

CITY OF EAST PEORIA, ILLINOIS

FINANCIAL REPORT
April 30, 2015



CliftonLarsonAllen

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Independent Auditors' Report

Honorable Mayor and Commissioners
City of East Peoria, Illinois
East Peoria, Illinois

Report on the Financial Statements

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 (the City), as of and for the year ended April 30, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the East Peoria Mass Transit District discretely presented component unit. Those statements were audited by another auditor whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the East Peoria Mass Transit District discretely presented component unit, is based solely on the report of the other auditor. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall financial statement presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Basis for Qualified Opinion on Aggregate Remaining Fund Information

We did not audit the financial statements of the pension trust funds, which represent 85 percent, 91 percent, and 47 percent, respectively, of the assets, net position, and revenues and additions of the aggregate remaining fund information.

Qualified Opinion

In our opinion, except for the effects of the matter described in the *Basis for Qualified Opinion on Aggregate Remaining Fund Information* paragraph, the financial statements referred to above present fairly, in all material respects, the respective financial position of the aggregate remaining fund information of the City of East Peoria, Illinois as of April 30, 2015, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Unqualified Opinions

In our opinion, based on our audit and the reports 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, and each major fund of the City as of April 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of a Matter – Restatements

As discussed in Note 17 to the financial statements, beginning net position for governmental activities and beginning fund balance for the Capital Projects Fund have been restated to correct an error in previously reported liabilities. In addition, beginning net position for governmental activities has been restated to correct an error in previously reported compensated absences. Our opinions are not modified with respect to these matters.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the pension and other post employment information on pages 67 through 71 and budgetary comparison information on pages 72 through 74 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We and the other auditor have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The City has not presented the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining financial statements and statistical information are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and the other auditor. In our opinion, based on our audit, the procedures performed as described above, and the report of the other auditor, the information is fairly stated in all material respects, in relation to the basic financial statements as a whole.

The statistical information listed in the table of contents has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

A handwritten signature in black ink that reads "CliftonLarsonAllen LLP". The signature is written in a cursive, flowing style.

CliftonLarsonAllen, LLP

Peoria, Illinois
October 16, 2015

CITY OF EAST PEORIA, ILLINOIS
STATEMENT OF NET POSITION
April 30, 2015

ASSETS	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Primary Primary Government	East Peoria Mass Transit District
CURRENT ASSETS				
Cash and investments	\$ 8,965,278	\$ 1,570,196	\$ 10,535,474	\$ 52,654
Receivables (net, where applicable, of allowances for estimated uncollectible amounts):				
Property taxes	10,303,589	-	10,303,589	432,735
Sales tax	3,354,746	-	3,354,746	-
State income tax	1,160,337	-	1,160,337	-
Personal property replacement tax	278,087	-	278,087	9,341
Motor fuel tax allotments	54,428	-	54,428	-
Gaming tax	385,106	-	385,106	-
Water and sewer revenue receivables:				
Billed	-	279,396	279,396	-
Unbilled charges	-	1,390,379	1,390,379	-
Customer charges	270,585	81,290	351,875	-
Assessments	13,773	-	13,773	-
Hotel/motel taxes	132,519	-	132,519	-
Notes	255,155	-	255,155	-
Fines	35,050	-	35,050	-
Capital lease	447,569	-	447,569	-
Other	291,357	-	291,357	-
Developer	193,469	-	193,469	-
Prepaid expenses	472,930	8,003	480,933	-
Inventory of supplies, at cost	-	112,866	112,866	-
Internal balances	(6,102)	6,102	-	-
Assets held for resale	1,430,000	-	1,430,000	-
Total current assets	<u>28,037,876</u>	<u>3,448,232</u>	<u>31,486,108</u>	<u>494,730</u>
NONCURRENT ASSETS				
Restricted assets, cash and investments	7,434,864	-	7,434,864	-
Receivables (net where applicable, of allowances for estimated uncollectible amounts):				
Assessments	50,318	-	50,318	-
Capital lease	8,762,979	-	8,762,979	-
Capital assets:				
Not depreciable:				
Land	8,426,876	3,647,682	12,074,558	-
Construction-in-progress	423,117	-	423,117	-
Depreciable:				
Land improvements	5,261,065	7,422,593	12,683,658	-
Buildings	51,575,430	24,422,657	75,998,087	-
Machinery, equipment and vehicles	15,634,879	14,306,371	29,941,250	-
Infrastructure	122,347,712	40,326,213	162,673,925	-
Accumulated depreciation	<u>(65,833,627)</u>	<u>(54,292,041)</u>	<u>(120,125,668)</u>	-
Total noncurrent assets	<u>154,083,613</u>	<u>35,833,475</u>	<u>189,917,088</u>	-
Total assets	<u>182,121,489</u>	<u>39,281,707</u>	<u>221,403,196</u>	<u>494,730</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charge on refunding	<u>525,631</u>	-	<u>525,631</u>	-

LIABILITIES	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Primary Government	East Peoria Mass Transit District
CURRENT LIABILITIES				
Accounts payable	\$ 1,504,048	\$ 101,646	\$ 1,605,694	\$ -
Retainage payable	29,843	-	29,843	-
Wages payable	243,074	42,340	285,414	-
Liquor license bond held	18,000	-	18,000	-
Interest payable	1,404,102	42,098	1,446,200	-
Pension contribution payable	196,734	-	196,734	-
Unearned revenue	-	207,432	207,432	-
Due to other governmental entities	742,320	-	742,320	52,300
Deposits - customers	-	79,645	79,645	-
Compensated absences	633,901	143,101	777,002	-
Accrued health claims	373,166	-	373,166	-
Current portion of long-term debt	5,210,285	1,112,590	6,322,875	-
Total current liabilities	<u>10,355,473</u>	<u>1,728,852</u>	<u>12,084,325</u>	<u>52,300</u>
LONG-TERM LIABILITIES				
Accounts payable	201,997	-	201,997	-
Compensated absences	2,834,028	354,275	3,188,303	-
Other postemployment benefits obligation	12,165,805	859,728	13,025,533	-
IMRF pension obligation	146,978	74,497	221,475	-
General obligation bonds, net bond discounts and premiums, noncurrent	91,836,842	1,276,997	93,113,839	-
Project bonds, net of bond discounts, noncurrent	434,482	-	434,482	-
Revenue bonds, net bond discounts, noncurrent	-	90,000	90,000	-
Notes payable, noncurrent	6,689,080	5,500,246	12,189,326	-
Total noncurrent liabilities	<u>114,309,212</u>	<u>8,155,743</u>	<u>122,464,955</u>	<u>-</u>
Total liabilities	<u>124,664,685</u>	<u>9,884,595</u>	<u>134,549,280</u>	<u>52,300</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	10,303,589	-	10,303,589	146,639
NET POSITION				
Net investment in capital assets	47,556,061	27,853,642	75,409,703	-
Restricted for:				
Employee benefits	272,362	-	272,362	-
Debt service	2,469,006	-	2,469,006	-
Audit	18,666	-	18,666	25,844
School crossing guard	9,373	-	9,373	-
Sewer	33,638	-	33,638	-
Emergency services	24,822	-	24,822	-
Tourism	1,371,043	-	1,371,043	-
Revolving loan	719,562	-	719,562	-
IHDA	13,936	-	13,936	-
Capital improvements and equipment	27,052,721	-	27,052,721	-
Liability insurance	-	-	-	268,783
Unrestricted (deficit)	<u>(31,862,344)</u>	<u>1,543,470</u>	<u>(30,318,874)</u>	<u>1,164</u>
TOTAL NET POSITION	<u>\$ 47,678,846</u>	<u>\$ 29,397,112</u>	<u>\$ 77,075,958</u>	<u>\$ 295,791</u>

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

**CITY OF EAST PEORIA, ILLINOIS
STATEMENT OF ACTIVITIES
Year Ended April 30, 2015**

FUNCTIONS/PROGRAMS	<u>Expenses</u>
Primary government:	
Governmental activities:	
Police	(5,856,999)
Fire	(3,593,975)
Sanitation	(1,140,447)
Health and welfare	(1,112,799)
Public works	(5,088,511)
General government	(22,775,335)
Community development	(284,512)
Other	(984,463)
Interest on and amortization of long-term debt	(4,442,083)
Total governmental activities	<u>(45,279,124)</u>
Business-type activities:	
Water and Sewer	(6,783,525)
Eastport Marina	(893,302)
Eastside Centre	(1,540,952)
Total business-type activities	<u>(9,217,779)</u>
Total primary government	<u>\$ (54,496,903)</u>
Component unit:	
City of East Peoria Mass Transit District	<u>\$ (1,953,230)</u>

			Net (Expense) Revenue and Changes in Net Position			Component Unit
Program Revenues			Primary Government			East Peoria Mass Transit District
Fees, Fines, and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total Primary Government	
\$ 62,817	\$ 195,629	\$ -	\$ (5,598,553)	\$ -	\$ (5,598,553)	\$ -
50,209	8,821	-	(3,534,945)	-	(3,534,945)	-
-	5,770	-	(1,134,677)	-	(1,134,677)	-
757,187	-	-	(355,612)	-	(355,612)	-
510	2,524,687	470,112	(2,093,202)	-	(2,093,202)	-
263,350	632,197	-	(21,879,788)	-	(21,879,788)	-
-	-	-	(284,512)	-	(284,512)	-
-	-	-	(984,463)	-	(984,463)	-
-	-	-	(4,442,083)	-	(4,442,083)	-
<u>1,134,073</u>	<u>3,367,104</u>	<u>470,112</u>	<u>(40,307,835)</u>	<u>-</u>	<u>(40,307,835)</u>	<u>-</u>
7,377,356	-	-	-	593,831	593,831	-
770,696	-	-	-	(122,606)	(122,606)	-
561,085	-	-	-	(979,867)	(979,867)	-
<u>8,709,137</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(508,642)</u>	<u>(508,642)</u>	<u>-</u>
<u>\$ 9,843,210</u>	<u>\$ 3,367,104</u>	<u>\$ 470,112</u>	<u>(40,307,835)</u>	<u>(508,642)</u>	<u>(40,816,477)</u>	
<u>\$ -</u>	<u>\$ 1,625,801</u>	<u>\$ -</u>				(327,429)
GENERAL REVENUES						
Property taxes			8,646,921	-	8,646,921	285,066
Sales and use taxes			12,394,007	278	12,394,285	-
State income taxes			2,357,652	-	2,357,652	-
Personal property replacement taxes			1,404,531	-	1,404,531	56,905
Illinois gaming taxes			5,664,394	-	5,664,394	-
Other taxes			5,599,544	-	5,599,544	-
Interest/investment income			398,603	16,359	414,962	173
Other			6,648,281	32,715	6,680,996	-
TRANSFERS			(315,846)	315,846	-	-
CAPITAL CONTRIBUTIONS			-	267,488	267,488	-
Total general revenues, transfers, and capital contributions			<u>42,798,087</u>	<u>632,686</u>	<u>43,430,773</u>	<u>342,144</u>
Change in net position			2,490,252	124,044	2,614,296	14,715
NET POSITION - BEGINNING OF YEAR, AS PREVIOUSLY REPORTED			<u>44,341,837</u>	<u>29,273,068</u>	<u>73,614,905</u>	<u>281,076</u>
PRIOR PERIOD ADJUSTMENT			<u>846,757</u>	<u>-</u>	<u>846,757</u>	<u>-</u>
NET POSITION - BEGINNING OF YEAR, AS RESTATED			<u>45,188,594</u>	<u>29,273,068</u>	<u>74,461,662</u>	<u>281,076</u>
NET POSITION - END OF YEAR			<u>\$ 47,678,846</u>	<u>\$ 29,397,112</u>	<u>\$ 77,075,958</u>	<u>\$ 295,791</u>

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

CITY OF EAST PEORIA, ILLINOIS
BALANCE SHEET - GOVERNMENTAL FUNDS
April 30, 2015

ASSETS	<u>General Fund</u>
Cash and investments	\$ 2,750,472
Receivables (net, where applicable, of allowances for estimated uncollectible amounts):	
Property taxes	2,303,061
Sales tax	3,188,067
State income tax	1,160,337
Personal property replacement tax	202,687
Motor fuel tax allotments	-
Gaming tax	-
Customer charges	270,585
Assessments	-
Hotel/motel taxes	-
Notes	-
Fines	35,050
Capital lease	-
Other	81,520
Prepays	-
Advanced to other funds	2,240,537
Assets held for resale	-
Restricted assets, cash and investments	-
	12,232,316
TOTAL ASSETS	<u>12,232,316</u>

<u>Riverboat Gaming Tax Fund</u>	<u>Special Tax Allocation Fund</u>	<u>Capital Projects Fund</u>	<u>Bond and Interest Fund</u>	<u>Other Governmental Funds</u>	<u>Total</u>
\$ 200,202	\$ 4,009	\$ 89,740	\$ 1,045,909	\$ 4,040,625	\$ 8,130,957
-	787,508	4,118,162	-	3,094,858	10,303,589
-	-	166,679	-	-	3,354,746
-	-	-	-	-	1,160,337
-	-	-	-	75,400	278,087
-	-	-	-	54,428	54,428
385,106	-	-	-	-	385,106
-	-	-	-	-	270,585
-	-	-	-	64,091	64,091
-	-	24,438	-	108,081	132,519
-	-	-	-	255,155	255,155
-	-	-	-	-	35,050
-	-	9,210,548	-	-	9,210,548
-	-	33,085	-	176,752	291,357
472,930	-	-	-	-	472,930
10,275,053	1,984,822	-	269,400	136,331	14,906,143
-	-	1,430,000	-	-	1,430,000
-	-	5,118,476	2,316,388	-	7,434,864
<u>11,333,291</u>	<u>2,776,339</u>	<u>20,191,128</u>	<u>3,631,697</u>	<u>8,005,721</u>	<u>58,170,492</u>

**CITY OF EAST PEORIA, ILLINOIS
BALANCE SHEET - GOVERNMENTAL FUNDS
April 30, 2015**

LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICITS)	<u>General Fund</u>
LIABILITIES	
Accounts payable	\$ 502,315
Retainage payable	29,843
Wages payable	220,725
Liquor license bonds held	18,000
Compensated absences	633,901
Pension obligation payable	-
Due to other governmental entities	742,320
Advances from other funds	<u>381,049</u>
Total liabilities	<u>2,528,153</u>
DEFERRED INFLOWS OF RESOURCES	
Unavailable revenue - property taxes	2,303,061
Unavailable revenue - other taxes	1,054,728
Unavailable revenue - capital lease receivable	-
Unavailable revenue - notes receivable and other	-
Unavailable revenue - special assessments	<u>-</u>
Total deferred inflows of resources	<u>3,357,789</u>
FUND BALANCES (DEFICITS)	
Nonspendable	2,240,537
Restricted	250,000
Assigned	174,919
Unassigned	<u>3,680,918</u>
Total fund balances (deficits)	<u>6,346,374</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICITS)	<u>\$ 12,232,316</u>

<u>Riverboat Gaming Tax Fund</u>	<u>Special Tax Allocation Fund</u>	<u>Capital Projects Fund</u>	<u>Bond and Interest Fund</u>	<u>Other Governmental Funds</u>	<u>Total</u>
\$ 747,826	\$ -	\$ 209,525	\$ -	\$ 44,382	\$ 1,504,048
-	-	-	-	-	29,843
-	-	-	-	22,349	243,074
-	-	-	-	-	18,000
-	-	-	-	-	633,901
-	-	-	-	196,734	196,734
-	-	-	-	-	742,320
<u>591,769</u>	<u>7,663,620</u>	<u>5,474,530</u>	<u>250,000</u>	<u>141,365</u>	<u>14,502,333</u>
<u>1,339,595</u>	<u>7,663,620</u>	<u>5,684,055</u>	<u>250,000</u>	<u>404,830</u>	<u>17,870,253</u>
-	787,508	4,118,162	-	3,094,858	10,303,589
-	-	36,623	-	-	1,091,351
-	-	9,210,548	-	-	9,210,548
-	-	-	-	255,155	255,155
-	-	-	-	50,318	50,318
<u>-</u>	<u>787,508</u>	<u>13,365,333</u>	<u>-</u>	<u>3,400,331</u>	<u>20,910,961</u>
472,930	-	-	-	-	2,713,467
10,912,409	1,984,822	6,548,476	2,703,579	2,641,471	25,040,757
-	-	-	678,118	1,559,089	2,412,126
<u>(1,391,643)</u>	<u>(7,659,611)</u>	<u>(5,406,736)</u>	<u>-</u>	<u>-</u>	<u>(10,777,072)</u>
<u>9,993,696</u>	<u>(5,674,789)</u>	<u>1,141,740</u>	<u>3,381,697</u>	<u>4,200,560</u>	<u>19,389,278</u>
<u>\$ 11,333,291</u>	<u>\$ 2,776,339</u>	<u>\$ 20,191,128</u>	<u>\$ 3,631,697</u>	<u>\$ 8,005,721</u>	<u>\$ 58,170,492</u>

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

**CITY OF EAST PEORIA, ILLINOIS
RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
April 30, 2015**

Total governmental fund balances \$ 19,389,278

Amounts reported for governmental activities in the statement of net position are different because capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:

Land	\$ 8,426,876	
Construction-in-progress	423,117	
Land improvements	5,261,065	
Buildings and improvements	51,575,430	
Machinery, equipment, and vehicles	15,634,879	
Infrastructure	122,347,712	
Accumulated depreciation	<u>(65,833,627)</u>	137,835,452

Developer receivable 193,469

Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds, deferred inflows of resources:

Unavailable revenue - other taxes	1,091,351	
Unavailable revenue - capital lease receivable	9,210,548	
Unavailable revenue - notes receivable and other	255,155	
Unavailable revenue - special assessments	<u>50,318</u>	10,607,372

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 position:

Current assets	834,321	
Current liabilities	<u>(373,166)</u>	461,155

Internal service funds allocated to business-type activities (409,912)

Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds:

Accounts payable	(201,997)	
Compensated absences, noncurrent	(2,834,028)	
Other postemployment benefits obligation	(12,165,805)	
IMRF pension obligation	(146,978)	
Accrued interest payable	(1,404,102)	
General obligation bonds payable, current	(3,790,000)	
General obligation bonds payable, noncurrent	(91,275,000)	
Project bonds payable, current	(570,000)	
Project bonds payable, noncurrent	(470,000)	
Notes payable, current	(850,285)	
Notes payable, noncurrent	(6,689,080)	
Bond discounts	110,016	
Bond deferred charge on refunding	525,631	
Bond premiums	<u>(636,340)</u>	<u>(120,397,968)</u>

NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 47,678,846

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

**CITY OF EAST PEORIA, ILLINOIS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES (DEFICIT) - GOVERNMENTAL FUNDS
Year Ended April 30, 2015**

	<u>General Fund</u>
REVENUES	
Property taxes	\$ 2,421,428
Other taxes and special assessments	14,774,510
Charges for services	870,723
Intergovernmental	966,799
Investment earnings	24,022
Licenses and permits	263,350
Miscellaneous	2,498,161
Total revenues	<u>21,818,993</u>
 EXPENDITURES	
Current:	
General government	7,724,390
Police	5,537,187
Fire	3,377,441
Sanitation	1,083,889
Health and welfare	1,242,397
Public works	2,234,201
Community development	262,862
Other	-
Capital outlay	93,469
Debt service:	
Principal payments	458,328
Interest and fiscal charges	159,776
Total expenditures	<u>22,173,940</u>
Excess (deficiency) of revenues over expenditures	<u>(354,947)</u>
 OTHER FINANCING SOURCES (USES)	
Issuance of long-term debt	-
Transfers in	20,481
Transfers out	(429,590)
Total other financing sources (uses)	<u>(409,109)</u>
 NET CHANGE IN FUND BALANCES	 (764,056)
FUND BALANCES (DEFICITS), BEGINNING OF YEAR, AS PREVIOUSLY REPORTED	<u>7,110,430</u>
 PRIOR PERIOD ADJUSTMENT	 <u>-</u>
FUND BALANCES (DEFICITS), BEGINNING OF YEAR, AS RESTATED	<u>7,110,430</u>
FUND BALANCES (DEFICITS), END OF YEAR	<u>\$ 6,346,374</u>

Riverboat Gaming Tax Fund	Special Tax Allocation Fund	Capital Projects Fund	Bond and Interest Fund	Other Governmental Funds	Total
\$ -	\$ 793,413	\$ 2,427,652	\$ -	\$ 3,004,428	\$ 8,646,921
5,664,394	-	4,006,762	-	1,610,778	26,056,444
-	-	-	-	-	870,723
470,112	-	2,008,305	-	1,930,520	5,375,736
338	282	5,653	342,798	24,016	397,109
-	-	-	-	-	263,350
78,962	-	3,699,604	-	608,846	6,885,573
<u>6,213,806</u>	<u>793,695</u>	<u>12,147,976</u>	<u>342,798</u>	<u>7,178,588</u>	<u>48,495,856</u>
-	136,847	-	-	2,863,228	10,724,465
-	-	-	-	1,293,822	6,831,009
-	-	-	-	1,327,183	4,704,624
-	-	-	-	-	1,083,889
-	-	-	-	-	1,242,397
-	-	-	-	902,675	3,136,876
-	-	-	-	-	262,862
-	1,650	1,226,350	-	127,000	1,355,000
5,316,463	-	1,421,052	-	64,071	6,895,055
430,000	115,000	22,121,756	75,000	230,000	23,430,084
65,475	11,397	4,420,538	37,833	14,950	4,709,969
<u>5,811,938</u>	<u>264,894</u>	<u>29,189,696</u>	<u>112,833</u>	<u>6,822,929</u>	<u>64,376,230</u>
<u>401,868</u>	<u>528,801</u>	<u>(17,041,720)</u>	<u>229,965</u>	<u>355,659</u>	<u>(15,880,374)</u>
-	-	18,570,000	-	-	18,570,000
-	-	1,125,000	40,000	73,263	1,258,744
(1,125,000)	-	-	-	(20,000)	(1,574,590)
<u>(1,125,000)</u>	<u>-</u>	<u>19,695,000</u>	<u>40,000</u>	<u>53,263</u>	<u>18,254,154</u>
(723,132)	528,801	2,653,280	269,965	408,922	2,373,780
<u>10,716,828</u>	<u>(6,203,590)</u>	<u>(1,835,063)</u>	<u>3,111,732</u>	<u>3,791,638</u>	<u>16,691,975</u>
-	-	323,523	-	-	323,523
<u>10,716,828</u>	<u>(6,203,590)</u>	<u>(1,511,540)</u>	<u>3,111,732</u>	<u>3,791,638</u>	<u>17,015,498</u>
<u>\$ 9,993,696</u>	<u>\$ (5,674,789)</u>	<u>\$ 1,141,740</u>	<u>\$ 3,381,697</u>	<u>\$ 4,200,560</u>	<u>\$ 19,389,278</u>

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

CITY OF EAST PEORIA, ILLINOIS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES (DEFICITS) OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
Year Ended April 30, 2015

Net change in fund balances - governmental funds	\$	2,373,780
<p>Amounts reported for governmental activities in the statement of activities are different because:</p> <p>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:</p>		
Capital outlay	\$ 2,850,993	
Depreciation expense	<u>(5,175,903)</u>	(2,324,910)
<p>The net effect of various miscellaneous transactions involving capital assets (i.e., sales, donations, and disposals) is to increase/decrease net position:</p>		
Adjustment to accumulated depreciation		7,658
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds, grant and tax revenues:</p>		
Net change in other taxes	(12,538)	
Net change in notes receivable and other	<u>30,755</u>	18,217
<p>Loans made are considered expenditures in the government 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:</p>		
Net change in long-term special assessment receivable	(28,213)	
Net change in capital lease receivable	<u>(402,130)</u>	(430,343)
<p>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 position. Also, governmental funds report the effect of premiums and discounts when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The following is the detail of the net effect of these differences in the treatment of long-term debt and related items:</p>		
Issuance of general obligation bonds	(18,570,000)	
Issuance of deferred charge on refunding	146,041	
Repayment of bond principal	22,470,000	
Repayment of notes payable principal	960,084	
Interest payable	129,327	
Amortization deferred charge on refunding	(44,807)	
Amortization of premiums and discounts	<u>37,325</u>	5,127,970

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, 2015

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 long term compensated absences	\$ (136,444)	
Change in other postemployment benefit obligation	<u>(2,165,045)</u>	\$ (2,301,489)

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.

19,369

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES

\$ 2,490,252

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

**CITY OF EAST PEORIA, ILLINOIS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
April 30, 2015**

ASSETS	Business-Type Activities - Enterprise Funds			Total	Governmental
	Water and Sewer Fund	Eastport Marina Fund	Eastside Centre Fund		Activities Internal Service Funds
CURRENT ASSETS					
Cash and cash equivalents	\$ 1,274,425	\$ 256,843	\$ 38,928	\$ 1,570,196	\$ 834,321
Water and sewer revenue receivables (net where applicable of allowance for uncollectible amounts):					
Billed	279,396	-	-	279,396	-
Unbilled charges	1,390,379	-	-	1,390,379	-
Customer charges	-	81,290	-	81,290	-
Prepaid expenses	-	8,003	-	8,003	-
Inventory of supplies, at cost	112,866	-	-	112,866	-
Total current assets	3,057,066	346,136	38,928	3,442,130	834,321
CAPITAL ASSETS					
Nondepreciable:					
Land	456,274	2,850,000	341,408	3,647,682	-
Depreciable:					
Land improvements	1,617,397	3,170,620	2,634,576	7,422,593	-
Buildings	16,223,365	2,325,392	5,873,900	24,422,657	-
Machinery, equipment and vehicles	12,757,882	525,627	1,022,862	14,306,371	-
Infrastructure	40,326,213	-	-	40,326,213	-
Less accumulated depreciation	(44,742,266)	(4,322,575)	(5,227,200)	(54,292,041)	-
Net capital assets	26,638,865	4,549,064	4,645,546	35,833,475	-
TOTAL ASSETS	29,695,931	4,895,200	4,684,474	39,275,605	834,321

**CITY OF EAST PEORIA, ILLINOIS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
April 30, 2015**

LIABILITIES AND NET POSITION	Business-Type Activities - Enterprise Funds			Total	Governmental
	Water and Sewer Fund	Eastport Marina Fund	Eastside Centre Fund		Internal Service Funds
CURRENT LIABILITIES					
Accounts payable	\$ 58,751	\$ -	\$ 42,895	\$ 101,646	\$ -
Wages payable	33,465	-	8,875	42,340	-
Interest payable	42,049	-	49	42,098	-
Deposits, customers	79,645	-	-	79,645	-
Compensated absences	118,216	-	24,885	143,101	-
Unearned revenue	-	207,432	-	207,432	-
Accrued health claims	-	-	-	-	373,166
Current portion of long-term debt	1,100,813	-	11,777	1,112,590	-
Total current liabilities	1,432,939	207,432	88,481	1,728,852	373,166
LONG-TERM LIABILITIES					
Compensated absences, noncurrent	305,015	-	49,260	354,275	-
Advanced from other funds	259,517	144,293	-	403,810	-
Other postemployment benefits obligation	-	-	859,728	859,728	-
IMRF pension obligation	74,497	-	-	74,497	-
General obligation bonds, plus bond premiums, noncurrent	1,276,997	-	-	1,276,997	-
Revenue bonds, noncurrent	90,000	-	-	90,000	-
Notes payable, noncurrent	5,377,956	-	122,290	5,500,246	-
Total long-term liabilities	7,383,982	144,293	1,031,278	8,559,553	-
Total liabilities	8,816,921	351,725	1,119,759	10,288,405	373,166
NET POSITION					
Net investment in capital assets	18,793,099	4,549,064	4,511,479	27,853,642	-
Unrestricted	2,085,911	(5,589)	(946,764)	1,133,558	461,155
TOTAL NET POSITION	\$ 20,879,010	\$ 4,543,475	\$ 3,564,715	\$ 28,987,200	\$ 461,155
Total enterprise funds net position				\$ 28,987,200	
Amounts reported for enterprise activities in the statement of net position 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 are included in governmental activities in the statement of net position.				409,912	
NET POSITION OF BUSINESS-TYPE ACTIVITIES				\$ 29,397,112	

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

CITY OF EAST PEORIA, ILLINOIS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES
IN NET POSITION - PROPRIETARY FUNDS
Year Ended April 30, 2015

	Business-Type Activities - Enterprise Funds			Total	Governmental Activities
	Water and Sewer Fund	Eastport Marina Fund	Eastside Centre Fund		Internal Service Funds
OPERATING REVENUES					
Water sales	\$ 3,288,890	\$ -	\$ -	\$ 3,288,890	\$ -
Sewer service charges	3,778,640	-	-	3,778,640	-
Fuel sales	-	147,112	-	147,112	-
Storage and rentals	-	620,169	24,568	644,737	-
Fees for services	-	-	454,768	454,768	-
Tap-in charges	54,772	-	-	54,772	-
Water assessments	15,390	-	-	15,390	-
Sewer assessments	34,400	-	-	34,400	-
Penalties	150,287	-	-	150,287	-
Individual sewer permits	1,875	-	-	1,875	-
Contractors' sewer permits	1,085	-	-	1,085	-
Sewer inspection fees	1,710	-	-	1,710	-
Sewer connection fees	28,095	-	-	28,095	-
Concession sales	-	-	1,800	1,800	-
Charges for coverage	-	-	-	-	3,827,181
Miscellaneous	22,212	3,415	79,949	105,576	-
Total operating revenues	<u>7,377,356</u>	<u>770,696</u>	<u>561,085</u>	<u>8,709,137</u>	<u>3,827,181</u>
OPERATING EXPENSES					
Salaries and benefits	2,301,776	186,686	821,733	3,310,195	-
Contractual services	280,982	132,169	68,610	481,761	-
Utilities	611,317	40,967	29,875	682,159	-
Repair and maintenance	653,274	51,082	147,145	851,501	-
Insurance	594,300	-	32,000	626,300	-
Other supplies and expenses	950,255	277,722	144,979	1,372,956	-
Depreciation	1,311,770	204,676	296,610	1,813,056	-
Insurance claims	-	-	-	-	3,809,306
Total operating expenses	<u>6,703,674</u>	<u>893,302</u>	<u>1,540,952</u>	<u>9,137,928</u>	<u>3,809,306</u>
Operating income (loss)	<u>673,682</u>	<u>(122,606)</u>	<u>(979,867)</u>	<u>(428,791)</u>	<u>17,875</u>
NONOPERATING REVENUES (EXPENSES)					
Interest	16,282	77	-	16,359	1,494
Reimbursements	32,715	-	-	32,715	-
Municipal sales tax	-	-	278	278	-
Interest, fiscal charges and amortization	<u>(79,851)</u>	<u>-</u>	<u>-</u>	<u>(79,851)</u>	<u>-</u>
Total nonoperating revenues (expenses)	<u>(30,854)</u>	<u>77</u>	<u>278</u>	<u>(30,499)</u>	<u>1,494</u>
Income (loss) before transfers and capital contributions	642,828	(122,529)	(979,589)	(459,290)	19,369
TRANSFERS IN	-	-	315,846	315,846	-
CAPITAL CONTRIBUTIONS	-	-	267,488	267,488	-
CHANGE IN NET POSITION	642,828	(122,529)	(396,255)	124,044	19,369
TOTAL NET POSITION, BEGINNING OF YEAR	<u>20,236,182</u>	<u>4,666,004</u>	<u>3,960,970</u>	<u>28,863,156</u>	<u>441,786</u>
TOTAL NET POSITION, END OF YEAR	<u>\$ 20,879,010</u>	<u>\$ 4,543,475</u>	<u>\$ 3,564,715</u>	<u>\$ 28,987,200</u>	<u>\$ 461,155</u>

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

**CITY OF EAST PEORIA, ILLINOIS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended April 30, 2015**

	Business-Type Activities - Enterprise Funds			Total	Governmental Activities
	Water and Sewer Fund	Eastport Marina Fund	Eastside Centre Fund		Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers and users	\$ 7,272,127	\$ 729,313	\$ 561,085	\$ 8,562,525	\$ 3,827,181
Payments to suppliers and employees	<u>(5,638,723)</u>	<u>(685,279)</u>	<u>(818,885)</u>	<u>(7,142,887)</u>	<u>(4,049,216)</u>
Net cash provided by (used in) operating activities	<u>1,633,404</u>	<u>44,034</u>	<u>(257,800)</u>	<u>1,419,638</u>	<u>(222,035)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Reimbursements	32,715	-	-	32,715	-
Municipal sales tax	-	-	278	278	-
Transfer from other funds	<u>-</u>	<u>-</u>	<u>315,846</u>	<u>315,846</u>	<u>-</u>
Net cash provided by noncapital financing activities	<u>32,715</u>	<u>-</u>	<u>316,124</u>	<u>348,839</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Principal payments on notes payable	(588,243)	-	(11,093)	(599,336)	-
Interest and fiscal charges paid on bonds and notes payable	(83,930)	-	-	(83,930)	-
Purchase of capital assets	(353,972)	(6,739)	(8,803)	(369,514)	-
Principal payment on bonds	<u>(490,000)</u>	<u>-</u>	<u>-</u>	<u>(490,000)</u>	<u>-</u>
Net cash used in capital and related financing activities	<u>(1,516,145)</u>	<u>(6,739)</u>	<u>(19,896)</u>	<u>(1,542,780)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest on investments	<u>16,282</u>	<u>77</u>	<u>-</u>	<u>16,359</u>	<u>1,494</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	166,256	37,372	38,428	242,056	(220,541)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>1,108,169</u>	<u>219,471</u>	<u>500</u>	<u>1,328,140</u>	<u>1,054,862</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 1,274,425</u>	<u>\$ 256,843</u>	<u>\$ 38,928</u>	<u>\$ 1,570,196</u>	<u>\$ 834,321</u>

**CITY OF EAST PEORIA, ILLINOIS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended April 30, 2015**

	Business-Type Activities - Enterprise Funds			Total	Governmental Activities
	Water and Sewer Fund	Eastport Marina Fund	Eastside Centre Fund		Internal Service Funds
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES					
Operating income (loss)	\$ 673,682	\$ (122,606)	\$ (979,867)	\$ (428,791)	\$ 17,875
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation	1,311,770	204,676	296,610	1,813,056	-
Change in assets and liabilities:					
Customer charges and receivables	(102,434)	(22,048)	-	(124,482)	-
Prepaid expenses	-	3,347	-	3,347	-
Inventory	27,450	-	-	27,450	-
Accounts payable, claims, retainage and wages payable	(193,202)	-	19,887	(173,315)	(239,910)
Deposits	(2,795)	-	-	(2,795)	-
Unearned revenue	-	(19,335)	-	(19,335)	-
Compensated absences	(81,067)	-	(38,544)	(119,611)	-
Other postemployment benefits obligation	-	-	444,114	444,114	-
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	<u>\$ 1,633,404</u>	<u>\$ 44,034</u>	<u>\$ (257,800)</u>	<u>\$ 1,419,638</u>	<u>\$ (222,035)</u>
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES					
Amortization of premiums, discounts and deferred charge on refunding	<u>\$ 12,096</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,096</u>	<u>\$ -</u>
Capital contributions	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 267,488</u>	<u>\$ 267,488</u>	<u>\$ -</u>

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

CITY OF EAST PEORIA, ILLINOIS
STATEMENT OF FIDUCIARY NET POSITION
April 30, 2015

	<u>Pension Trusts</u>	<u>Agency</u>
ASSETS		
Cash and cash equivalents	\$ 373,949	\$ 32,128
Receivables:		
Employer contributions	1,499,578	-
Accrued interest and dividends	150,269	-
Total receivables	<u>1,649,847</u>	<u>-</u>
Investments, at fair value:		
Money market funds	2,258,748	-
Municipal bonds	1,243,034	-
Corporate bonds	7,563,481	-
U.S. Government notes and bonds	6,515,227	-
U.S. Government agency obligations	1,975,859	-
Mutual funds	10,587,931	-
Common stocks	12,908,313	-
Total investments	<u>43,052,593</u>	<u>-</u>
Total assets	<u>45,076,389</u>	<u>32,128</u>
 LIABILITIES		
Accounts payable and accrued payroll taxes	3,686	-
Amounts held for others	-	32,128
Total liabilities	<u>3,686</u>	<u>32,128</u>
 NET POSITION HELD IN TRUST FOR PENSION BENEFIT OBLIGATION	 <u>\$ 45,072,703</u>	 <u>\$ -</u>

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

CITY OF EAST PEORIA, ILLINOIS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PENSION TRUST FUNDS
Year Ended April 30, 2015

ADDITIONS

Contributions:

Plan members' contributions	\$ 693,626
Employer contributions	<u>2,761,483</u>
Total contributions	<u>3,455,109</u>

Net investment income:

Net appreciation in fair value of investments	1,786,540
Dividends and interest	<u>1,142,004</u>
Total investment income	2,928,544

Less investment expenses	<u>231,750</u>
Net investment income	<u>2,696,794</u>

Total additions	<u>6,151,903</u>
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DEDUCTIONS

Benefits paid	3,288,622
Administrative expenses	<u>88,720</u>
Total deductions	<u>3,377,342</u>

Change in net position	2,774,561
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NET POSITION HELD IN TRUST FOR BENEFITS

Beginning of year, as restated	<u>42,298,142</u>
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End of year	<u>\$ 45,072,703</u>
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The accompanying notes are an integral part of the financial statements.

CITY OF EAST PEORIA, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
April 30, 2015

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 industries within the area are 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 therefore data from these units are combined with data of the primary government. The 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, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
April 30, 2015

NOTE 1 - NATURE OF OPERATIONS, REPORTING ENTITY, BASIS OF PRESENTATION, MEASUREMENT FOCUS AND BASIS OF ACCOUNTING AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Reporting Entity (Continued)

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:

Fiduciary funds - 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.

As the Pension Funds were created by City ordinance and due to the financial benefit of the City, the Police and Firefighters Pension Funds are reported as blended component units of the City.

The fiscal 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 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

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.

As the City appoints the voting majority of the District's board and is able to impose its will on the District, the District is reported as a discretely presented component unit of the City.

The fiscal 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

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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)**

Basis of Presentation

Government-wide and fund financial statements: The government-wide financial statements (i.e., the statement of net position, including the discretely presented component unit, 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.

These financial statements have been prepared in conformity with the accounting principles generally accepted in the United States of America (GAAP) that apply to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

CITY OF EAST PEORIA, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
April 30, 2015

**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. Other taxes and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. 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, claims and judgments are recorded only when payment is due.

The accounts of the City are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts which comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balance/net position, 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.

CITY OF EAST PEORIA, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
April 30, 2015

**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 (Continued)

Riverboat Gaming Tax Fund (a special revenue fund): This fund is used to collect and disburse riverboat gaming taxes. The gaming taxes are restricted for capital purposes.

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.

Capital Projects Fund (a 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.

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.

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, workers' compensation and general liability provided to other funds on a cost reimbursement basis.

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 (Continued)

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.

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 expenses not meeting this definition are reported as nonoperating revenues and expenses.

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 of prior levy year taxes 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 2015 represent the 2013 tax levy which was received by the City during the months of July 2014 through November 2014. The general property taxes receivable and the related deferred inflow of resources at April 30, 2015 are based on the City's 2014 extended tax levy.

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)**

Summary of Significant Accounting Policies (Continued)

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, 2015, 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.

The City invests in an external investment pool not SEC-registered, the Illinois Funds Money Market Fund. The Illinois Funds Money Market Fund is regulated by the State Treasurer's Office. The fair value of the position in the external investment pool is recorded at amortized cost pursuant to Rule 2a-7 under the Investment Company Act of 1940.

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 is representative of lending/borrowing arrangements at the end of the fiscal year is 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."

Noncurrent portions of long-term inter-fund loan receivables are reported as advances within the governmental funds and are offset equally by a nonspendable or restricted fund balance 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.

CITY OF EAST PEORIA, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
April 30, 2015

**NOTE 1 - NATURE OF OPERATIONS, REPORTING ENTITY, BASIS OF PRESENTATION,
MEASUREMENT FOCUS AND BASIS OF ACCOUNTING AND SUMMARY OF
SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Summary of Significant Accounting Policies (Continued)

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 asset 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, 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, 2015.

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

Unearned revenue: Unearned revenue arises when assets are recognized before revenue recognition criteria has been satisfied.

Deferred outflows of resources: In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City only has one item that qualifies for reporting in this category. It is the deferred charge on refunding reported in the government-wide and proprietary funds statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

CITY OF EAST PEORIA, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
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**NOTE 1 - NATURE OF OPERATIONS, REPORTING ENTITY, BASIS OF PRESENTATION,
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SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Summary of Significant Accounting Policies (Continued)

Deferred inflows of resources: In addition to liabilities, the statement of net position and balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The governmental funds report unavailable revenues from several sources: property taxes, other taxes, capital lease receivable, notes receivable, other and special assessments. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. In the City's government-wide statements, only the property tax revenues remain under the full accrual basis of accounting and will become an inflow in the year for which they are levied and budgeted for.

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 or 120 days for department heads and union personnel.

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.

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 position. Bond premiums and discounts 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. Bond issuance costs are recorded as a nonoperating expense when incurred.

In the fund financial statements, governmental fund types recognize bond premiums and discounts 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. Bond issuance costs are recorded as debt service expenditures when incurred.

CITY OF EAST PEORIA, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
April 30, 2015

**NOTE 1 - NATURE OF OPERATIONS, REPORTING ENTITY, BASIS OF PRESENTATION,
MEASUREMENT FOCUS AND BASIS OF ACCOUNTING AND SUMMARY OF
SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Summary of Significant Accounting Policies (Continued)

Fund balance: In the governmental fund financial statements, fund balances are classified as follows:

Nonspendable: Amounts which cannot be spent either because they are in a nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted: Amounts restricted to specific purposes when constraints placed on the use of the resources are either externally imposed by creditors, grantors or state or federal laws or imposed by law through constitutional provisions or enabling legislation.

Committed: Amounts which can be used only for specific purposes pursuant to constraints formally imposed by the City Council through resolution approved prior to year-end. Those committed amounts cannot be used for any other purpose unless the City Council removes or changes the specified use by taking the same action it employed to commit those amounts.

Assigned: Amounts constrained by the City's intent to use them for a specific purpose. The authority to assign fund balance has been delegated by the City Council to the Treasurer/Comptroller.

Unassigned: All amounts not included in other spendable classifications. The General Fund is the only fund that would report a positive amount in unassigned fund balance. Residual deficit amounts of other governmental funds would also be reported as unassigned.

When an expenditure is incurred in governmental funds which can be paid using either restricted or unrestricted resources, the City's procedure is to pay the expenditure from restricted fund balance and then from less-restrictive classifications - committed, assigned and then unassigned fund balances.

Net position: Represents the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources. Net investment in capital assets 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 investment in capital assets excludes unspent debt proceeds. Unspent debt proceeds (which includes proceeds reserved for debt retirement) for the Capital Projects Fund and Bond and Interest Fund were \$1,070,000 and \$134,170, respectively. Net position is reported as restricted when there are limitations imposed on its use through enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

Net position by enabling legislation includes \$18,666 for audit, \$272,362 for employee benefits, \$33,638 for sewer chlorination, \$27,052,721 for capital improvements and equipment, and \$24,822 for emergency services.

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)

Summary of Significant Accounting Policies (Continued)

The City first applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position 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. Material estimates that are particularly susceptible to significant change in the near term relate to the determination of liabilities for accrued health claims, IMRF pension obligations and other postemployment benefits obligations.

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. The restricted assets also include the amount of bond proceeds not spent on the project as of year-end.

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.

As of April 30, 2015, the City had the following cash and investments:

Cash and investments - Statement of Net Position	\$ 10,535,474
Restricted cash and investments - Statement of Net Position	7,434,864
Cash and cash equivalents - Fiduciary Funds	406,077
Investments - Fiduciary Funds	<u>43,052,593</u>
Total	<u>\$ 61,429,008</u>

CITY OF EAST PEORIA, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
April 30, 2015

NOTE 3 - CASH AND INVESTMENTS (CONTINUED)

Deposits	\$ 13,817,502
Illinois Funds Money Market Fund	2,148,370
Mutual Funds	5,464
FNMA Investments	1,999,002
Cash held by Fiduciary Funds	406,077
Investments held by Fiduciary Funds	<u>43,052,593</u>
Total primary government	<u>\$ 61,429,008</u>

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, 2015, \$311,923 of the City's bank balance of \$15,183,376 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, 2015, 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, 2015, the City had the following investments and maturities:

	<u>Fair Value</u>	<u>Investment Maturities (In Years) Less Than 1</u>
Illinois Funds Money Market Fund	\$ 2,148,370	\$ 2,148,370
U.S. Agency, FNMA	<u>1,999,002</u>	<u>1,999,002</u>
	<u>\$ 4,147,372</u>	<u>\$ 4,147,372</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, 2015, more than 5 percent of the City's investments are in FNMA securities. These securities represents 48 percent of the City's total investments.

CITY OF EAST PEORIA, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
April 30, 2015

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. The Illinois Funds are State approved, professionally managed investment funds which enable municipalities in Illinois to pool available funds for investment in various state approved investments. The fair value of the City's position in the pool is recorded at amortized cost pursuant to Rule 2a-7 under the Investment Company Act of 1940. As of April 30, 2015, the City's investments were rated as follows:

<u>Investment Type</u>	<u>Moody's Investor's Service</u>	<u>Standard & Poor's</u>
Illinois Funds Money Market Fund FNMA	Not Rated Aaa	AAAm AA+

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, 2015, 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, 2015, the Police Pension Fund had the following investments:

<u>Type of Investment</u>	<u>Fair Value/ Carrying Amount</u>	<u>Average Credit Quality/ Ratings (1)</u>	<u>Weighted Average Years to Maturity (2)</u>	<u>Concentration Percentage</u>
U.S. Government notes and bonds, explicitly guaranteed	\$ 3,851,459	N/A	11.50	16%
U.S. Government agencies	1,251,787	Aaa	1.93	5
Money market	920,259	N/A	-	4
Municipal bonds	864,348	Aaa to Aa2	8.57	4
Corporate bonds	5,326,301	Aaa to Bbb	7.80	22
Common stocks	9,514,575	N/A	N/A	39
Mutual funds, equities	<u>2,504,654</u>	N/A	N/A	10
Total investments	<u>\$24,233,383</u>			

CITY OF EAST PEORIA, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
April 30, 2015

NOTE 3 - CASH AND INVESTMENTS (CONTINUED)

As of April 30, 2015, the Firefighter's Pension Fund had the following investments:

<u>Type of Investment</u>	<u>Fair Value/ Carrying Amount</u>	<u>Average Credit Quality/ Ratings (1)</u>	<u>Weighted Average Years to Maturity (2)</u>	<u>Concentration Percentage</u>
U.S. Government notes and bonds, explicitly guaranteed	\$ 2,663,768	N/A	7.33	14%
U.S. Government agencies	724,072	Aaa	3.14	4
Money market funds	1,338,489	N/A	-	7
Mutual funds, equities	8,083,277	N/A	N/A	43
Common stocks	3,393,738	N/A	N/A	18
Corporate bonds	2,237,180	Aa to Baa3	8.41	12
Municipal bonds	<u>378,686</u>	Aa to Aa3	10.83	2
Total investments	<u>\$18,819,210</u>			

- (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 minimize the risk of loss resulting from over-concentration of assets in a specific maturity period, a single issuer or an individual class of securities. 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, 2015, none of the District's bank balance of \$52,654 was exposed to custodial credit risk.

CITY OF EAST PEORIA, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
April 30, 2015

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 noncurrent portion of the special assessment receivable is deferred in the governmental funds as it is not available as of year-end. An analysis of the current and long-term portions of special assessments receivable at April 30, 2015 is as follows:

Total special assessments receivable	\$ 64,091
Less amounts not receivable within one year	<u>50,318</u>
Current special assessments receivable	<u>\$ 13,773</u>

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, 2015, components of the lease receivable were as follows:

Total lease receivable payments	\$ 13,073,040
Amount representing interest	<u>3,862,492</u>
	<u>\$ 9,210,548</u>

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.

CITY OF EAST PEORIA, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
April 30, 2015

NOTE 5 - LEASE RECEIVABLE (CONTINUED)

As of April 30, 2015, future minimum lease revenue expected to be received is as follows:

Fiscal Year Ending April 30:	
2016	\$ 963,360
2017	986,280
2018	1,009,200
2019	1,032,120
2020	1,055,040
2021-2025	5,619,000
2026-2027	<u>2,408,040</u>
Total lease receivable payments	13,073,040
Less amount representing interest	<u>(3,862,492)</u>
Lease receivable	<u>\$ 9,210,548</u>

In July 2010, the City entered into a lease agreement with Bass Pro Outdoor World, LLC for the lease of a retail space owned by the City. Monthly lease payments are based on gross sales of the retail operation of 1 percent of gross sales of boats, recreational vehicles, off-road vehicles and all-terrain vehicles, with a max of \$250 for each such vehicle sold and 2 percent of all other gross sales, which began September 2011. The lease term is 20 years with six consecutive renewal options of five years each. For the year ended April 30, 2015 lease revenues from this lease were \$462,091. As of April 30, 2015, there was a lease receivable of \$33,085 included in other receivables on the City's financial statements in the Capital Projects fund.

CITY OF EAST PEORIA, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
April 30, 2015

NOTE 6 - CAPITAL ASSETS, PRIMARY GOVERNMENT

Capital asset activity for the year ended April 30, 2015 was as follows:

	<u>Balance April 30, 2014</u>	<u>Additions</u>	<u>Deductions/ Transfers</u>	<u>Balance April 30, 2015</u>
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 8,426,876	\$ -	\$ -	\$ 8,426,876
Construction in progress	<u>45,390,790</u>	<u>2,110,614</u>	<u>47,078,287</u>	<u>423,117</u>
Total capital assets not being depreciated	<u>53,817,666</u>	<u>2,110,614</u>	<u>47,078,287</u>	<u>8,849,993</u>
Capital assets, being depreciated:				
Land improvements	5,108,598	152,467	-	5,261,065
Buildings	51,569,307	6,123	-	51,575,430
Machinery, equipment, and vehicles	14,968,860	666,019	-	15,634,879
Infrastructure assets	<u>75,151,658</u>	<u>47,885,281</u>	<u>689,227</u>	<u>122,347,712</u>
Total capital assets being depreciated	<u>146,798,423</u>	<u>48,709,890</u>	<u>689,227</u>	<u>194,819,086</u>
Less accumulated depreciation for:				
Land improvements	1,674,213	232,529	-	1,906,742
Buildings	7,994,738	1,928,241	-	9,922,979
Machinery, equipment, and vehicles	10,793,156	912,222	-	11,705,378
Infrastructure assets	<u>40,203,275</u>	<u>2,102,911</u>	<u>7,658</u>	<u>42,298,528</u>
Total accumulated depreciation	<u>60,665,382</u>	<u>5,175,903</u>	<u>7,658</u>	<u>65,833,627</u>
Total capital assets being depreciated, net	<u>86,133,041</u>	<u>43,533,987</u>	<u>681,569</u>	<u>128,985,459</u>
Governmental activities capital assets, net	<u>\$139,950,707</u>	<u>\$45,644,601</u>	<u>\$47,759,856</u>	<u>\$137,835,452</u>

CITY OF EAST PEORIA, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
April 30, 2015

NOTE 6 - CAPITAL ASSETS, PRIMARY GOVERNMENT (CONTINUED)

	<u>Balance</u> <u>April 30, 2014</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>April 30, 2015</u>
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 3,647,682	\$ -	\$ -	\$ 3,647,682
Capital assets, being depreciated:				
Land improvements	7,174,536	248,057	-	7,422,593
Buildings	24,411,258	11,399	-	24,422,657
Machinery, equipment, and vehicles	14,114,700	219,572	27,901	14,306,371
Infrastructure assets	<u>40,168,239</u>	<u>157,974</u>	<u>-</u>	<u>40,326,213</u>
Total capital assets being depreciated	<u>85,868,733</u>	<u>637,002</u>	<u>27,901</u>	<u>86,477,834</u>
Less accumulated depreciation for:				
Land improvements	6,002,171	295,925	-	6,298,096
Buildings	10,556,130	495,687	-	11,051,817
Machinery, equipment, and vehicles	12,006,319	358,186	27,901	12,336,604
Infrastructure assets	<u>23,942,266</u>	<u>663,258</u>	<u>-</u>	<u>24,605,524</u>
Total accumulated depreciation	<u>52,506,886</u>	<u>1,813,056</u>	<u>27,901</u>	<u>54,292,041</u>
Total capital assets being depreciated, net	<u>33,361,847</u>	<u>(1,176,054)</u>	<u>-</u>	<u>32,185,793</u>
Business-type activities capital assets, net	<u>\$ 37,009,529</u>	<u>\$(1,176,054)</u>	<u>\$ -</u>	<u>\$ 35,833,475</u>

CITY OF EAST PEORIA, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
April 30, 2015

NOTE 6 - CAPITAL ASSETS, PRIMARY GOVERNMENT (CONTINUED)

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

Governmental activities:	
Police	\$ 247,921
Fire	213,866
Sanitation	44,985
Public works	2,223,676
General government	<u>2,445,455</u>
Total depreciation expense, governmental activities	<u>\$ 5,175,903</u>
Business-type activities:	
Water and sewer fund	\$ 1,311,770
Eastport Marina fund	204,676
Eastside Centre fund	<u>296,610</u>
Total depreciation expense, business-type activities	<u>\$ 1,813,056</u>

NOTE 7 - LONG-TERM LIABILITIES, PRIMARY GOVERNMENT

The following is a summary of changes in long-term liabilities for the year ended April 30, 2015:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities:					
Bonds payable:					
General obligation bonds	\$ 98,190,000	\$18,570,000	\$ 21,695,000	\$ 95,065,000	\$ 3,790,000
Project bonds	1,585,000	-	545,000	1,040,000	570,000
Special assessment bonds	230,000	-	230,000	-	-
Issuance premiums (discounts)	<u>563,649</u>	<u>-</u>	<u>37,325</u>	<u>526,324</u>	<u>-</u>
Total bonds payable	100,568,649	18,570,000	22,507,325	96,631,324	4,360,000
Notes payable	8,499,449	-	960,084	7,539,365	850,285
Compensated absences (as restated)	<u>2,732,925</u>	<u>3,467,929</u>	<u>2,732,925</u>	<u>3,467,929</u>	<u>633,901</u>
Governmental activities, long-term liabilities	<u>\$111,801,023</u>	<u>\$22,037,929</u>	<u>\$ 26,200,334</u>	<u>\$107,638,618</u>	<u>\$ 5,844,186</u>

CITY OF EAST PEORIA, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
April 30, 2015

NOTE 7 - LONG-TERM LIABILITIES, 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.

Long-term debt payable as of April 30, 2015 is comprised of the following individual issues:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Business-type activities:					
Bonds payable:					
General obligation bonds	\$ 2,035,000	\$ -	\$ 415,000	\$ 1,620,000	\$ 425,000
Revenue bonds	250,000	-	75,000	175,000	85,000
Issuance premiums (discounts)	<u>106,614</u>	<u>-</u>	<u>12,096</u>	<u>94,518</u>	<u>12,521</u>
Total bonds payable	2,391,614	-	502,096	1,889,518	522,521
Notes payable	6,678,558	-	588,243	6,090,315	590,069
Compensated absences	<u>616,987</u>	<u>497,376</u>	<u>616,987</u>	<u>497,376</u>	<u>143,101</u>
Business-type activities, long-term liabilities	<u>\$ 9,687,159</u>	<u>\$ 497,376</u>	<u>\$ 1,707,326</u>	<u>\$ 8,477,209</u>	<u>\$ 1,255,691</u>

Governmental Activities

General obligation bonds:

\$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% \$ 365,000

\$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% 20,730,000

\$25,270,000, General Obligation Bonds, Series 2010A, due in annual installments of \$855,000 to \$1,740,000, through January 2033; interest at rates of 2.00% to 4.50% 22,655,000

\$3,920,000, General Obligation Bonds, Series 2012A, due in annual installments of \$170,000 to \$265,000, through January 2032; interest at rates of 1.076% to 3.575% 3,580,000

\$3,920,000, General Obligation Bonds, Series 2012B, due in annual installments of \$170,000 to \$265,000, through January 2032; interest at rates of 1.076% to 3.575% 3,580,000

CITY OF EAST PEORIA, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
April 30, 2015

NOTE 7 - LONG-TERM LIABILITIES, PRIMARY GOVERNMENT (CONTINUED)

Governmental Activities (Continued)

\$12,280,000, General Obligation Bonds, Series 2012C, due in annual installments of \$495,000 to \$890,000, through January 2032; interest at rates of 1.470% to 4.575%	\$ 11,280,000
\$4,880,000, General Obligation Bonds, Series 2012D, due in annual installments of \$200,000 to \$355,000, through January 2032; interest at rates of 1.470% to 4.575%	4,480,000
\$2,385,000, General Obligation Refunding Bonds, Series 2012F, due in annual installments of \$235,000 to \$295,000, through January 2022; interest at rates of 2.00% to 4.00%	1,905,000
\$1,305,000, General Obligation Refunding Bonds, Series 2012G, due in annual installments of \$305,000 to \$340,000, through January 2018; interest at rates of 1.20% to 2.20%	1,000,000
\$770,000, General Obligation Refunding Bonds, Series 2013A, due in annual installments of \$250,000 to \$275,000, through January 2024; interest at rates of 2.00% to 3.00%	730,000
\$6,215,000, General Obligation Refunding Bonds, Series 2013B, due in annual installments of \$25,000 to \$675,000, through January 2033; interest at rates of 2.00% to 4.00%	6,190,000
\$18,570,000, General Obligation Refunding Bonds, Series 2014, due in annual installments of \$5,000 to \$1,565,000, through January 2033; interest at rates of 2.00% to 5.00%	<u>18,570,000</u>
Total general obligation bonds, government activities	<u>\$ 95,065,000</u>

Notes payable:

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)	\$ 2,486,722
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CITY OF EAST PEORIA, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
April 30, 2015

NOTE 7 - LONG-TERM LIABILITIES, PRIMARY GOVERNMENT (CONTINUED)

Governmental Activities (Continued)

Notes payable (continued):

Note payable to bank with principal and interest, due in semiannual installments of \$45,112 through August 2023 (Steak-N-Shake Property)	\$ 500,420
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Note payable to bank, due in annual installments of \$572,094, including interest at 2.50%, through January 2024 (Camp Street Property)	<u>4,552,223</u>
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Total notes payable, governmental activities	<u><u>\$ 7,539,365</u></u>
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Project bonds:

\$18,675,000, Project Bonds, Series 1998-B, due in annual installments of \$470,000 to \$1,305,000 through April 2017; interest rates of 4.1% to 4.85%	<u><u>\$ 1,040,000</u></u>
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Water and sewer fund long-term debt:

General obligation bonds:

\$2,595,000, General Obligation Refunding Bonds, Series 2012-E, due in annual installments of \$165,000 to \$430,000 through May 2022; interest rate at 2.00% to 4.00%	<u><u>\$ 1,620,000</u></u>
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Notes payable:

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%	\$ 367,277
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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%	293,896
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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%	501,936
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CITY OF EAST PEORIA, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
April 30, 2015

NOTE 7 - LONG-TERM LIABILITIES, PRIMARY GOVERNMENT (CONTINUED)

Governmental Activities (Continued)

Notes payable (continued):

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% \$ 2,679,133

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% 718,826

Note payable to bank, due in monthly installments of \$15,593 through July 2023, including interest at 2.45% 1,395,185

Eastside Centre long-term debt:

Note payable to bank, due in annual installments of \$6,893, including interest at 5.25%, through April 2024 with the remaining principal balance due at maturity (Baseball Batting Cages) 46,238

Note payable to bank, due in annual installments of \$12,371, including interest at 5.25%, through April 2024 with the remaining principal balance due at maturity (Softball Batting Cages) 87,824

Total notes payable, business-type activities **\$ 6,090,315**

Revenue bonds:

\$5,060,000, General Obligation Refunding Bonds, Series 1992-C, due in annual installments of \$60,000 to \$90,000 through April 2017; interest rate at 7.00% \$ 175,000

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

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
Year Ending April 30:				
2016	\$ 3,790,000	\$ 3,918,327	\$ 425,000	\$ 46,250
2017	3,955,000	3,812,910	430,000	37,750
2018	5,020,000	3,695,406	145,000	29,150
2019	5,255,000	3,539,901	145,000	24,800
2020	5,485,000	3,349,150	150,000	19,000
2021-2025	31,485,000	13,245,597	325,000	19,600
2026-2030	27,155,000	6,213,737	-	-
2031-2033	<u>12,960,000</u>	<u>1,130,542</u>	<u>-</u>	<u>-</u>
	<u>\$ 95,065,000</u>	<u>\$ 38,905,570</u>	<u>\$ 1,620,000</u>	<u>\$ 176,550</u>

CITY OF EAST PEORIA, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
April 30, 2015

NOTE 7 - LONG-TERM LIABILITIES, PRIMARY GOVERNMENT (CONTINUED)

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

	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
Year Ending April 30:		
2016	570,000	50,440
2017	<u>470,000</u>	<u>22,795</u>
	<u>\$1,040,000</u>	<u>\$ 73,235</u>

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

	<u>Business-Type Activities</u>	
	<u>Principal</u>	<u>Interest</u>
Year Ending April 30:		
2016	85,000	12,250
2017	<u>90,000</u>	<u>6,300</u>
	<u>\$ 175,000</u>	<u>\$ 18,550</u>

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

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
Year Ending April 30:				
2016	\$ 850,285	\$ 271,048	\$ 590,069	\$ 153,806
2017	882,899	238,435	605,741	138,134
2018	918,332	203,001	621,729	122,146
2019	954,685	166,649	638,147	105,728
2020	992,684	128,650	556,416	89,623
2021-2025	2,940,480	179,292	2,218,012	250,387
2026-2028	<u>-</u>	<u>-</u>	<u>860,201</u>	<u>39,458</u>
	<u>\$ 7,539,365</u>	<u>\$ 1,187,075</u>	<u>\$ 6,090,315</u>	<u>\$ 899,282</u>

CITY OF EAST PEORIA, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
April 30, 2015

NOTE 7 - LONG-TERM LIABILITIES, PRIMARY GOVERNMENT (CONTINUED)

Governmental Activities

On May 22, 2014, the City issued \$18,570,000 General Obligation Refunding Bonds, Series 2014 with an interest rate varying from 2.00 to 5.00 percent to current refund the General Obligation Bonds, Series 2010B, with an interest rate varying from 2.34 to 6.56 percent. The refunding resulted in a deferred outflow of \$146,041. The refunding was undertaken to reduce total future debt service payments.

Business-Type Activities

As of April 30, 2015, the legal debt limit of the City was \$37,338,309 and the debt margin was \$23,708,629.

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 April 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 \$1,113,235. Principal and interest paid for the current year and total sales tax revenues were \$621,872 and \$12,406,545, respectively.

The City has pledged a portion of future sales tax and lease revenue revenues relating to Bass Pro to repay \$45,000,000 in General Obligation bonds, Series 2010A and 2010B issued August 2010. Proceeds from the bonds were used to acquire and construct Bass Pro Shop and to pay the costs of the issuance of the bonds. In May 2015, the Series 2010B bonds were fully refunded with the issuance of \$18,570,000 in General Obligation Refunding Bonds, Series 2014. The 2010A and 2014 bonds are payable solely from a portion of sales tax, incremental property taxes and lease income revenues and are payable through January 2033. The total principal and interest remaining to be paid on the bonds is \$60,543,780. Principal and interest of the 2010A and 2014 bonds paid for the current year and total sales tax and lease income revenues were \$2,280,220 and \$933,543, 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, 2015, \$2,316,388 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, 2015 was \$17,455,000.

CITY OF EAST PEORIA, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
April 30, 2015

NOTE 8 - INTERFUND RECEIVABLES AND PAYABLE, PRIMARY GOVERNMENT

The individual fund interfund advance receivable and payable balances as of April 30, 2015 were:

	<u>Advances from Other Funds</u>	<u>Advances to Other Funds</u>
Governmental funds:		
Major funds:		
General Fund	\$ 2,240,537	\$ 381,049
Riverboat Gaming Tax Fund	10,275,053	591,769
Special Tax Allocation Fund	1,984,822	7,663,620
Capital Projects Fund	-	5,474,530
Bond and Interest Fund	269,400	250,000
Nonmajor funds	136,331	141,365
Enterprise funds:		
Water and Sewer Fund	-	259,517
Eastport Marina Fund	-	144,293
	<u> </u>	<u> </u>
Total	<u>\$14,906,143</u>	<u>\$14,906,143</u>

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:

	<u>Transfers In</u>	<u>Transfers Out</u>
Governmental funds:		
Major funds:		
General Fund	\$ 20,481	\$ 429,590
Riverboat Gaming Tax Fund	-	1,125,000
Capital Projects Fund	1,125,000	-
Bond and Interest Fund	40,000	-
Nonmajor funds	73,263	20,000
Enterprise funds:		
Eastside Centre Fund	<u>315,846</u>	<u>-</u>
	<u>\$ 1,574,590</u>	<u>\$ 1,574,590</u>

CITY OF EAST PEORIA, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
April 30, 2015

NOTE 8 - INTERFUND RECEIVABLES AND PAYABLE, PRIMARY GOVERNMENT
(CONTINUED)

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 Bond and Interest 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.

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 position balances of individual funds. This requirement is met by the following disclosure:

	Deficit Fund Balance or Deficit Net Position <u>April 30, 2015</u>
Major governmental funds:	
Special Tax Allocation Fund	\$ 5,674,789

Deficits in the Special Tax Allocation Fund will be eliminated through future 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 the past three fiscal years.

CITY OF EAST PEORIA, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
April 30, 2015

NOTE 10 - RISK MANAGEMENT/SELF-INSURANCE (CONTINUED)

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 \$100,000 of qualifying medical expenses per individual employee and unlimited aggregate claims on an annual basis. The City maintains a stop-loss insurance contract which covers up to \$1,000,000 on an annual basis.

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 \$300,000 and \$50,000 of qualifying expenses for workers compensation and general liability, respectively.

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 \$373,166, 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 health claims liability in fiscal years 2015 and 2014 were:

Balance, April 30, 2013	\$ 375,000
Current year claims and changes in estimates	3,375,796
Claims paid	<u>(3,301,347)</u>
 Balance, April 30, 2014	 449,449
Current year claims and changes in estimates	3,180,336
Claims paid	<u>(3,353,523)</u>
 Balance, April 30, 2015	 <u>\$ 276,262</u>

CITY OF EAST PEORIA, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
April 30, 2015

NOTE 10 - RISK MANAGEMENT/SELF-INSURANCE (CONTINUED)

Changes in the workers compensation and general liability in fiscal years 2015 and 2014 were:

Balance, April 30, 2013	\$ 597,246
Current year claims and changes in estimates	-
Claims paid	(433,619)
Balance, April 30, 2014	163,627
Current year claims and changes in estimates	-
Claims paid	(66,723)
Balance, April 30, 2015	\$ 96,904

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 benefit 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

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

CITY OF EAST PEORIA, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
April 30, 2015

NOTE 11 - PENSION PLANS (CONTINUED)

Funding Policy and Annual Pension Cost, Pension Plans

The member rate for IMRF and the employee and employer levels are statutorily dictated and can only be amended with 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.

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
	<u>SLEP</u>	<u>Regular</u>		
Contribution rates:				
City	13.75%	12.24%	(1)	(1)
Plan members	7.50	4.50	9.91	9.455
Annual pension cost (2):				
Annual required contribution	\$ -	\$ 746,287	\$ 1,353,541	\$ 1,478,780
Interest on net pension obligation	-	16,263	-	-
Adjustment to ARC	-	(16,263)	9,767	(80,605)
Total annual pension cost	-	746,287	1,363,308	1,398,175
Contributions made (2)	-	746,287	1,363,308	1,398,175
Increase in net pension obligation (2)	-	-	-	-
Net pension obligation (asset) (2), beginning of period	-	221,475	-	-
End of year	\$ -	\$ 221,475	\$ -	\$ -
Actuarial valuation date	12/31/2014	12/31/2014	04/30/2015	04/30/2015
Actuarial cost method	Entry age	Entry age	Projected Unit Credit	Projected Unit Credit
Amortization method	Level % open	Level % open	Level % open	Level % open
Remaining amortization period	29 year basis	29 year basis	27 years	27 years
Asset valuation method	5-year spread market	5-year spread market	5-year smoothed market	5-year smoothed market

**CITY OF EAST PEORIA, ILLINOIS
 NOTES TO BASIC FINANCIAL STATEMENTS
 April 30, 2015**

NOTE 11 - PENSION PLANS (CONTINUED)

Funding Policy and Annual Pension Cost, Pension Plans (Continued)

	Illinois Municipal Retirement Fund		City of East Peoria Police Pension Fund	City of East Peoria Firefighter's Pension Fund
	<u>SLEP</u>	<u>Regular</u>		
Actuarial assumptions:				
Investment rate of return*	7.50%	7.50%	6.75%	6.50%
Projected salary increases*	4.00% (3)	4.00% (3)	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 30-year closed period with a target funding of 90 percent by 2040. 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.
- (2) Data is for the latest actuarial information available which is as of December 31, 2014 for the Illinois Municipal Retirement Fund and as of April 30, 2015 for the Police Pension Fund and the Firefighter's Pension Fund.
- (3) Additional salary increases ranging from .4 to 10 percent per year depending on age and service, attributable to seniority/merit.

The Illinois Municipal Retirement Fund, a special revenue fund, will be used to liquidate the IMRF net pension obligation.

CITY OF EAST PEORIA, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
April 30, 2015

NOTE 11 - PENSION PLANS (CONTINUED)

Trend Information - Pension Plans

<u>Fund</u>	<u>Year</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
Illinois Municipal Retirement Fund:				
Regular	2015	\$ 730,599	100.0%	\$ 221,475
	2014	730,599	100.0	221,475
	2013	730,599	99.4	221,475
SLEP	2015	-	100.0	-
	2014	-	100.0	-
	2013	7,129	100.0	-
City of East Peoria Police Pension Fund	2015	1,363,308	100.0	-
	2014	1,268,764	100.0	-
	2013	1,237,716	100.0	-
City of East Peoria Firefighter's Pension Fund	2015	1,398,175	100.0	-
	2014	1,305,609	100.0	-
	2013	1,204,896	100.0	-

Funded Status and Funding Progress

As of December 31, 2014, December 31, 2014, April 30, 2013 and April 30, 2013, 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 82.93, 0.00, 55.73 and 49.17 percent funded, respectively. The actuarial accrued liability for benefits was \$18,678,141, none, \$45,626,783 and \$39,955,519, and the actuarial value of assets was \$15,489,272, \$(24,983), \$25,426,704 and \$19,645,999, resulting in an unfunded actuarial accrued liability (UAAL) of \$3,188,869, \$24,983, \$20,200,079, and \$20,309,520, respectively. The covered payroll (annual payroll of active employees covered by the plan) was \$6,097,116, \$-0-, \$3,601,207 and \$3,259,379, and the ratio of the UAAL to the covered payroll was 52, 0, 561 and 623 percent, respectively.

The schedules 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
April 30, 2015

NOTE 12 - GASB 67 - FINANCIAL REPORTING FOR PENSION PLANS

The City has adopted GASB Statement No. 67, *Financial Reporting for Pension Plans – an amendment of GASB Statement No. 25*. The Statement enhances the City's footnote disclosures and expands the Required Supplemental Information (RSI) data with new schedules. It was issued to improve financial reporting by state and local government pension plans. The following provides information required to be disclosed under Statement No. 67 that is not discussed as part of the information disclosed in Note 11 previously.

Plan Administration

The Police Pension Plan and Firefighters' Pension Plan plans are defined benefit pension plans. Each plan is administered by a Board of Trustees which acts as the administrator of the plan.

The Board for the Firefighters' Plan consists of five Trustees, two of whom are appointed by the City Commission, three of whom are members of the system who are elected by a majority of the firefighters who are members of the system. Each Trustee serves a two year term. Each person employed by the City Fire Department as a full-time firefighter becomes a member of the Plan as a condition of his or her employment. All firefighters are therefore eligible for plan benefits as provided for in the plan document and by applicable law.

The Board for the Police Officers' Plan consists of five Trustees, two of whom are appointed by the City Commission, three of whom are members of the system who are elected by a majority of the Police Officers who are members of the system. Each Trustee serves a two year term. Each person employed by the City Police Department as a full-time police officer becomes a member of the Plan as a condition of his or her employment. All police officers are therefore eligible for plan benefits as provided for in the plan document and by applicable law.

CITY OF EAST PEORIA, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
April 30, 2015

NOTE 12 - GASB 67 - FINANCIAL REPORTING FOR PENSION PLANS (CONTINUED)

Investment Policy

The investment policy covering the allocation of invested assets for the City of East Peoria's Firefighter's Pension Fund and Police Pension Fund is established by the Board of Trustees and is subject to the limitations defined in the Illinois Pension Code 40 ILCS 5/1-113.1-113.12.

The following are the adopted asset allocation policies for each plan as of December 31, 2014:

Asset Class	Target Allocation	
	Municipal Firemen's	Police Officers'
Domestic Equity	32.00%	-
International Equity	20.00%	9.00%
Fixed Income	43.00%	-
REITS	3.00%	-
Short-term Bonds	-	18.00%
Government – Intermediate	-	2.50%
Investment Grade – Intermediate	-	12.00%
Investment Grade – Long	-	11.00%
Large Cap Growth	-	11.00%
Large Cap Value	-	12.00%
Mid Cap Growth	-	4.00%
Mid Cap Value	-	4.00%
Mid Cap Blend	-	5.00%
Small Cap Growth	-	3.00%
Small Cap Value	-	1.00%
Small Cap Blend	-	2.00%
Emerging Markets	-	2.00%
Cash	2.00%	3.50%
	<u>100.00%</u>	<u>100.00%</u>

Concentrations

The Plans did not hold investments in any one organization that represent five percent or more of the respective Plan's fiduciary net position.

Money-Weighed Rate of Return on Investments

For the year ended December 31, 2014 the annual money-weighted rate of return on pension plan investments, net of pension plan investment expenses, was 6.38% for the Firefighters' Plan and 6.90% for the Police Pension Plan. The money-weighted rate of return expresses investment performance, net of expenses, adjusted for the changing amounts actually invested.

CITY OF EAST PEORIA, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
April 30, 2015

NOTE 12 - GASB 67 - FINANCIAL REPORTING FOR PENSION PLANS (CONTINUED)

Net Pension Liability

The components of the net pension liability of the Plans as of April 30, 2015 were as follows:

	Municipal Firemen's	Police Officers'
Total Pension Liability	<u>\$39,955,519</u>	<u>\$45,626,783</u>
Plan Fiduciary Net Position	<u>19,645,999</u>	<u>25,426,704</u>
Net Pension Liability	<u><u>\$20,309,520</u></u>	<u><u>\$20,200,079</u></u>
 Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	 49.17%	 55.73%

CITY OF EAST PEORIA, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
April 30, 2015

NOTE 12 - GASB 67 - FINANCIAL REPORTING FOR PENSION PLANS (CONTINUED)

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of April 30, 2014 updated to April 30, 2015 using the following actuarial assumptions applied to all measurement periods:

	<u>Municipal Firemen's</u>	<u>Police Officers'</u>
Valuation Date	4/30/14	4/30/14
Inflation Rate	3.00%	3.00%
Projected Salary Increases	Based on age-related productivity and merit rates plus inflation	Based on age-related productivity and merit rates plus inflation
Investment Rate of Return	6.50%	6.75%
Mortality Rate	1994 Group Annuity Mortality Table for Males and Females. 1994 Group Annuity Mortality Table for Males and Females with ages pushed forward three years is used for post-disablement mortality.	1994 Group Annuity Mortality Table for Males and Females. 1994 Group Annuity Mortality Table for Males and Females with ages pushed forward three years is used for post-disablement mortality.
Date of Actuarial Experience Study	4/30/2014	4/30/2014

CITY OF EAST PEORIA, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
April 30, 2015

NOTE 12 - GASB 67 - FINANCIAL REPORTING FOR PENSION PLANS (CONTINUED)

Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using an asset allocation study by the Global Investment Committee of Morgan Stanley and was published in March 2014. The best estimate of ranges of expected nominal rates of return (including inflation) were developed for each major asset class as of December 31, 2013.

Asset Class	Long-Term Expected Real Rate of Return	
	Municipal Firemen's	Police Officers'
Domestic Equity	8.00%	-
International Equity	8.10%	5.00%
Fixed Income	2.60%	-
REITS	7.00%	-
Short-term Bonds	-	1.30%
Government – Intermediate	-	1.75%
Investment Grade – Intermediate	-	1.75%
Investment Grade – Long	-	1.50%
Large Cap Growth	-	5.00%
Large Cap Value	-	6.00%
Mid Cap Growth	-	5.50%
Mid Cap Value	-	5.50%
Mid Cap Blend	-	5.50%
Small Cap Growth	-	6.00%
Small Cap Value	-	6.00%
Small Cap Blend	-	6.00%
Emerging Markets	-	7.00%
Cash	1.00%	0.50%

Discount Rate

The discount rate used to measure the total pension liability was 6.52% for the Police Pension Plan and 6.29% for the Firefighters' Plan. The projection of cash flow used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plans' fiduciary net position were projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

CITY OF EAST PEORIA, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
April 30, 2015

NOTE 12 - GASB 67 - FINANCIAL REPORTING FOR PENSION PLANS (CONTINUED)

Sensitivity of Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the Pension Plans calculated using the discount rates listed above, as well as what the Plan's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower, or 1-percentage-point higher than the current rate:

	<u>1% Decrease</u>	<u>Current Rate</u>	<u>1% Increase</u>
<u>Municipal Firemen's</u>			
Discount Rate	5.29%	6.29%	7.29%
Net Pension Liability	\$26,524,243	\$20,309,520	\$15,262,649
 <u>Police Officers'</u>			
Discount Rate	5.52%	6.52%	7.52%
Net Pension Liability	\$26,835,963	\$20,200,079	\$14,783,099

CITY OF EAST PEORIA, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
April 30, 2015

NOTE 13 - 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 2015, the City contributed \$1,562,933. 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 active employee contributions of \$212.46 for Single and \$497.25 for Family, and d) Group Health Plan monthly premium of \$683.23 for Single and \$1,594.41 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	\$ 4,147,335
Interest on net OPEB obligation	468,737
Adjustment to annual required contribution	<u>(443,980)</u>
Annual OPEB cost	4,172,092
Contributions and payments made	<u>1,562,933</u>
Increase in net OPEB obligation	<u>2,609,159</u>
Net OPEB obligation, beginning of year	<u>10,416,374</u>
Net OPEB obligation, end of year	<u>\$ 13,025,533</u>

The General Fund will be used to liquidate the net OPEB obligation attributable to governmental activities.

CITY OF EAST PEORIA, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
April 30, 2015

NOTE 13 - 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 2015 and the two preceding years is as follows:

<u>Fiscal Year Ending</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
April 30, 2015	\$ 4,172,092	37.5%	\$13,025,533
April 30, 2014	3,317,921	46.9	10,416,374
April 30, 2013	3,317,921	46.9	8,655,002

Funded status and funding progress: As of April 30, 2015, the most recent valuation date, the plan was 0 percent funded. The actuarial accrued liability for benefits was \$58,490,882 and the actuarial value of assets is none resulting in an unfunded actuarial accrued liability (UAAL) of \$58,490,882. The covered payroll (annual payroll of active employees covered by the plan) was \$12,582,972 and the ratio of the UAAL to the covered payroll was 464.8 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, 2015 actuarial valuation, projected unit credit with linear proration to decrement method was used. The actuarial assumptions included a 4.5 percent discount rate, salary increases of 3 percent, an inflation rate of 3 percent, mortality rates using the SOA RPH-2014 Total Dataset Mortality Table fully generational using Scale MP-2014, 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
April 30, 2015

NOTE 14 - 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 of prior year levy to all taxing bodies, including District funds, is also made prior to December 31, normally in July, October, and November.

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 coverage in any of the past three fiscal years. During the year ended June 30, 2015, there were no significant reductions in coverage.

NOTE 15 - 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 City expects such amounts, if any, to be immaterial.

The City is a defendant in various lawsuits. It is the opinion of the City that resolution of these matters would not have a material adverse effect on the financial condition of the City and the outcome of these claims is not presently determinable.

CITY OF EAST PEORIA, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
April 30, 2015

NOTE 16 - FUND BALANCES

GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* establishes criteria for classifying fund balances into specifically defined classifications and clarifies definitions for governmental fund types. The classifications of fund balances by opinion unit are as follows:

	General Fund	Riverboat Gaming Tax Fund	Special Tax Allocation Fund	Capital Projects Fund	Bond and Interest Fund	Nonmajor Governmental Funds	Total
Nonspendable:							
Prepays	\$ -	\$ 472,930	\$ -	\$ -	\$ -	\$ -	\$472,930
Advanced to other fund	2,240,537	-	-	-	-	-	2,240,537
Total Nonspendable	2,240,537	472,930	-	-	-	-	2,713,467
Restricted:							
Advanced to other fund	-	10,275,053	1,984,822	-	269,400	134,051	12,663,326
Assets held for resale	-	-	-	1,430,000	-	-	1,430,000
Employee benefits	-	-	-	-	-	154,642	154,642
Debt service	-	-	-	-	2,434,179	196,025	2,630,204
Audit	-	-	-	-	-	18,666	18,666
School crossing guard	-	-	-	-	-	9,373	9,373
Sewer	-	-	-	-	-	33,638	33,638
Emergency services	-	-	-	-	-	16,855	16,855
Tourism	-	-	-	-	-	1,371,043	1,371,043
Revolving loan	-	-	-	-	-	464,407	464,407
IHDA	-	-	-	-	-	13,936	13,936
Capital improvements and equipment	250,000	637,356	-	5,118,476	-	228,835	6,234,667
Total Restricted	250,000	10,912,409	1,984,822	6,548,476	2,703,579	2,641,471	25,040,757
Assigned:							
Ambulance service	174,919	-	-	-	-	-	174,919
Employee benefits	-	-	-	-	-	669,002	669,002
Debt Service	-	-	-	-	678,118	81,877	759,995
Audit	-	-	-	-	-	48	48
Sewer	-	-	-	-	-	12	12
Tourism	-	-	-	-	-	791,138	791,138
Revolving loan	-	-	-	-	-	16,555	16,555
IHDA	-	-	-	-	-	365	365
Firemen's pension	-	-	-	-	-	1	1
Capital improvements and equipment	-	-	-	-	-	91	91
Total Assigned	174,919	-	-	-	678,118	1,559,089	2,412,126
Unassigned	3,680,918	(1,391,643)	(7,659,611)	(5,406,736)	-	-	(10,777,072)
Total fund balances	\$6,346,374	\$9,993,696	\$(5,674,789)	\$1,141,740	\$3,381,697	\$4,200,560	\$19,389,278

CITY OF EAST PEORIA, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
April 30, 2015

NOTE 17 - RESTATEMENTS OF NET POSITION/FUND BALANCE

The City determined that it had incorrectly recorded retainage payable in relation to the Capital Projects Fund for the year ending April 30, 2014. In the primary government governmental activities, and the Capital Projects Fund, expenses were overstated by \$323,523 for the year ending April 30, 2014. Additionally, the City determined that it had incorrectly recorded compensated absences payable in relation to the primary government governmental activities for the year ending April 30, 2014. In the primary government governmental activities, expenses were overstated by \$523,234 for the year ending April 30, 2014. Beginning net position/fund balance have thereby been restated as follows:

	Total Governmental Activities
Net position, beginning of year, as previously reported	\$ 44,341,837
Adjustment for expenses	523,234
Adjustment for expenses	<u>323,523</u>
Net position, beginning of year, as restated	<u>\$ 45,188,594</u>
	Capital Projects Fund
Fund balance, beginning of year, as previously reported	\$ (1,835,063)
Adjustment for expenses	<u>323,523</u>
Fund balance, beginning of year, as restated	<u>\$ (1,511,540)</u>

This information is an integral part of the accompanying financial statements.

**CITY OF EAST PEORIA, ILLINOIS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS (UNAUDITED)
Year Ended April 30, 2015**

Illinois Municipal Retirement Plan - Regular

<u>Fiscal Year Ended</u>	<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Accrued Liability (AAL) (b)</u>	<u>Unfunded (Overfunded) AAL (UAAL) (b-a)</u>	<u>Funded Ratio (a/b)</u>	<u>Covered Payroll (c)</u>	<u>UAAL as a Percentage of Covered Payroll [(b-a)/c]</u>
2015	12/31/2014	\$ 15,489,272	\$ 18,678,141	\$ 3,188,869	82.93%	\$ 6,097,116	52.30%
2014	12/31/2013	\$ 14,339,729	\$ 17,356,362	\$ 3,016,633	82.62%	\$ 6,145,121	49.09%
2013	12/31/2012	\$ 13,824,978	\$ 17,828,402	\$ 4,003,424	77.54%	\$ 5,837,490	68.58%

Illinois Municipal Retirement Plan - SLEP

<u>Fiscal Year Ended</u>	<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Accrued Liability (AAL) (b)</u>	<u>Unfunded (Overfunded) AAL (UAAL) (b-a)</u>	<u>Funded Ratio (a/b)</u>	<u>Covered Payroll (c)</u>	<u>UAAL as a Percentage of Covered Payroll [(b-a)/c]</u>
2015	12/31/2014	\$ (24,983)	\$ -	\$ 24,983	0.00%	\$ -	0.00%
2014	12/31/2013	\$ (46,824)	\$ -	\$ 46,824	0.00%	\$ -	0.00%
2013	12/31/2012	\$ (52,498)	\$ -	\$ 52,498	0.00%	\$ 50,560	103.83%

On a market value basis, the actuarial value of assets as of December 31, 2014 for the IMRF Regular plan and IMRF SLEP plan was \$18,753,725 and \$(1,180), respectively. On a market basis, the funded ratio would be 100.40% and 0.00%, respectively.

The actuarial value of assets and accrued liability cover active and inactive members who have service credit with City of East Peoria. They do not include amounts for retirees. The actuarial accrued liability for retirees is 100% funded.

See notes to required supplementary information.

**CITY OF EAST PEORIA, ILLINOIS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS (UNAUDITED)
April 30, 2015**

Firefighter's Pension Plan

Actuarial Valuation Date <u>April 30,</u>	(1) Actuarial Value of <u>Assets</u>	(2) Actuarial Accrued Liability (AAL) - <u>Entry Age</u>	(3) Unfunded (Overfunded) AAL (UAAL) <u>(2) - (1)</u>	(4) Funded Ratio <u>(1) / (2)</u>	(5) Covered <u>Payroll</u>	UAAL (Overfunded) as a Percentage of Covered Payroll <u>(3) / (5)</u>
2009	\$ 14,235,057	\$ 26,023,011	\$ 11,787,954	54.7%	\$ 2,387,396	493.8%
2010	14,718,698	27,629,584	12,910,886	53.3%	2,516,887	513.0%
2011	15,479,226	28,151,646	12,672,420	55.0%	2,772,563	457.1%
2012	16,878,355	30,364,456	13,486,101	55.6%	2,878,446	468.5%
2013	18,048,444	34,086,824	16,038,380	52.9%	2,951,675	543.4%
2014	19,304,597	35,653,596	16,348,999	54.1%	3,134,019	521.7%
2015	19,645,999	39,955,519	20,309,520	49.2%	3,259,379	623.1%

Police Pension Plan

Actuarial Valuation Date <u>April 30,</u>	(1) Actuarial Value of <u>Assets</u>	(2) Actuarial Accrued Liability (AAL) - <u>Entry Age</u>	(3) Unfunded (Overfunded) AAL (UAAL) <u>(2) - (1)</u>	(4) Funded Ratio <u>(1) / (2)</u>	(5) Covered <u>Payroll</u>	UAAL (Overfunded) as a Percentage of Covered Payroll <u>(3) / (5)</u>
2009	\$ 20,088,534	\$ 31,709,073	\$ 11,620,539	63.4%	\$ 2,608,531	445.5%
2010	20,655,587	33,932,457	13,276,870	60.9%	2,650,355	500.9%
2011	21,564,264	35,648,279	14,084,015	60.5%	2,860,312	492.4%
2012	22,735,667	36,507,775	13,772,108	62.3%	2,998,823	459.3%
2013	23,903,636	38,584,194	14,680,558	62.0%	3,298,915	445.0%
2014	25,049,957	40,731,937	15,681,980	61.5%	3,462,699	452.9%
2015	25,426,704	45,626,783	20,200,079	55.7%	3,601,207	560.9%

Additional years will be added to this schedule until 10 years of data is presented.

See notes to required supplementary information.

**CITY OF EAST PEORIA, ILLINOIS
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF EMPLOYER CONTRIBUTIONS (UNAUDITED)
 April 30, 2015**

Firefighter's Pension Fund

Fiscal Year Ended <u>April 30,</u>	Actuarially Determined <u>Contribution</u>	Actual <u>Contribution</u>	Contribution Deficiency <u>(Excess)</u>	Covered <u>Payroll</u>	Actual Contribution as a % of Covered <u>Payroll</u>
2015	1,478,780	1,398,175	80,605	3,259,379	42.90%

Police Pension Fund

Fiscal Year Ended <u>April 30,</u>	Actuarially Determined <u>Contribution</u>	Actual <u>Contribution</u>	Contribution Deficiency <u>(Excess)</u>	Covered <u>Payroll</u>	Actual Contribution as a % of Covered <u>Payroll</u>
2015	1,353,541	1,363,308	(9,767)	3,601,207	37.86%

Additional years will be added to this schedule until 10 years of data is presented.

See notes to required supplementary information.

**CITY OF EAST PEORIA, ILLINOIS
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF EMPLOYER CONTRIBUTIONS (UNAUDITED)
 April 30, 2015**

Firefighter's Pension Fund

Fiscal Year <u>April 30,</u>	<u>Employer Contributions</u>	Annual Required Contribution <u>(ARC)</u>	<u>Percentage Contributed</u>
2015	1,398,175	1,478,780	94.55%

Police Pension Fund

Fiscal Year <u>April 30,</u>	<u>Employer Contributions</u>	Annual Required Contribution <u>(ARC)</u>	<u>Percentage Contributed</u>
2015	1,363,308	1,353,541	100.72%

Additional years will be added to this schedule until 10 years of data is presented.

See notes to required supplementary information.

**CITY OF EAST PEORIA, ILLINOIS
REQUIRED SUPPLEMENTARY INFORMATION
OTHER POSTEMPLOYMENT BENEFIT PLAN (UNAUDITED)
Year Ended April 30, 2015**

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]
2015	4/30/2015	\$ -	\$ 58,490,882	\$ 58,490,882	0.0%	\$ 12,582,972	464.8%
2014	4/30/2013	\$ -	\$ 50,192,870	\$ 50,192,870	0.0%	\$ 11,815,535	424.8%
2013	4/30/2013	\$ -	\$ 50,192,870	\$ 50,192,870	0.0%	\$ 11,815,535	424.8%
2012	4/30/2011	\$ -	\$ 43,213,926	\$ 43,213,926	0.0%	\$ 10,895,330	396.6%
2011	4/30/2011	\$ -	\$ 43,213,926	\$ 43,213,926	0.0%	\$ 10,895,330	396.6%
2010	4/30/2010	\$ -	\$ 35,313,288	\$ 35,313,288	0.0%	\$ 10,276,572	343.6%

The information presented in the required supplementary schedules was determined as part of the actuarial valuation date as of April 30, 2015. Additional information follows:

- a. The cost method used to determine the ARC is the Projected Unit Credit with linear proration to decrement.
- b. There are no plan assets.
- c. The actuarial assumptions included: 1) a 4.5 percent discount rate, 2) salary increases of 3 percent, 3) inflation rate of 3 percent, 4) mortality rates using the SOA RPH-2014 Total Dataset Mortality Table fully generational using Scale MP-2014, and 5) health care cost trend rates beginning at 6.5 percent and steadily declining to 4.5 percent.
- d. The amortization method is level percentage of pay over thirty years based on an open group

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) - GENERAL FUND
Year Ended April 30, 2015

	<u>Original/Final</u>	<u>Actual</u>	<u>Variance</u>
	<u>Budget</u>		<u>With</u>
			<u>Final</u>
			<u>Budget</u>
REVENUES			
Taxes and special assessments	\$ 16,350,759	\$ 16,689,638	\$ 338,879
Charges for services	911,000	899,914	(11,086)
Intergovernmental	190,800	966,799	775,999
Investment earnings	56,812	24,022	(32,790)
Licenses and permits	274,875	263,350	(11,525)
Miscellaneous	<u>2,267,525</u>	<u>2,502,415</u>	<u>234,890</u>
Total revenues	<u>20,051,771</u>	<u>21,346,138</u>	<u>1,294,367</u>
EXPENDITURES			
Current:			
General government	6,353,982	7,376,988	(1,023,006)
Police	5,702,120	5,537,187	164,933
Fire	3,370,481	3,377,441	(6,960)
Sanitation	1,111,932	1,083,889	28,043
Health and welfare	1,299,130	1,242,397	56,733
Public works	1,931,838	2,234,201	(302,363)
Community development	247,544	262,862	(15,318)
Capital outlay	751,016	93,469	657,547
Debt service:			
Principal payments	-	458,328	(458,328)
Interest and fiscal charges	-	159,776	(159,776)
Total expenditures	<u>20,768,044</u>	<u>21,826,538</u>	<u>(1,058,494)</u>
Excess (deficiency) of revenues over expenditures	(716,273)	(480,400)	235,873
OTHER FINANCING SOURCES (USES)			
Transfers in	90,305	20,481	(69,824)
Transfers out	<u>(40,000)</u>	<u>(429,590)</u>	<u>(389,590)</u>
Total other financing sources (uses)	<u>50,305</u>	<u>(409,109)</u>	<u>(459,414)</u>
NET CHANGE IN FUND BALANCE	<u>\$ (665,968)</u>	(889,509)	<u>\$ (223,541)</u>
RECONCILIATION TO MODIFIED ACCRUAL BASIS - NET CHANGE RESULTING FROM RECORDING OF ACCOUNTS RECEIVABLE, PAYABLE, AND OTHER ACCRUED ITEMS		125,453	
FUND BALANCE, MODIFIED ACCRUAL BASIS, BEGINNING OF YEAR		<u>7,110,430</u>	
FUND BALANCE, MODIFIED ACCRUAL BASIS, END OF YEAR		<u>\$ 6,346,374</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, 2015

	<u>Original/Final</u>	<u>Actual</u>	<u>Variance</u> <u>With</u> <u>Final</u> <u>Budget</u>
	<u>Budget</u>		
REVENUES			
Taxes	\$ 6,000,000	\$ 5,698,398	\$ (301,602)
Intergovernmental	35,750	671,407	635,657
Investment earnings	500	338	(162)
Miscellaneous	<u>575,000</u>	<u>78,962</u>	<u>(496,038)</u>
Total revenues	<u>6,611,250</u>	<u>6,449,105</u>	<u>(162,145)</u>
EXPENDITURES			
Capital outlay	4,855,223	5,726,985	(871,762)
Debt service:			
Principal payments	2,064,170	430,000	1,634,170
Interest and fiscal charges	<u>-</u>	<u>65,475</u>	<u>(65,475)</u>
Total expenditures	<u>6,919,393</u>	<u>6,222,460</u>	<u>696,933</u>
Excess (deficiency) of revenues over expenditures	<u>(308,143)</u>	<u>226,645</u>	<u>534,788</u>
OTHER FINANCING USES			
Transfers out	<u>-</u>	<u>(1,125,000)</u>	<u>(1,125,000)</u>
NET CHANGE IN FUND BALANCE	<u>\$ (308,143)</u>	<u>(898,355)</u>	<u>\$ (590,212)</u>
RECONCILIATION TO MODIFIED ACCRUAL BASIS - NET CHANGE RESULTING FROM RECORDING OF ACCOUNTS RECEIVABLE, PAYABLE, AND OTHER ACCRUED ITEMS		175,223	
FUND BALANCE, MODIFIED ACCRUAL BASIS, BEGINNING OF YEAR		<u>10,716,828</u>	
FUND BALANCE, MODIFIED ACCRUAL BASIS, END OF YEAR		<u>\$ 9,993,696</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, 2015

	<u>Original/Final</u>	<u>Actual</u>	<u>Variance</u>
	<u>Budget</u>		<u>With</u>
			<u>Final</u>
			<u>Budget</u>
REVENUES			
Taxes	\$ 760,400	\$ 793,413	\$ 33,013
Investment earnings	250	282	32
Miscellaneous	248	-	(248)
Total revenues	<u>760,898</u>	<u>793,695</u>	<u>32,797</u>
EXPENDITURES			
Current:			
General government	132,000	661,847	(529,847)
Other	2,500	1,650	850
Debt service:			
Principal payments	615,000	115,000	500,000
Interest and fiscal charges	11,398	11,397	1
Total expenditures	<u>760,898</u>	<u>789,894</u>	<u>(28,996)</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	3,801	<u>\$ 3,801</u>
RECONCILIATION TO MODIFIED ACCRUAL BASIS -			
NET CHANGE RESULTING FROM RECORDING OF			
ACCOUNTS RECEIVABLE, PAYABLE, AND OTHER			
ACCRUED ITEMS		525,000	
FUND BALANCE (DEFICIT), MODIFIED ACCRUAL			
BASIS, BEGINNING OF YEAR		<u>(6,203,590)</u>	
FUND BALANCE (DEFICIT), MODIFIED ACCRUAL			
BASIS, END OF YEAR		<u>\$ (5,674,789)</u>	

See notes to required supplementary information.

CITY OF EAST PEORIA, ILLINOIS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
April 30, 2015

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, and Special Tax Allocation as presented in the required supplementary information.

NOTE 2 - BUDGETARY DATA, PRIMARY GOVERNMENT

Through the implementation of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, various Special Revenue Funds were reclassified and are now included with the General Fund. These funds have been included with the General Fund budgetary comparison schedule.

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 May, the proposed budget for the fiscal year commencing on May 1 is submitted. The budget includes proposed expenditures and the means of financing them.
- Prior to August 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.

For reporting purposes, the City reports its budget on the cash basis of accounting.

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

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

	<u>Final Budget</u>	<u>Actual</u>	<u>Overage</u>
General Fund	\$ 20,768,044	\$ 21,826,538	\$ 1,058,494
Special Tax Allocation Fund	\$ 760,898	\$ 789,894	\$ 28,996

**CITY OF EAST PEORIA, ILLINOIS
COMBINING BALANCE SHEET - GENERAL FUND - BY ACCOUNT
April 30, 2015**

	<u>General Fund</u>
ASSETS	
Cash and investments	\$ 2,572,166
Receivables (net, where applicable, of allowances for estimated uncollectible amounts):	
Property taxes	100,002
Sales tax	3,188,067
State income tax	1,160,337
Personal property replacement tax	202,687
Customer charges	-
Fines	28,130
Other	81,520
Advanced to other funds	<u>2,233,116</u>
TOTAL ASSETS	<u>\$ 9,566,025</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES (DEFICITS)	
Liabilities:	
Accounts payable	\$ 442,734
Retainage payable	29,843
Wages payable	20,394
Liquor license bonds held	18,000
Compensated absences	66,514
Due to other governmental entities	742,320
Advanced from other funds	<u>217,628</u>
Total liabilities	<u>1,537,433</u>
Deferred inflows of resources:	
Unavailable revenue - property taxes	100,002
Unavailable revenue - other taxes	<u>1,054,728</u>
Total deferred inflows of resources	<u>1,154,730</u>
Fund balances (deficits):	
Nonspendable	2,233,116
Restricted	250,000
Assigned	-
Unassigned	<u>4,390,746</u>
Total fund balances (deficits)	<u>6,873,862</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES (DEFICITS)	<u>\$ 9,566,025</u>

<u>Police Protection</u>	<u>Fire Protection</u>	<u>Garbage Collection and Disposal</u>	<u>Street and Bridge</u>	<u>Ambulance Service</u>	<u>Combining General Fund</u>
\$ 91,408	\$ 52,092	\$ 33,018	\$ 40	\$ 1,748	\$ 2,750,472
600,010	600,010	600,010	403,029	-	2,303,061
-	-	-	-	-	3,188,067
-	-	-	-	-	1,160,337
-	-	-	-	-	202,687
-	-	-	-	270,585	270,585
6,920	-	-	-	-	35,050
-	-	-	-	-	81,520
-	-	-	7,421	-	2,240,537
<u>\$ 698,338</u>	<u>\$ 652,102</u>	<u>\$ 633,028</u>	<u>\$ 410,490</u>	<u>\$ 272,333</u>	<u>\$ 12,232,316</u>
\$ 5,339	\$ 3,908	\$ 4,439	\$ 45,218	\$ 677	\$ 502,315
-	-	-	-	-	29,843
100,040	56,927	4,781	19,386	19,197	220,725
-	-	-	-	-	18,000
274,374	127,474	29,754	58,245	77,540	633,901
-	-	-	-	-	742,320
-	59,000	59,421	45,000	-	381,049
<u>379,753</u>	<u>247,309</u>	<u>98,395</u>	<u>167,849</u>	<u>97,414</u>	<u>2,528,153</u>
600,010	600,010	600,010	403,029	-	2,303,061
-	-	-	-	-	1,054,728
<u>600,010</u>	<u>600,010</u>	<u>600,010</u>	<u>403,029</u>	<u>-</u>	<u>3,357,789</u>
-	-	-	7,421	-	2,240,537
-	-	-	-	-	250,000
-	-	-	-	174,919	174,919
(281,425)	(195,217)	(65,377)	(167,809)	-	3,680,918
<u>(281,425)</u>	<u>(195,217)</u>	<u>(65,377)</u>	<u>(160,388)</u>	<u>174,919</u>	<u>6,346,374</u>
<u>\$ 698,338</u>	<u>\$ 652,102</u>	<u>\$ 633,028</u>	<u>\$ 410,490</u>	<u>\$ 272,333</u>	<u>\$ 12,232,316</u>

CITY OF EAST PEORIA, ILLINOIS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - GENERAL FUND - BY ACCOUNT
Year Ended April 30, 2015

	<u>General Fund</u>
REVENUES	
Property taxes	\$ 236,694
Other taxes and special assessments	14,774,510
Charges for services	-
Intergovernmental	734,963
Investment earnings	22,325
Licenses and permits	263,350
Miscellaneous	1,978,948
Total revenues	<u>18,010,790</u>
 EXPENDITURES	
Current:	
General government	7,724,390
Police	-
Fire	-
Sanitation	-
Health and welfare	-
Public works	-
Community development	262,862
Capital outlay	6,096
Debt service:	
Principal payments	458,328
Interest and fiscal charges	159,776
Total expenditures	<u>8,611,452</u>
Excess (deficiency) of revenues over expenditures	<u>9,399,338</u>
 OTHER FINANCING SOURCES (USES)	
Transfers in	20,481
Transfers out	<u>(10,152,543)</u>
Total other financing sources (uses)	<u>(10,132,062)</u>
 NET CHANGE IN FUND BALANCES	 (732,724)
 FUND BALANCES (DEFICITS), BEGINNING OF YEAR	 <u>7,606,586</u>
 FUND BALANCES (DEFICITS), END OF YEAR	 <u>\$ 6,873,862</u>

<u>Police Protection</u>	<u>Fire Protection</u>	<u>Garbage Collection and Disposal</u>	<u>Street and Bridge</u>	<u>Ambulance Service</u>	<u>Eliminations</u>	<u>Combining General Fund</u>
\$ 595,096	\$ 595,096	\$ 595,096	\$ 399,446	\$ -	\$ -	\$ 2,421,428
-	-	-	-	-	-	14,774,510
62,817	50,209	-	510	757,187	-	870,723
195,629	8,821	5,770	21,616	-	-	966,799
277	244	222	71	883	-	24,022
-	-	-	-	-	-	263,350
<u>208,502</u>	<u>288</u>	<u>242,797</u>	<u>57,697</u>	<u>9,929</u>	-	<u>2,498,161</u>
<u>1,062,321</u>	<u>654,658</u>	<u>843,885</u>	<u>479,340</u>	<u>767,999</u>	-	<u>21,818,993</u>
-	-	-	-	-	-	7,724,390
5,537,187	-	-	-	-	-	5,537,187
-	3,377,441	-	-	-	-	3,377,441
-	-	1,083,889	-	-	-	1,083,889
-	-	-	-	1,242,397	-	1,242,397
-	-	-	2,234,201	-	-	2,234,201
-	-	-	-	-	-	262,862
36,747	2,667	-	47,959	-	-	93,469
-	-	-	-	-	-	458,328
-	-	-	-	-	-	159,776
<u>5,573,934</u>	<u>3,380,108</u>	<u>1,083,889</u>	<u>2,282,160</u>	<u>1,242,397</u>	-	<u>22,173,940</u>
<u>(4,511,613)</u>	<u>(2,725,450)</u>	<u>(240,004)</u>	<u>(1,802,820)</u>	<u>(474,398)</u>	-	<u>(354,947)</u>
4,464,146	2,753,601	262,006	1,787,075	456,125	(9,722,953)	20,481
-	-	-	-	-	9,722,953	(429,590)
<u>4,464,146</u>	<u>2,753,601</u>	<u>262,006</u>	<u>1,787,075</u>	<u>456,125</u>	-	<u>(409,109)</u>
(47,467)	28,151	22,002	(15,745)	(18,273)	-	(764,056)
<u>(233,958)</u>	<u>(223,368)</u>	<u>(87,379)</u>	<u>(144,643)</u>	<u>193,192</u>	-	<u>7,110,430</u>
<u>\$ (281,425)</u>	<u>\$ (195,217)</u>	<u>\$ (65,377)</u>	<u>\$ (160,388)</u>	<u>\$ 174,919</u>	<u>\$ -</u>	<u>\$ 6,346,374</u>

**CITY OF EAST PEORIA, ILLINOIS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
April 30, 2015**

	Special Revenue	
	Illinois Municipal Retirement	Motor Fuel Tax
ASSETS		
Cash and cash equivalents	\$ 31,406	\$ 174,498
Receivables (net, where applicable, of allowances for estimated uncollectible amounts):		
Property taxes	120,002	-
Personal property replacement tax	12,800	-
Motor fuel tax allotments	-	54,428
Assessments	-	-
Hotel/motel taxes	-	-
Notes	-	-
Other	42,617	-
Advanced to other funds	-	-
	-	-
TOTAL ASSETS	\$ 206,825	\$ 228,926
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES		
Liabilities:		
Accounts payable	\$ -	\$ -
Wages payable	8,008	-
Pension obligation payable	-	-
Advanced from other funds	-	-
Total liabilities	8,008	-
Deferred inflows of resources:		
Unavailable revenue - property taxes	120,002	-
Unavailable revenue - notes receivable	-	-
Unavailable revenue - special assessments	-	-
Total deferred inflows of resources	120,002	-
Fund balances:		
Restricted	-	228,835
Assigned	78,815	91
Total fund balances	78,815	228,926
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 206,825	\$ 228,926

Special Revenue

<u>Social Security</u>	<u>Workmen's Compensation</u>	<u>Audit</u>	<u>School Crossing Guard</u>	<u>Sewer Chlorination</u>	<u>Street Lighting</u>
\$ 7,820	\$ 829,004	\$ 18,714	\$ 9,373	\$ 33,650	\$ -
466,328	700,012	90,002	-	15,022	80,001
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
120,000	-	-	-	-	-
<u>\$ 594,148</u>	<u>\$ 1,529,016</u>	<u>\$ 108,716</u>	<u>\$ 9,373</u>	<u>\$ 48,672</u>	<u>\$ 80,001</u>
\$ -	\$ 11,950	\$ -	\$ -	\$ -	\$ -
10,100	-	-	-	-	-
-	-	-	-	-	-
-	141,365	-	-	-	-
<u>10,100</u>	<u>153,315</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
466,328	700,012	90,002	-	15,022	80,001
-	-	-	-	-	-
-	-	-	-	-	-
<u>466,328</u>	<u>700,012</u>	<u>90,002</u>	<u>-</u>	<u>15,022</u>	<u>80,001</u>
117,720	85,522	18,666	9,373	33,638	-
-	590,167	48	-	12	-
<u>117,720</u>	<u>675,689</u>	<u>18,714</u>	<u>9,373</u>	<u>33,650</u>	<u>-</u>
<u>\$ 594,148</u>	<u>\$ 1,529,016</u>	<u>\$ 108,716</u>	<u>\$ 9,373</u>	<u>\$ 48,672</u>	<u>\$ 80,001</u>

**CITY OF EAST PEORIA, ILLINOIS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
April 30, 2015**

	Special Revenue	
	Unemployment Insurance	Emergency Service and Disaster Assistance
ASSETS		
Cash and cash equivalents	\$ 69,140	\$ 17,167
Receivables (net, where applicable, of allowances for estimated uncollectible amounts):		
Property taxes	12,035	100,001
Personal property replacement tax	-	-
Motor fuel tax allotments	-	-
Assessments	-	-
Hotel/motel taxes	-	-
Notes	-	-
Other	-	-
Advanced to other funds	-	7,967
TOTAL ASSETS	\$ 81,175	\$ 125,135
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES		
Liabilities:		
Accounts payable	\$ -	\$ 312
Wages payable	-	-
Pension obligation payable	-	-
Advanced from other funds	-	-
Total liabilities	-	312
Deferred inflows of resources:		
Unavailable revenue - property taxes	12,035	100,001
Unavailable revenue - notes receivable	-	-
Unavailable revenue - special assessments	-	-
Total deferred inflows of resources	12,035	100,001
Fund balances:		
Restricted	69,120	24,822
Assigned	20	-
Total fund balances	69,140	24,822
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 81,175	\$ 125,135

Special Revenue

<u>Hotel/Motel Tax</u>	<u>Revolving Loan</u>	<u>Special Assessments</u>	<u>IHDA Grant</u>	<u>Firemen's Pension Levy Fund</u>	<u>Police Pension Levy Fund</u>	<u>Total Nonmajor Governmental Fund</u>
\$ 2,090,461	\$ 480,962	\$ 264,129	\$ 14,301	\$ -	\$ -	\$ 4,040,625
-	-	-	-	700,272	811,183	3,094,858
-	-	-	-	27,000	35,600	75,400
-	-	-	-	-	-	54,428
-	-	64,091	-	-	-	64,091
108,081	-	-	-	-	-	108,081
-	255,155	-	-	-	-	255,155
-	-	-	-	78,875	55,260	176,752
-	-	8,364	-	-	-	136,331
<u>\$ 2,198,542</u>	<u>\$ 736,117</u>	<u>\$ 336,584</u>	<u>\$ 14,301</u>	<u>\$ 806,147</u>	<u>\$ 902,043</u>	<u>\$ 8,005,721</u>
\$ 32,120	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 44,382
4,241	-	-	-	-	-	22,349
-	-	-	-	105,874	90,860	196,734
-	-	-	-	-	-	141,365
<u>36,361</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>105,874</u>	<u>90,860</u>	<u>404,830</u>
-	-	-	-	700,272	811,183	3,094,858
-	255,155	-	-	-	-	255,155
-	-	50,318	-	-	-	50,318
<u>-</u>	<u>255,155</u>	<u>50,318</u>	<u>-</u>	<u>700,272</u>	<u>811,183</u>	<u>3,400,331</u>
1,371,043	464,407	204,389	13,936	-	-	2,641,471
791,138	16,555	81,877	365	1	-	1,559,089
<u>2,162,181</u>	<u>480,962</u>	<u>286,266</u>	<u>14,301</u>	<u>1</u>	<u>-</u>	<u>4,200,560</u>
<u>\$ 2,198,542</u>	<u>\$ 736,117</u>	<u>\$ 336,584</u>	<u>\$ 14,301</u>	<u>\$ 806,147</u>	<u>\$ 902,043</u>	<u>\$ 8,005,721</u>

CITY OF EAST PEORIA, ILLINOIS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
Year Ended April 30, 2015

	Special Revenue	
	Illinois Municipal Retirement	Motor Fuel Tax
REVENUES		
Property taxes	\$ 203,238	\$ -
Other taxes and special assessments	193,418	-
Intergovernmental	100,238	646,928
Investment earnings	75	59
Miscellaneous	9,010	-
Total revenues	505,979	646,987
 EXPENDITURES		
Current:		
General government	521,035	-
Police	-	-
Fire	-	-
Public works	-	585,000
Other	-	-
Capital outlay	-	8,201
Debt service:		
Principal payments	-	-
Interest and fiscal charges	-	-
Total expenditures	521,035	593,201
Excess (deficiency) of revenues over expenditures	(15,056)	53,786
 OTHER FINANCING SOURCES (USES)		
Transfers in	19,878	-
Transfers out	-	-
Total other financing sources (uses)	19,878	-
 NET CHANGE IN FUND BALANCES	4,822	53,786
 FUND BALANCES, BEGINNING OF YEAR	73,993	175,140
 FUND BALANCES, END OF YEAR	\$ 78,815	\$ 228,926

Special Revenue

<u>Social Security</u>	<u>Workmen's Compensation</u>	<u>Audit</u>	<u>School Crossing Guard</u>	<u>Sewer Chlorination</u>	<u>Street Lighting</u>
\$ 451,254	\$ 793,435	\$ 76,380	\$ -	\$ 14,914	\$ 123,987
-	-	-	-	-	-
-	307,256	-	-	-	148,007
168	294	28	-	6	46
5,721	-	-	-	-	-
<u>457,143</u>	<u>1,100,985</u>	<u>76,408</u>	<u>-</u>	<u>14,920</u>	<u>272,040</u>
459,423	707,913	64,060	-	13,907	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	272,040
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>459,423</u>	<u>707,913</u>	<u>64,060</u>	<u>-</u>	<u>13,907</u>	<u>272,040</u>
(2,280)	393,072	12,348	-	1,013	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
(2,280)	393,072	12,348	-	1,013	-
120,000	282,617	6,366	9,373	32,637	-
<u>\$ 117,720</u>	<u>\$ 675,689</u>	<u>\$ 18,714</u>	<u>\$ 9,373</u>	<u>\$ 33,650</u>	<u>\$ -</u>

CITY OF EAST PEORIA, ILLINOIS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
Year Ended April 30, 2015

	Special Revenue	
	Unemployment Insurance	Emergency Service and Disaster Assistance
REVENUES		
Property taxes	\$ 29,781	\$ -
Other taxes and special assessments	-	-
Intergovernmental	-	-
Investment earnings	11	-
Miscellaneous	-	-
Total revenues	29,792	-
 EXPENDITURES		
Current:		
General government	3,043	1,292
Police	-	-
Fire	-	-
Public works	-	-
Other	-	-
Capital outlay	-	55,870
Debt service:		
Principal payments	-	-
Interest and fiscal charges	-	-
Total expenditures	3,043	57,162
Excess (deficiency) of revenues over expenditures	26,749	(57,162)
 OTHER FINANCING SOURCES (USES)		
Transfers in	-	-
Transfers out	-	-
Total other financing sources (uses)	-	-
 NET CHANGE IN FUND BALANCES	26,749	(57,162)
 FUND BALANCES, BEGINNING OF YEAR	42,391	81,984
 FUND BALANCES, END OF YEAR	\$ 69,140	\$ 24,822

Special Revenue

<u>Hotel/Motel Tax</u>	<u>Revolving Loan</u>	<u>Special Assessments</u>	<u>IHDA Grant</u>	<u>Firemen's Pension Levy Fund</u>	<u>Police Pension Levy Fund</u>	<u>Total Nonmajor Governmental Fund</u>
\$ -	\$ -	\$ -	\$ -	\$ 599,365	\$ 712,074	\$ 3,004,428
861,447	-	28,308	-	278,386	249,219	1,610,778
-	-	-	-	420,091	308,000	1,930,520
-	7,288	15,549	7	222	263	24,016
<u>498,566</u>	<u>95,199</u>	<u>-</u>	<u>350</u>	<u>-</u>	<u>-</u>	<u>608,846</u>
<u>1,360,013</u>	<u>102,487</u>	<u>43,857</u>	<u>357</u>	<u>1,298,064</u>	<u>1,269,556</u>	<u>7,178,588</u>
1,092,555	-	-	-	-	-	2,863,228
-	-	-	-	-	1,293,822	1,293,822
-	-	-	-	1,327,183	-	1,327,183
-	-	45,635	-	-	-	902,675
-	125,000	-	2,000	-	-	127,000
-	-	-	-	-	-	64,071
-	-	230,000	-	-	-	230,000
-	-	14,950	-	-	-	14,950
<u>1,092,555</u>	<u>125,000</u>	<u>290,585</u>	<u>2,000</u>	<u>1,327,183</u>	<u>1,293,822</u>	<u>6,822,929</u>
<u>267,458</u>	<u>(22,513)</u>	<u>(246,728)</u>	<u>(1,643)</u>	<u>(29,119)</u>	<u>(24,266)</u>	<u>355,659</u>
-	-	-	-	29,119	24,266	73,263
<u>(20,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(20,000)</u>
<u>(20,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>29,119</u>	<u>24,266</u>	<u>53,263</u>
247,458	(22,513)	(246,728)	(1,643)	-	-	408,922
<u>1,914,723</u>	<u>503,475</u>	<u>532,994</u>	<u>15,944</u>	<u>1</u>	<u>-</u>	<u>3,791,638</u>
<u>\$ 2,162,181</u>	<u>\$ 480,962</u>	<u>\$ 286,266</u>	<u>\$ 14,301</u>	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ 4,200,560</u>

CITY OF EAST PEORIA, ILLINOIS
COMBINING SCHEDULE OF FIDUCIARY NET POSITION
April 30, 2015

	Pension Trust Funds	
	City of East Peoria Firefighter's Pension Fund	City of East Peoria Police Pension fund
ASSETS		
Cash and cash equivalents	\$ 83,881	\$ 290,068
Receivables:		
Employer contributions	697,380	802,198
Accrued interest and dividends	47,246	103,023
Total receivables	744,626	905,221
Investments, at fair value:		
Money market funds	1,338,489	920,259
Municipal bonds	378,686	864,348
Corporate bonds	2,237,180	5,326,301
U.S. Government notes and bonds	2,663,768	3,851,459
U.S. Government agency obligations	724,072	1,251,787
Mutual funds	8,083,277	2,504,654
Common stocks	3,393,738	9,514,575
Total investments	18,819,210	24,233,383
Total assets	19,647,717	25,428,672
LIABILITIES		
Accounts payable and accrued payroll taxes	1,718	1,968
Amounts held for others	-	-
Total liabilities	1,718	1,968
NET POSITION HELD IN TRUST FOR PENSION BENEFIT OBLIGATION	\$ 19,645,999	\$ 25,426,704

Total Pension Trust Funds	Agency Funds			Total Agency Funds
	Levi King Scholarship Fund	Dependent Care Fund	Unreimbursed Medical Fund	
\$ 373,949	\$ 7,468	\$ 3,423	\$ 21,237	\$ 32,128
1,499,578	-	-	-	-
150,269	-	-	-	-
<u>1,649,847</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
2,258,748	-	-	-	-
1,243,034	-	-	-	-
7,563,481	-	-	-	-
6,515,227	-	-	-	-
1,975,859	-	-	-	-
10,587,931	-	-	-	-
12,908,313	-	-	-	-
<u>43,052,593</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>45,076,389</u>	<u>7,468</u>	<u>3,423</u>	<u>21,237</u>	<u>32,128</u>
3,686	-	-	-	-
-	7,468	3,423	21,237	32,128
<u>3,686</u>	<u>7,468</u>	<u>3,423</u>	<u>21,237</u>	<u>32,128</u>
<u>\$ 45,072,703</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF EAST PEORIA, ILLINOIS
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
Year Ended April 30, 2015

	<u>Balance, Beginning</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance, Ending</u>
LEVI KING SCHOLARSHIP FUND				
Assets, cash and cash equivalents	\$ <u>7,432</u>	\$ <u>36</u>	\$ <u>-</u>	\$ <u>7,468</u>
Liabilities, amounts held for others	\$ <u>7,432</u>	\$ <u>36</u>	\$ <u>-</u>	\$ <u>7,468</u>
DEPENDENT CARE FUND				
Assets, cash and cash equivalents	\$ <u>2,413</u>	\$ <u>7,914</u>	\$ <u>6,904</u>	\$ <u>3,423</u>
Liabilities, amounts held for others	\$ <u>2,413</u>	\$ <u>7,914</u>	\$ <u>6,904</u>	\$ <u>3,423</u>
UNREIMBURSED MEDICAL FUND				
Assets, cash and cash equivalents	\$ <u>10,409</u>	\$ <u>83,818</u>	\$ <u>72,990</u>	\$ <u>21,237</u>
Liabilities, amounts held for others	\$ <u>10,409</u>	\$ <u>83,818</u>	\$ <u>72,990</u>	\$ <u>21,237</u>
TOTAL				
Assets, cash and cash equivalents	\$ <u>20,254</u>	\$ <u>91,768</u>	\$ <u>79,894</u>	\$ <u>32,128</u>
Liabilities, amounts held for others	\$ <u>20,254</u>	\$ <u>91,768</u>	\$ <u>79,894</u>	\$ <u>32,128</u>

CITY OF EAST PEORIA, ILLINOIS
COMBINING SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION
Year Ended April 30, 2015

	<u>Pension Trust Funds</u>		<u>Total</u>
	<u>City of East Peoria Firefighter's Pension Fund</u>	<u>City of East Peoria Police Pension fund</u>	
ADDITIONS			
Contributions:			
Plan members' contributions	\$ 322,840	\$ 370,786	\$ 693,626
Employer contributions	1,398,175	1,363,308	2,761,483
Total contributions	<u>1,721,015</u>	<u>1,734,094</u>	<u>3,455,109</u>
Investment income:			
Net appreciation in fair value of investments	751,673	1,034,867	1,786,540
Dividends and interest	<u>510,840</u>	<u>631,164</u>	<u>1,142,004</u>
Total investment income	1,262,513	1,666,031	2,928,544
Less investment expenses	<u>96,565</u>	<u>135,185</u>	<u>231,750</u>
Net investment income	<u>1,165,948</u>	<u>1,530,846</u>	<u>2,696,794</u>
Total additions	<u>2,886,963</u>	<u>3,264,940</u>	<u>6,151,903</u>
DEDUCTIONS			
Benefits paid	1,334,865	1,953,757	3,288,622
Administrative expenses	<u>42,699</u>	<u>46,021</u>	<u>88,720</u>
Total deductions	<u>1,377,564</u>	<u>1,999,778</u>	<u>3,377,342</u>
Change in net position	1,509,399	1,265,162	2,774,561
NET POSITION HELD IN TRUST FOR PENSION BENEFITS			
Beginning of year, as restated	<u>18,136,600</u>	<u>24,161,542</u>	<u>42,298,142</u>
End of year	<u>\$ 19,645,999</u>	<u>\$ 25,426,704</u>	<u>\$ 45,072,703</u>

**CITY OF EAST PEORIA, ILLINOIS
 ASSESSED VALUATIONS, TAXES LEVIED, TAX RATES
 TAX EXTENSIONS, AND TAX COLLECTIONS (UNAUDITED)
 April 30, 2015**

2014 Tax Levy				
Assessed valuation, excluding Tax Increment Financing District Increment				\$ 432,907,928
Fund	Levy	Rate	Amount Extended by County Clerk	Collected Within 60 Days After April 30, 2015
General	\$ 100,000	0.02310	\$ 100,002	\$ -
Police protection	600,000	0.13860	600,010	-
Fire protection	600,000	0.13860	600,010	-
Garbage collection and disposal	600,000	0.13860	600,010	-
Sewer chlorination	15,000	0.00347	15,022	-
Illinois Municipal Retirement	120,000	0.02772	120,002	-
FICA	466,292	0.10772	466,328	-
Workmen's compensation	700,000	0.16170	700,012	-
Street and bridge	403,000	0.04340	187,882	-
Audit	90,000	0.02079	90,002	-
Street lighting	80,000	0.01848	80,001	-
Unemployment insurance	12,000	0.00278	12,035	-
Civil defense	100,000	0.02310	100,002	-
Firemen's pension	700,260	0.16176	700,272	-
Police pension	811,141	0.18738	811,183	-
	\$ 5,397,693	1.19720	\$ 5,182,773	\$ -

Note: TIF and Township Road and Bridge levies are excluded.

**CITY OF EAST PEORIA, ILLINOIS
 ASSESSED VALUATIONS, TAXES LEVIED, TAX RATES
 TAX EXTENSIONS, AND TAX COLLECTIONS (UNAUDITED)
 April 30, 2015**

	2013 Tax Levy
Assessed valuation, excluding Tax Increment Financing District Increment	<u>\$ 425,951,937</u>

<u>Fund</u>	<u>Levy</u>	<u>Rate</u>	<u>Amount Extended by County Clerk</u>	<u>Amount Collected</u>
General	\$ 223,532	0.05248	\$ 223,540	221,283
Police protection	600,000	0.14087	600,038	595,096
Fire protection	600,000	0.14087	600,038	595,096
Garbage collection and disposal	600,000	0.14087	600,038	595,096
Sewer chlorination	15,000	0.00353	15,036	14,914
Illinois Municipal Retirement	204,900	0.04811	204,925	203,238
FICA	455,000	0.10682	455,002	451,254
Workmen's compensation	800,000	0.18782	800,023	793,435
Street and bridge	403,000	0.04468	190,315	188,750
Audit	77,000	0.01808	77,012	76,380
Street lighting	125,000	0.02935	125,017	123,987
Unemployment insurance	30,000	0.00705	30,030	29,781
Firemen's pension	604,328	0.14188	604,341	599,365
Police pension	717,948	0.16856	717,985	712,074
	<u>\$ 5,455,708</u>	<u>1.23097</u>	<u>\$ 5,243,340</u>	<u>\$ 5,199,749</u>

2012 Tax Levy

2011 Tax Levy

\$ 428,228,346

\$ 431,343,641

2012 Tax Levy				2011 Tax Levy			
<u>Levy</u>	<u>Rate</u>	<u>Amount Extended by County Clerk</u>	<u>Amount Collected</u>	<u>Levy</u>	<u>Rate</u>	<u>Amount Extended by County Clerk</u>	<u>Amount Collected</u>
\$ 286,658	0.06695	\$ 286,699	\$ 285,263	\$ 100,346	0.02327	\$ 100,374	\$ 100,202
600,000	0.14012	600,034	597,785	600,000	0.13911	600,042	598,988
600,000	0.14012	600,034	597,785	600,000	0.13911	600,042	598,988
600,000	0.14012	600,034	597,785	600,000	0.13911	600,042	598,988
20,000	0.00468	20,041	19,967	15,000	0.00348	15,011	14,984
192,240	0.04490	192,275	191,553	192,240	0.04457	192,250	191,912
418,000	0.09762	418,037	416,470	418,000	0.09691	418,015	417,281
800,000	0.18682	800,016	797,017	800,000	0.18547	800,013	798,608
450,000	0.05265	225,462	224,618	428,000	0.05206	224,558	224,164
65,000	0.01518	65,005	64,761	59,000	0.01368	59,008	58,905
76,000	0.01775	76,011	75,724	76,000	0.01762	76,003	75,869
30,000	0.00701	30,019	29,906	30,000	0.00696	30,022	29,969
581,969	0.13591	582,005	579,822	809,737	0.18773	809,761	808,340
784,496	0.18320	784,514	781,573	860,866	0.19958	860,876	859,364
<u>\$ 5,504,363</u>	<u>1.23303</u>	<u>\$ 5,280,186</u>	<u>\$ 5,260,029</u>	<u>\$ 5,589,189</u>	<u>1.24866</u>	<u>\$ 5,386,017</u>	<u>\$ 5,376,562</u>

**CITY OF EAST PEORIA, ILLINOIS
LEGAL DEBT MARGIN
April 30, 2015**

Assessed valuation, 2014 tax year		\$ <u>432,907,928</u>
Statutory debt limitation (8.625% of assessed valuation)		\$ 37,338,309
Total debt:		
Notes payable to banks	\$ 9,068,612	
Notes payable to Illinois Environment Protection Agency	4,561,068	
Project bonds	1,040,000	
General obligation bonds (alternate revenue source)	96,685,000	
Revenue bonds	175,000	
Deduct debt exempt from debt limitation computation:		
Project bonds	(1,040,000)	
General obligation bonds (alternate revenue source)	(96,685,000)	
Revenue bonds	<u>(175,000)</u>	<u>13,629,680</u>
 LEGAL DEBT MARGIN		 \$ <u>23,708,629</u>

**CITY OF EAST PEORIA, ILLINOIS
SCHEDULE OF RECEIPTS AND DISBURSEMENTS BY DISTRICT
SPECIAL TAX ALLOCATION FUND
Year Ended April 30, 2015**

	<u>District III</u>
RECEIPTS	
Tax increment financing, property taxes	\$ 793,413
Interest income	<u>282</u>
Total receipts	<u>793,695</u>
DISBURSEMENTS	
1998-B Refunding Tax Increment Bond Interest	11,397
1998-B Refunding Tax Increment Bonds	115,000
Distribution to other taxing districts	136,847
Bank collection charges	1,650
Interfund borrowing	<u>525,000</u>
Total disbursements	<u>789,894</u>
Excess of receipts over disbursements	3,801
CASH AND INVESTMENTS, APRIL 30, 2014	<u>208</u>
CASH AND INVESTMENTS, APRIL 30, 2015	<u>\$ 4,009</u>

CITY OF EAST PEORIA, ILLINOIS
SCHEDULE OF RECEIPTS AND DISBURSEMENTS BY DISTRICT
CAPITAL PROJECTS FUND
Year Ended April 30, 2015

	Camp Street TIF District	W. Washington Street TIF District	Total
RECEIPTS			
Tax increment financing:			
Property taxes	\$ 1,761,434	\$ 666,219	\$ 2,427,653
TIF B Taxes	513,760	-	513,760
TIF C Taxes	508,907	-	508,907
TIF D Taxes	-	871,944	871,944
TIF E Taxes	-	2,104,026	2,104,026
Lease income	940,440	-	940,440
Rental income	705,426	-	705,426
Interest income	1,119	4,532	5,651
Reimbursements and property sales	-	1,998,063	1,998,063
Intergovernmental	-	2,008,305	2,008,305
Bond proceeds	18,570,000	-	18,570,000
Miscellaneous receipts	54,312	1,000	55,312
Interfund borrowing	1,139,369	-	1,139,369
Total receipts	<u>24,194,767</u>	<u>7,654,089</u>	<u>31,848,856</u>
DISBURSEMENTS			
2002-C Tax Increment Bond interest	73,400	-	73,400
2002-C Tax Increment Bond principal	245,000	-	245,000
2004-B Tax Increment Bond interest	22,525	-	22,525
2004-B Tax Increment Bond principal	305,000	-	305,000
2007 Refunding Tax Increment Bond interest	1,157,238	-	1,157,238
2007 Refunding Tax Increment Bond principal	575,000	-	575,000
2010A General Obligation Bond interest	928,011	-	928,011
2010A General Obligation Bond principal	890,000	-	890,000
2010B General Obligation Bond interest	1,058,109	-	1,058,109
2010B General Obligation Bond principal	18,535,000	-	18,535,000
2012A General Obligation Bond interest	-	101,053	101,053
2012A General Obligation Bond principal	-	170,000	170,000
2012B General Obligation Bond interest	-	101,053	101,053
2012B General Obligation Bond principal	-	170,000	170,000
2012C General Obligation Bond interest	-	426,594	426,594
2012C General Obligation Bond principal	-	505,000	505,000
2012D General Obligation Bond interest	-	169,343	169,343
2012D General Obligation Bond principal	-	200,000	200,000
2013B Refunding General Obligation Bond interest	-	222,650	222,650
2013B Refunding General Obligation Bond principal	-	25,000	25,000
Camp Street Loan interest	33,884	126,676	160,560
Camp Street Loan principal	56,339	445,417	501,756
Camp Street City share	264,302	-	264,302
Development and engineering fees	97,494	999,469	1,096,963
Other operating expenses	3,220	42,635	45,855
Land purchases	-	751,139	751,139
Sales tax rebate	-	429,929	429,929
Attorney fees	29,673	57,310	86,983
Interfund payment	407,876	14,369	422,245
Total disbursements	<u>24,682,071</u>	<u>4,957,637</u>	<u>29,639,708</u>
Excess of receipts (under) disbursements	(487,304)	2,696,452	2,209,148
CASH, APRIL 30, 2014	<u>824,305</u>	<u>2,174,763</u>	<u>2,999,068</u>
CASH, APRIL 30, 2015	<u>\$ 337,001</u>	<u>\$ 4,871,215</u>	<u>\$ 5,208,216</u>