

CITY OF EAST ST. LOUIS, ILLINOIS
ANNUAL FINANCIAL REPORT
PERIOD ENDED DECEMBER 31, 2007

CITY OF EAST ST. LOUIS, ILLINOIS
FOR THE YEAR ENDED DECEMBER 31, 2007

TABLE OF CONTENTS

	<u>P A G E</u>
Table of Contents	i-ii
Independent Auditor's Report	iii – iv
Management's Discussion and Analysis	v – xiii
 <i>Basic Financial Statements:</i>	
Government-Wide Financials Statements:	
Statement of Net Assets Including Discretely Presented Component Units	1
Statement of Activities	2 – 3
Fund Financial Statements:	
Balance Sheet – Governmental Funds	4 - 5
Statement of Revenues, Expenditures, and Changes in Fund Balance – Governmental Funds	6
Reconciliation of Governmental Fund Balance Sheet to the Statement of Net Assets	7
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	8
Statements of Enterprise Fund	
Statement of Net Assets – Sewer Fund	9
Statement of Revenues, Expenses, and Changes in Fund Net Assets - Sewer Fund	10
Statement of Cash Flows – Sewer Fund	11
Statement of Fiduciary Net Assets - Pension Trust Funds	12
Statement of Changes in Fiduciary Net Assets – Pension Trust Funds	13
<i>Notes to the Financial Statements</i>	14- 48

Required Supplemental Information:

Statement of Revenues and Expenditures - Budget and Actual – General Fund	49
Statement of Revenues and Expenditures – Budget and Actual – TIF Funds	50-57
Statement of Revenues and Expenditures – Budget and Actual –Sewer Funds	58
Statement of Revenues and Expenditures – Budget and Actual – Motor Fuel Fund	59
Statement of Revenues and Expenditures – Budget and Actual –Non-major Fund	60-84

Combining and Individual Fund Statements:

Combining Balance Sheet – TIF Governmental Funds	85– 86
Combining Statement of Revenues, Expenditures, and Changes In Fund Balance – TIF Governmental Funds	87 – 88
Combining Balance Sheet – Non Major Funds	89 – 95
Combining Statement of Revenues, Expenditures, and Changes In Fund Balance – Non Major Funds	96 – 100

<i>Schedule of Cash/Cash Equivalents and Investments</i>	101 – 102
---	-----------

<i>Tax Increment Financing (TIF) Financial Statements</i>	103- 115
--	----------

<i>City of East St. Louis Compliance Audit</i>	116- 126
---	----------

Charles Buchanan CPA, P.C.
Certified Public Accountants
8733 Riverview, Suite 1
St. Louis, MO 63147
(314)-869-2720 (Ofc)/(314)-869-5955 (Fax)
charlesbuchanan8@aol.com

INDEPENDENT AUDITOR'S REPORT

To the Mayor, City Council, and City Manager of
The City of East St. Louis, Illinois

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of The City of East St. Louis, Illinois, as of and for the year ended December 31, 2007, 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 East St. Louis, Illinois, and management. Our responsibility is to express an opinion on these financial statements based on our audit. We did not audit the financial statements of The City of East St. Louis, Illinois Pension Trust Funds, which represents 48.41%, 54.62%, (348.38)%, and 13.72% respectively, of assets, liabilities, net assets, and revenues, of The City of East St. Louis, Illinois. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the component unit, is based solely on the report of the other auditors.

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 consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, 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 and the report of other auditors provide a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of East St. Louis, Illinois, as of December 31, 2007, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 29, 2008 on our consideration of the City's internal control structure over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of testing of internal control

over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal controls over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis and budgetary comparison information on pages 3 through 9 and 72 through 77, are not a required part of the basic financial statements but are supplementary information required by the Government Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplemental information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of East St. Louis, Illinois basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for the purposes of additional analysis as required by the U. S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is also not a required part of the basic financial statements of the City. The combining and individual nonmajor funds financial statements and the Schedule of Expenditures of Federal Awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables 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.

Charles Buchanan, CPA, PC
ST. LOUIS, MISSOURI
August 29, 2008

PAGE LEFT BLANK INTENTIONALLY

PAGE LEFT BLANK INTENTIONALLY

Management's Discussion and Analysis

As management of the City of East St. Louis, Illinois, we offer readers of the City of East St. Louis' financial statements this narrative overview and analysis of the financial activities of the City of East St. Louis, Illinois for the fiscal year ended December 31, 2007.

Financially Distressed City

Since September 1990, the City of East St. Louis Illinois has been subject to the Financially Distressed City Law. When the Illinois General Assembly designated the municipality as being a financially distressed city, the State of Illinois assumed oversight of the city's financial accounting, budgeting and taxing procedures and practices. In implementing the Financially Distressed City Law with respect to the City, the State established the East St. Louis Financial Advisory Authority (FAA). The FAA is vested with all the powers given the State under the statute, including the right to approve the financial plans, budgets and contracts. As of the fiscal year ending December 31, 2007, the City has been under the control of the Financial Advisory Authority for sixteen years.

Financial Highlights

- Governmental activities and business-type activities had net assets of \$55,733,649 and \$772,939 respectively, at fiscal year end.
- The City's total net assets increased by \$5,638,471 during the fiscal year.
- As of the close of the current fiscal year, the City of East St. Louis' governmental funds reported combined ending fund balances of \$25,550,563, which was an increase of \$2,333,086 from the prior year.
- At the end of the current fiscal year, unreserved fund balance for the General Fund was \$6,242,188 or 29.3% of total general fund expenditures.
- The City of East St. Louis' total bonded debt decreased \$2,362,598 (12.2 percent) to \$16,962,245 during the current fiscal year. This was mainly attributable to the payment of the current portion of the long-term debts payable at the beginning of the current year. The City's made the required contribution to the Policemen and Firemen's Pension Fund.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City of East St. Louis, Illinois' basic financial statements, which are comprised of three components: 1) government wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also contains required 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 of East St. Louis, Illinois' finances, in a manner similar to a private-sector business. Note the government wide financial statements exclude fiduciary fund activities.

The **Statement Of Net Assets** presents information on all of the City of East St. Louis' assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City of East St. Louis, Illinois is improving or deteriorating.

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

The government wide financial statements distinguish functions of the City of East St. Louis, Illinois that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City of East St. Louis, Illinois include general government, public safety, public works, urban redevelopment and economic development. The sewer operation is the only business-type activity.

The government wide financial statements include not only the City of East St. Louis, Illinois itself (known as the primary government), but also the City of East St. Louis Public Library (a component unit). Although the Library is financially accountable to the City, financial information for the Library is reported separately from the information that is presented for the primary government itself.

The financial statements can be found on pages 1 through 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 of East St. Louis, Illinois, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. All of the funds of the City of East St. Louis, Illinois can be divided into three categories governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds

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

The City of East St. Louis, Illinois maintains several individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General fund, Tax Increment Financing (TIF) fund, the Motor Fuel Tax (MFT) fund, and other governmental funds, all of which are considered to be non-major funds. Data from the other governmental funds (i.e. the remaining items in the special revenue fund and the State fund) are combined into a single, aggregated presentation called "other non-major governmental funds". Individual fund data for each of these non-major governmental funds is provided in the combining statements.

The City adopts an annual appropriated budget for the general fund, the special revenue fund (which includes TIF and MFT), the state fund, and the federal fund that must be approved by the FAA. The City can amend the budget with FAA approval throughout the year. Formal budgetary accounting is in accordance with budget standards set forth by the FAA. Legal budgets are adopted only for the governmental and proprietary funds of the City. Thus, the budgetary financial statements included in this report do not include the fiduciary fund type – Pension Trust funds. For each of the funds for which a formal budget is adopted, the budget basis of accounting is used which is a basis other than generally accepted accounting principles. Budgetary comparison statements have been provided for all budgeted funds to demonstrate legal compliance with the respective adopted budget.

The governmental fund financial statements can be found on pages 4 through 7 of this report.

Proprietary Funds

The City maintains Enterprise Funds to report the same functions presented as business-type activities in the government wide financial statements. The City uses Enterprise Funds to account for the operations of the sewer plant.

Proprietary Funds provide the same type of information as the government wide financial statements, only in more detail.

The basic Proprietary Fund financial statements can be found on pages 19 through 21 of this report.

Fiduciary Funds

Fiduciary funds (i.e. the City of East St. Louis Police and Firemen's Pension 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 of East St. Louis, Illinois' own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The statement of fiduciary net assets can be found on pages 12 through 13 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 on pages 14 through 48 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 49 through 84 of this report.

Other Supplementary Information

The combining and individual fund statements, referred to earlier in connection with non-major governmental funds, are presented immediately following the required supplementary information. Combining and individual fund statements can be found on pages 85 through 100 of this report. The Schedule of Cash/Cash Equivalents and Investments can be found on pages 101 and 102.

GOVERNMENT WIDE FINANCIAL ANALYSIS

The largest portion of the City of East St. Louis, Illinois' net assets reflect its investment in capital assets (such as land, buildings, machinery, equipment, and infrastructure) less any related debt used to acquire those assets that is still outstanding. The City of East St. Louis, Illinois uses these capital assets to provide services to citizens. Consequently, 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.

Net Assets. The City's combined net assets were approximately \$56 million. Looking at the net assets of governmental and business-type activities separately provides additional information.

The following pages compare the Governmental Activities and Business-type activities by year.

Changes in net assets

The City's total revenue for governmental activities on a government wide basis was \$38,161,259. Taxes represent 56.3% of the City's revenue. Another 6.57% comes from Federal & State Grants and the remainder is charges for services, interest earnings and miscellaneous revenues.

The total cost of all programs and services was \$32,381,007. The City's expenses cover a range of typical services. A partial list of these services includes police and fire protection, street lighting, repair and maintenance, and occupancy and code enforcement.

Governmental Activities

Governmental activities increased the City of East St. Louis, Illinois' net assets by \$5,780,252.

Business-type activities

Business-type activities decreased the City's net assets by (\$141,781). The current year depreciation expense was \$21,407.

FINANCIAL ANALYSIS OF THE CITY OF EAST ST. LOUIS FUNDS

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

Governmental Funds

The focus of the City of East St. Louis, Illinois' governmental funds is to provide information on inflows and balances of available 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 the fiscal year 2007, the unreserved fund balance of the General Fund was \$6,242,188 while the total fund balance was \$9,111,040. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund-operating expenditures. Unreserved fund balance represents 30% of total General Fund expenditures of \$21,290,088 while total fund balance represents 43% of total General Fund operating expenditures.

In fiscal year 2007 the City paid from the General Fund \$1,470,000 and \$537,063 toward the principal and interest, respectively, of long-term bonds payable to the Illinois Development Finance Authority (IDFA).

The City's overall General Fund revenues increased by \$1,784,731 (8.4%) in fiscal year 2007. Furthermore, expenditures from the General Fund increased by \$804,622 (4.0%) from fiscal year 2006 expenditures. These increases resulted in a \$920,805 (11.2%) increase in the General Fund fund balance.

Changes in fund balances for other major governmental funds can be described as follows:

- The fund balance for the Special Revenue Funds increased by \$1,412,280 from the prior year's fund balance. This increase was largely a result of significant reductions in expenditures of redevelopment work performed within the Tax Increment Financing Districts. The redevelopment projects consist mainly of design, engineering, and construction costs.

Proprietary Funds

The City maintains an Enterprise Fund to reflect the operations at its municipal sewer plant. The City's proprietary funds statements provide the same type of information found in the government wide financial statements, but in more detail. Sewer revenues were up by \$40,497. This is a 15% increase over 2006. Operating expenses were also up by \$52,372 or 13% over 2006 operating expenses.

The continued decline in the fund balance of the City's Business-type activity indicates an area of concern; expenditures are increasing on a faster pace than the revenue streams. With the exit of the City's largest industrial sewer user; the City needs to institute a comprehensive, adequately funded program to repair and replace the deteriorating sewer system.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The City's governmental funds have invested \$122,472,859 in a broad range of capital assets, including roads, buildings, machinery, equipment, automobiles and trucks. This amount represents a net increase for the current fiscal year of \$4,043,172. There were no new assets added to the \$9,845,121 of Enterprise investment in assets.

Capital Assets, Net of Depreciation
December 31, 2007

	Governmental Activities	Business-Type Activities	Total
Land	\$ 4,397,325	\$ -	\$ 4,397,325
Construction in Progress	13,591,773	7,126	13,598,899
Buildings	4,123,116	6,926	4,130,040
Improvements	666,856	-	666,856
Vehicles and Machinery	2,083,082	13,643	2,096,725
Other Furnishings	124,765	-	124,765
Infrastructure	25,050,027	365,047	25,415,074
Total Net Capital Assets	<u>\$ 50,036,944</u>	<u>\$ 392,742</u>	<u>\$ 50,429,686</u>

LONG-TERM DEBT AND OTHER NON-CURRENT OBLIGATIONS

At the end of December 2007, the City had outstanding long-term debt obligations for governmental activities in the amount of \$20,316,397 compared to \$22,374,541 at the end of 2006. All of the bonds are general obligation bonds or revenue bonds. The River Resources Mortgage is actually a non-interest bearing settlement. The compensated absences balance of \$1,564,381 is considered to be non-current obligations of the City respectively.

	Balance 1/1/07	Issued	Retired	Balance 12/31/07
Illinois Development Finance Authority Debt	\$11,640,000	\$	\$1,470,000	\$10,170,000
Casino Queen Bonds Series A	3,550,000		940,000	2,610,000
Casino Queen Bonds Series B	4,519,998	52,018		4,772,016
River Resource Mortgage	1,400,000		200,000	1,200,000
Compensated Absence	1,264,543	299,838		1,564,381
Total	<u>\$22,374,541</u>	<u>\$ 551,856</u>	<u>\$2,610,000</u>	<u>\$20,316,397</u>

The City of East St. Louis' total bonded debt decreased by \$2,058,144 (9.0 percent) during 2007.

Economic Factors and Subsequent Events

1. The U.S. Census Bureau maintains information relating to population estimates. The population estimate for the City of East St. Louis was 28,996 in 2007, as compared to 29,342 and 29,614 in 2006 and 2005, respectively.

2. The Illinois Department of Employment Security estimated the City of East St. Louis labor force for 2007 to be 10,202 with those employed totaling 9,177. This represents a 10% unemployment rate for the City.
3. In September 2007, Gov. Blagojevich created a pioneering initiative to drive growth and redevelopment along Illinois' rivers to help restore them as economic engines. The initiative combines resources across state agencies and will be administered by the Illinois Department of Commerce and Economic Opportunity (DCEO) and the Illinois Environmental Protection Agency. The pilot programs for this Initiative include East St. Louis.
4. A newly formed Mid-America Medical District Commission was established In November 2007 to tap into resources at Federal, State level to develop the medical district in East St. Louis.
5. In December, 2007, the City established a Redevelopment Commission whose primary function to guide the City on the path of economic development.

Requests for information

This financial report is designed to provide a general overview of the City's finances for all those with an interest in 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 Office of the City Manager, 301 River Park Drive, East St. Louis, Illinois 6220 at 618-482-1807.

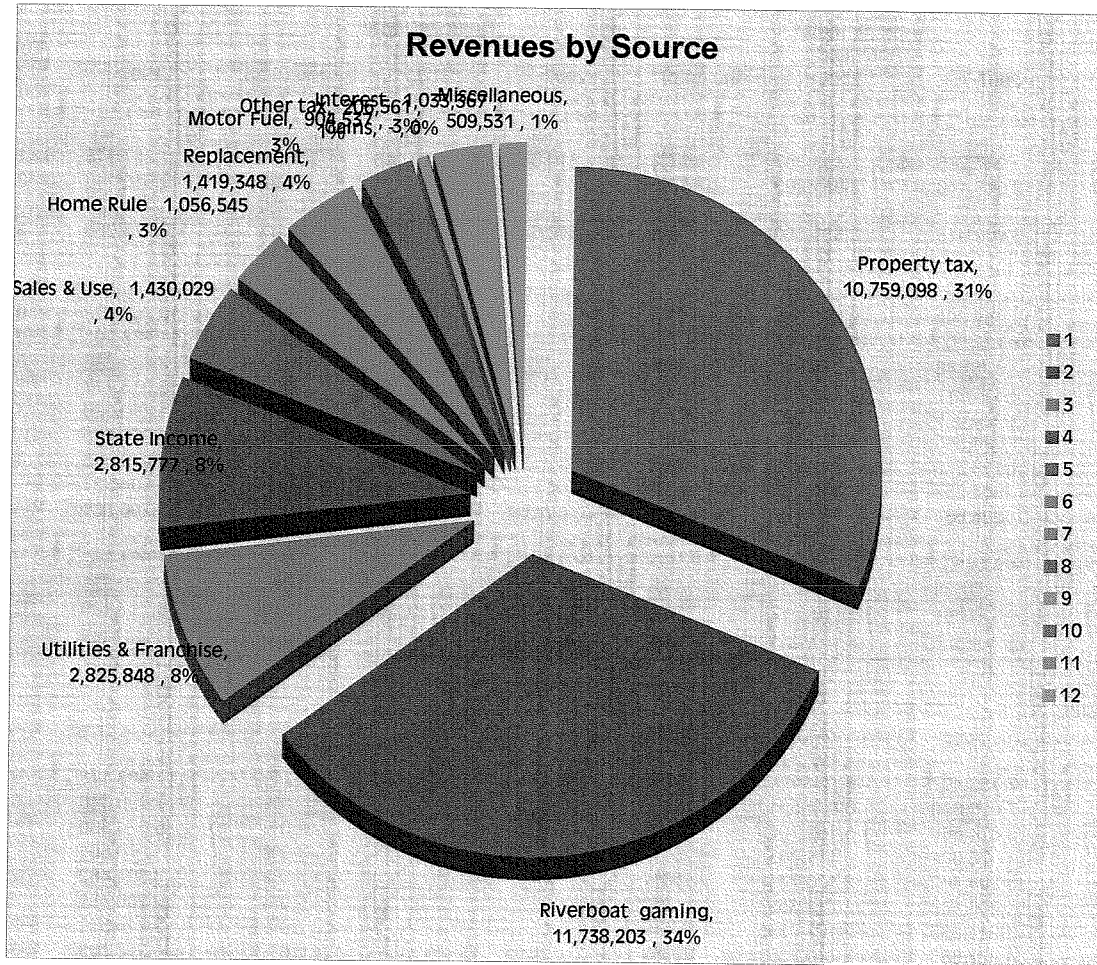
City of East St. Louis
Comparative Statement of Net Assets
December 31, 2007 and 2006

	Governmental Activities			Business-type Activity			Total		
	2007	2006	Inc (Dec)	2007	2006	Inc (Dec)	2007	2006	Inc (Dec)
ASSETS									
Current and other assets	\$ 32,915,926	\$ 40,001,714	\$ (7,085,788)	\$ 482,928	\$ 737,183	\$ (254,255)	\$ 33,398,854	\$ 40,738,897	\$ (7,340,043)
Net capital assets	50,036,944	48,642,208	1,394,736	392,742	414,148	(21,406)	50,429,686	49,056,356	1,373,330
Total assets	82,952,870	88,643,922	(5,691,052)	875,670	1,151,331	(275,661)	83,828,540	89,795,253	(5,966,713)
LIABILITIES									
Long-term liabilities	16,922,245	19,269,843	(2,347,598)	40,000	55,000	(15,000)	16,962,245	19,324,843	(2,362,598)
Other liabilities	10,296,976	19,420,682	(9,123,706)	62,731	179,949	(117,218)	10,359,707	19,600,631	(9,240,924)
Total Liabilities	27,219,221	38,690,525	(11,471,304)	102,731	234,949	(132,218)	27,321,952	38,925,474	(11,603,522)
NET ASSETS									
Investments in capital assets, net of related debt	50,036,944	48,642,208	1,394,736	392,742	414,148	(21,406)	50,429,686	49,056,356	1,373,330
Restricted for:									
Compensated Absences	1,564,381	1,264,543	299,838	-	-	-	1,564,381	1,264,543	299,838
Motor Fuel Tax	-	-	-	-	-	-	-	-	-
Debt service	4,580,726	4,013,459	567,267	-	-	-	4,580,726	4,013,459	567,267
Unrestricted (deficit)	(448,402)	(3,966,813)	3,518,411	380,197	500,572	(120,375)	(68,205)	(3,466,241)	3,398,036
Total net assets	\$ 55,733,649	\$ 49,953,397	\$ 5,780,252	\$ 772,939	\$ 914,720	\$ (141,781)	\$ 56,506,588	\$ 50,868,117	\$ 5,638,471

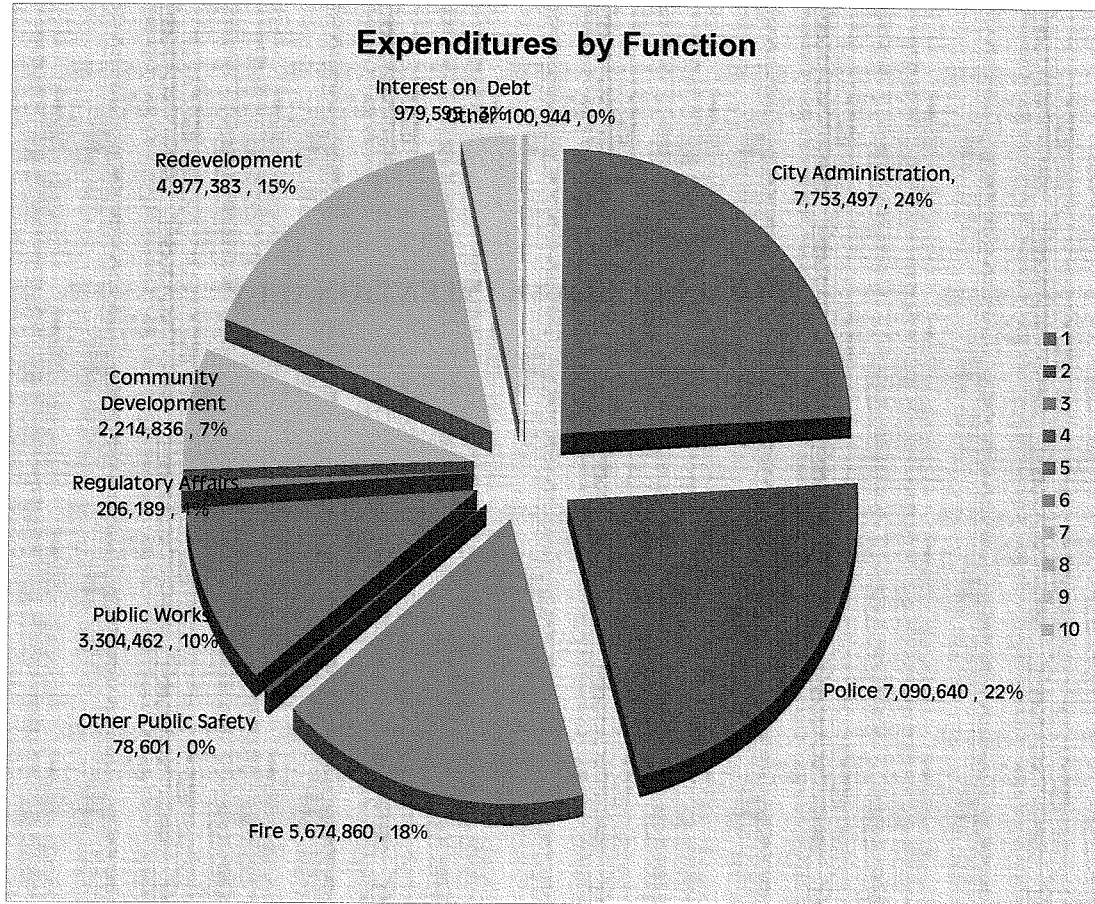
City of East St. Louis
Comparative Statement of Activities
Year Ended December 31, 2007 and 2006

	Governmental Activities			Business-type Activity			Total		
	2007	2006	Inc (dec)	2007	2006	Inc (dec)	2007	2006	Inc (dec)
REVENUES									
Program revenues:									
Charges for services	\$ 947,275	\$ 808,387	17%	\$ 310,643	\$ 270,146	15.0%	\$ 1,257,918	\$ 1,078,533	17%
Operating grants & contribs	2,515,140	2,881,263	-13%	-	-	0.0%	2,515,140	2,881,263	-13%
Capital grants and contribs	-	-	0%	-	-	0.0%	-	-	0%
Total program revenues	3,462,415	3,689,650	-6%	310,643	270,146	15.0%	3,773,058	3,959,796	-5%
General revenues:									
Taxes:									
Property taxes	10,759,098	9,695,505	11%	-	-	0%	10,759,098	9,695,505	11%
Riverboat gaming tax	11,738,203	10,820,363	8%	-	-	0%	11,738,203	10,820,363	8%
Utility and franchise taxes	2,825,848	3,268,012	-14%	-	-	0%	2,825,848	3,268,012	-14%
State Income tax	2,815,777	2,584,341	9%	-	-	0%	2,815,777	2,584,341	9%
State sales and use taxes	1,430,029	1,337,327	7%	-	-	0%	1,430,029	1,337,327	7%
Home rule taxes	1,056,545	755,491	40%	-	-	0%	1,056,545	755,491	40%
Replacement tax	1,419,348	1,142,277	24%	-	-	0%	1,419,348	1,142,277	24%
Motor fuel taxes	904,537	919,043	-2%	-	-	0%	904,537	919,043	-2%
Other taxes	206,561	192,787	7%	-	-	0%	206,561	192,787	7%
Gain/(loss)-asset disposal	-	-	0%	-	-	0%	-	-	0%
Interest/invest earnings	1,033,367	868,912	19%	18,285	30,176	-39%	1,051,652	899,088	17%
Miscellaneous	509,531	484,454	5%	-	-	0%	509,531	484,454	5%
Total general revenues	34,698,844	32,068,512	8%	18,285	30,176	-39%	34,717,129	32,098,688	8%
Total revenues	38,161,259	35,758,162	7%	328,928	300,322	10%	38,490,187	36,058,484	7%
EXPENSES									
Elected officials: Clerk, Treasurer,									
Mayor & Council	-	784,541	-100%	-	-	0%	-	784,541	-100%
Election commission	-	422,748	-100%	-	-	0%	-	422,748	-100%
City administration	7,753,497	6,124,191	27%	134,681	150,529	-11%	7,888,178	6,274,720	26%
Police	7,090,640	6,878,521	3%	-	-	0%	7,090,640	6,878,521	3%
Fire	5,674,860	5,152,706	10%	-	-	0%	5,674,860	5,152,706	10%
Other public safety	78,601	171,265	-54%	-	-	0%	78,601	171,265	-54%
Public works	3,304,462	2,120,731	56%	-	-	0%	3,304,462	2,120,731	56%
Regulatory affairs	206,189	211,359	-2%	-	-	0%	206,189	211,359	-2%
Community development	2,214,836	2,107,739	5%	-	-	0%	2,214,836	2,107,739	5%
Redevelopment	4,977,383	3,740,339	33%	-	-	0%	4,977,383	3,740,339	33%
Interest on Long-Term Debt	979,595	1,549,321	-37%	2,969	3,681	-19%	982,564	1,553,002	-37%
Other claims	100,944	13,000	676%	-	-	0%	100,944	13,000	676%
Sewer	-	-	0%	333,059	261,746	27%	333,059	261,746	27%
Total expenses	32,381,007	29,276,461	11%	470,709	415,956	13%	32,851,716	29,692,417	11%
Change in net assets	5,780,252	6,481,701	-11%	(141,781)	(115,634)	23%	5,638,471	6,366,067	-11%
Net assets - beginning	49,953,397	43,471,696		914,720	1,030,354		\$50,868,117	44,502,050	
Net assets - ending	\$ 55,733,649	\$ 49,953,397		772,939	914,720		\$56,506,588	\$50,868,117	

**City of East St. Louis
Revenues by Source
Year Ended December 31, 2007**



City of East St. Louis
Revenues by Source
Year Ended December 31, 2007



PAGE LEFT BLANK INTENTIONALLY

BASIC FINANCIAL STATEMENTS

PAGE LEFT BLANK INTENTIONALLY

CITY OF EAST ST. LOUIS
STATEMENT OF NET ASSETS
December 31, 2007

	Primary Government			Component Unit
	Governmental Activities	Business-type Activity	Total	East St. Louis Public Library
ASSETS				
Current Assets:				
Cash and cash equivalents	\$ 21,279,167	\$ 33,009	\$ 21,312,176	\$ 269,428
Investments	1,414,277	435,709	1,849,985	-
Accounts/other receivable, net				-
Receivable State of Illinois	3,019,256		3,019,256	64,392
Property taxes receivable	8,010	-	8,010	-
Utility and franchise taxes receivable	86,789	-	86,789	-
Motor fuel tax receivable	151,781	-	151,781	-
Government grants	208,202	-	208,202	-
Other receivables	248,125	-	248,125	-
Current portion of notes & loans receivable	-	14,210	14,210	-
Due from other funds	43,140	-	43,140	-
Total Current Assets	26,458,747	482,928	26,941,674	333,820
Noncurrent Assets:				
Restricted cash	4,580,726	-	4,580,726	-
Notes receivable	781,403	-	781,403	-
Deferred Charges Bond	1,095,050	-	1,095,050	-
Subtotal	6,457,179	-	6,457,179	-
Capital assets:				
Library books	-	-	-	97,459
Land and construction in progress	17,989,098	7,126	17,996,224	-
Buildings and improvements	8,800,183	10,900	8,811,084	3,692,235
Vehicles, equipment & machinery	6,458,521	42,584	6,501,105	180,221
Furniture & fixtures	1,227,863	-	1,227,863	188,184
Bridges, roadways and sidewalks	87,505,420	-	87,505,420	-
Sewers	491,773	9,784,511	10,276,284	-
Capital assets (cost)	122,472,859	9,845,121	132,317,980	4,158,099
Less accumulated depreciation	(72,435,914)	(9,452,380)	(81,888,294)	(1,078,947)
Net capital assets	50,036,944	392,742	50,429,686	3,079,152
Total Noncurrent Assets	56,494,123	392,742	56,886,864	3,079,152
Total assets	82,952,870	875,670	83,828,540	3,412,972
LIABILITIES				
Current Liabilities:				
Accounts payable	5,750,848	1,285	5,752,134	8,569
Accrued payroll and related liabilities	437,090	1,999	439,089	12,650
Accrued interest	102,302	1,307	103,608	-
Deferred revenue	82,355	-	82,355	-
Due to other funds	-	43,140	43,140	-
Compensated absences	1,564,381	-	1,564,381	-
Loans and notes payable - current portion	2,360,000	15,000	2,375,000	-
Total Current Liabilities	10,296,976	62,731	10,359,707	21,219
Noncurrent liabilities:				
Deferred Credits	530,229	-	530,229	-
Loans and notes payable	16,392,016	40,000	16,432,016	-
	16,922,245	40,000	16,962,245	-
Total Noncurrent Liabilities	16,922,245	40,000	16,962,245	-
Total Liabilities	27,219,221	102,731	27,321,953	21,219
NET ASSETS				
Investments in capital assets, net of related debt	50,036,944	392,742	50,429,686	3,079,152
Restricted for:				
Employee benefits-Compensated absences	1,564,381	-	1,564,381	-
Reserved for debt service	4,580,726	-	4,580,726	-
Unrestricted (deficit)	(448,402)	380,197	(68,205)	312,601
Total net assets	\$ 55,733,649	\$ 772,939	\$ 56,506,588	\$ 3,391,753

See Accompanying Notes to Financial Statements

CITY OF EAST ST. LOUIS, ILLINOIS
STATEMENT OF ACTIVITIES
Period Ended December 31, 2007

Functions / Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental activities:				
Elected Officials				
Treasurer & Clerk	\$ 446,837.53	\$ 4,533.00	\$ -	\$ -
Mayor & Council	370,927	133,070		
Election commission	451,404	-		
City administration	6,484,329	11,345	14,399	-
Police	7,090,640	189,038	310,843	-
Fire	5,674,860	31,865	43,239	-
Public Safety	78,601	-	11,435	-
Public works	3,304,462	-	-	-
Regulatory affairs	206,189	570,189	-	-
Community development	2,214,836	7,235	2,135,225	-
Redevelopment	4,977,383	-	-	-
Interest on long-term debt	979,595	-	-	-
Other Claims	100,945	-	-	-
Total Governmental activities	32,381,008	947,275	2,515,141	-
Business-Type activities:				
Sewer	464,647	310,643	-	-
Total Business-Type activities	464,647	310,643	-	-
Total primary government	32,845,655	1,257,918	2,515,141	-
Component Unit:				
East St. Louis Public Library	\$ 519,376	\$ 7,586	\$ 30,638	\$ -
General revenues:				
Taxes:				
Property taxes				
Riverboat gaming revenue				
Franchise & utility taxes				
State income taxes				
State sales & use taxes				
Home rule taxes				
Replacement tax				
Local motor fuel taxes				
Other taxes				
Grants and contributions not restricted to specific programs				
Gain (loss) on disposal of assets				
Interest and investment earnings				
Miscellaneous				
Total general revenues				
Change in net assets				
Net assets, beginning of year				
Net assets - beginning				
Net assets - ending				

CITY OF EAST ST. LOUIS, ILLINOIS
STATEMENT OF ACTIVITIES
Period Ended December 31, 2007

Net (Expense) Revenue and Changes in Net Assets			
Primary Government			Component Unit
Governmental Activities	Business-Type Activities	Total	City of East St. Louis Public Library
\$ (442,304.53)	\$ -	\$ (442,304.53)	\$ -
(237,857)		(237,857)	-
(451,404)		(451,404)	-
(6,458,585)	-	(6,458,585)	-
(6,590,759)	-	(6,590,759)	-
(5,599,756)	-	(5,599,756)	-
(67,166)	-	(67,166)	-
(3,304,462)	-	(3,304,462)	-
364,000	-	364,000	-
(72,376)	-	(72,376)	-
(4,977,383)	-	(4,977,383)	-
(979,595)	-	(979,595)	-
(100,945)		(100,945)	-
(28,918,592)		(28,918,592)	
-	(154,004)	(154,004)	-
-	(154,004)	(154,004)	-
(28,918,592)	(154,004)	(29,072,596)	-
\$ -	\$ -	\$ -	\$ (481,152)
10,759,098	-	10,759,098	64,172
11,738,203	-	11,738,203	-
2,825,848	-	2,825,848	-
2,815,777	-	2,815,777	-
1,430,029	-	1,430,029	-
1,056,545	-	1,056,545	-
1,419,348	-	1,419,348	269,490
904,537	-	904,537	-
206,561	-	206,561	-
-	-	-	111,180
-	-	-	-
1,033,367	12,223	1,045,590	5,160
509,531	-	509,531	8,709
34,698,844	12,223	34,711,067	458,710
5,780,252	(141,781)	5,638,471	(22,442)
49,953,398	914,720	50,868,117	3,414,196
-	-	-	-
49,953,398	914,720	50,868,117	3,414,196
\$ 55,733,649	\$ 772,939	\$ 56,506,588	\$ 3,391,753

CITY OF EAST ST. LOUIS, ILLINOIS
BALANCE SHEET
GOVERNMENT FUNDS
December 31, 2007

	General Fund	TIF Fund	Special Revenue Funds MFT Fund
ASSETS			
Cash and cash equivalents	\$ 6,995,728	\$ 11,168,118	\$ 1,838,108
Investments	187,498	-	1,000,000
Accounts/other receivable, net			
Receivable State of Illinois	3,019,256	-	-
Property taxes receivable	-	7,866	-
Utility and franchise taxes receivable	86,789	-	-
Other taxes receivable	-	-	-
Motor fuel tax receivable	-	-	151,781
Government grants	-	-	-
Other receivables	22,236	14,213	23,730
Due from other funds	159,562	1,203,356	49,427
Restricted cash	2,868,853	1,711,873	-
Notes receivable	-	769,923	-
Total Assets	<u>13,339,923</u>	<u>14,875,350</u>	<u>3,063,046</u>
 LIABILITIES AND FUND BALANCES			
Accounts payable	3,552,028	1,262,453	162,735
Accrued payroll	387,713	16,595	-
Deferred revenue	75,709	-	-
Due to other funds	213,433	1,559,174	-
Total Liabilities	<u>4,228,883</u>	<u>2,838,222</u>	<u>162,735</u>
 Fund balances:			
Reserved for project completion costs		-	-
Reserved for debt service	2,868,853	1,711,873	-
Reserved for Notes Receivables	-	769,923	-
Reserved for self insurance costs	-	-	-
Unreserved fund balance	6,242,188	9,555,332	2,900,310
Total fund balances	<u>9,111,040</u>	<u>12,037,128</u>	<u>2,900,310</u>
 Total Liabilities and Fund Equity	<u>\$ 13,339,923</u>	<u>\$ 14,875,350</u>	<u>\$ 3,063,046</u>

See Accompanying Notes to Financial Statements

<u>Other Non-Major</u>	<u>Total Governmental Funds</u>
\$ 1,277,213	\$ 21,279,167
226,779	1,414,277
-	-
-	3,019,256
144	8,010
-	86,789
-	-
-	151,781
208,202	208,202
187,945	248,125
1,510,438	2,922,783
-	4,580,726
11,480	781,403
<u>3,422,201</u>	<u>34,700,519</u>
773,632	5,750,848
32,782	437,090
6,647	82,355
<u>1,107,036</u>	<u>2,879,643</u>
<u>1,920,096</u>	<u>9,149,937</u>
-	-
-	4,580,726
-	769,923
-	-
<u>1,502,104</u>	<u>20,199,934</u>
<u>1,502,104</u>	<u>25,550,583</u>
<u>\$ 3,422,201</u>	<u>\$ 34,700,519</u>

See Accompanying Notes to Financial Statements

City of East St. Louis, Illinois
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Period Ended December 31, 2007

	Special Revenue Funds				Total
	General	TIF	MFT	Other	Governmental
	Fund	Fund	Fund	Non-Major	Funds
Revenues:					
Property taxes	\$ -	\$ 10,366,145	\$ -	\$ 392,953	\$ 10,759,098
Riverboat gaming revenue	11,738,203	-	-	-	11,738,203
Franchise & utility taxes	2,825,569	280	-	-	2,825,848
State income taxes	2,815,777	-	-	-	2,815,777
State sales & use taxes	1,429,467	562	-	-	1,430,029
Home rule taxes	1,056,545	-	-	-	1,056,545
Replacement tax	1,419,348	-	-	-	1,419,348
Licences, fines, fees & permits	940,040	-	-	7,235	947,275
Other taxes	185,687	-	-	20,874	206,561
Governmental grants & reimbursements	-	-	-	2,515,140	2,515,140
Local motor fuel taxes	-	-	904,537	-	904,537
Investment income	298,097	550,182	115,484	69,603	1,033,367
Other	402,829	16,266	-	90,436	509,531
Total revenues	23,111,562	10,933,436	1,020,021	3,096,241	38,161,260
Expenditures:					
Current:					
Elected Officials: Clerk, Treasurer	-	-	-	-	-
Mayor & Council	-	-	-	-	-
Election commission	-	-	-	-	-
Administration	5,292,561	1,112,421	-	1,054,788	7,459,770
Police	6,518,671	-	-	473,262	6,991,933
Fire	5,436,378	-	-	65,349	5,501,728
Other public safety	30,627	-	-	39,632	70,259
Public works	1,805,791	-	651,485	-	2,457,276
Regulatory affairs	198,997	-	-	-	198,997
Community development	-	-	-	2,214,836	2,214,836
Redevelopment	-	7,500,566	-	-	7,500,566
Debt service:					
Principal	1,470,000	940,000	-	200,000	2,610,000
Interest on long term debt	537,063	184,800	-	-	721,863
Other claims	-	-	-	100,945	100,945
Total expenditures	21,290,088	9,737,787	651,485	4,148,813	35,828,174
Excess (deficiency) of revenues over (under) expenditures	1,821,473	1,195,649	368,536	(1,052,572)	2,333,086
Other financing sources (uses):					
Proceeds from bond transactions	-	-	-	-	-
Transferred to (from) other funds	(900,669)	51,771	(280,113)	1,129,011	-
Total other financing sources (uses)	(900,669)	51,771	(280,113)	1,129,011	-
Excess of revenues and other sources over (under) expenditures and other uses	920,805	1,247,419	88,422	76,439	2,333,086
Fund balance at beginning of year	8,190,235	10,789,709	2,811,888	1,425,665	23,217,497
Fund balance at end of year	\$ 9,111,040	\$ 12,037,128	\$ 2,900,310	\$ 1,502,104	\$ 25,550,583

See Accompanying Notes to Financial Statements

CITY OF EAST ST. LOUIS, ILLINOIS
RECONILIATION OF THE STATEMENT OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE
STATEMENT OF NET ASSETS
December 31, 2007

Governmental Fund Balances - Balance Sheet \$ 25,550,583

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

Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets.

Cost	122,472,859
Accumulated Depreciation	<u>(72,435,914)</u>
	50,036,944

Long-term liabilities applicable to the City's governmental activities are not due and payable in the current period and accordingly are not reported as liabilities within the fund financial statements. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities - both current and long-term - are reported on the government-wide statement of net assets.

Premiums, discounts and bond issuance costs are reported in the governmental fund financial statements when the debt was issued, whereas these amounts are deferred and amortized over the life of the debt as an adjustment to interest expense on the government-wide financial statements.

Balances as of December 31, 2005 are:

Accrued compensated absences and vacation	(1,564,381)	
Accrued interest on outstanding debt	(102,302)	
Deferred bond changes	1,095,050	
Deferred credits	(530,229)	
Bonds, notes payable and lease obligations outstanding	<u>(18,752,016)</u>	<u>(19,853,878)</u>

Accounts receivable for revenues collected beyond 60 days are not recognized as revenues and receivables in the governmental funds, but are reported in the government-wide financials statements.

-

Total Net Assets of Governmental Activities	<u><u>\$ 55,733,650</u></u>
---	-----------------------------

CITY OF EAST ST. LOUIS, ILLINOIS
RECONILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
December 31, 2007

Net change in fund balances - total governmental funds \$ 2,333,086

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

Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets.

Cost	4,043,173	
Accumulated Depreciation	(2,648,436)	
net capital outlays		1,394,736

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

Principal repayments - Bonds, notes and other debt

Bond proceeds:

Principal & Premium (net)	2,699,616	
Issuance costs & discount amortization	(357,539)	
Bond refunding	(252,018)	
Accrued interest on long term debt	262,208	2,352,268

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Compenstated Absences	(299,838)	
Increase in Unfunded Pension Obligation Police & Fire	-	
		(299,838)

\$ 5,780,252

CITY OF EAST ST. LOUIS, ILLINOIS
STATEMENT OF NET ASSETS
SEWER FUND
December 31, 2007

ASSETS

Current assets:

Cash and cash equivalents	\$ 33,009
Investments	435,709
Accounts/other receivable, net	<u>14,210</u>
Total current assets	<u>482,928</u>

Capital assets:

Land and construction in progress	7,126
Buildings and improvements	10,900
Vehicles, equipment & machinery	42,584
Sewers	<u>9,784,511</u>
	9,845,121
Less accumulated depreciation	<u>(9,452,380)</u>
Net capital assets	<u>392,742</u>

Total assets	<u><u>875,670</u></u>
---------------------	-----------------------

LIABILITIES

Current liabilities:

Accounts payable	1,285
Accrued payroll	1,999
Due to other funds	43,140
Accrued interest payable	1,307
Bond payable	<u>15,000</u>
Total current liabilities	<u>62,731</u>

Noncurrent liabilities:

Bonds payable	<u>40,000</u>
Total noncurrent liabilities	<u>40,000</u>

Total Liabilities	<u>102,731</u>
--------------------------	----------------

NET ASSETS

Investment in capital assets, net of related debt	392,742
Unrestricted (deficit)	<u>380,197</u>

Net assets	<u><u>\$ 772,939</u></u>
-------------------	--------------------------

See Accompanying Notes to Financial Statements

CITY OF EAST ST. LOUIS, ILLINOIS
 STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
 SEWER FUND
 Period Ended December 31, 2007

Operating revenue:	
Sewer charges	\$ 310,643
	<u>310,643</u>
Total operating revenues	<u>310,643</u>
Operating expenses:	
Personnel services	55,704
Contractual services	10,000
Sewer operations	301,652
Sewer collections	75,884
Depreciation	21,407
	<u>464,647</u>
Total operating expenses	<u>464,647</u>
Operating income (loss)	<u>(154,004)</u>
Nonoperating income (expenses)	
Interest income	18,285
Bank service fees	(3,093)
Sewer Bonds interest	(2,969)
	<u>12,223</u>
Total nonoperating income (expenses)	<u>12,223</u>
Change in net assets	<u>(141,781)</u>
Net assets, beginning of year	<u>914,720</u>
Net assets, end of year	<u><u>\$ 772,939</u></u>

See Accompanying Notes to Financial Statements

CITY OF EAST ST. LOUIS, ILLINOIS
STATEMENT OF CASH FLOWS
SEWER FUND
Period Ended December 31, 2007

Cash flows from operating activities:

Receipts from customers and users	\$ 307,172
Payments to suppliers	(506,105)
Payments to employees	<u>(55,661)</u>
Net cash provided (used) by operating activities	<u>(254,594)</u>

Cash flows from capital and related financing activities:

Acquisition and construction of capital assets	-
Acquisition of investments	-
Principal paid on long-term debt	(15,000)
Interest paid on long-term debt	<u>(3,326)</u>
Net cash provided (used) by capital and related financial activities	<u>(18,326)</u>

Cash flows from investing activities:

Net Interest received	<u>1,186</u>
Net cash provided (used) by investing activities	<u>1,186</u>

Net increase (decrease) in cash and cash equivalents: (271,734)

Cash and cash equivalents, beginning of year: 304,742

Cash and cash equivalents, end of year: 33,008

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

Operating Income (Loss)	(154,004)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities	
Depreciation expense	21,407
Increase in accounts receivable	(3,472)
Increase in due to other funds	10,404
Increase in accrued payroll	44
Increase in accounts payable	<u>(128,973)</u>
Net cash provided (used) by operating activities	<u><u>\$ (254,594)</u></u>

See Accompanying Notes to Financial Statements

CITY OF EAST ST. LOUIS, ILLINOIS
STATEMENT OF FIDUCIARY NET ASSETS -
PENSION TRUST FUNDS
December 31, 2007

	Firemen's Pension	Police Pension	Total
ASSETS			
CASH AND CASH EQUIVALENTS	\$ 2,171,504	\$ 3,493,133	\$ 5,664,637
INVESTMENTS - AT FAIR VALUE			
U.S. Government and Agency Obligations	3,794,730	9,295,814	13,090,544
Deferred Annuity contracts	30,755	105,961	136,716
Mutual funds	1,105,630	1,103,437	2,209,067
Equity investments (common & preferred stock)	3,560,248	2,615,253	6,175,501
Variable annuity contract	-	-	-
	<u>8,491,363</u>	<u>13,120,465</u>	<u>21,611,828</u>
RECEIVABLES			
Accrued interest receivable	28,120	73,452	101,572
Employer Contribution	1,371,771	1,040,564	2,412,335
Replacement Taxes	76,052	71,299	147,351
Accounts receivable - other	4,344	-	4,344
	<u>1,480,287</u>	<u>1,185,315</u>	<u>2,665,602</u>
Furniture and Equipment - (net of accumulated depreciation of \$13,043 and \$39,764)	13,043 <u>(13,043)</u>	39,764 <u>(39,764)</u>	52,807 <u>(52,807)</u>
	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL ASSETS	<u>12,143,154</u>	<u>17,798,913</u>	<u>29,942,067</u>
LIABILITIES			
Accounts payable	413,000	-	413,000
Total liabilities	<u>413,000</u>	<u>-</u>	<u>413,000</u>
NET ASSETS AVAILABLE FOR BENEFITS			
Reserved for statutory requirements	11,730,154	17,798,913	29,529,067
Unreserved balance	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL ASSETS AVAILABLE FOR BENEFITS	<u>\$ 11,730,154</u>	<u>\$ 17,798,913</u>	<u>\$ 29,529,067</u>

See Accompanying Notes to Financial Statements

CITY OF EAST ST. LOUIS, ILLINOIS
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS -
PENSION TRUST FUNDS
Period Ended December 31, 2007

	Firemen's Pension	Police Pension	Total
INVESTMENT INCOME:			
Gain (loss) on sale of securities	\$ 11,123	\$ 42,568	\$ 53,691
Net appreciation in fair value of investments	402,669	545,545	948,214
Interest and Dividend Income	439,911	624,931	1,064,842
	853,703	1,213,044	2,066,747
Less: Investment expenses	(85,608)	(57,939)	(143,547)
Total Investment income, net	768,095	1,155,105	1,923,200
Other Income	1,336	2,067	3,403
CONTRIBUTIONS:			
Employee Contributions	283,111	315,014	598,125
Employer Contributions:			
Property Taxes	477,434	384,754	862,188
Corporate Personal Property Replacement Taxes	387,466	363,249	750,715
City Contribution	1,371,771	1,040,564	2,412,335
Total contributions	2,519,782	2,103,581	4,623,363
Total additions	3,289,213	3,260,753	6,549,966
BENEFITS PAID DIRECTLY TO PARTICIPANTS			
Service and Disability	1,755,947	1,615,135	3,371,082
Dependents	703,065	625,573	1,328,638
Total benefits paid	2,459,012	2,240,708	4,699,720
OTHER DEDUCTIONS AND EXPENSES			
Refund of Contributions	-	-	-
Professional and Contractual Fees	41,336	18,659	59,995
Office Expenses	5,444	3,749	9,193
Seminar/Travel	3,328	4,591	7,919
Membership Fees and Dues	1,800	4,474	6,274
Depreciation	-	-	-
Other	4,700	4,252	8,952
Total other deductions and expenses	56,608	35,725	92,333
Total deductions	2,515,620	2,276,433	4,792,053
Net increase	773,593	984,320	1,757,913
NET ASSETS AVAILABLE FOR BENEFITS			
Beginning of year	10,956,561	16,814,593	27,771,154
End of year	\$ 11,730,154	\$ 17,798,913	\$ 29,529,067

See Accompanying Notes to Financial Statements

PAGE LEFT BLANK INTENTIONALLY

NOTES TO FINANCIAL STATEMENTS

PAGE LEFT BLANK INTENTIONALLY

CITY OF EAST ST. LOUIS, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS

December 31, 2007

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of East St. Louis, Illinois (City) is located in St. Clair County, Illinois, and was originally incorporated on February 16, 1865. The City is a home rule municipality located in Southern Illinois. Revenues are substantially generated as a result of taxes assessed and allocated to the City (examples would be property taxes, gaming revenues, sales taxes, income taxes, utility taxes, motor fuel taxes, and other taxes), charges for services performed, and governmental grants. Revenues are therefore dependent on the economy within the territorial boundaries of the City and nearby surrounding area and the appropriations of entitlements at the State and Federal Government level.

The City provides these services to its constituents: police and fire protection, regulatory code enforcement, street construction, repair and reconstruction, sewer service and general administration.

Financially Distressed City

Since September 1990, the City of East St. Louis, Illinois has been subject to the Financially Distressed City Law. When the Illinois General Assembly designated the municipality as being a financially distressed city, the State of Illinois assumed oversight control of the City's financial accounting, budgeting, and taxing procedures and practices. In implementing the Financially Distressed City Law with respect to the City, the State established the East St. Louis Financial Advisory Authority (FAA). The FAA is vested with all the powers given the State under the statute, including the right to approve the financial plans, budgets and contracts.

Financial Reporting Entity

For financial reporting purposes, in accordance with Section 2100 of the Codification of Governmental Accounting and Financial Reporting Standards, the City of East St. Louis, Illinois, is a primary government in that it is a city with a separately elected governing body - one that is elected by the citizens in a general, popular election and is fiscally independent of other units of government.

The City has developed criteria to determine whether other entities are component units of the City. Component units are legally separate organizations for which the elected officials of the City of East St. Louis are financially accountable, and other organizations for which the nature and significance of their relationship with the City are such that exclusion would cause the City's financial statements to be misleading or incomplete. The City of East St. Louis would be considered financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will (significantly influence the programs, projects, activities, or level of services performed or provided by the organization) on the organization or (2) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the City of East St. Louis (i.e. entitled to or can access the organization's resources, is legally obligated or has otherwise assumed the obligation to finance deficits of, or provide financial support to the organization, or is obligated in some manner for the debt of the organization).

CITY OF EAST ST. LOUIS, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS

December 31, 2007

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial Reporting Entity (Continued)

Blended component units, although legally separate entities, are, in substance, part of the City's operations and so data from these units are combined with data of the primary government. Each discretely presented component unit is reported in a separate column/row in the government-wide statements to emphasize that it is legally separate from the government.

Entities that meet criteria as a component unit of the City are as follows:

Blended Component Units

Police and Firemen's Pension Funds of East St. Louis

The Police and Firemen's Pension Funds of East St. Louis were established to provide retirement, death, and disability payments to the police and firemen of the City or their beneficiaries; each is a single-employer defined benefit pension plan. Contribution levels are mandated by Illinois State Statutes and may be amended only by the Illinois legislature.

Sources of revenue to the funds are primarily through investment earnings, employee contributions, and employer contributions, which are generated via specific property taxes levied by City Council to meet the employer contribution requirements.

The year-end for both the Police and Firemen's Pension Funds is December 31 and both funds have been reflected as fiduciary funds in the financial statements.

The Police Pension Board consists of five (5) members, two (2) are plan participants elected by their fellow participants, two (2) are appointed by the Mayor, one (1) is a plan retiree elected by all of the plan retirees. All members have voting privileges.

The Firemen's Pension Board consists of five (5) members. Two (2) are plan participants elected by their fellow participants, two (2) are appointed by the Mayor and one (1) is a plan retiree elected by all of the plan retirees. All members have voting privileges.

CITY OF EAST ST. LOUIS, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS

December 31, 2007

NOTE 1 –SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Blended Component Units (Continued)

Complete financial statements for each of these individual component units may be obtained at the following addresses:

Police Pension Board
Treasurer for the Pension Board
City of East St. Louis
301 River Park Drive
East St. Louis, Illinois 62201

Firemen's Pension Board
Treasurer for the Pension Board
City of East St. Louis
301 River Park Drive
East St. Louis, Illinois 62201

Discretely Presented Component Unit

East St. Louis Public Library

The East St. Louis Public Library is not a separate legal entity. The Library meets all criteria developed by the City of East St. Louis for determining whether entities are component units of the city. The nature and significance of the City's relationship with the Library are such that exclusion of the Library as a component unit of the City would cause the City's financial statements to be misleading or incomplete. The criteria met are: 1) the City is financially accountable and able to impose its will on the Library as the Library is governed by a nine-member Board of Trustees appointed by the Mayor with the approval of the City Council, 2) the Library is able to impose a financial burden on the City which include assuming obligation to finance deficits and to provide financial support to the Library and 3) the Library has no legal standing except but through the City of East St. Louis. The Library is therefore considered a component unit of the City of East St. Louis.

Copies of the separately issued audited financial statements of the City of East St. Louis Public Library may be obtained from the City's finance department at the following address:

Finance Department
City of East St. Louis
301 River Park Drive, 3rd Floor
East St. Louis, Illinois 62201

CITY OF EAST ST. LOUIS, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS

December 31, 2007

NOTE 1 –SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets including discretely presented component units and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its components units. The effect of inter-fund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The City, primary government has one business-type activity. The Sewer Fund is a business-type activity reported separately for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is 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, business-type activities and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Basis of Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund 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 collected for budgetary purposes. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

CITY OF EAST ST. LOUIS, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS

December 31, 2007

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 considers revenues to be available if they are collected within approximately 60 days of the end of the current fiscal period. Other taxes and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period.

Measurement Focus, Basis of Accounting, and Basis of Presentation (Continued)

All other revenue items are considered to be measurable and available only when cash is received by the government. 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.

The accounts of the City are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts, which comprise its assets, liabilities, fund balance, retained earnings, revenues, and expenditures/expenses.

Governmental Funds are those through which governmental functions of the City are financed. The acquisition, use, and balances of the City's expendable resources and the related liabilities are accounted for through governmental funds. The City reports the following major governmental funds:

General Fund - This fund is used to account for normal recurring activities of the City not included in any other specific fund. General Fund activities consist of such things as police, fire, public works, and general government. These activities are funded primarily by sales taxes, state income tax allocations, corporate personal property replacement taxes, home rule sales taxes, utility taxes, hotel, gaming, taxes, licenses, fees, user charges, and fines.

TIF Fund – This fund is a special revenue fund used to account for special revenues from the seven Tax Increment Financing (TIF) Districts:

- TIF 1
- TIF 2
- TIF 3A
- TIF 3B
- TIF 3C
- TIF 3D
- TIF 3E

CITY OF EAST ST. LOUIS, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS

December 31, 2007

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Motor Fuel Tax (MFT) Fund – This fund accounts for revenues received from the Illinois Department of Transportation for local government's share of the state Motor Fuel Tax (MFT). These revenues are restricted to certain maintenance, repair and construction of roads and bridges. Additional governmental fund types, which are combined as non-major funds, are as follows:

Measurement Focus, Basis of Accounting, and Basis of Presentation (Continued)

Other Non-major Funds – These funds are a special revenue fund used to account for special revenues received from governmental grants and property tax levies:

- Community Development Block Grant (CDBG)
- Enterprise Community Grant
- Emergency Services Disaster Agency (ESDA) Grant
- Emergency Shelter Grant
- Federal Emergency Management Assistance (FEMA) Fire Grant
- HOME Programs Grant
- Metropolitan Enforcement Group of Southern Illinois (MEGSI)
- Federal Drug Forfeiture
- Juvenile Accountability
- Urban High Crime
- State Farm Grant
- IMRF
- Debris Removal Grant
- Crown Foods
- Tort Liability
- Auto Theft
- DCCA Mary Brown Grant
- State Drug forfeiture
- Insurance Reserves
- Justice Assistance Grant

The City reports the following proprietary fund:

Sewer Fund - This fund is used to account for the operation of the City's sewer system. The City entered into an agreement with Illinois American Water Company to collect City sewer charges along with their billings of East St. Louis customers for water services. Illinois American Water charges a fee for each sewer bill collected. The City has also entered into sewer agreements with the City of Centreville, Common fields of Cahokia, and Elementis, the City's largest industrial user.

CITY OF EAST ST. LOUIS, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS

December 31, 2007

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The City also reports the following pension trust funds, component units of the City:

Pension Trust - The pension trust funds account for the assets of the City's Police and Firemen's pension plans. These funds are accounted for in essentially the same manner as proprietary funds, using the same measurement focus and basis of accounting.

Cash and Cash Equivalents

The City considers all highly liquid debt instruments purchased with maturities of three months or less to be cash equivalents. Investments are stated at fair value.

Restricted Cash

Certain cash that is collected and set aside for the repayment of bonds is classified as restricted cash.

Investments

Investments are stated at fair value, which is based on quoted market prices, except money market investments and participating interest-earning investment contracts that have a remaining maturity at the time of purchase of one year or less, which are reported at amortized cost. Certificates of deposit are stated at cost, which approximates fair value.

Receivables

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

Prepays

Payments made to vendors for services that will benefit periods beyond the fiscal year-end are recorded as prepaid items.

Unamortized Bond Issuance Costs

Bond issuance costs are capitalized and amortized over the life of the bonds using the straight-line method.

Deferred Amounts on Bond Refunding

The deferred amount on bonds refunded represents the difference between the reacquisition price and the carrying amount of the old debt for current and advance refunding resulting in defeasance of debt. Such amounts are deferred and amortized as a component of interest expense in the government-wide financial statements on a straight-line basis over the remaining life of the old debt or the life of the new debt, whichever is shorter.

CITY OF EAST ST. LOUIS, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS

December 31, 2007

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets

Capital assets, which include property, plant, equipment, media, and infrastructure assets (e.g. roads, bridges, sidewalks, and similar items), are reported in the City's government-wide financial statements. The City defines capital assets as assets with an estimated useful life in excess of one year with an initial, individual cost of \$5,000 or more. Infrastructure assets are defined as streets, sidewalks, land improvements, sewers, sewer lines, buildings, building improvements, and land.

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at their estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Capital assets of the primary government are depreciated using the straight-line method over the estimated useful lives of the assets. The estimated useful lives of depreciable capital assets are as follows:

	<u>Years</u>
Buildings and improvements	8 - 45
Automobiles and trucks	3 - 15
Machinery and equipment	5 - 15
Sewers and sewer lines	40 - 90
Other Infrastructure	20 - 30

Deferred Revenue

The City participates in many state and federal Grant Programs. Under the terms of some of these programs, funds are paid to the City in advance of the qualifying grant performance expenditures. When these funds are received, they are recorded as deferred revenue until such time as the grant requirements are satisfied. Deferred revenue is recorded in the government-wide and fund financial statements. Included in deferred revenue is the amount of the 2006 property tax levy that will be collected in 2007.

Inter-fund Transactions

In the fund financial statements, the City has the following types of transactions among funds:

Inter-fund Receivables and Payables - Short-term amounts owed between funds are classified as "Due to/from other funds." Inter-fund loans are classified as "Advances Receivable/Advances Payable" and are offset by a fund balance reserve account. Inter-fund receivables and payables are not eliminated when preparing the Fund financial statements. Inter-fund receivables and payables are eliminated when preparing the government-wide statement of net assets and statement of activities.

CITY OF EAST ST. LOUIS, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS

December 31, 2007

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Transfers - Operating transfers represent transfers from one fund to another. An operating transfer is a legally authorized transfer between funds in which one fund is responsible for the initial receipt of funds and another fund is authorized to use the resources to finance its operating expenditures or expenses without a requirement for repayment.

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

Long-term Liabilities

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds. 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.

Compensated Absences - Primary Government

City employees are entitled to certain compensated absences based on their length of employment. Police, fire, and public works employees' compensated absences are governed by contractual agreements with the various unions. Upon termination, all city employees are entitled to vacation pay accrued, according to personnel policies and contractual agreements. Sick pay for regular City employees is paid only when used for illness while employed by the City. Sick pay for all union personnel is paid on termination according to contractual agreements. All termination benefits are accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in the government funds only at termination.

Post-employment Benefits

The City provides those post-employment benefits mandated by the Consolidated Omnibus Budget Reconciliation Act (COBRA) and the Health Insurance Portability and Accountability Act of 1996 (HIPAA). The requirements established by COBRA and HIPAA are fully funded by employees who elect coverage under the Act, and the City incurs no direct costs. The City also extends medical coverage for those retired individuals choosing to maintain the City's insurance. The premiums are fully funded by the retiree.

CITY OF EAST ST. LOUIS, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS

December 31, 2007

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgetary Data - Primary Government

The City adopts an annual budget that must be approved by the FAA. The City can amend the budget with FAA approval throughout the year. Formal budgetary accounting is in accordance with budget standards set forth by the FAA. Legal budgets are adopted only for the governmental and proprietary funds of the City. Thus, the budgetary financial statements included in this report do not include the fiduciary fund type – Pension Trust funds. For each of the funds for which a formal budget is adopted, the budget basis of accounting is used which is a comprehensive basis of accounting other than generally accepted accounting principles. In accordance with FAA budget standards, prior year general fund surplus cash may be used for capital improvement projects, discretionary projects or other non-recurring projects or costs to undertake in the budget year. Accordingly, for budget purposes, prior year additions to fund balance are presented in the current year budget as carry-forward revenues. Expenditure of such funds may not occur until the estimated cash surplus is verified to the satisfaction of the FAA and included in the budget. Non-recurring revenues shall be used only for non-recurring expenditures. Carry-forward funds from one fiscal year to the next and unanticipated, windfall revenues during a fiscal year are examples of non-recurring revenues.

Capital equipment (motor vehicles, computers, operating equipment) and street, sewer and building capital improvements are examples of non-recurring expenditures.

At the fund level, actual expenditures cannot exceed budgeted appropriations. However, with proper approval by the City Council and FAA, budgetary transfers between departments can be made. The budget financial statements represented in this report reflect the original and final budget authorization, including all amendments.

Encumbrances - Primary Government

An encumbrance system is maintained in the governmental funds to account for commitments resulting from approved purchase orders and contracts. Encumbrances at year-end represent the estimated amount of expenditures ultimately to result if approved purchase orders and unperformed contracts are completed. Encumbrances at year-end do not constitute expenditures or liabilities. Encumbrances at year-end for unfulfilled obligations of the current year's budget lapse if not re-appropriated in the succeeding year.

Net Assets/Fund Equity

In the government-wide financial statements, the City reports as restricted net assets amounts that are subject to restrictions externally imposed either by grantors, contributors, or laws.

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Expenditures/expenses are first applied to reserved resources when both reserved and unreserved resources are available. Designations of fund balance represent tentative management plans that are subject to change.

CITY OF EAST ST. LOUIS, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS

December 31, 2007

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

NOTE 2 - DEPOSITS AND INVESTMENTS

Deposits and Investments - Primary Government, Excluding Pension Trust Funds

According to the City's investment policy, the City is authorized to invest in obligations of the U.S. Treasury; Governmental agencies and instrumentalities; direct obligations of banks and savings institutions; and, State investment pools. Any investments must be authorized within the State of Illinois Public Funds Investment Act.

All City deposits shall be secured by instruments acceptable to the Treasurer as defined by Public Funds Investment Act (30 ILCS 235) as amended. Funds on deposit in excess of Federal Deposit Insurance Corporation (FDIC) or Securities Investor Protection Corporation (SIPC) limits must be secured by some form of collateral. The amount of collateral provided would not be less than 110% of the fair market value of the net amount of public funds secured. Pledged collateral shall be held in safekeeping, by an independent third party depository, or the Federal Reserve Bank of St. Louis, designated by the appropriate governing body and evidenced by a safekeeping agreement.

In an effort to provide the public with better information about the risks that could potentially impact a government's ability to provide service and pay its debts, the Government Accounting Standards Board (GASB) has published Statement No. 40, *Deposit and Investment Risk Disclosures*, which the City adopted for fiscal year 2006. The new accounting guidance requires state and local governments communicate key information about deposit and investment risks. Under Statement 40, state and local governments are required to disclose information covering four principal areas:

- Interest rate disclosures that include investment maturity information;
- Interest rate sensitivity for investments that are highly sensitive to changes in interest rates;
- Investment credit risk disclosures, including credit quality issued by rating agencies;
- Foreign exchange exposures that would indicate the foreign investment's denomination.

Custodial Credit Risk. Custodial credit risk is the potential for a financial institution or counterparty to fail such that the City would not be able to recover the value of the deposits, investments or collateral securities that are in the possession of an outside party.

Credit Risk Credit risk is the risk of loss due to the failure of the security issuer or backer.

CITY OF EAST ST. LOUIS, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS

December 31, 2007

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

Interest Rate Risk Interest rate risk is the risk that the market value of securities in the portfolio will fail due to changes in general interest rates.

All of the City's deposits are insured or collateralized. At December 31, 2007, the carrying amount of the City's deposits (includes checking, savings, money market accounts) was \$27,742,870 and the bank balance was \$29,071,864. Of the bank balance \$5,953,851 was covered by federal depository insurance, the remaining \$21,789,038 was covered by collateral held by the pledging financial institution's trust department's agent in the City's name.

Details of the investment balances at December 31, 2006 are as follows:

Deposits and Investments – Pension Trust Funds

The Illinois Pension Code authorizes the Police Pension Plan to make deposits and invest in insured commercial banks, savings institutions, obligations of the U.S. Treasury and U.S. agencies, insured credit union shares, certain non-U.S. obligations and other specific deposits and investments.

The Illinois Pension Code also governs investments of the Fireman's Pension Fund. Among the several authorized investments are investments in interest-bearing bonds of the United States, the State of Illinois, or any county, city, township, village, incorporated town, Municipal Corporation, or school district in the state and certain tax anticipation warrants.

The Pension Trust Funds may invest funds as authorized by Illinois Compiled Statutes, generally in obligations of the United States, the State of Illinois and its local districts, certain insurance contracts, insured deposits of federal and state savings and loans, banks, and credit unions, and certain common and preferred stocks.

At year-end, the Police and Firemen's Pension Fund carrying amount and bank balance on deposits was \$181,560 and \$1,052,196, respectively. Other auditors audit deposits and investments held in both of the Pension Trust Funds and therefore risks relating to the pension fund investments and deposits are not reported.

CITY OF EAST ST. LOUIS, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS

December 31, 2007

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

The following is a listing of the investments of the Police and Firemen's pension plans as of December 31, 2007.

Investments Not Categorized:

	<u>Firemen's Pension Fund</u>	<u>Police Pension Plan</u>
U.S. Government and Agency Obligations	\$3,794,730	\$9,295,814
Common and Preferred Stocks	1,105,630	2,615,253
Mutual Funds	3,560,248	1,103,437
Annuities	30,755	105,961
Total	<u>\$8,491,363</u>	<u>\$13,120,405</u>

Deposits and Investments - Discretely Presented Component Units

East St. Louis Public Library

In accordance with Illinois Compiled Statutes Chapter 70, paragraph 315/15, the Library is authorized to invest in direct or fully guaranteed obligations of the United States Government or in certificates of deposit of banks or savings and loan associations eligible as depositories of funds of the Library and fully secured by such obligations.

At year-end, carrying amount of the Library's deposit was \$242,740 and the bank balance was \$246,584, which was covered by federal depository insurance.

NOTE 3- PROPERTY TAXES

Property taxes attach as an enforceable lien on property as of January 1. The City's property tax is levied each year at the time the budget for the ensuing year is passed and is extended against the assessed valuation of the City on January 1. Taxes are due and payable in two installments in June and September.

Property taxes are accrued as a receivable in the period in which the City has an enforceable lien on property. However, recognition of the revenue is deferred until the property taxes are both measurable and available. Property tax revenue recorded by the City for the year ended December 31, 2007 represents installments of the 2006 property taxes, which were received during 2007.

The amount of property tax receivable deferred at year-end represents the tax levied in the latter portion of 2006, for which an enforceable lien exists at year-end, but is levied for the 2006 budget and will be collected from taxpayers during 2007.

CITY OF EAST ST. LOUIS, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS

December 31, 2007

NOTE 4- RESTRICTED CASH - PRIMARY GOVERNMENT

In accordance with the appropriate bond ordinances, Cash held with trustees as of December 31, 2007:

	<u>2007</u>	<u>2006</u>
IFDA Bonds 2003/2006	\$ 2,868,853	\$ 2,446,632
Casino Queen Bond Trust	<u>1,711,873</u>	<u>1,566,826</u>
TOTAL	<u>\$ 4,580,726</u>	<u>\$ 4,013,458</u>

NOTE 5 – FUND BALANCE RESERVES - PRIMARY GOVERNMENT

Reserved for Project Completion Costs

TIF Fund – The reserve for project completion costs in the TIF Fund represents monies set aside to complete projects approved under TIF 50/50 Rehabilitation Program.

MFT Fund – The reserve for certain maintenance, repair and construction of road and bridges projects represents the balance in the Motor Fuel Tax Fund, a Special Revenue Fund, restricted by law for the purpose of road projects as approved by the State of Illinois.

Reserved for Debt Service

The reserve for debt service represents the restricted cash balances set aside in accordance with the terms of the bond agreements.

Reserve for Notes Receivables

TIF Fund – The reserve for TIF fund notes receivables represents long-term notes receivable not available for current spending. These receivables relate to the TIF Business Retention Loan Program.

Other Non-major Funds – The reserve for Federal fund notes receivable represents long-term notes receivable not available for current spending. These receivables relate to Community Development Block Grant and Enterprise Community Federal business loans to local enterprises and Enterprise Community State business loans to local enterprises.

Reserve for Self Insurance Costs

The reserve for self-insurance costs represents funds set aside for self-insurance costs from the Insurance Claims Fund.

CITY OF EAST ST. LOUIS, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS

December 31, 2007

NOTE 6 - LONG-TERM DEBT - PRIMARY GOVERNMENT

General Obligation Bonds and Other Debt

All long-term debt, consisting of loans payable, pension obligations and compensated absences benefiting general operations is recorded in the government-wide financial statements of net assets. Revenue bonds payable benefiting operations of sewer operations are recorded in the Enterprise Funds. Details of long-term debt by funds are shown below:

IDFA Loan Agreement - \$11,640,000
(2003 Series \$7,710,000; and 2005 Series \$3,930,000)

The City entered into a loan agreement with the Illinois Development Finance Authority (the "Authority") as part of the City's 1994 debt restructuring plan. The Authority issued debt-restructuring revenue bonds, Series 1994 for \$21,435,000. In 2003, the City advance refunded \$9,020,000 of IDFA Series 1994 Bonds. The City issued \$9,655,000 of Illinois Development Finance Authority (IDFA) Revenue Refunding Bonds to defease the \$9,020,000 of IDFA Series 1994 Bonds. The Revenue Refunding Bonds, Series

2003, having annual interest rates from 4.00% to 5.00%, are issued as fully registered bonds with coupons and pay interest semi-annually in arrears on May 15 and November 15 and mature November 15, 2013.

In 2005, the City advance refunded the remaining \$4,530,000 of the IDFA Series 1994 Bonds. The City issued \$4,680,000 of Illinois Development Finance Authority (IDFA) Revenue Refunding Bonds Series 2005 to defease the \$4,530,000 in outstanding Series 1994 Bonds. The Revenue Refunding Bonds, Series 2005, having annual interest rates from 2.75% to 5.00%, are issued as fully registered bonds with coupons and pay interest semi-annually on May 15 and November 15 of each year and mature November 15, 2013.

River Resources, Inc Mortgage - \$1,600,000

The City settled a suit pending in the United States District Court with River Resources, Inc. The settlement proposal specifically provides for the execution of a mortgage for the old Alcoa Site over to River Resources, Inc, to secure the performance of the settlement provisions. The City was to pay to River Resources (mortgagee) the sum of \$3,000,000 payable in annual installments of \$200,000 per year. The City is required to pay to the mortgagee all rentals, royalties and any other monies paid to it as a result of any activity at the Alcoa Site to the extent the amount of such monies received exceed \$200,000 until the judgment amount has been paid in full.

CITY OF EAST ST. LOUIS, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS

December 31, 2007

NOTE 6 - LONG-TERM DEBT - PRIMARY GOVERNMENT (Continued)

General Obligation Bonds and Other Debt (Continued)

Casino Queen Revenue Bonds - \$8,069,998
(Series 1998A \$3,550,000; Series 1998B \$4,519,998)

In March 1999, the City issued conduit bonds through Southwestern Illinois Development Authority (SWIDA). The \$11,000,000 SWIDA Local Government Revenue Bonds are backed by taxes from the TIF 1 district. The proceeds of the SWIDA bonds were used to fund construction for the Casino Queen "Redevelopment Agreement". The bonds were issued in two series: \$8,000,000 Series 1998-A bonds, which were privately placed and \$3,000,000 Series 1998-B bonds, which are held by the owners of the Casino Queen.

The Series 1998-A bonds pay interest of 6% semi-annually on April 1 and October 1. The City has pledged 80% of its TIF 1 revenues and 80% of the Casino Queen sales tax increment for the next 10 years in order to fund the Casino Queen bonds.

Payment of the bond principal depends entirely on the TIF 1 funds collected minus previous committed TIF 1 revenues to be paid by the trustee. The Series 1998-B bonds will accrete interest at 5.50% until the Series 1998-A bonds are paid in full. To ensure the City complied with the covenants of the bond agreement, all TIF 1 revenues are forwarded directly from the County Treasurer to the bond trustee, who will fund escrow accounts to defray the bond costs (minus committed TIF 1 revenues) before forwarding the balance to the City. The Bond One trustee (holder of the state of Illinois pledged revenues) also forwards 80% of the sales tax increment for the Casino Queen to the Casino Queen Bond trustee.

Description of Issues:

Amount of issue	\$4,680,000	\$9,655,000
Date of issue	August 29, 2005	April 9, 2003
Date(s) interest payable	May 15 & Nov. 15	May 15 & Nov. 15
Date(s) principal payable	November 15	May 15
Interest rate(s)	2.75 – 5.00%	4%

	IDFA Series 2006		IDFA Series 2003	
	Principal	Interest	Principal	Interest
2008	\$ 510,000	\$ 164,738	\$ 1,015,000	\$ 316,000
2009	530,000	146,250	1,060,000	275,000
2010	555,000	119,750	1,095,000	233,400
2011	585,000	92,000	1,135,000	178,000
2012	1,255,000	95,020	1,180,000	121,000
2013 & after	-	-	1,250,000	62,500
	<u>\$ 3,435,000</u>	<u>\$ 617,758</u>	<u>\$ 6,765,000</u>	<u>\$ 1,186,400</u>

CITY OF EAST ST. LOUIS, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS

December 31, 2007

Amount of issue	\$8,000,000
Date of issue	March 11, 1998
Date(s) interest payable	April 1 & October 1
Date(s) principal payable	October 1
Interest rate(s)	March 11, 1998 6%

Casino Queen Tax Increment Financing
Revenue bonds - Series 1998A

	Principal	Interest
Year payable		
2008	\$ 835,000	\$ 159,600
2009	885,000	109,500
2010	1,040,000	56,400
	<u>\$ 2,760,000</u>	<u>\$ 325,500</u>

Amount of issue	\$3,000,000	\$3,000,000
Date of issue	March 11, 1998	April 15, 1998
Date(s) interest payable	April 1 & October 1	January 1 & July 1
Date(s) principal payable	October 1	January 1
Interest rate(s)	5.50%	No Interest

Casino Queen Tax Increment Financing
Revenue bonds - Series 1998B

	Principal	Interest	Principal	Interest
Year payable				
2008	\$ -	\$ 266,070	\$ 200,000	\$ -
2009	-	280,905	200,000	-
2010	-	267,567	200,000	-
2011	4,519,998	-	200,000	-
2012	-	-	200,000	-
2013 & after	-	-	200,000	-
	<u>\$ 4,519,998</u>	<u>\$ 843,542</u>	<u>\$ 1,200,000</u>	<u>\$ -</u>

CITY OF EAST ST. LOUIS, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS

December 31, 2007

NOTE 6 - LONG-TERM DEBT - PRIMARY GOVERNMENT (CONTINUED)

Enterprise Fund Obligations

Revenue Notes Payable - \$55,000

The City Enterprise Fund has outstanding Southwest Particular Sewage Revenue Note payable through GMAC. The note bears interest at 4.75%. Interest is payable semi-annually in arrears. Payments are due January 1 and July 1 through July 1, 2010. The Bonds are to be paid through users' fees.

According to provisions of applicable revenue bond ordinances, receipts generated from operations of the City's sewer operations were to be segregated into a restricted separate account for the bond issue. In the past, the City did not bill residents for sewer services. Therefore, the City did not meet the terms of the bond agreement to fund the separate escrow account. However, the City did make the required payments to retire the debt from operating revenues.

Amount of issue	\$130,000	
Date of issue	April 15, 1989	
Date(s) interest payable	January 1 & July 1	
Date(s) principal payable	January 1	
Interest rate(s)	5.00% to 5.30%	
	<hr/>	
	Sewer Revenue Bonds	
	<hr/>	<hr/>
	Principal	Interest
Year payable		
2008	\$ 15,000	\$ 2,613
2009	20,000	1,900
2010	20,000	2,850
	<hr/>	<hr/>
	\$ 55,000	\$ 7,363
	<hr/>	<hr/>

Compensated Absences - \$1,564,381

City employees are allowed to accumulate unlimited sick time (90 days for sworn fire personnel) and ten days of annual vacation time may be carried over from one year to the next. Upon termination, fifty percent of accumulated sick leave may be paid (or 100 percent applied to retirement years of service) to sworn police officers; twenty percent of accumulated sick leave may be paid to sworn fire personnel. All other city employees are paid for sick leave only upon illness while employed by the City. The total of \$1,564,381 represents the City's estimate of termination benefits for unused sick and vacation time for all employees.

CITY OF EAST ST. LOUIS, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS

December 31, 2007

NOTE 6 - LONG-TERM DEBT - PRIMARY GOVERNMENT (CONTINUED)

Summary of Long-Term Debt

The summary of changes in long-term debt is as follows:

Primary Government	Balance				Balance
	January 1,				December 31,
	2007	Additions	Reductions		2007
IDFA Bonds Series 2003	\$ 7,710,000	\$ -	\$ 975,000		\$ 6,735,000
IDFA Bonds Series 2006	9,930,000		495,000		3,435,000
TIF Library Revenue Bonds	-	-	-		-
SWIDA Casino Queen Bonds Series A 1998	3,550,000	-	790,000		2,610,000
SWIDA Casino Queen Bonds Series B 1998	4,519,998	252,018	-		4,772,016
River Resources Mortgage	1,400,000	-	200,000		1,200,000
SUBTOTAL	21,109,998	252,018	2,610,000		18,752,016
Compensated absences	1,264,543	299,838			1,564,381
Total Debt Governmental Funds	\$ 22,374,541	\$ 551,856	\$ 2,610,000		\$ 20,316,397

Business-Type Activities				
Sewer Revenue Bonds	\$ 70,000	\$ -	\$ 15,000	\$ 55,000

Primary Government		
	Current	Long-Term
	Portion	Portion
IDFA Bonds Series 2005	\$ 1,015,000	\$ 5,720,000
IDFA Bonds Series 2003	510,000	2,25,000
SWIDA Casino Queen Bonds Series A 1999	835,000	1,775,000
SWIDA Casino Queen Bonds Series B 1999	-	4,772,016
River Resources Mortgage	200,000	1,000,000
Total Debt Governmental Funds	\$ 2,560,000	\$ 16,192,016

Business-Type Activities		
Sewer Revenue Bonds	\$ 15,000	\$ 55,000

Legal Debt Margin

The City is a home rule municipality. Article VII, Section 6(k) of the 1970 Illinois constitution governs computation of the legal debt margin. "The General Assembly may limit by law the amount and require referendum approval of debt to be incurred by home rule municipalities, payable from *ad valorem* property tax receipts, only in excess of the following percentages of the assessed value of its taxable property: (1) if its population is 500,000 or more, an aggregate

CITY OF EAST ST. LOUIS, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS

December 31, 2007

NOTE 6 - LONG-TERM DEBT - PRIMARY GOVERNMENT (CONTINUED)

of three percent; (2) if its population is more than 25,000 and less than 500,000, an aggregate of one percent; and (3) if its population is 25,000 or less, an aggregate of one-half percent. Indebtedness which is outstanding on the effective date of this Constitution or which is thereafter approved by referendum or assumed from another unit of local government shall not be included in the foregoing percentage amounts." To date, the General Assembly has set no limits for home rule municipalities.

Prior Year's Debt Defeasance & Debt Restructuring Plan

In 1993, with the approval of the City of East St. Louis Financial Advisory Authority, the City devised a Debt Restructuring Plan (DRP) with the Illinois Development Finance Authority.

Under the DRP, the City reached agreements with its vendors, claimants, employees, and governmental units to accept reduced amounts on their claims for prompt payments. The Authority issued Debt Restructuring Revenue Bonds for \$21,434,000 and loaned the proceeds to the City. The City retired and settled claims for approximately \$56 million and defeased in substance another \$750,000, with an economic savings to the City of \$34 million. The City has begun retiring the loan from the IDFA; State revenues are intercepted by the Bond Trustee and the bond escrow accounts are funded with the balance remitted to the City. The initial Series 1994 have all been refunded. The refunding was to take advantage of the lower interest rates. As a result of this year's refunding the total amount of the bonds outstanding is \$13,050,000 at December 31, 2006.

Refunding and In Substance Defeasance

On April 9, 2003, the IDFA issued \$9,655,000 in Revenue Refunding Bonds to advance refund \$9,020,000 in IDFA Series 1994 Bonds. \$9,964,665 was deposited into an irrevocable trust with an independent escrow agent to provide for the future debt service payments. The bonds were completely paid off in November of 2005. As a result the \$9,020,000 of IDFA Series 1994 was considered to be defeased resulting in savings to the City in the General Fund of \$940,429 through 2013. The related liability was removed from the government-wide financial statements.

Additionally, on August 29, 2005, the IDFA issued \$4,680,000 in Revenue Refunding Bonds to currently refund the remaining \$4,530,000 in IDFA Series 1994 Bonds. The bond proceeds were used to pay off the bonds on November 15, 2005. The remaining portion of the IDFA Series 1994 bonds are considered defeased resulting in savings to the City in the General Fund of \$470,273 for Fiscal Year 2005 to 2013. The related liability has been removed from the government-wide financial statements.

CITY OF EAST ST. LOUIS, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2007

NOTE 7 – CAPITAL ASSETS

The City capitalizes assets over \$5,000. The following is a summary of the changes in capital assets for the year ended December 31, 2007:

	<u>1/1/2007 Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>12/31/07 Balance</u>
Government Activities:				
<i>Non-Depreciable Assets:</i>				
Land	\$ 4,397,325	\$ -	\$ -	\$ 4,397,325
Construction/Infrastructure In Progress	10,504,255	3,087,518		13,591,773
<i>Depreciable Assets:</i>				
Buildings	8,096,132	-	-	8,096,132
Improvements	168,934	535,117	-	704,051
Vehicles and Machinery	6,458,521	347,503	-	6,806,024
Other Furnishings	807,326	73,035	-	880,361
Bridges/Roadways/Sidewalks	87,505,420	-	-	87,505,420
Sewer	491,773	-	-	491,773
Totals	118,429,687	4,043,173		122,472,859
<i>Less Accumulated Depreciation for:</i>				
Buildings	(3,805,305)	(167,711)	-	(3,973,016)
Improvements	(32,941)	(4,254)	-	(37,194)
Vehicles and Machinery	(4,134,921)	(588,021)	-	(4,722,942)
Other Furnishings	(588,930)	(166,666)	-	(755,596)
Bridges/Roadways/Sidewalks	(61,180,490)	(1,712,142)	-	(62,892,633)
Sewer	(44,891)	(9,643)	-	(54,534)
Total Accumulated Depreciation	(69,787,478)	(2,648,436)	-	(72,435,4915)
Government Activities Capital Assets, net	\$ 48,642,208	\$1,394,737	\$ -	\$ 50,036,944

CITY OF EAST ST. LOUIS, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS

December 31, 2007

NOTE 7 – CAPITAL ASSETS (CONTINUED)

	<u>1/1/2007</u> <u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>12/31/07</u> <u>Balance</u>
Business Type Activities:				
<i>Non-Depreciable Assets:</i>				
Construction/Infrastructure In Progress	\$ 9,626	\$ -	\$ 2,500	\$ 7,126
<i>Depreciable Assets:</i>				
Buildings	10,900	-	-	10,900
Improvements	-	-	-	-
Vehicles and Machinery	42,584	-	-	42,584
Other Furnishings	-	-	-	-
Bridges/Roadways/Sidewalks	-	-	-	-
Sewer	9,782,011	2,500	-	9,784,511
Totals at Historical Cost	9,845,120	2,500	2,500	9,845,121
<i>Less Accumulated Depreciation for:</i>				
Buildings	(3,828)	(148)	-	(3,974)
Improvements	-	-	-	-
Vehicles and Machinery	(18,214)	(10,727)	-	(28,941)
Other Furnishings	-	-	-	-
Bridges/Roadways/Sidewalks	-	-	-	-
Sewer	(9,408,932)	(10,532)	-	(9,419,464)
Total Accumulated Depreciation	(9,430,974)	(21,407)	-	(9,449,093)
Business-Type Activities				
capital assets, net	\$ 414,146	\$ (21,407)	\$ -	\$ 392,742

Depreciation was charged to the primary governmental activities as follows:

Elected officials	\$ 4,996
City administration	20,691
Police	287,259
Fire	184,290
Public safety	1,444
Public works	846,695
Regulatory affairs	7,161
Total	\$ 2,648,436

CITY OF EAST ST. LOUIS, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2007

NOTE 8 - RECEIVABLES

Accounts Receivable

Accounts Receivables, Loans and accrued interest receivable at December 31, 2007 are net of allowance for uncollectible accounts in the amounts. The City has several sources of revenues which result in accounts receivable including, State income taxes, State sales & uses taxes, property taxes, utility and franchise taxes, motor fuel taxes, Home Rule taxes, Replacement taxes and interest. The City's balance of accounts receivable as of year end 2007 totaled \$6,644,947.

Loans Receivable

Tax Increment Financing District (TIF)

In November 2005, the City's Tax Increment Financing (TIF) Department instituted a program to help retain small businesses. The program defined small businesses as for-profit incorporated entities having fewer than fifty (50) employees, within the City's TIF Districts 1, 2, 3A, 3B and 3C. The program allows a qualifying business to borrow between \$5,000 and \$50,000 at an interest rate of 3% for up to ten (10) years. The funds must be used to rehabilitate or improve interior and/or exterior of the building structure. Repayment is based on a self-amortizing mortgage loan schedule of 120 months. Payments begin thirty (30) days after completion of construction. At December 31, 2007 there are sixteen (16) participants having a total of \$769,923 loans outstanding.

Community Development Block Grant

The City, through its federal Community Development Block Grant (CDBG), assists individuals and companies seeking to locate new business or expand an existing business within the City by providing low interest loans. The City receives funds for its CDBG loan programs from a federal grant provided by the U.S. Department of Housing and Urban Development (HUD). The loans receivable from small business enterprises, which have received funding under these programs, aggregated \$11,480 in 2007.

NOTE 9 – INTER-FUND TRANSACTIONS

Inter-Fund Receivables and Payables

Inter-fund receivables and payables are short-term loans between funds. These inter-fund loans are expected to be repaid within a reasonable time. These loans are recorded as soon as the fund has a legal claim or obligation. The majority of these inter-fund transactions resulted from payroll activity and reimbursable grant activity.

CITY OF EAST ST. LOUIS, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS

December 31, 2007

NOTE 9 – INTER-FUND TRANSACTIONS (CONTINUED)

Inter-Fund Receivables and Payables (Continued)

As of December 31, 2007, inter-fund receivables and payables resulting from these various inter-fund transactions were as follows:

FUND	<u>Due to Other Funds</u>	<u>Due From Other Funds</u>
General Fund	\$ 53,571	\$ -
Motor Fuel Tax Fund	-	49,427
TIF Fund	355,818	-
Other Non-Major Funds	-	403,402
Enterprise Fund	43,140	-
 TOTAL	 <u>\$ 542,529</u>	 <u>\$ 452,529</u>

Inter-fund Transfers

Inter-fund transfers were represents an assignment of current financial resources to other funds pending their eventual disposition by that fund. Individual fund transfers are as follows:

<u>Transfer From</u>	<u>Transfer To</u>	<u>December 31, 2007</u>
General Fund	Insurance Claim Fund	\$ 1,080,759
Motor Fuel Tax Fund	General Fund	(280,113)
General Fund	TIF	51,771
General Fund	Auto Theft	15,838
General Fund	Debris Removal	<u>32,414</u>
	Total	<u>\$ 900,669</u>

CITY OF EAST ST. LOUIS, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2007

NOTE 10 - OTHER REQUIRED INDIVIDUAL FUND DISCLOSURES

- (a) Expenses in excess of final budget amount in individual funds are as follows:
 At December 31, 2007 the following four (4) funds had actual expenses in excess of the final budget amount for that fund:

	Final Budget	Actual	Overage
IMRF	\$ 50,000	\$ 51,255	\$ 1,255
Enterprise Community Federal Grant Fund	96,935	102,858	5,923
Juvenile Offenders	47,778	55,829	8,051
Insurance Claims Fund	655,000	854,334	199,334

- (b) Deficit Fund Balances

At December 31, 2007, the following funds had deficit fund balances

Economic Development Federal Grant Fund	\$	11,938
Emergency Services Disaster Agency (ESDA) State Grant Fund		8,881
Tax Incremental Financing District 2 Fund		321,302
Emergency Services Disaster Agency Property Tax Fund		14,093
DCCA Mary Brown		92,436
Urban High Crime		29,547
TOTAL	\$	558,197

CITY OF EAST ST. LOUIS, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS

December 31, 2007

NOTE 11 - RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City is covered by excess liability insurance for general liability, workmen's compensation, auto liability, physical damage, police professional liability, public official liability and other combined liability insurance. These policies call for various levels of deductibles or self-insurance retention levels. The City maintains an insurance reserve account as coverage for its deductible for insurance claims. Claims expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. These losses include an estimate of claims that have been incurred but not reported. The City estimates the level of workers' compensation claims to be approximately \$500,000 annually, based on claims history.

	<u>Workers'</u> <u>Compensation</u>	<u>Auto</u> <u>Liability</u>	<u>General</u> <u>Liability</u>	<u>Physical</u> <u>Damage</u>
Fund Balance - December 31, 2006	\$ 324,362	\$ 152,903	\$ 259,769	\$ 85,955
Adjustment to Beginning Balance	(60,884)	(88,340)	(178,846)	(42,634)
Corrected Fund Balance – December 31, 2006	263,478	64,563	80,923	43,321
2007 Reserve Adjustment	538,784	(132,024)	165,479	88,587
Claims and Other Payments:	(682,069)	(51,269)	(125,619)	(67,918)
Fund Balance – December 31, 2007	\$ 682,069	\$ 145,267	\$ 121,096	\$ 64,158

	<u>Police</u> <u>Professional</u> <u>Liability</u>	<u>Public Official</u> <u>Liability</u>	<u>Other</u> <u>Combined</u> <u>Liability</u>	<u>Total</u> <u>All Reserves</u>
Fund Balance – December 31, 2006	\$ 70,785	\$ 135,551	\$ 78,732	\$ 1,108,057
Adjustment to Beginning Balance	(35,109)	(92,233)	(51,551)	(549,598)
Corrected Fund Balance – December 31, 2006	35,676	43,318	27,181	558,459
2007 Reserve Adjustment	72,953	88,580	55,582	1,141,988
Claims and Other Payments	(17,259)	(55,554)	(105)	(1,000,093)
Fund Balance - December 31, 2007	\$ 91,506	\$ 76,510	\$ 82,763	\$ 702,509

The City of East St. Louis also has a Tort Liability Fund. This fund is used to pay for judgments and settlements not covered by the insurance. This fund is funded by property taxes. The fund had a beginning fund balance of \$155,384. Property tax revenue and interest earnings were \$259,239 and \$5,179 respectively. During 2007, the City expended \$300,945 on judgments and settlements from the Tort Liability Fund. The Tort Liability Fund balance as of December 31, 2007 was of \$118,849.

CITY OF EAST ST. LOUIS, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS

December 31, 2007

NOTE 12 - PENSION PLANS AND OTHER POSTEMPLOYMENT BENEFITS

Pension Plan Descriptions

The City of East St. Louis contributes to one agent multiple-employer defined benefit pension plan, Illinois Municipal Retirement Fund (IMRF), and to two single-employer defined benefit pension plans, the Police Pension Fund of East St. Louis and the Firemen's Pension Fund of East St. Louis. Each of the plans provides retirement, disability, and death benefits to its respective plan members and beneficiaries.

The Illinois Pension Code establishes the benefit provisions of IMRF that can only be amended by the Illinois General Assembly. Additionally, the employer contributions levels of the Police Pension Fund and the Firemen's Pension Fund are mandated by Illinois State Statute (Chapter 40, Article 3 and Chapter 108-1/2, Article 4, respectively) and may also be amended only by the Illinois legislature.

Each plan issues a publicly available financial report that includes financial statements and required supplementary information for that plan. Those reports may be obtained by writing the plan.

Illinois Municipal Retirement Fund	Police Pension Board	Fire Pension Board
2211 York Road, Suite 500	City of East St. Louis	City of East St. Louis
Oak Brook, Illinois 60523	301 River Park Drive	301 River Park Drive
	East St. Louis, Illinois 62201	East St. Louis, Illinois 62201

Funding Policy and Annual Pension Cost - Pension Plans

The member rate for IMRF and the employee and employer levels are statutorily dictated and can only be amended with State legislative action. The IMRF employee contribution requirements are established and may be amended by the IMRF Board of Trustees. Benefits and refunds of the Police and Firemen's Pension Funds are recognized when due and payable in accordance with the Plans.

CITY OF EAST ST. LOUIS, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS

December 31, 2007

NOTE 12 - PENSION PLANS AND OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Pension Plan Descriptions (Continued)

The City's annual pension cost for the current year and related information for each plan is as follows:

	<u>Illinois Municipal Retirement Fund</u>	<u>Police Pension Fund of East St. Louis</u>	<u>Firemen's Pension Fund of East St. Louis</u>
Contribution rates:			
City	1.18%	32.63%	31.43%
Plan members	4.50%	9.22%	8.19%
Annual pension cost:			
Annual required contribution	\$ 75,242	\$ 1,713,686	\$ 2,145,259
Interest on net pension obligation	-	-	-
Adjustment to ARC		(2)	-
Total annual pension cost	75,242	1,713,686	2,145,259
Contributions made	75,242	2,152,005	2,127,686
Decrease in net pension obligation	-	438,319	(17,573)
Net pension obligation (asset):			
Beginning of period		24,856,386	30,851,359
End of year	\$ -	\$ 24,418,067	\$ 30,868,932
Actuarial valuation date	12/31/2007	12/31/2007	12/31/2007
Actuarial cost method	Entry age	Entry age	Entry age
Amortization method	Level percent Payroll	Level percent Payroll	Level percent Payroll
Remaining amortization period	26 years	26.4986 years	26.4986 years
Asset valuation method	Quoted Market Value	Mixed Market Value and Amortized Cost	Mixed Market Value and Amortized Cost
Actuarial assumptions:			
Investment rate of return*	7.50%	7.00%	7.00%
Projected salary increases*	4.00% (3)	5.50%	5.50%
*Includes inflation at	4.00%	3.00%	3.00%
Post-retirement benefit increases	3.00%	(2)	-

CITY OF EAST ST. LOUIS, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS

December 31, 2007

NOTE 12 - PENSION PLANS AND OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Pension Plans Description (Continued)

- (1) Proceeds from a tax levy equal to the sum of: (a) state replacement taxes, property taxes and City contributions.
- (2) Not Available
- (3) Additional projected salary increases ranging from 0.4% to 11.6% depending on age and service, attributable to seniority/merit.

<u>IMRF</u> <u>Trend Information</u>			
Actuarial Valuation Date	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/07	\$ 75,242	100%	\$ -
12/31/06	45,369	100%	-
12/31/05	38,749	100%	-
12/31/04	31,952	100%	-
12/31/03	59,347	100%	-
12/31/02	29,435	100%	-
12/31/01	28,434	100%	-
12/31/00	28,073	100%	-
12/31/99	31,423	100%	-
12/31/98	133,449	100%	-
12/31/97	211,226	100%	-
12/31/96	\$242,009	100%	-

CITY OF EAST ST. LOUIS, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS

December 31, 2007

NOTE 12 - PENSION PLANS AND OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Pension Plan Descriptions (Continued)

Schedule of Funding Progress

ILLINOIS MUNICIPAL RETIREMENT FUND

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL % of Covered Payroll (b-a)/c)
12/31/07	\$14,931,667	\$ 8,984,037	(5,947,630)	166.20%	\$3,828,393	0.00%
12/31/06	13,656,368	8,487,091	(5,175,477)	161.02%	3,725,893	0.00%
12/31/05	12,862,768	8,416,196	(4,446,572)	152.83%	3,725,893	0.00%
12/31/04	12,547,898	8,234,363	(4,352,351)	152.86%	3,043,026	0.00%
12/31/03	12,391,423	7,696,097	(4,695,326)	161.01%	2,909,490	0.00%
12/31/02	12,255,665	7,698,237	(4,557,428)	159.20%	2,803,299	0.00%
12/31/01	13,638,159	6,227,447	(7,410,712)	219.00%	2,682,467	0.00%
12/31/00	14,219,921	6,411,966	(7,807,955)	221.77%	2,379,099	0.00%
12/31/99	13,015,021	6,810,447	(6,205,054)	191.11%	3,050,852	0.00%
12/31/98	11,247,727	6,699,699	(4,548,028)	167.88%	3,103,466	0.00%
12/31/97	9,661,131	6,086,859	(3,574,272)	158.72%	3,619,706	0.00%
12/31/96	8,052,828	5,107,722	(2,945,106)	157.66%	4,122,894	0.00%

On a market value basis, the actuarial value of assets as of December 31, 2007 is \$15,945,030.
On a market basis, the funded ratio would be 177.48%.

Digest of Changes – Assumptions

The actuarial assumptions used to determine the actuarial accrued liability for 2007 are based on the 2002 – 2005 Experience Study. The principal changes were:

- The 1994 Group Annuity Mortality implemented
- For Regular members, fewer normal and early retirements are expected to occur.

CITY OF EAST ST. LOUIS, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2007

NOTE 12 - PENSION PLANS AND OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Pension Plan Descriptions (Continued)

FIREMEN'S PENSION FUND

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL % of Covered Payroll (b-a)/c)
12/31/07	(1)	(1)	(1)	(1)	(1)	(1)
12/31/06	\$11,282,561	\$42,151,493	\$(30,868,932)	26.77%	\$3,348,339	921.92%
12/31/05	11,401,875	38,997,105	(27,595,230)	29.24%	2,858,180	965.48%
12/31/04	10,235,760	38,912,614	(28,676,854)	26.30%	2,907,612	986.27%
12/31/03	10,837,912	37,234,990	(26,397,078)	29.11%	2,567,450	1028.14%
12/31/02	10,405,742	35,863,828	(25,458,086)	29.01%	2,346,757	1084.82%
12/31/01	10,039,032	34,977,623	(24,938,591)	28.70%	2,343,487	1064.17%
12/31/00	10,114,010	31,979,345	(21,865,335)	31.63%	1,813,974	1205.38%
12/31/99	10,114,010	31,589,272	(21,475,262)	32.02%	1,987,159	1080.70%
12/31/98	(1)	(1)	(1)	(1)	(1)	(1)
12/31/97	(1)	(1)	(1)	(1)	(1)	(1)
12/31/96	(1)	(1)	(1)	(1)	(1)	(1)

POLICE PENSION FUND

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL % of Covered Payroll (b-a)/c)
12/31/07	(1)	(1)	(1)	(1)	(1)	(1)
12/31/06	\$16,814,593	\$41,232,600	\$(24,418,067)	26.77%	\$3,497,654	698.13%
12/31/05	16,038,415	41,943,185	(25,904,770)	38.24%	3,811,101	650.69%
12/31/04	15,880,905	38,146,540	(22,265,635)	41.63%	3,332,191	668.20%
12/31/03	15,447,430	37,088,249	(21,640,819)	41.65%	2,755,909	785.25%
12/31/02	14,247,588	36,905,548	(22,657,960)	38.61%	2,772,456	817.25%
12/31/01	15,425,469	35,087,318	(19,661,849)	43.96%	2,372,180	828.85%
12/31/00	16,258,320	33,199,154	(16,940,834)	48.97%	2,341,101	723.63%
12/31/99	(1)	(1)	(1)	(1)	(1)	(1)
12/31/98	(1)	(1)	(1)	(1)	(1)	(1)
12/31/97	(1)	(1)	(1)	(1)	(1)	(1)
12/31/96	(1)	(1)	(1)	(1)	(1)	(1)

Actuarial valuations are performed by the Illinois Department of Insurance as of December 31 of each year with the related contributions to be made in the following year.

(1) Not available.

CITY OF EAST ST. LOUIS, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS

December 31, 2007

NOTE 13 – LEASES

The City is obligated under certain leases accounted for as operating leases. Operating leases do not give rise to property rights or lease obligations, therefore the results of the lease agreements are not reflected in the City's financial statements.

	<u>Operating Lease Obligations</u>
2008	\$ 91,741
2009	75,973
2010	70,002
2011	68,797
2012	<u>52,729</u>
Total	<u>\$ 359,241</u>

NOTE 14 – COMMITMENTS

As of December 31, 2007 the City was committed to forty-two (42) construction projects and expended a total of \$7,689,231 on these projects. Each of these projects was at a different stage of completion. Of these 42 projects, the City expended \$100,000 and over on seventeen (17) projects. The following schedule is a detail of the expenditures for these commitments.

<u>Project</u>	<u>2007 EXPENDITURES</u>
Missouri (Collinsville-3 rd)	\$ 101,000
74 th (State (State-Eureka)	165,433
53 rd (Ohio-Summit)	272,780
74 th (Eureka-Dead End)	664,700
Gross (15-18 TH)	110,505
27 TH (Ridge-Louisiana)	518,295
Don Johnson-Redevelopment	314,418
City Hall restrooms	174,432
City Hall Renovations	130,446
School District 189 Construction	100,000
East St. Louis Park District Pool Repair	350,000
Crown Foods 51-52 St Redevelopment	450,000
Parson Place Phase I	101,416
Parson Place Phase II	132,902
Business Retention	450,000
Demolition	1,094,232
Mental Health	<u>250,000</u>
Total Expenditures greater than \$100,000	<u>\$ 5,380,579</u>

For the period ended December 31, 2007, the City made an incremental payment of \$1,124,800 to the Casino Queen.

Additionally, the City approved thirty eight (38) Tax Increment Financing District 50/50 Rehabilitation projects in 2007. The City expended a total of \$661,181 on these projects in 2007.

CITY OF EAST ST. LOUIS, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2007

NOTE 15 - CONTINGENT LIABILITIES

The City is a defendant in several lawsuits involving claims for workmen's compensation, tort liabilities and other grievances. Total damages claimed are substantial. However, it has been the City's experience that such actions are settled for amounts less than the claimed amounts. The City's attorney estimates that the potential claims against the City, not covered by insurance policies, would not materially affect the financial condition of the City.

The City currently has insurance for most liabilities with Self Insurance Reserve System (SIRS) deductibles ranging from \$30,000 to \$100,000. As a result, most of the City's liability exposure for cases filed after January 1, 2001 is capped. However, some cases fall outside the areas where the City has liability insurance, or the cases pre-date the City's current insurance structure. The following is a description of any significant liability that the City may be facing that is not covered by insurance coverage at this time.

CITY OF EAST ST. LOUIS, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS

December 31, 2007

NOTE 16 - BUDGET BASIS OF ACCOUNTING

The City prepares its annual budget on a basis (budget basis) that differs from generally accepted accounting principles (GAAP basis). The budget and all transactions are presented in accordance with the City's method (budget basis) in the Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General, TIF, Federal, Motor Fuel Tax, and Non-Major Funds to provide a meaningful comparison of actual results with the budget. The major differences between budget and GAAP basis are:

- 1) For GAAP purposes, some inter-fund transactions are transfers and some transactions are reimbursements of expenditures or expenses. Inter-fund transfers should be distinguished from fund revenues and expenditures or expenses. The City budgets all inter-fund transactions as expenses in the disbursing fund and new revenues in the receiving fund. The City budgets the Motor Fuel Tax (Special Revenue) labor expenditures as new revenue in the general fund. For GAAP purposes, these funds are treated as a reimbursement of expenses or a reduction of General Fund Public Works labor expenditures. The City budgets the Motor Fuel Tax equipment rental charges as new revenue in the General Fund. For GAAP purposes, these charges are considered operating transfers. The fund receiving the revenue is the fund from which the resources will be expended. The Motor Fuel Tax (Special Revenue) rental charges are for the replacement of General Fund Public Works vehicles and equipment.
- 2) The City also budgets the Grant match funds as expenditures in the fund disbursing and revenues in the fund receiving the match. For GAAP purposes these funds are treated as operating transfers. The City budgets the State Replacement Tax for the Police and Fire Pension funds and the Library funds as revenue and expenditures in the General Fund. For GAAP purposes revenue is recognized only in the fund that is legally entitled to spend the revenues.
- 3) The City transfers fund from the State Sales Tax revenue to the Special Revenue fund to aid in the retirement of TIF Casino Queen debt. These funds are treated as operating transfers for GAAP purposes; The City grant funds recognize revenue when received for budget purposes. GAAP requires that grant revenues should be recognized when the eligible expenditures are made.
- 4) The City also budgets payments made and received for inter-company payables and receivable as revenues and expenditures. For GAAP purposes the annual payments made from the General Fund to the Motor Fuel Tax Fund are reclassified as a reduction of the Advance To/ Advance From Other Funds, and The City also budgets payments received from employees to cover health care benefits as revenues. These payments are considered reimbursements of health care expenditures for GAAP purposes.
- 5) Net GAAP adjustment to the Enterprise Fund is the \$15,000 revenue bond principal payment.

CITY OF EAST ST. LOUIS, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2007

NOTE 17 – SUBSEQUENT EVENTS

- In late 2005 the Casino Queen announced its intention to further develop its property in East St. Louis. The Casino intends to build a “boat in a moat” at a cost of \$60 million, which is the first phase of the announced \$150 million expansion. On April 14th, the East St. Louis City Council unanimously approved a redevelopment agreement with the Casino Queen. The City agreed to provide \$11 million in financing from TIF District 1 funds to aid in the redevelopment.
- In February 2008, the City refinanced the existing 1998A & 1998B Casino Queen Bonds and funded the Casino Queen TIF Redevelopment for an additional \$16 million. The City issued \$26 million Conduit Bonds through SWIDA.

PAGE LEFT BLANK INTENTIONALLY

REQUIRED SUPPLEMENTAL INFORMATION

PAGE LEFT BLANK INTENTIONALLY

CITY OF EAST ST. LOUIS, ILLINOIS
GENERAL FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
Period Ended December 31, 2007

	Budgeted Amounts		Variance between Original and Final Budget Over/(Under)	Percentage Variance	Actual	Variance with Final Budget Over/(Under)	Percentage Variance
	Original	Final					
Revenues:							
Property taxes	\$ -	\$ -	\$ -	0.00%	\$ -	\$ -	0.00%
Riverboat gaming revenue	10,650,000	10,650,000	-	0.00%	11,738,203	1,088,203	10.22%
Franchise & utility taxes	3,463,100	3,463,100	-	0.00%	2,825,569	(637,531)	-18.41%
State income taxes	2,700,000	2,700,000	-	0.00%	2,815,777	115,777	4.29%
State sales & use taxes	1,375,000	1,375,000	-	0.00%	1,429,467	54,467	3.96%
Home rule taxes	1,045,000	1,045,000	-	0.00%	1,056,545	11,545	1.10%
Replacement tax	2,209,849	2,209,849	-	0.00%	1,529,767	(680,082)	-30.78%
Licenses, fines, fees & permits	1,220,814	1,220,814	-	0.00%	940,040	(280,774)	-23.00%
Other taxes	16,000	16,000	-	0.00%	185,687	169,687	1060.54%
Governmental grants & reimbursements	-	-	-	0.00%	-	-	0.00%
Local motor fuel taxes	588,400	588,400	-	0.00%	-	(588,400)	0.00%
Investment income	142,423	142,423	-	0.00%	298,097	155,674	109.30%
Other	767,134	767,134	-	0.00%	402,829	(364,305)	-47.49%
Total revenues	24,177,720	24,177,720	-	0.00%	23,221,981	(955,739)	-3.95%
Expenditures:							
Current:							
Elected Officials: Clerk, Treasurer	485,364	485,364	-	0.00%	460,627	(24,737)	-5.10%
Mayor & Council	371,460	371,460	-	0.00%	370,927	(533)	-0.14%
Election Commission	459,596	459,596	-	0.00%	451,404	(8,192)	-1.78%
Administration	11,087,698	11,087,698	-	0.00%	4,009,603	(7,078,095)	-63.84%
Police	5,481,982	5,481,982	-	0.00%	6,518,671	1,036,689	18.91%
Fire	4,145,942	4,145,942	-	0.00%	5,436,378	1,290,436	31.13%
Other Public Safety	25,216	25,216	-	0.00%	30,627	5,411	0.00%
Public works	2,324,044	2,324,044	-	0.00%	1,805,791	(518,253)	-22.30%
Regulatory affairs	228,103	228,103	-	0.00%	198,997	(29,106)	-12.76%
Community development	-	-	-	0.00%	-	-	0.00%
Redevelopment	-	-	-	0.00%	-	-	0.00%
Debt service:	-	-	-		-	-	
Principal	-	-	-	0.00%	1,470,000	1,470,000	0.00%
Interest on long term debt	-	-	-	0.00%	537,063	-	0.00%
Other Claims	-	-	-		-	-	
Total Expenditures:	24,609,405	24,609,405	-	0.00%	21,290,088	(3,856,379)	-15.67%
Excess (deficiency) of revenues over (under) expenditures	(431,684)	(431,684)	-	0.00%	1,931,893	2,900,640	-671.94%
Other financing sources (uses)	-	-	-		-	-	
Carryforward	382,253	382,253	-	0.00%	-	(382,253)	-100.00%
Bond Proceeds	-	-	-	0.00%	-	-	0.00%
Transferred to (from) other funds	-	-	-	0.00%	-	-	0.00%
Total other financing sources (uses)	382,253	382,253	-	0.00%	-	(382,253)	-100.00%
Excess of revenues and other sources over (under) expenditures and other uses	(49,431)	(49,431)	-		1,931,893	1,981,324	-4008.23%
Fund balances at beginning of year	8,413,989	8,413,989	-	0.00%	8,788,800	374,811	4.45%
Fund balance at end of year	\$ 8,364,558	\$ 8,364,558	-	0.00%	\$ 10,720,693	\$ 2,356,135	28.17%

CITY OF EAST ST. LOUIS, ILLINOIS
SPECIAL REVENUE FUNDS - TAX INCREMENTAL FINANCING FUNDS
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
Year Ended December 31, 2007

Tax Increment Financing District 1 Fund				
	Budgeted Amounts		Actual	Variance with Final Budget- Over/(Under)
	Original	Final		
Revenues:				
Property taxes	\$ 5,650,000	\$ 5,650,000	\$ 5,433,821	\$ (216,179)
Riverboat gaming revenue	-	-	-	-
Franchise & utility taxes	-	-	280	280
State income taxes	53,000	53,000	562	(52,438)
State sales & use taxes	-	-	-	-
Home rule taxes	-	-	-	-
Replacement tax	-	-	-	-
Licenses, fines, fees & permits	-	-	-	-
Other taxes	-	-	-	-
Governmental grants & reimbursements	-	-	-	-
Local motor fuel taxes	-	-	-	-
Investment income	67,000	67,000	301,140	234,140
Other	10,500	10,500	7,528	(2,972)
Total revenues	<u>5,780,500</u>	<u>5,780,500</u>	<u>5,743,331</u>	<u>(37,169)</u>
Expenditures:				
Current:				
Administration	-	-	565,758	565,758
Police	-	-	-	-
Fire	-	-	-	-
Other public safety	-	-	-	-
Public works	-	-	-	-
Regulatory affairs	-	-	-	-
Community development	-	-	-	-
Redevelopment	5,652,881	5,652,881	2,807,984	(2,844,897)
Debt service:	-	-	-	-
Principal	-	-	940,000	940,000
Interest on long term debt	-	-	184,800	184,800
Other Claims	-	-	-	-
Total Expenditures:	<u>5,652,881</u>	<u>5,652,881</u>	<u>4,498,542</u>	<u>(1,154,339)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>127,619</u>	<u>127,619</u>	<u>1,244,789</u>	<u>1,117,170</u>
Other financing sources (uses)				
Carry forwards	-	-	-	-
Transferred to (from) other funds	-	-	51,771	51,771
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>51,771</u>	<u>51,771</u>
Excess of revenues and other sources over (under) expenditures and other uses	<u>127,619</u>	<u>127,619</u>	<u>1,296,560</u>	<u>1,168,941</u>
Fund balances at beginning of year	<u>2,371,124</u>	<u>2,371,124</u>	<u>5,234,980</u>	<u>2,863,856</u>
Fund balance at end of year	<u>\$ 2,498,743</u>	<u>\$ 2,498,743</u>	<u>\$ 6,531,540</u>	<u>\$ 4,032,797</u>

CITY OF EAST ST. LOUIS, ILLINOIS
SPECIAL REVENUE FUNDS - TAX INCREMENTAL FINANCING FUNDS
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
Year Ended December 31, 2007

Tax Increment Financing District 2 Fund				
	Budgeted Amounts		Actual	Variance with Final Budget- Over/(Under)
	Original	Final		
Revenues:				
Property taxes	\$ 265,000	\$ 265,000	\$ 287,264	\$ 22,264
Riverboat gaming revenue	-	-	-	-
Franchise & utility taxes	-	-	-	-
State income taxes	-	-	-	-
State sales & use taxes	-	-	-	-
Home rule taxes	-	-	-	-
Replacement tax	-	-	-	-
Licenses, fines, fees & permits	-	-	-	-
Other taxes	-	-	-	-
Governmental grants & reimbursements	-	-	-	-
Local motor fuel taxes	-	-	-	-
Investment income	8,500	8,500	8,603	103
Other	-	-	5,066	5,066
Total revenues	<u>273,500</u>	<u>273,500</u>	<u>300,933</u>	<u>27,433</u>
Expenditures:				
Current:				
Administration	40,072	40,072	25,596	(14,476)
Police	-	-	-	-
Fire	-	-	-	-
Other Public Safety	-	-	-	-
Public works	-	-	-	-
Regulatory affairs	-	-	-	-
Community development	-	-	-	-
Redevelopment	328,345	328,345	167,629	(160,716)
Debt service:				
Principal	-	-	-	-
Interest on long term debt	-	-	-	-
Other Claims	-	-	-	-
Total Expenditures:	<u>368,416</u>	<u>368,416</u>	<u>193,225</u>	<u>(175,191)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(94,916)</u>	<u>(94,916)</u>	<u>107,708</u>	<u>202,624</u>
Other financing sources (uses)				
Carry forwards	94,916	94,916	-	(94,916)
Transferred to (from) other funds	-	-	-	-
Total other financing sources (uses)	<u>94,916</u>	<u>94,916</u>	<u>-</u>	<u>(94,916)</u>
Excess of revenues and other sources over (under) expenditures and other uses	<u>-</u>	<u>-</u>	<u>107,708</u>	<u>107,708</u>
Fund balances at beginning of year	<u>(167,963)</u>	<u>(167,963)</u>	<u>(321,303)</u>	<u>(153,340)</u>
Fund balance at end of year	<u>\$ (167,963)</u>	<u>\$ (167,963)</u>	<u>\$ (213,595)</u>	<u>\$ (45,632)</u>

CITY OF EAST ST. LOUIS, ILLINOIS
SPECIAL REVENUE FUNDS - TAX INCREMENTAL FINANCING FUNDS
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
Year Ended December 31, 2007

Tax Increment Financing District 3A Fund				
	Budgeted Amounts		Actual	Variance with Final Budget- Over/(Under)
	Original	Final		
Revenues:				
Property taxes	\$ 3,250,000	\$ 3,250,000	\$ 3,097,977	\$ (152,023)
Riverboat gaming revenue	-	-	-	-
Franchise & utility taxes	-	-	-	-
State income taxes	-	-	-	-
State sales & use taxes	-	-	-	-
Home rule taxes	-	-	-	-
Replacement tax	-	-	-	-
Licenses, fines, fees & permits	-	-	-	-
Other taxes	-	-	-	-
Governmental grants & reimbursements	-	-	-	-
Local motor fuel taxes	-	-	-	-
Investment income	43,500	43,500	131,538	88,038
Other	5,000	5,000	1,843	(3,157)
Total revenues	<u>3,298,500</u>	<u>3,298,500</u>	<u>3,231,358</u>	<u>(67,142)</u>
Expenditures:				
Current:				
Administration	-	-	300,934	300,934
Police	-	-	-	-
Fire	-	-	-	-
Public works	-	-	-	-
Regulatory affairs	-	-	-	-
Community development	-	-	-	-
Redevelopment	6,731,637	6,731,637	2,874,310	(3,857,327)
Debt service:				
Principal	-	-	-	-
Interest on long term debt	-	-	-	-
Other Claims	-	-	-	-
Total Expenditures:	<u>6,731,637</u>	<u>6,731,637</u>	<u>3,175,244</u>	<u>(3,556,393)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,433,137)</u>	<u>(3,433,137)</u>	<u>56,114</u>	<u>3,489,251</u>
Other financing sources (uses)				
Carry forwards	3,433,138	3,433,138	-	(3,433,138)
Transferred to (from) other funds	-	-	-	-
Total other financing sources (uses)	<u>3,433,138</u>	<u>3,433,138</u>	<u>-</u>	<u>(3,433,138)</u>
Excess of revenues and other sources over (under) expenditures and other uses	<u>1</u>	<u>1</u>	<u>56,114</u>	<u>56,113</u>
Fund balances at beginning of year	<u>3,894,870</u>	<u>3,894,870</u>	<u>3,268,172</u>	<u>(626,698)</u>
Fund balance at end of year	<u>\$ 3,894,871</u>	<u>\$ 3,894,871</u>	<u>\$ 3,324,286</u>	<u>\$ (570,585)</u>

CITY OF EAST ST. LOUIS, ILLINOIS
SPECIAL REVENUE FUNDS - TAX INCREMENTAL FINANCING FUNDS
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
Year Ended December 31, 2007

Tax Increment Financing District 3B Fund				
	Budgeted Amounts		Actual	Variance with Final Budget- Over/(Under)
	Original	Final		
Revenues:				
Property taxes	\$ 652,000	\$ 652,000	\$ 632,759	\$ (19,241)
Riverboat gaming revenue	-	-	-	-
Franchise & utility taxes	-	-	-	-
State income taxes	-	-	-	-
State sales & use taxes	-	-	-	-
Home rule taxes	-	-	-	-
Replacement tax	-	-	-	-
Licenses, fines, fees & permits	-	-	-	-
Other taxes	-	-	-	-
Governmental grants & reimbursements	-	-	-	-
Local motor fuel taxes	-	-	-	-
Investment income	6,500	6,500	30,293	23,793
Other	-	-	1,453	1,453
Total revenues	<u>658,500</u>	<u>658,500</u>	<u>664,505</u>	<u>6,005</u>
Expenditures:				
Current:				
Administration	202,811	202,811	94,318	(108,493)
Police	-	-	-	-
Fire	-	-	-	-
Public works	-	-	-	-
Regulatory affairs	-	-	-	-
Community development	-	-	-	-
Redevelopment	1,649,219	1,649,219	987,981	(661,238)
Debt service:				
Principal	-	-	-	-
Interest on long term debt	-	-	-	-
Other Claims	-	-	-	-
Total Expenditures:	<u>1,852,030</u>	<u>1,852,030</u>	<u>1,082,299</u>	<u>(769,731)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,193,530)</u>	<u>(1,193,530)</u>	<u>(417,794)</u>	<u>775,736</u>
Other financing sources (uses)				
Carry forwards	1,193,530	1,193,530	-	(1,193,530)
Transferred to (from) other funds	-	-	-	-
Total other financing sources (uses)	<u>1,193,530</u>	<u>1,193,530</u>	<u>-</u>	<u>(1,193,530)</u>
Excess of revenues and other sources over (under) expenditures and other uses	<u>-</u>	<u>-</u>	<u>(417,794)</u>	<u>(417,794)</u>
Fund balances at beginning of year	<u>929,557</u>	<u>929,557</u>	<u>953,320</u>	<u>23,763</u>
Fund balance at end of year	<u>\$ 929,557</u>	<u>\$ 929,557</u>	<u>\$ 535,526</u>	<u>\$ (394,031)</u>

CITY OF EAST ST. LOUIS, ILLINOIS
SPECIAL REVENUE FUNDS - TAX INCREMENTAL FINANCING FUNDS
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
Year Ended December 31, 2007

Tax Increment Financing District 3C Fund				
	Budgeted Amounts		Actual	Variance with Final Budget- Over/(Under)
	Original	Final		
Revenues:				
Property taxes	\$ 785,000	\$ 785,000	\$ 787,461	\$ 2,461
Riverboat gaming revenue	-	-	-	-
Franchise & utility taxes	-	-	-	-
State income taxes	-	-	-	-
State sales & use taxes	-	-	-	-
Home rule taxes	-	-	-	-
Replacement tax	-	-	-	-
Licenses, fines, fees & permits	-	-	-	-
Other taxes	-	-	-	-
Governmental grants & reimbursements	-	-	-	-
Local motor fuel taxes	-	-	-	-
Investment income	10,000	10,000	46,568	36,568
Other	-	-	-	-
Total revenues	<u>795,000</u>	<u>795,000</u>	<u>834,029</u>	<u>39,029</u>
Expenditures:				
Current:				
Administration	129,643	129,643	91,905	(37,738)
Police	-	-	-	-
Fire	-	-	-	-
Public works	-	-	-	-
Regulatory affairs	-	-	-	-
Community development	-	-	-	-
Redevelopment	1,154,205	1,154,205	599,911	(554,294)
Debt service:				
Principal	-	-	-	-
Interest on long term debt	-	-	-	-
Other Claims	-	-	-	-
Total Expenditures:	<u>1,283,848</u>	<u>1,283,848</u>	<u>691,816</u>	<u>(592,032)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(488,848)</u>	<u>(488,848)</u>	<u>142,213</u>	<u>631,061</u>
Other financing sources (uses)				
Carry forwards	488,849	488,849	-	(488,849)
Transferred to (from) other funds	-	-	-	-
Total other financing sources (uses)	<u>488,849</u>	<u>488,849</u>	<u>-</u>	<u>(488,849)</u>
Excess of revenues and other sources over (under) expenditures and other uses	<u>1</u>	<u>1</u>	<u>142,213</u>	<u>142,212</u>
Fund balances at beginning of year	<u>1,502,990</u>	<u>1,502,990</u>	<u>948,404</u>	<u>(554,586)</u>
Fund balance at end of year	<u>\$ 1,502,991</u>	<u>\$ 1,502,991</u>	<u>\$ 1,090,617</u>	<u>\$ (412,374)</u>

CITY OF EAST ST. LOUIS, ILLINOIS
SPECIAL REVENUE FUNDS - TAX INCREMENTAL FINANCING FUNDS
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
Year Ended December 31, 2007

Tax Increment Financing District 3D Fund				
	Budgeted Amounts		Actual	Variance with Final Budget- Over/(Under)
	Original	Final		
Revenues:				
Property taxes	\$ 38,500	\$ 38,500	\$ 40,243	\$ 1,743
Riverboat gaming revenue	-	-	-	-
Franchise & utility taxes	-	-	-	-
State income taxes	-	-	-	-
State sales & use taxes	-	-	-	-
Home rule taxes	-	-	-	-
Replacement tax	-	-	-	-
Licenses, fines, fees & permits	-	-	-	-
Other taxes	-	-	-	-
Governmental grants & reimbursements	-	-	-	-
Local motor fuel taxes	-	-	-	-
Investment income	1,000	1,000	9,627	8,627
Other	-	-	-	-
Total revenues	<u>39,500</u>	<u>39,500</u>	<u>49,870</u>	<u>10,370</u>
Expenditures:				
Current:				
Administration	15,416	15,416	10,130	(5,286)
Police	-	-	-	-
Fire	-	-	-	-
Public works	-	-	-	-
Regulatory affairs	-	-	-	-
Community development	-	-	-	-
Redevelopment	217,770	217,770	4,430	(213,340)
Debt service:				
Principal	-	-	-	-
Interest on long term debt	-	-	-	-
Other Claims	-	-	-	-
Total Expenditures:	<u>233,186</u>	<u>233,186</u>	<u>14,560</u>	<u>(218,626)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(193,686)</u>	<u>(193,686)</u>	<u>35,309</u>	<u>228,995</u>
Other financing sources (uses)				
Carry forwards	193,686	193,686	-	(193,686)
Transferred to (from) other funds	-	-	-	-
Total other financing sources (uses)	<u>193,686</u>	<u>193,686</u>	<u>-</u>	<u>(193,686)</u>
Excess of revenues and other sources over (under) expenditures and other uses	<u>-</u>	<u>-</u>	<u>35,309</u>	<u>35,309</u>
Fund balances at beginning of year	<u>147,898</u>	<u>147,898</u>	<u>198,564</u>	<u>50,666</u>
Fund balance at end of year	<u>\$ 147,898</u>	<u>\$ 147,898</u>	<u>\$ 233,873</u>	<u>\$ 85,975</u>

CITY OF EAST ST. LOUIS, ILLINOIS
SPECIAL REVENUE FUNDS - TAX INCREMENTAL FINANCING FUNDS
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
Year Ended December 31, 2007

Tax Increment Financing District 3E Fund				
	Budgeted Amounts		Actual	Variance with Final Budget- Over/(Under)
	Original	Final		
Revenues:				
Property taxes	\$ 115,000	\$ 115,000	\$ 86,620	\$ (28,380)
Riverboat gaming revenue	-	-	-	-
Franchise & utility taxes	-	-	-	-
State income taxes	-	-	-	-
State sales & use taxes	-	-	-	-
Home rule taxes	-	-	-	-
Replacement tax	-	-	-	-
Licenses, fines, fees & permits	-	-	-	-
Other taxes	-	-	-	-
Governmental grants & reimbursements	-	-	-	-
Local motor fuel taxes	-	-	-	-
Investment income	3,000	3,000	22,413	19,413
Other	-	-	376	376
Total revenues	<u>118,000</u>	<u>118,000</u>	<u>109,409</u>	<u>(8,591)</u>
Expenditures:				
Current:				
Administration	67,577	67,577	23,780	(43,797)
Police	-	-	-	-
Fire	-	-	-	-
Public works	-	-	-	-
Regulatory affairs	-	-	-	-
Community development	-	-	-	-
Redevelopment	335,327	335,327	58,321	(277,006)
Debt service:				
Principal	-	-	-	-
Interest on long term debt	-	-	-	-
Other Claims	-	-	-	-
Total Expenditures:	<u>402,904</u>	<u>402,904</u>	<u>82,101</u>	<u>(320,803)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(284,904)</u>	<u>(284,904)</u>	<u>27,308</u>	<u>312,212</u>
Other financing sources (uses)				
Carry forwards	402,904	402,904	-	(402,904)
Transferred to (from) other funds	-	-	-	-
Total other financing sources (uses)	<u>402,904</u>	<u>402,904</u>	<u>-</u>	<u>(402,904)</u>
Excess of revenues and other sources over (under) expenditures and other uses	<u>118,000</u>	<u>118,000</u>	<u>27,308</u>	<u>(90,692)</u>
Fund balances at beginning of year	<u>424,841</u>	<u>424,841</u>	<u>507,572</u>	<u>82,731</u>
Fund balance at end of year	<u>\$ 542,841</u>	<u>\$ 542,841</u>	<u>\$ 534,880</u>	<u>\$ (7,961)</u>

CITY OF EAST ST. LOUIS, ILLINOIS
SPECIAL REVENUE FUNDS - TAX INCREMENTAL FINANCING FUNDS
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
Year Ended December 31, 2007

Total Tax Increment Financing District Funds				
	Budgeted Amounts		Actual	Variance with Final Budget- Over/(Under)
	Original	Final		
Revenues:				
Property taxes	\$ 10,755,500	\$ 10,755,500	\$ 10,366,146	\$ (389,354)
Riverboat gaming revenue	-	-	-	-
Franchise & utility taxes	-	-	280	280
State income taxes	-	-	-	-
State sales & use taxes	53,000	53,000	562	(52,438)
Home rule taxes	-	-	-	-
Replacement tax	-	-	-	-
Licenses, fines, fees & permits	-	-	-	-
Other taxes	-	-	-	-
Governmental grants & reimbursements	-	-	-	-
Local motor fuel taxes	-	-	-	-
Investment income	139,500	139,500	550,182	410,682
Other	47,064	47,064	16,266	(30,798)
Total revenues	<u>10,995,064</u>	<u>10,995,064</u>	<u>10,933,436</u>	<u>(61,628)</u>
Expenditures:				
Current:				
Administration	455,519	685,173	1,112,421	427,248
Police	-	-	-	-
Fire	-	-	-	-
Public works	-	-	-	-
Regulatory affairs	-	-	-	-
Community development	-	-	-	-
Redevelopment	14,005,966	14,005,966	7,500,566	(6,505,400)
Debt service:				
Principal	-	-	-	-
Interest on long term debt	-	-	940,000	940,000
Other Claims	-	-	184,800	184,800
Total Expenditures:	<u>14,461,485</u>	<u>14,691,139</u>	<u>9,737,787</u>	<u>(4,953,352)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,466,421)</u>	<u>(3,696,075)</u>	<u>1,195,649</u>	<u>4,891,724</u>
Other financing sources (uses)				
Carry forwards	3,596,727	3,596,727	-	(3,596,727)
Transferred to (from) other funds	-	-	51,771	51,771
Total other financing sources (uses)	<u>3,596,727</u>	<u>3,596,727</u>	<u>51,771</u>	<u>(3,544,956)</u>
Excess of revenues and other sources over (under) expenditures and other uses	<u>130,306</u>	<u>(99,348)</u>	<u>1,247,420</u>	<u>1,346,768</u>
Fund balances at beginning of year	<u>9,103,316</u>	<u>9,103,316</u>	<u>10,789,709</u>	<u>1,686,393</u>
Fund balance at end of year	<u>\$ 9,233,622</u>	<u>\$ 9,003,968</u>	<u>\$ 12,037,129</u>	<u>\$ 3,033,161</u>

CITY OF EAST ST. LOUIS, ILLINOIS
SEWER FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
Period Ended December 31, 2007

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget- Over/(Under)
Operating Revenues:				
Sewer charges	\$ 151,000	\$ 151,000	\$ 310,643	\$ 159,643
Total operating revenues	<u>151,000</u>	<u>151,000</u>	<u>310,643</u>	<u>159,643</u>
Operating Expenditures:				
Personnel Services	269,293	269,293	55,704	(213,589)
Contractual Services	10,000	10,000	10,000	-
Sewer operations	370,854	370,854	301,652	(69,202)
Sewer collections	-	-	75,884	75,884
Depreciation	-	-	21,407	21,407
Total operating expenditures:	<u>650,148</u>	<u>650,148</u>	<u>464,647</u>	<u>(185,501)</u>
Operating income (loss)	<u>(499,148)</u>	<u>(499,148)</u>	<u>(154,004)</u>	<u>345,144</u>
Nonoperating income (expenses)				
Interest income	5,000	5,000	12,223	7,223
Interest expense	-	-	-	-
Total nonoperating income (expenses)	<u>5,000</u>	<u>5,000</u>	<u>12,223</u>	<u>7,223</u>
Other financing sources				
Carryforward	1,084,120	1,084,120	-	(1,084,120)
Sewer Bonds	(25,938)	(25,938)	-	25,938
Transferred (to) from other funds	-	-	-	-
	<u>1,058,182</u>	<u>1,058,182</u>	<u>-</u>	<u>(1,058,182)</u>
Change in net assets	<u>564,034</u>	<u>564,034</u>	<u>(141,781)</u>	<u>(705,815)</u>
Net assets, beginning of year	<u>1,573,060</u>	<u>1,573,060</u>	<u>914,720</u>	<u>(658,340)</u>
Net assets, end of year	<u>\$ 2,137,094</u>	<u>\$ 2,137,094</u>	<u>\$ 772,939</u>	<u>\$ (1,364,155)</u>

See Accompanying Notes to Financial Statements

CITY OF EAST ST. LOUIS, ILLINOIS
SPECIAL REVENUE FUNDS - MOTOR FUEL TAX
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
Period Ended December 31, 2007

	Budgeted Amounts			Variance with Final Budget- Over/(Under)
	Original	Final	Actual	
Revenues:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Riverboat gaming revenue	-	-	-	-
Franchise & utility taxes	-	-	-	-
State income taxes	-	-	-	-
State sales & use taxes	-	-	-	-
Home rule taxes	-	-	-	-
Replacement tax	-	-	-	-
Licenses, fines, fees & permits	-	-	-	-
Other taxes	-	-	-	-
Governmental grants & reimbursements	-	-	-	-
Local motor fuel taxes	981,497	981,497	904,537	(76,960)
Investment income	31,000	31,000	115,484	84,484
Other	-	-	-	-
Total revenues	1,012,497	1,012,497	1,020,021	7,524
Expenditures:				
Current:				
Elected Officials: Clerk, Treasurer	-	-	-	-
Mayor & Council	-	-	-	-
Election Commission	-	-	-	-
Administration	-	-	-	-
Police	-	-	-	-
Fire	-	-	-	-
Other Public Safety	-	-	-	-
Public works	2,696,634	2,696,634	651,485	(2,045,149)
Regulatory affairs	-	-	-	-
Community development	-	-	-	-
Redevelopment	-	-	-	-
Debt service:	-	-	-	-
Principal	-	-	-	-
Interest on long term debt	-	-	-	-
Other Claims	-	-	-	-
Total Expenditures:	2,696,634	2,696,634	651,485	(2,045,149)
Excess (deficiency) of revenues over (under) expenditures	(1,684,137)	(1,684,137)	368,536	2,052,673
Other financing sources (uses)				
Carryforward	2,047,086	2,047,086	-	(2,047,086)
Bond Proceeds	-	-	-	-
Transferred to (from) other funds	-	-	(280,113)	(280,113)
Total other financing sources (uses)	2,047,086	2,047,086	(280,113)	(2,327,199)
Excess of revenues and other sources over (under) expenditures and other uses	362,949	362,949	88,423	(274,526)
Fund balances at beginning of year	3,879,403	3,879,403	2,811,888	1,067,515
Fund balance at end of year	\$ 4,242,352	\$ 4,242,352	\$ 2,900,310	\$ (1,342,042)

CITY OF EAST ST. LOUIS, ILLINOIS
SPECIAL REVENUE - NON-MAJOR FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
Year Ended December 31, 2007

ESDA Property Tax				
	Budgeted Amounts		Actual	Variance with Final Budget-
	Original	Final		
Revenues:				
Property taxes	\$ 25,000	\$ 25,000	\$ 22,289	\$ (2,711)
Riverboat gaming revenue	-	-	-	-
Franchise & utility taxes	-	-	-	-
State income taxes	-	-	-	-
State sales & use taxes	-	-	-	-
Home rule taxes	-	-	-	-
Replacement tax	-	-	-	-
Licenses, fines, fees & permits	-	-	-	-
Other taxes	-	-	-	-
Governmental grants & reimbursements	-	-	-	-
Local motor fuel taxes	-	-	-	-
Investment income	-	-	-	-
Other	-	-	-	-
Total revenues	<u>25,000</u>	<u>25,000</u>	<u>22,289</u>	<u>(2,711)</u>
Expenditures:				
Current:				
Administration	-	-	-	-
Police	-	-	-	-
Fire	-	-	-	-
Other Public Safety	25,000	25,000	28,198	3,198
Public works	-	-	-	-
Regulatory affairs	-	-	-	-
Community development	-	-	-	-
Redevelopment	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest on long term debt	-	-	-	-
Other Claims	-	-	-	-
Total Expenditures:	<u>25,000</u>	<u>25,000</u>	<u>28,198</u>	<u>3,198</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>(5,909)</u>	<u>(5,909)</u>
Other financing sources (uses)				
Carry forwards	-	-	-	-
Transferred to (from) other funds	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues and other sources over (under) expenditures and other uses	<u>-</u>	<u>-</u>	<u>(5,909)</u>	<u>-</u>
Fund balances at beginning of year	<u>-</u>	<u>-</u>	<u>(14,092)</u>	<u>(14,092)</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (20,001)</u>	<u>\$ (20,001)</u>

CITY OF EAST ST. LOUIS, ILLINOIS
SPECIAL REVENUE FUNDS - NON-MAJOR GOVERNMENTAL FUNDS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
Year Ended December 31, 2007

State Farm State Grant				
	Budgeted Amounts		Actual	Variance with Final Budget- Over/(Under)
	Original	Final		
Revenues:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Riverboat gaming revenue	-	-	-	-
Franchise & utility taxes	-	-	-	-
State income taxes	-	-	-	-
State sales & use taxes	-	-	-	-
Home rule taxes	-	-	-	-
Replacement tax	-	-	-	-
Licenses, fines, fees & permits	-	-	-	-
Other taxes	-	-	-	-
Governmental grants & reimbursements	-	-	-	-
Local motor fuel taxes	-	-	-	-
Investment income	-	-	-	-
Other	10,000	10,000	16,778	6,778
Total revenues	<u>10,000</u>	<u>10,000</u>	<u>16,778</u>	<u>6,778</u>
Expenditures:				
Current:				
Administration	-	-	-	-
Police	-	-	-	-
Fire	22,012	22,012	17,777	(4,235)
Other Public Safety	-	-	-	-
Public works	-	-	-	-
Regulatory affairs	-	-	-	-
Community development	-	-	-	-
Redevelopment	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest on long term debt	-	-	-	-
Other Claims	-	-	-	-
Total Expenditures:	<u>22,012</u>	<u>22,012</u>	<u>17,777</u>	<u>(4,235)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(12,012)</u>	<u>(12,012)</u>	<u>(999)</u>	<u>11,013</u>
Other financing sources (uses)				
Carry forwards	12,012	12,012	-	(12,012)
Transferred to (from) other funds	-	-	-	-
Total other financing sources (uses)	<u>12,012</u>	<u>12,012</u>	<u>-</u>	<u>(12,012)</u>
Excess of revenues and other sources over (under) expenditures and other uses	<u>-</u>	<u>-</u>	<u>(999)</u>	<u>-</u>
Fund balances at beginning of year	<u>-</u>	<u>-</u>	<u>950</u>	<u>950</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (49)</u>	<u>\$ (49)</u>

CITY OF EAST ST. LOUIS, ILLINOIS
SPECIAL REVENUE FUNDS - NON-MAJOR GOVERNMENTAL FUNDS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
Year Ended December 31, 2007

IMRF				
	Budgeted Amounts		Actual	Variance with Final Budget- Over/(Under)
	Original	Final		
Revenues:				
Property taxes	\$ 50,000	\$ 50,000	\$ 46,333	\$ (3,667)
Riverboat gaming revenue	-	-	-	-
Franchise & utility taxes	-	-	-	-
State income taxes	-	-	-	-
State sales & use taxes	-	-	-	-
Home rule taxes	-	-	-	-
Replacement tax	-	-	-	-
Licenses, fines, fees & permits	-	-	-	-
Other taxes	-	-	-	-
Governmental grants & reimbursements	-	-	-	-
Local motor fuel taxes	-	-	-	-
Investment income	-	-	8,361	8,361
Other	-	-	-	-
Total revenues	<u>50,000</u>	<u>50,000</u>	<u>54,694</u>	<u>4,694</u>
Expenditures:				
Current:				
Administration	50,000	50,000	54,694	4,694
Police	-	-	-	-
Fire	-	-	-	-
Other Public Safety	-	-	-	-
Public works	-	-	-	-
Regulatory affairs	-	-	-	-
Community development	-	-	-	-
Redevelopment	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest on long term debt	-	-	-	-
Other Claims	-	-	-	-
Total Expenditures:	<u>50,000</u>	<u>50,000</u>	<u>54,694</u>	<u>4,694</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>0</u>	<u>0</u>
Other financing sources (uses)				
Carry forwards	-	-	-	-
Transferred to (from) other funds	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues and other sources over (under) expenditures and other uses	<u>-</u>	<u>-</u>	<u>0</u>	<u>-</u>
Fund balances at beginning of year	<u>-</u>	<u>-</u>	<u>243,077</u>	<u>243,077</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 243,077</u>	<u>\$ 243,077</u>

CITY OF EAST ST. LOUIS, ILLINOIS
SPECIAL REVENUE FUNDS - NON-MAJOR GOVERNMENTAL FUNDS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
Year Ended December 31, 2007

Tort Liability			
	Budgeted Amounts		Variance with Final Budget- Over/(Under)
	Original	Final	
Revenues:			
Property taxes	\$ 280,000	\$ 280,000	\$ 259,231
Riverboat gaming revenue	-	-	-
Franchise & utility taxes	-	-	-
State income taxes	-	-	-
State sales & use taxes	-	-	-
Home rule taxes	-	-	-
Replacement tax	-	-	-
Licenses, fines, fees & permits	-	-	-
Other taxes	-	-	-
Governmental grants & reimbursements	-	-	-
Local motor fuel taxes	-	-	-
Investment income	-	-	5,179
Other	-	-	-
Total revenues	<u>280,000</u>	<u>280,000</u>	<u>264,410</u>
Expenditures:			
Current:			
Administration	765,000	765,000	-
Police	-	-	-
Fire	-	-	-
Other Public Safety	-	-	-
Public works	-	-	-
Regulatory affairs	-	-	-
Community development	-	-	-
Redevelopment	-	-	-
Debt service:			
Principal	-	-	200,000
Interest on long term debt	-	-	-
Other Claims	-	-	100,945
Total Expenditures:	<u>765,000</u>	<u>765,000</u>	<u>300,945</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(485,000)</u>	<u>(485,000)</u>	<u>(36,535)</u>
Other financing sources (uses)			
Carry forwards	480,000	480,000	-
Transferred to (from) other funds	-	-	-
Total other financing sources (uses)	<u>480,000</u>	<u>480,000</u>	<u>-</u>
Excess of revenues and other sources over (under) expenditures and other uses	<u>(5,000)</u>	<u>(5,000)</u>	<u>(36,535)</u>
Fund balances at beginning of year	<u>-</u>	<u>-</u>	<u>155,384</u>
Fund balance at end of year	<u>\$ (5,000)</u>	<u>\$ (5,000)</u>	<u>\$ 118,849</u>

CITY OF EAST ST. LOUIS, ILLINOIS
SPECIAL REVENUE FUNDS - NON-MAJOR GOVERNMENTAL FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
Year Ended December 31, 2007

Auto Theft				
	Budgeted Amounts		Actual	Variance with Final Budget- Over/(Under)
	Original	Final		
Revenues:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Riverboat gaming revenue	-	-	-	-
Franchise & utility taxes	-	-	-	-
State income taxes	-	-	-	-
State sales & use taxes	-	-	-	-
Home rule taxes	-	-	-	-
Replacement tax	-	-	-	-
Licenses, fines, fees & permits	-	-	-	-
Other taxes	-	-	-	-
Governmental grants & reimbursements	63,352	63,352	43,382	(19,970)
Local motor fuel taxes	-	-	-	-
Investment income	-	-	-	-
Other	-	-	-	-
Total revenues	<u>63,352</u>	<u>63,352</u>	<u>43,382</u>	<u>(19,970)</u>
Expenditures:				
Current:				
Administration	-	-	-	-
Police	66,791	66,791	54,265	(12,526)
Fire	-	-	-	-
Other Public Safety	-	-	-	-
Public works	-	-	-	-
Regulatory affairs	-	-	-	-
Community development	-	-	-	-
Redevelopment	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest on long term debt	-	-	-	-
Other Claims	-	-	-	-
Total Expenditures:	<u>66,791</u>	<u>66,791</u>	<u>54,265</u>	<u>(12,526)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,439)</u>	<u>(3,439)</u>	<u>(10,883)</u>	<u>(7,444)</u>
Other financing sources (uses)				
Carry forwards	-	-	-	-
Transferred to (from) other funds	-	-	15,838	15,838
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>15,838</u>	<u>15,838</u>
Excess of revenues and other sources over (under) expenditures and other uses	<u>(3,439)</u>	<u>(3,439)</u>	<u>4,955</u>	<u>-</u>
Fund balances at beginning of year	<u>-</u>	<u>-</u>	<u>13,731</u>	<u>13,731</u>
Fund balance at end of year	<u>\$ (3,439)</u>	<u>\$ (3,439)</u>	<u>\$ 18,686</u>	<u>\$ 22,125</u>

CITY OF EAST ST. LOUIS, ILLINOIS
SPECIAL REVENUE FUNDS - NON-MAJOR GOVERNMENTAL FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
Year Ended December 31, 2007

Crown Food Grant				
	Budgeted Amounts		Actual	Variance with Final Budget-
	Original	Final		
Revenues:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Riverboat gaming revenue	-	-	-	-
Franchise & utility taxes	-	-	-	-
State income taxes	-	-	-	-
State sales & use taxes	-	-	-	-
Home rule taxes	-	-	-	-
Replacement tax	-	-	-	-
Licenses, fines, fees & permits	-	-	-	-
Other taxes	-	-	-	-
Governmental grants & reimbursements	-	-	-	-
Local motor fuel taxes	-	-	-	-
Investment income	-	-	-	-
Other	22,480	22,480	22,480	-
Total revenues	<u>22,480</u>	<u>22,480</u>	<u>22,480</u>	<u>-</u>
Expenditures:				
Current:				
Administration	-	-	-	-
Police	22,480	22,480	22,236	(244)
Fire	-	-	-	-
Other Public Safety	-	-	-	-
Public works	-	-	-	-
Regulatory affairs	-	-	-	-
Community development	-	-	-	-
Redevelopment	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest on long term debt	-	-	-	-
Other Claims	-	-	-	-
Total Expenditures:	<u>22,480</u>	<u>22,480</u>	<u>22,236</u>	<u>(244)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>244</u>	<u>244</u>
Other financing sources (uses)				
Carry forwards	-	-	-	-
Transferred to (from) other funds	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Excess of revenues and other sources over (under) expenditures and other uses	<u>-</u>	<u>-</u>	<u>244</u>	<u>244</u>
Fund balances at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 244</u>	<u>\$ 244</u>

CITY OF EAST ST. LOUIS, ILLINOIS
SPECIAL REVENUE FUNDS - NON-MAJOR GOVERNMENTAL FUNDS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
Year Ended December 31, 2007

EC State			
	Budgeted Amounts		Variance with Final Budget- Over/(Under)
	Original	Final	
Revenues:			
Property taxes	\$ -	\$ -	\$ -
Riverboat gaming revenue	-	-	-
Franchise & utility taxes	-	-	-
State income taxes	-	-	-
State sales & use taxes	-	-	-
Home rule taxes	-	-	-
Replacement tax	-	-	-
Licenses, fines, fees & permits	-	-	-
Other taxes	-	-	-
Governmental grants & reimbursements	-	-	-
Local motor fuel taxes	-	-	-
Investment income	-	-	42
Other	-	-	-
Total revenues	-	-	42
Expenditures:			
Current:			
Administration	-	-	-
Police	-	-	-
Fire	-	-	-
Other Public Safety	-	-	-
Public works	-	-	-
Regulatory affairs	-	-	-
Community development	28,269	28,269	32,649
Redevelopment	-	-	-
Debt service:			
Principal	-	-	-
Interest on long term debt	-	-	-
Other Claims	-	-	-
Total Expenditures:	28,269	28,269	32,649
Excess (deficiency) of revenues over (under) expenditures	(28,269)	(28,269)	(32,607)
Other financing sources (uses)			
Carry forwards	28,269	28,269	-
Transferred to (from) other funds	-	-	-
Total other financing sources (uses)	28,269	28,269	-
Excess of revenues and other sources over (under) expenditures and other uses	-	-	(32,608)
Fund balances at beginning of year	-	-	23,747
Fund balance at end of year	\$ -	\$ -	\$ (8,860)

CITY OF EAST ST. LOUIS, ILLINOIS
SPECIAL REVENUE FUNDS - NON-MAJOR GOVERNMENTAL FUNDS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
Year Ended December 31, 2007

Fireman's Fund				
	Budgeted Amounts		Actual	Variance with Final Budget-
	Original	Final		
Revenues:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Riverboat gaming revenue	-	-	-	-
Franchise & utility taxes	-	-	-	-
State income taxes	-	-	-	-
State sales & use taxes	-	-	-	-
Home rule taxes	-	-	-	-
Replacement tax	-	-	-	-
Licenses, fines, fees & permits	-	-	-	-
Other taxes	45,000	45,000	20,874	(24,126)
Governmental grants & reimbursements	-	-	-	-
Local motor fuel taxes	-	-	-	-
Investment income	-	-	-	-
Other	-	-	-	-
Total revenues	<u>45,000</u>	<u>45,000</u>	<u>20,874</u>	<u>(24,126)</u>
Expenditures:				
Current:				
Administration	-	-	-	-
Police	-	-	-	-
Fire	45,000	-	42,487	42,487
Other Public Safety	-	-	-	-
Public works	-	-	-	-
Regulatory affairs	-	-	-	-
Community development	-	-	-	-
Redevelopment	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest on long term debt	-	-	-	-
Other Claims	-	-	-	-
Total Expenditures:	<u>45,000</u>	<u>-</u>	<u>42,487</u>	<u>42,487</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>45,000</u>	<u>(21,613)</u>	<u>(66,613)</u>
Other financing sources (uses)				
Carry forwards	-	-	-	-
Transferred to (from) other funds	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues and other sources over (under) expenditures and other uses	<u>-</u>	<u>45,000</u>	<u>(21,613)</u>	<u>(66,613)</u>
Fund balances at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 45,000</u>	<u>\$ (21,613)</u>	<u>\$ (66,613)</u>

CITY OF EAST ST. LOUIS, ILLINOIS
SPECIAL REVENUE FUNDS - NON-MAJOR GOVERNMENTAL FUNDS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
Year Ended December 31, 2007

Insurance Reserves				
	Budgeted Amounts		Actual	Variance with Final Budget- Over/(Under)
	Original	Final		
Revenues:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Riverboat gaming revenue	-	-	-	-
Franchise & utility taxes	-	-	-	-
State income taxes	-	-	-	-
State sales & use taxes	-	-	-	-
Home rule taxes	-	-	-	-
Replacement tax	-	-	-	-
Licenses, fines, fees & permits	-	-	-	-
Other taxes	-	-	-	-
Governmental grants & reimbursements	-	-	-	-
Local motor fuel taxes	-	-	-	-
Investment income	-	-	44,873	44,873
Other	1,073,000	1,073,000	16,356	(1,056,644)
Total revenues	<u>1,073,000</u>	<u>1,073,000</u>	<u>61,229</u>	<u>(1,011,771)</u>
Expenditures:				
Current:				
Administration	1,260,000	1,260,000	1,000,093	(259,907)
Police	-	-	-	-
Fire	-	-	-	-
Other Public Safety	-	-	-	-
Public works	-	-	-	-
Regulatory affairs	-	-	-	-
Community development	-	-	-	-
Redevelopment	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest on long term debt	-	-	-	-
Other Claims	-	-	-	-
Total Expenditures:	<u>1,260,000</u>	<u>1,260,000</u>	<u>1,000,093</u>	<u>(259,907)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(187,000)</u>	<u>(187,000)</u>	<u>(938,865)</u>	<u>(751,864)</u>
Other financing sources (uses)				
Carry forwards	-	-	-	-
Transferred to (from) other funds	1,000,000	1,000,000	1,080,759	80,759
Total other financing sources (uses)	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,080,759</u>	<u>80,759</u>
Excess of revenues and other sources over (under) expenditures and other uses	<u>813,000</u>	<u>813,000</u>	<u>141,894</u>	<u>-</u>
Fund balances at beginning of year	<u>2,324,488</u>	<u>2,324,488</u>	<u>558,459</u>	<u>(1,766,029)</u>
Fund balance at end of year	<u>\$ 3,137,488</u>	<u>\$ 3,137,488</u>	<u>\$ 700,354</u>	<u>\$ (2,437,134)</u>

CITY OF EAST ST. LOUIS, ILLINOIS
SPECIAL REVENUE FUNDS - NON-MAJOR GOVERNMENTAL FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
Year Ended December 31, 2007

CDBG Operations				
	Budgeted Amounts		Actual	Variance with Final Budget- Over/(Under)
	Original	Final		
Revenues:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Riverboat gaming revenue	-	-	-	-
Franchise & utility taxes	-	-	-	-
State income taxes	-	-	-	-
State sales & use taxes	-	-	-	-
Home rule taxes	-	-	-	-
Replacement tax	-	-	-	-
Licenses, fines, fees & permits	-	-	7,235	7,235
Other taxes	-	-	-	-
Governmental grants & reimbursements	1,889,221	1,889,221	1,832,408	(56,813)
Local motor fuel taxes	-	-	-	-
Investment income	-	-	-	-
Other	54,981	54,981	199	(54,782)
Total revenues	<u>1,944,202</u>	<u>1,944,202</u>	<u>1,839,842</u>	<u>(104,360)</u>
Expenditures:				
Current:				
Administration	-	-	-	-
Police	-	-	-	-
Fire	-	-	-	-
Other Public Safety	-	-	-	-
Public works	-	-	-	-
Regulatory affairs	-	-	-	-
Community development	3,323,966	3,323,966	1,845,240	(1,478,726)
Redevelopment	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest on long term debt	-	-	-	-
Other Claims	-	-	-	-
Total Expenditures:	<u>3,323,966</u>	<u>3,323,966</u>	<u>1,845,241</u>	<u>(1,478,726)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,379,764)</u>	<u>(1,379,764)</u>	<u>(5,399)</u>	<u>1,374,366</u>
Other financing sources (uses)				
Carry forwards	1,379,764	1,379,764	-	(1,379,764)
Transferred to (from) other funds	-	-	-	-
Total other financing sources (uses)	<u>1,379,764</u>	<u>1,379,764</u>	<u>-</u>	<u>(1,379,764)</u>
Excess of revenues and other sources over (under) expenditures and other uses	<u>-</u>	<u>-</u>	<u>(5,399)</u>	<u>-</u>
Fund balances at beginning of year	<u>-</u>	<u>-</u>	<u>9,697</u>	<u>9,697</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,299</u>	<u>\$ 4,299</u>

CITY OF EAST ST. LOUIS, ILLINOIS
SPECIAL REVENUE FUNDS - NON-MAJOR GOVERNMENTAL FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
Year Ended December 31, 2007

Home Grant			
	Budgeted Amounts		Variance with Final Budget- Over/(Under)
	Original	Final	
Revenues:			
Property taxes	\$ -	\$ -	\$ -
Riverboat gaming revenue	-	-	-
Franchise & utility taxes	-	-	-
State income taxes	-	-	-
State sales & use taxes	-	-	-
Home rule taxes	-	-	-
Replacement tax	-	-	-
Licenses, fines, fees & permits	-	-	-
Other taxes	-	-	-
Governmental grants & reimbursements	400,673	400,673	(166,827)
Local motor fuel taxes	-	-	-
Investment income	-	-	-
Other	-	-	5,792
Total revenues	<u>400,673</u>	<u>400,673</u>	<u>239,638</u> <u>(161,035)</u>
Expenditures:			
Current:			
Administration	-	-	-
Police	-	-	-
Fire	-	-	-
Other Public Safety	-	-	-
Public works	-	-	-
Regulatory affairs	-	-	-
Community development	1,259,466	1,259,466	(1,025,286)
Redevelopment	-	-	-
Debt service:			
Principal	-	-	-
Interest on long term debt	-	-	-
Other Claims	-	-	-
Total Expenditures:	<u>1,259,466</u>	<u>1,259,466</u>	<u>234,180</u> <u>(1,025,286)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(858,793)</u>	<u>(858,793)</u>	<u>5,458</u> <u>864,251</u>
Other financing sources (uses)			
Carry forwards	625,824	625,824	-
Transferred to (from) other funds	-	-	-
Total other financing sources (uses)	<u>625,824</u>	<u>625,824</u>	<u>-</u> <u>(625,824)</u>
Excess of revenues and other sources over (under) expenditures and other uses	<u>(232,969)</u>	<u>(232,969)</u>	<u>5,458</u> <u>-</u>
Fund balances at beginning of year	<u>-</u>	<u>-</u>	<u>-</u> <u>-</u>
Fund balance at end of year	<u>\$ (232,969)</u>	<u>\$ (232,969)</u>	<u>\$ 5,458</u> <u>\$ 238,427</u>

CITY OF EAST ST. LOUIS, ILLINOIS
SPECIAL REVENUE FUNDS - NON-MAJOR GOVERNMENTAL FUNDS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
Year Ended December 31, 2007

Emergency Shelter Grant				
	Budgeted Amounts		Actual	Variance with Final Budget- Over/(Under)
	Original	Final		
Revenues:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Riverboat gaming revenue	-	-	-	-
Franchise & utility taxes	-	-	-	-
State income taxes	-	-	-	-
State sales & use taxes	-	-	-	-
Home rule taxes	-	-	-	-
Replacement tax	-	-	-	-
Licenses, fines, fees & permits	-	-	-	-
Other taxes	-	-	-	-
Governmental grants & reimbursements	81,868	81,868	68,971	(12,897)
Local motor fuel taxes	-	-	-	-
Investment income	-	-	-	-
Other	-	-	-	-
Total revenues	<u>81,868</u>	<u>81,868</u>	<u>68,971</u>	<u>(12,897)</u>
Expenditures:				
Current:				
Administration	-	-	-	-
Police	-	-	-	-
Fire	-	-	-	-
Other Public Safety	-	-	-	-
Public works	-	-	-	-
Regulatory affairs	-	-	-	-
Community development	92,025	92,025	68,971	(23,054)
Redevelopment	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest on long term debt	-	-	-	-
Other Claims	-	-	-	-
Total Expenditures:	<u>92,025</u>	<u>92,025</u>	<u>68,971</u>	<u>(23,054)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(10,157)</u>	<u>(10,157)</u>	<u>-</u>	<u>10,157</u>
Other financing sources (uses)				
Carry forwards	13,901	13,901	-	(13,901)
Transferred to (from) other funds	-	-	-	-
Total other financing sources (uses)	<u>13,901</u>	<u>13,901</u>	<u>-</u>	<u>(13,901)</u>
Excess of revenues and other sources over (under) expenditures and other uses	<u>3,744</u>	<u>3,744</u>	<u>-</u>	<u>-</u>
Fund balances at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u>\$ 3,744</u>	<u>\$ 3,744</u>	<u>\$ -</u>	<u>\$ (3,744)</u>

CITY OF EAST ST. LOUIS, ILLINOIS
SPECIAL REVENUE FUNDS - NON-MAJOR GOVERNMENTAL FUNDS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
Year Ended December 31, 2007

EC Federal				
	Budgeted Amounts		Actual	Variance with Final Budget- Over/(Under)
	Original	Final		
Revenues:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Riverboat gaming revenue	-	-	-	-
Franchise & utility taxes	-	-	-	-
State income taxes	-	-	-	-
State sales & use taxes	-	-	-	-
Home rule taxes	-	-	-	-
Replacement tax	-	-	-	-
Licenses, fines, fees & permits	-	-	-	-
Other taxes	-	-	-	-
Governmental grants & reimbursements	-	-	-	-
Local motor fuel taxes	-	-	-	-
Investment income	-	-	496	496
Other	4,090	4,090	23,469	19,379
Total revenues	<u>4,090</u>	<u>4,090</u>	<u>23,965</u>	<u>19,875</u>
Expenditures:				
Current:				
Administration	-	-	-	-
Police	-	-	-	-
Fire	-	-	-	-
Other Public Safety	-	-	-	-
Public works	-	-	-	-
Regulatory affairs	-	-	-	-
Community development	-	-	33,797	33,797
Redevelopment	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest on long term debt	-	-	-	-
Other Claims	-	-	-	-
Total Expenditures:	<u>-</u>	<u>-</u>	<u>33,797</u>	<u>33,797</u>
Excess (deficiency) of revenues over (under) expenditures	<u>4,090</u>	<u>4,090</u>	<u>(9,831)</u>	<u>(13,921)</u>
Other financing sources (uses)				
Carry forwards	87,935	87,935	-	(87,935)
Transferred to (from) other funds	-	-	-	-
Total other financing sources (uses)	<u>87,935</u>	<u>87,935</u>	<u>-</u>	<u>(87,935)</u>
Excess of revenues and other sources over (under) expenditures and other uses	<u>92,025</u>	<u>92,025</u>	<u>(9,831)</u>	<u>-</u>
Fund balances at beginning of year	<u>-</u>	<u>-</u>	<u>92,747</u>	<u>92,747</u>
Fund balance at end of year	<u>\$ 92,025</u>	<u>\$ 92,025</u>	<u>\$ 82,916</u>	<u>\$ (9,109)</u>

CITY OF EAST ST. LOUIS, ILLINOIS
SPECIAL REVENUE FUNDS - NON-MAJOR GOVERNMENTAL FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
Year Ended December 31, 2007

Debris Removal				
	Budgeted Amounts		Actual	Variance with Final Budget- Over/(Under)
	Original	Final		
Revenues:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Riverboat gaming revenue	-	-	-	-
Franchise & utility taxes	-	-	-	-
State income taxes	-	-	-	-
State sales & use taxes	-	-	-	-
Home rule taxes	-	-	-	-
Replacement tax	-	-	-	-
Licenses, fines, fees & permits	-	-	-	-
Other taxes	-	-	-	-
Governmental grants & reimbursements	-	-	-	-
Local motor fuel taxes	-	-	-	-
Investment income	-	-	-	-
Other	-	-	-	-
Total revenues	-	-	-	-
Expenditures:				
Current:				
Administration	-	-	-	-
Police	-	-	-	-
Fire	-	-	-	-
Other Public Safety	-	-	-	-
Public works	-	-	-	-
Regulatory affairs	-	-	-	-
Community development	-	-	-	-
Redevelopment	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest on long term debt	-	-	-	-
Other Claims	-	-	-	-
Total Expenditures:	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-
Other financing sources (uses)				
Carry forwards	-	-	-	-
Transferred to (from) other funds	-	-	32,414	32,414
Total other financing sources (uses)	-	-	32,414	32,414
Excess of revenues and other sources over (under) expenditures and other uses	-	-	32,414	32,414
Fund balances at beginning of year	-	-	-	-
Fund balance at end of year	\$ -	\$ -	\$ 32,414	\$ 32,414

CITY OF EAST ST. LOUIS, ILLINOIS
SPECIAL REVENUE FUNDS - NON-MAJOR GOVERNMENTAL FUNDS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
Year Ended December 31, 2007

Urban High Crime				
	Budgeted Amounts		Actual	Variance with Final Budget- Over/(Under)
	Original	Final		
Revenues:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Riverboat gaming revenue	-	-	-	-
Franchise & utility taxes	-	-	-	-
State income taxes	-	-	-	-
State sales & use taxes	-	-	-	-
Home rule taxes	-	-	-	-
Replacement tax	-	-	-	-
Licenses, fines, fees & permits	-	-	-	-
Other taxes	-	-	-	-
Governmental grants & reimbursements	101,649	101,649	137,151	35,502
Local motor fuel taxes	-	-	-	-
Investment income	-	-	-	-
Other	-	-	-	-
Total revenues	<u>101,649</u>	<u>101,649</u>	<u>137,151</u>	<u>35,502</u>
Expenditures:				
Current:				
Administration	-	-	-	-
Police	150,000	150,000	137,151	(12,849)
Fire	-	-	-	-
Other Public Safety	-	-	-	-
Public works	-	-	-	-
Regulatory affairs	-	-	-	-
Community development	-	-	-	-
Redevelopment	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest on long term debt	-	-	-	-
Other Claims	-	-	-	-
Total Expenditures:	<u>150,000</u>	<u>150,000</u>	<u>137,151</u>	<u>(12,849)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(48,351)</u>	<u>(48,351)</u>	<u>-</u>	<u>48,351</u>
Other financing sources (uses)				
Carry forwards	48,351	48,351	-	(48,351)
Transferred to (from) other funds	-	-	-	-
Total other financing sources (uses)	<u>48,351</u>	<u>48,351</u>	<u>-</u>	<u>(48,351)</u>
Excess of revenues and other sources over (under) expenditures and other uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances at beginning of year	<u>-</u>	<u>-</u>	<u>(29,547)</u>	<u>(29,547)</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (29,547)</u>	<u>\$ (29,547)</u>

CITY OF EAST ST. LOUIS, ILLINOIS
SPECIAL REVENUE FUNDS - NON-MAJOR GOVERNMENTAL FUNDS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
Year Ended December 31, 2007

Federal Drug Fund				
	Budgeted Amounts		Actual	Variance with Final Budget- Over/(Under)
	Original	Final		
Revenues:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Riverboat gaming revenue	-	-	-	-
Franchise & utility taxes	-	-	-	-
State income taxes	-	-	-	-
State sales & use taxes	-	-	-	-
Home rule taxes	-	-	-	-
Replacement tax	-	-	-	-
Licenses, fines, fees & permits	-	-	-	-
Other taxes	-	-	-	-
Governmental grants & reimbursements	-	-	106,163	106,163
Local motor fuel taxes	-	-	-	-
Investment income	-	-	231	231
Other	192,544	192,544	-	(192,544)
Total revenues	<u>192,544</u>	<u>192,544</u>	<u>106,394</u>	<u>(86,150)</u>
Expenditures:				
Current:				
Administration	-	-	-	-
Police	192,544	192,544	147,425	(45,119)
Fire	-	-	-	-
Other Public Safety	-	-	-	-
Public works	-	-	-	-
Regulatory affairs	-	-	-	-
Community development	-	-	-	-
Redevelopment	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest on long term debt	-	-	-	-
Other Claims	-	-	-	-
Total Expenditures:	<u>192,544</u>	<u>192,544</u>	<u>147,425</u>	<u>(45,119)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>(41,031)</u>	<u>(41,031)</u>
Other financing sources (uses)				
Carry forwards	-	-	-	-
Transferred to (from) other funds	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Excess of revenues and other sources over (under) expenditures and other uses	<u>-</u>	<u>-</u>	<u>(41,031)</u>	<u>-</u>
Fund balances at beginning of year	<u>-</u>	<u>-</u>	<u>154,870</u>	<u>154,870</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 113,839</u>	<u>\$ 113,839</u>

CITY OF EAST ST. LOUIS, ILLINOIS
SPECIAL REVENUE FUNDS - NON-MAJOR GOVERNMENTAL FUNDS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
Year Ended December 31, 2007

Economic Development				
	Budgeted Amounts		Actual	Variance with Final Budget- Over/(Under)
	Original	Final		
Revenues:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Riverboat gaming revenue	-	-	-	-
Franchise & utility taxes	-	-	-	-
State income taxes	-	-	-	-
State sales & use taxes	-	-	-	-
Home rule taxes	-	-	-	-
Replacement tax	-	-	-	-
Licenses, fines, fees & permits	-	-	-	-
Other taxes	-	-	-	-
Governmental grants & reimbursements	170,227	170,227	-	(170,227)
Local motor fuel taxes	-	-	-	-
Investment income	-	-	-	-
Other	-	-	-	-
Total revenues	<u>170,227</u>	<u>170,227</u>	<u>-</u>	<u>(170,227)</u>
Expenditures:				
Current:				
Administration	-	-	-	-
Police	170,227	170,227	-	(170,227)
Fire	-	-	-	-
Other Public Safety	-	-	-	-
Public works	-	-	-	-
Regulatory affairs	-	-	-	-
Community development	-	-	-	-
Redevelopment	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest on long term debt	-	-	-	-
Other Claims	-	-	-	-
Total Expenditures:	<u>170,227</u>	<u>170,227</u>	<u>-</u>	<u>(170,227)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other financing sources (uses)				
Carry forwards	-	-	-	-
Transferred to (from) other funds	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues and other sources over (under) expenditures and other uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances at beginning of year	<u>-</u>	<u>-</u>	<u>(11,938)</u>	<u>(11,938)</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (11,938)</u>	<u>\$ (11,938)</u>

CITY OF EAST ST. LOUIS, ILLINOIS
SPECIAL REVENUE FUNDS - NON-MAJOR GOVERNMENTAL FUNDS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
Year Ended December 31, 2007

Justice Assistance grant				
	Budgeted Amounts		Actual	Variance with Final Budget- Over/(Under)
	Original	Final		
Revenues:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Riverboat gaming revenue	-	-	-	-
Franchise & utility taxes	-	-	-	-
State income taxes	-	-	-	-
State sales & use taxes	-	-	-	-
Home rule taxes	-	-	-	-
Replacement tax	-	-	-	-
Licenses, fines, fees & permits	-	-	-	-
Other taxes	-	-	-	-
Governmental grants & reimbursements	171,974	171,974	-	(171,974)
Local motor fuel taxes	-	-	-	-
Investment income	1,000	1,000	4,711	3,711
Other	-	-	-	-
Total revenues	<u>172,974</u>	<u>172,974</u>	<u>4,711</u>	<u>(168,263)</u>
Expenditures:				
Current:				
Administration	-	-	-	-
Police	172,974	172,974	40,041	(132,933)
Fire	-	-	-	-
Other Public Safety	-	-	-	-
Public works	-	-	-	-
Regulatory affairs	-	-	-	-
Community development	-	-	-	-
Redevelopment	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest on long term debt	-	-	-	-
Other Claims	-	-	-	-
Total Expenditures:	<u>172,974</u>	<u>172,974</u>	<u>40,041</u>	<u>(132,933)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>(35,330)</u>	<u>(35,330)</u>
Other financing sources (uses)				
Carry forwards	-	-	-	-
Transferred to (from) other funds	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues and other sources over (under) expenditures and other uses	<u>-</u>	<u>-</u>	<u>(35,330)</u>	<u>(35,330)</u>
Fund balances at beginning of year	<u>-</u>	<u>-</u>	<u>95,546</u>	<u>95,546</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 60,216</u>	<u>\$ 60,216</u>

CITY OF EAST ST. LOUIS, ILLINOIS
SPECIAL REVENUE FUNDS - NON-MAJOR GOVERNMENTAL FUNDS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
Year Ended December 31, 2007

FEMA Homeland				
	Budgeted Amounts		Actual	Variance with Final Budget- Over/(Under)
	Original	Final		
Revenues:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Riverboat gaming revenue	-	-	-	-
Franchise & utility taxes	-	-	-	-
State income taxes	-	-	-	-
State sales & use taxes	-	-	-	-
Home rule taxes	-	-	-	-
Replacement tax	-	-	-	-
Licenses, fines, fees & permits	-	-	-	-
Other taxes	-	-	-	-
Governmental grants & reimbursements	68,288	68,288	43,239	(25,049)
Local motor fuel taxes	-	-	-	-
Investment income	-	-	-	-
Other	-	-	-	-
Total revenues	<u>68,288</u>	<u>68,288</u>	<u>43,239</u>	<u>(25,049)</u>
Expenditures:				
Current:				
Administration	-	-	-	-
Police	68,288	68,288	-	(68,288)
Fire	-	-	-	-
Other Public Safety	-	-	-	-
Public works	-	-	-	-
Regulatory affairs	-	-	-	-
Community development	-	-	-	-
Redevelopment	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest on long term debt	-	-	-	-
Other Claims	-	-	-	-
Total Expenditures:	<u>68,288</u>	<u>68,288</u>	<u>-</u>	<u>(68,288)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>43,239</u>	<u>43,239</u>
Other financing sources (uses)				
Carry forwards	-	-	-	-
Transferred to (from) other funds	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Excess of revenues and other sources over (under) expenditures and other uses	<u>-</u>	<u>-</u>	<u>43,239</u>	<u>43,239</u>
Fund balances at beginning of year	<u>-</u>	<u>-</u>	<u>18,622</u>	<u>18,622</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 61,861</u>	<u>\$ 61,861</u>

CITY OF EAST ST. LOUIS, ILLINOIS
SPECIAL REVENUE FUNDS - NON-MAJOR GOVERNMENTAL FUNDS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
Year Ended December 31, 2007

MEGSI			
	Budgeted Amounts		Variance with Final Budget- Over/(Under)
	Original	Final	
Revenues:			
Property taxes	\$ -	\$ -	\$ -
Riverboat gaming revenue	-	-	-
Franchise & utility taxes	-	-	-
State income taxes	-	-	-
State sales & use taxes	-	-	-
Home rule taxes	-	-	-
Replacement tax	-	-	-
Licenses, fines, fees & permits	-	-	-
Other taxes	-	-	-
Governmental grants & reimbursements	63,233	63,233	(63,233)
Local motor fuel taxes	-	-	-
Investment income	-	-	-
Other	-	-	-
Total revenues	<u>63,233</u>	<u>63,233</u>	<u>(63,233)</u>
Expenditures:			
Current:			
Administration	-	-	-
Police	63,233	63,233	(63,233)
Fire	-	-	-
Other Public Safety	-	-	-
Public works	-	-	-
Regulatory affairs	-	-	-
Community development	-	-	-
Redevelopment	-	-	-
Debt service:			
Principal	-	-	-
Interest on long term debt	-	-	-
Other Claims	-	-	-
Total Expenditures:	<u>63,233</u>	<u>63,233</u>	<u>(63,233)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Other financing sources (uses)			
Carry forwards	-	-	-
Transferred to (from) other funds	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues and other sources over (under) expenditures and other uses	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances at beginning of year	<u>-</u>	<u>-</u>	<u>8,533</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,533</u>

CITY OF EAST ST. LOUIS, ILLINOIS
SPECIAL REVENUE FUNDS - NON-MAJOR GOVERNMENTAL FUNDS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
Year Ended December 31, 2007

State Drug Forfeiture				
	Budgeted Amounts		Actual	Variance with Final Budget- Over/(Under)
	Original	Final		
Revenues:				
Property taxes	\$ 55,700	\$ 55,700	\$ 65,100	\$ 9,400
Riverboat gaming revenue	-	-	-	-
Franchise & utility taxes	-	-	-	-
State income taxes	-	-	-	-
State sales & use taxes	-	-	-	-
Home rule taxes	-	-	-	-
Replacement tax	-	-	-	-
Licenses, fines, fees & permits	-	-	-	-
Other taxes	-	-	-	-
Governmental grants & reimbursements	-	-	-	-
Local motor fuel taxes	-	-	-	-
Investment income	-	-	81	81
Other	-	-	-	-
Total revenues	<u>55,700</u>	<u>55,700</u>	<u>65,181</u>	<u>9,481</u>
Expenditures:				
Current:				
Administration	-	-	-	-
Police	64,854	64,854	58,576	(6,278)
Fire	-	-	-	-
Other Public Safety	-	-	-	-
Public works	-	-	-	-
Regulatory affairs	-	-	-	-
Community development	-	-	-	-
Redevelopment	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest on long term debt	-	-	-	-
Other Claims	-	-	-	-
Total Expenditures:	<u>64,854</u>	<u>64,854</u>	<u>58,576</u>	<u>(6,278)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(9,154)</u>	<u>(9,154)</u>	<u>6,605</u>	<u>15,759</u>
Other financing sources (uses)				
Carry forwards	-	-	-	-
Transferred to (from) other funds	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues and other sources over (under) expenditures and other uses	<u>(9,154)</u>	<u>(9,154)</u>	<u>6,605</u>	<u>15,759</u>
Fund balances at beginning of year	<u>-</u>	<u>-</u>	<u>64,842</u>	<u>64,842</u>
Fund balance at end of year	<u>\$ (9,154)</u>	<u>\$ (9,154)</u>	<u>\$ 71,447</u>	<u>\$ 80,601</u>

CITY OF EAST ST. LOUIS, ILLINOIS
SPECIAL REVENUE FUNDS - NON-MAJOR GOVERNMENTAL FUNDS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
Year Ended December 31, 2007

Juvenile Offenders				
	Budgeted Amounts		Actual	Variance with Final Budget- Over/(Under)
	Original	Final		
Revenues:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Riverboat gaming revenue	-	-	-	-
Franchise & utility taxes	-	-	-	-
State income taxes	-	-	-	-
State sales & use taxes	-	-	-	-
Home rule taxes	-	-	-	-
Replacement tax	-	-	-	-
Licenses, fines, fees & permits	-	-	-	-
Other taxes	-	-	-	-
Governmental grants & reimbursements	47,778	47,778	24,147	(23,631)
Local motor fuel taxes	-	-	-	-
Investment income	-	-	-	-
Other	-	-	147	147
Total revenues	<u>47,778</u>	<u>47,778</u>	<u>24,294</u>	<u>(23,484)</u>
Expenditures:				
Current:				
Administration	-	-	-	-
Police	26,544	26,544	13,569	(12,975)
Fire	-	-	-	-
Other Public Safety	-	-	-	-
Public works	-	-	-	-
Regulatory affairs	-	-	-	-
Community development	-	-	-	-
Redevelopment	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest on long term debt	-	-	-	-
Other Claims	-	-	-	-
Total Expenditures:	<u>26,544</u>	<u>26,544</u>	<u>13,569</u>	<u>(12,975)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>21,234</u>	<u>21,234</u>	<u>10,725</u>	<u>(10,509)</u>
Other financing sources (uses)				
Carry forwards	-	-	-	-
Transferred to (from) other funds	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Excess of revenues and other sources over (under) expenditures and other uses	<u>21,234</u>	<u>21,234</u>	<u>10,725</u>	<u>(10,509)</u>
Fund balances at beginning of year	-	-	119	119
Fund balance at end of year	<u>\$ 21,234</u>	<u>\$ 21,234</u>	<u>\$ 10,844</u>	<u>\$ (10,390)</u>

CITY OF EAST ST. LOUIS, ILLINOIS
SPECIAL REVENUE FUNDS - NON-MAJOR GOVERNMENTAL FUNDS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
Year Ended December 31, 2007

ESDA Grant				
	Budgeted Amounts		Actual	Variance with Final Budget- Over/(Under)
	Original	Final		
Revenues:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Riverboat gaming revenue	-	-	-	-
Franchise & utility taxes	-	-	-	-
State income taxes	-	-	-	-
State sales & use taxes	-	-	-	-
Home rule taxes	-	-	-	-
Replacement tax	-	-	-	-
Licenses, fines, fees & permits	-	-	-	-
Other taxes	-	-	-	-
Governmental grants & reimbursements	14,671	14,671	11,435	(3,236)
Local motor fuel taxes	-	-	-	-
Investment income	-	-	-	-
Other	-	-	-	-
Total revenues	<u>14,671</u>	<u>14,671</u>	<u>11,435</u>	<u>(3,236)</u>
Expenditures:				
Current:				
Administration	-	-	-	-
Police	-	-	-	-
Fire	-	-	-	-
Other Public Safety	14,671	14,671	11,435	(3,236)
Public works	-	-	-	-
Regulatory affairs	-	-	-	-
Community development	-	-	-	-
Redevelopment	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest on long term debt	-	-	-	-
Other Claims	-	-	-	-
Total Expenditures:	<u>14,671</u>	<u>14,671</u>	<u>11,435</u>	<u>(3,236)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other financing sources (uses)				
Carry forwards	-	-	-	-
Transferred to (from) other funds	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues and other sources over (under) expenditures and other uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances at beginning of year	<u>-</u>	<u>-</u>	<u>(8,881)</u>	<u>(8,881)</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (8,881)</u>	<u>\$ (8,881)</u>

CITY OF EAST ST. LOUIS, ILLINOIS
SPECIAL REVENUE FUNDS - NON-MAJOR GOVERNMENTAL FUNDS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
Year Ended December 31, 2007

Other				
	Budgeted Amounts			Variance with Final Budget- Over/(Under)
	Original	Final	Actual	
Revenues:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Riverboat gaming revenue	-	-	-	-
Franchise & utility taxes	-	-	-	-
State income taxes	-	-	-	-
State sales & use taxes	-	-	-	-
Home rule taxes	-	-	-	-
Replacement tax	-	-	-	-
Licenses, fines, fees & permits	-	-	-	-
Other taxes	-	-	-	-
Governmental grants & reimbursements	459,723	459,723	14,399	(445,324)
Local motor fuel taxes	-	-	-	-
Investment income	-	-	5,629	5,629
Other	-	-	5,215	5,215
Total revenues	459,723	459,723	25,243	(434,480)
Expenditures:				
Current:				
Administration	-	-	-	-
Police	-	-	-	-
Fire	594,282	594,282	5,086	(589,196)
Other Public Safety	-	-	-	-
Public works	-	-	-	-
Regulatory affairs	-	-	-	-
Community development	-	-	-	-
Redevelopment	-	-	-	-
Debt service:	-	-	-	-
Principal	-	-	-	-
Interest on long term debt	-	-	-	-
Other Claims	-	-	-	-
Total Expenditures:	594,282	594,282	5,086	(589,196)
Excess (deficiency) of revenues over (under) expenditures	(134,559)	(134,559)	20,157	154,716
Other financing sources (uses)				
Carry forwards	127,559	127,559	-	(127,559)
Transferred to (from) other funds	-	-	-	-
Total other financing sources (uses)	127,559	127,559	-	(127,559)
Excess of revenues and other sources over (under) expenditures and other uses	(7,000)	(7,000)	20,157	27,157
Fund balances at beginning of year	-	-	49,801	49,801
Fund balance at end of year	\$ (7,000)	\$ (7,000)	\$ 69,958	\$ 76,958

CITY OF EAST ST. LOUIS, ILLINOIS
SPECIAL REVENUE FUNDS - NON-MAJOR GOVERNMENTAL FUNDS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
Year Ended December 31, 2007

	Total Non-Major			
	Budgeted Amounts			Variance with Final Budget- Over/(Under)
	Original	Final	Actual	
Revenues:			-	
Property taxes	\$ 410,700	\$ 410,700	392,953	\$ (17,747)
Riverboat gaming revenue	-	-	-	-
Franchise & utility taxes	-	-	-	-
State income taxes	-	-	-	-
State sales & use taxes	-	-	-	-
Home rule taxes	-	-	-	-
Replacement tax	-	-	-	-
Licenses, fines, fees & permits	-	-	7,235	7,235
Other taxes	45,000	45,000	20,874	(24,126)
Governmental grants & reimbursements	4,423,583	4,423,583	2,515,140	(1,894,044)
Local motor fuel taxes	-	-	-	-
Investment income	1,000	1,000	69,603	68,603
Other	1,334,615	1,334,615	90,436	(1,266,539)
Total revenues	6,214,898	6,214,898	3,096,242	(3,126,617)
Expenditures:				
Current:				
Administration	2,075,000	2,075,000	1,054,787	(1,020,213)
Police	1,142,971	1,142,971	473,262	(669,709)
Fire	616,294	616,294	65,350	(550,944)
Other Public Safety	39,671	39,671	39,632	(39)
Public works	-	-	-	-
Regulatory affairs	-	-	-	-
Community development	5,503,726	5,503,726	2,214,836	(3,288,890)
Redevelopment	-	-	-	-
Debt service:	-	-	-	-
Principal	-	-	200,000	200,000
Interest on long term debt	-	-	-	-
Other Claims	-	-	100,945	100,945
Total Expenditures:	9,377,662	9,377,662	4,148,813	(5,228,849)
Excess (deficiency) of revenues over (under) expenditures	(3,162,764)	(3,162,764)	(1,052,571)	2,102,232
Other financing sources (uses)				
Carry forwards	3,280,205	3,280,205	-	(3,280,205)
Transferred to (from) other funds	1,000,000	1,000,000	1,096,597	96,597
Total other financing sources (uses)	4,280,205	4,280,205	1,096,597	(3,183,608)
Excess of revenues and other sources over (under) expenditures and other uses	1,117,441	1,117,441	44,026	(1,081,376)
Fund balances at beginning of year	2,324,488	2,324,488	1,338,889	(985,599)
Fund balance at end of year	\$ 3,441,929	\$ 3,441,929	\$ 1,382,915	\$ (2,059,014)

COMBINING AND INDIVIDUAL FUND STATEMENTS

CITY OF EAST ST. LOUIS, ILLINOIS
SPECIAL REVENUE FUNDS - TAX INCREMENT FINANCING FUNDS
COMBINING BALANCE SHEET
December 31, 2007

	Tax Incremental Financing District 1 Fund	Tax Incremental Financing District 2 Fund	Tax Incremental Financing District 3A Fund	Tax Incremental Financing District 3B Fund
ASSETS				
Cash and cash equivalents	\$ 5,704,927	\$ 339,752	\$ 2,584,904	\$ 487,961
Short-term Investments	-	-	-	-
Accounts/other receivable, net	-	-	-	-
Receivable State of Illinois	-	-	-	-
Property taxes receivable	4,070	-	2,321	474
Utility and franchise taxes receivable	-	-	-	-
Other taxes receivable	-	-	-	-
Motor fuel tax receivable	-	-	-	-
Government grants	-	-	-	-
Other receivables	8,319	215	3,373	388
Due from other funds	-	-	1,111,285	82,917
Restricted Cash and long-term investments	1,711,873	-	-	-
Notes receivable	422,767	95,829	152,267	99,060
Total Assets	<u>7,851,957</u>	<u>435,796</u>	<u>3,854,150</u>	<u>670,799</u>
LIABILITIES AND FUND BALANCES				
Accounts payable	398,797	68,102	525,052	133,726
Accrued payroll	7,820	522	4,813	1,546
Deferred Revenue	-	-	-	-
Due to other funds	913,800	580,767	-	-
Total Liabilities	<u>1,320,418</u>	<u>649,391</u>	<u>529,865</u>	<u>135,272</u>
Fund balances:				
Reserved for project completion	-	-	-	-
Reserved for debt service	1,711,873	-	-	-
Reserved for Notes Receivables	422,767	95,829	152,267	99,060
Reserved for self insurance costs	-	-	-	-
Unreserved fund balance	4,396,899	(309,424)	3,172,019	436,467
Total fund balances	<u>6,531,540</u>	<u>(213,595)</u>	<u>3,324,286</u>	<u>535,527</u>
Total Liabilities and Fund Balances	<u>\$ 7,851,957</u>	<u>\$ 435,796</u>	<u>\$ 3,854,150</u>	<u>\$ 670,799</u>

Tax Incremental Financing District 3C Fund	Tax Incremental Financing District 3D Fund	Tax Incremental Financing District 3E Fund	Total Tax Incremental Financing District Funds
\$ 1,268,085	\$ 241,030	\$ 541,459	\$ 11,168,118
-	-	-	-
-	-	-	-
-	-	-	-
590	346	65	7,866
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
1,918	-	-	14,213
-	-	9,154	1,203,356
-	-	-	1,711,873
-	-	-	769,923
<u>1,270,594</u>	<u>241,375</u>	<u>550,677</u>	<u>14,875,350</u>
120,029	-	-	-
1,372	1297	15,450	1,262,453
-	174	348	16,595
-	-	-	-
58,575	6,031	-	1,559,174
<u>179,977</u>	<u>7,501</u>	<u>15,798</u>	<u>2,838,222</u>
-	-	-	-
-	-	-	1,711,873
-	-	-	769,923
-	-	-	-
1,090,617	233,874	534,880	9,555,332
<u>1,090,617</u>	<u>233,874</u>	<u>534,880</u>	<u>12,037,128</u>
\$ 1,270,594	\$ 241,375	\$ 550,678	\$ 14,875,350

CITY OF EAST ST. LOUIS, ILLINOIS
SPECIAL REVENUE FUNDS - TAX INCREMENT FINANCING FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
Period Ended December 31, 2007

	Tax Incremental Financing District 1 Fund	Tax Incremental Financing District 2 Fund	Tax Incremental Financing District 3A Fund	Tax Incremental Financing District 3B Fund
Revenues:				
Property taxes	\$ 5,433,821	\$ 287,264	\$ 3,097,977	\$ 632,759
Riverboat gaming revenue	-	-	-	-
Franchise & utility taxes	280	-	-	-
State income taxes	-	-	-	-
State sales & use taxes	562	-	-	-
Home rule taxes	-	-	-	-
Replacement tax	-	-	-	-
Licences, fines, fees & permits	-	-	-	-
Other taxes	-	-	-	-
Governmental grants & reimbursements	-	-	-	-
Local motor fuel taxes	-	-	-	-
Investment income	301,140	8,603	131,538	30,293
Other	7,528	5,066	1,843	1,453
Total revenues	<u>5,743,332</u>	<u>300,933</u>	<u>3,231,358</u>	<u>664,505</u>
Expenditures:				
Current:				
Administration	565,758	25,596	300,934	94,318
Police				
Fire				
Other public safety				
Public works				
Regulatory affairs	-	-	-	-
Community development	-	-	-	-
Redevelopment	2,807,984	167,629	2,874,310	987,981
Debt service:				
Principal	940,000	-	-	-
Interest on long term debt	184,800	-	-	-
Other claims	-	-	-	-
Total expenditures	<u>4,498,542</u>	<u>193,226</u>	<u>3,175,244</u>	<u>1,082,298</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,244,790</u>	<u>107,707</u>	<u>56,114</u>	<u>(417,793)</u>
Other financing sources (uses):				
Proceeds from bond transactions	-	-	-	-
Transferred to (from) other funds	51,771	-	-	-
Total other financing sources (uses)	<u>51,771</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues and other sources over (under) expenditures and other uses	<u>1,296,561</u>	<u>107,707</u>	<u>56,114</u>	<u>(417,793)</u>
Fund balance at beginning of year	<u>5,234,979</u>	<u>(321,302)</u>	<u>3,268,172</u>	<u>953,320</u>
Fund balance at end of year	<u>\$ 6,531,540</u>	<u>\$ (213,595)</u>	<u>\$ 3,324,286</u>	<u>\$ 535,527</u>

Tax Incremental Financing District 3C Fund	Tax Incremental Financing District 3D Fund	Tax Incremental Financing District 3E Fund	Total Tax Incremental Financing District Funds
\$ 787,461	\$ 40,243	\$ 86,620	\$ 10,366,145
-	-	-	-
-	-	-	280
-	-	-	-
-	-	-	562
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
46,568	9,627	22,413	550,182
-	-	376	16,266
834,029	49,870	109,409	10,933,436
91,905	10,130	23,780	1,112,421
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
599,911	4,430	58,321	7,500,566
-	-	-	-
-	-	-	940,000
-	-	-	184,800
-	-	-	-
691,816	14,560	82,101	9,737,787
142,213	35,310	27,308	1,195,649
-	-	-	-
-	-	-	51,771
-	-	-	51,771
142,213	35,310	27,308	1,247,419
948,404	198,564	507,572	10,789,709
-	-	-	-
\$ 1,090,617	\$ 233,874	\$ 534,880	\$ 12,037,128

**SPECIAL REVENUE- NON MAJOR FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2007**

	ESDA Property Tax	State Farm State Grant	IMRF	Tort Liability
ASSETS				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 372,624
Investments	-	-	-	226,779
Accounts/other receivables, net				
Receivables state of illinois	-	-	-	-
Property taxes receivable	10	-	20	114
Utility and franchise taxes receivable	-	-	-	-
Other taxes receivable	-	-	-	-
Motor fuel tax receivable	-	-	-	-
Government grant	-	-	-	-
Other receivables	-	-	-	3,595
Due from other funds	-	2,817	271,065	-
Restricted cash and long-term investments	-	-	-	-
Notes receivable	-	-	-	-
Total Assets	10	2,817	271,085	603,112
LIABILITIES AND FUND BALANCES				
Accounts payable	-	2,865	26,782	-
Accrued payroll	1,054	-	1,226	542
Deferred revenue	-	-	-	-
Due to other funds	18,956	-	-	483,721
Total Liabilities	20,011	2,865	28,008	484,263
Fund balances:				
Reserved for project completion	-	-	-	-
Reserved for debt service	-	-	-	-
Reserved for notes receivable	-	-	-	-
Reserve for self insurance costs	-	-	-	-
Unreserved fund balances	(20,001)	(48)	243,077	118,849
Total fund balances	(20,001)	(48)	243,077	118,849
Total Liabilities and fund balances	\$ 10	\$ 2,817	\$ 271,085	\$ 603,112

**SPECIAL REVENUE- NON MAJOR FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2007**

	Auto Theft	Crown Foods	EC State	2% FireTax
ASSETS				
Cash and cash equivalents	\$ -	\$ -	\$ 3,718	\$ -
Short-term investments	-	-	-	-
Accounts/other receivables, net				
Receivables state of illinois	-	-	-	-
Property taxes receivable	-	-	-	-
Utility and franchise taxes receivable	-	-	-	-
Other taxes receivable	-	-	-	-
Motor fuel tax receivable	-	-	-	-
Government grant	-	-	-	-
Other receivables	-	-	-	-
Due from other funds	20,667	22,480	-	-
Restricted cash and long-term investments	-	-	-	-
Notes receivable	-	-	11,480	-
Total Assets	20,667	22,480	15,198	-
LIABILITIES AND FUND BALANCES				
Accounts payable	-	22,236	-	5,578
Accrued payroll	1,980	-	-	-
Deferred revenue	-	-	-	-
Due to other funds	-	-	24,059	16,034
Total Liabilities	1,980	22,236	24,059	21,613
Fund balances:				
Reserved for project completion	-	-	-	-
Reserved for debt service	-	-	-	-
Reserved for notes receivable	-	-	-	-
Reserve for self insurance costs	-	-	-	-
Unreserved fund balances	18,686	244	(8,861)	(21,613)
Total fund balances	18,686	244	(8,861)	(21,613)
Total Liabilities and fund balances	\$ 20,667	\$ 22,480	\$ 15,198	\$ -

SPECIAL REVENUE- NON MAJOR FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2007

	Insurance Reserves	CDBG Operations	Home grant	Emergency Shelter Grant
ASSETS				
Cash and cash equivalents	\$ 317,079	\$ 56,951	\$ 26,430	\$ 387
Short-term investments	-	-	-	-
Accounts/other receivables, net				
Receivables state of illinois	-	-	-	-
Property taxes receivable	-	-	-	-
Utility and franchise taxes receivable	-	-	-	-
Other taxes receivable	-	-	-	-
Motor fuel tax receivable	-	-	-	-
Government grant	-	93,209	-	9,304
Other receivables	96	4,298	-	-
Due from other funds	956,046	-	-	-
Restricted cash and long-term investments	-	-	-	-
Notes receivable	-	-	-	-
Total Assets	1,273,222	154,458	26,430	9,692
LIABILITIES AND FUND BALANCES				
Accounts payable	572,868	93,043	-	9,177
Accrued payroll	-	18,155	2,315	155
Deferred revenue	-	-	-	-
Due to other funds	-	38,962	18,657	360
Total Liabilities	572,868	150,160	20,972	9,692
Fund balances:				
Reserved for project completion	-	-	-	-
Reserved for debt service	-	-	-	-
Reserved for notes receivable	-	-	-	-
Reserve for self insurance costs	-	-	-	-
Unreserved fund balances	700,354	4,298	5,458	-
Total fund balances	700,354	4,298	5,458	-
Total Liabilities and fund balances	\$ 1,273,222	\$ 154,458	\$ 26,430	\$ 9,692

SPECIAL REVENUE- NON MAJOR FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2007

	EC Federal	Debris Removal	Urban High Crime	Fed Drug Fund
ASSETS				
Cash and cash equivalents	\$ 71,648	\$ -	\$ -	\$ 128,820
Short-term investments	-	-	-	-
Accounts/other receivables, net				
Receivables state of illinois	-	-	-	-
Property taxes receivable	-	-	-	-
Utility and franchise taxes receiv	-	-	-	-
Other taxes receivable	-	-	-	-
Motor fuel tax receivable	-	-	-	-
Government grant	-	-	76,763	-
Other receivables	15,920	-	-	-
Due from other funds	-	32,414	-	-
Restricted cash and long-term investr	-	-	-	-
Notes receivable	-	-	-	-
Total Assets	87,568	32,414	76,763	128,820
LIABILITIES AND FUND BALANCES				
Accounts payable	2,787	-	2,369	14,821
Accrued payroll	1,763	-	4,145	161
Deferred revenue	-	-	-	-
Due to other funds	102	-	99,796	-
Total Liabilities	4,651	-	106,310	14,981
Fund balances:				
Reserved for project completion	-	-	-	-
Reserved for debt service	-	-	-	-
Reserved for notes receivable	-	-	-	-
Reserve for self insurance costs	-	-	-	-
Unreserved fund balances	82,916	32,414	(29,547)	113,839
Total fund balances	82,916	32,414	(29,547)	113,839
Total Liabilities				
and fund balances	\$ 87,568	\$ 32,414	\$ 76,763	\$ 128,820

SPECIAL REVENUE- NON MAJOR FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2007

	Economic Development	Justice Assistance Grant	FEMA Homeland	Megsi
ASSETS				
Cash and cash equivalents	\$ -	\$ 76,761	\$ -	\$ -
Short-term investments	-	-	-	-
Accounts/other receivables, net	-	-	-	-
Receivables state of illinois	-	-	-	-
Property taxes receivable	-	-	-	-
Utility and franchise taxes receivable	-	-	-	-
Other taxes receivable	-	-	-	-
Motor fuel tax receivable	-	-	-	-
Government grant	-	-	-	18,977
Other receivables	-	-	-	-
Due from other funds	-	-	61,861	-
Restricted cash and long-term investments	-	-	-	-
Notes receivable	-	-	-	-
Total Assets	-	76,761	61,861	18,977
LIABILITIES AND FUND BALANCES				
Accounts payable	-	16,546	-	-
Accrued payroll	-	-	-	-
Deferred revenue	-	-	-	-
Due to other funds	11,938	-	-	10,444
Total Liabilities	11,938	16,546	-	10,444
Fund balances:				
Reserved for project completion	-	-	-	-
Reserved for debt service	-	-	-	-
Reserved for notes receivable	-	-	-	-
Reserve for self insurance costs	-	-	-	-
Unreserved fund balances	(11,938)	60,216	61,861	8,533
Total fund balances	(11,938)	60,216	61,861	8,533
Total Liabilities				
and fund balances	\$ -	\$ 76,761	\$ 61,861	\$ 18,977

**SPECIAL REVENUE- NON MAJOR FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2007**

	State Drug Forfeiture	Juvenile Offenders	ESDA Grant	OTHER
ASSETS				
Cash and cash equivalents	\$ 76,007	\$ 38,648	\$ -	\$ 108,138
Short-term investments	-	-	-	-
Accounts/other receivables, net	-	-	-	-
Receivables state of illinois	-	-	-	-
Property taxes receivable	-	-	-	-
Utility and franchise taxes receivable	-	-	-	-
Other taxes receivable	-	-	-	-
Motor fuel tax receivable	-	-	-	-
Government grant	-	-	501	9,449
Other receivables	-	16	-	164,019
Due from other funds	-	-	-	143,089
Restricted cash and long-term investments	-	-	-	-
Notes receivable	-	-	-	-
Total Assets	76,007	38,665	501	424,695
LIABILITIES AND FUND BALANCES				
Accounts payable	4,561	-	-	-
Accrued payroll	-	843	443	-
Deferred revenue	-	-	-	6,647
Due to other funds	-	26,977	8,939	348,091
Total Liabilities	4,561	27,820	9,382	354,738
Fund balances:				
Reserved for project completion	-	-	-	-
Reserved for debt service	-	-	-	-
Reserved for notes receivable	-	-	-	-
Reserve for self insurance costs	-	-	-	-
Unreserved fund balances	71,446	10,845	(8,881)	69,957
Total fund balances	71,446	10,845	(8,881)	69,957
Total Liabilities and fund balances	\$ 76,007	\$ 38,665	\$ 501	\$ 424,695

**SPECIAL REVENUE- NON MAJOR FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2007**

	<u>Total</u>
ASSETS	
Cash and cash equivalents	\$ 1,277,213
Short-term investments	226,779
Accounts/other receivables, net	-
Receivables state of illinois	-
Property taxes receivable	144
Utility and franchise taxes receivable	-
Other taxes receivable	-
Motor fuel tax receivable	-
Government grant	208,202
Other receivables	187,945
Due from other funds	1,510,438
Restricted cash and long-term investments	-
Notes receivable	11,480
Total Assets	<u>3,422,201</u>
LIABILITIES AND FUND BALANCES	
Accounts payable	773,632
Accrued payroll	32,782
Deferred revenue	6,647
Due to other funds	1,107,036
Total Liabilities	<u>1,920,096</u>
Fund balances:	
Reserved for project completion	-
Reserved for debt service	-
Reserved for notes receivable	-
Reserve for self insurance costs	-
Unreserved fund balances	1,502,104
Total fund balances	<u>1,502,104</u>
Total Liabilities	
and fund balances	<u><u>\$ 3,422,201</u></u>

CITY OF EAST ST. LOUIS, ILLINOIS
SPECIAL REVENUE-NON-MAJOR FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
Period Ended December 31, 2007

	ESDA Property Tax	State Farm State Grant	IMRF	Tort Liability	Auto Theft
Revenues:					
Property taxes	\$ 22,289	\$ -	\$ 46,333	\$ 259,231	\$ -
Riverboat gaming revenue	-	-	-	-	-
Franchise & utility taxes	-	-	-	-	-
State income taxes	-	-	-	-	-
State sales & use taxes	-	-	-	-	-
Home rule taxes	-	-	-	-	-
Replacement tax	-	-	-	-	-
Licenses, fines, fees & permits	-	-	-	-	-
Other taxes	-	-	-	-	-
Governmental grants & reimbursements	-	-	-	-	43,382
Local motor fuel taxes	-	-	-	-	-
Investment income	-	-	8,361	5,179	-
Other	-	16,778	-	-	-
Total revenues	22,289	16,778	54,694	264,410	43,382
Expenditures:					
Current:					
Administration	-	-	54,694	-	-
Police	-	-	-	-	54,265
Fire	-	17,777	-	-	-
Other Public Safety	28,198	-	-	-	-
Public works	-	-	-	-	-
Regulatory affairs	-	-	-	-	-
Community development	-	-	-	-	-
Redevelopment	-	-	-	-	-
Debt service:					
Principal	-	-	-	200,000	-
Interest on long term debt	-	-	-	-	-
Other Claims	-	-	-	100,945	-
Total Expenditures:	28,198	17,777	54,694	300,945	54,265
Excess (deficiency) of revenues over (under) expenditures	(5,909)	(999)	-	(36,535)	(10,882)
Other financing sources (uses)					
Carry forwards	-	-	-	-	-
Bond Proceeds	-	-	-	-	-
Transferred to (from) other funds	-	-	-	-	15,838
Total other financing sources (uses)	-	-	-	-	15,838
Excess of revenues and other sources over (under) expenditures and other uses	(5,909)	(999)	-	(36,535)	4,956
Fund balances at beginning of year	(14,092)	950	243,077	155,384	13,731
Fund balance at end of year	\$ (20,001)	\$ (48)	\$ 243,077	\$ 118,849	\$ 18,686

CITY OF EAST ST. LOUIS, ILLINOIS
SPECIAL REVENUE-NON-MAJOR FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
Period Ended December 31, 2007

	Crown Foods	EC State	2% Fire Tax	Insurance Reserves	CDBG Operations
Revenues:					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Riverboat gaming revenue	-	-	-	-	-
Franchise & utility taxes	-	-	-	-	-
State income taxes	-	-	-	-	-
State sales & use taxes	-	-	-	-	-
Home rule taxes	-	-	-	-	-
Replacement tax	-	-	-	-	-
Licenses, fines, fees & permits	-	-	-	-	7,235
Other taxes	-	-	20,874	-	-
Governmental grants & reimbursements	-	-	-	-	1,832,408
Local motor fuel taxes	-	-	-	-	-
Investment income	-	42	-	44,873	-
Other	22,480	-	-	16,356	199
Total revenues	22,480	42	20,874	61,229	1,839,842
Expenditures:					
Current:					
Administration	-	-	-	1,000,093	-
Police	22,236	-	-	-	-
Fire	-	-	42,487	-	-
Other Public Safety	-	-	-	-	-
Public works	-	-	-	-	-
Regulatory affairs	-	-	-	-	-
Community development	-	32,649	-	-	1,845,240
Redevelopment	-	-	-	-	-
Debt service:					
Principal	-	-	-	-	-
Interest on long term debt	-	-	-	-	-
Other Claims	-	-	-	-	-
Total Expenditures:	22,236	32,649	42,487	1,000,093	1,845,240
Excess (deficiency) of revenues over (under) expenditures	244	(32,608)	(21,613)	(938,864)	(5,398)
Other financing sources (uses)					
Carry forwards	-	-	-	-	-
Bond Proceeds	-	-	-	-	-
Transferred to (from) other funds	-	-	-	1,080,759	-
Total other financing sources (uses)	-	-	-	1,080,759	-
Excess of revenues and other sources over (under) expenditures and other uses	244	(32,608)	(21,613)	141,895	(5,398)
Fund balances at beginning of year	-	23,747	-	558,459	9,697
Fund balance at end of year	\$ 244	\$ (8,861)	\$ (21,613)	\$ 700,354	\$ 4,298

CITY OF EAST ST. LOUIS, ILLINOIS
SPECIAL REVENUE-NON-MAJOR FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
Period Ended December 31, 2007

	Home Grant	Emergency Shelter Grant	EC Federal	Debris Removal	Urban High Crime
Revenues:					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Riverboat gaming revenue	-	-	-	-	-
Franchise & utility taxes	-	-	-	-	-
State income taxes	-	-	-	-	-
State sales & use taxes	-	-	-	-	-
Home rule taxes	-	-	-	-	-
Replacement tax	-	-	-	-	-
Licenses, fines, fees & permits	-	-	-	-	-
Other taxes	-	-	-	-	-
Governmental grants & reimbursements	233,846	68,971	-	-	137,151
Local motor fuel taxes	-	-	-	-	-
Investment income	-	-	496	-	-
Other	5,792	-	23,469	-	-
Total revenues	239,638	68,971	23,965	-	137,151
Expenditures:					
Current:					
Administration	-	-	-	-	-
Police	-	-	-	-	137,151
Fire	-	-	-	-	-
Other Public Safety	-	-	-	-	-
Public works	-	-	-	-	-
Regulatory affairs	-	-	-	-	-
Community development	234,180	68,971	33,797	-	-
Redevelopment	-	-	-	-	-
Debt service:					
Principal	-	-	-	-	-
Interest on long term debt	-	-	-	-	-
Other Claims	-	-	-	-	-
Total Expenditures:	234,180	68,971	33,797	-	137,151
Excess (deficiency) of revenues over (under) expenditures	5,458	-	(9,831)	-	-
Other financing sources (uses)					
Carry forwards	-	-	-	-	-
Bond Proceeds	-	-	-	-	-
Transferred to (from) other funds	-	-	-	32,414	-
Total other financing sources (uses)	-	-	-	32,414	-
Excess of revenues and other sources over (under) expenditures and other uses	5,458	-	(9,831)	32,414	-
Fund balances at beginning of year	-	-	92,747	-	(29,547)
Fund balance at end of year	\$ 5,458	\$ -	\$ 82,916	\$ 32,414	\$ (29,547)

CITY OF EAST ST. LOUIS, ILLINOIS
SPECIAL REVENUE-NON-MAJOR FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
Period Ended December 31, 2007

	Fed Drug Fund	Economic Development	Justice Assistance Grant	FEMA Homeland	Megsi
Revenues:					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Riverboat gaming revenue	-	-	-	-	-
Franchise & utility taxes	-	-	-	-	-
State income taxes	-	-	-	-	-
State sales & use taxes	-	-	-	-	-
Home rule taxes	-	-	-	-	-
Replacement tax	-	-	-	-	-
Licenses, fines, fees & permits	-	-	-	-	-
Other taxes	-	-	-	-	-
Governmental grants & reimbursements	106,163	-	-	43,239	-
Local motor fuel taxes	-	-	-	-	-
Investment income	231	-	4,711	-	-
Other	-	-	-	-	-
Total revenues	106,395	-	4,711	43,239	-
Expenditures:					
Current:					
Administration	-	-	-	-	-
Police	147,425	-	40,041	-	-
Fire	-	-	-	-	-
Other Public Safety	-	-	-	-	-
Public works	-	-	-	-	-
Regulatory affairs	-	-	-	-	-
Community development	-	-	-	-	-
Redevelopment	-	-	-	-	-
Debt service:					
Principal	-	-	-	-	-
Interest on long term debt	-	-	-	-	-
Other Claims	-	-	-	-	-
Total Expenditures:	147,425	-	40,041	-	-
Excess (deficiency) of revenues over (under) expenditures	(41,031)	-	(35,330)	43,239	-
Other financing sources (uses)					
Carry forwards	-	-	-	-	-
Bond Proceeds	-	-	-	-	-
Transferred to (from) other funds	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-
Excess of revenues and other sources over (under) expenditures and other uses	(41,031)	-	(35,330)	43,239	-
Fund balances at beginning of year	154,870	(11,938)	95,546	18,622	8,533
Fund balance at end of year	\$ 113,839	\$ (11,938)	\$ 60,216	\$ 61,861	\$ 8,533

CITY OF EAST ST. LOUIS, ILLINOIS
SPECIAL REVENUE-NON-MAJOR FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
Period Ended December 31, 2007

	State Drug Forfeiture	Juvenile Offenders	ESDA Grant	OTHER	Total Non-Major Funds
Revenues:					
Property taxes	\$ 65,100	\$ -	\$ -	\$ -	\$ 392,953
Riverboat gaming revenue	-	-	-	-	-
Franchise & utility taxes	-	-	-	-	-
State income taxes	-	-	-	-	-
State sales & use taxes	-	-	-	-	-
Home rule taxes	-	-	-	-	-
Replacement tax	-	-	-	-	-
Licenses, fines, fees & permits	-	-	-	-	7,235
Other taxes	-	-	-	-	20,874
Governmental grants & reimbursements	-	24,147	11,435	14,399	2,515,140
Local motor fuel taxes	-	-	-	-	-
Investment income	81	-	-	5,629	69,603
Other	-	147	-	5,215	90,436
Total revenues	65,180	24,294	11,435	25,242	3,096,241
Expenditures:					
Current:					
Administration	-	-	-	-	1,054,788
Police	58,576	13,569	-	-	473,262
Fire	-	-	-	5,086	65,349
Other Public Safety	-	-	11,435	-	39,632
Public works	-	-	-	-	-
Regulatory affairs	-	-	-	-	-
Community development	-	-	-	-	2,214,836
Redevelopment	-	-	-	-	-
Debt service:					
Principal	-	-	-	-	200,000
Interest on long term debt	-	-	-	-	-
Other Claims	-	-	-	-	100,945
Total Expenditures:	58,576	13,569	11,435	5,086	4,148,813
Excess (deficiency) of revenues over (under) expenditures	6,604	10,725	-	20,156	(1,052,572)
Other financing sources (uses)					
Carry forwards	-	-	-	-	-
Bond Proceeds	-	-	-	-	-
Transferred to (from) other funds	-	-	-	-	1,129,011
Total other financing sources (uses)	-	-	-	-	1,129,011
Excess of revenues and other sources over (under) expenditures and other uses	6,604	10,725	-	20,156	76,439
Fund balances at beginning of year	64,842	119	(8,881)	49,801	1,425,665
Fund balance at end of year	\$ 71,446	\$ 10,845	\$ (8,881)	\$ 69,957	\$ 1,502,104

PAGE LEFT BLANK INTENTIONALLY

SCHEDULE OF CASH/CASH EQUIVALENTS AND INVESTMENTS

PAGE LEFT BLANK INTENTIONALLY

City of East St. Louis, Illinois
Schedule of Cash/Cash Equivalents and Investments
December 31, 2007

	Cash	CD/Repos Trustees	Maturity Date	Obligated Funds(5)	Unobligated Cash	Unobligated Investments
ACCOUNT:						
General Revenue Fund:						
General Revenue:1ST IL GF DISB	\$ -	\$ -	Demand	-	\$ -	\$ -
General Revenue:Associated	19,458		Demand		19,458	
UP - PAYROLL ACCT	(9,131)	-	Demand		(9,131)	
CASH-FIRE DEPT IMPREST	1,118		Demand		1,118	-
CASH-RESTOR. OF VEH & EQU	14,000	412,913	Demand	426,913	-	
1ST IL BK-GEN REV#520701	3,630,046		Demand	3,440,566	189,480	
Int Srv Fund	4,441		Demand	4,441	-	
Police Petty Cash	1,500		Demand	1,500	-	
Public works Imprest-UP	637		Demand	637	-	
Investments-Certificate of Deposits		2,920,745	CD			2,920,745
REGIONS BANK		187,498	Trust	-	187,498	
MORGAN STANLEY- GF CLAIMS	2		Trust	-	2	
JP MORGAN TRUST ACCT		211,360	Trust	211,360		
JPM - SER2005 COST OF ISSUA		1,817	Demand	1,817		
JPM - INTEREST		104,014	Trust	104,014		
JPM-SERIES 2005 PRICIPAL		53,693	Demand	53,693		
JPM - PRINCIPAL		302,105	CD	302,105		
JPM - SER 2005 PRICIPAL		152,739	Trust	152,739		
JPM - DEBT RESTRUCT	-		Trust			
JPM - DEBT SVC RESERVE		2,002,778	Trust	2,002,778		
JPM - EXPENSE FUND	40,346		Demand	40,346	-	
Total General Revenue Fund	3,702,416	6,349,662		6,742,910	388,424	2,920,745
Total Unobligated Funds General Fund						3,309,169
Special Reveue Fund(1):						
Tax Increment Financing						
TIF CLEARING - ASSOCIATED BANK	10,765		Demand	-	10,765	-
BK OF NY-TIF #372768		498,270	Demand		-	498,270
BK OF NY - CASINO QUEEN		1,711,873	Trust	1,711,873		-
ASSOCIATED BANK CD		7,905,278	CD			7,905,278
Investments-Certificate of Deposits		225,301	CD			225,301
TIF 1 ASSOOCIATED	14,580		Demand	377,168	(362,587)	
TIF 2 - ASSOCIATED BANK	338,840		Demand	67,182	271,658	
TIF 3A - ASSOCIATED BANK	942,888	-	Demand	510,325	432,563	-
Associate Wealth Management		137,883	CD		-	137,883
TIF 3B - ASSOCIATED BANK	253,543		Demand	129,584	123,959	
TIF 3E - ASSOCIATED BANK	314,503		Demand	14,069	300,434	
TIF 3C - ASSOCIATED BANK	346,243		Demand	117,268	228,975	
TIF CLEARING - ASSOCIATED BANK	81,308		Demand	81,308	-	
1st Illinois	(10,765)		Demand		(10,765)	
TIF 3D - ASSOCIATED BANK		109,481	Demand	837	-	108,644
Total Tax Increment Financing	2,291,905	10,588,086		3,009,613	995,002	8,875,376
Total Unobligated Funds TIF						9,870,378
Motor Fuel Tax						
REGIONS BANK CD	\$ -	\$ 503,703	Trust	503,703	\$ -	\$ -

See Accompanying Notes to Financial Statements

City of East St. Louis, Illinois
Schedule of Cash/Cash Equivalents and Investments
December 31, 2007

ACCOUNT:		Cash	CD/Repos Trustees	Maturity Date	Obligated Funds(5)	Unobligated Cash	Unobligated Investments
Motor Fuel Tax(Cont.)							
MFT ILLINOIS FUND	2	\$ -	\$ 635,869	Trust	\$ 635,869		\$ -
MORGAN KEEGAN TRUST	2		1,000,000	Trust	1,000,000		
MFT-REGIONS BANK	2	50,000	648,536	sweep	698,536	-	-
Total Motor Fuel		<u>50,000</u>	<u>2,788,108</u>		<u>2,838,108</u>	<u>-</u>	<u>-</u>
Other							
ASSOCIATED BANK CD	1		105,518	CD	-	-	105,518
1ST IL SPEC REV #521501	1	267,106		Demand	267,106	-	
Investments-Certificate of Deposits	1		226,779	Demand	226,779	-	
BONY Flexicash	1		1	CD			1
1ST IL INSURANCE CLAIMS	1	160,404		Demand	160,404		
1ST IL WORKMAN'S COMP	1	39,312		CD	39,312		-
US BK - AUTO LIABILITY	1	117,287		CD	117,287	-	
US BANK AUTO LIABILITY 2	1	76		Demand	76		
Total Other		<u>584,185</u>	<u>332,297</u>		<u>810,964</u>	<u>-</u>	<u>105,519</u>
Total Special Revenue Fund		<u>2,926,090</u>	<u>13,708,491</u>		<u>6,658,685</u>	<u>995,002</u>	<u>8,980,895</u>
Total Unobligated Funds Special Revenue							<u>9,975,896</u>
Enterprise Fund:							
EAGLE BANK - SEWER ACCT		33,009		Demand	1,285	31,724	
BK OF NY - PFIZER		435,709		Demand	-	435,709	
Total Enterprise Fund		<u>468,718</u>	<u>-</u>		<u>1,285</u>	<u>467,433</u>	<u>-</u>
Total Unobligated Funds Enterprise							<u>467,433</u>
Federal Grant Funds							
Investments & Certs			104,728	CD		-	104,728
1ST IL Bank - Gen Rev# 1520701	2		-	Demand		2	
FED & STATE GRANT SP REV		3,411		Demand		3,411	
UNION PLT-CK #1210082074		56,951		Demand	93,043	(36,092)	
ASSOCIATED-HOME#550033504		26,430		Demand	-	26,430	
UNION PLT. ESG #20360917		387		Demand	9,177	(8,789)	
1ST IL -EC FED #602301NK		71,648		Demand	2,787	68,861	
1ST BK FED DRUG FUND		128,820		Demand	128,820	-	
JUSTICE ASSISTANCE GRANT		76,761		Trust	76,761	-	
Total Fedederal Grant Fund		<u>364,410</u>	<u>104,728</u>		<u>310,588</u>	<u>53,822</u>	<u>104,728</u>
Total Unobligated Funds Federal Grants							<u>158,549</u>
State Grant Funds (1)							
ENTERPRISE COMM-RIVERCITI		3,718		Demand		3,718	
State Drug Forfeiture		26,805		Demand	26,805	-	
1ST BK- POLICE DELTA		49,202		Demand	49,202	-	
1ST IL- JUVENILE ACCT		38,649		Demand	38,649	-	
Total State Grant Fund		<u>118,375</u>	<u>-</u>		<u>114,656</u>	<u>3,718</u>	<u>-</u>
Total Unobligated Funds							<u>3,718</u>
TOTAL-ALL FUNDS		<u>7,580,009</u>	<u>20,162,881</u>		<u>13,828,124</u>	<u>1,908,399</u>	<u>12,006,367</u>

- (1) Amounts are held for the specific use of the applicable fund.
- (2) Cash and repurchase agreements should be combined to reflect actual cash.
- (3) Cash accounts pay disbursement for Urban High Crime and ESDA Federal.
- (4) Cash accounts pay disbursement for ESDA, IMRF and Tort Liability.
- (5) Obligated funds consists of Restricted bank accounts, accounts payable, and accrued expenses.

Note: This schedule is a requirement of the East St. Louis Financial Advisory Authority.

PAGE LEFT BLANK INTENTIONALLY

PAGE LEFT BLANK INTENTIONALLY

CITY OF EAST ST. LOUIS, ILLINOIS
TAX INCREMENT FINANCING DISTRICTS
FINANCIAL STATEMENTS
DECEMBER 31, 2007

PAGE LEFT BLANK INTENTIONALLY

Charles Buchanan CPA, P.C.
Certified Public Accountant
8733 Riverview, Suite 1
St. Louis, MO 63147
(314)-869-2720 (Ofc)/(866)-834-4294 (Fax)
□ HYPERLINK "mailto:charlesbuchanan8@aol.com"
□ charlesbuchanan8@aol.com □

CITY OF EAST ST. LOUIS, ILLINOIS
TAX INCREMENT FINANCING DISTRICTS
FINANCIAL STATEMENT
DECEMBER 31, 2007

TABLE OF CONTENTS

	<u>PAGE</u>
INDEPENDENT AUDITOR'S REPORT	104-105
FINANCIAL STATEMENTS:	
COMBINING BALANCE SHEETS TAX INCREMENT FINANCING DISTRICTS	106-107
COMBINING STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – TAX INCREMENT FINANCING DISTRICTS	108-109
NOTES TO FINANCIAL STATEMENTS	110-112
REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENTAL AUDIT STANDARDS	113-114
INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH STATE OF ILLINOIS	115

PAGE LEFT BLANK INTENTIONALLY

Charles Buchanan CPA, P.C.
Certified Public Accountants
8733 Riverview, Suite 1
St. Louis, MO 63147
(314) 869-2720 (Ofc)/(314) 869-5955(Fax)
Charlesbuchanan8@aol.com

INDEPENDENT AUDITOR'S REPORT

To the Mayor, City Council, and City Manager of
The City of East St. Louis, Illinois

We have audited the accompanying financial statements of the **City of East St. Louis, Illinois Tax Increment Financing Districts**, as of and for the year ended December 31, 2007, as listed in the table of contents. These financial statements are the responsibility of the City's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in ***Governmental 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 consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes assessing, on a test basis, evidence supporting the amounts and disclosures in the financial statements, 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.

As discussed in Note 2, the financial statements present only the Tax Increment Financing Districts and are not intended to present fairly the financial position and results of operations of the City of East St. Louis, Illinois, in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the City's Tax Increment Financing Districts as of December 31, 2007, and the results of its operation for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 30, 2008 on our consideration of the City's Tax Increment District's internal control structure over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal controls 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.

This report is intended solely for the information and use of the City of East St. Louis Illinois' management and the State of Illinois and is not intended to be and should not be used by anyone other than these specified parties.

Charles Buchanan, CPA, P.C.

ST. LOUIS, MISSOURI

August 29, 2008

FINANCIAL STATEMENTS

CITY OF EAST ST. LOUIS, ILLINOIS
SPECIAL REVENUE FUNDS - TAX INCREMENT FINANCING FUNDS
COMBINING BALANCE SHEET
12/31/2007

	Tax Incremental Financing District 1 Fund	Tax Incremental Financing District 2 Fund	Tax Incremental Financing District 3A Fund	Tax Incremental Financing District 3B Fund
ASSETS				
Cash and cash equivalents	\$ 5,704,927	\$ 339,752	\$ 2,584,904	\$ 487,961
Short-term Investments	-	-	-	-
Accounts/other receivable, net	-	-	-	-
Receivable State of Illinois	-	-	-	-
Property taxes receivable	4,070	-	2,321	474
Utility and franchise taxes receivable	-	-	-	-
Other taxes receivable	-	-	-	-
Motor fuel tax receivable	-	-	-	-
Government grants	-	-	-	-
Other receivables	8,319	215	3,373	388
Due from other funds	-	-	1,111,285	82,917
Restricted Cash and long-term investme	1,711,873	-	-	-
Notes receivable	422,767	95,829	152,267	99,060
Total Assets	7,851,957	435,796	3,854,150	670,799
LIABILITIES AND FUND BALANCES				
Accounts payable	398,797	68,102	525,052	133,726
Accrued payroll	7,820	522	4,813	1,546
Deferred Revenue	-	-	-	-
Due to other funds	913,800	580,767	-	-
Total Liabilities	1,320,418	649,391	529,865	135,272
Fund balances:				
Reserved for project completion	-	-	-	-
Reserved for debt service	1,711,873	-	-	-
Reserved for Notes Receivables	422,767	95,829	152,267	99,060
Reserved for self insurance costs	-	-	-	-
Unreserved fund balance	4,396,899	(309,424)	3,172,019	436,467
Total fund balances	6,531,540	(213,595)	3,324,286	535,527
Total Liabilities				
and Fund Balances	\$ 7,851,957	\$ 435,796	\$ 3,854,150	\$ 670,799

Tax Incremental Financing District 3C Fund	Tax Incremental Financing District 3D Fund	Tax Incremental Financing District 3E Fund	Total Tax Incremental Financing District Funds
\$ 1,268,085	\$ 241,030	\$ 541,459	\$ 11,168,118
-	-	-	-
-	-	-	-
-	-	-	-
590	346	65	7,866
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
1,918	-	-	14,213
-	-	9,154	1,203,356
-	-	-	1,711,873
-	-	-	769,923
<u>1,270,594</u>	<u>241,375</u>	<u>550,677</u>	<u>14,875,350</u>
120,029	1297	15,450	1,262,453
1,372	174	348	16,595
-	-	-	-
58,575	6,031	-	1,559,174
<u>179,977</u>	<u>7,501</u>	<u>15,798</u>	<u>2,838,222</u>
-	-	-	-
-	-	-	1,711,873
-	-	-	769,923
-	-	-	-
1,090,617	233,874	534,880	9,555,332
<u>1,090,617</u>	<u>233,874</u>	<u>534,880</u>	<u>12,037,128</u>
\$ <u>1,270,594</u>	\$ <u>241,375</u>	\$ <u>550,678</u>	\$ <u>14,875,350</u>

CITY OF EAST ST. LOUIS, ILLINOIS
SPECIAL REVENUE FUNDS - TAX INCREMENT FINANCING FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
Period Ended December 31, 2007

	Tax Incremental Financing District 1 Fund	Tax Incremental Financing District 2 Fund	Tax Incremental Financing District 3A Fund	Tax Incremental Financing District 3B Fund
Revenues:				
Property taxes	\$ 5,433,821	\$ 287,264	\$ 3,097,977	\$ 632,759
Riverboat gaming revenue	-	-	-	-
Franchise & utility taxes	280	-	-	-
State income taxes	-	-	-	-
State sales & use taxes	562	-	-	-
Home rule taxes	-	-	-	-
Replacement tax	-	-	-	-
Licences, fines, fees & permits	-	-	-	-
Other taxes	-	-	-	-
Governmental grants & reimbursements	-	-	-	-
Local motor fuel taxes	-	-	-	-
Investment income	301,140	8,603	131,538	30,293
Other	7,528	5,066	1,843	1,453
Total revenues	<u>5,743,332</u>	<u>300,933</u>	<u>3,231,358</u>	<u>664,505</u>
Expenditures:				
Current:				
Administration	565,758	25,596	300,934	94,318
Police				
Fire				
Other public safety				
Public works				
Regulatory affairs	-	-	-	-
Community development	-	-	-	-
Redevelopment	2,807,984	167,629	2,874,310	987,981
Debt service:				
Principal	940,000	-	-	-
Interest on long term debt	184,800	-	-	-
Other claims	-	-	-	-
Total expenditures	<u>4,498,542</u>	<u>193,226</u>	<u>3,175,244</u>	<u>1,082,298</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,244,790</u>	<u>107,707</u>	<u>56,114</u>	<u>(417,793)</u>
Other financing sources (uses):				
Proceeds from bond transactions	-	-	-	-
Transferred to (from) other funds	51,771	-	-	-
Total other financing sources (uses)	<u>51,771</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues and other sources over (under) expenditures and other uses	<u>1,296,561</u>	<u>107,707</u>	<u>56,114</u>	<u>(417,793)</u>
Fund balance at beginning of year	<u>5,234,979</u>	<u>(321,302)</u>	<u>3,268,172</u>	<u>953,320</u>
Fund balance at end of year	<u>\$ 6,531,540</u>	<u>\$ (213,595)</u>	<u>\$ 3,324,286</u>	<u>\$ 535,527</u>

Tax Incremental Financing District 3C Fund	Tax Incremental Financing District 3D Fund	Tax Incremental Financing District 3E Fund	Total Tax Incremental Financing District Funds
\$ 787,461	\$ 40,243	\$ 86,620	\$ 10,366,145
-	-	-	-
-	-	-	280
-	-	-	-
-	-	-	562
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
46,568	9,627	22,413	550,182
-	-	376	16,266
834,029	49,870	109,409	10,933,436
91,905	10,130	23,780	1,112,421
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
599,911	4,430	58,321	7,500,566
-	-	-	-
-	-	-	940,000
-	-	-	184,800
-	-	-	-
691,816	14,560	82,101	9,737,787
142,213	35,310	27,308	1,195,649
-	-	-	-
-	-	-	51,771
-	-	-	51,771
142,213	35,310	27,308	1,247,419
948,404	198,564	507,572	10,789,709
-	-	-	-
\$ 1,090,617	\$ 233,874	\$ 534,880	\$ 12,037,128

PAGE LEFT BLANK INTENTIONALLY

CITY OF EAST ST. LOUIS, ILLINOIS
TAX INCREMENT FINANCING DISTRICTS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2007

NOTE 1 - GENERAL STATEMENT

The City of East St. Louis, Illinois (the "City") currently has seven TIF Districts established. These include TIF 1, TIF 2, TIF 3A, TIF 3B, TIF 3C, TIF 3D and TIF 3E. The City's oldest TIF District is TIF District 1, which was established in 1986. This TIF District is due to expire in 2028. TIF 2 was established in 1987 and is due to expire in 2010. TIF Districts 3A, 3B, 3C, 3D and 3E were established in 1991. These TIF Districts will expire by the end of 2013.

The Tax Increment Financing Act was enacted into law in Illinois in 1977 as a program to enable municipalities to target financial assistance to eliminate or prevent blighted conditions in developed areas, particularly established, or older sections of downtown areas.

Municipalities may establish three types of TIF programs relating either to property tax, utility tax, or sales tax revenues. Property tax TIF districts authorize the City to receive incremental tax revenues generated from the increase in assessed value of the property tax after private redevelopment has occurred. The amount of growth in property tax revenues, or increment, is to be set-aside in a City Special Revenue Fund to pay for redevelopment costs, including debt service, if applicable. By contracting with various businesses in the TIF district to make property improvements, which will then increase the assessed value of the property, the City is entitled to the resulting incremental increase in property tax revenues. Out of these incremental revenues, the City is to repay the businesses for the cost of the improvements. Once the improvements in the TIF districts are completed and all costs paid, any future increments revert back to the local taxing bodies.

All TIF districts established by the City are active and receive annual tax distribution of incremental property tax revenues from St. Clair County. TIF District 1 also receives incremental sale and utility tax revenues from the State of Illinois.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Presentation - The financial statements presented herein represent the combining financial statements of the Tax Increment Financing (TIF) Districts of the City as of and for the year ended December 31, 2007 and are not intended to present the financial position and results of operations of the City in conformity with U.S. generally accepted accounting principles.

Fund Accounting - The accounts of the City are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balances, revenues, and expenditures or expenses. Government resources are allocated to and accounted for in individual funds, based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

CITY OF EAST ST. LOUIS, ILLINOIS
TAX INCREMENT FINANCING DISTRICTS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2007

Basis of Accounting – The basis of accounting refers to when revenue and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made regardless of measurement focus.

The modified accrual basis of accounting is utilized by the City's TIF Districts. Under this method, revenues are recognized when they become both measurable and available for current expenditures. Expenditures are recognized when goods or services have been received and the related fund liability has been incurred except for principal and interest payments on debt. Expenditures for principal and interest payments on debt are recognized when due.

Deposits and Investments – The City considers all investment instruments purchased with a maturity of three months or less to be cash equivalents for financial statement purposes. For the purpose of assessing risks, all nonnegotiable certificates of deposits are considered cash equivalents. Cash equivalents are considered deposits.

At December 31, 2007, the carrying amount of the City's deposits (includes checking, savings, money market accounts) was \$12,879,991 and the bank balance was \$15,071,693. Of the bank balance \$2,151,976 was covered by federal depository insurance, the remaining \$12,919,716 was covered by collateral held by the pledging financial institution's trust department's agent in the City's name.

The carrying value of investment was \$1,711,873. All investments were insured or collateralized.

NOTE 3 – BONDS PAYABLE

Outstanding bonds payable for the Tax Increment Financing Districts are presented in the Government-Wide Financial Statements and, accordingly, are not reflected in the accompanying financial statements.

Casino Queen Revenue Bonds - \$8,711,290
(Series 1998A \$4,430,000; Series 1998B \$4,281,290)

In March 1999, the City issued conduit bonds through Southwestern Illinois Development Authority (SWIDA). The \$11,000,000 SWIDA Local Government Revenue Bonds are backed by taxes from the TIF 1 district. The proceeds of the SWIDA bonds were used to fund construction for the Casino Queen "Redevelopment Agreement". The bonds were issued in two series: \$8,000,000 Series 1998-A bonds, which were privately placed and \$3,000,000 Series 1998-B bonds, which are held by the owners of the Casino Queen.

The Series 1998-A bonds pay interest of 6% semi-annually on April 1 and October 1. The City has pledged 80% of its TIF 1 revenues and 80% of the Casino Queen sales tax increment for the next 10 years in order to fund the Casino Queen bonds.

CITY OF EAST ST. LOUIS, ILLINOIS
TAX INCREMENT FINANCING DISTRICTS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2007

NOTE 3 – BONDS PAYABLE B (CONTINUED)

Payment of the bond principal depends entirely on the TIF 1 funds collected minus previous committed TIF 1 revenues to be paid by the trustee. The Series 1998-B bonds will accrete interest at 5.50% until the Series 1998-A bonds are paid in full. To ensure the City complied with the covenants of the bond agreement, all TIF 1 revenues are forwarded directly from the County Treasurer to the bond trustee, who will fund escrow accounts to defray the bond costs (minus committed TIF 1 revenues) before forwarding the balance to the City. The Bond One trustee (holder of the state of Illinois pledged revenues) also forwards 80% of the sales tax increment for the Casino Queen to the Casino Queen Bond trustee.

The following is a summary of the Tax Increment Financing bond transactions of the City for the year ended December 31, 2007:

<u>Description and Purpose</u>	<u>Balance 1/1/2007</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance 12/31/2007</u>
SWIDA Casino Queen Bonds Series A 1998	3,550,000	-	790,000	2,610,000
SWIDA Casino Queen Bonds Series B 1998	4,519,998	252,018	-	4,772,016
TOTAL	\$8,069,998	\$ 252,018	\$790,000	\$7,382,016

PAGE LEFT BLANK INTENTIONALLY

Charles Buchanan CPA, P.C.
Certified Public Accountants
8733 Riverview, Suite 1
St. Louis, MO 63147
(314)-869-2720 (Ofc)/(314)-869-5955 (Fax)
charlesbuchanan8@aol.com

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*

To the Mayor, City Council, and City Manager of
The City of East St. Louis, Illinois

We have audited the accompanying financial statements of the **City of East St. Louis, Illinois (the City), Tax Increment Financing Districts**, as of and for the year ended December 31, 2007, and have issued our report thereon dated August 29, 2008. 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 control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with accounting principles generally accepted in the United States of America such that there is more than a remote likelihood that a misstatement of the City's financial statements that is more than inconsequential will not be prevented or detected by the City's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the City's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. We did not identify any deficiencies in internal control and 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 an immaterial instance of noncompliance or other matters that are required to be reported under ***Government Auditing Standards***, and is included in a separate letter in this report.

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

Charles Buchanan, CPA, PC

St. Louis, Missouri
August 29, 2008

Charles Buchanan CPA, P.C.
Certified Public Accountant
8733 Riverview, Suite 1
St. Louis, MO 63147
(314)-869-2720 (Ofc)/(866)-869-5955 (Fax)
charlesbuchanan8@aol.com

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH
STATE OF ILLINOIS PUBLIC ACT 85 – 1142**

To the Mayor, City Council, and City Manager of
The City of East St. Louis, Illinois

We have audited the basic financial statements of the City of East St. Louis, Illinois (the City) as of and for the year ended December 31, 2007 and have issued our report thereon dated August 31, 2008. The financial statements are the responsibility of the management of the City. Our responsibility is to express an opinion on the eligibility of expenditure for costs incurred incidental to the implementation of the redevelopment plan and redevelopment projects associated with the Redevelopment Tax Increment Financing (TIF) districts pursuant to subsection (q) of Section 11-74.4-3 of the Illinois Tax Increment Redevelopment Allocation Act.

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 statements presentation. We believe that our audit provides a reasonable basis for our opinion.

The management of City of East St. Louis, 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 State of Illinois Public Act 85-1142 An "Act In Relation To The Tax Increment Financing."

Because the City did not provide TIF agreements for Districts 3D and 3E, and did not categorize its TIF districts in the twelve expense categories as required, the City was not in compliance with multiple subsections of Section 11-74.4-3 of Public Act 85-1142.

Charles Buchanan, CPA, PC
ST. LOUIS, MISSOURI
August 29, 2008

**CITY OF EAST ST. LOUIS, ILLINOIS
TAX INCREMENT FINANCING DISTRICTS
SCHEDULE OF CURRENT YEAR FINDINGS
AND QUESTIONED COSTS
CONTROL FINDINGS AND RECOMMENDATIONS**

December 31, 2007

There following are audit finding(s) that the State of Illinois Public Act 85-1142 An "Act In Relation To The Tax Increment Financing." requires to be reported for an audit of TIF Districts.

Findings 2007-3: Failure to Comply with TIF Law – TIF Districts without Redevelopment Agreement (Repeat 2004-2007)

Condition: The City failed to provide TIF agreements for Districts 3D and 3E.

Finding 2007-4 – Inadequate Financial Reporting (Repeat 1998-2007)

The City does not categorize TIF expenditures according to the twelve TIF expense categories required by State statue.

**CITY OF EAST ST. LOUIS, ILLINOIS
TAX INCREMENT FINANCING DISTRICTS
SCHEDULE OF PRIOR YEAR FINDINGS
AND QUESTIONED COSTS
CONTROL FINDINGS AND RECOMMENDATIONS**

December 31, 2007

**Findings 2004-2: Failure to Comply with TIF Law – TIF Districts without
Redevelopment Agreement**

Action Taken:
Not Implemented

Finding 2004-3 – Inadequate Financial Reporting (Repeat 1998-2007)

Action Taken:
Partially Implemented. The City does not categorize TIF expenditures according to the twelve TIF expense categories required by State statute.

Finding 2004-5 – Inter TIF District Transfers

Action Taken:
Implemented

PAGE LEFT BLANK INTENTIONALLY

CITY OF EAST ST. LOUIS, ILLINOIS
COMPLIANCE AUDIT
(IN ACCORDANCE WITH THE SINGLE AUDIT
ACT OF 1996)
DECEMBER 31, 2007

Charles Buchanan CPA, P.C.
Certified Public Accountant
8733 Riverview, Suite 1
St. Louis, MO 63147
(314)-869-2720 (Ofc)/(314)-869-5955 (Fax)
charlesbuchanan8@aol.com

PAGE LEFT BLANK INTENTIONALLY

CITY OF EAST ST. LOUIS, ILLINOIS

COMPLIANCE AUDIT

DECEMBER 31, 2007

T A B L E O F C O N T E N T S

	P A G E
REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS	117-118
REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133	119-120
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	121
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	122
SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS	123
SCHEDULE OF CURRENT FINDINGS AND QUESTIONED COSTS	124
SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS AND CORRECTIVE ACTION PLAN	125 - 126

PAGE LEFT BLANK INTENTIONALLY

Charles Buchanan CPA, P.C.
Certified Public Accountants
8733 Riverview, Suite 1
St. Louis, MO 63147
(314)-869-2720 (Ofc)/(314)-869-5955 (Fax)
charlesbuchanan8@aol.com

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

To the Mayor, City Council, and City Manager of
The City of East St. Louis, Illinois

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of City of East St. Louis, Illinois, as of and for the year ended December 31, 2007, which collectively comprise the City of East St. Louis, Illinois's basic financial statements and have issued our report thereon dated August 29, 2008. Our opinion on the financial statements, insofar as it relates to the amounts included for The City of East St. Louis, Illinois Pension Trust Funds, a component unit, is based solely on the report of other auditors. 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.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with accounting principles generally accepted in the United States of

America such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be 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 instances of noncompliance or other matters that are required to be reported under **Government Auditing Standards** and that are identified as items 2007-1 and 2007-2.

The City's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the City's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the audit committee, the Mayor, City Council, City Manager, Financial Advisory Administration management, 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.

Charles Buchanan, CPA, PC

St. Louis, Missouri
August 29, 2008

Charles Buchanan CPA, P.C.
Certified Public Accountants
8733 Riverview, Suite 1
St. Louis, MO 63147
(314)-869-2720 (Ofc)/(314)-869-5955 (Fax)
charlesbuchanan8@aol.com

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR FEDERAL AWARD PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE
IN ACCORDANCE WITH OMB CIRCULAR A-133

To the Mayor, City Council, and City Manager of
The City of East St. Louis, Illinois

Compliance

We have audited the compliance of The City of East St. Louis, Illinois (the City), with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 2007. 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 of the City's compliance with those requirements.

As described in items 2007-1 and 2007-2, in the accompanying schedule of findings and questioned costs, the City did not comply with requirements regarding monitoring subrecipients that are applicable to its HOME grant; and requirements regarding reporting and allowable costs that are applicable to its Law Enforcement Grant Programs. Compliance with such requirements is necessary, in our opinion, for the City to comply with the requirements applicable to that program.

In our opinion, except for the noncompliance described in the preceding paragraph, the City complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2007.

Internal Control Over Compliance

The management of the City is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the City's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of

expressing our opinion on compliance, 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.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies or material weaknesses as defined below. We did not identify any deficiencies in internal control over compliance that we considered material weaknesses as defined below.

A *control deficiency* in the City's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the City's ability to administer a major federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the City's internal control. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2007-1 and 2007-2 to be significant deficiencies.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the City's internal control. We considered the deficiencies described in the accompanying schedule of findings and questioned costs as 2007-1 and 2007-2 to be material weaknesses.

The City's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the City's response and, accordingly, we express no opinion on it.

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of City of East St. Louis, Illinois, as of and for the year ended December 31, 2007, and have issued our report thereon dated August 31, 2008. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the City's, basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of the audit committee, the Mayor, City Council, City Manager, Financial Advisory Administration management, 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.

Charles Buchanan, CPA, PC
St. Louis, Missouri
August 29, 2008

CITY OF EAST ST. LOUIS, ILLINOIS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2007

<u>GRANTOR/PROGRAM TITLE</u>	<u>Federal CFDA Number</u>	<u>Pass-through Entity Identifying Number</u>	<u>Federal Expenditures</u>
U. S. Department of Housing and Urban Development			
Community Development Block Grants: Entitlement Programs	14.218		\$ 1,845,240 *
HOME Investment Partnerships Program	14.239		234,180
Emergency Shelter Program	14.231		68,971
Total U.S. Department of Housing and Urban Development			<u>2,148,391</u>
U. S. Department of Justice			
Pass-through from Illinois Criminal Justice Information Authority Special Programs for the Juvenile Accountability Incentive Block Grant	16.523	503032	13,569
Urban High Crime	16.528		137,151
Justice Assistance Grant	16.738		40,041
Shared Federally Forfeited Property Program	16.000		<u>147,425</u>
Total U.S. Department of Justice			<u>338,186</u>
U. S. Department of Health and Human Services:			
Pass-through from Illinois Dept. of Human Services Empowerment Zone/Enterprise Community Initiative	93.667	59947816735	33,797
Total U. S Department of Health and Human Services			<u>33,797</u>
U.S. Department of Homeland Security			
Pass-through program from Illinois Emergency Emergency Management Assistance	97-042	EMA-04-000077	<u>11,435</u>
Total U. S. Federal Emergency Management Agency			<u>11,435</u>
TOTAL FEDERAL FINANCIAL ASSISTANCE			<u><u>\$ 2,531,809</u></u>

* Tested as Major programs

CITY OF EAST ST. LOUIS, ILLINOIS

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

DECEMBER 31, 2007

NOTE – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the City of East St. Louis, Illinois, and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, "Audits of State, Local Governments, and Non-Profit Organizations". Therefore, some of the amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements.

Charles Buchanan CPA, P.C.
Certified Public Accountant
8733 Riverview, Suite 1
St. Louis, MO 63147
(314)-869-2720 (Ofc)/(314)-869-5955 (Fax)
charlesbuchanan8@aol.com

**THE CITY OF EAST ST. LOUIS, ILLINOIS
SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2007**

Financial statements

Type of auditor's report issued: Unqualified
Internal control over financial reporting:
Material weaknesses identified? ☐ Yes ☒ No
Reportable conditions identified that are considered
material weaknesses? ☐ Yes ☒ No
Noncompliance material to financial statements noted? ☒ Yes ☐ No

Federal Awards

Internal control over major programs:
Material weaknesses identified? ☒ Yes ☐ No
Reportable conditions identified that are considered
material weaknesses? ☒ Yes ☐ No
Type of auditor's report issued on compliance for major programs: Unqualified
Any audit findings disclosed that are required to be reported in
accordance with Section 510(a) of Circular A-133? ☒ Yes ☐ No
Identification of major programs:

CFDA Number

Program Title

14.218

Community Development Block Grant Entitlement Programs

Dollar threshold used to distinguish between type A and type B programs: \$300,000
Auditee qualified as low-risk auditee? ☐ Yes ☒ No

Section II – Financial Statement findings

There were no reportable financial statement findings.

CITY OF EAST ST. LOUIS, ILLINOIS
SCHEDULE OF CURRENT YEAR FINDINGS AND QUESTIONED COSTS
CONTROL FINDINGS AND RECOMMENDATIONS
December 31, 2007

Section III – Federal Award Findings and Questioned costs

Finding 2007-1: Inadequate Sub-Recipient Monitoring Procedures

US Department of Housing & Urban Development, Office of Community Planning and Development, HOME Investment Partnership Program – CFDA #14.239

Questioned Costs: \$849,642

Condition: A HUD-issued monitoring report of the HOME Investment Partnership Program dated February 8, 2008, determined that the City did not monitor its sub-recipients Alpha Plaza Development and Denverside Apartments. The City did not monitor the Development's records to determine whether the projects' tenants met the affordability requirements. The affordability restrictions refer to rent and occupancy testing, and recertification.

Criteria: The HOME assisted units must meet the affordability requirements for not less than the applicable period, beginning after project completion, and without regard to the term of loan or mortgage or transfer of ownership.

Effects: HUD-proposed recommendations to the findings are to recoup or disallow expenditures in the amount of \$200,000 for the Denverside project and \$649,642 for the Alpha Plaza project, or a total of \$849,642.

Recommendation: The City should monitor the Development's tenant's records to determine whether the owner has complied with HUD's regulations regarding affordability. To resolve the finding, the City should consider 1) purchasing the property, 2) secure a new owner who would take over the property and the affordability restrictions; or 3) repay the HOME account in the amount of \$849,642.

Finding 2007-2: Financial Reports issued to USDOJ Differed from The City's Financial Status Reports; Inadequate Personnel Time Records; Noncompliance with Special Conditions; Inadequate Documentation Supporting Certain Expenditures.

US Department of Justice, Office of Justice Programs, Urban High Crime Neighborhood Initiative, Project HAVEN – CFDA # 16.528; 2004-VF-GX-K003

Condition: Contract 2004-VF- GX-K003 – The City failed to adequately document, 1) time incurred on the project by certain personnel related to salaries for victim advocates (\$48,522), 2) contractual costs related to work on a website not in the approved budget (\$17,510); 3) contractual costs related to a continental breakfast (\$1,099). The City reported spending (\$270,950) on the FSR at 9/30/2007, when special condition 20 prohibited such spending until the City's 2004 audit report had been submitted to the federal audit clearinghouse. The City spent (\$376) in supplies and other costs related to a luncheon, books and a literature holder that appeared unrelated to the grant. Cumulative expenditures on the City's financial status report reported (\$10,582) more in expenditures than the City's financial statements.

Effect: DOJ's proposed recommendation is to recoup expenditures in the amount of \$349,039, however on February 2, 2009, DOJ cleared all but \$39.05 of this finding.

Recommendation: We recommend the City develop and implement procedures to ensure the financial status report agrees or is reconcilable to the City's financial statements; submit a written request to the Office for Victims of Crime to request approval of inadequately documented personnel time and contractual costs; request approval of all costs obligated and expended prior to the release of the special condition regarding the 2004 audit; provide adequate documentation and justification for expenditures relating to supplies, luncheons, books, literature and other operations costs.

Follow-UP: On February 2, 2009, DOJ cleared all but \$39.05 of this finding.

CITY OF EAST ST. LOUIS, ILLINOIS
SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
CONTROL FINDINGS AND RECOMMENDATIONS AND CORRECTIVE
ACTION PLAN
December 31, 2007

FINDING 2004-5: Inadequate Controls over Billings

ACTION TAKEN:
Implemented

FINDING 2004-11: Inadequate Sub-recipient Monitoring Procedures

U. S. Department of Housing and Urban Development
Office of Community Planning and Development
HOME Investment Partnerships Program- COFA #14.239
Questioned Costs: \$160,000

In May 2005, a financial fraud was discovered that appears to have resulted from a lack of internal controls over disbursements and inadequate sub-recipient monitoring procedures. The City discovered that approximately \$160,000 of HOME Investment Partnerships Program Funds was intentionally misdirected to a personal bank account. Approximately \$81,000 of this amount is estimated to have occurred in fiscal year 2004. This entire situation has been investigated by federal authorities and judicial action has been taken against the person that committed the fraud.

In our review of the supporting documents for HOME, we noted that the check copy on file is payable to a different payee in the canceled checks. We obtained the property file for the property address indicated in the supporting change order agreements for the checks and noted that the projects undertaken for the property and the dates in the supporting change order agreement were not the same on the project files. The files included a change order agreement signed in previous years.

We examined the supporting change orders and noted that the signature pages appear to be tampered. We compared the signature page on the "change order support" and the original change order signatures and noted that they are identical except that the dates were erased. In some instances you could easily note that some of the original marks were evident on the tampered signature page.

The restitution process has not been implemented. Reimbursement from non restricted reserves has not been implemented.

ACTION TAKEN:

The City has hired Charles Buchanan, CPA, PC, to prepare an Agreed-Upon Procedures Report of CDBG/HOME Embezzled Funds for the period January 1, 2002 through May 31, 2005. This report determined the amount, nature and extent of a certain misappropriation of federal funds perpetuated by a former contractor's employee between FY 2002 through FY 2005. This report provides a comprehensive explanation of how the

CITY OF EAST ST. LOUIS, ILLINOIS
SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
CONTROL FINDINGS AND RECOMMENDATIONS AND CORRECTIVE
ACTION PLAN
December 31, 2007

scheme occurred, why it was not prevented or detected earlier and the possibility of it occurring again and going undetected for an extended period of time.

CDBG has designated individuals to monitor sub recipient procedures. The individuals are responsible for ensuring the expenditure does not exceed the maximum percentage.

Finding 2005-1: Inadequate Timely Cooperation with Federal and State Agencies, and the Auditors

Implemented

U.S. Department of Housing and Urban Development

The City of East St. Louis respectfully submits the following corrective action plan for the year ended December 31, 2007.

Name and address of independent public accounting firm: Charles Buchanan CPA, P.C., 8733 Riverview, Suite 1, St. Louis, Missouri 63147.

Audit Period: January 1, 2007 – December 31, 2007

The findings from the schedule of findings and questioned costs are discussed above. The findings are numbered consistently with the numbers assigned in the schedule.

If the U.S. Department of Housing and Urban Development has questions regarding this plan, please call Johnny Campbell at 618-482-6664.

Sincerely yours,

Charles Buchanan
Charles Buchanan, CPA, PC
ST. LOUIS, MISSOURI
August 29, 2008

PAGE LEFT BLANK INTENTIONALLY

