

CITY OF PEORIA, ILLINOIS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Year Ended December 31, 2010

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FINANCE DEPARTMENT

June 16, 2011

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, 2010.

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.

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The Honorable James E. Ardis III, Mayor
Members of the City Council
The Citizens of the City of Peoria
June 16, 2011

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, 2010, 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, 2010, 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 2010 Census, the City has a population of 115,007, ranking as the seventh largest city in the State of Illinois. This 2010 City population constituted a 1.83% increase compared with the 112,936 City population recorded in the 2000 census.

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, hired by and accountable to the City Council, supervises day-to-day operations of the City.

The Honorable James E. Ardis III, Mayor
Members of the City Council
The Citizens of the City of Peoria
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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. 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 97 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 98.

FACTORS AFFECTING FINANCIAL CONDITION

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

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

The City continues to be the regional shopping venue of choice. 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. The 18 screen theatre at the Shoppes recently added a state of the art I-Max giant screen.

The Honorable James E. Ardis III, Mayor
Members of the City Council
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June 16, 2011

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

Long-term financial planning. During 2002, several studies were conducted to develop a downtown museum. This endeavor also produced 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 Peoria Riverfront Museum, a \$60 million project, as well as the Caterpillar Visitor Center, a \$35 million private development. Peoria Riverfront Museum construction commenced in 2010 with anticipated museum completion in 2012.

In October 2004, the City Council authorized the renovation and the expansion of the exhibit hall and arena of The Peoria Civic Center, at a capital cost not-to-exceed \$55 million. This major renovation and expansion, completed in 2008, includes improvement of locker rooms for the arena; improvement of truck loading and servicing for the exhibition hall and the arena; relocation of staff offices; increase in restrooms and concession space; relocation of Club Lounge for arena spectators; a ballroom and expansion of the exhibit hall.

During 2003, the City Council authorized the creation of the Medical & Technology District along the West Main Street corridor. This collaborative effort between Caterpillar, the University of Illinois College of Medicine, Bradley University, the National Center for Agriculture Utilization and Research, Methodist Medical Center, and OSF Saint Francis Medical Center, the City of Peoria and Peoria NEXT seeks to capture and cultivate the medical and technology research companies born from other areas' institutional partners. Peoria NEXT, acting through the Heartland Foundation, purchased one city block along West Main Street that now houses a \$13 million, 50,000 square-foot research incubator providing necessary lab space for such companies. This research incubator was completed in 2007 and a significant addition is in the planning stage.

In May 2010, the City Council approved a \$2.0 million contribution, from the Southtown Tax Increment Financing District Fund, for construction of the Cancer Research Center at the University of Illinois College of Medicine near downtown Peoria. This two story state of the art facility, currently under construction, will feature 20,000 square feet of laboratory and office space. With extensive space for basic and clinical research, plus increased opportunities for collaboration across medical disciplines, the Cancer Research Center will permit the University of Illinois College of Medicine to consolidate its strengths in cancer research, education and treatment and enhance Peoria's reputation as both a regional and national center for medical services and research.

The Honorable James E. Ardis III, Mayor
Members of the City Council
The Citizens of the City of Peoria
June 16, 2011

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.

In 2010, the City Council approved issuance of \$37.1 million City bonds toward \$102.6 million total proposed improvements in the Hospitality Improvement Zone (HIZ) TIF District. These \$37.1 million City bonds tentatively will be issued during 2011. The proposed 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.

In March 2011, the City Council authorized the East Village Growth Cell Tax Increment Financing Redevelopment Plan and Project for economic revitalization of the area north and east of downtown Peoria generally bounded by Interstate 74, Wayne Street and Adams Street. The project area includes the Glen Oak School Impact Zone, a portion of the Northside Historic District residential area and a prime commercial corridor along Knoxville Avenue. Redevelopment goals include assistance to East Bluff and North Side property owners in renovating existing homes and commercial structures, significant infrastructure improvements, new commercial utilization of currently vacant lots and buildings along Knoxville Avenue, creation of opportunities for additional retail and restaurant facilities, creation of additional high density housing opportunities near the OSF St. Francis Medical Center and cooperation with OSF St. Francis Medical Center regarding compatibility of OSF facilities expansion with the surrounding neighborhood.

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 the continuing decline in bank interest rates, the average yield on investments was 0.69% for 2010 compared to 1.01% for 2009. The City's 0.69% average yield on 2010 investments exceeded the 0.18% federal funds rate benchmark and 0.20% 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 one year, modified versions of the initial banking services contractual agreement effective January 1, 2009, 2010 and 2011. 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.

The Honorable James E. Ardis III, Mayor
Members of the City Council
The Citizens of the City of Peoria
June 16, 2011

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 most recently renewed this policy with supplemental coverage in May 2011. 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 72.5% and 62.6%, 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 47 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 10.29% of payroll for 2010.

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 470 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 data for 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.

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, 2009. This was the tenth 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

The Honorable James E. Ardis III, Mayor
Members of the City Council
The Citizens of the City of Peoria
June 16, 2011

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 eighteenth consecutive year, the City received the GFOA's Distinguished Budget Presentation Award for its 2010 annual budget document adopted December 8, 2009. 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,



F. Patrick Urich
City Manager



James R. Scroggins
Finance Director/Comptroller

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, 2009

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, appearing to read "Jeffrey R. Emer".

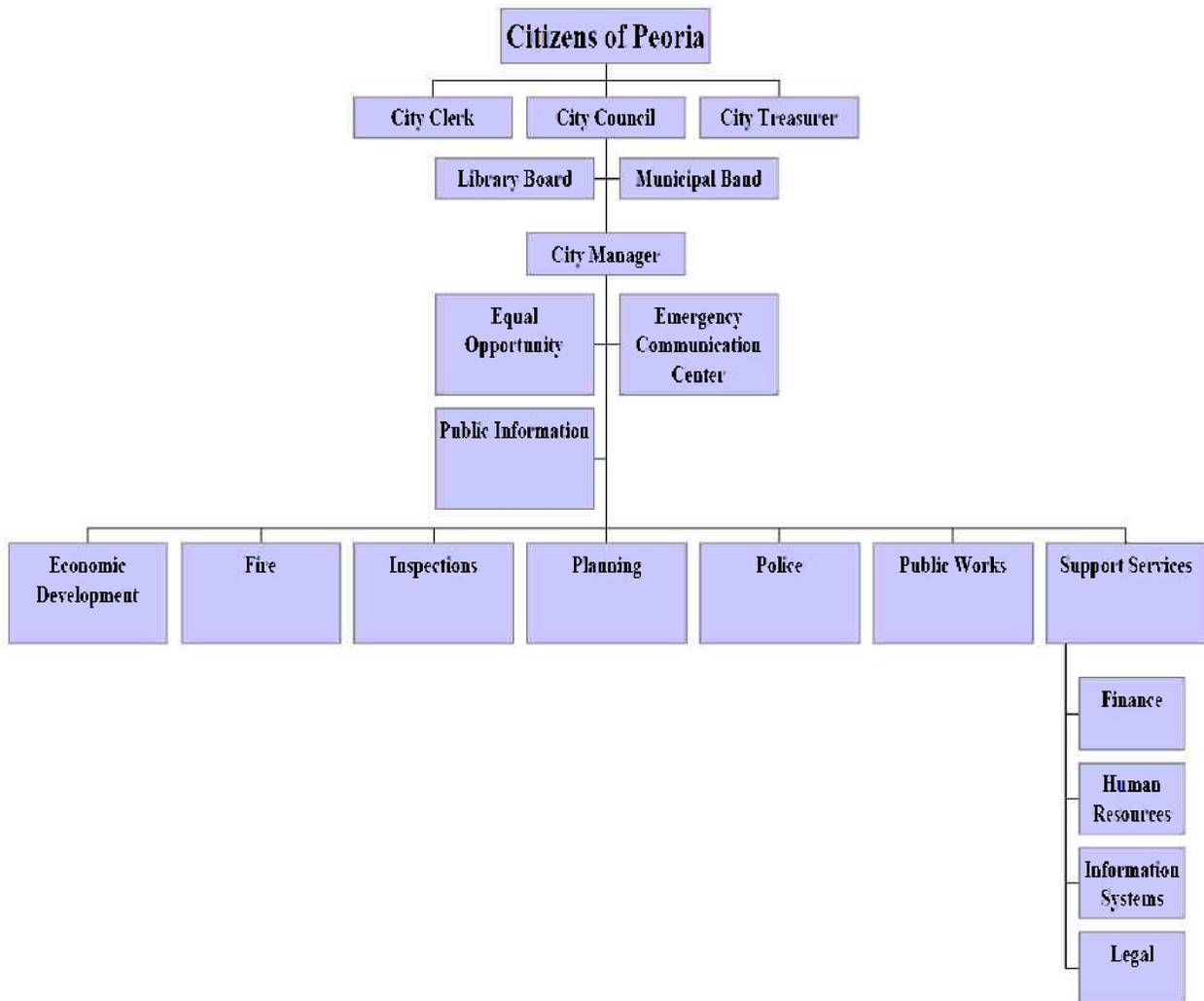
President

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

Executive Director

Organizational Chart

**City of Peoria
2010**



City of Peoria, Illinois

Elected Officials

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. Riggenschach
Gary V. Sandberg
Ryan M. Spain
William R. Spears
W. Eric Turner

City Clerk

Mary L. Haynes

City Treasurer

Patrick A. Nichting

As of May 3, 2011

Mayor

James E. Ardis III

City Council Members

Beth A. Akeson
Barbara Van Auken
Clyde E. Gulley, Jr.
Dan L. Irving
Timothy D. Riggenschach
Gary V. Sandberg
Ryan M. Spain
William R. Spears
W. Eric Turner
Charles E. Weaver

City Clerk

Mary L. Haynes

City Treasurer

Patrick A. Nichting



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, 2010, 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 audits. We did not audit the financial statements of the Peoria Foreign Fire Insurance Board, which represents \$447,371 (0.10 percent), \$368,489 (0.35 percent) and \$164,940 (0.09 percent), respectively, of the assets, net assets and revenues of the total primary government – governmental activities and 0.14 percent, 0.13 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 77.85 percent, 86.66 percent and 63.62 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 audits 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, 2010, 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, 2011, 2011 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 80, the Illinois Municipal Retirement Plan on page 81, the Pension Plans Schedule of Funding Progress and Schedule of Employer Contributions on pages 82 through 83 and the Other Postemployment Benefits Plan Schedule of Funding Progress on page 84 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, 2010 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, 2009, which are not presented with the accompanying financial statements. In our report dated June 16, 2010, 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, 2009, 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, 2011

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, 2010. 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 \$105.0 million at December 31, 2010.
- The City's total net assets increased \$2.2 million during 2010; 90.4% of this total net assets increase is attributable to: a) \$1.1 million increase in utility tax revenues b) \$0.9 million increase in state-shared revenues.
- As of December 31, 2010, the City of Peoria's governmental funds reported combined fund balances of \$100.5 million, an increase of \$14.0 million in comparison with the prior year. Approximately 10.7% of this \$100.5 million amount, \$10.8 million, is available for spending at the City's discretion (*undesignated fund balance*).
- The undesignated general fund balance decreased \$0.2 million during 2010 to \$4.4 million total as of December 31, 2010; equivalent to 4.5% of total general fund expenditures.
- The City's total outstanding debt increased \$40.2 million during 2010; \$24.3 million of this total outstanding debt increase was attributable to 2010(D) Refunding General Obligation Bonds which will generate \$1.6 million net debt service interest savings from 2010-2016. Bond proceeds for this "economic" refunding must be recorded in City financial statements as a liability until actual refunding debt service payments on previously issued bonds.
- In 2010, the City issued a total of \$15.5 million Build America Bonds and Recovery Zone Bonds for capital improvements, including sewer rehabilitation, road construction and sidewalk improvements. The City issued three total refunding general obligation bonds, totaling \$28.2 million (includes \$24.3 million for 2010(D) Refunding General Obligation Bonds referred to above), to refinance portions 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-eight (38) 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 and 2010(D) General Obligation Bond Debt Service 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 - 84 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 85 – 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 \$105.0 million at December 31, 2010. *Restricted net assets* represent resources that are subject to external usage restrictions. The City's (\$116.1) 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 (58.8%) 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, 2010 is presented on the next page.

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

	Governmental Activities 2010	Governmental Activities 2009
Current & Other Assets	\$176.5	\$152.5
Capital Assets	\$252.2	\$226.3
Total Assets	\$428.7	\$378.8
Long-Term Liabilities	\$269.4	\$227.2
Other Liabilities	\$54.3	\$48.8
Total Liabilities	\$323.7	\$276.0
Net Assets:	\$105.0	\$102.8
Invested in Capital Assets, net of related debt	\$184.7	\$177.1
Restricted	\$36.4	\$33.7
Unrestricted	(\$116.1)	(\$108.0)
Total Net assets	\$105.0	\$102.8

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 2010 governmental activities. Highlights included:

- \$3.4 million net increase in total local tax revenues, including property tax, hotel/restaurant/amusement taxes, home rule sales tax, utility taxes, local motor fuel tax, gambling boat proceeds, off-track betting proceeds and franchise fees.
- \$0.9 million increase 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.
- \$42.9 million combined total state-shared revenues constituted 24.7% of total 2010 revenues for governmental activities.
- \$78.7 million combined total Police, Fire and Public Safety (Emergency Communications Center, Inspections and Animal Shelter) expenses represented 45.9% of total 2010 governmental activities expenses.
- The City paid \$61.3 million gross wages to City employees in 2010 constituting a \$3.4 million decrease in gross wages from 2009; 56 less permanent, full-time employees were budgeted in 2010 due to voluntary separation incentives, wage freeze concessions from Management, Fire union and AFSCME union employee groups, layoffs and vacant positions cut from the 2010 budget.
- In addition to gross wages, the City incurred \$40.9 million expenses for the net employer portion of total 2010 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.
- \$1.1 million net total investment interest income represented a \$0.1 million net increase primarily attributable to \$0.5 million year-end accrued interest revenue for State of Illinois Bonds included in the 2010(D) Refunding GO Bonds investment portfolio.
- \$0.7 million decrease in Animal Shelter total expenditures; City transferred total control of Animal Shelter facilities and operations to Peoria County in May 2010.

A summary of the City’s 2010 Changes in Net Assets is presented on the next page.

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

	Governmental Activities 2010	Governmental Activities 2009
Revenues:		
Program Revenues:		
Charge For Services	\$24.1	\$21.2
Operating Grants & Contributions	\$12.3	\$9.8
Capital Grants & Contributions	\$9.9	\$1.6
General Revenues:		
Property Taxes	\$34.4	\$33.0
Hotel, Restaurant & Amusement Taxes	\$7.9	\$7.6
Other Taxes & Fees	\$78.3	\$74.6
Unrestricted Grants & Contributions	\$3.1	\$3.2
Other Revenues	\$3.8	\$4.3
Total Revenues	\$173.8	\$155.3
Expenses:		
Elected Officials	\$1.8	\$2.2
City Administration	\$8.1	\$8.2
Police	\$36.7	\$36.3
Fire	\$31.7	\$31.6
Public Works	\$24.5	\$30.2
Community Development	\$17.1	\$14.7
Library	\$9.3	\$11.3
Public Safety (excluding Police & Fire)	\$10.3	\$10.8
General Government	\$23.8	\$16.5
Other Expenses	\$8.3	\$8.8
Total Expenses	\$171.6	\$170.6
Increase (Decrease) in Net Assets	\$2.2	(\$15.3)
Beginning Net Assets 1/1	\$102.8	\$118.1
Ending Net Assets 12/31	\$105.0	\$102.8

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) represented 68.7% of the City's 2010 operating expenses for governmental activities.

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 \$100.5 million. Approximately \$10.8 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 \$4.4 million while total fund balance reached \$25.3 million. As a measure of the general fund liquidity, it may be useful to compare both undesignated fund balance and total fund balance to total fund expenditures (e.g. 12/31/10 total fund balance in the General Fund represented 26.2% of 2010 general fund expenditures).

The City's total General Fund balance decreased \$0.5 million overall during 2010.

- Significant General Fund balance increases in 2010 included:
 - a) \$1.6 million increase in state of Illinois income tax allocation revenues.
 - b) \$1.4 million increase in governmental grants and reimbursements revenues.
 - c) \$1.1 million increase in total utility tax revenue primarily attributable to a new water utility tax implemented in 2010.
 - d) \$1.6 million decrease in net 2010 medical claims healthcare benefits costs.
 - e) \$1.0 million decrease in expenditures for termination payments to employees.
- Significant General Fund balance decreases in 2010 included:
 - a) \$2.8 million increase in 2010 total operating transfers-out to all other City funds.
 - b) \$1.2 million decrease in fees revenues and charges for service.
 - c) \$2.8 million increase in general liability claims costs.
 - d) \$0.4 million decrease in interest revenues due to declining bank interest rates.

The City's combined Capital Improvements (Capital/Local Motor Fuel Tax/Riverfront) Fund balance decreased \$3.0 million in 2010. This fund balance decrease was primarily due to:

- \$2.8 million transfer-out to General Fund per the 2010 operating budget deficit action plan.

The City's 2010 employer portion of total pension benefits costs for permanent City employees decreased \$4.8 million due to the combined effects of:

- \$0.6 million increase in firemen's pension fund contributions.
- \$0.8 million increase in police pension fund contributions.
- \$6.2 million decrease in Illinois Municipal Retirement Fund (IMRF) pension contributions for management employees, AFSCME union employees & permanent crafts/trades employees. This IMRF decrease was primarily attributable to: a) \$5.3 million lump sum payment in 2009 of the City's early retirement incentive program liability b) \$0.9 million decrease in 2010 annual contributions due to 26 fewer IMRF employees budgeted in 2010.

For payment of future debt service, the City currently maintains \$26.8 million combined fund balances in all bond debt service funds, plus \$12.0 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 debt service funding sources for general obligation bonds include utility taxes, sewer fees, property tax increment, 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 2010, the \$3.0 million final budget estimated revenues decrease from original budget estimated revenues, primarily comprised of budget reduction amendments for property tax, state sales tax and state income tax, constituted 2.7% of total original budget estimated revenues.

The \$0.7 million final budget increase from original budget appropriations constituted 0.7% of original budget appropriations. Final budget appropriations included personnel services increases for temporary employees and contractual services increases for multiple City departments.

Other General Fund budgetary highlights included:

- \$4.3 million increase in total final budget estimated revenues compared with the prior year.
- \$5.0 million decrease in total final budget appropriations in comparison with the prior year.

Capital Asset and Debt Administration

Capital assets. As of December 31, 2010, the City maintained \$252.2 million in capital assets (net of depreciation) representing an 11.4% increase in net capital assets over the prior year for governmental activities. The City's capital assets include land, land improvements, buildings, equipment, vehicles, library media and infrastructure (e.g. roads, sewers, sidewalks, street lights and traffic signals).

Major capital asset events during the current fiscal year included:

- \$5.0 million increase in road construction additions, including the Wilhelm Road extension to Allen Road, West Hickory Grove Roadway improvements, Rockwood Road reconstruction and Columbia Terrace improvements.
- \$15.0 million Library additions during 2010 attributable to 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 2010	Governmental Activities 2009
Land & Land Improvements	\$16.7	\$17.0
Buildings	45.3	46.9
Vehicles & Equipment	5.9	6.4
Library Media	3.3	3.1
Infrastructure	155.6	144.5
Construction in Progress	25.4	8.4
Total	<u>\$252.2</u>	<u>\$226.3</u>

Additional information regarding the City's capital assets is located in note 7 on pages 61 - 63 of this report.

Long-term debt. The City of Peoria owed total bonded debt of \$216.7 million at December 31, 2010; \$207.4 million of the preceding total comprised debt backed by the full faith and credit of the government plus \$6.0 million comprised revenue bonds secured by specific revenues. The remaining \$3.3 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 “Aa2” rating for the City’s general obligation bonds.

The City issued 2010(A) General Obligation Refunding Bonds, in the amount of \$2.4 million, to refinance a portion of the previously issued 2002(B) General Obligation Bonds.

The City issued 2010(B) Taxable General Obligation Refunding Bonds, in the amount of \$1.5 million, to refinance the January 1, 2011 debt service principal payments for the previously issued 2004(C), 2005(B) and 2007(A) General Obligation Bonds.

The City issued 2010(C) Taxable General Obligation Bonds (Build America & Recovery Zone Bonds), totaling \$15.5 million, for sewer rehabilitation, roads and sidewalks improvements.

The City issued 2010(D) General Obligation Refunding Bonds, in the amount of \$24.3 million, to refinance a portion of the previously issued 2005(A) General Obligation Bonds. This refunding bond will generate \$1.6 million net debt service interest savings from 2010-2016. Although these refunding bond proceeds have been deposited with an escrow agent, proceeds for this “economic” bond refunding must be recorded in the City’s accounting system and financial statements pending actual debt service payments to call the previously issued 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)**

	2010	2009
General Obligation Bonds	\$207.4	\$174.1
Special Service Area Bonds	3.3	3.7
Revenue Bonds	6.0	6.1
Total	<u>\$216.7</u>	<u>\$183.9</u>

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

Economic Conditions and Next Year's Budgets

The City administration continues to grapple with balancing services with limited resources. In order to address budgetary constraints amplified by the recent national economic crisis, the City Council approved a 3.5% natural gas utility tax effective in 2011 for non-bulk users of natural gas and assessed a \$0.0035 per therm natural gas use tax for bulk users of natural gas. In addition, the City Council budgeted 29 fewer permanent, full-time City employees in 2011.

City officials continue to utilize a five-year operating budget forecasting model and corresponding capital budget 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.

In 2010, the City Council approved issuance of \$37.1 million City bonds toward \$102.6 million total proposed improvements in the Hospitality Improvement Zone (HIZ) TIF District. These \$37.1 million City bonds tentatively will be issued during 2011. The proposed multi-year project would 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 2011, City officials 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 \$3.3 million savings in net healthcare costs for 2008-2010 versus 2005-2007. The City anticipates continuing benefits from these healthcare plan changes in 2011 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, 2010

	Total Primary Government - Governmental Activities	Component Units	
		Peoria Civic Center Authority	Springdale Cemetery Management Authority
Assets			
Current assets:			
Cash and cash equivalents	\$ 15,744,259	\$ 1,665,081	\$ 297,793
Restricted cash with trustee	27,723,557	-	-
Investments	17,133,506	1,495,505	-
Restricted investments	-	-	251,410
Taxes receivable:			
Property taxes	34,070,700	-	-
Corporate personal property replacement taxes	693,210	-	-
State sales and income taxes	10,981,415	-	-
Home rule sales taxes	6,337,037	-	-
Hotel, restaurant and amusement taxes	846,457	-	-
Utility taxes	1,588,293	-	-
Local motor fuel taxes	107,191	-	-
Governmental grants and reimbursements receivable	1,571,052	-	-
Riverboat gaming revenue receivable	578,371	-	-
Loans receivable, net	515,269	-	-
Pledges receivable	10,000	-	-
Other receivables, net	1,337,256	1,096,227	512,592
Accrued interest receivable, net	873,284	7,072	-
Special assessments receivable	198,284	-	-
Inventory, prepaid items and other	583,312	142,242	33,550
Total current assets	120,892,453	4,406,127	1,095,345
Noncurrent assets:			
Cash and cash equivalents held for capital projects	32,034,173	-	-
Restricted cash and cash equivalents	-	445,602	-
Investments held for capital projects	169,173	-	-
Loans receivable, net	360,713	-	-
Other receivable	-	919,067	3,256
Special assessments receivable	5,132,305	-	-
Unamortized bond issue costs	2,305,014	-	-
Net pension assets	15,645,440	-	-
Capital assets:			
Not depreciated:			
Land	12,517,864	10,247,918	65,604
Construction-in-progress	25,411,489	443,955	4,100
Depreciated:			
Infrastructure	302,037,513	-	-
Buildings and land improvements	88,699,053	150,659,111	1,622,729
Major equipment and vehicles	25,374,719	10,208,453	370,611
Media assets	24,444,230	-	-
Software	-	-	127,371
Accumulated depreciation	(226,330,933)	(79,553,706)	(656,024)
Total capital assets	252,153,935	92,005,731	1,534,391
Total noncurrent assets	307,800,753	93,370,400	1,537,647
Total assets	\$ 428,693,206	\$ 97,776,527	\$ 2,632,992

See Notes to Basic Financial Statements.

	Total Primary Government - Governmental Activities	Component Units	
		Peoria Civic Center Authority	Springdale Cemetery Management Authority
Liabilities and Net Assets			
Current liabilities:			
Accounts payable	\$ 12,363,679	\$ 145,935	\$ 24,376
Accrued payroll	1,853,225	-	-
Accrued interest	379,437	-	-
Other payables	76,760	260,809	7,583
Advance ticket sales	-	590,049	-
Estimated payable for claims and losses incurred but not reported	364,398	-	-
Unearned revenue, property taxes	34,070,700	-	-
Unearned revenue, other	2,368,241	1,039,133	271,035
Tax rebates payable	1,485	-	-
Accrued compensated absences	534,182	-	-
Voluntary separation initiative termination benefits	310,000	-	-
Bonds and loans payable, current portion	1,867,023	177,205	-
Other long-term obligations, current portion	57,677	-	-
Total current liabilities	54,246,807	2,213,131	302,994
Long-term liabilities:			
Accrued compensation absences	8,717,594	-	-
Voluntary separation initiative termination benefits	620,000	-	-
Bonds and loans payable, net of deferred amount on bonds refunded and bond premium	225,363,491	1,824,482	-
Other long-term obligations, noncurrent	747,398	-	-
Net other postemployment benefits obligation	28,532,853	-	-
IMRF pension obligation	670,843	-	-
Workers compensation claims payable	2,990,738	-	-
General liability claims payable	1,789,004	-	-
Unearned revenue and deposits	-	1,646,366	-
Asset held for Tourism Reserve Fund, payable from restricted assets	-	445,602	-
Total long-term liabilities	269,431,921	3,916,450	-
Total liabilities	323,678,728	6,129,581	302,994
Net assets:			
Investment in capital assets, net of related debt	184,710,991	90,004,044	1,534,391
Restricted for:			
Law enforcement	667,106	-	-
Animal shelter trust	202,665	-	-
Future road projects	7,509,207	-	-
Peoria Public Library	3,090,129	-	-
Revolving loan fund	443,515	-	-
Riverfront development	75,000	-	-
Employees' pension benefits	15,495,573	-	-
Capital projects	8,891,211	-	-
Cemetery	-	-	266,035
Unrestricted (deficit)	(116,070,919)	1,642,902	529,572
Total net assets	105,014,478	91,646,946	2,329,998
Total liabilities and net assets	\$ 428,693,206	\$ 97,776,527	\$ 2,632,992

City of Peoria, Illinois

Statement of Activities
Year Ended December 31, 2010

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	\$ (1,807,517)	\$ -	\$ -	\$ -
City administration	(8,140,929)	-	-	-
Police	(36,717,097)	597,217	1,155,061	-
Fire	(31,747,002)	511,084	254,738	-
Public works	(24,460,125)	4,970,342	-	517,220
Community development	(17,055,003)	-	10,822,497	5,000
Public safety	(10,265,084)	2,594,265	-	579,939
General government	(23,810,131)	15,374,543	-	8,712,785
Library	(9,284,492)	98,307	82,199	105,477
Interest on long-term debt	(8,316,083)	-	-	-
Total primary government	\$ (171,603,463)	\$ 24,145,758	\$ 12,314,495	\$ 9,920,421
Component Units				
Peoria Civic Center Authority	\$ (22,542,766)	\$ 16,747,750	\$ -	\$ -
Springdale Cemetery Management Authority	(787,473)	189,425	473,485	37,456
Total component units	\$ (23,330,239)	\$ 16,937,175	\$ 473,485	\$ 37,456

General Revenues

Property taxes
Corporate personal property replacement taxes
State sales taxes, unrestricted
State income tax allocation, unrestricted
Home rule sales taxes
Hotel, restaurant and amusement taxes
Local motor fuel taxes
Riverboat gaming revenue
Utility taxes
Grants and contributions not restricted to specific programs
Payment from City of Peoria
Interest/investment income
Franchise fees, based on gross receipts
Other
Total general revenues
Change in net assets
Net assets, beginning of year
Net assets, end of year

See Notes to Basic Financial Statements.

Net (Expense) Revenue and Changes in Net Assets			
Total Primary	Component Units		
Government	Peoria	Springdale Cemetery	
Governmental	Civic Center	Management	
Activities	Authority	Authority	
\$ (1,807,517)	\$ -	\$ -	
(8,140,929)	-	-	
(34,964,819)	-	-	
(30,981,180)	-	-	
(18,972,563)	-	-	
(6,227,506)	-	-	
(7,090,880)	-	-	
277,197	-	-	
(8,998,509)	-	-	
(8,316,083)	-	-	
(125,222,789)	-	-	
-	(5,795,016)	-	
-	-	(87,107)	
-	(5,795,016)	(87,107)	
34,408,536	-	-	
7,116,213	-	-	
22,983,019	-	-	
9,473,829	-	-	
21,750,896	-	-	
7,913,576	-	-	
843,494	-	-	
3,536,729	-	-	
9,535,439	-	-	
3,141,811	-	-	
-	1,122,678	-	
1,125,035	24,253	3,233	
2,178,794	-	-	
3,480,454	-	4,148	
127,487,825	1,146,931	7,381	
2,265,036	(4,648,085)	(79,726)	
102,749,442	96,295,031	2,409,724	
\$ 105,014,478	\$ 91,646,946	\$ 2,329,998	

City of Peoria, Illinois

**Balance Sheet
Governmental Funds
December 31, 2010**

Assets	General Fund	Peoria Public Library Fund	Workforce Development Fund
Cash and cash equivalents	\$ 3,833,631	\$ 3,468,117	\$ 112,785
Cash with trustee	-	-	-
Investments	8,734,323	513	269,458
Taxes receivable:			
Property taxes	4,419,400	6,625,000	-
Corporate personal property replacement taxes	693,210	-	-
State sales and income taxes	10,927,129	-	-
Home rule sales taxes	6,337,037	-	-
Hotel, restaurant and amusement taxes	846,457	-	-
Utility taxes	1,588,293	-	-
Local motor fuel taxes	-	-	-
Governmental grants and reimbursements receivable	84,028	-	1,102,692
Riverboat gaming revenue receivable	-	-	-
Loans receivable, net	-	-	-
Pledges receivable	-	-	-
Other receivables, net	1,127,212	-	3,267
Accrued interest receivable, net	213,975	-	-
Special assessments receivable	-	-	-
Due from other funds	575,682	-	64,000
Inventory and prepaid items	550,641	-	32,671
Total assets	\$ 39,931,018	\$ 10,093,630	\$ 1,584,873

(Continued)

Police and Fire Pension Levy Fund	Capital Improvements Fund	2010D General Obligation Bond Debt Service Fund	Other Governmental Funds	Total Governmental Funds
\$ -	\$ 2,585,647	\$ 2,964	\$ 37,775,288	\$ 47,778,432
-	-	25,211,499	2,512,058	27,723,557
-	2,515,614	-	5,782,771	17,302,679
10,076,500	187,000	-	12,762,800	34,070,700
-	-	-	-	693,210
-	-	-	54,286	10,981,415
-	-	-	-	6,337,037
-	-	-	-	846,457
-	-	-	-	1,588,293
-	107,191	-	-	107,191
-	68,621	-	315,711	1,571,052
-	578,371	-	-	578,371
-	661,544	-	214,438	875,982
-	-	-	10,000	10,000
-	169,650	-	37,127	1,337,256
-	97,929	518,141	43,239	873,284
-	198,284	-	-	198,284
-	3,225,542	-	260,028	4,125,252
-	-	-	-	583,312
<u>\$ 10,076,500</u>	<u>\$ 10,395,393</u>	<u>\$ 25,732,604</u>	<u>\$ 59,767,746</u>	<u>\$ 157,581,764</u>

City of Peoria, Illinois

Balance Sheet (Continued)
Governmental Funds
December 31, 2010

Liabilities and Fund Balance	General Fund	Peoria Public Library Fund	Workforce Development Fund
Liabilities:			
Accounts payable	\$ 2,465,338	\$ 164,159	\$ 853,137
Accrued payroll	1,677,525	100,582	34,601
Claims and losses due and payable	364,398	-	-
Due to other funds	2,825,346	-	64,000
Unearned revenue, property taxes	4,419,400	6,625,000	-
Deferred and unearned revenue, other	2,641,492	94,535	128,300
Bonds payable	-	-	-
Tax rebates payable	1,485	-	-
Other payables	201,337	-	-
Total liabilities	14,596,321	6,984,276	1,080,038
Fund balance:			
Reserved for:			
Encumbrances	319,516	-	-
Law enforcement	601,510	-	-
Animal shelter trust	-	-	-
Future road projects	-	-	-
Debt service	6,631,389	-	-
Working cash, library	-	1,000,279	-
Endowment activity, library	-	417,004	-
Revolving loan fund	-	-	-
Riverfront development	-	-	-
Employees' pension benefits	-	-	-
Inventory and prepaid items	550,641	-	32,671
Unreserved:			
Designated, reported in:			
General Fund	12,859,791	-	-
Special revenue funds	-	1,692,071	269,458
Capital projects funds	-	-	-
Undesignated, reported in:			
General Fund	4,371,850	-	-
Special revenue funds	-	-	202,706
Capital projects funds	-	-	-
Total fund balance	25,334,697	3,109,354	504,835
Total liabilities and fund balance	\$ 39,931,018	\$ 10,093,630	\$ 1,584,873

See Notes to Basic Financial Statements.

Police and Fire Pension Levy Fund	Capital Improvements Fund	2010D General Obligation Bond Debt Service Fund	Other Governmental Funds	Total Governmental Funds
\$ -	\$ 2,050,853	\$ 6,000	\$ 6,824,192	\$ 12,363,679
-	12,133	-	28,384	1,853,225
-	-	-	-	364,398
-	223	572,725	662,958	4,125,252
10,076,500	187,000	-	12,762,800	34,070,700
-	809,450	-	429,549	4,103,326
-	6,000	-	-	6,000
-	-	-	-	1,485
-	-	-	-	201,337
10,076,500	3,065,659	578,725	20,707,883	57,089,402
-	3,770,758	-	1,372,125	5,462,399
-	65,596	-	-	667,106
-	202,665	-	-	202,665
-	-	-	7,098,974	7,098,974
-	2,514,244	25,153,879	4,435,558	38,735,070
-	-	-	-	1,000,279
-	-	-	-	417,004
-	443,515	-	-	443,515
-	-	-	75,000	75,000
-	-	-	520,976	520,976
-	-	-	-	583,312
-	-	-	-	12,859,791
-	-	-	-	1,961,529
-	-	-	19,684,749	19,684,749
-	-	-	-	4,371,850
-	-	-	1,180,241	1,382,947
-	332,956	-	4,692,240	5,025,196
-	7,329,734	25,153,879	39,059,863	100,492,362
\$ 10,076,500	\$ 10,395,393	\$ 25,732,604	\$ 59,767,746	\$ 157,581,764

City of Peoria, Illinois

Reconciliation of Total Governmental Fund Balances to Net Assets of Governmental Activities December 31, 2010

Total governmental fund balances	\$	100,492,362
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.		252,153,935
Receivables are deferred in the funds if they are not available for use in the current period.		1,735,085
Special assessments receivable are not available to pay current period expenditures and, therefore, are not recognized in the funds.		5,132,305
Net pension asset (obligation) is not recorded in the funds.		15,645,440
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.		2,305,014
Bond premiums are reported as other financing sources in the funds.		(4,944,316)
Deferred amounts on refunding are not recorded in the funds.		233,017
Interest payable on debt is not reported in the funds if payments are due subsequent to reporting date.		(379,437)
Other postemployment benefits obligation		(28,532,853)
IMRF pension obligation		(670,843)
Workers compensation claims payable		(2,990,738)
General liability claims payable		(1,789,004)
Accrued compensated absences		(9,251,776)
Accrued compensated absences included in other payables in Governmental funds		124,577
Voluntary separation initiative termination benefits		(930,000)
Bonds and loans payable		(222,513,215)
Other long-term obligations		(805,075)
Net assets of governmental activities	\$	105,014,478

See Notes to Basic Financial Statements.

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City of Peoria, Illinois

Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
Year Ended December 31, 2010

	General Fund	Peoria Public Library Fund	Workforce Development Fund
Revenues:			
Property taxes	\$ 7,290,960	\$ 6,508,665	\$ -
Corporate personal property replacement taxes	3,994,323	475,724	-
State sales taxes	22,465,708	-	-
State income tax allocation	10,045,271	-	-
Home rule sales taxes	21,750,896	-	-
Hotel, restaurant and amusement taxes	7,818,174	-	-
Local motor fuel taxes	-	-	-
Riverboat gaming revenue	-	-	-
Utility taxes	9,535,439	-	-
Governmental grants and reimbursements	217,715	141,592	6,851,443
Licenses and permits	2,513,304	-	-
Service charges/finest/fees	16,326,359	98,307	-
Special assessments	-	-	-
Contributions	-	-	-
Loan repayment	-	-	-
Rental	111,706	-	-
Interest	228,301	9,300	-
Other	1,524,077	97,392	120,595
Total revenues	103,822,233	7,330,980	6,972,038
Expenditures:			
Current:			
Elective offices, boards, commissions and agencies	1,826,064	-	-
City administration	6,736,619	-	-
Police	28,095,302	-	-
Fire	20,946,502	-	-
Public works	19,483,666	-	-
Community development	5,128,631	-	6,736,406
Public safety	7,618,344	-	-
General government	6,453,363	-	-
Library	461,065	5,882,100	-
Capital outlay	-	929,989	-
Debt service:			
Principal	-	-	-
Interest	-	-	-
Total expenditures	96,749,556	6,812,089	6,736,406
Excess (deficiency) of revenues over expenditures	7,072,677	518,891	235,632
Other financing sources (uses):			
Issuance of bonds	-	-	-
Bond premium	-	-	-
Proceeds from sale of capital assets	-	-	-
Payment to refund debt	-	-	-
Transfers in	3,877,780	-	-
Transfers out	(11,430,752)	(601,860)	(307,875)
Total other financing sources (uses)	(7,552,972)	(601,860)	(307,875)
Net change in fund balances	(480,295)	(82,969)	(72,243)
Fund balances, beginning of year	25,814,992	3,192,323	577,078
Fund balances, end of year	\$ 25,334,697	\$ 3,109,354	\$ 504,835

See Notes to Basic Financial Statements.

	Police and Fire Pension Levy Fund	Capital Improvements Fund	2010D General Obligation Bond Debt Service Fund	Other Governmental Funds	Total Governmental Funds
\$	8,547,440	\$ 61,179	\$ -	\$ 12,000,292	\$ 34,408,536
	1,669,658	-	-	976,508	7,116,213
	-	-	-	517,311	22,983,019
	-	-	-	-	10,045,271
	-	-	-	-	21,750,896
	-	-	-	95,402	7,913,576
	-	843,494	-	-	843,494
	-	3,536,729	-	-	3,536,729
	-	-	-	-	9,535,439
	-	6,627,344	-	8,089,842	21,927,936
	-	3,596	-	-	2,516,900
	-	3,208,528	-	436,291	20,069,485
	-	778,741	-	-	778,741
	-	-	-	5,000	5,000
	-	111,833	-	39,165	150,998
	-	42,276	-	-	153,982
	835	137,245	518,149	225,250	1,119,080
	-	196,940	-	1,157,695	3,096,699
	10,217,933	15,547,905	518,149	23,542,756	167,951,994
	-	4,676	-	156,820	1,987,560
	-	222,341	-	698,239	7,657,199
	4,595,768	280,774	-	1,042,664	34,014,508
	5,622,165	421,464	-	473,453	27,463,584
	-	914,916	-	2,691,628	23,090,210
	-	173,778	-	3,642,019	15,680,834
	-	746,343	-	1,206,055	9,570,742
	-	3,686,839	1,576,009	1,907,920	13,624,131
	-	-	-	573,785	6,916,950
	-	10,421,044	-	27,187,228	38,538,261
	-	60,923	-	8,663,115	8,724,038
	-	29,249	193,694	8,564,950	8,787,893
	10,217,933	16,962,347	1,769,703	56,807,876	196,055,910
	-	(1,414,442)	(1,251,554)	(33,265,120)	(28,103,916)
	-	-	24,310,000	19,405,000	43,715,000
	-	-	2,092,333	27,243	2,119,576
	-	127,851	-	-	127,851
	-	-	-	(3,836,533)	(3,836,533)
	-	5,496,282	766,419	15,941,020	26,081,501
	-	(7,254,685)	(763,319)	(5,723,010)	(26,081,501)
	-	(1,630,552)	26,405,433	25,813,720	42,125,894
	-	(3,044,994)	25,153,879	(7,451,400)	14,021,978
	-	10,374,728	-	46,511,263	86,470,384
\$	-	\$ 7,329,734	\$ 25,153,879	\$ 39,059,863	\$ 100,492,362

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, 2010**

Net change in fund balances, governmental funds		\$ 14,021,978
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	\$ 37,547,242	
Depreciation expense	(14,558,142)	
Donated infrastructure assets	<u>2,885,122</u>	25,874,222
The net effect of various miscellaneous transactions involving capital assets is to decrease net assets:		
Proceeds from sale of capital assets	(127,851)	
Net gain on sale of capital assets	<u>113,301</u>	(14,550)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds, grants		(650,866)
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	150,000	
Loans receivable repaid	(168,140)	
Increase in interest income for accrued interest	5,954	
Net change in long-term special assessment receivable	3,728,684	
Bad debt expense	<u>21,670</u>	3,738,168
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	(43,715,000)	
Premium on issued bonds	(2,119,576)	
Less bond issuance costs	754,369	
Principal repayments:		
General obligation and revenue bonds	6,756,000	
Payment to refund bonds	3,836,533	
Other debt	1,968,038	
Increase in compensated absences	(29,780)	
Increase in accrued compensated absences included in accounts payable in the Governmental funds	48,057	
Increase in landfill, postclosure costs	<u>(91,284)</u>	(32,592,643)

(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, 2010**

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 postemployment benefits obligation	(9,984,415)	
Increase in IMRF pension obligation	(670,843)	
Decrease in workers compensation payable	84,355	
Decrease in general liability payable	1,226,522	
Decrease in voluntary separation initiative termination benefits	292,857	
Amortization of bond issue costs	(253,574)	
Decrease in accrued interest payable	16,492	
Amortization of bond premium	482,772	
Amortization of deferred amount on refunding	(27,455)	(8,833,289)

Increase in net pension assets are not reported in governmental funds

722,016

Change in net assets of governmental activities

\$ 2,265,036

See Notes to Basic Financial Statements.

City of Peoria, Illinois

**Statement of Fiduciary Net Assets
Fiduciary Funds
December 31, 2010**

	Pension Trust	Agency
Assets		
Cash and cash equivalents	\$ 2,115,552	\$ 8,426,529
Receivables:		
Employer contributions	11,967,392	-
Plan members' contributions	106,307	-
Accrued interest and dividends	732,457	6,939
Loan receivable from City	-	4,029,212
Township contribution	-	42,000
Prepays	5,177	-
	<u>12,811,333</u>	<u>4,078,151</u>
Investments, at fair value:		
Money market mutual funds	5,164,038	-
U.S. government obligations	76,761,568	-
State and local obligations	6,164,241	-
Illinois Public Treasurer's Investment Pool	673,112	-
Mutual funds	86,414,657	-
Corporate bonds	9,750,176	-
Stocks	54,197,666	-
	<u>239,125,458</u>	<u>-</u>
Total assets	<u>254,052,343</u>	<u>12,504,680</u>
Liabilities		
Accounts payable and accrued payroll	392,113	-
Due to others	-	12,398,865
Due to individuals	-	105,815
Total liabilities	<u>392,113</u>	<u>12,504,680</u>
Net assets held in trust for pension benefit obligation	<u>\$ 253,660,230</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, 2010

Additions

Contributions:

Plan members' contributions	\$ 2,996,015
Employer contributions	11,945,016
Transfer of creditable service	4,242
Other income	24,885
Total contributions	<u>14,970,158</u>

Investment income:

Net appreciation in fair value of investments	22,007,663
Dividends	1,819,528
Interest	3,357,964
Total investment income	<u>27,185,155</u>
Less investment expenses	991,295
Net investment income	<u>26,193,860</u>

Total additions	<u>41,164,018</u>
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Deductions

Benefits paid	20,625,252
Administrative expenses	366,983
Refunds	10,588
Total deductions	<u>21,002,823</u>

Net increase	20,161,195
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Net assets held in trust for pension benefits

Beginning of year	233,499,035
End of year	<u>\$ 253,660,230</u>

See Notes to Basic Financial Statements.

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City of Peoria, Illinois

Notes to Basic Financial Statements

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

Financial reporting entity:

The City of Peoria, Illinois (City) is a municipality located in Central Illinois. Revenues are substantially generated as a result of taxes assessed and allocated to the City (examples would be property, sales, income, purchase, utility, motor fuel, hotel, restaurant, and amusement taxes), charges for services performed and governmental grants. Revenues are therefore dependent on the economy within the territorial boundaries of the City and nearby surrounding area and the appropriations of entitlements at the State and Federal Government level. Taxable industry within the area is primarily manufacturing and retail. The surrounding area has a substantial agricultural base. Additionally, there are large nonprofit employers such as hospitals and other local governments within the City.

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

The City has developed criteria to determine whether other entities are component units of the City. Component units are legally separate organizations for which the elected officials of the City of Peoria are financially accountable. The City of Peoria would be considered financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will (significantly influence the programs, projects, activities, or level of services performed or provided by the organization) on the organization or (2) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the City of Peoria (i.e., entitled to or can access the organization's resources, is legally obligated or has otherwise assumed the obligation to finance deficits of, or provide financial support to the organization, or is obligated in some manner for the debt of the organization).

Blended component units, although legally separate entities, are, in substance, part of the City's operations and so data from these units are combined with data of the primary government. Each discretely presented component unit is reported in a separate column/row in the government-wide statements to emphasize that it is legally separate from the government.

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

Blended component units:

Police and Firemen's Pension Funds of Peoria: The Police and Firemen's Pension Funds of Peoria were established to provide retirement, death and disability payments to the police and firemen of the City or their beneficiaries. Each is a single-employer defined benefit pension plan. Contribution levels are mandated by Illinois State Statutes and may be amended only by the Illinois legislature.

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

City of Peoria, Illinois

Notes to Basic Financial Statements

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

The year-end for both the Police and Firemen's Pension Funds is December 31 and both funds have been reflected as fiduciary funds in the financial statements.

Complete financial statements for each of these individual component units may be obtained at the following addresses:

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

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

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

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

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

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

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

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

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

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

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

City of Peoria, Illinois

Notes to Basic Financial Statements

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

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

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

Discretely presented component units:

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

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

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

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

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

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

City of Peoria, Illinois

Notes to Basic Financial Statements

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).

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.

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.

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)

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, claims and judgments, pension, OPEB and landfill 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.

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.

2010D General Obligation Bond Debt Service Fund: This debt service fund is used to account for the accumulation of resources for the repayment of principal and interest on the City's 2010D General Obligation Bonds.

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)

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.

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.

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)

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. Interest incurred during construction is not capitalized for governmental funds.

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

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

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

Long-term liabilities: In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net assets including discretely presented component units. Bond premiums and discounts are deferred and amortized over the life of the bonds using a method which approximates the effective interest method.

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. Debt principal payments are reported as expenditures.

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)

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.

Pension Trust Funds: The City includes two pension trust funds, which are fiduciary fund types. Pension trust funds are accounted for using the economic resources measurement focus and the accrual basis of accounting. Plan member contributions are recognized in the period in which contributions are due. Employer contributions to the plan are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. The Pension Trust Funds accounts for the assets of the City's Pension Plans. These plans are included in the reporting entity due to the City's significant administrative involvement.

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.

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)

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 2010C General Obligation Bond Project fund was \$11,033,184, the 2008A Library General Obligation Bond Project Fund was \$8,904,702, the 2007A General Obligation Bond Project Fund was \$87,064 and the 2006 Special Assessment Bond Project Fund was \$507,727. 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 \$667,106 for law enforcement and \$15,495,573 for Employees Pension Benefits.

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, 2010, the City had the following cash and investments:

Cash and cash equivalents	\$ 47,778,432
Cash held by trustee	27,723,557
Investments	17,302,679
Total	<u><u>\$ 92,804,668</u></u>
Deposits	\$ 13,660,227
Certificates of deposit	12,044,433
Repurchase agreements	33,699,830
Illinois funds	5,676,621
Cash held by trustee	27,723,557
Total	<u><u>\$ 92,804,668</u></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. Investment maturities of Illinois Funds and TMIF repurchase agreements are less than one year.

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, 2010, none of the City's bank balance, including certificate of deposits, money market accounts of \$78,831,863 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, 2010 none of the City's investments were exposed to custodial credit risk.

City of Peoria, Illinois

Notes to Basic Financial Statements

Note 2. Deposits and Investments (Continued)

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. This pool is administered by the Illinois State Treasurer.

The TMIF is managed by PNC Bank that provides current income, stability and liquidity. The City's position in this fund changes daily as its sweep accounts transfer to this account at night.

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.

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)	\$ 5,676,621
Treasury Management Investment Fund (TMIF)	Not Rated	4,398,988

(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.

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, 2010 consisted of deposits with a financial institution. Deposits with a financial institution are covered by FDIC insurance. As of December 31, 2010, all of the Fund's bank balances with financial institutions of \$213,768 were insured by the FDIC.

City of Peoria, Illinois

Notes to Basic Financial Statements

Note 2. Deposits and Investments (Continued)

As of December 31, 2010, 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	\$ 20,540,696	N/A	8.12
Implicitly guaranteed	2,763,952	Aaa	2.60
U.S. Government agencies	8,705,638	Aaa	8.26
Money market funds	3,216,406	Aaa	0.14
State and Local obligations	2,041,574	A1	3.02
Corporate bonds	8,680,835	Aaa	3.46
Mutual funds - bonds	20,080,625	Aaa	3.99
Mutual funds - equities	44,017,012	N/A	N/A
Stocks	24,799,601	N/A	N/A
Total investments	<u>\$ 134,846,339</u>		

- (1) Credit risk is the risk that an issuer or other counterparty to a debt investment will not fulfill its obligations. 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 the risk that changes in interest rates will adversely affect the fair value of an investment. 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, 2010, 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, 2010 consisted of deposits with a financial institution. At December 31, 2010, all of the bank balances with the financial institution of \$1,980,199 are covered by FDIC insurance.

City of Peoria, Illinois

Notes to Basic Financial Statements

Note 2. Deposits and Investments (Continued)

As of December 31, 2010, 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	\$ 18,881,881	N/A	9.59
Implicitly Guaranteed	2,328,841	Aaa	2.09
U.S. Government agencies	23,540,560	Aaa	9.07
Money market funds	1,947,632	AAAm	0.16
State and Local obligations	4,122,667	Aa3 to Aaa	8.56
Illinois Funds	673,112	AAAm	0.08
Corporate bonds	1,069,341	Aaa	3.47
Mutual funds - equities	22,317,020	N/A	N/A
Common and preferred stocks	29,398,065	N/A	N/A
Total investments	\$ 104,279,119		

- (1) Credit risk is the risk that an issuer or other counterparty to a debt investment will not fulfill its obligations. 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 the risk that changes in interest rates will adversely affect the fair value of an investment. 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, 2010, 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.

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, 2010, \$1,627,110 of the Civic Center's bank balance of \$3,382,603 was exposed to custodial credit risk. The balance is made up as follows as of August 31, 2010:

	Bank Balance	Carrying Amount
Demand deposits and money market accounts	\$ 1,887,098	\$ 2,091,083
Certificates of deposit	1,495,505	1,495,505
	<u>\$ 3,382,603</u>	<u>\$ 3,586,588</u>

Interest rate risk: The Civic Center does not have a formal investment policy that limits investment maturities as a mean 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. The Civic Center does not have any investments subject to interest rate risk.

Reconciliation to statement of net assets:

	Carrying Amount
Cash on hand	\$ 19,600
Demand deposits and money market accounts	2,091,083
Certificates of deposit	1,495,505
	<u>\$ 3,606,188</u>
Cash and cash equivalents	\$ 1,665,081
Restricted assets - cash	445,602
Investments	1,495,505
	<u>\$ 3,606,188</u>

Springdale Cemetery Management Authority

Custodial credit risk: As of December 31, 2010, the carrying amount of the Authority's deposits (including checking, savings and money market accounts) was \$432,924 and the bank balance was \$354,773. The Authority also had cash on hand of \$175. None of the bank balance of \$354,773 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, 2010 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	\$ -

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, 2010 were \$116,104.

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, 2010 represents installments of the 2009 property taxes which were received during 2010.

The amount of the property tax receivable deferred at year-end represents the tax levied in the latter portion of 2010, for which an enforceable lien exists as of January 1, but is levied for the 2011 budget and will be collected from taxpayers in June and September 2011.

City of Peoria, Illinois

Notes to Basic Financial Statements

Note 4. Restricted Cash and Cash Held by Trustee

Cash held by trustee: In accordance with the appropriate bond ordinances, as of December 31, 2010, 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. \$1,583,397 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. \$928,661 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.

Refunding bond proceeds have been deposited with an escrow agent. \$25,211,499 of cash in the 2010D General Obligation Bond Debt Service Fund is held by the paying agent as trustee.

As of August 31, 2010, the Civic Center carried \$445,602 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	43,298
	<u>\$ 251,410</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.

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 2010, the Council abated 2009 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)

In 2010, the City issued \$2,420,000 in General Obligation Bonds, Series 2010A, with interest rates ranging from 2.00 percent to 4.00 percent, to advance refund \$2,280,000 of the previously issued 2002B General Obligation Bonds maturing January 1, 2013 through January 1, 2023. The City will subsequently save \$129,112 in total debt service payments from 2010-2022 and realize a \$107,010 economic gain (difference between present values of old and new debt service payments) from this advance refunding.

In 2010, the City issued \$1,495,000 Taxable General Obligation Refunding Bonds, Series 2010B, with interest rates ranging from 1.52 percent to 3.43 percent, to refinance the January 1, 2011 debt service principal payments, totaling \$1,452,000, for the previously issued 2004C, 2005B and 2007A General Obligation Bonds. The refunding was completed for cash flow purposes with the timing of the required debt service modified.

In 2010, the City issued \$15,490,000 Taxable General Obligation Bonds (Build America & Recovery Zone Bonds), Series 2010C, with interest rates ranging from 2.00 percent to 6.40 percent, for sewer rehabilitation, road construction and sidewalk improvements. Pursuant to the American Recovery and Reinvestment Act (ARRA) of 2009, Build America Bonds are eligible for a direct payment from the United States Treasury to the City equaling 35 percent of semiannual bond debt service interest payable. Also per ARRA provisions, Recovery Zone Economic Development Bonds are eligible for a direct payment from the United States Treasury equaling 45 percent of semiannual bond debt service interest payable. The City will consequently receive \$5,035,278 total federal government interest rebates from 2011-2030.

In 2010, the City issued \$24,310,000 General Obligation Bonds, Series 2010D, with interest rates ranging from 2.00 percent to 4.00 percent, to refund \$24,555,000 of the previously issued 2005A Civic Center General Obligation Bonds maturing January 1, 2016 through January 1, 2021 and maturing January 1, 2022 through January 1, 2026. The City will subsequently save \$1,576,525 in debt service interest payments from 2010 through 2016 and realize a \$1,446,650 economic gain (difference between present values of old and new debt service payments) from this refunding. Although these refunding bond proceeds have been deposited with an escrow agent, the City has determined that this transaction did not result in a defeasance of debt. Therefore, the proceeds for this “economic” bond refunding are recorded in the City’s governmental funds financial statements as cash held by trustee and reserved fund balance and government-wide financial statements as cash held by trustee and debt pending actual debt service payments to call the previously issued bonds. Debt service principal payments for the 2010D General Obligation Refunding Bonds are scheduled from January 1, 2016 through January 1, 2026.

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 none. Principal and interest paid for the current year and total sewer charges net revenues were \$14,733 and \$2,588,718, respectively.

City of Peoria, Illinois

Notes to Basic Financial Statements

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

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 none. Principal and interest paid for the current year were \$30,560.

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, 2010, 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 \$3,956,625, payable through 2017. For the current year, principal and interest paid and total special taxes revenues were \$525,500 and \$555,142, respectively.

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 (\$91,284) were recognized in 2010. The balance due reported represents the estimate of what it would cost to perform all postclosure care as of December 31, 2010 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, 2010, the City has accrued an associated liability of \$9,251,776. 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, 2010, the City has accrued an associated liability of \$930,000, 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, 2010 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, 2009	Additions	Deletions	Balance December 31, 2010	Current Portion	Long-Term Portion
General obligation bonds	\$ 174,115,000	\$ 43,715,000	\$ 10,380,000	\$ 207,450,000	\$ -	\$ 207,450,000
Revenue/special assessment bonds	6,069,000	-	108,000	5,961,000	110,500	5,850,500
Special assessment bond - matured	6,000	-	-	6,000	6,000	-
Special service area bonds	3,685,000	-	350,000	3,335,000	385,000	2,950,000
Loans payable	7,162,240	-	1,395,025	5,767,215	1,365,523	4,401,692
Board of Education of the City of Peoria obligation	223,013	-	223,013	-	-	-
Landfill closure and postclosure care costs	713,791	538,422	447,138	805,075	57,677	747,398
Worker's compensation claims	3,413,187	2,357,875	2,687,909	3,083,153	92,415	2,990,738
General liability claims	3,065,939	1,616,329	2,871,281	1,810,987	21,983	1,789,004
Net other postemployment benefit obligation	18,548,438	15,074,318	5,089,903	28,532,853	-	28,532,853
Voluntary Separation Initiative Termination Benefits	1,222,857	17,143	310,000	930,000	310,000	620,000
IMRF net pension obligation	-	670,843	-	670,843	-	670,843
Compensated absences	9,221,996	5,563,053	5,533,273	9,251,776	534,182	8,717,594
	<u>\$ 227,446,461</u>	<u>\$ 69,552,983</u>	<u>\$ 29,395,542</u>	<u>\$ 267,603,902</u>	<u>\$ 2,883,280</u>	<u>\$ 264,720,622</u>

Resources of the General Fund, the Peoria Public Library Fund and Peoria Township will be used to liquidate the combined net other postemployment benefits obligation for the City of Peoria, Peoria Public Library and Peoria Township. The Illinois Municipal Retirement Fund, a special revenue fund, will be used to liquidate the net pension obligation. The City has not previously incurred a net pension obligation liability. 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%

Year ending December 31:	1998C Taxable Riverfront Village		2002A	
	General Obligation Bonds		General Obligation Bonds	
	Principal	Interest	Principal	Interest
2011	\$ -	\$ 18,370	\$ -	\$ 10,660
2012	55,000	35,159	240,000	16,160
2013	65,000	31,611	250,000	5,500
2014	75,000	27,376	-	-
2015	85,000	22,536	-	-
2016 - 2020	330,000	31,158	-	-
2021 - 2025	-	-	-	-
2026 - 2030	-	-	-	-
2031 - 2035	-	-	-	-
	<u>\$ 610,000</u>	<u>\$ 166,210</u>	<u>\$ 490,000</u>	<u>\$ 32,320</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%

Year ending December 31:	2002B		2003A	
	General Obligation Bonds		General Obligation Bonds	
	Principal	Interest	Principal	Interest
2011	\$ -	\$ 3,188	\$ -	\$ 62,190
2012	150,000	3,187	190,000	120,580
2013	-	-	200,000	112,780
2014	-	-	205,000	104,680
2015	-	-	210,000	96,380
2016 - 2020	-	-	1,190,000	335,304
2021 - 2025	-	-	840,000	60,596
2026 - 2030	-	-	-	-
2031 - 2035	-	-	-	-
	<u>\$ 150,000</u>	<u>\$ 6,375</u>	<u>\$ 2,835,000</u>	<u>\$ 892,510</u>

City of Peoria, Illinois

Notes to Basic Financial Statements

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

Description of issues:

Amount of issue	\$5,390,000	\$11,985,000
Date of issue	September 1, 2004	September 16, 2004
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 4.75%	3.00 to 5.00%

2004B		2004C	
General Obligation Bonds		General Obligation Bonds	
Principal	Interest	Principal	Interest

Year ending December 31:

2011	\$ -	\$ 93,224	\$ -	\$ 167,669
2012	220,000	181,911	935,000	318,975
2013	230,000	172,630	975,000	284,331
2014	240,000	162,936	1,010,000	240,800
2015	255,000	152,727	1,055,000	189,175
2016 - 2020	1,460,000	590,948	3,500,000	237,500
2021 - 2025	1,870,000	226,595	-	-
2026 - 2030	-	-	-	-
2031 - 2035	-	-	-	-
	<u>\$ 4,275,000</u>	<u>\$ 1,580,971</u>	<u>\$ 7,475,000</u>	<u>\$ 1,438,450</u>

Description of issues:

Amount of issue	\$62,605,000	\$36,880,000
Date of issue	March 15, 2005	May 12, 2005
Dates interest payable	January 1 and July 1	January 1 and July 1
Date principal payable	January 1	January 1
Interest rates	4.00 to 5.00%	3.00 to 5.00%

2005A		2005B	
General Obligation Bonds		General Obligation Bonds	
Principal	Interest	Principal	Interest

Year ending December 31:

2011	\$ -	\$ 1,466,944	\$ -	\$ 671,972
2012	100,000	2,931,888	3,555,000	1,255,070
2013	215,000	2,925,588	3,775,000	1,071,820
2014	1,120,000	2,898,888	3,440,000	891,445
2015	1,330,000	2,849,888	2,675,000	738,570
2016 - 2020	14,580,000	12,774,853	12,690,000	1,776,475
2021 - 2025	25,460,000	8,259,413	865,000	18,598
2026 - 2030	19,600,000	1,512,500	-	-
2031 - 2035	-	-	-	-
	<u>\$ 62,405,000</u>	<u>\$ 35,619,962</u>	<u>\$ 27,000,000</u>	<u>\$ 6,423,950</u>

City of Peoria, Illinois

Notes to Basic Financial Statements

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

Description of issues:

Amount of issue	\$18,800,000	\$28,000,000
Date of issue	October 1, 2007	August 12, 2008
Dates interest payable	January 1 and July 1	July 1 and January 1
Date principal payable	January 1	January 1
Interest rates	4.00 to 4.50%	3.00 to 5.00%

	2007A		2008A	
	General Obligation Bonds		General Obligation Bonds	
	Principal	Interest	Principal	Interest
<u>Year ending December 31:</u>				
2011	\$ -	\$ 360,047	\$ -	\$ 651,500
2012	750,000	705,094	715,000	1,292,275
2013	780,000	674,494	840,000	1,264,750
2014	815,000	642,592	980,000	1,228,350
2015	855,000	609,193	1,060,000	1,187,550
2016 - 2020	4,890,000	2,478,752	6,695,000	5,138,525
2021 - 2025	6,070,000	1,327,280	9,565,000	3,149,375
2026 - 2030	2,825,000	128,587	7,545,000	583,125
2031 - 2035	-	-	-	-
	<u>\$ 16,985,000</u>	<u>\$ 6,926,039</u>	<u>\$ 27,400,000</u>	<u>\$ 14,495,450</u>

Description of issues:

Amount of issue	\$17,645,000	\$2,420,000
Date of issue	January 27, 2009	February 23, 2010
Dates interest payable	July 1 and January 1	July 1 and January 1
Date principal payable	January 1	January 1
Interest rates	2.00 to 5.00%	2.00 to 4.00%

	2009A		2010A	
	General Obligation Bonds		General Obligation Bonds	
	Principal	Interest	Principal	Interest
<u>Year ending December 31:</u>				
2011	\$ -	\$ 219,713	\$ -	\$ 38,400
2012	2,040,000	419,026	25,000	76,550
2013	1,895,000	374,938	185,000	74,450
2014	1,940,000	322,150	185,000	70,750
2015	2,005,000	262,975	190,000	66,525
2016 - 2020	5,295,000	640,026	1,060,000	239,675
2021 - 2025	970,000	36,749	740,000	45,000
2026 - 2030	-	-	-	-
2031 - 2035	-	-	-	-
	<u>\$ 14,145,000</u>	<u>\$ 2,275,577</u>	<u>\$ 2,385,000</u>	<u>\$ 611,350</u>

City of Peoria, Illinois

Notes to Basic Financial Statements

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

Description of issues:

Amount of issue	\$1,495,000	\$15,490,000
Date of issue	February 23, 2010	July 12, 2010
Dates interest payable	July 1 and January 1	July 1 and January 1
Date principal payable	January 1	January 1
Interest rates	1.52 to 3.43%	2.00 to 6.40%

2010B Taxable		2010C Taxable	
General Obligation Bonds		General Obligation Bonds	
Principal	Interest	Principal	Interest

Year ending December 31:

2011	\$ -	\$ 19,641	\$ -	\$ 540,103
2012	360,000	36,544	140,000	556,217
2013	370,000	29,462	395,000	552,226
2014	375,000	19,246	400,000	545,505
2015	390,000	6,689	400,000	537,705
2016 - 2020	-	-	2,120,000	2,531,854
2021 - 2025	-	-	2,405,000	2,164,829
2026 - 2030	-	-	7,470,000	1,334,206
2031 - 2035	-	-	2,160,000	40,240
	<u>\$ 1,495,000</u>	<u>\$ 111,582</u>	<u>\$ 15,490,000</u>	<u>\$ 8,802,885</u>

Description of issues:

Amount of issue	\$24,310,000	\$5,200,000
Date of issue	October 25, 2010	December 20, 2006
Dates interest payable	January 1 and July 1	March 1 and September 1
Date principal payable	January 1	March 1
Interest rates	2.00 to 5.00%	5.00 to 5.65%

2010D		2006	
General Obligation Bonds		Special Assessment Bond	
Principal	Interest	Principal	Interest

Year ending December 31:

2011	\$ -	\$ 528,256	\$ -	\$ 279,370
2012	-	1,056,512	235,000	279,370
2013	-	1,056,512	250,000	267,620
2014	-	1,056,512	260,000	255,120
2015	-	1,056,512	275,000	242,120
2016 - 2020	5,890,000	4,529,398	1,605,000	983,680
2021 - 2025	16,060,000	2,920,510	2,085,000	503,515
2026 - 2030	2,360,000	47,200	490,000	27,685
2031 - 2035	-	-	-	-
	<u>\$ 24,310,000</u>	<u>\$ 12,251,412</u>	<u>\$ 5,200,000</u>	<u>\$ 2,838,480</u>

City of Peoria, Illinois

Notes to Basic Financial Statements

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

Description of issues:

Amount of issue	\$1,105,000	\$2,500,000
Date of issue	September 20, 2007	November 21, 1995
Dates interest payable	March 1	December 1
Date principal payable	March 1	December 1
Interest rates	5.85%	7.00%

	2007A			
	Special Assessment Bonds		PMP Promissory Note	
	Principal	Interest	Principal	Interest
<u>Year ending December 31:</u>				
2011	\$ 110,500	\$ 44,518	\$ -	\$ 70,984
2012	109,000	38,054	365,015	58,640
2013	109,000	31,678	201,887	45,433
2014	109,000	25,301	216,019	31,301
2015	109,000	18,925	477,206	16,180
2016 - 2020	214,500	18,720	-	-
2021 - 2025	-	-	-	-
2026 - 2030	-	-	-	-
2031 - 2035	-	-	-	-
	<u>\$ 761,000</u>	<u>\$ 177,196</u>	<u>\$ 1,260,127</u>	<u>\$ 222,538</u>

Description of issues:

Amount of issue	\$4,575,000	\$687,788
Date of issue	July 15, 2006	January 30, 2006
Dates interest payable	February 1 and August 1	January 30
Date principal payable	February 1	January 30
Interest rates	5.00%	5.50%

	WeaverRidge Special Service Area Bonds				Wal-Mart Promissory Note	
	WeaverRidge Special Service Area Bonds		Wal-Mart Promissory Note			
	Principal	Interest	Principal	Interest		
<u>Year ending December 31:</u>						
2011	\$ 385,000	\$ 157,125	\$ 49,156	\$ 26,283		
2012	420,000	137,000	51,860	23,580		
2013	450,000	115,250	54,712	20,727		
2014	480,000	92,000	57,721	17,718		
2015	520,000	67,000	60,896	14,543		
2016 - 2020	1,080,000	53,250	203,531	22,788		
2021 - 2025	-	-	-	-		
2026 - 2030	-	-	-	-		
2031 - 2035	-	-	-	-		
	<u>\$ 3,335,000</u>	<u>\$ 621,625</u>	<u>\$ 477,876</u>	<u>\$ 125,639</u>		

City of Peoria, Illinois

Notes to Basic Financial Statements

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

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%			
	ERI Loan		Total Long-Term	
	OPEB Agency Fund to IMRF Fund		Bonds and Notes Payable	
	Principal	Interest	Principal	Interest
<u>Year ending December 31:</u>				
2011	\$ 1,316,367	\$ 70,753	\$ 1,861,023	\$ 5,500,910
2012	1,342,893	44,227	11,998,768	9,586,019
2013	1,369,952	17,167	12,610,551	9,128,967
2014	-	-	11,907,740	8,632,670
2015	-	-	11,952,102	8,135,193
2016 - 2020	-	-	62,803,031	32,382,906
2021 - 2025	-	-	66,930,000	18,712,460
2026 - 2030	-	-	40,290,000	3,633,303
2031 - 2035	-	-	2,160,000	40,240
	<u>\$ 4,029,212</u>	<u>\$ 132,147</u>	<u>\$ 222,513,215</u>	<u>\$ 95,752,668</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				
	Balance	Additions	Deletions	Balance	
	December 31, 2009			December 31, 2010	
Not depreciated:					
Land	\$ 12,420,189	\$ 98,175	\$ (500)	\$ 12,517,864	
Construction-in-progress	8,432,488	19,391,602	(2,412,601)	25,411,489	
Depreciated:					
Land improvements	7,228,942	-	-	7,228,942	
Buildings	80,894,661	575,450	-	81,470,111	
Machinery and equipment	7,241,219	277,515	(112,752)	7,405,982	
Vehicles	18,089,878	749,528	(870,669)	17,968,737	
Media	24,349,753	929,989	(835,512)	24,444,230	
Infrastructure	281,214,807	20,822,706	-	302,037,513	
Total	\$ 439,871,937	\$ 42,844,965	\$ (4,232,034)	\$ 478,484,868	
	Accumulated Depreciation				Net Capital Assets as of December 31, 2010
	Balance	Additions	Deletions	Balance	
	December 31, 2009			December 31, 2010	
Not depreciated:					
Land	\$ -	\$ -	\$ -	\$ -	\$ 12,517,864
Construction-in-progress	-	-	-	-	25,411,489
Depreciated:					
Land improvements	2,679,649	404,408	-	3,084,057	4,144,885
Buildings	33,972,151	2,219,091	-	36,191,242	45,278,869
Machinery and equipment	6,103,570	249,131	(98,702)	6,253,999	1,151,983
Vehicles	12,821,017	1,267,966	(870,669)	13,218,314	4,750,423
Media	21,283,373	656,469	(835,512)	21,104,330	3,339,900
Infrastructure assets	136,717,914	9,761,077	-	146,478,991	155,558,522
Total	\$ 213,577,674	\$ 14,558,142	\$ (1,804,883)	\$ 226,330,933	\$ 252,153,935

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	\$	243,283
Fire		867,237
Public works		1,009,654
Community development		71,666
Public safety		35,952
General government		11,603,862
Library		686,183
Elected & Commission		-
City Administration		40,305
Total depreciation expense	\$	14,558,142

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, 2009	Additions	Deletions	Balance August 31, 2010
Historical cost:				
Not depreciated, land	\$ 10,247,918	\$ -	\$ -	\$ 10,247,918
Depreciated:				
Land improvements	7,599,780	-	-	7,599,780
Building and improvements	142,851,424	207,907	-	143,059,331
Furniture, fixtures and equipment	10,089,527	118,926	-	10,208,453
Construction-in-process	-	770,788	(326,833)	443,955
Total cost	170,788,649	1,097,621	(326,833)	171,559,437
Accumulated depreciation:				
Land improvements	4,804,403	350,896	-	5,155,299
Building and improvements	60,682,606	4,861,566	-	65,544,172
Furniture, fixtures and equipment	8,483,046	371,189	-	8,854,235
Total accumulated depreciation	73,970,055	5,583,651	-	79,553,706
Net land, building and equipment	\$ 96,818,594	\$ (4,486,030)	\$ (326,833)	\$ 92,005,731

City of Peoria, Illinois

Notes to Basic Financial Statements

Note 7. Capital Assets (Continued)

	Springdale Cemetery Management Authority				
	Balance as of	Additions	Deletions	Transfers	Balance as of
	December 31,				December 31,
2009	2010				
Cost:					
Assets depreciated:					
Maintenance building	\$ 392,161	\$ -	\$ (1,765)	\$ -	\$ 390,396
Building improvements	361,899	-	-	-	361,899
Land improvements	864,632	5,802	-	-	870,434
Furniture and equipment	396,892	16,694	(42,975)	-	370,611
Computer software	127,371	-	-	-	127,371
Assets not depreciated:					
Land	65,604	-	-	-	65,604
Construction-in-progress	-	4,100	-	-	4,100
Total	\$ 2,208,559	\$ 26,596	\$ (44,740)	\$ -	\$ 2,190,415

	Balance as of	Additions	Deletions	Balance as of	Net Capital
	December 31,			and Transfers	December 31,
	2009	2010	2010	2010	
Accumulated depreciation:					
Maintenance building	\$ 57,385	\$ 10,044	\$ (160)	\$ 67,269	\$ 323,127
Building improvements	46,383	10,410	-	56,793	305,106
Land improvements	133,541	33,429	-	166,970	703,464
Furniture and equipment	286,436	48,980	(40,534)	294,882	75,729
Computer software	44,636	25,474	-	70,110	57,261
Land	-	-	-	-	65,604
Construction-in-progress	-	-	-	-	4,100
Total	\$ 568,381	\$ 128,337	\$ (40,694)	\$ 656,024	\$ 1,534,391

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

	Peoria Civic Center Authority	Springdale Cemetery Management Authority
Buildings and improvements	\$ 443,955	\$ 4,100

City of Peoria, Illinois

Notes to Basic Financial Statements

Note 8. Receivables

Loans receivable and accrued interest receivable as of December 31, 2010 are net of allowance for uncollectible accounts in the amounts of \$609,687 and \$192,242, respectively.

Other current receivables as of December 31, 2010 consist of the following:

Charges for services and reimbursements	\$ 539,873
Franchise fees	274,348
Other fines, fees and taxes	635,336
Other	<u>22,010</u>
Total other current receivables (gross)	1,471,567
Less allowance for uncollectible accounts	<u>(134,311)</u>
Total other current receivables (net)	<u>\$ 1,337,256</u>

Note 9. Other Required Individual Fund Disclosures

The Multi-County MEG Grant Fund had a deficit fund balance of \$1,394 as of December 31, 2010. The deficit will be eliminated through future grant revenue.

The individual fund interfund receivable and payable balances as of December 31, 2010 are as follows:

	Interfund Receivable	Interfund Payable
Major funds:		
General Fund	\$ 575,682	\$ 2,825,346
Workforce Development Fund	64,000	64,000
Capital Improvements Fund	3,225,542	223
2010D General Obligation Bond Debt Service Fund	-	572,725
Nonmajor funds	<u>260,028</u>	<u>662,958</u>
	<u>\$ 4,125,252</u>	<u>\$ 4,125,252</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	\$ 3,877,780	\$ 11,430,752
Peoria Public Library Fund	-	601,860
Workforce Development Fund	-	307,875
Capital Improvements Fund	5,496,282	7,254,685
2010D General Obligation Bond Debt Service Fund	766,419	763,319
Nonmajor funds	<u>15,941,020</u>	<u>5,723,010</u>
	<u>\$ 26,081,501</u>	<u>\$ 26,081,501</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 and damages to 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 90 percent of the first Monthly Aggregate Deductible multiplied by 12 months in the aggregate for claims paid over an annual liability period.

In addition, the City obtained a one-year contract renewal to manage the City's risk for major general liability coverage with an insurance carrier.

The City's major liability insurance coverage includes:

- \$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
- \$1,000,000 self-insured retention limit applies to each preceding coverage before each major liability coverage is effective.

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, 2010, the estimate of health and dental claims incurred but not reported provided by the claims administrator amounted to \$250,000. The unpaid reported claims of \$722,110 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 2010 and 2009 were:

Balance, December 31, 2008	\$ 1,164,999
Current year claims and changes in estimates	9,754,967
Claims paid	<u>(9,503,809)</u>
Balance, December 31, 2009	1,416,157
Current year claims and changes in estimates	8,334,891
Claims paid	<u>(8,778,938)</u>
Balance, December 31, 2010	<u>\$ 972,110</u>

Changes in the workers compensation liability which include unpaid reported claims and amounts incurred but not reported in fiscal years 2010 and 2009 were:

Balance, December 31, 2008	\$ 2,958,126
Current year claims and changes in estimates	3,555,487
Claims paid	<u>(3,100,426)</u>
Balance, December 31, 2009	3,413,187
Current year claims and changes in estimates	2,357,875
Claims paid	<u>(2,687,909)</u>
Balance, December 31, 2010	<u>\$ 3,083,153</u>

Changes in the general liability which include unpaid reported claims and amounts incurred but not reported in fiscal years 2010 and 2009 were:

Balance, December 31, 2008	\$ 2,826,312
Current year claims and changes in estimates	731,813
Claims paid	<u>(492,186)</u>
Balance, December 31, 2009	3,065,939
Current year claims and changes in estimates	1,616,329
Claims paid	<u>(2,871,281)</u>
Balance, December 31, 2010	<u>\$ 1,810,987</u>

Of the \$3,083,153 of worker's compensation liability, \$92,415 is reported in the General Fund as due and payable and \$2,990,738 is reported in governmental activities. Of the \$1,810,987 of general liability, \$21,983 is reported in the General Fund as due and payable and \$1,789,004 is reported in governmental activities.

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	Police Pension Board City of Peoria	Fire Pension Board City of Peoria
2211 York Road, Suite 500	419 Fulton Street	419 Fulton Street
Oak Brook, Illinois 60523	Peoria, Illinois 61602	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	\$ 3,230,635	\$ 4,204,204	\$ 5,681,839
Interest on net pension obligation	-	(1,059,644)	(59,613)
Adjustment to ARC	-	713,862	48,145
Total annual pension cost	3,230,635	3,858,422	5,670,371
Contributions made	2,559,792	4,609,645	5,641,164
(Increase) decrease in net pension obligation	670,843	(751,223)	29,207
Net pension (asset):			
Beginning of year	-	(14,128,584)	(794,840)
End of year	<u>\$ 670,843</u>	<u>\$ (14,879,807)</u>	<u>\$ (765,633)</u>

Actuarial valuation date	December 31, 2010	January 1, 2010	January 1, 2010
Actuarial cost method	Entry age	Entry age	Entry age
Amortization method	Level percent open	Level percent open	Level percent open
Remaining amortization period	30 years	30.5 years	30.5 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 contribution rate for calendar year 2010 used by the employer was 10.29 percent of annual covered payroll. The employer annual required contribution rate for calendar year 2010 was 13.28 percent.
- (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	2010	\$ 3,230,635	79.23%	\$ 670,843
	2009	3,448,360	100.00	-
	2008	3,595,249	100.00	-
Police Pension Fund of Peoria	2010	3,858,422	119.47	(14,879,807)
	2009	2,270,276	171.73	(14,128,584)
	2008	2,187,183	156.74	(12,500,209)
Firemen's Pension Fund of Peoria	2010	5,670,371	99.48	(765,633)
	2009	5,054,936	99.72	(794,840)
	2008	4,838,170	100.14	(808,934)

Funded Status and Funding Progress: As of December 31, 2010, January 1, 2010 and January 1, 2010, the most recent actuarial valuation dates for the IMRF, Police Pension Fund and Firemen's Pension Fund, respectively, the plan was 70.43, 72.52 and 62.58 percent funded, respectively. The actuarial accrued liability for benefits was \$79,879,650, \$193,493,940 and \$182,546,122, and the actuarial value of assets was \$56,257,452, \$140,316,984 and \$114,232,171, resulting in an unfunded actuarial accrued liability (UAAL) of \$23,622,198, \$53,176,956 and \$68,313,951, respectively. The covered payroll (annual payroll of active employees covered by the plan) was \$24,327,068, \$16,494,393 and \$13,575,743, and the ratio of the UAAL to the covered payroll was 97.10, 322.39 and 503.21 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.

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, 2010, the City recognized \$1,629,495 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, 2010, the City recognized \$809,830 as subsidies to the Convention Bureau. These amounts have been reflected as expenditures within the General Fund.

City of Peoria, Illinois

Notes to Basic Financial Statements

Note 12. Commitments – Primary Government (Continued)

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, 2010, the City recognized \$81,521 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, 2010, the City recognized \$348,739 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, 2010 was \$1,696,386 and the City recognized \$213,598 as revenue in the current year.

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

Purpose	Amount
Police	\$ 141,564
Fire	207,045
Public works	3,068,125
Community development	657,837
	<u>\$ 4,074,571</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, 2010, there were four series of Industrial Revenue Bonds outstanding, with an aggregate principal amount payable of approximately \$8,840,000.

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.

City of Peoria, Illinois

Notes to Basic Financial Statements

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, 2010.

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

Land, buildings and equipment: Land, buildings and equipment are recorded at cost. Depreciation is provided over the estimated useful lives, which range from 3 to 30 years, on the straight-line basis.

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>
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	123,447	79,946	43,501
2016 - 2020	617,237	465,432	151,805
2021 - 2025	388,613	358,522	30,091
	<u>\$ 2,540,113</u>	<u>\$ 2,001,687</u>	<u>\$ 538,426</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 \$31,000 for fiscal year 2010.

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. Effective January 1, 2010, 40 percent of the first 5 percent of employees' contributions is contributed by the employer. Employer contributions are 100 percent vested after three years of continuous service. The expense for the plan to the Civic Center was approximately \$23,000 in fiscal year 2010.

City of Peoria, Illinois

Notes to Basic Financial Statements

Note 15. Other Component Unit Disclosures (Continued)

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

Springdale Cemetery Management Authority:

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

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

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

Unearned revenue: Unearned revenue as of December 31, 2010 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, 2010 amount to \$266,035 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 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.

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, 2010 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, 2010:

Gate house project	\$	1,350
Stone family plots		655
Cemetery projects		197
Records preservation and expert services		401
Signage		1,000
Soldier hill		10,022
Gate house entrance gates		1,000
	\$	<u>14,625</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 2010, the City contributed \$1,693,789 which was net of retirees premiums received of \$2,937,991.

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	\$ 11,552,000
Interest on net OPEB obligation	834,680
Adjustment to annual required contribution	(708,476)
Annual OPEB cost (expense)	<u>11,678,204</u>
Contributions and payments made	<u>1,693,789</u>
Increase in net OPEB obligation	9,984,415
Net OPEB obligation - Beginning of year	<u>18,548,438</u>
Net OPEB obligation - End of year	<u><u>\$ 28,532,853</u></u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2010 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, 2008	\$ 8,892,000	18.27%	\$ 12,346,789
December 31, 2009	8,977,740	30.92	18,548,438
December 31, 2010	11,678,204	14.50	28,532,853

Funded status and funding progress: As of January 1, 2010, the most recent valuation date, the plan was 0 percent funded. The actuarial accrued liability for benefits was \$147.4 million and the actuarial value of assets is none resulting in an unfunded actuarial accrued liability (UAAL) of \$147.4 million. The covered payroll (annual payroll of active employees covered by the plan) was \$60.0 million, and the ratio of the UAAL to the covered payroll was 245.67 percent.

Notes to Basic Financial Statements

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, 2010 actuarial valuation, the projected unit credit method was used. The actuarial assumptions included a 4.5 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 4.5 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, 2010:

- GASB Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*. 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. As a result of the implementation, the City capitalized approximately \$33,500 of intangible assets.
- GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*. 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. This Statement had no effect on the City in the current year.

Notes to Basic Financial Statements

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

- GASB Statement No. 58, *Accounting and Financial Reporting for Chapter 9 Bankruptcies*. 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. This Statement had no effect on the City in the current year.

As of December 31, 2010, 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. 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. 60, *Accounting and Financial Reporting for Service Concession Arrangements*, issued November 2010, will be effective for the City beginning with its year ending December 31, 2012. This Statement is intended to improve financial reporting by addressing issues related to service concession arrangements (SCAs), which are a type of public-private or public-public partnership. Specifically, this Statement improves financial reporting by establishing recognition, measurement and disclosure requirements SCAs for both transferors and governmental operators, requiring governments to account for and report SCAs in the same manner, which improves the comparability of financial statements. This Statement also improves the decision usefulness of financial reporting by requiring that specific relevant disclosures be made by transferors and governmental operators about SCAs.

City of Peoria, Illinois

Notes to Basic Financial Statements

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

- GASB Statement No. 61, *The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34*, issued November 2010, will be effective for the City beginning with its year ending December 31, 2013. This Statement is intended to improve financial reporting for a governmental financial reporting entity by improving guidance for including, presenting and disclosing information about component units and equity interest transactions of a financial reporting entity. The amendments to the criteria for including component units allow users of financial statements to better assess the accountability of elected officials by ensuring that the financial reporting entity includes only organizations for which the elected officials are financially accountable or that are determined by the government to be misleading to exclude. The amendments to the criteria for blending also improve the focus of a financial reporting entity on the primary government by ensuring that the primary government includes only those component units that are so intertwined with the primary government that they are essentially the same as the primary government, and by clarifying which component units have that characteristic.
- GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, issued January 2011, will be effective for the City beginning with its year ending December 31, 2012. This Statement is intended to enhance the usefulness of the Codification of Governmental Accounting and Financial Reporting Standards by incorporating guidance that previously could only be found in certain FASB and AICPA pronouncements. This Statement incorporates into the GASB's authoritative literature the applicable guidance previously presented in the following pronouncements issued before November 30, 1989: FASB Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins of the AICPA's Committee on Accounting Procedure. By incorporating and maintaining this guidance in a single source, the GASB believes that GASB 62 reduces the complexity of locating and using authoritative literature needed to prepare state and local government financial reports.

The City's management has not yet determined the effect Statement Nos. 54, 57, 60, 61 and 62 will have on the City's financial statements.

Note 18. Subsequent Event

On March 22, 2011, the City approved three ordinances relating to Three East Village Growth Cell Tax Increment Financing approving the East Village Growth Cell Tax Increment redevelopment plan and project, designating the East Village Growth Cell redevelopment project area and adopting tax increment financing for the City in connection with the designation of the East Village Growth Cell redevelopment project area.

City of Peoria, Illinois

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual -
General Fund, Peoria Public Library Fund and Police and Fire Pension Levy Fund
Required Supplementary Information
Year Ended December 31, 2010**

	General Fund			Variance With Final Budget
	Original	Final	Actual	
	Budget	Budget		
Revenues:				
Property taxes	\$ 8,068,892	\$ 7,242,892	\$ 7,290,960	\$ 48,068
Corporate personal property replacement taxes	3,948,110	3,348,110	3,994,323	646,213
State sales taxes	22,529,360	21,929,360	22,465,708	536,348
State income tax allocation	10,027,200	9,427,200	10,045,271	618,071
Home rule sales taxes	21,779,940	21,179,940	21,750,896	570,956
Hotel, restaurant and amusement taxes	8,257,356	8,257,356	7,818,174	(439,182)
Utility taxes	10,338,712	10,338,712	9,535,439	(803,273)
Governmental grants and reimbursements	246,576	789,136	217,715	(571,421)
Licenses and permits	2,425,648	2,425,648	2,513,304	87,656
Service charges/fines/fees	18,913,594	18,913,594	16,326,359	(2,587,235)
Rental	82,010	82,010	111,706	29,696
Interest	884,200	584,200	228,301	(355,899)
Other	2,375,001	2,395,765	1,524,077	(871,688)
Total revenues	109,876,599	106,913,923	103,822,233	(3,091,690)
Expenditures:				
Current:				
Elective offices, boards, commissions and agencies	1,693,064	2,006,851	1,826,064	180,787
City administration	5,898,535	6,535,414	6,736,619	(201,205)
Benefits	24,002,862	-	-	-
Police	22,735,792	29,480,574	28,095,302	1,385,272
Fire	17,072,970	22,662,866	20,946,502	1,716,364
Public works	16,597,810	20,088,860	19,483,666	605,194
Community development	4,712,143	5,741,178	5,128,631	612,547
Public safety	5,048,067	6,823,890	7,618,344	(794,454)
General government	85,496	4,463,586	6,453,363	(1,989,777)
Library	-	702,325	461,065	241,260
Capital outlay	-	-	-	-
Total expenditures	97,846,739	98,505,544	96,749,556	1,755,988
Excess (deficiency) of revenues over expenditures	12,029,860	8,408,379	7,072,677	(1,335,702)
Other financing sources (uses):				
Transfers in	327,815	3,324,255	3,877,780	553,525
Transfers out	(11,110,155)	(11,110,155)	(11,430,752)	(320,597)
Total other financing sources (uses)	(10,782,340)	(7,785,900)	(7,552,972)	232,928
Net change in fund balances	\$ 1,247,520	\$ 622,479	(480,295)	\$ (1,102,774)
Fund balances, beginning of year			25,814,992	
Fund balances, end of year			<u>\$ 25,334,697</u>	

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
\$ 6,592,976	\$ 6,592,976	\$ 6,508,665	\$ (84,311)	\$ 8,655,996	\$ 8,655,996	\$ 8,547,440	\$ (108,556)
475,724	475,724	475,724	-	1,669,658	1,669,658	1,669,658	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
120,053	180,294	141,592	(38,702)	-	-	-	-
-	-	-	-	-	-	-	-
73,290	73,290	98,307	25,017	-	-	-	-
-	-	-	-	-	-	-	-
10,000	10,000	9,300	(700)	-	-	835	835
8,344	17,759	97,392	79,633	-	-	-	-
7,280,387	7,350,043	7,330,980	(19,063)	10,325,654	10,325,654	10,217,933	(107,721)
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	4,643,815	4,643,815	4,595,768	48,047
-	-	-	-	5,681,839	5,681,839	5,622,165	59,674
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
5,726,375	6,319,442	5,882,100	437,342	-	-	-	-
952,152	952,588	929,989	22,599	-	-	-	-
6,678,527	7,272,030	6,812,089	459,941	10,325,654	10,325,654	10,217,933	107,721
601,860	78,013	518,891	440,878	-	-	-	-
-	-	-	-	-	-	-	-
(601,860)	(601,860)	(601,860)	-	-	-	-	-
(601,860)	(601,860)	(601,860)	-	-	-	-	-
\$ -	\$ (523,847)	(82,969)	\$ 440,878	\$ -	\$ -	-	\$ -
		3,192,323				-	
		<u>\$ 3,109,354</u>				<u>\$ -</u>	

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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, as presented in the Required Supplemental Information.

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

	Final Budget	Actual	Overage
Nonmajor:			
Illinois Municipal Retirement Fund	\$ 6,039,009	\$ 6,268,676	\$ 229,667
2005A General Obligation Bond Debt Service Fund	3,037,888	3,039,388	1,500
2010D General Obligation Bond Debt Service Fund	-	1,769,703	1,769,703

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]
2010	12/31/2010	\$ 56,257,452	\$ 79,879,650	\$ 23,622,198	70.43%	\$ 24,327,068	97.10%
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)
12/31/2010	\$ 3,230,635	\$ 2,559,792	79.23%
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, 2008 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 at December 31, 2008 is being amortized as a level percentage of projected payroll on an open 30-year basis.

On a market basis, the actuarial value of assets as of December 31, 2010 is \$61,742,829. On a market basis, the funded ratio would be 77.29 percent.

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]
2010	01/01/2010	\$ 140,316,984	\$ 193,493,940	\$ 53,176,956	72.52%	\$ 16,494,393	322.39%
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, 2010. 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, 2010 actuarial valuation date was 23.5 years. Illinois pension legislation subsequently extended the remaining amortization period to 30.5 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]
2010	01/01/2010	\$ 114,232,171	\$ 182,546,122	\$ 68,313,951	62.58%	\$ 13,575,743	503.21%
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, 2010. 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, 2010 actuarial valuation date was 23.5 years. Illinois pension legislation subsequently extended the remaining amortization period to 30.5 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]
2010	01/01/2010	\$ -	\$ 147,400,000	\$ 147,400,000	- %	\$ 59,998,711	245.67%
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, 2010. 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 4.5 percent and investment rate of return of 4.5 percent.
4. The amortization method is open period, level percentage.

City of Peoria, Illinois

Nonmajor Governmental Funds
 Combining Balance Sheet
 December 31, 2010

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	\$ 2,013,723	\$ 98,979	\$ 74	\$ 16,607
Cash with trustee	-	-	-	-
Investments	5,497,933	-	900	-
Property taxes receivable	-	-	-	-
State sales taxes receivable	-	-	-	-
Governmental grants and reimbursements receivable	260,952	53,366	-	1,393
Loans receivable, net	69,377	44,219	-	-
Pledges receivable	-	-	-	-
Other receivables, net	13,469	-	17,082	-
Accrued interest receivable	42,954	-	-	-
Due from other funds	120	-	-	-
Total assets	\$ 7,898,528	\$ 196,564	\$ 18,056	\$ 18,000
Liabilities and Fund Balance				
Liabilities				
Accounts payable	\$ 319,550	\$ 130,594	\$ 9,745	\$ 17,795
Accrued payroll	395	20,499	776	-
Due to other funds	-	1,252	-	-
Unearned revenue, property taxes	-	-	-	-
Deferred and unearned revenue, other	69,377	44,219	-	1,599
Total liabilities	389,322	196,564	10,521	19,394
Fund Balance				
Reserved for encumbrances	410,232	-	-	-
Reserved for future road projects	7,098,974	-	-	-
Reserved for debt service	-	-	-	-
Reserved for riverfront development	-	-	-	-
Reserved for employees' pension benefits	-	-	-	-
Unreserved:				
Designated for capital projects	-	-	-	-
Undesignated	-	-	7,535	(1,394)
Total fund balance (deficit)	7,509,206	-	7,535	(1,394)
Total liabilities and fund balance (deficit)	\$ 7,898,528	\$ 196,564	\$ 18,056	\$ 18,000

(Continued)

Special Revenue Funds				Debt Service Funds			
Home Investment Partnership Program Fund	Solid Waste Fund	Peoria Foreign Fire Insurance Board	Illinois Municipal Retirement Fund	2005A General Obligation Bond Debt Service Fund	WeaverRidge Debt Service Fund		
\$ 204,711	\$ 881,927	\$ 344,721	\$ 1,023,925	\$ -	\$ -		
-	-	-	-	1,583,397	928,661		
-	11,633	102,365	767	-	-		
-	-	-	4,746,300	-	112,000		
-	-	-	-	-	-		
-	-	-	-	-	-		
100,842	-	-	-	-	-		
-	-	-	-	-	-		
-	-	-	-	-	-		
-	-	285	-	-	-		
-	13	-	-	-	-		
<u>\$ 305,553</u>	<u>\$ 893,573</u>	<u>\$ 447,371</u>	<u>\$ 5,770,992</u>	<u>\$ 1,583,397</u>	<u>\$ 1,040,661</u>		
\$ -	\$ 69,249	\$ 78,882	\$ 503,716	\$ 1,568,944	\$ -		
1,199	-	-	-	-	-		
-	7	-	-	-	1,698		
-	-	-	4,746,300	-	112,000		
304,354	-	-	-	-	-		
<u>305,553</u>	<u>69,256</u>	<u>78,882</u>	<u>5,250,016</u>	<u>1,568,944</u>	<u>113,698</u>		
-	18,706	-	-	-	-		
-	-	-	-	-	-		
-	-	-	-	14,453	926,963		
-	-	-	-	-	-		
-	-	-	520,976	-	-		
-	-	-	-	-	-		
-	805,611	368,489	-	-	-		
-	<u>824,317</u>	<u>368,489</u>	<u>520,976</u>	<u>14,453</u>	<u>926,963</u>		
<u>\$ 305,553</u>	<u>\$ 893,573</u>	<u>\$ 447,371</u>	<u>\$ 5,770,992</u>	<u>\$ 1,583,397</u>	<u>\$ 1,040,661</u>		

City of Peoria, Illinois

Nonmajor Governmental Funds (Continued)

Combining Balance Sheet

December 31, 2010

Assets	Debt Service Funds			
	General Obligation	2006 Special	2007-A Special	2008A Library
	Bonds Debt Service Master Fund	Assessment Bond Debt Service Fund	Assessment Bond Debt Service Fund	General Obligation Bond Debt Service Fund
Cash and cash equivalents	\$ 490,461	\$ 622,436	\$ 22,009	\$ 21,542
Cash with trustee	-	-	-	-
Investments	-	-	-	-
Property taxes receivable	-	-	-	2,018,100
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	\$ 490,461	\$ 622,436	\$ 22,009	\$ 2,039,642
Liabilities and Fund Balance				
Liabilities				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued payroll	-	-	-	-
Due to other funds	487,554	-	-	-
Unearned revenue, property taxes	-	-	-	2,018,100
Deferred and unearned revenue, other	-	-	-	-
Total liabilities	487,554	-	-	2,018,100
Fund Balance				
Reserved for encumbrances	-	-	-	-
Reserved for future road projects	-	-	-	-
Reserved for debt service	2,907	622,436	22,009	21,542
Reserved for riverfront development	-	-	-	-
Reserved for employees' pension benefits	-	-	-	-
Unreserved:				
Designated for capital projects	-	-	-	-
Undesignated	-	-	-	-
Total fund balance (deficit)	2,907	622,436	22,009	21,542
Total liabilities and fund balance (deficit)	\$ 490,461	\$ 622,436	\$ 22,009	\$ 2,039,642

(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
\$ 2,956,355	\$ 2,828,553	\$ 521,205	\$ 648,257	\$ 6,055	\$ 334,534
-	-	-	-	-	-
35,511	30,754	1,183	10,669	20	25,606
2,697,700	2,237,500	-	103,200	113,000	138,000
31,879	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
4,916	-	-	-	-	-
-	-	-	-	-	-
103,382	102	140,610	-	-	-
<u>\$ 5,829,743</u>	<u>\$ 5,096,909</u>	<u>\$ 662,998</u>	<u>\$ 762,126</u>	<u>\$ 119,075</u>	<u>\$ 498,140</u>
\$ 264,610	\$ 611,094	\$ -	\$ -	\$ -	\$ -
-	2,704	-	-	-	-
-	65,775	-	-	-	-
2,697,700	2,237,500	-	103,200	113,000	138,000
-	-	-	-	-	-
<u>2,962,310</u>	<u>2,917,073</u>	<u>-</u>	<u>103,200</u>	<u>113,000</u>	<u>138,000</u>
17,449	585,537	-	-	-	-
-	-	-	-	-	-
1,737,536	744,832	-	253,593	6,075	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
1,112,448	849,467	662,998	405,333	-	360,140
<u>2,867,433</u>	<u>2,179,836</u>	<u>662,998</u>	<u>658,926</u>	<u>6,075</u>	<u>360,140</u>
<u>\$ 5,829,743</u>	<u>\$ 5,096,909</u>	<u>\$ 662,998</u>	<u>\$ 762,126</u>	<u>\$ 119,075</u>	<u>\$ 498,140</u>

City Of Peoria, Illinois

Nonmajor Governmental Funds (Continued)
Combining Balance Sheet
December 31, 2010

Assets	Capital Projects Funds			
	Downtown Stadium	Eagle View	Warehouse District	Hospitality
	TIF Project Fund	TIF Project Fund	TIF Project Fund	Improvement Zone TIF Project Fund
Cash and cash equivalents	\$ 113,596	\$ 86,221	\$ 385,296	\$ 267,411
Cash with trustee	-	-	-	-
Investments	748	-	-	-
Property taxes receivable	336,800	36,200	185,900	38,100
State sales taxes receivable	-	-	-	22,407
Governmental grants and reimbursements receivable	-	-	-	-
Loans receivable, net	-	-	-	-
Pledges receivable	-	-	-	-
Other receivables, net	-	-	-	1,660
Accrued interest receivable	-	-	-	-
Due from other funds	-	-	-	-
Total assets	\$ 451,144	\$ 122,421	\$ 571,196	\$ 329,578
Liabilities and Fund Balance				
Liabilities				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued payroll	-	-	-	-
Due to other funds	-	-	-	-
Unearned revenue, property taxes	336,800	36,200	185,900	38,100
Deferred and unearned revenue, other	-	-	-	-
Total liabilities	336,800	36,200	185,900	38,100
Fund Balance				
Reserved for encumbrances	-	-	-	-
Reserved for future road projects	-	-	-	-
Reserved for debt service	83,212	-	-	-
Reserved for riverfront development	-	-	-	-
Reserved for employees' pension benefits	-	-	-	-
Unreserved:				
Designated for capital projects	-	-	-	-
Undesignated	31,132	86,221	385,296	291,478
Total fund balance (deficit)	114,344	86,221	385,296	291,478
Total liabilities and fund balance (deficit)	\$ 451,144	\$ 122,421	\$ 571,196	\$ 329,578

Capital Projects Funds							
2006	City of	2007A	2007A	2008A Library	2010C Taxable		
Special Assessment	Peoria Designated	Special Assessment	General Obligation	General Obligation	General Obligation		Total Nonmajor
Bond Project Fund	Zone Organization	Bond Project Fund	Bond Project Fund	Bond Project Fund	Bonds Project Fund		Governmental Funds
\$ 508,301	\$ 59,015	\$ -	\$ 111,953	\$ 11,843,405	\$ 11,364,016		\$ 37,775,288
-	-	-	-	-	-		2,512,058
-	16,021	-	1,734	46,927	-		5,782,771
-	-	-	-	-	-		12,762,800
-	-	-	-	-	-		54,286
-	-	-	-	-	-		315,711
-	-	-	-	-	-		214,438
-	10,000	-	-	-	-		10,000
-	-	-	-	-	-		37,127
-	-	-	-	-	-		43,239
-	-	-	-	-	15,801		260,028
\$ 508,301	\$ 85,036	\$ -	\$ 113,687	\$ 11,890,332	\$ 11,379,817		\$ 59,767,746
\$ -	\$ -	\$ -	\$ -	\$ 2,985,630	\$ 264,383		\$ 6,824,192
197	-	-	-	-	2,614		28,384
377	36	-	26,623	-	79,636		662,958
-	-	-	-	-	-		12,762,800
-	10,000	-	-	-	-		429,549
574	10,036	-	26,623	2,985,630	346,633		20,707,883
-	-	-	76,037	-	264,164		1,372,125
-	-	-	-	-	-		7,098,974
-	-	-	-	-	-		4,435,558
-	75,000	-	-	-	-		75,000
-	-	-	-	-	-		520,976
-	-	-	11,027	8,904,702	10,769,020		19,684,749
507,727	-	-	-	-	-		5,872,481
507,727	75,000	-	87,064	8,904,702	11,033,184		39,059,863
\$ 508,301	\$ 85,036	\$ -	\$ 113,687	\$ 11,890,332	\$ 11,379,817		\$ 59,767,746

City of Peoria, Illinois

**Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Year Ended December 31, 2010**

	Special Revenue Funds			
	Motor Fuel	Community	State and Local Auto	Multi-County MEG
	Tax Fund	Development Block Grant Fund	Theft Enforcement Grant Fund	
Revenues:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Corporate personal property replacement taxes	-	-	-	-
State sales taxes	-	-	-	-
Hotel, restaurant and amusement taxes	-	-	-	-
Governmental grants and reimbursements	3,881,263	2,869,098	-	72,343
Service charges/finest/fees	-	-	-	-
Contributions	-	-	-	-
Loan repayment	-	11,591	-	-
Interest	77,721	-	1	-
Other	540,142	9,790	377,084	-
Total revenues	4,499,126	2,890,479	377,085	72,343
Expenditures:				
Current:				
Elective offices, boards, commissions and agencies	-	-	-	-
City administration	-	28,807	-	-
Police	-	-	373,357	73,737
Fire	-	-	-	-
Public works	1,412,397	-	-	-
Community development	-	1,552,462	-	-
Public safety	-	392,708	-	-
General government	375,553	-	4,018	-
Library	-	-	-	-
Capital outlay	2,844,076	716,502	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	4,632,026	2,690,479	377,375	73,737
Excess (deficiency) of revenues over expenditures	(132,900)	200,000	(290)	(1,394)
Other financing sources (uses):				
Issuance of bonds	-	-	-	-
Bond premium	-	-	-	-
Payment to refund debt	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	(200,000)	-	-
Total other financing sources (uses)	-	(200,000)	-	-
Net change in fund balances	(132,900)	-	(290)	(1,394)
Fund balances, beginning of year	7,642,106	-	7,825	-
Fund balances (deficit), end of year	\$ 7,509,206	\$ -	\$ 7,535	\$ (1,394)

(Continued)

Special Revenue Funds				Debt Service Funds	
Home Investment Partnership Program Fund	Solid Waste Fund	Peoria Foreign Fire Insurance Board	Illinois Municipal Retirement Fund	2005A General Obligation Bond Debt Service Fund	WeaverRidge Debt Service Fund
\$ -	\$ -	\$ -	\$ 4,405,142	\$ -	\$ 82,819
-	-	-	976,508	-	-
-	-	-	-	-	-
-	-	-	-	-	-
1,106,454	-	160,684	-	-	-
-	393,478	-	-	-	-
-	-	-	-	-	-
27,574	-	-	-	-	-
-	3,653	4,256	3,338	94	4
20,667	-	-	-	-	-
1,154,695	397,131	164,940	5,384,988	94	82,823
-	-	-	156,820	-	-
-	-	-	665,990	-	-
-	-	-	595,570	-	-
-	-	216,244	257,209	-	-
-	-	-	1,255,557	-	-
1,154,695	-	-	500,780	-	-
-	-	-	813,347	-	-
-	518,900	-	62,498	1,500	14,550
-	-	-	573,785	-	-
-	-	-	-	-	-
-	-	-	1,290,366	100,000	350,000
-	-	-	96,754	2,937,888	175,500
1,154,695	518,900	216,244	6,268,676	3,039,388	540,050
-	(121,769)	(51,304)	(883,688)	(3,039,294)	(457,227)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	601,860	3,608,501	472,323
-	(127,815)	-	-	(572,725)	-
-	(127,815)	-	601,860	3,035,776	472,323
-	(249,584)	(51,304)	(281,828)	(3,518)	15,096
-	1,073,901	419,793	802,804	17,971	911,867
\$ -	\$ 824,317	\$ 368,489	\$ 520,976	\$ 14,453	\$ 926,963

City of Peoria, Illinois

Nonmajor Governmental Funds (Continued)
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Year Ended December 31, 2010

	Debt Service Funds			
	General Obligation	2006 Special	2007-A Special	2008A Library
	Bonds Debt Service	Assessment Bond	Assessment Bonds	General Obligation Bond
	Master Fund	Debt Service Fund	Debt Service Fund	Debt Service Fund
Revenues:				
Property taxes	\$ -	\$ -	\$ 159,868	\$ 1,108,505
Corporate personal property replacement taxes	-	-	-	-
State sales taxes	-	-	-	-
Hotel, restaurant and amusement taxes	-	-	-	-
Governmental grants and reimbursements	-	-	-	-
Service charges/finest/fees	-	-	-	-
Contributions	-	-	-	-
Loan repayment	-	-	-	-
Interest	1,111	2,176	76	3,387
Other	-	-	-	-
Total revenues	1,111	2,176	159,944	1,111,892
Expenditures:				
Current:				
Elective offices, boards, commissions and agencies	-	-	-	-
City administration	-	-	-	-
Police	-	-	-	-
Fire	-	-	-	-
Public works	-	-	-	-
Community development	-	-	-	-
Public safety	-	-	-	-
General government	92,992	-	500	-
Library	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	5,961,616	-	108,000	600,000
Interest	3,688,190	279,370	50,837	1,321,000
Total expenditures	9,742,798	279,370	159,337	1,921,000
Excess (deficiency) of revenues over expenditures	(9,741,687)	(277,194)	607	(809,108)
Other financing sources (uses):				
Issuance of bonds	3,915,000	-	-	-
Bond premium	27,243	-	-	-
Payment to refund debt	(3,836,533)	-	-	-
Transfers in	9,625,999	265,000	6,015	-
Transfers out	-	-	-	-
Total other financing sources (uses)	9,731,709	265,000	6,015	-
Net change in fund balances	(9,978)	(12,194)	6,622	(809,108)
Fund balances, beginning of year	12,885	634,630	15,387	830,650
Fund balances (deficit), end of year	\$ 2,907	\$ 622,436	\$ 22,009	\$ 21,542

(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	
\$ 2,832,819	\$ 2,352,945	\$ 128,437	\$ 134,481	\$ 108,339	\$ 130,808	
-	-	-	-	-	-	
205,485	-	218,296	-	-	-	
-	-	-	-	-	-	
-	-	-	-	-	-	
42,813	-	-	-	-	-	
-	-	-	-	-	-	
-	-	-	-	-	-	
9,822	10,654	2,318	2,606	223	916	
10,012	200,000	-	-	-	-	
3,100,951	2,563,599	349,051	137,087	108,562	131,724	
-	-	-	-	-	-	
383	383	383	383	382	382	
-	-	-	-	-	-	
-	-	-	-	-	-	
-	17,078	-	-	-	-	
385,050	-	-	-	-	-	
-	-	-	-	-	-	
-	333,874	-	12,602	-	-	
-	-	-	-	-	-	
-	1,786,855	-	-	-	-	
223,013	-	-	-	-	-	
14,970	-	-	-	-	-	
623,416	2,138,190	383	12,985	382	382	
2,477,535	425,409	348,668	124,102	108,180	131,342	
-	-	-	-	-	-	
-	-	-	-	-	-	
-	-	-	-	-	-	
-	-	-	-	-	-	
(1,495,553)	(744,832)	(287,458)	(181,742)	(130,000)	-	
(1,495,553)	(744,832)	(287,458)	(181,742)	(130,000)	-	
981,982	(319,423)	61,210	(57,640)	(21,820)	131,342	
1,885,451	2,499,259	601,788	716,566	27,895	228,798	
\$ 2,867,433	\$ 2,179,836	\$ 662,998	\$ 658,926	\$ 6,075	\$ 360,140	

City Of Peoria, Illinois

Nonmajor Governmental Funds (Continued)
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Year Ended December 31, 2010

	Capital Projects Funds			
	Downtown Stadium	Eagle View	Warehouse District	Hospitality
	TIF Project Fund	TIF Project Fund	TIF Project Fund	Improvement Zone TIF Project Fund
Revenues:				
Property taxes	\$ 332,960	\$ 34,677	\$ 162,498	\$ 25,994
Corporate personal property replacement taxes	-	-	-	-
State sales taxes	-	-	-	93,530
Hotel, restaurant and amusement taxes	-	-	-	95,402
Governmental grants and reimbursements	-	-	-	-
Service charges/fines/fees	-	-	-	-
Contributions	-	-	-	-
Loan repayment	-	-	-	-
Interest	518	225	1,009	618
Other	-	-	-	-
Total revenues	333,478	34,902	163,507	215,544
Expenditures:				
Current:				
Elective offices, boards, commissions and agencies	-	-	-	-
City administration	382	382	382	-
Police	-	-	-	-
Fire	-	-	-	-
Public works	-	-	-	-
Community development	-	-	-	44,099
Public safety	-	-	-	-
General government	243,179	-	-	-
Library	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	243,561	382	382	44,099
Excess (deficiency) of revenues over expenditures	89,917	34,520	163,125	171,445
Other financing sources (uses):				
Issuance of bonds	-	-	-	-
Bond premium	-	-	-	-
Payment to refund debt	-	-	-	-
Transfers in	-	-	-	-
Transfers out	(83,212)	-	-	-
Total other financing sources (uses)	(83,212)	-	-	-
Net change in fund balances	6,705	34,520	163,125	171,445
Fund balances, beginning of year	107,639	51,701	222,171	120,033
Fund balances (deficit), end of year	\$ 114,344	\$ 86,221	\$ 385,296	\$ 291,478

Capital Projects Funds							Total
2006 Special Assessment Bond Project Fund	City of Peoria Designated Zone Organization	2007A Special Assessment Bond Project Fund	2007A General Obligation Bond Project Fund	2008A Library General Obligation Bond Project Fund	2010C Taxable General Obligation Bonds Project Fund		Nonmajor Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,000,292
-	-	-	-	-	-	-	976,508
-	-	-	-	-	-	-	517,311
-	-	-	-	-	-	-	95,402
-	-	-	-	-	-	-	8,089,842
-	-	-	-	-	-	-	436,291
-	5,000	-	-	-	-	-	5,000
-	-	-	-	-	-	-	39,165
1,805	176	10	5,360	75,321	17,852	-	225,250
-	-	-	-	-	-	-	1,157,695
1,805	5,176	10	5,360	75,321	17,852	-	23,542,756
-	-	-	-	-	-	-	156,820
-	-	-	-	-	-	-	698,239
-	-	-	-	-	-	-	1,042,664
-	-	-	-	-	-	-	473,453
380	-	-	3,792	-	2,424	-	2,691,628
-	4,933	-	-	-	-	-	3,642,019
-	-	-	-	-	-	-	1,206,055
-	-	-	-	-	247,754	-	1,907,920
-	-	-	-	-	-	-	573,785
1,011	-	-	1,617,818	15,996,476	4,224,490	-	27,187,228
-	30,120	-	-	-	-	-	8,663,115
-	441	-	-	-	-	-	8,564,950
1,391	35,494	-	1,621,610	15,996,476	4,474,668	-	56,807,876
414	(30,318)	10	(1,616,250)	(15,921,155)	(4,456,816)	-	(33,265,120)
-	-	-	-	-	15,490,000	-	19,405,000
-	-	-	-	-	-	-	27,243
-	-	-	-	-	-	-	(3,836,533)
-	1,361,322	-	-	-	-	-	15,941,020
(80,100)	(1,326,004)	(6,015)	(487,554)	-	-	-	(5,723,010)
(80,100)	35,318	(6,015)	(487,554)	-	15,490,000	-	25,813,720
(79,686)	5,000	(6,005)	(2,103,804)	(15,921,155)	11,033,184	-	(7,451,400)
587,413	70,000	6,005	2,190,868	24,825,857	-	-	46,511,263
\$ 507,727	\$ 75,000	\$ -	\$ 87,064	\$ 8,904,702	\$ 11,033,184	\$ -	\$ 39,059,863

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General Fund

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

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City of Peoria, Illinois

General Fund

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

Year Ended December 31, 2010

With Comparative Figures for the Year Ended December 31, 2009

	2010			2009 Actual
	Original Budget	Final Budget	Actual	
Revenues:				
Property taxes	\$ 8,068,892	\$ 7,242,892	\$ 7,290,960	\$ 6,902,718
Corporate personal property replacement taxes	3,948,110	3,348,110	3,994,323	3,822,429
State sales taxes	22,529,360	21,929,360	22,465,708	21,437,212
State income tax allocation	10,027,200	9,427,200	10,045,271	8,445,232
Home rule sales taxes	21,779,940	21,179,940	21,750,896	21,074,331
Hotel, restaurant and amusement taxes	8,257,356	8,257,356	7,818,174	7,572,336
Utility taxes	10,338,712	10,338,712	9,535,439	8,406,435
Governmental grants and reimbursements	246,576	789,136	217,715	267,606
Licenses and permits	2,425,648	2,425,648	2,513,304	2,045,779
Service charges/fees/fees	18,913,594	18,913,594	16,326,359	17,496,667
Rental	82,010	82,010	111,706	93,819
Interest	884,200	584,200	228,301	433,517
Other	2,375,001	2,395,765	1,524,077	1,657,725
Total revenues	109,876,599	106,913,923	103,822,233	99,655,806
Expenditures:				
Current:				
Elective offices, boards, commissions and agencies	1,693,064	2,006,851	1,826,064	1,746,747
City administration	5,898,535	6,535,414	6,736,619	6,222,845
Benefits	24,002,862	-	-	-
Police	22,735,792	29,480,574	28,095,302	29,467,240
Fire	17,072,970	22,662,866	20,946,502	22,001,070
Public works	16,597,810	20,088,860	19,483,666	20,732,623
Community development	4,712,143	5,741,178	5,128,631	4,990,535
Public safety	5,048,067	6,823,890	7,618,344	7,751,652
General government	85,496	4,463,586	6,453,363	5,758,323
Library	-	702,325	461,065	501,475
Total expenditures	97,846,739	98,505,544	96,749,556	99,172,510
Excess of revenues over expenditures	12,029,860	8,408,379	7,072,677	483,296
Other financing sources (uses):				
Transfers in	327,815	3,324,255	3,877,780	1,313,398
Transfers out	(11,110,155)	(11,110,155)	(11,430,752)	(8,593,424)
Total other financing (uses)	(10,782,340)	(7,785,900)	(7,552,972)	(7,280,026)
Net change in fund balances	\$ 1,247,520	\$ 622,479	(480,295)	(6,796,730)
Fund balances, beginning of year			25,814,992	32,611,722
Fund balances, end of year			\$ 25,334,697	\$ 25,814,992

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Special Revenue Funds

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

Following are the individual Special Revenue Funds:

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

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

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

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

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

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

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

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

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

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

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

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City of Peoria, Illinois

Peoria Public Library Fund

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

Year Ended December 31, 2010

With Comparative Figures for the Year Ended December 31, 2009

	2010			2009 Actual
	Original Budget	Final Budget	Actual	
Revenues:				
Property taxes	\$ 6,592,976	\$ 6,592,976	\$ 6,508,665	\$ 6,621,543
Corporate personal property replacement taxes	475,724	475,724	475,724	475,673
Governmental grants and reimbursements	120,053	180,294	141,592	188,220
Service charges/fees/fees	73,290	73,290	98,307	129,540
Interest	10,000	10,000	9,300	11,970
Other	8,344	17,759	97,392	77,256
Total revenues	7,280,387	7,350,043	7,330,980	7,504,202
Expenditures:				
Current, library:				
Personal services	3,488,858	3,457,034	3,316,992	3,483,593
Contractual services	1,878,750	1,953,354	1,616,426	1,548,238
Supplies and materials	358,767	909,054	948,682	438,731
Capital outlay	952,152	952,588	929,989	905,723
Total expenditures	6,678,527	7,272,030	6,812,089	6,376,285
Excess of revenues over expenditures	601,860	78,013	518,891	1,127,917
Other financing (uses), transfers out	(601,860)	(601,860)	(601,860)	(701,884)
Net change in fund balances	\$ -	\$ (523,847)	(82,969)	426,033
Fund balances, beginning of year			3,192,323	2,766,290
Fund balances, end of year			\$ 3,109,354	\$ 3,192,323

City of Peoria, Illinois

Motor Fuel Tax Fund

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

Year Ended December 31, 2010

With Comparative Figures for the Year Ended December 31, 2009

	2010			2009 Actual
	Original Budget	Final Budget	Actual	
Revenues:				
Governmental grants and reimbursements	\$ 3,396,024	\$ 4,097,624	\$ 3,881,263	\$ 3,447,436
Interest	254,400	254,400	77,721	128,342
Other, miscellaneous	-	-	540,142	3,450
Total revenues	3,650,424	4,352,024	4,499,126	3,579,228
Expenditures:				
Current:				
Public works, road construction and general maintenance	1,326,300	1,568,699	1,412,397	2,048,329
General government	-	-	375,553	104,043
Capital outlay	2,703,200	3,416,746	2,844,076	977,724
Total expenditures	4,029,500	4,985,445	4,632,026	3,130,096
Excess (deficiency) of revenues over expenditures	\$ (379,076)	\$ (633,421)	(132,900)	449,132
Fund balances, beginning of year			7,642,106	7,192,974
Fund balances, end of year			\$ 7,509,206	\$ 7,642,106

City of Peoria, Illinois

**Community Development Block Grant Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Year Ended December 31, 2010
 With Comparative Figures for the Year Ended December 31, 2009**

	<u>2010</u>	<u>2009</u>
Revenues:		
Governmental grants and reimbursements	\$ 2,869,098	\$ 2,829,714
Loan repayment	11,591	17,178
Interest	-	-
Other	9,790	17,015
Total revenues	2,890,479	2,863,907
Expenditures:		
Current:		
City administration	28,807	29,120
Public works	-	13,415
Community development:		
Administration	262,797	270,052
Project costs	231,105	226,392
Public services	7,197	-
Rehabilitation	646,499	749,290
Payments to subrecipients	404,864	359,958
Public safety	392,708	442,699
Capital outlay	716,502	572,981
Total expenditures	2,690,479	2,663,907
Excess of revenues over expenditures	200,000	200,000
Other financing (uses), transfers out	(200,000)	(200,000)
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, 2010

With Comparative Figures for the Year Ended December 31, 2009

	2010			2009 Actual
	Original Budget	Final Budget	Actual	
Revenues:				
Contributions	\$ -	\$ 424,624	\$ -	\$ 381,603
Interest	-	-	1	2
Other	-	-	377,084	1,500
Total revenues	-	424,624	377,085	383,105
Expenditures:				
Current:				
Police:				
Personnel	-	315,411	309,411	305,411
Contractual	-	74,922	38,775	50,862
Travel	-	4,200	3,630	2,273
Commodities	-	22,008	21,111	22,421
Other	-	1,175	430	493
General government	-	7,050	4,018	-
Total expenditures	-	424,766	377,375	381,460
(Deficiency) of revenues over expenditures	\$ -	\$ (142)	(290)	1,645
Fund balances, beginning of year			7,825	6,180
Fund balances, end of year			<u>\$ 7,535</u>	<u>\$ 7,825</u>

City of Peoria, Illinois

Multi-County MEG Grant Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance

Year Ended December 31, 2010

With Comparative Figures for the Year Ended December 31, 2009

	<u>2010</u>	<u>2009</u>
Revenues, governmental grants and reimbursements	\$ 72,343	\$ 77,024
Expenditures, current, police, narcotics enforcement	<u>73,737</u>	<u>77,024</u>
Excess (deficiency) of revenues over expenditures	(1,394)	-
Fund balances, beginning of year	-	-
Fund balances (deficit), end of year	<u><u>\$ (1,394)</u></u>	<u><u>\$ -</u></u>

City of Peoria, Illinois

Home Investment Partnership Program Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Year Ended December 31, 2010
 With Comparative Figures for the Year Ended December 31, 2009

	2010	2009
Revenues:		
Governmental grants and reimbursements	\$ 1,106,454	\$ 1,383,162
Loan repayment	27,574	20,554
Other, miscellaneous	20,667	-
Total revenues	1,154,695	1,403,716
Expenditures:		
Current:		
Community development:		
Administration	38,444	36,879
Public services	200,000	387,150
Rehabilitation	624,374	781,953
Payments to subrecipients	291,877	197,734
Total expenditures	1,154,695	1,403,716
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, 2010
 With Comparative Figures for the Year Ended December 31, 2009**

	2010			2009 Actual
	Original Budget	Final Budget	Actual	
Revenues:				
Property taxes	\$ 4,460,641	\$ 4,460,641	\$ 4,405,142	\$ 4,678,118
Corporate personal property replacement taxes	976,508	976,508	976,508	1,045,493
Interest	8,700	8,700	3,338	4,613
Total revenues	5,445,849	5,445,849	5,384,988	5,728,224
Expenditures:				
Current:				
Elective offices, boards, commissions and agencies	-	149,558	156,820	317,591
City administration	-	634,728	665,990	1,392,273
Police	-	565,294	595,570	933,218
Fire	-	243,195	257,209	462,320
Public works	-	1,197,285	1,255,557	4,383,260
Community development	-	477,349	500,780	969,974
Public safety	-	775,548	813,347	1,516,366
General government	4,651,889	61,915	62,498	57,947
Library	-	547,017	573,785	1,277,252
Debt service:				
Principal	1,290,366	1,290,366	1,290,366	-
Interest	96,754	96,754	96,754	-
Total expenditures	6,039,009	6,039,009	6,268,676	11,310,201
Excess (deficiency) of revenues over expenditures	(593,160)	(593,160)	(883,688)	(5,581,977)
Other financing sources:				
Loan proceeds	-	-	-	5,319,578
Transfers in	601,860	601,860	601,860	701,884
Total other financing sources	601,860	601,860	601,860	6,021,462
Net change in fund balances	\$ 8,700	\$ 8,700	(281,828)	439,485
Fund balances, beginning of year			802,804	363,319
Fund balances, end of year			\$ 520,976	\$ 802,804

City of Peoria, Illinois

Solid Waste Fund

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

Year Ended December 31, 2010

With Comparative Figures for the Year Ended December 31, 2009

	2010			2009 Actual
	Original Budget	Final Budget	Actual	
Revenues:				
Service charges/fines/fees	\$ 376,685	\$ 376,685	\$ 393,478	\$ 325,834
Interest	-	-	3,653	5,710
Total revenues	376,685	376,685	397,131	331,544
Expenditures:				
Current:				
General government	869,185	875,243	518,900	279,726
Public works	-	-	-	328
Total expenditures	869,185	875,243	518,900	280,054
Excess (deficiency) of revenues over expenditures	(492,500)	(498,558)	(121,769)	51,490
Other financing (uses), transfers out	(127,815)	(127,815)	(127,815)	(78,832)
Net change in fund balances	\$ (620,315)	\$ (626,373)	(249,584)	(27,342)
Fund balances, beginning of year			1,073,901	1,101,243
Fund balances, end of year			\$ 824,317	\$ 1,073,901

City of Peoria, Illinois

Workforce Development Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Year Ended December 31, 2010
With Comparative Figures for the Year Ended December 31, 2009

	<u>2010</u>	<u>2009</u>
Revenues:		
Governmental grants and reimbursements	\$ 6,851,443	\$ 4,590,124
Other	120,595	353,387
Total revenues	<u>6,972,038</u>	<u>4,943,511</u>
Expenditures, current, community development	<u>6,736,406</u>	4,671,147
Excess of revenues over expenditures	235,632	272,364
Other financing (uses), transfers out	<u>(307,875)</u>	(273,197)
Net change in fund balances	(72,243)	(833)
Fund balances, beginning of year	577,078	577,911
Fund balances, end of year	<u>\$ 504,835</u>	<u>\$ 577,078</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, 2010

With Comparative Figures for the Year Ended December 31, 2009

	2010			2009 Actual
	Original Budget	Final Budget	Actual	
Revenues:				
Property taxes	\$ 8,655,996	\$ 8,655,996	\$ 8,547,440	\$ 7,368,364
Corporate personal property replacement taxes	1,669,658	1,669,658	1,669,658	1,433,447
Interest	-	-	835	687
Total revenues	10,325,654	10,325,654	10,217,933	8,802,498
Expenditures:				
Current:				
Police	4,643,815	4,643,815	4,595,768	3,770,238
Fire	5,681,839	5,681,839	5,622,165	5,032,260
Total expenditures	10,325,654	10,325,654	10,217,933	8,802,498
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, 2010
With Comparative Figures for the Year Ended December 31, 2009

	<u>2010</u>	<u>2009</u>
Revenues:		
Governmental grants and reimbursements	\$ 160,684	\$ 132,112
Interest	4,256	6,644
Total revenues	164,940	138,756
Expenditures, current, fire	216,244	109,045
Excess of revenues over expenditures	(51,304)	29,711
Fund balances, beginning of year	419,793	390,082
Fund balances, end of year	\$ 368,489	\$ 419,793

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Debt Service Funds

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

Following are the individual Debt Service Funds:

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

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

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

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

2006 Special Assessment Bond Debt Service Fund: This fund is used to account for the accumulation of resources for the repayment of principal and interest on the City's 2006 Special Assessment Bonds.

2007-A Special Assessment Bonds Debt Service Fund: This fund is used to account for the accumulation of resources for the repayment of principal and interest on the City's 2007A Special Assessment Bonds.

2008A Library General Obligation Bond Debt Service Fund: This fund is used to account for the accumulation of resources for the repayment of principal and interest on the City's 2008A Library General Obligation Bonds.

2010D 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 2010D General Obligation Bonds.

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City of Peoria, Illinois

Downtown Parking Bond Debt Service Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Year Ended December 31, 2010
With Comparative Figures for the Year Ended December 31, 2009

	2010			2009 Actual
	Original Budget	Final Budget	Actual	
Revenues, interest	\$ -	\$ -	\$ -	\$ 50
Expenditures:				
General government	-	-	-	217
Downtown redevelopment parking bonds:				
Principal	-	-	-	600,000
Interest	-	-	-	18,750
Total expenditures	-	-	-	618,967
(Deficiency) of revenues over expenditures	-	-	-	(618,917)
Other financing sources, transfers in	-	-	-	311,934
Net change in fund balances	\$ -	\$ -	-	(306,983)
Fund balances, beginning of year			-	306,983
Fund balances, end of year			\$ -	\$ -

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, 2010
With Comparative Figures for the Year Ended December 31, 2009

	2010			2009 Actual
	Original Budget	Final Budget	Actual	
Revenues, interest	\$ -	\$ -	\$ 94	\$ 1,105
Expenditures:				
General government	-	-	1,500	1,500
Peoria Civic Center bond issue:				
Principal	100,000	100,000	100,000	100,000
Interest	2,937,888	2,937,888	2,937,888	2,941,888
Total expenditures	3,037,888	3,037,888	3,039,388	3,043,388
(Deficiency) of revenues over expenditures	(3,037,888)	(3,037,888)	(3,039,294)	(3,042,283)
Other financing sources (uses):				
Transfers in	-	-	3,608,501	1,804,462
Transfers out	-	-	(572,725)	-
Total other financing sources	-	-	3,035,776	1,804,462
Net change in fund balances	\$ (3,037,888)	\$ (3,037,888)	(3,518)	(1,237,821)
Fund balances, beginning of year			17,971	1,255,792
Fund balances, end of year			\$ 14,453	\$ 17,971

City of Peoria, Illinois

WeaverRidge Debt Service Fund

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

Year Ended December 31, 2010

With Comparative Figures for the Year Ended December 31, 2009

	2010			2009 Actual
	Original Budget	Final Budget	Actual	
Revenues:				
Property taxes	\$ 85,000	\$ 85,000	\$ 82,819	\$ 48,717
Interest	10,000	10,000	4	92
Total revenues	95,000	95,000	82,823	48,809
Expenditures:				
General government	15,400	15,400	14,550	11,611
WeaverRidge special service area bonds issue:				
Principal	350,000	350,000	350,000	330,000
Interest	175,500	175,500	175,500	192,500
Total expenditures	540,900	540,900	540,050	534,111
(Deficiency) of revenues over expenditures	(445,900)	(445,900)	(457,227)	(485,302)
Other financing sources, transfers in	508,000	508,000	472,323	477,831
Net change in fund balances	\$ 62,100	\$ 62,100	15,096	(7,471)
Fund balances, beginning of year			911,867	919,338
Fund balances, end of year			\$ 926,963	\$ 911,867

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, 2010
With Comparative Figures for the Year Ended December 31, 2009

	2010			2009 Actual
	Original Budget	Final Budget	Actual	
Revenues:				
Interest	\$ 2,200	\$ 2,200	\$ 1,111	\$ 392
Other	-	-	-	212
Total revenues	2,200	2,200	1,111	604
Expenditures:				
Current, general government	-	-	92,992	225,058
General obligation bond issues:				
Principal	7,431,047	7,431,047	5,961,616	7,174,136
Interest	3,717,024	3,709,024	3,688,190	3,946,315
Total expenditures	11,148,071	11,140,071	9,742,798	11,345,509
(Deficiency) of revenues over expenditures	(11,145,871)	(11,137,871)	(9,741,687)	(11,344,905)
Other financing sources (uses):				
Issuance of bonds	-	-	3,915,000	17,645,000
Bond premium	-	-	27,243	250,876
Payment to refund debt	-	-	(3,836,533)	(17,665,354)
Transfers in	14,233,073	14,225,073	9,625,999	11,074,084
Total other financing sources	14,233,073	14,225,073	9,731,709	11,304,606
Net change in fund balances	\$ 3,087,202	\$ 3,087,202	(9,978)	(40,299)
Fund balances, beginning of year			12,885	53,184
Fund balances, end of year			\$ 2,907	\$ 12,885

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, 2010
With Comparative Figures for the Year Ended December 31, 2009

	2010			2009 Actual
	Original Budget	Final Budget	Actual	
Revenues, interest	\$ -	\$ -	\$ 2,176	\$ 3,850
Expenditures, special assessment bond issues, interest	279,370	279,370	279,370	279,370
(Deficiency) of revenues over expenditures	(279,370)	(279,370)	(277,194)	(275,520)
Other financing sources, transfers in	-	-	265,000	-
Net change in fund balances	\$ (279,370)	\$ (279,370)	(12,194)	(275,520)
Fund balances, beginning of year			634,630	910,150
Fund balances, end of year			\$ 622,436	\$ 634,630

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, 2010
With Comparative Figures for the Year Ended December 31, 2009

	2010			2009 Actual
	Original Budget	Final Budget	Actual	
Revenues:				
Property taxes	\$ 162,214	\$ 162,214	\$ 159,868	\$ 181,478
Interest	-	-	76	92
Total revenues	162,214	162,214	159,944	181,570
Expenditures:				
Current, general government	-	-	500	500
Special assessment bond issues:				
Principal	109,000	109,000	108,000	121,000
Interest	50,837	50,837	50,837	57,915
Total expenditures	159,837	159,837	159,337	179,415
Excess (deficiency) of revenues over expenditures	2,377	2,377	607	2,155
Other financing sources, transfers in	-	-	6,015	-
Net change in fund balances	\$ 2,377	\$ 2,377	6,622	2,155
Fund balances, beginning of year			15,387	13,232
Fund balances, end of year			\$ 22,009	\$ 15,387

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, 2010
With Comparative Figures for the Year Ended December 31, 2009

	2010			2009 Actual
	Original Budget	Final Budget	Actual	
Revenues:				
Property taxes	\$ 1,123,000	\$ 1,123,000	\$ 1,108,505	\$ 1,856,593
Interest	-	-	3,387	5,244
Total revenues	1,123,000	1,123,000	1,111,892	1,861,837
Expenditures, general obligation bond issue:				
Principal	600,000	600,000	600,000	-
Interest	1,321,000	1,321,000	1,321,000	1,831,053
Total expenditures	1,921,000	1,921,000	1,921,000	1,831,053
Net change in fund balances	\$ (798,000)	\$ (798,000)	(809,108)	30,784
Fund balances, beginning of year			830,650	799,866
Fund balances, end of year			\$ 21,542	\$ 830,650

City of Peoria, Illinois

2010D General Obligation Bond Debt Service Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Year Ended December 31, 2010
With Comparative Figures for the Year Ended December 31, 2009

	2010			2009 Actual
	Original Budget	Final Budget	Actual	
Revenues, interest	\$ -	\$ -	\$ 518,149	\$ -
Expenditures:				
Current, general government	-	-	1,576,009	-
General obligation bond issue, interest	-	-	193,694	-
Total expenditures	-	-	1,769,703	-
Excess (deficiency) of revenues over expenditures	-	-	(1,251,554)	-
Other financing sources:				
Issuance of bonds	-	-	24,310,000	-
Bond premium	-	-	2,092,333	-
Transfers in	-	-	766,419	-
Transfers out	-	-	(763,319)	-
Total other financing sources	-	-	26,405,433	-
Net change in fund balances	\$ -	\$ -	25,153,879	-
Fund balances, beginning of year			-	-
Fund balances, end of year			\$ 25,153,879	\$ -

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.

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.

2010C Taxable General Obligation Bonds (Build America Bonds and Recovery Zone Bonds) Project Fund: This fund is used for capital improvements including sewer rehabilitation, roads, construction and sidewalk improvements.

City of Peoria, Illinois

Capital Improvements Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance

Year Ended December 31, 2010

With Comparative Figures for the Year Ended December 31, 2009

	2010	2009
Revenues:		
Property taxes	\$ 61,179	\$ 62,740
Local motor fuel taxes	843,494	764,720
Riverboat gaming revenue	3,536,729	3,528,968
Governmental grants and reimbursements	6,627,344	172,334
Licenses and permits	3,596	3,154
Service charges/fines/fees	3,208,528	3,432,440
Special assessments	778,741	466,684
Loan repayment	111,833	106,229
Rental	42,276	42,746
Interest	137,245	237,821
Other, miscellaneous	196,940	508,660
Total revenues	15,547,905	9,326,496
Expenditures:		
Current:		
Elective offices, boards, commissions and agencies	4,676	-
City administration	222,341	112,618
Police	280,774	475,824
Fire	421,464	192,270
Public works	914,916	978,384
Community development	173,778	149,144
Public safety	746,343	221,932
General government	3,686,839	3,191,262
Capital outlay	10,421,044	8,588,254
Debt service:		
Principal	60,923	57,972
Interest	29,249	32,201
Total expenditures	16,962,347	13,999,861
(Deficiency) of revenues over expenditures	(1,414,442)	(4,673,365)
Other financing sources (uses):		
Proceeds from sale of capital assets	127,851	8,275
Transfers in	5,496,282	4,356,090
Transfers out	(7,254,685)	(7,215,180)
Total other financing sources	(1,630,552)	(2,850,815)
Net change in fund balances	(3,044,994)	(7,524,180)
Fund balances, beginning of year	10,374,728	17,898,908
Fund balances, end of year	\$ 7,329,734	\$ 10,374,728

City of Peoria, Illinois

Southtown TIF Project Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance

Year Ended December 31, 2010

With Comparative Figures for the Year Ended December 31, 2009

	<u>2010</u>	<u>2009</u>
Revenues:		
Property taxes	\$ 2,832,819	\$ 2,071,765
State sales taxes	205,485	186,151
Service charges/fines/fees	42,813	42,515
Loan repayment	-	10,823
Interest	9,822	9,874
Other, miscellaneous	10,012	7,414
Total revenues	<u>3,100,951</u>	<u>2,328,542</u>
Expenditures:		
Current:		
City administration	383	232
Community development	385,050	-
Debt service:		
Principal	223,013	207,126
Interest	14,970	28,874
Total expenditures	<u>623,416</u>	<u>236,232</u>
Excess of revenues over expenditures	<u>2,477,535</u>	<u>2,092,310</u>
Other financing (uses), transfers out	<u>(1,495,553)</u>	<u>(1,557,141)</u>
Net change in fund balances	981,982	535,169
Fund balances, beginning of year	<u>1,885,451</u>	<u>1,350,282</u>
Fund balances, end of year	<u>\$ 2,867,433</u>	<u>\$ 1,885,451</u>

City of Peoria, Illinois

**Downtown TIF Project Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Year Ended December 31, 2010
 With Comparative Figures for the Year Ended December 31, 2009**

	<u>2010</u>	<u>2009</u>
Revenues:		
Property taxes	\$ 2,352,945	\$ 2,051,705
Interest	10,654	11,614
Other	200,000	-
Total revenues	<u>2,563,599</u>	<u>2,063,319</u>
Expenditures:		
Current:		
City administration	383	232
Public works	17,078	-
General government	333,874	439,604
Capital outlay	1,786,855	118,683
Total expenditures	<u>2,138,190</u>	<u>558,519</u>
Excess of revenues over expenditures	425,409	1,504,800
Other financing (uses), transfers out	<u>(744,832)</u>	<u>(1,052,423)</u>
Net change in fund balances	(319,423)	452,377
Fund balances, beginning of year	2,499,259	2,046,882
Fund balances, end of year	<u>\$ 2,179,836</u>	<u>\$ 2,499,259</u>

City of Peoria, Illinois

Campustown TIF Project Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Year Ended December 31, 2010
With Comparative Figures for the Year Ended December 31, 2009

	<u>2010</u>	<u>2009</u>
Revenues:		
Property taxes	\$ 128,437	\$ 116,943
State sales taxes	218,296	287,293
Interest	2,318	1,660
Total revenues	349,051	405,896
Expenditures, current, City administration	383	232
Excess of revenues over expenditures	348,668	405,664
Other financing (uses), transfers out	(287,458)	-
Net change in fund balances	61,210	405,664
Fund balances, beginning of year	601,788	196,124
Fund balances, end of year	\$ 662,998	\$ 601,788

City of Peoria, Illinois

Northside TIF Project Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance

Year Ended December 31, 2010

With Comparative Figures for the Year Ended December 31, 2009

	2010	2009
Revenues:		
Property taxes	\$ 134,481	\$ 156,300
Interest	2,606	2,612
Total revenues	137,087	158,912
Expenditures, current:		
City administration	383	232
General government	12,602	-
Total expenditures	12,985	232
Excess of revenues over expenditures	124,102	158,680
Other financing (uses), transfers out	(181,742)	(253,970)
Net change in fund balances	(57,640)	(95,290)
Fund balances, beginning of year	716,566	811,856
Fund balances, end of year	\$ 658,926	\$ 716,566

City of Peoria, Illinois

**Midtown Plaza TIF Project Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Year Ended December 31, 2010
 With Comparative Figures for the Year Ended December 31, 2009**

	<u>2010</u>	<u>2009</u>
Revenues:		
Property taxes	\$ 108,339	\$ 126,514
Interest	223	246
Total revenues	<u>108,562</u>	<u>126,760</u>
Expenditures, current, City administration	<u>382</u>	232
Excess of revenues over expenditures	108,180	126,528
Other financing (uses), transfers out	<u>(130,000)</u>	(130,000)
Net change in fund balances	(21,820)	(3,472)
Fund balances, beginning of year	<u>27,895</u>	31,367
Fund balances, end of year	<u><u>\$ 6,075</u></u>	<u><u>\$ 27,895</u></u>

City of Peoria, Illinois

Northside Business Park TIF Project Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Year Ended December 31, 2010
With Comparative Figures for the Year Ended December 31, 2009

	<u>2010</u>	<u>2009</u>
Revenues:		
Property taxes	\$ 130,808	\$ 135,187
Interest	916	679
Total revenues	131,724	135,866
Expenditures, current, city administration	382	232
Net change in fund balances	131,342	135,634
Fund balances, beginning of year	228,798	93,164
Fund balances, end of year	\$ 360,140	\$ 228,798

City of Peoria, Illinois

Downtown Stadium TIF Project Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Year Ended December 31, 2010
With Comparative Figures for the Year Ended December 31, 2009

	2010	2009
Revenues:		
Property taxes	\$ 332,960	\$ 358,491
Interest	518	626
Total revenues	333,478	359,117
Expenditures:		
City administration	382	232
General government	243,179	209,138
Total expenditures	243,561	209,370
Excess of revenues over expenditures	89,917	149,747
Other financing (uses), transfers out	(83,212)	(79,091)
Net change in fund balances	6,705	70,656
Fund balances, beginning of year	107,639	36,983
Fund balances, end of year	\$ 114,344	\$ 107,639

City of Peoria, Illinois

Eagle View TIF Project Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance

Year Ended December 31, 2010

With Comparative Figures for the Year Ended December 31, 2009

	<u>2010</u>	<u>2009</u>
Revenues:		
Property taxes	\$ 34,677	\$ 37,062
Interest	225	138
Total revenues	<u>34,902</u>	<u>37,200</u>
Expenditures, current, City administration	<u>382</u>	232
Net change in fund balances	34,520	36,968
Fund balances, beginning of year	<u>51,701</u>	14,733
Fund balances, end of year	<u><u>\$ 86,221</u></u>	<u><u>\$ 51,701</u></u>

City of Peoria, Illinois

Warehouse District TIF Project Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Year Ended December 31, 2010
With Comparative Figures for the Year Ended December 31, 2009

	<u>2010</u>	<u>2009</u>
Revenues:		
Property taxes	\$ 162,498	\$ 156,620
Interest	1,009	691
Total revenues	163,507	157,311
Expenditures, current, City administration	382	232
Net change in fund balances	163,125	157,079
Fund balances, beginning of year	222,171	65,092
Fund balances, end of year	\$ 385,296	\$ 222,171

City of Peoria, Illinois

Hospitality Improvement Zone TIF Project Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Year Ended December 31, 2010
With Comparative Figures for the Year Ended December 31, 2009

	<u>2010</u>	<u>2009</u>
Revenues:		
Property taxes	\$ 25,994	\$ 33,662
State sales taxes	93,530	41,259
Hotel, restaurant and amusement taxes	95,402	68,443
Interest	618	199
Total revenues	<u>215,544</u>	<u>143,563</u>
Expenditures, current, community development	<u>44,099</u>	<u>23,530</u>
Net change in fund balances	171,445	120,033
Fund balances, beginning of year	<u>120,033</u>	-
Fund balances, end of year	<u>\$ 291,478</u>	<u>\$ 120,033</u>

City of Peoria, Illinois

2005A General Obligation Bond Project Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Year Ended December 31, 2010
With Comparative Figures for the Year Ended December 31, 2009

	<u>2010</u>	<u>2009</u>
Other financing (uses), transfers out	<u>\$ -</u>	<u>\$ (654)</u>
Net change in fund balances	-	(654)
Fund balances, beginning of year	-	654
Fund balances, end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

City of Peoria, Illinois

**2006 Special Assessment Bond Project Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Year Ended December 31, 2010
 With Comparative Figures for the Year Ended December 31, 2009**

	<u>2010</u>	<u>2009</u>
Revenues, interest	\$ 1,805	\$ 3,451
Expenditures:		
Current:		
Public works	380	73
General government	-	417
Capital outlay	1,011	-
Total expenditures	1,391	490
Excess of revenues over expenditures	414	2,961
Other financing (uses), transfers out	(80,100)	-
Net change in fund balances	(79,686)	2,961
Fund balances, beginning of year	587,413	584,452
Fund balances, end of year	\$ 507,727	\$ 587,413

City of Peoria, Illinois

**City of Peoria Designated Zone Organization
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Year Ended December 31, 2010
 With Comparative Figures for the Year Ended December 31, 2009**

	2010	2009
Revenues:		
Contributions	\$ 5,000	\$ 10,000
Interest	176	240
Total revenues	5,176	10,240
Expenditures:		
Current, community development	4,933	4,673
Debt service:		
Principal	30,120	86,266
Interest	441	5,414
Total expenditures	35,494	96,353
(Deficiency) of revenues over expenditures	(30,318)	(86,113)
Other financing sources (uses):		
Transfers in	1,361,322	1,382,793
Transfers out	(1,326,004)	(1,286,680)
Total other financing sources	35,318	96,113
Net change in fund balances	5,000	10,000
Fund balances, beginning of year	70,000	60,000
Fund balances, end of year	\$ 75,000	\$ 70,000

City of Peoria, Illinois

**2007A Special Assessment Bond Project Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Year Ended December 31, 2010
 With Comparative Figures for the Year Ended December 31, 2009**

	<u>2010</u>	<u>2009</u>
Revenues:		
Interest	\$ 10	\$ 148
Other	-	9,255
Total revenues	<u>10</u>	<u>9,403</u>
Expenditures, capital outlay	<u>-</u>	<u>11,379</u>
Excess (deficiency) of revenues over expenditures	10	(1,976)
Other financing (uses), transfers out	<u>(6,015)</u>	<u>-</u>
Net change in fund balance	(6,005)	(1,976)
Fund balance, beginning of year	<u>6,005</u>	<u>7,981</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ 6,005</u>

City of Peoria, Illinois

2007A General Obligation Bond Project Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Year Ended December 31, 2010
With Comparative Figures for the Year Ended December 31, 2009

	2010	2009
Revenue, interest	<u>\$ 5,360</u>	<u>\$ 30,010</u>
Expenditures:		
Current:		
Public works	3,792	-
General government	-	7,036
Capital outlay	<u>1,617,818</u>	<u>4,510,351</u>
Total expenditures	<u>1,621,610</u>	<u>4,517,387</u>
(Deficiency) of revenues over expenditures	(1,616,250)	(4,487,377)
Other financing (uses), transfers out	<u>(487,554)</u>	<u>-</u>
Net change in fund balance	(2,103,804)	(4,487,377)
Fund balance, beginning of year	<u>2,190,868</u>	<u>6,678,245</u>
Fund balance, end of year	<u><u>\$ 87,064</u></u>	<u><u>\$ 2,190,868</u></u>

City of Peoria, Illinois

2008A Library General Obligation Bond Project Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Year Ended December 31, 2010
With Comparative Figures for the Year Ended December 31, 2009

	<u>2010</u>	<u>2009</u>
Revenue, interest	<u>\$ 75,321</u>	<u>\$ 136,715</u>
Expenditures, capital outlay	<u>15,996,476</u>	<u>2,127,893</u>
Net change in fund balance	(15,921,155)	(1,991,178)
Fund balance, beginning of year	<u>24,825,857</u>	<u>26,817,035</u>
Fund balance, end of year	<u><u>\$ 8,904,702</u></u>	<u><u>\$ 24,825,857</u></u>

City of Peoria, Illinois

**2010C Taxable General Obligation Bonds Project Fund
 (Build America Bonds and Recovery Zone Bonds)
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Year Ended December 31, 2010
 With Comparative Figures for the Year Ended December 31, 2009**

	2010	2009
Revenue, interest	\$ 17,852	\$ -
Expenditures:		
Current:		
Public works	2,424	-
General government	247,754	-
Capital outlay	4,224,490	-
Total expenditures	4,474,668	-
(Deficiency) of revenues over expenditures	(4,456,816)	-
Other financing sources, issuance of bonds	15,490,000	-
Net change in fund balance	11,033,184	-
Fund balance, beginning of year	-	-
Fund balance, end of year	\$ 11,033,184	\$ -

Pension Trust Funds

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

Following are the individual Pension Trust Funds:

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

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

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City of Peoria, Illinois

**Combining Statement of Fiduciary Net Assets
December 31, 2010**

	Police Pension Fund of Peoria	Firemen's Pension Fund of Peoria	Total
Assets			
Cash and cash equivalents	\$ 213,571	\$ 1,901,981	\$ 2,115,552
Receivables:			
Employer contributions	5,209,968	6,757,424	11,967,392
Plan members' contributions	67,138	39,169	106,307
Accrued interest and dividends	271,849	460,608	732,457
	<u>5,548,955</u>	<u>7,257,201</u>	<u>12,806,156</u>
Other assets, prepaids	-	5,177	5,177
Investments, at fair value:			
Money market mutual funds	3,216,406	1,947,632	5,164,038
U.S. government obligations	32,010,286	44,751,282	76,761,568
State and local obligations	2,041,574	4,122,667	6,164,241
Illinois Public Treasurer's Investment Pool	-	673,112	673,112
Mutual funds	64,097,637	22,317,020	86,414,657
Corporate bonds	8,680,835	1,069,341	9,750,176
Stocks	24,799,601	29,398,065	54,197,666
	<u>134,846,339</u>	<u>104,279,119</u>	<u>239,125,458</u>
Total assets	140,608,865	113,443,478	254,052,343
Liabilities			
Accounts payable and accrued payroll taxes	289,576	102,537	392,113
Net assets held in trust for pension benefit obligation	\$ 140,319,289	\$ 113,340,941	\$ 253,660,230

City of Peoria, Illinois

Combining Statement of Changes in Fiduciary Net Assets
Year Ended December 31, 2010

	Police Pension Fund of Peoria	Firemen's Pension Fund of Peoria	Total
Additions			
Contributions:			
Plan members' contributions	\$ 1,635,437	\$ 1,360,578	\$ 2,996,015
Employer contributions	5,199,707	6,745,309	11,945,016
Transfer of creditable service	4,242	-	4,242
Other income	14,746	10,139	24,885
Total contributions	6,854,132	8,116,026	14,970,158
Investment income:			
Net appreciation in fair value of investments	12,700,362	9,307,301	22,007,663
Dividends	1,058,839	760,689	1,819,528
Interest	1,363,473	1,994,491	3,357,964
Total investment income	15,122,674	12,062,481	27,185,155
Less investment expenses	645,089	346,206	991,295
Net investment income	14,477,585	11,716,275	26,193,860
Total additions	21,331,717	19,832,301	41,164,018
Deductions			
Benefits paid	10,858,372	9,766,880	20,625,252
Administrative expenses	205,800	161,183	366,983
Refunds	10,588	-	10,588
Total deductions	11,074,760	9,928,063	21,002,823
Net increase	10,256,957	9,904,238	20,161,195
Net assets held in trust for pension benefits			
Beginning of year	130,062,332	103,436,703	233,499,035
End of year	\$ 140,319,289	\$ 113,340,941	\$ 253,660,230

Agency Funds

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

Following is the individual Agency Funds:

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

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

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City of Peoria, Illinois

Statement of Changes in Assets and Liabilities

Agency Funds

Year Ended December 31, 2010

	Balance, Beginning	Additions	Deductions	Balance, Ending
Section 125				
Assets, cash and investments	\$ 90,752	\$ 432,928	\$ 417,865	\$ 105,815
Liabilities, due to individuals	\$ 90,752	\$ 432,928	\$ 417,865	\$ 105,815
Other Postemployment Benefits				
Assets:				
Cash and investments	\$ 3,537,480	\$ 4,783,234	\$ -	\$ 8,320,714
Receivables:				
Accrued interest	8,866	-	1,927	6,939
Loan receivable from City	5,319,578	-	1,290,366	4,029,212
Township contribution	42,000	-	-	42,000
Total assets	\$ 8,907,924	\$ 4,783,234	\$ 1,292,293	\$ 12,398,865
Liabilities, due to others	\$ 8,907,924	\$ 4,783,234	\$ 1,292,293	\$ 12,398,865
Total				
Assets:				
Cash and investments	\$ 3,628,232	\$ 5,216,162	\$ 417,865	\$ 8,426,529
Receivables:				
Accrued interest	8,866	-	1,927	6,939
Loan receivable from City	5,319,578	-	1,290,366	4,029,212
Township contribution	42,000	-	-	42,000
	\$ 8,998,676	\$ 5,216,162	\$ 1,710,158	\$ 12,504,680
Liabilities:				
Due to others	\$ 8,907,924	\$ 4,783,234	\$ 1,292,293	\$ 12,398,865
Due to individuals	90,752	432,928	417,865	105,815
	\$ 8,998,676	\$ 5,216,162	\$ 1,710,158	\$ 12,504,680

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City of Peoria

Statistical Section (Unaudited)

Contents

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

Contents	Pages
Financial Trends: Tables I - IV These schedules contain trend information to help the reader understand how the City's financial performance and well being have changed over time.	139 - 143
Revenue Capacity: Tables V - IX These schedules contain information to help the reader assess two primary revenue sources for the City: a) property taxes b) taxable sales.	144 - 149
Debt Capacity: Tables X - XIII 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.	150 - 154
Demographic and Economic Information: Tables XIV - XV These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	155 - 156
Operating Information: Tables XVI - XVIII 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.	157 - 159
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 2005-2010 are presented in Tables I and II.

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

	Fiscal Year					
	2005	2006	2007	2008	2009	2010
	(Restated)					
Governmental activities/primary government:						
Invested in capital assets, net of related debt	\$171,907,375	\$171,655,101	\$185,488,430	\$194,265,042	\$177,077,761	\$ 184,710,991
Restricted	95,081,143	68,518,109	61,923,893	75,633,071	63,707,057	36,374,406
Unrestricted	(131,479,036)	(124,525,566)	(132,053,264)	(151,816,167)	(138,035,376)	(116,070,919)
Total governmental activities/primary government net assets	\$135,509,482	\$115,647,644	\$115,359,059	\$118,081,946	\$102,749,442	\$ 105,014,478

Source: City of Peoria comprehensive annual financial reports for fiscal years 2005 through 2010.

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:

- a) Infrastructure assets increased \$58,781,292 to comply with GASB 34 retroactive infrastructure reporting for fiscal years 1980 through 2001.
- b) Infrastructure assets increased \$11,542,478 to recognize growth cells infrastructure annexed to the City from 2002 through 2005.
- c) 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					
	2005 (Restated)	2006	2007	2008	2009	2010
Expenses						
Governmental activities:						
Elected Offices, Boards, Commissions, and Agencies	\$ 1,705,216	\$ 1,926,997	\$ 2,184,194	\$ 2,118,174	\$ 2,177,766	\$ 1,807,517
City Administration	6,824,431	6,950,987	7,828,057	8,185,595	8,197,849	8,140,929
Police	29,168,640	30,538,723	37,110,409	37,876,713	36,273,295	36,717,097
Fire	22,305,856	24,408,676	27,816,247	28,353,632	31,575,786	31,747,002
Public Works	25,328,323	27,838,925	27,924,254	28,535,894	30,208,619	24,460,125
Community Development	28,639,520	49,626,179	26,926,080	14,753,676	14,723,262	17,055,003
Public Safety	8,046,578	8,412,090	10,534,455	10,196,053	10,768,011	10,265,084
General Government	9,382,074	16,019,134	17,584,981	19,793,924	16,545,136	23,810,131
Library	6,218,324	6,833,270	7,874,572	9,882,250	11,308,891	9,284,492
Interest on Long-Term Debt	7,546,228	7,809,463	7,698,934	7,468,578	8,844,508	8,316,083
Total governmental activities/primary government expenses	\$ 145,165,190	\$ 180,364,444	\$ 173,482,183	\$ 167,164,489	\$ 170,623,123	\$ 171,603,463
Program Revenues						
Governmental activities:						
Charges for services:						
Elected offices, boards, commissions, and agencies	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City administration	-	-	-	-	-	-
Police	475,862	1,020,290	883,111	839,168	558,810	597,217
Fire	412,138	275,658	520,862	709,022	564,471	511,084
Public works	5,822,715	5,635,552	5,522,356	5,546,259	5,229,957	4,970,342
Community development	-	-	-	-	-	-
Public safety	2,331,974	2,373,167	4,177,942	3,921,530	2,792,610	2,594,265
General government	10,654,559	11,442,837	12,348,131	11,839,748	11,951,363	15,374,543
Library	131,886	132,559	122,818	128,679	129,540	98,307
Operating grants and contributions:						
Elected offices, boards, commissions, and agencies	-	-	-	-	-	-
City administration	-	-	-	-	-	-
Police	2,420,407	1,373,059	1,095,196	805,850	786,354	1,155,061
Fire	111,953	145,197	191,955	257,520	186,799	254,738
Public works	-	-	-	4,999	-	-
Community development	7,583,527	9,505,077	7,844,074	6,436,062	8,810,036	10,822,497
Public safety	66,227	39,930	-	-	-	-
General government	520,184	-	(12,121)	-	-	-
Library	28,707	135,412	104,065	65,283	51,760	82,199
Capital grants and contributions						
Elected offices, boards, commissions, and agencies	-	-	-	-	-	-
City administration	-	-	-	-	-	-
Police	-	-	-	-	-	-
Fire	-	-	-	-	-	-
Public works	-	37,572	-	-	186,166	517,220
Community development	-	33,333	13,333	13,333	10,000	5,000
Public safety	-	-	-	-	124,693	579,939
General government	1,559,111	1,955,973	9,391,351	7,385,886	1,121,888	8,712,785
Library	149,577	106,364	151,184	143,026	160,220	105,477
Total governmental activities/primary government program revenues	32,268,827	34,211,980	42,354,257	38,096,365	32,664,667	46,380,674
Net (expense) revenue:						
Total governmental activities/primary government net expense	\$ (112,896,363)	\$ (146,152,464)	\$ (131,127,926)	\$ (129,068,124)	\$ (137,958,456)	\$ (125,222,789)

(Continued)

Table II

	Fiscal Year					
	2005 (Restated)	2006	2007	2008	2009	2010
General Revenues and Other Changes in Net Assets:						
Governmental activities/primary government:						
Taxes:						
Property taxes	\$ 24,697,914	\$ 26,334,488	\$ 27,481,171	\$ 29,047,046	\$ 32,964,520	\$ 34,408,536
Corporate personal property replacement taxes	6,515,378	6,825,112	8,306,487	7,690,109	6,777,042	7,116,213
State sales taxes, unrestricted	21,968,951	23,274,038	23,514,047	23,807,678	21,951,915	22,983,019
State income tax allocation, unrestricted	8,888,641	9,679,194	10,545,996	11,456,986	9,848,758	9,473,829
Home rule sales taxes	21,930,700	22,888,067	23,199,949	23,100,548	21,074,331	21,750,896
Hotel, restaurant and amusement taxes	7,067,524	7,449,766	8,120,176	8,253,017	7,640,779	7,913,576
Local motor fuel taxes	936,573	894,898	893,078	855,599	764,720	843,494
Riverboat gaming revenue	4,058,749	3,965,791	4,005,969	3,594,362	3,528,968	3,536,729
Utility taxes	8,455,737	8,568,744	8,795,630	8,629,442	8,406,435	9,535,439
Grants and contributions not restricted to specific programs	6,279,957	4,810,762	3,508,181	3,350,085	3,163,376	3,141,811
Interest/Investment Income	3,953,095	5,077,067	4,363,118	2,384,392	1,053,232	1,125,035
Franchise Fees, based on gross receipts	1,880,087	2,071,893	2,189,184	2,306,679	2,249,178	2,178,794
Other	4,868,646	4,450,806	5,916,355	7,315,068	3,202,698	3,480,454
Total governmental activities/primary government	\$ 121,501,952	\$ 126,290,626	\$ 130,839,341	\$ 131,791,011	\$ 122,625,952	\$ 127,487,825
Change in net assets:						
Total governmental activities/primary government	\$ 8,605,589	\$ (19,861,838)	\$ (288,585)	\$ 2,722,887	\$ (15,332,504)	\$ 2,265,036

Source: City of Peoria comprehensive annual financial reports for fiscal years 2005 through 2010.

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					
	2005	2006	2007	2008	2009	2010
General Fund:						
Reserved	\$ 932,376	\$ 1,848,711	\$ 7,968,830	\$ 8,704,989	\$ 8,371,893	\$ 8,103,056
Unreserved - Designated	17,823,988	18,691,956	12,570,433	12,828,231	12,847,709	12,859,791
Unreserved - Undesignated	6,532,340	8,736,116	9,665,019	11,078,502	4,595,390	4,371,850
Total General Fund	\$ 25,288,704	\$ 29,276,783	\$ 30,204,282	\$ 32,611,722	\$ 25,814,992	\$ 25,334,697
All Other Governmental Funds:						
Reserved	\$ 28,748,887	\$ 28,807,497	\$ 27,925,865	\$ 26,265,107	\$ 25,208,159	\$ 47,103,244
Unreserved - Designated, reported in:						
Special Revenue Funds	-	841,971	1,502,394	1,665,130	2,002,018	1,961,529
Capital Project Funds	58,116,993	25,180,643	17,213,173	32,740,696	26,235,774	19,684,749
Unreserved - Undesignated, reported in:						
Special Revenue Funds	1,446,695	1,078,166	1,648,746	1,731,009	1,818,615	1,382,947
Debt Service Funds	-	-	-	-	-	-
Capital Project Funds	6,626,544	6,090,571	11,514,801	10,948,360	5,390,826	5,025,196
Total All Other Government Funds	\$ 94,939,119	\$ 61,998,848	\$ 59,804,979	\$ 73,350,302	\$ 60,655,392	\$ 75,157,665

Source: City of Peoria comprehensive annual financial reports for fiscal years 2005 through 2010.

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					
	2005	2006	2007	2008	2009	2010
Revenues:						
Taxes	\$ 100,461,418	\$ 105,914,307	\$ 110,856,534	\$ 112,840,425	\$ 110,789,222	\$ 114,596,444
Riverboat gaming revenue	4,058,749	3,965,791	4,005,969	3,594,362	764,720	3,536,729
Governmental grants and reimbursements	15,630,680	16,282,395	13,939,383	12,798,543	13,087,732	21,927,936
Licenses and Permits	1,956,622	1,743,658	3,378,864	3,374,273	2,048,933	2,516,900
Charges for services	19,752,599	21,208,296	22,385,539	21,916,812	21,426,996	20,069,485
Special assessments	272,370	155,281	272,989	359,175	466,684	778,741
Loan repayments	314,054	389,744	381,881	327,345	154,784	150,998
Interest	3,914,551	5,066,507	4,350,633	2,364,386	1,039,034	1,119,080
Other	5,103,540	4,937,680	4,458,484	5,764,935	3,164,042	3,255,681
Total Revenues	\$ 151,464,583	\$ 159,663,659	\$ 164,030,276	\$ 163,340,256	\$ 152,942,147	\$ 167,951,994
Expenditures:						
Elected offices, boards, commissions, agencies	1,687,969	1,914,702	2,065,825	1,962,117	2,064,338	1,987,560
City administration	6,665,593	6,753,081	7,473,952	7,682,868	7,758,944	7,657,199
Police	29,650,167	31,304,981	34,817,519	35,794,392	35,105,004	34,014,508
Fire	21,500,657	23,295,673	25,210,684	26,125,716	27,796,965	27,463,584
Public works	23,450,167	25,213,092	26,712,420	26,812,501	28,156,412	23,090,210
Community development	28,545,414	49,489,472	23,387,350	13,672,424	13,818,411	15,680,834
Public safety	7,909,693	8,289,939	9,062,108	9,285,483	9,932,649	9,570,742
General government	8,430,306	8,985,341	9,470,644	8,549,659	10,286,382	13,624,131
Library	5,627,239	6,218,368	6,549,961	7,011,868	7,249,289	6,916,950
Capital outlay	14,782,867	14,461,134	23,355,246	22,400,879	17,812,988	38,538,261
Debt service:						
Principal	10,754,953	10,541,104	11,068,939	8,618,657	8,676,500	8,724,038
Interest	7,109,707	8,057,602	7,550,153	8,356,302	9,334,280	8,787,893
Total Expenditures	\$ 166,114,732	\$ 194,524,489	\$ 186,724,801	\$ 176,272,866	\$ 177,992,162	\$ 196,055,910
Excess of Revenues (under) Expenditures	(14,650,149)	(34,860,830)	(22,694,525)	(12,932,610)	(25,050,015)	(28,103,916)
Other Financing Sources (Uses):						
Proceeds from issuance of bonds	99,485,000	9,775,000	19,905,000	28,000,000	17,645,000	43,715,000
Premium on issued bonds	3,521,723	121,590	47,197	798,013	250,876	2,119,576
Payment to refunding bond escrow agent	(38,698,399)	(4,453,083)	-	-	(17,665,354)	(3,836,533)
Proceeds from sale of property	36,662	465,131	1,475,958	87,360	8,275	127,851
New loan proceeds	-	-	-	-	5,319,578	-
Proceeds from note payable	-	-	-	-	-	-
Transfers in	24,254,326	24,774,077	25,355,043	28,416,782	21,422,476	26,081,501
Transfers out	(24,254,326)	(24,774,077)	(25,355,043)	(28,416,782)	(21,422,476)	(26,081,501)
Total Other Financing Sources (Uses)	64,344,986	5,908,638	21,428,155	28,885,373	5,558,375	42,125,894
Net Change in Fund Balances	\$ 49,694,837	\$ (28,952,192)	\$ (1,266,370)	\$ 15,952,763	\$ (19,491,640)	\$ 14,021,978
Debt service as a percentage of noncapital expenditures	11.8%	10.3%	11.4%	11.0%	11.2%	11.1%

Source: City of Peoria comprehensive annual financial reports for fiscal years 2005 through 2010.

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
2011	2010	\$ 1,324,615	\$ 636,251	\$ 48,667	\$ 866	\$ 1,657	\$ 2,012,057	1.43%	\$1.3911
2010	2009	1,306,278	627,211	47,966	840	1,360	1,983,655	1.95%	1.3861
2009	2008	1,276,338	619,746	47,804	809	1,055	1,945,752	5.34%	1.2707
2008	2007	1,215,582	583,533	46,167	860	886	1,847,028	7.63%	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

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; 2010 - \$68,499,960

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

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City of Peoria

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

Fiscal Year	Property Tax Levy Year	City Direct Tax Rate, By Fund						Total Direct Tax Rate
		General Fund	Illinois Municipal Retirement Fund	Library Fund	Library General Obligation Bonds	Firemen's Pension Fund	Police Pension Fund	
2011	2010	\$0.2205	\$0.2369	\$0.3306	\$0.1003	\$0.2839	\$0.2189	\$1.3911
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

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
\$4.9307	\$0.8003	\$0.1329	\$0.7183	\$0.1883	\$0.4462	\$0.1797	\$8.7874
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

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

Taxpayer	2010 (Taxable Assessed Valuation \$2,012,056,724)			2001 (Taxable Assessed Valuation \$1,318,044,419)		
	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.	\$ 22,224,270	1	1.10%	\$ 15,581,240	1	1.18%
MCRIL LLC (Shoppes at Grand Prairie)	16,444,620	2	0.82%			
Northwoods Development Co.	9,476,210	3	0.47%	6,285,130	2	0.48%
OSF Healthcare System	9,028,242	4	0.45%	4,275,160	9	0.32%
Willow Knolls Ltd.	7,942,210	5	0.39%	5,794,400	5	0.44%
Edward Rose Building Co.	6,956,919	6	0.35%			
Gateway Taylor Inc (Sheridan Village & Wardcliffe)	6,627,000	7	0.33%			
Wal-Mart Real Estate Business Trust	6,323,630	8	0.31%			
Lexington House Corporation (Becker)	5,321,520	9	0.26%	4,434,900	8	0.34%
Knoxville Pointe (Apartments off Knoxville)	4,871,310	10	0.24%			
Bradley Operating Ltd.				5,993,060	3	0.45%
PMP Fermentation Products				5,826,920	4	0.44%
Methodist Hospital Services				5,646,640	6	0.43%
Peoria Hotel Ltd. Partner (Pere Marquette)				4,717,460	7	0.36%
American National Bank				4,032,780	10	0.31%
	<u>\$ 95,215,931</u>		<u>4.73%</u>	<u>\$ 62,587,690</u>		<u>4.75%</u>

Source: City of Peoria Official Bond Statements & Peoria County Assessor - Supervisor of Assessments
(Top 10 Taxpayer Listing by Total Assessed Value)

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
2010	2009	\$ 33,764,221	\$ 33,593,128	99.49%	\$ -	\$ 33,593,128	99.49%
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%

Source: Peoria County Treasurer

Note: City of Peoria tax levy amounts, collection amounts and collection percentages above are all-inclusive: City, Library, Tax Increment Financing Districts, Special Service Areas, Road & Bridge Transfers.

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

	Calendar Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
General Merchandise	\$ 323,956	\$ 325,955	\$ 355,380	\$ 387,322	\$ 382,260	\$ 404,909	\$ 390,938	\$ 391,718	\$ 380,143	\$ 378,851
Food	229,391	227,888	220,393	210,394	212,221	218,964	221,889	214,735	222,521	229,184
Drinking and Eating Places	180,999	183,126	188,939	198,481	202,459	211,092	226,625	226,676	218,259	225,876
Apparel	61,496	61,735	71,473	90,068	92,811	97,317	100,587	99,906	89,305	92,305
Furniture, H.H., and Radio	152,339	139,327	152,141	162,219	172,214	180,579	177,355	167,054	147,190	144,841
Lumber, Bldg, Hardware	113,681	105,404	121,274	132,902	142,554	146,777	139,757	130,046	117,211	115,644
Automotive and Filling Stations	359,971	349,163	351,254	358,403	364,665	399,927	404,877	411,187	368,643	402,814
Drugs and Miscellaneous Retail	229,957	230,511	240,091	252,930	249,986	252,687	254,004	255,395	253,201	274,731
Agriculture and All Others	195,491	170,689	175,133	185,198	202,831	213,281	228,694	251,212	193,786	205,011
Manufacturers	27,513	27,471	26,177	24,774	26,136	26,874	25,530	31,985	30,331	37,810
Total	\$ 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	\$ 2,107,068
City direct sales tax rate	2.00%	2.00%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Number of Taxpayers	3,232	3,267	3,186	3,136	3,193	3,115	3,089	2,582	2,446	2,490

Sources: Illinois Department of Revenue (Standard Industrial Classification (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) (6)}
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		
2010	\$ 207,450	\$ 5,961	\$ 3,335	\$ 5,767	\$ 222,513	11.06%	\$ 1,934.78
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

Source:

City of Peoria comprehensive annual financial reports for fiscal years 2001 through 2010.

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 plus major renovations to three existing Library branches.

(6) In 2010, the City issued \$15,490,000 Series 2010(C) Taxable General Obligation Bonds (Build America Bonds and Recovery Zone Bonds) for major infrastructure improvements.

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	Total Net Debt Limit	Total Net Debt Applicable to Limit	Legal Debt Margin
			General Obligation Bonds	Less Amount Available in Debt Service	Net General Bonded Debt					
2010	115,007	\$2,012,057	\$ 207,450	\$ 37,164	\$ 170,286	8.46%	\$1,480.66	\$201,206	\$27,400	\$173,806
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

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 2010:

Assessed Value (from County Report)	\$2,012,057
Debt Limit (10% of assessed value)	201,206
Debt Applicable to Limit:	
General Obligation Bonds	207,450
Less: Amount set aside for repayment of GO Debt	(37,164)
Gross Total Debt Applicable to Limit	170,286
Less: Debt With Alternative Repayment Sources	(142,886)
Net Total Debt Applicable to Limit	27,400
Legal Debt Margin	<u>\$173,806</u>

Direct and Overlapping Governmental Activities Debt ⁽¹⁾
As of December 31, 2010
(Unaudited)

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable To City	City's Estimated Share of Overlapping Debt
County of Peoria	\$ 42,125,000	61.26%	\$ 25,805,775
Greater Peoria Airport Authority	55,080,000	56.59%	31,169,772
Pleasure Driveway and Park District	10,570,000	94.57%	9,996,049
Weaverridge Special Service Area	3,335,000	100.00%	3,335,000
School District No. 62, Pleasant Valley	1,020,000	48.62%	495,924
School District No. 150, City of Peoria	152,282,437	97.74%	148,840,854
School District No. 310, Limestone	3,560,000	7.35%	261,660
School District No. 321, Chillicothe IVC	8,865,000	1.64%	145,386
School District No. 323, Dunlap	59,765,000	86.77%	51,858,091
School District No. 325, Peoria Heights	6,020,000	12.07%	726,614
School District No. 514, Illinois Central College	33,535,000	30.11%	10,097,389
Subtotal - Overlapping Debt	376,157,437		282,732,513
City of Peoria Direct Debt	207,450,000	100.00%	207,450,000
Total Direct and Overlapping Debt	\$ 583,607,437		\$ 490,182,513

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		
2010	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	N/A
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

Notes: 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.

Final debt service payment 12/01/09 for 2004(A) Refunding Downtown Parking Revenue Bonds

Table XIII

Special Assessment Bonds								
Special Assessment Collections	Capitalized Interest	Pledged Property Taxes	Interest Revenue	Net Available Revenue	Debt Service		Coverage	
					Principal	Interest		
\$ 160	\$ -	\$ 300	\$ 72	\$ 532	\$ 108	\$ 330	1.21	
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⁾
2010	115,007	N/A	\$ 24,555	38.1	13,021	11.0%
2009	121,170	N/A	23,105	37.7	13,825	11.2%
2008	121,170	N/A	25,851	37.6	13,642	6.1%
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%

Sources:

⁽¹⁾ United States Census data for 2001 - 2003; Special Census Data for 2004; Special Census Data for 2007
United States Census data for 2010

⁽²⁾ Peoria School District # 150 Administration Offices

⁽³⁾ 2009 and 2010 Unemployment Data Per the IL Department of Employment Security [mi.ides.state.il.us]

⁽⁴⁾ Median Age for 2009 and 2010 from Economic Development Council for Central Illinois website [www.edc.centralillinois.org]

⁽⁵⁾ 2009 - 2010 Per Capita Income from Best Places to Live in Peoria, IL website [www.bestplaces.net/city/Peoria-Illinois.aspx]

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

Employer	2010			2001		
	Employees	Rank	Percentage of Total City ⁽¹⁾ Employment	Employees	Rank	Percentage of Total City ⁽²⁾ Employment
Caterpillar Tractor Company	15,904	1	13.83%	16,553	1	14.66%
Methodist Medical Center	3,000	2	2.61%	2,400	4	2.13%
OSF St. Francis Medical Center	2,947	3	2.56%	4,250	2	3.76%
Peoria School District No. 150	2,500	4	2.17%	3,500	3	3.10%
Supply Chain (SC2)	1,500	5	1.30%	-		
Bradley University	1,400	6	1.22%	1,200	8	1.06%
Proctor Hospital	1,200	7	1.04%	1,050	10	0.93%
Affina, LLC (fka: Ruppman Marketing)	1,014	8	0.88%	-		
County of Peoria	1,000	9	0.87%	-		
Keystone Steel and Wire Company	865	10	0.75%	1,675	5	1.48%
Illinois Central College	-			1,493	6	1.32%
Central Illinois Light Company	-			1,200	7	1.06%
Par-a-Dice Riverboat Casino	-			1,050	9	0.93%

Sources: City of Peoria Official Bond Statements (2001D), Economic Development Council for Central Illinois
Economic Development Commission for the Peoria Area as of 2010.

Note: ⁽¹⁾ Based on 2010 United States Census

⁽²⁾ Based on 2001 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					2010
	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	3	3	3
City Administration						
City Manager	8	7	9	8	7	11
Finance	19	19	19	19	19	18
Human Resources	6	6	6	6	6	6
Information Systems	18	18	18	18	18	18
Legal	8	9	8	8	8	8
Police	282	287	287	290	290	256
Fire	203	210	210	216	216	214
Public Works	103	106	106	106	105	97
Community Development						
Economic Development	6	6	5	5	5	0
Planning and Growth Management	23	20	19	19	19	18
Workforce Development	25	27	25	14	19	19
Public Safety						
Inspection Services	50	50	50	50	50	43
Emergency Services	41	41	41	41	40	38
Library	71	74	72	74	72	67
Total	878	895	890	888	888	827

Sources: City's annual budget book Organizational Summary by Department.
City's actual employee counts for Library, Workforce Development, Election Commission.

Notes: Due to budgetary constraints, primarily resulting from a national economic recession, the City budgeted 56 less employees in 2010.
In late 2009, the City laid off 14 employees and 31 City employees accepted a voluntary separation incentive package.

The Peoria Public Library budgeted 5 less employees in 2010.

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

Function/Program	Fiscal Year					
	2005	2006	2007	2008	2009	2010
Police:						
Total Number of Calls For Service	88,661	86,909	85,249	82,656	81,144	78,815
Total Number of Arrests	12,176	12,651	10,648	9,393	8,425	7,463
--Adult arrest - Misdemeanor and Felony	11,542	11,964	9,752	8,686	7,765	6,739
--Juvenile arrest - Misdemeanor and Felony	634	687	896	707	660	724
Property Crime	7,538	6,597	5,263	4,907	5,518	5,286
Traffic violations	29,595	31,832	31,828	30,195	23,480	20,611
Total Parking Violations	33,258	31,468	25,945	22,971	18,460	16,616
--Peoria Police Department	4,728	5,311	4,365	3,518	1,900	1,403
--Peoria Parking Enforcement	28,530	26,157	21,580	19,453	16,560	15,213
Number of Commissioned Police Officers	242	247	247	250	250	217
Fire:						
Total Number of Alarms	12,985	13,713	14,396	14,726	16,159	16,755
--Fire Calls	692	640	570	528	646	591
--Emergency Medical Services	8,738	8,877	9,346	9,737	11,317	12,684
--Hazardous Materials Calls	447	342	423	358	422	437
--Rescue or Other Calls	3,108	3,898	4,057	4,103	3,774	3,043
Total Number of Inspections	3,243	2,896	3,438	3,546	3,397	1,520
--Fire and Life Safety	2,470	2,500	2,702	2,804	2,577	710
--Hazardous Materials	773	396	736	742	820	810
Number of Commissioned Firefighters	193	201	201	206	205	199
Public Works:						
# Parking Decks & Lots Maintained	11	11	11	13	21	21
Street Resurfacing (# Linear Miles)	82	83	73	82	33	0
Storm Sewer Maintenance (# Linear Feet)	800	650	450	450	250	394
# Street Signs & Signals Maintenance Calls	8,510	8,800	8,762	8,525	8,605	8,700
Inspections:						
# Construction Permits Issued (1)	431	364	365	282	162	176
Library:						
Number of Materials Loaned	735,122	773,245	778,175	848,604	891,905	819,192
Door Count	539,473	536,014	535,721	561,369	589,979	405,712
Computer Usage	85,199	98,817	95,803	97,153	104,031	49,476

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.

In April 2010, the South Side Library Branch was closed, and during 2010, the Main Library Branch had limited services due to construction.

Related Supplemental Data:

(1) New Residential & Commercial Construction	Fiscal Year					
	2005	2006	2007	2008	2009	2010
Dollar Value of Construction	\$ 165,067,612	\$ 122,885,714	\$ 365,660,578	\$ 191,448,160	\$ 56,070,700	\$ 89,839,112

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

Function/Program	Fiscal Year					
	2005	2006	2007	2008	2009	2010
Police:						
Stations	1	1	1	1	1	1
Sub Stations	1	1	1	1	1	1
Marked vehicles	70	70	102	93	92	90
Unmarked Vehicles	41	42	84	86	88	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)	29	31	43	43	44	46
Trucks (GVW 10,100- 25,000)	20	20	33	33	30	27
Streets (Center Lane Miles)	449	449	458	458	463	463
Street Lights	9,866	10,217	10,231	10,231	10,387	10,712
Traffic Signals	254	269	272	279	280	279
Library:						
Facilities (Main Library, 5 Branches, Bookmobile)	7	7	7	7	7	6

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 2010 fiscal year in December 2009. Therefore, the property tax year for these levies is 2009. These taxes would be collected in calendar year 2010 during the 2010 fiscal period.

TAXABLE ASSESSED VALUATION

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

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