CITY OF BLUE ISLAND, ILLINOIS
COOK COUNTY

Annual Financial Report
For the Year Ended April 30, 2009

Administrative Office
13051 South Greenwood Avenue
Blue Island, Illinois 60406
(708) 597-8600

Administrative Staff
Donald E. Peloquin – Mayor
Michael A. Anastasia – Finance Director
Pamela Frasor – City Clerk
Carmine Bilotto – City Treasurer
Peter Murphy – City Attorney
Douglas E. Hoglund – Police Chief
Robert Copp – Fire Chief
Terrance R. Sullivan – Risk Manager

Mayor
Donald E. Peloquin

Aldermen
Ward 1: Jerry Natalino
Raymond Cantelo
Ward 2: Cathie Spizzirri
Leticia Vieyra
Ward 3: Rose Rita
Mark Patoska
Ward 4: Marcia Stone
Mark L. Ruthenberg
Ward 5: Janice Ostling
Michael Janko
Ward 6: Dexter R. Johnson
Gerald A. Hall
Ward 7: Russell D. Elton
Domingo Vargas

Prepared by:
Department of Finance
Carmine Bilotto – Treasurer
City of Blue Island
Audit Report
For the Year Ended April 30, 2009

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City of Blue Island  
Audit Report  
For the Year Ended April 30, 2009  

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INDEPENDENT AUDITOR'S REPORT
INDEPENDENT AUDITOR’S REPORT

Honorable Mayor and
Members of the City Council
City of Blue Island, Illinois

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Blue Island, Illinois as of and for the year ended April 30, 2009, which collectively comprise the City’s basic financial statements as listed in the accompanying table of contents. These financial statements are the responsibility of the City of Blue Island’s management. Our responsibility is to express an opinion 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 opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Blue Island, Illinois, as of April 30, 2009, and the respective changes in financial position and cash flows, where applicable, for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

The Management’s Discussion and Analysis and the other required supplementary information listed in the table of contents are not a required part of the basic financial statements, but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.
Our audit was made for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The supplementary information as listed in the accompanying table of contents is presented for purposes of additional analysis, and is not a required part of the basic financial statements of the City of Blue Island, Illinois. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The statistical information and continuing bond disclosures listed in the table of contents were not audited by us and, accordingly, we do not express an opinion thereon.

Selden Fox, Ltd.
October 30, 2009
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MANAGEMENT’S DISCUSSION AND ANALYSIS
The City of Blue Island offers readers of the City’s financial statements this narrative overview and analysis of the financial activity of the City of Blue Island for the fiscal year ended April 30, 2009.

Financial Highlights

The assets of the City of Blue Island exceeded its liabilities at the close of the most recent fiscal year by $38,595,072 (net assets). Of this amount, $42,106,674 is invested in capital assets net of related debt, and $1,791,694 is restricted for other purposes. The City’s unrestricted net assets, which may be used to meet the government’s ongoing obligations to citizens and creditors, were at a deficit of $5,303,296. Included within this deficit are amounts that will be needed to make future principal and interest payments on refunding bond issues, which will be funded through future tax levies. The liability for the debt is included in the statement of net assets, but only the portion of the future tax receipts already levied has been included.

- The government’s total net assets increased due to current year operations by $1,190,133 based on planned cost cutting measures being enforced.
- As of the close of the current fiscal year, the City of Blue Island’s governmental funds reported combined ending fund deficit of $498,591, a decrease of $1,411,200 in comparison with the prior year.
- At the end of the current fiscal year, the unreserved fund balance for the General Fund was at a deficit of $8,637,076.
- The City of Blue Island’s total general obligation and alternate revenue bonds decreased by $1,632,500 (10.31 percent) during the current fiscal year.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City of Blue Island’s basic financial statements. The City of Blue Island’s basic financial statements comprise three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements. The government-wide financial statements are designed to provide readers with a broad overview of the City of Blue Island’s finances, in a manner similar to a private sector business.

The statement of net assets presents information on all of the City of Blue Island’s assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City of Blue Island is improving or deteriorating.
Overview of the Financial Statements (cont'd)

Government-wide Financial Statements (cont'd)

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 (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City of Blue Island that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all, or a significant portion, of their costs through user fees and charges (business-type activities). The governmental activities of the City of Blue Island include general government, public safety, public works, civil defense, culture and recreation, and senior citizens' programs. The business-type activities of the City of Blue Island include water and sewer, golf course, and commuter parking lots.

The government-wide financial statements include not only the City of Blue Island itself (known as the primary government), but also a legally separate component unit, the City of Blue Island Public Library, for which the City of Blue Island is financially accountable. Financial information for this component unit is reported separately from the financial information presented for the primary government itself.

The government-wide financial statements can be found on pages 13 through 15 of this report.

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 Blue Island, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City of Blue Island can be divided into two categories: governmental funds and proprietary funds.

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

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

Governmental Funds (cont’d)

The City of Blue Island maintains sixteen 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, and one Special Revenue Fund, the Special Tax Increment Allocation II Fund, which are considered to be major funds. Data from the other fourteen governmental funds (Motor Fuel Tax Fund, Special Tax Increment Allocation I Fund, Special Tax Increment Allocation III Fund, Special Tax Increment Allocation Fund IV, Police Pension Fund, Fire Pension Fund, individual Debt Service Funds for seven different bond issues, and the Community Development Block Grant Fund) are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The City of Blue Island adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 16 through 24 of this report.

Proprietary Funds – The City of Blue Island maintains one type of proprietary fund, an enterprise fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City of Blue Island uses enterprise funds to account for its water and sewer, golf course and commuter parking lots.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water and sewer, golf course and commuter parking lots, which are considered to be major funds of the City of Blue Island.

The basic proprietary fund financial statements can be found on pages 25 through 29 of this report.

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 30 through 63 of this report.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City of Blue Island’s progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found on pages 64 and 65 of this report.

General Fund detailed schedules of revenues and expenditures – budget and actual, the combining statements referred to earlier in connection with nonmajor governmental funds, schedules of revenues and expenses – budget and actual for nonmajor governmental funds with legally adopted budgets, a schedule of specific community development block grant projects prepared on a cash basis, detailed schedules of expenses – budget and actual for the Water and Sewer, and Golf Course Funds, detail schedules of long-term assets and liabilities,
Overview of the Financial Statements (cont’d)

Other Information (cont’d)

and a balance sheet and schedule of revenues, expenditures and changes in fund balance – budget and actual for the Public Library are presented immediately following the required supplementary information on pensions. Combining and individual fund statements and schedules can be found on pages 66 through 105 of this report.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government’s financial position. In the case of the City of Blue Island, assets exceeded liabilities by $38,595,072 at the close of the most recent fiscal year.

By far the largest portion of the City of Blue Island’s net assets reflects its investment in capital assets (e.g., land, buildings, machinery and equipment), less any related debt used to acquire those assets that is still outstanding. The City of Blue Island uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City of Blue Island’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.

City of Blue Island
Statement of Net Assets
As of April 30, 2009
(in millions)

<table>
<thead>
<tr>
<th></th>
<th>Governmental Activities</th>
<th>Business-type Activities</th>
<th>Total Primary Government</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current and other assets</td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Capital assets</td>
<td>33.1</td>
<td>16.2</td>
<td>49.3</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td><strong>38.7</strong></td>
<td><strong>18.9</strong></td>
<td><strong>57.6</strong></td>
</tr>
<tr>
<td>Long-term liabilities</td>
<td>$ 11.4</td>
<td>$ 4.6</td>
<td>$ 16.0</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>2.7</td>
<td>.3</td>
<td>3.0</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td><strong>14.1</strong></td>
<td><strong>4.9</strong></td>
<td><strong>19.0</strong></td>
</tr>
</tbody>
</table>

Net assets:
Invested in capital assets, net of related debt
Restricted
Unrestricted

<table>
<thead>
<tr>
<th></th>
<th>Governmental Activities</th>
<th>Business-type Activities</th>
<th>Total Primary Government</th>
</tr>
</thead>
<tbody>
<tr>
<td>$ 30.4</td>
<td>$ 11.7</td>
<td>$ 42.1</td>
<td></td>
</tr>
<tr>
<td>1.6</td>
<td>.2</td>
<td>1.8</td>
<td></td>
</tr>
<tr>
<td>(7.4)</td>
<td>2.1</td>
<td>(5.3)</td>
<td></td>
</tr>
<tr>
<td><strong>Total net assets</strong></td>
<td><strong>24.6</strong></td>
<td><strong>14.0</strong></td>
<td><strong>38.6</strong></td>
</tr>
</tbody>
</table>
Government-wide Financial Analysis (cont’d)

An additional portion of the City of Blue Island’s net assets represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets may be used to meet the government’s ongoing obligations to citizens and creditors.

At the end of the current and prior fiscal years, the City of Blue Island is able to report a positive balance in both the governmental and business-type activities net assets. In the prior year, the City capitalized previously unrecorded infrastructure in the governmental activities in accordance with GASB Statement 34, resulting in an increase in net assets of governmental activities of $24,718,533, all of which is considered invested in capital assets, net of related debt.

A summary of the statement of net assets at April 30, 2008 is below:

<table>
<thead>
<tr>
<th>City of Blue Island</th>
<th>Governmental Activities</th>
<th>Business-type Activities</th>
<th>Primary Government</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current and other assets</td>
<td>$ 6.1</td>
<td>$ 2.9</td>
<td>$ 9.0</td>
</tr>
<tr>
<td>Capital assets</td>
<td>32.9</td>
<td>16.3</td>
<td>49.2</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td><strong>39.0</strong></td>
<td><strong>19.2</strong></td>
<td><strong>58.2</strong></td>
</tr>
<tr>
<td>Noncurrent liabilities</td>
<td>$ 13.2</td>
<td>$ 4.8</td>
<td>$ 18.0</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>2.5</td>
<td>.3</td>
<td>2.8</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td><strong>15.7</strong></td>
<td><strong>5.1</strong></td>
<td><strong>20.8</strong></td>
</tr>
<tr>
<td><strong>Net assets:</strong></td>
<td><strong>23.3</strong></td>
<td><strong>14.1</strong></td>
<td><strong>37.4</strong></td>
</tr>
</tbody>
</table>

**Governmental Activities.** Governmental activities increased the City of Blue Island’s net assets by $1,249,260. Key elements of this increase are an increase in property tax revenue as the City abated less of the taxes levied to make debt service payments with the 2008 levy. Expenses remained nearly unchanged from the prior year, as the City continues to closely monitor all potential costs in lieu of declining sales, income and other tax revenues.
Government-wide Financial Analysis (cont’d)

Business-type Activities. Business-type activities decreased the City of Blue Island’s net assets by $59,127, as water and sewer expenses increased. The increase came primarily from the cost of water purchased from Chicago, employee medical insurance, and maintenance and operating supplies.

<table>
<thead>
<tr>
<th>City of Blue Island</th>
<th>Changes in Net Assets</th>
<th>For the Fiscal Year Ended April 30, 2009</th>
<th>(in millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Governmental Activities</td>
<td>Business-type Activities</td>
<td>Total Primary Government</td>
</tr>
<tr>
<td></td>
<td>Amount</td>
<td>% of Totals</td>
<td>Amount</td>
</tr>
<tr>
<td>Program revenues:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Charges for service</td>
<td>$ 4.8</td>
<td>26.1 %</td>
<td>$ 5.0</td>
</tr>
<tr>
<td>Operating grants</td>
<td>.4</td>
<td>2.2 %</td>
<td>-</td>
</tr>
<tr>
<td>Capital grants</td>
<td>.1</td>
<td>.5 %</td>
<td>-</td>
</tr>
<tr>
<td>General revenue:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property taxes</td>
<td>6.4</td>
<td>34.8 %</td>
<td>-</td>
</tr>
<tr>
<td>Other taxes</td>
<td>6.2</td>
<td>33.7 %</td>
<td>-</td>
</tr>
<tr>
<td>Other revenues</td>
<td>.5</td>
<td>2.7 %</td>
<td>-</td>
</tr>
<tr>
<td>Total revenues</td>
<td>18.4</td>
<td></td>
<td>5.0</td>
</tr>
</tbody>
</table>

Expenses:

Governmental activities:

| General government | 4.9 | 26.6 % | - | - | 4.9 | 20.9 |
| Public safety      | 7.2 | 39.1 % | - | - | 7.2 | 30.8 |
| Public works       | 4.1 | 22.3 % | - | - | 4.1 | 17.5 |
| Culture and recreation | .2 | 1.1 % | - | - | .2 | .9 |
| Senior citizens    | .1  | .5 %   | - | - | .1  | .4 |
| Interest           | .6  | 3.3 %  | - | - | .6  | 2.6 |

Business-type:

| Water and sewer | - | - | 3.9 | 78.0 | 3.9 | 16.7 |
| Golf course      | - | - | 1.1 | 22.0 | 1.1 | 4.7 |
| Commuter parking | - | - | .1  | 2.0  | .1  | .4 |

Total expenses: 17.1 | 5.1 | 22.2 |

Change in net assets:

| $ 1.3 | $ (1) | $ 1.2 |

Revenues:

- Property taxes available for operations (i.e., net of tax receipts for payment of principal and interest on general obligation debt and pension funds) was consistent with prior years.
- Incremental tax revenues in the three Tax Increment Financing Districts remained constant.
- Enterprise Fund operating revenues remained constant.
Government-wide Financial Analysis (cont’d)

For the most part, changes in expenses reflected the strict adherence to budget and the changes in the demand for services.

<table>
<thead>
<tr>
<th>City of Blue Island</th>
<th>Changes in Net Assets</th>
<th>For the Fiscal Year Ended April 30, 2008</th>
<th>(in millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Governmental Activities</td>
<td>Business-type Activities</td>
<td>Total Primary Government</td>
</tr>
<tr>
<td></td>
<td>Amount</td>
<td>% of Totals</td>
<td>Amount</td>
</tr>
<tr>
<td>Program revenues:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Charges for service</td>
<td>$4.5</td>
<td>26.6 %</td>
<td>$4.9</td>
</tr>
<tr>
<td>Operating grants</td>
<td>.3</td>
<td>1.8 %</td>
<td>-</td>
</tr>
<tr>
<td>Capital grants</td>
<td>.1</td>
<td>0.6 %</td>
<td>.2</td>
</tr>
<tr>
<td>General revenue:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property taxes</td>
<td>4.9</td>
<td>29.0 %</td>
<td>-</td>
</tr>
<tr>
<td>Other taxes</td>
<td>6.7</td>
<td>39.6 %</td>
<td>-</td>
</tr>
<tr>
<td>Other revenues</td>
<td>.4</td>
<td>2.4 %</td>
<td>.1</td>
</tr>
<tr>
<td>Total revenues</td>
<td>16.9</td>
<td></td>
<td>5.2</td>
</tr>
</tbody>
</table>

Expenses:

<table>
<thead>
<tr>
<th></th>
<th>Governmental activities</th>
<th>Business-type</th>
<th>Total Primary</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>Government</td>
</tr>
<tr>
<td>General government</td>
<td>4.4</td>
<td>-</td>
<td>4.4</td>
</tr>
<tr>
<td>Public safety</td>
<td>7.7</td>
<td>-</td>
<td>7.7</td>
</tr>
<tr>
<td>Public works</td>
<td>4.1</td>
<td>-</td>
<td>4.1</td>
</tr>
<tr>
<td>Culture and</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>recreation</td>
<td>.2</td>
<td>-</td>
<td>.2</td>
</tr>
<tr>
<td>Senior citizens</td>
<td>.1</td>
<td>-</td>
<td>.1</td>
</tr>
<tr>
<td>Interest</td>
<td>.6</td>
<td>-</td>
<td>.6</td>
</tr>
<tr>
<td>Business-type:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Water and sewer</td>
<td>-</td>
<td>3.6</td>
<td>3.6</td>
</tr>
<tr>
<td>Golf course</td>
<td>-</td>
<td>1.1</td>
<td>1.1</td>
</tr>
<tr>
<td>Commuter parking</td>
<td>-</td>
<td>.1</td>
<td>.1</td>
</tr>
<tr>
<td>Total expenses</td>
<td>17.1</td>
<td>4.8</td>
<td>21.9</td>
</tr>
</tbody>
</table>

Change in net assets

|                      | $ (2)      | $ .4       | $ .2        |

Financial Analysis of the Government’s Funds

As noted earlier, the City of Blue Island uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental Funds.** The focus of the City of Blue Island’s governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City of Blue Island’s financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government’s net resources available for spending at the end of the fiscal year.
Financial Analysis of the Government's Funds (cont'd)

Proprietary Funds. The City of Blue Island's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Unrestricted net assets of the Water and Sewer, Golf Course and Commuter Parking Lot funds at the end of the year amounted to $2,121,741. The total decrease in net assets for the funds was $59,127. Other factors concerning the finances of these three funds have already been addressed in the discussion of the City of Blue Island's business-type activities.

General Fund Budgetary Highlights

There were no amendments made to the originally adopted budget by the City during the current fiscal year. During the year, however, revenues did not exceed budgetary estimates, and resulted in an additional draw on existing fund balance.

<table>
<thead>
<tr>
<th>General Fund (in millions)</th>
<th>Original Budget</th>
<th>Final Budget</th>
<th>Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Taxes</td>
<td>$ 2.6</td>
<td>$ 2.6</td>
<td>$ 2.9</td>
</tr>
<tr>
<td>Intergovernmental</td>
<td>6.5</td>
<td>6.5</td>
<td>5.5</td>
</tr>
<tr>
<td>Other</td>
<td>9.4</td>
<td>9.4</td>
<td>6.1</td>
</tr>
<tr>
<td>Total revenues</td>
<td>18.5</td>
<td>18.5</td>
<td>14.5</td>
</tr>
</tbody>
</table>

Expenditures:

<table>
<thead>
<tr>
<th></th>
<th>Original Budget</th>
<th>Final Budget</th>
<th>Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General government</td>
<td>4.1</td>
<td>4.1</td>
<td>3.5</td>
</tr>
<tr>
<td>Building</td>
<td>.5</td>
<td>.5</td>
<td>.4</td>
</tr>
<tr>
<td>Planning</td>
<td>1.1</td>
<td>1.1</td>
<td>.3</td>
</tr>
<tr>
<td>Police</td>
<td>6.3</td>
<td>6.3</td>
<td>5.6</td>
</tr>
<tr>
<td>Fire</td>
<td>2.6</td>
<td>2.6</td>
<td>2.1</td>
</tr>
<tr>
<td>Public works</td>
<td>7.3</td>
<td>7.3</td>
<td>3.1</td>
</tr>
<tr>
<td>Playground and recreation</td>
<td>.3</td>
<td>.3</td>
<td>.2</td>
</tr>
<tr>
<td>Insurance loss</td>
<td>2.1</td>
<td>2.1</td>
<td>.4</td>
</tr>
<tr>
<td>Marketing</td>
<td>1.7</td>
<td>1.7</td>
<td>.2</td>
</tr>
<tr>
<td>Debt service</td>
<td>.2</td>
<td>.2</td>
<td>.3</td>
</tr>
<tr>
<td>Total expenditures</td>
<td>26.2</td>
<td>26.2</td>
<td>16.1</td>
</tr>
</tbody>
</table>

Other financing sources       | -               | -            | .1     |

Change in fund balance        | $ (7.7)         | $ (7.7)      | $ (1.5) |

Property and intergovernmental tax revenue shortfalls continue to put pressure on the operations of the City. The City demonstrated fiscal restraint to minimize the effect of these shortfalls.
Capital Asset and Debt Administration

Capital Assets. The City of Blue Island’s investment in capital assets for its governmental and business-type activities as of April 30, 2009 amounts to $49,251,674 ($49,176,633 at April 30, 2008), which is net of accumulated depreciation. This investment in capital assets includes land, buildings, utility system and improvements, and equipment, including vehicles. The total change in the City of Blue Island’s investment in capital assets between the current fiscal year and the prior year’s annual report was an increase of $75,041. This included an increase in the governmental activities of $217,654 and a decrease of $142,613 in the business-type activities.

Major capital asset events during the current fiscal year included the following:

- Continued participation in the Community Development Block Grant Program and to use grant proceeds for renovation and repair to streets throughout the City.
- Purchase of seven new vehicles for use in the police, fire and building departments to replace older vehicles; and a fire rescue engine and significant improvements to the 9-1-1 system, both financed through capital leases.

<table>
<thead>
<tr>
<th>City of Blue Island</th>
<th>Capital Assets at Year End</th>
<th>Net of Depreciation</th>
<th>(in millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Governmental Activities</td>
<td>Business-type Activities</td>
<td>Total Primary Government</td>
</tr>
<tr>
<td>Land</td>
<td>$ 20.0</td>
<td>$ 20.0</td>
<td>$ 1.0</td>
</tr>
<tr>
<td>Buildings and land improvements</td>
<td>6.4</td>
<td>6.7</td>
<td>3.6</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>4.8</td>
<td>4.7</td>
<td>11.5</td>
</tr>
<tr>
<td>Construction in progress</td>
<td>-</td>
<td>.2</td>
<td>-</td>
</tr>
<tr>
<td>Equipment</td>
<td>1.9</td>
<td>1.3</td>
<td>.1</td>
</tr>
<tr>
<td>Total</td>
<td>$ 33.1</td>
<td>$ 32.9</td>
<td>$ 16.2</td>
</tr>
</tbody>
</table>

Additional information on the City of Blue Island’s capital assets can be found in Note III.D. on pages 42 through 44 of this report.
Capital Asset and Debt Administration (cont'd)

Long-term Debt. At the end of fiscal year 2009, the City of Blue Island had total bonded debt outstanding of $14,194,500 ($15,827,000 at 2008). The balance at April 30, 2009 included only general obligation bonds. All of this bonded debt is backed by the full faith and credit of the government. An additional $185,400 note payable outstanding at April 30, 2008 was repaid in full in the current fiscal year. In the current year, the City entered into a capital lease to finance the purchase of equipment for the 9-1-1 system (the City entered into two capital leases in the prior year). In April 2007, the City issued $1,000,000 general sales tax/revenue sharing receipts alternate revenue source bonds.

City of Blue Island's Outstanding Debt
Outstanding General Obligation Debt (000's)

<table>
<thead>
<tr>
<th></th>
<th>Governmental Activities</th>
<th>Business-type Activities</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>General obligation</td>
<td>$ 9.8</td>
<td>$ 11.2</td>
<td>$ 4.4</td>
</tr>
<tr>
<td>bonds</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Alternate revenue</td>
<td>1.0</td>
<td>1.0</td>
<td>-</td>
</tr>
<tr>
<td>source bonds</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>$ 10.8</td>
<td>$ 12.2</td>
<td>$ 4.4</td>
</tr>
</tbody>
</table>

The City of Blue Island's total debt, including notes payable and capital leases, decreased by $1,811,405 during the current fiscal year.

The City of Blue Island is limited in the amount of general obligation debt a governmental entity may issue per state statute. The City’s legal debt margin at April 30, 2009 was $22,896,551.

Additional information on the City of Blue Island’s long-term debt can be found in Note III.G. on pages 46 through 52 of this report.

Summary and Future Considerations

The City intends to continue to closely monitor expenditures and allocate resources to areas that best meet the needs of its citizenry. The City will continue to actively seek out grants and all other available revenue sources. The City intends to continue to participate in the Community Development Block Grant Program to obtain additional resources to help maintain the infrastructure of the City.

Request for Information

This financial report is designed to provide a general overview of the City of Blue Island’s finances for all those with an interest in the government’s finances. Questions concerning any of the information provided in this report, or requests for additional financial information, should be addressed to the Chief of Staff, 13051 South Greenwood Avenue, Blue Island, Illinois 60406.
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City of Blue Island  
Statement of Net Assets  
April 30, 2009

<table>
<thead>
<tr>
<th>Assets</th>
<th>Primary Government</th>
<th>Component Unit</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Governmental Activities</td>
<td>Business-type Activities</td>
</tr>
<tr>
<td>Cash and investments</td>
<td>$ 1,653,442</td>
<td>$ 169,252</td>
</tr>
<tr>
<td>Receivables</td>
<td>5,376,568</td>
<td>482,587</td>
</tr>
<tr>
<td>Due from primary government</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Internal balances</td>
<td>(1,788,063)</td>
<td>1,788,063</td>
</tr>
<tr>
<td>Restricted cash</td>
<td>326,981</td>
<td>164,672</td>
</tr>
<tr>
<td>Prepaid items</td>
<td>24,340</td>
<td>2,116</td>
</tr>
<tr>
<td>Inventory</td>
<td>-</td>
<td>23,496</td>
</tr>
<tr>
<td>Deferred bond issuance costs</td>
<td>13,642</td>
<td>102,489</td>
</tr>
<tr>
<td>Capital assets not depreciated:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Land</td>
<td>20,000,000</td>
<td>968,470</td>
</tr>
<tr>
<td>Capital assets (net of accumulated depreciation):</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Buildings and land improvements</td>
<td>6,443,561</td>
<td>3,556,268</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>4,799,322</td>
<td>11,518,111</td>
</tr>
<tr>
<td>Equipment</td>
<td>1,837,561</td>
<td>128,381</td>
</tr>
<tr>
<td>Total assets</td>
<td>38,687,354</td>
<td>18,903,905</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Liabilities</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts payable and other:</td>
<td></td>
</tr>
<tr>
<td>accrued expenses</td>
<td>962,121</td>
</tr>
<tr>
<td>Accrued interest expense</td>
<td>200,634</td>
</tr>
<tr>
<td>Due to component unit</td>
<td>10,175</td>
</tr>
<tr>
<td>Deferred revenue</td>
<td>486,111</td>
</tr>
<tr>
<td>Tax anticipation warrants payable</td>
<td>1,000,000</td>
</tr>
<tr>
<td>Noncurrent liabilities:</td>
<td></td>
</tr>
<tr>
<td>Due within one year</td>
<td>2,538,195</td>
</tr>
<tr>
<td>Due in more than one year</td>
<td>8,917,689</td>
</tr>
<tr>
<td>Total liabilities</td>
<td>14,114,925</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Net Assets</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Invested in capital assets, net of related debt</td>
<td>30,370,444</td>
</tr>
<tr>
<td>Restricted for grant purposes</td>
<td>13,117</td>
</tr>
<tr>
<td>Restricted for public safety</td>
<td>313,864</td>
</tr>
<tr>
<td>Restricted for debt service</td>
<td>1,300,041</td>
</tr>
<tr>
<td>Unrestricted</td>
<td>(7,425,037)</td>
</tr>
<tr>
<td>Total net assets</td>
<td>$ 24,572,429</td>
</tr>
</tbody>
</table>

See accompanying notes.
City of Blue Island  
Statement of Activities  
For the Year Ended April 30, 2009

<table>
<thead>
<tr>
<th>Functions/Programs</th>
<th>Expenses</th>
<th>Charges for Services</th>
<th>Operating Grants and Contributions</th>
<th>Capital Grants and Contributions</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Primary government:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General government</td>
<td>$4,928,788</td>
<td>$1,511,262</td>
<td>$417,295</td>
<td>$-</td>
</tr>
<tr>
<td>Public safety</td>
<td>7,199,003</td>
<td>1,997,690</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Public works</td>
<td>4,080,581</td>
<td>1,186,596</td>
<td>-</td>
<td>121,733</td>
</tr>
<tr>
<td>Civil defense</td>
<td>22,372</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Culture and recreation</td>
<td>198,229</td>
<td>35,000</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Senior citizens</td>
<td>110,448</td>
<td>11,984</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Interest on long-term debt</td>
<td>560,291</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total governmental activities</strong></td>
<td>17,099,712</td>
<td>4,742,532</td>
<td>417,295</td>
<td>121,733</td>
</tr>
</tbody>
</table>

| Business-type activities: |                      |          |          |                                        |
| Water and sewer          | 3,877,090          | 3,904,890 | -        | 48,086                             |
| Golf course              | 1,174,302          | 1,003,696 | -        | -                                 |
| Commuter parking lot     | 42,339             | 68,014    | -        | -                                 |
| **Total business-type activities** | 5,093,731 | 4,976,600 | - | 48,086 |

| Total primary government | $22,193,443 | $9,719,132 | $417,295 | $169,819 |
| Component unit - public library | $1,324,331 | $29,529 | $117 | $- |

General revenues:
- Property taxes
- Replacement taxes
- Sales taxes
- Income taxes
- Motor fuel taxes
- Utility taxes
- Local use and foreign fire taxes
- Rental income/reimbursements/miscellaneous
- Unrestricted investment earnings

Total general revenues

Change in net assets

Net assets, beginning of the year

Net assets, end of the year

See accompanying notes.
<table>
<thead>
<tr>
<th></th>
<th>Primary Government</th>
<th>Component Unit</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Governmental Activities</td>
<td>Business-type Activities</td>
</tr>
<tr>
<td></td>
<td>$ (3,000,231)</td>
<td>$ 75,886</td>
</tr>
<tr>
<td></td>
<td>(5,201,313)</td>
<td>(170,606)</td>
</tr>
<tr>
<td></td>
<td>(2,772,252)</td>
<td>(25,675)</td>
</tr>
<tr>
<td></td>
<td>(22,372)</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>(163,229)</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>(98,464)</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>(560,291)</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>(11,818,152)</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>-</td>
<td>6,437,966</td>
</tr>
<tr>
<td></td>
<td>-</td>
<td>247,904</td>
</tr>
<tr>
<td></td>
<td>-</td>
<td>1,280,807</td>
</tr>
<tr>
<td></td>
<td>-</td>
<td>1,947,746</td>
</tr>
<tr>
<td></td>
<td>-</td>
<td>624,915</td>
</tr>
<tr>
<td></td>
<td>-</td>
<td>1,724,411</td>
</tr>
<tr>
<td></td>
<td>-</td>
<td>340,957</td>
</tr>
<tr>
<td></td>
<td>-</td>
<td>448,193</td>
</tr>
<tr>
<td></td>
<td>-</td>
<td>14,513</td>
</tr>
<tr>
<td></td>
<td>-</td>
<td>13,067,412</td>
</tr>
<tr>
<td></td>
<td>-</td>
<td>1,249,260</td>
</tr>
<tr>
<td></td>
<td>-</td>
<td>23,323,169</td>
</tr>
<tr>
<td></td>
<td>$ 24,572,429</td>
<td>$ 14,022,643</td>
</tr>
</tbody>
</table>
City of Blue Island  
Balance Sheet - Governmental Funds  
April 30, 2009

<table>
<thead>
<tr>
<th>Assets</th>
<th>General</th>
<th>Special Tax Increment</th>
<th>Other Governmental Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and investments</td>
<td>$271,493</td>
<td>$616,897</td>
<td>$765,052</td>
</tr>
<tr>
<td>Receivables:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property taxes</td>
<td>1,775,790</td>
<td>538,181</td>
<td>1,319,482</td>
</tr>
<tr>
<td>Customers</td>
<td>167,141</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Grants</td>
<td>-</td>
<td>-</td>
<td>484,027</td>
</tr>
<tr>
<td>Other</td>
<td>-</td>
<td>-</td>
<td>46,854</td>
</tr>
<tr>
<td>Due from other governmental agencies</td>
<td>1,045,093</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Due from other funds</td>
<td>3,551,229</td>
<td>2,920,350</td>
<td>4,126,358</td>
</tr>
<tr>
<td>Interfund receivables</td>
<td>-</td>
<td>64,776</td>
<td>-</td>
</tr>
<tr>
<td>Restricted cash</td>
<td>326,981</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Prepaid items</td>
<td>24,340</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Advances to other funds</td>
<td>-</td>
<td>162,420</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>$7,162,067</td>
<td>$4,302,624</td>
<td>$6,741,773</td>
</tr>
</tbody>
</table>

| Liabilities and Fund Balance (Deficit) | | | |
| Liabilities: | | | |
| Accounts payable | $289,512 | $ - | $23,747 |
| Accrued expenses | 512,020 | - | - |
| Due to other funds | 11,828,268 | - | 557,732 |
| Due to component unit | 10,175 | - | - |
| Deferred revenue and other liabilities | 1,775,790 | 538,181 | 1,805,592 |
| Interfund payables | 64,776 | - | - |
| Claims incurred and unreported | 131,842 | - | - |
| Advances from other funds | 162,420 | - | - |
| Tax anticipation warrants payable | 1,000,000 | - | - |
| **Total liabilities** | 15,774,803 | 538,181 | 2,392,071 |

**Fund balance (deficit):**

- **Reserved for prepaid items** | 24,340 | - | - |
- **Unreserved, reported in:**
  - **General Fund** | (8,637,076) | - | - |
  - **Special Revenue Funds** | 3,764,443 | - | 3,049,661 |
  - **Debt Service Funds** | - | - | 1,300,041 |

**Total fund balance (deficit)** | (8,612,736) | 3,764,443 | 4,349,702 |

**Total liabilities and fund balance** | $7,162,067 | $4,302,624 | $6,741,773 |

See accompanying notes.
<table>
<thead>
<tr>
<th></th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>$ 18,206,464</td>
</tr>
<tr>
<td>Governmental</td>
<td></td>
</tr>
<tr>
<td>Funds</td>
<td></td>
</tr>
<tr>
<td>$</td>
<td>1,653,442</td>
</tr>
<tr>
<td>3,633,453</td>
<td></td>
</tr>
<tr>
<td>167,141</td>
<td></td>
</tr>
<tr>
<td>484,027</td>
<td></td>
</tr>
<tr>
<td>46,854</td>
<td></td>
</tr>
<tr>
<td>1,045,093</td>
<td></td>
</tr>
<tr>
<td>10,597,937</td>
<td></td>
</tr>
<tr>
<td>64,776</td>
<td></td>
</tr>
<tr>
<td>326,981</td>
<td></td>
</tr>
<tr>
<td>24,340</td>
<td></td>
</tr>
<tr>
<td>162,420</td>
<td></td>
</tr>
<tr>
<td>$</td>
<td>18,206,464</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$ 18,705,055</td>
</tr>
</tbody>
</table>

24,340

(8,637,076)
6,814,104
1,300,041

(498,591)

$ 18,206,464
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City of Blue Island
Reconciliation of Balance Sheet of Governmental Funds to the Statement of Net Assets
April 30, 2009

Total fund deficit - governmental funds (page 17) $ (498,591)

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. 33,080,444

Bond issuance costs are amortized over the life of the issue for governmental activities, but expensed in the period paid in the governmental funds. 13,642

Interest expense is not subject to accrual in the governmental funds. (200,634)

Revenues are recognized for governmental activities when earned, regardless of when collected, and not deferred on the statement of net assets. 3,633,452

Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds. (11,455,884)

Net assets of governmental activities (page 13) $ 24,572,429

See accompanying notes.
City of Blue Island  
Statement of Revenues, Expenditures and Changes in Fund Balances (Deficit) - Governmental Funds  
For the Year Ended April 30, 2009

<table>
<thead>
<tr>
<th></th>
<th>General</th>
<th>Special Tax Increment</th>
<th>Allocation Fund II</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property taxes</td>
<td>$2,852,377</td>
<td>$1,090,859</td>
<td></td>
</tr>
<tr>
<td>Personal property and replacement taxes</td>
<td>199,033</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Other taxes</td>
<td>5,290,788</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Licenses</td>
<td>563,050</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Permits</td>
<td>146,484</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>State allotments</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Fines</td>
<td>623,720</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Grants</td>
<td>417,295</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Interest</td>
<td>6,073</td>
<td>839</td>
<td></td>
</tr>
<tr>
<td>9-1-1 system fees</td>
<td>753,742</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Sanitation fees</td>
<td>1,186,596</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>2,508,943</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td><strong>Total revenues</strong></td>
<td>14,548,101</td>
<td></td>
<td>1,091,698</td>
</tr>
</tbody>
</table>

|                      |           |                       |                    |
| **Expenditures:**    |           |                       |                    |
| **Current:**         |           |                       |                    |
| General government   | 3,502,078 |                      | 4,045              |
| Building             | 416,815   | -                     |                    |
| Planning             | 290,149   | -                     |                    |
| Police               | 5,598,310 | -                     |                    |
| Fire                 | 2,111,850 | -                     |                    |
| Public works         | 3,066,977 | -                     |                    |
| Playground and recreation | 198,570 | -                     |                    |
| Street               | -         | -                     |                    |
| Insurance loss       | 456,168   | -                     |                    |
| Civil Service Commission | 22,372   | -                     |                    |
| Marketing            | 188,834   | -                     |                    |
| Debt service         | 285,485   | -                     |                    |
| Capital outlay       | -         | -                     |                    |
| **Total expenditures**| 16,137,608|                      | 4,045              |

(cont'd)
<table>
<thead>
<tr>
<th>Other Governmental Funds</th>
<th>Total Governmental Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>$ 1,861,665</td>
<td>$ 5,804,901</td>
</tr>
<tr>
<td>48,870</td>
<td>247,903</td>
</tr>
<tr>
<td>-</td>
<td>5,290,788</td>
</tr>
<tr>
<td>-</td>
<td>563,050</td>
</tr>
<tr>
<td>-</td>
<td>146,484</td>
</tr>
<tr>
<td>624,915</td>
<td>624,915</td>
</tr>
<tr>
<td>-</td>
<td>623,720</td>
</tr>
<tr>
<td>121,733</td>
<td>539,028</td>
</tr>
<tr>
<td>7,601</td>
<td>14,513</td>
</tr>
<tr>
<td>-</td>
<td>753,742</td>
</tr>
<tr>
<td>-</td>
<td>1,186,596</td>
</tr>
<tr>
<td>-</td>
<td>2,508,943</td>
</tr>
<tr>
<td><strong>2,664,784</strong></td>
<td><strong>18,304,583</strong></td>
</tr>
<tr>
<td>108,433</td>
<td>3,614,556</td>
</tr>
<tr>
<td>-</td>
<td>416,815</td>
</tr>
<tr>
<td>-</td>
<td>290,149</td>
</tr>
<tr>
<td>-</td>
<td>5,598,310</td>
</tr>
<tr>
<td>-</td>
<td>2,111,850</td>
</tr>
<tr>
<td>-</td>
<td>3,066,977</td>
</tr>
<tr>
<td>-</td>
<td>198,570</td>
</tr>
<tr>
<td>1,111,456</td>
<td>1,111,456</td>
</tr>
<tr>
<td>-</td>
<td>456,168</td>
</tr>
<tr>
<td>-</td>
<td>22,372</td>
</tr>
<tr>
<td>-</td>
<td>188,834</td>
</tr>
<tr>
<td>2,106,261</td>
<td>2,391,746</td>
</tr>
<tr>
<td>384,495</td>
<td>384,495</td>
</tr>
<tr>
<td><strong>3,710,645</strong></td>
<td><strong>19,852,298</strong></td>
</tr>
</tbody>
</table>
City of Blue Island  
Statement of Revenues, Expenditures and Changes  
in Fund Balances (Deficit) - Governmental Funds (cont'd)  
For the Year Ended April 30, 2009

<table>
<thead>
<tr>
<th></th>
<th>General</th>
<th>Special Tax Increment Allocation</th>
<th>Fund II</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues over (under) expenditures before other financing sources (uses)</strong></td>
<td>$ (1,589,507)</td>
<td></td>
<td>$ 1,087,653</td>
</tr>
<tr>
<td><strong>Other financing sources (uses):</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proceeds from sale of capital assets</td>
<td>1,511</td>
<td></td>
<td>-</td>
</tr>
<tr>
<td>Capital lease obligations</td>
<td>135,004</td>
<td></td>
<td>-</td>
</tr>
<tr>
<td>Transfers in</td>
<td>-</td>
<td></td>
<td>-</td>
</tr>
<tr>
<td>Transfers out</td>
<td>-</td>
<td></td>
<td>(754,314)</td>
</tr>
<tr>
<td><strong>Total other financing sources (uses)</strong></td>
<td>136,515</td>
<td></td>
<td>(754,314)</td>
</tr>
<tr>
<td><strong>Net changes in fund balances (deficit)</strong></td>
<td>(1,452,992)</td>
<td></td>
<td>333,339</td>
</tr>
<tr>
<td>Fund balances (deficit), beginning of the year</td>
<td>(7,159,744)</td>
<td></td>
<td>3,431,104</td>
</tr>
<tr>
<td>Fund balances (deficit), end of the year</td>
<td>$ (8,612,736)</td>
<td></td>
<td>$ 3,764,443</td>
</tr>
</tbody>
</table>

See accompanying notes.
<table>
<thead>
<tr>
<th>Other Governmental Funds</th>
<th>Total Governmental Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>$ (1,045,861)</td>
<td>$ (1,547,715)</td>
</tr>
<tr>
<td></td>
<td>1,511</td>
</tr>
<tr>
<td></td>
<td>135,004</td>
</tr>
<tr>
<td>1,637,317</td>
<td>1,637,317</td>
</tr>
<tr>
<td>(883,003)</td>
<td>(1,637,317)</td>
</tr>
<tr>
<td>754,314</td>
<td>136,515</td>
</tr>
<tr>
<td>(291,547)</td>
<td>(1,411,200)</td>
</tr>
<tr>
<td>4,641,249</td>
<td>912,609</td>
</tr>
<tr>
<td>$ 4,349,702</td>
<td>$ (498,591)</td>
</tr>
</tbody>
</table>
City of Blue Island
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances (Deficit) of Governmental Funds to the Statement of Activities For the Year Ended April 30, 2009

Amounts reported for governmental activities in the statement of activities (pages 14 and 15) are different because:

Net change in fund balance - total governmental funds (page 22) $ (1,411,200)

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the costs of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period. 82,650

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. 633,067

The issuance of long-term debt (e.g., bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items. 1,796,263

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. 148,480

Change in net assets of governmental activities (page 15) $ 1,249,260

Note: The City acquired capital assets with a total cost of $135,004 by incurring a capital lease obligation.

See accompanying notes.
City of Blue Island  
General Fund  
Statement of Revenues, Expenditures and Changes in  
Fund Deficit - Budget and Actual  
For the Year Ended April 30, 2009

<table>
<thead>
<tr>
<th>Revenues:</th>
<th>Original and Final Budget</th>
<th>Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td>Taxes:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property taxes</td>
<td>$2,648,423</td>
<td>$2,852,377</td>
</tr>
<tr>
<td>Personal property replacement tax</td>
<td>300,000</td>
<td>199,033</td>
</tr>
<tr>
<td>Other taxes</td>
<td>6,150,000</td>
<td>5,290,788</td>
</tr>
<tr>
<td>Licenses</td>
<td>570,000</td>
<td>563,050</td>
</tr>
<tr>
<td>Permits</td>
<td>220,000</td>
<td>146,484</td>
</tr>
<tr>
<td>Fines</td>
<td>640,000</td>
<td>623,720</td>
</tr>
<tr>
<td>Grants</td>
<td>2,400,000</td>
<td>417,295</td>
</tr>
<tr>
<td>Interest</td>
<td>-</td>
<td>6,073</td>
</tr>
<tr>
<td>Other</td>
<td>5,565,000</td>
<td>4,449,281</td>
</tr>
<tr>
<td><strong>Total revenues</strong></td>
<td><strong>18,493,423</strong></td>
<td><strong>14,548,101</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Expenditures:</th>
<th>Current:</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>General government</td>
<td>4,132,900</td>
<td>3,502,078</td>
<td></td>
</tr>
<tr>
<td>Building</td>
<td>490,800</td>
<td>416,815</td>
<td></td>
</tr>
<tr>
<td>Planning</td>
<td>1,108,150</td>
<td>290,149</td>
<td></td>
</tr>
<tr>
<td>Police</td>
<td>6,272,100</td>
<td>5,598,310</td>
<td></td>
</tr>
<tr>
<td>Fire</td>
<td>2,557,800</td>
<td>2,111,850</td>
<td></td>
</tr>
<tr>
<td>Public works</td>
<td>7,316,100</td>
<td>3,066,977</td>
<td></td>
</tr>
<tr>
<td>Playground and recreation</td>
<td>253,400</td>
<td>198,570</td>
<td></td>
</tr>
<tr>
<td>Insurance loss</td>
<td>2,130,300</td>
<td>456,168</td>
<td></td>
</tr>
<tr>
<td>Civil Service Commission</td>
<td>54,000</td>
<td>22,372</td>
<td></td>
</tr>
<tr>
<td>Marketing</td>
<td>1,714,150</td>
<td>188,834</td>
<td></td>
</tr>
<tr>
<td>Debt service</td>
<td>185,400</td>
<td>285,485</td>
<td></td>
</tr>
<tr>
<td><strong>Total expenditures</strong></td>
<td><strong>26,215,100</strong></td>
<td><strong>16,137,608</strong></td>
<td></td>
</tr>
</tbody>
</table>

Revenues under expenditures before other financing sources  
(7,721,677)  (1,589,507)

Other financing sources:  
Proceeds from sale of assets - | 1,511 |
Capital lease obligations - | 135,004 |

Total other financing sources - | 136,515 |

Net changes in fund deficit  
$ (7,721,677)  (1,452,992)

Fund deficit, beginning of the year  
(7,159,744)

Fund deficit, end of the year  
$ (8,612,736)

See accompanying notes.
City of Blue Island  
Proprietary Funds - Enterprise Funds  
Statement of Net Assets  
April 30, 2009

<table>
<thead>
<tr>
<th>Assets</th>
<th>Water</th>
<th>Commuter Parking Lot</th>
<th>Golf Course</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current assets:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and investments</td>
<td>$130,008</td>
<td>$19,060</td>
<td>$20,184</td>
<td>$169,252</td>
</tr>
<tr>
<td>Accounts receivable:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Customers</td>
<td>497,587</td>
<td></td>
<td></td>
<td>497,587</td>
</tr>
<tr>
<td>Less allowance for doubtful accounts</td>
<td>(15,000)</td>
<td></td>
<td></td>
<td>(15,000)</td>
</tr>
<tr>
<td>Due from other funds</td>
<td>4,901,198</td>
<td>475,666</td>
<td></td>
<td>5,376,864</td>
</tr>
<tr>
<td>Prepaid items</td>
<td>2,116</td>
<td></td>
<td></td>
<td>2,116</td>
</tr>
<tr>
<td>Inventory</td>
<td></td>
<td></td>
<td>23,496</td>
<td>23,496</td>
</tr>
<tr>
<td>Total current assets</td>
<td>5,515,909</td>
<td>494,726</td>
<td>43,680</td>
<td>6,054,315</td>
</tr>
<tr>
<td>Restricted assets - cash - bond reserve accounts</td>
<td>164,672</td>
<td></td>
<td></td>
<td>164,672</td>
</tr>
<tr>
<td>Property and equipment:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Land</td>
<td>8,958</td>
<td>289,512</td>
<td>670,000</td>
<td>968,470</td>
</tr>
<tr>
<td>Buildings and land improvements</td>
<td>31,830</td>
<td>2,153,768</td>
<td>4,633,326</td>
<td>6,818,924</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>18,962,892</td>
<td></td>
<td></td>
<td>18,962,892</td>
</tr>
<tr>
<td>Equipment</td>
<td>866,008</td>
<td>155,690</td>
<td>455,495</td>
<td>1,477,193</td>
</tr>
<tr>
<td>Less accumulated depreciation</td>
<td>(8,296,856)</td>
<td>(1,941,388)</td>
<td>(1,818,005)</td>
<td>(12,056,249)</td>
</tr>
<tr>
<td>Total capital assets</td>
<td>11,572,832</td>
<td>657,562</td>
<td>3,940,816</td>
<td>16,171,230</td>
</tr>
<tr>
<td>Other assets - deferred revenue bond issuance costs</td>
<td>102,489</td>
<td></td>
<td></td>
<td>102,489</td>
</tr>
<tr>
<td>Total other assets</td>
<td>102,489</td>
<td></td>
<td></td>
<td>102,489</td>
</tr>
<tr>
<td>Total assets</td>
<td>$17,355,902</td>
<td>$1,152,308</td>
<td>$3,984,496</td>
<td>$22,492,706</td>
</tr>
</tbody>
</table>

See accompanying notes.
<table>
<thead>
<tr>
<th>Liabilities</th>
<th>Water</th>
<th>Commuter Parking Lot</th>
<th>Golf Course</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current liabilities:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable</td>
<td>$155,778</td>
<td>$</td>
<td>$20,125</td>
<td>$175,903</td>
</tr>
<tr>
<td>Accrued salaries</td>
<td>43,515</td>
<td>-</td>
<td>17,189</td>
<td>60,704</td>
</tr>
<tr>
<td>Due to other funds</td>
<td>-</td>
<td>-</td>
<td>3,588,801</td>
<td>3,588,801</td>
</tr>
<tr>
<td>Bonds payable</td>
<td>10,000</td>
<td>-</td>
<td>-</td>
<td>10,000</td>
</tr>
<tr>
<td>Unamortized bond premium</td>
<td>3,156</td>
<td>-</td>
<td>-</td>
<td>3,156</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>300</td>
<td>-</td>
<td>2,055</td>
<td>2,355</td>
</tr>
<tr>
<td><strong>Total current liabilities</strong></td>
<td>212,749</td>
<td>-</td>
<td>3,628,170</td>
<td>3,840,919</td>
</tr>
<tr>
<td><strong>Current liabilities payable from restricted assets - accrued interest</strong></td>
<td>83,422</td>
<td>-</td>
<td>-</td>
<td>83,422</td>
</tr>
<tr>
<td><strong>Long-term liabilities (net of current maturities):</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Compensated absences payable</td>
<td>52,106</td>
<td>-</td>
<td>-</td>
<td>52,106</td>
</tr>
<tr>
<td>Bonds payable</td>
<td>4,425,000</td>
<td>-</td>
<td>-</td>
<td>4,425,000</td>
</tr>
<tr>
<td>Unamortized bond premium</td>
<td>68,616</td>
<td>-</td>
<td>-</td>
<td>68,616</td>
</tr>
<tr>
<td><strong>Total noncurrent liabilities</strong></td>
<td>4,629,144</td>
<td>-</td>
<td>-</td>
<td>4,629,144</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td>4,841,893</td>
<td>-</td>
<td>3,628,170</td>
<td>8,470,063</td>
</tr>
</tbody>
</table>

**Net Assets**

<p>| | | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Invested in capital assets, net of related debt</td>
<td>7,137,832</td>
<td>657,582</td>
<td>3,940,816</td>
<td>11,736,230</td>
</tr>
<tr>
<td>Restricted for debt service</td>
<td>164,672</td>
<td>-</td>
<td>-</td>
<td>164,672</td>
</tr>
<tr>
<td>Unrestricted</td>
<td>5,211,505</td>
<td>494,726</td>
<td>(3,584,490)</td>
<td>2,121,741</td>
</tr>
<tr>
<td><strong>Total net assets</strong></td>
<td>12,514,009</td>
<td>1,152,308</td>
<td>356,326</td>
<td>14,022,643</td>
</tr>
</tbody>
</table>

<p>| | | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>$17,355,902</td>
<td>$1,152,308</td>
<td>$3,984,496</td>
<td>$22,492,706</td>
<td></td>
</tr>
</tbody>
</table>
City of Blue Island  
Proprietary Funds - Enterprise Funds  
Statement of Revenues, Expenses and Changes in Fund Net Assets  
For the Year Ended April 30, 2009

<table>
<thead>
<tr>
<th>Business-type Activities</th>
<th>Water</th>
<th>Commuter Parking Lot</th>
<th>Golf Course</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating revenues:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Water</td>
<td>$ 3,277,323</td>
<td>$</td>
<td>-</td>
<td>$ 3,277,323</td>
</tr>
<tr>
<td>Sewer maintenance</td>
<td>610,674</td>
<td>-</td>
<td>-</td>
<td>610,674</td>
</tr>
<tr>
<td>Water meter</td>
<td>16,893</td>
<td>-</td>
<td>-</td>
<td>16,893</td>
</tr>
<tr>
<td>Parking fees</td>
<td></td>
<td>68,014</td>
<td>-</td>
<td>68,014</td>
</tr>
<tr>
<td>Golf course</td>
<td>-</td>
<td>-</td>
<td>704,586</td>
<td>704,586</td>
</tr>
<tr>
<td>Pro shop and concessions</td>
<td>-</td>
<td>-</td>
<td>299,110</td>
<td>299,110</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>1,668</td>
<td>-</td>
<td>975</td>
<td>2,643</td>
</tr>
<tr>
<td><strong>Total operating revenues</strong></td>
<td>3,906,558</td>
<td>68,014</td>
<td>1,004,671</td>
<td>4,979,243</td>
</tr>
<tr>
<td>Operating expenses</td>
<td>3,667,954</td>
<td>42,339</td>
<td>1,174,302</td>
<td>4,884,595</td>
</tr>
<tr>
<td><strong>Operating income (loss)</strong></td>
<td>238,604</td>
<td>25,675</td>
<td>(169,631)</td>
<td>94,648</td>
</tr>
<tr>
<td>Nonoperating income (expenses):</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grant revenue</td>
<td>48,086</td>
<td>-</td>
<td>-</td>
<td>48,086</td>
</tr>
<tr>
<td>Interest income</td>
<td>3,434</td>
<td>634</td>
<td>132</td>
<td>4,200</td>
</tr>
<tr>
<td>Interest expense</td>
<td>(204,745)</td>
<td>-</td>
<td>-</td>
<td>(204,745)</td>
</tr>
<tr>
<td>Bond issuance costs amortization</td>
<td>3,075</td>
<td>-</td>
<td>-</td>
<td>3,075</td>
</tr>
<tr>
<td>Bond discount amortization</td>
<td>(4,391)</td>
<td>-</td>
<td>-</td>
<td>(4,391)</td>
</tr>
<tr>
<td><strong>Nonoperating income (expense)</strong></td>
<td>(154,541)</td>
<td>634</td>
<td>132</td>
<td>(153,775)</td>
</tr>
<tr>
<td>Changes in net assets</td>
<td>84,063</td>
<td>26,309</td>
<td>(169,499)</td>
<td>(59,127)</td>
</tr>
<tr>
<td>Net assets, beginning of the year</td>
<td>12,429,946</td>
<td>1,125,999</td>
<td>525,825</td>
<td>14,081,770</td>
</tr>
<tr>
<td>Net assets, end of the year</td>
<td>$12,514,009</td>
<td>$ 1,152,308</td>
<td>$ 356,326</td>
<td>$14,022,643</td>
</tr>
</tbody>
</table>

See accompanying notes.
# City of Blue Island

## Proprietary Funds - Enterprise Funds

### Statement of Cash Flows

For the Year Ended April 30, 2009

<table>
<thead>
<tr>
<th>Water</th>
<th>Commuter Parking Lot</th>
<th>Golf Course</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>$3,860,540</td>
<td>$68,014</td>
<td>$1,004,671</td>
<td>$4,933,225</td>
</tr>
<tr>
<td>(2,527,066)</td>
<td>-</td>
<td>(784,811)</td>
<td>(3,311,877)</td>
</tr>
<tr>
<td>(701,557)</td>
<td>-</td>
<td>(268,113)</td>
<td>(969,670)</td>
</tr>
</tbody>
</table>

**Net cash from operating activities**

<table>
<thead>
<tr>
<th>Water</th>
<th>Commuter Parking Lot</th>
<th>Golf Course</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>631,917</td>
<td>68,014</td>
<td>(48,253)</td>
<td>651,678</td>
</tr>
</tbody>
</table>

**Cash flows from noncapital financing activities:**

<table>
<thead>
<tr>
<th>Water</th>
<th>Commuter Parking Lot</th>
<th>Golf Course</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>(319,650)</td>
<td>(84,955)</td>
<td>39,502</td>
<td>(365,103)</td>
</tr>
<tr>
<td>280,000</td>
<td>-</td>
<td>-</td>
<td>280,000</td>
</tr>
</tbody>
</table>

**Net cash from noncapital financing activities**

<table>
<thead>
<tr>
<th>Water</th>
<th>Commuter Parking Lot</th>
<th>Golf Course</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>(39,650)</td>
<td>(84,955)</td>
<td>39,502</td>
<td>(85,103)</td>
</tr>
</tbody>
</table>

**Cash flows from capital and related financing activities:**

<table>
<thead>
<tr>
<th>Water</th>
<th>Commuter Parking Lot</th>
<th>Golf Course</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>(469,204)</td>
<td>-</td>
<td>(26,875)</td>
<td>(496,079)</td>
</tr>
<tr>
<td>(190,000)</td>
<td>-</td>
<td>-</td>
<td>(190,000)</td>
</tr>
<tr>
<td>(208,286)</td>
<td>-</td>
<td>-</td>
<td>(208,286)</td>
</tr>
</tbody>
</table>

**Net cash from capital and related financing activities**

<table>
<thead>
<tr>
<th>Water</th>
<th>Commuter Parking Lot</th>
<th>Golf Course</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>(867,490)</td>
<td>-</td>
<td>(26,875)</td>
<td>(894,365)</td>
</tr>
</tbody>
</table>

**Cash flows from investing activities:**

<table>
<thead>
<tr>
<th>Water</th>
<th>Commuter Parking Lot</th>
<th>Golf Course</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>(3,179)</td>
<td>-</td>
<td>(23)</td>
<td>(3,202)</td>
</tr>
<tr>
<td>100,000</td>
<td>-</td>
<td>-</td>
<td>100,000</td>
</tr>
<tr>
<td>3,434</td>
<td>634</td>
<td>132</td>
<td>4,200</td>
</tr>
</tbody>
</table>

**Net cash from investing activities**

<table>
<thead>
<tr>
<th>Water</th>
<th>Commuter Parking Lot</th>
<th>Golf Course</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>100,255</td>
<td>634</td>
<td>109</td>
<td>100,998</td>
</tr>
</tbody>
</table>

**Net decrease in cash**

<table>
<thead>
<tr>
<th>Water</th>
<th>Commuter Parking Lot</th>
<th>Golf Course</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>(174,968)</td>
<td>(16,307)</td>
<td>(35,517)</td>
<td>(226,792)</td>
</tr>
</tbody>
</table>

**Cash and restricted cash, beginning of the year**

<table>
<thead>
<tr>
<th>Water</th>
<th>Commuter Parking Lot</th>
<th>Golf Course</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>285,169</td>
<td>35,367</td>
<td>53,746</td>
<td>374,282</td>
</tr>
</tbody>
</table>

**Cash and restricted cash, end of the year**

<table>
<thead>
<tr>
<th>Water</th>
<th>Commuter Parking Lot</th>
<th>Golf Course</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>$110,201</td>
<td>$19,060</td>
<td>$18,229</td>
<td>$147,490</td>
</tr>
</tbody>
</table>

(cont'd)
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City of Blue Island  
Proprietary Funds - Enterprise Funds  
Statement of Cash Flows (cont'd)  
For the Year Ended April 30, 2009

<table>
<thead>
<tr>
<th></th>
<th>Water</th>
<th>Commuter Parking Lot</th>
<th>Golf Course</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>$ (54,471)</td>
<td>$ 19,060</td>
<td>$ 18,229</td>
<td>$ (17,182)</td>
</tr>
<tr>
<td>Investments</td>
<td>184,479</td>
<td>-</td>
<td>1,955</td>
<td>186,434</td>
</tr>
<tr>
<td>Cash and investments</td>
<td>$ 130,008</td>
<td>$ 19,060</td>
<td>$ 20,184</td>
<td>$ 169,252</td>
</tr>
<tr>
<td>Cash</td>
<td>$ (54,471)</td>
<td>$ 19,060</td>
<td>$ 18,229</td>
<td>$ (17,182)</td>
</tr>
<tr>
<td>Restricted cash</td>
<td>164,672</td>
<td>-</td>
<td>-</td>
<td>164,672</td>
</tr>
<tr>
<td>Cash and restricted cash</td>
<td>$ 110,201</td>
<td>$ 19,060</td>
<td>$ 18,229</td>
<td>$ 147,490</td>
</tr>
</tbody>
</table>

Reconciliation of operating income (loss) to net cash provided (used) by operating activities:

- Operating income (loss) $ 238,604  $ 25,675  $ (169,631)  $ 94,648
- Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:
  - Depreciation expense $ 462,787  $ 42,339  $ 133,566  $ 638,692
  - Increase in receivables $ (46,018) - - $ (46,018)
  - Increase in prepaid items $ (2,116) - - $ (2,116)
  - Increase in inventory - - $ (15,213) $ (15,213)
  - Increase (decrease) in accounts payable $ 11,526 - - $ (6,303) $ 5,223
  - Increase (decrease) in accrued salaries and compensated absences $ (20,722) - $ 12,618 $ (8,104)
  - Decrease in other liabilities $ (12,144) - - $ (3,290) $ (15,434)

Net cash from operating activities $ 631,917  $ 68,014  $ (48,253)  $ 651,678

See accompanying notes.
I. Summary of Significant Accounting Policies

A. The Reporting Entity

The City of Blue Island, Cook County, Illinois is duly organized and existing under the provisions of the laws of the state of Illinois. The City is governed by an elected Council of fourteen Aldermen and a Mayor, and provides the following services: public safety (fire and police), streets, sanitation, water, public improvements, planning, recreation, zoning, and general administrative.

These financial statements present all the departments, commissions and fund types of the City (primary government) and a component unit based on financial accountability. Financial accountability includes appointment of the Organization's governing body, imposition of will and fiscal dependency. The Mayor is responsible for appointing two of the five Trustees to each of the City of Blue Island Police and Firefighters' Pension Boards, but the City's accountability for these Funds does not extend beyond making these appointments, and making contributions to the Funds as actuarially determined. The financial statements of these Funds have not been included within the financial statements.

Complete financial statements may be obtained from the Police Pension Board at 130531 South Greenwood Avenue, Blue Island, Illinois 60406. Financial information may be obtained from the Firefighters' Pension Board at 2450 Vermont Street, Blue Island, Illinois 60406.

Discretely Presented Component Unit – A discretely presented component unit is presented in a separate column in the combined financial statements to emphasize that it is legally separate from the City. The Blue Island Public Library is governed by an eight member Board appointed by the City's Mayor. Although it is legally separate from the City, the Library may not issue debt without the City's approval, and its property tax levy request is subject to the City's approval.

Complete financial statements may be obtained from the Library's administrative office at 2433 York Street, Blue Island, Illinois 60406.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the City and its component unit. The effect of material interfund activity has been eliminated from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from the legally separate component unit for which the primary government is financially accountable.
City of Blue Island
Notes to the Financial Statements (cont’d)

I. Summary of Significant Accounting Policies (cont’d)

B. Government-wide and Fund Financial Statements (cont’d)

The statement of activities demonstrates the degree to which the direct expenses of a given function, segment or program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

The City reports the following major governmental funds:

General Fund – The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Tax Increment Allocation Fund II – A Special Revenue Fund used to account for the accumulation of incremental tax revenues from the City’s second Tax Increment Financing (TIF) District and related expenditures incurred in connection with this TIF.

The City reports the following major proprietary funds:

Water Fund – Accounts for the provision of water and sewer services to the residents of the City. All activities necessary to provide such services are accounted for in this Fund including, but not limited to, administration, operations, maintenance, finance, and billing and collection.

Commuter Parking Lot Fund – Accounts for the operation of the City-owned commuter parking lots. Activities necessary to provide such services are accounted for in this Fund including, but not limited to, administration, operations, maintenance and collections.

Golf Course Fund – Accounts for the operation and maintenance of the City-owned 18-hole golf course. Activities necessary to provide such services are accounted for in this Fund including, but not limited to, administration, operations and maintenance.
City of Blue Island
Notes to the Financial Statements (cont’d)

I. Summary of Significant Accounting Policies (cont’d)

C. Measurement Focus, Basis of Accounting and Basis of Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary 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 flow of current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when susceptible to accrual (when they are "measurable and available"). "Measurable" means the amount of the transaction can be determined, and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The City considers all revenues available if they are collected within 60 days after year end. Expenditures are recorded when the related fund liability is incurred. However, debt service expenditures and expenditures related to compensated absences payable and claims and judgments are recorded only when payment is due.

Governmental fund property taxes, franchise taxes, interest, licenses and charges for services are susceptible to accrual. Replacement income tax, state income tax, and sales tax collected and held by the state at year end on behalf of the City are also recognized as revenue. Other receipts become measurable and available when cash is received by the City, and are recognized as revenue at that time.

The City's proprietary funds apply all applicable Governmental Accounting Standards Board (GASB) pronouncements, as well as relevant Financial Accounting Standards Board (FASB) pronouncements issued on or before November 30, 1989, unless those pronouncements conflict or contradict GASB pronouncements, in which case, GASB prevails.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

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. Internally dedicated resources are reported as general revenues, rather than as program revenues. Likewise, general revenues include all taxes.
C. Measurement Focus, Basis of Accounting and Basis of Presentation (cont’d)

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services, and producing and delivering goods, in connection with a proprietary fund’s principal ongoing operations. The principal operating revenues of the Enterprise Funds are charges to customers for sales and services. Operating expenses for Enterprise Funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Use of Estimates – The preparation of government-wide and proprietary fund financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements, and reported amounts of revenue and expenses during the accounting period. Within the Water Fund, the City grants unsecured credit to its customers, monitors exposure for credit losses, and maintains an allowance for uncollectible accounts ($15,000 at April 30, 2009).

Certain Significant Concentrations – Approximately 78%, or $3,960,000, of revenue of proprietary funds is from water and sewer operations, and 20%, or $1,005,000, of revenues is from golf club operations.

D. Budgets

Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America, except for depreciation in the proprietary funds. Annual appropriated budgets are adopted at the function level for the General, Special Revenue, and Enterprise Funds, except where indicated below. Debt Service Funds have initially been covenanted on a multi-year basis. Projects in the Capital Projects Fund are budgeted by grant agreement on a multi-year basis. No budget is adopted for the Special Tax Increment Allocation Funds (Special Revenue Funds) and the Commuter Parking Lot Fund (Enterprise Fund). All annual appropriations lapse at fiscal year end.

E. Cash and Investments

Investments are stated at fair value. Fair value for the investment in Illinois Funds is the same as the value of the pool shares. State statute requires the State Treasurer's Illinois Funds to comply with the Illinois Public Funds Investment Act.
I. Summary of Significant Accounting Policies (cont'd)

F. Short-term Interfund Receivables/Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on the balance sheet. Short-term interfund loans, if any, are classified as "interfund receivables/payables."

G. Inventories and Prepaid Items

Inventories in the proprietary funds are valued at cost, which approximates market, using the first-in/first-out (FIFO) method. 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.

H. Restricted Assets

Bond covenants of the 2006 Water Fund Revenue Bonds and 1995 Golf Course Refunding Bonds require portions of the debt proceeds, as well as other resources, to be set aside for various purposes. These amounts are reported as restricted assets. The "Operation and Maintenance Account" segregates cash and investments for operations and maintenance for the next succeeding month. The "Debt Service Sub Account" accumulates funds for the payment of current bond and interest maturities becoming due on the next payment dates. Requirements under the Water Fund Revenue Bonds provide for monthly deposits of not less than one-sixth of the next interest payment due, and not less than one-twelfth of the next principal payment due. Funds accumulated in the "Bond Reserve Account" are available for the payment of maturing bond principal or interest, whenever funds are not available for that purpose in the "Bond and Interest Account." Requirements under the Golf Course Refunding Bonds provide for deposits, as may be required in any applicable ordinance by which any outstanding Junior Parity Bonds are authorized and issued.

Funds accumulated in the "Depreciation Account" are available for the payment of maturing bond principal or interest, whenever sufficient funds are not available. Also, such funds may be used to pay the cost of any extraordinary repairs, maintenance or improvements. Requirements under both the Water Fund Revenue Bonds and the Golf Course Refunding Bonds provide for deposits as determined by corporate authorities. No amounts have been determined for deposit to this account.
I. Summary of Significant Accounting Policies (cont’d)

I. Capital Assets

Capital assets, which include property, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. The City defines capital assets as assets with an initial, individual cost of more than $5,000 ($25,000 for buildings, land improvements and infrastructure) and an estimated useful life in excess of one year. Such assets are recorded at cost where historical records are available, or at an estimated historical cost where no historical records exist. Donated capital assets are valued at their estimated fair market value on the date received. The City included retroactive reporting of infrastructure assets of governmental activities as an adjustment to beginning net assets in the current year.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets’ lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is capitalized.

Property and equipment of the primary government, as well as the component units, is depreciated using the straight-line method.

The following estimated useful lives are used to compute depreciation on a straight-line basis:

<table>
<thead>
<tr>
<th>Asset Type</th>
<th>Useful Life</th>
</tr>
</thead>
<tbody>
<tr>
<td>Buildings and land improvements</td>
<td>20 – 50 years</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>40 – 60 years</td>
</tr>
<tr>
<td>Equipment</td>
<td>5 – 10 years</td>
</tr>
</tbody>
</table>

J. Compensated Absences

It is the government’s policy to permit employees to accumulate earned but unused vacation and sick pay benefits. All vacation and sick pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. Payments of compensated absences are made by the governmental funds for which the eligible employee salary is recorded.

Employees with a minimum of twenty years of service, who are eligible to retire, are eligible to receive payment for their accumulated sick time upon leaving the employment of the City. The amount received is limited to sixty days at full pay, and an additional sixty days at half pay, assuming the employee has accumulated the requisite number of unused sick days. All vacation earned for a fiscal year must be used within the same fiscal year. Sick pay is accrued when earned, in proprietary funds, and reported as a fund liability.
City of Blue Island
Notes to the Financial Statements (cont'd)

I. Summary of Significant Accounting Policies (cont'd)

K. Long-term Obligations

In the government-wide financial statements and proprietary 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. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using a straight-line method that approximates the interest method. Bonds payable are reported net of the applicable bond premium or discount.

Governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued and any premium received with the proceeds is reported as another financing source. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

L. Deferred Revenue

Revenue from 100% reimbursable federal grants (Community Development Block Grants) is recorded as earned in an amount equal to expenditures incurred. Therefore, the amount of grants receivable, as well as a portion of grants received, is deferred in the accompanying financial statements until such time as the corresponding expenditures are incurred.

M. Fund Equity and Net Assets

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change. In the government-wide financial statements, restricted net assets are legally restricted by outside parties for a specific purpose.

II. Stewardship, Compliance and Accountability

A. Budgetary Information

The City follows these procedures in establishing the budgetary data reflected in the financial statements:
II. Stewardship, Compliance and Accountability (cont’d)

A. Budgetary Information (cont’d)

- The Appropriation Ordinance is prepared in tentative form by the Finance Director, reviewed and approved by the City Aldermen, and is made available for public inspection at least ten days prior to final Board action. A public hearing is held on the tentative Appropriation Ordinance to obtain taxpayer comments.

- Prior to August 1, the appropriation is legally enacted through the passage of an Appropriation Ordinance. All actual expenditures contained herein have been compared to the annual appropriation.

- The City Aldermen may:
  - By two-thirds vote transfer within any department amounts appropriated for an object or purpose to another object or purpose. No object or purpose can be reduced below an amount sufficient to provide for all obligations incurred or to be incurred against the appropriation.
  - Adopt a supplemental Appropriation Ordinance in an amount not to exceed any additional revenue available, including unappropriated fund balances, or amounts estimated to be received after adoption of the annual Appropriation Ordinance.
  - No other appropriation can be adopted during the fiscal year, unless approved by a petition signed by fifty (50) percent of the number of individuals who voted for Mayor at the last general municipal election, or by a majority of individuals voting on the question in a regular general election or an emergency referendum.
  - Management cannot amend the Appropriation Ordinance. However, expenditures may exceed appropriations at the subobject level. The City Aldermen, as outlined above, must approve expenditures that exceed individual appropriations at the object level.
  - Expenditures exceeded budget in the Motor Fuel Tax Fund by $101,456, the Police Pension Fund by $35,806, and the Firefighters’ Pension Fund by $7,027. In all cases, the excess was funded by the existing fund balance.

For the year ended April 30, 2009, there were no supplemental appropriations.

B. Deficit Fund Equity

The General Fund has a deficit fund balance of $8,612,736. Funding of this deficit is expected from future tax revenues and transfers from other funds.
City of Blue Island  
Notes to the Financial Statements (cont'd)

II. Stewardship, Compliance and Accountability (cont'd)

C. General Obligation Bond Series 1995 - Alternate Bond Fund Junior Bond and Interest Account - Funding Requirement

On a monthly basis, the City is required to fund the Junior Bond and Interest Account of the General Obligation Bond Series 1995 - Alternate Bond Fund ("Junior Bond and Interest Account") for an amount not less that 1/5 of the interest becoming due on the next interest payment date. At April 30, 2009, the Junior Bond and Interest Account was underfunded by $53,712. Funds are being accumulated in the City's general checking account to meet the next interest payment.

III. Detailed Notes For All Activities and Fund Types

A. Deposits and Investments

Statutes authorize the City to invest in the following:

- 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 as to principal and interest.

- Bonds, notes, debentures or similar obligations of the United States of America or its agencies.

- Savings accounts, certificates of deposit, time accounts, or any other investment constituting direct obligations of a bank, as defined by the Illinois Banking Act. Securities legally issuable by savings and loan associations incorporated under the laws of any state of the United States of America. Share accounts and share certificates of a credit union chartered under the laws of the state of Illinois or United States of America, provided the principal office of the credit union is located within the state of Illinois. Short-term discount obligations of the Federal National Mortgage Association (FNMA). Investments may be made only in financial institutions which are insured by either the Federal Deposit Insurance Corporation, or other applicable law for credit unions.

- Short-term obligations (maturing within 180 days of date of purchase) of corporations with assets exceeding five hundred million dollars ($500,000,000). Such obligations must be rated, at the time of purchase, at one of the three highest classifications established by at least two standard rating services. This type of obligation is limited to one-third of the City's funds available for investment, and cannot exceed 10% of the corporation's outstanding obligation.
III. Detailed Notes For All Activities and Fund Types (cont’d)

A. Deposits and Investments (cont’d)

- Money market mutual funds registered under the Investment Company Act of 1940 which invest only in 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 as to principal and interest, and agrees to repurchase such obligations. In addition, the City may also invest in a fund managed, operated and administered by a bank.


- Illinois Funds, a money market fund overseen by the Treasurer of the state of Illinois.

Investments with maturities of one year or more from the date of purchase are stated at market value based on quoted market prices. Investments with maturities of one year or less from the date of purchase are stated at amortized cost. Investment income has been allocated to each fund based on investments held by the fund.

At year end, the carrying amount of the City's deposits was $1,959,888, and the bank balance was $2,362,054 ($72,640 and $105,985, respectively for the City's component unit). Cash on hand totaled $775 for the City and $235 for the City's component unit. Of the bank balance, $500,000 was covered by Federal Depository Insurance ($105,985 for the City's component unit). The remaining balance of the City's deposits of $1,862,054 was uninsured and uncollateralized. Collateral with a market value of approximately $1,500,000 has been placed in safekeeping with a third party bank, to secure certain deposits; however, this collateral is not in the name of the City.

Investments are categorized into these three categories of credit risk:

1. Insured or registered, or securities held by the City or its agent in the City's name.

2. Uninsured and unregistered, with securities held by the counterparty's trust department or agent in the City's name.

3. Uninsured and unregistered, with securities held by the counterparty, or its trust department or agent, but not in the City's name.

At year end, the City had no investments subject to these categories. Investments which are not subject to classification consisted of the following at April 30, 2009:
III. Detailed Notes For All Activities and Fund Types (cont’d)

A. Deposits and Investments (cont’d)

<table>
<thead>
<tr>
<th></th>
<th>Carrying Amount</th>
<th>Market Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Illinois Funds:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Primary Government</td>
<td>$ 353,684</td>
<td>$ 353,684</td>
</tr>
<tr>
<td>Component Unit</td>
<td>$ 788,163</td>
<td>$ 788,163</td>
</tr>
</tbody>
</table>

A reconciliation of cash and investments, as shown on the statement of net assets, follows:

<table>
<thead>
<tr>
<th></th>
<th>Primary Government</th>
<th>Component Unit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash on hand</td>
<td>$ 775</td>
<td>$ 235</td>
</tr>
<tr>
<td>Carrying amount of deposits</td>
<td>1,959,888</td>
<td>72,640</td>
</tr>
<tr>
<td>Carrying amount of investments</td>
<td>353,684</td>
<td>788,163</td>
</tr>
<tr>
<td><strong>Total cash and investments</strong></td>
<td><strong>$ 2,314,347</strong></td>
<td><strong>$ 861,038</strong></td>
</tr>
</tbody>
</table>

**Interest Rate Risk** – This is the risk that changes in the market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The City’s investment policy does not specifically address interest rate risk; however, in practice the City manages its interest rate risk by investing idle funds in the Illinois Funds, a money market account which allows for immediate access to existing balances.

**Credit Risk** – Generally, credit risk is the risk that an issuer of a debt type instrument will not fulfill its obligation to the holder of the investment. This is measured by assignment of a rating by a nationally recognized rating organization. The City’s investments are unrated.

**Custodial Credit Risk** – For deposits, this is the risk that, in the event of a bank failure, a government will not be able to recover its deposits. The City’s deposits in excess of the federally insured limit are subject to custodial credit risk, because even though collateral with a market value of approximately $1,500,000 has been placed in safekeeping with a third party bank, to secure certain deposits, this collateral is not in the name of the City. For investments, this is the risk that in the event of the failure of the counterparty, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The City’s investments at April 30, 2009 are with the Illinois Funds. These investments are pooled along with other participants’ monies, and invested in U.S. Treasury bills and notes backed by the full faith and credit of the U.S. Treasury.
III. Detailed Notes For All Activities and Fund Types (cont'd)

B. Receivables

The City levies property tax each calendar year on all taxable real property located in the City. The City must file its tax levy ordinance on or before the last Tuesday in December of each year. Taxes levied in one year become due and payable in two installments, due March 1 and September 1 during the following year. The first installment is an estimated bill, and is one-half of the prior year’s tax bill. The second installment is based on the current levy, assessment and equalization, and any changes from the prior year will be reflected in the second installment bill. The levy becomes an enforceable lien against the property as of January 1 immediately following the levy year.

Property taxes collected by the City that are due within the current year are recognized as revenue, and net taxes receivable are reflected as deferred revenue. For governmental funds, it is the City’s policy to recognize collections for 60 days after fiscal year end as revenues of the current fiscal year.

Based upon collection histories, the City has provided an allowance for uncollectible property taxes equivalent to 5% and 3% of the current year’s levy for Debt Service Funds and all other funds, respectively. All uncollected taxes relating to prior years’ levies have been written off.

Trade accounts receivable, consisting of amounts due from residents for water, sewer and refuse service, are recorded net of uncollectible amounts, as determined by management. An allowance for uncollectible trade receivables of $15,000 was recorded as of April 30, 2009, and trade receivables outstanding for greater than 90 days were not considered material at April 30, 2009.

C. Restricted Assets

Total restricted assets are comprised of the following:

<table>
<thead>
<tr>
<th>Fund</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Fund</td>
<td></td>
</tr>
<tr>
<td>Unspent grant proceeds</td>
<td>$12,881</td>
</tr>
<tr>
<td>Unspent narcotic asset forfeiture funds</td>
<td>$313,864</td>
</tr>
<tr>
<td>Restricted for special events</td>
<td>$236</td>
</tr>
<tr>
<td><strong>Total General Fund</strong></td>
<td><strong>$326,981</strong></td>
</tr>
<tr>
<td>Water Fund – bond reserve accounts -</td>
<td></td>
</tr>
<tr>
<td>bond and interest reserve</td>
<td>$164,672</td>
</tr>
</tbody>
</table>


III. Detailed Notes For All Activities and Fund Types (cont'd)

D. Capital Assets

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

<table>
<thead>
<tr>
<th></th>
<th>Balances</th>
<th>Additions</th>
<th>Transfer</th>
<th>Balances</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>May 1, 2008</td>
<td></td>
<td></td>
<td>April 30, 2009</td>
</tr>
<tr>
<td><strong>Governmental Activities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital assets not being</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>depreciated:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Land</td>
<td>$ 20,000,000</td>
<td>$</td>
<td>-</td>
<td>$ 20,000,000</td>
</tr>
<tr>
<td>Construction in progress</td>
<td>201,848</td>
<td></td>
<td>(201,848)</td>
<td></td>
</tr>
<tr>
<td>Total capital assets not</td>
<td>20,201,848</td>
<td></td>
<td>(201,848)</td>
<td>20,000,000</td>
</tr>
<tr>
<td>being depreciated</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital assets being</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>depreciated:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Buildings and land</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>improvements</td>
<td>11,587,426</td>
<td>176,340</td>
<td></td>
<td>11,763,766</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>14,210,000</td>
<td>119,788</td>
<td>201,848</td>
<td>14,531,636</td>
</tr>
<tr>
<td>Equipment</td>
<td>6,557,790</td>
<td>807,283</td>
<td></td>
<td>7,365,073</td>
</tr>
<tr>
<td>Total capital assets</td>
<td>32,355,216</td>
<td>1,103,411</td>
<td>201,848</td>
<td>33,660,475</td>
</tr>
<tr>
<td>being depreciated</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Less accumulated</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>depreciation for:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Buildings and land</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>improvements</td>
<td>4,926,426</td>
<td>393,779</td>
<td></td>
<td>5,320,205</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>9,491,467</td>
<td>240,847</td>
<td></td>
<td>9,732,314</td>
</tr>
<tr>
<td>Equipment</td>
<td>5,276,381</td>
<td>251,131</td>
<td></td>
<td>5,527,512</td>
</tr>
<tr>
<td>Total accumulated</td>
<td>19,694,274</td>
<td>885,757</td>
<td></td>
<td>20,580,031</td>
</tr>
<tr>
<td>depreciation</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total capital assets</td>
<td>12,660,942</td>
<td>217,654</td>
<td>201,848</td>
<td>13,080,444</td>
</tr>
<tr>
<td>being depreciated, net</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>**Governmental</td>
<td>$ 32,862,790</td>
<td>$ 217,654</td>
<td>$</td>
<td>$ 33,080,444</td>
</tr>
<tr>
<td>activities, capital</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>assets, net</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Depreciation expense was charged to functions/programs of the governmental activities of the primary government as follows:
III. Detailed Notes For All Activities and Fund Types (cont'd)

D. Capital Assets (cont'd)

General government $ 650,323  
Public safety 192,344  
Highways and streets 43,090  

Total depreciation – governmental activities $ 885,757  

<table>
<thead>
<tr>
<th>Business-type Activities</th>
<th>Balances May 1, 2008</th>
<th>Additions</th>
<th>Transfers</th>
<th>Balances April 30, 2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital assets not being depreciated:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Land</td>
<td>$ 968,470</td>
<td>$ -</td>
<td>$ -</td>
<td>$ 968,470</td>
</tr>
<tr>
<td>Construction in progress</td>
<td>351,900</td>
<td>-</td>
<td>(351,900)</td>
<td>-</td>
</tr>
<tr>
<td>Total capital assets not being depreciated</td>
<td>1,320,370</td>
<td>-</td>
<td>(351,900)</td>
<td>968,470</td>
</tr>
<tr>
<td>Capital assets being depreciated:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Buildings and land improvements</td>
<td>6,812,801</td>
<td>6,125</td>
<td>-</td>
<td>6,818,926</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>18,174,742</td>
<td>436,243</td>
<td>351,900</td>
<td>18,962,890</td>
</tr>
<tr>
<td>Equipment</td>
<td>1,423,486</td>
<td>53,706</td>
<td>-</td>
<td>1,477,192</td>
</tr>
<tr>
<td>Capital assets being depreciated</td>
<td>26,411,029</td>
<td>496,079</td>
<td>351,900</td>
<td>27,259,008</td>
</tr>
<tr>
<td>Less accumulated depreciation for:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Buildings and land improvements</td>
<td>3,122,664</td>
<td>139,994</td>
<td>-</td>
<td>3,262,658</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>6,998,609</td>
<td>446,170</td>
<td>-</td>
<td>7,444,779</td>
</tr>
<tr>
<td>Equipment</td>
<td>1,296,283</td>
<td>52,528</td>
<td>-</td>
<td>1,348,811</td>
</tr>
<tr>
<td>Total accumulated depreciation</td>
<td>11,417,556</td>
<td>638,692</td>
<td>-</td>
<td>12,056,248</td>
</tr>
<tr>
<td>Capital assets being depreciated, net</td>
<td>14,993,473</td>
<td>(142,613)</td>
<td>351,900</td>
<td>15,202,760</td>
</tr>
<tr>
<td>Capital assets, net</td>
<td>$ 16,313,843</td>
<td>$ (142,613)</td>
<td>-</td>
<td>$ 16,171,230</td>
</tr>
</tbody>
</table>
III. Detailed Notes For All Activities and Fund Types (cont’d)

D. Capital Assets (cont’d)

<table>
<thead>
<tr>
<th>Component Unit</th>
<th>Balances May 1, 2008</th>
<th>Additions</th>
<th>Retirements</th>
<th>Balances April 30, 2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital assets being depreciated:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Buildings and land</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>improvements</td>
<td>$ 19,000</td>
<td>$ -</td>
<td>$ -</td>
<td>$ 19,000</td>
</tr>
<tr>
<td>Equipment</td>
<td>72,363</td>
<td></td>
<td></td>
<td>72,363</td>
</tr>
<tr>
<td>Capital assets being</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>depreciated</td>
<td>91,363</td>
<td></td>
<td></td>
<td>91,363</td>
</tr>
<tr>
<td>Less accumulated depreciation for:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Buildings and land</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>improvements</td>
<td>2,532</td>
<td>633</td>
<td>-</td>
<td>3,165</td>
</tr>
<tr>
<td>Equipment</td>
<td>22,619</td>
<td>6,266</td>
<td>-</td>
<td>28,885</td>
</tr>
<tr>
<td>Total accumulated depreciation</td>
<td>25,151</td>
<td>6,899</td>
<td>-</td>
<td>32,050</td>
</tr>
<tr>
<td>Capital assets being</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>depreciated, net</td>
<td>$ 66,212</td>
<td>($ 6,899)</td>
<td>$ -</td>
<td>$ 59,313</td>
</tr>
</tbody>
</table>

E. Interfund Receivables, Payables and Transfers

The composition of interfund balances as of April 30, 2009 is as follows:

Due to/from other funds:

<table>
<thead>
<tr>
<th>Receivable Fund</th>
<th>Payable Fund</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>General</td>
<td>Golf Course</td>
<td>$ 3,551,229</td>
</tr>
<tr>
<td>Motor Fuel Tax</td>
<td>General</td>
<td>524,229</td>
</tr>
<tr>
<td>Special Tax Increment</td>
<td>General</td>
<td>540,303</td>
</tr>
<tr>
<td>Allocation Fund I</td>
<td>General</td>
<td></td>
</tr>
<tr>
<td>Special Tax Increment</td>
<td>General</td>
<td></td>
</tr>
<tr>
<td>Allocation Fund II</td>
<td>General</td>
<td>2,711,222</td>
</tr>
<tr>
<td>Special Tax Increment</td>
<td>General</td>
<td>451,218</td>
</tr>
<tr>
<td>Allocation Fund III</td>
<td>General</td>
<td></td>
</tr>
<tr>
<td>Police Pension</td>
<td>General</td>
<td>307,943</td>
</tr>
<tr>
<td>Firefighters' Pension</td>
<td>General</td>
<td>133,563</td>
</tr>
<tr>
<td>Community Development</td>
<td>General</td>
<td></td>
</tr>
<tr>
<td>Block Grant</td>
<td>General</td>
<td>2,083</td>
</tr>
<tr>
<td>Water</td>
<td>General</td>
<td>4,863,626</td>
</tr>
<tr>
<td>Commuter Parking Lot</td>
<td>General</td>
<td>475,666</td>
</tr>
<tr>
<td>Alternate Bond Fund -- Series</td>
<td>General</td>
<td>336,114</td>
</tr>
<tr>
<td>1995</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(cont’d)
III. Detailed Notes For All Activities and Fund Types (cont'd)

E. Interfund Receivables, Payables and Transfers (cont'd)

<table>
<thead>
<tr>
<th>Receivable Fund</th>
<th>Payable Fund</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1997 TIF General Obligation</td>
<td>General</td>
<td>$194,345</td>
</tr>
<tr>
<td>1998 TIF General Obligation</td>
<td>General</td>
<td>1,043,413</td>
</tr>
<tr>
<td>2003 TIF General Obligation</td>
<td>General</td>
<td>100,430</td>
</tr>
<tr>
<td>General Obligation Bond Fund – Series 2005</td>
<td>General</td>
<td>43,083</td>
</tr>
<tr>
<td>General Obligation Bond Fund – Series 2007</td>
<td>General</td>
<td>101,030</td>
</tr>
<tr>
<td>Water</td>
<td>Golf Course</td>
<td>37,572</td>
</tr>
<tr>
<td>Special Tax Increment Allocation Fund II</td>
<td>Special Tax Increment</td>
<td>39,358</td>
</tr>
<tr>
<td>Special Tax Increment Allocation Fund II</td>
<td>Allocation Fund I</td>
<td></td>
</tr>
<tr>
<td>Special Tax Increment Allocation Fund III</td>
<td>1998 TIF General Obligation</td>
<td>169,770</td>
</tr>
<tr>
<td></td>
<td>1998 TIF General Obligation</td>
<td>348,604</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>$1,597,801</strong></td>
</tr>
</tbody>
</table>

Interfund receivable/payable:

| Special Tax Increment Allocation Fund II     | General                 | **$64,776** |

Advances to/from other funds:

| Special Tax Increment Allocation Fund II     | General                 | **$162,420** |

The interfund balances represent amounts deposited into one fund, but recorded as a revenue in another fund, expenditures paid on behalf of one fund by another fund, for which reimbursement has not yet taken place, or temporary borrowings of one fund by another. Balances are being repaid as funds become available. The "interfund receivable/payable" represents the current portion of a formal borrowing agreement between the Special Tax Increment Allocation Fund II and the General Fund. The long-term portion of this agreement is shown as "advances to/from other funds."

Transfers between funds for the year ended April 30, 2009 are as follows:
III. Detailed Notes For All Activities and Fund Types (cont’d)

E. Interfund Receivables, Payables and Transfers (cont’d)

<table>
<thead>
<tr>
<th>Transfer In Fund</th>
<th>Transfer Out Fund</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Special Tax Increment Allocation Fund III</td>
<td>1994 TIF General Obligation</td>
<td>$275,450</td>
</tr>
<tr>
<td>1997 TIF General Obligation</td>
<td>Special Tax Increment Allocation Fund II</td>
<td>498,145</td>
</tr>
<tr>
<td>2003 TIF General Obligation</td>
<td>Special Tax Increment Allocation Fund II</td>
<td>256,169</td>
</tr>
<tr>
<td>1998 TIF General Obligation</td>
<td>Special Tax Increment Allocation Fund III</td>
<td>607,553</td>
</tr>
<tr>
<td></td>
<td></td>
<td>$1,637,317</td>
</tr>
</tbody>
</table>

Transfers were made to fund debt service payments as they became due.

F. Operating Lease Obligations

The City leases various equipment. The leases are classified as operating leases. The lease payments for the year ended April 30, 2009 and future scheduled lease payments are not considered material to the financial statements.

G. Long-term Debt

General Obligation Bonds – The government issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities.

General obligation bonds are direct obligations, and pledge the full faith and credit of the government. General obligation bonds currently outstanding are as follows:
Ill. Detailed Notes For All Activities and Fund Types (cont’d)

G. Long-term Debt (cont’d)

General Obligation Bonds (cont’d)

<table>
<thead>
<tr>
<th>Issues</th>
<th>Balances</th>
<th>Issuances</th>
<th>Retirements</th>
<th>Balances</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>May 1, 2008</td>
<td></td>
<td></td>
<td>April 30, 2009</td>
</tr>
<tr>
<td>General Obligation Bonds:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1995 Golf Course Refunding Bonds (Alternate Revenue Source), original principal $6,240,000, annual principal due December 1 at amounts ranging from $395,000 to $515,000 through December 1, 2024, interest at 5.10% to 5.30%</td>
<td>$3,085,000</td>
<td>$ -</td>
<td>$ 375,000</td>
<td>$ 2,710,000</td>
</tr>
<tr>
<td>2005 General Obligation (Limited Tax) Bonds, original principal $350,000, annual principal due December 1 at amounts ranging from $75,500 to $79,000 through December 1, 2010, interest at 3.95%</td>
<td>227,000</td>
<td>-</td>
<td>72,500</td>
<td>154,500</td>
</tr>
<tr>
<td>General Obligation Tax Increment Bonds:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1997 Tax Increment Refunding Series, original principal $3,070,000, due annually on December 15 at amounts ranging from $415,000 to $475,000 through December 15, 2012, interest at 4.90% to 5.10%</td>
<td>2,165,000</td>
<td>-</td>
<td>390,000</td>
<td>1,775,000</td>
</tr>
<tr>
<td>1998 Tax Increment Refunding Series, original principal $6,250,000, due annually on December 15 at amounts ranging from $520,000 to $750,000 through December 15, 2014, interest at 4.50% to 4.90%</td>
<td>4,185,000</td>
<td>-</td>
<td>410,000</td>
<td>3,775,000</td>
</tr>
<tr>
<td>2003 Tax Increment Refunding Series, original principal $2,175,000, due annually on December 15 at amounts ranging from $215,000 to $330,000 through December 15, 2013, interest at 3.625% to 4.375%</td>
<td>1,540,000</td>
<td>-</td>
<td>195,000</td>
<td>1,345,000</td>
</tr>
</tbody>
</table>

(cont’d)
III. Detailed Notes For All Activities and Fund Types (cont’d)

G. Long-term Debt (cont’d)

General Obligation Bonds (cont’d)

<table>
<thead>
<tr>
<th>Issues</th>
<th>Balances May 1, 2008</th>
<th>Issuances</th>
<th>Retirements</th>
<th>Balances April 30, 2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006 Waterworks and Sewerage Bonds (Alternate Revenue Source), original principal $4,635,000, annual principal due December 1 at amounts ranging from $10,000 to $380,000 through December 1, 2024, interest at 4.25% to 4.75%.</td>
<td>$ 4,625,000</td>
<td>$ -</td>
<td>$ 190,000</td>
<td>$ 4,435,000</td>
</tr>
<tr>
<td></td>
<td>$ 15,827,000</td>
<td>$ -</td>
<td>$ 1,632,500</td>
<td>$ 14,194,500</td>
</tr>
</tbody>
</table>

General sales tax/revenue sharing receipts alternate revenue source bonds:

- Original principal $1,000,000, due semiannually on June 1 and December 1 at amounts ranging from $50,000 to $232,000 plus interest at 4.75%.
  - $ 1,000,000 | $ - | $ 50,000 | $ 950,000

Note payable:

- 2006 Fire Truck Promissory Note Agreement, original principal of $285,400, balance due at maturity on December 21, 2008, including interest at 4.75% per annum.
  - $ 185,400 | $ - | $ 185,400 | $ -

The 2006 Waterworks and Sewerage Refunding Bonds are recorded as a liability of the Water Fund (an Enterprise Fund).
III. Detailed Notes For All Activities and Fund Types (cont'd)

G. Long-term Debt (cont'd)

General Obligation Bonds (cont'd)

The annual debt service requirements to maturity are as follows:

<table>
<thead>
<tr>
<th>Fiscal Year Ending April 30</th>
<th>General Obligation Bonds</th>
<th>Total</th>
<th>Principal</th>
<th>Interest</th>
</tr>
</thead>
<tbody>
<tr>
<td>Governmental activities due in 2010:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1995 Golf Course</td>
<td>$537,010</td>
<td>$395,000</td>
<td>$142,010</td>
<td></td>
</tr>
<tr>
<td>2005 Limited Tax</td>
<td>81,603</td>
<td>75,500</td>
<td>6,103</td>
<td></td>
</tr>
<tr>
<td>1997 Tax Increment</td>
<td>504,035</td>
<td>415,000</td>
<td>89,035</td>
<td></td>
</tr>
<tr>
<td>1998 Tax Increment</td>
<td>699,102</td>
<td>520,000</td>
<td>179,102</td>
<td></td>
</tr>
<tr>
<td>2003 Tax Increment</td>
<td>269,587</td>
<td>215,000</td>
<td>54,587</td>
<td></td>
</tr>
<tr>
<td>2010</td>
<td>2,091,337</td>
<td>1,620,500</td>
<td>470,837</td>
<td></td>
</tr>
<tr>
<td>2011</td>
<td>2,120,183</td>
<td>1,724,000</td>
<td>396,183</td>
<td></td>
</tr>
<tr>
<td>2012</td>
<td>2,030,106</td>
<td>1,715,000</td>
<td>315,106</td>
<td></td>
</tr>
<tr>
<td>2013</td>
<td>2,137,107</td>
<td>1,905,000</td>
<td>232,107</td>
<td></td>
</tr>
<tr>
<td>2014</td>
<td>1,688,864</td>
<td>1,530,000</td>
<td>138,864</td>
<td></td>
</tr>
<tr>
<td>2015</td>
<td>1,329,045</td>
<td>1,265,000</td>
<td>64,045</td>
<td></td>
</tr>
<tr>
<td>Totals</td>
<td>$11,376,642</td>
<td>$9,759,500</td>
<td>$1,617,142</td>
<td></td>
</tr>
</tbody>
</table>

Fiscal Year Ending April 30 | General Obligation Bonds | Total | Principal | Interest |
|-----------------------------|---------------------------|-------|-----------|----------|

Business-type activities (Waterworks and Sewerage Series 2006):

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>General Obligation Bonds</th>
<th>Total</th>
<th>Principal</th>
<th>Interest</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>$395,213</td>
<td>$195,000</td>
<td>$200,213</td>
<td></td>
</tr>
<tr>
<td>2011</td>
<td>396,925</td>
<td>205,000</td>
<td>191,925</td>
<td></td>
</tr>
<tr>
<td>2012</td>
<td>398,212</td>
<td>215,000</td>
<td>183,212</td>
<td></td>
</tr>
<tr>
<td>2013</td>
<td>399,075</td>
<td>225,000</td>
<td>174,075</td>
<td></td>
</tr>
<tr>
<td>2014</td>
<td>394,512</td>
<td>230,000</td>
<td>164,512</td>
<td></td>
</tr>
<tr>
<td>2015 – 2019</td>
<td>1,987,237</td>
<td>1,325,000</td>
<td>662,237</td>
<td></td>
</tr>
<tr>
<td>2020 – 2024</td>
<td>1,991,519</td>
<td>1,660,000</td>
<td>331,519</td>
<td></td>
</tr>
<tr>
<td>2025</td>
<td>398,050</td>
<td>380,000</td>
<td>18,050</td>
<td></td>
</tr>
<tr>
<td>Totals</td>
<td>$6,360,743</td>
<td>$4,435,000</td>
<td>$1,925,743</td>
<td></td>
</tr>
</tbody>
</table>
III. Detailed Notes For All Activities and Fund Types (cont'd)

G. Long-term Debt (cont'd)

The annual debt service requirements to maturity are as follows:

<table>
<thead>
<tr>
<th>Fiscal Year Ending April 30</th>
<th>2007 General Sales Tax/Revenue Sharing Receipts Alternate Revenue Source Bonds</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total</td>
</tr>
<tr>
<td>Governmental activities:</td>
<td></td>
</tr>
<tr>
<td>2010</td>
<td>$ 232,964</td>
</tr>
<tr>
<td>2011</td>
<td>237,725</td>
</tr>
<tr>
<td>2012</td>
<td>237,916</td>
</tr>
<tr>
<td>2013</td>
<td>355,632</td>
</tr>
<tr>
<td>Totals</td>
<td>$ 1,064,237</td>
</tr>
</tbody>
</table>

General obligation bonds are backed by the full faith and credit of the City, and are subject to an annual property tax levy for the payment of principal and interest. In addition, tax increment bonds provide for a pledge of all incremental property taxes upon property located in the Tax Incremental Financing District.

Alternate revenue source bonds issued in 1995 are also secured by a pledge of operation and maintenance expenses and required credits to various restricted accounts, in an amount up to 1.25 times current debt. At April 30, 2008, the City had not met the funding requirements for the alternate revenue source bonds, as sufficient Golf Course Fund revenues were not available. The 1995 Golf Course Refunding Bonds require disclosure of the occurrence of a "Listed Event," as identified in the Continuing Disclosure Certificate and Agreement dated December 28, 1995.
III. Detailed Notes For All Activities and Fund Types (cont'd)

G. Long-term Debt (cont'd)

**Capital Leases**

Capital lease obligations currently outstanding are as follows:

<table>
<thead>
<tr>
<th>Issues</th>
<th>Balances May 1, 2009</th>
<th>Issuances</th>
<th>Retirements</th>
<th>Balances April 30, 2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Four 2008 Crown Victoria police cars, 36 monthly payments of $2,491.40 commencing June 15, 2007 including interest at 6.9%, secured by vehicles with a net book value of $57,971 at April 30, 2009.</td>
<td>$ 55,931</td>
<td>$ -</td>
<td>$ 26,310</td>
<td>$ 30,621</td>
</tr>
<tr>
<td>9-1-1 Phone system, 6 semiannual payments of $46,171 commencing January 20, 2008 including interest at 5.925%, secured by equipment with a net book value of $205,684 at April 30, 2009.</td>
<td>211,933</td>
<td>-</td>
<td>61,132</td>
<td>130,801</td>
</tr>
<tr>
<td>9-1-1 Phone answering equipment, 6 semiannual payments of $24,872 commencing January 20, 2009 including interest at 5.986%, secured by equipment with a net book value of $128,254 at April 30, 2009.</td>
<td>-</td>
<td>135,004</td>
<td>21,067</td>
<td>113,937</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$ 268,864</td>
<td>$ 135,004</td>
<td>$ 128,509</td>
<td>$ 275,359</td>
</tr>
</tbody>
</table>

The annual debt service requirements to maturity are as follows:

<table>
<thead>
<tr>
<th>Fiscal Year Ending April 30</th>
<th>Capital Lease Obligations</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Principal</td>
<td>Interest</td>
</tr>
<tr>
<td>Governmental activities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2010</td>
<td>$ 171,502</td>
<td>$ 157,695</td>
</tr>
<tr>
<td>2011</td>
<td>98,385</td>
<td>93,514</td>
</tr>
<tr>
<td>2012</td>
<td>24,872</td>
<td>24,150</td>
</tr>
<tr>
<td><strong>Totals</strong></td>
<td>$ 294,739</td>
<td>$ 275,359</td>
</tr>
</tbody>
</table>
III. Detailed Notes For All Activities and Fund Types (cont’d)

G. Long-term Debt (cont’d)

Noncurrent liability summary:

<table>
<thead>
<tr>
<th></th>
<th>May 1, 2008</th>
<th>Additions</th>
<th>Retirements</th>
<th>April 30, 2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Governmental Activities</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General obligation bonds</td>
<td>$11,202,000</td>
<td>-</td>
<td>$1,442,500</td>
<td>$9,759,500</td>
</tr>
<tr>
<td>Notes and contracts</td>
<td>185,400</td>
<td>-</td>
<td>185,400</td>
<td>-</td>
</tr>
<tr>
<td>Sales tax/revenue sharing receipts (ARS) bonds</td>
<td>1,000,000</td>
<td>-</td>
<td>50,000</td>
<td>950,000</td>
</tr>
<tr>
<td>Capital lease obligations</td>
<td>268,864</td>
<td>135,004</td>
<td>128,509</td>
<td>275,399</td>
</tr>
<tr>
<td>Compensated absences</td>
<td>543,591</td>
<td>78,078</td>
<td>162,205</td>
<td>459,464</td>
</tr>
<tr>
<td>Refunding bond premium</td>
<td>13,874</td>
<td>-</td>
<td>2,313</td>
<td>11,561</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td><strong>13,213,729</strong></td>
<td><strong>213,082</strong></td>
<td><strong>1,970,927</strong></td>
<td><strong>11,455,884</strong></td>
</tr>
<tr>
<td>Water Fund</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General obligation bonds</td>
<td>4,625,000</td>
<td>-</td>
<td>190,000</td>
<td>4,435,000</td>
</tr>
<tr>
<td>Compensated absences</td>
<td>79,964</td>
<td>6,625</td>
<td>34,483</td>
<td>52,106</td>
</tr>
<tr>
<td>Reoffering premium</td>
<td>74,846</td>
<td>-</td>
<td>3,074</td>
<td>71,772</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td><strong>4,779,810</strong></td>
<td><strong>6,625</strong></td>
<td><strong>227,557</strong></td>
<td><strong>4,558,878</strong></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$17,993,539</strong></td>
<td><strong>$219,707</strong></td>
<td><strong>$2,198,484</strong></td>
<td><strong>$16,014,762</strong></td>
</tr>
</tbody>
</table>

H. Tax Anticipation Warrants

On January 8, 2008, the City approved Tax Anticipation Warrants for 2008 up to a maximum principal amount of $2,000,000, with the first draw (Series 2008) having a maturity date of May 15, 2008, in anticipation of the first installment of taxes. The City made a draw of $1,000,000 in January 2008. The amount was repaid including interest at 4.5% in May 2008, prior to the maturity date. The City drew down an additional $1,000,000 in June 2008 (Series 2008A) with a maturity date on December 15, 2008, including interest at 4.5%, in anticipation of the second installment of taxes. The amount was repaid including interest at 4.5% in December 2008, prior to the maturity date.

On November 11, 2008, the City approved Tax Anticipation Warrants for 2008 up to a maximum principal amount of $2,000,000, with the first draw (Series 2008C) having a maturity date of May 15, 2009, in anticipation of the first installment of taxes. The City made a draw of $1,000,000 in November 2008. The amount was repaid including interest at 4% in May 2009, subsequent to year end but prior to the maturity date. The City drew down an additional $1,000,000 in June 2008 (Series 2008D) with a maturity date of December 15, 2009, including interest at 4%, in anticipation of the second installment of taxes.
III. Detailed Notes For All Activities and Fund Types (cont’d)

1. Reconciliation of Government-wide and Fund Financial Statements

On the statement of net assets, receivables of governmental activities consist of property taxes (67%), other taxes (20%), grants and other (10%), and customer accounts (3%). Receivables of business-type activities consist of billed and unbilled utilities receivable.

The governmental fund statement of revenues, expenditures and changes in fund balances includes a reconciliation between net changes in fund balances – total governmental funds and changes in net assets of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that: “Governmental funds report capital outlays as expenditures. However, in the statement of activities, the costs of these assets are allocated over their estimated useful lives and reported as depreciation expense.” The details of this difference are as follows:

<table>
<thead>
<tr>
<th>Capital outlay</th>
<th>$ 968,407</th>
</tr>
</thead>
<tbody>
<tr>
<td>Depreciation</td>
<td>(885,757)</td>
</tr>
</tbody>
</table>

Net decrease to net change in fund balances – total governmental funds to arrive at change in net assets of governmental activities $ 82,650

Another element of the reconciliation states: “Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.” This amount represents the recognition of property taxes on the full accrual basis net of the effect of full accrual recognition in the prior year.

Another element of the reconciliation states: “Some expenses in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.” This difference is the net effect of recording both compensated absences payable, and interest expense on the City’s general obligation bonds on the full accrual basis in both the current and prior year.
IV. Other Information

A. Risk Management

The City is exposed to various risks related to torts; theft of, damage to, or destruction of assets; errors or omissions; injuries to employees; or natural disasters. Property damage losses, with a minor deductible for total replacement value, are insured with a commercial insurance company. Settled claims from these risks have not exceeded commercial insurance coverage for the past two years. There has been no significant reduction in insurance coverage. Workers' compensation, general liability and employee health claims are self-funded.

Self-funding of risk management activities is being reported in the General Fund. All claims activities are reported in the General Fund. 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. These losses include an estimate of claims that have been incurred, but not reported of $131,842 for employee health.

This liability is the City's best estimate based on recent claim settlement trends, including frequency, the amount of payout, and other economic factors. Changes in the reported liability since April 30, 2006 resulted in the following:

<table>
<thead>
<tr>
<th></th>
<th>Beginning of Fiscal Year Liability</th>
<th>Current Year Claims and Changes in Estimates</th>
<th>Claim Payments</th>
<th>Balance at Fiscal Year End</th>
</tr>
</thead>
<tbody>
<tr>
<td>Workers' compensation and general liability:</td>
<td>$</td>
<td>$ 1,287,910</td>
<td>$ (287,910)</td>
<td>$ 1,000,000</td>
</tr>
<tr>
<td>2006 – 2007</td>
<td>$ 1,000,000</td>
<td>573,585</td>
<td>(1,573,585)</td>
<td>-</td>
</tr>
<tr>
<td>2007 – 2008</td>
<td></td>
<td>268,411</td>
<td>268,411</td>
<td>-</td>
</tr>
</tbody>
</table>

Health claims:

<table>
<thead>
<tr>
<th></th>
<th>Beginning of Fiscal Year Liability</th>
<th>Current Year Claims and Changes in Estimates</th>
<th>Claim Payments</th>
<th>Balance at Fiscal Year End</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006 – 2007</td>
<td>131,842</td>
<td>1,595,568</td>
<td>(1,595,568)</td>
<td>131,842</td>
</tr>
<tr>
<td>2007 – 2008</td>
<td>131,842</td>
<td>1,575,001</td>
<td>(1,575,001)</td>
<td>131,842</td>
</tr>
<tr>
<td>2008 – 2009</td>
<td>131,842</td>
<td>2,194,336</td>
<td>(2,194,336)</td>
<td>131,842</td>
</tr>
</tbody>
</table>

B. Commitments and Contingent Liabilities

Grant Programs – The City participates in federally assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The amount, if any, of expenditures which may be disallowed by the granting agencies is not expected to be material.
IV. Other Information (cont'd)

C. Tax Increment Redevelopment Project

The City has established Tax Increment Financing Districts I, II, and III in November 1989, December 1992, and January 1994, respectively.

A redevelopment plan was adopted to make improvements on certain blighted areas, which will be funded by property taxes attributable to the increase in the equalized assessed valuation of each taxable lot in the Project Area.

The base equalized assessed valuation (EAV), as well as the incremental change equalized assessed valuation for these districts (2007 EAV latest available), is as follows:

<table>
<thead>
<tr>
<th>District</th>
<th>Base EAV</th>
<th>2007 EAV</th>
</tr>
</thead>
<tbody>
<tr>
<td>District I</td>
<td>$1,523,341</td>
<td>$2,151,715</td>
</tr>
<tr>
<td>District II</td>
<td>9,578,727</td>
<td>20,199,740</td>
</tr>
<tr>
<td>District III</td>
<td>1,473,597</td>
<td>9,752,467</td>
</tr>
<tr>
<td>District IV</td>
<td>4,090,525</td>
<td>3,949,569</td>
</tr>
</tbody>
</table>

D. Deferred Compensation Plan

The City offers its employees a deferred compensation plan, created in accordance with Internal Revenue Code Section 457. The plan, available to all City employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. All funds are held in trust and administered by an outside third party trustee for the exclusive benefit of participants and their beneficiaries. The City is not required to make a contribution to the plan.

E. Pension and Retirement Plan Commitments

The City participates in three contributory retirement plans. Law enforcement officers are covered under the Police Pension Fund (a single-employer plan administered by a separate Police Pension Board of Trustees). Fire sworn personnel are covered under the Firefighters' Pension Fund (a single-employer plan administered by a separate Firefighters' Pension Board of Trustees). The Illinois Municipal Retirement Fund (a statewide plan) covers substantially all full-time employees, except law enforcement officers and firefighters. The City has two plans under the Illinois Municipal Retirement Fund, one for regular employees, and a Sheriff Law Enforcement Personnel ("SLEP") Plan. In addition, the City offers its employees a deferred compensation plan.
City of Blue Island
Notes to the Financial Statements (cont’d)

IV. Other Information (cont’d)

E. Pension and Retirement Plan Commitments (cont’d)

1. Illinois Municipal Retirement Fund ("IMRF")

Plan Description – The City’s defined benefit pension plan for Regular employees provides retirement and disability benefits, postretirement increases, and death benefits to plan members and beneficiaries. The City’s plan is affiliated with IMRF, an agent-multiple-employer pension plan that acts as a common investment and administrative agent for local governments and school districts in Illinois. Benefit provisions are established by state statute and can only be changed by the General Assembly of the State of Illinois. The IMRF issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained online at www.imrf.org.

Funding Policy – As set by statute, Regular plan members are required to contribute 4.5 percent of their annual covered salary. The statutes require the City to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer rate for calendar year 2008 was 8.23% of payroll (0.0% for SLEP). The City also contributes for disability 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 $355,910 for the Regular Plan ($0 for SLEP) was equal to the City’s required and actual contributions.

<table>
<thead>
<tr>
<th>Actuarial Valuation Date</th>
<th>Annual Pension Cost (APC)</th>
<th>Percentage of APC Contributed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regular:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>12/31/08</td>
<td>$355,910</td>
<td>100 %</td>
</tr>
<tr>
<td>12/31/07</td>
<td>334,161</td>
<td>100</td>
</tr>
<tr>
<td>12/31/06</td>
<td>350,762</td>
<td>100</td>
</tr>
<tr>
<td>SLEP:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>12/31/08</td>
<td>-</td>
<td>100</td>
</tr>
<tr>
<td>12/31/07</td>
<td>-</td>
<td>100</td>
</tr>
<tr>
<td>12/31/06</td>
<td>-</td>
<td>100</td>
</tr>
</tbody>
</table>
IV. Other Information (cont’d)

E. Pension and Retirement Plan Commitments (cont’d)

1. Illinois Municipal Retirement Fund ("IMRF") (cont’d)

Annual Pension Cost (cont’d)

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 included: (a) 7.50% investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4.0% 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) postretirement benefit increases of 3% annually. The actuarial value of the IMRF’s assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period using a 20% corridor. The City’s Regular 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. The City's SLEP plan’s overfunded 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, 2008 valuation was 28 years.

Funding Status and Funding Progress – As of December 31, 2008, the most recent actuarial valuation date, the Regular plan was 76.87% funded. The actuarial accrued liability for benefits was $11,091,513 and the actuarial value of assets was $8,526,178, resulting in an underfunded actuarial accrued liability (UAAL) of $2,565,335. The covered payroll (annual payroll of active employees covered by the plan) was $4,324,540 and the ratio of the UAAL to the covered payroll was 59%.

As of December 31, 2008, the most recent actuarial valuation date, the SLEP plan was 229.71% funded. The actuarial accrued liability for benefits was $34,554 and the actuarial value of assets was $79,374, resulting in an overfunded actuarial accrued liability (OAAL) of $44,820. The covered payroll (annual payroll of active employees covered by the plan) was $0 and since the plan is overfunded, there is no ratio of UAAL to the covered payroll.

The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.
IV. Other Information (cont’d)

E. Pension and Retirement Plan Commitments (cont’d)

2. Police Pension

Police sworn personnel are covered by the Police Pension Plan, which is a defined benefit single-employer pension plan. Although this is a single-employer plan, the defined benefits, as well as the employee and employer contribution levels, are governed by Illinois Compiled Statutes, and may be amended only by the Illinois legislature. The latest actuarial report available for the police pension plan is for the year ended April 30, 2007. The City’s payroll for employees covered by the Police Pension Plan for the year ended April 30, 2006 was $2,239,621. At April 30, 2007, the Police Pension Plan’s membership consisted of:

- Retirees and beneficiaries currently receiving benefits, and terminated employees entitled to benefits but not yet receiving them: 27
- Current employees: 40
- Total: 67

The Police Pension Plan provides retirement benefits, as well as death and disability benefits. Employees attaining the age of fifty or more, with twenty or more years of credited service, are entitled to receive an annual retirement benefit of 2.5% of final salary for each year of service up to 30 years, to a maximum of 75% of such salary. Employees with at least eight years, but less than twenty years, of credited service may retire at or after age sixty, and receive a reduced benefit of 2.5% of final salary for each year of credited service. Surviving spouses receive the greater of 50% of final salary or the employee’s retirement benefit. Employees disabled in the line of duty receive 65% of final salary.

The monthly pension of a police officer who retired with twenty 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% of the original granted pension. Beginning with increases granted on or after July 1, 1993, the second and subsequent automatic annual increases shall be calculated as 3% of the amount of the pension payable at the time of the increase.
E. Pension and Retirement Plan Commitments (cont’d)

2. Police Pension (cont’d)

Covered employees are required to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than twenty 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, as actuarially determined by an enrolled actuary. By the year 2034, the City’s contributions must accumulate to the point where the unfunded liability for the Police Pension Plan is fully funded.

As of April 30, 2007 (date of most recent actuarial valuation), the annual required contribution of the City necessary to cover normal cost was calculated to be $254,740, and the annual required contribution necessary to amortize the unfunded actuarial accrued liability over a period of 26 years was calculated to be $639,177. It is the City’s policy to fund annual pension cost as accrued. Property taxes levied on behalf of the Police Pension Fund by the City are now paid directly to the pension fund, beginning with the 2007 levy. In the current fiscal year, the City contributed property taxes collected of $448,485 to the Police Pension Fund. In addition, the City contributed $23,035 to the Firefighters’ Pension Fund representing the Plan’s share of replacement taxes received by the City.

The actuarial accrued liability and net assets held in trust for pension benefits at April 30, 2007 (date of most recent actuarial valuation) is presented below:

| Actuarial accrued liability: | $ 11,473,043 |
| Retirees and beneficiaries currently receiving benefits, and terminated employees not yet receiving benefits | $ 11,473,043 |
| Current employees: |  |
| Accumulated employee contributions, including allocated investment earnings | - |
| Employer-financed, vested | - |
| Employer-financed, nonvested | 9,137,495 |
| **Total actuarial accrued liability** | 20,610,538 |
| **Net assets available for benefits, at market** | 7,325,846 |
| **Unfunded actuarial accrued liability** | $ 13,284,692 |
City of Blue Island
Notes to the Financial Statements (cont’d)

IV. Other Information (cont’d)

E. Pension and Retirement Plan Commitments (cont’d)

2. Police Pension (cont’d)

Information regarding actuarial present value of vested and nonvested accumulated benefits is not available. Trend information gives an indication of the progress made in accumulating sufficient assets to pay benefits when due.

Trend information for the three Plan years ended April 30, 2007, 2006 and 2004, respectively, is as follows:

<table>
<thead>
<tr>
<th>Actuarial Valuation Date</th>
<th>Annual Pension Cost (APC)</th>
<th>Percentage of APC Contributed</th>
</tr>
</thead>
<tbody>
<tr>
<td>4/30/07</td>
<td>$ 876,426</td>
<td>82.2%</td>
</tr>
<tr>
<td>4/30/06</td>
<td>829,557</td>
<td>78.0</td>
</tr>
<tr>
<td>4/30/04</td>
<td>689,731</td>
<td>124.2</td>
</tr>
</tbody>
</table>

Complete financial statements for the Police Pension Fund, including ten-year trend information, can be obtained from the Fund's Administrative Offices at 13051 South Greenwood Avenue, Blue Island, Illinois 60406.

As of April 30, 2007, the most recent actuarial valuation date, the Police Pension Plan was 35.54% funded. The actuarial accrued liability for benefits was $20,610,538 and the actuarial value of assets was $7,352,846, resulting in an underfunded actuarial accrued liability (UAAL) of $13,284,692. The covered payroll (annual payroll of active employees covered by the plan) was $2,239,621 and the ratio of the UAAL to the covered payroll was 539.17%.

The required supplementary information, a schedule of funding progress for the last six years, may be found on page 65.

3. Firefighters' Pension

Fire sworn personnel are covered by the Firefighters’ Pension Plan, which is a defined benefit single-employer pension plan. Although this is a single-employer pension plan, the defined benefits, as well as the employee and employer contribution levels, are governed by the Illinois legislature. The latest actuarial report available for the firefighters’ pension plan is for the year ended April 30, 2007. The City's payroll for employees covered by the Firefighters’ Pension Plan for the year ended April 30, 2007 was $1,074,155. At April 30, 2007, the Firefighters’ Pension Plan membership consisted of:
IV. Other Information (cont'd)

E. Pension and Retirement Plan Commitments (cont'd)

3. Firefighters' Pension (cont'd)

Retirees and beneficiaries currently receiving benefits, and terminated employees entitled to benefits but not yet receiving them

<table>
<thead>
<tr>
<th>Description</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>17</td>
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</tbody>
</table>

Current employees:

<table>
<thead>
<tr>
<th>Description</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vested</td>
<td>10</td>
</tr>
<tr>
<td>Nonvested</td>
<td>11</td>
</tr>
<tr>
<td>Total</td>
<td>38</td>
</tr>
</tbody>
</table>

The Firefighters' Pension Plan provides retirement benefits, as well as death and disability benefits. Employees attaining the age of fifty or more with twenty or more years of creditable service are entitled to receive an annual retirement benefit of one-half of the salary attached to the rank held on the last day of service. The monthly pension shall be increased by one-twelfth of 2.5% of such monthly salary for each additional month over twenty years of service through thirty years of service, to a maximum of 75% of such monthly salary. Employees with at least ten years, but less than twenty years, of credited service may retire at or after age sixty and receive a reduced retirement benefit, ranging from 15% of final salary for 10 years of service to 45.6% for 19 years of service. Surviving spouses receive 100% of final salary for fatalities resulting from an act of duty, or otherwise the greater of 54% of final salary or the monthly retirement pension that the deceased firefighter was receiving at the time of death. Surviving children receive 12% of final salary. The maximum family survivor benefit is 75% of final salary. Employees disabled in the line of duty receive 65% of final salary.

The monthly pension of a firefighter who retired with twenty 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% of the amount of the pension payable at the time of the increase.
City of Blue Island
Notes to the Financial Statements (cont’d)

IV. Other Information (cont’d)

E. Pension and Retirement Plan Commitments (cont’d)

3. Firefighters’ Pension (cont’d)

Covered employees are required to contribute 9.455% of their base salary to the Firefighters’ Pension Plan. If an employee leaves covered employment with less than twenty years of service, accumulated employee contributions may be refunded without interest. The City is required to contribute the remaining amounts necessary to finance the Plan, as actuarially determined by an enrolled actuary. By the year 2034, the City’s contributions must accumulate to the point where the past service cost for the Firefighters’ Pension Plan is fully funded.

As of April 30, 2007 (date of most recent actuarial valuation), the annual required contribution of the City necessary to cover normal cost, and to amortize the unfunded actuarial accrued liability over a period of 26 years, was calculated to be $499,841. It is the City’s policy to fund annual pension cost as accrued. Property taxes levied on behalf of the Firefighters’ Pension Fund by the City are now paid directly to the pension fund. In addition, the City contributed $23,035 to the Firefighters’ Pension Fund representing the Plan’s share of replacement taxes received by the City.

The actuarial accrued liability and net assets held in trust for pension benefits at April 30, 2007 is presented below:

Actuarial accrued liability:
Retirees and beneficiaries currently receiving benefits, and terminated employees not yet receiving benefits $ 6,748,922
Current employees:
Accumulated employee contributions, including allocated investment earnings -
Employer-financed, vested -
Employer-financed, nonvested 5,284,204

Total actuarial accrued liability 12,033,126

Net assets available for benefits, at market 5,488,895

Unfunded actuarial accrued liability $ 6,544,231
City of Blue Island
Notes to the Financial Statements (cont’d)

IV. Other Information (cont’d)

E. Pension and Retirement Plan Commitments (cont’d)

3. Firefighters’ Pension (cont’d)

Information regarding the actuarial present value of vested and nonvested
accumulated benefits is not available. Trend information gives an indication
of the progress made in accumulating sufficient assets to pay benefits when
due.

Trend information for the three plan years ended April 30, 2007, 2006, and
2004, respectively, is as follows:

<table>
<thead>
<tr>
<th>Actuarial Valuation Date</th>
<th>Annual Pension Cost (APC)</th>
<th>Percentage of APC Contributed</th>
</tr>
</thead>
<tbody>
<tr>
<td>4/30/07</td>
<td>$468,998</td>
<td>112.3%</td>
</tr>
<tr>
<td>4/30/06</td>
<td>468,061</td>
<td>88.1</td>
</tr>
<tr>
<td>4/30/04</td>
<td>412,660</td>
<td>125.3</td>
</tr>
</tbody>
</table>

Financial information for the Firefighters’ Pension Fund can be obtained from
the Fund’s Administrative Offices at 2450 Vermont Street, Blue Island,
Illinois 60406.

As of April 30, 2007, the most recent actuarial valuation date, the Firefighters’
Pension Plan was 45.61% funded. The actuarial accrued liability for benefits
was $12,033,126 and the actuarial value of assets was $5,488,895, resulting
in an underfunded actuarial accrued liability (UAAL) of $6,544,231. The
covered payroll (annual payroll of active employees covered by the plan) was
$1,074,155 and the ratio of the UAAL to the covered payroll was 609.24%.

The required supplementary information, a schedule of funding progress for
the last six years, may be found on page 65.
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<table>
<thead>
<tr>
<th>Actuarial Valuation Date</th>
<th>Actuarial Value of Assets</th>
<th>Actuarial Liability (AAL) - Entry Age</th>
<th>Unfunded AAL (UAAL)</th>
<th>Funded Ratio</th>
<th>Covered Payroll</th>
<th>UAAL as a Percentage of Covered Payroll</th>
</tr>
</thead>
<tbody>
<tr>
<td>12/31/08</td>
<td>$8,526,178</td>
<td>$11,091,513</td>
<td>$2,565,335</td>
<td>76.87%</td>
<td>$4,324,540</td>
<td>59.32%</td>
</tr>
<tr>
<td>12/31/07</td>
<td>11,384,160</td>
<td>11,282,312</td>
<td>101,848</td>
<td>100.90%</td>
<td>3,949,895</td>
<td>0.00%</td>
</tr>
<tr>
<td>12/31/06</td>
<td>11,203,057</td>
<td>11,107,626</td>
<td>95,431</td>
<td>100.86%</td>
<td>3,692,228</td>
<td>0.00%</td>
</tr>
<tr>
<td>12/31/05</td>
<td>10,981,314</td>
<td>10,985,213</td>
<td>3,899</td>
<td>99.96%</td>
<td>3,657,807</td>
<td>0.11%</td>
</tr>
<tr>
<td>12/31/04</td>
<td>10,775,783</td>
<td>11,245,673</td>
<td>469,890</td>
<td>95.82%</td>
<td>3,691,467</td>
<td>12.73%</td>
</tr>
<tr>
<td>12/31/03</td>
<td>10,340,904</td>
<td>10,318,126</td>
<td>22,778</td>
<td>100.22%</td>
<td>3,644,917</td>
<td>0.00%</td>
</tr>
</tbody>
</table>

**SLEP**

<table>
<thead>
<tr>
<th>Actuarial Valuation Date</th>
<th>Actuarial Value of Assets</th>
<th>Actuarial Liability (AAL) - Entry Age</th>
<th>Unfunded AAL (UAAL)</th>
<th>Funded Ratio</th>
<th>Covered Payroll</th>
<th>UAAL as a Percentage of Covered Payroll</th>
</tr>
</thead>
<tbody>
<tr>
<td>12/31/08</td>
<td>76,374</td>
<td>34,554</td>
<td>(44,820)</td>
<td>229.71%</td>
<td>-</td>
<td>0.00%</td>
</tr>
<tr>
<td>12/31/07</td>
<td>79,802</td>
<td>32,143</td>
<td>(47,659)</td>
<td>248.27%</td>
<td>-</td>
<td>0.00%</td>
</tr>
<tr>
<td>12/31/06</td>
<td>73,241</td>
<td>29,900</td>
<td>(43,341)</td>
<td>244.95%</td>
<td>-</td>
<td>0.00%</td>
</tr>
<tr>
<td>12/31/05</td>
<td>68,195</td>
<td>27,814</td>
<td>(40,381)</td>
<td>245.18%</td>
<td>-</td>
<td>0.00%</td>
</tr>
<tr>
<td>12/31/04</td>
<td>63,424</td>
<td>25,873</td>
<td>(37,551)</td>
<td>245.14%</td>
<td>-</td>
<td>0.00%</td>
</tr>
<tr>
<td>12/31/03</td>
<td>61,182</td>
<td>24,069</td>
<td>(37,113)</td>
<td>254.19%</td>
<td>16,447</td>
<td>0.00%</td>
</tr>
</tbody>
</table>

See independent auditor's report.
City of Blue Island  
Police and Firefighters' Pension Funds  
Required Supplementary Information -  
Schedule of Funding Progress  
April 30, 2009

<table>
<thead>
<tr>
<th>Actuarial Valuation Date</th>
<th>Actuarial Value of Assets</th>
<th>Actuarial Liability (AAL) - Entry Age</th>
<th>Unfunded AAL (UAAL)</th>
<th>Funded Ratio</th>
<th>Covered Payroll</th>
<th>UAAL as a Percentage of Covered Payroll</th>
</tr>
</thead>
<tbody>
<tr>
<td>4/30/07</td>
<td>$ 7,325,846</td>
<td>$20,610,538</td>
<td>$13,284,692</td>
<td>35.54%</td>
<td>$2,239,621</td>
<td>593.17%</td>
</tr>
<tr>
<td>4/30/06</td>
<td>6,833,713</td>
<td>19,299,374</td>
<td>12,465,661</td>
<td>35.41%</td>
<td>2,116,563</td>
<td>588.96%</td>
</tr>
<tr>
<td>4/30/05</td>
<td>*</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4/30/04</td>
<td>5,775,733</td>
<td>17,240,890</td>
<td>11,465,157</td>
<td>33.50%</td>
<td>2,099,610</td>
<td>546.06%</td>
</tr>
<tr>
<td>4/30/03</td>
<td>5,001,285</td>
<td>16,188,383</td>
<td>11,187,098</td>
<td>30.89%</td>
<td>1,981,494</td>
<td>564.58%</td>
</tr>
</tbody>
</table>

Police Pension Fund

<table>
<thead>
<tr>
<th>Firefighters' Pension Fund</th>
<th>Actuarial Value of Assets</th>
<th>Actuarial Liability (AAL) - Entry Age</th>
<th>Unfunded AAL (UAAL)</th>
<th>Funded Ratio</th>
<th>Covered Payroll</th>
<th>UAAL as a Percentage of Covered Payroll</th>
</tr>
</thead>
<tbody>
<tr>
<td>4/30/07</td>
<td>$ 5,488,895</td>
<td>$12,033,126</td>
<td>$6,544,231</td>
<td>45.81%</td>
<td>$1,074,155</td>
<td>609.24%</td>
</tr>
<tr>
<td>4/30/06</td>
<td>5,126,919</td>
<td>10,712,291</td>
<td>5,585,372</td>
<td>47.86%</td>
<td>1,102,109</td>
<td>506.79%</td>
</tr>
<tr>
<td>4/30/05</td>
<td>*</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4/30/04</td>
<td>4,734,548</td>
<td>9,870,383</td>
<td>5,135,836</td>
<td>47.97%</td>
<td>1,061,352</td>
<td>483.90%</td>
</tr>
<tr>
<td>4/30/03</td>
<td>4,224,463</td>
<td>9,564,262</td>
<td>5,339,799</td>
<td>44.17%</td>
<td>1,059,570</td>
<td>503.96%</td>
</tr>
</tbody>
</table>

* Information not available

Digest of Changes

None

Analysis of the dollar amounts of the actuarial value of assets, actuarially accrued liability, and unfunded actuarially accrued liability in isolation can be misleading. Expressing the actuarial value of assets as a percentage of the actuarially accrued liability provides one indication of funding status on a going-concern basis. Analysis of this percentage over time indicates whether the system is becoming financially stronger or weaker. Generally, the greater this percentage, the stronger the PERS. Trends in unfunded actuarially accrued liability and annual covered payroll are both affected by inflation. Expressing the unfunded actuarially accrued liability as a percentage of annually covered payroll approximately adjusts for the effects of inflation, and aids analysis of progress made in accumulating sufficient assets to pay benefits when due. Generally, the smaller this percentage, the stronger the PERS.

See independent auditor's report.
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City of Blue Island
General Fund
Schedule of Revenues - Budget and Actual
For the Year Ended April 30, 2009

<table>
<thead>
<tr>
<th>Description</th>
<th>Original and Final Budget</th>
<th>Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property taxes</td>
<td>$ 2,648,423</td>
<td>$ 2,852,377</td>
</tr>
<tr>
<td>Personal property replacement tax</td>
<td>300,000</td>
<td>199,033</td>
</tr>
<tr>
<td>Other taxes:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>State income</td>
<td>2,650,000</td>
<td>2,285,570</td>
</tr>
<tr>
<td>Utility</td>
<td>1,900,000</td>
<td>1,724,411</td>
</tr>
<tr>
<td>Municipal retailers' occupation tax</td>
<td>1,600,000</td>
<td>1,280,807</td>
</tr>
<tr>
<td><strong>Total taxes</strong></td>
<td><strong>9,098,423</strong></td>
<td><strong>8,342,198</strong></td>
</tr>
<tr>
<td>Licenses:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Vehicle</td>
<td>400,000</td>
<td>393,370</td>
</tr>
<tr>
<td>Liquor</td>
<td>37,162</td>
<td>37,092</td>
</tr>
<tr>
<td>Business</td>
<td>74,824</td>
<td>74,683</td>
</tr>
<tr>
<td>Contractors</td>
<td>57,328</td>
<td>57,220</td>
</tr>
<tr>
<td>Animal</td>
<td>686</td>
<td>685</td>
</tr>
<tr>
<td><strong>Total licenses</strong></td>
<td><strong>570,000</strong></td>
<td><strong>563,050</strong></td>
</tr>
<tr>
<td>Permits:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Building</td>
<td>159,428</td>
<td>106,153</td>
</tr>
<tr>
<td>Electrical</td>
<td>30,850</td>
<td>20,541</td>
</tr>
<tr>
<td>Sewer</td>
<td>901</td>
<td>600</td>
</tr>
<tr>
<td>Other</td>
<td>28,821</td>
<td>19,190</td>
</tr>
<tr>
<td><strong>Total permits</strong></td>
<td><strong>220,000</strong></td>
<td><strong>146,484</strong></td>
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<tr>
<td>Fines:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Police</td>
<td>640,559</td>
<td>624,265</td>
</tr>
<tr>
<td>Building violations</td>
<td>4,366</td>
<td>4,255</td>
</tr>
<tr>
<td>Railroad</td>
<td>(4,925)</td>
<td>(4,800)</td>
</tr>
<tr>
<td><strong>Total fines</strong></td>
<td><strong>640,000</strong></td>
<td><strong>623,720</strong></td>
</tr>
<tr>
<td>Grants</td>
<td>2,400,000</td>
<td>417,295</td>
</tr>
</tbody>
</table>

(cont'd)
City of Blue Island  
General Fund  
Schedule of Revenues - Budget and Actual (cont'd)  
For the Year Ended April 30, 2009

<table>
<thead>
<tr>
<th>Description</th>
<th>Original and Final Budget</th>
<th>Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Interest</strong></td>
<td>$0</td>
<td>$6,073</td>
</tr>
<tr>
<td><strong>Other:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sanitation and recycling fees</td>
<td>1,300,000</td>
<td>1,186,596</td>
</tr>
<tr>
<td>Ambulance user fees</td>
<td>350,000</td>
<td>355,337</td>
</tr>
<tr>
<td>City parking lots</td>
<td>180,000</td>
<td>80,656</td>
</tr>
<tr>
<td>Insurance reimbursements</td>
<td>170,000</td>
<td>217,959</td>
</tr>
<tr>
<td>Maintenance of state roads and traffic signals</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>100,000</td>
<td>86,893</td>
</tr>
<tr>
<td>Motor fuel tax reimbursement</td>
<td>2,500,000</td>
<td>868,196</td>
</tr>
<tr>
<td>Television franchise fees</td>
<td>-</td>
<td>633,814</td>
</tr>
<tr>
<td>Telephone franchise fees</td>
<td>200,000</td>
<td>168,290</td>
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<tr>
<td>Telephone surcharges - 9-1-1 system</td>
<td>75,000</td>
<td>47,260</td>
</tr>
<tr>
<td>User fees - 9-1-1 system</td>
<td>270,000</td>
<td>381,277</td>
</tr>
<tr>
<td>Vital statistics</td>
<td>420,000</td>
<td>372,465</td>
</tr>
<tr>
<td><strong>Total other</strong></td>
<td>5,565,000</td>
<td>4,449,281</td>
</tr>
<tr>
<td><strong>Total revenues</strong></td>
<td>$18,493,423</td>
<td>$14,548,101</td>
</tr>
</tbody>
</table>

See independent auditor's report.
City of Blue Island  
General Fund  
Schedule of Expenditures - Budget and Actual  
For the Year Ended April 30, 2009

<table>
<thead>
<tr>
<th></th>
<th>Original and Final Budget</th>
<th>Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>General government:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries and benefits:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mayor's office:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Full-time salaries</td>
<td>$ 130,000</td>
<td>$ 45,449</td>
</tr>
<tr>
<td>Part-time salaries</td>
<td>20,000</td>
<td>30,462</td>
</tr>
<tr>
<td>Overtime salaries</td>
<td>1,000</td>
<td>-</td>
</tr>
<tr>
<td>Finance:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Full-time salaries</td>
<td>198,000</td>
<td>201,025</td>
</tr>
<tr>
<td>Part-time salaries</td>
<td>20,000</td>
<td>10,372</td>
</tr>
<tr>
<td>Overtime salaries</td>
<td>1,000</td>
<td>-</td>
</tr>
<tr>
<td>Clerk's office:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Full-time salaries</td>
<td>100,000</td>
<td>74,229</td>
</tr>
<tr>
<td>Part-time salaries</td>
<td>2,000</td>
<td>-</td>
</tr>
<tr>
<td>General government:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Part-time salaries</td>
<td>30,000</td>
<td>28,175</td>
</tr>
<tr>
<td>Aldermen salaries</td>
<td>33,600</td>
<td>36,960</td>
</tr>
<tr>
<td>Seniors' program salaries</td>
<td>95,000</td>
<td>81,908</td>
</tr>
<tr>
<td>Salary reimbursements - grant funds</td>
<td>-</td>
<td>(43,633)</td>
</tr>
<tr>
<td>Illinois Municipal Retirement Fund</td>
<td>44,500</td>
<td>34,347</td>
</tr>
<tr>
<td>Payroll taxes - FICA and Medicare</td>
<td>51,600</td>
<td>37,906</td>
</tr>
<tr>
<td>Employee medical insurance</td>
<td>2,210,000</td>
<td>2,055,422</td>
</tr>
<tr>
<td>Life insurance</td>
<td>20,000</td>
<td>17,455</td>
</tr>
<tr>
<td><strong>Total salaries and benefits</strong></td>
<td><strong>2,956,700</strong></td>
<td><strong>2,610,077</strong></td>
</tr>
</tbody>
</table>

| Services:                   |                           |          |
| Audit                       | 20,000                    | 23,227   |
| Computers and software      | 97,000                    | 40,433   |
| Expenses of City officials  | 61,200                    | 61,200   |
| Legal                       | 250,000                   | 335,609  |
| Other                       | 7,500                     | 3,178    |
| Professional consulting and engineering | 126,000 | 92,308 |
| Telephone                   | 126,500                   | 162,782  |
| Training                    | -                         | 890      |
| **Total services**          | **688,200**               | **719,627** |

(cont'd)
<table>
<thead>
<tr>
<th></th>
<th>Original and Final Budget</th>
<th>Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>General government (cont'd):</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Supplies and materials:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Maintenance supplies</td>
<td>$8,300</td>
<td>$9,038</td>
</tr>
<tr>
<td>Operating supplies</td>
<td>7,000</td>
<td>884</td>
</tr>
<tr>
<td>Printing, postage and office supplies</td>
<td>33,000</td>
<td>17,247</td>
</tr>
<tr>
<td>Small equipment</td>
<td>1,000</td>
<td>1,909</td>
</tr>
<tr>
<td>Uniforms</td>
<td>-</td>
<td>95</td>
</tr>
<tr>
<td>Vehicle sticker program</td>
<td>15,000</td>
<td>6,795</td>
</tr>
<tr>
<td><strong>Total supplies and materials</strong></td>
<td>64,300</td>
<td>35,968</td>
</tr>
<tr>
<td>Repairs and maintenance:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Building</td>
<td>8,500</td>
<td>6,731</td>
</tr>
<tr>
<td>Equipment</td>
<td>10,000</td>
<td>10,438</td>
</tr>
<tr>
<td>Outside contractors</td>
<td>500</td>
<td>23,447</td>
</tr>
<tr>
<td>Vehicle</td>
<td>500</td>
<td>699</td>
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<tr>
<td><strong>Total repairs and maintenance</strong></td>
<td>19,500</td>
<td>41,315</td>
</tr>
<tr>
<td>Miscellaneous:</td>
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<td></td>
</tr>
<tr>
<td>Bank service charges</td>
<td>1,500</td>
<td>728</td>
</tr>
<tr>
<td>Community promotions</td>
<td>15,000</td>
<td>15,277</td>
</tr>
<tr>
<td>Dues and subscriptions</td>
<td>21,250</td>
<td>13,723</td>
</tr>
<tr>
<td>Employee/office services</td>
<td>4,700</td>
<td>3,079</td>
</tr>
<tr>
<td>Interest expense - tax anticipation warrants</td>
<td>315,000</td>
<td>34,306</td>
</tr>
<tr>
<td>Legal notices</td>
<td>8,000</td>
<td>4,221</td>
</tr>
<tr>
<td>Licenses/fees</td>
<td>8,000</td>
<td>4,531</td>
</tr>
<tr>
<td>Main Stree Director and other expenses</td>
<td>15,000</td>
<td>11,100</td>
</tr>
<tr>
<td>Meetings and seminars</td>
<td>4,100</td>
<td>1,220</td>
</tr>
<tr>
<td>Other</td>
<td>4,100</td>
<td>3,225</td>
</tr>
<tr>
<td>Travel/transportation</td>
<td>2,550</td>
<td>3,038</td>
</tr>
<tr>
<td><strong>Total miscellaneous</strong></td>
<td>399,200</td>
<td>94,448</td>
</tr>
<tr>
<td>Capital expenditures</td>
<td>5,000</td>
<td>643</td>
</tr>
<tr>
<td><strong>Total general government</strong></td>
<td>$4,132,900</td>
<td>$3,502,078</td>
</tr>
</tbody>
</table>
City of Blue Island  
General Fund  
Schedule of Expenditures - Budget and Actual (cont'd)  
For the Year Ended April 30, 2009

<table>
<thead>
<tr>
<th>Original and Final Budget</th>
<th>Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Building Department:</strong></td>
<td></td>
</tr>
<tr>
<td>Salaries and benefits:</td>
<td></td>
</tr>
<tr>
<td>Full-time salaries</td>
<td>$220,000</td>
</tr>
<tr>
<td>Part-time salaries</td>
<td>40,000</td>
</tr>
<tr>
<td>Illinois Municipal Retirement Fund</td>
<td>20,000</td>
</tr>
<tr>
<td>Payroll taxes - FICA and Medicare</td>
<td>20,500</td>
</tr>
<tr>
<td><strong>Total salaries and benefits</strong></td>
<td>300,500</td>
</tr>
<tr>
<td>Services:</td>
<td></td>
</tr>
<tr>
<td>Computers and software</td>
<td>5,000</td>
</tr>
<tr>
<td>Engineering</td>
<td>70,000</td>
</tr>
<tr>
<td>Other contractual services</td>
<td>20,000</td>
</tr>
<tr>
<td>Telephone</td>
<td>500</td>
</tr>
<tr>
<td>Training</td>
<td>2,000</td>
</tr>
<tr>
<td><strong>Total services</strong></td>
<td>97,500</td>
</tr>
<tr>
<td>Supplies and materials:</td>
<td></td>
</tr>
<tr>
<td>Board up expense</td>
<td>9,000</td>
</tr>
<tr>
<td>Buildings and street signs</td>
<td>600</td>
</tr>
<tr>
<td>Gasoline and oil for vehicles</td>
<td>10,000</td>
</tr>
<tr>
<td>Maintenance supplies</td>
<td>500</td>
</tr>
<tr>
<td>Operating supplies</td>
<td>500</td>
</tr>
<tr>
<td>Printing, postage and office supplies</td>
<td>7,500</td>
</tr>
<tr>
<td>Radio equipment</td>
<td>5,000</td>
</tr>
<tr>
<td>Uniforms</td>
<td>2,000</td>
</tr>
<tr>
<td><strong>Total supplies and materials</strong></td>
<td>35,100</td>
</tr>
<tr>
<td>Repairs and maintenance:</td>
<td></td>
</tr>
<tr>
<td>Building</td>
<td>1,000</td>
</tr>
<tr>
<td>Equipment</td>
<td>1,000</td>
</tr>
<tr>
<td>Lot/property</td>
<td>10,000</td>
</tr>
<tr>
<td>Outside contractors</td>
<td>6,000</td>
</tr>
<tr>
<td>Vehicle</td>
<td>4,000</td>
</tr>
<tr>
<td><strong>Total repairs and maintenance</strong></td>
<td>22,000</td>
</tr>
<tr>
<td>Miscellaneous:</td>
<td></td>
</tr>
<tr>
<td>Community promotions</td>
<td>-</td>
</tr>
<tr>
<td>Dues and subscriptions</td>
<td>3,200</td>
</tr>
<tr>
<td>Employee/office services</td>
<td>500</td>
</tr>
<tr>
<td>Legal notices</td>
<td>1,500</td>
</tr>
<tr>
<td>Licenses and fees</td>
<td>2,500</td>
</tr>
<tr>
<td>Meetings and seminars</td>
<td>1,000</td>
</tr>
<tr>
<td><strong>Total miscellaneous</strong></td>
<td>8,700</td>
</tr>
</tbody>
</table>

(cont'd)
City of Blue Island  
General Fund  
Schedule of Expenditures - Budget and Actual (cont'd)  
For the Year Ended April 30, 2009

<table>
<thead>
<tr>
<th></th>
<th>Original and Final Budget</th>
<th>Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td>Building Department (cont'd):</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital expenditures</td>
<td>$ 27,000</td>
<td>$ 40,266</td>
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<tr>
<td></td>
<td>$ 490,800</td>
<td>$ 416,815</td>
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<tr>
<td>Total Building Department</td>
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<td></td>
</tr>
<tr>
<td>Planning Department:</td>
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<td></td>
</tr>
<tr>
<td>Salaries and benefits:</td>
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<td></td>
</tr>
<tr>
<td>Full-time salaries</td>
<td>$ 97,500</td>
<td>$ 101,320</td>
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<tr>
<td>Part-time salaries</td>
<td>10,000</td>
<td>2,326</td>
</tr>
<tr>
<td>Illinois Municipal Retirement Fund</td>
<td>10,000</td>
<td>8,332</td>
</tr>
<tr>
<td>Payroll taxes - FICA and Medicare</td>
<td>9,500</td>
<td>7,881</td>
</tr>
<tr>
<td></td>
<td>127,000</td>
<td>119,859</td>
</tr>
<tr>
<td>Total salaries and benefits</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Services:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Computers and software</td>
<td>20,600</td>
<td>5,589</td>
</tr>
<tr>
<td>Other contractual services</td>
<td>47,500</td>
<td>45,203</td>
</tr>
<tr>
<td>Professional consulting</td>
<td>880,000</td>
<td>111,515</td>
</tr>
<tr>
<td>Training</td>
<td>3,000</td>
<td>60</td>
</tr>
<tr>
<td></td>
<td>951,100</td>
<td>162,367</td>
</tr>
<tr>
<td>Total services</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Supplies and materials:</td>
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<td></td>
</tr>
<tr>
<td>Film and photo processing</td>
<td>300</td>
<td>-</td>
</tr>
<tr>
<td>Operating supplies</td>
<td>500</td>
<td>-</td>
</tr>
<tr>
<td>Printing, postage and office supplies</td>
<td>10,700</td>
<td>3,414</td>
</tr>
<tr>
<td>Small equipment</td>
<td>750</td>
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</tr>
<tr>
<td></td>
<td>12,250</td>
<td>3,414</td>
</tr>
<tr>
<td>Total supplies and materials</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Repairs and maintenance - equipment</td>
<td>500</td>
<td>-</td>
</tr>
<tr>
<td>Miscellaneous:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Advertising and marketing</td>
<td>3,400</td>
<td>-</td>
</tr>
<tr>
<td>Community promotions</td>
<td>1,000</td>
<td>-</td>
</tr>
<tr>
<td>Dues and subscriptions</td>
<td>4,750</td>
<td>420</td>
</tr>
<tr>
<td>Licenses and fees</td>
<td>100</td>
<td>-</td>
</tr>
<tr>
<td>Meetings and seminars</td>
<td>2,000</td>
<td>947</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>-</td>
<td>250</td>
</tr>
<tr>
<td>Travel/transportation</td>
<td>2,600</td>
<td>2,892</td>
</tr>
<tr>
<td></td>
<td>13,850</td>
<td>4,509</td>
</tr>
<tr>
<td>Total miscellaneous</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital outlay - office equipment</td>
<td>3,450</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>$ 1,108,150</td>
<td>$ 290,149</td>
</tr>
<tr>
<td>Total Planning Department</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(cont'd)
City of Blue Island
General Fund
Schedule of Expenditures - Budget and Actual (cont'd)
For the Year Ended April 30, 2009

<table>
<thead>
<tr>
<th></th>
<th>Original and Final Budget</th>
<th>Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td>Police Department:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries and benefits:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Officers:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Full-time salaries</td>
<td>$2,550,000</td>
<td>$2,524,392</td>
</tr>
<tr>
<td>Overtime salaries</td>
<td>350,000</td>
<td>340,146</td>
</tr>
<tr>
<td>Records and desk clerks:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Full-time salaries</td>
<td>375,000</td>
<td>380,329</td>
</tr>
<tr>
<td>Part-time salaries</td>
<td>75,000</td>
<td>63,397</td>
</tr>
<tr>
<td>Overtime salaries</td>
<td>20,000</td>
<td>31,624</td>
</tr>
<tr>
<td>9-1-1 Department:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Full-time salaries</td>
<td>600,000</td>
<td>598,723</td>
</tr>
<tr>
<td>Part-time salaries</td>
<td>30,000</td>
<td>42,385</td>
</tr>
<tr>
<td>Overtime salaries</td>
<td>30,000</td>
<td>35,829</td>
</tr>
<tr>
<td>Crossing guards</td>
<td>70,000</td>
<td>71,641</td>
</tr>
<tr>
<td>Part-time police</td>
<td>150,000</td>
<td>158,856</td>
</tr>
<tr>
<td>Illinois Municipal Retirement Fund:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Police clerks</td>
<td>35,000</td>
<td>35,149</td>
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<tr>
<td>9-1-1 Department</td>
<td>47,000</td>
<td>45,814</td>
</tr>
<tr>
<td>Payroll taxes - FICA and Medicare:</td>
<td></td>
<td></td>
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<tr>
<td>Police</td>
<td>90,000</td>
<td>88,800</td>
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<tr>
<td>9-1-1 Department</td>
<td>43,500</td>
<td>45,048</td>
</tr>
<tr>
<td>Unemployment insurance:</td>
<td></td>
<td></td>
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<tr>
<td>Police</td>
<td>10,000</td>
<td>2,130</td>
</tr>
<tr>
<td>9-1-1 Department</td>
<td>2,500</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total salaries and benefits</strong></td>
<td>4,478,000</td>
<td>4,464,263</td>
</tr>
<tr>
<td>Services:</td>
<td></td>
<td></td>
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<tr>
<td>Animal care</td>
<td>2,000</td>
<td>454</td>
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<tr>
<td>Computers and software</td>
<td>580,000</td>
<td>28,505</td>
</tr>
<tr>
<td>Other contractual services</td>
<td>5,000</td>
<td>3,418</td>
</tr>
<tr>
<td>Personnel hiring/exams</td>
<td>2,500</td>
<td>3,858</td>
</tr>
<tr>
<td>Prisoner care</td>
<td>7,500</td>
<td>6,619</td>
</tr>
<tr>
<td>Professional consulting</td>
<td>8,000</td>
<td>6,810</td>
</tr>
<tr>
<td>Telephone</td>
<td>62,000</td>
<td>48,097</td>
</tr>
<tr>
<td>Training</td>
<td>50,000</td>
<td>15,241</td>
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<tr>
<td><strong>Total services</strong></td>
<td>717,000</td>
<td>113,002</td>
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(cont'd)
<table>
<thead>
<tr>
<th>Supplies and materials:</th>
<th>Original and Final Budget</th>
<th>Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ammunition/guns</td>
<td>$13,000</td>
<td>$10,072</td>
</tr>
<tr>
<td>Asset forfeiture expense</td>
<td>-</td>
<td>179,256</td>
</tr>
<tr>
<td>Building and street signs</td>
<td>750</td>
<td>381</td>
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<tr>
<td>Equipment rental</td>
<td>-</td>
<td>1,084</td>
</tr>
<tr>
<td>Film and photo processing</td>
<td>2,000</td>
<td>1,172</td>
</tr>
<tr>
<td>Gasoline and oil for vehicles</td>
<td>200,000</td>
<td>183,793</td>
</tr>
<tr>
<td>Maintenance supplies</td>
<td>14,000</td>
<td>8,575</td>
</tr>
<tr>
<td>Operating supplies</td>
<td>8,000</td>
<td>5,805</td>
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<tr>
<td>Printing, postage and office supplies</td>
<td>46,800</td>
<td>51,302</td>
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<tr>
<td>Small equipment</td>
<td>208,500</td>
<td>172,750</td>
</tr>
<tr>
<td>Uniforms</td>
<td>44,000</td>
<td>42,579</td>
</tr>
<tr>
<td><strong>Total supplies and materials</strong></td>
<td><strong>537,050</strong></td>
<td><strong>656,769</strong></td>
</tr>
</tbody>
</table>

| Repairs and maintenance: | | |
|--------------------------|--------------------------|
| Building                 | 52,000                   | 16,344 |
| Equipment                | 120,000                  | 98,694 |
| Outside contractors      | 2,000                    | 49,765 |
| Vehicle                  | 100,000                  | 110,824|
| **Total repairs and maintenance** | **274,000** | **275,627** |

<table>
<thead>
<tr>
<th>Miscellaneous:</th>
<th>Original and Final Budget</th>
<th>Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td>Collection services</td>
<td>17,500</td>
<td>20,013</td>
</tr>
<tr>
<td>Community promotions</td>
<td>4,000</td>
<td>4,121</td>
</tr>
<tr>
<td>Dues and subscriptions</td>
<td>2,950</td>
<td>2,650</td>
</tr>
<tr>
<td>Employee/office services</td>
<td>3,100</td>
<td>3,794</td>
</tr>
<tr>
<td>Licenses/fees</td>
<td>5,000</td>
<td>20,677</td>
</tr>
<tr>
<td>Meetings and seminars</td>
<td>2,500</td>
<td>477</td>
</tr>
<tr>
<td>Rentals and leasing fees</td>
<td>500</td>
<td>6,151</td>
</tr>
<tr>
<td>Travel/transportation</td>
<td>1,000</td>
<td>103</td>
</tr>
<tr>
<td><strong>Total miscellaneous</strong></td>
<td><strong>36,550</strong></td>
<td><strong>57,986</strong></td>
</tr>
</tbody>
</table>

| Capital expenditures | 229,500 | 30,663 |

| **Total Police Department** | $6,272,100 | $5,598,310 |

(cont'd)
## Fire Department:

- **Salaries and benefits:**
  - Full-time salaries: $1,355,000
  - Part-time salaries: $30,000
  - Overtime salaries: 200,000
  - Illinois Municipal Retirement Fund: 3,500
  - Payroll taxes - FICA and Medicare: 19,200

  **Total salaries and benefits:** 1,607,700

- **Services:**
  - Ambulance processing fee: 30,000
  - Computers and software: 3,000
  - Other contractual services: 1,500
  - Professional consulting: 1,000
  - Telephone: 3,500
  - Training: 15,000

  **Total services:** 54,000

- **Supplies and materials:**
  - Film and photo processing: 500
  - Gasoline and oil for vehicles: 10,000
  - Maintenance supplies: 15,000
  - Operating supplies: 6,000
  - Printing, postage and office supplies: 5,500
  - Small equipment: 180,000
  - Uniforms: 35,000

  **Total supplies and materials:** 252,000

- **Repairs and maintenance:**
  - Building: 15,000
  - Equipment: 10,000
  - Vehicle: 40,000

  **Total repairs and maintenance:** 65,000

- **Miscellaneous:**
  - Community promotions: 2,000
  - Dues and subscriptions: 7,500
  - Employee/office services: 2,500
  - Licenses/fees: 1,000
  - Meetings and seminars: 1,500
  - Payments to Foreign Fire Tax Board: 17,000
  - Physical exams: 10,000

  **Total miscellaneous:** 3,240

(cont'd)
City of Blue Island  
General Fund  
Schedule of Expenditures - Budget and Actual (cont'd)  
For the Year Ended April 30, 2009

<table>
<thead>
<tr>
<th></th>
<th>Original and Final Budget</th>
<th>Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Fire Department (cont'd):</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Miscellaneous (cont'd):</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rentals and leasing fees</td>
<td>$ 2,500</td>
<td>$ 2,162</td>
</tr>
<tr>
<td>Travel/transportation</td>
<td>$ 500</td>
<td>$ 30</td>
</tr>
<tr>
<td><strong>Total miscellaneous</strong></td>
<td>44,500</td>
<td>13,551</td>
</tr>
<tr>
<td>Capital expenditures</td>
<td>534,600</td>
<td>352,956</td>
</tr>
<tr>
<td><strong>Total Fire Department</strong></td>
<td>$ 2,557,800</td>
<td>$ 2,111,850</td>
</tr>
</tbody>
</table>

|                      |                           |        |
| **Public Works Department:** |                           |        |
| Salaries and benefits: |                           |        |
| Full-time salaries    | $ 1,020,000               | $ 1,025,433|
| Part-time salaries    | 40,000                    | 26,838 |
| Overtime salaries     | 100,000                   | 57,641 |
| Illinois Municipal Retirement Fund | 95,000 | 88,799 |
| Payroll taxes - FICA and Medicare | 90,000 | 83,782 |
| **Total salaries and benefits** | 1,345,000 | 1,282,493|

|                      |                           |        |
| **Services:**         |                           |        |
| Computers and software| 2,000                     | 498    |
| Engineering           | 200,000                   | 63,177 |
| Garbage and recycling | 955,000                   | 990,284|
| Other                 | 2,500                     | 293    |
| Snow removal          | 65,000                    | -      |
| Telephone             | 2,500                     | 1,270  |
| Training              | 2,500                     | -      |
| Utilities             | 265,000                   | 264,634|
| **Total services**    | 1,494,500                 | 1,320,156|

|                      |                           |        |
| **Supplies and materials:** |                        |        |
| Building and street signs | 15,000                   | 8,412  |
| Concrete/asphalt/stone  | 40,000                    | 15,902 |
| Gasoline and oil for vehicles | 85,000 | 59,836 |
| Maintenance supplies    | 50,000                    | 29,446 |
| Operating supplies      | 17,000                    | 7,573  |
| Printing, postage and office supplies | 3,000 | 1,234 |
| Small equipment         | 5,500                     | 2,723  |
| Uniforms                | 11,000                    | 11,700 |
| **Total supplies and materials** | 226,500 | 136,826|

(cont'd)
City of Blue Island  
General Fund  
Schedule of Expenditures - Budget and Actual (cont'd)  
For the Year Ended April 30, 2009

<table>
<thead>
<tr>
<th>Public Works Department (cont'd):</th>
<th>Original and Final Budget</th>
<th>Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td>Repairs and maintenance:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Building</td>
<td>$5,000</td>
<td>$3,566</td>
</tr>
<tr>
<td>Equipment</td>
<td>45,000</td>
<td>32,222</td>
</tr>
<tr>
<td>Equipment rental</td>
<td>2,500</td>
<td>-</td>
</tr>
<tr>
<td>Lot/property maintenance</td>
<td>40,000</td>
<td>14,955</td>
</tr>
<tr>
<td>Outside contractors</td>
<td>500,000</td>
<td>17,538</td>
</tr>
<tr>
<td>Street lighting system</td>
<td>150,000</td>
<td>-</td>
</tr>
<tr>
<td>Street resurfacing/repairs</td>
<td>-</td>
<td>14,597</td>
</tr>
<tr>
<td>Traffic signals</td>
<td>50,000</td>
<td>33,404</td>
</tr>
<tr>
<td>Tree program</td>
<td>75,000</td>
<td>101,746</td>
</tr>
<tr>
<td>Vehicle</td>
<td>70,000</td>
<td>55,515</td>
</tr>
<tr>
<td><strong>Total repairs and maintenance</strong></td>
<td><strong>937,500</strong></td>
<td><strong>273,543</strong></td>
</tr>
</tbody>
</table>

| Miscellaneous:                  |                          |        |
| Dues and subscriptions          | 1,100                     | 26     |
| Employee/office services         | 6,000                     | 3,063  |
| Meetings and seminars            | -                         | 395    |
| Rentals and leasing fees         | 2,500                     | 1,680  |
| **Total miscellaneous**          | **9,600**                 | **5,164** |

| Capital expenditures:           |                          |        |
| Bridge improvement/maintenance  | 3,000,000                | 48,795 |
| Curb and sidewalk improvements  | 103,000                  | -      |
| Machinery and equipment         | 130,000                  | -      |
| Office equipment                | 5,000                    | -      |
| Vehicles                        | 65,000                   | -      |
| **Total capital expenditures**  | **3,303,000**            | **48,795** |

| Total Public Works Department    | $7,316,100                | $3,066,977 |

(Cont'd)
City of Blue Island  
General Fund  
Schedule of Expenditures - Budget and Actual (cont'd)  
For the Year Ended April 30, 2009

<table>
<thead>
<tr>
<th></th>
<th>Original and Final Budget</th>
<th>Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td>Playground and Recreation Department:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries and benefits:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Full-time salaries</td>
<td>$ 57,200</td>
<td>$ 57,398</td>
</tr>
<tr>
<td>Part-time salaries</td>
<td>65,000</td>
<td>71,303</td>
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<tr>
<td>Illinois Municipal Retirement Fund</td>
<td>8,000</td>
<td>7,292</td>
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<tr>
<td>Payroll taxes - FICA and Medicare</td>
<td>9,250</td>
<td>9,772</td>
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<tr>
<td><strong>Total salaries and benefits</strong></td>
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<td></td>
</tr>
<tr>
<td></td>
<td>139,450</td>
<td>145,765</td>
</tr>
</tbody>
</table>

| Services:              |                          |        |
| Computers and software | 2,000                     | 81     |
| Other contractual services | 1,500                   | -      |
| Telephone              | 2,000                     | 2,100  |
| Training               | -                         | 70     |
| Utilities              | -                         | 1,238  |
| **Total services**     | 5,500                     | 3,489  |

| Supplies and materials: |                          |        |
| Food for resale         | 20,000                    | 8,408  |
| Maintenance supplies    | 2,500                     | 3,392  |
| Material and supplies of fee-supporting recreational programs | 3,500     | 28,365 |
| Operating supplies      | 2,000                     | 398    |
| Printing, postage and office supplies | 4,000       | 1,080  |
| Uniforms                | 500                       | -      |
| **Total supplies and materials** |                        |        |
|                        | 32,500                    | 41,643 |

| Repairs and maintenance: |                        |        |
| Building                | 5,000                    | 949    |
| Equipment               | 1,500                    | 1,177  |
| Equipment rental        | 2,000                    | 1,658  |
| Lot/property            | 1,000                    | -      |
| Outside contractors     |                          | 1,909  |
| **Total repairs and maintenance** |                  |        |
|                        | 9,500                     | 5,693  |

(cont'd)
City of Blue Island
General Fund
Schedule of Expenditures - Budget and Actual (cont'd)
For the Year Ended April 30, 2009

<table>
<thead>
<tr>
<th>Playground and Recreation Department (cont'd):</th>
<th>Original and Final Budget</th>
<th>Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Miscellaneous:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Advertising and marketing</td>
<td>$1,500</td>
<td>$325</td>
</tr>
<tr>
<td>Bank service charges</td>
<td>100</td>
<td>-</td>
</tr>
<tr>
<td>Community promotions</td>
<td>2,500</td>
<td>1,500</td>
</tr>
<tr>
<td>Dues and subscriptions</td>
<td>1,050</td>
<td>-</td>
</tr>
<tr>
<td>Employee/office services</td>
<td>300</td>
<td>155</td>
</tr>
<tr>
<td>Meetings and seminars</td>
<td>2,000</td>
<td>-</td>
</tr>
<tr>
<td>Rentals and leasing fees</td>
<td>2,000</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total miscellaneous</strong></td>
<td>9,450</td>
<td>1,980</td>
</tr>
<tr>
<td><strong>Capital expenditures</strong></td>
<td>57,000</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Playground and Recreation Department</strong></td>
<td>$253,400</td>
<td>$198,570</td>
</tr>
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</table>

Insurance Loss Department:

<table>
<thead>
<tr>
<th>Salaries and benefits:</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Full-time salaries</td>
<td>$77,500</td>
<td>$79,051</td>
</tr>
<tr>
<td>Illinois Municipal Retirement Fund</td>
<td>7,000</td>
<td>6,429</td>
</tr>
<tr>
<td>Payroll taxes - FICA and Medicare</td>
<td>6,500</td>
<td>5,981</td>
</tr>
<tr>
<td><strong>Total salaries and benefits</strong></td>
<td>91,000</td>
<td>91,461</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Services:</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Auto/property damage claims</td>
<td>20,000</td>
<td>1,545</td>
</tr>
<tr>
<td>Insurance - buildings/vehicles</td>
<td>45,000</td>
<td>43,625</td>
</tr>
<tr>
<td>Insurance fees</td>
<td>45,000</td>
<td>51,876</td>
</tr>
<tr>
<td>Medical liability claim expense</td>
<td>275,000</td>
<td>85,438</td>
</tr>
<tr>
<td>Personal Injury claims</td>
<td>1,500,000</td>
<td>45,000</td>
</tr>
<tr>
<td>Training</td>
<td>-</td>
<td>195</td>
</tr>
<tr>
<td>Workers' compensation disability medical claims</td>
<td>150,000</td>
<td>136,428</td>
</tr>
<tr>
<td><strong>Total services</strong></td>
<td>2,035,000</td>
<td>364,107</td>
</tr>
</tbody>
</table>

(Cont'd)
City of Blue Island  
General Fund  
Schedule of Expenditures - Budget and Actual (cont'd)  
For the Year Ended April 30, 2009  

<table>
<thead>
<tr>
<th></th>
<th>Original and Final Budget</th>
<th>Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td>Insurance Loss Department (cont'd):</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Supplies and materials - operating supplies</td>
<td>200</td>
<td>-</td>
</tr>
<tr>
<td>Miscellaneous:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Licenses/fees</td>
<td>3,000</td>
<td>-</td>
</tr>
<tr>
<td>Meetings and seminars</td>
<td>500</td>
<td>-</td>
</tr>
<tr>
<td>Travel/transportation</td>
<td>600</td>
<td>600</td>
</tr>
<tr>
<td><strong>Total miscellaneous</strong></td>
<td><strong>4,100</strong></td>
<td><strong>600</strong></td>
</tr>
<tr>
<td><strong>Total Insurance Loss Department</strong></td>
<td><strong>$ 2,130,300</strong></td>
<td><strong>$ 456,168</strong></td>
</tr>
<tr>
<td><strong>Civil Service Commission</strong></td>
<td><strong>$ 54,000</strong></td>
<td><strong>$ 22,372</strong></td>
</tr>
<tr>
<td>Marketing Department:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries and benefits:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Full-time salaries</td>
<td>$ 53,500</td>
<td>$ 50,217</td>
</tr>
<tr>
<td>Illinois Municipal Retirement Fund</td>
<td>5,350</td>
<td>4,129</td>
</tr>
<tr>
<td>Payroll taxes - FICA and Medicare</td>
<td>3,500</td>
<td>3,802</td>
</tr>
<tr>
<td><strong>Total salaries and benefits</strong></td>
<td><strong>62,350</strong></td>
<td><strong>58,148</strong></td>
</tr>
<tr>
<td>Services:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Computers and software</td>
<td>1,800</td>
<td>-</td>
</tr>
<tr>
<td>Insurance</td>
<td>5,700</td>
<td>-</td>
</tr>
<tr>
<td>Other contractual services</td>
<td>5,000</td>
<td>14,950</td>
</tr>
<tr>
<td>Professional consulting/engineering</td>
<td>37,000</td>
<td>-</td>
</tr>
<tr>
<td>Telephone</td>
<td>-</td>
<td>1,461</td>
</tr>
<tr>
<td>Training</td>
<td>600</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total services</strong></td>
<td><strong>50,100</strong></td>
<td><strong>16,411</strong></td>
</tr>
</tbody>
</table>

(cont'd)
City of Blue Island  
General Fund  
Schedule of Expenditures - Budget and Actual (cont'd)  
For the Year Ended April 30, 2009  

<table>
<thead>
<tr>
<th></th>
<th>Original and Final Budget</th>
<th>Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td>Marketing Department (cont'd): Supplies and materials:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Film and photo processing</td>
<td>$1,000</td>
<td>$ -</td>
</tr>
<tr>
<td>Printing, postage and office supplies</td>
<td>21,000</td>
<td>2,325</td>
</tr>
<tr>
<td>Small equipment</td>
<td>500</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total supplies and materials</strong></td>
<td>22,500</td>
<td>2,325</td>
</tr>
<tr>
<td>Repairs and maintenance - outside contractors</td>
<td>3,000</td>
<td>-</td>
</tr>
<tr>
<td>Miscellaneous:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Advertising and marketing</td>
<td>8,000</td>
<td>3,207</td>
</tr>
<tr>
<td>Community promotions</td>
<td>148,000</td>
<td>107,294</td>
</tr>
<tr>
<td>Dues and subscriptions</td>
<td>1,500</td>
<td>159</td>
</tr>
<tr>
<td>Licenses and fees</td>
<td>500</td>
<td>200</td>
</tr>
<tr>
<td>Meetings and seminars</td>
<td>8,200</td>
<td>490</td>
</tr>
<tr>
<td>Pass through grant expenditures</td>
<td>1,400,000</td>
<td>-</td>
</tr>
<tr>
<td>Rentals and leasing fees</td>
<td>8,000</td>
<td>-</td>
</tr>
<tr>
<td>Travel/transportation</td>
<td>1,500</td>
<td>600</td>
</tr>
<tr>
<td><strong>Total miscellaneous</strong></td>
<td>1,575,700</td>
<td>111,950</td>
</tr>
<tr>
<td>Capital expenditures</td>
<td>500</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Marketing Department</strong></td>
<td>$1,714,150</td>
<td>$188,834</td>
</tr>
<tr>
<td>Debt service:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fire Department</td>
<td>$185,400</td>
<td>$193,143</td>
</tr>
<tr>
<td>Police Department</td>
<td>-</td>
<td>92,342</td>
</tr>
<tr>
<td><strong>Total Debt Service</strong></td>
<td>$185,400</td>
<td>$285,485</td>
</tr>
</tbody>
</table>

See independent auditor's report.
NONMAJOR GOVERNMENTAL FUNDS
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Nonmajor Governmental Funds

Special Revenue Funds

**Motor Fuel Tax Fund** – Accounts for the operation of street maintenance programs and capital projects approved by the state of Illinois. Financing is provided from the City’s share of gasoline taxes.

**Special Tax Increment Allocation Fund I** – Accounts for revenues and expenditures for projects related to a specific area of the community. Property taxes are frozen at the level of the initial agreement, and the increase in property taxes goes to pay off financing and capital improvements.

**Special Tax Increment Allocation Fund III** – Accounts for revenues and expenditures for projects related to a specific area of the community. Property taxes are frozen at the level of the initial agreement, and the increase in property taxes goes to pay off financing and capital improvements.

**Special Tax Increment Allocation Fund IV** – Accounts for revenues and expenditures for projects related to a specific area of the community. Property taxes are frozen at the level of the initial agreement, and the increase in property taxes goes to pay off financing and capital improvements.

**Police Pension Fund** – Accounts for the taxes levied and received on behalf of, and subsequent remittance to, the City of Blue Island Police Pension Fund, a separate entity.

**Firefighters’ Pension Fund** – Accounts for the taxes levied and received on behalf of, and subsequent remittance to, the City of Blue Island Firefighters’ Pension Fund, a separate entity.

Debt Service Funds

Debt Service Funds are governmental funds used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs. Payments are made from property taxes or alternate revenue sources, as defined in the individual bond ordinance. A separate fund is established for each general obligation bond issue.

**Capital Projects Fund**

Capital Projects Funds are governmental funds used to account for financial resources to be used for the acquisition or construction of major capital facilities.

**Community Development Block Grant** – To account for grants received from the U.S. Department of Housing and Urban Development for community development activities, under the Community Development Act of 1974.
City of Blue Island  
Combining Balance Sheet - Nonmajor Governmental Funds  
April 30, 2009

<table>
<thead>
<tr>
<th></th>
<th>Special Revenue Funds</th>
<th>Debt Service Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and investments</td>
<td>$ 765,052</td>
<td>$ -</td>
</tr>
<tr>
<td>Receivables:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property taxes receivable - net of allowance for uncollectible taxes</td>
<td>486,564</td>
<td>832,918</td>
</tr>
<tr>
<td>Grants receivable</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other</td>
<td>46,854</td>
<td>-</td>
</tr>
<tr>
<td>Due from other funds</td>
<td>2,305,860</td>
<td>1,818,415</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>3,604,330</td>
<td>2,651,333</td>
</tr>
</tbody>
</table>

| **Liabilities**      |                       |                    |
| Accounts payable     | $ 28,747              | $ -                |
| Due to other funds   | 39,358                | 518,374            |
| Deferred revenue:    |                       |                    |
| Property taxes       | 486,564               | 832,918            |
| Grant revenue        | -                     | -                  |
| **Total liabilities**| 554,669               | 1,351,292          |

**Fund Balances**

|                      |                       |                    |
| Unreserved:          |                       |                    |
| Debt Service Funds   | -                     | 1,300,041          |
| Special Revenue Funds| 3,049,661             | -                  |
| **Total fund balances** | 3,049,661           | 1,300,041          |
| **Total liabilities and fund balances** | $3,604,330 | $2,651,333 |

See independent auditor's report.
<table>
<thead>
<tr>
<th>Capital Projects - CDBG Fund</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>$</td>
<td>$ 765,052</td>
</tr>
<tr>
<td>484,027</td>
<td>484,027</td>
</tr>
<tr>
<td>-</td>
<td>46,854</td>
</tr>
<tr>
<td>2,083</td>
<td>4,126,358</td>
</tr>
<tr>
<td>$ 486,110</td>
<td>$6,741,773</td>
</tr>
</tbody>
</table>

| $                            | $ 28,747 |
| 557,732                      |         |
| 1,319,482                    |         |
| 486,110                      | 486,110 |
| $ 486,110                    | 2,392,071 |

| $                            | $ 1,300,041 |
| 3,049,661                    |         |
| 4,349,702                    |         |
| $ 486,110                    | $6,741,773 |
City of Blue Island
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds
For the Year Ended April 30, 2009

<table>
<thead>
<tr>
<th>Special Revenue Funds</th>
<th>Debt Service Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues:</strong></td>
<td></td>
</tr>
<tr>
<td>Property taxes</td>
<td>$ 829,261</td>
</tr>
<tr>
<td>Personal property and replacement taxes</td>
<td>48,870</td>
</tr>
<tr>
<td>State allotments</td>
<td>624,915</td>
</tr>
<tr>
<td>Grants</td>
<td>-</td>
</tr>
<tr>
<td>Interest</td>
<td>7,094</td>
</tr>
<tr>
<td><strong>Total revenues</strong></td>
<td>1,510,140</td>
</tr>
</tbody>
</table>

| **Expenditures:**     |                   |
| Current:              |                   |
| General government    | 108,433           | -         |
| Street maintenance    | 1,111,456         | -         |
| Debt service:         |                   |
| Principal             | -                 | 1,492,500 |
| Interest              | -                 | 613,761   |
| Capital outlay - redevelopment projects | 262,255 | - |
| **Total expenditures**| 1,482,144         | 2,106,261 |

| **Revenues over (under) expenditures before other financing sources (uses)** | 27,996 | (1,073,857) |

| **Other financing sources (uses):** |                   |
| Operating transfers in             | 275,450           | 1,361,867   |
| Operating transfers out            | (607,553)         | (275,450)   |
| **Total other financing sources (uses)** | (332,103) | 1,086,417  |

| **Net changes in fund balances**   |                   |
| Fund balances, beginning of the year | 3,353,768 | 1,287,481 |
| Fund balances, end of the year     | $3,049,661     | $1,300,041 |

See independent auditor's report.
<table>
<thead>
<tr>
<th>Fund</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>$</td>
<td>$1,861,665</td>
</tr>
<tr>
<td></td>
<td>48,870</td>
</tr>
<tr>
<td></td>
<td>624,915</td>
</tr>
<tr>
<td>121,733</td>
<td>121,733</td>
</tr>
<tr>
<td>507</td>
<td>7,601</td>
</tr>
<tr>
<td>122,240</td>
<td>2,664,784</td>
</tr>
<tr>
<td>122,240</td>
<td>3,710,645</td>
</tr>
<tr>
<td></td>
<td>(1,045,861)</td>
</tr>
<tr>
<td>-</td>
<td>1,637,317</td>
</tr>
<tr>
<td>-</td>
<td>(883,003)</td>
</tr>
<tr>
<td>-</td>
<td>754,314</td>
</tr>
<tr>
<td>-</td>
<td>(291,547)</td>
</tr>
<tr>
<td>-</td>
<td>4,641,249</td>
</tr>
<tr>
<td>$</td>
<td>$4,349,702</td>
</tr>
</tbody>
</table>
City of Blue Island  
Combining Balance Sheet - Nonmajor Special Revenue Funds  
April 30, 2009

<table>
<thead>
<tr>
<th>Assets</th>
<th>Motor Fuel Tax</th>
<th>Special Tax Increment Allocation Fund I</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and investments</td>
<td>$ 168,101</td>
<td>$ 34,253</td>
</tr>
<tr>
<td>Receivables:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property taxes receivable - net of allowance for uncollectible taxes</td>
<td>-</td>
<td>34,063</td>
</tr>
<tr>
<td>Other</td>
<td>46,854</td>
<td>-</td>
</tr>
<tr>
<td>Due from other funds</td>
<td>524,229</td>
<td>540,303</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td><strong>$ 739,184</strong></td>
<td><strong>$ 608,619</strong></td>
</tr>
</tbody>
</table>

**Liabilities and Fund Balances**

| Liabilities:                  |                |                                        |
| Accounts payable              | $ 1,595        | $ -                                    |
| Due to other funds            | -              | 39,358                                |
| Deferred revenue - property tax| -              | 34,063                                |
| **Total liabilities**         | **1,595**      | **73,421**                            |

| Fund balances - unreserved, undesignated | 737,589 | 535,198 |

**Total liabilities and fund balances**

|                | **$ 739,184** | **$ 608,619** |

See independent auditor’s report.
<table>
<thead>
<tr>
<th>Special Tax Increment Allocation Fund III</th>
<th>Special Tax Increment Allocation Fund IV</th>
<th>Police Pension Fund</th>
<th>Firefighters' Pension Fund</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>$ 559,287</td>
<td>$ 3,411</td>
<td>$ -</td>
<td>$ -</td>
<td>$ 765,052</td>
</tr>
<tr>
<td>448,918</td>
<td>3,583</td>
<td>-</td>
<td>-</td>
<td>486,564</td>
</tr>
<tr>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>46,854</td>
</tr>
<tr>
<td>799,822</td>
<td>-</td>
<td>307,943</td>
<td>133,563</td>
<td>2,305,860</td>
</tr>
<tr>
<td>$ 1,808,027</td>
<td>$ 6,994</td>
<td>$ 307,943</td>
<td>$ 133,563</td>
<td>$ 3,604,330</td>
</tr>
</tbody>
</table>

| $                                     | $                                      | $ 10,524            | $ 16,628                 | $ 28,747 |
|                                       |                                       | -                  | -                        | 39,358 |
| 448,918                               | 3,583                                  | -                  | -                        | 486,564 |
| 448,918                               | 3,583                                  | 10,524             | 16,628                   | 554,669 |
| 1,359,109                             | 3,411                                  | 297,419            | 116,935                  | 3,049,661 |
| $ 1,808,027                           | $ 6,994                                | $ 307,943          | $ 133,563                | $ 3,604,330 |
City of Blue Island  
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Special Revenue Funds  
For the Year Ended April 30, 2009

<table>
<thead>
<tr>
<th></th>
<th>Motor Fuel Tax</th>
<th>Special Tax Increment Allocation Fund I</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property taxes</td>
<td>$</td>
<td>$ 66,146</td>
</tr>
<tr>
<td>Personal property and replacement taxes</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>State allotments</td>
<td>624,915</td>
<td>-</td>
</tr>
<tr>
<td>Interest</td>
<td>5,978</td>
<td>110</td>
</tr>
<tr>
<td><strong>Total revenues</strong></td>
<td><strong>630,893</strong></td>
<td><strong>68,256</strong></td>
</tr>
</tbody>
</table>

| Expenditures:          |                |                                          |
| Current:               |                |                                          |
| General government     | -              | 2,500                                    |
| Street maintenance     | 1,111,456      | -                                        |
| Capital outlay         | -              | 261,414                                  |
| **Total expenditures** | **1,111,456**  | **263,914**                              |

Revenues over (under) expenditures before other financing uses  
(480,563)  (195,658)

Other financing sources (uses):  
Transfers in  -  -  
Transfers out  -  -  

**Total other financing sources (uses)**  
-  -  

Net changes in fund balances  
(480,563)  (195,658)

Fund balances, beginning of the year  
1,218,152  730,856

Fund balances, end of the year  
$ 737,589  $ 535,198

See independent auditor's report.
<table>
<thead>
<tr>
<th>Special Tax Allocation Fund III</th>
<th>Special Tax Allocation Fund IV</th>
<th>Police Pension Fund</th>
<th>Firefighters' Pension Fund</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>$ 756,864</td>
<td>$ 4,251</td>
<td>$ -</td>
<td>$ -</td>
<td>$ 756,864</td>
</tr>
<tr>
<td></td>
<td>-</td>
<td>28,677</td>
<td>20,193</td>
<td>48,870</td>
</tr>
<tr>
<td></td>
<td>1,005</td>
<td>-</td>
<td>-</td>
<td>624,915</td>
</tr>
<tr>
<td></td>
<td></td>
<td>-</td>
<td>-</td>
<td>7,094</td>
</tr>
<tr>
<td>757,869</td>
<td>4,252</td>
<td>28,677</td>
<td>20,193</td>
<td>1,510,140</td>
</tr>
<tr>
<td>3,100</td>
<td>-</td>
<td>70,806</td>
<td>32,027</td>
<td>108,433</td>
</tr>
<tr>
<td></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1,111,456</td>
</tr>
<tr>
<td></td>
<td>-</td>
<td>841</td>
<td>-</td>
<td>262,255</td>
</tr>
<tr>
<td>3,100</td>
<td>841</td>
<td>70,806</td>
<td>32,027</td>
<td>1,482,144</td>
</tr>
<tr>
<td>754,769</td>
<td>3,411</td>
<td>(42,129)</td>
<td>(11,834)</td>
<td>27,996</td>
</tr>
<tr>
<td>275,450</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>275,450</td>
</tr>
<tr>
<td>(607,553)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(607,553)</td>
</tr>
<tr>
<td>(332,103)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(332,103)</td>
</tr>
<tr>
<td>422,666</td>
<td>3,411</td>
<td>(42,129)</td>
<td>(11,834)</td>
<td>(304,107)</td>
</tr>
<tr>
<td>936,443</td>
<td>-</td>
<td>339,548</td>
<td>128,769</td>
<td>3,353,768</td>
</tr>
<tr>
<td>$ 1,359,109</td>
<td>$ 3,411</td>
<td>$ 297,419</td>
<td>$ 116,935</td>
<td>$ 3,049,661</td>
</tr>
</tbody>
</table>
City of Blue Island
Special Revenue Funds - Motor Fuel Tax Fund
Statement of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the Year Ended April 30, 2009

<table>
<thead>
<tr>
<th></th>
<th>Original and Final Budget</th>
<th>Actual</th>
<th>Positive (Negative) Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>State allotments</td>
<td>$ 700,000</td>
<td>$ 624,915</td>
<td>$ (75,085)</td>
</tr>
<tr>
<td>Interest</td>
<td>10,000</td>
<td>5,978</td>
<td>(4,022)</td>
</tr>
<tr>
<td><strong>Total revenues</strong></td>
<td><strong>710,000</strong></td>
<td><strong>630,893</strong></td>
<td>(79,107)</td>
</tr>
<tr>
<td>Expenditures - current - street maintenance</td>
<td>1,010,000</td>
<td>1,111,456</td>
<td>(101,456)</td>
</tr>
<tr>
<td><strong>Net changes in fund balance</strong></td>
<td><strong>$ (300,000)</strong></td>
<td><strong>(480,563)</strong></td>
<td><strong>$ (180,563)</strong></td>
</tr>
<tr>
<td>Fund balance, beginning of the year</td>
<td></td>
<td>1,218,152</td>
<td></td>
</tr>
<tr>
<td>Fund balance, end of the year</td>
<td></td>
<td>$ 737,589</td>
<td></td>
</tr>
</tbody>
</table>

See independent auditor's report.
City of Blue Island  
Special Revenue Funds - Police Pension Fund  
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
For the Year Ended April 30, 2009

<table>
<thead>
<tr>
<th></th>
<th>Original and Final Budget</th>
<th>Actual</th>
<th>Positive (Negative) Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues - personal property and replacement taxes</td>
<td>$ 32,000</td>
<td>$ 28,677</td>
<td>$ (3,323)</td>
</tr>
<tr>
<td>Expenditures - payments to Police Pension Fund</td>
<td>35,000</td>
<td>70,806</td>
<td>(35,806)</td>
</tr>
<tr>
<td><strong>Net changes in fund balance</strong></td>
<td>$ (3,000)</td>
<td>(42,129)</td>
<td>$ (39,129)</td>
</tr>
<tr>
<td>Fund balance, beginning of the year</td>
<td></td>
<td></td>
<td>339,548</td>
</tr>
<tr>
<td>Fund balance, end of the year</td>
<td></td>
<td>$ 297,419</td>
<td></td>
</tr>
</tbody>
</table>
This page has intentionally been left blank.
City of Blue Island
Special Revenue Funds - Firefighters' Pension Fund
Statement of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual
For the Year Ended April 30, 2009

<table>
<thead>
<tr>
<th></th>
<th>Original and Final Budget</th>
<th>Actual</th>
<th>Positive (Negative) Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues - personal property and replacement taxes</td>
<td>$ 28,000</td>
<td>$ 20,193</td>
<td>$ (7,807)</td>
</tr>
<tr>
<td>Expenditures - payments to Firefighters' Pension Fund</td>
<td>25,000</td>
<td>32,027</td>
<td>(7,027)</td>
</tr>
<tr>
<td><strong>Net changes in fund balance</strong></td>
<td><strong>$ 3,000</strong></td>
<td><strong>(11,834)</strong></td>
<td><strong>$ (14,834)</strong></td>
</tr>
</tbody>
</table>

Fund balance, beginning of the year: $128,769

Fund balance, end of the year: $116,935

See independent auditor's report.
# City of Blue Island
## Combining Balance Sheet - Nonmajor Debt Service Funds
### April 30, 2009

<table>
<thead>
<tr>
<th>Assets</th>
<th>Alternate Bond Fund</th>
<th>Special Fund</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Series 1995</td>
<td>Series 1994</td>
</tr>
<tr>
<td>Property taxes receivable, net of allowance for uncollectible accounts</td>
<td>$329,951</td>
<td>$</td>
</tr>
<tr>
<td>Due from other funds</td>
<td>336,114</td>
<td></td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td><strong>$666,065</strong></td>
<td><strong>$</strong></td>
</tr>
</tbody>
</table>

## Liabilities and Municipal Equity

<table>
<thead>
<tr>
<th>Liabilities</th>
<th>Alternate Bond Fund</th>
<th>Special Fund</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Series 1995</td>
<td>Series 1994</td>
</tr>
<tr>
<td>Due to other funds</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Deferred revenue - property tax</td>
<td>329,951</td>
<td></td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td><strong>329,951</strong></td>
<td><strong>$</strong></td>
</tr>
</tbody>
</table>

Municipal equity - fund balance - unreserved - future debt service | 336,114 |  |

**Total liabilities and municipal equity** | **$666,065** | **$** |

See independent auditor's report.
<table>
<thead>
<tr>
<th>Tax Increment Allocation Funds</th>
<th>General Obligation Bond Fund</th>
<th>General Obligation Bond Fund</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>$ 309,690</td>
<td>$ 194,345</td>
<td>$ 1,043,413</td>
<td>$ 100,430</td>
</tr>
<tr>
<td>$ 504,035</td>
<td>$ 1,043,413</td>
<td>$ 100,430</td>
<td>$ 93,222</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>General Obligation Bond Fund</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>$ 309,690</td>
<td>$ 194,345</td>
</tr>
<tr>
<td>$ 309,690</td>
<td>$ 518,374</td>
</tr>
<tr>
<td>$ 309,690</td>
<td>$ 518,374</td>
</tr>
<tr>
<td>$ 194,345</td>
<td>$ 525,039</td>
</tr>
<tr>
<td>$ 504,035</td>
<td>$ 1,043,413</td>
</tr>
</tbody>
</table>
City of Blue Island  
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Debt Service Funds  
For the Year Ended April 30, 2009

<table>
<thead>
<tr>
<th></th>
<th>Alternate Bond Fund</th>
<th>Special Series 1994</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Series 1995</td>
<td>Series 1994</td>
</tr>
<tr>
<td>Revenues - property taxes</td>
<td>$ 574,167</td>
<td>$ -</td>
</tr>
<tr>
<td>Expenditures - debt service:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Principal</td>
<td>375,000</td>
<td>-</td>
</tr>
<tr>
<td>Interest</td>
<td>161,135</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total expenditures</strong></td>
<td><strong>536,135</strong></td>
<td>-</td>
</tr>
<tr>
<td><strong>Revenues over (under) expenditures before other financing sources</strong></td>
<td><strong>38,032</strong></td>
<td>-</td>
</tr>
<tr>
<td>Other financing sources (uses):</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transfers in</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Transfers out</td>
<td>-</td>
<td>(275,450)</td>
</tr>
<tr>
<td><strong>Total other financing sources (uses)</strong></td>
<td>-</td>
<td>(275,450)</td>
</tr>
<tr>
<td><strong>Net changes in fund balances</strong></td>
<td>38,032</td>
<td>(275,450)</td>
</tr>
<tr>
<td>Fund balances, beginning of the year</td>
<td>298,082</td>
<td>275,450</td>
</tr>
<tr>
<td>Fund balances, end of the year</td>
<td>$ 336,114</td>
<td>$ -</td>
</tr>
</tbody>
</table>

See independent auditor's report.
<table>
<thead>
<tr>
<th>Tax Increment Allocation Funds</th>
<th>General Obligation Bond Fund Series 2005</th>
<th>General Obligation Bond Fund Series 2007</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Series 1997</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>$ 194,345</td>
<td>$</td>
<td>$ 87,248</td>
<td>$ 176,644</td>
</tr>
<tr>
<td>390,000</td>
<td>410,000</td>
<td>195,000</td>
<td>72,500</td>
</tr>
<tr>
<td>108,145</td>
<td>197,553</td>
<td>61,169</td>
<td>8,967</td>
</tr>
<tr>
<td>498,145</td>
<td>607,553</td>
<td>256,169</td>
<td>81,467</td>
</tr>
<tr>
<td>(303,800)</td>
<td>(607,553)</td>
<td>(256,169)</td>
<td>5,781</td>
</tr>
<tr>
<td>498,145</td>
<td>607,553</td>
<td>256,169</td>
<td>-</td>
</tr>
<tr>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>498,145</td>
<td>607,553</td>
<td>256,169</td>
<td>-</td>
</tr>
<tr>
<td>194,345</td>
<td>-</td>
<td>-</td>
<td>5,781</td>
</tr>
<tr>
<td>-</td>
<td>525,039</td>
<td>100,430</td>
<td>37,302</td>
</tr>
<tr>
<td>$ 194,345</td>
<td>$ 525,039</td>
<td>$ 100,430</td>
<td>$ 43,083</td>
</tr>
</tbody>
</table>
City of Blue Island  
Capital Projects Fund - Community Development Block Grant  
Schedule of Specific Community Development Projects - Cash Basis  
April 30, 2009

<table>
<thead>
<tr>
<th>Project Number</th>
<th>Project Complete</th>
</tr>
</thead>
<tbody>
<tr>
<td>PI 1997</td>
<td>No</td>
</tr>
<tr>
<td>02-002</td>
<td>Yes</td>
</tr>
<tr>
<td>06-002</td>
<td>Yes</td>
</tr>
<tr>
<td>07-001</td>
<td>No</td>
</tr>
<tr>
<td>08-002</td>
<td>No</td>
</tr>
</tbody>
</table>

U.S. Department of Housing and Urban Development - pass through by Cook County Community Development Block Grant:
- Rehabilitation projects:
  - Residential rehab
- Construction projects:
  - Florence Street
  - Walnut Street
  - Prairie Street
  - Union and High Streets

Program balance

Note 1: The surplus from project 05-007 of $42,633 was added to the original budget authority for project number 06-002, increasing it from $150,000 to $192,633.

Note 2: Projects 02-002 and 06-002 are closed. Any awarded amount not spent was not drawn down.

See independent auditor's report.
<table>
<thead>
<tr>
<th>Budget Authority</th>
<th>Project Drawdowns</th>
<th>Project Disbursements</th>
<th>Project Cash Balance</th>
<th>Deferred Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Current</td>
<td>Cumulative</td>
<td>Current</td>
<td>Cumulative</td>
</tr>
<tr>
<td>$</td>
<td>4,867</td>
<td>275,202</td>
<td>19,955</td>
<td>273,119</td>
</tr>
<tr>
<td>162,000</td>
<td>-</td>
<td>155,690</td>
<td>-</td>
<td>155,690</td>
</tr>
<tr>
<td>192,633</td>
<td>95,883</td>
<td>184,606</td>
<td>95,883</td>
<td>184,606</td>
</tr>
<tr>
<td>229,027</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>255,000</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>$ 838,660</td>
<td>$ 100,750</td>
<td>$ 615,498</td>
<td>$ 115,838</td>
<td>$ 613,415</td>
</tr>
</tbody>
</table>
City of Blue Island  
Water Fund  
Schedule of Operating Expenses - Budget and Actual  
For the Year Ended April 30, 2009

<table>
<thead>
<tr>
<th></th>
<th>Budget</th>
<th>Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries and benefits:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Full-time salaries</td>
<td>$675,000</td>
<td>$622,615</td>
</tr>
<tr>
<td>Part-time salaries</td>
<td>20,000</td>
<td>22,732</td>
</tr>
<tr>
<td>Overtime salaries</td>
<td>42,000</td>
<td>35,488</td>
</tr>
<tr>
<td>Illinois Municipal Retirement</td>
<td>60,000</td>
<td>55,692</td>
</tr>
<tr>
<td>Payroll taxes - FICA and Medicare</td>
<td>60,000</td>
<td>53,164</td>
</tr>
<tr>
<td>Employee medical insurance</td>
<td>420,000</td>
<td>426,071</td>
</tr>
<tr>
<td>Life insurance</td>
<td>2,000</td>
<td>1,496</td>
</tr>
<tr>
<td>Services:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Audit</td>
<td>4,600</td>
<td>4,600</td>
</tr>
<tr>
<td>Computers and software</td>
<td>20,000</td>
<td>3,660</td>
</tr>
<tr>
<td>Electricity</td>
<td>55,000</td>
<td>52,457</td>
</tr>
<tr>
<td>Engineering</td>
<td>101,500</td>
<td>99,118</td>
</tr>
<tr>
<td>Natural gas</td>
<td>3,000</td>
<td>1,339</td>
</tr>
<tr>
<td>Other</td>
<td>5,000</td>
<td>4,827</td>
</tr>
<tr>
<td>Telephone</td>
<td>3,000</td>
<td>9,650</td>
</tr>
<tr>
<td>Training</td>
<td>500</td>
<td>-</td>
</tr>
<tr>
<td>Water billing</td>
<td>45,000</td>
<td>24,677</td>
</tr>
<tr>
<td>Supplies and materials:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Concrete/asphalt/stone</td>
<td>30,000</td>
<td>19,726</td>
</tr>
<tr>
<td>Gasoline and oil</td>
<td>25,000</td>
<td>21,641</td>
</tr>
<tr>
<td>Maintenance supplies</td>
<td>53,000</td>
<td>44,072</td>
</tr>
<tr>
<td>Operating supplies</td>
<td>35,000</td>
<td>31,662</td>
</tr>
<tr>
<td>Printing, postage and office supplies</td>
<td>13,000</td>
<td>31,531</td>
</tr>
<tr>
<td>Uniforms</td>
<td>5,000</td>
<td>4,500</td>
</tr>
<tr>
<td>Maintenance and repair:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Building</td>
<td>10,000</td>
<td>1,774</td>
</tr>
<tr>
<td>Equipment</td>
<td>30,000</td>
<td>9,338</td>
</tr>
<tr>
<td>Lot/property</td>
<td>1,000</td>
<td>-</td>
</tr>
<tr>
<td>Outside contractors</td>
<td>1,600,000</td>
<td>310,014</td>
</tr>
<tr>
<td>Tree maintenance</td>
<td>2,500</td>
<td>-</td>
</tr>
<tr>
<td>Vehicle</td>
<td>30,000</td>
<td>14,379</td>
</tr>
</tbody>
</table>

(cont'd)
City of Blue Island  
Water Fund  
Schedule of Operating Expenses - Budget and Actual (cont'd)  
For the Year Ended April 30, 2009

<table>
<thead>
<tr>
<th></th>
<th>Budget</th>
<th>Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td>Water purchased from Chicago</td>
<td>$ 1,500,000</td>
<td>$ 1,405,901</td>
</tr>
<tr>
<td><strong>Miscellaneous:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bank charges</td>
<td>4,000</td>
<td>6,040</td>
</tr>
<tr>
<td>Contingent</td>
<td>1,000</td>
<td>600</td>
</tr>
<tr>
<td>Dues and subscriptions</td>
<td>800</td>
<td>377</td>
</tr>
<tr>
<td>Employee/office services</td>
<td>1,000</td>
<td>597</td>
</tr>
<tr>
<td>Licenses and fees</td>
<td>10,000</td>
<td>-</td>
</tr>
<tr>
<td>Meetings and seminars</td>
<td>1,000</td>
<td>255</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>1,500</td>
<td>397</td>
</tr>
<tr>
<td>Rentals and leasing fees</td>
<td>15,000</td>
<td>7,696</td>
</tr>
<tr>
<td><strong>Capital expenditures:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>New equipment</td>
<td>3,000</td>
<td>1,155</td>
</tr>
<tr>
<td>Water meter purchases</td>
<td>50,000</td>
<td>36,940</td>
</tr>
<tr>
<td>Improvements</td>
<td>10,000</td>
<td>-</td>
</tr>
<tr>
<td>Vehicles</td>
<td>25,000</td>
<td>26,830</td>
</tr>
<tr>
<td>Office equipment</td>
<td>-</td>
<td>473</td>
</tr>
<tr>
<td><strong>Retirement of bonds</strong></td>
<td>190,000</td>
<td>190,000</td>
</tr>
<tr>
<td>Bond interest and trustee fees</td>
<td>208,300</td>
<td>204,745</td>
</tr>
<tr>
<td></td>
<td>$ 5,371,700</td>
<td>3,788,229</td>
</tr>
</tbody>
</table>

Less:

- Amounts capitalized as property and equipment: (188,317)
- Payment of bond principal and interest: (394,745)

**Operating expenses before depreciation**: $3,205,167

**Depreciation**: 462,787

**Total operating expenses**: $3,667,954

See independent auditor's report.
# City of Blue Island  
**Golf Course Fund**  
**Schedule of Operating Expenses - Budget and Actual**  
**For the Year Ended April 30, 2009**

<table>
<thead>
<tr>
<th></th>
<th>Budget</th>
<th>Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Salaries and benefits:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Full-time salaries</td>
<td>$70,000</td>
<td>$68,997</td>
</tr>
<tr>
<td>Part-time salaries</td>
<td>220,000</td>
<td>211,734</td>
</tr>
<tr>
<td>Illinois Municipal Retirement</td>
<td>6,000</td>
<td>5,579</td>
</tr>
<tr>
<td>Payroll taxes - FICA and Medicare</td>
<td>22,200</td>
<td>21,099</td>
</tr>
<tr>
<td>Employee medical insurance</td>
<td>12,500</td>
<td>13,943</td>
</tr>
<tr>
<td>Employee life insurance</td>
<td>200</td>
<td>121</td>
</tr>
<tr>
<td>Unemployment insurance</td>
<td>-</td>
<td>1,164</td>
</tr>
<tr>
<td><strong>Services:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Audit</td>
<td>2,700</td>
<td>2,700</td>
</tr>
<tr>
<td>Computers and software</td>
<td>2,000</td>
<td>1,074</td>
</tr>
<tr>
<td>Insurance</td>
<td>1,500</td>
<td>1,269</td>
</tr>
<tr>
<td>Servicescape, Inc.</td>
<td>358,000</td>
<td>306,693</td>
</tr>
<tr>
<td>Telephone</td>
<td>6,000</td>
<td>4,075</td>
</tr>
<tr>
<td>Training</td>
<td>500</td>
<td>300</td>
</tr>
<tr>
<td>Utilities</td>
<td>32,200</td>
<td>33,296</td>
</tr>
<tr>
<td><strong>Supplies and materials:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gas and oil</td>
<td>38,000</td>
<td>46,252</td>
</tr>
<tr>
<td>Maintenance supplies</td>
<td>3,500</td>
<td>2,986</td>
</tr>
<tr>
<td>Operating supplies</td>
<td>12,000</td>
<td>4,841</td>
</tr>
<tr>
<td>Printing, postage and office supplies</td>
<td>1,400</td>
<td>1,780</td>
</tr>
<tr>
<td>Small equipment</td>
<td>3,500</td>
<td>-</td>
</tr>
<tr>
<td>Uniforms</td>
<td>3,800</td>
<td>2,431</td>
</tr>
<tr>
<td><strong>Maintenance and repair:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Building</td>
<td>10,000</td>
<td>14,196</td>
</tr>
<tr>
<td>Equipment</td>
<td>10,000</td>
<td>6,622</td>
</tr>
<tr>
<td>Equipment rental</td>
<td>2,000</td>
<td>1,472</td>
</tr>
<tr>
<td>Lot/property</td>
<td>2,000</td>
<td>348</td>
</tr>
<tr>
<td>Outside contractors</td>
<td>60,000</td>
<td>74,425</td>
</tr>
<tr>
<td>Vehicle</td>
<td>1,000</td>
<td>648</td>
</tr>
<tr>
<td>Merchandise for resale</td>
<td>177,000</td>
<td>169,967</td>
</tr>
</tbody>
</table>

*(cont’d)*
City of Blue Island
Golf Course Fund
Schedule of Operating Expenses - Budget and Actual (cont'd)
For the Year Ended April 30, 2009

<table>
<thead>
<tr>
<th></th>
<th>Budget</th>
<th>Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Miscellaneous:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Advertising and marketing</td>
<td>$ 7,000</td>
<td>$ 4,013</td>
</tr>
<tr>
<td>Agent/trust fees</td>
<td>600</td>
<td>605</td>
</tr>
<tr>
<td>Dues and subscriptions</td>
<td>5,000</td>
<td>2,457</td>
</tr>
<tr>
<td>Employee/office services</td>
<td>500</td>
<td>413</td>
</tr>
<tr>
<td>Legal notices</td>
<td>-</td>
<td>61</td>
</tr>
<tr>
<td>Licenses and fees</td>
<td>1,500</td>
<td>500</td>
</tr>
<tr>
<td>Meetings and seminars</td>
<td>500</td>
<td>-</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>43,000</td>
<td>47,551</td>
</tr>
<tr>
<td><strong>Capital expenditures</strong></td>
<td>45,000</td>
<td>14,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$ 1,161,100</td>
<td>$ 1,067,612</td>
</tr>
</tbody>
</table>
City of Blue Island  
Capital Assets Used in the Operation of Governmental Funds  
Schedule by Source  
April 30, 2009

<table>
<thead>
<tr>
<th>Assets</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Municipal land, buildings and improvements</td>
<td>$31,763,766</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>14,531,636</td>
</tr>
</tbody>
</table>

**Equipment:**
- Police and fire: 4,494,384
- Playground and recreation: 13,848
- Civil defense: 64,973
- Public works: 907,435
- Street: 218,757
- Sanitation: 57,210
- 9-1-1 system: 807,297
- General: 801,169

**Total equipment:** 7,365,073

**Total capital assets used in the operation of governmental funds:** $53,660,475

**Other Credits**

| Investment in general capital assets | $53,660,475 |

See independent auditor's report.
City of Blue Island  
Public Library  
Balance Sheet  
For the Year Ended April 30, 2009

<table>
<thead>
<tr>
<th>Assets</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and investments</td>
<td>$ 861,038</td>
</tr>
<tr>
<td>Receivables:</td>
<td></td>
</tr>
<tr>
<td>Property taxes</td>
<td>722,061</td>
</tr>
<tr>
<td>Other</td>
<td>113</td>
</tr>
<tr>
<td>Due from primary government</td>
<td>10,175</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td><strong>$ 1,593,387</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Liabilities and Fund Balance</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts payable</td>
<td>$ 5,133</td>
</tr>
<tr>
<td>Deferred revenue and other liabilities</td>
<td>722,061</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td><strong>727,194</strong></td>
</tr>
<tr>
<td>Fund balance - unreserved, undesignated</td>
<td>866,193</td>
</tr>
<tr>
<td><strong>Total liabilities and fund balance</strong></td>
<td><strong>$ 1,593,387</strong></td>
</tr>
</tbody>
</table>

See independent auditor's report.
City of Blue Island
Public Library
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
For the Year Ended April 30, 2009

<table>
<thead>
<tr>
<th></th>
<th>Budget</th>
<th>Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property taxes</td>
<td>$1,376,543</td>
<td>$1,459,299</td>
</tr>
<tr>
<td>Personal property replacement taxes</td>
<td>50,000</td>
<td>53,321</td>
</tr>
<tr>
<td>Fines</td>
<td>27,500</td>
<td>15,789</td>
</tr>
<tr>
<td>State library/other grants</td>
<td>53,107</td>
<td>117</td>
</tr>
<tr>
<td>Interest income</td>
<td>7,000</td>
<td>4,091</td>
</tr>
<tr>
<td>Other</td>
<td>22,000</td>
<td>40,534</td>
</tr>
<tr>
<td><strong>Total revenues</strong></td>
<td>1,536,150</td>
<td>1,573,151</td>
</tr>
</tbody>
</table>

|                      |            |            |
| **Expenditures:**    |            |            |
|                      |            |            |
| **Current:**         |            |            |
| Salaries and benefits: |        |            |
| Salaries             | 751,000    | 733,307    |
| Illinois Municipal Retirement | 53,000   | 57,215     |
| Payroll tax - FICA and Medicare | 57,450   | 54,039     |
| Unemployment tax     | 2,000      | 1,408      |
| Employee medical insurance | 57,500   | 50,199     |
| **Services:**        |            |            |
| Audit                | 4,500      | 150        |
| Computers and software/computer service | 25,500   | 27,127     |
| Finance/bank charges | 1,500      | 348        |
| Heat/light/water     | 7,500      | 6,236      |
| Insurance            | 19,500     | 25,516     |
| Legal                | 3,000      | 255        |
| Other contractual services | 7,500   | 6,288      |
| Professional consulting | 13,000   | 6,030      |
| Telephone            | 13,000     | 8,405      |
| T1 line              | 6,000      | 2,598      |
| **Supplies and materials:** |        |            |
| Audio-visual materials | 40,500   | 36,273     |
| Book purchasing and processing | 120,000  | 112,361    |
| Maintenance supplies  | 11,000     | 11,507     |
| On-line resources     | 21,500     | 23,377     |
| Periodical subscriptions | 26,000   | 14,944     |
| Printing, postage and office supplies | 27,500   | 24,255     |

(cont'd)
City of Blue Island
Public Library
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual (cont'd)
For the Year Ended April 30, 2009

<table>
<thead>
<tr>
<th></th>
<th>Budget</th>
<th>Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td>Expenditures (cont'd):</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current (cont'd):</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Maintenance and repair:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contract maintenance</td>
<td>$ 29,000</td>
<td>$ 34,461</td>
</tr>
<tr>
<td>Equipment</td>
<td>1,000</td>
<td>2,666</td>
</tr>
<tr>
<td>Miscellaneous:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Advertising and marketing</td>
<td>1,500</td>
<td>826</td>
</tr>
<tr>
<td>Contingent</td>
<td>6,500</td>
<td>1,802</td>
</tr>
<tr>
<td>Dues and memberships</td>
<td>2,000</td>
<td>981</td>
</tr>
<tr>
<td>Meetings and seminars</td>
<td>12,300</td>
<td>8,872</td>
</tr>
<tr>
<td>Programming</td>
<td>17,700</td>
<td>16,006</td>
</tr>
<tr>
<td>Rentals and leasing fees</td>
<td>13,000</td>
<td>16,004</td>
</tr>
<tr>
<td>Shipping, handling and delivery</td>
<td>2,000</td>
<td>1,926</td>
</tr>
<tr>
<td>Staff reimbursed purchases</td>
<td>-</td>
<td>67</td>
</tr>
<tr>
<td>Debt service - interest</td>
<td>-</td>
<td>2,943</td>
</tr>
<tr>
<td>Capital expenditures:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Computer equipment</td>
<td>13,000</td>
<td>18,821</td>
</tr>
<tr>
<td>Library equipment</td>
<td>14,700</td>
<td>10,219</td>
</tr>
<tr>
<td>Total expenditures</td>
<td>1,381,150</td>
<td>1,317,432</td>
</tr>
<tr>
<td>Revenues over expenditures</td>
<td>$ 155,000</td>
<td>255,719</td>
</tr>
</tbody>
</table>

Fund balance, beginning of the year

610,474

Fund balance, end of the year

$ 866,193

See independent auditor's report.
### City of Blue Island
#### Schedule of General Obligation Debt to Maturity
##### April 30, 2009

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Principal</td>
<td>Interest</td>
</tr>
<tr>
<td>---------------------------</td>
<td>-----------</td>
<td>----------</td>
</tr>
<tr>
<td>2010</td>
<td>$1,620,500</td>
<td>$470,837</td>
</tr>
<tr>
<td>2011</td>
<td>1,724,000</td>
<td>396,183</td>
</tr>
<tr>
<td>2012</td>
<td>1,715,000</td>
<td>315,106</td>
</tr>
<tr>
<td>2013</td>
<td>1,905,000</td>
<td>232,107</td>
</tr>
<tr>
<td>2014</td>
<td>1,530,000</td>
<td>138,864</td>
</tr>
<tr>
<td>2015</td>
<td>1,265,000</td>
<td>64,045</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>9,759,500</strong></td>
<td><strong>1,617,142</strong></td>
</tr>
</tbody>
</table>

**Note:** For the General Obligation Golf Course Refunding Bonds (Alternate Revenue Source) Series 1995, the principal payments due for fiscal years 2009 - 2011 and 2012 - 2015 represent mandatory redemption requirements for the term bonds due December 1, 2010 and December 1, 2014, respectively.

See independent auditor's report.
<table>
<thead>
<tr>
<th>Principal</th>
<th>Interest</th>
</tr>
</thead>
<tbody>
<tr>
<td>$ 520,000</td>
<td>$ 179,102</td>
</tr>
<tr>
<td>540,000</td>
<td>155,703</td>
</tr>
<tr>
<td>565,000</td>
<td>130,862</td>
</tr>
<tr>
<td>685,000</td>
<td>104,308</td>
</tr>
<tr>
<td>715,000</td>
<td>71,427</td>
</tr>
<tr>
<td>750,000</td>
<td>36,750</td>
</tr>
<tr>
<td>$ 3,775,000</td>
<td>$ 678,152</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Principal</th>
<th>Interest</th>
</tr>
</thead>
<tbody>
<tr>
<td>$ 215,000</td>
<td>$ 54,587</td>
</tr>
<tr>
<td>255,000</td>
<td>46,794</td>
</tr>
<tr>
<td>260,000</td>
<td>36,594</td>
</tr>
<tr>
<td>285,000</td>
<td>26,194</td>
</tr>
<tr>
<td>330,000</td>
<td>14,437</td>
</tr>
<tr>
<td>-</td>
<td></td>
</tr>
<tr>
<td>$ 1,345,000</td>
<td>$ 178,606</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Principal</th>
<th>Interest</th>
</tr>
</thead>
<tbody>
<tr>
<td>$ 75,500</td>
<td>$ 6,103</td>
</tr>
<tr>
<td>79,000</td>
<td>3,121</td>
</tr>
<tr>
<td>-</td>
<td></td>
</tr>
<tr>
<td>$ 154,500</td>
<td>$ 9,224</td>
</tr>
</tbody>
</table>

General Obligation Limited Tax Bonds, Series 2005 Dated June 1, 2005
This page has intentionally been left blank.
City of Blue Island  
Schedule of Tax Collections and Taxes Refundable  
For the Year Ended April 30, 2009

<table>
<thead>
<tr>
<th>Levy Year</th>
<th>Tax Extension</th>
<th>Gross Taxes Collected</th>
<th>For the Year Ended April 30, 2009</th>
<th>Total as of April 30, 2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>1998</td>
<td>$ 3,959,817</td>
<td>$ 4,444,793</td>
<td>$ -</td>
<td>$ 4,444,793</td>
</tr>
<tr>
<td>1999</td>
<td>4,108,837</td>
<td>4,415,328</td>
<td>-</td>
<td>4,415,328</td>
</tr>
<tr>
<td>2000</td>
<td>4,487,283</td>
<td>5,061,700</td>
<td>-</td>
<td>5,061,700</td>
</tr>
<tr>
<td>2001</td>
<td>5,163,279</td>
<td>5,284,611</td>
<td>-</td>
<td>5,284,611</td>
</tr>
<tr>
<td>2002</td>
<td>5,781,121</td>
<td>6,086,939</td>
<td>-</td>
<td>6,086,939</td>
</tr>
<tr>
<td>2003</td>
<td>6,546,559</td>
<td>6,638,681</td>
<td>-</td>
<td>6,638,681</td>
</tr>
<tr>
<td>2004</td>
<td>6,427,111</td>
<td>6,338,719</td>
<td>-</td>
<td>6,338,719</td>
</tr>
<tr>
<td>2005</td>
<td>6,785,629</td>
<td>6,857,804</td>
<td>-</td>
<td>6,857,804</td>
</tr>
<tr>
<td>2006</td>
<td>7,347,896</td>
<td>6,996,927</td>
<td>-</td>
<td>6,996,927</td>
</tr>
<tr>
<td>2007</td>
<td>6,639,104</td>
<td>2,790,264</td>
<td>4,071,811</td>
<td>6,862,075</td>
</tr>
<tr>
<td>2008</td>
<td>7,547,900</td>
<td>-</td>
<td>3,192,387</td>
<td>3,192,387</td>
</tr>
<tr>
<td></td>
<td>$ 64,794,536</td>
<td>$ 54,915,766</td>
<td>$ 7,264,198</td>
<td>$ 62,179,964</td>
</tr>
</tbody>
</table>

By Fund:  
General:  
Corporate $ 1,673,549  
Illinois Municipal Retirement 259,467  
Playgrounds 204,837  
Street and bridge 235,468  
Fire protection 179,433  
Police protection 179,433  
Road and bridge 54,043  
Liability insurance 66,146  

Special Revenue:  
Special Tax Increment Allocation Fund I 68,146  
Special Tax Increment Allocation Fund II 1,090,859  
Special Tax Increment Allocation Fund III 756,864  
Special Tax Increment Allocation Fund IV 4,251  

Debt Service:  
1995 Alternate Bonds 574,167  
1997 General Obligation TIF Series 194,345  
2005 General Obligation Limited Tax Series 87,247  
2007 General Sales Tax ARS Bonds 176,644  

1,032,403  

Component unit - Library 1,459,299  

$ 7,264,198  

See independent auditor's report.
<table>
<thead>
<tr>
<th>Percent Collected</th>
<th>Gross Receivable April 30, 2009</th>
<th>Provision for Loss on Collection</th>
<th>Net Receivable</th>
</tr>
</thead>
<tbody>
<tr>
<td>112.25%</td>
<td>$(484,976)</td>
<td>$(484,976)</td>
<td>$-</td>
</tr>
<tr>
<td>107.46%</td>
<td>(306,491)</td>
<td>(306,491)</td>
<td>-</td>
</tr>
<tr>
<td>112.80%</td>
<td>(574,417)</td>
<td>(574,417)</td>
<td>-</td>
</tr>
<tr>
<td>102.35%</td>
<td>(121,332)</td>
<td>(121,332)</td>
<td>-</td>
</tr>
<tr>
<td>105.29%</td>
<td>(305,818)</td>
<td>(305,818)</td>
<td>-</td>
</tr>
<tr>
<td>101.41%</td>
<td>(92,122)</td>
<td>(92,122)</td>
<td>-</td>
</tr>
<tr>
<td>98.62%</td>
<td>88,392</td>
<td>88,392</td>
<td>-</td>
</tr>
<tr>
<td>101.06%</td>
<td>(72,175)</td>
<td>(72,175)</td>
<td>-</td>
</tr>
<tr>
<td>95.22%</td>
<td>350,969</td>
<td>350,969</td>
<td>-</td>
</tr>
<tr>
<td>103.36%</td>
<td>(222,971)</td>
<td>(222,971)</td>
<td>-</td>
</tr>
<tr>
<td>42.30%</td>
<td>4,355,513</td>
<td>-</td>
<td>4,355,513</td>
</tr>
</tbody>
</table>

$ 2,614,572 $ (1,740,941) $ 4,355,513

By Fund:

**General:**

- Corporate: $1,043,773
- Illinois Municipal Retirement: 184,327
- Playgrounds: 116,740
- Street and bridge: 135,173
- Fire protection: 112,439
- Police protection: 112,439
- Road and bridge: 30,961
- Liability insurance: 39,937

**Special Revenue:**

- Special Tax Increment Allocation Fund I: 34,063
- Special Tax Increment Allocation Fund II: 538,181
- Special Tax Increment Allocation Fund III: 448,918
- Special Tax Increment Allocation Fund IV: 3,583

**Debt Service:**

- 1995 Alternate Bonds: 329,951
- 1987 General Obligation TIF Series: 309,690
- 2005 General Obligation Limited Tax Series: 50,139
- 2007 General Sales Tax ARS Bonds: 143,138

**Component unit - Library:**

722,061

$ 4,355,513
City of Blue Island  
Schedule of Valuations, Rates and Extensions for Tax Levy Year 2008  
For the Year Ended April 30, 2009

<table>
<thead>
<tr>
<th>Tax Levy Year</th>
<th>Assessed Valuation</th>
<th>Extended Tax Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1999</td>
<td>$171,336,584</td>
<td>2.1165 %</td>
</tr>
<tr>
<td>2000</td>
<td>165,759,152</td>
<td>2.6854</td>
</tr>
<tr>
<td>2001</td>
<td>171,181,605</td>
<td>2.6751</td>
</tr>
<tr>
<td>2002</td>
<td>211,856,519</td>
<td>2.2149</td>
</tr>
<tr>
<td>2003</td>
<td>207,768,422</td>
<td>2.4649</td>
</tr>
<tr>
<td>2004</td>
<td>214,789,139</td>
<td>2.2837</td>
</tr>
<tr>
<td>2005</td>
<td>252,498,526</td>
<td>2.0950</td>
</tr>
<tr>
<td>2006</td>
<td>253,651,868</td>
<td>2.2158</td>
</tr>
<tr>
<td>2007</td>
<td>264,437,769</td>
<td>2.4988</td>
</tr>
<tr>
<td>2008</td>
<td>301,871,416</td>
<td>2.4019</td>
</tr>
</tbody>
</table>

The 2008 gross tax levy is analyzed below:

<table>
<thead>
<tr>
<th></th>
<th>Rate</th>
<th>Percent</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corporate</td>
<td>$0.2375</td>
<td>9.89</td>
<td>$76,944</td>
</tr>
<tr>
<td>Garbage</td>
<td>0.1743</td>
<td>7.26</td>
<td>526,161</td>
</tr>
<tr>
<td>Illinois Municipal Retirement</td>
<td>0.1016</td>
<td>4.23</td>
<td>306,701</td>
</tr>
<tr>
<td>Playgrounds</td>
<td>0.0635</td>
<td>2.64</td>
<td>191,688</td>
</tr>
<tr>
<td>Liability insurance</td>
<td>0.0217</td>
<td>0.90</td>
<td>65,506</td>
</tr>
<tr>
<td>Street and bridge</td>
<td>0.0736</td>
<td>3.06</td>
<td>222,177</td>
</tr>
<tr>
<td>Fire protection</td>
<td>0.0595</td>
<td>2.48</td>
<td>179,613</td>
</tr>
<tr>
<td>Police protection</td>
<td>0.0628</td>
<td>2.61</td>
<td>189,575</td>
</tr>
<tr>
<td>Social security</td>
<td>0.0890</td>
<td>3.71</td>
<td>268,665</td>
</tr>
<tr>
<td>Auditing</td>
<td>0.0067</td>
<td>0.28</td>
<td>20,225</td>
</tr>
<tr>
<td>Crossing guards</td>
<td>0.0174</td>
<td>0.72</td>
<td>52,525</td>
</tr>
<tr>
<td>Workers' compensation</td>
<td>0.0334</td>
<td>1.39</td>
<td>100,825</td>
</tr>
<tr>
<td>Unemployment insurance</td>
<td>0.0009</td>
<td>0.04</td>
<td>2,716</td>
</tr>
<tr>
<td><strong>Total general</strong></td>
<td>0.9419</td>
<td>39.21</td>
<td>2,843,321</td>
</tr>
<tr>
<td>Library</td>
<td>0.4456</td>
<td>18.55</td>
<td>1,345,139</td>
</tr>
<tr>
<td>Library building and maintenance</td>
<td>0.0149</td>
<td>0.62</td>
<td>44,978</td>
</tr>
<tr>
<td>Bond and interest</td>
<td>0.4726</td>
<td>19.68</td>
<td>1,426,540</td>
</tr>
<tr>
<td>Police Pension</td>
<td>0.3548</td>
<td>14.77</td>
<td>1,071,039</td>
</tr>
<tr>
<td>Firefighters' Pension</td>
<td>0.1721</td>
<td>7.17</td>
<td>519,520</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$2.4019</td>
<td>100.00</td>
<td>$7,250,537</td>
</tr>
</tbody>
</table>

Road and bridge  

$55,000

See independent auditor's report.
City of Blue Island
Legal Debt Margin
For the Year Ended April 30, 2009

<table>
<thead>
<tr>
<th>Description</th>
<th>2008 Tax Levy Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assessed valuation</td>
<td>$ 301,871,416</td>
</tr>
<tr>
<td>Statutory debt limitation (8.625% of assessed valuation)</td>
<td>$ 26,036,410</td>
</tr>
<tr>
<td><strong>Total debt:</strong></td>
<td></td>
</tr>
<tr>
<td>General Obligation Bonds:</td>
<td></td>
</tr>
<tr>
<td>Series 1995, dated December 1, 1995</td>
<td>$ 2,710,000</td>
</tr>
<tr>
<td>Series 2005, dated June 1, 2005</td>
<td>154,500</td>
</tr>
<tr>
<td>General Obligation Tax Increment Refunding Bonds:</td>
<td></td>
</tr>
<tr>
<td>Series 1997, dated September 1, 1997</td>
<td>1,775,000</td>
</tr>
<tr>
<td>Series 1998, dated March 1, 1998</td>
<td>3,775,000</td>
</tr>
<tr>
<td>Series 2003, dated July 30, 2003</td>
<td>1,345,000</td>
</tr>
<tr>
<td>Waterworks and Sewerage Bonds</td>
<td>4,435,000</td>
</tr>
<tr>
<td>(Alternate Revenue Source)</td>
<td></td>
</tr>
<tr>
<td><strong>Total debt:</strong></td>
<td>14,194,500</td>
</tr>
<tr>
<td>Deduct bonds exempt for the debt limitation computation:</td>
<td></td>
</tr>
<tr>
<td>Waterworks and Sewerage Bonds (Alternate Revenue Source)</td>
<td>4,435,000</td>
</tr>
<tr>
<td><strong>Total debt:</strong></td>
<td>11,330,000</td>
</tr>
<tr>
<td>Plus capital lease obligations</td>
<td>275,359</td>
</tr>
<tr>
<td><strong>Legal debt margin</strong></td>
<td>$ 22,896,551</td>
</tr>
</tbody>
</table>

See independent auditor's report.
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CONTINUING BOND DISCLOSURES
City of Blue Island
Continuing Bond Disclosures

Fees and Charges

The following chart shows the driving range fees, greens fees and cart fees that were in effect for the 2008 season.

Meadows Golf Course Rates

Driving Range

<table>
<thead>
<tr>
<th>Bag Size</th>
<th>Fees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Small bag (45 balls)</td>
<td>$5.00</td>
</tr>
<tr>
<td>Medium bag (65 balls)</td>
<td>6.50</td>
</tr>
<tr>
<td>Large bag (90 balls)</td>
<td>8.00</td>
</tr>
</tbody>
</table>

Greens Fees (Subject to Revision)

<table>
<thead>
<tr>
<th></th>
<th>Weekdays</th>
<th>Weekends</th>
</tr>
</thead>
<tbody>
<tr>
<td>18 holes weekdays</td>
<td>$24</td>
<td>$32</td>
</tr>
<tr>
<td>9 holes</td>
<td>14</td>
<td>18</td>
</tr>
<tr>
<td>Twilight</td>
<td>15</td>
<td>19</td>
</tr>
<tr>
<td>Senior with cart (9 holes)</td>
<td>20</td>
<td>26</td>
</tr>
<tr>
<td>Senior with cart (18 holes)</td>
<td>24</td>
<td>36</td>
</tr>
<tr>
<td>Senior walking</td>
<td>14</td>
<td>26</td>
</tr>
<tr>
<td>Junior golfer</td>
<td>13</td>
<td>17</td>
</tr>
</tbody>
</table>

Cart Fees

<table>
<thead>
<tr>
<th></th>
<th>Weekdays</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single</td>
<td>$13</td>
</tr>
<tr>
<td>Two golfers</td>
<td>26</td>
</tr>
<tr>
<td>Nine holes</td>
<td>22</td>
</tr>
</tbody>
</table>

Any promotional greens fees (early spring, late fall, etc.) are charged at twilight rates.

Source: The City

Driving Range Activity and Golf Rounds Played

The following chart shows driving range activity for the three most recent years available.

Meadows Golf Course
Historical Driving Range Activity

<table>
<thead>
<tr>
<th>Fiscal Year Ended April 30,</th>
<th>Number of Purchases</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006</td>
<td>12,450</td>
</tr>
<tr>
<td>2007</td>
<td>12,950</td>
</tr>
<tr>
<td>2008</td>
<td>13,875</td>
</tr>
</tbody>
</table>

(cont'd)
Driving Range Activity and Golf Rounds Played (cont'd)

The following chart shows the eighteen hole equivalent rounds played on the Meadows Golf Course for the three most recent years available.

<table>
<thead>
<tr>
<th>Fiscal Year Ended April 30</th>
<th>Rounds Played</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006</td>
<td>19,450</td>
</tr>
<tr>
<td>2007</td>
<td>20,325</td>
</tr>
<tr>
<td>2008</td>
<td>21,419</td>
</tr>
</tbody>
</table>

Source: The City

Population

The following table shows the population of the City and Cook County for the last four U.S. Censuses.

<table>
<thead>
<tr>
<th>U.S. Census</th>
<th>City of Blue Island</th>
<th>Cook County</th>
</tr>
</thead>
<tbody>
<tr>
<td>1970</td>
<td>22,958</td>
<td>5,493,655</td>
</tr>
<tr>
<td>1980</td>
<td>21,855</td>
<td>5,253,655</td>
</tr>
<tr>
<td>1990</td>
<td>21,203</td>
<td>5,105,067</td>
</tr>
<tr>
<td>2000</td>
<td>23,483</td>
<td>5,376,741</td>
</tr>
</tbody>
</table>

Source: U.S. Department of Commerce, Census Bureau

The following table shows the age distribution of the 2000 Census populations of the City and Cook County.

<table>
<thead>
<tr>
<th>Category</th>
<th>City of Blue Island</th>
<th>Cook County</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under 18 years</td>
<td>30.1%</td>
<td>26.0%</td>
</tr>
<tr>
<td>18 - 24 years</td>
<td>10.7</td>
<td>9.9</td>
</tr>
<tr>
<td>25 - 44 years</td>
<td>32.1</td>
<td>31.7</td>
</tr>
<tr>
<td>45 - 64 years</td>
<td>17.3</td>
<td>20.7</td>
</tr>
<tr>
<td>65 + years</td>
<td>9.8</td>
<td>11.7</td>
</tr>
<tr>
<td>Median age</td>
<td>30.4 years</td>
<td>33.6 years</td>
</tr>
</tbody>
</table>

Source: U.S. Department of Commerce, Census Bureau

(cont'd)
Real Property Assessment, Tax Levy and Collection Procedures

Property Valuations

City of Blue Island
Property Valuations
Fiscal Years 2004 Through 2008

<table>
<thead>
<tr>
<th>Levy Year</th>
<th>Collection Year</th>
<th>Fiscal Year</th>
<th>EAV</th>
<th>Estimated True Cash Value</th>
<th>Percent Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003</td>
<td>2004</td>
<td>2005</td>
<td>$207,768,422</td>
<td>$623,305,266</td>
<td>(1.93) %</td>
</tr>
<tr>
<td>2004</td>
<td>2005</td>
<td>2006</td>
<td>$214,789,139</td>
<td>644,367,417</td>
<td>3.38 %</td>
</tr>
<tr>
<td>2005</td>
<td>2006</td>
<td>2007</td>
<td>$252,498,526</td>
<td>757,495,578</td>
<td>17.56 %</td>
</tr>
<tr>
<td>2006</td>
<td>2007</td>
<td>2008</td>
<td>$253,651,988</td>
<td>780,955,604</td>
<td>0.46 %</td>
</tr>
<tr>
<td>2007</td>
<td>2008</td>
<td>2009</td>
<td>$264,437,769</td>
<td>793,313,307</td>
<td>4.25 %</td>
</tr>
</tbody>
</table>

Per capita 2007 EAV (1) $1,270.42
Per capita 2007 estimated true cash value (1) 33,811.25

(1) Based on the City's 2000 Census population of 23,463.

Source: The City

The following table sets forth the City's 2007 EAV (latest available) by use.

City of Blue Island
2007 Equalized Assessed Valuation by Use

<table>
<thead>
<tr>
<th></th>
<th>Amount</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential</td>
<td>$170,849,088</td>
<td>64.61 %</td>
</tr>
<tr>
<td>Commercial</td>
<td>56,828,554</td>
<td>21.49 %</td>
</tr>
<tr>
<td>Industrial</td>
<td>34,641,177</td>
<td>13.10 %</td>
</tr>
<tr>
<td>Railroad</td>
<td>2,118,950</td>
<td>.80 %</td>
</tr>
<tr>
<td>Totals</td>
<td>$264,437,769</td>
<td>100.00 %</td>
</tr>
</tbody>
</table>

Source: Cook County Clerk's office

(cont'd)
City of Blue Island
Continuing Bond Disclosures (cont’d)

Tax Rates by Purpose

The City's property tax rates expressed as a dollar for each $100 of EAV, for the tax levy years 2004 through 2008 are as follows:

<table>
<thead>
<tr>
<th>Purpose</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corporate</td>
<td>$0.2436</td>
<td>$0.2134</td>
<td>$0.2298</td>
<td>$0.2337</td>
<td>$0.2375</td>
</tr>
<tr>
<td>Bonds and interest</td>
<td>0.3756</td>
<td>0.3199</td>
<td>0.2230</td>
<td>0.4087</td>
<td>0.4447</td>
</tr>
<tr>
<td>Garbage</td>
<td>0.3359</td>
<td>0.1191</td>
<td>0.1866</td>
<td>0.1934</td>
<td>0.1743</td>
</tr>
<tr>
<td>Police Pension</td>
<td>0.3448</td>
<td>0.3367</td>
<td>0.3392</td>
<td>0.3746</td>
<td>0.3548</td>
</tr>
<tr>
<td>Firefighters' Pension</td>
<td>0.1965</td>
<td>0.1741</td>
<td>0.1711</td>
<td>0.1947</td>
<td>0.1721</td>
</tr>
<tr>
<td>IMRF</td>
<td>0.0497</td>
<td>0.0798</td>
<td>0.0805</td>
<td>0.0818</td>
<td>0.1016</td>
</tr>
<tr>
<td>Street and bridge</td>
<td>0.0477</td>
<td>0.0418</td>
<td>0.0842</td>
<td>0.0857</td>
<td>0.0736</td>
</tr>
<tr>
<td>Playgrounds and recreation</td>
<td>0.0694</td>
<td>0.0608</td>
<td>0.0593</td>
<td>0.0748</td>
<td>0.0635</td>
</tr>
<tr>
<td>Fire protection</td>
<td>0.0580</td>
<td>0.0508</td>
<td>0.0586</td>
<td>0.0596</td>
<td>0.0595</td>
</tr>
<tr>
<td>Police protection</td>
<td>0.0645</td>
<td>0.0566</td>
<td>0.0632</td>
<td>0.0643</td>
<td>0.0628</td>
</tr>
<tr>
<td>Social Security</td>
<td>0.0939</td>
<td>0.0829</td>
<td>0.0823</td>
<td>0.0837</td>
<td>0.0890</td>
</tr>
<tr>
<td>Auditing</td>
<td>0.0168</td>
<td>0.0147</td>
<td>0.0145</td>
<td>0.0156</td>
<td>0.0067</td>
</tr>
<tr>
<td>Liability insurance</td>
<td>0.0225</td>
<td>0.0197</td>
<td>0.0207</td>
<td>0.0234</td>
<td>0.0217</td>
</tr>
<tr>
<td>Crossing guards</td>
<td>0.0149</td>
<td>0.0131</td>
<td>0.0130</td>
<td>0.0136</td>
<td>0.0174</td>
</tr>
<tr>
<td>Workmen's compensation</td>
<td>0.0551</td>
<td>0.0367</td>
<td>0.0357</td>
<td>0.0370</td>
<td>0.0334</td>
</tr>
<tr>
<td>Unemployment insurance</td>
<td>0.0010</td>
<td>0.0008</td>
<td>0.0009</td>
<td>0.0010</td>
<td>0.0009</td>
</tr>
<tr>
<td>Limited bonds</td>
<td>-</td>
<td>0.0334</td>
<td>0.0335</td>
<td>0.0318</td>
<td>0.0279</td>
</tr>
<tr>
<td>Library</td>
<td>0.4765</td>
<td>0.4252</td>
<td>0.5010</td>
<td>0.5233</td>
<td>0.4456</td>
</tr>
<tr>
<td>Library building and maintenance</td>
<td>0.0173</td>
<td>0.0155</td>
<td>0.0167</td>
<td>0.0177</td>
<td>0.0149</td>
</tr>
</tbody>
</table>

$2,2837  $2,0950  $2,2138  $2,5274  $2,4019

Source: The City

The City is as a non-home rule unit subject to the Property Tax Extension Limitation Law (Public Act 89-1) effective March 1, 1995.

City of Blue Island
Tax Levy and Collections (1)

<table>
<thead>
<tr>
<th>Levy Year</th>
<th>Collection Year</th>
<th>Fiscal Year</th>
<th>Taxes Year</th>
<th>Taxes Extended</th>
<th>Taxes Collected</th>
<th>Percent Collected</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003</td>
<td>2004</td>
<td>2005</td>
<td>2005</td>
<td>$5,121,187</td>
<td>$4,958,285</td>
<td>96.82%</td>
</tr>
<tr>
<td>2004</td>
<td>2005</td>
<td>2006</td>
<td>2006</td>
<td>$4,905,293</td>
<td>$4,711,871</td>
<td>96.06%</td>
</tr>
<tr>
<td>2005</td>
<td>2006</td>
<td>2007</td>
<td>2007</td>
<td>$5,285,926</td>
<td>$4,820,559</td>
<td>91.20%</td>
</tr>
<tr>
<td>2006</td>
<td>2007</td>
<td>2008</td>
<td>2008</td>
<td>$5,226,241</td>
<td>$4,936,483</td>
<td>94.45%</td>
</tr>
<tr>
<td>2007</td>
<td>2008</td>
<td>2009</td>
<td>2009</td>
<td>$5,179,697</td>
<td>$4,885,119</td>
<td>94.31%</td>
</tr>
</tbody>
</table>

(1) Includes the City library levy. Amounts collected and distributed as of April 30, 2009.

Source: The City

(contin’d)
City of Blue Island
Continuing Bond Disclosures (cont’d)

Top Taxpayers

The top ten taxpayers of the City, their type of business and 2005 Equalized Assessed Value are as follows:

<table>
<thead>
<tr>
<th>Name</th>
<th>Product or Service</th>
<th>2005 EAV (1)</th>
<th>Percent of City's Total 2005 EAV (2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Parco Foods LLC</td>
<td>Cookies</td>
<td>$ 1,164,752</td>
<td>.46 %</td>
</tr>
<tr>
<td>136 Buildings LLC</td>
<td>Apartments</td>
<td>1,006,729</td>
<td>.40</td>
</tr>
<tr>
<td>G&amp;W Electric Co., Inc.</td>
<td>Power cable terminators, splices and switches</td>
<td>793,087</td>
<td>.31</td>
</tr>
<tr>
<td>Vision Property Blue LLC</td>
<td>Real estate</td>
<td>752,594</td>
<td>.30</td>
</tr>
<tr>
<td>SBC Ameritech</td>
<td>Industrial property with parking lots</td>
<td>718,351</td>
<td>.28</td>
</tr>
<tr>
<td>St. Francis Hospital &amp; Health Center</td>
<td>Healthcare</td>
<td>712,875</td>
<td>.28</td>
</tr>
<tr>
<td>Irvine Investment LLC</td>
<td>Real estate</td>
<td>638,274</td>
<td>.25</td>
</tr>
<tr>
<td>Albertsons Property Tax</td>
<td>Supermarket and parking lot</td>
<td>628,745</td>
<td>.25</td>
</tr>
<tr>
<td>138 Buildings LLC</td>
<td>Apartments</td>
<td>535,814</td>
<td>.21</td>
</tr>
<tr>
<td>Simborg Industrial Real Estate</td>
<td>Industrial properties</td>
<td>481,531</td>
<td>.19</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>$ 7,434,552</td>
<td>2.93 %</td>
</tr>
</tbody>
</table>

(1) The figures above are totals of numerous parcels with 2005 tax of $50,000 and over as recorded in the County Assessor's office. They were compiled from a meticulous page by page search of a listing of such records. It is possible, however, that certain parcels may have been overlooked.

(2) Based on the City’s 2005 EAV of $252,498,526.

Source: Cook County Clerk’s and Assessor’s offices.

Other Revenue

Sales Tax

The City receives a portion of the Illinois state sales tax levied in the City. The following table sets forth the total sales tax receipts of the City for the fiscal years ended April 30, 2005 through 2009.

City of Blue Island
Retailer’s Occupation, Service Occupation and Use Tax (1)

<table>
<thead>
<tr>
<th>Fiscal Year Ended April 30</th>
<th>State Sales Tax Distributions</th>
<th>Annual Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td>$1,573,102</td>
<td>(5.54)%</td>
</tr>
<tr>
<td>2006</td>
<td>1,525,589</td>
<td>(3.02)%</td>
</tr>
<tr>
<td>2007</td>
<td>1,474,207</td>
<td>(3.37)%</td>
</tr>
<tr>
<td>2008</td>
<td>1,418,657</td>
<td>(3.77)%</td>
</tr>
<tr>
<td>2009</td>
<td>1,280,807</td>
<td>(9.72)%</td>
</tr>
</tbody>
</table>

Percent increase (decrease) from 2005 to 2009 (18.50)%

Source: The City
City of Blue Island
Continuing Bond Disclosures (cont’d)

Illinois Motor Vehicle Fuel Tax

The following table sets forth the total motor fuel vehicle tax revenue for the fiscal years ended April 30, 2005 through April 30, 2009.

City of Blue Island
Illinois Motor Vehicle Fuel Tax

<table>
<thead>
<tr>
<th>Fiscal Year Ended April 30</th>
<th>Motor Fuel Tax Revenue</th>
<th>Annual Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td>$700,339</td>
<td>2.56%</td>
</tr>
<tr>
<td>2006</td>
<td>704,513</td>
<td>2.60</td>
</tr>
<tr>
<td>2007</td>
<td>680,788</td>
<td>(3.37)</td>
</tr>
<tr>
<td>2008</td>
<td>655,034</td>
<td>(3.78)</td>
</tr>
<tr>
<td>2009</td>
<td>624,915</td>
<td>(4.60)</td>
</tr>
</tbody>
</table>

Percent decrease from 2005 to 2009: (10.77)%
Source: The City

Illinois State Income Tax

The following table sets forth the Illinois state income tax revenue received for the fiscal years ended April 30, 2005 through April 30, 2009.

City of Blue Island
Illinois State Income Tax

<table>
<thead>
<tr>
<th>Fiscal Year Ended April 30</th>
<th>State Income Tax Revenue</th>
<th>Annual Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td>$1,875,095</td>
<td>(6.67)%</td>
</tr>
<tr>
<td>2006</td>
<td>2,030,604</td>
<td>15.51</td>
</tr>
<tr>
<td>2007</td>
<td>2,324,973</td>
<td>11.92</td>
</tr>
<tr>
<td>2008</td>
<td>2,533,894</td>
<td>10.79</td>
</tr>
<tr>
<td>2009</td>
<td>2,289,570</td>
<td>(9.80)</td>
</tr>
</tbody>
</table>

Percent increase from 2005 to 2009: 21.89%
Source: The City

City Utility Tax

The City's utility tax was imposed by Ordinance adopted on July 9, 1985. The tax, which can be up to 5% of the gross receipts of utilities, has generated the following amounts for the fiscal years ended April 30, 2005 through April 30, 2009.

City of Blue Island
City Utility Tax

<table>
<thead>
<tr>
<th>Fiscal Year Ended April 30</th>
<th>City Utility Tax</th>
<th>Annual Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td>$1,702,211</td>
<td>0.94%</td>
</tr>
<tr>
<td>2006</td>
<td>1,883,524</td>
<td>10.65</td>
</tr>
<tr>
<td>2007</td>
<td>1,731,652</td>
<td>(8.06)</td>
</tr>
<tr>
<td>2008</td>
<td>1,772,341</td>
<td>2.35</td>
</tr>
<tr>
<td>2009</td>
<td>1,724,411</td>
<td>(2.70)</td>
</tr>
</tbody>
</table>

Percent increase from 2005 to 2009: 1.30%
Source: The City

(cont’d)
City of Blue Island
Continuing Bond Disclosures (cont'd)

City Debt

Debt Limitations

The City is a non-home rule municipality. Pursuant to authority granted by Chapter 24, Section 8-5-1 of the Illinois Revised Statutes, a non-home rule municipality may incur general obligation indebtedness up to 8.625% of the total equalized assessed valuation of all taxable property in the municipality. Except for certain lease/purchase agreement powers, general obligation indebtedness must be incurred pursuant to referendum.

City of Blue Island
Schedule of Legal Debt Margin
April 30, 2009

| Legal debt limit (8.625% of assessed valuation) (1) | $ 26,036,410 |
| Less amount of debt applicable to legal debt limit (2) | 3,139,859 |
| Legal debt margin | $ 22,896,551 |

(1) Based on 8.625% of the City's 2008 Equalized Assessed Valuation of $301,871,416.

(2) Does not include the Alternate Revenue Bonds. General Obligation Alternate Revenue Bonds under Illinois statutes are not subject to debt limitation under either the overall 8.625% of EAV debt limit or the nonreferendum 0.5% of EAV limit for general obligation debt, until such time as the property taxes are extended to pay debt service, at which time the amount then outstanding is included as indebtedness of the City, until such time as the Bonds are retired or an audit of the City shows that the Bonds have been paid from the Pledged Revenues for a completed fiscal year.

Source: The City

Detailed Statement of Direct Bonded Indebtedness

<table>
<thead>
<tr>
<th></th>
<th>Total Debt</th>
<th>Self-supporting</th>
<th>Net</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Outstanding (1)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>General Obligation TIF Bonds (2)</td>
<td>$ 1,345,000</td>
<td>$ 1,345,000</td>
<td></td>
</tr>
<tr>
<td>General Obligation Alternate Revenue Bonds</td>
<td>12,849,500</td>
<td>9,985,000</td>
<td>2,864,500</td>
</tr>
<tr>
<td>General Sales Tax/Revenue Sharing Bonds</td>
<td>950,000</td>
<td>950,000</td>
<td></td>
</tr>
<tr>
<td>Contracts and notes</td>
<td>275,359</td>
<td>-</td>
<td>275,359</td>
</tr>
<tr>
<td><strong>Totals</strong></td>
<td><strong>$ 15,419,859</strong></td>
<td><strong>$ 12,280,000</strong></td>
<td><strong>$ 3,139,859</strong></td>
</tr>
</tbody>
</table>

Per capita direct bonded debt (3) | $ 133.83
Percent of direct bonded debt to 2008 EAV (4) | 1.04%
Percent of direct debt to 2008 true cash value (5) | 0.35%

(1) Debt information as of April 30, 2009.
(2) Includes the Bonds.
(3) Based on the City's 2000 Census population of 23,463.
(4) Based on the City's 2008 EAV of $301,871,416.
(5) Based on the City's estimated 2008 True Cash Value of $905,614,248.

Source: City of Blue Island

(cont'd)
City of Blue Island
Continuing Bond Disclosures (cont'd)

Economic Profile

Employment

According to the 2000 Census data, City residents have a wide variety of occupations. The following table categorizes occupations for the City's employed residents 16 years of age and older for the City, the County and the state of Illinois.

<table>
<thead>
<tr>
<th>Occupational Category</th>
<th>City of Blue Island</th>
<th>Cook County</th>
<th>State of Illinois</th>
</tr>
</thead>
<tbody>
<tr>
<td>Management, professional, and related occupations</td>
<td>19.2%</td>
<td>35.2%</td>
<td>34.2%</td>
</tr>
<tr>
<td>Service occupations</td>
<td>18.0</td>
<td>14.0</td>
<td>13.9</td>
</tr>
<tr>
<td>Sales and office occupations</td>
<td>27.2</td>
<td>28.5</td>
<td>27.6</td>
</tr>
<tr>
<td>Farming, fishing, and forestry occupations</td>
<td>0.0</td>
<td>0.1</td>
<td>0.3</td>
</tr>
<tr>
<td>Construction, extraction, and maintenance occupations</td>
<td>12.5</td>
<td>7.1</td>
<td>8.2</td>
</tr>
<tr>
<td>Production, transportation, and material moving occupations</td>
<td>23.0</td>
<td>15.1</td>
<td>15.7</td>
</tr>
</tbody>
</table>

Source: U.S. Department of Commerce, Census Bureau

According to the 2000 Census data, City residents work in a variety of industries. The following table categorizes the industries that the City's residents (16 years of age and older) are employed by for the City.

<table>
<thead>
<tr>
<th>Industry Category</th>
<th>City of Blue Island</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture, forestry, fishing and hunting, and mining</td>
<td>-</td>
<td>-%</td>
</tr>
<tr>
<td>Construction</td>
<td>921</td>
<td>9.23</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>1,718</td>
<td>17.19</td>
</tr>
<tr>
<td>Wholesale trade</td>
<td>331</td>
<td>3.31</td>
</tr>
<tr>
<td>Retail trade</td>
<td>1,043</td>
<td>10.44</td>
</tr>
<tr>
<td>Transportation and warehousing, and utilities</td>
<td>837</td>
<td>8.38</td>
</tr>
<tr>
<td>Information</td>
<td>237</td>
<td>2.37</td>
</tr>
<tr>
<td>Finance, insurance, real estate, and rental and leasing</td>
<td>687</td>
<td>6.87</td>
</tr>
<tr>
<td>Professional, scientific, management, administrative, and waste management services</td>
<td>656</td>
<td>6.56</td>
</tr>
<tr>
<td>Educational, health and social services</td>
<td>1,708</td>
<td>17.09</td>
</tr>
<tr>
<td>Arts, entertainment, recreation, accommodation and food services</td>
<td>1,069</td>
<td>10.70</td>
</tr>
<tr>
<td>Other services (except public administration)</td>
<td>517</td>
<td>5.17</td>
</tr>
<tr>
<td>Public administration</td>
<td>269</td>
<td>2.69</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>2,993</strong></td>
<td><strong>100.00%</strong></td>
</tr>
</tbody>
</table>

Source: U.S. Department of Commerce, Census Bureau
City of Blue Island
Continuing Bond Disclosures (cont’d)

The following table sets forth the rates of unemployment for the City, the County, the state of Illinois and the Chicago MSA for the last five years, and the latest month available for 2009.

<table>
<thead>
<tr>
<th>Year</th>
<th>City of Blue Island</th>
<th>Cook County</th>
<th>State of Illinois</th>
<th>Chicago MSA</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004</td>
<td>N/A</td>
<td>6.4%</td>
<td>6.2%</td>
<td>6.1%</td>
</tr>
<tr>
<td>2005</td>
<td>N/A</td>
<td>6.5%</td>
<td>5.7</td>
<td>5.9</td>
</tr>
<tr>
<td>2006</td>
<td>4.8</td>
<td>4.9%</td>
<td>4.5</td>
<td>4.5</td>
</tr>
<tr>
<td>2007</td>
<td>5.1</td>
<td>4.7%</td>
<td>4.7</td>
<td>4.7</td>
</tr>
<tr>
<td>2008</td>
<td>6.8</td>
<td>7.1%</td>
<td>7.2</td>
<td>7.1</td>
</tr>
<tr>
<td>2009 (1)</td>
<td>10.9</td>
<td>10.1%</td>
<td>9.4</td>
<td>9.8</td>
</tr>
</tbody>
</table>

(1) For the month of April 2009.

Source: Illinois Department of Employment Security, Department of Economic Information and Analysis

The following table reflects the diversity of the major employers in the City by the products manufactured or services performed, and the approximate number of employees.

<table>
<thead>
<tr>
<th>Company</th>
<th>Business Product</th>
<th>Employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>St. Francis Hospital &amp; Health Center</td>
<td>Healthcare</td>
<td>1,533</td>
</tr>
<tr>
<td>A&amp;R Security Service, Inc.</td>
<td>Security officers, building maintenance and investigation services</td>
<td>700 (1)</td>
</tr>
<tr>
<td>Blue Island School District # 130</td>
<td>Education</td>
<td>520 (2)</td>
</tr>
<tr>
<td>Modern Drop Forge</td>
<td>Close tolerance press and hammer forgings</td>
<td>400</td>
</tr>
<tr>
<td>Parco Foods LLC</td>
<td>Cookies</td>
<td>350–450</td>
</tr>
<tr>
<td>G&amp;W Electric Co., Inc.</td>
<td>Power cable terminators, splices and switches</td>
<td>250</td>
</tr>
<tr>
<td>Robertson Worldwide</td>
<td>Fluorescent ballasts and controls transformers</td>
<td>250</td>
</tr>
<tr>
<td>Great Lakes Bank, N.A.</td>
<td>Financial Institution</td>
<td>74</td>
</tr>
<tr>
<td>First Midwest Bank</td>
<td>Financial institution</td>
<td>70</td>
</tr>
<tr>
<td>Frasor-Martino Building Maintenance, Inc.</td>
<td>Janitorial services</td>
<td>64</td>
</tr>
</tbody>
</table>

(1) Includes Chicago area.

(2) Includes 40 part-time employees.


(cont’d)
City of Blue Island
Continuing Bond Disclosures (cont’d)

Estimated Retail Sales

The following table reflects the breakdown of estimated retail sales according to major purchase categories for the County, State and United States for the year ended 2004.

<table>
<thead>
<tr>
<th></th>
<th>Cook County</th>
<th></th>
<th>State of Illinois</th>
<th></th>
<th>United States</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Retail</td>
<td>Percent of Total</td>
<td>Retail</td>
<td>Percent of Total</td>
<td>Retail</td>
<td>Percent of Total</td>
</tr>
<tr>
<td>Automotive</td>
<td>$11,990,240</td>
<td>20.26%</td>
<td>$35,025,786</td>
<td>21.59%</td>
<td>$906,076,160</td>
<td>16.57%</td>
</tr>
<tr>
<td>Food</td>
<td>10,302,641</td>
<td>17.41%</td>
<td>23,488,213</td>
<td>14.48%</td>
<td>526,193,785</td>
<td>9.63%</td>
</tr>
<tr>
<td>General merchandise</td>
<td>4,303,832</td>
<td>7.27%</td>
<td>17,734,481</td>
<td>10.93%</td>
<td>504,355,625</td>
<td>9.23%</td>
</tr>
<tr>
<td>Restaurant</td>
<td>8,332,559</td>
<td>14.08%</td>
<td>17,455,967</td>
<td>10.76%</td>
<td>383,728,199</td>
<td>7.02%</td>
</tr>
<tr>
<td>Furniture - appliances</td>
<td>3,257,703</td>
<td>5.50%</td>
<td>8,221,134</td>
<td>5.97%</td>
<td>203,238,293</td>
<td>3.72%</td>
</tr>
<tr>
<td>Other</td>
<td>20,995,534</td>
<td>35.48%</td>
<td>60,285,300</td>
<td>37.17%</td>
<td>2,943,287,966</td>
<td>53.83%</td>
</tr>
<tr>
<td>Totals</td>
<td>$59,182,509</td>
<td>100.00%</td>
<td>$162,210,881</td>
<td>100.00%</td>
<td>$5,466,880,008</td>
<td>100.00%</td>
</tr>
</tbody>
</table>

(1) Dollar amount in thousands.


Housing and Construction

A history of building permits in the City for the last five calendar years is as follows:

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of Permits</th>
<th>Aggregate Value</th>
<th>Total Value All Construction</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004</td>
<td>21</td>
<td>$2,571,000</td>
<td>$9,772,024</td>
</tr>
<tr>
<td>2005</td>
<td>12</td>
<td>1,538,000</td>
<td>6,244,220</td>
</tr>
<tr>
<td>2006</td>
<td>25</td>
<td>2,820,000</td>
<td>10,336,220</td>
</tr>
<tr>
<td>2007</td>
<td>49</td>
<td>7,630,000</td>
<td>17,584,683</td>
</tr>
<tr>
<td>2008</td>
<td>6</td>
<td>947,750</td>
<td>10,693,343</td>
</tr>
</tbody>
</table>

Source: The City

The 2000 Census reported 8,750 housing units in the City and a 5.75% vacancy rate. Of the occupied units, 54.3% percent were owner-occupied. The median home value of owner-occupied homes in the City was $99,400. Selected home value data relative to values of owner-occupied housing units in the City compared with the County and the state of Illinois are as follows:

<table>
<thead>
<tr>
<th>Value of Specified Owner-occupied Units</th>
<th>City of Blue Island</th>
<th>Cook County</th>
<th>State of Illinois</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under $50,000</td>
<td>3.5%</td>
<td>1.9%</td>
<td>9.3%</td>
</tr>
<tr>
<td>$50,000 to $99,999</td>
<td>47.6</td>
<td>17.3</td>
<td>26.4</td>
</tr>
<tr>
<td>$100,000 to $149,999</td>
<td>39.5</td>
<td>26.8</td>
<td>23.6</td>
</tr>
<tr>
<td>$150,000 to $199,999</td>
<td>7.1</td>
<td>22.5</td>
<td>17.4</td>
</tr>
<tr>
<td>$200,000 to $299,999</td>
<td>1.9</td>
<td>18.1</td>
<td>14.0</td>
</tr>
<tr>
<td>$300,000 or more</td>
<td>0.4</td>
<td>13.4</td>
<td>9.4</td>
</tr>
</tbody>
</table>

Source: U.S. Department of Commerce, Census Bureau

(Cont’d)
City of Blue Island  
Continuing Bond Disclosures (cont'd)

Income

The following table reflects the breakdown of the estimated E.B.I. for the County, State and United States for the year ended 2004.

**Estimated Effective Household Buying Income ("E.B.I.")**

<table>
<thead>
<tr>
<th>Percent of Households in E.B.I. Range</th>
<th>East North</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Cook County</td>
<td>Central States</td>
</tr>
<tr>
<td>Under $19,999</td>
<td>21.5 %</td>
<td>19.4 %</td>
</tr>
<tr>
<td>$20,000 – 34,999</td>
<td>21.3 %</td>
<td>21.0 %</td>
</tr>
<tr>
<td>$35,000 – 49,999</td>
<td>18.1 %</td>
<td>18.4 %</td>
</tr>
<tr>
<td>$50,000 and over</td>
<td>39.1 %</td>
<td>41.2 %</td>
</tr>
<tr>
<td><strong>Totals</strong></td>
<td>100.0 %</td>
<td>100.0 %</td>
</tr>
</tbody>
</table>

Median Household Effective Buying Income $40,392 $42,325
Average Household Effective Buying Income N/A 48,799
Per Capita Effective Buying Income N/A 18,722

N/A - Information not available

The following table sets forth the household income by category derived from the 2000 Census for the City compared with the County and the state of Illinois.

<table>
<thead>
<tr>
<th>Household Income</th>
<th>City of Blue Island</th>
<th>Cook County</th>
<th>State of Illinois</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under $10,000</td>
<td>9.4%</td>
<td>9.8%</td>
<td>8.3%</td>
</tr>
<tr>
<td>$10,000 to $14,999</td>
<td>6.3%</td>
<td>5.4%</td>
<td>5.5%</td>
</tr>
<tr>
<td>$15,000 to $24,999</td>
<td>14.9%</td>
<td>10.9%</td>
<td>11.3%</td>
</tr>
<tr>
<td>$25,000 to $34,999</td>
<td>17.1%</td>
<td>11.7%</td>
<td>11.9%</td>
</tr>
<tr>
<td>$35,000 to $49,999</td>
<td>18.8%</td>
<td>16.0%</td>
<td>16.2%</td>
</tr>
<tr>
<td>$50,000 to $74,999</td>
<td>19.6%</td>
<td>19.8%</td>
<td>20.7%</td>
</tr>
<tr>
<td>$75,000 to $99,999</td>
<td>8.6%</td>
<td>11.3%</td>
<td>11.6%</td>
</tr>
<tr>
<td>$100,000 to $149,999</td>
<td>4.1%</td>
<td>9.2%</td>
<td>9.0%</td>
</tr>
<tr>
<td>$150,000 to $199,999</td>
<td>0.8%</td>
<td>2.7%</td>
<td>2.6%</td>
</tr>
<tr>
<td>$200,000 or more</td>
<td>0.5%</td>
<td>3.2%</td>
<td>2.8%</td>
</tr>
<tr>
<td><strong>Median household income</strong></td>
<td><strong>$36,520</strong></td>
<td><strong>$45,922</strong></td>
<td><strong>$46,590</strong></td>
</tr>
</tbody>
</table>

Source: U.S. Department of Commerce, Census Bureau

See independent auditor's report.