)	(75,428)	(325,236)	(341,991)
CASH AND CASH EQUIVALENTS - Beginning of Year	<u>347,879</u>	<u>174,873</u>	<u>522,752</u>	<u>628,825</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 98,071</u>	<u>\$ 99,445</u>	<u>\$ 197,516</u>	<u>\$ 286,834</u>

See accompanying notes to financial statements.

CITY OF WAUKEGAN
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended April 30, 2009

	<u>Business-type Activities - Enterprise Funds</u>			<u>Internal Service Funds</u>
	<u>Water & Sewer</u>	<u>Motor Vehicle Parking Lot</u>	<u>Totals</u>	
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES				
Operating income (loss)	\$ 201,094	\$ 61,397	\$ 262,491	\$ (26,996,706)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Flows From Operating Activities				
Depreciation	2,137,125	331,826	2,468,951	-
Changes in assets and liabilities				
Accounts Receivable	(63,376)	-	(63,376)	(48,339)
Prepays	315,703	-	315,703	(1,164)
Accounts Payable	356,656	12,763	369,419	925,455
Accrued Salaries	(8,967)	4,122	(4,845)	(867)
Other Current Liabilities	32,794	13,694	46,488	1,005
Deferred Income	(6,005)	-	(6,005)	-
Compensated Absences	90,049	(8,885)	81,164	-
Claims Payable	-	-	-	25,795,724
	<u>-</u>	<u>-</u>	<u>-</u>	<u>25,795,724</u>
NET CASH FLOWS FROM OPERATING ACTIVITIES	<u>\$ 3,055,073</u>	<u>\$ 414,917</u>	<u>\$ 3,469,990</u>	<u>\$ (324,892)</u>
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES				
None				

See accompanying notes to financial statements.

CITY OF WAUKEGAN

STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
April 30, 2009

	<u>Pension Trusts</u>
ASSETS	
Cash and cash equivalents	\$ 109,404
Investments	
Money markets	3,844,320
State and local obligations	4,357,207
US Government and agency obligations	37,790,866
Common and preferred stocks	23,374,324
Mutual funds	11,446,417
Accrued interest	458,869
Prepaid items	500
Total Assets	<u>81,381,907</u>
LIABILITIES	
Accounts payable	<u>20,322</u>
Total Liabilities	<u>20,322</u>
NET ASSETS	
Held in trust for pension benefits (a schedule of funding progress is presented in the required supplementary information)	\$ <u>81,361,585</u>
TOTAL NET ASSETS	<u>\$ 81,361,585</u>

See accompanying notes to financial statements.

CITY OF WAUKEGAN

**STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
For the Year Ended April 30, 2009**

	<u>Pension Trusts</u>
ADDITIONS	
Contributions	
Employer	\$ 5,274,786
Plan members	2,099,327
Other	<u>16,416</u>
Total Contributions	<u>7,390,529</u>
Investment income	
Investment income	3,532,235
Net appreciation (depreciation) in the fair value of investments	<u>(15,976,060)</u>
Total Investment Income	<u>(12,443,825)</u>
Less investment expense	<u>317,862</u>
Net Investment Income	<u>(12,761,687)</u>
Total Additions	<u>(5,371,158)</u>
DEDUCTIONS	
Benefits	8,723,308
Contractual services	84,020
Administrative	<u>118,346</u>
Total Deductions	<u>8,925,674</u>
 Change in Net Assets	 (14,296,832)
 NET ASSETS - Beginning of Year, as restated	 <u>95,658,417</u>
 NET ASSETS - END OF YEAR	 <u>\$ 81,361,585</u>

See accompanying notes to financial statements.

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CITY OF WAUKEGAN

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See accompanying notes to financial statements.

CITY OF WAUKEGAN

NOTES TO FINANCIAL STATEMENTS

April 30, 2009

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Waukegan, Illinois (the City) was incorporated in 1859. The City is a home-rule municipality, under the 1970 Illinois Constitution, located in Lake County, Illinois. The City is governed by a Mayor and a nine member City Council, each elected to four year terms of office. Also elected are the City Treasurer and City Clerk. The Mayor heads the administration of the City and with their consent of the City Council appoints the various department heads.

The accounting policies of the City of Waukegan, Illinois conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The accepted standard-setting body for establishing governmental accounting and financial reporting principles is the Governmental Accounting Standards Board (GASB).

A. REPORTING ENTITY

This report includes all of the funds of the City of Waukegan. The reporting entity for the City consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading or incomplete. A legally separate organization should be reported as a component unit if the elected officials of the primary government are financially accountable for the organization. The primary government is financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to or burdens on the primary government. The primary government may be financially accountable if an organization is fiscally dependent on the primary government.

A legally separate, tax exempt organization should be reported as a component unit of a reporting entity if all of the following criteria are met: (1) The economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents; (2) The primary government is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization; (3) The economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government. Blended component units, although legally separate entities, are, in substance, part of the government's operations and are reported with similar funds of the primary government. Each discretely presented component unit is reported in a separate column in the government-wide financial statements (see note below for description) to emphasize that it is legally separate from the primary government.

CITY OF WAUKEGAN

NOTES TO FINANCIAL STATEMENTS April 30, 2009

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

A. REPORTING ENTITY (cont.)

Blended Component Units

The Police Pension Employees Retirement System (PPERS) is established for the City's police employees. 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 pension beneficiary elected by the membership, and two police employees elected by the membership constitute the pension board. The City and the PPERS participants are obligated to fund all 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 possesses many characteristics of a legally separate government, PPERS is reported as if it were part of the primary government because its sole purpose is to finance and administer the pensions of the City's police employees and because of the fiduciary nature of such activities. PPERS is reported as a pension trust fund. No separate annual financial report is issued for the component unit.

The Firefighters' Pension Employees Retirement System (FPERS) is established for the City's firefighters. FPERS functions for the benefit of these employees and is governed by a nine-member pension board. The City's Mayor, Treasurer, Clerk, Attorney, and Fire Chief; one pension beneficiary elected by the membership; and three fire employees elected by the membership constitute the pension board. The City and the FPERS participants are obligated to fund all FPERS 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 possesses many of the characteristics of a legally separate government, FPERS is reported as if it were part of the primary government because its sole purpose is to finance and administer the pensions of the City's firefighters because of the fiduciary nature of such activities. FPERS is reported as a pension trust fund. No separate annual financial report is issued for the FPERS.

Discretely Presented Component Units

Waukegan Public Library

The government-wide financial statements include the Waukegan Public Library (Library) as a component unit. The Library is a legally separate organization. The board of the Library is appointed by the Mayor with the approval of the City Council. The Library's budget and tax levy is subject to approval by the City Council. See Note III.J. As a component unit, the Library's financial statements have been presented as a discrete column in the financial statements. The information presented is for the fiscal year ended April 30, 2009. Separately issued financial statements of the Waukegan Public Library may be obtained from the Library's office.

CITY OF WAUKEGAN
NOTES TO FINANCIAL STATEMENTS
April 30, 2009

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

A. REPORTING ENTITY (cont.)

Related Organization

Housing Authority

The City's mayor and Council are also responsible for appointing and approving the members of the Board of the Waukegan Housing Authority. However the City's accountability for the Authority does not extend beyond making the appointments. The Authority's operating, capital and debt service expenditures are financed entirely from federal grants and rentals. The City of Waukegan has no involvement in the determination of the Authority's budget and rental rates and no obligation for the Authority's outstanding debts, if any.

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

In June 2004, the GASB issued statement No. 45 - *Accounting and Financial Reporting by Employees for Postemployment Benefits Other Than Pensions*. This statement establishes standards for the measurement, regulation, and display of other postemployment benefits (OPEB) expense/ expenditures and related liabilities (assets), note disclosures, and if applicable, required supplementary information (RSI) in the financial reports of state and local governmental employers.

The City made the decision to implement this standard effective May 1, 2008.

Government-Wide Financial Statements

The statement of net assets and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. The City does not allocate indirect expenses to functions in the statement of activities. Program revenues 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. Taxes and other items not included among program revenues are reported as general revenues. Internally dedicated resources are reported as general revenues rather than as program revenues.

CITY OF WAUKEGAN

NOTES TO FINANCIAL STATEMENTS

April 30, 2009

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (cont.)

Fund Financial Statements

Financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts, which constitute its assets, liabilities, net assets/fund equity, revenues, and expenditure/expenses.

Funds are organized as major funds or non-major funds within the governmental and proprietary statements. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the City or meets the following criteria:

- a. Total assets, liabilities, 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, and
- b. The same element of the individual governmental or enterprise fund that met the 10 percent test is at least 5 percent of the corresponding total for all governmental and enterprise funds combined.
- c. In addition, any other governmental or enterprise fund that the City believes is particularly important to financial statement users may be reported as a major fund.

Separate financial statements are provided for governmental funds and proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

The City reports the following major governmental funds:

General fund - accounts for the City's primary operating activities. It is used to account for all financial resources except those required to be accounted for in another fund.

Debt service fund - accounts for resources accumulated and payments made for principal and interest on long-term debt other than TIF or enterprise fund debt.

The City reports the following major enterprise funds:

Water & sewer fund - accounts for operations of the City's water and sewerage operations

Motor vehicle parking system fund - accounts for operations of the City's on and off-street parking garages, lots, and other facilities.

CITY OF WAUKEGAN

NOTES TO FINANCIAL STATEMENTS April 30, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (cont.)

Fund Financial Statements (cont.)

The City reports the following non-major governmental funds:

Special Revenue Funds - used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes.

Motor fuel tax	CDBG
Narcotics forfeiture	911 emergency system
Enhancing sec & crime prevention	Repeat offender strike force
Homeland security	Lakefront development TIF #1
Lewis Ave TIF #2	Belvidere mall redev TIF #3
Lakefront redevelopment TIF	Home rehab assistance
Neighborhood stabilization	Brownsfield redevelopment
Wetland mitigation	Downtown waterfront TIF #4
Environment remediation	Public education & government
Scoopin' the Genesee	Prison review agency
Shawna's law	Coke plant superfund site
Edward Byrne memorial grant	

Capital Projects Funds - used to account for financial resources to be used for the acquisition or construction of equipment and/or major capital facilities.

Capital equipment replacement	Street/ sidewalk rehabilitation
2001A Capital improvement	2004B Capital improvement
Fountain square special assmt	

Permanent Funds - used to report resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting government's programs, that is, for the benefit of the government or its citizenry.

Working cash	Cemetery trust
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In addition, the City reports the following fund types:

Internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the City, or to other governmental units, on a cost-reimbursement basis.

Employee benefit plan
Safety & risk management

CITY OF WAUKEGAN
NOTES TO FINANCIAL STATEMENTS
April 30, 2009

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (cont.)

Fund Financial Statements (cont.)

Pension (and other employee benefit) trust funds are used to report resources that are required to be held in trust for the members and beneficiaries of defined benefit pension plans, defined contribution plans, other postemployment benefit plans, or other employee benefit plans.

Police pension
Firefighters' pension

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

Government-Wide Financial Statements

The government-wide statement of net assets and statement of activities are reported using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Property taxes are recognized as revenues in the year for which they are levied. Taxes receivable for the following year are recorded as receivables and unearned revenue. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider are met. Special assessments are recorded as revenue when earned. Unbilled receivables are recorded as revenues when services are provided.

The business-type activities follow all pronouncements of the Governmental Accounting Standards Board, and have elected not to follow Financial Accounting Standards Board pronouncements issued after November 30, 1989.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the City's business type activities and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Fund Financial Statements

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recorded when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on long-term debt, claims, judgments, compensated absences, and pension expenditures, which are recorded as a fund liability when expected to be paid with expendable available financial resources.

CITY OF WAUKEGAN
NOTES TO FINANCIAL STATEMENTS
April 30, 2009

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION (cont.)

Fund Financial Statements (cont.)

Property taxes are recorded in the year levied as receivables and deferred revenues. They are recognized as revenues in the succeeding year when services financed by the levy are being provided.

Intergovernmental aids and grants are recognized as revenues in the period the City is entitled the resources and the amounts are available. Amounts owed to the City which are not available are recorded as receivables and deferred revenues. Amounts received prior to the entitlement period are also recorded as deferred revenues.

Special assessments are recorded as revenues when they become measurable and available as current assets. Annual installments due in future years are reflected as receivables and deferred revenues.

Revenues susceptible to accrual include property taxes, miscellaneous taxes, public charges for services, special assessments and interest. Other general revenues such as fines and forfeitures, inspection fees, recreation fees, and miscellaneous revenues are recognized when received in cash or when measurable and available under the criteria described above.

The City reports deferred revenues on its governmental funds balance sheet. Deferred revenues arise from taxes levied in the current year which are for subsequent year's operations. For governmental fund financial statements, deferred revenues arise when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred revenues also arise when resources are received before the City has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the City has a legal claim to the resources, the liability for deferred revenue is removed from the balance sheet and revenue is recognized.

Proprietary and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as described previously in this note.

The enterprise funds follow all pronouncements of the Governmental Accounting Standards Board, and have elected not to follow Financial Accounting Standards Board pronouncements issued after November 30, 1989. The 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 Water and sewer are charges to customers for sales and services. Special assessments are recorded as receivables and contribution revenue when levied. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

CITY OF WAUKEGAN
NOTES TO FINANCIAL STATEMENTS
April 30, 2009

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION (cont.)

All Financial Statements

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

D. ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY

1. Deposits and Investments

For purposes of the statement of cash flows, the City considers all highly liquid investments with an initial maturity of three months or less when acquired to be cash equivalents.

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

Pension funds may also invest in certain non-U.S. obligations, Illinois municipal corporations tax anticipation warrants, veteran's loans, obligations of the State of Illinois and its political subdivisions, and the Illinois insurance company general and separate accounts, mutual funds and equity securities. The police pension fund's investment policy allows investments in all of the above listed accounts, but does exclude any repurchase agreements. The firefighters pension fund allows funds to be invested in any type of security authorized by the Illinois Pension Code.

The City has adopted an investment policy. That policy follows the state statute for allowable investments. The Waukegan Public Library follows the City of Waukegan's investment policy.

Interest Rate Risk

The City's investment policies seek to ensure preservation of capital in the City's overall portfolio. Return on investment is of secondary importance to safety of principal and liquidity. The City's policy requires the structuring of the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity. The Pensions' investment policy limits certificates of deposits to a maturity no longer than two years.

CITY OF WAUKEGAN

NOTES TO FINANCIAL STATEMENTS

April 30, 2009

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY (cont.)

1. Deposits and Investments (cont.)

Credit Risk

State Statutes limit the investments in commercial paper to the top three ratings of two nationally recognized statistical rating organizations (NRSRO's). The City's and Pensions' investment policy authorizes investments in any type of security allowed for in Illinois statutes regarding the investment of public funds. As of April 30, 2009, all of the City's applicable other investments had either "AAA" or "A-1+" ratings with their applicable rating agency.

Concentration of Credit Risk

The City's and Pensions' investment policies require diversification of the investment portfolio to minimize risk of loss resulting from over-concentration in a particular type of security, risk factor, issuer, or maturity. The Pensions' investment policies further limit the concentration of credit risk by stating that no single government security should comprise more than 10% of the portfolio's overall allocation, and that no single equity item will comprise more than 10% of the equity allocation of the portfolio.

Custodial Credit Risk - Deposits

The City's investment policy limits the exposure to deposit custodial credit risk by requiring all deposits in excess of FDIC insurable limits to be secured with collateralization pledged by the applicable financial institution to the extent of 110% of the value of the deposit. The Pensions' investment policies do not directly address this risk.

Custodial Credit Risk - Investments

The City's investment policies require all securities to be held by a third party custodian designated by the Treasurer and evidenced by safekeeping receipts. The Pensions' investment policies require all securities to be held by a third party custodian who will comply with all of the provisions of the Illinois Pension Code relating to custody of investments.

Investments are stated at fair value, which is the amount at which an investment could be exchanged in a current transaction between willing parties. Fair values are based on quoted market prices. No investments are reported at amortized cost. Adjustments necessary to record investments at fair value are recorded in the operating statement as increases or decreases in investment income. Investment income on commingled investments of municipal accounting funds is allocated based on average balances. The difference between the bank statement balance and carrying value is due to outstanding checks and/or deposits in transit.

CITY OF WAUKEGAN

NOTES TO FINANCIAL STATEMENTS

April 30, 2009

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY (cont.)

1. Deposits and Investments (cont.)

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

See Note III. A. for further information.

2. Receivables

Property taxes for levy year 2009 attaches as an enforceable lien on January 1, 2009, on property values assessed as of the same date. Taxes are levied by December following the lien date (by passage of a Tax Levy Ordinance).

Tax bills for levy year are prepared by Lake County and issued on or about June 1, and are payable in two installments, on or about July 1st and September 1st or within 30 days of the tax bills being issued.

The county collects such taxes and remits them periodically. The 2008 property tax levy is recognized as a receivable and deferral in fiscal 2009, net the allowance for uncollectible. As the taxes become available to finance current expenditures, they are recognized as revenues. At April 30, 2009, the property taxes receivable and deferred tax revenue consisted of the estimated amount collectible from the 2008 levy.

The property tax receivable is shown net of an allowance for uncollectibles. The allowance is equal to .02 percent of outstanding property taxes at April 30, 2009.

During the course of operations, transactions occur between individual funds that may result in amounts owed between funds. Short-term interfund loans are reported as "due to and from other funds." Long-term interfund loans (noncurrent portion) are reported as "advances from and to other funds." Interfund receivables and payables between funds within governmental activities are eliminated in the statement of net assets. Any residual balances outstanding between the governmental activities and business-type activities are reported in the governmental-wide financial statements as internal balances.

In the governmental fund financial statements, advances to other funds are offset equally by a fund balance reserve account which indicates that they do not constitute expendable available financial resources and, therefore, are not available for appropriation.

3. Inventories and Prepaid Items

Inventories, if material, are recorded at cost based on the FIFO method using the purchases method of accounting.

CITY OF WAUKEGAN
NOTES TO FINANCIAL STATEMENTS
April 30, 2009

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY (cont.)

3. Inventories and Prepaid Items (cont.)

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

4. Restricted Assets

Mandatory segregations of assets are presented as restricted assets. Such segregations are required by bond agreements and other external parties. Current liabilities payable from these restricted assets are so classified. The excess of restricted assets over current liabilities payable from restricted assets will be used first for retirement of related long-term debt. The remainder, if generated from earnings, is shown as restricted net assets.

5. Capital Assets

Government-Wide Statements

Capital assets, which include property, plant and equipment, are reported in the government-wide financial statements. Capital assets are defined by the government as assets with an initial cost of more than \$1,000 for general capital assets, and an estimated useful life in excess of 1 year. All capital assets are valued at historical cost, or estimated historical cost if actual amounts are unavailable. Donated capital assets are recorded at their estimated fair value at the date of donation.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation reflected in the statement of net assets. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Land improvements	30 Years
Buildings	50 Years
Machinery and equipment	5-25 Years
Vehicles	5-20 Years
Infrastructure	25-100 Years

Fund Financial Statements

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same way as in the government-wide statements.

CITY OF WAUKEGAN
NOTES TO FINANCIAL STATEMENTS
April 30, 2009

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY (cont.)

6. Other Assets

In governmental funds, debt issuance costs are recognized as expenditures in the current period. For the government-wide and the proprietary fund type financial statements, debt issuance costs are deferred and amortized over the term of the debt issue.

7. Compensated Absences

Under terms of employment, employees are granted sick leave and vacations in varying amounts. Only benefits considered to be vested are disclosed in these statements.

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

Payments for vacation and sick leave will be made at rates in effect when the benefits are used. Accumulated vacation and sick leave liabilities at April 30, 2009, are determined on the basis of current salary rates and include salary related payments.

8. Long-Term Obligations/Conduit Debt

All long-term obligations to be repaid from governmental and business-type resources are reported as liabilities in the government-wide statements. The long-term obligations consist primarily of notes and bonds payable and accrued compensated absences.

Long-term obligations for governmental funds are not reported as liabilities in the fund financial statements. The face value of debts (plus any premiums) are reported as other financing sources and payments of principal and interest are reported as expenditures. The accounting in proprietary funds is the same as it is in the government-wide statements.

For the government-wide statements and proprietary fund statements, bond premiums and discounts are deferred and amortized over the life of the issue using the effective interest method. Gains or losses on prior refundings are amortized over the remaining life of the old debt, or the life of the new debt, whichever is shorter. The balance at year end for both premiums/discounts and gains/losses, as applicable, is shown as an increase or decrease in the liability section of the statement of net assets.

The City has approved the issuance of industrial revenue bonds (IRB) for the benefit of private business enterprises. IRB's are secured by mortgages or revenue agreements on the associated projects, and do not constitute indebtedness of the City. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. At year end, the original issue amount and the aggregate principal amount for the 2004 series outstanding could not be determined.

CITY OF WAUKEGAN
NOTES TO FINANCIAL STATEMENTS
April 30, 2009

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY (cont.)

9. Claims and Judgments

Claims and judgments are recorded as liabilities if all the conditions of Governmental Accounting Standards Board pronouncements are met. Claims and judgments that would normally be liquidated with expendable available financial resources are recorded during the year as expenditures in the governmental funds. If they are not to be liquidated with expendable available financial resources, no liability is recognized in the governmental fund statements. The related expenditure is recognized when the liability is liquidated. Claims and judgments are recorded in the government-wide statements and proprietary funds as expenses when the related liabilities are incurred. Refer to Note IV. C. on commitments and contingencies.

10. Equity Classifications

Government-Wide Statements

Equity is classified as net assets and displayed in three components:

- a. Invested in capital assets, net of related debt - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances (excluding unspent debt proceeds) of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net assets - Consists of net assets with constraints placed on their 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 legislation.
- c. Unrestricted net assets - All other net assets that do not meet the definitions of "restricted" or "invested in capital assets, net of related debt."

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

Fund Statements

Governmental fund equity is classified as fund balance. Fund balance is further classified as reserved and unreserved. Reserved fund balance is that portion of fund balance that is not available for the subsequent year's budget due to legal restrictions or resources which are not available for current spending. Unreserved fund balance includes funds set aside by management for specific uses, which are labeled "designated". The balance of unreserved fund balance is labeled "undesignated", which indicates it is available for appropriation. Proprietary fund equity is classified the same as in the government-wide statements.

CITY OF WAUKEGAN

NOTES TO FINANCIAL STATEMENTS April 30, 2009

NOTE II - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. BUDGETARY INFORMATION

Annual budgets are adopted on a basis consistent with generally accepted accounting principles. The budget is as amended by the City Council. All annual appropriations lapse at fiscal year end.

Prior to April 30, the City's Director of Finance and Administrative Services submits to the City Council a proposed budget for the fiscal year commencing May 1. The budget includes proposed expenditures and the means of financing them. Public hearings are conducted to obtain taxpayer comments. Prior to July 31, the budget is legally enacted through passage of an ordinance. Formal budgetary integration is employed as a management control device during the year.

The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the fund level. The appropriated budget is prepared by fund, function, and department. The City's Director of Finance and the Mayor is authorized to transfer budget amounts between departments within any fund; however, the City Council must approve revisions that alter the total expenditures of any fund. All appropriations lapse at year end. The following funds are not budgeted: Homeland Security, Home rehab assistance, Environment remediation, and Public education & government.

B. EXCESS EXPENDITURES OVER APPROPRIATIONS

<u>Funds</u>	<u>Budgeted Expenditures</u>	<u>Actual Expenditures</u>	<u>Excess Expenditures Over Budget</u>
General	\$ 59,399,122	\$ 64,202,306	\$ 4,803,184
Motor fuel tax	4,244,150	5,726,203	1,482,053
Narcotics forfeiture	827,297	916,495	89,198
911 Emergency system	703,927	876,624	172,697
Brownsfield redevelopment	270,000	311,544	41,544
Wetland mitigation	31,000	43,184	12,184
Scoopin' the Genesee	50,000	80,730	30,730
Street/Sidewalk rehabilitation	1,747,000	2,515,786	768,786
Fountain square special assmt	-	188,787	188,787
Employee's benefit plan	8,045,968	8,552,015	506,047
Risk management fund	3,968,180	31,659,169	27,690,989
Police pension	3,903,000	4,705,393	802,393
Firefighters' pension	4,078,676	4,220,281	141,605
Debt service fund	6,040,291	6,814,590	774,299

The City controls expenditures at the department level. Some individual departments experienced expenditures which exceeded appropriations. The detail of those items can be found in the City's year-end budget to actual report.

CITY OF WAUKEGAN

NOTES TO FINANCIAL STATEMENTS
April 30, 2009

NOTE II - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (cont.)

C. DEFICIT BALANCES

Generally accepted accounting principles require disclosure of individual funds that have deficit balances at year end.

As of April 30, 2009, the following individual funds held a deficit balance:

<u>Fund</u>	<u>Amount</u>
Motor fuel tax	\$ 1,409,205
CDBG	29,883
Narcotics forfeiture	260,761
Homeland security	122,777
Brownsfield redevelopment	81,557
Wetland mitigation	5,395
Environmental remediation	3,569,018
Coke plant superfund site	12,321
Edward Byrne memorial grant	87,727
Street/Sidewalk rehabilitation	874,345
Employee's benefit plan	1,066,137
Safety & risk management	32,040,948

The fund deficits are caused by expenditures exceeding revenues, the deficits are anticipated to be funded with future contributions, general tax revenues, or long-term borrowing.

NOTE III - DETAILED NOTES ON ALL FUNDS

A. DEPOSITS AND INVESTMENTS

The City maintains a cash and investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the statement of net assets and balance sheet 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 funds are held separately from those of other funds.

CITY OF WAUKEGAN

NOTES TO FINANCIAL STATEMENTS
April 30, 2009

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

A. DEPOSITS AND INVESTMENTS (cont.)

The City's deposits and investments at year end were comprised of the following:

	<u>Carrying Value</u>	<u>Statement Balances</u>
Deposits with financial institutions	\$ 4,575,162	\$ 3,818,930
Illinois Funds	51,692	50,816
Investments	80,813,134	80,813,134
Petty cash	<u>3,145</u>	<u>3,145</u>
 Total Deposits and Investments	 <u>\$ 85,443,133</u>	 <u>\$ 84,686,025</u>

Reconciliation to financial statements

Per statement of net assets	
Unrestricted cash and investments	\$ 3,894,264
Restricted cash and investments	626,331
Per statement of net assets - fiduciary funds	
Cash	109,404
Money markets	3,844,320
State and local obligations	4,357,207
US Government and agency obligations	37,790,866
Common stock	23,374,324
Mutual funds	<u>11,446,417</u>
 Total Deposits and Investments	 <u>\$ 85,443,133</u>

Deposits in each local and area bank are insured by the FDIC in the amount of \$250,000 for interest bearing accounts and unlimited amounts for noninterest bearing accounts.

Custodial Credit Risk

Deposits

Custodial credit risk is the risk that in the event of a financial institution failure, the City's deposits may not be returned to the City.

As of April 30, 2009, \$1,257,691 of the City's total bank balances were exposed to custodial credit risk as follows:

Uninsured and uncollateralized	<u>\$ 1,257,691</u>
 Total	 <u>\$ 1,257,691</u>

CITY OF WAUKEGAN
 NOTES TO FINANCIAL STATEMENTS
 April 30, 2009

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

A. DEPOSITS AND INVESTMENTS (cont.)

Custodial Credit Risk (cont.)

Investments

For an investment, custodial credit risk 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 securities that are in the possession of an outside party.

The City does not have any investments exposed to custodial credit risk.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations.

As of April 30, 2009 the City's investments in debt securities were all AAA rated by Standards and Poor's or Moody's except for the following:

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer.

At April 30, 2009, the following pension investments were greater than 5% of net assets:

Issuer	Amount
Firefighter Pension:	
FHLMC	\$ 7,281,072
FHLB	3,055,306
FNMA	4,266,475
Police Pension:	
FFCB	3,245,414
Freddie Mac	3,007,589
FNMA	7,049,889
FHLB	3,007,589

CITY OF WAUKEGAN
 NOTES TO FINANCIAL STATEMENTS
 April 30, 2009

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

A. DEPOSITS AND INVESTMENTS (cont.)

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the value of an investment.

General Government

As of April 30, 2009, the City's investments were as follows:

Investment Type	Maturity	
	Fair Value	Less than one year
Illinois Funds	\$ 51,692	\$ 51,692
Totals	<u>\$ 51,692</u>	<u>\$ 51,692</u>

Firefighters' pension fund

Investment Type	Fair Value	Maturity			
		Less than one year	One to five years	Five to ten years	More than ten years
State and local obligations	\$ 1,413,318	\$ -	\$ 104,713	\$ 306,453	\$ 1,002,152
U.S. Treasuries	1,999,030	-	-	-	1,999,030
U.S. agencies	15,356,334	134,055	5,559,334	5,734,510	3,927,435
Money markets	1,435,952	1,435,952	-	-	-
Totals	<u>\$ 20,204,634</u>	<u>\$ 1,570,007</u>	<u>\$ 5,664,047</u>	<u>\$ 6,040,963</u>	<u>\$ 6,928,617</u>

Police pension fund

Investment Type	Fair Value	Maturity)			
		Less than one year	One to five years	Five to ten years	Over ten years
State and local obligations	\$ 2,943,889	\$ -	\$ 288,038	\$ 1,474,919	\$ 1,180,932
U.S. agencies	20,435,502	-	1,030,435	5,983,598	13,421,469
Money markets	2,408,368	2,408,368	-	-	-
Totals	<u>\$ 25,787,759</u>	<u>\$ 2,408,368</u>	<u>\$ 1,318,473</u>	<u>\$ 7,458,517</u>	<u>\$ 14,602,401</u>

CITY OF WAUKEGAN

NOTES TO FINANCIAL STATEMENTS
April 30, 2009

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

A. DEPOSITS AND INVESTMENTS (cont.)

See Note I.D.1. for further information on deposit and investment policies.

B. RECEIVABLES

Receivables as of year end for the government's individual major funds and nonmajor funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	General Fund	Debt Service Fund	Internal Service	Nonmajor Funds	Totals
Receivables					
Taxes	\$ 14,558,658	\$ 5,372,137	\$ -	\$ 1,084,093	\$ 21,014,888
Sales tax	2,085,230	234,039	-	702,117	3,021,386
Utility	1,071,391	-	-	-	1,071,391
Local use	280,764	-	-	-	280,764
Telecom	880,795	-	-	-	880,795
Hotel/motel	82,136	-	-	-	82,136
Income	2,296,762	-	-	-	2,296,762
Replacement	662,472	-	-	-	662,472
Motor fuel tax	-	-	-	434,455	434,455
Grants	79,537	-	-	254,045	333,582
Special assessment	-	2,248,540	-	-	2,248,540
Accounts	896,399	-	49,414	190,298	1,136,111
Gross receivables	22,894,144	7,854,716	49,414	2,665,008	33,463,282
Less: Allowance for uncollectibles	(29,110)	(8,616)	-	-	(37,726)
Net Total Receivables	<u>\$ 22,865,034</u>	<u>\$ 7,846,100</u>	<u>\$ 49,414</u>	<u>\$ 2,665,008</u>	<u>\$ 33,425,556</u>

All of the receivables on the balance sheet are expected to be collected within one year.

Revenues of the Water & sewer fund is reported net of uncollectible amounts. Total uncollectible amounts related to revenues of the current period are as follows:

Uncollectibles related to water billing	<u>\$ 58,320</u>
Total Uncollectibles of the Current Fiscal Year	<u>\$ 58,320</u>

CITY OF WAUKEGAN

NOTES TO FINANCIAL STATEMENTS
April 30, 2009

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

B. RECEIVABLES (cont.)

Governmental funds report *deferred revenue* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Property taxes levied for the subsequent year are not earned and cannot be used to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of *deferred revenue* and *unearned revenue* reported in the governmental funds were as follows:

	<u>Unavailable</u>	<u>Unearned</u>	<u>Totals</u>
Property taxes receivable for subsequent year	\$ -	\$ 20,977,162	\$ 20,977,162
Sales tax	987,113	-	987,113
Local use tax	100,428	-	100,428
Telecom tax	319,865	-	319,865
911 surcharge	111,790	-	111,790
Grants	780,515	-	780,515
Special assessment	<u>1,009,153</u>	-	<u>1,009,153</u>
Total Deferred/Unearned Revenue for Governmental Funds	<u>\$ 3,308,864</u>	<u>\$ 20,977,162</u>	<u>\$ 24,286,026</u>

Under the accrual method deferred revenue is recognized as revenue in the period earned. An exception in Illinois is real estate taxes, whereby the intent of the City is to finance the following year's operations with those monies. Therefore, these amounts will remain deferred revenue or unearned for the government-wide statements.

C. RESTRICTED ASSETS

The following represent the balances of the restricted assets:

Long-Term Debt Accounts

Reserve - Used to report resources set aside to make up potential future deficiencies in the debt service account.

Following is a list of restricted assets at April 30, 2009:

	<u>Restricted Assets</u>	<u>Liabilities Payable from Restricted Assets</u>	<u>Restricted Net Assets</u>
Bond reserve account	\$ 626,331	\$ 626,331	\$ -
Total Restricted Assets	<u>\$ 626,331</u>	<u>\$ 626,331</u>	<u>\$ -</u>

CITY OF WAUKEGAN

NOTES TO FINANCIAL STATEMENTS
April 30, 2009

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

D. CAPITAL ASSETS

Capital asset activity for the year ended April 30, 2009, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Governmental Activities				
Capital assets not being depreciated				
Land	\$ 12,557,204	\$ 416,642	\$ 2,726	\$ 12,971,120
Construction in progress	118,446	1,385,477	-	1,503,923
Total Capital Assets Not Being Depreciated	<u>12,675,650</u>	<u>1,802,119</u>	<u>2,726</u>	<u>14,475,043</u>
Capital assets being depreciated				
Land improvements	708,631	-	-	708,631
Buildings	48,392,657	-	-	48,392,657
Machinery and equipment	11,375,410	502,836	75,145	11,803,101
Infrastructure	186,884,568	2,110,309	1,660,884	187,333,993
Vehicles	13,518,400	123,452	336,703	13,305,149
Total Capital Assets Being Depreciated	<u>260,879,666</u>	<u>2,736,597</u>	<u>2,072,732</u>	<u>261,543,531</u>
Total Capital Assets	<u>273,555,316</u>	<u>4,538,716</u>	<u>2,075,458</u>	<u>276,018,574</u>
Less: Accumulated depreciation for				
Land improvements	(23,128)	(15,431)	-	(38,559)
Buildings	(9,883,587)	(1,338,064)	-	(11,221,651)
Machinery and equipment	(8,117,852)	(715,530)	73,954	(8,759,428)
Infrastructure	(114,223,281)	(6,470,014)	1,664,801	(119,028,494)
Vehicles	(10,415,056)	(896,615)	336,703	(10,974,968)
Total Accumulated Depreciation	<u>(142,662,904)</u>	<u>(9,435,654)</u>	<u>2,075,458</u>	<u>(150,023,100)</u>
Net Capital Assets Being Depreciated	<u>118,216,762</u>	<u>(6,699,057)</u>	<u>(2,726)</u>	<u>111,520,431</u>
Total Governmental Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 130,892,412</u>	<u>\$ (4,896,938)</u>	<u>\$ -</u>	<u>\$ 125,995,474</u>

CITY OF WAUKEGAN

NOTES TO FINANCIAL STATEMENTS
April 30, 2009

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

D. CAPITAL ASSETS (cont.)

Depreciation expense was charged to functions as follows:

Governmental Activities

General government	\$1,436,106
Public safety	1,187,425
Public works, which includes the depreciation of infrastructure	6,796,632
Leisure activities	<u>15,491</u>
Total Governmental Activities Depreciation Expense	<u>\$9,435,654</u>

	Beginning Balance	Additions	Deletions	Ending Balance
Business-type Activities				
Capital assets not being depreciated				
Land	\$ 2,416,728	\$ -	\$ -	\$ 2,416,728
Construction in progress	<u>1,217,589</u>	<u>929,313</u>	<u>-</u>	<u>2,146,902</u>
Total Capital Assets Not Being Depreciated	<u>3,634,317</u>	<u>929,313</u>	<u>-</u>	<u>4,563,630</u>
Capital assets being depreciated				
Land improvements	131,780	-	-	131,780
Buildings and improvements	17,776,804	40,851	-	17,817,655
Machinery and equipment	5,778,108	635,201	517,953	5,895,356
Infrastructure	82,478,311	469,041	-	82,947,352
Vehicles	<u>2,085,726</u>	<u>15,244</u>	<u>485,891</u>	<u>1,615,079</u>
Total Capital Assets Being Depreciated	<u>108,250,729</u>	<u>1,160,337</u>	<u>1,003,844</u>	<u>108,407,222</u>
Total Capital Assets	<u>111,885,046</u>	<u>2,089,650</u>	<u>1,003,844</u>	<u>112,970,852</u>
Less: Accumulated depreciation for				
Land improvements	(14,139)	(6,589)	-	(20,728)
Buildings and improvements	(4,229,952)	(458,396)	-	(4,688,348)
Machinery and equipment	(4,624,056)	(286,836)	463,918	(4,446,974)
Infrastructure	(28,477,732)	(1,391,064)	-	(29,868,796)
Vehicles	<u>(1,472,614)</u>	<u>(326,067)</u>	<u>459,440</u>	<u>(1,339,241)</u>
Total Accumulated Depreciation	<u>(38,818,493)</u>	<u>(2,468,952)</u>	<u>923,358</u>	<u>(40,364,087)</u>
Net Capital Assets Being Depreciated	<u>69,432,236</u>	<u>(1,308,615)</u>	<u>80,486</u>	<u>68,043,135</u>
Business-type Capital Assets, Net of Accumulated Depreciation	<u>\$ 73,066,553</u>	<u>\$ (379,302)</u>	<u>\$ 80,486</u>	<u>\$ 72,606,765</u>

CITY OF WAUKEGAN

NOTES TO FINANCIAL STATEMENTS
April 30, 2009

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

D. CAPITAL ASSETS (cont.)

Business-type Activities

Depreciation expense was charged to functions as follows:

Business-type Activities

Water and sewer	\$2,137,125
Motor vehicle parking	<u>331,827</u>

Total Business-type Activities Depreciation Expense \$2,468,952

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Component Units				
Capital assets not being depreciated				
Land	\$ 71,486	\$ -	\$ -	\$ 71,486
Total Capital Assets Not Being Depreciated	<u>71,486</u>	<u>-</u>	<u>-</u>	<u>71,486</u>
Capital assets being depreciated				
Buildings and improvements	4,870,408	362,344	-	5,232,752
Furniture and equipment	<u>1,052,643</u>	<u>61,387</u>	<u>-</u>	<u>1,114,030</u>
Total Capital Assets Being Depreciated	<u>5,923,051</u>	<u>423,731</u>	<u>-</u>	<u>6,346,782</u>
Total Capital Assets	<u>5,994,537</u>	<u>423,731</u>	<u>-</u>	<u>6,418,268</u>
Less: Accumulated depreciation for				
Buildings and improvements	(2,807,054)	(108,650)	-	(2,915,704)
Furniture and equipment	<u>(774,959)</u>	<u>(47,715)</u>	<u>-</u>	<u>(822,674)</u>
Total Accumulated Depreciation	<u>(3,582,013)</u>	<u>(156,365)</u>	<u>-</u>	<u>(3,738,378)</u>
Net Capital Assets Being Depreciated	<u>2,341,038</u>	<u>267,366</u>	<u>-</u>	<u>2,608,404</u>
Total Component Units Capital Assets, Net of Accumulated Depreciation	<u>\$ 2,412,524</u>	<u>\$ 267,366</u>	<u>\$ -</u>	<u>\$ 2,679,890</u>

CITY OF WAUKEGAN

NOTES TO FINANCIAL STATEMENTS

April 30, 2009

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

E. INTERFUND RECEIVABLES/PAYABLES, ADVANCES AND TRANSFERS

Interfund Receivables/Payables

The following is a schedule of interfund receivables and payables including any overdrafts on pooled cash and investment accounts:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Water and sewer	\$ 752,184
General	Internal service funds	3,865,576
General	Non-major funds	3,769,110
Debt service	Water and sewer	924,665
Debt service	Motor vehicle parking lot	157,008
Debt service	Non major	821,354
Non major funds	General	2,145,887
Non major funds	Water and sewer	255,774
Non major funds	Non major funds	1,657,793
Internal service funds	Internal service funds	1,522,428
Motor vehicle parking lot	Non-major funds	<u>141,876</u>
Total - Fund Financial Statements		16,013,655
Less: Fund eliminations		(13,867,919)
Add: Interfund receivables created with internal service fund eliminations		<u>3,093,348</u>
Total Internal Balances - Government-Wide Statement of Net Assets		<u>\$ 5,239,084</u>

All amounts are due within one year.

The principal purpose of these interfunds is to cover temporary cash overdrafts. All remaining balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

For the statement of net assets, interfund balances which are owed within the governmental activities or business-type activities are netted and eliminated.

CITY OF WAUKEGAN
NOTES TO FINANCIAL STATEMENTS
April 30, 2009

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

E. INTERFUND RECEIVABLES/PAYABLES, ADVANCES AND TRANSFERS (cont.)

Transfers

The following is a schedule of interfund transfers:

<u>Fund Transferred To</u>	<u>Fund Transferred From</u>	<u>Amount</u>	<u>Principal Purpose</u>
General	Non major	\$ 1,515	To repay expenditures paid out of the general fund
General	Water and sewer	1,569,300	To repay expenditures paid out of the general fund
General	Permanent funds	461,400	To close out the working cash fund
General	Non major funds	401,937	To repay expenditures paid out of the general fund
Debt service	Motor vehicle parking lot	397,846	To pay that funds share of the debt service payments
Debt service	Non major funds	185,696	To pay that funds share of the debt service payments
Non major funds	General	1,571	To repay expenditures
Non major funds	Non major funds	353,300	To repay expenditures
Water and sewer	Permanent funds	513,646	To close out the working cash fund
Motor vehicle parking lot	Debt service	694,917	To pay that funds share of the debt service payments
Motor vehicle parking lot	Non major fund	<u>5,565</u>	To repay expenditures
Total - Fund Financial Statements		4,586,693	
Less: Fund eliminations		<u>(3,833,675)</u>	
Total Transfers - Government-Wide Statement of Activities		<u>\$ 753,018</u>	

Generally, transfers are used to (1) move revenues from the fund that collects them to the fund that the budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

For the statement of activities, interfund transfers within the governmental activities or business-type activities are netted and eliminated.

CITY OF WAUKEGAN

NOTES TO FINANCIAL STATEMENTS

April 30, 2009

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

F. LONG-TERM OBLIGATIONS

Long-term obligations activity for the year ended April 30, 2009, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Governmental Activities					
Bonds and Notes Payable					
General obligation debt	\$ 72,899,150	\$ 1,431,717	\$ 4,965,220	\$ 69,365,647	\$ 11,771,237
Special assessment b-bonds	2,600,000	-	133,000	2,467,000	85,000
Add/(Subtract) Deferred					
Amounts For					
(Discounts)/Premiums	344,108	-	36,278	307,830	-
Refundings -					
Gains/(Losses)	(694,732)	-	(23,441)	(671,291)	-
Sub-totals	<u>75,148,526</u>	<u>1,431,717</u>	<u>5,111,057</u>	<u>71,469,186</u>	<u>11,856,237</u>
Other Liabilities					
Vested compensated					
absences	4,869,148	1,453,996	640,215	5,682,929	1,420,732
Capital leases	1,448,783	112,765	365,646	1,195,902	354,947
Environmental cleanup					
liabilities	2,525,000	-	277,648	2,247,352	-
Net OPEB obligation	-	1,918,375	-	1,918,375	-
Net pension obligation	3,142,580	409,672	-	3,552,252	3,552,252
Claims payable	2,710,738	30,753,352	4,953,366	28,510,724	28,510,724
Total Other Liabilities	<u>14,696,249</u>	<u>34,648,160</u>	<u>6,236,875</u>	<u>43,107,534</u>	<u>33,838,655</u>
Total Governmental					
Activities Long-Term					
Liabilities	<u>\$ 89,844,775</u>	<u>\$ 36,079,877</u>	<u>\$ 11,347,932</u>	<u>\$ 114,576,720</u>	<u>\$ 45,694,892</u>
Business-type Activities					
Bonds and Notes Payable					
General obligation debt	\$ 3,972,882	\$ -	\$ 757,174	\$ 3,215,708	\$ 653,586
Revenue bonds	7,330,000	-	315,000	7,015,000	325,000
Add/(Subtract) Deferred					
Amounts For					
(Discounts)/Premiums	(29,235)	-	(9,750)	(19,485)	-
Sub-totals	<u>11,273,647</u>	<u>-</u>	<u>1,062,424</u>	<u>10,211,223</u>	<u>978,586</u>
Other Liabilities					
Vested compensated					
absences	366,733	149,625	53,274	463,084	-
Capital leases	1,050,909	-	482,539	568,370	353,021
Total Other Liabilities	<u>1,417,642</u>	<u>149,625</u>	<u>535,813</u>	<u>1,031,454</u>	<u>353,021</u>
Total Business-type					
Activities Long-Term					
Liabilities	<u>\$ 12,691,289</u>	<u>\$ 149,625</u>	<u>\$ 1,598,237</u>	<u>\$ 11,242,677</u>	<u>\$ 1,331,607</u>
Component Unit					
Bonds and Notes Payable					
Building Notes	\$ 1,580,000	\$ -	\$ 140,000	\$ 1,440,000	\$ 145,000
Other Liabilities					
Compensated absences	109,968	24,651	-	134,619	134,619
Total Component Units					
Long-Term Liabilities	<u>\$ 1,689,968</u>	<u>\$ 24,651</u>	<u>\$ 140,000</u>	<u>\$ 1,574,619</u>	<u>\$ 279,619</u>

CITY OF WAUKEGAN

NOTES TO FINANCIAL STATEMENTS
April 30, 2009

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

F. LONG-TERM OBLIGATIONS (cont.)

The City is a home rule municipality, there is no legal debt limit. Article VII, Section 6(k) of the 1970 Illinois Constitution governs computation of the legal debt margin and allows the state General Assembly to set certain debt limits home rule units. To date, the General Assembly has set no limits for home rule municipalities. Capital leases and compensated absences will be paid primarily from the General Fund.

General Obligation Debt

All general obligation notes and bonds payable are backed by the full faith and credit of the City. Notes and bonds in the governmental funds will be retired by future property tax levies or tax increments accumulated by the debt service fund. Business-type activities debt is payable by revenues from user fees of those funds or, if the revenues are not sufficient, by future tax levies.

<u>Governmental Activities General Obligation Debt</u>	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance 04/30/09</u>
1998 G.O. Bonds	July 15, 1998	2014	4.20 - 4.30%	\$ 9,760,000	\$ 1,252,238
2001 G.O. Bonds	May 2, 2001	2022	4.50 - 5.25%	20,000,000	890,000
2001A G.O. Bonds	December 3, 2001	2017	4.00 - 4.75%	11,000,000	7,280,000
2003A Captial Appreciation G.O. Bonds	August 14, 2003	2022	1.45 - 5.86%	46,405,000	29,318,409
2005A G.O. Refunding	September 14, 2005	2024	3.25 - 5.00%	24,760,000	23,725,000
2005 G.O. Note	August 29, 2005	2009	5.15%	6,900,000	<u>6,900,000</u>
Total Governmental Activities - General Obligation Debt					<u>\$ 69,365,647</u>

<u>Business-type Activities General Obligation Debt</u>	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance 04/30/09</u>
1998 G.O. Bonds	July 15, 1998	2014	4.20 - 4.30%	\$ 9,760,000	\$ 507,762
2006 G.O. Note	April 4, 2006	2014	4.09%	4,000,000	<u>2,707,946</u>
Total Business-type Activities - General Obligation Debt					<u>\$ 3,215,708</u>

CITY OF WAUKEGAN

NOTES TO FINANCIAL STATEMENTS
April 30, 2009

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

F. LONG-TERM OBLIGATIONS (cont.)

General Obligation Debt (cont.)

Component Unit General Obligation Debt	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance 04/30/09
	Septemb er 1,				
Library Building GO Notes	1997	2017	5.60% - 9.00%	\$ 2,600,000	\$ <u>1,440,000</u>
Total Component Unit General Obligation Debt					\$ <u>1,440,000</u>

Debt service requirements to maturity are as follows:

Years	Governmental Activities General Obligation Debt		Business-type Activities General Obligation Debt		Component Unit General Obligation Debt	
	Principal	Interest	Principal	Interest	Principal	Interest
2010	\$ 11,771,237	\$ 1,595,848	\$ 653,586	\$ 126,913	\$ 145,000	\$ 84,525
2011	5,198,352	1,306,868	679,602	99,750	155,000	76,405
2012	5,799,025	1,200,118	708,016	71,508	165,000	67,260
2013	5,534,697	1,085,648	737,426	42,085	175,000	57,525
2014	5,803,927	972,106	437,078	11,438	185,000	47,200
2015-2019	27,415,000	3,192,118	-	-	615,000	73,750
2020-2024	20,325,000	930,062	-	-	-	-
2025-2029	705,000	29,963	-	-	-	-
Totals	\$ <u>82,552,238</u>	\$ <u>10,312,731</u>	\$ <u>3,215,708</u>	\$ <u>351,694</u>	\$ <u>1,440,000</u>	\$ <u>406,665</u>

The difference between the outstanding balance on the bonds and the principal amount above is due to accretion in the amount of \$13,186,591 on the 2003A GO Capital Appreciation bonds.

Special Assessment Debt

Governmental Activities Special Assessment Debt

Special assessment debt payable at April 30, 2009, consists of the following:

Governmental Activities Special Assessment Debt	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance 04/30/09
Special Assessment Improvement Bond, Series 2005	June 1, 2005	2030	6.125%	\$ 3,695,000	\$ <u>2,467,000</u>
Total Governmental Activities - Alternative Revenue Debt					\$ <u>2,467,000</u>

CITY OF WAUKEGAN
NOTES TO FINANCIAL STATEMENTS
April 30, 2009

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

F. LONG-TERM OBLIGATIONS (cont.)

Alternative Revenue Debt (cont.)

Debt service requirements to maturity are as follows:

Years	Governmental Activities Special Assessment Debt	
	Principal	Interest
2010	\$ 59,000	\$ 151,104
2011	64,000	147,490
2012	68,000	143,570
2013	72,000	139,405
2014	76,000	134,995
2015-2019	458,000	598,964
2020-2024	622,000	439,897
2025-2029	845,000	223,746
2030	203,000	12,434
Totals	<u>\$ 2,467,000</u>	<u>\$ 1,991,605</u>

Revenue Debt

Business-type activities revenue bonds are payable only from revenues derived from the operation of the Motor Vehicle Parking System.

The City has pledged future Motor Vehicle Parking System revenues, net of specified operating expenses, to repay \$8.2 million in parking fees and sales tax revenue bonds issued in April 5, 2004. Proceeds from the bonds provided financing for the parking garage. The bonds are payable solely from Motor Vehicle Parking System of the City and the City's portion of the parking fee revenues and are payable through 2024. Annual principal and interest payments on the bonds are expected to require 100% of net revenues. The total principal and interest remaining to be paid on the bonds is \$10,058,529. Principal and interest paid for the current year and total customer net revenues were \$315,000 and \$269,135, respectively.

CITY OF WAUKEGAN
NOTES TO FINANCIAL STATEMENTS
April 30, 2009

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

F. LONG-TERM OBLIGATIONS (cont.)

Revenue Debt (cont.)

Revenue debt payable at April 30, 2009, consists of the following:

Business-type Activities Revenue Debt

	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance 04/30/09</u>
<u>Other Enterprise Fund</u>					
2004A Parking Fees and Sales Tax Revenue Bonds	April 5, 2004	2025	2.25 - 3.85%	\$ 8,245,000	<u>\$ 7,015,000</u>
Total Business-type Activities Revenue Debt					<u><u>\$ 7,015,000</u></u>

Debt service requirements to maturity are as follows:

<u>Years</u>	<u>Business-type Activities Revenue Debt</u>	
	<u>Principal</u>	<u>Interest</u>
2010	\$ 325,000	\$ 262,048
2011	335,000	253,516
2012	345,000	243,885
2013	360,000	233,104
2014	370,000	221,404
2015-2019	2,075,000	898,786
2020-2024	2,610,000	457,931
2025	<u>595,000</u>	<u>25,288</u>
Totals	<u><u>\$ 7,015,000</u></u>	<u><u>\$ 2,595,962</u></u>

CITY OF WAUKEGAN

NOTES TO FINANCIAL STATEMENTS

April 30, 2009

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

G. LEASE DISCLOSURES

Lessee - Capital Leases

In 2004 the City acquired capital assets through a lease/purchase agreement. The gross amount of these assets under capital leases is \$2.2 million, which are included in capital assets in the governmental activities and \$2.8 million, which are included in the capital assets of the business-type activities. The future minimum lease obligations and the net present value on these minimum lease payments as of April 30, 2009, are as follows:

Years	Governmental Activities			Business-type Activities		
	Principal	Interest	Totals	Principal	Interest	Totals
2010	\$ 354,947	\$ 50,821	\$ 405,768	\$ 353,021	\$ 19,124	\$ 372,145
2011	306,990	36,500	343,490	215,349	8,269	223,618
2012	485,783	15,685	501,468	-	-	-
2013	23,547	2,226	25,773	-	-	-
2014	24,635	1,138	25,773	-	-	-
Totals	<u>\$ 1,195,902</u>	<u>\$ 106,370</u>	<u>\$ 1,302,272</u>	<u>\$ 568,370</u>	<u>\$ 27,393</u>	<u>\$ 595,763</u>

H. POLLUTION REMEDIATION OBLIGATIONS

At year end April 30, 2009, the City was obligated to address the future pollution cleanup activities at the Yeoman Creek superfund site, due to federal or state laws and regulations. The City is obligated to address the pollution remediation because the government is named, or evidence indicates that it will be named, by a regulator as a responsible party or potentially responsible party (PRP) for remediation, or as a government responsible for sharing costs. Examples of expected future remediation activity costs include legal services, site investigation, and required post-remediation monitoring costs. The amount reported as a pollution remediation obligation represents the current value of the cash flows expected to be paid for these activities. Any expected recoveries would be treated separately as a receivable when such reimbursements become measurable. As of April 30, 2009, the obligation was \$2,247,352 with a related receivable of \$- for a net liability of \$2,247,352. The City will recognize these liabilities and related expenses as an operating expense in the government-wide financial statements only when such costs become measurable. Because of this, the liability is subject to change as the City becomes aware of new information which may affect its estimate. Only when actual outlays are made are they recognized in the governmental fund financial statements as expenditures. This will also reduce the amount of the liability on the government-wide financial statements. Actual cost may be higher due to inflation, changes in technology, or changes in regulations.

CITY OF WAUKEGAN
NOTES TO FINANCIAL STATEMENTS
April 30, 2009

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

I. RESTATEMENT OF FUND BALANCES/NET ASSETS

Fund balances have been restated due to removing an undocumented reduction to the sales tax receivable, reducing the inventory balance for items that were recorded as inventory assets up to fiscal year 2008, but should have been expensed as they were used in operations and in order to record a liability for assets that had been seized, but not yet turned over to the State. These corrections would have primarily effected the beginning fund balances as of April 30, 2007. Therefore the effects of these errors on the 2008 changes in fund balances was not material, and, as such, the city has chosen not to disclose the effects in the notes to the financial statements.

General Fund balance - April 30, 2008 (as reported)	\$ 12,572,350
Add: Increasing sales tax receivable	519,046
Less: Removal of inventory	<u>(827,964)</u>
Fund Balance - April 30, 2008 (as restated)	<u>\$ 12,263,432</u>
Narcotics forfeiture Fund balance - April 30, 2008 (as reported)	\$ 549,188
Less: Forfeiture liability	<u>(347,453)</u>
Fund Balance - April 30, 2008 (as restated)	<u>\$ 201,735</u>

CITY OF WAUKEGAN

NOTES TO FINANCIAL STATEMENTS
April 30, 2009

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

Net assets has been restated due to reducing the inventory balance for items that were recorded as inventory assets up to fiscal year 2008, but should have been expensed as they were used in operations, adding infrastructure to capital assets, moving the environmental remediation liability from the risk management fund as it relates to a governmental funds, correcting of net pension obligation so that it agrees to the actuarially calculated net pension obligation, removal of property taxes receivable from pension funds as it was already correctly recorded in the General fund but not yet owed to the Pension Fund, recording of past prepayments on debt, correction of amortization of past premiums and discounts, and removal of the Genesee Theatre Fund from the City's financial statements as the functioning of the Genesee Theatre is the responsibility of a management company. The city also recorded additional infrastructure as par of its capital assets as not all of the City's infrastructure was recorded when GASB 34 was adopted. The estimated effect of the depreciation for 2008 relating to the error of adding the infrastructure assets on the change in net assets for the year ending April 30, 2008 for Governmental Activities is \$6.5 million, for Business-type Activities, it is \$1.4 million. The remaining errors would have mostly effected the beginning net assets as of April 30, 2007. Therefore the effects of these errors on the 2008 changes in net assets was not material, and, as such, the City has chosen not to disclose the effects in the notes to the financial statements.

Water & sewer Net Assets - April 30, 2008 (as reported)	\$ 40,258,780
Add: Infrastructure	17,197,408
Less: Removal of inventory	<u>(365,334)</u>
Net Assets - April 30, 2008 (as restated)	<u>\$ 57,090,854</u>
Motor vehicle parking lot Net Assets - April 30, 2008 (as reported)	\$ 3,912,401
Add: Infrastructure	<u>153,233</u>
Net Assets - April 30, 2008 (as restated)	<u>\$ 4,065,634</u>
Safety & risk management Net Assets - April 30, 2008 (as reported)	\$ (6,943,233)
Add: Removal of environmental remediation fund	<u>2,525,000</u>
Net Assets - April 30, 2008 (as restated)	<u>\$ (4,418,233)</u>
Police pension Net Assets - April 30, 2008 (as reported)	\$ 56,355,072
Less: Removal of property tax receivable	<u>(2,899,728)</u>
Net Assets - April 30, 2008 (as restated)	<u>\$ 53,455,344</u>

CITY OF WAUKEGAN
NOTES TO FINANCIAL STATEMENTS
April 30, 2009

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

Firefighters' pension Net Assets - April 30, 2008 (as reported)	\$ 44,580,636
Less: Removal of property tax receivable	<u>(2,377,563)</u>
Net Assets - April 30, 2008 (as restated)	<u>\$ 42,203,073</u>
Governmental Activities Net Assets - April 30, 2008 (as reported)	\$ (8,704,489)
Add: Increasing sales tax receivable	519,046
Infrastructure	65,209,564
Decreasing net pension obligation	4,182,406
Decrease bonds payable	474,967
Special assessment receivable	1,306,789
Removal of Genesee Theatre Fund	700,161
Less: Removal of inventory	(827,964)
Forfeiture liability	(347,453)
Increase premium/discounts on bonds	<u>(561,484)</u>
Net Assets - April 30, 2008 (as restated)	<u>\$ 61,951,543</u>
Business-type Activities Net Assets - April 30, 2008 (as reported)	\$ 44,171,182
Add: Infrastructure	17,350,639
Less: Removal of inventory	<u>(365,334)</u>
Net Assets - April 30, 2008 (as restated)	<u>\$ 61,156,487</u>

J. COMPONENT UNITS

WAUKEGAN PUBLIC LIBRARY

This report contains the Waukegan Public Library (Library), which is included as a component unit. Financial information is presented as a discrete column in the statement of net assets and statement of activities.

In addition to the basic financial statements and the preceding notes to financial statements which apply, the following additional disclosures are considered necessary for a fair presentation.

a. Basis of Accounting/Measurement Focus

The Library follows the modified accrual basis of accounting and the flow of economic resources measurement focus.

CITY OF WAUKEGAN
 NOTES TO FINANCIAL STATEMENTS
 April 30, 2009

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

J. COMPONENT UNIT (cont.)

WAUKEGAN PUBLIC LIBRARY (cont.)

b. Deposits and Investments

	Carrying Value	Statement Balances
Deposits with financial institutions	\$ 873,453	\$ 872,009
Illinois Funds	205,608	-
Petty cash	150	-
Total Deposits and Investments	\$ 1,079,211	\$ 872,009

Custodial Credit Risk

Deposits

Custodial credit risk is the risk that in the event of a financial institution failure, the Library's deposits may not be returned to the Library.

The Library does not have any deposits exposed to custodial credit risk.

Investments

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Library will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

The Library does not have any investments exposed to custodial credit risk.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the value of an investment.

As of April 30, 2009 the Library's investments were as follows:

Investment	Maturity Date	Call Date	Fair Value
Illinois Funds	On demand	On demand	\$ <u>205,608</u>

See Note I.D.1. for further information on deposit and investment policies.

CITY OF WAUKEGAN

NOTES TO FINANCIAL STATEMENTS
April 30, 2009

NOTE IV - OTHER INFORMATION

A. EMPLOYEES' RETIREMENT SYSTEM

Plan Descriptions

The City contributes to three defined benefit pension plans, the Illinois Municipal Retirement Fund (IMRF), an agent-multiple-employer public employee retirement system; the Police Pension Plan which is a single-employer pension plan; and the Firefighters' Pension Plan which is a single-employer pension plan. The benefits, benefits levels, employee contributions and employer contributions for the plans are governed by Illinois Compiled Statutes and can only be amended by the Illinois General Assembly. The Police Pension Plan and the Firefighters' Pension Plan do not issue separate reports on the pension plans. IMRF does issue a publicly available report that includes financial statements and supplementary information for the plan as a whole, but not for individual employers. That report can be obtained from IMRF, 2211 York Road, Suite 500, Oak Brook, Illinois 60523.

Illinois Municipal Retirement Fund

All employees hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. Pension benefits vest after 8 years of service. Participating members who retire at or after age 60 with 8 years of service are entitled to an annual retirement benefit, payable monthly for life in an amount equal to 1 2/3% of their final rate (average of the highest 48 consecutive months's earnings during the last 10 years) of earnings for each year thereafter. IMRF provides credited service up to 15 years and 2% for each year thereafter. IMRF also provides death and disability benefits. These benefit provisions and all other requirements are established by Illinois Compiled Statutes. Participating members are required to contribute 4.5% of their annual salary to IMRF. The City is required to contribute the remaining amounts necessary to fund the coverage of its own employees in IMRF, as specified by statute. For calendar year 2009, the City's required contribution rate was 7.89%.

Police Pension

Police sworn personnel are covered by the Police Pension Plan, which is a defined benefit single-employer pension plan. Although this is a single employer pension plan, the defined benefits and employee and employer contribution levels are governed by Illinois State Statutes (Chapter 40 ILCS 5/3) and may be amended only by the Illinois legislature. The City accounts for the plan as a pension trust fund.

At April 30, 2009, the Police Pension membership consisted of:

Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them	107
Current employees:	
Vested	166
Non vested	-
	<hr/>
Total	<u>273</u>

CITY OF WAUKEGAN

NOTES TO FINANCIAL STATEMENTS
April 30, 2009

NOTE IV - Other Information (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Police Pension (cont.)

The following is a summary of the Police Pension Fund as provided for in Illinois Compiled Statutes.

The police pension fund provides retirement benefits as well as death and disability benefits. Participants attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive an annual retirement benefit of one half of the salary attached to the rank on the last day of service, or for one year prior to the last day, whichever is greater. The pension shall be increased by 2.5% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least 8 years but less than 20 years of credited service may retire at or after age 60 and receive a reduced retirement benefit. The monthly pension 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 paid upon reaching at least the age 55, by 3% of the original pension and 3% compounded annually thereafter.

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 plans as actuarially determined by an enrolled actuary. Effective July 1, 1993 the City's contributions must accumulate to the point where the past service cost for the Police Pension Plan is fully funded by the year 2033. For the year ended April 30, 2009, the City's contribution was 10.60% of covered payroll.

Firefighters' Pension

Fire sworn personnel are covered by the Firefighters' Pension Plan, which is a defined benefit single-employer pension plan. Although this is a single employer pension plan, the defined benefits and employee and employer contribution levels are governed by Illinois State Statutes (Chapter 40 ILCS 5/3) and may be amended only by the Illinois legislature. The City accounts for the plan as a pension trust fund.

At April 30, 2009, the Firefighters' Pension Plan membership consisted of:

Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them	113
Current employees:	
Vested	119
Non vested	-
	<hr/>
Total	<u>232</u>

CITY OF WAUKEGAN
NOTES TO FINANCIAL STATEMENTS
April 30, 2009

NOTE IV - Other Information (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Firefighters' Pension (cont.)

The following is a summary of the Firefighters' Pension Fund as provided for in Illinois Compiled Statutes.

The Firefighters' Pension Plan provides retirement benefits as well as death and disability benefits. Participants attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive a monthly retirement benefit of one half of the monthly salary attached to the rank held in the fire service at the date of retirement. The monthly pension shall be increased by one twelfth of 2.5% of such monthly salary for each additional month over 20 years of service through 30 years of service to a maximum of 75% of such monthly salary. Employees with at least 10 years but less than 20 years of credited service may retire at or after age 60 and receive a reduced retirement benefit. The monthly pension of a firefighter 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 paid upon reaching at least the age 55, by 3% of the original pension and 3% compounded annually thereafter.

Participants contribute a fixed percentage of their base salary to the plans. At April 30, 2009, the contribution percentage was 9.455%. If a participant leaves covered employment with less than 20 years of service, accumulated participant contributions may be refunded without accumulated interest. The City is required to contribute the remaining amounts necessary to finance the plans as actuarially determined by an enrolled actuary. Effective July 1, 1993 the City's contributions must accumulate to the point where the past service cost for the Firefighters' Pension Plan is fully funded by the year 2033. For the year ended April 30, 2009, the City's contribution was 12.75% of covered payroll.

Summary of Significant Accounting Policies

Police and Firefighters' Pension Plans

Basis of Accounting. The financial statements of the pension fund are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which contributions are due. The City's contributions are recognized when due and a formal commitment to provide the contributions are made. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Method Used to Value Investments Plan investments are reported at fair value. Short-term investments are reported at cost, which approximated fair value. Investments that do not have an established market are reported at estimated fair values.

CITY OF WAUKEGAN

NOTES TO FINANCIAL STATEMENTS

April 30, 2009

NOTE IV - Other Information (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Annual Pension Cost

The City annual required contribution for the current year and related information for each plan is as follows:

	Illinois Municipal Retirement	Police Pension	Firefighters' Pension
Actuarial valuation date	December 31, 2008	April 30, 2008	April 30, 2008
Contribution rates:			
Employer	7.89%	10.60%	12.75%
Employee	4.50%	9.91%	9.46%
Annual required contribution	\$1,300,198	\$3,254,964	\$2,355,279
Contributions made	\$1,300,198	\$2,899,728	\$2,377,563
Actuarial cost method	Entry-age normal 5 year smoothed	Entry-age normal	Entry-age normal
Asset valuation method	market	Market	Market
Amortization method	Level percentage of payroll	Level percentage of payroll	Level percentage of payroll
Amortization period	31 years, closed	25 years	25 years
Actuarial assumptions:			
Investment rate of return	7.50%	7.50%	7.50%
	Compounded annually	Compounded annually	Compounded annually
Projected salary increases	.4 to 11.6%	4.00%	4.00%
Inflation rate included	4.00%	3.00%	3.00%
Cost-of-living adjustments	3.00%	3.00%	3.00%

Net Pension Obligation

The following is the net pension obligation calculation from the April 30, 2008 actuarial report:

Net Pension Obligation:	Police Pension	Firefighters' Pension
Annual required contribution	\$ 3,254,964	\$ 2,355,279
Interest on net pension obligation	135,247	100,447
Adjustment to annual required contribution	<u>(91,223)</u>	<u>(67,751)</u>
Annual pension cost	3,298,988	2,387,975
Contributions made	<u>(2,899,728)</u>	<u>(2,377,563)</u>
Change in net pension obligation	399,260	10,412
Net pension obligation, beginning of year	<u>1,803,288</u>	<u>1,339,292</u>
Net pension obligation, end of year	<u>\$ 2,202,548</u>	<u>\$ 1,349,704</u>

CITY OF WAUKEGAN
NOTES TO FINANCIAL STATEMENTS
April 30, 2009

NOTE IV - Other Information (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Trend Information

Trend information gives an indication of the progress made in accumulating sufficient assets to pay benefits when due. Additional multi year trend information can be found in the schedule of funding progress in the required supplementary information section which immediately follows the notes.

	Fiscal Year	Illinois Municipal Retirement	Police Pension	Firefighters' Pension
Annual pension cost (APC)	2008	\$ 1,300,198	\$ 3,298,988	\$ 2,387,975
	2007	1,405,871	2,944,152	2,410,389
	2006	1,415,955	2,913,049	2,287,593
Contributions made	2008	\$ 1,300,198	\$ 2,899,728	\$ 2,377,563
	2007	1,405,871	2,736,580	2,267,211
	2006	1,415,955	2,752,065	2,362,760
Percentage of APC contributed	2008	100%	88%	99%
	2007	100%	93%	94%
	2006	100%	94%	103%
Net pension obligation	2008	\$ -	\$ 2,202,548	\$ 1,349,704
	2007	-	1,803,288	1,339,292
	2006	-	1,595,716	1,196,114

Funded Status and Funding Progress

The City's actuarial value of plan assets for the current year and related information is as follows:

	Illinois Municipal Retirement	Police Pension	Firefighters' Pension
Actuarial Valuation Date	December 31, 2008	April 30, 2008	April 30, 2008
Actuarial Valuation of Assets (a)	\$ 37,098,051	\$ 56,355,072	\$ 44,580,636
Actuarial Accrued Liability (AAL) - Entry Age (b)	\$ 44,678,076	\$ 102,910,629	\$ 73,715,485
Unfunded AAL (UAAL) (b - a)	\$ 7,580,025	\$ 46,555,557	\$ 29,134,849
Funded Ratio (a/b)	83 %	55 %	60 %
Covered Payroll (c)	16,479,069	12,065,474	8,601,446
UAAL as a percentage of Covered Payroll ((b-a)/c)	46 %	386 %	339 %

CITY OF WAUKEGAN
NOTES TO FINANCIAL STATEMENTS
April 30, 2009

NOTE IV - Other Information (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

PENSION SEGMENT INFORMATION

Fiduciary Net Assets

	Pension Trust		Totals
	Police Pension	Firefighters' Pension	
Assets			
Cash and cash equivalents	\$ 58,954	\$ 50,450	\$ 109,404
Investments			
Money markets	2,408,368	1,435,952	3,844,320
State and local obligations	2,943,889	1,413,318	4,357,207
US Government and agency obligations	20,435,502	17,355,364	37,790,866
Common and preferred stocks	12,849,094	10,525,230	23,374,324
Mutual funds	6,066,116	5,380,301	11,446,417
Receivables - (net allowances for uncollectibles)			
Accrued interest	262,646	196,223	458,869
Prepaid items	-	500	500
Total assets	<u>45,024,569</u>	<u>36,357,338</u>	<u>81,381,907</u>
Liabilities			
Accounts payable	-	20,322	20,322
Total liabilities	<u>-</u>	<u>20,322</u>	<u>20,322</u>
Net assets			
Held in trust for pension benefits	<u>\$ 45,024,569</u>	<u>\$ 36,337,016</u>	<u>\$ 81,361,585</u>

CITY OF WAUKEGAN
NOTES TO FINANCIAL STATEMENTS
April 30, 2009

NOTE IV - Other Information (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Changes in Plan Net Assets

	Pension Trust		Totals
	Police Pension	Firefighters' Pension	
Additions			
Contributions			
Employer	\$ 2,899,201	\$ 2,375,585	\$ 5,274,786
Plan members	1,212,124	887,203	2,099,327
Other	15,727	689	16,416
Total contributions	<u>4,127,052</u>	<u>3,263,477</u>	<u>7,390,529</u>
Investment Income			
Investment income	2,198,877	1,333,358	3,532,235
Net appreciation (depreciation) in the fair value of investments	<u>(9,884,629)</u>	<u>(6,091,431)</u>	<u>(15,976,060)</u>
Total investment income	<u>(7,685,752)</u>	<u>(4,758,073)</u>	<u>(12,443,825)</u>
Less investment income	<u>166,682</u>	<u>151,180</u>	<u>317,862</u>
Net investment income	<u>(7,852,434)</u>	<u>(4,909,253)</u>	<u>(12,761,687)</u>
Total additions	<u>(3,725,382)</u>	<u>(1,645,776)</u>	<u>(5,371,158)</u>
Deductions			
Benefits	\$ 4,655,462	\$ 4,067,846	\$ 8,723,308
Contractual services	32,062	51,958	84,020
Other	17,869	100,477	118,346
Total deductions	<u>4,705,393</u>	<u>4,220,281</u>	<u>8,925,674</u>
Net change in net assets	(8,430,775)	(5,866,057)	(14,296,832)
Net assets, beginning of year, as restated	<u>53,455,344</u>	<u>42,203,073</u>	<u>95,658,417</u>
Unrestricted net assets	<u>\$ 45,024,569</u>	<u>\$ 36,337,016</u>	<u>\$ 81,361,585</u>

B. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; workers compensation; and health care of its employees. The City purchases commercial insurance to provide coverage for losses from theft of, damage to, or destructions of assets, errors and omissions, and health care of its employees. However, other risks, such as torts and workers compensation are accounted for and financed by the City in an internal service fund.

CITY OF WAUKEGAN

NOTES TO FINANCIAL STATEMENTS

April 30, 2009

NOTE IV - Other Information (cont.)

B. RISK MANAGEMENT (cont.)

Self Insurance

For workers compensation claims, the uninsured risk of loss is \$750,000 per incident. The City has purchased commercial insurance for claims in excess of those amounts. Settled claims have not exceeded the commercial coverage in any of the past three years.

For crime and property claims, the uninsured risk of loss is \$100,000 per incident, all other coverages have an uninsured risk of loss of \$250,000 per incident. There is an aggregate stop loss of \$1.5 million combined for General Liability, Liquor Liability, Employee Benefit Plan Administration Liability, Law Enforcement Liability, Public Entity Management Liability and Auto Liability. The City has purchased commercial insurance for claims in excess of those amounts. Settled claims have not exceeded the commercial coverage in any of the past three years.

All funds of the City participate in the risk management program. Amounts payable to the risk management fund are based on actuarial estimates of the amounts necessary to pay prior and current year claims and to establish a reserve for catastrophic losses.

A liability for a claim is established if information indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss is reasonably estimable. Liabilities include an amount for claims that have been incurred but not reported. The City does not allocate overhead costs or other nonincremental costs to the claims liability.

Claims Liability

	<u>Prior Year</u>	<u>Current Year</u>
Unpaid claims - Beginning of Year	\$ 2,189,302	\$ 2,710,738
Current year claims and changes in estimates	4,924,008	30,753,352
Claim payments	<u>(4,402,572)</u>	<u>(4,953,366)</u>
 Unpaid Claims - End of Year	 <u>\$ 2,710,738</u>	 <u>\$ 28,510,724</u>

C. COMMITMENTS AND CONTINGENCIES

After year end a wrongful imprisonment case against the City was won with damages of \$10,047,195 awarded to the plaintiff. This award is included in the claims liability in Note IV B. In addition the City is party to various pending claims and legal proceedings for which provisions have been made in the financial statements. Although, the outcome of such matters cannot be forecasted with certainty, it is the opinion of management that the claims payable established will not exceed the amounts recorded in the financial statements to such an extent that it would have a material adverse effect on the City's financial position or results of operations.

CITY OF WAUKEGAN

NOTES TO FINANCIAL STATEMENTS

April 30, 2009

NOTE IV - Other Information (cont.)

C. COMMITMENTS AND CONTINGENCIES (cont.)

The City has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursements to the grantor agency for expenditures disallowed under terms of the grants. Management believes such disallowances, if any, would be immaterial.

D. OTHER POSTEMPLOYMENT BENEFITS

The City's group health insurance plan provides coverage to active employees and retirees (or other qualified terminated employees) at blended premium rates. This results in an other postemployment benefit (OPEB) for the retirees, commonly referred to as an implicit rate subsidy.

Summary of Significant Accounting Policies

Basis of Accounting. The plan's financial statements are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions to the plan are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Method Used to Value Investments. Investments are reported at fair value, which is determined by the mean of the most recent bid and asked provides as obtained from dealers that make markets in such securities. Securities for which market quotations are not readily available are valued at their fair value as determined by the custodian under the direction of the plan board of trustees, with the assistance of a valuation service.

Contribution requirements are established through collective bargaining agreements and may be amended only through negotiations between the City and the union. For pensioners who began collecting a Fire, Police or IMRF pension prior to June 1, 2006, the City contributes 25% of of the total premium for health care coverage. For pensioners who began collecting a Fire, Police or IMRF pension after June 1, 2006, the City contributes 10% of their total premium. For fiscal year 2009, total member contributions was zero. Administrative costs of the plan are financed through investment earnings.

The City's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the City's annual OPEB cost for the year, the amount actually contributed to plan, and changes in the City's net OPEB obligation to the Retiree Health Plan:

CITY OF WAUKEGAN

NOTES TO FINANCIAL STATEMENTS

April 30, 2009

NOTE IV - Other Information (cont.)

D. OTHER POSTEMPLOYMENT BENEFITS (cont.)

Annual required contribution	\$	2,946,541
Interest on net OPEB obligation		-
Adjustment to annual required contribution		<u>-</u>
Annual OPEB cost		2,946,541
Contributions made		<u>(1,028,166)</u>
Increase in net OPEB obligation (asset)		1,918,375
Net OPEB Obligation (Asset) - Beginning of Year		<u>-</u>
Net OPEB Obligation (Asset) - End of Year	\$	<u><u>1,918,375</u></u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2009 are as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Asset
2009	2,946,541	35%	1,918,375

The funded status of the plan as of April 30, 2009, the most recent actuarial valuation date, was as follows:

Actuarial accrued liability (AAL)	\$	39,042,752
Actuarial value of plan assets		<u>-</u>
Unfunded Actuarial Accrued Liability (UAAL)	\$	<u><u>39,042,752</u></u>
Funded ratio (actuarial value of plan assets/AAL)		-%
Covered payroll (active plan members)	\$	31,410,167
UAAL as a percentage of covered payroll		124%

CITY OF WAUKEGAN

NOTES TO FINANCIAL STATEMENTS

April 30, 2009

NOTE IV - Other Information (cont.)

D. OTHER POSTEMPLOYMENT BENEFITS (cont.)

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

The accompanying schedules of employer contributions present trend information about the amounts contributed to the plan by employers in comparison to the ARC, an amount that is actuarially determined in accordance with the parameters of GASB Statement No. 43. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost for each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

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

In the April 30, 2009 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions include a 5.0 percent investment rate of return and an annual healthcare cost trend rate of 10.0 percent initially, reduced by decrements to an ultimate rate of 7.5 percent after 5 years. Both rates include a 3.0 percent inflation assumption. The actuarial value of Retiree Health Plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a three-year period. The plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at April 30, 2009, was 29 years.

E. SUBSEQUENT EVENTS

On November 06, 2009 the City issued general obligation bonds in the amount of \$30,000,000 with an interest rate range of 4.25% to 5.05%. This amount will be used to restructure existing debt and provide working cash.

CITY OF WAUKEGAN
NOTES TO FINANCIAL STATEMENTS
April 30, 2009

NOTE IV - Other Information (cont.)

F. TAX INCREMENT FINANCING DISTRICT

The City of Waukegan has established several Tax Increment Redevelopment Project Areas (RPA's) to encourage redevelopment of certain sites for more market oriented commercial uses of the properties that will enhance their value and improve their contributions to the City and its surrounding areas. As part of the redevelopment plans, the City has made significant improvements to utilities, public parking, intersections, and traffic signalization, streets and landscaping. The redevelopment plans also include site preparation, land acquisition and assembly, and demolition/clearance.

Construction and development in the RPA's were the responsibility of developers and are substantially complete. To entice development of the areas, the City created tax increment financing (TIF) districts to finance public improvements made within the RPA's.

Several funds have been established to record the revenues generated in the RPA's that relate directly to servicing the debt issued to make public improvements in the RPA's.

G. EFFECT OF NEW ACCOUNTING STANDARDS ON CURRENT-PERIOD FINANCIAL STATEMENTS

The Governmental Accounting Standards Board (GASB) has approved GASB Statement No. 51, *Accounting and Financial Reporting for Intangible Assets* and Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*. Application of these standards may restate portions of these financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

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CITY OF WAUKEGAN

SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS - BUDGET AND ACTUAL
 IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND
 For the year ended April 30, 2009

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Property taxes	\$ 8,600,632	\$ 8,600,632	\$ 13,863,171	\$ 5,262,539
Other taxes	21,100,188	21,100,188	19,878,962	(1,221,226)
Intergovernmental	13,354,331	13,354,331	11,771,701	(1,582,630)
Licenses	2,516,500	2,516,500	2,419,636	(96,864)
Permits	1,585,500	1,585,500	1,369,755	(215,745)
Franchise fees	950,000	950,000	959,485	9,485
Fines and forfeitures	4,463,000	4,463,000	4,157,576	(305,424)
Charges for services	3,237,348	3,288,117	1,846,116	(1,442,001)
Miscellaneous	1,139,500	1,139,500	1,091,887	(47,613)
Investment income	250,000	250,000	70,060	(179,940)
Total Revenues	<u>57,196,999</u>	<u>57,247,768</u>	<u>57,428,349</u>	<u>180,581</u>
EXPENDITURES				
Current:				
Central services	6,452,074	6,452,074	6,595,038	(142,964)
Public safety - police and communication services	23,804,603	23,804,603	26,247,302	(2,442,699)
Public safety - fire services	13,504,915	13,555,684	16,003,350	(2,447,666)
Streets, bridges and public works	7,676,735	7,676,735	7,310,980	365,755
Building and zoning	2,413,816	2,413,816	2,224,094	189,722
Sanitation and environment	4,091,376	4,091,376	3,888,639	202,737
Economic development	1,356,812	1,356,812	920,883	435,929
Capital Outlay	48,022	48,022	136,653	(88,631)
Debt Service	-	-	875,367	(875,367)
Total Expenditures	<u>59,348,353</u>	<u>59,399,122</u>	<u>64,202,306</u>	<u>(4,803,184)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,151,354)</u>	<u>(2,151,354)</u>	<u>(6,773,957)</u>	<u>(4,622,603)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	1,406,505	1,406,505	2,434,152	1,027,647
Transfers out	-	-	(1,571)	(1,571)
Proceeds of capital leases	-	-	112,765	112,765
Sale of capital assets	25,000	25,000	27,523	2,523
Total Other Financing Sources (Uses)	<u>1,431,505</u>	<u>1,431,505</u>	<u>2,572,869</u>	<u>1,141,364</u>
Net Change in Fund Balance	(719,849)	(719,849)	(4,201,088)	(3,481,239)
FUND BALANCE - Beginning of Year, as restated	<u>12,263,432</u>	<u>12,263,432</u>	<u>12,263,432</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 11,543,583</u>	<u>\$ 11,543,583</u>	<u>\$ 8,062,344</u>	<u>\$ (3,481,239)</u>

See accountants' report and accompanying notes to required supplementary information.

CITY OF WAUKEGAN

ILLINOIS MUNICIPAL RETIREMENT FUND
 SCHEDULE OF EMPLOYER'S CONTRIBUTIONS AND SCHEDULE OF FUNDING PROGRESS
 April 30, 2009

<u>Actuarial Valuation Date</u>	<u>Annual Required Contribution (ARC)</u>	<u>Percentage of ARC Contributed</u>	<u>Net Pension Obligation</u>
12/31/08	\$ 1,300,198	100.00%	\$ -
12/31/07	1,405,871	100.00%	-
12/31/06	1,415,955	100.00%	-

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL) Entry Age</u>	<u>Unfunded AAL (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
12/31/08	\$ 37,098,051	\$ 44,678,076	\$ 7,580,025	83.03%	\$16,479,069	46.00%
12/31/07	43,581,006	41,630,123	(1,950,883)	104.69%	16,423,725	-%
12/31/06	40,926,998	39,637,084	(1,289,914)	103.25%	15,680,561	-%
12/31/05	36,155,370	36,269,616	114,246	99.69%	15,185,372	0.75%
12/31/04	33,795,676	34,459,291	663,615	98.07%	14,606,985	4.54%
12/31/03	32,668,911	31,808,697	(860,214)	102.70%	14,302,074	-%

The information presented in the above required supplementary schedule was determined as part of the actuarial valuation at the date indicated. Additional information as of the latest actuarial valuation can be found in the notes to basic financial statements.

Valuation date	12/31/2008
Actuarial cost method	Entry Age normal
Amortization method	Level percentage of pay, closed
Remaining amortization period	24 years
Asset valuation method	Market
Actuarial assumptions:	
Investment rate of return	7.50%
Projected salary increases	4.00%
Inflation factor	3.00%
Cost of living adjustments	3.00%

CITY OF WAUKEGAN

POLICE PENSION FUND SCHEDULE OF EMPLOYER'S CONTRIBUTIONS AND SCHEDULE OF FUNDING PROGRESS April 30, 2009

<u>Actuarial Valuation Date</u>	<u>Cost (ARC)</u>	<u>Percentage of ARC Contributed</u>	<u>Net Pension Obligation</u>
04/30/2008	\$ 3,254,964	89.09%	\$ 2,202,548
04/30/2007	2,903,049	94.27%	1,803,288
04/30/2006	2,874,302	95.75%	1,595,716

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL) Entry Age</u>	<u>Unfunded AAL (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
04/30/2008	\$ 56,355,072	\$102,910,629	\$ 46,555,557	54.76%	\$12,065,474	385.86%
04/30/2007	56,314,511	97,508,642	41,194,131	57.75%	11,043,518	373.02%
04/30/2006	51,544,889	88,853,004	37,308,115	58.01%	10,538,598	354.01%
04/30/2005	45,338,959	83,753,129	38,414,170	54.13%	10,434,243	368.15%
04/30/2004	41,870,712	77,012,305	35,141,593	54.37%	10,176,062	345.34%
04/30/2003	39,989,382	72,205,227	32,215,845	55.38%	9,689,729	332.47%

The information presented in the above required supplementary schedule was determined as part of the actuarial valuation at the date indicated. Additional information as of the latest actuarial valuation can be found in the notes to basic financial statements.

Valuation date	4/30/2008
Actuarial cost method	Entry Age normal
Amortization method	Level percentage of pay, closed
Remaining amortization period	25 Years
Asset valuation method	Market
Actuarial assumptions:	
Investment rate of return	7.50%
Projected salary increases	4.00%
Inflation factor	3.00%
Cost of living adjustments	3.00%

See accountants' report and accompanying notes to required supplementary information.

CITY OF WAUKEGAN

FIREFIGHTERS' PENSION FUND SCHEDULE OF EMPLOYER'S CONTRIBUTIONS AND SCHEDULE OF FUNDING PROGRESS April 30, 2009

<u>Actuarial Valuation Date</u>	<u>Cost (ARC)</u>	<u>Percentage of ARC Contributed</u>	<u>Net Pension Obligation</u>
04/30/2008	\$ 2,355,279	100.95%	\$ 1,349,704
04/30/2007	2,379,579	95.28%	1,339,292
04/30/2006	2,253,260	104.86%	1,196,114

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL) Entry Age</u>	<u>Unfunded AAL (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
04/30/2008	\$ 44,580,636	\$ 73,715,485	\$ 29,134,849	60.48%	\$ 8,601,446	338.72%
04/30/2007	43,530,091	70,573,418	27,043,327	61.68%	7,745,032	349.17%
04/30/2006	40,561,192	66,090,127	25,528,935	61.37%	7,763,386	328.84%
04/30/2005	36,578,328	63,036,025	26,457,697	58.03%	7,351,267	359.91%
04/30/2004	35,079,255	58,718,658	23,639,403	59.74%	7,019,734	336.76%
04/30/2003	33,316,257	55,847,732	22,531,475	59.66%	6,420,749	350.92%

The information presented in the above required supplementary schedule was determined as part of the actuarial valuation at the date indicated. Additional information as of the latest actuarial valuation can be found in the notes to basic financial statements.

Valuation date	4/30/2008
Actuarial cost method	Entry Age normal
Amortization method	Level percentage of pay, closed
Remaining amortization period	25 years
Asset valuation method	Market
Actuarial assumptions:	
Investment rate of return	7.50%
Projected salary increases	4.00%
Inflation factor	3.00%
Cost of living adjustments	3.00%

See accountants' report and accompanying notes to required supplementary information.

CITY OF WAUKEGAN

RETIREE'S HEALTH PLAN

SCHEDULE OF EMPLOYER'S CONTRIBUTION AND FUNDING PROGRESS FOR RETIREE'S HEALTH PLAN
April 30, 2009

<u>Fiscal Year Ending</u>	<u>Cost (ARC)</u>	<u>Percentage of ARC Contributed</u>	<u>Net OPEB Obligation</u>
04/30/2009	\$ 2,946,541	34.89%	\$ 1,918,375
04/30/2008	N/A	N/A	N/A
04/30/2007	N/A	N/A	N/A

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL) Entry Age</u>	<u>Unfunded AAL (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
04/30/2008	\$ -	\$ 39,042,752	\$ 39,042,752	-%	\$31,410,167	124.30%
04/30/2007	N/A	N/A	N/A	N/A	N/A	N/A
04/30/2006	N/A	N/A	N/A	N/A	N/A	N/A

The information presented in the above required supplementary schedule was determined as part of the actuarial valuation at the date indicated. Additional information as of the latest actuarial valuation can be found in the notes to basic financial statements.

Valuation date	4/30/2008
Actuarial cost method	Entry Age normal
Amortization method	Level percentage of pay, open
Remaining amortization period	30
Asset valuation method	Market
Actuarial assumptions:	
Investment rate of return	4.50%
Projected salary increases	3.00%
Inflation factor	3.00%
Cost of living adjustments	3.00%

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CITY OF WAUKEGAN

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
April 30, 2009

BUDGETARY INFORMATION

Budgetary information is derived from the annual operating budget and is presented using generally accepted accounting principles and the modified accrual basis of accounting.

Excess expenditures over appropriations are as follows:

	<u>Amended Budget</u>	<u>Expenditures</u>	<u>Excess</u>
<u>General Fund</u>			
General	\$ 59,399,122	\$ 64,202,306	\$ 4,803,184

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SUPPLEMENTARY INFORMATION

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CITY OF WAUKEGAN

DETAILED SCHEDULE OF REVENUES - BUDGET AND ACTUAL -
GENERAL FUND
For the Year Ended April 30, 2009

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
PROPERTY TAXES				
Property taxes - general	\$ 8,226,978	\$ 8,226,978	\$ 8,193,391	\$ (33,587)
Property taxes - pension	-	-	5,274,786	5,274,786
Property taxes - road and bridge	373,654	373,654	394,994	21,340
Total Property Taxes	8,600,632	8,600,632	13,863,171	5,262,539
OTHER TAXES				
Sales	9,321,517	9,321,517	8,228,092	(1,093,425)
Home rule sales	1,040,000	1,040,000	1,070,523	30,523
Local use	1,291,092	1,291,092	1,305,306	14,214
Utility taxes	4,947,566	4,947,566	4,895,372	(52,194)
Telecommunication taxes	3,551,175	3,551,175	3,413,590	(137,585)
Hotel/Motel	925,000	925,000	945,020	20,020
Municipal auto rental	22,163	22,163	19,887	(2,276)
Amusement	1,675	1,675	1,172	(503)
Total Other Taxes	21,100,188	21,100,188	19,878,962	(1,221,226)
INTERGOVERNMENTAL				
Income tax	9,198,743	9,198,743	8,098,684	(1,100,059)
Personal property replacement tax	3,850,588	3,850,588	3,471,610	(378,978)
Federal grants	80,000	80,000	67,842	(12,158)
State grants	225,000	225,000	133,565	(91,435)
Total Intergovernmental	13,354,331	13,354,331	11,771,701	(1,582,630)
LICENSES				
Vehicle	1,700,000	1,700,000	1,650,991	(49,009)
Liquor	180,000	180,000	172,013	(7,987)
Determined by square feet	65,000	65,000	64,575	(425)
Amusement devices	18,000	18,000	28,748	10,748
Bowling alley	2,000	2,000	1,920	(80)
Car dealers	4,000	4,000	-	(4,000)
Car rental	1,400	1,400	-	(1,400)
Car wash	2,500	2,500	-	(2,500)
Vicious animal	-	-	250	250
Animal	25,000	25,000	34,794	9,794
Vehicle repair	9,000	9,000	-	(9,000)
Garbage truck	1,000	1,000	7,000	6,000
Hotel/motel	12,000	12,000	17,300	5,300
Juke box	5,300	5,300	2,275	(3,025)
Bakery	800	800	-	(800)
Grocery/meat/produce	10,000	10,000	-	(10,000)
Taxi company	6,800	6,800	-	(6,800)
Theater	5,000	5,000	664	(4,336)

CITY OF WAUKEGAN

DETAILED SCHEDULE OF REVENUES - BUDGET AND ACTUAL - GENERAL FUND For the Year Ended April 30, 2009

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Tobacco dealer	\$ 21,000	\$ 21,000	\$ 17,500	\$ (3,500)
Vending machine	40,000	40,000	33,780	(6,220)
Bicycle	25	25	27	2
Contractor's registration	52,500	52,500	49,247	(3,253)
Pawn shop	4,000	4,000	4,000	-
Rental property	168,000	168,000	207,137	39,137
Currency exchange	1,500	1,500	-	(1,500)
Driving school	200	200	-	(200)
Laundry	2,500	2,500	-	(2,500)
Warehouse storage	12,400	12,400	-	(12,400)
Dance hall	250	250	-	(250)
Mobile food vendor	350	350	-	(350)
Dry cleaners	1,500	1,500	-	(1,500)
Furniture	2,000	2,000	-	(2,000)
Weapons	400	400	-	(400)
Resale dealer	1,500	1,500	-	(1,500)
Sales door	2,500	2,500	4,700	2,200
Billiard	1,500	1,500	2,188	688
Auctioneer	500	500	800	300
Public transportation	-	-	105	105
Christmas tree lot	175	175	-	(175)
Skating rinks	500	500	-	(500)
Garbage stickers	40,000	40,000	9,613	(30,387)
Day care	400	400	14,350	13,950
Business flat fee	-	-	26,554	26,554
Business general	115,000	115,000	69,105	(45,895)
Total Licenses	<u>2,516,500</u>	<u>2,516,500</u>	<u>2,419,636</u>	<u>(96,864)</u>
PERMITS				
Building	1,000,000	1,000,000	889,351	(110,649)
Electrical	166,000	166,000	135,266	(30,734)
Plumbing	100,000	100,000	68,311	(31,689)
Heating (HVAC)	150,000	150,000	124,545	(25,455)
Occupancy/residential	20,000	20,000	20,865	865
Signs	30,000	30,000	21,068	(8,932)
Demolition	5,000	5,000	3,230	(1,770)
Food handlers	500	500	210	(290)
City drivers	4,000	4,000	5,700	1,700
Alarms	15,000	15,000	20	(14,980)
Fire protection construction work	25,000	25,000	19,289	(5,711)
Elevator	25,000	25,000	31,110	6,110
Roadway damage	5,000	5,000	6,865	1,865
Hazardous materials	40,000	40,000	43,925	3,925
Total Permits	<u>1,585,500</u>	<u>1,585,500</u>	<u>1,369,755</u>	<u>(215,745)</u>

CITY OF WAUKEGAN

DETAILED SCHEDULE OF REVENUES - BUDGET AND ACTUAL - GENERAL FUND For the Year Ended April 30, 2009

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
FRANCHISE FEES				
Cable television	\$ 300,000	\$ 300,000	\$ 658,673	\$ 358,673
Off-track betting	350,000	350,000	267,094	(82,906)
Video service	300,000	300,000	33,718	(266,282)
	<u>950,000</u>	<u>950,000</u>	<u>959,485</u>	<u>9,485</u>
TOTAL Franchise Fees				
	<u>950,000</u>	<u>950,000</u>	<u>959,485</u>	<u>9,485</u>
FINE AND FORFEITURES				
Parking	735,000	735,000	569,610	(165,390)
Animal control violations	1,250,000	1,250,000	1,369,845	119,845
Court ordered fines	6,500	6,500	17,628	11,128
Seizures	80,000	80,000	7,025	(72,975)
Tobacco enforcement violation	1,400,000	1,400,000	1,245,730	(154,270)
Street value drugs	10,000	10,000	11,450	1,450
Judgment bond	60,000	60,000	48,254	(11,746)
Municipal prosecution	20,000	20,000	12,628	(7,372)
DUI fines	40,000	40,000	12,667	(27,333)
Automated traffic enforcement	2,500	2,500	1,500	(1,000)
DUI fines	600,000	600,000	514,923	(85,077)
Pace shelter advertising income	7,500	7,500	-	(7,500)
State route highway maintenance	52,000	52,000	61,771	9,771
State route traffic maintenance	7,500	7,500	5,494	(2,006)
Metropolitan enforcement	-	-	32,000	32,000
Unit school district police security	120,000	120,000	157,500	37,500
Waukegan housing authority security	21,000	21,000	21,000	-
Illinois liquor control	12,000	12,000	9,130	(2,870)
IL training reimbursement - fire	5,000	5,000	3,532	(1,468)
IL training reimbursement - police	30,000	30,000	50,478	20,478
Tuition - fire training class	4,000	4,000	5,401	1,401
Tuition - police training class	-	-	10	10
	<u>4,463,000</u>	<u>4,463,000</u>	<u>4,157,576</u>	<u>(305,424)</u>
TOTAL Fine and Forfeitures				
	<u>4,463,000</u>	<u>4,463,000</u>	<u>4,157,576</u>	<u>(305,424)</u>
CHARGES FOR SERVICES				
Subpoena	2,500	2,500	1,868	(632)
Board-up service	1,000	1,000	20	(980)
Plans and specifications review	400,000	400,000	299,967	(100,033)
Weed cutting	1,500	1,500	5,400	3,900
Debris removal	500	500	-	(500)
Fire reports	300	300	251	(49)
Ambulance service	1,000,000	1,059,769	737,802	(321,967)
Electrical tests	1,200	1,200	1,324	124
Vital statistics	30,000	30,000	24,487	(5,513)
Liquor license filing	4,000	4,000	2,500	(1,500)
False fire alarm	25,000	25,000	81,978	56,978

CITY OF WAUKEGAN

DETAILED SCHEDULE OF REVENUES - BUDGET AND ACTUAL -
GENERAL FUND
For the Year Ended April 30, 2009

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
False burglar alarm	\$ 65,000	\$ 65,000	\$ 34,905	\$ (30,095)
Burglar alarm subscribe	12,000	12,000	29,852	17,852
Fire alarm subscribe	100,000	100,000	104,766	4,766
Photo copy	35,000	35,000	34,831	(169)
Elevator inspection	-	-	150	150
Ambulance inspection	-	-	60	60
Genesee restoration	10,000	10,000	845	(9,155)
Registrar's services	4,500	4,500	7,955	3,455
Taxi inspections	3,500	3,500	3,900	400
City animal control	7,000	7,000	889	(6,111)
Sidewalk construction/waiver	200	200	-	(200)
Zoning subdivision annexation	5,000	5,000	9,316	4,316
Zoning letters and certifications	20,000	20,000	81,075	61,075
Grave Openings/Lots	-	-	1,370	1,370
Street openings	30,000	30,000	7,100	(22,900)
Parking lot maintenance	45,000	45,000	45,000	-
Zoning ordinance and maps	10,000	10,000	3,369	(6,631)
Vacations of land	40,000	40,000	8,145	(31,855)
Planned unit development	1,000	1,000	623	(377)
Engineering subdivision inspection	25,000	25,000	225	(24,775)
Hazmat removal/standby	2,000	2,000	150	(1,850)
License fee - fire department	10,000	10,000	11,202	1,202
Volume cap	16,500	16,500	57,791	41,291
Landlord training fees	1,000	1,000	200	(800)
Animal shelter kennel	5,000	5,000	-	(5,000)
Finger print - liquor license	1,800	1,800	505	(1,295)
Animal impoundment	-	-	8,914	8,914
Animal veterinary	-	-	6,136	6,136
Animal surrendering	-	-	3,545	3,545
Animal transportation	-	-	835	835
Finger print - walk-ins	-	-	2,055	2,055
Rental reinspection fee	10,000	10,000	2,900	(7,100)
Job applications - fire and police	3,000	3,000	-	(3,000)
Rental unit inspection	63,000	63,000	-	(63,000)
Employee wage lien	5,000	5,000	2,563	(2,437)
Annual sign fee	175,000	175,000	117,831	(57,169)
Application for sign variance	-	-	50	50
Miscellaneous code enforcement	-	-	441	441
Walk thru inspection	-	-	1,200	1,200
NSF check processing	1,000	1,000	975	(25)
License fee business license	25,000	25,000	1,520	(23,480)
Rental license	1,250	1,250	-	(1,250)
Police registration fee	1,250	1,250	815	(435)
Business registration	6,000	6,000	2,550	(3,450)
Kennel boarding	-	-	2,035	2,035
Waterworks admin reimburse	43,890	43,890	-	(43,890)
Parking lot admin reimburse	43,890	43,890	43,890	-
Services provided to ef555	943,568	943,568	-	(943,568)

CITY OF WAUKEGAN

DETAILED SCHEDULE OF REVENUES - BUDGET AND ACTUAL -
GENERAL FUND
For the Year Ended April 30, 2009

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Special events - police reimbursement	\$ -	\$ -	\$ 7,886	\$ 7,886
Special events - public works reimbursement	-	-	1,033	1,033
Beach parking	-	-	39,121	39,121
Total Charges for Services	<u>3,237,348</u>	<u>3,297,117</u>	<u>1,846,116</u>	<u>(1,451,001)</u>
MISCELLANEOUS REVENUES				
Rental income	60,000	60,000	65,716	5,716
Donations	13,500	13,500	15,785	2,285
Recyclables	10,000	10,000	23,361	13,361
Sale of gas and oil	250,000	250,000	240,153	(9,847)
Sale of signs	1,000	1,000	-	(1,000)
Reimbursements	12,600	12,600	59,886	47,286
Sale of code books	1,500	1,500	319	(1,181)
Sale of city ordinance books	150	150	-	(150)
Sale of labor and materials	65,000	65,000	153,826	88,826
Sale of miscellaneous items	-	-	2,333	2,333
Restitution payments	1,500	1,500	3,149	1,649
Special police duty events	425,000	425,000	371,941	(53,059)
Liens	70,250	70,250	56,102	(14,148)
Commissions	2,000	2,000	1,642	(358)
WHA in lieu tax	42,000	42,000	25,684	(16,316)
Special events	5,000	5,000	17,537	12,537
Beach concession	2,000	2,000	1,907	(93)
Other miscellaneous revenue	<u>178,000</u>	<u>178,000</u>	<u>52,546</u>	<u>(125,454)</u>
Total Miscellaneous Revenues	<u>1,139,500</u>	<u>1,139,500</u>	<u>1,091,887</u>	<u>(47,613)</u>
Investment income	<u>250,000</u>	<u>250,000</u>	<u>70,060</u>	<u>(179,940)</u>
TOTAL REVENUES	<u>\$ 57,196,999</u>	<u>\$ 57,256,768</u>	<u>\$ 57,428,349</u>	<u>\$ 171,581</u>

CITY OF WAUKEGAN

DETAILED SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL - GENERAL FUND For the Year Ended April 30, 2009

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
CENTRAL SERVICES				
Personnel services	\$ 2,238,081	\$ 2,238,081	\$ 2,295,885	\$ (57,804)
Personnel benefits	2,241,968	2,241,968	2,172,596	69,372
Contractual services	1,860,875	1,860,875	2,018,732	(157,857)
Commodities	111,150	111,150	107,825	3,325
Capital outlay	45,522	45,522	60,300	(14,778)
Total Central Services	<u>6,497,596</u>	<u>6,497,596</u>	<u>6,655,338</u>	<u>(157,742)</u>
PUBLIC SAFETY - POLICE AND COMMUNICATION SERVICES				
Personnel services	17,064,817	17,064,817	16,420,606	644,211
Personnel benefits	4,768,954	4,768,954	4,801,253	(32,299)
Contractual services	1,027,958	1,027,958	1,238,865	(210,907)
Commodities	942,874	942,874	887,377	55,497
Pension contribution	-	-	2,899,201	(2,899,201)
Total Public Safety - Police and Communication Services	<u>23,804,603</u>	<u>23,804,603</u>	<u>26,247,302</u>	<u>(2,442,699)</u>
PUBLIC SAFETY - FIRE SERVICES				
Personnel services	9,406,293	9,457,062	10,149,466	(692,404)
Personnel benefits	3,000,320	3,000,320	2,760,995	239,325
Contractual services	660,502	660,502	361,023	299,479
Commodities	437,800	437,800	356,281	81,519
Pension contribution	-	-	2,375,585	(2,375,585)
Capital outlay	2,500	2,500	2,564	(64)
Total Public Safety - Fire Services	<u>13,507,415</u>	<u>13,558,184</u>	<u>16,005,914</u>	<u>(2,447,730)</u>
BUILDING AND ZONING				
Personnel services	1,396,131	1,396,131	1,324,878	71,253
Personnel benefits	676,885	676,885	662,398	14,487
Contractual services	292,800	292,800	193,991	98,809
Commodities	48,000	48,000	42,827	5,173
Capital outlay	-	-	23,065	(23,065)
Total Building and Zoning	<u>2,413,816</u>	<u>2,413,816</u>	<u>2,247,159</u>	<u>166,657</u>
STREETS, BRIDGES AND PUBLIC WORKS				
Personnel services	3,738,095	3,738,095	3,536,260	201,835
Personnel benefits	1,598,656	1,598,656	1,602,210	(3,554)
Contractual services	770,360	770,360	704,760	65,600
Commodities	1,569,624	1,569,624	1,467,750	101,874
Capital outlay	-	-	49,899	(49,899)
Total Streets, Bridges and Public Works	<u>7,676,735</u>	<u>7,676,735</u>	<u>7,360,879</u>	<u>315,856</u>

CITY OF WAUKEGAN

DETAILED SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND

For the Year Ended April 30, 2009

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
SANITATION AND ENVIRONMENT				
Contractual services	\$ 4,091,376	\$ 4,091,376	\$ 3,888,639	\$ 202,737
Total Sanitation and Environment	<u>4,091,376</u>	<u>4,091,376</u>	<u>3,888,639</u>	<u>202,737</u>
ECONOMIC DEVELOPMENT				
Personnel services	366,151	366,151	350,047	16,104
Personnel benefits	160,401	160,401	156,378	4,023
Contractual services	818,260	818,260	411,625	406,635
Commodities	12,000	12,000	2,833	9,167
Capital outlay	-	-	825	(825)
Total Economic Development	<u>1,356,812</u>	<u>1,356,812</u>	<u>921,708</u>	<u>435,104</u>
DEBT SERVICE				
Principal	-	-	365,646	(365,646)
Interest and fiscal charges	-	-	509,721	(509,721)
Total Debt Service	<u>-</u>	<u>-</u>	<u>875,367</u>	<u>(875,367)</u>
TOTAL EXPENDITURES	<u>\$ 59,348,353</u>	<u>\$ 59,399,122</u>	<u>\$ 64,202,306</u>	<u>\$ (4,803,184)</u>

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CITY OF WAUKEGAN

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - DEBT SERVICE MAJOR DEBT SERVICE FUND For the Year Ended April 30, 2009

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Property taxes	\$ 4,785,113	\$ 4,785,113	\$ 4,643,252	\$ (141,861)
Home rule sales	1,115,075	1,115,075	1,070,523	(44,552)
Special assessment	221,664	221,664	351,460	129,796
Genesee restoration	10,000	10,000	-	(10,000)
Investment income	64,598	64,598	253,361	188,763
Miscellaneous	677,878	677,878	677,598	(280)
Total Revenues	<u>6,874,328</u>	<u>6,874,328</u>	<u>6,996,194</u>	<u>121,866</u>
EXPENDITURES				
Debt Service				
Principal	4,033,152	4,033,152	5,098,220	(1,065,068)
Interest and fiscal charges	<u>2,007,139</u>	<u>2,007,139</u>	<u>1,716,370</u>	<u>290,769</u>
Total Expenditures	<u>6,040,291</u>	<u>6,040,291</u>	<u>6,814,590</u>	<u>(774,299)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>834,037</u>	<u>834,037</u>	<u>181,604</u>	<u>(652,433)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	(100,000)	301,664	583,542	281,878
Transfers out	<u>301,664</u>	<u>(100,000)</u>	<u>(694,917)</u>	<u>(594,917)</u>
Total Other Financing Sources (Uses)	<u>201,664</u>	<u>201,664</u>	<u>(111,375)</u>	<u>(313,039)</u>
Net Change in Fund Balance	1,035,701	1,035,701	70,229	(965,472)
FUND BALANCE - Beginning of Year	<u>2,106,120</u>	<u>2,106,120</u>	<u>2,106,120</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 3,141,821</u>	<u>\$ 3,141,821</u>	<u>\$ 2,176,349</u>	<u>\$ (965,472)</u>

CITY OF WAUKEGAN
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
 April 30, 2009

	Special Revenue			
	Motor Fuel Tax	CDBG	Narcotics Forfeiture	911 Emergency System
ASSETS				
Cash and cash equivalents	\$ 12	\$ 8,445	\$ 588,660	\$ 426,647
Receivables (net)				
Property taxes	-	-	-	-
Other taxes	-	-	-	-
Intergovernmental	434,455	-	-	-
Accounts	660	750	3,050	175,372
Due from other funds	12,239	-	-	382,727
Inventories	275,000	-	-	-
TOTAL ASSETS	<u>\$ 722,366</u>	<u>\$ 9,195</u>	<u>\$ 591,710</u>	<u>\$ 984,746</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 1,634,903	\$ 12,321	\$ 15,708	\$ 214,266
Accrued salaries	38,484	12,769	22,000	6,831
Other current liabilities	9,060	3,129	466,062	1,639
Due to other funds	449,124	3,227	348,701	11,110
Deferred revenues	-	7,632	-	111,790
Total Liabilities	<u>2,131,571</u>	<u>39,078</u>	<u>852,471</u>	<u>345,636</u>
Fund Balances				
Reserved for				
Reserved for inventories and prepaid items	275,000	-	-	-
Special revenue funds undesignated	(1,684,205)	(29,883)	(260,761)	639,110
Capital projects funds undesignated	-	-	-	-
Permanent funds undesignated	-	-	-	-
Total Fund Balances	<u>(1,409,205)</u>	<u>(29,883)</u>	<u>(260,761)</u>	<u>639,110</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 722,366</u>	<u>\$ 9,195</u>	<u>\$ 591,710</u>	<u>\$ 984,746</u>

Special Revenue

Enhancing Sec & Crime Prevention	Repeat Offender Strike Force	Homeland Security	Lakefront Redevelopment TIF #1	Lewis Ave. TIF #2	Belvidere Mall Rdvev TIF #3	Lakefront Redevelopment TIF
\$ 105,448	\$ -	\$ -	\$ 104,444	\$ 74,076	\$ 26,966	\$ 76,724
-	-	-	-	255,857	311,392	30,144
-	-	-	468,078	-	-	-
-	-	-	-	-	-	-
11,110	-	-	1,531,160	710,100	758,901	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 116,558</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,103,682</u>	<u>\$ 1,040,033</u>	<u>\$ 1,097,259</u>	<u>\$ 106,868</u>
\$ -	\$ -	\$ -	\$ 794,828	\$ -	\$ -	\$ -
-	-	-	5,604	-	-	-
-	-	-	1,166	-	-	-
34,808	-	122,777	-	-	-	10,000
<u>51,102</u>	<u>-</u>	<u>-</u>	<u>143,367</u>	<u>255,857</u>	<u>311,392</u>	<u>30,144</u>
<u>85,910</u>	<u>-</u>	<u>122,777</u>	<u>944,965</u>	<u>255,857</u>	<u>311,392</u>	<u>40,144</u>
-	-	-	-	-	-	-
30,648	-	(122,777)	1,158,717	784,176	785,867	66,724
-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>30,648</u>	<u>-</u>	<u>(122,777)</u>	<u>1,158,717</u>	<u>784,176</u>	<u>785,867</u>	<u>66,724</u>
<u>\$ 116,558</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,103,682</u>	<u>\$ 1,040,033</u>	<u>\$ 1,097,259</u>	<u>\$ 106,868</u>

CITY OF WAUKEGAN
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
April 30, 2009

	Special Revenue			
	Home Rehab Assistance	Neighborhood Stabilization	Brownfields Redevelopment	Wetland Mitigation
ASSETS				
Cash and cash equivalents	\$ 21,582	\$ 99,552	\$ 8,948	\$ 16,546
Receivables (net)				
Property taxes	-	-	-	-
Other taxes	-	-	-	-
Intergovernmental	9,800	-	-	-
Accounts	-	-	10,461	-
Due from other funds	-	-	51,925	-
Inventories	-	-	-	-
TOTAL ASSETS	<u>\$ 31,382</u>	<u>\$ 99,552</u>	<u>\$ 71,334</u>	<u>\$ 16,546</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 31,382	\$ -	\$ -	\$ 21,941
Accrued salaries	-	-	-	-
Other current liabilities	-	-	-	-
Due to other funds	-	-	119,239	-
Deferred revenues	-	-	33,652	-
Total Liabilities	<u>31,382</u>	<u>-</u>	<u>152,891</u>	<u>21,941</u>
Fund Balances				
Reserved for				
Reserved for inventories and prepaid items	-	-	-	-
Special revenue funds undesignated	-	99,552	(81,557)	(5,395)
Capital projects funds undesignated	-	-	-	-
Permanent funds undesignated	-	-	-	-
Total Fund Balances	<u>-</u>	<u>99,552</u>	<u>(81,557)</u>	<u>(5,395)</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 31,382</u>	<u>\$ 99,552</u>	<u>\$ 71,334</u>	<u>\$ 16,546</u>

Special Revenue

Downtown Waterfront TIF #4	Environment Remediation	Public Education & Government	Scoopin' The Genesee	Prison Review Agency	Shawna's Law	Coke Plant Superfund Site
\$ 43,836	\$ 170	\$ 6,744	\$ 24,430	\$ 160,677	\$ 16,037	\$ -
486,700	-	-	-	-	-	-
-	-	-	-	-	-	-
10,464	-	-	-	-	-	-
-	-	-	-	-	-	-
189,526	-	-	3,900	28,394	106,379	-
-	-	-	-	-	-	-
<u>\$ 730,526</u>	<u>\$ 170</u>	<u>\$ 6,744</u>	<u>\$ 28,330</u>	<u>\$ 189,071</u>	<u>\$ 122,416</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ 100	\$ -	\$ (590)	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
37,223	3,569,188	-	-	-	-	12,321
497,164	-	-	-	-	-	-
<u>534,387</u>	<u>3,569,188</u>	<u>-</u>	<u>100</u>	<u>-</u>	<u>(590)</u>	<u>12,321</u>
-	-	-	-	-	-	-
196,139	(3,569,018)	6,744	28,230	189,071	123,006	(12,321)
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>196,139</u>	<u>(3,569,018)</u>	<u>6,744</u>	<u>28,230</u>	<u>189,071</u>	<u>123,006</u>	<u>(12,321)</u>
<u>\$ 730,526</u>	<u>\$ 170</u>	<u>\$ 6,744</u>	<u>\$ 28,330</u>	<u>\$ 189,071</u>	<u>\$ 122,416</u>	<u>\$ -</u>

CITY OF WAUKEGAN
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
April 30, 2009

	Special Revenue	Capital Projects		
	Edward Byrne Memorial Grant	Capital Equipment Replacement	Street/Sidewalk Rehabilitation	2001A Capital Improvements
ASSETS				
Cash and cash equivalents	\$ -	\$ 2,051	\$ 75,052	\$ 6,404
Receivables (net)				
Property taxes	-	-	-	-
Other taxes	-	-	234,039	-
Intergovernmental Accounts	233,781	-	-	-
Due from other funds	-	-	22,634	-
Inventories	-	-	-	-
TOTAL ASSETS	<u>\$ 233,781</u>	<u>\$ 2,051</u>	<u>\$ 331,725</u>	<u>\$ 6,405</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 171,260	\$ -	\$ 547,613	\$ -
Accrued salaries	-	-	-	-
Other current liabilities	-	-	-	-
Due to other funds	150,245	-	578,968	-
Deferred revenues	-	-	79,489	-
Total Liabilities	<u>321,505</u>	<u>-</u>	<u>1,206,070</u>	<u>-</u>
Fund Balances				
Reserved for				
Reserved for inventories and prepaid items	-	-	-	-
Special revenue funds undesignated	(87,724)	-	-	-
Capital projects funds undesignated	-	2,051	(874,345)	6,405
Permanent funds undesignated	-	-	-	-
Total Fund Balances	<u>(87,724)</u>	<u>2,051</u>	<u>(874,345)</u>	<u>6,405</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 233,781</u>	<u>\$ 2,051</u>	<u>\$ 331,725</u>	<u>\$ 6,405</u>

<u>Capital Projects</u>		<u>Permanent Fund</u>		Total
<u>2004B Capital Improvement</u>	<u>Fountain Square Special Assmt</u>	<u>Working Cash</u>	<u>Cemetery Trust</u>	<u>Nonmajor Governmental Funds</u>
\$ -	\$ 269,100	\$ 42	\$ 43,021	\$ 2,205,614
-	-	-	-	1,084,093
-	-	-	-	702,117
-	-	-	-	688,500
-	-	-	4	190,298
-	250,459	-	-	4,059,454
-	-	-	-	275,000
<u>\$ -</u>	<u>\$ 519,559</u>	<u>\$ 42</u>	<u>\$ 43,025</u>	<u>\$ 9,205,076</u>
\$ -	\$ -	\$ -	\$ -	\$ 3,443,732
-	-	-	-	85,688
-	-	-	-	481,056
-	414,700	-	-	5,861,631
-	-	-	-	1,521,589
-	414,700	-	-	11,393,696
-	-	-	-	275,000
-	-	-	-	(1,745,657)
-	104,859	-	-	(761,030)
-	-	42	43,025	43,067
-	104,859	42	43,025	(2,188,620)
<u>\$ -</u>	<u>\$ 519,559</u>	<u>\$ 42</u>	<u>\$ 43,025</u>	<u>\$ 9,205,076</u>

CITY OF WAUKEGAN

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended April 30, 2009

	Special Revenue			
	Motor Fuel Tax	CDBG	Narcotics Forfeiture	911 Emergency System
REVENUES				
Property taxes	\$ -	\$ -	\$ -	\$ -
Other taxes	-	-	-	-
Intergovernmental	2,737,244	983,786	428,675	-
Fines and forfeitures	-	-	105,635	-
Charges for services	-	-	-	921,818
Investment income	7,841	-	5,284	3,526
Miscellaneous	20,526	34,351	9	-
Total Revenues	<u>2,765,611</u>	<u>1,018,137</u>	<u>539,603</u>	<u>925,344</u>
EXPENDITURES				
Current				
Central services	-	-	-	-
Public safety - police and communication services	-	-	912,770	871,535
Public safety - fire services	-	-	-	-
Streets, bridges and public works	2,966,125	-	-	-
Sanitation and environment	-	-	-	-
Economic development	-	-	-	-
Culture and recreation	-	-	-	-
Community development	-	778,500	-	-
Capital Outlay	2,760,078	240,691	3,725	5,089
Total Expenditures	<u>5,726,203</u>	<u>1,019,191</u>	<u>916,495</u>	<u>876,624</u>
Excess (deficiency) of revenues over expenditures	<u>(2,960,592)</u>	<u>(1,054)</u>	<u>(376,892)</u>	<u>48,720</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	1,571	-
Transfers out	(305,000)	-	(87,175)	-
Total Other Financing Sources (Uses)	<u>(305,000)</u>	<u>-</u>	<u>(85,604)</u>	<u>-</u>
Net Change in Fund Balances	(3,265,592)	(1,054)	(462,496)	48,720
FUND BALANCES (DEFICIT) - Beginning of Year (as restated)	<u>1,856,387</u>	<u>(28,829)</u>	<u>201,735</u>	<u>590,390</u>
FUND BALANCES (DEFICIT) - END OF YEAR	<u>\$ (1,409,205)</u>	<u>\$ (29,883)</u>	<u>\$ (260,761)</u>	<u>\$ 639,110</u>

Special Revenue

Enhancing Sec & Crime Prevention	Repeat Offender Strike Force	Homeland Security	Lakefront Redevelopment TIF #1	Lewis Ave. TIF #2	Belvidere Mall Rddev TIF #3	Lakefront Redevelopment TIF
\$ -	\$ -	\$ -	\$ -	\$ 238,262	\$ 290,320	\$ 58,292
-	-	-	2,141,047	-	-	-
5,172	-	227,100	-	-	-	-
-	-	-	-	-	-	-
1,423	-	-	14,880	5,847	5,990	925
<u>6,595</u>	<u>-</u>	<u>227,100</u>	<u>2,155,927</u>	<u>244,109</u>	<u>296,310</u>	<u>59,217</u>
-	-	-	-	-	-	-
5,172	-	-	-	-	-	-
-	-	288,105	-	-	-	-
-	-	-	-	-	-	-
-	-	-	2,328,451	-	-	52,534
-	-	-	-	-	-	-
-	-	-	421,241	-	-	-
<u>5,172</u>	<u>-</u>	<u>288,105</u>	<u>2,749,692</u>	<u>-</u>	<u>-</u>	<u>52,534</u>
1,423	-	(61,005)	(593,765)	244,109	296,310	6,683
-	-	-	-	-	-	-
-	(9,762)	-	(537,965)	-	-	-
-	(9,762)	-	(537,965)	-	-	-
1,423	(9,762)	(61,005)	(1,131,730)	244,109	296,310	6,683
<u>29,225</u>	<u>9,762</u>	<u>(61,772)</u>	<u>2,290,447</u>	<u>540,067</u>	<u>489,557</u>	<u>60,041</u>
<u>\$ 30,648</u>	<u>\$ -</u>	<u>\$ (122,777)</u>	<u>\$ 1,158,717</u>	<u>\$ 784,176</u>	<u>\$ 785,867</u>	<u>\$ 66,724</u>

CITY OF WAUKEGAN

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS For the Year Ended April 30, 2009

	Special Revenue			
	Home Rehab Assistance	Neighborhood Stabilization	Brownfields Redevelopment	Wetland Mitigation
REVENUES				
Property taxes	\$ -	\$ -	\$ -	\$ -
Other taxes	-	-	-	-
Intergovernmental	-	-	-	-
Fines and forfeitures	286,605	-	287,992	-
Charges for services	-	-	-	-
Investment income	-	1,015	-	259
Miscellaneous	-	-	9,480	5,000
Total Revenues	286,605	1,015	297,472	5,259
EXPENDITURES				
Current				
Central services	-	-	-	-
Public safety - police and communication services	-	-	-	-
Public safety - fire services	-	-	-	-
Streets, bridges and public works	-	-	-	-
Sanitation and environment	-	-	311,544	43,184
Economic development	-	-	-	-
Culture and recreation	-	-	-	-
Community development	286,605	20,000	-	-
Capital Outlay	-	-	-	-
Total Expenditures	286,605	20,000	311,544	43,184
Excess (deficiency) of revenues over expenditures	-	(18,985)	(14,072)	(37,925)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	-	(18,985)	(14,072)	(37,925)
FUND BALANCES (DEFICIT) - Beginning of Year (as restated)	-	118,537	(67,485)	32,530
FUND BALANCES (DEFICIT) - END OF YEAR	\$ -	\$ 99,552	\$ (81,557)	\$ (5,395)

Special Revenue

Downtown Waterfront TIF #4	Environment Remediation	Public Education & Government	Scoopin' The Genesee	Prison Review Agency	Shawna's Law	Coke Plant Superfund Site
\$ 344,513	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
5,184	-	-	-	-	-	-
-	-	-	-	94,735	20,745	-
-	-	6,744	15,167	-	-	-
2,927	34	-	10	1,132	-	-
-	-	-	85,387	-	-	-
<u>352,624</u>	<u>34</u>	<u>6,744</u>	<u>100,564</u>	<u>95,867</u>	<u>20,745</u>	<u>-</u>
-	-	-	-	-	-	-
-	-	-	-	55,574	15,320	-
-	-	-	-	-	-	368
-	661,993	-	-	-	-	-
642,039	-	-	-	-	-	-
-	-	-	80,730	-	-	-
-	-	-	-	-	-	-
14,938	-	-	-	-	-	-
<u>656,977</u>	<u>661,993</u>	<u>-</u>	<u>80,730</u>	<u>55,574</u>	<u>15,320</u>	<u>368</u>
(304,353)	(661,959)	6,744	19,834	40,293	5,425	(368)
352,269	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>352,269</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
47,916	(661,959)	6,744	19,834	40,293	5,425	(368)
148,223	(2,907,059)	-	8,396	148,778	117,581	(11,953)
<u>\$ 196,139</u>	<u>\$ (3,569,018)</u>	<u>\$ 6,744</u>	<u>\$ 28,230</u>	<u>\$ 189,071</u>	<u>\$ 123,006</u>	<u>\$ (12,321)</u>

CITY OF WAUKEGAN

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended April 30, 2009

	Special	Capital Projects		
	Revenue			
	Edward Byrne	Capital	Street/Sidewalk	2001A Capital
	Memorial	Equipment	Rehabilitation	Improvements
	Grant	Replacement		
REVENUES				
Property taxes	\$ -	\$ -	\$ -	\$ -
Other taxes	-	-	1,070,523	-
Intergovernmental	233,781	-	80,000	-
Fines and forfeitures	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	12	251	-
Miscellaneous	-	-	-	-
Total Revenues	<u>233,781</u>	<u>12</u>	<u>1,150,774</u>	<u>-</u>
EXPENDITURES				
Current				
Central services	-	-	-	-
Public safety - police and communication services	-	-	-	-
Public safety - fire services	-	-	-	-
Streets, bridges and public works	-	-	133,560	-
Sanitation and environment	-	-	-	-
Economic development	-	-	-	-
Culture and recreation	321,505	-	-	-
Community development	-	-	-	-
Capital Outlay	-	-	2,382,226	8,124
Total Expenditures	<u>321,505</u>	<u>-</u>	<u>2,515,786</u>	<u>8,124</u>
Excess (deficiency) of revenues over expenditures	<u>(87,724)</u>	<u>12</u>	<u>(1,365,012)</u>	<u>(8,124)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	1,031
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,031</u>
Net Change in Fund Balances	<u>(87,724)</u>	<u>12</u>	<u>(1,365,012)</u>	<u>(7,093)</u>
FUND BALANCES (DEFICIT) - Beginning of Year (as restated)	<u>-</u>	<u>2,039</u>	<u>490,667</u>	<u>13,498</u>
FUND BALANCES (DEFICIT) - END OF YEAR	<u>\$ (87,724)</u>	<u>\$ 2,051</u>	<u>\$ (874,345)</u>	<u>\$ 6,405</u>

<u>Capital Projects</u>		<u>Permanent</u>		<u>Total Nonmajor Governmental Funds</u>
<u>2004B Capital Improvement</u>	<u>Fountain Square Special Assmt</u>	<u>Working Cash</u>	<u>Cemetery Trust</u>	
\$ -	\$ -	\$ -	\$ -	\$ 931,387
-	-	-	-	3,211,570
-	-	-	-	4,700,942
-	-	-	-	795,712
-	-	-	-	943,729
-	429	6,701	4	58,490
-	-	-	-	154,753
-	429	6,701	4	10,796,583
1,282	-	-	-	1,282
-	-	-	-	1,860,371
-	-	-	-	288,105
-	-	-	-	3,100,053
-	-	-	-	1,016,721
-	188,787	-	-	3,211,811
-	-	-	-	402,235
-	-	-	-	1,085,105
-	-	-	-	5,836,112
1,282	188,787	-	-	16,801,795
(1,282)	(188,358)	6,701	4	(6,005,212)
-	-	-	-	354,871
(8,111)	-	(975,046)	-	(1,923,059)
(8,111)	-	(975,046)	-	(1,568,188)
(9,393)	(188,358)	(968,345)	4	(7,573,400)
9,393	293,217	968,387	43,021	5,384,780
\$ -	\$ 104,859	\$ 42	\$ 43,025	\$ (2,188,620)

CITY OF WAUKEGAN

DETAILED SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - MOTOR FUEL TAX - NONMAJOR SPECIAL REVENUE FUND For the Year Ended April 30, 2009

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
INTERGOVERNMENTAL				
Motor fuel tax	\$ 2,868,925	\$ 2,868,925	\$ 2,444,393	\$ (424,532)
Federal grants	-	-	292,851	292,851
Total Intergovernmental	2,868,925	2,868,925	2,737,244	(131,681)
MISCELLANEOUS				
Sale of miscellaneous items	-	-	8,579	8,579
Service reimbursements	-	-	11,947	11,947
Total Miscellaneous	-	-	20,526	20,526
Investment income	100,000	100,000	7,841	(92,159)
Total Revenues	2,968,925	2,968,925	2,765,611	(203,314)
EXPENDITURES				
STREETS, BRIDGES AND PUBLIC WORKS				
Personnel services	894,747	894,747	887,910	6,837
Personnel benefits	417,713	417,713	411,019	6,694
Contractual services	606,220	606,220	1,054,521	(448,301)
Commodities	450,000	450,000	612,675	(162,675)
Capital outlay	1,875,470	1,875,470	2,760,078	(884,608)
Total Expenditures	4,244,150	4,244,150	5,726,203	(1,482,053)
Excess (deficiency) of revenues over (under) expenditures	(1,275,225)	(1,275,225)	(2,960,592)	(1,685,367)
OTHER FINANCING SOURCES (USES)				
Transfers out	(305,000)	(305,000)	(305,000)	-
Total Other Financing Sources (Uses)	(305,000)	(305,000)	(305,000)	-
Net Change in Fund Balance	\$ (1,580,225)	\$ (1,580,225)	(3,265,592)	\$ (1,685,367)
FUND BALANCE - Beginning of Year			1,856,387	
FUND BALANCE (DEFICIT) - END OF YEAR			\$ (1,409,205)	

CITY OF WAUKEGAN

DETAILED SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL - CDBG - NONMAJOR SPECIAL REVENUE FUND
 For the Year Ended April 30, 2009

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
FINES AND FORFEITURES				
Federal grants	\$ 1,103,662	\$ 1,103,662	\$ 983,786	\$ (119,876)
MISCELLANEOUS				
Liens	69,106	69,106	34,351	(34,755)
Total Revenues	<u>1,172,768</u>	<u>1,172,768</u>	<u>1,018,137</u>	<u>(154,631)</u>
EXPENDITURES				
COMMUNITY DEVELOPMENT				
Personnel services	272,336	272,336	273,291	(955)
Personnel benefits	140,906	140,906	141,195	(289)
Contractual services	617,070	617,070	360,217	256,853
Commodities	6,000	6,000	3,797	2,203
Capital outlay	294,969	294,969	240,691	54,278
Total Expenditures	<u>1,331,281</u>	<u>1,331,281</u>	<u>1,019,191</u>	<u>312,090</u>
Net Change in Fund Balance	<u>\$ (158,513)</u>	<u>\$ (158,513)</u>	(1,054)	<u>\$ 157,459</u>
FUND BALANCE (DEFICIT) - Beginning of Year			<u>(28,829)</u>	
FUND BALANCE (DEFICIT) - END OF YEAR			<u>\$ (29,883)</u>	

CITY OF WAUKEGAN

DETAILED SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - NARCOTICS FORFEITURE - NONMAJOR SPECIAL REVENUE FUND

For the Year Ended April 30, 2009

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
INTERGOVERNMENTAL				
Federal grants	\$ 800,000	\$ 800,000	\$ 318,240	\$ (481,760)
State grants	75,000	75,000	110,435	35,435
Other	5,000	5,000	-	(5,000)
Total Intergovernmental	880,000	880,000	428,675	(451,325)
FINES AND FORFEITURES				
Code enforcement/zoning	4,000	4,000	85,218	81,218
Customs/border patrol	200,000	200,000	20,417	(179,583)
Total Fines and Forfeitures	204,000	204,000	105,635	(98,365)
Investment income	10,000	10,000	5,284	(4,716)
Other miscellaneous revenue	-	-	9	9
Total Revenues	1,094,000	1,094,000	539,603	(554,397)
EXPENDITURES				
PUBLIC SAFETY - POLICE AND COMMUNICATION SERVICE				
Personnel services	118,133	118,133	353,432	(235,299)
Personnel benefits	93,817	93,817	95,696	(1,879)
Contractual services	412,347	412,347	445,289	(32,942)
Commodities	23,000	23,000	18,353	4,647
Capital outlay	180,000	180,000	3,725	176,275
Total Public Safety - Police and Communication Service	827,297	827,297	916,495	(89,198)
Total Expenditures	827,297	827,297	916,495	(89,198)
Excess (deficiency) of revenues over (under) expenditures	266,703	266,703	(376,892)	(643,595)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	1,571	1,571
Transfers out	-	-	(87,175)	(87,175)
Total Other Financing Sources (Uses)	-	-	(85,604)	(85,604)

CITY OF WAUKEGAN

DETAILED SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - NARCOTICS FORFEITURE
For the Year Ended April 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Net Change in Fund Balance	<u>\$ 266,703</u>	<u>\$ 266,703</u>	(462,496)	<u>\$ (729,199)</u>
FUND BALANCE - Beginning of Year, as restated			<u>201,735</u>	
FUND BALANCE (DEFICIT) - END OF YEAR			<u>\$ (260,761)</u>	

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CITY OF WAUKEGAN

DETAILED SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - 911 EMERGENCY SYSTEM - NONMAJOR SPECIAL REVENUE FUND

For the Year Ended April 30, 2009

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
PUBLIC CHARGES FOR SERVICES				
911 emergency surcharge	\$ 775,000	\$ 775,000	\$ 921,818	\$ 146,818
Total Public Charges for Services	775,000	775,000	921,818	146,818
Investment income	15,000	15,000	3,526	(11,474)
Total Revenues	790,000	790,000	925,344	135,344
EXPENDITURES				
PUBLIC SAFETY - POLICE AND COMMUNICATION SERVICES				
Personnel services	199,854	199,854	193,271	6,583
Personnel benefits	75,573	75,573	74,765	808
Contractual services	369,500	369,500	516,608	(147,108)
Commodities	46,000	46,000	86,891	(40,891)
Capital outlay	13,000	13,000	5,089	7,911
Total Expenditures	703,927	703,927	876,624	(172,697)
 Net Change in Fund Balance	 \$ 86,073	 \$ 86,073	 48,720	 \$ (37,353)
 FUND BALANCE - Beginning of Year			 590,390	
 FUND BALANCE - END OF YEAR			 \$ 639,110	

CITY OF WAUKEGAN

DETAILED SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL - ENHANCING SEC & CRIME PREVENTION - NONMAJOR
 SPECIAL REVENUE FUND
 For the Year Ended April 30, 2009

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
INTERGOVERNMENTAL				
State grants	\$ 44,000	\$ 44,000	\$ 5,172	\$ (38,828)
Investment income	548	548	1,423	875
Total Revenues	<u>44,548</u>	<u>44,548</u>	<u>6,595</u>	<u>(37,953)</u>
EXPENDITURES				
PUBLIC SAFETY - POLICE AND COMMUNICATION SERVICES				
Contractual services	44,548	44,548	5,172	39,376
Total Expenditures	<u>44,548</u>	<u>44,548</u>	<u>5,172</u>	<u>39,376</u>
 Net Change in Fund Balance	 <u>\$ -</u>	 <u>\$ -</u>	 1,423	 <u>\$ 1,423</u>
 FUND BALANCE - Beginning of Year			 <u>29,225</u>	
 FUND BALANCE - END OF YEAR			 <u>\$ 30,648</u>	

CITY OF WAUKEGAN

DETAILED SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL - REPEAT OFFENDER STRIKE FORCE - NONMAJOR
 SPECIAL REVENUE FUND
 For the Year Ended April 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Total Revenues	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Total Expenditures	-	-	-	-
OTHER FINANCING SOURCES (USES)				
Transfers out	(9,862)	(9,862)	(9,762)	100
Total Other Financing Sources (Uses)	(9,862)	(9,862)	(9,762)	100
Net Change in Fund Balance	<u>\$ (9,862)</u>	<u>\$ (9,862)</u>	(9,762)	<u>\$ 100</u>
FUND BALANCE - Beginning of Year			<u>9,762</u>	
FUND BALANCE - END OF YEAR			<u>\$ -</u>	

CITY OF WAUKEGAN

DETAILED SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - LAKEFRONT REDEVELOPMENT TIF #1 - NONMAJOR
SPECIAL REVENUE FUND
For the Year Ended April 30, 2009

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
OTHER TAXES				
Home rule sales	\$ 2,154,775	\$ 2,154,775	\$ 2,141,047	\$ (13,728)
Investment income	30,000	30,000	14,880	(15,120)
Total Revenues	<u>2,184,775</u>	<u>2,184,775</u>	<u>2,155,927</u>	<u>(28,848)</u>
EXPENDITURES				
ECONOMIC DEVELOPMENT				
Personnel services	150,868	150,868	145,570	5,298
Personnel benefits	70,460	70,460	64,716	5,744
Contractual services	3,137,380	3,137,380	2,095,719	1,041,661
Commodities	6,500	6,500	22,446	(15,946)
Capital outlay	<u>204,000</u>	<u>204,000</u>	<u>421,241</u>	<u>(217,241)</u>
Total Expenditures	<u>3,569,208</u>	<u>3,569,208</u>	<u>2,749,692</u>	<u>819,516</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,384,433)</u>	<u>(1,384,433)</u>	<u>(593,765)</u>	<u>790,668</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	-	-	(537,965)	(537,965)
Total Other Financing Sources (Uses)	-	-	(537,965)	(537,965)
Net Change in Fund Balance	<u>\$ (1,384,433)</u>	<u>\$ (1,384,433)</u>	<u>(1,131,730)</u>	<u>\$ 252,703</u>
FUND BALANCE - Beginning of Year			<u>2,290,447</u>	
FUND BALANCE - END OF YEAR			<u>\$ 1,158,717</u>	

CITY OF WAUKEGAN

DETAILED SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL - LEWIS AVE. TIF #2 - NONMAJOR SPECIAL REVENUE FUND
 For the Year Ended April 30, 2009

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
PROPERTY TAXES				
Property taxes - TIF	\$ 238,262	\$ 238,262	\$ 238,262	\$ -
Investment income	<u>10,000</u>	<u>10,000</u>	<u>5,847</u>	<u>(4,153)</u>
Total Revenues	<u>248,262</u>	<u>248,262</u>	<u>244,109</u>	<u>(4,153)</u>
EXPENDITURES				
ECONOMIC DEVELOPMENT				
Contractual services	<u>248,262</u>	<u>248,262</u>	-	<u>248,262</u>
Total Expenditures	<u>248,262</u>	<u>248,262</u>	-	<u>248,262</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	244,109	<u>\$ 244,109</u>
FUND BALANCE - Beginning of Year			<u>540,067</u>	
FUND BALANCE - END OF YEAR			<u>\$ 784,176</u>	

CITY OF WAUKEGAN

DETAILED SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL - BELVIDERE MALL RDVEV TIF #3 - NONMAJOR SPECIAL
 REVENUE FUND
 For the Year Ended April 30, 2009

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
PROPERTY TAXES				
Property taxes - TIF	\$ 290,320	\$ 290,320	\$ 290,320	\$ -
Investment income	2,500	2,500	5,990	3,490
Total Revenues	<u>292,820</u>	<u>292,820</u>	<u>296,310</u>	<u>3,490</u>
EXPENDITURES				
ECONOMIC DEVELOPMENT				
Contractual services	292,820	292,820	-	292,820
Total Expenditures	<u>292,820</u>	<u>292,820</u>	<u>-</u>	<u>292,820</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	296,310	<u>\$ 296,310</u>
FUND BALANCE - Beginning of Year			<u>489,557</u>	
FUND BALANCE - END OF YEAR			<u>\$ 785,867</u>	

CITY OF WAUKEGAN

DETAILED SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL - LAKEFRONT REDEVELOPMENT TIF - NONMAJOR SPECIAL
 REVENUE FUND
 For the Year Ended April 30, 2009

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
PROPERTY TAXES				
Property taxes - TIF	\$ 59,736	\$ 59,736	\$ 58,292	\$ (1,444)
Investment income	1,500	1,500	925	(575)
Total Revenues	<u>61,236</u>	<u>61,236</u>	<u>59,217</u>	<u>(2,019)</u>
EXPENDITURES				
ECONOMIC DEVELOPMENT				
Contractual services	20,000	20,000	52,534	(32,534)
Capital outlay	500,000	500,000	-	500,000
Total Expenditures	<u>520,000</u>	<u>520,000</u>	<u>52,534</u>	<u>467,466</u>
Net Change in Fund Balance	<u>\$ (458,764)</u>	<u>\$ (458,764)</u>	6,683	<u>\$ 465,447</u>
FUND BALANCE - Beginning of Year			<u>60,041</u>	
FUND BALANCE - END OF YEAR			<u>\$ 66,724</u>	

CITY OF WAUKEGAN

DETAILED SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL - NEIGHBORHOOD STABILIZATION - NONMAJOR SPECIAL
 REVENUE FUND
 For the Year Ended April 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Investment income	\$ 7,000	\$ 7,000	\$ 1,015	\$ (5,985)
Total Revenues	<u>7,000</u>	<u>7,000</u>	<u>1,015</u>	<u>(5,985)</u>
EXPENDITURES				
COMMUNITY DEVELOPMENT				
Contractual services	125,537	125,537	20,000	105,537
Total Expenditures	<u>125,537</u>	<u>125,537</u>	<u>20,000</u>	<u>105,537</u>
Net Change in Fund Balance	<u>\$ (118,537)</u>	<u>\$ (118,537)</u>	(18,985)	<u>\$ 99,552</u>
FUND BALANCE - Beginning of Year			<u>118,537</u>	
FUND BALANCE - END OF YEAR			<u>\$ 99,552</u>	

CITY OF WAUKEGAN

DETAILED SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL - BROWNFIELDS REDEVELOPMENT - NONMAJOR SPECIAL
 REVENUE FUND
 For the Year Ended April 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
FINES AND FORFEITURES				
LC environmental and risk	\$ 270,000	\$ 270,000	\$ 287,992	\$ 17,992
MISCELLANEOUS				
Other miscellaneous revenue	-	-	9,480	9,480
Total Revenues	<u>270,000</u>	<u>270,000</u>	<u>297,472</u>	<u>27,472</u>
EXPENDITURES				
SANITATION AND ENVIRONMENT				
Contractual services	<u>270,000</u>	<u>270,000</u>	<u>311,544</u>	<u>(41,544)</u>
Total Expenditures	<u>270,000</u>	<u>270,000</u>	<u>311,544</u>	<u>(41,544)</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	(14,072)	<u>\$ (14,072)</u>
FUND BALANCE (DEFICIT) - Beginning of Year			<u>(67,485)</u>	
FUND BALANCE (DEFICIT) - END OF YEAR			<u>\$ (81,557)</u>	

CITY OF WAUKEGAN

DETAILED SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - WETLAND MITIGATION - NONMAJOR SPECIAL REVENUE
FUND

For the Year Ended April 30, 2009

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
PUBLIC CHARGES FOR SERVICES				
Reimbursements	\$ -	\$ -	\$ 5,000	\$ 5,000
Investment income	<u>1,000</u>	<u>1,000</u>	<u>259</u>	<u>(741)</u>
Total Revenues	<u>1,000</u>	<u>1,000</u>	<u>5,259</u>	<u>4,259</u>
 EXPENDITURES				
SANITATION AND ENVIRONMENT				
Contractual services	<u>31,000</u>	<u>31,000</u>	<u>43,184</u>	<u>(12,184)</u>
Total Expenditures	<u>31,000</u>	<u>31,000</u>	<u>43,184</u>	<u>(12,184)</u>
 Net Change in Fund Balance	<u>\$ (30,000)</u>	<u>\$ (30,000)</u>	(37,925)	<u>\$ (7,925)</u>
 FUND BALANCE - Beginning of Year			<u>32,530</u>	
 FUND BALANCE (DEFICIT) - END OF YEAR			<u>\$ (5,395)</u>	

CITY OF WAUKEGAN

DETAILED SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - DOWNTOWN WATERFRONT TIF #4 - NONMAJOR SPECIAL
REVENUE FUND
For the Year Ended April 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
PROPERTY TAXES				
Property taxes - TIF	\$ 350,282	\$ 350,282	\$ 344,513	\$ (5,769)
Total Property Taxes	<u>350,282</u>	<u>350,282</u>	<u>344,513</u>	<u>(5,769)</u>
INTERGOVERNMENTAL				
Federal grants	<u>100,000</u>	<u>100,000</u>	5,184	(94,816)
Total Intergovernmental	<u>100,000</u>	<u>100,000</u>	<u>5,184</u>	<u>(94,816)</u>
Investment income	<u>2,500</u>	<u>2,500</u>	2,927	427
Total Revenues	<u>452,782</u>	<u>452,782</u>	<u>352,624</u>	<u>(100,158)</u>
EXPENDITURES				
ECONOMIC DEVELOPMENT				
Contractual services	1,582,200	1,582,200	642,039	940,161
Capital outlay	<u>139,000</u>	<u>139,000</u>	14,938	124,062
Total Expenditures	<u>1,721,200</u>	<u>1,721,200</u>	<u>656,977</u>	<u>1,064,223</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,268,418)</u>	<u>(1,268,418)</u>	<u>(304,353)</u>	<u>964,065</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	352,269	352,269
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>352,269</u>	<u>352,269</u>
Net Change in Fund Balance	<u>\$ (1,268,418)</u>	<u>\$ (1,268,418)</u>	47,916	<u>\$ 1,316,334</u>
FUND BALANCE - Beginning of Year			<u>148,223</u>	
FUND BALANCE - END OF YEAR			<u>\$ 196,139</u>	

CITY OF WAUKEGAN

DETAILED SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - SCOOPIN' THE GENESEE - NONMAJOR SPECIAL REVENUE FUND

For the Year Ended April 30, 2009

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
CHARGES FOR SERVICES				
Vendor fees	\$ -	\$ -	\$ 8,250	\$ 8,250
Vehicle registration	-	-	6,917	6,917
Total Charges for services	-	-	15,167	15,167
MISCELLANEOUS				
Special events	50,000	50,000	-	(50,000)
Downtown events/merchandise	-	-	2,414	2,414
Downtown events/food-drink	-	-	43,888	43,888
Other miscellaneous revenue	-	-	39,085	39,085
Total Miscellaneous	50,000	50,000	85,387	35,387
Investment income	-	-	10	10
Total Revenues	50,000	50,000	100,564	50,564
EXPENDITURES				
CULTURE AND RECREATION				
Contractual services	25,000	25,000	33,570	(8,570)
Commodities	25,000	25,000	47,160	(22,160)
Total Expenditures	50,000	50,000	80,730	(30,730)
Net Change in Fund Balance	\$ -	\$ -	19,834	\$ 19,834
FUND BALANCE - Beginning of Year			8,396	
FUND BALANCE - END OF YEAR			\$ 28,230	

CITY OF WAUKEGAN

DETAILED SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - PRISON REVIEW AGENCY - NONMAJOR SPECIAL REVENUE FUND

For the Year Ended April 30, 2009

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
FINES AND FORFEITURES				
Prison review agency	\$ 100,000	\$ 100,000	\$ 94,735	\$ (5,265)
Investment income	500	500	1,132	632
Total Revenues	<u>100,500</u>	<u>100,500</u>	<u>95,867</u>	<u>(4,633)</u>
EXPENDITURES				
PUBLIC SAFETY - POLICE AND COMMUNICATION SERVICES				
Contractual services	10,000	10,000	55,574	(45,574)
Commodities	<u>166,000</u>	<u>166,000</u>	-	<u>166,000</u>
Total Expenditures	<u>176,000</u>	<u>176,000</u>	<u>55,574</u>	<u>120,426</u>
Net Change in Fund Balance	<u>\$ (75,500)</u>	<u>\$ (75,500)</u>	40,293	<u>\$ 115,793</u>
FUND BALANCE - Beginning of Year			<u>148,778</u>	
FUND BALANCE - END OF YEAR			<u>\$ 189,071</u>	

CITY OF WAUKEGAN

DETAILED SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL - SHAWNA'S LAW - NONMAJOR SPECIAL REVENUE FUND
 For the Year Ended April 30, 2009

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
FINES AND FORFEITURES				
Late payment/penalties	\$ 25,000	\$ 25,000	\$ 20,745	\$ (4,255)
Total Revenues	<u>25,000</u>	<u>25,000</u>	<u>20,745</u>	<u>(4,255)</u>
EXPENDITURES				
PUBLIC SAFETY - POLICE AND COMMUNICATION SERVICES				
Commodities	25,025	25,025	15,320	9,705
Total Expenditures	<u>25,025</u>	<u>25,025</u>	<u>15,320</u>	<u>9,705</u>
Net Change in Fund Balance	<u>\$ (25)</u>	<u>\$ (25)</u>	5,425	<u>\$ 5,450</u>
FUND BALANCE - Beginning of Year			<u>117,581</u>	
FUND BALANCE - END OF YEAR			<u>\$ 123,006</u>	

CITY OF WAUKEGAN

DETAILED SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL - COKE PLANT SUPERFUND SITE - NONMAJOR SPECIAL
 REVENUE FUND
 For the Year Ended April 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
PUBLIC CHARGES FOR SERVICES				
License fee business license	\$ 756,761	\$ 756,761	\$ -	\$ (756,761)
Total Revenues	<u>756,761</u>	<u>756,761</u>	<u>-</u>	<u>(756,761)</u>
EXPENDITURES				
STREETS, BRIDGES AND PUBLIC WORKS				
Contractual services	60,000	60,000	368	59,632
Total Expenditures	<u>60,000</u>	<u>60,000</u>	<u>368</u>	<u>59,632</u>
 Net Change in Fund Balance	 <u>\$ 696,761</u>	 <u>\$ 696,761</u>	 (368)	 <u>\$ (697,129)</u>
 FUND BALANCE (DEFICIT) - Beginning of Year			 <u>(11,953)</u>	
 FUND BALANCE (DEFICIT) - END OF YEAR			 <u>\$ (12,321)</u>	

CITY OF WAUKEGAN

DETAILED SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL - EDWARD BYRNE MEMORIAL GRANT - NONMAJOR
 SPECIAL REVENUE FUND
 For the Year Ended April 30, 2009

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
INTERGOVERNMENTAL				
State grants	\$ 804,914	\$ 804,914	\$ 233,781	\$ (571,133)
Investment income	2,000	2,000	-	(2,000)
Total Revenues	<u>806,914</u>	<u>806,914</u>	<u>233,781</u>	<u>(573,133)</u>
EXPENDITURES				
PUBLIC SAFETY				
Contractual services	402,000	402,000	148,246	253,754
Commodities	<u>402,914</u>	<u>402,914</u>	<u>173,259</u>	<u>229,655</u>
Total Expenditures	<u>804,914</u>	<u>804,914</u>	<u>321,505</u>	<u>483,409</u>
Net Change in Fund Balance	<u>\$ 2,000</u>	<u>\$ 2,000</u>	(87,724)	<u>\$ (89,724)</u>
FUND BALANCE - Beginning of Year			-	
FUND BALANCE - END OF YEAR			<u>\$ (87,724)</u>	

CITY OF WAUKEGAN

DETAILED SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL - CAPITAL EQUIPMENT REPLACEMENT - NONMAJOR
 CAPITAL PROJECTS FUND
 For the Year Ended April 30, 2009

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Investment income	\$ -	\$ -	\$ 12	\$ 12
Total Revenues	-	-	12	12
EXPENDITURES				
Total Expenditures	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	-	-	12	12
OTHER FINANCING SOURCES (USES)				
Transfers out	(2,039)	(2,039)	-	2,039
Total Other Financing Sources (Uses)	(2,039)	(2,039)	-	2,039
Net Change in Fund Balance	\$ (2,039)	\$ (2,039)	12	\$ 2,051
FUND BALANCE - Beginning of Year			2,039	
FUND BALANCE - END OF YEAR			\$ 2,051	

CITY OF WAUKEGAN

DETAILED SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - STREET/SIDEWALK REHABILITATION - NONMAJOR
CAPITAL PROJECTS FUND
For the Year Ended April 30, 2009

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
OTHER TAXES				
Home rule sales	\$ 1,115,075	\$ 1,115,075	\$ 1,070,523	\$ (44,552)
INTERGOVERNMENTAL				
State grants	1,000	1,000	80,000	79,000
Investment income	-	-	251	251
Total Revenues	<u>1,116,075</u>	<u>1,116,075</u>	<u>1,150,774</u>	<u>34,699</u>
EXPENDITURES				
STREETS, BRIDGES AND PUBLIC WORKS				
Contractual services	-	-	5,972	(5,972)
Commodities	200,000	200,000	127,588	72,412
Capital outlay	1,547,000	1,547,000	2,382,226	(835,226)
Total Expenditures	<u>1,747,000</u>	<u>1,747,000</u>	<u>2,515,786</u>	<u>(768,786)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(630,925)</u>	<u>(630,925)</u>	<u>(1,365,012)</u>	<u>(734,087)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	600,000	600,000	-	(600,000)
Total Other Financing Sources (Uses)	<u>600,000</u>	<u>600,000</u>	<u>-</u>	<u>(600,000)</u>
Net Change in Fund Balance	<u>\$ (30,925)</u>	<u>\$ (30,925)</u>	<u>(1,365,012)</u>	<u>\$ (1,334,087)</u>
FUND BALANCE - Beginning of Year			<u>490,667</u>	
FUND BALANCE (DEFICIT) - END OF YEAR			<u>\$ (874,345)</u>	

CITY OF WAUKEGAN

DETAILED SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL - 2001A CAPITAL IMPROVEMENTS - NONMAJOR CAPITAL
 PROJECTS FUND
 For the Year Ended April 30, 2009

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Total Revenues	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
CAPITAL OUTLAY				
Capital outlay	13,497	13,497	8,124	5,373
Total Expenditures	13,497	13,497	8,124	5,373
Excess (deficiency) of revenues over (under) expenditures	(13,497)	(13,497)	(8,124)	5,373
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	1,031	1,031
Total Other Financing Sources (Uses)	-	-	1,031	1,031
Net Change in Fund Balance	<u>\$ (13,497)</u>	<u>\$ (13,497)</u>	(7,093)	<u>\$ 6,404</u>
FUND BALANCE - Beginning of Year			13,498	
FUND BALANCE - END OF YEAR			<u>\$ 6,405</u>	

CITY OF WAUKEGAN

DETAILED SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL - 2004B CAPITAL IMPROVEMENT - NONMAJOR CAPITAL
 PROJECTS FUND
 For the Year Ended April 30, 2009

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Investment income	\$ 500	\$ 500	\$ -	\$ (500)
Total Revenues	<u>500</u>	<u>500</u>	<u>-</u>	<u>(500)</u>
EXPENDITURES				
CENTRAL SERVICES				
Commodities	-	-	1,282	(1,282)
Capital outlay	<u>9,893</u>	<u>9,893</u>	<u>-</u>	<u>9,893</u>
Total Central Services	<u>9,893</u>	<u>9,893</u>	<u>1,282</u>	<u>8,611</u>
Total Expenditures	<u>9,893</u>	<u>9,893</u>	<u>1,282</u>	<u>8,611</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(9,393)</u>	<u>(9,393)</u>	<u>(1,282)</u>	<u>8,111</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	-	-	(8,111)	(8,111)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(8,111)</u>	<u>(8,111)</u>
Net Change in Fund Balance	<u>\$ (9,393)</u>	<u>\$ (9,393)</u>	<u>(9,393)</u>	<u>-</u>
FUND BALANCE - Beginning of Year		<u>9,393</u>	<u>9,393</u>	<u>\$ -</u>
FUND BALANCE - END OF YEAR			<u>\$ -</u>	

CITY OF WAUKEGAN

DETAILED SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL - FOUNTAIN SQUARE SPECIAL ASSMT - NONMAJOR
 CAPITAL PROJECTS FUND
 For the Year Ended April 30, 2009

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Investment income	\$ -	\$ -	\$ 429	\$ 429
Total Revenues	-	-	429	429
EXPENDITURES				
ECONOMIC DEVELOPMENT				
Contractual services	-	-	188,787	(188,787)
Total Expenditures	-	-	188,787	(188,787)
Excess (deficiency) of revenues over (under) expenditures	-	-	(188,358)	(188,358)
OTHER FINANCING SOURCES (USES)				
Transfers out	(48,117)	(48,117)	-	48,117
Total Other Financing Sources (Uses)	(48,117)	(48,117)	-	48,117
Net Change in Fund Balance	\$ (48,117)	\$ (48,117)	(188,358)	\$ (140,241)
FUND BALANCE - Beginning of Year			293,217	
FUND BALANCE - END OF YEAR			\$ 104,859	

CITY OF WAUKEGAN

DETAILED SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL - WORKING CASH - NONMAJOR PERMANENT TRUST FUND
 For the Year Ended April 30, 2009

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Investment income	\$ 44,000	\$ 44,000	\$ 6,701	\$ (37,299)
Total Revenues	<u>44,000</u>	<u>44,000</u>	<u>6,701</u>	<u>(37,299)</u>
EXPENDITURES				
Total Expenditures	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	<u>44,000</u>	<u>44,000</u>	<u>6,701</u>	<u>(37,299)</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	-	-	(975,046)	(975,046)
Total Other Financing Sources (Uses)	-	-	(975,046)	(975,046)
Net Change in Fund Balance	<u>\$ 44,000</u>	<u>\$ 44,000</u>	(968,345)	<u>\$ (1,012,345)</u>
FUND BALANCE - Beginning of Year			<u>968,387</u>	
FUND BALANCE - END OF YEAR			<u>\$ 42</u>	

CITY OF WAUKEGAN

DETAILED SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - CEMETERY TRUST - NONMAJOR PERMANENT TRUST FUND

For the Year Ended April 30, 2009

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Investment income	\$ 1,505	\$ 1,505	\$ 4	\$ (1,501)
Total Revenues	1,505	1,505	4	(1,501)
EXPENDITURES				
Total Expenditures	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	1,505	1,505	4	(1,501)
OTHER FINANCING SOURCES (USES)				
Transfers out	(1,505)	(1,505)	-	1,505
Total Other Financing Sources (Uses)	(1,505)	(1,505)	-	1,505
Net Change in Fund Balance	\$ -	\$ -	4	\$ 4
FUND BALANCE - Beginning of Year			43,021	
FUND BALANCE - END OF YEAR			\$ 43,025	

CITY OF WAUKEGAN

SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS - BUDGET AND ACTUAL WATER & SEWER FUND

For the Year Ended April 30, 2009

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
OPERATING REVENUES				
Charges for services	\$ 10,882,000	\$ 10,882,000	\$ 10,395,887	\$ (486,113)
Fines and forfeitures	225,000	225,000	245,990	20,990
Permits	765,000	765,000	174,519	(590,481)
Miscellaneous	<u>22,500</u>	<u>22,500</u>	<u>78,389</u>	<u>55,889</u>
Total Operating Revenues	<u>11,894,500</u>	<u>11,894,500</u>	<u>10,894,785</u>	<u>(999,715)</u>
OPERATING EXPENSES				
Personnel services	3,564,475	3,564,475	3,462,521	101,954
Personnel benefits	1,633,364	1,633,364	1,610,866	22,498
Contractual services	2,632,668	2,632,668	1,424,310	1,208,358
Commodities	1,073,350	1,073,350	1,170,579	(97,229)
Depreciation	1,400,000	1,400,000	2,137,125	(737,125)
Capital Outlay	<u>6,507,555</u>	<u>6,507,555</u>	<u>888,290</u>	<u>5,619,265</u>
Total Operating Expenses	<u>16,811,412</u>	<u>16,811,412</u>	<u>10,693,691</u>	<u>6,117,721</u>
Operating Income (Loss)	<u>(4,916,912)</u>	<u>(4,916,912)</u>	<u>201,094</u>	<u>5,118,006</u>
NON-OPERATING REVENUES (EXPENSES)				
Investment income	75,000	75,000	603	(74,397)
State grants	250,000	250,000	250,000	-
Sale of capital assets	-	-	(80,486)	(80,486)
Interest and fiscal charges	<u>(185,246)</u>	<u>(185,246)</u>	<u>(190,063)</u>	<u>(4,817)</u>
Total Non-Operating Revenues	<u>139,754</u>	<u>139,754</u>	<u>(19,946)</u>	<u>(159,700)</u>
Net Income Before Transfers	<u>(4,777,158)</u>	<u>(4,777,158)</u>	<u>181,148</u>	<u>4,958,306</u>
TRANSFERS				
Transfers in	-	-	513,646	513,646
Transfers out	<u>(1,700,000)</u>	<u>(1,700,000)</u>	<u>(1,569,300)</u>	<u>130,700</u>
Net Transfers	<u>(1,700,000)</u>	<u>(1,700,000)</u>	<u>(1,055,654)</u>	<u>644,346</u>
Change in net assets	<u>\$ (6,477,158)</u>	<u>\$ (6,477,158)</u>	<u>(874,506)</u>	<u>\$ 5,602,652</u>
NET ASSETS (DEFICIT) - Beginning of Year, as restated			<u>57,090,854</u>	
NET ASSETS - END OF YEAR			<u>\$ 56,216,348</u>	

CITY OF WAUKEGAN

SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS - BUDGET AND ACTUAL
MOTOR VEHICLE PARKING LOT FUND
For the Year Ended April 30, 2009

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
OPERATING REVENUES				
Charges for services	\$ 724,000	\$ 724,000	\$ 737,343	\$ 13,343
Miscellaneous	<u>231,000</u>	<u>231,000</u>	<u>142,855</u>	<u>(88,145)</u>
Total Operating Revenues	<u>955,000</u>	<u>955,000</u>	<u>880,198</u>	<u>(74,802)</u>
OPERATING EXPENSES				
Personnel services	132,348	132,348	124,857	7,491
Personnel benefits	45,975	45,975	48,283	(2,308)
Contractual services	781,966	781,966	249,417	532,549
Commodities	23,000	23,000	64,418	(41,418)
Depreciation	80,000	80,000	331,826	(251,826)
Capital outlay	<u>60,000</u>	<u>60,000</u>	<u>-</u>	<u>60,000</u>
Total Operating Expenses	<u>1,123,289</u>	<u>1,123,289</u>	<u>818,801</u>	<u>304,488</u>
Operating Income (Loss)	<u>(168,289)</u>	<u>(168,289)</u>	<u>61,397</u>	<u>229,686</u>
NON-OPERATING REVENUES (EXPENSES)				
Investment income	10,000	10,000	25	(9,975)
Interest and fiscal charges	<u>-</u>	<u>-</u>	<u>(301,118)</u>	<u>(301,118)</u>
Total Non-Operating Revenues	<u>10,000</u>	<u>10,000</u>	<u>(301,093)</u>	<u>(311,093)</u>
Net Loss Before Transfers	<u>(158,289)</u>	<u>(158,289)</u>	<u>(239,696)</u>	<u>(81,407)</u>
TRANSFERS				
Transfers in	-	-	700,482	700,482
Transfers out	<u>-</u>	<u>-</u>	<u>(397,846)</u>	<u>(397,846)</u>
Net Transfers	<u>-</u>	<u>-</u>	<u>302,636</u>	<u>302,636</u>
Change in net assets	<u>\$ (158,289)</u>	<u>\$ (158,289)</u>	62,940	<u>\$ 221,229</u>
NET ASSETS - Beginning of Year, as restated			<u>4,065,633</u>	
NET ASSETS - END OF YEAR			<u>\$ 4,128,573</u>	

CITY OF WAUKEGAN
COMBINING STATEMENT OF NET ASSETS
INTERNAL SERVICE FUNDS
April 30, 2009

	<u>Employees's Benefit Plan</u>	<u>Safety & Risk Management</u>	<u>Totals</u>
ASSETS			
Current Assets			
Cash and cash equivalents	\$ 172,140	\$ 114,694	\$ 286,834
Receivables			
Accounts	49,415	-	49,415
Due from other funds	<u>1,522,428</u>	<u>-</u>	<u>1,522,428</u>
Total Current Assets	<u>1,743,983</u>	<u>114,694</u>	<u>1,858,677</u>
Noncurrent assets			
Capital assets			
Capital assets being depreciated	5,968	-	5,968
Less: Accumulated depreciation	<u>(5,078)</u>	<u>-</u>	<u>(5,078)</u>
Total noncurrent assets	<u>890</u>	<u>-</u>	<u>890</u>
 Total Assets	 <u>1,744,873</u>	 <u>114,694</u>	 <u>1,859,567</u>
LIABILITIES			
Current liabilities			
Accounts payable	685,698	240,677	926,375
Accrued salaries	2,274	2,274	4,548
Payroll liabilities	484	521	1,005
Due to other funds	2,091,951	3,421,446	5,513,397
Current portion of long term debt	<u>30,603</u>	<u>28,490,724</u>	<u>28,521,327</u>
Total Current Liabilities	<u>2,811,010</u>	<u>32,155,642</u>	<u>34,966,652</u>
 Total liabilities	 <u>2,811,010</u>	 <u>32,155,642</u>	 <u>34,966,652</u>
NET ASSETS			
Unrestricted (deficit)	<u>(1,066,137)</u>	<u>(32,040,948)</u>	<u>(33,107,085)</u>
 TOTAL NET ASSETS	 <u>\$ (1,066,137)</u>	 <u>\$ (32,040,948)</u>	 <u>\$ (33,107,085)</u>

CITY OF WAUKEGAN

COMBINING STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN FUND NET ASSETS
INTERNAL SERVICE FUNDS
For the Year Ended April 30, 2009

	<u>Employees's Benefit Plan</u>	<u>Safety & Risk Management</u>	<u>Totals</u>
OPERATING REVENUES			
Charges for services	\$ 9,159,548	\$ 4,006,863	\$ 13,166,411
Miscellaneous	<u>3,009</u>	<u>45,058</u>	<u>48,067</u>
Total Operating Revenues	<u>9,162,557</u>	<u>4,051,921</u>	<u>13,214,478</u>
OPERATING EXPENSES			
Personnel services	52,973	52,005	104,978
Personnel benefits	17,555	26,900	44,455
Contractual services	29,271	275,096	304,367
Commodities	1,725	3,758	5,483
Claims and judgments	140,469	30,622,904	30,763,373
Insurance premiums	<u>8,310,022</u>	<u>678,506</u>	<u>8,988,528</u>
Total Operating Expenses	<u>8,552,015</u>	<u>31,659,169</u>	<u>40,211,184</u>
Operating Income (Loss)	<u>610,542</u>	<u>(27,607,248)</u>	<u>(26,996,706)</u>
NONOPERATING REVENUES (EXPENSES)			
Investment income	627	3	630
Interest expense	<u>(21,231)</u>	<u>(15,470)</u>	<u>(36,701)</u>
Total Nonoperating Revenues (Expenses)	<u>(20,604)</u>	<u>(15,467)</u>	<u>(36,071)</u>
Change in net assets	589,938	(27,622,715)	(27,032,777)
NET ASSETS (DEFICIT) - Beginning of Year (as restated)	<u>(1,656,075)</u>	<u>(4,418,233)</u>	<u>(6,074,308)</u>
NET ASSETS (DEFICIT) - END OF YEAR	<u>\$ (1,066,137)</u>	<u>\$ (32,040,948)</u>	<u>\$ (33,107,085)</u>

CITY OF WAUKEGAN

COMBINING STATEMENT OF CASH FLOWS INTERNAL SERVICE FUNDS For the Year Ended April 30, 2009

	Employees's Benefit Plan	Safety & Risk Management	Totals
CASH FLOWS FROM OPERATING ACTIVITIES			
Received from customers	\$ 9,114,218	\$ 4,051,921	\$ 13,166,139
Paid to suppliers for goods and services	(7,780,731)	(5,560,000)	(13,340,731)
Paid to employees for services	(71,280)	(79,020)	(150,300)
Net Cash Flows From Operating Activities	1,262,207	(1,587,099)	(324,892)
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment income	627	3	630
Net Cash Flows From Investing Activities	627	3	630
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Due to/from	(1,689,343)	1,708,315	18,972
Net Cash Flows From Noncapital Financing Activities	(1,689,343)	1,708,315	18,972
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Interest paid	(21,231)	(15,470)	(36,701)
Net Cash Flows From Capital and Related Financing Activities	(21,231)	(15,470)	(36,701)
Net Change in Cash and Cash Equivalents	(447,740)	105,749	(341,991)
CASH AND CASH EQUIVALENTS - Beginning of Year	619,880	8,945	628,825
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 172,140	\$ 114,694	\$ 286,834

CITY OF WAUKEGAN
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Year Ended April 30, 2009

	Employees's Benefit Plan	Safety & Risk Management	Totals
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES			
Operating income (loss)	\$ 610,542	\$ (27,607,248)	\$ (26,996,706)
Changes in assets and liabilities			
Accounts Receivable (Net of Accumulated Depreciation)	(48,339)	-	(48,339)
Prepays	(1,164)	-	(1,164)
Accounts Payable	685,698	239,757	925,455
Accrued Salaries	(752)	(115)	(867)
Claims Payable	15,738	25,779,986	25,795,724
Other Current Liabilities	484	521	1,005
 NET CASH FLOWS FROM OPERATING ACTIVITIES	 \$ 1,262,207	 \$ (1,587,099)	 \$ (324,892)
 NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES			
None			

CITY OF WAUKEGAN

SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS - BUDGET AND ACTUAL EMPLOYEES'S BENEFIT PLAN FUND For the Year Ended April 30, 2009

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
OPERATING REVENUES				
Charges for services				
Premiums retirees	\$ 1,250,861	\$ 1,250,861	\$ 1,334,351	\$ 83,490
Premiums city	6,426,028	6,426,028	6,839,642	413,614
Premiums employees	920,690	920,690	985,555	64,865
Other miscellaneous revenue	-	-	3,009	3,009
Total Operating Revenues	<u>8,597,579</u>	<u>8,597,579</u>	<u>9,162,557</u>	<u>564,978</u>
OPERATING EXPENSES				
Personnel services	30,270	30,270	52,973	(22,703)
Personnel benefits	9,674	9,674	17,555	(7,881)
Contractual services	106,620	106,620	29,271	77,349
Commodities	5,750	5,750	1,725	4,025
Claims and judgments	20,000	20,000	140,469	(120,469)
Insurance premiums	<u>7,873,654</u>	<u>7,873,654</u>	<u>8,310,022</u>	<u>(436,368)</u>
Total Operating Expenses	<u>8,045,968</u>	<u>8,045,968</u>	<u>8,552,015</u>	<u>(506,047)</u>
Operating Income	<u>551,611</u>	<u>551,611</u>	<u>610,542</u>	<u>58,931</u>
NON-OPERATING REVENUES (EXPENSES)				
Investment income	-	-	627	627
Interest expense-enterprise	<u>160,000</u>	<u>(160,000)</u>	<u>(21,231)</u>	<u>138,769</u>
Total Non-Operating Revenues	<u>160,000</u>	<u>(160,000)</u>	<u>(20,604)</u>	<u>139,396</u>
Change in net assets	<u>\$ 711,611</u>	<u>\$ 391,611</u>	589,938	<u>\$ 198,327</u>
NET ASSETS (DEFICIT) - Beginning of Year			<u>(1,656,075)</u>	
NET ASSETS (DEFICIT) - END OF YEAR			<u>\$ (1,066,137)</u>	

CITY OF WAUKEGAN

SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS - BUDGET AND ACTUAL SAFETY & RISK MANAGEMENT FUND For the Year Ended April 30, 2009

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
OPERATING REVENUES				
Charges for services				
Premiums city	\$ 4,680,884	\$ 4,680,884	\$ 4,006,863	\$ (674,021)
Miscellaneous	<u>80,000</u>	<u>80,000</u>	<u>45,058</u>	<u>(34,942)</u>
Total Operating Revenues	<u>4,760,884</u>	<u>4,760,884</u>	<u>4,051,921</u>	<u>(708,963)</u>
OPERATING EXPENSES				
Personnel services	71,607	71,607	52,005	19,602
Personnel benefits	30,865	30,865	26,900	3,965
Contractual services	178,950	178,950	275,096	(96,146)
Commodities	7,500	7,500	3,758	3,742
Claims and judgments	3,000,000	3,000,000	30,622,904	(27,622,904)
Insurance premiums	<u>679,258</u>	<u>679,258</u>	<u>678,506</u>	<u>752</u>
Total Operating Expenses	<u>3,968,180</u>	<u>3,968,180</u>	<u>31,659,169</u>	<u>(27,690,989)</u>
Operating Loss	<u>792,704</u>	<u>792,704</u>	<u>(27,607,248)</u>	<u>(28,399,952)</u>
NON-OPERATING REVENUES (EXPENSES)				
Investment income	(10,000)	10,000	3	(9,997)
Interest expense	<u>-</u>	<u>-</u>	<u>(15,470)</u>	<u>(15,470)</u>
Total Non-Operating Revenues	<u>(10,000)</u>	<u>10,000</u>	<u>(15,467)</u>	<u>(25,467)</u>
Change in net assets	<u>\$ 782,704</u>	<u>\$ 802,704</u>	(27,622,715)	<u>\$ (28,425,419)</u>
NET ASSETS (DEFICIT) - Beginning of Year, as restated			<u>(4,418,233)</u>	
NET ASSETS (DEFICIT) - END OF YEAR			<u>\$ (32,040,948)</u>	

CITY OF WAUKEGAN
COMBINING STATEMENT OF NET ASSETS
PENSION TRUST FUNDS
April 30, 2009

	<u>Police Pension</u>	<u>Firefighters' Pension</u>	<u>Totals</u>
ASSETS			
Cash and cash equivalents	\$ 58,954	\$ 50,450	\$ 109,404
Investments			
Money markets	2,408,368	1,435,952	3,844,320
State and local obligations	2,943,889	1,413,318	4,357,207
US Government and agency obligations	20,435,502	17,355,364	37,790,866
Common and preferred stocks	12,849,094	10,525,230	23,374,324
Mutual funds	6,066,116	5,380,301	11,446,417
Accrued interest	262,646	196,223	458,869
Prepaid items	-	500	500
Total Assets	<u>45,024,569</u>	<u>36,357,338</u>	<u>81,381,907</u>
LIABILITIES			
Accounts payable	-	20,322	20,322
Total Liabilities	<u>-</u>	<u>20,322</u>	<u>20,322</u>
NET ASSETS			
Held in trust for pension benefits	<u>\$ 45,024,569</u>	<u>\$ 36,337,016</u>	<u>\$ 81,361,585</u>

CITY OF WAUKEGAN

COMBINING STATEMENT OF CHANGES IN NET ASSETS
PENSION TRUST FUNDS
For the Year Ended April 30, 2009

	Police Pension	Firefighters' Pension	Totals
ADDITIONS			
Contributions			
Employer	\$ 2,899,201	\$ 2,375,585	\$ 5,274,786
Plan members	1,212,124	887,203	2,099,327
Other	15,727	689	16,416
Total Contributions	<u>4,127,052</u>	<u>3,263,477</u>	<u>7,390,529</u>
Investment income			
Investment income	2,198,877	1,333,358	3,532,235
Net appreciation (depreciation) in the fair value of investments	<u>(9,884,629)</u>	<u>(6,091,431)</u>	<u>(15,976,060)</u>
Total Investment Income	<u>(7,685,752)</u>	<u>(4,758,073)</u>	<u>(12,443,825)</u>
Less Investment expense	<u>166,682</u>	<u>151,180</u>	<u>317,862</u>
Net Investment Income	<u>(7,852,434)</u>	<u>(4,909,253)</u>	<u>(12,761,687)</u>
Total Additions	<u>(3,725,382)</u>	<u>(1,645,776)</u>	<u>(5,371,158)</u>
DEDUCTIONS			
Benefits	4,655,462	4,067,846	8,723,308
Contractual services	32,062	51,958	84,020
Administration	<u>17,869</u>	<u>100,477</u>	<u>118,346</u>
Total Deductions	<u>4,705,393</u>	<u>4,220,281</u>	<u>8,925,674</u>
Change in Net Assets	(8,430,775)	(5,866,057)	(14,296,832)
NET ASSETS - Beginning of Year, as restated	<u>53,455,344</u>	<u>42,203,073</u>	<u>95,658,417</u>
NET ASSETS, END OF YEAR	<u>\$ 45,024,569</u>	<u>\$ 36,337,016</u>	<u>\$ 81,361,585</u>

CITY OF WAUKEGAN

POLICE PENSION FUND

SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS - BUDGET AND ACTUAL

For the year ended April 30, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Additions				
Contributions				
Employer	\$ 2,903,049	\$ 2,903,049	\$ 2,899,201	\$ 3,848
Plan members	1,322,938	1,322,938	1,212,124	110,814
Other	-	-	15,727	(15,727)
	<u>4,225,987</u>	<u>4,225,987</u>	<u>4,127,052</u>	<u>98,935</u>
Total contributions				
Investment Income				
Investment income	1,950,000	1,950,000	2,198,877	(248,877)
Net appreciation (depreciation) in the fair value of investments	-	-	(9,884,629)	9,884,629
	<u>1,950,000</u>	<u>1,950,000</u>	<u>(7,685,752)</u>	<u>9,635,752</u>
Total investment income				
Less Investment expense	-	-	166,682	(166,682)
	<u>1,950,000</u>	<u>1,950,000</u>	<u>(7,852,434)</u>	<u>9,802,434</u>
Net investment income				
	<u>6,175,987</u>	<u>6,175,987</u>	<u>(3,725,382)</u>	<u>9,901,369</u>
Total additions				
Deductions				
Benefits	3,828,000	3,828,000	4,655,462	(827,462)
Contractual services	-	-	32,062	(32,062)
Administration	75,000	75,000	17,869	57,131
	<u>3,903,000</u>	<u>3,903,000</u>	<u>4,705,393</u>	<u>(802,393)</u>
Total deductions				
Change in net assets	<u>\$ 2,272,987</u>	<u>\$ 2,272,987</u>	<u>(8,430,775)</u>	<u>\$ 10,703,762</u>
Net assets, beginning of year, as restated			<u>53,455,344</u>	
Net assets, end of year			<u>\$ 45,024,569</u>	

CITY OF WAUKEGAN

FIREFIGHTERS' PENSION FUND

SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS - BUDGET AND ACTUAL
For the year ended April 30, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Additions				
Contributions				
Employer	\$ 2,379,579	\$ 2,379,579	\$ 2,375,585	\$ 3,994
Plan members	871,049	871,049	887,203	(16,154)
Other	<u>-</u>	<u>-</u>	<u>689</u>	<u>(689)</u>
Total contributions	<u>3,250,628</u>	<u>3,250,628</u>	<u>3,263,477</u>	<u>(12,849)</u>
Investment Income				
Investment income	1,520,000	1,520,000	1,333,358	186,642
Net appreciation (depreciation) in the fair value of investments	<u>-</u>	<u>-</u>	<u>(6,091,431)</u>	<u>6,091,431</u>
Total investment income	<u>1,520,000</u>	<u>1,520,000</u>	<u>(4,758,073)</u>	<u>6,278,073</u>
Less Investment expense	<u>-</u>	<u>-</u>	<u>151,180</u>	<u>(151,180)</u>
Net investment income	<u>1,520,000</u>	<u>1,520,000</u>	<u>(4,909,253)</u>	<u>6,429,253</u>
Total additions	<u>4,770,628</u>	<u>4,770,628</u>	<u>(1,645,776)</u>	<u>6,416,404</u>
Deductions				
Benefits	4,028,676	4,028,676	4,067,846	(39,170)
Contractual services	-	-	51,958	(51,958)
Administration	<u>50,000</u>	<u>50,000</u>	<u>100,477</u>	<u>(50,477)</u>
Total deductions	<u>4,078,676</u>	<u>4,078,676</u>	<u>4,220,281</u>	<u>(141,605)</u>
Change in net assets	<u>\$ 691,952</u>	<u>\$ 691,952</u>	<u>(5,866,057)</u>	<u>\$ 6,558,009</u>
Net assets, beginning of year, as restated			<u>42,203,073</u>	
Net assets, end of year			<u>\$ 36,337,016</u>	

CITY OF WAUKEGAN

NET ASSETS BY COMPONENT
April 30, 2009

<i>(in thousands)</i>	<u>2005</u>	<u>2006</u>	<u>Fiscal Year 2007</u>
Governmental activities			
Invested in capital assets, net of related debt	\$ 8,735	\$ 9,764	\$ 13,819
Restricted Assets	14,067	11,762	9,234
Unrestricted Assets	<u>(32,342)</u>	<u>(34,829)</u>	<u>(34,169)</u>
Total governmental activities net assets	<u>\$ (9,540)</u>	<u>\$ (13,303)</u>	<u>\$ (11,117)</u>
Business-type activities			
Invested in capital assets, net of related debt	\$ 38,930	\$ 38,635	\$ 41,058
Restricted Assets	816	851	695
Unrestricted Assets	<u>5,190</u>	<u>5,550</u>	<u>3,114</u>
Total business-type activities net assets	<u>\$ 44,937</u>	<u>\$ 45,036</u>	<u>\$ 44,867</u>
Primary government			
Invested in capital assets, net of related debt	\$ 47,665	\$ 48,399	\$ 54,876
Restricted Assets	14,883	12,613	9,929
Unrestricted Assets	<u>(27,152)</u>	<u>(29,279)</u>	<u>(31,055)</u>
Total primary government net assets	<u>\$ 35,396</u>	<u>\$ 31,733</u>	<u>\$ 33,751</u>

Source: Statement of Net Assets

End April 30	
<u>2008</u>	<u>2009</u>
\$ 19,304	\$ 52,967
14,199	6,313
<u>(42,207)</u>	<u>(38,001)</u>
<u>\$ (8,704)</u>	<u>\$ 21,279</u>
\$ 43,285	\$ 61,805
560	-
<u>326</u>	<u>(4,553)</u>
<u>\$ 44,171</u>	<u>\$ 57,252</u>
\$ 62,588	\$ 114,772
14,759	6,313
<u>(41,881)</u>	<u>(42,554)</u>
<u>\$ 35,467</u>	<u>\$ 78,531</u>

CITY OF WAUKEGAN

CHANGES IN NET ASSETS
April 30, 2009

(in thousands)	Fiscal Year End April 30				
	2005	2006	2007	2008	2009
Expenses					
Governmental activities:					
General government	\$ 4,056	\$ 5,481	\$ 6,034	\$ 6,303	\$ 8,922
Public Safety	39,984	40,217	42,636	44,164	65,437
Streets, Bridges & Other Public Works	8,836	9,183	9,486	10,537	26,348
Sanitation & Environment	3,063	3,428	3,560	3,623	4,628
Economic Development	8,811	8,177	3,045	4,446	4,878
Community Development	1,480	1,444	1,390	968	1,580
Culture & Recreation	1,464	2,215	2,291	2,462	96
Interest on long-term debt	3,592	3,565	3,522	3,656	3,945
Total governmental activities expenses	71,285	73,710	71,964	76,159	115,834
Business-type activities:					
Water & Sewer	9,583	8,849	9,867	10,761	13,960
Parking System	614	850	965	953	1,217
Total business-type activities expenses	10,197	9,698	10,832	11,714	15,177
Total primary government expenses	\$ 81,483	\$ 83,408	\$ 82,796	\$ 87,873	\$ 131,011
Program Revenues					
Governmental activities:					
Charges for services	\$ 12,326	\$ 12,138	\$ 11,232	\$ 12,900	\$ 12,739
Operating grants and contributions	1,944	1,649	2,147	2,600	102
Capital grants and contributions	220	48	75	-	636
Total governmental activities program revenues	14,491	13,835	13,453	15,500	13,477
Business-type activities:					
Charges for services - Water & Sewer	12,004	11,547	11,363	11,133	10,895
Charges for services - Parking System	649	748	861	867	880
Capital grants and contributions	-	-	989	300	250
Total business-type activities program revenues	12,654	12,294	13,213	12,300	12,025
Total primary government program revenues	\$ 27,144	\$ 26,130	\$ 26,666	\$ 27,800	\$ 25,502
Net (Expense)/Revenue					
Governmental activities	\$ (56,795)	\$ (59,874)	\$ (58,511)	\$ (60,659)	\$ (102,357)
Business-type activities	2,456	2,596	2,381	586	(3,152)
Total primary government net expense	\$ (54,339)	\$ (57,278)	\$ (56,130)	\$ (60,073)	\$ (105,509)
General Revenues and Other Changes in Net Assets					
Governmental activities:					
Property Taxes	\$ 16,154	\$ 15,877	\$ 16,633	\$ 17,357	\$ 19,437
Sales & Utility Taxes	21,866	23,060	25,494	26,718	23,800
Income Taxes & Franchise Fees	9,728	11,119	12,367	13,864	14,028
Motor Fuel Taxes	2,648	2,646	2,726	2,639	2,444
Miscellaneous & Investment Income	537	766	910	1,004	1,222
Gain (Loss) on Sales of Fixed Assets	15	34	(41)	-	-
Transfers	2,337	2,608	2,687	1,445	753
Total governmental activities	53,286	56,112	60,776	63,027	61,684

CITY OF WAUKEGAN

CHANGES IN NET ASSETS
April 30, 2009

<i>(in thousands)</i>	Fiscal Year End April 30				
	2005	2006	2007	2008	2009
Business-type activities:					
Unrestricted Investment Income	\$ 108	\$ 111	\$ 156	\$ -	\$ -
Gain (Loss) on Sales of Fixed Assets	-	-	(18)	-	-
Transfers	(2,337)	(2,608)	(2,687)	(1,445)	(753)
Total business-type activities	(2,229)	(2,497)	(2,549)	(1,445)	(753)
Total primary government	\$ 51,057	\$ 53,615	\$ 58,227	\$ 61,582	\$ 60,931
Change in Net Assets					
Governmental activities	\$ (3,509)	\$ (3,762)	\$ 2,265	\$ 2,368	\$ (40,673)
Business-type activities	227	99	(168)	(859)	(3,905)
Total primary government	\$ (3,282)	\$ (3,663)	\$ 2,096	\$ 1,509	\$ (44,578)

Source: Statement of Activities

CITY OF WAUKEGAN

PROGRAM REVENUES BY FUNCTION/PROGRAM

April 30, 2010

<i>(in thousands)</i>	2005	2006	Fiscal Year 2007
Function/Program			
Governmental activities:			
General government	\$ 2,032	\$ 2,160	\$ 2,448
Public Safety	9,838	9,059	7,480
Streets, Bridges & Other Public Works	400	338	584
Sanitation & Environment	67	181	187
Economic Development	-	-	183
Community Development	1,643	1,369	1,561
Culture & Recreation	511	728	568
Subtotal governmental activities	<u>14,491</u>	<u>13,835</u>	<u>13,011</u>
Business-type activities:			
Water & Sewer	12,004	11,547	12,352
Parking	649	748	861
Subtotal business-type activities	<u>12,654</u>	<u>12,294</u>	<u>13,213</u>
Total primary government	<u>\$ 27,144</u>	<u>\$ 26,130</u>	<u>\$ 26,224</u>

Source: Statement of Activities

End April 30	
<u>2008</u>	<u>2009</u>
\$ 3,322	\$ 7,108
9,013	5,449
686	177
417	356
58	-
1,322	286
<u>725</u>	<u>101</u>
<u>15,544</u>	<u>13,477</u>
11,270	11,145
<u>867</u>	<u>880</u>
<u>12,137</u>	<u>12,025</u>
<u>\$ 27,681</u>	<u>\$ 25,502</u>

CITY OF WAUKEGAN

FUND BALANCES, GOVERNMENTAL FUNDS
April 30, 2009

	2000	2001	2002	2003	Fiscal Year 2004
General Fund					
Reserved	\$ -	\$ -	\$ 1,143,996	\$ 3,126,178	\$ 4,970,322
Unreserved	<u>12,767,052</u>	<u>13,460,753</u>	<u>10,112,372</u>	<u>6,528,070</u>	<u>5,775,259</u>
Total general fund	<u>12,767,052</u>	<u>13,460,753</u>	<u>11,256,368</u>	<u>9,654,248</u>	<u>10,745,581</u>
All Other Governmental Funds					
Reserved	13,636,107	12,949,327	34,414,453	29,236,116	27,764,282
Unreserved, reported in:					
Special revenue funds	937,579	320,439	19,478	1,135,679	7,002,905
Capital projects funds	1,020,095	867,023	8,653,649	922,604	(41,469)
Permanent fund					
Debt service funds	<u>(37,538)</u>	<u>(178,243)</u>	<u>(58,151)</u>	<u>230,074</u>	<u>287,206</u>
Total all other governmental funds	<u>15,556,243</u>	<u>13,958,546</u>	<u>43,029,429</u>	<u>39,827,909</u>	<u>35,012,924</u>
Total governmental funds	<u>\$ 28,323,295</u>	<u>\$ 27,419,299</u>	<u>\$ 54,285,797</u>	<u>\$ 49,482,157</u>	<u>\$ 45,758,505</u>

Note: The City began to report accrual information when it implemented GASB Statement 34 in fiscal year 2004; prior to 2004, all governmental funds are included; however they are reported on a modified accrual basis.

Source: Financial Section, Governmental Funds Balance Sheet

End April 30	2005	2006	2007	2008	2009
	\$ 5,360,798	\$ 4,985,255	\$ 4,481,790	\$ 5,867,348	\$ 8,062,344
	<u>7,062,764</u>	<u>8,071,702</u>	<u>8,422,604</u>	<u>6,705,002</u>	<u>-</u>
	<u>12,423,562</u>	<u>13,056,957</u>	<u>12,904,394</u>	<u>12,572,350</u>	<u>8,062,344</u>
	11,574,994	4,703,298	\$4,155,228	\$2,854,587	\$275,000
	6,111,377	3,739,464	3,480,065	3,161,930	(1,745,657)
	6,113	3,768,306	2,731,856	785,923	(761,030)
					43,067
	<u>205,956</u>	<u>280,769</u>	<u>(292,740)</u>	<u>335,752</u>	<u>2,176,349</u>
	<u>17,898,440</u>	<u>12,491,837</u>	<u>10,074,409</u>	<u>7,138,192</u>	<u>(12,271)</u>
	<u>\$ 30,322,002</u>	<u>\$ 25,548,794</u>	<u>\$ 22,978,803</u>	<u>\$ 19,710,542</u>	<u>\$ 8,050,073</u>

CITY OF WAUKEGAN

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
April 30, 2009

	Fiscal Year End April 30				
	2000	2001	2002	2003	2004
Revenues					
Taxes	\$ 38,074,260	\$ 37,594,930	\$ 37,236,653	\$ 40,707,973	\$ 46,407,752
Licenses and Permits	1,948,886	2,247,623	2,075,046	2,161,935	2,393,815
Intergovernmental	3,464,194	3,532,008	3,157,158	4,358,529	2,508,445
Charges for services	2,194,800	1,653,770	1,583,048	1,786,858	1,447,948
Fines and forfeitures	2,713,210	3,746,049	3,416,311	3,932,121	5,256,150
Investment earnings	1,673,934	1,809,385	2,898,637	1,603,310	590,682
Other revenues	732,986	501,105	1,282,136	673,932	742,868
Total revenues	<u>50,802,270</u>	<u>51,084,870</u>	<u>51,648,989</u>	<u>55,224,658</u>	<u>59,347,660</u>
Expenditures					
General government	3,365,813	2,912,104	3,292,197	3,176,763	3,623,224
Public Safety	22,690,680	25,609,255	26,602,043	28,055,664	35,086,119
Streets, Bridges & Other Public Works	6,580,472	6,946,776	6,634,464	7,213,332	7,765,903
Building, Zoning and Economic Development	4,244,068	3,779,899	4,129,136	4,952,439	19,565,624
Sanitation and Environment	2,724,353	2,990,513	2,802,282	4,449,378	5,382,003
Community Dev. Grants to Other Entities	174,457	139,268	167,701	250,934	-
Capital outlay	6,961,021	5,434,810	6,128,832	7,577,258	26,074,591
Debt service	-	-	-	-	-
Principal	3,692,299	4,672,453	4,506,468	4,568,604	5,363,736
Interest and Fees	2,225,290	2,111,550	2,443,851	3,006,566	2,353,551
Fees/ Bond Insurance Costs	-	120,567	458,070	61,621	883,683
Waukegan Port District Pass Troughs	-	(716,826)	(709,565)	(725,039)	(709,940)
Total expenditures	<u>52,658,453</u>	<u>54,000,369</u>	<u>56,455,479</u>	<u>62,587,520</u>	<u>105,388,494</u>
Excess of revenues over (under) expenditures	<u>(1,856,183)</u>	<u>(2,915,499)</u>	<u>(4,806,490)</u>	<u>(7,362,862)</u>	<u>(46,040,834)</u>
Other Financing Sources (Uses)					
Bonds issued	-	5,237,139	31,237,321	9,845,290	37,671,707
Payment to escrow	-	(4,976,566)	-	(9,330,865)	(2,403,035)
Sale of Assets	62,525	79,939	209,900	49,494	37,684
Transfers in	4,289,905	4,722,977	4,983,837	4,860,657	2,231,514
Transfers out	(3,624,561)	(3,051,986)	(4,139,584)	(2,591,311)	-
Proceeds of Capital Leases	1,470,000	-	-	-	821,773
Total other financing sources (uses)	<u>2,197,869</u>	<u>2,011,503</u>	<u>32,291,474</u>	<u>2,833,265</u>	<u>38,359,643</u>
Net change in fund balances	<u>\$ 341,686</u>	<u>\$ (903,996)</u>	<u>\$ 27,484,984</u>	<u>\$ (4,529,597)</u>	<u>\$ (7,681,191)</u>
Debt service as a percentage of noncapital expenditures	12.9%	14.0%	13.8%	13.8%	9.7%

Note: The City began to report accrual information when it implemented GASB Statement 34 in fiscal year 2004; prior to 2004, all governmental funds are included; however they are reported on a modified accrual basis.

Source: Financial Section, Governmental Funds Statement of Revenues, Expenditures and Change in Fund Balance

Fiscal Year End April 30				
2005	2006	2007	2008	2009
\$ 49,341,369	\$ 51,605,740	\$ 56,164,150	\$ 59,284,717	\$ 43,598,865
3,338,858	3,583,303	3,591,778	3,803,051	3,789,391
2,343,280	2,189,184	2,541,570	2,955,181	16,472,643
2,332,852	2,486,546	2,609,643	2,933,794	2,789,845
5,928,972	5,298,414	4,427,069	4,944,792	6,264,233
664,298	891,584	1,107,407	1,069,269	381,911
1,415,713	1,209,718	1,225,932	2,159,054	1,924,238
<u>65,365,342</u>	<u>67,264,489</u>	<u>71,667,549</u>	<u>77,149,858</u>	<u>75,221,126</u>
4,855,094	5,592,933	5,375,216	5,758,644	6,596,320
37,559,293	39,557,422	41,597,208	43,478,169	44,399,128
8,017,679	8,060,258	8,587,270	9,952,811	10,411,033
11,305,909	10,840,205	5,908,109	7,139,294	7,844,128
3,203,342	3,454,231	3,589,201	3,651,624	4,905,360
17,458,191	4,478,728	2,730,207	4,232,717	5,972,765
7,055,503	5,847,577	7,533,534	6,480,443	5,463,866
2,472,974	2,380,520	2,090,501	2,484,421	2,226,091
-	535,230	-	-	-
<u>(731,704)</u>	<u>(748,393)</u>	<u>(542,338)</u>	<u>(657,898)</u>	<u>-</u>
<u>91,196,281</u>	<u>79,998,711</u>	<u>76,868,908</u>	<u>82,520,225</u>	<u>87,818,691</u>
<u>(25,830,939)</u>	<u>(12,734,222)</u>	<u>(5,201,359)</u>	<u>(5,370,367)</u>	<u>(12,597,565)</u>
6,900,000	28,882,575	-	-	-
-	(24,649,006)	-	-	-
796,683	34,372	112,499	25,436	27,523
2,778,486	2,608,389	2,936,751	2,109,838	3,516,142
(441,651)	-	(250,093)	(664,415)	(2,763,124)
-	1,000,000	-	748,043	112,765
<u>10,033,518</u>	<u>7,876,330</u>	<u>2,799,157</u>	<u>2,218,902</u>	<u>893,306</u>
<u>\$(15,797,421)</u>	<u>\$(4,857,892)</u>	<u>\$(2,402,202)</u>	<u>\$(3,151,465)</u>	<u>\$(11,704,259)</u>
12.9%	10.9%	13.0%	11.5%	9.4%

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CITY OF WAUKEGAN

TAX REVENUES BY SOURCE, GOVERNMENTAL FUNDS April 30, 2009

Fiscal Year	Sales tax (a)	Property tax	Income tax	Utility tax	Total
2009	\$ 18,003,861	\$ 19,437,810	\$ 11,570,294	\$ 8,239,549	\$ 57,251,514
2008	20,142,390	17,356,638	12,624,396	9,161,293	59,284,717
2007	19,191,784	16,632,724	11,400,726	8,938,916	56,164,150
2006	16,684,047	15,877,422	10,184,355	8,859,916	51,605,740
2005	16,164,975	16,154,401	8,751,673	8,270,320	49,341,369
2004	16,080,623	14,723,204	8,152,174	7,451,751	15,603,925
2003	15,117,431	13,494,053	7,630,163	7,214,347	14,844,510
2002	12,466,823	12,754,405	8,347,864	6,801,472	15,149,336
2001	12,929,311	12,345,961	8,605,456	6,765,246	15,370,702
2000	13,650,483	12,070,232	8,370,122	6,422,790	14,792,912
Change 2000 - 2009	31.9%	61.0%	38.2%	28.3%	

Source:

Notes:

^a The addition of a 1.0% home rule sale tax was implemented in October, 2002.

Source: CAFR, Combined Statement of Revenues, Expenditures & Changes in Fund Balance
2000-2009.

CITY OF WAUKEGAN

PROPERTY TAX LEVY BY FUND
April 30, 2009

Levy Year	Fiscal Year	Corporate Amount	Rate	Garbage Amount	Rate
2007	2008/2009	\$ 8,211,467	0.523		
2006	2007/2008	7,806,691	0.533		
2005	2006/2007	7,033,606	0.511		
2004	2005/2006	6,356,323	0.490		
2003	2004/2005	6,551,245	0.524		
2002	2003/2004	3,359,509	0.291	\$ 2,916,832	0.252
2001	2002/2003	3,287,002	0.308	2,879,600	0.270
2000	2001/2002	2,922,680	0.293	2,703,411	0.271
1999	2000/2001	2,928,156	0.309	2,548,627	0.269

Levy Year	Fiscal Year	Police Pension Amount	Rate	Fire Pension Amount	Rate
2007	2008/2009	\$ 2,903,049	0.185	\$ 2,379,579	0.152
2006	2007/2008	2,740,000	0.187	2,260,000	0.155
2005	2006/2007	2,764,270	0.201	2,369,958	0.172
2004	2005/2006	2,632,161	0.203	2,167,732	0.167
2003	2004/2005	2,173,755	0.174	1,869,777	0.150
2002	2003/2004	2,096,852	0.182	1,753,272	0.152
2001	2002/2003	1,900,072	0.178	1,516,157	0.142
2000	2001/2002	1,603,809	0.161	1,436,739	0.144
1999	2000/2001	1,502,770	0.159	1,189,145	0.126

Levy Year	Fiscal Year	Bonds Levy Amount	Rate
2007	2008/2009	\$ 4,319,815	0.275
2006	2007/2008	4,004,952	0.274
2005	2006/2007	3,806,756	0.277
2004	2005/2006	3,668,244	0.283
2003	2004/2005	4,525,592	0.362
2002	2003/2004	3,605,020	0.312
2001	2002/2003	3,629,045	0.340
2000	2001/2002	3,041,117	0.305
1999	2000/2001	2,944,535	0.311

Source: State of Illinois County of Lake Willard R. Helander County Clerk of Lake County, Illinois

Library Levy Amount	Rate	Not including Bonds Levy			
		Total Amount	Rate	Change Amount	%
\$ 3,679,254	0.234	\$ 17,173,349	1.094	\$ 852,804	5.23%
3,513,854	0.240	16,320,545	1.115	797,542	5.14%
3,355,169	0.244	15,523,003	1.128	1,176,010	8.20%
3,190,777	0.246	14,346,993	1.106	699,780	5.13%
3,052,436	0.244	13,647,213	1.092	680,581	5.25%
2,840,167	0.246	12,966,632	1.123	631,284	5.12%
2,752,517	0.258	12,335,348	1.156	529,789	4.49%
3,138,920	0.315	11,805,559	1.184	574,500	5.12%
3,062,361	0.323	11,231,059	1.186	n/a	n/a
Grand Total					
Total Amount	Rate	Change Amount	%		
\$ 21,493,164	1.369	\$ 1,167,667	5.74%		
20,325,497	1.389	995,738	5.15%		
19,329,759	1.405	1,314,522	7.30%		
18,015,237	1.389	(157,568)	-0.87%		
18,172,805	1.454	1,601,153	9.66%		
16,571,652	1.435	607,259	3.80%		
15,964,393	1.496	1,117,717	7.53%		
14,846,676	1.489	671,083	4.73%		
14,175,594	1.497	n/a	n/a		

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CITY OF WAUKEGAN

PROPERTY TAX LEVIES AND COLLECTIONS April 30, 2009

Levy Year	Fiscal Year	Taxes Levied	Amount Collected	Percentage of Levy
2007	2008/2009	\$ 21,493,164	\$ 21,495,536	100.01%
2006	2007/2008	20,325,497	20,362,650	100.18%
2005	2006/2007	19,329,759	19,290,776	99.80%
2004	2005/2006	18,015,237	18,263,674	101.38%
2003	2004/2005	18,172,805	18,131,204	99.77%
2002	2003/2004	16,571,652	16,577,410	100.03%
2001	2002/2003	15,964,393	14,661,425	91.84%
2000	2001/2002	14,846,676	14,033,783	94.52%
1999	2000/2001	14,175,594	12,754,405	89.97%

Source: Office of the County Clerk of Lake County Certificate of Rates and Extensions.

CITY OF WAUKEGAN

DIRECT AND OVERLAPPING PROPERTY TAX RATES April 30, 2009

Levy Year	City of Waukegan	Lake County	Lake County Forest	Warren Township	North Shore Sanitary
2008	1.369	0.453	0.199	0.201	0.121
2007	1.369	0.444	0.201	0.193	0.120
2006	1.389	0.450	0.204	0.197	0.125
2005	1.405	0.454	0.210	0.198	0.132
2004	1.389	0.465	0.219	0.433	0.139
2003	1.454	0.490	0.225	0.438	0.144
2002	1.435	0.502	0.232	0.441	0.152
2001	1.496	0.516	0.221	0.453	0.160
2000	1.489	0.521	0.231	0.449	0.167
1999	1.497	0.521	0.187	0.451	0.172

Source: Lake County Clerk Tax Extension Office

Overlapping Rates					
Gurnee Park District	School District 56	High School 121	Warren Newport Library	CLCJAWA Water	College of Lake County
0.356	3.290	1.549	0.227	0.042	0.196
0.350	3.241	1.590	0.220	0.042	0.192
0.358	3.348	1.638	0.227	0.046	0.195
0.654	3.327	1.691	0.234	0.049	0.197
0.374	3.383	1.730	0.239	0.054	0.200
0.370	3.473	1.704	0.243	0.058	0.201
0.307	3.537	1.752	0.247	0.064	0.208
0.314	3.637	1.815	0.254	0.066	0.211
0.310	3.585	1.812	0.255	0.072	0.235
0.307	3.523	1.737	0.250	0.077	0.213

CITY OF WAUKEGAN

EQUALIZED ASSESSED VALUE (EAV) AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY April 30, 2009

Levy Year	Fiscal Year	Residential EAV	Farm EAV	Commercial EAV	Industrial EAV
2007	2008/2009	\$ 1,056,710,592	\$ 2,369,933	\$ 338,947,988	\$ 173,990,252
2006	2007/2008	n/a	n/a	n/a	n/a
2005	2006/2007	n/a	n/a	n/a	n/a
2004	2005/2006	n/a	n/a	n/a	n/a
2003	2004/2005	n/a	n/a	n/a	n/a
2002	2003/2004	n/a	n/a	n/a	n/a
2001	2002/2003	n/a	n/a	n/a	n/a
2000	2001/2002	n/a	n/a	n/a	n/a
1999	2000/2001	n/a	n/a	n/a	n/a

Source: Office of the County Clerk of Lake County Certificate of Rates and Extensions.

Note: It is assumed that Total EAV is 1/3rd of Estimated Actual Value.

Real Estate	Railroads	Total EAV	Tax Rate	Estimated Actual Value
n/a	\$ 1,017,239	\$ 1,573,036,004	1.369	\$ 5,243,453,347
\$ 1,465,427,494	1,579,424	1,467,006,918	1.389	4,890,023,060
1,376,518,325	1,571,939	1,378,090,264	1.405	4,593,634,213
1,298,585,701	975,889	1,299,561,590	1.389	4,331,871,967
1,250,239,460	1,143,619	1,251,383,079	1.454	4,171,276,930
1,156,716,544	770,916	1,157,487,460	1.435	3,858,291,533
1,068,009,500	480,659	1,068,490,159	1.496	3,561,633,863
997,254,583	480,507	997,735,090	1.489	3,325,783,633
947,637,098	462,352	948,099,450	1.497	3,160,331,500

CITY OF WAUKEGAN

PRINCIPAL PROPERTY TAX PAYERS
CURRENT YEAR
April 30, 2009

<u>Taxpayer</u>	<u>2008 Levy Year</u>	
	<u>Taxable Assessed Value</u>	<u>Percentage of Total City Taxable Assessed Value</u>
PDC Properties Inc. (Amhurst Office Park)	\$ 20,879,247	1.28%
Allegiance Health Care/Cardinal Health Care	9,025,764	0.55%
Marquette Enterprises	8,840,219	0.54%
Northern Crossing JV LLC	7,899,751	0.49%
Redwood Lakes at Fountain Square LLC (Apts) (2)	7,557,268	0.46%
Health Care Service Corp.	6,605,352	0.41%
Midwest Generation, LLC	6,172,494	0.38%
Individual (Real Property)	5,853,114	0.36%
Walmart Stores Inc	5,845,157	0.36%
Abbott Laboratories	5,712,532	0.35%
Total	<u>\$ 84,390,898</u>	<u>5.19%</u>
Total Waukegan Equalized Assessed Valuation	<u>\$ 1,627,451,047</u>	

EAV From Kipp Wilson Lake County Tax Extension Administrator

kwilson@lakecountyil.gov

CITY OF WAUKEGAN

DIRECT AND OVERLAPPING SALES TAX RATES, LAST TEN FISCAL YEARS April 30, 2009

Fiscal Year	Home Rule Sales Tax	RTA Sales Tax
2009	1.00%	0.75%
2008	1.00%	0.75%
2007	1.00%	0.25%
2006	1.00%	0.25%
2005	1.00%	0.25%
2004	1.00%	0.25%
2003	1.00%	0.25%
2002	0.00%	0.25%
2001	0.00%	0.25%
2000	0.00%	0.25%

Source: Illinois Department of Revenue

Note: Home rule sales tax of 1.0% was implemented October, 2002

All rates are as of April of each year.

CITY OF WAUKEGAN

TAXABLE SALES BY CATEGORY
April 30, 2009

Classification	2000	% of Total	2001	% of Total	2002	% of Total	2003	% of Total	2004	% of Total
General Merchandise	\$ 620,279	6.4%	\$ 570,451	6.8%	\$ 617,739	7.6%	\$ 622,866	8.5%	\$ 466,254	24.5%
Food	1,424,953	14.8%	1,474,967	17.6%	1,514,581	18.6%	1,490,865	20.4%	1,480,167	5.4%
Drinking & Eating	652,644	6.8%	677,621	8.1%	585,773	7.2%	571,475	7.8%	463,937	10.0%
Apparel	126,813	1.3%	132,454	1.6%	145,953	1.8%	142,556	2.0%	158,080	10.5%
Furniture & Fixtures	371,197	3.9%	443,261	5.3%	87,670	1.1%	214,227	2.9%	136,551	8.9%
Lumber & Hardware	305,939	3.2%	421,866	5.0%	918,757	11.3%	429,577	5.9%	464,941	8.3%
Auto & Filling Station	3,762,428	39.1%	2,532,006	30.2%	2,253,874	27.7%	1,858,313	25.4%	1,876,294	9.8%
Drugs & Other Retail	1,390,008	14.4%	1,295,631	15.5%	1,245,835	15.3%	1,289,661	17.7%	1,373,034	15.3%
Agriculture & All Other	752,709	7.8%	659,760	7.9%	611,853	7.5%	531,726	7.3%	663,587	6.4%
Manufacturers	218,296	2.3%	171,486	2.0%	162,694	2.0%	152,097	2.1%	249,798	0.9%
Total	\$ 9,625,265	100.0%	\$ 8,379,504	100.0%	\$ 8,144,730	100.0%	\$ 7,303,362	100.0%	\$ 7,332,642	100.0%

Source: Illinois Department of Revenue

Notes: Retail sales information is not available on a fiscal-year basis.

	2005	% of Total	2006	% of Total	2007	% of Total	2008	% of Total	2009	% of Total
\$	444,194	6.0%	\$ 735,528	9.1%	\$ 1,046,503	12.1%	\$ 1,139,141	13.5%	\$ 1,098,568	12.8%
	1,464,435	19.7%	1,459,071	18.0%	1,361,837	15.7%	1,288,694	15.3%	1,227,555	14.3%
	610,655	8.2%	642,304	7.9%	694,627	8.0%	753,771	9.0%	732,740	8.5%
	150,824	2.0%	143,956	1.8%	143,623	1.7%	181,272	2.2%	156,369	1.8%
	169,875	2.3%	122,832	1.5%	112,002	1.3%	105,845	1.3%	99,491	1.2%
	475,556	6.4%	485,205	6.0%	485,716	5.6%	401,080	4.8%	396,595	4.6%
	1,881,921	25.3%	2,095,197	25.9%	2,130,687	24.6%	1,847,857	22.0%	2,363,526	27.6%
	1,416,078	19.0%	1,447,804	17.9%	1,515,685	17.5%	1,442,731	17.2%	1,466,699	17.1%
	599,930	8.1%	713,567	8.8%	926,772	10.7%	1,070,280	12.7%	847,454	9.9%
	234,189	3.1%	244,981	3.0%	238,758	2.8%	176,950	2.1%	182,826	2.1%
\$	7,447,657	100.0%	\$ 8,090,445	100.0%	\$ 8,656,210	100.0%	\$ 8,407,622	100.0%	\$ 8,571,824	100.0%

CITY OF WAUKEGAN

RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
(DOLLARS IN THOUSANDS, EXCEPT PER CAPITAL)
April 30, 2009

Fiscal Year	Population	Equalized Assessed Value	General Obligation Bonded Debt	Ratio of General Obligation Bonded Debt to Assessed Value	General Obligation Bonded Debt Per Capita
2000	87,901	\$ 997,735,090	\$ 33,565,156	3.36%	381.85
2001	89,663	1,068,776,553	29,808,853	2.79%	327.49
2002	91,022	1,157,487,460	56,915,836	4.92%	625.63
2003	91,132	1,251,383,077	53,301,693	4.26%	585.62
2004	90,974	1,299,561,590	107,890,000	8.30%	1,188.37
2005	90,542	1,378,090,264	107,105,000	7.77%	1,182.93
2006	91,018	1,467,006,918	108,990,000	7.43%	1,197.46
2007	91,138	1,573,036,004	101,367,585	6.44%	1,112.24
2008	90,788	1,627,451,047	94,565,307	5.81%	1,041.61
2009	92,929	1,734,232,869	72,581,355	4.19%	781.04

CITY OF WAUKEGAN

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF OCTOBER 22, 2009
April 30, 2009

Governmental Unit	(000s) Gross Debt	*Percentage of Debt Applicable to City	(000s) City's Share of Debt
Schools:			
School District 3	\$ 17,209,784	4.44%	\$ 764,114
School District 50	76,635,396	9.84%	7,540,923
School District 56	17,545,000	24.73%	4,338,879
School District 70	18,204,172	1.20%	218,450
High School District 121	76,440,000	13.07%	9,990,708
High School District 126	7,764,435	2.40%	186,346
High School District 128	36,365,000	4.55%	1,654,608
Unit School District 60	49,402,053	93.07%	45,978,491
Unit School District 187	8,885,069	6.41%	569,533
Community College #532	8,660,229	5.62%	486,705
Total Schools			\$ 71,728,756
Others			
	\$ -		
Forest Preserve	37,955,000	5.34%	\$ 2,026,797
Lake County Forest Preserve	252,435,000	5.34%	13,480,029
North Shore Sanitary District	4,282,298	14.99%	641,916
Gurnee Park District	10,895,000	1.53%	166,694
Waukegan Park District	29,705,390	95.88%	28,481,528
Total Others			44,796,964
Total Overlapping Debt			\$ 116,525,720

Source: Lake County Tax Extension Department, and Other Governmental Units.

CITY OF WAUKEGAN

DEMOGRAPHIC AND ECONOMIC STATISTICS April 30, 2009

Calendar Year	Population (2)	Personal Income	Per Capita Personal Income ⁽¹⁾	Median Age ⁽¹⁾
2000	87,901	1,526,665	17,368	28.8
2001	89,663	1,569,013	17,499	29.2
2002	91,022	1,616,733	17,762	28.5
2003	91,132	1,582,781	17,368	28.2
2004	90,974	1,673,376	18,394	34.5
2005	90,542	1,552,343	17,145	34.7
2006	91,018	1,606,286	17,648	34.8
2007	91,138	1,613,234	17,701	36.1
2008	90,788	1,588,608	17,498	31.0
2009	92,929	1,626,072	20,249	30

Sources: U.S. Census Bureau, American Community Survey, Illinois Department of Employment Security, Waukegan District #60. District 60 is the main school district serving 68% of the City. This includes 15 elementary schools, 5 middle schools and one high school in three building.

Note: Population, median age, and education level information are based on surveys conducted during the last quarter of the calendar year. Personal income information is a total for the year. School enrollment is the total of Elementary, and High School. Unemployment rate information is an adjusted yearly average.

(1) From 2000 to 2003 available at Local level. Data not available at local level 2004-2007.
Estimated 2001 and 2008
2005-2007 American Community Survey 3-Year Estimates

<u>Education Level in Years of Schooling ⁽¹⁾</u>	<u>School Enrollment</u>	<u>Unemployment Rate</u>
14.1	14,842	6.7%
14.2	17,200	7.5%
14.2	16,229	8.4%
14.2	15,982	8.2%
14.3	16,289	7.5%
14.3	18,778	6.8%
14.2	16,992	6.2%
14.2	16,992	7.0%
14.2	18,800	12.10%
14.2	19,298	14.00%

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CITY OF WAUKEGAN

PRINCIPAL EMPLOYERS
April 30, 2009

<u>Employer</u>	<u>Calendar Year 2009</u>	
	<u>Employees</u>	<u>Percentage of Total Employment</u>
Lake County	2,000	5.06% (2)
Unit School District No. 60	1,900	4.81%
Cardinal Health	1,500	3.80%
Vista Health	1,350	3.42% (3)
Uline	1,200	3.04%
Coleman Cable	1,000	2.53%
Medline	850	2.15%
Ill Department of Human Resources	725	1.84%
City of Waukegan	508	1.29%
WMS Industries	500	1.27%
Sub Total Principal Employers	<u>11,533</u>	<u>29.19%</u>
Estimated Total Number of Employees	<u>39,506</u>	

(1) **Source:** 2009 Illinois manufactures Dictory, 2009 Illinois Services Directory, Lake County Partners

(2) The County employes a total of 2,800 persond of which approximately 2,000 are employed in the city.

(3) Combined Vista Medical Center East, Vista Medical Center West.

(4) Full - Time Equivalent Employees from AP Department

CITY OF WAUKEGAN

FULL-TIME EQUIVALENT EMPLOYEES BY FUNCTION/PROGRAM April 30, 2009

<u>Function/Program</u>	Full-time-Equivalent			
	2000	2001	2002	2003
General government				
Central Services	29.00	31.00	31.00	31.00
Planning & Dev/ Building	31.00	33.00	33.00	33.00
Public Safety				
Fire	114.00	114.00	117.00	117.00
Police & Comm	230.00	235.00	235.00	235.00
Public Works & Engineering	134.00	133.00	135.00	135.00
Total	<u>538.00</u>	<u>546.00</u>	<u>551.00</u>	<u>551.00</u>

Source: Finance Department

Notes: A full-time employee is scheduled to work a standard 2,080 hours per year, or 2592 for sworn fire personnel (including vacation and sick leave). Full-time-equivalent employment is calculated by dividing total labor hours by standard.

 Employees by Function/Program

<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
31.00	30.00	32.00	35.00	33.00	35.00
35.00	35.00	35.00	38.00	38.00	36.00
117.00	120.00	124.00	125.00	127.00	125.00
237.00	228.00	228.00	228.00	227.00	216.00
<u>138.00</u>	<u>134.00</u>	<u>136.00</u>	<u>138.00</u>	<u>139.00</u>	<u>126.00</u>
<u>558.00</u>	<u>547.00</u>	<u>555.00</u>	<u>564.00</u>	<u>564.00</u>	<u>538.00</u>

CITY OF WAUKEGAN

OPERATING INDICATORS ^(a)
April 30, 2009

Function/Program	Fiscal		
	2004	2005	2006
General government			
General business licenses issued ^(b)	1300	1350	1400
Number of Commercial Units Constructed	18	25	15
Value of Commercial Construction	\$ 23,887,771	\$ 42,296,603	\$ 26,351,339
Number of Residential Single Family Constructed	76	94	34
Value of Residential Single Family Construction	\$ 15,482,862	\$ 20,676,062	\$ 7,199,975
Number of Residential Multiple Unit Family Constructed	6	225	30
Value of Residential Multiple Unit Family Construction	\$ 865,200	\$ 22,181,730	\$ 5,120,400
Public Safety			
911 Calls*	74,434	81,320	79,842
Police Responses* ^(c)	81,788	80,417	78,085
Physical arrests*	4,481	4,608	4,839
Traffic Citations Written *	40,521	36,117	28,183
Parking violations*	65,323	64,656	60,615
Emergency Medical Responses*	5,473	6,004	6,864
Fire Department Mutual Aid Responses*	100	146	110
Streets & Highways			
Miles of streets resurfaced	5.2	6.0	5.4
Inches of snowfall	37.0	34.0	40.0
Tons of salt used in snow plowing	9,000	7,700	6,500
Number of parkway trees planted	109	-	-
Utility* ^(d)			
Number of water main breaks*	52	60	51
Total water consumption (billions of gallons)*	3.909	4.032	3.662
Number of Water Meters Replaced*	467	683	633
Average daily consumption pumped (millions of gallons)*	10.711	11.048	10.035

Source: Various city departments.

Notes:

^c Police responses include contact through 9-1-1, non-emergency lines, walk-up window traffic, self initiated by officer.

^(b) numbers are approximate by the business License Office

* *Those indicators noted are reported on calendar year.*

Year*

	2007	2008	2009
	1450	1550	1600
	25	9	2
\$	48,497,662	\$ 26,925,469	\$ 10,247,862
	45	22	11
\$	7,539,955	\$ 3,606,100	\$ 1,662,065
	48	85	36
\$	1,730,400	\$ 5,410,800	\$ 3,680,400
	82,048	77,607	57,058
	75,077	77,488	51,335
	4,920	4,637	3,260
	26,010	20,837	10,431
	58,164	54,482	33,076
	7,607	7,331	5,487
	135	126	84
	5.7	5.8	4.3
	25.0	43.0	72.0
	8,000	11,200	7,000
	25	49	-
	57	63	57
	3.506	3.367	3.52
	769	741	715
	9.606	9.226	9.622

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INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE

City of Waukegan
100 N. Martin Luther King Jr. Ave.
Waukegan, Illinois

We have examined the City of Waukegan, Illinois', (City's) compliance with the requirements of subsection (q) of Section 11-74.4-3 of the Illinois Tax Increment Redevelopment Allocation Act during the year ended April 30, 2009. Management is responsible for the City's compliance with those requirements. Our responsibility is to express an opinion on the City's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institution of Certified Public Accountants and accordingly, included examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination of the City's compliance with specified requirements.

In our opinion, the City complied in all material respects, with the aforementioned requirements for the year ended April 30, 2009.

Baker Tilly Virchow Krause, LLP

Oak Brook, Illinois
May 14, 2010

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