CITY OF EAST ST. LOUIS, ILLINOIS

ANNUAL FINANCIAL REPORT

YEAR ENDED DECEMBER 31, 2009

CITY OF EAST ST. LOUIS, ILLINOIS

FOR THE YEAR ENDED DECEMBER 31, 2009

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Randle&Associates, LLC
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

City Council, Mayor, and City Manager
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, 2009, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of East St. Louis, Illinois' 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 represent 29.4%, 0.0%, 65.4%, and 18.5% 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 units, 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 examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, 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, 2009, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

70 Black Jack Ct. Florissant, MO 63033
Tel: (314) 731-8085 | Fax: (314) 741-0855 | Web: www.randlecpa.com

The accompanying financial statements have been prepared assuming that the City of East St. Louis, Illinois will continue as a going concern. As discussed in Note 17 to the financial statements, the City has experienced significant declines in its unrestricted net assets of its governmental activities and in its unreserved fund balance of its general fund. These declines combined with the subsequent events discussed in Note 18 to the financial statements, raise substantial doubt about its ability to continue as a going concern. Management's plans regarding those matters are also described in Note 17. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

In accordance with Government Auditing Standards, we have also issued our report dated July 15, 2010, 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 v through xiii and 53 through 83, respectively, are not a required part of the basic financial statements but are supplementary information required by the accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required 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 combining and individual nonmajor fund financial statements and schedules - additional supplemental information is presented for purposes of additional analysis and is not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements have been subjected to the auditing procedures applied by us in the audit of the basic financial statements taken as a whole and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Randle & Associates, LLC, CPAs

Florissant, Missouri
July 15, 2010

Management's Discussion and Analysis
(Unaudited)

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, 2009.

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, 2009, the City has been under the control of the Financial Advisory Authority for seventeen years.

Financial Highlights

- Governmental activities and business-type activities had net assets of $43,625,600 and $655,920 respectively, at fiscal year end. This represents a $759,848 (1.7%) and $42,817 (5.7%) increase, respectively, in nets assets for the period ending December 31, 2009.

- As of the close of the current fiscal year, the City of East St. Louis' governmental funds reported combined ending fund balances of $27,108,308, which was a decrease of $3,676,078 from the prior year.

- At the end of the current fiscal year, unreserved fund balance for the General Fund was $956; a decrease of 99% from the prior fiscal year. The City has additional reserved fund balances for insurance and pension cost of $750,000 and $2,181,000 respectively.

- The City of East St. Louis' total debt decreased $3,999,374 to $35,035,020 during the current fiscal year.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City of 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 finds, 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 6 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 9 through 11 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 52 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 53 through 64 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 65 through 81 of this report. The Schedule of Cash/Cash Equivalents and Investments can be found on pages 81 and 82.

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 $44 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 $39,590,905. Taxes represent 86.2% of the City's revenue; grants represent 10.7%; charges for services represent 2.4%; interest and investment income represent .3%; and other miscellaneous revenue represents .4% of total revenue.

The total cost of all programs and services was $38,831,057, a 23% decrease from 2008. The decrease is mainly attributable to the 2008 bond issuance and expenses of $16,671,385; these expenses were not repeated in 2009. Excluding the bond expenses the increase in program costs and services would have been $4,815,635 or a 14% increase from 2008 expenses. 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 $759,848. The current year depreciation expense was $2,662,889.

Business-type activities

Business-type activities increased the City's net assets by $42,817. The current year depreciation expense was $11,546.

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 2009, the unreserved fund balance of the General Fund was $956 while the total fund balance was $5,373,937. 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 0% of total General Fund expenditures of $22,228,636 while total fund balance represents 24.2% of total General Fund operating expenditures.

In fiscal year 2009 the City paid from the General Fund $1,590,000 and $421,650 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 decreased by $1,588,962 (7.4%) in fiscal year 2009. Furthermore, expenditures from the General Fund increased by $311,254 (1.4%) from fiscal year 2008 expenditures. This resulted in a $2,432,458 (31.2%) decrease 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 TIF fund decreased by $39,298 (.2%) from the prior year's fund balance. The TIF reserves for debt service decrease $2,880,181 to $6,839,864 (36.6% of fund balance) compared to $9,720,045 (51.8% of fund balance) in 2008.
- The fund balance for the Motor Fuel Tax fund decreased in 2009 by $228,272. Revenues in this fund decreased by $291,885 (10.7%) from 2008. Investment income in this fund decreased by $34,787 (89%). This fund is funded by the State of Illinois Motor Fuel taxes. Projects from this fund are approved by the Illinois Department of Transportation prior to the commencement of the project. Funds in this account are specifically for the use of road projects within the City.

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 down by $27,038 or 12.3%. Operating expenses were also down by $234,211 or 61.3% over 2008 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 $126,818,680 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 $907,084. There were no new assets added to the $9,845,121 of Enterprise investment in assets.

Capital Assets, Net of Accumulated Depreciation
December 31, 2009

	Governmental Activities	Business-Type Activities	Total
Land	$ 4,362,976	$ -	$ 4,362,976
Construction in Progress	11,557,562	7,126	11,564,688
Buildings	3,602,198	6,143	3,608,341
Improvements	1,361,237	-	1,361,237
Vehicles and Machinery	2,029,050	7,614	2,036,664
Other Furnishings	154,251	-	154,251
Infrastructure	26,659,914	349,080	27,008,994
Total Net Capital Assets	$ 49,727,188	$ 369,963	$ 50,097,151

LONG-TERM DEBT AND OTHER NON-CURRENT OBLIGATIONS

At the end of December 2009, the City had outstanding long-term debt obligations for governmental activities in the amount of $36,237,606 compared to $39,716,980 at the end of 2008. All of the bonds are general obligation bonds or revenue bonds. The River Resources Mortgage is actuality a non-interest bearing settlement. The compensated absences balance of $1,247,606 is considered to be non-current obligations of the City respectively.

Illinois Development Finance Authority Debt	8,645,000	-	1,590,000	7,055,000
Casino Queen Bonds 2008	26,065,000	-	2,040,000	24,025,000
Casino Queen Bonds Series A	2,610,000	-	-	2,610,000
SWIDA Loan	-	277,414	-	277,414
River Resources Mortgage	1,000,000	-	200,000	800,000
Compensated Absence	1,396,980	-	149,374	1,247,606
Total	39,716,980	277,414	3,979,374	36,015,020

The City of East St. Louis' total bonded debt decreased by $3,979,374 (10.0%) during 2009.

Economic Factors and Subsequent Events

1. The population estimate for the City of East St. Louis was 27,500 in 2009, as compared to 28,773 and 28,996 in 2008 and 2007, respectively. The City population is comprised of 57% female and 43% male population. The latest estimate of the median age of residents is 33 years old; median household income was $25,293 in East St. Louis while the median household income statewide was $54,124; estimated median prices of housing units in 2009 was $60,095, while median prices statewide was $208,800.

2. The Illinois Department of Employment Security estimated the City of East St. Louis labor force for 2009 had a 18.3% unemployment rate.

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 618-482-1808.

BASIC FINANCIAL STATEMENTS

CITY OF EAST ST. LOUIS
STATEMENT OF NET ASSETS
December 31, 2009

	Primary Government			Component Unit
	Governmental Activities	Business-type Activity	Total	East St. Louis Public Library
ASSETS				
Current Assets:				
Cash and cash equivalents	$ 18,978,885	$ 83,673	$ 19,062,558	$ 427,900
Investments	-	440,503	440,503	-
Accounts/other receivable, net				-
Receivable State of Illinois	2,300,421	-	2,300,421	28,009
Property taxes receivable	13,602,061	-	13,602,061	-
Utility and franchise taxes receivable	190,842	-	190,842	5,618
Motor fuel tax receivable	195,748	-	195,748	-
Government grants	622,445	-	622,445	-
Other receivables	256,416	14,049	270,465	-
Current portion of notes & loans receivable	-	-	-	-
Due from other funds	224,129	-	224,129	-
Total Current Assets	36,370,947	538,225	36,909,172	461,527
Noncurrent Assets:				
Restricted cash	9,281,845	-	9,281,845	-
Notes receivable	673,615	-	673,615	-
Deferred Charges Bond	1,593,253	-	1,593,253	-
Subtotal	11,548,713	-	11,548,713	-
	-	-	-	
Capital assets:				
Library books	-	-	-	109,813
Land and construction in progress	15,920,539	7,126	15,927,665	-
Buildings and improvements	9,691,046	10,900	9,701,946	3,727,233
Vehicles, equipment & machinery	6,614,755	42,584	6,657,339	219,092
Furniture & fixtures	1,375,494	-	1,375,494	188,184
Infrastructure	93,216,846	-	93,216,846	-
Sewers	-	9,784,511	9,784,511	-
Capital assets (cost)	126,818,680	9,845,121	136,663,801	4,244,322
Less accumulated depreciation	(77,091,492)	(9,475,158)	(86,566,650)	(1,308,646)
Net capital assets	49,727,188	369,963	50,097,151	2,935,676
Total Noncurrent Assets	61,275,901	369,963	61,645,864	2,935,676
Total assets	97,646,848	908,188	98,555,036	3,397,203
LIABILITIES				
Reserved for Pension Costs				
Current Liabilities:				
Accounts payable	5,815,052	6,425	5,821,477	1,690
Accrued payroll and related liabilities	489,997	1,241	491,238	7,732
Accrued interest	506,963	475	507,438	-
Deferred revenue	10,843,219	-	10,843,219	-
Due to other funds	-	224,127	224,127	-
Compensated absences	1,247,606	-	1,247,606	-
Loans and notes payable - current portion	5,450,000	20,000	5,470,000	-
Total Current Liabilities	24,352,837	252,268	24,605,105	9,422
Noncurrent liabilities:				
Deferred Credits	350,997	-	350,997	-
Loans and notes payable	29,317,414	-	29,317,414	-
	29,668,411	-	29,668,411	-
Total Noncurrent Liabilities	29,668,411	-	29,668,411	-
Total Liabilities	54,021,248	252,268	54,273,516	9,422
NET ASSETS				
Investments in capital assets, net of related debt	49,727,188	369,963	50,097,151	2,935,676
Restricted for:				
Employee benefits-Compensated absences	1,247,606	-	1,247,606	-
Insurance Reserves	774,510	-	774,510	
Pension Costs	2,181,000	-	2,181,000	
Debt service	9,281,845	-	9,281,845	-
Unrestricted (deficit)	(19,586,549)	285,957	(19,300,592)	452,105
Total net assets	$ 43,625,600	$ 655,920	$ 44,281,520	$ 3,387,781

See Accompanying Notes to Financial Statements

CITY OF EAST ST. LOUIS, ILLINOIS
STATEMENT OF ACTIVITIES
Period Ended December 31, 2009

Functions / Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Primary Government:				
Governmental activities:				
Elected Officials				
Treasurer & Clerk	$ 381,140	$ 485	$ -	-
Mayor & Council	306,292	113,540	179,674	
Election commission	392,674	-		
City administration	7,623,161	190,279	-	-
Police	8,245,833	248,631	763,075	-
Fire	5,687,993	28,425	-	-
Public Safety	275,356	-	-	-
Public works	3,652,054	25	-	-
Regulatory affairs	206,967	360,981	-	-
Community development	2,164,808	-	2,421,215	-
Redevelopment	7,666,291	-	-	-
Interest on long-term debt	2,228,488	-	-	-
Other Claims	-	-	-	-
Total Governmental activities	38,831,057	942,366	3,363,964	-
Business-Type activities:				
Sewer	150,919	192,657	-	-
Total Business-Type activities	150,919	192,657	-	-
Total primary government	38,981,976	1,135,023	3,363,964	-
Component Unit:				
East St. Louis Public Library	$ 517,424	$ 14,804	$ 4,800	-

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

Net assets - ending

CITY OF EAST ST. LOUIS, ILLINOIS
STATEMENT OF ACTIVITIES
Period Ended December 31, 2009

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
$ (380,655.00)	$ -	$ (380,655.00)	$ -
(13,078)		(13,078)	-
(392,674)		(392,674)	-
(7,432,882)	-	(7,432,882)	-
(7,234,127)	-	(7,234,127)	-
(5,659,568)	-	(5,659,568)	-
(275,356)	-	(275,356)	-
(3,652,029)	-	(3,652,029)	-
154,014	-	154,014	-
256,407	-	256,407	-
(7,666,291)	-	(7,666,291)	-
(2,228,488)	-	(2,228,488)	-
-		-	-
(34,524,727)		(34,524,727)	
-	41,738	41,738	-
-	41,738	41,738	-
(34,524,727)	41,738	(34,482,989)	-
$ -	$ -	$ -	$ (497,820)
15,161,597	-	15,161,597	56,757
9,615,537	-	9,615,537	-
2,009,760	-	2,009,760	-
2,330,876	-	2,330,876	-
1,253,668	-	1,253,668	-
893,694	-	893,694	-
1,975,768	-	1,975,768	251,970
805,340	-	805,340	-
890,061	-	890,061	-
77,986	-	77,986	107,458
-	-	-	-
123,800	1,079	124,879	676
146,488	-	146,488	1,400
35,284,575	1,079	35,285,654	418,261
759,848	42,817	802,665	(79,559)
-	-	-	-
42,865,752	613,103	43,478,855	3,467,340
$ 43,625,600	$ 655,920	$ 44,281,520	$ 3,387,781

CITY OF EAST ST. LOUIS, ILLINOIS
BALANCE SHEET
GOVERNMENT FUNDS
December 31, 2009

	General Fund	Special Revenue Funds: TIF Fund	Special Revenue Funds: MFT Fund
ASSETS			
Cash and cash equivalents	$ 3,799,688	$ 11,759,464	$ 2,425,050
Investments	-	-	-
Accounts/other receivable, net			
Receivable State of Illinois	1,998,982	-	-
Property taxes receivable	19,076	11,536,518	-
Utility and franchise taxes receivable	190,842	-	-
Other taxes receivable	-	-	-
Motor fuel tax receivable	55,447	-	140,301
Government grants	-	-	-
Other receivables	56,288	3,480	-
Due from other funds	1,014,741	1,211,752	-
Restricted cash	2,441,981	6,839,864	-
Notes receivable	-	620,940	-
Total Assets	9,577,045	31,972,018	2,565,351
LIABILITIES AND FUND BALANCES			
Accounts payable	3,238,003	1,185,870	269,689
Accrued payroll	398,563	24,703	-
Deferred revenue	61,570	10,525,000	-
Due to other funds	504,972	1,525,187	-
Total Liabilities	4,203,108	13,260,760	269,689
Fund balances:			
Reserved for project completion costs		-	-
Reserved for debt service	2,441,981	6,839,864	-
Reserved for notes receivables	-	620,940	-
Reserved for pension costs	2,181,000	-	-
Reserved for self insurance costs	750,000	-	-
Unreserved fund balance	956	11,250,454	2,295,662
Total fund balances	5,373,937	18,711,258	2,295,662
Total Liabilities and Fund Equity	$ 9,577,045	$ 31,972,018	$ 2,565,351

See Accompanying Notes to Financial Statements

Other Non-Major	Total Governmental Funds
$ 994,683	$ 18,978,885
-	-
-	-
420	1,999,402
277,655	11,833,249
-	190,842
-	-
-	195,748
622,445	622,445
196,648	256,416
1,089,871	3,316,364
-	9,281,845
52,675	673,615
3,234,397	47,348,811
1,121,490	5,815,052
66,731	489,997
256,649	10,843,219
1,062,076	3,092,235
2,506,946	20,240,503
-	-
-	9,281,845
52,675	673,615
-	2,181,000
24,510	774,510
650,266	14,197,338
727,451	27,108,308
$ 3,234,397	$ 47,348,811

See Accompanying Notes to Financial Statements

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City of East St. Louis, Illinois
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Period Ended December 31, 2009

	General Fund	Special Revenue Funds: TIF Fund	Special Revenue Funds: MFT Fund	Special Revenue Funds: Other Non-Major	Total Governmental Funds
Revenues:					
Property taxes	$ 191,924	$ 12,922,607	$ -	$ 278,254	$ 13,392,785
Riverboat gaming revenue	9,615,537	-	-	-	9,615,537
Franchise & utility taxes	2,009,760	-	-	-	2,009,760
State income taxes	2,029,857	-	-	-	2,029,857
State sales & use taxes	1,253,668	-	-	-	1,253,668
Home rule taxes	893,694	-	-	-	893,694
Replacement tax	1,975,768	-	-	-	1,975,768
Licences, fines, fees & permits	942,366	-	-	-	942,366
Other taxes	890,061	-	-	-	890,061
Governmental grants & reimbursements	77,984	-	-	3,363,966	3,441,950
Local motor fuel taxes	-	-	805,340	-	805,340
Investment income	11,507	103,418	4,574	4,301	123,800
Other	24,587	37,027	8,398	76,476	146,488
Total revenues	19,916,713	13,063,052	818,312	3,722,997	37,521,074
Expenditures:					
Current:					
Elected Officials: Clerk, Treasurer	381,497				381,497
Mayor & Council	306,292				306,292
Election commission	392,674				392,674
Administration	3,393,961	1,346,592	-	1,749,059	6,489,612
Police	7,566,869	-	-	597,414	8,164,283
Fire	5,970,524	-	-	73,200	6,043,724
Other public safety & library	223,960	-	-	51,396	275,356
Public works	1,778,909	-	1,018,343	-	2,797,252
Regulatory affairs	202,300	-	-	-	202,300
Community development	-	-	-	2,143,149	2,143,149
Redevelopment	-	7,984,488	-	-	7,984,488
Debt Service:					
Principal	1,590,000	2,040,000	-	200,000	3,830,000
Interest on long term debt	421,650	1,764,875	-	-	2,186,525
Other Claims	-	-	-	-	-
Total expenditures	22,228,636	13,135,955	1,018,343	4,814,218	41,197,152
Excess (deficiency) of revenues over (under) expenditures	(2,311,923)	(72,903)	(200,031)	(1,091,221)	(3,676,078)
Other financing sources (uses):					
Proceeds from bond transactions	-	-	-	-	-
Transferred to (from) other funds	(120,535)	33,605	(228,272)	315,202	-
Total other financing sources (uses)	(120,535)	33,605	(228,272)	315,202	-
Excess of revenues and other sources over (under) expenditures and other uses	(2,432,458)	(39,298)	(428,303)	(776,019)	(3,676,078)
Fund balance at beginning of year	7,806,395	18,750,556	2,723,965	1,503,470	30,784,386
Fund balance at end of year	$ 5,373,937	$ 18,711,258	$ 2,295,662	$ 727,451	$ 27,108,308

See Accompanying Notes to Financial Statements

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CITY OF EAST ST. LOUIS, ILLINOIS
RECONILIATION OF THE STATEMENT OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET ASSETS
December 31, 2009

Governmental Fund Balances - Balance Sheet		$ 27,108,308
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		126,818,680
Accumulated Depreciation		(77,091,492)
		49,727,188
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, 2009 are:		
Accrued compensated absences and vacation	(1,247,606)	
Accrued interest on outstanding debt	(506,963)	
Deferred bond changes	1,593,253	
Deferred credits	(350,997)	
Bonds, notes payable and lease obligations outstanding	(34,767,414)	(35,279,727)
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.		2,069,831
Total Net Assets of Governmental Activities		$ 43,625,600

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, 2009

Net change in fund balances - total governmental funds		$ (3,676,078)
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	1,467,564	
Accumulated Depreciation	(2,638,732)	
net capital outlays		(1,171,168)
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, wheras 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:		
Bond Proceeds	-	
Principal & Premium (net)	3,919,616	
Issuance costs & discount amortization	(298,989)	
Bond refunding	-	
Accrued interest on long term debt	44,676	3,665,303
Some revenues and expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governemental funds.		
Compenstated Absences	(128,040)	
Increase in revenues received beyond 60 days	2,069,831	
		1,941,791
		$ 759,848

CITY OF EAST ST. LOUIS, ILLINOIS
STATEMENT OF NET ASSETS
SEWER FUND
December 31, 2009

ASSETS

Current assets:	
Cash and cash equivalents	$ 83,673
Investments	440,503
Accounts/other receivable, net	14,049
Total current assets	538,225
Capital assets:	
Land and construction in progress	7,126
Buildings and improvements	10,900
Vehicles, equipment & machinery	42,584
Sewers	9,784,511
	9,845,121
Less accumulated depreciation	(9,475,158)
Net capital assets	369,963
Total assets	908,188

LIABILITIES

Current liabilities:	
Accounts payable	6,425
Accrued payroll	1,241
Due to other funds	224,127
Accrued interest payable	475
Bond payable	20,000
Total current liabilities	252,268
Noncurrent liabilities:	
Bonds payable	-
Total noncurrent liabilities	-
Total Liabilities	252,268
NET ASSETS	
Investment in capital assets, net of related debt	369,963
Unrestricted (deficit)	285,957
Net assets	$ 655,920

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, 2009

Operating revenue:		
Sewer charges	$	192,657
Total operating revenues		192,657
Operating expenses:		
Personnel services		44,501
Contractual services		-
Sewer operations		34,226
Sewer collections		57,700
Depreciation		11,546
Total operating expenses		147,973
Operating income (loss)		44,684
Nonoperating income (expenses)		
Interest income		1,079
Bank service fees		(1,521)
Sewer Bonds interest		(1,425)
Total nonoperating income (expenses)		(1,867)
Change in net assets		42,817
Net assets, beginning of year		613,103
Net assets, end of year	$	655,920

See Accompanying Notes to Financial Statements

CITY OF EAST ST. LOUIS, ILLINOIS
STATEMENT OF CASH FLOWS
SEWER FUND
Period Ended December 31, 2009

Cash flows from operating activities:		
Receipts from customers and users	$	196,882
Payments to suppliers		(53,123)
Payments to employees		(45,529)
Net cash provided (used) by operating activities		98,230
Cash flows from capital and related financing activities:		
Acquisition and construction of capital assets		-
Acquisition of investments		-
Principal paid on long-term debt		(20,000)
Interest paid on long-term debt		(1,900)
Net cash provided (used) by capital and related financial activities		(21,900)
Cash flows from investing activities:		-
Net Interest received		(227)
Net cash provided (used) by investing activities		(227)
Net increase (decrease) in cash and cash equivalents:		76,103
Cash and cash equivalents, beginning of year:		7,570
Cash and cash equivalents, end of year:		83,673
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating Income (Loss)		44,684
Adjustments to reconcile operating income (loss) to net cash provided by operating activities		
Depreciation expense		11,546
Increase in accounts receivable		4,225
Increase in due to other funds		133,493
Increase in accrued payroll		(1,028)
Increase in accounts payable		(94,690)
Net cash provided (used) by operating activities	$	98,230

See Accompanying Notes to Financial Statements

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CITY OF EAST ST. LOUIS, ILLINOIS
STATEMENT OF FIDUCIARY NET ASSETS -
PENSION TRUST FUNDS
December 31, 2009

	Firemen's Pension	Police Pension	Total
ASSETS			
CASH AND CASH EQUIVALENTS	$ 1,051,545	$ 425,044	$ 1,476,589
INVESTMENTS - AT FAIR VALUE			
U.S. Government and Agency Obligations	3,581,690	7,772,775	11,354,465
Deferred Annunity contracts	-	82,758	82,758
Mutual funds	846,784	2,329,962	3,176,746
Equity investments (common & preferred stock)	4,307,515	5,543,134	9,850,649
Variable annunity contract	32,628	-	32,628
	8,768,617	15,728,629	24,497,246
RECEIVABLES			
Accrued interest receivable	15,607	42,443	58,050
Employer Contribution	1,696,933	1,114,672	2,811,605
Replacement Taxes	39,311	36,855	76,166
Accounts receivable - other	16,296	8,875	25,171
	1,768,147	1,202,845	2,970,992
TOTAL ASSETS	11,588,309	17,356,518	28,944,827
LIABILITIES			
Accounts payable	-	-	-
Total liabilities	-	-	-
NET ASSETS AVAILABLE FOR BENEFITS			
Reserved for statutory requirements	11,588,309	17,356,518	28,944,827
Unreserved balance	-	-	-
TOTAL ASSETS AVAILABLE FOR BENEFITS	$ 11,588,309	$ 17,356,518	$ 28,944,827

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, 2009

	Firemen's Pension	Police Pension	Total
INVESTMENT INCOME:			
Gain (loss) on sale of securities	$ (120,227)	$ (489,663)	$ (609,890)
Net appreciation in fair value of investments	874,306	996,286	1,870,592
Interest and Dividend Income	210,345	412,931	623,276
	964,424	919,554	1,883,978
Less: Investment expenses	(91,147)	(70,144)	(161,291)
Total Investment income, net	873,277	849,410	1,722,687
Other Income	1,238	-	1,238
CONTRIBUTIONS:			
Employee Contributions	293,246	424,757	718,003
Employer Contributions:			
Property Taxes	364,469	293,697	658,166
Corporate Personal Property Replacement Taxes	316,123	296,365	612,488
City Contribution	1,696,933	1,114,672	2,811,605
Total contributions	2,670,771	2,129,491	4,800,262
Total additions	3,545,286	2,978,901	6,524,187
BENEFITS PAID DIRECTLY TO PARTICIPANTS			
Service and Disabiity	1,771,498	1,688,338	3,459,836
Dependents	814,481	627,742	1,442,223
Total benefits paid	2,585,979	2,316,080	4,902,059
OTHER DEDUCTIONS AND EXPENSES			
Refund of Contributions	42,421	19,632	62,053
Professional and Contractual Fees	26,383	32,992	59,375
Office Expenses	3,679	7,158	10,837
Seminar/Travel	8,588	7,461	16,049
Membership Fees and Dues	3,678	3,560	7,238
Other	3,060	2,161	5,221
Total other deductions and expenses	87,809	72,964	160,773
Total deductions	2,673,788	2,389,044	5,062,832
Net increase	871,498	589,857	1,461,355
NET ASSETS AVAILABLE FOR BENEFITS			
Beginning of year	10,716,811	16,766,661	27,483,472
End of year	$ 11,588,309	$ 17,356,518	$ 28,944,827

See Accompanying Notes to Financial Statements

NOTES TO FINANCIAL STATEMENTS

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).

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 or 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. The City Treasurer is an ex-official member of both the Fire and Police Pension Boards.

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.

There is a separately issued financial statement for the East St. Louis Public Library. The report can be obtained from the East St. Louis Library, 5330 State Street, East St. Louis, IL 62203.

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 has one business-type activity: the Sewer Fund. 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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus, Basis of Accounting, and Basis of Presentation (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:
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)
- Community Development Block Grant HRRP
- Community Development Block Grant -R
- Community Oriented Police (COPS)
- DCEO Summer Grant
- Enterprise Community Grant – federal grant
- Enterprise Community Grant – state grant
- Emergency Services Disaster Agency (ESDA) Grant
- Emergency Services Disaster Agency ESDA (property tax)
- Emergency Shelter Grant
- Federal Emergency Management Assistance (FEMA) Fire Grant
- HOME Programs Grant
- Federal Drug Forfeiture
- Urban High Crime
- State Farm Grant
- IMRF
- Debris Removal
- Housing Authority Grant
- School Resource Officer (District 189 Grant)
- Task Force Officer (District 189 Grant)
- Tort Liability
- Auto Theft
- 2% Fire Tax
- State Drug Forfeiture
- Justice Assistance Grant

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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, and the Common fields of Cahokia

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.

Prepaids

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

Capital Assets

Capital assets, which includes: 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:

	Years
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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 2009 property tax levy that will be collected in 2010.

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 and Receivables/Advances" 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.

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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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 in 2006. The 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.

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

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

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.

At December 31, 2009, the carrying amount of the City's deposits (includes checking, savings, money market accounts) was $28,784,901 and the bank balance was $28,991,448. Of the bank balance, $719,184 was covered by federal depository insurance, and the balance, $28,272,264, was covered by collateral held by the pledging financial institution's trust department's agent in the City's name. At the end of 2009 all deposits were collateralized or insured.

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 in deposits was $425,044 and $1,051,545, 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.

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, 2009.

Investments Not Categorized:

	Firemen's Pension Fund	Police Pension Plan
U.S. Government and Agency Obligations	$ 3,581,690	$ 7,772,775
Common and Preferred Stocks	4,307,515	5,543,134
Money Market Funds	-	-
Annuities and Mutual Funds	879,412	2,412,720
Total	$ 8,768,617	$15,728,629

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, the carrying amount of the Library's deposit was $427,900 and the bank balance was $431,126, 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, 2009 represents installments of the 2009 property taxes, which were received during 2010.

The amount of property tax receivable deferred at year-end represents the tax levied in the latter portion of 2009, for which an enforceable lien exists at year-end, but is levied for the 2010 budget and will be collected from taxpayers during 2010.

NOTE 4- RESTRICTED CASH - PRIMARY GOVERNMENT

In accordance with the appropriate bond ordinances, Cash held with trustees as of December 31, 2009:

	2009
IFDA Bonds 2003/2005	$ 2,441,980
Casino Queen Bond Trust	6,837,364
TOTAL	$ 9,279,344

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 the TIF 50/50 Rehabilitation Program.

MFT Fund – The reserve for certain maintenance, repair and construction of road and bridge 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 and Pension

The reserve for self-insurance costs represents funds set aside for self-insurance costs from the Insurance Claims Fund. The reserves for Pension are set aside for 2010 pension costs.

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 - $7,055,000
(2003 Series $4,660,000; and 2005 Series $2,395,000)

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 - $800,000

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.

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

General Obligation Bonds and Other Debt (Continued)

2009 Southwestern Illinois Development Authority (SWIDA) Loan - $277,414

On July 29, 2009, the City Council of East St. Louis entered into a $500,000 loan agreement with SWIDA to fund the predevelopment costs for the former Broadview Hotel at 411 East Broadway in East St. Louis. This agreement was signed by the Financial Advisory Authority on December 19, 2009. The City owns the old Broadview Hotel and has contracted with Cornerstone Realty of America, Inc. to do the predevelopment work. The total cost of the predevelopment of the Broadview Hotel is $750,000; the City is borrowing $500,000 from SWIDA to allow Cornerstone Realty of America, Inc. to satisfy the predevelopment scope of work.

The principal amount of the loan is $500,000. One draw on this loan was made in 2009; the outstanding loan balance at December 31, 2009 is $277,414. The City is required to pay the loan in two installments of $250,000 due by December 31 of years 2010 and 2011. Should the City pay within the prescribed time no interest shall accrue to the loan; should the City fail to timely repay the loan, then an interest rate of prime plus 2% shall apply to the entire remaining balance of the loan.

Casino Queen Revenue Bonds - $26,635,000
(Series 1998A $2,610,000; Series 2008A $24,025,000)

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.

In February 2008, the City issued $26,065,000 of 2008-A Casino Queen conduit bonds through SWIDA. These bonds were used to fund a new redevelopment agreement with the Casino Queen for reimbursable project costs associated with the 2005 Casino Queen project. The 2005 Casino Queen project was paid $15,750,000, the Casino Queen 1998B ($4,772,016) bonds were paid off; the remainder of the funds received from the bond issuance was used to pay issuance costs and fund the bond escrow accounts. The 1998A bonds were refinanced but will be paid in full on the original maturity date of April 1, 2010.

The 2008-A series bonds pay interest semi-annually on April 1 and October 1. The average coupon rate is 7.00%. The City has pledged 90% of the tax increment for

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

General Obligation Bonds and Other Debt (Continued)

certain parcels of land and 100% of the increment for other parcels of land associated with the Casino Queen project.

The City refunded the Casino Queen 1998-A and 1998-B bonds for $8,340,000 and issued an additional $17,725,000 in bonds to fund the development cost necessary for the new Casino Queen project.

The bond indenture for the Casino Queen 1998-A states that: ' the Series 1998-A Bonds shall not be subject to optional redemption prior to maturity;. The Series 1998-B series were subject to redemption after April 1, 2000. The 1998-B bonds could only be redeemed if the principal and interest on the 1998-A bonds were paid in full or the payment was fully provided for.

Therefore the 1998-A bonds were refunded, and the funds put into a trust account; the 1998-A bonds are still outstanding. The City experienced a $5,200,052 economic loss on the refunding of the series 1998-A and 1998-B 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. 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 Bank Of New York 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.

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

The annual requirements to amortize all debt outstanding as of December 31, 2009 totaling $50,341,839, including interest payments are as follows:

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%**		**5%**	
	IDFA Series 2005		IDFA Series 2003	
	Principal	Interest	Principal	Interest
2010	$ 555,000	$ 119,750	$ 1,095,000	$ 233,000
2011	585,000	92,000	1,135,000	178,250
2012	610,000	62,750	1,180,000	121,500
2013	645,000	32,250	1,250,000	62,500
2014	-	-	-	-
2015 & after	-	-	-	-
	$ 2,395,000	$ 306,750	$ 4,660,000	$ 595,250

Amount of issue	**$8,000,000**	
Date of issue	**March 11, 1998**	
	April 1 & October 1	
Date(s) interest payable	**October 1**	
Date(s) principal payable	**March 11, 1998**	
Interest rate(s)	**6%**	
	Casino Queen Tax Increment Financing Revenue bonds - Series 1998A	
	Principal	Interest
2010	2,610,000	78,300
	$ 2,610,000	$ 78,300

Amount of issue	**$26,065,000**	**$3,000,000**
Date of issue	**February 26, 2008**	**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)	**7.00%**	**No Interest**

	Casino Queen Tax Increment Financing Revenue bonds - Series 2008A		2009 SWIDA Loan & River Resources	
	Principal	Interest	Principal	Interest
Year payable				
2010	$ 740,000	$ 1,669,500	$ 450,000	$ -
2011	855,000	1,615,775	227,414	-
2012	975,000	1,553,825	200,000	-
2013	1,110,000	1,483,300	200,000	-
2014	1,265,000	1,402,975	-	-
2015-2019	8,960,000	5,407,850		
2020 -2024	10,120,000	1,460,900		-
	$ 24,025,000	$ 14,594,125	$ 1,077,414	$ -

Total Debt Service Requirements to Maturity

	Principal	Interest	Total
Year Payable			
2010	$ 5,450,000	$ 2,100,550	$ 7,550,550
2011	2,802,414	1,886,025	4,688,439
2012	2,965,000	1,738,075	4,703,075
2013	3,205,000	1,578,050	4,783,050
2014	1,265,000	1,402,975	2,667,975
2015-2019	8,960,000	5,407,850	14,367,850
2020-2023	10,120,000	1,460,900	11,580,900
	$ 34,767,414	$ 15,574,425	$ 50,341,839

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

Enterprise Fund Obligations

Revenue Notes Payable - $20,000

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)	**4.75%**

	Sewer Revenue Bonds	
	Principal	Interest
Year payable		
2010	$ 20,000	$ 1,446
	$ 20,000	$ 1,446

Compensated Absences - $1,247,606

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 $1,247,606 represents the City's estimate of termination benefits for unused sick and vacation time for all employees.

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 January 1, 2009	Additions	Reductions	Balance December 31, 2009
IDFA Bonds Series 2003	$ 5,720,000	$	$1,060,000	4,660,000
IDFA Bonds Series 2005	2,925,000		530,000	2,395,000
Casino Queen 2008-A	26,065,000	-	2,040,000	24,025,000
SWIDA Casino Queen Bonds Series A 1998	2,610,000	-	-	2,610,000
SWIDA Casino Queen Bonds Series B 1998	-	-	-	-
River Resources Mortgage	1,000,000	-	200,000	800,000
SUBTOTAL	**38,320,000**	-	**3,830,000**	**34,490,000**
Compensated absences	1,396,980	-	149,374	1,247,606
Total Debt Governmental Funds	**$ 39,716,980**	**$ -**	**$ 3,979,374**	**$ 35,737,606**

Business-Type Activities	Balance January 1, 2009	Additions	Reductions	Balance December 31, 2009
Sewer Revenue Bonds	$ 40,000	$ -	20,000	20,000

Primary Government	Current Portion	Long-Term Portion
IDFA Bonds Series 2003	$ 1,095,000	$ 3,565,000
IDFA Bonds Series 2005	555,000	1,840,000
SWIDA Casino Queen Bonds Series A 1998	2,610,000	-
SWIDA Casino Queen Bonds Series A 2008	740,000	23,285,000
River Resources Mortgage	200,000	600,000
Total Debt Governmental Funds	**$ 5,200000**	**$ 29,290,000**

Business-Type Activities	Current Portion	Long-Term Portion
Sewer Revenue Bonds	$ 20,000	$ -

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

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 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 IFDA; 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.

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. 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. As a result of refunding, the 2003 IDFA and 2005 IDFA bonds have an outstanding balance of $7,055,000 at December 31, 2009.

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, 2009:

	1/1/2009 Balance	Increases	Decreases	12/31/09 Balance
Government Activities:				
Non-Depreciable Assets:				
Land	$ 4,409,325		$ 46,349	$ 4,362,976
Construction/Infrastructure In Progress	16,144,463		4,586,901	11,557,562
Depreciable Assets:				
Buildings	8,096,132		-	8,096,132
Improvements	907,040	687,874	-	1,594,914
Vehicles and Machinery	7,197,646		582,891	6,614,755
Other Furnishings	880,361	495,133	-	1,375,494
Infrastructure	88,276,629	4,940,218	-	93,216,847
Totals	**125,911,596**	**6,123,225**	**5,216,141**	**126,818,680**
Less Accumulated Depreciation for:				
Buildings	(4,243,966)	(249,968)	-	(4,493,934)
Improvements	(51,452)	(182,225)	-	(233,677)
Vehicles and Machinery	(5,170,343)	-	584,637	(4,585,706)
Other Furnishings	(807,936)	(413,307)	-	(1,221,243)
Infrastructure	(64,739,544)	(1,817,388)	-	(66,556,932)
Total Accumulated Depreciation	**(75,013,241)**	**(2,662,888)**	**584,637**	**(77,091,492)**
Government Activities Capital Assets, net	**$ 50,898,355**	**$ 3,460,337**	**$ 4,631,504**	**$ 49,727,188**

NOTE 7 – CAPITAL ASSETS (CONTINUED)

	1/1/2009 Balance	Increases	Decreases	12/31/09 Balance
Business Type Activities:				
Non-Depreciable Assets:				
Construction/Infrastructure In Progress	$ 7,126	$ -	$ -	$ 7,126
Depreciable Assets:				
Buildings	10,900	-	-	10,900
Improvements	-	-	-	-
Vehicles and Machinery	42,584	-	-	42,584
Other Furnishings	-	-	-	-
Bridges/Roadways/Sidewalks	-	-	-	-
Sewer	9,784,511	-	-	9,784,511
Totals at Historical Cost	**9,845,121**	-	-	**9,845,121**
Less Accumulated Depreciation:				
Buildings	(4,070)	(687)	-	(4,757)
Improvements	-	-	-	-
Vehicles and Machinery	(34,010)	(960)	-	(34,970)
Other Furnishings	-	-	-	-
Bridges/Roadways/Sidewalks	-	-	-	-
Sewer	(9,425,532)	(9,899)	-	(9,435,431)
Total Accumulated Depreciation	**(9,463,612)**	**(11,546)**	-	**(9,475,158)**
Business-Type Activities capital assets, net	**$ 381,509**	**$ (11,546)**	**$ -**	**$ 369,963**

Depreciation was charged to the primary governmental activities as follows:

Community Services	$21,960
TIF	1,490,156
Police	208,844
Fire	77,400
Personnel	-
Treasurer	2,176
Finance	2,884
Public works	854,802
Regulatory affairs	4,667
Total	$ 2,662,889

NOTE 8 - RECEIVABLES

Accounts Receivable

Accounts receivables, loans and accrued interest receivable at December 31, 2009 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 & use 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 2009 totaled $15,108,300, of which $10,775,000 represented real estate taxes levied at the end of 2009, yet deferred for collection in 2010.

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 the interior and/or exterior of a 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, 2009 there are sixteen (16) participants having a total of $775,315 loans outstanding, $154,375 was set up as the allowance for doubtful accounts.

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 $26,890 in 2009.

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.

NOTE 9 – INTER-FUND TRANSACTIONS (CONTINUED)

Inter-Fund Receivables and Payables (Continued)

As of December 31, 2009, inter-fund receivables and payables resulting from various inter-fund transactions are as follows:

FUND	Due to Other Funds	Due From Other Funds
General Fund	$ 1,014,741	$ 504,972
Motor Fuel Tax Fund		
TIF Fund	1,211,753	1,525,186
Other Non-Major Funds	1,089,870	1,062,078
Enterprise Fund	-	224,128
TOTAL	**$ 3,316,364**	**$ 3,316,364**

Inter-fund Transfers

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

Transfer From	Transfer To	December 31, 2009
General Fund	Insurance Claims Fund	$ 500,000
Motor Fuel Tax Fund	General Fund	(228, 272)
Task Force Officers	General Fund	(204,000)
General Fund	TIF	33,605
General Fund	Auto Theft	15,838
General Fund	Juvenile Offender	3,364
	Total	$ 120,535

NOTE 10 - OTHER REQUIRED INDIVIDUAL FUND DISCLOSURES

(a) Expenses in excess of the final budget amount in individual funds are as follows:
At December 31, 2009 the following four (4) funds had actual expenses in excess of the final budget amount for that fund:

	Final Budget	Actual	Overage
TIF 1	$ 9,224,914	$ 27,129,338	$18,303,577
School Resource Officers	252,000	278,651	26,651
Juvenile Offenders	26,544	34,221	7,677
State Drug Forfeiture	65,000	86,134	21,134

(b) Deficit Fund Balances

At December 31, 2009, the following funds had deficit fund balances

Auto Theft	$	1,941
Enterprise Community State		8,405
2% Fire Tax		6,570
DCCA Mary Brown		77,917
Urban High Crime		53
TOTAL	$	94,886

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 $800,000 annually, based on claims history.

	Workers Compensation	Auto Liability	General Liability	Physical Damage
Fund Balance - December 31, 2008	$ 57,738	$ 203,347	$ 102,221	$ (20,954)
2009 Reserve Adjustment	351,748	74,886	50,009	100,000
Claims and Other Payments:	(795,641)	(56,704)	(225,323)	(4,876)
Fund Balance – December 31, 2009	$ (386,155)	$ 221,529	$ (73,093)	$ 74,170

	Police Professional Liability	Public Official Liability	Other Combined Liability	Total All Reserves
Fund Balance – December 31, 2008	$ 148,873	$ 195,014	$ 335,909	$ 1,022,148
2009Reserve Adjustment	50,000	50,000	(289,575)	387,068
Claims and Other Payments	(189,506)	(16,145)	-	(1,288,195)
Fund Balance - December 31, 2009	$ 9,367	$ 228,869	$ 46,334	$ 121,021

NOTE 12 - PENSION PLANS AND OTHER POSTEMPLOYMENT BENEFITS

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 $108,992. Property tax revenue and interest earnings were $220,054 and $415, respectively. During 2009, the City expended $213,000 on judgments and settlements from the Tort Liability Fund. The Tort Liability Fund balance as of December 31, 2009 was of $116,461.

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 administrator.

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

The IMRF also issues a publicly available financial report at www.irmf.org

Membership of each plan consisted of the following at the date of the latest actuarial valuation:

	IMRF	Police	Fire
Number of Participants:			
Current Membership (receiving benefits) And terminated entitles, not yet receiving	n/a	81	86
Current active members	109	70	58

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

Pension Plan Descriptions (Continued)

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. The City's contribution to IMRF is funded through a property tax levy. The City's contribution to the Police and Fire Pension funds are funded through a property tax levy, replacement taxes and the majority of the funding comes through the City's general fund. Benefits and refunds of the Police and Firemen's Pension Funds are recognized when due and payable in accordance with the Plans.

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

	Illinois Municipal Retirement Fund	Police Pension Fund of East St. Louis	Firemen's Pension Fund of East St. Louis
Contribution rates:			
City	1.05%	90.09%	90.545%
Plan members	4.50%	9.91%	9.455%
Annual pension cost:			
Annual required contribution	$ 39,515	$ 1,703,054	$ 2,375,733
Total annual pension cost	39,515	1,703,054	2,375,733
Contributions made	39,515	1,704,734	2,377,525
Actuarial valuation date	12/31/2009	12/31/2008	12/31/2008
Actuarial cost method	Entry age	Entry age	Entry age
Amortization method	Level percent Payroll	Level percent Payroll	Level percent Payroll
Remaining amortization period	23 years	24.4986 years	24.4986 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% (2)	5.50%	5.50%
*Includes inflation at	.40%to 10%	3.00%	3.00%
Post-retirement benefit increases	3.00%	3.00%	3.00%

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) Additional projected salary increases ranging from 0.4% to 10.0% depending on age and service, attributable to seniority/merit.

Annual Pension Cost

For fiscal year ending December 31, 2009, the employer's annual pension cost of $39,515 for the Regular plan was equal to the required and actual contribution.

Schedule of Funding Progress

ILLINOIS MUNICIPAL RETIREMENT FUND

Actuarial Valuation	Actuarial UAAL % 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 Date Payroll (b-a)/c
12/31/09	$10,977,167	$ 8,661,541	(2,315,626)	126.73%	$3,763,308	0.00%
12/31/08	10,691,905	8,698,488	(1,993,417)	122.92%	4,109,045	0.00%
12/31/07	14,931,667	8,984,037	(5,947,630)	166.20%	3,939,393	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%

On a market value basis, the actuarial value of assets as of December 31, 2009 is $10,591,431. On a market basis, the funded ratio would be 122.28%.

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

Pension Plan Descriptions (Continued)

FIREMEN'S PENSION FUND

Actuarial Valuation	Actuarial UAAL % 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 Date Payroll (b-a)/c
	(1)	(1)	(1)	(1)	(1)	(1)
12/31/08	$ 10,500,452	$ 45,318,490	$ 34,818,038	23.17%	$3,153,090	1104.25%
12/31/07	12,014,019	46,507,466	34,493,447	25.83%	3,586,553	961.74%
12/31/06	11,272,168	42,141,100	30,868,932	26.75%	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%

POLICE PENSION FUND

Actuarial Valuation	Actuarial UAAL % 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 Date Payroll (b-a)/c
12/31/08	$16,220,494	$39,811,644	$23,591,150	40.74%	$3,220,187	732.60%
12/31/07	17,471,333	42,028,141	24,556,808	41.57%	3,669,746	669.17%
12/31/06	16,801,585	41,219,652	24,418,067	40.76%	3,497,654	698.13%
12/31/05	16,038,415	41,943,185	25,904,770	38.24%	3,981,101	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%

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.

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.

	Operating Lease Obligations
2010	83,567
2011	81,197
2012	81,197
2013	81,197
Total	$ 327,158

NOTE 14 – COMMITMENTS

The following lists the City's current costs for TIF's uncompleted projects:

Construction in Progress	Project Cost
STATE STREET/38TH-56TH	5,164.00
FIREHOUSE 424	32,312.50
FIREHOUSE 424 RENOVATIONS	2,160.00
43RD TO HIGHWAY 157	164,998.20
STATE STREET EXPANSION	15,492.00
STATE/38TH TO 56TH	7,229.60
STATE/38TH TO 56TH ST	21,172.40
PUBLIC WORKS GARAGE	7,062.10
CITY HALL PARKING LOT	96,061.71
62ND (BELMONT - DEAD END)	497,767.50
53RD (OHIO - SUMMIT)	329,666.09
PIGGOTT 17TH TO 19TH	380,658.86
61ST (BELMONT - OHIO)	263,035.32
29TH STATE TO RIDGE	576,101.69
29TH RIDGE TO LOUISIANA	421,414.48
MISSOURI (COLLINSVILLE-3RD)	109,851.96
PERSHING (STATE - CHURCH)	1,366,089.86
LIBRARY DRAINAGE	375.00
61ST ST (STATE TO BELMONT)	287,953.69
FOREST 25TH TO 29TH	360,963.97
29TH (WAVERLY-MORRIS)	546,202.52
25TH ST. INTERSECTION	74,000.00
62nd St	48,950.85
40TH & FOREST SEWER REPAIR	58,720.00
COLLINSVILLE/MO	6,145.70
24TH MISSOURI TO KANSAS	7,475.00
ST. CLAIR AVE (15TH - 18TH)	4,728.50
WINSTANLEY PARK 17TH TO 19TH	113,637.41
27TH (RIDGE - LOUISANNA)	565,618.57
MARY BROWN CENTER	82,427.75
GROSS (15TH - 18TH) CM	152,323.81
74TH (STATE - EUREKA) CM	222,514.97
74TH (EUREKA - CHURCH LN) CM	747,515.37
LYNCH (15TH - 25TH) DESIGN	50,000.00
CATCH BASIN SEWER REPAIR	133,949.45
COLLINSVILLE (MLK - RIVER PARK	172,759.80
OLD POLICE STATION	15,000.00
43RD-HWY157	133,255.47
29THST. & MO	18,536.00

NOTE 14 – COMMITMENTS (CONTINUED)

Construction in Progress	Project Cost
PARKSIDE SEWER REPAIR	129,997.80
FIRE HOUSES 422, 424, 426	234,152.13
MANHOLE COVER REPLACEMENT	190,659.38
CITY HALL RENOVATION	6,920.00
36TH TO WAVERLY SEWER PROJECT	74,871.00
TRENDLEY AVE	370,741.26
COLAS (11TH -13TH)	333,745.85
29TH AND MISSOURI	837.50
40TH AND MONROE	10,000.00
8TH STREET PUMP STATION	36,000.00
8TH STREET AND MARKET	19,400.00
8TH STREET AND TRENDLEY	50,000.00
53RD & SUMMITT	139,073.98
23RD OHIO - ST. CLAIR	106,607.05
N. PARK DR.	51,560.00
76TH (STATE - EUREKA)	17,319.39
76TH (STATE - EUREKA)	37,387.53
MAIN ST.	175,319.18
14TH (BOND - MARKET)	171,896.35
74TH (CHURCH DEAD END)	148,975.11
16TH (BOND - MARKET)	99,927.25
43RD-HWAY 157	33,882.25
822 N. 89TH EMER SEWER REPAIR	13,700.00
82ND STREET BTWEEN STATE AND D	146,520.00
CAROL DRIVE BTWEEN 81ST AND PH	97,915.65
OHIO AVE FROM 21ST TO 33RD STR	27,720.00
LOISEL DRIVE BTWEEN 86TH AND G	33,495.00
27TH STREET BTWEEN RDG & HEN	96,023.27
SUMMIT AVE BTWEEN 21ST & 25TH	25,602.50
EMRGY SWR RPR BTWN 51ST & 52	22,285.00
SEWER FAILURE @ NTERSECTION OF	4,025.00
8903 WOESTBOUL & 89TH STREET	5,561.81
SWR RPRS @ NTERSECT OHIO & VOG	5,625.00
FRONT STREET	3,937.50
MANHOLE & SEWER RECONS & VAR	22,724.31
2924 LOUISIANA BLVD EMGY SEWER	2,800.00
VARIOUS CITYWIDE SEWER BRK IMP	42,237.50
3RD STREET RESURF & DECOR LGTN	26,840.00
CITY HALL RENOVATION	63,844.22
ST. CLAIR (15TH-18TH)	317,390.52
84TH (STATE - MARYBELL)	60,750.00
Total	**$11,557,562.39**

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 at this time.

The City of East St. Louis underwent an Office of the Inspector General (OIG) audit from September, 2009 thru January, 2010. OIG audited federal Housing and Urban Development funds awarded the City from January 1, 2008 through December, 2009. The audit indicated over $1,000,000 in questioned costs arising from the City of East St. Louis not properly allocating expenses or properly documenting its procurement processes. The audit report recommended that the City either provide the required documents for the questioned cost, or reimburse HUD $1,025,798 from non-federal funds.

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 funds 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 $20,000 revenue bond principal payment.

NOTE 17 – GOING CONCERN MATTERS

The accompanying financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. The City of East St. Louis, Illinois has experienced consistent declines in the unrestricted net assets of its governmental activities on a government-wide basis and in its general fund's unreserved fund balance on a fund basis. These declines are the result of the City's expenses continually exceeding its revenue. As a result of the declines in unrestricted net assets and undesignated fund balance and the required pay-out resulting from the arbitrator's ruling as described in NOTE 18, subsequent to December 31, 2009, substantial doubt is raised regarding the City's ability to continually meet its operating obligations without utilizing funding restricted or reserved for other purposes.

NOTE 18 – SUBSEQUENT EVENTS

The Fraternal Order of Police (FOP) had filed a grievance regarding the mandatory furlough that was implemented in the 2010 budget. The Arbitrator ruled that the furlough was illegal and the officers affected by the furlough are to be made whole. The amount of the furlough that is due back to the FOP totals to $ 237,926. The City has two additional collective bargaining units; The International Association of Firefighter and the Teamsters Local 50. The city anticipates that they also will win their grievances. The total due all collective bargaining units is $510,922, as of July 31, 2010.

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CITY OF EAST ST. LOUIS, ILLINOIS
GENERAL FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
Period Ended December 31, 2009

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget- Over/(Under)
Revenues:				
Property taxes	$ 254,000	$ -	$ 191,924	$ 191,924
Riverboat gaming revenue	10,700,000	10,700,000	9,615,537	(1,084,463)
Franchise & utility taxes	2,126,100	2,126,100	2,009,760	(116,340)
State income taxes	2,800,000	2,800,000	2,029,857	(770,143)
State sales & use taxes	1,385,000	1,385,000	1,253,668	(131,332)
Home rule taxes	950,000	950,000	893,694	(56,306)
Replacement tax	2,375,000	2,375,000	1,975,768	(399,232)
Licenses, fines, fees & permits	970,861	970,861	942,366	(28,495)
Other taxes	1,100,000	1,100,000	890,061	(209,939)
Governmental grants & reimbursements	401,000	401,000	77,984	(323,016)
Local motor fuel taxes	-	-	-	-
Investment income	195,000	195,000	11,507	(183,493)
Other	37,000	37,000	24,587	(12,413)
Total revenues	23,293,961	23,039,961	19,916,713	(3,123,248)
Expenditures:				
Current:				
Elected Officials: Clerk, Treasurer	455,146	445,116	381,497	(63,619)
Mayor & Council	407,545	345,008	306,292	(38,716)
Election Commission	498,858	498,543	392,674	(105,869)
Administration	4,868,782	5,142,362	3,393,961	(1,748,401)
Police	7,771,006	8,091,615	7,566,869	(524,746)
Fire	6,580,752	6,049,769	5,970,524	(79,245)
Other Public Safety	324,383	324,383	223,960	(100,423)
Public works	2,047,372	2,014,217	1,778,909	(235,308)
Regulatory affairs	247,182	240,013	202,300	(37,713)
Community development	-	-	-	-
Redevelopment	-	-	-	-
Debt service:			-	
Principal	1,590,000	1,590,000	1,590,000	-
Interest on long term debt	421,650	421,650	421,650	-
Other Claims				
Total Expenditures:	25,212,676	25,162,676	22,228,636	(2,934,040)
Excess (deficiency) of revenues over (under) expenditures	(1,918,715)	(2,122,715)	(2,311,923)	(189,208)
Other financing sources (uses)				
Carryforward	2,224,100	2,224,100	-	(2,224,100)
Bond Proceeds	-	-	-	-
Transferred to (from) other funds	(305,385)	(101,385)	(120,535)	(19,150)
Total other financing sources (uses)	1,918,715	2,122,715	(120,535)	(2,243,250)
Excess of revenues and other sources over (under) expenditures and other uses	-	-	(2,432,458)	(2,432,458)
Fund balances at beginning of year	7,806,395	7,806,395	7,806,395	-
Fund balance at end of year	$ 7,806,395	$ 7,806,395	$ 5,373,937	$ (2,432,458)

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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, 2009

Tax Increment Financing District 1 Fund

	Budgeted Amounts Original	Budgeted Amounts Final	Actual	Variance with Final Budget-Over/(Under)
Revenues:				
Property taxes	$ 5,160,904	$ 4,054,739	$ 7,705,512	$ 3,650,773
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	150,000	150,000	89,144	(60,856)
Other	9,500	24,500	22,341	(2,159)
Total revenues	5,320,404	4,229,239	7,816,997	3,587,758
Expenditures:				
Current:				
Administration	817,023	855,066	645,901	(209,165)
Police	-	-	-	-
Fire	-	-	-	-
Other public safety	-	-	-	-
Public works	-	-	-	-
Regulatory affairs	-	-	-	-
Community development	-	-	-	-
Redevelopment	6,887,964	6,144,951	3,909,354	(2,235,597)
Debt service:	-	-	-	-
Principal	530,000	2,040,000	2,040,000	-
Interest on long term debt	1,980,325	1,980,325	1,764,875	(215,450)
Other Claims		-	-	-
Total Expenditures:	10,215,312	11,020,342	8,360,130	(2,660,212)
Excess (deficiency) of revenues over (under) expenditures	(4,894,908)	(6,791,103)	(543,133)	6,247,969
Other financing sources (uses)				
Carry forwards	4,848,908	6,745,103	-	(6,745,103)
Proceeds from bond transactions			-	-
Transferred to (from) other funds	-	-	33,605	33,605
Total other financing sources (uses)	4,848,908	6,745,103	33,605	(6,711,498)
Excess of revenues and other sources over (under) expenditures and other uses	(46,000)	(46,000)	(509,528)	(463,528)
Fund balances at beginning of year	11,582,240	11,582,240	11,582,240	-
Fund balance at end of year	$ 11,536,240	$ 11,536,240	$ 11,072,712	$ (463,528)

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, 2009

	Tax Increment Financing District 2 Fund			
	Budgeted Amounts			Variance with Final Budget-
	Original	Final	Actual	Over/(Under)
Revenues:				
Property taxes	$ 314,637	$ 277,393	$ 286,132	$ 8,739
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	4,500	4,500	1,012	(3,488)
Other	-	3,500	4,564	1,064
Total revenues	319,137	285,393	291,708	6,315
Expenditures:				
Current:				
Administration	73,496	68,515	131,781	63,266
Police	-	-	-	-
Fire	-	-	-	-
Other Public Safety	-	-	-	-
Public works	-	-	-	-
Regulatory affairs	-	-	-	-
Community development	-	-	-	-
Redevelopment	601,252	582,927	105,850	(477,077)
Debt service:		-	-	-
Principal	-	-	-	-
Interest on long term debt	-	-	-	-
Other Claims	-	-	-	-
Total Expenditures:	674,748	651,442	237,631	(413,811)
Excess (deficiency) of revenues over (under) expenditures	(355,611)	(366,049)	54,077	420,126
Other financing sources (uses)				
Carry forwards	355,611	366,049	-	(366,049)
Transferred to (from) other funds	-	-	-	-
Total other financing sources (uses)	355,611	366,049	-	(366,049)
Excess of revenues and other sources over (under) expenditures and other uses	-	-	54,077	54,077
Fund balances at beginning of year	(38,680)	(38,680)	(38,680)	-
Fund balance at end of year	$ (38,680)	$ (38,680)	$ 15,397	$ 54,077

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, 2009

	Tax Increment Financing District 3A Fund			
	Budgeted Amounts			Variance with Final Budget-
	Original	Final	Actual	Over/(Under)
Revenues:				
Property taxes	$ 4,277,702	$ 3,643,814	$ 3,464,712	$ (179,102)
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	55,000	55,000	7,550	(47,450)
Other	5,000	8,000	5,440	(2,560)
Total revenues	4,337,702	3,706,814	3,477,702	(229,112)
Expenditures:				
Current:				
Administration	512,995	621,706	342,409	(279,297)
Police	-	-	-	-
Fire	-	-	-	-
Public works	-	-	-	-
Regulatory affairs	-	-	-	-
Community development	-	-	-	-
Redevelopment	6,741,871	5,554,813	2,769,193	(2,785,620)
Debt service:		-		-
Principal	-	-	-	-
Interest on long term debt	-	-	-	-
Other Claims	-	-	-	-
Total Expenditures:	7,254,866	6,176,519	3,111,602	(3,064,917)
Excess (deficiency) of revenues over (under) expenditures	(2,917,164)	(2,469,705)	366,100	2,835,804
Other financing sources (uses)				
Carry forwards	2,917,164	2,469,705	-	(2,469,705)
Transferred to (from) other funds	-	-	-	-
Total other financing sources (uses)	2,917,164	2,469,705	-	(2,469,705)
Excess of revenues and other sources over (under) expenditures and other uses	-	-	366,100	366,100
Fund balances at beginning of year	4,533,448	4,533,448	4,533,448	-
Fund balance at end of year	$ 4,533,448	$ 4,533,448	$ 4,899,548	$ 366,100

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, 2009

	Tax Increment Financing District 3B Fund			
	Budgeted Amounts			Variance with Final Budget-
	Original	Final	Actual	Over/(Under)
Revenues:				
Property taxes	$ 838,545	$ 652,643	$ 595,798	$ (56,845)
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	20,000	20,000	1,759	(18,241)
Other	-	1,500	2,700	1,200
Total revenues	858,545	674,143	600,257	(73,887)
Expenditures:				
Current:				
Administration	176,547	176,547	69,102	(107,445)
Police	-	-	-	-
Fire	-	-	-	-
Public works	-	-	-	-
Regulatory affairs	-	-	-	-
Community development	-	-	-	-
Redevelopment	1,087,886	1,087,886	166,366	(921,520)
Debt service:		-		-
Principal	-	-	-	-
Interest on long term debt	-	-	-	-
Other Claims	-	-	-	-
Total Expenditures:	1,264,433	1,264,433	235,468	(1,028,965)
Excess (deficiency) of revenues over (under) expenditures	(405,888)	(590,290)	364,789	955,078
Other financing sources (uses)				
Carry forwards	462,521	590,290	-	(590,290)
Transferred to (from) other funds	-	-	-	-
Total other financing sources (uses)	462,521	590,290	-	(590,290)
Excess of revenues and other sources over (under) expenditures and other uses	56,633	-	364,789	364,789
Fund balances at beginning of year	842,864	842,864	842,864	-
Fund balance at end of year	$ 899,497	$ 842,864	$ 1,207,653	$ 364,789

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, 2009

	Tax Increment Financing District 3C Fund			
	Budgeted Amounts			Variance with Final Budget-
	Original	Final	Actual	Over/(Under)
Revenues:				
Property taxes	$ 1,172,067	$ 871,594	$ 806,521	$ (65,073)
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	30,000	30,000	2,578	(27,422)
Other	-	-	1,982	1,982
Total revenues	1,202,067	901,594	811,081	(90,513)
Expenditures:				
Current:				
Administration	198,600	198,600	98,075	(100,525)
Police	-	-	-	-
Fire	-	-	-	-
Public works	-	-	-	-
Regulatory affairs	-	-	-	-
Community development	-	-	-	-
Redevelopment	1,708,451	1,708,451	888,254	(820,197)
Debt service:		-		-
Principal	-	-	-	-
Interest on long term debt	-	-	-	-
Other Claims	-	-	-	-
Total Expenditures:	1,907,051	1,907,051	986,329	(920,722)
Excess (deficiency) of revenues over (under) expenditures	(704,984)	(1,005,457)	(175,248)	830,209
Other financing sources (uses)				
Carry forwards	1,224,805	1,005,457	-	(1,005,457)
Transferred to (from) other funds	-	-	-	-
Total other financing sources (uses)	1,224,805	1,005,457	-	(1,005,457)
Excess of revenues and other sources over (under) expenditures and other uses	519,821	-	(175,248)	(175,248)
Fund balances at beginning of year	1,188,655	1,188,655	1,188,655	-
Fund balance at end of year	$ 1,708,476	$ 1,188,655	$ 1,013,407	$ (175,248)

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, 2009

Tax Increment Financing District 3D Fund

	Budgeted Amounts			Variance with Final Budget-
	Original	Final	Actual	Over/(Under)
Revenues:				
Property taxes	$ 33,530	$ 33,530	$ 23,016	$ (10,514)
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	5,000	5,000	509	(4,491)
Other	-	-	-	-
Total revenues	38,530	38,530	23,526	(15,004)
Expenditures:				
Current:				
Administration	43,099	43,099	22,938	(20,161)
Police	-	-	-	-
Fire	-	-	-	-
Public works	-	-	-	-
Regulatory affairs	-	-	-	-
Community development	-	-	-	-
Redevelopment	212,863	212,863	55,840	(157,022)
Debt service:		-		-
Principal	-	-	-	-
Interest on long term debt	-	-	-	-
Other Claims	-	-	-	-
Total Expenditures:	255,962	255,962	78,778	(177,184)
Excess (deficiency) of revenues over (under) expenditures	(217,432)	(217,432)	(55,253)	162,179
Other financing sources (uses)				
Carry forwards	217,433	217,433	-	(217,433)
Transferred to (from) other funds	-	-	-	-
Total other financing sources (uses)	217,433	217,433	-	(217,433)
Excess of revenues and other sources over (under) expenditures and other uses	1	1	(55,253)	(55,254)
Fund balances at beginning of year	246,361	246,361	246,361	-
Fund balance at end of year	$ 246,362	$ 246,362	$ 191,108	$ (55,254)

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, 2008

	Tax Increment Financing District 3E Fund			
	Budgeted Amounts			Variance with Final Budget-
	Original	Final	Actual	Over/(Under)
Revenues:				
Property taxes	$ 72,813	$ 51,975	$ 40,916	$ (11,059)
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	12,000	12,000	866	(11,134)
Other	-	500	-	(500)
Total revenues	84,813	64,475	41,782	(22,693)
Expenditures:				
Current:				
Administration	65,045	65,045	36,386	(28,659)
Police	-	-	-	-
Fire	-	-	-	-
Public works	-	-	-	-
Regulatory affairs	-	-	-	-
Community development	-	-	-	-
Redevelopment	369,836	369,836	89,631	(280,205)
Debt service:		-		-
Principal	-	-	-	-
Interest on long term debt	-	-	-	-
Other Claims	-	-	-	-
Total Expenditures:	434,881	434,881	126,017	(308,864)
Excess (deficiency) of revenues over (under) expenditures	(350,068)	(370,406)	(84,235)	286,170
Other financing sources (uses)				
Carry forwards	402,982	370,406	-	(370,406)
Transferred to (from) other funds	-	-	-	-
Total other financing sources (uses)	402,982	370,406	-	(370,406)
Excess of revenues and other sources over (under) expenditures and other uses	52,914	-	(84,235)	(84,235)
Fund balances at beginning of year	395,668	395,668	395,668	-
Fund balance at end of year	$ 448,582	$ 395,668	$ 311,433	$ (84,235)

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, 2009

Total Tax Increment Financing District Funds

	Budgeted Amounts			Variance with Final Budget-
	Original	Final	Actual	Over/(Under)
Revenues:				
Property taxes	$ 11,870,198	$ 9,585,688	$ 12,922,607	$ 3,336,919
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	276,500	276,500	103,418	(173,082)
Other	14,500	38,000	37,027	(973)
Total revenues	12,161,198	9,900,188	13,063,052	3,162,864
Expenditures:				
Current:				
Administration	1,886,805	2,028,578	1,346,592	(681,986)
Police	-	-	-	-
Fire	-	-	-	-
Public works	-	-	-	-
Regulatory affairs	-	-	-	-
Community development	-	-	-	-
Redevelopment	17,610,123	15,661,727	7,984,488	(7,677,239)
Debt service:				
Principal	-	-	-	-
Interest on long term debt	530,000	2,040,000	2,040,000	-
Other Claims	1,980,325	1,980,325	1,764,875	(215,450)
Total Expenditures:	22,007,253	21,710,630	13,135,955	(8,574,675)
Excess (deficiency) of revenues over (under) expenditures	(9,846,055)	(11,810,442)	(72,903)	11,737,539
Other financing sources (uses)				
Carry forwards	10,429,424	11,764,443	-	(11,764,443)
Transferred to (from) other funds	46,000	46,000	33,605	(12,395)
Total other financing sources (uses)	10,475,424	11,810,443	33,605	(11,776,838)
Excess of revenues and other sources over (under) expenditures and other uses	629,369	1	(39,298)	(39,299)
Fund balances at beginning of year	18,750,556	18,750,556	18,750,556	-
Fund balance at end of year	$ 19,379,925	$ 18,750,557	$ 18,711,258	$ (39,299)

CITY OF EAST ST. LOUIS, ILLINOIS
SEWER FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
Period Ended December 31, 2009

	Budgeted Amounts			Variance with Final Budget-
	Original	Final	Actual	Over/(Under)
Operating Revenues:				
Sewer charges	$ 189,500	$ 189,500	$ 192,657	$ 3,157
Total operating revenues	189,500	189,500	192,657	3,157
Operating Expenditures:				
Personnel Services	50,697	50,697	44,501	(6,196)
Contractual Services	10,685	10,685	-	(10,685)
Sewer operations	112,180	112,180	35,747	(76,433)
Sewer collections	-	-	57,700	57,700
Depreciation	-	-	11,546	11,546
Total operating expenditures:	173,562	173,562	149,493	(24,069)
Operating income (loss)	15,938	15,938	43,163	27,226
Nonoperating income (expenses)				
Interest income	10,000	10,000	1,079	(8,921)
Interest expense	-	-	-	-
Total nonoperating income (expenses)	10,000	10,000	1,079	(8,921)
Other financing sources				
Carryforward	437,508	437,508	-	(437,508)
Sewer Bonds	(25,938)	(25,938)	(1,425)	24,513
Transferred (to) from other funds	-	-	-	-
	411,570	411,570	(1,425)	(412,995)
Change in net assets	437,508	437,508	42,817	(394,691)
Net assets, beginning of year	613,103	613,103	613,103	-
Net assets, end of year	$ 1,050,611	$ 1,050,611	$ 655,920	$ (394,690)

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CITY OF EAST ST. LOUIS, ILLINOIS
SPECIAL REVENUE FUNDS - MOTOR FUEL TAX
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
Period Ended December 31, 2009

	Budgeted Amounts			Variance with Final Budget-
	Original	Final	Actual	Over/(Under)
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	815,592	815,592	805,340	(10,252)
Investment income	30,000	4,400	4,574	174
Other	-	-	8,398	8,398
Total revenues	845,592	819,992	818,312	(1,680)
Expenditures:				
Current:				
Elected Officials: Clerk, Treasurer	-	-	-	-
Mayor & Council	-	-	-	-
Election Commission	-	-	-	-
Administration	-	-	-	-
Police	-	-	-	-
Fire	-	-	-	-
Other Public Safety	-	-	-	-
Public works	2,744,519	2,856,333	1,018,343	(1,837,990)
Regulatory affairs	-	-	-	-
Community development	-	-	-	-
Redevelopment	-	-	-	-
Debt service:	-	-	-	-
Principal	-	-	-	-
Interest on long term debt	-	-	-	-
Other Claims	-	-	-	-
Total Expenditures:	2,744,519	2,856,333	1,018,343	(1,837,990)
Excess (deficiency) of revenues over (under) expenditures	(1,898,927)	(2,036,341)	(200,031)	1,836,310
Other financing sources (uses)				
Carryforward	2,352,211	2,296,341	-	(2,296,341)
Bond Proceeds	-	-	-	-
Transferred to (from) other funds	(411,327)	(260,000)	(228,272)	31,728
Total other financing sources (uses)	1,940,884	2,036,341	(228,272)	(2,264,613)
Excess of revenues and other sources over (under) expenditures and other uses	41,957	-	(428,303)	(428,303)
Fund balances at beginning of year	2,723,965	2,723,965	2,723,965	-
Fund balance at end of year	$ 2,765,922	$ 2,723,965	$ 2,295,662	$ (428,303)

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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, 2009

	Total Non-Major			
	Budgeted Amounts			Variance with Final Budget-Over/(Under)
	Original	Final	Actual	
Revenues:			-	
Property taxes	$ 355,000	$ 355,000	278,254	$ (76,745)
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	5,520,820	6,296,916	3,363,966	(2,932,952)
Local motor fuel taxes	-	-	-	-
Investment income	42,655	42,655	4,301	(38,355)
Other	3,049,064	3,050,691	76,476	(2,974,214)
Total revenues	8,967,539	9,745,262	3,722,997	(6,022,266)
Expenditures:				
Current:				
Administration	2,979,320	1,760,000	1,749,059	(10,941)
Police	1,492,977	1,122,550	597,414	(525,136)
Fire	116,861	59,200	73,200	14,000
Other Public Safety	25,000	25,000	51,396	26,396
Public works	80,500	80,500	-	(80,500)
Regulatory affairs	-	-	-	-
Community development	5,774,337	6,442,443	2,143,149	(4,299,294)
Redevelopment	-	-	-	-
Debt service:	-	-	-	-
Principal	-	-	200,000	200,000
Interest on long term debt	-	-	-	-
Other Claims	-	-	-	-
Total Expenditures:	10,468,995	9,489,693	4,814,218	(4,675,474)
Excess (deficiency) of revenues over (under) expenditures	(1,501,456)	255,569	(1,091,221)	(1,346,792)
Other financing sources (uses)				
Carry forwards	4,638,683	4,202,951	-	(4,202,951)
Transferred to (from) other funds	-	-	315,202	315,202
Total other financing sources (uses)	4,638,683	4,202,951	315,202	(3,887,749)
Excess of revenues and other sources over (under) expenditures and other uses	3,137,227	4,458,520	(776,019)	(5,234,540)
Fund balances at beginning of year	1,503,470	1,503,470	1,503,470	-
Fund balance at end of year	$ 4,640,697	$ 5,961,990	$ 727,451	$ (5,234,540)

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COMBINING AND INDIVIDUAL FUND STATEMENTS

CITY OF EAST ST. LOUIS, ILLINOIS
SPECIAL REVENUE FUNDS - TAX INCREMENT FINANCING FUNDS
COMBINING BALANCE SHEET
December 31, 2009

	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	$ 4,942,574	$ 535,907	$ 3,836,166	$ 966,865
Short-term Investments	-	-	-	-
Accounts/other receivable, net	-	-	-	-
Receivable State of Illinois	-	-	-	-
Property taxes receivable	6,419,585	242,321	3,355,139	642,205
Utility and franchise taxes receivable	-	-	-	-
Other taxes receivable	-	-	-	-
Motor fuel tax receivable	-	-	-	-
Government grants	-	-	-	-
Other receivables	-	-	50	-
Due from other funds	-	-	1,117,202	84,947
Restricted Cash and long-term investments	6,839,864	-	-	-
Notes receivable	325,100	48,615	141,806	92,071
Total Assets	18,527,123	826,843	8,450,363	1,786,088
LIABILITIES AND FUND BALANCES				
Accounts payable	564,139	6,109	542,259	26,845
Accrued payroll	10,367	724	8,556	1,590
Deferred Revenue	6,000,000	225,000	3,000,000	550,000
Due to other funds	879,905	579,613	-	-
Total Liabilities	7,454,411	811,446	3,550,815	578,435
Fund balances:				
Reserved for project completion	-	-	-	-
Reserved for debt service	6,839,864	-	-	-
Reserved for Notes Receivables	325,100	48,615	141,806	92,071
Reserved for self insurance costs	-	-	-	-
Unreserved fund balance	3,907,748	(33,218)	4,757,742	1,115,582
Total fund balances	11,072,712	15,397	4,899,548	1,207,653
Total Liabilities and Fund Balances	$ 18,527,123	$ 826,843	$ 8,450,363	$ 1,786,088

	Tax Incremental Financing District 3C Fund	Tax Incremental Financing District 3D Fund	Tax Incremental Financing District 3E Fund	**Total Tax Incremental Financing District Funds**
	$ 982,597	$ 194,416	$ 300,939	$ 11,759,464
	-	-	-	-
	-	-	-	-
	-	-	-	-
	856,880	4,388	16,000	11,536,518
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
	3,430	-	-	3,480
	-	-	9,603	1,211,752
	-	-	-	6,839,864
	13,348	-	-	620,940
	1,856,255	198,804	326,542	31,972,018
	30,503	1,654	14,361	1,185,870
	2,243	475	748	24,703
	750,000	-	-	10,525,000
	60,102	5,567	-	1,525,187
	842,848	7,696	15,109	13,260,760
	-	-	-	-
	-	-	-	6,839,864
	13,348	-	-	620,940
	-	-	-	-
	1,000,059	191,108	311,433	11,250,454
	1,013,407	191,108	311,433	18,711,258
	$ 1,856,255	$ 198,804	$ 326,542	$ 31,972,018

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, 2009

	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	$ 7,705,512	$ 286,132	$ 3,464,712	$ 595,798
Riverboat gaming revenue	-	-	-	-
Franchise & utility taxes	-	-	-	-
State income taxes	-	-	-	-
State sales & use taxes	-	-	-	-
Home rule taxes	-	-	-	-
Replacement tax	-	-	-	-
Licences, fines, fees & permits	-	-	-	-
Other taxes	-	-	-	-
Governmental grants & reimbursements	-	-	-	-
Local motor fuel taxes	-	-	-	-
Investment income	89,144	1,012	7,550	1,759
Other	22,341	4,564	5,440	2,700
Total revenues	7,816,997	291,708	3,477,702	600,257
Expenditures:				
Current:				
Administration	645,901	131,781	342,409	69,102
Police	-	-	-	-
Fire	-	-	-	-
Other public safety & Library	-	-	-	-
Public works	-	-	-	-
Regulatory affairs	-	-	-	-
Community development	-	-	-	-
Redevelopment	3,909,354	105,850	2,769,193	166,366
Debt service:				
Principal	2,040,000	-	-	-
Interest on long term debt	1,764,875	-	-	-
Other claims	-	-	-	-
Total expenditures	8,360,130	237,631	3,111,602	235,468
Excess (deficiency) of revenues over (under) expenditures	(543,133)	54,077	366,100	364,789
Other financing sources (uses):				
Proceeds from bond transactions	-	-	-	-
Transferred to (from) other funds	33,605	-	-	-
Total other financing sources (uses)	33,605	-	-	-
Excess of revenues and other sources over (under) expenditures and other uses	(509,528)	54,077	366,100	364,789
Fund balance at beginning of year	11,582,240	(38,680)	4,533,448	842,864
Fund balance at end of year	$ 11,072,712	$ 15,397	$ 4,899,548	$ 1,207,653

Tax Incremental Financing District 3C Fund	Tax Incremental Financing District 3D Fund	Tax Incremental Financing District 3E Fund	**Total Tax Incremental Financing District Funds**
$ 806,521	$ 23,016	$ 40,916	$ 12,922,607
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
2,578	509	866	103,418
1,982	-	-	37,027
811,081	23,525	41,782	13,063,052
98,075	22,938	36,386	1,346,592
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
888,254	55,840	89,631	7,984,488
			-
-	-	-	2,040,000
-	-	-	1,764,875
-	-	-	-
986,329	78,778	126,017	13,135,955
(175,248)	(55,253)	(84,235)	(72,903)
-	-	-	-
-	-	-	33,605
-	-	-	33,605
(175,248)	(55,253)	(84,235)	(39,298)
			-
1,188,655	246,361	395,668	18,750,556
			-
$ 1,013,407	$ 191,108	$ 311,433	$ 18,711,258

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SPECIAL REVENUE- NON MAJOR FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2009

	ESDA Property Tax	State Farm Grant	IMRF	Tort Liability
ASSETS				
Cash & cash equivalents	$ -	$ -	$ -	$ -
Investments	-	-	-	-
Accounts/other receivables, net				
Receivables state of illinois	-	-	-	-
Property taxes receivable	16,879	-	38,905	221,871
Utility and franchise taxes receivable	-	-	-	-
Other taxes receivable	-	-	-	-
Motor fuel tax receivable	-	-	-	-
Government grant	-	-	-	-
Other receivables	-	-	-	-
Due from other funds	681	8,729	280,379	95,132
Restricted cash and long-term investments	-	-	-	-
Notes receivable	-	-	-	-
Total Assets	17,560	8,729	319,284	317,003
LIABILITIES AND FUND BALANCES				
Accounts payable	-	6,272	-	-
Accrued payroll	-	-	22,631	542
Deferred revenue	15,000	-	35,000	200,000
Due to other funds	-	-	-	-
Total Liabilities	15,000	6,272	57,631	200,542
Fund balances:				
Reserved for project completion	-	-	-	-
Reserved for debt service	-	-	-	-
Reserved for notes receivable	-	-	-	-
Reserve for self insurance costs	-	-	-	-
Unreserved fund balances	2,560	2,457	261,653	116,461
Total fund balances	2,560	2,457	261,653	116,461
Total Liabilities and fund balances	$ 17,560	$ 8,729	$ 319,284	$ 317,003

SPECIAL REVENUE- NON MAJOR FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2009

	Auto Theft	EC State	2% FireTax	Insurance Reserves
ASSETS				
Cash & cash equivalents	$ -	$ 9,366	$ -	$ 121,021
Investments	-	-	-	-
Accounts/other receivables, net				
Receivables state of illinois	420	-	-	-
Property taxes receivable	-	-	-	-
Utility and franchise taxes receivable	-	-	-	-
Other taxes receivable	-	-	-	-
Motor fuel tax receivable	-	-	-	-
Government grant	-	-	-	-
Other receivables	-	-	-	-
Due from other funds	-	-	-	502,377
Restricted cash and long-term investments	-	-	-	-
Notes receivable	-	6,288	-	-
Total Assets	420	15,654	-	623,398
LIABILITIES AND FUND BALANCES				
Accounts payable	-	-	2,604	552,106
Accrued payroll	2,352	-	-	-
Deferred revenue	-	-	-	-
Due to other funds	9	24,059	3,967	46,782
Total Liabilities	2,361	24,059	6,571	598,888
Fund balances:				
Reserved for project completion	-	-	-	-
Reserved for debt service	-	-	-	-
Reserved for notes receivable	-	6,288	-	-
Reserve for self insurance costs	-	-	-	24,510
Unreserved fund balances	(1,941)	(14,693)	(6,571)	-
Total fund balances	(1,941)	(8,405)	(6,571)	24,510
Total Liabilities and fund balances	$ 420	$ 15,654	$ -	$ 623,398

SPECIAL REVENUE- NON MAJOR FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2009

	CDBG Operations	Home grant	Emergency Shelter Grant	EC Federal
ASSETS				
Cash & cash equivalents	$ 7,562	$ 791	$ 293	$ 24,070
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	173,520	231,198	11,397	-
Other receivables	200	-	-	-
Due from other funds		-	-	-
Restricted cash and long-term investments	-	-	-	-
Notes receivable	26,890	-	-	19,497
Total Assets	208,172	231,989	11,690	43,567
LIABILITIES AND FUND BALANCES				
Accounts payable	164,036	215,481	11,552	760
Accrued payroll	15,418	2,698	138	1,330
Deferred revenue	-	-	-	-
Due to other funds	1,828	13,810	-	-
Total Liabilities	181,282	231,989	11,690	2,090
Fund balances:				
Reserved for project completion	-	-	-	-
Reserved for debt service	-	-	-	-
Reserved for notes receivable	26,890	-	-	19,497
Reserve for self insurance costs	-	-	-	-
Unreserved fund balances	-	-	-	21,980
Total fund balances	26,890	-	-	41,477
Total Liabilities and fund balances	$ 208,172	$ 231,989	$ 11,690	$ 43,567

SPECIAL REVENUE- NON MAJOR FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2009

	DCEO SUMMER	COPS	CDBG HRRP	CDBG-R
ASSETS				
Cash & cash equivalents	$ -	$ -	$ -	$ -
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	9,151	31,507	68,506	85,000
Other receivables	-	-	-	-
Due from other funds	-	-	-	-
Restricted cash and long-term investments	-	-	-	-
Notes receivable	-	-	-	-
Total Assets	9,151	31,507	68,506	85,000
LIABILITIES AND FUND BALANCES				
Accounts payable	1,423	-	68,506	85,000
Accrued payroll	4,148	6,651	-	-
Deferred revenue	-	-	-	-
Due to other funds	3,580	24,856	-	-
Total Liabilities	9,151	31,507	68,506	85,000
Fund balances:				
Reserved for project completion	-	-	-	-
Reserved for debt service	-	-	-	-
Reserved for notes receivable	-	-	-	-
Reserve for self insurance costs	-	-	-	-
Unreserved fund balances	-	-	-	-
Total fund balances	-	-	-	-
Total Liabilities and fund balances	$ 9,151	$ 31,507	$ 68,506	$ 85,000

SPECIAL REVENUE- NON MAJOR FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2009

	Urban High Crime	Fed Drug Fund	Justice Assistance Grant	Housing Authority Grant
ASSETS				
Cash & cash equivalents	$ -	$ 39,616	$ 1,498	$ -
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	-	-	12,166	-
Other receivables	-	-	-	-
Due from other funds	-	-	-	-
Restricted cash and long-term investments	-	-	-	-
Notes receivable	-	-	-	-
Total Assets	-	39,616	13,664	-
LIABILITIES AND FUND BALANCES				
Accounts payable	-	86	13,664	-
Accrued payroll	-	-	-	-
Deferred revenue	-	-	-	-
Due to other funds	52	-	-	-
Total Liabilities	52	86	13,664	-
Fund balances:				
Reserved for project completion	-	-	-	-
Reserved for debt service	-	-	-	-
Reserved for notes receivable	-	-	-	-
Reserve for self insurance costs	-	-	-	-
Unreserved fund balances	(52)	39,530	-	-
Total fund balances	(52)	39,530	-	-
Total Liabilities and fund balances	$ -	$ 39,616	$ 13,664	$ -

SPECIAL REVENUE- NON MAJOR FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2009

	District 189 SRO	State Drug Forfeiture	Juvenille Offenders
ASSETS			
Cash & cash equivalents	$ -	$ 35,539	$ 23,962
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	113,400	-	-
Due from other funds	-	-	-
Restricted cash and long-term investments	-	-	-
Notes receivable	-	-	-
Total Assets	113,400	35,539	23,962
LIABILITIES AND FUND BALANCES			
Accounts payable	-	-	-
Accrued payroll	10,823	-	-
Deferred revenue	-	-	-
Due to other funds	46,619	-	23,962
Total Liabilities	57,442	-	23,962
Fund balances:			
Reserved for project completion	-	-	-
Reserved for debt service	-	-	-
Reserved for notes receivable	-	-	-
Reserve for self insurance costs	-	-	-
Unreserved fund balances	55,958	35,539	-
Total fund balances	55,958	35,539	-
Total Liabilities and fund balances	$ 113,400	$ 35,539	$ 23,962

SPECIAL REVENUE- NON MAJOR FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2009

	Task Force Officers	OTHER	Total Non-Major Funds
ASSETS			
Cash & cash equivalents	$ -	$ 730,965	$ 994,683
Investments	-	-	-
Accounts/other receivables, net	-	-	-
Receivables state of illinois	-	-	420
Property taxes receivable	-	-	277,655
Utility and franchise taxes receivable	-	-	-
Other taxes receivable	-	-	-
Motor fuel tax receivable	-	-	-
Government grant	-	-	622,445
Other receivables	42,000	41,048	196,648
Due from other funds	50,063	152,510	1,089,871
Restricted cash and long-term investments	-	-	-
Notes receivable	-	-	52,675
Total Assets	92,063	924,523	3,234,397
LIABILITIES AND FUND BALANCES			
Accounts payable	-	-	1,121,490
Accrued payroll	-	-	66,731
Deferred revenue	-	6,649	256,649
Due to other funds	-	872,552	1,062,076
Total Liabilities	-	879,201	2,506,946
Fund balances:			
Reserved for project completion	-	-	-
Reserved for debt service	-	-	-
Reserved for notes receivable	-	-	52,675
Reserve for self insurance costs	-	-	24,510
Unreserved fund balances	92,063	45,322	650,266
Total fund balances	92,063	45,322	727,451
Total Liabilities and fund balances	$ 92,063	$ 924,523	$ 3,234,397

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CITY OFEAST ST. LOUIS, ILLINOIS
SPECIAL REVENUE-NON-MAJOR FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
Period Ended December 31, 2009

	ESDA Property Tax	State Farm Grant	IMRF	Tort Liability	Auto Theft
Revenues:					
Property taxes	$ 18,909	$ -	$ 39,291	$ 220,054	$ -
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	-	-	-	-	47,489
Local motor fuel taxes	-	-	-	-	-
Investment income	-	-	-	415	-
Other	-	13,000	-	-	-
Total revenues	18,909	13,000	39,291	220,469	47,489
Expenditures:					
Current:					
Administration	-	-	32,907	13,000	-
Police	-	-	-	-	63,327
Fire	-	12,734	-	-	-
Other Public Safety & Library	-	-	-	-	-
Public works	-	-	-	-	-
Regulatory affairs	-	-	-	-	-
Community development	-	-	-	-	-
Redevelopment	-	-	-	-	-
Debt service:					
Principal	-	-	-	200,000	-
Interest on long term debt	-	-	-	-	-
Other Claims	-	-	-	-	-
Total Expenditures:	-	12,734	32,907	213,000	63,327
Excess (deficiency) of revenues over (under) expenditures	18,909	266	6,384	7,469	(15,838)
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	18,909	266	6,384	7,469	-
Fund balances at beginning of year	(16,349)	2,191	255,269	108,992	(1,941)
Fund balance at end of year	$ 2,560	$ 2,457	$ 261,653	$ 116,461	$ (1,941)

CITY OFEAST ST. LOUIS, ILLINOIS
SPECIAL REVENUE-NON-MAJOR FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
Period Ended December 31, 2009

	Police Grant	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	-	-	-	-	-
Other taxes	-	-	-	-	-
Governmental grants & reimbursements	-	-	-	-	1,734,782
Local motor fuel taxes	-	-	-	-	-
Investment income	-	4	-	3,355	-
Other	-	5,303	26,763	23,476	6,919
Total revenues	-	5,307	26,763	26,831	1,741,701
Expenditures:					
Current:					
Administration	-	-	-	1,280,161	296,999
Police	1,533	-	-	-	-
Fire	-	-	13,666	-	-
Other Public Safety & Library	-	-	-	-	-
Public works	-	-	-	-	-
Regulatory affairs	-	-	-	-	-
Community development	-	5,322	-	-	1,422,110
Redevelopment	-	-	-	-	-
Debt service:					
Principal	-	-	-	-	-
Interest on long term debt	-	-	-	-	-
Other Claims	-	-	-	-	-
Total Expenditures:	1,533	5,322	13,666	1,280,161	1,719,109
Excess (deficiency) of revenues over (under) expenditures	(1,533)	(15)	13,097	(1,253,330)	22,592
Other financing sources (uses)					
Carry forwards	-	-	-	-	-
Bond Proceeds	-	-	-	-	-
Transferred to (from) other funds	-	-	-	500,000	-
Total other financing sources (uses)	-	-	-	500,000	-
Excess of revenues and other sources over (under) expenditures and other uses	(1,533)	(15)	13,097	(753,330)	22,592
Fund balances at beginning of year	1,533	(8,390)	(19,668)	777,840	4,298
Fund balance at end of year	$ -	$ (8,405)	$ (6,571)	$ 24,510	$ 26,890

CITY OFEAST ST. LOUIS, ILLINOIS
SPECIAL REVENUE-NON-MAJOR FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
Period Ended December 31, 2009

	Home Grant	Emergency Shelter Grant	EC Federal	DCEO SUMMER	COPS
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	365,985	81,943	-	101,991	31,507
Local motor fuel taxes	-	-	-	-	-
Investment income	-	-	60	-	-
Other	-	-	-	-	-
Total revenues	365,985	81,943	60	101,991	31,507
Expenditures:					
Current:					
Administration	74,227	3,839	36,451	-	-
Police	-	-	-	-	31,507
Fire	-	-	-	-	-
Other Public Safety & Library	-	-	-	-	-
Public works	-	-	-	-	-
Regulatory affairs	-	-	-	-	-
Community development	297,116	78,104	-	101,991	-
Redevelopment	-	-	-	-	-
Debt service:				-	-
Principal	-	-	-	-	-
Interest on long term debt	-	-	-	-	-
Other Claims	-	-	-	-	-
Total Expenditures:	371,343	81,943	36,451	101,991	31,507
Excess (deficiency) of revenues over (under) expenditures	(5,358)	-	(36,391)	-	-
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	(5,358)	-	(36,391)	-	-
Fund balances at beginning of year	5,358	-	77,868	-	-
Fund balance at end of year	$ -	$ -	$ 41,477	$ -	$ -

CITY OFEAST ST. LOUIS, ILLINOIS
SPECIAL REVENUE-NON-MAJOR FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
Period Ended December 31, 2009

	CDBG HRRP	CDBG-R	Urban High Crime	Fed Drug Fund	IKON
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	68,506	170,000	77,684	39,500	-
Local motor fuel taxes	-	-	-	-	-
Investment income	-	-	-	15	-
Other	-	-	-	800	-
Total revenues	68,506	170,000	77,684	40,315	-
Expenditures:					
Current:					
Administration	-	-	-	-	6,726
Police	-	-	-	(2,583)	-
Fire	-	-	-	-	-
Other Public Safety & Library	-	-	50,895	-	-
Public works	-	-	-	-	-
Regulatory affairs	-	-	-	-	-
Community development	68,506	170,000	-	-	-
Redevelopment	-	-	-	-	-
Debt service:	-				
Principal	-	-	-	-	-
Interest on long term debt	-	-	-	-	-
Other Claims	-	-	-	-	-
Total Expenditures:	68,506	170,000	50,895	(2,583)	6,726
Excess (deficiency) of revenues over (under) expenditures	-	-	26,789	42,898	(6,726)
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	-	-	26,789	42,898	(6,726)
Fund balances at beginning of year	-	-	(26,840)	(3,368)	6,726
Fund balance at end of year	$ -	$ -	$ (51)	$ 39,530	$ -

CITY OFEAST ST. LOUIS, ILLINOIS
SPECIAL REVENUE-NON-MAJOR FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
Period Ended December 31, 2009

	Justice Assistance Grant	Housing Authority Grant	District 189 SRO	State Drug Forfeiture	Juvenille Offenders
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	34,027	28,452	252,000	34,061	23,039
Local motor fuel taxes	-	-	-	-	-
Investment income	402	-	-	29	21
Other	-		-	-	-
Total revenues	34,429	28,452	252,000	34,090	23,060
Expenditures:					
Current:					
Administration	-	-	-	-	-
Police	92,852	79,451	278,391	1,490	37,253
Fire	-	-	-	-	-
Other Public Safety & Library	-	-	-	-	-
Public works	-	-	-	-	-
Regulatory affairs	-	-	-	-	-
Community development	-	-	-	-	-
Redevelopment	-	-	-	-	-
Debt service:					
Principal	-	-	-	-	-
Interest on long term debt	-	-	-	-	-
Other Claims	-	-	-	-	-
Total Expenditures:	92,852	79,451	278,391	1,490	37,253
Excess (deficiency) of revenues over (under) expenditures	(58,423)	(50,999)	(26,391)	32,600	(14,193)
Other financing sources (uses)					
Carry forwards	-	-	-	-	-
Bond Proceeds	-	-	-	-	-
Transferred to (from) other funds	-	-	27,000	-	3,364
Total other financing sources (uses)	-	-	27,000	-	3,364
Excess of revenues and other sources over (under) expenditures and other uses	(58,423)	(50,999)	609	32,600	(10,829)
Fund balances at beginning of year	58,423	50,999	55,349	2,939	10,829
Fund balance at end of year	$ -	$ -	$ 55,958	$ 35,539	$ -

CITY OFEAST ST. LOUIS, ILLINOIS
SPECIAL REVENUE-NON-MAJOR FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
Period Ended December 31, 2009

	Task Force Officers	OTHER	Total Non-Major Funds
Revenues:			
Property taxes	$ -	$ -	$ 278,254
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	273,000	-	3,363,966
Local motor fuel taxes	-	-	-
Investment income	-	-	4,301
Other	-	215	76,476
Total revenues	273,000	215	3,722,997
Expenditures:			
Current:			
Administration	-	4,749	1,749,059
Police	-	14,193	597,414
Fire	-	46,800	73,200
Other Public Safety & Library	-	501	51,396
Public works	-	-	-
Regulatory affairs	-	-	-
Community development	-	-	2,143,149
Redevelopment	-	-	-
Debt service:		-	-
Principal	-	-	200,000
Interest on long term debt	-	-	-
Other Claims	-	-	-
Total Expenditures:	-	66,243	4,814,218
Excess (deficiency) of revenues over (under) expenditures	273,000	(66,028)	(1,091,221)
Other financing sources (uses)			
Carry forwards	-	-	-
Bond Proceeds	-	-	-
Transferred to (from) other funds	(231,000)	-	315,202
Total other financing sources (uses)	(231,000)	-	315,202
Excess of revenues and other sources over (under) expenditures and other uses	42,000	(66,028)	(776,019)
Fund balances at beginning of year	50,063	111,349	1,503,470
Fund balance at end of year	$ 92,063	$ 45,321	$ 727,451

City of East St. Louis, Illinois
Schedule of Cash/Cash Equivalents and Investments
December 31, 2009

ACCOUNT:	Cash	CD/Repos Trustees	Maturity Date	Obligated Funds(5)	Unobligated Cash	Unobligated Investments
General Revenue Fund:						
General Revenue:1ST IL GF DISB	78	$ -	Demand	-	$ 78	$ -
General Revenue:Associated	211	-	Demand	-	211	-
UP - PAYROLL ACCT	(15,851)	-	Demand	-	(15,851)	-
CASH-FIRE DEPT IMPREST	1,118	-	Demand	1,118	-	-
CASH-RESTOR. OF VEH & EQU	267,652	-	Demand	267,652	-	-
1ST IL BK-GEN REV#520701	3,018,397	-	Demand	-	3,018,397	-
1st Illinois	26,788	-	Demand	26,788	-	-
Police Petty Cash	2,945	-	Demand	2,945	-	-
Public works Imprest-UP	637	-	Demand	637	-	-
Investments-Certificate of Deposits	-	300,342	CD	-	300,342	-
REGIONS BANK	-	197,390	Trust	-	197,390	-
MORGAN STANLEY- GF CLAIMS	-	-	Trust	-	-	-
JP MORGAN TRUST ACCT	-	29,677	Trust	29,677	-	-
JPM - SER2005 COST OF ISSUA	-	-	Demand	-	-	-
JPM - INTEREST	-	63,168	Trust	63,168	-	-
JPM-SERIES 2005 INTEREST	-	31,638	Demand	31,638	-	-
JPM - PRINCIPAL	-	175,035	CD	175,035	-	-
JPM - SER 2005 PRICIPAL	-	98,168	Trust	98,168	-	-
JPM - DEBT RESTRUCT	-		Trust		-	-
JPM - DEBT SVC RESERVE	-	2,005,250	Trust	2,005,250	-	-
JPM - EXPENSE FUND	-	39,044	Demand	39,044	-	-
Accounts Payable	-	-		-	(3,664,568)	-
Total General Revenue Fund	3,301,975	2,939,712		2,741,120	(164,001)	-
Total Unobligated Funds General Fund						(164,001)
Special Reveue Fund(1):						
Tax Increment Financing						
1st Illinois	8,498	-	Demand	-	8,498	-
BK OF NY-TIF #372768		2,500	Demand	2,500	-	-
BK OF NY - CASINO QUEEN		6,837,364	Trust	6,837,364		-
TIF 1	4,942,411		Demand	-	4,942,411	
1st Illinois	535,864		Demand	-	535,864	
1st Illinois	3,783,845	-	Demand	-	3,783,845	-
Associate Wealth Management		52,000	CD	-	-	52,000
1st Illinois	966,757		Demand	-	966,757	
1st Illinois	300,914		Demand	-	300,914	
TIF 3C -	979,636		Demand	-	979,636	
Associated	1,269		Demand	1,269	-	
1st Illinois	194,423	-	Demand	-	194,423	-
Accounts Payable		-	Demand	-	(1,210,571)	-
Tatal Tax *Increment Financing*	11,713,617	6,891,864		6,841,133	10,501,777	52,000
Total Unobligated Funds TIF						10,553,777

City of East St. Louis, Illinois
Schedule of Cash/Cash Equivalents and Investments
December 31, 2009

ACCOUNT:		Cash	CD/Repos Trustees	Maturity Date	Obligated Funds(5)	Unobligated Cash	Unobligated Investments
Motor Fuel Tax(Cont.)							
MFT ILLINOIS FUND	2	$ -	$ 984,874	Trust	$ 984,874		$ -
SYNDICATED INVESTMENTS	2		10	Trust	10		
MFT-REGIONS BANK	2	-	1,440,166	sweep	1,440,166	-	-
Total Motor Fuel		-	2,425,050		2,425,050	-	-
Other							
ASSOCIATED BANK CD	1		-	CD	-	-	-
1ST IL SPEC REV #521501	1	581,233		Demand	581,233	-	
Investments-Certificate of Deposits	1		-	Demand	-	-	
1ST IL INSURANCE CLAIMS	1	92,311		Demand	92,311		
1ST IL WORKMAN'S COMP	1	28,633		CD	28,633		-
US BK - AUTO LIABILITY	1	-		CD	-	-	
US BANK AUTO LIABILITY 2	1	77		Demand	77		
Total Other		702,254	-		702,254	-	-
Total Special Revenue Fund		12,415,871	9,316,914		9,968,437	10,501,777	52,000
Total Unobligated Funds Special Revenue							10,553,777
Enterprise Fund:							
ASSOCIATE - SEWER ACCT		83,672		Demand	-	83,672	
BK OF NY - PFIZER		440,503		Trust	440,503	-	
Total Enterprise Fund		524,175	-		440,503	83,672	-
Total Unobligated Funds Enterprise							83,672
Federal Grant Funds							
Investments & Certs			-	CD		-	-
FED & STATE GRANT SP REV		149,732		Demand		149,732	
UNION PLT-CK #1210082074		7,562		Demand	-	7,562	
ASSOCIATED-HOME#550033504		791		Demand	-	791	
UNION PLT. ESG #20360917		293		Demand	-	293	
1ST IL -EC FED #602301NK		24,070		Demand	-	24,070	
1ST BK FED DRUG FUND		39,615		Demand	39,615	-	
JUSTICE ASSISTANCE GRANT		1,480		Trust	1,480	-	
Total Fedderal Grant Fund		223,543	-		41,095	182,448	-
Total Unobligated Funds Federal Grants							182,448
State Grant Funds (1)							
ENTERPRISE COMM-RIVERCITI		9,365		Demand		9,365	
Police Delta Team		35,538		Demand	35,538		
1ST IL- JUVENILE ACCT		23,962		Demand	23,962	-	
Total State Grant Fund		68,865	-		59,499	9,365	-
Total Unobligated Funds							9,365
TOTAL-ALL FUNDS		16,534,429	12,256,626		13,250,654	10,613,261	52,000

(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.