

CITY OF PEORIA, ILLINOIS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Year Ended December 31, 2009

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

Contents

Introductory Section

Table of contents	i – iii
Letter of transmittal	iv – x
GFOA Certificate of Achievement	xi
Organizational chart	xii
Elected officials	xiii

Financial Section

Independent auditor's report	1 – 2
Management's discussion and analysis	3 – 15
Basic financial statements:	
Government-wide financial statements:	
Statement of net assets	16 – 17
Statement of activities	18 – 19
Fund financial statements:	
Balance sheet - governmental funds	20 – 23
Reconciliation of total governmental fund balances to net assets of governmental activities	24
Statement of revenues, expenditures and changes in fund balances – governmental funds	25 – 26
Reconciliation of the statement of revenues, expenditures and changes in fund balances of governmental funds to the statement of activities	27 – 28
Statement of fiduciary net assets	29
Statement of changes in fiduciary net assets	30
Notes to basic financial statements	31 – 77
Required Supplementary Information:	
Schedule of revenues, expenditures and changes in fund balance - budgetary basis - budget and actual – General Fund, Peoria Public Library Fund, Police and Fire Pension Levy Fund and Illinois Municipal Retirement Fund	78 – 80
Note to required supplementary information	81
Illinois Municipal Retirement Plan	82
Police Pension Plan	83
Firemen's Pension Plan	84
Other Postemployment Benefit Plan	85
Supplementary information:	
Nonmajor governmental funds:	
Combining balance sheet	86 – 91
Combining statement of revenues, expenditures and changes in fund balances	92 – 97
Individual fund financial statements:	
Schedule of revenues, expenditures and changes in fund balance – budget and Actual – General Fund	98
Special revenue funds:	
Schedule of revenues, expenditures and changes in fund balance – budget and actual – Peoria Public Library Fund	99
Schedule of revenues, expenditures and changes in fund balance – budget and actual – Motor Fuel Tax Fund	100
Schedule of revenues, expenditures and changes in fund balance – Community Development Block Grant Fund	101

Contents

Financial Section (continued)

Schedule of revenues, expenditures and changes in fund balance – budget and actual – State and Local Auto Theft Enforcement Grant Fund	102
Schedule of revenues, expenditures and changes in fund balance – Multi-County MEG Grant Fund	103
Schedule of revenues, expenditures and changes in fund balance – Home Investment Partnership Program Fund	104
Schedule of revenues, expenditures and changes in fund balance – budget and actual – Illinois Municipal Retirement Fund	105
Schedule of revenues, expenditures and changes in fund balance – budget and actual – Solid Waste Fund	106
Schedule of revenues, expenditures and changes in fund balance – Workforce Development Fund	107
Schedule of revenues, expenditures and changes in fund balance – budget and actual – Police and Fire Pension Levy Fund	108
Schedule of revenues, expenditures and changes in fund balance – Peoria Foreign Fire Insurance Board	109
Debt service funds:	
Schedule of revenues, expenditures and changes in fund balance – budget and actual – Downtown Parking Bond Debt Service Fund	110
Schedule of revenues, expenditures and changes in fund balance – budget and actual – 2005A General Obligation Debt Service Bond Fund	111
Schedule of revenues, expenditures and changes in fund balance – budget and actual – WeaverRidge Debt Service Fund	112
Schedule of revenues, expenditures and changes in fund balance – budget and actual – General Obligation Bonds Debt Service Master Fund	113
Schedule of revenues, expenditures and changes in fund balance – budget and actual – 2006 Special Assessment Bond Debt Service Fund	114
Schedule of revenues, expenditures and changes in fund balance – budget and actual – 2007-A Special Assessment Bond Debt Service Fund	115
Schedule of revenues, expenditures and changes in fund balance – budget and actual – 2008A Library General Obligation Bond Debt Service Fund	116
Capital projects funds:	
Schedules of revenues, expenditures and changes in fund balance:	
Capital Improvements Fund	117
Southtown TIF Project Fund	118
Downtown TIF Project Fund	119
Campustown TIF Project Fund	120
Northside TIF Project Fund	121
Midtown Plaza TIF Project Fund	122
Northside Business Park TIF Project Fund	123
Downtown Stadium TIF Project Fund	124
Eagle View TIF Project Fund	125
Warehouse District TIF Project Fund	126
Hospitality Improvement Zone TIF Project	127
2004B General Obligation Bond Project Fund	128
2005A General Obligation Bond Project Fund	129
2006 Special Assessment Bond Project Fund	130
City of Peoria Designated Zone Organization	131
2007A Special Assessment Bond Project Fund	132
2007A General Obligation Bond Project Fund	133
2008A Library General Obligation Bond Project Fund	134

Contents

Financial Section (continued)

Fiduciary funds:	
Combining statement of fiduciary net assets	135
Combining statement of changes in fiduciary net assets	136
Agency funds, statement of changes in assets and liabilities	137

Statistical Section

Statistical section contents	138
Net assets by component	139
Changes in net assets	140 – 141
Fund balances, governmental funds	142
Changes in fund balances, governmental funds	143
Assessed value and estimated actual value of taxable property	144
Direct and overlapping property tax rates	145 – 146
Principal property taxpayers	147
Property tax levies and collections	148
Taxable sales by category	149
Ratios of outstanding debt by type	150
Ratios of net general bonded debt outstanding	151
Direct and overlapping governmental activities debt	152
Pledged-revenue coverage	153 – 154
Demographic and economic statistics	155
Principal employers	156
Full-time equivalent city government employees by function/program	157
Operating indicators by function/program	158
Capital asset statistics by function/program	159
Glossary of terms used	160 – 162

This Page Intentionally Left Blank



FINANCE DEPARTMENT

June 18, 2010

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, 2009.

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.

The Honorable James E. Ardis III, Mayor
Members of the City Council
The Citizens of the City of Peoria
June 18, 2010

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, 2009, 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, 2009, 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 had 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 2004 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
Members of the City Council
The Citizens of the City of Peoria
June 18, 2010

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 & 15 in the notes to 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. The City of Peoria like many municipalities around the country has felt the impact of the downturn in the economy which began in 2008. The City of Peoria relies heavily on economic driven revenues to support the operations of the City. In April of 2009, the Council took action to reduce the 2009 budget by \$3.3 million as it became clear that revenues were not going to meet expectations. However, revenues continued to decline even further in 2009 resulting in the use of undesignated fund balance of \$6.8 million.

The Honorable James E. Ardis III, Mayor
Members of the City Council
The Citizens of the City of Peoria
June 18, 2010

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, Bosch Tool Corporation and O’Brien Steel.

However, manufacturing has given way to the services and trade sectors, such as health services, insurance, retail and telemarketing, which provide more than two out of every three jobs.

The City continues to be the regional shopping venue of choice with the opening of the Shoppes at Grand Prairie in the spring of 2003 and an eighteen-screen theatre at the Shoppes in the spring of 2004. The Shoppes at Grand Prairie is a 500,000 square-foot retail center anchored by 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.

With continued construction of private businesses in the growth cells, on the Riverfront, and in other parts of the City, local indicators point to future 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

The Honorable James E. Ardis III, Mayor
Members of the City Council
The Citizens of the City of Peoria
June 18, 2010

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.

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, and construct a new 10 story Courtyard Marriott hotel that will be connected to the existing Hotel Pere Marquette which will increase the number of rooms to a total of 405. The existing hotel will be renovated into a full service Marriott and will include: a swimming pool; business center and day spa; a 466 space parking garage that will include 15,500 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 \$37 million for land acquisition, demolition, and rehabilitation cost associated with the historic preservation of the Hotel Pere Marquette through the issuance of bonds which will be repaid by project generated revenues.

Relevant financial policies:

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 1.01% for 2009 compared to 2.55% for 2008. The 1.01% City yield exceeded the 0.16% federal funds rate benchmark and 0.85% 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, 2010. 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

The Honorable James E. Ardis III, Mayor
Members of the City Council
The Citizens of the City of Peoria
June 18, 2010

renewed this policy with supplemental coverage in June 2008, June 2009 and May 2010. 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 76.7% and 68.8%, respectively, of the present value of the projected benefits earned by employees of the Police and Firefighters Pension Funds. The remaining unfunded amount is being systematically funded over 40 years, which started July 1, 1993 as part of the annual required contribution calculated by the actuary.

The City of Peoria also provides pension benefits to its non-public-safety employees. These benefits are provided through a statewide plan managed by the Illinois Municipal Retirement Board. The City of Peoria has no obligation in connection with the employee benefits offered through this plan beyond its annual contractual payment of 13.71% of payroll for January-October 2009 and 9.35% of payroll for November-December 2009.

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 486 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 Note 11 and Note 16 in the notes to the financial statements.

Major initiatives. The City's 2009 budget represented a maintenance approach to services, especially within the operating budget with the primary goal to maintain the level of service to which Peorians are accustomed without an increase in taxes. The Council and staff have dedicated themselves to living within the City's means. City departments continue to be asked to provide more service in a quicker time frame with similar or less resources.

The Honorable James E. Ardis III, Mayor
Members of the City Council
The Citizens of the City of Peoria
June 18, 2010

In late 2008, the City Council authorized the sale of \$28 million of general obligation bonds in order to improve library services in Peoria. These funds will be used to build and open a new library branch in North Peoria; consolidate library operations in South Peoria into an expanded Lincoln Library branch; and renovate and update the Central Library branch. It is anticipated that the new branch will open in 2011 and renovations to existing libraries will be completed in 2010. Even with the addition of the new library, the Library Board is committed to maintaining operations at the same level through the use of new technology.

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, 2008. This was the ninth 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 seventeenth consecutive year, the City received the GFOA's Distinguished Budget Presentation Award for its 2009 annual budget document adopted December 9, 2008. 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 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,



L. Scott Moore
City Manager



James R. Scroggins
Finance Director/Comptroller

This Page Intentionally Left Blank

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, 2008

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.



A stylized handwritten signature in black ink.

President

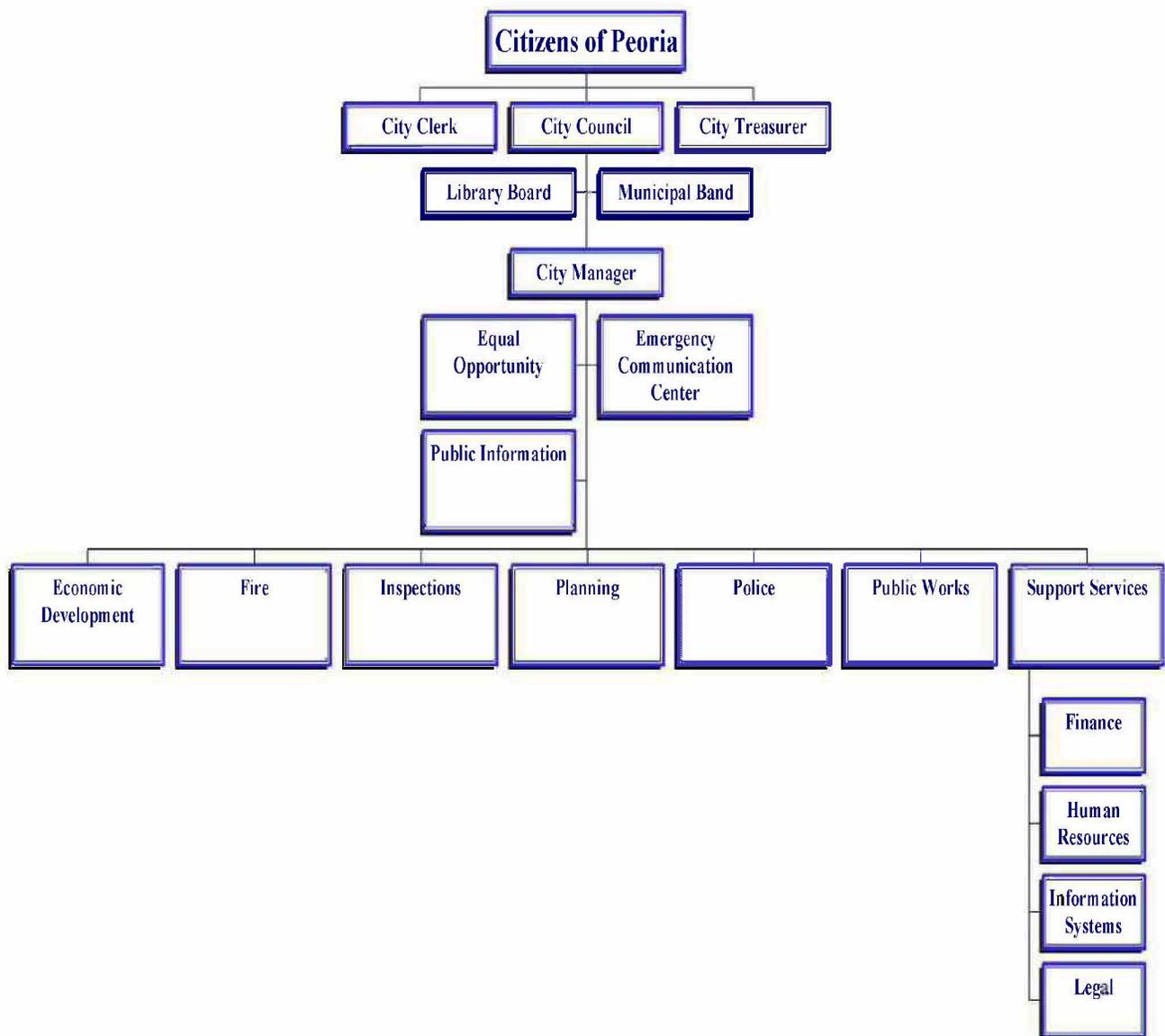
A handwritten signature in black ink, appearing to read "Jeffrey R. Emmer".

Executive Director



Organizational Chart

City of Peoria 2009



City of Peoria, Illinois

Elected Officials

As of January 1, 2008

Mayor

James E. Ardis III

City Council Members

Barbara 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 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

This Page Intentionally Left Blank

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, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the City of Peoria, Illinois, as of and for the year ended December 31, 2009, 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 \$419,793 (0.11 percent), \$419,793 (0.41 percent) and \$138,756 (0.09 percent), respectively, of the assets, net assets and revenues of the total primary government – governmental activities and 0.15 percent, 0.17 percent and 0.25 percent of the assets, fund balance and revenues, respectively, of the aggregate remaining funds. We also did not audit the Police Pension Fund of Peoria and the Firemen's Pension Fund of Peoria, which represents 85.87 percent, 91.79 percent and 69.98 percent, respectively, of the assets, net assets and additions of the aggregate remaining 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, 2009, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America

In accordance with *Government Auditing Standards*, we have also issued our report dated June 16, 2010 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, 2009 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, 2008, which are not presented with the accompanying financial statements. In our report dated June 19, 2009, 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, 2008, 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 16, 2010

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, 2009. 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 \$102.8 million at December 31, 2009.
- The City's total net assets decreased \$15.3 million during 2009; 94.1% of this total net assets decrease is attributable to: a) \$4.4 million decrease in total state-shared revenues b) \$4.3 million increase in long-term debt c) \$2.0 million decrease in home rule sales tax revenues d) \$1.3 million decrease in licenses and permits fees e) \$1.3 million decrease in interest earnings f) \$1.0 million decrease in intergovernmental reimbursements.
- As of December 31, 2009, the City of Peoria's governmental funds reported combined fund balances of \$86.5 million, a decrease of \$19.5 million in comparison with the prior year. Approximately 13.6% of this \$86.5 million amount, \$11.8 million, is available for spending at the City's discretion (*undesignated fund balance*).
- The undesignated general fund balance decreased \$6.5 million during 2009 to \$4.6 million total as of December 31, 2009; equivalent to 4.6% of total general fund expenditures.
- The City's total outstanding debt increased \$4.3 million during 2009.
- During 2009, the City issued \$17.6 million refunding general obligation bonds for refinancing of multiple bonds issued in previous years.

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 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 & 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 in 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 to its employees. Required supplemental information regarding budgetary comparisons, pension funding and OPEB funding can be found in 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 – 162 of this report.

Infrastructure Assets

Per GASB Statement 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 ending 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 34 standard requires that these assets be valued and reported within the governmental column of the government-wide statements.

Additionally, the government must elect to either (a) depreciate these assets over their useful lives or (b) develop a system of asset management designed to maintain the service delivery potential to near perpetuity.

If the government develops the asset management system (the modified approach) which periodically (at least every third year), by category, measures and demonstrates its maintenance of locally established levels of service standards, the government may record its cost of maintenance in lieu of depreciation. This information about the condition and maintenance of condition of the government infrastructure assets could assist financial statement users in evaluating a local government and its performance over time.

The City currently depreciates capital assets.

Government-Wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. The City primary government's assets exceeded liabilities by \$102.8 million at December 31, 2009. *Restricted net assets* represent resources that are subject to external usage restrictions. The City's (\$138.0) 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 (59.7%) 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 below, 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, 2009 is presented on the next page.

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

	Governmental Activities 2009	Governmental Activities 2008
Current & Other Assets	\$152.5	\$170.0
Capital Assets	\$226.3	\$221.6
Total Assets	\$378.8	\$391.6
Long-Term Liabilities	\$227.2	\$224.3
Other Liabilities	\$48.8	\$49.2
Total Liabilities	\$276.0	\$273.5
Net Assets:	\$102.8	\$118.1
Invested in Capital Assets, net of related debt	\$177.1	\$194.3
Restricted	\$63.7	\$75.6
Unrestricted	(\$138.0)	(\$151.8)
Total Net assets	\$102.8	\$118.1

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 2009 governmental activities. Highlights included:

- \$0.5 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.
- \$4.4 million decrease in total combined state-shared tax revenues; included 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.
- \$42.0 million combined total state-shared revenues constituted 27.5% of total 2009 revenues for governmental activities.
- \$78.6 million combined total Police, Fire and Public Safety (Emergency Communications Center, Inspections and Animal Shelter) expenses represented 46.0% of total 2009 governmental activities expenses.
- The City paid \$64.7 million gross wages to City employees in 2009; included \$66.7 million payroll cash basis gross wages minus \$2.0 million accrual adjustments. Future voluntary separation incentive installment payments to retirees, \$0.3 million annually from 2010-2013, accounted for \$1.2 million of \$2.0 million net 2009 payroll cash versus accrual adjustments.
- In addition to gross wages, the City incurred \$43.3 million expenses for the net employer portion of total 2009 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.
- \$1.0 million total investment interest income represented a \$1.3 million decrease primarily attributable to a significant, continuing decline in bank interest rates during 2009.

A summary of the City's 2009 Changes in Net Assets is presented on the next page.

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

	Governmental Activities 2009	Governmental Activities 2008
Revenues:		
Program Revenues:		
Charge For Services	\$21.2	\$23.0
Operating Grants & Contributions	\$9.8	\$7.6
Capital Grants & Contributions	\$1.6	\$7.5
General Revenues:		
Property Taxes	\$33.0	\$29.0
Hotel, Restaurant & Amusement Taxes	\$7.6	\$8.3
Other Taxes & Fees	\$74.6	\$81.4
Unrestricted Grants & Contributions	\$3.2	\$3.4
Other Revenues	\$4.3	\$9.7
Total Revenues	\$155.3	\$169.9
Expenses:		
Elected Officials	\$2.2	\$2.1
City Administration	\$8.2	\$8.2
Police	\$36.3	\$37.9
Fire	\$31.6	\$28.4
Public Works	\$30.2	\$28.5
Community Development	\$14.7	\$14.8
Library	\$11.3	\$9.8
Public Safety (excluding Police & Fire)	\$10.8	\$10.2
General Government	\$16.5	\$19.8
Other Expenses	\$8.8	\$7.5
Total Expenses	\$170.6	\$167.2
Increase (Decrease) in Net Assets	(\$15.3)	\$2.7
Beginning Net Assets 1/1	\$118.1	\$115.4
Ending Net Assets 12/31	\$102.8	\$118.1

Normal Impacts: Changes in Net Assets

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

Revenues:

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

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

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

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

Expenses:

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

Increase in Authorized Personnel – changes in service demand may cause the Council to increase/decrease authorized staffing. Staffing costs (gross wages plus net employer-paid benefits) represent 72.0% 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 \$86.5 million. Approximately \$11.8 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 & 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 \$4.6 million while total fund balance reached \$25.8 million. As a measure of the general fund liquidity, it may be useful to compare both undesignated fund balance and total fund balance to total fund expenditures (e.g. 12/31/09 total fund balance in the General Fund represented 26.0% of 2009 general fund expenditures).

The City's total General Fund balance decreased \$6.8 million during 2009. Key reasons were:

- Significant changes in the City's 2009 state-shared revenues included:
 - a) \$3.0 million decrease in State of Illinois income tax allocation.
 - b) \$1.9 million decrease in State of Illinois sales tax revenues.
 - c) \$1.0 million decrease in State of Illinois personal property replacement taxes.
- \$0.2 million decrease in electric and telephone utility tax revenues.
- \$0.4 million decrease in interest revenues due to declining bank interest rates.
- \$1.0 million increase in net 2009 healthcare benefits expenses primarily attributable to increased costs for medical claims and prescription drugs.

The City's combined Capital Improvements (Capital/Local Motor Fuel Tax/Riverfront) Fund balance decreased \$7.5 million in 2009. This fund balance decrease was primarily due to:

- \$3.5 million decrease in utility tax transfers-in from general fund for bonds debt service.
- \$0.8 million decrease in governmental grants and reimbursements.
- \$0.4 million decrease in insurance reimbursements.
- \$0.4 million decrease in intergovernmental reimbursements.

The City's 2009 employer portion of total pension benefits costs increased \$5.5 million due to:

- \$0.2 million increase in firemen's pension fund contributions.
- \$0.1 million increase in police pension fund contributions.
- \$5.2 million net increase in Illinois Municipal Retirement Fund pension contributions for management employees, AFSCME union employees & permanent crafts/trades employees. This increase was primarily attributable to a one-time \$5.4 million lump sum payment of the City's early retirement incentive program liability.

For payment of future debt service, the City currently maintains \$2.4 million combined fund balances in all bond debt service funds, plus \$15.5 million combined reserved fund balances for debt service in other governmental funds.

The City continues to abate property tax levies relating to general obligation bonds debt service, with the exception of the 2008(A) Library G.O. Bond, due to the City's traditional reliance upon alternative funding sources. Primary alternative bonds 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 2009, the \$2.7 million final budget estimated revenues decrease from original budget estimated revenues, primarily comprised of budget reduction amendments for personal property replacement taxes, state sales taxes and home rule sales taxes, constituted 2.3% of the total original budget estimated revenues.

The corresponding \$1.4 million final budget decrease from original budget appropriations constituted 1.4% of original budget appropriations. Final budget appropriations included personnel services decreases and contractual services decreases for multiple City departments.

Other General Fund budgetary highlights included:

- \$0.1 million decrease in total final budget estimated revenues compared with the prior year.
- \$2.6 million increase in total final budget appropriations in comparison with the prior year.

Capital Asset and Debt Administration

Capital assets. As of December 31, 2009, the City maintained \$226.3 million in capital assets (net of depreciation) representing a 2.1% 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:

- \$5.6 million decrease in 2009 annexed (donated) infrastructure completed by developers.
- \$2.1 million expenditures during 2009 for construction of a new Peoria Public Library branch facility in the northwest section of Peoria, plus improvements to the existing Main Street Library branch, Lincoln Library branch and McClure Library branch.

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

	Governmental Activities 2009	Governmental Activities 2008
Land & Land Improvements	\$17.0	\$16.2
Buildings	46.9	46.0
Vehicles & Equipment	6.4	4.9
Library Media	3.1	2.8
Infrastructure	144.5	144.7
Construction in Progress	8.4	7.0
Total	<u>\$226.3</u>	<u>\$221.6</u>

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 \$183.9 million at December 31, 2009; \$174.1 million of the preceding total comprised debt backed by the full faith and credit of the government and \$6.1 million comprised revenue bonds secured by specific revenues. The remaining \$3.7 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 2009(A) General Obligation Refunding Bonds, in the amount of \$17.6 million, to refinance the previously issued 1998(D), 2001(A), 2001(B), 2001(C) and 2001(D) General Obligation Bonds.

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)**

	2009	2008
General Obligation Bonds	\$174.1	\$181.2
Special Service Area Bonds	3.7	4.0
Revenue Bonds	6.1	6.8
 Total	 <u>\$183.9</u>	 <u>\$192.0</u>

Additional information on the City of Peoria’s long-term debt can be found in note 6 on pages 48 - 59 of this report.

Economic Conditions and Next Year's Budgets

The City administration continues to grapple with balancing services with limited resources. In order to address budgetary constraints amplified by the continuing national economic crisis, the City Council approved a new 5% water utility tax revenue effective in 2010, and 55 fewer permanent, full-time City employees have been budgeted in 2010. City officials continued to utilize a five-year operating budget forecasting model and a corresponding ten-year capital budget program.

In 2009, City officials implemented a multi-year, \$1.6 million voluntary separation incentive program, accepted by 31 early retirees, and paid \$5.4 million to the Illinois Municipal Retirement Fund for the balance of a previously existing early retirement incentive program.

The City Council approved \$2.0 million in 2010 toward construction of a state-of-the art cancer research center administered by the University of Illinois' College of Medicine. The City will expend \$2.8 million for infrastructure near the new Glen Oak School opening in August 2010.

In 2010, the City Council authorized the issuance of \$37.1 million City bonds toward \$102.6 million total proposed improvements in the Hospitality Improvement Zone (HIZ) TIF District. The multi-year project will include construction of a new Marriott Courtyard Hotel, significant improvements to the adjoining Pere Marquette Hotel, demolition of the Pere Marquette parking deck and construction of a new parking deck, plus construction of an elevated walkway linking all three buildings to the Peoria Civic Center.

Actuarial consultants continued to coordinate with City officials and the Labor/Management Healthcare Committee to assess the financial impact of annual GASB 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 45 requirements. In 2010, the City will continue to consider the merits and restrictions regarding potential creation of a GASB 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 2008-2009 versus 2006-2007. The City anticipates continuing benefits from healthcare plan changes in 2010 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, 2009

	Total Primary Government - Governmental Activities	Component Units	
		Peoria Civic Center Authority	Springdale Cemetery Management Authority
Assets			
Current assets:			
Cash and cash equivalents	\$ 49,987,925	\$ 2,018,811	\$ 222,846
Restricted cash with trustee	933,588	-	-
Investments	25,721,480	1,357,585	75,827
Restricted investments	-	-	229,125
Taxes receivable:			
Property taxes	33,392,000	-	-
Corporate personal property replacement taxes	842,759	-	-
State sales and income taxes	8,825,057	-	-
Home rule sales taxes	5,960,747	-	-
Hotel, restaurant and amusement taxes	785,300	-	-
Utility taxes	1,732,696	-	-
Local motor fuel taxes	100,065	-	-
Governmental grants and reimbursements receivable	1,412,710	-	-
Riverboat gaming revenue receivable	577,844	-	-
Loans receivable, net	504,187	-	-
Pledges receivable	15,000	-	-
Other receivables, net	1,965,896	938,443	426,321
Accrued interest receivable, net	538,794	11,357	-
Special assessments receivable	179,696	-	-
Inventory, prepaid items and other	580,153	146,008	37,850
Total current assets	134,055,897	4,472,204	991,969
Noncurrent assets:			
Restricted cash and cash equivalents	-	217,065	-
Loans receivable, net	331,153	-	-
Other receivable	-	998,711	25,253
Special assessments receivable	1,394,137	-	-
Unamortized bond issue costs	1,804,219	-	-
Net pension assets	14,923,424	-	-
Capital assets:			
Not depreciated:			
Land	12,420,189	10,247,918	65,604
Construction-in-progress	8,432,488	-	-
Depreciated:			
Infrastructure	281,214,807	-	-
Buildings and land improvements	88,123,603	150,451,204	1,618,692
Major equipment and vehicles	25,331,097	10,089,527	396,892
Media assets	24,349,753	-	-
Software	-	-	127,371
Accumulated depreciation	(213,577,674)	(73,970,055)	(568,381)
Total capital assets	226,294,263	96,818,594	1,640,178
Total noncurrent assets	244,747,196	98,034,370	1,665,431
Total assets	\$ 378,803,093	\$ 102,506,574	\$ 2,657,400

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	\$ 7,087,912	\$ 133,488	\$ 12,818
Accrued payroll	1,991,839	-	-
Accrued interest	395,929	-	-
Employer contribution payable	31,129	-	-
Other payables	180,963	197,731	7,662
Advance ticket sales	-	678,688	-
Estimated payable for claims and losses incurred but not reported	488,507	-	-
Unearned revenue, property taxes	33,392,000	-	-
Unearned revenue, other	2,273,738	703,081	227,196
Tax rebates payable	2,107	-	-
Accrued compensated absences	509,525	-	-
Voluntary separation initiative termination benefits	292,857	-	-
Bonds and loans payable, current portion	2,135,469	164,009	-
Other long-term obligations, current portion	38,754	-	-
Total current liabilities	48,820,729	1,876,997	247,676
Long-term liabilities:			
Accrued compensation absences	8,712,471	-	-
Voluntary separation initiative termination benefits	930,000	-	-
Bonds and loans payable, noncurrent	189,124,784	2,004,423	-
Other long-term obligations, noncurrent	675,037	-	-
Unamortized bond premium	3,307,512	-	-
Deferred amount on bonds refunded	(155,939)	-	-
Net other post employment benefits obligation	18,548,438	-	-
Workers compensation claims payable	3,075,093	-	-
General liability claims payable	3,015,526	-	-
Unearned revenue and deposits	-	2,113,058	-
Asset held for Tourism Reserve Fund, payable from restricted assets	-	217,065	-
Total long-term liabilities	227,232,922	4,334,546	-
Total liabilities	276,053,651	6,211,543	247,676
Net assets:			
Investment in capital assets, net of related debt	177,077,761	94,650,162	1,640,178
Restricted for:			
Law enforcement	706,230	-	-
Animal shelter trust	203,036	-	-
Future road projects	7,642,105	-	-
Debt service	2,423,390	-	-
Peoria Public Library	3,173,097	-	-
Revolving loan fund	453,199	-	-
Riverfront development	70,000	-	-
Employees' pension benefits	14,111,947	-	-
Capital projects	34,924,053	-	-
Cemetery	-	-	272,732
Unrestricted	(138,035,376)	1,644,869	496,814
Total net assets	102,749,442	96,295,031	2,409,724
Total liabilities and net assets	\$ 378,803,093	\$ 102,506,574	\$ 2,657,400

City of Peoria, Illinois

Statement of Activities
Year Ended December 31, 2009

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	\$ (2,177,766)	\$ -	\$ -	\$ -
City administration	(8,197,849)	-	-	-
Police	(36,273,295)	558,810	786,354	-
Fire	(31,575,786)	564,471	186,799	-
Public works	(30,208,619)	5,229,957	-	186,166
Community development	(14,723,262)	-	8,810,036	10,000
Public safety	(10,768,011)	2,792,610	-	124,693
General government	(16,545,136)	11,951,363	-	1,121,888
Library	(11,308,891)	129,540	51,760	160,220
Interest on long-term debt	(8,844,508)	-	-	-
Total primary government	\$ (170,623,123)	\$ 21,226,751	\$ 9,834,949	\$ 1,602,967
Component Units				
Peoria Civic Center Authority	\$ (24,587,431)	\$ 18,762,359	\$ -	\$ 301,376
Springdale Cemetery Management Authority	(981,039)	344,952	420,771	147,745
Total component units	\$ (25,568,470)	\$ 19,107,311	\$ 420,771	\$ 449,121

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		
Governmental	Peoria	Springdale Cemetery	
Governmental	Civic Center	Management	
Activities	Authority	Authority	
\$ (2,177,766)	\$ -	\$ -	
(8,197,849)	-	-	
(34,928,131)	-	-	
(30,824,516)	-	-	
(24,792,496)	-	-	
(5,903,226)	-	-	
(7,850,708)	-	-	
(3,471,885)	-	-	
(10,967,371)	-	-	
(8,844,508)	-	-	
(137,958,456)	-	-	
-	(5,523,696)	-	
-	-	(67,571)	
-	(5,523,696)	(67,571)	
32,964,520	-	-	
6,777,042	-	-	
21,951,915	-	-	
9,848,758	-	-	
21,074,331	-	-	
7,640,779	-	-	
764,720	-	-	
3,528,968	-	-	
8,406,435	-	-	
3,163,376	-	-	
-	1,446,277	-	
1,053,232	104,208	2,107	
2,249,178	-	-	
3,202,698	1,000	1,681	
122,625,952	1,551,485	3,788	
(15,332,504)	(3,972,211)	(63,783)	
118,081,946	100,267,242	2,473,507	
\$ 102,749,442	\$ 96,295,031	\$ 2,409,724	

City of Peoria, Illinois

Balance Sheet
 Governmental Funds
 December 31, 2009

Assets	General Fund	Peoria Public Library Fund	Workforce Development Fund
Cash and cash equivalents	\$ 2,146,720	\$ 3,531,232	\$ 201,408
Cash with trustee	-	-	-
Investments	12,502,072	513	218,952
Property taxes receivable	6,636,500	6,557,300	-
Corporate personal property replacement taxes	842,759	-	-
State sales and income taxes receivable	8,740,024	-	-
Home rule sales taxes	5,960,747	-	-
Hotel, restaurant and amusement taxes	785,300	-	-
Utility taxes	1,732,696	-	-
Local motor fuel taxes receivable	-	-	-
Governmental grants and reimbursements receivable	75,237	-	615,392
Riverboat gaming revenue receivable	-	-	-
Loans receivable, net	-	-	-
Pledges receivable	-	-	-
Other receivables, net	1,556,257	-	4,365
Accrued interest receivable, net	353,443	-	-
Special assessments receivable	-	-	-
Due from other funds	10,964	-	-
Inventory and prepaid items	545,323	-	34,830
Total assets	\$ 41,888,042	\$ 10,089,045	\$ 1,074,947

(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
\$ -	\$ 1,323,318	\$ 584,960	\$ 25,516,060	\$ 16,684,227	\$ 49,987,925
-	-	-	-	933,588	933,588
-	766	8,976,924	46,860	3,975,393	25,721,480
8,611,600	4,437,700	63,700	-	7,085,200	33,392,000
-	-	-	-	-	842,759
-	-	-	-	85,033	8,825,057
-	-	-	-	-	5,960,747
-	-	-	-	-	785,300
-	-	-	-	-	1,732,696
-	-	100,065	-	-	100,065
-	-	358,612	-	363,469	1,412,710
-	-	577,844	-	-	577,844
-	-	618,059	-	217,281	835,340
-	-	-	-	15,000	15,000
-	-	355,947	-	49,327	1,965,896
-	-	92,010	-	93,341	538,794
-	-	179,696	-	-	179,696
-	-	413,953	700	84,501	510,118
-	-	-	-	-	580,153
\$ 8,611,600	\$ 5,761,784	\$ 12,321,770	\$ 25,563,620	\$ 29,586,360	\$ 134,897,168

City of Peoria, Illinois

Balance Sheet (Continued)
Governmental Funds
December 31, 2009

Liabilities and Fund Balance	General Fund	Peoria Public Library Fund	Workforce Development Fund
Liabilities:			
Accounts payable	\$ 3,434,024	\$ 192,699	\$ 367,742
Accrued payroll	1,825,581	105,746	28,553
Estimated payable for claims and losses incurred but not reported	488,507	-	-
Employer contribution payable	-	-	31,129
Due to other funds	3,002	-	-
Unearned revenue, property taxes	6,636,500	6,557,300	-
Deferred and unearned revenue, other	3,425,846	40,977	70,445
Bonds payable	-	-	-
Tax rebates payable	2,107	-	-
Other payables	257,483	-	-
Total liabilities	16,073,050	6,896,722	497,869
Fund balance:			
Reserved for:			
Encumbrances	514,392	-	-
Law enforcement	680,789	-	-
Animal shelter trust	-	-	-
Future road projects	-	-	-
Debt service	6,631,389	-	-
Working cash, library	-	1,000,279	-
Endowment activity, library	-	408,978	-
Revolving loan fund	-	-	-
Riverfront development	-	-	-
Employees' pension benefits	-	-	-
Inventory and prepaid items	545,323	-	34,830
Unreserved:			
Designated, reported in:			
General Fund	12,847,709	-	-
Special revenue funds	-	1,783,066	218,952
Capital projects funds	-	-	-
Undesignated, reported in:			
General Fund	4,595,390	-	-
Special revenue funds	-	-	323,296
Capital projects funds	-	-	-
Total fund balance	25,814,992	3,192,323	577,078
Total liabilities and fund balance	\$ 41,888,042	\$ 10,089,045	\$ 1,074,947

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
\$ -	\$ 521,280	\$ 918,294	\$ 737,763	\$ 916,110	\$ 7,087,912
-	-	11,862	-	20,097	1,991,839
-	-	-	-	-	488,507
-	-	-	-	-	31,129
-	-	88,536	-	418,580	510,118
8,611,600	4,437,700	63,700	-	7,085,200	33,392,000
-	-	858,650	-	263,771	4,659,689
-	-	6,000	-	-	6,000
-	-	-	-	-	2,107
-	-	-	-	-	257,483
8,611,600	4,958,980	1,947,042	737,763	8,703,758	48,426,784
-	-	2,492,773	-	1,706,826	4,713,991
-	-	25,441	-	-	706,230
-	-	203,036	-	-	203,036
-	-	-	-	6,746,162	6,746,162
-	-	5,993,373	-	5,270,458	17,895,220
-	-	-	-	-	1,000,279
-	-	-	-	-	408,978
-	-	453,199	-	-	453,199
-	-	-	-	70,000	70,000
-	802,804	-	-	-	802,804
-	-	-	-	-	580,153
-	-	-	-	-	12,847,709
-	-	-	-	-	2,002,018
-	-	-	24,825,857	1,409,917	26,235,774
-	-	-	-	-	4,595,390
-	-	-	-	1,495,319	1,818,615
-	-	1,206,906	-	4,183,920	5,390,826
-	802,804	10,374,728	24,825,857	20,882,602	86,470,384
\$ 8,611,600	\$ 5,761,784	\$ 12,321,770	\$ 25,563,620	\$ 29,586,360	\$ 134,897,168

City of Peoria, Illinois

Reconciliation of Total Governmental Fund Balances to Net Assets of Governmental Activities
December 31, 2009

Total governmental fund balances	\$ 86,470,384
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.	226,294,263
Receivables are deferred in the funds if they are not available for use in the current period.	2,385,951
Special assessments receivable are not available to pay current period expenditures and, therefore, are not recognized in the funds.	1,394,137
Net pension asset (obligation) is not recorded in the funds.	14,923,424
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.	1,804,219
Bond premiums are reported as other financing sources in the funds.	(3,307,512)
Deferred amounts on refunding are not recorded in the funds.	155,939
Interest payable on debt is not reported in the funds if payments are due subsequent to reporting date.	(395,929)
Other post employment benefits obligation	(18,548,438)
Workers compensation claims payable	(3,075,093)
General liability claims payable	(3,015,526)
Accrued compensated absences	(9,221,996)
Accrued compensated absences included in other payables in Governmental funds	76,520
Voluntary separation initiative termination benefits	(1,222,857)
Bonds and loans payable	(191,254,253)
Other long-term obligations	(713,791)
Net assets of governmental activities	<u><u>\$ 102,749,442</u></u>

See Notes to Basic Financial Statements.

This Page Intentionally Left Blank

City of Peoria, Illinois

Statement of Revenues, Expenditures and Changes in Fund Balances
 Governmental Funds
 Year Ended December 31, 2009

	General Fund	Peoria Public Library Fund	Workforce Development Fund
Revenues:			
Property taxes	\$ 6,902,718	\$ 6,621,543	\$ -
Corporate personal property replacement taxes	3,822,429	475,673	-
State sales taxes	21,437,212	-	-
State income tax allocation	8,445,232	-	-
Home rule sales taxes	21,074,331	-	-
Hotel, restaurant and amusement taxes	7,572,336	-	-
Local motor fuel taxes	-	-	-
Riverboat gaming revenue	-	-	-
Utility taxes	8,406,435	-	-
Governmental grants and reimbursements	267,606	188,220	4,590,124
Licenses and permits	2,045,779	-	-
Service charges/fees/fees	17,496,667	129,540	-
Special assessments	-	-	-
Contributions	-	-	-
Loan repayment	-	-	-
Rental	93,819	-	-
Interest	433,517	11,970	-
Other	1,657,725	77,256	353,387
Total revenues	99,655,806	7,504,202	4,943,511
Expenditures:			
Current:			
Elective offices, boards, commissions and agencies	1,746,747	-	-
City administration	6,222,845	-	-
Police	29,467,240	-	-
Fire	22,001,070	-	-
Public works	20,732,623	-	-
Community development	4,990,535	-	4,671,147
Public safety	7,751,652	-	-
General government	5,758,323	-	-
Library	501,475	5,470,562	-
Capital outlay	-	905,723	-
Debt service:			
Principal	-	-	-
Interest	-	-	-
Total expenditures	99,172,510	6,376,285	4,671,147
Excess (deficiency) of revenues over expenditures	483,296	1,127,917	272,364
Other financing sources (uses):			
Issuance of bonds	-	-	-
Bond premium	-	-	-
Proceeds from sale of capital assets	-	-	-
Payment to refund debt	-	-	-
Issuance of loan	-	-	-
Transfers in	1,313,398	-	-
Transfers out	(8,593,424)	(701,884)	(273,197)
Total other financing sources (uses)	(7,280,026)	(701,884)	(273,197)
Net change in fund balances	(6,796,730)	426,033	(833)
Fund balances, beginning of year	32,611,722	2,766,290	577,911
Fund balances, end of year	\$ 25,814,992	\$ 3,192,323	\$ 577,078

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
\$ 7,368,364	\$ 4,678,118	\$ 62,740	\$ -	\$ 7,331,037	\$ 32,964,520
1,433,447	1,045,493	-	-	-	6,777,042
-	-	-	-	514,703	21,951,915
-	-	-	-	-	8,445,232
-	-	-	-	-	21,074,331
-	-	-	-	68,443	7,640,779
-	-	764,720	-	-	764,720
-	-	3,528,968	-	-	3,528,968
-	-	-	-	-	8,406,435
-	-	172,334	-	7,869,448	13,087,732
-	-	3,154	-	-	2,048,933
-	-	3,432,440	-	368,349	21,426,996
-	-	466,684	-	-	466,684
-	-	-	-	391,603	391,603
-	-	106,229	-	48,555	154,784
-	-	42,746	-	-	136,565
687	4,613	237,821	136,715	213,711	1,039,034
-	-	508,660	-	38,846	2,635,874
8,802,498	5,728,224	9,326,496	136,715	16,844,695	152,942,147
-	317,591	-	-	-	2,064,338
-	1,392,273	112,618	-	31,208	7,758,944
3,770,238	933,218	475,824	-	458,484	35,105,004
5,032,260	462,320	192,270	-	109,045	27,796,965
-	4,383,260	978,384	-	2,062,145	28,156,412
-	969,974	149,144	-	3,037,611	13,818,411
-	1,516,366	221,932	-	442,699	9,932,649
-	57,947	3,191,262	-	1,278,850	10,286,382
-	1,277,252	-	-	-	7,249,289
-	-	8,588,254	2,127,893	6,191,118	17,812,988
-	-	57,972	-	8,618,528	8,676,500
-	-	32,201	-	9,302,079	9,334,280
8,802,498	11,310,201	13,999,861	2,127,893	31,531,767	177,992,162
-	(5,581,977)	(4,673,365)	(1,991,178)	(14,687,072)	(25,050,015)
-	-	-	-	17,645,000	17,645,000
-	-	-	-	250,876	250,876
-	-	8,275	-	-	8,275
-	-	-	-	(17,665,354)	(17,665,354)
-	5,319,578	-	-	-	5,319,578
-	701,884	4,356,090	-	15,051,104	21,422,476
-	-	(7,215,180)	-	(4,638,791)	(21,422,476)
-	6,021,462	(2,850,815)	-	10,642,835	5,558,375
-	439,485	(7,524,180)	(1,991,178)	(4,044,237)	(19,491,640)
-	363,319	17,898,908	26,817,035	24,926,839	105,962,024
\$ -	\$ 802,804	\$ 10,374,728	\$ 24,825,857	\$ 20,882,602	\$ 86,470,384

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, 2009**

Net change in fund balances, governmental funds		\$ (19,491,640)
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	\$ 17,812,989	
Depreciation expense	(13,859,217)	
Donated infrastructure assets	<u>757,277</u>	4,711,049
The net effect of various miscellaneous transactions involving capital assets is to decrease net assets:		
Proceeds from sale of capital assets	(8,275)	
Net gain on sale of capital assets	<u>8,275</u>	-
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds, grants		1,600,345
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:		
Loan subsidies to employees participating in Voluntary Separation Initiative program	16,870	
Loans receivable repaid	(154,784)	
Increase in interest income for accrued interest	14,198	
Net change in long-term special assessment receivable	123,161	
Bad debt expense	<u>(107,214)</u>	(107,769)
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	(17,645,000)	
Premium on issued bonds	(250,876)	
Less bond issuance costs	225,059	
Issuance of loans payable	<u>(5,319,578)</u>	
Principal repayments:		
General obligation and revenue bonds	7,936,000	
Payment to refund bonds	17,665,354	
Other debt	740,500	
Decrease in compensated absences	195,135	
Increase in accrued compensated absences included in accounts payable in the Governmental funds	76,520	
Decrease in landfill, postclosure costs	<u>457,529</u>	4,080,643

(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, 2009

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	(6,201,649)	
Increase in workers compensation payable	(214,994)	
Increase in general liability payable	(327,421)	
Increase in voluntary separation initiative termination benefits	(1,222,857)	
Amortization of bond issue costs	(262,264)	
Decrease in accrued interest payable	9,200	
Amortization of bond premium	499,987	
Amortization of deferred amount on refunding	(19,415)	(7,739,413)

Increase in net pension assets are not reported in governmental funds

1,614,281

Change in net assets of governmental activities

\$ (15,332,504)

See Notes to Basic Financial Statements.

City of Peoria, Illinois

Statement of Fiduciary Net Assets
 Fiduciary Funds
 December 31, 2009

	Pension Trust	Agency
Assets		
Cash and cash equivalents	\$ 11,393,841	\$ 3,628,232
Receivables:		
Employer contributions	10,239,160	-
Plan members' contributions	104,648	-
Return of benefits	-	-
Accrued interest and dividends	773,747	8,866
Loan receivable from City	-	5,319,578
Township contribution		42,000
	<u>11,117,555</u>	<u>5,370,444</u>
Investments, at fair value:		
U.S. government obligations	76,691,239	-
State and local obligations	2,506,595	-
Illinois Public Treasurer's Investment Pool	516,122	-
Mutual funds	84,886,489	-
Corporate bonds	10,602,325	-
Stocks	36,845,414	-
	<u>212,048,184</u>	<u>-</u>
Total assets	<u>234,559,580</u>	<u>8,998,676</u>
Liabilities		
Accounts payable and accrued payroll	1,060,545	-
Due to others	-	8,907,924
Due to individuals	-	90,752
Total liabilities	<u>1,060,545</u>	<u>8,998,676</u>
Net assets held in trust for pension benefit obligation	<u>\$ 233,499,035</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, 2009

Additions

Contributions:

Plan members' contributions	\$ 3,064,122
Employer contributions	10,250,808
Transfer of creditable service	105,980
Other income	33,252
Total contributions	<u>13,454,162</u>

Investment income (loss):

Net depreciation in fair value of investments	21,395,889
Dividends	1,688,602
Interest	3,672,715
Total investment income	<u>26,757,206</u>
Less investment expenses	944,676
Net investment income	<u>25,812,530</u>

Total additions	<u>39,266,692</u>
------------------------	-------------------

Deductions

Benefits paid	18,952,148
Administrative expenses	302,290
Refunds	16,388
Total deductions	<u>19,270,826</u>

Net increase	19,995,866
---------------------	------------

Net assets held in trust for pension benefits

Beginning of year	213,503,169
End of year	<u>\$ 233,499,035</u>

See Notes to Basic Financial Statements.

This Page Intentionally Left Blank

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 and Capital Improvements 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.

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. 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:

	Years
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 using a method which approximates the effective interest method.

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 invested in capital assets, net of related debt, excludes unspent debt proceeds. Unspent debt proceeds for the 2008A Library General Obligation Bond Project Fund was \$24,825,857, the 2007A General Obligation Bond Project Fund was \$2,190,868, the 2007A Special Assessment Bond Project Fund was \$6,005 and the 2006 Special Assessment Bond Project Fund was \$587,414. 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 \$706,230 for law enforcement, \$7,642,105 for future road projects, \$3,173,097 for Peoria Public Library, \$453,199 for revolving loan fund, \$14,111,947 for Employees Pension Benefits and \$34,924,053 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/PI, 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.

City of Peoria, Illinois

Notes to Basic Financial Statements

Note 2. Deposits and Investments (Continued)

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

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

As of December 31, 2009, the carrying amount of the City's deposits (includes checking, savings, and money market accounts and certificate of deposits) was \$21,774,978 (excludes petty cash in the amount of \$10,586 which is included in the cash balance in the statement of net assets/balance sheet).

As of December 31, 2009, the City had the following investments and maturities:

	Fair Value	Investment Maturities (In Years) Less Than 1
Repurchase agreements	\$ 50,128,352	\$ 50,128,352
Illinois funds	8,357,309	8,357,309
	<u>\$ 58,485,661</u>	<u>\$ 58,485,661</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, 2009, none of the City's bank balance of \$4,544,646 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. As of December 31, 2009 none of the City's investments were exposed to custodial credit risk.

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 of credit 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)	\$ 8,357,309

(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, 2009 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, 2009, all of the Fund's bank balances with financial institutions of \$211,073 were insured by the FDIC.

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, 2009. The money market funds have a credit rating of Aaa, 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 33 days.

City of Peoria, Illinois

Notes to Basic Financial Statements

Note 2. Deposits and Investments (Continued)

As of December 31, 2009, 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	\$ 13,038,603	N/A	9.00
Implicitly guaranteed	7,092,236	Aaa	3.28
U.S. Government agencies	11,014,635	Aaa	4.93
Corporate bonds	9,866,184	Aaa	2.91
Mutual funds - bonds	19,140,758	Aaa	3.84
Mutual funds - equities	40,485,672	N/A	N/A
Stocks	19,621,305	N/A	N/A
Total investments	<u><u>\$ 120,259,393</u></u>		

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

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

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

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

As of December 31, 2009, investments are held by the counterparty's trust department in the Fund's name. The Fund's investment policy provides that the investments are evaluated by an independent investment consultant on a monthly basis.

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, 2009 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. At December 31, 2009, all of the bank balances with the financial institution of \$3,936,927 are covered by FDIC insurance.

City of Peoria, Illinois

Notes to Basic Financial Statements

Note 2. Deposits and Investments (Continued)

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, 2009. 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 68 days.

As of December 31, 2009, 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	\$ 17,050,058	N/A	10.63
Implicitly Guaranteed	2,727,172	Aaa	2.74
U.S. Government agencies	25,768,535	Aaa	8.58
State and Local obligations	2,506,595	Aa3 to Aaa	8.35
Illinois Funds	516,122	AAAm	0.12
Corporate Bonds	736,141	Aaa	2.31
Mutual funds-equities	25,260,059	N/A	N/A
Common and preferred stocks	17,224,109	N/A	N/A
Total investments	<u><u>\$ 91,788,791</u></u>		

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

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

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

The Fund's policy provides that investments are diversified to minimize the risk of loss resulting from 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, 2009, 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, 2009, none of the Civic Center's bank balance of \$3,632,468 was exposed to custodial credit risk. The balance is made up as follows as of August 31, 2009:

	Bank Balance	Carrying Amount
Demand deposits and money market accounts	\$ 2,274,883	\$ 2,216,276
Certificates of deposit	1,357,585	1,357,585
	<u>\$ 3,632,468</u>	<u>\$ 3,573,861</u>

Sweep account: The Civic Center had no money in a bank sweep account as of August 31, 2009.

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.

Reconciliation to statement of net assets:

	Carrying Amount
Cash on hand	\$ 19,600
Demand deposits and money market accounts	2,216,276
Certificates of deposit	1,357,585
	<u>\$ 3,593,461</u>
Cash and cash equivalents	\$ 2,018,811
Restricted assets - cash	217,065
Investments	1,357,585
	<u>\$ 3,593,461</u>

Springdale Cemetery Management Authority

Custodial Credit Risk: As of December 31, 2009, the carrying amount of the Authority's deposits (including checking, savings and money market accounts) was \$118,999 and the bank balance was \$140,649. The Authority also had cash on hand of \$261. None of the bank balance of \$140,649 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, 2009 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	<u>\$ 304,952</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, 2009 were \$103,586.

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, 2009 represents installments of the 2008 property taxes which were received during 2009.

The amount of the property tax receivable deferred at year end represents the tax levied in the latter portion of 2009, for which an enforceable lien exists as of January 1, but is levied for the 2010 budget and will be collected from taxpayers in June and September 2010.

City of Peoria, Illinois

Notes to Basic Financial Statements

Note 4. Restricted Cash and Cash Equivalents

Restricted cash: In accordance with the appropriate bond ordinances, as of December 31, 2009, the City has paid to its respective paying agents the following:

An amount to fund capitalized interest, less interest paid to date, on the 2005 General Obligation Bonds, Series A. \$17,971 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. \$915,617 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, 2009, the Civic Center carried \$217,065 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		21,014
	\$	<u>229,126</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 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. City bond expenditures for capital improvements to the Peoria Civic Center became property of the Civic Center Authority and consequently are not recorded as capital assets by the City. The City also issued \$3,385,000 of general obligation bonds (known as 2002B) to pay the cost of financing various City capital improvements and to pay the cost of issuing the bonds.

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

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

City of Peoria, Illinois

Notes to Basic Financial Statements

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

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

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.

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 2009, the Council abated 2008 property taxes previously levied to pay the interest and principal due for all preceding general obligation bonds. Accordingly, property tax revenue has not been recognized for the original levy.

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. The Library Board levied property taxes to pay interest and principal due on the 2008A General Obligation Bonds.

In 2009, the City issued \$17,645,000 in General Obligation Bonds, Series 2009A maturing January 1, 2010 through January 1, 2022 with interest rates ranging from 2 percent to 5 percent to refund \$17,490,000 of the outstanding General Obligation Bond Series 1998D, 2001A, 2001B, 2001C, and 2001D with interest rates ranging from 4.35 percent to 5.20 percent. The net proceeds related to the refunding of \$17,665,354, were used to purchase U.S. Government Securities. Those securities were deposited into an irrevocable trust with an escrow agent to provide for all future debt service payments on the portion of the Series 1998D, 2001A, 2001B, 2001C and 2001D being refunded. As a result, all of the Series 1998D, 2001A, 2001B, 2001C, and 2001D bonds are considered defeased and the liability for those bonds has been removed from the government-wide statement of net assets. The defeased bonds were subsequently paid off on March 16, 2009. The City completed these current bond refundings to reduce its total debt service payments over the next 13 years by \$1,205,414 and to obtain an economic gain (difference between the present values of old and new debt service payments) of \$1,161,662.

City of Peoria, Illinois

Notes to Basic Financial Statements

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

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 none. Principal and interest paid for the current year and total customer net revenues were \$618,750 and \$311,717, respectively. The difference was paid from pledged revenue balance available for 2004A bonds held by the trustee.

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 100 percent of net revenue. The total principal and interest remaining to be paid on the bonds is \$14,733. Principal and interest paid for the current year and total sewer charges net revenues were \$14,732 and \$932,519, 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. The total principal and interest remaining to be paid on the note is \$30,781. Principal and interest for the current year were \$91,680.

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, 2009, 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.

City of Peoria, Illinois

Notes to Basic Financial Statements

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

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 \$4,482,125, payable through 2017. For the current year, principal and interest paid and total special taxes revenues were \$522,500 and \$477,923, respectively. The difference was paid from the fund balance in the debt service fund.

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.

Early Retirement Incentive Loan: Other Postemployment Benefit Fund: The City approved and executed a loan from the City's Other Postemployment Benefit (OPEB) Fund to pay the remaining Illinois Municipal Retirement Fund (IMRF) Early Retirement Incentive. This loan is to be repaid to the City's OPEB fund in the amount of \$5,319,578 over four years at an interest rate of 2% with the final payment to be made January 1, 2014.

City of Peoria, Illinois

Notes to Basic Financial Statements

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

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 \$457,529 were recognized in 2009. The balance due reported represents the estimate of what it would cost to perform all postclosure care as of December 31, 2009 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, 2009, the City has accrued an associated liability of \$9,221,996. The liability for compensated absences is funded primarily through the General Fund and the Workforce Development Fund.

Voluntary Separation Initiative (VSI): The City offered a voluntary separation initiative plan to all permanent, full-time employees who had attained age 40 and served the City at least 10 years by September 8, 2009. The voluntary separation initiative allows an eligible employee to receive five annual lump sum payments of \$10,000, which the first payment to be received in the separation year. The remaining payments will be made on or about June 1 of each year after the first year's payment, ending in 2013. As of December 31, 2009, the City has accrued an associated liability of \$1,222,857, to be funded through the General Fund. The current year cost to the City was \$310,000, which consisted of 31 participants in the Plan.

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, 2009 is as follows:

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

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

	Balance December 31, 2008	Additions	Deletions	Balance December 31, 2009	Current Portion	Long-Term Portion
General obligation bonds	\$ 181,175,000	\$ 17,645,000	\$ 24,705,000	\$ 174,115,000	\$ -	\$ 174,115,000
Revenue/special assessment bonds	6,790,000	-	721,000	6,069,000	109,000	5,960,000
Special assessment bond - matured	6,000	-	-	6,000	6,000	-
Special service area bonds	4,015,000	-	330,000	3,685,000	350,000	3,335,000
Loans payable	2,046,036	5,319,578	203,374	7,162,240	1,447,456	5,714,784
Board of Education of the City of Peoria obligation	430,139	-	207,126	223,013	223,013	-
Landfill closure and postclosure care costs	1,171,320	-	457,529	713,791	38,754	675,037
Worker's compensation claims	2,958,126	3,555,487	3,100,426	3,413,187	338,094	3,075,093
General liability claims	2,826,312	731,813	492,186	3,065,939	50,413	3,015,526
Net other postemployment benefit obligation	12,346,789	8,977,741	2,776,092	18,548,438	-	18,548,438
Voluntary Separation Initiative Termination Benefits	-	1,532,857	310,000	1,222,857	292,857	930,000
Compensated absences	9,417,131	5,421,325	5,616,460	9,221,996	509,525	8,712,471
	<u>\$ 223,181,853</u>	<u>\$ 43,183,801</u>	<u>\$ 38,919,193</u>	<u>\$ 227,446,461</u>	<u>\$ 3,365,112</u>	<u>\$ 224,081,349</u>

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	\$2,060,000
Date of issue	September 1, 1998	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	5.70 to 6.05%	3.50 to 4.40%

	1998C Taxable Riverfront Village		2002A	
	General Obligation Bonds		General Obligation Bonds	
	Principal	Interest	Principal	Interest
<u>Year ending December 31:</u>				
2010	\$ -	\$ 40,765	\$ -	\$ 35,435
2011	50,000	38,178	230,000	26,150
2012	55,000	35,159	240,000	16,160
2013	65,000	31,611	250,000	5,500
2014	75,000	14,823	-	-
2015 - 2019	415,000	66,248	-	-
2020 - 2024	-	-	-	-
2025 - 2029	-	-	-	-
	<u>\$ 660,000</u>	<u>\$ 226,784</u>	<u>\$ 720,000</u>	<u>\$ 83,245</u>

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>				
2010	\$ -	\$ 124,520	\$ -	\$ 135,380
2011	140,000	118,677	185,000	128,080
2012	150,000	112,514	190,000	120,580
2013	160,000	105,866	200,000	112,780
2014	165,000	98,816	205,000	104,680
2015 - 2019	975,000	367,499	1,145,000	386,323
2020 - 2024	980,000	101,250	1,095,000	105,958
2025 - 2029	-	-	-	-
	<u>\$ 2,570,000</u>	<u>\$ 1,029,142</u>	<u>\$ 3,020,000</u>	<u>\$ 1,093,781</u>

City of Peoria, Illinois

Notes to Basic Financial Statements

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

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>				
2010	\$ -	\$ 28,100	\$ -	\$ 197,409
2011	200,000	4,000	210,000	190,228
2012	-	-	220,000	181,911
2013	-	-	230,000	172,630
2014	-	-	240,000	162,936
2015 - 2019	-	-	1,395,000	650,711
2020 - 2024	-	-	1,780,000	309,821
2025 - 2029	-	-	410,000	9,738
	<u>\$ 200,000</u>	<u>\$ 32,100</u>	<u>\$ 4,485,000</u>	<u>\$ 1,875,384</u>

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>				
2010	\$ -	\$ 381,231	\$ -	\$ 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	1,010,000	240,800	1,120,000	2,898,888
2015 - 2019	4,555,000	426,675	12,055,000	13,334,150
2020 - 2024	-	-	23,305,000	9,419,756
2025 - 2029	-	-	25,610,000	2,642,750
	<u>\$ 8,380,000</u>	<u>\$ 2,003,187</u>	<u>\$ 62,505,000</u>	<u>\$ 40,028,795</u>

City of Peoria, Illinois

Notes to Basic Financial Statements

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

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>				
2010	\$ -	\$ 1,520,845	\$ -	\$ 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	3,440,000	891,445	815,000	642,592
2015 - 2019	12,840,000	2,414,725	4,680,000	2,674,481
2020 - 2024	3,390,000	118,918	5,815,000	1,583,916
2025 - 2029	-	-	4,145,000	285,413
	<u>\$ 29,560,000</u>	<u>\$ 8,680,768</u>	<u>\$ 17,700,000</u>	<u>\$ 8,062,778</u>

Description of issues:

Amount of issue	\$28,000,000	\$17,645,000
Date of issue	August 12, 2008	January 27, 2009
Dates interest payable	July 1 and January 1	July 1 and January 1
Date principal payable	January 1	January 1
Interest rates	3.00 to 5.00%	2.00 to 5.00%

	2008A		2009A	
	General Obligation Bonds		General Obligation Bonds	
	Principal	Interest	Principal	Interest
<u>Year ending December 31:</u>				
2010	\$ -	\$ 1,321,000	\$ -	\$ 547,426
2011	600,000	1,312,000	2,170,000	476,801
2012	715,000	1,292,275	2,040,000	419,026
2013	840,000	1,264,750	1,895,000	374,938
2014	980,000	1,228,350	1,940,000	322,150
2015 - 2019	6,215,000	5,432,075	6,615,000	837,376
2020 - 2024	8,915,000	3,611,375	1,655,000	102,375
2025 - 2029	9,735,000	1,015,125	-	-
	<u>\$ 28,000,000</u>	<u>\$ 16,476,950</u>	<u>\$ 16,315,000</u>	<u>\$ 3,080,092</u>

City of Peoria, Illinois

Notes to Basic Financial Statements

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

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%
	2006	2007A
	Special Assessment Bond	Special Assessment Bonds
	Principal	Interest
	Principal	Interest

Year ending December 31:

2010	\$ -	\$ 279,370	\$ 109,000	\$ 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	260,000	255,120	110,500	25,857
2015 - 2019	1,525,000	1,062,810	318,000	38,786
2020 - 2024	1,975,000	612,548	-	-
2025 - 2029	955,000	81,643	-	-
	<u>\$ 5,200,000</u>	<u>\$ 3,117,851</u>	<u>\$ 869,000</u>	<u>\$ 232,714</u>

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
Date 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>				
2010	\$ 14,328	\$ 404	\$ 30,121	\$ 660
2011	-	-	-	-
2012	-	-	-	-
2013	-	-	-	-
2014	-	-	-	-
2015 - 2019	-	-	-	-
2020 - 2024	-	-	-	-
2025 - 2029	-	-	-	-
	<u>\$ 14,328</u>	<u>\$ 404</u>	<u>\$ 30,121</u>	<u>\$ 660</u>

City of Peoria, Illinois

Notes to Basic Financial Statements

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

Description of issues:

Amount of issue	\$2,500,000	\$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>				
2010	\$ 66,047	\$ 82,520	\$ 350,000	\$ 175,500
2011	176,335	70,984	385,000	157,125
2012	188,679	58,640	420,000	137,000
2013	201,887	45,433	450,000	115,250
2014	216,019	14,158	480,000	92,000
2015 - 2019	424,775	33,323	1,600,000	120,250
2020 - 2024	-	-	-	-
2025 - 2029	-	-	-	-
	<u>\$ 1,273,742</u>	<u>\$ 305,058</u>	<u>\$ 3,685,000</u>	<u>\$ 797,125</u>

Description of issues:

Amount of issue	\$2,573,192	\$687,788
Date of issue	May 20, 1991	January 30, 2006
Dates 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		Wal-Mart Promissory Note	
	Principal	Interest	Principal	Interest
<u>Year ending December 31:</u>				
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	-	-	57,721	17,718
2015 - 2019	-	-	264,428	37,331
2020 - 2024	-	-	-	-
2025 - 2029	-	-	-	-
	<u>\$ 223,013</u>	<u>\$ 14,970</u>	<u>\$ 524,471</u>	<u>\$ 154,485</u>

City of Peoria, Illinois

Notes to Basic Financial Statements

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

Description of issues:

Amount of issue	\$5,319,578
Date of issue	November 30, 2009
Dates interest payable	March 1, June 1, September 1, December 1
Dates principal payable	March 1, June 1, September 1, December 1
Interest rates	2.00%

Year ending December 31:	ERI Loan		Total	
	OPEB Agency Fund to IMRF Fund		Principal	Interest
	Principal	Interest		
2010	\$ 1,290,366	\$ 96,754	\$ 2,129,469	\$ 8,765,131
2011	1,316,367	70,753	10,102,358	8,373,280
2012	1,342,893	44,227	11,298,932	7,970,255
2013	1,369,952	17,167	11,822,051	7,522,826
2014	-	-	11,114,240	7,010,333
2015 - 2019	-	-	55,022,203	27,882,763
2020 - 2024	-	-	48,910,000	15,965,917
2025 - 2029	-	-	40,855,000	4,034,669
	<u>\$ 5,319,578</u>	<u>\$ 228,901</u>	<u>\$ 191,254,253</u>	<u>\$ 87,525,174</u>

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.

City of Peoria, Illinois

Notes to Basic Financial Statements

Note 7. Capital Assets

A summary of the changes in capital assets follows:

	Cost				Net Capital Assets as of December 31, 2009
	Balance December 31, 2008	Additions	Deletions	Balance December 31, 2009	
Not depreciated:					
Land	\$ 11,221,590	\$ 1,198,599	\$ -	\$ 12,420,189	
Construction-in-progress	7,027,070	4,055,326	(2,649,908)	8,432,488	
Depreciated:					
Land improvements	7,228,942	-	-	7,228,942	
Buildings	77,766,955	3,127,706	-	80,894,661	
Machinery and equipment	6,988,219	258,884	(5,884)	7,241,219	
Vehicles	16,351,279	2,527,951	(789,352)	18,089,878	
Media	28,117,394	905,723	(4,673,364)	24,349,753	
Infrastructure	272,068,822	9,145,985	-	281,214,807	
Total	\$ 426,770,271	\$ 21,220,174	\$ (8,118,508)	\$ 439,871,937	
	Accumulated Depreciation				Net Capital Assets as of December 31, 2009
	Balance December 31, 2008	Additions	Deletions	Balance December 31, 2009	
Not depreciated:					
Land	\$ -	\$ -	\$ -	\$ -	\$ 12,420,189
Construction-in-progress	-	-	-	-	8,432,488
Depreciated:					
Land improvements	2,275,242	404,407	-	2,679,649	4,549,293
Buildings	31,815,158	2,156,993	-	33,972,151	46,922,510
Machinery and equipment	5,787,461	321,993	(5,884)	6,103,570	1,137,649
Vehicles	12,622,833	987,536	(789,352)	12,821,017	5,268,861
Media	25,342,231	614,506	(4,673,364)	21,283,373	3,066,380
Infrastructure assets	127,344,132	9,373,782	-	136,717,914	144,496,893
Total	\$ 205,187,057	\$ 13,859,217	\$ (5,468,600)	\$ 213,577,674	\$ 226,294,263

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		\$	233,283
Fire			698,637
Public works			907,127
Community development			56,773
Public safety			40,530
General government			11,178,025
Library			644,818
Elected & Commission			638
City Administration			99,386
Total depreciation expense		\$	13,859,217

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, 2008	Additions	Deletions	Balance August 31, 2009
Historical cost:				
Not depreciated, land	\$ 10,247,918	\$ -	\$ -	\$ 10,247,918
Depreciated:				
Land improvements	7,594,689	5,091	-	7,599,780
Building and improvements	142,344,282	507,142	-	142,851,424
Furniture, fixtures and equipment	9,479,250	610,277	-	10,089,527
Construction-in-process	4,960	846,074	(851,034)	-
Total cost	169,671,099	1,968,584	(851,034)	170,788,649
Accumulated depreciation:				
Land improvements	4,453,507	350,896	-	4,804,403
Building and improvements	55,825,138	4,857,468	-	60,682,606
Furniture, fixtures and equipment	8,124,378	358,668	-	8,483,046
Total accumulated depreciation	68,403,023	5,567,032	-	73,970,055
Net land, building and equipment	\$ 101,268,076	\$ (3,598,448)	\$ (851,034)	\$ 96,818,594

City of Peoria, Illinois

Notes to Basic Financial Statements

Note 7. Capital Assets (Continued)

	Springdale Cemetery Management Authority				Balance as of December 31, 2009
	Balance as of December 31, 2008	Additions	Deletions	Transfers	
Cost:					
Assets depreciated:					
Maintenance building	\$ 391,696	\$ -	\$ -	\$ 465	\$ 392,161
Building improvements	352,251	-	-	9,648	361,899
Land improvements	853,722	7,300	-	3,610	864,632
Furniture and equipment	383,563	28,579	(15,250)	-	396,892
Computer software	100,971	26,400	-	-	127,371
Assets not depreciated:					
Land	-	65,604	-	-	65,604
Construction-in-progress	13,723	-	-	(13,723)	-
Total	\$ 2,095,926	\$ 127,883	\$ (15,250)	\$ -	\$ 2,208,559

	Balance as of December 31, 2008	Additions	Deletions and Transfers	Balance as of December 31, 2009	Net Capital Assets as of December 31, 2009
	Accumulated depreciation:				
Maintenance building	\$ 47,341	\$ 10,044	\$ -	\$ 57,385	\$ 334,776
Building improvements	36,869	9,514	-	46,383	315,516
Land improvements	101,435	32,106	-	133,541	731,091
Furniture and equipment	243,183	52,996	(9,743)	286,436	110,456
Computer software	23,562	21,074	-	44,636	82,735
Land	-	-	-	-	65,604
Construction-in-progress	-	-	-	-	-
Total	\$ 452,390	\$ 125,734	\$ (9,743)	\$ 568,381	\$ 1,640,178

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

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

City of Peoria, Illinois

Notes to Basic Financial Statements

Note 8. Receivables

Loans receivable and accrued interest receivable as of December 31, 2009 are net of allowance for uncollectible accounts in the amounts of \$770,701 and \$187,425, respectively.

Other current receivables as of December 31, 2009 consist of the following:

Charges for services and reimbursements	\$ 782,852
Franchise fees	302,904
Other fines, fees and taxes	968,616
Other	45,835
Total other current receivables (gross)	<u>2,100,207</u>
Less allowance for uncollectible accounts	(134,311)
Total other current receivables (net)	<u><u>\$ 1,965,896</u></u>

Note 9. Other Required Individual Fund Disclosures

No funds had deficit fund balances as of December 31, 2009.

The individual fund interfund receivable and payable balances as of December 31, 2009 are as follows:

	Interfund Receivable	Interfund Payable
Major funds:		
General Fund	\$ 10,964	\$ 3,002
Capital Improvements Fund	413,953	88,536
2008A Library General Obligation Bond Project Fund	700	-
Nonmajor funds	84,501	418,580
	<u>\$ 510,118</u>	<u>\$ 510,118</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	\$ 1,313,398	\$ 8,593,424
Peoria Public Library Fund	-	701,884
Workforce Development Fund	-	273,197
Illinois Municipal Retirement Fund	701,884	-
Capital Improvements Fund	4,356,090	7,215,180
Nonmajor funds	15,051,104	4,638,791
	<u>\$ 21,422,476</u>	<u>\$ 21,422,476</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 2009, 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, 2009, the estimate of health and dental claims incurred but not reported provided by the claims administrator amounted to \$100,000. The unpaid reported claims of \$1,316,157 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 2009 and 2008 were:

Balance, December 31, 2007	\$ 1,707,848
Current year claims and changes in estimates	8,174,558
Claims paid	(8,717,407)
Balance, December 31, 2008	<u>1,164,999</u>
Current year claims and changes in estimates	9,754,967
Claims paid	(9,503,809)
Balance, December 31, 2009	<u><u>\$ 1,416,157</u></u>

Changes in the workers compensation liability which include unpaid reported claims and amounts incurred but not reported in fiscal years 2009 and 2008 were:

Balance, December 31, 2007	\$ 2,423,178
Current year claims and changes in estimates	3,326,916
Claims paid	(2,791,968)
Balance, December 31, 2008	<u>2,958,126</u>
Current year claims and changes in estimates	3,555,487
Claims paid	(3,100,426)
Balance, December 31, 2009	<u><u>\$ 3,413,187</u></u>

Changes in the general liability which include unpaid reported claims and amounts incurred but not reported in fiscal years 2009 and 2008 were:

Balance, December 31, 2007	\$ 1,694,757
Current year claims and changes in estimates	1,680,512
Claims paid	(548,957)
Balance, December 31, 2008	<u>2,826,312</u>
Current year claims and changes in estimates	731,813
Claims paid	(492,186)
Balance, December 31, 2009	<u><u>\$ 3,065,939</u></u>

Of the \$3,413,187 of worker's compensation liability, \$338,094 is reported in the General Fund as due and \$3,075,093 is reported in governmental activities as noncurrent. Of the \$3,065,939 of general liability, \$50,413 is reported in the General Fund as due and \$3,015,526 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
--	---	---

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	Police Pension Fund of Peoria	Firemen's Pension Fund of Peoria
Contribution rates:			
City	(1)	(2)	(2)
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	Police Pension Fund of Peoria	Firemen's Pension Fund of Peoria
Annual pension cost:			
Annual required contributions	\$ 3,448,360	\$ 2,660,990	\$ 5,067,851
Interest on net pension obligation	-	(1,000,017)	(60,670)
Adjustment to ARC	-	609,303	47,755
Total annual pension cost	3,448,360	2,270,276	5,054,936
Contributions made	3,448,360	3,898,651	5,040,842
(Increase) decrease in net pension obligation	-	(1,628,375)	14,094
Net pension (asset):			
Beginning of year	-	(12,500,209)	(808,934)
End of year	\$ -	\$ (14,128,584)	\$ (794,840)
Actuarial valuation date	December 31, 2009	January 1, 2009	January 1, 2009
Actuarial cost method	Entry age	Entry age	Entry age
Amortization method	Level percent closed	Level percent open	Level percent open
Remaining amortization period	23 years	24.5 years	24.5 years
Asset valuation method	5-year smoothed market	Adjusted market value	4-year smoothed market
Actuarial assumptions:			
Investment rate of return*	7.50%	7.50%	7.50%
Projected salary increases*	4.00% (3)	6.00%	5.00%
*Includes inflation at	4.00%	3.00%	4.00%
Post-retirement benefit increases	3.00%	N/A	N/A

- (1) The rate for the City for January through October 2009 was 13.71 percent. The rate then changed to 9.35 percent for November and December 2009.
- (2) 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.
- (3) Additional salary increases ranging from 0.4 to 10.0 percent per year depending on age and service, attributable to seniority/merit.

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	2009	\$ 3,448,360	100.00%	\$ -
	2008	3,595,249	100.00	-
	2007	3,792,635	100.00	-
Police Pension Fund of Peoria	2009	2,270,276	171.73	(14,128,584)
	2008	2,187,183	156.74	(12,500,209)
	2007	1,966,701	141.37	(11,259,155)
Firemen's Pension Fund of Peoria	2009	5,054,936	99.72	(794,840)
	2008	4,838,170	100.14	(808,934)
	2007	4,292,362	99.75	(802,321)

Funded Status and Funding Progress: As of December 31, 2009, January 1, 2009 and January 1, 2009, the most recent actuarial valuation dates for the IMRF, Police Pension Fund and Firemen's Pension Fund, respectively, the plan was 68.29, 76.73 and 68.81 percent funded, respectively. The actuarial accrued liability for benefits was \$78,918,065, \$182,198,745 and \$163,604,634, and the actuarial value of assets was \$53,895,414, \$139,799,974 and \$112,583,002, resulting in an unfunded actuarial accrued liability (UAAL) of \$25,022,651, \$42,398,771 and \$51,021,632, respectively. The covered payroll (annual payroll of active employees covered by the plan) was \$26,875,744, \$16,723,267 and \$14,202,691, and the ratio of the UAAL to the covered payroll was 93.10, 253.53 and 359.24 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, 2009, the City recognized \$1,556,976 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, 2009, the City recognized \$741,827 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, 2009, the City recognized \$51,789 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, 2009, the City recognized \$309,177 as subsidies to this fund.

General Fund: The City entered into an agreement with Illinois Central College (ICC) for the usage of 355 parking spaces. ICC paid an advance for these spaces for a 20-year period. The remaining advance as of December 31, 2009 was \$1,909,984 and the City recognized \$213,598 as revenue in the current year.

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
Public works	\$ 2,209,928
Community development	654,407
	<u>\$ 2,864,335</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, 2009, there were four series of Industrial Revenue Bonds outstanding, with an aggregate principal amount payable of approximately \$9,364,000.

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. The borrower has filed for bankruptcy subsequent to year end in March 2010. Currently, the City's actual liability for the City's portion of the defaulted loan is not estimatable.

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, 2009.

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.

City of Peoria, Illinois

Notes to Basic Financial Statements

Note 15. Other Component Unit Disclosures (Continued)

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.

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 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>
2010	\$ 285,544	\$ 164,009	\$ 121,535
2011	288,118	177,205	110,913
2012	291,896	188,266	103,630
2013	707,355	656,261	51,094
2014	123,447	76,055	47,392
2015 - 2019	617,237	442,779	174,458
2020 - 2024	514,796	463,857	50,939
	<u>\$ 2,828,393</u>	<u>\$ 2,168,432</u>	<u>\$ 659,961</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 \$37,000 for fiscal year 2009.

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, 1 percent of the employee's compensation is contributed by the employer. Effective January 2009, employee's contributions to the plan are not matched by the employer. Any previous employer contributions are 100 percent vested after three years of continuous service. The expense for the plan to the Civic Center was approximately \$23,000 in fiscal year 2009.

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.

City of Peoria, Illinois

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

Unearned revenue: Unearned revenue as of December 31, 2009 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, 2009 amount to \$242,732 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, 2009. 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.

The Foundation donated land of \$65,604 to the Authority on December 28, 2009 for future cemetery expansion.

City of Peoria, Illinois

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, 2009 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, 2009:

Gate house project	\$	1,350
Stone family plots		655
Cemetery projects		197
Records preservation and expert services		401
Soldier hill		10,004
Gate house entrance gates		1,000
	<u>\$</u>	<u>13,607</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 2009, the City contributed \$2,776,091 which was net of retirees premiums received of \$2,734,366.

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	617,338
Adjustment to annual required contribution	<u>(471,598)</u>
Annual OPEB cost (expense)	8,977,740
Contributions and payments made	<u>2,776,091</u>
Increase in net OPEB obligation	6,201,649
Net OPEB obligation - Beginning of year	<u>12,346,789</u>
Net OPEB obligation - End of year	<u>\$ 18,548,438</u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2009 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, 2007	\$ 9,334,271	45.58%	\$ 5,079,585
December 31, 2008	8,892,000	18.27%	12,346,789
December 31, 2009	8,977,740	30.92%	18,548,438

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 none 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 \$62.5 million, and the ratio of the UAAL to the covered payroll was 180.11 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, 2009:

- GASB Statement No. 52, *Land and Other Real Estate Held as Investments by Endowments*. 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. This Statement had no effect on the City in the current year.

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

As of December 31, 2009, 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. 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.
- GASB Statement No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*, an amendment of GASB Statement No. 43 and No. 45, issued January 2010, will be effective for the City beginning with its year ending December 31, 2012. This Statement addresses issues related to measurement of OPEB obligations by certain employers participating in agent multiple-employer OPEB plans.
- GASB Statement No. 58, *Accounting and Financial Reporting for Chapter 9 Bankruptcies*, issued January 2010, will be effective for the City beginning with its year ending December 31, 2010. This Statement provides guidance for governments that have petitioned for protection from creditors by filing for bankruptcy under Chapter 9 of the United States Bankruptcy Code. It establishes requirements for recognizing and measuring the effects of the bankruptcy process on assets and liabilities, and for classifying changes in those items and related costs.

The City's management has not yet determined the effect Statement Nos. 51, 53, 54, 57 and 58 will have on the City's financial statements.

Note 18. Subsequent Events

In January 2010, the City issued \$2,420,000 General Obligation Refunding Bonds, Series 2010A. These bonds were issued to advance refund a portion of the City's outstanding General Obligation Bonds, Series 2002B and to pay the costs of issuing the bonds. The bonds are due in annual installments of \$25,000 to \$740,000 through 2023 at an interest rate of 1.0 percent to 4.0 percent.

In February 2010, the City issued \$1,495,000 General Obligation Refunding Bonds, Series 2010B. These bonds were issued to refund portions of the principal payments due on the City's outstanding General Obligation Refunding Bonds, Series 2004C, General Obligation Refunding Bonds, Series 2005B, and General Obligation Bonds, Series 2007A, and to pay the costs of issuing the bonds. The bonds are due in annual installments of \$360,000 to \$390,000 through 2015 at an interest rate of 1.52 percent to 3.43 percent.

In May 2010, the City authorized the issuance of \$15,490,000 Taxable General Obligation Bonds, Series 2010C. These bonds will be issued for the sewer rehabilitation project with the sanitary district and capital improvements for sidewalk improvements, streetscape and other infrastructure improvements. The sale of the bonds is planned for June 22, 2010.

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, 2009**

	General Fund			Variance
	Original Budget	Final Budget	Actual	With Final Budget
Revenues:				
Property taxes	\$ 6,927,044	\$ 6,927,044	\$ 6,902,718	\$ (24,326)
Corporate personal property replacement taxes	5,291,037	4,045,387	3,822,429	(222,958)
State sales taxes	24,365,080	23,674,851	21,437,212	(2,237,639)
State income tax allocation	11,369,200	11,071,500	8,445,232	(2,626,268)
Home rule sales taxes	24,196,290	23,095,740	21,074,331	(2,021,409)
Hotel, restaurant and amusement taxes	8,175,600	8,175,600	7,572,336	(603,264)
Utility taxes	8,751,200	8,751,200	8,406,435	(344,765)
Governmental grants and reimbursements	108,276	564,866	267,606	(297,260)
Licenses and permits	2,401,632	2,401,632	2,045,779	(355,853)
Service charges/fees/fees	18,948,053	19,148,053	17,496,667	(1,651,386)
Contributions	-	-	-	-
Rental	81,200	81,200	93,819	12,619
Interest	884,200	884,200	433,517	(450,683)
Other	2,391,720	2,397,780	1,657,725	(740,055)
Total revenues	113,890,532	111,219,053	99,655,806	(11,563,247)
Expenditures:				
Current:				
Elective offices, boards, commissions and agencies	1,682,600	1,994,894	1,746,747	248,147
City administration	6,171,696	6,592,600	6,222,845	369,755
Benefits	24,337,785	(5,000)	-	(5,000)
Police	24,782,701	31,392,139	29,467,240	1,924,899
Fire	17,907,175	22,912,760	22,001,070	911,690
Public works	18,538,928	21,277,704	20,732,623	545,081
Community development	5,177,662	6,053,077	4,990,535	1,062,542
Public safety	6,245,347	8,300,877	7,751,652	549,225
General government	91,888	4,303,942	5,758,323	(1,454,381)
Library	-	689,806	501,475	188,331
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	104,935,782	103,512,799	99,172,510	4,340,289
Excess (deficiency) of revenues over expenditures	8,954,750	7,706,254	483,296	(7,222,958)
Other financing sources (uses):				
Transfers in	278,832	1,040,832	1,313,398	272,566
Transfers out	(9,231,875)	(9,231,875)	(8,593,424)	638,451
Total other financing sources (uses)	(8,953,043)	(8,191,043)	(7,280,026)	911,017
Net change in fund balances	\$ 1,707	\$ (484,789)	(6,796,730)	\$ (6,311,941)
Fund balances, beginning of year			32,611,722	
Fund balances, end of year			<u>\$ 25,814,992</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
\$ 6,674,241	\$ 6,674,241	\$ 6,621,543	\$ (52,698)	\$ 7,431,404	\$ 7,431,404	\$ 7,368,364	\$ (63,040)
475,673	475,673	475,673	-	1,433,447	1,433,447	1,433,447	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
143,026	206,391	188,220	(18,171)	-	-	-	-
-	-	-	-	-	-	-	-
117,040	117,040	129,540	12,500	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
31,200	31,200	11,970	(19,230)	-	-	687	687
11,144	22,962	77,256	54,294	-	-	-	-
<u>7,452,324</u>	<u>7,527,507</u>	<u>7,504,202</u>	<u>(23,305)</u>	<u>8,864,851</u>	<u>8,864,851</u>	<u>8,802,498</u>	<u>(62,353)</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	3,797,000	3,797,000	3,770,238	26,762
-	-	-	-	5,067,851	5,067,851	5,032,260	35,591
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
5,764,725	5,832,129	5,470,562	361,567	-	-	-	-
874,528	882,307	905,723	(23,416)	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>6,639,253</u>	<u>6,714,436</u>	<u>6,376,285</u>	<u>338,151</u>	<u>8,864,851</u>	<u>8,864,851</u>	<u>8,802,498</u>	<u>62,353</u>
<u>813,071</u>	<u>813,071</u>	<u>1,127,917</u>	<u>314,846</u>	-	-	-	-
-	-	-	-	-	-	-	-
(731,107)	(731,107)	(701,884)	(29,223)	-	-	-	-
<u>(731,107)</u>	<u>(731,107)</u>	<u>(701,884)</u>	<u>(29,223)</u>	-	-	-	-
<u>\$ 81,964</u>	<u>\$ 81,964</u>	426,033	<u>\$ 285,623</u>	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
		2,766,290				-	
		<u>\$ 3,192,323</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, 2009**

	Illinois Municipal Retirement Fund			
	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues:				
Property taxes	\$ 4,718,259	\$ 4,718,259	\$ 4,678,118	\$ (40,141)
Corporate personal property replacement taxes	1,045,493	1,045,493	1,045,493	-
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	8,700	-	4,613	4,613
Other	-	-	-	-
Total revenues	5,772,452	5,763,752	5,728,224	(35,528)
Expenditures:				
Current:				
Elective offices, boards, commissions and agencies	-	192,184	317,591	(125,407)
City administration	-	813,146	1,392,273	(579,127)
Benefits	-	-	-	-
Police	-	752,082	933,218	(181,136)
Fire	-	290,450	462,320	(171,870)
Public works	-	1,808,009	4,383,260	(2,575,251)
Community development	-	636,600	969,974	(333,374)
Public safety	-	1,220,892	1,516,366	(295,474)
General government	6,465,636	6,689	57,947	(51,258)
Library	-	745,584	1,277,252	(531,668)
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	6,465,636	6,465,636	11,310,201	(4,844,565)
Excess (deficiency) of revenues over expenditures	(693,184)	(701,884)	(5,581,977)	(4,880,093)
Other financing sources (uses):				
Loan proceeds	-	-	5,319,578	5,319,578
Transfers in	731,107	731,107	701,884	(29,223)
Transfers out	-	-	-	-
Total other financing sources (uses)	731,107	731,107	6,021,462	5,290,355
Net change in fund balances	\$ 37,923	\$ 29,223	439,485	\$ 410,262
Fund balances, beginning of year			363,319	
Fund balances, end of year			<u>\$ 802,804</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
Major, Illinois Municipal Retirement Fund	\$ 6,465,636	\$ 11,310,201	\$ 4,844,565
Nonmajor:			
Downtown Parking Bond Debt Service Fund	618,750	618,967	217
2005A General Obligation Bond Debt Service Fund	3,041,888	3,043,388	1,500
2007-A Special Assessment Bonds Debt Service Fund	168,415	179,415	11,000

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]
2009	12/31/2009	\$ 53,895,414	\$ 78,918,065	\$ 25,022,651	68.29%	\$ 26,875,744	93.10%
2008	12/31/2008	45,262,682	74,020,908	28,758,226	61.15	25,662,020	112.07
2007	12/31/2007	66,713,582	77,859,995	11,146,413	85.68	25,351,842	43.97

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Actuarial Valuation Date	Annual Required Contributions (ARC) (a)	Total Contributions (b)	Percentage of ARC Contributed (b/a)
12/31/2009	\$ 3,448,360	\$ 3,448,360	100.00%
12/31/2008	3,595,249	3,595,249	100.00
12/31/2007	3,792,635	3,792,635	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, 2007 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 10.0 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, 2007 was 23 years.

On a market basis, the actuarial value of assets as of December 31, 2009 is \$51,477,910. On a market basis, the funded ratio would be 65.23%.

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]
2009	01/01/2009	\$ 139,799,974	\$ 182,198,745	\$ 42,398,771	76.73%	\$ 16,723,267	253.53%
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

The information presented in the required supplementary schedules was determined as part of the actuarial valuation as of January 1, 2009. 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 7.5 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, 2009 actuarial valuation date was 24.5 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]
2009	01/01/2009	\$ 112,583,002	\$ 163,604,634	\$ 51,021,632	68.81%	\$ 14,202,691	359.24%
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

The information presented in the required supplementary schedules was determined as part of the actuarial valuation as of January 1, 2009. 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, 2009 actuarial valuation date was 24.5 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]
2009	01/01/2008	\$ -	\$ 112,565,000	\$ 112,565,000	- %	\$ 62,498,885	180.11%
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, 2009**

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	\$ 3,780,175	\$ 126,347	\$ 4,905	\$ 18,000
Cash with trustee	-	-	-	-
Investments	3,714,547	-	898	-
Property taxes receivable	-	-	-	-
State sales taxes receivable	-	-	-	-
Governmental grants and reimbursements receivable	249,256	112,228	-	1,985
Loans receivable, net	69,377	35,178	-	-
Pledges receivable	-	-	-	-
Other receivables, net	21,431	-	21,582	-
Accrued interest receivable	92,919	-	-	-
Due from other funds	-	-	-	-
Total assets	\$ 7,927,705	\$ 273,753	\$ 27,385	\$ 19,985
Liabilities and Fund Balance				
Liabilities				
Accounts payable	\$ 214,010	\$ 217,946	\$ 18,956	\$ 19,780
Accrued payroll	757	17,455	599	-
Due to other funds	1,455	3,174	5	-
Unearned revenue, property taxes	-	-	-	-
Deferred and unearned revenue, other	69,377	35,178	-	205
Total liabilities	285,599	273,753	19,560	19,985
Fund Balance				
Reserved for encumbrances	895,944	-	142	-
Reserved for future road projects	6,746,162	-	-	-
Reserved for debt service	-	-	-	-
Reserved for riverfront development	-	-	-	-
Reserved for employees' pension benefits	-	-	-	-
Reserved for parking deck construction	-	-	-	-
Unreserved:				
Designated for capital projects	-	-	-	-
Undesignated	-	-	7,683	-
Total fund balance	7,642,106	-	7,825	-
Total liabilities and fund balance	\$ 7,927,705	\$ 273,753	\$ 27,385	\$ 19,985

(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
\$ 190,613	\$ 1,108,970	\$ 278,445	\$ -	\$ -	\$ -
-	-	-	-	17,971	915,617
-	11,617	140,926	-	-	-
-	-	-	-	-	85,000
-	-	-	-	-	-
-	-	-	-	-	-
112,726	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	422	-	-	-
3,062	-	-	-	-	-
<u>\$ 306,401</u>	<u>\$ 1,120,587</u>	<u>\$ 419,793</u>	<u>\$ -</u>	<u>\$ 17,971</u>	<u>\$ 1,000,617</u>
\$ 161,191	\$ 46,686	\$ -	\$ -	\$ -	\$ -
1,199	-	-	-	-	-
-	-	-	-	-	3,750
-	-	-	-	-	85,000
144,011	-	-	-	-	-
<u>306,401</u>	<u>46,686</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>88,750</u>
-	6,058	-	-	-	-
-	-	-	-	-	-
-	-	-	-	17,971	911,867
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	1,067,843	419,793	-	-	-
-	<u>1,073,901</u>	<u>419,793</u>	<u>-</u>	<u>17,971</u>	<u>911,867</u>
<u>\$ 306,401</u>	<u>\$ 1,120,587</u>	<u>\$ 419,793</u>	<u>\$ -</u>	<u>\$ 17,971</u>	<u>\$ 1,000,617</u>

City of Peoria, Illinois

Nonmajor Governmental Funds (Continued)

Combining Balance Sheet

December 31, 2009

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	\$ 12,885	\$ 634,630	\$ 15,387	\$ 830,650
Cash with trustee	-	-	-	-
Investments	-	-	-	-
Property taxes receivable	-	-	-	1,123,100
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	\$ 12,885	\$ 634,630	\$ 15,387	\$ 1,953,750
Liabilities and Fund Balance				
Liabilities				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued payroll	-	-	-	-
Due to other funds	-	-	-	-
Unearned revenue, property taxes	-	-	-	1,123,100
Deferred and unearned revenue, other	-	-	-	-
Total liabilities	-	-	-	1,123,100
Fund Balance				
Reserved for encumbrances	-	-	-	-
Reserved for future road projects	-	-	-	-
Reserved for debt service	12,885	634,630	15,387	830,650
Reserved for riverfront development	-	-	-	-
Reserved for employees' pension benefits	-	-	-	-
Reserved for parking deck construction	-	-	-	-
Unreserved:				
Designated for capital projects	-	-	-	-
Undesignated	-	-	-	-
Total fund balance	12,885	634,630	15,387	830,650
Total liabilities and fund balance	\$ 12,885	\$ 634,630	\$ 15,387	\$ 1,953,750

(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
\$ 1,824,180	\$ 2,468,636	\$ 560,992	\$ 705,912	\$ 27,875	\$ 203,228
-	-	-	-	-	-
35,460	30,710	1,182	10,654	20	25,570
2,497,900	2,339,700	125,400	101,100	115,800	136,500
22,241	-	39,614	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
3,570	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 4,383,351</u>	<u>\$ 4,839,046</u>	<u>\$ 727,188</u>	<u>\$ 817,666</u>	<u>\$ 143,695</u>	<u>\$ 365,298</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	87	-	-	-	-
-	-	-	-	-	-
2,497,900	2,339,700	125,400	101,100	115,800	136,500
-	-	-	-	-	-
<u>2,497,900</u>	<u>2,339,787</u>	<u>125,400</u>	<u>101,100</u>	<u>115,800</u>	<u>136,500</u>
17,449	6,282	-	-	-	-
-	-	-	-	-	-
1,737,536	744,832	-	253,593	27,895	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
130,466	1,748,145	601,788	462,973	-	228,798
<u>1,885,451</u>	<u>2,499,259</u>	<u>601,788</u>	<u>716,566</u>	<u>27,895</u>	<u>228,798</u>
<u>\$ 4,383,351</u>	<u>\$ 4,839,046</u>	<u>\$ 727,188</u>	<u>\$ 817,666</u>	<u>\$ 143,695</u>	<u>\$ 365,298</u>

City of Peoria, Illinois

Nonmajor Governmental Funds (Continued)

Combining Balance Sheet

December 31, 2009

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	\$ 106,892	\$ 51,701	\$ 222,171	\$ 117,641
Cash with trustee	-	-	-	-
Investments	747	-	-	-
Property taxes receivable	328,500	35,400	164,000	32,800
State sales taxes receivable	-	-	-	23,178
Governmental grants and reimbursements receivable	-	-	-	-
Loans receivable, net	-	-	-	-
Pledges receivable	-	-	-	-
Other receivables, net	-	-	-	2,744
Accrued interest receivable	-	-	-	-
Due from other funds	-	-	-	-
Total assets	\$ 436,139	\$ 87,101	\$ 386,171	\$ 176,363
Liabilities and Fund Balance				
Liabilities				
Accounts payable	\$ -	\$ -	\$ -	\$ 23,530
Accrued payroll	-	-	-	-
Due to other funds	-	-	-	-
Unearned revenue, property taxes	328,500	35,400	164,000	32,800
Deferred and unearned revenue, other	-	-	-	-
Total liabilities	328,500	35,400	164,000	56,330
Fund Balance				
Reserved for encumbrances	-	-	-	-
Reserved for future road projects	-	-	-	-
Reserved for debt service	83,212	-	-	-
Reserved for riverfront development	-	-	-	-
Unreserved:				
Designated for capital projects	-	-	-	-
Undesignated	24,427	51,701	222,171	120,033
Total fund balance	107,639	51,701	222,171	120,033
Total liabilities and fund balance	\$ 436,139	\$ 87,101	\$ 386,171	\$ 176,363

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	
\$ 587,519	\$ 67,911	\$ -	\$ 21,586	\$ 2,716,976	\$ 16,684,227	
-	-	-	-	-	933,588	
-	1,331	-	-	1,731	3,975,393	
-	-	-	-	-	7,085,200	
-	-	-	-	-	85,033	
-	-	-	-	-	363,469	
-	-	-	-	-	217,281	
-	15,000	-	-	-	15,000	
-	-	-	-	-	49,327	
-	-	-	-	-	93,341	
-	72,184	-	9,255	-	84,501	
<u>\$ 587,519</u>	<u>\$ 156,426</u>	<u>\$ -</u>	<u>\$ 30,841</u>	<u>\$ 2,718,707</u>	<u>\$ 29,586,360</u>	
\$ 106	\$ -	\$ -	\$ 22,712	\$ 191,193	\$ 916,110	
-	-	-	-	-	20,097	
-	71,426	-	2,124	336,646	418,580	
-	-	-	-	-	7,085,200	
-	15,000	-	-	-	263,771	
<u>106</u>	<u>86,426</u>	<u>-</u>	<u>24,836</u>	<u>527,839</u>	<u>8,703,758</u>	
-	-	-	-	780,951	1,706,826	
-	-	-	-	-	6,746,162	
-	-	-	-	-	5,270,458	
-	70,000	-	-	-	70,000	
-	-	-	-	1,409,917	1,409,917	
587,413	-	-	6,005	-	5,679,239	
<u>587,413</u>	<u>70,000</u>	<u>-</u>	<u>6,005</u>	<u>2,190,868</u>	<u>20,882,602</u>	
<u>\$ 587,519</u>	<u>\$ 156,426</u>	<u>\$ -</u>	<u>\$ 30,841</u>	<u>\$ 2,718,707</u>	<u>\$ 29,586,360</u>	

City of Peoria, Illinois

**Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Year Ended December 31, 2009**

	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	\$ -	\$ -	\$ -	\$ -
State sales taxes	-	-	-	-
Hotel, restaurant and amusement taxes	-	-	-	-
Governmental grants and reimbursements	3,447,436	2,829,714	-	77,024
Service charges/finest/fees	-	-	-	-
Contributions	-	-	381,603	-
Loan repayment	-	17,178	-	-
Interest	128,342	-	2	-
Other	3,450	17,015	1,500	-
Total revenues	3,579,228	2,863,907	383,105	77,024
Expenditures:				
Current:				
City administration	-	29,120	-	-
Police	-	-	381,460	77,024
Fire	-	-	-	-
Public works	2,048,329	13,415	-	-
Community development	-	1,605,692	-	-
Public safety	-	442,699	-	-
General government	104,043	-	-	-
Capital outlay	977,724	572,981	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	3,130,096	2,663,907	381,460	77,024
Excess (deficiency) of revenues over expenditures	449,132	200,000	1,645	-
Other financing sources (uses):				
Issuance of bonds	-	-	-	-
Bond premium	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
Payment to refund debt	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	(200,000)	-	-
Total other financing sources (uses)	-	(200,000)	-	-
Net change in fund balances	449,132	-	1,645	-
Fund balances, beginning of year	7,192,974	-	6,180	-
Fund balances, end of year	\$ 7,642,106	\$ -	\$ 7,825	\$ -

(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
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 48,717
-	-	-	-	-	-
-	-	-	-	-	-
1,383,162	-	132,112	-	-	-
-	325,834	-	-	-	-
-	-	-	-	-	-
20,554	-	-	-	-	-
-	5,710	6,644	50	1,105	92
-	-	-	-	-	-
1,403,716	331,544	138,756	50	1,105	48,809
-	-	-	-	-	-
-	-	-	-	-	-
-	-	109,045	-	-	-
-	328	-	-	-	-
1,403,716	-	-	-	-	-
-	-	-	-	-	-
-	279,726	-	217	1,500	11,611
-	-	-	-	-	-
-	-	-	600,000	100,000	330,000
-	-	-	18,750	2,941,888	192,500
1,403,716	280,054	109,045	618,967	3,043,388	534,111
-	51,490	29,711	(618,917)	(3,042,283)	(485,302)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	311,934	1,804,462	477,831
-	(78,832)	-	-	-	-
-	(78,832)	-	311,934	1,804,462	477,831
-	(27,342)	29,711	(306,983)	(1,237,821)	(7,471)
-	1,101,243	390,082	306,983	1,255,792	919,338
\$ -	\$ 1,073,901	\$ 419,793	\$ -	\$ 17,971	\$ 911,867

City of Peoria, Illinois

Nonmajor Governmental Funds (Continued)
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Year Ended December 31, 2009

	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	\$ -	\$ -	\$ 181,478	\$ 1,856,593
State sales taxes	-	-	-	-
Hotel, restaurant and amusement taxes	-	-	-	-
Governmental grants and reimbursements	-	-	-	-
Service charges/finest/fees	-	-	-	-
Contributions	-	-	-	-
Loan repayment	-	-	-	-
Interest	392	3,850	92	5,244
Other	212	-	-	-
Total revenues	604	3,850	181,570	1,861,837
Expenditures:				
Current:				
City administration	-	-	-	-
Police	-	-	-	-
Fire	-	-	-	-
Public works	-	-	-	-
Community development	-	-	-	-
Public safety	-	-	-	-
General government	225,058	-	500	-
Capital outlay	-	-	-	-
Debt service:				
Principal	7,174,136	-	121,000	-
Interest	3,946,315	279,370	57,915	1,831,053
Total expenditures	11,345,509	279,370	179,415	1,831,053
Excess (deficiency) of revenues over expenditures	(11,344,905)	(275,520)	2,155	30,784
Other financing sources (uses):				
Issuance of bonds	17,645,000	-	-	-
Bond premium	250,876	-	-	-
Proceeds from sale of capital assets	-	-	-	-
Payment to refund debt	(17,665,354)	-	-	-
Transfers in	11,074,084	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	11,304,606	-	-	-
Net change in fund balances	(40,299)	(275,520)	2,155	30,784
Fund balances, beginning of year	53,184	910,150	13,232	799,866
Fund balances, end of year	\$ 12,885	\$ 634,630	\$ 15,387	\$ 830,650

(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
\$ 2,071,765	\$ 2,051,705	\$ 116,943	\$ 156,300	\$ 126,514	\$ 135,187
186,151	-	287,293	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
42,515	-	-	-	-	-
-	-	-	-	-	-
10,823	-	-	-	-	-
9,874	11,614	1,660	2,612	246	679
7,414	-	-	-	-	-
<u>2,328,542</u>	<u>2,063,319</u>	<u>405,896</u>	<u>158,912</u>	<u>126,760</u>	<u>135,866</u>
232	232	232	232	232	232
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	439,604	-	-	-	-
-	118,683	-	-	-	-
207,126	-	-	-	-	-
28,874	-	-	-	-	-
<u>236,232</u>	<u>558,519</u>	<u>232</u>	<u>232</u>	<u>232</u>	<u>232</u>
2,092,310	1,504,800	405,664	158,680	126,528	135,634
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
(1,557,141)	(1,052,423)	-	(253,970)	(130,000)	-
(1,557,141)	(1,052,423)	-	(253,970)	(130,000)	-
535,169	452,377	405,664	(95,290)	(3,472)	135,634
1,350,282	2,046,882	196,124	811,856	31,367	93,164
<u>\$ 1,885,451</u>	<u>\$ 2,499,259</u>	<u>\$ 601,788</u>	<u>\$ 716,566</u>	<u>\$ 27,895</u>	<u>\$ 228,798</u>

City of Peoria, Illinois

Nonmajor Governmental Funds (Continued)
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Year Ended December 31, 2009

	Capital Projects Funds			
	Downtown Stadium TIF Project Fund	Eagle View TIF Project Fund	Warehouse District TIF Project Fund	Hospitality Improvement Zone TIF Project Fund
Revenues:				
Property taxes	\$ 358,491	\$ 37,062	\$ 156,620	\$ 33,662
State sales taxes	-	-	-	41,259
Hotel, restaurant and amusement taxes	-	-	-	68,443
Governmental grants and reimbursements	-	-	-	-
Service charges/finest/fees	-	-	-	-
Contributions	-	-	-	-
Loan repayment	-	-	-	-
Interest	626	138	691	199
Other	-	-	-	-
Total revenues	359,117	37,200	157,311	143,563
Expenditures:				
Current:				
City administration	232	232	232	-
Police	-	-	-	-
Fire	-	-	-	-
Public works	-	-	-	-
Community development	-	-	-	23,530
Public safety	-	-	-	-
General government	209,138	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	209,370	232	232	23,530
Excess (deficiency) of revenues over expenditures	149,747	36,968	157,079	120,033
Other financing sources (uses):				
Issuance of bonds	-	-	-	-
Bond premium	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
Payment to refund debt	-	-	-	-
Transfers in	-	-	-	-
Transfers out	(79,091)	-	-	-
Total other financing sources (uses)	(79,091)	-	-	-
Net change in fund balances	70,656	36,968	157,079	120,033
Fund balances, beginning of year	36,983	14,733	65,092	-
Fund balances, end of year	\$ 107,639	\$ 51,701	\$ 222,171	\$ 120,033

Capital Projects Funds							Total Nonmajor Governmental 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			
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,331,037	
-	-	-	-	-	-	514,703	
-	-	-	-	-	-	68,443	
-	-	-	-	-	-	7,869,448	
-	-	-	-	-	-	368,349	
-	10,000	-	-	-	-	391,603	
-	-	-	-	-	-	48,555	
3,451	240	-	148	30,010	-	213,711	
-	-	-	9,255	-	-	38,846	
3,451	10,240	-	9,403	30,010	-	16,844,695	
-	-	-	-	-	-	31,208	
-	-	-	-	-	-	458,484	
-	-	-	-	-	-	109,045	
73	-	-	-	-	-	2,062,145	
-	4,673	-	-	-	-	3,037,611	
-	-	-	-	-	-	442,699	
417	-	-	-	7,036	-	1,278,850	
-	-	-	11,379	4,510,351	-	6,191,118	
-	86,266	-	-	-	-	8,618,528	
-	5,414	-	-	-	-	9,302,079	
490	96,353	-	11,379	4,517,387	-	31,531,767	
2,961	(86,113)	-	(1,976)	(4,487,377)	-	(14,687,072)	
-	-	-	-	-	-	17,645,000	
-	-	-	-	-	-	250,876	
-	-	-	-	-	-	-	
-	-	-	-	-	-	(17,665,354)	
-	1,382,793	-	-	-	-	15,051,104	
-	(1,286,680)	(654)	-	-	-	(4,638,791)	
-	96,113	(654)	-	-	-	10,642,835	
2,961	10,000	(654)	(1,976)	(4,487,377)	-	(4,044,237)	
584,452	60,000	654	7,981	6,678,245	-	24,926,839	
\$ 587,413	\$ 70,000	\$ -	\$ 6,005	\$ 2,190,868	\$ -	\$ 20,882,602	

This Page Intentionally Left Blank

General Fund

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

This Page Intentionally Left Blank

City of Peoria, Illinois

General Fund

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

Year Ended December 31, 2009

With Comparative Figures for the Year Ended December 31, 2008

	2009			2008 Actual
	Original Budget	Final Budget	Actual	
Revenues:				
Property taxes	\$ 6,927,044	\$ 6,927,044	\$ 6,902,718	\$ 6,864,483
Corporate personal property replacement taxes	5,291,037	4,045,387	3,822,429	4,863,840
State sales taxes	24,365,080	23,674,851	21,437,212	23,315,786
State income tax allocation	11,369,200	11,071,500	8,445,232	11,456,986
Home rule sales taxes	24,196,290	23,095,740	21,074,331	23,100,548
Hotel, restaurant and amusement taxes	8,175,600	8,175,600	7,572,336	8,253,017
Utility taxes	8,751,200	8,751,200	8,406,435	8,629,442
Governmental grants and reimbursements	108,276	564,866	267,606	415,239
Licenses and permits	2,401,632	2,401,632	2,045,779	3,374,273
Service charges/fees/fees	18,948,053	19,148,053	17,496,667	17,900,602
Rental	81,200	81,200	93,819	90,190
Interest	884,200	884,200	433,517	832,863
Other	2,391,720	2,397,780	1,657,725	2,602,971
Total revenues	113,890,532	111,219,053	99,655,806	111,700,240
Expenditures:				
Current:				
Elective offices, boards, commissions and agencies	1,682,600	1,994,894	1,746,747	1,769,192
City administration	6,171,696	6,592,600	6,222,845	6,313,027
Benefits	24,337,785	(5,000)	-	-
Police	24,782,701	31,392,139	29,467,240	29,574,681
Fire	17,907,175	22,912,760	22,001,070	20,622,585
Public works	18,538,928	21,277,704	20,732,623	21,521,645
Community development	5,177,662	6,053,077	4,990,535	5,741,869
Public safety	6,245,347	8,300,877	7,751,652	7,483,969
General government	91,888	4,303,942	5,758,323	4,852,053
Library	-	689,806	501,475	736,352
Total expenditures	104,935,782	103,512,799	99,172,510	98,615,373
Excess of revenues over expenditures	8,954,750	7,706,254	483,296	13,084,867
Other financing sources (uses):				
Proceed from the sale of capital assets	-	-	-	1,000
Transfers in	278,832	1,040,832	1,313,398	298,739
Transfers out	(9,231,875)	(9,231,875)	(8,593,424)	(10,977,166)
Total other financing (uses)	(8,953,043)	(8,191,043)	(7,280,026)	(10,677,427)
Net change in fund balances	\$ 1,707	\$ (484,789)	(6,796,730)	2,407,440
Fund balances, beginning of year			32,611,722	30,204,282
Fund balances, end of year			\$ 25,814,992	\$ 32,611,722

This Page Intentionally Left Blank

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.

This Page Intentionally Left Blank

City of Peoria, Illinois

Peoria Public Library Fund

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

Year Ended December 31, 2009

With Comparative Figures for the Year Ended December 31, 2008

	2009			2008 Actual
	Original Budget	Final Budget	Actual	
Revenues:				
Property taxes	\$ 6,674,241	\$ 6,674,241	\$ 6,621,543	\$ 6,176,386
Corporate personal property replacement taxes	475,673	475,673	475,673	441,752
Governmental grants and reimbursements	143,026	206,391	188,220	178,488
Service charges/finest/fees	117,040	117,040	129,540	128,679
Interest	31,200	31,200	11,970	47,060
Other	11,144	22,962	77,256	93,148
Total revenues	7,452,324	7,527,507	7,504,202	7,065,513
Expenditures:				
Current, library:				
Personal services	3,605,505	3,594,255	3,483,593	3,300,175
Contractual services	1,805,755	1,860,033	1,548,238	1,573,448
Supplies and materials	353,465	377,841	438,731	719,425
Capital outlay	874,528	882,307	905,723	780,218
Total expenditures	6,639,253	6,714,436	6,376,285	6,373,266
Excess of revenues over expenditures	813,071	813,071	1,127,917	692,247
Other financing (uses), transfers out	(731,107)	(731,107)	(701,884)	(689,724)
Net change in fund balances	\$ 81,964	\$ 81,964	426,033	2,523
Fund balances, beginning of year			2,766,290	2,763,767
Fund balances, end of year			\$ 3,192,323	\$ 2,766,290

City of Peoria, Illinois

Motor Fuel Tax Fund

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

Year Ended December 31, 2009

With Comparative Figures for the Year Ended December 31, 2008

	2009			2008 Actual
	Original Budget	Final Budget	Actual	
Revenues:				
Governmental grants and reimbursements	\$ 3,362,400	\$ 3,362,400	\$ 3,447,436	\$ 3,873,252
Interest	254,400	254,400	128,342	225,713
Other, miscellaneous	-	-	3,450	2,341
Total revenues	3,616,800	3,616,800	3,579,228	4,101,306
Expenditures:				
Current:				
Public works, road construction and general maintenance	2,767,563	2,965,007	2,048,329	3,078,078
General government	-	-	104,043	767
Capital outlay	2,020,250	1,980,250	977,724	1,372,965
Total expenditures	4,787,813	4,945,257	3,130,096	4,451,810
Excess (deficiency) of revenues over expenditures	\$ (1,171,013)	\$ (1,328,457)	449,132	(350,504)
Fund balances, beginning of year			7,192,974	7,543,478
Fund balances, end of year			\$ 7,642,106	\$ 7,192,974

City of Peoria, Illinois

Community Development Block Grant Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Year Ended December 31, 2009
 With Comparative Figures for the Year Ended December 31, 2008

	2009	2008
Revenues:		
Governmental grants and reimbursements	\$ 2,829,714	\$ 2,532,898
Loan repayment	17,178	36,533
Interest	-	137
Other	17,015	16,047
Total revenues	2,863,907	2,585,615
Expenditures:		
Current:		
City administration	29,120	26,764
Public works	13,415	-
Community development:		
Administration	270,052	248,107
Project costs	226,392	243,044
Rehabilitation	749,290	1,082,612
Payments to subrecipients	359,958	366,346
Public safety	442,699	447,289
Capital outlay	572,981	-
Total expenditures	2,663,907	2,414,162
Excess of revenues over expenditures	200,000	171,453
Other financing (uses), transfers out	(200,000)	(171,453)
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, 2009
 With Comparative Figures for the Year Ended December 31, 2008

	2009			2008 Actual
	Original Budget	Final Budget	Actual	
Revenues:				
Contributions	\$ -	\$ 394,508	\$ 381,603	\$ 391,436
Interest	-	-	2	34
Other	-	-	1,500	-
Total revenues	-	394,508	383,105	391,470
Expenditures:				
Current:				
Police:				
Personnel	-	305,411	305,411	306,009
Contractual	-	60,472	50,862	50,410
Travel	-	3,500	2,273	3,243
Commodities	-	22,000	22,421	11,284
Other	-	1,575	493	724
General government	-	1,550	-	21,069
Total expenditures	-	394,508	381,460	392,739
(Deficiency) of revenues over expenditures	\$ -	\$ -	1,645	(1,269)
Fund balances, beginning of year			6,180	7,449
Fund balances, end of year			\$ 7,825	\$ 6,180

City of Peoria, Illinois

Multi-County MEG Grant Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Year Ended December 31, 2009
With Comparative Figures for the Year Ended December 31, 2008

	2009	2008
Revenues, governmental grants and reimbursements	\$ 77,024	\$ 85,103
Expenditures, current, police, narcotics enforcement	77,024	85,103
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, 2009
 With Comparative Figures for the Year Ended December 31, 2008

	2009	2008
Revenues:		
Governmental grants and reimbursements	\$ 1,383,162	\$ 899,287
Loan repayment	20,554	35,989
Other, miscellaneous	-	9,252
Total revenues	1,403,716	944,528
Expenditures:		
Current:		
Community development:		
Administration	36,879	37,870
Public services	387,150	118,960
Rehabilitation	781,953	434,801
Payments to subrecipients	197,734	352,897
Total expenditures	1,403,716	944,528
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, 2009
 With Comparative Figures for the Year Ended December 31, 2008

	2009			2008 Actual
	Original Budget	Final Budget	Actual	
Revenues:				
Property taxes	\$ 4,718,259	\$ 4,718,259	\$ 4,678,118	\$ 4,493,696
Corporate personal property replacement taxes	1,045,493	1,045,493	1,045,493	1,009,704
Interest	8,700	-	4,613	14,742
Other	-	-	-	831
Total revenues	5,772,452	5,763,752	5,728,224	5,518,973
Expenditures:				
Current:				
Elective offices, boards, commissions and agencies	-	192,184	317,591	192,925
City administration	-	813,146	1,392,273	766,395
Police	-	752,082	933,218	674,278
Fire	-	290,450	462,320	261,590
Public works	-	1,808,009	4,383,260	1,658,057
Community development	-	636,600	969,974	591,729
Public safety	-	1,220,892	1,516,366	1,114,490
General government	6,465,636	6,689	57,947	-
Library	-	745,584	1,277,252	682,468
Total expenditures	6,465,636	6,465,636	11,310,201	5,941,932
(Deficiency) of revenues over expenditures	(693,184)	(701,884)	(5,581,977)	(422,959)
Other financing sources:				
Loan proceeds	-	-	5,319,578	-
Transfers in	731,107	731,107	701,884	689,724
Total other financing sources	731,107	731,107	6,021,462	689,724
Net change in fund balances	\$ 37,923	\$ 29,223	439,485	266,765
Fund balances, beginning of year			363,319	96,554
Fund balances, end of year			\$ 802,804	\$ 363,319

City of Peoria, Illinois

Solid Waste Fund

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

Year Ended December 31, 2009

With Comparative Figures for the Year Ended December 31, 2008

	2009			2008 Actual
	Original Budget	Final Budget	Actual	
Revenues:				
Service charges/fines/fees	\$ 386,800	\$ 386,800	\$ 325,834	\$ 410,553
Interest	24,500	24,500	5,710	20,294
Total revenues	411,300	411,300	331,544	430,847
Expenditures:				
Current:				
General government	789,772	789,772	279,726	260,050
Public works	-	-	328	247
Total expenditures	789,772	789,772	280,054	260,297
Excess (deficiency) of revenues over expenditures	(378,472)	(378,472)	51,490	170,550
Other financing (uses), transfers out	(78,832)	(78,832)	(78,832)	(77,286)
Net change in fund balances	\$ (457,304)	\$ (457,304)	(27,342)	93,264
Fund balances, beginning of year			1,101,243	1,007,979
Fund balances, end of year			\$ 1,073,901	\$ 1,101,243

City of Peoria, Illinois

Workforce Development Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Year Ended December 31, 2009
With Comparative Figures for the Year Ended December 31, 2008

	<u>2009</u>	<u>2008</u>
Revenues:		
Governmental grants and reimbursements	\$ 4,590,124	\$ 2,994,442
Other	353,387	527,311
Total revenues	<u>4,943,511</u>	<u>3,521,753</u>
Expenditures, current, community development	<u>4,671,147</u>	3,462,570
Excess of revenues over expenditures	272,364	59,183
Other financing (uses), transfers out	<u>(273,197)</u>	-
Net change in fund balances	(833)	59,183
Fund balances, beginning of year	577,911	518,728
Fund balances, end of year	<u>\$ 577,078</u>	<u>\$ 577,911</u>

City of Peoria, Illinois

Police and Fire Pension Levy Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
 Year Ended December 31, 2009
 With Comparative Figures for the Year Ended December 31, 2008

	2009			2008 Actual
	Original Budget	Final Budget	Actual	
Revenues:				
Property taxes	\$ 7,431,404	\$ 7,431,404	\$ 7,368,364	\$ 6,410,381
Corporate personal property replacement taxes	1,433,447	1,433,447	1,433,447	1,374,813
Interest	-	-	687	7,724
Total revenues	8,864,851	8,864,851	8,802,498	7,792,918
Expenditures:				
Current:				
Police	3,797,000	3,797,000	3,770,238	3,633,565
Fire	5,067,851	5,067,851	5,032,260	4,831,915
Total expenditures	8,864,851	8,864,851	8,802,498	8,465,480
(Deficiency) of revenues over expenditures	-	-	-	(672,562)
Other financing sources, transfers in	-	-	-	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, 2009
With Comparative Figures for the Year Ended December 31, 2008

	2009		2008
Revenues:			
Governmental grants and reimbursements	\$ 132,112	\$	109,805
Interest	6,644		9,994
Total revenues	138,756		119,799
Expenditures, current, fire	109,045		116,699
Excess of revenues over expenditures	29,711		3,100
Fund balances, beginning of year	390,082		386,982
Fund balances, end of year	\$ 419,793	\$	390,082

This Page Intentionally Left Blank

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.

This Page Intentionally Left Blank

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, 2009
 With Comparative Figures for the Year Ended December 31, 2008

	2009			2008 Actual
	Original Budget	Final Budget	Actual	
Revenues, interest	\$ 6,200	\$ 6,200	\$ 50	\$ 4,688
Expenditures:				
General government	-	-	217	1,300
Downtown redevelopment parking bonds:				
Principal	600,000	600,000	600,000	580,000
Interest	18,750	18,750	18,750	37,600
Total expenditures	618,750	618,750	618,967	618,900
(Deficiency) of revenues over expenditures	(612,550)	(612,550)	(618,917)	(614,212)
Other financing sources, transfers in	618,750	618,750	311,934	618,900
Net change in fund balances	\$ 6,200	\$ 6,200	(306,983)	4,688
Fund balances, beginning of year			306,983	302,295
Fund balances, end of year			\$ -	\$ 306,983

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, 2009
 With Comparative Figures for the Year Ended December 31, 2008

	2009			2008 Actual
	Original Budget	Final Budget	Actual	
Revenues, interest	\$ -	\$ -	\$ 1,105	\$ 39,267
Expenditures:				
General government	-	-	1,500	1,500
Peoria Civic Center bond issue:				
Principal	100,000	100,000	100,000	-
Interest	2,941,888	2,941,888	2,941,888	2,941,888
Total expenditures	3,041,888	3,041,888	3,043,388	2,943,388
(Deficiency) of revenues over expenditures	(3,041,888)	(3,041,888)	(3,042,283)	(2,904,121)
Other financing sources, transfers in	-	3,041,888	1,804,462	3,345,446
Net change in fund balances	\$ (3,041,888)	\$ -	(1,237,821)	441,325
Fund balances, beginning of year			1,255,792	814,467
Fund balances, end of year			\$ 17,971	\$ 1,255,792

City of Peoria, Illinois

WeaverRidge Debt Service Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
 Year Ended December 31, 2009
 With Comparative Figures for the Year Ended December 31, 2008

	2009			2008 Actual
	Original Budget	Final Budget	Actual	
Revenues:				
Property taxes	\$ 50,000	\$ 50,000	\$ 48,717	\$ -
Interest	13,300	13,300	92	9,758
Total revenues	63,300	63,300	48,809	9,758
Expenditures:				
General government	15,400	15,400	11,611	14,121
WeaverRidge special service area bonds issue:				
Principal	330,000	330,000	330,000	300,000
Interest	192,500	192,500	192,500	208,250
Total expenditures	537,900	537,900	534,111	522,371
(Deficiency) of revenues over expenditures	(474,600)	(474,600)	(485,302)	(512,613)
Other financing sources, transfers in	483,000	483,000	477,831	452,587
Net change in fund balances	\$ 8,400	\$ 8,400	(7,471)	(60,026)
Fund balances, beginning of year			919,338	979,364
Fund balances, end of year			\$ 911,867	\$ 919,338

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, 2009
 With Comparative Figures for the Year Ended December 31, 2008

	2009			2008 Actual
	Original Budget	Final Budget	Actual	
Revenues:				
Interest	\$ 2,200	\$ 2,200	\$ 392	\$ 3,448
Other	-	-	212	-
Total revenues	2,200	2,200	604	3,448
Expenditures:				
Current, general government	-	-	225,058	287
General obligation bond issues:				
Principal	7,529,018	7,319,018	7,174,136	7,293,942
Interest	4,274,216	4,034,216	3,946,315	4,769,342
Total expenditures	11,803,234	11,353,234	11,345,509	12,063,571
(Deficiency) of revenues over expenditures	(11,801,034)	(11,351,034)	(11,344,905)	(12,060,123)
Other financing sources (uses):				
Issuance of bonds	-	-	17,645,000	-
Bond premium	-	-	250,876	-
Payment to refund debt	-	-	(17,665,354)	-
Transfers in	14,845,122	11,353,234	11,074,084	12,042,004
Total other financing sources	14,845,122	11,353,234	11,304,606	12,042,004
Net change in fund balances	\$ 3,044,088	\$ 2,200	(40,299)	(18,119)
Fund balances, beginning of year			53,184	71,303
Fund balances, end of year			\$ 12,885	\$ 53,184

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, 2009
 With Comparative Figures for the Year Ended December 31, 2008

	2009			2008 Actual
	Original Budget	Final Budget	Actual	
Revenues, interest	\$ -	\$ -	\$ 3,850	\$ 19,342
Expenditures, special assessment bond issues, interest	279,370	279,370	279,370	279,370
Net change in fund balances	\$ (279,370)	\$ (279,370)	(275,520)	(260,028)
Fund balances, beginning of year			910,150	1,170,178
Fund balances, end of year			\$ 634,630	\$ 910,150

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, 2009
With Comparative Figures for the Year Ended December 31, 2008

	2009			2008 Actual
	Original Budget	Final Budget	Actual	
Revenues:				
Property taxes	\$ 168,415	\$ 168,415	\$ 181,478	\$ 115,450
Interest	-	-	92	651
Total revenues	168,415	168,415	181,570	116,101
Expenditures:				
Current, general government	-	-	500	500
Special assessment bond issues:				
Principal	110,500	110,500	121,000	115,000
Interest	57,915	57,915	57,915	31,713
Total expenditures	168,415	168,415	179,415	147,213
Excess (deficiency) of revenues over expenditures	-	-	2,155	(31,112)
Other financing sources, transfers in	-	-	-	19,500
Net change in fund balances	\$ -	\$ -	2,155	(11,612)
Fund balances, beginning of year			13,232	24,844
Fund balances, end of year			\$ 15,387	\$ 13,232

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, 2009
 With Comparative Figures for the Year Ended December 31, 2008

	2009			2008 Actual
	Original Budget	Final Budget	Actual	
Revenues:				
Property taxes	\$ 1,871,462	\$ 1,871,462	\$ 1,856,593	\$ -
Interest	-	-	5,244	1,853
Total revenues	1,871,462	1,871,462	1,861,837	1,853
Expenditures, general obligation bond issue, interest	1,871,417	1,871,417	1,831,053	-
Excess of revenues over expenditures	45	45	30,784	1,853
Other financing sources, transfers in	-	-	-	798,013
Net change in fund balances	\$ 45	\$ 45	30,784	799,866
Fund balances, beginning of year			799,866	-
Fund balances, end of year			\$ 830,650	\$ 799,866

This Page Intentionally Left Blank

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.

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

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

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

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

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

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, 2009
 With Comparative Figures for the Year Ended December 31, 2008

	2009	2008
Revenues:		
Property taxes	\$ 62,740	\$ 62,197
Local motor fuel taxes	764,720	855,599
Riverboat gaming revenue	3,528,968	3,594,362
Governmental grants and reimbursements	172,334	910,029
Licenses and permits	3,154	-
Service charges/finest/fees	3,432,440	3,430,331
Special assessments	466,684	359,175
Loan repayment	106,229	215,905
Rental	42,746	41,502
Interest	237,821	463,365
Other, miscellaneous	508,660	1,476,185
Total revenues	9,326,496	11,408,650
Expenditures:		
Current:		
City administration	112,618	570,292
Police	475,824	1,455,095
Fire	192,270	292,927
Public works	978,384	551,789
Community development	149,144	384,017
Public safety	221,932	239,735
General government	3,191,262	2,472,907
Capital outlay	8,588,254	8,663,708
Debt service:		
Principal	57,972	55,167
Interest	32,201	35,006
Total expenditures	13,999,861	14,720,643
(Deficiency) of revenues over expenditures	(4,673,365)	(3,311,993)
Other financing sources (uses):		
Proceeds from sale of capital assets	8,275	86,360
Transfers in	4,356,090	7,921,146
Transfers out	(7,215,180)	(7,099,546)
Total other financing sources	(2,850,815)	907,960
Net change in fund balances	(7,524,180)	(2,404,033)
Fund balances, beginning of year	17,898,908	20,302,941
Fund balances, end of year	\$ 10,374,728	\$ 17,898,908

City of Peoria, Illinois

Southtown TIF Project Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Year Ended December 31, 2009
 With Comparative Figures for the Year Ended December 31, 2008

	2009	2008
Revenues:		
Property taxes	\$ 2,071,765	\$ 2,016,622
State sales taxes	186,151	203,610
Service charges/finest/fees	42,515	46,647
Loan repayment	10,823	38,918
Interest	9,874	35,328
Other, miscellaneous	7,414	15,189
Total revenues	2,328,542	2,356,314
Expenditures:		
Current:		
City administration	232	737
Community development	-	12,040
Capital outlay	-	665,959
Debt service:		
Principal	207,126	194,097
Interest	28,874	41,903
Total expenditures	236,232	914,736
Excess (deficiency) of revenues over expenditures	2,092,310	1,441,578
Other financing (uses), transfers out	(1,557,141)	(1,532,964)
Net change in fund balances	535,169	(91,386)
Fund balances, beginning of year	1,350,282	1,441,668
Fund balances, end of year	\$ 1,885,451	\$ 1,350,282

City of Peoria, Illinois

Downtown TIF Project Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Year Ended December 31, 2009
 With Comparative Figures for the Year Ended December 31, 2008

	2009	2008
Revenues:		
Property taxes	\$ 2,051,705	\$ 1,926,967
Governmental grants and reimbursements	-	800,000
Interest	11,614	52,794
Total revenues	2,063,319	2,779,761
Expenditures:		
Current:		
City administration	232	706
General government	439,604	331,633
Capital outlay	118,683	1,329,314
Total expenditures	558,519	1,661,653
Excess of revenues over expenditures	1,504,800	1,118,108
Other financing (uses), transfers out	(1,052,423)	(1,376,520)
Net change in fund balances	452,377	(258,412)
Fund balances, beginning of year	2,046,882	2,305,294
Fund balances, end of year	\$ 2,499,259	\$ 2,046,882

City of Peoria, Illinois

Campustown TIF Project Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Year Ended December 31, 2009
With Comparative Figures for the Year Ended December 31, 2008

	2009	2008
Revenues:		
Property taxes	\$ 116,943	\$ 107,815
State sales taxes	287,293	288,282
Interest	1,660	4,514
Total revenues	405,896	400,611
Expenditures, current, City administration	232	706
Excess of revenues over expenditures	405,664	399,905
Other financing (uses), transfers out	-	(345,900)
Net change in fund balances	405,664	54,005
Fund balances, beginning of year	196,124	142,119
Fund balances, end of year	\$ 601,788	\$ 196,124

City of Peoria, Illinois

Northside TIF Project Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Year Ended December 31, 2009
With Comparative Figures for the Year Ended December 31, 2008

	2009	2008
Revenues:		
Property taxes	\$ 156,300	\$ 142,914
Interest	2,612	22,768
Total revenues	158,912	165,682
Expenditures, current, city administration	232	706
Excess of revenues over expenditures	158,680	164,976
Other financing (uses), transfers out	(253,970)	(346,779)
Net change in fund balances	(95,290)	(181,803)
Fund balances, beginning of year	811,856	993,659
Fund balances, end of year	\$ 716,566	\$ 811,856

City of Peoria, Illinois

Midtown Plaza TIF Project Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Year Ended December 31, 2009
With Comparative Figures for the Year Ended December 31, 2008

	2009	2008
Revenues:		
Property taxes	\$ 126,514	\$ 118,881
Interest	246	1,619
Total revenues	126,760	120,500
Expenditures, current, City administration	232	707
Excess of revenues over expenditures	126,528	119,793
Other financing (uses), transfers out	(130,000)	(125,000)
Net change in fund balances	(3,472)	(5,207)
Fund balances, beginning of year	31,367	36,574
Fund balances, end of year	\$ 27,895	\$ 31,367

City of Peoria, Illinois

Northside Business Park TIF Project Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Year Ended December 31, 2009
With Comparative Figures for the Year Ended December 31, 2008

	2009	2008
Revenues:		
Property taxes	\$ 135,187	\$ 120,549
Interest	679	1,374
Total revenues	135,866	121,923
Expenditures:		
City administration	232	707
General government	-	55,000
Total expenditures	232	55,707
Excess of revenues over expenditures	135,634	66,216
Fund balances, beginning of year	93,164	26,948
Fund balances, end of year	\$ 228,798	\$ 93,164

City of Peoria, Illinois

Downtown Stadium TIF Project Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Year Ended December 31, 2009
With Comparative Figures for the Year Ended December 31, 2008

	2009	2008
Revenues:		
Property taxes	\$ 358,491	\$ 410,091
Interest	626	3,020
Total revenues	359,117	413,111
Expenditures:		
City administration	232	707
General government	209,138	269,391
Total expenditures	209,370	270,098
Excess of revenues over expenditures	149,747	143,013
Other financing (uses), transfers out	(79,091)	(141,964)
Net change in fund balances	70,656	1,049
Fund balances, beginning of year	36,983	35,934
Fund balances, end of year	\$ 107,639	\$ 36,983

City of Peoria, Illinois

Eagle View TIF Project Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Year Ended December 31, 2009
With Comparative Figures for the Year Ended December 31, 2008

	2009		2008
Revenues:			
Property taxes	\$ 37,062	\$	15,328
Interest	138		112
Total revenues	37,200		15,440
Expenditures, current, City administration	232		707
Net change in fund balances	36,968		14,733
Fund balances, beginning of year	14,733		-
Fund balances, end of year	\$ 51,701	\$	14,733

City of Peoria, Illinois

Warehouse District TIF Project Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Year Ended December 31, 2009
With Comparative Figures for the Year Ended December 31, 2008

	2009	2008
Revenues:		
Property taxes	\$ 156,620	\$ 65,286
Interest	691	513
Total revenues	157,311	65,799
Expenditures, current, City administration	232	707
Net change in fund balances	157,079	65,092
Fund balances, beginning of year	65,092	-
Fund balances, end of year	\$ 222,171	\$ 65,092

City of Peoria, Illinois

Hospitality Improvement Zone TIF Project Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Year Ended December 31, 2009
With Comparative Figures for the Year Ended December 31, 2008

	2009	2008
Revenues:		
Property taxes	\$ 33,662	\$ -
State sales taxes	41,259	-
Hotel, restaurant and amusement taxes	68,443	-
Interest	199	-
Total revenues	143,563	-
Expenditures, current, community development	23,530	-
Net change in fund balances	120,033	-
Fund balances, beginning of year	-	-
Fund balances, end of year	\$ 120,033	\$ -

City of Peoria, Illinois

2004B General Obligation Bond Project Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Year Ended December 31, 2009
 With Comparative Figures for the Year Ended December 31, 2008

	2009	2008
Revenues, interest	\$ -	\$ -
Expenditures:		
Current:		
City administration	-	-
Public works	-	-
Capital outlay	-	-
Total expenditures	-	-
(Deficiency) of revenues over expenditures	-	-
Other financing (uses), transfers out	-	(683)
Net change in fund balances	-	(683)
Fund balances, beginning of year	-	683
Fund balances, end of year	\$ -	\$ -

City of Peoria, Illinois

2005A General Obligation Bond Project Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Year Ended December 31, 2009
With Comparative Figures for the Year Ended December 31, 2008

	2009	2008
Revenues, interest	\$ -	\$ 51,384
Expenditures, current, community development	-	497,108
(Deficiency) of revenues over expenditures	-	(445,724)
Other financing (uses), transfers out	(654)	(3,345,446)
Net change in fund balances	(654)	(3,791,170)
Fund balances, beginning of year	654	3,791,824
Fund balances, end of year	\$ -	\$ 654

City of Peoria, Illinois

2006 Special Assessment Bond Project Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Year Ended December 31, 2009
With Comparative Figures for the Year Ended December 31, 2008

	2009	2008
Revenues, interest	\$ 3,451	\$ 12,122
Expenditures:		
Current:		
Public works	73	61
General government	417	-
Capital outlay	-	33,878
Total expenditures	490	33,939
Net change in fund balances	2,961	(21,817)
Fund balances, beginning of year	584,452	606,269
Fund balances, end of year	\$ 587,413	\$ 584,452

City of Peoria, Illinois

City of Peoria Designated Zone Organization
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Year Ended December 31, 2009
 With Comparative Figures for the Year Ended December 31, 2008

	2009	2008
Revenues:		
Contributions	\$ 10,000	\$ 13,333
Interest	240	812
Total revenues	10,240	14,145
Expenditures:		
Current, community development	4,673	98,454
Debt service:		
Principal	86,266	80,451
Interest	5,414	11,230
Total expenditures	96,353	190,135
(Deficiency) of revenues over expenditures	(86,113)	(175,990)
Other financing sources (uses):		
Transfers in	1,382,793	1,558,161
Transfers out	(1,286,680)	(1,368,838)
Total other financing sources	96,113	189,323
Net change in fund balances	10,000	13,333
Fund balances, beginning of year	60,000	46,667
Fund balances, end of year	\$ 70,000	\$ 60,000

City of Peoria, Illinois

2007A Special Assessment Bond Project Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Year Ended December 31, 2009
 With Comparative Figures for the Year Ended December 31, 2008

	2009	2008
Revenues:		
Interest	\$ 148	\$ 12,872
Other	9,255	485,199
Total revenues	9,403	498,071
Expenditures, capital outlay	11,379	1,238,461
(Deficiency) of revenues over expenditures	(1,976)	(740,390)
Other financing (uses), transfers out	-	(19,500)
Net change in fund balance	(1,976)	(759,890)
Fund balance, beginning of year	7,981	767,871
Fund balance, end of year	\$ 6,005	\$ 7,981

City of Peoria, Illinois

2007A General Obligation Bond Project Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Year Ended December 31, 2009
With Comparative Figures for the Year Ended December 31, 2008

	2009	2008
Revenue, interest	\$ 30,010	\$ 328,100
Expenditures:		
Current:		
Public works	-	2,624
General government	7,036	11,838
Capital outlay	4,510,351	7,254,533
Total expenditures	4,517,387	7,268,995
Net change in fund balance	(4,487,377)	(6,940,895)
Fund balance, beginning of year	6,678,245	13,619,140
Fund balance, end of year	\$ 2,190,868	\$ 6,678,245

City of Peoria, Illinois

2008A Library General Obligation Bond Project Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Year Ended December 31, 2009
 With Comparative Figures for the Year Ended December 31, 2008

	2009	2008
Revenue, interest	\$ 136,715	\$ 136,121
Expenditures:		
Current, general government	-	257,243
Capital outlay	2,127,893	1,061,843
Total expenditures	2,127,893	1,319,086
(Deficiency) of revenues over expenditures	(1,991,178)	(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	(1,991,178)	26,817,035
Fund balance, beginning of year	26,817,035	-
Fund balance, end of year	\$ 24,825,857	\$ 26,817,035

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.

This Page Intentionally Left Blank

City of Peoria, Illinois

Combining Statement of Fiduciary Net Assets
December 31, 2009

	Police Pension Fund of Peoria	Firemen's Pension Fund of Peoria	Total
Assets			
Cash and cash equivalents	\$ 5,125,882	\$ 6,267,959	\$ 11,393,841
Receivables:			
Employer contributions	4,604,886	5,634,274	10,239,160
Plan members' contributions	67,060	37,588	104,648
Accrued interest and dividends	269,551	504,196	773,747
	<u>4,941,497</u>	<u>6,176,058</u>	<u>11,117,555</u>
Investments, at fair value:			
U.S. government obligations	31,145,474	45,545,765	76,691,239
State and local obligations	-	2,506,595	2,506,595
Illinois Public Treasurer's Investment Pool	-	516,122	516,122
Mutual funds	59,626,430	25,260,059	84,886,489
Corporate bonds	9,866,184	736,141	10,602,325
Stocks	19,621,305	17,224,109	36,845,414
	<u>120,259,393</u>	<u>91,788,791</u>	<u>212,048,184</u>
Total assets	130,326,772	104,232,808	234,559,580
Liabilities			
Accounts payable and accrued payroll taxes	264,440	796,105	1,060,545
Net assets held in trust for pension benefit obligation	\$ 130,062,332	\$ 103,436,703	\$ 233,499,035

City of Peoria, Illinois

Combining Statement of Changes in Fiduciary Net Assets
Year Ended December 31, 2009

	Police Pension Fund of Peoria	Firemen's Pension Fund of Peoria	Total
Additions			
Contributions:			
Plan members' contributions	\$ 1,677,653	\$ 1,386,469	\$ 3,064,122
Employer contributions	4,609,645	5,641,163	10,250,808
Transfer of creditable service	105,980	-	105,980
Other income	5,241	28,011	33,252
Total contributions	6,398,519	7,055,643	13,454,162
Investment income (loss):			
Net appreciation (depreciation) in fair value of investments	14,946,708	6,449,181	21,395,889
Dividends	1,031,535	657,067	1,688,602
Interest	1,561,942	2,110,773	3,672,715
Total investment income	17,540,185	9,217,021	26,757,206
Less investment expenses	620,137	324,539	944,676
Net investment income	16,920,048	8,892,482	25,812,530
Total additions	23,318,567	15,948,125	39,266,692
Deductions			
Benefits paid	10,088,411	8,863,737	18,952,148
Administrative expenses	189,439	112,851	302,290
Refunds	16,388	-	16,388
Total deductions	10,294,238	8,976,588	19,270,826
Net increase	13,024,329	6,971,537	19,995,866
Net assets held in trust for pension benefits			
Beginning of year	117,038,003	96,465,166	213,503,169
End of year	\$ 130,062,332	\$ 103,436,703	\$ 233,499,035

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.

This Page Intentionally Left Blank

City of Peoria, Illinois

Statement of Changes in Assets and Liabilities

Agency Funds

Year Ended December 31, 2009

	Balance, Beginning	Additions	Deductions	Balance, Ending
Section 125				
Assets, cash and investments	\$ 95,538	\$ 420,980	\$ 425,766	\$ 90,752
Liabilities, due to individuals	\$ 95,538	\$ 420,980	\$ 425,766	\$ 90,752
Other Postemployment Benefits				
Assets:				
Cash and investments	\$ 5,582,480	\$ 3,274,578	\$ 5,319,578	\$ 3,537,480
Receivables:				
Accrued interest	-	8,866	-	8,866
Loan receivable from City	-	5,319,578	-	5,319,578
Township contribution	-	42,000	-	42,000
Total assets	\$ 5,582,480	\$ 8,645,022	\$ 5,319,578	\$ 8,907,924
Liabilities, due to others	\$ 5,582,480	\$ 8,645,022	\$ 5,319,578	\$ 8,907,924
Total				
Assets:				
Cash and investments	\$ 5,678,018	\$ 3,695,558	\$ 5,745,344	\$ 3,628,232
Receivables:				
Accrued interest	-	8,866	-	8,866
Loan receivable from City	-	5,319,578	-	5,319,578
Township contribution	-	42,000	-	42,000
	\$ 5,678,018	\$ 9,066,002	\$ 5,745,344	\$ 8,998,676
Liabilities:				
Due to others	\$ 5,582,480	\$ 8,645,022	\$ 5,319,578	\$ 8,907,924
Due to individuals	95,538	420,980	425,766	90,752
	\$ 5,678,018	\$ 9,066,002	\$ 5,745,344	\$ 8,998,676

This Page Intentionally Left Blank

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	139 - 143
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	144 - 149
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	150 - 154
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	155 - 156
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	157 - 159
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	160 - 162

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 2004-2009 are presented in Tables I and II.

This Page Intentionally Left Blank

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

	Fiscal Year					
	2004	2005	2006	2007	2008	2009
		(Restated)				
Governmental activities/primary government:						
Invested in capital assets, net of related debt	\$ 87,732,295	\$ 171,907,375	\$ 171,655,101	\$ 185,488,430	\$ 194,265,042	\$ 177,077,761
Restricted	44,694,262	95,081,143	68,518,109	61,923,893	75,633,071	63,707,057
Unrestricted	(72,389,704)	(131,479,036)	(124,525,566)	(132,053,264)	(151,816,167)	(138,035,376)
Total governmental activities/primary government net assets	\$ 60,036,853	\$ 135,509,482	\$ 115,647,644	\$ 115,359,059	\$ 118,081,946	\$ 102,749,442

Source: City of Peoria comprehensive annual financial reports for fiscal years 2004 through 2009.

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					
	2004	2005	2006	2007	2008	2009
		(Restated)				
Expenses						
Governmental activities:						
Elected Offices, Boards, Commissions, and Agencies	\$ 1,675,688	\$ 1,705,216	\$ 1,926,997	\$ 2,184,194	\$ 2,118,174	\$ 2,177,766
City Administration	6,320,691	6,824,431	6,950,987	7,828,057	8,185,595	8,197,849
Police	28,437,820	29,168,640	30,538,723	37,110,409	37,876,713	36,273,295
Fire	21,532,910	22,305,856	24,408,676	27,816,247	28,353,632	31,575,786
Public Works	23,682,707	25,328,323	27,838,925	27,924,254	28,535,894	30,208,619
Community Development	12,941,972	28,639,520	49,626,179	26,926,080	14,753,676	14,723,262
Public Safety	7,755,956	8,046,578	8,412,090	10,534,455	10,196,053	10,768,011
General Government	7,054,084	9,382,074	16,019,134	17,584,981	19,793,924	16,545,136
Library	5,572,748	6,218,324	6,833,270	7,874,572	9,882,250	11,308,891
Interest on Long-Term Debt	5,953,781	7,546,228	7,809,463	7,698,934	7,468,578	8,844,508
Total governmental activities/primary government expenses	\$ 120,928,357	\$ 145,165,190	\$ 180,364,444	\$ 173,482,183	\$ 167,164,489	\$ 170,623,123
Program Revenues						
Governmental activities:						
Charges for services:						
Elected offices, boards, commissions, and agencies	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City administration	-	-	-	-	-	-
Police	251,506	475,862	1,020,290	883,111	839,168	558,810
Fire	461,280	412,138	275,658	520,862	709,022	564,471
Public works	5,482,563	5,822,715	5,635,552	5,522,356	5,546,259	5,229,957
Community development	-	-	-	-	-	-
Public safety	2,366,076	2,331,974	2,373,167	4,177,942	3,921,530	2,792,610
General government	9,384,104	10,654,559	11,442,837	12,348,131	11,839,748	11,951,363
Library	139,890	131,886	132,559	122,818	128,679	129,540
Operating grants and contributions:						
Elected offices, boards, commissions, and agencies	-	-	-	-	-	-
City administration	-	-	-	-	-	-
Police	1,421,077	2,420,407	1,373,059	1,095,196	805,850	786,354
Fire	116,473	111,953	145,197	191,955	257,520	186,799
Public works	-	-	-	-	4,999	-
Community development	6,617,051	7,583,527	9,505,077	7,844,074	6,436,062	8,810,036
Public safety	48,056	66,227	39,930	-	-	-
General government	80,940	520,184	-	(12,121)	-	-
Library	12,933	28,707	135,412	104,065	65,283	51,760
Capital grants and contributions						
Elected offices, boards, commissions, and agencies	-	-	-	-	-	-
City administration	-	-	-	-	-	-
Police	-	-	-	-	-	-
Fire	-	-	-	-	-	-
Public works	-	-	37,572	-	-	186,166
Community development	-	-	33,333	13,333	13,333	10,000
Public safety	-	-	-	-	-	124,693
General government	1,572,574	1,559,111	1,955,973	9,391,351	7,385,886	1,121,888
Library	-	149,577	106,364	151,184	143,026	160,220
Total governmental activities/primary government program revenues	27,954,523	32,268,827	34,211,980	42,354,257	38,096,365	32,664,667
Net (expense) revenue:						
Total governmental activities/primary government net expense	\$ (92,973,834)	\$ (112,896,363)	\$ (146,152,464)	\$ (131,127,926)	\$ (129,068,124)	\$ (137,958,456)

(Continued)

Table II

	Fiscal Year					
	2004	2005	2006	2007	2008	2009
General Revenues and Other Changes in Net Assets:		(Restated)				
Governmental activities/primary government:						
Taxes:						
Property taxes	\$ 23,639,496	\$ 24,697,914	\$ 26,334,488	\$ 27,481,171	\$ 29,047,046	\$ 32,964,520
Corporate personal property replacement taxes	4,694,841	6,515,378	6,825,112	8,306,487	7,690,109	6,777,042
State sales taxes, unrestricted	21,437,038	21,968,951	23,274,038	23,514,047	23,807,678	21,951,915
State income tax allocation, unrestricted	7,228,580	8,888,641	9,679,194	10,545,996	11,456,986	9,848,758
Home rule sales taxes	21,641,571	21,930,700	22,888,067	23,199,949	23,100,548	21,074,331
Hotel, restaurant and amusement taxes	6,890,626	7,067,524	7,449,766	8,120,176	8,253,017	7,640,779
Local motor fuel taxes	938,794	936,573	894,898	893,078	855,599	764,720
Riverboat gaming revenue	4,126,973	4,058,749	3,965,791	4,005,969	3,594,362	3,528,968
Utility taxes	8,421,384	8,455,737	8,568,744	8,795,630	8,629,442	8,406,435
Grants and contributions not restricted to specific program:	3,285,935	6,279,957	4,810,762	3,508,181	3,350,085	3,163,376
Payment from City of Peoria	-	-	-	-	-	-
Interest/Investment Income	1,026,469	3,953,095	5,077,067	4,363,118	2,384,392	1,053,232
Franchise Fees, based on gross receipts	2,432,185	1,880,087	2,071,893	2,189,184	2,306,679	2,249,178
Other	7,479,496	4,868,646	4,450,806	5,916,355	7,315,068	3,202,698
Total governmental activities/primary government	\$ 113,243,388	\$ 121,501,952	\$ 126,290,626	\$ 130,839,341	\$ 131,791,011	\$ 122,625,952
Change in net assets:						
Total governmental activities/primary government	\$ 20,269,554	\$ 8,605,589	\$ (19,861,838)	\$ (288,585)	\$ 2,722,887	\$ (15,332,504)

Source: City of Peoria comprehensive annual financial reports for fiscal years 2004 through 2009.

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					
	2004	2005	2006	2007	2008	2009
General Fund:						
Reserved	\$ 1,408,505	\$ 932,376	\$ 1,848,711	\$ 7,968,830	\$ 8,704,989	\$ 8,371,893
Unreserved - Designated	16,815,391	17,823,988	18,691,956	12,570,433	12,828,231	12,847,709
Unreserved - Undesignated	4,993,106	6,532,340	8,736,116	9,665,019	11,078,502	4,595,390
Total General Fund	\$ 23,217,002	\$ 25,288,704	\$ 29,276,783	\$ 30,204,282	\$ 32,611,722	\$ 25,814,992
All Other Governmental Funds:						
Reserved	\$ 16,647,432	\$ 28,748,887	\$ 28,807,497	\$ 27,925,865	\$ 26,265,107	\$ 25,208,159
Unreserved - Designated, reported in:						
Special Revenue Funds	-	-	841,971	1,502,394	1,665,130	2,002,018
Capital Project Funds	19,270,713	58,116,993	25,180,643	17,213,173	32,740,696	26,235,774
Unreserved - Undesignated, reported in:						
Special Revenue Funds	950,644	1,446,695	1,078,166	1,648,746	1,731,009	1,818,615
Debt Service Funds	2,122,282	-	-	-	-	-
Capital Project Funds	8,324,913	6,626,544	6,090,571	11,514,801	10,948,360	5,390,826
Total All Other Government Funds	\$ 47,315,984	\$ 94,939,119	\$ 61,998,848	\$ 59,804,979	\$ 73,350,302	\$ 60,655,392

Source: City of Peoria comprehensive annual financial reports for fiscal years 2004 through 2009.

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					
	2004	2005	2006	2007	2008	2009
Revenues:						
Taxes	\$ 94,892,327	\$ 100,461,418	\$ 105,914,307	\$ 110,856,534	\$ 112,840,425	\$ 110,789,222
Riverboat gaming revenue	4,126,973	4,058,749	3,965,791	4,005,969	3,594,362	764,720
Governmental grants and reimbursements	14,827,219	15,630,680	16,282,395	13,939,383	12,798,543	13,087,732
Licenses and Permits	1,974,066	1,956,622	1,743,658	3,378,864	3,374,273	2,048,933
Charges for services	18,543,539	19,752,599	21,208,296	22,385,539	21,916,812	21,426,996
Special assessments	258,861	272,370	155,281	272,989	359,175	466,684
Loan repayments	598,388	314,054	389,744	381,881	327,345	154,784
Interest	999,596	3,914,551	5,066,507	4,350,633	2,364,386	1,039,034
Other	3,941,145	5,103,540	4,937,680	4,458,484	5,764,935	3,164,042
Total Revenues	\$ 140,162,114	\$ 151,464,583	\$ 159,663,659	\$ 164,030,276	\$ 163,340,256	\$ 152,942,147
Expenditures:						
Elected offices, boards, commissions, agencies	1,657,983	1,687,969	1,914,702	2,065,825	1,962,117	2,064,338
City administration	6,126,004	6,665,593	6,753,081	7,473,952	7,682,868	7,758,944
Police	28,278,203	29,650,167	31,304,981	34,817,519	35,794,392	35,105,004
Fire	20,667,895	21,500,657	23,295,673	25,210,684	26,125,716	27,796,965
Public works	22,183,503	23,450,167	25,213,092	26,712,420	26,812,501	28,156,412
Community development	12,924,713	28,545,414	49,489,472	23,387,350	13,672,424	13,818,411
Public safety	7,647,920	7,909,693	8,289,939	9,062,108	9,285,483	9,932,649
General government	5,672,053	8,430,306	8,985,341	9,470,644	8,549,659	10,286,382
Library	4,986,497	5,627,239	6,218,368	6,549,961	7,011,868	7,249,289
Capital outlay	13,873,682	14,782,867	14,461,134	23,355,246	22,400,879	17,812,988
Debt service:						
Principal	9,282,235	10,754,953	10,541,104	11,068,939	8,618,657	8,676,500
Interest	6,005,161	7,109,707	8,057,602	7,550,153	8,356,302	9,334,280
Total Expenditures	\$ 139,305,849	\$ 166,114,732	\$ 194,524,489	\$ 186,724,801	\$ 176,272,866	\$ 177,992,162
Excess of Revenues (under) Expenditures	856,265	(14,650,149)	(34,860,830)	(22,694,525)	(12,932,610)	(25,050,015)
Other Financing Sources (Uses):						
Proceeds from issuance of bonds	20,250,000	99,485,000	9,775,000	19,905,000	28,000,000	17,645,000
Premium on issued bonds	515,396	3,521,723	121,590	47,197	798,013	250,876
Payment to refunding bond escrow agent	(15,113,240)	(38,698,399)	(4,453,083)	-	-	(17,665,354)
Proceeds from sale of property	36,702	36,662	465,131	1,475,958	87,360	8,275
New loan proceeds	-	-	-	-	-	5,319,578
Proceeds from note payable	265,826	-	-	-	-	-
Transfers in	24,812,630	24,254,326	24,774,077	25,355,043	28,416,782	21,422,476
Transfers out	(24,812,630)	(24,254,326)	(24,774,077)	(25,355,043)	(28,416,782)	(21,422,476)
Total Other Financing Sources (Uses)	5,954,684	64,344,986	5,908,638	21,428,155	28,885,373	5,558,375
Net Change in Fund Balances	\$ 6,810,949	\$ 49,694,837	\$ (28,952,192)	\$ (1,266,370)	\$ 15,952,763	\$ (19,491,640)
Debt service as a percentage of noncapital expenditures	12.2%	11.8%	10.3%	11.4%	11.0%	11.2%

Source: City of Peoria comprehensive annual financial reports for fiscal years 2004 through 2009.

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
2010	2009	\$ 1,306,278	\$ 627,211	\$ 47,966	\$ 840	\$ 1,360	\$ 1,983,655	15.59%	\$1.3865
2009	2008	1,276,338	619,746	47,804	809	1,055	1,945,752	20.35%	1.2707
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

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:
 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; 2008 - \$64,149,850; 2009 - \$68,998,930

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

This Page Intentionally Left Blank

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	
2010	2009	\$0.3363	\$0.2249	\$0.3324	\$0.0566	\$0.2401	\$0.1963	\$1.3865
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

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
\$4.8811	\$0.8050	\$0.1333	\$0.7178	\$0.1873	\$0.4702	\$0.1737	\$8.7548
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

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

Taxpayer	2009 (Taxable Assessed Valuation \$1,983,654,984)			2000 (Taxable Assessed Valuation \$1,236,540,430)		
	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.	\$ 20,820,000	1	1.05%	\$ 19,405,668	1	1.57%
MCRIL LLC (Shoppes at Grand Prairie)	13,600,460	2	0.69%			
Edward Rose Building Co.	10,709,520	3	0.54%			
Northwoods Development Co.	9,430,100	4	0.48%	6,033,530	4	0.49%
Wal-Mart Real Estate Business Trust	8,802,340	5	0.44%	3,829,026	8	0.31%
IMI Grand Prairie North LLC	8,452,460	6	0.43%			
Willow Knolls Ltd.	7,862,870	7	0.40%	6,456,176	3	0.52%
Commercial Tax Service	5,653,170	8	0.28%			
Peterson Companies LLC	5,558,540	9	0.28%			
Lexington House Corporation	5,268,830	10	0.27%			
Bradley Real Estate, Inc.				6,805,141	2	0.55%
PMP Fermentation Products				5,734,380	5	0.46%
National City Bank				4,611,282	6	0.37%
Methodist Hospital Services				4,318,990	7	0.35%
Archer Daniels Midland				3,703,714	9	0.30%
Proctor Hospital				3,587,845	10	0.29%
	<u>\$ 96,158,290</u>		<u>4.85%</u>	<u>\$ 64,485,752</u>		<u>5.22%</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⁾ 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
2009	2008	\$ 32,560,276	\$ 32,353,860	99.37%	\$ -	\$ 32,353,860	99.37%
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%

Source: Peoria County Treasurer

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

	Calendar Year									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
General Merchandise	\$ 290,109	\$ 323,956	\$ 325,955	\$ 355,380	\$ 387,322	\$ 382,260	\$ 404,909	\$ 390,938	\$ 391,718	\$ 380,143
Food	223,793	229,391	227,888	220,393	210,394	212,221	218,964	221,889	214,735	222,521
Drinking and Eating Places	198,333	180,999	183,126	188,939	198,481	202,459	211,092	226,625	226,676	218,259
Apparel	63,746	61,496	61,735	71,473	90,068	92,811	97,317	100,587	99,906	89,305
Furniture, H.H., and Radio	161,150	152,339	139,327	152,141	162,219	172,214	180,579	177,355	167,054	147,190
Lumber, Bldg, Hardware	116,556	113,681	105,404	121,274	132,902	142,554	146,777	139,757	130,046	117,211
Automotive and Filling Stations	346,452	359,971	349,163	351,254	358,403	364,665	399,927	404,877	411,187	368,643
Drugs and Miscellaneous Retail	228,897	229,957	230,511	240,091	252,930	249,986	252,687	254,004	255,395	253,201
Agriculture and All Others	212,037	195,491	170,689	175,133	185,198	202,831	213,281	228,694	251,212	193,786
Manufacturers	28,865	27,513	27,471	26,177	24,774	26,136	26,874	25,530	31,985	30,331
Total	\$ 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	\$ 2,020,591
City direct sales tax rate	2.00%	2.00%	2.00%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Number of Taxpayers	3,281	3,232	3,267	3,186	3,136	3,193	3,115	3,089	2,582	2,446

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.

City direct sales tax rate 2009 includes 1.00% Municipal Sales Tax Rate and 1.50% Home Rule Sales Tax Rate.

Also, during 2009, the Hospitality Improvement Zone was created. Taxpayers located within this area pay an additional 1.00% Business Development Tax. The number of taxpayers within this area is a small percentage of the total.

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		
2009	\$ 174,115	\$ 6,069	\$ 3,685	\$ 7,385	\$ 191,254	9.64%	\$ 1,578.39
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

Source:

City of Peoria comprehensive annual financial reports for fiscal years 2000 through 2009.
 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 Bonded Debt					
2009	121,170	\$1,983,655	\$ 174,115	\$ 16,333	\$ 157,782	7.95%	\$1,302.15	\$198,365	\$28,000	\$170,365
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

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 2009:

Assessed Value (from County Report)	\$1,983,655
Debt Limit (10% of assessed value)	198,365
Debt Applicable to Limit:	
General Obligation Bonds	174,115
Less: Amount set aside for repayment of GO Debt	(16,333)
Gross Total Debt Applicable to Limit	157,782
Less: Debt With Alternative Repayment Sources	(129,782)
Net Total Debt Applicable to Limit	28,000
Legal Debt Margin	<u>\$170,365</u>

**Direct and Overlapping Governmental Activities Debt ⁽¹⁾
As of December 31, 2009
(Unaudited)**

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable To City	City's Estimated Share of Overlapping Debt
County of Peoria	\$ 4,646,000	61.26%	\$ 2,846,140
Greater Peoria Airport Authority	55,670,000	56.59%	31,503,653
Pleasure Driveway and Park District	13,695,000	94.57%	12,951,362
Weaverridge Special Service Area	3,685,000	100.00%	3,685,000
School District No. 62, Pleasant Valley	1,035,000	48.62%	503,217
School District No. 69, Pleasant Hill	65,000	1.19%	774
School District No. 150, City of Peoria	184,492,035	97.74%	180,322,515
School District No. 310, Limestone	4,435,000	7.35%	325,973
School District No. 321, Chillicothe IVC	9,640,000	1.64%	158,096
School District No. 323, Dunlap	38,820,000	86.77%	33,684,114
School District No. 325, Peoria Heights	6,685,000	12.07%	806,880
School District No. 514, Illinois Central College	37,885,000	30.11%	11,407,174
Subtotal - Overlapping Debt	360,753,035		278,194,895
City of Peoria Direct Debt	174,115,000	100.00%	174,115,000
Total Direct and Overlapping Debt	\$ 534,868,035		\$ 452,309,895

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		
2009	\$ 306	\$ 696	\$ -	\$ -	\$ 1,002	\$ 600	\$ 19	1.62	
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	

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		
\$ 181	\$ 279	\$ 4	\$ 464	\$ 121	\$ 337	1.01	
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 ⁽⁵⁾	Median Age ⁽⁴⁾	School Enrollment ⁽²⁾	Unemployment Rate ⁽³⁾
2009	121,170	N/A	\$ 23,105	37.7	13,825	10.1%
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%

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⁾ 2009 Unemployment Data Per Economic Development Council for Central Illinois website [www.edc.centralillinois.org]

⁽⁴⁾ Median Age for 2009 from Economic Development Council for Central Illinois website [www.edc.centralillinois.org]

⁽⁵⁾ 2009 Per Capita Income from Best Places to Live in Peoria, IL website [www.bestplaces.net/city/Peoria-Illinois.aspx]

2000 Per Capita Income from American Community Survey, U.S. Census Bureau.

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

Employer	2009			2000		
	Employees	Rank	Percentage of Total City ⁽¹⁾ Employment	Employees	Rank	Percentage of Total City ⁽²⁾ Employment
Caterpillar Tractor Company	17,000	1	17.21%	16,553	1	13.88%
OSF St. Francis Medical Center	5,600	2	5.67%	4,250	2	3.56%
Peoria School District No. 150	2,850	3	2.89%	3,164	3	2.65%
Methodist Medical Center	2,300	4	2.33%	2,400	4	2.01%
Bradley University	1,045	5	1.06%	1,200	8	1.01%
Affina, LLC (fka: Ruppman Marketing)	1,000	6	1.01%	-		0.00%
County of Peoria	1,000	7	1.01%	-		0.00%
Proctor Hospital	896	8	0.91%	1,050	10	0.88%
Keystone Steel and Wire Company	880	9	0.89%	1,675	5	1.40%
City of Peoria & Peoria Public Library	859	10	0.87%	-		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 (2000D), Economic Development Council for Central Illinois Economic Development Commission for the Peoria Area, as of 2009, and telephone survey.

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

⁽²⁾ Based on 2000 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					
	2004	2005	2006	2007	2008	2009
Elected Offices, Boards, Commissions, and Agencies						
City Council	1	1	1	1	1	1
City Clerk	4	4	4	4	4	4
City Treasurer	6	6	6	6	6	6
Election Commission	4	4	4	4	3	3
City Administration						
City Manager	8	8	7	9	8	7
Finance	19	19	19	19	19	19
Human Resources	6	6	6	6	6	6
Information Systems	18	18	18	18	18	18
Legal	8	8	9	8	8	8
Police	282	282	287	287	290	290
Fire	199	203	210	210	216	216
Public Works	105	103	106	106	106	105
Community Development						
Economic Development	5	6	6	5	5	5
Planning and Growth Management	23	23	20	19	19	19
Workforce Development	22	25	27	25	14	19
Public Safety						
Inspection Services	50	50	50	50	50	50
Emergency Services	41	41	41	41	41	40
Library	72	71	74	72	74	72
Total	873	878	895	890	888	888

Sources: City's annual budget book headcounts.

City's actual employee counts for Library, Workforce Development, Election Commission.

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					
	2004	2005	2006	2007	2008	2009
Police:						
Total Number of Calls For Service	85,937	88,661	86,909	85,249	82,656	81,144
Total Number of Arrests	11,486	12,176	12,651	10,648	9,393	8,425
--Adult arrest - Misdemeanor and Felony	10,839	11,542	11,964	9,752	8,686	7,765
--Juvenile arrest - Misdemeanor and Felony	647	634	687	896	707	660
Property Crime	7,028	7,538	6,597	5,263	4,907	5,518
Traffic violations	29,151	29,595	31,832	31,828	30,195	23,480
Total Parking Violations	40,152	33,258	31,468	25,945	22,971	18,460
--Peoria Police Department	6,046	4,728	5,311	4,365	3,518	1,900
--Peoria Parking Enforcement	34,106	28,530	26,157	21,580	19,453	16,560
Number of Commissioned Police Officers	242	242	247	247	251	250
Fire:						
Total Number of Alarms	12,350	12,985	13,713	14,396	14,726	16,159
--Fire Calls	625	692	640	570	528	646
--Emergency Medical Services	7,950	8,738	8,877	9,346	9,737	11,317
--Hazardous Materials Calls	136	447	342	423	358	422
--Rescue or Other Calls	3,639	3,108	3,898	4,057	4,103	3,774
Total Number of Inspections	3,209	3,243	2,896	3,438	3,546	3,397
--Fire and Life Safety	1,862	2,470	2,500	2,702	2,804	2,577
--Hazardous Materials	1,347	773	396	736	742	820
Number of Commissioned Firefighters	192	193	201	201	206	205
Public Works:						
# Parking Decks & Lots Maintained	11	11	11	11	13	21
Street Resurfacing (# Linear Miles)	85	82	83	73	82	33
Storm Sewer Maintenance (# Linear Feet)	600	800	650	450	450	250
# Street Signs & Signals Maintenance Calls	8,810	8,510	8,800	8,762	8,525	8,605
Inspections:						
# Construction Permits Issued (1)	442	431	364	365	282	162
Library:						
Number of Materials Loaned	774,387	735,122	773,245	778,175	848,604	891,905
Door Count	560,694	539,473	536,014	535,721	561,369	589,979
Computer Usage	76,812	85,199	98,817	95,803	97,153	104,031

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					
	2004	2005	2006	2007	2008	2009
Dollar Value of Construction	\$ 124,170,984	\$ 165,067,612	\$ 122,885,714	\$ 365,660,578	\$ 191,448,160	\$ 56,070,700

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

Function/Program	Fiscal Year					
	2004	2005	2006	2007	2008	2009
Police:						
Stations	1	1	1	1	1	1
Sub Stations	1	1	1	1	1	1
Marked vehicles	70	70	70	102	93	92
Unmarked Vehicles	40	41	42	84	86	88
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)	27	29	31	43	43	44
Trucks (GVW 10,100- 25,000)	20	20	20	33	33	30
Streets (Center Lane Miles)	449	449	449	458	458	463
Street Lights	9,429	9,866	10,217	10,231	10,231	10,387
Traffic Signals	251	254	269	272	279	280
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.

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 2009 fiscal year in December 2008. Therefore, the property tax year for these levies is 2008. These taxes would be collected in calendar year 2009 during the 2009 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.

This Page Intentionally Left Blank