

CITY OF EAST PEORIA, ILLINOIS
FINANCIAL STATEMENTS
YEAR ENDED APRIL 30, 2016



CliftonLarsonAllen

**CITY OF EAST PEORIA, ILLINOIS
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YEAR ENDED APRIL 30, 2016**

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INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of East Peoria, Illinois (the City), as of and for the year ended April 30, 2016, 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 83%, 89%, and 21%, 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 as of April 30, 2016, 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.

Unmodified 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, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of a Matter – Adoption of New Standard

During fiscal year ended April 30, 2016, the City, adopted GASB Statement No. 68, *Accounting for Financial Reporting for Pensions and the related GASB Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date-an amendment of GASB Statement No. 68*. As a result of the implementation of these standards, the City reported restatements for the change in accounting principle (see Note 17). Our auditors' opinions were not modified with respect to the restatements.

Emphasis of a Matter – Restatements

As discussed in Note 18 to the financial statements, beginning net position for governmental activities and beginning fund balances for the General Fund and Capital Projects Fund have been restated to correct an error in previously reported receivables. Our opinions are not modified with respect to these matters.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the pension and other post employment information on pages 73 through 78 and budgetary comparison information on pages 79 through 81 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

Honorable Mayor and Commissioners
City of East Peoria, Illinois

the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The City has not presented the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Information

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

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

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



CliftonLarsonAllen LLP

Peoria, Illinois
October 21, 2016

CITY OF EAST PEORIA, ILLINOIS
STATEMENT OF NET POSITION
APRIL 30, 2016

ASSETS	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total Primary Government	East Peoria Mass Transit District
CURRENT ASSETS				
Cash and Investments	\$ 7,356,806	\$ 1,666,964	\$ 9,023,770	\$ 50,034
Receivables (Net, Where Applicable, of Allowances for Estimated Uncollectible Amounts):				
Property Taxes	10,647,542	-	10,647,542	434,523
Sales Tax	3,664,090	-	3,664,090	-
State Income Tax	824,532	-	824,532	-
Personal Property Replacement Tax	211,019	-	211,019	9,380
Motor Fuel Tax Allotments	53,259	-	53,259	-
Gaming Tax	410,004	-	410,004	-
Water and Sewer Revenue Receivables:				
Billed	-	256,907	256,907	-
Unbilled Charges	-	1,392,611	1,392,611	-
Customer Charges (Net of Allowance)	317,516	97,944	415,460	-
Assessments	13,773	-	13,773	-
Hotel/Motel Taxes	146,805	-	146,805	-
Intergovernmental	104,510	-	104,510	-
Notes	205,399	-	205,399	-
Fines	32,275	-	32,275	-
Capital Lease	495,553	-	495,553	-
Other	266,792	-	266,792	-
Developer	173,469	-	173,469	-
Prepaid Expenses	-	22,503	22,503	-
Inventory of Supplies, at Cost	-	85,414	85,414	-
Internal Balances	(232,652)	232,652	-	-
Assets Held for Resale	1,430,000	-	1,430,000	-
Total Current Assets	<u>26,120,692</u>	<u>3,754,995</u>	<u>29,875,687</u>	<u>493,937</u>
NONCURRENT ASSETS				
Restricted Assets, Cash and Investments	6,496,871	-	6,496,871	-
Receivables (Net Where Applicable, of Allowances for Estimated Uncollectible Amounts):				
Assessments	37,738	-	37,738	-
Capital Lease	8,267,426	-	8,267,426	-
Capital Assets:				
Not Depreciable:				
Land	8,426,876	3,647,682	12,074,558	-
Construction-in-Progress	410,350	-	410,350	-
Depreciable:				
Land Improvements	5,375,423	7,459,213	12,834,636	-
Buildings	54,083,291	24,444,424	78,527,715	-
Machinery, Equipment, and Vehicles	17,249,318	14,376,936	31,626,254	-
Infrastructure	122,347,712	40,326,213	162,673,925	-
Accumulated Depreciation	<u>(71,985,808)</u>	<u>(55,900,431)</u>	<u>(127,886,239)</u>	<u>-</u>
Total Noncurrent Assets	<u>150,709,197</u>	<u>34,354,037</u>	<u>185,063,234</u>	<u>-</u>
Total Assets	176,829,889	38,109,032	214,938,921	493,937
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Charge on Refunding	535,132	-	535,132	-
Deferred Amounts Related to Pensions	11,431,833	965,004	12,396,837	-
Total Deferred Outflows of Resources	<u>11,966,965</u>	<u>965,004</u>	<u>12,931,969</u>	<u>-</u>

See accompanying Notes to Basic Financial Statements.

LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total Primary Government	East Peoria Mass Transit District
CURRENT LIABILITIES				
Accounts Payable	\$ 1,377,660	\$ 191,202	\$ 1,568,862	\$ -
Retainage Payable	41,035	-	41,035	-
Wages Payable	254,555	42,602	297,157	-
Liquor License Bond Held	17,500	-	17,500	-
Interest Payable	1,265,830	39,087	1,304,917	-
Pension Contribution Payable	176,022	-	176,022	-
Unearned Revenue	15,991	183,263	199,254	-
Due to Other Governmental Entities	721,757	-	721,757	53,700
Deposits - Customers	-	82,050	82,050	-
Compensated Absences	681,025	181,435	862,460	-
Accrued Health Claims	218,424	-	218,424	-
Current Portion of Long-Term Debt	5,535,237	1,138,356	6,673,593	-
Total Current Liabilities	10,305,036	1,857,995	12,163,031	53,700
LONG-TERM LIABILITIES				
Compensated Absences	2,936,259	398,092	3,334,351	-
Other Postemployment Benefits Obligation	14,330,850	1,303,842	15,634,692	-
Net Pension Liability	56,639,914	1,131,867	57,771,781	-
General Obligation Bonds, Net Bond Discounts and Premiums, Noncurrent	87,955,563	834,382	88,789,945	-
Notes Payable, Noncurrent	6,162,986	4,900,297	11,063,283	-
Total Long-Term Liabilities	168,025,572	8,568,480	176,594,052	-
Total Liabilities	178,330,608	10,426,475	188,757,083	53,700
DEFERRED INFLOWS OF RESOURCES				
Subsequent Year's Property Taxes	10,647,542	-	10,647,542	150,009
Deferred Amounts Related to Pensions	630,527	329,468	959,995	-
Total Deferred Inflows of Resources	11,278,069	329,468	11,607,537	150,009
NET POSITION				
Net Investment in Capital Assets	36,788,508	27,481,002	64,269,510	-
Restricted for:				
Employee Benefits	286,311	-	286,311	-
Debt Service	1,540,813	-	1,540,813	-
Audit	37,889	-	37,889	29,357
School Crossing Guard	9,373	-	9,373	-
Sewer	27,410	-	27,410	-
Emergency Services	121,418	-	121,418	-
Tourism	1,190,648	-	1,190,648	-
Revolving Loan	716,630	-	716,630	-
IHDA	11,936	-	11,936	-
Capital Improvements and Equipment	19,832,646	-	19,832,646	-
Liability Insurance	-	-	-	246,098
Unrestricted (Deficit)	(61,375,405)	837,091	(60,538,314)	14,773
Total Net Position	\$ (811,823)	\$ 28,318,093	\$ 27,506,270	\$ 290,228

**CITY OF EAST PEORIA, ILLINOIS
STATEMENT OF ACTIVITIES
YEAR ENDED APRIL 30, 2016**

FUNCTIONS/PROGRAMS	<u>Expenses</u>
Primary Government:	
Governmental Activities:	
Police	\$ (5,936,408)
Fire	(3,699,492)
Sanitation	(1,126,396)
Health and Welfare	(1,268,334)
Public Works	(6,461,680)
General Government	(25,216,279)
Community Development	(529,449)
Other	(1,817,533)
Interest on and Amortization of Long-Term Debt	(4,262,771)
Total Governmental Activities	<u>(50,318,342)</u>
Business-Type Activities:	
Water and Sewer	(7,426,932)
Eastport Marina	(781,145)
Eastside Centre	(1,644,264)
Total Business-Type Activities	<u>(9,852,341)</u>
Total Primary Government	<u>\$ (60,170,683)</u>
Component Unit:	
City of East Peoria Mass Transit District	<u>\$ (1,854,621)</u>

See accompanying Notes to Basic Financial Statements.

Net (Expense) Revenue and Changes in Net Position						
Program Revenues			Primary Government			Component Unit
Fees, Fines, and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total Primary Government	East Peoria Mass Transit District
\$ 62,819	\$ 133,265	\$ -	\$ (5,740,324)	\$ -	\$ (5,740,324)	\$ -
47,516	46,343	-	(3,605,633)	-	(3,605,633)	-
-	8,675	-	(1,117,721)	-	(1,117,721)	-
977,711	-	-	(290,623)	-	(290,623)	-
570	600,419	244,978	(5,615,713)	-	(5,615,713)	-
229,268	-	-	(24,987,011)	-	(24,987,011)	-
-	-	-	(529,449)	-	(529,449)	-
-	-	-	(1,817,533)	-	(1,817,533)	-
-	-	-	(4,262,771)	-	(4,262,771)	-
<u>1,317,884</u>	<u>788,702</u>	<u>244,978</u>	<u>(47,966,778)</u>	<u>-</u>	<u>(47,966,778)</u>	<u>-</u>
7,309,469	-	-	-	(117,463)	(117,463)	-
607,110	-	-	-	(174,035)	(174,035)	-
724,531	-	-	-	(919,733)	(919,733)	-
<u>8,641,110</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,211,231)</u>	<u>(1,211,231)</u>	<u>-</u>
<u>\$ 9,958,994</u>	<u>\$ 788,702</u>	<u>\$ 244,978</u>	<u>(47,966,778)</u>	<u>(1,211,231)</u>	<u>(49,178,009)</u>	<u>-</u>
<u>\$ -</u>	<u>\$ 1,519,825</u>	<u>\$ -</u>				(334,796)
GENERAL REVENUES						
Property Taxes			10,306,588	-	10,306,588	276,970
Sales and Use Taxes			12,823,187	17,478	12,840,665	-
State Income Taxes			2,393,716	-	2,393,716	-
Personal Property Replacement Taxes			1,309,129	-	1,309,129	52,095
Illinois Gaming Taxes			5,357,753	-	5,357,753	-
Other Taxes			5,116,353	-	5,116,353	-
Interest/Investment Income			58,696	17,121	75,817	168
Other			5,049,458	16,166	5,065,624	-
TRANSFERS			<u>(447,528)</u>	<u>447,528</u>	<u>-</u>	<u>-</u>
Total General Revenues and Transfers			41,967,352	498,293	42,465,645	329,233
CHANGE IN NET POSITION			<u>(5,999,426)</u>	<u>(712,938)</u>	<u>(6,712,364)</u>	<u>(5,563)</u>
Net Position - Beginning of Year, as Previously Reported			47,678,846	29,397,112	77,075,958	295,791
Prior Period Adjustments			<u>(42,491,243)</u>	<u>(366,081)</u>	<u>(42,857,324)</u>	<u>-</u>
Net Position - Beginning of Year, as Restated			<u>5,187,603</u>	<u>29,031,031</u>	<u>34,218,634</u>	<u>295,791</u>
NET POSITION - END OF YEAR			<u>\$ (811,823)</u>	<u>\$ 28,318,093</u>	<u>\$ 27,506,270</u>	<u>\$ 290,228</u>

**CITY OF EAST PEORIA, ILLINOIS
BALANCE SHEET – GOVERNMENTAL FUNDS
APRIL 30, 2016**

ASSETS	<u>General Fund</u>
Cash and Investments	\$ 851,054
Receivables (Net, Where Applicable, of Allowances for Estimated Uncollectible Amounts):	
Property Taxes	2,390,640
Sales Tax	2,661,140
State Income Tax	824,532
Personal Property Replacement Tax	135,619
Motor Fuel Tax Allotments	-
Gaming Tax	-
Customer Charges	317,516
Assessments	-
Hotel/Motel Taxes	-
Intergovernmental	13,233
Notes	-
Fines	32,275
Capital Lease	-
Other	18,841
Advanced to Other Funds	3,457,277
Assets Held for Resale	-
Restricted Assets, Cash, and Investments	-
	<hr/>
Total Assets	<u><u>\$ 10,702,127</u></u>

See accompanying Notes to Basic Financial Statements.

<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>
\$ 158,980	\$ 3,018	\$ -	\$ 962,909	\$ 4,302,780	\$ 6,278,741
-	792,048	4,238,589	-	3,226,265	10,647,542
-	-	1,002,950	-	-	3,664,090
-	-	-	-	-	824,532
-	-	-	-	75,400	211,019
-	-	-	-	53,259	53,259
410,004	-	-	-	-	410,004
-	-	-	-	-	317,516
-	-	-	-	51,511	51,511
-	-	25,026	-	121,779	146,805
15,991	-	75,286	-	-	104,510
-	-	-	-	205,399	205,399
-	-	-	-	-	32,275
-	-	8,762,979	-	-	8,762,979
-	-	30,268	-	217,683	266,792
9,750,053	1,984,822	381,451	269,400	136,331	15,979,334
-	-	1,430,000	-	-	1,430,000
-	-	4,168,699	2,328,172	-	6,496,871
<u>\$ 10,335,028</u>	<u>\$ 2,779,888</u>	<u>\$ 20,115,248</u>	<u>\$ 3,560,481</u>	<u>\$ 8,390,407</u>	<u>\$ 55,883,179</u>

CITY OF EAST PEORIA, ILLINOIS
BALANCE SHEET – GOVERNMENTAL FUNDS (CONTINUED)
APRIL 30, 2016

LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES (DEFICITS)	<u>General Fund</u>
LIABILITIES	
Accounts Payable	\$ 427,368
Retainage Payable	-
Wages Payable	231,210
Liquor License Bonds Held	17,500
Compensated Absences	681,025
Pension Obligation Payable	-
Unearned Revenue	-
Due to Other Governmental Entities	721,757
Advances from Other Funds	381,049
Total Liabilities	<u>2,459,909</u>
DEFERRED INFLOWS OF RESOURCES	
Subsequent Year's Property Taxes	2,390,640
Unavailable Revenue - Other Taxes	865,411
Unavailable Revenue - Intergovernmental	-
Unavailable Revenue - Capital Lease Receivable	-
Unavailable Revenue - Notes Receivable and Other	-
Unavailable Revenue - Special Assessments	-
Total Deferred Inflows of Resources	<u>3,256,051</u>
FUND BALANCES (DEFICITS)	
Nonspendable	3,457,277
Restricted	250,000
Assigned	511,933
Unassigned	766,957
Total Fund Balances (Deficits)	<u>4,986,167</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	<u><u>\$ 10,702,127</u></u>

See accompanying Notes to Basic Financial Statements.

<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>
\$ 444,713	\$ -	\$ 475,581	\$ -	\$ 29,998	\$ 1,377,660
-	-	41,035	-	-	41,035
-	-	-	-	23,345	254,555
-	-	-	-	-	17,500
-	-	-	-	-	681,025
-	-	-	-	176,022	176,022
15,991	-	-	-	-	15,991
-	-	-	-	-	721,757
<u>2,035,059</u>	<u>7,138,620</u>	<u>5,855,981</u>	<u>250,000</u>	<u>141,365</u>	<u>15,802,074</u>
2,495,763	7,138,620	6,372,597	250,000	370,730	19,087,619
-	792,048	4,238,589	-	3,226,265	10,647,542
-	-	292,957	-	-	1,158,368
-	-	75,286	-	-	75,286
-	-	8,762,978	-	-	8,762,978
-	-	-	-	205,399	205,399
-	-	-	-	37,738	37,738
-	<u>792,048</u>	<u>13,369,810</u>	-	<u>3,469,402</u>	<u>20,887,311</u>
-	-	-	-	-	3,457,277
7,839,265	1,984,822	372,841	2,597,572	2,622,046	15,666,546
-	-	-	712,909	1,928,229	3,153,071
-	(7,135,602)	-	-	-	(6,368,645)
<u>7,839,265</u>	<u>(5,150,780)</u>	<u>372,841</u>	<u>3,310,481</u>	<u>4,550,275</u>	<u>15,908,249</u>
<u>\$ 10,335,028</u>	<u>\$ 2,779,888</u>	<u>\$ 20,115,248</u>	<u>\$ 3,560,481</u>	<u>\$ 8,390,407</u>	<u>\$ 55,883,179</u>

**CITY OF EAST PEORIA, ILLINOIS
RECONCILIATION OF GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION
APRIL 30, 2016**

Total Governmental Fund Balances		\$ 15,908,249
<p>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:</p>		
Land	\$ 8,426,876	
Construction-in-Progress	410,350	
Land Improvements	5,375,423	
Buildings and Improvements	54,083,291	
Machinery, Equipment, and Vehicles	17,249,318	
Infrastructure	122,347,712	
Accumulated Depreciation	<u>(71,985,808)</u>	135,907,162
<p>Deferred amounts related to pensions are not reported in the funds:</p>		
Deferred outflows of resources	11,431,833	
Deferred inflows of resources	<u>(630,527)</u>	10,801,306
Developer Receivable		173,469
<p>Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds, deferred inflows of resources:</p>		
Unavailable Revenue - Other Taxes	1,158,368	
Unavailable Revenue - Intergovernmental	75,286	
Unavailable Revenue - Capital Lease Receivable	8,762,978	
Unavailable Revenue - Notes Receivable and Other	205,399	
Unavailable Revenue - Special Assessments	<u>37,738</u>	10,239,769
<p>Internal service funds are used by management to charge the costs of certain services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position:</p>		
Current Assets	1,078,065	
Current Liabilities	<u>(218,424)</u>	859,641
Internal Service Funds Allocated to Business-Type Activities		(409,912)
<p>Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds:</p>		
Compensated Absences, Noncurrent	(2,936,259)	
Other Postemployment Benefits Obligation	(14,330,850)	
Net Pension Liability	(56,639,914)	
Accrued Interest Payable	(1,265,830)	
General Obligation Bonds Payable, Current	(3,955,000)	
General Obligation Bonds Payable, Noncurrent	(87,505,000)	
Project Bonds Payable, Current	(470,000)	
Notes Payable, Current	(1,054,397)	
Notes Payable, Noncurrent	(6,162,986)	
Bond Discounts	64,088	
Bond Deferred Charge on Refunding	535,132	
Bond Premiums	<u>(570,491)</u>	(174,291,507)
Net Position of Governmental Activities		<u>\$ (811,823)</u>

See accompanying Notes to Basic Financial Statements.

CITY OF EAST PEORIA, ILLINOIS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES (DEFICITS) – GOVERNMENTAL FUNDS
YEAR ENDED APRIL 30, 2016

	General Fund
REVENUES	
Property Taxes	\$ 2,311,883
Other Taxes and Special Assessments	15,099,955
Charges for Services	1,088,088
Intergovernmental	410,593
Investment Earnings	22,392
Licenses and Permits	229,268
Miscellaneous	2,244,889
Total Revenues	21,407,068
EXPENDITURES	
Current:	
General Government	6,876,748
Police	5,650,470
Fire	3,502,602
Sanitation	1,030,373
Health and Welfare	1,279,517
Public Works	2,086,570
Community Development	504,512
Other	-
Capital Outlay	87,034
Debt Service:	
Principal Payments	329,199
Interest and Fiscal Charges	129,817
Total Expenditures	21,476,842
Excess (Deficiency) of Revenues over Expenditures	(69,774)
OTHER FINANCING SOURCES (USES)	
Issuance of Long-Term Debt	-
Payments to Refunded Bond Escrow Agent	-
Transfers In	-
Transfers Out	(666,866)
Total Other Financing Sources (Uses)	(666,866)
NET CHANGE IN FUND BALANCES	(736,640)
Fund Balances (Deficits), Beginning of Year, as Previously Reported	6,346,374
Prior Period Adjustment	(623,567)
Fund Balances (Deficits), Beginning of Year, as Restated	5,722,807
FUND BALANCES (DEFICITS) - END OF YEAR	\$ 4,986,167

See accompanying Notes to Basic Financial Statements.

Riverboat Gaming Tax Fund	Special Tax Allocation Fund	Capital Projects Fund	Bond and Interest Fund	Other Governmental Funds	Total
\$ -	\$ 787,508	\$ 4,120,786	\$ -	\$ 3,086,411	\$ 10,306,588
5,357,753	-	3,635,221	-	1,535,123	25,628,052
-	-	-	-	-	1,088,088
244,978	-	-	-	1,687,238	2,342,809
2,126	249	5,362	13,490	13,527	57,146
-	-	-	-	-	229,268
76,363	-	2,852,159	-	380,886	5,554,297
<u>5,681,220</u>	<u>787,757</u>	<u>10,613,528</u>	<u>13,490</u>	<u>6,703,185</u>	<u>45,206,248</u>
-	136,277	-	-	2,787,283	9,800,308
-	-	-	-	1,360,202	7,010,672
-	-	-	-	1,472,407	4,975,009
-	-	-	-	-	1,030,373
-	-	-	-	-	1,279,517
-	-	-	-	860,402	2,946,972
-	-	-	-	-	504,512
-	1,651	2,186,634	-	2,000	2,190,285
6,743,433	-	2,646,702	-	7,936	9,485,105
450,000	120,000	4,205,185	100,000	-	5,204,384
44,620	5,820	4,214,776	35,907	-	4,430,940
<u>7,238,053</u>	<u>263,748</u>	<u>13,253,297</u>	<u>135,907</u>	<u>6,490,230</u>	<u>48,858,077</u>
(1,556,833)	524,009	(2,639,769)	(122,417)	212,955	(3,651,829)
522,402	-	9,670,000	-	-	10,192,402
-	-	(9,485,000)	-	-	(9,485,000)
-	-	1,151,377	51,201	168,137	1,370,715
(1,120,000)	-	-	-	(31,377)	(1,818,243)
<u>(597,598)</u>	<u>-</u>	<u>1,336,377</u>	<u>51,201</u>	<u>136,760</u>	<u>259,874</u>
(2,154,431)	524,009	(1,303,392)	(71,216)	349,715	(3,391,955)
9,993,696	(5,674,789)	1,141,740	3,381,697	4,200,560	19,389,278
-	-	534,493	-	-	(89,074)
<u>9,993,696</u>	<u>(5,674,789)</u>	<u>1,676,233</u>	<u>3,381,697</u>	<u>4,200,560</u>	<u>19,300,204</u>
<u>\$ 7,839,265</u>	<u>\$ (5,150,780)</u>	<u>\$ 372,841</u>	<u>\$ 3,310,481</u>	<u>\$ 4,550,275</u>	<u>\$ 15,908,249</u>

**CITY OF EAST PEORIA, ILLINOIS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES (DEFICITS) OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED APRIL 30, 2016**

Net Change in Fund Balances - Governmental Funds \$ (3,391,955)

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

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

Capital Outlay	\$ 5,023,700	
Depreciation Expense	<u>(6,749,094)</u>	(1,725,394)

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

Loss on Disposal of Capital Assets		(900)
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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	13,292	
Net Change in Intergovernmental	75,286	
Net Change in Notes Receivable and Other	<u>(49,756)</u>	38,822

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	(12,580)	
Net Change in Developer Receivable	(20,000)	
Net Change in Capital Lease Receivable	<u>(447,569)</u>	(480,149)

The issuance of long-term debt (e.g., bonds, loan, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums and discounts when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.

The following is the detail of the net effect of these differences in the treatment of long-term debt and related items:

Issuance of General Obligation Bonds	(9,670,000)	
Deferred Charge on Refunding	54,830	
Repayment of Bond Principal	13,845,000	
Issuance of Notes Payable	(522,402)	
Repayment of Notes Payable Principal	844,384	
Interest Payable	138,272	
Amortization Deferred Charge on Refunding	(45,329)	
Amortization of Premiums and Discounts	<u>19,921</u>	4,664,676

See accompanying Notes to Basic Financial Statements.

**CITY OF EAST PEORIA, ILLINOIS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES (DEFICITS) OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES (CONTINUED)
YEAR ENDED APRIL 30, 2016**

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

Change in Long Term Compensated Absences	\$ (102,231)	
Change in Other Postemployment Benefit Obligation	(2,165,045)	
Net Pension Liability and Related Deferrals	<u>(3,235,736)</u>	\$ (5,503,012)

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.

	<u>398,486</u>	
Change in Net Position of Governmental Activities		<u><u>\$ (5,999,426)</u></u>

CITY OF EAST PEORIA, ILLINOIS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
APRIL 30, 2016

	Business-Type Activities - Enterprise Funds			Total	Governmental Activities
	Water and Sewer Fund	Eastport Marina Fund	Eastside Centre Fund		Internal Service Funds
ASSETS					
CURRENT ASSETS					
Cash and Cash Equivalents	\$ 1,457,670	\$ 170,366	\$ 38,928	\$ 1,666,964	\$ 1,078,065
Water and Sewer Revenue Receivables (Net Where Applicable of Allowance for Uncollectible Amounts):					
Billed	256,907	-	-	256,907	-
Unbilled Charges	1,392,611	-	-	1,392,611	-
Customer Charges (Net of Allowance)	-	97,944	-	97,944	-
Advanced to Other Funds	-	-	226,550	226,550	-
Prepaid Expenses	-	22,503	-	22,503	-
Inventory of Supplies, at Cost	85,414	-	-	85,414	-
Total Current Assets	<u>3,192,602</u>	<u>290,813</u>	<u>265,478</u>	<u>3,748,893</u>	<u>1,078,065</u>
CAPITAL ASSETS					
Nondepreciable:					
Land	456,274	2,850,000	341,408	3,647,682	-
Depreciable:					
Land Improvements	1,654,017	3,170,620	2,634,576	7,459,213	-
Buildings	16,245,132	2,325,392	5,873,900	24,444,424	-
Machinery, Equipment, and Vehicles	12,821,680	525,627	1,029,629	14,376,936	-
Infrastructure	40,326,213	-	-	40,326,213	-
Less Accumulated Depreciation	<u>(45,965,334)</u>	<u>(4,465,381)</u>	<u>(5,469,716)</u>	<u>(55,900,431)</u>	<u>-</u>
Net Capital Assets	<u>25,537,982</u>	<u>4,406,258</u>	<u>4,409,797</u>	<u>34,354,037</u>	<u>-</u>
Total Assets	<u>28,730,584</u>	<u>4,697,071</u>	<u>4,675,275</u>	<u>38,102,930</u>	<u>1,078,065</u>
DEFERRED OUTFLOWS OF RESOURCES					
Deferred amounts related to pensions	823,178	-	141,826	965,004	-

See accompanying Notes to Basic Financial Statements.

CITY OF EAST PEORIA, ILLINOIS
STATEMENT OF NET POSITION (CONTINUED)
PROPRIETARY FUNDS
APRIL 30, 2016

	Business-Type Activities -			Total	Governmental
	Enterprise Funds				Activities
	Water and Sewer Fund	Eastport Marina Fund	Eastside Centre Fund		Internal Service Funds
LIABILITIES AND NET POSITION					
CURRENT LIABILITIES					
Accounts Payable	\$ 145,459	\$ -	\$ 45,743	\$ 191,202	\$ -
Wages Payable	35,320	-	7,282	42,602	-
Interest Payable	39,038	-	49	39,087	-
Deposits, Customers	82,050	-	-	82,050	-
Compensated Absences	157,731	-	23,704	181,435	-
Unearned Revenue	-	183,263	-	183,263	-
Accrued Health Claims	-	-	-	-	218,424
Current Portion of Long-Term Debt	1,125,396	-	12,960	1,138,356	-
Total Current Liabilities	<u>1,584,994</u>	<u>183,263</u>	<u>89,738</u>	<u>1,857,995</u>	<u>218,424</u>
LONG-TERM LIABILITIES					
Compensated Absences, Noncurrent	343,939	-	54,153	398,092	-
Advanced from Other Funds	259,517	144,293	-	403,810	-
Other Postemployment Benefits Obligation	-	-	1,303,842	1,303,842	-
Net Pension Liability	965,518	-	166,349	1,131,867	-
General Obligation Bonds, Plus					
Bond Premiums, Noncurrent	834,382	-	-	834,382	-
Notes Payable, Noncurrent	4,790,936	-	109,361	4,900,297	-
Total Long-Term Liabilities	<u>7,194,292</u>	<u>144,293</u>	<u>1,633,705</u>	<u>8,972,290</u>	<u>-</u>
Total Liabilities	8,779,286	327,556	1,723,443	10,830,285	218,424
DEFERRED INFLOWS OF RESOURCES					
Deferred amounts related to pensions	281,047	-	48,421	329,468	-
NET POSITION					
Net Investment in Capital Assets	18,787,268	4,406,258	4,287,476	27,481,002	-
Unrestricted	1,706,161	(36,743)	(1,242,239)	427,179	859,641
Total Net Position	<u>\$ 20,493,429</u>	<u>\$ 4,369,515</u>	<u>\$ 3,045,237</u>	<u>\$ 27,908,181</u>	<u>\$ 859,641</u>
Total Enterprise Funds Net Position				\$ 27,908,181	
Amounts reported for business-type activities in the statement of net position are different because an internal service fund is used by management to charge the cost of certain services to individual funds. A portion of the assets and liabilities of the internal service fund are included in business-type activities in the statement of net position.					
				<u>409,912</u>	
Net Position of Business-Type Activities				<u>\$ 28,318,093</u>	

See accompanying Notes to Basic Financial Statements.

CITY OF EAST PEORIA, ILLINOIS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
YEAR ENDED APRIL 30, 2016

	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	\$ 3,359,257	\$ -	\$ -	\$ 3,359,257	\$ -
Sewer Service Charges	3,700,694	-	-	3,700,694	-
Fuel Sales	-	84,353	-	84,353	-
Storage and Rentals	-	522,757	15,931	538,688	-
Fees for Services	-	-	434,770	434,770	-
Tap-In Charges	25,000	-	-	25,000	-
Water Assessments	9,400	-	-	9,400	-
Sewer Assessments	8,800	-	-	8,800	-
Penalties	158,866	-	-	158,866	-
Individual Sewer Permits	990	-	-	990	-
Contractors' Sewer Permits	1,260	-	-	1,260	-
Sewer Inspection Fees	900	-	-	900	-
Sewer Connection Fees	18,370	-	-	18,370	-
Concession Sales	-	-	204,699	204,699	-
Charges for Coverage	-	-	-	-	3,671,206
Miscellaneous	25,932	-	69,131	95,063	-
Total Operating Revenues	<u>7,309,469</u>	<u>607,110</u>	<u>724,531</u>	<u>8,641,110</u>	<u>3,671,206</u>
OPERATING EXPENSES					
Salaries and Benefits	2,554,378	181,655	887,933	3,623,966	-
Contractual Services	450,875	95,000	84,559	630,434	-
Utilities	667,115	47,659	28,859	743,633	-
Repair and Maintenance	929,882	76,789	177,197	1,183,868	-
Insurance	589,322	48,021	32,000	669,343	-
Other Supplies and Expenses	800,811	189,215	183,949	1,173,975	-
Depreciation	1,223,068	142,806	242,516	1,608,390	-
Insurance Claims	-	-	-	-	3,274,270
Total Operating Expenses	<u>7,215,451</u>	<u>781,145</u>	<u>1,637,013</u>	<u>9,633,609</u>	<u>3,274,270</u>
OPERATING INCOME (LOSS)	94,018	(174,035)	(912,482)	(992,499)	396,936
NONOPERATING REVENUES (EXPENSES)					
Interest	17,046	75	-	17,121	1,550
Reimbursements	16,166	-	-	16,166	-
Municipal Sales Tax	-	-	17,478	17,478	-
Interest, Fiscal Charges, and Amortization	(211,481)	-	(7,251)	(218,732)	-
Total Nonoperating Revenues (Expenses)	<u>(178,269)</u>	<u>75</u>	<u>10,227</u>	<u>(167,967)</u>	<u>1,550</u>
INCOME (LOSS) BEFORE TRANSFERS	(84,251)	(173,960)	(902,255)	(1,160,466)	398,486
TRANSFERS IN	-	-	447,528	447,528	-
CHANGE IN NET POSITION	(84,251)	(173,960)	(454,727)	(712,938)	398,486
Total Net Position - Beginning of Year, as Previously Reported	<u>20,879,010</u>	<u>4,543,475</u>	<u>3,564,715</u>	<u>28,987,200</u>	<u>461,155</u>
Prior Period Adjustments	(301,330)	-	(64,751)	(366,081)	-
Total Net Position - Beginning of Year, as Restated	<u>20,577,680</u>	<u>4,543,475</u>	<u>3,499,964</u>	<u>28,621,119</u>	<u>461,155</u>
TOTAL NET POSITION - END OF YEAR	<u>\$ 20,493,429</u>	<u>\$ 4,369,515</u>	<u>\$ 3,045,237</u>	<u>\$ 27,908,181</u>	<u>\$ 859,641</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF EAST PEORIA, ILLINOIS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED APRIL 30, 2016**

	Business-Type Activities - Enterprise Funds			Total	Governmental Activities
	Water and Sewer Fund	Eastport Marina Fund	Eastside Centre Fund		Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from Customers and Users	\$ 7,332,131	\$ 566,287	\$ 724,531	\$ 8,622,949	\$ 3,671,206
Payments to Suppliers	(3,276,285)	(471,184)	(51,409)	(3,798,878)	(3,429,012)
Payments to Employees	(2,474,084)	(181,655)	(885,814)	(3,541,553)	-
Net Cash Provided (Used) by Operating Activities	1,581,762	(86,552)	(212,692)	1,282,518	242,194
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Reimbursements	16,166	-	-	16,166	-
Municipal Sales Tax	-	-	17,478	17,478	-
Transfer from Other Funds	-	-	220,978	220,978	-
Net Cash Provided (Used) by Noncapital Financing Activities	16,166	-	238,456	254,622	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Principal Payments on Notes Payable	(572,531)	-	(11,746)	(584,277)	-
Interest and Fiscal Charges Paid on Bonds and Notes Payable	(227,013)	-	(7,251)	(234,264)	-
Purchase of Capital Assets	(122,185)	-	(6,767)	(128,952)	-
Principal Payment on Bonds	(510,000)	-	-	(510,000)	-
Net Cash Provided (Used) by Capital and Related Financing Activities	(1,431,729)	-	(25,764)	(1,457,493)	-
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest on Investments	17,046	75	-	17,121	1,550
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	183,245	(86,477)	-	96,768	243,744
Cash and Cash Equivalents - Beginning of Year	1,274,425	256,843	38,928	1,570,196	834,321
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 1,457,670</u>	<u>\$ 170,366</u>	<u>\$ 38,928</u>	<u>\$ 1,666,964</u>	<u>\$ 1,078,065</u>

See accompanying Notes to Basic Financial Statements.

CITY OF EAST PEORIA, ILLINOIS
STATEMENT OF CASH FLOWS (CONTINUED)
PROPRIETARY FUNDS
YEAR ENDED APRIL 30, 2016

	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 (USED) BY OPERATING ACTIVITIES					
Operating Income (Loss)	\$ 94,018	\$ (174,035)	\$ (912,482)	\$ (992,499)	\$ 396,936
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:					
Depreciation	1,223,068	142,806	242,516	1,608,390	-
Change in Assets and Liabilities:					
Customer Charges and Receivables	20,257	(16,654)	-	3,603	-
Prepaid Expenses	-	(14,500)	-	(14,500)	-
Inventory	27,452	-	-	27,452	-
Accounts Payable, Claims, Retainage and Wages Payable	88,563	-	1,255	89,818	(154,742)
Deposits	2,405	-	-	2,405	-
Unearned Revenue	-	(24,169)	-	(24,169)	-
Compensated Absences	78,439	-	3,712	82,151	-
Other Postemployment Benefits Obligation	-	-	444,114	444,114	-
Net Pension Liability and Related Deferrals	47,560	-	8,193	55,753	-
Net Cash Provided (Used) by Operating Activities	<u>\$ 1,581,762</u>	<u>\$ (86,552)</u>	<u>\$ (212,692)</u>	<u>\$ 1,282,518</u>	<u>\$ 242,194</u>
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES					
Amortization of Premiums, Discounts and Deferred Charge on Refunding	<u>\$ 12,521</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,521</u>	<u>\$ -</u>

See accompanying Notes to Basic Financial Statements.

CITY OF EAST PEORIA, ILLINOIS
STATEMENT OF FIDUCIARY NET POSITION
APRIL 30, 2016

	Pension Trusts	Agency
ASSETS		
Cash and Cash Equivalents	\$ 998,797	\$ 35,036
Receivables:		
Employer Contributions	1,632,487	-
Accrued Interest and Dividends	126,828	-
Total Receivables	1,759,315	-
Investments, at Fair Value:		
Money Market Funds	1,164,813	-
Municipal Bonds	819,370	-
Corporate Bonds	7,863,557	-
U.S. Government Notes and Bonds	4,018,315	-
U.S. Government Agency Obligations	1,801,185	-
Mutual Funds	10,465,132	-
Common Stocks	16,121,727	-
Total Investments	42,254,099	-
Total Assets	45,012,211	\$ 35,036
LIABILITIES		
Accounts Payable and Accrued Payroll Taxes	2,825	\$ -
Amounts Held for Others	-	35,036
Total Liabilities	2,825	\$ 35,036
Net Position Held in Trust for Pension Benefits	\$ 45,009,386	

See accompanying Notes to Basic Financial Statements.

CITY OF EAST PEORIA, ILLINOIS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PENSION TRUST FUNDS
YEAR ENDED APRIL 30, 2016

ADDITIONS

Contributions:

Plan Members' Contributions	\$ 709,696
Employer Contributions	2,985,736
Transfer of Creditable Service	18,650
Total Contributions	3,714,082

Net Investment Income:

Net Increase (Decrease) in Fair Value of Investments	(933,712)
Dividends and Interest	953,911
Total Investment Income	20,199
Less: Investment Expenses	214,718
Net Investment Income	(194,519)

Total Additions	3,519,563
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DEDUCTIONS

Benefits Paid	3,475,406
Refunds of Contributions	3,106
Administrative Expenses	104,368
Total Deductions	3,582,880

Change in Net Position	(63,317)
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NET POSITION HELD IN TRUST FOR PENSION BENEFITS

Beginning of Year	45,072,703
End of Year	\$ 45,009,386

CITY OF EAST PEORIA, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
APRIL 30, 2016

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

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 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, 2016

NOTE 1 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	City of East Peoria Firefighter's Pension Fund
Jeff Becker, Director of Finance	Jeff Becker, Director of Finance
401 W. Washington St.	401 W. Washington St.
East Peoria, Illinois 61611	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, 2016.

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

East Peoria Mass Transit District
401 W. Washington St.
East Peoria, Illinois 61611

CITY OF EAST PEORIA, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
APRIL 30, 2016

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation

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

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment 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.

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.

CITY OF EAST PEORIA, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
APRIL 30, 2016

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus and Basis of Accounting (Continued)

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

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

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

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

Riverboat Gaming Tax Fund (A Special Revenue Fund): This fund is used to collect and disburse riverboat gaming taxes. 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. The City has elected to report this fund as a major fund for public interest purposes.

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

CITY OF EAST PEORIA, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
APRIL 30, 2016

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus and Basis of Accounting (Continued)

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

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

Additionally, the City reports the following fund types:

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

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

CITY OF EAST PEORIA, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
APRIL 30, 2016

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus and Basis of Accounting (Continued)

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.

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 2016 represent the 2014 tax levy which was received by the City during the months of July 2015 through November 2015. The general property taxes receivable and the related deferred inflow of resources at April 30, 2016 are based on the City's 2015 extended tax levy.

Cash and Cash Equivalents

The City considers all liquid investments with a maturity date of three months or less when purchased to be cash equivalents. At April 30, 2016, no investments qualified as cash equivalents.

CITY OF EAST PEORIA, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
APRIL 30, 2016

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 classified as nonspendable or restricted fund balance which indicates they do not constitute expendable available financial resources and, therefore, are not available for appropriation.

Inventory

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

CITY OF EAST PEORIA, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
APRIL 30, 2016

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets

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

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred, net of investment income on project specific debt service expenditures, is included as part of the capitalized value of the assets constructed in the enterprise funds. There was no interest capitalized for the year ended April 30, 2016.

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 reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has two types of items that qualify for reporting in this category. One is the deferred charge on refunding reported in the government-wide and proprietary funds statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. Additionally, the City has deferred outflows related to pension expense to be recognized in future periods and for pension contributions made after the measurement dates.

CITY OF EAST PEORIA, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
APRIL 30, 2016

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Inflows of Resources

In addition to liabilities, the statement of net position and balance sheet reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The governmental funds report unavailable revenues from several sources: property taxes, other taxes, 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. Additionally, the City has deferred inflows related to pension expense to be recognized in future periods.

Pensions

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

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. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are recorded as a nonoperating expense when incurred.

CITY OF EAST PEORIA, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
APRIL 30, 2016

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Long-Term Liabilities (Continued)

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

Fund Balance

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

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

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

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

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

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

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

CITY OF EAST PEORIA, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
APRIL 30, 2016

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Position

Net position represents the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net investment in capital assets excludes unspent debt proceeds. Unspent debt proceeds (which includes proceeds reserved for debt retirement) for the Capital Projects Fund and Bond and Interest Fund were \$1,070,000 and \$-0-, 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 \$37,889 for audit, \$286,311 for employee benefits, \$27,410 for sewer chlorination, \$19,832,646 for capital improvements and equipment, and \$121,418 for emergency services.

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

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2 CASH AND INVESTMENTS

Authorized Investments

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

**CITY OF EAST PEORIA, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
APRIL 30, 2016**

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

Authorized Investments (Continued)

As of April 30, 2016, the City had the following cash and investments:

Cash and Investments - Statement of Net Position	\$ 9,023,770
Restricted Cash and Investments - Statement of Net Position	6,496,871
Cash and Cash Equivalents - Fiduciary Funds	1,033,833
Investments - Fiduciary Funds	42,254,099
Total	\$ 58,808,573
Deposits	\$ 15,153,494
Illinois Funds Money Market Fund	361,682
Mutual Fund	5,465
Deposits Held by Fiduciary Funds	1,033,833
Investment Held by Fiduciary Funds	42,254,099
Total Primary Government	\$ 58,808,573

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, 2016, \$2,457,556 of the City's bank balance of \$15,902,418 was uncollateralized. \$12,907,284 of the bank balance was exposed to custodial credit risk and collateralized with securities held by the pledging financial institution.

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, 2016, 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.

**CITY OF EAST PEORIA, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
APRIL 30, 2016**

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

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.

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, 2016, the City's investments were rated as follows:

<u>Investment Type</u>	Moody's Investors Service	Standard & Poor's
Illinois Funds Money Market fund	Not Rated	AAAm

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 stock.

Deposits

Custodial credit risk for deposits is the risk that in the event of a bank failure, the Fund's deposits may not be returned or the Fund will not be able to recover collateral securities in the possession of an outside party. The Fund's deposit policy provides that all deposits be guaranteed by the U.S. Government, insured by the Federal Deposit Insurance Corporation (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, 2016, 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.

**CITY OF EAST PEORIA, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
APRIL 30, 2016**

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

Investments

As of April 30, 2016, 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	\$ 1,845,173	N/A	9.80	8%
U.S. Government Agencies	1,087,330	Aaa	11.35	5
Money Market Funds	578,795	N/A	-	2
Municipal Bonds	443,176	Aaa to Aa3	6.75	2
Corporate Bonds	4,775,131	Aaa to Baa2	8.05	20
Common Stock	12,600,279	N/A	N/A	54
Mutual Funds, Equities	2,114,062	N/A	N/A	9
Total Investments	<u>\$ 23,443,946</u>			

As of April 30, 2016, 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	\$ 2,173,142	N/A	9.11	12%
U.S. Government Agencies	713,855	Aaa	2.93	4
Money Market Funds	586,018	N/A	-	3
Municipal Bonds	376,194	Aaa to Aa3	9.82	2
Corporate Bonds	3,088,426	Aaa to Baa2	9.36	16
Common Stock	3,521,448	N/A	N/A	19
Mutual Funds, Equities	8,351,070	N/A	N/A	44
Total Investments	<u>\$ 18,810,153</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.

CITY OF EAST PEORIA, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
APRIL 30, 2016

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

Investments (Continued)

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 April 30, 2016, none of the District's bank balance of \$50,034 was exposed to custodial credit risk.

NOTE 3 SPECIAL ASSESSMENTS FUND

The City has levied special assessments against various landowners in conjunction with improvements made which benefit the landowners. These special assessments are being paid to the City over a number of years. The noncurrent portion of the special assessment receivable is deferred in the governmental funds as it is not available as of year-end. An analysis of the current and long-term portions of special assessments receivable at April 30, 2016 is as follows:

Total Special Assessments Receivable	\$ 51,511
Less Amounts not Receivable Within One Year	<u>37,738</u>
Current Special Assessments Receivable	<u><u>\$ 13,773</u></u>

CITY OF EAST PEORIA, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
APRIL 30, 2016

NOTE 4 LEASE RECEIVABLE

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

As of April 30, 2016, components of the lease receivable were as follows:

Total Lease Receivable Payments	\$ 12,109,680
Amount Representing Interest	<u>3,346,701</u>
Net	<u>\$ 8,762,979</u>

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

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

As of April 30, 2016, future minimum lease revenue expected to be received is as follows:

<u>Fiscal Year Ending April 30,</u>	
2017	\$ 986,280
2018	1,009,200
2019	1,032,120
2020	1,055,040
2021	1,077,960
2022-2026	4,541,040
2027-2028	<u>2,408,040</u>
Total Lease Receivable Payments	12,109,680
Less: Amount Representing Interest	<u>(3,346,701)</u>
Lease Receivable	<u>\$ 8,762,979</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% of gross sales of boats, recreational vehicles, off-road vehicles and all-terrain vehicles, with a max of \$250 for each such vehicle sold and 2% of all other gross sales, which began September 2011. The lease term is 20 years with six consecutive renewal options of five years each. For the year ended April 30, 2016, lease revenues from this lease were \$452,240. As of April 30, 2016, there was a lease receivable of \$30,268 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, 2016

NOTE 5 CAPITAL ASSETS, PRIMARY GOVERNMENT

Capital asset activity for the year ended April 30, 2016 was as follows:

	Balance April 30, 2015	Additions	Deductions/ Transfers	Balance April 30, 2016
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Land	\$ 8,426,876	\$ -	\$ -	\$ 8,426,876
Construction in Progress	423,117	2,490,025	2,502,792	410,350
Total Capital Assets Not Being Depreciated	8,849,993	2,490,025	2,502,792	8,837,226
Capital Assets, Being Depreciated:				
Land Improvements	5,261,065	114,358	-	5,375,423
Buildings	51,575,430	2,621,861	114,000	54,083,291
Machinery, Equity, and Vehicles	15,634,879	2,098,252	483,813	17,249,318
Infrastructure Assets	122,347,712	-	-	122,347,712
Total Capital Assets Being Depreciated	194,819,086	4,834,471	597,813	199,055,744
Less Accumulated Depreciation for:				
Land Improvements	1,906,742	227,366	-	2,134,108
Buildings	9,922,979	1,929,732	114,000	11,738,711
Machinery, Equipment, and Vehicles	11,705,378	915,263	482,913	12,137,728
Infrastructure Assets	42,298,528	3,676,733	-	45,975,261
Total Accumulated Depreciation	65,833,627	6,749,094	596,913	71,985,808
Total Capital Assets Being Depreciated, Net	128,985,459	(1,914,623)	900	127,069,936
Governmental Activities Capital Assets, Net	\$ 137,835,452	\$ 575,402	\$ 2,503,692	\$ 135,907,162

CITY OF EAST PEORIA, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
APRIL 30, 2016

NOTE 5 CAPITAL ASSETS, PRIMARY GOVERNMENT (CONTINUED)

	Balance April 30, 2015	Additions	Deductions/ Transfers	Balance April 30, 2016
Business-Type Activities:				
Capital Assets, Not Being Depreciated:				
Land	\$ 3,647,682	\$ -	\$ -	\$ 3,647,682
Capital Assets, Being Depreciated:				
Land Improvements	7,422,593	36,620	-	7,459,213
Buildings	24,422,657	21,767	-	24,444,424
Machinery, Equity, and Vehicles	14,306,371	70,565	-	14,376,936
Infrastructure Assets	40,326,213	-	-	40,326,213
Total Capital Assets Being Depreciated	86,477,834	128,952	-	86,606,786
Less Accumulated Depreciation for:				
Land Improvements	6,298,096	184,361	-	6,482,457
Buildings	11,051,817	493,671	-	11,545,488
Machinery, Equipment, and Vehicles	12,336,604	342,646	-	12,679,250
Infrastructure Assets	24,605,524	587,712	-	25,193,236
Total Accumulated Depreciation	54,292,041	1,608,390	-	55,900,431
Total Capital Assets Being Depreciated, Net	32,185,793	(1,479,438)	-	30,706,355
Business-Type Activities Capital Assets, Net	<u>\$ 35,833,475</u>	<u>\$ (1,479,438)</u>	<u>\$ -</u>	<u>\$ 34,354,037</u>

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

Governmental Activities:	
Police	\$ 285,935
Fire	196,890
Sanitation	88,518
Public Works	3,726,760
General Government	2,450,991
Total Depreciation Expense, Governmental Activities	<u>\$ 6,749,094</u>
Business-Type Activities:	
Water and Sewer Fund	\$ 1,223,068
Eastport Marina Fund	142,806
Eastside Centre Fund	242,516
Total Depreciation Expense, Business-Type Activities	<u>\$ 1,608,390</u>

CITY OF EAST PEORIA, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
APRIL 30, 2016

NOTE 6 LONG-TERM LIABILITIES, PRIMARY GOVERNMENT

The following is a summary of changes in long-term liabilities for the year ended April 30, 2016:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Bonds Payable:					
General Obligation Bonds	\$ 95,065,000	\$ 9,670,000	\$ 13,275,000	\$ 91,460,000	\$ 3,955,000
Project Bonds	1,040,000	-	570,000	470,000	470,000
Issuance Premiums (Discounts)	526,324	-	19,921	506,403	55,840
Total Bonds Payable	<u>96,631,324</u>	<u>9,670,000</u>	<u>13,864,921</u>	<u>92,436,403</u>	<u>4,480,840</u>
Notes Payable	7,539,365	522,402	844,384	7,217,383	1,054,397
Compensated Absences	<u>3,467,929</u>	<u>3,617,284</u>	<u>3,467,929</u>	<u>3,617,284</u>	<u>681,025</u>
Governmental Activities, Long Term Liabilities	<u>\$ 107,638,618</u>	<u>\$ 13,809,686</u>	<u>\$ 18,177,234</u>	<u>\$ 103,271,070</u>	<u>\$ 6,216,262</u>
Business-Type Activities					
Bonds Payable:					
General Obligation Bonds	\$ 1,620,000	\$ -	\$ 425,000	\$ 1,195,000	\$ 430,000
Revenue Bonds	175,000	-	85,000	90,000	90,000
Issuance Premiums (Discounts)	94,518	-	12,521	81,997	12,615
Total Bonds Payable	<u>1,889,518</u>	<u>-</u>	<u>522,521</u>	<u>1,366,997</u>	<u>532,615</u>
Notes Payable	6,090,315	-	584,277	5,506,038	605,741
Compensated Absences	<u>497,376</u>	<u>579,527</u>	<u>497,376</u>	<u>579,527</u>	<u>181,435</u>
Business-Type Activities Long Term Liabilities	<u>\$ 8,477,209</u>	<u>\$ 579,527</u>	<u>\$ 1,604,174</u>	<u>\$ 7,452,562</u>	<u>\$ 1,319,791</u>

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

**CITY OF EAST PEORIA, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
APRIL 30, 2016**

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

Long-term debt payable as of April 30, 2016 is comprised of the following individual issues:

Governmental Activities - General Obligation Bonds

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%	\$ 330,000
\$23,695,000, General Obligation Refunding Bonds, Series 2007, due in annual installments of \$370,000 to \$2,915,000, through January 2027; interest at rates of 4.85% to 5.5%	20,070,000
\$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%	21,745,000
\$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%	3,405,000
\$3,920,000, General Obligation Bonds, Series 2012B, due in annual installments of \$170,000 to \$265,000, through January 2032; interest at rates of 1.076% to 3.575%	3,405,000
\$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%	3,975,000

**CITY OF EAST PEORIA, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
APRIL 30, 2016**

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

Governmental Activities - General Obligation Bonds, (Continued)

\$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%	\$ 1,580,000
\$2,385,000, General Obligation Refunding Bonds, Series 2012F, due in annual installments of \$235,000 to \$295,000, through January 2022; interest at rates of 2.00% to 4.00%	1,660,000
\$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%	670,000
\$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%	665,000
\$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%	5,715,000
\$18,570,000, General Obligation Refunding Bonds, Series 2014, due in annual installments of \$5,000 to \$1,565,000, through January 2033; interest at rates of 2.00% to 5.00%	18,570,000
\$6,925,000, General Obligation Refunding Bonds, Series 2016A, due in annual installments of \$590,000 to \$890,000, through January 2032; interest at rates of 2.90% to 4.00%	6,925,000
\$2,745,000, General Obligation Refunding Bonds, Series 2016B, due in annual installments of \$240,000 to \$355,000, through January 2032; interest at rates of 2.90% to 4.00%	<u>2,745,000</u>
Total General Obligation Bonds, Government Activities	<u><u>\$ 91,460,000</u></u>

Governmental Activities - Notes Payable

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)	\$ 2,157,523
Note payable to bank with principal and interest, due in semiannual installments of \$45,112 through August 2023 (Steak-N-Shake Property)	441,943
Note payable to bank, due in annual installments of \$572,094, including interest at 2.50%, through January 2024 (Camp Street Property)	4,095,515
Note payable to bank, due in annual installments of \$179,465, including interest at 1.50%, through September 2018 (Garbage Truck)	<u>522,402</u>
Total Notes Payable, Governmental Activities	<u><u>\$ 7,217,383</u></u>

**CITY OF EAST PEORIA, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
APRIL 30, 2016**

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

Governmental Activities - Project Bonds and Water & Sewer Fund

Project Bonds:

\$18,675,000, Project Bonds, Series 1998-B, due in annual installments of \$470,000 to \$1,305,000 through April 2017; interest rates of 4.1% to 4.85%	<u>\$ 470,000</u>
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Water and Sewer Fund Long-Term Debt:

General Obligation Bonds:

\$2,595,000, General Obligation Refunding Bonds, Series 2012-E, due in annual installments of \$165,000 to 430,000 through May 2022; interest rate at 2.00% to 4.00%	<u>\$ 1,195,000</u>
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Notes Payable

Notes Payable:

Note payable to the State of Illinois Environmental Protection Agency, due in semiannual installments of \$48,918 through April 2019, including interest at 2.865%	\$ 279,338
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Note payable to the State of Illinois Environmental Protection Agency, due in semiannual installments of \$31,553 through April 2020, including interest at 2.625%	238,142
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Note payable to the State of Illinois Environmental Protection Agency, due in semiannual installments of \$33,056 through June 2023, including interest at 2.57%	448,381
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Note payable to the State of Illinois Environmental Protection Agency, due in semiannual installments of \$122,694 through November 2027, including interest at 2.5%	2,500,209
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Note payable to the State of Illinois Environmental Protection Agency, due in semiannual installments of \$32,554 through February 2028, including interest at 2.5%	671,395
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Note payable to bank, due in monthly installments of \$15,593 through July 2023, including interest at 2.45%	1,246,256
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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)	42,099
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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)	<u>80,218</u>
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Total Notes Payable, Business-Type Activities	<u>\$ 5,506,038</u>
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**CITY OF EAST PEORIA, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
APRIL 30, 2016**

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

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%

\$ 90,000

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

<u>Year Ending April 30,</u>	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2017	\$ 3,955,000	\$ 3,632,563	\$ 430,000	\$ 37,750
2018	5,020,000	3,624,990	145,000	29,150
2019	5,255,000	3,469,485	145,000	24,800
2020	5,485,000	3,278,734	150,000	19,000
2021	5,745,000	3,073,888	160,000	13,000
2022-2026	32,995,000	11,579,294	165,000	6,600
2027-2031	24,770,000	4,833,098	-	-
2032-2034	8,235,000	529,783	-	-
Total	<u>\$ 91,460,000</u>	<u>\$ 34,021,835</u>	<u>\$ 1,195,000</u>	<u>\$ 130,300</u>

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

<u>Year Ending April 30,</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2017	<u>\$ 470,000</u>	<u>\$ 22,795</u>

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

<u>Year Ending April 30,</u>	<u>Business-Type Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2017	<u>\$ 90,000</u>	<u>\$ 6,300</u>

**CITY OF EAST PEORIA, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
APRIL 30, 2016**

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

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

<u>Year Ending April 30,</u>	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2017	\$ 1,054,397	\$ 246,401	\$ 605,741	\$ 138,134
2018	1,092,460	208,338	621,729	122,146
2019	1,131,461	169,337	638,147	105,728
2020	992,684	128,650	556,416	89,623
2021	1,032,146	89,188	507,418	75,515
2022-2026	1,914,235	90,104	2,006,582	195,386
2027-2028	-	-	570,005	18,944
Total	<u>\$ 7,217,383</u>	<u>\$ 932,018</u>	<u>\$ 5,506,038</u>	<u>\$ 745,476</u>

Governmental Activities

On April 28, 2016, the City issued \$6,925,000 of General Obligation Refunding Bonds, Series 2016A with an interest rate varying from 2.90% to 4.00% to current refund a portion of the General Obligation Bonds, Series 2012C, with an interest rate varying from 1.470% to 4.575%. The refunding resulted in a deferred outflow of \$41,400. The refunding was undertaken to reduce total future debt service payments. The refunding resulted in future cash flows savings of \$552,830 and an economic gain of \$482,831.

On April 28, 2016, the City issued \$2,745,000 of General Obligation Refunding Bonds, Series 2016B with an interest rate varying from 2.90% to 4.00% to current refund a portion of the General Obligation Bonds, Series 2012D, with an interest rate varying from 1.470% to 4.575%. The refunding resulted in a deferred outflow of \$13,430. The refunding was undertaken to reduce total future debt service payments. The refunding resulted in future cash flows savings of \$224,931 and an economic gain of \$194,722.

On September 17, 2015, the City issued a \$522,402 note payable with an interest rate of 1.50% for the purchase of a garbage truck. Payments in the amount of \$179,465 are due annually through fiscal year 2019.

Business-Type Activities

As of April 30, 2016, the legal debt limit of the City was \$38,054,956 and the debt margin was \$25,331,535.

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% of net revenues. The total principal and interest remaining to be paid on the bonds is \$492,795. Principal and interest paid for the current year and total sales tax revenues were \$620,440 and \$12,738,256, respectively.

CITY OF EAST PEORIA, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
APRIL 30, 2016

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

Business-Type Activities (Continued)

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. In May 2015, the Series 2010B bonds were fully refunded with the issuance of \$18,570,000 in General Obligation Refunding Bonds, Series 2014. The 2010A and 2014 bonds are payable solely from a portion of sales tax, incremental property taxes and lease income revenues and are payable through January 2033. The total principal and interest remaining to be paid on the bonds is \$57,968,224. Principal and interest of the 2010A and 2014 bonds paid for the current year and total sales tax and lease income revenues were \$2,575,556 and \$958,454, respectively.

This City has pledged a portion of future business district and sales tax revenues related to Target Area Business District Taxes, Costco Area Business District Taxes, and sales taxes to repay \$9,670,000 in General Obligation bonds, Series 2016A and 2016B, as well as pay the costs of the issuance of the bonds. The 2016A and 2016B bonds are payable from a portion of business district tax and sales tax revenues and are payable through January 2032. The total principal and interest remaining to be paid on the bonds is \$13,795,074. Principal and interest of the 2016A and 2016B bonds paid for the current year and total business district tax and sales tax revenues were \$-0- and \$2,333,883, 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, 2016, \$2,328,172 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, 2016 was \$17,260,000.

**CITY OF EAST PEORIA, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
APRIL 30, 2016**

NOTE 7 INTERFUND RECEIVABLES AND PAYABLE, PRIMARY GOVERNMENT

The individual fund interfund advance receivable and payable balances as of April 30, 2016 were:

	<u>Advances to Other Funds</u>	<u>Advances from Other Funds</u>
Governmental Funds:		
Major Funds:		
General Fund	\$ 3,457,277	\$ 381,049
Riverboat Gaming Tax Fund	9,750,053	2,035,059
Special Tax Allocation Fund	1,984,822	7,138,620
Capital Projects Fund	381,451	5,855,981
Bond and Interest Fund	269,400	250,000
Nonmajor Funds	136,331	141,365
Enterprise Funds:		
EastSide Centre Fund	226,550	-
Water and Sewer Fund	-	259,517
Eastport Marina Fund	-	144,293
Total	<u>\$ 16,205,884</u>	<u>\$ 16,205,884</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. There were no interfund receivables or payables as of year end.

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

	<u>Transfers In</u>	<u>Transfers Out</u>
Governmental Funds:		
Major Funds:		
General Fund	\$ -	\$ 666,866
Riverboat Gaming Tax Fund	-	1,120,000
Capital Projects Fund	1,151,377	-
Bond and Interest Fund	51,201	-
Nonmajor Funds	168,137	31,377
Enterprise Funds:		
Eastside Centre Fund	447,528	-
Total	<u>\$ 1,818,243</u>	<u>\$ 1,818,243</u>

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.

**CITY OF EAST PEORIA, ILLINOIS
 NOTES TO BASIC FINANCIAL STATEMENTS
 APRIL 30, 2016**

NOTE 8 OTHER REQUIRED INDIVIDUAL FUND DISCLOSURES

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

	Deficit Fund Balance or Deficit Net Position <u>April 30, 2016</u>
Major Governmental Funds:	
Special Tax Allocation Fund	<u>\$ 5,150,780</u>

Deficits in the Special Tax Allocation Fund will be eliminated through future incremental property tax receipts.

NOTE 9 RISK MANAGEMENT/SELF-INSURANCE

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

The City uses an Internal Service Fund to account for and finance its uninsured risk of loss associated with medical and dental claims of its employees and their dependents. Claims expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. Estimated payables for claims and losses for medical and hospital claims include an amount for claims incurred but not reported based upon actuarial estimates and prior experience. The City is responsible for the first \$110,000 of qualifying medical expenses per individual employee and unlimited aggregate claims on an annual basis. The City maintains a stop-loss insurance contract which covers up to \$1,000,000 on an annual basis.

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

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

**CITY OF EAST PEORIA, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
APRIL 30, 2016**

NOTE 9 RISK MANAGEMENT/SELF-INSURANCE (CONTINUED)

The unpaid claims and incurred but not reported claims of approximately \$218,424, 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 2016 and 2015 were:

Balance - April 30, 2014	\$ 449,449
Current Year Claims and Changes in Estimates	3,180,336
Claims Paid	<u>(3,353,523)</u>
Balance - April 30, 2015	276,262
Current Year Claims and Changes in Estimates	2,808,861
Claims Paid	<u>(2,879,689)</u>
Balance - April 30, 2016	<u><u>\$ 205,434</u></u>

Changes in workers compensation and general liability in fiscal years 2016 and 2015 were:

Balance - April 30, 2014	\$ 163,627
Current Year Claims and Changes in Estimates	-
Claims Paid	<u>(66,723)</u>
Balance - April 30, 2015	96,904
Current Year Claims and Changes in Estimates	-
Claims Paid	<u>(83,914)</u>
Balance - April 30, 2016	<u><u>\$ 12,990</u></u>

CITY OF EAST PEORIA, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
APRIL 30, 2016

NOTE 10 PENSION PLANS

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

A. IMRF

Plan Description

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

Benefits Provided

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

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

**CITY OF EAST PEORIA, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
APRIL 30, 2016**

NOTE 10 PENSION PLANS (CONTINUED)

A. IMRF (Continued)

Benefits Provided (Continued)

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

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

Employees Covered by Benefit Terms

As of December 31, 2015, the following employees were covered by the benefit terms:

Retirees and Beneficiaries	82
Inactive, Nonretired Members	34
Active Members	<u>104</u>
Total	<u><u>220</u></u>

Contributions

As set by statute, The City's Regular Plan Members are required to contribute 4.50% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The City's annual contribution rate for calendar year 2015 was 12.24%. For the fiscal year ended April 30, 2016, the City contributed \$676,350 to the plan.

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

CITY OF EAST PEORIA, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
APRIL 30, 2016

NOTE 10 PENSION PLANS (CONTINUED)

A. IMRF (Continued)

Net Pension Liability

The City's net pension liability was measured as of December 31, 2015. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The following are the methods and assumptions used to determine total pension liability at December 31, 2015:

- The **Actuarial Cost Method** used was Entry Age Normal.
- The **Asset Valuation Method** used was Market Value of Assets.
- The **Inflation Rate** was assumed to be 2.75%.
- **Salary Increases** were expected to be 3.75% to 14.50%.
- The **Investment Rate of Return** was assumed to be 7.49%.
- **Projected Retirement Age** was from the Experience-based Table of Rates, specific to the type of eligibility condition, last updated for the 2014 valuation according to an experience study from years 2011 to 2013.
- The IMRF-specific rates for **Mortality** (for non-disabled retirees) were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience.
- For **Disabled Retirees**, an IMRF-specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF-specific rates were developed from the RP-2014 Disabled Retirees Mortality Table, applying the same adjustments that were applied for non-disabled lives.
- For **Active Members**, an IMRF-specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF-specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.
- The **Long-Term Expected Rate of Return** on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

**CITY OF EAST PEORIA, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
APRIL 30, 2016**

NOTE 10 PENSION PLANS (CONTINUED)

A. IMRF (Continued)

Actuarial Assumptions (Continued)

	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	38.00%	7.39%
International Equity	17.00	7.59
Fixed Income	27.00	3.00
REITS	8.00	6.00
Alternatives	9.00	2.75-8.15
Cash	1.00	2.25
Total	<u>100.00%</u>	

Single Discount Rate

A Single Discount Rate of 7.49% was used to measure the total pension liability. The projection of cash flow used to determine this Single Discount Rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The Single Discount Rate reflects:

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

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.50%, the municipal bond rate is 3.57%, and the resulting single discount rate is 7.49%.

CITY OF EAST PEORIA, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
APRIL 30, 2016

NOTE 10 PENSION PLANS (CONTINUED)

A. IMRF (Continued)

Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2014	\$ 37,438,393	\$ 35,957,268	\$ 1,481,125
Changes for the year:			
Service Cost	671,499	-	671,499
Interest on the Total Pension Liability	2,770,972	-	2,770,972
Differences Between Expected and Experience of the Total Pension	(1,145,802)	-	(1,145,802)
Changes of Assumptions	48,418	-	48,418
Contributions - Employer	-	697,158	(697,158)
Contributions - Employees	-	336,032	(336,032)
Projected Net Investment Income	-	2,634,081	(2,634,081)
Difference Between Projected and Actual Income	-	(3,036,329)	3,036,329
Benefit Payments, including Refunds of Employee Contributions	(1,652,047)	(1,652,047)	-
Administrative Expenses	-	57,529	(57,529)
Other	-	(930)	930
Net Changes	<u>693,040</u>	<u>(964,506)</u>	<u>1,657,546</u>
Balances at December 31, 2015	<u>\$ 38,131,433</u>	<u>\$ 34,992,762</u>	<u>\$ 3,138,671</u>

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the plan's net pension liability, calculated using a Single Discount Rate of 7.49%, as well as what the plan's net pension liability would be if it were calculated using a Single Discount Rate that is 1% lower or 1% higher:

	1% Decrease	Current Rate	1% Increase
Discount Rate	6.49%	7.49%	8.49%
Net Pension Liability (Asset)	\$ 8,036,526	\$ 3,138,671	\$ (891,923)

CITY OF EAST PEORIA, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
APRIL 30, 2016

NOTE 10 PENSION PLANS (CONTINUED)

A. IMRF (Continued)

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

For the year ended April 30, 2016, the City recognized pension expense of \$808,340. At April 30, 2016, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Deferred Amounts Related to Pensions	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Deferred Amounts to be Recognized in Expense in Future Periods:		
Differences Between Expected and Actual Experience	\$ -	\$ (920,560)
Changes of Assumptions	37,861	-
Net Difference Between Projected and Actual Earnings	<u>2,429,063</u>	<u>-</u>
Total Deferred Amounts to be Recognized in Pension Expense in Future Periods	2,466,924	(920,560)
Pension Contributions Made Subsequent to the Measurement Date	<u>229,365</u>	<u>-</u>
Total Deferred Amounts Related to Pensions	<u><u>\$ 2,696,289</u></u>	<u><u>\$ (920,560)</u></u>

\$229,365 reported as deferred outflows of resources related to pensions resulting from the District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended April 30, 2017.

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

<u>Year Ending April 30,</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
2017	\$ 616,901	\$ (228,007)
2018	616,901	(228,007)
2019	616,901	(228,007)
2020	616,221	(228,007)
2021	-	(8,532)
Thereafter	<u>-</u>	<u>-</u>
Total	<u><u>\$ 2,466,924</u></u>	<u><u>\$ (920,560)</u></u>

**CITY OF EAST PEORIA, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
APRIL 30, 2016**

NOTE 10 PENSION PLANS (CONTINUED)

B. Defined Benefit Single-Employer Pension Plans

Plan Administration

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

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

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

The employer contribution levels of the Firefighter's Pension Fund and the Police Pension Fund are mandated by Illinois State Statute (Chapter 40, Article 3 and Chapter 40, Article 4, respectively) and may also be amended only by the Illinois legislature.

At April 30, 2016, the Firefighters' Pension and Police Pension membership consisted of:

	Municipal Firemen's	Police Officers'
Retirees and Beneficiaries	27	37
Inactive, Nonretired Members	1	7
Active Members	44	45
Total	72	89

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

**CITY OF EAST PEORIA, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
APRIL 30, 2016**

NOTE 10 PENSION PLANS (CONTINUED)

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

Investment Policy

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

The following are the adopted asset allocation policies for each plan as of April 30, 2016:

	Target Allocation	
	Municipal Firemen's	Police Officers'
Domestic Equity	40.00%	55.00%
International Equity	16.00	0.00
Fixed Income	38.00	35.00
REITS	4.00	0.00
Mutual Funds	0.00	10.00
Cash	2.00	0.00
Total	<u>100.00%</u>	<u>100.00%</u>

Concentrations

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

Net Pension Liability

The components of the net pension liability of the Plans as of April 30, 2016 were as follows:

	Municipal Firemen's	Police Officers'
Total Pension Liability	\$ 46,746,334	\$ 51,415,847
Plan Fiduciary Net Position	19,393,318	24,159,603
Net Pension Liability	<u>\$ 27,353,016</u>	<u>\$ 27,256,244</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	41.49%	46.99%

**CITY OF EAST PEORIA, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
APRIL 30, 2016**

NOTE 10 PENSION PLANS (CONTINUED)

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

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of April 30, 2015 updated to April 30, 2016 using the following actuarial assumptions applied to all measurement periods:

	<u>Municipal Firemen's</u>	<u>Police Officers'</u>
Valuation Date	4/30/2015	4/30/2015
Measurement Date	4/30/2016	4/30/2016
Inflation Rate	3.00%	3.00%
Projected Salary Increases	Based on Age- Related Productivity and Merit Rates Plus Inflation	Based on Age- Related Productivity and Merit Rates Plus Inflation
Investment Rate of Return	6.50%	6.75%
Mortality Rate	RP-2014 Blue Collar Healthy Annuity Table, sex distinct, with generational mortality improvements using the MP-2014 two-dimensional mortality improvement scales. No adjustment made for post- disablement mortality.	RP-2014 Blue Collar Healthy Annuity Table, sex distinct, with generational mortality improvements using the MP-2014 two-dimensional mortality improvement scales. No adjustment made for post- disablement mortality.
Date of Actuarial Experience Study	4/30/2015	4/30/2015

**CITY OF EAST PEORIA, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
APRIL 30, 2016**

NOTE 10 PENSION PLANS (CONTINUED)

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

Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of the geometric real rates of return for each major asset class included in the pension plans' target asset allocations as of April 30, 2016 for the Commerce Trust Company and Benjamin F. Edwards & Co. are summarized in the following tables:

<u>Asset Class</u>	Long-Term Expected Real Rate of Return	
	Municipal Firemen's	Police Officers'
Benjamin F. Edwards & Co.		
Domestic Equity	4.12%	0.00%
International Equity	1.61	6.00
Fixed Income	1.90	0.00
REITS	0.37	0.00
Short-Term Bonds	0.00	1.00
Government - Intermediate	0.00	1.00
Investment Grade - Intermediate	0.00	1.00
Large Cap Growth	0.00	5.50
Large Cap Value	0.00	6.50
Mid Cap Growth	0.00	6.00
Mid Cap Value	0.00	6.00
Mid Cap Blend	0.00	6.00
Small Cap Growth	0.00	6.50
Small Cap Value	0.00	6.50
Small Cap Blend	0.00	6.50
Emerging Markets	0.00	7.50
Cash	0.07	0.50
The Commerce Trust Company		
U.S. Large-Cap	0.00	5.61
International Stocks	0.00	5.67
U.S. Bonds	0.00	1.84

CITY OF EAST PEORIA, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
APRIL 30, 2016

NOTE 10 PENSION PLANS (CONTINUED)

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

Discount Rate

Municipal Firemen's

A single discount rate of 6.22% and 6.29% was used to measure the total pension liability as of April 30, 2016 and 2015, respectively. This single discount rate was based on the expected rate of return of 6.5% and the tax-exempt municipal bond rate, based on the Federal Reserve statistical release, of 3.32% for 2016. The projection of cash flows used to determine the single discount rate assumed that plan member contributions will be made at the current contribution rate and that Fund contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members through the year 2073 and 2068 for the years ended April 30, 2016 and 2015, respectively. Therefore, the long-term expected rate of return on pension plan investments for 2016 and 2015 was applied to projected benefit payments through the year 2073 and 2068, respectively, and the municipal bond rate was applied to all benefit payments after that date, to determine total pension liability.

Police Officers'

A single discount rate of 6.46% and 6.52% was used to measure the total pension liability as of April 30, 2016 and 2015, respectively. This single discount rate was based on the expected rate of return of 6.75% and the tax-exempt municipal bond rate, based on the Federal Reserve statistical release, of 3.32% for 2016. The projection of cash flows used to determine the single discount rate assumed that plan member contributions will be made at the current contribution rate and that Fund contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members through the year 2073 and 2067 for the years ended April 30, 2016 and 2015, respectively. Therefore, the long-term expected rate of return on pension plan investments for 2016 and 2015 was applied to projected benefit payments through the year 2073 and 2067, respectively, and the municipal bond rate was applied to all benefit payments after that date, to determine total pension liability.

**CITY OF EAST PEORIA, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
APRIL 30, 2016**

NOTE 10 PENSION PLANS (CONTINUED)

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

Sensitivity of Net Pension Liability to Changes in the Discount Rate

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

	1% Decrease	Current Rate	1% Increase
<u>Municipal Firemen's</u>			
Discount Rate	5.22%	6.22%	7.22%
Net Pension Liability	\$ 35,526,579	\$ 27,353,016	\$ 20,843,196
 <u>Police Officers'</u>			
Discount Rate	5.46%	6.46%	7.46%
Net Pension Liability	\$ 35,479,884	\$ 27,256,244	\$ 20,382,607

CITY OF EAST PEORIA, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
APRIL 30, 2016

NOTE 10 PENSION PLANS (CONTINUED)

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

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

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

	Net Pension Liability	
	Municipal Firemen's	Police Officers'
Total Pension Liability:		
Service Cost	\$ 1,180,633	\$ 1,032,806
Interest on Total Pension Liability	2,506,090	2,941,644
Difference Between Expected and Actual Experience of the Total Pension Liability	762,808	(48,124)
Changes of Assumptions	3,751,560	3,930,974
Benefit Payments, Including Refunds	(1,410,276)	(2,068,236)
Net change in Total Pension Liability	6,790,815	5,789,064
Total Pension Liability - Beginning	39,955,519	45,626,783
Total Pension Liability - Ending (A)	\$ 46,746,334	\$ 51,415,847
Plan Fiduciary Net Position:		
Contributions - Employer	\$ 1,472,178	\$ 1,359,937
Contributions - Member	337,628	372,068
Net Investment Income	(14,203)	(180,316)
Benefit Payments, Including Refunds	(1,410,276)	(2,068,236)
Administrative Expenses	(46,502)	(57,866)
Other	-	18,650
Net Change in Fiduciary Net Position	338,825	(555,763)
Plan Fiduciary Net Position - Beginning	19,054,493	24,715,366
Plan Fiduciary Net Position - Ending (B)	\$ 19,393,318	\$ 24,159,603
Net Pension Liability (A) - (B)	\$ 27,353,016	\$ 27,256,244
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	41.49%	46.99%
Covered Employee Payroll	\$ 3,651,088	\$ 3,804,870
Net Pension Liability as a Percentage of Covered Employee Payroll	749.17%	716.35%

**CITY OF EAST PEORIA, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
APRIL 30, 2016**

NOTE 10 PENSION PLANS (CONTINUED)

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

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

For the year ended April 30, 2016, the City will recognize pension expense of \$5,967,734. On April 30, 2016 the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Municipal Firemen's</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Experience	\$ 664,631	\$ -
Changes of Assumptions	3,268,715	-
Net Difference Between Projected and Actual Earnings	<u>1,043,562</u>	<u>-</u>
Total Deferred Amounts Related to Pensions	<u>\$ 4,976,908</u>	<u>\$ -</u>

	<u>Police Officers'</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Experience	\$ -	\$ (39,345)
Changes of Assumptions	3,213,865	-
Net Difference Between Projected and Actual Earnings	<u>1,509,770</u>	<u>-</u>
Total Deferred Amounts Related to Pensions	<u>\$ 4,723,635</u>	<u>\$ (39,345)</u>

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

	<u>Municipal Firemen's</u>	
<u>Year Ending April 30,</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
2017	\$ 841,912	\$ -
2018	841,912	-
2019	841,912	-
2020	841,914	-
2021	581,022	-
Thereafter	<u>1,028,236</u>	<u>-</u>
Total	<u>\$ 4,976,908</u>	<u>\$ -</u>

	<u>Police Officers'</u>	
<u>Year Ending April 30,</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
2017	\$ 1,094,552	\$ (8,779)
2018	1,094,552	(8,779)
2019	1,094,552	(8,779)
2020	1,094,552	(8,779)
2021	345,427	(4,229)
Thereafter	<u>-</u>	<u>-</u>
Total	<u>\$ 4,723,635</u>	<u>\$ (39,345)</u>

CITY OF EAST PEORIA, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
APRIL 30, 2016

NOTE 11 OTHER POSTEMPLOYMENT BENEFITS

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

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

The required contribution is based on projected pay-as-you-go financing. For fiscal year 2016, the City contributed \$1,562,933. Retiree and active members receiving benefits have required contributions of: a) For employees hired prior to May 1, 1993, they contribute the same amount towards the premium cost as active employees until age 60 when the City pays the entire premium if they also have 20 years of service, b) For employees hired on/after May 1, 1993, they contribute the same amount towards the premium cost as active employees throughout their retirement years if they have 20 years of service, c) Group Health Plan monthly premium of \$683.23 for Single and \$1,594.41 for Family.

**CITY OF EAST PEORIA, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
APRIL 30, 2016**

NOTE 11 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

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

Annual Required Contribution	\$ 4,147,335
Interest on Net OPEB Obligation	468,737
Adjustment to Annual Required Contribution	<u>(443,980)</u>
Annual OPEB Cost	4,172,092
Contributions and Payments Made	<u>1,562,933</u>
Increase in Net OPEB Obligation	2,609,159
Net OPEB Obligation - Beginning of Year	<u>13,025,533</u>
Net OPEB Obligation - End of Year	<u><u>\$ 15,634,692</u></u>

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

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligations for 2016 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, 2016	\$ 4,172,092	37.5%	\$ 15,634,692
April 30, 2015	4,172,092	37.5	13,025,533
April 30, 2014	3,317,921	46.9	10,416,374

CITY OF EAST PEORIA, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
APRIL 30, 2016

NOTE 11 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Funded Status and Funding Progress: As of April 30, 2015, the most recent valuation date, the plan was -0-% funded. The actuarial accrued liability for benefits was \$58,490,882 and the actuarial value of assets is none resulting in an unfunded actuarial accrued liability (UAAL) of \$58,490,882. The covered payroll (annual payroll of active employees covered by the plan) was \$12,582,972 and the ratio of the UAAL to the covered payroll was 464.8%.

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

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

In the April 30, 2015 actuarial valuation, projected unit credit with linear proration to decrement method was used. The actuarial assumptions included a 4.5% discount rate, salary increases of 3%, an inflation rate of 3%, mortality rates using the SOA RPH-2014 Total Dataset Mortality Table fully generational using Scale MP-2014, and health care cost trend rates beginning at 9% and steadily declining to 4.5%. 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, 2016

NOTE 12 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 April 30, 2016, there were no significant reductions in coverage.

NOTE 13 CONTINGENT LIABILITIES

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

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

CITY OF EAST PEORIA, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
APRIL 30, 2016

NOTE 14 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	\$ 3,457,277	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,457,277
Restricted:							
Employee Benefits	-	-	-	-	-	286,311	286,311
Debt Service	-	-	-	-	2,597,572	171,333	2,768,905
Audit	-	-	-	-	-	37,889	37,889
School Crossing Guard	-	-	-	-	-	9,373	9,373
Sewer	-	-	-	-	-	27,410	27,410
Emergency Services	-	-	-	-	-	121,418	121,418
Tourism	-	-	-	-	-	1,190,648	1,190,648
Revolving Loan	-	-	-	-	-	511,231	511,231
IHDA	-	-	-	-	-	11,936	11,936
Capital Improvements and Equipment	250,000	7,839,265	1,984,822	372,841	-	254,497	10,701,425
Total Restricted	250,000	7,839,265	1,984,822	372,841	2,597,572	2,622,046	15,666,546
Assigned:							
Ambulance Service	511,933	-	-	-	-	-	511,933
Employee Benefits	-	-	-	-	-	737,347	737,347
Debt Service	-	-	-	-	712,909	55,333	768,242
Audit	-	-	-	-	-	78	78
Sewer	-	-	-	-	-	16	16
Emergency Services	-	-	-	-	-	32	32
Tourism	-	-	-	-	-	1,110,726	1,110,726
Revolving Loan	-	-	-	-	-	23,911	23,911
IHDA	-	-	-	-	-	371	371
Firemen's Pension	-	-	-	-	-	1	1
Capital Improvements and Equipment	-	-	-	-	-	414	414
Total Assigned	511,933	-	-	-	712,909	1,928,229	3,153,071
Unassigned							
	766,957	-	(7,135,602)	-	-	-	(6,368,645)
Total Fund Balances	<u>\$ 4,986,167</u>	<u>\$ 7,839,265</u>	<u>\$ (5,150,780)</u>	<u>\$ 372,841</u>	<u>\$ 3,310,481</u>	<u>\$ 4,550,275</u>	<u>\$ 15,908,249</u>

CITY OF EAST PEORIA, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
APRIL 30, 2016

NOTE 15 INTERGOVERNMENTAL AGREEMENT

In January 1991, the City entered into an intergovernmental agreement with the City of Peoria in order to share in the benefits of a riverboat gambling operation. Gambling tax revenues collected from the operation shall be distributed with 45% paid to the City of East Peoria, 45% paid to the City of Peoria, and 10% paid to a joint development fund to be evenly distributed for projects on either side of the Illinois River. The City of Peoria's gambling tax revenue portion flows through the City of East Peoria on a monthly basis. For the fiscal year ended April 30, 2016, gambling tax revenues distributed from the City of East Peoria to the City of Peoria totaled \$2,678,877.

NOTE 16 SUBSEQUENT EVENT

On June 30, 2016, the City issued a \$385,306 note payable with an interest rate of 1.83% for the purchase of a 2015 Vactor Demonstrator. Payments in the amount of \$6,730 are due monthly through July 2021.

On October 20, 2016, the City issued \$3,280,000 of taxable general obligation refunding bonds (alternate revenue source), series 2016C. The proceeds from the sale of the bonds will be used to advance refund portions of the City's outstanding taxable general obligation refunding bonds (alternate revenue source), series 2007, and pay certain expenses relating to the issuance of the bonds.

NOTE 17 RESTATEMENTS OF NET POSITION/FUND BALANCE

The City adopted a new accounting standard to conform with generally accepted accounting principles. The statement adopted requiring restatement of net position was Government Accounting Standard Board Statement GASB 68, *Accounting and Financial Reporting for Pensions*. This pronouncement requires the restatement of the April 30, 2015 net position of Governmental Activities, Business-Type Activities, Water and Sewer Fund, and EastSide Centre Fund.

Additionally, the City had determined it had incorrectly recorded tax receivables in relation to the General Fund and Capital Projects Fund:

- A portion of sales tax receivable that was recorded in the General Fund in the prior year should have been recorded in the Capital Projects Fund.
- Income and use tax receivable was overstated in the prior year.
- Business district tax in the Capital Projects Fund had been understated in the prior year.

Beginning net positions and fund balances have thereby been restated as follows:

**CITY OF EAST PEORIA, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
APRIL 30, 2016**

NOTE 17 RESTATEMENT OF NET POSITION/FUND BALANCE (CONTINUED)

	Total Governmental Activities
Net Position - Beginning of Year, as Previously Reported	\$ 47,678,846
Adjustment for Beginning Net Pension Obligation Under Prior GASB Pronouncement	146,978
Adjustment for Beginning Deferred Outflows of Resources Related to Pensions	160,601
Adjustment for Beginning Net Pension Liability	(42,763,473)
Adjustment for Income and Use Taxes Receivable	(237,968)
Adjustment for Business District Tax Receivable	202,619
Net Position - Beginning of Year, as Restated	<u>\$ 5,187,603</u>
	Business-Type Activities Net Position
Net Position - Beginning of Year, as Previously Reported	\$ 29,397,112
Adjustment for Beginning Net Pension Obligation Under Prior GASB Pronouncement	74,497
Adjustment for Beginning Deferred Outflows of Resources Related to Pensions	89,517
Adjustment for Beginning Net Pension Liability	(530,095)
Net Position - Beginning of Year, as Restated	<u>\$ 29,031,031</u>
	General Fund
Fund Balance - Beginning of Year, as Previously Reported	\$ 6,346,374
Adjustment for Sales Tax Receivable	(385,599)
Adjustment for Income and Use Taxes Receivable	(237,968)
Fund Balance - Beginning of Year, as Restated	<u>\$ 5,722,807</u>
	Capital Projects Fund
Fund Balance - Beginning of Year, as Previously Reported	\$ 1,141,740
Adjustment for Sales Tax Receivable	385,599
Adjustment for Business District Tax Receivable	148,894
Fund Balance - Beginning of Year, as Restated	<u>\$ 1,676,233</u>
	Water and Sewer Fund
Net Position - Beginning of Year, as Previously Reported	\$ 20,879,010
Adjustment for Beginning Net Pension Obligation Under Prior GASB Pronouncement	74,497
Adjustment for Beginning Deferred Outflows of Resources Related to Pensions	76,361
Adjustment for Beginning Net Pension Liability	(452,188)
Net Position - Beginning of Year, as Restated	<u>\$ 20,577,680</u>
	EastSide Centre Fund
Net Position - Beginning of Year, as Previously Reported	\$ 3,564,715
Adjustment for Beginning Deferred Outflows of Resources Related to Pensions	13,156
Adjustment for Beginning Net Pension Liability	(77,907)
Net Position - Beginning of Year, as Restated	<u>\$ 3,499,964</u>

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

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

Fiscal Year Ended, April 30,	2016	2015
Total Pension Liability:		
Service Cost	\$ 1,180,633	\$ 1,063,708
Interest	2,506,090	2,374,686
Difference in Expected and Actual Experiences	762,808	-
Changes of Assumptions/Methods	3,751,560	497,730
Benefit Payments, Including Refunds	(1,410,276)	(1,334,865)
Net Change in Total Pension Liability	6,790,815	2,601,259
Total Pension Liability - Beginning	39,955,519	37,354,260
Total Pension Liability - Ending (A)	\$ 46,746,334	\$ 39,955,519
 Plan Fiduciary Net Position:		
Contributions - Employer	\$ 1,472,178	\$ 1,398,175
Contributions - Employee	337,628	322,840
Net Investment Income	(14,203)	1,165,948
Benefit Payments, Including Refunds	(1,410,276)	(1,334,865)
Administrative Expense	(46,502)	(42,699)
Net Change in Plan Fiduciary Net Position	338,825	1,509,399
Plan Fiduciary Net Position - Beginning	19,054,493	17,545,094
Plan Fiduciary Net Position - Ending (B)	\$ 19,393,318	\$ 19,054,493
 Net Pension Liability (A) - (B)	\$ 27,353,016	\$ 20,901,026
 Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	41.49%	47.69%
 Covered Employee Payroll	\$ 3,651,088	\$ 3,259,379
 Net Pension Liability as a Percentage of Covered Employee Payroll	749.17%	641.26%

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

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

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

Fiscal Year Ended, April 30,	2016	2015
Total Pension Liability:		
Service Cost	\$ 1,032,806	\$ 975,927
Interest	2,941,644	2,826,691
Difference in Expected and Actual Experiences	(48,124)	-
Changes of Assumptions/Methods	3,930,974	532,966
Benefit Payments, Including Refunds	(2,068,236)	(1,953,757)
Net Change in Total Pension Liability	5,789,064	2,381,827
Total Pension Liability - Beginning	45,626,783	43,244,956
Total Pension Liability - Ending (A)	\$ 51,415,847	\$ 45,626,783
 Plan Fiduciary Net Position:		
Contributions - Employer	\$ 1,359,937	\$ 1,363,308
Contributions - Employee	372,068	370,786
Net Investment Income	(180,316)	1,530,846
Benefit Payments, Including Refunds	(2,068,236)	(1,953,757)
Administrative Expense	(57,866)	(46,021)
Other	18,650	-
Net Change in Plan Fiduciary Net Position	(555,763)	1,265,162
Plan Fiduciary Net Position - Beginning	24,715,366	23,450,204
Plan Fiduciary Net Position - Ending (B)	\$ 24,159,603	\$ 24,715,366
 Net Pension Liability (A) - (B)	\$ 27,256,244	\$ 20,911,417
 Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	46.99%	54.17%
 Covered Employee Payroll	\$ 3,804,870	\$ 3,601,207
 Net Pension Liability as a Percentage of Covered Employee Payroll	716.35%	580.68%

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

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

The following present the changes in employer net pension liability for IMRF:

Calendar Year Ended, December 31,	<u>2015</u>
Total Pension Liability:	
Service Cost	\$ 671,499
Interest	2,770,972
Difference in Expected and Actual Experiences	(1,145,802)
Changes of Assumptions/Methods	48,418
Benefit Payments, Including Refunds	<u>(1,652,047)</u>
Net Change in Total Pension Liability	693,040
Total Pension Liability - Beginning	<u>37,438,393</u>
Total Pension Liability - Ending (A)	<u><u>\$ 38,131,433</u></u>
 Plan Fiduciary Net Position:	
Contributions - Employer	\$ 697,158
Contributions - Employee	336,032
Projected Net Investment Income	2,634,081
Difference Between Projected and Actual Income	(3,036,329)
Benefit Payments, Including Refunds	(1,652,047)
Administrative Expense	57,529
Other	<u>(930)</u>
Net Change in Plan Fiduciary Net Position	(964,506)
Plan Fiduciary Net Position - Beginning	<u>35,957,268</u>
Plan Fiduciary Net Position - Ending (B)	<u><u>\$ 34,992,762</u></u>
 Net Pension Liability (A) - (B)	 <u><u>\$ 3,138,671</u></u>
 Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	 91.77%
 Covered Employee Payroll	 \$ 6,274,254
 Net Pension Liability as a Percentage of Covered Employee Payroll	 50.02%

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

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

LAST 10 FISCAL YEARS

IMRF

Fiscal Year Ended April 30,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Payroll
2016	\$ 697,697	\$ 676,350	\$ 21,347	\$ 6,274,254	11.11%

Firefighter's Pension Plan

Fiscal Year Ended April 30,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Payroll
2007	\$ 951,597	\$ 1,022,713	\$ (71,116)	\$ 2,180,441	46.90%
2008	917,429	1,083,760	(166,331)	2,219,132	48.84%
2009	1,002,083	1,039,357	(37,274)	2,228,829	46.63%
2010	1,113,550	1,099,877	13,673	2,389,575	46.03%
2011	1,231,513	1,305,136	(73,623)	2,387,396	54.67%
2012	1,189,171	1,396,644	(207,473)	2,516,887	55.49%
2013	1,297,317	1,204,896	92,421	2,772,563	43.46%
2014	1,484,030	1,305,609	178,421	2,878,446	45.36%
2015	1,478,780	1,398,175	80,605	3,259,379	42.90%
2016	1,525,510	1,472,178	53,332	3,651,088	40.32%

Police Pension Plan

Fiscal Year Ended April 30,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Payroll
2007	\$ 793,713	\$ 847,881	\$ (54,168)	\$ 2,221,666	38.16%
2008	894,233	899,056	(4,823)	2,236,912	40.19%
2009	953,055	1,015,801	(62,746)	2,490,240	40.79%
2010	1,056,009	1,049,887	6,122	2,434,980	43.12%
2011	1,174,708	1,221,371	(46,663)	2,608,531	46.82%
2012	1,169,543	1,330,790	(161,247)	2,650,355	50.21%
2013	1,241,069	1,237,716	3,353	2,860,312	43.27%
2014	1,344,592	1,268,764	75,828	2,998,823	42.31%
2015	1,353,541	1,363,308	(9,767)	3,601,207	37.86%
2016	1,445,634	1,359,937	85,697	3,804,870	35.74%

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

**CITY OF EAST PEORIA, ILLINOIS
REQUIRED SUPPLEMENTARY INFORMATION
OTHER POSTEMPLOYMENT BENEFIT PLAN (UNAUDITED)
YEAR ENDED APRIL 30, 2016**

Schedule of Funding Progress							
Fiscal Year Ended	Actuarial Valuation Date	Actuarial Value of Net Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
2015	4/30/2015	\$ -	\$ 58,490,882	\$ 58,490,882	0.0%	\$ 12,582,972	464.8%
2013	4/30/2013	-	50,192,870	50,192,870	0.0%	11,815,535	424.8%
2011	4/30/2011	-	43,213,926	43,213,926	0.0%	10,895,330	396.6%

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

- a. The cost method used to determine the ARC is the Projected Unit Credit with linear proration to decrement.
- b. There are no plan assets.
- c. The actuarial assumptions included: 1) a 4.5% discount rate, 2) salary increases of 3%, 3) inflation rate of 3%, 4) mortality rates using the SOA RPH-2015 Total Dataset Mortality Table fully generational using Scale MP-2015, and 5) health care cost trend rates beginning at 6.5% and steadily declining to 4.5%.
- d. The amortization method is level percentage of pay over thirty years based on an open group.

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

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

Firefighter's Pension Plan

Fiscal Year Ended April 30,	Rate
2015	6.73%
2016	-0.08%

Police Pension Plan

Fiscal Year Ended April 30,	The Commerce Company Rate	Benjamin F. Edwards & Co. Rate
2015	N/A	6.90%
2016	0.29%	-2.48%

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

CITY OF EAST PEORIA, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL (CASH BASIS) – GENERAL FUND
YEAR ENDED APRIL 30, 2016

	<u>Original/Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
REVENUES			
Taxes and Special Assessments	\$ 17,254,224	\$ 17,901,321	\$ 647,097
Charges for Services	826,000	1,041,157	215,157
Intergovernmental	225,000	397,360	172,360
Investment Earnings	25,775	22,392	(3,383)
Licenses and Permits	261,556	229,268	(32,288)
Miscellaneous	<u>2,080,200</u>	<u>2,310,343</u>	<u>230,143</u>
Total Revenues	20,672,755	21,901,841	1,229,086
EXPENDITURES			
Current:			
General Government	6,896,746	6,944,992	(48,246)
Police	5,737,666	5,650,470	87,196
Fire	3,503,708	3,502,602	1,106
Sanitation	1,105,974	1,030,373	75,601
Health and Welfare	1,270,267	1,279,517	(9,250)
Public Works	2,068,945	2,086,570	(17,625)
Community Development	537,953	504,512	33,441
Capital Outlay	604,016	87,034	516,982
Debt Service:			
Principal Payments	-	329,199	(329,199)
Interest and Fiscal Charges	-	129,817	(129,817)
Total Expenditures	<u>21,725,275</u>	<u>21,545,086</u>	<u>180,189</u>
Excess (Deficiency) of Revenues over Expenditures	(1,052,520)	356,755	1,409,275
OTHER FINANCING SOURCES (USES)			
Transfers In	35,000	-	(35,000)
Transfers Out	<u>(40,000)</u>	<u>(666,866)</u>	<u>(626,866)</u>
Total Other Financing Sources (Uses)	<u>(5,000)</u>	<u>(666,866)</u>	<u>(661,866)</u>
NET CHANGE IN FUND BALANCE	<u>\$ (1,057,520)</u>	(310,111)	<u>\$ 747,409</u>
RECONCILIATION TO MODIFIED ACCRUAL BASIS - NET CHANGE RESULTING FROM RECORDING OF ACCOUNTS RECEIVABLE, PAYABLE, AND OTHER ACCRUED ITEMS			
		(426,529)	
Fund Balance, Modified Accrual Basis - Beginning of Year, as Previously Reported		6,346,374	
Prior Period Adjustment		<u>(623,567)</u>	
Fund Balance, Modified Accrual Basis - Beginning of Year, as Restated		<u>5,722,807</u>	
FUND BALANCE, MODIFIED ACCRUAL BASIS - END OF YEAR		<u>\$ 4,986,167</u>	

CITY OF EAST PEORIA, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL (CASH BASIS) – RIVERBOAT GAMING TAX FUND
YEAR ENDED APRIL 30, 2016

	Original/Final Budget	Actual	Variance With Final Budget
REVENUES			
Taxes	\$ 5,600,000	\$ 5,332,855	\$ (267,145)
Intergovernmental	525,000	244,978	(280,022)
Investment Earnings	469	2,126	1,657
Miscellaneous	177,825	76,363	(101,462)
Total Revenues	6,303,294	5,656,322	(646,972)
EXPENDITURES			
Capital Outlay	4,915,224	6,573,616	(1,658,392)
Debt Service:			
Principal Payments	1,388,070	450,000	938,070
Interest and Fiscal Charges	-	44,620	(44,620)
Total Expenditures	6,303,294	7,068,236	(764,942)
Excess (Deficiency) of Revenues over Expenditures	-	(1,411,914)	(1,411,914)
OTHER FINANCING SOURCES (USES)			
Issuances of Long-Term Debt	-	522,402	522,402
Net Transfers	-	848,290	848,290
Total Other Financing Sources (Uses)	-	1,370,692	1,370,692
NET CHANGE IN FUND BALANCE	\$ -	(41,222)	\$ (41,222)
RECONCILIATION TO MODIFIED ACCRUAL BASIS - NET CHANGE RESULTING FROM RECORDING OF ACCOUNTS RECEIVABLE, PAYABLE, AND OTHER ACCRUED ITEMS			
		(2,113,209)	
Fund Balance, Modified Accrual Basis - Beginning of Year		9,993,696	
FUND BALANCE, MODIFIED ACCRUAL BASIS - END OF YEAR		\$ 7,839,265	

CITY OF EAST PEORIA, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL (CASH BASIS) – SPECIAL TAX ALLOCATION FUND
YEAR ENDED APRIL 30, 2016

	<u>Original/Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
REVENUES			
Taxes	\$ 787,510	\$ 787,508	\$ (2)
Investment Earnings	300	249	(51)
Total Revenues	<u>787,810</u>	<u>787,757</u>	<u>(53)</u>
 EXPENDITURES			
Current:			
General Government	135,990	136,277	(287)
Other	1,000	1,651	(651)
Debt Service:			
Principal Payments	645,000	645,000	-
Interest and Fiscal Charges	5,820	5,820	-
Total Expenditures	<u>787,810</u>	<u>788,748</u>	<u>(938)</u>
 NET CHANGE IN FUND BALANCE	 <u>\$ -</u>	 (991)	 <u>\$ (991)</u>
 RECONCILIATION TO MODIFIED ACCRUAL BASIS - NET CHANGE RESULTING FROM RECORDING OF ACCOUNTS RECEIVABLE, PAYABLE, AND OTHER ACCRUED ITEMS		 525,000	
 Fund Balance (Deficit), Modified Accrual Basis - Beginning of Year		 <u>(5,674,789)</u>	
 FUND BALANCE (DEFICIT), MODIFIED ACCRUAL BASIS - END OF YEAR		 <u>\$ (5,150,780)</u>	

**CITY OF EAST PEORIA, ILLINOIS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
APRIL 30, 2016**

NOTE 1 BASIS OF ACCOUNTING

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

NOTE 2 BUDGETARY DATA, PRIMARY GOVERNMENT

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

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

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

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

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

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

	<u>Final Budget</u>	<u>Actual</u>	<u>Overage</u>
Riverboat Gaming Tax Fund	\$ 6,303,294	\$ 7,068,236	\$ (764,942)
Special Tax Allocation Fund	787,810	788,748	(938)

**CITY OF EAST PEORIA, ILLINOIS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)
APRIL 30, 2016**

**NOTE 3 SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS USED IN THE
CALCULATION OF THE 2015 CONTRIBUTION RATE***

A. IMRF

Valuation Date:

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

Methods and Assumptions Used to Determine 2015 Contribution Rates:

Actuarial Cost Method	Aggregate entry age normal
Amortization Method	Level percentage of payroll, closed
Remaining Amortization Period	28-year closed period, until remaining period reaches 15 years (then 15-year rolling period).
Asset Valuation Method	5-year smoothed market; 20% corridor
Wage Growth	4%
Price Inflation	3% approximate; No explicit price inflation assumption is used in this valuation.
Salary Increases	4.40% to 16%, including inflation
Investment Rate of Return	7.50%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition; last updated for the 2011 valuation pursuant to an experience study of the period 2008 to 2010.
Mortality	RP-2000 Combined Healthy Mortality Table, adjusted for mortality improvements to 2020 using projection scale AA. For men, 120% of the table rates were used. For women, 92% of the table rates were used. For disabled lives, the mortality rates are the rates applicable to non-disabled lives set forward 10 years.

Other Information

Notes There were no benefit changes during the year.

*Based on Valuation Assumptions used in the December 31, 2013 actuarial valuation.

**CITY OF EAST PEORIA, ILLINOIS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)
APRIL 30, 2016**

**NOTE 3 SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS USED IN THE
CALCULATION OF THE 2015 CONTRIBUTION RATE* (CONTINUED)**

B. Defined Benefit Single-Employer Pension Plans

Municipal Firemen's Pension Plan

Valuation Date: April 30, 2015
Notes Statutory contribution rates are calculated as of April 30, which is 24 months prior to the end of the fiscal year in which contributions are reported.

Methods and Assumptions Used to Determine Contribution Rates as of the Valuation Date:

Actuarial Cost Method	Projected Unit Credit
Amortization Method	The Statutory Contribution is equal to a level percentage of pay contributions determined so that the Fund attains a 90% funded ratio by the end of 2040.
Remaining Amortization Period	Not Applicable. An amortization payment is not directly calculated. The amortization payment is the difference between the total statutory contribution and the employer normal cost contribution.
Asset Valuation Method	5-year smoothed market
Price Inflation	3.00%
Salary Increases	Salary increase rates based on age-related productivity and merit rates plus inflation.
Investment Rate of Return	6.50% as of the April 30, 2015 valuation.
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition.
Mortality	RP-2014 Blue Collar Healthy Annuitant Table, sex distinct, with generational mortality improvements using the MP-2014 two-dimensional mortality improvement scales. No adjustment is made for post-disablement mortality.
Cost-of-Living Adjustment	Post-retirement benefit increases are 3.00%, compounded, for Tier 1, and 3.00% or one-half of the annual increase in the Consumer Price Index, whichever is less, simple, for Tier 2.

Other Information

Notes There were no benefit changes during the year.

Methods and Assumptions Used for Accounting Purposes as of the Valuation Date:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market
Single Discount Rate	6.29% as of April 30, 2015 6.22% as of April 30, 2016, based on the April 30, 2015, valuation with results rolled forward to April 30, 2016.

**CITY OF EAST PEORIA, ILLINOIS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)
APRIL 30, 2016**

**NOTE 3 SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS USED IN THE
CALCULATION OF THE 2015 CONTRIBUTION RATE* (CONTINUED)**

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

Police Officers' Pension Plan

Valuation Date: April 30, 2015
Notes: Statutory contribution rates are calculated as of April 30, which is 24 months prior to the end of the fiscal year in which contributions are reported.

Methods and Assumptions Used to Determine Contribution Rates as of the Valuation Date:

Actuarial Cost Method	Projected Unit Credit
Amortization Method	The Statutory Contribution is equal to a level percentage of pay contributions determined so that the Fund attains a 90% funded ratio by the end of 2040.
Remaining Amortization Period	Not Applicable. An amortization payment is not directly calculated. The amortization payment is the difference between the total statutory contribution and the employer normal cost contribution.
Asset Valuation Method	5-year smoothed market
Price Inflation	3.00%
Salary Increases	Salary increase rates based on age-related productivity and merit rates plus inflation.
Investment Rate of Return	6.75% as of the April 30, 2015 valuation.
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition.
Mortality	RP-2014 Blue Collar Healthy Annuitant Table, sex distinct, with generational mortality improvements using the MP-2014 two-dimensional mortality improvement scales. No adjustment is made for post-disablement mortality.
Cost-of-Living Adjustment	Post-retirement benefit increases are 3.00%, compounded, for Tier 1, and 3.00% or one-half of the annual increase in the Consumer Price Index, whichever is less, simple, for Tier 2.

Other Information

Notes: There were no benefit changes during the year.

Methods and Assumptions Used for Accounting Purposes as of the Valuation Date:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market
Single Discount Rate	6.52% as of April 30, 2015 6.46% as of April 30, 2016, based on the April 30, 2015, valuation with results rolled forward to April 30, 2016.

**CITY OF EAST PEORIA, ILLINOIS
 COMBINING BALANCE SHEET
 GENERAL FUND – BY ACCOUNT
 APRIL 30, 2016**

	<u>General</u>
ASSETS	
Cash and Investments	\$ 349,552
Receivables (Net, Where Applicable, of Allowances for Estimated Uncollectible Amounts):	
Property Taxes	200,401
Sales Tax	2,661,140
State Income Tax	824,532
Personal Property Replacement Tax	135,619
Customer Charges	-
Intergovernmental	13,233
Fines	27,635
Other	18,841
Advanced to Other Funds	3,449,856
 Total Assets	 \$ 7,680,809
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES (DEFICITS)	
Liabilities:	
Accounts Payable	\$ 357,209
Wages Payable	20,341
Liquor License Bonds Held	17,500
Compensated Absences	91,147
Due to Other Governmental Entities	721,757
Advanced from Other Funds	217,628
Total Liabilities	1,425,582
 Deferred Inflows of Resources:	
Subsequent Year's Property Taxes	200,401
Unavailable Revenue - Other Taxes	865,411
Total Deferred Inflows of Resources	1,065,812
 Fund Balances (Deficits):	
Nonspendable	3,449,856
Restricted	250,000
Assigned	-
Unassigned	1,489,559
Total Fund Balances (Deficits)	5,189,415
 Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	 \$ 7,680,809

<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>
\$ 116,431	\$ 48,960	\$ 49,728	\$ 11,050	\$ 275,333	\$ 851,054
625,028	625,028	625,028	315,155	-	2,390,640
-	-	-	-	-	2,661,140
-	-	-	-	-	824,532
-	-	-	-	-	135,619
-	-	-	-	317,516	317,516
-	-	-	-	-	13,233
4,640	-	-	-	-	32,275
-	-	-	-	-	18,841
-	-	-	7,421	-	3,457,277
<u>\$ 746,099</u>	<u>\$ 673,988</u>	<u>\$ 674,756</u>	<u>\$ 333,626</u>	<u>\$ 592,849</u>	<u>\$ 10,702,127</u>
\$ 11,031	\$ 17,888	\$ 16,169	\$ 19,127	\$ 5,944	\$ 427,368
102,234	64,725	4,691	16,425	22,794	231,210
-	-	-	-	-	17,500
288,574	141,940	46,970	60,216	52,178	681,025
-	-	-	-	-	721,757
-	59,000	59,421	45,000	-	381,049
<u>401,839</u>	<u>283,553</u>	<u>127,251</u>	<u>140,768</u>	<u>80,916</u>	<u>2,459,909</u>
625,028	625,028	625,028	315,155	-	2,390,640
-	-	-	-	-	865,411
<u>625,028</u>	<u>625,028</u>	<u>625,028</u>	<u>315,155</u>	<u>-</u>	<u>3,256,051</u>
-	-	-	7,421	-	3,457,277
-	-	-	-	-	250,000
-	-	-	-	511,933	511,933
<u>(280,768)</u>	<u>(234,593)</u>	<u>(77,523)</u>	<u>(129,718)</u>	<u>-</u>	<u>766,957</u>
<u>(280,768)</u>	<u>(234,593)</u>	<u>(77,523)</u>	<u>(122,297)</u>	<u>511,933</u>	<u>4,986,167</u>
<u>\$ 746,099</u>	<u>\$ 673,988</u>	<u>\$ 674,756</u>	<u>\$ 333,626</u>	<u>\$ 592,849</u>	<u>\$ 10,702,127</u>

**CITY OF EAST PEORIA, ILLINOIS
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES
 GENERAL FUND – BY ACCOUNT
 YEAR ENDED APRIL 30, 2016**

	<u>General</u>	<u>Police Protection</u>
REVENUES		
Property Taxes	\$ 114,733	\$ 598,372
Other Taxes and Special Assessments	15,099,955	-
Charges for Services	-	62,817
Intergovernmental	186,324	133,265
Investment Earnings	21,474	251
Licenses and Permits	229,268	-
Miscellaneous	1,680,073	307,263
Total Revenues	<u>17,331,827</u>	<u>1,101,968</u>
EXPENDITURES		
Current:		
General Government	6,876,748	-
Police	-	5,650,470
Fire	-	-
Sanitation	-	-
Health and Welfare	-	-
Public Works	-	-
Community Development	504,512	-
Capital Outlay	848	-
Debt Service:		
Principal Payments	329,199	-
Interest and Fiscal Charges	129,817	-
Total Expenditures	<u>7,841,124</u>	<u>5,650,470</u>
Excess (Deficiency) of Revenues over Expenditures	9,490,703	(4,548,502)
OTHER FINANCING SOURCES (USES)		
Transfers In	-	4,549,159
Transfers Out	<u>(10,551,583)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(10,551,583)</u>	<u>4,549,159</u>
NET CHANGE IN FUND BALANCES	(1,060,880)	657
Fund Balances (Deficits) - Beginning of Year, as Previously Reported	6,873,862	(281,425)
Prior Period Adjustment	<u>(623,567)</u>	<u>-</u>
Fund Balances (Deficits) - Beginning of Year, as Restated	<u>6,250,295</u>	<u>(281,425)</u>
FUND BALANCES (DEFICITS) - END OF YEAR	<u><u>\$ 5,189,415</u></u>	<u><u>\$ (280,768)</u></u>

Fire Protection	Garbage Collection and Disposal	Street and Bridge	Ambulance Service	Eliminations	Combining General Fund
\$ 598,372	\$ 598,372	\$ 402,034	\$ -	\$ -	\$ 2,311,883
-	-	-	-	-	15,099,955
47,516	-	570	977,185	-	1,088,088
46,343	8,675	35,986	-	-	410,593
222	201	61	183	-	22,392
-	-	-	-	-	229,268
245	199,382	41,332	16,594	-	2,244,889
<u>692,698</u>	<u>806,630</u>	<u>479,983</u>	<u>993,962</u>	-	<u>21,407,068</u>
-	-	-	-	-	6,876,748
-	-	-	-	-	5,650,470
3,502,602	-	-	-	-	3,502,602
-	1,030,373	-	-	-	1,030,373
-	-	-	1,279,517	-	1,279,517
-	-	2,086,570	-	-	2,086,570
-	-	-	-	-	504,512
-	-	86,186	-	-	87,034
-	-	-	-	-	329,199
-	-	-	-	-	129,817
<u>3,502,602</u>	<u>1,030,373</u>	<u>2,172,756</u>	<u>1,279,517</u>	-	<u>21,476,842</u>
(2,809,904)	(223,743)	(1,692,773)	(285,555)	-	(69,774)
2,770,528	211,597	1,730,864	622,569	(9,884,717)	-
-	-	-	-	9,884,717	(666,866)
<u>2,770,528</u>	<u>211,597</u>	<u>1,730,864</u>	<u>622,569</u>	-	<u>(666,866)</u>
(39,376)	(12,146)	38,091	337,014	-	(736,640)
(195,217)	(65,377)	(160,388)	174,919	-	6,346,374
-	-	-	-	-	(623,567)
<u>(195,217)</u>	<u>(65,377)</u>	<u>(160,388)</u>	<u>174,919</u>	-	<u>5,722,807</u>
<u>\$ (234,593)</u>	<u>\$ (77,523)</u>	<u>\$ (122,297)</u>	<u>\$ 511,933</u>	<u>\$ -</u>	<u>\$ 4,986,167</u>

**CITY OF EAST PEORIA, ILLINOIS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
APRIL 30, 2016**

	Special Revenue	
	Illinois Municipal Retirement	Motor Fuel Tax
ASSETS		
Cash and Cash Equivalents	\$ 31,406	\$ 201,652
Receivables (Net, Where Applicable, of Allowances for Estimated Uncollectible Amounts):		
Property Taxes	120,011	-
Personal Property Replacement Tax	12,800	-
Motor Fuel Tax Allotments	-	53,259
Assessments	-	-
Hotel/Motel Taxes	-	-
Notes	-	-
Other	104,260	-
Advanced to Other Funds	-	-
	\$ 268,477	\$ 254,911
Total Assets		
	\$ 268,477	\$ 254,911
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES		
Liabilities:		
Accounts Payable	\$ -	\$ -
Wages Payable	7,306	-
Pension Obligation Payable	-	-
Advanced from Other Funds	-	-
Total Liabilities	7,306	-
Deferred Inflows of Resources:		
Subsequent Year's Property Taxes	120,011	-
Unavailable Revenue - Notes Receivable	-	-
Unavailable Revenue - Special Assessments	-	-
Total Deferred Inflows of Resources	120,011	-
Fund Balances:		
Restricted	-	254,497
Assigned	141,160	414
Total Fund Balances	141,160	254,911
	\$ 268,477	\$ 254,911
Total Liabilities, Deferred Inflows of Resources, and Fund Balances		

Special Revenue

Social Security	Workmen's Compensation	Audit	School Crossing Guard	Sewer Chlorination	Street Lighting
\$ 11,796	\$ 844,390	\$ 37,967	\$ 9,373	\$ 27,426	\$ -
475,014	700,035	120,011	-	20,031	80,037
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
120,000	-	-	-	-	-
<u>\$ 606,810</u>	<u>\$ 1,544,425</u>	<u>\$ 157,978</u>	<u>\$ 9,373</u>	<u>\$ 47,457</u>	<u>\$ 80,037</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
9,856	-	-	-	-	-
-	-	-	-	-	-
-	141,365	-	-	-	-
<u>9,856</u>	<u>141,365</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
475,014	700,035	120,011	-	20,031	80,037
-	-	-	-	-	-
<u>475,014</u>	<u>700,035</u>	<u>120,011</u>	<u>-</u>	<u>20,031</u>	<u>80,037</u>
115,872	112,930	37,889	9,373	27,410	-
6,068	590,095	78	-	16	-
<u>121,940</u>	<u>703,025</u>	<u>37,967</u>	<u>9,373</u>	<u>27,426</u>	<u>-</u>
<u>\$ 606,810</u>	<u>\$ 1,544,425</u>	<u>\$ 157,978</u>	<u>\$ 9,373</u>	<u>\$ 47,457</u>	<u>\$ 80,037</u>

**CITY OF EAST PEORIA, ILLINOIS
COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
APRIL 30, 2016**

	Special Revenue	
	Unemployment Insurance	Emergency Service and Disaster Assistance
ASSETS		
Cash and Cash Equivalents	\$ 57,533	\$ 114,900
Receivables (Net, Where Applicable, of Allowances for Estimated Uncollectible Amounts):		
Property Taxes	16,016	50,033
Personal Property Replacement Tax	-	-
Motor Fuel Tax Allotments	-	-
Assessments	-	-
Hotel/Motel Taxes	-	-
Notes	-	-
Other	-	-
Advanced to Other Funds	-	7,967
Total Assets	\$ 73,549	\$ 172,900
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES		
Liabilities:		
Accounts Payable	\$ -	\$ 1,417
Wages Payable	-	-
Pension Obligation Payable	-	-
Advanced from Other Funds	-	-
Total Liabilities	-	1,417
 Deferred Inflows of Resources:		
Subsequent Year's Property Taxes	16,016	50,033
Unavailable Revenue - Notes Receivable	-	-
Unavailable Revenue - Special Assessments	-	-
Total Deferred Inflows of Resources	16,016	50,033
 Fund Balances:		
Restricted	57,509	121,418
Assigned	24	32
Total Fund Balances	57,533	121,450
 Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 73,549	\$ 172,900

Special Revenue

Hotel/Motel Tax	Revolving Loan	Special Assessments	IHDA Grant	Firemen's Pension Levy Fund	Police Pension Levy Fund	Total Nonmajor Governmental Fund
\$ 2,214,359	\$ 535,142	\$ 204,529	\$ 12,307	\$ -	\$ -	\$ 4,302,780
-	-	-	-	745,039	900,038	3,226,265
-	-	-	-	27,000	35,600	75,400
-	-	-	-	-	-	53,259
-	-	51,511	-	-	-	51,511
121,779	-	-	-	-	-	121,779
-	205,399	-	-	-	-	205,399
-	-	-	-	62,002	51,421	217,683
-	-	8,364	-	-	-	136,331
<u>\$ 2,336,138</u>	<u>\$ 740,541</u>	<u>\$ 264,404</u>	<u>\$ 12,307</u>	<u>\$ 834,041</u>	<u>\$ 987,059</u>	<u>\$ 8,390,407</u>
\$ 28,581	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 29,998
6,183	-	-	-	-	-	23,345
-	-	-	-	89,001	87,021	176,022
-	-	-	-	-	-	141,365
34,764	-	-	-	89,001	87,021	370,730
-	-	-	-	745,039	900,038	3,226,265
-	205,399	-	-	-	-	205,399
-	-	37,738	-	-	-	37,738
-	205,399	37,738	-	745,039	900,038	3,469,402
1,190,648	511,231	171,333	11,936	-	-	2,622,046
1,110,726	23,911	55,333	371	1	-	1,928,229
<u>2,301,374</u>	<u>535,142</u>	<u>226,666</u>	<u>12,307</u>	<u>1</u>	<u>-</u>	<u>4,550,275</u>
<u>\$ 2,336,138</u>	<u>\$ 740,541</u>	<u>\$ 264,404</u>	<u>\$ 12,307</u>	<u>\$ 834,041</u>	<u>\$ 987,059</u>	<u>\$ 8,390,407</u>

**CITY OF EAST PEORIA, ILLINOIS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 YEAR ENDED APRIL 30, 2016**

	Special Revenue	
	Illinois Municipal Retirement	Motor Fuel Tax
REVENUES		
Property Taxes	\$ 119,674	\$ -
Other Taxes and Special Assessments	179,005	-
Intergovernmental	237,355	598,598
Investment Earnings	40	323
Miscellaneous	8,558	-
Total Revenues	544,632	598,921
EXPENDITURES		
Current:		
General Government	482,287	-
Police	-	-
Fire	-	-
Public Works	-	565,000
Other	-	-
Capital Outlay	-	7,936
Total Expenditures	482,287	572,936
Excess (Deficiency) of Revenues over Expenditures	62,345	25,985
OTHER FINANCING SOURCES (USES)		
Transfers In	-	-
Transfers Out	-	-
Total Other Financing Sources (Uses)	-	-
NET CHANGE IN FUND BALANCES	62,345	25,985
Fund Balances - Beginning of Year	78,815	228,926
FUND BALANCES - END OF YEAR	\$ 141,160	\$ 254,911

Special Revenue

Social Security	Workmen's Compensation	Audit	School Crossing Guard	Sewer Chlorination	Street Lighting
\$ 465,058	\$ 698,101	\$ 89,758	\$ -	\$ 14,979	\$ 79,783
-	-	-	-	-	-
-	-	-	-	-	1,821
152	228	30	-	4	26
5,916	-	-	-	-	-
<u>471,126</u>	<u>698,329</u>	<u>89,788</u>	<u>-</u>	<u>14,983</u>	<u>81,630</u>
466,906	670,993	70,535	-	21,207	-
-	-	-	-	-	-
-	-	-	-	-	249,767
-	-	-	-	-	-
-	-	-	-	-	-
<u>466,906</u>	<u>670,993</u>	<u>70,535</u>	<u>-</u>	<u>21,207</u>	<u>249,767</u>
4,220	27,336	19,253	-	(6,224)	(168,137)
-	-	-	-	-	168,137
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>168,137</u>
4,220	27,336	19,253	-	(6,224)	-
<u>117,720</u>	<u>675,689</u>	<u>18,714</u>	<u>9,373</u>	<u>33,650</u>	<u>-</u>
<u>\$ 121,940</u>	<u>\$ 703,025</u>	<u>\$ 37,967</u>	<u>\$ 9,373</u>	<u>\$ 27,426</u>	<u>\$ -</u>

**CITY OF EAST PEORIA, ILLINOIS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES (CONTINUED)
 NONMAJOR GOVERNMENTAL FUNDS
 YEAR ENDED APRIL 30, 2016**

	Special Revenue	
	Unemployment Insurance	Emergency Service and Disaster Assistance
REVENUES		
Property Taxes	\$ 12,002	\$ 99,729
Other Taxes and Special Assessments	-	-
Intergovernmental	-	-
Investment Earnings	4	32
Miscellaneous	-	-
Total Revenues	12,006	99,761
EXPENDITURES		
Current:		
General Government	23,613	3,133
Police	-	-
Fire	-	-
Public Works	-	-
Other	-	-
Capital Outlay	-	-
Total Expenditures	23,613	3,133
Excess (Deficiency) of Revenues over Expenditures	(11,607)	96,628
OTHER FINANCING SOURCES (USES)		
Transfers In	-	-
Transfers Out	-	-
Total Other Financing Sources (Uses)	-	-
NET CHANGE IN FUND BALANCES	(11,607)	96,628
Fund Balances - Beginning of Year	69,140	24,822
FUND BALANCES - END OF YEAR	\$ 57,533	\$ 121,450

Special Revenue

Hotel/Motel Tax	Revolving Loan	Special Assessments	IHDA Grant	Firemen's Pension Levy Fund	Police Pension Levy Fund	Total Nonmajor Governmental Fund
\$ -	\$ -	\$ -	\$ -	\$ 698,359	\$ 808,968	\$ 3,086,411
868,214	-	12,579	-	253,558	221,767	1,535,123
-	-	-	-	520,261	329,203	1,687,238
-	7,356	4,833	6	229	264	13,527
319,588	46,824	-	-	-	-	380,886
<u>1,187,802</u>	<u>54,180</u>	<u>17,412</u>	<u>6</u>	<u>1,472,407</u>	<u>1,360,202</u>	<u>6,703,185</u>
1,048,609	-	-	-	-	-	2,787,283
-	-	-	-	-	1,360,202	1,360,202
-	-	-	-	1,472,407	-	1,472,407
-	-	45,635	-	-	-	860,402
-	-	-	2,000	-	-	2,000
-	-	-	-	-	-	7,936
<u>1,048,609</u>	<u>-</u>	<u>45,635</u>	<u>2,000</u>	<u>1,472,407</u>	<u>1,360,202</u>	<u>6,490,230</u>
139,193	54,180	(28,223)	(1,994)	-	-	212,955
-	-	-	-	-	-	168,137
-	-	(31,377)	-	-	-	(31,377)
-	-	(31,377)	-	-	-	136,760
139,193	54,180	(59,600)	(1,994)	-	-	349,715
2,162,181	480,962	286,266	14,301	1	-	4,200,560
<u>\$ 2,301,374</u>	<u>\$ 535,142</u>	<u>\$ 226,666</u>	<u>\$ 12,307</u>	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ 4,550,275</u>

**CITY OF EAST PEORIA, ILLINOIS
COMBINING SCHEDULE OF FIDUCIARY NET POSITION
APRIL 30, 2016**

	Pension Trust Funds	
	City of East Peoria Firefighter's Pension Fund	City of East Peoria Police Pension Fund
ASSETS		
Cash and Cash Equivalents	\$ 440,214	\$ 558,583
Receivables:		
Employer Contributions	741,988	890,499
Accrued Interest and Dividends	55,748	71,080
Total Receivables	797,736	961,579
Investments, at Fair Value:		
Money Market Funds	586,018	578,795
Municipal Bonds	376,194	443,176
Corporate Bonds	3,088,426	4,775,131
U.S. Government Notes and Bonds	2,173,142	1,845,173
U.S. Government Agency Obligations	713,855	1,087,330
Mutual Funds	8,351,070	2,114,062
Common Stocks	3,521,448	12,600,279
Total Investments	18,810,153	23,443,946
Total Assets	20,048,103	24,964,108
LIABILITIES		
Accounts Payable and Accrued Payroll Taxes	1,798	1,027
Amounts Held for Others	-	-
Total Liabilities	1,798	1,027
Net Position Held in Trust for Pension Benefit Obligation	\$ 20,046,305	\$ 24,963,081

Total Pension Trust Funds	Agency Funds			Total Agency Funds
	Levi King Scholarship Fund	Dependent Care Fund	Unreimbursed Medical Fund	
\$ 998,797	\$ 7,468	\$ 5,242	\$ 22,326	\$ 35,036
1,632,487	-	-	-	-
126,828	-	-	-	-
<u>1,759,315</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
1,164,813	-	-	-	-
819,370	-	-	-	-
7,863,557	-	-	-	-
4,018,315	-	-	-	-
1,801,185	-	-	-	-
10,465,132	-	-	-	-
16,121,727	-	-	-	-
<u>42,254,099</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
45,012,211	<u>\$ 7,468</u>	<u>\$ 5,242</u>	<u>\$ 22,326</u>	<u>\$ 35,036</u>
2,825	\$ -	\$ -	\$ -	\$ -
-	7,468	5,242	22,326	35,036
<u>2,825</u>	<u>\$ 7,468</u>	<u>\$ 5,242</u>	<u>\$ 22,326</u>	<u>\$ 35,036</u>
<u>\$ 45,009,386</u>				

CITY OF EAST PEORIA, ILLINOIS
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
YEAR ENDED APRIL 30, 2016

	<u>Balance, Beginning</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance, Ending</u>
LEVI KING SCHOLARSHIP FUND				
Assets, Cash and Cash Equivalents	<u>\$ 7,468</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,468</u>
Liabilities, Amounts Held for Others	<u>\$ 7,468</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,468</u>
DEPENDENT CARE FUND				
Assets, Cash and Cash Equivalents	<u>\$ 3,423</u>	<u>\$ 10,617</u>	<u>\$ 8,798</u>	<u>\$ 5,242</u>
Liabilities, Amounts Held for Others	<u>\$ 3,423</u>	<u>\$ 10,617</u>	<u>\$ 8,798</u>	<u>\$ 5,242</u>
UNREIMBURSED MEDICAL FUND				
Assets, Cash and Cash Equivalents	<u>\$ 21,237</u>	<u>\$ 93,324</u>	<u>\$ 92,235</u>	<u>\$ 22,326</u>
Liabilities, Amounts Held for Others	<u>\$ 21,237</u>	<u>\$ 93,324</u>	<u>\$ 92,235</u>	<u>\$ 22,326</u>
TOTAL				
Assets, Cash and Cash Equivalents	<u>\$ 32,128</u>	<u>\$ 103,941</u>	<u>\$ 101,033</u>	<u>\$ 35,036</u>
Liabilities, Amounts Held for Others	<u>\$ 32,128</u>	<u>\$ 103,941</u>	<u>\$ 101,033</u>	<u>\$ 35,036</u>

**CITY OF EAST PEORIA, ILLINOIS
COMBINING SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION
YEAR ENDED APRIL 30, 2016**

	<u>Pension Trust Funds</u>		<u>Total</u>
	<u>City of East Peoria Firefighter's Pension Fund</u>	<u>City of East Peoria Police Pension Fund</u>	
ADDITIONS			
Contributions:			
Plan Members' Contributions	\$ 337,628	\$ 372,068	\$ 709,696
Employer Contributions	1,533,659	1,452,077	2,985,736
Transfer of Creditable Service	-	18,650	18,650
Total Contributions	<u>1,871,287</u>	<u>1,842,795</u>	<u>3,714,082</u>
Investment Income:			
Net Appreciation (Depreciation) in Fair Value of Investments	(395,686)	(538,026)	(933,712)
Dividends and Interest	476,463	477,448	953,911
Total Investment Income	<u>80,777</u>	<u>(60,578)</u>	<u>20,199</u>
Less: Investment Expenses	94,980	119,738	214,718
Net Investment Income	<u>(14,203)</u>	<u>(180,316)</u>	<u>(194,519)</u>
Total Additions	1,857,084	1,662,479	3,519,563
DEDUCTIONS			
Benefits Paid	1,410,276	2,065,130	3,475,406
Refunds of Contributions	-	3,106	3,106
Administrative Expenses	46,502	57,866	104,368
Total Deductions	<u>1,456,778</u>	<u>2,126,102</u>	<u>3,582,880</u>
Change in Net Position	400,306	(463,623)	(63,317)
NET POSITION HELD IN TRUST FOR PENSION BENEFITS			
Beginning of Year	<u>19,645,999</u>	<u>25,426,704</u>	<u>45,072,703</u>
End of Year	<u>\$ 20,046,305</u>	<u>\$ 24,963,081</u>	<u>\$ 45,009,386</u>

**CITY OF EAST PEORIA, ILLINOIS
 ASSESSED VALUATIONS, TAXES LEVIED, TAX RATES, TAX EXTENSIONS,
 AND TAX COLLECTIONS (UNAUDITED)
 APRIL 30, 2016**

2015 Tax Levy				
Assessed Valuation, Excluding Tax				
Increment Financing District Increment	<u>\$ 441,216,885</u>			
<u>Fund</u>	<u>Levy</u>	<u>Rate</u>	<u>Amount Extended by County Clerk</u>	<u>Collected Within 60 Days After April 30, 2016</u>
General	\$ 200,592	0.04542	\$ 200,401	\$ -
Police Protection	625,000	0.14166	625,028	-
Fire Protection	625,000	0.14166	625,028	-
Garbage Collection and Disposal	625,000	0.14166	625,028	-
Sewer Chlorination	20,000	0.00454	20,031	-
Illinois Municipal Retirement	120,000	0.02720	120,011	-
FICA	475,000	0.10766	475,014	-
Workmen's Compensation	700,000	0.15866	700,035	-
Street and Bridge	315,150	0.02254	99,450	-
Audit	120,000	0.02720	120,011	-
Street Lighting	80,000	0.01814	80,037	-
Unemployment Insurance	16,000	0.00363	16,016	-
Civil Defense	50,000	0.01134	50,034	-
Firemen's Pension	745,000	0.16886	745,039	-
Police Pension	900,000	0.20399	900,038	-
	<u>\$ 5,616,742</u>	<u>1.22416</u>	<u>\$ 5,401,201</u>	<u>\$ -</u>

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

**CITY OF EAST PEORIA, ILLINOIS
 ASSESSED VALUATIONS, TAXES LEVIED, TAX RATES, TAX EXTENSIONS,
 AND TAX COLLECTIONS (UNAUDITED) (CONTINUED)
 APRIL 30, 2016**

2014 Tax Levy				
Assessed Valuation, Excluding Tax				\$ 432,907,928
Increment Financing District Increment				
Fund	Levy	Rate	Amount Extended by County Clerk	Amount Collected
General	\$ 100,000	0.02310	\$ 100,002	\$ 99,424
Police Protection	600,000	0.13860	600,010	598,372
Fire Protection	600,000	0.13860	600,010	598,372
Garbage Collection and Disposal	600,000	0.13860	600,010	598,372
Sewer Chlorination	15,000	0.00347	15,022	14,979
Illinois Municipal Retirement	120,000	0.02772	120,002	119,674
FICA	466,292	0.10772	466,328	465,058
Workmen's Compensation	700,000	0.16170	700,012	698,101
Street and Bridge	403,000	0.04340	187,882	187,368
Audit	90,000	0.02079	90,002	89,758
Street Lighting	80,000	0.01848	80,001	79,783
Unemployment Insurance	12,000	0.00278	12,035	12,002
Civil defense	100,000	0.02310	100,002	99,729
Firemen's Pension	700,260	0.16176	700,272	698,359
Police Pension	811,141	0.18738	811,183	808,968
	\$ 5,397,693	1.19720	\$ 5,182,773	\$ 5,168,319

2013 Tax Levy

2012 Tax Levy

\$ 425,951,937

\$ 428,228,346

2013 Tax Levy				2012 Tax Levy			
Levy	Rate	Amount Extended by County Clerk	Amount Collected	Levy	Rate	Amount Extended by County Clerk	Amount Collected
\$ 223,532	0.05248	\$ 223,540	\$ 221,283	\$ 286,658	0.06695	\$ 286,699	\$ 285,263
600,000	0.14087	600,038	595,096	600,000	0.14012	600,034	597,785
600,000	0.14087	600,038	595,096	600,000	0.14012	600,034	597,785
600,000	0.14087	600,038	595,096	600,000	0.14012	600,034	597,785
15,000	0.00353	15,036	14,914	20,000	0.00468	20,041	19,967
204,900	0.04811	204,925	203,238	192,240	0.04490	192,275	191,553
455,000	0.10682	455,002	451,254	418,000	0.09762	418,037	416,470
800,000	0.18782	800,023	793,435	800,000	0.18682	800,016	797,017
403,000	0.04468	190,315	188,750	450,000	0.05265	225,462	224,618
77,000	0.01808	77,012	76,380	65,000	0.01518	65,005	64,761
125,000	0.02935	125,017	123,987	76,000	0.01775	76,011	75,724
30,000	0.00705	30,030	29,781	30,000	0.00701	30,019	29,906
-	-	-	-	-	-	-	-
604,328	0.14188	604,341	599,365	581,969	0.13591	582,005	579,822
717,948	0.16856	717,985	712,074	784,496	0.18320	784,514	781,573
<u>\$ 5,455,708</u>	<u>1.23097</u>	<u>\$ 5,243,340</u>	<u>\$ 5,199,749</u>	<u>\$ 5,504,363</u>	<u>1.23303</u>	<u>\$ 5,280,186</u>	<u>\$ 5,260,029</u>

**CITY OF EAST PEORIA, ILLINOIS
LEGAL DEBT MARGIN
APRIL 30, 2016**

Assessed Valuation, 2015 Tax Year		<u>\$ 441,216,885</u>
Statutory Debt Limitation (8.625% of Assessed Valuation)		\$ 38,054,956
Total Debt:		
Notes Payable to Banks	\$ 8,585,956	
Notes Payable to Illinois Environment Protection Agency	4,137,465	
Project Bonds	470,000	
General Obligation Bonds (Alternate Revenue Source)	92,655,000	
Revenue Bonds	90,000	
Deduct Debt Exempt from Debt Limitation Computation:		
Project Bonds	(470,000)	
General Obligation Bonds (Alternate Revenue Source)	(92,655,000)	
Revenue Bonds	(90,000)	
	<u>12,723,421</u>	<u>12,723,421</u>
Legal Debt Margin		<u>\$ 25,331,535</u>

**CITY OF EAST PEORIA, ILLINOIS
SCHEDULE OF RECEIPTS AND DISBURSEMENTS BY DISTRICT
SPECIAL TAX ALLOCATION FUND
YEAR ENDED APRIL 30, 2016**

	District III
RECEIPTS	
Tax Increment Financing, Property Taxes	\$ 787,508
Interest Income	249
Total Receipts	787,757
 DISBURSEMENTS	
1998-B Refunding Tax Increment Bond Interest	5,820
1998-B Refunding Tax Increment Bonds	120,000
Distribution to Other Taxing Districts	136,277
Bank Collection Charges	1,651
Interfund Borrowing	525,000
Total Disbursements	788,748
Deficiency of Receipts over Disbursements	(991)
Cash and Investments - April 30, 2015	4,009
CASH AND INVESTMENTS - APRIL 30, 2016	\$ 3,018

**CITY OF EAST PEORIA, ILLINOIS
SCHEDULE OF RECEIPTS AND DISBURSEMENTS BY DISTRICT
CAPITAL PROJECTS FUND
YEAR ENDED APRIL 30, 2016**

	Camp Street TIF District	W. Washington Street TIF District	Total
RECEIPTS			
Tax Increment Financing:			
Property Taxes	\$ 1,752,345	\$ 2,368,441	\$ 4,120,786
TIF B Taxes	506,669	-	506,669
TIF C Taxes	523,144	-	523,144
TIF D Taxes	-	1,002,791	1,002,791
TIF E Taxes	-	1,555,599	1,555,599
Lease Income	963,360	-	963,360
Rental Income	689,557	-	689,557
Interest Income	866	4,496	5,362
Reimbursements and Property Sales	-	1,169,586	1,169,586
Intergovernmental	31,959	1,500	33,459
Bond Proceeds	-	9,670,000	9,670,000
Miscellaneous Receipts	31,375	-	31,375
Interfund Borrowing	1,378,294	-	1,378,294
Total Receipts	5,877,569	15,772,413	21,649,982

CITY OF EAST PEORIA, ILLINOIS
SCHEDULE OF RECEIPTS AND DISBURSEMENTS BY DISTRICT
CAPITAL PROJECTS FUND (CONTINUED)
YEAR ENDED APRIL 30, 2016

	Camp Street TIF District	W. Washington Street TIF District	Total
DISBURSEMENTS			
2002-C Tax Increment Bond Interest	\$ 68,500	\$ -	\$ 68,500
2002-C Tax Increment Bond Principal	245,000	-	245,000
2004-B Tax Increment Bond Interest	18,865	-	18,865
2004-B Tax Increment Bond Principal	330,000	-	330,000
2007 Refunding Tax Increment Bond Interest	1,127,050	-	1,127,050
2007 Refunding Tax Increment Bond Principal	660,000	-	660,000
2010A General Obligation Bond Interest	905,761	-	905,761
2014 General Obligation Bond Principal	910,000	-	910,000
2014 General Obligation Bond Interest	759,795	-	759,795
2012A General Obligation Bond Interest	-	98,962	98,962
2012A General Obligation Bond Principal	-	175,000	175,000
2012B General Obligation Bond Interest	-	98,962	98,962
2012B General Obligation Bond Principal	-	175,000	175,000
2012C General Obligation Bond Interest	-	552,039	552,039
2012C General Obligation Bond Principal	-	7,305,000	7,305,000
2012D General Obligation Bond Interest	-	215,559	215,559
2012D General Obligation Bond Principal	-	2,900,000	2,900,000
2013B Refunding General Obligation Bond Interest	-	222,150	222,150
2013B Refunding General Obligation Bond Principal	-	475,000	475,000
Camp Street Loan Interest	15,461	115,694	131,155
Camp Street Loan Principal	74,762	456,400	531,162
Development and Engineering Fees	208,203	2,227,584	2,435,787
Other Operating Expenses	168,726	30,268	198,994
Land Purchases	-	247,842	247,842
Sales Tax Rebate	-	1,159,778	1,159,778
Property Taxes	405,069	-	405,069
Attorney Fees	35,686	43,089	78,775
Interfund Payment	-	258,294	258,294
Total Disbursements	5,932,878	16,756,621	22,689,499
Excess of Receipts (Under) Disbursements	(55,309)	(984,208)	(1,039,517)
Cash - April 30, 2015	337,001	4,871,215	5,208,216
CASH - APRIL 30, 2016	\$ 281,692	\$ 3,887,007	\$ 4,168,699