

# City of East Peoria, Illinois

Financial Report  
April 30, 2010



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### Financial Section (continued)

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# McGladrey & Pullen

Certified Public Accountants

## Independent Auditor's Report

Honorable Mayor and Commissioners  
City of East Peoria, Illinois

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of East Peoria, Illinois as of and for the year ended April 30, 2010, 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 Peoria, Illinois' management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the City of East Peoria Firefighter's Pension Fund or the City of East Peoria Police Pension Fund, which represents 76 percent, 95 percent and 35 percent, respectively, of the assets, net assets and revenues and additions of the aggregate remaining fund information. Those financial statements were audited by other auditors who reports thereon have been furnished to us, and our opinion, insofar as it related to amounts included for the City of East Peoria Firefighter's Pension Fund and the City of East Peoria Police Pension Fund is based on the reports 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. The financial statements of the East Peoria Mass Transit District, City of East Peoria Firefighter's Pension Fund and the City of East Peoria Police Pension Fund were not audited in accordance with *Government Auditing Standards*. 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 and the reports of other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the report of other auditors, 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 discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of East Peoria, Illinois as of April 30, 2010, and the respective changes in financial position and, where applicable, cash flows thereof for the year ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 22, 2010 on our consideration of the City of East Peoria, Illinois' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis on pages 3 through 10, budgetary comparison information on pages 72 through 75 and schedules of funding progress on pages 68 through 71 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We and the other auditors have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of East Peoria, Illinois' basic financial statements. The combining and individual fund financial statements and other schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information for the year ended April 30, 2010, except that portion marked "unaudited" on which we express no opinion, has been subjected to the auditing procedures applied by us and the other auditors in the audit of the basic financial statements and, in our opinion based on our audit and the report of other auditors, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*McGladrey & Pullen, LLP*

Davenport, Iowa  
September 22, 2010

## City of East Peoria, Illinois

### Management's Discussion and Analysis For Fiscal Year Ended April 30, 2010

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The following is a discussion and analysis of the City of East Peoria for the fiscal year ended April 30, 2010. The intent of the Management's Discussion and Analysis (MDA) is to look at the City's financial performance as a whole.

#### Financial Highlights

The assets of the City of East Peoria, Illinois exceeded its liabilities at the close of the most recent fiscal year by \$74,567,632 (net assets). Of this amount, \$4,942,996 may be used to meet the government's ongoing obligations to citizens and creditors.

The government's total net assets decreased by \$1,786,482 during the year ended 2010.

As of the close of this current fiscal year, the City's governmental funds reported combined ending fund balances of \$16,517,773, a decrease of \$5,546,869 in comparison with the prior year. Approximately (100) percent of the General Fund balance total amount (\$4,765,572), is available for spending at the government's discretion (unreserved fund balance).

At the end of the current fiscal year, unreserved fund balance for the General Fund was \$4,765,572 or 66 percent of total General Fund expenditures.

#### Overview of the Financial Statements

The following discussion and analysis are intended to serve as an introduction to the City of East Peoria's basic financial statements, which are comprised of these components:

1. Government-wide financial statements
2. Fund financial statements
3. Notes to financial statements
4. Required supplemental information

Please note that this report also contains other supplementary information in addition to the basic financial statements.

**Government-wide Financial Statements.** The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

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

The statement of activities presents information showing how the City's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to change occurs, regardless of the timing of related cash flows. All changes in net assets are reported on the accrual basis of accounting.

Both of these government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues. The governmental activities of the City include general government, police, fire, sanitation, health and welfare, public works, community development and other. The business-type activities of the City include Water and Sewer operations, Eastside Centre and Eastport Marina.

## City of East Peoria, Illinois

### Management's Discussion and Analysis For Fiscal Year Ended April 30, 2010

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East Peoria Mass Transit District, a component unit, although a legally separate entity is considered part of the City's operations and is combined with data of the primary government for government-wide statements presentation.

Separate financial statements for the East Peoria Mass Transit District can be obtained from the East Peoria Mass Transit District, Theresa L. Gualandi, Treasurer, 100 S. Main Street, East Peoria, Illinois, 61611.

**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 Peoria like other state and local governments uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

**Governmental Funds.** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statement focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in determining what financial resources are available in the near future to finance the City's programs.

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 funds balance sheet and the governmental funds statements of revenues, expenditures and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains 26 individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balance for the General Fund, Riverboat Gaming Tax Fund, Special Tax Allocation Fund, Police Protection Fund, Capital Projects Fund, and Bond and Interest Fund. The remaining governmental funds are combined into a single, aggregated presentation. Individual fund data for each nonmajor governmental fund is provided in the form of combining statements elsewhere in this report.

The City adopts an annual appropriated budget for its General Fund and special revenue funds. A budgetary comparison schedule has been provided as required supplementary information for the General Fund, Riverboat Gaming Tax Fund, Special Tax Allocation Fund and Police Protection Fund to demonstrate compliance with this budget on pages 72 through 77.

**Proprietary Funds.** The City of East Peoria, Illinois maintains two types of proprietary funds: enterprise and internal service. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City of East Peoria, Illinois maintains three enterprise funds. Internal service funds are used to report the same functions presented as governmental-type activities in the government-wide financial statements. The City maintains one internal service fund. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water and Sewer Fund, Eastport Marina Fund and Eastside Centre Fund.

## City of East Peoria, Illinois

### Management's Discussion and Analysis For Fiscal Year Ended April 30, 2010

**Fiduciary Funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is similar to accounting for proprietary funds. The fiduciary funds of the City are Police/Fire pension trust funds and three agency funds. The total net assets of the fiduciary funds were \$34,223,386.

**Notes to 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 financial statements start on page 37 of this report.

**Required Supplemental Information.** In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's progress in funding its obligation to provide pension benefits to its employees

The combining and individual fund statements referred to earlier provide information for nonmajor governmental funds and fiduciary funds and are presented immediately following the required supplementary information.

### Government-Wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. The City's total net assets have decreased from a year ago. Table 1 reflects total net assets of \$74,567,632, which represents a \$1,786,482 decrease from \$76,354,114 in April 2009.

Of the City's net assets, 70 percent reflects its investment in capital assets (e.g., land, construction-in-progress, buildings and improvements, machinery and equipment and infrastructure); less any related debt used to acquire those assets that are still outstanding and unspent bond proceeds. The City 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 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.

Table 1 - City of East Peoria's Net Assets

	Governmental Activities April 2010	Governmental Activities April 2009	Business-Type Activities April 2010	Business-Type Activities April 2009	Total April 2010	Total April 2009
Current and other assets	\$ 44,712,700	\$ 49,002,968	\$ 1,445,899	\$ 1,432,866	\$ 46,158,599	\$ 50,435,834
Capital assets	68,706,806	67,231,334	43,744,507	45,061,427	112,451,313	112,292,761
<b>Total assets</b>	<b>113,419,506</b>	<b>116,234,302</b>	<b>45,190,406</b>	<b>46,494,293</b>	<b>158,609,912</b>	<b>162,728,595</b>
Noncurrent liabilities	53,504,904	54,550,518	10,407,304	11,315,740	63,912,208	65,866,258
Other liabilities	18,202,654	18,831,099	1,927,418	1,677,124	20,130,072	20,508,223
<b>Total liabilities</b>	<b>71,707,558</b>	<b>73,381,617</b>	<b>12,334,722</b>	<b>12,992,864</b>	<b>84,042,280</b>	<b>86,374,481</b>
Net assets:						
Invested in capital assets, net of related debt	19,713,588	19,175,914	32,698,120	33,028,877	52,411,708	52,204,791
Restricted	17,212,928	18,813,309	-	-	17,212,928	18,813,309
Unrestricted	4,785,432	4,863,462	157,564	472,552	4,942,996	5,336,014
<b>Total net assets</b>	<b>\$ 41,711,948</b>	<b>\$ 42,852,685</b>	<b>\$ 32,855,684</b>	<b>\$ 33,501,429</b>	<b>\$ 74,567,632</b>	<b>\$ 76,354,114</b>

## City of East Peoria, Illinois

### Management's Discussion and Analysis For Fiscal Year Ended April 30, 2010

A restricted portion of the City's net assets (23 percent as of April 30, 2010) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets, \$4,914,186, may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City is able to report positive balances in all three categories of net assets. The same situation held true for the prior fiscal year.

The City's total net assets decreased by \$1,786,482 during the year ended April 30, 2010. The governmental-type activities' net assets decreased by \$1,140,737. The total business-type activities' net assets decreased by \$645,745. This decrease in the governmental-type activities was attributable to a decrease in sales and income taxes received along with increased personnel costs. The decrease in the business-type activities is mainly due to the charges for services being less than the total expenses.

Table 2 highlights the City's revenues and expenses for the year ended April 30, 2010. These two main components are subtracted to yield the change in net assets. This table utilizes the full accrual method of accounting.

Revenue is further divided into two major components: program revenue and general revenue. Program revenue is defined as charges for sales and services, operating grants and contributions and capital grants and contributions. General revenue includes taxes, investment income and other unrestricted revenue sources.

Table 2 - City of East Peoria, Illinois' Changes in Net Assets

	<b>Governmental Activities April 2010</b>	<b>Governmental Activities April 2009</b>	<b>Business-Type Activities April 2010</b>	<b>Business-Type Activities April 2009</b>	<b>Total April 2010</b>	<b>Total April 2009</b>
<b>Revenues:</b>						
<b>Program revenues:</b>						
Charges for services	\$ 1,262,695	\$ 1,146,230	\$ 7,386,193	\$ 7,927,296	\$ 8,648,888	\$ 9,073,526
Operating grants and contributions	397,548	296,618	-	-	397,548	296,618
Capital grants and contributions	11,567	707,924	-	-	11,567	707,924
<b>General revenues:</b>						
Property taxes	7,295,437	6,013,518	-	-	7,295,437	6,013,518
Sales taxes	9,444,798	10,514,414	3,083	2,846	9,447,881	10,517,260
Income taxes	1,711,662	1,849,461	-	-	1,711,662	1,849,461
Other taxes	10,979,289	11,250,990	-	-	10,979,289	11,250,990
Investment earnings	1,162,349	1,350,203	9,051	23,273	1,171,400	1,373,476
Miscellaneous	3,224,822	2,916,762	89,583	124,918	3,314,405	3,041,680
<b>Total revenues</b>	<b>35,490,167</b>	<b>36,046,120</b>	<b>7,487,910</b>	<b>8,078,333</b>	<b>42,978,077</b>	<b>44,124,453</b>

City of East Peoria, Illinois

Management's Discussion and Analysis  
For Fiscal Year Ended April 30, 2010

Table 2 - City of East Peoria, Illinois' Changes in Net Assets (Continued)

	Governmental Activities April 2010	Governmental Activities April 2009	Business-Type Activities April 2010	Business-Type Activities April 2009	Total April 2010	Total April 2009
Expenses:						
Police	5,958,076	5,545,215	-	-	5,958,076	5,545,215
Fire	4,672,281	4,223,035	-	-	4,672,281	4,223,035
Sanitation	1,002,861	968,399	-	-	1,002,861	968,399
Health and welfare	1,178,913	1,145,490	-	-	1,178,913	1,145,490
Public works	6,578,467	5,475,907	-	-	6,578,467	5,475,907
General government	10,251,427	8,939,768	-	-	10,251,427	8,939,768
Community development	383,011	371,079	-	-	383,011	371,079
Other	2,836,528	5,308,981	-	-	2,836,528	5,308,981
Interest on long-term debt	3,005,826	2,804,965	-	-	3,005,826	2,804,965
Water and sewer	-	-	6,518,262	6,586,293	6,518,262	6,586,293
Eastport Marina	-	-	935,208	1,271,551	935,208	1,271,551
Eastside Centre	-	-	1,443,699	1,545,648	1,443,699	1,545,648
<b>Total expenses</b>	<b>35,867,390</b>	<b>34,782,839</b>	<b>8,897,169</b>	<b>9,403,492</b>	<b>44,764,559</b>	<b>44,186,331</b>
<b>Excess (deficiency) before transfers</b>	<b>(377,223)</b>	<b>1,263,281</b>	<b>(1,409,259)</b>	<b>(1,325,159)</b>	<b>(1,786,482)</b>	<b>(61,878)</b>
Transfers	(763,514)	(1,071,303)	763,514	1,071,303	-	-
<b>Increase (decrease) in net assets</b>	<b>(1,140,737)</b>	<b>191,978</b>	<b>(645,745)</b>	<b>(253,856)</b>	<b>(1,786,482)</b>	<b>(61,878)</b>
Net assets, beginning	42,852,685	42,660,707	33,501,429	33,755,285	76,354,114	76,415,992
Net assets, ending	<b>\$ 41,711,948</b>	<b>\$ 42,852,685</b>	<b>\$ 32,855,684</b>	<b>\$ 33,501,429</b>	<b>\$ 74,567,632</b>	<b>\$ 76,354,114</b>

Table 3 below discloses cost of services for governmental and business-type activities. The total cost of services column contains all costs related to the programs and the net cost column shows how much of the total amount is not covered by program revenues. Succinctly put, net costs are costs that must be covered by local taxes or other general revenue or transfers.

Table 3 - Governmental Activities

Programs	Total Cost of Services April 2010	Total Cost of Services April 2009	Net (Cost) of Services April 2010	Net (Cost) of Services April 2009
Police	\$ 5,958,076	\$ 8,310,409	\$ (5,573,441)	\$ (8,095,538)
Fire	4,672,281	1,457,841	(4,562,317)	(1,285,285)
Sanitation	1,002,861	968,399	(1,002,861)	(968,399)
Health and welfare	1,178,913	1,145,490	(333,274)	(395,072)
Public works	6,578,467	5,475,907	(6,563,161)	(4,762,509)
General government	10,251,427	8,939,768	(9,935,161)	(8,640,239)
Community development	383,011	371,079	(383,011)	(371,079)
Other	2,836,528	5,308,981	(2,836,528)	(5,308,981)
Interest on long-term debt	3,005,826	2,804,965	(3,005,826)	(2,804,965)
Water and sewer	6,518,262	6,586,293	(529,535)	(312,523)
Eastport Marina	935,208	1,271,551	(202,596)	(315,815)
Eastside Centre	1,443,699	1,545,648	(778,845)	(847,858)
<b>Total</b>	<b>\$ 44,764,559</b>	<b>\$ 44,186,331</b>	<b>\$ (35,706,556)</b>	<b>\$ (34,108,263)</b>

## City of East Peoria, Illinois

### Management's Discussion and Analysis For Fiscal Year Ended April 30, 2010

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Net cost of services is 80 and 77 percent of total cost of services for the years ended April 30, 2010 and 2009, respectively.

#### Financial Analysis of the Government's Funds

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

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

As of the end of the current fiscal year, the City of East Peoria's governmental funds reported combined ending fund balances of \$16.52 million, a decrease of \$5.55 million. The Fund balance that is reserved or designated and consequently unavailable for new spending because it has already been committed to: 1) liquidate contracts and purchase orders of prior period, 2) pay debt, 3) provide for general liability and health insurance, 4) provide for other restricted purposes.

The General Fund is the chief operating fund of the City of East Peoria. At the end of the current fiscal year, the undesignated General Fund balance was \$4.77 million. The City's total General Fund balance decreased \$2.98 million during 2010. This decrease is due to the delay in tax payments from the state of Illinois.

General Fund revenues fell short of budgeted amounts by \$3,750,325 for the year. This was mainly due to the delay in collection of taxes from the state of Illinois and a reduction of grants received in the current year.

During the year, there was a \$679,498 unfavorable actual expenditure result compared to budgeted amounts. This resulted mainly from principal and interest on debt not being budgeted for in the current year.

The City continues to abate property tax levies due to reliance upon alternative funding sources, primarily utility taxes and gaming revenues, for annual debt service payments.

The Riverboat Gaming Tax Fund has a total fund balance of \$11,339,889 for the current year, a decrease of \$1,301,131 over the prior year fund balance. The decrease is due to fewer intergovernmental revenues compared to the prior year and an increase in capital projects paid with gaming tax revenues.

The Special Tax Allocation Fund has a total fund balance of \$(6,103,789) for the current year, an increase of \$99,695 over the prior year fund balance. The increase is due to debt payments being lower than the prior year.

The Police Protection Fund has a total fund balance of \$28,599 for the current year, an increase of \$39,725 over the prior year fund balance. The increase is due to an increase in grants received in the current year.

## City of East Peoria, Illinois

### Management's Discussion and Analysis For Fiscal Year Ended April 30, 2010

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#### Capital Asset and Debt Administration

**Capital assets:** The City of East Peoria's investment in capital assets for its governmental and business-type activities as of April 30, 2010, amounts to \$113 million (net of accumulated depreciation). This investment in capital assets includes land, land improvements, construction-in-progress, buildings, machinery, equipment and vehicles and infrastructure. The total increase in capital assets for the year ended April 30, 2010 was 0.14 percent.

Major capital asset events during the year included street improvements, police vehicles, cameras and radios, street sweeper, sewer lines, water mains and the West Washington TIF project.

Capital Assets Net of Depreciation Primary Government				
	2010		2009	
Land	\$	12	\$	12
Land improvements		9		9
Buildings		31		31
Machinery, equipment and vehicles		26		26
Infrastructure		111		108
Construction-in-progress		12		10
Accumulated depreciation		(88)		(83)
<b>Total</b>	<b>\$</b>	<b>113</b>	<b>\$</b>	<b>113</b>

Additional information on the City of East Peoria's capital assets can be found in Note 7 of this report.

#### City of East Peoria's Long-term Debt Primary Government

The City of East Peoria owed total bonded debt of \$50 million (bond principal portion only) at April 30, 2010. Standard and Poor's has currently assigned an "A" rating for the City's general obligation bonds.

	2010		2009	
General obligation bonds	\$	42	\$	43
Project bonds		6		8
Revenue bonds		1		1
Special assessment bonds		1		1
<b>Total</b>	<b>\$</b>	<b>50</b>	<b>\$</b>	<b>53</b>

Additional information on the City of East Peoria's long-term liabilities can be found in Note 7 of this report.

#### Economic Factors

- Real property assessed values have increased with tax year 2009 at \$423,364,569, an increase of \$9,341,058 from 2008.
- TIF property valuations have continued to rise with tax year 2009 at \$25,162,190 an increase of \$20,528 from 2008.

These factors were considered in preparing the City's budget for April 30, 2010 fiscal year.

**City of East Peoria, Illinois**

**Management's Discussion and Analysis  
For Fiscal Year Ended April 30, 2010**

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**Requests for Information**

This financial report is designed to provide a general overview of the City of East Peoria finances for our taxpayers. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to City of East Peoria, Theresa L. Gualandi, Treasurer, 100 S. Main Street, East Peoria, Illinois, 61611.

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City of East Peoria, Illinois

Statement of Net Assets

April 30, 2010

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total Primary Government	East Peoria Mass Transit District
<b>Assets</b>				
Current assets:				
Cash and investments	\$ 8,051,595	\$ 235,408	\$ 8,287,003	\$ 33,222
Receivables (net, where applicable, of allowances for estimated uncollectible amounts):				
Property taxes	10,018,636	-	10,018,636	357,117
Sales tax	977,451	-	977,451	-
State income tax	840,300	-	840,300	-
Personal property replacement tax	154,671	-	154,671	6,424
Motor fuel tax allotments	98,758	-	98,758	-
Gaming tax	590,534	-	590,534	-
Water and sewer revenue receivables:				
Billed	-	171,629	171,629	-
Unbilled charges	-	1,126,788	1,126,788	-
Customer charges	191,035	152,658	343,693	-
Assessments	193,899	3,161	197,060	-
Hotel/motel taxes	98,072	-	98,072	-
Grants	174,939	-	174,939	-
Notes	509,927	-	509,927	-
Fines	43,319	-	43,319	-
Capital lease	243,225	11,986	255,211	-
Other	218,684	14,214	232,898	-
Inventory of supplies, at cost	-	25,227	25,227	-
Internal balances	351,059	(351,059)	-	-
Assets held for resale	1,430,000	-	1,430,000	-
<b>Total current assets</b>	<b>24,186,104</b>	<b>1,390,012</b>	<b>25,576,116</b>	<b>396,763</b>
Noncurrent assets:				
Restricted assets, cash and investments	8,544,083	-	8,544,083	-
Receivables (net where applicable, of allowances for estimated uncollectible amounts):				
Assessments	616,259	2,000	618,259	-
Developer	250,000	-	250,000	-
Capital lease	10,569,906	-	10,569,906	-
Unamortized bond issue costs	546,348	53,887	600,235	-
Capital assets:				
Not depreciable:				
Land	8,210,068	3,647,682	11,857,750	-
Construction-in-progress	11,571,487	330,845	11,902,332	-
Depreciable:				
Land improvements	2,086,187	7,104,124	9,190,311	-
Buildings	6,564,961	24,388,993	30,953,954	-
Machinery, equipment and vehicles	12,350,201	13,520,690	25,870,891	-
Infrastructure	70,991,744	39,631,328	110,623,072	-
Accumulated depreciation	(43,067,842)	(44,879,155)	(87,946,997)	-
<b>Total noncurrent assets</b>	<b>89,233,402</b>	<b>43,800,394</b>	<b>133,033,796</b>	<b>-</b>
<b>Total assets</b>	<b>\$ 113,419,506</b>	<b>\$ 45,190,406</b>	<b>\$ 158,609,912</b>	<b>\$ 396,763</b>

See Notes to Basic Financial Statements.

	Primary Government			Component
	Governmental Activities	Business-Type Activities	Total Primary Government	Unit
				East Peoria Mass Transit District
<b>Liabilities and Net Assets</b>				
Current liabilities:				
Accounts payable	\$ 1,421,811	\$ 334,772	\$ 1,756,583	\$ -
Retainage payable	111,724	24,260	135,984	-
Wages payable	74,414	18,591	93,005	-
Liquor license bond held	14,000	-	14,000	-
Interest payable	779,570	18,011	797,581	-
Pension contribution payable	171,583	-	171,583	-
Unearned revenue	10,018,633	366,858	10,385,491	122,942
Due to other governmental entities	599,006	-	599,006	45,000
Deposits - customers	-	55,195	55,195	-
Compensated absences	452,393	98,592	550,985	-
Accrued health claims	1,092,850	-	1,092,850	-
Current portion of long-term debt	3,466,670	1,011,139	4,477,809	-
Long-term liabilities:				
Compensated absences	1,624,903	255,276	1,880,179	-
Other post employment benefits obligation	2,585,376	116,780	2,702,156	-
General obligation bonds, net of unamortized discount and deferred loss, noncurrent	36,484,316	3,063,914	39,548,230	-
Project bonds, net of unamortized discount, noncurrent	5,200,691	-	5,200,691	-
Revenue bonds, net of unamortized discount and deferred loss, noncurrent	-	598,702	598,702	-
Special assessments payable, noncurrent	1,055,000	-	1,055,000	-
Notes payable, noncurrent	6,554,618	6,372,632	12,927,250	-
<b>Total liabilities</b>	<b>71,707,558</b>	<b>12,334,722</b>	<b>84,042,280</b>	<b>167,942</b>
<b>Net Assets</b>				
Invested in capital assets, net of related debt	19,713,588	32,698,120	52,411,708	-
Restricted for:				
Motor fuel tax	281,211	-	281,211	-
Riverboat gaming tax	11,339,889	-	11,339,889	-
Debt payments	2,849,369	-	2,849,369	-
Capital projects	2,705,332	-	2,705,332	-
Audit	2,140	-	2,140	-
Sewer chlorination	10,236	-	10,236	-
Street lighting	21,004	-	21,004	-
Emergency service and disaster assistance	3,747	-	3,747	-
Liability insurance	-	-	-	295,686
Unrestricted	4,785,432	157,564	4,942,996	(66,865)
<b>Total net assets</b>	<b>41,711,948</b>	<b>32,855,684</b>	<b>74,567,632</b>	<b>228,821</b>
<b>Total liabilities and net assets</b>	<b>\$ 113,419,506</b>	<b>\$ 45,190,406</b>	<b>\$ 158,609,912</b>	<b>\$ 396,763</b>

City of East Peoria

Statement of Activities  
Year Ended April 30, 2010

Functions/Programs	Expenses	Program Revenues		
		Fees, Fines and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary Government</b>				
Governmental activities:				
Police	\$ (5,958,076)	\$ 55,240	\$ 329,395	\$ -
Fire	(4,672,281)	44,899	65,065	-
Sanitation	(1,002,861)	-	-	-
Health and welfare	(1,178,913)	845,639	-	-
Public works	(6,578,467)	651	3,088	11,567
General government	(10,251,427)	316,266	-	-
Community development	(383,011)	-	-	-
Other	(2,836,528)	-	-	-
Interest on and amortization of long-term debt	(3,005,826)	-	-	-
<b>Total governmental activities</b>	<b>(35,867,390)</b>	<b>1,262,695</b>	<b>397,548</b>	<b>11,567</b>
Business-type activities:				
Water and sewer	(6,518,262)	5,988,727	-	-
Eastport Marina	(935,208)	732,612	-	-
Eastside Centre	(1,443,699)	664,854	-	-
<b>Total business-type activities</b>	<b>(8,897,169)</b>	<b>7,386,193</b>	<b>-</b>	<b>-</b>
<b>Total primary government</b>	<b>\$ (44,764,559)</b>	<b>\$ 8,648,888</b>	<b>\$ 397,548</b>	<b>\$ 11,567</b>
Component unit, City of East Peoria Mass Transit District	\$ (1,481,235)	\$ -	\$ 1,199,203	\$ -

**General Revenues**

Property taxes and special assessments  
Sales taxes  
State income taxes  
Personal property replacement taxes  
Motor fuel taxes  
Illinois gaming taxes  
Other taxes  
Interest/investment income  
Other

**Transfers**

**Total general revenues and transfers**

Changes in net assets  
Net assets, beginning of year  
Net assets, end of year

See Notes to Basic Financial Statements.

Net (Expense) Revenue and Changes in Net Assets

Governmental Activities	Primary Government		Total Primary Government	Component Unit
	Business-Type Activities			East Peoria Mass Transit District
\$ (5,573,441)	\$ -	\$ (5,573,441)	\$ -	
(4,562,317)	-	(4,562,317)	-	
(1,002,861)	-	(1,002,861)	-	
(333,274)	-	(333,274)	-	
(6,563,161)	-	(6,563,161)	-	
(9,935,161)	-	(9,935,161)	-	
(383,011)	-	(383,011)	-	
(2,836,528)	-	(2,836,528)	-	
(3,005,826)	-	(3,005,826)	-	
(34,195,580)	-	(34,195,580)	-	
-	(529,535)	(529,535)	-	
-	(202,596)	(202,596)	-	
-	(778,845)	(778,845)	-	
-	(1,510,976)	(1,510,976)	-	
(34,195,580)	(1,510,976)	(35,706,556)	-	
				(282,032)
7,295,437	-	7,295,437	233,930	
9,444,798	3,083	9,447,881	-	
1,711,662	-	1,711,662	-	
1,114,922	-	1,114,922	42,910	
569,438	-	569,438	-	
7,067,357	-	7,067,357	-	
2,227,572	-	2,227,572	-	
1,162,349	9,051	1,171,400	1,135	
3,224,822	89,583	3,314,405	-	
(763,514)	763,514	-	-	
33,054,843	865,231	33,920,074	277,975	
(1,140,737)	(645,745)	(1,786,482)	(4,057)	
42,852,685	33,501,429	76,354,114	232,878	
\$ 41,711,948	\$ 32,855,684	\$ 74,567,632	\$ 228,821	

City of East Peoria

Balance Sheet  
 Governmental Funds  
 April 30, 2010

	General Fund	Riverboat Gaming Tax Fund	Special Tax Allocation Fund	Police Protection Fund
<b>Assets</b>				
Cash and investments	\$ 3,209,222	\$ 1,198,430	\$ 100,009	\$ 67,279
Receivables (net, where applicable, of allowances for estimated uncollectible amounts):				
Property taxes	-	-	1,011,395	632,112
Sales tax	962,259	-	-	-
State income tax	840,300	-	-	-
Personal property replacement tax	79,271	-	-	-
Motor fuel tax allotments	-	-	-	-
Gaming tax	-	590,534	-	-
Customer charges	-	-	-	-
Assessments	-	-	-	-
Hotel/motel taxes	-	-	-	-
Grants	-	48,780	-	126,159
Notes	-	-	-	-
Fines	34,044	-	-	9,275
Capital lease	-	-	-	-
Other	39,318	-	-	-
Due from other funds	1,858,737	-	1,984,822	-
Advance to other funds	-	10,598,758	-	-
Assets held for resale	-	-	-	-
Restricted assets, cash and investments	-	-	-	-
<b>Total assets</b>	<b>\$ 7,023,151</b>	<b>\$ 12,436,502</b>	<b>\$ 3,096,226</b>	<b>\$ 834,825</b>

(Continued)

	Capital Projects Fund	Bond and Interest Fund	Other Governmental Funds	Total
\$	-	\$ 759,296	\$ 1,281,210	\$ 6,615,446
	1,693,653	-	6,681,476	10,018,636
	15,192	-	-	977,451
	-	-	-	840,300
	-	-	75,400	154,671
	-	-	98,758	98,758
	-	-	-	590,534
	-	-	191,035	191,035
	-	-	193,899	193,899
	36,481	-	61,591	98,072
	-	-	-	174,939
	-	-	509,927	509,927
	-	-	-	43,319
	10,813,131	-	-	10,813,131
	-	-	179,366	218,684
	-	19,400	143,752	4,006,711
	-	-	-	10,598,758
	1,430,000	-	-	1,430,000
	6,473,410	2,070,673	-	8,544,083
\$	20,461,867	\$ 2,849,369	\$ 9,416,414	\$ 56,118,354

City of East Peoria

Balance Sheet (Continued)  
 Governmental Funds  
 April 30, 2010

	General Fund	Riverboat Gaming Tax Fund	Special Tax Allocation Fund	Police Protection Fund
<b>Liabilities and Fund Balances (Deficits)</b>				
Liabilities:				
Accounts payable	\$ 123,738	\$ 879,224	\$ -	\$ 125,988
Retainage payable	-	-	-	-
Wages payable	2,248	-	-	-
Liquor license bonds held	14,000	-	-	-
Compensated absences	-	-	-	47,642
Pension obligation payable	-	-	-	-
Deferred revenue	1,502,255	-	1,011,395	632,596
Due to other governmental entities	599,006	-	-	-
Due to other funds	16,332	217,389	49,374	-
Advance from other funds	-	-	8,139,246	-
<b>Total liabilities</b>	<b>2,257,579</b>	<b>1,096,613</b>	<b>9,200,015</b>	<b>806,226</b>
Fund balances (deficits):				
Reserved for notes receivable	-	-	-	-
Reserved for advances	-	10,598,758	-	-
Reserved for assets held for resale	-	-	-	-
Reserved for capital projects	-	-	-	-
Reserved for debt service	-	-	-	-
Unreserved, undesignated, reported in:				
General Fund	4,765,572	-	-	-
Special revenue funds	-	741,131	(6,103,789)	28,599
Capital Projects Fund	-	-	-	-
<b>Total fund balances (deficits)</b>	<b>4,765,572</b>	<b>11,339,889</b>	<b>(6,103,789)</b>	<b>28,599</b>
<b>Total liabilities and fund balances</b>	<b>\$ 7,023,151</b>	<b>\$ 12,436,502</b>	<b>\$ 3,096,226</b>	<b>\$ 834,825</b>

See Notes to Basic Financial Statements.

	Capital Projects Fund	Bond and Interest Fund	Other Governmental Funds	Total
\$	141,921	\$ -	\$ 150,940	\$ 1,421,811
	111,724	-	-	111,724
	-	-	72,166	74,414
	-	-	-	14,000
	-	-	25,628	73,270
	-	-	171,583	171,583
	12,537,037	-	7,249,832	22,933,115
	-	-	-	599,006
	3,015,019	-	304,786	3,602,900
	2,459,512	-	-	10,598,758
	18,265,213	-	7,974,935	39,600,581
	-	-	509,927	509,927
	-	-	-	10,598,758
	1,430,000	-	-	1,430,000
	6,473,410	-	-	6,473,410
	-	2,849,369	-	2,849,369
	-	-	-	4,765,572
	-	-	931,552	(4,402,507)
	(5,706,756)	-	-	(5,706,756)
	2,196,654	2,849,369	1,441,479	16,517,773
\$	20,461,867	\$ 2,849,369	\$ 9,416,414	\$ 56,118,354

**City of East Peoria**

**Reconciliation of Governmental Funds Balance Sheet  
to the Statement of Net Assets  
April 30, 2010**

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Total governmental fund balances	\$	16,517,773
<p>Amounts reported for governmental activities in the statement of net assets are different because capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:</p>		
Land	\$	8,210,068
Construction-in-progress		11,571,487
Land improvements		2,086,187
Buildings and improvements		6,564,961
Major movable equipment		12,350,201
Infrastructure		70,991,744
Accumulated depreciation		<u>(43,067,842)</u>
		68,706,806
Special assessments receivable		616,259
Developer receivable		<u>250,000</u>
		866,259
<p>Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds, deferred revenues</p>		
		12,914,482
<p>Internal service funds are used by management to charge the costs of certain services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets:</p>		
Other current assets		1,436,149
Other current liabilities		<u>(1,092,850)</u>
		343,299
<p>Internal service funds allocated to business-type activities</p>		
		(52,752)
<p>Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds:</p>		
Compensated absences, current		(379,123)
Compensated absences, noncurrent		(1,624,903)
Other post employment benefits obligation		(2,585,376)
Accrued interest payable		(779,570)
General obligation bonds payable, current		(1,335,000)
General obligation bonds payable, noncurrent		(37,055,000)
Project bonds payable, current		(1,135,000)
Project bonds payable, noncurrent		(5,325,000)
Special assessment bonds, noncurrent		(1,055,000)
Notes payable, current		(996,670)
Notes payable, noncurrent		(6,554,618)
Bond issuance costs		546,348
Bond discounts		260,382
Bond deferred amount on refunding		434,611
		<u>(57,583,919)</u>
<b>Net assets of governmental activities</b>	<b>\$</b>	<b><u><u>41,711,948</u></u></b>

See Notes to Basic Financial Statements.

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City of East Peoria, Illinois

Statement of Revenues, Expenditures and Changes In Fund Balances  
 Governmental Funds  
 Year Ended April 30, 2010

	General Fund	Riverboat Gaming Tax Fund	Special Tax Allocation Fund	Police Protection Fund
<b>Revenues:</b>				
Property taxes	\$ 262,963	\$ -	\$ 727,862	\$ 472,268
Other taxes and special assessments	9,745,645	7,067,357	-	-
Charges for services	-	-	-	55,240
Intergovernmental	469,601	11,567	-	373,911
Investment earnings	137,523	7,230	278	232
Licenses and permits	178,580	-	-	-
Miscellaneous	2,103,382	-	-	202,591
<b>Total revenues</b>	<b>12,897,694</b>	<b>7,086,154</b>	<b>728,140</b>	<b>1,104,242</b>
<b>Expenditures:</b>				
<b>Current:</b>				
General government	6,240,588	-	126,584	-
Police	-	-	-	4,236,939
Fire	-	-	-	-
Sanitation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Community development	364,078	-	-	-
Other	-	-	2,500	-
Capital outlay	-	6,768,917	-	161,769
<b>Debt Service:</b>				
Principal payments	313,069	766,609	1,095,000	-
Interest and fiscal charges	265,833	192,651	261,353	-
<b>Total expenditures</b>	<b>7,183,568</b>	<b>7,728,177</b>	<b>1,485,437</b>	<b>4,398,708</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>5,714,126</b>	<b>(642,023)</b>	<b>(757,297)</b>	<b>(3,294,466)</b>
<b>Other financing sources (uses):</b>				
Issuance of debt	-	-	-	-
Lease income	-	-	-	-
Proceeds from sale of capital assets	-	15,000	-	13,000
Transfers in	104,041	-	856,992	3,321,191
Transfers out	(8,800,181)	(674,108)	-	-
<b>Total other financing sources (uses)</b>	<b>(8,696,140)</b>	<b>(659,108)</b>	<b>856,992</b>	<b>3,334,191</b>
<b>Net change in fund balances</b>	<b>(2,982,014)</b>	<b>(1,301,131)</b>	<b>99,695</b>	<b>39,725</b>
Fund balances (deficits), beginning of year,	7,747,586	12,641,020	(6,203,484)	(11,126)
Fund balances (deficits), end of year	\$ 4,765,572	\$ 11,339,889	\$ (6,103,789)	\$ 28,599

See Notes to Basic Financial Statements.

	Capital Projects Fund	Bond and Interest Fund	Other Governmental Funds	Total
\$	1,242,022	\$ -	\$ 4,590,322	\$ 7,295,437
	612,326	-	1,460,120	18,885,448
	-	-	891,189	946,429
	-	-	1,237,911	2,092,990
	88,294	-	52,007	285,564
	-	-	-	178,580
	50,000	-	767,118	3,123,091
	1,992,642	-	8,998,667	32,807,539
	-	-	3,077,439	9,444,611
	-	-	1,004,547	5,241,486
	-	-	3,830,573	3,830,573
	-	-	949,078	949,078
	-	-	1,183,120	1,183,120
	-	-	2,064,219	2,064,219
	-	-	9,000	373,078
	353,136	19,951	342,000	717,587
	2,118,942	-	157,643	9,207,271
	1,269,119	70,000	490,978	4,004,775
	1,971,008	69,953	98,138	2,858,936
	5,712,205	159,904	13,206,735	39,874,734
	(3,719,563)	(159,904)	(4,208,068)	(7,067,195)
	1,430,000	-	-	1,430,000
	825,840	-	-	825,840
	-	-	-	28,000
	-	250,000	4,383,071	8,915,295
	(201,238)	-	(3,282)	(9,678,809)
	2,054,602	250,000	4,379,789	1,520,326
	(1,664,961)	90,096	171,721	(5,546,869)
	3,861,615	2,759,273	1,269,758	22,064,642
\$	\$ 2,196,654	\$ 2,849,369	\$ 1,441,479	\$ 16,517,773

City of East Peoria, Illinois

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of  
Governmental Funds to the Statement of Activities  
Year Ended April 30, 2010

---

Net change in fund balances - governmental funds \$ (5,546,869)

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The following is the amount by which capital outlays exceeded depreciation in the current year:

Capital outlay	\$ 4,653,532	
Depreciation expense	(3,124,211)	1,529,321

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, donations and disposals) is to increase/decrease net assets:

Loss on the sale of capital assets	(25,849)	
Proceeds from sale of capital assets	(28,000)	(53,849)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds, grant revenues 1,825,524

Loans made are considered expenditures in the governmental funds. Portions of receivables are not considered current financial resources and therefore portions of payments are recognized as revenues for the governmental funds. The net effect of these transactions is as follows:

Net change in long-term special assessment receivable	(132,367)	
Net change in capital lease receivable	(208,622)	(340,989)

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

Issuance of notes payable	(1,430,000)	
Repayment of bond principal	2,660,000	
Repayment of notes payable principal	1,344,775	
Amortization of discounts and loss on refunding (accretion of premiums) on refunding	(70,650)	
Amortization of bond issuance costs	(76,240)	2,427,885

(Continued)

City of East Peoria, Illinois

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of  
Governmental Funds to the Statement of Activities (Continued)  
Year Ended April 30, 2010

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

Change in compensated absences	(104,433)	
Change in other postemployment benefit obligation	<u>(1,335,874)</u>	(1,440,307)

Internal service funds are used by management to charge the costs of various activities internally to individual funds. The net expense of certain activities of internal service funds is reported with governmental activities

610,366

Change in internal service fund allocation to business-type activities  
Change in net assets of governmental activities

(151,819)

\$ (1,140,737)

See Notes to Basic Financial Statements.

City of East Peoria

Statement of Net Assets  
 Proprietary Funds  
 April 30, 2010

Assets	Business-Type Activities - Enterprise Funds		
	Water and Sewer Fund	Eastport Marina Fund	Eastside Centre Fund
Current assets:			
Cash	\$ 85,035	\$ 102,876	\$ 47,497
Water and sewer revenue receivables (net where applicable of allowance for uncollectible amounts):			
Billed	171,629	-	-
Unbilled charges	1,126,788	-	-
Customer charges	-	152,658	-
Assessments receivable	3,161	-	-
Lease receivable	-	-	11,986
Other receivable	-	14,214	-
Inventory of supplies, at cost	25,227	-	-
<b>Total current assets</b>	<b>1,411,840</b>	<b>269,748</b>	<b>59,483</b>
Noncurrent assets:			
Assessments receivable	2,000	-	-
Bond issue costs, net of amortization	53,887	-	-
	<b>55,887</b>	<b>-</b>	<b>-</b>
Capital assets:			
Undepreciable:			
Land	456,274	2,850,000	341,408
Construction-in-progress	330,845	-	-
Depreciable:			
Land improvements	1,617,396	3,119,800	2,366,928
Buildings	16,210,547	2,318,599	5,859,847
Machinery, equipment and vehicles	12,160,942	486,625	873,123
Infrastructure	39,631,328	-	-
Less accumulated depreciation	(37,789,396)	(3,271,525)	(3,818,234)
<b>Net capital assets</b>	<b>32,617,936</b>	<b>5,503,499</b>	<b>5,623,072</b>
<b>Total assets</b>	<b>\$ 34,085,663</b>	<b>\$ 5,773,247</b>	<b>\$ 5,682,555</b>

(Continued)

Total	Governmental Activities	
	Internal Service Fund	
\$ 235,408	\$	1,436,149
171,629		-
1,126,788		-
152,658		-
3,161		-
11,986		-
14,214		-
25,227		-
<u>1,741,071</u>		<u>1,436,149</u>
2,000		-
53,887		-
<u>55,887</u>		<u>-</u>
3,647,682		-
330,845		-
7,104,124		-
24,388,993		-
13,520,690		-
39,631,328		-
(44,879,155)		-
<u>43,744,507</u>		<u>-</u>
<u>\$ 45,541,465</u>	<u>\$</u>	<u>1,436,149</u>

City of East Peoria

Statement of Net Assets (Continued)  
 Proprietary Funds  
 April 30, 2010

Liabilities and Net Assets	Business-Type Activities - Enterprise Funds		
	Water and Sewer Fund	Eastport Marina Fund	Eastside Centre Fund
Current liabilities:			
Accounts payable	\$ 286,279	\$ -	\$ 48,493
Retainage payable	24,260	-	-
Due to other funds	259,517	144,294	-
Wages payable	18,591	-	-
Interest payable	10,577	-	7,434
Deposits, customers	55,195	-	-
Compensated absences	77,014	-	21,578
Unearned revenue	-	366,858	-
Accrued health claims	-	-	-
Current portion of long-term debt	960,515	-	50,624
<b>Total current liabilities</b>	<b>1,691,948</b>	<b>511,152</b>	<b>128,129</b>
Long-term debt:			
Compensated absences, noncurrent	179,691	-	75,585
Other post employment benefits obligation	-	-	116,780
General obligation bonds, net of deferred loss, noncurrent	3,063,914	-	-
Revenue bonds, net of unamortized discount and deferred loss, noncurrent	598,702	-	-
Notes payable, noncurrent	6,205,269	-	167,363
<b>Total long-term debt</b>	<b>10,047,576</b>	<b>-</b>	<b>359,728</b>
<b>Total liabilities</b>	<b>11,739,524</b>	<b>511,152</b>	<b>487,857</b>
Net assets:			
Invested in capital assets, net of related debt	21,789,536	5,503,499	5,405,085
Unrestricted	556,603	(241,404)	(210,387)
<b>Total net assets</b>	<b>22,346,139</b>	<b>5,262,095</b>	<b>5,194,698</b>
<b>Total liabilities and net assets</b>	<b>\$ 34,085,663</b>	<b>\$ 5,773,247</b>	<b>\$ 5,682,555</b>

Total enterprise funds net assets:

Amounts reported for enterprise activities in the statement of net assets are different because:

An internal service fund is used by management to charge the cost of certain services to individual funds. The assets and liabilities of the internal service fund is included in governmental activities in the statement of net assets.

Net assets of business-type activities

See Notes to Basic Financial Statements.

Total	Governmental Activities	
	Internal Service Fund	
\$ 334,772	\$ -	
24,260	-	
403,811	-	
18,591	-	
18,011	-	
55,195	-	
98,592	-	
366,858	-	
-	1,092,850	
1,011,139	-	
<u>2,331,229</u>	<u>1,092,850</u>	
255,276	-	
116,780	-	
3,063,914	-	
598,702	-	
6,372,632	-	
<u>10,407,304</u>	<u>-</u>	
<u>12,738,533</u>	<u>1,092,850</u>	
32,698,120	-	
104,812	343,299	
<u>32,802,932</u>	<u>343,299</u>	
<u>\$ 45,541,465</u>	<u>\$ 1,436,149</u>	
\$ 32,802,932		
52,752		
<u>\$ 32,855,684</u>		

City of East Peoria, Illinois

Statement of Revenues, Expenses and Changes in Net Assets  
 Proprietary Funds  
 Year Ended April 30, 2010

	Business-Type Activities - Enterprise Funds		
	Water and Sewer Fund	Eastport Marina Fund	Eastside Centre Fund
Operating revenues:			
Water sales	\$ 2,659,031	\$ -	\$ -
Sewer service charges	3,084,973	-	-
Fuel sales	-	167,028	-
Storage and rentals	-	562,521	40,039
Fees for services	-	-	561,149
Tap-in charges	48,783	-	-
Water assessments	17,336	-	-
Sewer assessments	19,156	-	-
Penalties	109,348	-	-
Individual sewer permits	1,200	-	-
Contractors' sewer permits	1,115	-	-
Sewer inspection fees	1,200	-	-
Sewer connection fees	32,100	-	-
Concession sales	-	-	20,298
Charges for coverage	-	-	-
Miscellaneous	14,485	3,063	43,368
<b>Total operating revenues</b>	<b>5,988,727</b>	<b>732,612</b>	<b>664,854</b>
Operating expenses:			
Salaries and benefits	2,099,907	174,904	677,871
Contractual services	135,018	75,000	74,024
Utilities	747,878	36,673	32,839
Repair and maintenance	531,320	142,959	171,663
Insurance	511,098	10,932	31,000
Other supplies and expenses	521,225	276,399	161,883
Depreciation	1,549,577	217,103	287,269
Insurance claims	-	-	-
<b>Total operating expenses</b>	<b>6,096,023</b>	<b>933,970</b>	<b>1,436,549</b>
<b>Operating income (loss)</b>	<b>(107,296)</b>	<b>(201,358)</b>	<b>(771,695)</b>
Nonoperating revenues (expenses):			
Interest	8,353	698	-
Reimbursements	89,583	-	-
Loss on sale (disposal) of capital assets	-	-	(427)
Municipal sales tax	-	-	3,083
Interest and fiscal charges	(553,204)	(7,357)	(10,164)
Amortization of bond issue costs	(11,294)	-	-
<b>Total nonoperating revenues (expenses)</b>	<b>(466,562)</b>	<b>(6,659)</b>	<b>(7,508)</b>
<b>Income (loss) before operating transfers</b>	<b>(573,858)</b>	<b>(208,017)</b>	<b>(779,203)</b>
Transfers in	331,763	-	531,751
Transfers out	-	(100,000)	-
	331,763	(100,000)	531,751
<b>Change in net assets</b>	<b>(242,095)</b>	<b>(308,017)</b>	<b>(247,452)</b>
Total net assets (deficit), beginning of year	22,588,234	5,570,112	5,442,150
Total net assets, end of year	\$ 22,346,139	\$ 5,262,095	\$ 5,194,698

See Notes to Basic Financial Statements.

		Governmental Activities	
		Internal Service Fund	
Total			
\$ 2,659,031		\$ -	
3,084,973		-	
167,028		-	
602,560		-	
561,149		-	
48,783		-	
17,336		-	
19,156		-	
109,348		-	
1,200		-	
1,115		-	
1,200		-	
32,100		-	
20,298		-	
-		3,445,156	
60,916		-	
<u>7,386,193</u>		<u>3,445,156</u>	
2,952,682		-	
284,042		-	
817,390		-	
845,942		-	
553,030		-	
959,507		-	
2,053,949		-	
-		3,094,357	
<u>8,466,542</u>		<u>3,094,357</u>	
<u>(1,080,349)</u>		<u>350,799</u>	
9,051		259,567	
89,583		-	
(427)		-	
3,083		-	
(570,725)		-	
(11,294)		-	
<u>(480,729)</u>		<u>259,567</u>	
<u>(1,561,078)</u>		<u>610,366</u>	
863,514		-	
(100,000)		-	
<u>763,514</u>		<u>-</u>	
(797,564)		610,366	
33,600,496		(267,067)	
<u>\$ 32,802,932</u>		<u>\$ 343,299</u>	

City of East Peoria, Illinois

Reconciliation of the Changes in Net Assets of Enterprise Funds to the Statement of Activities  
Year Ended April 30, 2010

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Net changes in net assets in enterprise funds	\$	(797,564)
Amounts reported for proprietary activities in the statement of activities are different because:		
An internal service fund is used by management to charge the costs of various activities internally to individual funds. The net expense of certain activities of the internal service fund is reported with business-type activities.		151,819
Changes in net assets of business-type activities	\$	<u>(645,745)</u>

See Notes to Basic Financial Statements.

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City of East Peoria, Illinois

Statement of Cash Flows  
 Proprietary Funds  
 Year Ended April 30, 2010

	Business-Type Activities - Enterprise Funds		
	Water and Sewer Fund	Eastport Marina Fund	Eastside Centre Fund
Cash flows from operating activities:			
Receipts from customers and users	\$ 6,039,115	\$ 794,678	\$ 664,854
Payments to suppliers and employees	(4,431,169)	(716,867)	(1,092,114)
<b>Net cash provided by (used in) operating activities</b>	<b>1,607,946</b>	<b>77,811</b>	<b>(427,260)</b>
Cash flows from noncapital financing activities:			
Reimbursements	89,583	-	-
Municipal sales tax	-	-	3,083
Proceeds from interfund accounts	120,000	-	-
Transfer from other funds	331,763	-	531,751
Transfer to other funds	-	(100,000)	-
<b>Net cash provided by (used in) noncapital financing activities</b>	<b>541,346</b>	<b>(100,000)</b>	<b>534,834</b>
Cash flows from capital and related financing activities:			
Principal payments on notes payable	(421,089)	-	(43,084)
Interest and fiscal charges paid on revenue bonds and notes payable	(525,194)	(7,357)	(10,164)
Purchase of capital assets	(619,357)	(72,220)	(21,619)
Principal payment on bonds	(550,000)	-	-
<b>Net cash (used in) capital and related financing activities</b>	<b>(2,115,640)</b>	<b>(79,577)</b>	<b>(74,867)</b>
Cash flows from investing activities:			
Interest on investments	8,353	698	-
Collections on lease receivable	-	6,716	-
<b>Net cash provided by investing activities</b>	<b>8,353</b>	<b>7,414</b>	<b>-</b>
<b>Increase (decrease) in cash and cash equivalents</b>	<b>42,005</b>	<b>(94,352)</b>	<b>32,707</b>
Cash and cash equivalents, beginning of year	43,030	197,228	14,790
Cash and cash equivalents, end of year	<b>\$ 85,035</b>	<b>\$ 102,876</b>	<b>\$ 47,497</b>

(Continued)

		Governmental Activities	
Total		Internal Service Fund	
\$	7,498,647	\$	3,445,156
	(6,240,150)		(3,061,169)
	1,258,497		383,987
	89,583		-
	3,083		-
	120,000		-
	863,514		-
	(100,000)		-
	976,180		-
	(464,173)		-
	(542,715)		-
	(713,196)		-
	(550,000)		-
	(2,270,084)		-
	9,051	259,567	
	6,716	-	
	15,767	259,567	
	(19,640)	643,554	
	255,048	792,595	
\$	235,408	\$	1,436,149

City of East Peoria, Illinois

Statement of Cash Flows (Continued)

Proprietary Funds

Year Ended April 30, 2010

	Business-Type Activities - Enterprise Funds		
	Water and Sewer Fund	Eastport Marina Fund	Eastside Centre Fund
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:			
Operating income (loss)	\$ (107,296)	\$ (201,358)	\$ (771,695)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities, depreciation	1,549,577	217,103	287,269
Change in assets and liabilities:			
Customer charges and receivables	42,035	(65,392)	-
Assessments receivable	4,493	-	-
Accounts payable, retainage and wages payable	103,485	-	17,136
Deposits	3,860	-	-
Deferred revenue	-	127,458	-
Compensated absences	11,792	-	(24,117)
Other post employment benefits obligation	-	-	64,147
<b>Net cash provided by (used in) operating activities</b>	<b>\$ 1,607,946</b>	<b>\$ 77,811</b>	<b>\$ (427,260)</b>
Noncash capital and related financing activities:			
Amortization of issuance costs, discounts and deferred amount on refunding	\$ 39,304	\$ -	\$ -
Capital assets purchased through accounts and retainage payable	24,260	-	-

See Notes to Basic Financial Statements.

		Governmental Activities	
Total		Internal Service Fund	
\$	(1,080,349)	\$	350,799
	2,053,949		-
	(23,357)		-
	4,493		-
	120,621		33,188
	3,860		-
	127,458		-
	(12,325)		-
	64,147		-
<u>\$</u>	<u>1,258,497</u>	<u>\$</u>	<u>383,987</u>

\$	39,304	\$	-
	24,260		-

City of East Peoria, Illinois

Statement of Fiduciary Net Assets

April 30, 2010

	Pension Trusts	Agency
Assets:		
Cash and cash equivalents	\$ 742,387	\$ 18,300
Receivables:		
Employer contributions	2,119,799	-
Plan members' contributions	45,309	-
Accrued interest and dividends	212,252	-
<b>Total receivables</b>	<b>2,377,360</b>	<b>-</b>
Investments, at fair value:		
Money market funds	1,321,826	-
Municipal bonds	411,293	-
Corporate bonds	259,875	-
U.S. Government notes and bonds	9,088,676	-
U.S. Government agency obligations	6,696,616	-
Mutual funds	5,687,111	-
Common stocks	7,645,042	-
<b>Total investments</b>	<b>31,110,439</b>	<b>-</b>
<b>Total assets</b>	<b>34,230,186</b>	<b>18,300</b>
Liabilities:		
Accounts payable and accrued payroll taxes	6,800	-
Amounts held for others	-	18,300
<b>Total liabilities</b>	<b>6,800</b>	<b>18,300</b>
<b>Net assets held in trust for pension benefit obligation</b>	<b>\$ 34,223,386</b>	<b>\$ -</b>

See Notes to Basic Financial Statements.

City of East Peoria, Illinois

Statement of Changes in Fiduciary Net Assets  
Pension Trust Funds  
Year Ended April 30, 2010

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Additions:

Contributions:

Plan members' contributions	\$	520,883
Employer contributions		2,149,764
Transfer of creditable service		12,462
<b>Total contributions</b>		<u>2,683,109</u>

Net investment income:

Net appreciation in fair value of investments		3,090,371
Dividends and interest		977,248
<b>Total investment income</b>		<u>4,067,619</u>
Less investment expenses		178,154
<b>Net investment income</b>		<u>3,889,465</u>

<b>Total additions</b>		<u>6,572,574</u>
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Deductions:

Benefits paid		2,719,091
Administrative expenses		77,828
<b>Total deductions</b>		<u>2,796,919</u>

<b>Change in net assets</b>		3,775,655
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Net assets held in trust for benefits:

Beginning of year		30,447,731
End of year	\$	<u>34,223,386</u>

See Notes to Basic Financial Statements.

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## City of East Peoria, Illinois

### Notes to Basic Financial Statements

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#### **Note 1. Nature of Operations, Reporting Entity, Basis of Presentation, Measurement Focus and Basis of Accounting and Summary of Significant Accounting Policies**

##### **Nature of operations:**

The City of East Peoria, Illinois (City) is a municipality located in Central Illinois. Revenues are substantially generated as a result of taxes assessed and allocated to the City (examples would be property, sales, gaming, purchase and hotel), 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 grant entitlements. Taxable industry within the area is primarily manufacturing and retail. The surrounding area has a substantial agricultural base. Additionally, there are large nonprofit employers such as hospitals and other local governments within the area.

The City provides many functions and services to citizens, including police, fire, sanitation, health and welfare, public works, community development and general administrative services.

##### **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 Peoria, 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.

With this criteria, the City has determined 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 Peoria are financially accountable. The City of East Peoria 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 burden on the City of East Peoria (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). If an organization is fiscally dependent on the City of East Peoria, the City is considered financially accountable regardless of whether the organization has (1) a separately elected governing board, (2) a governing board appointed by a higher level of government, or (3) a jointly appointed board.

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

City of East Peoria is not a component unit of any other entity. However, entities which meet criteria as a component unit of the City are as follows:

Blended component unit – City of East Peoria Police and Firefighter's Pension Funds: The Police and Firefighter's Pension Funds 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 Statutes and may be amended only by the Illinois legislature.

## City of East Peoria, Illinois

### Notes to Basic Financial Statements

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#### **Note 1. Nature of Operations, Reporting Entity, Basis of Presentation, Measurement Focus and Basis of Accounting and Summary of Significant Accounting Policies (Continued)**

The year-end for both the Police and Firefighter's Pension Funds is April 30 and both funds have been reflected as fiduciary funds in the financial statements.

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

City of East Peoria Police Fund  
Theresa L. Gualandi, Treasurer  
100 S. Main Street  
East Peoria, Illinois 61611

City of East Peoria Firefighter's Pension Fund  
Theresa L. Gualandi, Treasurer  
100 S. Main Street  
East Peoria, Illinois 61611

Discretely presented component unit - East Peoria Mass Transit District: The East Peoria Mass Transit District was organized to provide bus transportation to the City of East Peoria, Illinois through a contractual agreement with the Greater Peoria Mass Transit District.

The year-end for the East Peoria Mass Transit District is June 30.

Complete financial statements for the District may be obtained at the following address:

East Peoria Mass Transit District  
100 S. Main Street  
East Peoria, Illinois 61611

#### **Basis of presentation:**

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 nonfiduciary activities of the primary government and its component units. 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 primary government is reported separately from certain legally separate component units 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 are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

## City of East Peoria, Illinois

### Notes to Basic Financial Statements

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#### **Note 1. Nature of Operations, Reporting Entity, Basis of Presentation, Measurement Focus and Basis of Accounting and Summary of Significant Accounting Policies (Continued)**

##### **Measurement focus and basis of accounting:**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary and fiduciary fund financial statements. The agency funds do not have a measurement focus as they are custodial in nature. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied for budgetary purposes. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Property taxes, licenses, fines 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. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current 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 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/net assets, revenues and expenditures/expenses.

**Governmental fund type:** 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:** The General Fund is the general operating fund of the City. All general tax revenues and other receipts that are not allocated by law or contractual agreement to some other fund are accounted for in this fund. This fund pays the general operating expenditures, the fixed charges and the capital improvement costs that are not paid through other funds.

**Riverboat gaming tax fund (a special revenue fund):** This fund is used to collect and disburse riverboat gaming taxes.

**Special tax allocation fund (a special revenue fund):** This fund is used to account for the activities of the various tax increment financing districts in the City.

**Police protection fund (a special revenue fund):** This fund is used to account for the activities of the police department.

**Capital projects fund:** This fund is used to account for development projects being carried out by the City. Such projects are financed by proceeds from general obligation bonds, loan proceeds and tax increment financing activities.

## City of East Peoria, Illinois

### Notes to Basic Financial Statements

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#### Note 1. Nature of Operations, Reporting Entity, Basis of Presentation, Measurement Focus and Basis of Accounting and Summary of Significant Accounting Policies (Continued)

**Bond and interest fund (a debt service fund):** This fund is used to account for the accumulation of resources for, and the payment of, long-term debt principal, interest and related costs. The City has elected to report the Bond and Interest fund as a major fund for public interest purposes.

**Proprietary fund types:** Proprietary fund types are used to account for a government's ongoing organizations and activities which are similar to those often found in the private sector.

**Enterprise funds:** To account for operations financed and operated in a manner similar to private business enterprises where the intent of the governing body is the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. In accordance with Governmental Accounting Standards Board (GASB) Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, the City has elected to apply all applicable Financial Accounting Standards Board (FASB) pronouncement, issued on or before November 30, 1989, except for those pronouncements which conflict with or contradict GASB pronouncements. The City has elected not to follow FASB guidance issued subsequent to November 30, 1989.

The City reports the following major proprietary funds:

**Water and sewer fund:** The Water and Sewer Fund is used to account for the water and sewer services offered to the residents of the City.

**Eastport Marina fund:** The marina accounts for the boating services offered to the public.

**Eastside Centre fund:** The Eastside Centre accounts for the athletic events and health club memberships that are offered to the public.

Additionally, the City reports the following fund types:

**Internal service fund:** The Internal Service Fund is used by the City to account for employee health benefits provided to other funds on a cost reimbursement basis.

**Pension trust funds:** The Pension Trust Funds account for the activities of the City of East Peoria Police and Firefighter's Pension Funds, which accumulate resources for retirement, death and disability benefits to the police and firemen of the City or their beneficiaries.

**Agency funds:** The Agency Funds are utilized to account for monies and properties received and held by the City in a trustee or custodial capacity for other entities, such as employees, other governments or nonpublic organizations.

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

Amounts reported as program revenues include (1) charges to customers or applicants for goods, services, or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

**Note 1. Nature of Operations, Reporting Entity, Basis of Presentation, Measurement Focus and Basis of Accounting and Summary of Significant Accounting Policies (Continued)**

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal on-going operations. Operating expense for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expense not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted as they are needed.

**Summary of significant accounting policies:**

**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 at the County Collector's office. Sale of taxes on any uncollected amounts is prior to November 30. Distribution to all taxing bodies, including City funds, is also made prior to November 30.

Property taxes reflected as revenues in the governmental fund financial statements for fiscal year 2010 represent the 2008 tax levy which was received by the City during the months of July 2009 through November 2009. The entire 2009 tax levy and the first four months of the 2010 levy recorded as property taxes receivable, was reflected as deferred revenue.

**Cash and cash equivalents:** The City considers all liquid investments with a maturity date of three months or less when purchased to be cash equivalents. At April 30, 2010, no investments qualified as cash equivalents.

**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.

**Interfund transactions:** Transactions among City funds that would be treated as revenues and expenditures or expenses if they involved organizations external to City government are accounted for as revenues and expenditures or expenses in the funds involved.

Transactions which constitute reimbursements to a fund for expenditures initially made from it which are properly applicable to another fund are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the reimbursed fund.

Transactions, which constitute the transfer of resources from a fund receiving revenues to a fund through which the revenues are to be expended, are separately reported in the respective funds' operating statements.

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

Notes to Basic Financial Statements

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**Note 1. Nature of Operations, Reporting Entity, Basis of Presentation, Measurement Focus and Basis of Accounting and Summary of Significant Accounting Policies (Continued)**

Noncurrent portions of long-term inter-fund loan receivables are reported as advances within the governmental funds and are offset equally by a fund balance reserve account which indicates they do not constitute expendable available financial resources and, therefore, are not available for appropriation.

**Inventory:** Inventories are stated at the lower of cost or market with cost determined on a first-in, first-out (FIFO) basis.

**Capital assets:** Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the City's government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$2,500, except for assets for the Water and Sewer Fund, which uses a threshold of \$5,000 on an initial useful life of one year or greater. Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed.

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. Interest incurred, net of investment income on project specific debt service expenditures, activities is included as part of the capitalized value of the assets constructed in the enterprise funds. There was no interest capitalized for the year ended April 30, 2010.

Depreciation of capital assets is computed on the straight-line method over the following estimated useful lives:

Land improvements	20 - 50 years
Buildings	10 - 50 years
Machinery, equipment and vehicles	5 - 20 years
Infrastructure	20 - 100 years

**Deferred/unearned revenue:** Deferred/unearned revenue arises when assets are recognized before revenue recognition criteria has been satisfied. Property taxes for which there is an enforceable legal claim as of April 30, 2010, but which were levied to finance fiscal year 2011 operations, have been recorded as deferred/unearned revenue.

On the governmental fund financial statements, receivables that will not be collected within the available period have also been reported as deferred revenue.

**Compensated absences – primary government:** City employees earn vacation throughout the year based upon their anniversary date, and must use the days earned in the same anniversary year within one month after their anniversary date, unless prior approval from a department head is received. Any unused vacation time is payable to employees upon termination. Employees can accumulate ten days of sick leave per year and sick leave is carried over to the following year. Accumulated sick pay is paid out upon retirement to a maximum of 60 days.

All compensated absences are accrued when incurred in the government-wide, proprietary and fiduciary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Notes to Basic Financial Statements

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**Note 1. Nature of Operations, Reporting Entity, Basis of Presentation, Measurement Focus and Basis of Accounting and Summary of Significant Accounting Policies (Continued)**

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

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.

**Fund equity:** Reservations of fund balance represent amounts that are not appropriated or are legally segregated for a specific purpose. Restrictions of net assets are limited to outside third-party restrictions. Designations of fund balance represents tentative management plans that are subject to change.

**Net assets:** Represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net assets invested in capital assets, net of related debt, excludes unspent debt proceeds. Unspent debt proceeds for the Capital Projects Fund was \$3,768,078. Net assets are reported as restricted when there are limitations imposed on their use through enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

Net assets restricted by enabling legislation includes \$281,211 for motor fuel tax, \$11,339,889 for riverboat gaming tax, \$2,140 for audit, \$10,236 for sewer chlorination, \$21,004 for street lighting and \$3,747 for emergency service and disaster assistance.

The City first applied restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

**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 expenses during the reporting period. Actual results could differ from those estimates.

**Note 2. Restricted Assets, Primary Government**

In accordance with the appropriate bond ordinances, restricted assets represent assets the City has set aside to meet all required payments for debt principal and interest.

## City of East Peoria, Illinois

### Notes to Basic Financial Statements

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#### Note 3. Cash and Investments

Authorized investments: According to the City's investment policy and state statute, the City is authorized to invest in obligations of the U.S. Treasury, agencies and instrumentalities, certificates of deposit covered by federal depository insurance, certificates of deposit collateralized by obligations of the U.S. treasury or agencies, the Illinois funds and municipal securities rated AA or better by Standard & Poor's Corporation or Aa or better by Moody's bond ratings.

Custodial credit risk, deposits: Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City does not have a deposit policy for custodial credit risk. As of April 30, 2010, \$1,863,313 of the City's bank balance of \$15,835,944 was exposed to custodial credit risk.

Custodial credit risk, investments: 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 investments or collateral securities that are in the possession of another party. As of April 30, 2010, the City's investments were not exposed to custodial credit risk.

Interest rate risk: Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Investments held for longer periods are subject to increased risk of adverse interest rate changes. The City does not have a formal policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

As of April 30, 2010, the City had the following investments and maturities:

	Fair Value	Investment Maturities (In Years) Less than 1
Illinois funds	\$ 1,337,723	\$ 1,337,723
Agencies obligations:		
FHLMC	40,417	40,417
First American GO - Mutual Fund	27,948	27,948
Commercial Paper - Allied Irish	138,997	138,997
	<u>\$ 1,545,085</u>	<u>\$ 1,545,085</u>

Concentration of credit risk: It is the policy of the City to diversify its investment portfolio. Investments shall be diversified to eliminate the risk of loss resulting in over concentration in a specific maturity, issuer or class of securities. As of April 30, 2010, the City did not hold more than 5 percent of the City's investments in one issuer.

## City of East Peoria, Illinois

### Notes to Basic Financial Statements

#### Note 3. Cash and Investments (Continued)

Credit risk: Credit risk is the risk that an issuer or other counterparty to a debt investment will not fulfill its obligations. The City has no investment policy that would further limit its investment choices. As of April 30, 2010, the City's investments were rated as follows:

Investment Type	Moody's Investor's Service	Standard & Poor's
Illinois funds	AAAm	Not Rated
FHLMC	Not Rated	Aaa
First American GO - Mutual Fund	AAAm	Not Rated
Commercial Paper - Allied Irish	A/A-1	A1

Cash and investments, pension trust funds (the fund): The pension trust funds may invest funds as authorized by the Illinois Pension Code, generally in obligations of the United States, the State of Illinois and its local districts, certain insurance contracts, insured deposits of federal and state saving and loans, banks, and credit unions, and certain common preferred stocks.

Deposits: Custodial credit risk for deposits is the risk that in the event of a bank failure, the Fund's deposits may not be returned or the Fund will not be able to recover collateral securities in the possession of an outside party. The Fund's deposit policy provides that all deposits be guaranteed by the U.S. Government, insured by the Federal Deposit Insurance Corporation (FDIC) or fully collateralized with securities held by the Fund or its agent in the Fund's name or by its counterparty's trust department or agent in the Fund's name.

As of April 30, 2010, none of the deposits of the City of East Peoria Police Pension and the City of East Peoria Firefighter's Pension Plans were exposed to custodial credit risk.

Investments: As of April 30, 2010, the Police Pension Fund had the following investments:

Type of Investment	Fair Value/ Carrying Amount	Average Credit Quality/ Ratings (1)	Weighted Average Years to Maturity (2)	Concentration Percentage
U.S. Government notes	\$ 5,646,258	N/A	7.40	30%
U.S. Government agencies	4,639,496	AAA	6.96	25
Money market	327,524	N/A	N/A	2
Municipal bonds	411,293	AA3 to AA	2.13	2
Corporate bonds	259,875	AAA	15.42	1
Common stocks	6,199,221	N/A	N/A	34
Mutual funds, equities	1,032,483	N/A	N/A	6
<b>Total investments</b>	<u><u>\$ 18,516,150</u></u>			

## City of East Peoria, Illinois

### Notes to Basic Financial Statements

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#### Note 3. Cash and Investments (Continued)

As of April 30, 2010, the Firefighter's Pension Fund had the following investments:

Type of Investment	Fair Value/ Carrying Amount	Average Credit Quality/ Ratings (1)	Weighted Average Years to Maturity (2)	Concentration Percentage
U.S. Government notes and bonds, Explicitly guaranteed	\$ 3,442,418	N/A	3.92	27%
U.S. Government agencies	2,057,120	AAA	3.62	16
Money market funds	994,302	AAA	0.11	8
Mutual funds, equities	4,654,628	N/A	N/A	37
Common stocks	1,445,821	N/A	N/A	12
<b>Total investments</b>	<b>\$ 12,594,289</b>			

(1) Ratings are provided where applicable to indicate associated credit risk. N/A indicates not applicable. Obligations of the U.S. Government or obligations explicitly guaranteed by the U.S. Government are not considered to have credit risk.

(2) Interest rate risk is estimated using the weighted average years to maturity method.

Investing is performed in accordance with investment policies adopted by the Board of Trustees complying with Illinois Compiled Statutes. Funds may only be invested in permitted investments as authorized in Chapter 40, Article 5/1, paragraph 113.1 through 113.10 of the Illinois Compiled Statutes.

The Fund's policy provides that investments are diversified to ensure that adverse or unexpected results will not have an excessively detrimental impact on the entire portfolio. Diversification by asset type, characteristic, number of investments, and investment style is monitored. Investment guidelines have been established for each investment manager to evaluate performance of the Fund's investments compared to industry benchmarks.

Consistent with the Fund's investment policy, all securities are held by a third party custodian serving as the Fund's agent. The securities are held in the Fund's name and are not subject to custodial credit risk.

Cash and investments, discretely presented component units:

*City of East Peoria Mass Transit District.* Custodial credit risk is the risk that, in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a deposit policy for custodial credit risk. As of June 30, 2010, none of the District's bank balance of \$33,422 was exposed to custodial credit risk.

## City of East Peoria, Illinois

### Notes to Basic Financial Statements

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#### Note 4. Special Assessments Fund

The City has levied special assessments against various landowners in conjunction with improvements made which benefit the landowners. These special assessments are being paid to the City over a number of years. The balance of assessments receivable recorded in the governmental funds, represents only the current portion of the total assessments receivable. The noncurrent portion is recorded in the government-wide statement. An analysis of the current and long-term portions of special assessments receivable at April 30, 2010 is as follows:

Total special assessments receivable	\$ 810,158
Less amounts not receivable within one year	616,259
<b>Current special assessments receivable</b>	<b><u>\$ 193,899</u></b>

#### Note 5. Lease Receivable

In June 2003, the City entered into a development agreement under which the developer would construct and operate an Embassy Suites hotel and the City would construct and provide for operation of a conference center which would be adjacent or connected to the hotel. In August 2007, the City entered into a lease agreement under the terms of which the developer will lease the conference center from the City in exchange for regular escalating payments over a 20-year period.

As of April 30, 2010, components of the lease receivable were as follows:

Total lease receivable payments	\$ 17,546,050
Amount representing interest	(6,732,919)
	<b><u>\$ 10,813,131</u></b>

The lease requires the developer to make all capital expenditures necessary to maintain the conference center in first class condition.

At the conclusion of the lease, the City will convey the conference center and hotel site to the developer in exchange for \$100 each.

As of April 30, 2010, future minimum lease revenue expected to be received is as follows:

#### Fiscal Year Ending April 30:

2011	\$ 848,760
2012	871,690
2013	894,600
2014	917,520
2015	940,440
2016-2020	5,046,000
2021-2025	5,619,000
2026-2027	2,408,040
<b>Total lease receivable payments</b>	<b><u>17,546,050</u></b>
Less amount representing interest	(6,732,919)
<b>Lease receivable</b>	<b><u>\$ 10,813,131</u></b>

City of East Peoria, Illinois

Notes to Basic Financial Statements

**Note 6. Capital Assets, Primary Government**

Capital asset activity for the year ended April 30, 2010 was as follows:

	Balance April 30, 2009	Additions	Deductions	Balance April 30, 2010
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 8,210,068	\$ -	\$ -	\$ 8,210,068
Construction-in-progress	9,711,171	3,966,084	2,105,768	11,571,487
<b>Total capital assets not being depreciated</b>	<b>17,921,239</b>	<b>3,966,084</b>	<b>2,105,768</b>	<b>19,781,555</b>
Capital assets, being depreciated:				
Land improvements	2,086,187	-	-	2,086,187
Buildings	6,545,192	19,769	-	6,564,961
Machinery, equipment and vehicles	12,318,339	667,679	635,817	12,350,201
Infrastructure assets	68,885,976	2,105,768	-	70,991,744
<b>Total capital assets being depreciated</b>	<b>89,835,694</b>	<b>2,793,216</b>	<b>635,817</b>	<b>91,993,093</b>
Less accumulated depreciation for:				
Land improvements	999,203	94,327	-	1,093,530
Buildings	2,616,301	138,467	-	2,754,768
Machinery, equipment and vehicles	7,133,177	816,359	581,968	7,367,568
Infrastructure assets	29,776,918	2,075,058	-	31,851,976
<b>Total accumulated depreciation</b>	<b>40,525,599</b>	<b>3,124,211</b>	<b>581,968</b>	<b>43,067,842</b>
<b>Total capital assets being depreciated, net</b>	<b>49,310,095</b>	<b>(330,995)</b>	<b>53,849</b>	<b>48,925,251</b>
<b>Governmental activities capital assets, net</b>	<b>\$ 67,231,334</b>	<b>\$ 3,635,089</b>	<b>\$ 2,159,617</b>	<b>\$ 68,706,806</b>

City of East Peoria, Illinois

Notes to Basic Financial Statements

**Note 6. Capital Assets, Primary Government (Continued)**

	Balance April 30, 2009	Additions	Deductions	Balance April 30, 2010
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 3,647,682	\$ -	\$ -	\$ 3,647,682
Construction-in-progress	87,108	330,845	87,108	330,845
<b>Total capital assets not being depreciated</b>	<b>3,734,790</b>	<b>330,845</b>	<b>87,108</b>	<b>3,978,527</b>
Capital assets being depreciated:				
Land improvements	7,104,124	-	-	7,104,124
Buildings	24,377,045	11,948	-	24,388,993
Machinery, equipment and vehicles	13,287,090	287,200	53,600	13,520,690
Infrastructure assets	39,436,757	194,571	-	39,631,328
<b>Total capital assets being depreciated</b>	<b>84,205,016</b>	<b>493,719</b>	<b>53,600</b>	<b>84,645,135</b>
Less accumulated depreciation for:				
Land improvements	4,538,272	293,057	-	4,831,329
Buildings	8,079,611	487,824	-	8,567,435
Machinery, equipment and vehicles	9,865,685	557,025	53,173	10,369,537
Infrastructure assets	20,394,811	716,043	-	21,110,854
<b>Total accumulated depreciation</b>	<b>42,878,379</b>	<b>2,053,949</b>	<b>53,173</b>	<b>44,879,155</b>
<b>Total capital assets being depreciated, net</b>	<b>41,326,637</b>	<b>(1,560,230)</b>	<b>427</b>	<b>39,765,980</b>
<b>Business-type activities capital assets, net</b>	<b>\$ 45,061,427</b>	<b>\$ (1,229,385)</b>	<b>\$ 87,535</b>	<b>\$ 43,744,507</b>

City of East Peoria, Illinois

Notes to Basic Financial Statements

**Note 6. Capital Assets, Primary Government (Continued)**

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

Governmental activities:			
Police		\$	95,641
Fire			267,540
Sanitation			44,985
Public works			2,072,476
General government			643,569
<b>Total depreciation expense, governmental activities</b>		<b>\$</b>	<b>3,124,211</b>
Business-type activities:			
Water and sewer fund		\$	1,549,577
Eastport Marina fund			217,103
Eastside Centre fund			287,269
<b>Total depreciation expense, business-type activities</b>		<b>\$</b>	<b>2,053,949</b>

Construction commitments: The City has active construction projects as of April 30, 2010. At year-end, the City's commitments with contractors are estimated to be approximately \$4,176,500 for these projects.

**Note 7. Long-Term Debt, Primary Government**

The following is a summary of changes in long-term debt for the year ended April 30, 2010:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable:					
General obligation bonds	\$ 39,580,000	\$ -	\$ 1,190,000	\$ 38,390,000	\$ 1,335,000
Project bonds	7,655,000	-	1,195,000	6,460,000	1,135,000
Special assessment bonds	1,330,000	-	275,000	1,055,000	-
Issuance premiums (discounts)	(291,373)	-	30,991	(260,382)	-
Loss on refunding	(474,270)	-	39,659	(434,611)	-
<b>Total bonds payable</b>	<b>47,799,357</b>	<b>-</b>	<b>2,589,350</b>	<b>45,210,007</b>	<b>2,470,000</b>
Note payable	7,466,063	1,430,000	1,344,775	7,551,288	996,670
Compensated absences	1,954,244	2,077,296	1,954,244	2,077,296	452,393
<b>Governmental activity, long-term liabilities</b>	<b>\$ 57,219,664</b>	<b>\$ 3,507,296</b>	<b>\$ 5,888,369</b>	<b>\$ 54,838,591</b>	<b>\$ 3,919,063</b>

City of East Peoria, Illinois

Notes to Basic Financial Statements

**Note 7. Long-Term Debt, Primary Government (Continued)**

For governmental activities, compensated absences are generally liquidated by the General Fund or Special Revenue Funds from which the salary of the employee is typically paid.

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Business-Type Activities:					
Bonds payable:					
General obligation bonds	\$ 3,790,000	\$ -	\$ 330,000	\$ 3,460,000	\$ 345,000
Revenue bonds	1,075,000	-	220,000	855,000	225,000
Less deferred amounts:					
For issuance discounts	(3,687)	-	752	(2,935)	-
Loss on refunding	(106,707)	-	27,258	(79,449)	-
<b>Total bonds payable</b>	<b>4,754,606</b>	<b>-</b>	<b>578,010</b>	<b>4,232,616</b>	<b>570,000</b>
Notes payable	7,277,944	-	464,173	6,813,771	441,139
Compensated absences	366,193	353,868	366,193	353,868	98,592
<b>Business-type activity, long-term liabilities</b>	<b>\$ 12,398,743</b>	<b>\$ 353,868</b>	<b>\$ 1,408,376</b>	<b>\$ 11,400,255</b>	<b>\$ 1,109,731</b>

Long-term debt payable as of April 30, 2010 is comprised of the following individual issues:

**Governmental Activities**

General obligation bonds:	
\$4,500,000, General Obligation Bonds, Series 2002C, due in annual installments of \$210,000 to \$335,000 through January 2022; interest at rates of 3.25% to 4.65%	\$ 3,195,000
\$1,935,000, General Obligation Bonds, Series 2004B, due in annual installments of \$105,000 to \$330,000, beginning January 2010 through January 2018; interest at rates of 5.25% to 5.9%	1,865,000
\$3,405,000, General Obligation Bonds, Series 2004C, due in annual installments of \$45,000 to \$95,000, beginning January 2008 through January 2024; interest at rates of 4.75% to 5.375%	930,000
\$595,000, General Obligation Bonds, Series 2005C, due in annual installments of \$30,000 to \$50,000, beginning January 2008 through January 2024; interest at rates of 3.0% to 4.35%	520,000
\$2,090,000, General Obligation Bonds, Series 2005D, due in annual installments of \$250,000 to \$285,000, through November 2013; interest at rates of 4.15% to 4.6%	1,065,000
\$23,695,000, General Obligation Refunding Bonds, Series 2007, due in annual installments of \$370,000 to \$2,915,000, through January 2027; interest at rates of 4.85% to 5.5%	23,125,000
\$8,000,000, General Obligation Bonds, Series 2008, due in annual installments of \$325,000 to \$670,000, through January 2026; interest at a rate of 4.875% APR	7,690,000
<b>Total general obligation bonds, governmental activities</b>	<b>\$ 38,390,000</b>

## City of East Peoria, Illinois

### Notes to Basic Financial Statements

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#### Note 7. Long-Term Debt, Primary Government (Continued)

Notes payable:

Note payable to bank, due in monthly installments of \$2,836, including interest at 3.56%, through September 2013 (Ambulance)	\$ 104,013
Note payable to bank, due in annual installments of \$22,994, including interest at 4.125%, through October 2011 (Martin and Bailey Property)	43,818
Note payable to bank, due in semiannual installments of \$38,875, including interest at 5.25% as of April 30, 2008 through May 2021 (Kohl's Property)	3,895,735
Note payable to bank, due in annual installments of \$60,551, including interest at a variable rate (5.4% as of April 30, 2010), through November 2011 (Mid America Property)	125,862
Note payable to bank, due in monthly installments of \$3,551, including interest at 4.6%, through April 2011 (Phone System)	41,478
Note payable to bank, due in monthly installments of \$4,486, including interest at 4.2%, through June 2011 (Police Vehicles)	61,134
Note payable to bank, due in monthly installments of \$2,048, including interest at 5.125%, through April 2015 (Eastlight Theatre)	213,128
Note payable to bank, due in annual installments of \$60,000, plus monthly interest payments at a variable rate (7.16% as of April 30, 2010), through October 2012 (Gateway Plaza Land Improvements)	179,913
Note payable to bank with principal and interest, due in semiannual installments of \$45,112 through August 2023 (Steak-N-Shake Property)	754,057
Note payable to bank, due in monthly installments of \$5,269, including interest at 3.023%, through July 2010 (Fire Truck)	15,502
Note payable to bank, due in monthly installments of \$12,159, including interest at 4.2%, through September 2011 (Fire Truck)	199,882
General Obligation Limited Tax Certificates, due in monthly installments of \$11,574, including interest at 4.29%, through December 2012 (Garbage Trucks, Plow and Snow Removal Equipment)	349,372
Note payable to bank, due in monthly installments of \$17,444, including interest at 3.81%, through December 2010 (Annual Street Maintenance Program)	137,394
Note payable to bank, interest only payments are due monthly at a rate of 3.75% with a balloon payment of \$1,430,000 due on December 15, 2011 (Camp Street Property)	1,430,000
<b>Total notes payable, governmental activities</b>	<b>\$ 7,551,288</b>

City of East Peoria, Illinois

Notes to Basic Financial Statements

Note 7. Long-Term Debt, Primary Government (Continued)

Project bonds:	
\$18,675,000, Project Bonds, Series 1998-B, due in annual installments of \$470,000 to \$1,135,000 through May 2017; interest rates of 4.1% to 4.85%	\$ 6,460,000
Special assessment bonds:	
99-B, highpoint land paving improvement, interest at 7.0%	\$ 245,000
02-A, waugh road improvement, interest at 7.5%	30,000
04-B, main on main improvement, interest at 6.5%	360,000
04-C, camp street crossing improvement, interest at 6.5%	255,000
04-D, dieter's funeral home improvement, interest at 6.5%	165,000
<b>Total special assessment bonds, governmental activities</b>	<b>\$ 1,055,000</b>
Water and sewer fund long-term debt:	
General obligation bonds:	
\$3,385,000, General Obligation Refunding Bonds, Series 2002-A, due in annual installments of \$230,000 to \$295,000 through May 2017; interest rate at 3.625% to 4.6%	\$ 1,810,000
\$2,435,000, General Obligation Refunding Bonds, Series 2002-B, due in annual installments of \$115,000 to \$165,000 through May 2022; interest rate at 3.0% to 4.65%	1,650,000
<b>Total general obligation bonds, business-type activities</b>	<b>\$ 3,460,000</b>
Notes payable:	
Note payable to the State of Illinois Environmental Protection Agency, due in semiannual installments of \$7,559, including interest at 2.815% through December 2014	\$ 70,054
Note payable to the State of Illinois Environmental Protection Agency, due in semiannual installments of \$48,918 through April 2019, including interest at 2.865%	771,334
Note payable to the State of Illinois Environmental Protection Agency, due in semiannual installments of \$31,553 through April 2020, including interest at 2.625%	551,862
Note payable to the State of Illinois Environmental Protection Agency, due in semiannual installments of \$33,056 through June 2023, including interest at 2.57%	750,125
Note payable to the State of Illinois Environmental Protection Agency, due in semiannual installments of \$122,694 through November 2027, including interest at 2.5%	3,510,741
Note payable to the State of Illinois Environmental Protection Agency, due in semiannual installments of \$32,554 through February 2028, including interest at 2.5%	939,084
Note payable to bank, due in monthly installments of \$858, including interest at 3.02%, through July 2010 (Sewer Inspection Camera)	2,574
<b>Subtotal forward</b>	<b>6,595,774</b>

City of East Peoria, Illinois

Notes to Basic Financial Statements

Note 7. Long-Term Debt, Primary Government (Continued)

<b>Subtotal forwarded</b>	6,595,774
Eastside Centre long-term debt:	
Note payable to bank, due in annual installments of \$6,893, including interest at 5.25%, through April 2009 with the remaining principal balance due at maturity (Baseball Batting Cages)	49,134
Note payable to bank, due in annual installments of \$12,371, including interest at 5.25%, through April 2009 with the remaining principal balance due at maturity (Softball Batting Cages)	131,010
Note payable to bank, due in monthly installments of \$3,535, including interest at 4.21%, through April 2011 (Eastside Fitness Equipment)	37,853
<b>Total other long-term debt, business-type activities</b>	<u>\$ 6,813,771</u>
Revenue bonds:	
\$5,060,000, General Obligation Refunding Bonds, Series 1992-C, due in annual installments of \$60,000 to \$90,000 through May 2017; interest rate at 7.00%	\$ 520,000
\$1,935,000, Refunding Revenue Bonds, Series 1998-A, due in annual installments of \$165,000 to \$170,000 through May 1, 2012; interest rates of 4.20% to 4.50%	335,000
<b>Total revenue bonds, business-type activities</b>	<u>\$ 855,000</u>

Annual debt service requirements to maturity for general obligation bonds are as follows:

Year Ending April 30:	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2011	\$ 1,335,000	\$ 1,982,357	\$ 345,000	\$ 148,790
2012	1,485,000	1,920,840	355,000	135,335
2013	1,605,000	1,851,186	370,000	121,080
2014	1,735,000	1,774,414	380,000	105,790
2015	1,580,000	1,690,044	400,000	89,763
2016-2020	10,135,000	7,102,194	1,285,000	211,870
2021-2025	14,230,000	4,061,335	325,000	22,785
2026-2027	6,285,000	501,813	-	-
	<u>\$ 38,390,000</u>	<u>\$ 20,884,183</u>	<u>\$ 3,460,000</u>	<u>\$ 835,413</u>

Annual debt service requirements to maturity for project bonds are as follows:

Year Ending April 30:	Governmental Activities	
	Principal	Interest
2011	\$ 1,135,000	\$ 302,710
2012	1,190,000	252,203
2013	1,245,000	198,058
2014	1,305,000	140,165
2015	545,000	76,873
2016-2018	1,040,000	73,235
	<u>\$ 6,460,000</u>	<u>\$ 1,043,244</u>

City of East Peoria, Illinois

Notes to Basic Financial Statements

**Note 7. Long-Term Debt, Primary Government (Continued)**

Annual debt service requirements to maturity for special assessment bonds are as follows:

<u>Year Ending April 30:</u>	Governmental Activities	
	Principal	Interest
2011	\$ -	\$ 70,100
2012	245,000	67,242
2013	30,000	52,763
2014	-	50,700
2015	-	50,700
2016	780,000	42,250
	<u>\$ 1,055,000</u>	<u>\$ 333,755</u>

Annual debt service requirements to maturity for revenue bonds are as follows:

<u>Year Ending April 30:</u>	Business-Type Activities	
	Principal	Interest
2011	\$ 225,000	\$ 51,310
2012	235,000	39,850
2013	70,000	27,650
2014	75,000	22,750
2015	75,000	17,500
2016-2018	175,000	24,850
	<u>\$ 855,000</u>	<u>\$ 183,910</u>

Annual debt service requirements to maturity for other notes payable are as follows:

<u>Year Ending April 30:</u>	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2011	\$ 996,670	\$ 356,570	\$ 441,139	\$ 174,822
2012	2,144,369	297,148	407,292	164,058
2013	532,740	229,831	417,797	153,567
2014	379,835	205,371	428,566	142,813
2015	523,938	185,009	432,069	131,765
2016-2020	2,188,788	557,410	2,200,808	482,973
2021-2025	784,948	36,793	1,634,905	225,380
2026-2029	-	-	851,195	39,458
	<u>\$ 7,551,288</u>	<u>\$ 1,868,132</u>	<u>\$ 6,813,771</u>	<u>\$ 1,514,836</u>

As of April 30, 2010, the legal debt limit of the City was \$36,515,194 and the debt margin was \$22,525,035.

**City of East Peoria, Illinois**

**Notes to Basic Financial Statements**

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**Note 7. Long-Term Debt, Primary Government (Continued)**

The City has pledged a portion of future sales tax revenues to repay \$18,675,000 in project bonds, Series 1998B issued December, 1998. Proceeds from the bonds were used to acquire, construct, improve and/or equip the Eastside Centre, Eastport Marina, Eastport Marina administration building and drystack storage facilities projects, and to pay the costs of issuance of the bonds. The bonds are payable solely from a portion of sales tax revenues and are payable through May 2017. Annual principal and interest payments on the bonds are expected to require less than 16 percent of net revenues. The total principal and interest remaining to be paid on the bonds is \$7,503,244. Principal and interest paid for the current year and total sales tax revenues were \$1,549,693 and \$8,573,625, respectively.

Debt covenants: The various bond indentures contain significant limitations and restrictions on annual debt service requirements, maintenance of and flow of monies through various restricted accounts, and minimum amounts to be maintained in various funds. As of April 30, 2010, \$2,070,673 has been recorded as restricted assets in the Bond and Interest Fund relating to these covenants.

Conduit debt: The City has issued certain limited obligation revenue refunding bonds to provide financial assistance for student housing at a local community college. The debt is secured by the property financed, revenues from the housing facility, and a guarantee by the College Foundation. The City is not obligated in any manner for repayment of this debt and, accordingly, it is not reported as a liability in the accompanying financial statements. The amount outstanding of the conduit debt obligation as of April 30, 2010 was \$18,000,000.

**Note 8. Interfund Receivables and Payable, Primary Government**

The individual fund interfund receivable and payable balances as of April 30, 2010 were:

	Interfund Receivable	Interfund Payable
Governmental activities:		
Major funds:		
General Fund	\$ 1,858,737	\$ 16,332
Riverboat Gaming Tax Fund	-	217,389
Special Tax Allocation Fund	1,984,822	49,374
Capital Projects Fund	-	3,015,019
Bond and Interest Fund	19,400	-
Nonmajor funds	143,752	304,786
Business-type activities:		
Water and Sewer Fund	-	259,517
Eastport Marina Fund	-	144,294
<b>Total</b>	<b>\$ 4,006,711</b>	<b>\$ 4,006,711</b>

**City of East Peoria, Illinois**

**Notes to Basic Financial Statements**

**Note 8. Interfund Receivables and Payables, Primary Government (Continued)**

Advances to and from other funds as of April 30, 2010, were as follows:

	Advances to Other Funds	Advances from Other Funds
Major governmental funds:		
Riverboat Gaming Tax Fund	\$ 10,598,758	\$ -
Special Tax Allocation Fund	-	8,139,246
Capital Projects Fund	-	2,459,512
<b>Total</b>	<b>\$ 10,598,758</b>	<b>\$ 10,598,758</b>

Interfund balances result from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system and (3) payments between funds are made. The interfund receivables and payables are scheduled to be collected in the subsequent year whereas the interfund advances are not.

The following is a schedule of transfers as included in the basic financial statements of the City:

	Transfers In	Transfers Out
Governmental activities:		
Major funds:		
General Fund	\$ 104,041	\$ 8,800,181
Riverboat Gaming Tax Fund	-	674,108
Special Tax Allocation Fund	856,992	-
Police Protection Fund	3,321,191	-
Capital Projects Fund	-	201,238
Bond and Interest Fund	250,000	-
Nonmajor funds	4,383,071	3,282
Business-type activities:		
Water and Sewer Fund	331,763	-
Eastport Marina Fund	-	100,000
Eastside Centre Fund	531,751	-
	<b>\$ 9,778,809</b>	<b>\$ 9,778,809</b>

Transfers are used to (1) move revenues from the fund collecting them to the fund that statute or budget reflects to expend them, (2) move receipts restricted to debt service from the funds collecting them to the Debt Service Fund as debt service payments become due, and (3) use unrestricted revenues collected to finance various programs accounted for in other funds in accordance with budgetary authorizations.

## City of East Peoria, Illinois

### Notes to Basic Financial Statements

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#### Note 9. Other Required Individual Fund Disclosures

Generally accepted accounting principles require disclosure of certain information concerning individual funds including deficit fund balances or deficit net assets balances of individual funds. This requirement is met by the following disclosure:

	Deficit Fund Balance or Deficit Net Assets April 30, 2010
Major governmental funds, special tax allocation fund	<u>\$ 6,103,789</u>
Nonmajor governmental funds:	
Fire protection	\$ 98,766
Garbage collection and disposal	79,076
Workmen's compensation	141,365
Street and bridge	82,323
Firemen's pension levy	816
Police pension levy	20,861

Deficits in the Special Tax Allocation Fund will be eliminated through future incremental property tax receipts. The remaining deficits will be eliminated with future year transfers from other funds and incremental property tax receipts.

#### Note 10. Risk Management/Self-Insurance

The City is exposed to various risks of loss related to torts, theft of, damages to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City purchases commercial insurance for these risks of loss. Settled claims have not exceeded this commercial coverage in either of the past three fiscal years.

The City uses an Internal Service Fund to account for and finance its uninsured risk of loss associated with medical and dental claims of its employees and their dependents. 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. Estimated payables for claims and losses for medical and hospital claims include an amount for claims incurred but not reported based upon actuarial estimates and prior experience. The City is responsible for the first \$75,000 of qualifying medical expenses per individual employee on an annual basis. The City maintains an insurance contract which covers up to \$1,000,000 on an annual basis, total aggregate claims exceeding \$4,925,000.

The City uses an Internal Service Fund to account for and finance its uninsured risk of loss associated with workers compensation and general liability. 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 is responsible for the first \$100,000 and \$50,000 of qualifying expenses for workers compensation and general liability, respectively.

## City of East Peoria, Illinois

### Notes to Basic Financial Statements

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#### Note 10. Risk Management/Self-Insurance (Continued)

Annual appropriation is made for the estimated expenditures of each program and claims are accrued as incurred.

The unpaid claims and incurred but not reported claims of approximately \$1,092,850, included in accrued health claims on the financial statements in the Internal Service Fund, are based on the requirements of Governmental Accounting Standards Board Statement No. 10, which required that a liability for claims be reported if information prior to the issuance of financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

Changes in the claims liability in fiscal years 2010 and 2009 were:

Balance, April 30, 2008	\$	267,347
Current year claims and changes in estimates		3,172,238
Claims paid		(3,139,585)
Balance, April 30, 2009		<u>300,000</u>
Current year claims and changes in estimates		2,599,403
Claims paid		(2,399,403)
Balance, April 30, 2010	\$	<u><u>500,000</u></u>

Changes in the workers compensation and general liability in fiscal years 2010 and 2009 were:

Balance, April 30, 2008	\$	-
Current year claims and changes in estimates		1,187,844
Claims paid		(428,182)
Balance, April 30, 2009		<u>759,662</u>
Current year claims and changes in estimates		494,265
Claims paid		(661,077)
Balance, April 30, 2010	\$	<u><u>592,850</u></u>

## City of East Peoria, Illinois

### Notes to Basic Financial Statements

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#### Note 11. Pension Plans

The City of East Peoria contributes to one agent multiple-employer defined benefit pension plan, Illinois Municipal Retirement (IMRF), and two single-employer defined pension plans, the City of East Peoria Police Pension Fund and the City of East Peoria Firefighter's Pension Fund. Each of the plans provide retirement, disability, annual cost of living adjustments and death benefits to its respective plan members and beneficiaries.

IMRF acts as a common investment and administrative agent for local governments and school districts in Illinois.

IMRF benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. Additionally, the employer contribution levels of the Police Pension Fund and the Firefighter's Pension Fund are mandated by Illinois State Statute (Chapter 40, Article 3 and Chapter 40, Article 4, respectively) and may also be amended only by the Illinois legislature.

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

Illinois Municipal Retirement Fund  
2211 York Road, Suite 500  
Oak Brook, Illinois 60523  
[www.imrf.org](http://www.imrf.org)

City of East Peoria Police Pension  
Fund  
Theresa L. Gualandi, Treasurer  
100 S. Main Street  
East Peoria, Illinois 61611

City of East Peoria Firefighter's  
Pension Fund  
Theresa L. Gualandi, Treasurer  
100 S. Main Street  
East Peoria, Illinois 61611

#### 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 legislative action. The IMRF employee 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. Benefits and refunds of the Police and Firefighter's Pension Funds are recognized when due and payable in accordance with the Plans.

City of East Peoria, Illinois

Notes to Basic Financial Statements

Note 11. Pension Plans (Continued)

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

	Illinois Municipal Retirement Fund		City of East Peoria Police Pension Fund	City of East Peoria Firefighter's Pension Fund
	SLEP	Regular		
Contribution rates:				
City	12.85%	8.10%	(1)	(2)
Plan members	7.50	4.50	9.91	9.455
Annual pension cost (3):				
Annual required contribution	\$ 11,883	\$ 442,114	\$ 953,055	\$ 1,002,083
Adjustment to ARC	-	-	62,746	37,274
<b>Total annual pension cost</b>	<b>11,883</b>	<b>442,114</b>	<b>1,015,801</b>	<b>1,039,357</b>
Contributions made (3)	11,883	442,114	1,015,801	1,039,357
<b>Increase in net pension obligation (3)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net pension obligation (asset) (3), beginning of period	-	-	-	-
<b>End of year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
Actuarial valuation date	12/31/2007	12/31/2007	04/30/2008	05/01/2008
Actuarial cost method	Entry age	Entry age	Entry age	Entry age
Amortization method	Level % closed	Level % closed	Level % closed	Level % closed
Remaining amortization period	27 years	23 years	25 years, 2 months	25 years, 2 months
Asset valuation method	5-year spread market	5-year spread market	4-year smoothed market	4-year smoothed market
				City of East Peoria Firefighter's Pension Fund
	SLEP	Regular	Peoria Police Pension Fund	Pension Fund
Actuarial assumptions:				
Investment rate of return*	7.50%	7.50%	6.75%	7.00%
Projected salary increases*	4.00% (4)	4.00% (4)	4.75%	4.75%
* Includes inflation at	4.00%	4.00%	3.00%	3.00%
Postretirement benefit increases	3.00%	3.00%	N/A	N/A

(1) The City is required to contribute the remaining amounts necessary to finance the plan as actuarially determined by an enrolled actuary. The annually required contribution includes an amount necessary to amortize the unfunded actuarial accrued liability over a 40 year closed period commencing July 1, 1993.

(2) By the year 2033, the City's contributions must have accumulated to the point where the past service cost for the Firefighter's Pension Plan is fully funded. The City's contributions are funded by property taxes levied for such purposes and an allocated share of replacement and telecommunication taxes collected by the City.

## City of East Peoria, Illinois

### Notes to Basic Financial Statements

#### Note 11. Pension Plans (Continued)

- (3) Data is for the latest actuarial information available which is as of December 31, 2009 for the Illinois Municipal Retirement Fund and as of April 30, 2008 for the Police Pension Fund and May 1, 2008 for the Firefighter's Pension Fund.
- (4) Additional salary increases ranging from .4 to 10 percent per year depending on age and service, attributable to seniority/merit.

#### Trend Information – Pension Plans

Fund	Year	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
Illinois Municipal Retirement Fund:				
Regular	2009	\$ 442,114	100.0%	\$ -
	2008	432,733	100.0	-
	2007	419,971	100.0	-
SLEP	2009	11,883	100.0	-
	2008	11,509	100.0	-
	2007	12,267	100.0	-
City of East Peoria Police Pension Fund	2009	1,015,801	100.0	-
	2008	899,056	100.0	-
	2007	793,713	106.8	-
City of East Peoria Firefighter's Pension Fund	2009	1,039,357	100.0	-
	2008	1,083,760	100.0	-
	2007	951,597	107.5	-

#### Funded Status and Funding Progress

As of December 31, 2009, December 31, 2009, April 30, 2008 and May 1, 2008, the most recent actuarial valuation dates for the IMRF Regular plan, IMRF SLEP plan, Police Pension Fund and Firefighter's Pension Fund, respectively, the plan was 80.77, 93.08, 65.4 and 58.3 percent funded, respectively. The actuarial accrued liability for benefits was \$17,673,116, \$175,717, \$30,043,871 and \$23,609,260, and the actuarial value of assets was \$14,274,009, \$163,560, \$19,642,059 and \$13,761,239, resulting in an unfunded actuarial accrued liability (UAAL) of \$3,399,107, \$12,157, \$10,401,812 and \$9,848,021, respectively. The covered payroll (annual payroll of active employees covered by the plan) was \$5,458,193, \$92,475, \$2,434,980 and \$2,389,575, and the ratio of the UAAL to the covered payroll was 62.0, 13.0, 427.2 and 412.1 percent, respectively. In conjunction with the December 2009 actuarial valuation for the IMRF Regular plan and IMRF SLEP plan 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 percent 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 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.

## City of East Peoria, Illinois

### Notes to Basic Financial Statements

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#### Note 12. Other Postemployment Benefits

Plan description: The City sponsors a single-employer health care plan that provides self-insured medical, dental and vision benefits to all active and retired employees and their eligible dependents. All employees are eligible to receive retiree health care coverage if they are eligible to immediately begin receiving retirement benefits under the IMRF or meet any other requirements created by a bargaining contract or the Employer's Personnel Policy Manual, and they have 20 years of service with the City. General employees are eligible for retiree health care benefits if they have attained age 55 and have 20 years of service with the City. Police officers and firefighters are eligible for retiree health care benefits at the earlier of: 1) Age 50 with 20 years of service; or 2) Age 60 with 20 years of service. The plan does not issue a stand-alone financial report.

Funding Policy: The health insurance plan contributions on behalf of employees are negotiated by management and the union and governed by the City's union contracts. Retirees pay the full premium. The current funding policy of the City is to pay health claims as they occur.

The required contribution is based on projected pay-as-you-go financing. For fiscal year 2010, the City contributed \$1,023,051. Retiree and active members receiving benefits have required contributions of: a) For employees hired prior to May 1, 1993, they contribute the same amount towards the premium cost as active employees until age 60 when the City pays the entire premium if they also have 20 years of service, b) For employees hired on/after May 1, 1993, they contribute the same amount towards the premium cost as active employees throughout their retirement years if they have 20 years of service, c) Monthly cap on the City's contribution toward insurance premium paid for an active employee of \$258.36 for Single and \$599.98 for Family, d) Monthly active employee contributions of \$174.46 for Single and \$373.58 for Family, and e) Group Health Plan monthly premium of \$607.26 for Single and \$1,347.09 for Family.

Annual OPEB cost and net OPEB obligation: The City's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution (ARC) of the employer, an amount actuarially determined in accordance to the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed 30 years. The following table shows the components of the City's annual OPEB cost for the year, the amount actuarially contributed to the plan and changes in the City's annual OPEB obligation:

Annual required contribution	\$ 2,419,977
Interest on net OPEB obligation	58,596
Adjustment to annual required contribution	(55,501)
Annual OPEB cost	<u>2,423,072</u>
Contributions and payments made	<u>1,023,051</u>
Increase in net OPEB obligation	1,400,021
Net OPEB obligation, beginning of year	<u>1,302,135</u>
Net OPEB obligation, end of year	<u><u>\$ 2,702,156</u></u>

## City of East Peoria, Illinois

### Notes to Basic Financial Statements

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#### Note 12. Other Postemployment Benefits (Continued)

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligations for 2010 and the two preceding years follows. Fiscal year ended April 30, 2009, was the adoption year of GASB Statement No. 45.

Fiscal Year Ending	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
April 30, 2008	N/A	N/A	N/A
April 30, 2009	\$ 2,211,342	41.1%	\$ 1,302,135
April 30, 2010	2,423,072	42.2	2,702,156

Funded status and funding progress: As of April 30, 2010, the most recent valuation date, the plan was 0 percent funded. The actuarial accrued liability for benefits was \$35,313,288 and the actuarial value of assets is none resulting in an unfunded actuarial accrued liability (UAAL) of \$35,313,288. The covered payroll (annual payroll of active employees covered by the plan) was \$10,276,572 and the ratio of the UAAL to the covered payroll was 343.6 percent.

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

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

In the April 30, 2010 actuarial valuation, projected unit credit method was used. The actuarial assumptions included a 4.5 percent unfunded and 8 percent fully funded discount rate, salary increases of 3 percent, mortality rates using the RP-2000 Combined Mortality Table projected 2010 using Scale AA and health care cost trend rates beginning at 9 percent and steadily declining to 4.5 percent. The UAAL is being amortized as a level percentage of pay on an open basis. The amortization of UAAL is done over a period of 30 years.

## City of East Peoria, Illinois

### Notes to Basic Financial Statements

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#### **Note 13. Other Component Unit Disclosures**

##### **East Peoria Mass Transit**

Property taxes: Property taxes attach as an enforceable lien on property as of January 1. The District'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 District on the following January 1. Normally, taxes are due and payable in two installments in June and September at the County Collector's office. Sale of taxes on any uncollected amounts is prior to November 30 or shortly thereafter by the County Collector's office. Final distribution to all taxing bodies, including District funds, is also made prior to December 31.

Board designated fund balance: The Board has designated funds levied for the following purposes: 1) to provide for payment of the annual audit of the District's financial statements, 2) liability insurance for the District, and 3) provide bus transportation to the citizens of the City of East Peoria, Illinois.

Risk management: The District is exposed to various risks of loss related to torts, theft of, damages to, and destruction of assets; injuries to employees; and natural disasters. The District purchases commercial insurance for these risks of loss. Settled claims have not exceeded this commercial in any of the past three fiscal years.

#### **Note 14. Contingent Liabilities**

Amounts received or receivable from grant agencies are subject to audit and adjustments by grantor agencies, principally the federal government. And disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the government expects such amounts, if any, to be immaterial.

#### **Note 15. New Governmental Accounting Standards Board (GASB) Statements and Pending Pronouncements**

The City adopted the following statements during the year ended April 30, 2010:

- GASB Statement No. 52, *Land and Other Real Estate Held as Investments by Endowments*. This Statement establishes consistent standards for the reporting of land and other real estate held as investments. Endowments were previously required to report their land and other real estate held for investment purposes at historical cost. However, such investments are reported at fair value by similar entities, such as pension plans. The Statement requires endowments to report land and other real estate investments at fair value. The changes in the fair value are to be reported as investment income. This Statement had no effect on the City.

As of April 30, 2010, the Governmental Accounting Standards Board (GASB) had issued the following statements not yet implemented by the City. The statements which might impact the City are as follows:

- GASB Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*, issued July 2007, will be effective for the City beginning with its year ending April 30, 2011. This Statement provides guidance regarding how to identify, account for and report intangible assets. The new standard characterizes an intangible asset as an asset that lacks physical substance, is nonfinancial in nature and has an initial useful life extending beyond a single reporting period.

**Note 15. New Governmental Accounting Standards Board (GASB) Statements and Pending Pronouncements (Continued)**

- GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, issued June 2008, will be effective for the City beginning with its year ending April 30, 2011. This Statement will improve how state and local governments report information about derivative instruments in their financial statements. The Statement specifically requires governments to measure most derivative instruments at fair value in their financial statements that are prepared using the economic resources measurement focus and the accrual basis of accounting. The guidance in this Statement also addresses hedge accounting requirements.
- GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, issued March 2009, will be effective for the City beginning with its year ending April 30, 2012. This Statement is intended to improve the usefulness of information provided to financial report users about fund balances by providing clearer, more structured fund balance classifications, and by clarifying the definitions of existing governmental fund types. Fund balance information is among the most widely and frequently used information in state and local government financial reports. The GASB developed this standard to address the diversity of practice and the resulting lack of consistency that had evolved in fund balance reporting. To reduce confusion, the new standard establishes a hierarchy of fund balance classification based primarily on the extent to which a government is bound to observe spending constraints.
- GASB Statement No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*, an amendment of GASB Statement No. 43 and No. 45, issued January 2010, will be effective for the City beginning with its year ending April 30, 2013. This Statement addresses issues related to measurement of OPEB obligations by certain employers participating in agent multiple-employer OPEB plans.
- GASB Statement No. 58, *Accounting and Financial Reporting for Chapter 9 Bankruptcies*, issued January 2010, will be effective for the City beginning with its year ending April 30, 2011. This Statement provides guidance for governments that have petitioned for protection from creditors by filing for bankruptcy under Chapter 9 of the United States Bankruptcy Code. It establishes requirements for recognizing and measuring the effects of the bankruptcy process on assets and liabilities, and for classifying changes in those items and related costs.
- GASB Statement No. 59, *Financial Instruments Omnibus*, issued June 2010, will be effective for the City beginning with its year ending April 30, 2012. This Statement is intended to update and improve existing standards regarding financial reporting of certain financial instruments and external investment pools. Specifically, this Statement provides financial reporting guidance by emphasizing the applicability of SEC requirements to certain external investment pools, addressing the applicability of GASB 53, *Accounting and Financial Reporting for Derivative Instruments*, and applying the reporting provisions for interest-earning investment contracts of GASB 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*.

The City's management has not yet determined the effect these Statements will have on the City's financial statements.

## City of East Peoria, Illinois

### Notes to Basic Financial Statements

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#### **Note 16. Subsequent Event**

On July 27, 2010, the City approved the issuance of \$25,695,000 of General Obligation Bonds (Alternate Revenue Source), Series 2010A and \$19,305,000 of Taxable General Obligation Bonds (Alternate Revenue Source), Series 2010B. The proceeds from the sale of the Bonds will be used to pay the costs of a public capital infrastructure improvement project in and for the City, certain costs related to the construction of a new building to be leased by the City to Bass Pro Outdoor World, L.L.C., a Missouri limited liability company (the "Tenant"), pursuant to a lease agreement to be executed by and between the City and the Tenant (the "Lease"), capitalize interest through July 1, 2012 and the costs of issuance of the bonds.

City of East Peoria, Illinois

Required Supplementary Information  
Illinois Municipal Retirement Plan

Regular

Schedule of Funding Progress

Fiscal Year Ended	Actuarial Valuation Date	Actuarial Value of Net Assets (a)	Actuarial Accrued Liability (AAL) * (b)	Unfunded (Over-funded) AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
2010	12/31/2009	\$ 14,274,009	\$ 17,673,116	\$ 3,399,107	80.77%	\$ 5,458,193	62.28%
2009	12/31/2008	13,409,058	16,230,015	2,820,957	82.62%	5,402,413	52.22
2008	12/31/2007	15,843,856	15,656,744	(187,112)	101.20	5,223,518	-

SLEP

Schedule of Funding Progress

Fiscal Year Ended	Actuarial Valuation Date	Actuarial Value of Net Assets (a)	Actuarial Accrued Liability (AAL) * (b)	Unfunded (Over-funded) AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
2010	12/31/2009	\$ 163,560	\$ 175,717	\$ 12,157	93.08%	\$ 92,475	13.15%
2009	12/31/2008	145,027	152,656	7,629	95.00	88,059	8.66
2008	12/31/2007	122,680	123,226	546	99.56	82,771	0.66

On a market value basis, the actuarial value of assets as of December 31, 2009 for the IMRF Regular plan and IMRF SLEP plan was \$13,824,535 and \$160,438, respectively. On a market basis, the funded ratio would be 78.22% and 91.30%, respectively.

The information presented in the required supplementary schedules was determined as part of the actuarial valuation at the dates indicated. Additional information as of the latest actuarial valuation follows:

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 included (a) 7.50 percent investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4 percent a year, attributable to inflation, (c) additional projected salary increases ranging from .4 percent to 10 percent per year depending on age and service, attributable to seniority/merit and (d) post-retirement benefit increases of 3 percent per year. The actuarial value of IMRF assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 15 percent corridor. IMRF's Regular and SLEP plans unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The amortization period as of December 31, 2009 was 23 and 27 years, respectively.

City of East Peoria, Illinois

Required Supplementary Information  
Firefighters' Pension Plan

Schedule of Funding Progress

Year Ended	Actuarial Valuation Date	Actuarial Value of Net Assets (a)	Actuarial Accrued Liability (AAL) * (b)	Unfunded (Over-funded) AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
04/30/2010	05/01/2008	\$ 13,761,239	\$ 23,609,260	\$ 9,848,021	58.29%	\$ 2,389,575	412.12%
04/30/2009	05/01/2007	12,807,310	21,893,489	9,086,179	58.50	2,228,829	407.67
04/30/2008	05/01/2006	11,737,066	20,581,435	8,844,369	57.00	2,219,132	398.60

Additional information as of the latest actuarial valuation follows:

Valuation date	May 1, 2008
Actuarial cost method	Entry-Age-Normal
Amortization method	Level percent closed
Remaining amortization period	25 years, 2 months
Actuarial asset valuation method	4-year smoothed market
Actuarial assumptions:	
Investment rate of return	7.0% per year
Projected salary increases	4.75% per year
Cost of living adjustments	3.0% per year

City of East Peoria, Illinois

Required Supplementary Information  
Police Pension Plan

Schedule of Funding Progress

Year Ended	Actuarial Valuation Date	Actuarial Value of Net Assets (a)	Actuarial Accrued Liability (AAL) * (b)	Unfunded (Over-funded) AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
04/30/2010	04/30/2008	\$ 19,642,059	\$ 30,043,871	\$ 10,401,812	65.38%	\$ 2,434,980	427.18%
04/30/2009	04/30/2007	18,920,151	28,310,579	9,390,428	66.83	2,490,240	377.09
04/30/2008	04/30/2006	17,825,524	26,022,340	8,196,816	68.50	2,236,912	366.40

Additional information as of the latest actuarial valuation follows:

Valuation date	April 30, 2008
Actuarial cost method	Entry-Age-Normal
Amortization method	Level percent closed
Remaining amortization period	25 years, 2 months
Actuarial asset valuation method	4-year smoothed market
Actuarial assumptions:	
Investment rate of return	6.75% per year
Projected salary increases	4.75% per year
Cost of living adjustments	3.0% per year

City of East Peoria, Illinois

Required Supplementary Information  
Other Postemployment Benefit Plan

Schedule of Funding Progress

Fiscal Year Ended	Actuarial Valuation Date	Actuarial Value of Net Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
2010	4/30/10	\$ -	\$ 35,313,288	\$ 35,313,288	0.00%	\$ 10,276,572	343.63%
2009	4/30/09	-	33,006,641	33,006,641	-	9,977,254	330.82

The information presented in the required supplementary schedules was determined as part of the actuarial valuation date as of April 30, 2010. Additional information follows:

- a. The cost method used to determine the ARC is the Projected Unit Credit Actuarial Cost method.
- b. There are no plan assets.
- c. The actuarial assumptions included: 1) a 4.5 percent unfunded and 8 percent fully funded discount rate, 2) salary increases of 3 percent, 3) mortality rates using the RP-2000 Combined Mortality Table projected 2010 using Scale AA and 4) health care cost trend rates beginning at 9 percent and steadily declining to 4.5 percent.
- d. The amortization method is level percentage of pay on an open basis.

Fiscal year 2009 was the transition year.

City of East Peoria, Illinois

Required Supplementary Information

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Cash Basis)

General Fund

Year Ended April 30, 2010

	Original/Final Budget	Actual	Cash Actual to GAAP Differences Over (Under)	Actual Amounts GAAP Basis	Variance With Final Budget Favorable (Unfavorable)
Revenues:					
Taxes	\$ 12,444,541	\$ 8,153,918	\$ 1,854,690	\$ 10,008,608	\$ (4,290,623)
Intergovernmental	684,600	372,667	96,934	469,601	(311,933)
Investment earnings	210,000	137,523	-	137,523	(72,477)
Licenses and permits	186,750	178,580	-	178,580	(8,170)
Miscellaneous	1,099,000	2,031,878	71,504	2,103,382	932,878
<b>Total revenues</b>	<b>14,624,891</b>	<b>10,874,566</b>	<b>2,023,128</b>	<b>12,897,694</b>	<b>(3,750,325)</b>
Expenditures:					
Current					
General government	5,608,053	6,227,349	(13,239)	6,240,588	(619,296)
Community development	379,500	364,078	-	364,078	15,422
Capital outlay	503,278	-	-	-	503,278
Debt service:					
Principal payments	-	313,069	-	313,069	(313,069)
Interest and fiscal charges	-	265,833	-	265,833	(265,833)
<b>Total expenditures</b>	<b>6,490,831</b>	<b>7,170,329</b>	<b>(13,239)</b>	<b>7,183,568</b>	<b>(679,498)</b>
<b>Excess of revenues over expenditures</b>	<b>8,134,060</b>	<b>3,704,237</b>	<b>2,036,367</b>	<b>5,714,126</b>	<b>(4,429,823)</b>
Other financing sources (uses):					
Proceeds from sale of capital assets	5,000	-	-	-	(5,000)
Transfers in	-	104,041	-	104,041	104,041
Transfers out	(250,000)	(8,800,181)	-	(8,800,181)	(8,550,181)
<b>Total other financing sources (uses)</b>	<b>(245,000)</b>	<b>(8,696,140)</b>	<b>-</b>	<b>(8,696,140)</b>	<b>(8,451,140)</b>
<b>Net change in fund balance</b>	<b>\$ 7,889,060</b>	<b>\$ (4,991,903)</b>	<b>\$ 2,036,367</b>	<b>(2,982,014)</b>	<b>\$ (12,880,963)</b>
Fund balance, beginning of year				7,747,586	
Fund balance, end of year				<u>\$ 4,765,572</u>	

See Notes to Required Supplementary Information.

City of East Peoria, Illinois

Required Supplementary Information

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Cash Basis)

Riverboat Gaming Tax Fund

Year Ended April 30, 2010

	Original/Final Budget	Actual	Cash Actual to GAAP Differences Over (Under)	Actual Amounts GAAP Basis	Variance With Final Budget Favorable (Unfavorable)
Revenues:					
Taxes	\$ 6,600,000	\$ 7,042,201	\$ 25,156	\$ 7,067,357	\$ 442,201
Intergovernmental	-	(216,391)	227,958	11,567	(216,391)
Investment earnings	20,000	7,230	-	7,230	(12,770)
<b>Total revenues</b>	<b>6,620,000</b>	<b>6,833,040</b>	<b>253,114</b>	<b>7,086,154</b>	<b>213,040</b>
Expenditures:					
Capital outlay	5,600,307	6,433,496	335,421	6,768,917	(833,189)
Debt service:					
Principal payments	1,390,639	766,609	-	766,609	624,030
Interest and fiscal charges	-	192,651	-	192,651	(192,651)
<b>Total expenditures</b>	<b>6,990,946</b>	<b>7,392,756</b>	<b>335,421</b>	<b>7,728,177</b>	<b>(401,810)</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(370,946)</b>	<b>(559,716)</b>	<b>(82,307)</b>	<b>(642,023)</b>	<b>(188,770)</b>
Other financing sources (uses):					
Proceeds from sale of capital assets	-	15,000	-	15,000	15,000
Transfers out	-	(674,108)	-	(674,108)	(674,108)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>(659,108)</b>	<b>-</b>	<b>(659,108)</b>	<b>(659,108)</b>
<b>Net change in fund balance</b>	<b>\$ (370,946)</b>	<b>\$ (1,218,824)</b>	<b>\$ (82,307)</b>	<b>(1,301,131)</b>	<b>\$ (847,878)</b>
Fund balance, beginning of year				12,641,020	
Fund balance, end of year				<u>\$ 11,339,889</u>	

See Notes to Required Supplementary Information.

City of East Peoria, Illinois

Required Supplementary Information

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Cash Basis)

Special Tax Allocation Fund

Year Ended April 30, 2010

	Original/Final Budget	Actual	Cash Actual to GAAP Differences Over (Under)	Actual Amounts GAAP Basis	Variance With Final Budget Favorable (Unfavorable)
Revenues:					
Taxes	\$ 705,000	\$ 727,862	\$ -	\$ 727,862	\$ 22,862
Investment earnings	2,000	278	-	278	(1,722)
<b>Total revenues</b>	<b>707,000</b>	<b>728,140</b>	<b>-</b>	<b>728,140</b>	<b>21,140</b>
Expenditures:					
Current					
General government	120,000	126,584	-	126,584	(6,584)
Other	2,500	2,500	-	2,500	-
Debt service:					
Principal payments	1,100,000	1,095,000	-	1,095,000	5,000
Interest and fiscal charges	256,353	261,353	-	261,353	(5,000)
<b>Total expenditures</b>	<b>1,478,853</b>	<b>1,485,437</b>	<b>-</b>	<b>1,485,437</b>	<b>(6,584)</b>
<b>(Deficiency) of revenues over expenditures</b>	<b>(771,853)</b>	<b>(757,297)</b>	<b>-</b>	<b>(757,297)</b>	<b>14,556</b>
Other financing sources, transfers in	771,853	856,992	-	856,992	85,139
<b>Net change in fund balance</b>	<b>\$ -</b>	<b>\$ 99,695</b>	<b>\$ -</b>	<b>99,695</b>	<b>\$ 99,695</b>
Fund balance, beginning of year				(6,203,484)	
Fund balance, end of year				<u>\$ (6,103,789)</u>	

See Notes to Required Supplementary Information.

City of East Peoria, Illinois

Required Supplementary Information

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Cash Basis)

Police Protection Fund

Year Ended April 30, 2010

	Original/Final Budget	Actual	Cash Actual to GAAP Differences Over (Under)	Actual Amounts GAAP Basis	Variance With Final Budget Favorable (Unfavorable)
Revenues:					
Taxes	\$ 474,968	\$ 472,268	\$ -	\$ 472,268	\$ (2,700)
Charges for services	57,000	55,240	-	55,240	(1,760)
Intergovernmental	162,250	499,586	(125,675)	373,911	337,336
Investment earnings	1,000	232	-	232	(768)
Miscellaneous	134,400	211,866	(9,275)	202,591	77,466
<b>Total revenues</b>	<b>829,618</b>	<b>1,239,192</b>	<b>(134,950)</b>	<b>1,104,242</b>	<b>409,574</b>
Expenditures:					
Current, police	4,381,999	4,381,966	(145,027)	4,236,939	33
Capital outlay	40,000	161,769	-	161,769	(121,769)
<b>Total expenditures</b>	<b>4,421,999</b>	<b>4,543,735</b>	<b>(145,027)</b>	<b>4,398,708</b>	<b>(121,736)</b>
<b>(Deficiency) of revenues over expenditures</b>	<b>(3,592,381)</b>	<b>(3,304,543)</b>	<b>10,077</b>	<b>(3,294,466)</b>	<b>287,838</b>
Other financing sources:					
Proceeds from sale of capital assets	-	13,000	-	13,000	13,000
Transfers in	-	3,321,191	-	3,321,191	3,321,191
<b>Total other financing sources</b>	<b>-</b>	<b>3,334,191</b>	<b>-</b>	<b>3,334,191</b>	<b>3,334,191</b>
<b>Net change in fund balance</b>	<b>\$ (3,592,381)</b>	<b>\$ 29,648</b>	<b>\$ 10,077</b>	<b>39,725</b>	<b>\$ 3,622,029</b>
Fund balance, beginning of year				(11,126)	
Fund balance, end of year				<u>\$ 28,599</u>	

See Notes to Required Supplementary Information.

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## City of East Peoria, Illinois

### Notes to Required Supplementary Information

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#### **Note 1. Basis of Accounting**

The City of East Peoria, Illinois' budget is prepared on the cash basis for all budgeted funds, including the major funds, General, Riverboat Gaming Tax, Special Tax Allocation and Police Protection as presented in the required supplementary information.

#### **Note 2. Budgetary Data, Primary Government**

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

- At the regular or special call meeting of the City Council in November, the proposed budget for the fiscal year commencing on the following May 1 is submitted. The budget includes proposed expenditures and the means of financing them.
- Prior to May 1, the final budget is legally enacted through passage of an appropriation ordinance.
- Transfers of budgeted amounts among object classifications, or any budget increases by means of an emergency or supplemental appropriation, require approval by a majority of the City Council member. Adjustments made during the year are reflected in the budget information included in the financial statements.

The City prepares its budget on a basis of accounting (cash basis) that differs from generally accepted accounting principles (GAAP).

The major differences between the budgetary basis of accounting and GAAP are that:

- Revenues are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP); and
- Expenditures are recorded when payments are made (budget) as opposed to when the liability is incurred (GAAP).

An amended budget was not prepared for the City; therefore, the original budget is the final budget.

City of East Peoria, Illinois

Notes to Required Supplementary Information

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**Note 2. Budgetary Data, Primary Government (Continued)**

Excess of actual expenditures over final budget in individual funds are as follows:

	Final Budget	Actual	Overage
General Fund	\$ 6,490,831	\$ 7,170,329	\$ 679,498
Riverboat Gaming Tax Fund	6,990,946	7,392,756	401,810
Special Tax Allocation Fund	1,478,853	1,485,437	6,584
Police Protection Fund	4,421,999	4,543,735	121,736
Bond and Interest fund	-	280,308	280,308
Nonmajor:			
Fire protection	2,835,051	5,646,932	2,811,881
Garbage collection and disposal	974,332	1,893,245	918,913
Illinois municipal retirement	325,000	617,676	292,676
Motor fuel tax	690,000	1,179,117	489,117
Social security	391,700	1,033,129	641,429
Workers compensation	900,000	2,917,623	2,017,623
Street and bridge	1,711,726	3,519,301	1,807,575
Audit	72,150	128,900	56,750
Sewer chlorination	29,000	32,044	3,044
Street lighting	74,500	115,521	41,021
Unemployment insurance	10,000	76,004	66,004
Emergency service and disaster assistance	39,500	62,227	22,727
Hotel/motel tax	920,100	1,532,880	612,780
Ambulance service	1,247,256	2,398,494	1,151,238
Firemen's pension levy fund	1,038,067	2,078,534	1,040,467

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City of East Peoria, Illinois

Combining Balance Sheet  
 Nonmajor Governmental Funds  
 April 30, 2010

	Special Revenue		
	Fire Protection	Garbage Collection and Disposal	Illinois Municipal Retirement
<b>Assets</b>			
Cash and cash equivalents	\$ 64,077	\$ 29,127	\$ 47,974
Receivables (net, where applicable, of allowances for estimated uncollectible amounts):			
Property taxes	632,112	632,112	283,034
Personal property replacement tax	-	-	12,800
Motor fuel tax allotments	-	-	-
Customer charges	-	-	-
Assessments	-	-	-
Hotel/motel taxes	-	-	-
Notes	-	-	-
Other	-	-	49,879
Due from other funds	-	-	-
<b>Total assets</b>	<b>\$ 696,189</b>	<b>\$ 661,239</b>	<b>\$ 393,687</b>
<b>Liabilities and Fund Balances</b>			
Liabilities:			
Accounts payable	\$ 23,780	\$ 44,590	\$ -
Wages payable	54,435	4,192	-
Compensated absences	25,628	-	-
Pension obligation payable	-	-	-
Deferred revenue	632,112	632,112	299,282
Due to other funds	59,000	59,421	-
<b>Total liabilities</b>	<b>794,955</b>	<b>740,315</b>	<b>299,282</b>
Fund balances (deficits):			
Reserved for notes receivable	-	-	-
Unreserved, undesignated	(98,766)	(79,076)	94,405
<b>Total fund balances (deficits)</b>	<b>(98,766)</b>	<b>(79,076)</b>	<b>94,405</b>
<b>Total liabilities and fund balances</b>	<b>\$ 696,189</b>	<b>\$ 661,239</b>	<b>\$ 393,687</b>

(Continued)

Special Revenue

Motor Fuel Tax	Social Security	Workmen's Compensation	Street and Bridge	Audit	School Crossing Guard
\$ 199,897	\$ -	\$ -	\$ 1,189	\$ 12,163	\$ 9,373
-	550,939	1,179,155	863,653	71,859	-
-	-	-	-	-	-
98,758	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	120,000	-	7,421	-	-
<u>\$ 298,655</u>	<u>\$ 670,939</u>	<u>\$ 1,179,155</u>	<u>\$ 872,263</u>	<u>\$ 84,022</u>	<u>\$ 9,373</u>
\$ 17,444	\$ -	\$ -	\$ 38,027	\$ 10,000	\$ -
-	-	-	7,906	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	550,939	1,179,155	863,653	71,859	-
-	-	141,365	45,000	-	-
<u>17,444</u>	<u>550,939</u>	<u>1,320,520</u>	<u>954,586</u>	<u>81,859</u>	<u>-</u>
-	-	-	-	-	-
281,211	120,000	(141,365)	(82,323)	2,163	9,373
<u>281,211</u>	<u>120,000</u>	<u>(141,365)</u>	<u>(82,323)</u>	<u>2,163</u>	<u>9,373</u>
\$ 298,655	\$ 670,939	\$ 1,179,155	\$ 872,263	\$ 84,022	\$ 9,373

City of East Peoria, Illinois

Combining Balance Sheet (Continued)  
 Nonmajor Governmental Funds  
 April 30, 2010

	Special Revenue			
	Sewer Chlorination	Street Lighting	Unemployment Insurance	Emergency Service and Disaster Assistance
<b>Assets</b>				
Cash and cash equivalents	\$ 36,260	\$ 14,709	\$ -	\$ 55,012
Receivables (net, where applicable, of allowances for estimated uncollectible amounts):				
Property taxes	39,967	99,857	45,554	46,570
Personal property replacement tax	-	-	-	-
Motor fuel tax allotments	-	-	-	-
Customer charges	-	-	-	-
Assessments	-	-	-	-
Hotel/motel taxes	-	-	-	-
Notes	-	-	-	-
Other	-	-	-	-
Due from other funds	-	-	-	7,967
<b>Total assets</b>	<b>\$ 76,227</b>	<b>\$ 114,566</b>	<b>\$ 45,554</b>	<b>\$ 109,549</b>
<b>Liabilities and Fund Balances</b>				
Liabilities:				
Accounts payable	\$ 813	\$ -	\$ -	\$ -
Wages payable	-	-	-	-
Compensated absences	-	-	-	-
Pension obligation payable	-	-	-	-
Deferred revenue	39,967	99,857	45,554	46,570
Due to other funds	-	-	-	-
<b>Total liabilities</b>	<b>40,780</b>	<b>99,857</b>	<b>45,554</b>	<b>46,570</b>
Fund balances (deficits):				
Reserved for notes receivable	-	-	-	-
Unreserved, undesignated	35,447	14,709	-	62,979
<b>Total fund balances (deficits)</b>	<b>35,447</b>	<b>14,709</b>	<b>-</b>	<b>62,979</b>
<b>Total liabilities and fund balances</b>	<b>\$ 76,227</b>	<b>\$ 114,566</b>	<b>\$ 45,554</b>	<b>\$ 109,549</b>

(Continued)

Special Revenue

HotelMotel Tax	Ambulance Service	Revolving Loan	Special Assessments	IHDA Grant	Firemen's Pension Levy Fund
\$ 393,768	\$ 10,323	\$ 174,706	\$ 211,611	\$ 21,021	\$ -
-	-	-	-	-	1,157,818
-	-	-	-	-	27,000
-	191,035	-	-	-	-
-	-	-	193,899	-	-
61,591	-	-	-	-	-
-	-	509,927	-	-	-
-	-	-	-	-	79,608
-	-	-	8,364	-	-
<u>\$ 455,359</u>	<u>\$ 201,358</u>	<u>\$ 684,633</u>	<u>\$ 413,874</u>	<u>\$ 21,021</u>	<u>\$ 1,264,426</u>
\$ 6,183	\$ 10,103	\$ -	\$ -	\$ -	\$ -
-	5,633	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	81,491
-	-	509,927	-	-	1,183,751
-	-	-	-	-	-
<u>6,183</u>	<u>15,736</u>	<u>509,927</u>	<u>-</u>	<u>-</u>	<u>1,265,242</u>
-	-	509,927	-	-	-
449,176	185,622	(335,221)	413,874	21,021	(816)
<u>449,176</u>	<u>185,622</u>	<u>174,706</u>	<u>413,874</u>	<u>21,021</u>	<u>(816)</u>
<u>\$ 455,359</u>	<u>\$ 201,358</u>	<u>\$ 684,633</u>	<u>\$ 413,874</u>	<u>\$ 21,021</u>	<u>\$ 1,264,426</u>

City of East Peoria, Illinois

Combining Balance Sheet (Continued)  
 Nonmajor Governmental Funds  
 April 30, 2010

	Special Revenue	
	Police Pension Levy Fund	Total Nonmajor Governmental Fund
<b>Assets</b>		
Cash and cash equivalents	\$ -	\$ 1,281,210
Receivables (net, where applicable, of allowances for estimated uncollectible amounts):		
Property taxes	1,078,846	6,681,476
Personal property replacement tax	35,600	75,400
Motor fuel tax allotments	-	98,758
Customer charges	-	191,035
Assessments	-	193,899
Hotel/motel taxes	-	61,591
Notes	-	509,927
Other	49,879	179,366
Due from other funds	-	143,752
<b>Total assets</b>	<b>\$ 1,164,325</b>	<b>\$ 9,416,414</b>
<b>Liabilities and Fund Balances</b>		
Liabilities:		
Accounts payable	\$ -	\$ 150,940
Wages payable	-	72,166
Compensated absences	-	25,628
Pension obligation payable	90,092	171,583
Deferred revenue	1,095,094	7,249,832
Due to other funds	-	304,786
<b>Total liabilities</b>	<b>1,185,186</b>	<b>7,974,935</b>
Fund balances (deficits):		
Reserved for notes receivable	-	509,927
Unreserved, undesignated	(20,861)	931,552
<b>Total fund balances (deficits)</b>	<b>(20,861)</b>	<b>1,441,479</b>
<b>Total liabilities and fund balances</b>	<b>\$ 1,164,325</b>	<b>\$ 9,416,414</b>

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City of East Peoria, Illinois

Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
 Nonmajor Governmental Funds  
 Year Ended April 30, 2010

	Special Revenue		
	Fire Protection	Garbage Collection and Disposal	Illinois Municipal Retirement
Revenues:			
Property taxes	\$ 472,268	\$ 472,268	\$ 109,381
Other taxes and special assessments	-	-	231,890
Charges for services	44,899	-	-
Intergovernmental	110,065	50,000	12,800
Investment earnings	346	187	42
Licenses and permits	-	-	-
Miscellaneous	271	178,176	6,403
<b>Total revenues</b>	<b>627,849</b>	<b>700,631</b>	<b>360,516</b>
Expenditures:			
Current:			
General government	-	-	308,838
Police	-	-	-
Fire	2,802,888	-	-
Sanitation	-	949,078	-
Health and welfare	-	-	-
Public works	-	-	-
Community development	-	-	-
Other	-	-	-
Capital outlay	15,600	-	-
Debt Service:			
Principal payments	-	-	-
Interest and fiscal charges	-	-	-
<b>Total expenditures</b>	<b>2,818,488</b>	<b>949,078</b>	<b>308,838</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(2,190,639)</b>	<b>(248,447)</b>	<b>51,678</b>
Other financing sources (uses):			
Issuance of debt	-	-	-
Transfers in	2,216,719	268,297	-
Transfers out	-	-	-
<b>Total other financing sources</b>	<b>2,216,719</b>	<b>268,297</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>26,080</b>	<b>19,850</b>	<b>51,678</b>
Fund balances (deficits), beginning of year	(124,846)	(98,926)	42,727
Fund balances (deficits), end of year	\$ (98,766)	\$ (79,076)	\$ 94,405

(Continued)

Special Revenue

Motor Fuel Tax	Social Security	Workmen's Compensation	Street and Bridge	Audit	School Crossing Guard
\$ -	\$ 382,771	\$ 795,389	\$ 646,207	\$ 71,590	\$ -
-	-	-	-	-	-
-	-	-	651	-	-
569,438	127,503	200,000	70,140	-	-
356	154	280	157	23	-
-	-	-	-	-	-
11,303	5,954	-	6,504	-	-
581,097	516,382	995,669	723,659	71,613	-
-	396,382	1,458,811	-	69,450	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
379,497	-	-	1,639,044	-	-
-	-	-	-	-	-
-	-	-	-	-	-
7,806	-	-	104,532	-	-
199,747	-	-	-	-	-
9,529	-	-	-	-	-
596,579	396,382	1,458,811	1,743,576	69,450	-
(15,482)	120,000	(463,142)	(1,019,917)	2,163	-
-	-	-	-	-	-
-	-	419,909	1,051,906	-	-
-	-	-	-	-	-
-	-	419,909	1,051,906	-	-
(15,482)	120,000	(43,233)	31,989	2,163	-
296,693	-	(98,132)	(114,312)	-	9,373
\$ 281,211	\$ 120,000	\$ (141,365)	\$ (82,323)	\$ 2,163	\$ 9,373

City of East Peoria, Illinois

Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Continued)

Nonmajor Governmental Funds

Year Ended April 30, 2010

	Special Revenue			
	Sewer Chlorination	Street Lighting	Unemployment Insurance	Emergency Service and Disaster Assistance
Revenues:				
Property taxes	\$ 24,865	\$ 74,060	\$ -	\$ 34,786
Other taxes and special assessments	-	-	-	-
Charges for services	-	-	-	-
Intergovernmental	-	3,088	15,971	-
Investment earnings	10	28	-	15
Licenses and permits	-	-	-	-
Miscellaneous	-	-	-	-
<b>Total revenues</b>	<b>24,875</b>	<b>77,176</b>	<b>15,971</b>	<b>34,801</b>
Expenditures:				
Current:				
General government	14,629	53,056	36,571	1,334
Police	-	-	-	-
Fire	-	-	-	-
Sanitation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Community development	-	-	-	-
Other	-	-	-	-
Capital outlay	-	-	-	29,705
Debt Service:				
Principal payments	-	-	-	-
Interest and fiscal charges	-	-	-	-
<b>Total expenditures</b>	<b>14,629</b>	<b>53,056</b>	<b>36,571</b>	<b>31,039</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>10,246</b>	<b>24,120</b>	<b>(20,600)</b>	<b>3,762</b>
Other financing sources (uses):				
Issuance of debt	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<b>Total other financing sources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>10,246</b>	<b>24,120</b>	<b>(20,600)</b>	<b>3,762</b>
Fund balances (deficits), beginning of year	25,201	(9,411)	20,600	59,217
Fund balances (deficits), end of year	\$ 35,447	\$ 14,709	\$ -	\$ 62,979

(Continued)

Special Revenue

Hotel/Motel Tax	Ambulance Service	Revolving Loan	Special Assessments	IHDA Grant	Firemen's Pension Levy Fund
\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ 684,896
715,789	-	-	-	-	325,845
-	845,639	-	-	-	-
-	-	-	-	-	34,883
-	1	10,809	39,018	32	283
-	-	-	-	-	-
240,912	12,871	105,012	199,712	-	-
1,006,701	858,511	115,821	238,730	32	1,045,907
738,368	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	1,027,685
-	-	-	-	-	-
-	1,183,120	-	-	-	-
-	-	-	45,678	-	-
-	-	9,000	-	-	-
-	-	340,000	-	2,000	-
-	-	-	-	-	-
16,231	-	-	275,000	-	-
234	-	-	88,375	-	-
754,833	1,183,120	349,000	409,053	2,000	1,027,685
251,868	(324,609)	(233,179)	(170,323)	(1,968)	18,222
-	-	-	-	-	-
-	376,054	-	50,186	-	-
(3,282)	-	-	-	-	-
(3,282)	376,054	-	50,186	-	-
248,586	51,445	(233,179)	(120,137)	(1,968)	18,222
200,590	134,177	407,885	534,011	22,989	(19,038)
\$ 449,176	\$ 185,622	\$ 174,706	\$ 413,874	\$ 21,021	\$ (816)

City of East Peoria, Illinois

Combining Statement of Revenues, Expenditures and Changes in Fund Balance (Continued)  
 Nonmajor Governmental Funds  
 Year Ended April 30, 2010

	Special Revenue	
	Police Pension Levy Fund	Total Nonmajor Governmental Fund
Revenues:		
Property taxes	\$ 771,841	\$ 4,590,322
Other taxes and special assessments	186,596	1,460,120
Charges for services	-	891,189
Intergovernmental	44,023	1,237,911
Investment earnings	266	52,007
Miscellaneous	-	767,118
<b>Total revenues</b>	<b>1,002,726</b>	<b>8,998,667</b>
Expenditures:		
Current:		
General government	-	3,077,439
Police	1,004,547	1,004,547
Fire	-	3,830,573
Sanitation	-	949,078
Health and welfare	-	1,183,120
Public works	-	2,064,219
Community development	-	9,000
Other	-	342,000
Capital outlay	-	157,643
Debt Service:		
Principal payments	-	490,978
Interest and fiscal charges	-	98,138
<b>Total expenditures</b>	<b>1,004,547</b>	<b>13,206,735</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(1,821)</b>	<b>(4,208,068)</b>
Other financing sources (uses):		
Issuance of debt	-	-
Transfers in	-	4,383,071
Transfers out	-	(3,282)
<b>Total other financing sources</b>	<b>-</b>	<b>4,379,789</b>
<b>Net change in fund balances</b>	<b>(1,821)</b>	<b>171,721</b>
Fund balances (deficits), beginning of year	(19,040)	1,269,758
Fund balances (deficits), end of year	\$ (20,861)	\$ 1,441,479

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City of East Peoria, Illinois

Combining Schedule of Fiduciary Net Assets  
April 30, 2010

	Pension Trust Funds		Total Pension Trust Funds
	City of East Peoria Firefighter's Pension Fund	City of East Peoria Police Pension Fund	
<b>Assets</b>			
Cash and cash equivalents	\$ 268,403	\$ 473,984	\$ 742,387
Receivables:			
Employer contributions	1,091,169	1,028,630	2,119,799
Plan members' contributions	19,887	25,422	45,309
Accrued interest and dividends	66,863	145,389	212,252
<b>Total receivables</b>	<b>1,177,919</b>	<b>1,199,441</b>	<b>2,377,360</b>
Investments, at fair value:			
Money market funds	994,302	327,524	1,321,826
Municipal bonds	-	411,293	411,293
Corporate bonds	-	259,875	259,875
U.S. Government notes and bonds	3,442,418	5,646,258	9,088,676
U.S. Government agency obligations	2,057,120	4,639,496	6,696,616
Mutual funds	4,654,628	1,032,483	5,687,111
Common stocks	1,445,821	6,199,221	7,645,042
<b>Total investments</b>	<b>12,594,289</b>	<b>18,516,150</b>	<b>31,110,439</b>
<b>Total assets</b>	<b>14,040,611</b>	<b>20,189,575</b>	<b>34,230,186</b>
<b>Liabilities</b>			
Accounts payable and accrued payroll taxes	3,875	2,925	6,800
Amounts held for others	-	-	-
<b>Total liabilities</b>	<b>3,875</b>	<b>2,925</b>	<b>6,800</b>
<b>Net assets held in trust for pension benefit obligation</b>	<b>\$ 14,036,736</b>	<b>\$ 20,186,650</b>	<b>\$ 34,223,386</b>

Agency Funds				
Levi King Scholarship Fund	Dependent Care Fund	Unreimbursed Medical Fund	Total Agency Funds	
\$ 8,201	\$ 1,994	\$ 8,105	\$ 18,300	
-	-	-	-	
-	-	-	-	
-	-	-	-	
-	-	-	-	
-	-	-	-	
-	-	-	-	
-	-	-	-	
8,201	1,994	8,105	18,300	
-	-	-	-	
8,201	1,994	8,105	18,300	
8,201	1,994	8,105	18,300	
\$ -	\$ -	\$ -	\$ -	

City of East Peoria, Illinois

Statement of Changes in Assets and Liabilities  
 Agency Fund  
 Year Ended April 30, 2010

	Balance, Beginning	Additions	Deductions	Balance, Ending
<b>Levi King Scholarship Fund</b>				
Assets, cash and cash equivalents	\$ 8,496	\$ 205	\$ 500	\$ 8,201
Liabilities, amounts held for others	\$ 8,496	\$ 205	\$ 500	\$ 8,201
<b>Dependent Care Fund</b>				
Assets, cash and cash equivalents	\$ 1,779	\$ 800	\$ 585	\$ 1,994
Liabilities, amounts held for others	\$ 1,779	\$ 800	\$ 585	\$ 1,994
<b>Unreimbursed Medical Fund</b>				
Assets, cash and cash equivalents	\$ 6,337	\$ 66,106	\$ 64,338	\$ 8,105
Liabilities, amounts held for others	\$ 6,337	\$ 66,106	\$ 64,338	\$ 8,105
<b>Total</b>				
Assets, cash and cash equivalents	\$ 16,612	\$ 67,111	\$ 65,423	\$ 18,300
Liabilities, amounts held for others	\$ 16,612	\$ 67,111	\$ 65,423	\$ 18,300

City of East Peoria, Illinois

Combining Schedule of Changes in Fiduciary Net Assets  
Year Ended April 30, 2010

	Pension Trust Funds		
	City of East Peoria Firefighter's Pension Fund	City of East Peoria Police Pension Fund	Total
Additions:			
Contributions:			
Plan members' contributions	\$ 248,646	\$ 272,237	\$ 520,883
Employer contributions	1,099,877	1,049,887	2,149,764
Transfer of creditable service	-	12,462	12,462
<b>Total contributions</b>	<b>1,348,523</b>	<b>1,334,586</b>	<b>2,683,109</b>
Investment income:			
Net appreciation in fair value of investments	1,359,563	1,730,808	3,090,371
Dividends and interest	337,043	640,205	977,248
<b>Total investment income</b>	<b>1,696,606</b>	<b>2,371,013</b>	<b>4,067,619</b>
Less investment expenses	74,035	104,119	178,154
<b>Net investment income</b>	<b>1,622,571</b>	<b>2,266,894</b>	<b>3,889,465</b>
<b>Total additions</b>	<b>2,971,094</b>	<b>3,601,480</b>	<b>6,572,574</b>
Deductions:			
Benefits paid	1,166,764	1,552,327	2,719,091
Administrative expenses	34,842	42,986	77,828
<b>Total deductions</b>	<b>1,201,606</b>	<b>1,595,313</b>	<b>2,796,919</b>
<b>Net increase</b>	<b>1,769,488</b>	<b>2,006,167</b>	<b>3,775,655</b>
Net assets held in trust for pension benefits:			
Beginning of year	12,267,248	18,180,483	30,447,731
End of year	\$ 14,036,736	\$ 20,186,650	\$ 34,223,386

City of East Peoria, Illinois

Assessed Valuations, Taxes Levied, Tax Rates, Tax Extensions and Tax Collections  
 April 30, 2010

		2009 Tax Levy		
Assessed valuation, excluding Tax Increment				
Financing District Increment		\$ 423,364,569		
Fund	Levy	Rate	Amount Extended by County Clerk	Collected Within 60 Days After April 30, 2010
General	\$ -	-	\$ -	-
Police protection	475,000	0.11200	474,084	-
Fire protection	475,000	0.11198	474,084	-
Garbage collection and disposal	475,000	0.11200	474,084	-
Sewer chlorination	30,000	0.00708	29,974	-
Illinois Municipal Retirement	212,700	0.05014	212,275	-
FICA	414,000	0.09760	413,204	-
Workmen's compensation	886,018	0.20889	884,366	-
Street and bridge	413,982	0.09759	413,162	-
Audit	54,000	0.01273	53,894	-
Street lighting	75,000	0.01769	74,893	-
Unemployment insurance	34,257	0.00807	34,166	-
Emergency service and disaster assistance	35,000	0.00825	34,928	-
Firemen's pension	869,769	0.20510	868,363	-
Police pension	810,720	0.19112	809,134	-
School crossing guard	-	-	-	-
	<u>\$ 5,260,446</u>	<u>1.24024</u>	<u>\$ 5,250,611</u>	<u>\$ -</u>

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City of East Peoria, Illinois

Assessed Valuations, Taxes Levied, Tax Rates, Tax Extensions and Tax Collections (Continued)  
 April 30, 2010

		2008 Tax Levy			
Assessed valuation, excluding Tax Increment					
Financing District Increment		<u>\$ 414,023,511</u>			
Fund	Levy	Rate	Amount Extended by County Clerk	Amount Collected	
General	\$ 248,872	0.06010	\$ 248,828	\$ 247,414	
Police protection	475,000	0.11470	474,968	472,268	
Fire protection	475,000	0.11470	474,968	472,268	
Garbage collection and disposal	475,000	0.11470	474,968	472,268	
Sewer chlorination	25,000	0.00604	25,007	24,865	
Illinois Municipal Retirement	110,000	0.02657	110,006	109,381	
FICA	385,000	0.09298	384,959	382,771	
Workmen's compensation	800,000	0.19321	799,935	795,389	
Street and bridge	625,325	0.09999	413,982	411,629	
Audit	72,000	0.01739	71,999	71,590	
Street lighting	74,500	0.01799	74,483	74,060	
Unemployment insurance	-	-	-	-	
Emergency service and disaster assistance	35,000	0.00845	34,985	34,786	
Firemen's pension	688,862	0.16637	688,811	684,896	
Police pension	776,329	0.18749	776,253	771,841	
School crossing guard	-	-	-	-	
	<u>\$ 5,265,888</u>	<u>1.22068</u>	<u>\$ 5,054,152</u>	<u>\$ 5,025,426</u>	

2007 Tax Levy				2006 Tax Levy			
			<u>\$ 391,777,464</u>				<u>\$ 369,496,445</u>
Levy	Rate	Amount Extended by County Clerk	Amount Collected	Levy	Rate	Amount Extended by County Clerk	Amount Collected
\$ 257,319	0.0654	\$ 256,144	\$ 256,201	\$ 263,452	0.0705	\$ 260,495	\$ 260,356
465,000	0.1182	462,885	462,988	460,000	0.1229	454,111	453,869
465,000	0.1182	462,885	462,988	460,000	0.1229	454,111	453,869
465,000	0.1182	462,885	462,988	460,000	0.1229	454,111	453,869
25,000	0.0064	24,878	24,883	25,000	0.0067	24,756	24,743
105,000	0.0267	104,526	104,549	50,000	0.0133	49,143	49,117
385,000	0.0978	383,236	383,322	340,000	0.0908	335,503	335,324
700,000	0.1779	696,815	696,970	650,000	0.1736	641,447	641,104
586,000	0.0996	390,014	390,101	553,591	0.0987	364,693	364,499
58,000	0.0147	57,709	57,722	45,000	0.1200	44,340	44,316
70,000	0.0178	69,697	69,713	27,000	0.0072	26,604	26,590
-	-	-	-	-	-	-	-
35,000	0.0089	34,829	34,837	35,000	0.0094	34,733	34,714
705,127	0.1792	701,908	702,065	810,735	0.2165	799,960	799,533
661,105	0.1680	658,107	658,254	622,880	0.1664	614,842	614,514
-	-	-	-	1,000	0.0003	1,109	1,108
<u>\$ 4,982,551</u>	<u>1.2170</u>	<u>\$ 4,766,518</u>	<u>\$ 4,767,581</u>	<u>\$ 4,803,658</u>	<u>1.3421</u>	<u>\$ 4,559,958</u>	<u>\$ 4,557,525</u>

City of East Peoria, Illinois

Legal Debt Margin

April 30, 2010

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Assessed valuation, 2009 tax year		\$	<u>423,364,569</u>
Statutory debt limitation (8.625% of assessed valuation)		\$	36,515,194
Total debt:			
Notes payable to banks	\$	6,341,960	
Notes payable to Illinois Environment Protection Agency		6,593,199	
Special assessment bonds		1,055,000	
Project bonds		6,460,000	
General obligation bonds (alternate revenue source)		41,850,000	
Revenue bonds		855,000	
Deduct debt exempt from debt limitation computation:			
Project bonds		(6,460,000)	
General obligation bonds (alternate revenue source)		(41,850,000)	
Revenue bonds		(855,000)	13,990,159
<b>Legal debt margin</b>			<u>\$ 22,525,035</u>

City of East Peoria, Illinois

Schedule of Receipts and Disbursements by District  
 Special Tax Allocation Fund  
 Year Ended April 30, 2010

	District II	District III	Total
Receipts:			
Tax increment financing, property taxes	\$ -	\$ 727,862	\$ 727,862
Interest income	-	278	278
Interfund borrowing	-	856,992	856,992
<b>Total receipts</b>	<b>-</b>	<b>1,585,132</b>	<b>1,585,132</b>
Disbursements:			
1998-B Refunding Tax Increment Bond interest	-	203,547	203,547
1998-B Refunding Tax Increment Bonds	-	855,000	855,000
2005-D Refunding Tax Increment Bond interest	-	57,806	57,806
2005-D Refunding Tax Increment Bonds	-	240,000	240,000
Distribution to other taxing districts	-	126,583	126,583
Bank collection charges	-	2,500	2,500
Interfund transfers	-	-	-
<b>Total disbursements</b>	<b>-</b>	<b>1,485,436</b>	<b>1,485,436</b>
<b>Excess of receipts over disbursements</b>	<b>-</b>	<b>99,696</b>	<b>99,696</b>
Cash and investments, April 30, 2009	(15,800)	16,113	313
Cash and investments, April 30, 2010	<b>\$ (15,800)</b>	<b>\$ 115,809</b>	<b>\$ 100,009</b>

City of East Peoria, Illinois

Schedule of Receipts and Disbursements by District  
 Capital Projects Fund  
 Year Ended April 30, 2010

	Camp Street TIF District	Washington Street TIF District	Total
Receipts:			
Tax increment financing:			
Property taxes	\$ 1,183,322	\$ 58,489	\$ 1,241,811
Hotel/motel taxes	618,025	-	618,025
Lease income	825,840	-	825,840
Interest income	5,635	82,659	88,294
Reimbursements	-	50,000	50,000
Issuance of debt	1,430,000	-	1,430,000
<b>Total receipts</b>	<b>4,062,822</b>	<b>191,148</b>	<b>4,253,970</b>
Disbursements:			
2002-C tax increment bond interest	144,140	-	144,140
2002-C tax increment bond principal	205,000	-	205,000
2004-B tax increment bond interest	109,586	-	109,586
2004-B tax increment bond principal	70,000	-	70,000
2007 refunding tax increment bond interest	1,263,942	-	1,263,942
2007 refunding tax increment bond principal	295,000	-	295,000
2008 general obligation bond interest	-	397,583	397,583
2008 general obligation bond principal	-	310,000	310,000
Development and engineering fees	130,717	2,178,005	2,308,722
Other operating expenses	3,615	17,052	20,667
Principal paid on notes payable	117,830	271,289	389,119
Interest paid on notes payable	55,757	-	55,757
Attorney fees	124,334	208,135	332,469
Land held for resale	1,430,000	-	1,430,000
Interfund payments	221,991	552,907	774,898
<b>Total disbursements</b>	<b>4,171,912</b>	<b>3,934,971</b>	<b>8,106,883</b>
<b>(Deficiency) of receipts over disbursements</b>	<b>(109,090)</b>	<b>(3,743,823)</b>	<b>(3,852,913)</b>
Cash, April 30, 2009	1,172,664	9,153,659	10,326,323
Cash, April 30, 2010	\$ 1,063,574	\$ 5,409,836	\$ 6,473,410

**City of East Peoria, Illinois**

**Miscellaneous Information**

**April 30, 2010**

**(Unaudited)**

Number of accounts served as of April 30, 2010:

Sewer	7,587
Metered water	7,665
Unmetered water	-

Approximate gallons of sewage treated during the year ended April 30, 2010

1,221,000,000

Approximate gallons of water during the year ended April 30, 2010:

Pumped (in millions of gallons)	1,063
Billed (in millions of gallons)	714

A summary of rates in effect as of April 30, 2010 follows:

Water	Sewer
First 3,000 gallons or less - \$5.25 per 1,000 gallons	\$4.08 per 1,000 gallons of water metered
Next 7,000 gallons at \$4.47 per 1,000 gallons	3,000 gallons or less minimum charge - \$12.24
Next 290,000 gallons at \$3.82 per 1,000 gallons	Nonmetered flat rate sewer charge - \$44.82 bimonthly
300,000 gallons and over at \$3.34 per 1,000 gallons	Senior citizens rate - flat rate sewer charge - \$26.49 bimonthly
Nonmetered flat rate - \$54.24 monthly	
Senior citizens rate - no charge first 6,000 gallons (regular rates over 6,000 gallons)	

City of East Peoria, Illinois

Insurance Coverage  
 April 30, 2010  
 (Unaudited)

Name of Insurer	Risk Covered	Amount	Expiration Date
<b>Automobile</b>			
Illinois Counties Risk Management Trust	Bodily injury and property damage	\$ 1,000,000	December 1, 2010
	Medical payments, each person	5,000	
	Medical payments, each accident	25,000	
	Uninsured/underinsured motorist	100,000	
	Auto physical damage	6,351,502	
<b>Commercial Package</b>			
	General liability and law enforcement, each occurrence bodily injury and property damage	1,000,000	
	Aggregate bodily injury and property damage	3,000,000	
	Premises medical payments	1,000	
	Premises medical payments each occurrence	50,000	
	Public officials liability	1,000,000	
	Law enforcement activities annual aggregate	3,000,000	
	Physical and sexual abuse	100,000	
	Money and securities, inside and outside	500,000	
	Money orders and counterfeit currency	500,000	
	Depositors forgery	500,000	
	Property, building	72,057,440	
	Property, personal property	13,530,420	
	Boiler and machinery	85,587,860	
	Equipment floater	3,198,809	
	Valuable papers coverage	500,000	
	EDP equipment	650,000	
	Employee dishonesty bond	500,000	
	Excess liability:		
	General liability and law:		
	Enforcement	6,000,000	
	Auto liability	6,000,000	
	Public officials	6,000,000	