

CITY OF COLLINSVILLE, ILLINOIS

COMPREHENSIVE ANNUAL
FINANCIAL REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2011

CITY OF COLLINSVILLE, ILLINOIS

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May 31, 2012

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, 2011, 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.

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, 2011, 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, 2010 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.

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 now the sixth-largest Metro East city with a 2010 census population of 25,579.

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 89% of the City's 2011 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 it establishes policy and makes 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 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 55 through 58 as required supplementary information. The 2010/2011 biennial budget document may be found on the City's website at <http://www2.collinsvilleil.org/images/docs/budget/2010-2011Budget.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 and sales tax, which are the primary sources of General Fund revenue.

Long-term Financial Planning. Unassigned fund balance in the General Fund (19.3% of total General Fund revenues) exceeds the policy guidelines set by the City Council for budgetary and planning purposes (i.e., between 10 and 15 percent of total General Fund revenues.)

As part of the biennial Financial Plan, 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 2011 once again forced the elimination of 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 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.

Major Initiatives. The City's Uptown Master Plan includes a Garden District that requires the purchase of 701-703 West Main Street to accomplish the goal. The project is budgeted at \$1.2 million in the Tax Increment Financing Fund and will span most of 2012 since the current residents will need to be relocated prior to demolition of the buildings.

The Keebler/Beltline intersection improvements project includes widening the north and south Keebler Avenue approaches to the Beltline Road intersection to provide for right turn lanes, left turn lanes and through movement lanes. The project also will include construction of some storm sewer drainage improvements. It's budgeted at \$483,850 in the Motor Fuel Tax Fund for 2012 and includes federal, state and county assistance.

South Clinton Street will be reconstructed in two phases during 2012 and 2013 from Cemetery Street to Route 159. The projects will consist of removing existing pavement, construction of an enclosed storm sewer drainage system, construction of concrete curb and gutter, placement of full depth asphalt pavement, construction of sidewalks and other incidental construction items. It's budgeted at \$2,063,300 in the Motor Fuel Tax Fund and includes federal and state assistance.

The South Clinton Street Bridge replacement project will involve total removal and replacement of the existing deteriorating 3-span structure which was constructed over Canteen Creek in 1961. It is located southeast of the railroad crossing, which is southeast of Route 159. The project will also include minimal approach roadway work on either end of the bridge. It's budgeted at \$2,533,000 in the Motor Fuel Tax Fund for 2012-2015 and includes federal assistance.

The Summit Avenue Bridge project over Brush Creek, located just south of the Johnson Hill Road intersection, will remove the existing, deteriorating reinforced box culvert that was constructed in approximately 1956. The structure will be replaced with precast reinforced concrete box culvert components. Concrete curb and gutter, guardrail, and ADA compliant sidewalks will be constructed as part of the project. It's budgeted at \$1,296,350 in the Tax Increment Financing Fund for 2013-2014 and includes federal assistance.

As IDOT is relocating Route 159 through Collinsville, there is a need for landscaping improvements along the new alignment. The streetscape will match the remainder of the Uptown area and three new pocket parks will be added. It's budgeted at \$460,000 in the Tax Increment Financing Fund for 2012.

The Apex Building at 100 East Main was donated to the City in 2011 due to its dilapidated condition. The City is in the process of remediating the environmental issues and preparing the building to be sold. \$200,000 is budgeted for this project in 2012 in the Tax Increment Financing Fund, which will bring the total cost to approximately \$500,000.

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers' Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its Comprehensive Annual Financial Report issued for the fiscal year ended December 31, 2010. This is the second year that the City has received this prestigious award. 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 also received the GFOA's Distinguished Budget Presentation Award for its 2010/2011 Biennial Financial Plan. 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.

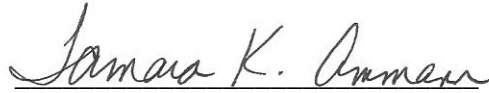
This report could not have been completed without the assistance of the entire staff of the various departments of the City. Special thanks go to the Finance Department for its contributions. We would also like to acknowledge our auditors, C. J. Schlosser & Company, L.L.C., for their help in formulating 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,



M. Scott Williams
Interim City Manager



Tamara K. Ammann
Director of Finance

CITY OF COLLINSVILLE, ILLINOIS

CITY OFFICIALS

DECEMBER 31, 2011

MAYOR

John Miller

INTERIM CITY MANAGER

Scott Williams

CITY TREASURER

Tamara Ammann

CITY ATTORNEY

Paul Welch

CORPORATE COUNSEL

Steven Giacoletto

CITY COUNCIL

Nancy Moss

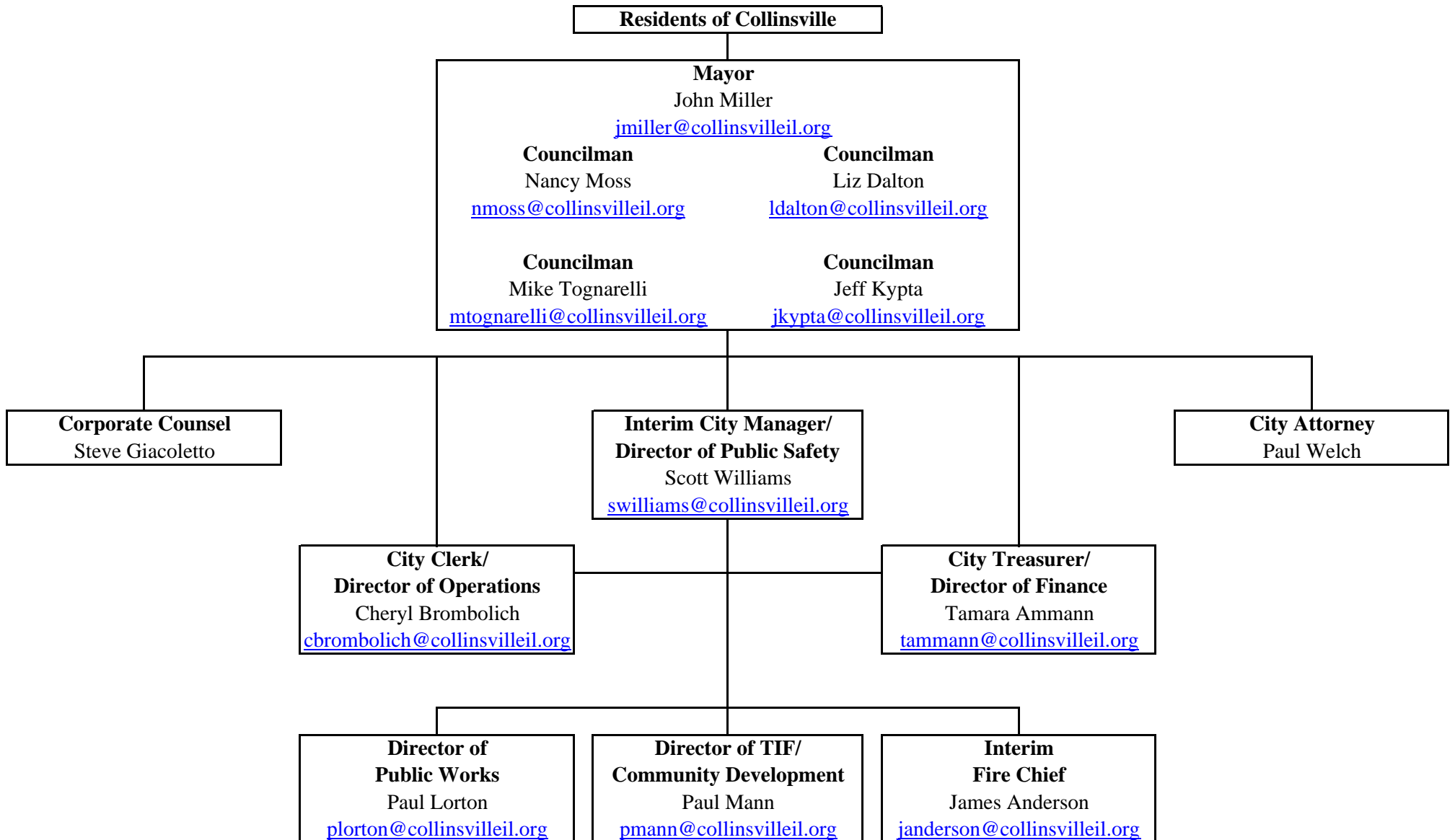
Mike Tognarelli

Jeff Kypta

Liz Dalton

CITY OF COLLINSVILLE, ILLINOIS

ORGANIZATIONAL CHART
DECEMBER 31, 2011



Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Collinsville
Illinois

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2010

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Linda C. Davidson

President

Jeffrey R. Emer

Executive Director

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, 2011, 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, 2011, 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.

As discussed in Note 17 to the financial statements, an omission of an asset balance related to the City's pooled insurance trust, that resulted in a previous understatement of assets, was adjusted in this year. Accordingly, an adjustment of \$930,423 was made to net assets as of December 31, 2010.

In accordance with *Government Auditing Standards*, we have also issued a report dated May 31, 2012 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 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.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (pages 3 to 11), budgetary comparison information (pages 55 to 58) and schedules of funding progress and employer contributions (pages 59 to 61) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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 introductory section, combining and individual nonmajor fund financial statements, other schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the 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 financial statements of the City of Collinsville, Illinois. The combining and individual nonmajor fund financial statements, other schedules, and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements themselves, and other procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements taken as a whole. The introductory section and the statistical sections 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.



Certified Public Accountants

May 31, 2012

CITY OF COLLINSVILLE, ILLINOIS

Management's Discussion and Analysis

For the year ended December 31, 2011

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, 2011.

FINANCIAL HIGHLIGHTS

On a government-wide basis, the assets of the City of Collinsville exceeded its liabilities for the most recent fiscal year by \$37,887,429.

- The City's total net assets increased by \$1,134,180.
- At the end of 2011, unassigned fund balance for the General Fund was \$3,641,167 or 18.6% of total General Fund expenditures for the year.
- Net assets of the City's business-type activities increased by \$237,004.
- The City's total bonded debt decreased by \$1,205,000.

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.

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.

CITY OF COLLINSVILLE, ILLINOIS

Management's Discussion and Analysis

For the year ended December 31, 2011

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 thirteen 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 three major funds: General Fund, Tax Increment Financing Fund and Collinsville Crossings Fund. Data from the other governmental funds are combined into a single, aggregated presentation called "Other Governmental Funds." Individual fund data for each of these nonmajor governmental funds is provided in the form of combining schedules in the other supplementary information section of this report.

CITY OF COLLINSVILLE, ILLINOIS

Management's Discussion and Analysis

For the year ended December 31, 2011

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.

Required supplementary information. In addition to the basic financial statements and accompanying notes, certain required supplementary information can be found on pages 55 through 61 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 62 through 63 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

This is the ninth 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*.

CITY OF COLLINSVILLE, ILLINOIS

Management's Discussion and Analysis

For the year ended December 31, 2011

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 \$37,887,429 at the close of the most recent fiscal year (December 31, 2011).

By far the largest portion of the City's net assets (129.8%) 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, 2011	December 31, 2010	December 31, 2011	December 31, 2010	December 31, 2011	December 31, 2010
ASSETS						
Current and other assets	\$ 18,091,737	\$ 15,784,999	\$ 5,211,577	\$ 7,976,602	\$ 23,303,314	\$ 23,761,601
Capital assets, net	27,659,869	28,921,239	39,750,269	38,436,809	67,410,138	67,358,048
Total assets	<u>45,751,606</u>	<u>44,706,238</u>	<u>44,961,846</u>	<u>46,413,411</u>	<u>90,713,452</u>	<u>91,119,649</u>
LIABILITIES						
Long-term liabilities	28,661,260	29,817,489	16,650,522	17,468,899	45,311,782	47,286,388
Other liabilities	5,874,922	5,500,924	1,639,319	2,509,511	7,514,241	8,010,435
Total liabilities	<u>34,536,182</u>	<u>35,318,413</u>	<u>18,289,841</u>	<u>19,978,410</u>	<u>52,826,023</u>	<u>55,296,823</u>
NET ASSETS						
Invested in capital assets, net of related debt	26,199,136	27,069,921	22,981,311	23,207,196	49,180,447	50,277,117
Restricted	9,803,456	7,349,027	-	-	9,803,456	7,349,027
Unrestricted	<u>(24,787,168)</u>	<u>(25,031,123)</u>	<u>3,690,694</u>	<u>3,227,805</u>	<u>(21,096,474)</u>	<u>(21,803,318)</u>
Total net assets	<u>\$ 11,215,424</u>	<u>\$ 9,387,825</u>	<u>\$ 26,672,005</u>	<u>\$ 26,435,001</u>	<u>\$ 37,887,429</u>	<u>\$ 35,822,826</u>

A portion of the City's net assets (24.7%) 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 increased by \$1,134,180 during 2011. This increase represents the degree to which revenues have outpaced expenditures.

Governmental activities. Governmental activities increased the City's net assets by \$897,176. Revenues increased by \$1,062,778 from 2010 to 2011 while expenditures increased by \$2,519,965. Management cautiously increased expenditures and continued to hold open some vacant positions in response to uncertain revenue streams. Income tax revenue continued to be a major concern in 2011. It is the second-largest source of revenue in the General Fund. However,

CITY OF COLLINSVILLE, ILLINOIS

Management's Discussion and Analysis

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the State of Illinois administers income tax and has withheld distributions to delay its own financial shortages.

Business-type activities. Business-type activities increased the City's net assets by \$237,004. 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>2011</u>	For The Year Ended December 31, <u>2010</u>	For The Year Ended December 31, <u>2011</u>	For The Year Ended December 31, <u>2010</u>	For The Year Ended December 31, <u>2011</u>	For The Year Ended December 31, <u>2010</u>
REVENUES						
Program revenues:						
Charges for services	\$ 4,700,063	\$ 4,645,061	\$ 7,515,589	\$ 7,027,785	\$ 12,215,652	\$ 11,672,846
Operating grants	319,760	344,336			319,760	344,336
Capital grants	559,162	1,387,511	50,000	-	609,162	1,387,511
General revenues:						
Property taxes	5,033,701	4,245,218	-	-	5,033,701	4,245,218
Sales and use tax	6,701,081	5,995,069	-	-	6,701,081	5,995,069
Home rule sales tax	4,276,149	3,754,669	-	-	4,276,149	3,754,669
Replacement tax	260,211	64,971	-	-	260,211	64,971
State income taxes	1,972,782	1,974,281	-	-	1,972,782	1,974,281
Motor fuel taxes	636,920	654,745	-	-	636,920	654,745
Telecommunications taxes	1,155,235	1,083,623	-	-	1,155,235	1,083,623
Utility taxes	371,807	377,363	-	-	371,807	377,363
Franchise fees	358,249	331,463	-	-	358,249	331,463
Other taxes	347,815	387,477	-	-	347,815	387,477
Investment earnings	11,137	17,442	14,015	40,773	25,152	58,215
Miscellaneous	87,569	500,952	-	-	87,569	500,952
Total revenues	<u>26,791,641</u>	<u>25,764,181</u>	<u>7,579,604</u>	<u>7,068,558</u>	<u>34,371,245</u>	<u>32,832,739</u>
EXPENSES						
Governmental activities:						
General government	3,409,165	3,270,933	-	-	3,409,165	3,270,933
Public safety	12,995,924	10,802,030	-	-	12,995,924	10,802,030
Public works	4,002,295	3,976,489	-	-	4,002,295	3,976,489
Health and sanitation	1,416,012	1,353,435	-	-	1,416,012	1,353,435
Community development	2,154,758	1,920,748	-	-	2,154,758	1,920,748
Community services	813,871	990,128	-	-	813,871	990,128
Interest on long-term debt	1,725,701	1,684,646	-	-	1,725,701	1,684,646
Business-type activities:						
Water and sewer	-	-	6,719,339	6,340,186	6,719,339	6,340,186
Total expenses	<u>26,517,726</u>	<u>23,998,409</u>	<u>6,719,339</u>	<u>6,340,186</u>	<u>33,237,065</u>	<u>30,338,595</u>
Change in net assets before transfers	273,915	1,765,772	860,265	728,372	1,134,180	2,494,144
Transfers	623,261	587,943	(623,261)	(587,943)	-	-
Change in net assets	897,176	2,353,715	237,004	140,429	1,134,180	2,494,144
Net assets - beginning	<u>10,318,248</u>	<u>7,964,533</u>	<u>26,435,001</u>	<u>26,294,572</u>	<u>36,753,249</u>	<u>34,259,105</u>
Net assets - ending	<u>\$ 11,215,424</u>	<u>\$ 10,318,248</u>	<u>\$ 26,672,005</u>	<u>\$ 26,435,001</u>	<u>\$ 37,887,429</u>	<u>\$ 36,753,249</u>

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Management's Discussion and Analysis

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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 2011, the City's governmental funds reported combined ending fund balances of \$13,769,850, an increase of \$452,449 in comparison with the prior year. Approximately 0.6% of this total amount (\$81,235) constitutes nonspendable fund balance, which is entirely inventory. Approximately 71.2% of this total amount (\$9,803,456) constitutes restricted fund balance, which is restricted primarily for economic development, motor fuel tax or police purposes. Approximately 1.7% of this total amount (\$239,174) constitutes committed fund balance, which is earmarked by the City Council for future capital projects in various special revenue and capital projects funds. Approximately 26.5% of this total amount (\$3,645,985) constitutes unassigned fund balance, which is available for spending at the City's discretion.

The General Fund is the chief operating fund of the City of Collinsville. At the end of the current fiscal year, the unassigned fund balance of the General Fund was \$3,646,001, while total fund balance was \$4,162,518. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 18.6% of total General Fund expenditures, while total fund balance represents 21.2% of that same amount.

The fund balance of the City's General Fund decreased by \$63,478 during the current fiscal year. Service cuts implemented during 2010 as well as most vacancies were maintained during 2011. However, management cautiously filled some positions and restructured the Public Works Department, which created two new positions.

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 \$5,875,439, which is an increase of \$525,785 compared to 2010. The incremental property tax revenues generated by the TIF districts continue to grow each year. Fund balance has been accumulating to finance large, future projects in the TIF plan.

The Collinsville Crossings Fund is a major special revenue fund of the City. Its resources are to be used for debt service payments on the 2007 general obligation bonds related to the Collinsville Crossings development and the debt service payments on the 2007 revenue bonds related to the Collinsville Crossings development. At the end of the current fiscal year, the fund

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balance of the Collinsville Crossings Fund was \$1,294,149. The fund balance is less than the debt service reserve requirement of \$1,580,175 for the 2007 revenue bonds because the dedicated funding source of business district revenues within the development has been insufficient to meet the obligations. An additional funding source will likely be added during 2012 and will address the Interfund Payable in the Collinsville Crossings Fund.

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.

Unrestricted net assets of the water and sewer fund at the end of the year amounted to \$3,690,694 an increase of \$462,889 or 14.3%. 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 2011 expenditure budget for the City's General Fund represents an original budget of \$18,818,710 increased by \$446,500 to \$19,265,210, an adjustment of approximately 2.1%. Actual expenditures in the general fund were \$17,977,939 which is \$1,342,271 less than the final, amended budgeted. The changes during the year were as follows:

- Increase of \$18,000 in the Operations Program of the Administration Department to provide funds for the addition of one part-time License Clerk.
- Increase of \$15,000 in the Information Technology Program of the Administration Department to provide funds for the addition of one part-time Cable Access Coordinator.
- Increase of \$292,000 in the Administration Program of the Public Works Department to provide funds for the addition of a City Engineer, Secretary, and Management Analyst.
- Decrease of \$59,500 in the Street Program of the Public Works Department for savings due to staffing changes associated with the Public Works realignment.
- Increase of \$40,000 in the Inspections Program of the Public Works Department to provide funds for the addition of two part-time Property Maintenance Inspectors.
- Decrease of \$30,000 in the Community Development Program of the Community Development Department for a reduction in anticipated engineering costs associated with the hiring of a City Engineer.
- Decrease of \$24,100 in the Shuttle Bus Program of the Community Services Department due to the reduction of two vacant, part-time positions.
- Increase of \$60,100 in the City Manager Program of the Administration Department due to a severance package granted to the former City Manager.
- Increase of \$26,500 in the Police Administration Program of the Police Department for the addition of a Lieutenant position.
- Increase of \$3,800 in the Animal Shelter Program of the Police Department for personnel costs related to a staffing change.
- Increase of \$45,200 in the Emergency Medical Services (EMS) Program of the Fire Department due to capital and overtime needs.

CITY OF COLLINSVILLE, ILLINOIS

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- Increase of \$53,600 in the Garbage Program of the Public Works Department due to mandatory monitoring of the landfill.
- Increased of \$5,900 in the Shuttle Bus Program of the Community Services Department due to personnel costs related to a staffing change.

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, 2011, amounts to \$67,410,137, 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 \$52,089 or 0.1% (a \$1,261,370 or 4.4% decrease for governmental activities and a \$1,313,459 or 3.49% 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:

For government-wide financial presentation, all depreciable capital assets were depreciated from acquisition date to the end of 2011. Fund financial statements record capital asset purchases as expenditures.

	Governmental Activities		Business-type Activities		Total	
	December 31, 2011	December 31, 2010	December 31, 2011	December 31, 2010	December 31, 2011	December 31, 2010
Land	\$ 1,051,202	\$ 898,665	\$ 382,980	\$ 382,980	\$ 1,434,182	\$ 1,281,645
Construction in progress	-	-	6,334,472	14,581,322	6,334,472	14,581,322
Buildings and improvements	6,734,841	6,357,639	20,887,879	10,611,374	27,622,720	16,969,013
Equipment	867,419	1,423,719	897,583	1,027,292	1,765,002	2,451,011
Vehicles	874,282	903,846	102,063	105,286	976,345	1,009,132
Infrastructure	18,132,125	19,337,370	11,145,291	11,728,555	29,277,416	31,065,925
Total capital assets	<u>\$ 27,659,869</u>	<u>\$ 28,921,239</u>	<u>\$ 39,750,268</u>	<u>\$ 38,436,809</u>	<u>\$ 67,410,137</u>	<u>\$ 67,358,048</u>

Additional information on the City's capital assets can be found in Note 4 on pages 36 and 37 of this report.

Long-term Debt

At the end of 2011, the City of Collinsville had total long-term debt obligations for governmental and business-type activities in the amount of \$47,790,000 compared to \$48,995,000 at the end of 2010. During 2011, the City made scheduled debt service payments. General obligation bonds are backed by the full faith and credit of the City.

CITY OF COLLINSVILLE, ILLINOIS

Management's Discussion and Analysis

For the year ended December 31, 2011

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.

	Governmental Activities		Business-type Activities		Total	
	December 31,		December 31,		December 31,	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
General Obligation Debt:						
Taxable GO Bonds						
Series 2009	\$ 2,615,000	\$ 2,665,000	\$ -	\$ -	\$ 2,615,000	\$ 2,665,000
LIST Revenue Bonds						
Series 2007	20,250,000	20,250,000	-	-	20,250,000	20,250,000
Taxable GO Bonds						
Series 2007A	6,815,000	7,015,000	-	-	6,815,000	7,015,000
Non-taxable GO Bonds						
Series 2007B	945,000	1,020,000	-	-	945,000	1,020,000
Refunding Bonds (Tax						
Increment Alternate						
Revenue) Series 2003B	170,000	250,000	-	-	170,000	250,000
Alternative Revenue						
Series 2006	-	-	<u>16,995,000</u>	<u>17,795,000</u>	<u>16,995,000</u>	<u>17,795,000</u>
Total Debt	<u>\$ 30,795,000</u>	<u>\$ 31,200,000</u>	<u>\$ 16,995,000</u>	<u>\$ 17,795,000</u>	<u>\$ 47,790,000</u>	<u>\$ 48,995,000</u>

Additional information regarding the City's long-term debt can be found in Note 6 on pages 38 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.

CITY OF COLLINSVILLE, ILLINOIS

STATEMENT OF NET ASSETS
DECEMBER 31, 2011

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
<u>Assets</u>			
Cash and Cash Equivalents	\$ 10,760,726	\$ 3,009,612	\$ 13,770,338
Receivables (Net of allowance for uncollectibles):	5,047,210	1,333,502	6,380,712
Inventory	81,235	162,924	244,159
Restricted Assets:			
Cash and Cash Equivalents	92,802	445,630	538,432
Capital Assets:			
Land	1,051,202	382,980	1,434,182
Buildings and Improvements	9,229,395	29,165,817	38,395,212
Equipment	3,792,163	2,916,798	6,708,961
Vehicles	3,681,855	628,883	4,310,738
Infrastructure	36,658,676	37,169,809	73,828,485
Less: Accumulated Depreciation	(26,753,422)	(30,514,018)	(57,267,440)
Net Capital Assets	<u>27,659,869</u>	<u>39,750,269</u>	<u>67,410,138</u>
Other Assets:			
Insurance Trust	1,213,638	-	1,213,638
Unamortized Debt Issuance Costs	896,126	259,909	1,156,035
Total Assets	<u>45,751,606</u>	<u>44,961,846</u>	<u>89,499,814</u>
<u>Liabilities</u>			
Accounts Payable	494,215	117,881	612,096
Accrued Wages	214,586	48,190	262,776
Accrued Interest Payable	462,139	29,700	491,839
Liabilities Payable from Restricted Assets	86,509	445,630	532,139
Noncurrent Liabilities:			
Due Within One Year	4,617,473	997,918	5,615,391
Due in More Than One Year	28,661,260	16,650,522	45,311,782
Total Liabilities	<u>34,536,182</u>	<u>18,289,841</u>	<u>52,826,023</u>
<u>Net Assets</u>			
Invested in Capital Assets, Net of Related Debt	26,199,136	22,981,311	49,180,447
Restricted for:			
Economic Development	7,169,588	-	7,169,588
Special Revenue Funds	2,198,586	-	2,198,586
Forfeitures and Seizures	435,282	-	435,282
Unrestricted	(24,787,168)	3,690,694	(21,096,474)
Total Net Assets	<u>\$ 11,215,424</u>	<u>\$ 26,672,005</u>	<u>\$ 37,887,429</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, 2011

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		
					Governmental Activities	Business-type Activities	Total
Primary Government:							
Governmental Activities:							
General Government	\$ 3,409,165	\$ 447,566	\$ -	\$ 4,691	\$ (2,956,908)		\$ (2,956,908)
Public Safety	12,995,924	1,242,999	292,652	424,814	(11,035,459)		(11,035,459)
Public Works	4,002,295	24,752	-	129,657	(3,847,886)		(3,847,886)
Health and Sanitation	1,416,012	1,393,246	-	-	(22,766)		(22,766)
Community and Economic Development	2,154,758	1,591,500	3,000	-	(560,258)		(560,258)
Community Services	813,871	-	24,108	-	(789,763)		(789,763)
Interest on Long-term Debt	1,725,701	-	-	-	(1,725,701)		(1,725,701)
Total Governmental Activities (see Note 1)	<u>26,517,726</u>	<u>4,700,063</u>	<u>319,760</u>	<u>559,162</u>	<u>(20,938,741)</u>		<u>(20,938,741)</u>
Business-type Activities:							
Water and Sewer	6,719,339	7,515,589	-	50,000		\$ 846,250	846,250
Total Business-type Activities	<u>6,719,339</u>	<u>7,515,589</u>	<u>-</u>	<u>50,000</u>		<u>846,250</u>	<u>846,250</u>
Total Primary Government	<u>\$ 33,237,065</u>	<u>\$ 12,215,652</u>	<u>\$ 319,760</u>	<u>\$ 609,162</u>	<u>(20,938,741)</u>	<u>846,250</u>	<u>(20,092,491)</u>
General Revenues:							
Property Tax, Levied for General Purposes					5,033,701	-	5,033,701
Intergovernmental Revenues:							
Sales and Use Tax					6,701,081	-	6,701,081
Home Rule Sales Tax					4,276,149	-	4,276,149
Replacement Tax					260,211	-	260,211
State Income Tax					1,972,782	-	1,972,782
Motor Fuel Tax					636,920	-	636,920
Telecommunications Tax					1,155,235	-	1,155,235
Utility Tax					371,807	-	371,807
Franchise Fees					358,249	-	358,249
Other Taxes					347,815	-	347,815
Unrestricted Investment Earnings					11,137	14,015	25,152
Miscellaneous					87,569	-	87,569
Transfers					623,261	(623,261)	-
Total General Revenues and Transfers					<u>21,835,917</u>	<u>(609,246)</u>	<u>21,226,671</u>
Change in Net Assets					<u>897,176</u>	<u>237,004</u>	<u>1,134,180</u>
Net Assets - Beginning					<u>10,318,248</u>	<u>26,435,001</u>	<u>36,753,249</u>
Net Assets - Ending					<u>\$ 11,215,424</u>	<u>\$ 26,672,005</u>	<u>\$ 37,887,429</u>

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

CITY OF COLLINSVILLE, ILLINOIS

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2011

	<u>General Fund</u>	<u>Tax Increment Financing Fund</u>	<u>Collinsville Crossings Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<u>Assets</u>					
Cash and Cash Equivalents:					
Cash	\$ (26,417)	\$ 1,621,860	\$ -	\$ 715,361	\$ 2,310,804
Seized Funds Escrow	92,802	-	-	-	92,802
Investments	1,741,205	2,922,728	2,125,369	1,660,620	8,449,922
Total Cash and Cash Equivalents	<u>1,807,590</u>	<u>4,544,588</u>	<u>2,125,369</u>	<u>2,375,981</u>	<u>10,853,528</u>
Receivables (Net, where applicable, of allowances for uncollectibles):					
Property Tax	1,392,848	310,452	-	-	1,703,300
Services	613,941	-	-	41,479	655,420
Intergovernmental	3,214,082	123,791	245,406	134,980	3,718,259
Other	257,785	-	-	-	257,785
Interfund Receivable	76,616	1,000,010	-	-	1,076,626
Inventory	81,235	-	-	-	81,235
Total Assets	<u>\$ 7,444,097</u>	<u>\$ 5,978,841</u>	<u>\$ 2,370,775</u>	<u>\$ 2,552,440</u>	<u>\$ 18,346,153</u>
<u>Liabilities and Fund Equity</u>					
Liabilities:					
Accounts Payable	\$ 278,218	\$ 101,301	\$ -	\$ 114,696	\$ 494,215
Accrued Wages and Compensated Absences	212,485	2,101	-	-	214,586
Interfund Payable	-	-	1,076,626	-	1,076,626
Liabilities Payable from Restricted Assets:					
Seized Fund Escrow Liability	86,509	-	-	-	86,509
Deferred Revenue	2,704,367	-	-	-	2,704,367
Total Liabilities	<u>3,281,579</u>	<u>103,402</u>	<u>1,076,626</u>	<u>114,696</u>	<u>4,576,303</u>
Fund Equity:					
Fund Balance:					
Nonspendable	81,235	-	-	-	81,235
Restricted	435,282	5,875,439	1,294,149	2,198,586	9,803,456
Committed	-	-	-	239,174	239,174
Unassigned	3,646,001	-	-	(16)	3,645,985
Total Fund Equity	<u>4,162,518</u>	<u>5,875,439</u>	<u>1,294,149</u>	<u>2,437,744</u>	<u>13,769,850</u>
Total Liabilities and Fund Equity	<u>\$ 7,444,097</u>	<u>\$ 5,978,841</u>	<u>\$ 2,370,775</u>	<u>\$ 2,552,440</u>	<u>\$ 18,346,153</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, 2011

Amounts reported for governmental fund balances are different because:

Fund balances - total governmental funds	\$ 13,769,850
Capital assets used in governmental activities are not financial resources and, therefore, are not reported on the balance sheet of the governmental funds.	27,659,869
The balance of the pooled insurance trust is not recorded as an asset on the balance sheet of the governmental funds.	1,213,638
The amount of compensated absences is not recorded as a liability on the balance sheet of the governmental funds.	(1,035,171)
The amount of postemployment health care benefits is not recorded as a liability on the balance sheet of the governmental funds.	(1,039,226)
Long-term debt (e.g., bonds, leases) is not reported as a liability on the balance sheet of the governmental funds.	(31,164,622)
Accrued interest payable on the long-term debt is not reported as a liability on the balance sheet of the governmental funds.	(462,139)
Net pension liabilities/assets are not reported on the balance sheet of the governmental funds.	(39,714)
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.	1,416,813
Debt issuance costs are not reported as an asset to be amortized on the balance sheet of the governmental funds.	896,126
Net assets of governmental activities	<u><u>\$ 11,215,424</u></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, 2011

	General Fund	Tax Increment Financing Fund	Collinsville Crossings Fund	Other Governmental Funds	Total Governmental Funds
Revenues:					
Property Tax	\$ 2,389,047	\$ 2,644,654	\$ -	\$ -	\$ 5,033,701
Intergovernmental:					
Sales and Use Tax	3,976,795	538,758	1,474,639	503,372	6,493,564
Home Rule Sales Tax	3,914,284	-	-	-	3,914,284
Replacement Tax	260,211	-	-	-	260,211
State Income Tax	1,807,743	-	-	-	1,807,743
Motor Fuel Tax	-	-	-	636,920	636,920
Telecommunications Tax	1,071,751	-	-	-	1,071,751
Grants	316,760	3,000	-	559,162	878,922
Other	308,622	-	-	-	308,622
Other Local Taxes	1,324,290	39,193	-	371,807	1,735,290
Drug Forfeiture Revenue	210,241	-	-	-	210,241
Licenses, Fees and Permits	645,872	-	-	-	645,872
Charges for Services	2,361,175	-	-	-	2,361,175
Fines	95,699	-	-	19,004	114,703
Investment Earnings	2,217	6,129	179	2,612	11,137
Gifts and Donations	29,389	3,500	-	10,425	43,314
Miscellaneous Revenues/Reimbursements	164,150	263,760	-	18,376	446,286
Total Revenues	<u>18,878,246</u>	<u>3,498,994</u>	<u>1,474,818</u>	<u>2,121,678</u>	<u>25,973,736</u>
Expenditures:					
Current:					
General Government	3,391,148	-	-	457,082	3,848,230
Public Safety	12,165,289	-	-	5,875	12,171,164
Public Works	2,044,549	-	-	285,654	2,330,203
Health and Sanitation	1,416,012	-	-	-	1,416,012
Community and Economic Development	387,328	1,281,916	-	424,184	2,093,428
Community Services	126,207	661,496	-	-	787,703
Debt Service:					
Principal	8,792	81,243	200,000	363,188	653,223
Interest and Fees	1,921	149,545	1,479,868	56,184	1,687,518
Capital Outlay	64,394	613,723	-	419,605	1,097,722
Total Expenditures	<u>19,605,640</u>	<u>2,787,923</u>	<u>1,679,868</u>	<u>2,011,772</u>	<u>26,085,203</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(727,394)</u>	<u>711,071</u>	<u>(205,050)</u>	<u>109,906</u>	<u>(111,467)</u>
Other Financing Sources (Uses):					
Transfers In	723,261	-	-	85,286	808,547
Transfers Out	-	(185,286)	-	-	(185,286)
Total Other Financing Sources	<u>723,261</u>	<u>(185,286)</u>	<u>-</u>	<u>85,286</u>	<u>623,261</u>
Net Change in Fund Balances	(4,133)	525,785	(205,050)	195,192	511,794
Fund Balance, Beginning of Year	4,225,996	5,349,654	1,499,199	2,242,552	13,317,401
Decrease in Reserve for Inventory	(59,345)	-	-	-	(59,345)
Fund Balance, End of Year	<u>\$ 4,162,518</u>	<u>\$ 5,875,439</u>	<u>\$ 1,294,149</u>	<u>\$ 2,437,744</u>	<u>\$ 13,769,850</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, 2011**

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

Net change in fund balances - total governmental funds \$ 511,794

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 depreciation expense of \$2,347,282 and disposals of \$11,810 exceeded capital outlays of \$1,097,722 in the current year. (1,261,370)

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. (8,545)

The amount of net pension liabilities/assets related to the police and fire departments are not recorded as an expense in the fund financial statements. In the statement of activities, these amounts are included and recorded currently in the public safety expense category. This amount is the difference between beginning and ending net pension liabilities/assets balances that has been included in the statement of activities. (13,144)

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. (261,785)

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. 615,040

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. This amount is the difference between beginning and ending deferred revenues that has been included in the statement of activities. 1,091,316

The balance of the City's portion of the pooled insurance trust is not recorded as an asset in the fund financial statements. In the statement of net assets, this amount is included and adjusted through the general functional expense category. This amount is the difference between beginning and ending insurance trust balance. 283,215

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. (59,345)

Change in net assets of governmental activities \$ 897,176

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, 2011

<u>Assets:</u>		<u>Liabilities:</u>	
Current Assets:		Current Liabilities:	
Cash and Cash Equivalents:		Accounts Payable	\$ 117,881
Cash 264,788	\$	Accrued Wages	48,190
Investments	2,744,824	Current Portion - Lease Payable	4,255
Total Cash and Cash Equivalents	<u>3,009,612</u>	Current Portion - Bonds Payable	835,000
Receivables (Net, where applicable, of		Accrued Compensated Absences	158,663
allowances for uncollectible):		Accrued Interest Payable	29,700
Services	1,333,502	Total Current Liabilities	<u>1,193,689</u>
Inventory	162,924		
Total Current Assets	<u>4,506,038</u>		
		Noncurrent Liabilities:	
Noncurrent Assets - Restricted:		Accrued Compensated Absences	361,981
Cash and Cash Equivalents - Customer Deposits	<u>445,630</u>	Postemployment Healthcare Benefits	98,929
		Lease Payable	29,612
Capital Assets:		General Obligation Bonds	16,160,000
Land	382,980	Customer Deposits	445,630
Buildings and Improvements	29,165,817	Total Noncurrent Liabilities	<u>17,096,152</u>
Equipment	2,916,798	Total Liabilities	<u>18,289,841</u>
Vehicles	628,883		
Water and Sewer Lines	30,835,337		
Construction in Progress	6,334,472		
Total	<u>70,264,287</u>		
Less - Accumulated Depreciation	<u>(30,514,018)</u>		
Net Capital Assets	39,750,269		
Other Assets - Bond Issuance Costs	<u>259,909</u>		
		<u>Net Assets:</u>	
Total Noncurrent Assets	<u>40,455,808</u>	Invested in Capital Assets, Net of Related Debt	22,981,311
		Unrestricted	3,690,694
Total Assets	<u>\$ 44,961,846</u>	Total Net Assets	<u>\$ 26,672,005</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, 2011

Operating Revenues:	
Charges for Services	\$ 7,247,802
Fees	237,769
Miscellaneous Revenue	30,018
Total Operating Revenues	<u>7,515,589</u>
Operating Expenses:	
Salaries	2,169,854
Employee Benefits	837,036
Maintenance	136,252
Contractual Services	1,337,793
Commodities	680,409
Depreciation	1,537,883
Total Operating Expenses	<u>6,699,227</u>
Operating Income	<u>816,362</u>
Nonoperating Revenues (Expenses):	
Amortization of Deferred Refunding and Bond Issuance Costs	(17,327)
Investment Earnings	14,015
Interest and Fiscal Charges	(2,785)
Total Nonoperating Revenues (Expenses)	<u>(6,097)</u>
Income Before Capital Contributions and Transfers	810,265
Transfers Out	(623,261)
Capital Grant	50,000
Change in Net Assets	237,004
Net Assets - Beginning of Year	<u>26,435,001</u>
Net Assets - End of Year	<u><u>\$ 26,672,005</u></u>

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

CITY OF COLLINSVILLE, ILLINOIS

STATEMENT OF CASH FLOWS
PROPRIETARY FUND TYPE - WATER AND SEWER FUND
FOR THE YEAR ENDED DECEMBER 31, 2011

Cash Flows from Operating Activities:	
Receipts from Customers	\$ 7,506,875
Payments to Suppliers	(2,978,734)
Payments to Employees	(2,160,273)
Net Cash Provided by Operating Activities	<u>2,367,868</u>
Cash Flows from Noncapital Financing Activities:	
Payments to Other Funds	(623,261)
Net Cash Used by Noncapital Financing Activities	<u>(623,261)</u>
Cash Flows from Capital and Related Financing Activities:	
Capital Expenditures	(2,925,748)
Capital Grant	50,000
Principal Payments on Bonds	(800,000)
Interest Payments and Fiscal Charges	(748,912)
Principal Payments on Loan/Lease	(4,082)
Net Cash Used by Capital and Related Financing Activities	<u>(4,428,742)</u>
Cash Flows from Investing Activities:	
Interest Received	19,624
Net Sale of Long-Term Investments	2,326,100
Net Cash Provided by Investing Activities	<u>2,345,724</u>
Net Change in Cash and Cash Equivalents	(338,411)
Cash and Cash Equivalents, Beginning of Year	<u>3,793,653</u>
Cash and Cash Equivalents, End of Year	<u>\$ 3,455,242</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:	
Operating Income	\$ 816,362
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:	
Depreciation	1,537,883
(Increase) Decrease in Assets:	
Services Receivables	(10,759)
Inventory	9,067
Prepaid Expenses	79,270
Increase (Decrease) in Liabilities:	
Accrued Wages and Compensated Absences	9,581
Postemployment Healthcare Benefits	14,939
Accounts Payable	(90,520)
Restricted Customer Deposits	2,045
Net Cash Provided by Operating Activities	<u>\$ 2,367,868</u>

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, 2011

Assets:

Cash and Cash Equivalents:

Cash	\$ 1,380,398
Investments - Illinois Funds	12

Investments:

Municipal Bonds	398,517
Certificate of Deposits	3,731,724
Corporate Bonds	3,144,612
U.S. Government Securities	7,470,689
Common Stock	5,722,004
Mutual Funds	10,904,795

Receivables:

Property Tax	1,319,764
Accrued Interest	79,430

Total Assets	<u>34,151,945</u>
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Liabilities:

Accounts Payable	15,000
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Total Liabilities	<u>15,000</u>
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Net Assets:

Held in Trust For Pension	
Benefits and Other Purposes	<u><u>\$ 34,136,945</u></u>

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, 2011

Additions:

Employer Contributions	\$ 1,409,880
Employee Contributions	530,205
Investment Earnings:	
Investment Earnings	192,728
Less: Investment Expense	(114,801)
Net Investment Earnings	<u>77,927</u>
Total Additions	<u><u>2,018,012</u></u>

Deductions:

Benefit Payments	2,307,115
Refund of Contributions	69,647
Contractual Services	35,238
Total Deductions	<u><u>2,412,000</u></u>

Change in Net Assets	(393,988)
Net Assets - Beginning of Year	<u>34,530,933</u>
Net Assets - End of Year	<u><u>\$ 34,136,945</u></u>

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

CITY OF COLLINSVILLE, ILLINOIS

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2011

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 Collinsville Crossings Fund accounts for sales taxes that are restricted to pay debt service costs of the related economic development area.

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	\$ 50,975
General Fund	Ambulance Receivables	797,093
Proprietary Fund	Water and Sewer Receivables	<u>269,121</u>
Total		<u>\$1,117,189</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 2010 property taxes on December 13, 2010 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 2011 become an enforceable lien in January 2012.

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

Because this tax levy will be used to pay expenses budgeted in 2012, no part of this tax levy is shown as a receivable as of December 31, 2011 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, 2011, the following amounts are reported as restricted assets by the City:

Waterworks and Sewerage Customer Deposits	\$ 445,630
General Fund - Police Savings - Inventory	92,802

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 \$743,461 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. The liability related to the governmental funds is retired by the General Fund.

At December 31, 2011, the City estimated that the accumulated liability for unused vacation and sick leave for governmental fund employees totaled \$580,260 and \$454,911, respectively. Amounts reflected in the financial statements at December 31, 2011 for Enterprise Fund employees related to unused vacation and sick leave benefits totaled \$158,663 and \$361,981, 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, the City classifies the fund balances based upon the following criteria:

Nonspendable - includes amounts that cannot be spent because they are either 1) not in spendable form, or 2) legally or contractually required to remain intact.

Restricted - balances with constraints that are either externally imposed by creditors or imposed by law through constitutional provisions or enabling legislation.

Committed - balances that are to be only used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority.

Assigned - balances that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed.

Unassigned - the residual classification of the General Fund balance.

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

Governmental Funds

Nonspendable:

Inventory	\$ 81,235
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Restricted:

Forfeiture Funds	\$ 342,480
Police Inventory Savings	92,802
Economic Development	7,169,588
Business Districts	674,239
Motor Fuel Tax	1,515,376
Police Vehicle Fund	8,971
	<u>\$ 9,803,456</u>

Committed:

Special Revenue Funds	\$ 239,174
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Assigned:

Fire Equipment	\$ 4,834
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Fiduciary Funds

Reserved for Employees' Pension Benefits	\$ 34,136,945
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CITY OF COLLINSVILLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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.

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.

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

NOTE 3: CASH AND CASH EQUIVALENTS AND INVESTMENTS

General Government & Business-Like Activities

At December 31, 2011, the carrying amount of the City's deposits was \$4,825,396 and the bank balance was \$5,511,436. 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 \$44,993 that exceeded FDIC coverage and was uncollateralized at December 31, 2011.

As of December 31, 2011, the City had the following investments:

<u>Investment</u>	<u>Weighted Average Maturity (Years)</u>	<u>Fair Value</u>
Illinois Metropolitan Investment Fund	Daily	\$ 1,272,032
The Illinois Funds (external investment pool)	Daily	6,183,889
Money Market Mutual Funds	Daily	<u>2,026,973</u>
		9,482,894
Cash on Hand		480
Deposits as reported above		<u>4,825,396</u>
Total deposits and investments		<u>\$ 14,308,770</u>
As Reported in the Statement of Net Assets:		
Cash and Cash Equivalents		\$ 13,770,338
Cash and Cash Equivalents - Restricted		<u>538,432</u>
		<u>\$ 14,308,770</u>

The Illinois Funds and the Illinois Metropolitan Investment Fund are pooled investments that are operated by the State of Illinois as a not-for-profit common law trust and are not registered with the SEC. The funds are monitored regularly through the State by internal and external audits. The goals of the funds are to provide liquidity and to maintain balances that are equal to the par value of the invested shares with no loss to market fluctuations.

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.

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

Credit Risk. As of December 31, 2011, 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	--

Concentration of Credit Risk. As of December 31, 2011, the City's investments are concentrated as follows:

<u>Investment</u>	<u>Percentage</u>
Illinois Metropolitan Investment Fund	8.89%
The Illinois Funds	43.22%

Foreign Currency Risk. As of December 31, 2011, the City has no foreign currency risk.

Firefighter's Pension Fund

At December 31, 2010, the carrying amount of the Firefighter's Pension Fund deposits was \$3,980,523 and the bank balance was \$3,989,733. 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, 2011, 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	4.12	2,102,162
Federal National Mortgage Association	12.12	973,115
Corporate Debt	0.68	182,592
Federal Home Loan Mortgage Corp.	25.60	32,398
Mutual Funds	--	8,424,789
BAB Income Trust	--	<u>1,073,148</u>
		12,788,216
Deposits as reported above		<u>3,980,523</u>
Total deposits and investments		<u>\$ 16,768,739</u>

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

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, 2011, 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
Corporate Debt	AAA	--

Concentration of Credit Risk. As of December 31, 2011, the Firefighter's Pension Fund had a concentration of credit risk related to investing 5.80% of the Fund's investments in Federal National Mortgage Associations.

Foreign Currency Risk. As of December 31, 2011, the Firefighter's Pension Fund has no foreign currency risk.

Police Pension Fund

At December 31, 2011, the carrying amount of the Police Pension Fund's deposits was \$1,131,599 and the bank balance was \$1,126,910. 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 Fund's deposits may not be returned to it. The Police Pension Fund requires that all deposits be fully covered by FDIC insurance or collateralized with investments held by the financial institution in the Police Pension Fund's name.

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

As of December 31, 2011, 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	5.41	\$ 2,410,166
Federal National Mortgage Association	27.53	1,423,744
Federal Home Loan Mortgage	12.38	429,196
Government National Mortgage Association	17.55	99,908
Corporate Debt	4.48	2,962,020
Municipal Bonds	3.01	398,517
Mutual Fund	--	1,406,858
Domestic Equities	--	<u>5,722,004</u>
		14,852,413
Deposits as reported above		<u>1,131,599</u>
Total deposits and investments		<u>\$ 15,984,012</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.

Credit Risk. As of December 31, 2011, 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, 2011, the Police Pension Fund's investments are concentrated as follows:

<u>Investment</u>	<u>Percentage</u>
Federal National Mortgage Association	8.91%

Foreign Currency Risk. As of December 31, 2011, the Police Pension Fund has no foreign currency risk.

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

NOTE 4: CAPITAL ASSETS

Capital asset activity for governmental activities for the year ended December 31, 2011 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	\$ 1,063,012	\$ -	\$ 11,810	\$ 1,051,202
Capital assets, being depreciated:				
Buildings and improvements	8,722,574	525,324	18,503	9,229,395
Equipment	3,961,191	140,757	309,785	3,792,163
Vehicles	3,624,909	180,071	123,125	3,681,855
Infrastructure	36,407,106	251,570	-	36,658,676
Total capital assets being depreciated	<u>52,715,780</u>	<u>1,097,722</u>	<u>451,413</u>	<u>53,362,089</u>
Less accumulated depreciation for:				
Buildings and improvements	2,191,844	321,213	18,503	2,494,554
Equipment	2,925,461	309,068	309,785	2,924,744
Vehicles	2,670,512	260,186	123,125	2,807,573
Infrastructure	17,069,736	1,456,815	-	18,526,551
Total accumulated depreciation	<u>24,857,553</u>	<u>2,347,282</u>	<u>451,413</u>	<u>26,753,422</u>
Total capital assets, being depreciated, net	<u>27,858,227</u>	<u>(1,249,560)</u>	<u>-</u>	<u>26,608,667</u>
Governmental activities capital assets, net	<u>\$ 28,921,239</u>	<u>\$ (1,249,560)</u>	<u>\$ 11,810</u>	<u>\$ 27,659,869</u>

Capital asset activity for business-type activities for the year ended December 31, 2011 was as follows:

<u>Business-type activities:</u>	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets, not being depreciated:				
Land	\$ 382,980	\$ -	\$ -	\$ 382,980
Construction in progress	14,581,322	2,644,335	10,891,185	6,334,472
	<u>14,964,302</u>	<u>2,644,335</u>	<u>10,891,185</u>	<u>6,717,452</u>
Capital assets, being depreciated:				
Buildings and improvements	18,231,584	10,934,232	-	29,165,816
Infrastructure	30,760,496	74,841	-	30,835,337
Equipment	2,875,977	40,821	-	2,916,798
Vehicles	615,583	48,298	34,998	628,883
Total capital assets being depreciated	<u>52,483,640</u>	<u>11,098,192</u>	<u>34,998</u>	<u>63,546,834</u>
Less accumulated depreciation for:				
Buildings and improvements	7,620,210	657,727	-	8,277,937
Infrastructure	19,031,941	658,105	-	19,690,046
Equipment	1,848,685	170,530	-	2,019,215
Vehicles	510,297	51,521	34,998	526,820
Total accumulated depreciation	<u>29,011,133</u>	<u>1,537,883</u>	<u>34,998</u>	<u>30,514,018</u>
Total capital assets, being depreciated, net	<u>23,472,507</u>	<u>9,560,309</u>	<u>-</u>	<u>33,032,816</u>
Business-type activities capital assets, net	<u>\$ 38,436,809</u>	<u>\$ 12,204,644</u>	<u>\$ 10,891,185</u>	<u>\$ 39,750,268</u>

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

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

General government	\$ 142,968
Public safety	554,908
Highways and streets, including depreciation of general infrastructure assets	1,601,501
Community and economic development	37,575
Community services	<u>10,330</u>
Total depreciation expense - governmental activities	<u>\$ 2,347,282</u>
Business-type activities:	
Water and sewer	<u>\$ 1,537,883</u>

NOTE 5: RECEIVABLES

The City reports the following receivables in the statement of net assets as of December 31, 2011. 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:					
Local Taxes	\$ 168,615	\$ -	\$ -	\$ 41,479	\$ 210,094
Fines/Franchise Fees	89,170	-	-	-	89,170
Accounts	1,462,009	-	1,602,623	-	3,064,632
Property taxes	105,294	310,452	-	-	415,746
Intergovernmental	<u>3,214,082</u>	<u>123,791</u>	<u>-</u>	<u>380,386</u>	<u>3,718,259</u>
Gross Receivables	5,039,170	434,243	1,602,623	421,865	7,497,901
Less: Allowance for uncollectible	<u>848,068</u>	<u>-</u>	<u>269,121</u>	<u>-</u>	<u>1,117,189</u>
Net Total Receivables	<u>\$ 4,191,102</u>	<u>\$ 434,243</u>	<u>\$ 1,333,502</u>	<u>\$ 421,865</u>	<u>\$ 6,380,712</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	\$ 1,287,554	\$ --
Intergovernmental taxes	1,416,813	--

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

NOTE 6: LONG-TERM DEBT

Bond Issues

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 \$85,000 through December 1, 2013; interest at 3.85% to 4.00%. These bonds were issued to refund a portion of prior outstanding Series 1993B TIF bonds. The amount of bonds outstanding as of December 31, 2011 is \$170,000.

\$20,000,000 General Obligation Bonds, Series 2006 dated February 1, 2006, due in annual installments of \$835,000 to \$1,490,000 through December 15, 2026; interest at 4.00% to 4.45%. The proceeds were used to finance certain capital improvements to the City's water and sewer systems. The amount of bonds outstanding as of December 31, 2011 is \$16,995,000.

\$7,300,000 Taxable General Obligation Bonds, Series 2007A dated October 31, 2007, due in annual installments of \$230,000 to \$670,000 through December 15, 2027; interest at 5.20% to 5.80%. The proceeds were used to reimburse or pay redevelopment costs associated with the Collinsville Crossing Shopping Center. The amount of bonds outstanding as of December 31, 2011 is \$6,815,000.

\$1,215,000 General Obligation Bonds, Series 2007B dated October 31, 2007, due in annual installments of \$75,000 to \$115,000 through December 15, 2021; interest at 3.65% to 4.00%. The proceeds were used to reimburse or pay redevelopment costs associated with the Fournie Lane redevelopment. The amount of bonds outstanding as of December 31, 2011 is \$945,000.

\$20,250,000 Local Government Program Revenue Bonds, Series 2007 dated July 23, 2007, due in semiannual installments of \$390,000 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 proceeds were used to reimburse or pay redevelopment costs associated with the Collinsville Crossing Shopping Center. The amount of bonds outstanding as of December 31, 2011 is \$20,250,000.

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

\$2,700,000 Taxable General Obligation Bonds, Series 2009 dated January 12, 2009, due in annual installments of \$75,000 to \$245,000 through December 15, 2028; interest at 4.00% to 5.95%. The proceeds were used to pay redevelopment costs in the Eastport Plaza Drive Business District for work related to the Doubletree Inn. The amount of bonds outstanding as of December 31, 2011 is \$2,615,000.

The annual requirements to retire outstanding bond issues as of December 31, 2011 are as follows:

<u>Year Ended</u> <u>December 31,</u>	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2012	\$ 3,960,000	\$ 1,461,553	\$ 835,000	\$ 712,794
2013	1,475,000	1,395,458	870,000	679,394
2014	1,525,000	1,323,222	905,000	644,594
2015	1,655,000	1,247,700	945,000	608,394
2016	1,785,000	1,165,453	985,000	570,594
2017 - 2021	11,395,000	4,288,029	5,580,000	2,222,281
2022 - 2026	8,005,000	1,189,739	6,875,000	932,498
2027 - 2028	995,000	68,313	-	-
	<u>\$ 30,795,000</u>	<u>\$ 12,139,467</u>	<u>\$ 16,995,000</u>	<u>\$ 6,370,549</u>

Capital Lease Agreements

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

\$379,721 capital lease through PNC Equipment Finance, dated December 18, 2009, for energy efficient equipment, bears interest at 4.25%; annual principal and interest payments of \$51,653 are due through December 2018. The principal amount of the lease outstanding as of December 31, 2011 is \$307,181. This capital lease is being retired by both the governmental activities and business-type activities based upon actual initial costs.

\$110,845 capital lease through The Bank of Edwardsville, dated January 10, 2011, for 5 police pursuit vehicles, bears interest at 4.94%; annual principal and interest payments of \$39,243 are due April 2011 through April 2013. The principal amount of the lease outstanding as of December 31, 2011 is \$73,027.

\$30,373 capital lease through The Bank of Edwardsville, dated January 12, 2011, for 7 Panasonic laptops with docking stations, bears interest at 5.47%; quarterly principal and interest payments of \$2,117 are due beginning March 2011 with the last payment on December 2014. The principal amount of the lease outstanding as of December 31, 2011 is \$23,280.

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

The annual debt requirements to retire capital lease agreements as of December 31, 2011 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>
2012	\$ 77,312	\$ 16,355	\$ 4,255	\$ 1,439
2013	80,953	12,714	4,436	1,258
2014	45,509	8,916	4,625	1,070
2015	38,910	7,048	4,821	873
2016	40,564	5,395	5,026	669
2017-2018	<u>86,374</u>	<u>5,545</u>	<u>10,704</u>	<u>688</u>
	<u>\$ 369,622</u>	<u>\$ 55,973</u>	<u>\$ 33,867</u>	<u>\$ 5,997</u>

The following is a summary of changes in long-term liabilities for the year ended December 31, 2011:

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
<u>Governmental Activities</u>					
Bonds and notes payable:					
General obligation bonds	\$ 10,950,000	\$ -	\$ 405,000	\$ 10,545,000	\$ 465,000
Revenue bonds	20,250,000	-	-	20,250,000	3,495,000
Other liabilities:					
Capital leases	617,845	-	248,223	369,622	77,312
OPEB liability	777,441	261,785	-	1,039,226	-
Pension benefit obligation	26,570	13,144	-	39,714	-
Compensated absences	<u>1,026,626</u>	<u>8,545</u>	<u>-</u>	<u>1,035,171</u>	<u>580,261</u>
	2,448,482	283,474	248,223	2,483,733	657,573
Governmental activities long-term liabilities	<u>\$ 33,648,482</u>	<u>\$ 283,474</u>	<u>\$ 653,223</u>	<u>\$ 33,278,733</u>	<u>\$ 4,617,573</u>
<u>Business-type Activities:</u>					
Bonds and notes payable:					
General obligation bonds	\$ 17,795,000	\$ -	\$ 800,000	\$ 16,995,000	\$ 835,000
Other liabilities:					
Capital lease	37,949	-	4,082	33,867	4,255
OPEB liability	83,990	14,939	-	98,929	-
Compensated absences	<u>511,080</u>	<u>9,564</u>	<u>-</u>	<u>520,644</u>	<u>158,663</u>
	633,019	24,503	4,082	653,440	162,918
Business-type activities long-term liabilities	<u>\$ 18,428,019</u>	<u>\$ 24,503</u>	<u>\$ 804,082</u>	<u>\$ 17,648,440</u>	<u>\$ 997,918</u>

The liabilities related to the pension benefit obligation, the OPEB liability and the compensated absences in the governmental activities are being retired by the General Fund.

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

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: 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 9: 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.

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

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.
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 have been financed from three revenue 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 Special Tax Allocation Funds and redevelopment project costs are to be paid from these funds.

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. This TIF District 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. This TIF District 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 10: 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, 2011 is \$92,802.

NOTE 11: 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. The City has not recorded a liability for future costs due to the uncertainty of any additional procedures and any possible related costs. Any costs would be an estimate subject to changes resulting from inflation, deflation, technology, or changes in laws or regulations.

NOTE 12: FEDERAL DRUG FORFEITURE REVENUE AND EXPENSES

During the year, the City received \$206,421 in federal drug forfeiture revenue and from those funds expended \$200,377. 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 13: 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 2011 was 9.43 percent of annual covered payroll. The employer annual required contribution rate for calendar year 2011 was 10.93 percent. 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, 2011, the City's actual contributions for pension cost for Regular were \$489,853. Its required contribution for calendar year 2011 was \$567,772.

Three-Year Trend Information for IMRF

<u>Fiscal</u> <u>Year</u> <u>Ending</u>	<u>Annual</u> <u>Pension</u> <u>Cost (APC)</u>	<u>Percentage</u> <u>of APC</u> <u>Contributed</u>	<u>Net</u> <u>Pension</u> <u>Obligation</u>
12/31/11	\$ 567,772	86%	\$ 196,582
12/31/10	577,000	79%	118,663
12/31/09	386,576	100%	-

The required contribution for 2011 was determined as part of the December 31, 2009 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2009 included (a) 7.50% investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4.00% a

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

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 your employer Regular plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. The City's Regular plan's unfunded actuarial accrued liability at December 31, 2009 is being amortized as a level percentage of projected payroll on an open 30 year basis.

Funded Status and Funding Progress. As of December 31, 2011, the most recent actuarial valuation date, the plan was 75.82 percent funded. The actuarial accrued liability for benefits was \$13,106,599 and the actuarial value of assets was \$9,937,606, resulting in an underfunded actuarial accrued liability (UAAL) of \$3,168,993. The covered payroll for calendar year 2011 (annual payroll of active employees covered by the plan) was \$5,194,624 and the ratio of the UAAL to the covered payroll was 61 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 does not issue a separate report for the plan. The City's payroll for employees covered by the Police Pension Plan for the year ended December 31, 2011 was \$3,178,260.

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

At December 31, 2011, the Police Pension Plan membership consisted of:

Retirees and Beneficiaries Currently Receiving Benefits and Terminated Employees Entitled to Benefits but not yet Receiving Them	33
Current Employees	<u>44</u>
Total	<u>75</u>

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.

Beginning January 1, 2011, several changes were implemented for all new officers. These changes include:

- An officer age 55 or more must now have 10 years of creditable service to receive a monthly pension of 2.50 percent for each year of service
- An officer retiring at age 50 shall have their pension reduced by 1% for each month under the age of 55.
- The maximum salary for calculation of benefits shall not exceed \$106,800, to be adjusted for inflation.

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

- Pension payment increases shall be limited based on inflationary rates.
- Changes required funding date to 2040 and provides for required measures by the State Comptroller to ensure the municipalities are providing the required funding.

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 does not issue a separate report for the plan. The City’s payroll for employees covered by the Firefighters’ Pension Plan for the year ended December 31, 2011 was \$1,996,108.

At December 31, 2011, the Firefighters’ 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>32</u>
Total	<u>62</u>

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.

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

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.

Beginning January 1, 2011, several changes were implemented for all new firefighters. These changes include:

- A firefighter must now be age 55 or more and have 10 or more years of creditable service to receive a monthly pension of 2.50 percent for each year of service.
- A firefighter retiring at age 50 shall have their pension reduced by 1/2 of 1% for each month under the age of 55.
- The maximum salary for calculation of benefits shall not exceed \$106,800, to be adjusted for inflation.
- Pension payment increases shall be limited based on inflationary rates and will not occur until the latter of age 60 or the first anniversary of the pension start date.
- Changes required funding date to 2040 and provides for required measures by the State Comptroller to ensure the municipalities are providing the required funding.

b) Summary of Significant Accounting Policies

Basis of Accounting

The financial statements are prepared using the accrual basis of accounting. Contributions are recognized as revenues in the period in which employee services are performed and are pursuant to formal commitments as well as statutory or contractual requirements. Benefits and refunds of the pension funds are recognized when due and payable in accordance with the terms of the plan.

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	\$ 1,012,337	\$ 665,745
Interest on net pension obligation	(6,180)	8,041
Adjustment to annual required contribution	<u>4,527</u>	<u>(5,890)</u>
Annual pension cost	1,010,684	667,896
Contributions made	<u>1,004,510</u>	<u>660,926</u>
Increase (decrease) in net pension obligation	6,174	6,970
Net pension obligation beginning of year	<u>(88,290)</u>	<u>114,860</u>
Net pension obligation end of year	<u>\$ (82,116)</u>	<u>\$ 121,830</u>

Actuarial Valuation Date - December 31, 2011

Actuarial Value of Assets	\$ 16,690,524	\$ 17,699,891
Actuarial Accrued Liability	27,654,327	22,433,610
Total Unfunded Actuarial Liability	10,963,803	4,733,719
Actuarial Value of Assets as a % of the Actuarial Accrued Liability	60.35%	78.90%
Annual Covered Payroll	3,178,260	1,996,108
Ratio of the Unfunded Actuarial Liability to Annual Covered Payroll	344.96%	237.15%

The annual required contribution for the current year was determined as part of the December 31, 2009, 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 market and 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, 2010, was 22.4986 years.

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

Three-Year Trend Information

	<u>Fiscal</u> <u>Year</u> <u>Ending</u>	<u>Annual</u> <u>Pension</u> <u>Cost (APC)</u>	<u>Percentage</u> <u>of APC</u> <u>Contributed</u>	<u>Net</u> <u>Pension</u> <u>Obligation</u>
Police Pension	01/01/11	\$ 686,719	0.00%	\$ -
	01/01/10	1,010,684	99.39%	(82,116)
	01/01/09	1,011,344	78.71%	(88,290)
Fire Pension	01/01/11	\$ 429,773	0.00%	\$ -
	01/01/10	667,895	98.96%	121,830
	01/01/09	751,132	68.21%	114,860

The required schedule of funding progress immediately 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.

d) Concentration

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

Police Pension:	
Dodge & Cox International Fund	\$ 1,406,858
Firefighter's Pension:	
Bank of Edwardsville	\$ 2,796,076
First Collinsville Bank	935,649
DFA Enhanced US Large Co. Portfolio	1,562,203
DFA Large Cap Value Portfolio	1,680,975
DFA Emerging Markets Core Equity	1,036,106
DFA Real Estate Portfolio	962,328

e) Legally Required Reserves

The City has the following legally required reserves:

Police Pension	\$ 16,976,354
Firefighter's Pension	17,160,591

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

NOTE 14: INTERFUND TRANSFERS

The City made the following interfund transfers during the year ended December 31, 2011:

General Fund Transfer From:	
MFT Fund	\$ 100,000
Water/Sewer Fund	623,261
TIF Debt Service Fund Transfer From:	
Tax Increment Financing Fund	89,847
Fournie Lane Business District Fund From:	
Tax Increment Financing Fund	95,439

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.

NOTE 15: INTERFUND RECEIVABLES/PAYABLES

The City has the following interfund receivables/payables as of December 31, 2011:

General Fund	\$ 76,616	\$ --
Collinsville Crossings Fund	--	1,076,626
Tax Increment Financing Fund	1,000,010	--

The balances are short-term interfund receivables which will be transferred in fiscal year 2012.

NOTE 16: 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

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

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	\$ 486,519
Interest on OPEB obligation	34,457
Adjustment to ARC	<u>(28,714)</u>
Annual OPEB cost	492,262
Contributions made	<u>(215,538)</u>
Increase in OPEB	276,724
Net OPEB – Beg of Year	<u>861,431</u>
Net OPEB – End of Year	<u>\$ 1,138,155</u>

The City's annual OPEB costs, the percentages of annual OPEB cost contributed to the plan, and the net OPEB obligations for 2010 and 2011 are as follows:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
12/31/11	\$ 492,262	43.79%	\$ 1,138,155
12/31/10	468,179	39.43%	861,431
12/31/09	501,941	42.81%	577,852

Actuarial Valuation Date - December 31, 2011

Actuarial Value of Assets	\$ -
Actuarial Accrued Liability	5,512,804
Total Unfunded Actuarial Liability	5,512,804
Actuarial Value of Assets as a % of the Actuarial Accrued Liability	0.00%
Annual Covered Payroll	10,767,700
Ratio of the Unfunded Actuarial Liability to Annual Covered Payroll	51.20%

Funding Status and Funding Progress. As of December 31, 2011, the most recent actuarial valuation date, the plan was not funded. The actuarial accrued liability for benefits and the unfunded actuarial accrued liability is \$5,512,804. The plan has no assets as payments are made on a pay-as-you-go basis. The covered payroll was \$10,767,700 and the ratio of the UAAL to the covered payroll was 51.20 percent.

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

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, 2011 actuarial valuation, the entry age normal actuarial cost method was used. The actuarial assumptions included an annual healthcare cost trend rate of 8.50 percent to be reduced by .5 increments 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 percentage of projected payroll on an open basis. The remaining amortization period at December 31, 2011, was 30 years. The wage inflation rate was 4.00 percent and the discount rate is also 4.00 percent.

NOTE 17: 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.

The City is a member of the Intergovernmental Personnel Benefit Cooperative (IPBC). The IPBC is a pooled insurance cooperative established by certain units of local government in Illinois to administer personnel benefit programs to the participating members.

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

As a member of the cooperative, the City has made contributions to the insurance plan, some of which are being maintained by the cooperative for future claims or for return to the City. The funds are being held in several accounts and the balances as of December 31 for each of the past two years are as follows:

	Balances as of December 31,	
	<u>2010</u>	<u>2011</u>
Administrative Account	\$ 5,175	\$ 6,454
Benefit Account	434,477	732,567
HMO Account	52,899	20,509
Terminal Reserve Account	<u>437,872</u>	<u>454,108</u>
	<u>\$ 930,423</u>	<u>\$1,213,638</u>

As of December 31, 2010, the City did not report the balances in the accounts as an asset to the City. In the current year, the City has restated beginning balances to include the asset balance of \$930,423 as of December 31, 2010.

NOTE 18: SUBSEQUENT EVENT

The City has evaluated events occurring after the financial statement date through May 31, 2012 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, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	<u>(Budget Basis)</u>
Receipts:			
Property Tax	\$ 1,571,950	\$ 1,571,950	\$ 1,269,542
Intergovernmental:			
Sales and Use Tax	7,585,360	7,585,360	7,951,549
Replacement Tax	105,530	105,530	30,530
State Income Tax	2,456,000	2,456,000	2,120,608
Telecommunications Tax	1,133,220	1,133,220	1,068,851
Grants	305,980	305,980	326,701
Other	331,720	331,720	258,622
Other Local Taxes	1,395,030	1,395,030	1,315,661
Licenses, Fees and Permits	629,530	629,530	643,383
Charges for Services	2,677,640	2,677,640	2,421,125
Fines	190,080	190,080	94,201
Investment Earnings	2,040	2,040	1,009
Gifts and Donations	14,380	14,380	29,389
Miscellaneous Revenues and Reimbursements	16,190	16,190	69,527
Total Receipts	<u>18,414,650</u>	<u>18,414,650</u>	<u>17,600,698</u>
Disbursements:			
Administration:			
City Council	2,115,560	2,115,560	1,776,155
Boards	49,480	49,480	27,974
City Manager	340,460	400,560	400,521
Operations	234,050	252,050	245,910
Human Resources	288,270	288,270	233,475
Information Technology	159,840	174,840	164,514
Total Administration	<u>3,187,660</u>	<u>3,280,760</u>	<u>2,848,549</u>
Police:			
Police Administration	803,300	829,800	829,725
Police Operations	4,359,880	4,359,880	4,339,018
Police Support	1,431,880	1,431,880	1,429,618
Animal Control	162,130	165,930	165,838
Total Police	<u>6,757,190</u>	<u>6,787,490</u>	<u>6,764,199</u>
Fire:			
Fire Administration	355,440	355,440	305,157
Fire Operations	3,263,080	3,263,080	3,180,386
Ambulance	270,030	315,230	315,191
Emergency Management	45,000	45,000	35,002
Total Fire	<u>3,933,550</u>	<u>3,978,750</u>	<u>3,835,736</u>

CITY OF COLLINSVILLE, ILLINOIS

REQUIRED SUPPLEMENTARY INFORMATION
 BUDGETARY COMPARISON SCHEDULE (CASH BASIS) - GENERAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	<u>(Budget Basis)</u>
Disbursements (continued):			
Public Works:			
Public Works Administration	-	292,000	127,760
Streets	2,062,970	2,003,470	1,762,700
Garbage	1,356,620	1,410,220	1,410,144
Inspections	272,570	312,570	153,342
Total Public Works	<u>3,692,160</u>	<u>4,018,260</u>	<u>3,453,946</u>
Finance	<u>632,670</u>	<u>632,670</u>	<u>564,413</u>
Community Development	<u>470,650</u>	<u>440,650</u>	<u>384,558</u>
Community Services - Shuttle Bus	<u>144,830</u>	<u>126,630</u>	<u>126,538</u>
Total Disbursements	<u>18,818,710</u>	<u>19,265,210</u>	<u>17,977,939</u>
Excess (Deficiency) of Receipts Over Disbursements	<u>(404,060)</u>	<u>(850,560)</u>	<u>(377,241)</u>
Other Financing Sources:			
Transfers In	460,000	460,000	723,261
Transfers Out	-	(55,000)	-
Proceeds from Sale of Assets	10,300	10,300	-
Total Other Financing Sources	<u>470,300</u>	<u>415,300</u>	<u>723,261</u>
Excess (Deficiency) of Receipts and Other Financing Sources Over Disbursements	<u>\$ 66,240</u>	<u>\$ (435,260)</u>	346,020
Change in intergovernmental revenue on modified accrual basis			(373,970)
Change in other local taxes and fees			58,629
Change in accrued salaries on modified accrual basis			(3,180)
Change in accounts payable on modified accrual basis			11,855
Change in franchise fees receivable on modified accrual basis			2,489
Change in property tax receivable on modified accrual basis			(63,337)
Change in unbilled garbage services on modified accrual basis			3,123
Adjustment for ambulance fees and allowance of uncollectible amounts			28,786
Inclusion of drug forfeiture monies			(14,548)
As reported on the Statement of Revenues, Expenditures and Changes in Fund Balance			<u>\$ (4,133)</u>

CITY OF COLLINSVILLE, ILLINOIS

COLLINSVILLE CROSSINGS FUND
SCHEDULE OF REVENUES AND EXPENDITURES
WITH BUDGETARY COMPARISON
FOR THE YEAR ENDED DECEMBER 31, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	<u>(Budget Basis)</u>
Receipts:			
Sales Tax	\$ 1,483,490	\$ 1,483,490	\$ 1,433,139
Investment Earnings	-	-	179
Total Receipts	<u>1,483,490</u>	<u>1,483,490</u>	<u>1,433,318</u>
Disbursements:			
Community Development	41,500	41,500	-
Debt Service	<u>1,820,730</u>	<u>1,820,730</u>	<u>1,638,368</u>
Total Disbursements	<u>1,862,230</u>	<u>1,862,230</u>	<u>1,638,368</u>
Excess (Deficiency) of Receipts Over Disbursements	<u>\$ (378,740)</u>	<u>\$ (378,740)</u>	<u>(205,050)</u>
No change on modified accrual basis			-
As reported on the Statement of Revenues, Expenditures and Changes in Fund Balance			<u>\$ (205,050)</u>

CITY OF COLLINSVILLE, ILLINOIS

TAX INCREMENT FINANCING FUND
SCHEDULE OF REVENUES AND EXPENDITURES
WITH BUDGETARY COMPARISON
FOR THE YEAR ENDED DECEMBER 31, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	<u>(Budget Basis)</u>
Receipts:			
Intergovernmental Revenues	\$ -	\$ -	\$ 423,414
Property Tax	3,123,670	3,123,670	2,507,979
Other Local Taxes	20,600	20,600	39,193
Investment Earnings	20,500	20,500	6,129
Miscellaneous Revenues & Reimbursements	318,220	318,220	267,260
Proceeds Capital Asset Sale	1,000,000	1,000,000	-
Total Receipts	<u>4,482,990</u>	<u>4,482,990</u>	<u>3,243,975</u>
Disbursements:			
Community Development	1,997,430	1,997,430	1,208,797
Community Services	1,112,000	1,112,000	661,496
Capital Outlay	880,000	1,675,000	610,702
Debt Service	187,000	187,000	229,480
Total Disbursements	<u>4,176,430</u>	<u>4,971,430</u>	<u>2,710,475</u>
Excess (Deficiency) of Receipts Over Disbursements	<u>306,560</u>	<u>(488,440)</u>	<u>533,500</u>
Other Financing Sources (Uses):			
Operating Transfers Out	<u>(217,450)</u>	<u>(217,450)</u>	<u>(185,286)</u>
Total Other Financing Sources (Uses)	<u>(217,450)</u>	<u>(217,450)</u>	<u>(185,286)</u>
Excess (Deficiency) of Receipts and Other Financing Sources Over Disbursements and Other Financing (Uses)	<u>\$ 89,110</u>	<u>\$ (705,890)</u>	348,214
Change in sales tax receivable on modified accrual basis			118,344
Change in property tax receivable on modified accrual basis			136,675
Change in accrued salaries on modified accrual basis			(39)
Change in accounts payable on modified accrual basis			(77,409)
As reported on the Statement of Revenues, Expenditures and Changes in Fund Balance			<u>\$ 525,785</u>

CITY OF COLLINSVILLE, ILLINOIS

SCHEDULE OF POLICE AND FIREFIGHTERS' PENSION
FUNDING PROGRESS AND EMPLOYER CONTRIBUTIONS
DECEMBER 31, 2011

	Calendar Year					
	2010	2009	2008	2007	2006	2005
Police Pension:						
Actuarial Value of Assets	\$ 16,690,524	\$ 15,057,594	\$ 13,519,191	\$ 15,706,991	\$ 15,126,733	\$ 14,576,874
Actuarial Accrued Liability (AAL)	27,654,327	25,219,721	23,732,447	21,858,511	19,941,012	18,502,336
Unfunded AAL (UAAL)	10,963,803	10,162,127	10,213,256	6,151,520	4,814,279	3,925,462
Funded Ratio	60.35%	59.71%	56.97%	71.86%	75.86%	78.78%
Covered Payroll	3,178,260	3,012,878	3,159,498	2,541,262	2,256,688	1,972,350
UAAL as a % of Covered Payroll	344.96%	337.29%	323.26%	242.07%	213.33%	199.02%
Employer Contributions:						
Required	992,753	1,012,337	1,011,344	707,205	593,160	494,634
Made	-	1,004,510	796,046	707,964	596,515	497,064
Percentage of Employer Contributions						
Made to Required Contributions	0.00%	99.23%	78.71%	100.11%	100.57%	100.49%
Firefighters' Pension:						
Actuarial Value of Assets	17,699,891	16,018,330	13,635,644	16,734,717	16,349,698	14,667,104
Actuarial Accrued Liability (AAL)	22,433,610	19,886,124	19,944,574	18,112,773	16,208,457	15,498,437
Unfunded AAL (UAAL)	4,733,719	3,867,794	6,308,930	1,378,056	(141,241)	831,333
Funded Ratio	78.90%	80.55%	68.37%	92.39%	100.87%	94.64%
Covered Payroll	1,996,108	2,151,441	2,025,438	1,785,006	1,660,095	1,587,511
UAAL as a % of Covered Payroll	237.15%	179.78%	311.48%	77.20%	-8.51%	52.37%
Employer Contributions:						
Required	429,773	665,745	751,132	459,076	363,586	393,851
Made	-	660,926	512,359	459,553	365,578	395,650
Percentage of Employer Contributions						
Made to Required Contributions	0.00%	99.28%	68.21%	100.10%	100.55%	100.46%

2009 is the latest year for which a tax was levied and collected. The 2010 actuarial estimate is levied in 2011 and collected in 2012.

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:	22.4986 Years
Asset Valuation Method:	Market 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, 2011

	Calendar Year					
	2011	2010	2009	2008	2007	2006
Regular:						
Actuarial Value of Assets	\$ 9,937,606	\$ 9,641,916	\$ 10,730,617	\$ 9,946,893	\$ 11,378,769	\$ 10,423,916
Actuarial Accrued Liability (AAL)	13,106,599	12,606,508	13,026,616	12,119,365	11,025,997	10,144,425
Unfunded AAL (UAAL)	3,168,993	2,964,592	2,295,999	2,172,472	(352,772)	(279,491)
Funded Ratio	75.82%	76.48%	82.37%	82.07%	103.20%	102.76%
Covered Payroll	5,194,624	5,114,786	4,962,470	4,673,993	3,953,902	3,578,496
UAAL as a % of Covered Payroll	61.01%	57.96%	46.27%	46.48%	0.00%	0.00%
Employer Contributions:						
Required	567,772	557,000	386,576	368,778	313,149	188,587
Made	489,853	438,337	386,576	368,778	313,149	188,587
Percentage of Employer Contributions						
Made to Required Contributions	86.28%	78.70%	100.00%	100.00%	100.00%	100.00%

On a market value basis, the actuarial value of assets as of December 31, 2011 is \$9,391,377. On a market basis, the funded ratio would be 71.65%.

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:	30 Years Open
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, 2011

	2011	2010	2009	2008
Actuarial Value of Assets	\$ -	\$ -	\$ -	\$ -
Actuarial Accrued Liability (AAL)	5,512,804	5,196,326	6,282,430	5,950,116
Unfunded AAL (UAAL)	5,512,804	5,196,326	6,282,430	5,950,116
Funded Ratio	0.00%	0.00%	0.00%	0.00%
Covered Payroll	10,767,700	10,353,558	8,505,184	8,178,062
UAAL as a % of Covered Payroll	51.20%	50.19%	73.87%	72.76%
Employer Contributions:				
Required	492,262	468,179	501,941	477,749
Made	215,538	184,600	214,903	186,935
Percentage of Employer Contributions				
Made to Required Contributions	43.79%	39.43%	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:	30 Years
Actuarial Assumptions:	
Discount Rate	4.0%
Wage Inflation	4.0%
Healthcare Trend	8.00% in 2011 decreasing to 4.50 % in nine years
Price Inflation	3.0 %

CITY OF COLLINSVILLE, ILLINOIS

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2011

	Special Revenue Funds							Capital Project Funds		Debt Service Funds			Total Nonmajor Governmental Funds	
	Tree Memorial Fund	Motor Fuel Tax Fund	DUI Court Fine Fund	Police Vehicle Fund	Collins House Fund	Northeast Business District Fund	Collinsville Animal Shelter Fund	Total	Capital Projects Fund	Total	TIF Debt Service Fund	Fournie Lane Business District		Total
Assets														
Cash and Cash Equivalents:														
Cash	\$ 382	\$ 503,378	\$ (16)	\$ 8,971	\$ 13,604	\$ -	\$ 5,510	\$ 531,829	\$ 183,532	\$ 183,532	\$ -	\$ -	\$ -	\$ 715,361
Investments	4,651	976,050	-	-	-	678,537	-	1,659,238	-	-	-	1,382	1,382	1,660,620
Total Cash and Cash Equivalents	5,033	1,479,428	(16)	8,971	13,604	678,537	5,510	2,191,067	183,532	183,532	-	1,382	1,382	2,375,981
Receivables:														
Other Local Taxes	-	-	-	-	-	-	-	-	41,479	41,479	-	-	-	41,479
Intergovernmental	-	53,802	-	-	-	79,699	-	133,501	-	-	-	1,479	1,479	134,980
Total Assets	<u>\$ 5,033</u>	<u>\$ 1,533,230</u>	<u>\$ (16)</u>	<u>\$ 8,971</u>	<u>\$ 13,604</u>	<u>\$ 758,236</u>	<u>\$ 5,510</u>	<u>\$ 2,324,568</u>	<u>\$ 225,011</u>	<u>\$ 225,011</u>	<u>\$ -</u>	<u>\$ 2,861</u>	<u>\$ 2,861</u>	<u>\$ 2,552,440</u>
Liabilities and Fund Balance														
Liabilities:														
Accounts Payable	\$ -	\$ 17,854	\$ -	\$ -	\$ -	\$ 86,858	\$ -	\$ 104,712	\$ 9,984	\$ 9,984	\$ -	\$ -	\$ -	\$ 114,696
Interfund Payable	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Liabilities	-	17,854	-	-	-	86,858	-	104,712	9,984	9,984	-	-	-	114,696
Fund Balance:														
Restricted	-	1,515,376	-	8,971	-	671,378	-	2,195,725	-	-	-	2,861	2,861	2,198,586
Committed	5,033	-	-	-	13,604	-	5,510	24,147	215,027	215,027	-	-	-	239,174
Unassigned	-	-	(16)	-	-	-	-	(16)	-	-	-	-	-	(16)
Total Fund Balance	5,033	1,515,376	(16)	8,971	13,604	671,378	5,510	2,219,856	215,027	215,027	-	2,861	2,861	2,437,744
Total Liabilities and Fund Balance	<u>\$ 5,033</u>	<u>\$ 1,533,230</u>	<u>\$ (16)</u>	<u>\$ 8,971</u>	<u>\$ 13,604</u>	<u>\$ 758,236</u>	<u>\$ 5,510</u>	<u>\$ 2,324,568</u>	<u>\$ 225,011</u>	<u>\$ 225,011</u>	<u>\$ -</u>	<u>\$ 2,861</u>	<u>\$ 2,861</u>	<u>\$ 2,552,440</u>

CITY OF COLLINSVILLE, ILLINOIS

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2011

	Special Revenue Funds							Capital Project Funds		Debt Service Funds			Total Nonmajor Governmental Funds	
	Tree Memorial Fund	Motor Fuel Tax Fund	DUI Court Fine Fund	Police Vehicle Fund	Collins House Fund	Northeast Business District Fund	Collinsville Animal Shelter Fund	Total	Capital Projects Fund	Total	TIF Debt Service Fund	Fournie Lane Business District		Total
Revenues:														
Utility Tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 371,807	\$ 371,807	\$ -	\$ -	\$ -	\$ 371,807	
Sales Tax	-	-	-	-	-	488,065	-	488,065	-	-	15,307	15,307	503,372	
Motor Fuel Tax	-	636,920	-	-	-	-	-	636,920	-	-	-	-	636,920	
Fines and Forfeitures	-	-	8,127	10,877	-	-	-	19,004	-	-	-	-	19,004	
Grant Revenue	-	129,657	-	-	4,691	-	-	134,348	424,814	424,814	-	-	559,162	
Investment Earnings	3	1,891	14	10	6	421	6	2,351	255	255	6	6	2,612	
Reimbursements	-	969	-	-	-	-	-	969	17,407	17,407	-	-	18,376	
Gifts and Donations	200	-	-	-	10,225	-	-	10,425	-	-	-	-	10,425	
Total Revenues	203	769,437	8,141	10,887	14,922	488,486	6	1,292,082	814,283	814,283	-	15,313	15,313	2,121,678
Expenditures:														
General Government	-	-	-	-	6,052	3,075	-	9,127	447,955	447,955	-	-	-	457,082
Public Safety	-	-	5,875	-	-	-	-	5,875	-	-	-	-	-	5,875
Public Works	-	285,654	-	-	-	-	-	285,654	-	-	-	-	-	285,654
Community/Economic Development	342	-	-	-	-	423,842	-	424,184	-	-	-	-	-	424,184
Capital Outlay	-	163,171	22,832	12,355	-	-	-	198,358	221,247	221,247	-	-	-	419,605
Debt Service	-	-	-	-	-	-	-	-	215,652	215,652	89,847	113,873	203,720	419,372
Total Expenditures	342	448,825	28,707	12,355	6,052	426,917	-	923,198	884,854	884,854	89,847	113,873	203,720	2,011,772
Excess (Deficiency) of Revenues Over Expenditures	(139)	320,612	(20,566)	(1,468)	8,870	61,569	6	368,884	(70,571)	(70,571)	(89,847)	(98,560)	(188,407)	109,906
Other Financing Sources (Uses):														
Transfers In (Out)	-	(100,000)	-	-	-	-	-	(100,000)	-	-	89,847	95,439	185,286	85,286
Total Other Financing Sources (Uses)	-	(100,000)	-	-	-	-	-	(100,000)	-	-	89,847	95,439	185,286	85,286
Net Change in Fund Balances	(139)	220,612	(20,566)	(1,468)	8,870	61,569	6	268,884	(70,571)	(70,571)	-	(3,121)	(3,121)	195,192
Fund Balance, Beginning of Year	5,172	1,294,764	20,550	10,439	4,734	609,809	5,504	1,950,972	285,598	285,598	-	5,982	5,982	2,242,552
Fund Balance, End of Year	\$ 5,033	\$ 1,515,376	\$ (16)	\$ 8,971	\$ 13,604	\$ 671,378	\$ 5,510	\$ 2,219,856	\$ 215,027	\$ 215,027	\$ -	\$ 2,861	\$ 2,861	\$ 2,437,744

CITY OF COLLINSVILLE, ILLINOIS

TREE MEMORIAL FUND
BALANCE SHEET
DECEMBER 31, 2011

Assets

Cash and Cash Equivalents:

Cash	\$	382
Investments		4,651
Total Cash and Cash Equivalents		<u>5,033</u>

Total Assets	\$	<u>5,033</u>
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Liabilities and Fund Balance

Liabilities:

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

Fund Balance:

Committed		5,033
Total Fund Balance		<u>5,033</u>

Total Liabilities and Fund Balance	\$	<u>5,033</u>
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CITY OF COLLINSVILLE, ILLINOIS

TREE MEMORIAL FUND
SCHEDULE OF REVENUES AND EXPENDITURES
WITH BUDGETARY COMPARISON
FOR THE YEAR ENDED DECEMBER 31, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	<u>(Budget Basis)</u>
Receipts:			
Investment Earnings	\$ 20	\$ 20	\$ 3
Miscellaneous Revenues & Reimbursements	500	500	200
Total Receipts	<u>520</u>	<u>520</u>	<u>203</u>
Disbursements:			
Community Development	1,300	1,300	342
Total Disbursements	<u>1,300</u>	<u>1,300</u>	<u>342</u>
Excess (Deficiency) of Receipts Over Disbursements	<u>\$ (780)</u>	<u>\$ (780)</u>	<u>(139)</u>
No change on modified accrual basis			-
As reported on the Statement of Revenues, Expenditures and Changes in Fund Balance			<u>\$ (139)</u>

CITY OF COLLINSVILLE, ILLINOIS

MOTOR FUEL TAX FUND
BALANCE SHEET
DECEMBER 31, 2011

Assets

Cash and Cash Equivalents:

Cash	\$ 503,378
Investments	<u>976,050</u>
Total Cash and Cash Equivalents	<u>1,479,428</u>

Receivables:

Intergovernmental	<u>53,802</u>
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Total Assets	<u>\$ 1,533,230</u>
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Liabilities and Fund Balance

Liabilities:

Accounts Payable	\$ <u>17,854</u>
Total Liabilities	<u>17,854</u>

Fund Balance:

Restricted	<u>1,515,376</u>
Total Fund Balance	<u>1,515,376</u>

Total Liabilities and Fund Balance	<u>\$ 1,533,230</u>
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CITY OF COLLINSVILLE, ILLINOIS

MOTOR FUEL TAX FUND
SCHEDULE OF REVENUES AND EXPENDITURES
WITH BUDGETARY COMPARISON
FOR THE YEAR ENDED DECEMBER 31, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	<u>(Budget Basis)</u>
Receipts:			
Motor Fuel Tax	\$ 721,140	\$ 721,140	\$ 637,499
Intergovernmental Revenues	-	-	129,657
Investment Earnings	5,100	5,100	1,891
Miscellaneous Revenues & Reimbursements	-	-	969
Total Receipts	<u>726,240</u>	<u>726,240</u>	<u>770,016</u>
Disbursements:			
Public Works	554,000	554,000	433,967
Capital Outlay	200,000	200,000	243,323
Total Disbursements	<u>754,000</u>	<u>754,000</u>	<u>677,290</u>
Excess (Deficiency) of Receipts Over Disbursements	<u>(27,760)</u>	<u>(27,760)</u>	<u>92,726</u>
Other Financing Sources (Uses):			
Operating Transfers Out	<u>(100,000)</u>	<u>(100,000)</u>	<u>(100,000)</u>
Total Other Financing Sources (Uses)	<u>(100,000)</u>	<u>(100,000)</u>	<u>(100,000)</u>
Excess (Deficiency) of Receipts and Other Financing Sources Over Disbursements and Other Financing (Uses)	<u>\$ (127,760)</u>	<u>\$ (127,760)</u>	(7,274)
Change in motor fuel tax receivable on modified accrual basis			(579)
Change in accounts payable on modified accrual basis			228,465
As reported on the Statement of Revenues, Expenditures and Changes in Fund Balance			<u>\$ 220,612</u>

CITY OF COLLINSVILLE, ILLINOIS

DUI COURT FINE FUND
BALANCE SHEET
DECEMBER 31, 2011

Assets

None	\$	-
Total Assets	\$	-

Liabilities and Fund Balance

Liabilities:		
Cash Deficit	\$	16
Total Liabilities		<u>16</u>
Fund Balance:		
Unassigned		<u>(16)</u>
Total Fund Balance		<u>(16)</u>
Total Liabilities and Fund Balance	\$	<u>-</u>

CITY OF COLLINSVILLE, ILLINOIS

DUI COURT FINE FUND
SCHEDULE OF REVENUES AND EXPENDITURES
WITH BUDGETARY COMPARISON
FOR THE YEAR ENDED DECEMBER 31, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	<u>(Budget Basis)</u>
Receipts:			
Fines	\$ 8,160	\$ 8,160	\$ 8,127
Investment Earnings	100	100	14
Total Receipts	<u>8,260</u>	<u>8,260</u>	<u>8,141</u>
Disbursements:			
Capital Outlay	<u>8,260</u>	<u>28,760</u>	<u>28,707</u>
Total Disbursements	<u>8,260</u>	<u>28,760</u>	<u>28,707</u>
Excess (Deficiency) of Receipts Over Disbursements	<u>\$ -</u>	<u>\$ (20,500)</u>	<u>(20,566)</u>
No change on modified accrual basis			-
As reported on the Statement of Revenues, Expenditures and Changes in Fund Balance			<u>\$ (20,566)</u>

CITY OF COLLINSVILLE, ILLINOIS

POLICE VEHICLE FUND
BALANCE SHEET
DECEMBER 31, 2011

Assets

Cash	\$ 8,971
Total Assets	<u>\$ 8,971</u>

Liabilities and Fund Balance

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

Fund Balance:	
Restricted	8,971
Total Fund Balance	<u>8,971</u>

Total Liabilities and Fund Balance	<u>\$ 8,971</u>
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CITY OF COLLINSVILLE, ILLINOIS

POLICE VEHICLE FUND
SCHEDULE OF REVENUES AND EXPENDITURES
WITH BUDGETARY COMPARISON
FOR THE YEAR ENDED DECEMBER 31, 2011

	Budgeted Amounts		Actual (Budget Basis)
	Original	Final	
Receipts:			
Fines	\$ 10,200	\$ 10,200	\$ 10,877
Investment Earnings	100	100	10
Total Receipts	<u>10,300</u>	<u>10,300</u>	<u>10,887</u>
Disbursements:			
Vehicles	-	12,400	12,355
Total Disbursements	<u>-</u>	<u>12,400</u>	<u>12,355</u>
Excess (Deficiency) of Receipts Over Disbursements	<u>\$ 10,300</u>	<u>\$ (2,100)</u>	<u>(1,468)</u>
No change on modified accrual basis			-
As reported on the Statement of Revenues, Expenditures and Changes in Fund Balance			<u>\$ (1,468)</u>

CITY OF COLLINSVILLE, ILLINOIS

COLLINS HOUSE FUND
BALANCE SHEET
DECEMBER 31, 2011

Assets

Cash	\$ 13,604
Total Assets	<u>\$ 13,604</u>

Liabilities and Fund Balance

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

Fund Balance:	
Committed	13,604
Total Fund Balance	<u>13,604</u>

Total Liabilities and Fund Balance	<u>\$ 13,604</u>
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CITY OF COLLINSVILLE, ILLINOIS

COLLINS HOUSE FUND
SCHEDULE OF REVENUES AND EXPENDITURES
WITH BUDGETARY COMPARISON
FOR THE YEAR ENDED DECEMBER 31, 2011

	Budgeted Amounts		Actual (Budget Basis)
	Original	Final	
Receipts:			
Intergovernmental	\$ -	\$ -	\$ 4,691
Investment Earnings	-	-	6
Gifts and Donations	-	-	10,225
Total Receipts	<u>-</u>	<u>-</u>	<u>14,922</u>
Disbursements:			
General Government	-	-	5,902
Capital Outlay	-	-	150
Total Disbursements	<u>-</u>	<u>-</u>	<u>6,052</u>
Excess (Deficiency) of Receipts Over Disbursements	<u>\$ -</u>	<u>\$ -</u>	<u>8,870</u>
No change on modified accrual basis			-
As reported on the Statement of Revenues, Expenditures and Changes in Fund Balance			<u>\$ 8,870</u>

CITY OF COLLINSVILLE, ILLINOIS

NORTHEAST BUSINESS DISTRICT FUND
BALANCE SHEET
DECEMBER 31, 2011

Assets

Investments	\$ 678,537
Receivables:	
Intergovernmental	<u>79,699</u>
Total Assets	<u><u>\$ 758,236</u></u>

Liabilities and Fund Balance

Liabilities:	
Accounts Payable	\$ 86,858
Total Liabilities	<u>86,858</u>
Fund Balance:	
Restricted	<u>671,378</u>
Total Fund Balance	<u>671,378</u>
Total Liabilities and Fund Balance	<u><u>\$ 758,236</u></u>

CITY OF COLLINSVILLE, ILLINOIS

NORTHEAST BUSINESS DISTRICT FUND
SCHEDULE OF REVENUES AND EXPENDITURES
WITH BUDGETARY COMPARISON
FOR THE YEAR ENDED DECEMBER 31, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	<u>(Budget Basis)</u>
Receipts:			
Intergovernmental	\$ 408,000	\$ 408,000	\$ 487,959
Investment Earnings	100	100	421
Total Receipts	<u>408,100</u>	<u>408,100</u>	<u>488,380</u>
Disbursements:			
Economic Development	<u>425,330</u>	<u>425,330</u>	<u>340,199</u>
Total Disbursements	<u>425,330</u>	<u>425,330</u>	<u>340,199</u>
Excess (Deficiency) of Receipts Over Disbursements	<u>\$ (17,230)</u>	<u>\$ (17,230)</u>	<u>148,181</u>
Change in sales tax receivable on modified accrual basis			106
Change in accounts payable on modified accrual basis			(86,718)
As reported on the Statement of Revenues, Expenditures and Changes in Fund Balance			<u>\$ 61,569</u>

CITY OF COLLINSVILLE, ILLINOIS

COLLINSVILLE ANIMAL SHELTER FUND
BALANCE SHEET
DECEMBER 31, 2011

Assets

Cash	\$ 5,510
Total Assets	<u>\$ 5,510</u>

Liabilities and Fund Balance

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

Fund Balance:	
Committed	5,510
Total Fund Balance	<u>5,510</u>

Total Liabilities and Fund Balance	<u>\$ 5,510</u>
---------------------------------------	-----------------

CITY OF COLLINSVILLE, ILLINOIS

COLLINSVILLE ANIMAL SHELTER FUND
SCHEDULE OF REVENUES AND EXPENDITURES
WITH BUDGETARY COMPARISON
FOR THE YEAR ENDED DECEMBER 31, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	<u>(Budget Basis)</u>
Receipts:			
Investment Earnings	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6</u>
Total Receipts	<u>-</u>	<u>-</u>	<u>6</u>
Disbursements:			
None	<u>-</u>	<u>-</u>	<u>-</u>
Total Disbursements	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Receipts Over Disbursements	<u>\$ -</u>	<u>\$ -</u>	<u>6</u>
No change on modified accrual basis			-
As reported on the Statement of Revenues, Expenditures and Changes in Fund Balance			<u>\$ 6</u>

CITY OF COLLINSVILLE, ILLINOIS

CAPITAL PROJECTS FUND
BALANCE SHEET
DECEMBER 31, 2011

Assets

Cash	\$ 183,532
Accounts Receivable	<u>41,479</u>
Total Assets	<u><u>\$ 225,011</u></u>

Liabilities and Fund Balance

Liabilities:	
Accounts Payable	\$ 9,984
Total Liabilities	<u>9,984</u>
Fund Balance:	
Committed	<u>215,027</u>
Total Fund Balance	<u>215,027</u>
Total Liabilities and Fund Balance	<u><u>\$ 225,011</u></u>

CITY OF COLLINSVILLE, ILLINOIS

CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES AND EXPENDITURES
WITH BUDGETARY COMPARISON
FOR THE YEAR ENDED DECEMBER 31, 2011

	<u>Budgeted Amounts</u>		<u>Actual (Budget Basis)</u>
	<u>Original</u>	<u>Final</u>	
Receipts:			
Utility Tax	\$ 408,000	\$ 408,000	\$ 366,822
Intergovernmental Revenues	-	-	424,814
Investment Earnings	1,030	1,030	255
Miscellaneous Revenues & Reimbursements	-	-	17,407
Total Receipts	<u>409,030</u>	<u>409,030</u>	<u>809,298</u>
Disbursements:			
Capital Outlay	<u>780,000</u>	<u>1,210,000</u>	<u>875,402</u>
Total Disbursements	<u>780,000</u>	<u>1,210,000</u>	<u>875,402</u>
Excess (Deficiency) of Receipts and Other Financing Sources Over Disbursements and Other Financing (Uses)	<u>\$ (370,970)</u>	<u>\$ (800,970)</u>	(66,104)
Change in utility tax receivable on modified accrual basis			4,985
Change in accounts payable on modified accrual basis			(9,452)
As reported on the Statement of Revenues, Expenditures and Changes in Fund Balance			<u>\$ (70,571)</u>

CITY OF COLLINSVILLE, ILLINOIS

TIF DEBT SERVICE FUND
BALANCE SHEET
DECEMBER 31, 2011

Assets

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

Liabilities and Fund Balance

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

CITY OF COLLINSVILLE, ILLINOIS

TIF DEBT SERVICE FUND
SCHEDULE OF REVENUES AND EXPENDITURES
WITH BUDGETARY COMPARISON
FOR THE YEAR ENDED DECEMBER 31, 2011

	<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	89,860	89,860	89,847
Total Disbursements	<u>89,860</u>	<u>89,860</u>	<u>89,847</u>
Excess (Deficiency) of Receipts Over Disbursements	<u>(89,860)</u>	<u>(89,860)</u>	<u>(89,847)</u>
Other Financing Sources (Uses):			
Operating Transfers Out	89,860	89,860	89,847
Total Other Financing Sources (Uses)	<u>89,860</u>	<u>89,860</u>	<u>89,847</u>
Excess (Deficiency) of Receipts and Other Financing Sources Over Disbursements and Other Financing (Uses)	<u>\$ -</u>	<u>\$ -</u>	-
No change on modified accrual basis			-
As reported on the Statement of Revenues, Expenditures and Changes in Fund Balance			<u>\$ -</u>

CITY OF COLLINSVILLE, ILLINOIS

FOURNIE LANE BUSINESS DISTRICT FUND
BALANCE SHEET
DECEMBER 31, 2011

Assets

Investments	\$ 1,382
Receivables:	
Intergovernmental	<u>1,479</u>
Total Assets	<u>\$ 2,861</u>

Liabilities and Fund Balance

Liabilities:	
None	<u>\$ -</u>
Total Liabilities	<u>-</u>
Fund Balance:	
Restricted	<u>2,861</u>
Total Fund Balance	<u>2,861</u>
Total Liabilities and Fund Balance	<u>\$ 2,861</u>

CITY OF COLLINSVILLE, ILLINOIS

FOURNIE LANE BUSINESS DISTRICT FUND
SCHEDULE OF REVENUES AND EXPENDITURES
WITH BUDGETARY COMPARISON
FOR THE YEAR ENDED DECEMBER 31, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	<u>(Budget Basis)</u>
Receipts:			
Intergovernmental Revenues	\$ 15,450	\$ 15,450	\$ 17,924
Investment Earnings	-	-	6
Total Receipts	<u>15,450</u>	<u>15,450</u>	<u>17,930</u>
Disbursements:			
Debt Service	<u>113,950</u>	<u>113,950</u>	<u>113,873</u>
Total Disbursements	<u>113,950</u>	<u>113,950</u>	<u>113,873</u>
Excess (Deficiency) of Receipts Over Disbursements	<u>(98,500)</u>	<u>(98,500)</u>	<u>(95,943)</u>
Other Financing Sources (Uses):			
Operating Transfers In	<u>127,600</u>	<u>127,600</u>	<u>95,439</u>
Total Other Financing Sources (Uses)	<u>127,600</u>	<u>127,600</u>	<u>95,439</u>
Excess (Deficiency) of Receipts and Other Financing Sources Over Disbursements and Other Financing (Uses)	<u>\$ 29,100</u>	<u>\$ 29,100</u>	(504)
Change in sales tax receivable on modified accrual basis			(2,617)
As reported on the Statement of Revenues, Expenditures and Changes in Fund Balance			<u>\$ (3,121)</u>

CITY OF COLLINSVILLE, ILLINOIS

COMBINING STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
DECEMBER 31, 2011

	<u>Pension Trust Funds</u>		
	<u>Police Pension</u>	<u>Firefighters' Pension</u>	<u>Total</u>
Assets:			
Cash and Cash Equivalents:			
Cash	\$ 1,131,599	\$ 248,799	\$ 1,380,398
Investments - Illinois Funds	-	12	12
Investments:			
Municipal Bonds	398,517	-	398,517
Certificates of Deposit	-	3,731,724	3,731,724
Corporate Bonds	2,962,020	182,592	3,144,612
U.S. Government Securities	4,363,014	3,107,675	7,470,689
Common Stock	5,722,004	-	5,722,004
Mutual Funds	1,406,858	9,497,937	10,904,795
Receivables:			
Property Tax	951,142	368,622	1,319,764
Accrued Interest	51,200	28,230	79,430
Total Assets	<u>16,986,354</u>	<u>17,165,591</u>	<u>34,151,945</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>\$ 16,976,354</u>	<u>\$ 17,160,591</u>	<u>\$ 34,136,945</u>

CITY OF COLLINSVILLE, ILLINOIS

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2011

	<u>Pension Trust Funds</u>		
	<u>Police Pension</u>	<u>Firefighters' Pension</u>	<u>Total</u>
Additions:			
Employer Contributions:			
Property Tax	\$ 866,732	\$ 316,110	\$ 1,182,842
Replacement Tax	118,194	108,844	227,038
Employee Contributions	312,743	217,462	530,205
Investment Earnings:			
Investment Earnings	299,591	(106,863)	192,728
Less: Investment Expense	(85,659)	(29,142)	(114,801)
Net Investment Earnings	<u>213,932</u>	<u>(136,005)</u>	<u>77,927</u>
Total Additions	<u>1,511,601</u>	<u>506,411</u>	<u>2,018,012</u>
Deductions:			
Benefit Payments	1,133,664	1,173,451	2,307,115
Refund of Contributions	68,035	1,612	69,647
Contractual Services	24,073	11,165	35,238
Total Deductions	<u>1,225,772</u>	<u>1,186,228</u>	<u>2,412,000</u>
Change in Net Assets	285,829	(679,817)	(393,988)
Net Assets, Beginning of Year	<u>16,690,525</u>	<u>17,840,408</u>	<u>34,530,933</u>
Net Assets, End of Year	<u>\$ 16,976,354</u>	<u>\$ 17,160,591</u>	<u>\$ 34,136,945</u>

CITY OF COLLINSVILLE, ILLINOIS

ASSESSED VALUATIONS, TAX RATES, EXTENSIONS AND COLLECTIONS (CONTINUED)
DECEMBER 31, 2011

Levy Date - Calendar Year	2006		2007		2008		2009		2010	
	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	12/31/2007	12/31/2007	12/31/2008	12/31/2008	12/31/2009	12/31/2009	12/31/2010	12/31/2010	12/31/2011	12/31/2011
Assessed Valuation	\$ 325,590,789	\$ 34,738,302	\$ 349,026,741	\$ 37,499,115	\$ 364,253,981	\$ 38,101,665	\$ 355,483,094	\$ 38,702,681	\$ 354,084,288	\$ 38,764,502
Tax Rates (Per \$100 Equalized Assessed Valuation):										
General Government	\$ 0.0775	\$ 0.0770	\$ 0.0819	\$ 0.0800	\$ 0.3787	\$ 0.3826	\$ 0.3539	\$ 0.3544	\$ 0.2617	\$ 0.2627
Fire Protection	0.0546	0.0542	0.0605	0.0563	-	-	-	-	-	-
Police Protection	0.0546	0.0542	0.0605	0.0563	-	-	-	-	-	-
Garbage	0.0517	0.0514	0.0300	0.0298	-	-	-	-	-	-
Retirement	0.0257	0.0267	0.0391	0.0389	-	-	-	-	-	-
Police Pension	0.1079	0.1115	0.1251	0.1242	0.1472	0.1470	0.1730	0.1797	0.2277	0.2368
Firefighters' Pension	0.0819	0.0847	0.0671	0.0666	0.0878	0.0876	0.1031	0.1071	0.1418	0.1475
Tort Liability	0.1331	0.1375	0.1156	0.1147	-	-	-	-	-	-
Social Security	0.0587	0.0607	0.0522	0.0518	-	-	-	-	-	-
Audit	0.0065	0.0064	0.0053	0.0052	-	-	-	-	-	-
Unemployment	0.0073	0.0076	0.0063	0.0062	-	-	-	-	-	-
Total Tax Rates	\$ 0.6595	\$ 0.6719	\$ 0.6436	\$ 0.6300	\$ 0.6137	\$ 0.6172	\$ 0.6300	\$ 0.6412	\$ 0.6312	\$ 0.6470
Tax Extensions:										
General Government	\$ 252,333	\$ 26,749	\$ 285,854	\$ 30,000	\$ 1,379,430	\$ 145,777	\$ 1,258,055	\$ 137,162	\$ 926,639	\$ 101,834
Fire Protection	177,773	18,828	211,161	21,112	-	-	-	-	-	-
Police Protection	177,773	18,828	211,161	21,112	-	-	-	-	-	-
Garbage	168,330	17,856	104,708	11,175	-	-	-	-	-	-
Retirement	83,677	9,275	136,469	15,187	-	-	-	-	-	-
Police Pension	351,312	38,733	436,632	48,449	536,182	56,009	614,986	69,549	806,250	91,794
Firefighters' Pension	266,659	29,423	234,197	25,987	319,815	33,377	366,503	41,451	502,091	57,178
Tort Liability	433,361	47,765	403,475	44,736	-	-	-	-	-	-
Social Security	191,122	21,086	182,192	20,212	-	-	-	-	-	-
Audit	21,163	2,223	18,498	1,950	-	-	-	-	-	-
Unemployment	23,768	2,640	21,989	2,437	-	-	-	-	-	-
Total Tax Extensions	\$ 2,147,271	\$ 233,406	\$ 2,246,336	\$ 242,357	\$ 2,235,427	\$ 235,163	\$ 2,239,544	\$ 248,162	\$ 2,234,980	\$ 250,806
Total Tax Collections Through Fiscal Year End	\$ 2,133,396	\$ 232,603	\$ 2,237,260	\$ 241,657	\$ 2,215,607	\$ 234,439	\$ 2,226,004	\$ 246,911	\$ 2,022,618	\$ 228,077
Percent of Total Taxes Collected	99.35%	99.66%	99.60%	99.71%	99.11%	99.69%	99.40%	99.50%	90.50%	90.94%

CITY OF COLLINSVILLE, ILLINOIS

ASSESSED VALUATIONS, TAX RATES, EXTENSIONS AND COLLECTIONS
DECEMBER 31, 2011

Levy Date - Calendar Year	2001		2002		2003		2004		2005	
	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	12/31/2002	12/31/2002	12/31/2003	12/31/2003	12/31/2004	12/31/2004	12/31/2005	12/31/2005	12/31/2006	12/31/2006
Assessed Valuation	\$ 230,197,803	\$ 26,009,004	\$ 248,191,846	\$ 27,556,145	\$ 267,010,400	\$ 29,453,927	\$ 278,810,468	\$ 30,013,689	\$ 297,847,563	\$ 32,369,890
Tax Rates (Per \$100 Equalized Assessed Valuation):										
General Government	\$ 0.0770	\$ 0.0766	\$ 0.0762	\$ 0.0762	\$ 0.0782	\$ 0.0800	\$ 0.0800	\$ 0.0800	\$ 0.0792	\$ 0.0786
Fire Protection	0.0543	0.0539	0.0534	0.0534	0.0547	0.0563	0.0563	0.0563	0.0557	0.0553
Police Protection	0.0543	0.0539	0.0534	0.0534	0.0547	0.0563	0.0563	0.0563	0.0557	0.0553
Garbage	0.1116	0.1109	0.0726	0.0726	0.0675	0.0721	0.0486	0.0506	0.0550	0.0546
Public Library	0.1557	0.1547	0.1557	0.1601	0.1528	0.1567	-	-	-	-
Retirement	0.0077	0.0077	0.0061	0.0061	0.0072	0.0076	0.0162	0.0176	0.0305	0.0316
Police Pension	0.0928	0.0923	0.1031	0.1031	0.0983	0.1050	0.1146	0.1240	0.1093	0.1129
Firefighters' Pension	0.0949	0.0943	0.1024	0.1024	0.0976	0.1042	0.0973	0.1052	0.0871	0.0900
Tort Liability	0.1373	0.1365	0.1443	0.1443	0.1410	0.1506	0.1393	0.1506	0.1326	0.1370
Social Security	0.0700	0.0696	0.0664	0.0664	0.0640	0.0683	0.0616	0.0666	0.0596	0.0616
Audit	0.0087	0.0086	0.0084	0.0084	0.0078	0.0083	0.0075	0.0078	0.0070	0.0070
Unemployment	0.0041	0.0040	0.0042	0.0042	0.0036	0.0038	0.0049	0.0053	0.0075	0.0078
Total Tax Rates	\$ 0.8684	\$ 0.8630	\$ 0.8462	\$ 0.8506	\$ 0.8274	\$ 0.8692	\$ 0.6826	\$ 0.7203	\$ 0.6792	\$ 0.6917
Tax Extensions:										
General Government	\$ 177,252	\$ 19,924	\$ 189,122	\$ 20,998	\$ 208,802	\$ 23,563	\$ 223,048	\$ 24,011	\$ 235,895	\$ 25,443
Fire Protection	124,997	14,019	132,534	14,715	146,055	16,583	156,970	16,898	165,901	17,900
Police Protection	124,997	14,019	132,534	14,715	146,055	16,583	156,970	16,898	165,901	17,900
Garbage	256,901	28,844	180,187	20,006	180,232	21,236	135,502	15,187	163,816	17,674
Public Library	358,418	40,236	386,435	44,118	407,992	46,154	-	-	-	-
Retirement	17,725	2,003	15,140	1,681	19,225	2,238	45,167	5,282	90,844	10,229
Police Pension	213,624	24,006	255,886	28,410	262,471	30,927	319,517	37,217	325,547	36,546
Firefighters' Pension	218,458	24,526	254,149	28,217	260,602	30,691	271,283	31,574	259,425	29,133
Tort Liability	316,062	35,502	358,141	39,764	376,485	44,358	388,383	45,201	394,946	44,347
Social Security	161,138	18,102	164,799	18,297	170,887	20,117	171,747	19,989	177,517	19,940
Audit	20,027	2,237	20,848	2,315	20,827	2,445	20,911	2,341	20,849	2,266
Unemployment	9,438	1,040	10,424	1,157	9,611	1,119	13,662	1,591	22,339	2,525
Total Tax Extensions	\$ 1,999,037	\$ 224,458	\$ 2,100,199	\$ 234,393	\$ 2,209,244	\$ 256,014	\$ 1,903,160	\$ 216,189	\$ 2,022,980	\$ 223,903
Total Tax Collections Through Fiscal Year End	\$ 1,971,345	\$ 200,615	\$ 2,097,812	\$ 232,953	\$ 2,202,899	\$ 244,348	\$ 1,896,172	\$ 213,321	\$ 2,016,011	\$ 223,297
Percent of Total Taxes Collected	98.61%	89.38%	99.89%	99.39%	99.71%	95.44%	99.63%	98.67%	99.66%	99.73%

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, 2011, and have issued our report thereon dated May 31, 2012. 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. Schlessel & Co., L.L.C.

Certified Public Accountants

May 31, 2012

**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, 2011, which collectively comprise the City's basic financial statements and have issued our report thereon dated May 31, 2012. 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.

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. Schuman & Co., L.L.C.

Certified Public Accountants

May 31, 2012

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH
REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL
EFFECT ON EACH MAJOR PROGRAM AND ON 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 City of Collinsville, Illinois' ("City") compliance with the types of compliance requirements described in the OMB *Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended December 31, 2011. 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 could have a direct and material effect on each of its major federal programs for the year ended December 31, 2011.

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 to determine the 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.

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.


Certified Public Accountants

May 31, 2012

CITY OF COLLINSVILLE, ILLINOIS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2011

<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	81XM004000	07/01/10 - 06/30/11	24,275	11,517
	93.667	81XQ004000	07/01/11 - 06/30/12	24,275	12,591
					<u>24,108</u>
Department of Justice:					
Byrne Formula Grant Program	16.738		10/01/11 - 09/30/12	467,598	150,000
ARRA - Byrne Formula Grant Program	16.803		10/01/10 - 09/30/11	467,598	302,769
					<u>452,769</u>
Department of Transportation:					
Passed through Illinois Department of Transportation:					
Traffic Safety Program	20.609	OP11205105	10/01/10 - 09/30/11	50,115	43,651
Traffic Safety Program	20.609	OP21205105	10/01/11 - 06/30/12	46,716	6,489
					<u>50,140</u>
Department of Housing and Urban Development:					
EDI Special Project	14.251	B-06-SP-IL-0317	02/04/07 - 09/30/13	99,000	7,691
Department of Homeland Security:					
Assistance to Firefighters	97.044		12/05/08 - 12/04/13	527,125	105,400
Assistance to Firefighters	97.044		04/23/10 - 04/22/11	386,744	386,744
Assistance to Firefighters	97.044		02/18/11 - 02/17/12	38,070	38,070
					<u>530,214</u>
Passed through Madison County:					
Emergency Management Performance Grant	97.042	11EMAMADIS	10/01/10 - 09/30/12	64,522	1,661
Passed through Illinois Emergency Management Agency:					
Public Safety Interoperable Communications Grant Program	11.555	07NBCOLLI	05/01/11 - 06/30/11	9,259	9,259
Citizens Corp Program	97.067	09CCPCOLLV	01/01/10 - 12/31/10	5,500	2,944
Citizens Corp Program	97.067	10CCPCOLLV	01/01/11 - 12/31/11	5,500	5,500
					<u>8,444</u>
Total Federal Awards					<u><u>\$ 1,084,286</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, 2011

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, 2011.

Subrecipient Monitoring

The City had pass through revenue to subrecipients related to its federal funds during the year ended December 31, 2011. The amounts related to the MEGSI program, \$452,769, were remitted to the local Metropolitan Enforcement Unit.

CITY OF COLLINSVILLE, ILLINOIS

**SCHEDULE OF CURRENT YEAR FINDINGS AND QUESTIONED COSTS
DECEMBER 31, 2011**

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 and CFDA #16.803
 - Assistance to Firefighters - CFDA #97.044
- 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, 2011**

NONE

CITY OF COLLINSVILLE, ILLINOIS

STATISTICAL SECTION
DECEMBER 31, 2011

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.

<u>Contents</u>	<u>Pages</u>
Financial Trends These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	97-100
Revenue Capacity These schedules contain information to help the reader assess the City's most significant revenue sources.	101-107
Debt Capacity These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	108-110
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	111-112
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	113-114

CITY OF COLLINSVILLE, ILLINOIS

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

	December 31								
	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
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	27,069,921	26,199,136
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	6,848,853	7,169,588
Other Purposes	363,977	752,729	846,450	815,885	402,674	435,331	293,292	500,174	2,633,868
Unrestricted	3,668,286	4,434,789	4,573,941	5,388,482	(23,192,169)	(24,088,885)	(27,064,010)	(25,031,123)	(24,787,168)
	<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>	<u>9,387,825</u>	<u>11,215,424</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	23,207,196	22,981,311
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	3,227,805	3,690,694
	<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>	<u>26,435,001</u>	<u>26,672,005</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	50,277,117	49,180,447
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	6,848,853	7,169,588
Other Purposes	363,977	752,729	846,450	815,885	402,674	435,331	293,292	500,174	2,633,868
Unrestricted	6,083,539	6,993,130	7,517,377	8,319,759	(18,759,766)	(20,902,622)	(24,535,926)	(21,803,318)	(21,096,474)
	<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>	<u>35,822,826</u>	<u>37,887,429</u>

2003 was the first year of GASB 34 implementation.

CITY OF COLLINSVILLE, ILLINOIS

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

	For the year ended December 31								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
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	3,270,285	3,409,165
Public Safety	6,664,343	6,909,889	7,945,928	7,964,007	8,686,394	10,620,814	10,568,120	10,802,030	12,995,924
Public Works	2,081,598	2,421,557	2,393,157	3,213,157	3,615,277	3,832,886	4,041,241	3,976,489	4,002,295
Health and Sanitation	1,169,464	1,198,901	1,252,739	1,333,310	1,310,481	1,354,057	1,426,460	1,353,435	1,416,012
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	1,920,748	2,154,758
Community Services	187,560	455,202	1,511,882	1,527,626	705,723	986,923	768,055	990,128	813,871
Interest on Long-term Debt	135,841	107,016	93,172	79,693	580,512	1,636,717	1,761,889	1,684,646	1,725,701
Total Governmental Activities	14,003,580	14,927,164	17,094,034	17,845,564	44,990,214	23,879,504	26,273,636	23,997,761	26,517,726
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	6,340,186	6,719,339
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	6,340,186	6,719,339
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	30,337,947	33,237,065
PROGRAM REVENUES									
Governmental Activities:									
Charges for Services:									
General Government	288,551	340,055	346,337	706,549	278,929	327,918	261,689	306,831	447,566
Public Safety	846,691	895,689	1,037,823	1,003,935	1,182,173	1,139,367	1,156,229	1,442,359	1,242,999
Public Works	174,713	26,936	45,926	644,145	58,374	89,491	54,807	31,416	24,752
Health and Sanitation	920,504	877,067	1,022,320	1,080,129	1,178,636	1,249,091	1,241,273	1,330,220	1,393,246
Community and Economic Development	1,032,919	999,020	1,015,837	945,338	1,562,567	1,527,838	1,606,535	1,534,235	1,591,500
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	344,336	319,760
Capital grants and contributions	785,159	813,449	801,437	949,704	514,325	50,000	322,196	1,387,511	559,162
Total Governmental Activities	4,591,279	4,254,438	4,622,944	5,760,947	5,310,952	4,705,980	5,034,750	6,376,908	5,578,985
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	7,027,785	7,515,589
Capital grants and contributions	154,209	-	-	-	50,000	-	-	-	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	7,027,785	7,565,589
Total program revenues	9,766,047	9,500,531	10,169,224	12,421,549	11,770,516	11,174,678	12,008,548	13,404,693	13,144,574
Net Revenues (Expenses)	(8,819,672)	(10,393,229)	(12,001,068)	(11,292,532)	(39,435,644)	(18,849,200)	(20,591,474)	(16,933,254)	(20,092,491)
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	4,245,218	5,033,701
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	5,995,069	6,701,081
Home Rule Sales Tax	-	-	-	-	-	-	-	3,754,669	4,276,149
Replacement Tax	26,042	29,554	79,034	98,288	127,221	101,260	48,664	64,971	260,211
State Income Tax	1,518,099	1,581,396	1,865,028	2,068,898	2,254,175	2,387,557	2,052,414	1,974,281	1,972,782
Motor Fuel Tax	733,165	720,021	735,202	741,750	721,310	677,328	660,266	654,745	636,920
Telecommunications Tax	417,787	1,158,028	1,101,544	1,046,316	1,091,011	1,088,734	1,064,333	1,083,623	1,155,235
Utility Tax	-	650,621	822,865	733,088	742,387	393,417	363,431	377,363	371,807
Franchise Fees	294,217	288,562	269,377	280,356	282,467	282,896	340,362	331,463	358,249
Other	83,632	114,540	156,826	160,782	166,207	429,468	199,162	387,477	347,815
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	58,215	25,152
Miscellaneous	96,291	106,549	103,980	40,008	50,933	52,771	65,546	500,952	87,569
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	19,428,046	21,226,671
Changes in Net Assets									
Governmental activities	1,613,021	2,165,898	1,465,532	3,190,756	(22,998,140)	594,813	(2,716,803)	1,807,193	287,930
Business-type activities	592,629	279,497	470,022	792,085	243,618	324,324	647,412	687,599	846,250
Total primary government	\$ 2,205,650	2,445,395	1,935,554	3,982,841	(22,754,522)	919,137	(2,069,391)	2,494,792	1,134,180

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)

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
General Fund:										
Reserved For:										
Inventory	\$ 43,573	70,458	83,440	87,384	96,010	125,941	145,819	143,249	140,580	-
Forfeited Funds	243,252	242,570	143,809	166,865	173,669	271,899	284,678	145,209	354,760	-
Fire Equipment	-	-	-	66,224	51,682	4,834	4,834	4,834	4,834	-
Other	10,752	5,538	-	-	-	-	-	-	-	-
Unreserved	2,556,122	2,886,961	3,610,413	3,248,364	3,641,307	3,445,301	3,340,485	2,548,980	3,725,822	-
Nonspendable	-	-	-	-	-	-	-	-	-	81,235
Restricted	-	-	-	-	-	-	-	-	-	435,282
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-	3,646,001
Total General Fund	<u>2,853,699</u>	<u>3,205,527</u>	<u>3,837,662</u>	<u>3,568,837</u>	<u>3,962,668</u>	<u>3,847,975</u>	<u>3,775,816</u>	<u>2,842,272</u>	<u>4,225,996</u>	<u>4,162,518</u>
All Other Governmental Funds:										
Reserved For:										
Debt Service	-	391,182	393,488	387,264	-	-	-	-	-	-
Employees' Retirement Benefit	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	4,995,292	6,848,853	-
Unreserved, Reported In:										
Special Revenue Funds	4,878,782	4,537,055	4,674,416	3,194,228	4,511,993	1,649,436	1,360,737	3,213,077	1,950,972	-
Debt Service Funds	-	-	-	-	-	(214)	(72,625)	3,027	5,982	-
Capital Projects Funds	-	-	(42,240)	255,839	285,615	656,642	548,608	32,906	285,598	-
Nonspendable	-	-	-	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-	-	-	9,368,174
Committed	-	-	-	-	-	-	-	-	-	239,174
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-	(16)
Total All Other Governmental Funds	<u>\$ 4,926,598</u>	<u>4,973,648</u>	<u>5,551,144</u>	<u>4,363,308</u>	<u>5,292,132</u>	<u>8,531,224</u>	<u>7,314,210</u>	<u>8,244,302</u>	<u>9,091,405</u>	<u>9,607,332</u>

The City implemented GASB 54 in 2011.

CITY OF COLLINSVILLE, ILLINOIS

**Changes in Fund Balances of Governmental Funds
Last Nine 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>	<u>2010</u>	<u>2011</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	4,245,218	5,033,701
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	5,995,069	6,493,564
Home Rule Sales Tax	-	-	-	-	-	-	-	3,754,669	3,914,284
Replacement Tax	26,042	29,554	79,034	98,288	127,221	101,260	48,664	64,971	260,211
State Income Tax	1,518,099	1,581,396	1,865,028	2,068,898	2,254,175	2,387,557	1,625,006	2,076,192	1,807,743
Motor Fuel Tax	733,165	720,021	735,202	741,750	721,310	677,328	660,266	654,745	636,920
Telecommunications Tax	417,787	1,158,028	1,101,544	1,046,316	1,091,011	1,088,734	1,064,333	1,083,623	1,071,751
Grants	539,005	399,474	267,416	1,083,501	983,235	294,123	714,217	880,199	878,922
Other	83,632	114,540	156,826	160,782	166,207	429,468	199,162	387,477	308,622
Other Local Taxes	1,045,049	1,654,663	1,846,616	1,748,995	2,051,613	1,706,896	1,638,521	1,645,118	1,735,290
Drug Forfeiture Revenue	136,954	152,663	227,190	171,719	253,703	105,949	88,999	310,608	210,241
Licenses, Fees and Permits	551,871	572,461	553,867	843,304	510,380	566,141	548,694	577,085	645,872
Charges for Services	1,395,456	1,487,123	1,704,074	1,732,496	1,817,092	2,037,103	2,178,897	2,282,887	2,361,175
Fines	155,463	166,082	168,391	179,613	180,370	158,028	152,944	102,609	114,703
Investment Earnings	108,758	119,357	250,159	362,415	430,729	193,230	19,198	17,442	11,137
Gifts and Donations	102,413	524,691	74,451	115,545	67,038	78,152	46,692	81,406	43,314
Miscellaneous Revenues/Reimbursements	1,157,989	367,704	982,831	939,226	523,308	488,672	435,125	733,773	446,286
Total Revenues	<u>16,092,489</u>	<u>17,590,424</u>	<u>19,117,459</u>	<u>20,705,761</u>	<u>21,587,813</u>	<u>24,595,733</u>	<u>23,618,532</u>	<u>24,893,091</u>	<u>25,973,736</u>
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	3,146,436	3,848,230
Public Safety	6,119,357	6,324,141	7,238,406	7,440,201	8,122,335	9,360,084	9,889,604	10,080,269	12,171,164
Public Works	1,864,745	2,069,571	2,001,399	1,873,046	2,201,060	2,323,259	2,417,675	2,434,501	2,330,203
Health and Sanitation	1,169,464	1,198,901	1,252,739	1,333,310	1,310,481	1,354,057	1,426,460	1,353,435	1,416,012
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	1,918,369	2,093,428
Community Services	176,585	453,231	1,510,631	1,526,744	704,866	986,164	767,672	976,442	787,703
Debt service:									
Principal	285,000	324,558	340,442	335,000	355,000	420,000	646,209	372,746	653,223
Interest and Fees	132,114	112,495	93,272	79,801	1,082,589	1,695,177	1,727,867	1,650,023	1,687,518
Capital outlay	2,579,556	1,864,602	3,945,026	2,845,224	3,163,822	4,261,865	1,608,901	2,073,268	1,097,722
Total Expenditures	<u>16,504,642</u>	<u>16,650,077</u>	<u>20,878,064</u>	<u>19,691,732</u>	<u>47,558,345</u>	<u>26,320,128</u>	<u>26,619,414</u>	<u>24,005,489</u>	<u>26,085,203</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(412,153)</u>	<u>940,347</u>	<u>(1,760,605)</u>	<u>1,014,029</u>	<u>(25,970,532)</u>	<u>(1,724,395)</u>	<u>(3,000,882)</u>	<u>887,602</u>	<u>(111,467)</u>
OTHER FINANCING SOURCES (USES)									
Proceeds from Debt	-	-	-	-	28,765,000	80,202	2,700,000	636,598	-
Proceeds from Sale of Capital Assets	-	-	-	-	-	-	-	121,353	-
Operating Transfers In	1,108,289	1,050,890	1,132,269	1,616,201	412,091	390,000	689,960	735,000	808,547
Operating Transfers Out	(850,108)	(794,589)	(832,269)	(1,316,201)	(112,091)	(54,858)	(389,960)	(147,057)	(185,286)
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)	<u>308,181</u>	<u>256,301</u>	<u>300,000</u>	<u>300,000</u>	<u>29,065,000</u>	<u>415,344</u>	<u>3,000,000</u>	<u>1,345,894</u>	<u>623,261</u>
Net change in fund balances	<u>\$ (103,972)</u>	<u>1,196,648</u>	<u>(1,460,605)</u>	<u>1,314,029</u>	<u>3,094,468</u>	<u>(1,309,051)</u>	<u>(882)</u>	<u>2,233,496</u>	<u>511,794</u>
Debt Service as a Percentage of Noncapital Expenditures	3.0%	3.0%	2.6%	2.5%	3.2%	9.6%	9.5%	9.2%	9.4%

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>Property</u>	<u>Other</u>	<u>Total</u>
	<u>Tax</u>	<u>Tax</u>		
2011	\$ 10,407,848	\$ 5,033,701	\$ 10,532,187	\$ 25,973,736
2010	9,749,738	4,245,218	10,898,135	24,893,091
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

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>
2011	1.250%	0.250%	0.100%	0.250%	6.250%	8.100%
2010	1.250%	0.250%	0.100%	0.250%	6.250%	8.100%
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%

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>
2011	1.250%	0.750%	0.100%	0.250%	6.250%	8.600%
2010	1.250%	0.750%	0.100%	0.250%	6.250%	8.600%
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%

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

<u>Industry</u>	<u>2007</u>		<u>2008</u>		<u>2009</u>		<u>2010</u>		<u>2011</u>	
	<u>Taxable Sales</u>	<u>Percentage of Total</u>	<u>Taxable Sales</u>	<u>Percentage of Total</u>	<u>Taxable Sales</u>	<u>Percentage of Total</u>	<u>Taxable Sales</u>	<u>Percentage of Total</u>	<u>Taxable Sales</u>	<u>Percentage of Total</u>
General Merchandise	\$ 889,741	18.79%	1,076,483	23.02%	1,093,399	25.01%	1,101,934	24.17%	892,949	18.83%
Food	617,645	13.05%	590,991	12.64%	576,093	13.18%	584,648	12.82%	612,036	12.91%
Drinking and Eating Places	522,749	11.04%	531,274	11.36%	544,617	12.46%	562,628	12.34%	573,325	12.09%
Apparel	25,489	0.54%	22,757	0.49%	21,005	0.48%	21,186	0.46%	251,482	5.30%
Furniture, Household & Radio	69,386	1.47%	70,529	1.51%	77,487	1.77%	107,596	2.36%	106,519	2.25%
Lumber, Building, Hardware	287,725	6.08%	276,066	5.90%	230,404	5.27%	231,787	5.08%	251,056	5.30%
Automotive & Filling Stations	1,556,003	32.86%	1,303,776	27.88%	1,006,555	23.03%	1,031,318	22.62%	1,100,139	23.20%
Drugs & Miscellaneous Retail	423,188	8.94%	432,455	9.25%	451,586	10.33%	535,489	11.74%	550,747	11.62%
Agriculture & All Others	288,451	6.09%	322,661	6.90%	330,585	7.56%	355,206	7.79%	377,702	7.97%
Manufacturers	54,284	1.15%	49,327	1.05%	39,350	0.90%	27,656	0.61%	25,028	0.53%
	<u>4,734,660</u>	100.00%	<u>4,676,318</u>	100.00%	<u>4,371,080</u>	100.00%	<u>4,559,450</u>	100.00%	<u>4,740,983</u>	100.00%

<u>Industry</u>	<u>2002</u>		<u>2003</u>		<u>2004</u>		<u>2005</u>		<u>2006</u>	
	<u>Taxable Sales</u>	<u>Percentage of Total</u>	<u>Taxable Sales</u>	<u>Percentage of Total</u>	<u>Taxable Sales</u>	<u>Percentage of Total</u>	<u>Taxable Sales</u>	<u>Percentage of Total</u>	<u>Taxable Sales</u>	<u>Percentage of Total</u>
General Merchandise	676,996	16.92%	684,343	16.62%	683,041	16.19%	676,894	16.18%	655,088	13.82%
Food	674,272	16.85%	695,110	16.89%	703,607	16.68%	687,191	16.42%	666,359	14.06%
Drinking and Eating Places	422,859	10.57%	430,666	10.46%	479,633	11.37%	489,342	11.69%	502,834	10.61%
Apparel	29,860	0.75%	27,309	0.66%	26,218	0.62%	27,418	0.66%	26,021	0.55%
Furniture, Household & Radio	75,261	1.88%	77,069	1.87%	74,283	1.76%	69,968	1.67%	64,426	1.36%
Lumber, Building, Hardware	44,960	1.12%	47,588	1.16%	57,211	1.36%	67,476	1.61%	67,563	1.43%
Automotive & Filling Stations	1,478,962	36.97%	1,528,328	37.13%	1,487,403	35.25%	1,481,864	35.42%	1,528,973	32.25%
Drugs & Miscellaneous Retail	265,092	6.63%	307,536	7.47%	370,783	8.79%	346,917	8.29%	381,030	8.04%
Agriculture & All Others	282,055	7.05%	268,728	6.53%	289,409	6.86%	285,004	6.81%	286,072	6.03%
Manufacturers	50,327	1.26%	49,744	1.21%	47,450	1.12%	52,143	1.25%	56,707	1.20%
	<u>4,000,645</u>	100.00%	<u>4,116,421</u>	100.00%	<u>4,219,038</u>	100.00%	<u>4,184,219</u>	100.00%	<u>4,235,073</u>	89.33%

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. Some categories in St. Clair County have less than four taxpayers, so no data is shown to protect the

CITY OF COLLINSVILLE, ILLINOIS

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

Levy Year	Residential Property	Farm Property	Commercial Property	Industrial Property	Railroad Property	Other Property	Total Taxable Assessed Value in Madison County	Total Direct Tax Rate	Estimated Actual Value	Annual % Change	Ratio of Total Assessed Valuation to Estimated Actual Value of Real Property
2010	\$ 278,180,858	1,228,180	99,683,395	11,180,000	150,355	4,240	390,427,028	0.6312%	1,171,398,224	-0.36%	33%
2009	278,226,838	1,149,220	101,586,369	10,760,460	122,637	4,240	391,849,764	0.6300%	1,175,666,859	7.58%	33%
2008	275,257,999	900,820	82,050,752	5,933,360	106,810	4,240	364,253,981	0.6137%	1,092,871,230	4.36%	33%
2007	264,613,891	838,070	78,524,867	4,966,010	79,663	4,240	349,026,741	0.6436%	1,047,184,941	7.20%	33%
2006	247,216,860	129,440	73,722,110	4,455,630	66,499	250	325,590,789	0.6595%	976,870,054	9.31%	33%
2005	227,864,710	164,100	65,611,170	4,148,340	58,993	250	297,847,563	0.6792%	893,632,052	6.83%	33%
2004	213,214,900	178,590	61,744,080	3,617,170	55,478	250	278,810,468	0.6826%	836,515,056	4.42%	33%
2003	205,058,710	304,130	58,057,100	3,517,280	72,930	250	267,010,400	0.8274%	801,111,311	7.58%	33%
2002	186,902,370	344,950	57,565,480	3,308,270	70,526	250	248,191,846	0.8462%	744,650,003	7.82%	33%
2001	172,215,400	307,100	54,671,050	2,935,870	68,133	250	230,197,803	0.8684%	690,662,475	13.26%	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	Madison County										
	City of Collinsville			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	Total
	General	Fire Pension	Police Pension								
2010	0.2617%	0.1418%	0.2277%	0.7145%	0.3408%	4.2356%	0.2034%	0.3638%	0.2025%	0.5922%	7.2840%
2009	0.3539%	0.1031%	0.1730%	0.6781%	0.3352%	4.2472%	0.2025%	0.3552%	0.2006%	0.6122%	7.2610%
2008	0.3787%	0.0878%	0.1472%	0.6534%	0.3263%	4.2532%	0.1920%	0.3497%	0.2004%	0.5303%	7.1190%
2007	0.4514%	0.0671%	0.1251%	0.6518%	0.3270%	4.3018%	0.1931%	0.3734%	0.2374%	0.5549%	7.2830%
2006	0.4697%	0.0819%	0.1079%	0.6758%	0.3321%	4.3059%	0.1993%	0.3614%	0.2569%	0.5498%	7.3407%
2005	0.4828%	0.0871%	0.1093%	0.7050%	0.3402%	4.3603%	0.2090%	0.3503%	0.2518%	0.4224%	7.3182%
2004	0.4707%	0.0973%	0.1146%	0.7372%	0.3453%	4.3880%	0.1302%	0.3429%	0.0000%	0.4045%	7.0307%
2003	0.6315%	0.0976%	0.0983%	0.7360%	0.3477%	4.3868%	0.1320%	0.3386%	0.0000%	0.3947%	7.1632%
2002	0.6407%	0.1024%	0.1031%	0.7476%	0.3546%	4.4254%	0.1368%	0.2930%	0.0000%	0.3528%	7.1564%
2001	0.6807%	0.0949%	0.0928%	0.7893%	0.3538%	4.5592%	0.1429%	0.3020%	0.0000%	0.3336%	7.3492%

For The Years Ended December 31	St. Clair County										
	City of Collinsville			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	Total
	General	Fire Pension	Police Pension								
2010	0.2627%	0.1475%	0.2368%	0.9158%	0.1023%	4.2613%	0.1122%	0.3689%	0.2039%	0.6065%	7.2179%
2009	0.3544%	0.1071%	0.1797%	0.9168%	0.1017%	4.2674%	0.1065%	0.3608%	0.2019%	0.5996%	7.1959%
2008	0.3826%	0.0876%	0.1470%	0.9161%	0.1033%	4.2511%	0.1031%	0.3574%	0.2038%	0.5328%	7.0848%
2007	0.4478%	0.0693%	0.1292%	0.9120%	0.1096%	4.3319%	0.1102%	0.3689%	0.2402%	0.7523%	7.4714%
2006	0.4757%	0.0847%	0.1115%	1.0090%	0.1217%	4.3329%	0.1187%	0.3589%	0.2543%	0.4408%	7.3082%
2005	0.4888%	0.0900%	0.1129%	0.9715%	0.1370%	4.3884%	0.1271%	0.3483%	0.2514%	0.4299%	7.3453%
2004	0.4911%	0.1052%	0.1240%	0.9909%	0.1515%	4.4290%	0.1346%	0.3474%	0.2542%	0.4129%	7.4408%
2003	0.6600%	0.1042%	0.1050%	1.0120%	0.1492%	4.3867%	0.1378%	0.3408%	0.0000%	0.3942%	7.2899%
2002	0.6451%	0.1024%	0.1031%	0.9439%	0.1510%	4.4252%	0.1314%	0.2948%	0.0000%	0.3519%	7.1488%
2001	0.6764%	0.0943%	0.0923%	0.9488%	0.1587%	4.5512%	0.1180%	0.3006%	0.0000%	0.3304%	7.2707%

The direct General levy includes the library in years 2001-2003, which is now a separate taxing district.

CITY OF COLLINSVILLE, ILLINOIS

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

Tax Levy Year	Tax Levy as Abated	Current Taxes Collected			Collections Through 2011	
		Fiscal Year Collected	Amount	Percent of Levy Collected	Amount	Percent of Levy Collected
2010	\$ 2,485,786	2011	\$ 2,250,695	90.543%	\$ 2,250,695	90.543%
2009	2,487,706	2010	2,472,915	99.405%	2,472,915	99.405%
2008	2,470,590	2009	2,450,046	99.168%	2,450,046	99.168%
2007	2,488,693	2008	2,478,917	99.607%	2,478,917	99.607%
2006	2,380,677	2007	2,365,999	99.383%	2,365,999	99.383%
2005	2,246,883	2006	2,239,308	99.663%	2,239,308	99.663%
2004	2,119,349	2005	2,109,493	99.535%	2,109,493	99.535%
2003	2,465,258	2004	2,447,247	99.269%	2,447,247	99.269%
2002	2,334,592	2003	2,330,765	99.836%	2,330,765	99.836%
2001	2,223,495	2002	2,171,960	97.682%	2,171,960	97.682%

CITY OF COLLINSVILLE, ILLINOIS

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

Taxpayer Name	2002		2011	
	EAV	Rank	EAV	Rank
Wal-Mart			\$ 4,558,670	1
Osborn & Osborn LLC			3,694,510	2
Coholt LLC			3,501,620	3
Felfam Lakeside Plaza LLC			2,448,450	4
Cedar Ridge Eagle Creek LLC			2,444,680	5
Retko Group LLC	1,218,080	8	2,384,810	6
Home Depot USA			2,329,990	7
Keebler Crossing LLC			2,277,210	8
Parkside Commons LLC			2,197,170	9
Sandridge Mannors LLC			2,107,800	10
LaSalle National Bank	\$ 2,389,410	1		
Desco Investment Co.	2,271,880	2		
Collinsville Property LLC	2,013,210	3		
Equity Investment Co.	1,649,920	4		
Osborn, Mary E.	1,551,810	5		
Druco Inc.	1,288,650	6		
Lanter Business Park LLC	1,277,270	7		
Hendricks Commercial	1,136,320	9		
Osborn, Joseph E.	1,119,830	10		
Total	<u>15,916,380</u>		<u>27,944,910</u>	

Source: Madison County Clerk's Office

CITY OF COLLINSVILLE, ILLINOIS

**Ratios of Outstanding Debt by Type
Last Ten Fiscal Years**

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
<u>Governmental Activities</u>										
General Obligation Bonds	\$ 2,650,000	2,380,000	2,080,000	1,765,000	1,430,000	9,590,000	9,170,000	11,290,000	10,950,000	10,545,000
Revenue Bonds	-	-	-	-	-	20,250,000	20,250,000	20,250,000	20,250,000	20,250,000
Capital Leases	-	-	-	-	-	-	80,202	13,993	617,845	-
Total Debt Outstanding	2,650,000	2,380,000	2,080,000	1,765,000	1,430,000	29,840,000	29,500,202	31,553,993	31,817,845	30,795,000
Personal Income	54,956	54,956	54,956	54,956	54,956	57,531	56,129	56,129	57,219	57,835
Debt as Percentage of Personal Income	4822.04%	4330.74%	3784.85%	3211.66%	2602.08%	51867.69%	52557.86%	56216.92%	55607.13%	53246.30%
Population	24,707	24,707	25,384	25,487	25,610	25,895	25,960	25,960	25,677	25,757
Per capita Debt	\$ 107	96	82	69	56	1,152	1,136	1,215	1,239	1,196
<u>Business-Type Activities</u>										
General Obligation Bonds	2,450,000	1,915,000	1,315,000	695,000	20,350,000	20,000,000	19,295,000	18,560,000	17,795,000	16,995,000
IEPA Loan	775,653	687,026	596,139	502,933	407,349	309,327	208,804	105,717	-	-
Capital Leases	-	-	-	-	-	-	-	89,448	37,949	-
Total Debt Outstanding	3,225,653	2,602,026	1,911,139	1,197,933	20,757,349	20,309,327	19,503,804	18,755,165	17,832,949	16,995,000
Personal Income	54,956	54,956	54,956	54,956	54,956	57,531	56,129	56,129	57,219	57,835
Debt as Percentage of Personal Income	5869.52%	4734.74%	3477.58%	2179.80%	37770.85%	35301.54%	34748.18%	33414.39%	31166.13%	29385.32%
Population	24,707	24,707	25,384	25,487	25,610	25,895	25,960	25,960	25,677	25,757
Per capita Debt	\$ 131	105	75	47	811	784	751	722	695	660

Source: U.S. Census Bureau

CITY OF COLLINSVILLE, ILLINOIS

**Computation of Direct and Overlapping Debt
December 31, 2011**

	<u>General Obligation Debt</u>	<u>Percent* Applicable to Collinsville</u>	<u>Amount Applicable to Collinsville¹</u>
Direct:			
City of Collinsville ²	\$ 47,790,000	100.00 %	\$ 47,790,000
Overlapping:			
Madison County	1,255,000	7.68	96,327
St. Clair County	24,760,000	1.06	261,899
Unit 10 School District (Collinsville)	25,735,000	54.19	13,944,843
Unit 9 School District (Granite City)	11,846,646	0.03	3,537
Southwestern Illinois Community College	29,220,000	7.09	2,071,087
Collinsville Area Recreation District	23,035,000	63.90	14,720,180
Mississippi Valley Library	-	81.32	-
Caseyville Township	-	5.33	-
Collinsville Township	-	53.56	-
Canteen Township	-	0.03	-
Nameoki Township	-	1.44	-
Metro East Sanitary	-	0.02	-
East Side Health	-	0.01	-
State Park Fire	-	15.25	-
Total Overlapping Debt	<u>115,851,646</u>		<u>31,097,873</u>
Total Direct and Overlapping Debt	<u>\$ 163,641,646</u>		<u>\$ 78,887,873</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.

²Includes revenue bonds.

*Based on the percent of total assessed value of a jurisdiction comprising the City's assessed property

Source: The above-named jurisdictions.

CITY OF COLLINSVILLE, ILLINOIS

**Pledged Revenue Coverage
Last Five Fiscal Years**

Local Government Program Revenue Bonds	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Limited Incremental Sales Tax Revenue	\$ 345,087	1,087,915	1,155,734	1,160,577	1,147,658
Debt service	-	1,144,164	1,053,450	1,053,450	1,053,450
Ratio	-	0.95	1.10	1.10	1.09
Outstanding Balance	\$ 20,250,000	20,250,000	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>
2011	25,757	57,835	28,737	6,336	6.90%
2010	25,677	57,219	25,774	5,987	6.70%
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%

Source: U.S. Census Bureau, American Community Survey
<http://www.census.gov/acs/www/>

CITY OF COLLINSVILLE, ILLINOIS

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

<u>Employer</u>	<u>2002</u>		<u>2011</u>	
	<u>Employees</u>	<u>Rank</u>	<u>Employees</u>	<u>Rank</u>
Collinsville Unit School District Number 10	662	1	760	1
Wal-Mart	175	7	462	2
Illinois Department of Transportation	500	2	196	3
City of Collinsville	188	6	193	4
Fairmont Race Track	500	3	136	5
Schnucks Market	190	5	129	6
Crop Production			100	7
Gateway Industrial Power			90	8
K-Mart	135	8	78	9
Teklab, Inc.			70	10
Marsh Shipping Supply Co., LLC			50	11
Tetra Tech, Inc.			50	12
Auto Dealer's Association	228	4		
S A S I Corp	100	9		
Royster Clark	100	10		
Total	<u>2,778</u>		<u>2,314</u>	

Source: Illinois Manufacturers Directory, Illinois Services Directory and a selective telephone survey. The total number of jobs available in the City of Collinsville is not known for calculating a percentage.

CITY OF COLLINSVILLE, ILLINOIS

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

Function/Program	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
General Government:										
Administration - City Manager	2.00	2.00	2.00	1.00	1.00	2.00	3.00	3.00	3.00	2.00
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	2.00	2.00	2.00	1.00
Administration - Information Technology	0.00	0.00	0.00	0.00	0.00	0.00	1.00	1.00	1.00	1.00
Finance	7.00	7.00	7.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00
Public Safety:										
Police Administration	2.00	2.00	3.00	3.00	3.00	3.00	5.00	5.00	5.00	6.00
Police Operations	35.00	35.00	35.00	35.00	37.00	37.00	40.00	40.00	40.00	38.00
Police Support	10.00	10.00	13.00	13.00	13.00	13.00	17.00	17.00	18.00	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	3.00	3.00	3.00	3.00
Fire Operations	28.00	28.00	28.00	28.00	28.00	28.00	32.00	32.00	32.00	31.00
Public Works:										
Engineering	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2.00
Streets	13.00	13.00	13.00	13.00	13.00	15.00	19.00	19.00	17.00	15.00
Inspections	2.00	2.00	2.00	2.00	2.00	2.00	1.00	1.00	1.00	1.00
Water Lines	9.50	9.50	9.50	9.50	9.50	9.50	9.50	9.50	9.50	8.50
Water Plant	6.00	6.00	6.00	6.00	6.00	6.50	6.50	6.50	6.50	6.50
Waste Water Lines	6.50	6.50	6.50	6.50	6.50	7.00	7.00	7.00	7.00	7.00
Waste Water Plant	7.00	7.00	7.00	7.00	7.00	7.00	8.00	8.00	8.00	8.00
Community and Economic Development:										
Community Development	2.00	2.00	1.00	1.00	1.00	3.00	5.00	5.00	5.00	5.00
Community Services	7.00	7.00	7.00	0.00	0.00	0.00	0.00	1.00	1.00	1.00
Total	<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>	<u>170.00</u>	<u>164.00</u>

Source: Payroll Data from Finance Department.

CITY OF COLLINSVILLE, ILLINOIS

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

Function/Program	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
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	18	18	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	4	4
Streets:										
Streets (lane miles)	251.72	251.72	251.72	251.72	251.72	251.72	251.72	251.72	253.72	253.72
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	2,408	2,404	2,404
Water										
Water Mains (miles)	176.8	176.8	176.8	176.8	180.8	180.8	180.8	180.8	180.8	180.8
Water Valves	1800	1800	1800	1800	1800	1800	1800	1800	1800	1800
Manholes	2900	2900	2900	2900	2900	2900	2900	2900	2900	2900
Fire Hydrants	1310	1310	1310	1310	1310	1310	1310	1310	1310	1310
Waste Water:										
Sewer Mains (miles)	120	120	120	120	120	120	120	120	120	120

Source: Various City Departments