

CITY OF WAUKEGAN

Waukegan, IL

FINANCIAL STATEMENTS

For the Year Ended

April 30, 2010

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CITY OF WAUKEGAN

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BAKER TILLY

Baker Tilly Virchow Krause, LLP
1301 W 22nd St, Ste 400
Oak Brook, IL 60523-3389
tel 630 990 3131
fax 630 990 0039
bakertilly.com

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, 2010, 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 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, 2010, 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.

In accordance with Government Auditing Standards, we will also issue a report 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.

The required supplementary information as listed in the table of contents is 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.

City of Waukegan

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 sections 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 fairly 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 Viechow Krause, LLP

Oak Brook, Illinois
February 18, 2011

CITY OF WAUKEGAN, ILLINOIS
MANAGEMENT'S DISCUSSION & ANALYSIS
APRIL 30, 2010

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, 2010 and April 30, 2009. 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, 2010.

FINANCIAL HIGHLIGHTS

- > The City's net assets as a result of operations are \$76.2 million for fiscal year ending April 30, 2010, with \$118 million invested in capital assets net of related debt, \$11.9 million in restricted assets, and a negative balance of \$(53.6) million in unrestricted assets.
 - Governmental net assets are \$18.5 million, with \$57.2 million invested in capital assets net of related debt, \$11.9 million in restricted assets, and a negative balance of \$(50.6) million in unrestricted net assets.
 - Business-type activities net assets are \$57.8 million, with \$60.8 million invested in capital assets net of related debt, no restricted assets, and a negative balance of \$(3.0) million in unrestricted net assets.

- > Total general revenues, program revenues and transfers were \$91.4 million for the fiscal year and expenses totaled \$93.7 million, resulting in a decrease of net assets of \$(2.3) million.
 - During the fiscal year, the City had governmental revenues generated in tax, other governmental programs and net transfers totaling \$80.4 million and expenses totaling \$83.2 million, resulting in a decrease in net assets of \$(2.8) million.
 - The City's business-type activities revenues and net transfers were \$11.0 million and expenses were \$10.5 million, resulting in an increase in net assets of \$500 thousand.

- > The total cost of all City programs was 103% of revenues and net transfers.

CITY OF WAUKEGAN, ILLINOIS
MANAGEMENT'S DISCUSSION & ANALYSIS
APRIL 30, 2010

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.

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 these statements for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City, 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, 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.

CITY OF WAUKEGAN, ILLINOIS
MANAGEMENT'S DISCUSSION & ANALYSIS
APRIL 30, 2010

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.

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 twenty-seven governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, the working cash fund, and the debt service fund, all of which are considered to be major funds. Data from the other twenty-four 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.

CITY OF WAUKEGAN, ILLINOIS
MANAGEMENT'S DISCUSSION & ANALYSIS
APRIL 30, 2010

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.

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, 2010

GOVERNMENT-WIDE STATEMENTS & ANALYSIS

Governmental Activities

CONDENSED STATEMENT OF NET ASSETS, AS OF APRIL 30

<i>(in millions)</i>	Governmental Activities 2010	Governmental Activities 2009	Increase / (Decrease)
Assets:			
Current Assets	\$ 53.2	\$ 36.2	\$ 17.0
Internal Balances	5.5	5.2	0.3
Deferred Charges	0.7	0.8	(0.1)
Capital Assets Net of Depreciation	125.3	126.0	(0.7)
Total Assets	184.7	168.2	16.5
Liabilities			
Current Liabilities	15.1	11.3	3.8
Unearned Revenue	25.3	21.0	4.3
Non-Current Liabilities	125.9	114.6	11.3
Total Liabilities	166.2	146.9	19.3
Net Assets			
Investments in Capital Assets, net of Related Debt	57.2	53.0	4.2
Restricted Assets	11.9	6.3	5.6
Unrestricted Assets	(50.6)	(38.0)	(12.6)
Total Net Assets	18.5	21.3	(2.8)
Total Liabilities & Net Assets	\$ 184.7	\$ 168.2	\$ 57.7

The City's governmental activities current assets increased by \$17 million during the fiscal year to \$53.2 million, as the City's cash position has improved compared to the prior year. Internal balances increased by \$300 thousand to \$5.5 million and deferred charges decreased by \$(100) thousand to \$700 thousand. Capital assets, net of depreciation, decreased by \$(700) thousand to \$125.3 million, as the rate of depreciation outpaced new and reinvestment in the City's governmental assets. Total governmental activities assets increased by \$16.5 million to \$184.7 million, an overall improvement for the fiscal year

CITY OF WAUKEGAN, ILLINOIS
MANAGEMENT'S DISCUSSION & ANALYSIS
APRIL 30, 2010

Governmental activities current liabilities increased by \$3.8 million to \$15.1 million, due primarily to the City issuing a Bond Anticipation Note for \$11.5 million to pay a settlement on a lawsuit. The remaining current liabilities greatly decreased as many of the City's short-term vendor payments were paid in a prompt fashion this fiscal year, and unearned revenue increased \$4.3 million to \$25.3 million. Non-current liabilities increased \$11.3 million to \$125.9 million as the City's obligations in excess of one-year have grown due to an increased debt position. Total governmental activities liabilities are \$166.2 million, up \$19.3 million over the prior fiscal year.

Total governmental activities net assets decreased \$(2.8) million to \$18.5 million for the fiscal year, as capital assets net of related debt increased \$4.2 million \$57.2 million; restricted assets increased \$5.6 million to \$11.9 million; and, unrestricted assets remained in a negative balance for a total of \$(50.6) million at the close of the fiscal year.

CITY OF WAUKEGAN, ILLINOIS
MANAGEMENT'S DISCUSSION & ANALYSIS
APRIL 30, 2010

CONDENSED STATEMENT OF ACTIVITIES, AS OF APRIL 30

<i>(in millions)</i>	Governmental Activities 2010	Governmental Activities 2009	Increase / (Decrease)
Revenues:			
Program Revenues			
Charges for Services	\$ 11.2	\$ 12.7	\$ (1.5)
Operating Grants & Contributions	0.5	0.1	0.4
Capital Grants & Contributions	7.3	0.6	6.7
General Revenues	-		
Taxes	43.4	43.3	0.1
Intergovernmental	14.9	16.4	(1.5)
Investment Income	0.2	0.4	(0.2)
Miscellaneous	0.8	0.8	-
Total Revenues	78.3	74.3	4.0
Expenses:			
General Government	7.1	8.9	(1.8)
Public Safety	48.8	65.5	(16.7)
Building & Zoning	1.9	3.6	(1.7)
Streets, Bridges & Public Works	14.4	22.7	(8.3)
Sanitation & Environment	4.4	4.6	(0.2)
Economic Development	1.2	4.9	(3.7)
Culture & Recreation	0.2	0.1	0.1
Community Development	1.6	1.6	-
Interest & Fiscal Charges	3.6	3.9	(0.3)
Total Expenses	83.2	115.8	(32.6)
Excess (Deficiency) Before Transfers	(4.9)	(41.5)	
Net Transfers	2.1	0.8	
Change in Net Assets	(2.8)	(40.7)	
Net Assets, beginning of year	21.3	62.0	
Net Assets, end of year	\$ 18.5	\$ 21.3	

The City's governmental activities revenues increased by \$4.0 million, up 5% from the prior year to a total of \$78.3 million, and expenses decreased \$(32.6) million from the prior year to a total of \$83.2 million. The result is a deficit before transfers of \$(4.9) million. After net transfers of \$2.1 million, net assets decreased by \$(2.8) million for the fiscal year to \$18.5 million.

CITY OF WAUKEGAN, ILLINOIS
MANAGEMENT'S DISCUSSION & ANALYSIS
APRIL 30, 2010

Charges for service revenues decreased by \$(1.5) million, or -13% versus the prior year, impacted by the continued economic difficulties and resulting lack of business activity and new development. Grants and contributions, both operating and capital, increased \$400 thousand and \$6.7 million respectively as the City benefited from environmental and community development grant monies. Taxes, the City's largest source of governmental activities revenues, increased slightly by \$100 thousand from the prior year. Intergovernmental revenues declined by \$(1.5) million, as statewide income sources continue to be negatively impacted by general economic malaise. Similarly, investment income dropped \$(200) thousand as interest rates continue to be quite low compared to prior years.

Total governmental activities expenses decreased by \$32.6 million down to \$83.2 million. Most of the decreases versus prior year were due to the "catch-up" of proper recognition of claims payable last fiscal year, dramatically increasing the 2009 fiscal year expenditures. In addition, last year there were "catch-up" entries made 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 were increased substantially due to recording depreciation on infrastructure that was erroneously left out of the 2008 fiscal year and earlier figures.

CITY OF WAUKEGAN, ILLINOIS
MANAGEMENT'S DISCUSSION & ANALYSIS
APRIL 30, 2010

Business-Type Activities

CONDENSED STATEMENT OF NET ASSETS, AS OF APRIL 30

<i>(in millions)</i>	Business-type Activities 2010	Business-type Activities 2009	Increase / (Decrease)
Assets:			
Current Assets	\$ 2.8	\$ 2.7	\$ 0.1
Internal Balances	(5.5)	(5.2)	(0.3)
Deferred Charges	0.1	0.1	-
Restricted Assets	0.6	0.6	-
Capital Assets Net of Depreciation	70.1	72.6	(2.5)
Total Assets	68.1	70.8	(2.7)
Liabilities			
Current Liabilities	0.5	2.3	(1.8)
Non-Current Liabilities	9.9	11.2	(1.3)
Total Liabilities	10.4	13.5	(3.1)
Net Assets			
Investments in Capital Assets, net of Related Debt	60.8	61.8	(1.0)
Unrestricted Assets	(3.0)	(4.5)	1.5
Total Net Assets	57.8	57.3	0.5
Total Liabilities & Net Assets	\$ 68.1	\$ 70.8	\$ (2.7)

The City's business-type activities current assets increased by \$100 thousand during the fiscal year to \$2.8 million, internal balances and deferred charges remained unchanged. Capital assets, net of depreciation, decreased by \$(2.8) million mostly attributed to depreciation expense outpacing new capital investments. Total business-type activities assets decreased \$(2.7) million for the fiscal year.

Business-type activities current liabilities decreased \$(1.8) million to \$500 thousand as many of the City's short-term vendor payments were paid in a prompt fashion this fiscal year. Non-current liabilities decreased \$(1.3) million to \$9.9 million related to the retirement of long-term debt. Total business-type activities liabilities are \$10.4 million for the fiscal year.

CITY OF WAUKEGAN, ILLINOIS
MANAGEMENT'S DISCUSSION & ANALYSIS
APRIL 30, 2010

Total business-type activities net assets increased \$500 thousand to \$57.8 million for the fiscal year. While capital assets net of related debt declined by \$(1) million to \$60.8 million, unrestricted assets regained \$1.5 million to a negative balance of \$(3.0) million at the close of the fiscal year.

CONDENSED STATEMENT OF ACTIVITIES, AS OF APRIL 30

<i>(in millions)</i>	Business-type Activities 2010	Business-type Activities 2009	Increase / (Decrease)
Revenues:			
Program Revenues			
Charges for Services	\$ 12.8	\$ 11.8	\$ 1.0
Operating Grants & Contributions	0.2	0.3	(0.1)
Capital Grants & Contributions	-	-	-
General Revenues			
Investment Income	0.1	-	0.1
Miscellaneous	-	-	-
Total Revenues	<u>13.1</u>	<u>12.1</u>	<u>1.0</u>
Expenses:			
Water & Sewer	9.5	14.0	(4.5)
Motor Vehicle Parking Lot	1.0	1.2	(0.2)
Total Expenses	<u>10.5</u>	<u>15.2</u>	<u>(4.7)</u>
Excess (Deficiency) Before Transfers	2.6	(3.1)	
Net Transfers	(2.1)	(0.8)	
Change in Net Assets	<u>0.5</u>	<u>(3.9)</u>	
Net Assets, beginning of year	57.3	61.1	
Net Assets, end of year	<u>\$ 57.8</u>	<u>\$ 57.3</u>	

The City's business-type activities revenues increased \$1.0 million from the prior year to a total of \$13.1 million with the largest revenue, charges for services, increasing by \$1 million to \$12.8 million. This is related to a water charge increase implemented during the fiscal year. Expenses decreased \$(4.7) million from the prior year to a total of \$10.5 million most notably due last year's correction of depreciation on infrastructure erroneously left out of the fiscal year 2008 and prior year figures. The result is an excess before transfers of \$2.6 million. After net transfers of \$(2.1) million, net assets increased \$500 thousand for the fiscal year to \$57.8 million.

CITY OF WAUKEGAN, ILLINOIS
MANAGEMENT'S DISCUSSION & ANALYSIS
APRIL 30, 2010

BUDGET HIGHLIGHTS

The City adopts a budget on a fund basis consistent with generally accepting accounting principles. During the year, the General Fund budget was amended. 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, 2010

<i>(in thousands)</i>	Amended			
	Budget	Actual	Over / (Under) Budget	
Revenues:				
Property Taxes	\$ 8,992	\$ 14,693	\$ 5,701	63%
Other Taxes	19,409	19,766	356	2%
Intergovernmental	12,329	7,404	(4,925)	-40%
Licenses	2,394	2,430	36	2%
Permits	1,402	972	(429)	-31%
Franchise Fees	845	873	28	3%
Fine & Forfeitures	4,512	3,060	(1,452)	-32%
Charges for Services	2,313	2,243	(70)	-3%
Miscellaneous Revenues	1,241	781	(460)	-37%
Investment Income	100	57	(43)	-43%
Total Revenues	<u>53,536</u>	<u>52,278</u>	<u>(1,258)</u>	<u>-2%</u>
Expenses:				
Central Services	\$ 5,425	\$ 5,997	\$ 572	11%
Public Safety - Police & Comm	22,274	27,111	4,837	22%
Public Safety - Fire	14,048	15,123	1,075	8%
Building & Zoning	2,120	1,789	(331)	-16%
Streets, Bridges & Public Works	7,057	5,598	(1,459)	-21%
Sanitation & Environment	4,214	4,362	148	4%
Economic Development	843	476	(368)	-44%
Debt Service	711	7,641	6,930	N/A
Total Expenses	<u>56,692</u>	<u>68,096</u>	<u>11,404</u>	<u>20%</u>
Excess (deficiency) of revenues over expenditures	<u>(3,156)</u>	<u>(15,818)</u>		
Net Transfers in / (out)		7,858		
Proceeds of capital leases & sales		<u>3</u>		
Total Other Financing Sources (Uses)		<u>7,861</u>		
Net Change in Fund Balance		(7,957)		
Fund Balance, beginning of year		<u>8,062</u>		
Fund Balance, end of year		<u>\$ 105</u>		

CITY OF WAUKEGAN, ILLINOIS
MANAGEMENT'S DISCUSSION & ANALYSIS
APRIL 30, 2010

Total General Fund revenues finished \$(1,258) thousand below budget for a total of \$52.3 million. Property taxes exceeded the budget by nearly \$6 million. While the general corporate levy and road & bridge levies finished on par with the budget for a total of \$8.8 million and \$384 thousand respectively, the City did not budget for the police and fire pension employer contribution that was in fact levied and collected for a total of \$5.8 million. Therefore, this variance was due not to an improvement in the revenue source but rather the discrepancy between the budgeting and levy process. This issue has been rectified going forward beginning with the May 1, 2010 to April 30, 2011 budget.

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 over budget by \$356 thousand for a total of \$19.8 million. The largest of these revenues, sales tax, ended the year \$657 thousand over budget for a total of \$8.6 million. Home rule sales tax exceed the budget by \$660 thousand for a total of \$1.7 million, likewise local use tax missed the budget by \$(99) thousand for a total of \$1.1 million. The second largest other tax revenue, utility taxes, finished \$(687) thousand under budget for a total of \$4.1 million. The third largest other tax revenue is telecommunications tax which missed the budget for \$(199) thousand for a total of \$3.3 million. Hotel, auto rental and amusement tax exceeded budget by \$24 thousand for a combined total of \$973 thousand.

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. Income tax fell \$(3.8) million below the budget for a total of \$4.3 million. Personal property replacement tax finished above budget by \$83 thousand for a total of \$2.9 million, and grants missed the budget by \$(1.2) million for a total of \$197 thousand as public safety grants applied for were not received.

License revenue beat meet budget projections by \$36 thousand for a total of \$2.4 million. This is due to an enhanced focus on compliance with licensing Citywide. Permits finished under budget for the fiscal year, missing budget projections by \$(429) thousand for a total of \$972 thousand. The vast majority 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 \$28 thousand in excess of the budget, for a total of \$873 thousand.

Fines and forfeitures finished under budget by \$(1.5) million for a total of \$3.1 million. Significant fines did not meet budget estimated including parking – under budget by \$(142) thousand, animal control violations – under budget by \$(498) thousand, tobacco enforcement – under budget by \$(509) thousand), and DUI violations – under budget by \$(189) thousand.

CITY OF WAUKEGAN, ILLINOIS
MANAGEMENT'S DISCUSSION & ANALYSIS
APRIL 30, 2010

Charges for services finished very close to budget projections, only under by \$(70) thousand for a total of \$2.2 million. Miscellaneous revenues finished under budget by \$460 thousand for a total collection of \$781 thousand. Investment income completed the fiscal year at a total of \$57 thousand, well under budget, due to lack of idle cash for investments in the General Fund and low interest rates.

General Fund expenses exceed the budget by \$11.4 million for a total of \$68.1 million. The majority of this budget overage relates to Public Safety Police & Communications and Public Safety Fire exceeding the budget by \$4.8 million, and \$1.1 million 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 \$3.3 million to the Police Pension and \$2.4 million to the Fire Pension funds. Significant savings versus the budget were realized in commodities, such as salt and fuel, related to Streets, Bridges and Public Works. In the Debt Service category, several significant expenses were made that had not been fully contemplated in the budget. They include \$6.9 million paid to retire the short-term note on the 31.761 Acre Vacant Land on the North Side of Lakehurst Road, and \$355 thousand in lease payments for a variety of fire and public works equipment.

The General Fund's fiscal year deficiency is \$(15.8) million before transfers. After transfers-in from other funds, the change in net assets is \$(7.8) million, resulting in a General Fund ending fund balance of \$105 thousand. 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.

CITY OF WAUKEGAN, ILLINOIS
MANAGEMENT'S DISCUSSION & ANALYSIS
APRIL 30, 2010

CAPITAL ASSETS

The City's investment in capital assets for its governmental and business-type activities as of April 30, 2010 is shown below (net of accumulated depreciation).

CAPITAL ASSETS, NET OF ACCUMULATED DEPRECIATION, APRIL 30

<i>(in thousands)</i>	2010	2009	Increase / (Decrease)
	<u>Governmental Activities</u>		
Land <i>(not depreciated)</i>	\$ 12,971	\$ 12,971	\$ -
Construction in progress <i>(not depreciated)</i>	-	1,504	(1,504)
Land improvements	626	670	(44)
Buildings	35,840	37,171	(1,331)
Machinery and equipment	2,549	3,044	(495)
Infrastructure	71,796	68,305	3,491
Vehicles	1,582	2,330	(748)
Total Net Capital Assets	<u>125,364</u>	<u>125,995</u>	<u>(631)</u>
	<u>Business-Type Activities</u>		
Land <i>(not depreciated)</i>	\$ 2,417	\$ 2,417	\$ -
Construction in progress <i>(not depreciated)</i>	-	2,147	(2,147)
Land improvements	104	111	(7)
Buildings	12,675	13,129	(454)
Machinery and equipment	1,156	1,448	(292)
Infrastructure	53,623	53,079	544
Vehicles	170	276	(106)
Total Net Capital Assets	<u>70,145</u>	<u>72,607</u>	<u>(2,461)</u>
Grant Total	<u>\$ 195,509</u>	<u>\$ 198,602</u>	<u>\$ (3,092)</u>

The City's total capital assets, net of accumulated depreciation, decreased by \$(3.1) 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, 2010

DEBT ADMINISTRATION

The City's outstanding general obligation debt as of April 30, 2010 is as follows:

1998 G.O. Bonds	\$ 1,435,000
2001A G.O. Bonds	6,285,000
2003A G.O. Bonds	28,478,800
2005A G.O. Refunding	23,245,000
2006 G.O. Note	2,148,123
2009A G.O. Bonds	<u>30,000,000</u>
 Total	 <u>\$ 91,591,922</u>

More detailed information on long-term debt can be found in Note III G. 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.

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CITY OF WAUKEGAN
STATEMENT OF NET ASSETS
April 30, 2010

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Totals	Public Library
ASSETS				
Cash and investments	\$ 15,352,958	\$ 368,191	\$ 15,721,149	\$ 1,443,940
Receivables (net)				
Taxes receivable	24,556,446	-	24,556,446	3,843,601
Other taxes	5,257,312	-	5,257,312	105,577
Intergovernmental	4,246,965	-	4,246,965	-
Accounts	1,363,417	2,403,904	3,767,321	-
Special assessments	1,693,811	-	1,693,811	-
Prepaid items	342,898	16,749	359,647	-
Inventories	275,000	-	275,000	-
Internal balances	5,522,234	(5,522,234)	-	-
Deferred charges	703,434	89,738	793,172	-
Restricted assets	-	626,331	626,331	-
Capital assets				
Land	12,971,120	2,416,728	15,387,848	71,486
Land improvements	756,144	131,780	887,924	-
Buildings	48,392,657	17,817,655	66,210,312	5,290,567
Machinery and equipment	12,002,191	5,895,356	17,897,547	1,483,494
Infrastructure	197,281,111	85,129,641	282,410,752	-
Vehicles	13,305,149	1,615,079	14,920,228	-
Less Accumulated depreciation	(159,344,420)	(42,860,828)	(202,205,248)	(3,916,974)
Total Assets	<u>184,678,427</u>	<u>68,128,090</u>	<u>252,806,517</u>	<u>8,321,691</u>
LIABILITIES				
Accounts payable	461,111	184,672	645,783	-
Accrued payroll	2,014,353	159,664	2,174,017	12,242
Other liabilities	348,269	39,867	388,136	3,919
Interest payable	750,581	90,439	841,020	25,468
Unearned revenue	25,250,299	-	25,250,299	3,843,601
Short term debt	11,452,000	-	11,452,000	-
Deposits	-	11,700	11,700	-
Noncurrent liabilities				
Due within one year	20,803,456	1,332,364	22,135,820	318,659
Due in more than one year	<u>105,146,462</u>	<u>8,532,047</u>	<u>113,678,509</u>	<u>1,277,432</u>
Total Liabilities	<u>166,226,531</u>	<u>10,350,753</u>	<u>176,577,284</u>	<u>5,481,321</u>
NET ASSETS				
Invested in capital assets, net of related debt	57,217,858	60,780,388	117,998,246	1,461,716
Restricted for				
Community development	4,966,087	-	4,966,087	-
Public safety	1,713,160	-	1,713,160	-
Debt service	5,149,446	-	5,149,446	-
Cemetery care	43,025	-	43,025	-
Unrestricted (deficit)	<u>(50,637,680)</u>	<u>(3,003,051)</u>	<u>(53,640,731)</u>	<u>1,378,654</u>
TOTAL NET ASSETS	<u>\$ 18,451,896</u>	<u>\$ 57,777,337</u>	<u>\$ 76,229,233</u>	<u>\$ 2,840,370</u>

See accompanying notes to financial statements.

CITY OF WAUKEGAN
STATEMENT OF ACTIVITIES
For the Year Ended April 30, 2010

Functions/Programs	Program Revenues			
Primary Government	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities				
General government	\$ 7,083,922	\$ 6,696,139	\$ -	\$ -
Public safety	48,824,306	4,123,679	464,044	-
Building and zoning	1,862,218	238,062	-	-
Streets, bridges and public works	14,429,316	30,331	5,725	7,090,731
Sanitation and environment	4,355,026	63,874	-	23,191
Economic development	1,220,931	-	-	-
Culture and recreation	159,554	64,211	-	-
Community development	1,609,781	-	-	138,246
Interest and fiscal charges	3,597,236	-	-	-
Total Governmental Activities	83,142,290	11,216,296	469,769	7,252,168
Business-type Activities				
Water & sewer	9,575,113	11,611,703	251,200	-
Motor vehicle parking lot	901,868	1,230,829	-	-
Total Business-type Activities	10,476,981	12,842,532	251,200	-
Total Primary Government	\$ 93,619,271	\$ 24,058,828	\$ 720,969	\$ 7,252,168
Component Unit				
Public Library	\$ 3,850,839	\$ 140,488	\$ 287,506	\$ -

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

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
\$ (387,783)	\$ -	\$ (387,783)	\$ -
(44,236,583)	-	(44,236,583)	-
(1,624,156)	-	(1,624,156)	-
(7,302,529)	-	(7,302,529)	-
(4,267,961)	-	(4,267,961)	-
(1,220,931)	-	(1,220,931)	-
(95,343)	-	(95,343)	-
(1,471,535)	-	(1,471,535)	-
<u>(3,597,236)</u>	<u>-</u>	<u>(3,597,236)</u>	<u>-</u>
<u>(64,204,057)</u>	<u>-</u>	<u>(64,204,057)</u>	<u>-</u>
-	2,287,790	2,287,790	-
-	328,961	328,961	-
-	<u>2,616,751</u>	<u>2,616,751</u>	-
<u>(64,204,057)</u>	<u>2,616,751</u>	<u>(61,587,306)</u>	-
-	-	-	(3,422,845)
20,963,153	-	20,963,153	3,936,579
13,778,808	-	13,778,808	-
3,285,588	-	3,285,588	-
1,085,212	-	1,085,212	-
4,113,397	-	4,113,397	-
972,987	-	972,987	-
2,558,349	-	2,558,349	-
7,092,738	-	7,092,738	-
2,882,546	-	2,882,546	-
2,329,992	-	2,329,992	-
194,714	64	194,778	9,797
<u>28,770</u>	<u>-</u>	<u>28,770</u>	<u>65,292</u>
<u>59,286,254</u>	<u>64</u>	<u>59,286,318</u>	<u>4,011,668</u>
<u>2,091,051</u>	<u>(2,091,051)</u>	<u>-</u>	<u>-</u>
(2,826,752)	525,764	(2,300,988)	588,823
<u>21,278,648</u>	<u>57,251,573</u>	<u>78,530,221</u>	<u>2,251,547</u>
<u>\$ 18,451,896</u>	<u>\$ 57,777,337</u>	<u>\$ 76,229,233</u>	<u>\$ 2,840,370</u>

See accompanying notes to financial statements.

CITY OF WAUKEGAN

BALANCE SHEET GOVERNMENTAL FUNDS April 30, 2010

	General	Working Cash	Debt Service	Nonmajor Governmental Funds
ASSETS				
Cash and investments	\$ 1,784,405	\$ 2,592,349	\$ 2,961,552	\$ 6,666,596
Receivables (net)				
Property taxes	15,444,787	-	6,674,105	2,437,554
Other taxes	5,195,710	-	-	-
Intergovernmental	3,854,485	-	-	438,465
Accounts	922,411	-	-	258,197
Special assessment receivable	-	-	1,693,811	-
Due from other funds	2,143,982	18,815,524	1,814,705	1,779,499
Prepaid items	59,333	-	161,668	-
Inventories	-	-	-	275,000
	\$ 29,405,113	\$ 21,407,873	\$ 13,305,841	\$ 11,855,311
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 231,260	\$ -	\$ -	\$ 228,546
Accrued payroll	1,380,246	-	-	74,691
Other current liabilities	179,459	-	-	498,212
Deposits	228,360	-	-	-
Due to other funds	6,901,523	-	915,068	8,047,265
Deferred revenues	<u>20,379,017</u>	<u>-</u>	<u>8,367,916</u>	<u>2,577,448</u>
Total Liabilities	<u>29,299,865</u>	<u>-</u>	<u>9,282,984</u>	<u>11,426,162</u>
Fund Balances				
Reserved				
Reserved for inventories and prepaid items	59,333	-	161,668	275,000
Reserved for non-current interfunds	1,646,550	18,815,524	1,814,705	1,288,439
Unreserved, reported in:				
General fund undesignated	(1,600,635)	-	-	-
Special revenue funds undesignated	-	2,592,349	-	762,803
Debt service fund undesignated	-	-	2,046,484	-
Capital projects funds undesignated	-	-	-	(1,940,118)
Permanent fund undesignated	-	-	-	43,025
Total Fund Balances	<u>105,248</u>	<u>21,407,873</u>	<u>4,022,857</u>	<u>429,149</u>
	\$ 29,405,113	\$ 21,407,873	\$ 13,305,841	\$ 11,855,311

See accompanying notes to financial statements.

Totals
\$ 14,004,902
24,556,446
5,195,710
4,292,950
1,180,608
1,693,811
24,553,710
221,001
275,000
\$ 75,974,138

\$ 459,806
1,454,937
677,671
228,360
15,863,856
31,324,381
50,009,011

496,001
23,565,218
(1,600,635)
3,355,152
2,046,484
(1,940,118)
43,025
25,965,127
\$ 75,974,138

See accompanying notes to financial statements.

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CITY OF WAUKEGAN

**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET ASSETS**

April 30, 2010

Total Fund Balances - Governmental Funds	\$ 25,965,127
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 \$890) and, therefore, are not reported in the funds. See Note III D.	125,363,062
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.	6,074,082
Internal service funds are reported in the statement of net assets as governmental activities.	(26,596,642)
Interest on long-term debt is not accrued in governmental funds, but rather is recognized when due.	(750,581)
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.	703,434
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 G.	<u>(112,306,586)</u>
NET ASSETS OF GOVERNMENTAL ACTIVITIES	<u><u>\$ 18,451,896</u></u>

CITY OF WAUKEGAN

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS

For the Year Ended April 30, 2010

	General	Working Cash	Debt Service	Nonmajor Governmental Funds
REVENUES				
Property taxes	\$ 14,693,019	\$ -	\$ 4,626,440	\$ 1,643,694
Other taxes	19,765,722	-	855,299	2,550,287
Intergovernmental	7,404,338	-	-	4,691,000
Licenses	2,430,157	-	-	-
Permits	972,234	-	-	-
Franchise fees	872,828	-	-	-
Fines and forfeitures	3,059,656	-	38,062	467,378
Charges for services	2,242,592	-	-	1,037,104
Miscellaneous	780,842	-	-	109,328
Investment income	56,709	12,986	114,553	10,466
Total Revenues	<u>52,278,097</u>	<u>12,986</u>	<u>5,634,354</u>	<u>10,509,257</u>
EXPENDITURES				
Current				
Central services	5,949,757	108,100	-	-
Public safety - police and communication services	27,111,396	-	-	1,163,830
Public safety - fire services	15,119,901	-	-	155
Streets, bridges and public works	5,545,398	-	-	1,205,420
Building and zoning	1,786,665	-	-	-
Sanitation and environment	4,361,885	-	-	582,356
Economic development	475,612	-	-	574,337
Culture and recreation	-	-	-	389,797
Community development	-	-	-	1,460,159
Capital Outlay	104,307	-	-	2,511,300
Debt Service				
Principal	7,254,947	-	4,931,237	-
Interest and fiscal charges	386,123	-	1,589,861	1,124
Total Expenditures	<u>68,095,991</u>	<u>108,100</u>	<u>6,521,098</u>	<u>7,888,478</u>
Excess (deficiency) of revenues over expenditures	<u>(15,817,894)</u>	<u>(95,114)</u>	<u>(886,744)</u>	<u>2,620,779</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	7,966,652	-	1,249,012	607,970
Transfers out	(108,830)	(7,012,815)	-	(610,938)
Debt issued	-	28,515,760	1,484,240	-
Sale of capital assets	2,976	-	-	-
Total Other Financing Sources (Uses)	<u>7,860,798</u>	<u>21,502,945</u>	<u>2,733,252</u>	<u>(2,968)</u>
Net Change in Fund Balances	(7,957,096)	21,407,831	1,846,508	2,617,811
FUND BALANCES (DEFICIT) - Beginning of Year	<u>8,062,344</u>	<u>42</u>	<u>2,176,349</u>	<u>(2,188,662)</u>
FUND BALANCES - END OF YEAR	<u>\$ 105,248</u>	<u>\$ 21,407,873</u>	<u>\$ 4,022,857</u>	<u>\$ 429,149</u>

See accompanying notes to financial statements.

Totals
\$ 20,963,153
23,171,308
12,095,338
2,430,157
972,234
872,828
3,565,096
3,279,696
890,170
194,714
68,434,694

6,057,857

28,275,226
15,120,056
6,750,818
1,786,665
4,944,241
1,049,949
389,797
1,460,159
2,615,607

12,186,184
1,977,108
82,613,667

(14,178,973)

9,823,634
(7,732,583)
30,000,000
2,976
32,094,027

17,915,054

8,050,073

\$ 25,965,127

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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, 2010

Net change in fund balances - total governmental funds	\$	17,915,054
Amounts reported for governmental activities in the statement of net assets are different because:		
<p>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.</p>		
Capital outlay is reported as an expenditure in the fund financial statements but is capitalized in the government-wide financial statements		8,689,798
Depreciation is reported in the government-wide financial statements		(9,321,320)
<p>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.</p>		
		2,765,218
<p>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.</p>		
Debt issued		(30,000,000)
Principal repaid		12,186,184
<p>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.</p>		
		(1,435,391)
<p>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.</p>		
Debt discount and issuance costs		(111,478)
Amortization		(35,233)
<p>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.</p>		
Compensated absences		(690,806)
Net pension obligation		(4,995,297)
Net OPEB obligation		(1,962,573)
Environmental clean up liabilities		681,923
Accrued interest on debt		70,074
<p>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</p>		
		3,417,095
CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES	\$	<u>(2,826,752)</u>

See accompanying notes to financial statements.

CITY OF WAUKEGAN
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
April 30, 2010

	<u>Business-type Activities - Enterprise Funds</u>			<u>Governmental</u>
	<u>Water & Sewer</u>	<u>Motor Vehicle Parking Lot</u>	<u>Totals</u>	<u>Activities Internal Service Funds</u>
ASSETS				
Current Assets				
Cash and cash equivalents	\$ 200,568	\$ 167,623	\$ 368,191	\$ 1,348,056
Receivables (net)				
Accounts	2,227,390	-	2,227,390	198,426
Due from other funds	271,361	76,776	348,137	409,253
Prepaid items	16,749	-	16,749	121,897
Deferred charges	-	89,738	89,738	-
Total Current Assets	<u>2,716,068</u>	<u>334,137</u>	<u>3,050,205</u>	<u>2,077,632</u>
Noncurrent Assets				
Restricted Assets				
Restricted cash	-	626,331	626,331	-
Special assessment receivable	176,514	-	176,514	-
Capital assets (net of accumulated depreciation)				
Capital assets not being depreciated	1,158,748	1,257,980	2,416,728	-
Capital assets, being depreciated	58,057,942	9,670,741	67,728,683	890
Total Noncurrent Assets	<u>59,393,204</u>	<u>11,555,052</u>	<u>70,948,256</u>	<u>890</u>
Total Assets	<u>62,109,272</u>	<u>11,889,189</u>	<u>73,998,461</u>	<u>2,078,522</u>

See accompanying notes to financial statements.

CITY OF WAUKEGAN
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
April 30, 2010

	<u>Business-type Activities - Enterprise Funds</u>			Governmental Activities - Internal Service Funds
	Water & Sewer	Motor Vehicle Parking Lot	Totals	
LIABILITIES				
Current Liabilities				
Accounts payable	\$ 169,635	\$ 15,037	\$ 184,672	\$ 1,305
Accrued payroll	155,037	4,627	159,664	-
Interest payable	5,327	85,112	90,439	-
Other current liabilities	31,855	8,012	39,867	1,654
Short term debt	-	-	-	11,452,000
Due to other funds	2,018,924	943,250	2,962,174	6,485,070
Current portion of long term debt	950,921	381,443	1,332,364	13,643,332
Deposits	<u>11,700</u>	<u>-</u>	<u>11,700</u>	<u>-</u>
Total Current Liabilities	<u>3,343,399</u>	<u>1,437,481</u>	<u>4,780,880</u>	<u>31,583,361</u>
Noncurrent Liabilities				
Long-Term Debt				
Noncurrent portion of long term debt	<u>2,031,875</u>	<u>6,500,172</u>	<u>8,532,047</u>	<u>-</u>
Total Noncurrent Liabilities	<u>2,031,875</u>	<u>6,500,172</u>	<u>8,532,047</u>	<u>-</u>
Total Liabilities	<u>5,375,274</u>	<u>7,937,653</u>	<u>13,312,927</u>	<u>31,583,361</u>
NET ASSETS				
Invested in capital assets, net of related debt	56,632,912	4,147,476	60,780,388	-
Unrestricted (deficit)	<u>101,086</u>	<u>(195,940)</u>	<u>(94,854)</u>	<u>(29,504,839)</u>
TOTAL NET ASSETS	<u>\$ 56,733,998</u>	<u>\$ 3,951,536</u>	60,685,534	(29,504,839)
Adjustments to reflect the consolidation of internal service funds activities related to enterprise funds.			<u>(2,908,197)</u>	<u>2,908,197</u>
Net Assets Business-type Activities			<u>\$ 57,777,337</u>	
Net internal service funds reported in the statement of net assets as governmental activities				<u>\$ (26,596,642)</u>

See accompanying notes to financial statements.

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CITY OF WAUKEGAN

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
 PROPRIETARY FUNDS

For the Year Ended April 30, 2010

	<u>Business-type Activities - Enterprise Funds</u>			<u>Governmental Activities</u>
	<u>Water & Sewer</u>	<u>Motor Vehicle Parking Lot</u>	<u>Totals</u>	<u>Internal Service Funds</u>
OPERATING REVENUES				
Charges for services	\$ 11,131,288	\$ 726,683	\$ 11,857,971	\$ 13,973,281
Fines and forfeitures	234,582	-	234,582	-
Permits	174,654	-	174,654	-
Miscellaneous	71,179	504,146	575,325	198,413
Total Operating Revenues	<u>11,611,703</u>	<u>1,230,829</u>	<u>12,842,532</u>	<u>14,171,694</u>
OPERATING EXPENSES				
Personnel services	3,258,008	108,721	3,366,729	45,189
Personnel benefits	1,330,287	32,007	1,362,294	25,864
Contractual services	1,473,727	142,475	1,616,202	738,904
Commodities	966,443	8,122	974,565	2,208
Claims and judgments	-	-	-	171,758
Insurance premiums	-	-	-	9,374,695
Depreciation	2,166,130	330,611	2,496,741	-
Capital Outlay	442,635	-	442,635	-
Total Operating Expenses	<u>9,637,230</u>	<u>621,936</u>	<u>10,259,166</u>	<u>10,358,618</u>
Operating Income	<u>1,974,473</u>	<u>608,893</u>	<u>2,583,366</u>	<u>3,813,076</u>
NONOPERATING REVENUES (EXPENSES)				
Investment income	27	37	64	13,009
State grants	251,200	-	251,200	-
Interest and fiscal charges	(121,363)	(281,603)	(402,966)	(223,839)
Total Nonoperating Revenues (Expenses)	<u>129,864</u>	<u>(281,566)</u>	<u>(151,702)</u>	<u>(210,830)</u>
Income Before Transfers	<u>2,104,337</u>	<u>327,327</u>	<u>2,431,664</u>	<u>3,602,246</u>
TRANSFERS				
Transfers out	(1,586,687)	(504,364)	(2,091,051)	-
Total Transfers	<u>(1,586,687)</u>	<u>(504,364)</u>	<u>(2,091,051)</u>	<u>-</u>
Change in Net Assets	517,650	(177,037)	340,613	3,602,246
NET ASSETS - Beginning of Year	<u>56,216,348</u>	<u>4,128,573</u>		<u>(33,107,085)</u>
NET ASSETS - END OF YEAR	<u>\$ 56,733,998</u>	<u>\$ 3,951,536</u>		<u>\$ (29,504,839)</u>
Adjustment to reflect the consolidation of internal service funds activities related to enterprise funds			185,151	
Change in Net Assets of Business-type Activities			<u>\$ 525,764</u>	

See accompanying notes to financial statements.

CITY OF WAUKEGAN
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended April 30, 2010

	<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	\$ 11,562,876	\$ 1,295,929	\$ 12,858,805	\$ 14,022,683
Paid to suppliers for goods and services	(5,515,666)	(529,953)	(6,045,619)	(14,750,929)
Paid to employees for services	(3,258,008)	(108,721)	(3,366,729)	(84,550)
Net Cash Flows From Operating Activities	<u>2,789,202</u>	<u>657,255</u>	<u>3,446,457</u>	<u>(812,796)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Investments sold and matured	-	37	37	-
Investment income	<u>27</u>	<u>-</u>	<u>27</u>	<u>13,009</u>
Net Cash Flows From Investing Activities	<u>27</u>	<u>37</u>	<u>64</u>	<u>13,009</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
State grants	-	-	-	-
Transfers	(1,586,687)	(504,364)	(2,091,051)	-
Interfund borrowings	<u>-</u>	<u>566,352</u>	<u>566,352</u>	<u>2,084,848</u>
Net Cash Flows From Noncapital Financing Activities	<u>(1,586,687)</u>	<u>61,988</u>	<u>(1,524,699)</u>	<u>2,084,848</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Debt retired	(964,129)	(367,478)	(1,331,607)	-
Interest paid	(138,997)	(283,624)	(422,621)	(223,839)
Special assessments received	38,468	-	38,468	-
Acquisition and construction of capital assets	(35,387)	-	(35,387)	-
Bond amortization costs	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Cash Flows From Capital and Related Financing Activities	<u>(1,100,045)</u>	<u>(651,102)</u>	<u>(1,751,147)</u>	<u>(223,839)</u>
Net Change in Cash and Cash Equivalents	102,497	68,178	170,675	1,061,222
CASH AND CASH EQUIVALENTS - Beginning of Year	<u>98,071</u>	<u>99,445</u>	<u>197,516</u>	<u>286,834</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 200,568</u>	<u>\$ 167,623</u>	<u>\$ 368,191</u>	<u>\$ 1,348,056</u>

See accompanying notes to financial statements.

CITY OF WAUKEGAN
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended April 30, 2010

	<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 TO NET CASH FLOWS FROM OPERATING ACTIVITIES				
Operating income	\$ 1,974,473	\$ 608,893	\$ 2,583,366	\$ 3,813,076
Nonoperating revenue	251,200	-	251,200	-
Adjustments to Reconcile Operating Income to Net Cash Flows From Operating Activities				
Depreciation	2,166,130	330,611	2,496,741	-
Changes in assets and liabilities				
Accounts Receivable	91,936	-	91,936	(149,011)
Prepays	-	-	-	(121,897)
Accounts Payable	(1,359,467)	(353,310)	(1,712,777)	(925,070)
Accrued Salaries	1,338	(504)	834	(2,894)
Other Current Liabilities	(939)	8,183	7,244	(1,005)
Deferred Income	(33,129)	-	(33,129)	-
Compensated Absences	(51,716)	(1,718)	(53,434)	(10,603)
Claims Payable	-	-	-	(3,415,392)
Customer deposits	(87,473)	-	(87,473)	-
Due from other funds	(271,361)	65,100	(206,261)	-
Due to other funds	108,210	-	108,210	-
	<u>108,210</u>	<u>-</u>	<u>108,210</u>	<u>-</u>
NET CASH FLOWS FROM OPERATING ACTIVITIES	<u>\$ 2,789,202</u>	<u>\$ 657,255</u>	<u>\$ 3,446,457</u>	<u>\$ (812,796)</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, 2010

	<u>Pension Trusts</u>
ASSETS	
Cash and cash equivalents	\$ 256,978
Investments	
Money markets	4,670,017
State and local obligations	15,735,475
US Government and agency obligations	31,533,352
Common and preferred stocks	21,004,566
Mutual funds	21,189,862
Accrued interest	488,258
Prepaid items	<u>3,250</u>
Total Assets	<u>94,881,758</u>
LIABILITIES	
Accounts payable	<u>44,952</u>
Total Liabilities	<u>44,952</u>
NET ASSETS	
Held in trust for pension benefits (a schedule of funding progress is presented in the required supplementary information)	<u>94,836,806</u>
TOTAL NET ASSETS	<u>\$ 94,836,806</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, 2010

	<u>Pension Trusts</u>
ADDITIONS	
Contributions	
Employer	\$ 5,729,884
Plan members	<u>2,051,820</u>
Total Contributions	<u>7,781,704</u>
Investment income	
Investment income	3,212,881
Net appreciation in the fair value of investments	<u>12,465,867</u>
Total Investment Income	15,678,748
Less investment expense	<u>336,169</u>
Net Investment Income	<u>15,342,579</u>
Total Additions	<u>23,124,283</u>
DEDUCTIONS	
Benefits	9,478,465
Contractual services	106,129
Administrative	<u>64,468</u>
Total Deductions	<u>9,649,062</u>
Change in Net Assets	13,475,221
NET ASSETS - Beginning of Year	<u>81,361,585</u>
NET ASSETS - END OF YEAR	<u><u>\$ 94,836,806</u></u>

See accompanying notes to financial statements.

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CITY OF WAUKEGAN
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April 30, 2010

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See accompanying notes to financial statements.

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CITY OF WAUKEGAN
NOTES TO FINANCIAL STATEMENTS
April 30, 2010

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, 2010

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 PPERS.

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, 2010. 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, 2010

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

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.

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.

CITY OF WAUKEGAN
NOTES TO FINANCIAL STATEMENTS
April 30, 2010

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

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

Fund Financial Statements (cont.)

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.
- Working cash fund - Used to report resources that are held by the City to be used for working capital requirements for the City's other funds.

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, 2010

NOTE I - 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	Community development block grant
Narcotics forfeiture	911 emergency system
LLEBG Crime prevention	Lakefront redevelopment TIF #1
Homeland security grants	Lewis Avenue TIF #2
Home rehab assistance	Belvidere mall redevelopment TIF #3
Edward Byrne memorial grant	Downtown waterfront TIF #4
Neighborhood stabilization	Fountain Square TIF #5
Wetland mitigation	Brownfield redevelopment
Environment and risk management	Public education & government
Scoopin' the Genesee	Prison review agency
Shawna's law	Coke plant superfund site
Lakefront - downtown redevelopment - HR sales tax	Fountain Square TIF # 5

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	Fountain square special assessment

Permanent Fund - 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.

Cemetery trust

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, 2010

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.

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.

CITY OF WAUKEGAN
NOTES TO FINANCIAL STATEMENTS
April 30, 2010

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

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

Fund Financial Statements (cont.)

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.

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.

CITY OF WAUKEGAN
NOTES TO FINANCIAL STATEMENTS
April 30, 2010

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

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.

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.

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.

CITY OF WAUKEGAN
NOTES TO FINANCIAL STATEMENTS
April 30, 2010

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

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

1. Deposits and Investments (cont.)

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.

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 2009 property tax levy is recognized as a receivable and deferral in fiscal 2010, net the allowance for uncollectible. As the taxes become available to finance current expenditures, they are recognized as revenues. At April 30, 2010, the property taxes receivable and deferred tax revenue consisted of the estimated amount collectible from the 2009 levy.

CITY OF WAUKEGAN
NOTES TO FINANCIAL STATEMENTS
April 30, 2010

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

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

2. Receivables (cont.)

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, 2010.

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.

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.

CITY OF WAUKEGAN
NOTES TO FINANCIAL STATEMENTS
April 30, 2010

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

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

5. Capital Assets (cont.)

Government-Wide Statements (cont.)

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.

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, 2010, are determined on the basis of current salary rates and include salary related payments.

CITY OF WAUKEGAN
NOTES TO FINANCIAL STATEMENTS
April 30, 2010

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

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

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.

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.

CITY OF WAUKEGAN
NOTES TO FINANCIAL STATEMENTS
April 30, 2010

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

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

10. Equity Classifications (cont.)

Government-Wide Statements (cont.)

- 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.

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: capital equipment replacement and home rehab assistance.

CITY OF WAUKEGAN
NOTES TO FINANCIAL STATEMENTS
April 30, 2010

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

B. EXCESS EXPENDITURES OVER APPROPRIATIONS

Funds	Budgeted Expenditures	Actual Expenditures	Excess Expenditures Over Budget
General	\$ 56,692,021	\$ 68,095,991	\$ 11,403,970
Working cash	-	108,100	108,100
Community development block grant (CDBG)	1,116,237	1,137,553	21,316
LLEBG crime prevention	16,147	16,624	477
Shawna's law	-	36,191	36,191
Coke plant superfund site	60,000	92,708	32,708
Wetland mitigation	16,546	17,584	1,038
Scoopin' the Genesee	65,000	68,541	3,541
Street/Sidewalk rehabilitation	1,450,000	2,335,817	885,817
Environmental & risk management	486,559	558,206	71,647
Fountain Square Special Assessment	-	6,285	6,285
Cemetery Trust	-	645	645
Police pension	4,309,177	5,332,570	1,023,393
Firefighters' pension	4,057,949	4,316,492	258,543

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.

C. DEFICIT BALANCES

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

As of April 30, 2010, the following individual funds held a deficit balance:

Fund	Amount
Motor fuel tax	\$ 164,903
Narcotics forfeiture	360,563
Homeland security grants	122,932
Brownfield redevelopment	64,946
Wetland mitigation	22,978
Environmental & risk management	4,127,217
Coke plant superfund site	104,660
Street/Sidewalk rehabilitation	1,754,818
Employee benefit plan	227,715
Safety & risk management	29,277,124

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.

CITY OF WAUKEGAN
NOTES TO FINANCIAL STATEMENTS
April 30, 2010

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.

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

	Carrying Value	Bank and Investment Balances
Deposits with financial institutions	\$ 15,388,467	\$ 17,309,768
Illinois Funds	84,397	40,709
Investments	95,261,721	95,255,696
Petty cash	3,145	-
 Total Deposits and Investments	 \$ 110,737,730	 \$ 112,606,173

Reconciliation to financial statements

Per statement of net assets	
Unrestricted cash and investments	\$ 15,721,149
Restricted cash and investments	626,331
Per statement of net assets - fiduciary funds	
Cash	256,978
Money markets	4,670,017
State and local obligations	15,735,475
US Government and agency obligations	31,533,352
Common stock	21,004,566
Mutual funds	21,189,862
 Total Deposits and Investments	 \$ 110,737,730

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.

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

CITY OF WAUKEGAN
NOTES TO FINANCIAL STATEMENTS
April 30, 2010

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, 2010, the City's investments were rated as follows:

Investment Type	Standard & Poor's or Moody's Investors Service ratings
Firefighters' Pension	
Oak Lawn, IL - GO Series B	A1
Hoffman Estates, IL - GO Series A	AA2
Rockford, IL - Sales Tax	A1
Hickory Hills, IL - Build America Bond	AA
Wheaton, IL - Series B	N/A
Minooka, IL FPD	AA3
Will County School District, IL #122	AA3
McHenry County School District, IL	A+
Aurora, IL - Build America Bonds	AA+
Byron Forest, IL - Preservation District	A+
Sangamon County School District, IL	AA-
Barrington, IL - Build America Bonds	AA+
DuPage, Cook, Will Counties	Aaa
Crystal Lake, IL - Build America Bonds	AA2
Glen Ellyn, IL - Build America Bonds	AA2
Barrington, IL - Build America Bonds	AA+
Winnebago, Boone County, IL	AA
Chicago, IL - Board of Education Series E	A1
Cook County School District, IL #132	AA3
Will Grundy County Community College	AA
Chicago, IL - Series F	AA3

CITY OF WAUKEGAN
NOTES TO FINANCIAL STATEMENTS
April 30, 2010

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

A. DEPOSITS AND INVESTMENTS (cont.)

Credit Risk (cont.)

Investment Type	Standard & Poor's or Moody's Investors Service ratings
Police Pension	
Oak Lawn, IL - GO Series B	A1
Cook County School District, IL #214	AA+
McHenry County School District, IL	AA
Whiteside County School District, IL	AA-
Chicago, IL - Series B	N/A
McHenry County School District, IL	A+
DeKalb County School District, IL	AA-
Channahon, IL - Fire District	A1
Cook County School District, IL	AA+
St. Joseph Village, IL - Build America Bonds	AA1
Mount Prospect, IL - Build America Bonds	AA+
Rockford, IL - Sales Tax	A1
Byron Forest, IL - Preservation District	A+
St Clair County School District, IL	A+
Wheaton, IL - Series B	AA1
Palatine, IL - Series B	AA3
Barrington, IL - Build America Bonds	AA+
Chicago, IL - Public Building Commission	Aaa
Crystal Lake, IL - Build America Bonds	AA2
Lockport, IL - Build America Bonds	AA-
Glen Ellyn, IL - Build America Bonds	AA2
Oswego, IL - Build America Bonds	AA3
DuPage, Cook, Will Counties	Aaa
DuPage County, IL	AA3
Plainfield, IL - Fire Protection	AA3
Winnebago, Boone County, IL	AA
Crete, IL - Fire Protection District	AA3
Chicago, IL - Board of Education Series E	A1
Villa Park, IL - Build America Bonds	AA
Chicago, IL - Series F	AA3

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.

CITY OF WAUKEGAN
NOTES TO FINANCIAL STATEMENTS
April 30, 2010

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

A. DEPOSITS AND INVESTMENTS (cont.)

Concentration of Credit Risk (cont.)

At April 30, 2010, the following pension investments were greater than 5% of net assets:

Issuer	Amount
Firefighter Pension:	
Federal Home Loan Mortgage Corporation (FHLMC)	\$ 5,185,566
Federal Home Loan Bank (FHLB)	5,395,523
Federal National Mortgage Association (FNMA)	3,374,795
Police Pension:	
Federal Farm Credit Bank (FFCB)	2,394,063
Freddie Mac	4,430,092
Federal National Mortgage Association (FNMA)	4,782,049
Federal Home Loan Bank (FHLB)	3,248,658

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, 2010, the City's investments were as follows:

Investment Type	Maturity	
	Fair Value	Less than one year
Illinois Funds	\$ 84,397	\$ 84,397
Money markets	1,128,449	1,128,449
Totals	<u>\$ 1,212,846</u>	<u>\$ 1,212,846</u>

CITY OF WAUKEGAN
NOTES TO FINANCIAL STATEMENTS
April 30, 2010

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

A. DEPOSITS AND INVESTMENTS (cont.)

Interest Rate Risk (cont.)

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	\$ 4,832,469	\$ 181,334	\$ 1,725,362	\$ 1,942,484	\$ 983,289
U.S. Treasuries	1,791,275	-	-	-	1,791,275
U.S. agencies	14,690,740	4,173	7,299,459	4,801,674	2,585,434
Money markets	879,699	879,699	-	-	-
Totals	\$ 22,194,183	\$ 1,065,206	\$ 9,024,821	\$ 6,744,158	\$ 5,359,998

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	\$ 10,903,006	\$ 280,818	\$ 4,434,014	\$ 3,774,555	\$ 2,413,619
U.S. agencies	15,051,337	1,265,234	2,879,002	5,175,580	5,731,521
Money markets	3,790,318	3,790,318	-	-	-
Totals	\$ 29,744,661	\$ 5,336,370	\$ 7,313,016	\$ 8,950,135	\$ 8,145,140

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

CITY OF WAUKEGAN
NOTES TO FINANCIAL STATEMENTS
April 30, 2010

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

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	Working Cash	Nonmajor Funds	Totals
Receivables						
Taxes	\$ 15,504,928	\$ 6,695,715	\$ -	\$ -	\$ 2,442,480	\$ 24,643,123
Sales tax	3,176,804	-	-	-	-	3,176,804
Utility	804,042	-	-	-	-	804,042
Local use	266,718	-	-	-	-	266,718
Telecom	848,721	-	-	-	-	848,721
Hotel/motel	99,425	-	-	-	-	99,425
Income	3,447,239	-	-	-	-	3,447,239
Replacement	407,246	-	-	-	-	407,246
Motor fuel tax	-	-	-	-	392,480	392,480
Grants	-	-	-	-	45,985	45,985
Special assessment	-	1,693,811	-	-	-	1,693,811
Accounts	922,411	-	198,426	-	258,197	1,379,034
Gross receivables	25,477,534	8,389,526	198,426	-	3,139,142	37,204,628
Less: Allowance for uncollectibles	(60,141)	(21,610)	-	-	(4,926)	(86,677)
Net Total Receivables	<u>\$ 25,417,393</u>	<u>\$ 8,367,916</u>	<u>\$ 198,426</u>	<u>\$ -</u>	<u>\$ 3,134,216</u>	<u>\$ 37,117,951</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 and sewer billing	\$ <u>88,351</u>
Total Uncollectibles of the Current Fiscal Year	\$ <u>88,351</u>

CITY OF WAUKEGAN
NOTES TO FINANCIAL STATEMENTS
April 30, 2010

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:

	Unavailable	Unearned	Totals
Property taxes receivable for subsequent year	\$ -	\$ 24,556,446	\$ 24,556,446
Vehicle licenses	-	693,853	693,853
Sales tax	1,083,431	-	1,083,431
Local use tax	84,148	-	84,148
Telecom tax	304,511	-	304,511
Grants	45,985	-	45,985
Special assessment	1,693,811	-	1,693,811
911 surcharge	93,909	-	93,909
Income	2,768,287	-	2,768,287
Total Deferred/Unearned Revenue for Governmental Funds	\$ 6,074,082	\$ 25,250,299	\$ 31,324,381

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, 2010:

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

CITY OF WAUKEGAN
NOTES TO FINANCIAL STATEMENTS
April 30, 2010

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

D. CAPITAL ASSETS

Capital asset activity for the year ended April 30, 2010, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities				
Capital assets not being depreciated				
Land	\$ 12,971,120	\$ -	\$ -	\$ 12,971,120
Construction in progress	<u>1,503,923</u>	<u>8,158,800</u>	<u>9,662,723</u>	<u>-</u>
Total Capital Assets Not Being Depreciated	<u>14,475,043</u>	<u>8,158,800</u>	<u>9,662,723</u>	<u>12,971,120</u>
Capital assets being depreciated				
Land improvements	708,631	47,513	-	756,144
Buildings	48,392,657	-	-	48,392,657
Machinery and equipment	11,803,101	199,090	-	12,002,191
Infrastructure	187,333,993	9,947,118	-	197,281,111
Vehicles	<u>13,305,149</u>	<u>-</u>	<u>-</u>	<u>13,305,149</u>
Total Capital Assets Being Depreciated	<u>261,543,531</u>	<u>10,193,721</u>	<u>-</u>	<u>271,737,252</u>
Total Capital Assets	<u>276,018,574</u>	<u>18,352,521</u>	<u>9,662,723</u>	<u>284,708,372</u>
Less: Accumulated depreciation for				
Land improvements	(38,559)	(91,462)	-	(130,021)
Buildings	(11,221,651)	(1,330,859)	-	(12,552,510)
Machinery and equipment	(8,759,428)	(694,152)	-	(9,453,580)
Infrastructure	(119,028,494)	(6,456,258)	-	(125,484,752)
Vehicles	<u>(10,974,968)</u>	<u>(748,589)</u>	<u>-</u>	<u>(11,723,557)</u>
Total Accumulated Depreciation	<u>(150,023,100)</u>	<u>(9,321,320)</u>	<u>-</u>	<u>(159,344,420)</u>
Net Capital Assets Being Depreciated	<u>111,520,431</u>	<u>872,401</u>	<u>-</u>	<u>112,392,832</u>
Total Governmental Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 125,995,474</u>	<u>\$ 9,031,201</u>	<u>\$ 9,662,723</u>	<u>\$ 125,363,952</u>

Depreciation expense was charged to functions as follows:

Governmental Activities	
General government	\$1,444,547
Public safety	1,007,863
Public works, which includes the depreciation of infrastructure	6,777,897
Leisure activities	<u>91,013</u>
Total Governmental Activities Depreciation Expense	<u>\$9,321,320</u>

CITY OF WAUKEGAN
NOTES TO FINANCIAL STATEMENTS
April 30, 2010

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

D. CAPITAL ASSETS (cont.)

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Business-type Activities				
Capital assets not being depreciated				
Land	\$ 2,416,728	\$ -	\$ -	\$ 2,416,728
Construction in progress	<u>2,146,902</u>	<u>35,387</u>	<u>2,182,289</u>	<u>-</u>
Total Capital Assets Not Being Depreciated	<u>4,563,630</u>	<u>35,387</u>	<u>2,182,289</u>	<u>2,416,728</u>
Capital assets being depreciated				
Land improvements	131,780	-	-	131,780
Buildings and improvements	17,817,655	-	-	17,817,655
Machinery and equipment	5,895,356	-	-	5,895,356
Infrastructure	82,947,352	2,182,289	-	85,129,641
Vehicles	<u>1,615,079</u>	<u>-</u>	<u>-</u>	<u>1,615,079</u>
Total Capital Assets Being Depreciated	<u>108,407,222</u>	<u>2,182,289</u>	<u>-</u>	<u>110,589,511</u>
Total Capital Assets	<u>112,970,852</u>	<u>2,217,676</u>	<u>2,182,289</u>	<u>113,006,239</u>
Less: Accumulated depreciation for				
Land improvements	(20,728)	(6,589)	-	(27,317)
Buildings and improvements	(4,688,348)	(454,459)	-	(5,142,807)
Machinery and equipment	(4,446,974)	(292,492)	-	(4,739,466)
Infrastructure	(29,868,796)	(1,637,516)	-	(31,506,312)
Vehicles	<u>(1,339,241)</u>	<u>(105,685)</u>	<u>-</u>	<u>(1,444,926)</u>
Total Accumulated Depreciation	<u>(40,364,087)</u>	<u>(2,496,741)</u>	<u>-</u>	<u>(42,860,828)</u>
Net Capital Assets Being Depreciated	<u>68,043,135</u>	<u>(314,452)</u>	<u>-</u>	<u>67,728,683</u>
Business-type Capital Assets, Net of Accumulated Depreciation	<u>\$ 72,606,765</u>	<u>\$ (279,065)</u>	<u>\$ 2,182,289</u>	<u>\$ 70,145,411</u>

Business-type Activities

Depreciation expense was charged to functions as follows:

Business-type Activities

Water and sewer	\$2,166,130
Motor vehicle parking	<u>330,611</u>
Total Business-type Activities Depreciation Expense	<u>\$2,496,741</u>

CITY OF WAUKEGAN
NOTES TO FINANCIAL STATEMENTS
April 30, 2010

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

D. CAPITAL ASSETS (cont.)

	<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	5,232,752	57,815	-	5,290,567
Furniture and equipment	1,114,030	369,464	-	1,483,494
Total Capital Assets Being Depreciated	<u>6,346,782</u>	<u>427,279</u>	<u>-</u>	<u>6,774,061</u>
Total Capital Assets	<u>6,418,268</u>	<u>427,279</u>	<u>-</u>	<u>6,845,547</u>
Less: Accumulated depreciation for				
Buildings and improvements	(2,915,704)	(109,265)	-	(3,024,969)
Furniture and equipment	(822,674)	(69,331)	-	(892,005)
Total Accumulated Depreciation	<u>(3,738,378)</u>	<u>(178,596)</u>	<u>-</u>	<u>(3,916,974)</u>
Net Capital Assets Being Depreciated	<u>2,608,404</u>	<u>248,683</u>	<u>-</u>	<u>2,857,087</u>
Total Component Units Capital Assets, Net of Accumulated Depreciation	<u>\$ 2,679,890</u>	<u>\$ 248,683</u>	<u>\$ -</u>	<u>\$ 2,928,573</u>

CITY OF WAUKEGAN
NOTES TO FINANCIAL STATEMENTS
April 30, 2010

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	\$ 136,398
General	Non-major funds	2,007,584
Debt service	Water and sewer	965,983
Debt service	Motor vehicle parking lot	651,264
Debt service	Non-major funds	197,458
Working cash	General fund	6,202,557
Working cash	Debt service	915,068
Working cash	Water and sewer	660,748
Working cash	Motor vehicle parking lot	291,986
Working cash	Internal service funds	5,939,155
Working cash	Non-major funds	4,806,010
Non-major funds	General fund	294,149
Non-major funds	Water and sewer	255,795
Non-major funds	Internal service funds	251,967
Non-major funds	Non-major funds	977,588
Internal service funds	General fund	403,706
Internal service funds	Internal service funds	4,436
Water and sewer	Internal service funds	271,361
Motor vehicle parking lot	Internal service funds	17,040
Motor vehicle parking lot	Non-major funds	<u>59,736</u>
Total - Fund Financial Statements		25,309,989
Less: Fund eliminations		(22,695,952)
Add: Interfund receivables created with internal service fund eliminations		<u>2,908,197</u>
Total Internal Balances - Government-Wide Statement of Net Assets		<u>\$ 5,522,234</u>

All amounts are due within one year, with the exceptions of the amounts due to the working cash fund.

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.

CITY OF WAUKEGAN
NOTES TO FINANCIAL STATEMENTS
April 30, 2010

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

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

Interfund Receivables/Payables (cont.)

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

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 funds	\$ 30,377	To repay expenditures paid out of the general fund
General	Water and sewer	923,460	To repay expenditures paid out of the general fund
General	Working cash	7,012,815	To allocate debt proceeds
Debt service	Water and sewer	63,227	To pay that funds share of the debt service payments
Debt service	Motor vehicle parking lot	504,364	To pay that funds share of the debt service payments
Debt service	Non-major funds	572,591	To pay that funds share of the debt service payments
Debt service	General	108,830	To pay that funds share of the debt service payments
Non-major funds	Water and sewer	600,000	To repay expenditures
Non-major funds	Non-major funds	<u>7,970</u>	To repay expenditures
Total - Fund Financial Statements		9,823,634	
Less: Fund eliminations		<u>(7,732,583)</u>	
Total Transfers - Government-Wide Statement of Activities		<u>\$ 2,091,051</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, 2010

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

F. SHORT-TERM DEBT ACTIVITY

The City issues short-term debt for operating costs.

Short-term debt activity for the year ended April 30, 2010, was as follows:

	<u>Beginning Balance</u>	<u>Issued</u>	<u>Redeemed</u>	<u>Ending Balance</u>
Bond Anticipation Note	\$ -	\$ 11,452,000	\$ -	\$ 11,452,000
First Midwest Bank	<u>-</u>	<u>10,000,000</u>	<u>10,000,000</u>	<u>-</u>
Totals	<u>\$ -</u>	<u>\$ 21,452,000</u>	<u>\$ 10,000,000</u>	<u>\$ 11,452,000</u>

CITY OF WAUKEGAN
NOTES TO FINANCIAL STATEMENTS
April 30, 2010

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

G. LONG-TERM OBLIGATIONS

Long-term obligations activity for the year ended April 30, 2010, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Governmental Activities					
Bonds and Notes Payable					
General obligation debt	\$ 69,365,647	\$ 31,435,391	\$ 11,771,237	\$ 89,029,801	\$ 5,198,352
Special assessment b-bonds	2,467,000	-	60,000	2,407,000	64,000
Add/(Subtract) Deferred					
Amounts For					
(Discounts)/Premiums	307,830	-	36,030	271,800	-
Refundings -					
Gains/(Losses)	(671,291)	-	(71,263)	(600,028)	-
Sub-totals	<u>71,469,186</u>	<u>31,435,391</u>	<u>11,796,004</u>	<u>91,108,573</u>	<u>5,262,352</u>
Other Liabilities					
Vested compensated absences	5,682,929	1,465,407	785,204	6,363,132	1,590,783
Capital leases	1,195,902	-	354,947	840,955	306,989
Environmental cleanup liabilities	2,247,352	-	681,923	1,565,429	-
Net OPEB obligation	1,918,375	3,093,556	1,130,983	3,880,948	-
Net pension obligation	3,552,252	10,725,062	5,729,765	8,547,549	-
Claims payable	28,510,724	1,591,937	16,459,329	13,643,332	13,643,332
Total Other Liabilities	<u>43,107,534</u>	<u>16,875,962</u>	<u>25,142,151</u>	<u>34,841,345</u>	<u>15,541,104</u>
Total Governmental Activities Long-Term Liabilities	<u>\$ 114,576,720</u>	<u>\$ 48,311,353</u>	<u>\$ 36,938,155</u>	<u>\$ 125,949,918</u>	<u>\$ 20,803,456</u>
Business-type Activities					
Bonds and Notes Payable					
General obligation debt	\$ 3,215,708	\$ -	\$ 653,586	\$ 2,562,122	\$ 679,602
Revenue bonds	7,015,000	-	325,000	6,690,000	335,000
Add/(Subtract) Deferred					
Amounts For					
(Discounts)/Premiums	(19,485)	-	(6,775)	(12,710)	-
Sub-totals	<u>10,211,223</u>	<u>-</u>	<u>971,811</u>	<u>9,239,412</u>	<u>1,014,602</u>
Other Liabilities					
Vested compensated absences	463,084	113,792	167,226	409,650	102,413
Capital leases	568,370	-	353,021	215,349	215,349
Total Other Liabilities	<u>1,031,454</u>	<u>113,792</u>	<u>520,247</u>	<u>624,999</u>	<u>317,762</u>
Total Business-type Activities Long-Term Liabilities	<u>\$ 11,242,677</u>	<u>\$ 113,792</u>	<u>\$ 1,492,058</u>	<u>\$ 9,864,411</u>	<u>\$ 1,332,364</u>
Component Unit					
Bonds and Notes Payable					
Building Notes	\$ 1,440,000	\$ -	\$ 145,000	\$ 1,295,000	\$ 155,000
Equipment loan	-	201,932	30,075	171,857	34,425
Other Liabilities					
Compensated absences	134,619	130,726	136,111	129,234	129,234
Total Component Units Long-Term Liabilities	<u>\$ 1,574,619</u>	<u>\$ 332,658</u>	<u>\$ 311,186</u>	<u>\$ 1,596,091</u>	<u>\$ 318,659</u>

CITY OF WAUKEGAN
NOTES TO FINANCIAL STATEMENTS
April 30, 2010

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

G. 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, net pensions and OPEB obligations, and compensated absences will be paid primarily from the General Fund. The environmental remediation liability will be paid for from the Environment and Risk Management 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 04/30/10</u>
1998 G.O. Bonds	July 15, 1998	2014	4.20 - 4.30%	\$ 9,760,000	\$ 1,021,001
2001A G.O. Bonds	December 3, 2001	2017	4.00 - 4.75%	11,000,000	6,285,000
2003A Capital Appreciation G.O. Bonds	August 14, 2003	2022	1.45 - 5.86%	46,405,000	28,478,800
2005A G.O. Refunding	September 14, 2005	2024	3.25 - 5.00%	24,760,000	23,245,000
2009A G.O. Bonds	December 1, 2009	2020	4.25 - 5.25%	30,000,000	<u>30,000,000</u>
Total Governmental Activities - General Obligation Debt					<u>\$ 89,029,801</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 04/30/10</u>
1998 G.O. Bonds	July 15, 1998	2014	4.20 - 4.30%	\$ 9,760,000	\$ 413,999
2006 G.O. Note	April 4, 2006	2014	4.09%	4,000,000	<u>2,148,123</u>
Total Business-type Activities - General Obligation Debt					<u>\$ 2,562,122</u>

CITY OF WAUKEGAN
NOTES TO FINANCIAL STATEMENTS
April 30, 2010

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

G. LONG-TERM OBLIGATIONS (cont.)

General Obligation Debt (cont.)

Component Unit General Obligation Debt	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance 04/30/10
Library Building GO Notes	September 1, 1997	2017	5.60% - 9.00%	\$ 2,600,000	\$ <u>1,295,000</u>
Total Component Unit General Obligation Debt					\$ <u>1,295,000</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
2011	\$ 5,198,352	\$ 2,791,108	\$ 679,602	\$ 99,750	\$ 155,000	\$ 76,405
2012	8,594,025	2,573,708	708,016	71,508	165,000	67,260
2013	8,449,697	2,340,451	737,426	42,085	175,000	57,525
2014	8,843,927	2,103,021	437,078	11,438	185,000	47,200
2015	8,825,000	1,863,092	-	-	195,000	36,285
2016-2020	45,035,000	5,457,602	-	-	420,000	37,465
2021-2025	15,835,000	613,894	-	-	-	-
Totals	<u>\$ 100,781,001</u>	<u>\$ 17,742,876</u>	<u>\$ 2,562,122</u>	<u>\$ 224,781</u>	<u>\$ 1,295,000</u>	<u>\$ 322,140</u>

The difference between the outstanding balance on the bonds and the principal amount above is due to accretion in the amount of \$11,751,200 on the 2003A GO Capital Appreciation bonds.

Special Assessment Debt

Governmental Activities Special Assessment Debt

Special assessment debt payable at April 30, 2010, consists of the following:

Governmental Activities Special Assessment Debt	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance 04/30/10
Special Assessment Improvement Bond, Series 2005	June 1, 2005	2030	6.125%	\$ 3,695,000	\$ <u>2,407,000</u>
Total Governmental Activities - Special Assessment Debt					\$ <u>2,407,000</u>

CITY OF WAUKEGAN
NOTES TO FINANCIAL STATEMENTS
April 30, 2010

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

G. LONG-TERM OBLIGATIONS (cont.)

***Alternative Revenue Debt* (cont.)**

Debt service requirements to maturity are as follows:

<u>Years</u>	<u>Governmental Activities Special Assessment Debt</u>	
	<u>Principal</u>	<u>Interest</u>
2011	\$ 64,000	\$ 147,429
2012	68,000	143,509
2013	71,000	139,344
2014	76,000	134,995
2015	81,000	130,340
2016-2020	488,000	570,911
2021-2025	661,000	401,494
2026-2030	<u>898,000</u>	<u>171,622</u>
Totals	<u>\$ 2,407,000</u>	<u>\$ 1,839,644</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 \$9,023,917. Principal and interest paid for the current year and total customer net revenues were \$587,048 and \$327,327, respectively.

Revenue debt payable at April 30, 2010, 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 04/30/10</u>
<u>Motor Vehicle Parking Lot Fund</u>					
2004A Parking Fees and Sales Tax Revenue Bonds	April 5, 2004	2025	2.25 - 3.85%	\$ 8,245,000	\$ <u>6,690,000</u>
Total Business-type Activities Revenue Debt					\$ <u>6,690,000</u>

CITY OF WAUKEGAN
NOTES TO FINANCIAL STATEMENTS
April 30, 2010

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

G. LONG-TERM OBLIGATIONS (cont.)

Revenue Debt (cont.)

Debt service requirements to maturity are as follows:

Years	Business-type Activities Revenue Debt	
	Principal	Interest
2011	\$ 335,000	\$ 253,516
2012	345,000	243,885
2013	360,000	233,104
2014	370,000	221,404
2015	385,000	208,454
2016-2020	2,185,000	821,958
2021-2025	2,710,000	351,596
Totals	<u>\$ 6,690,000</u>	<u>\$ 2,333,917</u>

Loans Payable

Loans Payable at April 30, 2010, consist of the following:

Component Unit Loans Payable	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance 04/30/10
RFID Equipment loan	July 7, 2009	2014	5.750%	\$ 201,932	<u>\$ 171,857</u>
Total Component Unit Loans Payable					<u>\$ 171,857</u>

Debt service requirements to maturity are as follows:

Years	Component Unit Loans Payable	
	Principal	Interest
2011	\$ 34,425	\$ 8,371
2012	39,704	6,982
2013	42,099	4,588
2014	44,620	2,067
2015	11,009	104
Totals	<u>\$ 171,857</u>	<u>\$ 22,112</u>

CITY OF WAUKEGAN
NOTES TO FINANCIAL STATEMENTS
April 30, 2010

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

H. 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, 2010, are as follows:

Years	Governmental Activities			Business-type Activities		
	Principal	Interest	Totals	Principal	Interest	Totals
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>\$ 840,955</u>	<u>\$ 55,549</u>	<u>\$ 896,504</u>	<u>\$ 215,349</u>	<u>\$ 8,269</u>	<u>\$ 223,618</u>

I. POLLUTION REMEDIATION OBLIGATIONS

At year end April 30, 2010, 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, 2010, the obligation and net liability was \$1,565,429. 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, 2010

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

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.

b. Deposits and Investments

	<u>Carrying Value</u>	<u>Statement Balances</u>
Deposits with financial institutions	\$ 1,131,502	\$ 1,109,738
Illinois Funds	312,338	312,338
Petty cash	100	-
 Total Deposits and Investments	 \$ 1,443,940	 \$ 1,422,076

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.

Uninsured and uncollateralized	\$ 144,905
 Total	 \$ 144,905

CITY OF WAUKEGAN
NOTES TO FINANCIAL STATEMENTS
April 30, 2010

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

J. COMPONENT UNIT (cont.)

WAUKEGAN PUBLIC LIBRARY (cont.)

b. 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 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, 2010, the Library's investments were as follows:

<u>Investment</u>	<u>Maturity Date</u>	<u>Call Date</u>	<u>Fair Value</u>
Illinois Funds	On demand	On demand	<u>\$ 312,338</u>

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

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.

CITY OF WAUKEGAN
NOTES TO FINANCIAL STATEMENTS
April 30, 2010

NOTE IV - Other Information (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

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 2010, the City's required contribution rate was 7.66%.

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, 2010, the Police Pension membership consisted of:

Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them	133
Current employees:	
Vested	104
Non vested	<u>55</u>
Total	<u><u>292</u></u>

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.

CITY OF WAUKEGAN
NOTES TO FINANCIAL STATEMENTS
April 30, 2010

NOTE IV - Other Information (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Police Pension (cont.)

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, 2010, 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, 2010, the Firefighters' Pension Plan membership consisted of:

Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them	116
Current employees:	
Vested	117
Non vested	_____
Total	<u> </u> <u> </u> 233

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.

CITY OF WAUKEGAN
NOTES TO FINANCIAL STATEMENTS
April 30, 2010

NOTE IV - Other Information (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Firefighters' Pension (cont.)

Participants contribute a fixed percentage of their base salary to the plans. At April 30, 2010, 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, 2010, 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, 2010

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, 2009	May 1, 2009	May 1, 2009
Contribution rates:			
Employer	7.66%	10.60%	12.75%
Employee	4.50%	9.91%	9.46%
Annual required contribution	\$1,342,553	\$5,661,011	\$4,072,774
Contributions made	\$1,342,553	\$3,321,274	\$2,408,610
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	23 years	24 years, 2 months	24 years, 2 months
Actuarial assumptions:			
Investment rate of return	7.50%	7.00%	7.00%
	Compounded annually	Compounded annually	Compounded annually
Projected salary increases	0.40 - 10.00%	1.12 - 4.86%	1.12 - 4.86%
Inflation rate included	4.00%	2.50%	2.50%
Cost-of-living adjustments	3.00%	3.00%	3.00%

Net Pension Obligation

The following is the net pension obligation calculation from the May 1, 2009 actuarial report:

Net Pension Obligation:	Police Pension	Firefighters' Pension
Annual required contribution	\$ 5,661,011	\$ 4,072,774
Interest on net pension obligation	202,850	112,933
Adjustment to annual required contribution	513,313	162,300
Annual pension cost	6,377,174	4,348,007
Contributions made	(3,321,274)	(2,408,610)
Change in net pension obligation	3,055,900	1,939,397
Net pension obligation, beginning of year	2,202,548	1,349,704
Net pension obligation, end of year	<u>\$ 5,258,448</u>	<u>\$ 3,289,101</u>

CITY OF WAUKEGAN
NOTES TO FINANCIAL STATEMENTS
April 30, 2010

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)	2010	\$ 1,342,553	\$ 6,377,174	\$ 4,348,007
	2009	1,300,198	3,298,988	2,387,975
	2008	1,405,871	2,944,152	2,410,389
Contributions made	2010	\$ 1,342,553	\$ 3,321,274	\$ 2,408,610
	2009	1,300,198	2,899,728	2,377,563
	2008	1,405,871	2,736,580	2,267,211
Percentage of APC contributed	2010	100%	52%	55%
	2009	100%	88%	99%
	2008	100%	93%	94%
Net pension obligation	2010	\$ -	\$ 5,258,448	\$ 3,289,101
	2009	-	2,202,548	1,349,704
	2008	-	1,803,288	1,339,292

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, 2007	May 1, 2009	May 1, 2009
Actuarial Valuation of Assets (a)	\$ 28,706,060	\$ 53,102,438	\$ 42,076,398
Actuarial Accrued Liability (AAL) - Entry Age (b)	\$ 42,077,924	\$ 118,064,243	\$ 85,245,143
Unfunded AAL (UAAL) (b - a)	\$ 13,371,864	\$ 64,961,805	\$ 43,168,745
Funded Ratio (a/b)	68 %	45 %	49 %
Covered Payroll (c)	17,526,803	12,094,598	8,954,045
UAAL as a percentage of Covered Payroll ((b-a)/c)	76 %	537 %	482 %

CITY OF WAUKEGAN
NOTES TO FINANCIAL STATEMENTS
April 30, 2010

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	\$ 196,410	\$ 60,568	\$ 256,978
Investments			
Money markets	3,790,318	879,699	4,670,017
State and local obligations	10,903,006	4,832,469	15,735,475
US Government and agency obligations	15,051,337	16,482,015	31,533,352
Common and preferred stocks	7,812,931	13,191,635	21,004,566
Mutual funds	14,756,078	6,433,784	21,189,862
Receivables - (net allowances for uncollectibles)			
Accrued interest	261,541	226,717	488,258
Prepaid items	3,250	-	3,250
Total assets	<u>52,774,871</u>	<u>42,106,887</u>	<u>94,881,758</u>
Liabilities			
Accounts payable	16,620	28,332	44,952
Total liabilities	<u>16,620</u>	<u>28,332</u>	<u>44,952</u>
Net assets			
Held in trust for pension benefits	<u>\$ 52,758,251</u>	<u>\$ 42,078,555</u>	<u>\$ 94,836,806</u>

CITY OF WAUKEGAN
NOTES TO FINANCIAL STATEMENTS
April 30, 2010

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	\$ 3,321,274	\$ 2,408,610	\$ 5,729,884
Plan members	<u>1,173,975</u>	<u>877,845</u>	<u>2,051,820</u>
Total contributions	<u>4,495,249</u>	<u>3,286,455</u>	<u>7,781,704</u>
Investment Income			
Investment income	1,964,115	1,248,766	3,212,881
Net appreciation in the fair value of investments	<u>6,762,432</u>	<u>5,703,435</u>	<u>12,465,867</u>
Total Investment income	8,726,547	6,952,201	15,678,748
Less investment income	<u>155,544</u>	<u>180,625</u>	<u>336,169</u>
Net investment income	<u>8,571,003</u>	<u>6,771,576</u>	<u>15,342,579</u>
Total additions	<u>13,066,252</u>	<u>10,058,031</u>	<u>23,124,283</u>
Deductions			
Benefits	\$ 5,238,087	\$ 4,240,378	\$ 9,478,465
Contractual services	54,947	51,182	106,129
Other	<u>39,536</u>	<u>24,932</u>	<u>64,468</u>
Total deductions	<u>5,332,570</u>	<u>4,316,492</u>	<u>9,649,062</u>
Net change in net assets	7,733,682	5,741,539	13,475,221
Net assets, beginning of year	<u>45,024,569</u>	<u>36,337,016</u>	<u>81,361,585</u>
Net assets, end of year	<u>\$ 52,758,251</u>	<u>\$ 42,078,555</u>	<u>\$ 94,836,806</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.

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.

CITY OF WAUKEGAN
NOTES TO FINANCIAL STATEMENTS
April 30, 2010

NOTE IV - Other Information (cont.)

B. RISK MANAGEMENT (cont.)

Self Insurance (cont.)

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. However, in the current fiscal year, the City paid claims on a lawsuit that was outside the coverage of the stop loss.

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

	Prior Year	Current Year
Unpaid claims - Beginning of Year	\$ 2,710,738	\$ 28,510,724
Current year claims and changes in estimates	30,753,352	1,591,937
Claim payments	(4,953,366)	(16,459,329)
Unpaid Claims - End of Year	\$ 28,510,724	\$ 13,643,332

C. COMMITMENTS AND CONTINGENCIES

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.

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.

CITY OF WAUKEGAN
NOTES TO FINANCIAL STATEMENTS
April 30, 2010

NOTE IV - Other Information (cont.)

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 2010, total member contributions was zero.

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:

Annual required contribution	\$	3,088,996
Interest on net OPEB obligation		86,327
Adjustment to annual required contribution		<u>(81,767)</u>
Annual OPEB cost		3,093,556
Contributions made		<u>(1,130,983)</u>
Increase in net OPEB obligation (asset)		1,962,573
Net OPEB Obligation (Asset) - Beginning of Year		<u>1,918,375</u>
Net OPEB Obligation (Asset) - End of Year	\$	<u><u>3,880,948</u></u>

CITY OF WAUKEGAN
NOTES TO FINANCIAL STATEMENTS
April 30, 2010

NOTE IV - Other Information (cont.)

D. OTHER POSTEMPLOYMENT BENEFITS (cont.)

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

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
2010	\$ 3,093,556	37%	\$ 3,880,948
2009	2,946,541	35%	1,918,375

The funded status of the plan as of April 30, 2010, the most recent actuarial valuation date, was as follows:

Actuarial accrued liability (AAL)	\$ 41,031,042
Actuarial value of plan assets	<u>-</u>
Unfunded Actuarial Accrued Liability (UAAL)	<u>\$ 41,031,042</u>
Funded ratio (actuarial value of plan assets/AAL)	-%
Covered payroll (active plan members)	\$ 32,352,472
UAAL as a percentage of covered payroll	127%

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.

CITY OF WAUKEGAN
NOTES TO FINANCIAL STATEMENTS
April 30, 2010

NOTE IV - Other Information (cont.)

D. OTHER POSTEMPLOYMENT BENEFITS (cont.)

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, 2010, was 30 years.

E. SUBSEQUENT EVENTS

On May 25, 2010, the City issued general obligation refunding bonds in the amount of \$11,620,000 with an interest rate range of 3.00% to 4.00%. This amount will be used to restructure existing debt.

On July 1, 2010, the City issued general obligation refunding bonds in the amount of \$7,650,000 with an interest rate range of 2.50% to 4.00%. This amount will be used to restructure existing debt.

On September 7, 2010, the City issued general obligation bonds in the amount of \$7,180,000 with an interest rate range of 3.00 - 4.25%. This amount will be used to provide funding for rehabilitation of street and sidewalks, maintaining and improving the City's infrastructure, buildings, equipment, vehicles and obligations of the City.

On September 7, 2010, the City issued water and sewer system revenue bonds in the amount of \$1,825,000 with an interest rate range of 3.00 - 5.00%. This amount will be used provide funding for rehabilitation of maintaining and improving the City's infrastructure, equipment, water and sewer improvements and replacements and obligations of the City.

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.

CITY OF WAUKEGAN
NOTES TO FINANCIAL STATEMENTS
April 30, 2010

NOTE IV - Other Information (cont.)

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.

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REQUIRED SUPPLEMENTARY INFORMATION

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CITY OF WAUKEGAN

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND
ACTUAL -
GENERAL FUND

For the year ended April 30, 2010

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Property taxes	\$ 8,992,083	\$ 8,992,083	\$ 14,693,019	\$ 5,700,936
Other taxes	19,409,426	19,409,426	19,765,722	356,296
Intergovernmental	12,329,038	12,329,038	7,404,338	(4,924,700)
Licenses	2,393,675	2,393,675	2,430,157	36,482
Permits	1,401,500	1,401,500	972,234	(429,266)
Franchise fees	845,000	845,000	872,828	27,828
Fines and forfeitures	4,512,100	4,512,100	3,059,656	(1,452,444)
Charges for services	2,313,074	2,313,074	2,242,592	(70,482)
Miscellaneous	1,240,550	1,240,550	780,842	(459,708)
Investment income	<u>100,000</u>	<u>100,000</u>	<u>56,709</u>	<u>(43,291)</u>
Total Revenues	<u>53,536,446</u>	<u>53,536,446</u>	<u>52,278,097</u>	<u>(1,258,349)</u>
EXPENDITURES				
Current:				
Central services	5,268,899	5,314,331	5,949,757	(635,426)
Public safety - police and communication services	22,319,564	22,274,134	27,111,396	(4,837,262)
Public safety - fire services	13,951,977	13,922,599	15,119,901	(1,197,302)
Streets, bridges and public works	6,948,957	6,934,731	5,545,398	1,389,333
Building and zoning	2,119,761	2,119,761	1,786,665	333,096
Sanitation and environment	4,214,117	4,214,117	4,361,885	(147,768)
Economic development	1,508,238	843,334	475,612	367,722
Capital Outlay	360,500	358,500	104,307	254,193
Debt Service	-	710,514	7,641,070	(6,930,556)
Total Expenditures	<u>56,692,013</u>	<u>56,692,021</u>	<u>68,095,991</u>	<u>(11,403,970)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,155,567)</u>	<u>(3,155,575)</u>	<u>(15,817,894)</u>	<u>(12,662,319)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	1,696,505	7,966,652	6,270,147
Transfers out	-	(896,250)	(108,830)	787,420
Sale of capital assets	-	30,000	2,976	(27,024)
Total Other Financing Sources (Uses)	-	<u>830,255</u>	<u>7,860,798</u>	<u>7,030,543</u>
Net Change in Fund Balance	<u>\$ (3,155,567)</u>	<u>\$ (2,325,320)</u>	(7,957,096)	<u>\$ (5,631,776)</u>
FUND BALANCE - Beginning of Year			<u>8,062,344</u>	
FUND BALANCE - END OF YEAR			<u>\$ 105,248</u>	

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

CITY OF WAUKEGAN

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - WORKING CASH - MAJOR SPECIAL REVENUE FUND For the Year Ended April 30, 2010

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Investment income	\$ 3,000	\$ 3,000	\$ 12,986	\$ 9,986
Total Revenues	3,000	3,000	12,986	9,986
EXPENDITURES				
CENTRAL SERVICES				
Issuance costs	-	-	108,100	(108,100)
Total Expenditures	-	-	108,100	(108,100)
Excess (deficiency) of revenues over (under) expenditures	3,000	3,000	(95,114)	(98,114)
OTHER FINANCING SOURCES (USES)				
Debt issued	-	-	28,515,760	28,515,760
Transfers out	-	-	(7,012,815)	(7,012,815)
Total Other Financing Sources (Uses)	-	-	21,502,945	21,502,945
Net Change in Fund Balance	\$ 3,000	\$ 3,000	21,407,831	\$ 21,404,831
FUND BALANCE - Beginning of Year			42	
FUND BALANCE - END OF YEAR			\$ 21,407,873	

CITY OF WAUKEGAN
 ILLINOIS MUNICIPAL RETIREMENT FUND
 SCHEDULE OF EMPLOYER'S CONTRIBUTIONS AND SCHEDULE OF FUNDED PROGRESS
 April 30, 2010

<u>Fiscal Year Ending</u>	<u>Annual Required Contribution (ARC)</u>	<u>Percentage of ARC Contributed</u>	<u>Net Pension Obligation</u>
12/31/09	\$ 1,342,553	100.00%	\$ -
12/31/08	1,300,198	100.00%	-
12/31/07	1,405,871	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>
12/31/09	\$ 28,706,060	\$ 42,077,924	\$13,371,864	68.22%	\$17,526,803	76.29%
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%

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	December 31, 2007
Actuarial cost method	Entry Age normal
Amortization method	Level percentage of pay, closed
Remaining amortization period	23 years
Asset valuation method	Market
Actuarial assumptions:	
Investment rate of return	7.50%
Projected salary increases	0.40 - 10.00%
Inflation factor	4.00%
Cost of living adjustments	3.00%

CITY OF WAUKEGAN
POLICE PENSION FUND
SCHEDULE OF EMPLOYER'S CONTRIBUTIONS AND SCHEDULE OF FUNDED PROGRESS
 April 30, 2010

<u>Fiscal Year Ending</u>	<u>Cost (ARC)</u>	<u>Percentage of ARC Contributed</u>	<u>Net Pension Obligation</u>
04/30/2010	\$ 5,661,011	58.67%	\$ 5,258,448
04/30/2009	3,556,176	81.53%	2,202,548
04/30/2008	3,254,964	89.09%	1,803,288

<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>
05/01/2009	\$ 53,102,438	\$118,064,243	\$ 64,961,805	44.98%	\$12,094,598	537.11%
04/30/2009	47,996,571	18,064,243	70,067,672	40.65%	11,979,401	584.90%
04/30/2008	56,355,072	02,910,629	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%

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	May 1, 2009
Actuarial cost method	Entry Age normal
Amortization method	Level percentage of pay, closed
Remaining amortization period	24 years, 2 months
Asset valuation method	Market
Actuarial assumptions:	
Investment rate of return	7.00%
Projected salary increases	1.12 - 4.86%
Inflation factor	2.50%
Cost of living adjustments	3.00%

CITY OF WAUKEGAN
FIREFIGHTERS' PENSION FUND
SCHEDULE OF EMPLOYER'S CONTRIBUTIONS AND SCHEDULE OF FUNDED PROGRESS
 April 30, 2010

<u>Fiscal Year Ending</u>	<u>Cost (ARC)</u>	<u>Percentage of ARC Contributed</u>	<u>Net Pension Obligation</u>
04/30/2010	\$ 4,072,774	59.14%	\$ 3,289,101
04/30/2009	2,615,716	90.82%	1,349,704
04/30/2008	2,355,279	100.95%	1,339,292

<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>
05/01/2009	\$ 42,076,398	\$ 85,245,143	\$ 43,168,745	49.36%	\$ 8,954,045	482.11%
05/01/2008	38,711,111	85,245,143	46,534,032	45.41%	9,191,138	506.29%
05/01/2007	44,580,636	73,715,485	29,134,849	60.48%	8,601,446	338.72%
05/01/2006	43,530,091	70,573,418	27,043,327	61.68%	7,745,032	349.17%
05/01/2005	40,561,192	66,090,127	25,528,935	61.37%	7,763,386	328.84%
05/01/2004	36,578,328	63,036,025	26,457,697	58.03%	7,351,267	359.91%

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	May 1, 2009
Actuarial cost method	Entry Age normal
Amortization method	Level percentage of pay, closed
Remaining amortization period	24 years, 2 months
Asset valuation method	Market
Actuarial assumptions:	
Investment rate of return	7.00%
Projected salary increases	1.12 - 4.86%
Inflation factor	2.50%
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 FUNDED PROGRESS
April 30, 2010

<u>Fiscal Year Ending</u>	<u>Cost (ARC)</u>	<u>Percentage of ARC Contributed</u>	<u>Net OPEB Obligation</u>
04/30/2010	\$ 3,093,556	39.56%	\$ 3,093,556
04/30/2009	2,946,541	34.89%	1,918,375
04/30/2008	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>
05/01/2009	\$ -	\$ 41,031,042	\$ 41,031,042	-%	\$32,352,472	126.83%
05/01/2008	-	39,042,752	39,042,752	-%	31,410,167	124.30%

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	5/1/2009
Actuarial cost method	Entry Age normal
Amortization method	Projected Unit Credit
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%

CITY OF WAUKEGAN
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
April 30, 2010

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	\$ 56,692,021	\$ 68,095,991	\$ 11,403,970
<u>Special Revenue Funds</u>			
Working Cash	-	108,100	108,100

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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, 2010

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
PROPERTY TAXES				
Property taxes - general	\$ 8,610,956	\$ 8,610,956	\$ 8,579,840	\$ (31,116)
Property taxes - pension	-	-	5,729,430	5,729,430
Property taxes - road and bridge	<u>381,127</u>	<u>381,127</u>	<u>383,749</u>	<u>2,622</u>
 Total Property Taxes	 <u>8,992,083</u>	 <u>8,992,083</u>	 <u>14,693,019</u>	 <u>5,700,936</u>
OTHER TAXES				
Sales	7,900,000	7,900,000	8,556,789	656,789
Home rule sales	1,060,800	1,060,800	1,720,115	659,315
Local use	1,200,000	1,200,000	1,101,492	(98,508)
Utility taxes	4,800,000	4,800,000	4,113,397	(686,603)
Telecommunication taxes	3,500,000	3,500,000	3,300,942	(199,058)
Hotel/Motel	925,000	925,000	954,246	29,246
Municipal auto rental	22,606	22,606	18,741	(3,865)
Amusement	<u>1,020</u>	<u>1,020</u>	<u>-</u>	<u>(1,020)</u>
 Total Other Taxes	 <u>19,409,426</u>	 <u>19,409,426</u>	 <u>19,765,722</u>	 <u>356,296</u>
INTERGOVERNMENTAL				
Income tax	8,120,686	8,120,686	4,324,451	(3,796,235)
Personal property replacement tax	2,800,000	2,800,000	2,882,546	82,546
Federal grants	260,000	260,000	194,743	(65,257)
State grants	<u>1,148,352</u>	<u>1,148,352</u>	<u>2,598</u>	<u>(1,145,754)</u>
 Total Intergovernmental	 <u>12,329,038</u>	 <u>12,329,038</u>	 <u>7,404,338</u>	 <u>(4,924,700)</u>
LICENSES				
Vehicle	1,600,000	1,600,000	1,573,587	(26,413)
Liquor	170,000	170,000	180,945	10,945
Determined by square feet	65,000	65,000	118,900	53,900
Amusement devices	25,000	25,000	19,600	(5,400)
Amusement arcade	200	200	-	(200)
Bowling alley	2,000	2,000	1,920	(80)
Car rental	1,000	1,000	-	(1,000)
Car wash	1,000	1,000	-	(1,000)
Animal	35,250	35,250	31,908	(3,342)
Vehicle repair	1,000	1,000	100	(900)
Garbage truck	15,000	15,000	7,000	(8,000)
Hotel/motel	17,000	17,000	16,890	(110)
Juke box	4,200	4,200	4,400	200
Bakery	500	500	-	(500)
Grocery/meat/produce	1,000	1,000	-	(1,000)
Restaurant	500	500	400	(100)
Taxi company	1,600	1,600	-	(1,600)
Theater	<u>200</u>	<u>200</u>	<u>-</u>	<u>(200)</u>

CITY OF WAUKEGAN

DETAILED SCHEDULE OF REVENUES - BUDGET AND ACTUAL -
GENERAL FUND

For the Year Ended April 30, 2010

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Tobacco dealer	\$ 18,000	\$ 18,000	\$ 18,400	\$ 400
Vending machine	35,000	35,000	37,073	2,073
Bicycle	25	25	19	(6)
Contractor's registration	52,000	52,000	45,548	(6,452)
Pawn shop	4,000	4,000	4,000	-
Rental property	210,000	210,000	213,222	3,222
Currency exchange	1,000	1,000	200	(800)
Sales door	5,000	5,000	2,800	(2,200)
Billiard	2,200	2,200	1,820	(380)
Auctioneer	800	800	500	(300)
Public transportation	200	200	5,660	5,460
Raffle ordinance	-	-	75	75
Garbage stickers	15,000	15,000	39,930	24,930
Day care	15,000	15,000	14,625	(375)
Business flat fee	-	-	23,774	23,774
Business general	95,000	95,000	66,861	(28,139)
Total Licenses	2,393,675	2,393,675	2,430,157	36,482
PERMITS				
Building	900,000	900,000	606,081	(293,919)
Electrical	135,000	135,000	101,410	(33,590)
Plumbing	70,000	70,000	39,580	(30,420)
Heating (HVAC)	125,000	125,000	58,735	(66,265)
Occupancy/residential	20,000	20,000	16,532	(3,468)
Signs	25,000	25,000	20,855	(4,145)
Demolition	5,000	5,000	1,106	(3,894)
Food handlers	500	500	100	(400)
City drivers	-	-	5,525	5,525
Alarms	15,000	15,000	50	(14,950)
Fire protection construction work	25,000	25,000	18,209	(6,791)
Elevator	30,000	30,000	48,626	18,626
Roadway damage	6,000	6,000	15,150	9,150
Hazardous materials	45,000	45,000	40,275	(4,725)
Total Permits	1,401,500	1,401,500	972,234	(429,266)
FRANCHISE FEES				
Cable television	535,000	535,000	631,138	96,138
Off-track betting	310,000	310,000	241,690	(68,310)
Total Franchise Fees	845,000	845,000	872,828	27,828
FINE AND FORFEITURES				
Parking	2,110,000	2,110,000	1,470,322	(639,678)
Court ordered fines	18,000	18,000	7,900	(10,100)

CITY OF WAUKEGAN

DETAILED SCHEDULE OF REVENUES - BUDGET AND ACTUAL - GENERAL FUND

For the Year Ended April 30, 2010

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Seizures	\$ 1,260,000	\$ 1,260,000	\$ 741,445	\$ (518,555)
Street value drugs	12,000	12,000	7,100	(4,900)
Judgment bond	50,000	50,000	29,825	(20,175)
Municipal prosecution	15,000	15,000	19,954	4,954
DUI fines	13,000	13,000	7,665	(5,335)
Automated traffic enforcement	2,000	2,000	600	(1,400)
DUI fines	600,000	600,000	410,561	(189,439)
Pace shelter advertising income	3,300	3,300	3,300	-
State route highway maintenance	66,800	66,800	69,132	2,332
State route traffic maintenance	10,000	10,000	5,725	(4,275)
Dee-overtime reimbursement	-	-	4,457	4,457
Metropolitan enforcement	35,000	35,000	9,334	(25,666)
Unit school district police security	225,000	225,000	211,500	(13,500)
Waukegan housing authority security	21,000	21,000	27,780	6,780
IL Emergency services	-	-	7,837	7,837
Illinois liquor control	12,000	12,000	8,360	(3,640)
IL training reimbursement - fire	5,000	5,000	5,253	253
IL training reimbursement - police	50,000	50,000	-	(50,000)
Tuition - fire training class	4,000	4,000	2,103	(1,897)
Tuition - police training class	-	-	9,503	9,503
	4,512,100	4,512,100	3,059,656	(1,452,444)
Total Fine and Forfeitures				
CHARGES FOR SERVICES				
Subpoena	1,800	1,800	1,548	(252)
Board-up service	100	100	35	(65)
Plans and specifications review	310,000	310,000	133,317	(176,683)
Weed cutting	6,000	6,000	685	(5,315)
Recycle bins	-	-	574	574
Conservation	-	-	38	38
Fire reports	350	350	403	53
Ambulance service	950,000	950,000	1,220,608	270,608
Electrical tests	1,400	1,400	530	(870)
Vital statistics	26,000	26,000	35,680	9,680
Liquor license filing	1,500	1,500	4,550	3,050
False fire alarm	40,000	40,000	26,375	(13,625)
False burglar alarm	40,000	40,000	35,958	(4,042)
Burglar alarm subscribe	10,512	10,512	28,372	17,860
Fire alarm subscribe	104,112	104,112	106,823	2,711
Photo copy	36,000	36,000	28,081	(7,919)
Elevator inspection	-	-	525	525
Bid packages	-	-	280	280
Genesee restoration	1,000	1,000	-	(1,000)
Registrar's services	8,500	8,500	-	(8,500)
Taxi inspections	4,000	4,000	2,790	(1,210)
City animal control	1,000	1,000	178	(822)
Sidewalk construction/waiver	200	200	40	(160)

CITY OF WAUKEGAN

DETAILED SCHEDULE OF REVENUES - BUDGET AND ACTUAL -
GENERAL FUND

For the Year Ended April 30, 2010

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Zoning subdivision annexation	\$ 10,000	\$ 10,000	\$ 25,350	\$ 15,350
Zoning letters and certifications	75,000	75,000	71,700	(3,300)
Grave Openings/Lots	2,000	2,000	2,580	580
Street openings	10,000	10,000	4,000	(6,000)
Parking lot maintenance	45,000	45,000	45,000	-
Zoning ordinance and maps	5,000	5,000	336	(4,664)
Vacations of land	9,000	9,000	400	(8,600)
Planned unit development	1,000	1,000	1,300	300
Engineering subdivision inspection	1,000	1,000	-	(1,000)
Hazmat removal/standby	200	200	-	(200)
License fee - fire department	12,000	12,000	10,000	(2,000)
Volume cap	30,000	30,000	-	(30,000)
Landlord training fees	500	500	-	(500)
Special events - building department reimbursement	-	-	2,205	2,205
Finger print - liquor license	1,000	1,000	1,337	337
Animal impoundment	10,000	10,000	4,500	(5,500)
Animal veterinary	6,500	6,500	1,785	(4,715)
Animal surrendering	4,000	4,000	1,125	(2,875)
Animal transportation	1,000	1,000	50	(950)
Finger print - walk-ins	2,100	2,100	2,053	(47)
Rental reinspection fee	3,000	3,000	1,600	(1,400)
Job applications - fire and police	3,000	3,000	50	(2,950)
Rental unit inspection	2,000	2,000	-	(2,000)
Employee wage lien	3,000	3,000	3,038	38
Annual sign fee	130,000	130,000	116,904	(13,096)
Application for sign variance	100	100	-	(100)
Miscellaneous code enforcement	500	500	179	(321)
Walk thru inspection	1,500	1,500	10,050	8,550
NSF check processing	1,200	1,200	665	(535)
License fee business license	2,500	2,500	9,123	6,623
Rental license	1,000	1,000	75	(925)
Police registration fee	1,000	1,000	690	(310)
Garbage collection	-	-	20	20
Business registration	3,000	3,000	-	(3,000)
Kennel boarding	2,000	2,000	2,135	135
Waterworks admin reimburse	45,000	45,000	-	(45,000)
Parking lot admin reimburse	45,000	45,000	-	(45,000)
Services provided to ef555	250,000	250,000	200,000	(50,000)
Special events - police reimbursement	10,000	10,000	68,013	58,013
Special events - public works reimbursement	1,500	1,500	2,060	560
Beach parking	40,000	40,000	26,879	(13,121)
Total Charges for Services	2,313,074	2,313,074	2,242,592	(70,482)

CITY OF WAUKEGAN

DETAILED SCHEDULE OF REVENUES - BUDGET AND ACTUAL -
GENERAL FUND

For the Year Ended April 30, 2010

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
MISCELLANEOUS REVENUES				
Rental income	\$ 65,000	\$ 65,000	\$ 30,331	\$ (34,669)
Donations	14,500	14,500	15,799	1,299
Recyclables	25,000	25,000	24,216	(784)
Sale of gas and oil	270,000	270,000	174,306	(95,694)
Sale of signs	1,000	1,000	428	(572)
Reimbursements	64,000	64,000	64,209	209
Sale of code books	1,000	1,000	111	(889)
Sale of city ordinance books	150	150	-	(150)
Sale of labor and materials	160,000	160,000	32,040	(127,960)
Sale of miscellaneous items	3,000	3,000	99	(2,901)
Restitution payments	3,200	3,200	1,707	(1,493)
Special police duty events	435,000	435,000	283,040	(151,960)
Liens	70,200	70,200	97,816	27,616
Commissions	2,000	2,000	1,131	(869)
WHA in lieu tax	42,000	42,000	-	(42,000)
Special events	16,000	16,000	13,777	(2,223)
Beach concession	2,000	2,000	2,355	355
Other miscellaneous revenue	<u>66,500</u>	<u>66,500</u>	<u>39,477</u>	<u>(27,023)</u>
 Total Miscellaneous Revenues	 <u>1,240,550</u>	 <u>1,240,550</u>	 <u>780,842</u>	 <u>(459,708)</u>
 Investment income	 <u>100,000</u>	 <u>100,000</u>	 <u>56,709</u>	 <u>(43,291)</u>
 TOTAL REVENUES	 <u>\$ 53,536,446</u>	 <u>\$ 53,536,446</u>	 <u>\$ 52,278,097</u>	 <u>\$ (1,258,349)</u>

CITY OF WAUKEGAN

DETAILED SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL -
GENERAL FUND

For the Year Ended April 30, 2010

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
CENTRAL SERVICES				
Personnel services	\$ 2,312,110	\$ 2,357,542	\$ 2,399,287	\$ (41,745)
Personnel benefits	2,200,164	2,200,164	2,240,890	(40,726)
Contractual services	689,875	689,875	1,253,272	(563,397)
Commodities	66,750	66,750	56,308	10,442
Capital outlay	111,000	111,000	46,562	64,438
Total Central Services	<u>5,379,899</u>	<u>5,425,331</u>	<u>5,996,319</u>	<u>(570,988)</u>
PUBLIC SAFETY - POLICE AND COMMUNICATION SERVICES				
Personnel services	16,200,850	16,155,418	16,528,501	(373,083)
Personnel benefits	4,654,954	4,654,956	5,747,577	(1,092,621)
Contractual services	713,611	713,611	985,158	(271,547)
Commodities	750,149	750,149	610,399	139,750
Pension contribution	-	-	3,239,761	(3,239,761)
Total Public Safety - Police and Communication Services	<u>22,319,564</u>	<u>22,274,134</u>	<u>27,111,396</u>	<u>(4,837,262)</u>
PUBLIC SAFETY - FIRE SERVICES				
Personnel services	9,976,338	9,976,338	9,855,880	120,458
Personnel benefits	2,955,135	2,955,135	2,378,255	576,880
Contractual services	633,949	604,571	225,138	379,433
Commodities	386,555	386,555	311,132	75,423
Pension contribution	-	-	2,349,496	(2,349,496)
Capital outlay	125,500	125,500	2,730	122,770
Total Public Safety - Fire Services	<u>14,077,477</u>	<u>14,048,099</u>	<u>15,122,631</u>	<u>(1,074,532)</u>
BUILDING AND ZONING				
Personnel services	1,297,746	1,297,746	1,196,624	101,122
Personnel benefits	645,280	645,280	372,595	272,685
Contractual services	139,785	139,785	192,860	(53,075)
Commodities	36,950	36,950	24,586	12,364
Capital outlay	-	-	1,970	(1,970)
Total Building and Zoning	<u>2,119,761</u>	<u>2,119,761</u>	<u>1,788,635</u>	<u>331,126</u>
STREETS, BRIDGES AND PUBLIC WORKS				
Personnel services	3,291,953	3,291,953	3,143,414	148,539
Personnel benefits	1,512,694	1,512,699	1,056,720	455,979
Contractual services	645,264	631,033	507,706	123,327
Commodities	1,499,046	1,499,046	837,558	661,488
Capital outlay	124,000	122,000	53,045	68,955
Total Streets, Bridges and Public Works	<u>7,072,957</u>	<u>7,056,731</u>	<u>5,598,443</u>	<u>1,458,288</u>

CITY OF WAUKEGAN

DETAILED SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND

For the Year Ended April 30, 2010

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
SANITATION AND ENVIRONMENT				
Contractual services	\$ 4,214,117	\$ 4,214,117	\$ 4,361,885	\$ (147,768)
Total Sanitation and Environment	<u>4,214,117</u>	<u>4,214,117</u>	<u>4,361,885</u>	<u>(147,768)</u>
ECONOMIC DEVELOPMENT				
Personnel services	328,055	328,055	322,467	5,588
Personnel benefits	142,279	142,279	96,990	45,289
Contractual services	1,033,554	368,650	55,581	313,069
Commodities	<u>4,350</u>	<u>4,350</u>	<u>574</u>	<u>3,776</u>
Total Economic Development	<u>1,508,238</u>	<u>843,334</u>	<u>475,612</u>	<u>367,722</u>
DEBT SERVICE				
Principal	-	-	7,254,947	(7,254,947)
Interest and fiscal charges	-	<u>710,514</u>	<u>386,123</u>	<u>324,391</u>
Total Debt Service	-	<u>710,514</u>	<u>7,641,070</u>	<u>(6,930,556)</u>
TOTAL EXPENDITURES	<u>\$ 56,692,013</u>	<u>\$ 56,692,021</u>	<u>\$ 68,095,991</u>	<u>\$ (11,403,970)</u>

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CITY OF WAUKEGAN

DETAILED SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - DEBT SERVICE - MAJOR DEBT SERVICE FUND
For the Year Ended April 30, 2010

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Property taxes	\$ 5,708,049	\$ 5,708,049	\$ 4,626,440	\$ (1,081,609)
Home rule sales taxes	1,060,800	1,060,800	855,299	(205,501)
Special assessment	69,304	69,304	38,062	(31,242)
Investment income	202,024	202,024	114,553	(87,471)
Total Revenues	<u>7,040,177</u>	<u>7,040,177</u>	<u>5,634,354</u>	<u>(1,405,823)</u>
EXPENDITURES				
DEBT SERVICE				
Principal	4,501,373	4,501,373	4,931,237	(429,864)
Interest and fiscal charges	<u>2,089,802</u>	<u>2,089,802</u>	<u>1,589,861</u>	<u>499,941</u>
Total Expenditures	<u>6,591,175</u>	<u>6,591,175</u>	<u>6,521,098</u>	<u>70,077</u>
Excess (deficiency) of revenues over (under) expenditures	<u>449,002</u>	<u>449,002</u>	<u>(886,744)</u>	<u>(1,335,746)</u>
OTHER FINANCING SOURCES (USES)				
Debt issued	-	-	1,484,240	1,484,240
Transfers in	628,498	628,498	1,249,012	620,514
Transfers out	<u>(1,042,922)</u>	<u>(1,042,922)</u>	<u>-</u>	<u>1,042,922</u>
Total Other Financing Sources (Uses)	<u>(414,424)</u>	<u>(414,424)</u>	<u>2,733,252</u>	<u>3,147,676</u>
Net Change in Fund Balance	<u>\$ 34,578</u>	<u>\$ 34,578</u>	1,846,508	<u>\$ 1,811,930</u>
FUND BALANCE - Beginning of Year			<u>2,176,349</u>	
FUND BALANCE - END OF YEAR			<u>\$ 4,022,857</u>	

CITY OF WAUKEGAN
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 April 30, 2010

	Special Revenue			
	Motor Fuel Tax	Community Development Block Grant	Narcotics Forfeiture	911 Emergency System
ASSETS				
Cash and cash equivalents	\$ 73,443	\$ 19,706	\$ 501,354	\$ 1,005,039
Receivables (net)				
Property taxes	-	-	-	-
Intergovernmental	392,480	-	-	-
Accounts	660	750	3,050	249,777
Due from other funds	144,955	42,605	42,587	17,040
Inventories	275,000	-	-	-
TOTAL ASSETS	<u>\$ 886,538</u>	<u>\$ 63,061</u>	<u>\$ 546,991</u>	<u>\$ 1,271,856</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 13,103	\$ 24,537	\$ -	\$ 14,718
Accrued salaries	34,742	9,833	19,331	4,982
Other current liabilities	7,658	2,957	475,129	242
Due to other funds	995,938	3,017	413,094	11,110
Deferred revenues	-	-	-	93,909
Total Liabilities	<u>1,051,441</u>	<u>40,344</u>	<u>907,554</u>	<u>124,961</u>
Fund Balances				
Reserved for				
Reserved for inventories and prepaid items	275,000	-	-	-
Reserved for non-current interfunds	-	-	-	-
Special revenue funds undesignated	(439,903)	22,717	(360,563)	1,146,895
Capital projects funds undesignated	-	-	-	-
Permanent fund undesignated	-	-	-	-
Total Fund Balances (Deficit)	<u>(164,903)</u>	<u>22,717</u>	<u>(360,563)</u>	<u>1,146,895</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 886,538</u>	<u>\$ 63,061</u>	<u>\$ 546,991</u>	<u>\$ 1,271,856</u>

Special Revenue

LLEBG Crime Prevention	Fountain Square TIF #5	Homeland Security Grants	Lakefront - Downtown Redevelopment HR Sales Tax	Lewis Avenue TIF #2	Belvidere Mall Redevelopment TIF #3	Lakefront Redevelopment TIF #1
\$ 126,381	\$ 24,926	\$ -	\$ 1,520,427	\$ 1,043,018	\$ 1,100,131	\$ 84,325
-	1,310,539	-	-	242,960	324,828	38,406
45,985	-	-	-	-	-	-
-	-	-	3,956	-	-	-
11,110	-	-	848,454	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 183,476</u>	<u>\$ 1,335,465</u>	<u>\$ -</u>	<u>\$ 2,372,837</u>	<u>\$ 1,285,978</u>	<u>\$ 1,424,959</u>	<u>\$ 122,731</u>
\$ -	\$ -	\$ -	\$ 50,360	\$ -	\$ -	\$ -
-	-	-	5,803	-	-	-
-	-	-	1,799	-	-	-
-	-	122,932	-	-	-	10,000
<u>45,985</u>	<u>1,310,539</u>	<u>-</u>	<u>-</u>	<u>242,960</u>	<u>324,828</u>	<u>38,406</u>
<u>45,985</u>	<u>1,310,539</u>	<u>122,932</u>	<u>57,962</u>	<u>242,960</u>	<u>324,828</u>	<u>48,406</u>
-	-	-	-	-	-	-
-	-	-	848,454	-	-	-
137,491	24,926	(122,932)	1,466,421	1,043,018	1,100,131	74,325
-	-	-	-	-	-	-
<u>137,491</u>	<u>24,926</u>	<u>(122,932)</u>	<u>2,314,875</u>	<u>1,043,018</u>	<u>1,100,131</u>	<u>74,325</u>
<u>\$ 183,476</u>	<u>\$ 1,335,465</u>	<u>\$ -</u>	<u>\$ 2,372,837</u>	<u>\$ 1,285,978</u>	<u>\$ 1,424,959</u>	<u>\$ 122,731</u>

CITY OF WAUKEGAN
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
April 30, 2010

	Special Revenue			
	Home Rehab Assistance	Neighborhood Stabilization	Brownfield Redevelopment	Wetland Mitigation
ASSETS				
Cash and cash equivalents	\$ 41,372	\$ 89,552	\$ -	\$ -
Receivables (net)				
Property taxes	-	-	-	-
Intergovernmental	-	-	-	-
Accounts	-	-	-	-
Due from other funds	-	-	51,925	-
Inventories	-	-	-	-
TOTAL ASSETS	<u>\$ 41,372</u>	<u>\$ 89,552</u>	<u>\$ 51,925</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 6,125	\$ -	\$ -	\$ -
Accrued salaries	-	-	-	-
Other current liabilities	-	-	-	-
Due to other funds	-	-	116,871	22,978
Deferred revenues	-	-	-	-
Total Liabilities	<u>6,125</u>	<u>-</u>	<u>116,871</u>	<u>22,978</u>
Fund Balances				
Reserved for				
Reserved for inventories and prepaid items	-	-	-	-
Reserved for non-current interfunds	-	-	-	-
Special revenue funds undesignated	35,247	89,552	(64,946)	(22,978)
Capital projects funds undesignated	-	-	-	-
Permanent fund undesignated	-	-	-	-
Total Fund Balances (Deficit)	<u>35,247</u>	<u>89,552</u>	<u>(64,946)</u>	<u>(22,978)</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 41,372</u>	<u>\$ 89,552</u>	<u>\$ 51,925</u>	<u>\$ -</u>

Special Revenue

Downtown Waterfront TIF #4	Environment & Risk Management	Public Education & Government	Scoopin' The Genesee	Prison Review Agency	Shawna's Law	Coke Plant Superfund Site
\$ 377,663	\$ 6	\$ 22,385	\$ 20,000	\$ 212,485	\$ 10,703	\$ -
520,821	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
189,526	-	-	3,900	33,877	143,061	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 1,088,010</u>	<u>\$ 6</u>	<u>\$ 22,385</u>	<u>\$ 23,900</u>	<u>\$ 246,362</u>	<u>\$ 153,764</u>	<u>\$ -</u>
\$ -	\$ 9,117	\$ -	\$ -	\$ 42	\$ -	\$ 92,239
-	-	-	-	-	-	-
10,427	-	-	-	-	-	-
20,598	4,118,106	-	-	-	48,986	12,421
520,821	-	-	-	-	-	-
<u>551,846</u>	<u>4,127,223</u>	<u>-</u>	<u>-</u>	<u>42</u>	<u>48,986</u>	<u>104,660</u>
-	-	-	-	-	-	-
189,526	-	-	-	-	-	-
346,638	(4,127,217)	22,385	23,900	246,320	104,778	(104,660)
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>536,164</u>	<u>(4,127,217)</u>	<u>22,385</u>	<u>23,900</u>	<u>246,320</u>	<u>104,778</u>	<u>(104,660)</u>
<u>\$ 1,088,010</u>	<u>\$ 6</u>	<u>\$ 22,385</u>	<u>\$ 23,900</u>	<u>\$ 246,362</u>	<u>\$ 153,764</u>	<u>\$ -</u>

CITY OF WAUKEGAN
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 April 30, 2010

	Special Revenue	Capital Projects		
	Edward Byrne Memorial Grant	Capital Equipment Replacement	Street & Sidewalk Rehabilitation	2001A Capital Improvement
ASSETS				
Cash and cash equivalents	\$ 121,258	\$ 2,054	\$ 1	\$ 7,098
Receivables (net)				
Property taxes	-	-	-	-
Intergovernmental	-	-	-	-
Accounts	-	-	-	-
Due from other funds	-	-	-	-
Inventories	-	-	-	-
TOTAL ASSETS	<u>\$ 121,258</u>	<u>\$ 2,054</u>	<u>\$ 1</u>	<u>\$ 7,098</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ -	\$ -	\$ 18,305	\$ -
Accrued salaries	-	-	-	-
Other current liabilities	-	-	-	-
Due to other funds	-	-	1,736,514	-
Deferred revenues	-	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>1,754,819</u>	<u>-</u>
Fund Balances				
Reserved for				
Reserved for inventories and prepaid items	-	-	-	-
Reserved for non-current interfunds	-	-	-	-
Special revenue funds undesignated	121,258	-	-	-
Capital projects funds undesignated	-	2,054	(1,754,818)	7,098
Permanent fund undesignated	-	-	-	-
Total Fund Balances (Deficit)	<u>121,258</u>	<u>2,054</u>	<u>(1,754,818)</u>	<u>7,098</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 121,258</u>	<u>\$ 2,054</u>	<u>\$ 1</u>	<u>\$ 7,098</u>

Fountain Square Special Assessment	Permanent Fund Cemetery Trust	Total Nonmajor Governmental Funds
\$ 220,248	\$ 43,021	\$ 6,666,596
-	-	2,437,554
-	-	438,465
-	4	258,197
250,459	-	1,779,499
<u>-</u>	<u>-</u>	<u>275,000</u>
<u>\$ 470,707</u>	<u>\$ 43,025</u>	<u>\$ 11,855,311</u>

\$ -	\$ -	\$ 228,546
-	-	74,691
-	-	498,212
414,700	-	8,047,265
<u>-</u>	<u>-</u>	<u>2,577,448</u>
<u>414,700</u>	<u>-</u>	<u>11,426,162</u>

-	-	275,000
250,459	-	1,288,439
-	-	762,803
(194,452)	-	(1,940,118)
<u>-</u>	<u>43,025</u>	<u>43,025</u>
<u>56,007</u>	<u>43,025</u>	<u>429,149</u>

<u>\$ 470,707</u>	<u>\$ 43,025</u>	<u>\$ 11,855,311</u>
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CITY OF WAUKEGAN

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended April 30, 2010

	Special Revenue			
	Motor Fuel Tax	Community Development Block Grant	Narcotics Forfeiture	911 Emergency System
REVENUES				
Property taxes	\$ -	\$ -	\$ -	\$ -
Other taxes	-	-	-	-
Intergovernmental	2,329,992	1,131,214	311,290	-
Fines and forfeitures	-	-	229,480	-
Charges for services	-	-	-	976,527
Investment income	30	2	1	238
Miscellaneous	985	50,967	-	200
Total Revenues	<u>2,331,007</u>	<u>1,182,183</u>	<u>540,771</u>	<u>976,965</u>
EXPENDITURES				
Current				
Public safety - police and communication services	-	-	640,573	469,180
Public safety - fire services	-	-	-	-
Streets, bridges and public works	1,069,510	-	-	-
Sanitation and environment	-	-	-	-
Economic development	-	-	-	-
Culture and recreation	-	-	-	-
Community development	-	1,090,040	-	-
Capital Outlay	17,195	47,513	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	<u>1,086,705</u>	<u>1,137,553</u>	<u>640,573</u>	<u>469,180</u>
Excess (deficiency) of revenues over expenditures	<u>1,244,302</u>	<u>44,630</u>	<u>(99,802)</u>	<u>507,785</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	7,970	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>7,970</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	1,244,302	52,600	(99,802)	507,785
FUND BALANCES (DEFICIT) - Beginning of Year	<u>(1,409,205)</u>	<u>(29,883)</u>	<u>(260,761)</u>	<u>639,110</u>
FUND BALANCES (DEFICIT) - END OF YEAR	<u>\$ (164,903)</u>	<u>\$ 22,717</u>	<u>\$ (360,563)</u>	<u>\$ 1,146,895</u>

Special Revenue

LLEBG Crime Prevention	Fountain Square TIF #5	Homeland Security Grants	Lakefront - Downtown Redevelopment HR Sales Tax	Lewis Avenue TIF #2	Belvidere Mall Redevelopment TIF #3	Lakefront Redevelopment TIF #1
\$ -	\$ 554,882	\$ -	\$ -	\$ 255,857	\$ 311,392	\$ 33,611
-	-	-	1,694,988	-	-	-
123,041	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
426	44	-	2,719	2,985	2,872	2
-	-	-	6,831	-	-	-
<u>123,467</u>	<u>554,926</u>	<u>-</u>	<u>1,704,538</u>	<u>258,842</u>	<u>314,264</u>	<u>33,613</u>
16,624	-	-	-	-	-	-
-	-	155	-	-	-	-
-	-	-	-	-	-	-
-	-	-	543,280	-	-	3,957
-	-	-	-	-	-	-
-	-	-	5,100	-	-	22,055
<u>16,624</u>	<u>-</u>	<u>155</u>	<u>548,380</u>	<u>-</u>	<u>-</u>	<u>26,012</u>
<u>106,843</u>	<u>554,926</u>	<u>(155)</u>	<u>1,156,158</u>	<u>258,842</u>	<u>314,264</u>	<u>7,601</u>
-	-	-	-	-	-	-
-	(530,000)	-	-	-	-	-
-	(530,000)	-	-	-	-	-
106,843	24,926	(155)	1,156,158	258,842	314,264	7,601
<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>\$ 137,491</u>	<u>\$ 24,926</u>	<u>\$ (122,932)</u>	<u>\$ 2,314,875</u>	<u>\$ 1,043,018</u>	<u>\$ 1,100,131</u>	<u>\$ 74,325</u>

CITY OF WAUKEGAN

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended April 30, 2010

	Special Revenue			
	Home Rehab Assistance	Neighborhood Stabilization	Brownfield Redevelopment	Wetland Mitigation
REVENUES				
Property taxes	\$ -	\$ -	\$ -	\$ -
Other taxes	-	-	-	-
Intergovernmental	265,090	-	-	-
Fines and forfeitures	138,246	-	23,191	-
Charges for services	-	-	-	30,377
Investment income	-	-	-	1
Miscellaneous	-	-	-	-
Total Revenues	<u>403,336</u>	<u>-</u>	<u>23,191</u>	<u>30,378</u>
EXPENDITURES				
Current				
Public safety - police and communication services	-	-	-	-
Public safety - fire services	-	-	-	-
Streets, bridges and public works	-	-	-	-
Sanitation and environment	-	-	6,580	17,570
Economic development	-	-	-	-
Culture and recreation	-	-	-	-
Community development	360,119	10,000	-	-
Capital Outlay	-	-	-	-
Interest and fiscal charges	-	-	-	14
Total Expenditures	<u>360,119</u>	<u>10,000</u>	<u>6,580</u>	<u>17,584</u>
Excess (deficiency) of revenues over expenditures	<u>43,217</u>	<u>(10,000)</u>	<u>16,611</u>	<u>12,794</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	(7,970)	-	-	(30,377)
Total Other Financing Sources (Uses)	<u>(7,970)</u>	<u>-</u>	<u>-</u>	<u>(30,377)</u>
Net Change in Fund Balances	35,247	(10,000)	16,611	(17,583)
FUND BALANCES (DEFICIT) - Beginning of Year	<u>-</u>	<u>99,552</u>	<u>(81,557)</u>	<u>(5,395)</u>
FUND BALANCES (DEFICIT) - END OF YEAR	<u>\$ 35,247</u>	<u>\$ 89,552</u>	<u>\$ (64,946)</u>	<u>\$ (22,978)</u>

Special Revenue

Downtown Waterfront TIF #4	Environment & Risk Management	Public Education & Government	Scoopin' The Genesee	Prison Review Agency	Shawna's Law	Coke Plant Superfund Site
\$ 487,952	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	58,498	17,963	-
40	7	15,641	14,559	-	-	-
-	-	-	-	13	-	369
<u>487,992</u>	<u>7</u>	<u>15,641</u>	<u>49,652</u>	<u>58,511</u>	<u>17,963</u>	<u>369</u>
-	-	-	-	1,262	36,191	-
-	-	-	-	-	-	-
-	-	-	-	-	-	92,708
21,145	558,206	-	-	-	-	-
-	-	-	68,541	-	-	-
-	-	-	-	-	-	-
126,822	-	-	-	-	-	-
<u>147,967</u>	<u>558,206</u>	<u>-</u>	<u>68,541</u>	<u>1,262</u>	<u>36,191</u>	<u>92,708</u>
<u>340,025</u>	<u>(558,199)</u>	<u>15,641</u>	<u>(4,330)</u>	<u>57,249</u>	<u>(18,228)</u>	<u>(92,339)</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
340,025	(558,199)	15,641	(4,330)	57,249	(18,228)	(92,339)
<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>\$ 536,164</u>	<u>\$ (4,127,217)</u>	<u>\$ 22,385</u>	<u>\$ 23,900</u>	<u>\$ 246,320</u>	<u>\$ 104,778</u>	<u>\$ (104,660)</u>

CITY OF WAUKEGAN

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended April 30, 2010

	Special	Capital Projects			
	Revenue	Edward Byrne Memorial Grant	Capital Equipment Replacement	Street & Sidewalk Rehabilitation	2001A Capital Improvement
REVENUES					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Other taxes	-	-	-	855,299	-
Intergovernmental	530,373	-	-	-	-
Fines and forfeitures	-	-	-	-	-
Charges for services	-	-	-	-	-
Investment income	-	3	45	-	-
Miscellaneous	-	-	-	-	693
Total Revenues	<u>530,373</u>	<u>3</u>	<u>855,344</u>	<u>693</u>	
EXPENDITURES					
Current					
Public safety - police and communication services	-	-	-	-	-
Public safety - fire services	-	-	-	-	-
Streets, bridges and public works	-	-	43,202	-	-
Sanitation and environment	-	-	-	-	-
Economic development	-	-	-	-	-
Culture and recreation	321,256	-	-	-	-
Community development	-	-	-	-	-
Capital Outlay	-	-	2,292,615	-	-
Interest and fiscal charges	135	-	-	-	-
Total Expenditures	<u>321,391</u>	<u>-</u>	<u>2,335,817</u>	<u>-</u>	
Excess (deficiency) of revenues over expenditures	<u>208,982</u>	<u>3</u>	<u>(1,480,473)</u>	<u>693</u>	
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	600,000	-	-
Transfers out	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>600,000</u>	<u>-</u>	
Net Change in Fund Balances	208,982	3	(880,473)	693	
FUND BALANCES (DEFICIT) - Beginning of Year	<u>(87,724)</u>	<u>2,051</u>	<u>(874,345)</u>	<u>6,405</u>	
FUND BALANCES (DEFICIT) - END OF YEAR	<u>\$ 121,258</u>	<u>\$ 2,054</u>	<u>\$ (1,754,818)</u>	<u>\$ 7,098</u>	

Fountain Square Special Assessment	Permanent Fund Cemetery Trust	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ 1,643,694
-	-	2,550,287
-	-	4,691,000
-	-	467,378
-	-	1,037,104
24	645	10,466
-	-	109,328
24	645	10,509,257
-	-	1,163,830
-	-	155
-	-	1,205,420
-	-	582,356
5,955	-	574,337
-	-	389,797
-	-	1,460,159
-	-	2,511,300
330	645	1,124
6,285	645	7,888,478
(6,261)	-	2,620,779
-	-	607,970
(42,591)	-	(610,938)
(42,591)	-	(2,968)
(48,852)	-	2,617,811
104,859	43,025	(2,188,662)
\$ 56,007	\$ 43,025	\$ 429,149

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, 2010

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
INTERGOVERNMENTAL				
Motor fuel tax	\$ 2,770,000	\$ 2,770,000	\$ 2,329,992	\$ (440,008)
Total Intergovernmental	<u>2,770,000</u>	<u>2,770,000</u>	<u>2,329,992</u>	<u>(440,008)</u>
MISCELLANEOUS				
Sale of miscellaneous items	-	-	985	985
Other miscellaneous revenue	300,000	300,000	-	(300,000)
Total Miscellaneous	<u>300,000</u>	<u>300,000</u>	<u>985</u>	<u>(299,015)</u>
Investment income	7,800	7,800	30	(7,770)
Total Revenues	<u>3,077,800</u>	<u>3,077,800</u>	<u>2,331,007</u>	<u>(746,793)</u>
EXPENDITURES				
STREETS, BRIDGES AND PUBLIC WORKS				
Personnel services	820,038	820,038	596,637	223,401
Personnel benefits	391,765	391,765	154,838	236,927
Contractual services	960,874	960,874	146,491	814,383
Commodities	520,000	520,000	171,544	348,456
Capital outlay	445,502	445,502	17,195	428,307
Total Expenditures	<u>3,138,179</u>	<u>3,138,179</u>	<u>1,086,705</u>	<u>2,051,474</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(60,379)</u>	<u>(60,379)</u>	<u>1,244,302</u>	<u>1,304,681</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(305,000)</u>	<u>(305,000)</u>	-	<u>305,000</u>
Total Other Financing Sources (Uses)	<u>(305,000)</u>	<u>(305,000)</u>	-	<u>305,000</u>
Net Change in Fund Balance	<u>\$ (365,379)</u>	<u>\$ (365,379)</u>	<u>1,244,302</u>	<u>\$ 1,609,681</u>
FUND BALANCE (DEFICIT) - Beginning of Year			<u>(1,409,205)</u>	
FUND BALANCE (DEFICIT) - END OF YEAR			<u>\$ (164,903)</u>	

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, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
FINES AND FORFEITURES				
Federal grants	\$ 1,103,622	\$ 1,103,622	\$ 1,131,214	\$ 27,592
MISCELLANEOUS				
Liens	15,000	15,000	50,967	35,967
INVESTMENT INCOME				
Investment income	-	-	2	2
Total Revenues	<u>1,118,622</u>	<u>1,118,622</u>	<u>1,182,183</u>	<u>63,561</u>
EXPENDITURES				
COMMUNITY DEVELOPMENT				
Personnel services	274,578	272,336	285,525	(13,189)
Personnel benefits	149,863	159,863	92,645	67,218
Contractual services	387,843	382,843	707,982	(325,139)
Commodities	6,195	6,195	3,888	2,307
Capital outlay	<u>295,000</u>	<u>295,000</u>	<u>47,513</u>	<u>247,487</u>
Total Expenditures	<u>1,113,479</u>	<u>1,116,237</u>	<u>1,137,553</u>	<u>(21,316)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	7,970	7,970
Transfers out	-	(4,500)	-	4,500
Total Other Financing Sources (Uses)	<u>-</u>	<u>(4,500)</u>	<u>7,970</u>	<u>12,470</u>
Net Change in Fund Balance	<u>\$ 5,143</u>	<u>\$ (2,115)</u>	52,600	<u>\$ 54,715</u>
FUND BALANCE (DEFICIT) - Beginning of Year			<u>(29,883)</u>	
FUND BALANCE - END OF YEAR			<u>\$ 22,717</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, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
INTERGOVERNMENTAL				
Federal grants	\$ 800,000	\$ 800,000	\$ 215,452	\$ (584,548)
State grants	75,000	75,000	95,838	20,838
Total Intergovernmental	<u>875,000</u>	<u>875,000</u>	<u>311,290</u>	<u>(563,710)</u>
FINES AND FORFEITURES				
Code enforcement/zoning	4,000	4,000	13,448	9,448
Customs/border patrol	20,000	20,000	216,032	196,032
Total Fines and Forfeitures	<u>24,000</u>	<u>24,000</u>	<u>229,480</u>	<u>205,480</u>
Investment income	2,500	2,500	1	(2,499)
Total Revenues	<u>901,500</u>	<u>901,500</u>	<u>540,771</u>	<u>(360,729)</u>
EXPENDITURES				
PUBLIC SAFETY - POLICE AND COMMUNICATION SERVICE				
Personnel services	671,283	368,693	200,870	167,823
Personnel benefits	92,726	92,726	47,880	44,846
Contractual services	110,000	412,590	366,878	45,712
Commodities	13,000	13,000	24,945	(11,945)
Total Expenditures	<u>887,009</u>	<u>887,009</u>	<u>640,573</u>	<u>246,436</u>
Net Change in Fund Balance	<u>\$ 14,491</u>	<u>\$ 14,491</u>	(99,802)	<u>\$ (114,293)</u>
FUND BALANCE (DEFICIT) - Beginning of Year			<u>(260,761)</u>	
FUND BALANCE (DEFICIT) - END OF YEAR			<u>\$ (360,563)</u>	

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, 2010

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
PUBLIC CHARGES FOR SERVICES				
911 emergency surcharge	\$ 875,738	\$ 875,738	\$ 976,527	\$ 100,789
Total Public Charges for Services	875,738	875,738	976,527	100,789
Investment income	3,500	3,500	238	(3,262)
Other miscellaneous revenue	-	-	200	200
Total Revenues	879,238	879,238	976,965	97,727
EXPENDITURES				
PUBLIC SAFETY - POLICE AND COMMUNICATION SERVICES				
Personnel services	197,524	197,524	160,942	36,582
Personnel benefits	77,714	77,714	55,213	22,501
Contractual services	553,500	509,400	235,887	273,513
Commodities	46,000	90,100	17,138	72,962
Total Expenditures	874,738	874,738	469,180	405,558
 Net Change in Fund Balance	 \$ 4,500	 \$ 4,500	 507,785	 \$ 503,285
 FUND BALANCE - Beginning of Year			 639,110	
 FUND BALANCE - END OF YEAR			 \$ 1,146,895	

CITY OF WAUKEGAN

DETAILED SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - LLEBG CRIME PREVENTION - NONMAJOR SPECIAL REVENUE FUND

For the Year Ended April 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
INTERGOVERNMENTAL				
Federal grants	\$ -	\$ -	\$ 123,041	\$ 123,041
Investment income	-	-	426	426
Total Revenues	<u>-</u>	<u>-</u>	<u>123,467</u>	<u>123,467</u>
EXPENDITURES				
PUBLIC SAFETY - POLICE AND COMMUNICATION SERVICES				
Contractual services	<u>16,147</u>	<u>16,147</u>	<u>16,624</u>	<u>(477)</u>
Total Expenditures	<u>16,147</u>	<u>16,147</u>	<u>16,624</u>	<u>(477)</u>
 Net Change in Fund Balance	 <u>\$ (16,147)</u>	 <u>\$ (16,147)</u>	 106,843	 <u>\$ 122,990</u>
 FUND BALANCE - Beginning of Year			 <u>30,648</u>	
 FUND BALANCE - END OF YEAR			 <u>\$ 137,491</u>	

CITY OF WAUKEGAN

DETAILED SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - FOUNTAIN SQUARE TIF #5 - NONMAJOR SPECIAL REVENUE FUND

For the Year Ended April 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
TAXES				
Property taxes	\$ 554,882	\$ 554,882	\$ 554,882	\$ -
Investment income	<u>5,000</u>	<u>5,000</u>	<u>44</u>	<u>(4,956)</u>
Total Revenues	<u>559,882</u>	<u>559,882</u>	<u>554,926</u>	<u>(4,956)</u>
EXPENDITURES				
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>559,882</u>	<u>559,882</u>	<u>554,926</u>	<u>(4,956)</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>-</u>	<u>-</u>	<u>(530,000)</u>	<u>(530,000)</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(530,000)</u>	<u>(530,000)</u>
Net Change in Fund Balance	<u>\$ 559,882</u>	<u>\$ 559,882</u>	24,926	<u>\$ (534,956)</u>
FUND BALANCE - Beginning of Year			<u>-</u>	
FUND BALANCE - END OF YEAR			<u>\$ 24,926</u>	

CITY OF WAUKEGAN

DETAILED SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - HOMELAND SECURITY GRANTS - NONMAJOR SPECIAL
REVENUE FUND

For the Year Ended April 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
INTERGOVERNMENTAL				
Federal grants	<u>\$ 400,000</u>	<u>\$ 400,000</u>	<u>\$ -</u>	<u>\$ (400,000)</u>
Total Revenues	<u>400,000</u>	<u>400,000</u>	<u>-</u>	<u>(400,000)</u>
EXPENDITURES				
PUBLIC SAFETY - FIRE SERVICES				
Contractual services	<u>480,000</u>	<u>480,000</u>	<u>155</u>	<u>479,845</u>
Total Expenditures	<u>480,000</u>	<u>480,000</u>	<u>155</u>	<u>479,845</u>
Net Change in Fund Balance	<u>\$ (80,000)</u>	<u>\$ (80,000)</u>	<u>(155)</u>	<u>\$ 79,845</u>
FUND BALANCE (DEFICIT) - Beginning of Year			<u>(122,777)</u>	
FUND BALANCE (DEFICIT) - END OF YEAR			<u>\$ (122,932)</u>	

CITY OF WAUKEGAN

DETAILED SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL - LAKEFRONT - DOWNTOWN REDEVELOPMENT HR SALES
 TAX - NONMAJOR SPECIAL REVENUE FUND
 For the Year Ended April 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
OTHER TAXES				
Home rule sales	\$ 2,080,000	\$ 2,080,000	\$ 1,694,988	\$ (385,012)
Other miscellaneous revenue	6,831	-	6,831	6,831
Total Miscellaneous	<u>6,831</u>	<u>-</u>	<u>6,831</u>	<u>6,831</u>
Investment income	15,000	15,000	2,719	(12,281)
Total Revenues	<u>2,101,831</u>	<u>2,095,000</u>	<u>1,704,538</u>	<u>(390,462)</u>
EXPENDITURES				
ECONOMIC DEVELOPMENT				
Personnel services	124,671	124,671	126,513	(1,842)
Personnel benefits	52,635	52,635	33,177	19,458
Contractual services	1,530,859	1,480,859	377,145	1,103,714
Commodities	4,000	4,000	6,445	(2,445)
Capital outlay	602,000	602,000	5,100	596,900
Total Expenditures	<u>2,314,165</u>	<u>2,264,165</u>	<u>548,380</u>	<u>1,715,785</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(212,334)</u>	<u>(169,165)</u>	<u>1,156,158</u>	<u>1,325,323</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	-	(222,950)	-	222,950
Total Other Financing Sources (Uses)	<u>-</u>	<u>(222,950)</u>	<u>-</u>	<u>222,950</u>
Net Change in Fund Balance	<u>\$ (212,334)</u>	<u>\$ (392,115)</u>	1,156,158	<u>\$ 1,548,273</u>
FUND BALANCE - Beginning of Year			<u>1,158,717</u>	
FUND BALANCE - END OF YEAR			<u>\$ 2,314,875</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, 2010

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
PROPERTY TAXES				
Property taxes - TIF	\$ 255,857	\$ 255,857	\$ 255,857	\$ -
Investment income	10,000	10,000	2,985	(7,015)
Total Revenues	<u>265,857</u>	<u>265,857</u>	<u>258,842</u>	<u>(7,015)</u>
EXPENDITURES				
ECONOMIC DEVELOPMENT				
Contractual services	265,857	265,857	-	265,857
Total Expenditures	<u>265,857</u>	<u>265,857</u>	<u>-</u>	<u>265,857</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	258,842	<u>\$ 258,842</u>
FUND BALANCE - Beginning of Year			<u>784,176</u>	
FUND BALANCE - END OF YEAR			<u>\$ 1,043,018</u>	

CITY OF WAUKEGAN

DETAILED SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL - BELVIDERE MALL REDEVELOPMENT TIF #3 - NONMAJOR
 SPECIAL REVENUE FUND
 For the Year Ended April 30, 2010

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
PROPERTY TAXES				
Property taxes - TIF	\$ 255,857	\$ 255,857	\$ 311,392	\$ 55,535
Investment income	<u>2,500</u>	<u>2,500</u>	<u>2,872</u>	<u>372</u>
Total Revenues	<u>258,357</u>	<u>258,357</u>	<u>314,264</u>	<u>55,907</u>
EXPENDITURES				
ECONOMIC DEVELOPMENT				
Capital outlay	<u>258,357</u>	<u>258,357</u>	-	<u>258,357</u>
Total Expenditures	<u>258,357</u>	<u>258,357</u>	-	<u>258,357</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	314,264	<u>\$ 314,264</u>
FUND BALANCE - Beginning of Year			<u>785,867</u>	
FUND BALANCE - END OF YEAR			<u>\$ 1,100,131</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, 2010

	<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	\$ 30,144	\$ 30,144	\$ 33,611	\$ 3,467
Investment income	<u>500</u>	<u>500</u>	<u>2</u>	<u>(498)</u>
Total Revenues	<u>30,644</u>	<u>30,644</u>	<u>33,613</u>	<u>2,969</u>
EXPENDITURES				
ECONOMIC DEVELOPMENT				
Contractual services	50,000	50,000	3,957	46,043
Capital outlay	<u>-</u>	<u>-</u>	<u>22,055</u>	<u>(22,055)</u>
Total Expenditures	<u>50,000</u>	<u>50,000</u>	<u>26,012</u>	<u>23,988</u>
Net Change in Fund Balance	<u>\$ (19,356)</u>	<u>\$ (19,356)</u>	7,601	<u>\$ 26,957</u>
FUND BALANCE - Beginning of Year			<u>66,724</u>	
FUND BALANCE - END OF YEAR			<u>\$ 74,325</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, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Investment income	\$ -	\$ 1,000	\$ -	\$ (1,000)
Total Revenues	<u>-</u>	<u>1,000</u>	<u>-</u>	<u>(1,000)</u>
EXPENDITURES				
COMMUNITY DEVELOPMENT				
Contractual services	118,537	118,537	10,000	108,537
Total Expenditures	<u>118,537</u>	<u>118,537</u>	<u>10,000</u>	<u>108,537</u>
 Net Change in Fund Balance	 <u>\$ (118,537)</u>	 <u>\$ (117,537)</u>	 (10,000)	 <u>\$ 107,537</u>
 FUND BALANCE - Beginning of Year			 <u>99,552</u>	
 FUND BALANCE - END OF YEAR			 <u>\$ 89,552</u>	

CITY OF WAUKEGAN

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

For the Year Ended April 30, 2010

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
LC environmental and risk	\$ 190,000	\$ 190,000	\$ 23,191	\$ (166,809)
Total Revenues	<u>190,000</u>	<u>190,000</u>	<u>23,191</u>	<u>(166,809)</u>
EXPENDITURES				
SANITATION AND ENVIRONMENT				
Contractual services	380,000	380,000	6,580	373,420
Total Expenditures	<u>380,000</u>	<u>380,000</u>	<u>6,580</u>	<u>373,420</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(190,000)</u>	<u>(190,000)</u>	<u>16,611</u>	<u>206,611</u>
OTHER FINANCING SOURCES				
Transfers in	-	190,000	-	(190,000)
Total Other Financing Sources	<u>-</u>	<u>190,000</u>	<u>-</u>	<u>(190,000)</u>
Net Change in Fund Balance	<u>\$ (190,000)</u>	<u>\$ -</u>	<u>16,611</u>	<u>\$ 16,611</u>
FUND BALANCE (DEFICIT) - Beginning of Year			<u>(81,557)</u>	
FUND BALANCE (DEFICIT) - END OF YEAR			<u>\$ (64,946)</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, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
PUBLIC CHARGES FOR SERVICES				
Wetland mitigation	\$ -	\$ -	\$ 30,377	\$ 30,377
Investment income	<u>500</u>	<u>500</u>	<u>1</u>	<u>(499)</u>
Total Revenues	<u>500</u>	<u>500</u>	<u>30,378</u>	<u>29,878</u>
EXPENDITURES				
SANITATION AND ENVIRONMENT				
Contractual services	16,546	16,546	17,570	(1,024)
Interest and fiscal charges	<u>-</u>	<u>-</u>	<u>14</u>	<u>(14)</u>
Total Expenditures	<u>16,546</u>	<u>16,546</u>	<u>17,584</u>	<u>(1,038)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(16,046)</u>	<u>(16,046)</u>	<u>12,794</u>	<u>28,840</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>-</u>	<u>-</u>	<u>(30,377)</u>	<u>(30,377)</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(30,377)</u>	<u>(30,377)</u>
Net Change in Fund Balance	<u>\$ (16,046)</u>	<u>\$ (16,046)</u>	<u>(17,583)</u>	<u>\$ (1,537)</u>
FUND BALANCE (DEFICIT) - Beginning of Year			<u>(5,395)</u>	
FUND BALANCE (DEFICIT) - END OF YEAR			<u>\$ (22,978)</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, 2010

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
PROPERTY TAXES				
Property taxes - TIF	\$ 486,700	\$ 486,700	\$ 487,952	\$ 1,252
Investment income	<u>3,000</u>	<u>3,000</u>	<u>40</u>	<u>(2,960)</u>
Total Revenues	<u>489,700</u>	<u>489,700</u>	<u>487,992</u>	<u>(1,708)</u>
EXPENDITURES				
ECONOMIC DEVELOPMENT				
Contractual services	187,970	136,970	21,145	115,825
Capital outlay	<u>296,730</u>	<u>347,730</u>	<u>126,822</u>	<u>220,908</u>
Total Expenditures	<u>484,700</u>	<u>484,700</u>	<u>147,967</u>	<u>336,733</u>
Excess (deficiency) of revenues over (under) expenditures	<u>5,000</u>	<u>5,000</u>	<u>340,025</u>	<u>335,025</u>
OTHER FINANCING SOURCES				
Transfers out	-	(100,000)	-	100,000
Total Other Financing Sources	<u>-</u>	<u>(100,000)</u>	<u>-</u>	<u>100,000</u>
Net Change in Fund Balance	<u>\$ 5,000</u>	<u>\$ (95,000)</u>	340,025	<u>\$ 435,025</u>
FUND BALANCE - Beginning of Year			<u>196,139</u>	
FUND BALANCE - END OF YEAR			<u>\$ 536,164</u>	

CITY OF WAUKEGAN

DETAILED SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL - ENVIRONMENT & RISK MANAGEMENT - NONMAJOR
 SPECIAL REVENUE FUND
 For the Year Ended April 30, 2010

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Investment income	\$ -	\$ -	\$ 7	\$ 7
Total Revenues	-	-	7	7
EXPENDITURES				
SANITATION AND ENVIRONMENT				
Contractual services	486,559	486,559	558,206	(71,647)
Total Expenditures	486,559	486,559	558,206	(71,647)
Net Change in Fund Balance	\$ (486,559)	\$ (486,559)	(558,199)	\$ (71,640)
FUND BALANCE (DEFICIT) - Beginning of Year			(3,569,018)	
FUND BALANCE (DEFICIT) - END OF YEAR			\$ (4,127,217)	

CITY OF WAUKEGAN

DETAILED SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL - PUBLIC EDUCATION & GOVERNMENT - NONMAJOR
 SPECIAL REVENUE FUND
 For the Year Ended April 30, 2010

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
In-kind PEG	\$ 4,058	\$ 4,058	\$ 15,641	\$ 11,583
Total Revenues	<u>4,058</u>	<u>4,058</u>	<u>15,641</u>	<u>11,583</u>
EXPENDITURES				
Total Expenditures	-	-	-	-
Net Change in Fund Balance	<u>\$ 4,058</u>	<u>\$ 4,058</u>	15,641	<u>\$ 11,583</u>
FUND BALANCE - Beginning of Year			<u>6,744</u>	
FUND BALANCE - END OF YEAR			<u>\$ 22,385</u>	

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

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, 2010

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
CHARGES FOR SERVICES				
Vendor fees	\$ 3,200	\$ 3,200	\$ 4,449	\$ 1,249
Vehicle registration	10,000	10,000	10,110	110
Total Charges for services	<u>13,200</u>	<u>13,200</u>	<u>14,559</u>	<u>1,359</u>
MISCELLANEOUS				
Special events	-	-	20	20
Downtown events/merchandise	6,800	6,800	1,944	(4,856)
Downtown events/food-drink	25,000	25,000	26,723	1,723
Other miscellaneous revenue	20,000	20,000	20,965	965
Total Miscellaneous	<u>51,800</u>	<u>51,800</u>	<u>49,652</u>	<u>(2,148)</u>
Total Revenues	<u>65,000</u>	<u>65,000</u>	<u>64,211</u>	<u>(789)</u>
EXPENDITURES				
CULTURE AND RECREATION				
Contractual services	30,000	30,000	41,577	(11,577)
Commodities	35,000	35,000	26,964	8,036
Total Expenditures	<u>65,000</u>	<u>65,000</u>	<u>68,541</u>	<u>(3,541)</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	(4,330)	<u>\$ (4,330)</u>
FUND BALANCE - Beginning of Year			<u>28,230</u>	
FUND BALANCE - END OF YEAR			<u>\$ 23,900</u>	

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, 2010

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
FINES AND FORFEITURES				
Prison review agency	\$ 90,000	\$ 90,000	\$ 58,498	\$ (31,502)
Investment income	1,000	1,000	13	(987)
Total Revenues	<u>91,000</u>	<u>91,000</u>	<u>58,511</u>	<u>(32,489)</u>
EXPENDITURES				
PUBLIC SAFETY - POLICE AND COMMUNICATION SERVICES				
Contractual services	15,000	91,000	1,034	89,966
Commodities	<u>76,000</u>	<u>-</u>	<u>228</u>	<u>(228)</u>
Total Expenditures	<u>91,000</u>	<u>91,000</u>	<u>1,262</u>	<u>89,738</u>
 Net Change in Fund Balance	 <u>\$ -</u>	 <u>\$ -</u>	 57,249	 <u>\$ 57,249</u>
 FUND BALANCE - Beginning of Year			 <u>189,071</u>	
 FUND BALANCE - END OF YEAR			 <u>\$ 246,320</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, 2010

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
FINES AND FORFEITURES				
Late payment/penalties	\$ 20,000	\$ 20,000	\$ 17,963	\$ (2,037)
Total Revenues	<u>20,000</u>	<u>20,000</u>	<u>17,963</u>	<u>(2,037)</u>
EXPENDITURES				
PUBLIC SAFETY - POLICE AND COMMUNICATION SERVICES				
Contractual services	-	-	1,874	(1,874)
Commodities	-	-	34,317	(34,317)
Total Expenditures	<u>-</u>	<u>-</u>	<u>36,191</u>	<u>(36,191)</u>
 Net Change in Fund Balance	 <u>\$ 20,000</u>	 <u>\$ 20,000</u>	 (18,228)	 <u>\$ (38,228)</u>
 FUND BALANCE - Beginning of Year			 <u>123,006</u>	
 FUND BALANCE - END OF YEAR			 <u>\$ 104,778</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, 2010

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
PUBLIC CHARGES FOR SERVICES				
License fee business license	\$ 756,761	\$ 756,761	\$ -	\$ (756,761)
Investment income	-	-	369	369
Total Revenues	756,761	756,761	369	(756,392)
EXPENDITURES				
STREETS, BRIDGES AND PUBLIC WORKS				
Contractual services	60,000	60,000	92,708	(32,708)
Total Expenditures	60,000	60,000	92,708	(32,708)
Net Change in Fund Balance	\$ 696,761	\$ 696,761	(92,339)	\$ (789,100)
FUND BALANCE (DEFICIT) - Beginning of Year			(12,321)	
FUND BALANCE (DEFICIT) - END OF YEAR			\$ (104,660)	

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, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
INTERGOVERNMENTAL				
Intergovernmental	\$ 804,914	\$ 804,914	\$ 530,373	\$ (274,541)
Total Revenues	<u>804,914</u>	<u>804,914</u>	<u>530,373</u>	<u>(274,541)</u>
EXPENDITURES				
CULTURE AND RECREATION				
Contractual services	-	50,000	163,705	(113,705)
Commodities	-	687,981	157,551	530,430
Interest and fiscal charges	-	-	135	(135)
Total Expenditures	<u>-</u>	<u>737,981</u>	<u>321,391</u>	<u>416,590</u>
 Net Change in Fund Balance	 <u>\$ 804,914</u>	 <u>\$ 66,933</u>	 208,982	 <u>\$ 142,049</u>
 FUND BALANCE (DEFICIT) - Beginning of Year			 <u>(87,724)</u>	
 FUND BALANCE (DEFICIT) - END OF YEAR			 <u>\$ 121,258</u>	

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, 2010

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
OTHER TAXES				
Home rule sales	\$ 1,122,000	\$ 1,122,000	\$ 855,299	\$ (266,701)
Investment income	<u>1,000</u>	<u>1,000</u>	<u>45</u>	<u>(955)</u>
Total Revenues	<u>1,123,000</u>	<u>1,123,000</u>	<u>855,344</u>	<u>(267,656)</u>
EXPENDITURES				
STREETS, BRIDGES AND PUBLIC WORKS				
Contractual services	-	-	1,097	(1,097)
Commodities	150,000	150,000	42,105	107,895
Capital outlay	<u>1,300,000</u>	<u>1,300,000</u>	<u>2,292,615</u>	<u>(992,615)</u>
Total Expenditures	<u>1,450,000</u>	<u>1,450,000</u>	<u>2,335,817</u>	<u>(885,817)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(327,000)</u>	<u>(327,000)</u>	<u>(1,480,473)</u>	<u>(1,153,473)</u>
OTHER FINANCING SOURCES				
Transfers in	-	600,000	600,000	-
Total Other Financing Sources	<u>-</u>	<u>600,000</u>	<u>600,000</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ (327,000)</u>	<u>\$ 273,000</u>	<u>(880,473)</u>	<u>\$ (1,153,473)</u>
FUND BALANCE (DEFICIT) - Beginning of Year			<u>(874,345)</u>	
FUND BALANCE (DEFICIT) - END OF YEAR			<u>\$ (1,754,818)</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, 2010

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Miscellaneous	\$ -	\$ -	\$ 693	\$ 693
Total Revenues	<u>-</u>	<u>-</u>	<u>693</u>	<u>693</u>
EXPENDITURES				
CAPITAL OUTLAY				
Capital outlay	6,405	6,405	-	6,405
Total Expenditures	<u>6,405</u>	<u>6,405</u>	<u>-</u>	<u>6,405</u>
 Net Change in Fund Balance	 <u>\$ (6,405)</u>	 <u>\$ (6,405)</u>	 693	 <u>\$ 7,098</u>
 FUND BALANCE - Beginning of Year			 <u>6,405</u>	
 FUND BALANCE - END OF YEAR			 <u>\$ 7,098</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, 2010

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Investment income	\$ 400	\$ 400	\$ 24	\$ (376)
Total Revenues	<u>400</u>	<u>400</u>	<u>24</u>	<u>(376)</u>
EXPENDITURES				
ECONOMIC DEVELOPMENT				
Contractual services	-	-	5,955	(5,955)
Interest and fiscal charges	<u>79,209</u>	-	<u>330</u>	<u>(330)</u>
Total Expenditures	<u>79,209</u>	-	<u>6,285</u>	<u>(6,285)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(78,809)</u>	<u>400</u>	<u>(6,261)</u>	<u>(6,661)</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	-	(301,764)	(42,591)	259,173
Total Other Financing Sources (Uses)	-	<u>(301,764)</u>	<u>(42,591)</u>	<u>259,173</u>
Net Change in Fund Balance	<u>\$ (78,809)</u>	<u>\$ (301,364)</u>	(48,852)	<u>\$ 252,512</u>
FUND BALANCE - Beginning of Year			<u>104,859</u>	
FUND BALANCE - END OF YEAR			<u>\$ 56,007</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, 2010

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Investment income	\$ -	\$ 1,000	\$ 645	\$ (355)
Total Revenues	-	1,000	645	(355)
EXPENDITURES				
DEBT SERVICE				
Interest and fiscal charges	-	-	645	(645)
Total debt service	-	-	645	(645)
Total Expenditures	-	-	645	(645)
Excess (deficiency) of revenues over (under) expenditures	-	1,000	-	(1,000)
OTHER FINANCING SOURCES (USES)				
Transfers out	(1,000)	(1,000)	-	1,000
Total Other Financing Sources (Uses)	(1,000)	(1,000)	-	1,000
Net Change in Fund Balance	\$ (1,000)	\$ -	-	\$ -
FUND BALANCE - Beginning of Year			43,025	
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, 2010

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
OPERATING REVENUES				
Charges for services	\$ 9,651,000	\$ 9,651,000	\$ 11,131,288	\$ 1,480,288
Fines and forfeitures	225,000	225,000	234,582	9,582
Permits	215,000	215,000	174,654	(40,346)
Miscellaneous	<u>119,000</u>	<u>119,000</u>	<u>71,179</u>	<u>(47,821)</u>
Total Operating Revenues	<u>10,210,000</u>	<u>10,210,000</u>	<u>11,611,703</u>	<u>1,401,703</u>
OPERATING EXPENSES				
Personnel services	3,424,106	3,424,111	3,258,008	166,103
Personnel benefits	1,656,295	1,656,294	1,330,287	326,007
Contractual services	1,665,836	2,901,836	1,473,727	1,428,109
Commodities	1,108,800	1,108,800	966,443	142,357
Depreciation	1,400,000	1,400,000	2,166,130	(766,130)
Capital Outlay	<u>4,327,000</u>	<u>3,091,000</u>	<u>442,635</u>	<u>2,648,365</u>
Total Operating Expenses	<u>13,582,037</u>	<u>13,582,041</u>	<u>9,637,230</u>	<u>3,944,811</u>
Operating Income (Loss)	<u>(3,372,037)</u>	<u>(3,372,041)</u>	<u>1,974,473</u>	<u>5,346,514</u>
NON-OPERATING REVENUES (EXPENSES)				
Investment income	-	-	27	27
State grants	102,303	102,303	251,200	148,897
Interest and fiscal charges	<u>(200,000)</u>	<u>(161,066)</u>	<u>(121,363)</u>	<u>39,703</u>
Total Non-Operating Revenues	<u>(97,697)</u>	<u>(58,763)</u>	<u>129,864</u>	<u>188,627</u>
Net Income Before Transfers	<u>(3,469,734)</u>	<u>(3,430,804)</u>	<u>2,104,337</u>	<u>5,535,141</u>
TRANSFERS				
Transfers out	<u>(1,700,000)</u>	<u>(1,700,000)</u>	<u>(1,586,687)</u>	<u>113,313</u>
Net Transfers	<u>(1,700,000)</u>	<u>(1,700,000)</u>	<u>(1,586,687)</u>	<u>113,313</u>
Change in net assets	<u>\$ (5,169,734)</u>	<u>\$ (5,130,804)</u>	517,650	<u>\$ 5,648,454</u>
NET ASSETS - Beginning of Year			<u>56,216,348</u>	
NET ASSETS - END OF YEAR			<u>\$ 56,733,998</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, 2010

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
OPERATING REVENUES				
Charges for services	\$ 724,000	\$ 724,000	\$ 726,683	\$ 2,683
Miscellaneous	<u>231,000</u>	<u>231,000</u>	<u>504,146</u>	<u>273,146</u>
Total Operating Revenues	<u>955,000</u>	<u>955,000</u>	<u>1,230,829</u>	<u>275,829</u>
OPERATING EXPENSES				
Personnel services	117,778	117,778	108,721	9,057
Personnel benefits	48,951	48,951	32,007	16,944
Contractual services	144,700	784,117	142,475	641,642
Commodities	38,000	38,000	8,122	29,878
Depreciation	80,000	80,000	330,611	(250,611)
Capital outlay	<u>30,000</u>	<u>30,000</u>	<u>-</u>	<u>30,000</u>
Total Operating Expenses	<u>459,429</u>	<u>1,098,846</u>	<u>621,936</u>	<u>476,910</u>
Operating Income (Loss)	<u>495,571</u>	<u>(143,846)</u>	<u>608,893</u>	<u>752,739</u>
NON-OPERATING REVENUES (EXPENSES)				
Investment income	10,000	10,000	37	(9,963)
Interest and fiscal charges	<u>-</u>	<u>-</u>	<u>(281,603)</u>	<u>(281,603)</u>
Total Non-Operating Revenues	<u>10,000</u>	<u>10,000</u>	<u>(281,566)</u>	<u>(291,566)</u>
Net Income Before Transfers	<u>505,571</u>	<u>(133,846)</u>	<u>327,327</u>	<u>461,173</u>
TRANSFERS				
Transfers out	<u>-</u>	<u>-</u>	<u>(504,364)</u>	<u>(504,364)</u>
Net Transfers	<u>-</u>	<u>-</u>	<u>(504,364)</u>	<u>(504,364)</u>
Change in net assets	<u>\$ 505,571</u>	<u>\$ (133,846)</u>	<u>(177,037)</u>	<u>\$ (43,191)</u>
NET ASSETS - Beginning of Year			<u>4,128,573</u>	
NET ASSETS - END OF YEAR			<u>\$ 3,951,536</u>	

CITY OF WAUKEGAN
COMBINING STATEMENT OF NET ASSETS
INTERNAL SERVICE FUNDS
April 30, 2010

	<u>Employee Benefit Plan</u>	<u>Safety & Risk Management</u>	<u>Totals</u>
ASSETS			
Current Assets			
Cash and cash equivalents	\$ 384,376	\$ 963,680	\$ 1,348,056
Receivables			
Accounts	198,426	-	198,426
Due from other funds	208,357	200,896	409,253
Prepaid items	<u>-</u>	<u>121,897</u>	<u>121,897</u>
Total Current Assets	<u>791,159</u>	<u>1,286,473</u>	<u>2,077,632</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>792,049</u>	<u>1,286,473</u>	<u>2,078,522</u>
LIABILITIES			
Current liabilities			
Accounts payable	946	359	1,305
Payroll liabilities	-	1,654	1,654
Short term debt	-	11,452,000	11,452,000
Due to other funds	1,018,818	5,466,252	6,485,070
Current portion of long term debt	<u>-</u>	<u>13,643,332</u>	<u>13,643,332</u>
Total Current Liabilities	<u>1,019,764</u>	<u>30,563,597</u>	<u>31,583,361</u>
Total liabilities	<u>1,019,764</u>	<u>30,563,597</u>	<u>31,583,361</u>
NET ASSETS			
Unrestricted (deficit)	<u>(227,715)</u>	<u>(29,277,124)</u>	<u>(29,504,839)</u>
TOTAL NET ASSETS	<u>\$ (227,715)</u>	<u>\$ (29,277,124)</u>	<u>\$ (29,504,839)</u>

CITY OF WAUKEGAN
COMBINING STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET ASSETS
INTERNAL SERVICE FUNDS
For the Year Ended April 30, 2010

	Employee Benefit Plan	Safety & Risk Management	Totals
OPERATING REVENUES			
Charges for services	\$ 9,392,967	\$ 4,580,314	\$ 13,973,281
Miscellaneous	<u>1</u>	<u>198,412</u>	<u>198,413</u>
Total Operating Revenues	<u>9,392,968</u>	<u>4,778,726</u>	<u>14,171,694</u>
OPERATING EXPENSES			
Personnel services	7,381	37,808	45,189
Personnel benefits	4,100	21,764	25,864
Contractual services	26,369	712,535	738,904
Commodities	1,382	826	2,208
Claims and judgments	68,063	103,695	171,758
Insurance premiums	<u>8,440,249</u>	<u>934,446</u>	<u>9,374,695</u>
Total Operating Expenses	<u>8,547,544</u>	<u>1,811,074</u>	<u>10,358,618</u>
Operating Income	<u>845,424</u>	<u>2,967,652</u>	<u>3,813,076</u>
NONOPERATING REVENUES			
(EXPENSES)			
Investment income	13,009	-	13,009
Interest expense	<u>(20,011)</u>	<u>(203,828)</u>	<u>(223,839)</u>
Total Nonoperating Revenues (Expenses)	<u>(7,002)</u>	<u>(203,828)</u>	<u>(210,830)</u>
Change in net assets	838,422	2,763,824	3,602,246
NET ASSETS (DEFICIT) - Beginning of Year	<u>(1,066,137)</u>	<u>(32,040,948)</u>	<u>(33,107,085)</u>
NET ASSETS (DEFICIT) - END OF YEAR	<u>\$ (227,715)</u>	<u>\$ (29,277,124)</u>	<u>\$ (29,504,839)</u>

CITY OF WAUKEGAN
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Year Ended April 30, 2010

	Employee Benefit Plan	Safety & Risk Management	Totals
CASH FLOWS FROM OPERATING ACTIVITIES			
Received from customers	\$ 9,243,957	\$ 4,778,726	\$ 14,022,683
Paid to suppliers for goods and services	(9,241,299)	(5,509,630)	(14,750,929)
Paid to employees for services	(24,358)	(60,192)	(84,550)
Net Cash Flows From Operating Activities	(21,700)	(791,096)	(812,796)
 CASH FLOWS FROM INVESTING ACTIVITIES			
Investment income	13,009	-	13,009
Net Cash Flows From Investing Activities	13,009	-	13,009
 CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Due to/from	240,938	1,843,910	2,084,848
Net Cash Flows From Noncapital Financing Activities	240,938	1,843,910	2,084,848
 CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Interest paid	(20,011)	(203,828)	(223,839)
Net Cash Flows From Capital and Related Financing Activities	(20,011)	(203,828)	(223,839)
 Net Change in Cash and Cash Equivalents	212,236	848,986	1,061,222
 CASH AND CASH EQUIVALENTS - Beginning of Year	172,140	114,694	286,834
 CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 384,376	\$ 963,680	\$ 1,348,056

CITY OF WAUKEGAN
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Year Ended April 30, 2010

	Employee Benefit Plan	Safety & Risk Management	Totals
RECONCILIATION OF OPERATING INCOME TO NET CASH FLOWS FROM OPERATING ACTIVITIES			
Operating income	\$ 845,424	\$ 2,967,652	\$ 3,813,076
Changes in assets and liabilities			
Accounts Receivable	(149,011)	-	(149,011)
Compensated absences	(10,603)	-	(10,603)
Accounts Payable	(684,752)	(240,318)	(925,070)
Accrued Salaries	(2,274)	(620)	(2,894)
Claims Payable	(20,000)	(3,395,392)	(3,415,392)
Other Current Liabilities	(484)	(521)	(1,005)
Prepaid expenses	-	(121,897)	(121,897)
	-	(121,897)	(121,897)
 NET CASH FLOWS FROM OPERATING ACTIVITIES	 <u>\$ (21,700)</u>	 <u>\$ (791,096)</u>	 <u>\$ (812,796)</u>
 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, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
OPERATING REVENUES				
Charges for services				
Premiums retirees	\$ 1,363,438	\$ 1,363,438	\$ 1,513,348	\$ 149,910
Premiums city	7,452,857	7,452,857	6,672,334	(780,523)
Premiums employees	1,080,511	1,080,511	1,207,285	126,774
Other miscellaneous revenue	<u>-</u>	<u>-</u>	<u>1</u>	<u>1</u>
Total Operating Revenues	<u>9,896,806</u>	<u>9,896,806</u>	<u>9,392,968</u>	<u>(503,838)</u>
OPERATING EXPENSES				
Personnel services	48,639	48,638	7,381	41,257
Personnel benefits	10,332	10,333	4,100	6,233
Contractual services	52,200	30,450	26,369	4,081
Commodities	3,375	3,375	1,382	1,993
Claims and judgments	6,000	6,000	68,063	(62,063)
Insurance premiums	<u>8,958,491</u>	<u>8,952,491</u>	<u>8,440,249</u>	<u>512,242</u>
Total Operating Expenses	<u>9,079,037</u>	<u>9,051,287</u>	<u>8,547,544</u>	<u>503,743</u>
Operating Income	<u>817,769</u>	<u>845,519</u>	<u>845,424</u>	<u>(95)</u>
NON-OPERATING REVENUES (EXPENSES)				
Investment income	-	(500)	13,009	13,509
Interest expense-enterprise	<u>-</u>	<u>(20,000)</u>	<u>(20,011)</u>	<u>(11)</u>
Total Non-Operating Revenues	<u>-</u>	<u>(20,500)</u>	<u>(7,002)</u>	<u>13,498</u>
Change in net assets	<u>\$ 817,769</u>	<u>\$ 825,019</u>	838,422	<u>\$ 13,403</u>
NET ASSETS (DEFICIT) - Beginning of Year			<u>(1,066,137)</u>	
NET ASSETS (DEFICIT) - END OF YEAR			<u>\$ (227,715)</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, 2010

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
OPERATING REVENUES				
Charges for services				
Premiums city	\$ 4,714,405	\$ 4,714,405	\$ 4,580,314	\$ (134,091)
Miscellaneous	<u>60,000</u>	<u>60,000</u>	<u>198,412</u>	<u>138,412</u>
Total Operating Revenues	<u>4,774,405</u>	<u>4,774,405</u>	<u>4,778,726</u>	<u>4,321</u>
OPERATING EXPENSES				
Personnel services	105,690	105,689	37,808	67,881
Personnel benefits	32,938	32,938	21,764	11,174
Contractual services	767,393	252,393	712,535	(460,142)
Commodities	4,750	4,750	826	3,924
Claims and judgments	4,000,000	4,500,000	103,695	4,396,305
Insurance premiums	<u>490,224</u>	<u>490,224</u>	<u>934,446</u>	<u>(444,222)</u>
Total Operating Expenses	<u>5,400,995</u>	<u>5,385,994</u>	<u>1,811,074</u>	<u>3,574,920</u>
Operating Income	<u>(626,590)</u>	<u>(611,589)</u>	<u>2,967,652</u>	<u>3,579,241</u>
NON-OPERATING REVENUES (EXPENSES)				
Interest expense	<u>(15,000)</u>	<u>(15,000)</u>	<u>(203,828)</u>	<u>(188,828)</u>
Total Non-Operating Revenues	<u>(15,000)</u>	<u>(15,000)</u>	<u>(203,828)</u>	<u>(188,828)</u>
Change in net assets	<u>\$ (641,590)</u>	<u>\$ (626,589)</u>	2,763,824	<u>\$ 3,390,413</u>
NET ASSETS (DEFICIT) - Beginning of Year			<u>(32,040,948)</u>	
NET ASSETS (DEFICIT) - END OF YEAR			<u>\$ (29,277,124)</u>	

CITY OF WAUKEGAN
COMBINING STATEMENT OF NET ASSETS
PENSION TRUST FUNDS
April 30, 2010

	Police Pension	Firefighters' Pension	Totals
ASSETS			
Cash and cash equivalents	\$ 196,410	\$ 60,568	\$ 256,978
Investments			
Money markets	3,790,318	879,699	4,670,017
State and local obligations	10,903,006	4,832,469	15,735,475
US Government and agency obligations	15,051,337	16,482,015	31,533,352
Common and preferred stocks	7,812,931	13,191,635	21,004,566
Mutual funds	14,756,078	6,433,784	21,189,862
Accrued interest	261,541	226,717	488,258
Prepaid items	<u>3,250</u>	<u>-</u>	<u>3,250</u>
Total Assets	<u>52,774,871</u>	<u>42,106,887</u>	<u>94,881,758</u>
LIABILITIES			
Accounts payable	<u>16,620</u>	<u>28,332</u>	<u>44,952</u>
Total Liabilities	<u>16,620</u>	<u>28,332</u>	<u>44,952</u>
NET ASSETS			
Held in trust for pension benefits	<u>\$ 52,758,251</u>	<u>\$ 42,078,555</u>	<u>\$ 94,836,806</u>

CITY OF WAUKEGAN
COMBINING STATEMENT OF CHANGES IN NET ASSETS
PENSION TRUST FUNDS
For the Year Ended April 30, 2010

	Police Pension	Firefighters' Pension	Totals
ADDITIONS			
Contributions			
Employer	\$ 3,321,274	\$ 2,408,610	\$ 5,729,884
Plan members	1,173,975	877,845	2,051,820
Total Contributions	<u>4,495,249</u>	<u>3,286,455</u>	<u>7,781,704</u>
Investment income			
Investment income	1,964,115	1,248,766	3,212,881
Net appreciation in the fair value of investments	6,762,432	5,703,435	12,465,867
Total Investment Income	<u>8,726,547</u>	<u>6,952,201</u>	<u>15,678,748</u>
Less Investment expense	155,544	180,625	336,169
Net Investment Income	<u>8,571,003</u>	<u>6,771,576</u>	<u>15,342,579</u>
Total Additions	<u>13,066,252</u>	<u>10,058,031</u>	<u>23,124,283</u>
DEDUCTIONS			
Benefits	5,238,087	4,240,378	9,478,465
Contractual services	54,947	51,182	106,129
Administration	39,536	24,932	64,468
Total Deductions	<u>5,332,570</u>	<u>4,316,492</u>	<u>9,649,062</u>
Change in Net Assets	7,733,682	5,741,539	13,475,221
NET ASSETS - Beginning of Year	<u>45,024,569</u>	<u>36,337,016</u>	<u>81,361,585</u>
NET ASSETS, END OF YEAR	<u>\$ 52,758,251</u>	<u>\$ 42,078,555</u>	<u>\$ 94,836,806</u>

CITY OF WAUKEGAN

POLICE PENSION FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

For the year ended April 30, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Additions				
Contributions				
Employer	\$ 3,254,964	\$ 3,254,964	\$ 3,321,274	\$ (66,310)
Plan members	<u>1,507,546</u>	<u>1,507,546</u>	<u>1,173,975</u>	<u>333,571</u>
Total contributions	<u>4,762,510</u>	<u>4,762,510</u>	<u>4,495,249</u>	<u>267,261</u>
Investment Income				
Investment income	1,950,000	1,950,000	1,964,115	(14,115)
Net appreciation in the fair value of investments	<u>-</u>	<u>-</u>	<u>6,762,432</u>	<u>(6,762,432)</u>
Total investment income	1,950,000	1,950,000	8,726,547	(6,776,547)
Less Investment expense	<u>-</u>	<u>-</u>	<u>155,544</u>	<u>(155,544)</u>
Net investment income	<u>1,950,000</u>	<u>1,950,000</u>	<u>8,571,003</u>	<u>(6,621,003)</u>
Total additions	<u>6,712,510</u>	<u>6,712,510</u>	<u>13,066,252</u>	<u>(6,353,742)</u>
Deductions				
Benefits	4,234,177	4,234,177	5,238,087	(1,003,910)
Contractual services	-	-	54,947	(54,947)
Administration	<u>75,000</u>	<u>75,000</u>	<u>39,536</u>	<u>35,464</u>
Total deductions	<u>4,309,177</u>	<u>4,309,177</u>	<u>5,332,570</u>	<u>(1,023,393)</u>
Change in net assets	<u>\$ 2,403,333</u>	<u>\$ 2,403,333</u>	7,733,682	<u>\$ (5,330,349)</u>
Net assets, beginning of year			<u>45,024,569</u>	
Net assets, end of year			<u>\$ 52,758,251</u>	

CITY OF WAUKEGAN

FIREFIIGHTERS' PENSION FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

For the year ended April 30, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Additions				
Contributions				
Employer	\$ 2,355,279	\$ 2,355,279	\$ 2,408,610	\$ (53,331)
Plan members	<u>815,136</u>	<u>815,136</u>	<u>877,845</u>	<u>(62,709)</u>
Total contributions	<u>3,170,415</u>	<u>3,170,415</u>	<u>3,286,455</u>	<u>(116,040)</u>
Investment Income				
Investment income	1,520,000	1,520,000	1,248,766	271,234
Net appreciation in the fair value of investments	<u>-</u>	<u>-</u>	<u>5,703,435</u>	<u>(5,703,435)</u>
Total investment income	1,520,000	1,520,000	6,952,201	(5,432,201)
Less Investment expense	<u>-</u>	<u>-</u>	<u>180,625</u>	<u>(180,625)</u>
Net investment income	<u>1,520,000</u>	<u>1,520,000</u>	<u>6,771,576</u>	<u>(5,251,576)</u>
Total additions	<u>4,690,415</u>	<u>4,690,415</u>	<u>10,058,031</u>	<u>(5,367,616)</u>
Deductions				
Benefits	4,007,949	4,007,949	4,240,378	(232,429)
Contractual services	-	-	51,182	(51,182)
Administration	<u>50,000</u>	<u>50,000</u>	<u>24,932</u>	<u>25,068</u>
Total deductions	<u>4,057,949</u>	<u>4,057,949</u>	<u>4,316,492</u>	<u>(258,543)</u>
Change in net assets	<u>\$ 632,466</u>	<u>\$ 632,466</u>	5,741,539	<u>\$ (5,109,073)</u>
Net assets, beginning of year			<u>36,337,016</u>	
Net assets, end of year			<u>\$ 42,078,555</u>	

CITY OF WAUKEGAN

NET ASSETS BY COMPONENT April 30, 2010

	<u>2005</u>	<u>2006</u>	<u>2007</u>
<i>(in thousands)</i>			
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

<u>2008</u>	<u>2009</u>	<u>2010</u>
\$ 19,304	\$ 52,967	\$ 57,218
14,199	6,313	(89,404)
<u>(42,207)</u>	<u>(38,001)</u>	<u>50,638</u>
<u>\$ (8,704)</u>	<u>\$ 21,279</u>	<u>\$ 18,452</u>
\$ 43,285	\$ 61,805	\$ 60,780
560	-	-
<u>326</u>	<u>(4,553)</u>	<u>(3,003)</u>
<u>\$ 44,171</u>	<u>\$ 57,252</u>	<u>\$ 57,777</u>
\$ 62,588	\$ 114,772	\$ 117,998
14,759	6,313	(89,404)
<u>(41,881)</u>	<u>(42,554)</u>	<u>47,635</u>
<u>\$ 35,467</u>	<u>\$ 78,531</u>	<u>\$ 76,229</u>

CITY OF WAUKEGAN

CHANGES IN NET ASSETS
April 30, 2010

<i>(in thousands)</i>	2005	2006	2007	2008
Expenses				
Governmental activities:				
General government	\$ 4,056	\$ 5,481	\$ 6,034	\$ 6,303
Public Safety	39,984	40,217	42,636	44,164
Streets, Bridges & Other Public Works	8,836	9,183	9,486	10,537
Sanitation & Environment	3,063	3,428	3,560	3,623
Economic Development	8,811	8,177	3,045	4,446
Community Development	1,480	1,444	1,390	968
Culture & Recreation	1,464	2,215	2,291	2,462
Interest on long-term debt	3,592	3,565	3,522	3,656
Total governmental activities expenses	<u>71,285</u>	<u>73,710</u>	<u>71,964</u>	<u>76,159</u>
Business-type activities:				
Water & Sewer	9,583	8,849	9,867	10,761
Parking System	614	850	965	953
Total business-type activities expenses	<u>10,197</u>	<u>9,698</u>	<u>10,832</u>	<u>11,714</u>
Total primary government expenses	<u>\$ 81,483</u>	<u>\$ 83,408</u>	<u>\$ 82,796</u>	<u>\$ 87,873</u>
Program Revenues				
Governmental activities:				
Charges for services	\$ 12,326	\$ 12,138	\$ 11,232	\$ 12,900
Operating grants and contributions	1,944	1,649	2,147	2,600
Capital grants and contributions	220	48	75	-
Total governmental activities program revenues	<u>14,491</u>	<u>13,835</u>	<u>13,453</u>	<u>15,500</u>
Business-type activities:				
Charges for services - Water & Sewer	12,004	11,547	11,363	11,133
Charges for services - Parking System	649	748	861	867
Capital grants and contributions	-	-	989	300
Total business-type activities program revenues	<u>12,654</u>	<u>12,294</u>	<u>13,213</u>	<u>12,300</u>
Total primary government program revenues	<u>\$ 27,144</u>	<u>\$ 26,130</u>	<u>\$ 26,666</u>	<u>\$ 27,800</u>
Net (Expense)/Revenue				
Governmental activities	\$ (56,795)	\$ (59,874)	\$ (58,511)	\$ (60,659)
Business-type activities	2,456	2,596	2,381	586
Total primary government net expense	<u>\$ (54,339)</u>	<u>\$ (57,278)</u>	<u>\$ (56,130)</u>	<u>\$ (60,073)</u>
General Revenues and Other Changes in Net Assets				
Governmental activities:				
Property Taxes	\$ 16,154	\$ 15,877	\$ 16,633	\$ 17,357
Sales & Utility Taxes	21,866	23,060	25,494	26,718
Income Taxes & Franchise Fees	9,728	11,119	12,367	13,864
Motor Fuel Taxes	2,648	2,646	2,726	2,639
Miscellaneous & Investment Income	537	766	910	1,004
Gain (Loss) on Sales of Fixed Assets	15	34	(41)	-
Transfers	2,337	2,608	2,687	1,445
Total governmental activities	<u>53,286</u>	<u>56,112</u>	<u>60,776</u>	<u>63,027</u>
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)
Total business-type activities	<u>(2,229)</u>	<u>(2,497)</u>	<u>(2,549)</u>	<u>(1,445)</u>
Total primary government	<u>\$ 51,057</u>	<u>\$ 53,615</u>	<u>\$ 58,227</u>	<u>\$ 61,582</u>
Change in Net Assets				
Governmental activities	\$ (3,509)	\$ (3,762)	\$ 2,265	\$ 2,368
Business-type activities	227	99	(168)	(859)
Total primary government	<u>\$ (3,282)</u>	<u>\$ (3,663)</u>	<u>\$ 2,096</u>	<u>\$ 1,509</u>

Source: Statement of Activities

<u>2009</u>	<u>2010</u>
\$ 8,922	\$ 7,084
65,437	48,824
26,348	16,291
4,628	4,355
4,878	1,221
1,580	1,610
96	160
3,945	3,597
<u>115,834</u>	<u>83,142</u>
13,960	9,575
1,217	902
<u>15,177</u>	<u>10,477</u>
<u>\$ 131,011</u>	<u>\$ 93,619</u>
\$ 12,739	\$ 11,216
102	470
636	7,252
<u>13,477</u>	<u>18,938</u>
10,895	11,612
880	1,231
250	251
<u>12,025</u>	<u>13,094</u>
<u>\$ 25,502</u>	<u>\$ 32,032</u>
\$ (102,357)	\$ (64,204)
(3,152)	2,617
<u>\$ (105,509)</u>	<u>\$ (61,587)</u>
\$ 19,437	\$ 20,963
23,800	23,237
14,028	12,534
2,444	2,330
1,222	223
-	-
753	2,091
<u>61,684</u>	<u>61,378</u>
\$ -	\$ -
-	-
(753)	(2,091)
<u>(753)</u>	<u>(2,091)</u>
<u>\$ 60,931</u>	<u>\$ 59,287</u>
\$ (40,673)	\$ (2,827)
(3,905)	526
<u>\$ (44,578)</u>	<u>\$ (2,301)</u>

CITY OF WAUKEGAN

PROGRAM REVENUES BY FUNCTION/PROGRAM April 30, 2010

	2005	2006	2007
<i>(in thousands)</i>			
Function/Program			
Governmental activities:			
General government	\$ 2,032	\$ 2,160	\$ 2,448
Public Safety	9,838	9,059	7,480
Building and Zoning	-	-	-
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	14,491	13,835	13,011
Business-type activities:			
Water & Sewer	12,004	11,547	12,352
Parking	649	748	861
Subtotal business-type activities	12,654	12,294	13,213
Total primary government	\$ 27,144	\$ 26,130	\$ 26,224

Source: Statement of Activities

<u>2008</u>	<u>2009</u>	<u>2010</u>
\$ 3,322	\$ 7,108	\$ 6,696
9,013	5,449	4,588
-	-	238
686	177	7,127
417	356	87
58	-	-
1,322	286	138
725	101	64
<u>15,544</u>	<u>13,477</u>	<u>18,938</u>
11,270	11,145	11,863
867	880	1,231
<u>12,137</u>	<u>12,025</u>	<u>13,094</u>
<u>\$ 27,681</u>	<u>\$ 25,502</u>	<u>\$ 32,032</u>

CITY OF WAUKEGAN

FUND BALANCES, GOVERNMENTAL FUNDS

April 30, 2010

	<u>2004</u>	<u>2005</u>	<u>2006</u>
General Fund			
Reserved	\$ 4,970,322	\$ 5,360,798	\$ 4,985,255
Unreserved	<u>5,775,259</u>	<u>7,062,764</u>	<u>8,071,702</u>
Total general fund	<u>\$ 10,745,581</u>	<u>\$ 12,423,562</u>	<u>\$ 13,056,957</u>
All Other Governmental Funds			
Reserved	\$ 27,764,282	\$ 11,574,994	\$ 4,703,298
Unreserved, reported in:			
Special revenue funds	7,002,905	6,111,377	3,739,464
Capital projects funds	(41,469)	6,113	3,768,306
Permanent fund	-	-	-
Debt service funds	<u>287,206</u>	<u>205,956</u>	<u>280,769</u>
Total all other governmental funds	<u>35,012,924</u>	<u>17,898,440</u>	<u>12,491,837</u>
Total governmental funds	<u>\$ 45,758,505</u>	<u>\$ 30,322,002</u>	<u>\$ 25,548,794</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, Balance Sheet Governmental Funds

<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
\$ 4,481,790	\$ 5,867,348	\$ 8,062,344	\$ 1,705,883
<u>8,422,604</u>	<u>6,705,002</u>	<u>-</u>	<u>(1,600,635)</u>
<u>\$ 12,904,394</u>	<u>\$ 12,572,350</u>	<u>\$ 8,062,344</u>	<u>\$ 105,248</u>
\$ 4,155,228	\$ 2,854,587	\$ 275,000	\$ 22,355,336
3,480,065	3,161,930	(1,745,657)	3,355,152
2,731,856	785,923	(761,030)	(1,940,118)
-	-	43,067	43,025
<u>(292,740)</u>	<u>335,752</u>	<u>2,176,349</u>	<u>2,046,484</u>
<u>10,074,409</u>	<u>7,138,192</u>	<u>(12,271)</u>	<u>25,859,879</u>
<u>\$ 22,978,803</u>	<u>\$ 19,710,542</u>	<u>\$ 8,050,073</u>	<u>\$ 25,965,127</u>

CITY OF WAUKEGAN

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
April 30, 2010

	2004	2005	2006
Revenues			
Taxes	\$ 46,407,752	\$ 49,341,369	\$ 51,605,740
Licenses and Permits	2,393,815	3,338,858	3,583,303
Intergovernmental	2,508,445	2,343,280	2,189,184
Charges for services	1,447,948	2,332,852	2,486,546
Fines and forfeitures	5,256,150	5,928,972	5,298,414
Investment earnings	590,682	664,298	891,584
Other revenues	742,868	1,415,713	1,209,718
Total revenues	<u>59,347,660</u>	<u>65,365,342</u>	<u>67,264,489</u>
Expenditures			
General government	3,623,224	4,855,094	5,592,933
Public Safety	35,086,119	37,559,293	39,557,422
Streets, Bridges & Other Public Works	7,765,903	8,017,679	8,060,258
Building, Zoning and Economic Development	19,565,624	11,305,909	10,840,205
Sanitation and Environment	5,382,003	3,203,342	3,454,231
Community Dev. Grants to Other Entities			
Capital outlay	26,074,591	17,458,191	4,478,728
Debt service			
Principal	5,363,736	7,055,503	5,847,577
Interest and Fees	2,353,551	2,472,974	2,380,520
Fees/ Bond Insurance Costs	883,683	-	535,230
Waukegan Port District Pass Troughs	<u>(709,940)</u>	<u>(731,704)</u>	<u>(748,393)</u>
Total expenditures	<u>105,388,494</u>	<u>91,196,281</u>	<u>79,998,711</u>
Excess of revenues over (under) expenditures	<u>(46,040,834)</u>	<u>(25,830,939)</u>	<u>(12,734,222)</u>
Other Financing Sources (Uses)			
Bonds / Debt issued	37,671,707	6,900,000	28,882,575
Payment to escrow	(2,403,035)	-	(24,649,006)
Sale of Assets	37,684	796,683	34,372
Transfers in	2,231,514	2,778,486	2,608,389
Transfers out	-	(441,651)	-
Proceeds of Capital Leases	<u>821,773</u>	<u>-</u>	<u>1,000,000</u>
Total other financing sources (uses)	<u>38,359,643</u>	<u>10,033,518</u>	<u>7,876,330</u>
Net change in fund balances	<u>\$ (7,681,191)</u>	<u>\$ (15,797,421)</u>	<u>\$ (4,857,892)</u>
Debt service as a percentage of noncapital expenditures	9.7%	12.9%	10.9%

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

<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
\$ 56,164,150	\$ 59,284,717	\$ 43,598,865	\$ 44,134,461
3,591,778	3,803,051	3,789,391	3,402,391
2,541,570	2,955,181	16,472,643	12,095,338
2,609,643	2,933,794	2,789,845	3,279,696
4,427,069	4,944,792	6,264,233	4,437,924
1,107,407	1,069,269	381,911	194,714
1,225,932	2,159,054	1,924,238	890,170
<u>71,667,549</u>	<u>77,149,858</u>	<u>75,221,126</u>	<u>68,434,694</u>
5,375,216	5,758,644	6,596,320	6,057,857
41,597,208	43,478,169	44,399,128	43,395,282
8,587,270	9,952,811	10,411,033	8,537,483
5,908,109	7,139,294	7,844,128	2,899,905
3,589,201	3,651,624	4,905,360	4,944,241
2,730,207	4,232,717	5,972,765	2,615,607
7,533,534	6,480,443	5,463,866	12,186,184
2,090,501	2,484,421	2,226,091	1,977,108
-	-	-	-
<u>(542,338)</u>	<u>(657,898)</u>	<u>-</u>	<u>-</u>
<u>76,868,908</u>	<u>82,520,225</u>	<u>87,818,691</u>	<u>82,613,667</u>
<u>(5,201,359)</u>	<u>(5,370,367)</u>	<u>(12,597,565)</u>	<u>(14,178,973)</u>
-	-	-	30,000,000
-	-	-	-
112,499	25,436	27,523	2,976
2,936,751	2,109,838	3,516,142	9,823,634
(250,093)	(664,415)	(2,763,124)	(7,732,583)
-	748,043	112,765	-
<u>2,799,157</u>	<u>2,218,902</u>	<u>893,306</u>	<u>32,094,027</u>
<u>\$ (2,402,202)</u>	<u>\$ (3,151,465)</u>	<u>\$ (11,704,259)</u>	<u>\$ 17,915,054</u>
13.0%	11.5%	9.4%	17.7%

CITY OF WAUKEGAN

TAX REVENUES BY SOURCE, GOVERNMENTAL FUNDS April 30, 2010

<u>Fiscal Year</u>	<u>Property tax</u>	<u>Sales tax (a)</u>	<u>Telecom tax</u>	<u>Local Use tax</u>
2010	\$ 20,963,153	\$ 13,778,808	\$ 3,285,588	\$ 1,085,212
2009	19,437,810	13,295,674	3,344,177	1,297,715
2008	17,356,638	14,182,611	3,485,461	1,289,406
2007	16,632,724	13,248,717	3,364,500	1,172,349
2006	15,877,422	12,113,400	3,428,633	1,084,401
2005	16,154,401	11,838,411	3,236,662	918,009
2004	14,723,204	11,824,047	3,151,896	854,942
2003	10,746,032	10,131,492	2,547,245	775,294
 Change 2003 - 2010	 95.1%	 36.0%	 29.0%	 40.0%

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 2001-2010.

<u>Utility tax</u>	<u>Other tax</u>	<u>Total</u>
\$ 4,113,397	\$ 972,987	\$ 44,199,145
4,895,372	966079	43,236,827
9,161,293	930939	45,475,409
4,806,806	894558	39,225,096
4,766,891	761363	37,270,747
4,181,128	743864	36,328,611
4,282,057	734052	34,836,146
4,039,670	815639	28,239,733
1.8%	19.3%	56.5%

CITY OF WAUKEGAN

PROPERTY TAX LEVY BY FUND

April 30, 2010

Levy Year	Fiscal Year	Corporate Amount	Rate	Garbage Amount	Rate
2008	2009/2010	\$ 8,620,482	0.530		
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
2008	2009/2010	\$ 3,250,376	0.200	\$ 2,350,341	0.145
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
2008	2009/2010	\$ 4,810,966	0.296
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

Aggregate Levy (not including Bonds)						
Library Levy Amount	Rate	Total Amount	Rate	Change Amount	%	
\$ 3,846,545	0.237	\$ 18,067,744	1.112	\$ 894,395	5.21%	
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	%			
\$ 22,878,710	1.408	\$ 1,385,546	6.45%			
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, 2010

Levy Year	Fiscal Year	Taxes Levied	Amount Collected	Percentage of Levy
2008	2009/2010	\$ 22,878,710	\$ 22,872,289	99.97%
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, 2010

Levy Year	Fiscal Year	City of Waukegan	Overlapping Rates				
			Lake County	Lake County Forest	Waukegan Township	North Shore Sanitary	Waukegan Park District
2008	2009/2010	1.408	0.453	0.199	0.284	0.121	0.616
2007	2008/2009	1.369	0.444	0.201	0.281	0.120	0.610
2006	2007/2008	1.389	0.450	0.204	0.289	0.125	0.599
2005	2006/2007	1.405	0.454	0.210	0.289	0.132	0.586
2004	2005/2006	1.389	0.465	0.219	0.291	0.139	0.560
2003	2004/2005	1.454	0.490	0.225	0.287	0.144	0.542
2002	2003/2004	1.435	0.502	0.232	0.301	0.152	0.518
2001	2002/2003	1.496	0.516	0.221	0.311	0.160	0.529
2000	2001/2002	1.489	0.521	0.231	0.312	0.167	0.531
1999	2000/2001	1.497	0.521	0.187	0.310	0.172	0.530

Source: Lake County Clerk Tax Extension Office, based on Waukegan Township rates only.

Rates related to other townships that may extend into City of Waukegan corporate limits are not listed above.

School District 60	College of Lake County
5.691	0.196
5.639	0.192
5.834	0.195
5.872	0.197
5.941	0.200
5.938	0.201
5.934	0.208
5.440	0.211
4.632	0.235
0.462	0.213

CITY OF WAUKEGAN

EQUALIZED ASSESSED VALUE (EAV) AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY April 30, 2010

Levy Year	Fiscal Year	Residential EAV	Farm EAV	Commercial EAV	Industrial EAV
2008	2009/2010	\$ 1,088,145,802	\$ 2,086,700	\$ 353,390,712	\$ 183,139,143
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	\$ 668,690	\$ 1,627,431,047	1.408	\$ 5,424,770,157
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

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CITY OF WAUKEGAN

PRINCIPAL PROPERTY TAX PAYERS CURRENT YEAR April 30, 2010

<u>Taxpayer</u>	2008 Levy Year	
	Taxable Assessed Value	Percentage of Total City Taxable Assessed Value
PDC Properties Inc. (Amhurst Office Park)	\$ 20,225,849	1.24%
Community Health Systems, Inc.	15,755,551	0.97%
Marquette Enterprises	9,190,992	0.56%
Northern Crossing JV LLC	8,999,100	0.55%
Allegiance Healthcare Corp.	8,815,452	0.54%
Deloitte PTS	8,784,256	0.54%
Capstone Realty Advisors, LLC	7,432,978	0.46%
Redwood Lakes at Fountain Square LLC	6,881,370	0.42%
Health Care Service Corp.	6,806,154	0.42%
Abbott Laboratories	6,486,311	0.40%
Total	<u>\$ 99,378,013</u>	<u>6.11%</u>
Total Waukegan Equalized Assessed Valuation	<u>\$ 1,627,431,047</u>	

EAV From Kipp Wilson Lake County Tax Extension Administrator

CITY OF WAUKEGAN

DIRECT AND OVERLAPPING SALES TAX RATES, LAST TEN FISCAL YEARS April 30, 2010

Fiscal Year	Home Rule Sales Tax	RTA Sales Tax
2010	1.00%	0.75%
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%

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.

<u>State Sales Tax</u>	<u>Total Sales Tax</u>
6.25%	8.00%
6.25%	8.00%
6.25%	8.00%
6.25%	7.50%
6.25%	7.50%
6.25%	7.50%
6.25%	7.50%
6.25%	7.50%
6.25%	6.50%
6.25%	6.50%

CITY OF WAUKEGAN

TAXABLE SALES BY CATEGORY
Year Ended December 31

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

Source: Illinois Department of Revenue

Notes: Retail sales information is reported on a calendar year, and not available on a fiscal-year basis.

% of Total	2005	% of Total	2006	% of Total	2007	% of Total	2008	% of Total	2009	% of Total
24.5%	\$ 444,194	6.0%	\$ 735,528	9.1%	\$ 1,046,503	12.1%	\$ 1,139,141	13.5%	\$ 1,098,568	12.8%
5.4%	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%
10.0%	610,655	8.2%	642,304	7.9%	694,627	8.0%	753,771	9.0%	732,740	8.5%
10.5%	150,824	2.0%	143,956	1.8%	143,623	1.7%	181,272	2.2%	156,369	1.8%
8.9%	169,875	2.3%	122,832	1.5%	112,002	1.3%	105,845	1.3%	99,491	1.2%
8.3%	475,556	6.4%	485,205	6.0%	485,716	5.6%	401,080	4.8%	396,595	4.6%
9.8%	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%
15.3%	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%
6.4%	599,930	8.1%	713,567	8.8%	926,772	10.7%	1,070,280	12.7%	847,454	9.9%
0.9%	234,189	3.1%	244,981	3.0%	238,758	2.8%	176,950	2.1%	182,826	2.1%
100.0%	\$ 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%

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CITY OF WAUKEGAN

RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
(DOLLARS IN THOUSANDS, EXCEPT PER CAPITAL)
April 30, 2010

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
2001	89,663	\$ 948,099,450	\$ 29,808,853	3.14%	\$ 332.45
2002	91,022	997,735,090	56,915,836	5.70%	625.30
2003	91,132	1,068,490,159	53,301,693	4.99%	584.88
2004	90,974	1,157,487,460	107,890,000	9.32%	1,185.94
2005	90,542	1,251,383,079	107,105,000	8.56%	1,182.93
2006	91,018	1,299,561,590	108,990,000	8.39%	1,197.46
2007	91,138	1,378,090,264	101,367,585	7.36%	1,112.24
2008	90,788	1,467,006,918	94,565,307	6.45%	1,041.61
2009	92,929	1,573,036,004	72,581,355	4.61%	781.04
2010	90,622	1,627,431,047	91,591,922	5.63%	1,010.70

CITY OF WAUKEGAN

DEMOGRAPHIC AND ECONOMIC STATISTICS April 30, 2010

Calendar Year	Population (1)	Personal Income	Per Capita Personal Income (2)	Median Age ⁽²⁾
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	30.0
2010	90,622	1,902,428	20,993	30.7

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 as of 4/30/10

- (1) 7/1/09 Population Estimate from Lake County II
www.lakecountyil.gov/planning/planning_and_support_services/countydemographics
- (2) U.S. Census Bureau 2006-2008 American Community Survey
http://factfinder.census.gov/servlet/DTTable?_bm=y&-geo_id=16000US1779293&-ds_name=PEP_2008_EST&-mt_name=PEP_2008_EST_G2008_T001
Lake County Partners
- (3) Illinois Dept of Employment Security <http://illinois.virtualmi.com/analyzer>

<u>Education Level in Years of Schooling ⁽¹⁾</u>	<u>School Enrollment</u>	<u>Unemployment Rate (3)</u>
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	12.1%
14.2	19,298	14.0%
14.2	19,298	15.1%

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CITY OF WAUKEGAN

PRINCIPAL EMPLOYERS

April 30, 2010

<u>Employer</u>		<u>Calendar Year 2009</u>	
		<u>Employees</u>	<u>Percentage of Total Employment</u>
Lake County	Government	2,000	5.06% (2)
Unit School District No. 60	Education	1,900	4.81%
Cardinal Health	Medical	1,500	3.80%
Vista Health	Medical	1,350	3.42% (3)
Uline	Packaging/Shipping supplies	1,200	3.04%
Coleman Cable	Retail	1,000	2.53%
Medline	Medical	850	2.15%
Ill Department of Human Resources	Gov. State Agency Service	725	1.84%
City of Waukegan	Government	508	1.29%
WMS Industries	Retail/Video Games	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 person of which approximately 2,000 are employed in the city.

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

CITY OF WAUKEGAN

FULL-TIME EQUIVALENT EMPLOYEES BY FUNCTION/PROGRAM April 30, 2010

<u>Function/Program</u>	Full-time-Equivalent			
	2001	2002	2003	2004
General government				
Central Services	31.00	31.00	31.00	31.00
Planning & Dev/ Building	33.00	33.00	33.00	35.00
Public Safety				
Fire	114.00	117.00	117.00	117.00
Police & Comm	235.00	235.00	235.00	237.00
Public Works & Engineering	<u>133.00</u>	<u>135.00</u>	<u>135.00</u>	<u>138.00</u>
Total	<u>546.00</u>	<u>551.00</u>	<u>551.00</u>	<u>558.00</u>

Source: Finance Department

Notes: Does not include elected officials (Mayor, Clerk, Treasurer, Aldermen or Waukegan Development Commission). 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					
2005	2006	2007	2008	2009	2010
30.00	32.00	35.00	33.00	35.00	28.00
35.00	35.00	38.00	38.00	36.00	31.00
120.00	124.00	125.00	127.00	125.00	123.00
228.00	228.00	228.00	227.00	216.00	261.00
<u>134.00</u>	<u>136.00</u>	<u>138.00</u>	<u>139.00</u>	<u>126.00</u>	<u>73.00</u>
<u>547.00</u>	<u>555.00</u>	<u>564.00</u>	<u>564.00</u>	<u>538.00</u>	<u>516.00</u>

CITY OF WAUKEGAN

OPERATING INDICATORS
April 30, 2010

Function/Program	Fiscal Year*		
	2006	2007	2008
General government			
General business licenses issued ^(b)	1,400	1,450	1,550
Number of Commercial Units Constructed	15	25	9
Value of Commercial Construction	26,351,339	48,497,662	26,925,469
Number of Residential Single Family Constructed	34	45	22
Value of Residential Single Family Construction	7,199,975	7,539,955	3,606,100
Number of Residential Multiple Unit Family Constructed	30	48	85
Value of Residential Multiple Unit Family Construction	5,120,400	1,730,400	5,410,800
Number Residential Addition and Alterations	n/a	n/a	n/a
Value of Residential Addition and Alterations	n/a	n/a	n/a
Number Commercial Addition and Alterations	n/a	n/a	n/a
Value Commercial Addition and Alterations	n/a	n/a	n/a
Public Safety			
911 Calls*	79,842	82,048	77,607
Police Responses* ^(c)	78,085	75,077	77,488
Physical arrests [^]	4,839	4,920	4,637
Traffic Citations Written [^]	28,183	26,010	20,837
Parking violations [^]	60,615	58,164	54,482
Emergency Medical Responses [^]	6,864	7,607	7,331
Fire Department Mutual Aid Responses [^]	110	135	126
Streets & Highways			
Miles of streets resurfaced	5	6	6
Inches of snowfall	40	25	43
Tons of salt used in snow plowing	6,500	8,000	11,200
Number of parkway trees planted	-	25	49
Utility* ^(d)			
Number of water main breaks*	51	57	63
Total water consumption (billions of gallons)*	4	4	3
Number of Water Meters Replaced*	633	769	741
Average daily consumption pumped (millions of gallons)*	10	10	9

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. 2010 are actual numbers reported on calendar year

* Those indicators noted are reported on calendar year.

[^] Those indicators noted are reported on calendar year, 2010 data is now Fiscal

(d) Year 2009 estimated last three months

2009	2010
1,600	451
2	3
10,247,862	2,402,253
11	23
1,662,065	3,549,207
36	-
3,680,400	-
n/a	2,736
n/a	10,568,358
n/a	397
n/a	34,630,343
57,058	67,545
51,335	103,079
3,260	5,349
10,431	10,914
33,076	35,047
5,487	6,627
84	152
4	3
72	55
7,000	4,500
-	-
57	48
4	3
715	200
10	9

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Baker Tilly Virchow Krause, LLP
1301 W 22nd St, Ste 400
Oak Brook, IL 60523-3389
tel 630 990 3131
fax 630 990 0039
bakertilly.com

INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE

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, 2010, which collectively comprise City of Waukegan's basic financial statements as listed in the table of contents and have issued our report dated February 8, 2011. These financial statements are the responsibility of the City of Waukegan's management. Our responsibility is to express opinions on the financial statements based upon our audit.

Our audit was conducted 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 opinion.

Compliance with laws, regulations, contracts and grants applicable to the City of Waukegan is the responsibility of the City of Waukegan's management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatements, we performed tests of the City of Waukegan's compliance with provisions in Subsection (q) of Section 11-74.4-3 of Public Act 85-1142, "An Act in Relations to Tax Increment Financing." However, the objective of our audit of the financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

The results of our tests indicate that, with respect to the items tested, the City of Waukegan complied in all material respects, with Subsection (q) of Section 11-74.4-3 of Public Act 85-1142.

This report is intended solely for the information and use of the City Council, management, the State of Illinois, and others within the City and is not intended to be, and should not be, used by anyone other than the specified parties.

Baker Tilly Virchow Krause, LLP

Oak Brook, Illinois
February 18, 2011

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