

**CITY OF WASHINGTON, ILLINOIS**  
**FINANCIAL STATEMENTS**  
**YEAR ENDED APRIL 30, 2009**

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## INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS

To the City Council  
City of Washington, Illinois

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the **City of Washington, Illinois**, as of and for the year ended April 30, 2009, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City'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. 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, each major fund, and the aggregate remaining fund information of the City of Washington, Illinois as of April 30, 2009, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis, schedule of revenues, expenditures and changes in fund balance – budget and actual – general and major special revenue funds, schedule of funding progress – Illinois Municipal Retirement Fund (unaudited) and schedule of funding progress – police pension trust fund (unaudited) on pages 3-11 and 59-63, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures to the management's discussion and analysis, schedule of funding progress – Illinois Municipal Retirement Fund (unaudited) and schedule of funding progress – police pension trust fund (unaudited), 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. In our opinion, the schedule of revenues, expenditures and changes in fund balance – budget and actual – general and major special revenue funds is fairly stated, in all material respects, in relation to the basic financial statements from which it has been derived.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the City of Washington, Illinois' basic financial statements. The other supplementary information, as listed in the accompanying table of contents, is presented for additional analysis and is not a required part of the basic financial statements. Such information, on pages 64-81, 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 information included on page 82 has been summarized from the City's records. Such information 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.

*Heinold-Banwait, Ltd.*

October 26, 2009

#### CITY OFFICIALS

Gary W. Manier, *Mayor*

Patricia S. Brown, *City Clerk*

Ellen L. Dingleline, *City Treasurer*

Robert A. Morris, *City Administrator*



#### ALDERMEN

Robert A. Brucks, *Ward I*

James A. Newman, *Ward I*

Donald R. Brubaker, *Ward II*

Todd A. Clanin, *Ward II*

Alan L. Howerter, *Ward III*

David Dingleline, *Ward III*

James L. Gee, *Ward IV*

Richard E. Schneider, *Ward IV*

## MANAGEMENT DISCUSSION AND ANALYSIS FISCAL YEAR ENDING APRIL 30, 2009

The following narrative overview and analysis is provided by the management of the City of Washington, IL to serve as an introduction to and aid in the understanding of the more detailed financial statements which follow. Comparative information for the prior fiscal year is provided where available and applicable. This overview should be read in conjunction with the financial statements and footnotes that follow this section.

### BACKGROUND

The City of Washington, IL operates under the Mayor/Council form of government. Other elected officials include a City Clerk and City Treasurer. Voters approved a Home Rule referendum in 1998 which affords the city greater latitude in meeting the needs of its residents and managing its governmental affairs.

The city provides or makes provision for the delivery of direct services to its residents including, but not limited to, the following: police; fire; ambulance and rescue; water; wastewater; streets; solid waste disposal and recycling; storm water management; and planning, zoning and code enforcement. It also performs a variety of functions related to these services and other general administrative responsibilities including: budgeting and financial management, human resources administration, accounts payable/receivable and engineering.

The format and content of the financial statements for the fiscal year ending April 30, 2009 are in accordance with the GASB 34 reporting model. Among other things, GASB 34 requires the city to account for the depreciation of fixed assets (city-owned streets, buildings, land, etc.) within governmental activities.

### FINANCIAL HIGHLIGHTS

- The assets of the City of Washington exceeded liabilities at April 30, 2009 by \$54,630,317, a \$4,981,158 or 10% increase over the prior year. Of the \$54.63 million, \$11,874,615 is unrestricted and may be used to meet the city's ongoing obligations to citizens and creditors. Unrestricted net assets for the year ending April 30, 2008 totaled \$10,770,204.
- Of the \$4,981,158 increase in net assets, about \$1.6 million is due to new public infrastructure (streets, storm sewers, water and sewer mains, etc.) dedicated to the city in conjunction with private subdivisions.

- At April 30, 2009, the governmental funds reported combined fund balances of \$10,032,955, of which \$9,743,159 were unreserved. In the prior year, the governmental funds combined fund balance was \$9,212,900 of which \$8,934,246 was unreserved.
- The city strives to maintain cash reserves equal to at least three months annual operating revenues for cash flow purposes. Additional funds are maintained for unanticipated needs that may occur at any time and in anticipation of major capital projects planned for future years.
- Governmental fund balances increased by \$820,055 (8.9%) during the year.
- The City's long-term debt totaled \$9,628,898 at fiscal year end. This total includes not only bonded indebtedness, but also vested employee compensated absences. The City continues to meet its debt obligations in a full and timely manner. Total long-term debt as of April 30, 2008 was \$10,159,344.

## OVERVIEW OF FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City of Washington's basic financial statements. The financial statements include three major component parts: 1) government-wide financial statements, 2) fund financial statements and 3) notes to the financial statements. The report contains other supplementary information as well.

**Government-wide Financial Statements.** The *government-wide financial statements* are intended to provide readers with a broad overview of the City of Washington's finances in a manner similar to a private-sector business. The statement of net assets presents information on all of the City of Washington's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets can serve as a useful indicator of whether the financial position of the city is improving or deteriorating. Readers are cautioned that substantive conclusions should only be made following a more thorough evaluation of the full financial details and notes included herein.

Government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) as opposed to other functions that are intended to recover all or a significant portion of their costs through user fees and charges. The City of Washington's governmental activities include General Government, Public Safety, Highways and Streets, Health and Welfare, Cemetery and interest on long-term debt.

The statement of activities presents information showing how the government'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 related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

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

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information for governmental funds with information presented for governmental activities in the government-wide financial statements. 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.

The City of Washington maintains seventeen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Illinois Municipal Retirement Fund, Muller Road Improvement Fund, and Incremental Tax Fund (TIF) Fund, all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements in this report.

The City of Washington adopts an annual budget for all of the governmental funds pursuant to Illinois statutes. A budgetary comparison statement for these funds has been provided in the Required Supplementary Information section.

*Proprietary funds* provide the same type of information as the government-wide financial statements, only in more detail. The City of Washington maintains two different types of proprietary funds, enterprise and internal service:

- Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City of Washington utilizes enterprise funds to account for financial transactions related to its Waterworks and Sewerage systems.
- Internal service funds are used to accumulate and allocate costs internally among the City's various functions. The City of Washington uses internal service funds to account for the city's self-insured health plan (Employees' Benefit Fund) and for fleet and equipment maintenance and replacement (Motor Equipment Replacement Fund).

*Fiduciary funds* account for resources held for the benefit of parties outside of the government: pension trust funds and agency funds held by the city in a custodial capacity. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City of Washington's programs. The accounting used for fiduciary funds is similar to that used for proprietary funds.

**Notes to Financial Statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 29-58 of this report.

**Other Supplementary Information.** In addition to the basic financial statements and accompanying notes, this report also presents supplementary information concerning combining statements and schedules for various funds; funding progress for the City's Illinois Municipal Retirement Fund (IMRF) and Police Pension Trust Fund; a historical review of property tax levies, rates and collections; and comparisons of budget vs. actual revenue and expense data.

## **GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As stated earlier, net assets may serve over time as a useful indicator of a government's financial position. The largest part of the City of Washington's net assets reflects its investment in capital assets (land,



buildings and improvements, and equipment) less any related debt used to acquire those assets that are still outstanding. The City of Washington uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City of Washington's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

At the end of the fiscal year, the City of Washington is able to report increased positive balances in all categories of net assets, both for the government as a whole (\$54,630,317 for FYE April 2009 compared to \$49,649,159 for FYE April 2008, a 10% increase), as well as for governmental activities (\$26,859,030 compared to \$23,236,457, a 15.6% increase) and business-type activities (\$27,771,287 compared to \$26,412,702, a 5.1% increase).

### **Financial Analysis: Government Funds**

As previously noted, the City of Washington uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing financing requirements. Unreserved fund balances may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

The City of Washington's governmental funds reported combined ending fund balances of \$10,032,955, an increase of \$820,055. The sum of \$9,743,159 is unrestricted.

The general fund is the primary operating fund of the City. Unreserved fund balances at fiscal year-end totaled \$6,940,327. During the year, revenues exceeded expenditures in the general fund by \$1,881,535. After planned transfers to various other funds, the net increase in fund balances was \$492,334.

### **Financial Analysis: Proprietary Funds**

The city's primary Proprietary Funds include the Waterworks and Sewerage Enterprise Funds. Monies in these funds are principally generated from user fees; they are primarily dedicated to the operation, maintenance, repair and replacement of the water treatment and distribution system and the sewer collection and treatment system.

Net assets in the Waterworks Fund total \$11,885,794 with \$2,602,035 being unrestricted. Net assets increased by \$175,545, with \$180,412 attributed to capital contributions from developers during the year ending April 30, 2009. Sewerage Fund net assets total \$15,750,246; \$4,336,403 are unrestricted. Net assets in this fund grew by \$1,145,611, with \$403,225 attributable to capital contributions from developers and \$251,461 from grant proceeds.

Internal Service Funds include the Employee Benefits Fund (Health Insurance) with net assets of \$419,018 and the Motor Equipment Replacement Fund with net assets of \$1,686,071.

### **Financial Analysis: Trust and Agency Funds**

Total fund balances in Trust and Agency Funds are \$4,491,430 which represents the fund balance of the Police Pension Fund (Pension Trust). These monies are restricted for the payment of pension benefits to

sworn officers of the Washington Police Department. As of May 1, 2008, the funding ratio of the Police Pension Fund was 80.6%, a decrease from the 84.7% funding ratio at May 1, 2007.

### **Budgetary Highlights**

Each of the City's three primary operating funds (General, Water and Sewerage) realized improvements in their respective accounts for the year ending April 30, 2009. The General Fund balance improved by \$492,334; the Water and Sewerage Funds realized increases in net assets of \$175,545 and the \$1,145,611, respectively.

### **Capital Asset Administration**

The City of Washington's investment in capital assets includes land, buildings and improvements, equipment, streets, sewer systems, lighting systems, traffic signals, and other infrastructure. This investment in capital assets as of April 30, 2009 was \$43,266,915 (net of accumulated depreciation) compared to \$40,271,369 in the prior year. See Note 3 for further details.

### **Long-Term Debt**

The city's long-term debt totaled \$9,628,898 at April 30, 2009 compared to \$10,159,344 at April 30, 2008. Governmental activity debt totaled \$7,202,261. Business-type activity debt (associated with the City's enterprise funds) totaled \$2,426,637.

Debt reductions during the year totaled \$544,613. Additions to long-term debt during the year totaled \$14,167 which represents the increase in vested employee compensated absences at year end.

As a home-rule unit, no legal limit exists on the amount of outstanding debt. Additional information on the City's long-term debt can be found in Note 4 of this report.

### **Economic Factors and Next Year's Budget**

The City's financial outlook for the fiscal year beginning May 1, 2009 is fraught with the uncertainties associated with the nation's economic recession. While difficult to predict with any certainty, the proposed FY09-10 budget anticipates the following:

- A 5.25% *decrease* in sales taxes compared to collections for the year ending April 30, 2009.
- A 7.5% *decrease* in income tax receipts.
- A dramatic *reduction* in the rate of growth of the city's property tax base due to the slowing pace of new building and development.
- A *decrease* in income on city investments due to falling interest rates.
- A substantial *increase* in employer pension contributions due to market losses in pension assets and the resulting escalation of unfunded liabilities.

Barring a substantial worsening of the economy, management does not presently anticipate serious difficulties in maintaining current service levels. Nevertheless, staff will remain vigilant in maintaining tight control over spending, in aggressively bidding services and supplies, and in deferring purchases, where appropriate.

The city is heavily reliant on the following specific sources of revenue: sales tax, income tax and water and sewer user fees. Further diversification of the city's income sources would be highly desirable.

The city's long-term financial health is largely dependent on a growing commercial base offering a wide variety of products and services that both attract economic activity from customers outside of the city limits and reduce the leakage of sales to other Peoria and Bloomington area commercial shopping centers. Sales taxes are influenced, in part, by the number, type and variety of retail and service establishments located within the city.

Income taxes are reliant on the health of the economy, statewide. The city's sustained residential development and associated population growth results in increased income tax distributions as well. Unfortunately, these benefits are only realized after official census counts are taken.

The growth of water and sewer user revenues also benefit from a growing customer base. The City Council has previously approved automatic annual increases in water and sewer rates of 2.5% or the rate of inflation, whichever is greater, to keep pace with inflation.

While the city's strong residential development generates added income, it also taxes the city's infrastructure and increases demands for other city services. The city's water and sewerage systems have been dramatically affected by such growth. This has caused the City Council to embark on utility service expansion projects and to implement increased connection and subdivision development fees to defray a portion of the associated costs. Regrettably, residential development, in and of itself, does not typically pay for the resulting cost of services and infrastructure improvements. Expanded commercial activities, particularly those generating sales taxes, are essential to the long-term financial well-being of the city.

Despite an expanding property tax base resulting primarily from new residential development, property taxes generate a comparatively lesser portion of total city revenues. This is the result of the city's extremely low property tax rate that resulted when residents passed the Home Rule referendum. At that time, the city enacted a Home Rule Sales Tax of 1% and cut the property tax rate in half, to \$0.40 per \$100 of assessed valuation. The city's actual tax rate for 2008 property taxes paid in 2009 was \$0.376.

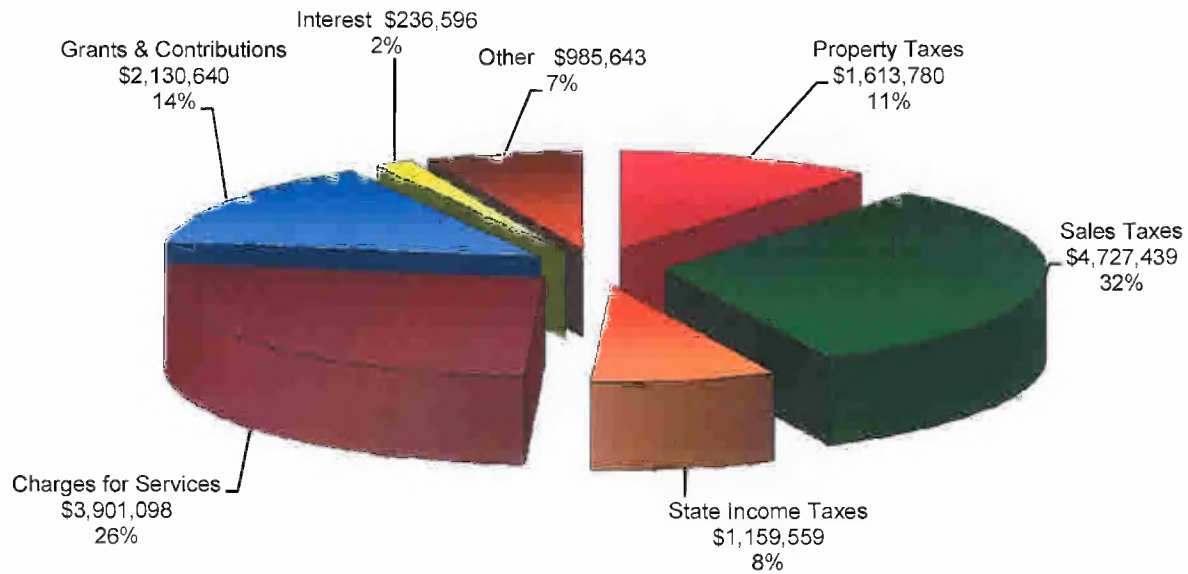
### **Request for Information**

This financial report is designed to provide a general overview of the City of Washington's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be directed to Ms. Joanie Baxter, Washington City Controller at City Hall, 115 W. Jefferson Street, Washington, IL, 61571, 309-444-1124, [jbaxter@ci.washington.il.us](mailto:jbaxter@ci.washington.il.us).

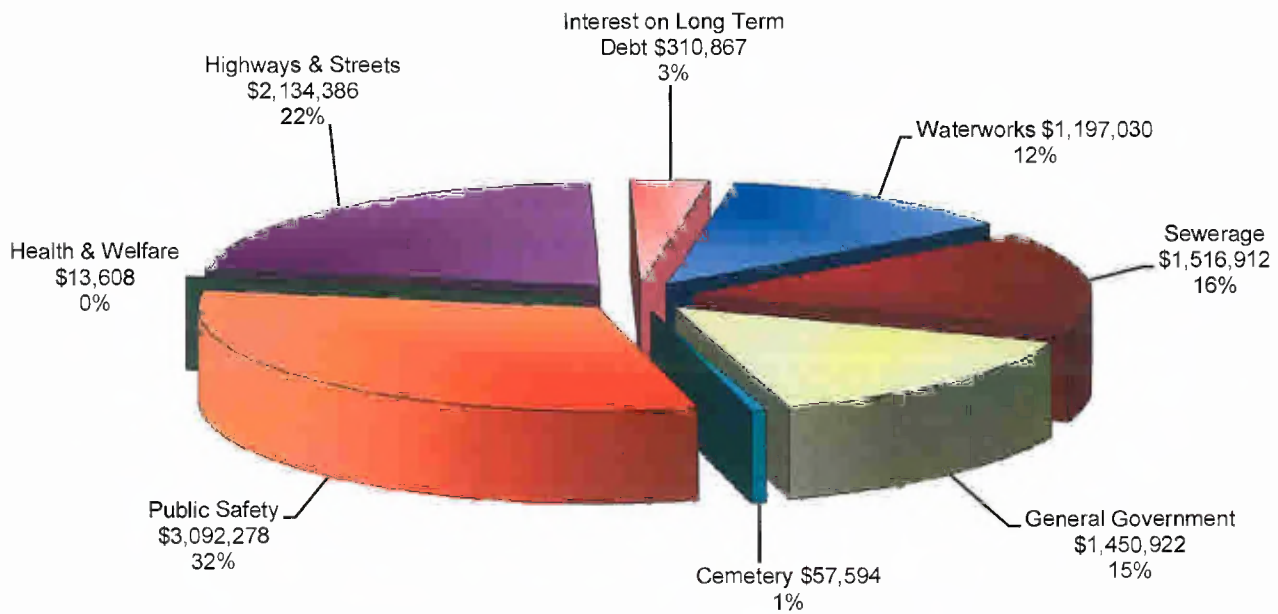
Changes in Net Assets  
Year Ended April 30, 2009

	Governmental Activities	Business-Type Activities	Total Reporting Entity
<b>Revenues</b>			
Program Revenues:			
Charges for Services	\$ 684,585	\$ 3,216,513	\$ 3,901,098
Operating Grants and Contributions	50,411	-	50,411
Capital Grant and Contributions	1,281,131	799,098	2,080,229
General Revenues:			
Taxes			
Property	1,613,780	-	1,613,780
Replacement	54,697	-	54,697
Sales	4,727,439	-	4,727,439
State income	1,159,559	-	1,159,559
Other local	404,852	-	404,852
Motor fuel	353,441	-	353,441
Interest on investments	130,512	106,084	236,596
Gain on sale of capital assets	30,000	-	30,000
Other	120,543	22,110	142,653
Transfers	71,278	(71,278)	-
<b>Total Revenues</b>	<b>\$ 10,682,228</b>	<b>\$ 4,072,527</b>	<b>\$ 14,754,755</b>
<b>Expenditures</b>			
General government	\$ 1,450,922	\$ -	\$ 1,450,922
Public safety	3,092,278	-	3,092,278
Highway and streets	2,134,386	-	2,134,386
Health and welfare	13,608	-	13,608
Cemetery	57,594	-	57,594
Interest on long-term debt	310,867	-	310,867
Waterworks	-	1,197,030	1,197,030
Sewerage	-	1,516,912	1,516,912
<b>Total Expenditures</b>	<b>\$ 7,059,655</b>	<b>\$ 2,713,942</b>	<b>\$ 9,773,597</b>
<b>Change in net assets</b>	<b>\$ 3,622,573</b>	<b>\$ 1,358,585</b>	<b>\$ 4,981,158</b>

**CITY OF WASHINGTON, ILLINOIS**  
**Revenues**  
**(All Activities)**  
**Year Ended April 30, 2009**  
**Total \$14,754,755**



**Expenses**  
**(All Activities)**  
**Year Ended April 30, 2009**  
**Total \$9,773,597**



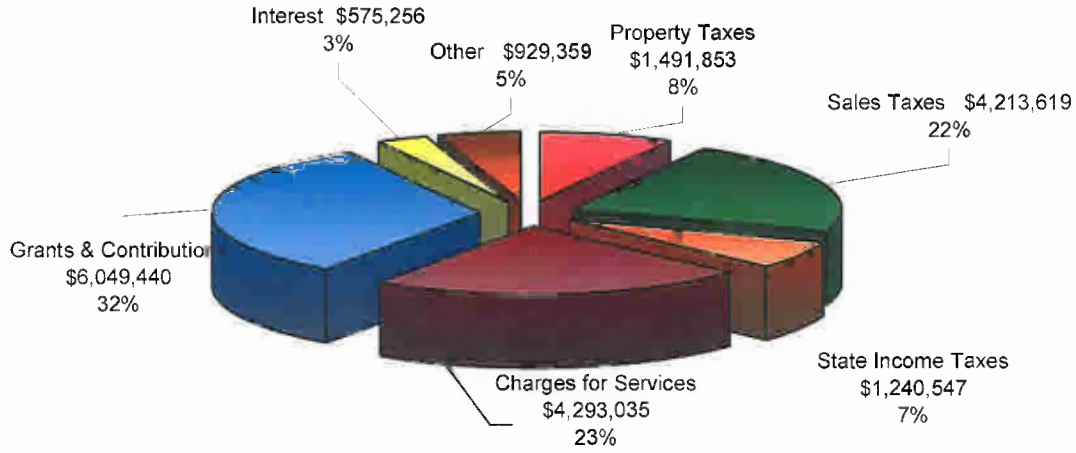
# **CITY OF WASHINGTON, ILLINOIS**

## **Revenues**

**(All Activities)**

**Year Ended April 30, 2008**

**Total \$18,793,109**

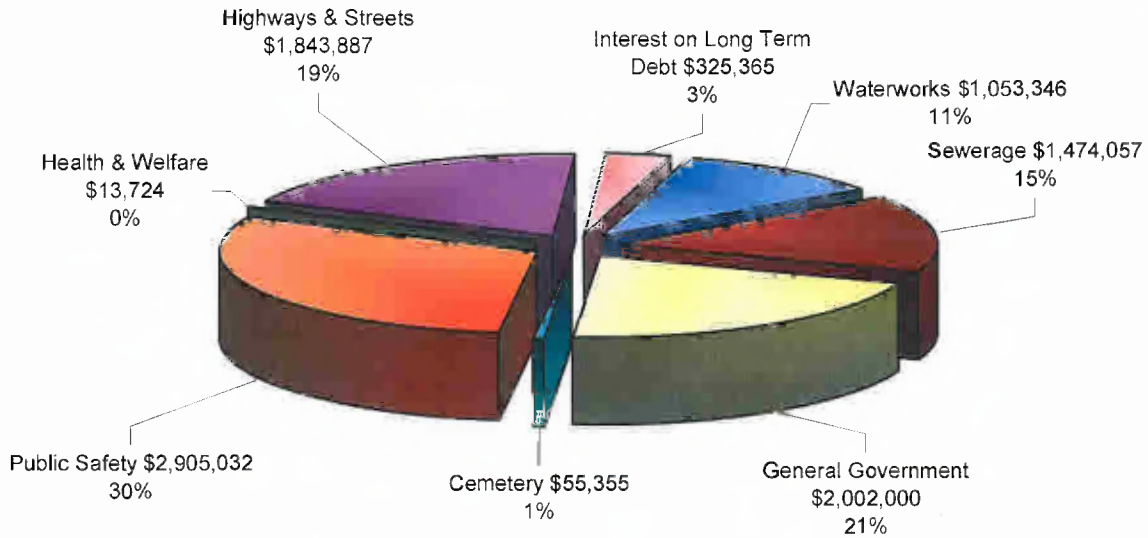


## **Expenses**

**(All Activities)**

**Year Ended April 30, 2008**

**Total \$9,672,766**



## BASIC FINANCIAL STATEMENTS

**CITY OF WASHINGTON, ILLINOIS**  
**STATEMENT OF NET ASSETS**  
**APRIL 30, 2009**

			2008 (Memorandum Only)	
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL	
<b>ASSETS</b>				
Cash and cash equivalents	\$ 9,844,081	\$ 6,093,515	\$ 15,937,596	\$ 14,334,803
Investments	-	660,250	660,250	639,561
Receivables (net of allowance for uncollectibles)				
Property taxes	1,531,565	-	1,531,565	1,491,878
Other taxes	1,474,915	-	1,474,915	1,476,352
Special assessments	405,000	-	405,000	355,172
Accounts - customers	1,100	35,292	36,392	25,575
Estimated unbilled usage	-	682,635	682,635	572,011
Interest	-	1,435	1,435	2,436
Other	162,832	233,740	396,572	92,775
Internal balances	(122,446)	122,446	-	-
Due from fiduciary funds	-	2,449	2,449	2,419
Prepaid items	134,064	34,850	168,914	157,709
Restricted assets				
Cash and cash equivalents	698,930	738,663	1,437,593	1,429,687
Bond costs, net of accumulated amortization	97,616	-	97,616	102,497
Capital assets not being depreciated	1,324,513	1,150,996	2,475,509	1,552,299
Capital assets, net of accumulated depreciation	19,625,231	21,166,175	40,791,406	38,719,070
	<u>\$ 35,177,401</u>	<u>\$ 30,922,446</u>	<u>\$ 66,099,847</u>	<u>\$ 60,954,244</u>

See accompanying notes.



	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL	2008 (Memorandum Only)
<b>LIABILITIES AND NET ASSETS</b>				
<b>LIABILITIES</b>				
Accounts payable and accrued liabilities	\$ 1,036,868	\$ 446,219	\$ 1,483,087	\$ 830,619
Construction retainage payable	21,000	23,128	44,128	35,673
Escrow and customer deposits	-	235,175	235,175	224,600
Deferred revenue	58,242	20,000	78,242	54,849
Long-term liabilities:				
Due within one year	386,215	267,228	653,443	614,400
Due in more than one year	6,816,046	2,159,409	8,975,455	9,544,944
Total liabilities	8,318,371	3,151,159	11,469,530	11,305,085
<b>NET ASSETS</b>				
Invested in capital assets, net of related debt	19,440,304	19,958,940	39,399,244	35,895,552
Restricted for:				
Debt service	509,384	443,666	953,050	956,063
Other purposes	2,108,411	294,997	2,403,408	2,027,340
Unrestricted	4,800,931	7,073,684	11,874,615	10,770,204
Total net assets	26,859,030	27,771,287	54,630,317	49,649,159
	\$ 35,177,401	\$ 30,922,446	\$ 66,099,847	\$ 60,954,244

**CITY OF WASHINGTON, ILLINOIS  
STATEMENT OF ACTIVITIES  
YEAR ENDED APRIL 30, 2009**

FUNCTION/PROGRAMS	PROGRAM REVENUES			
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS
<b>Governmental activities:</b>				
General government	\$ 1,450,922	\$ 441,800	\$ 1,825	\$ -
Public safety	3,092,278	142,538	32,806	-
Highways and streets	2,134,386	252	15,780	1,281,131
Health and welfare	13,608	-	-	-
Cemetery	57,594	99,995	-	-
Interest on long term debt	310,867	-	-	-
Total governmental activities	7,059,655	684,585	50,411	1,281,131
<b>Business-type activities:</b>				
Waterworks	1,197,030	1,149,604	-	180,412
Sewerage	1,516,912	2,066,909	-	618,686
Total business-type activities	2,713,942	3,216,513	-	799,098
<b>TOTAL</b>	<b>\$ 9,773,597</b>	<b>\$ 3,901,098</b>	<b>\$ 50,411</b>	<b>\$ 2,080,229</b>

See accompanying notes.

# **NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS**

	<b>GOVERNMENTAL ACTIVITIES</b>	<b>BUSINESS -TYPE ACTIVITIES</b>	<b>TOTAL</b>	<b>2008 (Memorandum Only)</b>
	\$	\$	\$	\$
	(1,007,297)	-	(1,007,297)	(1,561,566)
	(2,916,934)	-	(2,916,934)	(2,696,441)
	(837,223)	-	(837,223)	2,081,134
	(13,608)	-	(13,608)	(13,724)
	42,401	-	42,401	6,995
	(310,867)	-	(310,867)	(325,365)
	(5,043,528)	-	(5,043,528)	(2,508,967)
	-	132,986	132,986	828,420
	-	1,168,683	1,168,683	2,350,256
	-	1,301,669	1,301,669	3,178,676
	(5,043,528)	1,301,669	(3,741,859)	669,709
<b>General Revenues</b>				
Taxes:				
Property	1,613,780	-	1,613,780	1,491,853
Replacement	54,697	-	54,697	61,383
Sales	4,727,439	-	4,727,439	4,213,619
State income	1,159,559	-	1,159,559	1,240,547
Other local	404,852	-	404,852	382,338
Motor fuel	353,441	-	353,441	377,601
Interest on investments	130,512	106,084	236,596	575,256
Gain on sale of capital assets	30,000	-	30,000	1,596
Other	120,543	22,110	142,653	106,441
<b>Transfers</b>	71,278	(71,278)	-	-
Total general revenues and transfers	8,666,101	56,916	8,723,017	8,450,634
Change in net assets	3,622,573	1,358,585	4,981,158	9,120,343
<b>NET ASSETS - BEGINNING</b>	23,236,457	26,412,702	49,649,159	40,528,816
<b>NET ASSETS - ENDING</b>	\$ 26,859,030	\$ 27,771,287	\$ 54,630,317	\$ 49,649,159

**CITY OF WASHINGTON, ILLINOIS  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
APRIL 30, 2009**

	General	Illinois Municipal Retirement	Incremental Tax	Muller Road Improvement	Other	Total	2008 (Memorandum Only)
<b>ASSETS</b>							
Cash and cash equivalents	\$ 5,722,612	\$ 247,799	\$ 1,230,991	\$ 364,451	\$ 889,269	\$ 8,455,122	\$ 7,401,663
Receivables ( net of allowance for uncollectibles)							
Property taxes	655,461	390,021	362,842	-	123,241	1,531,565	1,491,878
Other taxes	1,469,865	5,050	-	-	-	1,474,915	1,476,352
Special assessments	-	-	-	-	47,733	47,733	47,578
Accounts-customers	-	-	-	-	1,100	1,100	1,250
Other	47,053	-	-	-	-	47,053	43,556
Due from other funds	12,801	-	-	-	28	12,829	28,796
Due from other governments	-	-	-	-	26,293	26,293	29,475
Prepaid items	76,193	-	-	-	54,278	130,471	119,752
Restricted assets							
Cash and cash equivalents	289,796	-	-	-	409,134	698,930	688,212
	<u>\$ 8,273,781</u>	<u>\$ 642,870</u>	<u>\$ 1,593,833</u>	<u>\$ 364,451</u>	<u>\$ 1,551,076</u>	<u>\$12,426,011</u>	<u>\$ 11,328,512</u>

See accompanying notes.

	General	Illinois Municipal Retirement	Incremental Tax	Muller Road Improvement	Other	Total	2008 (Memorandum Only)
<b>LIABILITIES AND FUND BALANCES</b>							
<b>Liabilities</b>							
Accounts payable and accrued liabilities	\$ 330,799	\$ 32,143	\$ 2,338	\$ 364,451	\$ 4,757	\$ 734,488	\$ 477,214
Construction retainage payable	21,000	-	-	-	-	21,000	29,600
Due to other funds	28	-	-	-	-	28	14,493
Deferred revenue	691,831	390,021	362,842	-	192,846	1,637,540	1,594,305
Total liabilities	1,043,658	422,164	365,180	364,451	197,603	2,393,056	2,115,612
<b>Fund balances</b>							
Reserved for:							
Drug enforcement	4,324	-	-	-	-	4,324	2,514
Alcohol enforcement	6,837	-	-	-	-	6,837	11,446
Police fundraiser	1,156	-	-	-	-	1,156	562
Police DARE	6,672	-	-	-	-	6,672	5,741
Road improvement	97,540	-	-	-	-	97,540	104,369
Police vehicle seizure	3,002	-	-	-	-	3,002	24,850
Police vehicle seizure forfeiture	70,015	-	-	-	-	70,015	21,297
Bond debt service	100,250	-	-	-	-	100,250	101,875
Other	-	-	-	-	-	-	6,000
Unreserved	6,940,327	220,706	1,228,653	-	1,353,473	9,743,159	8,934,246
Total fund balances	7,230,123	220,706	1,228,653	-	1,353,473	10,032,955	9,212,900
	\$ 8,273,781	\$ 642,870	\$ 1,593,833	\$ 364,451	\$ 1,551,076	\$ 12,426,011	\$ 11,328,512

**CITY OF WASHINGTON, ILLINOIS  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
APRIL 30, 2009**

**RECONCILIATION TO STATEMENT OF NET ASSETS**

Total fund balances - governmental funds	\$ 10,032,955
Capital assets used in governmental activities of \$23,370,984, net of accumulated depreciation of \$3,226,912 are not financial resources and, therefore, are not reported in the governmental funds.	20,144,072
Property taxes are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	1,579,298
Internal service funds are used to account for the financing of goods or services by one department to other departments of the City. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Assets.	1,969,842
Long term liabilities, accrued interest and compensation are not due and payable in the current period and, therefore, are not reported in the governmental funds.	(7,322,020)
Special assessment capital debt obligations are recorded as capital debt proceeds in the governmental funds, but the proceeds create current and long-term receivables and long-term liabilities in the Statement of Net Assets.	357,267
Bond costs of \$112,259, net of accumulated amortization of \$14,643, are recorded as expenditures in the governmental funds, but the cost creates a capital asset which must be expensed over the life of the bond.	<u>97,616</u>
Net assets of governmental activities.	<u><u>\$ 26,859,030</u></u>

See accompanying notes.

**CITY OF WASHINGTON, ILLINOIS**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**YEAR ENDED APRIL 30, 2009**

	General	Illinois Municipal Retirement	Incremental Tax	Muller Road Improvement	Other	Total	2008 (Memorandum Only)
<b>REVENUES</b>							
Property taxes	\$ 578,888	\$ 384,316	\$ 406,884	\$ -	\$ 154,332	\$ 1,524,420	\$ 1,314,403
Licenses and permits	281,064	-	-	-	-	281,064	305,427
Intergovernmental	6,392,115	16,290	-	-	353,441	6,761,846	6,275,488
Grant proceeds	24,247	-	-	224,000	-	248,247	1,198,599
Charges for services	51,092	-	-	-	99,995	151,087	122,579
Fines and forfeitures	119,912	-	-	-	-	119,912	137,215
Special projects	116,449	-	-	-	-	116,449	107,721
Interest	73,208	4,200	14,455	-	15,494	107,357	326,341
Other	36,189	-	1,825	-	42,817	80,831	73,056
	<u>7,673,164</u>	<u>404,806</u>	<u>423,164</u>	<u>224,000</u>	<u>666,079</u>	<u>9,391,213</u>	<u>9,860,829</u>
<b>EXPENDITURES</b>							
Current							
General government	791,199	425,947	103,428	-	118,587	1,439,161	1,987,562
Public safety	3,104,747	-	-	-	7,840	3,112,587	2,889,324
Highways and streets	1,239,177	-	-	-	58,978	1,298,155	1,185,165
Health and welfare	13,608	-	-	-	-	13,608	13,724
Cemetery	-	-	-	-	52,049	52,049	48,777
Capital outlay	642,898	-	172,098	669,116	613,573	2,097,685	2,414,376
Debt service							
Principal	-	-	-	-	276,309	276,309	268,177
Interest	-	-	-	-	352,882	352,882	489,218
	<u>5,791,629</u>	<u>425,947</u>	<u>275,526</u>	<u>669,116</u>	<u>1,480,218</u>	<u>8,642,436</u>	<u>9,296,323</u>
Excess (deficiency) of revenues over expenditures	<u>1,881,535</u>	<u>(21,141)</u>	<u>147,638</u>	<u>(445,116)</u>	<u>(814,139)</u>	<u>748,777</u>	<u>564,506</u>
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers in	14,500	75,000	-	445,575	958,126	1,493,201	1,334,761
Transfers out	(1,403,701)	-	(17,222)	-	(1,000)	(1,421,923)	(1,539,728)
Total other financing sources (uses)	<u>(1,389,201)</u>	<u>75,000</u>	<u>(17,222)</u>	<u>445,575</u>	<u>957,126</u>	<u>71,278</u>	<u>(204,967)</u>
Net change in fund balances	492,334	53,859	130,416	459	142,987	820,055	359,539
<b>FUND BALANCES, BEGINNING OF YEAR</b>	<u>6,737,789</u>	<u>166,847</u>	<u>1,098,237</u>	<u>(459)</u>	<u>1,210,486</u>	<u>9,212,900</u>	<u>8,853,361</u>
<b>FUND BALANCES, END OF YEAR</b>	<u>\$ 7,230,123</u>	<u>\$ 220,706</u>	<u>\$ 1,228,653</u>	<u>\$ -</u>	<u>\$1,353,473</u>	<u>\$10,032,955</u>	<u>\$ 9,212,900</u>

See accompanying notes.

**CITY OF WASHINGTON, ILLINOIS**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**YEAR ENDED APRIL 30, 2009**

**RECONCILIATION TO STATEMENT OF ACTIVITIES**

Net change in fund balances - governmental funds	\$ 820,055
Governmental funds report capital outlays as expenditures; however, they are capitalized and depreciated in the Statement of Activities	
Capital asset purchases capitalized	2,097,685
Depreciation expense	<u>(949,174)</u>
	1,148,511
Capital contributions made to the City that are not recorded as proceeds in the governmental fund, but are reported in the Statement of Activities.	1,052,653
Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets:	
Capital debt obligation principal payments	276,309
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.	89,515
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	10,441
Internal service funds are used to account for the financing of goods or services by one department to other departments of the City. The net revenue of certain activities of internal service funds is reported with governmental activities in the Statement of Activities.	193,503
Amortization of bond costs are recorded as expenditures in the governmental funds in the year of issuance, but the costs create a capital asset which must be expensed over the life of the bond.	(4,881)
Amortization of capital debt premium is recorded as a revenue in the governmental funds in the year of issuance, but the premium creates a capital liability which must be amortized over the life of the debt.	<u>36,467</u>
	<u>2,802,518</u>
<b>CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES</b>	<u><u>\$ 3,622,573</u></u>

See accompanying notes.



**CITY OF WASHINGTON, ILLINOIS**  
**STATEMENT OF NET ASSETS**  
**PROPRIETARY FUNDS**  
**APRIL 30, 2009**

	<b>Business-Type Activities - Enterprise Funds</b>			<b>Governmental Activities - Internal Service Funds</b>	<b>2008 (Memorandum Only)</b>
<b>ASSETS</b>	<b>Waterworks</b>	<b>Sewerage</b>	<b>Total</b>		
<b>Current assets</b>					
Cash and cash equivalents	\$ 2,380,993	\$ 3,712,522	\$ 6,093,515	\$ 1,388,959	\$ 6,933,140
Investments	244,896	415,354	660,250	-	639,561
Receivables (net of allowance for uncollectibles)					
Accounts - customers	13,408	21,884	35,292	-	24,325
Estimated unbilled usage	251,697	430,938	682,635	-	572,011
Interest	581	854	1,435	-	2,436
Other	-	233,740	233,740	89,486	19,744
Due from other funds	25,015	2,449	27,464	-	29,434
Prepaid items	14,365	20,485	34,850	3,593	37,957
Restricted assets					
Cash and cash equivalents	8,197	730,466	738,663	-	741,475
<b>Total current assets</b>	<b>2,939,152</b>	<b>5,568,692</b>	<b>8,507,844</b>	<b>1,482,038</b>	<b>9,000,083</b>
<b>Capital assets, net of accumulated depreciation</b>	<b>9,343,307</b>	<b>12,973,864</b>	<b>22,317,171</b>	<b>805,672</b>	<b>22,328,461</b>
<b>Total assets</b>	<b>\$ 12,282,459</b>	<b>\$ 18,542,556</b>	<b>\$ 30,825,015</b>	<b>\$ 2,287,710</b>	<b>\$ 31,328,544</b>

See accompanying notes.

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds	2008 (Memorandum Only)
	Waterworks	Sewerage	Total		
<b>LIABILITIES AND NET ASSETS</b>					
<b>Current liabilities</b>					
Current maturities of long term debt	\$ 7,480	\$ 230,245	\$ 237,725	\$ -	\$ 231,837
Accounts payable and accrued liabilities	57,822	388,397	446,219	177,856	213,393
Accrued compensated absences	15,301	14,202	29,503	214	30,541
Retainage payable	2,750	20,378	23,128	-	6,073
Due to other funds	-	37,816	37,816	-	41,318
Deferred revenue	-	20,000	20,000	-	-
Customer deposits	235,175	-	235,175	-	224,600
Total current liabilities	318,528	711,038	1,029,566	178,070	747,762
<b>Noncurrent liabilities</b>					
Accrued compensated absences	17,872	21,030	38,902	4,551	33,510
IEPA loan payable, net of current maturities	-	1,434,427	1,434,427	-	1,591,671
Bonds payable, net of current maturities	60,265	625,815	686,080	-	766,560
Total noncurrent liabilities	78,137	2,081,272	2,159,409	4,551	2,391,741
Total liabilities	396,665	2,792,310	3,188,975	182,621	3,139,503
<b>Net assets</b>					
Invested in capital assets, net of related debt	9,275,562	10,683,377	19,958,939	805,672	19,738,393
Restricted for:					
IEPA loan debt service	-	380,802	380,802	-	380,802
Bond debt service	8,197	54,667	62,864	-	63,828
Other	-	294,997	294,997	-	296,845
Unrestricted	2,602,035	4,336,403	6,938,438	1,299,417	7,709,173
Total net assets	11,885,794	15,750,246	27,636,040	2,105,089	28,189,041
	<u>\$ 12,282,459</u>	<u>\$ 18,542,556</u>		<u>\$ 2,287,710</u>	<u>\$ 31,328,544</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds			135,247		
Net assets of business-type activities			<u>\$ 27,771,287</u>		

**CITY OF WASHINGTON, ILLINOIS**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS**  
**PROPRIETARY FUNDS**  
**YEAR ENDED APRIL 30, 2009**

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds	2008 (Memorandum Only)
	Waterworks	Sewerage	Total		
<b>OPERATING REVENUES</b>					
Metered sales	\$ 1,018,664	\$ 1,551,803	\$ 2,570,467	\$ -	\$ 2,468,006
Charges for services	81,138	515,106	596,244	1,343,495	2,357,804
Employee contributions	-	-	-	64,785	57,130
Other	19,203	2,908	22,111	26,772	46,871
	<u>1,119,005</u>	<u>2,069,817</u>	<u>3,188,822</u>	<u>1,435,052</u>	<u>4,929,811</u>
<b>OPERATING EXPENSES</b>					
General and administrative	-	-	-	18,525	23,661
Personal services	430,342	563,237	993,579	825,207	1,567,385
Heat, light, and power	152,352	226,214	378,566	-	331,522
Materials and supplies	123,920	17,419	141,339	157,776	270,573
Other services and charges	182,292	182,223	364,515	91,980	465,027
Depreciation	322,626	464,041	786,667	163,787	907,873
	<u>1,211,532</u>	<u>1,453,134</u>	<u>2,664,666</u>	<u>1,257,275</u>	<u>3,566,041</u>
Operating income (loss)	<u>(92,527)</u>	<u>616,683</u>	<u>524,156</u>	<u>177,777</u>	<u>1,363,770</u>
<b>NONOPERATING (REVENUES)</b>					
<b>EXPENSES</b>					
Interest income	(41,568)	(64,516)	(106,084)	(23,155)	(248,915)
Rental income	(49,802)	-	(49,802)	-	(40,526)
Interest and fiscal agent fee expense	3,248	83,458	86,706	-	94,777
Grant proceeds	-	(215,461)	(215,461)	-	(2,485)
Gain on sale of equipment	-	-	-	(30,000)	(735)
	<u>(88,122)</u>	<u>(196,519)</u>	<u>(284,641)</u>	<u>(53,155)</u>	<u>(197,884)</u>
Net income (loss) before capital contributions and transfers	<u>(4,405)</u>	<u>813,202</u>	<u>808,797</u>	<u>230,932</u>	<u>1,561,654</u>
<b>CAPITAL CONTRIBUTIONS FROM DEVELOPERS</b>	180,412	403,225	583,637	-	2,026,816
<b>TRANSFERS IN (OUT), NET</b>	<u>(462)</u>	<u>(70,816)</u>	<u>(71,278)</u>	<u>-</u>	<u>204,967</u>
Change in net assets	175,545	1,145,611	1,321,156	230,932	3,793,437
<b>TOTAL NET ASSETS, BEGINNING OF YEAR</b>	<u>11,710,249</u>	<u>14,604,635</u>		<u>1,874,157</u>	<u>24,395,604</u>
<b>TOTAL NET ASSETS, END OF YEAR</b>	<u>\$ 11,885,794</u>	<u>\$ 15,750,246</u>		<u>\$ 2,105,089</u>	<u>\$ 28,189,041</u>
<b>RECONCILIATION TO STATEMENT OF ACTIVITIES:</b>					
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds			<u>37,429</u>		
Change in net assets of business-type activities			<u>\$ 1,358,585</u>		

See accompanying notes.

**CITY OF WASHINGTON, ILLINOIS  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
YEAR ENDED APRIL 30, 2009**

	<b>Business-Type Activities - Enterprise Funds</b>			<b>Governmental Activities - Internal Service Funds</b>	<b>2008 (Memorandum Only)</b>
	<b>Waterworks</b>	<b>Sewerage</b>	<b>Total</b>		
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Receipts from customers and users	\$ 1,070,034	\$ 2,017,197	\$ 3,087,231	\$ 817,433	\$ 4,468,615
Receipts from interfund services provided	-	-	-	529,600	522,905
Payments to suppliers	(473,215)	(420,500)	(893,715)	(937,671)	(1,821,125)
Payments to employees	(406,576)	(509,347)	(915,923)	(67,270)	(903,512)
Receipt of utility customer deposits	58,925	-	58,925	-	61,500
Refunds of utility customer deposits	(48,350)	-	(48,350)	-	(61,675)
Net cash provided by operating activities	200,818	1,087,350	1,288,168	342,092	2,266,708
<b>CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES</b>					
(Advances to) repayments from other funds	2,000	(30)	1,970	(3,502)	63,770
Transfers from (to) other funds	(462)	(70,816)	(71,278)	-	204,967
Net cash provided by (used in) noncapital and related financing activities	1,538	(70,846)	(69,308)	(3,502)	268,737
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Acquisition and construction of capital assets	(168,534)	(348,658)	(517,192)	(362,246)	(449,149)
Proceeds from sale of equipment	-	-	-	30,000	735
Principal paid on bond and loan maturities	(7,480)	(224,356)	(231,836)	-	(226,555)
Interest paid on bonds and loans	(3,396)	(85,610)	(89,006)	-	(97,037)
Net cash used in capital and related financing activities	(179,410)	(658,624)	(838,034)	(332,246)	(772,006)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Interest received	41,718	65,367	107,085	23,155	249,097
Rental income received	49,802	-	49,802	-	40,526
Proceeds from sale/maturity of investments	255,035	708,381	963,416	-	646,516
Purchase of investments	(257,216)	(726,890)	(984,106)	-	(657,156)
Net cash provided by investing activities	89,339	46,858	136,197	23,155	278,983
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	112,285	404,738	517,023	29,499	2,042,422
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	2,276,905	4,038,250	6,315,155	1,359,460	5,632,193
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<u>\$ 2,389,190</u>	<u>\$ 4,442,988</u>	<u>\$ 6,832,178</u>	<u>\$ 1,388,959</u>	<u>\$ 7,674,615</u>

See accompanying notes.

**CITY OF WASHINGTON, ILLINOIS  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
YEAR ENDED APRIL 30, 2009**

	<b>Business-Type Activities - Enterprise Funds</b>			<b>Governmental Activities - Internal Service Funds</b>	<b>2008 (Memorandum Only)</b>
	<b>Waterworks</b>	<b>Sewerage</b>	<b>Total</b>		
<b>Reconciliation of operating income to net cash provided by operating activities:</b>					
Operating income (loss)	\$ (92,527)	\$ 616,683	\$ 524,156	\$ 177,777	\$ 1,363,770
Adjustments to reconcile operating income (loss) to net cash provided by operating activities					
Depreciation	322,626	464,041	786,667	163,787	907,873
(Increase) decrease in usage receivable	(38,213)	(72,411)	(110,624)	-	54,716
(Increase) decrease in other receivables	(10,758)	(209)	(10,967)	(88,019)	6,993
(Increase) decrease in prepaid items	88	(665)	(577)	91	(2,641)
Increase (decrease) in accounts payable and accrued liabilities	7,675	36,562	44,237	86,983	(66,848)
Increase (decrease) in accrued compensated absences	4,675	2,971	7,646	1,473	2,197
Increase in deferred revenue	-	20,000	20,000	-	-
Increase (decrease) in retainage payable	(3,323)	20,378	17,055	-	823
Increase (decrease) in customer deposits	10,575	-	10,575	-	(175)
Net cash provided by operating activities					
	<u>\$ 200,818</u>	<u>\$ 1,087,350</u>	<u>\$ 1,288,168</u>	<u>\$ 342,092</u>	<u>\$ 2,266,708</u>

**SUPPLEMENTAL SCHEDULE OF NONCASH CAPITAL AND RELATED ACTIVITIES**

In fiscal year 2009, the Waterworks fund and the Sewerage fund received contributed property and equipment from developers of \$180,412 and \$403,225, respectively.

**PRESENTATION OF CASH AND CASH EQUIVALENTS ON THE  
STATEMENT OF NET ASSETS PROPRIETARY FUNDS**

	<b>Business-Type Activities - Enterprise Funds</b>			<b>Governmental Activities - Internal Service Funds</b>
	<b>Waterworks</b>	<b>Sewerage</b>	<b>Total</b>	
Cash and cash equivalents	\$ 2,380,993	\$ 3,712,522	\$ 6,093,515	\$ 1,388,959
Restricted cash and cash equivalents	8,197	730,466	738,663	-
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<u>\$ 2,389,190</u>	<u>\$ 4,442,988</u>	<u>\$ 6,832,178</u>	<u>\$ 1,388,959</u>

See accompanying notes.

**CITY OF WASHINGTON, ILLINOIS  
STATEMENT OF FIDUCIARY NET ASSETS  
TRUST AND AGENCY FUNDS  
APRIL 30, 2009**

	<u>Pension Trust</u>	<u>Agency</u>		<u>2008</u>
	<u>Police</u>	<u>Special</u>		<u>(Memorandum</u>
	<u>Pension</u>	<u>Assessment</u>	<u>Total</u>	<u>Only)</u>
		<u>Collection</u>		
<b>ASSETS</b>				
Cash and cash equivalents	\$ 191,661	\$ -	\$ 191,661	\$ 279,277
Investments	4,113,532	-	4,113,532	4,606,588
Receivables (net of allowance for uncollectibles)				
Employer contribution	175,249	-	175,249	137,082
Interest	10,980	-	10,980	9,744
Other	8	2,449	2,457	20,347
	<u>\$ 4,491,430</u>	<u>\$ 2,449</u>	<u>\$ 4,493,879</u>	<u>\$ 5,053,038</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities				
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ 635
Due to other funds	-	2,449	2,449	2,419
Total liabilities	<u>-</u>	<u>2,449</u>	<u>2,449</u>	<u>3,054</u>
<b>Fund balances</b>			-	
Reserved for police pension benefits	4,491,430	-	4,491,430	5,049,984
Total fund balances	<u>4,491,430</u>	<u>-</u>	<u>4,491,430</u>	<u>5,049,984</u>
	<u>\$ 4,491,430</u>	<u>\$ 2,449</u>	<u>\$ 4,493,879</u>	<u>\$ 5,053,038</u>

See accompanying notes.

**CITY OF WASHINGTON, ILLINOIS**  
**STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS**  
**TRUST FUND**  
**YEAR ENDED APRIL 30, 2009**

	<u>Pension Trust</u>	
	<b>Police Pension</b>	<b>2008 (Memorandum Only)</b>
<b>Additions</b>		
Contributions		
Plan members' contributions	\$ 95,549	\$ 111,773
Employer contributions	179,988	142,170
Other	696	419
Investment earnings		
Investment income	155,523	212,788
	<u>431,756</u>	<u>467,150</u>
<b>Deductions</b>		
Benefits paid	219,607	184,557
Administrative expenses	28,161	914
Net decline in fair value of investments	742,542	100,870
	<u>990,310</u>	<u>286,341</u>
Change in net assets	(558,554)	180,809
<b>Net assets</b>		
Beginning of year	5,049,984	4,869,175
End of year	<u>\$ 4,491,430</u>	<u>\$ 5,049,984</u>

See accompanying notes.

**CITY OF WASHINGTON, ILLINOIS**  
**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**ALL AGENCY FUNDS**  
**YEAR ENDED APRIL 30, 2009**

	Balance			Balance		
	April 30, 2008	Additions	Deductions	April 30, 2009		
<b>SPECIAL ASSESSMENT COLLECTION FUND</b>						
<b>ASSETS</b>						
Cash	\$ -	\$ 189	\$ 189	\$ -		
Due from property owners	2,419	219	189	2,449		
	<u>\$ 2,419</u>	<u>\$ 408</u>	<u>\$ 378</u>	<u>\$ 2,449</u>		
<b>LIABILITIES</b>						
Due to other funds	\$ 2,419	\$ 219	\$ 189	\$ 2,449		
<b>POLICE BOND REMITTANCE FUND</b>						
<b>ASSETS</b>						
Cash	\$ -	\$ 21,353	\$ 21,353	\$ -		
<b>LIABILITIES</b>						
Due to other governmental entities	\$ -	\$ 21,353	\$ 21,353	\$ -		
<b>TOTAL - ALL AGENCY FUNDS</b>						
<b>ASSETS</b>						
Cash	\$ -	\$ 21,542	\$ 21,542	\$ -		
Due from property owners	2,419	219	189	2,449		
	<u>\$ 2,419</u>	<u>\$ 21,761</u>	<u>\$ 21,731</u>	<u>\$ 2,449</u>		
<b>LIABILITIES</b>						
Due to other funds	\$ 2,419	\$ 219	\$ 189	\$ 2,449		
Due to other governmental entities	-	21,353	21,353	-		
	<u>\$ 2,419</u>	<u>\$ 21,572</u>	<u>\$ 21,542</u>	<u>\$ 2,449</u>		

See accompanying notes.



**CITY OF WASHINGTON, ILLINOIS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of the City of Washington, Illinois conform to accounting principles generally accepted in the United States of America as applicable to governments. The following is a summary of the significant policies. Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements. In the government-wide financial statements and the fund financial statements for the proprietary funds, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, have been applied, unless those pronouncements conflict with or contradict GASB pronouncements, in which case GASB prevails.

**A. Nature of Operations**

The City of Washington, located in Central Illinois, provides a broad range of services to citizens, including general government, public safety, streets, and the water and sewer utilities. Revenues are substantially generated as a result of taxes assessed and allocated to the City (examples would be property, sales, income, and motor fuel taxes), charges for services performed, and governmental grants. Revenues are therefore dependent on the economy within the territorial boundaries of the City and nearby surrounding area and the appropriations of grant entitlements at the federal/state government level. Taxable industry within the area is primarily retail. The surrounding area has a substantial agricultural base.

**B. Financial Reporting Entity**

Generally accepted accounting principles require the financial reporting entity to include the primary government and other organizations for which the primary government is financially accountable (component units). Financial accountability includes the primary government's ability to appoint a voting majority of the organization's governing body, the ability to impose will on an organization, and if an organization is fiscally dependent on the primary government. Based on this guidance, management has determined there are no component units required to be included in the City's basic financial statements.

**C. Basis of Presentation**

In June 1999, GASB issued Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*. The statement established a new reporting model for governments that is substantially different from prior reporting standards. The new reporting model includes the following segments:

*Management's Discussion and Analysis* – Provides introductory information on basic financial statements and an analytical overview of the City's financial activities.

*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 non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include a) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the fiduciary funds 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.

*Fund financial statements* – Fund 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 that constitutes its assets, liabilities, fund equity, revenues, and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary and fiduciary. An emphasis is placed on major funds within the governmental category. A fund is considered major if it is the primary operating fund of the City or if it meets the following criteria:

- total assets, liabilities, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type, and
- total assets, liabilities, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

*Required supplementary information* – Budgetary comparison schedules are presented. The original budget for revenues and expenditures is presented in comparison with the actual final budgetary revenues and expenditures.

The funds of the financial reporting entity are described below:

### **Governmental Funds**

**General Fund** – The General Fund is the general operating fund of the City and always classified as a major fund. It is used to account for all financial resources and expenditures not required by law or contractual agreement to be accounted for in another fund. The General Fund expenditures include corporate, city hall, street, police, tourism and economic development, zoning operations, and fire and rescue subsidies.

**Special Revenue Funds** – Special revenue funds are used to account for the proceeds of specific revenue sources used to finance specified activities, as required by law or administrative regulation. The City maintains the following special revenue funds:

Cemetery Fund - Accounts for the operations of the municipal cemetery. Revenue is derived principally from sale of lots and interment fees.

Civil Defense Fund – Accounts for the operations of the City’s program in connection with the “Illinois Emergency Services and Disaster Agency Act of 1975.” Financing is provided through property taxes with the purpose to pay those costs which may be necessary or proper to prevent, minimize, repair and alleviate injury, loss of life, or property damage resulting from disasters caused by flood, earthquake, extended periods of severe and inclement weather, etc.

Audit Fund – Accounts for the cost of the annual audit of the City’s financial statements.

Motor Fuel Tax Fund – Accounts for the state motor fuel tax revenue collected by the City and used in connection with the highway construction and maintenance projects of the City as authorized by the Illinois Department of Transportation.

Illinois Municipal Retirement Fund – Accounts for the expenditures related to the City’s participation in the Illinois Municipal Retirement Fund system. The Illinois Municipal Retirement Fund is reported as a major fund.

Incremental Tax Fund – Accounts for the revenue and expenditures related to tax increment designated areas within the City. The Incremental Tax Fund is reported as a major fund.

Liability Insurance Fund – Accounts for the cost of insurance premiums and tort judgments or settlements of the City.

Storm Water Management Fund - Accounts for the revenue and expenditures in connection with storm water management.

**Debt Service Funds** – Debt service funds are used to account for the accumulation of resources for, and the payment of, general obligation bond principal, interest, and related costs. The City maintains the following debt service funds:

Kern Road Fund – Accounts for the accumulation of resources for and the payment of general obligation bond principal, interest, and related costs for projects in the Kern Road area.

Cruger Road Fund – Accounts for the accumulation of resources for and the payment of general obligation bond principal, interest, and related costs for projects in the Cruger Road area.

South Cummings Lane Fund -- Accounts for the accumulation of resources for and the payment of general obligation bond principal, interest, and related costs for projects in the South Cummings Lane area.

Mallard Crossing Fund - Accounts for the accumulation of resources for and the payment of general obligation bond principal, interest, and related costs for projects in the Mallard Crossing area.

Washington Area Community Center (WACC) Fund – Accounts for the accumulation of resources for and the payment of general obligation bond principal, interest, and related costs for the Washington Area Community Center project.

**Capital Projects Funds** – Capital projects funds are used to account for general construction or renovation projects being carried out by the City which are not financed by proprietary or trust funds. The City maintains the following capital projects funds:

Cruger Road Improvement Fund – To account for the reconstruction of Cruger Road.

Muller Road Improvement Fund – To account for the reconstruction of Muller Road. The Muller Road Improvement Fund is reported as a major fund.

Dallas Road Improvement Fund – To account for the reconstruction of Dallas Road.

### **Proprietary Funds**

**Enterprise Funds** – Enterprise funds are used to account for operations: (a) that are financed and operated in a manner similar to private business enterprises – where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The City maintains the following enterprise funds, which are reported as major funds:

Waterworks Fund – To account for the water service to the residents of the City. Revenue is provided through user charges which are designed to pay operating expenses (including depreciation of the Fund's fixed assets) and provide for a net income to finance the continued operations of the system.

Sewerage Fund – To account for the sewer services to the residents of the City. Revenue is provided through user charges which are designed to pay operating expenses (including depreciation of the Fund's fixed assets) and provide for a net income to finance the continued operations of the system.

**Internal Service Funds** – Internal service funds are used to account for the financing of goods or services by one department or agency to other departments or agencies of the City, or to other governments, on a cost-reimbursement basis. The City maintains the following internal service funds:

Employees' Benefit Fund – Accounts for the City's self-insured health plan. The purpose of the Fund is to pay medical claims of the City's employees and their covered dependents and to minimize the total cost of the annual insurance to the City.

Motor Equipment Replacement Fund – Provides for the maintenance and repair of motorized equipment and vehicles used in the operations of City services. Revenue is from rental charges to user departments. Expenses include cost of labor, material, supplies, and services.

#### **Fiduciary Funds**

Pension Trust Fund – The Police Pension Fund accounts for the accumulation of resources to be used for the payment of retirement benefits to the City police.

Agency Funds – Agency funds are used to account for assets held by the City in a custodial capacity (i.e., assets equal liabilities). Agency funds do not involve the measurement of results of operations. The City maintains the following agency funds:

Special Assessment Collection Fund – To account for the assets and liabilities related to certain special assessment projects.

Police Bond Remittance Fund – To account for bond monies collected by the police department and remitted to the Circuit Clerk.

#### **D. Measurement Focus and Basis of Accounting**

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

##### *Measurement Focus*

In the government-wide Statement of Net Assets and the Statement of Activities, both governmental and business-type activities are presented using the economic resources measurement focus and the accrual basis of accounting, as defined in Basis of Accounting below.

In the fund financial statements, the "current financial resources" measurement focus or the "economic resources" measurement focus is used as appropriate:

1. Governmental funds utilize a "current financial resources" measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.
2. Proprietary funds utilize an "economic resources" measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net assets (or cost recovery), financial position and cash flows. All assets and liabilities (whether current or noncurrent, financial or nonfinancial) associated with their activities are reported. Proprietary fund equity is classified as net assets.

### *Basis of Accounting*

The government-wide financial statements are reported using the “economic resources” measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the “current financial resources” measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 75 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, sales taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes where the amounts are reasonably equivalent in value to the interfund services provided and other charges between the City’s water and sewer function and various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

### **E. Budgets and Budgetary Accounting**

The budget for all governmental fund types is prepared on the modified accrual basis of accounting, which is the same basis that is used in the fund financial reporting. This allows for comparability between budget and actual amounts. The budget was passed on April 21, 2008. An amended budget was passed on April 20, 2009.

For each fund, total fund expenditures may not legally exceed the budgeted expenditures. Unexpended budgeted amounts lapse at the end of each fiscal year. Spending control is established by the amount of expenditures budgeted for the fund, but management control is exercised at the line item level. Encumbrances accounting is not employed.

The City adopts its annual budget in accordance with Chapter 65, Paragraph 5/8-2-9.4 of the Illinois Compiled Statutes, as follows:

- (1) The budget officer submits to the City Council a proposed operating budget for the fiscal year commencing May 1. The operating budget includes proposed expenditures and the means of financing them.
- (2) A public hearing is conducted to obtain taxpayer comments.
- (3) Prior to May 1, the budget is legally adopted through passage of an ordinance.
- (4) Budgeted amounts may be transferred between object classes within a fund at any time. The annual budget may be revised by a vote of two-thirds of the City Council by deleting, adding to, or changing budgeted items. No revision of the budget can be made increasing the budget in the event funds are not available.

The City also adopts an informal operating budget for proprietary funds containing estimated revenues and expenditures, which is used as a management control device.

#### **F. Cash and Cash Equivalents**

For the purpose of financial reporting, "cash and cash equivalents" includes all demand and savings accounts and certificates of deposit or short term investments with an original maturity of three months or less.

#### **G. Investments**

Investments classified in the financial statements consist of certificates of deposit whose original maturity exceeds three months and Police Pension Trust Fund investments, including federal agency notes, mutual funds, certificates of deposit and annuities. Investments are stated at fair value.

The City's investment policy is to invest in allowable investments under the Illinois Compiled Statutes. These include (a) interest-bearing savings accounts and certificates of deposit and (b) bonds, notes, certificates of indebtedness, treasury bills, or other securities which are guaranteed by the full faith and credit of the United States of America. In addition to the investments listed above, the City's police pension trust fund may also invest in various money market mutual funds, short-term corporate obligations, and diversified portfolios managed by life insurance companies or registered investment companies within the guidelines established under Section 1-113 of Article 5 of the Illinois Pension Code.

#### **H. Real Estate Taxes**

Real estate taxes are a lien on individual properties from January 1 in the year in which the taxes are levied. The levy must be filed with the County Clerk by the last Tuesday in December each year. The tax levy for amounts received in the fiscal year ended April 30, 2009 was passed December 15, 2007. Due dates, by statute, are June 1 and September 1 of the following year. Generally, collections of tax monies are made within 30 to 60 days of the due dates.

## **I. Prepaid Items**

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.

## **J. Restricted Assets**

Cash and investments have been restricted for the various purposes for which equity has been reserved in the respective funds of the City.

## **K. Capital Assets**

The accounting treatment over property, plant, and equipment (capital assets) depends on whether they are reported in the government-wide or fund financial statements.

### **Government-Wide Statements**

In the government-wide financial statements, capital assets are accounted for as assets in the Statement of Net Assets. All capital assets are valued at historical cost or estimated historical cost if actual is unavailable. Contributed or donated assets are carried at their estimated market value as of the date received. Prior to May 1, 2004 governmental funds infrastructure assets were not capitalized. Infrastructure assets acquired since May 1, 2004 are recorded at cost.

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 and capitalization threshold by type of asset is as follows:

### **Capitalization**

	<u><b>Useful Life</b></u>	<u><b>Threshold</b></u>
Buildings	20-50 years	\$10,000
Land improvements	20 years	\$10,000
Water and sewer systems	10-60 years	\$10,000
Equipment	3-50 years	\$1,000
Infrastructure	20-50 years	\$10,000

### **Fund Financial Statements**

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



## **L. Compensated Absences**

The City's sick leave policy allows for twelve sick days per year. Employees with unused sick leave accumulated prior to January 1, 1992, may carry forward up to 30 days and will be paid for unused hours remaining upon an employee's retirement or separation from City service at the employee's hourly rate of pay in effect on December 31, 1991. Sick leave accumulated since December 31, 1991 and not covered by the terms of the police officer's collective bargaining agreement does not vest. For employees covered by the police officer's collective bargaining agreement, sick leave accumulates at their current hourly rate.

The City's vacation policy allows each regular full-time employee assigned to a position classification of a range lower than 90 within the City's position classification system, and not otherwise covered by the terms of a collective bargaining agreement, to earn two weeks of vacation after one year of service and one additional day for each year of service in excess of six years, up to a maximum vacation time of five weeks. Each regular full-time employee assigned to a position classification of a range 90 or above earns two weeks of vacation after one year of service and up to five years of service, three weeks of vacation from five to ten years of service, four weeks of vacation from eleven to fifteen years of service, and five weeks of vacation for sixteen and more years of service. For employees with up to 15 years of service, up to one week of vacation may be carried over to the following year. Employees with 15 or more years of service may carry two weeks of vacation over to the following year. Upon termination, an employee is entitled to be paid for any vested vacation from the prior year and a prorated share of the current year's vacation.

The City Council passed an ordinance to amend the personnel manual to provide for non-union part-time employee leave. The employee must have worked 1,000 hours in the prior year to qualify. The employee will receive up to 80 hours of paid leave based on the ratio of total hours worked by the employee to 2,080 hours.

As of April 30, 2009, the liability for vested employee sick leave and vacation compensation for City employees totals \$436,628.

## **M. Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires the use of estimates based on management's knowledge and experience. Due to their prospective nature, actual results could differ from those estimates.

## **N. Long Term Debt**

In the government-wide statements, and proprietary fund types in the fund financial statements, long term debt and other long term obligations are reported as liabilities in the applicable governmental activities, business type activities, or proprietary fund type statement of net assets.

Long term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest is reported as expenditures. The accounting for proprietary funds is the same in the fund financial statements as it is in the government-wide statements.

## **O. Equity Classification**

### Government-Wide Statements

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

- (1) Invested in capital assets - Consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets.
- (2) Restricted net assets - Net assets with constraints placed on their use by external groups or by law through constitutional provisions or enabling legislation.
- (3) Unrestricted net assets - All other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt".

The governmental activities column of the government wide statement of net assets reports \$2,108,411 of restricted net assets for other purposes. Of this amount, \$353,409 is restricted by enabling legislation related to the audit fund and the motor fuel fund, \$97,540 is restricted for roadway improvements, \$92,006 is restricted for drug and alcohol enforcement, police fundraising, education, vehicle seizures and miscellaneous other police purposes, \$220,706 is restricted for retirement benefits, \$1,228,653 is restricted for the Incremental Tax fund, and \$116,097 is restricted for liability insurance.

### Fund Financial Statements

Governmental fund equity is classified as fund balance. Proprietary fund equity is classified the same as in the government-wide statements.

Reserves for bond debt service in the General Fund and the Enterprise Funds have been established to provide for certain restricted accounts as required by bond ordinances. These restrictions are described at Note 4.

It is the City's policy to first use restricted net assets prior to the use of unrestricted net assets when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

## **P. Program Revenues**

In the Statement of Activities, revenues that are derived directly from each activity or from parties outside the City's taxpayers are reported as program revenues. The City has the following program revenues in each activity:

General Government – Licenses, permits, fees, and fines.

Public Safety - Fine revenue, reimbursement for school activities, specific donations, and grants from the US Departments of Justice and Transportation and the Illinois Liquor Control Commission.

Highways and Streets - Reimbursements and grants received from the Illinois Department of Transportation.

Cemetery – Grave sites, interment fees and footings.

All other governmental revenues are reported as general. All taxes are classified as general revenue even if restricted for a specific purpose.

#### **Q. Operating Revenue and Expenses**

Operating revenues and expenses for proprietary funds result from providing services and producing and delivering goods/and or services. They also include all revenues and expenses not related to capital and related financing, noncapital financing, or investing activities.

#### **R. Interfund Balances and Activities**

Short-term amounts owed between funds are classified as “due to/from other funds”, representing expenditures paid by one fund on behalf of the other. Interfund activity and balances, if any, are eliminated or reclassified in the government-wide financial statements as follows:

Internal balances – Amounts reported in the fund financial statements as interfund receivables and payables are eliminated in the governmental and business-type activities columns of the Statement of Net Assets, except for the net residual amounts due between governmental and business-type activities, which are reported as internal balances.

Internal activities – Amounts reported as interfund transfers in the fund financial statements are eliminated in the government-wide Statement of Activities except for the net amount of transfers between governmental and business-type activities, which are reported as transfers-internal activities.

#### **S. Reclassifications**

Certain accounts in the prior-year financial statements have been reclassified for comparative purposes to conform to the presentation in the current-year financial statements.

### **NOTE 2. CASH AND INVESTMENTS**

Governmental Accounting Standards Board Statement No. 40 “*Deposit and Investment Risk Disclosures*” established and modified disclosure requirements related to investment and deposit risks effective for the City as of April 30, 2006. Investment risks include: credit risk (custodial credit risk and concentrations of credit risk), interest rate risk, and foreign currency risk. Deposit risks include: custodial credit risk and foreign currency risk. The disclosure as required under GASB 40 for April 30, 2009 is presented as follows.

## Deposits

Custodial credit risk for deposits is the risk that in the event of a bank failure, the City's deposits may not be returned or the City will not be able to recover collateral securities in the possession of an outside party. The City's deposit policy provides that all deposits be guaranteed by the U.S. government, insured by the Federal Deposit Insurance Corporation (FDIC), or fully collateralized with securities held by the City or its agent in the City's name or by its counterparty's trust department or agent in the City's name. However, at April 30, 2009, approximately \$2,000,000 of the City's deposits and \$2,000,000 of the police pension's deposits were collateralized by securities held in the respective financial institution's vault.

The City's cash and cash equivalents at April 30, 2009 consisted of deposits with financial institutions and the Illinois Funds Money Market Fund. The Illinois Funds have a credit rating of AAAM, by an independent rating agency, indicating a strong capacity to maintain principal stability and to limit exposure to principal losses due to credit, market, and liquidity risks.

The monies invested in the Illinois Funds by the individual participants are pooled together and invested in U.S. Treasury bills and notes backed by the full faith and credit of the U.S. Treasury. In addition, monies are invested in fully collateralized time deposits in Illinois financial institutions, in collateralized repurchase agreements, and in treasury mutual funds that invest in U.S. Treasury obligations and collateralized repurchase agreements.

At April 30, 2009, all the City's deposits, excluding \$500 in cash on hand, were covered by federal depository insurance, by collateral held by the financial institution's trust department or agent in the City's name, or invested in Illinois Funds Money Market Fund.

The following is a reconciliation of cash and cash equivalents at April 30, 2009:

	<b><u>Carrying Amount</u></b>
Illinois Funds	\$ 5,667,121
Money market funds	1,308,094
Checking and savings	591,135
Cash on hand	500
<b>Total cash and cash equivalents</b>	<b><u>\$ 7,566,850</u></b>

The deposits are reflected on the financial statements at April 30, 2009 as follows:

Government-wide statement of net assets:	
Cash and cash equivalents	\$ 15,937,596
Restricted assets -- cash and cash equivalents	1,437,593
Statement of fiduciary net assets:	
Cash and cash equivalents	191,661
	<b><u>\$ 17,566,850</u></b>

## Investments

As of April 30, 2009, the City had the following investments:

<b><u>Type of Investment</u></b>	<b><u>Fair Value/ Carrying Amount</u></b>	<b><u>Average Credit Quality/ Ratings (1)</u></b>	<b><u>Weighted Average Years to Maturity (2)</u></b>
Primary Government			
Certificates of deposit	\$ 660,250	N/A	0.36
Fiduciary Fund			
Certificates of deposit	2,670,315	N/A	2.28
Mutual funds-equities	530,228	N/A	N/A
Mutual funds-diversified	185,311	AA, B	4.09
Annuities-equities	523,158	N/A	N/A
Annuities-diversified	204,520	AA	2.56
Total Fiduciary Fund investments	<u>4,113,532</u>		
Total Investments	<u>\$ 4,773,782</u>		

(1) Ratings are provided where applicable to indicate associated credit risk. N/A indicates not applicable. Obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk.

(2) Interest rate risk is estimated using the weighted average years to maturity method.

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Investing for the Fiduciary Fund is performed in accordance with investment policies adopted by the Board of Trustees complying with Illinois Compiled Statutes. Funds shall be invested as per Illinois Pension Code Section 3-135 and by the Public Funds Investment Act (20 ILCS 235/01).

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Investments held for longer periods are subject to increased risk of adverse interest rate changes. The Fund's policy provides that investments are diversified to minimize the risk of loss resulting from over-concentration of assets in a specific maturity period, a single issuer, or an individual class of securities while the Fund maintains sufficient liquidity. Investment guidelines have been established for monies invested to meet approximate market rates of return on its investments, consistent with constraints established by its safety objectives, cash flow considerations, and Illinois State laws that restrict the placement of public funds.

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 in the possession of an outside party. The City's policy provides that investments be diversified or collateralized to avoid incurring unreasonable risks regarding specific security types and/or financial institutions. Investments are insured by FDIC insurance or collateralized with securities held by the City or its agent in the City's name.

Concentration of credit risk is the risk of loss attributed to the magnitude of the City's investment in a single issuer. Investments representing 5% or more of total investments at April 30, 2009 are as follows:

Heartland Bank Certificate of Deposit	\$ 294,997
Morton Community Bank Certificates of Deposit	630,879

### NOTE 3. CAPITAL ASSETS

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

	<b>Balance May 1, 2008</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance April 30, 2009</b>
<i>Governmental activities:</i>				
Capital assets not being depreciated:				
Land	\$ 745,515	\$ -	\$ -	\$ 745,515
Construction in process	149,140	497,639	67,781	578,998
Total capital assets not being depreciated	894,655	497,639	67,781	1,324,513
Other capital assets:				
Land improvements	189,973	141,694	-	331,667
Buildings	1,578,255	-	-	1,578,255
Infrastructure	16,942,790	2,497,205	-	19,439,995
Equipment and vehicles	2,381,065	443,827	160,100	2,664,792
Total other capital assets	21,092,083	3,082,726	160,100	24,014,709
Less accumulated depreciation for:				
Land improvements	73,830	7,584	-	81,414
Buildings	591,563	31,418	-	622,981
Infrastructure	1,446,699	857,215	-	2,303,914
Equipment and vehicles	1,324,525	216,744	160,100	1,381,169
Total accumulated depreciation	3,436,617	1,112,961	160,100	4,389,478
Other capital assets, net	17,655,466	1,969,765	-	19,625,231
Governmental activities, net	\$ 18,550,121	\$ 2,467,404	\$ 67,781	\$ 20,949,744

	<b><u>Balance</u></b> <b><u>May 1, 2008</u></b>	<b><u>Additions</u></b>	<b><u>Deletions</u></b>	<b><u>Balance</u></b> <b><u>April 30,</u></b> <b><u>2009</u></b>
<i>Business-type activities:</i>				
Capital assets not being depreciated:				
Land	\$ 204,676	\$ -	\$ -	\$ 204,676
Construction in process	452,968	502,492	9,140	946,320
Total capital assets not being depreciated	657,644	502,492	9,140	1,150,996
Other capital assets:				
Water system	11,830,497	257,666	-	12,088,163
Sewer system	18,714,994	586,004	-	19,300,998
Equipment	580,201	45,568	-	625,769
Total other capital assets	31,125,692	889,238	-	32,014,930
Less accumulated depreciation for:				
Water system	2,634,303	293,128	-	2,927,431
Sewer system	7,010,816	451,993	-	7,462,809
Equipment	416,969	41,546	-	458,515
Total accumulated depreciation	10,062,088	786,667	-	10,848,755
Other capital assets, net	21,063,604	102,571	-	21,166,175
Business- type activities, net	<u>\$ 21,721,248</u>	<u>\$ 605,063</u>	<u>\$ 9,140</u>	<u>\$ 22,317,171</u>

Depreciation expense was charged as follows in the Statement of Activities:

**Governmental Activities:**

General government	\$ 14,375
Public safety	58,796
Highways and streets	867,908
Cemetery	8,095
Capital assets held by the government's internal service fund are charged to the various functions based on their usage of the assets	<u>163,787</u>

Total depreciation expense for governmental activities \$ 1,112,961

**Business-Type Activities:**

Water	\$ 322,626
Sewer	<u>464,041</u>

Total depreciation expense for business-type activities \$ 786,667

**NOTE 4. LONG-TERM DEBT**

The City's long term debt is segregated between amounts to be paid from governmental activities and amounts repaid from business type activities. The changes in the City's long-term debt for the year ended April 30, 2009 are as follows:

	<b><u>Balance</u></b> <b><u>May 1, 2008</u></b>	<b><u>Additions</u></b>	<b><u>Reductions</u></b>	<b><u>Balance</u></b> <b><u>April 30, 2009</u></b>	<b><u>Amount</u></b> <b><u>Due In</u></b> <b><u>One Year</u></b>
<b>Governmental Activities:</b>					
General obligation bonds:					
Special Assessment Bonds, Series 2005	\$ 432,000	\$ -	\$ 27,000	\$ 405,000	\$ 29,000
Alternate Revenue Source, Series 1998	134,349	-	134,349	-	
Alternate Revenue Source, Series 2002**	601,800	-	59,840	541,960	59,840
Alternate Revenue Source, Series 2002B**	617,600	-	55,120	562,480	56,680
General Obligation Bonds, Series 2006	5,361,067	-	36,467	5,324,600	125,000
Vested compensated absences	361,701	6,520	-	368,221	115,695
Total Governmental Activities	<u>\$ 7,508,517</u>	<u>\$ 6,520</u>	<u>\$ 312,776</u>	<u>\$ 7,202,261</u>	<u>\$ 386,215</u>
<b>Business-Type Activities:</b>					
General obligation bonds:					
Alternate Revenue Source, Series 2002**	\$ 283,200	\$ -	\$ 28,160	\$ 255,040	\$ 28,160
Alternate Revenue Source, Series 2002B**	562,400	-	50,880	511,520	52,320
Illinois Environmental Protection Agency Loan	1,744,468	-	152,796	1,591,672	157,245
Vested compensated absences	60,759	7,647	-	68,406	29,503
Total Business-Type Activities	<u>\$ 2,650,827</u>	<u>\$ 7,647</u>	<u>\$ 231,837</u>	<u>\$ 2,426,637</u>	<u>\$ 267,228</u>

\*\* These bonds were issued as Alternate Revenue Source bonds by the City, payable from various tax revenues; however, portions of the projects include improvements to the water and sewer systems. The portion of the debt related to water and sewer activities has been recorded in the Enterprise Funds.



## Governmental Activities

### Special Assessment Bonds

#### Mallard Crossing

In fiscal year 2005, the City issued Special Service Area Number One (Mallard Crossing) Unlimited Ad Valorem Tax Bonds, Series 2005 in the amount of \$500,000. These bonds are limited obligations of the City, payable solely from the collection of the special service area taxes. The special service area taxes are irrevocably pledged for the payment of principal and interest on the bonds. The bonds are secured by the full faith and credit of and levy of general property taxes on property within the special service area. The debt service requirements on these bonds are as follows:

<b>Years Ending April 30,</b>	<b><u>Principal</u></b>	<b><u>Interest Rate</u></b>	<b><u>Interest</u></b>	<b><u>Total</u></b>
2010	\$ 29,000	4.75	\$ 19,238	\$ 48,238
2011	30,000	4.75	17,860	47,860
2012	32,000	4.75	16,435	48,435
2013	33,000	4.75	14,915	47,915
2014	35,000	4.75	13,348	48,348
2015 to 2020	<u>246,000</u>	<u>4.75</u>	<u>42,560</u>	<u>288,560</u>
<b>Total</b>	<u>\$ 405,000</u>		<u>\$ 124,356</u>	<u>\$ 529,356</u>

Principal paying date: December 1

Interest paying dates: June 1 and December 1

The bond ordinance requires monies to be segregated and restricted in special restricted accounts as described below:

<b><u>Account</u></b>	<b><u>Amount</u></b>	<b><u>Nature of Authorized Expenditures</u></b>
Principal and interest	Amount that results from deposit of property tax levy receipts less payment of principal and interest on the bonds as they become due. As of April 30, 2009, \$13,215 has been required to be accumulated.	Paying principal and interest.
Administration	Amount not to exceed \$1,000 to be deposited each year from receipts of special service area taxes. As of April 30, 2009, \$1,000 has been accumulated and transferred to the General Fund for administration of the Fund.	Paying costs and expenses related to the administration of the Special Services Fund.

The following amounts are reported as restricted cash as follows:

Debt Service Fund	<u>\$ 13,215</u>
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### General Obligation Bonds – Alternate Revenue Source

In fiscal year 2003, the City issued Alternate Revenue Bonds, Series 2002. These bonds are general obligations of the City and contain a pledge of its full faith and credit for the payment of principal and interest. The City, however, expects these bonds to be paid by sales and income taxes and charges for services. Portions of the project relate to improvements to the water and sewer systems and, therefore, the portion of the debt related to these projects has been recorded in the Enterprise Funds.

The debt service requirements on these bonds are as follows:

<b>Years Ending</b>		<b>Interest</b>		
<b><u>April 30,</u></b>	<b><u>Principal</u></b>	<b><u>Rate</u></b>	<b><u>Interest</u></b>	<b><u>Total</u></b>
2010	\$ 88,000	4.75	\$ 35,768	\$ 123,768
2011	88,000	4.75	31,588	119,588
2012	88,000	4.75	27,408	115,408
2013	88,000	4.75	23,228	111,228
2014	88,000	4.75	19,048	107,048
2015 – 2018	<u>357,000</u>	4.75	<u>34,268</u>	<u>391,268</u>
<b>Total</b>	<b><u>\$ 797,000</u></b>		<b><u>\$ 171,308</u></b>	<b><u>\$ 968,308</u></b>

Payable from:

Governmental Funds	\$ 541,960
Enterprise Funds	<u>255,040</u>
	<u>\$ 797,000</u>

Principal paying date: June 1

Interest paying dates: June 1 and December 1

The bond ordinance requires monies to be segregated and restricted in special restricted accounts as described below:

<b><u>Account</u></b>	<b><u>Amount</u></b>	<b><u>Nature of Authorized Expenditures</u></b>
Project	Proceeds of bonds net of issuance costs. As of April 30, 2009, all proceeds have been used.	Costs associated with the project.
Principal and interest	Amount necessary to make the amount credited to the account equal to any principal and interest due and unpaid plus the amount of principal and interest deemed to accrue monthly on the outstanding bonds. As of April 30, 2009, \$96,441 has been required to be accumulated.	Paying current principal and interest.

The following amounts are reported as restricted cash as follows:

General Fund	\$ 65,580
Waterworks Fund	8,197
Sewerage Fund	<u>22,664</u>
	<u>\$ 96,441</u>

In fiscal year 2003, the City issued Alternate Revenue Bonds, Series 2002B. These bonds are general obligations of the City and contain a pledge of its full faith and credit for the payment of taxes and charges for services. A portion of the project relates to improvements to the sewer system and, therefore, the portion of the debt related to the sewer project has been recorded in the Enterprise Funds. The debt service requirements on these bonds are as follows:

<u>Years Ending</u> <u>April 30,</u>	<u>Principal</u>	<u>Interest</u> <u>Rate</u>	<u>Interest</u>	<u>Total</u>
2010	\$ 109,000	4.75	\$ 51,015	\$ 160,015
2011	111,000	4.75	45,838	156,838
2012	114,000	4.75	40,565	154,565
2013	116,000	4.75	35,150	151,150
2014	119,000	4.75	29,640	148,640
2015-2018	<u>505,000</u>	4.75	<u>60,608</u>	<u>565,608</u>
<b>Total</b>	<u>\$ 1,074,000</u>		<u>\$ 262,816</u>	<u>\$ 1,336,816</u>

Payable from:

Governmental Funds	\$ 562,480
Enterprise Funds	<u>511,520</u>
	<u>\$ 1,074,000</u>

Principal paying date: December 1

Interest paying dates: June 1 and December 1

The bond ordinance requires monies to be segregated and restricted in special restricted accounts as described below:

<u>Account</u>	<u>Amount</u>	<u>Nature of Authorized Expenditures</u>
Project	Proceeds of bonds net of issuance costs. As of April 30, 2009, \$294,997 remains in this account.	Costs associated with the project.
Principal and interest	Amount necessary to make the amount credited to the account equal to any principal and interest due and unpaid plus the amount of principal and interest deemed to accrue monthly on the outstanding bonds. As of April 30, 2009, \$66,673 has been required to be accumulated.	Paying current principal and interest.

The following amounts are reported as restricted cash as follows:

General Fund	\$ 34,670
Sewerage Fund	<u>327,000</u>
	<u>\$ 361,670</u>

### General Obligation Bonds

In fiscal year 2007, the City issued General Obligation Bonds, Series 2006. The proceeds of these bonds were used to construct a community center complex within the City. The Bonds constitute valid and legally binding full faith and credit general obligations of the City, payable from ad Valorem taxes levied on all taxable property in the City, without limitation as to rate or amount. The City, however, expects these bonds to be paid by sales and income taxes. The debt service requirements on these bonds are as follows:

<b>Years Ending April 30,</b>	<b>Principal</b>	<b>Interest Rate</b>	<b>Interest</b>	<b>Total</b>
2010	\$ 125,000	7.00%	\$ 265,294	\$ 390,294
2011	135,000	7.00	256,194	391,194
2012	145,000	7.00	246,394	391,394
2013	155,000	7.00	235,893	390,893
2014	165,000	7.00	224,694	389,694
2015-2017	565,000	7.00	599,182	1,164,182
2018	215,000	4.00	175,069	390,069
2019-2020	455,000	4.125	322,872	777,872
2021-2025	1,335,000	5.00	599,875	1,934,875
2026-2030	<u>1,705,000</u>	5.00	<u>221,125</u>	<u>1,926,125</u>
<b>Total</b>	\$ 5,000,000		<u>\$ 3,146,592</u>	<u>\$ 8,146,592</u>
Bond premium	428,165			
Accumulated amortization	<u>(103,565)</u>			
	<u>\$ 5,324,600</u>			

These General Obligation Bonds were issued at a premium of \$428,165. This premium is amortized over the life of the bonds using the interest method. Amortization on the premium was \$36,467 for the year ended April 30, 2009. The City incurred \$112,259 of bond issuance costs to issue these bonds. Bond issuance costs are carried net of accumulated amortization, which is calculated using the straight line method over the life of the bonds, which approximates interest method. Amortization expense was \$4,881 and accumulated amortization was \$14,643 at April 30, 2009.

<u>Account</u>	<u>Amount</u>	<u>Nature of Authorized Expenditures</u>
Project	Proceeds of bonds net of issuance costs. As of April 30, 2009, there are no proceeds that remain in this account.	Costs associated with the project.
Principal and interest	Amount necessary to make the amount credited to the account equal to any principal and interest due and unpaid plus the amount of principal and interest deemed to accrue monthly on the outstanding bonds. As of April 30, 2009, \$395,919 has been required to be accumulated.	Paying current principal and interest.
The following amounts are reported as restricted cash as follows:		
Debt Service Fund		\$ 395,919

*Business-Type Activities*

**IEPA Loan Payable**

In fiscal year 1997, the City entered into a loan agreement with the Illinois Environmental Protection Agency (IEPA) for the purpose of paying a part of the cost of constructing, improving, and extending the City's sewerage system facilities. The loan carries a fixed interest rate of 2.89 percent for a term of twenty years. Payments are due in semiannual amounts of \$101,058, including interest, thereafter, with final payment due March 1, 2018. The debt service requirements on this loan are as follows:

<u>Years Ending April 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010	\$ 157,245	\$ 44,871	\$ 202,116
2011	161,822	40,294	202,116
2012	166,532	35,584	202,116
2013	171,380	30,736	202,116
2014	176,369	25,747	202,116
2015-2018	758,323	50,136	808,459
<b>Total</b>	<b>\$ 1,591,671</b>	<b>\$ 227,368</b>	<b>\$ 1,819,039</b>

The sewer loan ordinance for the IEPA loan requires monies held in the Sewerage Enterprise Fund to be segregated and restricted in separate special restricted accounts in the priority indicated by the order of the following:

<u>Account</u>	<u>Amount</u>	<u>Nature of Authorized Expenditures</u>
(a) Operation and maintenance	Amount sufficient, when added to amount then on deposit, to establish a balance equal to an amount not less than the amount necessary to pay operation and maintenance expenses for two months. The City ensures each month that the operating accounts of the Sewerage Enterprise Fund have adequate funds to meet this covenant. A separate account has not been established.	Expenses of operating, maintaining, and repairing the system.
(b) Bond, interest, and principal	Amount that results from the monthly accumulation of not less than a pro-rata of the interest becoming due on the next succeeding interest payment date and not less than a pro-rata of the principal becoming due on the next succeeding principal payment date. As of April 30, 2009, \$33,686 has been required to be accumulated.	Paying current principal and interest on bonds.
(c) Bond reserve	1/120 of maximum annual debt service per month, commencing May 1, 1997, until the account accumulates the total sum of \$202,116 (maximum annual debt service). As of April 30, 2009, \$202,116 has been accumulated.	Paying principal and interest on bonds in the event that the bond and interest account has insufficient funds.
(d) Depreciation	\$1,200 per month, commencing May 1, 1997, until the account accumulates the total sum of \$145,000. As of April 30, 2009, \$145,000 has been accumulated.	Paying principal and interest on bonds or extraordinary maintenance and repair costs in the event that no other funds are available for these purposes.
(e) Surplus	The amount remaining after payment into the above accounts. This is accounted for as the remainder of the unrestricted funds of the Sewerage Enterprise Fund.	Constructing or acquiring repairs, improvements or extensions to the system, calling or redeeming bonds or any other lawful purpose of the system.

The following amounts are reported as restricted cash as follows:

Sewerage Fund	\$ 380,802
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The City is a home-rule municipality and, accordingly, is not subject to any constitutional debt limit.

## Debt Covenants

The various bond indentures contain limitations and restrictions on annual debt service requirements, maintenance of and flow of monies through various restricted accounts, and minimum amounts to be maintained in various funds. The City is in compliance with all financial limitations and restrictions.

## NOTE 5. RETIREMENT PLANS AND OTHER POST EMPLOYMENT BENEFITS

### Illinois Municipal Retirement Fund

*Plan Description.* The City's defined benefit pension plan for regular employees provides retirement and disability benefits, post retirement increases, and death benefits to plan members and beneficiaries. The City's employer plan is affiliated with the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer plan. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained on-line at [www.imrf.org](http://www.imrf.org).

*Funding Policy.* As set by statute, the City's plan members are required to contribute 4.50 percent of their annual covered salary. The statutes require employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer contribution rate for calendar year 2008 was 9.77 percent of annual covered payroll. The City also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

*Annual Pension Cost.* For 2008, the City's annual pension cost of \$180,066 for the Regular plan was equal to your employer's required and actual contributions.

#### Three Year Trend Information

Actuarial Valuation Date	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/08	\$ 180,066	100%	\$ -
12/31/07	171,863	100%	-
12/31/06	173,066	100%	-

The required contribution for 2008 was determined as part of the December 31, 2006, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2006, included (a) 7.5 percent investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4.00% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 11.6% per year depending on age and service, attributable to seniority/merit, and (d) post retirement benefit increases of 3% annually.

The actuarial value of plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. The plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at the December 31, 2006, valuation was 24 years.

*Funded Status and Funding Progress.* As of December 31, 2008, the most recent actuarial valuation date, the Regular plan was 79.89 percent funded. The actuarial accrued liability for benefits was \$5,889,568 and the actuarial value of assets was \$4,705,446, resulting in an underfunded actuarial accrued liability (UAAL) of \$1,184,122. The covered payroll (annual payroll of active employees covered by the plan) was \$1,843,052 and the ratio of the UAAL to the covered payroll was 64 percent.

The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets in increasing or decreasing over time relative to the actuarial accrued liability for benefits.

## **Police Pension**

### Plan Description

The City of Washington Police Pension Trust Fund was created and is administered as prescribed by “Article 3. Police Pension Fund – Municipalities 500,000 and Under” of the Illinois Pension Code (Illinois Compiled Statutes, 1992, Chapter 40). Provisions of the plan can only be modified by State legislation.

The Police Pension Trust Fund is a single-employer defined benefit pension plan, which covers the police-sworn personnel of the City. The Police Pension Trust Fund, which is administered by the City, provides retirement, death, and disability benefits to plan members and their beneficiaries. Qualifying employees attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive an annual retirement benefit of 2.5 percent of final salary for each year of service up to 30 years, to a maximum of 75 percent 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 benefit of 2.5 percent of final salary for each year of service.

Surviving spouses receive 100 percent of final salary for fatalities resulting from an act of duty or, otherwise, the greater of 50 percent of final salary or the employee's retirement benefit.

Employees disabled in the line of duty receive 65 percent of final salary.

The monthly pension of a covered employee who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3 percent of the originally granted pension. Beginning with increases granted on or after July 1, 1993, the second and subsequent automatic annual increases shall be calculated as 3 percent of the amount of the pension payable at the time of the increase.



Membership of the plan consisted of the following at May 1, 2008, the date of the latest actuarial valuation:

Retirees and beneficiaries receiving benefits	5
Terminated plan members entitled to but not yet receiving benefits	-
Active plan members	19
<b>Total</b>	<u>24</u>
<b>Number of participating employers</b>	<u>1</u>

Financial information for the Police Pension Trust Fund is recorded only in the City's fund financial statements.

#### Funding Policy

Qualifying employees are required to contribute 9.91 percent of their base salary to the Police Pension Trust Fund. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The City is required to contribute the remaining amounts necessary to finance the plan at an actuarially determined rate; the current rate is 14.91 percent of annual covered payroll.

#### Recognition of Contributions and Benefits Paid

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 City 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.

#### Annual Pension Cost and Net Pension Obligation

The City's annual pension cost and net pension obligations to the Police Pension Trust Fund for May 1, 2008 (the date of the latest actuarial valuation) were as follows:

Annual Required Contribution (ARC)	\$ 141,446
Interest on net pension obligation	(1,398)
Adjustment to ARC	<u>970</u>
Annual pension cost	141,018
Contributions made	<u>142,170</u>
Decrease in net pension obligation	(1,152)
Net pension obligation, beginning of year	<u>(18,646)</u>
<b>Net pension obligation, end of year</b>	<u>\$ (19,798)</u>

The required contribution was determined as part of the May 1, 2008 actuarial valuation using the entry age level percentage of payroll method over a 25 year closed period. The actuarial assumptions included (a) 7.25 percent investment rate of return which included a 3.00 percent increase for inflation (b) projected salary increases of 5.00 percent which included a 3.00 percent increase for inflation and (c) 3.00 percent per year cost of living adjustment. The actuarial value of Police Pension Plan's assets was determined using market value method. There was a change with respect to Actuarial Assumptions from the prior year to reflect revised expectations with respect to future interest rates. The interest rate assumption has been reduced from 7.50% to 7.25%. The change in interest rate assumption increased Normal Cost \$11,280, increased the Accrued Liability \$179,140, and increased the Tax Levy Requirement \$20,072.

### **Three Year Trend Information**

<b><u>Actuarial Valuation Date</u></b>	<b><u>Annual Pension Cost (APC)</u></b>	<b><u>Percentage of APC Contributed</u></b>	<b><u>Net Pension Obligation</u></b>
5/1/08	\$ 141,018	100.8%	\$ -
5/1/07	120,502	100.8%	-
5/1/06	121,725	100.5%	-

### **Post-Employment Health Insurance**

The City provides for extended health care coverage for retirees and their dependents. To be eligible for coverage a retiree needs to be at least 55 years old, have combined age and years of service of at least 80 and have been hired by the City before August 1, 1998. The City is funding this benefit on a pay as you go basis. At April 30, 2009, the retiree's portion of coverage is \$50/month for family and \$25/month for single.

### **Retirement Health Savings Plan**

In August 2007, the City initiated three retirement health savings plans which cover the unionized telecommunicators, the unionized police employees and non-union employees hired after July 31, 1998. The City will contribute 1.5% of an eligible participant's base wage plus longevity on an annual basis. The funds will be available to any participant upon separation from service. The City's contribution to the plan for the year ended April 30, 2009 was \$39,414.

**NOTE 6. INTERFUND BALANCES**

Interfund receivable and payable balances as of April 30, 2009 are as follows:

	<b><u>Due from Other Funds</u></b>	<b><u>Due to Other Funds</u></b>
General Fund	\$ 12,801	\$ 28
Special Revenue Funds		
Civil Defense Fund	28	-
Enterprise Funds		
Waterworks Fund	25,015	-
Sewerage Fund	2,449	37,816
Trust and Agency Fund		
Special Assessment Collection Fund	-	2,449
	<hr/>	<hr/>
<b>Total interfund receivables and payables</b>	<b>\$ 40,293</b>	<b>\$ 40,293</b>

**NOTE 7. INTERFUND TRANSFERS**

Transfers between funds for the year ended April 30, 2009, were as follows:

	<b><u>Transfer In</u></b>	<b><u>Transfer Out</u></b>
General Fund	\$ 14,500	\$ 1,403,701
Special Revenue Funds		
Illinois Municipal Retirement Fund	75,000	-
Incremental Tax Fund	-	17,222
Civil Defense Fund	40,000	-
Capital Projects Funds		
Cruger Road Improvement Fund	189,600	-
South Cummings Improvement Fund	445,575	-
Dallas Road Improvement Fund	36,507	-
Debt Service Funds		
South Cummings Lane Fund	87,004	-
Kern Road Fund	140,731	-
Cruger Road Fund	84,266	-
Mallard Crossing Fund	-	1,000
Washington Area Community Center Fund	380,018	-
Enterprise Funds		
Waterworks Fund	39,288	39,750
Sewerage Fund	-	70,816
	<hr/>	<hr/>
<b>Total interfund transfers</b>	<b>\$ 1,532,489</b>	<b>\$ 1,532,489</b>

#### **NOTE 8. EXPENDITURES IN EXCESS OF BUDGET**

Capital Projects fund expenditures exceeded budgeted amounts by a total of \$2,994.

#### **NOTE 9. SELF INSURANCE**

The City is exposed to various risks of loss related to torts, theft of, damages to, and destruction of assets; injuries to employees; and natural disasters. The City purchases commercial insurance for these risks of loss.

The City uses an internal service fund, the Employees' Benefit Fund, to account for and finance its uninsured risks of loss associated with medical and dental claims of its employees and their dependents. Claims expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. Estimated payables for claims and losses for medical and hospital claims include an amount for claims incurred but not reported based upon actuarial estimates and prior experience. The City has specific excess insurance that provides coverage when medical and hospital claims in a given year exceed \$35,000 individually and \$552,442 in the aggregate for claims paid over an annual liability period.

Various funds of the City participate and make payments to the internal service fund based on historical cost information. Based on the requirements of *Governmental Accounting Standards Board Statement No. 10*, which requires that a liability for claims be reported if information prior to the issuance of financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated, unpaid claims of \$153,580 at April 30, 2009 have been included in the financial statements as a payable.

Changes in the claims liability in fiscal year 2009 were:

Balance at April 30, 2008	\$ 71,155
Current year claims and changes in estimates	651,509
Claims paid	<u>(569,084)</u>
<b>Balance at April 30, 2009</b>	<b><u>\$ 153,580</u></b>

#### **NOTE 10. LITIGATION**

The City is the defendant in several claims and lawsuits. Based on information of the City's legal counsel, the resolution of these matters will not have a material adverse effect on the financial condition of the City.

#### **NOTE 11. CONDUIT DEBT AGREEMENTS**

In October 2006, the City issued Industrial Project Revenue Bonds to provide financial assistance to a private-sector entity for the construction of commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities will transfer to the private-sector entity. As of April 30, 2009, the outstanding Industrial Project Revenue Bonds had an aggregate principal amount outstanding of \$4,854,244.

The City is not obligated in any manner for repayment of the above bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

#### **NOTE 12. COMMITMENTS**

The City is under contract for work to be completed on the Devonshire Trunk Sewer. As of April 30, 2009, the total amount of all contracts was \$348,996. Of this amount, \$7,972 has been paid or is included in payables as of the year-end. The City is obligated to pay the remainder of the costs under the contract as the work is completed.

The City is under contract for work to be completed on the Kern Road Extension. As of April 30, 2009, the total amount of all contracts was \$536,651. A total of \$20,160 has been paid or is included in payables as of the year-end.

The City is under contract for work to be completed on North Cummings. As of April 30, 2009, the total amount of all contracts was \$889,340. Of this amount, \$11,289 has been paid or is included in payables as of the year-end.

The City is under contract for work to be completed on School Street Sanitation Sewer. As of April 30, 2009, the total amount of all contracts was \$555,399. Of this amount, \$406,532 has been paid or is included in payables as of the year end, which represents approximately 84 percent completion.

The City is under contract for the Dallas/Cruger Water Main Extension. As of April 30, 2009, the total amount of all contracts was \$101,218. A total of \$8,000 has been paid or is included in payables as of the year-end.

The City is under contract for the WTP1 Reaction Basin. As of April 30, 2009, the total amount of all contracts was \$243,735. A total of \$21,483 has been paid or is included in payables as of the year end.

The City is under contract for the Legion Road Wells Generator. As of April 30, 2009, the total amount of all contracts was \$166,900. A total of \$17,222 has been paid or is included in payables as of the year-end.

The City is under contract for Business Route 24 Drainage/Sidewalk. As of April 30, 2009, the total amount of all contracts was \$281,522. A total of \$9,438 has been paid or is included in payables as of the year end.

The City is under contract for City Hall Remodeling. As of April 30, 2009, the total amount of all contracts was \$689,647. Of this amount, \$347,222 has been paid through year end, which represents 50 percent completion.

The City is under contract for Lincoln Avenue Bridge replacement. As of April 30, 2009, the total amount of all contracts was \$364,951. A total of \$52,388 has been paid or is included in payables as of the year end.

**NOTE 13. SUBSEQUENT EVENT**

On September 30, 2009, the Illinois Environmental Protection Agency approved the City's application for a wastewater treatment works loan in the amount of \$7,554,185. Loan terms include a twenty year repayment schedule, zero percent interest and \$1,888,546 of loan principal to be forgiven. The loan proceeds will be used to fund the expansion of the city's Wastewater Treatment Plant No. 2.

The City has evaluated subsequent events through October 26, 2009, the date which the financial statements were available to be issued.

## REQUIRED SUPPLEMENTARY INFORMATION

**CITY OF WASHINGTON, ILLINOIS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**GENERAL AND MAJOR SPECIAL REVENUE FUNDS**  
**YEAR ENDED APRIL 30, 2009**

	General Fund			Variance Favorable (Unfavorable)
	Budget	Final	Actual	
<b>REVENUES</b>				
Property taxes	\$ 570,400	\$ 570,400	\$ 578,888	\$ 8,488
Licenses and permits	246,600	246,600	281,064	34,464
Intergovernmental	6,014,100	6,014,100	6,392,115	378,015
Grant proceeds	33,780	33,780	24,247	(9,533)
Charges for services	62,100	62,100	51,092	(11,008)
Fines and forfeitures	130,500	130,500	119,912	(10,588)
Special projects	105,800	105,800	116,449	10,649
Interest	139,500	139,500	73,208	(66,292)
Other	19,000	19,000	36,189	17,189
	<u>7,321,780</u>	<u>7,321,780</u>	<u>7,673,164</u>	<u>351,384</u>
<b>EXPENDITURES</b>				
Current				
General government	914,805	914,805	791,199	123,606
Public safety	3,487,580	3,487,580	3,104,747	382,833
Highways and streets	1,299,740	1,299,740	1,239,177	60,563
Health and welfare	16,200	16,200	13,608	2,592
Capital outlay	1,230,900	1,230,900	642,898	588,002
	<u>6,949,225</u>	<u>6,949,225</u>	<u>5,791,629</u>	<u>1,157,596</u>
Excess (deficiency) of revenue over expenditures	<u>372,555</u>	<u>372,555</u>	<u>1,881,535</u>	<u>1,508,980</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	19,440	19,440	14,500	(4,940)
Transfers out	(1,161,809)	(1,563,418)	(1,403,701)	159,717
Total other financing sources (uses)	<u>(1,142,369)</u>	<u>(1,543,978)</u>	<u>(1,389,201)</u>	<u>154,777</u>
Net change in fund balances	<u>\$ (769,814)</u>	<u>\$ (1,171,423)</u>	<u>\$ 492,334</u>	<u>\$ 1,663,757</u>



Illinois Municipal Retirement Fund			Incremental Tax Fund		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
\$ 385,000	\$ 384,316	\$ (684)	\$ 387,000	\$ 406,884	\$ 19,884
-	-	-	-	-	-
16,500	16,290	(210)	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
5,000	4,200	(800)	40,000	14,455	(25,545)
-	-	-	-	1,825	1,825
406,500	404,806	(1,694)	427,000	423,164	(3,836)
480,000	425,947	54,053	349,656	103,428	246,228
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	1,348,000	172,098	1,175,902
480,000	425,947	54,053	1,697,656	275,526	1,422,130
(73,500)	(21,141)	52,359	(1,270,656)	147,638	1,418,294
75,000	75,000	-	-	-	-
-	-	-	-	(17,222)	(17,222)
75,000	75,000	-	-	(17,222)	(17,222)
\$ 1,500	\$ 53,859	\$ 52,359	\$ (1,270,656)	\$ 130,416	\$ 1,401,072

**CITY OF WASHINGTON, ILLINOIS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND**  
**BUDGET AND ACTUAL**  
**GENERAL AND MAJOR SPECIAL REVENUE FUNDS**  
**YEAR ENDED APRIL 30, 2009**

	<b>Muller Road Improvement</b>		
	<b>Budget</b>	<b>Actual</b>	<b>Variance Favorable (Unfavorable)</b>
<b>REVENUES</b>			
Property taxes	\$ -	\$ -	\$ -
Licenses and permits	-	-	-
Intergovernmental	-	-	-
Grant proceeds	224,000	224,000	-
Charges for services	-	-	-
Fines and forfeitures	-	-	-
Special projects	-	-	-
Interest	-	-	-
Other	-	-	-
	<u>224,000</u>	<u>224,000</u>	<u>-</u>
<b>EXPENDITURES</b>			
Current			
General government	-	-	-
Public safety	-	-	-
Highways and streets	-	-	-
Health and welfare	-	-	-
Capital outlay	604,000	669,116	(65,116)
	<u>604,000</u>	<u>669,116</u>	<u>(65,116)</u>
Excess (deficiency) of revenue over expenditures	<u>(380,000)</u>	<u>(445,116)</u>	<u>(65,116)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	380,000	445,575	65,575
Transfers out	-	-	-
	<u>380,000</u>	<u>445,575</u>	<u>65,575</u>
Total other financing sources (uses)	<u>380,000</u>	<u>445,575</u>	<u>65,575</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ 459</u>	<u>\$ 459</u>

**CITY OF WASHINGTON, ILLINOIS  
ILLINOIS MUNICIPAL RETIREMENT FUND**

(Unaudited - See Accompanying Independent Auditors' Report)

**SCHEDULE OF FUNDING PROGRESS**

<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets (a)</b>	<b>Actuarial Accrued Liability (AAL)- Entry Age (b)</b>	<b>Unfunded AAL (UAAL) Liability (b-a)</b>	<b>Funded Ratio (a/b)</b>	<b>Covered Payroll (c)</b>	<b>UAAL as a Percentage of Covered Payroll [(b-a)/c]</b>
12/31/2008	\$ 4,705,446	\$ 5,889,568	\$ 1,184,122	79.89 %	\$ 1,843,052	64.25 %
12/31/2007	5,231,988	5,510,837	278,849	94.94	1,750,136	15.93
12/31/2006	5,298,880	5,719,343	420,463	92.65	1,701,326	24.71

**CITY OF WASHINGTON, ILLINOIS  
POLICE PENSION TRUST FUND**

(Unaudited - See Accompanying Independent Auditors' Report)

**SCHEDULE OF FUNDING PROGRESS**

<b>Actuarial Valuation Date (Year beginning May 1)</b>	<b>Actuarial Value of Assets (a)</b>	<b>Actuarial Accrued Liability (AAL) - Entry Age (b)</b>	<b>Unfunded AAL (UAAL) (b-a)</b>	<b>Funded Ratio (a/b)</b>	<b>Covered Payroll (c)</b>	<b>UAAL as a Percentage of Covered Payroll [(b-a)/c]</b>
2008	\$ 5,049,983	\$ 6,269,050	\$1,219,067	80.6 %	\$ 953,435	127.9 %
2007	4,869,175	5,747,157	877,982	84.7	907,238	96.8
2006	4,569,010	5,372,514	803,504	85.0	782,981	102.6

## OTHER SUPPLEMENTARY INFORMATION

**CITY OF WASHINGTON, ILLINOIS  
STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL -  
ALL GOVERNMENTAL FUND TYPES  
YEAR ENDED APRIL 30, 2009**

	General			
	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
<b>REVENUES</b>				
Property taxes	\$ 570,400	\$ 570,400	\$ 578,888	\$ 8,488
Licenses and permits	246,600	246,600	281,064	34,464
Intergovernmental	6,014,100	6,014,100	6,392,115	378,015
Grant proceeds	33,780	33,780	24,247	(9,533)
Charges for services	62,100	62,100	51,092	(11,008)
Fines and forfeitures	130,500	130,500	119,912	(10,588)
Special projects	105,800	105,800	116,449	10,649
Interest	139,500	139,500	73,208	(66,292)
Other	19,000	19,000	36,189	17,189
Total revenues	7,321,780	7,321,780	7,673,164	351,384
<b>EXPENDITURES</b>				
Current				
General government	914,805	914,805	791,199	123,606
Public safety	3,487,580	3,487,580	3,104,747	382,833
Highways and streets	1,299,740	1,299,740	1,239,177	60,563
Health and welfare	16,200	16,200	13,608	2,592
Cemetery	-	-	-	-
Capital outlay	1,230,900	1,230,900	642,898	588,002
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	6,949,225	6,949,225	5,791,629	1,157,596
Excess (deficiency) of revenue over expenditures	372,555	372,555	1,881,535	1,508,980
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	19,440	19,440	14,500	(4,940)
Transfers out	(1,373,809)	(1,563,418)	(1,403,701)	159,717
Total other financing sources (uses)	(1,354,369)	(1,543,978)	(1,389,201)	154,777
Net change in fund balances	\$ (981,814)	\$ (1,171,423)	\$ 492,334	\$ 1,663,757

Special Revenue			Capital Projects			
Budget	Actual	Variance Favorable (Unfavorable)	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
			Original	Final		
\$ 880,150	\$ 898,982	\$ 18,832	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
401,500	369,731	(31,769)	-	-	-	-
-	-	-	224,000	224,000	224,000	-
71,000	99,995	28,995	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
65,800	29,282	(36,518)	-	-	-	-
41,500	44,642	3,142	-	-	-	-
1,459,950	1,442,632	(17,318)	224,000	224,000	224,000	-
948,556	647,962	300,594	-	-	-	-
12,450	7,840	4,610	-	-	-	-
-	56,721	(56,721)	-	-	2,257	(2,257)
-	-	-	-	-	-	-
81,760	52,049	29,711	-	-	-	-
2,069,000	748,474	1,320,526	629,000	705,576	706,313	(737)
-	-	-	-	-	-	-
-	-	-	-	-	-	-
3,111,766	1,513,046	1,598,720	629,000	705,576	708,570	(2,994)
(1,651,816)	(70,414)	1,581,402	(405,000)	(481,576)	(484,570)	(2,994)
170,000	115,000	(55,000)	405,000	405,000	671,682	266,682
-	(17,222)	(17,222)	-	-	-	-
170,000	97,778	(72,222)	405,000	405,000	671,682	266,682
\$ (1,481,816)	\$ 27,364	\$ 1,509,180	\$ -	\$ (76,576)	\$ 187,112	\$ 263,688

**CITY OF WASHINGTON, ILLINOIS  
STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL -  
ALL GOVERNMENTAL FUND TYPES  
YEAR ENDED APRIL 30, 2009**

	Debt Service		
	Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES</b>			
Property taxes	\$ 47,879	\$ 46,550	\$ (1,329)
Licenses and permits	-	-	-
Intergovernmental	-	-	-
Grant proceeds	-	-	-
Charges for services	-	-	-
Fines and forfeitures	-	-	-
Special projects	-	-	-
Interest	13,900	4,867	(9,033)
Other	-	-	-
Total revenues	61,779	51,417	(10,362)
<b>EXPENDITURES</b>			
Current			
General government	-	-	-
Public safety	-	-	-
Highways and streets	-	-	-
Health and welfare	-	-	-
Cemetery	-	-	-
Capital outlay	-	-	-
Debt service			
Principal	276,309	276,309	-
Interest	357,689	352,882	4,807
Total expenditures	633,998	629,191	4,807
Excess (deficiency) of revenue over expenditures	(572,219)	(577,774)	(5,555)
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	661,809	692,019	30,210
Transfers out	(1,000)	(1,000)	-
Total other financing sources (uses)	660,809	691,019	30,210
Net change in fund balances	\$ 88,590	\$ 113,245	\$ 24,655



**CITY OF WASHINGTON, ILLINOIS**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**GENERAL FUND**  
**YEAR ENDED APRIL 30, 2009**

	General Corporate	City Hall	Street
<b>REVENUES</b>			
Property taxes	\$ 298,365	\$ -	\$ 156,580
Licenses and permits	281,064	-	-
Intergovernmental	6,366,281	-	7,851
Grant proceeds	-	-	15,780
Charges for services	30	-	252
Fines and forfeitures	119,912	-	-
Special projects	-	-	-
Interest	72,815	-	-
Other	8,947	-	11,683
	<u>7,147,414</u>	<u>-</u>	<u>192,146</u>
<b>EXPENDITURES</b>			
General government			
Personal services	358,776	16,131	-
Supplies	8,520	5,519	-
WACC	-	-	-
Other services and charges	96,755	34,903	-
Total general government	<u>464,051</u>	<u>56,553</u>	<u>-</u>
Public safety			
Personal services	-	-	-
Supplies	-	-	-
Special projects	-	-	-
Other services and charges	-	-	-
Total public safety	<u>-</u>	<u>-</u>	<u>-</u>
Highways and streets			
Personal services	-		640,290
Supplies	-		12,530
Other services and charges	-		586,357
Total highways and streets	<u>-</u>		<u>1,239,177</u>
Health and welfare			
Other services and charges	12,468	1,140	-
Capital outlay	344,810	22,950	260,820
	<u>821,329</u>	<u>80,643</u>	<u>1,499,997</u>
Excess (deficiency) of revenue over expenditures	<u>6,326,085</u>	<u>(80,643)</u>	<u>(1,307,851)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	2,972	11,528	-
Transfers out	(865,593)	-	(538,108)
Total other financing sources (uses)	<u>(862,621)</u>	<u>11,528</u>	<u>(538,108)</u>
Net change in fund balance	<u>\$ 5,463,464</u>	<u>\$ (69,115)</u>	<u>\$ (1,845,959)</u>

**FUND BALANCE, BEGINNING OF YEAR**

**FUND BALANCE, END OF YEAR**

Police	Tourism and Economic Development	Zoning	Fire and Rescue	Total	2008 (Memorandum Only)
\$ 123,943	\$ -	\$ -	\$ -	\$ 578,888	\$ 444,167
-	-	-	-	281,064	305,427
7,226	-	-	10,757	6,392,115	5,881,638
8,467	-	-	-	24,247	61,180
50,810	-	-	-	51,092	60,229
-	-	-	-	119,912	137,215
116,449	-	-	-	116,449	107,721
393	-	-	-	73,208	226,364
15,559	-	-	-	36,189	32,778
322,847	-	-	10,757	7,673,164	7,256,719
-	17,410	137,876	-	530,193	495,400
-	-	1,647	-	15,686	22,637
-	-	-	-	-	647,295
-	42,209	71,453	-	245,320	193,221
-	59,619	210,976	-	791,199	1,358,553
2,136,803	-	-	-	2,136,803	1,986,413
20,257	-	-	-	20,257	14,310
57,602	-	-	-	57,602	76,694
395,651	-	-	494,434	890,085	792,601
2,610,313	-	-	494,434	3,104,747	2,870,018
-	-	-	-	640,290	600,089
-	-	-	-	12,530	14,746
-	-	-	-	586,357	521,630
-	-	-	-	1,239,177	1,136,465
-	-	-	-	13,608	13,724
11,052	-	3,266	-	642,898	163,205
2,621,365	59,619	214,242	494,434	5,791,629	5,541,965
(2,298,518)	(59,619)	(214,242)	(483,677)	1,881,535	1,714,754
-	-	-	-	14,500	12,700
-	-	-	-	(1,403,701)	(1,322,987)
-	-	-	-	(1,389,201)	(1,310,287)
\$ (2,298,518)	\$ (59,619)	\$ (214,242)	\$ (483,677)	492,334	404,467
				6,737,789	6,333,322
				\$ 7,230,123	\$ 6,737,789

**CITY OF WASHINGTON, ILLINOIS  
COMBINING BALANCE SHEET -  
INCREMENTAL TAX FUND BY ACCOUNTS  
APRIL 30, 2009**

	<b>Downtown</b>	<b>Washington Road</b>	<b>Total</b>	<b>2008 (Memorandum Only)</b>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 705,575	\$ 525,416	\$ 1,230,991	\$ 1,096,034
Receivables (net of allowance for uncollectibles)				
Property taxes	165,356	197,486	362,842	406,888
Due from other funds	-	-	-	9,535
	<u>\$ 870,931</u>	<u>\$ 722,902</u>	<u>\$ 1,593,833</u>	<u>\$ 1,512,457</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities</b>				
Accounts payable and accrued liabilities	\$ 1,104	\$ 1,234	\$ 2,338	\$ 7,186
Due to other funds	-	-	-	146
Deferred revenue	165,356	197,486	362,842	406,888
Total liabilities	<u>166,460</u>	<u>198,720</u>	<u>365,180</u>	<u>414,220</u>
<b>Fund balances</b>				
Unreserved	<u>704,471</u>	<u>524,182</u>	<u>1,228,653</u>	<u>1,098,237</u>
	<u>\$ 870,931</u>	<u>\$ 722,902</u>	<u>\$ 1,593,833</u>	<u>\$ 1,512,457</u>

**CITY OF WASHINGTON, ILLINOIS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES -  
INCREMENTAL TAX FUND BY ACCOUNTS  
YEAR ENDED APRIL 30, 2009**

	<b>Downtown</b>	<b>Washington Road</b>	<b>Total</b>	<b>2008 (Memorandum Only)</b>
<b>REVENUES</b>				
Property taxes	\$ 154,821	\$ 252,063	\$ 406,884	\$ 373,406
Interest	8,567	5,888	14,455	48,704
Other	1,825	-	1,825	1,834
	<u>165,213</u>	<u>257,951</u>	<u>423,164</u>	<u>423,944</u>
<b>EXPENDITURES</b>				
General government	90,899	12,529	103,428	118,146
Capital outlay	20,965	151,133	172,098	36,900
	<u>111,864</u>	<u>163,662</u>	<u>275,526</u>	<u>155,046</u>
Excess of revenues over expenditures	<u>53,349</u>	<u>94,289</u>	<u>147,638</u>	<u>268,898</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	-	(17,222)	(17,222)	(215,251)
Net change in fund balances	53,349	77,067	130,416	53,647
<b>FUND BALANCES, BEGINNING OF YEAR</b>	<u>651,122</u>	<u>447,115</u>	<u>1,098,237</u>	<u>1,044,590</u>
<b>FUND BALANCES, END OF YEAR</b>	<u>\$ 704,471</u>	<u>\$ 524,182</u>	<u>\$ 1,228,653</u>	<u>\$ 1,098,237</u>

**CITY OF WASHINGTON, ILLINOIS  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
APRIL 30, 2009**

	Special Revenue						
	Cemetery	Civil Defense	Audit	Motor Fuel Tax	Liability Insurance	Storm Water Management	Total
ASSETS							
Cash and cash equivalents	\$ 188,967	\$ 16,336	\$ 7,833	\$ 319,283	\$ 62,942	\$ 35,980	\$ 631,341
Receivables (net of allowance for uncollectibles)							
Property taxes	-	3,220	30,012	-	90,009	-	123,241
Special assessments	-	-	-	-	-	-	-
Accounts - customers	1,100	-	-	-	-	-	1,100
Due from other funds	-	28	-	-	-	-	28
Due from other governments	-	-	-	26,293	-	-	26,293
Prepaid items	658	465	-	-	53,155	-	54,278
Restricted assets							
Cash and cash equivalents	-	-	-	-	-	-	-
	\$ 190,725	\$ 20,049	\$ 37,845	\$ 345,576	\$ 206,106	\$ 35,980	\$ 836,281
LIABILITIES AND FUND BALANCES							
Liabilities							
Accounts payable and accrued liabilities	\$ 3,837	\$ 230	\$ -	\$ -	\$ -	\$ -	\$ 4,067
Due to other funds	-	-	-	-	-	-	-
Deferred revenue	-	3,220	30,012	-	90,009	21,872	145,113
Total liabilities	3,837	3,450	30,012	-	90,009	21,872	149,180
Fund balances							
Unreserved	186,888	16,599	7,833	345,576	116,097	14,108	687,101
	\$ 190,725	\$ 20,049	\$ 37,845	\$ 345,576	\$ 206,106	\$ 35,980	\$ 836,281

Capital Project		Debt Service			Total Nonmajor Governmental	2008 (Memorandum Only)
Dallas Road	Total	Mallard Crossing	WACC	Total		
\$ -	\$ -	\$ -	\$ 257,928	\$ 257,928	\$ 889,269	\$ 935,256
-	-	-	-	-	123,241	107,978
-	-	47,733	-	47,733	47,733	47,578
-	-	-	-	-	1,100	1,250
-	-	-	-	-	28	5,624
-	-	-	-	-	26,293	29,475
-	-	-	-	-	54,278	48,443
-	-	-	-	-	-	-
-	-	13,215	395,919	409,134	409,134	409,558
\$ -	\$ -	\$ 60,948	\$ 653,847	\$ 714,795	\$ 1,551,076	\$ 1,585,162

\$ 690	\$ 690	\$ -	\$ -	\$ -	\$ 4,757	\$ 7,967
-	-	-	-	-	-	2,690
-	-	47,733	-	47,733	192,846	177,135
690	690	47,733	-	47,733	197,603	187,792
(690)	(690)	13,215	653,847	667,062	1,353,473	1,397,370
\$ -	\$ -	\$ 60,948	\$ 653,847	\$ 714,795	\$ 1,551,076	\$ 1,585,162

**CITY OF WASHINGTON, ILLINOIS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED APRIL 30, 2009**

	Special Revenue						
	Cemetery	Civil Defense	Audit	Motor Fuel Tax	Liability Insurance	Storm Water Management	Total
<b>REVENUES</b>							
Property taxes	\$ -	\$ 3,151	\$ 27,958	\$ -	\$ 76,673	\$ -	\$ 107,782
Intergovernmental	-	-	-	353,441	-	-	353,441
Grant proceeds	-	-	-	-	-	-	-
Charges for services	99,995	-	-	-	-	-	99,995
Interest	3,002	172	193	5,336	1,083	841	10,627
Other	1,463	560	-	-	-	40,794	42,817
	104,460	3,883	28,151	358,777	77,756	41,635	614,662
<b>EXPENDITURES</b>							
Current							
General government	-	-	26,740	-	73,915	17,932	118,587
Public safety	-	7,840	-	-	-	-	7,840
Highway and streets	-	-	-	56,721	-	-	56,721
Cemetery	52,049	-	-	-	-	-	52,049
Capital outlay	-	37,348	-	423,279	-	115,749	576,376
Debt service							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
	52,049	45,188	26,740	480,000	73,915	133,681	811,573
Excess (deficiency) of revenues over expenditures	52,411	(41,305)	1,411	(121,223)	3,841	(92,046)	(196,911)
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers in	-	40,000	-	-	-	-	40,000
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	40,000	-	-	-	-	40,000
Net change in fund balances	52,411	(1,305)	1,411	(121,223)	3,841	(92,046)	(156,911)
<b>FUND BALANCES, BEGINNING OF YEAR</b>	134,477	17,904	6,422	466,799	112,256	106,154	844,012
<b>FUND BALANCES, END OF YEAR</b>	\$ 186,888	\$ 16,599	\$ 7,833	\$ 345,576	\$ 116,097	\$ 14,108	\$ 687,101





**CITY OF WASHINGTON, ILLINOIS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**YEAR ENDED APRIL 30, 2009**

	Debt Service					
	Kern Road	Cruger Road	South Cummings Lane	Mallard Crossing	WACC	Total
<b>REVENUES</b>						
Property taxes	\$ -	\$ -	\$ -	\$ 46,550	\$ -	\$ 46,550
Intergovernmental	-	-	-	-	-	-
Grant proceeds	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Interest	-	-	-	296	4,571	4,867
Other	-	-	-	-	-	-
	-	-	-	46,846	4,571	51,417
<b>EXPENDITURES</b>						
Current						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Highway and streets	-	-	-	-	-	-
Cemetery	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Debt service						
Principal	134,349	55,120	59,840	27,000	-	276,309
Interest	6,382	29,146	27,164	20,520	269,670	352,882
	140,731	84,266	87,004	47,520	269,670	629,191
Excess (deficiency) of revenues over expenditures	(140,731)	(84,266)	(87,004)	(674)	(265,099)	(577,774)
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	140,731	84,266	87,004	-	380,018	692,019
Transfers out	-	-	-	(1,000)	-	(1,000)
Total other financing sources (uses)	140,731	84,266	87,004	(1,000)	380,018	691,019
Net change in fund balances	-	-	-	(1,674)	114,919	113,245
<b>FUND BALANCES, BEGINNING OF YEAR</b>	-	-	-	14,889	538,928	553,817
<b>FUND BALANCES, END OF YEAR</b>	\$ -	\$ -	\$ -	\$ 13,215	\$ 653,847	\$ 667,062

<b>Total Nonmajor Governmental</b>		<b>2008 (Memorandum Only)</b>	
\$	154,332	\$	143,772
	353,441		377,601
	-		1,137,419
	99,995		62,350
	15,494		40,480
	42,817		38,444
<hr/>		<hr/>	
	666,079		1,800,066
<hr/>		<hr/>	
	118,587		104,155
	7,840		19,306
	58,978		48,700
	52,049		48,777
	613,573		2,182,842
	276,309		268,177
	352,882		489,218
<hr/>		<hr/>	
	1,480,218		3,161,175
<hr/>		<hr/>	
	(814,139)		(1,361,109)
<hr/>		<hr/>	
	958,126		1,221,091
	(1,000)		(1,490)
<hr/>		<hr/>	
	957,126		1,219,601
<hr/>		<hr/>	
	142,987		(141,508)
<hr/>		<hr/>	
	1,210,486		1,351,994
<hr/>		<hr/>	
\$	1,353,473	\$	1,210,486
<hr/>		<hr/>	

**CITY OF WASHINGTON, ILLINOIS  
COMBINING STATEMENT OF NET ASSETS  
INTERNAL SERVICE FUNDS  
APRIL 30, 2009**

	<b>Employees' Benefit Fund</b>	<b>Motor Equipment Replacement Fund</b>	<b>Total</b>	<b>2008 (Memorandum Only)</b>
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and cash equivalents	\$ 484,633	\$ 904,326	\$ 1,388,959	\$ 1,359,460
Receivables (net of allowance for uncollectibles)				
Other	87,965	1,521	89,486	1,467
Prepaid items	-	3,593	3,593	3,684
Total current assets	572,598	909,440	1,482,038	1,364,611
<b>Noncurrent assets</b>				
Capital assets, net of accumulated depreciation	-	805,672	805,672	607,213
	<u>\$ 572,598</u>	<u>\$ 1,715,112</u>	<u>\$ 2,287,710</u>	<u>\$ 1,971,824</u>
<b>LIABILITIES AND NET ASSETS</b>				
<b>Liabilities</b>				
Accounts payable and accrued liabilities	\$ 153,580	\$ 24,276	\$ 177,856	\$ 90,873
Accrued compensated absences	-	214	214	1,694
Due to other funds	-	-	-	3,502
Total current liabilities	153,580	24,490	178,070	96,069
<b>Noncurrent liabilities</b>				
Accrued compensated absences	-	4,551	4,551	1,598
Total liabilities	153,580	29,041	182,621	97,667
<b>Net assets</b>				
Invested in capital assets	-	805,672	805,672	607,213
Unrestricted	419,018	880,399	1,299,417	1,266,944
Total net assets	419,018	1,686,071	2,105,089	1,874,157
	<u>\$ 572,598</u>	<u>\$ 1,715,112</u>	<u>\$ 2,287,710</u>	<u>\$ 1,971,824</u>

**CITY OF WASHINGTON, ILLINOIS**  
**COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES**  
**IN FUND NET ASSETS**  
**INTERNAL SERVICE FUNDS**  
**YEAR ENDED APRIL 30, 2009**

	<b>Employees'</b>	<b>Motor</b>		<b>2008</b>
	<b>Benefit</b>	<b>Equipment</b>		<b>(Memorandum</b>
	<b>Fund</b>	<b>Replacement</b>	<b>Total</b>	<b>Only)</b>
<b>OPERATING REVENUES</b>				
Charges for services	\$ 813,895	\$ 529,600	\$ 1,343,495	\$ 1,189,558
Employee contributions	64,785	-	64,785	57,130
Other	2,359	24,413	26,772	18,459
	881,039	554,013	1,435,052	1,265,147
<b>OPERATING EXPENSES</b>				
General and administrative	18,525	-	18,525	23,661
Personal services	750,174	75,033	825,207	699,617
Materials and supplies	-	157,776	157,776	148,792
Other services and charges	-	91,980	91,980	63,835
Depreciation	-	163,787	163,787	154,245
	768,699	488,576	1,257,275	1,090,150
Operating income	112,340	65,437	177,777	174,997
<b>NONOPERATING REVENUES</b>				
Interest income	(14,330)	(8,825)	(23,155)	(30,821)
Gain on sale of equipment	-	(30,000)	(30,000)	(735)
	(14,330)	(38,825)	(53,155)	(31,556)
Change in net assets	126,670	104,262	230,932	206,553
<b>TOTAL NET ASSETS, BEGINNING OF YEAR</b>	292,348	1,581,809	1,874,157	1,667,604
<b>TOTAL NET ASSETS, END OF YEAR</b>	\$ 419,018	\$ 1,686,071	\$ 2,105,089	\$ 1,874,157

**CITY OF WASHINGTON, ILLINOIS  
COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
YEAR ENDED APRIL 30, 2009**

	<b>Employees' Benefit Fund</b>	<b>Motor Equipment Replacement Fund</b>	<b>Total</b>	<b>2008 (Memorandum Only)</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from customers and users	\$ 793,074	\$ 24,359	\$ 817,433	\$ 750,425
Receipts from interfund services provided	-	529,600	529,600	522,905
Payments to suppliers	(686,274)	(251,397)	(937,671)	(900,156)
Payments to employees	-	(67,270)	(67,270)	(66,797)
Net cash provided by operating activities	106,800	235,292	342,092	306,377
<b>CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Advances from (to) other funds	-	(3,502)	(3,502)	(1,159)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Acquisition and construction of capital assets	-	(362,246)	(362,246)	(71,088)
Proceeds from sale of equipment	-	30,000	30,000	735
Net cash used in capital and related financing activities	-	(332,246)	(332,246)	(70,353)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest received	14,330	8,825	23,155	30,821
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	121,130	(91,631)	29,499	265,686
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	363,503	995,957	1,359,460	1,093,774
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<u>\$ 484,633</u>	<u>\$ 904,326</u>	<u>\$ 1,388,959</u>	<u>\$ 1,359,460</u>
<b>Reconciliation of operating income to net cash provided by operating activities:</b>				
Operating income	\$ 112,340	\$ 65,437	\$ 177,777	\$ 174,997
Adjustments to reconcile operating income to net cash provided by operating activities				
Depreciation	-	163,787	163,787	154,245
(Increase) decrease in receivables	(87,965)	(54)	(88,019)	8,183
Decrease in prepaid items	-	91	91	(368)
Increase (decrease) in accounts payable and accrued liabilities	82,425	4,558	86,983	(31,197)
Increase (decrease) in accrued compensated absences	-	1,473	1,473	517
Net cash provided by operating activities	<u>\$ 106,800</u>	<u>\$ 235,292</u>	<u>\$ 342,092</u>	<u>\$ 306,377</u>

**CITY OF WASHINGTON, ILLINOIS**  
**COMBINING SCHEDULE OF OPERATING EXPENSES, OTHER THAN DEPRECIATION**  
**ENTERPRISE FUNDS**  
**YEAR ENDED APRIL 30, 2009**

				2008 (Memorandum Only)
	Waterworks	Sewerage	Total	
<b>Personal services</b>				
Wages and salaries	\$ 317,410	\$ 411,974	\$ 729,384	\$ 660,945
Payroll taxes	14,291	20,065	34,356	32,709
Group insurance	96,143	127,523	223,666	166,771
Uniforms	2,498	3,675	6,173	7,343
Total personal services	430,342	563,237	993,579	867,768
<b>Heat, lights, and power</b>				
Electricity	147,725	214,020	361,745	315,361
Heating	4,627	12,194	16,821	16,161
Total heat, lights, and power	152,352	226,214	378,566	331,522
<b>Materials and supplies</b>				
Chemicals and supplies	114,264	9,794	124,058	103,856
Office supplies	5,790	4,417	10,207	6,369
Perishable tools	3,866	3,208	7,074	11,556
Total materials and supplies	123,920	17,419	141,339	121,781
<b>Other services and charges</b>				
Training and recruitment	35	-	35	2,556
Insurance	8,454	11,364	19,818	19,418
Printing fees	2,333	1,208	3,541	3,229
Legal fees	4,809	5,597	10,406	22,152
Consulting fees	9,659	5,749	15,408	9,526
Rent	535	1,430	1,965	2,241
Repairs and maintenance:				
Building	5,734	701	6,435	5,736
Equipment	4,064	5,264	9,328	11,861
System	72,434	51,767	124,201	106,692
Motor equipment replacement	58,000	38,000	96,000	156,100
Telephone	5,293	6,791	12,084	12,271
Miscellaneous	10,942	54,352	65,294	49,410
Total other services and charges	182,292	182,223	364,515	401,192
	\$ 888,906	\$ 989,093	\$ 1,877,999	\$ 1,722,263

**CITY OF WASHINGTON, ILLINOIS  
SCHEDULE OF PROPERTY TAX LEVIES, RATES, COLLECTIONS,  
AND ASSESSED VALUATION  
2006 THROUGH 2008**

		2008 Levy			2007 Levy			2006 Levy		
		Levy	Rate	Amounts Extended	Levy	Rate	Collections	Levy	Rate	Collections
<b>GENERAL FUND</b>										
	General Corporate	\$ 330,000	0.1220	\$ 330,024	\$ 298,900	0.1193	\$ 299,015	\$ 198,700	0.0891	\$ 198,721
	Police Pension	173,000	0.0639	173,009	136,500	0.0545	136,563	115,900	0.0520	115,976
<b>SPECIAL REVENUE FUNDS</b>										
	Civil Defense	3,200	0.0012	3,220	3,150	0.0012	3,158	3,200	0.0015	3,345
	Audit	30,000	0.0111	30,012	28,000	0.0112	28,019	17,500	0.0079	17,619
∞	Illinois Municipal Retirement	175,000	0.0647	175,011	172,000	0.0687	172,274	159,000	0.0713	159,021
	Social Security	215,000	0.0795	215,009	213,000	0.0850	213,076	194,100	0.0870	194,037
<b>INTERNAL SERVICE FUND</b>										
	Liability Insurance	90,000	0.0333	90,009	76,800	0.0307	76,840	75,000	0.0336	74,938
<b>TOTAL</b>		<u>\$ 1,016,200</u>	<u>0.3757</u>	<u>\$ 1,016,294</u>	<u>\$ 928,350</u>	<u>0.3706</u>	<u>\$ 928,945</u>	<u>\$ 763,400</u>	<u>0.3424</u>	<u>\$ 763,657</u>
<b>CITY SHARE OF TOWNSHIP</b>										
<b>ROAD AND BRIDGE</b>				<u>\$ 152,428</u>				<u>\$ 156,580</u>		
<b>ASSESSED VALUATIONS</b>		<u>\$ 270,622,514</u>			<u>\$250,528,233</u>			<u>\$223,223,855</u>		

**CITY OF WASHINGTON, ILLINOIS  
INFORMATION REGARDING WASTEWATER  
USER-CHARGE SYSTEM  
YEAR ENDED APRIL 30, 2009**

(Unaudited)

The City adopted Ordinance Number 1299 establishing a user-charge system for wastewater system for wastewater treatment on November 7, 1977. Information required to be disclosed by Section 53.026 of the Ordinance is as follows:

Replacement cost of wastewater facility	Not Available
Total gallons received at the wastewater plant for the year	1,043,280,000
Total gallons of wastewater billed based on the user-charge system for the year	258,842,091
Number of metered users connected to the system at April 30, 2009	4,658
Number of nonmetered users at April 30, 2009	5