

CITY OF EAST PEORIA, ILLINOIS

FINANCIAL REPORT

April 30, 2014



CliftonLarsonAllen

TABLE OF CONTENTS

FINANCIAL SECTION	PAGE
Independent Auditors' Report	1
Management's Discussion and Analysis	4
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Position	12
Statement of Activities.....	14
Fund Financial Statements:	
Balance Sheet - Governmental Funds	16
Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Position	20
Statement of Revenues, Expenditures and Changes in Fund Balances (Deficit) - Governmental Funds	21
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	23
Statement of Net Position - Proprietary Funds.....	25
Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds.....	27
Statement of Cash Flows - Proprietary Funds	28
Statement of Fiduciary Net Position	30
Statement of Changes in Fiduciary Net Position - Pension Trust Funds	31
Notes to Basic Financial Statements.....	32
Required Supplementary Information:	
Illinois Municipal Retirement Plan	69
Firefighter's Pension Plan	70
Police Pension Plan.....	71
Other Postemployment Benefit Plan.....	72
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Cash Basis) - General Fund.....	73
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Cash Basis) - Riverboat Gaming Tax Fund.....	74
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Cash Basis) - Special Tax Allocation Fund.....	75
Notes to Required Supplementary Information	76

TABLE OF CONTENTS

	PAGE
FINANCIAL SECTION (CONTINUED)	
Supplementary Information:	
General Fund:	
Combining Balance Sheet - By Account.....	77
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances – By Account	79
Nonmajor Governmental Funds:	
Combining Balance Sheet.....	81
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	85
Fiduciary Funds:	
Combining Schedule of Fiduciary Net Position	89
Statement of Changes in Assets and Liabilities - Agency Funds.....	91
Combining Schedule of Changes in Fiduciary Net Position.....	92
Supplementary Information:	
Assessed Valuations, Taxes Levied, Tax Rates, Tax Extensions and Tax Collections (Unaudited)	93
Legal Debt Margin.....	96
Schedule of Receipts and Disbursements By District, Special Tax Allocation Fund.....	97
Schedule of Receipts and Disbursements By District, Capital Projects Fund	98



Independent Auditors' Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of East Peoria, Illinois (the City), as of and for the year ended April 30, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Basis for Qualified Opinion on Aggregate Remaining Fund Information

We did not audit the financial statements of the pension trust funds, which represent 85 percent, 92 percent, and 42 percent, respectively, of the assets, net position, and revenues and additions of the aggregate remaining fund information.

Qualified Opinion

In our opinion, except for the effects of the matter described in the *Basis for Qualified Opinion on Aggregate Remaining Fund Information* paragraph, the financial statements referred to above present fairly, in all material respects, the respective financial position of the aggregate remaining fund information of the City of East Peoria, Illinois as of April 30, 2014, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Unqualified Opinions

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, and each major fund of the City as of April 30, 2014, 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 management's discussion and analysis on pages 4 through 11, budgetary comparison information on pages 73 through 76 and schedules of funding progress on pages 69 through 72 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We and the other auditor have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund financial statements and other schedules listed in the table of contents as supplementary information are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and other schedules listed in the table of contents as supplementary information 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, except for the Combining Schedule of Fiduciary Net Position, Combining Schedule of Changes in Fiduciary Net Position, and Schedules of Assessed Valuations, Taxes Levied, Tax Rates, Tax Extensions, and Tax Collections, has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and the other auditor. In our opinion, based on our audit, the procedures performed as described above, and the report of the other auditor, the combining and individual fund financial statements and other schedules listed in the table of contents as supplementary information are fairly stated in all material respects, in relation to the basic financial statements as a whole.

The Combining Schedule of Fiduciary Net Position, Combining Schedule of Changes in Fiduciary Net Position, and Schedules of Assessed Valuations, Taxes Levied, Tax Rates, Tax Extensions, and Tax Collections listed in the table of contents have 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 them.

CliftonLarsonAllen LLP

Peoria, Illinois
December 17, 2014

**CITY OF EAST PEORIA, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
April 30, 2014**

The following is a discussion and analysis of the City of East Peoria for the fiscal year ended April 30, 2014. The intent of the Management's Discussion and Analysis (MDA) is to look at the City's financial performance as a whole.

Financial Highlights

The assets and deferred outflows of resources of the City of East Peoria, Illinois exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$73,614,905 (net position). Of this amount, \$(29,943,069) is unrestricted and may be used to meet the government's ongoing obligations to citizens and creditors.

The government's total net position decreased by \$2,847,377 during the year ended 2014.

As of the close of this current fiscal year, the City's governmental funds reported combined ending fund balances of \$16,691,975, a decrease of \$3,413,311 in comparison with the prior year. Approximately 71 percent (\$5,051,081) of the General Fund fund balance total is available for spending at the government's discretion (unassigned fund balance).

At the end of the current fiscal year, unassigned fund balance for the General Fund was \$5,051,081 or 22 percent of total General Fund expenditures.

Overview of the Financial Statements

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

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

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

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

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

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

**CITY OF EAST PEORIA, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
April 30, 2014**

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

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

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

Fund Financial Statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of East Peoria like other state and local governments uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statements of revenues, expenditures and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains 21 individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balance for the General Fund, Riverboat Gaming Tax Fund, Special Tax Allocation Fund, Capital Projects Fund, and Bond and Interest Fund. The remaining governmental funds are combined into a single, aggregated presentation. Individual fund data for each nonmajor governmental fund is provided in the form of combining statements elsewhere in this report.

**CITY OF EAST PEORIA, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
April 30, 2014**

The City adopts an annual appropriated budget for its General Fund and special revenue funds. A budgetary comparison schedule has been provided as required supplementary information for the General Fund, Riverboat Gaming Tax Fund and Special Tax Allocation Fund to demonstrate compliance with this budget on pages 73 through 76.

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

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is similar to accounting for proprietary funds. The fiduciary funds of the City are Police/Fire pension trust funds and three agency funds. The total net position of the fiduciary funds was \$43,545,910.

Notes to Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to financial statements start on page 32 of this report.

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

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

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The City's total net position has decreased from a year ago. Table 1 reflects total net position of \$73,614,905.

**CITY OF EAST PEORIA, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
April 30, 2014**

Of the City's net position, 100.3 percent reflects its investment in capital assets (e.g., land, construction-in-progress, buildings and improvements, machinery and equipment and infrastructure); less any related debt used to acquire those assets that are still outstanding and unspent bond proceeds. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

Table 1 - City of East Peoria's Net Position

	Governmental Activities April <u>2014</u>	Governmental Activities April <u>2013</u>	Business-Type Activities April <u>2014</u>	Business-Type Activities April <u>2013</u>	Total April <u>2014</u>	Total April <u>2013</u>
Current and other assets	\$ 40,876,619	\$ 47,597,906	\$ 3,112,491	\$ 2,734,237	\$ 43,989,110	\$ 50,332,143
Capital assets	<u>139,950,707</u>	<u>135,668,457</u>	<u>37,009,529</u>	<u>38,682,752</u>	<u>176,960,236</u>	<u>174,351,209</u>
Total assets	<u>180,827,326</u>	<u>183,266,363</u>	<u>40,122,020</u>	<u>41,416,989</u>	<u>220,949,346</u>	<u>224,683,352</u>
Deferred outflows of resources, deferred charge on refunding	<u>424,397</u>	<u>461,835</u>	<u>-</u>	<u>-</u>	<u>424,397</u>	<u>461,835</u>
Noncurrent liabilities	116,575,866	116,117,884	8,946,062	8,213,916	125,521,928	124,331,800
Other liabilities	<u>11,656,933</u>	<u>11,507,112</u>	<u>1,902,890</u>	<u>1,569,110</u>	<u>13,559,823</u>	<u>13,076,222</u>
Total liabilities	<u>128,232,799</u>	<u>127,624,996</u>	<u>10,848,952</u>	<u>9,783,026</u>	<u>139,081,751</u>	<u>137,408,022</u>
Deferred Inflows of resources, unavailable revenue	<u>8,677,087</u>	<u>11,274,883</u>	<u>-</u>	<u>-</u>	<u>8,677,087</u>	<u>11,274,883</u>
Net position:						
Net investment in capital assets	45,883,910	43,903,506	27,939,357	30,332,326	73,823,267	74,235,832
Restricted	29,734,707	2,680,364	-	-	29,734,707	2,680,364
Unrestricted	<u>(31,276,780)</u>	<u>(1,755,551)</u>	<u>1,333,711</u>	<u>1,301,637</u>	<u>(29,943,069)</u>	<u>(453,914)</u>
Total net position	<u>\$ 44,341,837</u>	<u>\$ 44,828,319</u>	<u>\$ 29,273,068</u>	<u>\$ 31,633,963</u>	<u>\$ 73,614,905</u>	<u>\$ 76,462,282</u>

A restricted portion of the City's net position (40.4 percent as of April 30, 2014) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position, \$(29,943,069), may be used to meet the government's ongoing obligations to citizens and creditors.

The City's total net position decreased by \$2,847,377 during the year ended April 30, 2014. The governmental-type activities' net position decreased by \$486,482. The total business-type activities' net position decreased by \$2,360,895. The decrease in the governmental-type activities was minimal. The decrease in the business-type activities is mainly due to the charges for services being less than total expenses.

Table 2 highlights the City's revenues and expenses for the year ended April 30, 2014. These two main components are subtracted to yield the change in net position. This table utilizes the full accrual method of accounting.

**CITY OF EAST PEORIA, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
April 30, 2014**

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

Table 2 - City of East Peoria, Illinois' Changes In Net Position

	Governmental Activities April 2014	Governmental Activities April 2013	Business- Type Activities April 2014	Business- Type Activities April 2013	Total April 2014	Total April 2013
Revenues:						
Program revenues:						
Charges for services	\$ 1,360,489	\$ 1,576,185	\$ 8,560,611	\$ 8,318,929	\$ 9,921,100	\$ 9,895,114
Operating grants and contributions	1,154,420	4,677,699	-	-	1,154,420	4,677,699
Capital grants and contributions	438,408	4,656,882	-	-	438,408	4,656,882
General revenues:						
Property taxes	8,147,232	7,648,555	-	-	8,147,232	7,648,555
Sales taxes	11,146,911	10,998,961	477	464	11,147,388	10,999,425
Income taxes	2,839,513	2,218,751	-	-	2,839,513	2,218,751
Other taxes	12,131,804	11,691,717	-	-	12,131,804	11,691,717
Investment earnings	163,956	729,931	15,915	5,530	179,871	735,461
Miscellaneous	11,204,865	4,012,497	83,553	86,587	11,288,418	4,099,084
Total revenues	<u>48,587,598</u>	<u>48,211,178</u>	<u>8,660,556</u>	<u>8,411,510</u>	<u>57,248,154</u>	<u>56,622,688</u>
Expenses:						
Police	6,066,466	7,217,180	-	-	6,066,466	7,217,180
Fire	3,581,155	5,459,965	-	-	3,581,155	5,459,965
Sanitation	1,490,792	1,019,804	-	-	1,490,792	1,019,804
Health and welfare	1,564,765	1,207,831	-	-	1,564,765	1,207,831
Public works	5,207,366	4,940,486	-	-	5,207,366	4,940,486
General government	25,191,456	39,581,012	-	-	25,191,456	39,581,012
Community development	343,285	452,204	-	-	343,285	452,204
Other	879,425	842,493	-	-	879,425	842,493
Interest on long-term debt	4,600,502	6,017,966	-	-	4,600,502	6,017,966
Water and sewer	-	-	9,043,468	6,854,407	9,043,468	6,854,407
Eastport Marina	-	-	845,597	1,006,508	845,597	1,006,508
Eastside Centre	-	-	1,281,254	1,370,364	1,281,254	1,370,364
Total expenses	<u>48,925,212</u>	<u>66,738,941</u>	<u>11,170,319</u>	<u>9,231,279</u>	<u>60,095,531</u>	<u>75,970,220</u>
Deficiency before transfers	(337,614)	(18,527,763)	(2,509,763)	(819,769)	(2,847,377)	(19,347,532)
Transfers	(148,868)	(527,492)	148,868	527,492	-	-
Decrease in net position	(486,482)	(19,055,255)	(2,360,895)	(292,277)	(2,847,377)	(19,347,532)
Net position, beginning	<u>44,828,319</u>	<u>63,883,574</u>	<u>31,633,963</u>	<u>31,926,240</u>	<u>76,462,282</u>	<u>95,809,814</u>
Net position, ending	<u>\$ 44,341,837</u>	<u>\$ 44,828,319</u>	<u>\$ 29,273,068</u>	<u>\$ 31,633,963</u>	<u>\$ 73,614,905</u>	<u>\$ 76,462,282</u>

**CITY OF EAST PEORIA, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
April 30, 2014**

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

Table 3 - Governmental and Business-Type Activities

Programs	Total Cost of Services April 2014	Total Cost of Services April 2013	Net (Cost) of Services April 2014	Net (Cost) of Services April 2013
Police	\$ 6,066,466	\$ 7,217,180	\$ (5,749,523)	\$ (6,969,937)
Fire	3,581,155	5,459,965	(3,520,364)	(5,407,953)
Sanitation	1,490,792	1,019,804	(1,485,324)	(998,690)
Health and welfare	1,564,765	1,207,831	(657,017)	(248,164)
Public works	5,207,366	4,940,486	(4,290,331)	398,560
General government	25,191,456	39,581,012	(24,446,124)	(35,289,328)
Community development	343,285	452,204	(343,285)	(452,204)
Other	879,425	842,493	(879,425)	(842,493)
Interest on long-term debt	4,600,502	6,017,966	(4,600,502)	(6,017,966)
Water and sewer	9,043,468	6,854,407	(1,873,701)	55,865
Eastport Marina	845,597	1,006,508	(70,439)	(320,804)
Eastside Centre	1,281,254	1,370,364	(665,568)	(647,411)
Total	\$ 60,095,531	\$ 75,970,220	\$ (48,581,603)	\$ (56,740,525)

Net cost of services is 81 and 75 percent of total cost of services for the years ended April 30, 2014 and 2013, respectively.

Financial Analysis of the Government's Funds

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

Governmental Funds. The focus of the City of East Peoria's governmental funds is to provide information on near-term inflows, outflows and balance of spendable resources. Such information is useful in assessing the City's financial requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City of East Peoria's governmental funds reported combined ending fund balances of \$16,691,975, a decrease of \$3,413,311. Approximately (57 percent) of this total amount \$(9,533,092), constitutes a deficit unassigned fund balance, which is available for spending at the government's discretion. The remainder of fund balance is nonspendable, restricted or assigned.

The General Fund is the chief operating fund of the City of East Peoria. At the end of the current fiscal year, the unassigned General Fund balance was \$5,051,081. The City's total General Fund balance decreased \$1,598,365 during 2014. This decrease is due to a decrease in intergovernmental revenue received.

**CITY OF EAST PEORIA, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
April 30, 2014**

General Fund revenues exceed budgeted amounts by \$1,935,964 for the year. This was mainly due to the receipt of intergovernmental revenues within the fiscal year that was in excess of expectations.

During the year, expenditures in the General Fund were over budget by \$1,621,300. This was mainly due to the expenditures related to the unexpected intergovernmental revenues noted above.

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

The Riverboat Gaming Tax Fund has a total fund balance of \$10,716,828 for the current year, a decrease of \$272,749 over the prior year fund balance. The decrease is due to the transfer of funds in the current year to the Special Tax Allocation Fund and Capital Projects Fund.

The Special Tax Allocation Fund has a total fund deficit of \$(6,203,590) for the current year, an increase of \$199 over the prior year fund balance.

The Capital Projects Fund has a total fund deficit of \$(1,835,063) for the current year, a decrease of \$2,571,632 over the prior year fund balance. The decrease is due to additional capital outlay expenditures in the current year not offset by the issuance of new debt.

The Bond and Interest Fund has a total fund balance of \$3,111,732 for the current year, an increase of \$174,788 over the prior year fund balance. The increase is due to transfers into this fund from other funds for the debt payments.

Capital Asset and Debt Administration

Capital assets: The City of East Peoria's investment in capital assets for its governmental and business-type activities as of April 30, 2014, amounts to \$177 million (net of accumulated depreciation). This investment in capital assets includes land, land improvements, construction-in-progress, buildings, machinery, equipment and vehicles and infrastructure. The total increase in capital assets for the year ended April 30, 2014 was 1.7 percent.

Major capital asset events during the year included street improvements and the East Peoria Downtown area improvement.

Capital Assets Net of Depreciation Primary Government (in millions)

	2014	2013
Land	\$ 12	\$ 9
Land improvements	12	12
Buildings	76	75
Machinery, equipment and vehicles	29	29
Infrastructure	116	114
Construction-in-progress	45	41
Accumulated depreciation	(113)	(106)
Total	<u>\$ 177</u>	<u>\$ 174</u>

Additional information on the City of East Peoria's capital assets can be found in Note 6 of this report.

**CITY OF EAST PEORIA, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
April 30, 2014**

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

The City of East Peoria owed total bonded debt of \$103 million (bond principal portion only) at April 30, 2014. Standard and Poor's has currently assigned an "AA-" rating for the City's general obligation bonds.

	<u>2014</u>	<u>2013</u>
General obligation bonds	\$ 101	\$ 104
Project bonds	1.5	3
Revenue bonds	0.2	0.3
Special assessment bonds	<u>0.2</u>	<u>0.3</u>
Total	<u><u>\$ 103</u></u>	<u><u>\$ 108</u></u>

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

Requests for Information

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

CITY OF EAST PEORIA, ILLINOIS
STATEMENT OF NET POSITION
April 30, 2014

ASSETS	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total Primary Government	East Peoria Mass Transit District
CURRENT ASSETS				
Cash and investments	\$ 9,865,021	\$ 1,328,140	\$ 11,193,161	\$ 50,657
Receivables (net, where applicable, of allowances for estimated uncollectible amounts):				
Property taxes	8,677,087	-	8,677,087	412,728
Sales tax	3,029,512	-	3,029,512	-
State income tax	1,047,719	-	1,047,719	-
Personal property replacement tax	218,033	-	218,033	8,982
Motor fuel tax allotments	187,459	-	187,459	-
Gaming tax	419,110	-	419,110	-
Water and sewer revenue receivables:				
Billed	-	231,937	231,937	-
Unbilled charges	-	1,330,367	1,330,367	-
Customer charges	299,776	59,242	359,018	-
Assessments	109,645	-	109,645	-
Hotel/motel taxes	120,193	-	120,193	-
Intergovernmental	201,295	-	201,295	-
Notes	224,400	-	224,400	-
Fines	47,908	-	47,908	-
Capital lease	402,130	-	402,130	-
Other	221,633	-	221,633	-
Prepaid expenses	-	11,350	11,350	-
Inventory of supplies, at cost	-	140,316	140,316	-
Internal balances	(11,102)	11,102	-	-
Assets held for resale	1,430,000	-	1,430,000	-
Total current assets	<u>26,489,819</u>	<u>3,112,454</u>	<u>29,602,273</u>	<u>472,367</u>
NONCURRENT ASSETS				
Restricted assets, cash and investments	4,904,252	-	4,904,252	-
Receivables (net where applicable, of allowances for estimated uncollectible amounts):				
Assessments	78,531	37	78,568	-
Developer	193,469	-	193,469	-
Capital lease	9,210,548	-	9,210,548	-
Capital assets:				
Not depreciable:				
Land	8,426,876	3,647,682	12,074,558	-
Construction-in-progress	45,390,790	-	45,390,790	-
Depreciable:				
Land improvements	5,108,598	7,174,536	12,283,134	-
Buildings	51,569,307	24,411,258	75,980,565	-
Machinery, equipment and vehicles	14,968,860	14,114,700	29,083,560	-
Infrastructure	75,151,658	40,168,239	115,319,897	-
Accumulated depreciation	(60,665,382)	(52,506,886)	(113,172,268)	-
Total noncurrent assets	<u>154,337,507</u>	<u>37,009,566</u>	<u>191,347,073</u>	<u>-</u>
Total assets	<u>180,827,326</u>	<u>40,122,020</u>	<u>220,949,346</u>	<u>472,367</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charge on refunding	424,397	-	424,397	-

LIABILITIES	Primary Government			Component Unit East Peoria Mass Transit District
	Governmental Activities	Business-Type Activities	Total Primary Government	
CURRENT LIABILITIES				
Accounts payable	\$ 1,451,578	\$ 292,422	\$ 1,744,000	\$ -
Retainage payable	431,717	-	431,717	-
Wages payable	833,588	24,879	858,467	-
Liquor license bond held	18,000	-	18,000	-
Interest payable	1,533,429	45,174	1,578,603	-
Pension contribution payable	148,807	-	148,807	-
Unearned revenue	16,748	226,767	243,515	-
Due to other governmental entities	713,861	-	713,861	49,200
Deposits - customers	-	82,440	82,440	-
Compensated absences	600,188	139,299	739,487	-
Accrued health claims	613,076	-	613,076	-
Current portion of long-term debt	5,295,941	1,091,909	6,387,850	-
Total current liabilities	<u>11,656,933</u>	<u>1,902,890</u>	<u>13,559,823</u>	<u>49,200</u>
LONG-TERM LIABILITIES				
Compensated absences	2,655,971	477,688	3,133,659	-
Other postemployment benefits obligation	10,000,760	415,614	10,416,374	-
IMRF pension obligation	146,978	74,497	221,475	-
General obligation bonds, net bond discounts and premiums, noncurrent	95,026,925	1,714,612	96,741,537	-
Project bonds, net of bond discounts, noncurrent	986,724	-	986,724	-
Revenue bonds, net bond discounts, noncurrent	-	174,906	174,906	-
Special assessments payable, noncurrent	230,000	-	230,000	-
Notes payable, noncurrent	7,528,508	6,088,745	13,617,253	-
Total noncurrent liabilities	<u>116,575,866</u>	<u>8,946,062</u>	<u>125,521,928</u>	<u>-</u>
Total liabilities	<u>128,232,799</u>	<u>10,848,952</u>	<u>139,081,751</u>	<u>49,200</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	8,677,087	-	8,677,087	142,091
NET POSITION				
Net investment in capital assets	45,883,910	27,939,357	73,823,267	-
Restricted for:				
Employee benefits	224,615	-	224,615	-
Debt service	2,766,739	-	2,766,739	-
Audit	6,346	-	6,346	22,635
School Crossing Guard	9,373	-	9,373	-
Sewer	32,631	-	32,631	-
Emergency services	81,984	-	81,984	-
Tourism	1,602,151	-	1,602,151	-
Revolving loan	718,608	-	718,608	-
IHDA	15,936	-	15,936	-
Capital improvements and equipment	24,276,324	-	24,276,324	-
Liability insurance	-	-	-	300,655
Unrestricted (deficit)	<u>(31,276,780)</u>	<u>1,333,711</u>	<u>(29,943,069)</u>	<u>(42,214)</u>
TOTAL NET POSITION	<u>\$ 44,341,837</u>	<u>\$ 29,273,068</u>	<u>\$ 73,614,905</u>	<u>\$ 281,076</u>

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

**CITY OF EAST PEORIA, ILLINOIS
STATEMENT OF ACTIVITIES
Year Ended April 30, 2014**

FUNCTIONS/PROGRAMS	<u>Expenses</u>
Primary government:	
Governmental activities:	
Police	\$ (6,066,466)
Fire	(3,581,155)
Sanitation	(1,490,792)
Health and welfare	(1,564,765)
Public works	(5,207,366)
General government	(25,191,456)
Community development	(343,285)
Other	(879,425)
Interest on and amortization of long-term debt	<u>(4,600,502)</u>
Total governmental activities	<u>(48,925,212)</u>
Business-type activities:	
Water and Sewer	(9,043,468)
Eastport Marina	(845,597)
Eastside Centre	<u>(1,281,254)</u>
Total business-type activities	<u>(11,170,319)</u>
Total primary government	<u>\$ (60,095,531)</u>
Component unit:	
City of East Peoria Mass Transit District	<u>\$ (1,968,315)</u>

Program Revenues			Net (Expense) Revenue and Changes in Net Position			Component Unit East Peoria Mass Transit District
			Primary Government		Total Primary Government	
Fees, Fines, and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities		
\$ 61,285	\$ 255,658	\$ -	\$ (5,749,523)	\$ -	\$ (5,749,523)	\$ -
50,045	10,746	-	(3,520,364)	-	(3,520,364)	-
-	5,468	-	(1,485,324)	-	(1,485,324)	-
907,748	-	-	(657,017)	-	(657,017)	-
630	477,997	438,408	(4,290,331)	-	(4,290,331)	-
340,781	404,551	-	(24,446,124)	-	(24,446,124)	-
-	-	-	(343,285)	-	(343,285)	-
-	-	-	(879,425)	-	(879,425)	-
-	-	-	(4,600,502)	-	(4,600,502)	-
<u>1,360,489</u>	<u>1,154,420</u>	<u>438,408</u>	<u>(45,971,895)</u>	<u>-</u>	<u>(45,971,895)</u>	<u>-</u>
7,169,767	-	-	-	(1,873,701)	(1,873,701)	-
775,158	-	-	-	(70,439)	(70,439)	-
615,686	-	-	-	(665,568)	(665,568)	-
<u>8,560,611</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,609,708)</u>	<u>(2,609,708)</u>	<u>-</u>
<u>\$ 9,921,100</u>	<u>\$ 1,154,420</u>	<u>\$ 438,408</u>	<u>(45,971,895)</u>	<u>(2,609,708)</u>	<u>(48,581,603)</u>	
<u>\$ -</u>	<u>\$ 1,653,231</u>	<u>\$ -</u>				(315,084)
GENERAL REVENUES						
Property taxes			8,147,232	-	8,147,232	248,185
Sales and use taxes			11,146,911	477	11,147,388	-
State income taxes			2,839,513	-	2,839,513	-
Personal property replacement taxes			1,343,949	-	1,343,949	52,912
Illinois gaming taxes			6,181,021	-	6,181,021	-
Other taxes			4,606,834	-	4,606,834	-
Interest/investment income			163,956	15,915	179,871	149
Gain on sale of capital assets			25,000	-	25,000	-
Other			11,179,865	83,553	11,263,418	-
TRANSFERS			<u>(148,868)</u>	<u>148,868</u>	<u>-</u>	<u>-</u>
Total general revenues and transfers			<u>45,485,413</u>	<u>248,813</u>	<u>45,734,226</u>	<u>301,246</u>
Change in net position			(486,482)	(2,360,895)	(2,847,377)	(13,838)
NET POSITION - BEGINNING OF YEAR			<u>44,828,319</u>	<u>31,633,963</u>	<u>76,462,282</u>	<u>294,914</u>
NET POSITION - END OF YEAR			<u>\$ 44,341,837</u>	<u>\$ 29,273,068</u>	<u>\$ 73,614,905</u>	<u>\$ 281,076</u>

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

**CITY OF EAST PEORIA, ILLINOIS
BALANCE SHEET - GOVERNMENTAL FUNDS
April 30, 2014**

ASSETS	<u>General Fund</u>
Cash and investments	\$ 3,818,065
Receivables (net, where applicable, of allowances for estimated uncollectible amounts):	
Property taxes	2,426,651
Sales tax	2,867,471
State income tax	1,047,719
Personal property replacement tax	142,633
Motor fuel tax allotments	-
Gaming tax	-
Customer charges	299,776
Assessments	-
Hotel/motel taxes	-
Intergovernmental	-
Notes	-
Fines	47,908
Capital lease	-
Other	72,916
Advanced to other funds	1,866,157
Assets held for resale	-
Restricted assets, cash and investments	-
	-
 TOTAL ASSETS	 <u>\$ 12,589,296</u>

<u>Riverboat Gaming Tax Fund</u>	<u>Special Tax Allocation Fund</u>	<u>Capital Projects Fund</u>	<u>Bond and Interest Fund</u>	<u>Other Governmental Funds</u>	<u>Total</u>
\$ 400,472	\$ 208	\$ 70,250	\$ 1,116,898	\$ 3,404,266	\$ 8,810,159
-	793,413	2,427,652	-	3,029,371	8,677,087
-	-	162,041	-	-	3,029,512
-	-	-	-	-	1,047,719
-	-	-	-	75,400	218,033
-	-	-	-	187,459	187,459
419,110	-	-	-	-	419,110
-	-	-	-	-	299,776
-	-	-	-	188,176	188,176
-	-	20,456	-	99,737	120,193
201,295	-	-	-	-	201,295
-	-	-	-	224,400	224,400
-	-	-	-	-	47,908
-	-	9,612,678	-	-	9,612,678
-	-	32,722	-	115,995	221,633
10,598,758	1,984,822	-	269,400	136,331	14,855,468
-	-	1,430,000	-	-	1,430,000
-	-	2,928,818	1,975,434	-	4,904,252
<u>\$ 11,619,635</u>	<u>\$ 2,778,443</u>	<u>\$ 16,684,617</u>	<u>\$ 3,361,732</u>	<u>\$ 7,461,135</u>	<u>\$ 54,494,858</u>

**CITY OF EAST PEORIA, ILLINOIS
BALANCE SHEET - GOVERNMENTAL FUNDS
April 30, 2014**

LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICITS)	<u>General Fund</u>
LIABILITIES	
Accounts payable	\$ 201,693
Retainage payable	-
Wages payable	830,807
Liquor license bonds held	18,000
Compensated absences	35,341
Pension obligation payable	-
Unearned revenue	-
Due to other governmental entities	713,861
Advances from other funds	<u>184,753</u>
Total liabilities	<u>1,984,455</u>
 DEFERRED INFLOWS OF RESOURCES	
Unavailable revenue - property taxes	2,426,651
Unavailable revenue - other taxes	1,067,760
Unavailable revenue - capital lease receivable	-
Unavailable revenue - notes receivable and other	-
Unavailable revenue - special assessments	<u>-</u>
Total deferred inflows of resources	<u>3,494,411</u>
 FUND BALANCES (DEFICITS)	
Nonspendable	1,866,157
Restricted	-
Assigned	193,192
Unassigned	<u>5,051,081</u>
Total fund balances (deficits)	<u>7,110,430</u>
 TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICITS)	 <u><u>\$ 12,589,296</u></u>

<u>Riverboat Gaming Tax Fund</u>	<u>Special Tax Allocation Fund</u>	<u>Capital Projects Fund</u>	<u>Bond and Interest Fund</u>	<u>Other Governmental Funds</u>	<u>Total</u>
\$ 685,418	\$ -	\$ 536,973	\$ -	\$ 27,494	\$ 1,451,578
-	-	431,717	-	-	431,717
-	-	-	-	2,781	833,588
-	-	-	-	-	18,000
-	-	-	-	-	35,341
-	-	-	-	148,807	148,807
-	-	-	-	16,748	16,748
-	-	-	-	-	713,861
<u>217,389</u>	<u>8,188,620</u>	<u>5,474,531</u>	<u>250,000</u>	<u>141,365</u>	<u>14,456,658</u>
<u>902,807</u>	<u>8,188,620</u>	<u>6,443,221</u>	<u>250,000</u>	<u>337,195</u>	<u>18,106,298</u>
-	793,413	2,427,652	-	3,029,371	8,677,087
-	-	36,129	-	-	1,103,889
-	-	9,612,678	-	-	9,612,678
-	-	-	-	224,400	224,400
-	-	-	-	78,531	78,531
<u>-</u>	<u>793,413</u>	<u>12,076,459</u>	<u>-</u>	<u>3,332,302</u>	<u>19,696,585</u>
-	-	-	-	-	1,866,157
10,918,708	1,984,822	4,358,818	2,816,412	3,109,018	23,187,778
-	-	-	295,320	682,620	1,171,132
<u>(201,880)</u>	<u>(8,188,412)</u>	<u>(6,193,881)</u>	<u>-</u>	<u>-</u>	<u>(9,533,092)</u>
<u>10,716,828</u>	<u>(6,203,590)</u>	<u>(1,835,063)</u>	<u>3,111,732</u>	<u>3,791,638</u>	<u>16,691,975</u>
<u>\$ 11,619,635</u>	<u>\$ 2,778,443</u>	<u>\$ 16,684,617</u>	<u>\$ 3,361,732</u>	<u>\$ 7,461,135</u>	<u>\$ 54,494,858</u>

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

CITY OF EAST PEORIA, ILLINOIS
RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
April 30, 2014

Total governmental fund balances \$ 16,691,975

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

Land	\$ 8,426,876	
Construction-in-progress	45,390,790	
Land improvements	5,108,598	
Buildings and improvements	51,569,307	
Machinery, equipment, and vehicles	14,968,860	
Infrastructure	75,151,658	
Accumulated depreciation	<u>(60,665,382)</u>	139,950,707

Developer receivable 193,469

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

Unavailable revenue - other taxes	1,103,889	
Unavailable revenue - capital lease receivable	9,612,678	
Unavailable revenue - notes receivable and other	224,400	
Unavailable revenue - special assessments	<u>78,531</u>	11,019,498

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	1,054,862	
Current liabilities	<u>(613,076)</u>	441,786

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

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

Compensated absences, current	(564,847)	
Compensated absences, noncurrent	(2,655,971)	
Other postemployment benefits obligation	(10,000,760)	
IMRF pension obligation	(146,978)	
Accrued interest payable	(1,533,429)	
General obligation bonds payable, current	(3,780,000)	
General obligation bonds payable, noncurrent	(94,410,000)	
Project bonds payable, current	(545,000)	
Project bonds payable, noncurrent	(1,040,000)	
Special assessment bonds, noncurrent	(230,000)	
Notes payable, current	(970,941)	
Notes payable, noncurrent	(7,528,508)	
Bond discounts	138,540	
Bond deferred charge on refunding	424,397	
Bond premiums	<u>(702,189)</u>	(123,545,686)

NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 44,341,837

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

**CITY OF EAST PEORIA, ILLINOIS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES (DEFICIT) - GOVERNMENTAL FUNDS
Year Ended April 30, 2014**

	<u>General Fund</u>
REVENUES	
Property taxes	\$ 2,520,552
Other taxes and special assessments	14,558,981
Charges for services	1,019,708
Intergovernmental	828,611
Investment earnings	21,446
Licenses and permits	340,781
Miscellaneous	<u>2,373,848</u>
Total revenues	<u>21,663,927</u>
 EXPENDITURES	
Current:	
General government	7,538,940
Police	5,844,995
Fire	3,332,532
Sanitation	1,430,183
Health and welfare	1,370,248
Public works	2,236,855
Community development	323,280
Other	-
Capital outlay	231,293
Debt service:	
Principal payments	257,629
Interest and fiscal charges	<u>169,076</u>
Total expenditures	<u>22,735,031</u>
Excess (deficiency) of revenues over expenditures	<u>(1,071,104)</u>
 OTHER FINANCING SOURCES (USES)	
Issuance of long-term debt	-
Proceeds from sale of capital assets	-
Transfers in	-
Transfers out	<u>(527,261)</u>
Total other financing sources (uses)	<u>(527,261)</u>
 NET CHANGE IN FUND BALANCES	 (1,598,365)
 FUND BALANCES (DEFICITS), BEGINNING OF YEAR	 <u>8,708,795</u>
 FUND BALANCES (DEFICITS), END OF YEAR	 <u><u>\$ 7,110,430</u></u>

<u>Riverboat Gaming Tax Fund</u>	<u>Special Tax Allocation Fund</u>	<u>Capital Projects Fund</u>	<u>Bond and Interest Fund</u>	<u>Other Governmental Funds</u>	<u>Total</u>
\$ -	\$ 760,362	\$ 1,909,525	\$ -	\$ 2,956,793	\$ 8,147,232
6,181,021	-	2,875,426	-	1,775,973	25,391,401
-	-	-	-	-	1,019,708
438,408	-	-	-	1,943,511	3,210,530
300	220	13,972	95,320	30,961	162,219
-	-	-	-	-	340,781
<u>394,421</u>	<u>646</u>	<u>8,114,032</u>	<u>-</u>	<u>420,693</u>	<u>11,303,640</u>
<u>7,014,150</u>	<u>761,228</u>	<u>12,912,955</u>	<u>95,320</u>	<u>7,127,931</u>	<u>49,575,511</u>
-	130,976	-	-	2,943,003	10,612,919
-	-	-	-	1,216,329	7,061,324
-	-	-	-	1,180,450	4,512,982
-	-	-	-	-	1,430,183
-	-	-	-	-	1,370,248
-	-	-	-	948,129	3,184,984
-	-	-	-	-	323,280
-	1,833	764,862	-	1,314	768,009
4,947,404	-	11,787,614	-	8,305	16,974,616
421,305	1,180,000	5,028,246	80,000	85,000	7,052,180
85,421	(81,140)	4,337,505	40,532	20,475	4,571,869
<u>5,454,130</u>	<u>1,231,669</u>	<u>21,918,227</u>	<u>120,532</u>	<u>6,403,005</u>	<u>57,862,594</u>
<u>1,560,020</u>	<u>(470,441)</u>	<u>(9,005,272)</u>	<u>(25,212)</u>	<u>724,926</u>	<u>(8,287,083)</u>
-	-	4,997,640	-	-	4,997,640
-	-	25,000	-	-	25,000
48,872	470,640	1,411,000	200,000	129,522	2,260,034
<u>(1,881,641)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,408,902)</u>
<u>(1,832,769)</u>	<u>470,640</u>	<u>6,433,640</u>	<u>200,000</u>	<u>129,522</u>	<u>4,873,772</u>
(272,749)	199	(2,571,632)	174,788	854,448	(3,413,311)
<u>10,989,577</u>	<u>(6,203,789)</u>	<u>736,569</u>	<u>2,936,944</u>	<u>2,937,190</u>	<u>20,105,286</u>
<u>\$ 10,716,828</u>	<u>\$ (6,203,590)</u>	<u>\$ (1,835,063)</u>	<u>\$ 3,111,732</u>	<u>\$ 3,791,638</u>	<u>\$ 16,691,975</u>

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

CITY OF EAST PEORIA, ILLINOIS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
Year Ended April 30, 2014

Net change in fund balances - governmental funds \$ (3,413,311)

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

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

Capital outlay	\$ 9,566,782	
Depreciation expense	<u>(5,284,532)</u>	4,282,250

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

Proceeds from sale of capital assets	(25,000)	
Gain on sale of capital assets	<u>25,000</u>	-

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

Net change in other taxes	(510,553)	
Net change in intergovernmental	(106,271)	
Net change in notes receivable and other	<u>(117,260)</u>	(734,084)

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 long-term special assessment receivable	(141,181)	
Net change in capital lease receivable	<u>(359,100)</u>	(500,281)

The issuance of long-term debt (e.g., bonds, loan, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts and similar items 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:

Issuance of long-term debt	(4,997,640)	
Repayment of bond principal	5,255,000	
Repayment of notes payable principal	1,797,180	
Interest	(28,209)	
Amortization of premiums, discounts, and deferred charge on refunding	<u>(425)</u>	2,025,906

CITY OF EAST PEORIA, ILLINOIS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
Year Ended April 30, 2014

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	\$ (737,742)	
Change in other postemployment benefit obligation	(1,691,093)	\$ (2,428,835)

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

281,873

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES

\$ (486,482)

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

**CITY OF EAST PEORIA, ILLINOIS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
April 30, 2014**

ASSETS	Business-Type Activities - Enterprise Funds			Total	Governmental
	Water and Sewer Fund	Eastport Marina Fund	Eastside Centre Fund		Activities Internal Service Funds
CURRENT ASSETS					
Cash and cash equivalents	\$ 1,108,169	\$ 219,471	\$ 500	\$ 1,328,140	\$ 1,054,862
Water and sewer revenue receivables (net where applicable of allowance for uncollectible amounts):					
Billed	231,937	-	-	231,937	-
Unbilled charges	1,330,367	-	-	1,330,367	-
Customer charges	-	59,242	-	59,242	-
Advanced to other funds	5,000	-	-	5,000	-
Prepaid expenses	-	11,350	-	11,350	-
Inventory of supplies, at cost	140,316	-	-	140,316	-
Total current assets	<u>2,815,789</u>	<u>290,063</u>	<u>500</u>	<u>3,106,352</u>	<u>1,054,862</u>
NONCURRENT ASSETS, ASSESSMENTS RECEIVABLE					
	<u>37</u>	<u>-</u>	<u>-</u>	<u>37</u>	<u>-</u>
CAPITAL ASSETS					
Nondepreciable:					
Land	456,274	2,850,000	341,408	3,647,682	-
Depreciable:					
Land improvements	1,617,396	3,170,620	2,386,520	7,174,536	-
Buildings	16,210,548	2,326,810	5,873,900	24,411,258	-
Machinery, equipment and vehicles	12,574,702	517,470	1,022,528	14,114,700	-
Infrastructure	40,168,239	-	-	40,168,239	-
Less accumulated depreciation	<u>(43,430,496)</u>	<u>(4,117,899)</u>	<u>(4,958,491)</u>	<u>(52,506,886)</u>	<u>-</u>
Net capital assets	<u>27,596,663</u>	<u>4,747,001</u>	<u>4,665,865</u>	<u>37,009,529</u>	<u>-</u>
TOTAL ASSETS	<u>\$ 30,412,489</u>	<u>\$ 5,037,064</u>	<u>\$ 4,666,365</u>	<u>\$ 40,115,918</u>	<u>\$ 1,054,862</u>

**CITY OF EAST PEORIA, ILLINOIS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
April 30, 2014**

LIABILITIES AND NET POSITION	Business-Type Activities - Enterprise Funds			<u>Total</u>	Governmental <u>Activities</u> Internal Service <u>Funds</u>
	<u>Water and Sewer Fund</u>	<u>Eastport Marina Fund</u>	<u>Eastside Centre Fund</u>		
CURRENT LIABILITIES					
Accounts payable	\$ 260,539	\$ -	\$ 31,883	\$ 292,422	\$ -
Wages payable	24,879	-	-	24,879	-
Interest payable	45,125	-	49	45,174	-
Deposits, customers	82,440	-	-	82,440	-
Compensated absences	115,711	-	23,588	139,299	-
Unearned revenue	-	226,767	-	226,767	-
Accrued health claims	-	-	-	-	613,076
Current portion of long-term debt	<u>1,080,132</u>	<u>-</u>	<u>11,777</u>	<u>1,091,909</u>	<u>-</u>
Total current liabilities	<u>1,608,826</u>	<u>226,767</u>	<u>67,297</u>	<u>1,902,890</u>	<u>613,076</u>
LONG-TERM LIABILITIES					
Compensated absences, noncurrent	388,587	-	89,101	477,688	-
Advanced from other funds	259,517	144,293	-	403,810	-
Other postemployment benefits obligation	-	-	415,614	415,614	-
IMRF pension obligation	74,497	-	-	74,497	-
General obligation bonds, plus bond premiums, noncurrent	1,714,612	-	-	1,714,612	-
Revenue bonds, net bond discounts, noncurrent	174,906	-	-	174,906	-
Notes payable, noncurrent	<u>5,955,362</u>	<u>-</u>	<u>133,383</u>	<u>6,088,745</u>	<u>-</u>
Total long-term liabilities	<u>8,567,481</u>	<u>144,293</u>	<u>638,098</u>	<u>9,349,872</u>	<u>-</u>
Total liabilities	<u>10,176,307</u>	<u>371,060</u>	<u>705,395</u>	<u>11,252,762</u>	<u>613,076</u>
NET POSITION					
Net investment in capital assets	18,671,651	4,747,001	4,520,705	27,939,357	-
Unrestricted	<u>1,564,531</u>	<u>(80,997)</u>	<u>(559,735)</u>	<u>923,799</u>	<u>441,786</u>
TOTAL NET POSITION	<u>\$ 20,236,182</u>	<u>\$ 4,666,004</u>	<u>\$ 3,960,970</u>	<u>\$ 28,863,156</u>	<u>\$ 441,786</u>
Total enterprise funds net position				\$ 28,863,156	
Amounts reported for enterprise activities in the statement of net position are different because an internal service fund is used by management to charge the cost of certain services to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position.				<u>409,912</u>	
NET POSITION OF BUSINESS-TYPE ACTIVITIES				<u>\$ 29,273,068</u>	

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

CITY OF EAST PEORIA, ILLINOIS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES
IN NET POSITION - PROPRIETARY FUNDS
Year Ended April 30, 2014

	Business-Type Activities - Enterprise Funds			Total	Governmental Activities
	Water and Sewer Fund	Eastport Marina Fund	Eastside Centre Fund		Internal Service Funds
OPERATING REVENUES					
Water sales	\$ 3,333,687	\$ -	\$ -	\$ 3,333,687	\$ -
Sewer service charges	3,553,790	-	-	3,553,790	-
Fuel sales	-	188,666	-	188,666	-
Storage and rentals	-	586,349	32,188	618,537	-
Fees for services	-	-	499,935	499,935	-
Tap-in charges	61,729	-	-	61,729	-
Water assessments	6,881	-	-	6,881	-
Sewer assessments	13,516	-	-	13,516	-
Penalties	141,979	-	-	141,979	-
Individual sewer permits	1,335	-	-	1,335	-
Contractors' sewer permits	2,065	-	-	2,065	-
Sewer inspection fees	1,335	-	-	1,335	-
Sewer connection fees	35,940	-	-	35,940	-
Concession sales	-	-	2,589	2,589	-
Charges for coverage	-	-	-	-	3,637,231
Miscellaneous	17,510	143	80,974	98,627	-
Total operating revenues	<u>7,169,767</u>	<u>775,158</u>	<u>615,686</u>	<u>8,560,611</u>	<u>3,637,231</u>
OPERATING EXPENSES					
Salaries and benefits	2,613,583	190,280	575,043	3,378,906	-
Contractual services	246,659	95,247	70,595	412,501	-
Utilities	577,201	48,654	38,002	663,857	-
Repair and maintenance	949,438	57,793	155,548	1,162,779	-
Insurance	589,600	-	31,000	620,600	-
Other supplies and expenses	2,316,811	239,332	123,610	2,679,753	-
Depreciation	1,430,214	214,291	287,456	1,931,961	-
Insurance claims	-	-	-	-	3,357,095
Total operating expenses	<u>8,723,506</u>	<u>845,597</u>	<u>1,281,254</u>	<u>10,850,357</u>	<u>3,357,095</u>
Operating income (loss)	<u>(1,553,739)</u>	<u>(70,439)</u>	<u>(665,568)</u>	<u>(2,289,746)</u>	<u>280,136</u>
NONOPERATING REVENUES (EXPENSES)					
Interest	15,856	59	-	15,915	1,737
Reimbursements	83,553	-	-	83,553	-
Municipal sales tax	-	-	477	477	-
Interest, fiscal charges and amortization	(319,962)	-	-	(319,962)	-
Total nonoperating revenues (expenses)	<u>(220,553)</u>	<u>59</u>	<u>477</u>	<u>(220,017)</u>	<u>1,737</u>
Income (loss) before transfers	<u>(1,774,292)</u>	<u>(70,380)</u>	<u>(665,091)</u>	<u>(2,509,763)</u>	<u>281,873</u>
TRANSFERS IN (OUT)	<u>(48,872)</u>	<u>-</u>	<u>197,740</u>	<u>148,868</u>	<u>-</u>
CHANGE IN NET POSITION	<u>(1,823,164)</u>	<u>(70,380)</u>	<u>(467,351)</u>	<u>(2,360,895)</u>	<u>281,873</u>
TOTAL NET POSITION, BEGINNING OF YEAR	<u>22,059,346</u>	<u>4,736,384</u>	<u>4,428,321</u>	<u>31,224,051</u>	<u>159,913</u>
TOTAL NET POSITION, END OF YEAR	<u>\$ 20,236,182</u>	<u>\$ 4,666,004</u>	<u>\$ 3,960,970</u>	<u>\$ 28,863,156</u>	<u>\$ 441,786</u>

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

**CITY OF EAST PEORIA, ILLINOIS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended April 30, 2014**

	Business-Type Activities - Enterprise Funds			Total	Governmental Activities
	Water and Sewer Fund	Eastport Marina Fund	Eastside Centre Fund		Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers and users	\$ 6,930,031	\$ 748,440	\$ 635,091	\$ 8,313,562	\$ 3,637,231
Payments to suppliers and employees	<u>(7,111,914)</u>	<u>(631,307)</u>	<u>(898,285)</u>	<u>(8,641,506)</u>	<u>(3,716,265)</u>
Net cash provided by (used in) operating activities	<u>(181,883)</u>	<u>117,133</u>	<u>(263,194)</u>	<u>(327,944)</u>	<u>(79,034)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Reimbursements	83,553	-	-	83,553	-
Municipal sales tax	-	-	477	477	-
Transfer from (to) other funds	<u>(48,872)</u>	<u>-</u>	<u>197,740</u>	<u>148,868</u>	<u>-</u>
Net cash provided by noncapital financing activities	<u>34,681</u>	<u>-</u>	<u>198,217</u>	<u>232,898</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Proceeds from issuance of notes payable	1,655,220	-	-	1,655,220	-
Proceeds from sale of capital assets	42,362	-	-	42,362	-
Principal payments on notes payable	(527,151)	-	(11,227)	(538,378)	-
Interest and fiscal charges paid on revenue bonds and notes payable	(297,509)	-	-	(297,509)	-
Purchase of capital assets	(204,366)	(72,160)	(24,573)	(301,099)	-
Principal payment on bonds	<u>(385,000)</u>	<u>-</u>	<u>-</u>	<u>(385,000)</u>	<u>-</u>
Net cash provided by (used in) capital and related financing activities	<u>283,556</u>	<u>(72,160)</u>	<u>(35,800)</u>	<u>175,596</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest on investments	<u>15,856</u>	<u>59</u>	<u>-</u>	<u>15,915</u>	<u>1,737</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	152,210	45,032	(100,777)	96,465	(77,297)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>955,959</u>	<u>174,439</u>	<u>101,277</u>	<u>1,231,675</u>	<u>1,132,159</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 1,108,169</u>	<u>\$ 219,471</u>	<u>\$ 500</u>	<u>\$ 1,328,140</u>	<u>\$ 1,054,862</u>

**CITY OF EAST PEORIA, ILLINOIS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended April 30, 2014**

	Business-Type Activities - Enterprise Funds			Total	Governmental Activities
	Water and Sewer Fund	Eastport Marina Fund	Eastside Centre Fund		Internal Service Funds
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES					
Operating income (loss)	\$ (1,553,739)	\$ (70,439)	\$ (665,568)	\$ (2,289,746)	\$ 280,136
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation	1,430,214	214,291	287,456	1,931,961	-
Change in assets and liabilities:					
Customer charges and receivables	(155,694)	(4,751)	5,096	(155,349)	-
Prepaid expenses	-	(11,350)	-	(11,350)	-
Inventory	(115,089)	-	-	(115,089)	-
Accounts payable, claims, retainage and wages payable	3,737	(1)	17,606	21,342	(359,170)
Deposits	31,047	-	-	31,047	-
Unearned revenue	-	(10,617)	-	(10,617)	-
Compensated absences	177,641	-	21,937	199,578	-
Other postemployment benefits obligation	-	-	70,279	70,279	-
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	\$ (181,883)	\$ 117,133	\$ (263,194)	\$ (327,944)	\$ (79,034)
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES					
Amortization of issuance costs, discounts and deferred charge on refunding	\$ 12,096	\$ -	\$ -	\$ 12,096	\$ -

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

CITY OF EAST PEORIA, ILLINOIS
STATEMENT OF FIDUCIARY NET POSITION
April 30, 2014

	<u>Pension Trusts</u>	<u>Agency</u>
ASSETS		
Cash and cash equivalents	\$ 666,438	\$ 20,254
Receivables:		
Employer contributions	2,558,454	-
Accrued interest and dividends	165,734	-
Total receivables	<u>2,724,188</u>	<u>-</u>
Investments, at fair value:		
Money market funds	2,478,968	-
Municipal bonds	1,356,017	-
Corporate bonds	8,112,805	-
U.S. Government notes and bonds	6,188,745	-
U.S. Government agency obligations	2,075,862	-
Mutual funds	8,982,563	-
Common stocks	10,967,406	-
Total investments	<u>40,162,366</u>	<u>-</u>
Total assets	<u>43,552,992</u>	<u>20,254</u>
 LIABILITIES		
Accounts payable and accrued payroll taxes	7,082	-
Amounts held for others	-	20,254
Total liabilities	<u>7,082</u>	<u>20,254</u>
 NET POSITION HELD IN TRUST FOR PENSION BENEFIT OBLIGATION	 <u>\$ 43,545,910</u>	 <u>\$ -</u>

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

CITY OF EAST PEORIA, ILLINOIS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PENSION TRUST FUNDS
Year Ended April 30, 2014

ADDITIONS

Contributions:

Plan members' contributions	\$ 648,648
Employer contributions	<u>2,574,373</u>
Total contributions	<u>3,223,021</u>

Net investment income:

Net appreciation in fair value of investments	1,302,035
Dividends and interest	<u>1,019,412</u>
Total investment income	2,321,447

Less investment expenses	<u>215,784</u>
Net investment income	<u>2,105,663</u>

Total additions	<u>5,328,684</u>
-----------------	------------------

DEDUCTIONS

Benefits paid	3,192,186
Administrative expenses	<u>76,669</u>
Total deductions	<u>3,268,855</u>

Change in net position	2,059,829
------------------------	-----------

NET POSITION HELD IN TRUST FOR BENEFITS

Beginning of year	<u>41,486,081</u>
-------------------	-------------------

End of year	<u>\$ 43,545,910</u>
-------------	----------------------

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

CITY OF EAST PEORIA, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
April 30, 2014

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

Nature of Operations

The City of East Peoria, Illinois (City) is a municipality located in Central Illinois. Revenues are substantially generated as a result of taxes assessed and allocated to the City (examples would be property, sales, gaming, purchase and hotel), charges for services performed and governmental grants. Revenues are therefore dependent on the economy within the territorial boundaries of the City and nearby surrounding area and the appropriations of grant entitlements. Taxable industries within the area are primarily manufacturing and retail. The surrounding area has a substantial agricultural base. Additionally, there are large nonprofit employers such as hospitals and other local governments within the area.

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

Reporting Entity

For financial reporting purposes, in accordance with Section 2100 of the *Codification of Governmental Accounting and Financial Reporting Standards*, the City of East Peoria, Illinois, is a primary government in that it is a city with a separately elected governing body - one that is elected by the citizens in a general, popular election and is fiscally independent of other units of government.

With this criteria, the City has determined whether other entities are component units of the City. Component units are legally separate organizations for which the elected officials of the City of East Peoria are financially accountable. The City of East Peoria would be considered financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will (significantly influence the programs, projects, activities, or level of services performed or provided by the organization) on the organization or (2) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burden on, the City of East Peoria (i.e., entitled to or can access the organization's resources, is legally obligated or has otherwise assumed the obligation to finance deficits of, or provide financial support to the organization). If an organization is fiscally dependent on the City of East Peoria, the City is considered financially accountable regardless of whether the organization has (1) a separately elected governing board, (2) a governing board appointed by a higher level of government, or (3) a jointly appointed board.

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

CITY OF EAST PEORIA, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
April 30, 2014

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

Reporting Entity (Continued)

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

Fiduciary funds - City of East Peoria Police and Firefighter's Pension Funds: The Police and Firefighter's Pension Funds were established to provide retirement, death and disability payments to the police and firemen of the City or their beneficiaries. Each is a single-employer defined benefit pension plan. Contribution levels are mandated by Illinois Statutes and may be amended only by the Illinois legislature.

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

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

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

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

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

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

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

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

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

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

CITY OF EAST PEORIA, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
April 30, 2014

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

Basis of Presentation

Government-wide and fund financial statements: The government-wide financial statements (i.e., the statement of net position, including the discretely presented component unit, and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

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

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

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

CITY OF EAST PEORIA, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
April 30, 2014

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

Measurement Focus and Basis of Accounting

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Other taxes and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, claims and judgments are recorded only when payment is due.

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

Governmental fund type: Governmental Funds are those through which governmental functions of the City are financed. The acquisition, use and balances of the City's expendable resources and the related liabilities are accounted for through governmental funds. The City reports the following major governmental funds:

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

CITY OF EAST PEORIA, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
April 30, 2014

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

Measurement Focus and Basis of Accounting (Continued)

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

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

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

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

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

Enterprise funds: To account for operations financed and operated in a manner similar to private business enterprises where the intent of the governing body is the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

The City reports the following major proprietary funds:

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

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

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

Additionally, the City reports the following fund types:

Internal Service Fund: The Internal Service Fund is used by the City to account for employee health benefits, workers' compensation and general liability provided to other funds on a cost reimbursement basis.

CITY OF EAST PEORIA, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
April 30, 2014

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

Measurement Focus and Basis of Accounting (Continued)

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

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

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

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

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

Summary of Significant Accounting Policies

Property Taxes: Property taxes attach as an enforceable lien on property as of January 1. The City's property tax is levied each year at the time the budget for the ensuing year is passed and is extended against the assessed valuation of the City on January 1. Taxes are due and payable in two installments in June and September at the County Collector's office. Sale of taxes on any uncollected amounts is prior to November 30. Distribution of prior levy year taxes to all taxing bodies, including City funds, is also made prior to November 30.

Property taxes reflected as revenues in the governmental fund financial statements for fiscal year 2014 represent the 2012 tax levy which was received by the City during the months of July 2013 through November 2013. The general property taxes receivable and the related deferred inflow of resources at April 30, 2014 are based on the City's 2013 extended tax levy.

CITY OF EAST PEORIA, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
April 30, 2014

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

Summary of Significant Accounting Policies (Continued)

Cash and Cash Equivalents: The City considers all liquid investments with a maturity date of three months or less when purchased to be cash equivalents. At April 30, 2014, no investments qualified as cash equivalents.

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

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

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

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

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

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

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

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

CITY OF EAST PEORIA, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
April 30, 2014

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

Summary of Significant Accounting Policies (Continued)

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

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred, net of investment income on project specific debt service expenditures, activities is included as part of the capitalized value of the assets constructed in the enterprise funds. There was no interest capitalized for the year ended April 30, 2014.

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

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

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

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

CITY OF EAST PEORIA, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
April 30, 2014

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

Summary of Significant Accounting Policies (Continued)

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

Compensated absences - primary government: City employees earn vacation throughout the year based upon their anniversary date, and must use the days earned in the same anniversary year within one month after their anniversary date, unless prior approval from a department head is received. Any unused vacation time is payable to employees upon termination. Employees can accumulate ten days of sick leave per year and sick leave is carried over to the following year. Accumulated sick pay is paid out upon retirement to a maximum of 60 days or 120 days for department heads and union personnel.

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

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

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Bond issuance costs are recorded as debt service expenditures when incurred.

CITY OF EAST PEORIA, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
April 30, 2014

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

Summary of Significant Accounting Policies (Continued)

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

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

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

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

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

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

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

Net position: Represents the difference between assets, deferred outflows of resources, liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net investment in capital assets excludes unspent debt proceeds. Unspent debt proceeds (which includes proceeds reserved for debt retirement) for the Capital Projects Fund and Bond and Interest Fund were \$1,046,263 and \$825,117, respectively. Net position is reported as restricted when there are limitations imposed on its use through enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

Net position by enabling legislation includes \$6,346 for audit, \$104,615 for employee benefits, \$32,631 for sewer chlorination, \$2,447,952 for capital improvements and equipment, and \$74,017 for emergency services.

CITY OF EAST PEORIA, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
April 30, 2014

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

Summary of Significant Accounting Policies (Continued)

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

Use of estimates: The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Material estimates that are particularly susceptible to significant change in the near term relate to the determination of liabilities for accrued health claims, IMRF pension obligations and other postemployment benefits obligations.

NOTE 2 - RESTRICTED ASSETS, PRIMARY GOVERNMENT

In accordance with the appropriate bond ordinances, restricted assets represent assets the City has set aside to meet all required payments for debt principal and interest. The restricted assets also include the amount of bond proceeds not spent on the project as of year-end.

NOTE 3 - CASH AND INVESTMENTS

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

As of April 30, 2014, the City had the following cash and investments:

Cash and investments - Statement of Net Position	\$ 11,193,161
Restricted cash and investments - Statement of Net Position	4,904,252
Cash and cash equivalents - Fiduciary Funds	686,692
Investments - Fiduciary Funds	<u>40,162,366</u>
Total	<u>\$ 56,946,471</u>

CITY OF EAST PEORIA, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
April 30, 2014

NOTE 3 - CASH AND INVESTMENTS (CONTINUED)

Deposits	\$ 13,031,903
Illinois Funds Money Market Fund	1,213,645
Mutual Funds	5,464
FNMA Investments	1,846,401
Cash held by Pension Trusts Fiduciary Funds	686,692
Investments held by Pension Trusts Fiduciary Funds	<u>40,162,366</u>
Total primary government	<u>\$ 56,946,471</u>

Custodial credit risk, deposits: Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City does not have a deposit policy for custodial credit risk. As of April 30, 2014, \$123,569 of the City's bank balance of \$13,605,343 was exposed to custodial credit risk.

Custodial credit risk, investments: Custodial credit risk for investments is the risk that in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of its investments or collateral securities that are in the possession of another party. As of April 30, 2014, the City's investments were not exposed to custodial credit risk.

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

As of April 30, 2014, the City had the following investments and maturities:

	<u>Fair Value</u>	<u>Investment Maturities (In Years) Less Than 1</u>
Illinois Funds Money Market Fund	\$ 1,213,645	\$ 1,213,645
U.S. Agency, FNMA	<u>1,846,401</u>	<u>1,846,401</u>
	<u>\$ 3,060,046</u>	<u>\$ 3,060,046</u>

Concentration of credit risk: It is the policy of the City to diversify its investment portfolio. Investments shall be diversified to eliminate the risk of loss resulting in over concentration in a specific maturity, issuer or class of securities. As of April 30, 2014, more than 5 percent of the City's investments are in FNMA securities. These securities represents 60 percent of the City's total investments.

CITY OF EAST PEORIA, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
April 30, 2014

NOTE 3 - CASH AND INVESTMENTS (CONTINUED)

Credit risk: Credit risk is the risk that an issuer or other counterparty to a debt investment will not fulfill its obligations. The City has no investment policy that would further limit its investment choices. The Illinois Funds are State approved, professionally managed investment funds which enable municipalities in Illinois to pool available funds for investment in various state approved investments. The fair value of the City's position in the pool is recorded at amortized cost pursuant to Rule 2a-7 under the Investment Company Act of 1940. As of April 30, 2014, the City's investments were rated as follows:

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

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

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

As of April 30, 2014, none of the deposits of the City of East Peoria Police Pension and the City of East Peoria Firefighter's Pension Plans were exposed to custodial credit risk.

Investments: As of April 30, 2014, 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	\$ 3,706,784	N/A	8.89	16%
U.S. Government agencies	1,430,379	Aaa	2.34	6
Money market	634,368	N/A	N/A	3
Municipal bonds	984,281	Aaa to Aa3	10.04	4
Corporate bonds	5,763,156	Aaa to Baa3	7.64	25
Common stocks	8,069,739	N/A	N/A	35
Mutual funds, equities	<u>2,425,502</u>	N/A	N/A	11
Total investments	<u>\$23,014,209</u>			

CITY OF EAST PEORIA, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
April 30, 2014

NOTE 3 - CASH AND INVESTMENTS (CONTINUED)

As of April 30, 2014, the Firefighter's Pension Fund had the following investments:

<u>Type of Investment</u>	<u>Fair Value/ Carrying Amount</u>	<u>Average Credit Quality/ Ratings (1)</u>	<u>Weighted Average Years to Maturity (2)</u>	<u>Concentration Percentage</u>
U.S. Government notes and bonds, explicitly guaranteed	\$ 2,481,961	N/A	5.74	14%
U.S. Government agencies	645,483	Aaa	2.57	4
Money market funds	1,844,600	N/A	0.07	11
Mutual funds, equities	6,557,061	N/A	N/A	38
Common stocks	2,897,667	N/A	N/A	17
Corporate bonds	2,349,649	Aa1 to Baa3	8.21	14
Municipal bonds	<u>371,736</u>	Aaa to Aa3	11.76	2
Total investments	<u>\$ 17,148,157</u>			

- (1) Ratings are provided where applicable to indicate associated credit risk. N/A indicates not applicable. Obligations of the U.S. Government or obligations explicitly guaranteed by the U.S. Government are not considered to have credit risk.
- (2) Interest rate risk is estimated using the weighted average years to maturity method.

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

The Fund's policy provides that investments are diversified to minimize the risk of loss resulting from over-concentration of assets in a specific maturity period, a single issuer or an individual class of securities. Investment guidelines have been established for each investment manager to evaluate performance of the Fund's investments compared to industry benchmarks.

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

Cash and investments, discretely presented component units:

City of East Peoria Mass Transit District: Custodial credit risk is the risk that, in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a deposit policy for custodial credit risk. As of June 30, 2014, none of the District's bank balance of \$50,657 was exposed to custodial credit risk.

CITY OF EAST PEORIA, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
April 30, 2014

NOTE 4 - SPECIAL ASSESSMENTS FUND

The City has levied special assessments against various landowners in conjunction with improvements made which benefit the landowners. These special assessments are being paid to the City over a number of years. The noncurrent portion of the special assessment receivable is deferred in the governmental funds as it is not available as of year-end. An analysis of the current and long-term portions of special assessments receivable at April 30, 2014 is as follows:

Total special assessments receivable	\$ 188,176
Less amounts not receivable within one year	<u>78,531</u>
Current special assessments receivable	<u>\$ 109,645</u>

NOTE 5 - LEASE RECEIVABLE

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

As of April 30, 2014, components of the lease receivable were as follows:

Total lease receivable payments	\$ 14,013,480
Amount representing interest	<u>4,400,802</u>
	<u>\$ 9,612,678</u>

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

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

CITY OF EAST PEORIA, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
April 30, 2014

NOTE 5 - LEASE RECEIVABLE (CONTINUED)

As of April 30, 2014, future minimum lease revenue expected to be received is as follows:

Fiscal Year Ending April 30:	
2015	\$ 940,440
2016	963,360
2017	986,280
2018	1,009,200
2019	1,032,120
2020-2024	5,504,400
2025-2027	<u>3,577,680</u>
Total lease receivable payments	14,013,480
Less amount representing interest	<u>(4,400,802)</u>
Lease receivable	<u>\$ 9,612,678</u>

In July 2010, the City entered into a lease agreement with Bass Pro Outdoor World, LLC for the lease of a retail space owned by the City. Monthly lease payments are based on gross sales of the retail operation of 1 percent of gross sales of boats, recreational vehicles, off-road vehicles and all-terrain vehicles, with a max of \$250 for each such vehicle sold and 2 percent of all other gross sales, which began September 2011. The lease term is 20 years with six consecutive renewal options of five years each. For the year ended April 30, 2014 lease revenues from this lease were \$483,717. As of April 30, 2014, there was a lease receivable of \$32,722 included in other receivables on the City's financial statements in the Capital Projects fund.

CITY OF EAST PEORIA, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
April 30, 2014

NOTE 6 - CAPITAL ASSETS, PRIMARY GOVERNMENT

Capital asset activity for the year ended April 30, 2014 was as follows:

	<u>Balance April 30, 2013</u>	<u>Additions</u>	<u>Deductions/ Transfers</u>	<u>Balance April 30, 2014</u>
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 5,385,512	\$ 3,581,364	\$ 540,000	\$ 8,426,876
Construction in progress	<u>40,896,164</u>	<u>5,183,853</u>	<u>689,227</u>	<u>45,390,790</u>
Total capital assets not being depreciated	<u>46,281,676</u>	<u>8,765,217</u>	<u>1,229,227</u>	<u>53,817,666</u>
Capital assets, being depreciated:				
Land improvements	4,878,131	230,467	-	5,108,598
Buildings	51,029,307	540,000	-	51,569,307
Machinery, equipment, and vehicles	14,643,373	462,469	136,982	14,968,860
Infrastructure assets	<u>74,353,802</u>	<u>797,856</u>	<u>-</u>	<u>75,151,658</u>
Total capital assets being depreciated	<u>144,904,613</u>	<u>2,030,792</u>	<u>136,982</u>	<u>146,798,423</u>
Less accumulated depreciation for:				
Land improvements	1,437,608	236,605	-	1,674,213
Buildings	6,060,503	1,934,235	-	7,994,738
Machinery, equipment, and vehicles	9,996,390	933,748	136,982	10,793,156
Infrastructure assets	<u>38,023,331</u>	<u>2,179,944</u>	<u>-</u>	<u>40,203,275</u>
Total accumulated depreciation	<u>55,517,832</u>	<u>5,284,532</u>	<u>136,982</u>	<u>60,665,382</u>
Total capital assets being depreciated, net	<u>89,386,781</u>	<u>(3,253,740)</u>	<u>-</u>	<u>86,133,041</u>
Governmental activities capital assets, net	<u>\$ 135,668,457</u>	<u>\$ 5,511,477</u>	<u>\$ 1,229,227</u>	<u>\$ 139,950,707</u>

CITY OF EAST PEORIA, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
April 30, 2014

NOTE 6 - CAPITAL ASSETS, PRIMARY GOVERNMENT (CONTINUED)

	<u>Balance</u> <u>April 30, 2013</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>April 30, 2014</u>
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 3,647,682	\$ -	\$ -	\$ 3,647,682
Construction in progress	<u>14,053</u>	<u>-</u>	<u>14,053</u>	<u>-</u>
Total capital assets not being depreciated	<u>3,661,735</u>	<u>-</u>	<u>14,053</u>	<u>3,647,682</u>
Capital assets, being depreciated:				
Land improvements	7,104,124	70,412	-	7,174,536
Buildings	24,397,205	14,053	-	24,411,258
Machinery, equipment, and vehicles	14,005,802	185,973	77,075	14,114,700
Infrastructure assets	<u>40,123,525</u>	<u>44,714</u>	<u>-</u>	<u>40,168,239</u>
Total capital assets being depreciated	<u>85,630,656</u>	<u>315,152</u>	<u>77,075</u>	<u>85,868,733</u>
Less accumulated depreciation for:				
Land improvements	5,707,135	295,036	-	6,002,171
Buildings	10,057,964	498,166	-	10,556,130
Machinery, equipment, and vehicles	11,613,500	427,533	34,714	12,006,319
Infrastructure assets	<u>23,231,040</u>	<u>711,226</u>	<u>-</u>	<u>23,942,266</u>
Total accumulated depreciation	<u>50,609,639</u>	<u>1,931,961</u>	<u>34,714</u>	<u>52,506,886</u>
Total capital assets being depreciated, net	<u>35,021,017</u>	<u>(1,616,809)</u>	<u>42,361</u>	<u>33,361,847</u>
Business-type activities capital assets, net	<u>\$ 38,682,752</u>	<u>\$ (1,616,809)</u>	<u>\$ 56,414</u>	<u>\$ 37,009,529</u>

CITY OF EAST PEORIA, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
April 30, 2014

NOTE 6 - CAPITAL ASSETS, PRIMARY GOVERNMENT (CONTINUED)

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

Governmental activities:	
Police	\$ 233,233
Fire	248,623
Sanitation	60,189
Public works	2,208,954
General government	<u>2,533,533</u>
Total depreciation expense, governmental activities	\$ <u>5,284,532</u>
Business-type activities:	
Water and sewer fund	\$ 1,430,214
Eastport Marina fund	214,291
Eastside Centre fund	<u>287,456</u>
Total depreciation expense, business-type activities	\$ <u>1,931,961</u>

NOTE 7 - LONG-TERM LIABILITIES, PRIMARY GOVERNMENT

The following is a summary of changes in long-term liabilities for the year ended April 30, 2014:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities:					
Bonds payable:					
General obligation bonds	\$102,055,000	\$ -	\$3,865,000	\$ 98,190,000	\$ 3,780,000
Project bonds	2,890,000	-	1,305,000	1,585,000	545,000
Special assessment bonds	315,000	-	85,000	230,000	-
Issuance premiums (discounts)	<u>600,662</u>	-	<u>37,013</u>	<u>563,649</u>	-
Total bonds payable	105,860,662	-	5,292,013	100,568,649	4,325,000
Notes payable	5,298,989	4,997,640	1,797,180	8,499,449	970,941
Compensated absences	<u>2,518,417</u>	<u>3,256,159</u>	<u>2,518,417</u>	<u>3,256,159</u>	<u>600,188</u>
Governmental activities, long-term liabilities	<u>\$113,678,068</u>	<u>\$8,253,799</u>	<u>\$9,607,610</u>	<u>\$112,324,257</u>	<u>\$ 5,896,129</u>

CITY OF EAST PEORIA, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
April 30, 2014

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

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

Long-term debt payable as of April 30, 2014 is comprised of the following individual issues:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Business-type activities:					
Bonds payable:					
General obligation bonds	\$2,345,000	\$ -	\$ 310,000	\$2,035,000	\$ 415,000
Revenue bonds	325,000	-	75,000	250,000	75,000
Issuance premiums (discounts)	118,710	-	12,096	106,614	12,096
Total bonds payable	<u>2,788,710</u>	<u>-</u>	<u>397,096</u>	<u>2,391,614</u>	<u>502,096</u>
Notes payable	5,561,716	1,655,220	538,378	6,678,558	589,813
Compensated absences	<u>417,409</u>	<u>616,987</u>	<u>417,409</u>	<u>616,987</u>	<u>139,299</u>
Business-type activities, long-term liabilities	<u>\$8,767,835</u>	<u>\$2,272,207</u>	<u>\$1,352,883</u>	<u>\$9,687,159</u>	<u>\$1,231,208</u>

Governmental Activities

General obligation bonds:

\$595,000, General Obligation Bonds, Series 2005C, due in annual installments of \$30,000 to \$50,000, beginning January 2008 through January 2024; interest at rates of 3.0% to 4.35%	\$ 400,000
\$23,695,000, General Obligation Refunding Bonds, Series 2007, due in annual installments of \$370,000 to \$2,915,000, through January 2027; interest at rates of 4.85% to 5.5%	21,305,000
\$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%	23,545,000
\$19,730,000, General Obligation Bonds, Series 2010B, due in annual installments of \$590,000 to \$1,545,000, through January 2033; interest at rates of 2.34% to 6.56%	18,535,000
\$3,920,000, General Obligation Bonds, Series 2012A, due in annual installments of \$170,000 to \$265,000, through January 2032; interest at rates of 1.076% to 3.575%	3,750,000

CITY OF EAST PEORIA, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
April 30, 2014

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

Governmental Activities (Continued)

\$3,920,000, General Obligation Bonds, Series 2012B, due in annual installments of \$170,000 to \$265,000, through January 2032; interest at rates of 1.076% to 3.575%	\$ 3,750,000
\$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%	11,785,000
\$4,880,000, General Obligation Bonds, Series 2012D, due in annual installments of \$200,000 to \$355,000, through January 2032; interest at rates of 1.470% to 4.575%	4,680,000
\$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%	2,150,000
\$1,305,000, General Obligation Refunding Bonds, Series 2012G, due in annual installments of \$305,000 to \$340,000, through January 2018; interest at rates of 1.20% to 2.20%	1,305,000
\$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%	770,000
\$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%	<u>6,215,000</u>
Total general obligation bonds, government activities	<u><u>\$ 98,190,000</u></u>

Notes payable:

Note payable to bank, due in semiannual installments of \$38,875, including interest at 5.25% as of April 30, 2008 through May 2021 (Kohl's Property)	\$ 2,792,528
Note payable to bank, due in monthly installments of \$2,048, including interest at 5.125%, through April 2015 (Eastlight Theatre)	152,522

CITY OF EAST PEORIA, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
April 30, 2014

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

Governmental Activities (Continued)

Notes payable (continued):

Note payable to bank with principal and interest, due in semiannual installments of \$45,112 through August 2023 (Steak-N-Shake Property)	\$ 556,759
---	------------

Note payable to bank, due in annual installments of \$572,094, including interest at 2.50%, through January 2024 (Camp Street Property)	<u>4,997,640</u>
---	------------------

Total notes payable, governmental activities	<u><u>\$ 8,499,449</u></u>
---	----------------------------

Project bonds:

\$18,675,000, Project Bonds, Series 1998-B, due in annual installments of \$470,000 to \$1,135,000 through April 2017; interest rates of 4.1% to 4.85%	<u><u>\$ 1,585,000</u></u>
--	----------------------------

Special assessment bonds:

04-B, main on main improvement, due 2016, interest at 6.5%	\$ 205,000
--	------------

04-D, Dieter's Funeral Home improvement, due 2016, interest at 6.5%	<u>25,000</u>
---	---------------

Total special assessment bonds, governmental activities	<u><u>\$ 230,000</u></u>
--	--------------------------

Water and sewer fund long-term debt:

General obligation bonds:

\$2,595,000, General Obligation Refunding Bonds, Series 2012-E, due in annual installments of \$165,000 to \$430,000 through May 2022; interest rate at 2.00% to 4.00%	<u><u>\$ 2,035,000</u></u>
--	----------------------------

Notes payable:

Note payable to the State of Illinois Environmental Protection Agency, due in semiannual installments of \$7,559, including interest at 2.815% through December 2014	\$ 14,804
--	-----------

Note payable to the State of Illinois Environmental Protection Agency, due in semiannual installments of \$48,918 through April 2019, including interest at 2.865%	452,750
--	---------

Note payable to the State of Illinois Environmental Protection Agency, due in semiannual installments of \$31,553 through April 2020, including interest at 2.625%	348,215
--	---------

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%	554,141
--	---------

CITY OF EAST PEORIA, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
April 30, 2014

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

Governmental Activities (Continued)

Notes payable (continued):

Note payable to the State of Illinois Environmental Protection Agency, due in semiannual installments of \$122,694 through November 2027, including interest at 2.5% \$ 2,853,666

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% 765,093

Note payable to bank, due in monthly installments of \$15,593 through July 2023, including interest at 2.45% 1,544,733

Eastside Centre long-term debt:

Note payable to bank, due in annual installments of \$6,893, including interest at 5.25%, through April 2024 with the remaining principal balance due at maturity (Baseball Batting Cages) 50,148

Note payable to bank, due in annual installments of \$12,371, including interest at 5.25%, through April 2024 with the remaining principal balance due at maturity (Softball Batting Cages) 95,008

Total other long-term debt, business-type activities \$ 6,678,558

Revenue bonds:

\$5,060,000, General Obligation Refunding Bonds, Series 1992-C, due in annual installments of \$60,000 to \$90,000 through April 2017; interest rate at 7.00% \$ 250,000

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

Year Ending April 30:	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2015	\$ 3,780,000	\$ 4,264,495	\$ 415,000	\$ 54,550
2016	4,430,000	4,165,237	425,000	46,250
2017	4,615,000	4,037,740	430,000	37,750
2018	4,825,000	3,894,334	145,000	29,150
2019	5,070,000	3,729,543	145,000	24,800
2020-2024	29,320,000	15,304,544	475,000	38,600
2025-2029	28,875,000	8,121,282	-	-
2030-2033	<u>17,275,000</u>	<u>2,131,348</u>	<u>-</u>	<u>-</u>
	<u><u>\$ 98,190,000</u></u>	<u><u>\$ 45,648,523</u></u>	<u><u>\$ 2,035,000</u></u>	<u><u>\$ 231,100</u></u>

**CITY OF EAST PEORIA, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
April 30, 2014**

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

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

	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
Year Ending April 30:		
2015	\$ 545,000	\$ 76,873
2016	570,000	50,440
2017	<u>470,000</u>	<u>22,795</u>
	<u>\$1,585,000</u>	<u>\$ 150,108</u>

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

	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
Year Ending April 30:		
2015	\$ -	\$ 14,950
2016	<u>230,000</u>	<u>14,950</u>
	<u>\$ 230,000</u>	<u>\$ 29,900</u>

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

	<u>Business-Type Activities</u>	
	<u>Principal</u>	<u>Interest</u>
Year Ending April 30:		
2015	\$ 75,000	\$ 17,500
2016	85,000	12,250
2017	<u>90,000</u>	<u>6,300</u>
	<u>\$ 250,000</u>	<u>\$ 36,050</u>

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

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
Year Ending April 30:				
2015	\$ 970,941	\$ 310,541	\$ 589,813	\$ 169,177
2016	850,285	271,048	590,069	153,806
2017	882,899	238,435	605,741	138,134
2018	918,332	203,001	621,729	122,146
2019	954,685	166,649	638,147	105,728
2020-2024	3,922,307	307,941	2,489,781	312,375
2025-2028	<u>-</u>	<u>-</u>	<u>1,143,278</u>	<u>67,094</u>
	<u>\$ 8,499,449</u>	<u>\$ 1,497,615</u>	<u>\$ 6,678,558</u>	<u>\$ 1,068,460</u>

CITY OF EAST PEORIA, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
April 30, 2014

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

Governmental Activities

On January 8, 2014, the City issued a \$4,997,640 note with an interest rate of 2.5 percent to current refund \$1,416,276 of notes payable with an interest rate of 3.75 percent and for Camp Street improvements. The requisition price did not exceed the net carrying amount of the old debt. This refunding resulted in an estimated economic gain of \$25,000. Payments in the amount of \$572,094 are due annually through fiscal year 2024.

Business-Type Activities

On July 31, 2013, the City issued a \$1,655,220 note with an interest rate of 2.45 percent for the purchase of water meters. Payments in the amount of \$15,593 are due monthly through fiscal year 2024.

As of April 30, 2014, the legal debt limit of the City was \$36,738,355 and the debt margin was \$21,330,348.

The City has pledged a portion of future sales tax revenues to repay \$18,675,000 in project bonds, Series 1998B issued December 1998. Proceeds from the bonds were used to acquire, construct, improve and/or equip the Eastside Centre, Eastport Marina, Eastport Marina administration building and drystack storage facilities projects, and to pay the costs of issuance of the bonds. The bonds are payable solely from a portion of sales tax revenues and are payable through April 2017. Annual principal and interest payments on the bonds are expected to require less than 16 percent of net revenues. The total principal and interest remaining to be paid on the bonds is \$1,735,108. Principal and interest paid for the current year and total sales tax revenues were \$1,445,165 and \$11,835,380, respectively.

The City has pledged a portion of future sales tax and lease revenues relating to Bass Pro to repay \$45,000,000 in General Obligation bonds, Series 2010A and 2010B issued August 2010. Proceeds from the bonds were used to acquire and construct Bass Pro Shop and to pay the costs of the issuance of the bonds. The 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 \$65,830,245. Principal and interest paid for the current year and total sales tax and lease income revenues were \$3,462,588 and \$1,023,401, respectively.

Debt covenants: The various bond indentures contain significant limitations and restrictions on annual debt service requirements, maintenance of and flow of monies through various restricted accounts, and minimum amounts to be maintained in various funds. As of April 30, 2014, \$1,975,434 has been recorded as restricted assets in the Bond and Interest Fund relating to these covenants.

Conduit debt: The City has issued certain limited obligation revenue refunding bonds to provide financial assistance for student housing at a local community college. The debt is secured by the property financed, revenues from the housing facility, and a guarantee by the College Foundation. The City is not obligated in any manner for repayment of this debt and, accordingly, it is not reported as a liability in the accompanying financial statements. The amount outstanding of the conduit debt obligation as of April 30, 2014 was \$17,455,000.

CITY OF EAST PEORIA, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
April 30, 2014

NOTE 8 - INTERFUND RECEIVABLES AND PAYABLE, PRIMARY GOVERNMENT

The individual fund interfund advance receivable and payable balances as of April 30, 2014 were:

	<u>Advances to Other Funds</u>	<u>Advances from Other Funds</u>
Governmental funds:		
Major funds:		
General Fund	\$ 1,866,157	\$ 184,753
Riverboat Gaming Tax Fund	10,598,758	217,389
Special Tax Allocation Fund	1,984,822	8,188,620
Capital Projects Fund	-	5,474,531
Bond and Interest Fund	269,400	250,000
Nonmajor funds	136,331	141,365
Enterprise funds:		
Water and Sewer Fund	5,000	259,517
Eastport Marina Fund	-	144,293
	<u> </u>	<u> </u>
Total	<u>\$14,860,468</u>	<u>\$ 14,860,468</u>

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

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

	<u>Transfers In</u>	<u>Transfers Out</u>
Governmental funds:		
Major funds:		
General Fund	\$ -	\$ 527,261
Riverboat Gaming Tax Fund	48,872	1,881,641
Special Tax Allocation Fund	470,640	-
Capital Projects Fund	1,411,000	-
Bond and Interest Fund	200,000	-
Nonmajor funds	129,522	-
Enterprise funds:		
Water and Sewer Fund	-	48,872
Eastside Centre Fund	197,740	-
	<u> </u>	<u> </u>
	<u>\$ 2,457,774</u>	<u>\$ 2,457,774</u>

CITY OF EAST PEORIA, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
April 30, 2014

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

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

NOTE 9 - OTHER REQUIRED INDIVIDUAL FUND DISCLOSURES

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

	Deficit Fund Balance or Deficit Net Position <u>April 30, 2014</u>
Major governmental funds:	
Special Tax Allocation Fund	\$ 6,203,590
Capital Projects Fund	1,835,062

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

NOTE 10 - RISK MANAGEMENT/SELF-INSURANCE

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

CITY OF EAST PEORIA, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
April 30, 2014

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

The City uses an Internal Service Fund to account for and finance its uninsured risk of loss associated with medical and dental claims of its employees and their dependents. Claims expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. Estimated payables for claims and losses for medical and hospital claims include an amount for claims incurred but not reported based upon actuarial estimates and prior experience. The City is responsible for the first \$90,000 of qualifying medical expenses per individual employee and unlimited aggregate claims on an annual basis. The City maintains a stop-loss insurance contract which covers up to \$1,000,000 on an annual basis.

The City uses an Internal Service Fund to account for and finance its uninsured risk of loss associated with workers compensation and general liability. Claims expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. These losses include an estimate of claims that have been incurred but not reported. The City is responsible for the first \$300,000 and \$50,000 of qualifying expenses for workers compensation and general liability, respectively.

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

The unpaid claims and incurred but not reported claims of approximately \$613,076, included in accrued health claims on the financial statements in the Internal Service Fund, are based on the requirements of Governmental Accounting Standards Board Statement No. 10, which required that a liability for claims be reported if information prior to the issuance of financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

Changes in the health claims liability in fiscal years 2014 and 2013 were:

Balance, April 30, 2012	\$ 250,000
Current year claims and changes in estimates	3,486,279
Claims paid	<u>(3,361,279)</u>
Balance, April 30, 2013	375,000
Current year claims and changes in estimates	3,375,796
Claims paid	<u>(3,301,347)</u>
Balance, April 30, 2014	<u>\$ 449,449</u>

CITY OF EAST PEORIA, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
April 30, 2014

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

Changes in the workers compensation and general liability in fiscal years 2014 and 2013 were:

Balance, April 30, 2012	\$	597,246
Current year claims and changes in estimates		586,678
Claims paid		<u>(586,678)</u>
Balance, April 30, 2013		597,246
Current year claims and changes in estimates		-
Claims paid		<u>(433,619)</u>
Balance, April 30, 2014	\$	<u>163,627</u>

NOTE 11 - PENSION PLANS

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

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

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

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

Illinois Municipal Retirement Fund
 2211 York Road, Suite 500
 Oak Brook, Illinois 60523
www.imrf.org

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

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

CITY OF EAST PEORIA, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
April 30, 2014

NOTE 11 - PENSION PLANS (CONTINUED)

Funding Policy and Annual Pension Cost, Pension Plans

The member rate for IMRF and the employee and employer levels are statutorily dictated and can only be amended with legislative action. The IMRF employee contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute. Benefits and refunds of the Police and Firefighter's Pension Funds are recognized when due and payable in accordance with the Plans.

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

	Illinois Municipal Retirement Fund		City of East Peoria Police Pension Fund	City of East Peoria Firefighter's Pension Fund
	<u>SLEP</u>	<u>Regular</u>		
Contribution rates:				
City	15.30%	12.55%	(1)	(1)
Plan members	7.50	4.50	9.91	9.455
Annual pension cost (2):				
Annual required contribution	\$ -	\$ 725,961	\$ 1,241,069	\$ 1,297,317
Interest on net pension obligation	-	16,263	-	-
Adjustment to ARC	-	<u>(11,625)</u>	<u>(3,353)</u>	<u>(92,421)</u>
Total annual pension cost	-	730,599	1,237,716	1,204,896
Contributions made (2)	<u>-</u>	<u>730,599</u>	<u>1,237,716</u>	<u>1,204,896</u>
Increase in net pension obligation (2)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net pension obligation (asset) (2), beginning of period	<u>-</u>	<u>221,475</u>	<u>-</u>	<u>-</u>
End of year	<u>\$ -</u>	<u>\$ 221,475</u>	<u>\$ -</u>	<u>\$ -</u>
Actuarial valuation date	12/31/2013	12/31/2013	04/30/2012	04/30/2012
Actuarial cost method	Entry age	Entry age	Projected Unit Credit	Projected Unit Credit
Amortization method	Level % open	Level % open	Level % open	Level % open
Remaining amortization period	30 year basis	30 year basis	30 years	30 years
Asset valuation method	5-year spread market	5-year spread market	5-year smoothed market	5-year smoothed market

**CITY OF EAST PEORIA, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
April 30, 2014**

NOTE 11 - PENSION PLANS (CONTINUED)

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

	Illinois Municipal Retirement Fund		City of East Peoria Police Pension Fund	City of East Peoria Firefighter's Pension Fund
	<u>SLEP</u>	<u>Regular</u>		
Actuarial assumptions:				
Investment rate of return*	7.50%	7.50%	6.75%	7.00%
Projected salary increases*	4.00% (3)	4.00% (3)	4.75%	4.75%
*Includes inflation at	4.00%	4.00%	4.00%	4.00%
Postretirement benefit increases	3.00%	3.00%	N/A	N/A

- (1) The City is required to contribute the remaining amounts necessary to finance the plan as actuarially determined by an enrolled actuary. The annually required contribution includes an amount necessary to amortize the unfunded actuarial accrued liability over a 30-year closed period with a target funding of 90 percent by 2040. The City's contributions are funded by property taxes levied for such purposes and an allocated share of replacement and telecommunication taxes collected by the City.
- (2) Data is for the latest actuarial information available which is as of December 31, 2013 for the Illinois Municipal Retirement Fund and as of April 30, 2012 for the Police Pension Fund and the Firefighter's Pension Fund.
- (3) Additional salary increases ranging from .4 to 10 percent per year depending on age and service, attributable to seniority/merit.

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

CITY OF EAST PEORIA, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
April 30, 2014

NOTE 11 - PENSION PLANS (CONTINUED)

Trend Information - Pension Plans

<u>Fund</u>	<u>Year</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
Illinois Municipal Retirement Fund:				
Regular	2014	\$ 730,599	100.0%	\$ 221,475
	2013	730,599	99.4	221,475
	2012	721,739	87.6	216,837
SLEP	2014	-	100.0	-
	2013	7,129	100.0	-
	2012	14,018	100.0	-
City of East Peoria Police Pension Fund	2013	1,237,716	100.0	-
	2012	1,330,790	100.0	-
	2011	1,221,371	100.0	-
City of East Peoria Firefighter's Pension Fund	2013	1,204,896	100.0	-
	2012	1,396,644	100.0	-
	2011	1,305,136	100.0	-

Funded Status and Funding Progress

As of December 31, 2013, December 31, 2013, April 30, 2012 and April 30, 2012, the most recent actuarial valuation dates for the IMRF Regular plan, IMRF SLEP plan, Police Pension Fund and Firefighter's Pension Fund, respectively, the plan was 82.62, 0.00, 62.3 and 55.6 percent funded, respectively. The actuarial accrued liability for benefits was \$17,356,362, none, \$36,507,775 and \$30,364,456, and the actuarial value of assets was \$14,339,729, \$(46,824), \$22,735,667 and \$16,878,355, resulting in an unfunded actuarial accrued liability (UAAL) of \$3,016,633, \$46,824, \$13,772,108, and \$13,486,101, respectively. The covered payroll (annual payroll of active employees covered by the plan) was \$6,145,121, \$-0-, \$2,998,823 and \$2,878,446, and the ratio of the UAAL to the covered payroll was 49, 0, 459 and 469 percent, respectively.

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

CITY OF EAST PEORIA, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
April 30, 2014

NOTE 12 - OTHER POSTEMPLOYMENT BENEFITS

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

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

The required contribution is based on projected pay-as-you-go financing. For fiscal year 2014, the City contributed \$1,556,549. Retiree and active members receiving benefits have required contributions of: a) For employees hired prior to May 1, 1993, they contribute the same amount towards the premium cost as active employees until age 60 when the City pays the entire premium if they also have 20 years of service, b) For employees hired on/after May 1, 1993, they contribute the same amount towards the premium cost as active employees throughout their retirement years if they have 20 years of service, c) Monthly active employee contributions of \$212.46 for Single and \$497.25 for Family, and d) Group Health Plan monthly premium of \$683.23 for Single and \$1,594.41 for Family.

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

Annual required contribution	\$ 3,301,537
Interest on net OPEB obligation	310,213
Adjustment to annual required contribution	<u>(293,829)</u>
Annual OPEB cost	3,317,921
Contributions and payments made	<u>1,556,549</u>
Increase in net OPEB obligation	<u>1,761,372</u>
Net OPEB obligation, beginning of year	<u>8,655,002</u>
Net OPEB obligation, end of year	<u>\$ 10,416,374</u>

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

CITY OF EAST PEORIA, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
April 30, 2014

NOTE 12 - OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligations for 2014 and the two preceding years is as follows:

<u>Fiscal Year Ending</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
April 30, 2014	\$ 3,317,921	46.9%	\$10,416,374
April 30, 2013	3,317,921	46.9	8,655,002
April 30, 2012	2,954,649	28.1	6,893,630

Funded status and funding progress: As of April 30, 2013, the most recent valuation date, the plan was 0 percent funded. The actuarial accrued liability for benefits was \$50,192,870 and the actuarial value of assets is none resulting in an unfunded actuarial accrued liability (UAAL) of \$50,192,870. The covered payroll (annual payroll of active employees covered by the plan) was \$11,815,535 and the ratio of the UAAL to the covered payroll was 424.80 percent.

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

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

In the April 30, 2013 actuarial valuation, projected unit credit method was used. The actuarial assumptions included a 4.5 percent discount rate, salary increases of 3 percent, an inflation rate of 3 percent, mortality rates using the RP-2000 Combined Mortality Table projected using Scale AA and health care cost trend rates beginning at 9 percent and steadily declining to 4.5 percent. The UAAL is being amortized as a level percentage of pay on an open basis. The amortization of UAAL is done over a period of 30 years.

CITY OF EAST PEORIA, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
April 30, 2014

NOTE 13 - OTHER COMPONENT UNIT DISCLOSURES

East Peoria Mass Transit

Property taxes: Property taxes attach as an enforceable lien on property as of January 1. The District's property tax is levied each year at the time the budget for the ensuing year is passed and is extended against the assessed valuation of the District on the following January 1. Normally, taxes are due and payable in two installments in June and September at the County Collector's office. Sale of taxes on any uncollected amounts is prior to November 30 or shortly thereafter by the County Collector's office. Final distribution of prior year levy to all taxing bodies, including District funds, is also made prior to December 31, normally in July, October, and November.

Risk management: The District is exposed to various risks of loss related to torts, theft of, damages to, and destruction of assets; injuries to employees; and natural disasters. The District purchases commercial insurance for these risks of loss. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years. During the year ended June 30, 2014, there were no significant reductions in coverage.

NOTE 14 - CONTINGENT LIABILITIES

Amounts received or receivable from grant agencies are subject to audit and adjustments by grantor agencies, principally the federal government. And disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the 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 15 - SUBSEQUENT EVENTS

Subsequent to April 30, 2014, the City issued Taxable General Obligation Refunding Bonds (Alternate Revenue Source), Series 2014 on May 7, 2014 in the amount of \$18,570,000 to refund all of the City's outstanding Taxable General Obligation Bonds (Alternate Revenue Source), Series 2010B and pay certain expenses related to the issuance of the bonds.

The City also entered into a contract with Principal Construction Management Design in June 2014 in the amount of \$2,000,000 for architectural services for New City Hall.

CITY OF EAST PEORIA, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
April 30, 2014

NOTE 16 - FUND BALANCES

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

	General Fund	Riverboat Gaming Tax Fund	Special Tax Allocation Fund	Capital Projects Fund	Bond and Interest Fund	Nonmajor Governmental Funds	Total
Nonspendable:							
Advanced to other fund	\$1,866,157	\$ -	\$ -	\$ -	\$ -	\$ -	\$1,866,157
Restricted:							
Advanced to other fund	-	10,598,758	1,984,822	-	269,400	136,331	12,989,311
Assets held for resale	-	-	-	1,430,000	-	-	1,430,000
Employee benefits	-	-	-	-	-	104,615	104,615
Debt service	-	-	-	-	2,547,012	458,302	3,005,314
Audit	-	-	-	-	-	6,346	6,346
School crossing guard	-	-	-	-	-	9,373	9,373
Sewer	-	-	-	-	-	32,631	32,631
Emergency services	-	-	-	-	-	74,017	74,017
Tourism	-	-	-	-	-	1,602,151	1,602,151
Revolving loan	-	-	-	-	-	494,208	494,208
IHDA	-	-	-	-	-	15,936	15,936
Capital improvements and equipment	-	319,950	-	2,928,818	-	175,108	3,423,876
Total Restricted	-	10,918,708	1,984,822	4,358,818	2,816,412	3,109,018	23,187,778
Assigned:							
Ambulance service	193,192	-	-	-	-	-	193,192
Employee benefits	-	-	-	-	-	294,386	294,386
Debt Service	-	-	-	-	295,320	66,328	361,648
Audit	-	-	-	-	-	20	20
Sewer	-	-	-	-	-	6	6
Tourism	-	-	-	-	-	312,572	312,572
Revolving loan	-	-	-	-	-	9,267	9,267
IHDA	-	-	-	-	-	8	8
Firemen's pension	-	-	-	-	-	1	1
Capital improvements and equipment	-	-	-	-	-	32	32
Total Assigned	193,192	-	-	-	295,320	682,620	1,171,132
Unassigned	5,051,081	(201,880)	(8,188,412)	(6,193,881)	-	-	(9,533,092)
Total fund balances	\$7,110,430	\$10,716,828	\$(6,203,590)	\$(1,835,063)	\$3,111,732	\$3,791,638	\$16,691,975

CITY OF EAST PEORIA, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
April 30, 2014

NOTE 17 - NEW GOVERNMENTAL ACCOUNTING STANDARDS BOARD (GASB) STATEMENTS AND PENDING PRONOUNCEMENTS

The Governmental Accounting Standards Board (GASB) has issued new accounting standards that may restate portions of these financial statements in future periods. Listed below are the statements and short summary of the standard's objective.

New accounting standards effective for the April 30, 2015 financial statements include:

GASB Statement No. 67, *Financial Reporting for Pension Plans – an amendment of GASB Statement No. 25*, issued June 2012. The objective of this Statement is to improve financial reporting by state and local governmental pension plans. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency.

GASB Statement No. 69, *Government Combinations and Disposals of Government Operations*, issued January 2013. The objective of this statement is to improve financial reporting by addressing accounting and financial reporting for government combinations and disposals of government operations.

GASB Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*, issued April 2013. This Statement establishes accounting and financial reporting standards for financial guarantees that are nonexchange transactions extended or received by a state or local government.

New accounting standards effective for the April 30, 2016 financial statements include:

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, issued June 2012. The primary objective of this Statement is to improve accounting and financial reporting by state and local governmental employers for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities.

GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*, issued November 2013 addresses an issue regarding application of the transition provisions of Statement No. 68, *Accounting and Financial Reporting for Pensions*. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability.

The impact of these statements on the City will be reviewed.

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

**CITY OF EAST PEORIA, ILLINOIS
REQUIRED SUPPLEMENTARY INFORMATION
ILLINOIS MUNICIPAL RETIREMENT PLAN
Year Ended April 30, 2014**

Regular

Schedule of Funding Progress

Fiscal Year Ended	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded (Overfunded) AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
2014	12/31/2013	\$ 14,339,729	\$ 17,356,362	\$ 3,016,633	82.62%	\$ 6,145,121	49.09%
2013	12/31/2012	\$ 13,824,978	\$ 17,828,402	\$ 4,003,424	77.54%	\$ 5,837,490	68.58%
2012	12/31/2011	\$ 12,869,245	\$ 17,269,339	\$ 4,400,094	74.52%	\$ 5,709,602	77.06%

SLEP

Schedule of Funding Progress

Fiscal Year Ended	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded (Overfunded) AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
2014	12/31/2013	\$ (46,824)	\$ -	\$ 46,824	0.00%	\$ -	0.00%
2013	12/31/2012	\$ (52,498)	\$ -	\$ 52,498	0.00%	\$ 50,560	103.83%
2012	12/31/2011	\$ 218,722	\$ 236,140	\$ 17,418	92.62%	\$ 101,139	17.22%

On a market value basis, the actuarial value of assets as of December 31, 2013 for the IMRF Regular plan and IMRF SLEP plan was \$17,630,200 and \$(24,404), respectively. On a market basis, the funded ratio would be 101.58% and 0.00%, respectively.

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

**CITY OF EAST PEORIA, ILLINOIS
REQUIRED SUPPLEMENTARY INFORMATION
FIREFIGHTER'S PENSION PLAN
Year Ended April 30, 2014**

Schedule of Funding Progress

<u>Year Ended</u>	<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Accrued Liability (AAL)* (b)</u>	<u>Unfunded (Overfunded) AAL (UAAL) (b-a)</u>	<u>Funded Ratio (a/b)</u>	<u>Covered Payroll (c)</u>	<u>UAAL as a Percentage of Covered Payroll [(b-a)/c]</u>
4/30/2014	4/30/2012	\$ 16,878,355	\$ 30,364,456	\$ 13,486,101	55.6%	\$ 2,878,446	468.5%
4/30/2013	4/30/2011	\$ 15,479,226	\$ 28,151,646	\$ 12,672,420	55.0%	\$ 2,772,563	457.1%
4/30/2012	4/30/2010	\$ 14,718,698	\$ 27,629,584	\$ 12,910,886	53.3%	\$ 2,516,887	513.0%

Additional information as of the latest actuarial valuation follows:

Valuation date	April 30, 2012
Actuarial cost method	Projected Unit Credit
Amortization method	Level percent open
Remaining amortization period	30 years
Actuarial asset valuation method	5 year smoothed market
Actuarial assumptions:	
Investment rate of return	7.00% per year
Projected salary increases*	4.75% per year
Cost of living adjustments	3.00% per year

*Includes wage inflation increases of 4.0% per year.

**CITY OF EAST PEORIA, ILLINOIS
REQUIRED SUPPLEMENTARY INFORMATION
POLICE PENSION PLAN
Year Ended April 30, 2014**

Schedule of Funding Progress

<u>Year Ended</u>	<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Accrued Liability (AAL)* (b)</u>	<u>Unfunded (Overfunded) AAL (UAAL) (b-a)</u>	<u>Funded Ratio (a/b)</u>	<u>Covered Payroll (c)</u>	<u>UAAL as a Percentage of Covered Payroll [(b-a)/c]</u>
4/30/2014	4/30/2012	\$ 22,735,667	\$ 36,507,775	\$ 13,772,108	62.3%	\$ 2,998,823	459.3%
4/30/2013	4/30/2011	\$ 21,564,264	\$ 35,648,279	\$ 14,084,015	60.5%	\$ 2,860,312	492.4%
4/30/2012	4/30/2010	\$ 20,655,587	\$ 33,932,457	\$ 13,276,870	60.9%	\$ 2,650,455	500.9%

Additional information as of the latest actuarial valuation follows:

Valuation date	April 30, 2012
Actuarial cost method	Projected Unit Credit
Amortization method	Level percent open
Remaining amortization period	30 years
Actuarial asset valuation method	5 year smoothed market
Actuarial assumptions:	
Investment rate of return	6.75% per year
Projected salary increases*	4.75% per year
Cost of living adjustments	3.00% per year

*Includes wage inflation increases of 4.0% per year.

**CITY OF EAST PEORIA, ILLINOIS
REQUIRED SUPPLEMENTARY INFORMATION
OTHER POSTEMPLOYMENT BENEFIT PLAN
Year Ended April 30, 2014**

Schedule of Funding Progress

Fiscal Year Ended	Actuarial Valuation Date	Actuarial Value of Net Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
2014	4/30/2013	\$ -	\$ 50,192,870	\$ 50,192,870	0.0%	\$ 11,815,535	424.8%
2013	4/30/2013	\$ -	\$ 50,192,870	\$ 50,192,870	0.0%	\$ 11,815,535	424.8%
2012	4/30/2011	\$ -	\$ 43,213,926	\$ 43,213,926	0.0%	\$ 10,895,330	396.6%
2011	4/30/2011	\$ -	\$ 43,213,926	\$ 43,213,926	0.0%	\$ 10,895,330	396.6%
2010	4/30/2010	\$ -	\$ 35,313,288	\$ 35,313,288	0.0%	\$ 10,276,572	343.6%

The information presented in the required supplementary schedules was determined as part of the actuarial valuation date as of April 30, 2013. Additional information follows:

- a. The cost method used to determine the ARC is the Projected Unit Credit Actuarial Cost method.
- b. There are no plan assets.
- c. The actuarial assumptions included: 1) a 4.5 percent discount rate, 2) salary increases of 3 percent, 3) inflation rate of 3 percent, 4) mortality rates using the RP-2000 Combined Mortality Table projected to Scale AA, and 5) health care cost trend rates beginning at 9 percent and steadily declining to 4.5 percent.
- d. The amortization method is level percentage of pay on an open basis.

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, 2014

	<u>Original/Final</u>	<u>Actual</u>	<u>Variance</u>
	<u>Budget</u>	<u>Actual</u>	<u>With</u>
			<u>Final</u>
			<u>Budget</u>
REVENUES			
Taxes and special assessments	\$ 16,367,993	\$ 16,379,292	\$ 11,299
Charges for services	981,000	974,983	(6,017)
Intergovernmental	188,800	1,800,369	1,611,569
Investment earnings	56,574	21,446	(35,128)
Licenses and permits	230,445	340,781	110,336
Miscellaneous	<u>2,076,605</u>	<u>2,320,510</u>	<u>243,905</u>
Total revenues	<u>19,901,417</u>	<u>21,837,381</u>	<u>1,935,964</u>
EXPENDITURES			
Current:			
General government	6,126,835	6,716,927	(590,092)
Police	5,556,125	5,844,995	(288,870)
Fire	3,234,332	3,332,532	(98,200)
Sanitation	1,063,670	1,430,183	(366,513)
Health and welfare	1,325,137	1,370,248	(45,111)
Public works	1,928,100	2,236,855	(308,755)
Community development	281,979	323,280	(41,301)
Capital outlay	775,540	231,293	544,247
Debt service:			
Principal payments	-	257,629	(257,629)
Interest and fiscal charges	-	169,076	(169,076)
Total expenditures	<u>20,291,718</u>	<u>21,913,018</u>	<u>(1,621,300)</u>
Excess (deficiency) of revenues over expenditures	(390,301)	(75,637)	314,664
OTHER FINANCING USES			
Transfers out	<u>(200,000)</u>	<u>(527,261)</u>	<u>(327,261)</u>
NET CHANGE IN FUND BALANCE	<u>\$ (590,301)</u>	<u>(602,898)</u>	<u>\$ (12,597)</u>
RECONCILIATION TO MODIFIED ACCRUAL BASIS - NET CHANGE RESULTING FROM RECORDING OF ACCOUNTS RECEIVABLE, PAYABLE, AND OTHER ACCRUED ITEMS			
		(995,467)	
FUND BALANCE, MODIFIED ACCRUAL BASIS, BEGINNING OF YEAR		<u>8,708,795</u>	
FUND BALANCE, MODIFIED ACCRUAL BASIS, END OF YEAR		<u>\$ 7,110,430</u>	

See notes to required supplementary information.

CITY OF EAST PEORIA, ILLINOIS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL (CASH BASIS) - RIVERBOAT GAMING TAX FUND
Year Ended April 30, 2014

	<u>Original/Final</u>	<u>Actual</u>	<u>Variance</u> <u>With</u> <u>Final</u> <u>Budget</u>
	<u>Budget</u>		
REVENUES			
Taxes	\$ 6,700,000	\$ 6,222,173	\$ (477,827)
Intergovernmental	45,000	133,987	88,987
Investment earnings	2,000	300	(1,700)
Miscellaneous	<u>455,931</u>	<u>394,421</u>	<u>(61,510)</u>
Total revenues	<u>7,202,931</u>	<u>6,750,881</u>	<u>(452,050)</u>
 EXPENDITURES			
Capital outlay	4,717,900	4,543,431	174,469
Debt service:			
Principal payments	2,575,026	421,305	2,153,721
Interest and fiscal charges	<u>-</u>	<u>85,421</u>	<u>(85,421)</u>
Total expenditures	<u>7,292,926</u>	<u>5,050,157</u>	<u>2,242,769</u>
Excess (deficiency) of revenues over expenditures	<u>(89,995)</u>	<u>1,700,724</u>	<u>1,790,719</u>
 OTHER FINANCING SOURCES (USES)			
Transfers in	-	48,872	48,872
Transfers out	<u>-</u>	<u>(1,881,641)</u>	<u>(1,881,641)</u>
Total other financing (uses)	<u>-</u>	<u>(1,832,769)</u>	<u>(1,832,769)</u>
 NET CHANGE IN FUND BALANCE	 <u>\$ (89,995)</u>	 <u>(132,045)</u>	 <u>\$ (42,050)</u>
 RECONCILIATION TO MODIFIED ACCRUAL BASIS - NET CHANGE RESULTING FROM RECORDING OF ACCOUNTS RECEIVABLE, PAYABLE, AND OTHER ACCRUED ITEMS		 (140,704)	
 FUND BALANCE, MODIFIED ACCRUAL BASIS, BEGINNING OF YEAR		 <u>10,989,577</u>	
 FUND BALANCE, MODIFIED ACCRUAL BASIS, END OF YEAR		 <u>\$ 10,716,828</u>	

See notes to required supplementary information.

**CITY OF EAST PEORIA, ILLINOIS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL (CASH BASIS) - SPECIAL TAX ALLOCATION FUND
Year Ended April 30, 2014**

	<u>Original/Final</u> <u>Budget</u>	<u>Actual</u>	<u>Variance</u> <u>With</u> <u>Final</u> <u>Budget</u>
REVENUES			
Taxes	\$ 777,000	\$ 760,362	\$ (16,638)
Investment earnings	350	220	(130)
Miscellaneous	-	646	646
Total revenues	<u>777,350</u>	<u>761,228</u>	<u>(16,122)</u>
EXPENDITURES			
Current:			
General government	132,000	130,976	1,024
Other	2,500	1,833	667
Debt service:			
Principal payments	1,037,500	1,180,000	(142,500)
Interest and fiscal charges	61,360	(81,140)	142,500
Total expenditures	<u>1,233,360</u>	<u>1,231,669</u>	<u>1,691</u>
Deficiency of revenues over expenditures	(456,010)	(470,441)	(14,431)
OTHER FINANCING SOURCES			
Transfers in	<u>456,010</u>	<u>470,640</u>	<u>14,630</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	199	<u>\$ 199</u>
RECONCILIATION TO MODIFIED ACCRUAL BASIS - NET CHANGE RESULTING FROM RECORDING OF ACCOUNTS RECEIVABLE, PAYABLE, AND OTHER ACCRUED ITEMS			
		-	
FUND BALANCE (DEFICIT), MODIFIED ACCRUAL BASIS, BEGINNING OF YEAR		<u>(6,203,789)</u>	
FUND BALANCE (DEFICIT), MODIFIED ACCRUAL BASIS, END OF YEAR		<u>\$ (6,203,590)</u>	

See notes to required supplementary information.

CITY OF EAST PEORIA, ILLINOIS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
April 30, 2014

NOTE 1 - BASIS OF ACCOUNTING

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

NOTE 2 - BUDGETARY DATA, PRIMARY GOVERNMENT

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

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

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

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

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

The Special Assessment Fund and IHDA Fund were not budgeted for the year ended April 30, 2014 and are not included on the budgetary comparison schedules.

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

	<u>Final Budget</u>	<u>Actual</u>	<u>Overage</u>
General fund	<u>\$ 20,291,718</u>	<u>\$ 21,913,018</u>	<u>\$ 1,621,300</u>

**CITY OF EAST PEORIA, ILLINOIS
COMBINING BALANCE SHEET - GENERAL FUND - BY ACCOUNT
April 30, 2014**

	<u>General Fund</u>
ASSETS	
Cash and investments	\$ 3,615,087
Receivables (net, where applicable, of allowances for estimated uncollectible amounts):	
Property taxes	223,540
Sales tax	2,867,471
State income tax	1,047,719
Personal property replacement tax	142,633
Customer charges	-
Fines	30,003
Other	72,916
Advanced to other funds	<u>1,858,736</u>
 TOTAL ASSETS	 <u>\$ 9,858,105</u>
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES (DEFICITS)	
Liabilities:	
Accounts payable	\$ 126,383
Wages payable	85,643
Liquor license bonds held	18,000
Compensated absences	-
Due to other governmental entities	713,861
Advanced from other funds	<u>16,332</u>
Total liabilities	<u>960,219</u>
Deferred inflows of resources:	
Unavailable revenue - property taxes	223,540
Unavailable revenue - other taxes	<u>1,067,760</u>
Total deferred inflows of resources	<u>1,291,300</u>
Fund balances (deficits):	
Nonspendable	1,858,736
Assigned	-
Unassigned	<u>5,747,850</u>
Total fund balances (deficits)	<u>7,606,586</u>
 TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES (DEFICITS)	 <u>\$ 9,858,105</u>

<u>Police Protection</u>	<u>Fire Protection</u>	<u>Garbage Collection and Disposal</u>	<u>Street and Bridge</u>	<u>Ambulance Service</u>	<u>Combining General Fund</u>
\$ 117,749	\$ 43,291	\$ 40,011	\$ 180	\$ 1,747	\$ 3,818,065
600,038	600,038	600,038	402,997	-	2,426,651
-	-	-	-	-	2,867,471
-	-	-	-	-	1,047,719
-	-	-	-	-	142,633
-	-	-	-	299,776	299,776
17,905	-	-	-	-	47,908
-	-	-	-	-	72,916
-	-	-	7,421	-	1,866,157
<u>\$ 735,692</u>	<u>\$ 643,329</u>	<u>\$ 640,049</u>	<u>\$ 410,598</u>	<u>\$ 301,523</u>	<u>\$ 12,589,296</u>
\$ 10,075	\$ 7,067	\$ 15,751	\$ 39,526	\$ 2,891	\$ 201,693
359,537	165,251	47,218	67,718	105,440	830,807
-	-	-	-	-	18,000
-	35,341	-	-	-	35,341
-	-	-	-	-	713,861
-	59,000	64,421	45,000	-	184,753
<u>369,612</u>	<u>266,659</u>	<u>127,390</u>	<u>152,244</u>	<u>108,331</u>	<u>1,984,455</u>
600,038	600,038	600,038	402,997	-	2,426,651
-	-	-	-	-	1,067,760
<u>600,038</u>	<u>600,038</u>	<u>600,038</u>	<u>402,997</u>	<u>-</u>	<u>3,494,411</u>
-	-	-	7,421	-	1,866,157
-	-	-	-	193,192	193,192
(233,958)	(223,368)	(87,379)	(152,064)	-	5,051,081
<u>(233,958)</u>	<u>(223,368)</u>	<u>(87,379)</u>	<u>(144,643)</u>	<u>193,192</u>	<u>7,110,430</u>
<u>\$ 735,692</u>	<u>\$ 643,329</u>	<u>\$ 640,049</u>	<u>\$ 410,598</u>	<u>\$ 301,523</u>	<u>\$ 12,589,296</u>

**CITY OF EAST PEORIA, ILLINOIS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - GENERAL FUND - BY ACCOUNT
Year Ended April 30, 2014**

	<u>General Fund</u>
REVENUES	
Property taxes	\$ 300,624
Other taxes and special assessments	14,558,981
Charges for services	-
Intergovernmental	534,025
Investment earnings	20,007
Licenses and permits	340,781
Miscellaneous	1,765,741
Total revenues	<u>17,520,159</u>
 EXPENDITURES	
Current:	
General government	7,538,940
Police	-
Fire	-
Sanitation	-
Health and welfare	-
Public works	-
Community development	323,280
Capital outlay	27,623
Debt service:	
Principal payments	257,629
Interest and fiscal charges	169,076
Total expenditures	<u>8,316,548</u>
Excess (deficiency) of revenues over expenditures	<u>9,203,611</u>
 OTHER FINANCING SOURCES (USES)	
Transfers in	-
Transfers out	<u>(10,259,236)</u>
Total other financing sources (uses)	<u>(10,259,236)</u>
 NET CHANGE IN FUND BALANCES	 (1,055,625)
 FUND BALANCES (DEFICITS), BEGINNING OF YEAR	 <u>8,662,211</u>
 FUND BALANCES (DEFICITS), END OF YEAR	 <u>\$ 7,606,586</u>

<u>Police Protection</u>	<u>Fire Protection</u>	<u>Garbage Collection and Disposal</u>	<u>Street and Bridge</u>	<u>Ambulance Service</u>	<u>Eliminations</u>	<u>Combining General Fund</u>
\$ 597,785	\$ 597,785	\$ 597,785	\$ 426,573	\$ -	\$ -	\$ 2,520,552
-	-	-	-	-	-	14,558,981
61,285	50,045	-	630	907,748	-	1,019,708
255,658	10,746	5,468	22,714	-	-	828,611
229	199	188	69	754	-	21,446
-	-	-	-	-	-	340,781
219,966	185	326,849	52,505	8,602	-	2,373,848
<u>1,134,923</u>	<u>658,960</u>	<u>930,290</u>	<u>502,491</u>	<u>917,104</u>	<u>-</u>	<u>21,663,927</u>
-	-	-	-	-	-	7,538,940
5,844,995	-	-	-	-	-	5,844,995
-	3,332,532	-	-	-	-	3,332,532
-	-	1,430,183	-	-	-	1,430,183
-	-	-	-	1,370,248	-	1,370,248
-	-	-	2,236,855	-	-	2,236,855
-	-	-	-	-	-	323,280
41,765	632	-	161,273	-	-	231,293
-	-	-	-	-	-	257,629
-	-	-	-	-	-	169,076
<u>5,886,760</u>	<u>3,333,164</u>	<u>1,430,183</u>	<u>2,398,128</u>	<u>1,370,248</u>	<u>-</u>	<u>22,735,031</u>
<u>(4,751,837)</u>	<u>(2,674,204)</u>	<u>(499,893)</u>	<u>(1,895,637)</u>	<u>(453,144)</u>	<u>-</u>	<u>(1,071,104)</u>
4,408,767	2,568,313	478,765	1,878,905	397,225	(9,731,975)	-
-	-	-	-	-	9,731,975	(527,261)
<u>4,408,767</u>	<u>2,568,313</u>	<u>478,765</u>	<u>1,878,905</u>	<u>397,225</u>	<u>-</u>	<u>(527,261)</u>
(343,070)	(105,891)	(21,128)	(16,732)	(55,919)	-	(1,598,365)
<u>109,112</u>	<u>(117,477)</u>	<u>(66,251)</u>	<u>(127,911)</u>	<u>249,111</u>	<u>-</u>	<u>8,708,795</u>
<u>\$ (233,958)</u>	<u>\$ (223,368)</u>	<u>\$ (87,379)</u>	<u>\$ (144,643)</u>	<u>\$ 193,192</u>	<u>\$ -</u>	<u>\$ 7,110,430</u>

**CITY OF EAST PEORIA, ILLINOIS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
April 30, 2014**

	Special Revenue	
	Illinois Municipal Retirement	Motor Fuel Tax
ASSETS		
Cash and cash equivalents	\$ 31,406	\$ 4,429
Receivables (net, where applicable, of allowances for estimated uncollectible amounts):		
Property taxes	204,925	-
Personal property replacement tax	12,800	-
Motor fuel tax allotments	-	187,459
Assessments	-	-
Hotel/motel taxes	-	-
Notes	-	-
Other	29,787	-
Advanced to other funds	-	-
TOTAL ASSETS	\$ 278,918	\$ 191,888
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES		
Liabilities:		
Accounts payable	\$ -	\$ -
Wages payable	-	-
Pension obligation payable	-	-
Unearned revenue	-	16,748
Advanced from other funds	-	-
Total liabilities	-	16,748
Deferred inflows of resources:		
Unavailable revenue - property taxes	204,925	-
Unavailable revenue - notes receivable	-	-
Unavailable revenue - special assessments	-	-
Total deferred inflows of resources	204,925	-
Fund balances:		
Restricted	62,233	175,108
Assigned	11,760	32
Total fund balances	73,993	175,140
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 278,918	\$ 191,888

Special Revenue

<u>Social Security</u>	<u>Workmen's Compensation</u>	<u>Audit</u>	<u>School Crossing Guard</u>	<u>Sewer Chlorination</u>	<u>Street Lighting</u>
\$ -	\$ 423,982	\$ 6,366	\$ 9,373	\$ 34,315	\$ -
455,002	800,023	77,012	-	15,036	125,017
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>120,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 575,002</u>	<u>\$ 1,224,005</u>	<u>\$ 83,378</u>	<u>\$ 9,373</u>	<u>\$ 49,351</u>	<u>\$ 125,017</u>
\$ -	\$ -	\$ -	\$ -	\$ 1,678	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	141,365	-	-	-	-
<u>-</u>	<u>141,365</u>	<u>-</u>	<u>-</u>	<u>1,678</u>	<u>-</u>
455,002	800,023	77,012	-	15,036	125,017
-	-	-	-	-	-
-	-	-	-	-	-
<u>455,002</u>	<u>800,023</u>	<u>77,012</u>	<u>-</u>	<u>15,036</u>	<u>125,017</u>
120,000	-	6,346	9,373	32,631	-
-	282,617	20	-	6	-
<u>120,000</u>	<u>282,617</u>	<u>6,366</u>	<u>9,373</u>	<u>32,637</u>	<u>-</u>
<u>\$ 575,002</u>	<u>\$ 1,224,005</u>	<u>\$ 83,378</u>	<u>\$ 9,373</u>	<u>\$ 49,351</u>	<u>\$ 125,017</u>

**CITY OF EAST PEORIA, ILLINOIS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
April 30, 2014**

	Special Revenue	
	Unemployment Insurance	Emergency Service and Disaster Assistance
ASSETS		
Cash and cash equivalents	\$ 45,302	\$ 74,017
Receivables (net, where applicable, of allowances for estimated uncollectible amounts):		
Property taxes	30,030	-
Personal property replacement tax	-	-
Motor fuel tax allotments	-	-
Assessments	-	-
Hotel/motel taxes	-	-
Notes	-	-
Other	-	-
Advanced to other funds	-	7,967
 TOTAL ASSETS	 \$ 75,332	 \$ 81,984
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES		
Liabilities:		
Accounts payable	\$ 2,911	\$ -
Wages payable	-	-
Pension obligation payable	-	-
Unearned revenue	-	-
Advanced from other funds	-	-
Total liabilities	2,911	-
Deferred inflows of resources:		
Unavailable revenue - property taxes	30,030	-
Unavailable revenue - notes receivable	-	-
Unavailable revenue - special assessments	-	-
Total deferred inflows of resources	30,030	-
Fund balances:		
Restricted	42,382	81,984
Assigned	9	-
Total fund balances	42,391	81,984
 TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	 \$ 75,332	 \$ 81,984

Special Revenue

<u>Hotel/Motel Tax</u>	<u>Revolving Loan</u>	<u>Special Assessments</u>	<u>IHDA Grant</u>	<u>Firemen's Pension Levy Fund</u>	<u>Police Pension Levy Fund</u>	<u>Total Nonmajor Governmental Fund</u>
\$ 1,840,672	\$ 503,475	\$ 414,985	\$ 15,944	\$ -	\$ -	\$ 3,404,266
-	-	-	-	604,341	717,985	3,029,371
-	-	-	-	27,000	35,600	75,400
-	-	-	-	-	-	187,459
-	-	188,176	-	-	-	188,176
99,737	-	-	-	-	-	99,737
-	224,400	-	-	-	-	224,400
-	-	-	-	56,421	29,787	115,995
-	-	8,364	-	-	-	136,331
<u>\$ 1,940,409</u>	<u>\$ 727,875</u>	<u>\$ 611,525</u>	<u>\$ 15,944</u>	<u>\$ 687,762</u>	<u>\$ 783,372</u>	<u>\$ 7,461,135</u>
\$ 22,905	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 27,494
2,781	-	-	-	-	-	2,781
-	-	-	-	83,420	65,387	148,807
-	-	-	-	-	-	16,748
-	-	-	-	-	-	141,365
<u>25,686</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>83,420</u>	<u>65,387</u>	<u>337,195</u>
-	-	-	-	604,341	717,985	3,029,371
-	224,400	-	-	-	-	224,400
-	-	78,531	-	-	-	78,531
<u>-</u>	<u>224,400</u>	<u>78,531</u>	<u>-</u>	<u>604,341</u>	<u>717,985</u>	<u>3,332,302</u>
1,602,151	494,208	466,666	15,936	-	-	3,109,018
312,572	9,267	66,328	8	1	-	682,620
<u>1,914,723</u>	<u>503,475</u>	<u>532,994</u>	<u>15,944</u>	<u>1</u>	<u>-</u>	<u>3,791,638</u>
<u>\$ 1,940,409</u>	<u>\$ 727,875</u>	<u>\$ 611,525</u>	<u>\$ 15,944</u>	<u>\$ 687,762</u>	<u>\$ 783,372</u>	<u>\$ 7,461,135</u>

CITY OF EAST PEORIA, ILLINOIS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
Year Ended April 30, 2014

	Special Revenue	
	Illinois Municipal Retirement	Motor Fuel Tax
REVENUES		
Property taxes	\$ 191,553	\$ -
Other taxes and special assessments	198,061	-
Intergovernmental	60,000	746,293
Investment earnings	57	32
Miscellaneous	9,848	-
Total revenues	459,519	746,325
 EXPENDITURES		
Current:		
General government	525,816	-
Police	-	-
Fire	-	-
Public works	-	715,998
Other	-	-
Capital outlay	-	8,305
Debt service:		
Principal payments	-	-
Interest and fiscal charges	-	-
Total expenditures	525,816	724,303
Excess (deficiency) of revenues over expenditures	(66,297)	22,022
 OTHER FINANCING SOURCES		
Transfers in	1,855	-
 NET CHANGE IN FUND BALANCES	(64,442)	22,022
 FUND BALANCES (DEFICITS), BEGINNING OF YEAR	138,435	153,118
 FUND BALANCES, END OF YEAR	\$ 73,993	\$ 175,140

Special Revenue

<u>Social Security</u>	<u>Workmen's Compensation</u>	<u>Audit</u>	<u>School Crossing Guard</u>	<u>Sewer Chlorination</u>	<u>Street Lighting</u>
\$ 416,470	\$ 797,017	\$ 64,761	\$ -	\$ 19,967	\$ 75,724
-	-	-	-	-	-
-	625,000	-	-	-	5,458
125	238	20	-	6	23
6,014	-	-	-	-	-
<u>422,609</u>	<u>1,422,255</u>	<u>64,781</u>	<u>-</u>	<u>19,973</u>	<u>81,205</u>
463,550	1,046,090	63,600	-	18,671	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	186,571
-	-	-	-	-	-
-	-	-	-	-	-
<u>463,550</u>	<u>1,046,090</u>	<u>63,600</u>	<u>-</u>	<u>18,671</u>	<u>186,571</u>
<u>(40,941)</u>	<u>376,165</u>	<u>1,181</u>	<u>-</u>	<u>1,302</u>	<u>(105,366)</u>
<u>28,793</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>53,314</u>
(12,148)	376,165	1,181	-	1,302	(52,052)
<u>132,148</u>	<u>(93,548)</u>	<u>5,185</u>	<u>9,373</u>	<u>31,335</u>	<u>52,052</u>
<u>\$ 120,000</u>	<u>\$ 282,617</u>	<u>\$ 6,366</u>	<u>\$ 9,373</u>	<u>\$ 32,637</u>	<u>\$ -</u>

**CITY OF EAST PEORIA, ILLINOIS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
 Year Ended April 30, 2014**

	Special Revenue	
	Unemployment Insurance	Emergency Service and Disaster Assistance
REVENUES		
Property taxes	\$ 29,906	\$ -
Other taxes and special assessments	-	-
Intergovernmental	-	-
Investment earnings	9	-
Miscellaneous	-	-
Total revenues	29,915	-
 EXPENDITURES		
Current:		
General government	19,134	6,540
Police	-	-
Fire	-	-
Public works	-	-
Other	-	-
Capital outlay	-	-
Debt service:		
Principal payments	-	-
Interest and fiscal charges	-	-
Total expenditures	19,134	6,540
Excess (deficiency) of revenues over expenditures	10,781	(6,540)
 OTHER FINANCING SOURCES		
Transfers in	-	-
 NET CHANGE IN FUND BALANCES	10,781	(6,540)
 FUND BALANCES (DEFICITS), BEGINNING OF YEAR	31,610	88,524
 FUND BALANCES, END OF YEAR	\$ 42,391	\$ 81,984

Special Revenue

<u>Hotel/Motel Tax</u>	<u>Revolving Loan</u>	<u>Special Assessments</u>	<u>IHDA Grant</u>	<u>Firemen's Pension Levy Fund</u>	<u>Police Pension Levy Fund</u>	<u>Total Nonmajor Governmental Fund</u>
\$ -	\$ -	\$ -	\$ -	\$ 579,822	\$ 781,573	\$ 2,956,793
898,242	-	106,569	-	375,040	198,061	1,775,973
-	-	-	-	253,571	253,189	1,943,511
-	9,267	20,768	8	174	234	30,961
<u>312,572</u>	<u>92,259</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>420,693</u>
<u>1,210,814</u>	<u>101,526</u>	<u>127,337</u>	<u>8</u>	<u>1,208,607</u>	<u>1,233,057</u>	<u>7,127,931</u>
799,602	-	-	-	-	-	2,943,003
-	-	-	-	-	1,216,329	1,216,329
-	-	-	-	1,180,450	-	1,180,450
-	-	45,560	-	-	-	948,129
-	314	-	1,000	-	-	1,314
-	-	-	-	-	-	8,305
-	-	85,000	-	-	-	85,000
-	-	20,475	-	-	-	20,475
<u>799,602</u>	<u>314</u>	<u>151,035</u>	<u>1,000</u>	<u>1,180,450</u>	<u>1,216,329</u>	<u>6,403,005</u>
<u>411,212</u>	<u>101,212</u>	<u>(23,698)</u>	<u>(992)</u>	<u>28,157</u>	<u>16,728</u>	<u>724,926</u>
-	-	45,560	-	-	-	129,522
411,212	101,212	21,862	(992)	28,157	16,728	854,448
<u>1,503,511</u>	<u>402,263</u>	<u>511,132</u>	<u>16,936</u>	<u>(28,156)</u>	<u>(16,728)</u>	<u>2,937,190</u>
<u>\$ 1,914,723</u>	<u>\$ 503,475</u>	<u>\$ 532,994</u>	<u>\$ 15,944</u>	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ 3,791,638</u>

CITY OF EAST PEORIA, ILLINOIS
COMBINING SCHEDULE OF FIDUCIARY NET POSITION
April 30, 2014

	Pension Trust Funds	
	City of East Peoria Firefighter's Pension Fund	City of East Peoria Police Pension fund
ASSETS		
Cash and cash equivalents	\$ 335,210	\$ 331,228
Receivables:		
Employer contributions	1,301,479	1,256,975
Accrued interest and dividends	53,322	112,412
Total receivables	<u>1,354,801</u>	<u>1,369,387</u>
Investments, at fair value:		
Money market funds	1,844,600	634,368
Municipal bonds	371,736	984,281
Corporate bonds	2,349,649	5,763,156
U.S. Government notes and bonds	2,481,961	3,706,784
U.S. Government agency obligations	645,483	1,430,379
Mutual funds	6,557,061	2,425,502
Common stocks	2,897,667	8,069,739
Total investments	<u>17,148,157</u>	<u>23,014,209</u>
Total assets	<u>18,838,168</u>	<u>24,714,824</u>
LIABILITIES		
Accounts payable and accrued payroll taxes	3,800	3,282
Amounts held for others	-	-
Total liabilities	<u>3,800</u>	<u>3,282</u>
NET POSITION HELD IN TRUST FOR PENSION BENEFIT OBLIGATION	<u>\$ 18,834,368</u>	<u>\$ 24,711,542</u>

Total Pension Trust Funds	Agency Funds			Total Agency Funds
	Levi King Scholarship Fund	Dependent Care Fund	Unreimbursed Medical Fund	
\$ 666,438	\$ 7,432	\$ 2,413	\$ 10,409	\$ 20,254
2,558,454	-	-	-	-
165,734	-	-	-	-
<u>2,724,188</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
2,478,968	-	-	-	-
1,356,017	-	-	-	-
8,112,805	-	-	-	-
6,188,745	-	-	-	-
2,075,862	-	-	-	-
8,982,563	-	-	-	-
10,967,406	-	-	-	-
<u>40,162,366</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>43,552,992</u>	<u>7,432</u>	<u>2,413</u>	<u>10,409</u>	<u>20,254</u>
7,082	-	-	-	-
-	<u>7,432</u>	<u>2,413</u>	<u>10,409</u>	<u>20,254</u>
<u>7,082</u>	<u>7,432</u>	<u>2,413</u>	<u>10,409</u>	<u>20,254</u>
<u>\$ 43,545,910</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF EAST PEORIA, ILLINOIS
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
Year Ended April 30, 2014

	<u>Balance, Beginning</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance, Ending</u>
LEVI KING SCHOLARSHIP FUND				
Assets, cash and cash equivalents	\$ <u>7,387</u>	\$ <u>45</u>	\$ <u>-</u>	\$ <u>7,432</u>
Liabilities, amounts held for others	\$ <u>7,387</u>	\$ <u>45</u>	\$ <u>-</u>	\$ <u>7,432</u>
DEPENDENT CARE FUND				
Assets, cash and cash equivalents	\$ <u>4,489</u>	\$ <u>8,866</u>	\$ <u>10,942</u>	\$ <u>2,413</u>
Liabilities, amounts held for others	\$ <u>4,489</u>	\$ <u>8,866</u>	\$ <u>10,942</u>	\$ <u>2,413</u>
UNREIMBURSED MEDICAL FUND				
Assets, cash and cash equivalents	\$ <u>9,125</u>	\$ <u>84,335</u>	\$ <u>83,051</u>	\$ <u>10,409</u>
Liabilities, amounts held for others	\$ <u>9,125</u>	\$ <u>84,335</u>	\$ <u>83,051</u>	\$ <u>10,409</u>
TOTAL				
Assets, cash and cash equivalents	\$ <u>21,001</u>	\$ <u>93,246</u>	\$ <u>93,993</u>	\$ <u>20,254</u>
Liabilities, amounts held for others	\$ <u>21,001</u>	\$ <u>93,246</u>	\$ <u>93,993</u>	\$ <u>20,254</u>

CITY OF EAST PEORIA, ILLINOIS
COMBINING SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION
Year Ended April 30, 2014

	<u>Pension Trust Funds</u>		
	<u>City of East Peoria Firefighter's Pension Fund</u>	<u>City of East Peoria Police Pension fund</u>	<u>Total</u>
ADDITIONS			
Contributions:			
Plan members' contributions	\$ 302,158	\$ 346,490	\$ 648,648
Employer contributions	1,305,609	1,268,764	2,574,373
Total contributions	<u>1,607,767</u>	<u>1,615,254</u>	<u>3,223,021</u>
Investment income:			
Net appreciation in fair value of investments	642,660	659,375	1,302,035
Dividends and interest	<u>414,404</u>	<u>605,008</u>	<u>1,019,412</u>
Total Investment income	1,057,064	1,264,383	2,321,447
Less investment expenses	<u>90,381</u>	<u>125,403</u>	<u>215,784</u>
Net investment income	<u>966,683</u>	<u>1,138,980</u>	<u>2,105,663</u>
Total additions	<u>2,574,450</u>	<u>2,754,234</u>	<u>5,328,684</u>
DEDUCTIONS			
Benefits paid	1,277,393	1,914,793	3,192,186
Administrative expenses	<u>33,815</u>	<u>42,854</u>	<u>76,669</u>
Total deductions	<u>1,311,208</u>	<u>1,957,647</u>	<u>3,268,855</u>
Net increase	1,263,242	796,587	2,059,829
NET POSITION HELD IN TRUST FOR PENSION BENEFITS			
Beginning of year	<u>17,571,126</u>	<u>23,914,955</u>	<u>41,486,081</u>
End of year	<u>\$ 18,834,368</u>	<u>\$ 24,711,542</u>	<u>\$ 43,545,910</u>

**CITY OF EAST PEORIA, ILLINOIS
 ASSESSED VALUATIONS, TAXES LEVIED, TAX RATES,
 TAX EXTENSIONS, AND TAX COLLECTIONS (UNAUDITED)
 April 30, 2014**

2013 Tax Levy				
Assessed valuation, excluding Tax Increment Financing District Increment				\$ 425,951,937
Fund	Levy	Rate	Amount Extended by County Clerk	Collected Within 60 Days After April 30, 2013
General	\$ 223,532	0.05248	\$ 223,540	\$ -
Police protection	600,000	0.14087	600,038	-
Fire protection	600,000	0.14087	600,038	-
Garbage collection and disposal	600,000	0.14087	600,038	-
Sewer chlorination	15,000	0.00353	15,036	-
Illinois Municipal Retirement	204,900	0.04811	204,925	-
FICA	455,000	0.10682	455,002	-
Workmen's compensation	800,000	0.18782	800,023	-
Street and bridge	403,000	0.04468	190,315	-
Audit	77,000	0.01808	77,012	-
Street lighting	125,000	0.02935	125,017	-
Unemployment insurance	30,000	0.00705	30,030	-
Firemen's pension	604,328	0.14188	604,341	-
Police pension	717,948	0.16856	717,985	-
	\$ 5,455,708	1.23097	\$ 5,243,340	\$ -

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

**CITY OF EAST PEORIA, ILLINOIS
 ASSESSED VALUATIONS, TAXES LEVIED, TAX RATES,
 TAX EXTENSIONS, AND TAX COLLECTIONS (UNAUDITED)
 April 30, 2014**

	2012 Tax Levy
Assessed valuation, excluding Tax Increment Financing District Increment	<u><u>\$ 428,228,346</u></u>

Fund	Levy	Rate	Amount Extended by County Clerk	Amount Collected
General	\$ 286,658	0.06695	\$ 286,699	\$ 285,263
Police protection	600,000	0.14012	600,034	597,785
Fire protection	600,000	0.14012	600,034	597,785
Garbage collection and disposal	600,000	0.14012	600,034	597,785
Sewer chlorination	20,000	0.00468	20,041	19,967
Illinois Municipal Retirement	192,240	0.04490	192,275	191,553
FICA	418,000	0.09762	418,037	416,470
Workmen's compensation	800,000	0.18682	800,016	797,017
Street and bridge	450,000	0.05265	225,462	224,618
Audit	65,000	0.01518	65,005	64,761
Street lighting	76,000	0.01775	76,011	75,724
Unemployment insurance	30,000	0.00701	30,019	29,906
Firemen's pension	581,969	0.13591	582,005	579,822
Police pension	784,496	0.18320	784,514	781,573
	<u>\$ 5,504,363</u>	<u>1.23303</u>	<u>\$ 5,280,186</u>	<u>\$ 5,260,029</u>

2011 Tax Levy

\$ 431,343,641

2010 Tax Levy

\$ 428,561,535

<u>Levy</u>	<u>Rate</u>	<u>Amount Extended by County Clerk</u>	<u>Amount Collected</u>	<u>Levy</u>	<u>Rate</u>	<u>Amount Extended by County Clerk</u>	<u>Amount Collected</u>
\$ 100,346	0.02327	\$ 100,374	\$ 100,202	\$ -	-	\$ -	\$ -
600,000	0.13911	600,042	598,988	697,000	0.16264	697,012	696,776
600,000	0.13911	600,042	598,988	475,000	0.11084	475,018	474,857
600,000	0.13911	600,042	598,988	475,000	0.11084	475,018	474,857
15,000	0.00348	15,011	14,984	15,000	0.00351	15,043	15,036
192,240	0.04457	192,250	191,912	275,000	0.06417	275,008	274,926
418,000	0.09691	418,015	417,281	415,000	0.09684	415,019	414,879
800,000	0.18547	800,013	798,608	800,000	0.18668	800,039	799,767
428,000	0.05206	224,558	224,164	427,500	0.05264	225,595	225,516
59,000	0.01368	59,008	58,905	56,000	0.01307	56,013	55,993
76,000	0.01762	76,003	75,869	75,000	0.01751	75,041	75,014
30,000	0.00696	30,022	29,969	20,853	0.00487	20,871	20,863
809,737	0.18773	809,761	808,340	902,168	0.21052	902,208	901,903
860,866	0.19958	860,876	859,364	955,350	0.22293	955,392	955,068
<u>\$ 5,589,189</u>	<u>1.24866</u>	<u>\$ 5,386,017</u>	<u>\$ 5,376,562</u>	<u>\$ 5,588,871</u>	<u>1.25706</u>	<u>\$ 5,387,277</u>	<u>\$ 5,385,455</u>

**CITY OF EAST PEORIA, ILLINOIS
LEGAL DEBT MARGIN
April 30, 2014**

Assessed valuation, 2013 tax year		<u>\$ 425,951,937</u>
Statutory debt limitation (8.625% of assessed valuation)		\$ 36,738,355
Total debt:		
Notes payable to banks	\$ 10,189,338	
Notes payable to Illinois Environment Protection Agency	4,988,669	
Special assessment bonds	230,000	
Project bonds	1,585,000	
General obligation bonds (alternate revenue source)	100,225,000	
Revenue bonds	250,000	
Deduct debt exempt from debt limitation computation:		
Project bonds	(1,585,000)	
General obligation bonds (alternate revenue source)	(100,225,000)	
Revenue bonds	<u>(250,000)</u>	<u>15,408,007</u>
 LEGAL DEBT MARGIN		 <u>\$ 21,330,348</u>

**CITY OF EAST PEORIA, ILLINOIS
SCHEDULE OF RECEIPTS AND DISBURSEMENTS BY DISTRICT
SPECIAL TAX ALLOCATION FUND
Year Ended April 30, 2014**

	<u>District III</u>
RECEIPTS	
Tax increment financing, property taxes	\$ 760,362
Interest income	220
Miscellaneous	646
Interfund borrowing	470,640
Total receipts	<u>1,231,868</u>
 DISBURSEMENTS	
1998-B Refunding Tax Increment Bond Interest	54,805
1998-B Refunding Tax Increment Bonds	895,000
2005-D Refunding Tax Increment Bond Interest	(135,945)
2005-D Refunding Tax increment Bonds	285,000
Distribution to other taxing districts	130,976
Bank collection charges	1,833
Total disbursements	<u>1,231,669</u>
Excess of receipts over disbursements	199
 CASH AND INVESTMENTS, APRIL 30, 2013	 <u>9</u>
 CASH AND INVESTMENTS, APRIL 30, 2014	 <u>\$ 208</u>

CITY OF EAST PEORIA, ILLINOIS
SCHEDULE OF RECEIPTS AND DISBURSEMENTS BY DISTRICT
CAPITAL PROJECTS FUND
Year Ended April 30, 2014

	<u>Camp Street TIF District</u>	<u>W. Washington Street TIF District</u>	<u>Total</u>
RECEIPTS			
Tax increment financing:			
Property taxes	\$ 1,710,263	\$ 199,262	\$ 1,909,525
Sales taxes	561,482	1,768,874	2,330,356
Hotel/motel taxes	547,841	96,770	644,611
Lease income	917,520	-	917,520
Rental income	748,475	-	748,475
Interest income	1,107	12,862	13,969
Reimbursements and property sales	37,168	6,417,923	6,455,091
Interfund borrowing	1,411,000	-	1,411,000
Total receipts	<u>5,934,856</u>	<u>8,495,691</u>	<u>14,430,547</u>
DISBURSEMENTS			
2002-C Tax Increment Bond interest	80,486	-	80,486
2002-C Tax Increment Bond principal	235,000	-	235,000
2004-B Tax Increment Bond interest	36,093	-	36,093
2004-B Tax Increment Bond principal	230,000	-	230,000
2007 Refunding Tax Increment Bond interest	1,184,275	-	1,184,275
2007 Refunding Tax Increment Bond principal	525,000	-	525,000
2008 General Obligation Bond interest	-	106,996	106,996
2010A General Obligation Bond interest	945,411	-	945,411
2010A General Obligation Bond principal	870,000	-	870,000
2010B General Obligation Bond interest	1,042,177	-	1,042,177
2010B General Obligation Bond principal	605,000	-	605,000
2012A General Obligation Bond interest	-	102,883	102,883
2012A General Obligation Bond principal	-	170,000	170,000
2012B General Obligation Bond interest	-	102,883	102,883
2012B General Obligation Bond principal	-	170,000	170,000
2012C General Obligation Bond interest	-	433,870	433,870
2012C General Obligation Bond principal	-	495,000	495,000
2012D General Obligation Bond interest	-	172,283	172,283
2012D General Obligation Bond principal	-	200,000	200,000
2013B Refunding General Obligation Bond interest	-	111,325	111,325
Camp Street Loan interest	125,483	-	125,483
Camp Street Loan principal	53,301	-	53,301
Development and engineering fees	90,276	5,779,673	5,869,949
Other operating expenses	110,567	6,517	117,084
Land purchases	-	2,761,785	2,761,785
Sales tax rebate	-	104,373	104,373
Attorney fees	20,061	138,580	158,641
Interfund payment	404,937	-	404,937
Total disbursements	<u>6,558,067</u>	<u>10,856,168</u>	<u>17,414,235</u>
Excess of receipts (under) disbursements	(623,211)	(2,360,477)	(2,983,688)
CASH, APRIL 30, 2013	<u>1,447,516</u>	<u>4,535,240</u>	<u>5,982,756</u>
CASH, APRIL 30, 2014	<u>\$ 824,305</u>	<u>\$ 2,174,763</u>	<u>\$ 2,999,068</u>