

CITY OF EAST PEORIA, ILLINOIS
FINANCIAL STATEMENTS
YEAR ENDED APRIL 30, 2018

CliftonLarsonAllen LLP



WEALTH ADVISORY | OUTSOURCING | AUDIT, TAX, AND CONSULTING



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YEAR ENDED APRIL 30, 2018**

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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, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the East Peoria Mass Transit District discretely presented component unit. We did not audit the Police Pension Trust Fund and Firefighter's Pension Trust Fund, which represent 79%, 88%, and 42%, respectively, of the assets, net position/fund balance, and revenues of the aggregate remaining fund information. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the East Peoria Mass Transit District discretely presented component unit, Police Pension Trust Fund, and Firefighter's Pension Trust Fund is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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.

Honorable Mayor and Commissioners
City of East Peoria, Illinois

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

Opinions

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City as of April 30, 2018, 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.

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 70 through 75 and budgetary comparison information on pages 76 through 78 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and the other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. 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.

Honorable Mayor and Commissioners
City of East Peoria, Illinois

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 auditors. In our opinion, based on our audit, the procedures performed as described above, and the report of the other auditors, the information is fairly stated in all material respects, in relation to the basic financial statements as a whole.

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



CliftonLarsonAllen LLP

Peoria, Illinois
October 24, 2018

CITY OF EAST PEORIA, ILLINOIS
STATEMENT OF NET POSITION
APRIL 30, 2018

ASSETS	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total Primary Government	East Peoria Mass Transit District
CURRENT ASSETS				
Cash and Investments	\$ 10,046,922	\$ 3,092,200	\$ 13,139,122	\$ 64,159
Receivables (Net, Where Applicable, of Allowances for Estimated Uncollectible Amounts):				
Property Taxes	11,226,748	-	11,226,748	442,101
Sales Tax	3,809,453	-	3,809,453	-
State Income Tax	471,532	-	471,532	-
Personal Property Replacement Tax	253,300	-	253,300	8,068
Motor Fuel Tax Allotments	53,573	-	53,573	-
Gaming Tax	378,525	-	378,525	-
Water and Sewer Revenue Receivables:				
Billed	-	839,743	839,743	-
Unbilled Charges	-	990,739	990,739	-
Customer Charges (Net of Allowance)	456,488	158,811	615,299	-
Assessments	13,772	-	13,772	-
Hotel/Motel Taxes	151,950	-	151,950	-
Intergovernmental	805,039	-	805,039	-
Notes	241,646	-	241,646	-
Fines	21,516	-	21,516	-
Capital Lease	599,733	-	599,733	-
Other	243,669	-	243,669	-
Developer	98,469	-	98,469	-
Prepaid Expenses	-	26,403	26,403	-
Inventory, at Cost	-	105,357	105,357	-
Internal Balances	851,960	(851,960)	-	-
Assets Held for Resale	1,430,000	-	1,430,000	-
Total Current Assets	<u>31,154,295</u>	<u>4,361,293</u>	<u>35,515,588</u>	<u>514,328</u>
NONCURRENT ASSETS				
Restricted Assets, Cash and Investments	908,909	-	908,909	-
Receivables (Net Where Applicable, of Allowances for Estimated Uncollectible Amounts):				
Assessments	12,580	-	12,580	-
Capital Lease	7,121,469	-	7,121,469	-
Capital Assets:				
Not Depreciable:				
Land	10,244,067	3,647,682	13,891,749	-
Construction-in-Progress	27,601	2,064,149	2,091,750	-
Depreciable:				
Land Improvements	5,680,007	7,679,585	13,359,592	-
Buildings	53,713,181	24,746,940	78,460,121	-
Machinery, Equipment, and Vehicles	18,190,348	15,071,848	33,262,196	-
Infrastructure	122,826,945	40,543,229	163,370,174	-
Accumulated Depreciation	<u>(85,537,466)</u>	<u>(58,785,607)</u>	<u>(144,323,073)</u>	<u>-</u>
Total Noncurrent Assets	<u>133,187,641</u>	<u>34,967,826</u>	<u>168,155,467</u>	<u>-</u>
Total Assets	164,341,936	39,329,119	203,671,055	514,328
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Charge on Refunding	578,232	-	578,232	-
Deferred Amounts Related to Pensions	8,131,716	1,177,472	9,309,188	-
Total Deferred Outflows of Resources	<u>8,709,948</u>	<u>1,177,472</u>	<u>9,887,420</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	\$ 854,960	\$ 651,905	\$ 1,506,865	\$ -
Wages Payable	205,993	30,979	236,972	-
Liquor License Bond Held	17,000	-	17,000	-
Interest Payable	1,170,980	5,941	1,176,921	-
Pension Contribution Payable	147,972	-	147,972	-
Unearned Revenue	10,103	178,131	188,234	-
Due to Other Governmental Entities	618,653	-	618,653	54,000
Deposits - Customers	-	82,130	82,130	-
Compensated Absences	713,368	181,135	894,503	-
Accrued Health Claims	428,861	100,597	529,458	-
Current Portion of Long-Term Debt	6,752,977	1,049,484	7,802,461	-
Total Current Liabilities	10,920,867	2,280,302	13,201,169	54,000
LONG-TERM LIABILITIES				
Compensated Absences	2,824,367	247,205	3,071,572	-
Other Postemployment Benefits Obligation	19,137,866	1,970,290	21,108,156	-
Net Pension Liability	43,368,177	159,872	43,528,049	-
General Obligation Bonds, Net Bond Discounts and Premiums, Noncurrent	77,482,297	519,152	78,001,449	-
Notes Payable, Noncurrent	4,973,333	4,681,037	9,654,370	-
Total Long-Term Liabilities	147,786,040	7,577,556	155,363,596	-
Total Liabilities	158,706,907	9,857,858	168,564,765	54,000
DEFERRED INFLOWS OF RESOURCES				
Subsequent Year's Property Taxes	11,226,748	-	11,226,748	153,598
Deferred Amounts Related to Pensions	14,846,688	1,004,436	15,851,124	-
Total Deferred Inflows of Resources	26,073,436	1,004,436	27,077,872	153,598
NET POSITION				
Net Investment in Capital Assets	37,744,393	29,320,896	67,065,289	-
Restricted for:				
Employee Benefits	245,835	-	245,835	-
Debt Service	1,122,277	-	1,122,277	-
Audit	110,324	-	110,324	37,106
School Crossing Guard	9,373	-	9,373	-
Sewer	29,394	-	29,394	-
Emergency Services	160,918	-	160,918	-
Tourism	602,994	-	602,994	-
Revolving Loan	715,680	-	715,680	-
IHDA	7,916	-	7,916	-
Capital Improvements and Equipment	11,392,616	-	11,392,616	-
Liability Insurance	-	-	-	99,901
Unrestricted (Deficit)	(63,870,179)	323,401	(63,546,778)	169,723
Total Net Position	\$ (11,728,459)	\$ 29,644,297	\$ 17,915,838	\$ 306,730

**CITY OF EAST PEORIA, ILLINOIS
STATEMENT OF ACTIVITIES
YEAR ENDED APRIL 30, 2018**

FUNCTIONS/PROGRAMS	<u>Expenses</u>
Primary Government:	
Governmental Activities:	
Police	\$ (6,404,229)
Fire	(5,730,491)
Sanitation	(1,058,516)
Public Works	(6,082,582)
General Government	(21,941,831)
Community Development	(186,914)
Other	(2,540,775)
Interest on and Amortization of Long-Term Debt	<u>(3,672,569)</u>
Total Governmental Activities	(47,617,907)
Business-Type Activities:	
Water and Sewer	(7,099,416)
Eastport Marina	(837,879)
Eastside Centre	<u>(1,261,151)</u>
Total Business-Type Activities	<u>(9,198,446)</u>
Total Primary Government	<u>\$ (56,816,353)</u>
Component Unit:	
City of East Peoria Mass Transit District	<u>\$ (2,033,237)</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
\$ 82,817	\$ 253,627	\$ -	\$ (6,067,785)	\$ -	\$ (6,067,785)	\$ -
1,195,222	100,131	-	(4,435,138)	-	(4,435,138)	-
23,220	-	-	(1,035,296)	-	(1,035,296)	-
150	603,248	196,471	(5,282,713)	-	(5,282,713)	-
294,826	-	-	(21,647,005)	-	(21,647,005)	-
-	-	-	(186,914)	-	(186,914)	-
-	-	-	(2,540,775)	-	(2,540,775)	-
-	-	-	(3,672,569)	-	(3,672,569)	-
<u>1,596,235</u>	<u>957,006</u>	<u>196,471</u>	<u>(44,868,195)</u>	<u>-</u>	<u>(44,868,195)</u>	<u>-</u>
8,175,778	-	3,492	-	1,079,854	1,079,854	-
756,738	-	-	-	(81,141)	(81,141)	-
663,301	-	263,669	-	(334,181)	(334,181)	-
<u>9,595,817</u>	<u>-</u>	<u>267,161</u>	<u>-</u>	<u>664,532</u>	<u>664,532</u>	<u>-</u>
<u>\$ 11,192,052</u>	<u>\$ 957,006</u>	<u>\$ 463,632</u>	<u>(44,868,195)</u>	<u>664,532</u>	<u>(44,203,663)</u>	<u>-</u>
<u>\$ -</u>	<u>\$ 1,694,823</u>	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(338,414)</u>
GENERAL REVENUES						
Property Taxes			10,952,205	-	10,952,205	289,062
Sales and Use Taxes			14,672,014	16,197	14,688,211	-
State Income Taxes			2,443,098	-	2,443,098	-
Personal Property Replacement Taxes			1,202,868	-	1,202,868	47,365
Illinois Gaming Taxes			4,653,216	-	4,653,216	-
Other Taxes			3,147,467	-	3,147,467	-
Interest/Investment Income			179,458	47,674	227,132	1,485
Other			4,641,831	7,488	4,649,319	-
TRANSFERS			<u>(376,221)</u>	<u>376,221</u>	<u>-</u>	<u>-</u>
Total General Revenues and Transfers			<u>41,515,936</u>	<u>447,580</u>	<u>41,963,516</u>	<u>337,912</u>
CHANGE IN NET POSITION						
			(3,352,259)	1,112,112	(2,240,147)	(502)
Net Position - Beginning of Year			<u>(8,376,200)</u>	<u>28,532,185</u>	<u>20,155,985</u>	<u>307,232</u>
NET POSITION - END OF YEAR			<u>\$ (11,728,459)</u>	<u>\$ 29,644,297</u>	<u>\$ 17,915,838</u>	<u>\$ 306,730</u>

**CITY OF EAST PEORIA, ILLINOIS
BALANCE SHEET – GOVERNMENTAL FUNDS
APRIL 30, 2018**

ASSETS	<u>General Fund</u>
Cash and Investments	\$ 3,265,292
Receivables (Net, Where Applicable, of Allowances for Estimated Uncollectible Amounts):	
Property Taxes	216,213
Sales Tax	3,495,994
State Income Tax	471,532
Personal Property Replacement Tax	177,900
Motor Fuel Tax Allotments	-
Gaming Tax	-
Customer Charges	456,488
Assessments	-
Hotel/Motel Taxes	-
Intergovernmental	533,630
Notes	-
Fines	21,516
Capital Lease	-
Other	81,520
Developer	-
Advanced to Other Funds	2,901,157
Assets Held for Resale	-
Restricted Assets, Cash and Investments	-
	<hr/>
Total Assets	<u>\$ 11,621,242</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>Other Governmental Funds</u>	<u>Total</u>
\$ 251,329	\$ 3,018	\$ -	\$ 5,977,160	\$ 9,496,799
-	781,026	4,750,741	5,478,768	11,226,748
-	-	313,459	-	3,809,453
-	-	-	-	471,532
-	-	-	75,400	253,300
-	-	-	53,573	53,573
378,525	-	-	-	378,525
-	-	-	-	456,488
-	-	-	26,352	26,352
-	-	23,685	128,265	151,950
10,103	-	261,306	-	805,039
-	-	-	241,646	241,646
-	-	-	-	21,516
-	-	7,721,202	-	7,721,202
-	-	29,313	132,836	243,669
-	-	98,469	-	98,469
8,438,550	2,639,532	381,451	780,431	15,141,121
-	-	1,430,000	-	1,430,000
-	-	908,909	-	908,909
<u>\$ 9,078,507</u>	<u>\$ 3,423,576</u>	<u>\$ 15,918,535</u>	<u>\$ 12,894,431</u>	<u>\$ 52,936,291</u>

**CITY OF EAST PEORIA, ILLINOIS
BALANCE SHEET – GOVERNMENTAL FUNDS (CONTINUED)
APRIL 30, 2018**

LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES (DEFICITS)	<u>General Fund</u>
LIABILITIES	
Accounts Payable	\$ 325,946
Wages Payable	189,915
Liquor License Bonds Held	17,000
Compensated Absences	49,420
Pension Obligation Payable	-
Unearned Revenue	-
Due to Other Governmental Entities	618,653
Advanced from Other Funds	381,049
Total Liabilities	<u>1,581,983</u>
DEFERRED INFLOWS OF RESOURCES	
Subsequent Year's Property Taxes	216,213
Unavailable Revenue - Other Taxes	1,288,029
Unavailable Revenue - Intergovernmental	160,600
Unavailable Revenue - Capital Lease Receivable	-
Unavailable Revenue - Developer Receivable	-
Unavailable Revenue - Notes Receivable	-
Unavailable Revenue - Special Assessments	-
Total Deferred Inflows of Resources	<u>1,664,842</u>
FUND BALANCES (DEFICITS)	
Nonspendable	2,901,157
Restricted	-
Assigned	-
Unassigned	5,473,260
Total Fund Balances (Deficits)	<u>8,374,417</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	<u><u>\$ 11,621,242</u></u>

See accompanying Notes to Basic Financial Statements.

Riverboat Gaming Tax Fund	Special Tax Allocation Fund	Capital Projects Fund	Other Governmental Funds	Total
\$ 170,436	\$ -	\$ 329,430	\$ 29,148	\$ 854,960
-	-	-	16,078	205,993
-	-	-	-	17,000
-	-	-	-	49,420
-	-	-	147,972	147,972
10,103	-	-	-	10,103
-	-	-	-	618,653
428,939	6,481,826	6,605,982	391,365	14,289,161
609,478	6,481,826	6,935,412	584,563	16,193,262
-	781,026	4,750,741	5,478,768	11,226,748
-	-	79,795	65,667	1,433,491
-	-	79,514	-	240,114
-	-	7,721,202	-	7,721,202
-	-	98,469	-	98,469
-	-	-	241,646	241,646
-	-	-	12,580	12,580
-	781,026	12,729,721	5,798,661	20,974,250
-	-	-	-	2,901,157
7,141,816	3,295,759	582,385	4,069,145	15,089,105
1,327,213	-	-	2,442,062	3,769,275
-	(7,135,035)	(4,328,983)	-	(5,990,758)
8,469,029	(3,839,276)	(3,746,598)	6,511,207	15,768,779
<u>\$ 9,078,507</u>	<u>\$ 3,423,576</u>	<u>\$ 15,918,535</u>	<u>\$ 12,894,431</u>	<u>\$ 52,936,291</u>

**CITY OF EAST PEORIA, ILLINOIS
RECONCILIATION OF GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION
APRIL 30, 2018**

Total Governmental Fund Balances		\$ 15,768,779
<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	\$ 10,244,067	
Construction-in-Progress	27,601	
Land Improvements	5,680,007	
Buildings and Improvements	53,713,181	
Machinery, Equipment, and Vehicles	18,190,348	
Infrastructure	122,826,945	
Accumulated Depreciation	<u>(85,537,466)</u>	125,144,683
<p>Deferred amounts related to pensions are not reported in the funds:</p>		
Deferred Outflows of Resources	8,131,716	
Deferred Inflows of Resources	<u>(14,846,688)</u>	(6,714,972)
<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	1,433,491	
Unavailable Revenue - Intergovernmental	240,114	
Unavailable Revenue - Capital Lease Receivable	7,721,202	
Unavailable Revenue - Developer Receivable	98,469	
Unavailable Revenue - Notes Receivable	241,646	
Unavailable Revenue - Special Assessments	<u>12,580</u>	9,747,502
<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	550,123	
Current Liabilities	<u>(428,861)</u>	121,262
<p>Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds:</p>		
Compensated Absences	(3,488,315)	
Other Postemployment Benefits Obligation	(19,137,866)	
Net Pension Liability	(43,368,177)	
Accrued Interest Payable	(1,170,980)	
General Obligation Bonds Payable, Current	(5,300,000)	
General Obligation Bonds Payable, Noncurrent	(77,145,000)	
Notes Payable, Current	(1,396,002)	
Notes Payable, Noncurrent	(4,973,333)	
Bond Discounts	44,521	
Bond Deferred Charge on Refunding	578,232	
Bond Premiums	<u>(438,793)</u>	<u>(155,795,713)</u>
Net Position of Governmental Activities		<u>\$ (11,728,459)</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, 2018

	General Fund
REVENUES	
Property Taxes	\$ 1,781,353
Other Taxes and Special Assessments	17,365,884
Charges for Services	1,301,409
Intergovernmental	799,177
Investment Earnings	119,487
Licenses and Permits	294,826
Miscellaneous	1,825,991
Total Revenues	23,488,127
EXPENDITURES	
Current:	
General Government	5,691,188
Police	6,032,005
Fire	5,374,738
Sanitation	898,656
Public Works	2,426,969
Community Development	212,573
Other	-
Capital Outlay	330,517
Debt Service:	
Principal Payments	376,181
Interest and Fiscal Charges	45,778
Total Expenditures	21,388,605
Excess (Deficiency) of Revenues over Expenditures	2,099,522
OTHER FINANCING SOURCES (USES)	
Issuance of Long-Term Debt	-
Transfers In	-
Transfers Out	(646,115)
Total Other Financing Sources (Uses)	(646,115)
NET CHANGE IN FUND BALANCES (DEFICITS)	1,453,407
Fund Balances (Deficits) - Beginning of Year	6,921,010
FUND BALANCES (DEFICITS) - END OF YEAR	\$ 8,374,417

See accompanying Notes to Basic Financial Statements.

Riverboat Gaming Tax Fund	Special Tax Allocation Fund	Capital Projects Fund	Other Governmental Funds	Total
\$ -	\$ 793,344	\$ 4,514,869	\$ 3,862,639	\$ 10,952,205
4,653,216	-	1,803,335	1,314,733	25,137,168
-	-	-	-	1,301,409
196,471	-	-	1,750,767	2,746,415
14,213	567	16,547	27,752	178,566
-	-	-	-	294,826
-	-	2,354,727	416,806	4,597,524
<u>4,863,900</u>	<u>793,911</u>	<u>8,689,478</u>	<u>7,372,697</u>	<u>45,208,113</u>
-	137,117	-	3,168,611	8,996,916
-	-	-	1,789,578	7,821,583
-	-	-	1,939,250	7,313,988
-	-	-	-	898,656
-	-	-	769,831	3,196,800
-	-	-	-	212,573
1,333,074	-	2,336,990	162,000	3,832,064
2,639,828	-	505,369	467,188	3,942,902
287,731	-	5,508,491	370,000	6,542,403
16,290	-	3,608,643	29,564	3,700,275
<u>4,276,923</u>	<u>137,117</u>	<u>11,959,493</u>	<u>8,696,022</u>	<u>46,458,160</u>
586,977	656,794	(3,270,015)	(1,323,325)	(1,250,047)
1,313,000	-	-	-	1,313,000
-	-	2,300,000	269,894	2,569,894
<u>(2,300,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,946,115)</u>
<u>(987,000)</u>	<u>-</u>	<u>2,300,000</u>	<u>269,894</u>	<u>936,779</u>
(400,023)	656,794	(970,015)	(1,053,431)	(313,268)
<u>8,869,052</u>	<u>(4,496,070)</u>	<u>(2,776,583)</u>	<u>7,564,638</u>	<u>16,082,047</u>
<u>\$ 8,469,029</u>	<u>\$ (3,839,276)</u>	<u>\$ (3,746,598)</u>	<u>\$ 6,511,207</u>	<u>\$ 15,768,779</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, 2018**

Net Change in Fund Balances - Governmental Funds \$ (313,268)

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

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

Capital Outlay	\$ 1,395,755	
Depreciation Expense	(7,008,671)	(5,612,916)

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		(2,410)
------------------------------------	--	---------

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	(208,795)	
Net Change in Intergovernmental	160,600	
Net Change in Notes Receivable	89,861	41,666

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	(12,579)	
Net Change in Developer Receivable	(50,000)	
Net Change in Capital Lease Receivable	(546,224)	(608,803)

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:

Repayment of Bond Principal	5,345,000	
Issuance of Notes Payable	(1,313,000)	
Repayment of Notes Payable Principal	1,197,403	
Interest Payable	62,052	
Amortization Deferred Charge on Refunding	(95,615)	
Amortization of Premiums and Discounts	56,291	5,252,131

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, 2018**

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

Change in Compensated Absences	\$ 172,045	
Change in Other Postemployment Benefit Obligation	(2,403,508)	
Net Pension Liability and Related Deferrals	<u>233,971</u>	\$ (1,997,492)

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.

(111,167)

Change in Net Position of Governmental Activities

\$ (3,352,259)

CITY OF EAST PEORIA, ILLINOIS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
APRIL 30, 2018

	Business-Type Activities - Enterprise Funds				Governmental Activities
	Water and Sewer Fund	Eastport Marina Fund	Eastside Centre Fund	Total	Internal Service Fund
ASSETS					
CURRENT ASSETS					
Cash and Cash Equivalents	\$ 2,626,996	\$ 151,775	\$ 184,388	\$ 2,963,159	\$ 679,164
Water and Sewer Revenue Receivables (Net Where Applicable of Allowance for Uncollectible Amounts):					
Billed	839,743	-	-	839,743	-
Unbilled Charges	990,739	-	-	990,739	-
Customer Charges (Net of Allowance)	-	158,811	-	158,811	-
Advanced to Other Funds	-	-	226,550	226,550	-
Prepaid Expenses	-	26,403	-	26,403	-
Inventory, at Cost	97,858	7,499	-	105,357	-
Total Current Assets	<u>4,555,336</u>	<u>344,488</u>	<u>410,938</u>	<u>5,310,762</u>	<u>679,164</u>
CAPITAL ASSETS					
Nondepreciable:					
Land	456,274	2,850,000	341,408	3,647,682	-
Construction-in-Progress	2,064,149	-	-	2,064,149	-
Depreciable:					
Land Improvements	1,668,483	3,170,619	2,840,483	7,679,585	-
Buildings	16,295,436	2,356,287	6,095,217	24,746,940	-
Machinery, Equipment, and Vehicles	13,363,658	525,868	1,182,322	15,071,848	-
Infrastructure	40,543,229	-	-	40,543,229	-
Less Accumulated Depreciation	<u>(48,299,664)</u>	<u>(4,636,261)</u>	<u>(5,849,682)</u>	<u>(58,785,607)</u>	<u>-</u>
Net Capital Assets	<u>26,091,565</u>	<u>4,266,513</u>	<u>4,609,748</u>	<u>34,967,826</u>	<u>-</u>
Total Assets	30,646,901	4,611,001	5,020,686	40,278,588	679,164
DEFERRED OUTFLOWS OF RESOURCES					
Deferred Amounts Related to Pensions	949,514	-	227,958	1,177,472	-

See accompanying Notes to Basic Financial Statements.

CITY OF EAST PEORIA, ILLINOIS
STATEMENT OF NET POSITION (CONTINUED)
PROPRIETARY FUNDS
APRIL 30, 2018

	Business-Type Activities - Enterprise Funds			Total	Governmental Activities
	Water and Sewer Fund	Eastport Marina Fund	Eastside Centre Fund		Internal Service Fund
LIABILITIES AND NET POSITION					
CURRENT LIABILITIES					
Accounts Payable	\$ 608,744	\$ -	\$ 43,161	\$ 651,905	\$ -
Wages Payable	25,666	-	5,313	30,979	-
Interest Payable	5,892	-	49	5,941	-
Deposits, Customers	82,130	-	-	82,130	-
Compensated Absences	161,169	-	19,966	181,135	-
Unearned Revenue	-	178,131	-	178,131	-
Accrued Health Claims	-	-	-	-	529,458
Current Portion of Long-Term Debt	1,031,763	-	17,721	1,049,484	-
Total Current Liabilities	1,915,364	178,131	86,210	2,179,705	529,458
LONG-TERM LIABILITIES					
Compensated Absences, Noncurrent	173,664	-	73,541	247,205	-
Advanced from Other Funds	902,217	144,293	32,000	1,078,510	-
Other Postemployment Benefits Obligation	-	-	1,970,290	1,970,290	-
Net Pension Liability	128,921	-	30,951	159,872	-
General Obligation Bonds, Plus Bond Premiums, Noncurrent	519,152	-	-	519,152	-
Notes Payable, Noncurrent	4,631,594	-	49,443	4,681,037	-
Total Long-Term Liabilities	6,355,548	144,293	2,156,225	8,656,066	-
Total Liabilities	8,270,912	322,424	2,242,435	10,835,771	529,458
DEFERRED INFLOWS OF RESOURCES					
Deferred Amounts Related to Pensions	809,978	-	194,458	1,004,436	-
NET POSITION					
Net Investment in Capital Assets	20,511,799	4,266,513	4,542,584	29,320,896	-
Unrestricted	2,003,726	22,064	(1,730,833)	294,957	149,706
Total Net Position	\$ 22,515,525	\$ 4,288,577	\$ 2,811,751	\$ 29,615,853	\$ 149,706
Total Enterprise Funds Net Position				\$ 29,615,853	
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>28,444</u>	
Net Position of Business-Type Activities				<u>\$ 29,644,297</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, 2018

	Business-Type Activities - Enterprise Funds			Total	Governmental Activities
	Water and Sewer Fund	Eastport Marina Fund	Eastside Centre Fund		Internal Service Fund
OPERATING REVENUES					
Water Sales	\$ 3,485,618	\$ -	\$ -	\$ 3,485,618	\$ -
Sewer Service Charges	4,401,013	-	-	4,401,013	-
Fuel Sales	-	148,496	-	148,496	-
Storage and Rentals	-	608,242	15,931	624,173	-
Fees for Services	-	-	375,118	375,118	-
Tap-In Charges	30,829	-	-	30,829	-
Water Assessments	8,400	-	-	8,400	-
Sewer Assessments	13,200	-	-	13,200	-
Penalties	184,228	-	-	184,228	-
Individual Sewer Permits	1,040	-	-	1,040	-
Contractors' Sewer Permits	1,295	-	-	1,295	-
Sewer Inspection Fees	1,005	-	-	1,005	-
Sewer Connection Fees	17,130	-	-	17,130	-
Concession Sales	-	-	202,004	202,004	-
Charges for Coverage	-	-	-	-	3,319,900
Miscellaneous	32,020	-	70,248	102,268	-
Total Operating Revenues	<u>8,175,778</u>	<u>756,738</u>	<u>663,301</u>	<u>9,595,817</u>	<u>3,319,900</u>
OPERATING EXPENSES					
Salaries and Benefits	3,238,892	224,878	597,628	4,061,398	-
Contractual Services	238,615	80,000	66,357	384,972	-
Utilities	565,085	64,051	25,388	654,524	-
Repair and Maintenance	469,106	90,991	148,062	708,159	-
Insurance	549,600	43,178	32,000	624,778	-
Other Supplies and Expenses	604,876	248,951	172,356	1,026,183	-
Depreciation	1,247,187	85,830	197,681	1,530,698	-
Insurance Claims	-	-	-	-	3,458,245
Total Operating Expenses	<u>6,913,361</u>	<u>837,879</u>	<u>1,239,472</u>	<u>8,990,712</u>	<u>3,458,245</u>
OPERATING INCOME (LOSS)	1,262,417	(81,141)	(576,171)	605,105	(138,345)
NONOPERATING REVENUES (EXPENSES)					
Interest	45,034	874	1,557	47,465	1,102
Reimbursements	7,488	-	-	7,488	-
Municipal Sales Tax	-	-	16,197	16,197	-
Interest, Fiscal Charges, and Amortization	(163,920)	-	(17,529)	(181,449)	-
Total Nonoperating Revenues (Expenses)	<u>(111,398)</u>	<u>874</u>	<u>225</u>	<u>(110,299)</u>	<u>1,102</u>
INCOME (LOSS) BEFORE TRANSFERS	1,151,019	(80,267)	(575,946)	494,806	(137,243)
TRANSFERS IN	-	-	376,221	376,221	-
CAPITAL CONTRIBUTIONS	3,492	-	263,669	267,161	-
CHANGE IN NET POSITION	1,154,511	(80,267)	63,944	1,138,188	(137,243)
Total Net Position - Beginning of Year	<u>21,361,014</u>	<u>4,368,844</u>	<u>2,747,807</u>	<u>28,477,665</u>	<u>286,949</u>
TOTAL NET POSITION - END OF YEAR	<u>\$ 22,515,525</u>	<u>\$ 4,288,577</u>	<u>\$ 2,811,751</u>	<u>\$ 29,615,853</u>	<u>\$ 149,706</u>
Total Enterprise Funds Change in Net Position				\$ 1,138,188	

Amounts reported for business-type activities in the statement of activities are different because an internal service fund is used by management to charge the cost of certain services to individual funds. A portion of the activity of the internal service fund is included in business-type activities in the statement of activities.

(26,076)

Change in Net Position of Business-Type Activities \$ 1,112,112

See accompanying Notes to Basic Financial Statements.

**CITY OF EAST PEORIA, ILLINOIS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED APRIL 30, 2018**

	Business-Type Activities - Enterprise Funds			Total	Governmental Activities
	Water and Sewer Fund	Eastport Marina Fund	Eastside Centre Fund		Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from Customers and Users	\$ 8,015,004	\$ 713,978	\$ 663,301	\$ 9,392,283	\$ 3,319,900
Payments to Suppliers	(3,180,064)	(537,771)	(208,573)	(3,926,408)	(3,414,468)
Payments to Employees	(3,287,337)	(224,878)	(571,480)	(4,083,695)	-
Net Cash Provided (Used) by Operating Activities	1,547,603	(48,671)	(116,752)	1,382,180	(94,568)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Reimbursements	7,488	-	-	7,488	-
Municipal Sales Tax	-	-	16,197	16,197	-
Transfer to/from Other Funds	538,000	-	376,221	914,221	-
Net Cash Provided by Noncapital Financing Activities	545,488	-	392,418	937,906	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Proceeds from Issuance of Notes Payable	1,187,000	-	-	1,187,000	-
Principal Payments on Notes Payable	(802,569)	-	(127,017)	(929,586)	-
Interest and Fiscal Charges Paid on Bonds and Notes Payable	(206,594)	-	(17,529)	(224,123)	-
Purchase of Capital Assets	(1,641,337)	-	-	(1,641,337)	-
Principal Payment on Bonds	(235,000)	-	-	(235,000)	-
Net Cash Used by Capital and Related Financing Activities	(1,698,500)	-	(144,546)	(1,843,046)	-
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest on Investments	45,034	874	1,557	47,465	1,102
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	439,625	(47,797)	132,677	524,505	(93,466)
Cash and Cash Equivalents - Beginning of Year	2,187,371	199,572	51,711	2,438,654	772,630
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 2,626,996</u>	<u>\$ 151,775</u>	<u>\$ 184,388</u>	<u>\$ 2,963,159</u>	<u>\$ 679,164</u>

See accompanying Notes to Basic Financial Statements.

CITY OF EAST PEORIA, ILLINOIS
STATEMENT OF CASH FLOWS (CONTINUED)
PROPRIETARY FUNDS
YEAR ENDED APRIL 30, 2018

	Business-Type Activities - Enterprise Funds			Total	Governmental Activities
	Water and Sewer Fund	Eastport Marina Fund	Eastside Centre Fund		Internal Service Fund
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES					
Operating Income (Loss)	\$ 1,262,417	\$ (81,141)	\$ (576,171)	\$ 605,105	\$ (138,345)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:					
Depreciation	1,247,187	85,830	197,681	1,530,698	-
Change in Assets and Liabilities:					
Customer Charges and Receivables	(159,304)	(40,506)	-	(199,810)	-
Prepaid Expenses	-	(22,362)	-	(22,362)	-
Inventory	(16,591)	11,762	-	(4,829)	-
Accounts Payable, Claims, Retainage, and Wages Payable	(77,304)	-	21,905	(55,399)	43,777
Deposits	(1,470)	-	-	(1,470)	-
Unearned Revenue	-	(2,254)	-	(2,254)	-
Compensated Absences	(49,342)	-	25,151	(24,191)	-
Other Postemployment Benefits Obligation	-	-	333,224	333,224	-
Net Pension Liability and Related Deferrals	(657,990)	-	(118,542)	(776,532)	-
Net Cash Provided (Used) by Operating Activities	<u>\$ 1,547,603</u>	<u>\$ (48,671)</u>	<u>\$ (116,752)</u>	<u>\$ 1,382,180</u>	<u>\$ (94,568)</u>
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES					
Amortization of Premiums, Discounts, and Deferred Charge on Refunding	<u>\$ 12,615</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,615</u>	<u>\$ -</u>
Capital Contributions	<u>\$ 3,492</u>	<u>\$ -</u>	<u>\$ 263,669</u>	<u>\$ 267,161</u>	<u>\$ -</u>
Purchases of Capital Assets Included in Accounts Payable as of April 30, 2018	<u>\$ 509,299</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 509,299</u>	<u>\$ -</u>

See accompanying Notes to Basic Financial Statements.

CITY OF EAST PEORIA, ILLINOIS
STATEMENT OF FIDUCIARY NET POSITION
APRIL 30, 2018

	Pension Trusts	Agency
ASSETS		
Cash and Cash Equivalents	\$ 1,236,482	\$ 26,994
Receivables:		
Other	3,529	-
Accrued Interest and Dividends	127,854	-
Total Receivables	131,383	-
Investments, at Fair Value:		
Money Market Funds	1,261,496	-
Municipal Bonds	754,241	-
Corporate Bonds	7,710,927	-
U.S. Government Notes and Bonds	4,251,537	-
U.S. Government Agency Obligations	2,076,354	-
Mutual Funds	13,977,521	-
Common Stocks	19,654,593	-
Total Investments	49,686,669	-
Total Assets	51,054,534	\$ 26,994
LIABILITIES		
Accounts Payable and Accrued Payroll Taxes	5,008	\$ -
Amounts Held for Others	-	26,994
Total Liabilities	5,008	\$ 26,994
Net Position Held in Trust for Pension Benefits	\$ 51,049,526	

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, 2018**

ADDITIONS

Contributions:

Plan Members' Contributions	\$ 776,448
Employer Contributions	<u>3,778,100</u>
Total Contributions	4,554,548

Net Investment Income:

Net Appreciation in Fair Value of Investments	2,050,675
Dividends and Interest	<u>1,299,503</u>
Total Investment Income	3,350,178
Less: Investment Expenses	<u>256,947</u>
Net Investment Income	<u>3,093,231</u>

Total Additions	7,647,779
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DEDUCTIONS

Benefits Paid	3,727,326
Refunds of Contributions	2,785
Administrative Expenses	<u>100,627</u>
Total Deductions	<u>3,830,738</u>

Change in Net Position	3,817,041
------------------------	-----------

NET POSITION HELD IN TRUST FOR PENSION BENEFITS

Beginning of Year	<u>47,232,485</u>
End of Year	<u><u>\$ 51,049,526</u></u>

See accompanying Notes to Basic Financial Statements.

CITY OF EAST PEORIA, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
APRIL 30, 2018

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

The City of East Peoria, Illinois (the City) is a municipality located in Central Illinois. Revenues are substantially generated as a result of taxes assessed and allocated to the City (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, 2018**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Reporting Entity (Continued)

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

Fiduciary Funds - City of East Peoria Police and 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 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, 2018.

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, 2018

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, 2018

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.

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, 2018

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus and Basis of Accounting (Continued)

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

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

The City reports the following major proprietary funds:

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

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.

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.

CITY OF EAST PEORIA, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
APRIL 30, 2018

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus and Basis of Accounting (Continued)

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 2018 represent the 2016 tax levy which was received by the City during the months of July 2017 through November 2017. The general property taxes receivable and the related deferred inflow of resources at April 30, 2018 are based on the City's 2017 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, 2018, the City had no investments qualified as cash equivalents.

Investments

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

Interfund Transactions

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

CITY OF EAST PEORIA, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
APRIL 30, 2018

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Interfund Transactions (Continued)

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 interfund loan receivables are reported as advances within the governmental funds and are sometimes classified as nonspendable or restricted fund balance, which indicates they do not constitute expendable available financial resources and, therefore, are not available for appropriation.

Inventory

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

Capital Assets

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

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. 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, 2018.

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

CITY OF EAST PEORIA, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
APRIL 30, 2018

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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, 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, 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.

CITY OF EAST PEORIA, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
APRIL 30, 2018

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

CITY OF EAST PEORIA, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
APRIL 30, 2018

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balance (Continued)

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

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

Net Position

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 was \$-0-. 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 \$110,324 for audit, \$245,835 for employee benefits, \$29,394 for sewer chlorination, \$11,392,616 for capital improvements and equipment, and \$160,918 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.

**CITY OF EAST PEORIA, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
APRIL 30, 2018**

NOTE 2 CASH AND INVESTMENTS

Authorized Investments

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

As of April 30, 2018, the City had the following cash and investments:

Cash and Investments - Statement of Net Position	\$ 13,139,122
Restricted Cash and Investments - Statement of Net Position	908,909
Cash and Cash Equivalents - Fiduciary Funds	1,263,476
Investments - Fiduciary Funds	49,686,669
Total	\$ 64,998,176
Deposits	\$ 13,288,791
Illinois Funds Money Market Fund	759,240
Deposits Held by Fiduciary Funds	1,263,476
Investments Held by Fiduciary Funds	49,686,669
Total Primary Government	\$ 64,998,176

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

The City has no recurring fair value measurements as of April 30, 2018:

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, 2018, -\$0- of the City's bank balance of \$14,554,004 was uncollateralized. \$14,019,702 of the bank balance was exposed to custodial credit risk and collateralized with securities held by the pledging financial institution.

CITY OF EAST PEORIA, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
APRIL 30, 2018

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

Interest Rate Risk

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

Credit Risk

Credit risk is the risk that an issuer or other counterparty to a debt investment will not fulfill its obligations. The City has no investment policy that would further limit its investment choices.

Illinois Funds – The fair value of the City’s position in this fund is equal to the value of the City’s fund shares. The portfolio is regulated by oversight of the Treasurer of the state of Illinois and private rating agencies. The portfolio has AAAM ratings from Standard and Poor’s. The assets of the fund are mainly invested in securities issued by the United States government or agencies related to the United States. Assets of the fund not invested in United States government securities are fully collateralized by pledged securities. The time to maturity of the investments in this external investment pool averages less than one year. The carrying amount of these deposits at April 30, 2018 was \$759,240.

Cash and Investments, Pension Trust Funds (The Funds)

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

Deposits

Custodial credit risk for deposits is the risk that in the event of a bank failure, the Fund’s deposits may not be returned or the Fund will not be able to recover collateral securities in the possession of an outside party. The Fund’s deposit policy provides that all deposits be guaranteed by the U.S. Government, insured by the Federal Deposit Insurance Corporation (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, 2018, 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, 2018

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

Investments

As of April 30, 2018, 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	\$ 1,950,469	N/A	9.35	7%
U.S. Government Agencies	1,568,507	Aaa to Aa+	17.25	6
Money Market Funds	497,966	N/A	-	2
Municipal Bonds	427,677	A2 to Aaa	4.80	2
Corporate Bonds	4,538,934	Aaa to Bbb	9.10	17
Common Stock	15,146,881	N/A	N/A	55
Mutual Funds, Equities	2,827,823	N/A	N/A	10
Total Investments	<u>\$ 26,958,257</u>			

As of April 30, 2018, 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	\$ 2,301,068	N/A	9.35	10%
U.S. Government Agencies	507,847	Aaa	4.26	2
Money Market Funds	763,530	N/A	-	3
Municipal Bonds	326,564	Aaa to Aa	8.90	1
Corporate Bonds	3,171,993	Aaa to Baa3	9.88	14
Common Stock	4,507,712	N/A	N/A	20
Mutual Funds, Equities	11,149,698	N/A	N/A	48
Total Investments	<u>\$ 22,728,412</u>			

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

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

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

(1) Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Investing is performed in accordance with investment policies adopted by the Board of Trustees complying with Illinois Compiled Statutes. Funds may only be invested in permitted investments as authorized in Chapter 40, Article 5/1, Paragraphs 113.1 through 113.10 of the Illinois Compiled Statutes.

**CITY OF EAST PEORIA, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
APRIL 30, 2018**

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

Investments (Continued)

The following was the Firefighter’s Pension Fund Board’s adopted allocated policy as of April 30, 2018:

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

The following was the Police Pension Fund Board’s adopted allocated policy as of April 30, 2018:

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

- (2) Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Investments held for longer periods are subject to increased risk of adverse interest rate changes. The Funds’ policies provide that investments are diversified to minimize the risk of loss resulting from over-concentration of assets in a specific maturity period, a single issuer, or an individual class of securities. Investment guidelines have been established for each investment manager to evaluate performance of the Funds’ investments compared to industry benchmarks.
- (3) Custodial credit risk is the risk that, in the event of the failure of a counterparty, the Funds will not be able to recover the value of its investments or collateral securities in the possession of an outside party. Consistent with the Funds’ investment policies, all securities are held by a third-party custodian serving as the Funds’ agent. The securities are held in the Funds’ name.

Fair Value Measurements

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

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

CITY OF EAST PEORIA, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
APRIL 30, 2018

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

Investments (Continued)

Fair Value Measurements (Continued)

Level 2 Inputs to the valuation methodology include:

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

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

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

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

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at April 30, 2018 from prior year.

Common stock and mutual funds – equities: Valued at public traded prices that are quoted daily.

Corporate bonds and municipal bonds: Valued using matrix pricing model using inputs of price or yield of a similar security.

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

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

CITY OF EAST PEORIA, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
APRIL 30, 2018

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

Investments (Continued)

The following table sets forth by level, within the fair value hierarchy, the Firefighter's Pension Fund's assets at fair value as of April 30, 2018:

	Fair Values	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
U.S. Government Notes and Bonds				
Explicitly Guaranteed	\$ 2,301,068	\$ -	\$ 2,301,068	\$ -
U.S. Government Agencies	507,847	-	507,847	-
Mutual Funds - Equities	11,149,698	11,149,698	-	-
Common Stocks	4,507,712	4,507,712	-	-
Corporate Bonds	3,171,993	-	3,171,993	-
Municipal Bonds	326,564	-	326,564	-
Total	<u>21,964,882</u>	<u>\$ 15,657,410</u>	<u>\$ 6,307,472</u>	<u>\$ -</u>
Money Market Funds	763,530			
Total Investments	<u>\$ 22,728,412</u>			

The following table sets forth by level, within the fair value hierarchy, the Police Pension Fund's assets at fair value as of April 30, 2018:

	Fair Values	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
U.S. Government Notes and Bonds				
Explicitly Guaranteed	\$ 1,950,469	\$ -	\$ 1,950,469	\$ -
U.S. Government Agencies	1,568,507	-	1,568,507	-
Municipal Bonds	427,677	-	427,677	-
Corporate Bonds	4,538,934	-	4,538,934	-
Common Stocks	15,146,881	15,146,881	-	-
Mutual Funds - Equities	2,827,823	2,827,823	-	-
Total	<u>26,460,291</u>	<u>\$ 17,974,704</u>	<u>\$ 8,485,587</u>	<u>\$ -</u>
Money Market Funds	497,966			
Total Investments	<u>\$ 26,958,257</u>			

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

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

For the Firefighter's Pension Fund for the year ended April 30, 2018, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 6.56%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

CITY OF EAST PEORIA, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
APRIL 30, 2018

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

Investments (Continued)

For the Police Pension Fund for the year ended April 30, 2018, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, for assets held with Benjamin F. Edwards & Co. was 5.77%. The annual money-weighted rate of return on pension plan investments, net of pension plan investment expenses, for assets held with the Commerce Trust Company was 7.57%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Cash and Investments, Discretely Presented Component Unit

Custodial credit risk is the risk that, in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a deposit policy for custodial credit risk. As of June 30, 2018, none of the District's bank balance of \$64,159 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, 2018 is as follows:

Total Special Assessments Receivable	\$ 26,352
Less Amounts Not Receivable Within One Year	12,580
Current Special Assessments Receivable	<u>\$ 13,772</u>

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.

**CITY OF EAST PEORIA, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
APRIL 30, 2018**

NOTE 4 LEASE RECEIVABLE (CONTINUED)

As of April 30, 2018, components of the lease receivable were as follows:

Total Lease Receivable Payments	\$ 10,114,201
Amount Representing Interest	<u>2,392,999</u>
Net	<u><u>\$ 7,721,202</u></u>

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

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

As of April 30, 2018, future minimum lease revenue expected to be received were as follows:

<u>Fiscal Year Ending April 30,</u>	
2019	\$ 1,032,120
2020	1,055,040
2021	1,077,960
2022	1,100,880
2023	1,123,800
2024-2027	<u>4,724,401</u>
Total Lease Receivable Payments	10,114,201
Less: Amount Representing Interest	<u>(2,392,999)</u>
Lease Receivable	<u><u>\$ 7,721,202</u></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 in September 2011. The lease term is 20 years with six consecutive renewal options of five years each. For the year ended April 30, 2018, lease revenues from this lease were \$421,241. As of April 30, 2018, there was a lease receivable of \$29,313 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, 2018

NOTE 5 CAPITAL ASSETS, PRIMARY GOVERNMENT

Capital asset activity for the year ended April 30, 2018 was as follows:

	Balance April 30, 2017	Additions	Deductions/ Transfers	Balance April 30, 2018
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Land	\$ 8,426,876	\$ 1,817,191	\$ -	\$ 10,244,067
Construction in Progress	1,266,594	578,198	1,817,191	27,601
Total Capital Assets Not Being Depreciated	9,693,470	2,395,389	1,817,191	10,271,668
Capital Assets, Being Depreciated:				
Land Improvements	5,383,973	296,034	-	5,680,007
Buildings	53,683,681	29,500	-	53,713,181
Machinery, Equipment, and Vehicles	18,097,663	478,023	385,338	18,190,348
Infrastructure Assets	122,812,945	14,000	-	122,826,945
Total Capital Assets Being Depreciated	199,978,262	817,557	385,338	200,410,481
Less Accumulated Depreciation for:				
Land Improvements	2,369,266	237,476	-	2,606,742
Buildings	13,701,827	1,981,988	-	15,683,815
Machinery, Equipment, and Vehicles	13,190,746	1,095,654	382,928	13,903,472
Infrastructure Assets	49,649,884	3,693,553	-	53,343,437
Total Accumulated Depreciation	78,911,723	7,008,671	382,928	85,537,466
Total Capital Assets Being Depreciated, Net	121,066,539	(6,191,114)	2,410	114,873,015
Governmental Activities Capital Assets, Net	\$ 130,760,009	\$ (3,795,725)	\$ 1,819,601	\$ 125,144,683

CITY OF EAST PEORIA, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
APRIL 30, 2018

NOTE 5 CAPITAL ASSETS, PRIMARY GOVERNMENT (CONTINUED)

	Balance April 30, 2017	Additions	Deductions/ Transfers	Balance April 30, 2018
Business-Type Activities:				
Capital Assets, Not Being Depreciated:				
Land	\$ 3,647,682	\$ -	\$ -	\$ 3,647,682
Construction in Progress	194,400	1,869,749	-	2,064,149
Total Capital Assets Not Being Depreciated	3,842,082	1,869,749	-	5,711,831
Capital Assets, Being Depreciated:				
Land Improvements	7,468,978	210,607	-	7,679,585
Buildings	24,714,279	32,661	-	24,746,940
Machinery, Equipment, and Vehicles	14,767,068	304,780	-	15,071,848
Infrastructure Assets	40,543,229	-	-	40,543,229
Total Capital Assets Being Depreciated	87,493,554	548,048	-	88,041,602
Less Accumulated Depreciation for:				
Land Improvements	6,555,643	79,392	-	6,635,035
Buildings	12,039,100	500,256	-	12,539,356
Machinery, Equipment, and Vehicles	12,876,482	354,455	-	13,230,937
Infrastructure Assets	25,783,684	596,595	-	26,380,279
Total Accumulated Depreciation	57,254,909	1,530,698	-	58,785,607
Total Capital Assets Being Depreciated, Net	30,238,645	(982,650)	-	29,255,995
Business-Type Activities Capital Assets, Net	\$ 34,080,727	\$ 887,099	\$ -	\$ 34,967,826

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

Governmental Activities:		
Police		\$ 334,237
Fire		307,783
Sanitation		110,555
Public Works		3,662,106
General Government		2,593,990
Total Depreciation Expense, Governmental Activities		<u>\$ 7,008,671</u>
Business-Type Activities:		
Water and Sewer Fund		\$ 1,247,187
Eastport Marina Fund		85,830
Eastside Centre Fund		197,681
Total Depreciation Expense, Business-Type Activities		<u>\$ 1,530,698</u>

CITY OF EAST PEORIA, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
APRIL 30, 2018

NOTE 6 LONG-TERM LIABILITIES, PRIMARY GOVERNMENT

The following is a summary of changes in long-term liabilities for the year ended April 30, 2018:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Bonds Payable:					
General Obligation Bonds	\$ 87,790,000	\$ -	\$ 5,345,000	\$ 82,445,000	\$ 5,300,000
Issuance Premiums (Discounts)	450,563	-	56,291	394,272	56,975
Total Bonds Payable	<u>88,240,563</u>	<u>-</u>	<u>5,401,291</u>	<u>82,839,272</u>	<u>5,356,975</u>
Notes Payable	6,253,738	1,313,000	1,197,403	6,369,335	1,396,002
Compensated Absences	<u>3,782,774</u>	<u>3,537,735</u>	<u>3,782,774</u>	<u>3,537,735</u>	<u>713,368</u>
 Governmental Activities, Long-Term Liabilities	 <u>\$ 98,277,075</u>	 <u>\$ 4,850,735</u>	 <u>\$ 10,381,468</u>	 <u>\$ 92,746,342</u>	 <u>\$ 7,466,345</u>
	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Business-Type Activities					
Bonds Payable:					
General Obligation Bonds	\$ 765,000	\$ -	\$ 145,000	\$ 620,000	\$ 145,000
Revenue Bonds	90,000	-	90,000	-	-
Issuance Premiums (Discounts)	69,382	-	12,615	56,767	12,615
Total Bonds Payable	<u>924,382</u>	<u>-</u>	<u>247,615</u>	<u>676,767</u>	<u>157,615</u>
Notes Payable	5,315,492	1,187,000	929,586	5,572,906	891,869
Compensated Absences	<u>452,531</u>	<u>428,340</u>	<u>452,531</u>	<u>428,340</u>	<u>181,135</u>
 Business-Type Activities Long-Term Liabilities	 <u>\$ 6,692,405</u>	 <u>\$ 1,615,340</u>	 <u>\$ 1,629,732</u>	 <u>\$ 6,678,013</u>	 <u>\$ 1,230,619</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, 2018**

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

Long-term debt payable as of April 30, 2018 is comprised of the following individual issues:

Governmental Activities - General Obligation Bonds

General Obligation Bonds:

\$23,695,000, General Obligation Refunding Bonds, Series 2007, due in annual installments of \$370,000 to \$2,915,000, through January 2027; interest at rates of 4.85% to 5.5%	\$ 15,480,000
\$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%	19,845,000
\$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%	3,050,000
\$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%	3,050,000
\$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%	2,915,000
\$4,880,000, General Obligation Bonds, Series 2012D, due in annual installments of \$200,000 to \$355,000, through January 2032; interest at rates of 1.470% to 4.575%	1,155,000
\$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%	1,135,000
\$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%	520,000
\$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%	4,730,000

**CITY OF EAST PEORIA, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
APRIL 30, 2018**

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

Governmental Activities - General Obligation Bonds (Continued)

\$18,570,000, General Obligation Refunding Bonds, Series 2014, due in annual installments of \$5,000 to \$1,565,000, through January 2033; interest at rates of 2.00% to 5.00%	\$ 17,680,000
\$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%	2,745,000
\$3,280,000, General Obligation Refunding Bonds, Series 2016C, due in annual installments of \$65,000 to \$1,610,000, through January 2021; interest at rates of 1.50% to 2.25%	<u>3,215,000</u>
Total General Obligation Bonds, Governmental Activities	<u><u>\$ 82,445,000</u></u>

Governmental Activities - Notes Payable

Notes Payable:

Note payable to bank, due in semiannual installments of \$210,980 including interest at 2.50% as of August 26, 2016 through May 2021 (Kohl's Property)	\$ 1,438,159
Note payable to bank, due in semiannual installments of \$31,893, including interest at 2.50%, through August 2023 (Steak-N-Shake Property)	331,249
Note payable to bank, due in annual installments of \$572,094, including interest at 2.50%, through January 2024 (Camp Street Property)	3,147,857
Note payable to bank, due in annual installments of \$179,465, including interest at 1.50%, through September 2018 (Garbage Truck)	176,848
Note payable to bank, due in annual installments of \$2,674, including interest at 1.69%, through October 2019 (Laptops)	45,137
Note payable to bank, due in annual installments of \$44,017, including interest at 2.15%, through December 2022 (Early Retirement Incentive)	<u>1,230,085</u>
Total Notes Payable, Governmental Activities	<u><u>\$ 6,369,335</u></u>

**CITY OF EAST PEORIA, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
APRIL 30, 2018**

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

Business-Type Activities - General Obligation Bonds

General Obligation Bonds:

Water and Sewer Fund Long-Term Debt:

\$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%

\$ 620,000

Business-Type Activities - 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%

\$ 142,648

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%

122,176

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%

337,080

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%

2,032,959

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%

572,923

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

938,039

Note payable to bank, due in monthly installments of \$6,730 through July
2021, including interest at 1.83%

247,880

Note payable to bank, due in annual installments of \$44,017, including
interest at 2.15%, through December 2022 (Early Retirement Incentive)

1,112,042

Eastside Centre Long-Term Debt:

Note payable to bank, due in annual installments of \$1,575, including
interest at 1.99%, through December 2021 with the remaining principal
balance due at maturity (Backhoe)

67,159

Total Notes Payable, Business-Type Activities

\$ 5,572,906

**CITY OF EAST PEORIA, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
APRIL 30, 2018**

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

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

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
<u>Year Ending April 30,</u>				
2019	\$ 5,300,000	\$ 3,379,708	\$ 145,000	\$ 24,800
2020	5,535,000	3,187,384	150,000	19,000
2021	5,750,000	3,027,168	160,000	13,000
2022	5,990,000	2,846,728	165,000	6,600
2023	6,185,000	2,599,080	-	-
2024-2028	31,825,000	8,674,875	-	-
2029-2033	21,860,000	2,821,491	-	-
Total	<u>\$ 82,445,000</u>	<u>\$ 26,536,434</u>	<u>\$ 620,000</u>	<u>\$ 63,400</u>

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

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
<u>Year Ending April 30,</u>				
2019	\$ 1,396,002	\$ 148,264	\$ 891,869	\$ 102,854
2020	1,235,685	115,873	871,489	108,074
2021	1,249,323	85,930	828,776	85,619
2022	1,103,025	54,873	781,166	66,473
2023	789,708	31,106	682,955	48,442
2024-2028	595,592	14,534	1,516,651	102,290
Total	<u>\$ 6,369,335</u>	<u>\$ 450,580</u>	<u>\$ 5,572,906</u>	<u>\$ 513,752</u>

Governmental Activities and Business-Type Activities

On December 8, 2017, the City issued a \$2,500,000 note payable with an interest rate of 2.15% for payment of the IMRF Early Retirement Incentive. A portion of this is included in governmental activities and the remainder is included in business-type activities. Payments in the amount of \$44,017 are due annually through fiscal year 2023. Approximately 53% of the note payable was recorded in the Riverboat Gaming Tax Fund and the remaining 47% was recorded in the Water and Sewer Fund.

Legal Debt Margin

As of April 30, 2018, the legal debt limit of the City was \$38,560,539 and the debt margin was \$26,618,298.

CITY OF EAST PEORIA, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
APRIL 30, 2018

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

Pledged Revenues

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 \$51,925,312. Principal and interest of the 2010A and 2014 bonds paid for the current year and total sales tax and lease income revenues were \$3,462,381 and \$421,241, 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 \$13,228,505. Principal and interest of the 2016A and 2016B bonds paid for the current year and total business district tax and sales tax revenues were \$338,250 and \$855,140, respectively.

Debt Covenants

Bond indentures sometimes contain significant limitations and restrictions on annual debt service requirements, maintenance of and flow of monies through various restricted accounts, and minimum amounts to be maintained in various funds. As of April 30, 2018, none of the City's long-term liabilities had any such debt covenants requiring the restriction of assets.

Conduit Debt

The City has issued certain limited obligation revenue refunding bonds to provide financial assistance for student housing at a local community college. The debt is secured by the property financed, revenues from the housing facility, and a guarantee by the College Foundation. The City is not obligated in any manner for repayment of this debt and, accordingly, it is not reported as a liability in the accompanying financial statements. The amount outstanding of the conduit debt obligation as of April 30, 2018 was \$16,765,000.

CITY OF EAST PEORIA, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
APRIL 30, 2018

NOTE 7 INTERFUND RECEIVABLES AND PAYABLE, PRIMARY GOVERNMENT

The individual fund interfund advance receivable and payable balances as of April 30, 2018 were:

	<u>Advances to Other Funds</u>	<u>Advances from Other Funds</u>
Governmental Funds:		
Major Funds:		
General Fund	\$ 2,901,157	\$ 381,049
Riverboat Gaming Tax Fund	8,438,550	428,939
Special Tax Allocation Fund	2,639,532	6,481,826
Capital Projects Fund	381,451	6,605,982
Nonmajor Funds	780,431	391,365
Enterprise Funds:		
Eastside Centre Fund	226,550	32,000
Water and Sewer Fund	-	902,217
Eastport Marina Fund	-	144,293
Total	<u>\$ 15,367,671</u>	<u>\$ 15,367,671</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	\$ -	\$ 646,115
Riverboat Gaming Tax Fund	-	2,300,000
Capital Projects Fund	2,300,000	-
Nonmajor Funds	269,894	-
Enterprise Funds:		
Eastside Centre Fund	376,221	-
Total	<u>\$ 2,946,115</u>	<u>\$ 2,946,115</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 Capital Projects Fund as debt service payments become due, and (3) use unrestricted revenues collected to finance various programs accounted for in other funds in accordance with budgetary authorizations.

**CITY OF EAST PEORIA, ILLINOIS
 NOTES TO BASIC FINANCIAL STATEMENTS
 APRIL 30, 2018**

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, 2018</u>
Major Governmental Funds:	
Special Tax Allocation Fund	\$ 3,839,276
Capital Projects Fund	3,746,598

Deficits in the Special Tax Allocation Fund and Capital Projects 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 \$100,000 of qualifying medical expenses per individual employee and unlimited aggregate claims on an annual basis. The City maintains a stop-loss insurance contract which covers up to \$1,000,000 on an annual basis.

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

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

**CITY OF EAST PEORIA, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
APRIL 30, 2018**

NOTE 9 RISK MANAGEMENT/SELF-INSURANCE (CONTINUED)

The unpaid claims and incurred but not reported claims of approximately \$529,458, 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 require that a liability for claims be reported if information prior to the issuance of financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

Changes in the health claims liability in fiscal years 2018 and 2017 were:

Balance - April 30, 2016	\$ 205,434
Current Year Claims and Changes in Estimates	3,775,229
Claims Paid	<u>(3,585,938)</u>
Balance - April 30, 2017	394,725
Current Year Claims and Changes in Estimates	3,203,673
Claims Paid	<u>(3,242,217)</u>
Balance - April 30, 2018	<u><u>\$ 356,181</u></u>

Changes in workers compensation and general liability in fiscal years 2018 and 2017 were:

Balance - April 30, 2016	\$ 12,990
Current Year Claims and Changes in Estimates	372,209
Claims Paid	<u>(294,243)</u>
Balance - April 30, 2017	90,956
Current Year Claims and Changes in Estimates	298,224
Claims Paid	<u>(215,903)</u>
Balance - April 30, 2018	<u><u>\$ 173,277</u></u>

NOTE 10 PENSION PLANS

The City contributes to three defined benefit pension plans: the Illinois Municipal Retirement Fund (IMRF), which is a defined benefit agent multiple-employer public employee retirement system; the Police Pension Plan, which is a single-employer pension plan; and the 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.

CITY OF EAST PEORIA, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
APRIL 30, 2018

NOTE 10 PENSION PLANS (CONTINUED)

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 the Elected County Official (ECO) plan for officials elected prior to August 8, 2011 (the ECO plan was closed to new participants after that date).

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

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

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

**CITY OF EAST PEORIA, ILLINOIS
 NOTES TO BASIC FINANCIAL STATEMENTS
 APRIL 30, 2018**

NOTE 10 PENSION PLANS (CONTINUED)

A. IMRF (Continued)

Employees Covered by Benefit Terms

As of December 31, 2017, the following employees were covered by the benefit terms:

Retirees and Beneficiaries	132
Inactive, Nonretired Members	37
Active Members	93
Total	262

Contributions

As set by statute, the City’s Regular Plan members are required to contribute 4.50% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The City’s annual contribution rate for calendar years 2018 and 2017 was 11.14% and 9.78%, respectively. For the fiscal year ended April 30, 2018, the City contributed \$3,180,517 to the Regular and SLEP plans.

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

Net Pension Liability

The City’s net pension liability was measured as of December 31, 2017. The total pension liability used to calculate the net pension asset/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, 2017:

- 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 2.50%.
- **Salary Increases** were expected to be 3.39% to 14.25%.
- The **Investment Rate of Return** was assumed to be 7.50%.
- **Projected Retirement Age** was from the Experience-based Table of Rates, specific to the type of eligibility condition, last updated for the 2017 valuation according to an experience study from years 2014 to 2016.

**CITY OF EAST PEORIA, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
APRIL 30, 2018**

NOTE 10 PENSION PLANS (CONTINUED)

A. IMRF (Continued)

Actuarial Assumptions (Continued)

- For **Non-Disabled Retirees**, an IMRF-specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF-specific rates were developed from the RP-2014 Blue Collar 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-2017 (base year 2015). The IMRF-specific rates were developed from the RP-2014 Disabled Retirees Mortality Table, applying the same adjustments that were applied for non-disabled lives.
- For **Active Members**, an IMRF-specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF-specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.
- The **Long-Term Expected Rate of Return** on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	37.00%	6.85%
International Equity	18.00	6.75
Fixed Income	28.00	3.00
REITS	9.00	5.75
Alternatives	7.00	2.65-7.35
Cash	1.00	2.25
Total	100.00%	

Single Discount Rate

A Single Discount Rate of 7.50% 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

CITY OF EAST PEORIA, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
APRIL 30, 2018

NOTE 10 PENSION PLANS (CONTINUED)

A. IMRF (Continued)

Single Discount Rate (Continued)

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 3.31%, and the resulting single discount rate is 7.50%.

Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2016	\$ 43,472,303	\$ 37,004,020	\$ 6,468,283
Changes for the Year:			
Service Cost	612,718	-	612,718
Interest on the Total Pension Liability	3,175,410	-	3,175,410
Differences Between Expected and Experience of the Total Pension	366,635	-	366,635
Changes of Assumptions	(1,252,649)	-	(1,252,649)
Contributions - Employer	-	3,130,282	(3,130,282)
Contributions - Employees	-	424,166	(424,166)
Projected Net Investment Income	-	2,733,032	(2,733,032)
Difference Between Projected and Actual Income	-	2,690,286	(2,690,286)
Benefit Payments, Including Refunds of Employee Contributions	(2,931,671)	(2,931,671)	-
Administrative Expenses	-	(30,212)	30,212
Other	-	13	(13)
Net Changes	<u>(29,557)</u>	<u>6,015,896</u>	<u>(6,045,453)</u>
Balances at December 31, 2017	<u>\$ 43,442,746</u>	<u>\$ 43,019,916</u>	<u>\$ 422,830</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 7.50%, 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	6.50%	7.50%	8.50%
Net Pension Liability (Asset)	\$ 3,819,517	\$ 422,830	\$ (2,387,438)

**CITY OF EAST PEORIA, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
APRIL 30, 2018**

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, 2018, the City recognized pension expense of \$1,042,203. At April 30, 2018, 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	\$ 2,853,943	\$ 463,174
Changes of Assumptions	19,049	1,009,730
Net Difference Between Projected and Actual Earnings	<u>-</u>	<u>1,183,631</u>
Total Deferred Amounts to be Recognized in Pension Expense in Future Periods	2,872,992	2,656,535
Pension Contributions Made Subsequent to the Measurement Date	241,191	-
Total Deferred Amounts Related to Pensions	<u><u>\$ 3,114,183</u></u>	<u><u>\$ 2,656,535</u></u>

\$241,191 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, 2019.

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 December 31,</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
2018	\$ 903,093	\$ 516,576
2019	903,093	516,577
2020	893,924	900,936
Thereafter	<u>-</u>	<u>-</u>
Total	<u><u>\$ 2,872,992</u></u>	<u><u>\$ 2,656,535</u></u>

**CITY OF EAST PEORIA, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
APRIL 30, 2018**

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, 2018, the Firefighters' Pension and Police Pension membership consisted of:

	Municipal Firemen's	Police Officers'
Retirees and Beneficiaries	29	40
Inactive, Nonretired Members	3	7
Active Members	44	46
Total	76	93

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, 2018**

NOTE 10 PENSION PLANS (CONTINUED)

A. 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, 2018:

	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	100.00%	100.00%

Concentrations

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

Net Pension Liability

The components of the net pension liability of the Plans as of April 30, 2018 were as follows:

	Municipal Firemen's	Police Officers'
Total Pension Liability	\$ 43,064,483	\$ 51,066,412
Plan Fiduciary Net Position	23,466,101	27,583,425
Net Pension Liability	\$ 19,598,382	\$ 23,482,987

Plan Fiduciary Net Position as a Percentage of
the Total Pension Liability

54.49%

54.01%

**CITY OF EAST PEORIA, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
APRIL 30, 2018**

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, 2018 using the following actuarial assumptions applied to all measurement periods:

	<u>Municipal Firemen's</u>	<u>Police Officers'</u>
Valuation Date	4/30/2018	4/30/2018
Measurement Date	4/30/2018	4/30/2018
Inflation Rate	2.50%	2.50%
Projected Salary Increases	3.5%-12.5% Varying by Service	3.5%-11.0% Varying by Service
Investment Rate of Return	6.50%	6.50%
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	4/30/2018	4/30/2018

**CITY OF EAST PEORIA, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
APRIL 30, 2018**

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, 2018 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	
	<u>Municipal Firemen's</u>	<u>Police Officers'</u>
Benjamin F. Edwards & Co.		
Domestic Equity	4.15%	0.00%
International Equity	1.63	5.50
Fixed Income	1.88	0.00
REITS	0.37	0.00
Short-Term Bonds	0.00	0.80
Government - Intermediate	0.00	1.00
Investment Grade - Intermediate	0.00	1.00
Investment Grade - Long	0.00	0.80
Large Cap Growth	0.00	4.30
Large Cap Value	0.00	4.70
Mid Cap Growth	0.00	5.00
Mid Cap Value	0.00	5.00
Mid Cap Blend	0.00	5.00
Small Cap Growth	0.00	5.20
Small Cap Value	0.00	5.20
Small Cap Blend	0.00	5.20
Emerging Markets	0.00	6.80
Cash	0.07	-1.50
The Commerce Trust Company		
U.S. Large-Cap	0.00	4.89
International Stocks	0.00	4.95
U.S. Bonds	0.00	1.12

**CITY OF EAST PEORIA, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
APRIL 30, 2018**

NOTE 10 PENSION PLANS (CONTINUED)

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

Discount Rate

Municipal Firemen's

A single discount rate of 6.50% and 6.31% was used to measure the total pension liability as of April 30, 2018 and 2017, respectively. This single discount rate was based on the expected rate of return of 6.50% and the tax-exempt municipal bond rate, based on the Federal Reserve statistical release, of 3.72% for 2018. The projection of cash flows used to determine the single discount rate assumed that plan member contributions will be made at the current contribution rate and that Fund contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to projected benefit payments was applied to all benefit payments to determine total pension liability.

Police Officers'

A single discount rate of 6.50% and 6.53% was used to measure the total pension liability as of April 30, 2018 and 2017, respectively. This single discount rate was based on the expected rate of return of 6.50% and the tax-exempt municipal bond rate, based on the Federal Reserve statistical release, of 3.72% for 2018. The projection of cash flows used to determine the single discount rate assumed that plan member contributions will be made at the current contribution rate and that Fund contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to projected benefit payments was applied to all benefit payments to determine total pension liability.

Sensitivity of Net Pension Liability to Changes in the Discount Rate

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

	<u>1%</u> <u>Decrease</u>	<u>Current</u> <u>Rate</u>	<u>1%</u> <u>Increase</u>
<u>Municipal Firemen's</u>			
Discount Rate	5.50%	6.50%	7.50%
Net Pension Liability	\$ 25,627,410	\$ 19,598,382	\$ 14,309,761
 <u>Police Officers'</u>			
Discount Rate	5.50%	6.50%	7.50%
Net Pension Liability	\$ 31,193,283	\$ 23,482,987	\$ 17,282,573

CITY OF EAST PEORIA, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
APRIL 30, 2018

NOTE 10 PENSION PLANS (CONTINUED)

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

Changes in Net Pension Liability

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

	<u>Net Pension Liability</u>	
	<u>Municipal Firemen's</u>	<u>Police Officers'</u>
Total Pension Liability:		
Service Cost	\$ 1,237,586	\$ 1,048,642
Interest on Total Pension Liability	3,104,867	3,517,512
Difference Between Expected and Actual Experience of the Total Pension Liability	(1,236,425)	585,899
Changes of Assumptions	(7,240,970)	(5,807,371)
Benefit Payments, Including Refunds	(1,536,965)	(2,193,146)
Net change in Total Pension Liability	(5,671,907)	(2,848,464)
Total Pension Liability - Beginning	48,736,390	53,914,876
Total Pension Liability - Ending (A)	<u>\$ 43,064,483</u>	<u>\$ 51,066,412</u>
Plan Fiduciary Net Position:		
Contributions - Employer	\$ 1,967,095	\$ 1,811,005
Contributions - Member	360,145	416,303
Net Investment Income	1,400,573	1,692,658
Benefit Payments, Including Refunds	(1,536,965)	(2,193,146)
Administrative Expenses	(43,327)	(57,300)
Net Change in Fiduciary Net Position	2,147,521	1,669,520
Plan Fiduciary Net Position - Beginning, as Restated	21,318,580	25,913,905
Plan Fiduciary Net Position - Ending (B)	<u>\$ 23,466,101</u>	<u>\$ 27,583,425</u>
Net Pension Liability (A) - (B)	<u>\$ 19,598,382</u>	<u>\$ 23,482,987</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	54.49%	54.01%
Covered Employee Payroll	\$ 3,839,747	\$ 4,174,678
Net Pension Liability as a Percentage of Covered Employee Payroll	510.41%	562.51%

**CITY OF EAST PEORIA, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
APRIL 30, 2018**

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, 2018, the City will recognize pension expense of \$4,905,821. Total pension expense recognized for all three plans for the year ended April 30, 2018 was \$5,948,024. On April 30, 2018 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	\$ 468,289	\$ (1,172,394)
Changes of Assumptions	2,303,082	(6,818,970)
Net Difference Between Projected and Actual Earnings	<u>281,327</u>	<u>-</u>
Total Deferred Amounts Related to Pensions	<u>\$ 3,052,698</u>	<u>\$ (7,991,364)</u>

	<u>Police Officers'</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Experience	\$ 957,022	\$ (21,778)
Changes of Assumptions	1,778,981	(5,181,357)
Net Difference Between Projected and Actual Earnings	<u>406,299</u>	<u>-</u>
Total Deferred Amounts Related to Pensions	<u>\$ 3,142,302</u>	<u>\$ (5,203,135)</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>Net Deferred Inflows of Resources</u>
2019	\$ (401,655)
2020	(401,653)
2021	(662,544)
2022	(590,873)
2023	(718,137)
Thereafter	<u>(2,163,804)</u>
Total	<u>\$ (4,938,666)</u>

**CITY OF EAST PEORIA, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
APRIL 30, 2018**

NOTE 10 PENSION PLANS (CONTINUED)

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

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

<u>Year Ending April 30.</u>	<u>Police Officers' Net Deferred Inflows of Resources</u>
2019	\$ 134,882
2020	134,880
2021	(611,004)
2022	(849,344)
2023	(870,247)
Thereafter	-
Total	<u>\$ (2,060,833)</u>

NOTE 11 OTHER POSTEMPLOYMENT BENEFITS

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

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 2018, the City contributed \$1,563,566. 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 \$710.28 for Single and \$1,325.49 for Family.

CITY OF EAST PEORIA, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
APRIL 30, 2018

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	\$ 4,263,138
Interest on Net OPEB Obligation	703,561
Adjustment to Annual Required Contribution	<u>(666,401)</u>
Annual OPEB Cost	4,300,298
Contributions and Payments Made	<u>1,563,566</u>
Increase in Net OPEB Obligation	2,736,732
Net OPEB Obligation - Beginning of Year	<u>18,371,424</u>
Net OPEB Obligation - End of Year	<u><u>\$ 21,108,156</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 2018 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, 2018	\$ 4,300,298	36.7%	\$ 21,108,156
April 30, 2017	4,300,298	36.7	18,371,424
April 30, 2016	4,172,092	37.7	15,634,692

Funded Status and Funding Progress: As of April 30, 2017, the most recent valuation date, the plan was -0-% funded. The actuarial accrued liability for benefits was \$62,970,506 and the actuarial value of assets is none, resulting in an unfunded actuarial accrued liability (UAAL) of \$62,970,506. The covered payroll (annual payroll of active employees covered by the plan) was \$12,618,069. The ratio of the UAAL to the covered payroll was 499.1%.

CITY OF EAST PEORIA, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
APRIL 30, 2018

NOTE 11 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

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 multi-year 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, 2017 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-2006 Total Dataset Mortality Table (fully generational with 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.

NOTE 12 CONTINGENT LIABILITIES

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

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

CITY OF EAST PEORIA, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
APRIL 30, 2018

NOTE 13 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	Nonmajor Governmental Funds	Total
Nonspendable:						
Advanced to Other Funds	\$ 2,901,157	\$ -	\$ -	\$ -	\$ -	\$ 2,901,157
Restricted:						
Employee Benefits	-	-	-	-	203,610	203,610
Debt Service	-	-	-	-	2,280,677	2,280,677
Audit	-	-	-	-	110,324	110,324
School Crossing Guard	-	-	-	-	9,373	9,373
Sewer	-	-	-	-	29,394	29,394
Emergency Services	-	-	-	-	160,918	160,918
Tourism	-	-	-	-	579,552	579,552
Revolving Loan	-	-	-	-	474,034	474,034
IHDA	-	-	-	-	7,916	7,916
Capital Improvements and Equipment	-	7,141,816	3,295,759	582,385	213,347	11,233,307
Total Restricted	-	7,141,816	3,295,759	582,385	4,069,145	15,089,105
Assigned:						
Employee Benefits	-	-	-	-	297,385	297,385
Debt Service	-	-	-	-	165,362	165,362
Audit	-	-	-	-	176	176
Sewer	-	-	-	-	36	36
Emergency Services	-	-	-	-	86	86
Tourism	-	-	-	-	1,818,262	1,818,262
Revolving Loan	-	-	-	-	40,566	40,566
IHDA	-	-	-	-	459	459
Firemen's Pension	-	-	-	-	1	1
Capital Improvements and Equipment	-	1,327,213	-	-	119,729	1,446,942
Total Assigned	-	1,327,213	-	-	2,442,062	3,769,275
Unassigned						
	5,473,260	-	(7,135,035)	(4,328,983)	-	(5,990,758)
Total Fund Balances	<u>\$ 8,374,417</u>	<u>\$ 8,469,029</u>	<u>\$ (3,839,276)</u>	<u>\$ (3,746,598)</u>	<u>\$ 6,511,207</u>	<u>\$ 15,768,779</u>

NOTE 14 INTERGOVERNMENTAL AGREEMENT

In January 1991, the City entered into an intergovernmental agreement with the City of Peoria in order to share in the benefits of a riverboat gambling operation. Gambling tax revenues collected from the operation shall be distributed with 45% paid to the City of East Peoria, 45% paid to the City of Peoria, and 10% paid to a joint development fund to be evenly distributed for projects on either side of the Illinois River. The City of Peoria's gambling tax revenue portion flows through the City of East Peoria on a monthly basis. For the fiscal year ended April 30, 2018, gambling tax revenues distributed from the City of East Peoria to the City of Peoria totaled \$2,326,607.

CITY OF EAST PEORIA, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
APRIL 30, 2018

NOTE 15 TAX ABATEMENTS

The City enters into tax abatement agreements with local businesses under the Tax Increment Financing Act in order to create economic development in certain districts. For the fiscal year ended April 30, 2018, the City abated property taxes totaling \$941,986 under this program.

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

The City also enters into sales tax agreements from time to time with local businesses in order to draw and retain business in the City. For the fiscal year ended April 30, 2018, the City abated sales tax totaling \$823,177 under this program:

- A 100% abatement of municipal sales tax to a funeral home.
- A 100% abatement of municipal sales tax to a developer.
- A 100% abatement of municipal sales tax to a wholesale distributor.
- A 100% abatement of municipal sales tax, 80% abatement of non-home rule sales tax, and 100% abatement of hotel-motel tax to a developer.

**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,	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Total Pension Liability:				
Service Cost	\$ 1,237,586	\$ 1,323,542	\$ 1,180,633	\$ 1,063,708
Interest	3,104,867	2,903,692	2,506,090	2,374,686
Difference in Expected and Actual Experiences	(1,236,425)	(123,924)	762,808	-
Changes of Assumptions/Methods	(7,240,970)	(661,395)	3,751,560	497,730
Benefit Payments, Including Refunds	<u>(1,536,965)</u>	<u>(1,451,859)</u>	<u>(1,410,276)</u>	<u>(1,334,865)</u>
Net Change in Total Pension Liability	(5,671,907)	1,990,056	6,790,815	2,601,259
Total Pension Liability - Beginning	<u>48,736,390</u>	<u>46,746,334</u>	<u>39,955,519</u>	<u>37,354,260</u>
Total Pension Liability - Ending (A)	<u>\$ 43,064,483</u>	<u>\$ 48,736,390</u>	<u>\$ 46,746,334</u>	<u>\$ 39,955,519</u>
Plan Fiduciary Net Position:				
Contributions - Employer	\$ 1,967,095	\$ 1,534,761	\$ 1,533,659	\$ 1,398,175
Contributions - Employee	360,145	351,674	337,628	322,840
Net Investment Income	1,400,573	1,625,568	(14,203)	1,165,948
Benefit Payments, Including Refunds	(1,536,965)	(1,451,859)	(1,410,276)	(1,334,865)
Administrative Expense	<u>(43,327)</u>	<u>(45,881)</u>	<u>(46,502)</u>	<u>(42,699)</u>
Net Change in Plan Fiduciary Net Position	2,147,521	2,014,263	400,306	1,509,399
Plan Fiduciary Net Position - Beginning, as Restated	<u>21,318,580</u>	<u>19,304,317</u>	<u>19,645,999</u>	<u>18,136,600</u>
Plan Fiduciary Net Position - Ending (B)	<u>\$ 23,466,101</u>	<u>\$ 21,318,580</u>	<u>\$ 20,046,305</u>	<u>\$ 19,645,999</u>
Net Pension Liability (A) - (B)	<u>\$ 19,598,382</u>	<u>\$ 27,417,810</u>	<u>\$ 26,700,029</u>	<u>\$ 20,309,520</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	54.49%	43.74%	42.88%	49.17%
Covered Payroll	\$ 3,839,747	\$ 3,749,681	\$ 3,651,088	\$ 3,259,379
Net Pension Liability as a Percentage of Covered Payroll	510.41%	731.20%	731.29%	623.11%

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

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

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

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

Fiscal Year Ended, April 30,	2018	2017	2016	2015
Total Pension Liability:				
Service Cost	\$ 1,048,642	\$ 1,144,862	\$ 1,032,806	\$ 975,927
Interest	3,517,512	3,290,038	2,941,644	2,826,691
Difference in Expected and Actual Experiences	585,899	729,203	(48,124)	-
Changes of Assumptions/Methods	(5,807,371)	(531,815)	3,930,974	532,966
Benefit Payments, Including Refunds	(2,193,146)	(2,133,259)	(2,068,236)	(1,953,757)
Net Change in Total Pension Liability	(2,848,464)	2,499,029	5,789,064	2,381,827
Total Pension Liability - Beginning	53,914,876	51,415,847	45,626,783	43,244,956
Total Pension Liability - Ending (A)	<u>\$ 51,066,412</u>	<u>\$ 53,914,876</u>	<u>\$ 51,415,847</u>	<u>\$ 45,626,783</u>
Plan Fiduciary Net Position:				
Contributions - Employer	\$ 1,811,005	\$ 1,454,833	\$ 1,452,077	\$ 1,363,308
Contributions - Employee	416,303	387,450	372,068	370,786
Net Investment Income	1,692,658	2,192,567	(180,316)	1,530,846
Benefit Payments, Including Refunds	(2,193,146)	(2,133,259)	(2,068,236)	(1,953,757)
Administrative Expense	(57,300)	(60,268)	(57,866)	(46,021)
Other	-	-	18,650	-
Net Change in Plan Fiduciary Net Position	1,669,520	1,841,323	(463,623)	1,265,162
Plan Fiduciary Net Position - Beginning, as Restated	25,913,905	24,072,582	25,426,704	24,161,542
Plan Fiduciary Net Position - Ending (B)	<u>\$ 27,583,425</u>	<u>\$ 25,913,905</u>	<u>\$ 24,963,081</u>	<u>\$ 25,426,704</u>
Net Pension Liability (A) - (B)	<u>\$ 23,482,987</u>	<u>\$ 28,000,971</u>	<u>\$ 26,452,766</u>	<u>\$ 20,200,079</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	54.01%	48.06%	48.55%	55.73%
Covered Payroll	\$ 4,174,678	\$ 3,999,497	\$ 3,804,870	\$ 3,601,207
Net Pension Liability as a Percentage of Covered Payroll	562.51%	700.11%	695.23%	560.93%

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

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

**CITY OF EAST PEORIA, ILLINOIS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY 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>2017</u>	<u>2016</u>	<u>2015</u>
Total Pension Liability:			
Service Cost	\$ 612,718	\$ 678,762	\$ 671,499
Interest	3,175,410	2,795,820	2,770,972
Difference in Expected and Actual Experiences	366,635	4,204,926	(1,145,802)
Changes of Assumptions/Methods	(1,252,649)	(54,676)	48,418
Benefit Payments, Including Refunds	(2,931,671)	(2,283,962)	(1,652,047)
Net Change in Total Pension Liability	(29,557)	5,340,870	693,040
Total Pension Liability - Beginning	43,472,303	38,131,433	37,438,393
Total Pension Liability - Ending (A)	<u>\$ 43,442,746</u>	<u>\$ 43,472,303</u>	<u>\$ 38,131,433</u>
Plan Fiduciary Net Position:			
Contributions - Employer	\$ 3,130,282	\$ 691,435	\$ 697,158
Contributions - Employee	424,166	647,437	336,032
Projected Net Investment Income	2,733,032	2,606,508	2,634,081
Difference Between Projected and Actual Income	2,690,286	409,889	(3,036,329)
Benefit Payments, Including Refunds	(2,931,671)	(2,283,962)	(1,652,047)
Administrative Expense	(30,212)	(60,069)	57,529
Other	13	20	(930)
Net Change in Plan Fiduciary Net Position	6,015,896	2,011,258	(964,506)
Plan Fiduciary Net Position - Beginning	37,004,020	34,992,762	35,957,268
Plan Fiduciary Net Position - Ending (B)	<u>\$ 43,019,916</u>	<u>\$ 37,004,020</u>	<u>\$ 34,992,762</u>
Net Pension Liability (A) - (B)	<u>\$ 422,830</u>	<u>\$ 6,468,283</u>	<u>\$ 3,138,671</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	99.03%	85.12%	91.77%
Covered Payroll	\$ 5,906,838	\$ 6,359,506	\$ 6,274,254
Net Pension Liability as a Percentage of Covered Payroll	7.16%	101.71%	50.02%

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

**CITY OF EAST PEORIA, ILLINOIS
REQUIRED SUPPLEMENTARY INFORMATION
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	10.78%
2017	689,370	657,230	32,140	6,359,506	10.33%
2018	577,689	3,180,517	(2,602,828)	5,906,838	53.84%

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
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	1,530,040	1,398,175	131,865	3,259,379	42.90%
2016	1,886,252	1,533,659	352,593	3,651,088	42.01%
2017	2,006,864	1,534,761	472,103	3,749,681	40.93%
2018	1,958,460	1,967,095	(8,635)	3,839,747	51.23%

Police Pension Plan

Fiscal Year Ended April 30,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Payroll
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	1,423,257	1,363,308	59,949	3,601,207	37.86%
2016	1,712,134	1,452,077	260,057	3,804,870	38.16%
2017	1,861,680	1,454,833	406,847	3,999,497	36.38%
2018	1,802,442	1,811,005	(8,563)	4,174,678	43.38%

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, 2018**

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]
2017	4/30/2017	\$ -	\$ 62,970,506	\$ 62,970,506	0.0%	\$ 12,618,069	499.1%
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%

The information presented in the required supplementary schedules was determined as part of the actuarial valuation date as of April 30, 2017. 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 30 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,	<u>Rate</u>
2015	6.73%
2016	-0.08%
2017	8.57%
2018	6.56%

Police Pension Plan

Fiscal Year Ended April 30,	<u>The Commerce Company Rate</u>	<u>Benjamin F. Edwards & Co. Rate</u>
2015	N/A	6.90%
2016	0.29%	-2.48%
2017	10.04%	8.64%
2018	7.57%	5.77%

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, 2018

	Original/Final Budget	Actual	Variance With Final Budget
REVENUES			
Taxes and Special Assessments	\$ 17,295,566	\$ 19,166,576	\$ 1,871,010
Charges for Services	900,000	1,177,437	277,437
Intergovernmental	208,000	278,780	70,780
Investment Earnings	21,610	119,487	97,877
Licenses and Permits	227,300	294,826	67,526
Miscellaneous	2,411,100	1,823,817	(587,283)
Total Revenues	21,063,576	22,860,923	1,797,347
EXPENDITURES			
Current:			
General Government	6,223,434	5,902,630	320,804
Police	5,924,039	6,032,005	(107,966)
Fire	4,814,713	5,374,738	(560,025)
Sanitation	795,544	898,656	(103,112)
Public Works	2,034,000	2,426,969	(392,969)
Community Development	233,140	212,573	20,567
Capital Outlay	615,000	330,517	284,483
Debt Service:			
Principal Payments	-	376,181	(376,181)
Interest and Fiscal Charges	-	45,778	(45,778)
Total Expenditures	20,639,870	21,600,047	(960,177)
Excess (Deficiency) of Revenues over Expenditures	423,706	1,260,876	837,170
OTHER FINANCING USES			
Net Transfers	-	(808,255)	(808,255)
NET CHANGE IN FUND BALANCE	\$ 423,706	452,621	\$ 28,915
RECONCILIATION TO MODIFIED ACCRUAL BASIS - NET CHANGE RESULTING FROM RECORDING OF ACCOUNTS RECEIVABLE, PAYABLE, AND OTHER ACCRUED ITEMS			
		1,000,786	
Fund Balance, Modified Accrual Basis - Beginning of Year		6,921,010	
FUND BALANCE, MODIFIED ACCRUAL BASIS - END OF YEAR		\$ 8,374,417	

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, 2018

	Original/Final Budget	Actual	Variance With Final Budget
REVENUES			
Taxes	\$ 4,685,000	\$ 4,647,959	\$ (37,041)
Intergovernmental	655,250	196,471	(458,779)
Investment Earnings	800	14,213	13,413
Total Revenues	5,341,050	4,858,643	(482,407)
EXPENDITURES			
Current:			
Other	-	1,331,912	(1,331,912)
Capital Outlay	2,929,260	2,639,828	289,432
Debt Service:			
Principal Payments	2,300,000	287,731	2,012,269
Interest and Fiscal Charges	-	16,290	(16,290)
Total Expenditures	5,229,260	4,275,761	953,499
Excess of Revenues over Expenditures	111,790	582,882	471,092
OTHER FINANCING SOURCES (USES)			
Issuances of Long-Term Debt	-	1,313,000	1,313,000
Net Transfers	-	(1,781,066)	(1,781,066)
Total Other Financing Sources (Uses)	-	(468,066)	(468,066)
NET CHANGE IN FUND BALANCE	\$ 111,790	114,816	\$ 3,026
RECONCILIATION TO MODIFIED ACCRUAL BASIS - NET CHANGE RESULTING FROM RECORDING OF ACCOUNTS RECEIVABLE, PAYABLE, AND OTHER ACCRUED ITEMS			
		(514,839)	
Fund Balance, Modified Accrual Basis - Beginning of Year		8,869,052	
FUND BALANCE, MODIFIED ACCRUAL BASIS - END OF YEAR		\$ 8,469,029	

CITY OF EAST PEORIA, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE (DEFICIT) –
BUDGET AND ACTUAL (CASH BASIS) – SPECIAL TAX ALLOCATION FUND
YEAR ENDED APRIL 30, 2018

	Original/Final Budget	Actual	Variance With Final Budget
REVENUES			
Taxes	\$ 790,000	\$ 793,344	\$ 3,344
Investment Earnings	250	567	317
Total Revenues	790,250	793,911	3,661
EXPENDITURES			
Current:			
General Government	135,000	137,117	(2,117)
Excess of Revenues over Expenditures	655,250	656,794	1,544
OTHER FINANCING USES			
Net Transfers	(655,250)	(656,794)	(1,544)
NET CHANGE IN FUND BALANCE (DEFICIT)	\$ -	-	\$ -
RECONCILIATION TO MODIFIED ACCRUAL BASIS - NET CHANGE RESULTING FROM RECORDING OF ACCOUNTS RECEIVABLE, PAYABLE, AND OTHER ACCRUED ITEMS		656,794	
Fund Balance (Deficit), Modified Accrual Basis - Beginning of Year		(4,496,070)	
FUND BALANCE (DEFICIT), MODIFIED ACCRUAL BASIS - END OF YEAR		\$ (3,839,276)	

**CITY OF EAST PEORIA, ILLINOIS
 NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
 APRIL 30, 2018**

NOTE 1 BASIS OF ACCOUNTING

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

NOTE 2 BUDGETARY DATA, PRIMARY GOVERNMENT

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

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

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

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

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

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

	<u>Final Budget</u>	<u>Actual</u>	<u>Overage</u>
General Fund	\$ 20,639,870	\$ 21,600,047	\$ (960,177)
Special Tax Allocation Fund	\$ 135,000	\$ 137,117	\$ (2,117)

**CITY OF EAST PEORIA, ILLINOIS
 NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
 APRIL 30, 2018**

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

A. IMRF

Valuation Date:

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

Methods and Assumptions Used to Determine 2017 Contribution Rates*:

Actuarial Cost Method	Aggregate entry age normal
Amortization Method	Level percentage of payroll, closed
Remaining Amortization Period	26-year closed period
Asset Valuation Method	5-year smoothed market; 20% corridor
Wage Growth	3.50%
Price Inflation	2.75% approximate; No explicit price inflation assumption is used in this valuation.
Salary Increases	3.75% to 14.50%, 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 2014 valuation pursuant to an experience study of the period 2011 to 2013.
Mortality	For Non-Disabled Retirees, an IMRF-specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF-specific rates 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 2012). 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 2012). The IMRF-specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

Other Information

Notes There were no benefit changes during the year.

*Based on Valuation Assumptions used in the December 31, 2015 actuarial valuation.

**CITY OF EAST PEORIA, ILLINOIS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
APRIL 30, 2018**

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

B. Defined Benefit Single-Employer Pension Plans

Municipal Firemen's Pension Plan

Valuation Date: April 30, 2018
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:

Actuarial Cost Method	Projected Unit Credit
Amortization Method	Closed level percentage of payroll amortization of 90% of the Unfunded Actuarial Accrued Liability using a 3.50% payroll growth assumption over the period ending on April 30, 2040.
Remaining Amortization Period	23-year amortization in 2017
Asset Valuation Method	5-year smoothing of assets gain and losses
Inflation	2.75%
Salary Increases	4.75%
Investment Rate of Return	6.50%, net of investment expenses
Retirement Rate	40% of Active Firefighters are assumed to retire at the later of: (a) later of 20 years of service and age 50, and (b) the later of 10 years of service and age 60. Thereafter, the rates of retirement are as follows: For ages (x) between the first retirement age (r) and age 69, the retirement rate is determined by the formula $(x-r)/69-r$.
Mortality	RP-2014 Mortality Table with a blue collar adjustment, with generational improvement scale MP-2014 applied from 2006.
Ad-hoc Cost-of-Living Increases	3.0% (1.25% for those hired on or after January 1, 2011)

Police Officers' Pension Plan

Valuation Date: April 30, 2018
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:

Actuarial Cost Method	Projected Unit Credit
Amortization Method	Closed level percentage of payroll amortization of 90% of the Unfunded Actuarial Accrued Liability using a 3.50% payroll growth assumption over the period ending on April 30, 2040.
Remaining Amortization Period	23-year amortization in 2017
Asset Valuation Method	5-year smoothing of assets gain and losses
Inflation	2.75%
Salary Increases	4.75%
Investment Rate of Return	6.75%, net of investment expenses
Retirement Rate	Experience-based table of rates specific to the type of eligibility condition.
Mortality	RP-2014 Mortality Table with a blue collar adjustment, with generational improvement scale MP-2014 applied from 2006.
Ad-hoc Cost-of-Living Increases	3.0% (1.25% for those hired on or after January 1, 2011)

**CITY OF EAST PEORIA, ILLINOIS
COMBINING BALANCE SHEET
GENERAL FUND – BY ACCOUNT
APRIL 30, 2018**

	<u>General</u>
ASSETS	
Cash and Investments	\$ 2,548,934
Receivables (Net, Where Applicable, of Allowances for Estimated Uncollectible Amounts):	
Property Taxes	-
Sales Tax	3,495,994
State Income Tax	471,532
Personal Property Replacement Tax	177,900
Customer Charges	-
Intergovernmental	13,233
Fines	16,876
Other	81,520
Advanced to Other Funds	2,893,736
Total Assets	\$ 9,699,725
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	
Liabilities:	
Accounts Payable	\$ 185,722
Wages Payable	13,090
Liquor License Bonds Held	17,000
Compensated Absences	7,300
Due to Other Governmental Entities	618,653
Advanced from Other Funds	217,628
Total Liabilities	1,059,393
Deferred Inflows of Resources:	
Subsequent Year's Property Taxes	-
Unavailable Revenue - Other Taxes	1,288,029
Unavailable Revenue - Intergovernmental	-
Total Deferred Inflows of Resources	1,288,029
Fund Balances:	
Nonspendable	2,893,736
Unassigned	4,458,567
Total Fund Balances	7,352,303
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 9,699,725

Police Protection	Fire Protection	Garbage Collection and Disposal	Street and Bridge	Ambulance Service	Combining General Fund
\$ 183,451	\$ 394,121	\$ 108,076	\$ 30,710	\$ -	\$ 3,265,292
-	-	-	216,213	-	216,213
-	-	-	-	-	3,495,994
-	-	-	-	-	471,532
-	-	-	-	-	177,900
-	456,488	-	-	-	456,488
-	-	-	520,397	-	533,630
4,640	-	-	-	-	21,516
-	-	-	-	-	81,520
-	-	-	7,421	-	2,901,157
<u>\$ 188,091</u>	<u>\$ 850,609</u>	<u>\$ 108,076</u>	<u>\$ 774,741</u>	<u>\$ -</u>	<u>\$ 11,621,242</u>
\$ 23,037	\$ 37,690	\$ 9,476	\$ 70,021	\$ -	\$ 325,946
78,278	80,972	4,697	12,878	-	189,915
-	-	-	-	-	17,000
-	19,225	14,835	8,060	-	49,420
-	-	-	-	-	618,653
-	59,000	59,421	45,000	-	381,049
<u>101,315</u>	<u>196,887</u>	<u>88,429</u>	<u>135,959</u>	<u>-</u>	<u>1,581,983</u>
-	-	-	216,213	-	216,213
-	-	-	-	-	1,288,029
-	-	-	160,600	-	160,600
-	-	-	376,813	-	1,664,842
-	-	-	7,421	-	2,901,157
<u>86,776</u>	<u>653,722</u>	<u>19,647</u>	<u>254,548</u>	<u>-</u>	<u>5,473,260</u>
<u>86,776</u>	<u>653,722</u>	<u>19,647</u>	<u>261,969</u>	<u>-</u>	<u>8,374,417</u>
<u>\$ 188,091</u>	<u>\$ 850,609</u>	<u>\$ 108,076</u>	<u>\$ 774,741</u>	<u>\$ -</u>	<u>\$ 11,621,242</u>

**CITY OF EAST PEORIA, ILLINOIS
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES
 GENERAL FUND – BY ACCOUNT
 YEAR ENDED APRIL 30, 2018**

	General	Police Protection
REVENUES		
Property Taxes	\$ 213,875	\$ 619,645
Other Taxes and Special Assessments	17,365,884	-
Charges for Services	-	82,817
Intergovernmental	35,857	253,607
Investment Earnings	112,340	1,995
Licenses and Permits	294,826	-
Miscellaneous	1,433,092	166,984
Total Revenues	19,455,874	1,125,048
EXPENDITURES		
Current:		
General Government	5,691,188	-
Police	-	6,032,005
Fire	-	-
Sanitation	-	-
Public Works	-	-
Community Development	212,573	-
Capital Outlay	132,987	-
Debt Service:		
Principal Payments	376,181	-
Interest and Fiscal Charges	45,778	-
Total Expenditures	6,458,707	6,032,005
Excess (Deficiency) of Revenues over Expenditures	12,997,167	(4,906,957)
OTHER FINANCING SOURCES (USES)		
Transfers In	245,000	4,973,160
Transfers Out	(12,546,675)	(246)
Total Other Financing Sources (Uses)	(12,301,675)	4,972,914
NET CHANGE IN FUND BALANCES (DEFICITS)	695,492	65,957
Fund Balances (Deficits) - Beginning of Year	6,656,811	20,819
FUND BALANCES - END OF YEAR	\$ 7,352,303	\$ 86,776

<u>Fire Protection</u>	<u>Garbage Collection and Disposal</u>	<u>Street and Bridge</u>	<u>Ambulance Service</u>	<u>Eliminations</u>	<u>Combining General Fund</u>
\$ 619,645	\$ 25,864	\$ 302,324	\$ -	\$ -	\$ 1,781,353
-	-	-	-	-	17,365,884
1,195,222	23,220	150	-	-	1,301,409
100,131	-	409,582	-	-	799,177
4,947	139	66	-	-	119,487
-	-	-	-	-	294,826
20,385	202,831	2,699	-	-	1,825,991
<u>1,940,330</u>	<u>252,054</u>	<u>714,821</u>	-	-	<u>23,488,127</u>
-	-	-	-	-	5,691,188
-	-	-	-	-	6,032,005
5,374,738	-	-	-	-	5,374,738
-	898,656	-	-	-	898,656
-	-	2,426,969	-	-	2,426,969
-	-	-	-	-	212,573
4,319	36,482	156,729	-	-	330,517
-	-	-	-	-	376,181
-	-	-	-	-	45,778
<u>5,379,057</u>	<u>935,138</u>	<u>2,583,698</u>	-	-	<u>21,388,605</u>
(3,438,727)	(683,084)	(1,868,877)	-	-	2,099,522
4,233,352	736,523	2,469,513	-	(12,657,548)	-
-	-	(245,000)	(511,742)	12,657,548	(646,115)
<u>4,233,352</u>	<u>736,523</u>	<u>2,224,513</u>	<u>(511,742)</u>	<u>-</u>	<u>(646,115)</u>
794,625	53,439	355,636	(511,742)	-	1,453,407
(140,903)	(33,792)	(93,667)	511,742	-	6,921,010
<u>\$ 653,722</u>	<u>\$ 19,647</u>	<u>\$ 261,969</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,374,417</u>

**CITY OF EAST PEORIA, ILLINOIS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
APRIL 30, 2018**

	Debt Service	Special Revenue
	Bond and Interest Fund	Illinois Municipal Retirement
ASSETS		
Cash and Cash Equivalents	\$ 2,165,896	\$ 35,158
Receivables (Net, Where Applicable, of Allowances for Estimated Uncollectible Amounts):		
Property Taxes	-	120,040
Personal Property Replacement Tax	-	12,800
Motor Fuel Tax Allotments	-	-
Assessments	-	-
Hotel/Motel Taxes	-	-
Notes	-	-
Other	-	7,679
Advanced to Other Funds	269,400	-
Total Assets	\$ 2,435,296	\$ 175,677
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES		
Liabilities:		
Accounts Payable	\$ -	\$ -
Wages Payable	-	4,869
Pension Obligation Payable	-	-
Advanced from Other Funds	250,000	-
Total Liabilities	250,000	4,869
Deferred Inflows of Resources:		
Subsequent Year's Property Taxes	-	120,040
Unavailable Revenue - Other Taxes	-	2,441
Unavailable Revenue - Notes Receivable	-	-
Unavailable Revenue - Special Assessments	-	-
Total Deferred Inflows of Resources	-	122,481
Fund Balances:		
Restricted	2,084,186	-
Assigned	101,110	48,327
Total Fund Balances	2,185,296	48,327
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 2,435,296	\$ 175,677

Special Revenue

Motor Fuel Tax	Social Security	Workmen's Compensation	Audit	School Crossing Guard	Sewer Chlorination	Street Lighting
\$ 279,503	\$ -	\$ 32,759	\$ 111,550	\$ 9,373	\$ 29,430	\$ -
-	-	803,758	80,027	-	20,029	85,034
-	-	-	-	-	-	-
53,573	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	274,000	220,700	-	-	-	-
<u>\$ 333,076</u>	<u>\$ 274,000</u>	<u>\$ 1,057,217</u>	<u>\$ 191,577</u>	<u>\$ 9,373</u>	<u>\$ 49,459</u>	<u>\$ 85,034</u>
\$ -	\$ -	\$ -	\$ 1,050	\$ -	\$ -	\$ -
-	7,282	-	-	-	-	-
-	-	-	-	-	-	-
-	-	141,365	-	-	-	-
-	7,282	141,365	1,050	-	-	-
-	-	803,758	80,027	-	20,029	85,034
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	803,758	80,027	-	20,029	85,034
213,347	129,795	-	110,324	9,373	29,394	-
119,729	136,923	112,094	176	-	36	-
<u>333,076</u>	<u>266,718</u>	<u>112,094</u>	<u>110,500</u>	<u>9,373</u>	<u>29,430</u>	<u>-</u>
<u>\$ 333,076</u>	<u>\$ 274,000</u>	<u>\$ 1,057,217</u>	<u>\$ 191,577</u>	<u>\$ 9,373</u>	<u>\$ 49,459</u>	<u>\$ 85,034</u>

**CITY OF EAST PEORIA, ILLINOIS
COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
APRIL 30, 2018**

	Special Revenue	
	Unemployment Insurance	Emergency Service and Disaster Assistance
ASSETS		
Cash and Cash Equivalents	\$ 77,406	\$ 154,387
Receivables (Net, Where Applicable, of Allowances for Estimated Uncollectible Amounts):		
Property Taxes	16,005	50,028
Personal Property Replacement Tax	-	-
Motor Fuel Tax Allotments	-	-
Assessments	-	-
Hotel/Motel Taxes	-	-
Notes	-	-
Other	-	-
Advanced to Other Funds	-	7,967
Total Assets	\$ 93,411	\$ 212,382
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES		
Liabilities:		
Accounts Payable	\$ 3,550	\$ 1,350
Wages Payable	-	-
Pension Obligation Payable	-	-
Advanced from Other Funds	-	-
Total Liabilities	3,550	1,350
Deferred Inflows of Resources:		
Subsequent Year's Property Taxes	16,005	50,028
Unavailable Revenue - Other Taxes	-	-
Unavailable Revenue - Notes Receivable	-	-
Unavailable Revenue - Special Assessments	-	-
Total Deferred Inflows of Resources	16,005	50,028
Fund Balances:		
Restricted	73,815	160,918
Assigned	41	86
Total Fund Balances	73,856	161,004
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 93,411	\$ 212,382

Special Revenue

Hotel/Motel Tax	Revolving Loan	Special Assessments	IHDA Grant	Firemen's Pension Levy Fund	Police Pension Levy Fund	Total Nonmajor Governmental Funds
\$ 2,320,116	\$ 514,600	\$ 238,607	\$ 8,375	\$ -	\$ -	\$ 5,977,160
-	-	-	-	2,195,245	2,108,602	5,478,768
-	-	-	-	27,000	35,600	75,400
-	-	-	-	-	-	53,573
-	-	26,352	-	-	-	26,352
128,265	-	-	-	-	-	128,265
-	241,646	-	-	-	-	241,646
-	-	-	-	72,215	52,942	132,836
-	-	8,364	-	-	-	780,431
<u>\$ 2,448,381</u>	<u>\$ 756,246</u>	<u>\$ 273,323</u>	<u>\$ 8,375</u>	<u>\$ 2,294,460</u>	<u>\$ 2,197,144</u>	<u>\$ 12,894,431</u>
\$ 23,198	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 29,148
3,927	-	-	-	-	-	16,078
-	-	-	-	76,259	71,713	147,972
-	-	-	-	-	-	391,365
27,125	-	-	-	76,259	71,713	584,563
-	-	-	-	2,195,245	2,108,602	5,478,768
23,442	-	-	-	22,955	16,829	65,667
-	241,646	-	-	-	-	241,646
-	-	12,580	-	-	-	12,580
23,442	241,646	12,580	-	2,218,200	2,125,431	5,798,661
579,552	474,034	196,491	7,916	-	-	4,069,145
1,818,262	40,566	64,252	459	1	-	2,442,062
<u>2,397,814</u>	<u>514,600</u>	<u>260,743</u>	<u>8,375</u>	<u>1</u>	<u>-</u>	<u>6,511,207</u>
<u>\$ 2,448,381</u>	<u>\$ 756,246</u>	<u>\$ 273,323</u>	<u>\$ 8,375</u>	<u>\$ 2,294,460</u>	<u>\$ 2,197,144</u>	<u>\$ 12,894,431</u>

**CITY OF EAST PEORIA, ILLINOIS
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 YEAR ENDED APRIL 30, 2018**

	<u>Debt Service</u>	<u>Special Revenue</u>
	Bond and Interest Fund	Illinois Municipal Retirement
REVENUES		
Property Taxes	\$ -	\$ 118,987
Other Taxes and Special Assessments	-	36,170
Intergovernmental	-	218,410
Investment Earnings	5,526	88
Miscellaneous	262	6,899
Total Revenues	5,788	380,554
EXPENDITURES		
Current:		
General Government	-	434,345
Police	-	-
Fire	-	-
Public Works	-	-
Other	-	-
Capital Outlay	-	-
Debt Service:		
Principal Payments	370,000	-
Interest and Fiscal Charges	29,564	-
Total Expenditures	399,564	434,345
Excess (Deficiency) of Revenues over Expenditures	(393,776)	(53,791)
OTHER FINANCING SOURCES		
Transfers In	-	20,570
NET CHANGE IN FUND BALANCES	(393,776)	(33,221)
Fund Balances - Beginning of Year	2,579,072	81,548
FUND BALANCES - END OF YEAR	\$ 2,185,296	\$ 48,327

Special Revenue

Motor Fuel Tax	Social Security	Workmen's Compensation	Audit	School Crossing Guard	Sewer Chlorination	Street Lighting
\$ -	\$ 470,884	\$ 594,837	\$ 79,308	\$ -	\$ 19,837	\$ 84,280
-	-	-	-	-	-	-
597,523	-	-	-	-	-	105,725
3,246	350	442	59	-	14	62
-	5,259	-	-	-	-	-
<u>600,769</u>	<u>476,493</u>	<u>595,279</u>	<u>79,367</u>	-	<u>19,851</u>	<u>190,067</u>
-	461,418	1,341,252	66,700	-	20,033	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
564,959	-	-	-	-	-	204,872
-	-	-	-	-	-	-
12,684	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>577,643</u>	<u>461,418</u>	<u>1,341,252</u>	<u>66,700</u>	-	<u>20,033</u>	<u>204,872</u>
23,126	15,075	(745,973)	12,667	-	(182)	(14,805)
<u>115,506</u>	<u>119,013</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,805</u>
138,632	134,088	(745,973)	12,667	-	(182)	-
<u>194,444</u>	<u>132,630</u>	<u>858,067</u>	<u>97,833</u>	<u>9,373</u>	<u>29,612</u>	<u>-</u>
<u>\$ 333,076</u>	<u>\$ 266,718</u>	<u>\$ 112,094</u>	<u>\$ 110,500</u>	<u>\$ 9,373</u>	<u>\$ 29,430</u>	<u>\$ -</u>

**CITY OF EAST PEORIA, ILLINOIS
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES (CONTINUED)
 NONMAJOR GOVERNMENTAL FUNDS
 YEAR ENDED APRIL 30, 2018**

	Special Revenue	
	Unemployment Insurance	Emergency Service and Disaster Assistance
REVENUES		
Property Taxes	\$ 15,878	\$ 49,572
Other Taxes and Special Assessments	-	-
Intergovernmental	-	-
Investment Earnings	12	37
Miscellaneous	-	-
Total Revenues	15,890	49,609
EXPENDITURES		
Current:		
General Government	8,421	3,842
Police	-	-
Fire	-	-
Public Works	-	-
Other	-	-
Capital Outlay	-	39,982
Debt Service:		
Principal Payments	-	-
Interest and Fiscal Charges	-	-
Total Expenditures	8,421	43,824
Excess (Deficiency) of Revenues over Expenditures	7,469	5,785
OTHER FINANCING SOURCES		
Transfers In	-	-
NET CHANGE IN FUND BALANCES	7,469	5,785
Fund Balances - Beginning of Year	66,387	155,219
FUND BALANCES - END OF YEAR	\$ 73,856	\$ 161,004

Special Revenue

Hotel/Motel Tax	Revolving Loan	Special Assessments	IHDA Grant	Firemen's Pension Levy Fund	Police Pension Levy Fund	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ 1,167,769	\$ 1,261,287	\$ 3,862,639
797,123	-	12,579	-	271,290	197,571	1,314,733
-	-	-	-	499,325	329,784	1,750,767
198	11,087	4,746	83	866	936	27,752
335,192	69,194	-	-	-	-	416,806
1,132,513	80,281	17,325	83	1,939,250	1,789,578	7,372,697
832,600	-	-	-	-	-	3,168,611
-	-	-	-	-	1,789,578	1,789,578
-	-	-	-	1,939,250	-	1,939,250
-	-	-	-	-	-	769,831
-	160,000	-	2,000	-	-	162,000
414,522	-	-	-	-	-	467,188
-	-	-	-	-	-	370,000
-	-	-	-	-	-	29,564
1,247,122	160,000	-	2,000	1,939,250	1,789,578	8,696,022
(114,609)	(79,719)	17,325	(1,917)	-	-	(1,323,325)
-	-	-	-	-	-	269,894
(114,609)	(79,719)	17,325	(1,917)	-	-	(1,053,431)
2,512,423	594,319	243,418	10,292	1	-	7,564,638
<u>\$ 2,397,814</u>	<u>\$ 514,600</u>	<u>\$ 260,743</u>	<u>\$ 8,375</u>	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ 6,511,207</u>

**CITY OF EAST PEORIA, ILLINOIS
COMBINING SCHEDULE OF FIDUCIARY NET POSITION
APRIL 30, 2018**

	<u>Pension Trust Funds</u>	
	<u>City of East Peoria Firefighter's Pension Fund</u>	<u>City of East Peoria Police Pension Fund</u>
ASSETS		
Cash and Cash Equivalents	\$ 686,665	\$ 549,817
Receivables:		
Other	-	3,529
Accrued Interest and Dividends	55,486	72,368
Total Receivables	<u>55,486</u>	<u>75,897</u>
Investments, at Fair Value:		
Money Market Funds	763,530	497,966
Municipal Bonds	326,564	427,677
Corporate Bonds	3,171,993	4,538,934
U.S. Government Notes and Bonds	2,301,068	1,950,469
U.S. Government Agency Obligations	507,847	1,568,507
Mutual Funds	11,149,698	2,827,823
Common Stocks	4,507,712	15,146,881
Total Investments	<u>22,728,412</u>	<u>26,958,257</u>
Total Assets	23,470,563	27,583,971
LIABILITIES		
Accounts Payable and Accrued Payroll Taxes	4,462	546
Amounts Held for Others	-	-
Total Liabilities	<u>4,462</u>	<u>546</u>
Net Position Held in Trust for Pension Benefit Obligation	<u>\$ 23,466,101</u>	<u>\$ 27,583,425</u>

Total Pension Trust Funds	Agency Funds			Total Agency Funds
	Levi King Scholarship Fund	Dependent Care Fund	Unreimbursed Medical Fund	
\$ 1,236,482	\$ 7,468	\$ 9,057	\$ 10,469	\$ 26,994
3,529	-	-	-	-
127,854	-	-	-	-
<u>131,383</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
1,261,496	-	-	-	-
754,241	-	-	-	-
7,710,927	-	-	-	-
4,251,537	-	-	-	-
2,076,354	-	-	-	-
13,977,521	-	-	-	-
19,654,593	-	-	-	-
<u>49,686,669</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
51,054,534	<u>\$ 7,468</u>	<u>\$ 9,057</u>	<u>\$ 10,469</u>	<u>\$ 26,994</u>
5,008	\$ -	\$ -	\$ -	\$ -
-	7,468	9,057	10,469	26,994
<u>5,008</u>	<u>\$ 7,468</u>	<u>\$ 9,057</u>	<u>\$ 10,469</u>	<u>\$ 26,994</u>
<u>\$ 51,049,526</u>				

**CITY OF EAST PEORIA, ILLINOIS
SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
YEAR ENDED APRIL 30, 2018**

	<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>\$ 9,784</u>	<u>\$ 24,227</u>	<u>\$ 24,954</u>	<u>\$ 9,057</u>
Liabilities, Amounts Held for Others	<u>\$ 9,784</u>	<u>\$ 24,227</u>	<u>\$ 24,954</u>	<u>\$ 9,057</u>
UNREIMBURSED MEDICAL FUND				
Assets, Cash and Cash Equivalents	<u>\$ 21,917</u>	<u>\$ 80,779</u>	<u>\$ 92,227</u>	<u>\$ 10,469</u>
Liabilities, Amounts Held for Others	<u>\$ 21,917</u>	<u>\$ 80,779</u>	<u>\$ 92,227</u>	<u>\$ 10,469</u>
TOTAL				
Assets, Cash and Cash Equivalents	<u>\$ 39,169</u>	<u>\$ 105,006</u>	<u>\$ 117,181</u>	<u>\$ 26,994</u>
Liabilities, Amounts Held for Others	<u>\$ 39,169</u>	<u>\$ 105,006</u>	<u>\$ 117,181</u>	<u>\$ 26,994</u>

**CITY OF EAST PEORIA, ILLINOIS
COMBINING SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION
YEAR ENDED APRIL 30, 2018**

	Pension Trust Funds		Total
	City of East Peoria Firefighter's Pension Fund	City of East Peoria Police Pension Fund	
ADDITIONS			
Contributions:			
Plan Members' Contributions	\$ 360,145	\$ 416,303	\$ 776,448
Employer Contributions	1,967,095	1,811,005	3,778,100
Total Contributions	2,327,240	2,227,308	4,554,548
Investment Income:			
Net Appreciation in Fair Value of Investments	839,413	1,211,262	2,050,675
Dividends and Interest	675,698	623,805	1,299,503
Total Investment Income	1,515,111	1,835,067	3,350,178
Less: Investment Expenses	114,538	142,409	256,947
Net Investment Income	1,400,573	1,692,658	3,093,231
Total Additions	3,727,813	3,919,966	7,647,779
DEDUCTIONS			
Benefits Paid	1,536,965	2,190,361	3,727,326
Refunds of Contributions	-	2,785	2,785
Administrative Expenses	43,327	57,300	100,627
Total Deductions	1,580,292	2,250,446	3,830,738
Change in Net Position	2,147,521	1,669,520	3,817,041
NET POSITION HELD IN TRUST FOR PENSION BENEFITS			
Beginning of Year	21,318,580	25,913,905	47,232,485
End of Year	\$ 23,466,101	\$ 27,583,425	\$ 51,049,526

**CITY OF EAST PEORIA, ILLINOIS
 ASSESSED VALUATIONS, TAXES LEVIED, TAX RATES, TAX EXTENSIONS,
 AND TAX COLLECTIONS (UNAUDITED)
 APRIL 30, 2018**

2017 Tax Levy				
Assessed Valuation, Excluding Tax Increment Financing District Increment				\$ 447,078,708
<u>Fund</u>	<u>Levy</u>	<u>Rate</u>	<u>Amount Extended by County Clerk</u>	<u>Collected Within 60 Days After April 30, 2018</u>
Sewer Chlorination	\$ 20,000	0.00448	\$ 20,029	\$ -
Illinois Municipal Retirement	120,000	0.02685	120,040	-
Workmen's Compensation	803,728	0.17978	803,758	-
Audit	80,000	0.01790	80,027	-
Street Lighting	85,000	0.01902	85,034	-
Unemployment Insurance	16,000	0.00358	16,005	-
Civil Defense	50,000	0.01119	50,028	-
Firemen's Pension	2,195,236	0.49102	2,195,245	-
Police Pension	2,108,564	0.47164	2,108,602	-
Total	\$ 5,478,528	1.22546	\$ 5,478,768	\$ -

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, 2018

2016 Tax Levy				
Assessed Valuation, Excluding Tax				\$ 443,718,894
Increment Financing District Increment				<u>\$ 443,718,894</u>
Fund	Levy	Rate	Amount Extended by County Clerk	Amount Collected
General	\$ 200,593	0.04521	\$ 200,605	\$ 198,875
Police Protection	625,028	0.14087	625,067	619,645
Fire Protection	625,028	0.14087	625,067	619,645
Garbage Collection and Disposal	26,057	0.00588	26,091	25,864
Sewer Chlorination	20,000	0.00451	20,012	19,837
Illinois Municipal Retirement	120,000	0.02705	120,026	118,987
FICA	475,000	0.10705	475,001	470,884
Workmen's Compensation	600,000	0.13523	600,041	594,837
Street and Bridge	305,000	0.02017	89,498	88,720
Audit	80,000	0.01803	80,003	79,308
Street Lighting	85,000	0.01916	85,017	84,280
Unemployment Insurance	16,000	0.00361	16,018	15,878
Civil Defense	50,000	0.01127	50,007	49,572
Firemen's Pension	1,177,950	0.26548	1,177,985	1,167,769
Police Pension	1,272,308	0.28674	1,272,320	1,261,287
	<u>1,272,308</u>	<u>0.28674</u>	<u>1,272,320</u>	<u>1,261,287</u>
Total	<u>\$ 5,677,964</u>	<u>1.23113</u>	<u>\$ 5,462,758</u>	<u>\$ 5,415,388</u>

2015 Tax Levy

2014 Tax Levy

\$ 441,216,885

\$ 432,907,928

2015 Tax Levy		2015 Tax Levy		2014 Tax Levy		2014 Tax Levy	
Levy	Rate	Amount Extended by County Clerk	Amount Collected	Levy	Rate	Amount Extended by County Clerk	Amount Collected
\$ 200,592	0.04542	\$ 200,401	\$ 198,847	\$ 100,000	0.02310	\$ 100,002	\$ 99,424
625,000	0.14166	625,028	620,149	600,000	0.13860	600,010	598,372
625,000	0.14166	625,028	626,283	600,000	0.13860	600,010	598,372
625,000	0.14166	625,028	620,149	600,000	0.13860	600,010	598,372
20,000	0.00454	20,031	19,877	15,000	0.00347	15,022	14,979
120,000	0.02720	120,011	119,073	120,000	0.02772	120,002	119,674
475,000	0.10766	475,014	471,307	466,292	0.10772	466,328	465,058
700,000	0.15866	700,035	694,570	700,000	0.16170	700,012	698,101
315,150	0.02254	99,450	98,676	403,000	0.04340	187,882	187,368
120,000	0.02720	120,011	119,073	90,000	0.02079	90,002	89,758
80,000	0.01814	80,037	79,410	80,000	0.01848	80,001	79,783
16,000	0.00363	16,016	15,890	12,000	0.00278	12,035	12,002
50,000	0.01134	50,034	49,641	100,000	0.02310	100,002	99,729
745,000	0.16886	745,039	739,221	700,260	0.16176	700,272	698,359
900,000	0.20399	900,038	893,015	811,141	0.18738	811,183	808,968
<u>\$ 5,616,742</u>	<u>1.22416</u>	<u>\$ 5,401,201</u>	<u>\$ 5,365,181</u>	<u>\$ 5,397,693</u>	<u>1.19720</u>	<u>\$ 5,182,773</u>	<u>\$ 5,168,319</u>

**CITY OF EAST PEORIA, ILLINOIS
LEGAL DEBT MARGIN (UNAUDITED)
APRIL 30, 2018**

Assessed Valuation, 2017 Tax Year		<u>\$ 447,078,708</u>
Statutory Debt Limitation (8.625% of Assessed Valuation)		\$ 38,560,539
Total Debt:		
Notes Payable to Banks	\$ 8,734,455	
Notes Payable to Illinois Environment Protection Agency	3,207,786	
General Obligation Bonds (Alternate Revenue Source)	83,065,000	
Deduct Debt Exempt from Debt Limitation Computation:		
General Obligation Bonds (Alternate Revenue Source)	<u>(83,065,000)</u>	<u>11,942,241</u>
Legal Debt Margin		<u>\$ 26,618,298</u>

**CITY OF EAST PEORIA, ILLINOIS
SCHEDULE OF RECEIPTS AND DISBURSEMENTS BY DISTRICT
SPECIAL TAX ALLOCATION FUND (UNAUDITED)
YEAR ENDED APRIL 30, 2018**

	District III
RECEIPTS	
Tax Increment Financing, Property Taxes	\$ 793,344
Interest Income	567
Total Receipts	793,911
DISBURSEMENTS	
Distribution to Other Taxing Districts	137,117
Interfund Borrowing	656,794
Total Disbursements	793,911
Excess of Receipts over Disbursements	-
Cash and Investments - April 30, 2017	3,018
CASH AND INVESTMENTS - APRIL 30, 2018	\$ 3,018

CITY OF EAST PEORIA, ILLINOIS
SCHEDULE OF RECEIPTS AND DISBURSEMENTS BY DISTRICT
CAPITAL PROJECTS FUND (UNAUDITED)
YEAR ENDED APRIL 30, 2018

	Camp Street TIF District	W. Washington Street TIF District	Total
RECEIPTS			
Tax Increment Financing:			
Property Taxes	\$ 1,873,549	\$ 2,641,320	\$ 4,514,869
TIF C Taxes	703,873	-	703,873
TIF D Taxes	-	1,090,017	1,090,017
Lease Income	621,568	-	621,568
Rental Income	1,009,200	-	1,009,200
Interest Income	6,804	9,740	16,544
Reimbursements and Property Sales	-	453,618	453,618
Intergovernmental	88,208	-	88,208
Interfund Borrowing	2,463,630	1,550,000	4,013,630
Total Receipts	<u>6,766,832</u>	<u>5,744,695</u>	<u>12,511,527</u>

CITY OF EAST PEORIA, ILLINOIS
SCHEDULE OF RECEIPTS AND DISBURSEMENTS BY DISTRICT
CAPITAL PROJECTS FUND (UNAUDITED) (CONTINUED)
YEAR ENDED APRIL 30, 2018

	Camp Street TIF District	W. Washington Street TIF District	Total
DISBURSEMENTS			
2002C Tax Increment Bond Interest	\$ 53,350	\$ -	\$ 53,350
2002C Tax Increment Bond Principal	265,000	-	265,000
2004B Tax Increment Bond Interest	7,480	-	7,480
2004B Tax Increment Bond Principal	340,000	-	340,000
2007 Refunding Tax Increment Bond Interest	893,585	-	893,585
2007 Refunding Tax Increment Bond Principal	845,000	-	845,000
2010A General Obligation Bond Interest	852,686	-	852,686
2010A General Obligation Bond Principal	965,000	-	965,000
2014 General Obligation Bond Interest	759,695	-	759,695
2014 General Obligation Bond Principal	885,000	-	885,000
2016C General Obligation Bond Interest	69,933	-	69,933
2016C General Obligation Bond Principal	65,000	-	65,000
2012A General Obligation Bond Interest	-	93,814	93,814
2012A General Obligation Bond Principal	-	180,000	180,000
2012B General Obligation Bond Interest	-	93,814	93,814
2012B General Obligation Bond Principal	-	180,000	180,000
2012C General Obligation Bond Interest	-	100,718	100,718
2012C General Obligation Bond Principal	-	535,000	535,000
2012D General Obligation Bond Interest	-	45,980	45,980
2012D General Obligation Bond Principal	-	215,000	215,000
2013B Refunding General Obligation Bond Interest	-	202,950	202,950
2013B Refunding General Obligation Bond Principal	-	500,000	500,000
2016AB General Obligation Bond Interest	-	338,250	338,250
Camp Street Loan Interest	3,952	92,436	96,388
Camp Street Loan Principal	53,833	479,658	533,491
Development and Engineering Fees	327,225	-	327,225
Other Operating Expenses	113,796	20,836	134,632
Land Purchases	-	445,792	445,792
Sales Tax Rebate	-	1,546,231	1,546,231
Property Taxes	413,583	-	413,583
Attorney Fees	6,583	10,031	16,614
Interfund Payment	-	1,713,630	1,713,630
Total Disbursements	6,920,701	6,794,140	13,714,841
Deficiency of Receipts under Disbursements	(153,869)	(1,049,445)	(1,203,314)
Cash - April 30, 2017	420,813	1,691,410	2,112,223
CASH - APRIL 30, 2018	\$ 266,944	\$ 641,965	\$ 908,909