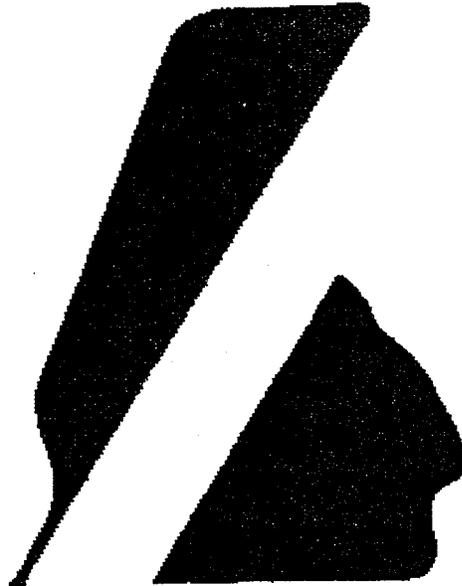


CITY OF PEORIA, ILLINOIS

COMPREHENSIVE ANNUAL

FINANCIAL REPORT

YEAR ENDING DECEMBER 31, 2005



CITY OF PEORIA, ILLINOIS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Year Ended December 31, 2005

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June 19, 2006

The Honorable James E. Ardis III, Mayor
Members of the City Council
The Citizens of the City of Peoria
419 Fulton Street
Peoria, IL 61602-1276

State law requires that all general-purpose, local governments, publish within six months of the close of each fiscal year, a complete set of financial statements presented in conformance with Generally Accepted Accounting Principles (GAAP) and audited in accordance with Generally Accepted Auditing Standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of the City of Peoria, Illinois for the year ended December 31, 2005.

The report consists of management's representations concerning the finances of the City of Peoria, Illinois. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, management of the City of Peoria has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City of Peoria's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City of Peoria's comprehensive framework of internal controls has been designed to provide reasonable, rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert, that to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

Clifton Gunderson LLP, a firm of licensed certified public accountants, has audited the City of Peoria, Illinois's financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Peoria for the fiscal year ended December 31, 2005, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the City of Peoria's financial statements for the fiscal year ended December 31, 2005, are fairly presented in



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conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the City of Peoria was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the City of Peoria's separately issued Single Audit Report.

GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with the letter. The City of Peoria, Illinois's MD&A can be found immediately following the report of the independent auditors on page III.

PROFILE OF THE CITY OF PEORIA

The City of Peoria was chartered on April 12, 1845 and is a home rule unit of government under the 1970 Illinois Constitution. The City is located on the Illinois River, midway between Chicago and St. Louis and is the largest urban area within the Peoria-Pekin Metropolitan Statistical Area. According to the 2000 Census, the City has a population of 112,936, ranking as the fifth largest city in the State of Illinois. In the fall of 2004, a Special Census was conducted by the United States Census Bureau. The Special Census resulted in an increase in population of 5,199, for a total population of 118,135.

The City is governed by a City Council elected on a non-partisan basis composed of ten Council members and a Mayor. Five of the Council members are elected from districts, while the other five and the Mayor are elected at large. Council members serve four-year terms with elections staggered every two years. The City Clerk and City Treasurer are also elected at large. A professional City Manager supervises day-to-day operations of the City. The City provides public safety, (police, fire and emergency medical) highway and street maintenance, public improvements, planning and zoning, and general administrative services. The City has no proprietary fund, although its component units; the Peoria Civic Center Authority and the Springdale Cemetery Management Authority are discretely presented component units. The Civic Center operates as a convention, sports, and entertainment facility. The Springdale Cemetery Management Authority operates and maintains the Springdale Cemetery. Additional information on these legally separate entities can be found in Notes 1, 2 and 15 in the notes to the financial statements.

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June 19, 2006

The annual budget serves as the foundation to the City of Peoria's financial planning and control. All departments of the City are required to submit requests for appropriation to the City Manager in August each year. These are used as the starting point for developing a proposed budget. The Illinois Compiled Statutes require that a public hearing be held prior to adoption and that it be adopted by the last Tuesday in December. The Peoria County Clerk requires that the annual budget and tax levy be filed by the last Tuesday in December. The appropriated budget is prepared by fund and department. The Budget Officer is authorized to make transfers within a department. Transfers between departments or funds, however, require the special approval of the City Council.

Budget-to-actual comparisons are provided in this report for each governmental fund for which an annual appropriated budget has been adopted. For the General Fund, this comparison is presented on pages 86 - 87. For governmental funds other than the General Fund, with appropriated annual budgets, this comparison is presented in the special revenue funds and debt service funds sections of the report, which start on page 88.

FACTORS AFFECTING FINANCIAL CONDITION

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City of Peoria operates.

Local economy. Built on a base of heavy manufacturing and best known as the "home" of Caterpillar, Inc., Peoria's primary economic activity has long been associated with the manufacturing of earthmoving equipment, such as Caterpillar and Komatsu-America International Co. Other prominent manufacturing firms in other industrial classifications include Keystone Steel & Wire Company, L. R. Nelson and O'Brien Steel. However, manufacturing has given way to the services and trade sectors, such as health services, insurance, retail and telemarketing, which provide more than two out of every three jobs.

The City continues to be the regional shopping venue of choice with the opening of the Shoppes at Grand Prairie in the spring of 2003 and an eighteen-screen theatre at the Shoppes in the spring of 2004. The Shoppes at Grand Prairie is a 500,000 square-foot retail center anchored by a Bergner's, Borders Books & Music, Dick's Sporting Goods and Linen-N-Things and includes numerous restaurants and specialty shops, as well as out-lots for further development.

As a result, the City of Peoria's current economic environment has been favorable. With continued construction of private businesses in the growth cells, on the Riverfront, and in other parts of the City, local indicators point to continued stability.

Long-term financial planning. During 2002, several studies were done to develop a downtown museum. This endeavor also obtained a state grant in the amount of \$1.2

The Honorable James E. Ardis III, Mayor
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million. In the fall of 2003, the City entered into a redevelopment agreement with the Lakeview Museum of Arts and Sciences to construct a museum on part of a downtown block previously known as the Sears block. In December 2004, the City entered into a new redevelopment agreement with the Lakeview Museum of Arts and Sciences and Caterpillar Inc, for the construction of a museum block. The agreement outlines the development of a 5.3-acre parcel of real estate located in the heart of downtown. This project will be home to the Central Illinois Regional Museum, a \$60 million project, as well as the Caterpillar Visitor Center, a \$35 million private development.

In October 2004, the City Council authorized the renovation and the expansion of the exhibit hall and arena of The Peoria Civic Center, at a capital cost not-to-exceed \$55 million. The renovation and expansion will include improvement of locker rooms for the arena; improvement of truck loading and servicing for the exhibition hall and the arena; relocation of staff offices; increase in restrooms and concession space; relocation of Club Lounge for arena spectators; a ballroom and expansion of the exhibit hall.

During 2003, the City Council authorized the creation of the Medical & Technology District along the West Main Street corridor. This collaborative effort between Caterpillar, the University of Illinois College of Medicine, Bradley University, the National Center for Agriculture Utilization and Research, Methodist Medical Center, and OSF Saint Francis Medical Center, the City of Peoria and Peoria NEXT seeks to capture and cultivate the medical and technology research companies born from other areas' institutional partners. Peoria NEXT, acting through the Heartland Foundation, purchased one city block along West Main Street that will house a \$13 million, 50,000 square-foot research incubator providing necessary lab space for such companies.

The State of Illinois is undertaking the largest road project in its history. The project began in 2002 and is expected to be complete in 2007. The project encompasses the I-74 corridor from Galesburg to Bloomington, running directly through Peoria. The roadway is being completely renovated, including new bridges, ramps and accesses. This will provide major construction jobs for about a 5-year period.

Cash management policies and practices. Excess cash during the year was invested in demand deposits, certificates of deposit, the State Treasurer's investment pool and obligations of the U.S. Treasury and Agencies. The average yield on investments was 3.26% for 2005 as compared to 1.29% for 2004. The City's 2005 benchmark was either the Federal Funds Rate of 3.26% or the 6-month T-bill of 3.41%. The City's return on investments did meet the benchmark for 2005. The City makes a concerted effort to invest locally. Consequently, target balances offset administrative costs and reduce interest earnings.

The City's investment objectives are to minimize credit and market risk and maintain a competitive yield on its portfolio, while complying with the City's investment policy.

The Honorable James E. Ardis III, Mayor
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The Municipal Treasurers' Association of the United States and Canada has certified the City's investment policy.

Risk Management. The City is self-insured for first party property, third party liability and workers compensation claims. The City, however, did purchase an excess policy for General and Automobile Liability and Public Official Liability effective spring, 2006. In addition, the City is self-insured for the provision of health and dental benefits to its employees and retirees and maintains stop loss insurance for specific and aggregate claims.

Pension and other post retirement benefits. The City of Peoria sponsors a single-employer defined benefit pension plan for both police and fire personnel. Each year, an independent actuary engaged by the City and the Pension Plans calculates the amount of the annual contribution that the City of Peoria must make to each pension plan to ensure that the plan will be able to fully meet its obligations to retired employees on a timely basis. As a matter of policy, the City fully funds each year's annual required contribution to the pension plans as determined by the actuary. As a result of the City's conservative funding policy, Peoria has funded 87.24% and 72.60%, respectively, of the present value of the projected benefits earned by employees of the Police and Firefighters Pension Funds. The remaining unfunded amount is being systematically funded over 40 years, which started July 1, 1993 as part of the annual required contribution calculated by the actuary.

The City of Peoria also provides pension benefits to its non-public-safety employees. These benefits are provided through a statewide plan managed by the Illinois Municipal Retirement Board. The City of Peoria has no obligation in connection with the employee benefits offered through this plan beyond its annual contractual payment of 14.97% of payroll for 2005.

The City of Peoria also provides post-retirement health and dental benefits for certain retirees and their dependents. As of the end of the current year there were 490 retired employees receiving these benefits, which are financed on a pay-as-you-go basis. GAAP do not currently require governments to report a liability in the financial statements in connection with an employer's obligation to provide these benefits.

Additional information on the City of Peoria's pension arrangements and post-employment benefits can be found in Note 11 in the notes to the financial statements.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Peoria, Illinois for its comprehensive annual financial report (CAFR) for the fiscal year

The Honorable James E. Ardis III, Mayor
Members of the City Council
The Citizens of the City of Peoria
June 19, 2006

ending December 31, 2004. This was the fifth consecutive year that the City has received this prestigious award. In order to be awarded the Certificate of Achievement, the City published an easily readable and efficiently organized CAFR. This report satisfied both GAAP and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

In addition, the City also received the GFOA's Distinguished Budget Presentation Award for its annual budget document, dated December 7, 2004. In order to qualify for the distinguished Budget Presentation Award, the City of Peoria's budget document was judged to be proficient in several categories, including as a policy document, a financial plan, an operations guide and a communication device. This was the thirteenth consecutive year the City has received the award.

The preparation of this report, on a timely basis, would not have been possible without the efficient and dedicated services of the entire staff of the finance department. We would like to express our appreciation to all members of the department who assisted and contributed in the preparation of the report. Credit must also be given to the Mayor and City Council for their dedication in maintaining the highest standards of professionalism in the management of the City of Peoria's finances.

Respectfully submitted,



Charles R. Oliver, CPA, PE
City Manager



James R. Scroggins, CPA
Finance Director/Comptroller

CITY OF PEORIA, ILLINOIS

ELECTED OFFICIALS

As of December 31, 2005

MAYOR

James E. Ardis III

CITY COUNCIL MEMBERS

Barbara S. Van Auken
Charles V. Grayeb
Clyde E. Gulley, Jr.
George F. Jacob
Robert D. Manning
John D. Morris
Patrick A. Nichting
Gary V. Sandberg
William R. Spears
W. Eric Turner

CITY CLERK

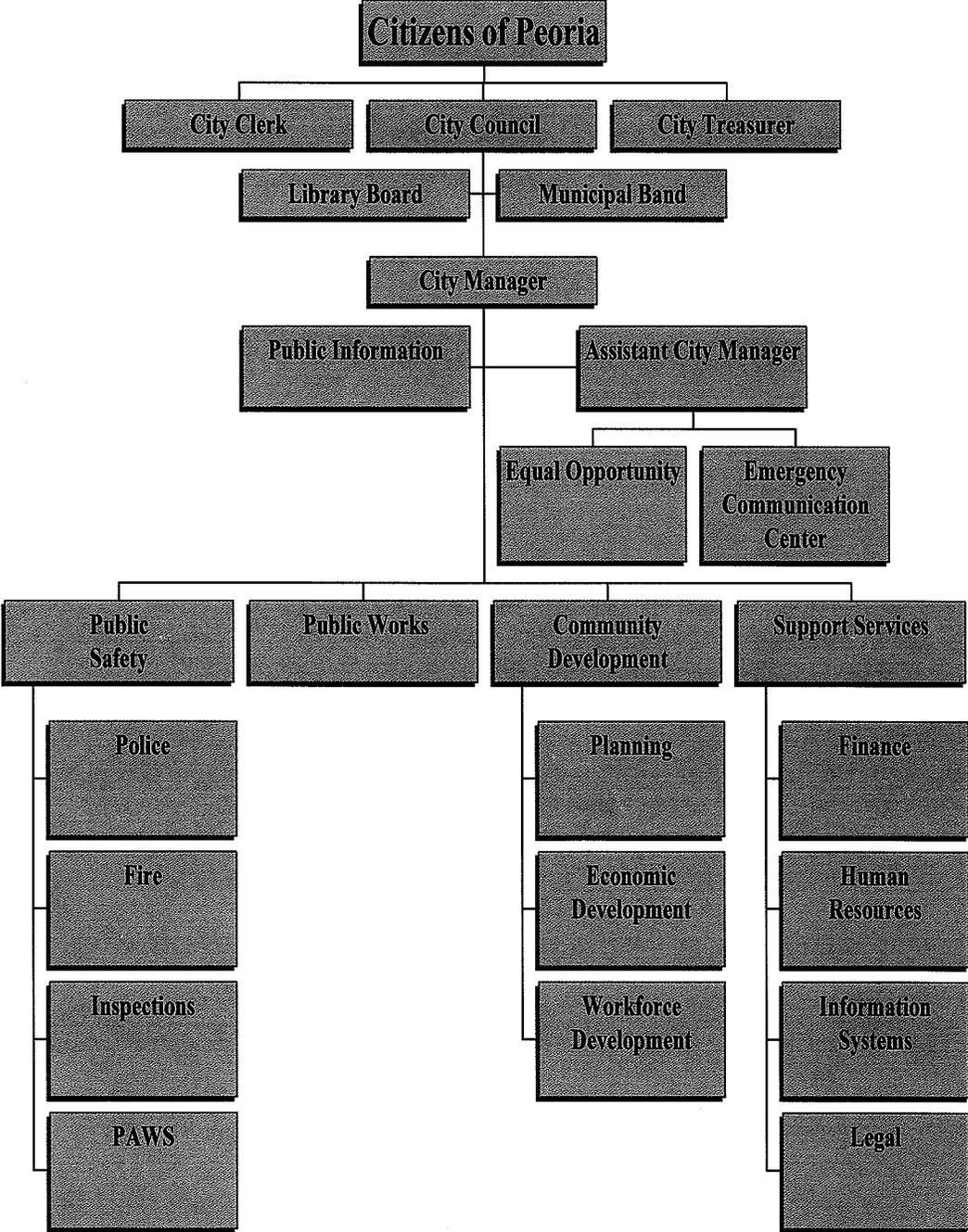
Mary L. Haynes

CITY TREASURER

Reginald A. Willis

Organizational Chart

City of Peoria 2005



Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Peoria,
Illinois

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2004

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Cara E. Perry

President

Jeffrey R. Enos

Executive Director

Independent Auditor's Report

To the Honorable Mayor and City Council
City of Peoria, Illinois

We have audited the accompanying financial statements of the total primary government - governmental activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Peoria, Illinois (City), as of and for the year ended December 31, 2005, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Peoria, Illinois' management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Peoria Foreign Fire Insurance Board, which represents \$333,633 (.20 percent) and \$119,028 (.08 percent) of the assets and revenues, respectively, of the total primary government - governmental activities, and .81 percent and .61 percent of the assets and revenues, respectively, of the aggregate remaining other governmental funds. We also did not audit the statement of fiduciary net assets and the statement of changes in fiduciary net assets (comprised of the Police Pension Fund of Peoria and the Firemen's Pension Fund of Peoria, component units of the City of Peoria, Illinois), the financial statements of the Springdale Historic Preservation Foundation, which as a component unit of the discretely presented component unit, Springdale Management Authority, represents \$157,568 (7.83 percent) and \$144,038 (9.43 percent) of the assets and revenues, respectively, of the discretely presented Springdale Cemetery Management Authority. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinions insofar as they relate to amounts included for the Peoria Foreign Fire Insurance Board, the Police Pension Fund of Peoria, the Firemen's Pension Fund of Peoria, and the Springdale Historic Preservation Foundation are based on the reports of other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The financial statements of Foreign Fire Insurance Board and the Peoria Civic Center Authority were not audited in accordance with *Government Auditing Standards*. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of other auditors provide a reasonable basis for our 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 total primary government - governmental activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Peoria, Illinois, as of December 31, 2005, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated May 19, 2006, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis, budgetary comparison information, and schedule of funding progress for Illinois Municipal Retirement Fund, Police Pension Fund of Peoria, and Firemen's Pension Fund of Peoria on pages III through XIII and pages 70 through 72 are not a required part of the basic financial statements but are supplementary information required by the generally accepted accounting principles. We and the other auditors have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Peoria, Illinois' basic financial statements. The combining and individual fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied by us and the other auditors in the audit of the basic financial statements and, in our opinion, based on our audit and the reports of other auditors, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Clifton Gunderson LLP

Peoria, Illinois
May 19, 2006

Management's Discussion and Analysis

As management of the City of Peoria, we offer readers of the City of Peoria's financial statements this narrative overview and analysis of the City's financial activities for the fiscal year ended December 31, 2005. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal which can be found on pages v thru x of this report. All monetary amounts in this analysis, unless otherwise indicated, are expressed in millions of dollars.

Financial Highlights: Primary Government

- Assets of the City of Peoria exceeded liabilities by \$65.9 million at December 31, 2005.
- The City's total net assets increased \$5.9 million during 2005; 72.5% of this total net assets increase is attributable to an increase in total state-shared tax revenues.
- As of December 31, 2005, the City of Peoria's governmental funds reported combined fund balances of \$120.2 million, an increase of \$49.7 million in comparison with the prior year. Approximately 12.1% of this \$120.2 million amount, \$14.6 million, is available for spending at the City's discretion (*undesignated fund balance*).
- The undesignated general fund balance increased \$1.5 million during 2005 to \$6.5 million total as of December 31, 2005; equivalent to 7.5% of total general fund expenditures.
- The City's total outstanding debt increased by \$52.1 million during 2005.
- During 2005, the City issued \$62.6 million general obligation bonds for major Peoria Civic Center improvements and \$36.9 million general obligation bonds for partial refundings of 1997A, 1997B, 1998A, 1998B, 1998E, 1998F, 1999A, 2000A, 2000B and 2000C general obligation bonds.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City of Peoria's basic financial statements. The City of Peoria's basic financial statements are comprised of four components: 1) government-wide financial statements 2) fund financial statements 3) notes to the financial statements 4) required supplemental information.

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the City of Peoria's finances, in a manner similar to a private-sector business. The government-wide financial statements can be found on pages 1 - 4 of this report.

The *Statement of Net Assets* presents information on all of the City's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City of Peoria is improving or deteriorating.

The *Statement of Activities* presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in future fiscal periods' cash flows (e.g. uncollected taxes, unused accrued vacation leave).

Under GASB 34 reporting requirements, government-wide financial statements distinguish functions of a governmental entity principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The primary governmental activities of the City include general government, public safety, public works and community development. The City of Peoria has no business-type activities.

The government-wide financial statements include not only the City of Peoria (classified as the *primary government*), but also the legally separate Peoria Civic Center Authority and Springdale Cemetery Management Authority for which the City of Peoria is financially accountable. Financial information for these *discretely presented component units* is reported in separate government-wide statement columns from financial data presented for the primary government. Audited, separately issued financial statements are available for all types of component units.

Blended component units, although legally separate entities, are considered part of the City's operations and consequently combined with data of the primary government for government-wide statements presentation. The Designated Zone Organization(DZO) and Foreign Fire Insurance Board are classified as blended component units in the government-wide statements. Police & Fire Pension Trust Funds, classified as fiduciary funds, are presented in separate statements. Police & Fire Pension Trust Funds are excluded from government-wide statements.

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Peoria, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The City of Peoria's primary government funds can be categorized as governmental funds.

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike government-wide financial statements, governmental fund financial statements focus on the *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate comparison between *governmental funds & governmental activities*. The City of Peoria maintains thirty-three (33) active individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balance for the General Fund, Peoria Public Library Fund, Capital Improvements Fund, Police/Fire Pension Levy Fund and 2005(A) GO Bonds Project Fund, all of which are considered to be major funds. The Workforce Development Fund is presented separately as a major fund because this entity is administered by an independent governing board. The remaining governmental funds

are combined into a single, aggregated presentation. Individual fund data for each non-major governmental fund is provided in the form of *combining statements* elsewhere in this report. Basic governmental fund financial statements can be found on pages 5 - 12 of this report.

Proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among an entity's various functions. The City has no proprietary funds.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the City of Peoria's own programs. The accounting used for fiduciary funds is similar to accounting for proprietary funds. Combined Police/Fire pension trust funds, classified as fiduciary funds, are reported separately from the City's government-wide statements in pages 15 - 16 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 17 - 68 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplemental information concerning the City of Peoria's budgetary comparison schedules for major funds and progress in funding its obligation to provide pension benefits to its employees. Required supplemental information regarding budgetary comparisons and pension funding can be found in pages 70 - 72 of this report. Combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the Required Supplemental Information section. Combining and individual funds statements plus statistical data are located on pages 73 - 153 of this report.

Infrastructure Assets

Per GASB Statement 34 requirements, the City initially reported depreciation expense, accumulated depreciation and infrastructure additions/deletions for FY2002. The City has deferred implementation of retroactive reporting for infrastructure assets existing prior to FY2002. The City must include retroactive infrastructure reporting valuation in annual financial reports, for years 1980-2001, no later than the fiscal year ending December 31, 2006.

Historically, a government's largest group of assets (infrastructure - roads, bridges, traffic signals, etc.) has not been reported or depreciated in governmental financial statements. The current GASB 34 standard requires that these assets be valued and reported within the governmental column of the government-wide statements. Additionally, the government must elect to either (a) depreciate these assets over their useful lives or (b) develop a system of asset management designed to maintain the service delivery potential to near perpetuity. If the government develops the asset management system (the modified approach) which periodically (at least every third year), by category, measures and demonstrates its maintenance of locally established levels of service standards, the government may record its cost of maintenance in lieu of depreciation. This information about the condition and maintenance of condition of the government infrastructure assets could assist financial statement users in evaluating a local government and its performance over time. The City currently depreciates capital assets.

Government-Wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. The City primary government's assets exceeded liabilities by \$65.9 million at December 31, 2005. *Restricted net assets* represent resources that are subject to external usage restrictions. The City's (\$130.8) million deficit balance for *unrestricted net assets* represents additional future resources required to fulfill municipal government's obligations to citizens and creditors.

A significant portion of the City's total assets (39.6%) features capital assets (e.g., land, buildings, equipment, infrastructure). The City of Peoria uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City's investment in its capital assets is reported net of related debt in the Net Assets section below, it should be noted that the resources to repay the debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

City of Peoria's Net Assets (\$ Millions)

	Governmental Activities 2005	Governmental Activities 2004
Current & Other Assets	\$175.9	\$119.3
Capital Assets	\$115.4	\$106.7
Total Assets	\$291.3	\$226.0
Long-Term Liabilities	\$179.6	\$125.9
Other Liabilities	\$45.8	\$40.1
Total Liabilities	\$225.4	\$166.0
Net Assets:	\$65.9	\$60.0
Invested in Capital Assets, net of related debt	\$101.6	\$87.7
Restricted	\$95.1	\$44.7
Unrestricted	(\$130.8)	(\$72.4)
Total Net assets	\$65.9	\$60.0

Normal Impact Factors: Net Assets

There are six basic (normal) transactions that will affect the comparability of the Statement of Net Assets summary presentation.

Net Results of Activities – which will impact (increase/decrease) current assets and unrestricted net assets.

Borrowing for Capital – which will increase current assets and long-term debt.

Spending Borrowed Proceeds on New Capital – which will reduce current assets and increase capital assets. There is a second impact, an increase in capital assets and an increase in related net debt which will not change the invested in capital assets, net of debt.

Spending of Non-borrowed Current Assets on New Capital – which will (a) reduce current assets and increase capital assets and (b) will reduce unrestricted net assets and increase invested in capital assets, net of debt.

Principal Payment of Debt – which will (a) reduce current assets and reduce long-term debt and (b) reduce unrestricted net assets and increase invested in capital assets, net of debt.

Reduction of Capital Assets through Depreciation – which will reduce capital assets and invested in capital assets, net of debt.

Governmental Activities. Significant administrative decisions and major economic fluctuations impacted the City of Peoria's 2005 governmental activities. Highlights included:

- The City Council declined the option to purchase the local water utility company due to acquisition cost factors.
- \$13.1 of \$62.6 million general obligation bond proceeds were expended during 2005 to finance major, multi-year Peoria Civic Center expansion improvements. This \$13.1 million constituted 83.6% of the total Community Development expenses increase. These significant City expenses were not recorded as capital assets by the City, however. The Peoria Civic Center recorded these expansion improvements as capital assets.
- Improving 2005 economic conditions were reflected by a \$4.2 million increase in total combined state-shared tax revenues.
- Combined state-shared revenues totaled \$41.1 million representing 27.2% of total 2005 revenues for governmental activities.
- Police, Fire and Public Safety (ESDA/Inspections/Animal Shelter) combined expenses totaled \$59.5 million representing 41.0% of total 2005 governmental activities expenses.
- The City's \$26.5 employer portions of payroll taxes, pension plan contributions, healthcare plan costs, plus other allowances and benefits included a \$3.6 million increase.

**City of Peoria's Changes In Net Assets
(\$ Millions)**

	Governmental Activities 2005	Governmental Activities 2004
Revenues:		
Program Revenues:		
Charge for services	\$19.8	\$18.1
Operating Grants and Contributions	\$10.7	\$8.3
Capital Grants and Contributions	\$1.7	\$1.6
General Revenues:		
Property taxes	\$24.7	\$23.6
Hotel, Restaurant & Amusement Tax	\$7.1	\$6.9
Other Taxes & Fees	\$74.6	\$70.9
Unrestricted Grants & Contributions	\$3.5	\$3.3
Other Revenues	\$8.9	\$8.5
Total Revenues	\$151.0	\$141.2
 Expenses:		
Elected Officials	\$1.7	\$1.7
City Administration	\$6.8	\$6.3
Police	\$29.2	\$28.4
Fire	\$22.3	\$21.5
Public Works	\$25.3	\$23.7
Community Development	\$28.6	\$12.9
Library	\$6.2	\$5.6
Public Safety (excluding Police & Fire)	\$8.1	\$7.8
General Government	\$9.4	\$7.1
Other Expenses	\$7.5	\$5.9
Total Expenses	\$145.1	\$120.9
Increase in Net Assets	\$5.9	\$20.3
Beginning Net Assets 1/1	\$60.0	\$39.7
Ending Net Assets 12/31	\$65.9	\$60.0

Normal Impacts: Changes in Net Assets

Listed below are various influences on change in revenue or expense.

Revenues:

Economic Condition – which can reflect a declining, stable or growing economic environment and have a substantial impact on property, sales, gas or other tax revenue as well as public spending habits for building permits, elective user fees and volumes of consumption.

Increase/Decrease in Rates Approved By City Council – while certain tax rates are set by statute, the City Council has significant authority to impose and periodically increase/decrease rates (parking, permitting, licensing, etc.)

Changing Patterns in Intergovernmental and Grant Revenue (both recurring and non-recurring) – certain recurring revenues (state revenue sharing, block grant, etc.) may experience changes periodically while non-recurring (or one-time) grants are less predictable and often distorting in their impact on year to year comparisons.

Market Impacts on Investment Income – market conditions may cause the investment income to fluctuate depending on average maturity.

Expenses:

Introduction of New Program – within the functional expense categories (Police, Fire, Public Works, etc.) individual programs may be added or deleted to meet changing community needs.

Increase in Authorized Personnel – changes in service demand may cause the Council to increase/decrease authorized staffing. Staffing costs (salary and related benefits) represent 72% of the City's operating cost.

Salary Increases (cost of living, merit and market adjustment) – the ability to attract and retain human and intellectual resources requires the City to strive to approach a competitive salary range position in the marketplace.

Inflation – while overall inflation appears to be reasonably modest, the City is a major consumer of certain commodities such as chemicals and supplies, fuels and parts. Some functions may experience unusual commodity specific increases.

Financial Analysis of the Government's Funds

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

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

As of the end of the current fiscal year, the City of Peoria's governmental funds reported combined ending fund balances of \$120.2 million. Approximately \$14.6 million constitutes undesignated fund balance available for discretionary spending. The remainder of fund balance is reserved or designated and consequently unavailable for new spending because it has already been committed to: 1) liquidate contracts and purchase orders of prior period 2) pay debt 3) provide for general liability & health insurance 4) provide for other restricted or other designated purposes.

The General Fund is the chief operating fund of the City of Peoria. At the end of the current fiscal year, the undesignated General Fund balance was \$6.5 million while total fund balance reached \$25.3 million. As a measure of the general fund liquidity, it may be useful to compare both undesignated fund balance and total fund balance to total fund expenditures (e.g. 12/31/05 total General Fund balance represented 28.9% of FY2005 general fund expenditures).

The City's total General Fund balance increased \$2.1 million during 2005. Key reasons were:

- Due to the improving economy during 2005, the City's share of:
 - a) State of Illinois personal property replacement tax revenues increased \$1.6 million
 - b) State of Illinois income tax allocation increased \$1.7 million
 - c) State of Illinois sales taxes increased \$0.6 million

The City's combined Capital Improvements (Capital/Local Motor Fuel Tax/Riverfront) Fund balance decreased \$0.9 million in 2005. This fund balance decrease was primarily due to:

- \$ 0.8 million decrease in federal/state governmental grants and reimbursements revenues.

The City's employee pension benefits costs significantly increased in the Illinois Municipal Retirement Fund(IMRF) due to:

- \$1.6 million IMRF pension funding increase primarily attributable to a 6.8% increase in the City's employer pension contribution rate in relation to each employee's IMRF wages.

The City currently maintains \$23.0 million combined total designated fund balances, in all governmental funds, for payment of future debt service. The City continues to abate property tax levies due to reliance upon alternative funding sources, primarily utility taxes plus hotel, restaurant and amusement (h.r.a.) taxes, for annual debt service payments.

General Fund Budgetary Highlights

Continuing implementation of the City Council's 2003-2004 Budget Restructure Plan featured movement from program-based budgeting to activity-based budgeting. Department budgets have been reformatted to allocate costs and measure performance outcome for each activity.

During 2005, the \$3.6 million final budget estimated revenues increase over original budget estimated revenues, primarily comprised of budget amendments for state-shared revenues (personal property replacement tax, state income tax) and governmental grants, represented 3.8% of the total original budget estimated revenues. The corresponding \$3.8 million final budget increase to original budget appropriations, highlighted by community development program increases, constituted 4.6% of original budget appropriations.

Other General Fund budgetary highlights included:

- \$5.0 million increase in total final budget estimated revenues in comparison with prior year.
- \$5.7 million increase in total final budget appropriations in comparison with prior year.

Capital Asset and Debt Administration

Capital assets. As of December 31, 2005, the City maintained \$115.4 million in capital assets (net of depreciation) representing an 8.1% increase in net capital assets over the prior year for governmental activities. These capital assets included land, land improvements, buildings, equipment, vehicles, Library media and infrastructure (e.g. roads, sewers, sidewalks, street lights).

Major capital asset events during the current fiscal year included:

- \$2.7 million expended for Charter Oak Road extension to complete linkage to Allen Road.

City of Peoria's Capital Assets Net of Depreciation (\$ Millions)

	Governmental Activities 2005	Governmental Activities 2004
Land & Land Improvements	\$15.0	\$12.9
Buildings	\$45.8	\$47.3
Equipment	\$7.1	\$6.8
Infrastructure	\$47.5	\$27.0
Construction in Progress	\$0.0	\$12.7
Total	<u>\$115.4</u>	<u>\$106.7</u>

Additional information regarding the City's capital assets is located in note 7 on pages 54 - 55 of this report.

Long-term debt. The City of Peoria owed total bonded debt of \$167.5 million at December 31, 2005; \$160.7 million of the preceding total comprised debt backed by the full faith and credit of the government and \$4.5 million comprised special service area debt for which the government is liable in the event of default by the property owners subject to the assessment. The remaining \$2.3 million bonded debt comprised revenue bonds secured by specific revenue.

Standard & Poor’s Rating Service has currently assigned a “AA” rating for the City’s general obligation bonds. Moody’s Investor Service has currently assigned a “Aa3” rating for the City’s general obligation bonds. These high bond ratings applied to all 2005 City bonds issued.

The City exercises home rule authority and has no external statutory limitation on the amount of general obligation debt. The City’s self-imposed debt limit is equivalent to 10% of equalized assessed valuation. This self-imposed debt limit does not apply to debt with pledged revenues other than property tax as a repayment source.

Additional information on the City of Peoria’s long-term debt can be found in note 6 on pages 39 - 53 of this report.

**City of Peoria’s Bonded Debt
(Bond Principal Portion Only)
Governmental Activities
(\$ Millions)**

	2005	2004
General Obligation Bonds	\$160.7	\$107.8
Special Service Area Bonds	4.5	4.7
Revenue Bonds	2.3	2.8
 Total	 <u>\$167.5</u>	 <u>\$115.3</u>

Economic Conditions and Next Year’s Budgets

The City administration continues to grapple with balancing services with limited resources. The City Council approved the 2006 City budget with provisions for prioritizing essential services, increasing public safety services and increasing service efficiency. In addition, the City has implemented a five-year operating budget forecasting model and a corresponding ten-year capital budget program.

In an effort to control growth of employees’ salaries, the City Council discontinued longevity pay for management employees effective June 1, 2006. Actuarial consultants are currently coordinating with the City Council and the Labor/Management Healthcare Committee to assess financial impacts of GASB45 Other Post-Employment Benefits reporting for 2007 & thereafter.

The City’s next water utility purchase option will be during 2008 with a similar purchase option every 5 years thereafter.

Contacting the City's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers and investors with a general overview of the City's finances and to demonstrate the City's accountability for the money it receives. If you have questions about this report or need additional financial information, please contact: Finance Department, City of Peoria, 419 Fulton Street, Peoria, Illinois 61602.

CITY OF PEORIA, ILLINOIS
STATEMENT OF NET ASSETS
December 31, 2005

ASSETS	Total Primary Government - Governmental Activities	Component Units	
		Peoria Civic Center Authority	Springdale Cemetery Management Authority
CURRENT ASSETS			
Cash	\$ 17,205,184	\$ 1,008,656	\$ 304,349
Restricted cash	-	-	253,761
Cash with trustee	45,038,018	-	-
Investments	52,310,265	1,543,398	-
Taxes receivable:			
Property taxes	25,531,900	-	-
Corporate personal property replacement taxes	934,927	-	-
State sales and income taxes	7,366,821	-	-
Home rule sales taxes	6,360,893	-	-
Hotel, restaurant, and amusement taxes	842,967	-	-
Utility taxes	1,769,516	-	-
Local motor fuel taxes	117,064	-	-
Governmental grants and reimbursements receivable	1,005,988	-	-
Riverboat gaming revenue receivable	701,337	-	-
Loans receivable, net	325,686	-	-
Other receivables, net	1,998,785	1,404,012	189,049
Accrued interest receivable, net	1,189,008	11,068	-
Special assessments receivable	68,227	-	-
Inventory, prepaid items, and other	439,794	171,084	42,250
Total current assets	<u>163,206,380</u>	<u>4,138,218</u>	<u>789,409</u>
NONCURRENT ASSETS			
Loans receivable, net	1,088,390	-	-
Other receivable	200,000	340,066	22,896
Special assessments receivable	514,302	-	-
Unamortized bond issue costs	1,344,808	-	-
Net pension assets	9,578,289	-	-
Capital assets:			
Land	11,173,278	10,234,750	-
Infrastructure	51,091,883	-	-
Buildings and land improvements	77,107,378	91,535,152	1,076,478
Major equipment and vehicles	21,666,835	8,182,685	325,083
Media assets	28,309,328	-	-
Accumulated depreciation	(73,963,264)	(54,174,448)	(172,639)
Construction in progress	-	6,484,967	38,837
Total capital assets	<u>115,385,438</u>	<u>62,263,106</u>	<u>1,267,759</u>
Total noncurrent assets	<u>128,111,227</u>	<u>62,603,172</u>	<u>1,290,655</u>
TOTAL ASSETS	<u>\$ 291,317,607</u>	<u>\$ 66,741,390</u>	<u>\$ 2,080,064</u>

CITY OF PEORIA, ILLINOIS
STATEMENT OF NET ASSETS

December 31, 2005

TOTAL LIABILITIES AND NET ASSETS	Total Primary Government - Governmental Activities	Component Units	
		Peoria Civic Center Authority	Springdale Cemetery Management Authority
CURRENT LIABILITIES			
Accounts payable	\$ 10,302,186	\$ 640,874	\$ 43,760
Accrued payroll	2,207,761	-	-
Accrued interest	173,157	-	-
Other payables	444,065	347,002	5,862
Advance ticket sales	-	403,268	-
Estimated payable for claims and losses incurred but not reported	320,997	-	-
Unearned revenue - property taxes	25,531,900	-	-
Unearned revenue - other	3,756,020	532,676	82,366
Tax rebates payable	34,688	-	-
Accrued compensated absences	600,000	-	-
Bonds and loans payable, current portion	2,402,854	271,640	-
Other long-term obligations, current portion	61,748	-	-
Total current liabilities	45,835,376	2,195,460	131,988
LONG-TERM LIABILITIES			
Accrued compensated absences	7,416,076	-	-
Bonds and loans payable, noncurrent	168,225,233	2,225,761	-
Other long-term obligations, noncurrent	1,473,436	-	-
Unamortized bond premium	3,825,871	-	-
Deferred amount on bonds refunded	(1,331,885)	-	-
Deferred revenue and deposits	-	298,408	-
Asset held for Tourism Reserve Fund - payable from restricted assets	-	169,274	-
Total long-term liabilities	179,608,731	2,693,443	-
Total liabilities	225,444,107	4,888,903	131,988
NET ASSETS			
Investment in capital assets, net of related debt	101,583,605	59,765,705	1,267,759
Restricted for:			
Law enforcement	429,972	-	-
Animal shelter trust	5,390	-	-
Future road projects	7,810,890	-	-
Debt service	7,568,575	-	-
Peoria Public Library	2,012,738	-	-
Revolving loan fund	320,473	-	-
Riverfront development	461	-	-
Compensated absences	171,930	-	-
Employees' pension benefits (Schedule of funding progress on page 72)	9,745,701	-	-
Capital projects	67,015,013	-	-
Cemetery	-	-	288,283
Unrestricted	(130,791,248)	2,086,782	392,034
Total net assets	65,873,500	61,852,487	1,948,076
TOTAL LIABILITIES AND NET ASSETS	\$ 291,317,607	\$ 66,741,390	\$ 2,080,064

The notes to the financial statements are an integral part of this statement.

CITY OF PEORIA, ILLINOIS
STATEMENT OF ACTIVITIES
Year Ended December 31, 2005

FUNCTIONS/PROGRAMS	<u>Expenses</u>	<u>Charges for Services</u>
Primary government:		
Governmental activities:		
Elective offices, boards, commissions and agencies	\$ (1,705,216)	\$ -
City administration	(6,824,431)	-
Police	(29,168,640)	475,862
Fire	(22,305,856)	412,138
Public works	(25,328,323)	5,822,715
Community development	(28,639,520)	-
Public safety	(8,046,578)	2,331,974
General government	(9,382,074)	10,654,559
Library	(6,218,324)	131,886
Interest on long-term debt	(7,546,228)	-
	<u>\$ (145,165,190)</u>	<u>\$ 19,829,134</u>
Total primary government		
Component units:		
Peoria Civic Center Authority	\$ (25,230,893)	\$ 21,742,169
Springdale Cemetery Management Authority	(1,040,308)	380,503
	<u>\$ (26,271,201)</u>	<u>\$ 22,122,672</u>
Total component units		
 GENERAL REVENUES		
Property taxes		
Corporate personal property replacement taxes		
State sales taxes, unrestricted		
State income tax allocation, unrestricted		
Home rule sales taxes		
Hotel, restaurant and amusement taxes		
Local motor fuel taxes		
Riverboat gaming revenue		
Utility taxes		
Grants and contributions not restricted to specific programs		
Payment from City of Peoria		
Interest/investment income		
Franchise fees, based on gross receipts		
Other		
Total general revenues		
Change in net assets		
Net assets - beginning		
Net assets - ending		

<u>Program Revenues</u>		<u>Net (Expense) Revenue and Changes in Net Assets</u>		
		<u>Total Primary Governmental Activities</u>	<u>Component Units</u>	
<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>		<u>Peoria Civic Center Authority</u>	<u>Springdale Cemetery Management Authority</u>
\$ -	\$ -	\$ (1,705,216)	\$ -	\$ -
-	-	(6,824,431)	-	-
2,420,407	-	(26,272,371)	-	-
111,953	-	(21,781,765)	-	-
-	-	(19,505,608)	-	-
7,583,527	-	(21,055,993)	-	-
66,227	-	(5,648,377)	-	-
520,184	1,559,111	3,351,780	-	-
28,707	149,577	(5,908,154)	-	-
-	-	(7,546,228)	-	-
<u>\$ 10,731,005</u>	<u>\$ 1,708,688</u>	<u>\$ (112,896,363)</u>	<u>\$ -</u>	<u>\$ -</u>
\$ -	\$ 6,522,196		\$ 3,033,472	\$ -
<u>475,438</u>	<u>276,047</u>		<u>-</u>	<u>91,680</u>
<u>\$ 475,438</u>	<u>\$ 6,798,243</u>		<u>\$ 3,033,472</u>	<u>\$ 91,680</u>
		\$ 24,697,914	\$ -	\$ -
		6,515,378	-	-
		21,968,951	-	-
		8,888,641	-	-
		21,930,700	-	-
		7,067,524	-	-
		936,573	-	-
		4,058,749	-	-
		8,455,737	-	-
		3,511,015	-	-
		-	1,389,806	-
		3,953,095	65,517	10,295
		1,880,087	-	-
		4,868,646	-	369,167
		<u>118,733,010</u>	<u>1,455,323</u>	<u>379,462</u>
		5,836,647	4,488,795	471,142
		<u>60,036,853</u>	<u>57,363,692</u>	<u>1,476,934</u>
		<u>\$ 65,873,500</u>	<u>\$ 61,852,487</u>	<u>\$ 1,948,076</u>

The notes to the financial statements are an integral part of this statement.

CITY OF PEORIA, ILLINOIS

GOVERNMENTAL FUNDS

BALANCE SHEET

December 31, 2005

ASSETS	<u>General Fund</u>	<u>Peoria Public Library Fund</u>
Cash	\$ 580,778	\$ 501,363
Cash with trustee	-	-
Investments	18,666,265	1,781,535
Property taxes receivable	5,140,800	5,480,300
Corporate personal property replacement taxes	934,927	-
State sales and income taxes receivable	7,318,482	-
Home rule sales taxes	6,360,893	-
Hotel, restaurant, and amusement taxes	842,967	-
Utility taxes	1,769,516	-
Local motor fuel taxes receivable	-	-
Governmental grants and reimbursements receivable	319,674	-
Riverboat gaming revenue receivable	-	-
Loans receivable, net	-	-
Other receivables, net	907,074	-
Accrued interest receivable, net	50,487	-
Special assessments receivable	-	-
Due from other funds	15,354	-
Inventory and other	<u>401,629</u>	<u>-</u>
TOTAL ASSETS	<u>\$ 43,308,846</u>	<u>\$ 7,763,198</u>

Workforce Development Fund	Police and Fire Pension Levy Fund	Capital Improvements Fund	2005A General Obligation Capital Project Fund	Other Governmental Funds	Total Governmental Funds
\$ 88,444	\$ -	\$ 561,034	\$ 107,179	\$ 15,366,386	\$ 17,205,184
-	-	-	45,038,018	-	45,038,018
150,943	-	16,358,499	-	15,353,023	52,310,265
-	5,831,200	58,900	-	9,020,700	25,531,900
-	-	-	-	-	934,927
-	-	-	-	48,339	7,366,821
-	-	-	-	-	6,360,893
-	-	-	-	-	842,967
-	-	-	-	-	1,769,516
-	-	117,064	-	-	117,064
81,761	-	320,204	-	284,349	1,005,988
-	-	701,337	-	-	701,337
-	-	901,219	-	512,857	1,414,076
60,475	-	1,150,259	-	80,977	2,198,785
-	-	53,297	973,326	111,898	1,189,008
-	-	68,227	-	-	68,227
-	-	3,749,315	-	222,285	3,986,954
<u>38,165</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>439,794</u>
<u>\$ 419,788</u>	<u>\$ 5,831,200</u>	<u>\$ 24,039,355</u>	<u>\$ 46,118,523</u>	<u>\$ 41,000,814</u>	<u>\$ 168,481,724</u>

(CONTINUED)

CITY OF PEORIA, ILLINOIS

GOVERNMENTAL FUNDS

BALANCE SHEET

December 31, 2005

LIABILITIES AND FUND BALANCE	<u>General Fund</u>	<u>Peoria Public Library Fund</u>
LIABILITIES		
Accounts payable	\$ 3,717,745	\$ 122,331
Accrued payroll	2,007,969	88,459
Estimated payable for claims and losses incurred but not reported	320,997	-
Due to other funds	3,391,702	-
Unearned revenue - property taxes	5,140,800	5,480,300
Unearned revenue - other	2,966,200	59,370
Bonds payable	-	-
Tax rebates payable	30,664	-
Other payables	444,065	-
Total liabilities	<u>18,020,142</u>	<u>5,750,460</u>
FUND BALANCE		
Reserved for encumbrances	502,404	-
Reserved for law enforcement	429,972	-
Reserved for animal shelter trust	-	-
Reserved for future road projects	-	-
Reserved for debt service	-	-
Reserved for working cash - library	-	1,000,279
Reserved for endowment activity - library	-	480,817
Reserved for revolving loan fund	-	-
Reserved for riverfront development	-	-
Reserved for compensated absences	-	-
Reserved for employees' pension benefits	-	-
Unreserved:		
Designated, reported in:		
General Fund	17,823,988	-
Capital Projects Funds	-	-
Undesignated, reported in:		
General Fund	6,532,340	-
Special Revenue Funds	-	531,642
Capital Projects Funds	-	-
Total fund balance	<u>25,288,704</u>	<u>2,012,738</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 43,308,846</u>	<u>\$ 7,763,198</u>

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

Receivables are deferred in the funds if they are not available for use in the current period.

Special assessments receivable are not available to pay current period expenditures and, therefore, are not recognized in the funds.

Net pension asset (obligation) is not recorded in the funds.

Bond issuance costs are reported as expenditures in the funds.

Bond premiums are reported as other financing sources in funds

Deferred amounts on refunding are not recorded in the funds.

Interest payable on debt is not reported in the funds if payments are due subsequent to reporting date.

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

 Accrued compensated absences

 Bonds and loans payable

 Other long-term obligations

NET ASSETS OF GOVERNMENTAL ACTIVITIES

EXHIBIT C
(CONTINUED)

Workforce Development Fund	Police and Fire Pension Levy Fund	Capital Improvements Fund	2005A General Obligation Capital Project Fund	Other Governmental Funds	Total Governmental Funds
\$ 157,944	\$ -	\$ 1,229,105	\$ 2,177,283	\$ 2,897,778	\$ 10,302,186
44,809	-	28,178	-	38,346	2,207,761
-	-	-	-	-	320,997
-	-	166,030	-	429,222	3,986,954
-	5,831,200	58,900	-	9,020,700	25,531,900
45,105	-	1,279,206	-	1,069,469	5,419,350
-	-	6,000	-	-	6,000
-	-	4,024	-	-	34,688
-	-	-	-	-	444,065
<u>247,858</u>	<u>5,831,200</u>	<u>2,771,443</u>	<u>2,177,283</u>	<u>13,455,515</u>	<u>48,253,901</u>
-	-	2,142,826	7,904,036	1,624,386	12,173,652
-	-	-	-	-	429,972
-	-	5,390	-	-	5,390
-	-	-	-	7,181,751	7,181,751
-	-	-	-	7,749,126	7,749,126
-	-	-	-	-	1,000,279
-	-	-	-	-	480,817
-	-	320,473	-	-	320,473
-	-	-	-	461	461
171,930	-	-	-	-	171,930
-	-	-	-	167,412	167,412
-	-	-	-	-	17,823,988
-	-	18,799,223	36,037,204	3,280,566	58,116,993
-	-	-	-	-	6,532,340
-	-	-	-	915,053	1,446,695
-	-	-	-	6,626,544	6,626,544
<u>171,930</u>	<u>-</u>	<u>21,267,912</u>	<u>43,941,240</u>	<u>27,545,299</u>	<u>120,227,823</u>
<u>\$ 419,788</u>	<u>\$ 5,831,200</u>	<u>\$ 24,039,355</u>	<u>\$ 46,118,523</u>	<u>\$ 41,000,814</u>	
					115,385,438
					1,663,330
					514,302
					9,578,289
					1,344,808
					(3,825,871)
					1,331,885
					(173,157)
					(8,016,076)
					(170,622,087)
					<u>(1,535,184)</u>
					<u>\$ 65,873,500</u>

The notes to the financial statements are an integral part of this statement.

CITY OF PEORIA, ILLINOIS

GOVERNMENTAL FUNDS

**STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE**

Year Ended December 31, 2005

	<u>General Fund</u>	<u>Peoria Public Library Fund</u>
REVENUES		
Property taxes	\$ 5,973,966	\$ 4,655,752
Corporate personal property replacement taxes	4,375,524	339,374
State sales taxes	21,670,497	-
State income tax allocation	8,888,641	-
Home rule sales taxes	21,930,700	-
Hotel, restaurant, and amusement taxes	7,067,524	-
Local motor fuel taxes	-	-
Riverboat gaming revenue	-	-
Utility taxes	8,455,737	-
Governmental grants and reimbursements	1,277,699	172,906
Licenses and permits	1,956,622	-
Service charges/fines/fees	16,102,638	131,886
Special assessments	-	-
Contributions	-	5,378
Loan repayment	-	-
Rental	84,454	-
Interest	732,060	45,096
Other	3,887,327	106,277
	<hr/>	<hr/>
Total revenues	102,403,389	5,456,669
 EXPENDITURES		
Current:		
Elective offices, boards, commissions and agencies	1,499,539	-
City administration	5,417,503	-
Police	25,403,272	-
Fire	17,664,044	-
Public works	18,447,378	-
Community development	5,922,322	-
Public safety	6,466,410	-
General government	6,156,176	-
Library	439,674	4,559,598
Capital outlay	-	544,360
Debt service:		
Principal	-	-
Interest	-	-
	<hr/>	<hr/>
Total debt service	-	-
	<hr/>	<hr/>
Total expenditures	87,416,318	5,103,958
	<hr/>	<hr/>
Excess (deficiency) of revenues over expenditures	14,987,071	352,711

EXHIBIT D

Workforce Development Fund	Police and Fire Pension Levy Fund	Capital Improvements Fund	2005A General Obligation Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
\$ -	\$ 4,732,742	\$ 57,566	\$ -	\$ 9,277,888	\$ 24,697,914
-	920,218	-	-	880,262	6,515,378
-	-	-	-	298,454	21,968,951
-	-	-	-	-	8,888,641
-	-	-	-	-	21,930,700
-	-	-	-	-	7,067,524
-	-	936,573	-	-	936,573
-	-	4,058,749	-	-	4,058,749
-	-	-	-	-	8,455,737
4,248,372	-	2,772,044	-	7,159,659	15,630,680
-	-	-	-	-	1,956,622
-	-	3,200,342	-	317,733	19,752,599
-	-	272,370	-	-	272,370
-	-	-	-	302,485	307,863
-	-	181,240	-	132,814	314,054
-	-	37,886	-	-	122,340
-	8,978	693,209	1,481,825	953,383	3,914,551
-	-	331,569	-	155,381	4,673,337
<u>192,783</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>4,441,155</u>	<u>5,661,938</u>	<u>12,541,548</u>	<u>1,481,825</u>	<u>19,478,059</u>	<u>151,464,583</u>
-	-	-	-	188,430	1,687,969
-	-	450,805	-	797,285	6,665,593
-	2,586,069	659,186	-	1,001,640	29,650,167
-	3,075,869	427,303	-	333,441	21,500,657
-	-	953,769	-	4,049,020	23,450,167
4,385,864	-	765,411	13,057,027	4,414,790	28,545,414
-	-	-	-	1,443,283	7,909,693
-	-	948,675	-	1,325,455	8,430,306
-	-	-	-	627,967	5,627,239
-	-	11,208,143	-	3,030,364	14,782,867
-	-	17,478	-	10,737,475	10,754,953
-	-	2,901	-	7,106,806	7,109,707
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>20,379</u>	<u>-</u>	<u>17,844,281</u>	<u>17,864,660</u>
<u>4,385,864</u>	<u>5,661,938</u>	<u>15,433,671</u>	<u>13,057,027</u>	<u>35,055,956</u>	<u>166,114,732</u>
<u>55,291</u>	<u>-</u>	<u>(2,892,123)</u>	<u>(11,575,202)</u>	<u>(15,577,897)</u>	<u>(14,650,149)</u>

(CONTINUED)

CITY OF PEORIA, ILLINOIS

GOVERNMENTAL FUNDS

**STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE**

Year Ended December 31, 2005

	<u>General Fund</u>	<u>Peoria Public Library Fund</u>
OTHER FINANCING SOURCES (USES)		
Issued bonds	\$ -	\$ -
Premium on issued bonds	-	-
Proceeds from sale of property	-	-
Payment to refunding bond escrow agent	-	-
Transfers in	276,746	-
Transfers out	<u>(13,192,115)</u>	<u>-</u>
Total other financing sources (uses)	<u>(12,915,369)</u>	<u>-</u>
Net change in fund balance	2,071,702	352,711
FUND BALANCE		
Beginning of year	<u>23,217,002</u>	<u>1,660,027</u>
End of year	<u>\$ 25,288,704</u>	<u>\$ 2,012,738</u>

EXHIBIT D
(CONTINUED)

Workforce Development Fund	Police and Fire Pension Levy Fund	Capital Improvements Fund	2005A General Obligation Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ -	\$ 54,296,817	\$ 45,188,183	\$ 99,485,000
-	-	-	1,239,303	2,282,420	3,521,723
-	-	36,662	-	-	36,662
-	-	-	-	(38,698,399)	(38,698,399)
-	-	7,837,070	-	16,140,510	24,254,326
-	-	(5,900,540)	(19,678)	(5,141,993)	(24,254,326)
<u>-</u>	<u>-</u>	<u>1,973,192</u>	<u>55,516,442</u>	<u>19,770,721</u>	<u>64,344,986</u>
-	-	1,973,192	55,516,442	19,770,721	64,344,986
55,291	-	(918,931)	43,941,240	4,192,824	49,694,837
<u>116,639</u>	<u>-</u>	<u>22,186,843</u>	<u>-</u>	<u>23,352,475</u>	<u>70,532,986</u>
<u>\$ 171,930</u>	<u>\$ -</u>	<u>\$ 21,267,912</u>	<u>\$ 43,941,240</u>	<u>\$ 27,545,299</u>	<u>\$ 120,227,823</u>

The notes to the financial statements are an integral part of this statement.

CITY OF PEORIA, ILLINOIS

**RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**

For the Year Ended December 31, 2005

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

Net change in fund balances - total governmental funds (page 12)	\$ 49,694,837
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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. This is the amount by which capital outlays exceeded depreciation in the current period.

Capital outlay	14,782,867
Depreciation expense	<u>(6,113,411)</u>
	<u>8,669,456</u>

The net effect of various miscellaneous transactions involving capital assets is to decrease net assets:

Proceeds from sale of fixed assets	(36,662)
Net gain on sale of fixed assets	<u>13,350</u>
	<u>(23,312)</u>

Loans made are considered expenditures in the governmental 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:

Loans receivable repaid	(414,054)
New loans receivable	410,304
Increase in interest income for accrued interest	38,544
Net change in long-term special assessment receivable	(96,444)
Bad debt expense	<u>(114,167)</u>
	<u>(175,817)</u>

(CONTINUED)

CITY OF PEORIA, ILLINOIS

**RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**

For the Year Ended December 31, 2005

Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Debt issued or incurred:	
Issuance of general obligation and revenue bonds	\$ (99,485,000)
Premium on issued bonds	(3,521,723)
Less bond issuance costs	966,648
Principal repayments:	
General obligation and revenue bonds	10,230,000
Other debt	524,953
Payment to refunding bond escrow agent	38,698,399
Termination of note payable obligation	1,158
Increase in compensated absences	(233,868)
Increase in landfill - postclosure costs	(53,342)
	<u>(52,872,775)</u>
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.	
Amortization of bond issue costs	(93,376)
Decrease in accrued interest payable	13,129
Amortization of bond premium	248,658
Amortization of deferred amount on refunding	(136,404)
Accrued interest on refunded debt at date of refunding	(698,309)
	<u>(666,302)</u>
Increase in net pension assets are not reported in governmental funds	<u>1,210,560</u>
Change in net assets of governmental activities (page 4)	<u>\$ 5,836,647</u>

The notes to the financial statements are an integral part of this statement.

CITY OF PEORIA, ILLINOIS
STATEMENT OF FIDUCIARY NET ASSETS

December 31, 2005

ASSETS

Cash and short-term investments	<u>\$ 6,093,925</u>
Receivables:	
Employer contributions:	
Property taxes	5,852,755
Corporate personal property taxes	672,649
Less allowance for uncollectible taxes	<u>(37,042)</u>
	6,488,362
Plan members' contributions	31,041
Accrued interest and dividends	<u>875,299</u>
	<u>7,394,702</u>
Investments, at fair value:	
U.S. government obligations	85,767,279
Municipal obligations	2,902,393
Certificates of deposit	1,740,400
Illinois Public Treasurers' Investment Pool	2,241,690
Mutual funds	44,676,917
Corporate bonds	2,118,052
Stocks	29,748,680
Equity investments	<u>39,700,616</u>
	<u>208,896,027</u>
Total assets	222,384,654

LIABILITIES

Accounts payable and accrued payroll	<u>936,751</u>
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**NET ASSETS HELD IN TRUST
FOR PENSION BENEFIT
OBLIGATION**

\$ 221,447,903

The notes to the financial statements are an integral part of this statement.

CITY OF PEORIA, ILLINOIS
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
Year Ended December 31, 2005

ADDITIONS

Contributions:

Plan members' contributions	\$ 2,527,887
Employer contributions	6,937,399
Transfer of creditable service	89,349
Other income	<u>28,033</u>

Total contributions 9,582,668

Investment income:

Net realized and unrealized gains on investments	3,345,947
Dividends	1,813,760
Interest	<u>4,188,636</u>

Total investment income 9,348,343

Less investment expenses 1,017,416

Net investment income 8,330,927

Total additions 17,913,595

DEDUCTIONS

Benefits paid	14,455,593
Administrative expenses	253,132
Refunds	<u>45,013</u>

Total deductions 14,753,738

NET INCREASE 3,159,857

**NET ASSETS HELD IN TRUST
FOR PENSION BENEFITS**

Beginning of year 218,288,046

End of year \$ 221,447,903

The notes to the financial statements are an integral part of this statement.

CITY OF PEORIA, ILLINOIS

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2005

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Peoria, Illinois (City) is a municipality located in Central Illinois. Revenues are substantially generated as a result of taxes assessed and allocated to the City (examples would be property, sales, income, purchase, utility, motor fuel, hotel, restaurant, and amusement taxes), 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 entitlements at the State and Federal Government level. Taxable industry within the area is 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 City.

The following is a summary of the more significant accounting policies of the City of Peoria, Illinois.

Financial Reporting Entity

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

The City has developed criteria to determine whether other entities are component units of the City. Component units are legally separate organizations for which the elected officials of the City of Peoria are financially accountable. The City of 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 burdens on the City of 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, or is obligated in some manner for the debt of the organization).

Blended component units, although legally separate entities, are, in substance, part of the City's operations and so data from these units are combined with data of the primary government. Each 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.

Entities which meet criteria as a component unit of the City are as follows:

CITY OF PEORIA, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS

December 31, 2005

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial Reporting Entity (Continued)

Blended Component Units

Police and Firemen's Pension Funds of Peoria

The Police and Firemen's Pension Funds of Peoria 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 State Statutes and may be amended only by the Illinois legislature.

Sources of revenue to the funds are primarily through investment earnings, employee contributions, and employer contributions, which are generated via specific property taxes levied by City Council to meet the employer contribution requirements.

The year end for both the Police and Firemen's Pension Funds is December 31 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:

Police Pension Board
Treasurer for the Pension Board
City of Peoria
419 Fulton Street
Peoria, Illinois 61602

Firemen's Pension Board
Treasurer for the Pension Board
City of Peoria
419 Fulton Street
Peoria, Illinois 61602

City of Peoria Designated Zone Organization

The City of Peoria Designated Zone Organization (DZO) is a not-for-profit organization located in Central Illinois, established to receive contributions and promote rehabilitation efforts within the Peoria Enterprise Zone, which is located within the City of Peoria. Revenues are substantially generated as a result of contributions received from the private sector and funding received from the City of Peoria. The DZO is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code.

The City significantly subsidizes the projects of the DZO and has agreed to indemnify and hold harmless the DZO from any and all claims arising out of the performance of projects under agreement. The DZO provides services almost entirely to the City and, therefore, has been presented as a blended component unit of the City.

CITY OF PEORIA, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2005

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial Reporting Entity (Continued)

Blended Component Units (Continued)

City of Peoria Designated Zone Organization (Continued)

The DZO has a fiscal year end of December 31 and has been reported as a Capital Projects Fund and thereby is included in the governmental funds of the City.

Complete financial statements for the DZO may be obtained from the following address:

City of Peoria Designated Zone Organization
Finance Department
City of Peoria
419 Fulton
Peoria, Illinois 61602

Peoria Foreign Fire Insurance Board

The Peoria Foreign Fire Insurance Board is statutorily established for the purpose of expending funds received for the maintenance and benefit of the Peoria Fire Department.

Foreign Fire Insurance Company fees are assessed on insurance companies who are not incorporated under the laws of Illinois and sell fire insurance within the City of Peoria.

The use of the Foreign Fire Insurance Company fees is restricted to expenditures for the maintenance, use, and benefit of the Peoria Fire Department.

Due to the financial benefit of the City as the sole purpose of the organization and as the Board was created by City ordinance, the Peoria Foreign Fire Insurance Board is considered a blended component unit of the City.

The Peoria Foreign Fire Insurance Board has a year end of December 31 and has been reported as a Special Revenue Fund and thereby is included in the governmental funds of the City. Complete financial statements of the Peoria Foreign Fire Insurance Board can be obtained from the following address:

Peoria Foreign Fire Insurance Board
City of Peoria
419 Fulton
Peoria, Illinois 61602

CITY OF PEORIA, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS

December 31, 2005

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial Reporting Entity (Continued)

Discretely Presented Component Units

Peoria Civic Center Authority of Peoria, Illinois

The Peoria Civic Center Authority of Peoria, Illinois (Civic Center) is a special governmental unit which operates as a convention, sports, and entertainment facility located in Peoria, Illinois. Revenues are substantially generated as a result of event ticket sales, conventions, and hotel, restaurant, and amusement taxes distributed to the Civic Center from the City.

The intergovernmental agreement between the City and the Civic Center titled "1996 Intergovernmental Agreement Between the City of Peoria and the Peoria Civic Center Authority," establishes a consistent mechanism for a flow of funds from the City to the Civic Center in order to provide funding for operations and capital improvements. This is accomplished by allocating hotel, restaurant, and amusement (HRA) taxes levied by the City to the Civic Center in a stipulated formula. Under this agreement the City has the responsibility to fund deficits of the Civic Center. The City also appoints a voting majority of the Civic Center's governing body. Therefore, the Civic Center is considered a component unit of the City.

The Civic Center has a fiscal year end of August 31 and is presented as a single-purpose business-type activity.

Complete financial statements for the Civic Center may be obtained from the following address:

Peoria Civic Center Authority
201 S.W. Jefferson Street
Peoria, Illinois 61602

Springdale Cemetery Management Authority

The Springdale Cemetery Management Authority (Springdale) was established September 16, 2002 by the Springdale Cemetery Intergovernmental Agreement between the City, the County of Peoria, Illinois (County), and the Pleasure Driveway and Park District (Park District) of Peoria, Illinois. Under the agreement, the County and Park District are responsible for fixed amounts of losses by Springdale, and the City is responsible for deficits exceeding these amounts. Additionally, the City has an equity interest in the joint agreement as ownership of the Cemetery was conveyed to the City as part of the terms to effectuate the intergovernmental agreement. In addition to ownership of Cemetery assets, the City can impose its will on Springdale. However, per the terms of the agreement, operating surpluses shall be retained for the betterment of Springdale Cemetery. Based on these criteria, Springdale is considered a component unit of the City.

CITY OF PEORIA, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS

December 31, 2005

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial Reporting Entity (Continued)

Discretely Presented Component Units (Continued)

Springdale Cemetery Management Authority (Continued)

Springdale has a fiscal year end of December 31, is considered a special-purpose government engaged only in business type activities, and also includes its component unit, Springdale Historic Preservation Foundation (Foundation). Springdale is presented as a special purpose entity in its separately issued financial statements, and financial reporting for the Foundation is in accordance with Statement of Financial Accounting Standards No. 117, *Financial Statements of Not-for-Profit Organizations*. Springdale has been discretely presented.

Complete financial statements of Springdale may be obtained from the following address:

Springdale Cemetery Management Authority
3014 N. Prospect
Peoria, Illinois 61603

Other Appointments

The Mayor and City Council make appointments of the governing boards of a number of special districts. Even though the City may appoint a majority of the members of the respective districts, the members do not serve at the discretion of the City Council, that is, they can be removed only for cause. There are no indications that the City Council can impose its will over these districts and therefore there is no financial accountability. These units are not considered component units of the City of Peoria, Illinois.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its components units. For the most part, the effect of interfund activity has been removed from these statements. 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 City, primary government, does not have any business-type activities. The primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

CITY OF PEORIA, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS

December 31, 2005

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide and Fund Financial Statements (Continued)

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

Measurement Focus, Basis of Accounting, and Basis of Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied for budgetary purposes. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within approximately 90 days of the end of the current fiscal period, except for property taxes, which must be collected within 60 days to be considered available. Other taxes, licenses, 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, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

CITY OF PEORIA, ILLINOIS

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2005

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus, Basis of Accounting, and Basis of Presentation (Continued)

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, liabilities, fund balance/retained earnings, revenues, and expenditures/expenses.

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 - This fund is used to account for normal recurring activities of the City not included in any other specific fund. General Fund activities consist of such things as police, fire, public works, and general government. These activities are funded primarily by sales taxes, general property taxes, state income tax allocations, corporate personal property replacement taxes, home rule sales taxes, utility taxes, hotel, restaurant, and amusement taxes, licenses, fees, user charges, and fines.

Peoria Public Library Fund - This fund is used to account for the activities of the Peoria Public Library.

Workforce Development Fund - This fund is used to collect and disburse federal Workforce Development Grant funds. All expenditures of this fund must be for grant eligible activities, programs, and projects.

Police and Fire Pension Levy Fund - This fund is used to recognize the taxes levied for the employer contribution to the Police and Fireman's Pension Fund.

Capital Improvements Fund - This fund is used to account for revenue sources dedicated for various building and equipment improvements.

2005A General Obligation Capital Project Fund - This fund is used for revenue and expenditures relating to the Peoria Civic Center expansion.

Additional governmental fund types which are combined as nonmajor funds are as follows:

Special Revenue Funds - These funds are used to account for City activities which are primarily financed by special revenue sources such as governmental grants or general property taxes levied for specific purposes.

CITY OF PEORIA, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS

December 31, 2005

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus, Basis of Accounting, and Basis of Presentation (Continued)

Debt Service Funds - These funds are used to account for principal and interest payments with respect to the general long-term debt of the City.

Capital Projects Funds - These funds are used to account for general construction or renovation projects being carried out by the City. Such projects are financed by proceeds from general obligation bonds, tax increment financing district property taxes, sales taxes, utility taxes, governmental grants, and user charges.

The City also reports the following pension trust funds, component units of the City:

Pension Trust Funds - The pension trust funds account for the assets of the City's Police and Firemen's pension plans. These funds are accounted for in essentially the same manner as proprietary funds, using the same measurement focus and basis of accounting.

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. Certificates of deposit are stated at cost, which approximates fair value.

Receivables

All trade and property tax receivables are shown net of an allowance for uncollectible accounts.

Inventories and Prepaids

Inventories are valued at cost using the first-in, first-out method and are accounted for using the consumption method whereby acquisitions are initially recorded in inventory accounts and charged to expenditures when used.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

Unamortized Bond Issue Costs

Bond issue costs are capitalized and amortized over the life of the bonds using the straight-line method.

CITY OF PEORIA, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS

December 31, 2005

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Amount on Bonds Refunded

The deferred amount on bonds refunded represents the difference between the reacquisition price and the carrying amount of the old debt for current and advance refunding resulting in defeasance of debt. Such amount is deferred and amortized as a component of interest expense in the government-wide financial statements on a straight-line basis over the remaining life of the old debt or the life of the new debt, whichever is shorter.

Capital Assets

Capital assets, which include property, plant, equipment, media, 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 \$25,000. The City utilized a capitalization threshold of \$5,000 prior to 2002, and there is no capitalization threshold for media (library) assets. Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

Infrastructure assets are being accounted for prospectively beginning in 2002, as required by Governmental Accounting Standards Board Statement No. 34. All major general infrastructure assets purchased in 1980 or subsequently, but prior to 2002, will be retroactively reported by fiscal year 2006, as required by Statement No. 34.

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

Capital assets of the primary government are depreciated using the straight-line method over the estimated useful lives of the assets which range from 3 to 40 years.

Long-term Liabilities

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net assets including discretely presented component units. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, 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. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures.

CITY OF PEORIA, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS

December 31, 2005

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Compensated Absences - Primary Government

It is the City's policy to permit employees to accumulate earned but unused vacation and vested sick pay benefits. Sick pay benefits vest based on longevity of the employee. All vacation and sick pay benefits are accrued when incurred in the government-wide 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.

Budgetary Data - Primary Government

The City administration, between May and August of each year, begins preparation of the following year's budget. After internal review and analysis, a proposed budget is presented to the City Council. The City Council must conduct public hearings and adopt the budget and tax levy ordinance by December 31 of that year. The City's budget is prepared on the modified accrual basis for the budgeted funds.

The legal level of control is the fund level. Transfers of budgeted line items within funds can be approved by the Comptroller. Budget increases by means of an emergency or supplemental appropriation require proceedings and approval of the City Council, in the same manner as the original budget. The original budget and the amended budget are both reflected in the fund financial statements.

All unencumbered appropriations lapse at year end.

Budgets for various funds are not adopted or budgets are approved on a project/grant length which differs from the City year end. These funds are as follows:

<u>Fund</u>	<u>Budget Deviation</u>
Special Revenue Funds:	
Rehabilitation Loan Fund	- The transactions in this fund are not readily determinable at the time of the budget.
Multi-County MEG Grant Fund	- Budget is for the length of the grant not the calendar year.
Workforce Development Fund	- Budget is for the length of the grant not the calendar year.
Peoria Foreign Fire Insurance Board	- Formal budget is not adopted by blended component unit.
Debt Service Funds:	
2005A General Obligation Bond Fund	- Bond payment activity based on approved bond. Bond was not issued at date budget was adopted.
Capital Projects Funds	- Budgets adopted on a project-length budget.

CITY OF PEORIA, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS

December 31, 2005

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Encumbrances - Primary Government

An encumbrance system is maintained in the governmental funds to account for commitments resulting from approved purchase orders and contracts. Encumbrances at year end represent the estimated amount of expenditures ultimately to result if approved purchase orders and unperformed contracts are completed. Encumbrances at year end do not constitute expenditures or liabilities. Encumbrances at year end for unfulfilled obligations of the current year's budget were not reappropriated in the succeeding year. Amounts reserved for encumbrances as of December 31, 2005 are disclosed in Note 5.

Net Assets/Fund Equity

In the government-wide financial statements, the City reports as restricted net assets amounts that are subject to restrictions externally imposed either by grantors, contributors, or laws.

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Expenditures/expenses are first applied to reserved resources when both reserved and unreserved resources are available. Designations of fund balance represent tentative management plans that are subject to change.

Use of Estimates

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

NOTE 2 - DEPOSITS AND INVESTMENTS

Deposits and Investments - Primary Government, Excluding Pension Trust Funds

According to the City's investment policy, the City is authorized to invest in obligations of the U.S. Treasury or agencies of the U.S. Government, excluding collateralized mortgage obligations, real estate mortgage investment conduits, and other principal only and interest only obligations that are secured with mortgages issued by any federal agency, instrumentality, or private firm.

CITY OF PEORIA, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS

December 31, 2005

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

Deposits and Investments - Primary Government, Excluding Pension Trust Funds
(Continued)

In addition, the City is authorized to invest in non-negotiable certificates of deposit and other collateralized evidence of deposits with qualified public depositories, the State of Illinois Treasurer's Investment Pool, prime bankers' acceptances purchased on the secondary market with ratings of A1/P1, and repurchase agreements for securities listed above, provided the transaction is structured so that the City obtains control over the underlying securities and a Master Repurchase Agreement has been signed with the banker or dealer.

The City is also authorized to invest in bonds of the State of Illinois and any local government in the State of Illinois, which bonds have at the time of investment, one of the three highest credit ratings of a nationally recognized rating agency. Any investments must be authorized within the State of Illinois Public Funds Investment Act.

Collateralization is required on all deposits, certificates of deposit, investments, and repurchase agreements. So as to anticipate market changes and provide an adequate level of security for all funds, the collateralization level is 105 percent of market value of principal and accrued interest. Collateral is limited to U.S. Treasuries or, as an alternative, insurance/surety bonds may be used as collateral to ensure certificates of deposit payments of principal and interest at the date of maturity. Insurance/surety bonds may also be used to ensure replacement on checking and money market accounts in case of a financial institution's default.

In an effort to provide the public with better information about the risks that could potentially impact a government's ability to provide service and pay its debts, the Government Accounting Standards Board (GASB) has published Statement No. 40, *Deposit and Investment Risk Disclosures*, which the City adopted for fiscal year 2005. The new accounting guidance requires state and local governments communicate key information about deposit and investment risks. Under Statement 40, state and local governments are required to disclose information covering four principal areas:

- Interest rate disclosures that include investment maturity information;
- Interest rate sensitivity for investment that are highly sensitive to changes in interest rates;
- Investment credit risk disclosures, including credit quality issued by rating agencies;
- Foreign exchange exposures that would indicate the foreign investment's denomination.

Custodial Credit Risk. Custodial credit risk is the potential for a financial institution or counterparty to fail such that the City would not be able to recover the value of deposits, investments or collateral securities that are in the possession of an outside party. All of the City's deposits and investments are insured or collateralized.

CITY OF PEORIA, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS

December 31, 2005

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

Deposits and Investments - Primary Government, Excluding Pension Trust Funds
(Continued)

At December 31, 2005, the carrying amount of the City's deposits (includes checking, savings, and money market accounts) was \$22,139,130 (excludes petty cash in the amount of \$4,955 which is included in the cash balance in the statement of net assets/balance sheet).

Details of investment balances at December 31, 2005 are as follows:

	<u>Fair Value</u>
Guaranteed Investment Contracts (GICs)	\$ 45,038,018
Illinois Funds	40,359,826
Certificates of deposit	<u>7,011,538</u>
	<u>\$ 92,409,382</u>

The investment in GICs is held at Trinity Funding Company, LLC. These types of investments are not subject to custodial credit risk disclosure because they are direct contractual investments and are not securities.

Investment in Illinois Funds is the City's portion of an investment pool which is collateralized in total but no collateral is specifically pledged to the City. The Illinois Funds are State-approved, professionally managed investment funds which enable municipalities in Illinois to pool available funds for investment in various state-approved investments. The fair value of the City's position in the pool is the same as the value of the pool shares.

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The City does not have an investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The City's only investments subject to interest rate risk are certificates of deposit, the maturities of which are listed in years below:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Less Than 1</u>	<u>1-5</u>	<u>6-10</u>	<u>More Than 10</u>
Certificates of deposit	\$ 7,011,538	\$ 6,466,861	\$ 544,677	\$ -	\$ -

Concentration Risk. Concentration risk is the risk associated with having more than 5 percent of investments in any issuer, other than the U.S. Government. With the exception of U.S. Treasury securities and authorized pools, the City's policy requires that not more than 25 percent of the City's total investment portfolio be invested in a single security type or with a single financial institution. The City has no investments that represent 5 percent or more of the total investments.

CITY OF PEORIA, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS

December 31, 2005

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

Deposits and Investments - Primary Government, Excluding Pension Trust Funds
(Continued)

Credit Risk. Credit risk is the risk that an issuer or other counterparty to a debt investment will not fulfill its obligations. The City's investment policy requires that securities may only be purchased from broker/dealers selected based on credit-worthiness who qualify under Securities and Exchange Commission Rule 15C3-1. Also, securities may only be purchased from financial institutions which meet one which meet the following criteria:

- 1) Financial institutions (banks with FDIC insurance) must maintain asset ratio of 3.0 or better with minimum assets of \$5,000,000, verified using the most recent quarterly results at time of purchase.
- 2) Savings and loans (FSLIC insurance) must maintain a capital asset ratio of 5.0 or better with minimum net capital assets of \$5,000,000, verified using the most recent quarterly results at time of purchase.

City assets subject to credit risk are shown with a credit rating below:

<u>Deposit or Investment Type</u>	<u>Credit Risk Quality Rating (S&P's)</u>	<u>Balance</u>
Money market account	AAAm	\$ 2,415,204
GICs	AAA	\$ 45,038,018
Illinois Funds	AAAm	\$ 40,359,826

Foreign Currency Risk. Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment. The City's policy does not address currency risk. The City does not have any investments with foreign currency risk exposure.

Deposits and Investments - Pension Trust Funds

The Pension Trust Funds may invest funds as authorized by Illinois Compiled Statutes, generally in obligations of the United States, the State of Illinois and its local districts, certain insurance contracts, insured deposits of federal and state savings and loans, banks, and credit unions, and certain common and preferred stocks.

Police Pension Fund (Fund)

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.

CITY OF PEORIA, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS

December 31, 2005

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

Police Pension Fund (Fund) (Continued)

The Fund's cash and cash equivalents at December 31, 2005 consisted of deposits with a financial institution and the Northern Institutional Funds: Government Select Portfolio Money Market Fund. Deposits with a financial institution are covered by FDIC insurance. The money market funds have a credit rating of AAAM, by an independent rating agency, indicating a strong capacity to maintain principal stability and to limit exposure to principal losses due to credit, market, and liquidity risks. The money market funds have weighted average days to maturity of 43 days.

The Fund's deposits are insured or collateralized with securities held by the Fund, its agent, or by the pledging financial institution's trust department or agent in the name of the Fund at December 31, 2005.

As of December 31, 2005, the 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.S. Government notes and bonds	\$ 23,054,970	N/A	7.14
U.S. Government agencies	16,193,358	N/A	13.33
Corporate bonds	2,118,052	N/A	6.91
Mutual funds - bonds	14,656,458	N/A	3.91
Mutual funds - equities	30,020,459	N/A	N/A
Stocks	<u>29,748,680</u>	N/A	N/A
Total investments	<u>\$115,791,977</u>		

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

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

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

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

CITY OF PEORIA, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS

December 31, 2005

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

Police Pension Fund (Fund) (Continued)

At December 31, 2005, investments are held by the counterparty's trust department in the Fund's name.

Firemen's Pension Fund (Fund)

The Fund's deposit policy provides that all deposits be guaranteed by the U.S. Government, insured by the Federal Deposits 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.

The Fund's cash and cash equivalents at December 31, 2005 consisted of deposits with multiple financial institutions. Deposits with financial institutions are covered by FDIC insurance.

The Fund's deposits are insured or collateralized with securities held by the Fund, its agent, or by the pledging financial institution's trust department or agent in the name of the Fund at December 31, 2005.

As of December 31, 2005, the 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.S. Government obligations	\$ 46,518,951	N/A	9.38
Municipal obligations	2,902,393	Aaa	4.38
Certificate of deposit	1,740,400	N/A	N/A
Illinois public treasurers investment pool	2,241,690	N/A	N/A
Equity investments	<u>39,700,616</u>	N/A	N/A
Total investments	<u>\$ 93,104,050</u>		

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

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

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

CITY OF PEORIA, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS

December 31, 2005

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

Firemen's Pension Fund (Fund) (Continued)

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

At December 31, 2005, investments are held by the counterparty's trust department in the Fund's name.

There were no individual investments at December 31, 2005 and 2004 that represent 5 percent or more of the Fund's net assets.

Deposits and Investments - Discretely Presented Component Units

Peoria Civic Center Authority of Peoria, Illinois

In accordance with Illinois Compiled Statutes, the Civic Center is authorized to invest in direct or fully guaranteed obligations of the United States Government or in certificates of deposit of banks or savings and loan associations eligible as depositories of funds of the Civic Center and fully secured by such obligations.

Custodial Credit Risk - Deposits

The Civic Center does not have a deposit policy for custodial credit risk. As of August 31, 2005, \$197,516 of the Civic Center's bank balance of \$1,840,914 was exposed to custodial credit risk. The balance is made up as follows at August 31, 2005:

	<u>Bank Balance</u>	<u>Carrying Amount</u>
Demand deposits and money market accounts	\$ 297,516	\$ 350,411
Certificates of deposit	<u>1,543,398</u>	<u>1,543,398</u>
	<u>\$ 1,840,914</u>	<u>\$ 1,893,809</u>

Sweep Account

The Civic Center had amounts in a bank sweep account as follows at August 31, 2005:

<u>Type</u>	<u>Fair Value</u>	<u>Maturities (In Years) Less Than One</u>	<u>Carrying Amount</u>
Sweep Account	<u>\$ 638,595</u>	<u>\$ 638,595</u>	<u>\$ 638,595</u>

CITY OF PEORIA, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS

December 31, 2005

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

Deposits and Investments - Discretely Presented Component Units (Continued)

Peoria Civic Center Authority of Peoria, Illinois (Continued)

Interest Rate Risk

The Civic Center does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, under the terms of the sweep agreement, funds are reinvested daily.

Custodial Credit Risk on Investments

Regarding the Civic Center's investment in the sweep account, all of the underlying securities are held by the financial institution, but not in the name of the Civic Center.

Reconciliation to Statement of Net Assets

	<u>Carrying Amount</u>
Cash on hand	\$ 19,650
Demand deposits and money market accounts	350,411
Sweep account	<u>638,595</u>
	<u>\$ 1,008,656</u>
Cash and cash equivalents	\$ 839,382
Restricted assets - cash	<u>169,274</u>
	<u>\$ 1,008,656</u>

At August 31, 2005, the Civic Center carried \$169,274 in cash restricted for use by the Tourism Reserve Fund established by the 1996 Intergovernmental Agreement between the City of Peoria and the Peoria Civic Center Authority.

An amount equal to the balance of restricted cash has been reflected as an asset held for the Tourism Reserve Fund payable from restricted assets.

The Tourism Reserve Fund is operated by a committee made up of representatives from the Peoria Civic Center Authority, the Peoria City Council, and the Peoria Area Convention and Visitors Bureau. Use of funds is subject to approval by this committee.

CITY OF PEORIA, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS

December 31, 2005

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

Deposits and Investments - Discretely Presented Component Units (Continued)

Springdale Cemetery Management Authority

Custodial Credit Risk. At December 31, 2005, the carrying amount of the Authority's deposits (including checking, savings, and money market accounts) was \$96,097 and the bank balance was \$108,906. The Authority also had cash on hand of \$200. Of the total bank balance, \$8,906 was not covered by federal depository insurance or collateralized with securities held by the Authority or its agent in the Authority's name.

Investments at December 31 are comprised of the following at fair value:

	<u>Average of Maturity of Funds in Portfolio</u>	<u>Morningstar Rating</u>	
Money market funds	< 1 year	N/A	\$ 24,624
Mutual Bond Fund	6.4 years	3 Stars	137,011
Mutual Bond Fund	3.8 years	5 Stars	78,016
Mutual Equity Fund	N/A	1 Star	16,559
Mutual Equity Fund	N/A	3 Stars	90,115
Mutual Equity Fund	N/A	4 Stars	<u>12,517</u>
			<u>\$ 358,842</u>

Interest Rate Risk. The Authority does not have an investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk. The Authority does not have an investment policy that limits investment ratings as a means of managing its exposure to losses arising from credit risk.

Custodial Credit Risk. The Authority's entire investment in money markets and mutual funds is held by a third-party agent in the Authority's agent's name.

Concentration Risk. The Authority does not have a concentration risk policy.

Foreign Currency Risk. The Authority does not have a foreign currency risk policy. The Authority does not have any investments with foreign currency risk exposure.

The cash and cash equivalents of the Springdale Historic Preservation Foundation, component unit of the Springdale Cemetery Management Authority, have not been categorized as that organization does not report in accordance with the American Institute of Certified Public Accountants Industry Audit Guide, *Audits of State and Local Government Units*. Accordingly, risk categorization is not required.

CITY OF PEORIA, ILLINOIS

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2005

NOTE 3 - 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.

Property taxes are accrued as a receivable in the period in which the City has an enforceable lien on property. However, recognition of the revenue is deferred until the property taxes are both measurable and available. Property tax revenue recorded by the City for the year ended December 31, 2005 represents installments of the 2004 property taxes which were received during 2005.

The amount of the property tax receivable deferred at year end represents the tax levied in the latter portion of 2005, for which an enforceable lien exists at year end, but is levied for the 2006 budget and will be collected from taxpayers in June and September 2006.

NOTE 4 - RESTRICTED CASH AND INVESTMENTS

Restricted Cash - Primary Government

In accordance with the appropriate bond ordinances, as of December 31, 2005, the City has paid to its respective paying agents the following:

The lesser of: (a) ten percent of the aggregate original principal amount of the 2004 Downtown Redevelopment Parking Revenue Refunding Bonds, Series A (the Bonds); or (b) the maximum annual debt service on the Bonds. Approximately \$296,000 of cash in the Downtown Parking Bond Fund, a Debt Service Fund, is held by the paying agent, as trustee, for future debt service.

Ten percent of the aggregate original principal amount of the WeaverRidge Special Service Area Bonds along with amount necessary to make interest payments on February 1 and August 1, 2005. Approximately \$907,000 of cash and investments in the WeaverRidge Debt Service Fund, a Debt Service Fund, is held by the paying agent, as trustee, for future debt service and/or for making any required payments to be rebated to the Federal Government in accordance with provisions of the bond document.

An amount to fund capitalized interest, less interest paid to date, on the 2005 General Obligation Bonds, Series A. Approximately \$7,785,000 of cash in the 2005A General Obligation Debt Service Bonds Fund, a Debt Service Fund, is held by the paying agent, as trustee, for this purpose.

Amounts are not shown specifically restricted in the funds as the respective funds are held for special purposes which comply with the restriction of the trustee.

CITY OF PEORIA, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2005

NOTE 4 - RESTRICTED CASH AND INVESTMENTS (CONTINUED)

Restricted Cash - Primary Government (Continued)

Additionally, the City has \$45,038,018 held with a trustee that is restricted for the Peoria Civic Center expansion within the 2005A General Obligation Capital Project Fund.

Restricted Cash - Component Unit

Springdale Cemetery Management Authority has restrictions on the following funds from restrictive donations and related earnings at December 31:

Contribution corpus - nonexpendable	\$ 208,112
Restricted - expendable earnings on contributions	<u>45,649</u>
	<u>\$ 253,761</u>

NOTE 5 - DESIGNATIONS AND FUND BALANCE RESERVES - PRIMARY GOVERNMENT

Reserved for Encumbrances

The City reserves a part of fund balance for certain obligations outstanding at year end. Payments made in the subsequent fiscal period, when goods or services are received, are recorded as expenditures in that period. Remaining unused reserves are reinstated to unreserved fund balance in the following fiscal year. At December 31, 2005, fund balances in the amounts of \$502,404, \$2,142,826, \$7,904,036, and \$1,624,386 have been reserved for encumbrances in the General Fund, Capital Improvements Fund, 2005A General Obligation Capital Project Fund, and other nonmajor governmental funds, respectively.

Reserved for Law Enforcement

The reserve for law enforcement represents amounts statutorily restricted for specific purposes of monies collected.

Reserved for Animal Shelter Trust

The reserve for animal shelter trust represents amounts reserved for the animal shelter as requested by donors.

CITY OF PEORIA, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS

December 31, 2005

NOTE 5 - DESIGNATIONS AND FUND BALANCE RESERVES - PRIMARY GOVERNMENT (CONTINUED)

Reserved for Future Road Projects

The reserve for future road projects represents the balance in the Motor Fuel Tax Fund, a Special Revenue Fund, restricted by law for the purpose of road projects as approved by the State of Illinois.

Reserved for Debt Service

The reserve for debt service represents the balance in the debt service funds which is restricted by the terms of the bond agreements.

Reserved for Working Cash - Library

The reserve for library working cash is statutorily established for the sole purpose of enabling the library board to have in its funds, at all times, sufficient money to meet demands thereon for ordinary and necessary and committed expenditures for library purposes.

Reserved for Endowment Activity - Library

The reserve for endowment activity represents amounts reserved for specific purposes as requested by the donors.

Reserved for Revolving Loan Fund

The reserve for revolving loan fund represents principal and interest received on previous loans required to be used to make future loans.

Reserved for Riverfront Development

The reserve for riverfront development represents amounts reserved by donors for riverfront development.

Reserved for Compensated Absences

The reserve for compensated absences represents the balance of vested vacation and sick leave restricted for employees working within the workforce development grant funds. Such amount has been set aside by the grantor to meet those obligations when they become due.

CITY OF PEORIA, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS

December 31, 2005

NOTE 5 - DESIGNATIONS AND FUND BALANCE RESERVES - PRIMARY GOVERNMENT (CONTINUED)

Reserved for Employees' Pension Benefits

The reserve for employees' pension benefits is the balance in the Illinois Municipal Retirement Fund, a Special Revenue Fund, restricted to pay pension benefits to Illinois Municipal Retirement on behalf of City employees.

Designated, Reported in General Fund

The City has designated funds for health insurance, general insurance, contingencies, working capital, and debt service within the General Fund.

Designated, Reported in Capital Projects Funds

The City has designated funds for capital projects within the Capital Projects Funds.

Council action is necessary to appropriate any of these designated fund balances.

NOTE 6 - LONG-TERM DEBT - PRIMARY GOVERNMENT

General Obligation Bonds

In 1997, the City issued \$12,015,000 of general obligation bonds (known as 1997A) in order to refund the outstanding bonds related to the General Obligation Purpose Bonds, Series 1978. (The 1978 general obligation bonds had originally been issued to finance the capital development program, including major arterial road improvements, construction of parking facilities, and the purchase and/or construction of public service buildings.) All of the outstanding bonds related to the 1997A issue, except for \$2,510,000, were refunded in 2005 with the issuance of the 2005B General Obligation Bonds. Of the \$2,510,000 not advance refunded, \$1,285,000 is outstanding at December 31, 2005 and is included in long-term debt.

In 1998, the City issued \$9,625,000 (known as 1998A) of general obligation bonds to finance the cost of constructing a City parking deck in connection with the development of the Central Illinois Career and Technology Center and \$1,865,000 (known as 1998B) of general obligation bonds to finance the cost of constructing various municipal improvements, including sewer line extensions, drainage system improvements, and neighborhood curbs, lighting, and sidewalks. All of the outstanding bonds related to the 1998A and 1998B issues, except for \$580,000 and \$155,000, respectively, were advance refunded in 2005 with the issuance of the 2005B General Obligation Bonds. Of the amounts not advance refunded, \$300,000 and \$80,000, respectively, is outstanding at December 31, 2005 and is included in long-term debt.

CITY OF PEORIA, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS

December 31, 2005

NOTE 6 - LONG-TERM DEBT - PRIMARY GOVERNMENT (CONTINUED)

General Obligation Bonds (Continued)

Also in 1998, the City issued \$1,225,000 and \$3,345,000 (known as 1998C and 1998D, respectively) of general obligation bonds to finance the cost of improvements to an existing parking lot, construction of an elevated plaza in the Riverfront Area, and to pay the cost of issuing the bonds; \$5,095,000 (known as 1998E) of general obligation bonds to finance the cost of constructing various municipal improvements, including sewer line extensions, drainage system improvements, and neighborhood curbs, lighting, and sidewalks; and \$2,820,000 (known as 1998F) of general obligation bonds to finance the cost of installing a new seating system in the Peoria Civic Center, to fund capitalized interest, and to pay the cost of issuing the bonds. All of the outstanding bonds related to the 1998E and 1998F issues, except for \$700,000 and \$390,000, respectively, were advance refunded in 2005 with the issuance of the 2005B General Obligation Bonds. Of the amounts related to the 1998E and 1998F issues not advance refunded, \$480,000 and \$265,000, respectively, is outstanding at December 31, 2005 and is included in long-term debt. The 1998C and 1998D issues also reflect amounts outstanding in accordance with the original retirement schedule.

In 1999, the City issued \$4,445,000 (known as 1999A) of general obligation bonds to finance various municipal improvements. All of the outstanding bonds related to the 1999A issue, except for \$590,000, were advance refunded in 2005 with the issuance of the 2005B General Obligation Bonds. Of the \$590,000 not advance refunded, \$400,000 is outstanding at December 31, 2005 and is included in long-term debt.

In 2000, the City issued \$4,190,000 (known as 2000A) of general obligation bonds to finance public improvements within the Southtown Redevelopment Project Area for redevelopment of the Colonel John Warner Homes, to construct street improvements, and to pay the cost of issuing the bonds. The City also issued \$9,985,000 (known as 2000B) of general obligation bonds to finance various capital improvements and to pay the cost of issuing the bonds. Also in 2000, the City issued \$5,500,000 (known as 2000C) of general obligation bonds to finance improvements within the Midtown Plaza Redevelopment Project Area and to pay the costs of issuing the bonds. All of the outstanding bonds related to the 2000A, 2000B, and 2000C issues, except for \$380,000, \$1,815,000, and \$820,000, respectively, were advance refunded in 2005 with the issuance of the 2005B General Obligation Bonds. Of the amounts not advance refunded, \$295,000, \$1,400,000, and \$635,000, respectively, is outstanding at December 31, 2005 and is included in long-term debt.

CITY OF PEORIA, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS

December 31, 2005

NOTE 6 - LONG-TERM DEBT - PRIMARY GOVERNMENT (CONTINUED)

General Obligation Bonds (Continued)

In 2001, the City issued \$4,175,000 of general obligation bonds (known as 2001A) to finance various City capital improvements, land acquisition, and to pay the cost of issuing the bonds. The City also issued \$21,750,000 of general obligation bonds (known as 2001B) to advance refund a portion of certain Series 1993, Series 1996C, and Series 1996D bonds of the City, and to pay the costs of issuing the bonds. Also in 2001, the City issued \$4,170,000 of general obligation bonds (known as 2001C) to finance various City capital improvements, including public sewer and street rehabilitation, land acquisition, public parking improvements, and to pay the cost of issuing the bonds. The City also issued \$3,280,000 of general obligation bonds (known as 2001D) to pay the cost of purchasing property, demolishing buildings, and environmental cleanup at the site of a proposed stadium within the City, utility relocation in the Southtown area, to fund capitalized interest, and to pay the costs of issuing the bonds.

In 2002, the City issued \$2,060,000 of general obligation bonds (known as 2002A) to finance improvements to the Civic Center and to pay the cost of issuing the bonds. The City also issued \$3,385,000 of general obligation bonds (known as 2002B) to pay the cost of financing various City capital improvements and to pay the cost of issuing the bonds.

In 2003, the City issued \$4,110,000 of general obligation bonds (known as 2003A) to finance construction of the Charter Oak Road Extension Project Phases I and II and to pay the cost of issuing the bonds. The City also issued \$5,485,000 of general obligation bonds (known as 2003B) to advance refund the remainder of the Series 1996C bonds of the City and to pay the cost of issuing the bonds.

In 2004, the City issued \$5,390,000 of general obligation bonds (known as 2004B) to finance various City capital improvements, land acquisition, and pay the cost of issuing the 2004B bonds. The City also issued \$11,985,000 of general obligation refunding bonds (known as 2004C) to advance refund a portion of the general obligation bonds, series 1997B, due January 1, 2007-2018 and to pay the costs of issuing the bonds.

In 2005, the City issued \$62,605,000 of general obligation bonds (known as 2005A) to pay the costs of constructing an expansion and certain capital improvements to the Peoria Civic Center and to pay the cost of issuing the bonds. The City also issued \$36,880,000 of general obligation bonds (known as 2005B) to refund portions of the City's outstanding general obligation bonds, Series 1997A and 1997B, and to advance refund portions of the City's general obligation bonds, Series 1998A, 1998B, 1998E, 1998F, 1999A, 2000A, 2000B, and 2000C, and to pay the costs of issuing the bonds. The net effect of the advance refunding is an economic gain of \$1,842,849 and a decrease in cash flows from the old debt to the new debt of \$2,372,574.

CITY OF PEORIA, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS

December 31, 2005

NOTE 6 - LONG-TERM DEBT - PRIMARY GOVERNMENT (CONTINUED)

General Obligation Bonds (Continued)

These bonds are general obligations of the City and contain a pledge of its full faith and credit for the payment of principal and interest. The City anticipates that it will use revenues received from incremental property and sales tax, HRA taxes (hotel, restaurant, and amusement taxes), utility taxes, motor fuel taxes, and parking rentals to pay the majority of the principal and interest. Property taxes are anticipated to be abated to the extent that these aforementioned revenues are sufficient to meet the debt service payments. However, the City has the power and may levy ad valorem taxes on all taxable property, without limitation as to rate or amount, sufficient to pay principal and interest on the bonds.

In 2005, the Council abated 2004 property taxes previously levied to pay the interest and a portion of the principal due on these bonds. Accordingly, property tax revenue has not been recognized for the original levy.

2004A Downtown Redevelopment Parking Revenue Refunding Bonds

In 2004, the City issued \$2,875,000 of Downtown Redevelopment Parking Revenue Refunding Bonds to refund a portion of the City's outstanding Downtown Redevelopment Parking Revenue Bonds, Series 1996A, due December 1, 2005 through 2009 and its outstanding Downtown Redevelopment Parking Revenue Bonds, Series 1996B, due December 1, 2005 through 2009 and to pay the costs of issuing the 2004A Bonds.

WeaverRidge Special Service Area Bonds

In 1996, the City issued \$4,915,000 of Special Tax Bonds to finance the costs of acquisition of certain public improvements to be constructed by the developer and acquired by the City, including streets and related grading, storm and sanitary sewers, and certain earthwork that are required in connection with the development of the special service area. These bonds are limited obligations of the City and carry a pledge of the special tax to be imposed and collected on all the real property within the special service area subject to the special tax and the proceeds of the redemption or sale of property sold as a result of foreclosure of the lien of special tax.

Sanitary Sewer Loan

On June 8, 1990, the City signed a loan agreement with the State of Illinois Environmental Protection Agency for \$208,248 with an interest rate of 3.745 percent due in 40 semi-annual payments of \$7,367, which includes interest. The principal and interest on the loan is payable from the collection of revenue derived from sewer charges.

CITY OF PEORIA, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS

December 31, 2005

NOTE 6 - LONG-TERM DEBT - PRIMARY GOVERNMENT (CONTINUED)

Promissory Note

On March 7, 1995, the City signed a loan agreement with an individual for \$850,000 with an interest rate of 7.00 percent due in monthly installments of \$7,640, including interest, through May 2010. The purpose of the loan was to purchase riverfront property.

Promissory Note

On November 21, 1995, the City signed a loan agreement with a corporation for advances of up to \$2,500,000 with an interest rate of 7.00 percent due in annual payments beginning December 1, 1998 through December 1, 2015. At December 31, 2005, the City had been advanced \$2,484,812. The purpose of this loan was to purchase the acquisition site and pay certain relocation costs to the current owners of the acquisition site pursuant to the Peoria, Illinois, Northside Riverfront Redevelopment Area Tax Redevelopment Plan.

Of the \$2,500,000 available, no more than \$1,800,000 could be used to fund the cost of the Acquisition Site (the "Acquisition Loan"); and no more than \$700,000 could be used to fund the Relocation Costs (the "Relocation Loan"); and no more than \$400,000 of the Relocation Loan could be used for relocation to the current owners of Parcel 1 as defined in the Redevelopment Agreement; and no more than \$300,000 of the Relocation Loan could be used for relocation to the current owners of Parcel 2 as defined in the Redevelopment Agreement. The City is required, for a period of twenty-three years commencing with the date of the adoption of the Northside Riverfront Redevelopment Area, to promptly deposit the incremental real estate taxes when received as follows: 50 percent into the "Principal and Interest Account - Acquisition Loan" and 50 percent into the "Principal and Interest Account - Relocation Loan" accounts. The monies in these accounts shall be used solely for the payment of principal and interest on these two loans as they become due. Payments on the Acquisition Loan began on December 1, 1998, and continue thereafter December 1 of each year until and including December 1, 2015, from the funds available in the Principal and Interest Account - Acquisition Loan based on an amortization schedule which sets forth annual principal and interest payments necessary to pay the loan in full plus accrued interest by December 1, 2015. The City shall have no obligation for the payment of any remaining principal and interest on the Acquisition Loan after May 1, 2018. Payments on the Relocation Loan began on December 1, 1998, and are due thereafter on December 1 of each year until and including December 1, 2015, from the funds available in the Principal and Interest Account - Relocation Loan based on a level payment schedule sufficient to fully amortize both principal and accrued interest on the loan over a 20-year period. The City shall have no obligation for the payment of any remaining principal and interest on the Relocation Loan after December 1, 2018.

CITY OF PEORIA, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS

December 31, 2005

NOTE 6 - LONG-TERM DEBT - PRIMARY GOVERNMENT (CONTINUED)

Other Long-Term Obligations

Board of Education of the City of Peoria

The City entered into an agreement, dated October 1983 and amended May 1991, with the Board of Education of the City of Peoria, School District #150 (District #150), requiring the City to provide funds to construct and furnish a new school building. Under the amended agreement, the City agreed to share in the cost of the new building to the extent of \$2,573,192 to be repaid in twenty annual installments with interest at 6.7127 percent.

Postclosure Costs - Landfill

State and federal laws and regulations require the City/County to perform certain postclosure maintenance and monitoring functions at City/County Landfill #1 for thirty years after the facility stops accepting waste and is certified for closure by the Illinois Environmental Protection Agency. The City of Peoria and County of Peoria have an agreement to split these postclosure costs equally. The City will report these expenditures to the extent that they will be liquidated with expendable available resources. Expenditures in the amount of \$61,100 were recognized in 2005. The balance due reported represents the estimate of what it would cost to perform all postclosure care at December 31, 2005 over thirty years for Landfill #1, which discontinued accepting waste in 1998. Actual cost may be higher or lower due to inflation, changes in technology, or changes in regulations.

Landfill #2 was opened during 1998, but the City has no responsibility for closure or postclosure care of this landfill.

Compensated Absences

The City's personnel policies allow for the accumulation and vesting of unused vacation and sick days, within certain limits. At December 31, 2005, the City has accrued an associated liability of \$8,016,076. The liability for compensated absences is funded primarily through the General Fund and the Workforce Development Fund.

CITY OF PEORIA, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS

December 31, 2005

NOTE 6 - LONG-TERM DEBT - PRIMARY GOVERNMENT (CONTINUED)

Other Special Assessment Debt

Additionally, the City has Special Assessment Improvement Bonds which are reflected as current obligations of the Capital Projects Funds. These bonds represent bearer bonds which have matured but have not been presented for payment. The additional debt outstanding at December 31, 2005 is as follows:

<u>Warrant Number</u>	<u>Balance</u>
552	\$ 500
587	500
1360	<u>5,000</u>
	<u>\$ 6,000</u>

Repayment

Repayment of debt has typically been funded through debt service funds from general revenue sources other than property tax revenues.

Summary of Long-term Debt

Terms of the debt issues and annual requirements to amortize all long-term bonds, notes, and other outstanding long-term obligations, except compensated absences, and landfill closure and postclosure care costs are as follows:

CITY OF PEORIA, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS

December 31, 2005

NOTE 6 - LONG-TERM DEBT - PRIMARY GOVERNMENT (CONTINUED)

Summary of Long-term Debt (Continued)

Description of issues:

Amount of issue	\$12,015,000	\$9,625,000
Date of issue	February 1, 1997	April 15, 1998
Dates interest payable	June 15 and December 15	January 1 and July 1
Dates principal payable	December 15	January 1
Interest rates	4.50 to 5.00%	5.00 to 5.30%

	1997A General Obligation Bonds		1998A General Obligation Bonds	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
Year payable:				
2006	\$ 1,285,000	\$ 62,965	\$ -	\$ 7,500
2007	-	-	300,000	7,500
2008	-	-	-	-
2009	-	-	-	-
2010	-	-	-	-
2011-2015	-	-	-	-
2016-2020	-	-	-	-
2021-2025	-	-	-	-
2026-2030	-	-	-	-
	<u>\$ 1,285,000</u>	<u>\$ 62,965</u>	<u>\$ 300,000</u>	<u>\$ 15,000</u>

Description of issues:

Amount of issue	\$5,095,000	\$2,820,000
Date of issue	August 1, 1998	November 15, 1998
Dates interest payable	January 1 and July 1	January 1 and July 1
Dates principal payable	January 1	January 1
Interest rates	4.625 to 5.00%	4.25 to 5.00%

	1998E Corporate Purpose General Obligation Bonds		1998F General Obligation Bonds	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
Year payable:				
2006	\$ -	\$ 11,520	\$ -	\$ 5,800
2007	235,000	17,400	130,000	8,837
2008	245,000	5,880	135,000	3,038
2009	-	-	-	-
2010	-	-	-	-
2011-2015	-	-	-	-
2016-2020	-	-	-	-
2021-2025	-	-	-	-
2026-2030	-	-	-	-
	<u>\$ 480,000</u>	<u>\$ 34,800</u>	<u>\$ 265,000</u>	<u>\$ 17,675</u>

\$1,865,000
April 15, 1998
January 1 and July 1
January 1
4.85 to 5.25%

1998B General Obligation Bonds	
Principal	Interest
\$ -	\$ 1,950
80,000	1,950
-	-
-	-
-	-
-	-
-	-
-	-
-	-
<u>\$ 80,000</u>	<u>\$ 3,900</u>

\$1,225,000
September 1, 1998
January 1 and July 1
January 1
5.70 to 6.05%

1998C Taxable Riverfront Village General Obligation Bonds	
Principal	Interest
\$ -	\$ 23,258
20,000	45,940
25,000	44,646
35,000	42,921
40,000	40,765
330,000	154,860
330,000	31,158
-	-
-	-
<u>\$ 780,000</u>	<u>\$ 383,548</u>

\$3,345,000
September 1, 1998
January 1 and July 1
January 1
4.35 to 4.90%

1998D Riverfront Village General Obligation Bonds	
Principal	Interest
\$ -	\$ 59,135
160,000	114,790
165,000	107,721
175,000	100,326
185,000	92,450
1,075,000	322,644
785,000	58,798
-	-
-	-
<u>\$ 2,545,000</u>	<u>\$ 855,864</u>

\$4,445,000
June 8, 1999
January 1 and July 1
January 1
4.90 to 5.20%

1999A General Obligation Bonds	
Principal	Interest
\$ -	\$ 10,000
195,000	15,125
205,000	5,125
-	-
-	-
-	-
-	-
-	-
-	-
<u>\$ 400,000</u>	<u>\$ 30,250</u>

\$4,190,000
April 15, 2000
January 1 and July 1
January 1
5.125 to 5.50%

2000A General Obligation Bonds	
Principal	Interest
\$ -	\$ 7,687
90,000	13,069
100,000	8,138
105,000	2,756
-	-
-	-
-	-
-	-
-	-
<u>\$ 295,000</u>	<u>\$ 31,650</u>

\$9,985,000
April 15, 2000
January 1 and July 1
January 1
5.00 to 5.625%

2000B General Obligation Bonds	
Principal	Interest
\$ -	\$ 37,350
440,000	63,150
465,000	39,103
495,000	13,304
-	-
-	-
-	-
-	-
-	-
<u>\$ 1,400,000</u>	<u>\$ 152,907</u>

CITY OF PEORIA, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS

December 31, 2005

NOTE 6 - LONG-TERM DEBT - PRIMARY GOVERNMENT (CONTINUED)

Summary of Long-term Debt (Continued)

Description of issues:

Amount of issue	\$5,500,000	\$4,175,000
Date of issue	November 15, 2000	March 1, 2001
Dates interest payable	January 1 and July 1	January 1 and July 1
Dates principal payable	January 1	January 1
Interest rates	5.10 to 5.50%	4.375 to 5.20%

	2000C General Obligation Bonds		2001A General Obligation Bonds	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
Year payable:				
2006	\$ -	\$ 16,272	\$ -	\$ 86,929
2007	200,000	27,419	165,000	170,145
2008	210,000	16,913	170,000	168,207
2009	225,000	5,766	180,000	154,733
2010	-	-	190,000	146,407
2011-2015	-	-	1,115,000	587,879
2016-2020	-	-	1,440,000	277,495
2021-2025	-	-	335,000	8,710
2026-2030	-	-	-	-
	<u>\$ 635,000</u>	<u>\$ 66,370</u>	<u>\$ 3,595,000</u>	<u>\$ 1,600,505</u>

Description of issues:

Amount of issue	\$2,060,000	\$3,385,000
Date of issue	June 1, 2002	June 1, 2002
Dates interest payable	January 1 and July 1	January 1 and July 1
Dates principal payable	January 1	January 1
Interest rates	3.50 to 4.40%	4.25 to 5.00%

	2002A General Obligation Bonds		2002B General Obligation Bonds	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
Year payable:				
2006	\$ -	\$ 31,039	\$ -	\$ 71,451
2007	190,000	58,752	115,000	140,458
2008	200,000	51,727	120,000	135,464
2009	210,000	43,959	130,000	130,152
2010	220,000	35,435	135,000	124,520
2011-2015	720,000	47,810	790,000	527,144
2016-2020	-	-	1,025,000	319,627
2021-2025	-	-	755,000	57,875
2026-2030	-	-	-	-
	<u>\$ 1,540,000</u>	<u>\$ 268,722</u>	<u>\$ 3,070,000</u>	<u>\$ 1,506,691</u>

\$21,750,000
March 1, 2001
January 1 and July 1
January 1
4.50 to 5.00%

\$4,170,000
August 1, 2001
January 1 and July 1
January 1
4.50 to 5.05%

\$3,280,000
August 1, 2001
January 1 and July 1
January 1
4.30 to 5.00%

**2001B General
Obligation Bonds**

<u>Principal</u>	<u>Interest</u>
\$ -	\$ 336,613
2,925,000	607,413
3,010,000	473,875
1,060,000	382,300
760,000	341,350
5,555,000	905,701
1,105,000	27,625
-	-
-	-
<u>\$ 14,415,000</u>	<u>\$ 3,074,877</u>

**2001C General
Obligation Bonds**

<u>Principal</u>	<u>Interest</u>
\$ -	\$ 85,805
165,000	167,898
175,000	160,248
190,000	152,035
200,000	143,260
1,165,000	565,089
1,200,000	263,465
485,000	24,871
-	-
-	-
<u>\$ 3,580,000</u>	<u>\$ 1,562,671</u>

**2001D General
Obligation Bonds**

<u>Principal</u>	<u>Interest</u>
\$ -	\$ 59,564
220,000	114,399
235,000	104,617
245,000	94,297
255,000	83,547
855,000	270,402
635,000	120,054
150,000	3,750
-	-
-	-
<u>\$ 2,595,000</u>	<u>\$ 850,630</u>

\$4,110,000
August 1, 2003
January 1 and July 1
January 1
4.00 to 4.75%

\$5,485,000
October 1, 2003
January 1 and July 1
January 1
2.50 to 4.00%

\$5,390,000
September 1, 2004
January 1 and July 1
January 1
3.00 to 4.75%

**2003A General
Obligation Bonds**

<u>Principal</u>	<u>Interest</u>
\$ -	\$ 79,790
170,000	156,180
170,000	149,380
175,000	142,480
180,000	135,380
990,000	562,500
1,190,000	335,303
840,000	60,597
-	-
-	-
<u>\$ 3,715,000</u>	<u>\$ 1,621,610</u>

**2003B General
Obligation Bonds**

<u>Principal</u>	<u>Interest</u>
\$ -	\$ 70,134
890,000	126,919
935,000	98,375
965,000	65,691
1,005,000	28,100
200,000	4,000
-	-
-	-
-	-
<u>\$ 3,995,000</u>	<u>\$ 393,219</u>

**2004B General
Obligation Bonds**

<u>Principal</u>	<u>Interest</u>
\$ -	\$ 108,742
170,000	214,934
180,000	209,684
190,000	203,896
200,000	197,409
1,155,000	860,432
1,460,000	590,948
1,870,000	226,595
-	-
-	-
<u>\$ 5,225,000</u>	<u>\$ 2,612,640</u>

CITY OF PEORIA, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2005

NOTE 6 - LONG-TERM DEBT - PRIMARY GOVERNMENT (CONTINUED)

Summary of Long-term Debt (Continued)

Description of issues:

Amount of issue	\$11,985,000	\$62,605,000
Date of issue	September 16, 2004	March 15, 2005
Dates interest payable	January 1 and July 1	January 1 and July 1
Dates principal payable	January 1	January 1
Interest rates	3.00 to 5.00%	4.00 to 5.00%

	2004C General Obligation Refunding Bonds		2005A General Obligation Bonds	
	Principal	Interest	Principal	Interest
Year payable:				
2006	\$ -	\$ 235,913	\$ -	\$ 1,470,944
2007	800,000	459,825	-	2,941,888
2008	825,000	435,450	-	2,941,887
2009	850,000	409,263	-	2,941,888
2010	875,000	381,231	100,000	2,939,887
2011-2015	4,880,000	1,384,456	2,865,000	14,542,138
2016-2020	3,500,000	237,500	14,580,000	12,774,856
2021-2025	-	-	25,460,000	8,259,412
2026-2030	-	-	19,600,000	1,512,500
	\$ 11,730,000	\$ 3,543,638	\$ 62,605,000	\$ 50,325,400

Description of issues:

Amount of issue	\$208,248	\$850,000
Date of issue	April 9, 1991	March 7, 1995
Dates interest payable	January 9 and July 9	Monthly
Dates principal payable	January 9 and July 9	Monthly
Interest rates	3.745%	7.00%

	Sanitary Sewer Loan		Promissory Note	
	Principal	Interest	Principal	Interest
Year payable:				
2006	\$ 6,120	\$ 1,247	\$ 69,563	\$ 22,117
2007	12,584	2,149	74,592	17,089
2008	13,060	1,673	79,984	11,697
2009	13,554	1,179	85,766	5,914
2010	14,066	667	31,927	660
2011-2015	7,231	135	-	-
2016-2020	-	-	-	-
2021-2025	-	-	-	-
2026-2030	-	-	-	-
	\$ 66,615	\$ 7,050	\$ 341,832	\$ 57,477

\$36,880,000
May 12, 2005
January 1 and July 1
January 1
3.00 to 5.00%

**2005B General
Obligation Bonds**

<u>Principal</u>	<u>Interest</u>
\$ -	\$ 854,048
440,000	1,701,495
2,230,000	1,658,657
1,505,000	1,596,083
2,445,000	1,520,845
16,005,000	5,364,850
12,690,000	1,776,475
865,000	18,598
-	-
<u>\$ 36,180,000</u>	<u>\$ 14,491,051</u>

\$2,875,000
September 1, 2004
June 1 and December 1
December 1
2.25 to 3.25%

**Downtown Redevelopment
Parking Revenue Refunding
Bonds, Series 2004A**

<u>Principal</u>	<u>Interest</u>
\$ 555,000	\$ 65,625
565,000	53,138
580,000	37,600
600,000	18,750
-	-
-	-
-	-
-	-
-	-
<u>\$ 2,300,000</u>	<u>\$ 175,113</u>

\$4,915,000
December 19, 1996
February 1 and August 1
February 1
7.625 to 8.05%

**WeaverRidge Special
Service Area Bonds**

<u>Principal</u>	<u>Interest</u>
\$ 185,000	\$ 351,672
215,000	336,422
240,000	319,075
270,000	299,058
300,000	276,115
2,120,000	928,568
1,160,000	94,185
-	-
-	-
<u>\$ 4,490,000</u>	<u>\$ 2,605,095</u>

\$2,500,000
November 21, 1995
December 1
December 1
7.00%

Promissory Note

<u>Principal</u>	<u>Interest</u>
\$ 125,725	\$ 121,595
134,526	112,794
143,942	103,378
154,018	93,302
164,800	82,520
1,014,060	222,540
-	-
-	-
-	-
<u>\$ 1,737,071</u>	<u>\$ 736,129</u>

\$2,573,192
May 20, 1991
December 1
December 1
6.7127%

**Board of Education
City of Peoria**

<u>Principal</u>	<u>Interest</u>
\$ 170,446	\$ 65,554
181,887	54,113
194,097	41,903
207,126	28,874
223,013	14,970
-	-
-	-
-	-
-	-
<u>\$ 976,569</u>	<u>\$ 205,414</u>

Total

<u>Principal</u>	<u>Interest</u>
\$ 2,396,854	\$ 4,362,219
9,283,589	7,751,191
11,051,083	7,333,461
8,065,464	6,928,927
7,523,806	6,585,518
40,841,291	27,251,148
41,100,000	16,907,489
30,760,000	8,660,408
19,600,000	1,512,500
<u>170,622,087</u>	<u>\$ 87,292,861</u>

Postclosure costs - landfill
Compensated absences
Other special assessment debt

1,535,184
8,016,076
6,000
<u>\$ 180,179,347</u>

CITY OF PEORIA, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2005

NOTE 6 - LONG-TERM DEBT - PRIMARY GOVERNMENT (CONTINUED)

Summary of Long-term Debt (Continued)

A summary of the changes in long-term debt is as follows:

	Balance December 31, <u>2004</u>
General obligation bonds	\$ 107,835,000
Revenue bonds	2,845,000
Special service area bonds	4,655,000
Special assessment bond - matured	6,000
Loans payable	2,346,905
Board of Education of the City of Peoria obligation	1,136,293
Landfill closure and postclosure care costs	1,481,842
Compensated absences	<u>7,782,208</u>
	<u>\$ 128,088,248</u>

The City is a home-rule municipality and accordingly is not subject to any constitutional debt limit.

Debt Covenants

The various bond indentures contain 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.

Advance Refunding

In 2001, the City defeased a portion of the 1993, 1996C, and 1996D general obligation bonds with the issuance of the 2001B general obligation bonds. In 2003, the City defeased the remaining 1996C general obligation bonds with the issuance of the 2003B general obligation bonds. In 2004, the City defeased the 1996A & B Downtown Redevelopment Parking Revenue Bonds with the issuance of the 2004A Downtown Redevelopment Parking Revenue Refunding Bonds and a portion of the 1997B general obligation bonds with the issuance of the 2004C general obligation bonds. In 2005, the City defeased a portion of the 1997A, 1997B, 1998A, 1998B, 1998E, 1998F, 1999A, 2000A, 2000B, and 2000C general obligation bonds with the issuance of the 2005B General Obligation Bonds. Portions of the proceeds of the new bonds were placed in irrevocable trusts to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the City's financial statements. The balance remaining outstanding on these advance refunded bonds at December 31, 2005 is \$36,925,000.

<u>Additions</u>	<u>Deletions</u>	Balance December 31, 2005	<u>Current Portion</u>	<u>Long-term Portion</u>
\$ 99,485,000	\$ 46,610,000	\$ 160,710,000	\$ 1,285,000	\$ 159,425,000
-	545,000	2,300,000	555,000	1,745,000
-	165,000	4,490,000	185,000	4,305,000
-	-	6,000	6,000	-
-	201,387	2,145,518	201,408	1,944,110
-	159,724	976,569	170,446	806,123
114,442	61,100	1,535,184	61,748	1,473,436
<u>5,345,929</u>	<u>5,112,061</u>	<u>8,016,076</u>	<u>600,000</u>	<u>7,416,076</u>
<u>\$ 104,945,371</u>	<u>\$ 52,854,272</u>	<u>\$ 180,179,347</u>	<u>\$ 3,064,602</u>	<u>\$ 177,114,745</u>

CITY OF PEORIA, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS

December 31, 2005

NOTE 7 - CAPITAL ASSETS

A summary of the changes in capital assets follows:

	<u>Cost</u>				<u>Balance at December 31, 2005</u>	
	<u>Balance at December 31, 2004</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfers</u>		
Not depreciated:						
Land	\$ 8,789,463	\$ 2,383,955	\$ 140	\$ -	\$ 11,173,278	
Construction in progress	12,687,703	-	-	(12,687,703)	-	
Depreciated:						
Land improvements	4,988,484	6,820	-	-	4,995,304	
Buildings	71,770,105	341,969	-	-	72,112,074	
Machinery and equipment	5,439,290	731,264	-	-	6,170,554	
Vehicles	15,277,137	1,289,685	1,070,541	-	15,496,281	
Media	28,132,272	544,360	367,304	-	28,309,328	
Infrastructure assets	<u>28,919,366</u>	<u>9,484,814</u>	<u>-</u>	<u>12,687,703</u>	<u>51,091,883</u>	
Total	<u>\$ 176,003,820</u>	<u>\$ 14,782,867</u>	<u>\$ 1,437,985</u>	<u>\$ -</u>	<u>\$ 189,348,702</u>	
		<u>Accumulated Depreciation</u>				<u>Net Capital Assets at December 31, 2005</u>
	<u>Balance at December 31, 2004</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfers</u>	<u>Balance at December 31, 2005</u>	
Not depreciated:						
Land	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,173,278
Depreciated:						
Land improvements	889,798	254,637	-	-	1,144,435	3,850,869
Buildings	24,424,670	1,931,847	-	-	26,356,517	45,755,557
Machinery and equipment	4,059,052	560,078	-	-	4,619,130	1,551,424
Vehicles	12,174,510	1,152,890	1,047,370	-	12,280,030	3,216,251
Media	25,811,152	501,434	367,304	-	25,945,282	2,364,046
Infrastructure assets	<u>1,905,345</u>	<u>1,712,525</u>	<u>-</u>	<u>-</u>	<u>3,617,870</u>	<u>47,474,013</u>
Total	<u>\$ 69,264,527</u>	<u>\$ 6,113,411</u>	<u>\$ 1,414,674</u>	<u>\$ -</u>	<u>\$ 73,963,264</u>	<u>\$ 115,385,438</u>

The source of acquisitions in 2005 follows:

Expenditures from Special Revenue Funds	\$ 1,559,585
Expenditures from Capital Projects Funds	<u>13,223,282</u>
	<u>\$ 14,782,867</u>

CITY OF PEORIA, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2005

NOTE 7 - CAPITAL ASSETS (CONTINUED)

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

Governmental activities:	
Elective offices, boards, commissions, and agencies	\$ 2,787
City administration	145,406
Police	679,049
Fire	790,722
Public works	1,844,440
Community development	136,961
Public safety	84,285
General government	1,825,557
Library	<u>604,204</u>
Total depreciation expense	<u>\$ 6,113,411</u>

A summary of land, building, and equipment of the Peoria Civic Center Authority and Springdale Cemetery Management Authority follows:

	<u>Peoria Civic Center Authority</u>	<u>Springdale Cemetery Management Authority</u>
Land	\$ 10,234,750	\$ -
Land improvements	7,277,836	399,594
Buildings and improvements	84,257,316	676,884
Furniture, fixtures, and equipment	8,182,685	325,083
Construction in process	<u>6,484,967</u>	<u>38,837</u>
Total cost	116,437,554	1,440,398
Less accumulated depreciation	<u>54,174,448</u>	<u>172,639</u>
Net land, building, and equipment	<u>\$ 62,263,106</u>	<u>\$ 1,267,759</u>
Depreciation expense for the respective year ends	<u>\$ 3,653,220</u>	<u>\$ 80,861</u>

Construction in process consists of various projects in the following classifications:

	<u>Peoria Civic Center Authority</u>	<u>Springdale Cemetery Management Authority</u>
Buildings and improvements	<u>\$ 6,484,967</u>	<u>\$ 38,837</u>

CITY OF PEORIA, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS

December 31, 2005

NOTE 8 - RECEIVABLES

Loans and accrued interest receivable at December 31, 2005 are net of allowance for uncollectible accounts in the amounts of \$574,550 and \$114,394, respectively.

Other current receivables at December 31, 2005 consist of the following:

Charges for services and reimbursements	\$ 1,116,523
Note receivable	100,000
Franchise fees	296,821
Other fines, fees, and taxes	321,082
Other	<u>254,388</u>
	2,088,814
Less allowance for uncollectible accounts	<u>(90,029)</u>
	<u>\$ 1,998,785</u>

NOTE 9 - OTHER REQUIRED INDIVIDUAL FUND DISCLOSURES

(a) 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	\$ 86,992,747	\$ 87,416,318	\$ 423,571
Illinois Municipal Retirement Fund	5,443,800	5,475,543	31,743
Downtown Parking Bond Fund	622,888	624,988	2,100
General Obligation Bonds Debt			
Service Master Fund	14,312,902	14,645,084	332,182

(b) No funds had deficit fund balances as of December 31, 2005.

(c) Interfund receivable and payable balances are as follows:

Due to General Fund from:	
Nonmajor governmental funds	<u>\$ 15,354</u>

This balance resulted from allocation of administrative costs and reimbursements of copy and postage charges.

Due to Capital Improvements Fund from:	
General Fund	\$ 3,391,702
Nonmajor governmental funds	<u>357,613</u>

Total due to Capital Improvements Fund from other funds \$ 3,749,315

These balances resulted from allocations of revenue.

CITY OF PEORIA, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS

December 31, 2005

NOTE 9 - OTHER REQUIRED INDIVIDUAL FUND DISCLOSURES (CONTINUED)

(c) Continued

Due to nonmajor governmental funds from:	
Capital Improvements Fund	\$ 166,030
All others	<u>56,255</u>
Total due to nonmajor governmental funds from other funds	<u>\$ 222,285</u>

These balances resulted primarily from expenditure corrections.

(d) Interfund transfers for the year ended December 31, 2005 consisted of the following:

Transfers to General Fund from:	
Capital Improvements Fund	\$ 35,000
Nonmajor governmental funds	<u>241,746</u>

Total transfers to General Fund **\$ 276,746**

Transfers to Capital Improvements Fund from:	
General Fund	\$ 7,675,230
Nonmajor governmental funds	<u>161,840</u>

Total transfers to Capital Improvements Fund **\$ 7,837,070**

Transfers to nonmajor governmental funds from:	
General Fund	\$ 5,516,885
Capital Improvements Fund	5,865,540
2005A General Obligation Capital Projects Fund	19,678
All others	<u>4,738,407</u>

Total transfers to nonmajor governmental funds **\$ 16,140,510**

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 Debt Service 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 PEORIA, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS

December 31, 2005

NOTE 10 - SELF-INSURANCE - PRIMARY GOVERNMENT

The City is exposed to various risks of loss related to torts, theft of, damages to, and destruction of assets, natural disasters, workmen's compensation, and medical and dental claims of its employees and their dependents. The City currently reports all of its risk management activities in its General Fund. 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. At December 31, 2005, the estimate of health and dental claims incurred but not reported provided by the claims administrator, amounted to \$320,997. The City does not anticipate any amount to be incurred but not reported related to liability coverage. The City is not covered by excess liability insurance for either general liability or workers' compensation claims. The City has coverage for medical and hospital when individual claims exceed \$185,000 individually and approximately \$11,800,000 in the aggregate for claims paid over an annual liability period.

Annual appropriation is made for the estimated expenditures of each program and claims are expended as incurred. In addition, the City has designated a portion of the General Fund's fund balance to cover future claims which may exceed appropriated amounts in any given year.

Within the General Fund, \$3,000,000 has been designated for general insurance and \$2,500,000 for health insurance. The unpaid reported claims of \$1,124,811 are included in accounts payable on the financial statements in the General Fund. Governmental Accounting Standards Board Statement No. 10 requires 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 claims liability which include unpaid reported claims and amounts incurred but not reported in fiscal years 2005 and 2004 were:

Balance at December 31, 2003	\$ 1,348,813
Current year claims and changes in estimates	10,476,465
Claims paid	<u>(10,424,675)</u>
Balance at December 31, 2004	1,400,603
Current year claims and changes in estimates	11,123,523
Claims paid	<u>(11,078,318)</u>
Balance at December 31, 2005	<u>\$ 1,445,808</u>

CITY OF PEORIA, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS

December 31, 2005

NOTE 11 - PENSION PLANS AND OTHER POSTEMPLOYMENT BENEFITS

Pension Plan Descriptions

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

The Illinois Pension Code establishes the benefit provisions of IMRF that can only be amended by the Illinois General Assembly. Additionally, the employer contributions levels of the Police Pension Fund and the Firemen’s Pension Fund are mandated by Illinois State Statute (Chapter 40, Article 3 and Chapter 108-1/2, Article 4, respectively) and may also be amended only by the Illinois legislature.

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

Illinois Municipal Retirement Fund 2211 York Road, Suite 500 Oak Brook, Illinois 60523	Police Pension Board City of Peoria 419 Fulton Street Peoria, Illinois 61602	Fire Pension Board City of Peoria 419 Fulton Street Peoria, Illinois 61602
--	---	---

Funding Policy and Annual Pension Cost - Pension Plans

The member rate for IMRF and the employee and employer levels are statutorily dictated and can only be amended with legislative action. The IMRF employee contribution requirements are established and may be amended by the IMRF Board of Trustees. Benefits and refunds of the Police and Firemen’s Pension Funds are recognized when due and payable in accordance with the Plans.

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

	<u>Illinois Municipal Retirement Fund (4)</u>	<u>Police Pension Fund of Peoria</u>	<u>Firemen’s Pension Fund of Peoria</u>
Contribution rates:			
City	14.97%	(1)	(1)
Plan members	4.50%	9.91%	9.455%

CITY OF PEORIA, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS

December 31, 2005

NOTE 11 - PENSION PLANS AND OTHER POSTEMPLOYMENT BENEFITS
(CONTINUED)

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

	<u>Illinois Municipal Retirement Fund (4)</u>	<u>Police Pension Fund of Peoria</u>	<u>Firemen's Pension Fund of Peoria</u>
Annual pension cost (3):			
Annual required contribution	\$ 3,355,093	\$ 1,662,481	\$ 3,149,502
Interest on net pension obligation	-	(604,056)	(61,277)
Adjustment to ARC	-	<u>312,645</u>	<u>44,106</u>
Total annual pension cost	<u>3,355,093</u>	<u>1,371,070</u>	<u>3,132,331</u>
Contributions made (3)	<u>3,355,093</u>	<u>2,592,068</u>	<u>3,121,893</u>
Increase (decrease) in net pension obligation (3)	-	(1,220,998)	10,438
Net pension obligation (asset) (3):			
Beginning of period	<u>-</u>	<u>(7,550,698)</u>	<u>(817,031)</u>
End of year	<u>\$ -</u>	<u>\$ (8,771,696)</u>	<u>\$ (806,593)</u>
Actuarial valuation date	December 31, 2003	January 1, 2005	January 1, 2005
Actuarial cost method	Entry age	Entry age	Entry age
Amortization method	Level percent closed	Level percent closed	Level percent closed
Remaining amortization period	27 years	28 years, 6 months	28 years, 6 months
Asset valuation method	5-year smoothed market	Actuarially smoothed market	4-year smoothed market
Actuarial assumptions:			
Investment rate of return*	7.50%	8.00%	7.5%
Projected salary increases*	4.00% (2)	6.00%	5.0%
*Includes inflation at	4.00%	3.00%	4.0%
Post-retirement benefit increases	3.00%	-	-

- (1) Proceeds from a tax levy equal to the sum of: (a) annual normal cost plus (b) amortization of unfunded liability as a level percent of pay between now and July 1, 2033 plus (c) interest on (a) and (b) to date of payment.

CITY OF PEORIA, ILLINOIS

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2005

**NOTE 11 - PENSION PLANS AND OTHER POSTEMPLOYMENT BENEFITS
(CONTINUED)**

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

- (2) Additional salary increases ranging from .4 to 11.6 percent per year depending on age and service, attributable to seniority/merit.
- (3) Data is for the latest actuarial information available which is as of December 31, 2005 for the Illinois Municipal Retirement Fund and as of December 31, 2004 for the Police Pension Fund of Peoria and the Firemen's Pension Fund of Peoria.
- (4) The actuarial assumptions used to determine the actuarial accrued liability for 2005 are based on the 2002-2004 Experience Study. The principal changes were:
 - The 1994 Group Annuity Mortality implemented.
 - For regular members, fewer normal and more early retirements are expected to occur.

Trend Information - Pension Plans

<u>Fund</u>	<u>Year</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
Illinois Municipal Retirement Fund	2005	\$ 3,355,093	100.0%	\$0
	2004	\$ 1,737,297	100.0%	\$0
	2003	\$ 1,033,805	100.0%	\$0
Police Pension Fund of Peoria	2005	To be determined	To be determined	To be determined
	2004	\$ 1,371,070	189.1%	\$(8,771,696)
	2003	\$ 2,457,324	104.2%	\$(7,550,698)
Firemen's Pension Fund of Peoria	2005	To be determined	To be determined	To be determined
	2004	\$ 3,132,331	99.7%	\$(806,593)
	2003	\$ 3,145,796	99.9%	\$(817,031)

Other Postemployment Benefits

The City also has a postemployment benefit plan covering substantially all of its retirees. Currently, there are 490 retirees that participate in this plan. The plan is a pay-as-you-go contributory health insurance program with retirees' contributions making up 80 percent of the funding (less age/service discounts). The City's contributions are established by the Joint Labor/Management Healthcare Committee, which was established in 1994 by various unions representing City employees and representative nonunion City employees. The Committee is made up of 16 voting members appointed by these parties. The provisions of this plan may only be modified upon the unanimous agreement of all of the voting members of the Committee and approval by the City Council. During the year, premiums of approximately \$1,222,000 were recognized for this plan.

CITY OF PEORIA, ILLINOIS

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2005

NOTE 12 - COMMITMENTS - PRIMARY GOVERNMENT

Peoria Civic Center Authority

The intergovernmental agreement between the City and the Peoria Civic Center Authority (the Civic Center) titled "1996 Intergovernmental Agreement Between the City of Peoria and the Peoria Civic Center Authority" was entered into on January 1, 1996 and replaced the previous 1990 Civic Center Agreement in its entirety. The agreement establishes a consistent mechanism for a flow of funds from the City to the Civic Center in order to provide funding for operations and capital improvements. This is accomplished by allocating Hotel, Restaurant, and Amusement (HRA) taxes, levied by the City, to the Civic Center in a stipulated formula after meeting the debt service on bonds issued for the purpose of capital improvements to the Peoria Civic Center. During the year ended December 31, 2005, the City recognized approximately \$1,402,000 as subsidies to the Civic Center, exclusive of the amounts provided from bond proceeds and to cover debt payments for debt issued to fund improvements of the Authority.

Peoria Area Convention and Visitors Bureau, Inc.

Under City Council agreement, an allotted portion of hotel taxes is distributed directly to the Peoria Area Convention and Visitors Bureau, Inc. (Convention Bureau) from the City. During the year ended December 31, 2005, the City recognized approximately \$768,000 as subsidies to the Convention Bureau. These amounts have been reflected as expenditures within the General Fund.

Arts Partners

Per City Council agreement, effective August 2002, 2 percent of restaurant taxes are being distributed to the non-profit organization, Arts Partners, for the time period August 2004 through August 2006. During the year ended December 31, 2005, the City recognized approximately \$110,000 as subsidies to the organization.

Tourism Reserve Fund

This fund was established on January 1, 1996 by the "1996 Intergovernmental Agreement between the City of Peoria and the Peoria Civic Center Authority." The agreement not only establishes a consistent mechanism for a flow of funds from the City to the Authority in order to provide funding for operations and capital improvements by allocating hotel, restaurant, and amusement taxes, levied by the City, to the Authority in a stipulated formula, but also established an allocation of hotel taxes, increases in hotel, restaurant, and amusement taxes, and a stipulated amount from the Authority to fund the Tourism Reserve Fund. It is operated by a committee made up of representatives from the Peoria Civic Center Authority, the Peoria City Council, and the Peoria Area Convention and Visitors Bureau. During the year ended December 31, 2005, the City recognized approximately \$443,000 as subsidies to this fund.

CITY OF PEORIA, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS

December 31, 2005

NOTE 12 - COMMITMENTS - PRIMARY GOVERNMENT (CONTINUED)

Lease Commitments

The City leases office space under a noncancelable operating lease expiring in 2009. Future minimum lease payments under this lease are as follows:

2006	\$ 288,927
2007	294,775
2008	303,373
2009	<u>128,964</u>
Total	<u>\$ 1,016,039</u>

Total rent expense on the above lease was approximately \$284,000 for the year ended December 31, 2005.

Various Contract Commitments

The City has commitments on various contracts for the purposes noted as follows to be expended after year end:

<u>Purpose</u>	<u>Amount</u>
Special assessments	\$ 57,361
Street improvements	745,080
Economic development	478,562
Sanitary sewer improvements	1,284,225

NOTE 13 - CONDUIT DEBT OBLIGATIONS

From time to time, the City has issued Industrial Revenue Bonds to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Neither the City, the state, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

As of December 31, 2005, there were eight series of Industrial Revenue Bonds outstanding, with an aggregate principal amount payable of approximately \$14,700,000.

CITY OF PEORIA, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS

December 31, 2005

NOTE 14 - CONTINGENCIES

The City is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, based on information provided by the City's counsel, resolution of these matters will not have a material adverse effect on the financial condition of the City.

The City is a guarantor on a note which was originally executed on August 16, 1994 in the amount of \$750,000. The City has incurred no costs to date on this guarantee.

NOTE 15 - OTHER COMPONENT UNIT DISCLOSURES

Peoria Civic Center Authority of Peoria, Illinois

All disclosures for the Civic Center are as of and for the year ended August 31, 2005.

SMG as Agent for the Civic Center

The Civic Center has contracted with SMG whereby SMG will manage the operations of the Civic Center. The term of the contract is for a 5-year period which began on September 1, 2000 and will end August 31, 2005. In accordance with the contract, SMG is paid a base rate and a performance fee based on four performance categories: financial performances, maintenance of facility and equipment and risk management, client satisfaction, and diversity for management of the facilities.

In May 2005, the Authority executed a contract with SMG to manage the operations of the Authority from September 1, 2005 to August 31, 2008. In accordance with that agreement, SMG is paid a base rate and an incentive rate based on risk management, maintenance of facility, client satisfaction, and diversity of programming.

Land, Buildings, and Equipment

Land, buildings, and equipment are recorded at cost. Depreciation is provided over the estimated useful lives, which range from 3 to 19 years, on the straight-line basis.

Compensated Absences

Employees are annually granted vacation and sick leave in varying amounts depending upon the length of employment. All employees are 100 percent vested for vacation leave. Unused sick time is not compensable at termination. Vested accumulated unpaid compensated absences are accrued.

CITY OF PEORIA, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS

December 31, 2005

NOTE 15 - OTHER COMPONENT UNIT DISCLOSURES (CONTINUED)

Peoria Civic Center Authority of Peoria, Illinois (Continued)

Long-Term Debt

Long-term debt consists of an unsecured note payable to a bank in the original amount of \$1,575,000, requiring monthly installments of \$22,745, including interest at 5.55 percent per year, with final payment due in November 2007, and two similar unsecured promissory notes, each in the original amount of \$775,000, both requiring monthly installments of \$5,144, including interest at 5.0 percent per year, with final payments due in November 2023.

Future maturities of long-term debt are as follows:

Year ending August 31:	
2006	\$ 271,640
2007	287,003
2008	628,143
2009	59,262
2010	62,294
2011-2015	362,668
2016-2020	465,432
2021-2024	<u>360,959</u>
	<u>\$ 2,497,401</u>

Employee Benefit Plan

The Civic Center's trade employees are primarily covered by a union-sponsored pension plan. The Civic Center contributed and charged to expense amounts determined in accordance with the provisions of negotiated labor contracts which are generally based on the number of man-hours worked. Pension expense was approximately \$26,000 for fiscal year 2005.

A 401(k) savings plan is also provided for all full-time employees age 21 or older with one year of service not covered by the union-sponsored plan. Under the provisions of the plan, 66 percent of the first 5 percent of the employee's contributions to the plan are matched by the employer and 1 percent of the employee's compensation is contributed by the employer. A participant must work at least 1,000 hours during the plan year and be employed on December 31 to be eligible for employer contributions that year. Employer contributions are 100 percent vested after three years of continuous service. The expense for the plan to the Civic Center was approximately \$67,000 in fiscal year 2005.

CITY OF PEORIA, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS

December 31, 2005

NOTE 15 - OTHER COMPONENT UNIT DISCLOSURES (CONTINUED)

Peoria Civic Center Authority of Peoria, Illinois (Continued)

Risk Management

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

Commitments

The Civic Center entered into architectural and construction contracts related to potential building improvements. As of August 31, 2005, the amount of the contract for architectural services is \$3,998,750 and the amount for various construction contracts is \$41,896,875. At August 31, 2005, the services were in the construction phase related to the project, and \$6,058,846 of costs related to the contracts had been incurred. The Civic Center is obligated to pay the remainder of the costs under the contracts as the work is completed. Significant portions of such construction are funded by bonds issued by the City.

Springdale Cemetery Management Authority

Capital Assets

Capital assets include buildings, equipment, and infrastructure assets, such as roads and sidewalks. Capital assets are defined by the Authority as assets with an initial unit cost of \$1,000 or more and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Buildings and equipment of the Authority are depreciated using the straight-line method over the following useful lives.

<u>Assets</u>	<u>Years</u>
Buildings and improvements	39
Land improvements	20
Furniture and equipment	5-7

Unearned Revenue

Unearned revenue at December 31, 2005 consists of pre-need service revenue that has not yet been earned as the service has not yet been performed.

CITY OF PEORIA, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS

December 31, 2005

NOTE 15 - OTHER COMPONENT UNIT DISCLOSURES (CONTINUED)

Springdale Cemetery Management Authority (Continued)

Restricted Net Assets

This includes resources that the Authority is legally or contractually obligated to spend in accordance with restrictions imposed by external third parties. When both restricted and unrestricted resources are available for use, it is the Authority's policy to use restricted resources first, then unrestricted resources when they are needed. Restricted net assets at December 31, 2005 amount to \$253,761 and are comprised of amounts endowed to the Cemetery, earnings on which are designated to be used for purposes specified by the donor, such as purchase and placement of flowers on individual graves. These amounts were transferred in from a receivership in December 2005.

In-kind Contributions and Donated Services

In-kind contributions are recorded as revenue and expense (or capitalized, if applicable) in the statement of activities. The Authority received inventory and equipment in the amounts of \$30,525 and \$85,931, respectively, from the Springdale Historic Preservation Foundation during the year ended December 31, 2005. The Authority receives donated services from volunteer workers who assist the staff in mowing and related services. No monetary value for these services is reflected in the financial statements as they do not require specialized skill.

Risk Management

The Authority purchases commercial insurance for worker's compensation, general liability, and property loss. Settled claims have not exceeded this commercial coverage during the year.

The Springdale Historic Preservation Foundation, Component Unit

The Foundation is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code.

The Foundation made an interest free loan of \$6,000 to Springdale in 2003 for the purchase of a vehicle to be used by Springdale in its operations. The loan was extended to 2005. The interest free loan was funded by a corresponding interest free loan from a benefactor of the Foundation. The benefactor stipulated the use of the funds and the terms of the loan to the Cemetery.

The Foundation made an additional loan of \$9,450 in 2004 for the purchase of flags. The Foundation received \$3,125 in payments during 2004. The remainder was repaid in 2005.

In January of 2003 the Foundation entered into long-term financing, secured by its equipment, from Caterpillar Financial Services, Peoria, Illinois. The loan of \$60,700 matured on January 21, 2005.

CITY OF PEORIA, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2005

NOTE 15 - OTHER COMPONENT UNIT DISCLOSURES (CONTINUED)

Springdale Cemetery Management Authority (Continued)

The Springdale Historic Preservation Foundation, Component Unit (Continued)

Restrictions on net assets at December 31, 2005 relate to contributions received from donors with restrictions or designations for specific use of the funds. The restrictions include funding for equipment purchases, repair projects, and specific portions of the cemetery. Temporarily restricted net assets are available for the following purposes at December 31, 2005:

Mausoleum	\$ 15,732
Stone family plots	655
2005 Restoration project	8,897
Record retention	50
Soldiers Hill	<u>9,188</u>
	<u>\$ 34,522</u>

NOTE 16 - FUTURE CHANGE IN ACCOUNTING PRINCIPLES

In June 2004, the Governmental Accounting Standards Board issued Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. This Statement will generally require the costs of postemployment benefits other than pension benefits to be recognized over a period that approximates an employee's years of service rather than on a pay-as-you-go basis, as is current practice. The City will adopt this new standard beginning in 2007, the year in which adoption is first required by the City. The impact of adopting this standard has not yet been determined.

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

REQUIRED SUPPLEMENTAL INFORMATION

CITY OF PEORIA, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - GENERAL FUND, PEORIA PUBLIC LIBRARY FUND,
AND POLICE AND FIRE PENSION LEVY FUND**

Year Ended December 31, 2005

	<u>General Fund</u>		
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
REVENUES			
Property taxes	\$ 5,941,497	\$ 5,941,497	\$ 5,973,966
Corporate personal property replacement taxes	2,386,262	3,012,862	4,375,524
State sales taxes	21,274,670	21,274,670	21,670,497
State income tax allocation	7,233,640	8,396,270	8,888,641
Home rule sales taxes	21,683,200	21,683,200	21,930,700
Hotel, restaurant, and amusement taxes	6,836,600	6,836,600	7,067,524
Utility taxes	8,433,300	8,433,300	8,455,737
Governmental grants and reimbursements	330,400	1,122,506	1,277,699
Licenses and permits	1,913,900	1,913,900	1,956,622
Service charges/fines/fees	15,528,495	15,753,495	16,102,638
Contributions	-	-	-
Rental	18,000	18,000	84,454
Interest	225,000	225,000	732,060
Other	2,332,400	3,113,746	3,887,327
Total revenues	<u>94,137,364</u>	<u>97,725,046</u>	<u>102,403,389</u>
EXPENDITURES			
Current:			
Elective offices, boards, commissions and agencies	1,264,976	1,593,567	1,499,539
City administration	5,273,164	5,868,160	5,417,503
Benefits	16,487,111	-	-
Police	20,259,963	25,823,412	25,403,272
Fire	14,606,955	18,068,111	17,664,044
Public works	15,617,724	18,691,629	18,447,378
Community development	4,340,367	5,680,633	5,922,322
Public safety	5,242,176	6,633,958	6,466,410
General government	91,888	4,000,758	6,156,176
Library	-	632,519	439,674
Capital outlay	-	-	-
Total expenditures	<u>83,184,324</u>	<u>86,992,747</u>	<u>87,416,318</u>
Excess (deficiency) of revenues over expenditures	<u>10,953,040</u>	<u>10,732,299</u>	<u>14,987,071</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	281,712	276,746	276,746
Transfers out	(11,215,332)	(11,975,332)	(13,192,115)
Total other financing uses	<u>(10,933,620)</u>	<u>(11,698,586)</u>	<u>(12,915,369)</u>
Net change in fund balance	<u>\$ 19,420</u>	<u>\$ (966,287)</u>	2,071,702
FUND BALANCE			
Beginning of year			<u>23,217,002</u>
End of year			<u>\$ 25,288,704</u>

Notes to Required Supplemental Information

Basis of Accounting - The City of Peoria, Illinois budget is prepared on the modified accrual basis for all budgeted funds, including the major funds, General, Peoria Public Library, and Police and Fire Pension Levy, as presented in Exhibit H of the Required Supplemental Information.

Exclusion of Workforce Development Fund in Budget to Actual Comparison - This fund operates primarily with grants that are adopted for a period other than the calendar year. The budget to actual comparison for this fund has not been included because the budget is for the length of the grants, not the calendar year, therefore, presentation of such is not meaningful.

Actual expenditures of the General Fund, a major fund, of \$87,416,318 exceeded final budget of \$86,992,747 by \$423,571.

<u>Peoria Public Library Fund</u>			<u>Police and Fire Pension Levv Fund</u>		
<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
\$ 4,703,329	\$ 4,703,329	\$ 4,655,752	\$ 4,770,684	\$ 4,770,684	\$ 4,732,742
339,374	339,374	339,374	920,218	920,218	920,218
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
141,170	172,628	172,906	-	-	-
-	-	-	-	-	-
128,749	128,749	131,886	-	-	-
-	-	5,378	-	-	-
-	-	-	-	-	-
9,425	9,425	45,096	-	-	8,978
6,162	21,477	106,277	-	-	-
<u>5,328,209</u>	<u>5,374,982</u>	<u>5,456,669</u>	<u>5,690,902</u>	<u>5,690,902</u>	<u>5,661,938</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	2,541,399	2,541,399	2,586,069
-	-	-	3,149,502	3,149,502	3,075,869
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
4,758,135	4,798,374	4,559,598	-	-	-
570,074	576,608	544,360	-	-	-
<u>5,328,209</u>	<u>5,374,982</u>	<u>5,103,958</u>	<u>5,690,901</u>	<u>5,690,901</u>	<u>5,661,938</u>
-	-	352,711	1	1	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	352,711	<u>\$ 1</u>	<u>\$ 1</u>	-
		<u>1,660,027</u>			-
		<u>\$ 2,012,738</u>			<u>\$ -</u>

CITY OF PEORIA, ILLINOIS

PENSION FUNDS - ANALYSIS OF FUNDING PROGRESS

(Unaudited - See Accompanying Independent Auditor's Report)

Required Supplementary Information
Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll (b-a)/c
<u>Illinois Municipal Retirement Fund</u>						
12/31/05	\$ 51,763,284	\$ 67,849,024	\$ 16,085,740	76.29%	\$ 22,412,111	71.77%
12/31/04	45,181,442	62,039,008	16,857,566	72.83	21,238,355	79.37
12/31/03	42,480,144	56,238,633	13,758,489	75.54	22,572,171	60.95
On a market value basis, the actuarial value of assets as of December 31, 2005 is \$52,667,476. On a market basis, the funded ratio would be 77.62 percent.						
<u>Police Pension Fund of Peoria</u>						
1/1/05	\$ 126,819,715	\$ 145,366,358	\$ 18,546,643	87.2%	\$ 13,144,754	141.10%
1/1/04	121,371,509	136,807,622	15,436,113	88.7	12,250,838	126.00
1/1/03	113,059,201	139,691,651	26,632,450	80.9	12,232,189	217.70
<u>Firemen's Pension Fund of Peoria</u>						
1/1/05	\$ 99,177,902	\$ 136,552,931	\$ 37,375,029	72.6%	\$ 11,456,975	326.22%
1/1/04	96,453,542	119,297,054	22,843,512	80.9	11,058,525	206.57
1/1/03	92,812,515	116,074,648	23,262,133	80.0	11,122,371	209.15

CITY OF PEORIA, ILLINOIS
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET

December 31, 2005

	Special Revenue Funds	
ASSETS	Motor Fuel Tax Fund	Community Development Block Grant Fund
Cash	\$ 5,250	\$ 434,324
Investments	7,623,338	-
Property taxes receivable	-	-
State sales taxes receivable	-	-
Governmental grants and reimbursements receivable	284,349	-
Loans receivable, net	69,377	137,493
Other receivables, net	13,816	-
Accrued interest receivable	42,748	7,427
Due from other funds	-	22,323
	-	-
TOTAL ASSETS	\$ 8,038,878	\$ 601,567
LIABILITIES AND FUND BALANCE		
LIABILITIES		
Accounts payable	\$ 154,217	\$ 156,461
Accrued payroll	4,394	30,453
Due to other funds	-	2,294
Unearned revenue - property taxes	-	-
Unearned revenue - other	69,377	412,359
Total liabilities	227,988	601,567
FUND BALANCE		
Reserved for encumbrances	629,139	-
Reserved for future road projects	7,181,751	-
Reserved for debt service	-	-
Reserved for riverfront development	-	-
Reserved for employees' pension benefits	-	-
Unreserved:		
Designated for debt service	-	-
Undesignated	-	-
Total fund balance	7,810,890	-
TOTAL LIABILITIES AND FUND BALANCE	\$ 8,038,878	\$ 601,567

Special Revenue Funds

State & Local Auto Theft Enforcement Grant Fund	Multi-County MEG Grant Fund	Home Investment Partnership Program Fund	Illinois Municipal Retirement Fund	Solid Waste Fund	Peoria Foreign Fire Insurance Board
\$ 382	\$ 50,193	\$ 349,354	\$ 558	\$ 380,225	\$ 128,154
2,529	-	-	733,216	246,833	202,082
-	-	-	4,148,900	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	194,792	-	-	-
57,616	193	-	-	-	-
-	-	-	-	-	3,397
-	-	1,395	-	-	-
<u>\$ 60,527</u>	<u>\$ 50,386</u>	<u>\$ 545,541</u>	<u>\$ 4,882,674</u>	<u>\$ 627,058</u>	<u>\$ 333,633</u>
\$ 24,649	\$ 34,233	\$ 98,962	\$ 566,361	\$ 19,311	\$ -
1,188	-	2,311	-	-	-
13,824	-	-	-	631	-
-	-	-	4,148,900	-	-
15,793	16,153	444,268	-	-	-
<u>55,454</u>	<u>50,386</u>	<u>545,541</u>	<u>4,715,261</u>	<u>19,942</u>	<u>-</u>
-	-	-	-	30,770	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	167,412	-	-
-	-	-	-	-	-
5,073	-	-	-	576,347	333,633
<u>5,073</u>	<u>-</u>	<u>-</u>	<u>167,412</u>	<u>607,117</u>	<u>333,633</u>
<u>\$ 60,527</u>	<u>\$ 50,386</u>	<u>\$ 545,541</u>	<u>\$ 4,882,673</u>	<u>\$ 627,059</u>	<u>\$ 333,633</u>

CITY OF PEORIA, ILLINOIS
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET

December 31, 2005

ASSETS	Debt Service Funds			
	Downtown Parking Bond Fund	2005A General Obligation Debt Service Bonds	WeaverRidge Debt Service Fund	General Obligation Bonds Debt Service Master Fund
Cash	\$ 295,627	\$ 7,784,891	\$ 1	\$ 180,551
Investments	-	-	907,285	-
Property taxes receivable	-	-	150,000	-
State sales taxes receivable	-	-	-	-
Governmental grants and reimbursements receivable	-	-	-	-
Loans receivable, net	-	-	-	-
Other receivables, net	-	-	-	-
Accrued interest receivable	-	53,786	-	-
Due from other funds	-	-	-	-
	-	-	-	-
TOTAL ASSETS	<u>\$ 295,627</u>	<u>\$ 7,838,677</u>	<u>\$ 1,057,286</u>	<u>\$ 180,551</u>
LIABILITIES AND FUND BALANCE				
LIABILITIES				
Accounts payable	\$ -	\$ 1,470,944	\$ 2,071	\$ -
Accrued payroll	-	-	-	-
Due to other funds	-	-	-	-
Deferred revenue - property taxes	-	-	150,000	-
Deferred revenue - other	-	-	-	-
Total liabilities	-	<u>1,470,944</u>	<u>152,071</u>	-
FUND BALANCE				
Reserved for encumbrances	-	-	-	-
Reserved for future road projects	-	-	-	-
Reserved for debt service	295,627	6,367,733	905,215	180,551
Reserved for riverfront development	-	-	-	-
Reserved for employees' pension benefits	-	-	-	-
Unreserved:				
Designated for debt service	-	-	-	-
Undesignated	-	-	-	-
Total fund balance	<u>295,627</u>	<u>6,367,733</u>	<u>905,215</u>	<u>180,551</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 295,627</u>	<u>\$ 7,838,677</u>	<u>\$ 1,057,286</u>	<u>\$ 180,551</u>

Capital Projects Funds

Southtown TIF Project Fund	Downtown TIF Project Fund	Campustown TIF Project Fund	Northside TIF Project Fund	Midtown Plaza TIF Project Fund	Northside Business Park TIF Project Fund	Downtown Stadium TIF Project Fund
\$ 405,779	\$ 36,834	\$ 104,897	\$ 2,682	\$ 9,109	\$ 1,592	\$ 27,011
3,244,906	1,642,165	1,618	681,878	28,477	36,848	664
1,811,700	1,675,300	93,400	560,600	105,400	95,100	380,300
16,771	-	31,568	-	-	-	-
-	-	-	-	-	-	-
111,195	-	-	-	-	-	-
9,352	-	-	-	-	-	-
4,540	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 5,604,243</u>	<u>\$ 3,354,299</u>	<u>\$ 231,483</u>	<u>\$ 1,245,160</u>	<u>\$ 142,986</u>	<u>\$ 133,540</u>	<u>\$ 407,975</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
1,811,700	1,675,300	93,400	560,600	105,400	95,100	380,300
111,519	-	-	-	-	-	-
1,923,219	1,675,300	93,400	560,600	105,400	95,100	380,300
40,345	-	-	624,035	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
1,746,645	1,270,052	138,083	60,525	37,586	-	27,675
1,894,034	408,947	-	-	-	38,440	-
3,681,024	1,678,999	138,083	684,560	37,586	38,440	27,675
<u>\$ 5,604,243</u>	<u>\$ 3,354,299</u>	<u>\$ 231,483</u>	<u>\$ 1,245,160</u>	<u>\$ 142,986</u>	<u>\$ 133,540</u>	<u>\$ 407,975</u>

CITY OF PEORIA, ILLINOIS
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET

December 31, 2005

	<u>Capital Project Funds</u>	
	2000B General Obligation Bond Project Fund	2001A General Obligation Bond Project Fund
ASSETS		
Cash	\$ 138,323	\$ 38,177
Investments	-	-
Property taxes receivable	-	-
State sales taxes receivable	-	-
Governmental grants and reimbursements receivable	-	-
Loans receivable, net	-	-
Other receivables, net	-	-
Accrued interest receivable	-	-
Due from other funds	-	-
	<hr/>	<hr/>
TOTAL ASSETS	<u>\$ 138,323</u>	<u>\$ 38,177</u>
LIABILITIES AND FUND BALANCE		
LIABILITIES		
Accounts payable	\$ -	\$ -
Accrued payroll	-	-
Due to other funds	133,889	-
Deferred revenue - property taxes	-	-
Deferred revenue - other	-	-
Total liabilities	<hr/> 133,889	<hr/> -
FUND BALANCE		
Reserved for encumbrances	4,434	-
Reserved for future road projects	-	-
Reserved for debt service	-	-
Reserved for riverfront development	-	-
Reserved for employees' pension benefits	-	-
Unreserved:		
Designated for debt service	-	-
Undesignated	-	38,177
Total fund balance	<hr/> 4,434	<hr/> 38,177
	<hr/>	<hr/>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 138,323</u>	<u>\$ 38,177</u>

**SCHEDULE 1
(CONTINUED)**

Capital Project Funds

2001C General Obligation Bond Project Fund	2003A General Obligation Bond Project Fund	2004B General Obligation Bond Project Fund	City of Peoria Designated Zone Organization	Total Nonmajor Governmental Funds
\$ 365,958	\$ 435,985	\$ 4,189,780	\$ 749	\$ 15,366,386
-	-	-	1,184	15,353,023
-	-	-	-	9,020,700
-	-	-	-	48,339
-	-	-	-	284,349
-	-	-	-	512,857
-	-	-	-	80,977
-	-	-	-	111,898
-	-	-	198,567	222,285
<u>\$ 365,958</u>	<u>\$ 435,985</u>	<u>\$ 4,189,780</u>	<u>\$ 200,500</u>	<u>\$ 41,000,814</u>
\$ -	\$ 170,160	\$ 370	\$ 200,039	\$ 2,897,778
-	-	-	-	38,346
54,860	223,724	-	-	429,222
-	-	-	-	9,020,700
-	-	-	-	1,069,469
<u>54,860</u>	<u>393,884</u>	<u>370</u>	<u>200,039</u>	<u>13,455,515</u>
220,774	-	74,889	-	1,624,386
-	-	-	-	7,181,751
-	-	-	-	7,749,126
-	-	-	461	461
-	-	-	-	167,412
-	-	-	-	3,280,566
90,324	42,101	4,114,521	-	7,541,597
<u>311,098</u>	<u>42,101</u>	<u>4,189,410</u>	<u>461</u>	<u>27,545,299</u>
<u>\$ 365,958</u>	<u>\$ 435,985</u>	<u>\$ 4,189,780</u>	<u>\$ 200,500</u>	<u>\$ 41,000,814</u>

CITY OF PEORIA, ILLINOIS
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE

Year Ended December 31, 2005

	Special Revenue Funds	
	Motor Fuel Tax Fund	Community Development Block Grant Fund
REVENUES		
Property taxes	\$ -	\$ -
Corporate personal property replacement taxes	-	-
State sales taxes	-	-
Governmental grants and reimbursements	3,570,434	2,085,982
Service charges/fines/fees	-	-
Contributions	-	-
Loan repayment	-	43,086
Interest	237,791	854
Other	12,076	85,171
Total revenues	3,820,301	2,215,093
EXPENDITURES		
Current:		
Elective offices, boards, commissions and agencies	-	-
City administration	-	23,882
Police	-	-
Fire	-	-
Public works	2,665,255	-
Community development	-	1,635,404
Public safety	-	384,061
General government	50,900	-
Library	-	-
Capital outlay	1,015,225	-
Debt service:		
Principal	-	-
Interest	-	-
Total debt service	-	-
Total expenditures	3,731,380	2,043,347
Excess (deficiency) of revenues over expenditures	88,921	171,746
OTHER FINANCING SOURCES (USES)		
Issued bonds	-	-
Premium on issued bonds	-	-
Payment to refunding bond escrow agent	-	-
Transfers in	-	-
Transfers out	-	(171,746)
Total other financing sources (uses)	-	(171,746)
Net change in fund balance	88,921	-
FUND BALANCE		
Beginning of year	7,721,969	-
End of year	\$ 7,810,890	\$ -

Special Revenue Funds

Rehabilitation Loan Fund	State & Local Auto Theft Enforcement Grant Fund	Multi- County MEG Grant Fund	Home Investment Partnership Program Fund	Illinois Municipal Retirement Fund	Solid Waste Fund	Peoria Foreign Fire Insurance Board
\$ -	\$ -	\$ -	\$ -	\$ 4,525,595	\$ -	\$ -
-	-	-	-	880,262	-	-
-	-	-	-	-	-	-
-	-	142,116	1,249,174	-	-	111,953
-	-	-	-	-	295,821	-
-	302,485	-	-	-	-	-
-	-	-	60,556	-	-	-
-	76	-	-	21,458	10,778	7,075
-	168	-	45,505	350	-	-
<u>-</u>	<u>302,729</u>	<u>142,116</u>	<u>1,355,235</u>	<u>5,427,665</u>	<u>306,599</u>	<u>119,028</u>
-	-	-	-	188,430	-	-
-	-	-	-	770,553	-	-
-	291,834	142,116	-	567,690	-	-
-	-	-	-	216,974	-	116,467
-	-	-	-	1,383,765	-	-
-	-	-	1,355,235	632,400	-	-
-	-	-	-	1,059,222	-	-
-	12,270	-	-	28,542	80,880	-
-	-	-	-	627,967	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	304,104	142,116	1,355,235	5,475,543	80,880	116,467
-	(1,375)	-	-	(47,878)	225,719	2,561
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
(308)	-	-	-	-	(70,000)	-
(308)	-	-	-	-	(70,000)	-
(308)	(1,375)	-	-	(47,878)	155,719	2,561
308	6,448	-	-	215,290	451,398	331,072
<u>\$ -</u>	<u>\$ 5,073</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 167,412</u>	<u>\$ 607,117</u>	<u>\$ 333,633</u>

(CONTINUED)

CITY OF PEORIA, ILLINOIS
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE

Year Ended December 31, 2005

	Debt Service Funds			
	Downtown Parking Bond Fund	2005A General Obligation Bond Fund	WeaverRidge Debt Service Fund	General Obligation Bonds Debt Service Master Fund
REVENUES				
Property taxes	\$ -	\$ -	\$ 210,927	\$ -
Corporate personal property replacement taxes	-	-	-	-
State sales taxes	-	-	-	-
Governmental grants and reimbursements	-	-	-	-
Service charges/fines/fees	-	-	-	-
Contributions	-	-	-	-
Loan repayment	-	-	-	-
Interest	7,015	213,600	12,671	30,008
Other	-	-	-	-
Total revenues	7,015	213,600	223,598	30,008
EXPENDITURES				
Current:				
Elective offices, boards, commissions and agencies	-	-	-	-
City administration	-	-	-	-
Police	-	-	-	-
Fire	-	-	-	-
Public works	-	-	-	-
Community development	-	-	-	-
Public safety	-	-	-	-
General government	2,100	-	11,386	455,115
Library	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	545,000	-	165,000	9,802,500
Interest	77,888	2,173,728	365,016	4,387,469
Total debt service	622,888	2,173,728	530,016	14,189,969
Total expenditures	624,988	2,173,728	541,402	14,645,084
Excess (deficiency) of revenues over expenditures	(617,973)	(1,960,128)	(317,804)	(14,615,076)
OTHER FINANCING SOURCES (USES)				
Issued bonds	-	8,308,183	-	36,880,000
Premium on issued bonds	-	-	-	2,282,420
Payment to refunding bond escrow agent	-	-	-	(38,698,399)
Transfers in	619,035	19,678	365,686	13,361,222
Transfers out	-	-	-	-
Total other financing sources (uses)	619,035	8,327,861	365,686	13,825,243
Net change in fund balance	1,062	6,367,733	47,882	(789,833)
FUND BALANCE				
Beginning of year	294,565	-	857,333	970,384
End of year	\$ 295,627	\$ 6,367,733	\$ 905,215	\$ 180,551

Capital Projects Funds

Southtown TIF Project Fund	Downtown TIF Project Fund	Campustown TIF Project Fund	Northside TIF Project Fund	Midtown Plaza TIF Project Fund	Northside Business Park TIF Project Fund	Downtown Stadium TIF Project Fund
\$ 1,797,771	\$ 1,574,692	\$ 87,700	\$ 530,020	\$ 98,395	\$ 91,709	\$ 361,079
-	-	-	-	-	-	-
147,622	-	150,832	-	-	-	-
-	-	-	-	-	-	-
21,912	-	-	-	-	-	-
-	-	-	-	-	-	-
29,172	-	-	-	-	-	-
124,606	58,509	7,234	24,691	1,316	1,951	2,357
12,111	-	-	-	-	-	-
<u>2,133,194</u>	<u>1,633,201</u>	<u>245,766</u>	<u>554,711</u>	<u>99,711</u>	<u>93,660</u>	<u>363,436</u>
-	-	-	-	-	-	-
408	407	407	407	407	407	407
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	257,134	-	95,000	-	100,000	232,128
-	-	-	-	-	-	-
111,252	-	-	36,105	-	-	-
-	-	-	-	-	-	-
159,724	-	-	-	-	-	-
76,276	-	-	-	-	-	-
<u>236,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>347,660</u>	<u>257,541</u>	<u>407</u>	<u>131,512</u>	<u>407</u>	<u>100,407</u>	<u>232,535</u>
<u>1,785,534</u>	<u>1,375,660</u>	<u>245,359</u>	<u>423,199</u>	<u>99,304</u>	<u>(6,747)</u>	<u>130,901</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
(1,510,644)	(1,011,232)	(402,175)	(344,429)	(80,000)	-	(130,134)
<u>(1,510,644)</u>	<u>(1,011,232)</u>	<u>(402,175)</u>	<u>(344,429)</u>	<u>(80,000)</u>	<u>-</u>	<u>(130,134)</u>
274,890	364,428	(156,816)	78,770	19,304	(6,747)	767
<u>3,406,134</u>	<u>1,314,571</u>	<u>294,899</u>	<u>605,790</u>	<u>18,282</u>	<u>45,187</u>	<u>26,908</u>
<u>\$ 3,681,024</u>	<u>\$ 1,678,999</u>	<u>\$ 138,083</u>	<u>\$ 684,560</u>	<u>\$ 37,586</u>	<u>\$ 38,440</u>	<u>\$ 27,675</u>

(CONTINUED)

CITY OF PEORIA, ILLINOIS
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE

Year Ended December 31, 2005

	Capital Projects Funds	
	2000B	2001A
	General	General
	Obligation	Obligation
	Bond Project	Bond Project
	Fund	Fund
REVENUES		
Property taxes	\$ -	\$ -
Corporate personal property replacement taxes	-	-
State sales taxes	-	-
Governmental grants and reimbursements	-	-
Service charges/fines/fees	-	-
Contributions	-	-
Loan repayment	-	-
Interest	3,919	15,145
Other	-	-
Total revenues	3,919	15,145
EXPENDITURES		
Current:		
Elective offices, boards, commissions and agencies	-	-
City administration	-	-
Police	-	-
Fire	-	-
Public works	-	-
Community development	138,589	320,148
Public safety	-	-
General government	-	-
Library	-	-
Capital outlay	-	195,000
Debt service:		
Principal	-	-
Interest	-	-
Total debt service	-	-
Total expenditures	138,589	515,148
Excess (deficiency) of revenues over expenditures	(134,670)	(500,003)
OTHER FINANCING SOURCES (USES)		
Issued bonds	-	-
Premium on issued bonds	-	-
Payment to refunding bond escrow agent	-	-
Transfers in	-	-
Transfers out	-	-
Total other financing sources (uses)	-	-
Net change in fund balance	(134,670)	(500,003)
FUND BALANCE		
Beginning of year	139,104	538,180
End of year	\$ 4,434	\$ 38,177

Capital Projects Funds					
2001C General Obligation Bond Project Fund	2002B General Obligation Bond Project Fund	2003A General Obligation Bond Project Fund	2004B General Obligation Bond Project Fund	City of Peoria Designated Zone Organization	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,277,888
-	-	-	-	-	880,262
-	-	-	-	-	298,454
-	-	-	-	-	7,159,659
-	-	-	-	-	317,733
-	-	-	-	-	302,485
-	-	-	-	-	132,814
14,449	3,084	12,822	141,621	353	953,383
-	-	-	-	-	155,381
<u>14,449</u>	<u>3,084</u>	<u>12,822</u>	<u>141,621</u>	<u>353</u>	<u>19,478,059</u>
-	-	-	-	-	188,430
-	-	-	-	-	797,285
-	-	-	-	-	1,001,640
-	-	-	-	-	333,441
-	-	-	-	-	4,049,020
-	-	-	-	333,014	4,414,790
-	-	-	-	-	1,443,283
-	-	-	-	-	1,325,455
-	-	-	-	-	627,967
180,296	181,215	293,443	962,968	54,860	3,030,364
-	-	-	-	65,251	10,737,475
-	-	-	-	26,429	7,106,806
-	-	-	-	<u>91,680</u>	<u>17,844,281</u>
<u>180,296</u>	<u>181,215</u>	<u>293,443</u>	<u>962,968</u>	<u>479,554</u>	<u>35,055,956</u>
<u>(165,847)</u>	<u>(178,131)</u>	<u>(280,621)</u>	<u>(821,347)</u>	<u>(479,201)</u>	<u>(15,577,897)</u>
-	-	-	-	-	45,188,183
-	-	-	-	-	2,282,420
-	-	-	-	-	(38,698,399)
-	-	-	-	1,774,889	16,140,510
(70,518)	(55,580)	-	-	(1,295,227)	(5,141,993)
<u>(70,518)</u>	<u>(55,580)</u>	<u>-</u>	<u>-</u>	<u>479,662</u>	<u>19,770,721</u>
(236,365)	(233,711)	(280,621)	(821,347)	461	4,192,824
<u>547,463</u>	<u>233,711</u>	<u>322,722</u>	<u>5,010,757</u>	<u>-</u>	<u>23,352,475</u>
<u>\$ 311,098</u>	<u>\$ -</u>	<u>\$ 42,101</u>	<u>\$ 4,189,410</u>	<u>\$ 461</u>	<u>\$ 27,545,299</u>

GENERAL FUND

A fund used to account for all transactions of a governmental unit which are not accounted for in another fund.

CITY OF PEORIA, ILLINOIS

GENERAL FUNDSCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUALYear Ended December 31, 2005
With Comparative Figures for the Year Ended December 31, 2004

	2005			2004 Actual
	Original Budget	Final Budget	Actual	
REVENUES				
Property taxes	\$ 5,941,497	\$ 5,941,497	\$ 5,973,966	\$ 6,860,799
Corporate personal property replacement taxes	2,386,262	3,012,862	4,375,524	2,790,605
State sales taxes	21,274,670	21,274,670	21,670,497	21,049,850
State income tax allocation	7,233,640	8,396,270	8,888,641	7,228,580
Home rule sales taxes	21,683,200	21,683,200	21,930,700	21,641,571
Hotel, restaurant, and amusement taxes	6,836,600	6,836,600	7,067,524	6,890,626
Utility taxes	8,433,300	8,433,300	8,455,737	8,421,384
Governmental grants and reimbursements	330,400	1,122,506	1,277,699	753,818
Licenses and permits	1,913,900	1,913,900	1,956,622	1,974,066
Service charges/fines/fees	15,528,495	15,753,495	16,102,638	15,023,544
Rental	18,000	18,000	84,454	14,313
Interest	225,000	225,000	732,060	256,941
Other	2,332,400	3,113,746	3,887,327	3,148,037
Total revenues	<u>94,137,364</u>	<u>97,725,046</u>	<u>102,403,389</u>	<u>96,054,134</u>
EXPENDITURES				
Current:				
Elective offices, boards, commissions and agencies	1,264,976	1,593,567	1,499,539	1,530,437
City administration	5,273,164	5,868,160	5,417,503	5,317,803
Benefits	16,487,111	-	-	-
Police	20,259,963	25,823,412	25,403,272	24,006,780
Fire	14,606,955	18,068,111	17,664,044	17,120,759
Public works	15,617,724	18,691,629	18,447,378	17,398,165
Community development	4,340,367	5,680,633	5,922,322	5,736,832
Public safety	5,242,176	6,633,958	6,466,410	6,397,850
General government	91,888	4,000,758	6,156,176	3,960,949
Library	-	632,519	439,674	366,408
Total expenditures	<u>83,184,324</u>	<u>86,992,747</u>	<u>87,416,318</u>	<u>81,835,983</u>
Excess of revenues over expenditures	<u>10,953,040</u>	<u>10,732,299</u>	<u>14,987,071</u>	<u>14,218,151</u>

(CONTINUED)

CITY OF PEORIA, ILLINOIS

GENERAL FUND

**STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

**Year Ended December 31, 2005
With Comparative Figures for the Year Ended December 31, 2004**

	2005			2004
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Actual</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from note payable	\$ -	\$ -	\$ -	\$ 265,826
Transfers in	281,712	276,746	276,746	1,590,448
Transfers out	<u>(11,215,332)</u>	<u>(11,975,332)</u>	<u>(13,192,115)</u>	<u>(13,184,723)</u>
Total other financing uses	<u>(10,933,620)</u>	<u>(11,698,586)</u>	<u>(12,915,369)</u>	<u>(11,328,449)</u>
Net change in fund balance	<u>\$ 19,420</u>	<u>\$ (966,287)</u>	2,071,702	2,889,702
 FUND BALANCE				
Beginning of year			<u>23,217,002</u>	<u>20,327,300</u>
End of year			<u>\$ 25,288,704</u>	<u>\$ 23,217,002</u>

SPECIAL REVENUE FUNDS

Funds used to account for revenues from specific taxes or other ear-marked revenue sources which, by federal or state statute, local ordinance, or administrative prerogative, are designated to finance particular functions or activities of the City.

Following are the individual Special Revenue Funds:

Peoria Public Library Fund - This fund is used to account for the activities of the Peoria Public Library.

Motor Fuel Tax Fund - This fund collects the City's share of motor fuel taxes and supports eligible capital projects.

Community Development Block Grant Fund - This fund is used to obtain, collect, and disburse federal grant funds. All disbursements must be for grant eligible activities, programs, and projects.

Rehabilitation Loan Fund - This fund was used to collect payments of rehabilitation loans made by the City. Rehabilitation loan collections were redistributed to eligible loan applicants.

State & Local Auto Theft Enforcement Grant Fund - This fund is used to obtain, collect, and disburse grant funds. All disbursements must be for grant eligible activities, programs, and projects.

Multi-County MEG Grant Fund - This fund reflects financial activity in accordance with the terms of the grants.

Home Investment Partnership Program Fund - This fund reflects financial activity of the Home Investment Partnership Program in accordance with the grant terms.

Illinois Municipal Retirement Fund - This fund is used to account for the employer and employee contributions made to the Illinois Municipal Retirement Fund.

Solid Waste Fund - This fund is used to account for user fees which relate to the operation of the City-County landfill.

Workforce Development Fund - This fund is used to collect and disburse federal Workforce Development grant funds. All expenditures of this fund must be for grant eligible activities, programs, and projects.

Police and Fire Pension Levy Fund - This fund is used to recognize the taxes levied for the employer contribution of the Police and Firemen's Pension Fund.

Peoria Foreign Fire Insurance Board - This fund is used to collect Foreign Fire Insurance Company fees and expend them for the maintenance, use, and benefit of the Peoria Fire Department.

CITY OF PEORIA, ILLINOIS

PEORIA PUBLIC LIBRARY FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

Year Ended December 31, 2005
With Comparative Figures for the Year Ended December 31, 2004

	<u>2005</u>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>2004 Actual</u>
REVENUES				
Property taxes	\$ 4,703,329	\$ 4,703,329	\$ 4,655,752	\$ 4,181,340
Corporate personal property replacement taxes	339,374	339,374	339,374	305,214
Governmental grants and reimbursements	141,170	172,628	172,906	197,149
Service charges/fines/fees	128,749	128,749	131,886	139,890
Contributions	-	-	5,378	770
Interest	9,425	9,425	45,096	16,026
Other	6,162	21,477	106,277	95,591
Total revenues	<u>5,328,209</u>	<u>5,374,982</u>	<u>5,456,669</u>	<u>4,935,980</u>
 EXPENDITURES				
Current:				
Personal services	3,079,790	3,079,790	2,902,394	2,777,749
Contractual services	1,329,255	1,352,437	1,254,918	1,187,350
Supplies and materials	349,090	366,147	402,286	233,942
Total current	<u>4,758,135</u>	<u>4,798,374</u>	<u>4,559,598</u>	<u>4,199,041</u>
Capital outlay	570,074	576,608	544,360	509,288
Total expenditures	<u>5,328,209</u>	<u>5,374,982</u>	<u>5,103,958</u>	<u>4,708,329</u>
Excess of revenues over expenditures	<u>\$ -</u>	<u>\$ -</u>	352,711	227,651
 FUND BALANCE				
Beginning of year			<u>1,660,027</u>	<u>1,432,376</u>
End of year			<u>\$ 2,012,738</u>	<u>\$ 1,660,027</u>

CITY OF PEORIA, ILLINOIS

MOTOR FUEL TAX FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

Year Ended December 31, 2005
With Comparative Figures for the Year Ended December 31, 2004

	<u>Original</u>	<u>2005</u>	<u>Actual</u>	<u>2004</u>
	<u>Budget</u>	<u>Budget</u>		<u>Actual</u>
REVENUES				
Governmental grants and reimbursements	\$ 3,299,900	\$ 3,299,900	\$ 3,570,434	\$ 3,411,229
Interest	85,000	85,000	237,791	94,851
Other - miscellaneous	-	-	12,076	6,807
Total revenues	3,384,900	3,384,900	3,820,301	3,512,887
 EXPENDITURES				
Current:				
Public works:				
Road construction and general maintenance	2,474,335	2,503,166	2,665,255	2,984,716
General government	-	-	50,900	-
Capital outlay	1,110,000	1,702,866	1,015,225	150,349
Total expenditures	3,584,335	4,206,032	3,731,380	3,135,065
Excess (deficiency) of revenues over expenditures	\$ (199,435)	\$ (821,132)	88,921	377,822
 FUND BALANCE				
Beginning of year			7,721,969	7,344,147
End of year			\$ 7,810,890	\$ 7,721,969

CITY OF PEORIA, ILLINOIS

COMMUNITY DEVELOPMENT BLOCK GRANT FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

Year Ended December 31, 2005
With Comparative Figures for the Year Ended December 31, 2004

	<u>Original Budget</u>	<u>2005 Final Budget</u>	<u>Actual</u>	<u>2004 Actual</u>
REVENUES				
Governmental grants and reimbursements	\$ 2,373,950	\$ 2,264,082	\$ 2,085,982	\$ 2,354,722
Loan repayment	-	-	43,086	31,526
Interest	-	-	854	1,030
Other	-	60,000	85,171	3,929
Total revenues	<u>2,373,950</u>	<u>2,324,082</u>	<u>2,215,093</u>	<u>2,391,207</u>
EXPENDITURES				
Current:				
City administration	<u>23,687</u>	<u>22,503</u>	<u>23,882</u>	<u>23,285</u>
Community development:				
Administration	241,129	230,870	167,096	187,289
Project costs	305,605	292,451	333,128	316,496
Public services	351,038	391,814	23,783	336,739
Rehabilitation	732,466	833,789	566,351	835,959
Payments to subrecipients	84,950	112,451	545,046	108,027
Total community development	<u>1,715,188</u>	<u>1,861,375</u>	<u>1,635,404</u>	<u>1,784,510</u>
Public safety	<u>458,363</u>	<u>435,445</u>	<u>384,061</u>	<u>423,412</u>
Total expenditures	<u>2,197,238</u>	<u>2,319,323</u>	<u>2,043,347</u>	<u>2,231,207</u>
Excess of revenues over expenditures	<u>176,712</u>	<u>4,759</u>	<u>171,746</u>	<u>160,000</u>
OTHER FINANCING USES				
Transfers out	<u>(176,712)</u>	<u>(171,746)</u>	<u>(171,746)</u>	<u>(160,000)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (166,987)</u>	<u>-</u>	<u>-</u>
FUND BALANCE				
Beginning of year			<u>-</u>	<u>-</u>
End of year			<u>\$ -</u>	<u>\$ -</u>

CITY OF PEORIA, ILLINOIS

REHABILITATION LOAN FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE

Year Ended December 31, 2005
With Comparative Figures for the Year Ended December 31, 2004

	<u>2005</u>	<u>2004</u>
REVENUES		
Loan repayment	\$ -	\$ 276
EXPENDITURES	<u>-</u>	<u>-</u>
Excess of revenues over expenditures	-	276
OTHER FINANCING USES		
Transfers out	<u>(308)</u>	<u>-</u>
Net change in fund balance	(308)	276
FUND BALANCE		
Beginning of year	<u>308</u>	<u>32</u>
End of year	<u>\$ -</u>	<u>\$ 308</u>

CITY OF PEORIA, ILLINOIS

STATE & LOCAL AUTO THEFT ENFORCEMENT GRANT FUND

**SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

**Year Ended December 31, 2005
With Comparative Figures for the Year Ended December 31, 2004**

	<u>2005</u>			<u>2004</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Actual</u>
REVENUES				
Contributions	\$ -	\$ 311,778	\$ 302,485	\$ 290,368
Interest		700	76	140
Other	-	-	168	-
	<u>-</u>	<u>-</u>	<u>168</u>	<u>-</u>
Total revenues	<u>-</u>	<u>312,478</u>	<u>302,729</u>	<u>290,508</u>
 EXPENDITURES				
Current:				
Police:				
Personnel	-	249,588	244,549	247,488
Contractual	-	48,465	41,217	36,082
Travel	-	3,500	2,411	1,819
Commodities	-	3,175	2,938	3,464
Other	-	50	719	486
	<u>-</u>	<u>50</u>	<u>719</u>	<u>486</u>
Total police	<u>-</u>	<u>304,778</u>	<u>291,834</u>	<u>289,339</u>
General government	-	-	12,270	-
Capital outlay	-	7,700	-	-
	<u>-</u>	<u>7,700</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>-</u>	<u>312,478</u>	<u>304,104</u>	<u>289,339</u>
Excess (deficiency) of revenues over expenditures	<u>\$ -</u>	<u>\$ -</u>	(1,375)	1,169
 FUND BALANCE				
Beginning of year			<u>6,448</u>	<u>5,279</u>
End of year			<u>\$ 5,073</u>	<u>\$ 6,448</u>

CITY OF PEORIA, ILLINOIS

MULTI-COUNTY MEG GRANT FUND

SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE

Year Ended December 31, 2005

With Comparative Figures for the Year Ended December 31, 2004

	<u>2005</u>	<u>2004</u>
REVENUES		
Governmental grants and reimbursements	\$ 142,116	\$ 160,910
 EXPENDITURES		
Current:		
Police:		
Narcotics enforcement	<u>142,116</u>	<u>160,910</u>
Excess of revenues over expenditures	-	-
 FUND BALANCE		
Beginning of year	<u>-</u>	<u>-</u>
End of year	<u>\$ -</u>	<u>\$ -</u>

CITY OF PEORIA, ILLINOIS

HOME INVESTMENT PARTNERSHIP PROGRAM FUND**SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

Year Ended December 31, 2005

With Comparative Figures for the Year Ended December 31, 2004

	<u>2005</u>			<u>2004</u> <u>Actual</u>
	<u>Original</u> <u>Budget</u>	<u>Final</u> <u>Budget</u>	<u>Actual</u>	
REVENUES				
Governmental grants and reimbursements	\$ 975,254	\$ 1,162,901	\$ 1,249,174	\$ 1,091,969
Loan repayment	-	208,582	60,556	51,185
Other - miscellaneous	-	-	45,505	12,148
Total revenues	<u>975,254</u>	<u>1,371,483</u>	<u>1,355,235</u>	<u>1,155,302</u>
EXPENDITURES				
Current:				
Community development:				
Administration	88,600	84,170	62,874	73,682
Rehabilitation	726,254	1,212,309	646,283	859,919
Payments to subrecipients	<u>184,800</u>	<u>768,173</u>	<u>646,078</u>	<u>221,701</u>
Total expenditures	<u>999,654</u>	<u>2,064,652</u>	<u>1,355,235</u>	<u>1,155,302</u>
Deficiency of revenues over expenditures	<u>\$ (24,400)</u>	<u>\$ (693,169)</u>	-	-
FUND BALANCE				
Beginning of year			-	-
End of year			<u>\$ -</u>	<u>\$ -</u>

CITY OF PEORIA, ILLINOIS

ILLINOIS MUNICIPAL RETIREMENT FUNDSCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUALYear Ended December 31, 2005
With Comparative Figures for the Year Ended December 31, 2004

	2005		Actual	2004 Actual
	Original Budget	Final Budget		
REVENUES				
Property taxes	\$ 4,563,538	\$ 4,563,538	\$ 4,525,595	\$ 2,901,604
Corporate personal property replacement taxes	880,262	880,262	880,262	607,717
Interest	2,000	2,000	21,458	6,828
Other revenue	-	-	350	-
Total revenues	5,445,800	5,445,800	5,427,665	3,516,149
EXPENDITURES				
Current:				
Elective offices, boards, commissions and agencies	-	188,569	188,430	127,546
City administration	-	771,085	770,553	519,736
Police	-	565,897	567,690	418,945
Fire	-	216,604	216,974	161,899
Public works	-	1,373,761	1,383,765	949,109
Community development	-	635,428	632,400	389,685
Public safety	-	1,057,636	1,059,222	714,584
General government	5,443,800	6,371	28,542	15,974
Library	-	628,449	627,967	421,048
Total expenditures	5,443,800	5,443,800	5,475,543	3,718,526
Excess (deficiency) of revenues over expenditures	\$ 2,000	\$ 2,000	(47,878)	(202,377)
FUND BALANCE				
Beginning of year			215,290	417,667
End of year			\$ 167,412	\$ 215,290

CITY OF PEORIA, ILLINOIS

SOLID WASTE FUNDSCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUALYear Ended December 31, 2005
With Comparative Figures for the Year Ended December 31, 2004

	<u>2005</u>			<u>2004</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Actual</u>
	<u>Budget</u>	<u>Budget</u>		
REVENUES				
Service charges/fines/fees	\$ 302,185	\$ 302,185	\$ 295,821	\$ 301,751
Interest	<u>5,000</u>	<u>5,000</u>	<u>10,778</u>	<u>4,665</u>
Total revenues	<u>307,185</u>	<u>307,185</u>	<u>306,599</u>	<u>306,416</u>
EXPENDITURES				
Current:				
General government	<u>270,848</u>	<u>270,848</u>	<u>80,880</u>	<u>137,740</u>
Excess of revenues over expenditures	36,337	36,337	225,719	168,676
OTHER FINANCING USES				
Transfers out	<u>(70,000)</u>	<u>(70,000)</u>	<u>(70,000)</u>	<u>(71,400)</u>
Net change in fund balance	<u>\$ (33,663)</u>	<u>\$ (33,663)</u>	155,719	97,276
FUND BALANCE				
Beginning of year			<u>451,398</u>	<u>354,122</u>
End of year			<u>\$ 607,117</u>	<u>\$ 451,398</u>

CITY OF PEORIA, ILLINOIS

WORKFORCE DEVELOPMENT FUND

SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE

Year Ended December 31, 2005
With Comparative Figures for the Year Ended December 31, 2004

	<u>2005</u>	<u>2004</u>
REVENUES		
Governmental grants and reimbursements	\$ 4,248,372	\$ 3,123,548
Other	<u>192,783</u>	<u>46,812</u>
Total revenues	4,441,155	3,170,360
 EXPENDITURES		
Current:		
Community development	<u>4,385,864</u>	<u>3,163,655</u>
Excess of revenues over expenditures	55,291	6,705
 FUND BALANCE		
Beginning of year	<u>116,639</u>	<u>109,934</u>
End of year	<u><u>\$ 171,930</u></u>	<u><u>\$ 116,639</u></u>

CITY OF PEORIA, ILLINOIS

POLICE AND FIRE PENSION LEVY FUND

**SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

**Year Ended December 31, 2005
With Comparative Figures for the Year Ended December 31, 2004**

	<u>Original Budget</u>	<u>2005 Final Budget</u>	<u>Actual</u>	<u>2004 Actual</u>
REVENUES				
Property taxes	\$ 4,770,684	\$ 4,770,684	\$ 4,732,742	\$ 5,083,232
Corporate personal property replacement taxes	920,218	920,218	920,218	991,305
Interest	-	-	8,978	2,995
Total revenues	5,690,902	5,690,902	5,661,938	6,077,532
 EXPENDITURES				
Current:				
Police	2,541,399	2,541,399	2,586,069	2,941,404
Fire	3,149,502	3,149,502	3,075,869	3,136,128
Total expenditures	5,690,901	5,690,901	5,661,938	6,077,532
Excess of revenues over expenditures	\$ 1	\$ 1	-	-
 FUND BALANCE				
Beginning of year			-	-
End of year			\$ -	\$ -

CITY OF PEORIA, ILLINOIS
PEORIA FOREIGN FIRE INSURANCE BOARD
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE

Year Ended December 31, 2005
With Comparative Figures for the Year Ended December 31, 2004

	<u>2005</u>	<u>2004</u>
REVENUES		
Governmental grants and reimbursements	\$ 111,953	\$ 116,473
Interest	<u>7,075</u>	<u>4,386</u>
Total revenues	119,028	120,859
 EXPENDITURES		
Current:		
Miscellaneous	<u>116,467</u>	<u>218,918</u>
Excess (deficiency) of revenues over expenditures	2,561	(98,059)
 FUND BALANCE		
Beginning of year	<u>331,072</u>	<u>429,131</u>
End of year	<u>\$ 333,633</u>	<u>\$ 331,072</u>

DEBT SERVICE FUNDS

Funds used to account for principal and interest payments with respect to long-term debt of the City.

Following are the individual Debt Service Funds:

Downtown Parking Bond Fund - This fund is used to account for the accumulation of resources for the repayment of principal and interest on the City's Downtown Redevelopment Parking Revenue Bonds.

2005A General Obligation Bond Fund - This fund is used to account for the accumulation of resources for the repayment of principal and interest on the City's 2005A General Obligation Bonds.

WeaverRidge Debt Service Fund - This fund is used to account for the accumulation of resources for the repayment of principal and interest on the City's WeaverRidge Special Service Area Bonds.

General Obligation Bonds Debt Service Master Fund - This fund is used to account for the accumulation of resources for the repayment of principal and interest on various general obligation bonds.

CITY OF PEORIA, ILLINOIS

DOWNTOWN PARKING BOND FUND**SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

Year Ended December 31, 2005

With Comparative Figures for the Year Ended December 31, 2004

	2005			2004 Actual
	Original Budget	Final Budget	Actual	
REVENUES				
Interest	\$ -	\$ -	\$ 7,015	\$ 5,918
EXPENDITURES				
General government	-	-	2,100	60,229
Downtown redevelopment parking bonds:				
Principal	545,000	545,000	545,000	505,000
Interest	<u>77,888</u>	<u>77,888</u>	<u>77,888</u>	<u>113,738</u>
Total expenditures	<u>622,888</u>	<u>622,888</u>	<u>624,988</u>	<u>678,967</u>
Deficiency of revenues over expenditures	(622,888)	(622,888)	(617,973)	(673,049)
OTHER FINANCING SOURCES (USES)				
Issued bonds	-	-	-	2,875,000
Premium on issued bonds	-	-	-	35,504
Payment to refunding bond escrow agent	-	-	-	(2,850,401)
Transfers in	<u>622,888</u>	<u>622,888</u>	<u>619,035</u>	<u>146,808</u>
Total other financing sources	<u>622,888</u>	<u>622,888</u>	<u>619,035</u>	<u>206,911</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	1,062	(466,138)
FUND BALANCE				
Beginning of year			<u>294,565</u>	<u>760,703</u>
End of year			<u>\$ 295,627</u>	<u>\$ 294,565</u>

CITY OF PEORIA, ILLINOIS
2005A GENERAL OBLIGATION BOND FUND
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
Year Ended December 31, 2005

REVENUES		
Interest		<u>\$ 213,600</u>
 EXPENDITURES		
Peoria Civic Center bond issue:		
Interest		<u>2,173,728</u>
Total expenditures		<u>2,173,728</u>
Deficiency of revenues over expenditures		<u>(1,960,128)</u>
 OTHER FINANCING SOURCES		
Issued bonds		8,308,183
Transfers in		<u>19,678</u>
Total other financing sources		<u>8,327,861</u>
Net change in fund balance		6,367,733
 FUND BALANCE		
Beginning of year		<u>-</u>
End of year		<u><u>\$ 6,367,733</u></u>

CITY OF PEORIA, ILLINOIS

WEAVERRIDGE DEBT SERVICE FUNDSCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUALYear Ended December 31, 2005
With Comparative Figures for the Year Ended December 31, 2004

	<u>2005</u>		<u>Actual</u>	<u>2004</u> <u>Actual</u>
	<u>Original</u> <u>Budget</u>	<u>Final</u> <u>Budget</u>		
REVENUES				
Property taxes	\$ 210,000	\$ 210,000	\$ 210,927	\$ 161,460
Interest	-	-	12,671	3,134
	<u>210,000</u>	<u>210,000</u>	<u>223,598</u>	<u>164,594</u>
EXPENDITURES				
General government	15,400	15,400	11,386	7,542
WeaverRidge special service area bonds issue:				
Principal	165,000	165,000	165,000	140,000
Interest	<u>365,016</u>	<u>365,016</u>	<u>365,016</u>	<u>376,644</u>
	<u>545,416</u>	<u>545,416</u>	<u>541,402</u>	<u>524,186</u>
Deficiency of revenues over expenditures	(335,416)	(335,416)	(317,804)	(359,592)
OTHER FINANCING SOURCES				
Transfers in	<u>359,100</u>	<u>359,100</u>	<u>365,686</u>	<u>336,513</u>
Net change in fund balance	<u>\$ 23,684</u>	<u>\$ 23,684</u>	47,882	(23,079)
FUND BALANCE				
Beginning of year			<u>857,333</u>	<u>880,412</u>
End of year			<u>\$ 905,215</u>	<u>\$ 857,333</u>

CITY OF PEORIA, ILLINOIS

GENERAL OBLIGATION BONDS DEBT SERVICE MASTER FUNDSCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUALYear Ended December 31, 2005
With Comparative Figures for the Year Ended December 31, 2004

	<u>Original Budget</u>	<u>2005 Final Budget</u>	<u>Actual</u>	<u>2004 Actual</u>
REVENUES				
Interest	\$ 15,000	\$ 15,000	\$ 30,008	\$ 22,523
EXPENDITURES				
General government	-	-	455,115	159,945
General obligation bond issues:				
Principal	9,102,500	9,102,500	9,802,500	8,399,813
Interest	5,210,402	5,210,402	4,387,469	5,393,437
Total expenditures	14,312,902	14,312,902	14,645,084	13,953,195
Deficiency of revenues over expenditures	(14,297,902)	(14,297,902)	(14,615,076)	(13,930,672)
OTHER FINANCING SOURCES (USES)				
Issued bonds	-	-	36,880,000	11,985,000
Premium on issued bonds	-	-	2,282,420	443,707
Payment to refunding bond escrow agent	-	-	(38,698,399)	(12,262,839)
Transfers in	14,312,905	14,312,905	13,361,222	13,823,616
Total other financing sources	14,312,905	14,312,905	13,825,243	13,989,484
Net change in fund balance	\$ 15,003	\$ 15,003	(789,833)	58,812
FUND BALANCE				
Beginning of year			970,384	911,572
End of year			\$ 180,551	\$ 970,384

CAPITAL PROJECTS FUNDS

Funds used to account for general construction or renovation projects being carried out by the City.

Following are the individual Capital Projects Funds:

Capital Improvements Fund - This fund is used to account for revenue sources dedicated for various building and equipment improvements.

Southtown TIF Project Fund - This fund is used to account for tax increment financing revenues restricted for projects in the Southtown Tax Increment Financing area.

Downtown TIF Project Fund - This fund is used to account for state sales and use taxes for the improvement of the Downtown Tax Increment Financing area.

Campustown TIF Project Fund - This fund is used to account for state sales and use taxes for the Campustown Tax Increment Financing area.

Northside TIF Project Fund - This fund is used to account for state sales and use taxes for the improvement of the Northside Tax Increment Financing area.

Midtown Plaza TIF Project Fund - This fund is used to account for state sales and use taxes for the Midtown Plaza Tax Increment Financing area.

Northside Business Park TIF Project Fund - This fund is used to account for state sales and use taxes for the Northside Business Park Tax Increment Financing area.

Downtown Stadium TIF Project Fund - This fund is used to account for state sales and use taxes for the Downtown Stadium Tax Increment Financing area.

200B General Obligation Bond Project Fund - This fund is used for revenue and expenditures relating to capital improvements including construction or installation of parking, curbs, lighting, streetlamps, a fire station, sewers, sidewalk improvements, a fire marina, and improvements to the Peoria Civic Center.

2001A General Obligation Bond Project Fund - This fund is used for revenue and expenditures relating to capital improvements including drainage system improvements, sidewalk improvements, curbs, lighting and streetscape improvements, sewer extensions, fire station relocation, and property acquisition.

2001C General Obligation Bond Project Fund - This fund is used for revenue and expenditures relating to capital improvements including sewer rehabilitation, West Main Street rehabilitation, Southside Bank Plaza improvements, property acquisition, and parking improvements.

2002B General Obligation Bond Project Fund - This fund is used for revenue and expenditures relating to various City capital improvements.

CAPITAL PROJECTS FUNDS (CONTINUED)

2003A General Obligation Bond Project Fund - This fund is used for revenue and expenditures relating to construction of the Charter Oak Road extension.

2004B General Obligation Bond Project Fund - This fund is used for revenue and expenditures relating to various City capital improvements.

2005A General Obligation Capital Project Fund - This fund is used for revenue and expenditures relating to the Peoria Civic Center expansion.

City of Peoria Designated Zone Organization - This fund is used to receive contributions and promote rehabilitation efforts within the Peoria Enterprise Zone.

CITY OF PEORIA, ILLINOIS

CAPITAL IMPROVEMENTS FUNDSCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE

Year Ended December 31, 2005

With Comparative Figures for the Year Ended December 31, 2004

	<u>2005</u>	<u>2004</u>
REVENUES		
Property taxes	\$ 57,566	\$ 58,942
Local motor fuel taxes	936,573	938,794
Riverboat gaming revenue	4,058,749	4,126,973
Governmental grants and reimbursements	2,772,044	3,617,401
Service charges/fines/fees	3,200,342	3,058,729
Special assessments	272,370	258,861
Loan repayment	181,240	483,128
Rental	37,886	37,165
Interest	693,209	350,237
Other - miscellaneous	<u>331,569</u>	<u>246,844</u>
Total revenues	<u>12,541,548</u>	<u>13,177,074</u>
EXPENDITURES		
Current:		
City administration	450,805	263,682
Police	659,186	460,825
Fire	427,303	30,191
Public works	953,769	851,513
Community development	765,411	271,432
Public safety	-	112,074
General government	<u>948,675</u>	<u>637,162</u>
	<u>4,205,149</u>	<u>2,626,879</u>
Capital outlay	<u>11,208,143</u>	<u>10,668,907</u>
Debt service:		
Principal	17,478	26,893
Interest	<u>2,901</u>	<u>4,191</u>
	<u>20,379</u>	<u>31,084</u>

(CONTINUED)

CITY OF PEORIA, ILLINOIS

CAPITAL IMPROVEMENTS FUND

**SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE**

Year Ended December 31, 2005
With Comparative Figures for the Year Ended December 31, 2004

	<u>2005</u>	<u>2004</u>
Total expenditures	\$ 15,433,671	\$ 13,326,870
Deficiency of revenues over expenditures	<u>(2,892,123)</u>	<u>(149,796)</u>
OTHER FINANCING SOURCES (USES)		
Proceeds from sale of property	36,662	36,702
Transfers in	7,837,070	7,380,431
Transfers out	<u>(5,900,540)</u>	<u>(6,731,226)</u>
Total other financing sources	<u>1,973,192</u>	<u>685,907</u>
Net change in fund balance	(918,931)	536,111
FUND BALANCE		
Beginning of year	<u>22,186,843</u>	<u>21,650,732</u>
End of year	<u>\$ 21,267,912</u>	<u>\$ 22,186,843</u>

CITY OF PEORIA, ILLINOIS

SOUTHTOWN TIF PROJECT FUND

SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE

Year Ended December 31, 2005

With Comparative Figures for the Year Ended December 31, 2004

	<u>2005</u>	<u>2004</u>
REVENUES		
Property taxes	\$ 1,797,771	\$ 1,776,581
State sales taxes	147,622	144,357
Service charges/fines/fees	21,912	19,625
Loan repayment	29,172	32,273
Interest	124,606	129,947
Other - miscellaneous	12,111	12,111
Total revenues	<u>2,133,194</u>	<u>2,114,894</u>
EXPENDITURES		
Current:		
City administration	<u>408</u>	<u>214</u>
Community development:		
Economic development	<u>-</u>	<u>57,629</u>
Capital outlay	<u>111,252</u>	<u>-</u>
Debt service:		
Principal	159,724	149,677
Interest	<u>76,276</u>	<u>86,323</u>
	<u>236,000</u>	<u>236,000</u>
Total expenditures	<u>347,660</u>	<u>293,843</u>
Excess of revenues over expenditures	1,785,534	1,821,051
OTHER FINANCING USES		
Transfers out	<u>(1,510,644)</u>	<u>(1,286,962)</u>
Net change in fund balance	274,890	534,089
FUND BALANCE		
Beginning of year	<u>3,406,134</u>	<u>2,872,045</u>
End of year	<u>\$ 3,681,024</u>	<u>\$ 3,406,134</u>

CITY OF PEORIA, ILLINOIS

DOWNTOWN TIF PROJECT FUNDSCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE

Year Ended December 31, 2005
With Comparative Figures for the Year Ended December 31, 2004

	<u>2005</u>	<u>2004</u>
REVENUES		
Property taxes	\$ 1,574,692	\$ 1,523,660
Interest	<u>58,509</u>	<u>17,918</u>
Total revenues	<u>1,633,201</u>	<u>1,541,578</u>
 EXPENDITURES		
Current:		
City administration	407	214
General government	<u>257,134</u>	<u>214,358</u>
Total expenditures	<u>257,541</u>	<u>214,572</u>
Excess of revenues over expenditures	1,375,660	1,327,006
 OTHER FINANCING USES		
Transfers out	<u>(1,011,232)</u>	<u>(868,060)</u>
Net change in fund balance	364,428	458,946
 FUND BALANCE		
Beginning of year	<u>1,314,571</u>	<u>855,625</u>
End of year	<u>\$ 1,678,999</u>	<u>\$ 1,314,571</u>

CITY OF PEORIA, ILLINOIS

CAMPUSTOWN TIF PROJECT FUND

SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE

Year Ended December 31, 2005
With Comparative Figures for the Year Ended December 31, 2004

	<u>2005</u>	<u>2004</u>
REVENUES		
Property taxes	\$ 87,700	\$ 89,909
State sales taxes	150,832	242,830
Interest	<u>7,234</u>	<u>5,316</u>
Total revenues	<u>245,766</u>	<u>338,055</u>
 EXPENDITURES		
Current:		
City administration	407	214
Capital outlay	<u>-</u>	<u>175,326</u>
Total expenditures	<u>407</u>	<u>175,540</u>
Excess of revenues over expenditures	245,359	162,515
 OTHER FINANCING USES		
Transfers out	<u>(402,175)</u>	<u>(416,980)</u>
Net change in fund balance	(156,816)	(254,465)
 FUND BALANCE		
Beginning of year	<u>294,899</u>	<u>549,364</u>
End of year	<u>\$ 138,083</u>	<u>\$ 294,899</u>

CITY OF PEORIA, ILLINOIS

NORTHSIDE TIF PROJECT FUND

SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE

Year Ended December 31, 2005
With Comparative Figures for the Year Ended December 31, 2004

	<u>2005</u>	<u>2004</u>
REVENUES		
Property taxes	\$ 530,020	\$ 494,955
Interest	<u>24,691</u>	<u>8,317</u>
Total revenues	<u>554,711</u>	<u>503,272</u>
 EXPENDITURES		
Current:		
City administration	407	214
General government	95,000	95,000
Capital outlay	<u>36,105</u>	<u>-</u>
Total expenditures	<u>131,512</u>	<u>95,214</u>
Excess of revenues over expenditures	423,199	408,058
 OTHER FINANCING USES		
Transfers out	<u>(344,429)</u>	<u>(341,679)</u>
Net change in fund balance	78,770	66,379
 FUND BALANCE		
Beginning of year	<u>605,790</u>	<u>539,411</u>
End of year	<u>\$ 684,560</u>	<u>\$ 605,790</u>

CITY OF PEORIA, ILLINOIS

MIDTOWN PLAZA TIF PROJECT FUNDSCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE

Year Ended December 31, 2005
With Comparative Figures for the Year Ended December 31, 2004

	<u>2005</u>	<u>2004</u>
REVENUES		
Property taxes	\$ 98,395	\$ 80,728
Interest	<u>1,316</u>	<u>409</u>
Total revenues	99,711	81,137
EXPENDITURES		
City administration	<u>407</u>	<u>214</u>
Excess of revenues over expenditures	99,304	80,923
OTHER FINANCING USES		
Transfers out	<u>(80,000)</u>	<u>(63,600)</u>
Net change in fund balance	19,304	17,323
FUND BALANCE		
Beginning of year	<u>18,282</u>	<u>959</u>
End of year	<u>\$ 37,586</u>	<u>\$ 18,282</u>

CITY OF PEORIA, ILLINOIS

NORTHSIDE BUSINESS PARK TIF PROJECT FUND

SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE

Year Ended December 31, 2005
With Comparative Figures for the Year Ended December 31, 2004

	<u>2005</u>	<u>2004</u>
REVENUES		
Property taxes	\$ 91,709	\$ 84,226
Interest	<u>1,951</u>	<u>392</u>
Total revenues	<u>93,660</u>	<u>84,618</u>
 EXPENDITURES		
City administration	407	214
General government	<u>100,000</u>	<u>50,000</u>
Total expenditures	<u>100,407</u>	<u>50,214</u>
Excess (deficiency) of revenues over expenditures	(6,747)	34,404
 FUND BALANCE		
Beginning of year	<u>45,187</u>	<u>10,783</u>
End of year	<u>\$ 38,440</u>	<u>\$ 45,187</u>

CITY OF PEORIA, ILLINOIS

DOWNTOWN STADIUM TIF PROJECT FUND

SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE

Year Ended December 31, 2005

With Comparative Figures for the Year Ended December 31, 2004

	<u>2005</u>	<u>2004</u>
REVENUES		
Property taxes	\$ 361,079	\$ 342,058
Interest	<u>2,357</u>	<u>1,595</u>
Total revenues	<u>363,436</u>	<u>343,653</u>
 EXPENDITURES		
City administration	407	214
General government	<u>232,128</u>	<u>225,300</u>
Total expenditures	<u>232,535</u>	<u>225,514</u>
Excess of revenues over expenditures	130,901	118,139
 OTHER FINANCING USES		
Transfers out	<u>(130,134)</u>	<u>(137,714)</u>
Net change in fund balance	767	(19,575)
 FUND BALANCE		
Beginning of year	<u>26,908</u>	<u>46,483</u>
End of year	<u>\$ 27,675</u>	<u>\$ 26,908</u>

CITY OF PEORIA, ILLINOIS

2000B GENERAL OBLIGATION BOND PROJECT FUND

SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE

Year Ended December 31, 2005
With Comparative Figures for the Year Ended December 31, 2004

	<u>2005</u>	<u>2004</u>
REVENUES		
Interest	\$ 3,919	\$ 2,447
EXPENDITURES		
Current:		
Community development:		
Economic development	138,589	14,100
Capital outlay	-	(7,314)
Total expenditures	<u>138,589</u>	<u>6,786</u>
Deficiency of revenues over expenditures	(134,670)	(4,339)
OTHER FINANCING USES		
Transfers out	-	(81,104)
Net change in fund balance	(134,670)	(85,443)
FUND BALANCE		
Beginning of year	<u>139,104</u>	<u>224,547</u>
End of year	<u>\$ 4,434</u>	<u>\$ 139,104</u>

CITY OF PEORIA, ILLINOIS

2001A GENERAL OBLIGATION BOND PROJECT FUND

SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE

Year Ended December 31, 2005
With Comparative Figures for the Year Ended December 31, 2004

	<u>2005</u>	<u>2004</u>
REVENUES		
Interest	\$ 15,145	\$ 6,867
 EXPENDITURES		
Current:		
Community development	320,148	-
Capital outlay	<u>195,000</u>	<u>137,681</u>
Total expenditures	<u>515,148</u>	<u>137,681</u>
Deficiency of revenues over expenditures	(500,003)	(130,814)
 FUND BALANCE		
Beginning of year	<u>538,180</u>	<u>668,994</u>
End of year	<u>\$ 38,177</u>	<u>\$ 538,180</u>

CITY OF PEORIA, ILLINOIS

2001C GENERAL OBLIGATION BOND PROJECT FUND

SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE

Year Ended December 31, 2005
With Comparative Figures for the Year Ended December 31, 2004

	<u>2005</u>	<u>2004</u>
REVENUES		
Interest	\$ 14,449	\$ 11,879
EXPENDITURES		
Current:		
Community development - economic development	-	33,338
Capital outlay	<u>180,296</u>	<u>615,930</u>
Total expenditures	<u>180,296</u>	<u>649,268</u>
Deficiency of revenues over expenditures	(165,847)	(637,389)
OTHER FINANCING USES		
Transfers out	<u>(70,518)</u>	<u>-</u>
Net change in fund balance	(236,365)	(637,389)
FUND BALANCE		
Beginning of year	<u>547,463</u>	<u>1,184,852</u>
End of year	<u>\$ 311,098</u>	<u>\$ 547,463</u>

CITY OF PEORIA, ILLINOIS

2002B GENERAL OBLIGATION BOND PROJECT FUND

SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE

Year Ended December 31, 2005
With Comparative Figures for the Year Ended December 31, 2004

	<u>2005</u>	<u>2004</u>
REVENUES		
Interest	\$ 3,084	\$ 4,534
 EXPENDITURES		
Current:		
Community development - drainage	-	28,421
Capital outlay	<u>181,215</u>	<u>542,794</u>
Total expenditures	<u>181,215</u>	<u>571,215</u>
Deficiency of revenues over expenditures	(178,131)	(566,681)
 OTHER FINANCING USES		
Transfers out	<u>(55,580)</u>	<u>-</u>
Net change in fund balance	(233,711)	(566,681)
 FUND BALANCE		
Beginning of year	<u>233,711</u>	<u>800,392</u>
End of year	<u>\$ -</u>	<u>\$ 233,711</u>

CITY OF PEORIA, ILLINOIS

2003A GENERAL OBLIGATION BOND PROJECT FUND

SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE

Year Ended December 31, 2005
With Comparative Figures for the Year Ended December 31, 2004

	<u>2005</u>	<u>2004</u>
REVENUES		
Interest	\$ 12,822	\$ 9,150
 EXPENDITURES		
Capital outlay	<u>293,443</u>	<u>672,587</u>
Deficiency of revenues over expenditures	(280,621)	(663,437)
 FUND BALANCE		
Beginning of year	<u>322,722</u>	<u>986,159</u>
End of year	<u>\$ 42,101</u>	<u>\$ 322,722</u>

CITY OF PEORIA, ILLINOIS

2004B GENERAL OBLIGATION BOND PROJECT FUND

SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE

Year Ended December 31, 2005
With Comparative Figures for the Year Ended December 31, 2004

	<u>2005</u>	<u>2004</u>
REVENUES		
Interest	\$ 141,621	\$ 28,990
 EXPENDITURES		
Current:		
General government	-	107,854
Capital outlay	<u>962,968</u>	<u>336,564</u>
Total expenditures	<u>962,968</u>	<u>444,418</u>
Deficiency of revenues over expenditures	<u>(821,347)</u>	<u>(415,428)</u>
 OTHER FINANCING SOURCES		
Proceeds from issuance of bonds	-	5,390,000
Premium on issued bonds	<u>-</u>	<u>36,185</u>
Total other financing sources	<u>-</u>	<u>5,426,185</u>
Net change in fund balance	(821,347)	5,010,757
 FUND BALANCE		
Beginning of year	<u>5,010,757</u>	<u>-</u>
End of year	<u>\$ 4,189,410</u>	<u>\$ 5,010,757</u>

CITY OF PEORIA, ILLINOIS

2005A GENERAL OBLIGATION CAPITAL PROJECT FUND

**SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE**

Year Ended December 31, 2005

REVENUES	
Interest	\$ 1,481,825
 EXPENDITURES	
Current:	
Community development	<u>13,057,027</u>
Deficiency of revenues over expenditures	<u>(11,575,202)</u>
 OTHER FINANCING SOURCES (USES)	
Proceeds from issuance of bonds	54,296,817
Premium on issued bonds	1,239,303
Transfers out	<u>(19,678)</u>
Total other financing sources	<u>55,516,442</u>
Net change in fund balance	43,941,240
 FUND BALANCE	
Beginning of year	<u>-</u>
End of year	<u><u>\$ 43,941,240</u></u>

CITY OF PEORIA, ILLINOIS

CITY OF PEORIA DESIGNATED ZONE ORGANIZATION

SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE

Year Ended December 31, 2005
With Comparative Figures for the Year Ended December 31, 2004

	<u>2005</u>	<u>2004</u>
REVENUES		
Contributions	\$ -	\$ 26,250
Interest	<u>353</u>	<u>1,771</u>
Total revenues	<u>353</u>	<u>28,021</u>
EXPENDITURES		
Current:		
Community development	<u>333,014</u>	<u>200,122</u>
Capital outlay	<u>54,860</u>	<u>71,570</u>
Debt service:		
Principal	65,251	60,852
Interest	<u>26,429</u>	<u>30,828</u>
	<u>91,680</u>	<u>91,680</u>
Total expenditures	<u>479,554</u>	<u>363,372</u>
Deficiency of revenues over expenditures	<u>(479,201)</u>	<u>(335,351)</u>
OTHER FINANCING SOURCES (USES)		
Transfers in	1,774,889	1,534,814
Transfers out	<u>(1,295,227)</u>	<u>(1,373,932)</u>
Total other financing sources	<u>479,662</u>	<u>160,882</u>
Net change in fund balance	461	(174,469)
FUND BALANCE		
Beginning of year	<u>-</u>	<u>174,469</u>
End of year	<u>\$ 461</u>	<u>\$ -</u>

PENSION TRUST FUNDS

Funds used to account for the assets of the City's Police and Firemen's pension plans.

Following are the individual Pension Trust Funds:

Police Pension Fund of Peoria - This fund is used to account for the assets of the City's Police Pension Plan.

Firemen's Pension Fund of Peoria - This fund is used to account for the assets of the City's Firemen's Pension Plan.

CITY OF PEORIA, ILLINOIS

COMBINING SCHEDULE OF FIDUCIARY NET ASSETS

December 31, 2005

	Police Pension Fund of Peoria	Firemen's Pension Fund of Peoria	Total
ASSETS			
Cash and short-term investments	\$ 4,921,027	\$ 1,172,898	\$ 6,093,925
Receivables:			
Employer contributions:			
Property taxes	2,365,545	3,487,210	5,852,755
Corporate personal property taxes	-	672,649	672,649
Less allowance for uncollectible taxes	-	(37,042)	(37,042)
	2,365,545	4,122,817	6,488,362
Plan members' contributions	-	31,041	31,041
Accrued interest and dividends	537,731	337,568	875,299
	2,903,276	4,491,426	7,394,702
Investments, at fair value:			
U.S. government obligations	39,248,328	46,518,951	85,767,279
Municipal obligations	-	2,902,393	2,902,393
Certificates of deposit	-	1,740,400	1,740,400
Illinois public treasurers' investment pool	-	2,241,690	2,241,690
Mutual funds	44,676,917	-	44,676,917
Corporate bonds	2,118,052	-	2,118,052
Stocks	29,748,680	-	29,748,680
Equity investments	-	39,700,616	39,700,616
	115,791,977	93,104,050	208,896,027
Total assets	123,616,280	98,768,374	222,384,654
LIABILITIES			
Accounts payable and accrued payroll taxes	861,544	75,207	936,751
NET ASSETS HELD IN TRUST FOR PENSION BENEFIT OBLIGATION	\$ 122,754,736	\$ 98,693,167	\$ 221,447,903

CITY OF PEORIA, ILLINOIS

COMBINING SCHEDULE OF CHANGES IN FIDUCIARY NET ASSETS

Year Ended December 31, 2005

	<u>Police Pension Fund of Peoria</u>	<u>Firemen's Pension Fund of Peoria</u>	<u>Total</u>
ADDITIONS			
Contributions:			
Plan members' contributions	\$ 1,406,560	\$ 1,121,327	\$ 2,527,887
Employer contributions	2,802,076	4,135,323	6,937,399
Transfer of creditable service	89,349	-	89,349
Other income	5,803	22,230	28,033
	<u>4,303,788</u>	<u>5,278,880</u>	<u>9,582,668</u>
Total contributions			
Investment income:			
Net realized and unrealized gains on investments	3,264,088	81,859	3,345,947
Dividends	1,284,558	529,202	1,813,760
Interest	2,148,243	2,040,393	4,188,636
	<u>6,696,889</u>	<u>2,651,454</u>	<u>9,348,343</u>
Total investment income			
Less investment expenses	<u>647,778</u>	<u>369,638</u>	<u>1,017,416</u>
	<u>6,049,111</u>	<u>2,281,816</u>	<u>8,330,927</u>
Net investment income			
Total additions	<u>10,352,899</u>	<u>7,560,696</u>	<u>17,913,595</u>
DEDUCTIONS			
Benefits paid	7,920,979	6,534,614	14,455,593
Administrative expenses	167,747	85,385	253,132
Refunds	45,013	-	45,013
	<u>8,133,739</u>	<u>6,619,999</u>	<u>14,753,738</u>
Total deductions			
NET INCREASE	2,219,160	940,697	3,159,857
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS			
Beginning of year	<u>120,535,576</u>	<u>97,752,470</u>	<u>218,288,046</u>
End of year	<u>\$ 122,754,736</u>	<u>\$ 98,693,167</u>	<u>\$ 221,447,903</u>

STATISTICAL SECTION

(Unaudited)

CITY OF PEORIA, ILLINOIS

Glossary of Terms in Statistical Section

APPROPRIATION

Authorization granted by the City Council to make expenditures and to incur obligations for specific purposes, usually limited in amount.

ASSESSED VALUATION

A valuation set upon real estate or other property by a government as a basis for levying taxes.

BOND

A written promise to pay (debt) a specified sum of money (called principal or face value) at a specified future date (called the maturity date(s)) along with periodic interest paid at a specified percentage of the principal (interest rate). Bonds are typically used for long-term debt.

BUDGET

A plan of financial operation embodying an estimate of proposed expenditures for a given period (typically a fiscal year) and the proposed means of financing them (revenue estimates). The term is also sometimes used to denote the officially approved expenditure ceilings under which a government and its departments operate.

CAPITAL ASSETS

Fixed assets which have a value of \$25,000 or more, and have a useful economic lifetime of more than one year, or assets of any value, if the nature of the item under consideration is such that it must be controlled for custodial purposes as a fixed asset.

CAPITAL OUTLAY

All expenditures for minor and major capital items, which result in the acquisition of or addition of fixed assets.

CHARGES FOR SERVICES

Revenue from all charges for current services exclusive of revenues of municipal utilities and other public enterprises.

DEBT SERVICE

The annual payment of principal and interest on the City's bonded indebtedness. Bonded indebtedness may occur directly through a bond issue by the City Council.

DEFICIT

In governmental funds and fiduciary funds, it is the excess of expenditures over revenues.

EQUALIZATION FACTOR

A factor applied by the State of Illinois to local assessments for the purpose of bringing consistency to assessment practices state-wide.

EQUALIZED ASSESSED VALUATION

The assessed value multiplied by the state equalization factor to yield the value of property from which the property tax rate is calculated after deducting exemptions and the value of tax increment financing districts.

EXTENSION

The process by which the County Clerk determines the tax rate which would yield at least the dollar amount levied by the City Council.

FEES

A general term used for any charge associated with providing a service or permitting an activity.

FINES

Revenue which includes monies derived from fines and penalties imposed for the commission of statutory offenses, violation of lawful administrative rules and regulations, and for the neglect of official duty.

FISCAL YEAR

An accounting period of 12 months. The City of Peoria's fiscal year is January 1 to December 31.

FRINGE BENEFITS

Expenditures for the Illinois Municipal Retirement Fund, health insurance, longevity bonuses, unemployment and worker's compensation claims, and holiday pay. Holiday, vacation, and sick pay are not calculated separately on the City of Peoria's records.

FUND

An independent fiscal and accounting entity with a self-balancing set of accounts which are segregated for the purpose of carrying on specific activities.

FUND BALANCE

The excess of the assets of a fund over its liabilities and reserves. A negative fund balance is sometimes called a deficit.

GENERAL OBLIGATION BONDS

Bonds for whose payment the full faith and credit of the issuing body are pledged, commonly considered to be payable from taxes and other general revenues.

INTERGOVERNMENTAL REVENUES

Revenues received from other governments in the form of grants, shared revenues, or payments in lieu of taxes. Examples for City of Peoria include governmental reimbursements for salaries, projects and programs, the state personal property replacement tax, the state income tax, sales taxes, and other state and federal grants.

LEVY

The total amount of taxes imposed by a governmental unit on the basis of property.

LICENSES AND PERMITS

Revenue from businesses and occupations which must be licensed before doing business within the governmental unit and revenue from all nonbusiness licenses and permits levied according to benefits presumably conferred by the license or permit.

LOCAL REVENUES

All income from property taxes, interest, fines, licenses, permits, and sales tax.

MARKET VALUE

The highest price in terms of money which a property would bring in a sale between willing buyers and sellers.

OVERLAPPING DEBT

The proportionate share of the debts of local governmental units wholly or in part within the limits of the reporting government which must be borne by property within each governmental unit.

POLLUTION PROPERTY

Systems and devices designed to control air and water pollution as defined in statute are assessed separately by the State of Illinois.

PROPERTY TAX RATE

The amount of tax stated in terms of a unit of the tax base. (e.g., One cent per \$100 of taxable assessed valuation is written 0.0100.)

RAILROAD PROPERTY

The State of Illinois assesses all “operating property” of rail companies, which includes all tracks, right-of-ways, structures on the right-of-ways, and rolling stock and car equipment.

RESERVE

An account which records a portion of a fund balance which must be segregated for some future use and which is not available for further expenditure.

REVENUE

Income received by city government in support of services to the Community. City of Peoria's revenue sources are taxes, licenses and permits, intergovernmental, charges for services, fines, and other miscellaneous revenues.

TAX INCREMENT FINANCING DISTRICT (TIF)

A district established by local government for the purpose of fostering economic development. The original value of the land remains taxable, but the taxes on the value of any improvements go directly to the repayment of bonds used to finance the district.

TAX YEAR

The year in which property taxes are levied. For example, property taxes are levied by the City Council for the 2005 fiscal year in December 2004. Therefore, the property tax year for these levies is 2004. These taxes would be collected in calendar year 2005 during the 2005 fiscal period.

TAXABLE ASSESSED VALUATION

The equalized assessed valuation less exemptions and the value of tax increment financing districts; the value upon which property taxes are calculated.

CITY OF PEORIA, ILLINOIS
TOTAL CITY OF PEORIA REVENUES BY SOURCE*

Last Ten Fiscal Years

(Unaudited)

<u>Year</u>	<u>Taxes***</u>	<u>Interest</u>	<u>Licenses and Permits</u>
2005	\$ 94,627,459	\$ 1,327,460	\$ 1,956,622
2004	89,115,287	419,437	1,974,066
2003	84,891,526	316,350	1,821,102
2002	77,398,346	648,426	1,804,406
2001	75,452,868	1,610,911	1,561,278
2000**	77,208,131	2,270,835	1,697,423
1999	70,681,933	1,633,835	1,360,671
1998	65,889,388	1,553,619	1,365,421
1997	61,670,241	1,210,757	1,038,695
1996	56,809,531	927,939	880,445

* Includes the general, special revenue, and debt service funds.

** Beginning in 2000, 3 funds (Illinois Municipal Retirement, Solid Waste, and Workforce Development), previously classified as expendable trust funds, were reclassified to special revenue funds.

*** Includes Pension Levy Fund information beginning in 1999.

TABLE I

<u>Charge for Services</u>	<u>Fines and Forfeitures</u>	<u>Inter- governmental</u>	<u>Miscellaneous</u>	<u>Totals</u>
\$ 13,481,252	\$ 3,049,093	\$ 12,858,636	\$ 4,825,616	\$ 132,126,138
12,690,681	2,774,504	11,209,818	3,701,762	121,885,555
9,911,379	2,671,431	11,484,799	3,018,321	114,114,908
10,416,198	2,744,165	26,079,136	2,639,252	121,729,929
9,822,082	2,467,313	10,289,724	1,528,980	102,733,156
9,760,440	2,289,756	10,678,379	1,539,275	105,444,239
8,090,656	2,182,795	8,947,708	4,129,486	97,027,084
7,875,040	1,988,685	7,231,341	1,762,196	87,665,690
6,804,651	1,814,506	7,306,246	1,376,210	81,221,306
6,932,378	1,880,802	7,884,720	1,054,882	76,370,697

CITY OF PEORIA, ILLINOIS

TOTAL CITY OF PEORIA EXPENDITURES BY FUNCTION*

Last Ten Fiscal Years

(Unaudited)

	<u>2005</u>	<u>2004</u>	<u>2003</u>
GENERAL GOVERNMENT			
Elected offices, boards, commissions, and agencies	\$ 1,687,969	\$ 1,657,983	\$ 1,541,095
Benefits	-	-	-
City administration	6,211,938	5,860,824	5,807,777
Other	7,812,594	4,492,728	11,455,075
 PUBLIC SAFETY			
Police	28,990,981	27,817,378	25,467,596
Fire	21,073,354	20,637,704	19,414,509
Emergency services	-	-	-
Animal shelter	-	-	-
Other	7,909,693	7,535,846	6,865,464
 PUBLIC WORKS	22,496,398	21,331,990	20,619,504
 CULTURAL AND RECREATIONAL			
Development services	-	-	-
Community development	13,931,225	12,229,984	11,865,475
Civic activities/tourism***	-	-	-
Municipal band	-	-	-
Library	6,171,599	5,495,785	5,586,002
 DEBT SERVICE	<u>17,516,601</u>	<u>14,928,632</u>	<u>14,971,383</u>
	<u>\$ 133,802,352</u>	<u>\$ 121,988,854</u>	<u>\$ 123,593,880</u>

* Includes the general, special revenue, and debt service funds.

** Beginning in 2000, 3 funds (Illinois Municipal Retirement, Solid Waste, and Workforce Development), previously classified as expendable trust funds, were reclassified to special revenue funds.

*** Does not include Civic Center and Convention Bureau support for 1999 through 2001.

(1) Includes Pension Levy Fund information beginning in 1999.

(2) Beginning in 2002, there was a change in function allocations, including allocating benefits to the other functions and adding a line item for library.

TABLE II

<u>2002(2)</u>	<u>2001</u>	<u>2000**</u>	<u>1999(1)</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>
\$ 1,601,763	\$ 6,099,415	\$ 5,950,133	\$ 5,757,356	\$ 5,458,236	\$ 5,286,472	\$ 4,206,169
-	20,549,236	18,922,220	13,811,035	8,343,139	7,720,124	7,293,372
5,549,800	4,192,580	4,329,236	4,325,517	3,978,783	3,800,781	3,107,573
14,030,431	226,230	207,331	83,867	82,225	33,284	103,023
24,155,804	17,960,907	17,803,562	17,446,019	16,589,306	15,883,011	14,810,835
18,278,009	12,893,082	12,287,628	11,638,381	11,079,617	10,708,828	10,052,292
-	2,460,455	2,259,322	2,083,399	1,933,100	1,789,153	1,683,231
-	-	-	-	-	-	529,168
6,804,085	-	-	-	-	-	-
19,172,915	21,531,502	20,975,647	21,720,001	20,013,361	17,424,920	15,986,544
-	351,500	304,091	303,279	288,262	312,217	194,667
9,681,960	5,928,684	5,214,977	4,064,796	3,588,305	3,316,212	4,355,929
1,933,640	485,020	31,413	-	2,703,697	1,614,965	1,559,372
-	91,589	93,695	91,478	80,690	81,494	82,514
5,923,935	-	-	-	-	-	-
<u>15,224,525</u>	<u>14,328,239</u>	<u>13,201,855</u>	<u>12,322,827</u>	<u>11,128,230</u>	<u>9,946,853</u>	<u>12,652,807</u>
<u>\$ 122,356,867</u>	<u>\$ 107,098,439</u>	<u>\$ 101,581,110</u>	<u>\$ 93,647,955</u>	<u>\$ 85,266,951</u>	<u>\$ 77,918,314</u>	<u>\$ 76,617,496</u>

CITY OF PEORIA, ILLINOIS
HISTORICAL ASSESSED VALUATION (1) (2)
1963 Through 2005

(Unaudited)

<u>Year</u>	<u>Real Estate</u> (2)	<u>Personal</u>	<u>Capital Stock</u>	<u>Railroad</u>	<u>Total</u>
1963	\$ 304,549,140	\$ 94,310,080	\$ 19,027,330	\$ 3,416,862	\$ 421,303,412
1964	296,134,560	93,148,290	20,045,030	3,185,727	412,513,607
1965	386,991,230	108,294,770	19,992,180	3,003,653	518,281,833
1966	400,044,630	119,214,110	20,088,020	3,014,750	542,361,510
1967	439,274,380	120,906,540	20,734,510	2,804,788	583,720,218
1968	450,546,600	127,702,480	20,339,620	2,576,934	601,165,634
1969	460,805,470	130,763,610	19,502,600	2,447,564	613,519,244
1970	472,596,730	108,401,480	18,872,100	2,494,198	602,364,508
1971	489,523,920	111,742,550	18,895,950	2,268,283	622,430,703
1972	495,197,060	87,697,980	18,871,300	2,135,535	603,901,875
1973	503,908,250	94,307,660	17,423,400	2,017,382	617,656,692
1974	523,720,410	101,637,730	14,942,560	1,876,402	642,177,102
1975	540,755,640	105,234,420	15,302,300	1,774,193	663,066,553
1976	544,989,390	103,671,390	14,692,870	1,503,160	664,856,810
1977	534,976,550	101,573,230	13,860,850	830,478	651,241,108
1978	582,026,880	101,674,740	11,732,720	778,007	696,212,347
1979	658,913,440 (3)	-	-	449,399	659,362,839
1980	720,133,660 (3)	-	-	463,216	720,596,876
1981	745,613,580 (3)	-	-	573,095	746,186,675
1982	735,759,980 (3)	-	-	473,704	736,233,684
1983	696,321,340 (3)	-	-	418,863	696,740,203
1984	669,702,340 (3)	-	-	366,023	670,068,363
1985	651,931,780 (3)	-	-	526,873	652,458,653
1986	614,762,500 (3)	-	-	562,069	615,324,569
1987	589,359,940 (3)	-	-	718,358	590,078,298
1988	580,496,430 (3)	-	-	643,373	581,139,803
1989	601,750,480 (3)	-	-	606,967	602,357,447
1990	637,663,094 (3)	-	-	556,800	638,219,894
1991	697,985,860 (3)	-	-	559,978	698,545,838
1992	770,371,387 (3)	-	-	562,456	770,933,843
1993	817,847,751 (3)	-	-	625,546	818,473,297
1994	856,285,178 (3)	-	-	566,703	856,851,881
1995	932,101,625 (3)	-	-	630,547	932,732,172
1996	962,518,277 (3)	-	-	855,205	963,373,482
1997	1,032,208,648 (3)	-	-	879,500	1,033,088,148
1998	1,105,582,193 (3)	-	-	894,790	1,106,476,983
1999	1,169,853,843 (3)	-	-	1,012,517	1,170,866,360
2000	1,235,552,820 (3)	-	-	987,442	1,236,540,262
2001	1,317,061,815 (3)	-	-	982,604	1,318,044,419
2002	1,408,020,136 (3)	-	-	982,783	1,409,002,919
2003	1,481,913,993 (3)	-	-	984,915	1,482,898,908
2004	1,535,674,364 (3)	-	-	932,810	1,536,607,174
2005	1,615,916,030 (3)	-	-	885,701	1,616,801,731

(1) Source: Clerk of Peoria County.

(2) Approximately one-third of fair market value.

(3) Excludes increased assessed valuation of the Southtown Redevelopment Project Area, Campustown Redevelopment Area, Central Business District Increment Project Area, Northside Business Park Redevelopment Area, Midtown Plaza Redevelopment Area, North River Redevelopment Area, and Peoria Stadium Redevelopment Area: 1979 - \$2,327,980; 1980 - \$2,748,080; 1981 - \$3,106,090; 1982 - \$3,525,470; 1983 - \$5,895,820; 1984 - \$6,977,940; 1985 - \$6,601,570; 1986 - \$5,907,030; 1987 - \$5,561,100; 1988 - \$5,797,090; 1989 - \$6,785,550; 1990 - \$10,158,640; 1991 - \$12,802,630; 1992 - \$15,264,410; 1993 - \$19,809,350; 1994 - \$20,897,570; 1995 - \$21,504,410; 1996 - \$20,324,010; 1997 - \$22,822,380; 1998 - \$39,638,830; 1999 - \$33,781,970; 2000 - \$36,526,430; 2001 - \$41,810,950; 2002 - \$55,839,360; 2003 - \$54,516,320; 2004 - \$56,357,000; 2005 - \$57,355,710.

CITY OF PEORIA, ILLINOIS

PRINCIPAL TAXPAYERS (1)

Taxable Assessed Valuation \$1,616,801,731 (3)

(Unaudited)

<u>Taxpayer Name</u>	<u>Type of Business/Service</u>	<u>2005 Assessed Valuation (2)</u>	<u>Percentage of Total</u>
Caterpillar	Earthmoving equipment	\$ 18,966,220	1.17 %
MCRIL LLC	Shopping center	14,055,590	0.87
Willow Knolls LLC	Shopping center	8,800,660	0.54
Northwoods Development	Shopping mall	7,759,330	0.48
Bradley Operating LTD	Real estate	6,822,830	0.42
Edward Rose Bldg. Co.	Real estate	6,449,740	0.40
PMP Fermentation	Food preservatives	6,437,280	0.40
Downtown Stadium, Inc.	Minor League Baseball Stadium	4,966,170	0.31
Hickory Grove Properties LLC	Real estate	4,640,820	0.29
Lexington House Corporation	Real estate	<u>4,637,950</u>	<u>0.29</u>
TOTAL		<u>\$ 83,536,590</u>	<u>5.17 %</u>

Notes:

- (1) Source: Peoria County Assessor's office.
- (2) Every effort has been made to seek out and report the largest taxpayers. However, many of the taxpayers listed contain multiple parcels and it is possible that some parcels and their valuations have been overlooked. The 2005 EAV is the most current available.
- (3) Net of Tax Increment District exemption.

CITY OF PEORIA, ILLINOIS

REAL ESTATE TAX RATES - ALL OVERLAPPING GOVERNMENTS

1996 Through 2005

(Per \$100 Assessed Valuation)

(Unaudited)

	<u>1996</u>	<u>1997</u>	<u>1998</u>
TOTAL TAX RATE, BY GOVERNMENT UNIT			
County	\$.8664	\$.8033	\$.8189
Town	.1031	.1528	.1447
City of Peoria	1.3061	1.2649	1.2649
School District No. 150	4.5318	4.4013	4.3421
Pleasure Driveway	.7398	.7090	.6936
Peoria Airport	.1502	.1448	.1389
Junior College	.4325	.4345	.4227
Mass Transit District	<u>.1897</u>	<u>.1741</u>	<u>.1672</u>
TOTAL TAX RATE	<u>\$ 8.3196</u>	<u>\$ 8.0847</u>	<u>\$ 7.9930</u>
CITY TAX RATE, BY FUNDS			
City Council:			
Corporate	\$.4233	\$.4647	\$.3941
Municipal Retirement	<u>.2952</u>	<u>.2059</u>	<u>.2573</u>
	<u>.7185</u>	<u>.6706</u>	<u>.6514</u>
Additional board:			
Library	<u>.2949</u>	<u>.2952</u>	<u>.3223</u>
Pension boards:			
Firemen	.1553	.1597	.1552
Police	<u>.1374</u>	<u>.1394</u>	<u>.1360</u>
	<u>.2927</u>	<u>.2991</u>	<u>.2912</u>
TOTAL CITY TAX RATE	<u>\$ 1.3061</u>	<u>\$ 1.2649</u>	<u>\$ 1.2649</u>

TABLE V

<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
\$.8187	\$.8169	\$.8832	\$.8578	\$.8604	\$.8543	\$.8489
.1311	.1310	.1306	.1310	.1324	.1373	.1390
1.2649	1.2572	1.2479	1.2578	1.2649	1.2723	1.2896
4.3007	4.2663	4.1920	4.2048	4.2287	4.3233	4.4915
.6937	.6915	.6882	.6927	.6944	.6874	.7089
.1367	.1856	.1517	.1463	.1434	.2021	.2039
.4131	.4324	.4731	.4573	.4771	.4898	.4801
<u>.1900</u>	<u>.1642</u>	<u>.1752</u>	<u>.1723</u>	<u>.1721</u>	<u>.1750</u>	<u>.1746</u>
<u>\$ 7.9489</u>	<u>\$ 7.9451</u>	<u>\$ 7.9419</u>	<u>\$ 7.9200</u>	<u>\$ 7.9734</u>	<u>\$ 8.1415</u>	<u>\$ 8.3365</u>
\$.4118	\$.4408	\$.4648	\$.4929	\$.4349	\$.3586	\$.3217
<u>.2559</u>	<u>.2246</u>	<u>.2021</u>	<u>.1705</u>	<u>.1979</u>	<u>.2970</u>	<u>.2597</u>
<u>.6677</u>	<u>.6654</u>	<u>.6669</u>	<u>.6634</u>	<u>.6328</u>	<u>.6556</u>	<u>.5814</u>
<u>.3071</u>	<u>.3067</u>	<u>.3003</u>	<u>.3100</u>	<u>.2854</u>	<u>.3061</u>	<u>.3432</u>
.1497	.1659	.1577	.1449	.1789	.1719	.2157
<u>.1404</u>	<u>.1192</u>	<u>.1230</u>	<u>.1395</u>	<u>.1678</u>	<u>.1387</u>	<u>.1493</u>
<u>.2901</u>	<u>.2851</u>	<u>.2807</u>	<u>.2844</u>	<u>.3467</u>	<u>.3106</u>	<u>.3650</u>
<u>\$ 1.2649</u>	<u>\$ 1.2572</u>	<u>\$ 1.2479</u>	<u>\$ 1.2578</u>	<u>\$ 1.2649</u>	<u>\$ 1.2723</u>	<u>\$ 1.2896</u>

CITY OF PEORIA, ILLINOIS

**RATIO OF NET GENERAL OBLIGATION BONDED DEBT TO
ASSESSED VALUE AND NET GENERAL OBLIGATION
BONDED DEBT PER CAPITA**

Last Ten Fiscal Years

(Unaudited)

<u>Year</u>	<u>Population</u>	<u>Assessed Value (Thousands)</u>
2005	118,135 (1)	\$ 1,616,802
2004	118,135 (1)	1,536,607
2003	112,936	1,482,899
2002	112,936	1,409,003
2001	112,936	1,318,044
2000	112,936	1,236,540
1999	119,218	1,170,866
1998	119,218	1,106,477
1997	113,513	1,033,088
1996	113,513	963,373

(1) Includes 5,199 additional population identified during 2004 Special Census.

(2) Does not include general bonded debt for tax incremental financing bonds, special assessments, or installment notes.

TABLE VI

<u>Gross Bonded Debt (2)</u>	<u>Less Amounts Available for Debt Service</u>	<u>Net Bonded Debt</u>	<u>Ratio of Net Bonded Debt to Assessed Value</u>	<u>Net General Bonded Debt Per Capita</u>
\$ 160,710,000	\$ 21,836,299	\$ 138,873,701	8.59 %	\$ 1,175.55
107,835,000	16,524,488	91,310,512	5.94	772.93
110,600,000	15,687,110	94,912,890	6.40	840.41
114,035,000	13,813,718	100,221,282	7.11	887.00
116,360,000	12,934,252	103,425,748	7.85	915.79
110,945,000	12,772,834	98,172,166	7.94	869.27
97,350,000	7,450,867	89,899,133	7.68	754.07
98,020,000	7,209,507	90,810,493	8.21	761.72
78,355,000	5,407,025	72,947,975	7.06	642.64
66,670,000	4,785,893	61,884,107	6.42	545.17

CITY OF PEORIA, ILLINOIS

**RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR
GENERAL OBLIGATION BONDED DEBT TO TOTAL
GENERAL GOVERNMENTAL EXPENDITURES**

Last Ten Fiscal Years

(Unaudited)

<u>Year</u>	<u>General Obligation Bonds</u>		<u>Total Debt Service (1)</u>	<u>Total General Expenditures (2)</u>	<u>Ratio of Debt Service to General Expenditures</u>
	<u>Principal</u>	<u>Interest</u>			
2005	\$ 9,685,000	\$ 6,431,377	\$ 16,116,377	\$ 133,802,352	12.04 %
2004	8,290,000	5,259,638	13,549,638	121,988,854	11.11
2003	7,710,000	5,619,278	13,329,278	123,593,880	10.78
2002	7,770,000	5,886,669	13,656,669	120,911,285	11.29
2001	7,015,000	5,675,802	12,690,802	107,098,439	11.85
2000*	6,080,000	5,533,434	11,613,434	101,581,110	11.43
1999	5,115,000	5,143,840	10,258,840	93,647,955	10.95
1998	4,310,000	4,704,160	9,014,160	85,266,951	10.57
1997	4,485,000	3,441,243	7,926,243	77,918,314	10.17
1996	4,015,000	3,133,121	7,148,121	76,617,496	9.33

(1) Includes the general obligation bonds only and does not include debt service expenditures for revenue bonds or installment notes.

(2) Total general expenditures include the general, special revenue, and debt service funds expenditures.

* Beginning in 2000, 3 funds (Illinois Municipal Retirement, Solid Waste, and Workforce Development), previously classified as expendable trust funds, were reclassified to special revenue funds.

CITY OF PEORIA, ILLINOIS

LISTING OF DIRECT AND OVERLAPPING DEBT (1)

December 31, 2005

(Unaudited)

	<u>Debt (2)</u>	<u>Percent Applicable to City of Peoria (3)</u>	<u>City's Direct and Overlapping Bonded Debt</u>
City of Peoria (4)	\$ 160,710,000	100.00 %	\$ 160,710,000
County of Peoria	10,626,000	61.53	6,538,177
ICC Jr. College, District No. 514 (5)	19,790,000	30.16	5,968,664
Charter School, District No. 150 (5)	18,997,871	97.54	18,530,523
School District No. 62, Pleasant Valley	1,153,000	49.69	572,925
School District No. 69, Pleasant Hill	245,000	1.23	3,013
School District No. 31, Limestone	1,805,000	8.10	146,205
School District No. 321, IVC/Chillicothe	3,290,000	1.60	52,640
School District No. 323, Dunlap	34,185,000	85.96	29,385,426
School District No. 325, Peoria Heights	8,335,000	13.87	1,156,064
WeaverRidge Special Service Area	4,490,000	100.00	4,490,000
Greater Peoria Airport Authority	8,180,000	78.88	6,452,384
Pleasure Driveway and Park District	<u>14,030,000</u>	93.43	<u>13,108,229</u>
Total overlapping debt	<u>125,126,871</u>		<u>86,404,250</u>
TOTAL	<u>\$ 285,836,871</u>		<u>\$ 247,114,250</u>

Notes:

- (1) Source: Peoria County Clerk.
- (2) All capital appreciation bonds are listed at their original principal value.
- (3) The applicable percentage is determined by a ratio of assessed valuation of the overlapping unit to the valuation of property subject to taxation within the City.
- (4) Direct bonded debt of the City consists of \$1,285,000 of 1997A General Obligation Bonds, \$300,000 of 1998A General Obligation Bonds, \$80,000 of 1998B General Obligation Bonds, \$780,000 of 1998C General Obligation Bonds, \$2,545,000 of 1998D General Obligation Bonds, \$480,000 of 1998E General Obligation Bonds, \$265,000 of 1998F General Obligation Bonds, \$400,000 of 1999A General Obligation Bonds, \$295,000 of 2000A General Obligation Bonds, \$1,400,000 of 2000B General Obligation Bonds, \$635,000 of 2000C General Obligation Bonds, \$3,595,000 of 2001A General Obligation Bonds, \$14,415,000 of 2001B General Obligation Bonds, \$3,580,000 of 2001C General Obligation Bonds, \$2,595,000 of 2001D General Obligation Bonds, \$1,540,000 of 2002A General Obligation Bonds, \$3,070,000 of 2002B General Obligation Bonds, \$3,715,000 of 2003A General Obligation Bonds, and \$3,995,000 of 2003B General Obligation Bonds, \$5,225,000 of 2004B General Obligation Bonds, \$11,730,000 of 2004C General Obligation Bonds, \$62,605,000 of 2005A General Obligation Bonds, and \$36,180,000 of 2005B General Obligation Bonds.
- (5) Include lease obligations to the Public Building Commission of Peoria for bond indebtedness.

CITY OF PEORIA, ILLINOIS
REVENUE BOND COVERAGE

Last Ten Fiscal Years

(Unaudited)

	<u>1996</u>	<u>1997</u>	<u>1998</u>
OPERATING INCOME	\$ 450,274	\$ 441,196	\$ 462,934
ADD			
Incremental property taxes	512,330	486,395	471,008
UDAG repayment	118,001	105,582	80,470
Niagara SSA	-	-	-
Twin Towers SSA	-	-	-
Interest income	59,200	46,527	46,776
Other income	<u>41,284</u>	<u>-</u>	<u>-</u>
Net revenues available for debt service	<u>1,181,089</u>	<u>1,079,700</u>	<u>1,061,188</u>
TOTAL REVENUES AVAILABLE FOR DEBT SERVICE	<u><u>\$ 1,181,089</u></u>	<u><u>\$ 1,079,700</u></u>	<u><u>\$ 1,061,188</u></u>
ANNUAL DEBT SERVICE	<u><u>\$ 926,187</u></u>	<u><u>\$ 893,993</u></u>	<u><u>\$ 901,693</u></u>
	<u><u>1.28</u></u>	<u><u>1.21</u></u>	<u><u>1.18</u></u>

TABLE IX

<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
\$ 498,584	\$ 448,900	\$ 426,743	\$ 444,048	\$ 443,620	\$ 411,136	\$ 437,528
530,040	552,014	512,837	529,637	537,168	538,404	530,525
47,805	81,000	58,500	129,060	129,060	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
40,062	41,822	28,813	10,487	5,077	5,918	7,015
-	-	-	-	-	-	-
<u>1,116,491</u>	<u>1,123,736</u>	<u>1,026,893</u>	<u>1,113,232</u>	<u>1,114,925</u>	<u>955,458</u>	<u>975,068</u>
<u>\$ 1,116,491</u>	<u>\$ 1,123,736</u>	<u>\$ 1,026,893</u>	<u>\$ 1,113,232</u>	<u>\$ 1,114,925</u>	<u>\$ 955,458</u>	<u>\$ 975,068</u>
<u>\$ 896,346</u>	<u>\$ 865,313</u>	<u>\$ 863,632</u>	<u>\$ 870,198</u>	<u>\$ 869,798</u>	<u>\$ 642,303</u>	<u>\$ 622,888</u>
<u>1.25</u>	<u>1.30</u>	<u>1.19</u>	<u>1.28</u>	<u>1.28</u>	<u>1.49</u>	<u>1.57</u>

CITY OF PEORIA, ILLINOIS

TAX COLLECTIONS - REAL ESTATE TAXES (1)

(Unaudited)

	<u>1995 Levy</u>	<u>1996 Levy</u>	<u>1997 Levy</u>	<u>1998 Levy</u>
EXTENDED TAX LEVY	\$ 14,590,056	\$ 14,374,878	\$ 15,112,745	\$ 16,367,251
PLUS ADD ONS (2)	<u>16,457</u>	<u>194,763</u>	<u>124,639</u>	<u>26,785</u>
Total extended tax levy (3)	14,606,513	14,569,641	15,237,384	16,394,036
LESS ABATEMENTS	<u>118,460</u>	<u>87,522</u>	<u>33,154</u>	<u>135,134</u>
Net extended tax levy	14,488,053	14,482,119	15,204,230	16,258,902
LESS				
Delinquencies	11,367	14,384	10,683	13,364
Protested	-	86,997	-	151,777
ADD PRIOR YEARS' TAXES COLLECTED	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET TAXES COLLECTED	<u><u>\$ 14,476,686</u></u>	<u><u>\$ 14,380,738</u></u>	<u><u>\$ 15,193,547</u></u>	<u><u>\$ 16,093,761</u></u>
RATE OF COLLECTION =				
<u>Net taxes collected</u>				
Total extended tax levy	<u>99.11%</u>	<u>98.70%</u>	<u>99.71%</u>	<u>98.17%</u>

- (1) Source: Treasurer of Peoria County (last information available pertains to 2003 Levy).
- (2) Add-on collections include payments of interest on collections held by Peoria County and Peoria Township and mobile home and railroad taxes that are not part of the levied amounts.
- (3) Total extension includes taxes received from TIF districts.

TABLE X

<u>1999 Levy</u>	<u>2000 Levy</u>	<u>2001 Levy</u>	<u>2002 Levy</u>	<u>2003 Levy</u>	<u>2004 Levy</u>
\$ 17,549,375	\$ 18,499,492	\$ 19,880,366	\$ 21,849,488	\$ 23,165,003	\$ 24,198,581
<u>136,217</u>	<u>48,174</u>	<u>74,039</u>	<u>78,256</u>	<u>62,381</u>	<u>78,373</u>
17,685,592	18,547,666	19,954,405	21,927,744	23,227,384	24,276,954
<u>142,816</u>	<u>227,837</u>	<u>45,176</u>	<u>3,987</u>	<u>-</u>	<u>-</u>
17,542,776	18,319,829	19,909,229	21,923,757	23,227,384	24,276,954
-	-	-	-	-	-
53,198	123,855	96,123	165,641	79,198	196,601
<u>460</u>	<u>(64,237)</u>	<u>(33,517)</u>	<u>(20,513)</u>	<u>(158,467)</u>	<u>(95,848)</u>
<u>\$ 17,490,038</u>	<u>\$ 18,131,737</u>	<u>\$ 19,779,589</u>	<u>\$ 21,737,603</u>	<u>\$ 22,989,719</u>	<u>\$ 23,984,505</u>
<u>98.89%</u>	<u>97.76%</u>	<u>99.12%</u>	<u>99.13%</u>	<u>98.98%</u>	<u>98.80%</u>

CITY OF PEORIA, ILLINOIS
PROPERTY VALUES, CONSTRUCTION, AND BANK DEPOSITS

1996 - 2005

(Unaudited)

Real Estate Equalized Assessed Valuation (1)

<u>Year</u>	<u>Commercial*</u>	<u>Residential*</u>	<u>Exemptions (Not Included in Total)*</u>	<u>Total*</u>
2005	\$ 559,289	\$ 1,057,513	\$ 57,356	\$ 1,616,802
2004	536,567	1,000,040	56,357	1,536,607
2003	500,874	982,025	54,516	1,482,899
2002	471,175	937,828	51,392	1,409,003
2001	437,129	880,915	41,811	1,318,044
2000	412,468	824,072	36,526	1,236,540
1999	394,516	776,350	33,782	1,170,866
1998	373,054	733,423	39,638	1,106,477
1997	309,675	723,413	22,822	1,033,088
1996	329,656	633,717	20,324	963,373

* Amounts expressed in thousands.

- (1) Source: Peoria County Clerk.
- (2) Source: City of Peoria - Building Inspections. The number does not include alterations, additions, or rehabs.
- (3) Source: Commission of Banks and Real Estate.
- (4) Unable to obtain complete bank deposits for this period, average used from previous five years.

TABLE XI

<u>Commercial Construction (2)</u>		<u>Residential Construction</u>		<u>Bank</u>
<u>Number</u>	<u>Value*</u>	<u>Number</u>	<u>Value*</u>	<u>Deposits* (3)</u>
<u>of Units</u>		<u>of Units</u>		
73	\$ 98,654	358	\$ 66,413	\$ 4,449,985
58	57,332	384	66,839	4,076,851
71	48,397	346	51,792	3,906,650
69	79,964	366	53,487	3,688,562
67	69,197	248	36,474	3,522,907
81	95,640	402	43,321	3,257,690
94	60,429	333	44,127	3,367,851
58	57,547	278	35,422	2,774,138
47	25,299	150	23,278	2,390,684 (4)
64	23,556	121	16,151	2,598,121

CITY OF PEORIA, ILLINOIS
SCHEDULE OF SPECIAL ASSESSMENTS
Last Ten Fiscal Years

<u>Year</u>	<u>Amount Billed</u>	<u>Total Payments Received</u>
2005	\$ 744,324	\$ 307,409
2004	769,978	282,953
2003	467,199	280,557
2002	614,213	381,608
2001	810,183	385,929
2000	641,266	308,166
1999	616,313	644,146
1998	501,545	348,644
1997	362,915	356,169
1996	153,978	401,626
	<u>\$ 5,681,914</u>	<u>\$ 3,697,207</u>

CITY OF PEORIA, ILLINOIS
DEMOGRAPHICS STATISTICS

Last Ten Years

(Unaudited)

<u>Year</u>	<u>Population (1)</u>	<u>Per Capita Income (1)</u>	<u>Median Age (1)</u>	<u>School Enrollment (2)</u>	<u>City Unemployment Rate (3)</u>
2005	118,135	\$ 19,609	33.8	14,701	5.30 %
2004	118,135	19,609	33.8	15,056	6.70
2003	112,936	20,512	33.8	15,414	6.50
2002	112,936	20,512	33.8	15,736	7.30
2001	112,936	20,512	33.8	15,721	5.70
2000	112,936	20,512	33.8	16,000	6.20
1999	119,218	14,039	32.6	15,929	4.30
1998	119,218	14,039	32.6	16,018	4.20
1997	113,513	14,039	32.6	16,253	5.60
1996	113,513	14,039	32.6	16,424	6.40

Sources:

- (1) U.S. Census Data Center (information provided for Peoria County). For 2004 and 2005, population includes 5,199 addition identified during 2004 Special Census.
- (2) Board of Education, City of Peoria, Illinois.
- (3) Illinois Department of Employment Security.

CITY OF PEORIA, ILLINOIS
GENERAL STATISTICAL INFORMATION

(Unaudited)

Date of Incorporation	April 12, 1845
Form of Government	Council/Manager
Geographic Location	Peoria County, Illinois
Land Area	49.128 Square Miles
Population*	118,135
Miles of Street	449 Center Lane Miles
Number of Street Lights	11,429
Fire Protection (Fire Insurance Class 2):	
Number of Stations	12
Number of Commissioned Firefighters	193
Police Protection:	
Number of Stations	2
Number of Commissioned Police Officers	243
New Residential and Commercial Construction:	
Number of Permits Issued (2005)	431
Dollar Value of Construction (2005)	\$165,067,612
Recreation and Cultural Facilities:	
Parks and Playgrounds	5 Major Parks 27 Playgrounds/facilities
Libraries	Peoria Public Library Main library, 5 branches, 1 bookmobile
Universities	Bradley University University of Illinois School of Medicine
Colleges	Robert Morris College Midstate College
Junior Colleges	Illinois Central College, East Peoria 2 Satellite Campuses located in Downtown Peoria

* Includes 5,199 additional population identified during 2004 Special Census.