



CITY OF COLLINSVILLE, ILLINOIS

COMPREHENSIVE ANNUAL
FINANCIAL REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2009

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CITY OF COLLINSVILLE, ILLINOIS

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May 14, 2010

To the Citizens of the City of Collinsville:

Pursuant to City policy and in conformation with State law, the Comprehensive Annual Financial Report (CAFR) of the City of Collinsville, Illinois (the City), for the fiscal year ending December 31, 2009, is hereby transmitted. This report was prepared in accordance with Accounting Principles Generally Accepted in the United States of America (GAAP) and audited by an independent firm of licensed certified public accountants.

The Comprehensive Annual Financial Report is presented in three sections:

1. The Introductory Section includes this transmittal letter, a list of the City's principal officials, and the City's organization chart.
2. The Financial Section includes the independent auditors' report, Management's Discussion and Analysis, basic financial statements, required supplementary information, and other supplementary information.
3. The Statistical Section includes unaudited financial data and demographic information, generally presented on a multi-year basis.

This report is the City management's representations concerning the finances of the City. Consequently, management assumes full responsibility for the completeness and reliability of all information presented in this report. To provide a reasonable basis for making these representations, management of the City has established a comprehensive internal control framework that is designed to protect the City's assets from loss, theft, or misuse and to compile sufficient, reliable information for the preparation of the City's financial statements in conformance with GAAP. This internal control structure is designed to provide a reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived and

(2) the valuation of costs and benefits require estimates and judgments by management. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City's financial statements have been audited by C. J. Schlosser & Company, L.L.C., a firm of licensed certified public accountants. The goal of this independent audit was to provide reasonable assurance that the basic financial statements of the City for the year ended December 31, 2009, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall basic financial statement presentation. The independent auditors concluded, based upon their audit, that there was a reasonable basis for rendering an unqualified opinion that the City's financial statements for the year ended December 31, 2009 are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

Accounting Principles Generally Accepted in the United States of America require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the independent auditors' report. The Director of Finance prepared this report. Responsibility for both the accuracy of presented data and the completeness and fairness of the presentation, including all disclosures, rests with the City. We believe the data, as presented, are accurate in all material aspects, that it is presented in a manner designed to fairly set forth the financial position and results of operations of the City as measured by the financial activity of its various funds, and that all disclosures necessary to enable the reader to gain the maximum understanding of the City's financial activity have been included.

PROFILE OF THE CITY

The City is located approximately twelve miles east of downtown St. Louis, Missouri. The three Collins brothers (for whom the City was named) arrived in the area in 1817. A village was platted in 1837 and a village charter was adopted in 1850. In 1872, the City of Collinsville was incorporated.

Through its history, the City has been the site of a zinc works, a lead works, coal mines, a knitting mill, a cow bell factory, and canning plants. The bulk of these industries were gone by the 1950's. Collinsville is currently one of the fastest growing communities in the St. Louis metropolitan area, with a 2005 special census population of 25,251.

Besides being a residential community, the City has a hospitality district with over 1,300 hotel/motel rooms and the Gateway Center, Southwestern Illinois' largest convention and visitor's center. The City is also home to the District 11 Illinois State Police, Illinois Department of Transportation headquarters, Cahokia Mounds State Historic Site and Fairmount Park Racetrack.

Pursuant to a special census, the City was certified by the State of Illinois as a home rule unit, as of August 24, 2005, under Section 6 of Article VII of the 1970 Illinois Constitution. Approximately 90.2% of the City's 2009 Equalized Assessed Valuation is in Madison County, with the remainder in St. Clair County. The City encompasses nearly ten square miles and is bordered by a number of unincorporated areas. Incorporated areas that border the City include the Village of Maryville on the north and the Village of Caseyville on the south.

The City of Collinsville is a municipality operating under the City Council-Manager form of government. The adoption of this form of government was approved by a public referendum in 1991. The City Council is the governing legislative body for the City and consists of a Mayor and four Council members, all elected at large, with the Mayor voting on all issues and without veto power. The City Council has purely legislative powers, through which they establish policy and make all laws, rules and regulations. The City Manager, City Clerk, Corporate Counsel, City Attorney and City Treasurer are appointed by the Mayor with the approval of the City Council.

The City provides a full range of municipal services, including police, fire, public works, community development and general administration. The City defines its financial reporting entity in accordance with the provisions of Governmental Accounting Standards Board Statement No. 12, *The Financial Reporting Entity* (GASB No. 14). GASB No. 14 requirements for inclusion of component units are primarily based on whether the City's governing body has any significant amount of financial accountability for Potential Component Units (PCU). The City has determined that there are no PCU's that meet the requirements of GASB No. 14 and, as a result, this report includes all activities for which the City is financially accountable.

The annual budget serves as a complete financial and operational plan for the following year. All departments of the City are required to submit requests for appropriation to the City Manager who uses these requests as a starting point for development of a proposed budget. The Director of Finance presents to the City Manager estimates detailing the various revenues, grants, bond proceeds, and other funding sources that are anticipated. The budget is prepared by fund. It is broken down further by department, programs within the department, then objects of expenditure (i.e. salary, benefits, contractual services, commodities, debt service, capital) within programs, and finally line items within the objects. After consultation with the department heads, the City Manager presents a proposed budget to the Mayor and City Council. The Mayor and Council hold workshops and a public hearing prior to adopting the budget by December 31st. Department heads, with the City Manager's approval, may transfer funds within departmental programs. The legal level of control of the City Council extends to the program level. The City Manager is authorized to move funds within a department between programs up to \$10,000. The City Council must authorize transfers between departments or any increase in a fund's budget. Budget-to-actual comparisons for the General Fund and Major Special Revenue Funds are provided in this report on pages 53 through 55 as required supplementary information. The

2009 budget document may be found on the City's website at <http://www2.collinsvilleil.org/images/docs/budget/2009BUDGET.pdf>.

FACTORS AFFECTING FINANCIAL CONDITION

The information presented in the financial statements is best understood when it is considered from the broader perspective of the specific environment within which the City operates.

Local Economy. The recession that struck the nation's economy full-force in the fall of 2008 was unlike any previous adjustment or correction experienced in the past. The recession was spurred by a collapse in the credit and housing markets, asset liquidation by manufacturers and retailers, and falling consumption and purchasing by consumers. The regional economy now seems to be slowly improving. Consumer confidence levels appear to be moving up, but at a slow pace. The GDP has shown little growth recently, but a stronger upswing is still anticipated. Unemployment is expected to remain high for the next few years. The City will be most concerned with the affect of unemployment on income tax revenue and sales tax, which is the primary source of General Fund revenue.

Long-term Financial Planning. Each year the City updates its five-year community investment plan (CIP), which details the capital projects anticipated. The CIP contains information about the category, priority and funding for each capital project. The CIP document can be found on the City's website at <http://www2.collinsvilleil.org/images/docs/administration/CommunityInvestmentPlan2010.pdf>.

Unfortunately, the economic climate during 2009 forced the elimination of over \$1 million in capital expenditures so that General Fund personnel and operations could continue and minimize disruption in basic services. The impact on the CIP was that many projects had to be rescheduled and the pending projects stretched over a longer period of time. Capital projects continued in other funds. Management is aware that neglecting capital expenditures is a short-term solution and is reviewing other funding sources and/or operational changes to reinstate its aggressive investment in infrastructure, equipment and facilities.

The City includes five-year revenue, expense/expenditure and fund balance projections in its annual budget in an effort to facilitate long-term financial planning and anticipate future problems. Staff uses the five-year projections to plan operational changes and capital projects as well as analyze the City's ability to react to its changing environment.

During 2009, the City developed a more performance-based budget for the years 2010 and 2011. It is the City's first biennial budget as well as its first attempt to connect performance with budgetary implications. It focuses on the achievement of long-term goals that were developed to fulfill the Vision and Mission of the City's Strategic Plan. The 2010-2011 Biennial Financial Plan document may be found on the City's website at <http://www2.collinsvilleil.org/images/docs/budget/2010-2011Budget.pdf>.

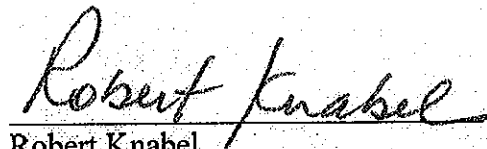
AWARDS AND ACKNOWLEDGEMENTS

In order to be awarded a Certificate of Achievement for Excellence in Financial Reporting by the Government Finance Officers' Association (GFOA), a governmental unit must publish an easily readable and efficiently organized CAFR, the contents of which conform to program standards. Such reports must satisfy both GAAP and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe this report conforms to the Certificate of Achievement program requirements, and we are submitting it to the GFOA for its determination.

In addition, the City has also submitted its 2010-2011 budget document to GFOA for its Distinguished Budget Presentation Award. In order to qualify for the award, the City's budget document must be judged proficient as a policy document, a financial plan, an operations guide and a communications device.

This report could not have been completed without the assistance of the entire staff of the various departments of the City. Special thanks go to the Finance Department for its contributions. We would also like to acknowledge our auditors, C. J. Schlosser & Company, L.L.C., for their help in formulating this report. Our sincere gratitude is extended to the Mayor and the City Council for their interest and support in planning and conducting the financial operations of the City in a responsible and progressive manner.

Respectfully submitted,



Robert Knabel
City Manger



Tamara K. Ammann
Director of Finance

CITY OF COLLINSVILLE, ILLINOIS

CITY OFFICIALS

December 31, 2009

MAYOR

John Miller

CITY MANAGER

Robert Knabel

CITY TREASURER

Tamara Ammann

CITY ATTORNEY

Paul Welch

CORPORATE COUNSEL

Steven Giacoletto

CITY COUNCIL

Nancy Moss

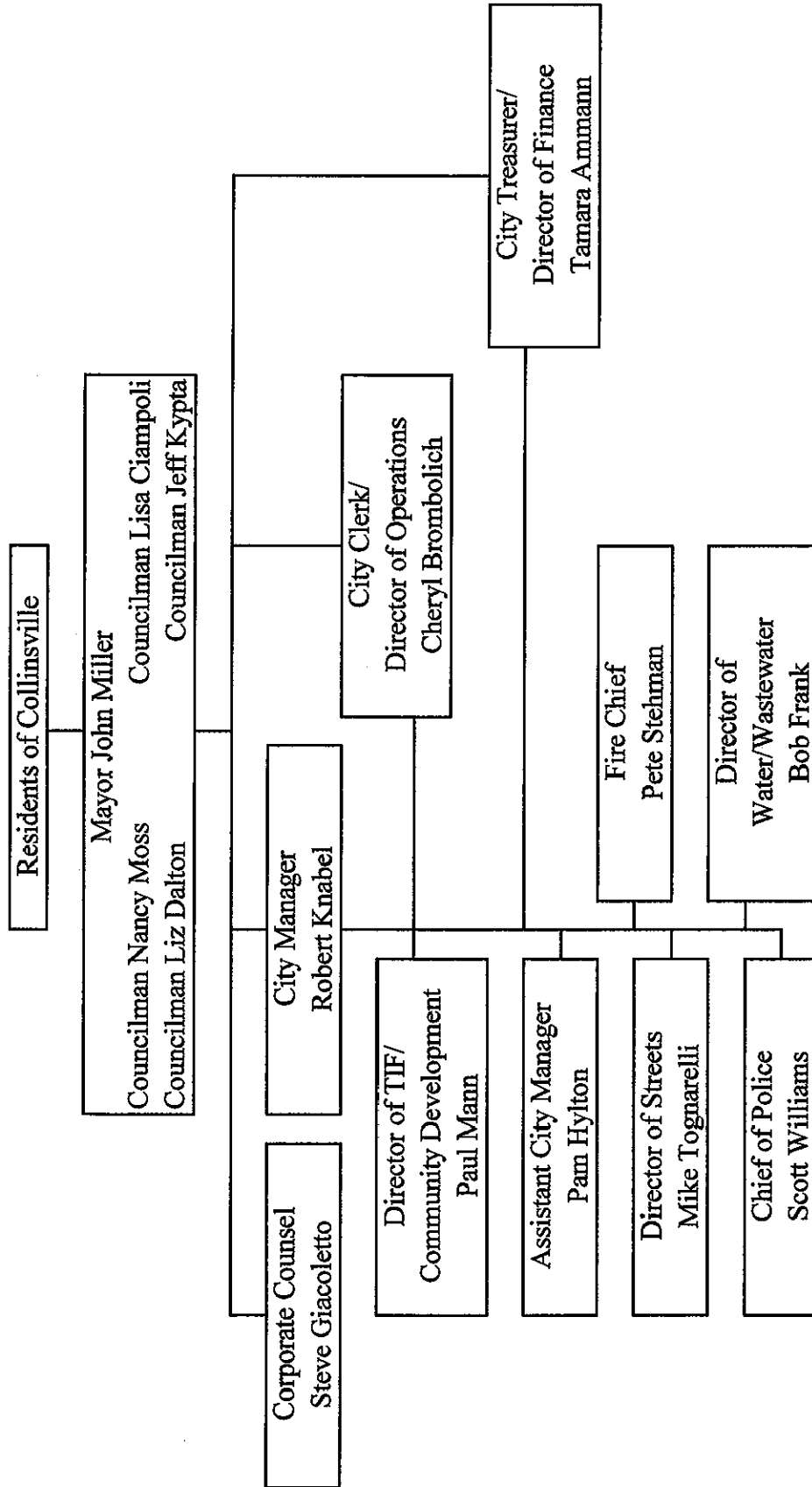
Lisa Ciampoli

Jeff Kypta

Liz Dalton

CITY OF COLLINSVILLE

ORGANIZATIONAL CHART
DECEMBER 31, 2009



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C. J. SCHLOSSER
& COMPANY, L.L.C.
CERTIFIED PUBLIC ACCOUNTANTS

J. Terry Dooling
David L. Kamler
David M. Bartosiak
Cindy A. Tefteller
Kevin J. Tepen

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members
of the City Council
Collinsville, Illinois

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Collinsville, Illinois as of and for the year ended December 31, 2009, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Collinsville, Illinois' 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Collinsville, Illinois as of December 31, 2009, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

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

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The management's discussion and analysis (pages 3 to 12), budgetary comparison information (pages 53 to 55) and schedules of funding progress and employer contributions (pages 56 to 58) are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Collinsville, Illinois' basic financial statements. The combining nonmajor fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, is also not a required part of the basic financial statements of the City of Collinsville, Illinois. The combining nonmajor fund financial statements, other schedules and the schedule of expenditures of federal awards have 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 introductory section and the statistical section, as listed in the table of contents, have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

C. J. Schlosser & Company, L.L.C.

Certified Public Accountants

May 14, 2010

CITY OF COLLINSVILLE, ILLINOIS

Management's Discussion and Analysis

For the year ended December 31, 2009

As management of the City of Collinsville, Illinois (the City) we offer readers of the City's financial statements this narrative overview and analysis of the financial activities for the fiscal year ended, December 31, 2009.

FINANCIAL HIGHLIGHTS

On a government-wide basis, the assets of the City of Collinsville exceeded its liabilities for the most recent fiscal year by \$33,328,034.

- The City's total net assets decreased by \$2,069,391.
- At the end of 2009, unreserved fund balance for the General Fund was \$2,548,980 or 14.0% of total General Fund expenditures for the year.
- At the end of 2009, unreserved fund balance for all governmental funds combined was \$4,096,414 or 15.4% of total expenditures for the year.
- Net assets of the City's business-type activities increased by \$451,672.
- The City's total bonded debt increased by \$1,385,000.

OVERVIEW OF THE FINANCIAL STATEMENTS

This Management's Discussion and Analysis (MD&A) is intended to serve as an introduction to the City's basic financial statements. There are three components to the basic statements:

1. Government-wide financial statements
2. Fund financial statements
3. Notes to the basic financial statements

This report also contains required supplementary information and other supplementary information in addition to the basic financial statements.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business. The government-wide financial statements exclude fiduciary fund activities.

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

CITY OF COLLINSVILLE, ILLINOIS

Management's Discussion and Analysis

For the year ended December 31, 2009

The statement of activities presents information showing how the City's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows for future fiscal periods (e.g. uncollected taxes and accrued vacation leave).

The government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety, public works, health and sanitation, community and economic development and community services. The business-type activities include water and sewer.

The government-wide financial statements can be found on pages 12 and 13 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, 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 can be divided into three categories: governmental, proprietary and fiduciary.

Governmental Funds. Governmental funds are used to account for essential functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide statements, governmental fund financial statements focus on near-term inflows and outflows of expendable resources, as well as on balances of expendable 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 City's near-term financial decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and the government-wide governmental activities.

The City of Collinsville maintains 13 individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balance for two major funds: General Fund and Tax Increment Financing Fund. Data from the other governmental funds are combined into a single, aggregated presentation called "Other Governmental Funds." Individual fund data for each of

CITY OF COLLINSVILLE, ILLINOIS

Management's Discussion and Analysis

For the year ended December 31, 2009

these nonmajor governmental funds is provided in the form of combining schedules in the other supplementary information section of this report.

The City adopts an annual budget for all governmental funds. Budgetary comparison schedules for the major funds have been provided to demonstrate legal compliance with the adopted budget.

The governmental fund financial statements can be found on pages 14 and 16 of this report.

Proprietary funds. Enterprise funds are used to report the same functions and the same type of information presented as business-type activities in the government-wide financial statements. The City of Collinsville uses an enterprise fund to account for its water and sewer operations.

The basic proprietary fund financial statements can be found on pages 18, 19 and 20 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The fiduciary fund financial statements can be found on pages 21 and 22 of this report.

Notes to the basic 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 basic financial statements can be found beginning on page 23 of this report.

Other supplementary information. The combining and individual fund statements, referred to earlier in connection with nonmajor governmental funds, are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 59 through 84 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

This is the seventh year that the City has presented its financial statements under the reporting model pursuant to Governmental Accounting Standards Board Statement No. 34 (GASB 34), *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*.

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, assets exceeded liabilities by \$33,328,034 at the close of the most recent fiscal year (December 31, 2009).

CITY OF COLLINSVILLE, ILLINOIS

Management's Discussion and Analysis

For the year ended December 31, 2009

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

	Governmental Activities		Business-type Activities		Total	
	December 31, 2009	December 31, 2008	December 31, 2009	December 31, 2008	December 31, 2009	December 31, 2008
ASSETS						
Current and other assets	\$ 13,498,129	\$ 12,749,204	\$ 14,083,951	\$ 17,455,248	\$ 27,582,080	\$ 30,204,452
Capital assets, net	28,182,312	28,805,589	33,152,543	28,999,472	61,334,855	57,805,061
Total assets	<u>41,680,441</u>	<u>41,554,793</u>	<u>47,236,494</u>	<u>46,454,720</u>	<u>88,916,935</u>	<u>88,009,513</u>
LIABILITIES						
Long-term liabilities	30,427,793	28,660,194	18,185,299	18,991,129	48,613,092	47,651,323
Other liabilities	4,219,186	3,340,074	2,756,623	1,620,691	6,975,809	4,960,765
Total liabilities	<u>34,646,979</u>	<u>32,000,268</u>	<u>20,941,922</u>	<u>20,611,820</u>	<u>55,588,901</u>	<u>52,612,088</u>
NET ASSETS						
Invested in capital assets, net of related debt	27,107,312	27,730,589	23,766,488	22,656,637	50,873,800	50,387,226
Restricted	6,990,160	5,912,821	-	-	6,990,160	5,912,821
Unrestricted	<u>(27,064,010)</u>	<u>(24,088,885)</u>	<u>2,528,084</u>	<u>3,186,263</u>	<u>(24,535,926)</u>	<u>(20,902,622)</u>
Total net assets	<u>\$ 7,033,462</u>	<u>\$ 9,554,525</u>	<u>\$ 26,294,572</u>	<u>\$ 25,842,900</u>	<u>\$ 33,328,034</u>	<u>\$ 35,397,425</u>

A portion of the City's net assets represent resources that are subject to external restrictions on how they may be used. Unrestricted net assets may be used to meet the City's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City is able to report positive balances in two of the three categories of net assets for its governmental activities and all three categories of net assets for its business-type activities. The negative amount of unrestricted net assets in governmental activities is due to outstanding long-term debt.

The City of Collinsville's net assets decreased by \$2,069,391 during the current fiscal year. This decrease represents the degree to which increases in ongoing expenses have outpaced similar increases in ongoing revenues.

CITY OF COLLINSVILLE, ILLINOIS

Management's Discussion and Analysis

For the year ended December 31, 2009

Governmental activities. Governmental activities decreased the City's net assets by \$2,521,063. Debt was issued during 2009 to assist with the development of the new Doubletree Hotel. The \$2.7 million is an expense in Community and Economic Development on the statement of activities and accounts for the entire decrease in net assets.

Business-type activities. Business-type activities increased the City's net assets by \$451,672. Water and sewer fees are adjusted each year to insure that revenues keep up with inflation as expenses do. The condensed statement of activities is as follows:

	Governmental Activities		Business-type Activities		Total	
	For The Year Ended December 31, <u>2009</u>	For The Year Ended December 31, <u>2008</u>	For The Year Ended December 31, <u>2009</u>	For The Year Ended December 31, <u>2008</u>	For The Year Ended December 31, <u>2009</u>	For The Year Ended December 31, <u>2008</u>
REVENUES						
Program revenues:						
Charges for services	\$ 4,320,533	\$ 4,333,705	\$ 6,973,798	\$ 6,468,698	\$ 11,294,331	\$ 10,802,403
Federal, state and county grants	714,217	372,275	-	-	714,217	372,275
General revenues:						
Property taxes	4,232,317	4,302,272	-	-	4,232,317	4,302,272
Sales taxes	9,372,130	9,366,452	-	-	9,372,130	9,366,452
Replacement tax	48,664	101,260	-	-	48,664	101,260
State income taxes	2,052,414	2,387,557	-	-	2,052,414	2,387,557
Motor fuel taxes	660,266	677,328	-	-	660,266	677,328
Telecommunications taxes	1,064,333	1,088,734	-	-	1,064,333	1,088,734
Utility taxes	363,431	393,417	-	-	363,431	393,417
Franchise fees	340,362	282,896	-	-	340,362	282,896
Other taxes	199,162	429,468	-	-	199,162	429,468
Investment earnings	19,198	193,230	104,260	492,952	123,458	686,182
Miscellaneous	65,546	52,771	-	-	65,546	52,771
Transfers	300,000	335,142	(300,000)	(335,142)	-	-
Total revenues	<u>23,752,573</u>	<u>24,316,507</u>	<u>6,778,058</u>	<u>6,626,508</u>	<u>30,530,631</u>	<u>30,943,015</u>
EXPENSES						
Governmental activities:						
General government	3,691,084	3,702,069	-	-	3,691,084	3,702,069
Public safety	10,568,120	10,620,814	-	-	10,568,120	10,620,814
Public works	4,041,241	3,832,886	-	-	4,041,241	3,832,886
Health and sanitation	1,426,460	1,354,057	-	-	1,426,460	1,354,057
Community development	4,016,787	1,746,038	-	-	4,016,787	1,746,038
Community services	768,055	986,923	-	-	768,055	986,923
Interest on long-term debt	1,761,889	1,636,717	-	-	1,761,889	1,636,717
Business-type activities:						
Water and sewer	-	-	6,326,386	6,144,374	6,326,386	6,144,374
Total expenses	<u>26,273,636</u>	<u>23,879,504</u>	<u>6,326,386</u>	<u>6,144,374</u>	<u>32,600,022</u>	<u>30,023,878</u>
Change in net assets	(2,521,063)	437,003	451,672	482,134	(2,069,391)	919,137
Net assets - beginning	<u>9,554,525</u>	<u>9,117,522</u>	<u>25,842,900</u>	<u>25,360,766</u>	<u>35,397,425</u>	<u>34,478,288</u>
Net assets - ending	<u>\$ 7,033,462</u>	<u>\$ 9,554,525</u>	<u>\$26,294,572</u>	<u>\$25,842,900</u>	<u>\$ 33,328,034</u>	<u>\$ 35,397,425</u>

CITY OF COLLINSVILLE, ILLINOIS

Management's Discussion and Analysis

For the year ended December 31, 2009

FUNDS FINANCIAL ANALYSIS

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

Governmental funds. The focus of the City's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the City'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.

At the end of 2009, the City's governmental funds reported combined ending fund balances of \$11,086,574, a decrease of \$3,452 in comparison with the prior year. Approximately 37.0% of this total amount (\$4,096,414) constitutes unreserved fund balance, which is available for spending at the City's discretion. However, \$1,547,434 (37.8% of the total unreserved governmental funds fund balance) has been designated for specific purposes. The remainder of the fund balance is reserved to indicate that it is not available for new spending because it has already been committed or is subject to external restrictions:

1. For inventory (\$143,249)
2. For police forfeitures (\$145,209)
3. For fire equipment (\$4,834)
4. For economic development (\$6,696,868)

The General Fund is the chief operating fund of the City of Collinsville. At the end of the current fiscal year, the unreserved fund balance of the General Fund was \$2,548,980, while total fund balance was \$2,842,272. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 14.0% of total General Fund expenditures, while total fund balance represents 15.6% of that same amount.

The fund balance of the City's General Fund decreased by \$933,544 during the current fiscal year. A key factor was the slowing economy. The lagging sales tax necessitated expenditure reductions and delays in spending in 2009.

The Tax Increment Financing (TIF) Fund is a major special revenue fund of the City. Its resources are to be used entirely for leveraging development within the boundaries of the City's three tax increment financing districts. At the end of the current fiscal year, the fund balance of the TIF fund was \$4,995,292, which is an increase of \$1,466,197 compared to 2008. The incremental revenues generated by the TIF districts continue to grow each year.

Proprietary fund. The City of Collinsville's proprietary fund provides the same type of information found in the government-wide financial statements, but in more detail.

CITY OF COLLINSVILLE, ILLINOIS

Management's Discussion and Analysis

For the year ended December 31, 2009

Unrestricted net assets of the water and sewer fund at the end of the year amounted to \$2,528,084 a decrease of \$658,179 or 20.7%. Factors concerning the finances of this fund have already been addressed in the discussion of the City's business-type activities.

GENERAL FUND BUDGETARY HIGHLIGHTS

The 2009 expenditure budget for the City's General Fund represents an original budget of \$19,270,930 increased by \$130,000 to \$19,400,930, an adjustment of less than 0.7%. Actual expenditures in the general fund were \$1,261,416 less than the final, amended budgeted. The changes during the year were as follows:

- Increase of \$90,000 in the Garbage Program of the Public Works Department to provide funds for well testing to gain final closure status of the City's landfill.
- Increase of \$40,000 in the Forfeiture Fund (which is consolidated with the General Fund for financial statement presentation) for updating the communication center at the police station to take on the responsibility of dispatching fire and EMS calls.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The City of Collinsville's investment in capital assets for its governmental and business-type activities as of December 31, 2009, amounts to \$61,334,855, net of accumulated depreciation. This investment in capital assets includes land, buildings and improvements, equipment, vehicles and infrastructure. The total increase in capital assets for the current year was \$3,529,794 or 6.1% (a \$623,277 or 2.2% decrease for governmental activities and a \$4,153,071 or 14.3% increase for business-type activities.)

The major portion of the increase for business-type activities was due to the sewer plant expansion, which is being funded by the 2006 bond issue. The City's capital assets, net of depreciation, are as follows:

	Governmental Activities		Business-type Activities		Total	
	December 31, 2009	December 31, 2008	December 31, 2009	December 31, 2008	December 31, 2009	December 31, 2008
Land	\$ 898,665	\$ 898,665	\$ 382,980	\$ 377,205	\$ 1,281,645	\$ 1,275,870
Construction in progress	-	-	8,520,306	4,010,639	8,520,306	4,010,639
Buildings and improvements	6,549,900	6,585,435	10,814,363	10,881,427	17,364,263	17,466,862
Equipment	1,251,238	1,418,455	1,075,758	896,252	2,326,996	2,314,707
Vehicles	778,046	885,855	83,300	129,080	861,346	1,014,935
Infrastructure	18,704,463	19,017,179	12,275,836	12,704,869	30,980,299	31,722,048
Total capital assets	\$ 28,182,312	\$ 28,805,589	\$ 33,152,543	\$ 28,999,472	\$ 61,334,855	\$ 57,805,061

CITY OF COLLINSVILLE, ILLINOIS

Management's Discussion and Analysis

For the year ended December 31, 2009

For government-wide financial presentation, all depreciable capital assets were depreciated from acquisition date to the end of 2009. Fund financial statements record capital asset purchases as expenditures.

Additional information on the City's capital assets can be found in Note 4 on pages 35 and 36 of this report.

Long-term Debt

At the end of 2009, the City of Collinsville had total long-term debt obligations for governmental and business-type activities in the amount of \$50,100,000 compared to \$48,715,000 at the end of 2008. During 2009, the City made scheduled debt service payments and issued an additional \$2.7 million in general obligation bonds for the development of the new Doubletree Hotel. General obligation bonds are backed by the full faith and credit of the City.

The following bonds are covered by insurance policies insuring the payment of principal and interest when due. Consequently, the bonds have been assigned a rating of "Aaa" by Moody's Investor Services, Inc.

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>December 31,</u> <u>2009</u>	<u>December 31,</u> <u>2008</u>	<u>December 31,</u> <u>2009</u>	<u>December 31,</u> <u>2008</u>	<u>December 31,</u> <u>2009</u>	<u>December 31,</u> <u>2008</u>
General Obligation Bonds:						
Taxable GO Bonds						
Series 2009	\$ 2,700,000	\$ -	\$ -	\$ -	\$ 2,700,000	\$ -
Taxable GO Bonds						
Series 2007A	7,175,000	7,300,000	-	-	7,175,000	7,300,000
Non-taxable GO Bonds						
Series 2007B	1,090,000	1,160,000	-	-	1,090,000	1,160,000
Tax Increment Bonds,						
Series 1997	-	315,000	-	-	-	315,000
Refunding Bonds (Tax						
Increment Alternate						
Revenue) Series 2003B	325,000	395,000	-	-	325,000	395,000
Alternative Revenue						
Series 2006	-	-	18,560,000	19,295,000	18,560,000	19,295,000
Revenue Bonds						
LIST Revenue Bonds						
Series 2007	20,250,000	20,250,000	-	-	20,250,000	20,250,000
Total Debt	<u>\$ 31,540,000</u>	<u>\$ 29,420,000</u>	<u>\$ 18,560,000</u>	<u>\$ 19,295,000</u>	<u>\$ 50,100,000</u>	<u>\$ 48,715,000</u>

CITY OF COLLINSVILLE, ILLINOIS

Management's Discussion and Analysis

For the year ended December 31, 2009

As of December 31, 2009, the outstanding balance on a loan from the Illinois Environmental Protection Agency amounted to \$105,717. The original loan of \$946,000 was used for filter system improvements at the City's wastewater plant. Repayment is being funded with user fees.

Additional information regarding the City's long-term debt can be found in Note 6 on pages 37 through 40 of this report.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City of Collinsville, Director of Finance, 125 South Center Street, Collinsville, IL 62234.

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CITY OF COLLINSVILLE, ILLINOIS

STATEMENT OF NET ASSETS
DECEMBER 31, 2009

	<u>Governmental</u> <u>Activities</u>	<u>Business-type</u> <u>Activities</u>	<u>Total</u>
<u>Assets</u>			
Cash and Cash Equivalents	\$ 8,160,370	\$ 2,491,605	\$ 10,651,975
Investments	-	9,074,547	9,074,547
Receivables (Net of allowance for uncollectibles):	4,117,059	1,409,243	5,526,302
Inventory	143,249	147,748	290,997
Prepaid Expenses	-	222,834	222,834
Restricted Assets:			
Cash and Cash Equivalents	106,929	443,411	550,340
Capital Assets:			
Land	898,665	382,980	1,281,645
Buildings and Improvements	8,456,907	18,225,074	26,681,981
Equipment	3,977,110	3,010,690	6,987,800
Vehicles	3,159,102	1,083,285	4,242,387
Infrastructure	34,376,662	39,171,475	73,548,137
Less: Accumulated Depreciation	(22,686,134)	(28,720,961)	(51,407,095)
Net Capital Assets	<u>28,182,312</u>	<u>33,152,543</u>	<u>61,334,855</u>
Other Assets	<u>970,522</u>	<u>294,563</u>	<u>1,265,085</u>
Total Assets	<u>41,680,441</u>	<u>47,236,494</u>	<u>88,916,935</u>
<u>Liabilities</u>			
Accounts Payable	381,500	1,146,821	1,528,321
Accrued Wages	162,882	34,678	197,560
Accrued Interest Payable	463,729	32,308	496,037
Liabilities Payable from Restricted Assets	102,505	443,411	545,916
Deferred Revenue	366,738	-	366,738
Noncurrent Liabilities:			
Due Within One Year	2,741,832	1,099,405	3,841,237
Due in More Than One Year	30,427,793	18,185,299	48,613,092
Total Liabilities	<u>34,646,979</u>	<u>20,941,922</u>	<u>55,588,901</u>
<u>Net Assets</u>			
Invested in Capital Assets, Net of Related Debt	27,107,312	23,766,488	50,873,800
Restricted for:			
Economic Development	6,696,868	-	6,696,868
Other Purposes	293,292	-	293,292
Unrestricted	<u>(27,064,010)</u>	<u>2,528,084</u>	<u>(24,535,926)</u>
Total Net Assets	<u>\$ 7,033,462</u>	<u>\$ 26,294,572</u>	<u>\$ 33,328,034</u>

The notes to the financial statements are an integral part of this statement

CITY OF COLLINSVILLE, ILLINOIS

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2009**

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Assets			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total
					Governmental Activities	Business-type Activities	
Primary Government:							
Governmental Activities:							
General Government	\$ 3,691,084	\$ 261,689	\$ -	\$ -	\$ (3,429,395)	\$ (3,429,395)	\$ (3,429,395)
Public Safety	10,568,120	1,156,229	357,348	-	(9,054,543)	(9,054,543)	(9,054,543)
Public Works	4,041,241	54,807	7,459	322,196	(3,656,779)	(3,656,779)	(3,656,779)
Health and Sanitation	1,426,460	1,241,273	-	-	(185,187)	(185,187)	(185,187)
Community and Economic Development	4,016,787	1,606,535	-	-	(2,410,252)	(2,410,252)	(2,410,252)
Community Services	768,055	-	27,214	-	(740,841)	(740,841)	(740,841)
Interest on Long-term Debt	1,761,889	-	-	-	(1,761,889)	(1,761,889)	(1,761,889)
Total Governmental Activities (see Note 1)	26,273,636	4,370,533	392,021	322,196	(21,238,886)	(21,238,886)	(21,238,886)
Business-type Activities:							
Water and Sewer	6,326,386	6,973,798	-	-	\$ 647,412	\$ 647,412	647,412
Total Business-type Activities	6,326,386	6,973,798	-	-	647,412	647,412	647,412
Total Primary Government	\$ 32,600,022	\$ 11,294,331	\$ 392,021	\$ 322,196	(21,238,886)	647,412	(20,591,474)

General Revenues:

Property Tax, Levied for General Purposes	4,232,317	-	4,232,317
Sales and Use Tax	9,372,130	-	9,372,130
Replacement Tax	48,664	-	48,664
State Income Tax	2,052,414	-	2,052,414
Motor Fuel Tax	660,266	-	660,266
Telecommunications Tax	1,064,333	-	1,064,333
Utility Tax	363,431	-	363,431
Franchise Fees	340,362	-	340,362
Other Taxes	199,162	-	199,162
Unrestricted Investment Earnings	19,198	104,260	123,458
Miscellaneous	65,546	-	65,546
Transfers	300,000	(300,000)	-
Total General Revenues and Transfers	18,717,823	(193,740)	18,522,083
Change in Net Assets	(2,521,063)	451,672	(2,069,391)
Net Assets - Beginning	9,554,525	25,842,900	35,397,425
Net Assets - Ending	\$ 7,033,462	\$ 26,294,572	\$ 33,328,034

The notes to the financial statements are an integral part of this statement

CITY OF COLLINSVILLE, ILLINOIS

**BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2009**

	<u>General Fund</u>	<u>Tax Increment Financing Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<u>Assets</u>				
Cash and Cash Equivalents:				
Cash	\$ 44,511	\$ 1,220,191	\$ 375,795	\$ 1,640,497
Seized Funds Escrow	106,929	-	-	106,929
Investments	59,449	3,060,400	3,400,024	6,519,873
Total Cash and Cash Equivalents	<u>210,889</u>	<u>4,280,591</u>	<u>3,775,819</u>	<u>8,267,299</u>
Receivables (Net, where applicable, of allowances for uncollectibles):				
Property Tax	2,075,143	49,088	-	2,124,231
Services	504,395	-	33,865	538,260
Intergovernmental	2,085,144	233,372	326,862	2,645,378
Other	206,010	-	-	206,010
Interfund Receivable	10,120	487,252	-	497,372
Inventory	143,249	-	-	143,249
Total Assets	<u>\$ 5,234,950</u>	<u>\$ 5,050,303</u>	<u>\$ 4,136,546</u>	<u>\$ 14,421,799</u>
<u>Liabilities and Fund Equity</u>				
Liabilities:				
Accounts Payable	\$ 304,724	\$ 53,350	\$ 23,426	\$ 381,500
Accrued Wages and Compensated Absences	161,221	1,661	-	162,882
Interfund Payable	-	-	497,372	497,372
Liabilities Payable from Restricted Assets:				
Seized Fund Escrow Liability	102,505	-	-	102,505
Deferred Revenue	1,824,228	-	366,738	2,190,966
Total Liabilities	<u>2,392,678</u>	<u>55,011</u>	<u>887,536</u>	<u>3,335,225</u>
Fund Equity:				
Fund Balance:				
Reserved For:				
Inventory	143,249	-	-	143,249
Forfeited Funds	145,209	-	-	145,209
Fire Equipment	4,834	-	-	4,834
Economic Development	-	4,995,292	1,701,576	6,696,868
Unreserved	2,548,980	-	-	2,548,980
Unreserved, Reported In:				
Special Revenue Funds	-	-	1,511,501	1,511,501
Debt Service Funds	-	-	3,027	3,027
Capital Projects Fund	-	-	32,906	32,906
Total Fund Equity	<u>2,842,272</u>	<u>4,995,292</u>	<u>3,249,010</u>	<u>11,086,574</u>
Total Liabilities and Fund Equity	<u>\$ 5,234,950</u>	<u>\$ 5,050,303</u>	<u>\$ 4,136,546</u>	<u>\$ 14,421,799</u>

The notes to the financial statements are an integral part of this statement

CITY OF COLLINSVILLE, ILLINOIS

**RECONCILIATION OF THE BALANCE SHEET OF THE
GOVERNMENTAL FUNDS TO THE STATEMENT OF NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2009**

Amounts reported for governmental fund balances are different because:

Fund balances - total governmental funds	\$ 11,086,574
Capital assets used in governmental activities are not financial resources and, therefore, are not reported on the balance sheet of the governmental funds.	28,182,312
The amount of compensated absences is not recorded as a liability on the balance sheet of the governmental funds.	(1,098,846)
The amount of postemployment health care benefits is not recorded as a liability on the balance sheet of the governmental funds.	(516,786)
Long-term debt (e.g., bonds, leases) is not reported as a liability on the balance sheet of the governmental funds.	(31,553,993)
Accrued interest payable on the long-term debt is not reported as a liability on the balance sheet of the governmental funds.	(463,729)
Intergovernmental revenues that are not available for current use are reported as deferred on the balance sheet of the governmental funds but not on the statement of net assets.	427,408
Debt issuance costs are not reported as an asset to be amortized on the balance sheet of the governmental funds.	970,522
Net assets of governmental activities	<u>\$ 7,033,462</u>

The notes to the financial statements are an integral part of this statement

CITY OF COLLINSVILLE, ILLINOIS

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2009

	General Fund	Tax Increment Financing Fund	Other Governmental Funds	Total Governmental Funds
Revenues:				
Property Tax	\$ 1,729,554	\$ 2,502,763	\$ -	\$ 4,232,317
Intergovernmental:				
Sales and Use Tax	7,207,404	1,223,590	1,534,503	9,965,497
Replacement Tax	48,664	-	-	48,664
State Income Tax	1,625,006	-	-	1,625,006
Motor Fuel Tax	-	-	660,266	660,266
Telecommunications Tax	1,064,333	-	-	1,064,333
Grants	392,021	308,934	13,262	714,217
Other	174,556	24,606	-	199,162
Other Local Taxes	1,275,090	-	363,431	1,638,521
Drug Forfeiture Revenue	88,999	-	-	88,999
Licenses, Fees and Permits	548,694	-	-	548,694
Charges for Services	2,178,897	-	-	2,178,897
Fines	133,936	-	19,008	152,944
Investment Earnings	2,620	11,580	4,998	19,198
Gifts and Donations	16,039	26,283	4,370	46,692
Miscellaneous Revenues/Reimbursements	105,055	327,170	2,900	435,125
Total Revenues	<u>16,590,868</u>	<u>4,424,926</u>	<u>2,602,738</u>	<u>23,618,532</u>
Expenditures:				
Current:				
General Government	4,107,835	-	17,260	4,125,095
Public Safety	9,884,484	-	5,120	9,889,604
Public Works	2,078,360	-	339,315	2,417,675
Health and Sanitation	1,426,460	-	-	1,426,460
Community and Economic Development	428,491	3,580,640	800	4,009,931
Community Services	121,127	646,545	-	767,672
Debt Service:				
Principal	-	315,000	331,209	646,209
Interest and Fees	-	212,378	1,515,489	1,727,867
Capital Outlay	165,045	645,054	798,802	1,608,901
Total Expenditures	<u>18,211,802</u>	<u>5,399,617</u>	<u>3,007,995</u>	<u>26,619,414</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(1,620,934)</u>	<u>(974,691)</u>	<u>(405,257)</u>	<u>(3,000,882)</u>
Other Financing Sources (Uses):				
Proceeds from Debt	-	2,700,000	-	2,700,000
Operating Transfers In	689,960	-	-	689,960
Operating Transfers Out	-	(259,112)	(130,848)	(389,960)
Total Other Financing Sources	<u>689,960</u>	<u>2,440,888</u>	<u>(130,848)</u>	<u>3,000,000</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	<u>(930,974)</u>	<u>1,466,197</u>	<u>(536,105)</u>	<u>(882)</u>
Fund Balance, Beginning of Year	3,775,816	3,529,095	3,785,115	11,090,026
Decrease in Reserve for Inventory	(2,570)	-	-	(2,570)
Fund Balance, End of Year	<u>\$ 2,842,272</u>	<u>\$ 4,995,292</u>	<u>\$ 3,249,010</u>	<u>\$ 11,086,574</u>

The notes to the financial statements are an integral part of this statement

CITY OF COLLINSVILLE, ILLINOIS

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2009**

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

Net change in fund balances - total governmental funds \$ (882)

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation expense and loss on disposals in the current year. (623,277)

The amount of compensated absences is not recorded as expense in the fund financial statements. In the statement of activities, these amounts are included and recorded currently in the various functional expense categories. This amount is the difference between beginning and ending compensated absences balances that has been included in the statement of activities. 24,712

The amount of postemployment healthcare benefits is not recorded as expense in the fund financial statements. In the statement of activities, these amounts are included and recorded currently in the various functional expense categories. This amount is the difference between beginning and ending compensated absences balances that has been included in the statement of activities. (258,641)

The issuance of long-term debt (e.g., bonds, leases) 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. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of those differences in the treatment of long-term debt and related items. (2,087,813)

Intergovernmental revenues that are not available for current use are reported as deferred on the balance sheet of the governmental funds but not on the statement of net assets. 427,408

The governmental funds report the changes in inventory as a direct change to fund balances. The statement of activities reports the change in inventory as a change to the supplies expense account where the purchases were recorded. This amount is the change in inventory balances between the beginning and end of the year. (2,570)

Change in net assets of governmental activities \$ (2,521,063)

The notes to the financial statements are an integral part of this statement

CITY OF COLLINSVILLE, ILLINOIS

STATEMENT OF NET ASSETS
 PROPRIETARY FUND - WATER AND SEWER FUND
 DECEMBER 31, 2009

Assets:		Liabilities:	
Current Assets:		Current Liabilities:	
Cash and Cash Equivalents:		Accounts Payable	\$ 1,146,821
Cash	\$ 92,506	Accrued Wages	34,678
Investments	2,399,099	Current Portion - Loan Payable	195,165
Total Cash and Cash Equivalents	2,491,605	Current Portion - Bonds Payable	765,000
Investments	9,074,547	Accrued Interest Payable	32,308
Receivables (Net, where applicable, of allowances for uncollectible):		Total Current Liabilities	<u>2,173,972</u>
Services	1,391,641		
Accrued Interest	17,602	Noncurrent Liabilities:	
Inventory	147,748	Accrued Compensated Absences	468,473
Prepaid Expenses	222,834	Postemployment Healthcare Benefits	61,066
Total Current Assets	<u>13,345,977</u>	General Obligation Bonds	18,560,000
		Current Portion Of Debt	(765,000)
Noncurrent Assets - Restricted:		Customer Deposits	443,411
Cash and Cash Equivalents - Customer Deposits	443,411	Total Noncurrent Liabilities	<u>18,767,950</u>
		Total Liabilities	<u>20,941,922</u>
Capital Assets:			
Land	382,980		
Buildings and Improvements	18,225,074		
Equipment	3,010,690		
Vehicles	1,083,285		
Water and Sewer Lines	30,651,169		
Construction in Progress	8,520,306		
Total	61,873,504		
Less - Accumulated Depreciation	(28,720,961)		
Net Capital Assets	<u>33,152,543</u>		
Other Assets - Bond Issuance Costs	294,563		
		Net Assets:	
Total Noncurrent Assets	33,890,517	Invested in Capital Assets, Net of Related Debt	23,766,488
Total Assets	<u>\$ 47,236,494</u>	Unrestricted	2,528,084
		Total Net Assets	<u>\$ 26,294,572</u>

The notes to the financial statements are an integral part of this statement

CITY OF COLLINSVILLE, ILLINOIS

STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET ASSETS
PROPRIETARY FUND - WATER AND SEWER FUND
FOR THE YEAR ENDED DECEMBER 31, 2009

Operating Revenues:	
Charges for Services	\$ 6,793,544
Fees	131,700
Miscellaneous Revenue	48,554
Total Operating Revenues	<u>6,973,798</u>
Operating Expenses:	
Salaries	2,069,397
Employee Benefits	831,401
Maintenance	114,621
Contractual Services	1,370,930
Commodities	602,225
Depreciation	1,315,267
Total Operating Expenses	<u>6,303,841</u>
Operating Income	<u>669,957</u>
Nonoperating Revenues (Expenses):	
Amortization of Deferred Refunding and Bond Issuance Costs	(17,327)
Investment Earnings	104,260
Interest and Fiscal Charges	(5,218)
Total Nonoperating Revenues (Expenses)	<u>81,715</u>
Income Before Capital Contributions and Transfers	751,672
Transfers Out	<u>(300,000)</u>
Change in Net Assets	451,672
Net Assets - Beginning of Year	<u>25,842,900</u>
Net Assets - End of Year	<u>\$ 26,294,572</u>

The notes to the financial statements are an integral part of this statement

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CITY OF COLLINSVILLE, ILLINOIS

STATEMENT OF CASH FLOWS
PROPRIETARY FUND TYPE - WATER AND SEWER FUND
FOR THE YEAR ENDED DECEMBER 31, 2009

Cash Flows from Operating Activities:	
Receipts from Customers	\$ 6,680,920
Payments to Suppliers	(2,923,719)
Payments to Employees	(2,013,836)
Net Cash Provided by Operating Activities	<u>1,743,365</u>
Cash Flows from Noncapital Financing Activities:	
Payments to Other Funds	(309,762)
Net Cash Used by Noncapital Financing Activities	<u>(309,762)</u>
Cash Flows from Capital and Related Financing Activities:	
Capital Expenditures	(3,473,832)
Principal Payments on Bonds	(735,000)
Interest Payments and Fiscal Charges	(810,012)
Principal Payments on Loan	(195,919)
Net Cash Used by Capital and Related Financing Activities	<u>(5,214,763)</u>
Cash Flows from Investing Activities:	
Interest Received	89,528
Net Sale of Long-Term Investments	3,774,531
Net Cash Provided by Investing Activities	<u>3,864,059</u>
Net Increase in Cash and Cash Equivalents	82,899
Cash and Cash Equivalents, Beginning of Year	<u>2,852,117</u>
Cash and Cash Equivalents, End of Year	<u>\$ 2,935,016</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:	
Operating Income	\$ 669,957
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:	
Depreciation	1,315,267
(Increase) Decrease in Assets:	
Services Receivables	(304,543)
Inventory	(5,555)
Prepaid Expenses	(3,071)
Increase (Decrease) in Liabilities:	
Accrued Wages and Compensated Absences	55,561
Postemployment Healthcare Benefits	28,397
Accounts Payable	(24,313)
Restricted Customer Deposits	11,665
Net Cash Provided by Operating Activities	<u>\$ 1,743,365</u>

The City entered into a lease purchase for a 2009 Doosan Excavator for \$182,280.

The notes to the financial statements are an integral part of this statement

CITY OF COLLINSVILLE, ILLINOIS

STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS - PENSION TRUST FUNDS
DECEMBER 31, 2009

Assets:

Cash and Cash Equivalents:

Cash \$ 677,445

Investments 12

Investments 29,213,204

Receivables:

Property Tax 1,231,055

Employee Contributions 20,316

Accrued Interest 63,995

Total Assets 31,206,027

Liabilities:

Accounts Payable 15,000

Total Liabilities 15,000

Net Assets:

Held in Trust For Pension
Benefits and Other Purposes \$ 31,191,027

The notes to the financial statements are an integral part of this statement

CITY OF COLLINSVILLE, ILLINOIS

**STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS - PENSION TRUST FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2009**

Additions:	
Taxes	\$ 1,310,264
Employee Contributions	555,344
Investment Earnings:	
Investment Earnings	3,683,832
Less: Investment Expense	(107,829)
Net Investment Earnings	<u>3,576,003</u>
Total Additions	<u>5,441,611</u>
Deductions:	
Benefit Payments	1,783,719
Refund of Contributions	20,711
Contractual Services	31,914
Total Deductions	<u>1,836,344</u>
Change in Net Assets	3,605,267
Net Assets - Beginning of Year	<u>27,585,760</u>
Net Assets - End of Year	<u>\$ 31,191,027</u>

The notes to the financial statements are an integral part of this statement

CITY OF COLLINSVILLE, ILLINOIS

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2009

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Collinsville, Illinois was incorporated November 30, 1872. The City operates under a City Manager form of government and provides the following services: public safety (police and fire), highways and streets, health and sanitation, community and economic development, community services, water and sewerage and general administrative services. The City Manager and council members exercise oversight responsibility for all of these governmental services.

The financial statements of the City of Collinsville, Illinois ("City") have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below.

(a) The financial reporting entity

The City is a political subdivision of the State of Illinois. An elected board of four council members and a mayor governs the City. The council members are elected at large. These financial statements present all the fund types and account groups of the City. Component units are legally separate entities for which the City is financially accountable. The City did not report any component units in the City's financial statements.

Related organization

The City's Mayor and Council are responsible for appointing and approving the members of the Collinsville Metropolitan Exposition Auditorium and Office Building Authority. However, the City's accountability for the Authority does not extend beyond making the appointments. The Authority's operations, capital and debt service expenditures are financed entirely from the Authority's operations. The City has no involvement in the determination of the Authority's budget and rental rates and no obligations for the Authority's outstanding debts.

CITY OF COLLINSVILLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

(b) Government-wide and fund financial statements

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the City. 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.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. 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, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

(c) Measurement focus, basis of accounting and financial statement 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 and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the

CITY OF COLLINSVILLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, intergovernmental revenues, franchise taxes and interest associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized, when applicable, as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The City reports the following major governmental funds:

The General Fund is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Tax Increment Financing Fund accounts for incremental taxes and other revenues as well as all expenses related to improvements and promotional costs connected to the tax increment financing areas.

The City reports the following major proprietary fund:

The Water and Sewer Fund accounts for all activities related to the billing, administration, distribution and collection processes of the water and sewer utilities. The City operates the water distribution system as well as the sewage treatment plant, sewage pumping stations and collection systems.

Additionally, the City reports the following fund type:

The pension trust fund accounts for the activities of the Police and Fire Pension Funds, which accumulate resources for pension benefit payments to qualified public safety employees.

CITY OF COLLINSVILLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The City has elected to follow subsequent private-sector guidance.

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

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 City's enterprise fund are charges to customers for sales and services. The City also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. 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.

(d) Assets, liabilities and net assets or equity

Deposits and investments

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, certificates of deposits and short-term investments with original maturities of three months or less. All short-term cash surpluses are maintained in a cash and investment pool and interest allocated to each fund based on month-end balances and investment policies.

The City is authorized by state statute to invest in obligations of the United States of America, insured interest bearing accounts of banks, savings and loan associations or credit unions, certain short-term obligations of corporations organized in the United States, money market mutual funds that invest in obligations of the United States of

CITY OF COLLINSVILLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

America or its agencies or are guaranteed by the full faith and credit of the United States of America, the Illinois Funds, the Illinois Metropolitan Investment Fund and repurchase agreements of government securities. The pension trust funds are also allowed to invest limited percentages of their monies in mutual funds and equity securities.

Fixed-income securities are recorded in all funds at fair value. Investment income is recognized as earned. Gains or losses on sales and exchanges of fixed-income securities are recognized on the transaction date.

Receivables and payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds". Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

All trade and property tax receivables are shown net of an allowance for uncollectibles.

The allowance for uncollectibles, which has been deducted from the related receivable on the statement of net assets, consists of the following amounts.

General Fund	Garbage Receivables	\$ 34,357
General Fund	Ambulance Receivables	536,258
Proprietary Fund	Water and Sewer Receivables	191,367
Total		<u>\$ 761,982</u>

Unbilled water and sewer utility receivables related to the business-type activities are recorded at year-end. They are determined by taking cycle billings subsequent to December 31 and prorating the applicable number of days to the current fiscal year.

Unbilled garbage receivables related to the governmental activities are recorded and reported in the same manner as the water and sewer billings.

The City levied its 2008 property taxes on December 8, 2008 based upon the assessed valuation as of the previous January 1. Property taxes are due in four installments in the following year, usually beginning in June, and are considered delinquent after the due dates. Property taxes for 2009 become an enforceable lien in January 2010.

CITY OF COLLINSVILLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Because this tax levy will be used to pay expenses budgeted in 2010, no part of this tax levy is shown as a receivable as of December 31, 2009 in the statement of activities.

Inventories and prepaid items

All inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased. Inventory in the governmental fund consists of expendable street department supplies held for consumption. Inventory in the business-type fund consists of waterworks and sewerage supplies.

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.

Restricted assets

At December 31, 2009, the following amounts are reported as restricted assets by the City:

Waterworks and Sewerage Customer Deposits	\$ 443,411
General Fund - Police Savings - Inventory	106,929

Capital assets

Capital assets, which include property, plant, 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 government defines capital assets as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost and estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

Major outlays for capital assets and improvements are capitalized as projects when constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. The City recorded capitalized interest of \$803,569 in the current year related to the interest incurred on the construction related debt.

CITY OF COLLINSVILLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Property, plant and equipment are depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings and improvements	7 - 40
Public domain infrastructure	20 - 40
System infrastructure	20 - 50
Vehicles	5 - 10
Office and other equipment	5 - 15

Compensated absences

Accumulated unpaid vacation and sick pay amounts are accrued when incurred. The City's policy permits employees to earn one to four weeks of vacation per year, based on length of service. In addition, employees earn sick leave at the rate of eighteen days per year. The maximum accumulation for any employee is one year vacation earned and ninety days of sick leave. Accumulated unused sick leave is paid to an employee upon retirement.

At December 31, 2009, the City estimated that the accumulated liability for unused vacation and sick leave for governmental fund employees totaled \$583,221 and \$515,625, respectively. Amounts reflected in the financial statements at December 31, 2009 for Enterprise Fund employees related to unused vacation and sick leave benefits totaled \$139,240 and \$329,233, respectively

Long-term obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of any related deferred refunding costs. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

CITY OF COLLINSVILLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Fund equity

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.

The following details the description and amount of all reserves recorded by the City in the fund financial statements:

Governmental Funds

Reserved for Inventory	\$ 143,249
Reserved for Economic Development	6,696,868
Reserved for Forfeited Funds	145,209
Reserved for Fire Equipment	<u>4,834</u>
	<u>\$ 6,990,160</u>

Fiduciary Funds

Reserved for Employees' Pension Benefits	<u>\$ 31,191,027</u>
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Estimates

Management uses estimates and assumptions in preparing these financial statements in accordance with accounting principles generally accepted in the United States of America. These estimates and assumptions affect the reported amounts of assets and liabilities and the reported revenues and expenditures. Actual results could vary from estimates that were used.

NOTE 2: BUDGETARY AND LEGAL COMPLIANCE

City ordinance requires that a legally adopted annual budget be prepared for all funds. The City Manager compiles a budget of estimated revenues and expenditures for the City and submits the budget to the City Council prior to January 1 each year. Copies of the proposed budget are made available for public inspection for at least 10 days prior to passage of the budget. A public hearing is held on the budget by the City Council. Notice of the hearing is given by publication in a newspaper with general circulation in the City.

The legal level of budgetary control is defined as the budgeted appropriation amount at the program level of expenditures within a department.

CITY OF COLLINSVILLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Subsequent transfers within a fund may be made as follows:

- With the approval of the City Manager and the Finance Director, department heads may transfer amounts up to \$10,000 between programs within a department.
- City Council approval is required for all other transfers.

Unexpended appropriations lapse at year-end. Supplemental appropriations can be made with the majority vote of the City Council.

The City prepares its annual budget on the cash basis of accounting, which differs from accounting principles generally accepted in the United States of America (GAAP). The budget and all transactions are presented in accordance with the City's method (budget basis) in the required supplementary information for the major governmental funds to provide a meaningful comparison of actual results with the budget.

The City has no funds with actual expenditures in excess of the budgeted amounts.

NOTE 3: CASH AND CASH EQUIVALENTS AND INVESTMENTS

General Government & Business-Like Activities

At December 31, 2009, the carrying amount of the City's deposits was \$12,330,058 and the bank balance was \$12,877,373. The deposits were comprised of checking, interest checking, savings, money market and certificates of deposit.

Custodial Credit Risk. Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City requires that all deposits be fully covered by FDIC insurance or collateralized with investments held by the financial institution in the City's name. The City had bank balances of \$233,896 that exceeded FDIC coverage but were collateralized by investments held by the bank in the City's name.

CITY OF COLLINSVILLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

As of December 31, 2009, the City had the following investments:

<u>Investment</u>	<u>Weighted Average Maturity (Years)</u>	<u>Fair Value</u>
Illinois Metropolitan Investment Fund	Daily	\$ 1,263,741
The Illinois Funds (external investment pool)	Daily	3,949,313
Money Market Mutual Funds	Daily	1,904,121
Federal Home Loan Bank	0.27	829,152
		7,946,327
Cash on Hand		480
Deposits as reported above		<u>12,330,055</u>
Total deposits and investments		<u>\$ 20,276,862</u>
As Reported in the Statement of Net Assets:		
Cash and Cash Equivalents		\$ 10,651,975
Cash and Cash Equivalents - Restricted		550,340
Investments		<u>9,074,547</u>
		<u>\$ 20,276,862</u>

Interest Rate Risk. The City's investment policy limits investment maturities in order to maintain sufficient liquidity to reflect the cash flow needs of the fund type being invested. The policy also requires diversification of the investment portfolio via length of maturity as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk. As of December 31, 2009, the credit rating of the City's investments was as follows:

<u>Investment</u>	<u>Standard & Poor's Rating</u>	<u>Moody's Investors Service Rating</u>
Illinois Metropolitan Investment Fund	--	Aaa
The Illinois Funds	AAAm	--
Federal Home Loan Bank	AAA	Aaa

Concentration of Credit Risk. As of December 31, 2009, the City's investments are concentrated as follows:

<u>Investment</u>	<u>Percentage</u>
Illinois Metropolitan Investment Fund	6.23%
The Illinois Funds	19.48%

Foreign Currency Risk. As of December 31, 2009, the City has no foreign currency risk.

CITY OF COLLINSVILLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Firefighter's Pension Fund

At December 31, 2009, the carrying amount of the Firefighter's Pension Fund deposits was \$5,445,757 and the bank balance was \$5,462,572. The deposits were comprised of interest checking, money market and certificates of deposit.

Custodial Credit Risk. Custodial credit risk is the risk that in the event of a bank failure, the Firefighter's Pension Fund's deposits may not be returned to it. The Firefighter's Pension Fund requires that all deposits be fully covered by FDIC insurance or collateralized with investments held by the financial institution in the Fire Pension's name.

As of December 31, 2009, the Firefighter's Pension Fund had the following investments:

<u>Investment</u>	<u>Weighted Average Maturity (Years)</u>	<u>Fair Value</u>
The Illinois Funds	Daily	\$ 12
U.S. Treasury Notes	3.84	841,855
Federal National Mortgage Association	19.03	1,583,772
Corporate Debt	2.67	183,640
Federal Home Loan Mortgage Corp.	27.60	48,656
Mutual Funds	--	<u>7,459,376</u>
		10,117,311
Deposits as reported above		<u>5,445,757</u>
Total deposits and investments		<u>\$ 15,563,068</u>

Interest Rate Risk. The Firefighter's Pension Fund's investment policy limits investment maturities in order to maintain sufficient liquidity to reflect the cash flow needs of the fund type being invested. The policy also requires diversification of the investment portfolio via length of maturity as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk. As of December 31, 2009, the Firefighter's Pension Fund's investments credit ratings were as follows:

<u>Investment</u>	<u>Standard & Poor's Rating</u>	<u>Moody's Investors Service Rating</u>
The Illinois Funds	AAAm	--
Federal National Mortgage Association	AAA	Aaa
Federal Home Loan Mortgage Corp.	AAA	Aaa

Concentration of Credit Risk. As of December 31, 2009, the Firefighter's Pension Fund had a concentration of credit risk related to investing 10.15% of the Fund's investments in Federal National Mortgage Associations.

CITY OF COLLINSVILLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Foreign Currency Risk. As of December 31, 2009, the Firefighter's Pension Fund has no foreign currency risk.

Police Pension Fund

At December 31, 2009, the carrying amount of the Police Pension Fund's deposits was \$420,360 and the bank balance was \$420,360. The deposits were comprised of checking and interest checking accounts.

Custodial Credit Risk. Custodial credit risk is the risk that in the event of a bank failure, the Police Pension's deposits may not be returned to it. The Police Pension requires that all deposits be fully covered by FDIC insurance or collateralized with investments held by the financial institution in the Fire Pension's name.

As of December 31, 2009, the Police Pension Fund had the following investments:

<u>Investment</u>	<u>Weighted Average Maturity (Years)</u>	<u>Fair Value</u>
U.S. Treasury Notes	5.20	\$ 2,850,015
Federal National Mortgage Association	2.94	1,550,123
Federal Home Loan Mortgage	8.05	441,335
Government National Mortgage Association	19.56	129,002
Federal Home Loan Bank	2.98	900,601
Corporate Debt	2.28	1,973,458
Mutual Fund	--	1,472,650
Domestic Equities	--	4,590,049
		<u>13,907,233</u>
Deposits as reported above		420,360
Total deposits and investments		<u>\$ 14,327,593</u>

Interest Rate Risk. The Police Pension Fund's investment policy limits investment maturities in order to maintain sufficient liquidity to reflect the cash flow needs of the fund type being invested. The policy also requires diversification of the investment portfolio via length of maturity as a means of managing its exposure to fair value losses arising from increasing interest rates.

CITY OF COLLINSVILLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Credit Risk. As of December 31, 2009, the Police Pension Fund's investments credit ratings were as follows:

<u>Investment</u>	<u>Standard & Poor's Rating</u>	<u>Moody's Investors Service Rating</u>
Federal National Mortgage Association	AAA	Aaa
Federal Home Loan Mortgage	AAA	Aaa
Federal Home Loan Bank	AAA	Aaa

Concentration of Credit Risk. As of December 31, 2009, the Police Pension Fund's investments are concentrated as follows:

<u>Investment</u>	<u>Percentage</u>
Federal National Mortgage Association	10.82%
Federal Home Loan Bank	6.29%

Foreign Currency Risk. As of December 31, 2009, the Police Pension Fund has no foreign currency risk.

NOTE 4: CAPITAL ASSETS

Capital asset activity for governmental activities for the year ended December 31, 2009 was as follows:

<u>Governmental activities:</u>	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets, not being depreciated:				
Land	\$ 898,665	\$ -	\$ -	\$ 898,665
Capital assets, being depreciated:				
Buildings and improvements	8,215,429	243,863	2,385	8,456,907
Equipment	4,141,816	130,594	295,300	3,977,110
Vehicles	3,122,583	148,531	112,012	3,159,102
Infrastructure	33,290,749	1,085,913	-	34,376,662
Total capital assets being depreciated	<u>48,770,577</u>	<u>1,608,901</u>	<u>409,697</u>	<u>49,969,781</u>
Less accumulated depreciation for:				
Buildings and improvements	1,629,994	279,398	2,385	1,907,007
Equipment	2,723,361	297,811	295,300	2,725,872
Vehicles	2,236,728	250,958	106,630	2,381,056
Infrastructure	14,273,570	1,398,629	-	15,672,199
Total accumulated depreciation	<u>20,863,653</u>	<u>2,226,796</u>	<u>404,315</u>	<u>22,686,134</u>
Total capital assets, being depreciated, net	<u>27,906,924</u>	<u>(617,895)</u>	<u>5,382</u>	<u>27,283,647</u>
Governmental activities capital assets, net	<u>\$ 28,805,589</u>	<u>\$ (617,895)</u>	<u>\$ 5,382</u>	<u>\$ 28,182,312</u>

CITY OF COLLINSVILLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Capital asset activity for business-type activities for the year ended December 31, 2009 was as follows:

<u>Business-type activities:</u>	<u>Beginning</u> <u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending</u> <u>Balance</u>
Capital assets, not being depreciated:				
Land	\$ 377,205	\$ 5,775	\$ -	\$ 382,980
Construction in progress	4,010,639	4,837,467	327,800	8,520,306
Total capital assets, not being depreciated	<u>4,387,844</u>	<u>4,843,242</u>	<u>327,800</u>	<u>8,903,286</u>
Capital assets, being depreciated:				
Buildings and improvements	17,845,867	379,207	-	18,225,074
Infrastructure	30,425,781	225,388	-	30,651,169
Equipment	2,662,389	348,301	-	3,010,690
Vehicles	1,083,285	-	-	1,083,285
Total capital assets, being depreciated	<u>52,017,322</u>	<u>952,896</u>	<u>-</u>	<u>52,970,218</u>
Less accumulated depreciation for:				
Buildings and improvements	6,964,440	446,271	-	7,410,711
Infrastructure	17,720,912	654,421	-	18,375,333
Equipment	1,766,137	168,795	-	1,934,932
Vehicles	954,205	45,780	-	999,985
Total accumulated depreciation	<u>27,405,694</u>	<u>1,315,267</u>	<u>-</u>	<u>28,720,961</u>
Total capital assets, being depreciated, net	<u>24,611,628</u>	<u>(362,371)</u>	<u>-</u>	<u>24,249,257</u>
Business-type activities capital assets, net	<u>\$ 28,999,472</u>	<u>\$ 4,480,871</u>	<u>\$ 327,800</u>	<u>\$ 33,152,543</u>

Depreciation expense was charged to functions/programs of the City as follows:

Governmental activities:	
General government	\$ 137,451
Public safety	487,730
Highways and streets, including depreciation of general infrastructure assets	1,596,196
Community and economic development	5,036
Community services	383
Total depreciation expense - governmental activities	<u>\$ 2,226,796</u>
Business-type activities:	
Water and sewer	<u>\$ 1,315,267</u>

CITY OF COLLINSVILLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 5: RECEIVABLES

The City reports the following receivables in the statement of net assets as of December 31, 2009. These amounts are reported net of the applicable allowances for uncollectible accounts.

	<u>General</u>	<u>Other Major Funds</u>	<u>Water and Sewer</u>	<u>Nonmajor Funds</u>	<u>Total</u>
Receivables:					
Interest	\$ -	\$ -	\$ 17,602	\$ -	\$ 17,602
Local Taxes	125,446	-	-	33,865	159,311
Fines/Franchise Fees	80,564	-	-	-	80,564
Accounts	1,075,010	-	1,583,008	-	2,658,018
Property taxes	678,323	49,088	-	-	727,411
Intergovernmental	<u>2,085,144</u>	<u>233,372</u>	<u>-</u>	<u>326,862</u>	<u>2,645,378</u>
Gross Receivables	4,044,487	282,460	1,600,610	360,727	6,288,284
Less: Allowance for uncollectible	<u>570,615</u>	<u>-</u>	<u>191,367</u>	<u>-</u>	<u>761,982</u>
Net Total Receivables	<u>\$ 3,473,872</u>	<u>\$ 282,460</u>	<u>\$ 1,409,243</u>	<u>\$ 360,727</u>	<u>\$ 5,526,302</u>

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

	<u>Unavailable</u>	<u>Unearned</u>
Property taxes receivable	\$ 1,396,820	\$ --
Intergovernmental taxes	--	427,408
Grant revenue	--	366,738

NOTE 6: LONG-TERM DEBT

The City issues bonds to provide funds for the acquisition and construction of major capital facilities and development purposes. Bonds have been issued for both governmental and business-type activities. The City has the following outstanding bond issues:

\$715,000 General Obligation Refunding Bonds (Tax Increment Alternate Revenue Source), Series 2003B dated September 3, 2003, due in annual installments of \$70,000 to \$85,000 through December 1, 2013; interest at 3.40% to 4.00%. The amount of bonds outstanding as of December 31, 2009 is \$325,000.

CITY OF COLLINSVILLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

\$20,000,000 General Obligation Bonds, Series 2006 dated February 1, 2006, due in annual installments of \$765,000 to \$1,490,000 through December 15, 2026; interest at 4.00% to 4.45%. The amount of bonds outstanding as of December 31, 2009 is \$18,560,000.

\$7,300,000 Taxable General Obligation Bonds, Series 2007A dated October 31, 2007, due in annual installments of \$160,000 to \$670,000 through December 15, 2027; interest at 5.20% to 5.80%. The amount of bonds outstanding as of December 31, 2009 is \$7,175,000.

\$1,215,000 General Obligation Bonds, Series 2007B dated October 31, 2007, due in annual installments of \$70,000 to \$115,000 through December 15, 2021; interest at 3.60% to 4.00%. The amount of bonds outstanding as of December 31, 2009 is \$1,090,000.

\$20,250,000 Local Government Program Revenue Bonds, Series 2007 dated July 23, 2007, due in semiannual installments of \$380,000 to \$2,455,000 through March 1, 2023; interest at 5.00% to 5.35%. The maturity dates may be extended if projected revenues are not met and sufficient funds to make debt payments are not available. The amount of bonds outstanding as of December 31, 2009 is \$20,250,000.

\$2,700,000 Taxable General Obligation Bonds, Series 2009 dated January 12, 2009, due in annual installments of \$35,000 to \$245,000 through December 15, 2028; interest at 3.75% to 5.95%. The amount of bonds outstanding as of December 31, 2009 is \$2,700,000.

The annual requirements to retire outstanding bonds as of December 31, 2009 are as follows:

Fiscal Year Ended December 31,	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2010	\$ 2,145,000	\$ 1,600,150	\$ 765,000	\$ 775,394
2011	1,210,000	1,520,663	800,000	744,794
2012	1,350,000	1,461,554	835,000	712,794
2013	1,475,000	1,395,457	870,000	679,394
2014	1,525,000	1,323,222	905,000	644,594
2015 - 2019	9,745,000	5,339,069	5,140,000	2,647,769
2020 - 2024	11,585,000	2,303,026	6,325,000	1,490,469
2025 - 2028	2,505,000	317,138	2,920,000	195,528
	<u>\$ 31,540,000</u>	<u>\$ 15,260,279</u>	<u>\$ 18,560,000</u>	<u>\$ 7,890,736</u>

CITY OF COLLINSVILLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

The City has entered into several lease agreements. The following are descriptions of the City's outstanding capital leases:

\$23,343 capital lease through Dell Financial Services, Inc., dated December 19, 2008, for a server, bears interest at 6.63%; annual principal and interest payments of \$12,845 are due through December 19, 2010. The principal amount of the lease outstanding as of December 31, 2009 is \$12,046.

\$3,409 capital lease through Dell Financial Services, Inc., dated November 11, 2008, for 6 computers, bears interest at 7.06%; annual principal and interest payments of \$1,703 are due through November 2010 with a final payment of \$409 due November 2011. The principal amount of the lease outstanding as of December 31, 2008 is \$1,947.

\$182,280 capital lease through De Lage Landen Public Finance, dated October 5, 2009, for a 2009 Doosan Excavator, bears interest at 4.00%; annual principal and interest payments of \$93,032 are due through October 2010. The principal amount of the lease outstanding as of December 31, 2009 is \$89,448.

The annual requirements to retire capital leases are as follows:

<u>Year Ended</u> <u>December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010	\$ 208,776	\$ 6,535	\$ 215,311
2011	<u>382</u>	<u>27</u>	<u>409</u>
	<u>\$ 209,158</u>	<u>\$ 6,562</u>	<u>\$ 215,720</u>

The City has entered into a loan agreement with the Illinois Environmental Protection Agency for filter system improvements. The loan consists of drawdowns of \$927,678 and accrued interest of \$18,668 for a total loan of \$946,346. The loan is to be repaid in 20 semi-annual installments of \$53,866 including interest at 2.535 percent. The accrued interest on the loan has been capitalized and included in the cost of the project for construction purposes.

The annual requirements to retire the loan are as follows:

<u>Year Ended</u> <u>December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010	<u>\$ 105,717</u>	<u>\$ 2,014</u>	<u>\$ 107,731</u>

CITY OF COLLINSVILLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

The following is a summary of changes in long-term liabilities for the year ended December 31, 2009:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
<u>Governmental Activities:</u>					
Bonds and notes payable:					
General obligation bonds	\$ 9,170,000	\$ 2,700,000	\$ 580,000	\$ 11,290,000	\$ 340,000
Revenue bonds	20,250,000	-	-	20,250,000	1,805,000
Other liabilities:					
Leases	80,202	-	66,209	13,993	13,611
Post-employment healthcare benefits	258,145	258,641	-	516,786	-
Compensated absences	<u>1,123,558</u>	<u>-</u>	<u>24,712</u>	<u>1,098,846</u>	<u>583,221</u>
	1,461,905	258,641	90,921	1,629,625	596,832
Governmental activities long-term liabilities	<u>\$ 30,881,905</u>	<u>\$ 2,958,641</u>	<u>\$ 670,921</u>	<u>\$ 33,169,625</u>	<u>\$ 2,741,832</u>
<u>Business-type Activities:</u>					
Bonds and notes payable:					
General obligation bonds	\$ 19,295,000	\$ -	\$ 735,000	\$ 18,560,000	\$ 765,000
Lease	-	182,280	92,832	89,448	89,448
IEPA Loan	<u>208,804</u>	<u>-</u>	<u>103,087</u>	<u>105,717</u>	<u>105,717</u>
Total bonds and notes payable	19,503,804	182,280	930,919	18,755,165	960,165
Other liabilities:					
Post-employment healthcare benefits	32,669	28,397	-	61,066	-
Compensated absences	<u>420,624</u>	<u>47,849</u>	<u>-</u>	<u>468,473</u>	<u>139,240</u>
Business-type activities long-term liabilities	<u>\$ 19,957,097</u>	<u>\$ 258,526</u>	<u>\$ 930,919</u>	<u>\$ 19,284,704</u>	<u>\$ 1,099,405</u>

NOTE 7: LEGAL DEBT MARGIN

The City was certified as a home rule unit by the State of Illinois as of August 24, 2005. Under Section 6 of Article VII of the 1970 Illinois Constitution, home rule units have no debt limitation.

NOTE 8: RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; thefts of, damage to and destruction of assets; errors and omissions and natural disasters for which the City carries commercial insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverages in the past three years.

CITY OF COLLINSVILLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 9: INTERGOVERNMENTAL AGREEMENT

The City entered into an intergovernmental agreement with the Collinsville Metropolitan Exposition, Auditorium and Office Building Authority (the "Authority"). This agreement, as amended on April 7, 1988, requires the City to collect Hotel-Motel Tax and Food and Beverages Tax. All proceeds from the taxes shall be used for the support, construction, maintenance or financing of a facility of the "Authority".

The City has agreed to allow these funds to be used to:

1. Pay the principal and interest on the revenue bonds of the Authority, and
2. Establish and maintain a reserve fund at \$300,000 for the payment of deficits as they become due.

The City's Hotel-Motel Tax Ordinance provides for the payment of an administration fee to the City in the amount of \$12,500 per annum after the payments noted above have been provided for.

The Authority has allowed the City to withhold the administrative fee of \$12,500 for the year regardless of the balance in the reserve fund.

NOTE 10: TAX INCREMENT FINANCING DISTRICT

In 1986, the City established a Tax Increment Financing (TIF) District. Provisions for the establishment and operation of a TIF District are in the Illinois Compiled Statutes, Chapter 65, Act 5, Article 11, Division 74.4. The goals of the District are defined in a redevelopment plan adopted by the City and dated December 26, 1986.

The objectives of the Collinsville, Illinois, Tax Increment Redevelopment Plan No. 1 are:

1. To reduce or eliminate those conditions which qualify the areas as a "conservation area".
2. To prevent the recurrence of those conditions.
3. To enhance the tax base of the City of Collinsville and the other taxing districts which extend into the project area.
4. To preserve and enhance the value of properties adjacent to the project area.
5. To encourage private investment, rehabilitation and redevelopment in the project area.

CITY OF COLLINSVILLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

6. To provide necessary incentives to attract quality new commercial activities in the project area that are compatible with the land use plan of the City.
7. To participate in planning, studies, professional services, site assembly, demolition, relocation, construction of public works, job training and retraining, financing costs, payment in lieu of taxes, developers' interest costs and other qualified project costs to attract the private investment, rehabilitation and redevelopment in an orderly plan in accordance with the City's land use plans and regulations.

The redevelopment project costs of the District are financed from three sources:

1. The real estate property taxes derived from any increment in property tax valuation from an established base period.
2. The sales use and service tax increment, which generally is a state formula computation of the annual state sales tax increment from sales within the District compared to the base period.
3. The "municipal sales tax increment" which is an amount equal to the increase in the aggregate amount of taxes paid to the City from the Local Government Tax Fund compared to the base year which shall be the calendar year immediately prior to the year in which the City adopted tax increment allocation financing.

Funds from the above sources are to be deposited in a Special Tax Allocation Fund and redevelopment project costs are to be paid from this fund.

On October 22, 2001, the City established TIF District #2 to provide funds to attract development in the vacant southwest quadrant of the interchange of I-255 and Horseshoe Lake Road. This 150-acre area is suitable for retail and commercial use. The objectives are primarily the same as those set forth in establishing the initial TIF District. The TIF District #2 will be financed only with increases in property values within the district and the related incremental taxes.

On January 27, 2003, the City established TIF District #3 to provide funds to attract development in the vacant northeast quadrant of the of I-255 and I-55/70 interchange. This 66-acre area is contiguous to TIF District #1 and is suitable for an industrial park. The objectives are primarily the same as those set forth in establishing the initial TIF District. The TIF District #3 will be financed only with increases in property values within the district and the related incremental taxes.

CITY OF COLLINSVILLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 11: SEIZED FUND ESCROW

The City maintains a seized fund escrow account where it deposits monies seized by the police department until a determination is made regarding the distribution of those funds. The balance in this account at December 31, 2009 is \$106,929. The escrow liability directly offsets this account except for net interest income and bank service charges in the amount of \$4,424.

NOTE 12: SOLID WASTE LANDFILL

The City maintained a solid waste landfill east of Collinsville. This disposal facility was closed in 1986 and was determined by the Illinois Environmental Protection Agency to be satisfactorily closed and covered on October 24, 1986.

The Illinois Environmental Protection Agency requires the City to have sufficient operable equipment, personnel and supervision available to comply with applicable regulations; to provide a final cover of adequate depth; and adequate monitoring and control over leachate, gas, water and settling. In the inspection made by the Madison County Building, Zoning and Environmental Department, the City was found to be in compliance with applicable regulations.

In 1998, the IEPA notified the City that an inspection revealed possible environmental violations. At that time, the City hired an engineer to examine the cause of the violations and provide further guidance on what measures, if any, need to be taken by the City. The City has since dug wells and performed extensive testing to remedy the situation. The engineer has now filed for official permanent closure but, at this time, the EPA has not granted that status. Future required testing costs for this project is expected to be approximately \$35,000 per year for the foreseeable future.

NOTE 13: FEDERAL DRUG FORFEITURE REVENUE AND EXPENSES

During the year, the City received \$81,984 in federal drug forfeiture revenue and from those funds expended \$228,602. The City's police department assists in drug raids and seizes assets during those raids. All seized assets are turned over to Federal governmental agencies and then shared on a percentage basis by municipalities and/or organizations that participated in the drug raids. The governmental agencies require that those funds be used for police operations and, in some cases, drug enforcement.

CITY OF COLLINSVILLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 14: RETIREMENT AND PENSION FUND COMMITMENTS

1. Illinois Municipal Retirement Fund

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

Funding Policy. As set by statute, members are required to contribute 4.50 percent of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer contribution rate for calendar year 2009 was 7.79 percent of annual covered payroll. The employer also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Annual Pension Cost. For fiscal year ending December 31, 2009, the City's annual pension cost of \$386,576 for the regular plan was equal to the City's required and actual contributions.

Three-Year Trend Information for IMRF

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
12/31/2009	\$ 386,576	100%	\$ -
12/31/2008	368,778	100%	-
12/31/2007	313,149	100%	-

The required contribution for 2009 was determined as part of the December 31, 2007 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2007 included (a) 7.50% investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4.00% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 10% per year depending on age and service, attributable to seniority/merit, and (d) post-retirement benefit increases of 3% annually. The actuarial value of plan assets was determined using

CITY OF COLLINSVILLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 15% corridor between the actuarial and market value of assets. The City'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, 2007, valuation was 23 years.

Funded Status and Funding Progress. As of December 31, 2009, the most recent actuarial valuation date, the plan was 82.37 percent funded. The actuarial accrued liability for benefits was \$13,026,616 and the actuarial value of assets was \$10,730,6173, resulting in an underfunded actuarial accrued liability (UAAL) of \$2,295,999. The covered payroll (annual payroll of active employees covered by the plan) was \$4,962,470 and the ratio of the UAAL to the covered payroll was 46 percent.

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

2. Police Pension Fund and Firefighters' Pension Fund

a) Plan Description and Contribution Information

Information is shown at various dates, which presents the most current information available.

Police sworn personnel are covered by the Police Pension Plan which is a defined benefit single-employer pension plan. Although this is a single-employer pension plan, the defined benefits and employee and employer contributions levels are governed by Illinois Compiled Statutes (Chapter 40 – Act 5, Article 3) and may be amended only by the Illinois legislature. The City accounts for the plan as a pension trust fund. The City's payroll for employees covered by the Police Pension Plan for the year ended December 31, 2009 was \$3,490,242.

At December 31, 2009, the Police Pension Plan membership consisted of:

Retirees and Beneficiaries Currently Receiving Benefits and Terminated Employees Entitled to Benefits but not yet Receiving Them	30
Current Employees	<u>44</u>
Total	<u>74</u>

CITY OF COLLINSVILLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

The following is a summary of the Police Pension Plan as provided in the Illinois Compiled Statutes:

The Police Pension Plan provides retirement benefits as well as death and disability benefits. Employees attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive an annual retirement benefit of one-half of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The pension shall be increased by 2.5% of such salary for each additional year of service over 20 years up to 30 years, to a maximum of 75% of such salary. Employees with at least 8 years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit. The monthly pension of a police officer who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3% of the current pension.

Covered employees are required to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded. The City is required to contribute the remaining amount necessary to finance the plan as actuarially determined by an enrolled actuary. By the year 2033, the City's contributions must accumulate to the point where the past service cost for the Police Pension Plan is fully funded.

Fire sworn personnel are covered by the Firefighter's 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 contributions levels are mandated by Illinois Compiled Statutes (Chapter 40 – Act 5, Article 4) and may be amended only by the Illinois legislature. The City accounts for the plan as a pension trust fund. The City's payroll for employees covered by the Firefighters' Pension Plan for the year ended December 31, 2009 was \$2,215,346.

At December 31, 2009, the Firefighters' Pension Plan membership consisted of:

Retirees and Beneficiaries Currently Receiving Benefits and Terminated Employees Entitled to Benefits but not yet Receiving Them	23
Current Employees	<u>33</u>
Total	<u>56</u>

CITY OF COLLINSVILLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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

The Firefighters' Pension Plan provides retirement benefits as well as death and disability benefits. Employees attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive a monthly retirement benefit of one-half of the monthly salary attached to the rank held in the fire service at the date of retirement. The monthly pension shall be increased one-twelfth of 2.5% of such monthly salary for each additional month over 20 years of service through 30 years of service, to a maximum of 75% of such monthly salary. Employees with at least 10 years but less than 20 years of credited service may retire at or after age 60 and receive a reduced retirement benefit. The monthly pension of a firefighter who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching at least the age of 55, by 3% of the original pension and an additional 3% annually, in January thereafter.

Covered employees are required to contribute 9.455% of their salary to the Firefighters' Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded. The City is required to contribute the remaining amounts necessary to finance the plan as actuarially determined by an enrolled actuary. By the year 2033, the City's contributions must accumulate to the point where the past service cost for the Firefighters' Pension Plan is fully funded.

b) Summary of Significant Accounting Policies

Basis of Accounting

The financial statements are prepared using the accrual basis of accounting. Employee and employer contributions are recognized as revenues in the period in which employee services are performed.

Method Used to Value Investments

Fixed-income and equity securities are reported at fair value in accordance with GASB 25. Investment income is recognized as earned. Gains or losses on sales and exchanges of fixed-income securities are recognized on the transaction date.

CITY OF COLLINSVILLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

c) Annual Pension Cost and Net Pension Obligation

The City's annual pension cost and net pension obligation for the current year were as follows:

	<u>Police Pension</u>	<u>Firefighters' Pension</u>
Annual required contribution	\$ 707,205	\$ 459,076
Interest on net pension obligation	-	-
Adjustment to annual required contribution	-	-
Annual pension cost	707,205	459,076
Contributions made	<u>707,964</u>	<u>459,553</u>
Increase (decrease) in net pension obligation	(759)	(477)
Net pension obligation beginning of year	<u>(302,829)</u>	<u>(123,436)</u>
Net pension obligation end of year	<u>\$ (303,588)</u>	<u>\$ (123,913)</u>

The annual required contribution for the current year was determined as part of the December 31, 2007, actuarial valuation using the entry age normal cost method. The actuarial assumptions included (a) 7.0% investment rate of return (net of administrative expenses) and (b) projected salary increases of 5.5% per year. Both (a) and (b) included an inflation component of 3.0%. The actuarial value of assets was determined using amortized costs. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at December 31, 2007, was 25.4986 years.

Three-Year Trend Information

	<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
Police Pension	12/31/2007	\$ 707,205	100.01%	\$ (303,588)
	12/31/2006	593,160	100.06%	(302,829)
	12/31/2005	494,634	100.49%	(299,474)
Fire Pension	12/31/2007	\$ 459,076	100.01%	\$ (123,913)
	12/31/2006	363,586	100.05%	(123,436)
	12/31/2005	393,851	100.46%	(121,444)

CITY OF COLLINSVILLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

d) Concentration

The City has a concentration of 5% or more investments in the following organizations:

Police Pension:	
US Treasury Note 05/15/19	\$ 1,042,080
FNMA 08/10/12	820,258
Dodge & Cox International Fund	1,472,650
Firefighter's Pension:	
Bank of Edwardsville	\$ 2,680,263
First Collinsville Bank	1,907,226
DFA Enhanced US Large Co. Portfolio	1,320,968
DFA Large Cap Value Portfolio	1,444,091
DFA Emerging Markets Core Equity	1,056,210

e) Legally Required Reserves

The City has the following legally required reserves:

Police Pension	\$ 15,128,175
Firefighter's Pension	16,062,852

NOTE 15: INTERFUND TRANSFERS

The City made the following interfund transfers during the year ended December 31, 2009:

General Fund Transfer From:	
MFT Fund	\$ 90,000
Water/Sewer Fund	300,000
Capital Projects Fund	299,960
TIF Debt Service Fund Transfer From:	
Tax Increment Financing Fund	84,567
Fournie Lane Business District Fund From:	
Tax Increment Financing Fund	174,545

The General Fund receives transfers for reimbursement of expenses paid by that fund for expenses related to other funds. The transfer between the Tax Increment Financing funds provided funds for debt service purposes.

CITY OF COLLINSVILLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 16: INTERFUND RECEIVABLES/PAYABLES

The City has the following interfund receivables/payables as of December 31, 2009:

General Fund	\$ 10,120	\$ --
Collinsville Crossings Fund	--	497,372
Tax Increment Financing Fund	487,252	--

The balances are short-term interfund receivables which will be transferred in fiscal year 2010.

NOTE 17: POSTEMPLOYMENT HEALTHCARE PLAN

Plan Description. The City maintains a single-employer defined benefit healthcare plan available for retirees. The City provides pre and post Medicare post-retirement healthcare benefits to all retirees who worked for the City, were enrolled in one of the City's healthcare plans at the time of employment and receive a pension from the City through IMRF, the Police Pension Fund or the Firefighter's Pension Fund. The various eligibility requirements vary with the type of retirement plan the employee was associated with. The City does not issue a separate report related to post-retirement healthcare benefits.

Funding Policy. The contribution requirements are as determine by the contracts with City employees and are funded as a pay-as-you-go basis.

Annual OPEB Cost and Net OPEB Obligation. The City's annual other postemployment benefit (OPEB) cost is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years. The following shows the components of the annual OPEB for the year, the actual amount contributed to the plan, and the change in the OPEB obligation.

Annual required contribution	\$ 501,941
Interest on OPEB obligation	--
Adjustment to ARC	--
Annual OPEB cost	501,941
Contributions made	<u>(214,903)</u>
Increase in OPEB	287,038
Net OPEB – Beg of Year	<u>290,814</u>
Net OPEB – End of Year	<u>\$ 577,852</u>

CITY OF COLLINSVILLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

The City's annual OPEB costs, the percentages of annual OPEB cost contributed to the plan, and the net OPEB obligations for 2008 and 2009 are as follows:

<u>Fiscal</u> <u>Year Ended</u>	<u>Annual</u> <u>OPEB Cost</u>	<u>Percentage of</u> <u>Annual OPEB</u> <u>Cost Contributed</u>	<u>Net OPEB</u> <u>Obligation</u>
12/31/09	\$ 501,941	42.81%	\$ 577,852
12/31/08	477,749	39.13%	290,814

Funding Status and Funding Progress. As of December 31, 2009, the most recent actuarial valuation date, the plan was not funded. The actuarial accrued liability for benefits and the unfunded actuarial accrued liability is \$6,282,430. The plan has no assets as payments are made on a pay-as-you-go basis. The covered payroll was \$8,505,184 and the ratio of the UAAL to the covered payroll was 73.87 percent.

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

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

In the December 31, 2009 actuarial valuation, the entry age actuarial cost method was used. The actuarial assumptions included an annual healthcare cost trend rate of 9.50 percent initially, reduced by decrements to an ultimate rate of 4.50 percent after ten years. These rates include a 3.0 percent inflation assumption. The UAAL is being amortized as a level

CITY OF COLLINSVILLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

percentage of projected payroll on an open basis. The remaining amortization period at December 31, 2009, was 29 years. The wage inflation rate was 4.00 percent and the discount rate is also 4.00 percent.

NOTE 18: SUBSEQUENT EVENT

The City has evaluated events occurring after the financial statement date through April 1, 2010 in order to determine their potential for recognition or disclosure in the financial statements. The latter date is the same date the financial statements were available to be issued.

CITY OF COLLINSVILLE, ILLINOIS

**REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE (CASH BASIS) - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>Budgeted Amounts</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	<u>(Budget Basis)</u>
Receipts:			
Property Tax	\$ 1,709,320	\$ 1,709,320	\$ 1,078,977
Intergovernmental:			
Sales and Use Tax	7,023,000	7,023,000	7,294,350
Replacement Tax	103,460	103,460	48,547
State Income Tax	2,583,000	2,583,000	1,742,695
Telecommunications Tax	1,100,000	1,100,000	1,092,276
Grants	586,360	586,360	335,370
Other	340,500	340,500	168,143
Other Local Taxes	1,369,000	1,369,000	1,275,551
Licenses, Fees and Permits	1,717,200	1,717,200	631,955
Charges for Services	2,035,600	2,035,600	1,939,031
Fines	180,000	180,000	136,660
Investment Earnings	51,000	51,000	1,554
Gifts and Donations	13,500	13,500	16,039
Miscellaneous Revenues and Reimbursements	221,900	221,900	191,471
Total Receipts	<u>19,033,840</u>	<u>19,033,840</u>	<u>15,952,619</u>
Disbursements:			
Administration:			
City Council	2,964,850	2,964,850	2,586,382
Boards	61,960	61,960	44,536
City Manager	327,020	327,020	294,038
Operations	242,830	242,830	243,769
Human Resources	256,830	256,830	283,952
Information Technology	119,880	119,880	117,648
Total Administration	<u>3,973,370</u>	<u>3,973,370</u>	<u>3,570,325</u>
Police:			
Police Administration	898,100	898,100	800,500
Police Operations	4,250,530	4,290,530	4,118,609
Police Support	1,311,530	1,311,530	1,208,209
Animal Control	167,040	167,040	140,017
Total Police	<u>6,627,200</u>	<u>6,667,200</u>	<u>6,267,335</u>
Fire:			
Fire Administration	360,060	360,060	318,720
Fire Operations	3,074,350	3,074,350	2,836,908
Ambulance	346,990	346,990	292,422
Emergency Management	44,820	44,820	44,342
Total Fire	<u>3,826,220</u>	<u>3,826,220</u>	<u>3,492,392</u>

CITY OF COLLINSVILLE, ILLINOIS

**REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE (CASH BASIS) - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>Budgeted Amounts</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	<u>(Budget Basis)</u>
Disbursements (continued):			
Public Works:			
Streets	1,980,950	1,980,950	1,935,773
Garbage	1,375,000	1,465,000	1,419,319
Inspections	260,960	260,960	131,631
Total Public Works	<u>3,616,910</u>	<u>3,706,910</u>	<u>3,486,723</u>
Finance	<u>578,840</u>	<u>578,840</u>	<u>551,297</u>
Community Development	<u>508,200</u>	<u>508,200</u>	<u>422,072</u>
Community Services - Shuttle Bus	<u>140,190</u>	<u>140,190</u>	<u>120,729</u>
Total Disbursements	<u>19,270,930</u>	<u>19,400,930</u>	<u>17,910,873</u>
Excess (Deficiency) of Receipts Over Disbursements	<u>(237,090)</u>	<u>(367,090)</u>	<u>(1,958,254)</u>
Other Financing Sources:			
Operating Transfers In	<u>390,000</u>	<u>390,000</u>	<u>489,960</u>
Total Other Financing Sources	<u>390,000</u>	<u>390,000</u>	<u>489,960</u>
Excess (Deficiency) of Receipts and Other Financing Sources Over Disbursements	<u>\$ 152,910</u>	<u>\$ 22,910</u>	(1,468,294)
Change in intergovernmental revenue on modified accrual basis			(82,782)
Change in other local taxes and fees			5,952
Change in accrued salaries on modified accrual basis			(48,789)
Change in accounts payable on modified accrual basis			81,722
Change in franchise fees receivable on modified accrual basis			12,677
Change in property tax receivable on modified accrual basis			650,577
Change in unbilled garbage services on modified accrual basis			2,015
Adjustment for ambulance fees and allowance of uncollectible amounts			54,484
Inclusion of drug forfeiture monies			(138,536)
As reported on the Statement of Revenues, Expenditures and Changes in Fund Balance			<u>\$ (930,974)</u>

CITY OF COLLINSVILLE, ILLINOIS

REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE (CASH BASIS)
TAX INCREMENT FINANCING FUND
FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Budgeted Amounts</u>		<u>Actual (Budget Basis)</u>
	<u>Original</u>	<u>Final</u>	
Receipts:			
Intergovernmental Revenues	\$ 1,350,000	\$ 1,350,000	\$ 1,472,541
Property Tax	2,460,000	2,460,000	2,493,977
Other Local Taxes	-	-	24,606
Investment Earnings	60,400	60,400	11,580
Miscellaneous Revenues & Reimbursements	316,950	316,950	353,453
Total Receipts	<u>4,187,350</u>	<u>4,187,350</u>	<u>4,356,157</u>
Disbursements:			
Community Development	3,808,890	3,808,890	3,576,822
Community Services	1,081,890	1,081,890	646,545
Capital Outlay	1,675,200	1,675,200	666,576
Debt Service	639,500	639,500	529,205
Total Disbursements	<u>7,205,480</u>	<u>7,205,480</u>	<u>5,419,148</u>
Excess (Deficiency) of Receipts Over Disbursements	<u>(3,018,130)</u>	<u>(3,018,130)</u>	<u>(1,062,991)</u>
Other Financing Sources (Uses):			
Proceeds From Debt	2,700,000	2,700,000	2,700,000
Operating Transfers Out	(182,570)	(182,570)	(259,112)
Total Other Financing Sources (Uses)	<u>2,517,430</u>	<u>2,517,430</u>	<u>2,440,888</u>
Excess (Deficiency) of Receipts and Other Financing Sources Over Disbursements and Other Financing (Uses)	<u>\$ (500,700)</u>	<u>\$ (500,700)</u>	1,377,897
Change in sales tax receivable on modified accrual basis			(16,094)
Change in intergovernmental receivable on modified accrual basis			76,077
Change in property tax receivable on modified accrual basis			8,786
Change in accrued salaries on modified accrual basis			(462)
Change in accounts payable on modified accrual basis			19,993
As reported on the Statement of Revenues, Expenditures and Changes in Fund Balance			<u>\$ 1,466,197</u>

CITY OF COLLINSVILLE, ILLINOIS

**SCHEDULE OF POLICE AND FIREFIGHTERS' PENSION
FUNDING PROGRESS AND EMPLOYER CONTRIBUTIONS
DECEMBER 31, 2009**

	Calendar Year					
	2008	2007	2006	2005	2004	2003
Police Pension:						
Actuarial Value of Assets	\$ 13,519,191	\$ 15,706,991	\$ 15,126,733	\$ 14,576,874	\$ 14,093,038	\$ 13,308,434
Actuarial Accrued Liability (AAL)	23,732,447	21,858,511	19,941,012	18,502,336	17,700,042	16,787,473
Unfunded AAL (UAAL)	10,213,256	6,151,520	4,814,279	3,925,462	3,607,004	3,479,039
Funded Ratio	56.97%	71.86%	75.86%	78.78%	79.62%	79.28%
Covered Payroll	3,159,498	2,541,262	2,256,688	1,972,350	1,854,508	1,801,893
UAAL as a % of Covered Payroll	323.26%	242.07%	213.33%	199.02%	194.50%	193.08%
Employer Contributions:						
Required	1,017,576	707,205	593,160	494,634	459,044	439,475
Made	-	707,964	596,515	497,064	462,539	451,670
Percentage of Employer Contributions Made to Required Contributions	0.00%	100.11%	100.57%	100.49%	100.76%	102.77%
Firefighters' Pension:						
Actuarial Value of Assets	13,635,644	16,734,717	16,349,698	14,667,104	13,823,041	12,636,840
Actuarial Accrued Liability (AAL)	19,944,574	18,112,773	16,208,457	15,498,437	14,623,654	13,759,720
Unfunded AAL (UAAL)	6,308,930	1,378,056	(141,241)	831,333	800,613	1,122,880
Funded Ratio	68.37%	92.39%	100.87%	94.64%	94.53%	91.84%
Covered Payroll	2,025,438	1,785,006	1,660,095	1,587,511	1,490,479	1,459,243
UAAL as a % of Covered Payroll	311.48%	77.20%	-8.51%	52.37%	53.72%	76.95%
Employer Contributions:						
Required	753,676	459,076	363,586	393,851	369,973	373,179
Made	-	459,553	365,578	395,650	372,443	383,670
Percentage of Employer Contributions Made to Required Contributions	0.00%	100.10%	100.55%	100.46%	100.67%	102.81%

2007 is the latest year for which a tax was levied and collected. The 2008 actuarial estimate is levied in 2009 and collected in 2010.

The actuarial valuations presented are prepared by the Illinois Department of Insurance using the following parameters:

Actuarial Cost Method: Entry Age Normal Cost

Amortization Method: Level Percentage of Payroll

Remaining Amortization Period: 24.4986 Years

Asset Valuation Method: Cost or Amortized Cost

Actuarial Assumptions:

Interest Rate 7.0 %

Salary Progression 5.5 %

Cost of Living Adjustments 3.0 %

CITY OF COLLINSVILLE, ILLINOIS

**SCHEDULE OF ILLINOIS MUNICIPAL RETIREMENT
FUNDING PROGRESS AND EMPLOYER CONTRIBUTIONS
DECEMBER 31, 2009**

	Calendar Year					
	2009	2008	2007	2006	2005	2004
Regular:						
Actuarial Value of Assets	\$ 10,730,617	\$ 9,946,893	\$ 11,378,769	\$ 10,423,916	\$ 9,824,662	\$ 9,509,384
Actuarial Accrued Liability (AAL)	13,026,616	12,119,365	11,025,997	10,144,425	9,406,657	8,876,874
Unfunded AAL (UAAL)	2,295,999	2,172,472	(352,772)	(279,491)	(418,005)	(632,510)
Funded Ratio	82.37%	82.07%	103.20%	102.76%	104.44%	107.13%
Covered Payroll	4,962,470	4,673,993	3,953,902	3,578,496	3,449,434	3,312,058
UAAL as a % of Covered Payroll	46.27%	46.48%	0.00%	0.00%	0.00%	0.00%
Employer Contributions:						
Required	386,576	368,778	313,149	188,587	174,552	136,788
Made	386,576	368,778	313,149	188,587	174,552	136,788
Percentage of Employer Contributions						
Made to Required Contributions	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

On a market value basis, the actuarial value of assets as of December 31, 2009 is \$10,405,353. On a market basis, the funded ratio would be 79.88%.

The actuarial valuations presented are prepared by the Illinois Municipal Retirement Fund using the following parameters:

Actuarial Cost Method:	Entry Age Actuarial Cost
Amortization Method:	Level Percentage of Projected Payroll
Remaining Amortization Period:	23 Years
Asset Valuation Method:	Techniques that smooth the effects of short-term volatility in the market value.
Actuarial Assumptions:	
Interest Rate	7.5 %
Salary Progression	4.4 - 14.0 %
Cost of Living Adjustments	3.0 %

CITY OF COLLINSVILLE, ILLINOIS

**SCHEDULE OF POST-EMPLOYMENT HEALTHCARE
FUNDING PROGRESS AND EMPLOYER CONTRIBUTIONS
DECEMBER 31, 2009**

	<u>2009</u>	<u>2008</u>
Actuarial Value of Assets	\$ -	\$ -
Actuarial Accrued Liability (AAL)	6,282,430	5,950,116
Unfunded AAL (UAAL)	6,282,430	5,950,116
Funded Ratio	0.00%	0.00%
Covered Payroll	8,505,184	8,178,062
UAAL as a % of Covered Payroll	73.87%	72.76%
Employer Contributions:		
Required	501,941	477,749
Made	214,903	186,935
Percentage of Employer Contributions Made to Required Contributions	42.81%	39.13%

The actuarial valuations presented are prepared for the post-retirement healthcare benefits using the following parameters:

Actuarial Cost Method:	Entry Age Normal Cost
Amortization Method:	Level Percentage of Projected Payroll
Remaining Amortization Period:	29 Years
Actuarial Assumptions:	
Discount Rate	4.0%
Wage Inflation	4.0%
Healthcare Trend	9.50% in 2009 decreasing to 4.50 % in ten years
Price Inflation	3.0 %

CITY OF COLLINSVILLE, ILLINOIS

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2009

	Special Revenue Funds										Capital Project Funds			Debt Service Funds			Total Nonmajor Governmental Funds
	Tree Memorial Fund	Collinsville Crossings Fund	Motor Fuel Tax Fund	DUI Court Fine Fund	Police Vehicle Fund	Collins House Fund	Northeast		Collinsville		Capital Projects Fund	Total	TIF Debt Service Fund	Fournie		Total	
							Business District Fund	Business District Fund	Animal Shelter Fund	Animal Shelter Fund				Lane Business District	Total		
Cash and Cash Equivalents:																	
Cash	\$ 622	\$ -	\$ 317,040	\$ 14,604	\$ 20,078	\$ 5,250	\$ -	\$ 18,201	\$ 375,795	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 375,795
Investments	4,641	2,005,316	1,279,859	-	-	-	110,208	-	3,400,024	-	-	-	-	-	-	-	3,400,024
Total Cash and Cash Equivalents	5,263	2,005,316	1,596,899	14,604	20,078	5,250	110,208	18,201	3,775,819	-	-	-	-	-	-	-	3,775,819
Receivables:																	
Accounts Receivable	-	-	-	-	-	-	-	-	-	33,865	33,865	-	-	-	-	-	33,865
Intergovernmental	-	193,632	51,943	-	-	-	78,260	-	323,835	-	-	-	-	3,027	-	3,027	326,862
Total Assets	\$ 5,263	\$ 2,198,948	\$ 1,648,842	\$ 14,604	\$ 20,078	\$ 5,250	\$ 188,468	\$ 18,201	\$ 4,099,654	\$ 33,865	\$ 33,865	\$ -	\$ -	\$ 3,027	\$ 3,027	\$ 4,136,546	
Liabilities and Fund Balance																	
Liabilities:																	
Accounts Payable	\$ -	\$ -	\$ 17,347	\$ -	\$ -	\$ -	\$ -	\$ 5,120	\$ 22,467	\$ 959	\$ 959	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 23,426
Interfund Payable	-	497,372	-	-	-	-	-	-	497,372	-	-	-	-	-	-	-	497,372
Deferred Revenue	-	-	366,738	-	-	-	-	-	366,738	-	-	-	-	-	-	-	366,738
Total Liabilities	-	497,372	384,085	-	-	-	-	5,120	886,577	959	959	-	-	-	-	-	887,536
Fund Balance:																	
Reserved:																	
Future Projects	-	-	-	-	-	-	-	-	-	32,906	32,906	-	-	-	-	-	32,906
Economic Development	-	1,701,576	-	-	-	-	-	-	1,701,576	-	-	-	-	-	-	-	1,701,576
Debt Service	-	-	-	-	-	-	-	-	-	-	-	-	3,027	-	3,027	3,027	3,027
Unreserved:																	
Undesignated	5,263	-	1,264,757	14,604	20,078	5,250	188,468	13,081	1,511,501	-	-	-	-	-	-	-	1,511,501
Total Fund Balance	5,263	1,701,576	1,264,757	14,604	20,078	5,250	188,468	13,081	3,213,077	32,906	32,906	-	-	3,027	3,027	3,249,010	
Total Liabilities and Fund Balance	\$ 5,263	\$ 2,198,948	\$ 1,648,842	\$ 14,604	\$ 20,078	\$ 5,250	\$ 188,468	\$ 18,201	\$ 4,099,654	\$ 33,865	\$ 33,865	\$ -	\$ -	\$ 3,027	\$ 3,027	\$ 4,136,546	

CITY OF COLLINSVILLE, ILLINOIS

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2009

	Special Revenue Funds										Capital Project Funds		Debt Service Funds		Total Nonmajor Governmental Funds	
	Collinsville										Total	TIF Debt Service Fund	Fournie Lane Business District			Total
	Tree Memorial Fund	Collinsville Crossings Fund	Motor Fuel Tax Fund	DUI Court Fine Fund	Police Vehicle Fund	Collins House Fund	Northwest Business District Fund	Animal Shelter Fund	Total	Capital Projects Fund			Total	Debt Service Fund		
Revenues:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 363,431	\$ -	\$ -	\$ -	\$ 363,431	
Utility Tax	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Sales Tax	-	1,331,299	-	-	-	-	-	-	-	-	1,519,767	-	-	-	1,534,503	
Motor Fuel Tax	-	-	660,266	-	-	-	-	-	-	-	660,266	-	-	-	660,266	
Fines and Forfeitures	-	-	-	8,288	10,720	-	-	-	-	-	19,008	-	-	-	19,008	
State Grant	14	70	-	16	22	9	34	-	-	-	13,262	-	-	-	13,262	
Investment Earnings	-	-	3,852	-	-	-	-	-	-	-	981	-	-	-	4,998	
Reimbursements	-	-	2,900	-	-	-	-	-	-	-	2,900	-	-	-	2,900	
Gifts and Donations	795	-	-	-	-	-	3,575	-	-	-	4,370	-	-	-	4,370	
Total Revenues	809	1,331,369	680,280	8,304	10,742	9	3,609	2,223,590	364,412	364,412	364,412	-	14,736	14,736	2,602,738	
Expenditures:																
General Government	-	-	-	-	-	825	-	825	-	-	16,435	-	-	-	17,260	
Public Safety	-	-	-	-	-	-	5,120	5,120	-	-	-	-	-	-	5,120	
Public Works	-	-	334,280	-	-	-	-	334,280	-	-	5,035	-	-	-	339,315	
Community/Economic Development	800	-	-	-	-	-	800	800	-	-	-	-	-	-	800	
Capital Outlay	-	-	301,489	-	-	-	8,943	310,432	-	-	488,370	-	-	-	798,802	
Debt Service	-	1,578,188	-	-	-	-	-	1,578,188	-	-	70,314	84,353	113,843	198,196	1,846,698	
Total Expenditures	800	1,578,188	635,769	-	-	825	14,063	2,229,645	580,154	580,154	580,154	84,353	113,843	198,196	3,007,995	
Excess (Deficiency) of Revenues Over Expenditures	9	(246,819)	44,511	8,304	10,742	(816)	(10,454)	(6,055)	(215,742)	(215,742)	(215,742)	(84,353)	(99,107)	(183,460)	(405,257)	
Other Financing Sources (Uses):																
Proceeds from Debt	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Operating Transfers In (Out)	-	-	(90,000)	-	-	-	-	(90,000)	(90,000)	(90,000)	(299,960)	84,567	174,545	259,112	(130,848)	
Total Other Financing Sources (Uses)	-	-	(90,000)	-	-	-	-	(90,000)	(90,000)	(90,000)	(299,960)	84,567	174,545	259,112	(130,848)	
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing (Uses)	9	(246,819)	(45,489)	8,304	10,742	(816)	(10,454)	(96,055)	(515,702)	(515,702)	(515,702)	214	75,438	75,652	(536,105)	
Fund Balance, Beginning of Year	5,254	1,948,395	1,310,246	6,300	9,336	6,066	23,535	3,309,132	548,608	548,608	548,608	(214)	(72,411)	(72,625)	3,785,115	
Fund Balance, End of Year	\$ 5,263	\$ 1,701,576	\$ 1,264,757	\$ 14,604	\$ 20,078	\$ 5,250	\$ 13,081	\$ 3,213,077	\$ 32,906	\$ 32,906	\$ 32,906	\$ -	\$ 3,027	\$ 3,027	\$ 3,249,010	

CITY OF COLLINSVILLE, ILLINOIS

TREE MEMORIAL FUND
BALANCE SHEET
DECEMBER 31, 2009

Assets

Cash and Cash Equivalents:

Cash	\$ 622
Investments	4,641
Total Cash and Cash Equivalents	<u>5,263</u>

Total Assets	<u>\$ 5,263</u>
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Liabilities and Fund Balance

Liabilities:

None	\$ -
Total Liabilities	<u>-</u>

Fund Balance:

Unreserved:	
Undesignated	5,263
Total Fund Balance	<u>5,263</u>

Total Liabilities and Fund Balance	<u>\$ 5,263</u>
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CITY OF COLLINSVILLE, ILLINOIS

**TREE MEMORIAL FUND
STATEMENT OF REVENUES AND EXPENDITURES
WITH BUDGETARY COMPARISON
FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>Budgeted Amounts</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	<u>(Budget Basis)</u>
Receipts:			
Investment Earnings	\$ 200	\$ 200	\$ 14
Miscellaneous Revenues & Reimbursements	400	400	795
Total Receipts	<u>600</u>	<u>600</u>	<u>809</u>
Disbursements:			
Community Development	2,200	2,200	800
Total Disbursements	<u>2,200</u>	<u>2,200</u>	<u>800</u>
Excess (Deficiency) of Receipts Over Disbursements	<u>\$ (1,600)</u>	<u>\$ (1,600)</u>	<u>9</u>
No change on modified accrual basis			-
As reported on the Statement of Revenues, Expenditures and Changes in Fund Balance			<u>\$ 9</u>

CITY OF COLLINSVILLE, ILLINOIS

COLLINSVILLE CROSSINGS FUND
BALANCE SHEET
DECEMBER 31, 2009

Assets

Investments	\$ 2,005,316
Receivables:	
Intergovernmental	<u>193,632</u>
Total Assets	<u>\$ 2,198,948</u>

Liabilities and Fund Balance

Liabilities:	
Interfund Payable	\$ <u>497,372</u>
Total Liabilities	<u>497,372</u>
Fund Balance:	
Reserved:	
Economic Development	<u>1,701,576</u>
Total Fund Balance	<u>1,701,576</u>
Total Liabilities and Fund Balance	<u>\$ 2,198,948</u>

CITY OF COLLINSVILLE, ILLINOIS

COLLINSVILLE CROSSINGS FUND
 STATEMENT OF REVENUES AND EXPENDITURES
 WITH BUDGETARY COMPARISON
 FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Budgeted Amounts</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	<u>(Budget Basis)</u>
Receipts:			
Sales Tax	\$ 1,724,310	\$ 1,724,310	\$ 1,370,734
Investment Earnings	-	-	70
Total Receipts	<u>1,724,310</u>	<u>1,724,310</u>	<u>1,370,804</u>
Disbursements:			
Debt Service	<u>1,724,310</u>	<u>1,724,310</u>	<u>1,619,688</u>
Excess (Deficiency) of Receipts Over Disbursements	<u>\$ -</u>	<u>\$ -</u>	<u>(248,884)</u>
Change in sales tax receivable on modified accrual basis			2,065
As reported on the Statement of Revenues, Expenditures and Changes in Fund Balance			<u>\$ (246,819)</u>

CITY OF COLLINSVILLE, ILLINOIS

MOTOR FUEL TAX FUND
BALANCE SHEET
DECEMBER 31, 2009

Assets

Cash and Cash Equivalents:

Cash	\$ 317,040
Investments	1,279,859
Total Cash and Cash Equivalents	<u>1,596,899</u>

Receivables:

Intergovernmental	<u>51,943</u>
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Total Assets	<u>\$ 1,648,842</u>
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Liabilities and Fund Balance

Liabilities:

Accounts Payable	\$ 17,347
Deferred Revenue	366,738
Total Liabilities	<u>384,085</u>

Fund Balance:

Unreserved:	
Undesignated	<u>1,264,757</u>
Total Fund Balance	<u>1,264,757</u>

Total Liabilities and Fund Balance	<u>\$ 1,648,842</u>
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CITY OF COLLINSVILLE, ILLINOIS

**MOTOR FUEL TAX FUND
STATEMENT OF REVENUES AND EXPENDITURES
WITH BUDGETARY COMPARISON
FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>Budgeted Amounts</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	<u>(Budget Basis)</u>
Receipts:			
Motor Fuel Tax	\$ 700,000	\$ 700,000	\$ 669,653
Intergovernmental Revenues	80,000	80,000	380,000
Investment Earnings	30,000	30,000	3,852
Miscellaneous Revenues & Reimbursements	93,000	93,000	84,186
Total Receipts	<u>903,000</u>	<u>903,000</u>	<u>1,137,691</u>
Disbursements:			
Public Works	837,350	837,350	612,326
Capital Outlay	1,325,000	1,325,000	64,241
Total Disbursements	<u>2,162,350</u>	<u>2,162,350</u>	<u>676,567</u>
Excess (Deficiency) of Receipts Over Disbursements	<u>(1,259,350)</u>	<u>(1,259,350)</u>	<u>461,124</u>
Other Financing Sources (Uses):			
Operating Transfers Out	(90,000)	(90,000)	(90,000)
Total Other Financing Sources (Uses)	<u>(90,000)</u>	<u>(90,000)</u>	<u>(90,000)</u>
Excess (Deficiency) of Receipts and Other Financing Sources Over Disbursements and Other Financing (Uses)	<u>\$ (1,349,350)</u>	<u>\$ (1,349,350)</u>	371,124
Change in motor fuel tax receivable on modified accrual basis			(9,387)
Change in intergovernmental receivable on modified accrual basis			(448,024)
Change in accounts payable on modified accrual basis			40,798
As reported on the Statement of Revenues, Expenditures and Changes in Fund Balance			<u>\$ (45,489)</u>

CITY OF COLLINSVILLE, ILLINOIS

**DUI COURT FINE FUND
BALANCE SHEET
DECEMBER 31, 2009**

Assets

Cash	\$ 14,604
Total Assets	<u>\$ 14,604</u>

Liabilities and Fund Balance

Liabilities:	
None	\$ -
Total Liabilities	<u>-</u>

Fund Balance:	
Unreserved:	
Undesignated	14,604
Total Fund Balance	<u>14,604</u>
Total Liabilities and Fund Balance	<u>\$ 14,604</u>

CITY OF COLLINSVILLE, ILLINOIS

**DUI COURT FINE FUND
STATEMENT OF REVENUES AND EXPENDITURES
WITH BUDGETARY COMPARISON
FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>Budgeted Amounts</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	<u>(Budget Basis)</u>
Receipts:			
Fines	\$ 6,000	\$ 6,000	\$ 8,288
Investment Earnings	100	100	16
Total Receipts	<u>6,100</u>	<u>6,100</u>	<u>8,304</u>
Disbursements:			
Capital Outlay	<u>12,150</u>	<u>12,150</u>	-
Total Disbursements	<u>12,150</u>	<u>12,150</u>	-
Excess (Deficiency) of Receipts Over Disbursements	<u>\$ (6,050)</u>	<u>\$ (6,050)</u>	<u>8,304</u>
No change on modified accrual basis			-
As reported on the Statement of Revenues, Expenditures and Changes in Fund Balance			<u>\$ 8,304</u>

CITY OF COLLINSVILLE, ILLINOIS

**POLICE VEHICLE FUND
BALANCE SHEET
DECEMBER 31, 2009**

Assets

Cash	\$ 20,078
Total Assets	<u>\$ 20,078</u>

Liabilities and Fund Balance

Liabilities:	
None	\$ -
Total Liabilities	<u>-</u>

Fund Balance:	
Unreserved:	
Undesignated	20,078
Total Fund Balance	<u>20,078</u>
Total Liabilities and Fund Balance	<u>\$ 20,078</u>

CITY OF COLLINSVILLE, ILLINOIS

**POLICE VEHICLE FUND
STATEMENT OF REVENUES AND EXPENDITURES
WITH BUDGETARY COMPARISON
FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>Budgeted Amounts</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	<u>(Budget Basis)</u>
Receipts:			
Fines	\$ 10,000	\$ 10,000	\$ 10,720
Investment Earnings	100	100	22
Total Receipts	<u>10,100</u>	<u>10,100</u>	<u>10,742</u>
Disbursements:			
None	-	-	-
Total Disbursements	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Receipts Over Disbursements	<u>\$ 10,100</u>	<u>\$ 10,100</u>	<u>10,742</u>
No change on modified accrual basis			-
As reported on the Statement of Revenues, Expenditures and Changes in Fund Balance			<u>\$ 10,742</u>

CITY OF COLLINSVILLE, ILLINOIS

**COLLINS HOUSE FUND
BALANCE SHEET
DECEMBER 31, 2009**

Assets

Cash	\$ 5,250
Total Assets	<u>\$ 5,250</u>

Liabilities and Fund Balance

Liabilities:	
None	\$ -
Total Liabilities	<u>-</u>

Fund Balance:	
Unreserved:	
Undesignated	5,250
Total Fund Balance	<u>5,250</u>
Total Liabilities and Fund Balance	<u>\$ 5,250</u>

CITY OF COLLINSVILLE, ILLINOIS

**COLLINS HOUSE FUND
STATEMENT OF REVENUES AND EXPENDITURES
WITH BUDGETARY COMPARISON
FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>Budgeted Amounts</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	<u>(Budget Basis)</u>
Receipts:			
Intergovernmental	\$ 65,000	\$ 65,000	\$ -
Investment Earnings	-	-	9
Total Receipts	<u>65,000</u>	<u>65,000</u>	<u>9</u>
Disbursements:			
General Government	-	-	825
Capital Outlay	<u>65,000</u>	<u>65,000</u>	-
Total Disbursements	<u>65,000</u>	<u>65,000</u>	<u>825</u>
Excess (Deficiency) of Receipts Over Disbursements	<u>\$ -</u>	<u>\$ -</u>	<u>(816)</u>
No change on modified accrual basis			-
As reported on the Statement of Revenues, Expenditures and Changes in Fund Balance			<u>\$ (816)</u>

CITY OF COLLINSVILLE, ILLINOIS

**NORTHEAST BUSINESS DISTRICT FUND
BALANCE SHEET
DECEMBER 31, 2009**

Assets

Investments	\$ 110,208
Receivables:	
Intergovernmental	<u>78,260</u>
Total Assets	<u>\$ 188,468</u>

Liabilities and Fund Balance

Liabilities:	
None	\$ <u>-</u>
Total Liabilities	<u>-</u>
Fund Balance:	
Unreserved:	
Undesignated	<u>188,468</u>
Total Fund Balance	<u>188,468</u>
Total Liabilities and Fund Balance	<u>\$ 188,468</u>

CITY OF COLLINSVILLE, ILLINOIS

**NORTHEAST BUSINESS DISTRICT FUND
STATEMENT OF REVENUES AND EXPENDITURES
WITH BUDGETARY COMPARISON
FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>Budgeted Amounts</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	<u>(Budget Basis)</u>
Receipts:			
Intergovernmental		\$ -	\$ 110,208
Total Receipts	<u>-</u>	<u>-</u>	<u>110,208</u>
Disbursements:			
None	<u>-</u>	<u>-</u>	<u>-</u>
Total Disbursements	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Receipts Over Disbursements	<u>\$ -</u>	<u>\$ -</u>	<u>110,208</u>
Change in sales tax receivable on modified accrual basis			78,260
As reported on the Statement of Revenues, Expenditures and Changes in Fund Balance			<u>\$ 188,468</u>

CITY OF COLLINSVILLE, ILLINOIS

**COLLINSVILLE ANIMAL SHELTER FUND
BALANCE SHEET
DECEMBER 31, 2009**

Assets

Cash	\$ 18,201
Total Assets	<u>\$ 18,201</u>

Liabilities and Fund Balance

Liabilities:

Accounts Payable	\$ 5,120
Total Liabilities	<u>5,120</u>

Fund Balance:

Unreserved:

Undesignated	13,081
Total Fund Balance	<u>13,081</u>

**Total Liabilities and
Fund Balance**

\$ 18,201

CITY OF COLLINSVILLE, ILLINOIS

**COLLINSVILLE ANIMAL SHELTER FUND
STATEMENT OF REVENUES AND EXPENDITURES
WITH BUDGETARY COMPARISON
FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>Budgeted Amounts</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	<u>(Budget Basis)</u>
Receipts:			
Investment Earnings	\$ -	\$ -	\$ 34
Donations	51,477	51,477	3,575
Total Receipts	<u>51,477</u>	<u>51,477</u>	<u>3,609</u>
Disbursements:			
Capital Outlay	76,600	76,600	8,943
Total Disbursements	<u>76,600</u>	<u>76,600</u>	<u>8,943</u>
Excess (Deficiency) of Receipts Over Disbursements	<u>\$ (25,123)</u>	<u>\$ (25,123)</u>	<u>(5,334)</u>
Change in accounts payable on modified accrual basis			(5,120)
As reported on the Statement of Revenues, Expenditures and Changes in Fund Balance			<u>\$ (10,454)</u>

CITY OF COLLINSVILLE, ILLINOIS

**CAPITAL PROJECTS FUND
BALANCE SHEET
DECEMBER 31, 2009**

Assets

Accounts Receivable	\$ 33,865
Total Assets	<u>\$ 33,865</u>

Liabilities and Fund Balance

Liabilities:

Accounts Payable	\$ 959
Total Liabilities	<u>959</u>

Fund Balance:

Reserved:	
Future Projects	<u>32,906</u>
Total Fund Balance	<u>32,906</u>

Total Liabilities and Fund Balance	<u>\$ 33,865</u>
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CITY OF COLLINSVILLE, ILLINOIS

**CAPITAL PROJECTS FUND
STATEMENT OF REVENUES AND EXPENDITURES
WITH BUDGETARY COMPARISON
FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>Budgeted Amounts</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	<u>(Budget Basis)</u>
Receipts:			
Utility Tax	\$ 400,000	\$ 400,000	\$ 372,985
Intergovernmental Revenues	1,350,000	1,350,000	-
Investment Earnings	10,000	10,000	981
Sales of Fixed Assets	250,000	250,000	-
Total Receipts	<u>2,010,000</u>	<u>2,010,000</u>	<u>373,966</u>
Disbursements:			
Capital Outlay	<u>2,310,500</u>	<u>2,310,500</u>	<u>650,670</u>
Total Disbursements	<u>2,310,500</u>	<u>2,310,500</u>	<u>650,670</u>
Excess (Deficiency) of Receipts Over Disbursements	<u>(300,500)</u>	<u>(300,500)</u>	<u>(276,704)</u>
Other Financing Sources (Uses):			
Operating Transfers Out	-	-	<u>(99,960)</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(99,960)</u>
Excess (Deficiency) of Receipts and Other Financing Sources Over Disbursements and Other Financing (Uses)	<u>\$ (300,500)</u>	<u>\$ (300,500)</u>	<u>(376,664)</u>
Change in utility tax receivable on modified accrual basis			(9,554)
Change in intergovernmental tax receivable on modified accrual basis			(200,000)
Change in accounts payable on modified accrual basis			70,516
As reported on the Statement of Revenues, Expenditures and Changes in Fund Balance			<u>\$ (515,702)</u>

CITY OF COLLINSVILLE, ILLINOIS

**TIF DEBT SERVICE FUND
BALANCE SHEET
DECEMBER 31, 2009**

Assets

Assets	\$ -
	<hr/>
Total Assets	<u>\$ -</u>

Liabilities and Fund Balance

Liabilities:	
None	\$ -
Total Liabilities	<hr/> -
Fund Balance:	
Unreserved:	
Undesignated	<hr/> -
Total Fund Balance	<hr/> -
Total Liabilities and Fund Balance	<u>\$ -</u>

CITY OF COLLINSVILLE, ILLINOIS

**TIF DEBT SERVICE FUND
STATEMENT OF REVENUES AND EXPENDITURES
WITH BUDGETARY COMPARISON
FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>Budgeted Amounts</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	<u>(Budget Basis)</u>
Receipts:			
None	\$ -	\$ -	\$ -
Total Receipts	<u>-</u>	<u>-</u>	<u>-</u>
Disbursements:			
Debt Service	84,580	84,580	84,567
Total Disbursements	<u>84,580</u>	<u>84,580</u>	<u>84,567</u>
Excess (Deficiency) of Receipts Over Disbursements	<u>(84,580)</u>	<u>(84,580)</u>	<u>(84,567)</u>
Other Financing Sources (Uses):			
Operating Transfers Out	84,580	84,580	84,567
Total Other Financing Sources (Uses)	<u>84,580</u>	<u>84,580</u>	<u>84,567</u>
Excess (Deficiency) of Receipts and Other Financing Sources Over Disbursements and Other Financing (Uses)	<u>\$ -</u>	<u>\$ -</u>	-
Change in accounts payable on modified accrual basis			214
As reported on the Statement of Revenues, Expenditures and Changes in Fund Balance			<u>\$ 214</u>

CITY OF COLLINSVILLE, ILLINOIS

**FOURNIE LANE BUSINESS DISTRICT FUND
BALANCE SHEET
DECEMBER 31, 2009**

Assets

Receivables:

Intergovernmental

\$ 3,027

Total Assets

\$ 3,027

Liabilities and Fund Balance

Liabilities:

None

\$ -

Total Liabilities

-

Fund Balance:

Reserved:

Debt Service

3,027

Total Fund Balance

3,027

Total Liabilities and
Fund Balance

\$ 3,027

CITY OF COLLINSVILLE, ILLINOIS

**FOURNIE LANE BUSINESS DISTRICT FUND
STATEMENT OF REVENUES AND EXPENDITURES
WITH BUDGETARY COMPARISON
FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>Budgeted Amounts</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	<u>(Budget Basis)</u>
Receipts:			
Intergovernmental Revenues	<u>\$ 15,000</u>	<u>\$ 15,000</u>	<u>\$ 13,258</u>
Total Receipts	<u>15,000</u>	<u>15,000</u>	<u>13,258</u>
Disbursements:			
Debt Service	<u>113,920</u>	<u>113,920</u>	<u>113,843</u>
Total Disbursements	<u>113,920</u>	<u>113,920</u>	<u>113,843</u>
Excess (Deficiency) of Receipts Over Disbursements	<u>(98,920)</u>	<u>(98,920)</u>	<u>(100,585)</u>
Other Financing Sources (Uses):			
Operating Transfers Out	<u>98,000</u>	<u>98,000</u>	<u>174,545</u>
Total Other Financing Sources (Uses)	<u>98,000</u>	<u>98,000</u>	<u>174,545</u>
Excess (Deficiency) of Receipts and Other Financing Sources Over Disbursements and Other Financing (Uses)	<u>\$ (920)</u>	<u>\$ (920)</u>	<u>73,960</u>
Change in sales tax receivable on modified accrual basis			1,478
As reported on the Statement of Revenues, Expenditures and Changes in Fund Balance			<u>\$ 75,438</u>

CITY OF COLLINSVILLE, ILLINOIS

**COMBINING STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
DECEMBER 31, 2009**

	<u>Pension Trust Funds</u>		
	<u>Police Pension</u>	<u>Firefighters' Pension</u>	<u>Total</u>
Assets:			
Cash and Cash Equivalents:			
Cash	\$ 420,360	\$ 257,085	\$ 677,445
Investments	-	12	12
Investments	13,907,233	15,305,971	29,213,204
Receivables:			
Property Tax	771,533	459,522	1,231,055
Employee Contribution	12,025	8,291	20,316
Accrued Interest	27,024	36,971	63,995
Total Assets	<u>15,138,175</u>	<u>16,067,852</u>	<u>31,206,027</u>
Liabilities:			
Accounts Payable	10,000	5,000	15,000
Total Liabilities	<u>10,000</u>	<u>5,000</u>	<u>15,000</u>
Net Assets:			
Held in Trust For Pension Benefits and Other Purposes	<u>\$ 15,128,175</u>	<u>\$ 16,062,852</u>	<u>\$ 31,191,027</u>

CITY OF COLLINSVILLE, ILLINOIS

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
 FIDUCIARY FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Pension Trust Funds</u>		
	<u>Police</u>	<u>Firefighters'</u>	
	<u>Pension</u>	<u>Pension</u>	<u>Total</u>
Additions:			
Property Tax	\$ 681,521	\$ 406,120	\$ 1,087,641
Replacement Tax	115,896	106,727	222,623
Employee Contributions	345,883	209,461	555,344
Investment Earnings:			
Investment Earnings	1,182,485	2,501,347	3,683,832
Less: Investment Expense	(83,043)	(24,786)	(107,829)
Net Investment Earnings	<u>1,099,442</u>	<u>2,476,561</u>	<u>3,576,003</u>
Total Additions	<u>2,242,742</u>	<u>3,198,869</u>	<u>5,441,611</u>
Deductions:			
Benefit Payments	931,086	852,633	1,783,719
Refund of Contributions	20,711	-	20,711
Contractual Services	26,697	5,217	31,914
Total Deductions	<u>978,494</u>	<u>857,850</u>	<u>1,836,344</u>
Change in Net Assets	1,264,248	2,341,019	3,605,267
Net Assets, Beginning of Year	<u>13,863,927</u>	<u>13,721,833</u>	<u>27,585,760</u>
Net Assets, End of Year	<u>\$ 15,128,175</u>	<u>\$ 16,062,852</u>	<u>\$ 31,191,027</u>

CITY OF COLLINSVILLE, ILLINOIS

ASSESSED VALUATIONS, TAX RATES, EXTENSIONS AND COLLECTIONS (CONTINUED)
DECEMBER 31, 2009

Levy Date - Calendar Year	2004		2005		2006		2007		2008	
	Madison County	St. Clair County	Madison County	St. Clair County	Madison County	St. Clair County	Madison County	St. Clair County	Madison County	St. Clair County
Revenue Collection Date - Fiscal Year Ended	12/31/2005	12/31/2005	12/31/2006	12/31/2006	12/31/2007	12/31/2007	12/31/2008	12/31/2008	12/31/2009	12/31/2009
Assessed Valuation	\$ 278,810,468	\$ 30,013,689	\$ 297,847,563	\$ 32,369,890	\$ 325,590,789	\$ 34,738,302	\$ 349,026,741	\$ 37,499,115	\$ 364,253,981	\$ 38,101,665
Tax Rates (Per \$100 Equalized Assessed Valuation):										
General Government	0.0800	0.0800	0.0792	0.0786	0.0775	0.0770	0.0819	0.0800	0.3787	0.3826
Fire Protection	0.0563	0.0563	0.0557	0.0553	0.0546	0.0542	0.0605	0.0563	-	-
Police Protection	0.0563	0.0563	0.0557	0.0553	0.0546	0.0542	0.0605	0.0563	-	-
Garbage	0.0486	0.0506	0.0550	0.0546	0.0517	0.0514	0.0300	0.0298	-	-
Retirement	0.0162	0.0176	0.0305	0.0316	0.0257	0.0267	0.0391	0.0389	-	-
Police Pension	0.1146	0.1240	0.1093	0.1129	0.1079	0.1115	0.1251	0.1242	0.1472	0.1470
Firefighters' Pension	0.0973	0.1052	0.0871	0.0900	0.0819	0.0847	0.0671	0.0666	0.0878	0.0876
Tort Liability	0.1393	0.1506	0.1326	0.1370	0.1331	0.1375	0.1156	0.1147	-	-
Social Security	0.0616	0.0666	0.0596	0.0616	0.0587	0.0607	0.0522	0.0518	-	-
Audit	0.0075	0.0078	0.0070	0.0070	0.0065	0.0064	0.0053	0.0052	-	-
Unemployment	0.0049	0.0053	0.0075	0.0078	0.0073	0.0076	0.0063	0.0062	-	-
Total Tax Rates	\$ 0.6826	\$ 0.7203	\$ 0.6792	\$ 0.6917	\$ 0.6595	\$ 0.6719	\$ 0.6436	\$ 0.6300	\$ 0.6137	\$ 0.6172
Tax Extensions:										
General Government	\$ 223,048	\$ 24,011	\$ 235,895	\$ 25,443	\$ 252,333	\$ 26,749	\$ 285,854	\$ 30,000	\$ 1,379,430	\$ 145,777
Fire Protection	156,970	16,898	165,901	17,900	177,773	18,828	211,161	21,112	-	-
Police Protection	156,970	16,898	165,901	17,900	177,773	18,828	211,161	21,112	-	-
Garbage	135,502	15,187	163,816	17,674	168,330	17,856	104,708	11,175	-	-
Retirement	45,167	5,282	90,844	10,229	83,677	9,275	136,469	15,187	-	-
Police Pension	319,517	37,217	325,547	36,546	351,312	38,733	436,632	48,449	536,182	56,009
Firefighters' Pension	271,283	31,574	259,425	29,133	266,659	29,423	234,197	25,987	319,815	33,377
Tort Liability	388,383	45,201	394,946	44,347	433,361	47,765	403,475	44,736	-	-
Social Security	171,747	19,989	177,517	19,940	191,122	21,086	182,192	20,212	-	-
Audit	20,911	2,341	20,849	2,266	21,163	2,223	18,498	1,950	-	-
Unemployment	13,662	1,591	22,339	2,525	23,768	2,640	21,989	2,437	-	-
Total Tax Extensions	\$ 1,903,160	\$ 216,189	\$ 2,022,980	\$ 223,903	\$ 2,147,271	\$ 233,406	\$ 2,246,336	\$ 242,357	\$ 2,235,427	\$ 235,163
Total Tax Collections Through Fiscal Year End	\$ 1,896,172	\$ 213,321	\$ 2,016,011	\$ 223,297	\$ 2,133,396	\$ 232,603	\$ 2,237,260	\$ 241,657	\$ 1,476,986	\$ 211,010
Percent of Total Taxes Collected	99.63%	98.67%	99.66%	99.73%	99.35%	99.66%	99.60%	99.71%	66.07%	89.73%

CITY OF COLLINSVILLE, ILLINOIS

**ASSESSED VALUATIONS, TAX RATES, EXTENSIONS AND COLLECTIONS
DECEMBER 31, 2009**

Levy Date - Calendar Year	1999		2000		2001		2002		2003	
	Madison County	St. Clair County	Madison County	St. Clair County	Madison County	St. Clair County	Madison County	St. Clair County	Madison County	St. Clair County
Revenue Collection Date - Fiscal Year Ended	12/31/2000	12/31/2000	12/31/2001	12/31/2001	12/31/2002	12/31/2002	12/31/2003	12/31/2003	12/31/2004	12/31/2004
Assessed Valuation	\$ 203,251,195	\$ 23,405,504	\$ 213,195,916	\$ 24,398,588	\$ 230,197,803	\$ 26,009,004	\$ 248,191,846	\$ 27,556,145	\$ 267,010,400	\$ 29,453,927
Tax Rates (Per \$100 Equalized Assessed Valuation):										
General Government	0.0800	0.0800	0.0796	0.0800	0.0770	0.0766	0.0762	0.0762	0.0782	0.0800
Fire Protection	0.0563	0.0563	0.0558	0.0563	0.0543	0.0539	0.0534	0.0534	0.0547	0.0563
Police Protection	0.0563	0.0563	0.0558	0.0563	0.0543	0.0539	0.0534	0.0534	0.0547	0.0563
Garbage	0.1249	0.1296	0.1284	0.1340	0.1116	0.1109	0.0726	0.0726	0.0675	0.0721
Public Library	0.1500	0.1500	0.1492	0.1500	0.1557	0.1547	0.1557	0.1557	0.1528	0.1567
Retirement	0.0352	0.0366	0.0369	0.0377	0.0366	0.0377	0.0366	0.0366	0.0377	0.0376
Police Pension	0.0828	0.0859	0.0828	0.0859	0.0928	0.0923	0.1031	0.1031	0.0983	0.1050
Firefighters' Pension	0.0766	0.0795	0.0852	0.0889	0.0949	0.0943	0.1024	0.1024	0.0976	0.1042
Tort Liability	0.1212	0.1257	0.1344	0.1403	0.1373	0.1365	0.1443	0.1443	0.1410	0.1506
Social Security	0.0770	0.0799	0.0744	0.0776	0.0700	0.0696	0.0664	0.0664	0.0640	0.0683
Audit	0.0115	0.0120	0.0112	0.0117	0.0087	0.0086	0.0084	0.0084	0.0078	0.0083
Unemployment	0.0035	0.0037	0.0039	0.0041	0.0041	0.0040	0.0042	0.0042	0.0036	0.0038
Total Tax Rates	\$ 0.8753	\$ 0.8955	\$ 0.8647	\$ 0.8898	\$ 0.8684	\$ 0.8630	\$ 0.8462	\$ 0.8506	\$ 0.8274	\$ 0.8692
Tax Extensions:										
General Government	\$ 162,601	\$ 18,725	\$ 169,704	\$ 19,520	\$ 177,252	\$ 19,924	\$ 189,122	\$ 20,998	\$ 208,802	\$ 23,563
Fire Protection	114,430	13,177	118,963	13,736	124,997	14,019	132,534	14,715	146,055	16,583
Police Protection	114,430	13,177	118,963	13,736	124,997	14,019	132,534	14,715	146,055	16,583
Garbage	253,861	30,334	273,744	32,694	256,901	28,844	180,187	20,006	180,232	21,236
Public Library	304,877	35,109	318,088	36,598	358,418	40,236	386,435	44,118	407,992	46,154
Retirement	71,544	8,566	36,030	4,319	17,725	2,003	15,140	1,681	19,225	2,238
Police Pension	168,292	20,105	149,024	17,787	213,624	24,006	255,886	28,410	262,471	30,927
Firefighters' Pension	155,690	18,607	181,643	21,690	218,458	24,526	254,149	28,217	260,602	30,691
Tort Liability	246,341	29,421	286,535	34,231	316,062	35,302	358,141	39,764	376,485	44,358
Social Security	156,504	18,701	158,618	18,933	161,138	18,102	164,799	18,297	170,887	20,117
Audit	23,374	2,809	23,878	2,855	20,027	2,237	20,848	2,315	20,827	2,445
Unemployment	7,114	866	8,315	1,000	9,438	1,040	10,424	1,157	9,611	1,119
Total Tax Extensions	\$ 1,779,058	\$ 209,597	\$ 1,843,505	\$ 217,099	\$ 1,999,037	\$ 224,458	\$ 2,100,199	\$ 234,393	\$ 2,209,244	\$ 256,014
Total Tax Collections Through Fiscal Year End	\$ 1,767,353	\$ 209,403	\$ 1,838,481	\$ 210,373	\$ 1,971,345	\$ 200,615	\$ 2,097,812	\$ 232,953	\$ 2,202,899	\$ 244,348
Percent of Total Taxes Collected	99.34%	99.91%	99.73%	96.90%	98.61%	89.38%	99.89%	99.39%	99.71%	95.44%

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C. J. SCHLOSSER
& COMPANY, L.L.C.
CERTIFIED PUBLIC ACCOUNTANTS

J. Terry Dooling
David L. Kamler
David M. Bartosiak
Cindy A. Tefteller
Kevin J. Tepen

INDEPENDENT AUDITOR'S REPORT ON
COMPLIANCE WITH TAX INCREMENT FINANCING ACT

Honorable Mayor and Members
of the City Council
Collinsville, Illinois

We have audited the accompanying financial statements of the City of Collinsville, Illinois for the year ended December 31, 2009, and have issued our report thereon dated May 14, 2010. The financial statements are the responsibility of the City of Collinsville, Illinois' management. Our responsibility is to express an opinion on the financial statements based on our audit.

Our audit was made in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The management of the City of Collinsville, Illinois is responsible for the government's compliance with laws and regulations. In connection with our audit, referred to above, we selected and tested transactions and records to determine the government's compliance with 65 ILCS 5/11-74.4-3, "Tax Increment Allocation Redevelopment Act".

The results of our tests indicate that for the items tested, the City of Collinsville, Illinois, complied with Subsection (q) of 65 ILCS 5/11-74.4-3, "Tax Increment Allocation Redevelopment Act". Nothing came to our attention that caused us to believe that, for the items not tested, the City of Collinsville, Illinois was not in compliance with Subsection (q) of 65 ILCS 5/11-74.4-3, "Tax Increment Allocation Redevelopment Act".

C. J. Schlosser & Company, L.L.C.

Certified Public Accountants

May 14, 2010

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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

Honorable Mayor and Members
of the City Council
Collinsville, Illinois

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Collinsville, Illinois ("City") as of and for the year ended December 31, 2009, which collectively comprise the City's basic financial statements and have issued our report thereon dated May 14, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information of the audit committee, management, the City Council and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

C. J. Schlessel & Company LLC
Certified Public Accountants

May 14, 2010



C. J. SCHLOSSER
& COMPANY, L.L.C.
CERTIFIED PUBLIC ACCOUNTANTS

J. Terry Dooling
David L. Kamler
David M. Bartosiak
Cindy A. Tefeller
Kevin J. Tepen

**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH
MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN
ACCORDANCE WITH OMB CIRCULAR A-133**

Honorable Mayor and Members
of the City Council
Collinsville, Illinois

Compliance

We have audited the compliance of the City of Collinsville, Illinois ("City") with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 2009. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the City's compliance with those requirements.

In our opinion, the City complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2009.

Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the City's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

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A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information of the audit committee, management, the City Council and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

C. J. Schuman & Company, L.L.C.

Certified Public Accountants

May 14, 2010

CITY OF COLLINSVILLE, ILLINOIS

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2009**

<u>Grantor and Program Title</u>	<u>Federal CFDA</u>	<u>Pass-through Project or Grant No.</u>	<u>Award Period</u>	<u>Grant Amount</u>	<u>Expenditures</u>
Department of Health and Human Services:					
Passed through Illinois Department of Human Services:					
Title XX Donated Fund Initiative	93.667	81XL004000	07/01/09 - 06/30/10	24,275	13,318
	93.667	81XK004000	07/01/08 - 06/30/09	28,559	13,896
					<u>27,214</u>
Department of Justice:					
Byrne Formula Grant Program	16.738		10/01/09 - 09/30/10	467,598	195,000
Byrne Formula Grant Program	16.738		10/01/08 - 09/30/09	467,598	317,598
					<u>512,598</u>
Department of Transportation:					
Passed through Illinois Department of Transportation:					
Integrated Mini-Grant					
Enforcement Program	20.609	OP0-1205-035	10/01/09 - 09/30/10	38,799	4,312
	20.609	OP9-1205-174	10/01/08 - 09/30/09	35,364	31,958
					<u>36,270</u>
Department of Homeland Security:					
Assistance to Firefighters					
	97.044		12/05/08 - 12/04/13	527,125	189,750
Passed through Illinois Emergency Management Agency:					
Citizens Corp Program	97.067		08/25/05 - 08/25/09	15,251	15,251
Total Federal Awards					<u><u>\$ 781,083</u></u>

See Notes to Schedule of Expenditures of Federal Awards

CITY OF COLLINSVILLE, ILLINOIS

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
DECEMBER 31, 2009**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal award programs of the City of Collinsville, Illinois. The City's reporting entity is defined in Note 1 to the City's financial statements. Federal awards that have been passed through to other government agencies are included on the schedule.

Basis of Accounting

The accompanying Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting, which is described in Note 1 to the City's financial statements.

Relationship to Basic Financial Statements

Federal awards received are reflected in the City's financial statements.

Noncash Assistance, Federal Insurance and Loans/Loan Guarantees

The City did not receive any noncash assistance, federal guaranteed loans or federal insurance for any of its programs for the year ended December 31, 2009.

Subrecipient Monitoring

The City had pass through revenue to subrecipients related to its federal funds during the year ended December 31, 2009. These amounts relate to the MEGSI program and were remitted to the local Metropolitan Enforcement Unit. The total amount remitted for the year ended December 31, 2009 was \$512,598.

CITY OF COLLINSVILLE, ILLINOIS

**SCHEDULE OF CURRENT YEAR FINDINGS AND QUESTIONED COSTS
DECEMBER 31, 2009**

Part 1 -- Summary of Auditor's Results

- a) An unqualified opinion was issued in the report on the financial statements.
- b) No significant deficiencies in internal control were disclosed by the audit of the financial statements of the City.
- c) The audit did not disclose any noncompliance which is material to the financial statements of the City.
- d) No significant deficiencies in internal control over major programs were disclosed by the audit of the financial statements of the City.
- e) An unqualified opinion was issued in the report on compliance for major programs.
- f) The audit did not disclose any audit findings that are required to be reported under Section .510(a).
- g) The City's major programs are:
 Byrne Formula Grant Program – CFDA #16.738
- h) The dollar threshold to distinguish between Type A and Type B programs is \$300,000.
- i) The City qualifies as a low-risk auditee under Section .530.

Part 2 -- The City has no findings to the financial statements that are required to be reported in accordance with GAGAS.

Part 3 -- The City has no findings or questioned costs for Federal awards.

CITY OF COLLINSVILLE, ILLINOIS

**SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
DECEMBER 31, 2009**

NONE

CITY OF COLLINSVILLE, ILLINOIS

STATISTICAL SECTION
DECEMBER 31, 2009

This part of the City's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

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CITY OF COLLINSVILLE, ILLINOIS

**Net Assets by Component
Last Seven Fiscal Years**

	December 31						
	2003	2004	2005	2006	2007	2008	2009
Governmental Activities:							
Invested in Capital Assets, Net of Related Debt	\$ 6,569,884	7,876,775	11,023,768	24,172,976	25,681,657	27,730,589	27,107,312
Restricted for:							
Debt Service	384,010	391,795	385,671	-	-	-	-
Economic Development	3,234,090	3,187,179	1,498,965	2,433,271	6,225,360	5,477,490	6,696,868
Other Purposes	363,977	752,729	846,450	815,885	402,674	435,331	293,292
Unrestricted	3,668,286	4,434,789	4,573,941	5,388,482	(23,192,169)	(24,088,885)	(27,064,010)
	<u>14,220,247</u>	<u>16,643,267</u>	<u>18,328,795</u>	<u>32,810,614</u>	<u>9,117,522</u>	<u>9,554,525</u>	<u>7,033,462</u>
Business-type Activities:							
Invested in Capital Assets, Net of Related Debt	19,668,130	19,580,041	20,072,702	21,490,919	20,928,363	22,656,637	23,766,488
Restricted for:							
Debt Service	660,354	627,730	-	-	-	-	-
Unrestricted	2,415,253	2,558,341	2,943,436	2,931,277	4,432,403	3,186,263	2,528,084
	<u>\$ 22,743,737</u>	<u>22,766,112</u>	<u>23,016,138</u>	<u>24,422,196</u>	<u>25,360,766</u>	<u>25,842,900</u>	<u>26,294,572</u>
Total Primary Government:							
Invested in Capital Assets, Net of Related Debt	26,238,014	27,456,816	31,096,470	45,663,895	46,610,020	50,387,226	50,873,800
Restricted for:							
Debt Service	1,044,364	1,019,525	385,671	-	-	-	-
Economic Development	3,234,090	3,187,179	1,498,965	2,433,271	6,225,360	5,477,490	6,696,868
Other Purposes	363,977	752,729	846,450	815,885	402,674	435,331	293,292
Unrestricted	6,083,539	6,993,130	7,517,377	8,319,759	(18,759,766)	(20,902,622)	(24,535,926)
	<u>36,963,984</u>	<u>39,409,379</u>	<u>41,344,933</u>	<u>57,232,810</u>	<u>34,478,288</u>	<u>35,397,425</u>	<u>33,328,034</u>

2003 was the first year of GASB 34 implementation.

CITY OF COLLINSVILLE, ILLINOIS

**Changes in Net Assets
Last Seven Fiscal Years
(Accrual basis of accounting)**

	For the year ended December 31						
	2003	2004	2005	2006	2007	2008	2009
EXPENSES							
Governmental Activities:							
General Government	\$ 1,397,254	1,659,517	1,721,188	1,753,162	3,157,710	3,702,069	3,691,084
Public Safety	6,664,343	6,909,889	7,945,928	7,964,007	8,686,394	10,620,814	10,568,120
Public Works	2,081,598	2,421,557	2,393,157	3,213,157	3,615,277	3,832,886	4,041,241
Health and Sanitation	1,169,464	1,198,901	1,252,739	1,333,310	1,310,481	1,354,057	1,426,460
Community and Economic Development	2,367,520	2,175,082	2,175,968	1,974,609	26,934,117	1,746,038	4,016,787
Community Services	187,560	455,202	1,511,882	1,527,626	705,723	986,923	768,055
Interest on Long-term Debt	135,841	107,016	93,172	79,693	580,512	1,636,717	1,761,889
Total Governmental Activities	14,003,580	14,927,164	17,094,034	17,845,564	44,990,214	23,879,504	26,273,636
Business-type Activities:							
Water and Sewer	4,582,139	4,966,596	5,076,258	5,868,517	6,215,946	6,144,374	6,326,386
Total Business-type Activities	4,582,139	4,966,596	5,076,258	5,868,517	6,215,946	6,144,374	6,326,386
Total Primary Government Expenses	18,585,719	19,893,760	22,170,292	23,714,081	51,206,160	30,023,878	32,600,022
PROGRAM REVENUES							
Governmental Activities:							
Charges for Services:							
General Government	288,551	340,055	346,337	706,549	278,929	327,918	261,689
Public Safety	846,691	895,689	1,037,823	1,003,935	1,182,173	1,139,367	1,156,229
Public Works	174,713	26,936	45,926	644,145	58,374	89,491	54,807
Health and Sanitation	920,504	877,067	1,022,320	1,080,129	1,178,636	1,249,091	1,241,273
Community and Economic Development	1,032,919	999,020	1,015,837	945,338	1,562,567	1,527,838	1,606,535
Community Services	3,737	2,748	3,459	-	-	-	-
Operating grants and contributions	539,005	299,474	349,805	431,147	535,948	322,275	392,021
Capital grants and contributions	785,159	813,449	801,437	949,704	514,325	50,000	322,196
Total Governmental Activities	4,591,279	4,254,438	4,622,944	5,760,947	5,310,952	4,705,980	5,034,750
Business-type Activities:							
Water and Sewer	5,020,559	5,246,093	5,546,280	6,660,602	6,409,564	6,468,698	6,973,798
Capital grants and contributions	154,209	-	-	-	50,000	-	-
Total Business-type Activities	5,174,768	5,246,093	5,546,280	6,660,602	6,459,564	6,468,698	6,973,798
Total program revenues	9,766,047	9,500,531	10,169,224	12,421,549	11,770,516	11,174,678	12,008,548
Net Revenues (Expenses)	(8,819,672)	(10,393,229)	(12,001,068)	(11,292,532)	(39,435,644)	(18,849,200)	(20,591,474)
General Revenues							
Property Tax, Levied for General Purposes	2,738,566	2,945,981	3,258,191	3,537,858	3,871,516	4,302,272	4,232,317
Sales and Use Tax	4,905,114	5,100,145	5,212,653	5,291,641	5,948,214	9,366,452	9,372,130
Replacement Tax	26,042	29,554	79,034	98,288	127,221	101,260	48,664
State Income Tax	1,518,099	1,581,396	1,865,028	2,068,898	2,254,175	2,387,557	2,052,414
Motor Fuel Tax	733,165	720,021	735,202	741,750	721,310	677,328	660,266
Telecommunications Tax	417,787	1,158,028	1,101,544	1,046,316	1,091,011	1,088,734	1,064,333
Utility Tax	-	650,621	822,865	733,088	742,387	393,417	363,431
Franchise Fees	294,217	288,562	269,377	280,356	282,467	282,896	340,362
Other	83,632	114,540	156,826	160,782	166,207	429,468	199,162
Grants and Contributions not Restricted	102,413	24,691	1,759	-	-	-	-
Unrestricted Investment Earnings	151,815	162,235	330,163	1,276,388	1,425,681	686,182	123,458
Miscellaneous	96,291	106,549	103,980	40,008	50,933	52,771	65,546
Transfers	(41,819)	(43,699)	-	-	-	-	-
	11,025,322	12,838,624	13,936,622	15,275,373	16,681,122	19,768,337	18,522,083
Changes in Net Assets	\$ 2,205,650	2,445,395	1,935,554	3,982,841	(22,754,522)	919,137	(2,069,391)

2003 was the first year of GASB 34 implementation.

CITY OF COLLINSVILLE, ILLINOIS

Fund Balances of Governmental Funds

Last Ten Fiscal Years

(Modified Accrual basis of accounting)

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
General Fund:										
Reserved For:										
Inventory	\$ 29,816	71,240	43,573	70,458	83,440	87,384	96,010	125,941	145,819	143,249
Forfeited Funds	102,772	222,030	243,252	242,570	143,809	166,865	173,669	271,899	284,678	145,209
Fire Equipment	-	-	-	-	-	66,224	51,682	4,834	4,834	4,834
Other	49,135	24,985	10,752	5,538	-	-	-	-	-	-
Unreserved	3,352,936	3,363,785	2,556,122	2,886,961	3,610,413	3,248,364	3,641,307	3,445,301	3,340,485	2,548,980
Total General Fund	3,534,659	3,682,040	2,853,699	3,205,527	3,837,662	3,568,837	3,962,668	3,847,975	3,775,816	2,842,272

All Other Governmental Funds:

Reserved For:										
Debt Service	342,737	466,826	-	391,182	393,488	387,264	-	-	-	-
Employees' Retirement Benefit	45,135	49,419	47,816	45,411	21,914	14,700	22,091	-	-	-
Other	-	-	-	-	503,566	511,277	472,433	-	-	-
Economic Development	-	-	-	-	-	-	-	6,225,360	5,477,490	6,696,868
Unreserved, Reported In:										
Special Revenue Funds	4,058,441	4,854,795	4,878,782	4,537,055	4,674,416	3,194,228	4,511,993	1,649,436	1,360,737	1,511,501
Debt Service Funds	-	-	-	-	-	-	-	(214)	(72,625)	3,027
Capital Projects Funds	126,692	-	-	-	(42,240)	255,839	285,615	656,642	548,608	32,906
Total All Other Governmental Funds	\$ 4,573,005	5,371,040	4,926,598	4,973,648	5,551,144	4,363,308	5,292,132	8,531,224	7,314,210	8,244,302

CITY OF COLLINSVILLE, ILLINOIS

**Changes in Fund Balances of Governmental Funds
Last Seven Fiscal Years
(Modified accrual basis of accounting)**

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
REVENUES							
Property Tax	\$ 2,738,566	2,945,981	3,258,191	3,537,858	3,871,516	4,302,272	4,232,317
Intergovernmental:							
Sales and Use Tax	5,382,240	5,596,686	5,846,639	5,875,055	6,538,905	9,980,820	9,965,497
Replacement Tax	26,042	29,554	79,034	98,288	127,221	101,260	48,664
State Income Tax	1,518,099	1,581,396	1,865,028	2,068,898	2,254,175	2,387,557	1,625,006
Motor Fuel Tax	733,165	720,021	735,202	741,750	721,310	677,328	660,266
Telecommunications Tax	417,787	1,158,028	1,101,544	1,046,316	1,091,011	1,088,734	1,064,333
Grants	539,005	399,474	267,416	1,083,501	983,235	294,123	714,217
Other	83,632	114,540	156,826	160,782	166,207	429,468	199,162
Other Local Taxes	1,045,049	1,654,663	1,846,616	1,748,995	2,051,613	1,706,896	1,638,521
Drug Forfeiture Revenue	136,954	152,663	227,190	171,719	253,703	105,949	88,999
Licenses, Fees and Permits	551,871	572,461	553,867	843,304	510,380	566,141	548,694
Charges for Services	1,395,456	1,487,123	1,704,074	1,732,496	1,817,092	2,037,103	2,178,897
Fines	155,463	166,082	168,391	179,613	180,370	158,028	152,944
Investment Earnings	108,758	119,357	250,159	362,415	430,729	193,230	19,198
Gifts and Donations	102,413	524,691	74,451	115,545	67,038	78,152	46,692
Miscellaneous Revenues/Reimbursements	1,157,989	367,704	982,831	939,226	523,308	488,672	435,125
Total Revenues	16,092,489	17,590,424	19,117,459	20,705,761	21,587,813	24,595,733	23,618,532
EXPENDITURES							
Current:							
General Government	1,814,955	2,136,175	2,326,619	2,290,003	3,692,063	4,208,526	4,125,095
Public Safety	6,119,357	6,324,141	7,238,406	7,440,201	8,122,335	9,360,084	9,889,604
Public Works	1,864,745	2,069,571	2,001,399	1,873,046	2,201,060	2,323,259	2,417,675
Health and Sanitation	1,169,464	1,198,901	1,252,739	1,333,310	1,310,481	1,354,057	1,426,460
Community and Economic Development	2,362,866	2,166,403	2,169,530	1,968,403	26,926,129	1,710,996	4,009,931
Community Services	176,585	453,231	1,510,631	1,526,744	704,866	986,164	767,672
Debt service:							
Principal	285,000	324,558	340,442	335,000	355,000	420,000	646,209
Interest and Fees	132,114	112,495	93,272	79,801	1,082,589	1,695,177	1,727,867
Capital outlay	2,579,556	1,864,602	3,945,026	2,845,224	3,163,822	4,261,865	1,608,901
Total Expenditures	16,504,642	16,650,077	20,878,064	19,691,732	47,558,345	26,320,128	26,619,414
Excess (deficiency) of revenues over (under) expenditures	(412,153)	940,347	(1,760,605)	1,014,029	(25,970,532)	(1,724,395)	(3,000,882)
OTHER FINANCING SOURCES (USES)							
Proceeds from Debt	-	-	-	-	28,765,000	80,202	2,700,000
Operating Transfers In	1,108,289	1,050,890	1,132,269	1,616,201	412,091	390,000	689,960
Operating Transfers Out	(850,108)	(794,589)	(832,269)	(1,316,201)	(112,091)	(54,858)	(389,960)
Proceeds of Lease	50,000	-	-	-	-	-	-
Proceeds of Refunding Bonds	715,000	-	-	-	-	-	-
Debt Issuance Costs	(16,495)	-	-	-	-	-	-
Payment to Refunded Bond	(698,505)	-	-	-	-	-	-
Total Other Financing Sources (Uses)	308,181	256,301	300,000	300,000	29,065,000	415,344	3,000,000
Net change in fund balances	\$ (103,972)	1,196,648	(1,460,605)	1,314,029	3,094,468	(1,309,051)	(882)
Debt Service as a Percentage of Noncapital Expenditures	3.0%	3.0%	2.6%	2.5%	3.2%	9.6%	9.5%

2003 was the first year of GASB 34 implementation

CITY OF COLLINSVILLE, ILLINOIS

**Tax Revenues by Source, Governmental Funds
Last Ten Fiscal Years
(Modified accrual basis of accounting)**

	<u>Sales</u> <u>Tax</u>	<u>Property</u> <u>Tax</u>	<u>Other</u>	<u>Total</u>
2009	\$ 9,965,497	\$ 4,232,317	\$ 9,420,718	\$ 23,618,532
2008	9,980,820	4,302,272	10,312,641	24,595,733
2007	6,538,905	3,871,516	11,177,392	21,587,813
2006	5,875,055	3,537,858	11,292,848	20,705,761
2005	5,846,639	3,258,191	10,012,629	19,117,459
2004	5,596,686	2,945,981	9,047,757	17,590,424
2003	5,382,240	2,738,566	7,971,683	16,092,489
2002	4,554,680	2,650,364	7,236,471	14,441,515
2001	4,576,248	2,472,393	7,466,222	14,514,863
2000	4,574,099	2,328,620	7,214,121	14,116,840

CITY OF COLLINSVILLE, ILLINOIS

**Sales Tax Rates, Direct and Overlapping
Last Ten Fiscal Years**

Madison County						
<u>For The Years Ended December 31</u>	<u>City Direct Rate</u>	<u>Metro East Transportation District</u>	<u>Metro East Park and Rec District</u>	<u>County Flood Prevention</u>	<u>State of Illinois</u>	<u>Direct and Overlapping</u>
2009	1.250%	0.250%	0.100%	0.250%	6.250%	8.100%
2008	1.250%	0.250%	0.100%	0.000%	6.250%	7.850%
2007	0.000%	0.250%	0.100%	0.000%	6.250%	6.600%
2006	0.000%	0.250%	0.100%	0.000%	6.250%	6.600%
2005	0.000%	0.250%	0.100%	0.000%	6.250%	6.600%
2004	0.000%	0.250%	0.100%	0.000%	6.250%	6.600%
2003	0.000%	0.250%	0.100%	0.000%	6.250%	6.600%
2002	0.000%	0.250%	0.100%	0.000%	6.250%	6.600%
2001	0.000%	0.250%	0.100%	0.000%	6.250%	6.600%
2000	0.000%	0.250%	0.000%	0.000%	6.250%	6.500%

St. Clair County						
<u>For The Years Ended December 31</u>	<u>City Direct Rate</u>	<u>Metro East Transportation District</u>	<u>Metro East Park and Rec District</u>	<u>County Flood Prevention</u>	<u>State of Illinois</u>	<u>Direct and Overlapping</u>
2009	1.250%	0.750%	0.100%	0.250%	6.250%	8.600%
2008	1.250%	0.750%	0.100%	0.000%	6.250%	8.350%
2007	0.000%	0.750%	0.100%	0.000%	6.250%	7.100%
2006	0.000%	0.750%	0.100%	0.000%	6.250%	7.100%
2005	0.000%	0.750%	0.100%	0.000%	6.250%	7.100%
2004	0.000%	0.750%	0.100%	0.000%	6.250%	7.100%
2003	0.000%	0.750%	0.100%	0.000%	6.250%	7.100%
2002	0.000%	0.750%	0.100%	0.000%	6.250%	7.100%
2001	0.000%	0.750%	0.100%	0.000%	6.250%	7.100%
2000	0.000%	0.750%	0.000%	0.000%	6.250%	7.000%

In 2008, the City levied a home rule sales tax of one and one-quarter percent (1.25%).

Additionally, the City receives a 1% sales tax (included in the rates shown above) levied by the State of Illinois.

CITY OF COLLINSVILLE, ILLINOIS

Sales Tax Generated by Industry

Industry	2005		2006		2007		2008		2009	
	Taxable Sales	Percentage of Total	Taxable Sales	Percentage of Total	Taxable Sales	Percentage of Total	Taxable Sales	Percentage of Total	Taxable Sales	Percentage of Total
General Merchandise	\$ 676,894	14.78%	655,088	14.78%	889,741	21.01%	1,076,483	24.63%	1,093,399	25.01%
Food	687,191	9.61%	666,359	9.61%	617,645	14.58%	590,991	13.52%	576,093	13.18%
Drinking and Eating Places	489,342	8.93%	502,834	8.93%	522,749	12.34%	531,274	12.15%	544,617	12.46%
Apparel	27,418	11.80%	26,021	11.80%	25,489	0.60%	22,757	0.52%	21,005	0.48%
Furniture, Household & Radio	69,968	5.90%	64,426	5.90%	69,386	1.64%	70,529	1.61%	77,487	1.77%
Lumber, Building, Hardware	67,476	5.17%	67,563	5.17%	287,725	6.79%	276,066	6.32%	230,404	5.27%
Automotive & Filling Stations	1,481,864	5.08%	1,528,973	5.08%	1,556,003	36.74%	1,303,776	29.83%	1,006,555	23.03%
Drugs & Miscellaneous Retail	346,917	5.82%	381,030	5.82%	423,188	9.99%	432,455	9.89%	451,586	10.33%
Agriculture & All Others	285,004	3.74%	286,072	3.74%	288,451	6.81%	322,661	7.38%	330,585	7.56%
Manufacturers	52,143	29.17%	56,707	29.17%	54,284	1.28%	49,327	1.13%	39,350	0.90%
	4,184,219	100.00%	4,235,073	100.00%	4,734,660	111.80%	4,676,318	106.98%	4,371,080	100.00%

Industry	2000		2001		2002		2003		2004	
	Taxable Sales	Percentage of Total	Taxable Sales	Percentage of Total	Taxable Sales	Percentage of Total	Taxable Sales	Percentage of Total	Taxable Sales	Percentage of Total
General Merchandise	633,294	14.78%	657,177	15.52%	676,996	15.49%	684,343	15.66%	683,041	15.63%
Food	653,441	9.61%	671,464	15.85%	674,272	15.43%	695,110	15.90%	703,607	16.10%
Drinking and Eating Places	405,589	8.93%	420,762	9.94%	422,859	9.67%	430,666	9.85%	479,633	10.97%
Apparel	30,584	11.80%	30,178	0.71%	29,860	0.68%	27,309	0.62%	26,218	0.60%
Furniture, Household & Radio	73,721	5.90%	73,512	1.74%	75,261	1.72%	77,069	1.76%	74,283	1.70%
Lumber, Building, Hardware	26,674	5.17%	18,040	0.43%	44,960	1.03%	47,588	1.09%	57,211	1.31%
Automotive & Filling Stations	1,425,037	5.08%	1,499,488	35.41%	1,478,962	33.84%	1,528,328	34.96%	1,487,403	34.03%
Drugs & Miscellaneous Retail	216,807	5.82%	255,987	6.04%	265,092	6.06%	307,536	7.04%	370,783	8.48%
Agriculture & All Others	344,538	3.74%	246,102	5.81%	282,055	6.45%	268,728	6.15%	289,409	6.62%
Manufacturers	34,454	29.17%	43,100	1.02%	50,327	1.15%	49,744	1.14%	47,450	1.09%
	\$ 3,844,139	100.00%	3,915,811	92.46%	4,000,645	91.53%	4,116,421	94.17%	4,219,038	96.52%

Source: Taxable sales by Standard Industry Code reported by the State of Illinois Department of Revenue.

State law prohibits the disclosure of specific taxpayer information.

CITY OF COLLINSVILLE, ILLINOIS

**Assessed Value and Actual Value of Taxable Property
Last Ten Fiscal Years**

Levy Year	Total Taxable Assessed Value in Madison County						Estimated Actual Value	Annual % Change	Ratio of Total Assessed Valuation to Estimated Actual Value of Real Property
	Residential Property	Farm Property	Commercial Property	Industrial Property	Railroad Property	Other Property			
2008	\$ 275,257,999	900,820	82,050,752	5,933,360	106,810	4,240	1,092,871,230	4.36%	33%
2007	264,613,891	838,070	78,524,867	4,966,010	79,663	4,240	1,047,184,941	7.20%	33%
2006	247,216,860	129,440	73,722,110	4,455,630	66,499	250	976,870,054	9.31%	33%
2005	227,864,710	164,100	65,611,170	4,148,340	58,993	250	893,632,052	6.83%	33%
2004	213,214,900	178,590	61,744,080	3,617,170	55,478	250	836,515,056	4.42%	33%
2003	205,058,710	304,130	58,057,100	3,517,280	72,930	250	801,111,311	7.58%	33%
2002	186,902,370	344,950	57,565,480	3,308,270	70,526	250	744,650,003	7.82%	33%
2001	172,215,400	307,100	54,671,050	2,935,870	68,133	250	690,662,475	7.97%	33%
2000	161,664,530	325,960	49,535,240	1,608,250	61,686	250	639,651,713	4.89%	33%
1999	154,067,050	243,760	47,235,410	1,553,910	149,765	1,300	609,814,566		33%

CITY OF COLLINSVILLE, ILLINOIS

**Property Tax Rates, Direct and Overlapping
Last Ten Fiscal Years
(cents per hundred dollars)**

For The Years Ended December 31	City of Collinsville	Madison County							Direct and Overlapping
		Madison County	Collinsville Road & Bridge	Collinsville C.U. School District No. 10	Collinsville Township	Southwestern IL College No. 522	Mississippi Valley Library	Collinsville Area Recreation	
2008	0.6137%	0.6534%	0.3263%	4.2532%	0.1920%	0.3497%	0.2004%	0.5303%	7.1190%
2007	0.6436%	0.6518%	0.3270%	4.3018%	0.1931%	0.3734%	0.2374%	0.5549%	7.2830%
2006	0.6595%	0.6758%	0.3321%	4.3059%	0.1993%	0.3614%	0.2569%	0.5498%	7.3407%
2005	0.6792%	0.7050%	0.3402%	4.3603%	0.2090%	0.3503%	0.2518%	0.4224%	7.3182%
2004	0.6826%	0.7372%	0.3453%	4.3880%	0.1302%	0.3429%	0.0000%	0.4045%	7.0307%
2003	0.8274%	0.7360%	0.3477%	4.3868%	0.1320%	0.3386%	0.0000%	0.3947%	7.1632%
2002	0.8462%	0.7476%	0.3546%	4.4254%	0.1368%	0.2930%	0.0000%	0.3528%	7.1564%
2001	0.8684%	0.7893%	0.3538%	4.5592%	0.1429%	0.3020%	0.0000%	0.3336%	7.3492%
2000	0.8647%	0.8007%	0.3610%	4.1105%	0.1483%	0.2728%	0.0000%	0.3266%	6.8846%
1999	0.8755%	0.8137%	0.3633%	4.1833%	0.1502%	0.2703%	0.0000%	0.3099%	6.9660%

For The Years Ended December 31	City of Collinsville	St. Clair County							Direct and Overlapping
		St. Clair County	Caseyville Road	Collinsville C.U. School District No. 10	Caseyville Township	Southwestern IL College No. 522	Mississippi Valley Library	Collinsville Area Recreation	
2008	0.6172%	0.9161%	0.1033%	4.2511%	0.1031%	0.3574%	0.2038%	0.5328%	7.0848%
2007	0.6463%	0.9120%	0.1096%	4.3319%	0.1102%	0.3689%	0.2402%	0.7523%	7.4714%
2006	0.6719%	1.0090%	0.1217%	4.3329%	0.1187%	0.3589%	0.2543%	0.4408%	7.3082%
2005	0.6917%	0.9715%	0.1370%	4.3884%	0.1271%	0.3483%	0.2514%	0.4299%	7.3453%
2004	0.7000%	0.9909%	0.1515%	4.4290%	0.1346%	0.3474%	0.2542%	0.4129%	7.4205%
2003	0.6746%	1.0120%	0.1492%	4.3867%	0.1378%	0.3408%	0.0000%	0.3942%	7.0953%
2002	0.8506%	0.9439%	0.1510%	4.4252%	0.1314%	0.2948%	0.0000%	0.3519%	7.1488%
2001	0.8630%	0.9488%	0.1587%	4.5512%	0.1180%	0.3006%	0.0000%	0.3304%	7.2707%
2000	0.8898%	0.9543%	0.1331%	4.1106%	0.1171%	0.2744%	0.0000%	0.3254%	6.8047%
1999	0.8955%	0.9769%	0.1400%	4.2121%	0.1179%	0.2735%	0.0000%	0.3177%	6.9336%

CITY OF COLLINSVILLE, ILLINOIS

**Property Tax Levies and Collections
Last Ten Fiscal Years**

Tax Levy Year	Tax Levy as Abated	Current Taxes Collected		Percent of Levy Collected
		Fiscal Year Collected	Amount	
2008	\$ 2,470,590	2009	\$ 1,687,996	68.324%
2007	2,488,693	2008	2,478,917	99.607%
2006	2,380,677	2007	2,365,999	99.383%
2005	2,246,883	2006	2,239,308	99.663%
2004	2,119,349	2005	2,109,493	99.535%
2003	2,465,258	2004	2,447,247	99.269%
2002	2,334,592	2003	2,330,765	99.836%
2001	2,223,495	2002	2,171,960	97.682%
2000	2,060,604	2001	2,048,854	99.430%
1999	1,988,655	2000	1,976,756	99.402%

CITY OF COLLINSVILLE, ILLINOIS

**Ten Principal Taxpayers of Property Tax
Current Year and Nine Years Prior**

Taxpayer Name	2000		2009	
	EAV	Rank	EAV	Rank
Wal-Mart			5,332,710	1
Osborn & Osborn LLC			3,820,140	2
Lakeside Plaza LLC			3,499,620	3
Coholt LLC			3,267,480	4
Keebler Crossing LLC			3,238,470	5
Home Depot USA			3,023,780	6
Cedar Ridge Eagle Creek LLC			2,380,970	7
Lanter Business Park LLC	1,218,900	4	2,231,040	8
Sandridge Mannors LLC			1,966,890	9
Equity Investment Co.			1,863,830	10
LaSalle National Bank	\$ 2,389,410	1		
Desco Investment Co.	2,271,880	2		
Collinsville Property LLC	2,013,210	3		
Druco Inc.	1,114,280	5		
City of Collinsville	1,058,350	6		
AT&T Communications	1,033,600	7		
Odgen Fairmount Inc.	986,880	8		
Eastport Executive Park	907,130	9		
Collinsville LLC	866,790	10		
Total	<u>13,860,430</u>		<u>30,624,930</u>	

Source: 2009 Disclosure Document for City of Collinsville Bonds

CITY OF COLLINSVILLE, ILLINOIS

Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
<u>Governmental Activities</u>										
General Obligation Bonds	\$ 6,295,000	5,755,000	5,100,000	4,295,000	3,395,000	2,460,000	21,780,000	29,590,000	28,465,000	29,850,000
Revenue Bonds	370,000	145,000	-	-	-	-	-	20,250,000	20,250,000	20,250,000
Total Debt Outstanding	6,665,000	5,900,000	5,100,000	4,295,000	3,395,000	2,460,000	21,780,000	49,840,000	48,715,000	50,100,000
Median Family Income	54,956	54,956	54,956	54,956	54,956	54,956	54,956	57,531	56,129	56,129
Debt as Percentage of Median Income	12127.88%	10735.86%	9280.15%	7815.34%	6177.67%	4476.31%	39631.71%	86631.56%	86791.14%	89258.67%
Population	24,707	24,707	24,707	24,707	25,384	25,487	25,610	25,895	25,960	25,960
Per capita Debt	\$ 270	239	206	174	134	97	850	1,925	1,877	1,930

CITY OF COLLINSVILLE, ILLINOIS

**Computation of Direct and Overlapping Debt
December 31, 2009**

	<u>General Obligation Debt</u>	<u>Percent Applicable to Collinsville</u>	<u>Amount Applicable to Collinsville</u>
Southwestern Illinois Community College	\$ 20,875,000	41.10 %	\$ 8,580,303
Madison County	1,085,000	7.66	83,132
St. Clair County	-	1.04	-
Unit 10 School District	29,595,000	74.85	22,152,440
Collinsville Area Recreation District	26,205,000	81.45	21,342,990
Mississippi Valley Library	-	89.99	-
City of Collinsville	29,850,000	100.00	29,850,000
Caseyville Township	-	5.30	-
Collinsville Township	-	53.55	-
State Park Fire	-	51.01	-
Total	<u>\$ 107,610,000</u>		<u>\$ 82,008,865</u>

¹Only portions of the overlapping districts are located within the City boundaries. The applicable amounts refer to that portion of the district that is contained within the City boundaries. Therefore, the applicable amounts refer to portions of the City's taxpayers.

Source: The above-named jurisdictions.

CITY OF COLLINSVILLE, ILLINOIS

**Pledged Revenue Coverage
Last Three Fiscal Years**

Local Government Program Revenue Bonds	<u>2007</u>	<u>2008</u>	<u>2009</u>
Limited Incremental Sales Tax Revenue	\$ 345,087	1,087,915	1,155,734
Debt service	-	1,144,164	1,053,450
Ratio	-	0.95	1.10
Outstanding Balance	\$ 20,250,000	20,250,000	20,250,000

The Local Government Program Revenue Bonds, Series 2007 are dated July 23, 2007.

CITY OF COLLINSVILLE, ILLINOIS

**Demographic and Economic Statistics
Last Ten Calendar Years**

<u>Year</u>	<u>Population</u>	<u>Median Family Income</u>	<u>Per Capita Income</u>	<u>School Enrollment</u>	<u>Unemployment Rate</u>
2009	25,960	56,129	24,451	6,240	6.90%
2008	25,960	56,129	24,451	6,240	6.90%
2007	25,895	57,531	24,334	5,798	7.50%
2006	25,610	54,956	22,048	5,952	4.70%
2005	25,487	54,956	22,048	5,952	5.20%
2004	25,384	54,956	22,048	5,952	6.70%
2003	24,707	54,956	22,048	5,952	6.40%
2002	24,707	54,956	22,048	5,952	5.90%
2001	24,707	54,956	22,048	5,952	5.00%
2000	24,707	54,956	22,048	5,952	3.90%

Source: U.S. Census Bureau, American Community Survey

CITY OF COLLINSVILLE, ILLINOIS

**Ten Principal Employers
Current Year and Nine Years Prior**

<u>Employer</u>	<u>2000</u>		<u>2009</u>	
	<u>Employees</u>	<u>Rank</u>	<u>Employees</u>	<u>Rank</u>
Collinsville Unit School District Number 10	710	1	710	1
Illinois Department of Transportation	594	2	594	2
Fairmont Race Track	500	3	500	3
Wal-Mart	232	4	232	4
City of Collinsville	180	6	172	5
Schnucks Market	160	7	160	6
Crop Production			100	7
K-Mart	90	10	90	8
Telelab, Inc.			70	9
Marsh Shipping Supply Co., LLC			60	10
Auto Dealer's Association	228	5		
S A S I Corp	110	8		
Royster Clark	100	9		
Total	<u>2,904</u>		<u>2,688</u>	

Source: 2009 Disclosure Document for City of Collinsville Bonds

CITY OF COLLINSVILLE, ILLINOIS

**Full-time City Government Employees by Function/Program
Last Ten Fiscal Years**

Function/Program	Fiscal Year									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
General Government:										
Administration - City Manager	2.00	2.00	2.00	2.00	2.00	1.00	1.00	2.00	3.00	3.00
Administration - Operations	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Administration - Human Resources	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	2.00	2.00
Administration - Information Technology	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.00	1.00
Finance	7.00	7.00	7.00	7.00	7.00	8.00	8.00	8.00	8.00	8.00
Public Safety:										
Police Administration	2.00	2.00	2.00	2.00	3.00	3.00	3.00	3.00	5.00	5.00
Police Operations	32.00	36.00	35.00	35.00	35.00	35.00	37.00	37.00	40.00	40.00
Police Support	9.00	10.00	10.00	10.00	13.00	13.00	13.00	13.00	17.00	17.00
Animal Shelter	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Fire Administration	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	3.00	3.00
Fire Operations	25.00	28.00	28.00	28.00	28.00	28.00	28.00	28.00	32.00	32.00
Public Works:										
Streets	13.00	13.00	13.00	13.00	13.00	13.00	13.00	15.00	19.00	19.00
Inspections	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	1.00	1.00
Water Lines	9.50	9.50	9.50	9.50	9.50	9.50	9.50	9.50	9.50	9.50
Water Plant	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.50	6.50	6.50
Waste Water Lines	6.50	6.50	6.50	6.50	6.50	6.50	6.50	7.00	7.00	7.00
Waste Water Plant	6.00	6.00	7.00	7.00	7.00	7.00	7.00	7.00	8.00	8.00
Community and Economic Development:										
Community Development	1.00	1.00	2.00	2.00	1.00	1.00	1.00	3.00	5.00	5.00
Community Services	7.00	7.00	7.00	7.00	7.00	0.00	0.00	0.00	0.00	1.00
Total	<u>134.00</u>	<u>142.00</u>	<u>143.00</u>	<u>143.00</u>	<u>146.00</u>	<u>139.00</u>	<u>141.00</u>	<u>147.00</u>	<u>170.00</u>	<u>171.00</u>

Source: Payroll Data from Finance Department.

CITY OF COLLINSVILLE, ILLINOIS

**Capital Asset Statistics by Function/Program
Last Ten Fiscal Years**

Function/Program	Fiscal Year									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Sectors	6	6	6	6	6	6	6	6	6	6
Marked patrol units	16	16	16	16	16	16	16	18	18	18
Fire:										
Stations	2	2	2	2	2	2	2	2	2	2
Fire Trucks	4	4	4	4	4	4	4	4	4	4
Ambulances	3	3	3	3	3	3	3	3	3	3
Streets:										
Streets (miles)	251.72	251.72	251.72	251.72	251.72	251.72	251.72	251.72	251.72	251.72
Sidewalks (miles)	71	71	71	71	71	71	71	71	71	71
Streetlights	2,407	2,407	2,407	2,407	2,407	2,407	2,407	2,407	2,407	2,408
Water										
Water Mains (miles)	1300	1300	1300	1300	1300	1300	1300	1300	1300	1300
Water Valves	1800	1800	1800	1800	1800	1800	1800	1800	1800	1800
Manholes	1200	1200	1200	1200	1200	1200	1200	1200	1200	1200
Fire Hydrants	1300	1300	1300	1300	1300	1300	1300	1300	1300	1300
Waste Water:										
Sewer Mains (miles)	900	900	900	900	900	900	900	900	900	900

Source: Various City Departments

* data is not available