

COLLINSVILLE AREA RECREATION DISTRICT

REPORT AND FINANCIAL STATEMENTS

APRIL 30, 2010

COLLINSVILLE AREA RECREATION DISTRICT

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September 2, 2010

INDEPENDENT AUDITOR'S REPORT

To the Board of Park Commissioners
of Collinsville Area Recreation District
10 Gateway Plaza
Collinsville, Illinois 62234

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Collinsville Area Recreation District as of and for the year ended April 30, 2010, which collectively comprise the basic financial statements as listed in the table of contents. These financial statements are the responsibility of Collinsville Area Recreation District's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

As described in Note 2, Collinsville Area Recreation District prepares its financial statements on the modified cash basis, which is a comprehensive basis of accounting, other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position-modified cash basis of the governmental activities, each major fund, and the aggregate remaining fund information for the Collinsville Area Recreation District as of April 30, 2010, and the respective changes in financial position-modified cash basis for the year then ended in conformity with the basis of accounting described in Note 2.

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Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3 through 7 and 27 through 33 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us the sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements as a whole. The Supplementary Data on pages 34 through 37 is presented for purposes of additional analysis and is not a required part of the basic financial statements. The Supplementary Data is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects, in relation to the financial statements as a whole.

Scheffel : Company, P.C.

COLLINSVILLE AREA RECREATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS

APRIL 30, 2010

(Unaudited)

Our discussion and analysis of Collinsville Area Recreation District (the District) financial performance provides an overview of the District's financial activities for the fiscal year ended April 30, 2010. It should be read in conjunction with the District's financial statements, which follow this section.

The Management's Discussion and Analysis (MD&A) is an element of the reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, issued June 1999; and GASB Statement No. 37, *Basic Financial Statement – and Management's Discussion and Analysis – for State and Local Governments: Omnibus*, and amendment to GASB Statement No. 21 and No. 34, issued in June 2001.

FINANCIAL HIGHLIGHTS

- The District's net assets increased as a result of this year's operations by \$435,754. Included in the expenses of the District was depreciation expense of \$485,218 (see Exhibit "B" in the Financial Report).
- The District's governmental funds reported a total ending fund balance of \$6,325,332 this year. This compares to the prior year ending fund balance of \$1,510,994 reflecting an increase of \$4,814,338. A large portion of the fund balance at April 20, 2010 was earmarked for capital projects. The district's capital outlay for the year ended April 30, 2010 was approximately \$1,236,000. The fund balance is reserved in the amount of \$278,588 for fund specific expenses that include the Audit Fund, Insurance Funds, Bond and Interest Fund, Tax Refund Fund, IMRF and Social Security Funds, and the Paving and Lighting Fund.

INDEPENDENT AUDITOR'S REPORT

The first item in this report is the independent auditor's report. This report tells the reader what the auditor audited and whether the District has followed the accounting and financial reporting rules. For 2010, the auditor has given the District what is commonly called "a clean opinion." This means that the District is following the accounting rules and the following financial statements reflect the financial position and the financial activity on a modified cash basis for the year ended April 30, 2010. The auditor's report is signed by the independent auditor. The auditor's report can be found on page 1 of this financial report.

OVERVIEW OF THE BASIC FINANCIAL STATEMENTS

This Management Discussion and Analysis document introduces the District's basic financial statements. These financial statements include: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the basic financial statements. The District also includes in this report additional information to supplement the basic financial statements, such as required supplementary information and supplementary data.

Government-Wide Financial Statements

The District's annual report includes two government-wide financial statements. These statements provide both long-term and short-term information about the District's overall financial status. These statements include assets and liabilities using the modified cash basis of accounting.

The first of these government-wide statements is the Statement of Net Assets. This is the government-wide statement of position presenting information that includes all of the District's assets and liabilities, with the difference reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of Collinsville Area Recreation District as a whole is improving or deteriorating. The relationship between revenues and expenses is the District's operating results. However, the District's goal is to provide recreational activities to the people of the district, not to generate profits as commercial entities do. One must consider many other non-financial factors, such as the quality of those recreational activities provided, diversification of the taxpayer base, or the condition of the District's capital assets.

The second government-wide statement is the Statement of Activities, which reports how the District's net assets changed during the current fiscal year. The current year revenues and expenses are recorded on modified cash basis which includes expenses for depreciation and amortization. The depreciation and amortization expenses are related to the fixed assets and long term debt that are presented as part of the Statement of Net Assets. An important purpose of the design of the statement of activities is to show the financial reliance of the District's distinct activities or functions on revenues provided by the District's taxpayers.

The government-wide financial statements are presented on pages 8 and 9 of this report.

Fund Financial Statements

The District's fund financial statements, which begin on page 10, provide information about the more significant funds.

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives.

- *Governmental funds* – Most of the District's basic services are included in governmental funds, which focus on (1) how cash flows into and out of these funds and (2) the balances left at year-end that are available for spending. These funds are reported on the cash basis of accounting. Accordingly, revenue is recorded when cash is received and expenditures are recorded when checks are issued. This basis of accounting does not include long-term assets or long-term debt and obligations. We reconcile the relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds.
- *Fiduciary funds* – The District has fiduciary responsibility for assets held by the District in a trustee capacity or as an agent for individuals, private organization, other governments and/or other funds. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes. The District's fiduciary activity is reported in a separate statement of fiduciary net assets. We exclude the fiduciary activity from the District's government-wide financial statements because the District cannot use the assets to finance its operations.

Notes to the Basic Financial Statements

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements begin on page 15 of this report.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

The District's net assets at fiscal year end are \$(225,980). The following table provides a summary of the District's net assets:

Table 1
Net Assets
April 30, 2010 and 2009

	<u>2010</u> <u>Governmental</u> <u>Activities</u>	<u>2009</u> <u>Governmental</u> <u>Activities</u>	<u>Percentage</u> <u>Change</u>
Assets:			
Current Assets	\$ 6,325,332	\$ 2,010,994	214.54%
Capital Assets	18,891,700	17,972,281	5.12%
Total Assets	<u>\$ 25,217,032</u>	<u>\$ 19,983,275</u>	<u>26.19%</u>
Liabilities:			
Liabilities	\$ 25,443,012	\$ 20,645,009	23.24%
Total Liabilities	<u>\$ 25,443,012</u>	<u>\$ 20,645,009</u>	<u>23.24%</u>
Net Assets:			
Invested in capital assets, net of related debt	\$ (6,551,312)	\$ (2,172,728)	(201.52)%
Restricted	278,588	797,529	(65.07)%
Unrestricted	6,046,744	713,465	748.52%
Total Net Assets	<u>\$ (225,980)</u>	<u>\$ (661,734)</u>	<u>65.85%</u>

The following data is presented on the modified cash basis of accounting which means that all costs are presented, however, the purchase of capital assets is not included but depreciation on the capital assets is included. The following table provides a summary of the District's changes in net assets:

Table 2
Changes in Net Assets
Year Ended April 30, 2010 and 2009

	<u>2010</u> <u>Activities</u>	<u>2009</u> <u>Activities</u>	<u>Percentage</u> <u>Change</u>
Revenues:			
Program Revenues:			
Charges for Services	\$ 1,668,502	\$ 1,615,361	3.29%
Operating Grants and Contributions	143,473	152,495	(5.92)%
General Revenues:			
Property Taxes	3,259,177	3,317,857	(1.77)%
Intergovernmental	4,394	4,253	3.32%
Interest	13,519	9,763	38.47%
Transfers	1,175,666	1,581,210	(25.65)%
Total Revenues	<u>\$ 6,264,731</u>	<u>\$ 6,680,939</u>	<u>(6.23)%</u>
Program Expenses:			
General Government	\$ 1,109,640	\$ 1,423,176	(22.03)%
Recreation	1,599,307	2,010,442	(20.45)%
Welfare	439,324	425,011	3.37%
Capital Projects/Improvements	93,770	82,580	13.55%
Depreciation	485,218	463,703	4.64%
Interest/Amortization	926,052	867,932	6.70%
Transfers	1,175,666	1,581,210	(25.65)%
Total Expenses	<u>\$ 5,828,977</u>	<u>\$ 6,854,054</u>	<u>(14.96)%</u>
Change in Net Assets	\$ 435,754	\$ (173,115)	
Beginning Net Assets	(661,734)	(488,619)	
Ending Net Assets	<u>\$ (225,980)</u>	<u>\$ (661,734)</u>	

Property taxes provided 64% of the District's total revenues (see Table 2). Due to funds held in escrow for further debt retirement, we have been able to earn \$13,519 in interest earnings to support our activities. Also, note that program revenues cover approximately 39% of governmental expenses, which includes depreciation, interest and amortization, an increase of approximately 6% over 2009. This means that the remaining 61% of governmental expenses are funded by all other District revenues. In addition, depreciation on the District's capital assets is about 10% of the total expenses (see Table 2).

CAPITAL ASSETS

The District's investment in capital assets, net of accumulated depreciation, for governmental activities as of April 30, 2010 was \$18,891,700. See Note 7 for additional information about changes in capital assets during the calendar year and the balance at the end of the year. The following table provides a summary of capital asset activity.

	<u>Governmental Activities</u>	
	<u>2010</u>	<u>2009</u>
Governmental Activities:		
Not Being Depreciated:		
Land and Improvements	<u>\$ 8,780,699</u>	<u>\$ 8,668,393</u>
Other Capital Assets:		
Building and Improvements	\$ 7,930,983	\$ 6,836,987
Grounds Equipment	459,762	427,777
Maintenance Equipment	185,296	185,296
Vehicles	113,684	96,184
Office Equipment	80,644	80,644
Aquatic Equipment	4,211,267	4,182,698
Construction in Progress	<u>316,594</u>	<u>196,313</u>
Total Depreciable Assets	\$ 13,298,230	\$ 12,005,899
Less Accumulated Depreciation	<u>3,187,229</u>	<u>2,702,011</u>
Other Capital Assets (Net of Depreciation)	<u>\$ 10,111,001</u>	<u>\$ 9,303,888</u>
Percentage Depreciated	<u>23.97%</u>	<u>22.51%</u>
Total Cost	<u>\$ 22,078,929</u>	<u>\$20,674,292</u>
Total Capital Assets (Net of Depreciation)	<u>\$ 18,891,700</u>	<u>\$ 17,972,281</u>

LONG-TERM DEBT

Long-term bonds payable is presented net of prepaid bond costs on the Statement of Net Assets as Bonds Payable which is comprised of amounts currently due and amounts due in the future. As of April 30, 2010, the District had \$25,420,179 in outstanding debt. Additional information on the District's long-term debt is provided in Note 9.

BUDGETARY HIGHLIGHTS

The District adopted its original budget on May 19, 2009. Budgetary comparisons for major fund expenditures are required and are shown in Schedules 2 through 7 on pages 28-33. The budgetary comparison for other governmental funds' expenditures are presented in the aggregate and are shown in Schedule 8 on page 34.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

At the time these financials were prepared and audited the District was aware of several circumstances that could affect its future financial health.

- The continuing increases in premiums for health care insurance, worker's compensation and property and liability insurance could have a significant effect on the future financial health of the District.
- The continuing increases in the prices for all petroleum related products, have a significant impact on the financial health of the District. These increases affect the prices for gas, diesel fuel, tires, fertilizer, all sources of energy and related direct and indirect expenses.
- The State-mandated increase in the minimum wage went into effect on July 1, 2010. This increase of \$.25 per hour for each employee will impact all areas of District operations.

CURRENTLY KNOWN FACTS, CONDITIONS, OR DECISIONS

Currently, the District has contracted with Impact Strategies, Inc. as the Contractor for Phase One of the Miner's Institute Rehabilitation. Design work is in progress for subsequent phases of the rehabilitation to include a building addition to allow compliance with various ADA issues as well as other health and safety codes.

Construction of the District's newest park, Pleasant Ridge Park, was delayed by IDNR, due to their requirement that the District conduct a Phase Two Archeological Excavation as part of the OSLAD Grant award. That excavation has delayed the start of construction but it is hoped that the matter will be resolved to allow construction to begin during the coming fiscal year.

The District partnered with Madison County and the not-for-profit Southwestern Illinois Resource, Conservation and Development to purchase approximately eighty acres of wetland property located in the Arlington neighborhood. The District's portion of this property consists of seven and four tenths acres of upland ground. Through an intergovernmental agreement with Madison County, the District plans to conduct outdoor education and recreational activities with future plans for the development of a wetland education/interpretive center.

The District selected the consultant team headed by AAIC, Inc. of Collinsville to conduct a feasibility study on the issue of building a community center within the District. The consultant team continues to work on that project with completion of the feasibility study expected in late 2010.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the District's finances, comply with finance - related laws and regulations, and demonstrate the District's commitment to public accountability. If you have questions about this report or would like to request additional information, contact the Executive Director of Collinsville Area Recreation District, Mr. Mark Badasch, 10 Gateway Drive, Collinsville, Illinois.

COLLINSVILLE AREA RECREATION DISTRICT
STATEMENT OF NET ASSETS
MODIFIED CASH BASIS
APRIL 30, 2010

ASSETSGOVERNMENTAL
ACTIVITIES

Cash	\$ 206,491
Restricted Cash	6,118,841
Capital Assets, (Net of Accumulated Depreciation)	18,891,700
Total Assets	<u>\$ 25,217,032</u>

LIABILITIES AND NET ASSETS

Liabilities:	
Bonds Payable (Net of Prepaid Bond Costs):	
Expected to be paid within one year	\$ 2,055,000
Expected to be paid after one year	23,365,179
Capital Lease Payable	
Expected to be paid within one year	11,109
Expected to be paid after one year	11,724
Total Liabilities	<u>\$ 25,443,012</u>
Net Assets:	
Invested in Capital Assets, Net of Related Debt	\$ (6,551,312)
Restricted for:	
Audit	325
Liability/Workmen's Compensation Insurance	41,494
Debt Service	184,448
IMRF/Social Security	23,940
Paving & Lighting	1,183
Tax Refund	27,198
Capital Improvements	5,840,253
Unrestricted	206,491
Total Net Assets (Deficit)	<u>\$ (225,980)</u>
Total Liabilities and Net Assets	<u>\$ 25,217,032</u>

The accompanying notes are an integral part of the financial statements.

COLLINSVILLE AREA RECREATION DISTRICT
STATEMENT OF ACTIVITIES
MODIFIED CASH BASIS
FOR THE YEAR ENDED APRIL 30, 2010

	<u>PROGRAM REVENUES</u>		<u>NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS</u>
<u>FUNCTIONS/PROGRAMS</u>	<u>CHARGES FOR SERVICES</u>	<u>OPERATING GRANTS AND CONTRIBUTIONS</u>	<u>PRIMARY GOVERNMENT GOVERNMENTAL ACTIVITIES</u>
<u>Primary Government:</u>	<u>EXPENSES</u>		
Governmental Activities:			
General Government	\$ 1,109,640		\$ (1,109,640)
Recreation	1,599,307	\$ 143,473	212,668
Welfare	439,324		(439,324)
Improvements	93,770		(93,770)
Depreciation	485,218		(485,218)
Interest/Amortization	926,052		(926,052)
Total Primary Government	<u>\$ 4,653,311</u>	<u>\$ 143,473</u>	<u>\$ (2,841,336)</u>
General Revenues:			
Property Taxes			\$ 3,259,177
Intergovernmental			4,394
Earnings on Investments			13,519
Total General Revenue			<u>\$ 3,277,090</u>
CHANGE IN NET ASSETS			\$ 435,754
NET ASSETS (DEFICIT), BEGINNING OF YEAR			<u>(661,734)</u>
NET ASSETS (DEFICIT), END OF YEAR			<u>\$ (225,980)</u>

The accompanying notes are an integral part of the financial statements.

COLLINSVILLE AREA RECREATION DISTRICT
STATEMENT OF ASSETS, LIABILITIES AND
FUND BALANCES - MODIFIED CASH BASIS
GOVERNMENTAL FUNDS

APRIL 30, 2010

	CORPORATE FUND	RECREATION FUND	CAPITAL IMPROVEMENT FUND	BOND AND INTEREST FUND	AQUATIC CENTER FUND	GOLF COURSE FUND	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
<u>ASSETS</u>								
Cash	\$ 57,872	\$ 23,297	\$ 5,840,253	\$ 184,448	\$ 39,333	\$ 12,200	\$ 167,929	\$ 6,325,332
Due From Other Funds	25,605					5,000		30,605
Total Assets	<u>\$ 83,477</u>	<u>\$ 23,297</u>	<u>\$ 5,840,253</u>	<u>\$ 184,448</u>	<u>\$ 39,333</u>	<u>\$ 17,200</u>	<u>\$ 167,929</u>	<u>\$ 6,355,937</u>
<u>LIABILITIES</u>								
Due to Other Funds	\$ 825	\$ 25,605					\$ 4,175	\$ 30,605
Total Liabilities	<u>\$ 825</u>	<u>\$ 25,605</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 4,175</u>	<u>\$ 30,605</u>
<u>FUND BALANCES</u>								
Reserved			\$ 5,840,253	\$ 184,448				\$ 6,118,841
Unreserved	\$ 82,652	\$ (2,308)			\$ 39,333	\$ 17,200	\$ 94,140	\$ 206,491
Total Fund Balances	<u>\$ 82,652</u>	<u>\$ (2,308)</u>	<u>\$ 5,840,253</u>	<u>\$ 184,448</u>	<u>\$ 39,333</u>	<u>\$ 17,200</u>	<u>\$ 163,754</u>	<u>\$ 6,325,332</u>
Total Liabilities and Fund Balances	<u>\$ 83,477</u>	<u>\$ 23,297</u>	<u>\$ 5,840,253</u>	<u>\$ 184,448</u>	<u>\$ 39,333</u>	<u>\$ 17,200</u>	<u>\$ 167,929</u>	<u>\$ 6,355,937</u>

The accompanying notes are an integral part of the financial statements.

COLLINSVILLE AREA RECREATION DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT
OF ASSETS, LIABILITIES AND FUND BALANCES
TO THE STATEMENT OF NET ASSETS
APRIL 30, 2010

Total Governmental Fund Balances		\$ 6,325,332
Total Net Assets reported for Governmental Activities in the Statement of Net Assets is different because:		
Bond Costs of Issuance, including bond discounts and premiums, are capitalized and amortized over the life of the related bonds.		
		784,821
Capital assets used in Governmental Activities are not financial resources and therefore are not reported in the funds.		
Those assets consist of:		
Land and Improvements	\$ 8,780,699	
Buildings and Improvements, Net of \$2,812,516 Accumulated Depreciation	9,404,803	
Construction in Progress	316,594	
Equipment and Vehicles, Net of \$374,716 Accumulated Depreciation	<u>389,604</u>	
Total Capital Assets		18,891,700
Long-Term Liabilities applicable to the District's Governmental Activities are not due and payable in the current period and accordingly, are not reported as fund liabilities.		
		<u>(26,227,833)</u>
Total Net Assets of Governmental Activities		<u>\$ (225,980)</u>

The accompanying notes are an integral part of the financial statements.

COLLINSVILLE AREA RECREATIONAL DISTRICT
STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS AND
CHANGES IN FUND BALANCES - MODIFIED CASH BASIS

FOR THE YEAR ENDED APRIL 30, 2010

	<u>CORPORATE</u>	<u>RECREATION</u>	<u>CAPITAL</u>	<u>BOND AND</u>	<u>AQUATIC</u>	<u>GOLF</u>	<u>OTHER</u>	<u>TOTAL</u>
	<u>FUND</u>	<u>FUND</u>	<u>IMPROVEMENT</u>	<u>INTEREST</u>	<u>CENTER</u>	<u>COURSE</u>	<u>GOVERNMENTAL</u>	<u>GOVERNMENTAL</u>
			<u>FUND</u>	<u>FUND</u>	<u>FUND</u>	<u>FUND</u>	<u>FUNDS</u>	<u>FUNDS</u>
CASH RECEIPTS								
Property Taxes	\$ 418,045	\$ 446,639		\$ 1,793,177	\$ 24,235	\$ 39,864	\$ 601,316	\$ 3,259,177
Grants	24,015	3,257			84	37	24,225	115,596
Interest Earned	71	52	\$ 6,501	6,293			481	13,519
Donations		2,650	180				25,047	27,877
Admissions					412,638	351,296		763,934
Concessions					15,152	197,254		212,406
Gift Shop Sales					4,532	24,287		28,819
Program Fees		50,076			24,858	268,980		343,914
Rental Income	56,643				51,520	37,194	1,320	146,677
Intergovernmental	2,140	2,254					4,394	4,394
Reimbursements	31,906	589					32,667	32,667
Vending Machines	854							854
Miscellaneous Income	630	63	36,330		51,127	50,419	662	139,231
Total Cash Receipts	\$ 534,304	\$ 505,580	\$ 43,011	\$ 1,799,470	\$ 584,146	\$ 969,331	\$ 653,223	\$ 5,089,065
CASH DISBURSEMENTS								
General Government	\$ 509,401	\$ 107,479	\$ 411,555		\$ 153,597	\$ 216,669	\$ 125,069	\$ 1,523,770
Recreation		417,330			414,714	732,433	36,942	1,601,419
Employee Benefits							206,375	206,375
Insurance	21,548	43,598			7,518		160,285	232,949
Interest Expense	8,907	8,907						874,485
Total Cash Disbursements	\$ 539,856	\$ 577,314	\$ 760,498	\$ 507,728	\$ 575,829	\$ 949,102	\$ 528,671	\$ 4,438,998
EXCESS (DEFICIENCY) OF CASH RECEIPTS	\$ (5,552)	\$ (71,734)	\$ (717,487)	\$ 1,291,742	\$ 8,317	\$ 20,229	\$ 124,552	\$ 650,067
OVER (UNDER) CASH DISBURSEMENTS	\$ 69,847	\$ 2,595	\$ 1,011,247		\$ 57,444	\$ 64,103	\$ 30,386	\$ 1,235,622
CAPITAL OUTLAY								\$ 3,405,107
DEBT RETIREMENT								\$ 4,640,729
Total Capital Outlay and Debt Retirement								
OTHER FINANCING SOURCES (USES):								
Bond Proceeds (including Reoffering Premium)								
Transfers								
Total Other Financing Sources (Uses)	\$ 364,230	\$ 259,295	\$ 8,805,000					\$ 8,805,000
	\$ 364,230	\$ 259,295	\$ (944,693)	\$ 173,238	\$ 58,342	\$ 109,406	\$ (19,818)	\$ 0
			\$ 7,860,307	\$ 173,238	\$ 58,342	\$ 109,406	\$ (19,818)	\$ 8,805,000
EXCESS (DEFICIENCY) OF CASH RECEIPTS								
AND OTHER FINANCING SOURCES								
OVER (UNDER) CASH DISBURSEMENTS,								
CAPITAL OUTLAY, DEBT RETIREMENT								
AND OTHER (USES)								
FUND BALANCE, BEGINNING OF YEAR	\$ 288,831	\$ 184,966	\$ 4,736,573	\$ (530,020)	\$ 9,215	\$ 50,425	\$ 74,348	\$ 4,814,338
	(206,179)	(187,274)	1,103,680	714,468	30,118	(33,225)	89,406	1,510,994
FUND BALANCE, END OF YEAR	\$ 82,652	\$ (2,308)	\$ 5,840,253	\$ 184,448	\$ 39,333	\$ 17,200	\$ 163,754	\$ 6,325,332

The accompanying notes are an integral part of the financial statements.

COLLINSVILLE AREA RECREATION DISTRICT
RECONCILIATION OF THE STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED APRIL 30, 2010

Net Change in Fund Balances - Total Governmental Funds	\$ 4,814,338
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report capital outlay as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets. This is the amount by which capital outlay exceeds depreciation in the current period.	919,418
Governmental funds report bond costs as expenditures while governmental activities report amortization expense to allocate those expenditures over the life of the bonds. This is the amount by which bond costs exceeded amortization in the current period.	101,891
Proceeds from debt issuance is Other Financing Sources in the governmental funds, but a debt issue increases long-term liabilities in the Statement of Net Assets, and therefore is not reported on the Statement of Activities.	(8,805,000)
Repayment of principal is an expenditure in the Governmental Funds but reduces the liability in the Statement of Net Assets, and therefore is not reported on the Statement of Activities.	<u>3,405,107</u>
Change in Net Assets of Governmental Activities	<u>\$ 435,754</u>

The accompanying notes are an integral part of the financial statements.

COLLINSVILLE AREA RECREATION DISTRICT
STATEMENT OF FIDUCIARY NET ASSETS
APRIL 30, 2010

DEFERRED
COMPENSATION
FUND

ASSETS

Property and Rights Held Under
 Deferred Compensation Plan
 Total Assets

\$ 43,913
\$ 43,913

LIABILITIES AND NET ASSETS

Liabilities:

Obligations to Employees Under
 Deferred Compensation Plan
 Total Liabilities

\$ 43,913
\$ 43,913

Net Assets

\$ 0

Total Liabilities and Net Assets

\$ 43,913

The accompanying notes are an integral part of the financial statements.

COLLINSVILLE AREA RECREATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2010

NOTE 1. BACKGROUND

The Collinsville Area Recreation District (the District), located in Collinsville, IL, was organized in November 1990 and is governed by a board of five elected commissioners, pursuant to provisions of the Park District Code, Illinois Compiled Statutes. Accordingly, the District operates independently of any other local government units.

The following is a summary of the significant accounting policies used by the District.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The following summary of the more significant accounting policies is presented to assist the reader in interpreting the financial statements and other data in this report. These policies should be viewed as an integral part of the accompanying financial statements.

A. Reporting Entity

The District is the basic level of government, which has financial accountability, and control over all activities related to the park and recreational activities in the Collinsville, Illinois area. The District receives funding from local, state and federal government sources and must comply with the requirements of these funding source entities. However, the District is not included in any other governmental "reporting entity" as defined by GASB pronouncements, since District commissioners are elected by the public and have decision making authority, the authority to levy taxes, the power to designate management, the ability to significantly influence operations and have primary financial accountability for fiscal matters. In addition, there are no component units as defined in Governmental Accounting Standards Board Statement 14, which are included in the District's reporting entity.

B. Basic Financial Statements – Government-Wide Statements

The District's basic financial statements include both government-wide (reporting the District as a whole) and fund financial statements (reporting the District's major funds). Both the government-wide and fund financial statements categorize primary activities as governmental. The government-wide statements are prepared using the economic resources measurement focus and the modified cash basis of accounting. Governmental fund financial statements are also prepared using the modified cash basis method of accounting. Governmental fund financial statements include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds. The District's net assets are reported in three parts – invested in capital assets (net of related debt), restricted, and unrestricted net assets.

The government-wide Statement of Activities reports both the gross and net cost of each of the District's functions. The functions are also supported by general government revenues (property taxes, certain intergovernmental revenues, fines and charges, etc). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function or a business-type activity. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

The net costs (by function) are normally covered by general revenue (property taxes, intergovernmental revenues, interest income, etc.).

COLLINSVILLE AREA RECREATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2010

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basic Financial Statements – Government-Wide Statements (Continued)

This government-wide focus is more on the sustainability of the District as an entity and the change in the District's net assets resulting from the current year's activities.

C. Basic Financial Statements – Fund Financial Statements

The financial transactions of the District are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

The following fund types are used by the District:

1. Governmental Funds:

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the District:

- a. General Funds are the general operating funds of the District. These funds are used to account for all financial resources except those required to be accounted for in another fund. The General Funds of the District are the General Corporate Fund and the Recreation Fund.
- b. Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The Special Revenue Funds of the District are as follows: Liability Insurance Fund, IMRF Fund, Audit Fund, Social Security Fund, Aquatic Fund, Workers' Compensation Fund, Museum Fund, Paving and Lighting Fund, Tax Refund Fund, and Golf Course Fund.
- c. Debt Service Funds are used to account for the accumulation of funds for the periodic payment of principal and interest on general long-term debt. The Debt Service Fund of the District is the Bond and Interest Fund.
- d. Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities. The Capital Projects Funds of the District are the Capital Equipment Replacement Fund and the Capital Improvement Fund.

2. Fiduciary Funds:

Fiduciary Funds are used to report assets held in a trustee or agency capacity for others and therefore are not available to support the District's programs. The reporting focus is on net assets and changes in net assets and are reported using accounting principles similar to proprietary funds.

The District's fiduciary funds are presented in the fiduciary fund financial statements by type. Since by definition these assets are being held for the benefit of a third party (other local governments, private parties, pension participants, etc.) and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements.

COLLINSVILLE AREA RECREATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2010

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basic Financial Statements – Fund Financial Statements (Continued)

2. Fiduciary Funds: (Continued)

The District's fiduciary funds are comprised of the amounts held within a deferred compensation plan as further described in Note 6. The financial statements do not include a Statement of Changes in Net Assets for the fiduciary funds as the increases or decreases in the amount of the fiduciary funds do not affect the Net Assets of the District.

The emphasis in fund financial statements is on the major funds in the governmental activity category. Non-major funds by category are summarized into a single column. GASB No. 34 sets forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental) for the determination of major funds.

The major fund determination resulted in the designation of the following funds as major funds: General Corporate Fund, Recreation Fund, Capital Improvement Fund, Aquatic Fund, Golf Course Fund, and Bond and Interest Fund.

D. Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The District's government-wide financial statements have been prepared on the modified cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles. That basis differs from generally accepted accounting principles in that revenues are recognized when received and expenses are recognized when paid while recognizing the effects of long-term assets as well as long-term debt and obligations.

The District's fund financial statements have also been prepared on the modified cash basis of accounting, however only include the tax anticipation warrants issued and outstanding at year end.

E. Budgets and Budgetary Accounting

The budget for revenue and expenditure is prepared on the cash basis. The budget was adopted May 19, 2009 in ordinance 09-3. The District did not amend their budget during the year ended April 30, 2010.

F. Cash and Cash Equivalents

All short-term investments that are highly liquid are considered to be cash equivalents. Cash equivalents are readily convertible to known amounts of cash, and, at the day of purchase, they have a maturity date no longer than three months.

G. Use of Estimates

The preparation of financial statements in conformity with the modified cash basis of accounting requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

COLLINSVILLE AREA RECREATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2010

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Capital Assets and Depreciation

The accounting and reporting treatment applied to the capital assets associated with a fund are determined by its measurement focus. General capital assets are long-lived assets of the District as a whole. When purchased, such assets are recorded as expenditures in the governmental funds and capitalized in the government wide financial statements. The valuation basis for general capital assets are historical cost, or where historical cost is not available, estimated historical cost based on replacement cost.

Depreciation of capital assets is computed and recorded by the straight-line method. Estimated useful lives of the various classes of depreciable capital assets are as follows: buildings, 50 years; improvements, 20 years; equipment 5 to 10 years.

NOTE 3. CASH AND DEPOSITS

Cash and deposits in the accompanying financial statements as of April 30, 2010 consist of the following accounts:

Cash in Bank	\$ 6,256,294
Illinois Park District Liquid Asset Fund	<u>69,038</u>
Total	<u>\$ 6,325,332</u>

Cash includes \$400 in petty cash.

A. Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. In accordance with its investment policy, one of the ways that the District manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by limiting the investment vehicles the District purchases.

The District has no long-term deposits as of April 30, 2010.

B. Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. In accordance with its investment policy, the District limits its investment choices based on credit risk ratings. The District's Liquid Asset Fund has earned Standard and Poor's highest rating (AAAm).

COLLINSVILLE AREA RECREATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2010

NOTE 3. CASH AND DEPOSITS (CONTINUED)

C. Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party.

Of the District's total cash and investments of, not including certain clearing items, \$6,668,082 (\$608,513 of which is FDIC insured), \$6,059,569 was subject to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 69,038
Uninsured and collateral held by pledging bank's trust department not in the District's name	<u>5,990,531</u> <u>\$ 6,059,569</u>

NOTE 4. PROPERTY TAXES

The District's property taxes are levied each year on all taxable real property located in the District on or before the last Tuesday in December. The 2009 levy was passed by the Board on December 22, 2009. Property taxes attach as an enforceable lien on property as of January 1 and are payable in four installments in July, September, October, and December. The District receives significant distributions of tax receipts approximately one month after these due dates. Taxes recorded in these financial statements are from the 2008 and prior tax levies.

NOTE 5. DEFINED BENEFIT PENSION PLAN

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

Funding Policy. As set by statute, the District's Regular plan members are required to contribute 4.50 percent of their annual covered salary. The statutes requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The District's contribution rate for calendar year 2009 was 9.08 percent of annual covered payroll. The District also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Annual Pension Cost. For fiscal year ending December 31, 2009, the District's annual pension cost of \$93,142 for the Regular plan was equal to the District's required and actual contributions.

COLLINSVILLE AREA RECREATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2010

NOTE 5. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Three Year Trend Information for the Regular Plan

Actuarial Valuation Date	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/09	\$ 93,142	100%	\$ 0
12/31/08	94,115	100%	0
12/31/07	63,576	100%	0

The required contribution for 2009 was determined as part of the December 31, 2007 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2007, include (a) 7.5 percent investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4.00% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 10% per year depending on age and service, attributable to seniority/merit, and (d) post retirement benefit increases of 3% annually. The actuarial value of the District Regular plan assets was determined using techniques that spread the effect of short-term volatility in the market value of investments over a five-year period with a 15% corridor between the actuarial and market value of assets. The District Regular plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at the December 31, 2007, valuation was 24 years.

Funded Status and Funding Progress. As of December 31, 2009, the most recent actuarial valuation date, the Regular plan was 90.75 percent funded. The actuarial accrued liability for benefits was \$1,080,301 and the actuarial value of assets was \$980,408, resulting in an underfunded actuarial accrued liability (UAAL) of \$99,893. The covered payroll (annual payroll of active employees covered by the plan) was \$1,025,795 and the ratio of the UAAL to the covered payroll was 10 percent. In conjunction with the December 2009 actuarial valuation the market value of investments was determined using techniques that spread the effect of short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. In 2010, the unfunded actuarial accrued liability is being amortized on a level percentage of projected payroll on an open 30 year basis.

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

NOTE 6. DEFERRED COMPENSATION PLAN

The District offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, sponsored by the United States Conference of Mayors and administered by the Public Employees Benefit Service Corporation, is available to all District employees and permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are (until paid or made available to the employee or other beneficiary) solely the property and rights of the District (without being restricted to the provisions of benefits under the plan), subject only to the claims of the District's general creditors. Participants' rights under the plan are equal to those of general creditors of the District in an amount equal to the fair market value of the deferred account for each participant.

The value of the District's plan assets at March 31, 2010, (the latest information available) was \$43,913.

COLLINSVILLE AREA RECREATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2010

NOTE 7. CAPITAL ASSETS

	<u>Balance</u> <u>April 30, 2009</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>April 30, 2010</u>
Land and Improvements	\$ 8,668,393	\$ 112,306		\$ 8,780,699
Building and Improvements	6,836,987	1,093,996		7,930,983
Grounds Equipment	427,777	31,985		459,762
Maintenance Equipment	185,296			185,296
Vehicles	96,184	17,500		113,684
Office Equipment	80,644			80,644
Aquatic Equipment	4,182,698	28,569		4,211,267
Construction in Progress	196,313	264,656	\$ 144,375	316,594
Subtotal	<u>\$ 20,674,292</u>	<u>\$ 1,549,012</u>	<u>\$ 144,375</u>	<u>\$ 22,078,929</u>
Accumulated Depreciation	\$ 2,702,011	\$ 485,218		\$ 3,187,229
Net Capital Assets	<u>\$ 17,972,281</u>	<u>\$ 1,063,794</u>	<u>\$ 144,375</u>	<u>\$ 18,891,700</u>

NOTE 8. TAX ANTICIPATION WARRANTS

Tax Anticipation Warrants are short-term debt issued by a local government that can be paid back only with the property taxes that were anticipated. They are not a general obligation of the District. The following is a summary of the issuances as of April 30, 2010:

<u>Fund</u>	<u>Balance</u> <u>April 30, 2009</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance</u> <u>April 30, 2010</u>
Corporate	\$ 250,000	\$ 50,000	\$ 300,000	\$ 0
Recreation	250,000	50,000	300,000	0
Total	<u>\$ 500,000</u>	<u>\$ 100,000</u>	<u>\$ 600,000</u>	<u>\$ 0</u>

NOTE 9. CHANGES IN LONG-TERM DEBT

The following is a summary of debt transactions of the District for the year ended April 30, 2010:

<u>Bonds Payable</u>	<u>Balance</u> <u>April 30, 2009</u>	<u>Debt</u> <u>Issued</u>	<u>Debt</u> <u>Retired</u>	<u>Balance</u> <u>April 30, 2010</u>
Alternate Revenue Source Bonds –				
Ord. 04-5, 3.00-4.65%	\$ 7,595,000		\$ 230,000	\$ 7,365,000
Ord. 07-1, 3.90-4.10%	8,530,000			8,530,000
	<u>\$ 16,125,000</u>	<u>\$ 0</u>	<u>\$ 230,000</u>	<u>\$ 15,895,000</u>
Installment Contract Certificates –				
Ord. 02-1, 3.00-5.20%	\$ 1,495,000		\$ 1,495,000	\$ 0
	<u>\$ 1,495,000</u>	<u>\$ 0</u>	<u>\$ 1,495,000</u>	<u>\$ 0</u>
General Obligation Park Bonds –				
Ord. 09-5, 4.00%	\$ 0	\$ 1,070,000		\$ 1,070,000
	<u>\$ 0</u>	<u>\$ 1,070,000</u>	<u>\$ 0</u>	<u>\$ 1,070,000</u>
Refunding Bonds –				
Ord. 08-5, 3.00-3.75%	\$ 3,170,000		\$ 1,665,000	\$ 1,505,000
Ord. 09-7, 2.00-5.00%	0	\$ 7,735,000		7,735,000
	<u>\$ 3,170,000</u>	<u>\$ 7,735,000</u>	<u>\$ 1,665,000</u>	<u>\$ 9,240,000</u>
Total Bonds Payable	<u>\$ 20,790,000</u>	<u>\$ 8,805,000</u>	<u>\$ 3,390,000</u>	<u>\$ 26,205,000</u>

COLLINSVILLE AREA RECREATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2010

NOTE 9. CHANGES IN LONG-TERM DEBT (CONTINUED)

Future debt service on bonds existing at April 30, 2010, will be as follows:

<u>Due in Fiscal Year</u> <u>Ending April 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011	\$ 2,055,000	\$ 1,018,667	\$ 3,073,667
2012	1,115,000	1,031,780	2,146,780
2013	360,000	992,593	1,352,593
2014	375,000	981,752	1,356,752
2015	415,000	969,017	1,384,017
2016-2020	2,830,000	4,580,875	7,410,875
2021-2025	4,520,000	3,867,185	8,387,185
2026-2030	5,850,000	2,760,123	8,610,123
2031-2035	7,235,000	1,413,515	8,648,515
2036-2040	<u>1,450,000</u>	<u>72,500</u>	<u>1,522,500</u>
	<u>\$ 26,205,000</u>	<u>\$ 17,688,007</u>	<u>\$ 43,893,007</u>

Other Debt Payable

As of May 1, 2008, the District entered into forty-eight month lease-purchase agreement with John Deere Credit for the purchase of golf equipment. The total amount financed was \$53,838 with an interest rate of 5.95%. The monthly payment is fixed at \$1,708 with the first payment due at closing and subsequent payments due monthly March through November thereafter.

The annual requirements to retire this agreement are as follows:

<u>Year Ending</u> <u>April 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011	\$ 11,109	\$ 849	\$ 11,958
2012	<u>11,724</u>	<u>234</u>	<u>11,958</u>
	<u>\$ 22,833</u>	<u>\$ 1,083</u>	<u>\$ 23,916</u>

According to state statute, the General Obligation Debt of the District is subject to limitation. The General Obligation Debt of the District is comprised of the Refunding Bonds in the amount of \$10,310,000.

Statement of Legal Debt Margin	
Assessed Valuation at 12/31/09	<u>\$616,460,731</u>
Statutory Debt Limitation (2.875% - Assessed Valuation)	\$ 17,723,246
Less, General Obligation and Refunding Bond Indebtedness	<u>10,310,000</u>
Legal Debt Margin	<u>\$ 7,413,246</u>

COLLINSVILLE AREA RECREATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2010

NOTE 9. CHANGES IN LONG-TERM DEBT (CONTINUED)

Refunding Bonds, Series 2010A

On March 2, 2010, the District issued General Obligation Refunding Bonds (Alternate Revenue Source) for \$7,735,000, with a varying interest rate of 2.0 to 5.0 percent, for the purpose of funding projects of the District and refinancing certain prior projects for which the District issued debt. The District refunded General Obligation (Limited Tax) Debt Certificates, Series 2002 issued on February 26, 2002 in the amount of initial principal of \$1,875,000. The refunding paid off bond principal in the amount of \$1,395,000 with interest to call of \$19,915, totaling \$1,414,915. The remaining bond proceeds, which included a reoffering premium in the amount of \$596, were distributed as follows: \$71,162 for the underwriter's discount; \$80,319 for costs of issuance; \$269,199 to capitalized interest fund for the first payment of interest on this bond issuance; and \$5,900,000 to the Capital Improvement Fund for the primary purpose of the issuance. The interest savings on the Series 2002 Debt Certificates was not determined, however, the average interest rate decreased from 5.056% to 4.922%.

NOTE 10. DEFICIT FUND BALANCE AND EXPENDITURES OVER BUDGET

The following funds showed a deficit fund balance at April 30, 2010:

Recreation Fund	\$ (2,308)
IMFR Fund	(4,994)

The following funds had expenditures over budget for the year ended April 30, 2010:

Golf Fund	\$ 11,537
Capital Improvement Fund	1,065,452
Aquatic Fund	86,875
IMRF Fund	4,768
Liability	7,504

NOTE 11. VACATION PAY

Vacation is earned on an employee's anniversary date, and each employee may accumulate as many as 21 days of vacation. As of April 30, 2010, the District's employees had accumulated vacation pay equal to approximately \$28,070 of future expense to the District.

NOTE 12. LEASES

The District leases office equipment under terms of an operating lease, which commenced April 21, 2008. The terms of the lease payments are \$110 per month for the first 6 months and \$165 per month for the remaining lease term of 60 months. As of April 30, 2010, aggregate future lease payments are as follows:

Year Ending <u>April 30,</u>	
2011	\$ 1,980
2012	1,980
2013	1,815

