

CITY OF PEORIA, ILLINOIS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Year Ended December 31, 2008

Prepared by:

James R. Scroggins,
Finance Director/Comptroller

Robert G. Golden II
Finance Manager

Patricia A. Mason
Accounting Coordinator

Angela M. Washington
Accountant

Bruce K. Johnson
Accountant

Sherry L. Thomas
Accountant

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Finance Department

June 19, 2009

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, 2008.

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.

Peoria City Hall
419 Fulton, Suite 106
Peoria, Illinois 61602
Phone (309) 494-8550
Fax (309) 494-8510

The Honorable James E. Ardis III, Mayor
Members of the City Council
The Citizens of the City of Peoria
June 19, 2009

McGladrey & Pullen 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, 2008, 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, 2008, are fairly presented in 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 MD&A for the City of Peoria, Illinois can be found immediately following the report of the independent auditors on page 3.

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. An additional Special Census was conducted in 2007, resulting in an increase in population of 3,035, for a total population of 121,170.

The Honorable James E. Ardis III, Mayor
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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, 4, 7 and 15 in the notes to the financial statements.

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 page 98 as part of the basic financial statements for the governmental funds. 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 99.

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 Honorable James E. Ardis III, Mayor
Members of the City Council
The Citizens of the City of Peoria
June 19, 2009

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 Bergner's, Borders Books & Music, Dick's Sporting Goods and Gordman's. The Shoppes at Grand Prairie 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 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. This major renovation and expansion, completed in 2008, includes 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 now houses a \$13 million, 50,000 square-foot research incubator providing necessary lab space for such companies. This research incubator was completed in 2007 and a significant addition is in the planning stage.

The Honorable James E. Ardis III, Mayor
Members of the City Council
The Citizens of the City of Peoria
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In October 2008, the City Council authorized the creation of the Hospitality Improvement Zone Tax Increment Financing District and the overlapping Business Development District in order to promote the public interest, encourage private investment, and enhance the tax base of the City's business districts. On December 15, 2008, the City entered into a hotel redevelopment agreement with EM Properties, Ltd to rehabilitate and expand the Hotel Pere Marquette. The total cost of the project is estimated at \$102 million and will renovate and redevelop the existing Hotel Pere Marquette, expanding it with a new tower which will increase the number of rooms to a total of 490. The new hotel will be a full service Marriott and will include: a swimming pool; business center and day spa; a 500 space parking garage that will include 10,000 square feet of retail on the ground floor; and an elevated, temperature controlled connector between the hotel, garage, and the Peoria Civic Center. The City has committed to provide approximately \$40 million for land acquisition, the parking garage and skywalk through the issuance of bonds which will be repaid by project generated revenues.

Cash management policies and practices. Excess cash during the year was invested in demand deposits, certificates of deposit, the State Treasurer's investment pool, U.S. Treasury obligations and U.S. Agencies obligations. Due to declining bank interest rates, the average yield on investments was 2.55% for 2008 compared to 4.89% for 2007. The 2.55% City yield exceeded the 2.01% federal funds rate benchmark and 1.69% 6-month T-bill benchmark. The City entered into banking and investment services contractual agreements, providing competitive variable interest rates, effective January 1, 2006. The City negotiated a one year, modified version of the initial banking services contractual agreement effective January 1, 2009. The investment services contract remains in effect. 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 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 and renewed this policy with supplemental coverage in June 2008 and June 2009. In addition, the City is self-insured regarding the provision of health and dental benefits for employees and retirees. The City also maintains stop loss insurance for specific and aggregate healthcare 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 88.1% and 71.7%, respectively, of the present value of the projected benefits earned by employees of the Police and Firefighters Pension Funds.

The Honorable James E. Ardis III, Mayor
Members of the City Council
The Citizens of the City of Peoria
June 19, 2009

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 14.01% of payroll for 2008.

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 457 retired employees receiving these benefits, which are financed on a pay-as-you-go basis. Commencing with the fiscal reporting year ending December 31, 2007, GASB 45 required the City to report an annual liability in the financial statements in connection with an employer's obligation to provide these other post-employment benefits.

Additional information on the City of Peoria's pension arrangements and post-employment benefits can be found in Notes 11 and 16 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 ending December 31, 2007. This was the eighth 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.

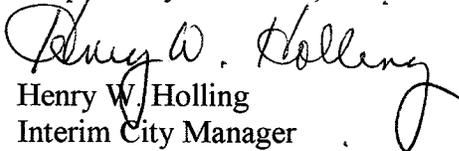
A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

For the sixteenth consecutive year, the City received the GFOA's Distinguished Budget Presentation Award for its 2008 annual budget document adopted December 11, 2007. 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.

The Honorable James E. Ardis III, Mayor
Members of the City Council
The Citizens of the City of Peoria
June 19, 2009

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,


Henry W. Holling
Interim City Manager


James R. Scroggins
Finance Director/Comptroller

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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, 2007

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.

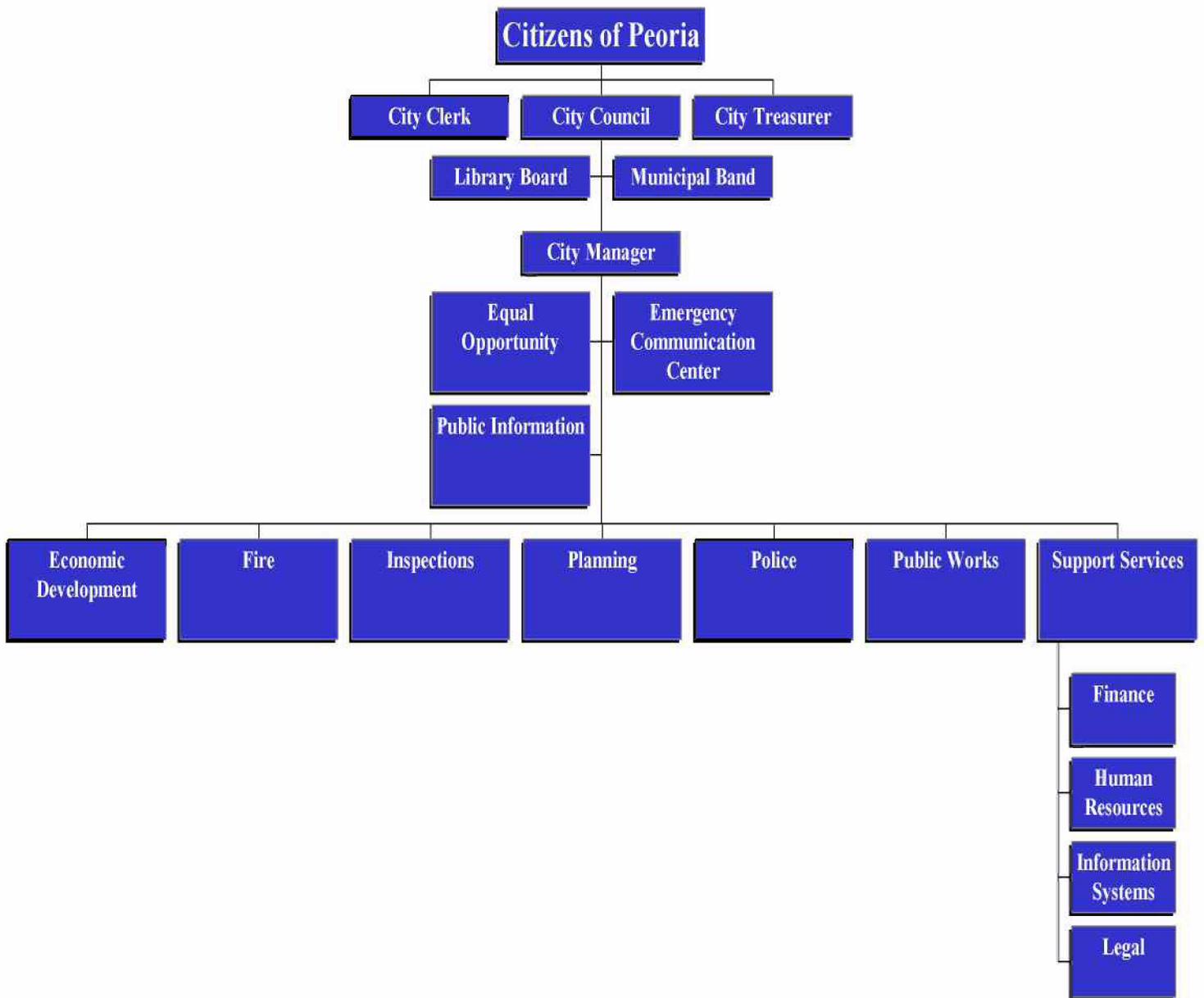


President

Executive Director

Organizational Chart

**City of Peoria
2008**



City of Peoria, Illinois

Elected Officials

As of January 1, 2008

Mayor

James E. Ardis III

City Council Members

Barbara S. Van Auken

Clyde E. Gulley, Jr.

George F. Jacob

Robert D. Manning

Jim Montelongo

Patrick A. Nichting

Gary V. Sandberg

Ryan M. Spain

William R. Spears

W. Eric Turner

City Clerk

Mary L. Haynes

City Treasurer

Reginald A. Willis

As of May 5, 2009

Mayor

James E. Ardis III

City Council Members

Barbara S. Van Auken

Clyde E. Gulley, Jr.

Dan L. Irving

George F. Jacob

Jim Montelongo

Timothy D. Riggerbach

Gary V. Sandberg

Ryan M. Spain

William R. Spears

W. Eric Turner

City Clerk

Mary L. Haynes

City Treasurer

Patrick A. Nichting

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McGladrey & Pullen

Certified Public Accountants

Independent Auditor's Report

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

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the City of Peoria, Illinois, as of and for the year ended December 31, 2008, 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 \$390,082 (0.10 percent), \$390,082 (0.33 percent) and \$119,799 (0.07 percent), respectively, of the assets, net assets and revenues of the total primary government – governmental activities and 1.08 percent, 1.56 percent and 0.74 percent of the assets, fund balance and revenues, respectively, of the aggregate remaining other governmental funds. We also did not audit the Police Pension Fund of Peoria and the Firemen's Pension Fund of Peoria, which represents 97.42 percent, 100 percent and 100 percent, respectively, of the assets, net assets and additions of the fiduciary funds. We also did not audit the discretely presented component units of the City of Peoria, Illinois, the financial statements of the Springdale Historic Preservation Foundation, a component unit of Springdale Cemetery Management Authority and the Springdale Cemetery Management Authority and the Peoria Civic Center Authority which represents 100 percent of the assets, net assets and revenues, respectively, of the aggregate discretely presented component units. 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, the Springdale Historic Preservation Foundation, a component unit of Springdale Cemetery Management Authority, Springdale Cemetery Management Authority and the Peoria Civic Center Authority of Peoria 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 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 report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Peoria, Illinois, as of December 31, 2008, 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.

As stated in Note 19, the December 31, 2007 pension trust net assets held in trust for pension benefits have been restated \$104,028 by other auditors for correction of an error in the recording of employer contribution receivables and accrued pension benefits.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 19, 2009 on our consideration of the City of Peoria, Illinois' 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 on pages 3 through 15, the budgetary comparison information on pages 78 through 81, the Pension Plans Schedule of Funding Progress and Schedule of Employer Contributions on pages 82 through 84 and the Other Postemployment Benefits Plan Schedule of Funding Progress on page 85 are not a required part of the basic financial statements but are supplementary information required by the accounting principles generally accepted in the United States of America. 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 nonmajor fund financial statements and other schedules, listed in the table of contents as supplementary information, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information for the year ended December 31, 2008 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 are fairly stated in all material respects in relation to the basic financial statements taken as a whole. We and the other auditors also have previously audited, in accordance with auditing standards generally accepted in the United States of America, the City of Peoria, Illinois' basic financial statements for the year ended December 31, 2007, which are not presented with the accompanying financial statements. In our report dated June 16, 2008, we expressed unqualified opinions on the respective financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information. In our opinion, the combining and individual nonmajor fund financial statements and other schedules, listed in the table of contents as supplementary information, are fairly stated in all material respects in relation to the basic financial statements for the year ended December 31, 2007, taken as a whole.

The accompanying introductory and statistical sections, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. This information has not been subjected to the auditing procedures applied by us and the other auditors in the audit of the basic financial statements and, accordingly, we express no opinion on them.

McGladrey & Pullen, LLP

Davenport, Iowa
June 19, 2009

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, 2008. 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 iv 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 \$118.1 million at December 31, 2008.
- The City's total net assets increased \$2.7 million during 2008; 98.6% of this total net assets increase is attributable to the combined effects of: a) \$1.6 million increase in property tax revenues b) \$0.4 million increase in total state-shared revenues c) \$0.7 million net assets increase constituting the difference between the \$2.9 million decrease in healthcare benefits expenses compared to a \$2.2 million increase in other post-employment benefits expenses.
- As of December 31, 2008, the City of Peoria's governmental funds reported combined fund balances of \$106.0 million, an increase of \$16.0 million in comparison with the prior year. Approximately 22.4% of this \$106.0 million amount, \$23.8 million, is available for spending at the City's discretion (*undesignated fund balance*).
- The undesignated General Fund balance increased \$1.4 million during 2008 to \$11.1 million total as of December 31, 2008; equivalent to 11.2% of total General Fund expenditures.
- The City's total outstanding debt increased \$28.8 million during 2008.
- During 2008, the City issued \$28.0 million general obligation bonds for building renovations and improvements to three existing Peoria Public Library branch facilities plus construction of a new Library branch in the northwest section of Peoria.

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 primary 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 16 - 19 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 Statement No. 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.

The Police & Fire Pension Trust Funds, classified as fiduciary funds, are presented in separate statements. The Other Post-Employment Benefits (OPEB) Agency Fund and the Section 125 Agency Fund, classified as fiduciary funds, are presented in separate statements. All fiduciary 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 and governmental activities*.

The City of Peoria has presented thirty-six (36) individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balance for the General Fund, Peoria Public Library Fund, Capital Improvements Fund, Police/Fire Pension Levy Fund, Illinois Municipal Retirement Fund and 2008(A) Library General Obligation Bond 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 20 - 28 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. The Police Pension Trust Fund, Firemen's Pension Trust Fund, Other Post-Employment Benefits Agency Fund and Section 125 Agency Fund, all classified as fiduciary funds, are reported separately from the City's government-wide statements on pages 29 – 30 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 31 – 77 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 and other postemployment benefits (OPEB) to its employees. Required supplemental information regarding budgetary comparisons, pension funding and OPEB funding can be found on pages 78 - 85 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 86 – 161 of this report.

Infrastructure Assets

Per GASB Statement No. 34 requirements, the City: a) initially reported depreciation expense, accumulated depreciation and infrastructure additions/deletions for the fiscal year ending December 31, 2002 b) included retroactive infrastructure reporting for fiscal years 1980-2001 in annual financial statements commencing with the fiscal year ended December 31, 2006.

Historically, a government's largest group of assets (infrastructure – roads, bridges, traffic signals, street lights, sewers, sidewalks, etc.) has not been reported or depreciated in governmental financial statements. The current GASB Statement No. 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's primary government's assets exceeded liabilities by \$118.1 million at December 31, 2008. *Restricted net assets* represent resources that are subject to external usage restrictions. The City's (\$151.8) 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 (56.6%) are comprised of capital assets (e.g., land, buildings, equipment and 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 following, it should be noted that resources to repay the debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

A summary of the City's Net Assets at December 31, 2008 is presented on the next page.

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

	Governmental Activities 2008	Governmental Activities 2007
Current and Other Assets	\$170.0	\$155.6
Capital Assets	\$221.6	\$206.3
Total Assets	\$391.6	\$361.9
Long-Term Liabilities	\$224.3	\$194.6
Other Liabilities	\$49.2	\$51.9
Total Liabilities	\$273.5	\$246.5
Net Assets	\$118.1	\$115.4
Invested in Capital Assets, net of related debt	\$194.3	\$185.5
Restricted	\$75.6	\$61.9
Unrestricted	(\$151.8)	(\$132.0)
Total Net assets	\$118.1	\$115.4

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 2008 governmental activities. Highlights included:

- \$0.5 million of 2005(A) General Obligation Bond proceeds were spent in 2008 for completion of \$54.8 million in major, multi-year Peoria Civic Center expansion improvements. This \$0.5 million City expense was not recorded as a capital asset by the City. The Peoria Civic Center recorded these expansion improvements as capital assets.
- \$0.8 million net increase in total local tax revenues, including property tax, hotel/restaurant/amusement taxes, home rule sales tax, utility taxes, local motor fuel tax, gambling boat proceeds, off-track betting proceeds and franchise fees.
- \$0.4 million increase in total combined state-shared tax revenues including state sales tax, state use tax, state income tax, corporate personal property replacement tax, motor fuel tax allotment, auto lease/rental tax and library per capita allotment.
- \$46.4 million combined total state-shared revenues constituted 27.3% of total 2008 revenues for governmental activities.
- \$76.4 million combined total Police, Fire and Public Safety (Emergency Communications Center, Inspections and Animal Shelter) expenses represented 45.7% of total 2008 governmental activities expenses.
- The City paid \$63.5 million gross wages to City employees in 2008; included \$65.2 million payroll cash basis gross wages minus \$1.7 million net payroll decrease for accruals. Retroactive, multi-year police union employees' payroll increases, per collective bargaining agreement, primarily accounted for the \$1.7 million net payroll decrease due to accruals.
- In addition to gross wages, the City incurred \$37.2 million expenses for the net employer portion of total 2008 employees' benefits costs, including pension plan contributions, healthcare costs, payroll taxes, life insurance costs, workers compensation disability claims, termination pay for accrued leave, unemployment compensation, non-payroll employee allowances and other post-employment benefits.
- \$2.4 million total investment interest income represented a \$2.0 million decrease primarily attributable to a significant, continuing decline in bank interest rates during 2008.

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

	Governmental Activities 2008	Governmental Activities 2007
Revenues:		
Program Revenues:		
Charges For Services	\$23.0	\$23.6
Operating Grants and Contributions	\$7.6	\$9.2
Capital Grants and Contributions	\$7.5	\$9.6
General Revenues:		
Property Taxes	\$29.0	\$27.5
Hotel, Restaurant and Amusement Taxes	\$8.3	\$8.1
Other Taxes and Fees	\$81.4	\$81.7
Unrestricted Grants and Contributions	\$3.4	\$3.5
Other Revenues	\$9.7	\$10.0
Total Revenues	\$169.9	\$173.2
Expenses:		
Elected Officials	\$2.1	\$2.2
City Administration	\$8.2	\$7.8
Police	\$37.9	\$37.1
Fire	\$28.4	\$27.8
Public Works	\$28.5	\$27.9
Community Development	\$14.7	\$26.9
Library	\$9.9	\$7.9
Public Safety (excluding Police and Fire)	\$10.2	\$10.5
General Government	\$19.8	\$17.6
Other Expenses	\$7.5	\$7.7
Total Expenses	\$167.2	\$173.4
Increase (Decrease) in Net Assets	\$2.7	(\$0.2)
Beginning Net Assets 1/1	\$115.4	\$115.6
Ending Net Assets 12/31	\$118.1	\$115.4

Normal Impacts: Changes in Net Assets

Listed below are various influences on change in revenues or expenses.

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 revenues 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 (gross wages plus net employer-paid benefits) represent 68.4% 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 \$106.0 million. Approximately \$23.8 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 and 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 \$11.1 million while total fund balance reached \$32.6 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. December 31, 2008 total fund balance in the General Fund represented 33.1% of 2008 General Fund expenditures).

The City's total General Fund balance increased \$2.4 million during 2008. Key reasons were:

- Significant changes in the City's 2008 state-shared revenues included:
 - a) \$0.9 million increase in State of Illinois income tax allocation.
 - b) \$0.8 million decrease in State of Illinois personal property replacement taxes.
- \$0.2 million decrease in electric and telephone utility tax revenues.
- \$0.7 million decrease in interest revenues due to declining bank interest rates.
- \$2.9 million decrease in net 2008 healthcare benefits expenses attributable to the City's implementation of significant healthcare plan design changes in 2007, a new healthcare provider network in 2008, a new third party claims administrator in 2008 and favorable 2008 healthcare claims experience.

The City's combined Capital Improvements (Capital/Local Motor Fuel Tax/Riverfront) Fund balance decreased \$2.4 million in 2008. This fund balance decrease was primarily due to:

- \$1.2 million decrease in proceeds from sale of capital assets.
- \$0.4 million decrease in revenues from service charges, fines and fees.
- \$0.4 million decrease in riverboat gaming revenues.

The City's employer portion of total pension benefits costs increased \$0.9 million in 2008 primarily due to:

- \$0.5 million increase in Firemen's Pension Fund contributions.
- \$0.3 million increase in Police Pension Fund contributions.
- \$0.2 million increase in temporary crafts and trades employees' pension fund contributions.
- \$0.1 million decrease in Illinois Municipal Retirement Fund pension contributions for management employees, AFSCME union employees and permanent crafts/trades employees.

For payment of future debt service, the City currently maintains \$4.3 million combined fund balances in all bond debt service funds, plus \$16.4 million combined reserved fund balances for debt service in other governmental funds.

The City continues to abate property tax levies relating to general obligation bond debt due to reliance upon alternative funding sources. Primary alternative debt service funding sources include utility taxes plus hotel, restaurant and amusement (H.R.A.) taxes.

General Fund Budgetary Highlights

The City Council's 2003-2004 Budget Restructure Plan featured movement from program-based budgeting to activity-based budgeting. Department budgets have been formatted to measure performance outcome for each activity.

During 2008, the \$0.5 million final budget estimated revenues increase over original budget estimated revenues, primarily comprised of budget amendments for governmental grants and reimbursements, constituted 0.4% of the total original budget estimated revenues.

The corresponding \$1.0 million final budget increase to original budget appropriations constituted 1.0% of original budget appropriations. Final budget appropriations included increases in police payroll (allocation of amended governmental grants and reimbursements estimated revenues) plus carryover of prior year encumbrances primarily attributable to demolition of unsafe buildings, economic development activities and public works operations.

Other General Fund budgetary highlights included:

- \$2.4 million increase in total final budget estimated revenues in comparison with prior year.
- \$2.9 million increase in total final budget appropriations in comparison with the prior year.

Capital Asset and Debt Administration

Capital assets. As of December 31, 2008, the City maintained \$221.6 million in capital assets (net of depreciation) representing a 7.4% increase in net capital assets over the prior year for governmental activities. The City's capital assets include land, land improvements, buildings, equipment, vehicles, library media and infrastructure (e.g. roads, sewers, sidewalks, street lights and traffic signals).

Major capital asset events during the current fiscal year included:

- \$10.7 million increase in infrastructure capital assets, net of depreciation, for infrastructure improvements completed during 2008.
- \$0.7 million increase in buildings for completion of a \$4.0 million parking deck to serve the adjoining University of Illinois' College of Medicine Physicians Center.
- \$1.1 million land purchase for future construction of a new Peoria Public Library branch facility in the northwest section of Peoria.

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

	Governmental Activities 2008	Governmental Activities 2007
Land and Land Improvements	\$16.2	\$15.5
Buildings	46.0	43.2
Vehicles and Equipment	4.9	4.7
Library Media	2.8	2.6
Infrastructure	144.7	134.0
Construction-in-Progress	7.0	6.3
Total	\$221.6	\$206.3

Additional information regarding the City's capital assets is located in note 7 on pages 60 - 62 of this report.

Long-term debt. The City of Peoria owed total bonded debt of \$192.0 million at December 31, 2008; \$181.2 million of the preceding total comprised debt backed by the full faith and credit of the government; and \$6.8 million comprised revenue bonds secured by specific revenues. The remaining \$4.0 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.

Standard & Poor’s Rating Service has currently assigned an “AA” rating for the City’s general obligation bonds. Moody’s Investor Service has currently assigned an “Aa3” rating for the City’s general obligation bonds.

The City issued the \$28.0 million 2008(A) General Obligation Library Bonds for:

- \$11.7 million construction of 35,000 square foot North Branch of the Peoria Public Library.
- \$16.3 million combined totals for major improvements to existing Peoria Public Library branch, including expansion of the Lincoln library branches, reconfiguration and restoration of the McClure library branch and interior renovation to the Main Street library branch.

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.

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

	2008	2007
General Obligation Bonds	\$181.2	\$160.3
Special Service Area Bonds	4.0	4.3
Revenue Bonds	6.8	7.5
Total	<u>\$192.0</u>	<u>\$172.1</u>

Additional information on the City of Peoria’s long-term debt can be found in note 6 on pages 48 - 60 of this report.

Economic Conditions and Next Year's Budgets

The City administration continues to grapple with balancing services with limited resources. The City Council approved the 2009 City budget with provisions for prioritizing essential services, increasing public safety services and increasing service efficiency. In order to efficiently and effectively reduce 2009 service delivery costs, City officials have implemented the "Six Sigma" management approach to solving problems, featuring a disciplined and structured methodology. City officials continued to utilize a five-year operating budget forecasting model and a corresponding ten-year capital budget program.

The City will contribute \$2.0 million toward 2009 construction of a state-of-the art cancer research center administered by the University of Illinois' College of Medicine.

Actuarial consultants continued to coordinate with City officials and the Labor/Management Healthcare Committee to assess the financial impact of annual GASB Statement No. 45 Other Post-Employment Benefits (OPEB) costs to provide healthcare for future retirees. The City commenced OPEB financial reporting in 2007 in compliance with GASB Statement No. 45 requirements. In 2009, the City will continue to consider the merits and restrictions regarding potential creation of a GASB Statement No. 43 trust for funding the OPEB annual required contribution liability.

In 2007, the City replaced the 2006 health insurance plan with three new health insurance plans, including a modified version of the 2006 health plan, an HMO plan and a high deductible health plan. In 2008, the City joined new healthcare preferred provider networks and contracted with a new healthcare third party administrator. These significant healthcare plan changes contributed to lower healthcare claims costs in 2008 and the City anticipates continuing benefits from these changes in 2009 and future years.

In 2008, the City Council declined the option to purchase the water utility. The City's next water utility purchase option will be in 2013 with subsequent options 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, 2008

	Total Primary Government - Governmental Activities	Component Units	
		Peoria Civic Center Authority	Springdale Cemetery Management Authority
Assets			
Current assets:			
Cash and cash equivalents	\$ 25,893,547	\$ 3,428,143	\$ 299,864
Restricted cash and cash equivalents	-	415,768	258,863
Cash with trustee	3,957,517	-	-
Investments	67,574,077	1,368,903	-
Taxes receivable:			
Property taxes	32,199,600	-	-
Corporate personal property replacement taxes	804,332	-	-
State sales and income taxes	7,674,453	-	-
Home rule sales taxes	6,286,568	-	-
Hotel, restaurant and amusement taxes	836,025	-	-
Utility taxes	1,931,758	-	-
Local motor fuel taxes	119,487	-	-
Governmental grants and reimbursements receivable	697,031	-	27,027
Riverboat gaming revenue receivable	594,021	-	-
Loans receivable, net	521,789	-	-
Pledges receivable	15,000	-	-
Other receivables, net	2,537,798	2,291,106	331,010
Accrued interest receivable, net	649,742	10,368	-
Special assessments receivable	172,248	-	-
Inventory, prepaid items and other	559,249	182,760	108,604
Total current assets	153,024,242	7,697,048	1,025,368
Noncurrent assets:			
Loans receivable, net	535,887	-	-
Other receivable	-	1,109,589	13,547
Special assessments receivable	1,271,249	-	-
Unamortized bond issue costs	1,841,424	-	-
Net pension assets	13,309,143	-	-
Capital assets:			
Not depreciated:			
Land	11,221,590	10,247,918	-
Construction-in-progress	7,027,070	4,960	13,723
Depreciated:			
Infrastructure	272,068,822	-	-
Buildings and land improvements	84,995,897	149,938,971	1,597,669
Major equipment and vehicles	23,339,498	9,479,250	383,563
Media assets	28,117,394	-	-
Software	-	-	100,971
Accumulated depreciation	(205,187,057)	(68,403,023)	(452,390)
Total capital assets	221,583,214	101,268,076	1,643,536
Total noncurrent assets	238,540,917	102,377,665	1,657,083
Total assets	\$ 391,565,159	\$ 110,074,713	\$ 2,682,451

See Notes to Basic Financial Statements.

Liabilities and Net Assets	Total Primary Government - Governmental Activities	Component Units	
		Peoria Civic Center Authority	Springdale Cemetery Management Authority
Current liabilities:			
Accounts payable	\$ 8,381,574	\$ 1,686,424	\$ 5,661
Accrued payroll	2,465,378	-	-
Accrued interest	405,129	-	-
Employer contribution payable	72,700	-	-
Other payables	240,546	267,212	5,275
Advance ticket sales	-	1,441,848	-
Estimated payable for claims and losses incurred but not reported	536,234	-	-
Unearned revenue, property taxes	32,199,600	-	-
Unearned revenue, other	2,675,910	1,042,390	198,008
Tax rebates payable	3,900	-	-
Accrued compensated absences	586,028	-	-
Bonds and loans payable, current portion	1,556,383	563,017	-
Other long-term obligations, current portion	57,519	-	-
Total current liabilities	49,180,901	5,000,891	208,944
Long-term liabilities:			
Accrued compensation absences	8,831,103	-	-
Bonds and loans payable, noncurrent	192,905,792	2,171,005	-
Other long-term obligations, noncurrent	1,113,801	-	-
Unamortized bond premium	3,556,623	-	-
Net other post employment benefits obligation	12,346,789	-	-
Workers compensation claims payable	2,860,099	-	-
General liability claims payable	2,688,105	-	-
Deferred revenue and deposits	-	2,219,807	-
Asset held for Tourism Reserve Fund, payable from restricted assets	-	415,768	-
Total long-term liabilities	224,302,312	4,806,580	-
Total liabilities	273,483,213	9,807,471	208,944
Net assets:			
Investment in capital assets, net of related debt	194,265,041	98,534,054	1,643,536
Restricted for:			
Law enforcement	807,684	-	-
Animal shelter trust	222,649	-	-
Future road projects	7,192,974	-	-
Debt service	4,298,910	-	-
Peoria Public Library	2,747,064	-	-
Revolving loan fund	322,168	-	-
Riverfront development	60,000	-	-
Employees' pension benefits	13,672,462	-	-
Capital projects	46,309,160	-	-
Cemetery	-	-	272,019
Unrestricted	(151,816,166)	1,733,188	557,952
Total net assets	118,081,946	100,267,242	2,473,507
Total liabilities and net assets	\$ 391,565,159	\$ 110,074,713	\$ 2,682,451

City of Peoria, Illinois

Statement of Activities
Year Ended December 31, 2008

Functions/Programs:	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental activities:				
Elective offices, boards, commissions and agencies	\$ (2,118,174)	\$ -	\$ -	\$ -
City administration	(8,185,595)	-	-	-
Police	(37,876,713)	839,168	805,851	-
Fire	(28,353,631)	709,022	257,519	-
Public works	(28,535,894)	5,546,259	4,999	-
Community development	(14,753,676)	-	6,436,062	13,333
Public safety	(10,196,053)	3,921,530	-	-
General government	(19,793,925)	11,839,748	-	7,385,886
Library	(9,882,250)	128,679	65,283	143,026
Interest on long-term debt	(7,468,578)	-	-	-
Total primary government	\$ (167,164,489)	\$ 22,984,406	\$ 7,569,714	\$ 7,542,245
Component Units				
Peoria Civic Center Authority	\$ (25,621,887)	\$ 19,441,272	\$ -	\$ 598,687
Springdale Cemetery Management Authority	(806,140)	409,130	279,027	543,467
Total component units	\$ (26,428,027)	\$ 19,850,402	\$ 279,027	\$ 1,142,154

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 of year
Net assets, end of year

See Notes to Basic Financial Statements.

Net (Expense) Revenue and Changes in Net Assets		
Total Primary	Component Units	
Government	Peoria	Springdale Cemetery
Governmental	Civic Center	Management
Activities	Authority	Authority

\$	(2,118,174)	\$	-	\$	-
	(8,185,595)		-		-
	(36,231,694)		-		-
	(27,387,090)		-		-
	(22,984,636)		-		-
	(8,304,281)		-		-
	(6,274,523)		-		-
	(568,291)		-		-
	(9,545,262)		-		-
	(7,468,578)		-		-
	(129,068,124)				

	-	(5,581,928)	-
	-	-	425,484
	-	(5,581,928)	425,484

	29,047,046	-	-		
	7,690,109	-	-		
	23,807,678	-	-		
	11,456,986	-	-		
	23,100,548	-	-		
	8,253,017	-	-		
	855,599	-	-		
	3,594,362	-	-		
	8,629,442	-	-		
	3,350,085	-	-		
	-	1,903,333	-		
	2,384,392	164,955	14,127		
	2,306,679	-	-		
	7,315,068	-	5,917		
	131,791,011	2,068,288	20,044		
	2,722,887	(3,513,640)	445,528		
	115,359,059	103,780,882	2,027,979		
\$	118,081,946	\$	100,267,242	\$	2,473,507

City of Peoria, Illinois

Balance Sheet
 Governmental Funds
 December 31, 2008

Assets	General Fund	Peoria Public Library Fund	Workforce Development Fund
Cash and cash equivalents	\$ 1,839,421	\$ 3,062,553	\$ 218,097
Cash with trustee	-	-	-
Investments	19,420,960	-	136,697
Property taxes receivable	6,238,700	6,634,100	-
Corporate personal property replacement taxes	804,332	-	-
State sales and income taxes receivable	7,609,982	-	-
Home rule sales taxes	6,286,568	-	-
Hotel, restaurant and amusement taxes	836,025	-	-
Utility taxes	1,931,758	-	-
Local motor fuel taxes receivable	-	-	-
Governmental grants and reimbursements receivable	54,389	-	285,792
Riverboat gaming revenue receivable	-	-	-
Loans receivable, net	-	-	-
Pledges receivable	-	-	-
Other receivables, net	1,503,827	-	296,095
Accrued interest receivable, net	459,198	-	-
Special assessments receivable	-	-	-
Due from other funds	81,482	-	-
Inventory and prepaid items	517,708	-	41,541
Total assets	\$ 47,584,350	\$ 9,696,653	\$ 978,222

(Continued)

Police and Fire Pension Levy Fund	Illinois Municipal Retirement Fund	Capital Improvements Fund	2008A Library General Obligation Bond Project Fund	Other Governmental Funds	Total Governmental Funds
\$ -	\$ 874,956	\$ 4,459,495	\$ 1,703,739	\$ 13,735,286	\$ 25,893,547
-	-	-	-	3,957,517	3,957,517
-	765	12,648,532	25,113,296	10,253,827	67,574,077
7,389,700	4,691,600	63,600	-	7,181,900	32,199,600
-	-	-	-	-	804,332
-	-	-	-	64,471	7,674,453
-	-	-	-	-	6,286,568
-	-	-	-	-	836,025
-	-	-	-	-	1,931,758
-	-	119,487	-	-	119,487
-	-	62,551	-	294,299	697,031
-	-	594,021	-	-	594,021
-	-	814,996	-	242,680	1,057,676
-	-	-	-	15,000	15,000
-	-	699,826	-	38,050	2,537,798
-	-	100,143	-	90,401	649,742
-	-	172,248	-	-	172,248
-	-	332,197	-	175,637	589,316
-	-	-	-	-	559,249
<u>\$ 7,389,700</u>	<u>\$ 5,567,321</u>	<u>\$ 20,067,096</u>	<u>\$ 26,817,035</u>	<u>\$ 36,049,068</u>	<u>\$ 154,149,445</u>

City of Peoria, Illinois

Balance Sheet (Continued)
 Governmental Funds
 December 31, 2008

Liabilities and Fund Balance	General Fund	Peoria Public Library Fund	Workforce Development Fund
Liabilities:			
Accounts payable	\$ 3,270,964	\$ 161,568	\$ 293,597
Accrued payroll	2,227,523	103,016	34,014
Estimated payable for claims and losses incurred but not reported	536,234	-	-
Employer contribution payable	-	-	72,700
Due to other funds	269,066	-	-
Unearned revenue, property taxes	6,238,700	6,634,100	-
Deferred and unearned revenue, other	2,226,112	31,679	-
Bonds payable	-	-	-
Tax rebates payable	3,900	-	-
Other payables	200,129	-	-
Total liabilities	14,972,628	6,930,363	400,311
Fund balance:			
Reserved for:			
Encumbrances	758,613	-	-
Law enforcement	797,279	-	-
Animal shelter trust	-	-	-
Future road projects	-	-	-
Debt service	6,631,389	-	-
Working cash, library	-	1,000,279	-
Endowment activity, library	-	395,476	-
Revolving loan fund	-	-	-
Riverfront development	-	-	-
Employees' pension benefits	-	-	-
Inventory and prepaid items	517,708	-	41,541
Unreserved:			
Designated, reported in:			
General Fund	12,828,231	-	-
Special revenue funds	-	1,370,535	294,595
Capital projects funds	-	-	-
Undesignated, reported in:			
General Fund	11,078,502	-	-
Special revenue funds	-	-	241,775
Capital projects funds	-	-	-
Total fund balance	32,611,722	2,766,290	577,911
Total liabilities and fund balance	\$ 47,584,350	\$ 9,696,653	\$ 978,222

See Notes to Basic Financial Statements.

Police and Fire Pension Levy Fund	Illinois Municipal Retirement Fund	Capital Improvements Fund	2008A Library General Obligation Bond Project Fund	Other Governmental Funds	Total Governmental Funds
\$ -	\$ 512,349	\$ 882,739	\$ -	\$ 3,260,357	\$ 8,381,574
-	-	51,923	-	48,902	2,465,378
-	-	-	-	-	536,234
-	-	-	-	-	72,700
-	-	237,626	-	82,624	589,316
7,389,700	4,691,600	63,600	-	7,181,900	32,199,600
-	-	926,300	-	508,082	3,692,173
-	-	6,000	-	-	6,000
-	-	-	-	-	3,900
-	53	-	-	40,364	240,546
7,389,700	5,204,002	2,168,188	-	11,122,229	48,187,421
-	-	1,658,223	-	1,788,925	4,205,761
-	-	10,405	-	-	807,684
-	-	222,649	-	-	222,649
-	-	-	-	6,374,197	6,374,197
-	-	6,634,838	-	7,393,087	20,659,314
-	-	-	-	-	1,000,279
-	-	-	-	-	395,476
-	-	322,168	-	-	322,168
-	-	-	-	60,000	60,000
-	363,319	-	-	-	363,319
-	-	-	-	-	559,249
-	-	-	-	-	12,828,231
-	-	-	-	-	1,665,130
-	-	-	26,817,035	5,923,661	32,740,696
-	-	-	-	-	11,078,502
-	-	-	-	1,489,234	1,731,009
-	-	9,050,625	-	1,897,735	10,948,360
-	363,319	17,898,908	26,817,035	24,926,839	105,962,024
\$ 7,389,700	\$ 5,567,321	\$ 20,067,096	\$ 26,817,035	\$ 36,049,068	\$ 154,149,445

City of Peoria, Illinois

Reconciliation of Total Governmental Fund Balances to Net Assets of Governmental Activities
December 31, 2008

Total governmental fund balances	\$	105,962,024
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.		221,583,214
Receivables are deferred in the funds if they are not available for use in the current period.		1,016,263
Special assessments receivable are not available to pay current period expenditures and, therefore, are not recognized in the funds.		1,271,249
Net pension asset (obligation) is not recorded in the funds.		13,309,143
Long-term liabilities, are not due and payable in the current period and, therefore, are not reported in the funds:		
Bond issuance costs are reported as expenditures in the funds.		1,841,424
Bond premiums are reported as other financing sources in the funds.		(3,556,623)
Interest payable on debt is not reported in the funds if payments are due subsequent to reporting date.		(405,129)
Other post employment benefits obligation		(12,346,789)
Workers compensation claims payable		(2,860,099)
General liability claims payable		(2,688,105)
Accrued compensated absences		(9,417,131)
Bonds and loans payable		(194,456,175)
Other long-term obligations		(1,171,320)
Net assets of governmental activities	\$	118,081,946

See Notes to Basic Financial Statements.

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City of Peoria, Illinois

Statement of Revenues, Expenditures and Changes in Fund Balances
 Governmental Funds
 Year Ended December 31, 2008

	General Fund	Peoria Public Library Fund	Workforce Development Fund
Revenues:			
Property taxes	\$ 6,864,483	\$ 6,176,386	\$ -
Corporate personal property replacement taxes	4,863,840	441,752	-
State sales taxes	23,315,786	-	-
State income tax allocation	11,456,986	-	-
Home rule sales taxes	23,100,548	-	-
Hotel, restaurant and amusement taxes	8,253,017	-	-
Local motor fuel taxes	-	-	-
Riverboat gaming revenue	-	-	-
Utility taxes	8,629,442	-	-
Governmental grants and reimbursements	415,239	178,488	2,994,442
Licenses and permits	3,374,273	-	-
Service charges/finest/fees	17,900,602	128,679	-
Special assessments	-	-	-
Contributions	-	-	-
Loan repayment	-	-	-
Rental	90,190	-	-
Interest	832,863	47,060	-
Other	2,602,971	93,148	527,311
Total revenues	111,700,240	7,065,513	3,521,753
Expenditures:			
Current:			
Elective offices, boards, commissions and agencies	1,769,192	-	-
City administration	6,313,027	-	-
Police	29,574,681	-	-
Fire	20,622,585	-	-
Public works	21,521,645	-	-
Community development	5,741,869	-	3,462,570
Public safety	7,483,969	-	-
General government	4,852,053	-	-
Library	736,352	5,593,048	-
Capital outlay	-	780,218	-
Debt service:			
Principal	-	-	-
Interest	-	-	-
Total expenditures	98,615,373	6,373,266	3,462,570
Excess (deficiency) of revenues over expenditures	13,084,867	692,247	59,183
Other financing sources (uses):			
Issuance of bonds	-	-	-
Proceeds from sale of capital assets	1,000	-	-
Bond premium	-	-	-
Transfers in	298,739	-	-
Transfers out	(10,977,166)	(689,724)	-
Total other financing sources (uses)	(10,677,427)	(689,724)	-
Net change in fund balances	2,407,440	2,523	59,183
Fund balances, beginning of year	30,204,282	2,763,767	518,728
Fund balances, end of year	\$ 32,611,722	\$ 2,766,290	\$ 577,911

See Notes to Basic Financial Statements.

	Police and Fire Pension Levy Fund	Illinois Municipal Retirement Fund	Capital Improvements Fund	2008A Library General Obligation Bond Project Fund	Other Governmental Funds	Total Governmental Funds
\$	6,410,381	\$ 4,493,696	\$ 62,197	\$ -	\$ 5,039,903	\$ 29,047,046
	1,374,813	1,009,704	-	-	-	7,690,109
	-	-	-	-	491,892	23,807,678
	-	-	-	-	-	11,456,986
	-	-	-	-	-	23,100,548
	-	-	-	-	-	8,253,017
	-	-	855,599	-	-	855,599
	-	-	3,594,362	-	-	3,594,362
	-	-	-	-	-	8,629,442
	-	-	910,029	-	8,300,345	12,798,543
	-	-	-	-	-	3,374,273
	-	-	3,430,331	-	457,200	21,916,812
	-	-	359,175	-	-	359,175
	-	-	-	-	404,769	404,769
	-	-	215,905	-	111,440	327,345
	-	-	41,502	-	-	131,692
	7,724	14,742	463,365	136,121	862,511	2,364,386
	-	831	1,476,185	-	528,028	5,228,474
	7,792,918	5,518,973	11,408,650	136,121	16,196,088	163,340,256
	-	192,925	-	-	-	1,962,117
	-	766,395	570,292	-	33,154	7,682,868
	3,633,565	674,278	1,455,095	-	456,773	35,794,392
	4,831,915	261,590	292,927	-	116,699	26,125,716
	-	1,658,057	551,789	-	3,081,010	26,812,501
	-	591,729	384,017	-	3,492,239	13,672,424
	-	1,114,490	239,735	-	447,289	9,285,483
	-	-	2,472,907	257,243	967,456	8,549,659
	-	682,468	-	-	-	7,011,868
	-	-	8,663,708	1,061,843	11,895,110	22,400,879
	-	-	55,167	-	8,563,490	8,618,657
	-	-	35,006	-	8,321,296	8,356,302
	8,465,480	5,941,932	14,720,643	1,319,086	37,374,516	176,272,866
	(672,562)	(422,959)	(3,311,993)	(1,182,965)	(21,178,428)	(12,932,610)
	-	-	-	28,000,000	-	28,000,000
	-	-	86,360	-	-	87,360
	-	-	-	798,013	-	798,013
	672,562	689,724	7,921,146	-	18,834,611	28,416,782
	-	-	(7,099,546)	(798,013)	(8,852,333)	(28,416,782)
	672,562	689,724	907,960	28,000,000	9,982,278	28,885,373
	-	266,765	(2,404,033)	26,817,035	(11,196,150)	15,952,763
	-	96,554	20,302,941	-	36,122,989	90,009,261
\$	-	\$ 363,319	\$ 17,898,908	\$ 26,817,035	\$ 24,926,839	\$ 105,962,024

City of Peoria, Illinois

**Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of
Governmental Funds to the Statement of Activities
Year Ended December 31, 2008**

Net change in fund balances, governmental funds		\$ 15,952,763
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period:		
Capital outlay	\$ 22,400,880	
Depreciation expense	(13,393,159)	
Donated infrastructure assets	<u>6,337,997</u>	15,345,718
The net effect of various miscellaneous transactions involving capital assets is to decrease net assets:		
Proceeds from sale of capital assets	(87,360)	
Net gain on sale of capital assets	<u>16,157</u>	(71,203)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds, grants		(118,836)
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	(327,345)	
Increase in interest income for accrued interest	20,006	
Net change in long-term special assessment receivable	619,141	
Bad debt expense	<u>(196,440)</u>	115,362
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 bonds	(28,000,000)	
Premium on issued bonds	(798,013)	
Less bond issuance costs	257,243	
Principal repayments:		
General obligation and revenue bonds	7,845,000	
Other debt	773,657	
Increase in compensated absences	(489,492)	
Decrease in accrued compensated absences included in accounts payable in the Governmental funds	(31,029)	
Decrease in landfill, postclosure costs	<u>23,228</u>	(20,419,406)

(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 (Continued)
Year Ended December 31, 2008**

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:

Increase in other post employment benefits obligation	(7,267,204)	
Increase in workers compensation payable	(508,878)	
Increase in general liability payable	(1,083,561)	
Amortization of bond issue costs	(298,180)	
Decrease in accrued interest payable	171,618	
Amortization of bond premium	716,106	
Amortization of deferred amount on refunding	(1,059,079)	(9,329,178)

Increase in net pension assets are not reported in governmental funds

1,247,667

Change in net assets of governmental activities

\$ 2,722,887

See Notes to Basic Financial Statements.

City of Peoria, Illinois

Statement of Fiduciary Net Assets
 Fiduciary Funds
 December 31, 2008

	Pension Trust	Agency
Assets		
Cash and cash equivalents	\$ 9,681,334	\$ 5,678,018
Receivables:		
Employer contributions	8,790,508	-
Plan members' contributions	108,666	-
Return of benefits	92,009	-
Accrued interest and dividends	852,166	-
	<u>9,843,349</u>	<u>-</u>
Investments, at fair value:		
U.S. government obligations	86,691,750	-
Municipal obligations	3,504,866	-
Illinois Public Treasurer's Investment Pool	6,627,677	-
Mutual funds	56,112,315	-
Corporate bonds	6,981,023	-
Stocks	35,074,780	-
	<u>194,992,411</u>	<u>-</u>
Total assets	<u>214,517,094</u>	<u>5,678,018</u>
Liabilities		
Accounts payable and accrued payroll	1,013,925	-
Due to individuals	-	5,678,018
Total liabilities	<u>1,013,925</u>	<u>5,678,018</u>
Net assets held in trust for pension benefit obligation	<u>\$ 213,503,169</u>	<u>\$ -</u>

See Notes to Basic Financial Statements.

City of Peoria, Illinois

Statement of Changes in Fiduciary Net Assets
Pension Trust Funds
Year Ended December 31, 2008

Additions

Contributions:

Plan members' contributions	\$	3,147,087
Employer contributions		8,844,016
Transfer of creditable service		137,110
Return of benefits		92,009
Other income		35,361
Total contributions		<u>12,255,583</u>

Investment income (loss):

Net depreciation in fair value of investments		(37,301,785)
Dividends		1,545,970
Interest		4,586,010
Total investment (loss)		<u>(31,169,805)</u>
Less investment expenses		949,667
Net investment (loss)		<u>(32,119,472)</u>

Total additions		<u>(19,863,889)</u>
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Deductions

Benefits paid		17,383,611
Administrative expenses		279,932
Refunds		3,331
Total deductions		<u>17,666,874</u>

Net (decrease)		(37,530,763)
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Net assets held in trust for pension benefits

Beginning of year, as restated		251,033,932
End of year	\$	<u>213,503,169</u>

See Notes to Basic Financial Statements.

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City of Peoria, Illinois

Notes to Basic Financial Statements

Note 1. Financial Reporting Entity, Measurement Focus, Basis of Accounting and Basis of Presentation and Summary of Significant Accounting Policies

Financial reporting entity:

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.

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:

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.

City of Peoria, Illinois

Notes to Basic Financial Statements

Note 1. Financial Reporting Entity, Measurement Focus, Basis of Accounting and Basis of Presentation and Summary of Significant Accounting Policies (Continued)

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 to supplement the City's funding of 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.

The DZO has a fiscal year end of December 31 and has been reported as a Capital Projects Fund and 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.

City of Peoria, Illinois

Notes to Basic Financial Statements

Note 1. Financial Reporting Entity, Measurement Focus, Basis of Accounting and Basis of Presentation and Summary of Significant Accounting Policies (Continued)

The Peoria Foreign Fire Insurance Board has a year end of December 31 and has been reported as a Special Revenue Fund and 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

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.

Note 1. Financial Reporting Entity, Measurement Focus, Basis of Accounting and Basis of Presentation and Summary of Significant Accounting Policies (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.

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.

City of Peoria, Illinois

Notes to Basic Financial Statements

Note 1. Financial Reporting Entity, Measurement Focus, Basis of Accounting and Basis of Presentation and Summary of Significant Accounting Policies (Continued)

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, charges for services, 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.

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, net assets, 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 has elected to report Workforce Development Fund as a major fund for public interest purposes. 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 special revenue fund is used to account for the activities of the Peoria Public Library.

Workforce Development Fund: This special revenue 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 special revenue fund is used to recognize the taxes levied for the employer contribution to the Police Pension Fund and Firemen's Pension Fund.

City of Peoria, Illinois

Notes to Basic Financial Statements

Note 1. Financial Reporting Entity, Measurement Focus, Basis of Accounting and Basis of Presentation and Summary of Significant Accounting Policies (Continued)

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

Capital Improvements Fund: This capital projects fund is used to account for revenue sources dedicated for acquisition and improvement of land, buildings, equipment and infrastructure and the related expenditures.

2008A Library General Obligation Bond Project Fund: This capital projects fund is used for revenue and expenditures relating to the construction of a new north side library as well as the reconfiguration of existing libraries.

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.

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.

Fiduciary Fund Types: Fiduciary fund types are used to account for assets held by a governmental unit in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds. The City has the following fiduciary fund types:

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.

Agency Funds: Are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Summary of significant accounting policies:

The significant accounting policies followed by the City include the following:

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.

City of Peoria, Illinois

Notes to Basic Financial Statements

Note 1. Financial Reporting Entity, Measurement Focus, Basis of Accounting and Basis of Presentation and Summary of Significant Accounting Policies (Continued)

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 reported as deferred charges. Bond issuance costs are amortized over the life of the bonds using a method which approximates the effective interest method.

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 method which approximates the effective interest method 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 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.

City bond expenditures for capital improvements to the Peoria Civic Center become property of the Peoria Civic Center Authority and consequently are not recorded as capital assets by the City.

Capital assets of the primary government are depreciated using the straight-line method over the following estimated useful lives:

	<u>Years</u>
Land improvements	15
Buildings	15 - 40
Machinery and equipment	3 - 10
Vehicles	5 - 7
Media	10
Infrastructure assets	15 - 40

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 are deferred and amortized over the life of the bonds.

Notes to Basic Financial Statements

Note 1. Financial Reporting Entity, Measurement Focus, Basis of Accounting and Basis of Presentation and Summary of Significant Accounting Policies (Continued)

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.

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 basis consistent with accounting principles generally accepted in the United States of America 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's year-end. These funds are as follows:

Fund	Budget Deviation
Special Revenue Funds:	
Community Development Block Grant Fund	Budget is for the length of the project not the calendar year.
Home Investment Partnership Program Fund	Budget is for the length of the project not the calendar year.
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 this blended component unit.
Capital projects funds	Budgets adopted on a project-length budget.

Notes to Basic Financial Statements

Note 1. Financial Reporting Entity, Measurement Focus, Basis of Accounting and Basis of Presentation and 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 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.

Fund equity: Reservations of fund balance represent amounts that are not appropriable or are legally segregated for a specific purpose. Designations of fund balance represents tentative management plans that are subject to change.

Net assets: Represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use through enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

Net assets restricted by enabling legislation includes \$807,684 for law enforcement, \$7,192,974 for future road projects, \$2,747,064 for Peoria Public Library, \$13,672,462 for Employees Pension Benefits and \$46,309,160 for capital projects.

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

Use of estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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.

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.

City of Peoria, Illinois

Notes to Basic Financial Statements

Note 2. Deposits and Investments (Continued)

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.

As of December 31, 2008, the carrying amount of the City's deposits (includes checking, savings, and money market accounts and certificate of deposits) was \$24,719,575 (excludes petty cash in the amount of \$12,352 which is included in the cash balance in the statement of net assets/balance sheet).

As of December 31, 2008, the City had the following investments and maturities:

	Fair Value	Investment Maturities (In Years) Less Than 1
Repurchase agreements	\$ 29,558,578	\$ 29,558,578
Illinois funds	48,812,654	48,812,654
	<u>\$ 78,371,232</u>	<u>\$ 78,371,232</u>

Interest rate risk: Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. As a means of limiting its exposure to fair value losses arising from rising interest rates, the City's investment policy limits the City's investments to maturities of three years from the date of purchase. Reserve or capital improvement project monies are limited to maturities of five years.

Custodial credit risk: For deposits, 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 or collateral securities that are in the possession of an outside party. As of December 31, 2008, none of the City's bank balance of \$7,816,737 was exposed to custodial credit risk. For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. For the City's \$29,558,578 investment in repurchase agreements, the underlying securities are held by the investment's counterparty, not in the name of 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.

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. None of the City's investments were exposed to concentration of credit risk.

City of Peoria, Illinois

Notes to Basic Financial Statements

Note 2. Deposits and Investments (Continued)

Credit risk: Credit risk is the risk that an issuer or other counterparty to a debt investment will not fulfill its obligations. The City's investment policy requires that securities may only be purchased based on credit-worthiness who qualify under Securities and Exchange Commission Rule 15C3-1.

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

Deposit or Investment Type	Credit Risk Quality Rating (S&P's)	Balance
Illinois Funds	AAAm (1)	\$ 48,812,654

(1) The investment pool has 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 Illinois Funds, an investment pool available to Illinois Municipalities and Counties, is administered by the Illinois State Treasurer.

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.

The Fund's cash and cash equivalents as of December 31, 2008 consisted of deposits with a financial institution and the First American Government Obligation Fund Class Y Money Market Fund. Deposits with a financial institution are covered by FDIC insurance. As of December 31, 2008, all of the Fund's deposits were insured by the FDIC. 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 44 days.

The money market funds 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 as of December 31, 2008.

City of Peoria, Illinois

Notes to Basic Financial Statements

Note 2. Deposits and Investments (Continued)

As of December 31, 2008, the Fund had the following investments:

Type of Investment	Fair Value/ Carrying Amount	Average Credit Quality/ Ratings (1)	Weighted Average Years to Maturity (2)
U.S. Government notes and bonds:			
Explicitly guaranteed	\$ 10,480,669	N/A	8.38
Implicitly guaranteed	12,579,624	Aaa	6.87
U.S. Government agencies	17,545,228	Aaa	10.00
Corporate bonds	6,981,023	Aaa	3.76
Mutual funds - bonds	18,806,382	Aaa	3.99
Mutual funds - equities	28,769,136	N/A	N/A
Stocks	13,477,009	N/A	N/A
Total investments	\$ 108,639,071		

(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.

As of December 31, 2008, 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 as of December 31, 2008 consisted of deposits with a financial institution, the Dreyfus Money Market Instruments, Inc. Government Securities Series, and the Western Asset Government Money Market Fund Class A. Deposits with the financial institution are covered by FDIC insurance. However, as of December 31, 2008, the Fund had approximately \$1,500,000 uncollateralized deposits in excess of the FDIC insurance limit. 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 61 days.

The money market funds 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 as of December 31, 2008.

City of Peoria, Illinois

Notes to Basic Financial Statements

Note 2. Deposits and Investments (Continued)

As of December 31, 2008, the Fund had the following investments:

Type of Investment	Fair Value/ Carrying Amount	Average Credit Quality/ Ratings (1)	Weighted Average Years to Maturity (2)
U.S. Government notes and bonds	\$ 14,726,733	N/A	9.33
U.S. Government agencies	31,359,496	Aaa	11.90
Municipal obligations	3,504,866	Aaa	4.47
Illinois public treasurers investment pool	6,627,677	AAAm	0.08
Mutual funds-equities	8,536,797	N/A	N/A
Common and preferred stocks	21,597,771	N/A	N/A
Total investments	\$ 86,353,340		

(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 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.

As of December 31, 2008, investments are held by the counterparty's trust department in the Fund's name.

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.

City of Peoria, Illinois

Notes to Basic Financial Statements

Note 2. Deposits and Investments (Continued)

Custodial credit risk – deposits: The Civic Center does not have a deposit policy for custodial credit risk. As of August 31, 2008, \$643,498 of the Civic Center's bank balance of \$2,127,835 was exposed to custodial credit risk. The balance is made up as follows as of August 31, 2008:

	Bank Balance	Carrying Amount
Demand deposits and money market accounts	\$ 758,932	\$ 834,744
Certificates of deposit	1,368,903	1,368,903
	<u>\$ 2,127,835</u>	<u>\$ 2,203,647</u>

Sweep account: The Civic Center had amounts in a bank sweep account as follows as of August 31, 2008:

Type	Fair Value	Maturities (In Years) Less Than One
Sweep account	<u>\$ 2,989,567</u>	<u>\$ 2,989,567</u>

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:

	Carrying Amount
Cash on hand	\$ 19,600
Demand deposits and money market accounts	834,744
Sweep account	2,989,567
Certificates of deposit	1,368,903
	<u>\$ 5,212,814</u>
Cash and cash equivalents	\$ 3,428,143
Restricted assets - cash	415,768
Investments	1,368,903
	<u>\$ 5,212,814</u>

Springdale Cemetery Management Authority:

Custodial Credit Risk: As of December 31, 2008, the carrying amount of the Authority's deposits (including checking, savings and money market accounts) was \$119,433 and the bank balance was \$131,490. The Authority also had cash on hand of \$100. None of the bank balance of \$131,490 was exposed to custodial credit risk.

City of Peoria, Illinois

Notes to Basic Financial Statements

Note 2. Deposits and Investments (Continued)

Investments as of December 31, 2008 are comprised of the following at fair value:

	Average of Maturity of Funds in Portfolio	Morningstar Rating	Fair Value/ Carrying Amount
Money market funds	< 1 year	N/A	\$ 232,897
U.S. Treasuries	1.5 years	N/A	101,847
			<u>\$ 334,744</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 market 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.

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. Total cash and cash equivalents of the Foundation as of December 31, 2008 were \$104,450.

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 the property. However, recognition of the revenue is deferred until the period for which the property taxes are levied. Property tax revenue recorded by the City for the year ended December 31, 2008 represents installments of the 2007 property taxes which were received during 2008.

The amount of the property tax receivable deferred at year end represents the tax levied in the latter portion of 2008, for which an enforceable lien exists as of January 1, but is levied for the 2009 budget and will be collected from taxpayers in June and September 2009.

City of Peoria, Illinois

Notes to Basic Financial Statements

Note 4. Restricted Cash and Cash Equivalents

Restricted cash – primary government: In accordance with the appropriate bond ordinances, as of December 31, 2008, the City has paid to its respective paying agents the following:

The lesser of: (a) 10 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. \$306,983 of cash in the Downtown Parking Bond Fund, a Debt Service Fund, is held by the paying agent, as trustee, for future debt service.

An amount to fund capitalized interest, less interest paid to date, on the 2005 General Obligation Bonds, Series A. \$2,726,736 of cash in the 2005A General Obligation Bond Fund, a Debt Service Fund, is held by the paying agent, as trustee, for this purpose.

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. \$923,798 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.

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.

As of August 31, 2008, the Civic Center carried \$415,768 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.

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

Contribution corpus - nonexpendable	\$	208,112
Restricted - expendable earnings on contributions		50,751
	\$	<u>258,863</u>

City of Peoria, Illinois

Notes to Basic Financial Statements

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.

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.

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 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 construction of the Peoria Riverfront Museum.

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.

Reserved for inventory and prepaid items: The reserve for inventory and prepaid items is the office supplies inventories, vehicle parts inventories and prepaid items that are not available for appropriation and expenditure.

City of Peoria, Illinois

Notes to Basic Financial Statements

Note 5. Designations and Fund Balance Reserves – Primary Government (Continued)

Designated, reported in General Fund: The City has designated funds for health insurance, general insurance, contingencies, working capital, education and recreation within the General Fund.

Designated, reported in Special Revenue Funds: The City has designated funds for capital expansion projects within the Special Revenue Funds and compensated absences representing the balance of vested vacation and sick leave restricted for employees working within the Workforce Development grant funds and Peoria Public Library 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 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.

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. The amounts not advance refunded were paid in full during 2008.

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.

City of Peoria, Illinois

Notes to Basic Financial Statements

Note 6. Long-Term Debt – Primary Government (Continued)

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 through 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 1997 A 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.

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 2008, the Council abated 2007 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.

In 2007, the City issued \$18,800,000 in general obligation bonds (known as 2007A) to finance infrastructure improvements relating to sidewalks and street lighting, and for the continuation of the sewer rehabilitation program.

In 2008, the City issued \$28,000,000 in general obligation bonds (known as 2008A) to finance improvements to the existing Lincoln, McClure and Main Street branch libraries and to erect a building to be used as a north side branch library.

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. Annual principal and interest payments on the bonds are expected to require 100 percent of net revenue. The total principal and interest remaining to be paid on the bonds is \$618,750. Principal and interest paid for the current year and total customer net revenues were \$617,600 and \$617,600, respectively.

City of Peoria, Illinois

Notes to Basic Financial Statements

Note 6. Long-Term Debt – Primary Government (Continued)

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. Annual principal and interest payments on the bonds are expected to require 1 percent of net revenue. The total principal and interest remaining to be paid on the bonds is \$29,466. Principal and interest paid for the current year and total sewer charges net revenues were \$14,733 and \$1,347,462, respectively.

Winkler 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.

PMP 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. As of December 31, 2008, 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 23 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.

WeaverRidge Special Service Area Bonds: The City, in 2006, issued \$4,575,000 of Special Tax Bonds to advance refund the City's Special Tax Bonds, Series 1996 in their entirety; fund a Debt Service Reserve Fund; and pay costs associated with the issuance of the bonds. 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. Annual principal and interest payments on the bonds are expected to require 100 percent of net revenues. Total principal and interest remaining on the bonds is \$5,004,625, payable through 2017. For the current year, principal and interest paid and total special taxes revenues were \$508,250 and \$462,344, respectively. The difference was paid from the fund balance in the debt service fund.

City of Peoria, Illinois

Notes to Basic Financial Statements

Note 6. Long-Term Debt – Primary Government (Continued)

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 20 annual installments with interest at 6.7127 percent.

Wal-Mart promissory note: In accordance with the Wal-Mart Super Center Development Agreement, the City agreed to reimburse a total of \$687,788 of costs paid by Wal-Mart Stores, Inc. in December 2002 for construction of improvements to portions of Allen Road adjoining the new Wal-Mart site.

This note is a limited obligation of the City and carries a pledge of the City's entire portion of all property taxes on all property within the project site.

Special assessment bonds: In 2006, the City issued \$5,200,000 of Radnor Road/Alta Road/Wilhelm Road and Bridge Improvements Special Assessment Bonds to finance the costs of improvements for street, curb and gutter, street lighting, traffic signalization, related parkways and boulevards, and sidewalks; landscaping; storm water retention system, including retention basins; and bridge improvements; and all related costs to such improvements and generally located on said roads within the City; capitalized interest for two years; deposits to reserves; and the costs of issuance. The bonds are payable solely from proceeds received from the special assessment payments from the properties benefited.

In 2007, the City issued \$1,105,000 of Special Assessment Bonds (known as 2007A Special Assessment) in order to finance the North Allen Road Intersection project. The bonds are payable solely from proceeds received from the special assessment payments from the properties benefited.

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 30 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 net of additions in the amount of \$23,228 were recognized in 2008. The balance due reported represents the estimate of what it would cost to perform all postclosure care as of December 31, 2008 over 30 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. As of December 31, 2008, the City has accrued an associated liability of \$9,417,131. The liability for compensated absences is funded primarily through the General Fund and the Peoria Public Library Fund.

City of Peoria, Illinois

Notes to Basic Financial Statements

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 as of December 31, 2008 is as follows:

Warrant Number	Balance
552	\$ 500
587	500
1360	5,000
	\$ 6,000

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

	Balance December 31, 2007	Additions	Deletions	Balance December 31, 2008	Current Portion	Long-Term Portion
General obligation bonds	\$ 160,325,000	\$ 28,000,000	\$ 7,150,000	\$ 181,175,000	\$ -	\$ 181,175,000
Revenue/special assessment bonds	7,485,000	-	695,000	6,790,000	721,000	6,069,000
Special assessment bond - matured	6,000	-	-	6,000	-	6,000
Special service area bonds	4,315,000	-	300,000	4,015,000	330,000	3,685,000
Loans payable	2,325,596	-	279,560	2,046,036	298,257	1,747,779
Board of Education of the City of Peoria obligation	624,236	-	194,097	430,139	207,126	223,013
Landfill closure and postclosure care costs	1,194,548	162,233	185,461	1,171,320	57,519	1,113,801
Worker's compensation claims	2,423,178	3,326,916	2,791,968	2,958,126	98,027	2,860,099
General liability claims	1,694,757	1,680,512	548,957	2,826,312	138,207	2,688,105
Net other postemployment benefit obligation	5,079,585	8,892,000	1,624,796	12,346,789	-	12,346,789
Compensated absences	8,927,639	5,997,038	5,507,546	9,417,131	586,028	8,831,103
	\$ 194,400,539	\$ 48,058,699	\$ 19,277,385	\$ 223,181,853	\$ 2,436,164	\$ 220,745,689

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

City of Peoria, Illinois

Notes to Basic Financial Statements

Note 6. Long-Term Debt – Primary Government (Continued)

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

Description of issues:

Amount of issue	\$1,225,000	\$3,345,000
Date of issue	September 1, 1998	September 1, 1998
Dates interest payable	January 1 and July 1	January 1 and July 1
Date principal payable	January 1	January 1
Interest rates	5.70 to 6.05%	4.35 to 4.90%

	1998C Taxable Riverfront Village		1998D	
	General Obligation Bonds		General Obligation Bonds	
	Principal	Interest	Principal	Interest
<u>Year ending December 31:</u>				
2009	\$ -	\$ 42,921	\$ -	\$ 100,326
2010	40,000	40,765	185,000	92,450
2011	50,000	38,178	195,000	83,993
2012	55,000	35,159	205,000	74,890
2013	65,000	31,611	215,000	65,123
2014 - 2018	490,000	81,070	1,245,000	157,435
2019 - 2023	-	-	-	-
2024 - 2028	-	-	-	-
	<u>\$ 700,000</u>	<u>\$ 269,704</u>	<u>\$ 2,045,000</u>	<u>\$ 574,217</u>

Description of issues:

Amount of issue	\$4,175,000
Date of issue	March 1, 2001
Dates interest payable	January 1 and July 1
Date principal payable	January 1
Interest rates	4.375 to 5.20%

	2001A	
	General Obligation Bonds	
	Principal	Interest
<u>Year ending December 31:</u>		
2009	\$ -	\$ 154,733
2010	190,000	146,407
2011	200,000	137,632
2012	210,000	128,355
2013	225,000	118,346
2014 - 2018	1,300,000	413,830
2019 - 2023	955,000	75,920
2024 - 2028	-	-
	<u>\$ 3,080,000</u>	<u>\$ 1,175,223</u>

City of Peoria, Illinois

Notes to Basic Financial Statements

Note 6. Long-Term Debt – Primary Government (Continued)

Description of issues:

Amount of issue	\$21,750,000	\$4,170,000
Date of issue	March 1, 2001	August 1, 2001
Dates interest payable	January 1 and July 1	January 1 and July 1
Date principal payable	January 1	January 1
Interest rates	4.50 to 5.00%	4.50 to 5.05%

	2001B		2001C	
	General Obligation Bonds		General Obligation Bonds	
	Principal	Interest	Principal	Interest
<u>Year ending December 31:</u>				
2009	\$ -	\$ 382,300	\$ -	\$ 152,035
2010	760,000	341,350	200,000	143,260
2011	1,635,000	285,419	205,000	134,020
2012	910,000	224,975	220,000	124,191
2013	955,000	180,681	235,000	113,669
2014 - 2018	3,160,000	242,250	1,270,000	385,559
2019 - 2023	-	-	920,000	95,982
2024 - 2028	-	-	-	-
	<u>\$ 7,420,000</u>	<u>\$ 1,656,975</u>	<u>\$ 3,050,000</u>	<u>\$ 1,148,716</u>

Description of issues:

Amount of issue	\$3,280,000	\$2,060,000
Date of issue	August 1, 2001	June 1, 2002
Dates interest payable	January 1 and July 1	January 1 and July 1
Date principal payable	January 1	January 1
Interest rates	4.30 to 5.00%	3.50 to 4.40%

	2001D		2002A	
	General Obligation Bonds		General Obligation Bonds	
	Principal	Interest	Principal	Interest
<u>Year ending December 31:</u>				
2009	\$ -	\$ 94,297	\$ -	\$ 43,959
2010	255,000	83,547	220,000	35,435
2011	270,000	71,989	230,000	26,150
2012	285,000	59,501	240,000	16,160
2013	95,000	50,904	250,000	5,500
2014 - 2018	565,000	179,184	-	-
2019 - 2023	425,000	32,625	-	-
2024 - 2028	-	-	-	-
	<u>\$ 1,895,000</u>	<u>\$ 572,047</u>	<u>\$ 940,000</u>	<u>\$ 127,204</u>

City of Peoria, Illinois

Notes to Basic Financial Statements

Note 6. Long-Term Debt – Primary Government (Continued)

Description of issues:

Amount of issue	\$3,385,000	\$4,110,000
Date of issue	June 1, 2002	August 1, 2003
Dates interest payable	January 1 and July 1	January 1 and July 1
Date principal payable	January 1	January 1
Interest rates	4.25 to 5.00%	4.00 to 4.75%

	2002B		2003A	
	General Obligation Bonds		General Obligation Bonds	
	Principal	Interest	Principal	Interest
<u>Year ending December 31:</u>				
2009	\$ -	\$ 130,152	\$ -	\$ 142,480
2010	135,000	124,520	180,000	135,380
2011	140,000	118,677	185,000	128,080
2012	150,000	112,514	190,000	120,580
2013	160,000	105,886	200,000	112,780
2014 - 2018	925,000	411,941	1,105,000	434,265
2019 - 2023	1,195,000	155,625	1,340,000	162,695
2024 - 2028	-	-	-	-
	<u>\$ 2,705,000</u>	<u>\$ 1,159,315</u>	<u>\$ 3,200,000</u>	<u>\$ 1,236,260</u>

Description of issues:

Amount of issue	\$5,485,000	\$5,390,000
Date of issue	October 1, 2003	September 1, 2004
Dates interest payable	January 1 and July 1	January 1 and July 1
Date principal payable	January 1	January 1
Interest rates	2.50 to 4.00%	3.00 to 4.75%

	2003B		2004B	
	General Obligation Bonds		General Obligation Bonds	
	Principal	Interest	Principal	Interest
<u>Year ending December 31:</u>				
2009	\$ -	\$ 65,691	\$ -	\$ 203,896
2010	1,005,000	28,100	200,000	197,409
2011	200,000	4,000	210,000	190,228
2012	-	-	220,000	181,911
2013	-	-	230,000	172,630
2014 - 2018	-	-	1,330,000	707,323
2019 - 2023	-	-	1,695,000	387,506
2024 - 2028	-	-	800,000	38,377
	<u>\$ 1,205,000</u>	<u>\$ 97,791</u>	<u>\$ 4,685,000</u>	<u>\$ 2,079,280</u>

City of Peoria, Illinois

Notes to Basic Financial Statements

Note 6. Long-Term Debt – Primary Government (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
Date principal payable	January 1	January 1
Interest rates	3.00 to 5.00%	4.00 to 5.00%

	2004C		2005A	
	General Obligation Bonds		General Obligation Bonds	
	Principal	Interest	Principal	Interest
<u>Year ending December 31:</u>				
2009	\$ -	\$ 409,263	\$ -	\$ 2,941,887
2010	875,000	381,231	100,000	2,939,888
2011	905,000	351,175	100,000	2,935,887
2012	935,000	318,975	100,000	2,931,888
2013	975,000	284,331	215,000	2,925,588
2014 - 2018	5,565,000	667,475	9,945,000	13,791,888
2019 - 2023	-	-	21,015,000	10,442,406
2024 - 2028	-	-	31,130,000	4,061,249
	<u>\$ 9,255,000</u>	<u>\$ 2,412,450</u>	<u>\$ 62,605,000</u>	<u>\$ 42,970,681</u>

Description of issues:

Amount of issue	\$36,880,000	\$18,800,000
Date of issue	May 12, 2005	October 1, 2007
Dates interest payable	January 1 and July 1	January 1 and July 1
Date principal payable	January 1	January 1
Interest rates	3.00 to 5.00%	4.00 to 4.50%

	2005B		2007A	
	General Obligation Bonds		General Obligation Bonds	
	Principal	Interest	Principal	Interest
<u>Year ending December 31:</u>				
2009	\$ -	\$ 1,596,083	\$ -	\$ 784,394
2010	2,445,000	1,520,845	685,000	762,394
2011	2,560,000	1,407,945	715,000	734,394
2012	3,555,000	1,255,070	750,000	705,094
2013	3,775,000	1,071,820	780,000	674,494
2014 - 2018	13,820,000	3,081,225	4,475,000	2,860,606
2019 - 2023	5,850,000	343,863	5,565,000	1,826,078
2024 - 2028	-	-	5,415,000	499,718
	<u>\$ 32,005,000</u>	<u>\$ 10,276,851</u>	<u>\$ 18,385,000</u>	<u>\$ 8,847,172</u>

City of Peoria, Illinois

Notes to Basic Financial Statements

Note 6. Long-Term Debt – Primary Government (Continued)

Description of issues:

Amount of issue	\$28,000,000	\$2,875,000
Date of issue	August 12, 2008	September 1, 2004
Dates interest payable	July 1 and January 1	June 1 and December 1
Date principal payable	January 1	December 1
Interest rates	3.00 to 5.00%	2.25 to 3.25%

Year ending December 31:	2008A		Downtown	
	General Obligation Bonds		Redevelopment Parking Revenue Refunding Bonds, Series 2004A	
	Principal	Interest	Principal	Interest
2009	\$ -	\$ 1,210,917	\$ 600,000	\$ 18,750
2010	-	1,321,000	-	-
2011	600,000	1,312,000	-	-
2012	715,000	1,292,275	-	-
2013	840,000	1,264,750	-	-
2014 - 2018	5,765,000	5,692,175	-	-
2019 - 2023	8,300,000	4,041,750	-	-
2024 - 2028	11,780,000	1,553,000	-	-
	<u>\$ 28,000,000</u>	<u>\$ 17,687,867</u>	<u>\$ 600,000</u>	<u>\$ 18,750</u>

Description of issues:

Amount of issue	\$5,200,000	\$1,105,000
Date of issue	December 20, 2006	September 20, 2007
Dates interest payable	March 1 and September 1	March 1
Date principal payable	March 1	March 1
Interest rates	5.00 to 5.65%	5.85%

Year ending December 31:	2006		2007A	
	Special Assessment Bond		Special Assessment Bonds	
	Principal	Interest	Principal	Interest
2009	\$ -	\$ 279,370	\$ 121,000	\$ 58,178
2010	-	279,370	110,500	51,714
2011	-	279,370	110,500	45,250
2012	235,000	279,370	110,500	38,786
2013	250,000	267,620	110,500	32,321
2014 - 2018	1,450,000	1,137,185	427,000	64,642
2019 - 2023	1,870,000	714,475	-	-
2024 - 2028	1,395,000	160,460	-	-
	<u>\$ 5,200,000</u>	<u>\$ 3,397,220</u>	<u>\$ 990,000</u>	<u>\$ 290,891</u>

City of Peoria, Illinois

Notes to Basic Financial Statements

Note 6. Long-Term Debt – Primary Government (Continued)

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		Winkler Promissory Note	
	Principal	Interest	Principal	Interest
<u>Year ending December 31:</u>				
2009	\$ 13,808	\$ 926	\$ 86,266	\$ 5,914
2010	14,328	404	30,121	660
2011	-	-	-	-
2012	-	-	-	-
2013	-	-	-	-
2014 - 2018	-	-	-	-
2019 - 2023	-	-	-	-
2024 - 2028	-	-	-	-
	<u>\$ 28,136</u>	<u>\$ 1,330</u>	<u>\$ 116,387</u>	<u>\$ 6,574</u>

Description of issues:				
Amount of issue		\$2,500,000		\$4,575,000
Date of issue		November 21, 1995		July 15, 2006
Dates interest payable		December 1		February 1 and August 1
Date principal payable		December 1		February 1
Interest rates		7.00%		5.00%

	PMP Promissory Note		WeaverRidge Special Service Area Bonds	
	Principal	Interest	Principal	Interest
<u>Year ending December 31:</u>				
2009	\$ 154,018	\$ 93,302	\$ 330,000	\$ 192,500
2010	164,799	82,520	350,000	175,500
2011	176,335	70,984	385,000	157,125
2012	188,679	58,641	420,000	137,000
2013	201,887	45,433	450,000	115,250
2014 - 2018	447,159	47,480	2,080,000	212,250
2019 - 2023	-	-	-	-
2024 - 2028	-	-	-	-
	<u>\$ 1,332,877</u>	<u>\$ 398,360</u>	<u>\$ 4,015,000</u>	<u>\$ 989,625</u>

City of Peoria, Illinois

Notes to Basic Financial Statements

Note 6. Long-Term Debt – Primary Government (Continued)

Description of issues:

Amount of issue	\$2,573,192	\$687,788
Date of issue	May 20, 1991	January 30, 2006
Date interest payable	December 1	January 30
Date principal payable	December 1	January 30
Interest rates	6.7127%	5.50%

	Board of Education City of Peoria			
	City of Peoria		Wal-Mart Promissory Note	
	Principal	Interest	Principal	Interest
<u>Year ending December 31:</u>				
2009	\$ 207,126	\$ 28,874	\$ 44,165	\$ 31,275
2010	223,013	14,970	46,594	28,846
2011	-	-	49,156	26,283
2012	-	-	51,860	23,580
2013	-	-	54,712	20,727
2014 - 2018	-	-	322,149	55,049
2019 - 2023	-	-	-	-
2024 - 2028	-	-	-	-
	<u>\$ 430,139</u>	<u>\$ 43,844</u>	<u>\$ 568,636</u>	<u>\$ 185,760</u>

	Total	
	Principal	Interest
<u>Year ending December 31:</u>		
2009	\$ 1,556,383	\$ 9,164,423
2010	8,414,355	8,927,965
2011	9,120,991	8,538,779
2012	9,746,039	8,118,915
2013	10,282,099	7,659,464
2014 - 2018	55,686,308	30,622,832
2019 - 2023	49,130,000	18,278,925
2024 - 2028	50,520,000	6,312,804
	<u>\$ 194,456,175</u>	<u>\$ 97,624,107</u>

City of Peoria, Illinois

Notes to Basic Financial Statements

Note 6. Long-Term Debt – Primary Government (Continued)

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 2005, the City defeased a portion of the 1997 A, 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 as of December 31, 2008 is \$14,470,000.

Note 7. Capital Assets

A summary of the changes in capital assets follows:

	Cost				Net Capital Assets as of December 31, 2008
	Balance December 31, 2007	Additions	Deletions	Balance December 31, 2008	
Not depreciated:					
Land	\$ 10,171,460	\$ 1,106,731	\$ (56,601)	\$ 11,221,590	
Construction-in-progress	6,304,020	4,448,724	(3,725,674)	7,027,070	
Depreciated:					
Land improvements	7,179,957	48,985	-	7,228,942	
Buildings	72,975,559	4,791,396	-	77,766,955	
Machinery and equipment	6,726,393	289,947	(28,121)	6,988,219	
Vehicles	16,553,051	1,256,305	(1,458,077)	16,351,279	
Media	28,853,623	780,218	(1,516,447)	28,117,394	
Infrastructure	252,326,577	19,742,245	-	272,068,822	
Total	\$ 401,090,640	\$ 32,464,551	\$ (6,784,920)	\$ 426,770,271	
	Accumulated Depreciation				
	Balance December 31, 2007	Additions	Deletions	Balance December 31, 2008	
Not depreciated:					
Land	\$ -	\$ -	\$ -	\$ -	\$ 11,221,590
Construction-in-progress	-	-	-	-	7,027,070
Depreciated:					
Land improvements	1,872,740	402,502	-	2,275,242	4,953,700
Buildings	29,814,030	2,001,128	-	31,815,158	45,951,797
Machinery and equipment	5,435,656	379,927	(28,122)	5,787,461	1,200,758
Vehicles	13,089,896	976,412	(1,443,475)	12,622,833	3,728,446
Media	26,286,121	572,556	(1,516,446)	25,342,231	2,775,163
Infrastructure assets	118,283,498	9,060,634	-	127,344,132	144,724,690
Total	\$ 194,781,941	\$ 13,393,159	\$ (2,988,043)	\$ 205,187,057	\$ 221,583,214

City of Peoria, Illinois

Notes to Basic Financial Statements

Note 7. Capital Assets (Continued)

Construction-in-progress consists of various projects in the classification of infrastructure assets.

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

Governmental activities:		
Police	\$	82,166
Fire		408,564
Public works		481,161
Community development		85,158
Public safety		2,008
General government		11,730,988
Library		603,114
Total depreciation expense	\$	13,393,159

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

	Peoria Civic Center Authority			
	Balance August 31, 2007	Additions	Deletions	Balance August 31, 2008
Historical cost:				
Land	\$ 10,247,918	\$ -	\$ -	\$ 10,247,918
Land improvements	7,277,836	316,853	-	7,594,689
Building and improvements	138,970,050	3,374,232	-	142,344,282
Furniture, fixtures and equipment	9,279,113	200,137	-	9,479,250
Construction-in-process	2,029,259	1,866,267	(3,890,566)	4,960
Total cost	167,804,176	5,757,489	(3,890,566)	169,671,099
Accumulated depreciation:				
Land improvements	4,114,008	339,499	-	4,453,507
Building and improvements	51,077,992	4,747,146	-	55,825,138
Furniture, fixtures and equipment	7,429,410	694,968	-	8,124,378
Total accumulated depreciation	62,621,410	5,781,613	-	68,403,023
Net land, building and equipment	\$ 105,182,766	\$ (24,124)	\$ (3,890,566)	\$ 101,268,076

City of Peoria, Illinois

Notes to Basic Financial Statements

Note 7. Capital Assets (Continued)

Springdale Cemetery Management Authority					
	Balance as of December 31, 2007	Additions	Deletions	Transfers	Balance as of December 31, 2008
Cost:					
Assets depreciated:					
Maintenance building	\$ 326,950	\$ -	\$ -	\$ 64,746	\$ 391,696
Building improvements	408,798	8,199	-	(64,746)	352,251
Land improvements	399,826	453,896	-	-	853,722
Furniture and equipment	349,007	45,879	(11,323)	-	383,563
Computer software	100,971.00	-	-	-	100,971
Assets not depreciated, construction-in-progress	11,396	11,117	(8,790)	-	13,723
Total	\$ 1,596,948	\$ 519,091	\$ (20,113)	\$ -	\$ 2,095,926

	Balance as of December 31, 2007	Additions	Deletions and Transfers	Balance as of December 31, 2008	Net Capital Assets as of December 31, 2008
Accumulated depreciation:					
Maintenance building	\$ 33,350	\$ 10,008	\$ 3,983	\$ 47,341	\$ 344,355
Building improvements	31,882	8,970	(3,983)	36,869	315,382
Land improvements	81,221	20,214	-	101,435	752,287
Furniture and equipment	198,035	53,237	(8,089)	243,183	140,380
Computer software	3,366	20,196	-	23,562	77,409
Construction-in-progress	-	-	-	-	13,723
Total	\$ 347,854	\$ 112,625	\$ (8,089)	\$ 452,390	\$ 1,643,536

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

	Peoria Civic Center Authority	Springdale Cemetery Management Authority
Buildings and improvements	\$ 4,960	\$ 13,723

City of Peoria, Illinois

Notes to Basic Financial Statements

Note 8. Receivables

Loans receivable and accrued interest receivable as of December 31, 2008 are net of allowance for uncollectible accounts in the amounts of \$736,676 and \$147,562, respectively.

Other current receivables as of December 31, 2008 consist of the following:

Charges for services and reimbursements	\$ 1,239,740
Franchise fees	505,294
Other fines, fees and taxes	580,483
Other	327,454
Total other current receivables (gross)	<u>2,652,971</u>
Less allowance for uncollectible accounts	(115,173)
Total other current receivables (net)	<u><u>\$ 2,537,798</u></u>

Note 9. Other Required Individual Fund Disclosures

No funds had deficit fund balances as of December 31, 2008.

The individual fund interfund receivable and payable balances as of December 31, 2008 are as follows:

	Interfund Receivable	Interfund Payable
Major funds:		
General Fund	\$ 81,482	\$ 269,066
Capital Improvements Fund	332,197	237,626
Nonmajor funds	175,637	82,624
	<u>\$ 589,316</u>	<u>\$ 589,316</u>

Interfund balances result from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system and (3) payments between funds are made.

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

	Transfers In	Transfers Out
Major funds:		
General Fund	\$ 298,739	\$ 10,977,166
Peoria Public Library Fund	-	689,724
Police and Fire Pension Levy Fund	672,562	-
Illinois Municipal Retirement Fund	689,724	-
Capital Improvements Fund	7,921,146	7,099,546
2008A Library General Obligation Bond Project Fund	-	798,013
Nonmajor funds	18,834,611	8,852,333
	<u>\$ 28,416,782</u>	<u>\$ 28,416,782</u>

City of Peoria, Illinois

Notes to Basic Financial Statements

Note 9. Other Required Individual Fund Disclosures (Continued)

Transfers are used to (1) move revenues from the fund collecting them to the fund that statute or budget reflects to expend them, (2) move receipts restricted to debt service from the funds collecting them to the 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.

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. The City is not covered by excess liability insurance for workers' compensation claims. The City has coverage for medical and hospital when individual claims exceed \$185,000 individually and approximately \$10,500,000 in the aggregate for claims paid over an annual liability period.

During 2008, the City obtained a one-year contract renewal for major general liability coverage with an insurance carrier.

The City's major liability insurance coverages include:

- \$1,000,000/\$2,000,000 limits for general liability
- \$1,000,000/\$1,000,000 limits for auto, law enforcement, and public officials liability \$5,000,000/\$5,000,000 limits for employment practices liability
- \$9,000,000 primary umbrella liability
- Self-insured retention limits apply to all coverages

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, \$3,100,000 has been designated for general insurance and \$3,100,000 for health insurance. 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. As of December 31, 2008, the estimate of health and dental claims incurred but not reported provided by the claims administrator amounted to \$300,000. The unpaid reported claims of \$864,999 for health and dental claims are due and are included in accounts payable on the financial statements in the General Fund.

City of Peoria, Illinois

Notes to Basic Financial Statements

Note 10. Self-Insurance – Primary Government (Continued)

Changes in the health insurance claims liability which include unpaid reported claims and amounts incurred but not reported in fiscal years 2008 and 2007 were:

Balance, December 31, 2006	\$ 2,184,299
Current year claims and changes in estimates	12,020,480
Claims paid	(12,496,931)
Balance, December 31, 2007	<u>1,707,848</u>
Current year claims and changes in estimates	8,174,558
Claims paid	(8,717,407)
Balance, December 31, 2008	<u><u>\$ 1,164,999</u></u>

Changes in the workers compensation liability which include unpaid reported claims and amounts incurred but not reported in fiscal years 2008 and 2007 were:

Balance, December 31, 2006	\$ -
Current year claims and changes in estimates	5,121,414
Claims paid	(2,698,236)
Balance, December 31, 2007	<u>2,423,178</u>
Current year claims and changes in estimates	3,326,916
Claims paid	(2,791,968)
Balance, December 31, 2008	<u><u>\$ 2,958,126</u></u>

Changes in the general liability which include unpaid reported claims and amounts incurred but not reported in fiscal years 2008 and 2007 were:

Balance, December 31, 2006	\$ -
Current year claims and changes in estimates	2,284,111
Claims paid	(589,354)
Balance, December 31, 2007	<u>1,694,757</u>
Current year claims and changes in estimates	1,680,512
Claims paid	(548,957)
Balance, December 31, 2008	<u><u>\$ 2,826,312</u></u>

Of the \$2,958,126 of worker's compensation liability, \$98,027 is reported in the General Fund as due and \$2,860,099 is reported in governmental activities as noncurrent. Of the \$2,826,312 of general liability, \$138,207 is reported in the General Fund as due and \$2,688,105 is reported in governmental activities as noncurrent.

City of Peoria, Illinois

Notes to Basic Financial Statements

Note 11. Pension Plans

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 108-112, Article 4, respectively) and may also be amended only by the Illinois legislature.

The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

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
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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:

	Illinois Municipal Retirement Fund (4)	Police Pension Fund of Peoria	Firemen's Pension Fund of Peoria
Contribution rates:			
City	14.01%	(1)	(1)
Plan members	4.50	9.91%	9.455%

City of Peoria, Illinois

Notes to Basic Financial Statements

Note 11. Pension Plans (Continued)

	Illinois Municipal Retirement Fund (4)	Police Pension Fund of Peoria	Firemen's Pension Fund of Peoria
Annual pension cost (3):			
Annual required contributions	\$ 3,595,249	\$ 2,529,390	\$ 4,852,115
Interest on net pension obligation	-	(900,732)	(60,174)
Adjustment to ARC	-	558,525	46,229
Total annual pension cost	3,595,249	2,187,183	4,838,170
Contributions made (3)	3,595,249	3,428,237	4,844,783
(Decrease) in net pension obligation (3)	-	(1,241,054)	(6,613)
Net pension (asset) (3):			
Beginning of year	-	(11,259,155)	(802,321)
End of year	\$ -	\$ (12,500,209)	\$ (808,934)

Actuarial valuation date	December 31, 2006	January 1, 2008	January 1, 2008
Actuarial cost method	Entry age	Entry age	Entry age
Amortization method	Level percent closed	Level percent open	Level percent open
Remaining amortization period	24 years	25 years	25 years
Asset valuation method	5-year smoothed market	3-year smoothed market	4-year smoothed market
Actuarial assumptions:			
Investment rate of return*	7.50%	8.00%	7.50%
Projected salary increases*	4.00% (2)	6.00%	5.00%
*Includes inflation at	4.00%	3.00%	4.00%
Post-retirement benefit increases	3.00%	N/A	N/A

- (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.
- (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, 2008 for the Illinois Municipal Retirement Fund and as of December 31, 2007 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 2008 are based on the 2005-2007 experience study.

City of Peoria, Illinois

Notes to Basic Financial Statements

Note 11. Pension Plans (Continued)

Trend information – pension plans:

Fund	Year	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
Illinois Municipal Retirement Fund	2008	\$ 3,595,249	100.00%	\$ -
	2007	3,792,635	100.00	-
	2006	3,645,549	100.00	-
Police Pension Fund of Peoria	2008	2,187,183	156.74	(12,500,209)
	2007	1,966,701	141.37	(11,259,155)
	2006	1,582,813	100.00	(9,995,001)
Firemen's Pension Fund of Peoria	2008	4,838,170	100.14	(808,934)
	2007	4,292,362	99.75	(802,321)
	2006	4,143,812	100.00	(798,103)

Funded Status and Funding Progress: As of December 31, 2008, January 1, 2008 and January 1, 2008, the most recent actuarial valuation dates for the IMRF, Police Pension Fund and Firemen's Pension Fund, respectively, the plan was 61.15, 88.1 and 71.7 percent funded, respectively. The actuarial accrued liability for benefits was \$74,020,908, \$166,250,658 and \$156,787,485, and the actuarial value of assets was \$45,262,682, \$146,517,895 and \$112,346,760, resulting in an unfunded actuarial accrued liability (UAAL) of \$28,758,226, \$19,732,763 and \$44,440,725, respectively. The covered payroll (annual payroll of active employees covered by the plan) was \$25,662,020, \$16,061,815 and \$13,204,082, and the ratio of the UAAL to the covered payroll was 112.1, 122.9 and 336.6 percent, respectively.

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

City of Peoria, Illinois

Notes to Basic Financial Statements

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, 2008, the City recognized approximately \$1,454,580 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, 2008, the City recognized approximately \$946,447 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, 2.5 percent of restaurant taxes are being distributed to the non-profit organization, Arts Partners, through August 2011. During the year ended December 31, 2008, the City recognized approximately \$83,764 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, 2008, the City recognized approximately \$628,000 as subsidies to this fund.

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:

2009	\$ 154,470
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Total rent expense on the above lease was approximately \$309,000 for the year ended December 31, 2008.

City of Peoria, Illinois

Notes to Basic Financial Statements

Note 12. Commitments – Primary Government (Continued)

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

Purpose	Amount
Police	\$ 310,366
Fire	1,237,194
Public works	2,690,198
Community development	411,983
	<u>\$ 4,649,741</u>

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, 2008, there were four series of Industrial Revenue Bonds outstanding, with an aggregate principal amount payable of approximately \$9,994,000.

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 58.93 percent guarantor for \$5,600,000 on a \$6,000,000 commercial mortgage loan issued September 7, 2007. The City's contingent liability in the event of borrower default includes 58.93 percent of combined totals for unpaid loan principal, unpaid interest, plus the lender's related fees, costs, and expenses.

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, 2008.

SMG as Agent for the Civic Center: The Civic Center has contracted with SMG whereby SMG will manage the operations of the Civic Center. In August 2006, the Authority executed a contract with SMG to manage the operations of the Authority from September 1, 2006 to August 31, 2011. In accordance with that agreement, SMG is paid a base rate, a nonfinancial performance fee based on risk management, maintenance of facility, client satisfaction and diversity of programming and a performance fee based on financial performance if certain benchmarks are met.

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 30 years, on the straight-line basis.

City of Peoria, Illinois

Notes to Basic Financial Statements

Note 15. Other Component Unit Disclosures (Continued)

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. Certain employees under union contract are paid for unused sick time which exceeds a certain threshold; however, unused sick time is not compensable at termination. Vested accumulated unpaid compensated absences are accrued.

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 \$16,271, including interest at 6.65 percent per year, with final payment due in September 2008, a secured note payable to a bank in the original amount of \$1,100,000, requiring monthly installments of \$13,722, including interest at 6.85 percent per year, with final payment due in September 2012 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:

<u>Year ending August 31:</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2009	\$ 699,526	\$ 563,017	\$ 136,509
2010	288,117	166,582	121,535
2011	288,118	177,205	110,913
2012	288,118	188,266	99,852
2013	707,355	656,261	51,094
2014 - 2018	617,236	421,228	196,008
2019 - 2023	617,237	540,586	76,651
2024	21,007	20,877	130
	<u>\$ 3,526,714</u>	<u>\$ 2,734,022</u>	<u>\$ 792,692</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 \$35,000 for fiscal year 2008.

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. 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 2008.

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.

Notes to Basic Financial Statements

Note 15. Other Component Unit Disclosures (Continued)

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

Unearned revenue: Unearned revenue as of December 31, 2008 consists of pre-need service revenue that has not yet been earned as the service has not yet been performed.

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 as of December 31, 2008 amount to \$272,019 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.

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 capital assets in the amount of \$3,539 from the Springdale Historic Preservation Foundation during the year ended December 31, 2008. 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 past three years.

The Springdale Historic Preservation Foundation, Component Unit: The Foundation is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code.

Notes to Basic Financial Statements

Note 15. Other Component Unit Disclosures (Continued)

Restrictions on net assets of the Springdale Historic Preservation Foundation as of December 31, 2008 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 as of December 31, 2008:

Gate house project	\$ 1,250
Stone family plots	655
Cemetery projects	197
Record retention	50
Soldier hill	9,979
Soldier hill monument	-
Howard Hornbacker family plot	25
Gate house entrance gates	1,000
	<u>\$ 13,156</u>

Note 16. Other Postemployment Benefits

Plan description: The City sponsors a single-employer health care plan that provides self-insured medical, prescription drugs and dental benefits to all active and retired employees and their eligible dependents. Policemen and firefighters must be a minimum of age 50 with 20 or more years of service to be eligible for retiree benefits. All other employees must be a minimum of age 60 with 5 or more years of service to be eligible for retiree benefits. Eligible retirees and their dependents receive health care coverage through a PPO plan. The plan is a pay-as-you-go contributory health insurance program with retiree's 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.

Contributions are required for both retiree and dependent coverage. The retiree contributions are based on an expected average gross premium that is dependent on a retiree's age and family coverage. In addition, monthly contributions can be offset by the following:

- All retirees receive a 20 percent discount from the expected cost of coverage through a Council discount.
- Retirees may receive a \$15 per month offset to the retiree contribution if they retired with 20 years of service.
- Employees who have retired due to a disability may receive a monthly offset to the retiree contributions ranging from \$25-\$65. The value of the offset is determined by the employee's age at disability retirement.

City of Peoria, Illinois

Notes to Basic Financial Statements

Note 16. Other Postemployment Benefits (Continued)

Funding policy: The City establishes and amends contribution requirements.

The current funding policy of the City is to pay health claims as they occur. This arrangement does not qualify as OPEB plan assets under GASB for current GASB reporting; however, the City has established an agency fund to accumulate assets and pay benefits. The agency fund is recorded on the accrual basis of accounting and recognizes contributions as earned and benefits and refunds as a liability is incurred. Investments in the fund are reported at fair value based on quoted market rate. There are no long-term contribution contracts.

The required contribution is based on projected pay-as-you-go financing. For fiscal year 2008, the City contributed \$1,624,796 which was net of retirees premiums received of \$2,633,006.

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

Annual required contribution	\$ 8,832,000
Interest on net OPEB obligation	254,000
Adjustment to annual required contribution	<u>(194,000)</u>
Annual OPEB cost (expense)	8,892,000
Contributions and payments made	<u>1,624,796</u>
Increase in net OPEB obligation	7,267,204
Net OPEB obligation - January 1, 2008	<u>5,079,585</u>
Net OPEB obligation - December 31, 2008	<u><u>\$ 12,346,789</u></u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2008 and the two preceding years are as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
December 31, 2006	\$ -	- %	\$ -
December 31, 2007	9,334,271	45.58	5,079,585
December 31, 2008	8,892,000	18.27	12,346,789

Funded status and funding progress: As of January 1, 2008, the most recent valuation date, the plan was 0 percent funded. The actuarial accrued liability for benefits was \$112.6 million and the actuarial value of assets is zero resulting in an unfunded actuarial accrued liability (UAAL) of \$112.6 million. The covered payroll (annual payroll of active employees covered by the plan) was \$61.5 million, and the ratio of the UAAL to the covered payroll was 183.01 percent.

Note 16. Other Postemployment Benefits (Continued)

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

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

In the January 1, 2008 actuarial valuation, the projected unit credit method was used. The actuarial assumptions included a 5 percent investment rate of return (net of administrative expenses) which is based on the expected long-term investment return of the employer's own investments used to pay plan benefits, discount rate of 8 percent and an annual health care cost trend rate of 11 percent reduced by decrements of .5 percent annually to an ultimate rate of 5 percent. The UAAL is being amortized as a level percentage of projected payroll on an open basis. The amortization of UAAL is done over a period of 30 years.

Note 17. Governmental Accounting Standards Board (GASB) Pending Pronouncements

The City adopted the following statements during the year ended December 31, 2008:

- GASB Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*. This Statement addresses accounting and financial reporting standards for pollution (including contamination) remediation obligations, which are obligations to address the current or potential detrimental effects of existing pollution by participating in pollution remediation activities, such as site assessments and cleanups. This standard requires the government to estimate the components of expected pollution remediation outlays and determine whether the outlays for those components should be accrued as a liability or, if appropriate, capitalized when goods and services are acquired. This Statement had no effect on the City in the current year.
- GASB Statement No. 50, *Pension Disclosures*, an amendment of GASB Statement Nos. 25 and 27. This Statement more closely aligns the financial reporting requirements for pensions with those for other postemployment benefits (OPEB) and, in doing so, enhances information disclosed in notes to the financial statements or presented as required supplementary information (RSI) by pension plans and by employers that provide pension benefits. This Statement modified the disclosures for the City's pension plans.

City of Peoria, Illinois

Notes to Basic Financial Statements

Note 17. Governmental Accounting Standards Board (GASB) Pending Pronouncements (Continued)

As of December 31, 2008, the GASB had issued the following statements not yet implemented by the City. The statements which might impact the City are as follows:

- GASB Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*, issued July 2007, will be effective for the City beginning with its year ending December 31, 2010. This Statement provides guidance regarding how to identify, account for and report intangible assets. The new standard characterizes an intangible asset as an asset that lacks physical substance, is nonfinancial in nature and has an initial useful life extending beyond a single reporting period.
- GASB Statement No. 52, *Land and Other Real Estate Held as Investments by Endowments*, issued November 2007, will be effective for the City beginning with its year ending December 31, 2009. This Statement establishes consistent standards for the reporting of land and other real estate held as investments. Endowments were previously required to report their land and other real estate held for investment purposes at historical cost. However, such investments are reported at fair value by similar entities, such as pension plans. The Statement requires endowments to report land and other real estate investments at fair value. The changes in the fair value are to be reported as investment income.
- GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, issued June 2008, will be effective for the City beginning with its year ending December 31, 2010. This Statement will improve how state and local governments report information about derivative instruments in their financial statements. The Statement specifically requires governments to measure most derivative instruments at fair value in their financial statements that are prepared using the economic resources measurement focus and the accrual basis of accounting. The guidance in this Statement also addresses hedge accounting requirements.
- GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, issued March 2009, will be effective for the City beginning with its year ending December 31, 2011. This Statement is intended to improve the usefulness of information provided to financial report users about fund balances by providing clearer, more structured fund balance classifications, and by clarifying the definitions of existing governmental fund types. Fund balance information is among the most widely and frequently used information in state and local government financial reports. The GASB developed this standard to address the diversity of practice and the resulting lack of consistency that had evolved in fund balance reporting. To reduce confusion, the new standard establishes a hierarchy of fund balance classification based primarily on the extent to which a government is bound to observe spending constraints.

The City's management has not yet determined the effect Statement Nos. 51, 52, 53 and 54 will have on the City's financial statements.

Note 18. Subsequent Events

In February 2009, the City issued \$17,645,000 in General Obligation Refunding Bonds, Series 2009A. These bonds were issued to refund the City's outstanding Riverfront Village General Obligation Bonds, Series 1998D, General Obligation Bonds, Series 2001A, General Obligation Refunding Bonds, Series 2001B, General Obligation Bonds, Series 2001C and General Obligation Bonds, Series 2001D and to pay the costs of issuing the bonds. These bonds are due in annual installments of \$650,000 to \$2,170,000 through 2022 at an interest rate of 2.0 percent to 5.0 percent.

Note 19. Restatement by Other Auditors

During the year ended December 31, 2008, the Police Pension Fund of Peoria noted an error in unrecorded employer contribution receivables at December 31, 2007. The effect of the correction of this error on the December 31, 2007 statement of plan net assets is an increase in each of the employer contribution receivables and net assets of \$748,633. The effect of the correction of this error on the statement of changes in plan net assets for the year ended December 31, 2007 is an increase in employer contributions of \$212,442. The separate financial statements previously issued by the Police Pension Fund of Peoria for the year ended December 31, 2007 have been restated to reflect the above correction.

During the year ended December 31, 2008, the Firemen's Pension Fund of Peoria noted an error in unrecorded accrued pension benefits at December 31, 2007. The effect of the correction of this error on the December 31, 2007 statement of net assets available for benefits is an increase in accounts payable of \$644,605 and a decrease in net assets of \$644,605. The effect of the correction of this error on the statement of changes in net assets available for benefits for the year ended December 31, 2007 is an increase in benefits paid to participants of \$15,494. The separate financial statements previously issued by the Firemen's Pension Fund of Peoria for the year ended December 31, 2007 have been restated to reflect the above correction.

City of Peoria, Illinois

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual -
 General Fund, Peoria Public Library Fund, Police and Fire Pension Levy Fund and
 Illinois Municipal Retirement Fund
 Required Supplementary Information
 Year Ended December 31, 2008**

	General Fund			Variance
	Original Budget	Final Budget	Actual	With Final Budget
Revenues:				
Property taxes	\$ 6,769,028	\$ 6,769,028	\$ 6,864,483	\$ 95,455
Corporate personal property replacement taxes	4,786,910	4,786,910	4,863,840	76,930
State sales taxes	23,448,346	23,448,346	23,315,786	(132,560)
State income tax allocation	10,134,321	10,134,321	11,456,986	1,322,665
Home rule sales taxes	23,557,300	23,557,300	23,100,548	(456,752)
Hotel, restaurant and amusement taxes	7,542,900	7,542,900	8,253,017	710,117
Utility taxes	8,747,408	8,747,408	8,629,442	(117,966)
Governmental grants and reimbursements	108,200	539,512	415,239	(124,273)
Licenses and permits	2,335,367	2,335,367	3,374,273	1,038,906
Service charges/fines/fees	19,197,117	19,197,117	17,900,602	(1,296,515)
Contributions	-	-	-	-
Rental	51,506	51,506	90,190	38,684
Interest	1,530,000	1,533,699	832,863	(700,836)
Other	2,642,911	2,677,841	2,602,971	(74,870)
Total revenues	110,851,314	111,321,255	111,700,240	378,985
Expenditures:				
Current:				
Elective offices, boards, commissions and agencies	1,573,899	1,841,741	1,769,192	72,549
City administration	6,071,311	6,465,723	6,313,027	152,696
Benefits	23,590,908	-	-	-
Police	23,543,785	30,634,879	29,574,681	1,060,198
Fire	17,103,753	22,125,266	20,622,585	1,502,681
Public works	17,623,430	21,494,698	21,521,645	(26,947)
Community development	4,247,537	5,153,440	5,741,869	(588,429)
Public safety	6,090,147	8,108,031	7,483,969	624,062
General government	91,888	4,418,194	4,852,053	(433,859)
Library	-	685,329	736,352	(51,023)
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	99,936,658	100,927,301	98,615,373	2,311,928
Excess (deficiency) of revenues over expenditures	10,914,656	10,393,954	13,084,867	2,690,913
Other financing sources (uses):				
Proceeds from sale of capital assets	-	-	1,000	1,000
Transfers in	254,408	298,739	298,739	-
Transfers out	(11,172,761)	(11,172,761)	(10,977,166)	195,595
Total other financing sources (uses)	(10,918,353)	(10,874,022)	(10,677,427)	196,595
Net change in fund balances	\$ (3,697)	\$ (480,068)	2,407,440	\$ 2,887,508
Fund balances, beginning of year			30,204,282	
Fund balances, end of year			<u>\$ 32,611,722</u>	

(Continued)

Peoria Public Library Fund				Police and Fire Pension Levy Fund			
Original Budget	Final Budget	Actual	Variance With Final Budget	Original Budget	Final Budget	Actual	Variance With Final Budget
\$ 6,218,958	\$ 6,218,958	\$ 6,176,386	\$ (42,572)	\$ 6,454,870	\$ 6,454,870	\$ 6,410,381	\$ (44,489)
441,752	441,752	441,752	-	1,374,813	1,374,813	1,374,813	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
141,100	185,453	178,488	(6,965)	-	-	-	-
-	-	-	-	-	-	-	-
121,430	121,430	128,679	7,249	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
30,600	30,600	47,060	16,460	-	-	7,724	7,724
-	108,911	93,148	(15,763)	-	-	-	-
6,953,840	7,107,104	7,065,513	(41,591)	7,829,683	7,829,683	7,792,918	(36,765)
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	3,650,130	3,650,130	3,633,565	16,565
-	-	-	-	4,852,115	4,852,115	4,831,915	20,200
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
5,438,420	5,808,381	5,593,048	215,333	-	-	-	-
736,776	773,901	780,218	(6,317)	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
6,175,196	6,582,282	6,373,266	209,016	8,502,245	8,502,245	8,465,480	36,765
778,644	524,822	692,247	167,425	(672,562)	(672,562)	(672,562)	-
-	-	-	-	-	-	-	-
-	-	-	-	672,562	672,562	672,562	-
(689,724)	(689,724)	(689,724)	-	-	-	-	-
(689,724)	(689,724)	(689,724)	-	672,562	672,562	672,562	-
\$ 88,920	\$ (164,902)	2,523	\$ 167,425	\$ -	\$ -	-	\$ -
		2,763,767				-	
		<u>\$ 2,766,290</u>				<u>\$ -</u>	

City of Peoria, Illinois

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual -
 General Fund, Peoria Public Library Fund, Police and Fire Pension Levy Fund and
 Illinois Municipal Retirement Fund
 Required Supplementary Information (Continued)
 Year Ended December 31, 2008

	Illinois Municipal Retirement Fund			
	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues:				
Property taxes	\$ 4,524,873	\$ 4,524,873	\$ 4,493,696	\$ (31,177)
Corporate personal property replacement taxes	1,009,703	1,009,703	1,009,704	1
State sales taxes	-	-	-	-
State income tax allocation	-	-	-	-
Home rule sales taxes	-	-	-	-
Hotel, restaurant and amusement taxes	-	-	-	-
Utility taxes	-	-	-	-
Governmental grants and reimbursements	-	-	-	-
Licenses and permits	-	-	-	-
Service charges/fines/fees	-	-	-	-
Contributions	-	-	-	-
Rental	-	-	-	-
Interest	20,400	17,101	14,742	(2,359)
Other	-	-	831	831
Total revenues	5,554,976	5,551,677	5,518,973	(32,704)
Expenditures:				
Current:				
Elective offices, boards, commissions and agencies	-	203,260	192,925	10,335
City administration	-	842,586	766,395	76,191
Benefits	-	-	-	-
Police	-	699,627	674,278	25,349
Fire	-	261,758	261,590	168
Public works	-	1,742,671	1,658,057	84,614
Community development	-	609,324	591,729	17,595
Public safety	-	1,163,110	1,114,490	48,620
General government	6,244,300	6,652	-	6,652
Library	-	715,312	682,468	32,844
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	6,244,300	6,244,300	5,941,932	302,368
Excess (deficiency) of revenues over expenditures	(689,324)	(692,623)	(422,959)	269,664
Other financing sources (uses):				
Proceeds from sale of capital assets	-	-	-	-
Transfers in	689,724	689,724	689,724	-
Transfers out	-	-	-	-
Total other financing sources (uses)	689,724	689,724	689,724	-
Net change in fund balances	\$ 400	\$ (2,899)	266,765	\$ 269,664
Fund balances, beginning of year			96,554	
Fund balances, end of year			<u>\$ 363,319</u>	

See Note to Required Supplementary Information.

City of Peoria, Illinois

Note to Required Supplementary Information

Note 1. Budgetary Basis of Accounting

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 and Illinois Municipal Retirement Fund, as presented in the Required Supplemental Information.

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

	Final Budget	Actual	Overage
Downtown Parking Bond Debt Service Fund	\$ 617,600	\$ 618,900	\$ 1,300
2005A General Obligation Bond Debt Service Fund	2,941,888	2,943,388	1,500
General Obligation Bonds Debt Service Master Fund	10,657,420	12,063,571	1,406,151
2007-A Special Assessment Bonds Debt Service Fund	-	147,213	147,213

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

Fund	Budget Deviation
Special Revenue Funds:	
Community Development Block Grant Fund	Budget is for the length of the project not the calendar year.
Home Investment Partnership Program Fund	Budget is for the length of the project not the calendar year.
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 this blended component unit.
Capital projects funds	Budgets adopted on a project-length budget.

City of Peoria, Illinois

Required Supplementary Information
 Illinois Municipal Retirement Plan

SCHEDULE OF FUNDING PROGRESS

Fiscal Year Ended	Actuarial Valuation Date	Actuarial Value of Net Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded (Over-funded) AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
2008	12/31/2008	\$ 45,262,682	\$ 74,020,908	\$ 28,758,226	61.15%	\$ 25,662,020	112.07%
2007	12/31/2007	59,885,155	71,031,568	11,146,413	84.31	25,351,842	43.97
2006	12/31/2006	60,215,014	73,666,247	13,451,233	81.74	23,694,274	56.77

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Actuarial Valuation Date	Annual Required Contributions (ARC) (a)	Total Contributions (b)	Percentage of ARC Contributed (b/a)
12/31/2008	\$ 3,595,249	\$ 3,595,249	100.00%
12/31/2007	3,792,635	3,792,635	100.00
12/31/2006	3,646,549	3,646,549	100.00

The information presented in the required supplementary schedules was determined as part of the actuarial valuation at the dates indicated. Additional information as of the latest actuarial valuation follows:

The required contribution was determined as part of the December 31, 2006 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included (a) 7.50 percent investment rate of return (net of administrative expenses), (b) projected salary increases of 4 percent a year, attributable to inflation, (c) additional projected salary increases ranging from .4 percent to 11.6 percent per year depending on age and service, attributable to seniority/merit and (d) post-retirement benefit increases of 3 percent per year. The actuarial value of IMRF assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 20 percent corridor between the actuarial and market value of assets. IMRF's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period as of December 31, 2006 was 24 years.

Digest of changes: The actuarial assumptions used to determine the actuarial accrued liability for 2008 are based on the 2005 – 2007 experience study.

City of Peoria, Illinois

Required Supplementary Information
Police Pension Plan

SCHEDULE OF FUNDING PROGRESS

Fiscal Year Ended	Actuarial Valuation Date	Actuarial Value of Net Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded (Over-funded) AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
2008	01/01/2008	\$ 146,517,895	\$ 166,250,658	\$ 19,732,763	88.13%	\$ 16,061,815	122.86%
2007	01/01/2007	139,610,192	159,174,379	19,564,187	87.71	15,241,498	128.36
2006	01/01/2006	132,885,471	150,801,697	17,916,226	88.12	13,826,899	129.58

The information presented in the required supplementary schedules was determined as part of the actuarial valuation as of January 1, 2008. Additional information follows:

1. The cost method used to determine the ARC is the entry age normal cost funding method.
2. The assets are shown at fair value.
3. Economic assumptions are as follows: inflation rate of 3 percent, investment return rate of 8.0 percent and salary increase of 6.0 percent.
4. The amortization method is an open period, level percentage of payroll. The remaining amortization period as of the January 1, 2008 actuarial valuation date was 25 years.

City of Peoria, Illinois

Required Supplementary Information
Firemen's Pension Plan

SCHEDULE OF FUNDING PROGRESS

Fiscal Year Ended	Actuarial Valuation Date	Actuarial Value of Net Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded (Over-funded) AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
2008	01/01/2008	\$ 112,346,760	\$ 156,787,485	\$ 44,440,725	71.66%	\$ 13,204,082	336.57%
2007	01/01/2007	107,402,393	151,064,006	43,661,613	71.10	12,643,538	345.33
2006	01/01/2006	102,605,299	139,904,151	37,298,852	73.34	12,135,431	307.36

The information presented in the required supplementary schedules was determined as part of the actuarial valuation as of January 1, 2008. Additional information follows:

1. The cost method used to determine the ARC is the entry age normal cost funding method.
2. The assets are shown at fair value.
3. Economic assumptions are as follows: inflation rate of 4 percent, investment return rate of 7.5 percent and salary increase of 5.0 percent.
4. The amortization method is an open period, level percentage of payroll. The remaining amortization period as of the January 1, 2008 actuarial valuation date was 25 years.

City of Peoria, Illinois

Required Supplementary Information
Other Postemployment Benefit Plan

SCHEDULE OF FUNDING PROGRESS

Fiscal Year Ended	Actuarial Valuation Date	Actuarial Value of Net Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded (Over-funded) AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
2008	01/01/2008	\$ -	\$ 112,565,000	\$ 112,565,000	- %	\$ 61,506,971	183.01%
2007	01/01/2006	-	111,894,303	111,894,303	-	59,547,106	187.91

NOTE: Fiscal year 2007 is the transition year for GASB Statement No. 45

The information presented in the required supplementary schedule was determined as part of the actuarial valuation as of January 1, 2008. Additional information follows:

1. The cost method used to determine the ARC is the Projected Unit Credit Actuarial Cost method.
2. There are no plan assets.
3. Economic assumptions are as follows: health care cost trend rates of 5.0-11.0 percent, discount rate of 8.0 percent and investment rate of return of 5.0 percent.
4. The amortization method is open period, level percentage.

City of Peoria, Illinois

**Nonmajor Governmental Funds
Combining Balance Sheet
December 31, 2008**

Assets	Special Revenue Funds			
	Motor Fuel Tax Fund	Community Development Block Grant Fund	State and Local Auto Theft Enforcement Grant Fund	Multi-County MEG Grant Fund
Cash and cash equivalents	\$ 309,372	\$ 277,692	\$ 2,590	\$ 18,000
Cash with trustee	-	-	-	-
Investments	6,846,411	-	896	-
Property taxes receivable	-	-	-	-
State sales taxes receivable	-	-	-	-
Governmental grants and reimbursements receivable	294,299	-	-	-
Loans receivable, net	69,377	46,850	-	-
Pledges receivable	-	-	-	-
Other receivables, net	1,500	-	31,358	-
Accrued interest receivable	76,922	12,567	-	-
Due from other funds	-	1,400	-	-
Total assets	\$ 7,597,881	\$ 338,509	\$ 34,844	\$ 18,000
Liabilities and Fund Balance				
Liabilities				
Accounts payable	\$ 335,530	\$ 96,007	\$ 14,232	\$ 17,795
Accrued payroll	-	40,452	1,855	-
Due to other funds	-	1,076	12,557	-
Unearned revenue, property taxes	-	-	-	-
Deferred and unearned revenue, other	69,377	200,974	20	205
Other payables	-	-	-	-
Total liabilities	404,907	338,509	28,664	18,000
Fund Balance				
Reserved for encumbrances	818,777	-	-	-
Reserved for future road projects	6,374,197	-	-	-
Reserved for debt service	-	-	-	-
Reserved for riverfront development	-	-	-	-
Reserved for employees' pension benefits	-	-	-	-
Reserved for parking deck construction	-	-	-	-
Unreserved:				
Designated for capital projects	-	-	-	-
Undesignated	-	-	6,180	-
Total fund balance	7,192,974	-	6,180	-
Total liabilities and fund balance	\$ 7,597,881	\$ 338,509	\$ 34,844	\$ 18,000

(Continued)

Special Revenue Funds			Debt Service Funds		
Home Investment Partnership Program Fund	Solid Waste Fund	Peoria Foreign Fire Insurance Board	Downtown Parking Bond Debt Service Fund	2005A General Obligation Bond Debt Service Fund	WeaverRidge Debt Service Fund
\$ 165,272	\$ 445,887	\$ 247,286	\$ -	\$ -	\$ -
-	-	-	306,983	2,726,736	923,798
-	660,498	141,915	-	-	-
-	-	-	-	-	50,000
-	-	-	-	-	-
-	-	-	-	-	-
115,630	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	881	-	-	-
990	-	-	-	-	-
<u>\$ 281,892</u>	<u>\$ 1,106,385</u>	<u>\$ 390,082</u>	<u>\$ 306,983</u>	<u>\$ 2,726,736</u>	<u>\$ 973,798</u>
\$ 69,030	\$ 5,142	\$ -	\$ -	\$ 1,470,944	\$ -
1,211	-	-	-	-	-
-	-	-	-	-	4,460
-	-	-	-	-	50,000
211,651	-	-	-	-	-
-	-	-	-	-	-
<u>281,892</u>	<u>5,142</u>	<u>-</u>	<u>-</u>	<u>1,470,944</u>	<u>54,460</u>
-	8,271	-	-	-	-
-	-	-	-	-	-
-	-	-	306,983	1,255,792	919,338
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	1,092,972	390,082	-	-	-
-	<u>1,101,243</u>	<u>390,082</u>	<u>306,983</u>	<u>1,255,792</u>	<u>919,338</u>
<u>\$ 281,892</u>	<u>\$ 1,106,385</u>	<u>\$ 390,082</u>	<u>\$ 306,983</u>	<u>\$ 2,726,736</u>	<u>\$ 973,798</u>

City of Peoria, Illinois

Nonmajor Governmental Funds (Continued)

Combining Balance Sheet

December 31, 2008

Assets	Debt Service Funds			
	General Obligation Bonds Debt Service	2006 Special Assessment Bond	2007-A Special Assessment Bond	2008A Library General Obligation Bond
	Master Fund	Debt Service Fund	Debt Service Fund	Debt Service Fund
Cash and cash equivalents	\$ 53,184	\$ 910,150	\$ 13,232	\$ 840,230
Cash with trustee	-	-	-	-
Investments	-	-	-	-
Property taxes receivable	-	-	-	1,871,400
State sales taxes receivable	-	-	-	-
Governmental grants and reimbursements receivable	-	-	-	-
Loans receivable, net	-	-	-	-
Pledges receivable	-	-	-	-
Other receivables, net	-	-	-	-
Accrued interest receivable	-	-	-	-
Due from other funds	-	-	-	-
Total assets	\$ 53,184	\$ 910,150	\$ 13,232	\$ 2,711,630
Liabilities and Fund Balance				
Liabilities				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued payroll	-	-	-	-
Due to other funds	-	-	-	-
Unearned revenue, property taxes	-	-	-	1,871,400
Deferred and unearned revenue, other	-	-	-	-
Other payables	-	-	-	40,364
Total liabilities	-	-	-	1,911,764
Fund Balance				
Reserved for encumbrances	-	-	-	-
Reserved for future road projects	-	-	-	-
Reserved for debt service	53,184	910,150	13,232	799,866
Reserved for riverfront development	-	-	-	-
Reserved for employees' pension benefits	-	-	-	-
Reserved for parking deck construction	-	-	-	-
Unreserved:				
Designated for capital projects	-	-	-	-
Undesignated	-	-	-	-
Total fund balance	53,184	910,150	13,232	799,866
Total liabilities and fund balance	\$ 53,184	\$ 910,150	\$ 13,232	\$ 2,711,630

(Continued)

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
\$ 263,566	\$ 1,076,733	\$ 153,972	\$ 899,204	\$ 1,416	\$ 67,653
-	-	-	-	-	-
1,058,027	1,123,153	1,179	364,213	29,951	25,511
2,110,800	2,054,300	113,200	137,400	127,200	134,700
23,498	-	40,973	-	-	-
-	-	-	-	-	-
10,823	-	-	-	-	-
-	-	-	-	-	-
5,192	-	-	-	-	-
31	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 3,471,937</u>	<u>\$ 4,254,186</u>	<u>\$ 309,324</u>	<u>\$ 1,400,817</u>	<u>\$ 158,567</u>	<u>\$ 227,864</u>
\$ -	\$ 151,773	\$ -	\$ 451,561	\$ -	\$ -
-	1,231	-	-	-	-
-	-	-	-	-	-
2,110,800	2,054,300	113,200	137,400	127,200	134,700
10,855	-	-	-	-	-
-	-	-	-	-	-
<u>2,121,655</u>	<u>2,207,304</u>	<u>113,200</u>	<u>588,961</u>	<u>127,200</u>	<u>134,700</u>
17,449	189,190	-	-	-	-
-	-	-	-	-	-
1,332,833	1,384,505	-	348,854	31,367	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	473,187	196,124	463,002	-	93,164
<u>1,350,282</u>	<u>2,046,882</u>	<u>196,124</u>	<u>811,856</u>	<u>31,367</u>	<u>93,164</u>
<u>\$ 3,471,937</u>	<u>\$ 4,254,186</u>	<u>\$ 309,324</u>	<u>\$ 1,400,817</u>	<u>\$ 158,567</u>	<u>\$ 227,864</u>

City of Peoria, Illinois

Nonmajor Governmental Funds (Continued)

Combining Balance Sheet

December 31, 2008

Assets	Capital Projects Funds			
	Downtown Stadium TIF Project Fund	Eagle View TIF Project Fund	Warehouse District TIF Project Fund	Hospitality Improvement Zone TIF Project Fund
Cash and cash equivalents	\$ 36,238	\$ 14,733	\$ 65,092	\$ -
Cash with trustee	-	-	-	-
Investments	745	-	-	-
Property taxes receivable	352,800	37,900	158,500	33,700
State sales taxes receivable	-	-	-	-
Governmental grants and reimbursements receivable	-	-	-	-
Loans receivable, net	-	-	-	-
Pledges receivable	-	-	-	-
Other receivables, net	-	-	-	-
Accrued interest receivable	-	-	-	-
Due from other funds	-	-	-	-
Total assets	\$ 389,783	\$ 52,633	\$ 223,592	\$ 33,700
Liabilities and Fund Balance				
Liabilities				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued payroll	-	-	-	-
Due to other funds	-	-	-	-
Unearned revenue, property taxes	352,800	37,900	158,500	33,700
Deferred and unearned revenue, other	-	-	-	-
Other payables	-	-	-	-
Total liabilities	352,800	37,900	158,500	33,700
Fund Balance				
Reserved for encumbrances	-	-	-	-
Reserved for future road projects	-	-	-	-
Reserved for debt service	36,983	-	-	-
Reserved for riverfront development	-	-	-	-
Unreserved:				
Designated for capital projects	-	-	-	-
Undesignated	-	14,733	65,092	-
Total fund balance	36,983	14,733	65,092	-
Total liabilities and fund balance	\$ 389,783	\$ 52,633	\$ 223,592	\$ 33,700

Capital Projects Funds					
2006 Special Assessment Bond Project Fund	City of Peoria Designated Zone Organization	2005A General Obligation Bond Project Fund	2007A Special Assessment Bond Project Fund	2007A General Obligation Bond Project Fund	Total Nonmajor Governmental Funds
\$ 584,452	\$ 67,001	\$ 654	\$ 55,005	\$ 7,166,672	\$ 13,735,286
-	-	-	-	-	3,957,517
-	1,328	-	-	-	10,253,827
-	-	-	-	-	7,181,900
-	-	-	-	-	64,471
-	-	-	-	-	294,299
-	-	-	-	-	242,680
-	15,000	-	-	-	15,000
-	-	-	-	-	38,050
-	-	-	-	-	90,401
-	13,296	-	43,005	116,946	175,637
<u>\$ 584,452</u>	<u>\$ 96,625</u>	<u>\$ 654</u>	<u>\$ 98,010</u>	<u>\$ 7,283,618</u>	<u>\$ 36,049,068</u>
\$ -	\$ 21,625	\$ -	\$ 90,029	\$ 536,689	\$ 3,260,357
-	-	-	-	4,153	48,902
-	-	-	-	64,531	82,624
-	-	-	-	-	7,181,900
-	15,000	-	-	-	508,082
-	-	-	-	-	40,364
-	36,625	-	90,029	605,373	11,122,229
-	-	-	-	755,238	1,788,925
-	-	-	-	-	6,374,197
-	-	-	-	-	7,393,087
-	60,000	-	-	-	60,000
-	-	654	-	5,923,007	5,923,661
584,452	-	-	7,981	-	3,386,969
<u>584,452</u>	<u>60,000</u>	<u>654</u>	<u>7,981</u>	<u>6,678,245</u>	<u>24,926,839</u>
<u>\$ 584,452</u>	<u>\$ 96,625</u>	<u>\$ 654</u>	<u>\$ 98,010</u>	<u>\$ 7,283,618</u>	<u>\$ 36,049,068</u>

City of Peoria, Illinois

**Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Year Ended December 31, 2008**

	Special Revenue Funds			
	Motor Fuel Tax Fund	Community Development Block Grant Fund	State and Local Auto Theft Enforcement Grant Fund	Multi-County MEG Grant Fund
Revenues:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Corporate personal property replacement taxes	-	-	-	-
State sales taxes	-	-	-	-
Governmental grants and reimbursements	3,873,252	2,532,898	-	85,103
Service charges/finest/fees	-	-	-	-
Contributions	-	-	391,436	-
Loan repayment	-	36,533	-	-
Interest	225,713	137	34	-
Other	2,341	16,047	-	-
Total revenues	4,101,306	2,585,615	391,470	85,103
Expenditures:				
Current:				
City administration	-	26,764	-	-
Police	-	-	371,670	85,103
Fire	-	-	-	-
Public works	3,078,078	-	-	-
Community development	-	1,940,109	-	-
Public safety	-	447,289	-	-
General government	767	-	21,069	-
Capital outlay	1,372,965	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	4,451,810	2,414,162	392,739	85,103
Excess (deficiency) of revenues over expenditures	(350,504)	171,453	(1,269)	-
Other financing sources (uses):				
Issuance of bonds	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	(171,453)	-	-
Total other financing sources (uses)	-	(171,453)	-	-
Net change in fund balances	(350,504)	-	(1,269)	-
Fund balances, beginning of year	7,543,478	-	7,449	-
Fund balances, end of year	\$ 7,192,974	\$ -	\$ 6,180	\$ -

(Continued)

Special Revenue Funds			Debt Service Funds		
Home Investment Partnership Program Fund	Solid Waste Fund	Peoria Foreign Fire Insurance Board	Downtown Parking Bond Debt Service Fund	2005A General Obligation Bond Debt Service Fund	WeaverRidge Debt Service Fund
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
899,287	-	109,805	-	-	-
-	410,553	-	-	-	-
-	-	-	-	-	-
35,989	-	-	-	-	-
-	20,294	9,994	4,688	39,267	9,758
9,252	-	-	-	-	-
944,528	430,847	119,799	4,688	39,267	9,758
-	-	-	-	-	-
-	-	-	-	-	-
-	-	116,699	-	-	-
-	247	-	-	-	-
944,528	-	-	-	-	-
-	-	-	-	-	-
-	260,050	-	1,300	1,500	14,121
-	-	-	-	-	-
-	-	-	580,000	-	300,000
-	-	-	37,600	2,941,888	208,250
944,528	260,297	116,699	618,900	2,943,388	522,371
-	170,550	3,100	(614,212)	(2,904,121)	(512,613)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	618,900	3,345,446	452,587
-	(77,286)	-	-	-	-
-	(77,286)	-	618,900	3,345,446	452,587
-	93,264	3,100	4,688	441,325	(60,026)
-	1,007,979	386,982	302,295	814,467	979,364
\$ -	\$ 1,101,243	\$ 390,082	\$ 306,983	\$ 1,255,792	\$ 919,338

City of Peoria, Illinois

Nonmajor Governmental Funds (Continued)
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Year Ended December 31, 2008

	Debt Service Funds			
	General Obligation	2006 Special	2007-A Special	2008A Library
	Bonds Debt Service Master Fund	Assessment Bond Debt Service Fund	Assessment Bonds Debt Service Fund	General Obligation Bond Debt Service Fund
Revenues:				
Property taxes	\$ -	\$ -	\$ 115,450	\$ -
Corporate personal property replacement taxes	-	-	-	-
State sales taxes	-	-	-	-
Governmental grants and reimbursements	-	-	-	-
Service charges/finest/fees	-	-	-	-
Contributions	-	-	-	-
Loan repayment	-	-	-	-
Interest	3,448	19,342	651	1,853
Other	-	-	-	-
Total revenues	3,448	19,342	116,101	1,853
Expenditures:				
Current:				
City administration	-	-	-	-
Police	-	-	-	-
Fire	-	-	-	-
Public works	-	-	-	-
Community development	-	-	-	-
Public safety	-	-	-	-
General government	287	-	500	-
Capital outlay	-	-	-	-
Debt service:				
Principal	7,293,942	-	115,000	-
Interest	4,769,342	279,370	31,713	-
Total expenditures	12,063,571	279,370	147,213	-
Excess (deficiency) of revenues over expenditures	(12,060,123)	(260,028)	(31,112)	1,853
Other financing sources (uses):				
Issuance of bonds	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
Transfers in	12,042,004	-	19,500	798,013
Transfers out	-	-	-	-
Total other financing sources (uses)	12,042,004	-	19,500	798,013
Net change in fund balances	(18,119)	(260,028)	(11,612)	799,866
Fund balances, beginning of year	71,303	1,170,178	24,844	-
Fund balances, end of year	\$ 53,184	\$ 910,150	\$ 13,232	\$ 799,866

(Continued)

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
\$ 2,016,622	\$ 1,926,967	\$ 107,815	\$ 142,914	\$ 118,881	\$ 120,549
-	-	-	-	-	-
203,610	-	288,282	-	-	-
-	800,000	-	-	-	-
46,647	-	-	-	-	-
-	-	-	-	-	-
38,918	-	-	-	-	-
35,328	52,794	4,514	22,768	1,619	1,374
15,189	-	-	-	-	-
<u>2,356,314</u>	<u>2,779,761</u>	<u>400,611</u>	<u>165,682</u>	<u>120,500</u>	<u>121,923</u>
737	706	706	706	707	707
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
12,040	-	-	-	-	-
-	-	-	-	-	-
-	331,633	-	-	-	55,000
665,959	1,329,314	-	-	-	-
194,097	-	-	-	-	-
41,903	-	-	-	-	-
<u>914,736</u>	<u>1,661,653</u>	<u>706</u>	<u>706</u>	<u>707</u>	<u>55,707</u>
1,441,578	1,118,108	399,905	164,976	119,793	66,216
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>(1,532,964)</u>	<u>(1,376,520)</u>	<u>(345,900)</u>	<u>(346,779)</u>	<u>(125,000)</u>	<u>-</u>
<u>(1,532,964)</u>	<u>(1,376,520)</u>	<u>(345,900)</u>	<u>(346,779)</u>	<u>(125,000)</u>	<u>-</u>
(91,386)	(258,412)	54,005	(181,803)	(5,207)	66,216
1,441,668	2,305,294	142,119	993,659	36,574	26,948
<u>\$ 1,350,282</u>	<u>\$ 2,046,882</u>	<u>\$ 196,124</u>	<u>\$ 811,856</u>	<u>\$ 31,367</u>	<u>\$ 93,164</u>

City of Peoria, Illinois

Nonmajor Governmental Funds (Continued)
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Year Ended December 31, 2008

	Capital Projects Funds			
	Downtown Stadium TIF Project Fund	Eagle View TIF Project Fund	Warehouse District TIF Project Fund	2004B General Obligations Bond Project Fund
Revenues:				
Property taxes	\$ 410,091	\$ 15,328	\$ 65,286	\$ -
State sales taxes	-	-	-	-
Governmental grants and reimbursements	-	-	-	-
Service charges/finest/fees	-	-	-	-
Contributions	-	-	-	-
Loan repayment	-	-	-	-
Interest	3,020	112	513	-
Other	-	-	-	-
Total revenues	413,111	15,440	65,799	-
Expenditures:				
Current:				
City administration	707	707	707	-
Police	-	-	-	-
Fire	-	-	-	-
Public works	-	-	-	-
Community development	-	-	-	-
Public safety	-	-	-	-
General government	269,391	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	270,098	707	707	-
Excess (deficiency) of revenues over expenditures	143,013	14,733	65,092	-
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	(141,964)	-	-	(683)
Total other financing sources (uses)	(141,964)	-	-	(683)
Net change in fund balances	1,049	14,733	65,092	(683)
Fund balances, beginning of year	35,934	-	-	683
Fund balances, end of year	\$ 36,983	\$ 14,733	\$ 65,092	\$ -

Capital Projects Funds						
2006 Special Assessment Bond Project Fund	City of Peoria Designated Zone Organization	2005A General Obligation Bond Project Fund	2007A Special Assessment Bond Project Fund	2007A General Obligation Bond Project Fund	Total Nonmajor Governmental Funds	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,039,903	
-	-	-	-	-	491,892	
-	-	-	-	-	8,300,345	
-	-	-	-	-	457,200	
-	13,333	-	-	-	404,769	
-	-	-	-	-	111,440	
12,122	812	51,384	12,872	328,100	862,511	
-	-	-	485,199	-	528,028	
12,122	14,145	51,384	498,071	328,100	16,196,088	
-	-	-	-	-	33,154	
-	-	-	-	-	456,773	
-	-	-	-	-	116,699	
61	-	-	-	2,624	3,081,010	
-	98,454	497,108	-	-	3,492,239	
-	-	-	-	-	447,289	
-	-	-	-	11,838	967,456	
33,878	-	-	1,238,461	7,254,533	11,895,110	
-	80,451	-	-	-	8,563,490	
-	11,230	-	-	-	8,321,296	
33,939	190,135	497,108	1,238,461	7,268,995	37,374,516	
(21,817)	(175,990)	(445,724)	(740,390)	(6,940,895)	(21,178,428)	
-	1,558,161	-	-	-	18,834,611	
-	(1,368,838)	(3,345,446)	(19,500)	-	(8,852,333)	
-	189,323	(3,345,446)	(19,500)	-	9,982,278	
(21,817)	13,333	(3,791,170)	(759,890)	(6,940,895)	(11,196,150)	
606,269	46,667	3,791,824	767,871	13,619,140	36,122,989	
\$ 584,452	\$ 60,000	\$ 654	\$ 7,981	\$ 6,678,245	\$ 24,926,839	

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General Fund

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

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City of Peoria, Illinois

General Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

Year Ended December 31, 2008

With Comparative Figures for the Year Ended December 31, 2007

	2008			2007 Actual
	Original Budget	Final Budget	Actual	
Revenues:				
Property taxes	\$ 6,769,028	\$ 6,769,028	\$ 6,864,483	\$ 5,985,739
Corporate personal property replacement taxes	4,786,910	4,786,910	4,863,840	5,681,321
State sales taxes	23,448,346	23,448,346	23,315,786	23,053,021
State income tax allocation	10,134,321	10,134,321	11,456,986	10,545,996
Home rule sales taxes	23,557,300	23,557,300	23,100,548	23,199,949
Hotel, restaurant and amusement taxes	7,542,900	7,542,900	8,253,017	8,120,176
Utility taxes	8,747,408	8,747,408	8,629,442	8,795,630
Governmental grants and reimbursements	108,200	539,512	415,239	439,290
Licenses and permits	2,335,367	2,335,367	3,374,273	3,373,998
Service charges/fines/fees	19,197,117	19,197,117	17,900,602	17,904,543
Rental	51,506	51,506	90,190	33,488
Interest	1,530,000	1,533,699	832,863	1,502,513
Other	2,642,911	2,677,841	2,602,971	2,961,164
Total revenues	110,851,314	111,321,255	111,700,240	111,596,828
Expenditures:				
Current:				
Elective offices, boards, commissions and agencies	1,573,899	1,841,741	1,769,192	1,690,508
City administration	6,071,311	6,465,723	6,313,027	6,313,393
Benefits	23,590,908	-	-	-
Police	23,543,785	30,634,879	29,574,681	29,697,408
Fire	17,103,753	22,125,266	20,622,585	20,413,678
Public works	17,623,430	21,494,698	21,521,645	20,749,588
Community development	4,247,537	5,153,440	5,741,869	6,493,139
Public safety	6,090,147	8,108,031	7,483,969	7,342,636
General government	91,888	4,418,194	4,852,053	5,170,469
Library	-	685,329	736,352	888,532
Total expenditures	99,936,658	100,927,301	98,615,373	98,759,351
Excess of revenues over expenditures	10,914,656	10,393,954	13,084,867	12,837,477
Other financing sources (uses):				
Proceed from the sale of capital assets	-	-	1,000	139,297
Transfers in	254,408	298,739	298,739	314,223
Transfers out	(11,172,761)	(11,172,761)	(10,977,166)	(12,363,498)
Total other financing (uses)	(10,918,353)	(10,874,022)	(10,677,427)	(11,909,978)
Net change in fund balances	\$ (3,697)	\$ (480,068)	2,407,440	927,499
Fund balances, beginning of year			30,204,282	29,276,783
Fund balances, end of year			\$ 32,611,722	\$ 30,204,282

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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 disbursement must be for grant eligible activities, programs and projects.

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.

Mult-County MEG Grant Fund: This fund reflects financial activity in accordance with the terms of the grant.

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 to the Police Pension Fund 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.

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City of Peoria, Illinois

Peoria Public Library Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
 Year Ended December 31, 2008
 With Comparative Figures for the Year Ended December 31, 2007

	2008			2007 Actual
	Original Budget	Final Budget	Actual	
Revenues:				
Property taxes	\$ 6,218,958	\$ 6,218,958	\$ 6,176,386	\$ 5,800,142
Corporate personal property replacement taxes	441,752	441,752	441,752	418,067
Governmental grants and reimbursements	141,100	185,453	178,488	180,840
Service charges/finest/fees	121,430	121,430	128,679	122,818
Interest	30,600	30,600	47,060	109,830
Other	-	108,911	93,148	148,831
Total revenues	6,953,840	7,107,104	7,065,513	6,780,528
Expenditures:				
Current, library:				
Personal services	3,401,420	3,401,420	3,300,175	3,125,245
Contractual services	1,703,542	1,787,510	1,573,448	1,449,853
Supplies and materials	333,458	619,451	719,425	408,982
Capital outlay	736,776	773,901	780,218	657,008
Total expenditures	6,175,196	6,582,282	6,373,266	5,641,088
Excess of revenues over expenditures	778,644	524,822	692,247	1,139,440
Other financing (uses), transfers out	(689,724)	(689,724)	(689,724)	(683,522)
Net change in fund balances	\$ 88,920	\$ (164,902)	2,523	455,918
Fund balances, beginning of year			2,763,767	2,307,849
Fund balances, end of year			\$ 2,766,290	\$ 2,763,767

City of Peoria, Illinois

Motor Fuel Tax Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

Year Ended December 31, 2008

With Comparative Figures for the Year Ended December 31, 2007

	2008			2007 Actual
	Original Budget	Final Budget	Actual	
Revenues:				
Governmental grants and reimbursements	\$ 3,437,329	\$ 4,437,329	\$ 3,873,252	\$ 4,190,423
Interest	357,000	357,000	225,713	395,237
Other, miscellaneous	-	-	2,341	2,953
Total revenues	3,794,329	4,794,329	4,101,306	4,588,613
Expenditures:				
Current:				
Public works, road construction and general maintenance	2,734,971	2,934,813	3,078,078	3,127,070
General government	-	-	767	48,743
Capital outlay	1,707,500	3,252,315	1,372,965	1,062,636
Total expenditures	4,442,471	6,187,128	4,451,810	4,238,449
Excess (deficiency) of revenues over expenditures	\$ (648,142)	\$ (1,392,799)	(350,504)	350,164
Fund balances, beginning of year			7,543,478	7,193,314
Fund balances, end of year			\$ 7,192,974	\$ 7,543,478

City of Peoria, Illinois

Community Development Block Grant Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Year Ended December 31, 2008
 With Comparative Figures for the Year Ended December 31, 2007

	2008	2007
Revenues:		
Governmental grants and reimbursements	\$ 2,532,898	\$ 2,271,504
Loan repayment	36,533	38,679
Interest	137	483
Other	16,047	7,199
Total revenues	2,585,615	2,317,865
Expenditures:		
Current:		
City administration	26,764	26,531
Community development:		
Administration	248,107	175,724
Project costs	243,044	269,858
Rehabilitation	1,082,612	902,395
Payments to subrecipients	366,346	372,419
Public safety	447,289	425,650
Total expenditures	2,414,162	2,172,577
Excess of revenues over expenditures	171,453	145,288
Other financing (uses), transfers out	(171,453)	(145,288)
Net change in fund balances	-	-
Fund balances, beginning of year	-	-
Fund balances, end of year	\$ -	\$ -

City of Peoria, Illinois

State and Local Auto Theft Enforcement Grant Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
 Year Ended December 31, 2008
 With Comparative Figures for the Year Ended December 31, 2007

	2008			2007 Actual
	Original Budget	Final Budget	Actual	
Revenues:				
Contributions	\$ -	\$ 405,708	\$ 391,436	\$ 424,462
Interest	-	-	34	1,305
Other	-	-	-	1,184
Total revenues	-	405,708	391,470	426,951
Expenditures:				
Current:				
Police:				
Personnel	-	310,961	306,009	317,412
Contractual	-	54,609	50,410	51,371
Travel	-	3,239	3,243	3,390
Commodities	-	12,258	11,284	13,154
Other	-	511	724	476
General government	-	24,400	21,069	46,061
Capital outlay	-	1,033	-	-
Total expenditures	-	407,011	392,739	431,864
(Deficiency) of revenues over expenditures	\$ -	\$ (1,303)	(1,269)	(4,913)
Fund balances, beginning of year			7,449	12,362
Fund balances, end of year			\$ 6,180	\$ 7,449

City of Peoria, Illinois

Multi-County MEG Grant Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Year Ended December 31, 2008
With Comparative Figures for the Year Ended December 31, 2007

	2008		2007
Revenues, governmental grants and reimbursements	\$ 85,103	\$	71,179
Expenditures, current, police, narcotics enforcement	85,103		71,179
Excess (deficiency) of revenues over expenditures	-		-
Fund balances, beginning of year	-		-
Fund balances, end of year	\$ -	\$	-

City of Peoria, Illinois

Home Investment Partnership Program Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Year Ended December 31, 2008
 With Comparative Figures for the Year Ended December 31, 2007

	2008	2007
Revenues:		
Governmental grants and reimbursements	\$ 899,287	\$ 742,082
Loan repayment	35,989	34,946
Other, miscellaneous	9,252	-
Total revenues	944,528	777,028
Expenditures:		
Current:		
Community development:		
Administration	37,870	79,294
Public services	118,960	122,030
Rehabilitation	434,801	323,110
Payments to subrecipients	352,897	248,559
Miscellaneous	-	4,035
Total expenditures	944,528	777,028
Excess (deficiency) of revenues over expenditures	-	-
Fund balances, beginning of year	-	-
Fund balances, end of year	\$ -	\$ -

City of Peoria, Illinois

Illinois Municipal Retirement Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
 Year Ended December 31, 2008
 With Comparative Figures for the Year Ended December 31, 2007

	2008			2007 Actual
	Original Budget	Final Budget	Actual	
Revenues:				
Property taxes	\$ 4,524,873	\$ 4,524,873	\$ 4,493,696	\$ 4,325,451
Corporate personal property replacement taxes	1,009,703	1,009,703	1,009,704	974,421
Interest	20,400	17,101	14,742	36,920
Other	-	-	831	132
Total revenues	5,554,976	5,551,677	5,518,973	5,336,924
Expenditures:				
Current:				
Elective offices, boards, commissions and agencies	-	203,260	192,925	200,030
City administration	-	842,586	766,395	817,701
Police	-	699,627	674,278	624,549
Fire	-	261,758	261,590	250,323
Public works	-	1,742,671	1,658,057	1,644,959
Community development	-	609,324	591,729	703,071
Public safety	-	1,163,110	1,114,490	1,143,388
General government	6,244,300	6,652	-	22,800
Library	-	715,312	682,468	677,349
Total expenditures	6,244,300	6,244,300	5,941,932	6,084,170
(Deficiency) of revenues over expenditures	(689,324)	(692,623)	(422,959)	(747,246)
Other financing sources, transfers in	689,724	689,724	689,724	683,522
Net change in fund balances	\$ 400	\$ (2,899)	266,765	(63,724)
Fund balances, beginning of year			96,554	160,278
Fund balances, end of year			\$ 363,319	\$ 96,554

City of Peoria, Illinois

Solid Waste Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

Year Ended December 31, 2008

With Comparative Figures for the Year Ended December 31, 2007

	2008			2007 Actual
	Original Budget	Final Budget	Actual	
Revenues:				
Service charges/fines/fees	\$ 256,221	\$ 256,221	\$ 410,553	\$ 457,030
Interest	30,600	30,600	20,294	43,222
Total revenues	286,821	286,821	430,847	500,252
Expenditures:				
Current:				
General government	834,888	854,888	260,050	160,546
Public works	-	-	247	1,110
Total expenditures	834,888	854,888	260,297	161,656
Excess (deficiency) of revenues over expenditures	(548,067)	(568,067)	170,550	338,596
Other financing (uses), transfers out	(77,286)	(77,286)	(77,286)	(75,771)
Net change in fund balances	\$ (625,353)	\$ (645,353)	93,264	262,825
Fund balances, beginning of year			1,007,979	745,154
Fund balances, end of year			\$ 1,101,243	\$ 1,007,979

City of Peoria, Illinois

Workforce Development Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Year Ended December 31, 2008
With Comparative Figures for the Year Ended December 31, 2007

	2008	2007
Revenues:		
Governmental grants and reimbursements	\$ 2,994,442	\$ 4,830,488
Other	527,311	254,538
Total revenues	3,521,753	5,085,026
Expenditures, current, community development	3,462,570	4,747,269
Excess of revenues over expenditures	59,183	337,757
Fund balances, beginning of year	518,728	180,971
Fund balances, end of year	\$ 577,911	\$ 518,728

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, 2008

With Comparative Figures for the Year Ended December 31, 2007

	2008			2007 Actual
	Original Budget	Final Budget	Actual	
Revenues:				
Property taxes	\$ 6,454,870	\$ 6,454,870	\$ 6,410,381	\$ 6,357,053
Corporate personal property replacement taxes	1,374,813	1,374,813	1,374,813	1,232,678
Interest	-	-	7,724	17,458
Total revenues	7,829,683	7,829,683	7,792,918	7,607,189
Expenditures:				
Current:				
Police	3,650,130	3,650,130	3,633,565	3,308,933
Fire	4,852,115	4,852,115	4,831,915	4,298,256
Total expenditures	8,502,245	8,502,245	8,465,480	7,607,189
(Deficiency) of revenues over expenditures	(672,562)	(672,562)	(672,562)	-
Other financing sources, transfers in	672,562	672,562	672,562	-
Net change in fund balances	\$ -	\$ -	-	-
Fund balances, beginning of year			-	-
Fund balances, 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, 2008
With Comparative Figures for the Year Ended December 31, 2007

	<u>2008</u>	<u>2007</u>
Revenues:		
Governmental grants and reimbursements	\$ 109,805	\$ 104,154
Interest	9,994	14,429
Total revenues	<u>119,799</u>	<u>118,583</u>
Expenditures, current, fire	<u>116,699</u>	75,105
Excess of revenues over expenditures	3,100	43,478
Fund balances, beginning of year	386,982	343,504
Fund balances, end of year	<u>\$ 390,082</u>	<u>\$ 386,982</u>

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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 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 Downtown Redevelopment Parking Revenue Bonds.

2005A General Obligation Debt Service 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.

2006 Special Assessment Bond 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 2006 Special Assessment Bonds.

2007-A Special Assessment Bonds 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 2007A Special Assessment Bonds.

2008A Library General Obligation Bond 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 2008A Library General Obligation Bonds.

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City of Peoria, Illinois

Downtown Parking Bond Debt Service Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
 Year Ended December 31, 2008
 With Comparative Figures for the Year Ended December 31, 2007

	2008			2007 Actual
	Original Budget	Final Budget	Actual	
Revenues, interest	\$ 10,200	\$ 10,200	\$ 4,688	\$ 13,928
Expenditures:				
General government	-	-	1,300	1,300
Downtown redevelopment parking bonds:				
Principal	580,000	580,000	580,000	565,000
Interest	37,600	37,600	37,600	53,138
Total expenditures	617,600	617,600	618,900	619,438
(Deficiency) of revenues over expenditures	(607,400)	(607,400)	(614,212)	(605,510)
Other financing sources, transfers in	617,600	617,600	618,900	600,822
Net change in fund balances	\$ 10,200	\$ 10,200	4,688	(4,688)
Fund balances, beginning of year			302,295	306,983
Fund balances, end of year			\$ 306,983	\$ 302,295

City of Peoria, Illinois

2005A General Obligation Debt Service Bond Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
 Year Ended December 31, 2008
 With Comparative Figures for the Year Ended December 31, 2007

	2008			2007 Actual
	Original Budget	Final Budget	Actual	
Revenues, interest	\$ -	\$ -	\$ 39,267	\$ 142,776
Expenditures:				
General government	-	-	1,500	1,500
Peoria Civic Center bond issue, interest	2,941,888	2,941,888	2,941,888	2,941,888
Total expenditures	2,941,888	2,941,888	2,943,388	2,943,388
 (Deficiency) of revenues over expenditures	 (2,941,888)	 (2,941,888)	 (2,904,121)	 (2,800,612)
Other financing sources, transfers in	-	-	3,345,446	-
 Net change in fund balances	 \$ (2,941,888)	 \$ (2,941,888)	 441,325	 (2,800,612)
Fund balances, beginning of year			814,467	3,615,079
Fund balances, end of year			\$ 1,255,792	\$ 814,467

City of Peoria, Illinois

WeaverRidge Debt Service Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

Year Ended December 31, 2008

With Comparative Figures for the Year Ended December 31, 2007

	2008			2007 Actual
	Original Budget	Final Budget	Actual	
Revenues:				
Property taxes	\$ -	\$ -	\$ -	\$ 100,221
Interest	10,200	10,200	9,758	24,606
Total revenues	10,200	10,200	9,758	124,827
Expenditures:				
General government	15,400	15,400	14,121	14,495
WeaverRidge special service area bonds issue:				
Principal	300,000	300,000	300,000	260,000
Interest	208,250	208,250	208,250	232,417
Total expenditures	523,650	523,650	522,371	506,912
(Deficiency) of revenues over expenditures	(513,450)	(513,450)	(512,613)	(382,085)
Other financing sources, transfers in	477,930	477,930	452,587	449,992
Net change in fund balances	\$ (35,520)	\$ (35,520)	(60,026)	67,907
Fund balances, beginning of year			979,364	911,457
Fund balances, end of year			\$ 919,338	\$ 979,364

City of Peoria, Illinois

General Obligation Bonds Debt Service Master Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
 Year Ended December 31, 2008
 With Comparative Figures for the Year Ended December 31, 2007

	2008			2007 Actual
	Original Budget	Final Budget	Actual	
Revenues, interest	\$ 10,200	\$ 10,200	\$ 3,448	\$ 19,134
Expenditures:				
Current, general government	-	-	287	-
General obligation bond issues:				
Principal	6,878,943	6,878,943	7,293,942	9,934,526
Interest	3,778,477	3,778,477	4,769,342	4,159,173
Total expenditures	10,657,420	10,657,420	12,063,571	14,093,699
(Deficiency) of revenues over expenditures	(10,647,220)	(10,647,220)	(12,060,123)	(14,074,565)
Other financing sources, transfers in	10,657,421	10,657,421	12,042,004	14,113,121
Net change in fund balances	\$ 10,201	\$ 10,201	(18,119)	38,556
Fund balances, beginning of year			71,303	32,747
Fund balances, end of year			\$ 53,184	\$ 71,303

City of Peoria, Illinois

2006 Special Assessment Bond Debt Service Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
 Year Ended December 31, 2008
 With Comparative Figures for the Year Ended December 31, 2007

	2008			2007 Actual
	Original Budget	Final Budget	Actual	
Revenues, interest	\$ -	\$ -	\$ 19,342	\$ 46,536
Expenditures, special assessment bond issues, interest	279,370	279,370	279,370	55,098
(Deficiency) of revenues over expenditures	(279,370)	(279,370)	(260,028)	(8,562)
Other financing sources, transfers in	-	-	-	1,178,740
Net change in fund balances	<u>\$ (279,370)</u>	<u>\$ (279,370)</u>	(260,028)	1,170,178
Fund balances, beginning of year			1,170,178	-
Fund balances, end of year			<u>\$ 910,150</u>	<u>\$ 1,170,178</u>

City of Peoria, Illinois

2007-A Special Assessment Bond Debt Service Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Year Ended December 31, 2008
With Comparative Figures for the Year Ended December 31, 2007

	2008			2007 Actual
	Original Budget	Final Budget	Actual	
Revenues:				
Property taxes	\$ -	\$ -	\$ 115,450	\$ -
Interest	-	-	651	163
Total revenues	-	-	116,101	163
Expenditures:				
Current, general government	-	-	500	-
Special assessment bond issues:				
Principal	-	-	115,000	-
Interest	-	-	31,713	-
Total expenditures	-	-	147,213	-
Excess (deficiency) of revenues over expenditures	-	-	(31,112)	163
Other financing sources, transfers in	-	-	19,500	24,681
Net change in fund balances	\$ -	\$ -	(11,612)	24,844
Fund balances, beginning of year			24,844	-
Fund balances, end of year			\$ 13,232	\$ 24,844

City of Peoria, Illinois

2008A Library General Obligation Bond Debt Service Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
 Year Ended December 31, 2008
 With Comparative Figures for the Year Ended December 31, 2007

	2008			2007 Actual
	Original Budget	Final Budget	Actual	
Revenues, interest	\$ -	\$ -	\$ 1,853	\$ -
Other financing sources, transfers in	-	-	798,013	-
Net change in fund balances	\$ -	\$ -	799,866	-
Fund balances, beginning of year			-	-
Fund balances, end of year			\$ 799,866	\$ -

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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 acquisition and improvement of land, buildings, equipment and infrastructure.

Southtown TIF Project Fund: This fund is used to account for tax increment financing revenues and state sales/use taxes revenues restricted for improvements within the Southtown Tax Increment Financing District.

Downtown TIF Project Fund: This fund is used to account for tax increment financing revenues and state sales/use taxes restricted for improvements within the Downtown Tax Increment Financing District.

Campustown TIF Project Fund: This fund is used to account for tax increment financing revenues and state sales/use taxes for the improvements within the Campustown Tax Increment Financing District.

Northside TIF Project Fund: This fund is used to account for tax increment financing revenues restricted for improvements within the Northside Tax Increment Financing District.

Midtown Plaza TIF Project Fund: This fund is used to account for tax increment financing revenues restricted for improvements within the Midtown Tax Increment Financing District.

Northside Business Park TIF Project Fund: This fund is used to account for tax increment financing revenues restricted for improvements within the Northside Business Park Tax Increment Financing District.

Downtown Stadium TIF Project Fund: This fund is used to account for tax increment financing revenues restricted for improvements within the Downtown Stadium Tax Increment Financing District.

Eagle View TIF Project Fund: This fund is used to account for tax increment financing revenues restricted for improvements within the Eagle View Tax Increment Financing District.

Warehouse District TIF Project Fund: This fund is used to account for tax increment financing revenues restricted for improvements within the Warehouse District Tax Increment Financing District.

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

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

2006 Special Assessment Bond Project Fund: This fund is used for revenue and expenditures relating to various road and bridge improvements.

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

2007A Special Assessment Bond Project Fund: This fund is used for revenue and expenditures relating to the North Allen Road Intersection improvements.

2007A General Obligation Bond Project Fund: This fund is used for revenue and expenditures relating to various City capital improvements for infrastructure.

2008A Library General Obligation Bond Project Fund: This fund is used for revenue and expenditures relating to the construction of a new north side library as well as the reconfiguration of existing libraries.

City of Peoria, Illinois

Capital Improvements Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Year Ended December 31, 2008
 With Comparative Figures for the Year Ended December 31, 2007

	2008	2007
Revenues:		
Property taxes	\$ 62,197	\$ 60,818
Local motor fuel taxes	855,599	893,078
Riverboat gaming revenue	3,594,362	4,005,969
Governmental grants and reimbursements	910,029	1,109,423
Licenses and permits	-	4,866
Service charges/finest/fees	3,430,331	3,854,081
Special assessments	359,175	272,989
Loan repayment	215,905	276,989
Rental	41,502	40,550
Interest	463,365	965,303
Other, miscellaneous	1,476,185	487,439
Total revenues	11,408,650	11,971,505
Expenditures:		
Current:		
Elective offices, boards, commissions and agencies	-	175,287
City administration	570,292	300,687
Police	1,455,095	729,647
Fire	292,927	173,322
Public works	551,789	1,108,595
Community development	384,017	644,594
Public safety	239,735	150,434
General government	2,472,907	2,872,343
Capital outlay	8,663,708	9,527,123
Debt service:		
Principal	55,167	52,499
Interest	35,006	37,673
Total expenditures	14,720,643	15,772,204
(Deficiency) of revenues over expenditures	(3,311,993)	(3,800,699)
Other financing sources (uses):		
Proceeds from sale of capital assets	86,360	1,331,661
Transfers in	7,921,146	6,450,646
Transfers out	(7,099,546)	(5,305,825)
Total other financing sources	907,960	2,476,482
Net change in fund balances	(2,404,033)	(1,324,217)
Fund balances, beginning of year	20,302,941	21,627,158
Fund balances, end of year	\$ 17,898,908	\$ 20,302,941

City of Peoria, Illinois

Southtown TIF Project Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Year Ended December 31, 2008
 With Comparative Figures for the Year Ended December 31, 2007

	2008	2007
Revenues:		
Property taxes	\$ 2,016,622	\$ 1,753,976
State sales taxes	203,610	177,058
Service charges/fines/fees	46,647	47,067
Loan repayment	38,918	31,267
Interest	35,328	193,740
Other, miscellaneous	15,189	11,303
Total revenues	2,356,314	2,214,411
Expenditures:		
Current:		
City administration	737	442
Community development	12,040	2,474
Capital outlay	665,959	3,152,399
Debt service:		
Principal	194,097	181,887
Interest	41,903	54,113
Total expenditures	914,736	3,391,315
Excess (deficiency) of revenues over expenditures	1,441,578	(1,176,904)
Other financing sources (uses):		
Proceeds from sale of capital assets	-	5,000
Transfers out	(1,532,964)	(1,505,540)
Total other financing uses	(1,532,964)	(1,500,540)
Net change in fund balances	(91,386)	(2,677,444)
Fund balances, beginning of year	1,441,668	4,119,112
Fund balances, end of year	\$ 1,350,282	\$ 1,441,668

City of Peoria, Illinois

Downtown TIF Project Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Year Ended December 31, 2008
 With Comparative Figures for the Year Ended December 31, 2007

	2008	2007
Revenues:		
Property taxes	\$ 1,926,967	\$ 1,781,136
Governmental grants and reimbursements	800,000	-
Interest	52,794	132,893
Total revenues	2,779,761	1,914,029
Expenditures:		
Current:		
City administration	706	432
General government	331,633	267,643
Capital outlay	1,329,314	-
Total expenditures	1,661,653	268,075
Excess of revenues over expenditures	1,118,108	1,645,954
Other financing (uses), transfers out	(1,376,520)	(1,325,003)
Net change in fund balances	(258,412)	320,951
Fund balances, beginning of year	2,305,294	1,984,343
Fund balances, end of year	\$ 2,046,882	\$ 2,305,294

City of Peoria, Illinois

Campustown TIF Project Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Year Ended December 31, 2008
With Comparative Figures for the Year Ended December 31, 2007

	<u>2008</u>	<u>2007</u>
Revenues:		
Property taxes	\$ 107,815	\$ 102,294
State sales taxes	288,282	283,967
Interest	4,514	10,441
Total revenues	<u>400,611</u>	<u>396,702</u>
Expenditures, current, City administration	<u>706</u>	432
Excess of revenues over expenditures	399,905	396,270
Other financing (uses), transfers out	<u>(345,900)</u>	<u>(366,999)</u>
Net change in fund balances	54,005	29,271
Fund balances, beginning of year	142,119	112,848
Fund balances, end of year	<u>\$ 196,124</u>	<u>\$ 142,119</u>

City of Peoria, Illinois

Northside TIF Project Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Year Ended December 31, 2008
 With Comparative Figures for the Year Ended December 31, 2007

	2008	2007
Revenues:		
Property taxes	\$ 142,914	\$ 588,465
Interest	22,768	53,040
Total revenues	165,682	641,505
Expenditures:		
Current:		
City administration	706	432
General government	-	115,000
Total expenditures	706	115,432
Excess of revenues over expenditures	164,976	526,073
Other financing (uses), transfers out	(346,779)	(344,479)
Net change in fund balances	(181,803)	181,594
Fund balances, beginning of year	993,659	812,065
Fund balances, end of year	\$ 811,856	\$ 993,659

City of Peoria, Illinois

Midtown Plaza TIF Project Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Year Ended December 31, 2008
With Comparative Figures for the Year Ended December 31, 2007

	2008	2007
Revenues:		
Property taxes	\$ 118,881	\$ 110,841
Interest	1,619	4,685
Total revenues	120,500	115,526
Expenditures, current, City administration	707	432
Excess of revenues over expenditures	119,793	115,094
Other financing (uses), transfers out	(125,000)	(130,000)
Net change in fund balances	(5,207)	(14,906)
Fund balances, beginning of year	36,574	51,480
Fund balances, end of year	\$ 31,367	\$ 36,574

City of Peoria, Illinois

Northside Business Park TIF Project Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Year Ended December 31, 2008
With Comparative Figures for the Year Ended December 31, 2007

	2008	2007
Revenues:		
Property taxes	\$ 120,549	\$ 117,696
Interest	1,374	3,794
Total revenues	121,923	121,490
Expenditures:		
City administration	707	432
General government	55,000	130,000
Total expenditures	55,707	130,432
Excess (deficiency) of revenues over expenditures	66,216	(8,942)
Fund balances, beginning of year	26,948	35,890
Fund balances, end of year	\$ 93,164	\$ 26,948

City of Peoria, Illinois

Downtown Stadium TIF Project Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Year Ended December 31, 2008
With Comparative Figures for the Year Ended December 31, 2007

	2008	2007
Revenues:		
Property taxes	\$ 410,091	\$ 397,340
Interest	3,020	6,545
Total revenues	413,111	403,885
Expenditures:		
City administration	707	432
General government	269,391	258,872
Total expenditures	270,098	259,304
Excess of revenues over expenditures	143,013	144,581
Other financing (uses), transfers out	(141,964)	(139,974)
Net change in fund balances	1,049	4,607
Fund balances, beginning of year	35,934	31,327
Fund balances, end of year	\$ 36,983	\$ 35,934

City of Peoria, Illinois

Eagle View TIF Project Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Year Ended December 31, 2008
With Comparative Figures for the Year Ended December 31, 2007

	2008	2007
Revenues:		
Property taxes	\$ 15,328	\$ -
Interest	112	-
Total revenues	15,440	-
Expenditures, current, City administration	707	-
Net change in fund balances	14,733	-
Fund balances, beginning of year	-	-
Fund balances, end of year	\$ 14,733	\$ -

City of Peoria, Illinois

Warehouse District TIF Project Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Year Ended December 31, 2008
With Comparative Figures for the Year Ended December 31, 2007

	2008	2007
Revenues:		
Property taxes	\$ 65,286	\$ -
Interest	513	-
Total revenues	65,799	-
Expenditures, current, City administration	707	-
Net change in fund balances	65,092	-
Fund balances, beginning of year	-	-
Fund balances, end of year	\$ 65,092	\$ -

City of Peoria, Illinois

2004B General Obligation Bond Project Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Year Ended December 31, 2008
 With Comparative Figures for the Year Ended December 31, 2007

	2008	2007
Revenues, interest	\$ -	\$ 57,786
Expenditures:		
Current:		
City administration	-	12,606
Public works	-	70,095
Capital outlay	-	1,422,544
Total expenditures	-	1,505,245
(Deficiency) of revenues over expenditures	-	(1,447,459)
Other financing (uses), transfers out	(683)	(424,691)
Net change in fund balances	(683)	(1,872,150)
Fund balances, beginning of year	683	1,872,833
Fund balances, end of year	\$ -	\$ 683

City of Peoria, Illinois

2005A General Obligation Bond Project Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Year Ended December 31, 2008
With Comparative Figures for the Year Ended December 31, 2007

	2008	2007
Revenues, interest	\$ 51,384	\$ 328,213
Expenditures, current, community development	497,108	8,191,011
(Deficiency) of revenues over expenditures	(445,724)	(7,862,798)
Other financing (uses), transfers out	(3,345,446)	-
Net change in fund balances	(3,791,170)	(7,862,798)
Fund balances, beginning of year	3,791,824	11,654,622
Fund balances, end of year	\$ 654	\$ 3,791,824

City of Peoria, Illinois

2006 Special Assessment Bond Project Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Year Ended December 31, 2008
With Comparative Figures for the Year Ended December 31, 2007

	2008	2007
Revenues, interest	\$ 12,122	\$ 90,537
Expenditures:		
Current, public works	61	7,762
Capital outlay	33,878	2,151,905
Total expenditures	33,939	2,159,667
(Deficiency) of revenues over expenditures	(21,817)	(2,069,130)
Other financing (uses), transfers out	-	(1,178,740)
Net change in fund balances	(21,817)	(3,247,870)
Fund balances, beginning of year	606,269	3,854,139
Fund balances, end of year	\$ 584,452	\$ 606,269

City of Peoria, Illinois

City of Peoria Designated Zone Organization
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Year Ended December 31, 2008
 With Comparative Figures for the Year Ended December 31, 2007

	2008	2007
Revenues:		
Contributions	\$ 13,333	\$ 13,333
Interest	812	1,860
Total revenues	14,145	15,193
Expenditures:		
Current:		
Community development	98,454	108,368
General government	-	75
Debt service:		
Principal	80,451	75,027
Interest	11,230	16,653
Total expenditures	190,135	200,123
(Deficiency) of revenues over expenditures	(175,990)	(184,930)
Other financing sources (uses):		
Transfers in	1,558,161	1,539,296
Transfers out	(1,368,838)	(1,341,032)
Total other financing sources	189,323	198,264
Net change in fund balances	13,333	13,334
Fund balances, beginning of year	46,667	33,333
Fund balances, end of year	\$ 60,000	\$ 46,667

City of Peoria, Illinois

2007A Special Assessment Bond Project Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Year Ended December 31, 2008
With Comparative Figures for the Year Ended December 31, 2007

	2008	2007
Revenues:		
Interest	\$ 12,872	\$ 8,485
Other	485,199	71,908
Total revenues	498,071	80,393
Expenditures:		
Current, general government	-	64,106
Capital outlay	1,238,461	328,735
Total expenditures	1,238,461	392,841
(Deficiency) of revenues over expenditures	(740,390)	(312,448)
Other financing sources (uses):		
Issuance of bonds	-	1,105,000
Transfers out	(19,500)	(24,681)
Total other financing sources (uses)	(19,500)	1,080,319
Net change in fund balance	(759,890)	767,871
Fund balance, beginning of year	767,871	-
Fund balance, end of year	\$ 7,981	\$ 767,871

City of Peoria, Illinois

2007A General Obligation Bond Project Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Year Ended December 31, 2008
 With Comparative Figures for the Year Ended December 31, 2007

	2008	2007
Revenue, interest	\$ 328,100	\$ 124,771
Expenditures:		
Current:		
Public works	2,624	3,241
General government	11,838	296,691
Capital outlay	7,254,533	5,052,896
Total expenditures	7,268,995	5,352,828
(Deficiency) of revenues over expenditures	(6,940,895)	(5,228,057)
Other financing sources:		
Issuance of bonds	-	18,800,000
Bond premium	-	47,197
Total other financing sources	-	18,847,197
Net change in fund balance	(6,940,895)	13,619,140
Fund balance, beginning of year	13,619,140	-
Fund balance, end of year	\$ 6,678,245	\$ 13,619,140

City of Peoria, Illinois

2008A Library General Obligation Bond Project Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Year Ended December 31, 2008
 With Comparative Figures for the Year Ended December 31, 2007

	2008	2007
Revenue, interest	\$ 136,121	\$ -
Expenditures:		
Current, general government	257,243	-
Capital outlay	1,061,843	-
Total expenditures	1,319,086	-
(Deficiency) of revenues over expenditures	(1,182,965)	-
Other financing sources (uses):		
Issuance of bonds	28,000,000	-
Bond premium	798,013	-
Transfers out	(798,013)	-
Total other financing sources (uses)	28,000,000	-
Net change in fund balance	26,817,035	-
Fund balance, beginning of year	-	-
Fund balance, end of year	\$ 26,817,035	\$ -

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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.

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City of Peoria, Illinois

Combining Schedule of Fiduciary Net Assets
December 31, 2008

	Police Pension Fund of Peoria	Firemen's Pension Fund of Peoria	Total
Assets			
Cash and cash equivalents	\$ 4,410,507	\$ 5,270,827	\$ 9,681,334
Receivables:			
Employer contributions	3,765,141	5,025,367	8,790,508
Plan members' contributions	68,322	40,344	108,666
Return of benefits	92,009	-	92,009
Accrued interest and dividends	371,415	480,751	852,166
	<u>4,296,887</u>	<u>5,546,462</u>	<u>9,843,349</u>
Investments, at fair value:			
U.S. government obligations	40,605,521	46,086,229	86,691,750
Municipal obligations	-	3,504,866	3,504,866
Illinois Public Treasurer's Investment Pool	-	6,627,677	6,627,677
Mutual funds	47,575,518	8,536,797	56,112,315
Corporate bonds	6,981,023	-	6,981,023
Stocks	13,477,009	21,597,771	35,074,780
	<u>108,639,071</u>	<u>86,353,340</u>	<u>194,992,411</u>
Total assets	117,346,465	97,170,629	214,517,094
Liabilities			
Accounts payable and accrued payroll taxes	308,462	705,463	1,013,925
Net assets held in trust for pension benefit obligation	\$ 117,038,003	\$ 96,465,166	\$ 213,503,169

City of Peoria, Illinois

Combining Schedule of Changes in Fiduciary Net Assets
Year Ended December 31, 2008

	Police Pension Fund of Peoria	Firemen's Pension Fund of Peoria	Total
Additions			
Contributions:			
Plan members' contributions	\$ 1,795,597	\$ 1,351,490	\$ 3,147,087
Employer contributions	3,803,175	5,040,841	8,844,016
Transfer of creditable service	137,110	-	137,110
Return of benefits	92,009	-	92,009
Other income	6,342	29,019	35,361
Total contributions	5,834,233	6,421,350	12,255,583
Investment income (loss):			
Net depreciation in fair value of investments	(21,327,058)	(15,974,727)	(37,301,785)
Dividends	831,721	714,249	1,545,970
Interest	2,315,632	2,270,378	4,586,010
Total investment (loss)	(18,179,705)	(12,990,100)	(31,169,805)
Less investment expenses	584,475	365,192	949,667
Net investment (loss)	(18,764,180)	(13,355,292)	(32,119,472)
Total additions	(12,929,947)	(6,933,942)	(19,863,889)
Deductions			
Benefits paid	9,158,719	8,224,892	17,383,611
Administrative expenses	175,509	104,423	279,932
Refunds	3,331	-	3,331
Total deductions	9,337,559	8,329,315	17,666,874
Net (decrease)	(22,267,506)	(15,263,257)	(37,530,763)
Net assets held in trust for pension benefits			
Beginning of year, as restated	139,305,509	111,728,423	251,033,932
End of year	\$ 117,038,003	\$ 96,465,166	\$ 213,503,169

Agency Funds

Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Following is the individual Agency Funds:

Section 125 Agency Fund: This fund is used to record the financial reporting year-end balance of City employees' tax-exempt payroll deductions, deposited with a third party administrator, available for future reimbursements to employees for medical expenses not covered by health insurance and dependent child care expenses incurred during the financial reporting year.

Other Postemployment Benefits Fund: This fund is used to account for actuarially determined current and future resources required to pay future health insurance claims costs to be incurred by future City retirees who are currently employed as active, permanent City employees.

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City of Peoria, Illinois

Statement of Changes in Assets and Liabilities

Agency Funds

Year Ended December 31, 2008

	Balance, Beginning	Additions	Deductions	Balance, Ending
Section 125				
Assets, cash and investments	\$ 91,031	\$ 429,160	\$ 424,653	\$ 95,538
Liabilities, due to individuals	\$ 91,031	\$ 429,160	\$ 424,653	\$ 95,538
Other Postemployment Benefits				
Assets:				
Cash and investments	\$ -	\$ 5,582,480	\$ -	\$ 5,582,480
Employer contributions receivable	2,615,623	-	2,615,623	-
Total assets	\$ 2,615,623	\$ 5,582,480	\$ 2,615,623	\$ 5,582,480
Liabilities, due to individuals	\$ 2,615,623	\$ 5,582,480	\$ 2,615,623	\$ 5,582,480
Total				
Assets:				
Cash and investments	\$ 91,031	\$ 6,011,640	\$ 424,653	\$ 5,678,018
Employer contributions receivable	2,615,623	-	2,615,623	-
Total assets	\$ 2,706,654	\$ 6,011,640	\$ 3,040,276	\$ 5,678,018
Liabilities, due to individuals	\$ 2,706,654	\$ 6,011,640	\$ 3,040,276	\$ 5,678,018

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City of Peoria

Statistical Section (Unaudited)

Contents

The statistical section of the City's comprehensive annual financial report presents detailed information as a context for understanding what the information presented in the financial statements, note disclosures and required supplementary information say about the City's overall financial health.

Contents	Pages
Financial Trends: Tables I - IV	138 - 142
These schedules contain trend information to help the reader understand how the City's financial performance and well being have changed over time.	
Revenue Capacity: Tables V - IX	143 - 148
These schedules contain information to help the reader assess two primary revenue sources for the City: a) property taxes b) taxable sales.	
Debt Capacity: Tables X - XIII	149 - 153
These schedules present information to help the reader assess the affordability of the City's current level of outstanding debt and the City's ability to issue additional debt in the future.	
Demographic and Economic Information: Tables XIV - XV	154 - 155
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	
Operating Information: Tables XVI - XVIII	156 - 158
These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	
Glossary of Terms in Statistical Section	159 - 161

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual report for the relevant year.

GASB Statement 34: The City implemented GASB 34 in fiscal year 2002; for this report, 6 year government-wide financial schedules for 2003-2008 are presented in Tables I and II.

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Net Assets By Component
Last Six Fiscal Years
(accrual basis of accounting)
(Unaudited)

	Fiscal Year					2008
	2003	2004	2005	2006	2007	
			(Restated)			
Governmental activities/primary government:						
Invested in capital assets, net of related debt	\$ 73,349,437	\$ 87,732,295	\$ 171,907,375	\$ 171,655,101	\$ 185,488,430	\$ 194,265,041
Restricted	24,774,863	44,694,262	95,081,143	68,518,109	61,923,893	75,633,071
Unrestricted	(58,357,001)	(72,389,704)	(131,479,036)	(124,525,566)	(132,053,264)	(151,816,166)
Total governmental activities/primary government net assets	\$ 39,767,299	\$ 60,036,853	\$ 135,509,482	\$ 115,647,644	\$ 115,359,059	\$ 118,081,946

Source: City of Peoria comprehensive annual financial reports for fiscal years 2003 through 2008.

GASB Statement 34 Implementation: The City implemented GASB 34 government-wide financial reporting in fiscal year 2002.

Restatement of 2005 Net Assets:

In 2006, the City recorded prior period adjustments producing a net \$69,635,982 increase in December 31, 2005 net assets as restated:

- Infrastructure assets increased \$58,781,292 to comply with GASB 34 retroactive infrastructure reporting for fiscal years 1980 through 2001.
- Infrastructure assets increased \$11,542,478 to recognize growth cells infrastructure annexed to the City from 2002 through 2005.
- Long-Term Liabilities increased \$687,788 for a promissory note to Wal-Mart; reimbursement for Allen Road construction advances in 2002.

Business-Type Activities:

The City has no business-type activities.

City of Peoria

Changes In Net Assets

Last Six Fiscal Years

(accrual basis of accounting)

(Unaudited)

	Fiscal Year					
	2003	2004	2005 (Restated)	2006	2007	2008
Expenses						
Governmental activities:						
Elected Offices, Boards, Commissions, and Agencies	\$ 1,526,209	\$ 1,675,688	\$ 1,705,216	\$ 1,926,997	\$ 2,184,194	\$ 2,118,174
City Administration	6,331,442	6,320,691	6,824,431	6,950,987	7,828,057	8,185,595
Police	26,682,830	28,437,820	29,168,640	30,538,723	37,110,409	37,876,713
Fire	20,405,179	21,532,910	22,305,856	24,408,676	27,816,247	28,353,631
Public Works	22,320,835	23,682,707	25,328,323	27,838,925	27,924,254	28,535,894
Community Development	14,304,503	12,941,972	28,639,520	49,626,179	26,926,080	14,753,676
Public Safety	7,062,024	7,755,956	8,046,578	8,412,090	10,534,455	10,196,053
General Government	11,878,015	7,054,084	9,382,074	16,019,134	17,584,981	19,793,925
Library	5,597,368	5,572,748	6,218,324	6,833,270	7,874,572	9,882,250
Interest on Long-Term Debt	6,572,806	5,953,781	7,546,228	7,809,463	7,698,934	7,468,578
Total governmental activities/primary government expenses	\$ 122,681,011	\$ 120,928,357	\$ 145,165,190	\$ 180,364,444	\$ 173,482,183	\$ 167,164,489
Program Revenues						
Governmental activities:						
Charges for services:						
Elected offices, boards, commissions, and agencies	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City administration	-	-	-	-	-	-
Police	220,805	251,506	475,862	1,020,290	883,111	839,168
Fire	511,470	461,280	412,138	275,658	520,862	709,022
Public works	3,382,465	5,482,563	5,822,715	5,635,552	5,522,356	5,546,259
Community development	-	-	-	-	-	-
Public safety	2,071,844	2,366,076	2,331,974	2,373,167	4,177,942	3,921,530
General government	9,477,456	9,384,104	10,654,559	11,442,837	12,348,131	11,839,748
Library	132,705	139,890	131,886	132,559	122,818	128,679
Operating grants and contributions:						
Elected offices, boards, commissions, and agencies	-	-	-	-	-	-
City administration	-	-	-	-	-	-
Police	1,865,113	1,421,077	2,420,407	1,373,059	1,095,196	805,851
Fire	121,369	116,473	111,953	145,197	191,955	257,519
Public works	-	-	-	-	-	4,999
Community development	7,031,803	6,617,051	7,583,527	9,505,077	7,844,074	6,436,062
Public safety	24,958	48,056	66,227	39,930	-	-
General government	-	80,940	520,184	-	(12,121)	-
Library	37,887	12,933	28,707	135,412	104,065	65,283
Capital grants and contributions						
Elected offices, boards, commissions, and agencies	-	-	-	-	-	-
City administration	-	-	-	-	-	-
Police	-	-	-	-	-	-
Fire	-	-	-	-	-	-
Public works	-	-	-	37,572	-	-
Community development	-	-	-	33,333	13,333	13,333
Public safety	-	-	-	-	-	-
General government	1,103,499	1,572,574	1,559,111	1,955,973	9,391,351	7,385,886
Library	-	-	149,577	106,364	151,184	143,026
Total governmental activities/primary government program revenues	25,981,374	27,954,523	32,268,827	34,211,980	42,354,257	38,096,365
Net (expense) revenue:						
Total governmental activities/primary government net expense	\$ (96,699,637)	\$ (92,973,834)	\$ (112,896,363)	\$ (146,152,464)	\$ (131,127,926)	\$ (129,068,124)

(Continued)

Table II

	Fiscal Year					
	2003	2004	2005 (Restated)	2006	2007	2008
General Revenues and Other Changes in Net Assets:						
Governmental activities/primary government:						
Taxes:						
Property taxes	\$ 22,463,343	\$ 23,639,496	\$ 24,697,914	\$ 26,334,488	\$ 27,481,171	\$ 29,047,046
Corporate personal property replacement taxes	4,348,774	4,694,841	6,515,378	6,825,112	8,306,487	7,690,109
State sales taxes, unrestricted	20,217,291	21,437,038	21,968,951	23,274,038	23,514,047	23,807,678
State income tax allocation, unrestricted	6,939,248	7,228,580	8,888,641	9,679,194	10,545,996	11,456,986
Home rule sales taxes	20,237,394	21,641,571	21,930,700	22,888,067	23,199,949	23,100,548
Hotel, restaurant and amusement taxes	6,588,790	6,890,626	7,067,524	7,449,766	8,120,176	8,253,017
Local motor fuel taxes	898,319	938,794	936,573	894,898	893,078	855,599
Riverboat gaming revenue	4,353,802	4,126,973	4,058,749	3,965,791	4,005,969	3,594,362
Utility taxes	8,671,172	8,421,384	8,455,737	8,568,744	8,795,630	8,629,442
Grants and contributions not restricted to specific program:	9,691,860	3,285,935	6,279,957	4,810,762	3,508,181	3,350,085
Payment from City of Peoria	-	-	-	-	-	-
Interest/Investment Income	666,596	1,026,469	3,953,095	5,077,067	4,363,118	2,384,392
Franchise Fees, based on gross receipts	2,056,055	2,432,185	1,880,087	2,071,893	2,189,184	2,306,679
Other	4,230,603	7,479,496	4,868,646	4,450,806	5,916,355	7,315,068
Total governmental activities/primary government	\$ 111,363,247	\$ 113,243,388	\$ 121,501,952	\$ 126,290,626	\$ 130,839,341	\$ 131,791,011
Change in net assets:						
Total governmental activities/primary government	\$ 14,663,610	\$ 20,269,554	\$ 8,605,589	\$ (19,861,838)	\$ (288,585)	\$ 2,722,887

Source: City of Peoria comprehensive annual financial reports for fiscal years 2003 through 2008.

GASB Statement 34 Implementation: The City implemented GASB 34 government-wide financial reporting in fiscal year 2002.

Restatement of 2005 Change in Net Assets:

In 2006, the City recorded prior period adjustments producing a \$2,768,942 increase in the 2005 change in net assets as restated. Unrestricted grants & contributions increased \$2,768,942 to record infrastructure annexed to the City during 2005.

Trend: The significant 2006 Community Development expense increase resulted from \$33,581,291 spent for major Peoria Civic Center capital expansion and improvements financed by the \$62,605,000 Series 2005(A) General Obligation Bonds. These capital expenses were not offset for government-wide reporting since the City of Peoria did not record fixed assets for these Civic Center improvements expenses. The Peoria Civic Center Authority recorded these expenses as fixed assets.

Business-Type Activities:

The City has no business-type activities.

Fund Balances, Governmental Funds
Last Six Fiscal Years
(modified accrual basis of accounting)
(Unaudited)

	Fiscal Year					
	2003	2004	2005	2006	2007	2008
General Fund:						
Reserved	\$ 1,165,375	\$ 1,408,505	\$ 932,376	\$ 1,848,711	\$ 7,968,830	\$ 8,704,989
Unreserved - Designated	15,849,770	16,815,391	17,823,988	18,691,956	12,570,433	12,828,231
Unreserved - Undesignated	3,312,155	4,993,106	6,532,340	8,736,116	9,665,019	11,078,502
Total General Fund	\$ 20,327,300	\$ 23,217,002	\$ 25,288,704	\$ 29,276,783	\$ 30,204,282	\$ 32,611,722
All Other Governmental Funds:						
Reserved	\$ 15,086,532	\$ 16,647,432	\$ 28,748,887	\$ 28,807,497	\$ 27,925,865	\$ 26,265,107
Unreserved - Designated, reported in:						
Special Revenue Funds	-	-	-	841,971	1,502,394	1,665,130
Capital Project Funds	21,619,171	19,270,713	58,116,993	25,180,643	17,213,173	32,740,696
Unreserved - Undesignated, reported in:						
Special Revenue Funds	830,485	950,644	1,446,695	1,078,166	1,648,746	1,731,009
Debt Service Funds	2,552,687	2,122,282	-	-	-	-
Capital Project Funds	3,305,862	8,324,913	6,626,544	6,090,571	11,514,801	10,948,360
Total All Other Government Funds	\$ 43,394,737	\$ 47,315,984	\$ 94,939,119	\$ 61,998,848	\$ 59,804,979	\$ 73,350,302

Source: City of Peoria comprehensive annual financial reports for fiscal years 2003 through 2008.

Trend: The December 31, 2005 designated fund balances in capital projects funds increased \$38,846,280 primarily due to issuance of the \$62,605,000 Series 2005(A) General Obligation Bonds for major capital expansion and improvements to the Peoria Civic Center.

**Changes In Fund Balances, Governmental Funds
Last Six Fiscal Years
(modified accrual basis of accounting)
(Unaudited)**

	Fiscal Year					
	2003	2004	2005	2006	2007	2008
Revenues:						
Taxes	\$ 90,364,331	\$ 94,892,327	\$ 100,461,418	\$ 105,914,307	\$ 110,856,534	\$ 112,840,425
Riverboat gaming revenue	4,353,802	4,126,973	4,058,749	3,965,791	4,005,969	3,594,362
Governmental grants and reimbursements	19,570,991	14,827,219	15,630,680	16,282,395	13,939,383	12,798,543
Licenses and Permits	1,821,102	1,974,066	1,956,622	1,743,658	3,378,864	3,374,273
Charges for services	16,031,698	18,543,539	19,752,599	21,208,296	22,385,539	21,916,812
Special assessments	289,037	258,861	272,370	155,281	272,989	359,175
Loan repayments	428,464	598,388	314,054	389,744	381,881	327,345
Interest	655,967	999,596	3,914,551	5,066,507	4,350,633	2,364,386
Other	3,592,690	3,941,145	5,103,540	4,937,680	4,458,484	5,764,935
Total Revenues	\$ 137,108,082	\$ 140,162,114	\$ 151,464,583	\$ 159,663,659	\$ 164,030,276	\$ 163,340,256
Expenditures:						
Elected offices, boards, commissions, agencies	1,542,604	1,657,983	1,687,969	1,914,702	2,065,825	1,962,117
City administration	6,211,687	6,126,004	6,665,593	6,753,081	7,473,952	7,682,868
Police	26,115,376	28,278,203	29,650,167	31,304,981	34,817,519	35,794,392
Fire	19,463,292	20,667,895	21,500,657	23,295,673	25,210,684	26,125,716
Public works	21,585,819	22,183,503	23,450,167	25,213,092	26,712,420	26,812,501
Community development	14,385,523	12,924,713	28,545,414	49,489,472	23,387,350	13,672,424
Public safety	6,925,331	7,647,920	7,909,693	8,289,939	9,062,108	9,285,483
General government	10,638,632	5,672,053	8,430,306	8,985,341	9,470,644	8,549,659
Library	5,025,646	4,986,497	5,627,239	6,218,368	6,549,961	7,011,868
Capital outlay	18,835,700	13,873,682	14,782,867	14,461,134	23,355,246	22,400,879
Debt service:						
Principal	8,848,765	9,282,235	10,754,953	10,541,104	11,068,939	8,618,657
Interest	6,481,382	6,005,161	7,109,707	8,057,602	7,550,153	8,356,302
Total Expenditures	\$ 146,059,757	\$ 139,305,849	\$ 166,114,732	\$ 194,524,489	\$ 186,724,801	\$ 176,272,866
Excess of Revenues (under Expenditures)	(8,951,675)	856,265	(14,650,149)	(34,860,830)	(22,694,525)	(12,932,610)
Other Financing Sources (Uses):						
Proceeds from issuance of bonds	9,595,000	20,250,000	99,485,000	9,775,000	19,905,000	28,000,000
Premium on issued bonds	102,324	515,396	3,521,723	121,590	47,197	798,013
Payment to refunding bond escrow agent	(5,509,865)	(15,113,240)	(38,698,399)	(4,453,083)	-	-
Proceeds from sale of property	621,395	36,702	36,662	465,131	1,475,958	87,360
New loan proceeds	196,755	-	-	-	-	-
Proceeds from note payable	-	265,826	-	-	-	-
Transfers in	28,389,422	24,812,630	24,254,326	24,774,077	25,355,043	28,416,782
Transfers out	(28,389,422)	(24,812,630)	(24,254,326)	(24,774,077)	(25,355,043)	(28,416,782)
Total Other Financing Sources (Uses)	5,005,609	5,954,684	64,344,986	5,908,638	21,428,155	28,885,373
Net Change in Fund Balances	\$ (3,946,066)	\$ 6,810,949	\$ 49,694,837	\$ (28,952,192)	\$ (1,266,370)	\$ 15,952,763
Debt service as a percentage of noncapital expenditures	12.0%	12.2%	11.8%	10.3%	11.4%	11.0%

Source: City of Peoria comprehensive annual financial reports for fiscal years 2003 through 2008.

Trend: The \$79,235,000 increase in 2005 bond proceeds was primarily attributable to issuance of the \$62,605,000 Series 2005(A) General Obligation Bonds for major capital expansion and improvements to the Peoria Civic Center.

Trend: The significant 2006 Community Development expenditure increase resulted from \$33,581,291 spent for major Peoria Civic Center capital expansion and improvements financed by the \$62,605,000 Series 2005(A) General Obligation Bonds.

Assessed Value and Estimated Actual Value of Taxable Property ^{(1) (2) (3)}
Last Ten Fiscal Years
(dollars in thousands except total direct tax rate)
(Unaudited)

Fiscal Year	Property Tax Levy Year	Residential Property	Commercial Property	Industrial Property	Farm Property	Railway Property	Total Taxable Assessed Value	Percent Growth	Total Direct Tax Rate
2009	2008	\$ 1,276,338	\$ 619,746	\$ 47,804	\$ 809	\$ 1,055	\$ 1,945,752	13.38%	\$1.3861
2008	2007	1,215,582	583,533	46,167	860	886	1,847,028	14.24%	1.2707
2007	2006	1,125,204	544,809	44,360	904	841	1,716,118	6.14%	1.2822
2006	2005	1,057,513	514,791	42,847	765	886	1,616,802	5.22%	1.2896
2005	2004	1,000,040	492,297	42,601	737	933	1,536,607	3.62%	1.2723
2004	2003	982,025	456,371	42,778	740	985	1,482,899	5.24%	1.2649
2003	2002	937,228	427,495	42,503	781	997	1,409,003	6.90%	1.2578
2002	2001	879,920	395,166	40,981	995	983	1,318,044	6.59%	1.2479
2001	2000	824,072	371,548	39,081	852	987	1,236,540	5.61%	1.2572
2000	1999	776,350	352,693	39,964	846	1,013	1,170,866	5.82%	1.2649

Source: Peoria County Clerk (Tax Computation Reports)

Notes

⁽¹⁾ Property is reassessed annually; assessed values are approximately one-third of fair market value, instead of actual market value. The City's direct property tax rates are calculated per \$100 of assessed valuation; see Table VI for additional tax rate information.

⁽²⁾ Excludes increased assessed valuation of Redevelopment Areas: Campustown, Central Business District, Downtown Stadium, Eagle View, Hospitality Improvement Zone, Midtown Plaza, Northside Business Park, Northside Riverfront, Southtown and the Warehouse District:
 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; 2006 - \$60,044,570; 2007 - \$65,372,705

⁽³⁾ Incremental and total taxable assessed values above are net of tax-exempt property.

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City of Peoria

**Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years
(rate per \$100 of assessed valuation)
(Unaudited)**

Fiscal Year	Property Tax Levy Year	City Direct Tax Rate, By Fund						Total Direct Tax Rate
		General Fund	Illinois Municipal Retirement Fund	Library Fund	Library General Obligation Bonds	Firemen's Pension Fund	Police Pension Fund	
2009	2008	\$0.3225	\$0.2425	\$0.3430	\$0.0962	\$0.2184	\$0.1636	\$1.3861
2008	2007	0.3395	0.2450	0.3367	0.0000	0.1924	0.1571	1.2707
2007	2006	0.3167	0.2534	0.3398	0.0000	0.2104	0.1620	1.2822
2006	2005	0.3217	0.2597	0.3432	0.0000	0.2157	0.1493	1.2896
2005	2004	0.3586	0.2970	0.3061	0.0000	0.1719	0.1387	1.2723
2004	2003	0.4349	0.1979	0.2854	0.0000	0.1789	0.1678	1.2649
2003	2002	0.4929	0.1705	0.3100	0.0000	0.1449	0.1395	1.2578
2002	2001	0.4648	0.2021	0.3003	0.0000	0.1577	0.1230	1.2479
2001	2000	0.4408	0.2246	0.3067	0.0000	0.1659	0.1192	1.2572
2000	1999	0.4118	0.2559	0.3071	0.0000	0.1497	0.1404	1.2649

Source: Peoria County Clerk (Tax Computation Reports)

Notes:

The City Council levies direct property taxes in accordance with authority granted by Article VII of the Illinois Constitution and the Illinois Municipal Code.

Overlapping rates are taxes levied by local and county governments that apply to property owners within the City.

Not all overlapping rates apply to all City property owners, although the County property tax rates apply to all City property owners; the Airport Authority rates apply to the property owners within that Authority's geographic boundaries.

Table VI

Overlapping Rates							
School District No.150	Peoria County	Peoria Township	Park District	Airport Authority	ICC Junior College	Mass Transit District	Total Tax Rate
\$4.5951	\$0.8074	\$0.1312	\$0.7025	\$0.1747	\$0.4411	\$0.1685	\$8.4065
4.4605	0.8158	0.1318	0.6979	0.2324	0.4490	0.1688	8.2270
4.4846	0.8444	0.1366	0.7134	0.2409	0.4841	0.1727	8.3589
4.4915	0.8489	0.1390	0.7089	0.2039	0.4801	0.1746	8.3365
4.3233	0.8543	0.1373	0.6874	0.2021	0.4898	0.1750	8.1415
4.2287	0.8604	0.1324	0.6944	0.1434	0.4771	0.1721	7.9734
4.2048	0.8578	0.1310	0.6927	0.1463	0.4573	0.1723	7.9200
4.1920	0.8832	0.1306	0.6882	0.1517	0.4731	0.1752	7.9419
4.2663	0.8169	0.1310	0.6915	0.1856	0.4324	0.1642	7.9451
4.3007	0.8187	0.1311	0.6937	0.1367	0.4131	0.1900	7.9489

**Principal Property Taxpayers ^{(1) (2)(3)}
Current Year and Nine Years Ago
(Unaudited)**

Taxpayer	2008 (Taxable Assessed Valuation \$1,945,751,863)			1999 (Taxable Assessed Valuation \$1,170,866,360)		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Caterpillar Tractor, Inc.	\$ 20,261,710	1	1.04%	\$ 17,850,900	1	1.52%
MCRIL LLC	11,183,890	2	0.57%			
Northwoods Development Co.	9,108,220	3	0.47%	7,785,630	2	0.66%
Edward Rose Building Co.	8,071,910	4	0.41%			
Willow Knolls Ltd.	7,433,350	5	0.38%	5,117,010	5	0.44%
Wal-Mart Real Estate Business Trust	7,399,520	6	0.38%	3,710,150	9	0.32%
PMP Fermentation Products	6,892,940	7	0.35%	5,138,040	4	0.44%
IMI Grand Prairie North LLC	6,092,850	8	0.31%			
Gateway Taylor, Inc.	5,411,780	9	0.28%			
Peoria Chiefs Community Baseball Club LLC	5,389,050	10	0.28%			
Methodist Hospital Services			0.00%	5,231,100	3	0.45%
Archer Daniels Midland			0.00%	4,448,180	6	0.38%
Bradley Real Estate, Inc.			0.00%	4,121,560	7	0.35%
Commerce Bank Trustee			0.00%	3,985,440	8	0.34%
Proctor Hospital			0.00%	3,007,830	10	0.26%
	<u>\$ 87,245,220</u>		<u>4.48%</u>	<u>\$ 60,395,840</u>		<u>5.16%</u>

Source: City of Peoria Official Bond Statements & Peoria County Assessor - Supervisor of Assessments

Notes:

⁽¹⁾ Peoria County reports of Non-Farm Property Exceeding \$999,999 in Assessed Valuation (After Board of Review Action).

⁽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.

⁽³⁾ Peoria Chiefs Community Baseball Club LLC was formerly listed as Downtown Stadium Inc.
Wal-Mart Real Estate Business Trust was formerly listed as Wal-Mart Stores.

**Property Tax Levies And Collections
Last Ten Fiscal Years
(Unaudited)**

Fiscal Year Ended December 31,	Property Tax Levy Year	Taxes Levied for the Fiscal Year	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
			Amount	Percentage of Levy		Amount	Percentage of Levy
2008	2007	\$ 29,028,516	\$ 28,378,969	97.76%	\$ -	\$ 28,378,969	97.76%
2007	2006	27,214,920	26,854,818	98.68%	-	\$ 26,854,818	98.68%
2006	2005	25,781,794	25,668,344	99.56%	-	\$ 25,668,344	99.56%
2005	2004	24,276,954	23,984,505	98.80%	-	\$ 23,984,505	98.80%
2004	2003	23,227,384	22,989,719	98.98%	-	\$ 22,989,719	98.98%
2003	2002	21,927,744	21,737,603	99.13%	-	\$ 21,737,603	99.13%
2002	2001	19,954,405	19,779,589	99.12%	-	\$ 19,779,589	99.12%
2001	2000	18,547,666	18,131,737	97.76%	-	\$ 18,131,737	97.76%
2000	1999	17,685,592	17,490,038	98.89%	-	\$ 17,490,038	98.89%
1999	1998	16,394,036	16,093,761	98.17%	-	\$ 16,093,761	98.17%

Source: Peoria County Treasurer

Taxable Sales by Category
Last Ten Calendar Years
(dollars in thousands)
(Unaudited)

	Calendar Year									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
General Merchandise	\$ 326,685	\$ 290,109	\$ 323,956	\$ 325,955	\$ 355,380	\$ 387,322	\$ 382,260	\$ 404,909	\$ 390,938	\$ 391,718
Food	191,617	223,793	229,391	227,888	220,393	210,394	212,221	218,964	221,889	214,735
Drinking and Eating Places	165,638	198,333	180,999	183,126	188,939	198,481	202,459	211,092	226,625	226,676
Apparel	63,247	63,746	61,496	61,735	71,473	90,068	92,811	97,317	100,587	99,906
Furniture, H.H., and Radio	148,057	161,150	152,339	139,327	152,141	162,219	172,214	180,579	177,355	167,054
Lumber, Bldg, Hardware	118,067	116,556	113,681	105,404	121,274	132,902	142,554	146,777	139,757	130,046
Automotive and Filling Stations	336,007	346,452	359,971	349,163	351,254	358,403	364,665	399,927	404,877	411,187
Drugs and Miscellaneous Retail	225,027	228,897	229,957	230,511	240,091	252,930	249,986	252,687	254,004	255,395
Agriculture and All Others	250,248	212,037	195,491	170,689	175,133	185,198	202,831	213,281	228,694	251,212
Manufacturers	38,636	28,865	27,513	27,471	26,177	24,774	26,136	26,874	25,530	31,985
Total	\$ 1,863,228	\$ 1,869,937	\$ 1,874,794	\$ 1,821,269	\$ 1,902,255	\$ 2,002,691	\$ 2,048,137	\$ 2,152,407	\$ 2,170,256	\$ 2,179,916
City direct sales tax rate	2.00%	2.00%	2.00%	2.00%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Number of Taxpayers	3,369	3,281	3,232	3,267	3,186	3,136	3,193	3,115	3,089	2,582

Sources: Illinois Department of Revenue (SIC Code Reporting) via website [<http://tax.illinois.gov/AboutIdor/TaxStats>]

Notes:

City direct sales tax rate 1999-2002 includes 1.00% Municipal Sales Tax Rate and 1.00% Home Rule Sales Tax Rate.

City direct sales tax rate 2003-2008 includes 1.00% Municipal Sales Tax Rate and 1.50% Home Rule Sales Tax Rate.

In 2008, the local effects of a national economic decline contributed to the 16% decrease in the Number of Taxpayers.

Ratios of Outstanding Debt by Type ^{(1) (2) (3) (4) (5)}**Last Ten Fiscal Years***(dollars in thousands, except per capita)***(Unaudited)**

Fiscal Year	Governmental Activities				Total Primary Government	% of Taxable Property Value	Debt Per Capita
	General Obligation Bonds	Revenue & Special Assessment Bonds	Special Service Area Bonds	Long-Term Loans & Notes Payable	Total Outstanding Debt		
2008	\$ 181,175	\$ 6,796	\$ 4,015	\$ 2,476	\$ 194,462	9.99%	\$ 1,604.87
2007	160,325	7,491	4,315	2,950	175,081	9.48%	1,444.92
2006	151,325	6,951	4,575	3,394	166,245	9.69%	1,407.25
2005	160,710	2,306	4,490	3,122	170,628	10.55%	1,444.35
2004	107,835	2,851	4,655	3,483	118,824	7.73%	1,005.83
2003	110,600	3,241	4,795	4,463	123,099	8.30%	1,089.99
2002	114,035	3,911	4,915	4,615	127,476	9.05%	1,128.75
2001	116,360	4,551	4,915	4,505	130,331	9.89%	1,154.03
2000	110,945	5,150	4,915	4,810	125,820	10.18%	1,114.08
1999	97,350	5,730	4,915	5,115	113,110	9.66%	948.77

Source:

City of Peoria comprehensive annual financial reports for fiscal years 1999 through 2008.

Details regarding the City's outstanding debt may be found in the notes to the basic financial statements.

(1) See Tables V, VI, VII, and VIII for property tax data.

(2) See Table XIV for population data.

(3) In 2006, the City issued \$5,200,000 Series 2006 Special Assessment Bonds for road improvements.

(3) In 2006, the City issued \$4,575,000 Series 2006 Weaverridge Special Service Area Refunding Bonds.

(4) In 2007, the City issued \$18,800,000 Series 2007(A) General Obligation Bonds for major infrastructure improvements.

(4) In 2007, the City issued \$1,105,000 Series 2007-A Special Assessment Bonds for North Allen Road intersection improvements.

(5) In 2008, the City issued \$28,000,000 Series 2008(A) General Obligation Library Bonds for construction of a new Peoria Public Library north branch, expansion of the Library south branch, and major renovations to the Library main (downtown) branch.

Business-Type Activities:

The City has no business-type activities.

**Ratios of Net General Bonded Debt Outstanding
Last Ten Fiscal Years
(dollars in thousands, except per capita)
(Unaudited)**

Fiscal Year	Population	Assessed Value (Thousands)	General Bonded Debt Outstanding			Percentage of Actual Property Value	Debt Per Capita	Debt Limit	Total Net Debt Applicable to Limit	Legal Debt Margin
			General Obligation Bonds	Less Amount Available in Debt Service	Net General Bonded Debt					
2008	121,170	\$1,945,752	\$ 181,175	\$ 17,844	\$ 163,331	8.39%	\$1,347.95	\$194,575	\$28,000	\$166,575
2007	121,170 ⁽²⁾	1,847,028	160,325	15,944	144,381	7.82%	1,191.56	184,703	0	184,703
2006	118,135	1,716,118	151,325	17,796	133,529	7.78%	1,130.31	171,612	0	171,612
2005	118,135	1,616,802	160,710	21,836	138,874	8.59%	1,175.55	161,680	0	161,680
2004	118,135 ⁽¹⁾	1,536,607	107,835	16,524	91,311	5.94%	772.93	153,661	0	153,661
2003	112,936	1,482,899	110,600	15,687	94,913	6.40%	840.41	148,290	0	148,290
2002	112,936	1,409,003	114,035	13,814	100,221	7.11%	887.42	140,900	0	140,900
2001	112,936	1,318,044	116,360	12,934	103,426	7.85%	915.79	131,804	0	131,804
2000	112,936	1,236,540	110,945	12,773	98,172	7.94%	869.27	123,654	0	123,654
1999	119,218	1,170,866	97,350	7,451	89,899	7.68%	754.07	117,087	0	117,087

Notes:

Details regarding the City's outstanding debt may be found in the notes to the basic financial statements.

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

⁽²⁾ Includes 3,035 additional population identified during 2007 Special Census

As a Home Rule entity, under the State of Illinois Constitution, the City has no statutory debt limit.

City Ordinance #10,383 dated January 30, 1979, which is part of the City Code, placed a limit on the general obligation bonding power of the City. This ordinance provides that the principal amount of outstanding GO Bonds at any one time shall not exceed 10% of the total equalized assessed valuation of all taxable property within the City at the time of issuance. City Ordinance #14,557 dated August 18, 1998, which is part of the City Code, amended Ordinance #10,383 by removing from the debt limitation calculation bonds issued for which payments are intended to be derived from a revenue source other than ad valorem property tax.

Legal Debt Margin Calculation for Fiscal Year 2008:

Assessed Value (from County Report)	\$1,945,752
Debt Limit (10% of assessed value)	194,575
Debt Applicable to Limit:	
General Obligation Bonds	181,175
Less: Amount set aside for repayment of GO Debt	(17,844)
Gross Total Debt Applicable to Limit	163,331
Less: Debt With Alternative Repayment Sources	(135,331)
Net Total Debt Applicable to Limit	28,000
Legal Debt Margin	<u>\$166,575</u>

**Direct and Overlapping Governmental Activities Debt ⁽¹⁾
As of December 31, 2008
(Unaudited)**

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable To City	City's Estimated Share of Overlapping Debt
County of Peoria	\$ 5,856,000	61.47%	\$ 3,599,683
Greater Peoria Airport Authority	54,180,000	78.71%	42,645,078
Pleasure Driveway and Park District	8,672,500	94.02%	8,153,885
Weaverridge Special Service Area	4,015,000	100.00%	4,015,000
School District No. 62, Pleasant Valley	1,050,000	49.45%	519,225
School District No. 69, Pleasant Hill	125,000	1.21%	1,513
School District No. 150, City of Peoria	36,553,020	97.70%	35,712,301
School District No. 310, Limestone	1,095,000	7.65%	83,768
School District No. 321, Chillicothe IVC	4,925,000	1.63%	80,278
School District No. 323, Dunlap	42,200,000	86.84%	36,646,480
School District No. 325, Peoria Heights	6,795,000	13.54%	920,043
School District No. 514, Illinois Central College	8,440,000	30.62%	2,584,328
Subtotal - Overlapping Debt	173,906,520		134,961,580
City of Peoria Direct Debt	181,175,000	100.00%	181,175,000
Total Direct and Overlapping Debt	\$ 355,081,520		\$ 316,136,580

Sources: Peoria County Clerk and City of Peoria Official Bond Statements

Notes:

Overlapping governments coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Peoria. This process recognizes that, when considering a City's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

(1) The estimated percentage of overlapping debt applicable to the City is based on proportionate equalized assessed valuation of taxable property. Applicable percentages were estimated by determining the portion of another governmental unit's taxable assessed value that is within the City's boundaries and dividing by each unit's total taxable assessed value.

City of Peoria

**Pledged-Revenue Coverage
Last Ten Fiscal Years
(dollars in thousands)
(Unaudited)**

Fiscal Year	Downtown Parking Revenue Bonds								Coverage
	Net Parking Revenues	Incremental Property Taxes	UDAG Loan Repayments	Interest Revenue	Net Available Revenue	Debt Service			
						Principal	Interest		
2008	\$ 431	\$ 653	\$ -	\$ 5	\$ 1,089	\$ 580	\$ 38	1.76	
2007	431	589	-	14	1,034	565	53	1.67	
2006	476	563	-	13	1,052	555	66	1.70	
2005	438	531	-	7	975	545	78	1.57	
2004	411	538	-	6	955	475	167	1.49	
2003	444	537	129	5	1,115	670	200	1.28	
2002	444	530	129	10	1,113	640	230	1.28	
2001	427	513	59	29	1,027	605	259	1.19	
2000	449	552	81	42	1,124	580	285	1.30	
1999	499	530	48	40	1,116	585	311	1.25	

Note: Details regarding the City's outstanding debt may be found in the notes to the basic financial statements.
Net Parking Revenues do not include depreciation expense.

Table XIII

Special Assessment Bonds								
Special Assessment Collections	Capitalized Interest	Interest Revenue	Net Available Revenue	Debt Service		Coverage		
				Principal	Interest			
115	\$ 279	\$ 39	\$ 434	\$ 115	\$ 311	1.02		
-	55	-	\$ 55	-	55	1.00		
-	-	-	\$ -	-	-	-		
-	-	-	\$ -	-	-	-		
-	-	-	\$ -	-	-	-		
-	-	-	\$ -	-	-	-		
-	-	-	\$ -	-	-	-		
-	-	-	\$ -	-	-	-		
-	-	-	\$ -	-	-	-		

**Demographic and Economic Statistics
Last Ten Fiscal Years
(Unaudited)**

Fiscal Year Ended December 31	Population ⁽¹⁾	Personal Income	Per Capita Income ⁽⁴⁾	Median Age ⁽⁴⁾	School Enrollment ⁽²⁾	Unemployment Rate ⁽³⁾
2008	121,170	N/A	\$ 25,851	37.6	13,642	6.2%
2007	121,170	N/A	24,590	36.0	13,961	5.0%
2006	118,135	N/A	24,253	33.8	14,400	4.4%
2005	118,135	N/A	23,661	33.8	14,701	5.2%
2004	118,135	N/A	23,084	33.8	15,056	6.1%
2003	112,936	N/A	23,187	33.8	15,414	6.6%
2002	112,936	N/A	22,511	33.8	15,736	6.1%
2001	112,936	N/A	21,856	33.8	15,721	5.6%
2000	112,936	N/A	21,219	32.6	16,000	4.9%
1999	119,218	N/A	20,512	32.6	15,929	4.5%

Sources:

⁽¹⁾ United States Census data for 1997; Special Census Data for 1998 - 1999;

United States Census data for 2000 - 2003; Special Census Data for 2004; Special Census Data for 2007

⁽²⁾ Peoria School District # 150 Administration Offices

⁽³⁾ Illinois Department of Employment Security (IDES) Local Area Unemployment Statistics (LAUS) website [lmi.ides.state.il.us]

⁽⁴⁾ Per Capita Income and Median Age for 2008 was obtained from the Economic Development Council for Central Illinois via website [www.edc.centralillinois.org]; Per Capita Income for 2000 from American Community Survey, U.S. Census Bureau.

Note: City Unemployment Rates are the yearly average computed by IDES; reported in previous CAFRs the month of December's rate

**Principal Employers
Current Year and Nine Years Ago
(Unaudited)**

Employer	2008			1999		
	Employees	Rank	Percentage of Total City ⁽¹⁾ Employment	Employees	Rank	Percentage of Total City ⁽²⁾ Employment
Caterpillar Tractor Company	17,388	1	17.60%	16,553	1	13.88%
OSF St. Francis Medical Center	5,700	2	5.77%	4,250	2	3.56%
Peoria School District No. 150	3,000	3	3.04%	3,164	3	2.65%
Methodist Medical Center	2,500	4	2.53%	2,400	4	2.01%
Peoria Air Guard 182nd Airlift Wing	1,248	5	1.26%	-		0.00%
Bradley University	1,002	6	1.01%	1,200	8	1.01%
County of Peoria	1,000	7	1.01%	-		0.00%
Keystone Steel and Wire Company	900	8	0.91%	1,675	5	1.40%
Proctor Hospital	813	9	0.82%	1,050	10	0.88%
Affina, LLC (fka: Ruppman Marketing)	750	10	0.76%	-		0.00%
Illinois Central College	-		0.00%	1,493	6	1.25%
Central Illinois Light Company	-		0.00%	1,200	7	1.01%
Par-a-Dice Riverboat Casino	-		0.00%	1,050	9	0.88%

Sources: City of Peoria Official Bond Statements, Economic Development Council for Central Illinois
Economic Development Commission for the Peoria Area, as of March 1999, and telephone survey.

Note: ⁽¹⁾ Based on Total Peoria County Employment per Economic Development Council.

⁽²⁾ Based on 1998 United States Census

**Full-Time Equivalent City Government Employees By Function/Program
Last Six Fiscal Years
(Unaudited)**

Function/Program	Full-Time Equivalent Employees as of December 31					2008
	2003	2004	2005	2006	2007	
Elected Offices, Boards, Commissions, and Agencies						
City Council	1	1	1	1	1	1
City Clerk	5	4	4	4	4	4
City Treasurer	7	6	6	6	6	6
Election Commission	4	4	4	4	4	3
City Administration						
City Manager	6	8	8	7	9	8
Finance	22	19	19	19	19	19
Human Resources	8	6	6	6	6	6
Information Systems	18	18	18	18	18	18
Legal	9	8	8	9	8	8
Police	283	282	282	287	287	290
Fire	213	199	203	210	210	216
Public Works	123	105	103	106	106	106
Community Development						
Economic Development	7	5	6	6	5	5
Planning and Growth Management	21	23	23	20	19	19
Workforce Development	21	22	25	27	25	14
Public Safety						
Inspection Services	47	50	50	50	50	50
Emergency Services	46	41	41	41	41	41
Library	69	72	71	74	72	74
Total	910	873	878	895	890	888

Sources: City's annual budget documents and City finance department records (for Election Commission, Workforce Development and Library counts).

Notes: In 2003 and 2004, adverse economic conditions resulted in reduced federal and state revenues available to the City. Special early retirement incentives, usual employee turnover and a minimal number of layoffs produced numerous position vacancies in 2003 and 2004. The majority of these vacant positions were temporarily or permanently cut.

**Operating Indicators By Function/Program
Last Six Fiscal Years
(Unaudited)**

Function/Program	Fiscal Year					
	2003	2004	2005	2006	2007	2008
Police:						
Total Number of Calls For Service	84,735	85,937	88,661	86,909	85,249	82,656
Total Number of Arrests	11,420	11,486	12,176	12,651	10,648	9,393
--Adult arrest - Misdemeanor and Felony	10,788	10,839	11,542	11,964	9,752	8,686
--Juvenile arrest - Misdemeanor and Felony	632	647	634	687	896	707
Property Crime	7,642	7,028	7,538	6,597	5,263	4,907
Traffic violations	28,647	29,151	29,595	31,832	31,828	30,195
Parking violations	3,861	6,084	4,751	5,351	7,068	7,043
Number of Commissioned Police Officers	236	242	242	247	247	251
Fire:						
Total Number of Alarms	12,283	12,350	12,985	13,713	14,396	14,726
--Fire Calls	650	625	692	640	570	528
--Emergency Medical Services	7,544	7,950	8,738	8,877	9,346	9,737
--Hazardous Materials Calls	59	136	447	342	423	358
--Rescue or Other Calls	4,030	3,639	3,108	3,898	4,057	4,103
Total Number of Inspections	3,796	3,209	3,243	2,896	3,438	3,546
--Fire and Life Safety	2,396	1,862	2,470	2,500	2,702	2,804
--Hazardous Materials	1,400	1,347	773	396	736	742
Number of Commissioned Firefighters	204	192	193	201	201	206
Public Works:						
# Parking Decks & Lots Maintained	13	11	11	11	11	13
Street Resurfacing (# Linear Miles)	88	85	82	83	73	82
Storm Sewer Maintenance (# Linear Feet)	1,200	600	800	650	450	450
# Street Signs & Signals Maintenance Calls	9,300	8,810	8,510	8,800	8,762	8,525
Inspections:						
# Construction Permits Issued (1)	417	442	431	364	365	282
Library:						
Number of Materials Loaned	751,515	774,387	735,122	773,245	778,175	848,604
Door Count	559,317	560,694	539,473	536,014	535,721	561,369
Computer Usage	64,366	76,812	85,199	98,817	95,803	97,153

Source: City Departments and Annual Budget Documents; City of Peoria's internet website (www.ci.peoria.il.us)

Note: Operating indicators selectively provided for the four largest City operating departments and the Peoria Public Library.

Related Supplemental Data:

(1) New Residential & Commercial Construction	Fiscal Year					
	2003	2004	2005	2006	2007	2008
Dollar Value of Construction	\$ 100,188,598	\$ 124,170,984	\$ 165,067,612	\$ 122,885,714	\$ 365,660,578	\$ 191,448,160

**Capital Asset Statistics By Function/Program
Last Six Fiscal Years
(Unaudited)**

Function/Program	Fiscal Year					
	2003	2004	2005	2006	2007	2008
Police:						
Stations	1	1	1	1	1	1
Sub Stations	1	1	1	1	1	1
Marked vehicles ⁽¹⁾	70	70	70	70	102	93
Unmarked Vehicles	40	40	41	42	84	86
Fire:						
Stations	12	12	12	12	12	12
Engine (Pumpers) Companies	17	17	17	17	17	17
Truck Companies	6	6	6	6	6	6
Rescue Squads	3	3	3	3	3	3
Public Works:						
Heavy-Duty Trucks (GVW 27,000-42,000)	26	27	29	31	43	43
Trucks (GVW 10,100- 25,000)	20	20	20	20	33	33
Streets (Center Lane Miles)	449	449	449	449	458	458
Street Lights	9,156	9,429	9,866	10,217	10,231	10,231
Traffic Signals	251	251	254	269	272	279
Library:						
Facilities (Main Library, 5 Branches, Bookmobile)	7	7	7	7	7	7

Source: City Departments

Notes:

Capital assets statistical indicators are selectively provided for the three largest City operating departments and the Peoria Public Library.

The Fire Department assets include both frontline and reserve vehicles.

The Peoria Park District, a separate taxing entity, operates parks and swimming pools.

Water/Wastewater facilities are privately owned.

The Greater Peoria Sanitary District, a separate taxing entity, operates and maintains sanitary sewers.

⁽¹⁾ 2008 Marked Vehicle Category includes 4 motorcycles, 6 parking enforcement vehicles and 1 service van.

City of Peoria

Statistical Section Glossary of Terms Used

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 entity 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 a 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.

CHANGE IN NET ASSETS

Revenues minus expenses of the primary City government converted from modified accrual fund accounting to full accrual accounting for government-wide financial statements in compliance with Governmental Accounting Standards Board (GASB) Statement 34 financial reporting requirements. Changes in Net Assets for the City's two discretely presented component units are not presented in this statistical section.

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 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'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 licenses before doing business within the governmental unit and revenue from all non-business 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.

NET ASSETS

Assets minus liabilities of the primary City government converted from modified accrual fund accounting to full accrual accounting for government-wide financial statements in compliance with Governmental Accounting Standards Board (GASB) Statement 34 financial reporting requirements. Net Assets for the City's two discretely presented component units are not presented in this statistical section.

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, 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 as \$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 2008 fiscal year in December 2007. Therefore, the property tax year for these levies is 2007. These taxes would be collected in calendar year 2008 during the 2008 fiscal period.

TAXABLE ASSESSED VALUATION

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

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