

**CITY OF EAST PEORIA, ILLINOIS**  
**FINANCIAL STATEMENTS AND**  
**SUPPLEMENTARY INFORMATION**  
**YEAR ENDED APRIL 30, 2021**



WEALTH ADVISORY | OUTSOURCING  
AUDIT, TAX, AND CONSULTING

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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 City of East Peoria, Illinois (the City), as of and for the year ended April 30, 2021 (except for the East Peoria Mass Transit District discretely presented component unit, which is as of and for the year ended June 30, 2021), 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. We did not audit the financial statements of the Police Pension Trust Fund and the Firefighters' Pension Trust Fund, which represent 79%, 85%, and 57%, respectively, of the assets, net position/fund balance, and revenues of the aggregate remaining fund information. Those statements were audited by other auditors whose reports have 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, Police Pension Trust Fund, and Firefighters' Pension Trust Fund, is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the East Peoria Mass Transit District, the Police Pension Trust Fund, and the Firefighters' Pension Trust Fund were not audited in accordance with *Government Auditing Standards*.

Honorable Mayor and Commissioners  
City of East Peoria, Illinois

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.

### ***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, each major fund, and the aggregate remaining fund information of the City as of April 30, 2021, 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.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the pension and other postemployment benefits information on pages 71 through 76 and budgetary comparison information on pages 77 through 79 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 auditors, 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.

Management has omitted 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.

Honorable Mayor and Commissioners  
City of East Peoria, Illinois

*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 consolidated year-end financial report, the combining financial schedules, and the statistical information listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards, as required by Title 2 *U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is also presented for purposes of additional analysis and is not a required part of the basic financial statements.

The consolidated year-end financial report, the combining financial schedules and the schedule of expenditures of federal awards listed in the table of contents 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 auditors. In our opinion, based on our audit, the procedures performed as described above, and the report of the other auditors, 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.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated May 10, 2022, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



**CliftonLarsonAllen LLP**

Peoria, Illinois  
May 10, 2022

**CITY OF EAST PEORIA, ILLINOIS**  
**STATEMENT OF NET POSITION**  
**APRIL 30, 2021**

ASSETS	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total Primary Government	East Peoria Mass Transit District
<b>CURRENT ASSETS</b>				
Cash and Investments	\$ 19,583,445	\$ 10,503,793	\$ 30,087,238	\$ 93,740
Receivables (Net, Where Applicable, of Allowances for Estimated Uncollectible Amounts):				
Property Taxes	11,474,883	-	11,474,883	445,047
Sales Taxes	5,336,503	-	5,336,503	-
State Income Taxes	603,149	-	603,149	-
Personal Property Replacement Taxes	498,602	-	498,602	14,856
Motor Fuel Tax Allotments	153,559	-	153,559	-
Gaming Taxes	326,088	-	326,088	-
Water and Sewer Receivables:				
Billed Charges	-	323,763	323,763	-
Unbilled Charges	-	1,354,219	1,354,219	-
Customer Charges (Net of Allowance)	1,045,651	241,997	1,287,648	-
Hotel/Motel Taxes	68,014	-	68,014	-
Intergovernmental	528,744	-	528,744	-
Notes	54,142	-	54,142	-
Fines	27,448	-	27,448	-
Capital Leases	778,918	-	778,918	-
Other	240,193	-	240,193	-
Prepaid Supplies	-	77,041	77,041	-
Inventory, at Cost	-	11,602	11,602	-
Internal Balances	313,960	(313,960)	-	-
Assets Held for Resale	1,430,000	-	1,430,000	-
Prepaid Expenses	99,705	-	99,705	-
Total Current Assets	<u>42,563,004</u>	<u>12,198,455</u>	<u>54,761,459</u>	<u>553,643</u>
<b>NONCURRENT ASSETS</b>				
Restricted Assets, Cash and Investments	1,611,111	-	1,611,111	-
Net Pension Asset	-	1,438,439	1,438,439	-
Receivables (Net Where Applicable, of Allowances for Estimated Uncollectible Amounts):				
Capital Leases	4,970,406	-	4,970,406	-
Capital Assets:				
Not Depreciable:				
Land	10,106,412	3,647,682	13,754,094	-
Construction-in-Progress	646,209	41,667,952	42,314,161	-
Depreciable:				
Land Improvements	5,680,007	8,356,047	14,036,054	-
Buildings	53,828,113	24,758,479	78,586,592	-
Machinery, Equipment, and Vehicles	19,700,241	15,609,704	35,309,945	-
Infrastructure	124,039,323	40,932,269	164,971,592	-
Accumulated Depreciation	(105,874,437)	(63,197,702)	(169,072,139)	-
Total Noncurrent Assets	<u>114,707,385</u>	<u>73,212,870</u>	<u>187,920,255</u>	<u>-</u>
Total Assets	157,270,389	85,411,325	242,681,714	553,643
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred Charge on Refunding	951,769	-	951,769	-
Deferred Amounts Related to Pensions	3,144,738	395,282	3,540,020	-
Deferred Amounts Related to OPEB	13,468,919	2,045,788	15,514,707	-
Total Deferred Outflows of Resources	<u>17,565,426</u>	<u>2,441,070</u>	<u>20,006,496</u>	<u>-</u>

See accompanying Notes to Basic Financial Statements.



**CITY OF EAST PEORIA, ILLINOIS**  
**STATEMENT OF NET POSITION (CONTINUED)**  
**APRIL 30, 2021**

LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total Primary Government	East Peoria Mass Transit District
<b>CURRENT LIABILITIES</b>				
Accounts Payable	\$ 513,089	\$ 2,024,824	\$ 2,537,913	\$ -
Retainage Payable	-	1,012,725	1,012,725	-
Wages Payable	221,029	32,896	253,925	-
Liquor License Bond Held	18,000	-	18,000	-
Interest Payable	884,119	3,888	888,007	-
Unearned Revenue	207,171	209,386	416,557	-
Due to Other Governmental Entities	649,098	-	649,098	54,000
Deposits, Customers	-	82,572	82,572	-
Compensated Absences	755,666	116,178	871,844	-
Accrued Insurance Claims	916,323	159,677	1,076,000	-
Other Postemployment Benefits Liability	1,924,164	282,891	2,207,055	-
Current Portion of Long-Term Debt	7,095,640	2,513,884	9,609,524	-
Total Current Liabilities	<u>13,184,299</u>	<u>6,438,921</u>	<u>19,623,220</u>	<u>54,000</u>
<b>LONG-TERM LIABILITIES</b>				
Compensated Absences	2,647,518	235,185	2,882,703	-
Other Postemployment Benefits Liability	64,756,079	9,520,464	74,276,543	-
Net Pension Liability	30,858,938	-	30,858,938	-
General Obligation Bonds, Net Bond Discounts and Premiums, Noncurrent	60,551,584	6,307	60,557,891	-
Notes Payable, Noncurrent	1,777,684	31,686,852	33,464,536	-
Total Long-Term Liabilities	<u>160,591,803</u>	<u>41,448,808</u>	<u>202,040,611</u>	<u>-</u>
Total Liabilities	173,776,102	47,887,729	221,663,831	54,000
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Subsequent Year's Property Taxes	11,474,883	-	11,474,883	154,911
Deferred Amounts Related to Pensions	19,404,345	2,231,724	21,636,069	-
Deferred Amounts Related to OPEB	13,777,556	3,235,183	17,012,739	-
Total Deferred Inflows of Resources	<u>44,656,784</u>	<u>5,466,907</u>	<u>50,123,691</u>	<u>154,911</u>
<b>NET POSITION</b>				
Net Investment in Capital Assets	40,113,151	35,160,366	75,273,517	-
Restricted for:				
Employee Benefits	332,619	-	332,619	-
Debt Service	732,045	-	732,045	-
Audit	176,817	-	176,817	47,617
Sewer	49,430	-	49,430	-
Streets	94,306	-	94,306	-
Emergency Services	252,185	-	252,185	-
Revolving Loan	715,680	-	715,680	-
IHDA	7,916	-	7,916	-
Capital Improvements and Equipment Liability Insurance	11,539,537	-	11,539,537	185,957
Unrestricted (Deficit)	<u>(97,610,757)</u>	<u>(662,607)</u>	<u>(98,273,364)</u>	<u>111,158</u>
Total Net Position	<u>\$ (43,597,071)</u>	<u>\$ 34,497,759</u>	<u>\$ (9,099,312)</u>	<u>\$ 344,732</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF EAST PEORIA, ILLINOIS  
STATEMENT OF ACTIVITIES  
YEAR ENDED APRIL 30, 2021**

<b>FUNCTIONS/PROGRAMS</b>	<u>Expenses</u>
Primary Government:	
Governmental Activities:	
Police	\$ (6,681,157)
Fire	(6,796,527)
Sanitation	(1,023,682)
Public Works	(6,504,050)
General Government	(12,588,934)
Community Development	(225,293)
Other	(2,110,901)
Interest on and Amortization of Long-Term Debt	<u>(2,887,334)</u>
Total Governmental Activities	<u>(38,817,878)</u>
Business-Type Activities:	
Water and Sewer	(5,592,059)
Eastside Centre	(530,413)
Eastport Marina	<u>(788,204)</u>
Total Business-Type Activities	<u>(6,910,676)</u>
Total Primary Government	<u>\$ (45,728,554)</u>
Component Unit:	
City of East Peoria Mass Transit District	<u>\$ (1,997,654)</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF EAST PEORIA, ILLINOIS  
STATEMENT OF ACTIVITIES (CONTINUED)  
YEAR ENDED APRIL 30, 2021**

Program Revenues			Net (Expense) Revenue and Changes in Net Position			Component Unit East Peoria Mass Transit District
			Primary Government		Total	
Fees, Fines, and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Primary Government	
\$ -	\$ 190,877	\$ -	\$ (6,490,280)	\$ -	\$ (6,490,280)	\$ -
2,875,443	1,009,032	-	(2,912,052)	-	(2,912,052)	-
75	97	-	(1,023,510)	-	(1,023,510)	-
260	914,353	157,601	(5,431,836)	-	(5,431,836)	-
262,780	-	-	(12,326,154)	-	(12,326,154)	-
-	-	-	(225,293)	-	(225,293)	-
-	-	-	(2,110,901)	-	(2,110,901)	-
-	-	-	(2,887,334)	-	(2,887,334)	-
<u>3,138,558</u>	<u>2,114,359</u>	<u>157,601</u>	<u>(33,407,360)</u>	<u>-</u>	<u>(33,407,360)</u>	<u>-</u>
8,840,315	-	-	-	3,248,256	3,248,256	-
564,925	-	-	-	34,512	34,512	-
829,450	-	-	-	41,246	41,246	-
<u>10,234,690</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,324,014</u>	<u>3,324,014</u>	<u>-</u>
<u>\$ 13,373,248</u>	<u>\$ 2,114,359</u>	<u>\$ 157,601</u>	<u>(33,407,360)</u>	<u>3,324,014</u>	<u>(30,083,346)</u>	<u>-</u>
<u>\$ -</u>	<u>\$ 1,649,157</u>	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(348,497)</u>
<b>GENERAL REVENUES</b>						
Property Taxes			11,414,318	-	11,414,318	295,657
Sales and Use Taxes			19,769,397	8,476	19,777,873	-
State Income Taxes			2,840,591	-	2,840,591	-
Personal Property Replacement Taxes			1,802,938	-	1,802,938	79,408
Illinois Gaming Taxes			2,086,758	-	2,086,758	-
Other Taxes			2,139,067	-	2,139,067	-
Interest/Investment Income			40,150	20,608	60,758	155
Other			4,340,081	195,949	4,536,030	-
Total General Revenues			<u>44,433,300</u>	<u>225,033</u>	<u>44,658,333</u>	<u>375,220</u>
<b>CHANGE IN NET POSITION</b>			11,025,940	3,549,047	14,574,987	26,723
Net Position - Beginning of Year			<u>(54,623,011)</u>	<u>30,948,712</u>	<u>(23,674,299)</u>	<u>318,009</u>
<b>NET POSITION - END OF YEAR</b>			<u>\$ (43,597,071)</u>	<u>\$ 34,497,759</u>	<u>\$ (9,099,312)</u>	<u>\$ 344,732</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF EAST PEORIA, ILLINOIS  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
APRIL 30, 2021**

<b>ASSETS</b>	<u>General Fund</u>
Cash and Investments	\$ 11,943,523
Receivables (Net, Where Applicable, of Allowances for Estimated Uncollectible Amounts):	
Property Taxes	217,644
Sales Taxes	4,962,620
State Income Taxes	603,149
Personal Property Replacement Taxes	178,491
Motor Fuel Tax Allotments	-
Gaming Taxes	-
Customer Charges	1,045,651
Hotel/Motel Taxes	-
Intergovernmental	528,744
Notes	-
Fines	27,448
Capital Leases	-
Other	194,209
Advanced to Other Funds	5,463,784
Assets Held for Resale	-
Prepaid Expenses	-
Restricted Assets, Cash and Investments	-
	<hr/>
Total Assets	<u><u>\$ 25,165,263</u></u>

See accompanying Notes to Basic Financial Statements.

**CITY OF EAST PEORIA, ILLINOIS  
BALANCE SHEET  
GOVERNMENTAL FUNDS (CONTINUED)  
APRIL 30, 2021**

Riverboat Gaming Tax Fund	Special Tax Allocation Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total
\$ 176,189	\$ 14,279	\$ -	\$ 6,893,977	\$ 19,027,968
-	802,715	4,899,212	5,555,312	11,474,883
-	-	373,883	-	5,336,503
-	-	-	-	603,149
-	-	-	320,111	498,602
-	-	-	153,559	153,559
326,088	-	-	-	326,088
-	-	-	-	1,045,651
-	-	13,296	54,718	68,014
-	-	-	-	528,744
-	-	-	54,142	54,142
-	-	-	-	27,448
-	-	5,749,324	-	5,749,324
-	-	45,984	-	240,193
7,798,550	2,639,532	381,451	542,431	16,825,748
-	-	1,430,000	-	1,430,000
-	-	-	99,705	99,705
-	-	1,611,111	-	1,611,111
<u>\$ 8,300,827</u>	<u>\$ 3,456,526</u>	<u>\$ 14,504,261</u>	<u>\$ 13,673,955</u>	<u>\$ 65,100,832</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF EAST PEORIA, ILLINOIS  
BALANCE SHEET  
GOVERNMENTAL FUNDS (CONTINUED)  
APRIL 30, 2021**

	<u>General Fund</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES (DEFICITS)</b>	
<b>LIABILITIES</b>	
Accounts Payable	\$ 335,247
Wages Payable	203,090
Liquor License Bonds Held	18,000
Compensated Absences	112,732
Unearned Revenue	-
Due to Other Governmental Entities	649,098
Advanced from Other Funds	381,049
Total Liabilities	1,699,216
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Subsequent Year's Property Taxes	217,644
Unavailable Revenue - Other Taxes	1,922,699
Unavailable Revenue - Intergovernmental	193,274
Unavailable Revenue - Capital Lease Receivable	-
Unavailable Revenue - Notes Receivable	-
Total Deferred Inflows of Resources	2,333,617
<b>FUND BALANCES (DEFICITS)</b>	
Nonspendable	5,463,784
Restricted	-
Assigned	-
Unassigned	15,668,646
Total Fund Balances (Deficits)	21,132,430
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	\$ 25,165,263

See accompanying Notes to Basic Financial Statements.

**CITY OF EAST PEORIA, ILLINOIS  
BALANCE SHEET  
GOVERNMENTAL FUNDS (CONTINUED)  
APRIL 30, 2021**

Riverboat Gaming Tax Fund	Special Tax Allocation Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total
\$ 17,973	\$ -	\$ 7,329	\$ 152,540	\$ 513,089
-	-	-	17,939	221,029
-	-	-	-	18,000
-	-	-	-	112,732
82,171	-	125,000	-	207,171
-	-	-	-	649,098
428,939	5,841,826	9,468,609	391,365	16,511,788
529,083	5,841,826	9,600,938	561,844	18,232,907
-	802,715	4,899,212	5,555,312	11,474,883
-	-	109,049	-	2,031,748
-	-	-	-	193,274
-	-	5,749,324	-	5,749,324
-	-	-	50,318	50,318
-	802,715	10,757,585	5,605,630	19,499,547
-	-	-	99,705	5,563,489
6,465,826	2,639,532	-	4,323,893	13,429,251
1,305,918	-	-	3,082,883	4,388,801
-	(5,827,547)	(5,854,262)	-	3,986,837
7,771,744	(3,188,015)	(5,854,262)	7,506,481	27,368,378
<u>\$ 8,300,827</u>	<u>\$ 3,456,526</u>	<u>\$ 14,504,261</u>	<u>\$ 13,673,955</u>	<u>\$ 65,100,832</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF EAST PEORIA, ILLINOIS  
RECONCILIATION OF THE GOVERNMENTAL FUNDS  
BALANCE SHEET TO THE STATEMENT OF NET POSITION  
APRIL 30, 2021**

Total Governmental Fund Balances \$ 27,368,378

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	\$ 10,106,412	
Construction-in-Progress	646,209	
Land Improvements	5,680,007	
Buildings	53,828,113	
Machinery, Equipment, and Vehicles	19,700,241	
Infrastructure	124,039,323	
Accumulated Depreciation	<u>(105,874,437)</u>	108,125,868

Deferred amounts related to pensions are not reported in the funds:

Deferred Outflows of Resources	3,144,738	
Deferred Inflows of Resources	<u>(19,404,345)</u>	(16,259,607)

Deferred amounts related to OPEB are not reported in the funds:

Deferred Outflows of Resources	13,468,919	
Deferred Inflows of Resources	<u>(13,777,556)</u>	(308,637)

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

Unavailable Revenue - Other Taxes	2,031,748	
Unavailable Revenue - Intergovernmental	193,274	
Unavailable Revenue - Capital Lease Receivable	5,749,324	
Unavailable Revenue - Notes Receivable	<u>50,318</u>	8,024,664

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	555,477	
Current Liabilities	<u>(916,323)</u>	(360,846)

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

Compensated Absences	(3,290,452)	
Other Postemployment Benefits Liability	(66,680,243)	
Net Pension Liability	(30,858,938)	
Interest Payable	(884,119)	
General Obligation Bonds, Current	(6,135,000)	
General Obligation Bonds, Noncurrent	(60,390,000)	
Notes Payable, Current	(901,198)	
Notes Payable, Noncurrent	(1,777,684)	
Bond Discounts	20,220	
Bond Premiums	(241,246)	
Deferred Charge on Refunding	<u>951,769</u>	<u>(170,186,891)</u>

Net Position of Governmental Activities		<u>\$ (43,597,071)</u>
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See accompanying Notes to Basic Financial Statements.



**CITY OF EAST PEORIA, ILLINOIS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCES (DEFICITS)  
GOVERNMENTAL FUNDS  
YEAR ENDED APRIL 30, 2021**

	General Fund
<b>REVENUES</b>	
Property Taxes	\$ 230,611
Other Taxes and Special Assessments	22,526,574
Charges for Services	2,875,778
Intergovernmental	1,327,254
Investment Earnings	28,771
Licenses and Permits	262,780
Miscellaneous	1,754,791
Total Revenues	29,006,559
 <b>EXPENDITURES</b>	
Current:	
General Government	6,036,657
Police	5,618,561
Fire	4,963,097
Sanitation	843,009
Public Works	1,939,262
Community Development	231,592
Other	-
Capital Outlay	610,882
Debt Service:	
Principal Payments	654,278
Interest and Fiscal Charges	15,863
Total Expenditures	20,913,201
Excess (Deficiency) of Revenues Over Expenditures	8,093,358
 <b>OTHER FINANCING SOURCES (USES)</b>	
Proceeds from Issuance of Notes Payable	-
Transfers In	-
Transfers Out	(445)
Total Other Financing Sources (Uses)	(445)
 <b>NET CHANGE IN FUND BALANCES (DEFICITS)</b>	8,092,913
Fund Balances (Deficits) - Beginning of Year	13,039,517
 <b>FUND BALANCES (DEFICITS) - END OF YEAR</b>	\$ 21,132,430

See accompanying Notes to Basic Financial Statements.

**CITY OF EAST PEORIA, ILLINOIS**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCES (DEFICITS)**  
**GOVERNMENTAL FUNDS (CONTINUED)**  
**YEAR ENDED APRIL 30, 2021**

Riverboat Gaming Tax Fund	Special Tax Allocation Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total
\$ -	\$ 802,715	\$ 4,899,212	\$ 5,481,780	\$ 11,414,318
2,086,758	-	1,312,694	407,410	26,333,436
-	-	-	-	2,875,778
157,601	-	-	3,432,899	4,917,754
307	117	2,403	8,372	39,970
-	-	-	-	262,780
7,186	-	1,860,108	474,045	4,096,130
<u>2,251,852</u>	<u>802,832</u>	<u>8,074,417</u>	<u>9,804,506</u>	<u>49,940,166</u>
957,697	139,729	-	2,941,692	10,075,775
-	-	-	2,295,475	7,914,036
-	-	-	2,099,126	7,062,223
-	-	-	-	843,009
-	-	-	1,245,274	3,184,536
-	-	-	-	231,592
-	-	2,110,901	-	2,110,901
-	-	189,499	974,716	1,775,097
263,082	-	6,456,047	85,000	7,458,407
14,333	-	2,754,310	11,275	2,795,781
<u>1,235,112</u>	<u>139,729</u>	<u>11,510,757</u>	<u>9,652,558</u>	<u>43,451,357</u>
1,016,740	663,103	(3,436,340)	151,948	6,488,809
-	-	-	400,000	400,000
660,000	-	1,400,000	445	2,060,445
(1,400,000)	(660,000)	-	-	(2,060,445)
<u>(740,000)</u>	<u>(660,000)</u>	<u>1,400,000</u>	<u>400,445</u>	<u>400,000</u>
276,740	3,103	(2,036,340)	552,393	6,888,809
<u>7,495,004</u>	<u>(3,191,118)</u>	<u>(3,817,922)</u>	<u>6,954,088</u>	<u>20,479,569</u>
<u>\$ 7,771,744</u>	<u>\$ (3,188,015)</u>	<u>\$ (5,854,262)</u>	<u>\$ 7,506,481</u>	<u>\$ 27,368,378</u>

See accompanying Notes to Basic 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, 2021**

Net Change in Fund Balances - Governmental Funds \$ 6,888,809

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:

Capital Outlay	\$ 1,820,303	
Depreciation Expense	<u>(6,852,357)</u>	(5,032,054)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds:

Net Change in Other Taxes	683,951	
Net Change in Notes Receivable	<u>(63,943)</u>	620,008

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:

Net Change in Capital Lease Receivable		(715,907)
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The issuance of long-term debt (e.g., bonds, notes, 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:

Repayment of General Obligation Bonds Principal	5,965,000	
Issuance of Notes Payable	(400,000)	
Repayment of Notes Payable Principal	1,493,407	
Change in Interest Payable	2,073	
Amortization of Deferred Charge on Refunding	(152,170)	
Amortization of Bond Discounts and Premiums	<u>58,545</u>	6,966,855

**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 (CONTINUED)  
YEAR ENDED APRIL 30, 2021**

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

Change in Compensated Absences	\$	278,581
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Governmental funds report pension contributions as expenditures when made. However, in the statement of activities, pension expense is the cost of benefits earned, adjusted for member contributions, the recognition of changes in deferred outflows of related to pensions, deferred inflows related to pensions, and the investment experience.

Pension Contributions	\$	4,588,412	
Pension Expense		<u>(846,653)</u>	3,741,759

Governmental funds report OPEB contributions as expenditures when made. However, in the statement of activities, OPEB expense is the cost of benefits earned, adjusted for recognition of changes in deferred outflows and inflows of resources related to OPEB.

OPEB Contributions		1,826,467	
OPEB Expense		<u>(3,229,951)</u>	(1,403,484)

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

(318,627)

Change in Net Position of Governmental Activities	\$	<u>11,025,940</u>
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**CITY OF EAST PEORIA, ILLINOIS**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**APRIL 30, 2021**

	Business-Type Activities - Enterprise Funds			Total	Governmental Activities
	Water and Sewer Fund	Eastside Centre Fund	Nonmajor Fund: Eastport Marina Fund		Internal Service Fund
<b>ASSETS</b>					
<b>CURRENT ASSETS</b>					
Cash and Cash Equivalents	\$ 9,997,292	\$ 290,527	\$ 127,270	\$ 10,415,089	\$ 644,181
Water and Sewer Receivables (Net Where Applicable of Allowance for Uncollectible Amounts):					
Billed Charges	323,763	-	-	323,763	-
Unbilled Charges	1,354,219	-	-	1,354,219	-
Customer Charges (Net of Allowance)	-	-	241,997	241,997	-
Advanced to Other Funds	-	226,550	-	226,550	-
Prepaid Supplies	77,041	-	-	77,041	-
Inventory, at Cost	-	-	11,602	11,602	-
Total Current Assets	<u>11,752,315</u>	<u>517,077</u>	<u>380,869</u>	<u>12,650,261</u>	<u>644,181</u>
<b>NET PENSION ASSET</b>	959,082	479,357	-	1,438,439	-
<b>CAPITAL ASSETS</b>					
Nondepreciable:					
Land	456,274	341,408	2,850,000	3,647,682	-
Construction-in-Progress	41,667,952	-	-	41,667,952	-
Depreciable:					
Land Improvements	1,668,483	2,840,483	3,847,081	8,356,047	-
Buildings	16,306,975	6,095,217	2,356,287	24,758,479	-
Machinery, Equipment, and Vehicles	13,919,314	1,164,522	525,868	15,609,704	-
Infrastructure	40,932,269	-	-	40,932,269	-
Less Accumulated Depreciation	<u>(51,923,431)</u>	<u>(6,421,731)</u>	<u>(4,852,540)</u>	<u>(63,197,702)</u>	<u>-</u>
Net Capital Assets	<u>63,027,836</u>	<u>4,019,899</u>	<u>4,726,696</u>	<u>71,774,431</u>	<u>-</u>
Total Assets	75,739,233	5,016,333	5,107,565	85,863,131	644,181
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferred Amounts Related to Pensions	263,555	131,727	-	395,282	-
Deferred Amounts Related to OPEB	<u>1,687,731</u>	<u>358,057</u>	<u>-</u>	<u>2,045,788</u>	<u>-</u>
Total Deferred Outflows of Resources	1,951,286	489,784	-	2,441,070	-

See accompanying Notes to Basic Financial Statements.

**CITY OF EAST PEORIA, ILLINOIS  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS (CONTINUED)  
APRIL 30, 2021**

	Business-Type Activities - Enterprise Funds				Governmental Activities
	Water and Sewer Fund	Eastside Centre Fund	Nonmajor Fund: Eastport Marina Fund	Total	Internal Service Fund
<b>LIABILITIES AND NET POSITION</b>					
<b>CURRENT LIABILITIES</b>					
Accounts Payable	\$ 1,951,257	\$ 20,822	\$ 52,745	\$ 2,024,824	\$ -
Retainage Payable	1,012,725	-	-	1,012,725	-
Wages Payable	26,556	6,340	-	32,896	-
Interest Payable	3,839	49	-	3,888	-
Deposits, Customers	82,572	-	-	82,572	-
Compensated Absences	100,614	15,564	-	116,178	-
Unearned Revenue	-	-	209,386	209,386	-
Accrued Insurance Claims	-	-	-	-	1,076,000
Other Postemployment Benefits Liability	226,313	56,578	-	282,891	-
Current Portion of Long-Term Debt	2,500,801	13,083	-	2,513,884	-
Total Current Liabilities	<u>5,904,677</u>	<u>112,436</u>	<u>262,131</u>	<u>6,279,244</u>	<u>1,076,000</u>
<b>LONG-TERM LIABILITIES</b>					
Compensated Absences	136,744	98,441	-	235,185	-
Advanced from Other Funds	364,217	32,000	144,293	540,510	-
Other Postemployment Benefits Liability	8,083,233	1,437,231	-	9,520,464	-
General Obligation Bonds, Net Bond Discounts and Premiums, Noncurrent	6,307	-	-	6,307	-
Notes Payable, Noncurrent	31,686,852	-	-	31,686,852	-
Total Long-Term Liabilities	<u>40,277,353</u>	<u>1,567,672</u>	<u>144,293</u>	<u>41,989,318</u>	<u>-</u>
Total Liabilities	46,182,030	1,680,108	406,424	48,268,562	1,076,000
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred Amounts Related to Pensions	1,488,006	743,718	-	2,231,724	-
Deferred Amounts Related to OPEB	2,683,951	551,232	-	3,235,183	-
Total Deferred Inflows of Resources	<u>4,171,957</u>	<u>1,294,950</u>	<u>-</u>	<u>5,466,907</u>	<u>-</u>
<b>NET POSITION</b>					
Net Investment in Capital Assets Unrestricted	26,426,854	4,006,816	4,726,696	35,160,366	-
	<u>909,678</u>	<u>(1,475,757)</u>	<u>(25,555)</u>	<u>(591,634)</u>	<u>(431,819)</u>
Total Net Position	<u>\$ 27,336,532</u>	<u>\$ 2,531,059</u>	<u>\$ 4,701,141</u>	<u>\$ 34,568,732</u>	<u>\$ (431,819)</u>
Total Enterprise Funds Net Position				\$ 34,568,732	
Amounts reported for business-type 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. A portion of the assets and liabilities of the internal service fund are included in business-type activities in the statement of net position.					
				<u>(70,973)</u>	
Net Position of Business-Type Activities				<u>\$ 34,497,759</u>	

See accompanying Notes to Basic Financial Statements.

**CITY OF EAST PEORIA, ILLINOIS**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**PROPRIETARY FUNDS**  
**YEAR ENDED APRIL 30, 2021**

	Business-Type Activities - Enterprise Funds			Total	Governmental Activities
	Water and Sewer Fund	Eastside Centre Fund	Nonmajor Fund: Eastport Marina Fund		Internal Service Fund
<b>OPERATING REVENUES</b>					
Water Sales	\$ 3,320,172	\$ -	\$ -	\$ 3,320,172	\$ -
Sewer Service Charges	5,175,185	-	-	5,175,185	-
Fuel Sales	-	-	13,445	13,445	-
Storage and Rentals	-	-	816,005	816,005	-
Fees for Services	-	376,846	-	376,846	-
Tap-In Charges	33,523	-	-	33,523	-
Water Assessments	3,600	-	-	3,600	-
Sewer Assessments	6,600	-	-	6,600	-
Penalties	265,480	-	-	265,480	-
Individual Sewer Permits	825	-	-	825	-
Contractors' Sewer Permits	750	-	-	750	-
Sewer Inspection Fees	1,070	-	-	1,070	-
Sewer Connection Fees	9,360	-	-	9,360	-
Concession Sales	-	134,849	-	134,849	-
Charges for Coverage	-	-	-	-	4,584,600
Miscellaneous	23,750	53,230	-	76,980	-
Total Operating Revenues	<u>8,840,315</u>	<u>564,925</u>	<u>829,450</u>	<u>10,234,690</u>	<u>4,584,600</u>
<b>OPERATING EXPENSES</b>					
Salaries and Benefits	1,948,546	23,369	-	1,971,915	-
Contractual Services	274,592	47,674	329,687	651,953	-
Utilities	557,126	18,446	58,931	634,503	-
Repair and Maintenance	80,734	117,453	55,549	253,736	-
Insurance	557,640	32,000	54,476	644,116	-
Other Supplies and Expenses	871,988	88,210	231,142	1,191,340	-
Depreciation	1,178,495	193,890	58,419	1,430,804	-
Insurance Claims	-	-	-	-	4,954,317
Total Operating Expenses	<u>5,469,121</u>	<u>521,042</u>	<u>788,204</u>	<u>6,778,367</u>	<u>4,954,317</u>
<b>OPERATING INCOME (LOSS)</b>	3,371,194	43,883	41,246	3,456,323	(369,717)

See accompanying Notes to Basic Financial Statements.

**CITY OF EAST PEORIA, ILLINOIS**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**PROPRIETARY FUNDS (CONTINUED)**  
**YEAR ENDED APRIL 30, 2021**

	Business-Type Activities - Enterprise Funds			Total	Governmental Activities
	Water and Sewer Fund	Eastside Centre Fund	Nonmajor Fund: Eastport Marina Fund		Internal Service Fund
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Interest	\$ 20,453	\$ 89	\$ 37	\$ 20,579	\$ 209
Reimbursements	25,863	-	170,086	195,949	-
Municipal Sales Taxes	-	8,476	-	8,476	-
Loss on Sale of Capital Assets	-	(880)	-	(880)	-
Interest, Fiscal Charges, and Amortization	(79,984)	(535)	-	(80,519)	-
Total Nonoperating Revenues (Expenses)	<u>(33,668)</u>	<u>7,150</u>	<u>170,123</u>	<u>143,605</u>	<u>209</u>
<b>CHANGE IN NET POSITION</b>	3,337,526	51,033	211,369	3,599,928	(369,508)
Total Net Position - Beginning of Year	<u>23,999,006</u>	<u>2,480,026</u>	<u>4,489,772</u>	<u>30,968,804</u>	<u>(62,311)</u>
<b>TOTAL NET POSITION - END OF YEAR</b>	<u>\$ 27,336,532</u>	<u>\$ 2,531,059</u>	<u>\$ 4,701,141</u>	<u>\$ 34,568,732</u>	<u>\$ (431,819)</u>
Total Enterprise Funds Change in Net Position				\$ 3,599,928	
Amounts reported for business-type activities in the statement of activities are different because an internal service fund is used by management to charge the cost of certain services to individual funds. A portion of the activity of the internal service fund is included in business-type activities in the statement of activities.				<u>(50,881)</u>	
Change in Net Position of Business-Type Activities				<u>\$ 3,549,047</u>	

See accompanying Notes to Basic Financial Statements.



**CITY OF EAST PEORIA, ILLINOIS  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
YEAR ENDED APRIL 30, 2021**

	Business-Type Activities - Enterprise Funds			Total	Governmental Activities
	Water and Sewer Fund	Eastside Centre Fund	Nonmajor Fund: Eastport Marina Fund		Internal Service Fund
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Receipts from Customers and Users	\$ 9,262,570	\$ 564,925	\$ 744,331	\$ 10,571,826	\$ 4,584,600
Payments to Suppliers	(2,298,618)	(289,968)	(682,393)	(3,270,979)	(4,166,148)
Payments to Benefit Employees	(2,229,698)	(262,886)	-	(2,492,584)	-
Net Cash Provided by Operating Activities	4,734,254	12,071	61,938	4,808,263	418,452
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Reimbursements	25,863	-	170,086	195,949	-
Municipal Sales Taxes	-	8,476	-	8,476	-
Net Cash Provided by Noncapital Financing Activities	25,863	8,476	170,086	204,425	-
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Proceeds from Issuance of Notes Payable	21,576,623	-	-	21,576,623	-
Principal Payments on Bonds	(160,000)	-	-	(160,000)	-
Principal Payments on Notes Payable	(706,076)	(18,370)	-	(724,446)	-
Interest and Fiscal Charges Paid on Bonds and Notes Payable	(92,705)	(535)	-	(93,240)	-
Purchase of Capital Assets	(22,207,886)	(5,300)	(165,274)	(22,378,460)	-
Net Cash Used by Capital and Related Financing Activities	(1,590,044)	(24,205)	(165,274)	(1,779,523)	-
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Interest on Investments	20,453	89	37	20,579	209
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	3,190,526	(3,569)	66,787	3,253,744	418,661
Cash and Cash Equivalents - Beginning of Year	6,806,766	294,096	60,483	7,161,345	225,520
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u>\$ 9,997,292</u>	<u>\$ 290,527</u>	<u>\$ 127,270</u>	<u>\$ 10,415,089</u>	<u>\$ 644,181</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF EAST PEORIA, ILLINOIS  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS (CONTINUED)  
YEAR ENDED APRIL 30, 2021**

	Business-Type Activities - Enterprise Funds			Total	Governmental Activities
	Water and Sewer Fund	Eastside Centre Fund	Nonmajor Fund: Eastport Marina Fund		Internal Service Fund
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>					
Operating Income (Loss)	\$ 3,371,194	\$ 43,883	\$ 41,246	\$ 3,456,323	\$ (369,717)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:					
Depreciation	1,178,495	193,890	58,419	1,430,804	-
Change in Assets and Liabilities:					
Customer Charges and Receivables	421,737	-	(8,425)	413,312	-
Prepaid Supplies	16,147	-	-	16,147	-
Inventory	-	-	(2,778)	(2,778)	-
Accounts Payable, Claims, and Wages Payable	25,872	16,944	50,170	92,986	788,169
Deposits	518	-	-	518	-
Unearned Revenue	-	-	(76,694)	(76,694)	-
Compensated Absences	(7,971)	(17,537)	-	(25,508)	-
Deferred Outflows of Resources - OPEB	(751,782)	(187,945)	-	(939,727)	-
Deferred Inflows of Resources - OPEB	929,183	232,296	-	1,161,479	-
OPEB Liability	(241,511)	(60,378)	-	(301,889)	-
Deferred Outflows of Resources - Pensions	324,738	293,286	-	618,024	-
Deferred Inflows of Resources - Pensions	627,069	121,734	-	748,803	-
Net Pension Asset/Liability	(1,159,435)	(624,102)	-	(1,783,537)	-
Net Cash Provided by Operating Activities	<u>\$ 4,734,254</u>	<u>\$ 12,071</u>	<u>\$ 61,938</u>	<u>\$ 4,808,263</u>	<u>\$ 418,452</u>
<b>NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Amortization of Bond Premiums, Bond Discounts, and Deferred Charges on Refunding	<u>\$ 12,615</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,615</u>	<u>\$ -</u>
Purchases of Capital Assets Included in Accounts Payable as of April 30, 2021	<u>\$ 2,815,203</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,815,203</u>	<u>\$ -</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF EAST PEORIA, ILLINOIS**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**APRIL 30, 2021**

	Pension Trust Funds	Custodial Funds	Total Fiduciary Funds
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 1,497,202	\$ 21,707	\$ 1,518,909
Receivables:			
Accrued Interest and Dividends	111,926	-	111,926
Investments, at Fair Value:			
Money Market Funds	2,215,187	-	2,215,187
Municipal Bonds	228,299	-	228,299
Corporate Bonds	9,308,127	-	9,308,127
U.S. Government Notes and Bonds	6,497,182	-	6,497,182
U.S. Government Agency Obligations	3,141,543	-	3,141,543
Mutual Funds	16,128,742	-	16,128,742
Common Stock	33,085,433	-	33,085,433
Total Investments	70,604,513	-	70,604,513
 Total Assets	 72,213,641	 21,707	 72,235,348
<b>LIABILITIES</b>			
Accounts Payable and Accrued Payroll Taxes	5,460	-	5,460
Amounts Held for Others	-	21,707	21,707
Total Liabilities	5,460	21,707	27,167
 Fiduciary Net Position Restricted for Pensions	 \$ 72,208,181	 \$ -	 \$ 72,208,181

See accompanying Notes to Basic Financial Statements.

**CITY OF EAST PEORIA, ILLINOIS**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**YEAR ENDED APRIL 30, 2021**

	<u>Pension Trust Funds</u>	<u>Custodial Funds</u>	<u>Total Fiduciary Funds</u>
<b>ADDITIONS</b>			
Contributions:			
Plan Members' Contributions	\$ 741,890	\$ -	\$ 741,890
Plan Members' Transfers of Creditable Service	165,643	-	165,643
Employer Contributions	4,313,486	-	4,313,486
Custodial Contributions	-	63,586	63,586
Miscellaneous	-	11,956	11,956
Total Contributions	<u>5,221,019</u>	<u>75,542</u>	<u>5,296,561</u>
Net Investment Income:			
Net Appreciation in Fair Value of Investments	14,447,700	-	14,447,700
Dividends and Interest	1,138,249	19	1,138,268
Total Investment Income	<u>15,585,949</u>	<u>19</u>	<u>15,585,968</u>
Less: Investment Expenses	334,547	-	334,547
Net Investment Income	<u>15,251,402</u>	<u>19</u>	<u>15,251,421</u>
Total Additions	20,472,421	75,561	20,547,982
<b>DEDUCTIONS</b>			
Benefits Paid	4,894,252	-	4,894,252
Refunds of Contributions	13,202	-	13,202
Administrative Expenses	116,481	-	116,481
Claims Paid	-	73,665	73,665
Miscellaneous	-	1,896	1,896
Total Deductions	<u>5,023,935</u>	<u>75,561</u>	<u>5,099,496</u>
Change in Net Position	15,448,486	-	15,448,486
<b>FIDUCIARY NET POSITION</b>			
Beginning of Year	<u>56,759,695</u>	<u>-</u>	<u>56,759,695</u>
End of Year	<u>\$ 72,208,181</u>	<u>\$ -</u>	<u>\$ 72,208,181</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF EAST PEORIA, ILLINOIS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**APRIL 30, 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Organization**

The City of East Peoria, Illinois (the City) is a municipality located in Central Illinois. Revenues are substantially generated as a result of taxes assessed and allocated to the City (e.g., 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 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, 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Reporting Entity (Continued)**

The 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 Firefighters' Pension Funds: The Police and Firefighters' 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 Firefighters' Pension fiduciary 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 Jeff Becker, Director of Finance 401 W. Washington St. East Peoria, Illinois 61611	City of East Peoria Firefighters' Pension Fund Jeff Becker, Director of Finance 401 W. Washington St. East Peoria, Illinois 61611
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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 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  
401 W. Washington St.  
East Peoria, Illinois 61611

**CITY OF EAST PEORIA, ILLINOIS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**APRIL 30, 2021**

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

Separate financial statements are provided for governmental funds, 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.

**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 custodial funds do not have a measurement focus. 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.

**CITY OF EAST PEORIA, ILLINOIS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**APRIL 30, 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Measurement Focus and Basis of Accounting (Continued)**

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the 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 Types:** Governmental Funds are those through which governmental functions of the City are financed. The acquisition, use, and balances of the City's expendable resources and the related liabilities are accounted for through governmental funds. The City reports the following major governmental funds:

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

Riverboat Gaming Tax Fund (A Special Revenue Fund): This fund is used to collect and disburse riverboat gaming taxes. 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.



**CITY OF EAST PEORIA, ILLINOIS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**APRIL 30, 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Measurement Focus and Basis of Accounting (Continued)**

**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.

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.

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

Custodial Funds: The Custodial Funds are utilized to account for monies and properties received and held by the City as a fiscal agent 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.

**CITY OF EAST PEORIA, ILLINOIS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**APRIL 30, 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**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 2021 represent the 2019 tax levy which was received by the City during the months of July 2020 through November 2020. The general property taxes receivable and the related deferred inflow of resources at April 30, 2021 are based on the City's 2020 extended tax levy.

**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, 2021, the City had no investments qualified as cash equivalents.

**Investments**

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

**Interfund Transactions**

Transactions among City funds that would be treated as revenues and expenditures/expenses if they involved organizations external to City government are accounted for as revenues and expenditures/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."

**CITY OF EAST PEORIA, ILLINOIS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**APRIL 30, 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Interfund Transactions (Continued)**

Noncurrent portions of long-term interfund loan receivables are reported as advances within the governmental funds and are sometimes classified as 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.

**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 of 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.

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

Land Improvements	20 to 50 Years
Buildings	10 to 50 Years
Machinery, Equipment, and Vehicles	5 to 20 Years
Infrastructure	20 to 100 Years

**Unearned Revenue**

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

**Deferred Outflows of Resources**

In addition to assets, the statement of net position reports 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 has three types of items that qualify for reporting in this category. One 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. Additionally, the City has deferred outflows related to pension and other postemployment benefits expense to be recognized in future periods and for pension contributions made after the measurement dates.

**CITY OF EAST PEORIA, ILLINOIS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**APRIL 30, 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Deferred Inflows of Resources**

In addition to liabilities, the statement of net position and balance sheet reports 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, intergovernmental, capital lease receivable, and notes receivable. 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. Additionally, the City has deferred inflows related to pension and other postemployment benefits expense to be recognized in future periods.

**Pensions**

For purposes of measuring the net pension liability, deferred inflows and outflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City pension plans and additions to/deductions from the City pension plans fiduciary net position have been determined on the same basis as they are reported by the plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**Postemployment Benefits Other Than Pensions (OPEB)**

For purposes of measuring the total OPEB liability, deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the City's OPEB plan and additions to/deductions from the City's fiduciary net position have been determined on the same basis as they are reported by the City. For this purpose, the City recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

**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.

**CITY OF EAST PEORIA, ILLINOIS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**APRIL 30, 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Long-Term Liabilities**

In the government-wide financial statements and proprietary fund types in fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds. 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.

**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.

**CITY OF EAST PEORIA, ILLINOIS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**APRIL 30, 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Net Position**

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) was \$-0- at April 30, 2021. 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 \$176,817 for audit, \$332,619 for employee benefits, \$49,430 for sewer chlorination, \$11,539,537 for capital improvements and equipment, and \$252,185 for emergency services.

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, deferred outflows of resources, liabilities, and deferred inflows of resources and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**NOTE 2 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, 2021, the City had the following cash and investments:

Cash and Investments - Statement of Net Position	\$ 30,087,238
Restricted Cash and Investments - Statement of Net Position	1,611,111
Cash and Cash Equivalents - Fiduciary Funds	1,518,909
Investments - Fiduciary Funds	70,604,513
Total	<u>\$ 103,821,771</u>

**CITY OF EAST PEORIA, ILLINOIS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**APRIL 30, 2021**

**NOTE 2 CASH AND INVESTMENTS (CONTINUED)**

**Authorized Investments (Continued)**

Deposits	\$ 31,353,213
Illinois Funds Money Market Fund	307,749
Mutual Funds	37,387
Deposits Held by Fiduciary Funds	1,518,909
Investments Held by Fiduciary Funds	<u>70,604,513</u>
Total Primary Government	<u>\$ 103,821,771</u>

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The City has no recurring fair value measurements as of April 30, 2021.

**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, 2021, \$191,708 of the City's bank balance of \$32,045,013 was uncollateralized; \$30,850,023 of the bank balance was exposed to custodial credit risk and collateralized with securities held by the pledging financial institution.

**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.

**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.

Illinois Funds — The fair value of the City's position in this fund is equal to the value of the City's fund shares. The portfolio is regulated by oversight of the Treasurer of the state of Illinois and private rating agencies. The portfolio has a AAmmf rating from Fitch. The assets of the fund are mainly invested in securities issued by the United States government or agencies related to the United States. Assets of the fund not invested in United States government securities are fully collateralized by pledged securities. The time to maturity of the investments in this external investment pool averages less than one year. The carrying amount of these deposits at April 30, 2021 was \$307,749.

**CITY OF EAST PEORIA, ILLINOIS  
NOTES TO BASIC FINANCIAL STATEMENTS  
APRIL 30, 2021**

**NOTE 2 CASH AND INVESTMENTS (CONTINUED)**

**Cash and Investments, Pension Trust Funds (The Funds)**

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 stock.

**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 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, 2021, none of the deposits of the City of East Peoria Police Pension and the City of East Peoria Firefighters' Pension Plans were exposed to custodial credit risk.

**Investments**

As of April 30, 2021, 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	\$ 3,357,642	N/A	10.26	9 %
U.S. Government Agencies	1,126,000	Aa1	22.03	3
Money Market Funds	728,577	N/A	-	2
Municipal Bonds	131,760	Aa1 to Aa3	0.33	0
Corporate Bonds	5,363,029	Aaa to Baa3	7.75	14
Common Stock	24,292,070	N/A	N/A	63
Mutual Funds, Equities	3,544,791	N/A	N/A	9
Total Investments	<u>\$ 38,543,869</u>			



**CITY OF EAST PEORIA, ILLINOIS  
NOTES TO BASIC FINANCIAL STATEMENTS  
APRIL 30, 2021**

**NOTE 2 CASH AND INVESTMENTS (CONTINUED)**

**Investments (Continued)**

As of April 30, 2021, the Firefighters' 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	\$ 3,139,540	Aaa	3.22	10 %
U.S. Government Agencies	2,015,543	Aaa	19.20	7
Money Market Funds	1,486,610	N/A	-	6
Municipal Bonds	96,539	Aa2	10.76	0
Corporate Bonds	3,945,098	Aa3 to Baa3	4.86	12
Common Stock	8,793,363	N/A	N/A	27
Mutual Funds, Equities	12,583,951	N/A	N/A	38
Total Investments	<u>\$ 32,060,644</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.

Investments are subject to certain inherent risks including credit, interest rate, and custodial credit risk. The Funds' policies related to these risks are as follows:

(1) Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. 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, Paragraphs 113.1 through 113.10 of the Illinois Compiled Statutes.

The following was the Firefighters' Pension Fund Board's adopted allocated policy as of April 30, 2021:

Domestic Equity	40 %
International Equity	16
Fixed Income	38
Real Estate Investment Trusts	4
Cash	2
Total	<u>100 %</u>

**CITY OF EAST PEORIA, ILLINOIS  
NOTES TO BASIC FINANCIAL STATEMENTS  
APRIL 30, 2021**

**NOTE 2 CASH AND INVESTMENTS (CONTINUED)**

**Investments (Continued)**

The following was the Police Pension Fund Board’s adopted allocated policy as of April 30, 2021:

Equity	55 %
Fixed Income	35
Mutual Funds	10
Total	100 %

- (2) 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 Funds’ policies provide 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 Funds’ investments compared to industry benchmarks.
  
- (3) Custodial credit risk is the risk that, in the event of the failure of a counterparty, the Funds will not be able to recover the value of its investments or collateral securities in the possession of an outside party. Consistent with the Funds’ investment policies, all securities are held by a third-party custodian serving as the Funds’ agent. The securities are held in the Funds’ name.

**Fair Value Measurements**

Governmental Accounting Standards Board Statement No. 72 establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets and liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are described as follows:

Level 1 — Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets the plan has the ability to access.

Level 2 — Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets and liabilities in nonactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

**CITY OF EAST PEORIA, ILLINOIS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**APRIL 30, 2021**

**NOTE 2 CASH AND INVESTMENTS (CONTINUED)**

**Investments (Continued)**

**Fair Value Measurements (Continued)**

Level 3 — Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at April 30, 2021 from prior year.

*Common Stock and Mutual Funds — Equities:* Valued at public traded prices that are quoted daily.

*Corporate Bonds and Municipal Bonds:* Valued using matrix pricing model using inputs of price or yield of a similar security.

*U.S. Government and U.S. Government Agencies:* Valued using matrix pricing model using inputs of price or yield of a similar security.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Funds believe their methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth by level, within the fair value hierarchy, the Firefighters' Pension Fund's assets at fair value as of April 30, 2021:

	Fair Values	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
U.S. Government Notes and Bonds				
Explicitly Guaranteed	\$ 3,139,540	\$ -	\$ 3,139,540	\$ -
U.S. Government Agencies	2,015,543	-	2,015,543	-
Mutual Funds - Equities	12,583,951	12,583,951	-	-
Common Stock	8,793,363	8,793,363	-	-
Corporate Bonds	3,945,098	-	3,945,098	-
Municipal Bonds	96,539	-	96,539	-
Total	30,574,034	\$ 21,377,314	\$ 9,196,720	\$ -
Money Market Funds	1,486,610			
Total Investments	<u>\$ 32,060,644</u>			

**CITY OF EAST PEORIA, ILLINOIS  
NOTES TO BASIC FINANCIAL STATEMENTS  
APRIL 30, 2021**

**NOTE 2 CASH AND INVESTMENTS (CONTINUED)**

**Investments (Continued)**

**Fair Value Measurements (Continued)**

The following table sets forth by level, within the fair value hierarchy, the Police Pension Fund's assets at fair value as of April 30, 2021:

	Fair Values	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
U.S. Government Notes and Bonds				
Explicitly Guaranteed	\$ 3,357,642	\$ -	\$ 3,357,642	\$ -
U.S. Government Agencies	1,126,000	-	1,126,000	-
Municipal Bonds	131,760	-	131,760	-
Corporate Bonds	5,363,029	-	5,363,029	-
Common Stock	24,292,070	24,292,070	-	-
Mutual Funds - Equities	3,544,791	3,544,791	-	-
Total	<u>37,815,292</u>	<u>\$ 27,836,861</u>	<u>\$ 9,978,431</u>	<u>\$ -</u>
Money Market Funds	728,577			
Total Investments	<u>\$ 38,543,869</u>			

Money market funds are recorded as cost and are not based on Level 1, 2, or 3 inputs.

The Funds did not hold investments in any one organization that represent 5% or more of the pension plans' fiduciary net position.

For the Firefighters' Pension Fund for the year ended April 30, 2021, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 26.02%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

For the Police Pension Fund for the year ended April 30, 2021, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, for assets held with Benjamin F. Edwards & Co. was 26.39%. The annual money-weighted rate of return on pension plan investments, net of pension plan investment expenses, for assets held with the Commerce Trust Company was 31.04%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**Cash and Investments, Discretely Presented Component Unit**

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, 2021, none of the District's bank balance of \$93,740 was exposed to custodial credit risk.

**CITY OF EAST PEORIA, ILLINOIS  
NOTES TO BASIC FINANCIAL STATEMENTS  
APRIL 30, 2021**

**NOTE 3 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. The City did not have any special assessments receivable at April 30, 2021.

**NOTE 4 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, 2021, components of the lease receivable were as follows:

Total Lease Receivable Payments	\$ 6,949,080
Amount Representing Interest	<u>1,199,756</u>
Net	<u><u>\$ 5,749,324</u></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.

As of April 30, 2021, future minimum lease revenue expected to be received were as follows:

<u>Fiscal Year Ending April 30,</u>	<u>Amount</u>
2022	\$ 1,100,880
2023	1,123,800
2024	1,146,720
2025	1,169,640
2026	1,192,560
2027	<u>1,215,480</u>
Total Lease Receivable Payments	6,949,080
Less: Amount Representing Interest	<u>(1,199,756)</u>
Lease Receivable	<u><u>\$ 5,749,324</u></u>

**CITY OF EAST PEORIA, ILLINOIS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**APRIL 30, 2021**

**NOTE 4 LEASE RECEIVABLE (CONTINUED)**

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% 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% of all other gross sales, which began in September 2011. The lease term is 20 years with six consecutive renewal options of five years each. For the year ended April 30, 2021, lease revenues from this lease were \$550,659. As of April 30, 2021, there was a lease receivable of \$45,984 included in other receivables on the City's financial statements in the Capital Projects Fund.

**NOTE 5 CAPITAL ASSETS, PRIMARY GOVERNMENT**

Capital asset activity for the year ended April 30, 2021 was as follows:

	Balance April 30, 2020	Additions	Deductions/ Transfers	Balance April 30, 2021
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Land	\$ 10,106,412	\$ -	\$ -	\$ 10,106,412
Construction in Progress	286,801	401,672	42,264	646,209
Total Capital Assets Not Being Depreciated	10,393,213	401,672	42,264	10,752,621
Capital Assets, Being Depreciated:				
Land Improvements	5,680,007	-	-	5,680,007
Buildings	53,828,113	-	-	53,828,113
Machinery, Equipment, and Vehicles	19,649,899	471,304	420,962	19,700,241
Infrastructure Assets	123,049,732	989,591	-	124,039,323
Total Capital Assets Being Depreciated	202,207,751	1,460,895	420,962	203,247,684
Less Accumulated Depreciation for:				
Land Improvements	3,080,868	226,649	-	3,307,517
Buildings	19,642,963	1,984,427	-	21,627,390
Machinery, Equipment, and Vehicles	16,095,400	1,074,980	420,962	16,749,418
Infrastructure Assets	60,623,811	3,566,301	-	64,190,112
Total Accumulated Depreciation	99,443,042	6,852,357	420,962	105,874,437
Total Capital Assets Being Depreciated, Net	102,764,709	(5,391,462)	-	97,373,247
Governmental Activities Capital Assets, Net	\$ 113,157,922	\$ (4,989,790)	\$ 42,264	\$ 108,125,868

**CITY OF EAST PEORIA, ILLINOIS  
NOTES TO BASIC FINANCIAL STATEMENTS  
APRIL 30, 2021**

**NOTE 5 CAPITAL ASSETS, PRIMARY GOVERNMENT (CONTINUED)**

	Balance April 30, 2020	Additions	Deductions/ Transfers	Balance April 30, 2021
<b>Business-Type Activities:</b>				
<b>Capital Assets, Not Being Depreciated:</b>				
Land	\$ 3,647,682	\$ -	\$ -	\$ 3,647,682
Construction in Progress	21,449,219	21,453,569	1,234,836	41,667,952
Total Capital Assets Not Being Depreciated	25,096,901	21,453,569	1,234,836	45,315,634
<b>Capital Assets, Being Depreciated:</b>				
Land Improvements	7,679,585	676,462	-	8,356,047
Buildings	24,758,479	-	-	24,758,479
Machinery, Equipment, and Vehicles	15,618,632	40,315	49,243	15,609,704
Infrastructure Assets	40,833,694	98,575	-	40,932,269
Total Capital Assets Being Depreciated	88,890,390	815,352	49,243	89,656,499
<b>Less Accumulated Depreciation for:</b>				
Land Improvements	6,789,729	59,226	-	6,848,955
Buildings	13,534,103	492,877	-	14,026,980
Machinery, Equipment, and Vehicles	13,946,191	295,565	48,363	14,193,393
Infrastructure Assets	27,545,238	583,136	-	28,128,374
Total Accumulated Depreciation	61,815,261	1,430,804	48,363	63,197,702
Total Capital Assets Being Depreciated, Net	27,075,129	(615,452)	880	26,458,797
Business-Type Activities Capital Assets, Net	<u>\$ 52,172,030</u>	<u>\$ 20,838,117</u>	<u>\$ 1,235,716</u>	<u>\$ 71,774,431</u>

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

<b>Governmental Activities:</b>	
Police	\$ 266,116
Fire	322,528
Sanitation	181,132
Public Works	3,421,952
General Government	2,660,629
Total Depreciation Expense, Governmental Activities	<u>\$ 6,852,357</u>
<b>Business-Type Activities:</b>	
Water and Sewer Fund	\$ 1,178,495
Eastside Centre Fund	193,890
Nonmajor Enterprise Fund	58,419
Total Depreciation Expense, Business-Type Activities	<u>\$ 1,430,804</u>

**CITY OF EAST PEORIA, ILLINOIS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**APRIL 30, 2021**

**NOTE 6 LONG-TERM LIABILITIES, PRIMARY GOVERNMENT**

The following is a summary of changes in long-term liabilities for the year ended April 30, 2021:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Governmental Activities:</b>					
Bonds Payable:					
General Obligation Bonds	\$ 72,490,000	\$ -	\$ 5,965,000	\$ 66,525,000	\$ 6,135,000
Issuance Premiums (Discounts)	279,571	-	58,545	221,026	59,442
Total Bonds Payable	<u>72,769,571</u>	<u>-</u>	<u>6,023,545</u>	<u>66,746,026</u>	<u>6,194,442</u>
Notes Payable	3,772,289	400,000	1,493,407	2,678,882	901,198
Compensated Absences	<u>3,694,854</u>	<u>3,403,184</u>	<u>3,694,854</u>	<u>3,403,184</u>	<u>755,666</u>
 Governmental Activities Long-Term Liabilities	 <u>\$ 80,236,714</u>	 <u>\$ 3,803,184</u>	 <u>\$ 11,211,806</u>	 <u>\$ 72,828,092</u>	 <u>\$ 7,851,306</u>
	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Business-Type Activities:</b>					
Bonds Payable:					
General Obligation Bonds	\$ 325,000	\$ -	\$ 160,000	\$ 165,000	\$ 165,000
Issuance Premiums (Discounts)	31,537	-	12,615	18,922	12,615
Total Bonds Payable	<u>356,537</u>	<u>-</u>	<u>172,615</u>	<u>183,922</u>	<u>177,615</u>
Notes Payable	13,170,944	21,576,623	724,446	34,023,121	2,336,269
Compensated Absences	<u>376,871</u>	<u>351,363</u>	<u>376,871</u>	<u>351,363</u>	<u>116,178</u>
 Business-Type Activities Long-Term Liabilities	 <u>\$ 13,904,352</u>	 <u>\$ 21,927,986</u>	 <u>\$ 1,273,932</u>	 <u>\$ 34,558,406</u>	 <u>\$ 2,630,062</u>

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.



**CITY OF EAST PEORIA, ILLINOIS  
NOTES TO BASIC FINANCIAL STATEMENTS  
APRIL 30, 2021**

**NOTE 6 LONG-TERM LIABILITIES, PRIMARY GOVERNMENT (CONTINUED)**

Long-term debt payable as of April 30, 2021 is comprised of the following individual issues:

**Governmental Activities - General Obligation Bonds**

\$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%	\$ 14,180,000
\$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%	1,110,000
\$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%	2,490,000
\$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%	2,490,000
\$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%	1,215,000
\$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%	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%	295,000
\$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%	275,000
\$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%	3,120,000

**CITY OF EAST PEORIA, ILLINOIS  
NOTES TO BASIC FINANCIAL STATEMENTS  
APRIL 30, 2021**

**NOTE 6 LONG-TERM LIABILITIES, PRIMARY GOVERNMENT (CONTINUED)**

**Governmental Activities - General Obligation Bonds (Continued)**

\$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%	\$ 14,890,000
\$16,620,000, General Obligation Refunding Bonds, Series 2019, due in annual installments of \$1,155,000 to \$1,740,000, through January 2033; interest at rates of 2.05% to 3.40%	16,250,000
\$7,030,000, General Obligation Refunding Bonds, Series 2020A, due in annual installments of \$15,000 to \$875,000, through January 2032; interest at rates of 2.40% to 3.39%	6,965,000
\$2,790,000, General Obligation Refunding Bonds, Series 2020B, due in annual installments of \$5,000 to \$350,000, through January 2032; interest at rates of 2.40% to 3.39%	<u>2,765,000</u>
Total General Obligation Bonds, Governmental Activities	<u><u>\$ 66,525,000</u></u>

**Governmental Activities - Notes Payable**

Note payable to bank, due in annual installments ranging from \$40,791 to \$47,908, including interest at 1.95%, through November 2023 (Special Service Area Project)	\$ 400,000
Note payable to bank, due in semiannual installments of \$31,893, including interest at 2.50%, through August 2023 (Steak-N-Shake Property)	160,026
Note payable to bank, due in annual installments of \$572,094, including interest at 2.50%, through January 2024 (Camp Street Property)	1,658,434
Note payable to bank, due in monthly installments of \$44,017, including interest at 2.15%, through December 2022 (Early Retirement Incentive)	<u>460,422</u>
Total Notes Payable, Governmental Activities	<u><u>\$ 2,678,882</u></u>

**Direct Borrowings**

The City had several notes payable (governmental above and business-type below) outstanding as of April 30, 2021 originating from direct borrowings. There were no assets pledged as collateral. There are also no finance-related consequences in the unlikely event that the City is unable to pay the remaining principal on these notes payable.

**CITY OF EAST PEORIA, ILLINOIS  
NOTES TO BASIC FINANCIAL STATEMENTS  
APRIL 30, 2021**

**NOTE 6 LONG-TERM LIABILITIES, PRIMARY GOVERNMENT (CONTINUED)**

**Business-Type Activities - General Obligation Bonds**

Water and Sewer Fund Long-Term Debt:

\$2,595,000, General Obligation Refunding Bonds, Series 2012E, due in annual installments of \$165,000 to \$430,000, through May 2022; interest rates at 2.00% to 4.00%	<u>\$ 165,000</u>
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**Business-Type Activities - Notes Payable**

Water and Sewer Fund Long-Term Debt:

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%	\$ 159,096
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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%	1,535,767
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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%	415,728
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Note payable to bank, due in monthly installments of \$15,593 through July 2023, including interest at 2.45%	429,592
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Note payable to bank, due in monthly installments of \$6,730 through July 2021, including interest at 1.83%	13,251
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Note payable to bank, due in monthly installments of \$44,017, including interest at 2.15%, through December 2022 (Early Retirement Incentive)	408,181
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Note payable to the State of Illinois Environmental Protection Agency, due in semiannual installments of \$884,802 through April 2041, including interest at 1.38%	31,048,423
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Eastside Centre Long-Term Debt:

Note payable to bank, due in annual installments of \$1,575, including interest at 1.99%, through December 2021 with the remaining principal balance due at maturity (Backhoe)	<u>13,083</u>
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Total Notes Payable, Business-Type Activities	<u>\$ 34,023,121</u>
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**CITY OF EAST PEORIA, ILLINOIS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**APRIL 30, 2021**

**NOTE 6 LONG-TERM LIABILITIES, PRIMARY GOVERNMENT (CONTINUED)**

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

	Governmental Activities				Business-Type Activities	
	Public Offering		Direct Placement		Public Offering	
	Principal	Interest	Principal	Interest	Principal	Interest
<u>Year Ending April 30,</u>						
2022	\$ 4,890,000	\$ 2,092,945	\$ 1,245,000	\$ 501,822	\$ 165,000	\$ 6,600
2023	5,055,000	1,880,755	1,280,000	465,091	-	-
2024	5,395,000	1,672,962	1,260,000	424,247	-	-
2025	5,590,000	1,445,712	1,415,000	392,232	-	-
2026	5,895,000	1,204,313	1,465,000	354,040	-	-
2027-2031	21,795,000	3,112,695	7,985,000	1,090,976	-	-
2032-2033	1,500,000	398,385	1,755,000	60,475	-	-
Total	<u>\$ 50,120,000</u>	<u>\$ 11,807,767</u>	<u>\$ 16,405,000</u>	<u>\$ 3,288,883</u>	<u>\$ 165,000</u>	<u>\$ 6,600</u>

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

	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
<u>Year Ending April 30,</u>				
2022	\$ 901,198	\$ 60,004	\$ 2,336,269	\$ 129,966
2023	836,358	38,523	2,050,639	171,145
2024	661,326	20,861	1,759,696	152,123
2025	40,000	5,551	1,688,591	138,706
2026	40,000	4,745	1,715,175	125,647
2027-2031	200,000	11,869	7,996,415	452,627
2032-2036	-	-	7,955,039	272,416
2037-2041	-	-	8,521,297	99,671
Total	<u>\$ 2,678,882</u>	<u>\$ 141,553</u>	<u>\$ 34,023,121</u>	<u>\$ 1,542,301</u>

**Governmental Activities**

On November 2, 2020, the City issued a note payable in the amount of \$400,000 with an interest rate at 1.95% and payments due through November 2030 to fund a special service area project.

**Business-Type Activities**

Throughout fiscal year 2021, the City received \$21,576,623 of loan proceeds from the Illinois Environmental Protection Agency (IEPA) to fund wastewater treatment plant upgrades. The proceeds will be paid back at an interest rate of 1.38%. As of April 30, 2021, payments in the amount of \$884,802 are due semiannually through fiscal year 2041. The note payable is recorded in the Water and Sewer Fund. The City expects to receive additional loan proceeds from the IEPA in future fiscal years until the wastewater treatment plant upgrades are complete.

**Direct Placement**

The City had several general obligation bonds outstanding as of April 30, 2021 originating from direct placement, which means that the bonds were issued to a single purchaser and not offered to the general public. These general obligations bonds include the Series 2012A, Series 2012B, Series 2012C, Series 2012D, Series 2020A, and Series 2020B bonds. There were no assets pledged as collateral. There are also no finance-related consequences in the unlikely event that the City is unable to pay the remaining principal on these general obligation bonds.

**CITY OF EAST PEORIA, ILLINOIS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**APRIL 30, 2021**

**NOTE 6 LONG-TERM LIABILITIES, PRIMARY GOVERNMENT (CONTINUED)**

**Legal Debt Margin**

As of April 30, 2021, the legal debt limit of the City was \$43,902,903 and the debt margin was \$40,359,912.

**Pledged Revenues**

The City has pledged a portion of future sales tax and lease revenues related 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. In December 2019, the Series 2010A bonds were partially refunded with the issuance of \$16,620,000 in General Obligation Refunding bonds, Series 2019. The 2010A, 2014, and 2019 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 \$40,691,218. Principal and interest of the 2010A, 2014, and 2019 bonds paid for the current year and total sales tax and lease income revenues were \$3,388,980 and \$550,659, respectively.

The City has pledged a portion of future business district and sales tax revenues related to Target Area Business District Taxes, Costco Area Business District Taxes, and sales taxes to repay \$9,670,000 in General Obligation Refunding bonds, Series 2016A and 2016B, as well as pay the costs of the issuance of the bonds. In April 2020, the Series 2016A and 2016B bonds were fully refunded with the issuance of \$9,820,000 in General Obligation Refunding bonds, Series 2020A and 2020B. The 2020A and 2020B bonds are payable from a portion of business district tax and sales tax revenues and are payable through January 2032. The total principal and interest remaining to be paid on the bonds is \$11,898,136. Principal and interest of the 2020A and 2020B bonds paid for the current year and total business district tax and sales tax revenues were \$308,918 and \$949,878, respectively.

**Debt Covenants**

Bond indentures sometimes 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, 2021, none of the City's long-term liabilities had any such debt covenants requiring the restriction of assets.

**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, 2021 was \$15,730,000.

**CITY OF EAST PEORIA, ILLINOIS  
NOTES TO BASIC FINANCIAL STATEMENTS  
APRIL 30, 2021**

**NOTE 7 INTERFUND RECEIVABLES AND PAYABLE, PRIMARY GOVERNMENT**

The individual fund interfund advance receivable and payable balances as of April 30, 2021 were:

	Advances to Other Funds	Advances from Other Funds
Governmental Funds:		
Major Funds:		
General Fund	\$ 5,463,784	\$ 381,049
Riverboat Gaming Tax Fund	7,798,550	428,939
Special Tax Allocation Fund	2,639,532	5,841,826
Capital Projects Fund	381,451	9,468,609
Nonmajor Governmental Funds	542,431	391,365
Enterprise Funds:		
Water and Sewer Fund	-	364,217
Eastside Centre Fund	226,550	32,000
Nonmajor Enterprise Fund	-	144,293
Total	\$ 17,052,298	\$ 17,052,298

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. There were no interfund receivables or payables as of year-end.

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

	Transfers In	Transfers Out
Governmental Funds:		
Major Funds:		
General Fund	\$ -	\$ 445
Riverboat Gaming Tax Fund	660,000	1,400,000
Special Tax Allocation Fund	-	660,000
Capital Projects Fund	1,400,000	-
Nonmajor Governmental Funds	445	-
Total	\$ 2,060,445	\$ 2,060,445

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 Capital Projects Fund as debt service payments become due, and (3) use unrestricted revenues collected to finance various programs accounted for in other funds in accordance with budgetary authorizations.

**CITY OF EAST PEORIA, ILLINOIS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**APRIL 30, 2021**

**NOTE 8 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, 2021</u>
Major Governmental Funds:	
Special Tax Allocation Fund	\$ 3,188,015
Capital Projects Fund	5,854,262
Internal Service Fund	431,819

Deficits in the Special Tax Allocation Fund and Capital Projects Fund will be eliminated through future incremental property tax receipts. Deficit in the Internal Service Fund will be eliminated through future charges for services.

**NOTE 9 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.

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.

**CITY OF EAST PEORIA, ILLINOIS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**APRIL 30, 2021**

**NOTE 9 RISK MANAGEMENT/SELF-INSURANCE (CONTINUED)**

Accrued insurance claims of \$1,076,000, which are recorded in the Internal Service Fund, are based on the requirements of Governmental Accounting Standards Board Statement No. 10, which require 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 2021 and 2020 were:

Balance - April 30, 2019	\$ 433,930
Current Year Claims and Changes in Estimates	2,886,709
Claims Paid	<u>(3,095,437)</u>
Balance - April 30, 2020	225,202
Current Year Claims and Changes in Estimates	4,090,795
Claims Paid	<u>(3,777,495)</u>
Balance - April 30, 2021	<u><u>\$ 538,502</u></u>

Changes in workers' compensation and general liability in fiscal years 2021 and 2020 were:

Balance - April 30, 2019	\$ 119,035
Current Year Claims and Changes in Estimates	832,723
Claims Paid	<u>(889,130)</u>
Balance - April 30, 2020	62,628
Current Year Claims and Changes in Estimates	1,651,217
Claims Paid	<u>(1,176,347)</u>
Balance - April 30, 2021	<u><u>\$ 537,498</u></u>

**NOTE 10 PENSION PLANS**

The City contributes to three defined benefit pension plans: the Illinois Municipal Retirement Fund (IMRF), which is a defined benefit agent multiple-employer public employee retirement system; the Police Pension Plan, which is a single-employer pension plan; and the Firefighters' Pension Plan, which is also a single-employer pension plan. Each of the plans provides retirement, disability, annual cost of living adjustments, and death benefits to its respective plan members and beneficiaries.



**CITY OF EAST PEORIA, ILLINOIS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**APRIL 30, 2021**

**NOTE 10 PENSION PLANS (CONTINUED)**

**A. IMRF (Agent Multiple Employer Plan)**

**Plan Description**

The City's defined benefit pension plan for regular employees provides retirement and disability benefits, post-retirement increases, and death benefits to plan members and beneficiaries. The City's plan is managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of a multiemployer public pension fund. A summary of IMRF's pension benefits is provided in the "Benefits Provided" section of this document. Details of all benefits are available from IMRF. Benefit provisions are established by statute and may only be changed by the General Assembly of the state of Illinois. IMRF issues a publicly available Comprehensive Annual Financial Report that includes financial statements, detailed information about the pension plan's fiduciary net position, and required supplementary information. The report is available for download at [www.imrf.org](http://www.imrf.org).

**Benefits Provided**

IMRF has three benefit plans. The vast majority of IMRF members participate in the Regular Plan (RP). IMRF also offers the Sheriff's Law Enforcement Personnel (SLEP) plan for sheriffs, deputy sheriffs, and selected police chiefs, as well as the Elected County Official (ECO) plan for officials elected prior to August 8, 2011 (the ECO plan was closed to new participants after that date).

All three IMRF benefit plans have two tiers. Employees hired *before* January 1, 2011, are eligible for Tier 1 benefits. Tier 1 employees are vested for pension benefits when they have at least eight years of qualifying service credit. Tier 1 employees who retire at age 55 (at reduced benefits) or after age 60 (at full benefits) with eight years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any consecutive 48 months within the last 10 years of service, divided by 48. Under Tier 1, the pension is increased by 3% of the original amount on January 1 every year after retirement.

Employees hired *on or after* January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating employees who retire at age 62 (at reduced benefits) or after age 67 (at full benefits) with ten years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any 96 consecutive months within the last 10 years of service, divided by 96. Under Tier 2, the pension is increased on January 1 every year after retirement, upon reaching age 67, by the *lesser* of:

- 3% of the original pension amount, or
- 1/2 of the increase in the Consumer Price Index of the original pension amount.

**CITY OF EAST PEORIA, ILLINOIS  
NOTES TO BASIC FINANCIAL STATEMENTS  
APRIL 30, 2021**

**NOTE 10 PENSION PLANS (CONTINUED)**

**A. IMRF (Continued)**

**Employees Covered by Benefit Terms**

As of December 31, 2020, the following employees were covered by the benefit terms:

Retirees and Beneficiaries	136
Inactive, Nonretired Members	48
Active Members	73
Total	257

**Contributions**

As set by statute, the City’s Regular Plan members are required to contribute 4.50% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The City’s annual contribution rate for calendar years 2021 and 2020 was 10.76% and 11.78%, respectively. For the fiscal year ended April 30, 2021, the City contributed \$541,024 to the Regular and SLEP plans.

The City also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF’s board of trustees, while the supplemental retirement benefits rate is set by statute.

**Net Pension Liability (Asset)**

The City’s net pension liability (asset) was measured as of December 31, 2020. The total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date.

**Actuarial Assumptions**

The following are the methods and assumptions used to determine total pension liability at December 31, 2020:

- The **Actuarial Cost Method** used was Entry Age Normal.
- The **Asset Valuation Method** used was Market Value of Assets.
- The **Inflation Rate** was assumed to be 2.25%.
- **Salary Increases** were expected to be 2.85% to 13.75%.
- The **Investment Rate of Return** was assumed to be 7.25%.
- **Projected Retirement Age** was from the Experience-based Table of Rates, specific to the type of eligibility condition, last updated for the 2020 valuation according to an experience study from years 2017 to 2019.

**CITY OF EAST PEORIA, ILLINOIS  
NOTES TO BASIC FINANCIAL STATEMENTS  
APRIL 30, 2021**

**NOTE 10 PENSION PLANS (CONTINUED)**

**A. IMRF (Continued)**

**Actuarial Assumptions (Continued)**

- For **Nondisabled Retirees** – the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 106%) and Female (adjusted 105%) tables, and future mortality improvements projected using scale MP-2020.
- For **Disabled Retirees** – the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020.
- For **Active Members** – the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020.
- The **Long-Term Expected Rate of Return** on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	37.00 %	5.00 %
International Equity	18.00	6.00
Fixed Income	28.00	1.30
REITS	9.00	6.20
Alternatives	7.00	2.85-6.95
Cash	1.00	0.70
Total	100.00 %	

**Single Discount Rate**

A Single Discount Rate of 7.25% was used to measure the total pension liability. The projection of cash flow used to determine this Single Discount Rate assumed that the plan members' 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. The Single Discount Rate reflects:

1. The long-term expected rate of return on pension plan investments (to the extent that the plan's fiduciary net position is projected to be sufficient to pay benefits), and
2. The tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the plan's projected fiduciary net position is not sufficient to pay benefits).

**CITY OF EAST PEORIA, ILLINOIS  
NOTES TO BASIC FINANCIAL STATEMENTS  
APRIL 30, 2021**

**NOTE 10 PENSION PLANS (CONTINUED)**

**A. IMRF (Continued)**

**Single Discount Rate (Continued)**

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.25%, the municipal bond rate is 2.00%, and the resulting single discount rate is 7.25%.

**Changes in the Net Pension Liability (Asset)**

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (Asset) (A) - (B)
Balances at December 31, 2019	\$ 47,151,419	\$ 46,327,599	\$ 823,820
Changes for the Year:			
Service Cost	523,749	-	523,749
Interest on the Total Pension Liability	3,329,456	-	3,329,456
Differences Between Expected and Experience of the Total Pension	(827,358)	-	(827,358)
Changes of Assumptions	(216,174)	-	(216,174)
Contributions - Employer	-	572,713	(572,713)
Contributions - Employees	-	335,439	(335,439)
Investment Income	-	6,431,709	(6,431,709)
Benefit Payments, Including Refunds of Employee Contributions	(3,164,665)	(3,164,665)	-
Administrative Expenses	-	(30,327)	30,327
Other	-	11	(11)
Net Changes	<u>(354,992)</u>	<u>4,144,880</u>	<u>(4,499,872)</u>
Balances at December 31, 2020	<u>\$ 46,796,427</u>	<u>\$ 50,472,479</u>	<u>\$ (3,676,052)</u>

**Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate**

The following presents the plan's net pension liability (asset), calculated using a Single Discount Rate of 7.25%, as well as what the plan's net pension liability would be if it were calculated using a Single Discount Rate that is 1% lower or 1% higher:

	1% Decrease	Current Rate	1% Increase
Discount Rate	6.25 %	7.25 %	8.25 %
Net Pension Liability (Asset)	\$ 3,374,165	\$ (3,676,052)	\$ (9,264,211)

**CITY OF EAST PEORIA, ILLINOIS  
NOTES TO BASIC FINANCIAL STATEMENTS  
APRIL 30, 2021**

**NOTE 10 PENSION PLANS (CONTINUED)**

**A. IMRF (Continued)**

**Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions**

For the year ended April 30, 2021, the City recognized pension expense of (\$387,910). At April 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<b>Deferred Amounts Related to Pensions</b>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Deferred Amounts to be Recognized in Expense in Future Periods:		
Differences Between Expected and Actual Experience	\$ 465,606	\$ (602,011)
Changes of Assumptions	371,231	(340,576)
Net Difference Between Projected and Actual Earnings	<u>-</u>	<u>(4,760,772)</u>
Total Deferred Amounts to be Recognized in Pension Expense in Future Periods	836,837	(5,703,359)
Pension Contributions Made Subsequent to the Measurement Date	173,340	-
Total Deferred Amounts Related to Pensions	<u><u>\$ 1,010,177</u></u>	<u><u>\$ (5,703,359)</u></u>

\$173,340 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended April 30, 2022.

The net amount reported as deferred outflows of resources and deferred inflows of resources related to pensions, prior to contributions subsequent to measurement date, will be recognized in pension expense in future periods as follows:

<u>Year Ending April 30,</u>	<u>Net Deferred Outflows/Inflows of Resources</u>
2022	\$ (1,265,839)
2023	(1,016,323)
2024	(1,941,560)
2025	(642,800)
Total	<u><u>\$ (4,866,522)</u></u>

**CITY OF EAST PEORIA, ILLINOIS  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 APRIL 30, 2021**

**NOTE 10 PENSION PLANS (CONTINUED)**

**B. Defined Benefit Single-Employer Pension Plans**

**Plan Administration**

The Firefighters' Pension and Police Pension 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.

The employer contribution levels of the Firefighters' Pension Fund and the Police 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.

At April 30, 2021, the Firefighters' Pension and Police Pension membership consisted of:

	Municipal Firemen's	Police Officers'
Retirees and Beneficiaries	36	48
Inactive, Nonretired Members	3	12
Active Members	47	43
Total	86	103

Under Public Act 96-1495, the annual requirements of the pension fund are to be determined as a level percent of payroll sufficient to bring the total assets of the pension fund up to 90% of the total actuarial liabilities by the year 2040.

**Investment Policy**

The investment policy covering the allocation of invested assets for the City of East Peoria's Firefighters' 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 OLCS 5/1-113.1-113.12.

**CITY OF EAST PEORIA, ILLINOIS  
NOTES TO BASIC FINANCIAL STATEMENTS  
APRIL 30, 2021**

**NOTE 10 PENSION PLANS (CONTINUED)**

**B. Defined Benefit Single-Employer Pension Plans (Continued)**

**Investment Policy (Continued)**

The following are the adopted asset allocation policies for each plan as of April 30, 2021:

	Target Allocation	
	Municipal Firemen's	Police Officers'
Domestic Equity	40.00 %	55.00 %
International Equity	16.00	-
Fixed Income	38.00	35.00
REITS	4.00	-
Mutual Funds	-	10.00
Cash	2.00	-
Total	100.00 %	100.00 %

**Concentrations**

The Plans did not hold investments in any one organization that represent 5% or more of the respective Plan's fiduciary net position.

**Net Pension Liability**

The components of the net pension liability of the Plans as of April 30, 2021 were as follows:

	Municipal Firemen's	Police Officers'
Total Pension Liability	\$ 49,055,275	\$ 56,249,457
Plan Fiduciary Net Position	33,082,908	39,125,273
Net Pension Liability	\$ 15,972,367	\$ 17,124,184
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	67.44 %	69.56 %

**CITY OF EAST PEORIA, ILLINOIS  
NOTES TO BASIC FINANCIAL STATEMENTS  
APRIL 30, 2021**

**NOTE 10 PENSION PLANS (CONTINUED)**

**B. Defined Benefit Single-Employer Pension Plans (Continued)**

**Actuarial Assumptions**

The total pension liability was determined by an actuarial valuation as of April 30, 2021 using the following actuarial assumptions applied to all measurement periods:

	Municipal Firemen's	Police Officers'
Valuation Date	4/30/2021	4/30/2021
Measurement Date	4/30/2021	4/30/2021
Inflation Rate	2.50%	2.50%
Projected Salary Increases	3.5%-12.5%	3.5%-11.0%
	Varying by Service	Varying by Service
Investment Rate of Return	6.50%	6.50%
Mortality Rate	RP-2014 Mortality Table with a blue collar adjustment with generational improvement scale MP-2020 applied from 2006.	RP-2014 Mortality Table with a blue collar adjustment with generational improvement scale MP-2020 applied from 2006
Date of Actuarial Experience Study	10/5/2017	10/5/2017



**CITY OF EAST PEORIA, ILLINOIS  
NOTES TO BASIC FINANCIAL STATEMENTS  
APRIL 30, 2021**

**NOTE 10 PENSION PLANS (CONTINUED)**

**B. Defined Benefit Single-Employer Pension Plans (Continued)**

**Long-Term Expected Rate of Return**

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of the geometric real rates of return for each major asset class included in the pension plans' target asset allocations as of April 30, 2021 for the Commerce Trust Company and Benjamin F. Edwards & Co. are summarized in the following tables.

<u>Asset Class</u>	Long-Term Expected Real Rate of Return	
	Municipal Firemen's	Police Officers'
<b>Benjamin F. Edwards &amp; Co.</b>		
Domestic Equity	3.52 %	– %
International Equity	1.25	3.70
Fixed Income	1.33	–
REITS	0.28	–
Government - Short	–	(0.05)
Government - Intermediate	–	1.24
Investment Grade - Short	–	0.64
Investment Grade - Intermediate	–	1.51
Investment Grade - Long	–	2.91
Large Cap Growth	–	4.60
Large Cap Value	–	4.60
Mid Cap Growth	–	5.57
Mid Cap Value	–	5.57
Mid Cap Blend	–	5.57
Small Cap Growth	–	4.16
Small Cap Value	–	5.40
Small Cap Blend	–	4.95
Emerging Markets	–	5.71
Cash	0.05	(1.58)
<b>The Commerce Trust Company</b>		
U.S. Large-Cap	–	5.48
International Stocks	–	6.48
Aggregate Bonds	–	1.59

**CITY OF EAST PEORIA, ILLINOIS  
NOTES TO BASIC FINANCIAL STATEMENTS  
APRIL 30, 2021**

**NOTE 10 PENSION PLANS (CONTINUED)**

**B. Defined Benefit Single-Employer Pension Plans (Continued)**

**Discount Rate**

Municipal Firemen's

A single discount rate of 6.50% was used to measure the total pension liability as of April 30, 2021 and 2020. This single discount rate was based on the expected rate of return of 6.50%. The projection of cash flows used to determine the single discount rate assumed that plan member contributions will be made at the current contribution rate and that Fund 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 plan's fiduciary net position was 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 projected benefit payments was applied to all benefit payments to determine total pension liability.

Police Officers'

A single discount rate of 6.50% was used to measure the total pension liability as of April 30, 2021 and 2020. This single discount rate was based on the expected rate of return of 6.50%. The projection of cash flows used to determine the single discount rate assumed that plan member contributions will be made at the current contribution rate and that Fund 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 plan's fiduciary net position was 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 projected benefit payments was applied to all benefit payments to determine total pension liability.

**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%</u> <u>Decrease</u>	<u>Current</u> <u>Rate</u>	<u>1%</u> <u>Increase</u>
<u>Municipal Firemen's</u>			
Discount Rate	5.50 %	6.50 %	7.50 %
Net Pension Liability	\$ 23,241,217	\$ 15,972,367	\$ 10,070,446
 <u>Police Officers'</u>			
Discount Rate	5.50 %	6.50 %	7.50 %
Net Pension Liability	\$ 25,021,746	\$ 17,124,184	\$ 10,709,758

**CITY OF EAST PEORIA, ILLINOIS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**APRIL 30, 2021**

**NOTE 10 PENSION PLANS (CONTINUED)**

**B. Defined Benefit Single-Employer Pension Plans (Continued)**

**Changes in Net Pension Liability**

The following represents the changes in the City's net pension liability for the Firefighters' Pension and Police Pension Plans:

	<u>Net Pension Liability</u>	
	<u>Municipal Firemen's</u>	<u>Police Officers'</u>
Total Pension Liability:		
Service Cost	\$ 1,131,417	\$ 1,046,127
Interest on Total Pension Liability	3,102,894	3,499,745
Change of Benefit Terms	-	-
Difference Between Expected and Actual Experience of the Total Pension Liability	(440,728)	650,657
Changes of Assumptions	(294,476)	(338,698)
Benefit Payments, Including Refunds	<u>(2,098,485)</u>	<u>(2,808,969)</u>
Net Change in Total Pension Liability	1,400,622	2,048,862
Total Pension Liability - Beginning	<u>47,654,653</u>	<u>54,200,595</u>
Total Pension Liability - Ending (A)	<u><u>\$ 49,055,275</u></u>	<u><u>\$ 56,249,457</u></u>
Plan Fiduciary Net Position:		
Contributions - Employer	\$ 2,061,583	\$ 2,251,903
Contributions - Member	360,544	546,989
Investment Income	6,633,202	8,618,200
Benefit Payments, Including Refunds	(2,098,485)	(2,808,969)
Administrative Expenses	<u>(57,044)</u>	<u>(59,437)</u>
Net Change in Fiduciary Net Position	6,899,800	8,548,686
Plan Fiduciary Net Position - Beginning	<u>26,183,108</u>	<u>30,576,587</u>
Plan Fiduciary Net Position - Ending (B)	<u><u>\$ 33,082,908</u></u>	<u><u>\$ 39,125,273</u></u>
Net Pension Liability (A) - (B)	<u><u>\$ 15,972,367</u></u>	<u><u>\$ 17,124,184</u></u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	67.44 %	69.56 %
Covered Payroll	\$ 3,883,133	\$ 3,817,543
Net Pension Liability as a Percentage of Covered Payroll	411.33 %	448.57 %

**CITY OF EAST PEORIA, ILLINOIS  
NOTES TO BASIC FINANCIAL STATEMENTS  
APRIL 30, 2021**

**NOTE 10 PENSION PLANS (CONTINUED)**

**B. Defined Benefit Single-Employer Pension Plans (Continued)**

**Pension Expense and Deferred Inflows/Outflows of Resources Related to Pensions**

For the year ended April 30, 2021, the City recognized pension expense of \$1,082,774. Total pension expense recognized for all three plans for the year ended April 30, 2021 was \$694,864. On April 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Municipal Firemen's	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 542,155	\$ (1,044,269)
Changes of Assumptions	854,604	(4,315,963)
Net Difference Between Projected and Actual Earnings	-	(2,947,451)
Total Deferred Amounts Related to Pensions	\$ 1,396,759	\$ (8,307,683)

  

	Police Officers'	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 1,133,084	\$ (475,422)
Changes of Assumptions	-	(2,481,859)
Net Difference Between Projected and Actual Earnings	-	(4,667,746)
Total Deferred Amounts Related to Pensions	\$ 1,133,084	\$ (7,625,027)

The net amount reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future periods as follows:

<u>Year Ending April 30.</u>	Municipal Firemen's Net Deferred Outflows/Inflows of Resources
2022	\$ (1,300,561)
2023	(1,427,827)
2024	(1,843,875)
2025	(2,111,726)
2026	(67,521)
Thereafter	(159,414)
Total	\$ (6,910,924)

**CITY OF EAST PEORIA, ILLINOIS  
NOTES TO BASIC FINANCIAL STATEMENTS  
APRIL 30, 2021**

**NOTE 10 PENSION PLANS (CONTINUED)**

**B. Defined Benefit Single-Employer Pension Plans (Continued)**

**Pension Expense and Deferred Inflows/Outflows of Resources Related to Pensions (Continued)**

<u>Year Ending April 30,</u>	<u>Police Officers' Net Deferred Outflows/Inflows of Resources</u>
2022	\$ (2,076,680)
2023	(2,097,584)
2024	(1,053,477)
2025	(1,264,202)
Total	<u>\$ (6,491,943)</u>

**NOTE 11 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. No assets have been accumulated in a trust for this plan.

**Membership**

At April 30, 2021, membership consisted of the following:

	OPEB
Retirees and Beneficiaries Currently Receiving Benefits	135
Active Plan Members	132
Total	<u>267</u>

**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. The current funding policy of the City is to pay health claims as they occur.

**CITY OF EAST PEORIA, ILLINOIS  
NOTES TO BASIC FINANCIAL STATEMENTS  
APRIL 30, 2021**

**NOTE 11 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

**Total OPEB Liability**

The City's total OPEB liability of \$76,483,598 was measured as of April 30, 2021 and was determined by an actuarial valuation dated April 30, 2021.

**Actuarial Assumptions and Other Inputs**

The total OPEB liability in the actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement date, unless otherwise specified.

A discount rate of 2.27% was used, which is the Bond Buyer Go 20-Year Municipal Bond Index as of April 30, 2021.

Valuation Date	April 30, 2021
Measurement Date	April 30, 2021
Inflation Rate	2.25 %
Salary Increase Rate	2.75 %
Healthcare Cost Trend Rate	8.00%, Decreasing to 4.50%
Actuarial Cost Method	Entry Age Normal
Mortality	SOA Pub-2010 Total Dataset Headcount Weighted Mortality Table, Fully Generational using Scale MP-2020

**Changes in the Total OPEB Liability**

Balance at April 30, 2020	\$ 71,262,564
Changes for the Year:	
Service Cost	1,754,418
Interest on Total OPEB Liability	2,100,104
Differences Between Expected and Actual	
Experience of Total OPEB Liability	(6,190,250)
Changes of Assumptions	9,763,817
Benefit Payments	(2,207,055)
Balance at April 30, 2021	<u>\$ 76,483,598</u>

**Sensitivity Analysis**

The following presents the total OPEB liability, calculated using the discount rate of 2.27% as well as what the total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.27%) or 1 percentage point higher (3.27%) than the current rate.

	1% Lower (1.27%)	Discount Rate (2.27%)	1% Higher (3.27%)
Total OPEB Liability	<u>\$ 91,178,370</u>	<u>\$ 76,483,598</u>	<u>\$ 65,034,267</u>

**CITY OF EAST PEORIA, ILLINOIS  
NOTES TO BASIC FINANCIAL STATEMENTS  
APRIL 30, 2021**

**NOTE 11 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

**Sensitivity Analysis (Continued)**

The following presents the total OPEB liability, calculated using the current healthcare cost trend rates as well as what the total OPEB liability would be if it were calculated using trend rates that are 1 percentage point lower or 1 percentage point higher than the current trend rates.

	1% Lower (Varies)	Current Trend Rate (Varies)	1% Higher (Varies)
Total OPEB Liability	<u>\$ 64,511,876</u>	<u>\$ 76,483,598</u>	<u>\$ 92,122,455</u>

**OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

For the year ended April 30, 2021, the City recognized OPEB expense of \$3,530,403. At April 30, 2021, the City reported deferred inflows of resources related to OPEB from the following sources:

<u>Deferred Amounts Related to OPEB</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Deferred Amounts to be Recognized in OPEB Expense in Future Periods:		
Differences Between Expected and Actual Experience	\$ -	\$ (16,796,021)
Changes of Assumptions	15,514,707	(216,718)
Net Difference Between Projected and Actual Earnings on OPEB Plan Investments	<u>-</u>	<u>-</u>
Total Deferred Amounts to be Recognized in OPEB Expense in Future Periods	<u>\$ 15,514,707</u>	<u>\$ (17,012,739)</u>

Amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense in future periods as follows:

<u>Fiscal Year Ending April 30,</u>	<u>Net Deferred Outflows/Inflows of Resources</u>
2022	\$ (324,120)
2023	(324,120)
2024	(324,120)
2025	(324,120)
2026	(324,120)
Thereafter	122,568
Total	<u>\$ (1,498,032)</u>

**CITY OF EAST PEORIA, ILLINOIS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**APRIL 30, 2021**

**NOTE 12 CONTINGENT LIABILITIES**

Amounts received or receivable from grant agencies are subject to audit and adjustments by grantor agencies, principally the federal government. 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.

**NOTE 13 FUND BALANCES**

Governmental Accounting Standards Board 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	Nonmajor Governmental Funds	Total
<b>Nonspendable:</b>						
Prepaid Expenses	\$ -	\$ -	\$ -	\$ -	\$ 99,705	\$ 99,705
Advanced to Other Funds	5,463,784	-	-	-	-	5,463,784
Total Nonspendable	5,463,784	-	-	-	99,705	5,563,489
<b>Restricted:</b>						
Employee Benefits	-	-	-	-	332,619	332,619
Debt Service	-	-	-	-	1,616,164	1,616,164
Audit	-	-	-	-	176,817	176,817
Sewer	-	-	-	-	49,430	49,430
Streets	-	-	-	-	94,306	94,306
Emergency Services	-	-	-	-	252,185	252,185
Revolving Loan	-	-	-	-	665,362	665,362
IHDA	-	-	-	-	7,916	7,916
Capital Improvements and Equipment	-	6,465,826	2,639,532	-	1,129,094	10,234,452
Total Restricted	-	6,465,826	2,639,532	-	4,323,893	13,429,251
<b>Assigned:</b>						
Employee Benefits	-	-	-	-	322,907	322,907
Debt Service	-	-	-	-	589,592	589,592
Audit	-	-	-	-	428	428
Sewer	-	-	-	-	98	98
Streets	-	-	-	-	270	270
Emergency Services	-	-	-	-	294	294
Tourism	-	-	-	-	1,960,669	1,960,669
Revolving Loan	-	-	-	-	77,421	77,421
IHDA	-	-	-	-	688	688
Capital Improvements and Equipment	-	1,305,918	-	-	130,516	1,436,434
Total Assigned	-	1,305,918	-	-	3,082,883	4,388,801
<b>Unassigned</b>						
	15,668,646	-	(5,827,547)	(5,854,262)	-	3,986,837
Total Fund Balances	<u>\$ 21,132,430</u>	<u>\$ 7,771,744</u>	<u>\$ (3,188,015)</u>	<u>\$ (5,854,262)</u>	<u>\$ 7,506,481</u>	<u>\$ 27,368,378</u>



**CITY OF EAST PEORIA, ILLINOIS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**APRIL 30, 2021**

**NOTE 14 INTERGOVERNMENTAL AGREEMENT**

In January 1991, the City entered into an intergovernmental agreement with the City of Peoria in order to share in the benefits of a riverboat gambling operation. Gambling tax revenues collected from the operation shall be distributed with 45% paid to the City of East Peoria, 45% paid to the City of Peoria, and 10% paid to a joint development fund to be evenly distributed for projects on either side of the Illinois River. The City of Peoria's gambling tax revenue portion flows through the City of East Peoria on a monthly basis. For the fiscal year ended April 30, 2021, gambling tax revenues distributed from the City of East Peoria to the City of Peoria totaled \$894,301.

**NOTE 15 TAX ABATEMENTS**

The City enters into tax abatement agreements with local businesses under the Tax Increment Financing Act in order to create economic development in certain districts. For the fiscal year ended April 30, 2021, the City abated property taxes totaling \$961,584 under this program.

- A 100% abatement to a developer.
- A 98% abatement to a developer.

The City also enters into sales tax agreements from time to time with local businesses in order to draw and retain business in the City. For the fiscal year ended April 30, 2021, the City abated sales taxes totaling \$730,481 under this program:

- A 100% abatement of municipal sales tax to a developer.
- A 100% abatement of municipal sales tax to a wholesale distributor.
- A 100% abatement of municipal sales tax, 85% abatement of nonhome rule sales tax, and 100% abatement of hotel-motel tax to a developer.

**NOTE 16 COMMITMENTS**

On June 18, 2019, the City entered into a contract with Williams Brothers Construction, Inc. for wastewater treatment plant upgrades. The total contract value for phases A, B, C, and D, after multiple change orders, is approximately \$60,200,000. Future payments on the contract as of April 30, 2021 were approximately \$24,460,000.

**NOTE 17 SUBSEQUENT EVENTS**

On November 2, 2021, the City issued General Obligation Refunding Bonds, Series 2021E and Series 2021F in the amounts of \$7,075,000 and \$2,810,000, respectively, to refund all of the General Obligation Bonds, Series 2020A and Series 2020B. The general obligation refunding bonds were issued with interest rates ranging from 1.26% to 2.78% and a maturity date of January 1, 2032.

**CITY OF EAST PEORIA, ILLINOIS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**APRIL 30, 2021**

**NOTE 18 UNCERTAINTIES**

The World Health Organization previously declared the spread of Coronavirus Disease (COVID-19) a worldwide pandemic. The COVID-19 pandemic is having significant effects on global markets, supply chains, businesses, and communities. Specific to the City, COVID-19 may impact various parts of its 2022 operations and financial results. Management believes the City is taking appropriate actions to mitigate the negative impact. However, the full impact of COVID-19 is unknown and cannot be reasonably estimated as these events are still developing.

**CITY OF EAST PEORIA, ILLINOIS  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS  
FIREFIGHTERS' PENSION PLAN  
(UNAUDITED)**

The following presents the changes in employer's net pension liability for the Firefighters' Pension Plan:

Fiscal Year Ended, April 30,	2021	2020	2019	2018	2017	2016	2015
<b>Total Pension Liability:</b>							
Service Cost	\$ 1,131,417	\$ 1,053,132	\$ 1,068,094	\$ 1,237,586	\$ 1,323,542	\$ 1,180,633	\$ 1,063,708
Interest	3,102,894	2,951,647	2,811,757	3,104,867	2,903,692	2,506,090	2,374,686
Change in Benefit Terms	-	144,035	-	-	-	-	-
Difference in Expected and Actual Experiences	(440,728)	261,080	258,861	(1,236,425)	(123,924)	762,808	-
Changes of Assumptions/Methods	(294,476)	(163,961)	(148,696)	(7,240,970)	(661,395)	3,751,560	497,730
Benefit Payments, Including Refunds	(2,098,485)	(1,896,214)	(1,749,565)	(1,536,965)	(1,451,859)	(1,410,276)	(1,334,865)
Net Change in Total Pension Liability	1,400,622	2,349,719	2,240,451	(5,671,907)	1,990,056	6,790,815	2,601,259
Total Pension Liability - Beginning	47,654,653	45,304,934	43,064,483	48,736,390	46,746,334	39,955,519	37,354,260
Total Pension Liability - Ending (A)	<u>\$ 49,055,275</u>	<u>\$ 47,654,653</u>	<u>\$ 45,304,934</u>	<u>\$ 43,064,483</u>	<u>\$ 48,736,390</u>	<u>\$ 46,746,334</u>	<u>\$ 39,955,519</u>
<b>Plan Fiduciary Net Position:</b>							
Contributions - Employer	\$ 2,061,583	\$ 2,020,537	\$ 2,189,864	\$ 1,967,095	\$ 1,534,761	\$ 1,533,659	\$ 1,398,175
Contributions - Employee	360,544	380,372	358,731	360,145	351,674	337,628	322,840
Investment Income	6,633,202	117,729	1,398,997	1,400,573	1,625,568	(14,203)	1,165,948
Benefit Payments, Including Refunds	(2,098,485)	(1,896,214)	(1,749,565)	(1,536,965)	(1,451,859)	(1,410,276)	(1,334,865)
Administrative Expense	(57,044)	(42,660)	(60,784)	(43,327)	(45,881)	(46,502)	(42,699)
Net Change in Plan Fiduciary Net Position	6,899,800	579,764	2,137,243	2,147,521	2,014,263	400,306	1,509,399
Plan Fiduciary Net Position - Beginning, as Restated	26,183,108	25,603,344	23,466,101	21,318,580	19,304,317	19,645,999	18,136,600
Plan Fiduciary Net Position - Ending (B)	<u>\$ 33,082,908</u>	<u>\$ 26,183,108</u>	<u>\$ 25,603,344</u>	<u>\$ 23,466,101</u>	<u>\$ 21,318,580</u>	<u>\$ 20,046,305</u>	<u>\$ 19,645,999</u>
<b>Net Pension Liability (A) - (B)</b>	<u>\$ 15,972,367</u>	<u>\$ 21,471,545</u>	<u>\$ 19,701,590</u>	<u>\$ 19,598,382</u>	<u>\$ 27,417,810</u>	<u>\$ 26,700,029</u>	<u>\$ 20,309,520</u>
<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	67.44 %	54.94 %	56.51 %	54.49 %	43.74 %	42.88 %	49.17 %
<b>Covered Payroll</b>	\$ 3,883,133	\$ 4,110,218	\$ 3,908,744	\$ 3,839,747	\$ 3,749,681	\$ 3,651,088	\$ 3,259,379
<b>Net Pension Liability as a Percentage of Covered Payroll</b>	411.33 %	522.39 %	504.04 %	510.41 %	731.20 %	731.29 %	623.11 %

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

Beginning Plan Fiduciary Net Position for 2017 includes restatement of (\$741,988).

**CITY OF EAST PEORIA, ILLINOIS**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS**  
**POLICE PENSION PLAN**  
**(UNAUDITED)**

The following presents the changes in employer's net pension liability for the Police Pension Plan:

Fiscal Year Ended, April 30,	2021	2020	2019	2018	2017	2016	2015
<b>Total Pension Liability:</b>							
Service Cost	\$ 1,046,127	\$ 1,062,624	\$ 1,085,073	\$ 1,048,642	\$ 1,144,862	\$ 1,032,806	\$ 975,927
Interest	3,499,745	3,360,862	3,313,142	3,517,512	3,290,038	2,941,644	2,826,691
Change in Benefit Terms	-	134,728	-	-	-	-	-
Difference in Expected and Actual Experiences	650,657	565,219	(950,844)	585,899	729,203	(48,124)	-
Changes of Assumptions/Methods	(338,698)	(223,343)	(168,251)	(5,807,371)	(531,815)	3,930,974	532,966
Benefit Payments, Including Refunds	(2,808,969)	(2,684,883)	(2,360,144)	(2,193,146)	(2,133,259)	(2,068,236)	(1,953,757)
Net Change in Total Pension Liability	2,048,862	2,215,207	918,976	(2,848,464)	2,499,029	5,789,064	2,381,827
Total Pension Liability - Beginning	54,200,595	51,985,388	51,066,412	53,914,876	51,415,847	45,626,783	43,244,956
Total Pension Liability - Ending (A)	<u>\$ 56,249,457</u>	<u>\$ 54,200,595</u>	<u>\$ 51,985,388</u>	<u>\$ 51,066,412</u>	<u>\$ 53,914,876</u>	<u>\$ 51,415,847</u>	<u>\$ 45,626,783</u>
<b>Plan Fiduciary Net Position:</b>							
Contributions - Employer	\$ 2,251,903	\$ 2,267,246	\$ 2,096,266	\$ 1,811,005	\$ 1,454,833	\$ 1,452,077	\$ 1,363,308
Contributions - Employee	546,989	394,281	414,819	416,303	387,450	372,068	370,786
Investment Income	8,618,200	324,620	2,664,912	1,692,658	2,192,567	(180,316)	1,530,846
Benefit Payments, Including Refunds	(2,808,969)	(2,684,883)	(2,360,144)	(2,193,146)	(2,133,259)	(2,068,236)	(1,953,757)
Administrative Expense	(59,437)	(56,055)	(67,900)	(57,300)	(60,268)	(57,866)	(46,021)
Other	-	-	-	-	-	18,650	-
Net Change in Plan Fiduciary Net Position	8,548,686	245,209	2,747,953	1,669,520	1,841,323	(463,623)	1,265,162
Plan Fiduciary Net Position - Beginning, as Restated	30,576,587	30,331,378	27,583,425	25,913,905	24,072,582	25,426,704	24,161,542
Plan Fiduciary Net Position - Ending (B)	<u>\$ 39,125,273</u>	<u>\$ 30,576,587</u>	<u>\$ 30,331,378</u>	<u>\$ 27,583,425</u>	<u>\$ 25,913,905</u>	<u>\$ 24,963,081</u>	<u>\$ 25,426,704</u>
<b>Net Pension Liability (A) - (B)</b>	<u>\$ 17,124,184</u>	<u>\$ 23,624,008</u>	<u>\$ 21,654,010</u>	<u>\$ 23,482,987</u>	<u>\$ 28,000,971</u>	<u>\$ 26,452,766</u>	<u>\$ 20,200,079</u>
<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	69.56 %	56.41 %	58.35 %	54.01 %	48.06 %	48.55 %	55.73 %
<b>Covered Payroll</b>	\$ 3,817,543	\$ 4,008,057	\$ 4,144,092	\$ 4,174,678	\$ 3,999,497	\$ 3,804,870	\$ 3,601,207
<b>Net Pension Liability as a Percentage of Covered Payroll</b>	448.57 %	589.41 %	522.53 %	562.51 %	700.11 %	695.23 %	560.93 %

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

Beginning Plan Fiduciary Net Position for 2017 includes restatement of (\$890,499).

**CITY OF EAST PEORIA, ILLINOIS  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY (ASSET) AND RELATED RATIOS  
ILLINOIS MUNICIPAL RETIREMENT PLAN  
(UNAUDITED)**

The following presents the changes in employer's net pension liability for the IMRF:

Calendar Year Ended, December 31,	2020	2019	2018	2017	2016	2015
<b>Total Pension Liability:</b>						
Service Cost	\$ 523,749	\$ 515,418	\$ 553,465	\$ 612,718	\$ 678,762	\$ 671,499
Interest	3,329,456	3,245,448	3,175,001	3,175,410	2,795,820	2,770,972
Difference in Expected and Actual Experiences	(827,358)	409,295	362,662	366,635	4,204,926	(1,145,802)
Changes of Assumptions/Methods	(216,174)	-	1,242,436	(1,252,649)	(54,676)	48,418
Benefit Payments, Including Refunds	(3,164,665)	(2,917,548)	(2,877,504)	(2,931,671)	(2,283,962)	(1,652,047)
Net Change in Total Pension Liability	(354,992)	1,252,613	2,456,060	(29,557)	5,340,870	693,040
Total Pension Liability - Beginning	47,151,419	45,898,806	43,442,746	43,472,303	38,131,433	37,438,393
Total Pension Liability - Ending (A)	<u>\$ 46,796,427</u>	<u>\$ 47,151,419</u>	<u>\$ 45,898,806</u>	<u>\$ 43,442,746</u>	<u>\$ 43,472,303</u>	<u>\$ 38,131,433</u>
<b>Plan Fiduciary Net Position:</b>						
Contributions - Employer	\$ 572,713	\$ 481,642	\$ 623,052	\$ 3,130,282	\$ 691,435	\$ 697,158
Contributions - Employee	335,439	355,150	362,699	424,166	647,437	336,032
Investment Income	6,431,709	8,423,333	(1,074,396)	5,423,318	3,016,397	(402,248)
Benefit Payments, Including Refunds	(3,164,665)	(2,917,548)	(2,877,504)	(2,931,671)	(2,283,962)	(1,652,047)
Administrative Expense	(30,327)	(42,733)	(24,732)	(30,212)	(60,069)	57,529
Other	11	16	(1,296)	13	20	(930)
Net Change in Plan Fiduciary Net Position	4,144,880	6,299,860	(2,992,177)	6,015,896	2,011,258	(964,506)
Plan Fiduciary Net Position - Beginning	46,327,599	40,027,739	43,019,916	37,004,020	34,992,762	35,957,268
Plan Fiduciary Net Position - Ending (B)	<u>\$ 50,472,479</u>	<u>\$ 46,327,599</u>	<u>\$ 40,027,739</u>	<u>\$ 43,019,916</u>	<u>\$ 37,004,020</u>	<u>\$ 34,992,762</u>
Net Pension Liability (Asset) (A) - (B)	<u>\$ (3,676,052)</u>	<u>\$ 823,820</u>	<u>\$ 5,871,067</u>	<u>\$ 422,830</u>	<u>\$ 6,468,283</u>	<u>\$ 3,138,671</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	107.86 %	98.25 %	87.21 %	99.03 %	85.12 %	91.77 %
Covered Payroll	\$ 4,861,742	\$ 5,167,834	\$ 5,592,707	\$ 5,906,838	\$ 6,359,506	\$ 6,274,254
Net Pension Liability (Asset) as a Percentage of Covered Payroll	(75.61)%	15.94 %	104.98 %	7.16 %	101.71 %	50.02 %

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

**CITY OF EAST PEORIA, ILLINOIS  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULES OF EMPLOYER CONTRIBUTIONS  
PENSION PLANS  
(UNAUDITED)**

**LAST TEN FISCAL YEARS**

**IMRF**

Fiscal Year Ended April 30,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a Percent of Payroll
2016	\$ 697,697	\$ 676,350	\$ 21,347	\$ 6,274,254	10.78 %
2017	689,370	657,230	32,140	6,359,506	10.33
2018	577,689	3,180,517	(2,602,828)	5,906,838	53.84
2019	861,277	550,632	310,645	5,592,707	9.85
2020	481,642	519,052	(37,410)	5,167,834	10.04
2021	572,713	541,024	31,689	4,861,742	11.13

**Firefighter's Pension Plan**

Fiscal Year Ended April 30,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a Percent of Payroll
2012	\$ 1,189,171	\$ 1,396,644	\$ (207,473)	\$ 2,516,887	55.49 %
2013	1,297,317	1,204,896	92,421	2,772,563	43.46
2014	1,484,030	1,305,609	178,421	2,878,446	45.36
2015	1,530,040	1,398,175	131,865	3,259,379	42.90
2016	1,886,252	1,533,659	352,593	3,651,088	42.01
2017	2,006,864	1,534,761	472,103	3,749,681	40.93
2018	1,958,460	1,967,095	(8,635)	3,839,747	51.23
2019	2,185,736	2,189,864	(4,128)	3,908,744	56.02
2020	2,019,497	2,020,537	(1,040)	4,110,218	49.16
2021	2,061,583	2,061,583	-	3,883,133	53.09

**Police Pension Plan**

Fiscal Year Ended April 30,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a Percent of Payroll
2012	\$ 1,169,543	\$ 1,330,790	\$ (161,247)	\$ 2,650,355	50.21 %
2013	1,241,069	1,237,716	3,353	2,860,312	43.27
2014	1,344,592	1,268,764	75,828	2,998,823	42.31
2015	1,423,257	1,363,308	59,949	3,601,207	37.86
2016	1,712,134	1,452,077	260,057	3,804,870	38.16
2017	1,861,680	1,454,833	406,847	3,999,497	36.38
2018	1,802,442	1,811,005	(8,563)	4,174,678	43.38
2019	2,099,064	2,096,266	2,798	4,144,092	50.58
2020	2,266,567	2,267,246	(679)	4,008,057	56.57
2021	2,251,903	2,251,903	-	3,817,543	58.99

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

**CITY OF EAST PEORIA, ILLINOIS  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS  
(UNAUDITED)**

The following presents the changes in employer's total OPEB liability:

<u>Total OPEB Liability</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Service Cost	\$ 1,754,418	\$ 1,372,346	\$ 1,920,641
Interest on Total OPEB Liability	2,100,104	2,367,827	3,004,252
Difference Between Expected and Actual Experience	(6,190,250)	(1,794,515)	(15,050,499)
Changes of Assumptions	9,763,817	9,295,157	(325,075)
Benefit Payments	(2,207,055)	(2,143,097)	(2,253,451)
Total OPEB Liability - Beginning	<u>71,262,564</u>	<u>62,164,846</u>	<u>74,868,978</u>
Total OPEB Liability - Ending	<u>\$ 76,483,598</u>	<u>\$ 71,262,564</u>	<u>\$ 62,164,846</u>
Covered Payroll	\$ 10,028,473	\$ 14,523,393	\$ 10,603,307
Total OPEB Liability as a Percentage of Covered Payroll	762.66 %	490.67 %	586.28 %

The mortality tables have been updated from SOA RPH-2018 Mortality Table, fully generational using Scale MP-2018 to the SOA Pub-2010 Mortality Table, fully generational using Scale MP-2020. The impact of this change is a decrease in liabilities.

Payroll growth rates have been updated to follow the most recent IMRF actuarial valuation as of December 31, 2020. The merit/productivity scales did not change, but the general wage inflation rate decreased from 3.25% to 2.75%. The impact of this change is a slight increase in liabilities.

Health care trend rates have been reset to an initial rate of 8.00%, decreasing by 0.50% annually to an ultimate rate of 4.50%. The impact of this change is an increase in liabilities.

The discount rate as of the measurement dates is based on a yield for 20-year tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The discount rate changed from 2.92% to 2.27% in 2021. The impact of this change is a significant increase in liabilities.

No assets are accumulated in a trust to pay related benefits.

The City implemented GASB Statement No. 75 in fiscal year 2019, and the above table will be expanded to 10 years of information as the information becomes available.

**CITY OF EAST PEORIA, ILLINOIS  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULES OF INVESTMENT RETURNS  
 FIREFIGHTERS' AND POLICE PENSION PLANS  
 (UNAUDITED)**

The following presents the annual money-weighted rate of return, net of investment expenses:

**Firefighter's Pension Plan**

Fiscal Year Ended April 30,	Rate
2015	6.73 %
2016	(0.08)
2017	8.57
2018	6.56
2019	5.94
2020	0.42
2021	26.02

**Police Pension Plan**

Fiscal Year Ended April 30,	The Commerce Company Rate	Benjamin F. Edwards & Co. Rate
2015	N/A	6.90 %
2016	0.29 %	(2.48)
2017	10.04	8.64
2018	7.57	5.77
2019	10.05	9.58
2020	2.21	(0.05)
2021	31.04	26.39

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



**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, 2021**

	<u>Original/Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
<b>REVENUES</b>			
Taxes and Special Assessments	\$ 17,947,500	\$ 22,123,006	\$ 4,175,506
Charges for Services	1,175,000	2,180,256	1,005,256
Intergovernmental	945,152	1,005,017	59,865
Investment Earnings	66,000	28,771	(37,229)
Licenses and Permits	264,200	262,780	(1,420)
Miscellaneous	1,575,500	1,740,056	164,556
Total Revenues	<u>21,973,352</u>	<u>27,339,886</u>	<u>5,366,534</u>
<b>EXPENDITURES</b>			
Current:			
General Government	6,644,347	5,862,097	782,250
Police	5,445,271	5,618,561	(173,290)
Fire	4,720,178	4,963,097	(242,919)
Sanitation	718,781	843,009	(124,228)
Public Works	1,980,266	1,939,262	41,004
Community Development	223,590	231,592	(8,002)
Capital Outlay	626,960	610,882	16,078
Debt Service:			
Principal Payments	-	654,278	(654,278)
Interest and Fiscal Charges	-	15,863	(15,863)
Total Expenditures	<u>20,359,393</u>	<u>20,738,641</u>	<u>(379,248)</u>
Excess of Revenues Over Expenditures	1,613,959	6,601,245	4,987,286
<b>OTHER FINANCING USES</b>			
Net Transfers	<u>(2,610,267)</u>	<u>(2,863,072)</u>	<u>(252,805)</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (996,308)</u>	3,738,173	<u>\$ 4,734,481</u>
<b>RECONCILIATION TO MODIFIED ACCRUAL BASIS - NET CHANGE RESULTING FROM RECORDING OF ACCOUNTS RECEIVABLE, PAYABLE, AND OTHER ACCRUED ITEMS</b>			
		4,354,740	
Fund Balance, Modified Accrual Basis - Beginning of Year		<u>13,039,517</u>	
<b>FUND BALANCE, MODIFIED ACCRUAL BASIS - END OF YEAR</b>		<u>\$ 21,132,430</u>	

**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, 2021**

	Original/Final Budget	Actual	Variance With Final Budget
<b>REVENUES</b>			
Taxes	\$ 2,564,400	\$ 1,770,497	\$ (793,903)
Intergovernmental	648,400	157,601	(490,799)
Investment Earnings	5,000	307	(4,693)
Miscellaneous	-	7,186	7,186
Total Revenues	3,217,800	1,935,591	(1,282,209)
<b>EXPENDITURES</b>			
Current:			
General Government	1,547,665	939,724	607,941
Debt Service:			
Principal Payments	-	263,082	(263,082)
Interest and Fiscal Charges	-	14,333	(14,333)
Total Expenditures	1,547,665	1,217,139	330,526
Excess of Revenues Over Expenditures	1,670,135	718,452	(951,683)
<b>OTHER FINANCING USES</b>			
Net Transfers	(1,670,135)	(740,000)	930,135
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ -</b>	<b>(21,548)</b>	<b>\$ (21,548)</b>
<b>RECONCILIATION TO MODIFIED ACCRUAL BASIS - NET CHANGE RESULTING FROM RECORDING OF ACCOUNTS RECEIVABLE, PAYABLE, AND OTHER ACCRUED ITEMS</b>		298,288	
Fund Balance, Modified Accrual Basis - Beginning of Year		7,495,004	
<b>FUND BALANCE, MODIFIED ACCRUAL BASIS -   END OF YEAR</b>		<b>\$ 7,771,744</b>	

**CITY OF EAST PEORIA, ILLINOIS  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND DEFICIT  
BUDGET AND ACTUAL (CASH BASIS) — SPECIAL TAX ALLOCATION FUND  
YEAR ENDED APRIL 30, 2021**

	<u>Original/Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
<b>REVENUES</b>			
Taxes	\$ 802,715	\$ 802,715	\$ -
Investment Earnings	1,000	117	(883)
Total Revenues	<u>803,715</u>	<u>802,832</u>	<u>(883)</u>
<b>EXPENDITURES</b>			
Current:			
General Government	<u>140,000</u>	<u>139,729</u>	<u>271</u>
Excess of Revenues Over Expenditures	663,715	663,103	(612)
<b>OTHER FINANCING USES</b>			
Net Transfers	<u>(648,400)</u>	<u>(660,000)</u>	<u>(11,600)</u>
<b>NET CHANGE IN FUND DEFICIT</b>	<u>\$ 15,315</u>	3,103	<u>\$ (12,212)</u>
<b>RECONCILIATION TO MODIFIED ACCRUAL BASIS - NET CHANGE RESULTING FROM RECORDING OF ACCOUNTS RECEIVABLE, PAYABLE, AND OTHER ACCRUED ITEMS</b>		-	
Fund Deficit, Modified Accrual Basis - Beginning of Year		<u>(3,191,118)</u>	
<b>FUND DEFICIT, MODIFIED ACCRUAL BASIS - END OF YEAR</b>		<u>\$ (3,188,015)</u>	

**CITY OF EAST PEORIA, ILLINOIS  
 NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
 APRIL 30, 2021**

**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 Governmental Accounting Standards Board 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 members. 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:

	Final Budget	Actual	Overage
General Fund	\$ 20,359,393	\$ 20,738,641	\$ (379,248)

**CITY OF EAST PEORIA, ILLINOIS  
 NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
 APRIL 30, 2021**

**NOTE 3 SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS USED IN THE  
 CALCULATION OF THE CONTRIBUTION RATE**

**A. IMRF**

**Valuation Date:**

Notes Actuarially determined contribution rates are calculated as of December 31 each year, which are 12 months prior to the beginning of the fiscal year in which contributions are reported.

**Methods and Assumptions Used to Determine 2020 Contribution Rates\*:**

Actuarial Cost Method	Aggregate entry age normal
Amortization Method	Level percentage of payroll, closed
Remaining Amortization Period	23-year closed period
Asset Valuation Method	5-year smoothed market; 20% corridor
Wage Growth	3.25%
Price Inflation	2.50%
Salary Increases	3.35% to 14.25%, including inflation
Investment Rate of Return	7.25%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition; last updated for the 2017 valuation pursuant to an experience study of the period 2014 to 2016.
Mortality	For Non-Disabled Retirees, an IMRF-specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF-specific rates were developed from the RP-2014 Blue Collar Healthy Annuitant Mortality Table with adjustments to match current IMRF experience. For Disabled Retirees, an IMRF-specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF-specific rates were developed from the RP-2014 Disabled Retirees Mortality Table, applying the same adjustments that were applied for non-disabled lives. For Active Members, an IMRF-specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF-specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

**Other Information**

Notes There were no benefit changes during the year.

\*Based on Valuation Assumptions used in the December 31, 2018 actuarial valuation.

**CITY OF EAST PEORIA, ILLINOIS  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
APRIL 30, 2021**

**NOTE 3 SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS USED IN THE  
CALCULATION OF THE CONTRIBUTION RATE (CONTINUED)**

**B. Defined Benefit Single-Employer Pension Plans**

**Municipal Firemen's Pension Plan**

**Valuation Date:** May 1 of the previous fiscal year  
Actuarially determined contribution rates are calculated as of May 1 of the prior fiscal year being reported, which is 24 months prior to the end of the fiscal year in which contributions are reported.

**Methods and Assumptions Used to Determine Contribution Rates:**

Actuarial Cost Method	Projected Unit Credit
Amortization Method	Closed level percentage of payroll amortization of 100% of the Unfunded Actuarial Accrued Liability using a 3.50% payroll growth assumption over the period ending on April 30, 2040.
Remaining Amortization Period	20-year amortization in 2020
Asset Valuation Method	5-year smoothing of assets gain and losses
Inflation	2.50%
Salary Increases	3.50% to 12.50% (varies by service)
Investment Rate of Return	6.50%, net of investment and administrative expenses
Retirement Rate	Recommended rates from the 2017 IDOI experience study
Mortality	For healthy retirees, RP-2014 Mortality Table with a blue collar adjustment, with generational improvement scale MP-2019 applied from 2006; for disabled retirees, 115% of RP-2014 Mortality Table with a blue collar adjustment, with generational improvement scale MP-2019 applied from 2006; 20% of deaths are assumed to be service-related.
Ad-hoc Cost-of-Living Increases	3.0% (1.25% for those hired on or after January 1, 2011)

**Police Officers' Pension Plan**

**Valuation Date:** May 1 of the previous fiscal year  
Actuarially determined contribution rates are calculated as of May 1 of the prior fiscal year being reported, which is 24 months prior to the end of the fiscal year in which contributions are reported.

**Methods and Assumptions Used to Determine Contribution Rates:**

Actuarial Cost Method	Projected Unit Credit
Amortization Method	Closed level percentage of payroll amortization of 100% of the Unfunded Actuarial Accrued Liability using a 3.50% payroll growth assumption over the period ending on April 30, 2040.
Remaining Amortization Period	20-year amortization in 2020
Asset Valuation Method	5-year smoothing of assets gain and losses
Inflation	2.50%
Salary Increases	3.50% to 11.00% (varies by service)
Investment Rate of Return	6.50%, net of investment and administrative expenses
Retirement Rate	Recommended rates from the 2017 IDOI experience study
Mortality	For healthy retirees, RP-2014 Mortality Table with a blue collar adjustment, with generational improvement scale MP-2019 applied from 2006; for disabled retirees, 115% of RP-2014 Mortality Table with a blue collar adjustment, with generational improvement scale MP-2019 applied from 2006; 10% of deaths are assumed to be service-related.
Ad-hoc Cost-of-Living Increases	3.0% (1.25% for those hired on or after January 1, 2011)

**CITY OF EAST PEORIA, ILLINOIS  
CONSOLIDATED YEAR-END FINANCIAL REPORT  
YEAR ENDED APRIL 30, 2021**

CSFA Number	Program Name	State	Federal	Other	Total
420-00-2433	Local Coronavirus Urgent Remediation Emergency (or Local CURE) & Economic Support Payments Grants Program	\$ -	\$ 965,403	\$ -	\$ 965,403
494-00-1488	Motor Fuel Tax Program	148,591	-	-	148,591
494-00-2356	Rebuild Illinois Local Bond Program	771,142	-	-	771,142
494-10-0343	State and Community Highway Safety/ National Priority Safety Program	-	15,896	-	15,896
	Other Grant Programs and Activities	-	12,350	-	12,350
	All Other Costs Not Allocated	-	-	43,815,172	43,815,172
	<b>Total</b>	<u>\$ 919,733</u>	<u>\$ 993,649</u>	<u>\$ 43,815,172</u>	<u>\$ 45,728,554</u>

**CITY OF EAST PEORIA, ILLINOIS  
COMBINING BALANCE SHEET  
GENERAL FUND — BY ACCOUNT  
APRIL 30, 2021**

	General
<b>ASSETS</b>	
Cash and Investments	\$ 10,505,569
Receivables (Net, Where Applicable, of Allowances for Estimated Uncollectible Amounts):	
Property Taxes	-
Sales Taxes	4,962,620
State Income Taxes	603,149
Personal Property Replacement Taxes	178,491
Customer Charges	-
Intergovernmental	81,093
Fines	22,808
Other	194,209
Advanced to Other Funds	5,456,363
 Total Assets	 \$ 22,004,302
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES (DEFICITS)</b>	
Liabilities:	
Accounts Payable	\$ 55,774
Wages Payable	20,062
Liquor License Bonds Held	18,000
Compensated Absences	-
Due to Other Governmental Entities	649,098
Advanced from Other Funds	217,628
Total Liabilities	960,562
Deferred Inflows of Resources:	
Subsequent Year's Property Taxes	-
Unavailable Revenue - Other Taxes	1,922,699
Unavailable Revenue - Intergovernmental	-
Total Deferred Inflows of Resources	1,922,699
Fund Balances (Deficits):	
Nonspendable	5,456,363
Unassigned	13,664,678
Total Fund Balances (Deficits)	19,121,041
 Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	 \$ 22,004,302



**CITY OF EAST PEORIA, ILLINOIS  
COMBINING BALANCE SHEET  
GENERAL FUND — BY ACCOUNT (CONTINUED)  
APRIL 30, 2021**

Police Protection	Fire Protection	Garbage Collection and Disposal	Street and Bridge	Combining General Fund
\$ 106,718	\$ 1,290,129	\$ 40,077	\$ 1,030	\$ 11,943,523
-	-	-	217,644	217,644
-	-	-	-	4,962,620
-	-	-	-	603,149
-	-	-	-	178,491
-	1,045,651	-	-	1,045,651
-	254,377	-	193,274	528,744
4,640	-	-	-	27,448
-	-	-	-	194,209
-	-	-	7,421	5,463,784
<u>\$ 111,358</u>	<u>\$ 2,590,157</u>	<u>\$ 40,077</u>	<u>\$ 419,369</u>	<u>\$ 25,165,263</u>
\$ 41,038	\$ 185,429	\$ 17,670	\$ 35,336	\$ 335,247
85,411	80,043	2,438	15,136	203,090
-	-	-	-	18,000
76,074	36,658	-	-	112,732
-	-	-	-	649,098
-	59,000	59,421	45,000	381,049
202,523	361,130	79,529	95,472	1,699,216
-	-	-	217,644	217,644
-	-	-	-	1,922,699
-	-	-	193,274	193,274
-	-	-	410,918	2,333,617
-	-	-	7,421	5,463,784
(91,165)	2,229,027	(39,452)	(94,442)	15,668,646
<u>(91,165)</u>	<u>2,229,027</u>	<u>(39,452)</u>	<u>(87,021)</u>	<u>21,132,430</u>
<u>\$ 111,358</u>	<u>\$ 2,590,157</u>	<u>\$ 40,077</u>	<u>\$ 419,369</u>	<u>\$ 25,165,263</u>

**CITY OF EAST PEORIA, ILLINOIS  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES (DEFICITS)  
GENERAL FUND — BY ACCOUNT  
YEAR ENDED APRIL 30, 2021**

	General	Police Protection
<b>REVENUES</b>		
Property Taxes	\$ 15,000	\$ -
Other Taxes and Special Assessments	22,526,574	-
Charges for Services	-	-
Intergovernmental	-	190,877
Investment Earnings	27,138	284
Licenses and Permits	262,780	-
Miscellaneous	1,449,820	116,628
Total Revenues	24,281,312	307,789
<b>EXPENDITURES</b>		
Current:		
General Government	6,036,657	-
Police	-	5,618,561
Fire	-	-
Sanitation	-	-
Public Works	-	-
Community Development	231,592	-
Capital Outlay	106,821	137,615
Debt Service:		
Principal Payments	654,278	-
Interest and Fiscal Charges	15,863	-
Total Expenditures	7,045,211	5,756,176
Excess (Deficiency) of Revenues Over Expenditures	17,236,101	(5,448,387)
<b>OTHER FINANCING SOURCES (USES)</b>		
Transfers In	-	5,267,854
Transfers Out	(10,113,531)	-
Total Other Financing Sources (Uses)	(10,113,531)	5,267,854
<b>NET CHANGE IN FUND BALANCES (DEFICITS)</b>	7,122,570	(180,533)
Fund Balances (Deficits) - Beginning of Year	11,998,471	89,368
<b>FUND BALANCES (DEFICITS) - END OF YEAR</b>	\$ 19,121,041	\$ (91,165)

**CITY OF EAST PEORIA, ILLINOIS  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES (DEFICITS)  
GENERAL FUND — BY ACCOUNT (CONTINUED)  
YEAR ENDED APRIL 30, 2021**

Fire Protection	Garbage Collection and Disposal	Street and Bridge	Eliminations	Combining General Fund
\$ -	\$ -	\$ 215,611	\$ -	\$ 230,611
-	-	-	-	22,526,574
2,875,443	75	260	-	2,875,778
1,009,032	97	127,248	-	1,327,254
1,325	24	-	-	28,771
-	-	-	-	262,780
3,748	182,885	1,710	-	1,754,791
<u>3,889,548</u>	<u>183,081</u>	<u>344,829</u>	-	<u>29,006,559</u>
-	-	-	-	6,036,657
-	-	-	-	5,618,561
4,963,097	-	-	-	4,963,097
-	843,009	-	-	843,009
-	-	1,939,262	-	1,939,262
-	-	-	-	231,592
171,036	6,939	188,471	-	610,882
-	-	-	-	654,278
-	-	-	-	15,863
<u>5,134,133</u>	<u>849,948</u>	<u>2,127,733</u>	-	<u>20,913,201</u>
(1,244,585)	(666,867)	(1,782,904)	-	8,093,358
2,328,615	692,979	1,823,638	(10,113,086)	-
-	-	-	10,113,086	(445)
<u>2,328,615</u>	<u>692,979</u>	<u>1,823,638</u>	-	<u>(445)</u>
1,084,030	26,112	40,734	-	8,092,913
1,144,997	(65,564)	(127,755)	-	13,039,517
<u>\$ 2,229,027</u>	<u>\$ (39,452)</u>	<u>\$ (87,021)</u>	<u>\$ -</u>	<u>\$ 21,132,430</u>

**CITY OF EAST PEORIA, ILLINOIS  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
APRIL 30, 2021**

	Debt Service	Special Revenue
	Bond and Interest Fund	Illinois Municipal Retirement
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 1,909,142	\$ -
Receivables (Net, Where Applicable, of Allowances for Estimated Uncollectible Amounts):		
Property Taxes	-	120,042
Personal Property Replacement Taxes	-	12,800
Motor Fuel Tax Allotments	-	-
Hotel/Motel Taxes	-	-
Notes	-	-
Advanced to Other Funds	269,400	-
Prepaid Expenses	-	-
	<u>\$ 2,178,542</u>	<u>\$ 132,842</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>		
Liabilities:		
Accounts Payable	\$ -	\$ -
Wages Payable	-	5,138
Advanced from Other Funds	250,000	-
Total Liabilities	<u>250,000</u>	<u>5,138</u>
Deferred Inflows of Resources:		
Subsequent Year's Property Taxes	-	120,042
Unavailable Revenue - Notes Receivable	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>120,042</u>
Fund Balances:		
Nonspendable	-	-
Restricted	1,412,321	-
Assigned	516,221	7,662
Total Fund Balances	<u>1,928,542</u>	<u>7,662</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances		
	<u>\$ 2,178,542</u>	<u>\$ 132,842</u>

**CITY OF EAST PEORIA, ILLINOIS  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)  
APRIL 30, 2021**

Special Revenue

Motor Fuel Tax	Social Security	Workmen's Compensation	Audit	Sewer Chlorination	Street Lighting
\$ 1,148,335	\$ 111,250	\$ 147,254	\$ 177,245	\$ 49,528	\$ 76,832
-	-	683,704	55,023	-	85,011
-	99,931	188,643	-	-	18,737
153,559	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	120,000	136,700	-	-	-
-	-	99,705	-	-	-
<u>\$ 1,301,894</u>	<u>\$ 331,181</u>	<u>\$ 1,256,006</u>	<u>\$ 232,268</u>	<u>\$ 49,528</u>	<u>\$ 180,580</u>
\$ 42,284	\$ -	\$ 77,287	\$ -	\$ -	\$ 993
-	7,724	-	-	-	-
-	-	141,365	-	-	-
<u>42,284</u>	<u>7,724</u>	<u>218,652</u>	<u>-</u>	<u>-</u>	<u>993</u>
-	-	683,704	55,023	-	85,011
-	-	-	-	-	-
-	-	683,704	55,023	-	85,011
-	-	99,705	-	-	-
1,129,094	202,157	60,091	176,817	49,430	94,306
130,516	121,300	193,854	428	98	270
<u>1,259,610</u>	<u>323,457</u>	<u>353,650</u>	<u>177,245</u>	<u>49,528</u>	<u>94,576</u>
<u>\$ 1,301,894</u>	<u>\$ 331,181</u>	<u>\$ 1,256,006</u>	<u>\$ 232,268</u>	<u>\$ 49,528</u>	<u>\$ 180,580</u>

**CITY OF EAST PEORIA, ILLINOIS  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)  
APRIL 30, 2021**

	Special Revenue	
	Unemployment Insurance	Emergency Service and Disaster Assistance
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 70,462	\$ 244,512
Receivables (Net, Where Applicable, of Allowances for Estimated Uncollectible Amounts):		
Property Taxes	16,020	75,015
Personal Property Replacement Taxes	-	-
Motor Fuel Tax Allotments	-	-
Hotel/Motel Taxes	-	-
Notes	-	-
Advanced to Other Funds	-	7,967
Prepaid Expenses	-	-
Total Assets	\$ 86,482	\$ 327,494
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>		
Liabilities:		
Accounts Payable	\$ -	\$ -
Wages Payable	-	-
Advanced from Other Funds	-	-
Total Liabilities	-	-
Deferred Inflows of Resources:		
Subsequent Year's Property Taxes	16,020	75,015
Unavailable Revenue - Notes Receivable	-	-
Total Deferred Inflows of Resources	16,020	75,015
Fund Balances:		
Nonspendable	-	-
Restricted	70,371	252,185
Assigned	91	294
Total Fund Balances	70,462	252,479
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 86,482	\$ 327,494

**CITY OF EAST PEORIA, ILLINOIS  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)  
 APRIL 30, 2021**

Special Revenue						Total Nonmajor Governmental Funds
Hotel/Motel Tax	Revolving Loan	Special Assessments	IHDA Grant	Firemen's Pension Levy Fund	Police Pension Levy Fund	
\$ 1,943,004	\$ 738,959	\$ 268,850	\$ 8,604	\$ -	\$ -	\$ 6,893,977
-	-	-	-	2,206,988	2,313,509	5,555,312
-	-	-	-	-	-	320,111
-	-	-	-	-	-	153,559
54,718	-	-	-	-	-	54,718
-	54,142	-	-	-	-	54,142
-	-	8,364	-	-	-	542,431
-	-	-	-	-	-	99,705
<u>\$ 1,997,722</u>	<u>\$ 793,101</u>	<u>\$ 277,214</u>	<u>\$ 8,604</u>	<u>\$ 2,206,988</u>	<u>\$ 2,313,509</u>	<u>\$ 13,673,955</u>
\$ 31,976	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 152,540
5,077	-	-	-	-	-	17,939
-	-	-	-	-	-	391,365
<u>37,053</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>561,844</u>
-	-	-	-	2,206,988	2,313,509	5,555,312
-	50,318	-	-	-	-	50,318
-	<u>50,318</u>	<u>-</u>	<u>-</u>	<u>2,206,988</u>	<u>2,313,509</u>	<u>5,605,630</u>
-	-	-	-	-	-	99,705
-	665,362	203,843	7,916	-	-	4,323,893
1,960,669	77,421	73,371	688	-	-	3,082,883
<u>1,960,669</u>	<u>742,783</u>	<u>277,214</u>	<u>8,604</u>	<u>-</u>	<u>-</u>	<u>7,506,481</u>
<u>\$ 1,997,722</u>	<u>\$ 793,101</u>	<u>\$ 277,214</u>	<u>\$ 8,604</u>	<u>\$ 2,206,988</u>	<u>\$ 2,313,509</u>	<u>\$ 13,673,955</u>

**CITY OF EAST PEORIA, ILLINOIS  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS  
 YEAR ENDED APRIL 30, 2021**

	<u>Debt Service</u>	<u>Special Revenue</u>
	Bond and Interest Fund	Illinois Municipal Retirement
<b>REVENUES</b>		
Property Taxes	\$ -	\$ 118,966
Other Taxes and Special Assessments	-	-
Intergovernmental	-	210,000
Investment Earnings	583	17
Miscellaneous	-	8,667
Total Revenues	583	337,650
<b>EXPENDITURES</b>		
Current:		
General Government	-	359,608
Police	-	-
Fire	-	-
Public Works	-	-
Capital Outlay	385,840	-
Debt Service:		
Principal Payments	85,000	-
Interest and Fiscal Charges	11,275	-
Total Expenditures	482,115	359,608
Excess (Deficiency) of Revenues Over Expenditures	(481,532)	(21,958)
<b>OTHER FINANCING SOURCES</b>		
Proceeds from Issuance of Notes Payable	400,000	-
Transfers In	-	445
Total Other Financing Sources	400,000	445
<b>NET CHANGE IN FUND BALANCES</b>	(81,532)	(21,513)
Fund Balances - Beginning of Year	2,010,074	29,175
<b>FUND BALANCES - END OF YEAR</b>	\$ 1,928,542	\$ 7,662



**CITY OF EAST PEORIA, ILLINOIS  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)  
 YEAR ENDED APRIL 30, 2021**

Special Revenue

Motor Fuel Tax	Social Security	Workmen's Compensation	Audit	Sewer Chlorination	Street Lighting
\$ -	\$ -	\$ 834,475	\$ 69,405	\$ -	\$ 84,282
-	-	-	-	-	-
1,685,495	499,931	943,736	-	-	93,737
730	-	126	11	-	13
-	5,513	73	-	-	-
<u>1,686,225</u>	<u>505,444</u>	<u>1,778,410</u>	<u>69,416</u>	<u>-</u>	<u>178,032</u>
-	326,353	1,435,596	57,065	-	-
-	-	39,422	-	-	-
-	-	33,393	-	-	-
916,232	-	209,709	-	-	118,703
3,501	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>919,733</u>	<u>326,353</u>	<u>1,718,120</u>	<u>57,065</u>	<u>-</u>	<u>118,703</u>
766,492	179,091	60,290	12,351	-	59,329
-	-	-	-	-	-
-	-	-	-	-	-
<u>766,492</u>	<u>179,091</u>	<u>60,290</u>	<u>12,351</u>	<u>-</u>	<u>59,329</u>
493,118	144,366	293,360	164,894	49,528	35,247
<u>\$ 1,259,610</u>	<u>\$ 323,457</u>	<u>\$ 353,650</u>	<u>\$ 177,245</u>	<u>\$ 49,528</u>	<u>\$ 94,576</u>

**CITY OF EAST PEORIA, ILLINOIS  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)  
 YEAR ENDED APRIL 30, 2021**

	Special Revenue	
	Unemployment Insurance	Emergency Service and Disaster Assistance
<b>REVENUES</b>		
Property Taxes	\$ 15,897	\$ 74,382
Other Taxes and Special Assessments	-	-
Intergovernmental	-	-
Investment Earnings	3	11
Miscellaneous	-	-
Total Revenues	15,900	74,393
<b>EXPENDITURES</b>		
Current:		
General Government	17,274	3,490
Police	-	-
Fire	-	-
Public Works	-	-
Capital Outlay	-	-
Debt Service:		
Principal Payments	-	-
Interest and Fiscal Charges	-	-
Total Expenditures	17,274	3,490
Excess (Deficiency) of Revenues Over Expenditures	(1,374)	70,903
<b>OTHER FINANCING SOURCES (USES)</b>		
Proceeds from Issuance of Bonds	-	-
Transfers In	-	-
Total Other Financing Sources (Uses)	-	-
<b>NET CHANGE IN FUND BALANCES</b>	(1,374)	70,903
Fund Balances - Beginning of Year	71,836	181,576
<b>FUND BALANCES - END OF YEAR</b>	\$ 70,462	\$ 252,479

**CITY OF EAST PEORIA, ILLINOIS  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)  
 YEAR ENDED APRIL 30, 2021**

Special Revenue						Total
Hotel/Motel Tax	Revolving Loan	Special Assessments	IHDA Grant	Firemen's Pension Levy Fund	Police Pension Levy Fund	Nonmajor Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ 2,047,867	\$ 2,236,506	\$ 5,481,780
377,354	-	-	-	14,261	15,795	407,410
-	-	-	-	-	-	3,432,899
-	5,385	841	7	308	337	8,372
395,849	63,943	-	-	-	-	474,045
<u>773,203</u>	<u>69,328</u>	<u>841</u>	<u>7</u>	<u>2,062,436</u>	<u>2,252,638</u>	<u>9,804,506</u>
742,306	-	-	-	-	-	2,941,692
-	-	-	-	-	2,256,053	2,295,475
-	-	-	-	2,065,733	-	2,099,126
-	-	630	-	-	-	1,245,274
585,375	-	-	-	-	-	974,716
-	-	-	-	-	-	85,000
-	-	-	-	-	-	11,275
<u>1,327,681</u>	<u>-</u>	<u>630</u>	<u>-</u>	<u>2,065,733</u>	<u>2,256,053</u>	<u>9,652,558</u>
(554,478)	69,328	211	7	(3,297)	(3,415)	151,948
-	-	-	-	-	-	400,000
-	-	-	-	-	-	445
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>400,445</u>
(554,478)	69,328	211	7	(3,297)	(3,415)	552,393
<u>2,515,147</u>	<u>673,455</u>	<u>277,003</u>	<u>8,597</u>	<u>3,297</u>	<u>3,415</u>	<u>6,954,088</u>
<u>\$ 1,960,669</u>	<u>\$ 742,783</u>	<u>\$ 277,214</u>	<u>\$ 8,604</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,506,481</u>

**CITY OF EAST PEORIA, ILLINOIS  
COMBINING SCHEDULE OF FIDUCIARY NET POSITION  
APRIL 30, 2021**

	Pension Trust Funds	
	City of East Peoria Firefighter's Pension Fund	City of East Peoria Police Pension Fund
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 980,731	\$ 516,471
Receivables:		
Accrued Interest and Dividends	44,827	67,099
Investments, at Fair Value:		
Money Market Funds	1,486,610	728,577
Municipal Bonds	96,539	131,760
Corporate Bonds	3,945,098	5,363,029
U.S. Government Notes and Bonds	3,139,540	3,357,642
U.S. Government Agency Obligations	2,015,543	1,126,000
Mutual Funds	12,583,951	3,544,791
Common Stock	8,793,363	24,292,070
Total Investments	32,060,644	38,543,869
Total Assets	33,086,202	39,127,439
<b>LIABILITIES</b>		
Accounts Payable and Accrued Payroll Taxes	3,294	2,166
Amounts Held for Others	-	-
Total Liabilities	3,294	2,166
Fiduciary Net Position	\$ 33,082,908	\$ 39,125,273

**CITY OF EAST PEORIA, ILLINOIS  
 COMBINING SCHEDULE OF FIDUCIARY NET POSITION (CONTINUED)  
 APRIL 30, 2021**

Total Pension Trust Funds	Custodial Funds			Total Custodial Funds
	Levi King Scholarship Fund	Dependent Care Fund	Unreimbursed Medical Fund	
\$ 1,497,202	\$ 7,468	\$ 14,239	\$ -	\$ 21,707
111,926	-	-	-	-
2,215,187	-	-	-	-
228,299	-	-	-	-
9,308,127	-	-	-	-
6,497,182	-	-	-	-
3,141,543	-	-	-	-
16,128,742	-	-	-	-
33,085,433	-	-	-	-
<u>70,604,513</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
72,213,641	7,468	14,239	-	21,707
5,460	-	-	-	-
-	7,468	14,239	-	21,707
<u>5,460</u>	<u>7,468</u>	<u>14,239</u>	<u>-</u>	<u>21,707</u>
<u>\$ 72,208,181</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**CITY OF EAST PEORIA, ILLINOIS  
COMBINING SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION  
PENSION TRUST FUNDS  
YEAR ENDED APRIL 30, 2021**

	<u>Pension Trust Funds</u>		<u>Total Pension Trust Funds</u>
	<u>City of East Peoria Firefighter's Pension Fund</u>	<u>City of East Peoria Police Pension Fund</u>	
<b>ADDITIONS</b>			
Contributions:			
Plan Members' Contributions	\$ 360,544	\$ 381,346	\$ 741,890
Plan Members' Transfers of Creditable Service	-	165,643	165,643
Employer Contributions	<u>2,061,583</u>	<u>2,251,903</u>	<u>4,313,486</u>
Total Contributions	2,422,127	2,798,892	5,221,019
Investment Income:			
Net Appreciation in Fair Value of Investments	6,305,599	8,142,101	14,447,700
Dividends and Interest	<u>482,150</u>	<u>656,099</u>	<u>1,138,249</u>
Total Investment Income	6,787,749	8,798,200	15,585,949
Less: Investment Expenses	<u>154,547</u>	<u>180,000</u>	<u>334,547</u>
Net Investment Income	<u>6,633,202</u>	<u>8,618,200</u>	<u>15,251,402</u>
Total Additions	9,055,329	11,417,092	20,472,421
<b>DEDUCTIONS</b>			
Benefits Paid	2,090,393	2,803,859	4,894,252
Refunds of Contributions	8,092	5,110	13,202
Administrative Expenses	<u>57,044</u>	<u>59,437</u>	<u>116,481</u>
Total Deductions	<u>2,155,529</u>	<u>2,868,406</u>	<u>5,023,935</u>
Change in Net Position	6,899,800	8,548,686	15,448,486
<b>FIDUCIARY NET POSITION RESTRICTED FOR PENSIONS</b>			
Beginning of Year	<u>26,183,108</u>	<u>30,576,587</u>	<u>56,759,695</u>
End of Year	<u>\$ 33,082,908</u>	<u>\$ 39,125,273</u>	<u>\$ 72,208,181</u>

**CITY OF EAST PEORIA, ILLINOIS  
 COMBINING SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION  
 CUSTODIAL FUNDS  
 YEAR ENDED APRIL 30, 2021**

	Custodial Funds			Total Custodial Funds
	Levi King Scholarship Fund	Dependent Care Fund	Unreimbursed Medical Fund	
<b>ADDITIONS</b>				
Contributions	\$ -	\$ 2,291	\$ 61,295	\$ 63,586
Investment Earnings	-	-	19	19
Miscellaneous	-	-	11,956	11,956
Total Additions	-	2,291	73,270	75,561
<b>DEDUCTIONS</b>				
Claims Paid	-	395	73,270	73,665
Miscellaneous	-	1,896	-	1,896
Total Deductions	-	2,291	73,270	75,561
Change in Net Position	-	-	-	-
<b>FIDUCIARY NET POSITION</b>				
Beginning of Year	-	-	-	-
End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**CITY OF EAST PEORIA, ILLINOIS  
 ASSESSED VALUATIONS, TAXES LEVIED, TAX RATES, TAX EXTENSIONS,  
 AND TAX COLLECTIONS  
 APRIL 30, 2021  
 (UNAUDITED)**

2020 Tax Levy				
Assessed Valuation, Excluding Tax Increment Financing District Increment				<u>\$ 509,019,167</u>
<u>Fund</u>	<u>Levy</u>	<u>Rate</u>	<u>Amount Extended by County Clerk</u>	<u>Collected Within 60 Days After April 30, 2020</u>
Illinois Municipal Retirement	\$ 120,000	0.02690	\$ 120,042	\$ -
Workmen's Compensation	683,672	0.15321	683,704	-
Street and Bridge	215,150	-	-	-
Audit	55,000	0.01233	55,023	-
Street Lighting	85,000	0.01905	85,011	-
Unemployment Insurance	16,000	0.00359	16,020	-
Civil Defense	75,000	0.01681	75,015	-
Firemen's Pension	2,206,978	0.49456	2,206,988	-
Police Pension	2,313,465	0.51843	2,313,509	-
 Total	 <u>\$ 5,770,265</u>	 <u>1.24488</u>	 <u>\$ 5,555,312</u>	 <u>\$ -</u>

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 (CONTINUED)  
 APRIL 30, 2021  
 (UNAUDITED)**

2019 Tax Levy				
Assessed Valuation, Excluding Tax				\$ 509,175,626
Increment Financing District Increment				
Fund	Levy	Rate	Amount Extended by County Clerk	Amount Collected
Sewer Chlorination	\$ -	-	\$ -	\$ -
Illinois Municipal Retirement	120,000	0.02679	120,003	118,966
FICA	-	-	-	-
Workmen's Compensation	841,764	0.18792	841,771	834,475
Street and Bridge	-	-	-	-
Audit	70,000	0.01563	70,013	69,405
Street Lighting	85,000	0.01898	85,019	84,282
Unemployment Insurance	16,000	0.00358	16,036	15,897
Civil Defense	75,000	0.01675	75,030	74,382
Firemen's Pension	2,065,733	0.46117	2,065,770	2,047,867
Police Pension	2,256,053	0.50365	2,256,056	2,236,506
	<b>\$ 5,529,550</b>	<b>1.23447</b>	<b>\$ 5,529,698</b>	<b>\$ 5,481,780</b>
Total	<b>\$ 5,529,550</b>	<b>1.23447</b>	<b>\$ 5,529,698</b>	<b>\$ 5,481,780</b>

**CITY OF EAST PEORIA, ILLINOIS  
 ASSESSED VALUATIONS, TAXES LEVIED, TAX RATES, TAX EXTENSIONS,  
 AND TAX COLLECTIONS (CONTINUED)  
 APRIL 30, 2021  
 (UNAUDITED)**

2018 Tax Levy				2017 Tax Levy			
			<u>\$ 512,460,085</u>				<u>\$ 508,640,089</u>
Levy	Rate	Amount Extended by County Clerk	Amount Collected	Levy	Rate	Amount Extended by County Clerk	Amount Collected
\$ 20,000	0.00444	\$ 20,037	\$ 19,697	\$ 20,000	0.00448	\$ 20,029	\$ 19,979
120,000	0.02660	120,043	118,021	120,000	0.02685	120,041	119,733
-	-	-	-	-	-	-	-
824,506	0.18270	824,508	810,601	803,728	0.17978	803,758	801,702
-	-	-	-	-	-	-	-
80,000	0.01773	80,014	78,664	80,000	0.01790	80,027	79,824
85,000	0.01884	85,023	83,587	85,000	0.01902	85,034	84,819
16,000	0.00355	16,021	15,750	16,000	0.00358	16,005	15,963
75,000	0.01662	75,004	74,298	50,000	0.01119	50,028	49,899
2,023,497	0.44839	2,023,541	1,989,408	2,195,236	0.49102	2,195,246	2,189,631
2,270,567	0.50313	2,270,578	2,232,281	2,108,564	0.47164	2,108,602	2,103,211
<u>\$ 5,514,570</u>	<u>1.22200</u>	<u>\$ 5,514,769</u>	<u>\$ 5,422,307</u>	<u>\$ 5,478,528</u>	<u>1.22546</u>	<u>\$ 5,478,770</u>	<u>\$ 5,464,761</u>

**CITY OF EAST PEORIA, ILLINOIS  
LEGAL DEBT MARGIN  
APRIL 30, 2021  
(UNAUDITED)**

Assessed Valuation, 2020 Tax Year		<u>\$ 509,019,167</u>
Statutory Debt Limitation (8.625% of Assessed Valuation)		\$ 43,902,903
Total Debt:		
Notes Payable to Banks	\$ 3,542,991	
Notes Payable to Illinois Environment Protection Agency	33,159,014	
General Obligation Bonds (Alternate Revenue Source)	66,690,000	
Deduct Debt Exempt from Debt Limitation Computation:		
Notes Payable to Illinois Environment Protection Agency	(33,159,014)	
General Obligation Bonds (Alternate Revenue Source)	<u>(66,690,000)</u>	<u>3,542,991</u>
Legal Debt Margin		<u>\$ 40,359,912</u>

**CITY OF EAST PEORIA, ILLINOIS  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS BY DISTRICT  
SPECIAL TAX ALLOCATION FUND  
YEAR ENDED APRIL 30, 2021  
(UNAUDITED)**

	District III
<b>RECEIPTS</b>	
Property Taxes	\$ 802,715
Interest Income	117
Total Receipts	802,832
<b>DISBURSEMENTS</b>	
Distribution to Other Taxing Districts	139,729
Interfund Borrowing	660,000
Total Disbursements	799,729
Deficiency of Receipts Over Disbursements	3,103
Cash and Investments - April 30, 2020	11,176
<b>CASH AND INVESTMENTS - APRIL 30, 2021</b>	<b>\$ 14,279</b>

**CITY OF EAST PEORIA, ILLINOIS**  
**SCHEDULE OF RECEIPTS AND DISBURSEMENTS BY DISTRICT**  
**CAPITAL PROJECTS FUND**  
**YEAR ENDED APRIL 30, 2021**  
**(UNAUDITED)**

	Camp Street TIF District	W. Washington Street TIF District	Total
<b>RECEIPTS</b>			
Property Taxes	\$ 2,105,848	\$ 2,805,154	\$ 4,911,002
TIF C Taxes	212,144	-	212,144
TIF D Taxes	-	91,766	91,766
Other Taxes	217,893	906,915	1,124,808
Lease Income	570,015	-	570,015
Rental Income	1,077,960	-	1,077,960
Interest Income	814	1,589	2,403
Miscellaneous	6,861	125,475	132,336
Interfund Borrowing	3,576,513	686,114	4,262,627
Total Receipts	<u>7,768,048</u>	<u>4,617,013</u>	<u>12,385,061</u>

**CITY OF EAST PEORIA, ILLINOIS**  
**SCHEDULE OF RECEIPTS AND DISBURSEMENTS BY DISTRICT**  
**CAPITAL PROJECTS FUND (CONTINUED)**  
**YEAR ENDED APRIL 30, 2021**  
**(UNAUDITED)**

	Camp Street TIF District	W. Washington Street TIF District	Total
<b>DISBURSEMENTS</b>			
2007 General Obligation Bonds - Interest	\$ 779,900	\$ -	\$ 779,900
2010A General Obligation Bonds - Interest	87,000	-	87,000
2010A General Obligation Bonds - Principal	1,065,000	-	1,065,000
2012A General Obligation Bonds - Interest	-	82,765	82,765
2012A General Obligation Bonds - Principal	-	190,000	190,000
2012B General Obligation Bonds - Interest	-	82,764	82,764
2012B General Obligation Bonds - Principal	-	190,000	190,000
2012C General Obligation Bonds - Interest	-	56,983	56,983
2012C General Obligation Bonds - Principal	-	580,000	580,000
2012D General Obligation Bonds - Interest	-	22,543	22,543
2012D General Obligation Bonds - Principal	-	230,000	230,000
2012F General Obligation Bonds - Interest	23,400	-	23,400
2012F General Obligation Bonds - Principal	290,000	-	290,000
2013B General Obligation Bonds - Interest	-	147,000	147,000
2013B General Obligation Bonds - Principal	-	555,000	555,000
2014 General Obligation Bonds - Interest	687,015	-	687,015
2014 General Obligation Bonds - Principal	955,000	-	955,000
2016C General Obligation Bonds - Interest	36,225	-	36,225
2016C General Obligation Bonds - Principal	1,610,000	-	1,610,000
2019 General Obligation Bonds - Interest	469,965	-	469,965
2019 General Obligation Bonds - Principal	125,000	-	125,000
2020A General Obligation Bonds - Interest	-	156,737	156,737
2020A General Obligation Bonds - Principal	-	65,000	65,000
2020B General Obligation Bonds - Interest	-	62,181	62,181
2020B General Obligation Bonds - Principal	-	25,000	25,000
Interest Paid on Notes Payable	5,186	54,646	59,832
Principal Paid on Notes Payable	58,599	517,448	576,047
Construction	163,056	-	163,056
Development and Engineering Fees	32,863	-	32,863
Other Operating Expenses	68,747	11,744	80,491
Sales Tax Rebate	-	1,558,490	1,558,490
Property Taxes	438,477	-	438,477
Travel, Training, and Meetings	-	2,353	2,353
Attorney Fees	9,955	2,998	12,953
Bass Pro Building	10,810	-	10,810
Total Disbursements	6,916,198	4,593,652	11,509,850
Excess of Receipts Over Disbursements	851,850	23,361	875,211
Cash - April 30, 2020	167,322	568,578	735,900
<b>CASH - APRIL 30, 2021</b>	<b>\$ 1,019,172</b>	<b>\$ 591,939</b>	<b>\$ 1,611,111</b>



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH ILLINOIS MUNICIPAL  
CODE SUBSECTION (Q) SECTION 11-74.4-3 OF PUBLIC ACT 85-1142**

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the 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 City of East Peoria, Illinois (the City), as of and for the year ended April 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated May 10, 2022. Our report was modified to include a reference to other auditors.

In connection with our audit, nothing came to our attention that caused us to believe that the City failed to comply with Subsection (Q) of Section 11-74.4-3 of Public Act 85-1142, insofar as it relates to accounting matters. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the City's noncompliance with the above-referenced Illinois Municipal Code, insofar as it relates to accounting matters.

The purpose of the communication related to compliance with the aforementioned Subsection (Q) of Section 11-74.4-3 of Public Act 85-1142 described in the report on compliance is solely to describe the scope of our testing of compliance and the results of that testing. This communication is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's compliance. Accordingly, this communication is not suitable for any other purpose.

*CliftonLarsonAllen LLP*

**CliftonLarsonAllen LLP**

Peoria, Illinois  
May 10, 2022



**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the 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 City of East Peoria, Illinois (the City), as of and for the year ended April 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated May 10, 2022. Our report includes a reference to other auditors who audited the financial statements of the East Peoria Mass Transit District discretely presented component unit, the Police Pension Trust Fund, and the Firefighters' Pension Trust Fund, as described in our report on City of East Peoria, Illinois' financial statements. The financial statements of the East Peoria Mass Transit District, the Police Pension Trust Fund, and the Firefighters' Pension Trust Fund were not audited in accordance with *Government Auditing Standards*.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness yet important enough to merit attention by those charged with governance.



Honorable Mayor and Commissioners  
City of East Peoria, Illinois

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses as items 2021-001 and 2021-002 that we consider to be material weaknesses.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **City of East Peoria, Illinois' Responses to Findings**

The City's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. The City's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



**CliftonLarsonAllen LLP**

Peoria, Illinois  
May 10, 2022



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR  
FEDERAL PROGRAM, REPORT ON INTERNAL CONTROL OVER COMPLIANCE,  
AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
REQUIRED BY THE UNIFORM GUIDANCE**

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

**Report on Compliance for Each Major Federal Program**

We have audited City of East Peoria, Illinois' (the City) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended April 30, 2021. The City's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. The City's basic financial statements include the operations of the East Peoria Mass Transit District discretely presented component unit, which expended federal awards that are not included in the City's schedule of expenditures of federal awards during the year ended April 30, 2021. Our audit, described below, did not include the operations of the East Peoria Mass Transit District discretely presented component unit because the District engaged other auditors to perform an audit in accordance with Title 2 U.S. Code of Federal Regulations for Federal Awards, where applicable.

***Management's Responsibility***

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

***Auditors' Responsibility***

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City's compliance.

Honorable Mayor and Commissioners  
City of East Peoria, Illinois

***Opinion on Each Major Federal Program***

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended April 30, 2021.

**Report on Internal Control Over Compliance**

Management of City of East Peoria, Illinois is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the result of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



**CliftonLarsonAllen LLP**

Peoria, Illinois  
May 10, 2022

**CITY OF EAST PEORIA, ILLINOIS  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED APRIL 30, 2021**

Federal Grantor/ Pass-Through Grantor/Program Title	Federal CFDA Number	Grantor's Identifying Number	Federal Expenditures	Passed Through to Subrecipients
<b>U.S. Department of Treasury:</b>				
Passed Through the Illinois Department of Commerce and Economic Opportunity:				
COVID 19 - Coronavirus Relief Fund (Major)	21.019	20-494287	\$ 965,403	\$ -
<b>U.S. Department of Transportation:</b>				
Passed Through the Illinois Department of Transportation:				
State and Community Highway Safety Program	20.600	AP200037	7,737	-
State and Community Highway Safety Program	20.600	HS210094	<u>8,159</u>	<u>-</u>
Total U.S. Department of Transportation			15,896	-
<b>U.S. Department of Homeland Security:</b>				
Passed Through the Illinois Emergency Management Agency:				
Disaster Grants - Public Assistance	97.036	4489DR-IL	<u>12,350</u>	<u>-</u>
Total Expenditures of Federal Awards			<u>\$ 993,649</u>	<u>\$ -</u>

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**CITY OF EAST PEORIA, ILLINOIS**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**APRIL 30, 2021**

**NOTE 1 BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of City of East Peoria, Illinois (the City) and is presented on the modified accrual basis of accounting. All federal financial assistance received directly from federal agencies, as well as federal financial assistance passed through other governmental agencies expanded during the year, is included in the schedule. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in the schedule may differ from amounts presented in or used in the preparation of the basic financial statements.

**NOTE 2 SIGNIFICANT ACCOUNTING POLICIES**

Revenue from federal awards is recognized in the governmental funds when the City has done everything necessary to establish its right to revenue and the revenue meets the available criteria. Expenditures of federal awards are recognized in the accounting period when the liability is incurred and approved for reimbursement. Such expenditures are recognized following the cost principles contained in the Uniform Guidance for all awards with the exception of CFDA 21.019, which follows criteria determined by the Department of Treasury for allowability of costs. Under these principles, certain types of expenditures are not allowable or are limited as to reimbursement.

**NOTE 3 NONCASH ASSISTANCE AND LOANS**

The City did not receive any federal awards in the form of noncash assistance for insurance in effect during the fiscal year, loans, or loan guarantees.

**NOTE 4 INDIRECT COST RATE**

The City has elected to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

**CITY OF EAST PEORIA, ILLINOIS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED APRIL 30, 2021**

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**Section I – Summary of Auditors’ Results**

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**Financial Statements**

1. Type of auditors’ report issued: Unmodified
2. Internal control over financial reporting:
- Material weakness(es) identified?       x       yes                    no
  - Significant deficiency(ies) identified?                    yes       x       none reported
3. Noncompliance material to financial statements noted?                    yes       x       no

**Federal Awards**

1. Internal control over major federal programs:
- Material weakness(es) identified?                    yes       x       no
  - Significant deficiency(ies) identified?                    yes       x       none reported
2. Type of auditors’ report issued on compliance for major federal programs: Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?                    yes       x       no

**Identification of Major Federal Programs**

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
21.019	COVID 19 – Coronavirus Relief Fund
Dollar threshold used to distinguish between Type A and Type B programs:	<u>\$ 750,000</u>
Auditee qualified as low-risk auditee?	<u>                  </u> yes <u>      x      </u> no

**CITY OF EAST PEORIA, ILLINOIS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED APRIL 30, 2021**

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***Section II – Financial Statement Findings***

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**Finding No. 2021-001 — Segregation of Duties**

Type of Finding: Material Weakness in Internal Control over Financial Reporting

Criteria or specific requirement:

The Mayor, City Council, and management are responsible for establishing and maintaining internal controls and for the fair presentation of the financial statements and schedule of expenditures of federal awards, including related footnote disclosures, in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP).

Condition:

The City does not have an internal control system that provides proper segregation of duties at Eastport Marina. We specifically noted a lack of segregation of duties over the cash receipt and cash disbursement process. The Operations Manager at Eastport Marina has the ability to make deposits and reconcile bank statements. Both the Operations Manager and the Harbormaster, neither of whom are employees of the City, also have the ability to sign checks and record transactions in the accounting system.

Effect:

A lack of segregation of duties increases the risk that errors or misappropriations will not be prevented, or detected and corrected, by the City in a timely manner.

Cause:

There is limited number of personnel involved in accounting transactions at Eastport Marina.

Repeat Finding: The finding is a repeat of a finding in the immediate prior year as finding 2020-001.

Recommendation:

We recommend the City review the procedures in place to determine if it is feasible to shift some responsibilities from the Operations Manager and Harbormaster to improve segregation of duties and internal control. We also recommend check signing authority be limited to employees of the City. If, due to limited personnel and cost-benefit considerations, it is not practical to further segregate duties, then close supervision and review by management is the best means for detecting errors, misappropriations, and potential fraud.

Views of responsible officials and planned corrective action:

Management and City Council have implemented new controls at Eastport Marina to include limiting check signing authority to City employees, review of all expenses by the Finance Director prior to payment, and the Finance Director serves on the Eastport Operations Committee.

Contact person: Jeff Becker, Finance Director

**CITY OF EAST PEORIA, ILLINOIS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED APRIL 30, 2021**

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***Section II – Financial Statement Findings (Continued)***

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**Finding No. 2021-002 — Preparation of Financial Statements**

Type of Finding: Material Weakness in Internal Control over Financial Reporting

Criteria or specific requirement:

The Mayor, City Council, and management are responsible for establishing and maintaining internal controls and for the fair presentation of the annual financial statements, including related footnote disclosures, in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP).

Condition:

The City does not have an internal control policy over annual financial reporting that would enable management to prepare its annual financial statements and ensure related footnote disclosures are complete and presented in accordance with U.S. GAAP.

Effect:

A lack of internal control over financial statement preparation and adjustments increases the risk that a material misstatement of the annual financial statements will not be prevented, or detected and corrected, by the City in a timely manner.

Cause:

The City engages CliftonLarsonAllen LLP to assist in preparing its annual financial statements and related footnote disclosures. However, as independent auditors, CliftonLarsonAllen LLP cannot be considered part of the City's internal control system. Additionally, during the course of our audit, we proposed audit adjustments that individually and in the aggregate had a material effect on the annual financial statements. A significant portion of the adjustments were, for the fund financial statements, to convert cash basis of accounting to modified accrual basis of accounting and, for the government-wide financial statements, to record capital assets, long-term liabilities, and other full accrual items.

Repeat Finding: The finding is a repeat of a finding in the immediate prior year as finding 2020-002.

Recommendation:

We recommend that the City establish procedures to record all material adjustments affecting the annual financial statements. Such procedures should be performed by an individual possessing a thorough understanding of U.S. GAAP and knowledge of the City's activities and operations. We also recommend that the City consider providing opportunities for additional training, specifically in regards to new accounting standards. Attending various seminars or industry-special events would increase management's awareness of financial reporting and accounting issues that are commonly faced by Illinois municipalities.

Views of responsible officials and planned corrective action:

Management and City Council will take this under advisement and discuss the cost-benefit of adding additional personnel to improve upon the mentioned control.

Contact person: Jeff Becker, Finance Director



**CITY OF EAST PEORIA, ILLINOIS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED APRIL 30, 2021**

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***Section III – Findings and Questioned Costs – Major Federal Programs***

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Our audit did not disclose any matters required to be reported in accordance with 2 CFR 200.516(a).

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