

CITY OF PEORIA, ILLINOIS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Year Ended December 31, 2011

Prepared by:

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FINANCE DEPARTMENT

June 25, 2012

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, 2011.

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

Peoria City Hall
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The Honorable James E. Ardis III, Mayor
Members of the City Council
The Citizens of the City of Peoria
June 25, 2012

McGladrey LLP, a firm of licensed certified public accountants, has audited the City of Peoria, Illinois' 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, 2011, 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, 2011, 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
June 25, 2012

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, 6 & 14 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
The Citizens of the City of Peoria
June 25, 2012

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 25, 2012

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 March 2012, the City Council issued \$31.7 million City bonds toward \$92.8 million total proposed improvements in the Hospitality Improvement Zone (HIZ) TIF District. 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. All preceding hotel renovations and hotel construction are scheduled for completion by 2014.

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 0.36% for 2011 compared to 0.69% for 2010. The City's 0.36% average yield on 2011 investments exceeded the 0.10% federal funds rate benchmark and 0.10% 6-month T-bill benchmark.

The City entered into banking and investment services contractual agreements with two new banks, providing highly competitive variable interest rates, effective January 1, 2012. The City has retained a separate investment services contract to obtain optimum certificates of deposit interest rates since January 1, 2006.

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 25, 2012

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 maintains stop loss insurance for specific and aggregate healthcare claims. In January 2012, the City converted from the City's self-insured plan to an insured medicare advantage plan for most retirees age 65 and over.

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 70.2% and 61.8%, respectively, of the present value of the projected benefits earned by employees of the Police and Firefighters Pension Funds. The remaining unfunded amount is being systematically funded over 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 pension benefits offered through this plan beyond the City's contractual payment of 11.32% of payroll for 2011 and 12.45% for 2012.

The City has offered an early retirement incentive option to eligible Illinois Municipal Retirement Fund employees with a November 1, 2011 – October 31, 2012 selection period. A total of 46 employees have accepted early retirement. The total City cost of this early retirement incentive option will be determined following October 31, 2012.

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 533 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 10 and Note 15 in the notes to the financial statements.

The Honorable James E. Ardis III, Mayor
Members of the City Council
The Citizens of the City of Peoria
June 25, 2012

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, 2010. This was the eleventh consecutive year that the City has received this prestigious award. In order to be awarded the Certificate of Achievement, the City published an easily readable and efficiently organized CAFR. This report satisfied both GAAP and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

For the nineteenth consecutive year, the City received the GFOA's Distinguished Budget Presentation Award for its 2011 annual budget document adopted December 14, 2010. 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, 2010

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.



Linda C. Danison

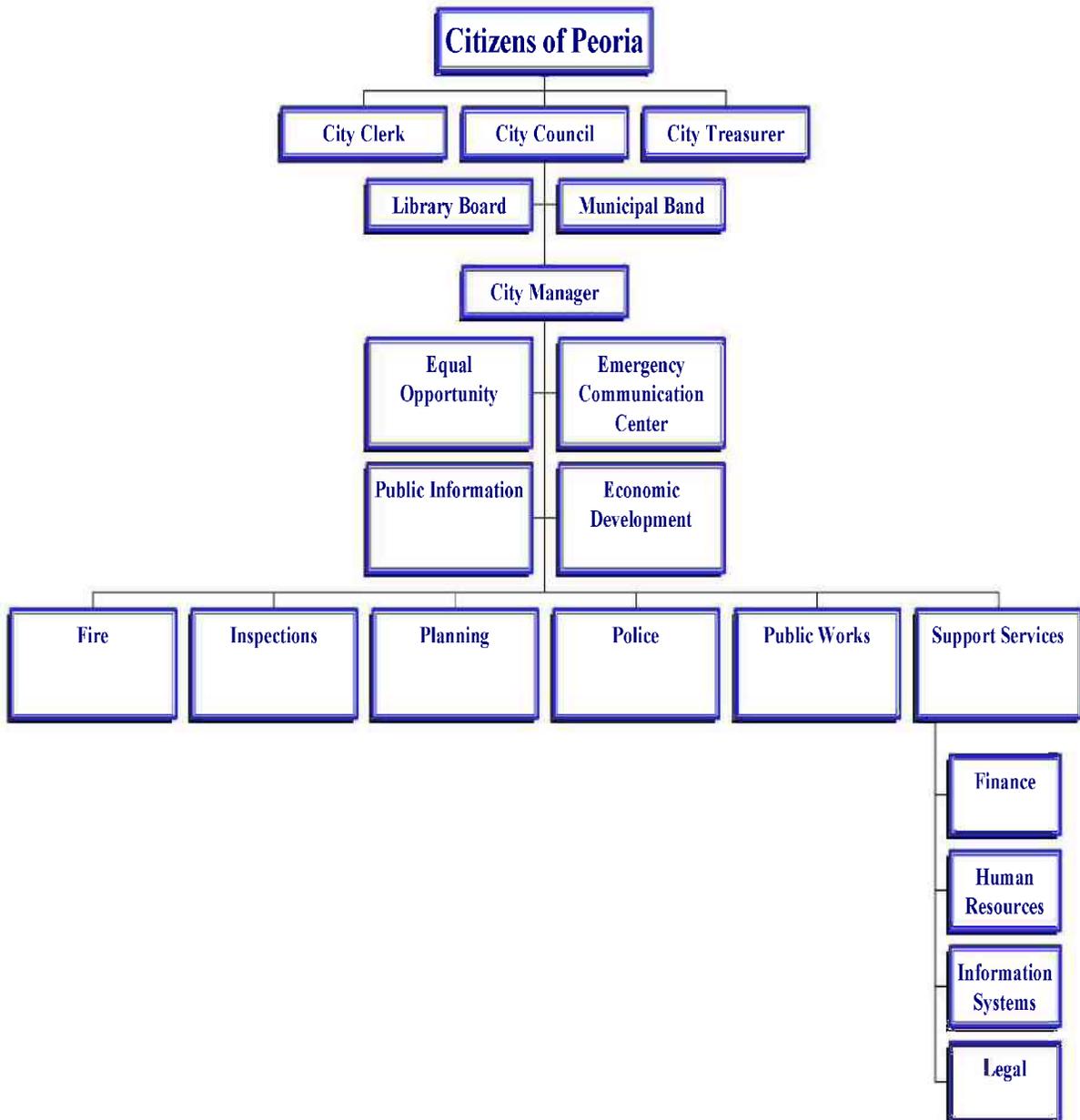
President

Jeffrey R. Emen

Executive Director



City of Peoria 2011



City of Peoria, Illinois

Elected Officials

As of May 5, 2010

Mayor

James E. Ardis III

City Council Members

Barbara Van Auken
Clyde E. Gulley, Jr.
Dan L. Irving
George F. Jacob
Jim Montelongo
Timothy D. Riggerbach
Gary V. Sandberg
Ryan M. Spain
William R. Spears
W. Eric Turner

City Clerk

Mary L. Haynes

City Treasurer

Patrick A. Nichting

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. Riggerbach
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
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, 2011, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Peoria, Illinois' management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Peoria Foreign Fire Insurance Board, which represents \$373,309 (0.08 percent), \$373,309 (0.27 percent) and \$149,232 (0.08 percent), respectively, of the assets, net assets and revenues of the total primary government – governmental activities and 0.13 percent, 0.13 percent and 0.41 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 represent 84.58 percent, 88.28 percent and 48.83 percent, respectively, of the assets, net assets and additions of the aggregate remaining funds. We also did not audit the discretely presented component units of the City of Peoria, Illinois, the financial statements of the Springdale Historic Preservation Foundation, a component unit of Springdale Cemetery Management Authority and the Springdale Cemetery Management Authority and the Peoria Civic Center Authority which represents 100 percent of the assets, net assets and revenues, respectively, of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinions insofar as they relate to amounts included for the Peoria Foreign Fire Insurance Board, the Police Pension Fund of Peoria, the Firemen's Pension Fund of Peoria, the Springdale Historic Preservation Foundation, a component unit of Springdale Cemetery Management Authority, Springdale Cemetery Management Authority and the Peoria Civic Center Authority of Peoria are based on the reports of other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The financial statements of the Peoria Civic Center Authority were not audited in accordance with *Government Auditing Standards*. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Peoria, Illinois, as of December 31, 2011, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As explained in Note 18 to the basic financial statements, the City restated the beginning net assets of the Governmental Activities and beginning fund balance for the General Fund and Illinois Municipal Retirement Fund, major funds and the Other Postemployment Benefit Agency Fund, aggregate remaining fund information. The beginning balances were restated to correct an error in the recognition of an interfund loan and to correct the fund type used to report assets committed for future other postemployment benefits.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 25, 2012, 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 accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 3 through 15, the budgetary comparison information on pages 77 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 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by Governmental Accounting Standards Board (GASB) who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We and the other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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 is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, based on our audit and the reports of other auditors, the information is fairly stated in all material respects in relation to the financial statements 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, 2010, which are not presented with the accompanying financial statements. In our report dated June 16, 2011, 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, based on our audit and the report of other auditors, 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, 2010, taken as a whole.

Our audit was conducted for the purpose of forming an opinion on the financial statements 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. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 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. Accordingly, it is inappropriate to and we do not express an opinion on the supplementary information referred to above.

McGladrey LLP

Davenport, Iowa
June 25, 2012

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, 2011. 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 \$136.4 million at December 31, 2011.
- The City's total net assets increased \$19.0 million during 2011; 72.6% of this total net assets increase is attributable to a \$13.8 million aggregate increase in governmental grants revenue and intergovernmental reimbursements.
- As of December 31, 2011, the City of Peoria's governmental funds reported combined fund balances of \$118.5 million, an increase of \$9.7 million in comparison with the prior year. Approximately 12.9% of this \$118.5 million amount, \$15.3 million, is available for spending at the City's discretion (*unassigned fund balance*).
- The \$17.4 million unassigned general fund balance as of December 31, 2011 was equivalent to 18.4% of total general fund expenditures.
- The City's total outstanding debt decreased \$0.1 million during 2011. The City issued the \$4.1 million Series 2011(A) Refunding General Obligation Bonds, a standard refunding, and the \$5.3 million Series 2011(B) Refunding General Obligation Bonds, an "economic" refunding, to refinance portions of bonds issued in prior years.
- The \$5.3 million Series 2011(B) Refunding General Obligation Bonds, classified as an "economic" refunding, must be recorded in City financial statements as a liability until actual refunding debt service payments are due for previously issued bonds. The 2011(B) Bonds will net \$0.5 million debt service interest savings from 2012-2023.

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 Section 125 Agency Fund, classified as a fiduciary fund, is presented in a separate statement. 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, 2010(D) General Obligation Bond Debt Service Fund and Illinois Municipal Retirement 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 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 – 76 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 77 - 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 \$136.4 million at December 31, 2011. *Restricted net assets* represent resources that are subject to external usage restrictions. The City's (\$73.9) 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 (57.3%) 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, 2011 is presented on the next page.

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

	Governmental Activities 2011	Governmental Activities 2010
Current & Other Assets	\$193.9	\$188.9
Capital Assets	\$260.1	\$252.2
Total Assets	\$454.0	\$441.1
Long-Term Liabilities	\$265.5	\$269.4
Other Liabilities	\$52.1	\$54.3
Total Liabilities	\$317.6	\$323.7
Net Assets:	\$136.4	\$117.4
Invested in Capital Assets, net of related debt	\$186.4	\$184.7
Restricted	\$23.9	\$36.4
Unrestricted	(\$73.9)	(\$103.7)
Total Net assets	\$136.4	\$117.4

Normal Impact Factors: Net Assets

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

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

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

Spending Borrowed Proceeds on New Capital – which will reduce 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 Capital Related 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 2011 governmental activities. Highlights included:

- \$5.0 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.
- \$2.0 million of the \$5.0 million net increase in total local tax revenues constituted the new natural gas utility tax initially levied in 2011. Most utility customers paid a 3.5% utility tax on natural gas usage while bulk users paid \$0.0035 per therm for bulk natural gas usage.
- \$0.4 million decrease in total combined state-shared tax revenues; included state sales tax, state use tax, state income tax, corporate personal property replacement tax, motor fuel tax allotment, auto lease/rental tax and library per capita allotment; \$42.5 million total state-shared revenues constituted 22.7% of total 2011 revenues for governmental activities.
- \$10.6 million increase in total intergovernmental reimbursements, primarily for major road construction, included Orange Prairie Road extension from Alta Road to American Prairie Road and Washington Street improvements from Hamilton Street to Macarthur Highway.
- \$78.5 million combined total Police, Fire and Public Safety (Emergency Communications and Inspections) expenses represented 46.7% of total 2011 governmental activities expenses.
- The City paid \$61.5 million gross wages to City employees in 2011 constituting a \$0.2 million increase over 2010 gross wages. City payroll savings for 29 less permanent, full-time employees budgeted in 2011 were partially offset by additional 2011 payroll costs for 41 early retirees who received \$0.2 million incentive termination payments plus \$0.7 million standard termination payments for accrued leave.
- In addition to gross wages, the City incurred \$40.2 million expenses for the net employer portion of total 2011 employees' benefits costs, including pension plan contributions, healthcare costs, social security and medicare payroll taxes, life insurance costs, workers compensation disability claims, unemployment compensation, non-payroll employee allowances and other post-employment benefits.
- \$2.1 million net total investment interest income represented a \$1.0 million net increase primarily attributable to a \$1.3 million increase in interest revenue earned for State of Illinois Bonds included in the 2010(D) Refunding GO Bonds investment portfolio.

A summary of the City's 2011 Changes in Net Assets is presented on the next page.

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

	Governmental Activities 2011	Governmental Activities 2010
Revenues:		
Program Revenues:		
Charge For Services	\$20.6	\$24.1
Operating Grants & Contributions	\$13.5	\$12.3
Capital Grants & Contributions	\$21.7	\$9.9
General Revenues:		
Property Taxes	\$35.4	\$34.4
Hotel, Restaurant & Amusement Taxes	\$8.5	\$7.9
Other Taxes & Fees	\$79.8	\$78.3
Unrestricted Grants & Contributions	\$3.0	\$3.1
Other Revenues	\$4.6	\$3.8
Total Revenues	\$187.1	\$173.8
Expenses:		
Elected Officials	\$2.0	\$1.8
City Administration	\$3.4	\$4.6
Police	\$38.3	\$36.7
Fire	\$32.4	\$31.7
Public Works	\$24.1	\$24.5
Community Development	\$17.0	\$17.1
Library	\$11.1	\$9.3
Public Safety (excluding Police & Fire)	\$7.8	\$10.3
General Government	\$22.5	\$23.8
Other Expenses	\$9.5	\$8.3
Total Expenses	\$168.1	\$168.1
Increase (Decrease) in Net Assets	\$19.0	\$5.7
Beginning Net Assets 1/1, as restated	\$117.4	\$111.7
Ending Net Assets 12/31	\$136.4	\$117.4

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 70.3% of the City's 2011 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, unassigned 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 \$118.5 million. Approximately \$15.3 million constitutes unassigned fund balance available for discretionary spending. The remainder of fund balance is nonspendable (e.g. inventories and endowments), restricted (e.g. per statutes, bond ordinances, grants and intergovernmental agreements), committed or assigned (e.g. per City's intent to for specific purpose) and consequently unavailable for discretionary spending.

The General Fund is the chief operating fund of the City of Peoria. At the end of the current fiscal year, the unassigned General Fund balance was \$17.4 million while total fund balance reached \$42.4 million. As a measure of the general fund liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures (e.g. 12/31/11 total fund balance in the General Fund represented 45.0% of 2011 general fund expenditures).

The City's total General Fund balance increased \$4.7 million overall during 2011.

- Significant General Fund balance increases in 2011 included:
 - a) \$1.6 million increase in governmental grants and reimbursements revenues.
 - b) \$2.5 million increase in total utility taxes revenues primarily due to a new natural gas utility tax implemented in 2011.
 - c) \$2.7 million decrease in general liability claims costs.
 - d) \$0.9 million increase in home rule sales tax revenue.
 - e) \$0.6 million increase in total hotel/restaurant/amusement taxes revenues.
- Significant General Fund balance decreases in 2011 included:
 - f) \$2.2 million decrease in real estate tax revenue.
 - g) \$1.4 million decrease in State of Illinois income tax allocation revenue.
 - h) \$1.6 million increase in net total healthcare benefits costs.
 - i) \$0.9 million increase in termination payments to employees.
 - j) \$0.3 million increase in total disability benefits payments.
 - k) \$0.9 million increase in total support to other agencies.

The City's combined Capital Improvements (Capital/Local Motor Fuel Tax/Riverfront) Fund balance increased \$9.2 million in 2011. This fund balance increase was primarily due to:

- \$10.7 million increase in major road construction reimbursements from the State of Illinois.

The City's 2011 employer portion of total pension benefits costs for permanent City employees increased \$1.8 million due to the combined effects of:

- \$1.1 million increase in firemen's pension fund contributions.
- \$0.6 million increase in police pension fund contributions.
- \$0.1 million increase in Illinois Municipal Retirement Fund (IMRF) pension contributions.

For payment of future debt service, the City currently maintains \$34.5 million restricted fund balances in all bond debt service funds, \$2.8 million restricted fund balances for debt service in tax increment financing projects funds, and \$9.1 million assigned fund balance 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 2011, the \$1.3 million increase in final budget estimated revenues versus original budget estimated revenues, primarily comprised of budget increase amendments for governmental grants and reimbursements, constituted 1.3% of total original budget estimated revenues.

The \$2.3 million final budget increase versus original budget appropriations constituted 2.4% of original budget appropriations. Final budget appropriations included Police and Fire personnel services increases funded by federal grants.

Other General Fund budgetary highlights included:

- \$2.6 million decrease in total final budget estimated revenues compared with the prior year.
- \$0.7 million decrease in total final budget appropriations in comparison with the prior year.

Capital Asset and Debt Administration

Capital assets. As of December 31, 2011, the City maintained \$260.1 million in capital assets (net of depreciation) representing an 3.1% increase in net capital assets over the prior year for governmental activities. The City's capital assets include land, land improvements, buildings, equipment, vehicles, library media and infrastructure (e.g. roads, sewers, sidewalks, street lights and traffic signals).

Major capital asset events during the current fiscal year included:

- \$8.2 million increase in road construction additions, including the Wilhelm Road Bridge Phase II, Orange Prairie Road extension from Alta Road to American Prairie Road, Washington Street improvements from Hamilton Street to Macarthur Highway, plus Glen Avenue and University Avenue intersection improvements.
- \$7.1 million Library additions during 2011 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 2011	Governmental Activities 2010
Land & Land Improvements	\$16.3	\$16.7
Buildings	66.2	45.3
Vehicles & Equipment	5.6	5.9
Library Media	3.5	3.3
Infrastructure	155.8	155.6
Construction in Progress	12.7	25.4
Total	<u>\$260.1</u>	<u>\$252.2</u>

Additional information regarding the City's capital assets is located in note 6 on pages 58 – 60 of this report.

Long-term debt. The City of Peoria owed total bonded debt of \$212.1 million at December 31, 2011; \$203.3 million of the preceding total comprised debt backed by the full faith and credit of the government plus \$5.9 million comprised revenue bonds secured by specific revenues. The remaining \$2.9 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 Series 2011(A) General Obligation Refunding Bonds, a \$4.1 million standard refunding, to refinance a portion of the previously issued 2004(B) General Obligation Bonds.

The City issued Series 2011(B) General Obligation Refunding Bonds, in the amount of \$5.3 million, to refinance a portion of the previously issued 2005(A) General Obligation Bonds. This refunding bond will generate \$0.5 million net debt service interest savings from 2012-2023. 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 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)**

	2011	2010
General Obligation Bonds	\$203.3	\$207.4
Special Service Area Bonds	2.9	3.3
Revenue Bonds	5.9	6.0
 Total	<u>\$212.1</u>	<u>\$216.7</u>

Additional information on the City of Peoria’s long-term debt can be found in note 5 on pages 48 - 58 of this report.

Economic Conditions and Next Year's Budgets

The City administration continues to grapple with balancing services with limited resources. City officials continue to utilize a five-year operating budget forecasting model and corresponding capital budget program.

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.

The City offered an early retirement incentive option to eligible Illinois Municipal Retirement Fund employees with a November 1, 2011 – November 1, 2012 selection period. A current total of 46 employees have accepted early retirement and received \$0.2 million incentive termination pay. The total City cost of this early retirement incentive option will be determined by the Illinois Municipal Retirement Fund following the November 1, 2012 selection deadline.

The City Council budgeted 51 fewer permanent, full-time City employees in 2012 by eliminating positions vacated by early retirees and by laying off additional employees. Public Works, Inspections and Planning/Growth Management staff cuts accounted for 34 of 51 permanent, full-time employee positions eliminated in 2012. Police and Fire 2012 payroll budgets were supported by \$1.1 million federal hiring grants.

In March 2012, the City Council issued \$31.7 million City bonds toward \$92.8 million total improvements in the Hospitality Improvement Zone (HIZ) TIF District. This multi-year project, scheduled for completion in 2014, includes construction of a new Marriott Courtyard Hotel, significant improvements to the adjoining Pere Marquette Hotel, demolition of the Pere Marquette Hotel parking deck and construction of a new parking deck, plus construction of an elevated walkway linking all three buildings to the Peoria Civic Center.

The City Council and the Labor/Management Healthcare Committee budgeted \$2.6 million less for 2012 healthcare benefits versus 2011 healthcare benefits. Sweeping 2012 healthcare plan design changes featured elimination of an HMO plan and movement of retirees over age 65 from the City's self-insured health plan to an insured Humana medicare advantage health plan.

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, 2011

	Total Primary Government - Governmental Activities	Component Units	
		Peoria Civic Center Authority	Springdale Cemetery Management Authority
Assets			
Current assets:			
Cash and cash equivalents	\$ 39,765,874	\$ 4,135,015	\$ 515,682
Restricted cash and cash equivalents	-	-	91,981
Restricted cash and investments with trustee	2,548,748	-	-
Investments	17,523,775	1,348,630	76,790
Restricted investments	-	-	163,370
Taxes receivable:			
Property taxes	34,076,800	-	-
Corporate personal property replacement taxes	954,159	-	-
State sales and income taxes	10,051,979	-	-
Home rule sales taxes	6,435,405	-	-
Hotel, restaurant and amusement taxes	859,227	-	-
Utility taxes	1,702,599	-	-
Local motor fuel taxes	99,435	-	-
Governmental grants and reimbursements receivable	1,351,805	-	-
Riverboat gaming revenue receivable	586,359	-	-
Loans receivable, net	372,323	-	-
Other receivables, net	2,690,643	1,000,748	339,026
Accrued interest receivable, net	789,161	2,300	-
Special assessments receivable	276,019	-	-
Inventory, prepaid items and other	705,272	256,188	33,740
Total current assets	120,789,583	6,742,881	1,220,589
Noncurrent assets:			
Cash, cash equivalents and investments held for capital projects	16,658,213	-	-
Restricted cash and cash equivalents	-	844,580	-
Investments	-	-	28,907
Restricted cash and investments with trustee	31,684,040	-	-
Loans receivable, net	462,906	-	-
Other receivable	-	297,922	5,844
Special assessments receivable	5,912,017	-	-
Unamortized bond issue costs	2,242,369	-	-
Net pension assets	16,191,586	-	-
Capital assets:			
Not depreciated:			
Land	12,568,967	10,247,918	73,079
Construction-in-progress	12,680,501	7,426	-
Depreciated:			
Infrastructure	312,413,291	-	-
Buildings and land improvements	113,015,350	151,257,774	1,645,873
Major equipment and vehicles	25,840,898	11,626,239	357,699
Media assets	24,531,811	-	-
Software	-	-	127,371
Accumulated depreciation	(241,001,769)	(85,362,025)	(758,424)
Total capital assets	260,049,049	87,777,332	1,445,598
Total noncurrent assets	333,200,180	88,919,834	1,480,349
Total assets	\$ 453,989,763	\$ 95,662,715	\$ 2,700,938

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	\$ 9,108,033	\$ 388,173	\$ 20,808
Accrued payroll	1,890,263	-	-
Accrued interest	357,144	-	-
Other payables	175,876	249,658	7,014
Advance ticket sales	-	2,843,730	-
Due to fiduciary fund	9,690,400	-	-
Estimated payable for claims and losses incurred but not reported	2,340,509	-	-
Unearned revenue, property taxes	24,386,400	-	-
Unearned revenue, other	2,132,565	959,060	327,272
Tax rebates payable	4,739	-	-
Accrued compensated absences	712,671	-	-
Voluntary separation initiative termination benefits	310,000	-	-
Bonds and loans payable, current portion	878,123	274,980	-
Other long-term obligations, current portion	58,525	-	-
Total current liabilities	52,045,248	4,715,601	355,094
Long-term liabilities:			
Accrued compensation absences	7,702,107	-	-
Voluntary separation initiative termination benefits	310,000	-	-
Bonds and loans payable, net of deferred amount on bonds refunded and bond premium	217,614,772	2,268,024	-
Other long-term obligations, noncurrent	856,599	-	-
Net other postemployment benefits obligation	35,388,438	-	-
IMRF pension obligation	1,219,236	-	-
Workers compensation claims payable	1,191,547	-	-
General liability claims payable	1,258,247	-	-
Unearned revenue and deposits	-	869,582	-
Asset held for Tourism Reserve Fund, payable from restricted assets	-	694,391	-
Total long-term liabilities	265,540,946	3,831,997	-
Total liabilities	317,586,194	8,547,598	355,094
Net assets:			
Investment in capital assets, net of related debt	186,383,801	85,234,328	1,445,598
Restricted for:			
Debt service	7,376,317	-	-
TIF redevelopment	5,504,682	-	-
Law enforcement	7,535	-	-
Grants and loans	1,317,721	-	-
Library operations	1,019,506	-	-
Riverfront Development	349,231	-	-
Capital improvements and equipment	8,363,132	-	-
Cemetery, \$237,124 nonspendable	-	-	299,003
Unrestricted (deficit)	(73,918,356)	1,880,789	601,243
Total net assets	136,403,569	87,115,117	2,345,844
Total liabilities and net assets	\$ 453,989,763	\$ 95,662,715	\$ 2,700,938

City of Peoria, Illinois

Statement of Activities
Year Ended December 31, 2011

Functions/Programs:	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental activities:				
Elective offices, boards, commissions and agencies	\$ (2,038,876)	\$ -	\$ -	\$ -
City administration	(3,389,721)	-	-	-
Police	(38,335,139)	605,675	1,980,971	-
Fire	(32,400,123)	501,192	524,903	98,882
Public works	(24,073,194)	5,060,544	-	4,426,709
Community development	(17,018,270)	-	8,649,820	5,000
Public safety	(7,778,795)	2,377,782	-	324,942
General government	(22,512,282)	11,966,230	2,248,247	16,677,425
Library	(11,059,026)	119,577	100,553	139,147
Interest on long-term debt	(9,493,691)	-	-	-
Total primary government	\$ (168,099,117)	\$ 20,631,000	\$ 13,504,494	\$ 21,672,105
Component Units				
Peoria Civic Center Authority	\$ (23,650,225)	\$ 17,477,649	\$ -	\$ 86,500
Springdale Cemetery Management Authority	(621,596)	185,169	339,681	22,992
Total component units	\$ (24,271,821)	\$ 17,662,818	\$ 339,681	\$ 109,492

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
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, as restated
Net assets, end of year

See Notes to Basic Financial Statements.

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

\$	(2,038,876)	\$	-	\$	-
	(3,389,721)		-		-
	(35,748,493)		-		-
	(31,275,146)		-		-
	(14,585,941)		-		-
	(8,363,450)		-		-
	(5,076,071)		-		-
	8,379,620		-		-
	(10,699,749)		-		-
	(9,493,691)		-		-
	(112,291,518)		-		-

	-	(6,086,076)	-
	-	-	(73,754)
	-	(6,086,076)	(73,754)

35,411,598	-	-
6,663,610	-	-
23,425,790	-	-
9,252,638	-	-
22,662,416	-	-
8,514,746	-	-
3,492,315	-	-
12,026,499	-	-
2,968,278	-	-
-	1,534,510	-
2,156,553	19,737	5,381
2,290,351	-	-
2,416,950	-	84,219
131,281,744	1,554,247	89,600
18,990,226	(4,531,829)	15,846
117,413,343	91,646,946	2,329,998
\$ 136,403,569	\$ 87,115,117	\$ 2,345,844

City of Peoria, Illinois

**Balance Sheet
Governmental Funds
December 31, 2011**

Assets	General Fund	Peoria Public Library Fund	Workforce Development Fund
Cash and cash equivalents	\$ 14,462,573	\$ 2,684,757	\$ 31,952
Cash and investments with trustee	-	-	-
Investments	10,238,247	514	246,314
Taxes receivable:			
Property taxes	5,007,300	6,600,600	-
Corporate personal property replacement taxes	954,159	-	-
State sales and income taxes	10,001,070	-	-
Home rule sales taxes	6,435,405	-	-
Hotel, restaurant and amusement taxes	859,227	-	-
Utility taxes	1,702,599	-	-
Local motor fuel taxes	-	-	-
Governmental grants and reimbursements receivable	306,681	-	594,753
Riverboat gaming revenue receivable	-	-	-
Loans receivable, net	-	-	-
Interfund loan receivable	2,712,845	-	-
Other receivables, net	1,837,930	-	5,334
Accrued interest receivable, net	85,490	-	-
Special assessments receivable	-	-	-
Due from other funds	823,878	-	-
Inventory and prepaid items	672,059	-	33,213
Total assets	\$ 56,099,463	\$ 9,285,871	\$ 911,566

(Continued)

Police and Fire Pension Levy Fund	Illinois Municipal Retirement Fund	Capital Improvements Fund	2010D General Obligation Bond Debt Service Fund	Other Governmental Funds	Total Governmental Funds
\$ -	\$ 1,163,412	\$ 15,772,693	\$ 96	\$ 22,304,305	\$ 56,419,788
-	-	-	25,867,475	8,365,313	34,232,788
-	768	1,771,427	-	5,270,804	17,528,074
9,690,400	4,473,300	202,500	-	8,102,700	34,076,800
-	-	-	-	-	954,159
-	-	-	-	50,909	10,051,979
-	-	-	-	-	6,435,405
-	-	-	-	-	859,227
-	-	-	-	-	1,702,599
-	-	99,435	-	-	99,435
-	-	207,381	-	242,990	1,351,805
-	-	586,359	-	-	586,359
-	-	711,192	-	124,037	835,229
-	-	-	-	-	2,712,845
-	-	560,861	-	286,518	2,690,643
-	-	62,394	538,293	102,984	789,161
-	-	6,188,036	-	-	6,188,036
-	-	95,981	-	581,822	1,501,681
-	-	-	-	-	705,272
<u>\$ 9,690,400</u>	<u>\$ 5,637,480</u>	<u>\$ 26,258,259</u>	<u>\$ 26,405,864</u>	<u>\$ 45,432,382</u>	<u>\$ 179,721,285</u>

City of Peoria, Illinois

Balance Sheet (Continued)

Governmental Funds

December 31, 2011

Liabilities and Fund Balance	General Fund	Peoria Public Library Fund	Workforce Development Fund
Liabilities:			
Accounts payable	\$ 2,209,375	\$ 222,288	\$ 363,300
Accrued payroll	2,475,795	110,710	30,498
Claims and losses due and payable	686,176	-	-
Due to other funds	109,039	5,210	-
Interfund loan payable	-	-	-
Unearned revenue, property taxes	5,007,300	6,600,600	-
Deferred and unearned revenue, other	3,004,952	21,331	-
Bonds payable	-	-	-
Tax rebates payable	4,739	-	-
Other payables	175,876	-	-
Total liabilities	13,673,252	6,960,139	393,798
Fund balance:			
Nonspendable:			
Inventories	672,059	-	-
Prepays	-	-	33,213
Library endowments	-	405,982	-
Restricted:			
Debt service	-	-	-
TIF redevelopment	-	-	-
Pensions	-	-	-
Law enforcement	-	-	-
Grants and loans	306,681	-	484,555
Library operations	-	1,019,506	-
Landfill operations	-	-	-
Riverfront Development	-	-	-
Capital improvements and equipment	-	900,244	-
Committed, other postemployment benefits	16,233,211	-	-
Assigned:			
Debt service	6,631,389	-	-
Education	195,072	-	-
Recreation	324,677	-	-
Capital projects	-	-	-
Encumbrances	254,762	-	-
Law enforcement	410,047	-	-
Unassigned	17,398,313	-	-
Total fund balance	42,426,211	2,325,732	517,768
Total liabilities and fund balance	\$ 56,099,463	\$ 9,285,871	\$ 911,566

Police and Fire Pension Levy Fund	Illinois Municipal Retirement Fund	Capital Improvements Fund	2010D General Obligation Bond Debt Service Fund	Other Governmental Funds	Total Governmental Funds
\$ -	\$ 529,932	\$ 2,047,748	\$ -	\$ 3,735,390	\$ 9,108,033
-	-	3,994	-	27,031	2,648,028
-	-	-	-	-	686,176
-	27	546,202	687,625	153,578	1,501,681
-	2,712,845	-	-	-	2,712,845
9,690,400	4,473,300	202,500	-	8,102,700	34,076,800
-	-	6,925,607	-	317,764	10,269,654
-	-	6,000	-	-	6,000
-	-	-	-	-	4,739
-	4,521	-	-	-	180,397
9,690,400	7,720,625	9,732,051	687,625	12,336,463	61,194,353
-	-	-	-	-	672,059
-	-	-	-	-	33,213
-	-	-	-	-	405,982
-	-	-	25,718,239	11,615,222	37,333,461
-	-	-	-	5,504,682	5,504,682
-	-	-	-	-	-
-	-	-	-	7,535	7,535
-	-	526,485	-	-	1,317,721
-	-	-	-	-	1,019,506
-	-	-	-	606,509	606,509
-	-	349,231	-	-	349,231
-	-	-	-	15,361,971	16,262,215
-	-	-	-	-	16,233,211
-	-	2,514,244	-	-	9,145,633
-	-	-	-	-	195,072
-	-	-	-	-	324,677
-	-	13,136,248	-	-	13,136,248
-	-	-	-	-	254,762
-	-	-	-	-	410,047
-	(2,083,145)	-	-	-	15,315,168
-	(2,083,145)	16,526,208	25,718,239	33,095,919	118,526,932
\$ 9,690,400	\$ 5,637,480	\$ 26,258,259	\$ 26,405,864	\$ 45,432,382	\$ 179,721,285

City of Peoria, Illinois

**Reconciliation of Total Governmental Fund Balances to Net Assets of Governmental Activities
December 31, 2011**

Total governmental fund balances	\$	118,526,932
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.		260,049,049
Receivables are deferred in the funds if they are not available for use in the current period.		2,225,072
Special assessments receivable are deferred in the funds if they are not available for use in the current period.		5,912,017
Net pension asset (obligation) is not recorded in the funds.		16,191,586
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.		2,242,369
Bond premiums are reported as other financing sources in the funds.		(4,994,384)
Deferred amounts on refunding are not recorded in the funds.		214,254
Interest payable on debt is not reported in the funds if payments are due subsequent to reporting date.		(352,623)
Other postemployment benefits obligation		(35,388,438)
IMRF pension obligation		(1,219,236)
Workers compensation claims payable		(2,320,218)
General liability claims payable		(1,783,909)
Accrued compensated absences		(8,414,778)
Accrued compensated absences included in accrued payroll in Governmental funds		597,765
Early retirement incentive pay included in accrued payroll in Governmental funds		160,000
Voluntary separation initiative termination benefits		(620,000)
Bonds and loans payable		(213,706,765)
Other long-term obligations		(915,124)
Net assets of governmental activities	\$	136,403,569

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, 2011**

	General Fund	Peoria Public Library Fund	Workforce Development Fund
Revenues:			
Property taxes	\$ 5,101,952	\$ 6,572,853	\$ -
Corporate personal property replacement taxes	3,193,867	479,919	-
State sales taxes	23,119,876	-	-
State income tax allocation	8,655,683	-	-
Home rule sales taxes	22,662,416	-	-
Hotel, restaurant and amusement taxes	8,408,984	-	-
Local motor fuel taxes	-	-	-
Riverboat gaming revenue	-	-	-
Utility taxes	12,026,499	-	-
Governmental grants and reimbursements	1,455,122	229,590	4,987,176
Licenses and permits	2,596,529	-	-
Service charges/finest/fees	15,971,407	119,577	-
Special assessments	-	-	-
Contributions	-	-	-
Loan repayment	-	-	-
Rental	110,439	-	-
Interest	189,362	4,919	-
Other	2,738,922	54,776	75,282
Total revenues	106,231,058	7,461,634	5,062,458
Expenditures:			
Current:			
Elective offices, boards, commissions and agencies	1,770,130	-	-
City administration	2,496,615	-	-
Police	28,918,211	-	-
Fire	22,453,162	-	-
Public works	20,315,854	-	-
Community development	6,358,352	-	5,049,525
Public safety	5,894,588	-	-
General government	5,343,802	-	-
Library	798,132	6,715,528	-
Capital outlay	-	912,095	-
Debt service:			
Principal	-	-	-
Interest	-	-	-
Total expenditures	94,348,846	7,627,623	5,049,525
Excess (deficiency) of revenues over expenditures	11,882,212	(165,989)	12,933
Other financing sources (uses):			
Issuance of bonds	-	-	-
Bond premium	-	-	-
Proceeds from sale of capital assets	-	-	-
Payment to refund debt	-	-	-
Transfers in	555,977	-	-
Transfers out	(7,745,540)	(617,633)	-
Total other financing sources (uses)	(7,189,563)	(617,633)	-
Net change in fund balances	4,692,649	(783,622)	12,933
Fund balances (deficit), beginning of year, as restated	37,733,562	3,109,354	504,835
Fund balances (deficit), end of year	\$ 42,426,211	\$ 2,325,732	\$ 517,768

See Notes to Basic Financial Statements.

	Police and Fire Pension Levy Fund	Illinois Municipal Retirement Fund	Capital Improvements Fund	2010D General Obligation Bond Debt Service Fund	Other Governmental Funds	Total Governmental Funds
\$	9,991,824	\$ 4,706,486	\$ 186,703	\$ -	\$ 8,851,780	\$ 35,411,598
	1,951,485	1,038,339	-	-	-	6,663,610
	-	-	-	-	305,914	23,425,790
	-	-	-	-	-	8,655,683
	-	-	-	-	-	22,662,416
	-	-	-	-	105,763	8,514,747
	-	-	797,703	-	-	797,703
	-	-	3,492,315	-	-	3,492,315
	-	-	-	-	-	12,026,499
	-	-	19,499,456	-	7,152,115	33,323,459
	-	-	1,370	-	-	2,597,899
	-	-	3,088,189	-	364,567	19,543,740
	-	-	185,749	-	-	185,749
	-	-	-	-	5,000	5,000
	-	-	138,852	-	16,016	154,868
	-	-	43,349	-	-	153,788
	606	2,220	120,319	1,839,612	145,819	2,302,857
	-	-	926,351	-	1,703,893	5,499,224
	11,943,915	5,747,045	28,480,356	1,839,612	18,650,867	185,416,945
	-	164,902	2,229	-	-	1,937,261
	-	663,031	167,565	-	33,229	3,360,440
	5,199,837	604,553	621,276	-	457,960	35,801,837
	6,744,078	274,054	118,441	-	144,412	29,734,147
	-	1,238,178	336,323	-	1,549,206	23,439,561
	-	545,049	144,486	-	4,625,673	16,723,085
	-	784,980	665,908	-	416,234	7,761,710
	-	(33,554)	2,464,836	5,563	2,694,673	10,475,320
	-	623,120	-	-	677,254	8,814,034
	-	-	8,994,415	-	13,765,135	23,671,645
	-	-	49,156	-	10,023,082	10,072,238
	-	75,274	26,283	1,056,513	8,930,331	10,088,401
	11,943,915	4,939,587	13,590,918	1,062,076	43,317,189	181,879,679
	-	807,458	14,889,438	777,536	(24,666,322)	3,537,266
	-	-	-	-	9,350,000	9,350,000
	-	-	-	-	646,087	646,087
	-	-	195,925	-	-	195,925
	-	-	-	-	(4,064,361)	(4,064,361)
	-	617,633	2,419,269	1,280,612	20,227,924	25,101,415
	-	-	(8,308,158)	(1,493,788)	(6,936,296)	(25,101,415)
	-	617,633	(5,692,964)	(213,176)	19,223,354	6,127,651
	-	1,425,091	9,196,474	564,360	(5,442,968)	9,664,917
	-	(3,508,236)	7,329,734	25,153,879	38,538,887	108,862,015
\$	-	\$ (2,083,145)	\$ 16,526,208	\$ 25,718,239	\$ 33,095,919	\$ 118,526,932

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, 2011**

Net change in fund balances, governmental funds	\$	9,664,917
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	\$ 23,671,645	
Depreciation expense	(16,218,976)	
Donated infrastructure assets	<u>578,346</u>	8,031,015
The net effect of various miscellaneous transactions involving capital assets is to decrease net assets:		
Proceeds from sale of capital assets	(195,925)	
Net gain on sale of capital assets	<u>60,024</u>	(135,901)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds, grants		489,987
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 receivables made	180,000	
Loans receivable repaid	(154,869)	
Decrease in interest income for accrued interest	(146,305)	
Net change in long-term special assessment receivable	816,923	
Bad debt expense	<u>83,963</u>	779,712
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	(9,350,000)	
Premium on issued bonds	(646,087)	
Less bond issuance costs	224,577	
Principal repayments:		
General obligation and revenue bonds	9,970,500	
Payment to refund bonds	4,064,361	
Other debt	101,738	
Amortization of bond issue costs	(287,222)	
Change in accrued interest payable	26,814	
Amortization of bond premium	596,019	
Amortization of deferred amount on refunding	<u>(28,124)</u>	4,672,576

(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, 2011**

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

Change in:

Compensated absences	836,998	
Accrued compensated absences included in accrued payroll in the Governmental funds	473,188	
Early retirement incentive pay included in accrued payroll in Governmental funds	160,000	
Landfill, postclosure costs	(110,049)	
Other postemployment benefits obligation	(6,855,585)	
IMRF pension obligation	(548,393)	
Workers compensation payable	670,520	
General liability payable	5,095	
Voluntary separation initiative termination benefits	310,000	(5,058,226)

Increase in net pension assets are not reported in governmental funds

546,146

Change in net assets of governmental activities

\$ 18,990,226

See Notes to Basic Financial Statements.

City of Peoria, Illinois

**Statement of Fiduciary Net Assets
Fiduciary Funds
December 31, 2011**

	Pension Trust	Agency
Assets		
Cash and cash equivalents	\$ 1,657,132	\$ 112,010
Receivables:		
Employer contributions	11,551,746	-
Plan members' contributions	40,155	-
Accrued interest and dividends	882,397	-
Prepays	5,549	-
	<u>12,479,847</u>	<u>-</u>
Investments, at fair value:		
Money market mutual funds	6,115,687	-
U.S. government obligations	58,472,225	-
State and local obligations	4,221,925	-
Illinois Public Treasurer's Investment Pool	533,023	-
Mutual funds	86,019,399	-
Corporate bonds	37,828,908	-
Stocks	42,519,159	-
	<u>235,710,326</u>	<u>-</u>
Total assets	<u>249,847,305</u>	<u>112,010</u>
Liabilities		
Accounts payable and accrued payroll	453,530	-
Due to individuals	-	112,010
Total liabilities	<u>453,530</u>	<u>112,010</u>
Net assets held in trust for pension benefit	<u>\$ 249,393,775</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, 2011

Additions

Contributions:

Plan members' contributions	\$ 3,244,799
Employer contributions	11,525,432
Transfer of creditable service	196,078
Other income	114,405
Total contributions	<u>15,080,714</u>

Investment income:

Net appreciation (depreciation) in fair value of investments	(1,860,504)
Dividends	2,182,610
Interest	3,372,090
Total investment income	<u>3,694,196</u>
Less investment expenses	979,411
Net investment income	<u>2,714,785</u>

Total additions	<u>17,795,499</u>
------------------------	-------------------

Deductions

Benefits paid	21,647,564
Administrative expenses	387,480
Refunds	26,910
Total deductions	<u>22,061,954</u>

Net (decrease)	(4,266,455)
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Net assets held in trust for pension benefits

Beginning of year	253,660,230
End of year	<u>\$ 249,393,775</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:

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

Blended component units:

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 reported as 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 reported as 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 reported as 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. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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)

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 are 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.

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

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

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 restricted or committed 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 Fund: The Section 125 Fund, for City employees' medical and child care expense reimbursements, is custodial in nature (assets equal liabilities) and does not involve measurement of the 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.

The City invests in an external investment pool not SEC-registered, the Illinois Funds Money Market Fund. The Illinois Funds Money Market Fund is regulated by the State Treasurer's Office. The fair value of the position in the external investment pool is recorded at amortized cost pursuant to Rule 2a-7 under the Investment Company Act of 1940.

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.

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)

Unamortized bond issue costs: Bond issue costs are capitalized and reported as deferred charges. Bond issuance costs are amortized over the life of the bonds using a method which approximates the effective interest method.

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

Capital assets: Capital assets, which include property, plant, equipment, media, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the City's government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$25,000. There is no capitalization threshold for media (library) assets. Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. 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 balance: In the governmental fund financial statements, fund balances are classified as follows:

Nonspendable: Amounts which cannot be spent either because they are in a nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted: Amounts restricted to specific purposes when constraints placed on the use of the resources are either externally imposed by creditors, grantors or state or federal laws or imposed by law through constitutional provisions or enabling legislation.

Committed: Amounts which can be used only for specific purposes pursuant to constraints formally imposed by the City Council through ordinance or resolution approved prior to year-end. Those committed amounts cannot be used for any other purpose unless the City Council removes or changes the specified use by taking the same action it employed to commit those amounts.

Assigned: Amounts constrained by the City's intent to use them for a specific purpose. The authority to assign fund balance has been delegated to the Finance Director/Comptroller.

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

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

Net 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 Taxable General Obligation Bond Project fund was \$7,143,775 and the 2008A Library General Obligation Bond Project Fund was \$755,307. 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 \$7,535 for law enforcement and \$5,504,682 for TIF redevelopment.

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

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)

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

Note 2. Deposits and Investments

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

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

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

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.

City of Peoria, Illinois

Notes to Basic Financial Statements

Note 2. Deposits and Investments (Continued)

As of December 31, 2011, the City had the following cash and investments:

Cash and cash equivalents statement of net assets	\$ 56,419,788
Restricted cash and investments held by trustee statement of net assets	34,232,788
Investments statement of net assets	17,528,074
Cash and cash equivalents fiduciary funds	1,769,142
Investments fiduciary funds	235,710,326
Total	\$ 345,660,118
Deposits	\$ 22,387,026
Certificates of deposit	11,718,039
Repurchase agreements	35,799,654
Illinois funds	3,239,934
Money market mutual funds	2,572,351
Cash held by trustee	112,687
Investments held by trustee	34,120,101
Investments held by fiduciary funds	235,710,326
Total	\$ 345,660,118

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. As of December 31, 2011, the City had the following investment maturities:

	Fair Value	Investment Maturities (In Years)	
		Less than 1	1 - 5
Illinois Funds	\$ 3,239,934	\$ 3,239,934	\$ -
Money Market Mutual Fund - Federated Cash Trust	2,572,351	2,572,351	-
Investments held by trustee:			
First American Treasury Obligation Fund - Class D Mutual Fund	968,862	968,862	-
U.S. Treasury State & Local Govt Series Certificate of Indebtedness	175,150	175,150	-
U.S. Treasury State & Local Govt Series Time Deposit	12,112	12,112	-
U.S. Treasury Notes	1,558,842	47,600	1,511,242
State of Illinois Municipal Bonds	29,825,249	-	29,825,249
Investors Cash Trust Mutual Fund	1,579,886	1,579,886	-
	\$ 39,932,386	\$ 8,595,895	\$ 31,336,491

City of Peoria, Illinois

Notes to Basic Financial Statements

Note 2. Deposits and Investments (Continued)

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, 2011, none of the City's bank balances, including certificates of deposit and money market accounts of \$58,908,833 were 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, 2011, \$20,777,090 of the City's investments were exposed to custodial credit risk due to the securities being uninsured and not registered in the name of the City but held by the trust department.

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 recorded at amortized cost pursuant to Rule 2a-7 under the Investment Company Act of 1940. This pool is administered by the Illinois State Treasurer.

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. More than 5 percent of the City's investments are in State of Illinois Municipal Bonds, which are 75 percent of the City's total investments.

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 and 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	Standard & Poor's	Moody's	Balance
Illinois Funds	AAAm	Not Rated	\$ 3,239,934
Money Market Mutual Fund Federated Cash Trust	Not Rated	Not Rated	2,572,351
Investments held by trustees:			
First American Treasury Obligation Fund - Class D Mutual Fund	AAAm	Aaa-mf	968,862
State of Illinois Municipal Bonds	A+	A1	29,825,249
Investors Cash Trust Mutual Fund	AAAm	Aaa-mf	1,579,886

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, 2011 consisted of deposits with a financial institution. Deposits with a financial institution are covered by FDIC insurance. As of December 31, 2011, all of the Fund's bank balances with financial institutions of \$246,047 were insured by the FDIC.

City of Peoria, Illinois

Notes to Basic Financial Statements

Note 2. Deposits and Investments (Continued)

As of December 31, 2011, 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	\$ 18,249,031	N/A	4.67
U.S. Government agencies	5,001,312	Aaa	17.35
Money market funds	1,268,976	Aaa-mf	0.14
State and Local obligations	1,071,427	A1	3.01
Corporate bonds	21,328,746	Aaa to Baa3	5.65
Mutual funds - bonds	20,185,448	Aaa	3.97
Mutual funds - equities	45,210,415	N/A	N/A
Stocks	19,560,913	N/A	N/A
Total investments	\$ 131,876,268		

- (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, 2011, 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, 2011 consisted of deposits with a financial institution. At December 31, 2011, all of the bank balances with the financial institution of \$1,489,065 are covered by FDIC insurance.

City of Peoria, Illinois

Notes to Basic Financial Statements

Note 2. Deposits and Investments (Continued)

As of December 31, 2011, the Fund had the following investments:

Type of Investment	Fair Value/ Carrying Amount	Average Credit Quality/ Ratings (1)	Weighted Average Years to Maturity (2)
U.S. Government notes and bonds:			
Explicitly Guaranteed	\$ 17,539,735	N/A	10.79
Implicitly Guaranteed	1,467,293	Aaa	1.41
U.S. Government agencies	16,214,854	Aaa	10.46
Money market funds	4,846,711	AAAm	0.08
State and Local obligations	3,150,498	Aaa to Aaa2	9.86
Illinois Funds	533,023	AAAm	0.10
Corporate bonds	16,500,162	Aaa to Baa3	8.83
Mutual funds - equities	20,623,536	N/A	N/A
Common and preferred stocks	22,958,246	N/A	N/A
Total investments	<u>\$ 103,834,058</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 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, 2011, 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, 2011, \$450,057 of the Civic Center's bank balance of \$6,308,625 was exposed to custodial credit risk. The balance is made up as follows as of August 31, 2011:

	Bank Balance	Carrying Amount
Demand deposits and money market accounts	\$ 4,767,414	\$ 4,959,995
Certificates of deposit	1,348,630	1,348,630
	<u>\$ 6,116,044</u>	<u>\$ 6,308,625</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. 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	4,959,995
Certificates of deposit	1,348,630
	<u>\$ 6,328,225</u>
Cash and cash equivalents	\$ 4,135,015
Restricted assets - cash	844,580
Investments	1,348,630
	<u>\$ 6,328,225</u>

Springdale Cemetery Management Authority

Custodial credit risk: As of December 31, 2011, the carrying amount of the Authority's deposits (including checking, savings and certificates of deposit) was \$582,383 and the bank balance was \$585,173. The Authority also had cash on hand of \$175. None of the bank balance of \$585,173 was exposed to custodial credit risk.

City of Peoria, Illinois

Notes to Basic Financial Statements

Note 2. Deposits and Investments (Continued)

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 mutual funds is held by a third-party agent in the Authority's agent's name.

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

The Illinois Compiled Statutes 30 ILCS 235/Public Funds Investment Act allows for the investment in municipal bonds, U.S. Government or Illinois obligations, insured deposits or other investments of state or national banks, Federal National Mortgage Association obligations, Illinois Funds, and agreements collateralized by securities or mortgages in an amount at least equal to the fair value of the funds deposited. At December 31, 2011, the Authority had investments of \$76,790 in mutual funds which are outside the scope of the Illinois Compiled Statutes. Such mutual funds are partially invested in corporate securities, as well as bonds rated at a lower rating than allowed under the parameters of the investment statute.

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, 2011 were \$188,475.

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 in the governmental funds is deferred until the period for which the property taxes are levied and/or are available. Property tax revenue recorded in the governmental funds by the City for the year ended December 31, 2011 represents installments of the 2010 property taxes which were received during 2011.

The amount of the property tax receivable unearned at year-end represents the tax levied for 2011, for which an enforceable lien exists as of January 1, but is levied for the 2012 budget and will be collected from taxpayers in June and September 2012 with the exception of police and fire pension levies, which are levied and recognized as revenue by the Pension Trust Funds and at the government-wide level.

The police and fire pension levies are recognized as revenue in the governmental activities in the statement of activities based on the inclusion of the current levy year in the actuary calculation of required contributions to the pension plans.

City of Peoria, Illinois

Notes to Basic Financial Statements

Note 4. Restricted Cash and Cash and Investments Held by Trustee

Cash and investments held by trustee: In accordance with the appropriate bond ordinances, as of December 31, 2011, 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. \$1,579,886 of cash and investments 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. \$968,862 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.

The refunding bond escrow agent held \$25,867,475 of cash and investments in the 2010D General Obligation Bond Debt Service Fund.

The refunding bond escrow agent held \$5,727,878 of cash and investments in the 2011B General Obligation Bond Debt Service Fund.

The refunding bond escrow agent held \$88,687 of cash and investments in the General Obligation Bonds Debt Service Master Fund.

As of August 31, 2011, the Civic Center carried \$694,391 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.

As of August 31, 2011, the Civic Center also carried \$150,189 in restricted cash from a state grant for use in capital improvement projects.

City of Peoria, Illinois

Notes to Basic Financial Statements

Note 5. 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.

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.

City of Peoria, Illinois

Notes to Basic Financial Statements

Note 5. Long-Term Debt – Primary Government (Continued)

These bonds are general obligations of the City and contain a pledge of its full faith and credit for the payment of principal and interest. The City anticipates that it will use revenues received from incremental property and sales tax, HRA taxes (hotel, restaurant and amusement taxes), utility taxes, motor fuel taxes and parking rentals to pay the majority of the principal and interest. Property taxes are anticipated to be abated to the extent that these aforementioned revenues are sufficient to meet the debt service payments. However, the City has the power and may levy ad valorem taxes on all taxable property, without limitation as to rate or amount, sufficient to pay principal and interest on the bonds. In 2011, the Council abated 2010 property taxes previously levied that were needed to pay the interest and principal due for all preceding general obligation bonds during 2011.

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.

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.

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.

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.

In 2011, the City issued \$4,060,000 General Obligation Bonds, Series 2011A, with interest rates ranging from 2.00 percent to 3.00 percent, to currently refund the \$4,055,000 balance of the previously issued 2004B General Obligation Bonds maturing January 1, 2013 – January 1, 2025. The City will subsequently save \$609,117 in debt service interest payments from 2011 – 2024 and realize a \$443,811 economic gain (difference between present values of old and new debt service payments) from this refunding.

City of Peoria, Illinois

Notes to Basic Financial Statements

Note 5. Long-Term Debt – Primary Government (Continued)

In 2011, the City issued \$5,290,000 General Obligation Bonds, Series 2011B, with interest rates ranging from 3.00 percent to 4.00 percent, to advance refund \$5,380,000 of the previously issued 2005A Civic Center General Obligation Bonds maturing January 1, 2014, January 1, 2022 and January 1, 2024. The City will subsequently save \$517,284 in debt service interest payments from 2012-2023 and realize a \$428,353 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 must be recorded in the City's governmental funds financial statements as cash held by trustee and restricted 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 2011B General Obligation Refunding Bonds are scheduled January 1, 2022 and January 1, 2026.

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, 2011, the City had been advanced \$2,484,812. The purpose of this loan was to purchase the acquisition site and pay certain relocation costs to the current owners of the acquisition site pursuant to the Peoria, Illinois, Northside Riverfront Redevelopment Area Tax Redevelopment Plan.

Of the \$2,500,000 available, no more than \$1,800,000 could be used to fund the cost of the Acquisition Site (the "Acquisition Loan"); and no more than \$700,000 could be used to fund the Relocation Costs (the "Relocation Loan"); and no more than \$400,000 of the Relocation Loan could be used for relocation to the current owners of Parcel 1 as defined in the Redevelopment Agreement; and no more than \$300,000 of the Relocation Loan could be used for relocation to the current owners of Parcel 2 as defined in the Redevelopment Agreement. The City is required, for a period of 23 years commencing with the date of the adoption of the Northside Riverfront Redevelopment Area, to promptly deposit the incremental real estate taxes when received as follows: 50 percent into the "Principal and Interest Account - Acquisition Loan" and 50 percent into the "Principal and Interest Account - Relocation Loan" accounts. The monies in these accounts shall be used solely for the payment of principal and interest on these two loans as they become due. Payments on the Acquisition Loan began on December 1, 1998, and continue thereafter December 1 of each year until and including December 1, 2015, from the funds available in the Principal and Interest Account - Acquisition Loan based on an amortization schedule which sets forth annual principal and interest payments necessary to pay the loan in full plus accrued interest by December 1, 2015. The City shall have no obligation for the payment of any remaining principal and interest on the Acquisition Loan after May 1, 2018. Payments on the Relocation Loan began on December 1, 1998, and are due thereafter on December 1 of each year until and including December 1, 2015, from the funds available in the Principal and Interest Account - Relocation Loan based on a level payment schedule sufficient to fully amortize both principal and accrued interest on the loan over a 20-year period. The City shall have no obligation for the payment of any remaining principal and interest on the Relocation Loan after December 1, 2018.

WeaverRidge Special Service Area Bonds: The City, in 2006, issued \$4,575,000 of Special Tax Bonds to advance refund the City's Special Tax Bonds, Series 1996 in their entirety; fund a Debt Service Reserve Fund; and pay costs associated with the issuance of the bonds. These bonds are limited obligations of the City and carry a pledge of the special tax to be imposed and collected on all the real property within the Special Service Area subject to the special tax and the proceeds of the redemption or sale of property sold as a result of foreclosure of the lien of special tax. Annual principal and interest payments on the bonds are expected to require 100 percent of net revenues. Total principal and interest remaining on the bonds is \$3,414,500, payable through 2017. For the current year, principal and interest paid and total special taxes revenues were \$542,125 and \$596,695, respectively.

City of Peoria, Illinois

Notes to Basic Financial Statements

Note 5. Long-Term Debt – Primary Government (Continued)

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

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

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

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

Postclosure costs – landfill: State and federal laws and regulations require the City/County to perform certain postclosure maintenance and monitoring functions at City/County Landfill #1 for 30 years after the facility stops accepting waste and is certified for closure by the Illinois Environmental Protection Agency. The City of Peoria and County of Peoria have an agreement to split these postclosure costs equally. The City will report these expenditures to the extent that they will be liquidated with expendable available resources. Expenditures net of additions in the amount of \$110,049 were recognized in 2011. 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, 2011, the City has accrued an associated liability of \$8,414,778. 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, 2011, the City has accrued an associated liability of \$620,000, 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 5. 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, 2011 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			Balance		
	December 31, 2010	Additions	Deletions	December 31, 2011	Current Portion	Long-Term Portion
General obligation bonds	\$ 207,450,000	\$ 9,350,000	\$ 13,530,000	\$ 203,270,000	\$ -	\$ 203,270,000
Revenue/special assessment bonds	5,961,000	-	110,500	5,850,500	344,000	5,506,500
Special assessment bond - matured	6,000	-	-	6,000	6,000	-
Special service area bonds	3,335,000	-	385,000	2,950,000	420,000	2,530,000
Loans payable	1,738,003	-	101,738	1,636,265	108,123	1,528,142
Deferred amount on refunding and bond premium	4,711,299	636,726	567,895	4,780,130	-	4,780,130
Total bonds and loans payable, net	223,201,302	9,986,726	14,695,133	218,492,895	878,123	217,614,772
Landfill closure and postclosure care costs	805,075	407,401	297,352	915,124	58,525	856,599
Worker's compensation claims	3,083,153	2,446,365	2,897,500	2,632,018	1,440,471	1,191,547
General liability claims	1,810,987	358,068	260,770	1,908,285	650,038	1,258,247
Net other postemployment benefit obligation	28,532,853	15,491,285	8,635,700	35,388,438	-	35,388,438
Voluntary Separation Initiative Termination Benefits	930,000	-	310,000	620,000	310,000	310,000
IMRF net pension obligation	670,843	548,393	-	1,219,236	-	1,219,236
Compensated absences	9,251,776	4,825,260	5,662,258	8,414,778	712,671	7,702,107
Total long-term debt	\$ 268,285,989	\$ 34,063,498	\$ 32,758,713	\$ 269,590,774	\$ 4,049,828	\$ 265,540,946

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 IMRF net pension obligation. 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 5. Long-Term Debt – Primary Government (Continued)

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

Description of issues:

Amount of issue	\$1,225,000	\$2,060,000
Date of issue	September 1, 1998	June 1, 2002
Dates interest payable	January 1 and July 1	January 1 and July 1
Date principal payable	January 1	January 1
Interest rates	5.70 to 6.05%	3.50 to 4.40%

	1998C Taxable Riverfront Village		2002A	
	General Obligation Bonds		General Obligation Bonds	
	Principal	Interest	Principal	Interest
<u>Year ending December 31:</u>				
2012	\$ -	\$ 35,159	\$ -	\$ 16,160
2013	65,000	31,611	250,000	5,500
2014	75,000	27,376	-	-
2015	85,000	22,536	-	-
2016	100,000	16,941	-	-
2017 - 2021	230,000	14,218	-	-
2022 - 2026	-	-	-	-
2027 - 2031	-	-	-	-
	<u>\$ 555,000</u>	<u>\$ 147,841</u>	<u>\$ 250,000</u>	<u>\$ 21,660</u>

Description of issues:

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

	2002B		2003A	
	General Obligation Bonds		General Obligation Bonds	
	Principal	Interest	Principal	Interest
<u>Year ending December 31:</u>				
2012	\$ -	\$ 3,187	\$ -	\$ 120,580
2013	-	-	200,000	112,780
2014	-	-	205,000	104,680
2015	-	-	210,000	96,380
2016	-	-	220,000	87,560
2017 - 2021	-	-	1,240,000	281,028
2022 - 2026	-	-	570,000	27,312
2027 - 2031	-	-	-	-
	<u>\$ -</u>	<u>\$ 3,187</u>	<u>\$ 2,645,000</u>	<u>\$ 830,320</u>

City of Peoria, Illinois

Notes to Basic Financial Statements

Note 5. Long-Term Debt – Primary Government (Continued)

Description of issues:

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

	2004C		2005A	
	General Obligation Bonds		General Obligation Bonds	
	Principal	Interest	Principal	Interest
<u>Year ending December 31:</u>				
2012	\$ -	\$ 318,975	\$ -	\$ 2,931,888
2013	975,000	284,331	215,000	2,925,588
2014	1,010,000	240,800	1,120,000	2,898,888
2015	1,055,000	189,175	1,330,000	2,849,888
2016	1,110,000	135,050	2,015,000	2,782,988
2017 - 2021	2,390,000	102,450	16,795,000	12,105,366
2022 - 2026	-	-	27,380,000	6,972,163
2027 - 2031	-	-	13,450,000	686,250
	<u>\$ 6,540,000</u>	<u>\$ 1,270,781</u>	<u>\$ 62,305,000</u>	<u>\$ 34,153,019</u>

Description of issues:

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

	2005B		2007A	
	General Obligation Bonds		General Obligation Bonds	
	Principal	Interest	Principal	Interest
<u>Year ending December 31:</u>				
2012	\$ -	\$ 1,255,070	\$ -	\$ 705,094
2013	3,775,000	1,071,820	780,000	674,494
2014	3,440,000	891,445	815,000	642,592
2015	2,675,000	738,570	855,000	609,193
2016	2,425,000	611,070	895,000	574,194
2017 - 2021	11,130,000	1,184,004	5,105,000	2,272,472
2022 - 2026	-	-	6,340,000	1,055,442
2027 - 2031	-	-	1,445,000	32,512
	<u>\$ 23,445,000</u>	<u>\$ 5,751,979</u>	<u>\$ 16,235,000</u>	<u>\$ 6,565,993</u>

City of Peoria, Illinois

Notes to Basic Financial Statements

Note 5. Long-Term Debt – Primary Government (Continued)

Description of issues:

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

Year ending December 31:	2008A		2009A	
	General Obligation Bonds		General Obligation Bonds	
	Principal	Interest	Principal	Interest
2012	\$ -	\$ 1,292,275	\$ -	\$ 419,026
2013	840,000	1,264,750	1,895,000	374,938
2014	980,000	1,228,350	1,940,000	322,150
2015	1,060,000	1,187,550	2,005,000	262,975
2016	1,150,000	1,143,350	2,075,000	201,802
2017 - 2021	7,195,000	4,809,425	3,940,000	468,751
2022 - 2026	10,260,000	2,653,750	250,000	6,250
2027 - 2031	5,200,000	264,500	-	-
	<u>\$ 26,685,000</u>	<u>\$ 13,843,950</u>	<u>\$ 12,105,000</u>	<u>\$ 2,055,892</u>

Description of issues:

Amount of issue	\$2,420,000	\$1,495,000
Date of issue	February 23, 2010	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 4.00%	1.52 to 3.43%

Year ending December 31:	2010A		2010B Taxable	
	General Obligation Bonds		General Obligation Bonds	
	Principal	Interest	Principal	Interest
2012	\$ -	\$ 76,550	\$ -	\$ 36,544
2013	185,000	74,450	370,000	29,462
2014	185,000	70,750	375,000	19,246
2015	190,000	66,525	390,000	6,689
2016	200,000	61,150	-	-
2017 - 2021	1,100,000	203,325	-	-
2022 - 2026	500,000	20,200	-	-
2027 - 2031	-	-	-	-
	<u>\$ 2,360,000</u>	<u>\$ 572,950</u>	<u>\$ 1,135,000</u>	<u>\$ 91,941</u>

City of Peoria, Illinois

Notes to Basic Financial Statements

Note 5. Long-Term Debt – Primary Government (Continued)

Description of issues:

Amount of issue	\$15,490,000	\$24,310,000
Date of issue	July 12, 2010	October 25, 2010
Dates interest payable	July 1 and January 1	January 1 and July 1
Date principal payable	January 1	January 1
Interest rates	2.00 to 6.40%	2.00 to 5.00%

	2010C Taxable		2010D	
	General Obligation Bonds		General Obligation Bonds	
	Principal	Interest	Principal	Interest
<u>Year ending December 31:</u>				
2012	\$ -	\$ 556,217	\$ -	\$ 1,056,512
2013	395,000	552,226	-	1,056,512
2014	400,000	545,505	-	1,056,512
2015	400,000	537,705	-	1,056,512
2016	410,000	528,747	70,000	1,055,812
2017 - 2021	2,155,000	2,469,802	5,920,000	4,267,274
2022 - 2026	2,685,000	2,070,294	18,320,000	2,174,022
2027 - 2031	8,905,000	1,002,287	-	-
	<u>\$ 15,350,000</u>	<u>\$ 8,262,783</u>	<u>\$ 24,310,000</u>	<u>\$ 11,723,156</u>

Description of issues:

Amount of issue	\$4,060,000	\$5,290,000
Date of issue	December 8, 2011	December 20, 2011
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 3.00%	3.00 to 4.00%

	2011A		2011B	
	General Obligation Bonds		General Obligation Bonds	
	Principal	Interest	Principal	Interest
<u>Year ending December 31:</u>				
2012	\$ -	\$ 57,805	\$ -	\$ 107,003
2013	255,000	106,975	-	204,900
2014	265,000	101,775	-	204,900
2015	275,000	96,375	-	204,900
2016	280,000	90,125	-	204,900
2017 - 2021	1,540,000	332,613	-	1,024,500
2022 - 2026	1,445,000	88,425	5,290,000	142,650
2027 - 2031	-	-	-	-
	<u>\$ 4,060,000</u>	<u>\$ 874,093</u>	<u>\$ 5,290,000</u>	<u>\$ 2,093,753</u>

City of Peoria, Illinois

Notes to Basic Financial Statements

Note 5. Long-Term Debt – Primary Government (Continued)

Description of issues:

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

	2006		2007A	
	Special Assessment Bond		Special Assessment Bonds	
	Principal	Interest	Principal	Interest
<u>Year ending December 31:</u>				
2012	\$ 235,000	\$ 279,370	\$ 109,000	\$ 38,054
2013	250,000	267,620	109,000	31,678
2014	260,000	255,120	109,000	25,301
2015	275,000	242,120	109,000	18,925
2016	290,000	228,370	109,000	12,548
2017 - 2021	1,690,000	899,485	105,500	6,172
2022 - 2026	2,200,000	387,025	-	-
2027 - 2031	-	-	-	-
	<u>\$ 5,200,000</u>	<u>\$ 2,559,110</u>	<u>\$ 650,500</u>	<u>\$ 132,678</u>

Description of issues:

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

	PMP Promissory Note		WeaverRidge Special Service Area Bonds	
	Principal	Interest	Principal	Interest
	<u>Year ending December 31:</u>			
2012	\$ 56,263	\$ 60,358	\$ 420,000	\$ 137,000
2013	458,057	87,777	450,000	115,250
2014	216,018	76,609	480,000	92,000
2015	477,207	64,659	520,000	67,000
2016	-	-	555,000	40,125
2017 - 2021	-	-	525,000	13,125
2022 - 2026	-	-	-	-
2027 - 2031	-	-	-	-
	<u>\$ 1,207,545</u>	<u>\$ 289,403</u>	<u>\$ 2,950,000</u>	<u>\$ 464,500</u>

City of Peoria, Illinois

Notes to Basic Financial Statements

Note 5. Long-Term Debt – Primary Government (Continued)

Description of issues:

Amount of issue	\$687,788
Date of issue	January 30, 2006
Dates interest payable	January 30
Date principal payable	January 30
Interest rates	5.50%

Year ending December 31:	Total Long-Term			
	Wal-Mart Promissory Note		Bonds and Notes Payable	
	Principal	Interest	Principal	Interest
2012	\$ 51,860	\$ 23,580	\$ 872,123	\$ 9,526,407
2013	54,712	20,727	11,521,769	9,293,389
2014	57,721	17,718	11,932,739	8,821,717
2015	60,896	14,543	11,972,103	8,332,220
2016	64,245	11,194	11,968,245	7,785,926
2017 - 2021	139,286	11,594	61,199,786	30,465,604
2022 - 2026	-	-	75,240,000	15,597,533
2027 - 2031	-	-	29,000,000	1,985,549
	<u>\$ 428,720</u>	<u>\$ 99,356</u>	<u>\$ 213,706,765</u>	<u>\$ 91,808,345</u>

Note 6. Capital Assets

A summary of the changes in capital assets follows:

	Cost			
	Balance			Balance
	December 31, 2010	Additions	Deletions	December 31, 2011
Not depreciated:				
Land	\$ 12,517,864	\$ 51,103	\$ -	\$ 12,568,967
Construction-in-progress	25,411,489	5,576,394	(18,307,382)	12,680,501
Depreciated:				
Land improvements	7,228,942	-	-	7,228,942
Buildings	81,470,111	24,316,297	-	105,786,408
Machinery and equipment	7,405,982	380,968	(55,654)	7,731,296
Vehicles	17,968,737	944,738	(803,873)	18,109,602
Media	24,444,230	912,095	(824,514)	24,531,811
Infrastructure	302,037,513	10,375,778	-	312,413,291
Total	<u>\$ 478,484,868</u>	<u>\$ 42,557,373</u>	<u>\$ (19,991,423)</u>	<u>\$ 501,050,818</u>

City of Peoria, Illinois

Notes to Basic Financial Statements

Note 6. Capital Assets (Continued)

	Accumulated Depreciation			Balance December 31, 2011	Net Capital Assets as of December 31, 2011
	Balance December 31, 2010	Additions	Deletions		
Not depreciated:					
Land	\$ -	\$ -	\$ -	\$ -	\$ 12,568,967
Construction-in-progress	-	-	-	-	12,680,501
Depreciated:					
Land improvements	3,084,057	404,408	-	3,488,465	3,740,477
Buildings	36,191,242	3,396,130	-	39,587,372	66,199,036
Machinery and equipment	6,253,999	229,816	(17,159)	6,466,656	1,264,640
Vehicles	13,218,314	1,237,385	(706,467)	13,749,232	4,360,370
Media	21,104,330	747,679	(824,514)	21,027,495	3,504,316
Infrastructure assets	146,478,991	10,203,558	-	156,682,549	155,730,742
Total	\$ 226,330,933	\$ 16,218,976	\$ (1,548,140)	\$ 241,001,769	\$ 260,049,049

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	\$ 273,809
Fire	912,232
Public works	940,200
Community development	71,666
Public safety	35,952
General government	12,104,140
Library	1,874,587
Elected & Commission	-
City Administration	6,390
Total depreciation expense	\$ 16,218,976

City of Peoria, Illinois

Notes to Basic Financial Statements

Note 6. Capital Assets (Continued)

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, 2010	Additions	Deletions	Balance August 31, 2011
Historical cost:				
Not depreciated:				
Land	\$ 10,247,918	\$ -	\$ -	\$ 10,247,918
Construction-in-process	443,955	1,579,920	(2,016,449)	7,426
Depreciated:				
Land improvements	7,599,780	50,319	-	7,650,099
Building and improvements	143,059,331	548,344	-	143,607,675
Furniture, fixtures and equipment	10,208,453	1,417,786	-	11,626,239
Total cost	171,559,437	3,596,369	(2,016,449)	173,139,357
Accumulated depreciation:				
Land improvements	5,155,299	354,491	-	5,509,790
Building and improvements	65,544,172	4,897,355	-	70,441,527
Furniture, fixtures and equipment	8,854,235	556,473	-	9,410,708
Total accumulated depreciation	79,553,706	5,808,319	-	85,362,025
Net land, building and equipment	\$ 92,005,731	\$ (2,211,950)	\$ (2,016,449)	\$ 87,777,332

	Springdale Cemetery Management Authority				
	Balance as of December 31, 2010	Additions	Deletions	Transfers	Balance as of December 31, 2011
Cost:					
Assets depreciated:					
Maintenance building	\$ 390,396	\$ 16,190	\$ -	\$ -	\$ 406,586
Building improvements	361,899	-	-	-	361,899
Land improvements	870,434	2,854	-	4,100	877,388
Furniture and equipment	370,611	3,948	(16,860)	-	357,699
Computer software	127,371	-	-	-	127,371
Assets not depreciated:					
Land	65,604	7,475	-	-	73,079
Construction-in-progress	4,100	-	-	(4,100)	-
Total	\$ 2,190,415	\$ 30,467	\$ (16,860)	\$ -	\$ 2,204,022

	Balance as of December 31, 2010	Additions	Deletions and Transfers	Balance as of December 31, 2011	Net Capital Assets as of December 31, 2011
Accumulated depreciation:					
Maintenance building	\$ 67,269	\$ 10,010	\$ -	\$ 77,279	\$ 329,307
Building improvements	56,793	10,411	-	67,204	294,695
Land improvements	166,970	34,647	-	201,617	675,771
Furniture and equipment	294,882	33,956	(12,098)	316,740	40,959
Computer software	70,110	25,474	-	95,584	31,787
Land	-	-	-	-	73,079
Construction-in-progress	-	-	-	-	-
Total	\$ 656,024	\$ 114,498	\$ (12,098)	\$ 758,424	\$ 1,445,598

City of Peoria, Illinois

Notes to Basic Financial Statements

Note 7. Receivables

Loans receivable and accrued interest receivable as of December 31, 2011 are net of allowance for uncollectible accounts in the amounts of \$386,866 and \$47,378, respectively.

Other current receivables as of December 31, 2011 consist of the following:

Charges for services and reimbursements	\$ 1,278,359
Franchise fees	305,155
Other fines and fees	1,166,399
Other	31,541
Total other current receivables (gross)	<u>2,781,454</u>
Less allowance for uncollectible accounts	(134,311)
Total other current receivables (net)	<u><u>\$ 2,647,143</u></u>

Note 8. Other Required Individual Fund Disclosures

The individual fund interfund receivable and payable balances as of December 31, 2011 are as follows:

	Due From Other Funds	Due to Other Funds
Major funds:		
General Fund	\$ 823,878	\$ 109,039
Peoria Public Library Fund	-	5,210
Illinois Municipal Retirement Fund	-	27
Capital Improvements Fund	95,981	546,202
2010D General Obligation Bond Debt Service Fund	-	687,625
Nonmajor funds	581,822	153,578
	<u>\$ 1,501,681</u>	<u>\$ 1,501,681</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 interfund loans included in the basic financial statements of the City:

	Interfund Loan Receivable	Interfund Loan Payable
Major funds:		
General Fund	\$ 2,712,845	\$ -
Illinois Municipal Retirement Fund	-	2,712,845

The City approved and executed a loan from the City's General Fund, previously the City's Other Postemployment Benefit (OPEB) Agency Fund, to pay the remaining 2002-2003 early retirement incentive balance due to the Illinois Municipal Retirement Fund (IMRF). This loan in the amount of \$5,319,578 is to be repaid to the City's General fund over four years at an interest rate of 2% with the final payment being made January 1, 2014.

City of Peoria, Illinois

Notes to Basic Financial Statements

Note 8. Other Required Individual Fund Disclosures (Continued)

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	\$ 555,977	\$ 7,745,540
Peoria Public Library Fund	-	617,633
Illinois Municipal Retirement Fund	617,633	-
Capital Improvements Fund	2,419,269	8,308,158
2010D General Obligation Bond Debt Service Fund	1,280,612	1,493,788
Nonmajor funds	20,227,924	6,936,296
	<u>\$ 25,101,415</u>	<u>\$ 25,101,415</u>

Transfers are used to (1) move revenues from the fund collecting them to the fund that statute or budget reflects to expend them, (2) move receipts restricted to debt service from the funds collecting them to the Debt Service Fund as debt service payments become due, (3) use unrestricted revenues collected to finance various programs accounted for in other funds in accordance with budgetary authorizations, (4) debt service transfers from refunding bond escrow agent to bond trustee paying agent for "economic" refunding bonds and (5) transfers of net debt service interest savings on "economic" refunding bonds. Generally accepted accounting principles require disclosure of certain information concerning individual funds including deficit fund balances or deficit net assets of individual funds.

As of December 31, 2011, the Illinois Municipal Retirement Fund had a deficit fund balance of \$2,078,624. This deficit will be eliminated through future property taxes and is the result of the upfront payment of an early retirement incentive previously discussed.

City of Peoria, Illinois

Notes to Basic Financial Statements

Note 9. 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. Claims liabilities that are due and payable are recorded in the General Fund with the remaining claims liabilities reported in the governmental activities of the statement of net assets. 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/\$3,000,000 limits for general liability
- \$1,000,000/\$3,000,000 limits for auto, employment practices, employment benefits, law enforcement, and public officials liability
- \$10,000,000 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.

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, 2011, 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 \$714,468 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 9. 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 2011 and 2010 were:

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	972,110
Current year claims and changes in estimates	10,486,681
Claims paid	<u>(10,494,323)</u>
Balance, December 31, 2011	<u><u>\$ 964,468</u></u>

Changes in the worker's compensation liability which include unpaid reported claims and amounts incurred but not reported in fiscal years 2011 and 2010 were:

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	3,083,153
Current year claims and changes in estimates	2,446,365
Claims paid	<u>(2,897,500)</u>
Balance, December 31, 2011	<u><u>\$ 2,632,018</u></u>

Changes in the general liability which include unpaid reported claims and amounts incurred but not reported in fiscal years 2011 and 2010 were:

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	1,810,987
Current year claims and changes in estimates	358,068
Claims paid	<u>(260,770)</u>
Balance, December 31, 2011	<u><u>\$ 1,908,285</u></u>

Of the \$2,632,018 of worker's compensation liability, \$311,800 is reported in the General Fund as due and payable and \$2,320,218 is reported in governmental activities. Of the \$1,908,285 of general liability, \$124,376 is reported in the General Fund as due and payable and \$1,783,909 is reported in governmental activities.

City of Peoria, Illinois

Notes to Basic Financial Statements

Note 10. Pension Plans

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

The Illinois Pension Code establishes the benefit provisions of IMRF that can only be amended by the Illinois General Assembly. Additionally, the employer contributions levels of the Police Pension Fund and the Firemen's Pension Fund are mandated by Illinois State Statute (Chapter 40, Article 3 and Chapter 108-112, Article 4, respectively) and may also be amended only by the Illinois legislature.

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

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

Illinois Municipal Retirement Fund 2211 York Road, Suite 500 Oak Brook, Illinois 60523	Police Pension Board City of Peoria 419 Fulton Street Peoria, Illinois 61602	Fire Pension Board City of Peoria 419 Fulton Street Peoria, Illinois 61602
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Funding policy and annual pension cost – pension plans: The member rate for IMRF and the employee and employer levels are statutorily dictated and can only be amended with legislative action. The IMRF employee contribution requirements are established and may be amended by the IMRF Board of Trustees. Benefits and refunds of the Police and Firemen's Pension Funds are recognized when due and payable in accordance with the Plans.

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

	Illinois Municipal Retirement Fund	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%

(1) The contribution rate for calendar year 2011 used by the employer was 11.32 percent of annual covered payroll. The employer annual required contribution rate for calendar year 2011 was 13.59 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, 2040 plus (c) interest on (a) and (b) to date of payment.

City of Peoria, Illinois

Notes to Basic Financial Statements

Note 10. Pension Plans (Continued)

	Illinois Municipal Retirement Fund	Police Pension Fund of Peoria	Firemen's Pension Fund of Peoria
Annual pension cost:			
Annual required contributions	\$ 3,197,663	\$ 4,773,412	\$ 6,814,550
Interest on net pension obligation	50,313	(1,115,986)	(57,422)
Adjustment to ARC	(35,965)	936,655	47,660
Total annual pension cost	3,212,011	4,594,081	6,804,788
Contributions made	2,663,618	5,199,707	6,745,308
(Increase) decrease in net pension obligation	548,393	(605,626)	59,480
Net pension (asset):			
Beginning of year	670,843	(14,879,807)	(765,633)
End of year	<u>\$ 1,219,236</u>	<u>\$ (15,485,433)</u>	<u>\$ (706,153)</u>
Actuarial valuation date	December 31, 2011	January 1, 2011	January 1, 2011
Actuarial cost method	Entry age	Entry age	Projected unit credit
Amortization method	Level percent open	Level percent open	Level percent open
Remaining amortization period	30 years	22.5 years	30 years
Asset valuation method	5-year smoothed market	5-year smoothed market	4-year smoothed market
Actuarial assumptions:			
Investment rate of return*	7.50%	7.50%	7.25%
Projected salary increases*	4.00% (3)	4.00%	4.50%
*Includes inflation at	4.00%	3.00%	3.50%
Post-retirement benefit increases	3.00%	N/A	N/A

(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 10. Pension Plans (Continued)

Trend information – pension plans:

Fund	Year	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
Illinois Municipal Retirement Fund	2011	\$ 3,212,011	82.93%	\$ 1,219,236
	2010	3,230,635	79.23	670,843
	2009	3,448,360	100.00	-
Police Pension Fund of Peoria	2011	4,594,081	113.18	(15,485,433)
	2010	3,858,422	119.47	(14,879,807)
	2009	2,270,276	171.73	(14,128,584)
Firemen's Pension Fund of Peoria	2011	6,804,788	99.13	(706,153)
	2010	5,670,371	99.48	(765,633)
	2009	5,054,936	99.72	(794,840)

Funded Status and Funding Progress:

Fund	Actuarial Valuation Date	Actuarial Value of Net Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
Illinois Municipal Retirement Fund	12/31/2011	\$ 55,649,362	\$ 81,376,581	\$ 25,727,219	68.38%	\$ 23,529,529	109.34%
Police Pension Fund of Peoria	1/1/2011	143,289,115	204,062,861	60,773,746	70.22%	16,736,677	363.12%
Firemen's Pension Fund of Peoria	1/1/2011	116,776,441	189,042,373	72,265,932	61.77%	14,071,164	513.57%

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 11. 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, 2011, the City recognized \$2,141,465 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.

City of Peoria, Illinois

Notes to Basic Financial Statements

Note 11. Commitments – Primary Government (Continued)

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, 2011, the City recognized \$780,618 as subsidies to the Convention Bureau. These amounts have been reflected as expenditures within the General Fund.

Arts Partners: Per City Council agreement, effective August 2002, 2.5 percent of restaurant taxes are being distributed to the non-profit organization, Arts Partners, through August 2011. During the year ended December 31, 2011, the City recognized \$74,468 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, 2011, the City recognized \$357,431 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, 2011 was \$1,482,788 and the City recognized \$213,601 as revenue in the current year.

Encumbrances: The City had encumbrances in the Capital Improvements Fund and nonmajor governmental funds of \$8,524,416 and \$3,271,789, respectively.

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

Purpose	Amount
Library	\$ 586,176
Public works	10,096,530
	<u>\$ 10,682,706</u>

Note 12. 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, 2011, there were four series of Industrial Revenue Bonds outstanding, with an aggregate principal amount payable of approximately \$8,325,000.

City of Peoria, Illinois

Notes to Basic Financial Statements

Note 13. 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.

Note 14. 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, 2011.

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. In April 2011, the Authority executed a new contract with SMG for the period September 1, 2011 to August 31, 2014.

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 \$1,600,000, requiring monthly installments of \$22,427, including interest at 4.75 percent per year, with final payment due in September 2017 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>
2012	\$ 392,569	\$ 274,980	\$ 117,589
2013	392,569	288,509	104,060
2014	392,569	302,705	89,864
2015	392,569	317,600	74,969
2016	392,569	333,227	59,342
2017 - 2021	908,786	772,872	135,914
2022 - 2026	267,603	253,111	14,492
	<u>\$ 3,139,234</u>	<u>\$ 2,543,004</u>	<u>\$ 596,230</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 \$32,000 for fiscal year 2011.

Notes to Basic Financial Statements

Note 14. Other Component Unit Disclosures (Continued)

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 2011.

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, 2011 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, 2011 amount to \$299,003 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 14. Other Component Unit Disclosures (Continued)

Restrictions on net assets of the Springdale Historic Preservation Foundation as of December 31, 2011 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, 2011:

Gate house project	\$ 1,350
Stone family plots	655
Cemetery projects	197
Records preservation and expert services	401
Signage	1,000
Soldier hill	10,037
Gate house entrance gates	1,000
	<u>\$ 14,640</u>

Permanently restricted net assets were established in 2011 as an endowment fund. The balance at December 31, 2011 was \$29,012.

Note 15. 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 pre-65 retired employees and their eligible dependents. For post-65 retired employees, the City offers a fully-insured Medicare Supplement Plan. 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 post-65 and pre-65 retiree's contributions making up 80 and 85 percent, respectively, 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 15. 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, pay as you go. Under GASB 45, the City recognizes the cost of postemployment health care benefits in the year in which the employee services are provided and reports the accumulated liability from prior years. The City has committed funds to pay for future OPEB obligations. These committed funds are held in the General Fund and do not qualify as OPEB plan assets under GASB for current GASB reporting.

The required contribution is based on projected pay-as-you-go financing. For fiscal year 2011, the City contributed \$2,233,781 which was net of retirees premiums received of \$2,623,863.

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

Annual required contribution	\$ 8,895,000
Interest on net OPEB obligation	1,283,978
Adjustment to annual required contribution	(1,089,612)
Annual OPEB cost (expense)	<u>9,089,366</u>
Contributions and payments made	<u>2,233,781</u>
Increase in net OPEB obligation	6,855,585
Net OPEB obligation - Beginning of year	<u>28,532,853</u>
Net OPEB obligation - End of year	<u><u>\$ 35,388,438</u></u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2011 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, 2009	\$ 8,977,740	30.92%	\$ 18,548,438
December 31, 2010	11,678,204	14.50	28,532,853
December 31, 2011	9,089,366	24.58	35,388,438

Funded status and funding progress: As of December 31, 2011, the most recent valuation date, the plan was 0 percent funded. The actuarial accrued liability for benefits was \$99.5 million and the actuarial value of assets is none resulting in an unfunded actuarial accrued liability (UAAL) of \$99.5 million. The covered payroll (annual payroll of active employees covered by the plan) was \$60.2 million, and the ratio of the UAAL to the covered payroll was 165.15 percent.

Notes to Basic Financial Statements

Note 15. 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 December 31, 2011 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, salary scale of 3.5 percent and an annual health care cost trend rate of 10 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 16. Governmental Accounting Standards Board (GASB) Pending Pronouncements

The City adopted the following statements during the year ended December 31, 2011:

- GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This Statement is intended to improve the usefulness of information provided to financial report users about fund balances by providing clearer, more structured fund balance classifications, and by clarifying the definitions of existing governmental fund types. Fund balance information is among the most widely and frequently used information in state and local government financial reports. The GASB developed this standard to address the diversity of practice and the resulting lack of consistency that had evolved in fund balance reporting. To reduce confusion, the new standard establishes a hierarchy of fund balance classification based primarily on the extent to which a government is bound to observe spending constraints. The City reclassified the fund balances for all governmental funds.
- GASB Statement No. 59, *Financial Instruments Omnibus*. This Statement is intended to update and improve existing standards regarding financial reporting of certain financial instruments and external investment pools. Specifically, this Statement provides financial reporting guidance by emphasizing the applicability of SEC requirements to certain external investment pools, addressing the applicability of GASB 53, *Accounting and Financial Reporting for Derivative Instruments*, and applying the reporting provisions for interest-earning investment contracts of GASB 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. This Statement required additional disclosures for the City's external investment pool.

Notes to Basic Financial Statements

**Note 16. Governmental Accounting Standards Board (GASB) Pending Pronouncements
(Continued)**

As of December 31, 2011, 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. 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.
- 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.
- GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, issued July 2011, will be effective for the City beginning with its year ending December 31, 2012. This Statement is intended to improve financial reporting by providing citizens and other users of state and local government financial reports with information about how past transactions will continue to impact a government's financial statements in the future. This Statement provides a new statement of net position format to report all assets, deferred outflows of resources, liabilities deferred inflows of resources, and net position (which is the net residual amount of the other elements). The Statement requires that deferred outflows of resources and deferred inflows of resources be reported separately from assets and liabilities. This Statement also amends certain provisions of Statement No. 34, *Basic Financial Statements— and Management's Discussion and Analysis—for State and Local Governments*, and related pronouncements to reflect the residual measure in the statement of financial position as net position, rather than net assets.

Notes to Basic Financial Statements

**Note 16. Governmental Accounting Standards Board (GASB) Pending Pronouncements
(Continued)**

- GASB Statement No. 64, *Derivative Instruments: Application of Hedge Accounting Termination Provisions* (an amendment of GASB Statement No. 53), issued July 2011, will be effective for the City beginning with its year ending December 31, 2012. This Statement clarifies that when certain conditions are met, the use of hedge accounting should not be terminated. Those conditions are: (a) the collectibility of swap payments is considered to be probable, (b) the replacement of the counterparty or credit support provider meets the criteria of an assignment or in-substance assignment as described in the Statement, and (c) the counterparty or counterparty credit support provider (and not the government) has committed the act of default or termination event. When all of these conditions exist, the GASB believes that the hedging relationship continues and hedge accounting should continue to be applied.
- GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, issued April 2012, will be effective for the City beginning with its year ending December 31, 2013. This Statement clarifies the appropriate reporting of deferred outflows of resources and deferred inflows of resources to ensure consistency in financial reporting. GASB Concepts Statement (CON) No. 4, *Elements of Financial Statements*, specifies that recognition of deferred outflows and deferred inflows should be limited to those instances specifically identified in authoritative GASB pronouncements. Consequently, guidance was needed to determine which balances being reported as assets and liabilities should actually be reported as deferred outflows of resources or deferred inflows of resources, according to the definitions in CON 4. Based on those definitions, this Statement reclassifies certain items currently being reported as assets and liabilities as deferred outflows of resources and deferred inflows of resources. In addition, the Statement recognizes certain items currently being reported as assets and liabilities as outflows of resources and inflows of resources.
- GASB Statement No. 66, *Technical Corrections - 2012*, issued April 2012, will be effective for the City beginning with its year ending December 31, 2013. This Statement enhances the usefulness of financial reports by resolving conflicting accounting and financial reporting guidance that could diminish the consistency of financial reporting. This Statement amends GASB Statement No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*, by removing the provision that limits fund-based reporting of a state or local government's risk financing activities to the general fund and the internal service fund types. As a result, governments would base their decisions about governmental fund type usage for risk financing activities on the definitions in GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This Statement also amends GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, by modifying the specific guidance on accounting for: (a) operating lease payments that vary from a straight-line basis; (b) the difference between the initial investment (purchase price) and the principal amount of a purchased loan or group of loans; and (c) servicing fees related to mortgage loans that are sold when the stated service fee rate differs significantly from a current (normal) servicing fee rate. These changes would eliminate any uncertainty regarding the application of GASB Statement No. 13, *Accounting for Operating Leases with Scheduled Rent Increases*, and result in guidance that is consistent with the requirements in GASB Statement No. 48, *Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues*, respectively.

The City's management has not yet determined the effect Statement Nos. 60, 61, 62, 63, 64, 65 and 66 will have on the City's financial statements.

City of Peoria, Illinois

Notes to Basic Financial Statements

Note 17. Subsequent Event

On April 4, 2012, the City issued \$31,655,000 Taxable General Obligation Bonds, Series 2012A with interest rates of 2.25 percent to 4.75 percent due on January 1, 2015 through 2032 to provide a grant to a developer in connection with the renovation of the Hotel Pere Marquette, to fund capitalized interest, and to pay bond issuance costs.

On October 11, 2011, the City authorized the issuance of General Obligation Refunding Bonds to advance refund a portion of the City's outstanding General Obligation Bonds, Series 2005A, due January 1, 2027-2028, and to pay the costs of issuing the Bonds.

On June 12, 2012, the City issued \$4,500,000 Taxable Variable Rate General Obligation Capital Improvement Bonds, Series 2012C with a variable interest rate in the weekly rate mode due on January 1, 2015 through 2027 to construct public capital infrastructure improvements, including but not limited to street and road improvements, curb, gutter and sidewalk improvements, and water and sewer system improvements and to pay bond issuance costs.

On April 12, 2012, the City entered into a loan agreement with a Hotel developer. The loan totaled \$7,000,000 and will be repaid to the City at 7.5 percent interest.

Note 18. Restatement of Beginning Net Assets/Fund Balance

The City restated the beginning net assets of the Governmental Activities and beginning fund balance for the General Fund and the Illinois Municipal Retirement Fund, major funds, and the Other Postemployment Benefit Agency Fund, aggregate remaining fund information. The beginning balances were restated to correct an error in the recognition of an interfund loan and to correct the fund type used to report assets committed for future other postemployment benefits. The impact of the restatement is as follows:

	Governmental Activities	General Fund	Illinois Municipal Retirement Fund	OPEB Agency Fund
Net assets/fund balance, December 31, 2010 as previously reported	\$ 105,014,478	25,334,697	520,976	N/A
Change in fund type, assets held by Agency Fund	12,398,865	12,398,865	-	\$ (12,398,865)
Interfund loan	-	-	(4,029,212)	-
Net assets/fund balance, December 31, 2010, as restated	<u>\$ 117,413,343</u>	<u>\$ 37,733,562</u>	<u>\$ (3,508,236)</u>	N/A

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City of Peoria, Illinois

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual -
 General Fund, Peoria Public Library Fund, Police and Fire Pension Levy Fund and
 Illinois Municipal Retirement Fund
 Required Supplementary Information
 Year Ended December 31, 2011**

	General Fund			Variance With Final Budget
	Original Budget	Final Budget	Actual	
Revenues:				
Property taxes	\$ 5,009,591	\$ 5,009,591	\$ 5,101,952	\$ 92,361
Corporate personal property replacement taxes	2,679,357	2,679,357	3,193,867	514,510
State sales taxes	21,929,360	21,929,360	23,119,876	1,190,516
State income tax allocation	9,000,000	9,000,000	8,655,683	(344,317)
Home rule sales taxes	21,189,000	21,189,000	22,662,416	1,473,416
Hotel, restaurant and amusement taxes	7,718,898	7,718,898	8,408,984	690,086
Utility taxes	12,381,209	12,381,209	12,026,499	(354,710)
Governmental grants and reimbursements	108,276	1,406,408	1,455,122	48,714
Licenses and permits	2,709,248	2,709,248	2,596,529	(112,719)
Service charges/fines/fees	17,420,699	17,420,699	15,971,407	(1,449,292)
Rental	82,010	82,010	110,439	28,429
Interest	384,200	384,200	189,362	(194,838)
Other	2,344,700	2,359,000	2,738,922	379,922
Total revenues	102,956,548	104,268,980	106,231,058	1,962,078
Expenditures:				
Current:				
Elective offices, boards, commissions and agencies	1,587,787	2,083,283	1,770,130	313,153
City administration	5,646,611	5,808,368	2,496,615	3,311,753
Benefits	23,964,611	-	-	-
Police	22,178,087	29,909,042	28,918,211	990,831
Fire	17,167,861	22,310,077	22,453,162	(143,085)
Public works	15,951,929	19,363,442	20,315,854	(952,412)
Community development	4,442,924	5,725,004	6,358,352	(633,348)
Public safety	4,516,373	5,985,043	5,894,588	90,455
General government	81,221	5,748,410	5,343,802	404,608
Library	-	856,401	798,132	58,269
Capital outlay	-	-	-	-
Total expenditures	95,537,404	97,789,070	94,348,846	3,440,224
Excess (deficiency) of revenues over expenditures	7,419,144	6,479,910	11,882,212	5,402,302
Other financing sources (uses):				
Proceeds from sale of capital assets	450,000	450,000	-	(450,000)
Transfers in	357,600	357,600	555,977	198,377
Transfers out	(7,791,491)	(7,956,491)	(7,745,540)	210,951
Total other financing sources (uses)	(6,983,891)	(7,148,891)	(7,189,563)	(40,672)
Net change in fund balances	\$ 435,253	\$ (668,981)	4,692,649	\$ 5,361,630
Fund balances, beginning of year, as restated			37,733,562	
Fund balances, end of year			<u>\$ 42,426,211</u>	

(Continued)

Peoria Public Library Fund				Police and Fire Pension Levy Fund			
Original Budget	Final Budget	Actual	Variance With Final Budget	Original Budget	Final Budget	Actual	Variance With Final Budget
\$ 6,651,120	\$ 6,651,120	\$ 6,572,853	\$ (78,267)	\$ 10,117,065	\$ 10,117,065	\$ 9,991,824	\$ (125,241)
479,919	479,919	479,919	-	1,951,485	1,951,485	1,951,485	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
100,845	145,122	229,590	84,468	-	-	-	-
-	-	-	-	-	-	-	-
103,358	103,358	119,577	16,219	-	-	-	-
-	-	-	-	-	-	-	-
10,000	10,000	4,919	(5,081)	-	-	606	606
15,033	56,803	54,776	(2,027)	-	-	-	-
<u>7,360,275</u>	<u>7,446,322</u>	<u>7,461,634</u>	<u>15,312</u>	<u>12,068,550</u>	<u>12,068,550</u>	<u>11,943,915</u>	<u>(124,635)</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	5,254,000	5,254,000	5,199,837	54,163
-	-	-	-	6,814,550	6,814,550	6,744,078	70,472
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
5,760,490	6,668,889	6,715,528	(46,639)	-	-	-	-
982,152	1,003,750	912,095	91,655	-	-	-	-
<u>6,742,642</u>	<u>7,672,639</u>	<u>7,627,623</u>	<u>45,016</u>	<u>12,068,550</u>	<u>12,068,550</u>	<u>11,943,915</u>	<u>124,635</u>
617,633	(226,317)	(165,989)	60,328	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
(617,633)	(617,633)	(617,633)	-	-	-	-	-
(617,633)	(617,633)	(617,633)	-	-	-	-	-
<u>\$ -</u>	<u>\$ (843,950)</u>	<u>(783,622)</u>	<u>\$ 60,328</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
		3,109,354				-	
		<u>\$ 2,325,732</u>				<u>\$ -</u>	

City of Peoria, Illinois

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual -
General Fund, Peoria Public Library Fund, Police and Fire Pension Levy Fund and
Illinois Municipal Retirement Fund
Required Supplementary Information (Continued)
Year Ended December 31, 2011**

	Illinois Municipal Retirement Fund			Variance With Final Budget
	Original Budget	Final Budget	Actual	
Revenues:				
Property taxes	\$ 4,765,417	\$ 4,765,417	\$ 4,706,486	\$ (58,931)
Corporate personal property replacement taxes	1,038,339	1,038,339	1,038,339	-
State sales taxes	-	-	-	-
State income tax allocation	-	-	-	-
Home rule sales taxes	-	-	-	-
Hotel, restaurant and amusement taxes	-	-	-	-
Utility taxes	-	-	-	-
Governmental grants and reimbursements	-	-	-	-
Licenses and permits	-	-	-	-
Service charges/fines/fees	-	-	-	-
Contributions	-	-	-	-
Rental	-	-	-	-
Interest	-	-	2,220	2,220
Other	-	-	-	-
Total revenues	5,803,756	5,803,756	5,747,045	(56,711)
Expenditures:				
Current:				
Elective offices, boards, commissions and agencies	-	169,717	164,902	4,815
City administration	-	682,454	663,031	19,423
Benefits	-	-	-	-
Police	-	612,001	604,553	7,448
Fire	-	273,818	274,054	(236)
Public works	-	1,274,399	1,238,178	36,221
Community development	-	561,020	545,049	15,971
Public safety	-	807,992	784,980	23,012
General government	5,034,269	11,487	(33,554)	45,041
Library	-	641,381	623,120	18,261
Capital outlay	-	-	-	-
Debt service:				
Principal	1,316,367	1,316,367	-	1,316,367
Interest	70,753	70,753	75,274	(4,521)
Total expenditures	6,421,389	6,421,389	4,939,587	1,481,802
Excess (deficiency) of revenues over expenditures	(617,633)	(617,633)	807,458	1,425,091
Other financing sources (uses):				
Proceeds from sale of capital assets	-	-	-	-
Transfers in	617,633	617,633	617,633	-
Transfers out	-	-	-	-
Total other financing sources (uses)	617,633	617,633	617,633	-
Net change in fund balances	\$ -	\$ -	1,425,091	\$ 1,425,091
Fund balances, beginning of year, as restated			(3,508,236)	
Fund balances, end of year			<u><u>\$ (2,083,145)</u></u>	

See Note to Required Supplementary Information.

City of Peoria, Illinois

Note to Required Supplementary Information

Note 1. Budgetary Basis of Accounting

Basis of Accounting: The City of Peoria, Illinois budget is prepared on the modified accrual basis for all budgeted funds, including the major funds, General, Peoria Public Library, Police and Fire Pension Levy and Illinois Municipal Retirement, 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:			
2005A General Obligation Bond Debt Service Fund	\$ 3,033,888	\$ 3,035,387	\$ 1,499
WeaverRidge Debt Service Fund	557,525	557,744	219
2007-A Special Assessment Bond Debt Service Fund	153,519	155,519	2,000
2010D General Obligation Bond Debt Service Fund	-	1,062,076	1,062,076
2011B General Obligation Bond Debt Service Fund	-	116,012	116,012

The 2010D General Obligation Bonds and 2011B General Obligation Bonds were issued after the City Council had adopted the fiscal year 2011 original budget.

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]
2011	12/31/2011	\$ 55,649,362	\$ 81,376,581	\$ 25,727,219	68.38%	\$ 23,529,529	109.34%
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

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Actuarial Valuation Date	Annual Required Contributions (ARC) (a)	Total Contributions (b)	Percentage of ARC Contributed (b/a)
12/31/2011	\$ 3,197,663	\$ 2,663,618	83.30%
12/31/2010	3,230,635	2,559,792	79.23
12/31/2009	3,448,360	3,448,360	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, 2009 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) postretirement 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, 2009 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, 2011 is \$51,633,554. On a market basis, the funded ratio would be 63.45 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]
2011	1/1/2011	\$ 143,289,115	\$ 204,062,861	\$ 60,773,746	70.22%	\$ 16,736,677	363.12%
2010	1/1/2010	140,316,984	193,493,940	53,176,956	72.52	16,494,393	322.39
2009	1/1/2009	139,799,974	182,198,745	42,398,771	76.73	16,723,267	253.53

The information presented in the required supplementary schedules was determined as part of the actuarial valuation as of January 1, 2011. 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 4.0 percent.
4. The amortization method is an open period, level percentage of payroll. The remaining amortization period as of the January 1, 2011 actuarial valuation date was 22.5 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]
2011	1/1/2011	\$ 116,776,441	\$ 189,042,373	\$ 72,265,932	61.77%	\$ 14,071,164	513.57%
2010	1/1/2010	114,232,171	182,546,122	68,313,951	62.58	13,575,743	503.21
2009	1/1/2009	112,583,002	163,604,634	51,021,632	68.81	14,202,691	359.24

The information presented in the required supplementary schedules was determined as part of the actuarial valuation as of January 1, 2011. Additional information follows:

1. The cost method used to determine the ARC is the projected unit credit cost funding method.
2. The assets are shown at fair value.
3. Economic assumptions are as follows: inflation rate of 3.5 percent, investment return rate of 7.25 percent and salary increase of 4.5 percent.
4. The amortization method is an open period, level percentage of payroll. The remaining amortization period as of the January 1, 2011 actuarial valuation date was 30 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]
2011	1/1/2011	\$ -	\$ 99,500,000	\$ 99,500,000	- %	\$ 60,246,702	165.15%
2010	1/1/2010	-	147,400,000	147,400,000	-	59,998,711	245.67
2009	1/1/2008	-	112,565,000	112,565,000	-	62,498,885	180.11

The information presented in the required supplementary schedule was determined as part of the actuarial valuation as of December 31, 2011. 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 5.0-10.0 percent, discount rate of 4.5 percent, salary scale of 3.5 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, 2011

Assets	Special Revenue Funds			
	Motor Fuel	Community	State and Local Auto	Multi-County MEG
	Tax Fund	Development Block Grant Fund	Theft Enforcement Grant Fund	Grant Fund
Cash and cash equivalents	\$ 2,273,432	\$ 79,014	\$ 507	\$ 17,977
Cash and investments with trustee	-	-	-	-
Investments	5,161,808	-	900	-
Property taxes receivable	-	-	-	-
State sales taxes receivable	-	-	-	-
Governmental grants and reimbursements receivable	241,900	-	-	1,090
Loans receivable, net	69,377	24,914	-	-
Pledges receivable	-	-	-	-
Other receivables, net	199,395	-	20,814	-
Accrued interest receivable	7,368	-	-	-
Due from other funds	18,429	17,235	-	-
Total assets	\$ 7,971,709	\$ 121,163	\$ 22,221	\$ 19,067
Liabilities and Fund Balance				
Liabilities				
Accounts payable	\$ 812,204	\$ 13,886	\$ 8,228	\$ 17,795
Accrued payroll	549	20,170	922	-
Due to other funds	-	1	5,536	-
Unearned revenue, property taxes	-	-	-	-
Deferred and unearned revenue, other	69,377	87,106	-	1,272
Total liabilities	882,130	121,163	14,686	19,067
Fund Balance				
Restricted:				
Debt service	-	-	-	-
TIF redevelopment	-	-	-	-
Law enforcement	-	-	7,535	-
Landfill operations	-	-	-	-
Capital improvements and equipment	7,089,579	-	-	-
Total fund balance	7,089,579	-	7,535	-
Total liabilities and fund balance	\$ 7,971,709	\$ 121,163	\$ 22,221	\$ 19,067

(Continued)

Special Revenue Funds			Debt Service Funds		
Home Investment Partnership Program Fund	Solid Waste Fund	Peoria Foreign Fire Insurance Board	2005A General Obligation Bond Debt Service Fund	WeaverRidge Debt Service Fund	
\$ 192,131	\$ 701,121	\$ 269,917	\$ -	\$ -	
-	-	-	1,579,886	968,862	
-	637	103,160	-	-	
-	-	-	-	112,000	
-	-	-	-	-	
-	-	-	-	-	
29,746	-	-	-	-	
-	-	-	-	-	
-	-	-	-	-	
-	-	232	-	-	
-	-	-	-	-	
<u>\$ 221,877</u>	<u>\$ 701,758</u>	<u>\$ 373,309</u>	<u>\$ 1,579,886</u>	<u>\$ 1,080,862</u>	
\$ 60,770	\$ 95,249	\$ -	\$ 1,566,944	\$ -	
1,098	-	-	-	-	
-	-	-	-	2,948	
-	-	-	-	112,000	
160,009	-	-	-	-	
<u>221,877</u>	<u>95,249</u>	<u>-</u>	<u>1,566,944</u>	<u>114,948</u>	
-	-	-	12,942	965,914	
-	-	-	-	-	
-	-	-	-	-	
-	606,509	-	-	-	
-	-	373,309	-	-	
-	<u>606,509</u>	<u>373,309</u>	<u>12,942</u>	<u>965,914</u>	
<u>\$ 221,877</u>	<u>\$ 701,758</u>	<u>\$ 373,309</u>	<u>\$ 1,579,886</u>	<u>\$ 1,080,862</u>	

City of Peoria, Illinois

Nonmajor Governmental Funds (Continued)

Combining Balance Sheet

December 31, 2011

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	\$ 10,622	\$ 1,719,327	\$ 21,535	\$ 360,242
Cash and investments with trustee	88,687	-	-	-
Investments	-	-	-	-
Property taxes receivable	-	-	-	2,105,600
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	\$ 99,309	\$ 1,719,327	\$ 21,535	\$ 2,465,842
Liabilities and Fund Balance				
Liabilities				
Accounts payable	\$ 88,687	\$ -	\$ -	\$ -
Accrued payroll	-	-	-	-
Due to other funds	-	-	-	-
Unearned revenue, property taxes	-	-	-	2,105,600
Deferred and unearned revenue, other	-	-	-	-
Total liabilities	88,687	-	-	2,105,600
Fund Balance				
Restricted:				
Debt service	10,622	1,719,327	21,535	360,242
TIF redevelopment	-	-	-	-
Law enforcement	-	-	-	-
Landfill operations	-	-	-	-
Capital improvements and equipment	-	-	-	-
Total fund balance	10,622	1,719,327	21,535	360,242
Total liabilities and fund balance	\$ 99,309	\$ 1,719,327	\$ 21,535	\$ 2,465,842

(Continued)

Debt Service Fund		Capital Projects Funds				
2011B						
General Obligation Bond	Southtown TIF	Downtown TIF	Northside TIF	Midtown Plaza	Northside	
Debt Service Fund	Project Fund	Project Fund	Project Fund	TIF Project Fund	TIF Project Fund	
\$ 4,566	\$ 2,909,382	\$ 3,077,242	\$ 810,162	\$ 107	\$ 493,697	
5,727,878	-	-	-	-	-	
-	520	762	672	20	613	
-	2,693,400	2,188,900	121,000	111,400	130,300	
-	25,531	-	-	-	-	
-	-	-	-	-	-	
-	-	-	-	-	-	
-	-	-	-	-	-	
-	60,915	-	-	-	-	
95,384	-	-	-	-	-	
-	-	-	-	-	-	
<u>\$ 5,827,828</u>	<u>\$ 5,689,748</u>	<u>\$ 5,266,904</u>	<u>\$ 931,834</u>	<u>\$ 111,527</u>	<u>\$ 624,610</u>	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
-	-	-	-	-	-	
122,488	-	-	-	-	-	
-	2,693,400	2,188,900	121,000	111,400	130,300	
-	-	-	-	-	-	
<u>122,488</u>	<u>2,693,400</u>	<u>2,188,900</u>	<u>121,000</u>	<u>111,400</u>	<u>130,300</u>	
5,705,340	1,737,536	744,832	253,593	127	-	
-	1,258,812	2,333,172	557,241	-	494,310	
-	-	-	-	-	-	
-	-	-	-	-	-	
-	-	-	-	-	-	
<u>5,705,340</u>	<u>2,996,348</u>	<u>3,078,004</u>	<u>810,834</u>	<u>127</u>	<u>494,310</u>	
<u>\$ 5,827,828</u>	<u>\$ 5,689,748</u>	<u>\$ 5,266,904</u>	<u>\$ 931,834</u>	<u>\$ 111,527</u>	<u>\$ 624,610</u>	

City Of Peoria, Illinois

Nonmajor Governmental Funds (Continued)
 Combining Balance Sheet
 December 31, 2011

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	\$ 116,928	\$ 122,226	\$ 279,745	\$ 464,527
Cash and investments with trustee	-	-	-	-
Investments	748	-	-	-
Property taxes receivable	301,600	37,300	211,400	28,400
State sales taxes receivable	-	-	-	25,378
Governmental grants and reimbursements receivable	-	-	-	-
Loans receivable, net	-	-	-	-
Other receivables, net	-	-	-	5,394
Accrued interest receivable	-	-	-	-
Due from other funds	-	-	-	-
Total assets	\$ 419,276	\$ 159,526	\$ 491,145	\$ 523,699
Liabilities and Fund Balance				
Liabilities				
Accounts payable	\$ -	\$ 56,941	\$ 10,000	\$ 3,646
Accrued payroll	-	-	-	-
Due to other funds	-	-	-	-
Unearned revenue, property taxes	301,600	37,300	211,400	28,400
Deferred and unearned revenue, other	-	-	-	-
Total liabilities	301,600	94,241	221,400	32,046
Fund Balance				
Restricted:				
Debt service	83,212	-	-	-
TIF redevelopment	34,464	65,285	269,745	491,653
Law enforcement	-	-	-	-
Landfill operations	-	-	-	-
Capital improvements and equipment	-	-	-	-
Total fund balance	117,676	65,285	269,745	491,653
Total liabilities and fund balance	\$ 419,276	\$ 159,526	\$ 491,145	\$ 523,699

Capital Projects Funds					
East Village Growth Cell TIF Project Fund	City of Peoria Designated Zone Organization	2008A Library General Obligation Bond Project Fund	2010C Taxable General Obligation Bonds Project Fund		Total Nonmajor Governmental Funds
\$ -	\$ 80,007	\$ 1,331,662	\$ 6,968,229	\$	22,304,305
-	-	-	-		8,365,313
-	25	939	-		5,270,804
61,400	-	-	-		8,102,700
-	-	-	-		50,909
-	-	-	-		242,990
-	-	-	-		124,037
-	-	-	-		286,518
-	-	-	-		102,984
-	-	-	546,158		581,822
<u>\$ 61,400</u>	<u>\$ 80,032</u>	<u>\$ 1,332,601</u>	<u>\$ 7,514,387</u>	<u>\$</u>	<u>45,432,382</u>
\$ -	\$ 80,000	\$ 574,768	\$ 346,272	\$	3,735,390
-	-	2,526	1,766		27,031
-	32	-	22,573		153,578
61,400	-	-	-		8,102,700
-	-	-	-		317,764
<u>61,400</u>	<u>80,032</u>	<u>577,294</u>	<u>370,611</u>		<u>12,336,463</u>
-	-	-	-		11,615,222
-	-	-	-		5,504,682
-	-	-	-		7,535
-	-	-	-		606,509
-	-	755,307	7,143,776		15,361,971
-	-	755,307	7,143,776		33,095,919
<u>\$ 61,400</u>	<u>\$ 80,032</u>	<u>\$ 1,332,601</u>	<u>\$ 7,514,387</u>	<u>\$</u>	<u>45,432,382</u>

City of Peoria, Illinois

**Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Year Ended December 31, 2011**

	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	3,271,041	2,824,175	-	72,572
Service charges/finest/fees	-	-	-	-
Contributions	-	-	-	-
Loan repayment	-	3,830	-	-
Interest	30,578	-	-	-
Other	604,103	17,721	388,429	-
Total revenues	3,905,722	2,845,726	388,429	72,572
Expenditures:				
Current:				
Elective offices, boards, commissions and agencies	-	-	-	-
City administration	-	29,623	-	-
Police	-	-	386,782	71,178
Fire	-	-	-	-
Public works	1,466,462	-	-	-
Community development	-	2,103,131	-	-
Public safety	-	416,234	-	-
General government	51,728	-	1,647	-
Library	-	-	-	-
Capital outlay	2,807,159	96,738	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	4,325,349	2,645,726	388,429	71,178
Excess (deficiency) of revenues over expenditures	(419,627)	200,000	-	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	(419,627)	-	-	1,394
Fund balances, beginning of year	7,509,206	-	7,535	(1,394)
Fund balances, end of year	\$ 7,089,579	\$ -	\$ 7,535	\$ -

(Continued)

Special Revenue Funds			Debt Service Funds		
Home Investment Partnership Program Fund	Solid Waste Fund	Peoria Foreign Fire Insurance Board	2005A General Obligation Bond Debt Service Fund	WeaverRidge Debt Service Fund	
\$ -	\$ -	\$ -	\$ -	\$ 111,978	
-	-	-	-	-	-
-	-	-	-	-	-
837,732	-	146,595	-	-	-
-	323,775	-	-	-	-
-	-	-	-	-	-
12,186	-	-	-	-	-
-	1,919	2,637	82	-	-
3,252	-	-	-	-	-
<u>853,170</u>	<u>325,694</u>	<u>149,232</u>	<u>82</u>	<u>111,978</u>	
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	144,412	-	-	-
-	-	-	-	-	-
853,170	-	-	-	-	-
-	-	-	-	-	-
-	410,902	-	1,500	15,619	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	100,000	385,000	-
-	-	-	2,933,887	157,125	-
<u>853,170</u>	<u>410,902</u>	<u>144,412</u>	<u>3,035,387</u>	<u>557,744</u>	
-	(85,208)	4,820	(3,035,305)	(445,766)	
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	4,431,432	484,717	-
-	(132,600)	-	(1,397,638)	-	-
-	(132,600)	-	3,033,794	484,717	
-	(217,808)	4,820	(1,511)	38,951	
-	824,317	368,489	14,453	926,963	
<u>\$ -</u>	<u>\$ 606,509</u>	<u>\$ 373,309</u>	<u>\$ 12,942</u>	<u>\$ 965,914</u>	

City of Peoria, Illinois

**Nonmajor Governmental Funds (Continued)
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Year Ended December 31, 2011**

	Debt Service Funds			
	General Obligation	2006 Special	2007-A Special	2008A Library General
	Bonds Debt Service Master Fund	Assessment Bond Debt Service Fund	Assessment Bonds Debt Service Fund	Obligation Bond Debt Service Fund
Revenues:				
Property taxes	\$ -	\$ 510,089	\$ 155,019	\$ 1,993,637
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	403	45,958	26	1,046
Other	-	312,317	-	-
Total revenues	403	868,364	155,045	1,994,683
Expenditures:				
Current:				
Elective offices, boards, commissions and agencies	-	-	-	-
City administration	-	-	-	-
Police	-	-	-	-
Fire	-	-	-	-
Public works	-	-	-	-
Community development	-	-	-	-
Public safety	-	-	-	-
General government	108,565	-	500	-
Library	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	8,712,582	-	110,500	715,000
Interest	4,212,430	279,370	44,519	1,303,000
Total expenditures	13,033,577	279,370	155,519	2,018,000
Excess (deficiency) of revenues over expenditures	(13,033,174)	588,994	(474)	(23,317)
Other financing sources (uses):				
Issuance of bonds	4,060,000	-	-	-
Bond premium	118,975	-	-	-
Payment to refund debt	(4,064,361)	-	-	-
Transfers in	12,926,275	507,897	-	362,017
Transfers out	-	-	-	-
Total other financing sources (uses)	13,040,889	507,897	-	362,017
Net change in fund balances	7,715	1,096,891	(474)	338,700
Fund balances, beginning of year	2,907	622,436	22,009	21,542
Fund balances, end of year	\$ 10,622	\$ 1,719,327	\$ 21,535	\$ 360,242

(Continued)

Debt Service Fund	Capital Projects Funds					
2011B General Obligation Bond Debt Service Fund	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
\$ -	\$ 2,852,151	\$ 2,252,221	\$ -	\$ 137,918	\$ 113,146	\$ 133,632
-	-	-	-	-	-	-
-	202,722	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	40,792	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
4,240	7,176	6,840	1,368	2,039	107	939
-	-	136,363	-	241,708	-	-
4,240	3,102,841	2,395,424	1,368	381,665	113,253	134,571
-	-	-	-	-	-	-
-	401	401	401	401	401	401
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	43,010	-	-	-	-
-	1,620,525	-	-	-	-	-
-	-	-	-	-	-	-
116,012	-	330,904	465,589	13,011	-	-
-	-	-	-	-	-	-
-	-	333,759	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
116,012	1,620,926	708,074	465,990	13,412	401	401
(111,772)	1,481,915	1,687,350	(464,622)	368,253	112,852	134,170
5,290,000	-	-	-	-	-	-
527,112	-	-	-	-	-	-
-	-	-	-	-	-	-
122,488	-	-	-	-	-	-
(122,488)	(1,353,000)	(789,182)	(198,376)	(216,345)	(118,800)	-
5,817,112	(1,353,000)	(789,182)	(198,376)	(216,345)	(118,800)	-
5,705,340	128,915	898,168	(662,998)	151,908	(5,948)	134,170
-	2,867,433	2,179,836	662,998	658,926	6,075	360,140
\$ 5,705,340	\$ 2,996,348	\$ 3,078,004	\$ -	\$ 810,834	\$ 127	\$ 494,310

City Of Peoria, Illinois

Nonmajor Governmental Funds (Continued)
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Year Ended December 31, 2011

	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	\$ 337,896	\$ 36,176	\$ 183,851	\$ 34,066
State sales taxes	-	-	-	103,192
Hotel, restaurant and amusement taxes	-	-	-	105,763
Governmental grants and reimbursements	-	-	-	-
Service charges/fines/fees	-	-	-	-
Contributions	-	-	-	-
Loan repayment	-	-	-	-
Interest	354	229	766	832
Other	-	-	-	-
Total revenues	338,250	36,405	184,617	243,853
Expenditures:				
Current:				
City administration	400	400	400	-
Police	-	-	-	-
Fire	-	-	-	-
Public works	-	-	-	-
Community development	-	-	-	43,678
Public safety	-	-	-	-
General government	185,905	-	10,000	-
Library	-	-	-	-
Capital outlay	-	56,941	289,768	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	186,305	57,341	300,168	43,678
Excess (deficiency) of revenues over expenditures	151,945	(20,936)	(115,551)	200,175
Other financing sources (uses):				
Issuance of bonds	-	-	-	-
Bond premium	-	-	-	-
Payment to refund debt	-	-	-	-
Transfers in	-	-	-	-
Transfers out	(148,613)	-	-	-
Total other financing sources (uses)	(148,613)	-	-	-
Net change in fund balances	3,332	(20,936)	(115,551)	200,175
Fund balances, beginning of year	114,344	86,221	385,296	291,478
Fund balances, end of year	\$ 117,676	\$ 65,285	\$ 269,745	\$ 491,653

Capital Projects Funds						
2006 Special Assessment Bond Project Fund	City of Peoria Designated Zone Organization	2007A General Obligation Bond Project Fund	2008A Library General Obligation Bond Project Fund	2010C Taxable General Obligation Bonds Project Fund	Total Nonmajor Governmental Funds	
\$ -	\$ -	\$ -	\$ -	\$ -	\$	8,851,780
-	-	-	-	-		305,914
-	-	-	-	-		105,763
-	-	-	-	-		7,152,115
-	-	-	-	-		364,567
-	5,000	-	-	-		5,000
-	-	-	-	-		16,016
867	148	72	14,134	23,059		145,819
-	-	-	-	-		1,703,893
867	5,148	72	14,134	23,059		18,650,867
-	-	-	-	-		33,229
-	-	-	-	-		457,960
-	-	-	-	-		144,412
-	-	-	-	39,734		1,549,206
-	5,169	-	-	-		4,625,673
-	-	-	-	-		416,234
697	80,000	10,165	-	891,929		2,694,673
-	-	-	677,254	-		677,254
-	-	75,708	7,124,258	2,980,804		13,765,135
-	-	-	-	-		10,023,082
-	-	-	-	-		8,930,331
697	85,169	85,873	7,801,512	3,912,467		43,317,189
170	(80,021)	(85,801)	(7,787,378)	(3,889,408)		(24,666,322)
-	-	-	-	-		9,350,000
-	-	-	-	-		646,087
-	-	-	-	-		(4,064,361)
-	1,393,098	-	-	-		20,227,924
(507,897)	(1,388,077)	(1,263)	(362,017)	-		(6,936,296)
(507,897)	5,021	(1,263)	(362,017)	-		19,223,354
(507,727)	(75,000)	(87,064)	(8,149,395)	(3,889,408)		(5,442,968)
507,727	75,000	87,064	8,904,702	11,033,184		38,538,887
\$ -	\$ -	\$ -	\$ 755,307	\$ 7,143,776	\$	33,095,919

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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, 2011

With Comparative Figures for the Year Ended December 31, 2010

	2011			2010 Actual
	Original Budget	Final Budget	Actual	
Revenues:				
Property taxes	\$ 5,009,591	\$ 5,009,591	\$ 5,101,952	\$ 7,290,960
Corporate personal property replacement taxes	2,679,357	2,679,357	3,193,867	3,994,323
State sales taxes	21,929,360	21,929,360	23,119,876	22,465,708
State income tax allocation	9,000,000	9,000,000	8,655,683	10,045,271
Home rule sales taxes	21,189,000	21,189,000	22,662,416	21,750,896
Hotel, restaurant and amusement taxes	7,718,898	7,718,898	8,408,984	7,818,174
Utility taxes	12,381,209	12,381,209	12,026,499	9,535,439
Governmental grants and reimbursements	108,276	1,406,408	1,455,122	217,715
Licenses and permits	2,709,248	2,709,248	2,596,529	2,513,304
Service charges/fines/fees	17,420,699	17,420,699	15,971,407	16,326,359
Rental	82,010	82,010	110,439	111,706
Interest	384,200	384,200	189,362	228,301
Other	2,344,700	2,359,000	2,738,922	1,524,077
Total revenues	102,956,548	104,268,980	106,231,058	103,822,233
Expenditures:				
Current:				
Elective offices, boards, commissions and agencies	1,587,787	2,083,283	1,770,130	1,826,064
City administration	5,646,611	5,808,368	2,496,615	6,736,619
Benefits	23,964,611	-	-	-
Police	22,178,087	29,909,042	28,918,211	28,095,302
Fire	17,167,861	22,310,077	22,453,162	20,946,502
Public works	15,951,929	19,363,442	20,315,854	19,483,666
Community development	4,442,924	5,725,004	6,358,352	5,128,631
Public safety	4,516,373	5,985,043	5,894,588	7,618,344
General government	81,221	5,748,410	5,343,802	6,453,363
Library	-	856,401	798,132	461,065
Total expenditures	95,537,404	97,789,070	94,348,846	96,749,556
Excess of revenues over expenditures	7,419,144	6,479,910	11,882,212	7,072,677
Other financing sources (uses):				
Proceeds from sale of capital assets	450,000	450,000	-	-
Transfers in	357,600	357,600	555,977	3,877,780
Transfers out	(7,791,491)	(7,956,491)	(7,745,540)	(11,430,752)
Total other financing (uses)	(6,983,891)	(7,148,891)	(7,189,563)	(7,552,972)
Net change in fund balances	\$ 435,253	\$ (668,981)	4,692,649	(480,295)
Fund balances, beginning of year, as restated			37,733,562	25,814,992
Fund balances, end of year			\$ 42,426,211	\$ 25,334,697

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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 and 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, 2011
 With Comparative Figures for the Year Ended December 31, 2010**

	2011			2010 Actual
	Original Budget	Final Budget	Actual	
Revenues:				
Property taxes	\$ 6,651,120	\$ 6,651,120	\$ 6,572,853	\$ 6,508,665
Corporate personal property replacement taxes	479,919	479,919	479,919	475,724
Governmental grants and reimbursements	100,845	145,122	229,590	141,592
Service charges/fines/fees	103,358	103,358	119,577	98,307
Interest	10,000	10,000	4,919	9,300
Other	15,033	56,803	54,776	97,392
Total revenues	7,360,275	7,446,322	7,461,634	7,330,980
Expenditures:				
Current, library:				
Personal services	3,442,768	3,443,214	3,322,196	3,316,992
Contractual services	1,958,955	1,976,983	1,896,229	1,616,426
Supplies and materials	358,767	1,248,692	1,497,103	948,682
Capital outlay	982,152	1,003,750	912,095	929,989
Total expenditures	6,742,642	7,672,639	7,627,623	6,812,089
Excess (deficiency) of revenues over expenditures	617,633	(226,317)	(165,989)	518,891
Other financing (uses), transfers out	(617,633)	(617,633)	(617,633)	(601,860)
Net change in fund balances	\$ -	\$ (843,950)	(783,622)	(82,969)
Fund balances, beginning of year			3,109,354	3,192,323
Fund balances, end of year			\$ 2,325,732	\$ 3,109,354

City of Peoria, Illinois

Motor Fuel Tax Fund

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

Year Ended December 31, 2011

With Comparative Figures for the Year Ended December 31, 2010

	2011			2010 Actual
	Original Budget	Final Budget	Actual	
Revenues:				
Governmental grants and reimbursements	\$ 3,396,024	\$ 3,396,024	\$ 3,271,041	\$ 3,881,263
Interest	100,000	100,000	30,578	77,721
Other, miscellaneous	526,203	526,203	604,103	540,142
Total revenues	4,022,227	4,022,227	3,905,722	4,499,126
Expenditures:				
Current:				
Public works, road construction and general maintenance	1,933,880	2,019,173	1,466,462	1,412,397
General government	-	-	51,728	375,553
Capital outlay	3,700,000	4,144,022	2,807,159	2,844,076
Total expenditures	5,633,880	6,163,195	4,325,349	4,632,026
(Deficiency) of revenues over expenditures	\$ (1,611,653)	\$ (2,140,968)	(419,627)	(132,900)
Fund balances, beginning of year			7,509,206	7,642,106
Fund balances, end of year			\$ 7,089,579	\$ 7,509,206

City of Peoria, Illinois

**Community Development Block Grant Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Year Ended December 31, 2011
 With Comparative Figures for the Year Ended December 31, 2010**

	<u>2011</u>	<u>2010</u>
Revenues:		
Governmental grants and reimbursements	\$ 2,824,175	\$ 2,869,098
Loan repayment	3,830	11,591
Interest	-	-
Other	17,721	9,790
Total revenues	2,845,726	2,890,479
Expenditures:		
Current:		
City administration	29,623	28,807
Community development:		
Administration	247,430	262,797
Project costs	236,189	231,105
Public services	-	7,197
Rehabilitation	1,380,700	646,499
Payments to subrecipients	238,812	404,864
Public safety	416,234	392,708
Capital outlay	96,738	716,502
Total expenditures	2,645,726	2,690,479
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, 2011

With Comparative Figures for the Year Ended December 31, 2010

	2011			2010 Actual
	Original Budget	Final Budget	Actual	
Revenues:				
Contributions	\$ -	\$ 405,784	\$ -	\$ -
Interest	-	-	-	1
Other	-	-	388,429	377,084
Total revenues	-	405,784	388,429	377,085
Expenditures:				
Current:				
Police:				
Personnel	-	316,268	312,291	309,411
Equipment	-	27,000	31,848	-
Contractual	-	38,166	24,393	38,775
Travel	-	4,000	3,229	3,630
Commodities	-	17,300	14,353	21,111
Other	-	1,300	668	430
General government	-	1,750	1,647	4,018
Total expenditures	-	405,784	388,429	377,375
(Deficiency) of revenues over expenditures	\$ -	\$ -	-	(290)
Fund balances, beginning of year			7,535	7,825
Fund balances, end of year			\$ 7,535	\$ 7,535

City of Peoria, Illinois

Multi-County MEG Grant Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance (Deficit)

Year Ended December 31, 2011

With Comparative Figures for the Year Ended December 31, 2010

	<u>2011</u>	<u>2010</u>
Revenues, governmental grants and reimbursements	\$ 72,572	\$ 72,343
Expenditures, current, police, narcotics enforcement	<u>71,178</u>	<u>73,737</u>
Excess (deficiency) of revenues over expenditures	1,394	(1,394)
Fund balances (deficit), beginning of year	(1,394)	-
Fund balances (deficit), end of year	<u>\$ -</u>	<u>\$ (1,394)</u>

City of Peoria, Illinois

Home Investment Partnership Program Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Year Ended December 31, 2011
 With Comparative Figures for the Year Ended December 31, 2010

	2011	2010
Revenues:		
Governmental grants and reimbursements	\$ 837,732	\$ 1,106,454
Loan repayment	12,186	27,574
Other, miscellaneous	3,252	20,667
Total revenues	853,170	1,154,695
Expenditures:		
Current:		
Community development:		
Administration	38,277	38,444
Public services	454,980	200,000
Rehabilitation	179,543	624,374
Payments to subrecipients	180,370	291,877
Total expenditures	853,170	1,154,695
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, 2011
 With Comparative Figures for the Year Ended December 31, 2010**

	2011			2010 Actual
	Original Budget	Final Budget	Actual	
Revenues:				
Property taxes	\$ 4,765,417	\$ 4,765,417	\$ 4,706,486	\$ 4,405,142
Corporate personal property replacement taxes	1,038,339	1,038,339	1,038,339	976,508
Interest	-	-	2,220	3,338
Total revenues	5,803,756	5,803,756	5,747,045	5,384,988
Expenditures:				
Current:				
Elective offices, boards, commissions and agencies	-	169,717	164,902	156,820
City administration	-	682,454	663,031	665,990
Police	-	612,001	604,553	595,570
Fire	-	273,818	274,054	257,209
Public works	-	1,274,399	1,238,178	1,255,557
Community development	-	561,020	545,049	500,780
Public safety	-	807,992	784,980	813,347
General government	5,034,269	11,487	(33,554)	62,498
Library	-	641,381	623,120	573,785
Debt service:				
Principal	1,316,367	1,316,367	-	1,290,366
Interest	70,753	70,753	75,274	96,754
Total expenditures	6,421,389	6,421,389	4,939,587	6,268,676
(Deficiency) of revenues over expenditures	(617,633)	(617,633)	807,458	(883,688)
Other financing sources, transfers in	617,633	617,633	617,633	601,860
Net change in fund balances	\$ -	\$ -	1,425,091	(281,828)
Fund balances, beginning of year, as restated			(3,508,236)	802,804
Fund balances, end of year			\$ (2,083,145)	\$ 520,976

City of Peoria, Illinois

Solid Waste Fund

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

Year Ended December 31, 2011

With Comparative Figures for the Year Ended December 31, 2010

	2011			2010 Actual
	Original Budget	Final Budget	Actual	
Revenues:				
Service charges/fines/fees	\$ 376,685	\$ 376,685	\$ 323,775	\$ 393,478
Interest	-	-	1,919	3,653
Total revenues	376,685	376,685	325,694	397,131
Expenditures, current, general government	467,720	467,720	410,902	518,900
(Deficiency) of revenues over expenditures	(91,035)	(91,035)	(85,208)	(121,769)
Other financing (uses), transfers out	(132,600)	(132,600)	(132,600)	(127,815)
Net change in fund balances	\$ (223,635)	\$ (223,635)	(217,808)	(249,584)
Fund balances, beginning of year			824,317	1,073,901
Fund balances, end of year			\$ 606,509	\$ 824,317

City of Peoria, Illinois

**Workforce Development Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Year Ended December 31, 2011
 With Comparative Figures for the Year Ended December 31, 2010**

	<u>2011</u>	<u>2010</u>
Revenues:		
Governmental grants and reimbursements	\$ 4,987,176	\$ 6,851,443
Other	75,282	120,595
Total revenues	5,062,458	6,972,038
Expenditures, current, community development	5,049,525	6,736,406
Excess of revenues over expenditures	12,933	235,632
Other financing (uses), transfers out	-	(307,875)
Net change in fund balances	12,933	(72,243)
Fund balances, beginning of year	504,835	577,078
Fund balances, end of year	\$ 517,768	\$ 504,835

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, 2011

With Comparative Figures for the Year Ended December 31, 2010

	2011			2010 Actual
	Original Budget	Final Budget	Actual	
Revenues:				
Property taxes	\$ 10,117,065	\$ 10,117,065	\$ 9,991,824	\$ 8,547,440
Corporate personal property replacement taxes	1,951,485	1,951,485	1,951,485	1,669,658
Interest	-	-	606	835
Total revenues	12,068,550	12,068,550	11,943,915	10,217,933
Expenditures:				
Current:				
Police	5,254,000	5,254,000	5,199,837	4,595,768
Fire	6,814,550	6,814,550	6,744,078	5,622,165
Total expenditures	12,068,550	12,068,550	11,943,915	10,217,933
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, 2011
With Comparative Figures for the Year Ended December 31, 2010

	<u>2011</u>	<u>2010</u>
Revenues:		
Governmental grants and reimbursements	\$ 146,595	\$ 160,684
Interest	2,637	4,256
Total revenues	<u>149,232</u>	<u>164,940</u>
Expenditures, current, fire	<u>144,412</u>	216,244
Excess (deficiency) of revenues over expenditures	4,820	(51,304)
Fund balances, beginning of year	368,489	419,793
Fund balances, end of year	<u>\$ 373,309</u>	<u>\$ 368,489</u>

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Debt Service Funds

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

Following are the individual Debt Service Funds:

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.

2011B 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 2011B General Obligation Bonds.

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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, 2011
With Comparative Figures for the Year Ended December 31, 2010

	2011			2010 Actual
	Original Budget	Final Budget	Actual	
Revenues, interest	\$ -	\$ -	\$ 82	\$ 94
Expenditures:				
General government	-	-	1,500	1,500
Peoria Civic Center bond issue:				
Principal	100,000	100,000	100,000	100,000
Interest	2,933,888	2,933,888	2,933,887	2,937,888
Total expenditures	3,033,888	3,033,888	3,035,387	3,039,388
(Deficiency) of revenues over expenditures	(3,033,888)	(3,033,888)	(3,035,305)	(3,039,294)
Other financing sources (uses):				
Transfers in	3,033,888	3,033,888	4,431,432	3,608,501
Transfers out	-	-	(1,397,638)	(572,725)
Total other financing sources	3,033,888	3,033,888	3,033,794	3,035,776
Net change in fund balances	\$ -	\$ -	(1,511)	(3,518)
Fund balances, beginning of year			14,453	17,971
Fund balances, end of year			\$ 12,942	\$ 14,453

City of Peoria, Illinois

WeaverRidge Debt Service Fund

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

Year Ended December 31, 2011

With Comparative Figures for the Year Ended December 31, 2010

	2011			2010 Actual
	Original Budget	Final Budget	Actual	
Revenues:				
Property taxes	\$ 112,000	\$ 112,000	\$ 111,978	\$ 82,819
Interest	10,000	10,000	-	4
Total revenues	122,000	122,000	111,978	82,823
Expenditures:				
General government	15,400	15,400	15,619	14,550
WeaverRidge special service area bonds issue:				
Principal	385,000	385,000	385,000	350,000
Interest	157,125	157,125	157,125	175,500
Total expenditures	557,525	557,525	557,744	540,050
(Deficiency) of revenues over expenditures	(435,525)	(435,525)	(445,766)	(457,227)
Other financing sources, transfers in	506,000	506,000	484,717	472,323
Net change in fund balances	\$ 70,475	\$ 70,475	38,951	15,096
Fund balances, beginning of year			926,963	911,867
Fund balances, end of year			\$ 965,914	\$ 926,963

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, 2011
With Comparative Figures for the Year Ended December 31, 2010

	2011			2010 Actual
	Original Budget	Final Budget	Actual	
Revenues, interest	\$ 2,200	\$ 2,200	\$ 403	\$ 1,111
Expenditures:				
Current, general government	-	-	108,565	92,992
General obligation bond issues:				
Principal	8,660,000	8,660,000	8,712,582	5,961,616
Interest	4,721,735	4,721,735	4,212,430	3,688,190
Total expenditures	13,381,735	13,381,735	13,033,577	9,742,798
 (Deficiency) of revenues over expenditures	 (13,379,535)	 (13,379,535)	 (13,033,174)	 (9,741,687)
Other financing sources (uses):				
Issuance of bonds	-	-	4,060,000	3,915,000
Bond premium	-	-	118,975	27,243
Payment to refund debt	-	-	(4,064,361)	(3,836,533)
Transfers in	13,193,546	13,193,546	12,926,275	9,625,999
Total other financing sources	13,193,546	13,193,546	13,040,889	9,731,709
 Net change in fund balances	 \$ (185,989)	 \$ (185,989)	 7,715	 (9,978)
Fund balances, beginning of year			2,907	12,885
Fund balances, end of year			\$ 10,622	\$ 2,907

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, 2011
With Comparative Figures for the Year Ended December 31, 2010

	2011			2010 Actual
	Original Budget	Final Budget	Actual	
Revenues:				
Property taxes	\$ 98,583	\$ 98,583	\$ 510,089	\$ -
Interest	-	-	45,958	2,176
Other	188,938	188,938	312,317	-
Total revenues	287,521	287,521	868,364	2,176
Expenditures, special assessment bond issues, interest	279,370	279,370	279,370	279,370
Excess (deficiency) of revenues over expenditures	8,151	8,151	588,994	(277,194)
Other financing sources, transfers in	180,787	180,787	507,897	265,000
Net change in fund balances	\$ 188,938	\$ 188,938	1,096,891	(12,194)
Fund balances, beginning of year			622,436	634,630
Fund balances, end of year			\$ 1,719,327	\$ 622,436

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, 2011
With Comparative Figures for the Year Ended December 31, 2010

	2011			2010 Actual
	Original Budget	Final Budget	Actual	
Revenues:				
Property taxes	\$ 162,214	\$ 162,214	\$ 155,019	\$ 159,868
Interest	-	-	26	76
Total revenues	162,214	162,214	155,045	159,944
Expenditures:				
Current, general government	-	-	500	500
Special assessment bond issues:				
Principal	109,000	109,000	110,500	108,000
Interest	44,519	44,519	44,519	50,837
Total expenditures	153,519	153,519	155,519	159,337
Excess (deficiency) of revenues over expenditures	8,695	8,695	(474)	607
Other financing sources, transfers in	-	-	-	6,015
Net change in fund balances	\$ 8,695	\$ 8,695	(474)	6,622
Fund balances, beginning of year			22,009	15,387
Fund balances, end of year			\$ 21,535	\$ 22,009

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, 2011
With Comparative Figures for the Year Ended December 31, 2010

	2011			2010 Actual
	Original Budget	Final Budget	Actual	
Revenues:				
Property taxes	\$ 2,018,000	\$ 2,018,000	\$ 1,993,637	\$ 1,108,505
Interest	-	-	1,046	3,387
Total revenues	2,018,000	2,018,000	1,994,683	1,111,892
Expenditures, general obligation bond issue:				
Principal	715,000	715,000	715,000	600,000
Interest	1,303,000	1,303,000	1,303,000	1,321,000
Total expenditures	2,018,000	2,018,000	2,018,000	1,921,000
(Deficiency) of revenues over expenditures	-	-	(23,317)	(809,108)
Other financing sources, transfers in	-	-	362,017	-
Net change in fund balances	\$ -	\$ -	338,700	(809,108)
Fund balances, beginning of year			21,542	830,650
Fund balances, end of year			\$ 360,242	\$ 21,542

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, 2011
With Comparative Figures for the Year Ended December 31, 2010

	2011			2010 Actual
	Original Budget	Final Budget	Actual	
Revenues, interest	\$ -	\$ -	\$ 1,839,612	\$ 518,149
Expenditures:				
Current, general government	-	-	5,563	1,576,009
General obligation bond issue, interest	-	-	1,056,513	193,694
Total expenditures	-	-	1,062,076	1,769,703
Excess (deficiency) of revenues over expenditures	-	-	777,536	(1,251,554)
Other financing sources (uses):				
Issuance of bonds	-	-	-	24,310,000
Bond premium	-	-	-	2,092,333
Transfers in	-	-	1,280,612	766,419
Transfers out	-	-	(1,493,788)	(763,319)
Total other financing sources (uses)	-	-	(213,176)	26,405,433
Net change in fund balances	\$ -	\$ -	564,360	25,153,879
Fund balances, beginning of year			25,153,879	-
Fund balances, end of year			\$ 25,718,239	\$ 25,153,879

City of Peoria, Illinois

2011B General Obligation Bond Debt Service Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Year Ended December 31, 2011
With Comparative Figures for the Year Ended December 31, 2010

	2011			2010 Actual
	Original Budget	Final Budget	Actual	
Revenues, interest	\$ -	\$ -	\$ 4,240	\$ -
Expenditures, current, general government	-	-	116,012	-
(Deficiency) of revenues over expenditures	-	-	(111,772)	-
Other financing sources (uses):				
Issuance of bonds	-	-	5,290,000	-
Bond premium	-	-	527,112	-
Transfers in	-	-	122,488	-
Transfers out	-	-	(122,488)	-
Total other financing sources	-	-	5,817,112	-
Net change in fund balances	\$ -	\$ -	5,705,340	-
Fund balances, beginning of year			-	-
Fund balances, end of year			\$ 5,705,340	\$ -

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.

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, 2011

With Comparative Figures for the Year Ended December 31, 2010

	2011	2010
Revenues:		
Property taxes	\$ 186,703	\$ 61,179
Local motor fuel taxes	797,703	843,494
Riverboat gaming revenue	3,492,315	3,536,729
Governmental grants and reimbursements	19,499,456	6,627,344
Licenses and permits	1,370	3,596
Service charges/fines/fees	3,088,189	3,208,528
Special assessments	185,749	778,741
Loan repayment	138,852	111,833
Rental	43,349	42,276
Interest	120,319	137,245
Other, miscellaneous	926,351	196,940
Total revenues	28,480,356	15,547,905
Expenditures:		
Current:		
Elective offices, boards, commissions and agencies	2,229	4,676
City administration	167,565	222,341
Police	621,276	280,774
Fire	118,441	421,464
Public works	336,323	914,916
Community development	144,486	173,778
Public safety	665,908	746,343
General government	2,464,836	3,686,839
Capital outlay	8,994,415	10,421,044
Debt service:		
Principal	49,156	60,923
Interest	26,283	29,249
Total expenditures	13,590,918	16,962,347
Excess (deficiency) of revenues over expenditures	14,889,438	(1,414,442)
Other financing sources (uses):		
Proceeds from sale of capital assets	195,925	127,851
Transfers in	2,419,269	5,496,282
Transfers out	(8,308,158)	(7,254,685)
Total other financing (uses)	(5,692,964)	(1,630,552)
Net change in fund balances	9,196,474	(3,044,994)
Fund balances, beginning of year	7,329,734	10,374,728
Fund balances, end of year	\$ 16,526,208	\$ 7,329,734

City of Peoria, Illinois

Southtown TIF Project Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance

Year Ended December 31, 2011

With Comparative Figures for the Year Ended December 31, 2010

	<u>2011</u>	<u>2010</u>
Revenues:		
Property taxes	\$ 2,852,151	\$ 2,832,819
State sales taxes	202,722	205,485
Service charges/fines/fees	40,792	42,813
Interest	7,176	9,822
Other, miscellaneous	-	10,012
Total revenues	3,102,841	3,100,951
Expenditures:		
Current:		
City administration	401	383
Community development	1,620,525	385,050
Debt service:		
Principal	-	223,013
Interest	-	14,970
Total expenditures	1,620,926	623,416
Excess of revenues over expenditures	1,481,915	2,477,535
Other financing (uses), transfers out	(1,353,000)	(1,495,553)
Net change in fund balances	128,915	981,982
Fund balances, beginning of year	2,867,433	1,885,451
Fund balances, end of year	\$ 2,996,348	\$ 2,867,433

City of Peoria, Illinois

**Downtown TIF Project Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Year Ended December 31, 2011
 With Comparative Figures for the Year Ended December 31, 2010**

	<u>2011</u>	<u>2010</u>
Revenues:		
Property taxes	\$ 2,252,221	\$ 2,352,945
Interest	6,840	10,654
Other	136,363	200,000
Total revenues	<u>2,395,424</u>	<u>2,563,599</u>
Expenditures:		
Current:		
City administration	401	383
Public works	43,010	17,078
General government	330,904	333,874
Capital outlay	333,759	1,786,855
Total expenditures	<u>708,074</u>	<u>2,138,190</u>
Excess of revenues over expenditures	1,687,350	425,409
Other financing (uses), transfers out	<u>(789,182)</u>	(744,832)
Net change in fund balances	898,168	(319,423)
Fund balances, beginning of year	2,179,836	2,499,259
Fund balances, end of year	<u>\$ 3,078,004</u>	<u>\$ 2,179,836</u>

City of Peoria, Illinois

**Campustown TIF Project Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Year Ended December 31, 2011
 With Comparative Figures for the Year Ended December 31, 2010**

	2011	2010
Revenues:		
Property taxes	\$ -	\$ 128,437
State sales taxes	-	218,296
Interest	1,368	2,318
Total revenues	1,368	349,051
Expenditures:		
Current:		
City administration	401	383
General government	465,589	-
Total expenditures	465,990	383
Excess (deficiency) of revenues over expenditures	(464,622)	348,668
Other financing (uses), transfers out	(198,376)	(287,458)
Net change in fund balances	(662,998)	61,210
Fund balances, beginning of year	662,998	601,788
Fund balances, end of year	\$ -	\$ 662,998

City of Peoria, Illinois

Northside TIF Project Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance

Year Ended December 31, 2011

With Comparative Figures for the Year Ended December 31, 2010

	2011	2010
Revenues:		
Property taxes	\$ 137,918	\$ 134,481
Interest	2,039	2,606
Other	241,708	-
Total revenues	381,665	137,087
Expenditures, current:		
City administration	401	383
General government	13,011	12,602
Total expenditures	13,412	12,985
Excess of revenues over expenditures	368,253	124,102
Other financing (uses), transfers out	(216,345)	(181,742)
Net change in fund balances	151,908	(57,640)
Fund balances, beginning of year	658,926	716,566
Fund balances, end of year	\$ 810,834	\$ 658,926

City of Peoria, Illinois

Midtown Plaza TIF Project Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Year Ended December 31, 2011
With Comparative Figures for the Year Ended December 31, 2010

	<u>2011</u>	<u>2010</u>
Revenues:		
Property taxes	\$ 113,146	\$ 108,339
Interest	107	223
Total revenues	<u>113,253</u>	<u>108,562</u>
Expenditures, current, City administration	<u>401</u>	382
Excess of revenues over expenditures	112,852	108,180
Other financing (uses), transfers out	<u>(118,800)</u>	(130,000)
Net change in fund balances	(5,948)	(21,820)
Fund balances, beginning of year	6,075	27,895
Fund balances, end of year	<u>\$ 127</u>	<u>\$ 6,075</u>

City of Peoria, Illinois

Northside Business Park TIF Project Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Year Ended December 31, 2011
With Comparative Figures for the Year Ended December 31, 2010

	<u>2011</u>	<u>2010</u>
Revenues:		
Property taxes	\$ 133,632	\$ 130,808
Interest	939	916
Total revenues	134,571	131,724
Expenditures, current, city administration	401	382
Net change in fund balances	134,170	131,342
Fund balances, beginning of year	360,140	228,798
Fund balances, end of year	\$ 494,310	\$ 360,140

City of Peoria, Illinois

Downtown Stadium TIF Project Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Year Ended December 31, 2011
With Comparative Figures for the Year Ended December 31, 2010

	<u>2011</u>	<u>2010</u>
Revenues:		
Property taxes	\$ 337,896	\$ 332,960
Interest	354	518
Total revenues	<u>338,250</u>	<u>333,478</u>
Expenditures:		
City administration	400	382
General government	185,905	243,179
Total expenditures	<u>186,305</u>	<u>243,561</u>
Excess of revenues over expenditures	151,945	89,917
Other financing (uses), transfers out	<u>(148,613)</u>	(83,212)
Net change in fund balances	3,332	6,705
Fund balances, beginning of year	114,344	107,639
Fund balances, end of year	<u>\$ 117,676</u>	<u>\$ 114,344</u>

City of Peoria, Illinois

Eagle View TIF Project Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance

Year Ended December 31, 2011

With Comparative Figures for the Year Ended December 31, 2010

	2011	2010
Revenues:		
Property taxes	\$ 36,176	\$ 34,677
Interest	229	225
Total revenues	36,405	34,902
Expenditures:		
Current, City administration	400	382
Capital outlay	56,941	-
Total expenditures	57,341	382
Net change in fund balances	(20,936)	34,520
Fund balances, beginning of year	86,221	51,701
Fund balances, end of year	\$ 65,285	\$ 86,221

City of Peoria, Illinois

Warehouse District TIF Project Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Year Ended December 31, 2011
With Comparative Figures for the Year Ended December 31, 2010

	<u>2011</u>	<u>2010</u>
Revenues:		
Property taxes	\$ 183,851	\$ 162,498
Interest	766	1,009
Total revenues	<u>184,617</u>	<u>163,507</u>
Expenditures:		
Current:		
City administration	400	382
General government	10,000	-
Capital outlay	289,768	-
Total expenditures	<u>300,168</u>	<u>382</u>
Net change in fund balances	(115,551)	163,125
Fund balances, beginning of year	385,296	222,171
Fund balances, end of year	<u>\$ 269,745</u>	<u>\$ 385,296</u>

City of Peoria, Illinois

Hospitality Improvement Zone TIF Project Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Year Ended December 31, 2011
With Comparative Figures for the Year Ended December 31, 2010

	<u>2011</u>	<u>2010</u>
Revenues:		
Property taxes	\$ 34,066	\$ 25,994
State sales taxes	103,192	93,530
Hotel, restaurant and amusement taxes	105,763	95,402
Interest	832	618
Total revenues	243,853	215,544
Expenditures, current, community development	43,678	44,099
Net change in fund balances	200,175	171,445
Fund balances, beginning of year	291,478	120,033
Fund balances, end of year	\$ 491,653	\$ 291,478

City of Peoria, Illinois

2006 Special Assessment Bond Project Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Year Ended December 31, 2011
With Comparative Figures for the Year Ended December 31, 2010

	2011	2010
Revenues, interest	\$ 867	\$ 1,805
Expenditures:		
Current:		
Public works	-	380
General government	697	-
Capital outlay	-	1,011
Total expenditures	697	1,391
Excess of revenues over expenditures	170	414
Other financing (uses), transfers out	(507,897)	(80,100)
Net change in fund balances	(507,727)	(79,686)
Fund balances, beginning of year	507,727	587,413
Fund balances, end of year	\$ -	\$ 507,727

City of Peoria, Illinois

**City of Peoria Designated Zone Organization
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Year Ended December 31, 2011
 With Comparative Figures for the Year Ended December 31, 2010**

	2011	2010
Revenues:		
Contributions	\$ 5,000	\$ 5,000
Interest	148	176
Total revenues	5,148	5,176
Expenditures:		
Current:		
Community development	5,169	4,933
General government	80,000	-
Debt service:		
Principal	-	30,120
Interest	-	441
Total expenditures	85,169	35,494
(Deficiency) of revenues over expenditures	(80,021)	(30,318)
Other financing sources (uses):		
Transfers in	1,393,098	1,361,322
Transfers out	(1,388,077)	(1,326,004)
Total other financing sources	5,021	35,318
Net change in fund balances	(75,000)	5,000
Fund balances, beginning of year	75,000	70,000
Fund balances, end of year	\$ -	\$ 75,000

City of Peoria, Illinois

**2007A Special Assessment Bond Project Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Year Ended December 31, 2011
 With Comparative Figures for the Year Ended December 31, 2010**

	2011	2010
Revenues:		
Interest	\$ -	\$ 10
Other	-	-
Total revenues	-	10
Expenditures, capital outlay	-	-
Excess (deficiency) of revenues over expenditures	-	10
Other financing (uses), transfers out	-	(6,015)
Net change in fund balance	-	(6,005)
Fund balance, beginning of year	-	6,005
Fund balance, end of year	\$ -	\$ -

City of Peoria, Illinois

2007A General Obligation Bond Project Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Year Ended December 31, 2011
With Comparative Figures for the Year Ended December 31, 2010

	2011	2010
Revenue, interest	\$ 72	\$ 5,360
Expenditures:		
Current:		
Public works	-	3,792
General government	10,165	-
Capital outlay	75,708	1,617,818
Total expenditures	85,873	1,621,610
(Deficiency) of revenues over expenditures	(85,801)	(1,616,250)
Other financing (uses), transfers out	(1,263)	(487,554)
Net change in fund balance	(87,064)	(2,103,804)
Fund balance, beginning of year	87,064	2,190,868
Fund balance, end of year	\$ -	\$ 87,064

City of Peoria, Illinois

2008A Library General Obligation Bond Project Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Year Ended December 31, 2011
With Comparative Figures for the Year Ended December 31, 2010

	<u>2011</u>	<u>2010</u>
Revenue, interest	<u>\$ 14,134</u>	<u>\$ 75,321</u>
Expenditures:		
Current, library	677,254	-
Capital outlay	<u>7,124,258</u>	<u>15,996,476</u>
Total expenditures	<u>7,801,512</u>	<u>15,996,476</u>
(Deficiency) of revenues over expenditures	(7,787,378)	(15,921,155)
Other financing (uses), transfers out	<u>(362,017)</u>	-
Net change in fund balance	(8,149,395)	(15,921,155)
Fund balance, beginning of year	<u>8,904,702</u>	24,825,857
Fund balance, end of year	<u>\$ 755,307</u>	<u>\$ 8,904,702</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, 2011
 With Comparative Figures for the Year Ended December 31, 2010**

	2011	2010
Revenue, interest	<u>\$ 23,059</u>	<u>\$ 17,852</u>
Expenditures:		
Current:		
Public works	39,734	2,424
General government	891,929	247,754
Capital outlay	<u>2,980,804</u>	<u>4,224,490</u>
Total expenditures	<u>3,912,467</u>	<u>4,474,668</u>
(Deficiency) of revenues over expenditures	(3,889,408)	(4,456,816)
Other financing sources, issuance of bonds	<u>-</u>	<u>15,490,000</u>
Net change in fund balance	(3,889,408)	11,033,184
Fund balance, beginning of year	<u>11,033,184</u>	<u>-</u>
Fund balance, end of year	<u>\$ 7,143,776</u>	<u>\$ 11,033,184</u>

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Pension Trust Funds

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

Following are the individual Pension Trust Funds:

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

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

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City of Peoria, Illinois

**Combining Statement of Fiduciary Net Assets
December 31, 2011**

	Police Pension Fund of Peoria	Firemen's Pension Fund of Peoria	Total
Assets			
Cash and cash equivalents	\$ 246,047	\$ 1,411,085	\$ 1,657,132
Receivables:			
Employer contributions	5,073,242	6,478,504	11,551,746
Plan members' contributions	-	40,155	40,155
Accrued interest and dividends	343,916	538,481	882,397
	<u>5,417,158</u>	<u>7,057,140</u>	<u>12,474,298</u>
Other assets, prepaids	-	5,549	5,549
Investments, at fair value:			
Money market mutual funds	1,268,976	4,846,711	6,115,687
U.S. government obligations	23,250,343	35,221,882	58,472,225
State and local obligations	1,071,427	3,150,498	4,221,925
Illinois Public Treasurer's Investment Pool	-	533,023	533,023
Mutual funds	65,395,863	20,623,536	86,019,399
Corporate bonds	21,328,746	16,500,162	37,828,908
Stocks	19,560,913	22,958,246	42,519,159
	<u>131,876,268</u>	<u>103,834,058</u>	<u>235,710,326</u>
Total assets	137,539,473	112,307,832	249,847,305
Liabilities			
Accounts payable and accrued payroll taxes	324,404	129,126	453,530
Net assets held in trust for pension benefit obligation	\$ 137,215,069	\$ 112,178,706	\$ 249,393,775

City of Peoria, Illinois

**Combining Statement of Changes in Fiduciary Net Assets
Year Ended December 31, 2011**

	Police Pension Fund of Peoria	Firemen's Pension Fund of Peoria	Total
Additions			
Contributions:			
Plan members' contributions	\$ 1,712,628	\$ 1,532,171	\$ 3,244,799
Employer contributions	5,061,727	6,463,705	11,525,432
Transfer of creditable service	196,078	-	196,078
Other income	47,112	67,293	114,405
Total contributions	7,017,545	8,063,169	15,080,714
Investment income:			
Net appreciation (depreciation) in fair value of investments	(188,584)	(1,671,920)	(1,860,504)
Dividends	1,092,410	1,090,200	2,182,610
Interest	1,321,801	2,050,289	3,372,090
Total investment income	2,225,627	1,468,569	3,694,196
Less investment expenses	628,826	350,585	979,411
Net investment income	1,596,801	1,117,984	2,714,785
Total additions	8,614,346	9,181,153	17,795,499
Deductions			
Benefits paid	11,440,919	10,206,645	21,647,564
Administrative expenses	250,737	136,743	387,480
Refunds	26,910	-	26,910
Total deductions	11,718,566	10,343,388	22,061,954
Net (decrease)	(3,104,220)	(1,162,235)	(4,266,455)
Net assets held in trust for pension benefits			
Beginning of year	140,319,289	113,340,941	253,660,230
End of year	\$ 137,215,069	\$ 112,178,706	\$ 249,393,775

Agency Funds

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

Following is the City's Agency Fund:

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.

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City of Peoria, Illinois

Statement of Changes in Assets and Liabilities

Agency Fund

Year Ended December 31, 2011

	Balance, Beginning	Additions	Deductions	Balance, Ending
Section 125				
Assets, cash and investments	\$ 105,815	\$ 112,010	\$ 105,815	\$ 112,010
Liabilities, due to individuals	\$ 105,815	\$ 112,010	\$ 105,815	\$ 112,010

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City of Peoria

Statistical Section (Unaudited)

Contents

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

Contents	Pages
Financial Trends: Tables I - IV	138 - 142
These schedules contain trend information to help the reader understand how the City's financial performance and well being have changed over time.	
Revenue Capacity: Tables V - IX	143 - 148
These schedules contain information to help the reader assess two primary revenue sources for the City: a) property taxes b) taxable sales.	
Debt Capacity: Tables X - XIII	149 - 153
These schedules present information to help the reader assess the affordability of the City's current level of outstanding debt and the City's ability to issue additional debt in the future.	
Demographic and Economic Information: Tables XIV - XV	154 - 155
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	
Operating Information: Tables XVI - XVIII	156 - 158
These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	
Glossary of Terms in Statistical Section	159 - 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 2006-2011 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					
	2006	2007	2008	2009	2010	2011
Governmental activities/primary government:						
Invested in capital assets, net of related debt	\$171,655,101	\$185,488,430	\$194,265,042	\$177,077,761	\$184,710,991	\$186,383,801
Restricted	68,518,109	61,923,893	75,633,071	63,707,057	36,374,406	23,938,124
Unrestricted	(124,525,566)	(132,053,264)	(151,816,167)	(138,035,376)	(103,672,054)	(73,918,356)
Total governmental activities/primary government net assets	\$115,647,644	\$115,359,059	\$118,081,946	\$102,749,442	\$117,413,343	\$136,403,569

Source: City of Peoria comprehensive annual financial reports for fiscal years 2006 through 2011.

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

Trend: In 2009, \$21,898,329 increase in capital-related debt contributed to \$17,187,281 decrease in capital assets, net of related debt.

Trend: In 2011, the \$18,990,226 increase in net assets included:

- a) \$10,098,950 increase in restricted net assets for capital projects.
- b) \$ 2,027,404 increase in unrestricted net assets from new natural gas utility tax revenue.

Restatement of 2011 Beginning Net Assets:

In 2011, the City recorded prior period adjustments producing a \$12,398,865 increase in December 31, 2010 ending net assets. Unrestricted net assets increased \$12,398,865 for recognition in the General Fund of net assets previously recorded in the Other Post-Employment Benefits (OPEB)Fund, an Agency Fund.

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					
	2006	2007	2008	2009	2010	2011
Expenses						
Governmental activities:						
Elected Offices, Boards, Commissions, and Agencies	\$ 1,926,997	\$ 2,184,194	\$ 2,118,174	\$ 2,177,766	\$ 1,807,517	\$ 2,038,876
City Administration	6,950,987	7,828,057	8,185,595	8,197,849	4,649,988	3,389,721
Police	30,538,723	37,110,409	37,876,713	36,273,295	36,717,097	38,335,139
Fire	24,408,676	27,816,247	28,353,632	31,575,786	31,747,002	32,400,123
Public Works	27,838,925	27,924,254	28,535,894	30,208,619	24,460,125	24,073,194
Community Development	49,626,179	26,926,080	14,753,676	14,723,262	17,055,003	17,018,270
Public Safety	8,412,090	10,534,455	10,196,053	10,768,011	10,265,084	7,778,795
General Government	16,019,134	17,584,981	19,793,924	16,545,136	23,810,131	22,512,282
Library	6,833,270	7,874,572	9,882,250	11,308,891	9,284,492	11,059,026
Interest on Long-Term Debt	7,809,463	7,698,934	7,468,578	8,844,508	8,316,083	9,493,691
Total governmental activities/primary government expenses	\$ 180,364,444	\$ 173,482,183	\$ 167,164,489	\$ 170,623,123	\$ 168,112,522	\$ 168,099,117
Program Revenues						
Governmental activities:						
Charges for services:						
Elected offices, boards, commissions, and agencies	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City administration	-	-	-	-	-	-
Police	1,020,290	883,111	839,168	558,810	597,217	605,675
Fire	275,658	520,862	709,022	564,471	511,084	501,192
Public works	5,635,552	5,522,366	5,546,259	5,229,957	4,970,342	5,060,544
Community development	-	-	-	-	-	-
Public safety	2,373,167	4,177,942	3,921,530	2,792,610	2,594,265	2,377,782
General government	11,442,837	12,348,131	11,839,748	11,951,363	15,374,543	11,966,230
Library	132,559	122,818	128,679	129,540	98,307	119,577
Operating grants and contributions:						
Elected offices, boards, commissions, and agencies	-	-	-	-	-	-
City administration	-	-	-	-	-	-
Police	1,373,059	1,095,196	805,850	786,354	1,155,061	1,980,971
Fire	145,197	191,955	257,520	186,799	254,738	524,903
Public works	-	-	4,999	-	-	-
Community development	9,505,077	7,844,074	6,436,062	8,810,036	10,822,497	8,649,820
Public safety	39,930	-	-	-	-	-
General government	-	(12,121)	-	-	-	2,248,247
Library	135,412	104,065	65,283	51,760	82,199	100,553
Capital grants and contributions						
Elected offices, boards, commissions, and agencies	-	-	-	-	-	-
City administration	-	-	-	-	-	-
Police	-	-	-	-	-	-
Fire	-	-	-	-	-	98,882
Public works	37,572	-	-	186,166	517,220	4,426,709
Community development	33,333	13,333	13,333	10,000	5,000	5,000
Public safety	-	-	-	124,693	579,939	324,942
General government	1,955,973	9,391,351	7,385,886	1,121,888	8,712,785	16,677,425
Library	106,364	151,184	143,026	160,220	105,477	139,147
Total governmental activities/primary government program revenues	34,211,980	42,354,257	38,096,365	32,664,667	46,380,674	55,807,599
Net (expense) revenue:						
Total governmental activities/primary government net expense	\$ (146,152,464)	\$ (131,127,926)	\$ (129,068,124)	\$ (137,958,456)	\$ (121,731,848)	\$ (112,291,518)

(Continued)

Table II

	Fiscal Year					
	2006	2007	2008	2009	2010	2011
General Revenues and Other Changes in Net Assets:						
Governmental activities/primary government:						
Taxes:						
Property taxes	\$ 26,334,488	\$ 27,481,171	\$ 29,047,046	\$ 32,964,520	\$ 34,408,536	\$ 35,411,598
Corporate personal property replacement taxes	6,825,112	8,306,487	7,690,109	6,777,042	7,116,213	6,663,610
State sales taxes, unrestricted	23,274,038	23,514,047	23,807,678	21,951,915	22,983,019	23,425,790
State income tax allocation, unrestricted	9,679,194	10,545,996	11,456,986	9,848,758	9,473,829	9,252,638
Home rule sales taxes	22,888,067	23,199,949	23,100,548	21,074,331	21,750,896	22,662,416
Hotel, restaurant and amusement taxes	7,449,766	8,120,176	8,253,017	7,640,779	7,913,576	8,514,746
Local motor fuel taxes	894,898	893,078	855,599	764,720	843,494	-
Riverboat gaming revenue	3,965,791	4,005,969	3,594,362	3,528,968	3,536,729	3,492,315
Utility taxes	8,568,744	8,795,630	8,629,442	8,406,435	9,535,439	12,026,499
Grants and contributions not restricted to specific programs	4,810,762	3,508,181	3,350,085	3,163,376	3,141,811	2,968,278
Interest/Investment Income	5,077,067	4,363,118	2,384,392	1,053,232	1,125,035	2,156,553
Franchise Fees, based on gross receipts	2,071,893	2,189,184	2,306,679	2,249,178	2,178,794	2,290,351
Other	4,450,806	5,916,355	7,315,068	3,202,698	3,480,454	2,416,950
Total governmental activities/primary government	\$ 126,290,626	\$ 130,839,341	\$ 131,791,011	\$ 122,625,952	\$ 127,487,825	\$ 131,281,744
Change in net assets:						
Total governmental activities/primary government	\$ (19,861,838)	\$ (288,585)	\$ 2,722,887	\$ (15,332,504)	\$ 5,755,977	\$ 18,990,226

Source: City of Peoria comprehensive annual financial reports for fiscal years 2006 through 2011.

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

Trend: In 2009, the \$15,332,504 decrease in net assets included:

- \$4,447,880 decrease in state-shared revenues resulting from national economic recession.
- \$4,264,610 increase in total long-term debt.
- \$4,625,034 aggregate revenues decrease in home rule sales tax, license fees, intergovernmental reimbursements, interest earnings.

Trend: In 2011, the \$18,990,226 increase in net assets included:

- \$12,093,500 increase in State of Illinois reimbursements for Orange Prairie Road Extension and Washington Street Improvements.
- \$ 2,027,404 new local natural gas utility tax revenues.

Restatement of 2011 Beginning Net Assets:

In 2011, the City recorded prior period adjustments producing a \$12,398,865 increase in 2011 beginning net 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					
	2006	2007	2008	2009	2010	2011
General Fund:						
Nonspendable	-	-	-	-	-	672,059
Restricted	-	-	-	-	-	306,681
Committed	-	-	-	-	-	16,233,211
Assigned	-	-	-	-	-	7,815,947
Unassigned	-	-	-	-	-	17,398,313
Reserved	\$ 1,848,711	\$ 7,968,830	\$ 8,704,989	\$ 8,371,893	\$ 8,103,056	-
Unreserved - Designated	18,691,956	12,570,433	12,828,231	12,847,709	12,859,791	-
Unreserved - Undesignated	8,736,116	9,665,019	11,078,502	4,595,390	4,371,850	-
Total General Fund	\$ 29,276,783	\$ 30,204,282	\$ 32,611,722	\$ 25,814,992	\$ 25,334,697	\$ 42,426,211
All Other Governmental Funds:						
Nonspendable	-	-	-	-	-	439,195
Restricted	-	-	-	-	-	62,094,179
Committed	-	-	-	-	-	-
Assigned	-	-	-	-	-	15,650,492
Unassigned	-	-	-	-	-	(2,083,145)
Reserved	\$ 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	25,180,643	17,213,173	32,740,696	26,235,774	19,684,749	-
Unreserved - Undesignated, reported in:						-
Special Revenue Funds	1,078,166	1,648,746	1,731,009	1,818,615	1,382,947	-
Debt Service Funds	-	-	-	-	-	-
Capital Project Funds	6,090,571	11,514,801	10,948,360	5,390,826	5,025,196	-
Total All Other Government Funds	\$ 61,998,848	\$ 59,804,979	\$ 73,350,302	\$ 60,655,392	\$ 75,157,665	\$ 76,100,721

Source: City of Peoria comprehensive annual financial reports for fiscal years 2006 through 2011.

GASB Statement 54 Implementation: The City implemented new fund balance reporting classifications for governmental funds effective 2011.

Trend: In 2008, \$15,952,763 total fund balance increase included:

- \$8,893,013 increase in total bond proceeds
- \$2,912,701 decrease in General Fund employee benefits costs
- \$1,565,874 increase in total real estate tax revenues

Trend: In 2009, \$19,491,640 total fund balance decrease included:

- \$10,902,137 decrease in total bond proceeds
- \$4,447,881 decrease in total state-shared revenues

Trend: In 2010, \$14,021,978 total fund balance increase included:

- \$6,282,185 increase in total governmental grants and reimbursements
- \$3,410,335 decrease in gross payroll wages
- \$3,382,390 increase in total local tax revenues

Restatement of 2011 Beginning Fund Balances:

In 2011, the City recorded prior period adjustments producing an \$8,369,653 net increase in December 31, 2010 ending fund balances.

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

Table IV

	Fiscal Year					
	2006	2007	2008	2009	2010	2011
Revenues:						
Taxes	\$ 105,914,307	\$ 110,856,534	\$ 112,840,425	\$ 110,789,222	\$ 114,596,444	\$ 118,158,046
Riverboat gaming revenue	3,965,791	4,005,969	3,594,362	764,720	3,536,729	3,492,315
Governmental grants and reimbursements	16,282,395	13,939,383	12,798,543	13,087,732	21,927,936	33,323,459
Licenses and Permits	1,743,658	3,378,864	3,374,273	2,048,933	2,516,900	2,597,899
Charges for services	21,208,296	22,385,539	21,916,812	21,426,996	20,069,485	19,543,740
Special assessments	155,281	272,989	359,175	466,684	778,741	185,749
Loan repayments	389,744	381,881	327,345	154,784	150,998	154,868
Interest	5,066,507	4,350,633	2,364,386	1,039,034	1,119,080	2,302,857
Other	4,937,680	4,458,484	5,764,935	3,164,042	3,255,681	5,658,012
Total Revenues	\$ 159,663,659	\$ 164,030,276	\$ 163,340,256	\$ 152,942,147	\$ 167,951,994	\$ 185,416,945
Expenditures:						
Elected offices, boards, commissions, agencies	1,914,702	2,065,825	1,962,117	2,064,338	1,987,560	1,937,261
City administration	6,753,081	7,473,952	7,682,868	7,758,944	7,657,199	3,360,440
Police	31,304,981	34,817,519	35,794,392	35,105,004	34,014,508	35,801,837
Fire	23,295,673	25,210,684	26,125,716	27,796,965	27,463,584	29,734,147
Public works	25,213,092	26,712,420	26,812,501	28,156,412	23,090,210	23,439,561
Community development	49,489,472	23,387,350	13,672,424	13,818,411	15,680,834	16,723,085
Public safety	8,289,939	9,062,108	9,285,483	9,932,649	9,570,742	7,761,710
General government	8,985,341	9,470,644	8,549,659	10,286,382	13,624,131	10,475,320
Library	6,218,368	6,549,961	7,011,868	7,249,289	6,916,950	8,814,034
Capital outlay	14,461,134	23,355,246	22,400,879	17,812,988	38,538,261	23,671,645
Debt service:						
Principal	10,541,104	11,068,939	8,618,657	8,676,500	8,724,038	10,072,238
Interest	8,057,602	7,550,153	8,356,302	9,334,280	8,787,893	10,088,401
Total Expenditures	\$ 194,524,489	\$ 186,724,801	\$ 176,272,866	\$ 177,992,162	\$ 196,055,910	\$ 181,879,679
Excess of Revenues (under) Expenditures	(34,860,830)	(22,694,525)	(12,932,610)	(25,050,015)	(28,103,916)	3,537,266
Other Financing Sources (Uses):						
Proceeds from issuance of bonds	9,775,000	19,905,000	28,000,000	17,645,000	43,715,000	9,350,000
Premium on issued bonds	121,590	47,197	798,013	250,876	2,119,576	646,087
Payment to refunding bond escrow agent	(4,453,083)	-	-	(17,665,354)	(3,836,533)	(4,064,361)
Proceeds from sale of property	465,131	1,475,958	87,360	8,275	127,851	195,925
New loan proceeds	-	-	-	5,319,578	-	-
Proceeds from note payable	-	-	-	-	-	-
Transfers in	24,774,077	25,355,043	28,416,782	21,422,476	26,081,501	25,101,415
Transfers out	(24,774,077)	(25,355,043)	(28,416,782)	(21,422,476)	(26,081,501)	(25,101,415)
Total Other Financing Sources (Uses)	5,908,638	21,428,155	28,885,373	5,558,375	42,125,894	6,127,651
Net Change in Fund Balances	\$ (28,952,192)	\$ (1,266,370)	\$ 15,952,763	\$ (19,491,640)	\$ 14,021,978	\$ 9,664,917
Debt service as a percentage of noncapital expenditures	10.3%	11.4%	11.0%	11.2%	11.1%	12.7%

Source: City of Peoria comprehensive annual financial reports for fiscal years 2006 through 2011.

- Trend:** In 2010, \$14,021,978 total net fund balance increase included:
- \$6,282,185 increase in total governmental grants and reimbursements
 - \$3,410,335 decrease in gross payroll wages
 - \$3,382,390 increase in total local tax revenues

Restatement of 2011 Beginning Fund Balances:

In 2011, the City recorded prior period adjustments producing an \$8,369,653 net increase in 2011 beginning fund balances.

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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	% Change in Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value
2012	2011	\$ 1,299,455	\$ 642,415	\$ 48,130	\$ 1,028	\$ 1,953	\$ 1,992,981	-0.95%	\$ 1.4096	\$ 5,979,540
	2010	1,324,615	636,251	48,667	866	1,657	2,012,057	1.43%	1.3911	\$ 6,036,774
	2009	1,306,278	627,211	47,966	840	1,360	1,983,655	1.95%	1.3865	\$ 5,951,561
	2008	1,276,338	619,746	47,804	809	1,055	1,945,752	5.34%	1.3861	\$ 5,837,839
	2007	1,215,582	583,533	46,167	860	886	1,847,028	7.63%	1.2707	\$ 5,541,640
	2006	1,125,204	544,809	44,360	904	841	1,716,118	6.14%	1.2822	\$ 5,148,870
	2005	1,057,513	514,791	42,847	765	886	1,616,802	5.22%	1.2896	\$ 4,850,890
	2004	1,000,040	492,297	42,601	737	933	1,536,607	3.62%	1.2723	\$ 4,610,283
	2003	982,025	456,371	42,778	740	985	1,482,899	5.24%	1.2649	\$ 4,449,142
	2002	937,228	427,495	42,503	781	997	1,409,003	6.90%	1.2578	\$ 4,227,431

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: 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; 2011 - \$67,479,260

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

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	
2012	2011	\$0.2532	\$0.2262	\$0.3337	\$0.1065	\$0.2748	\$0.2152	\$1.4096
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

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
\$4.9315	\$0.7998	\$0.1355	\$0.7335	\$0.1858	\$0.4624	\$0.1905	\$8.8487
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

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

Taxpayer	2011 (Taxable Assessed Valuation \$1,992,980,826)			2002 (Taxable Assessed Valuation \$1,409,002,919)		
	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.	\$ 22,208,730	1	1.11%	\$ 15,518,090	1	1.10%
MCRIL LLC (Shoppes at Grand Prairie)	16,739,300	2	0.84%			
OSF Healthcare System	9,574,702	3	0.48%	7,965,860	2	0.57%
Northwoods Development Co.	9,459,710	4	0.47%	6,527,740	3	0.46%
Gateway Taylor Inc (Sheridan Village & Wardcliffe)	8,327,890	5	0.42%			
Willow Knolls Ltd.	7,837,910	6	0.39%	6,018,060	5	0.43%
Wal-Mart Real Estate Business Trust	7,560,020	7	0.38%			
Edward Rose Building Co.	7,248,168	8	0.36%	4,149,500	10	0.29%
Lexington House Corporation (Becker)	5,108,990	9	0.26%	4,434,900	9	0.31%
Knoxville Pointe (Apartments off Knoxville)	4,925,760	10	0.25%			
PMP Fermentation Products				6,051,840	4	0.43%
Peoria Hotel Ltd. Partner (Pere Marquette)				4,899,560	6	0.35%
Methodist Hospital Services				4,738,680	7	0.34%
Bradley Operating Ltd.				4,531,890	8	0.32%
	\$ 98,991,180		4.97%	\$ 64,836,120		4.60%

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
2011	2010	\$ 34,359,956	\$ 34,033,488	99.05%	\$ -	\$ 34,033,488	99.05%
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									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
General Merchandise	\$ 325,955	\$ 355,380	\$ 387,322	\$ 382,260	\$ 404,909	\$ 390,938	\$ 391,718	\$ 380,143	\$ 378,851	\$ 348,278
Food	227,888	220,393	210,394	212,221	218,964	221,889	214,735	222,521	229,184	269,468
Drinking and Eating Places	183,126	188,939	198,481	202,459	211,092	226,625	226,676	218,259	225,876	234,314
Apparel	61,735	71,473	90,068	92,811	97,317	100,587	99,906	89,305	92,305	124,771
Furniture, H.H., and Radio	139,327	152,141	162,219	172,214	180,579	177,355	167,054	147,190	144,841	143,882
Lumber, Bldg, Hardware	105,404	121,274	132,902	142,554	146,777	139,757	130,046	117,211	115,644	113,695
Automotive and Filling Stations	349,163	351,254	358,403	364,665	399,927	404,877	411,187	368,643	402,814	399,213
Drugs and Miscellaneous Retail	230,511	240,091	252,930	249,986	252,687	254,004	255,395	253,201	274,731	284,326
Agriculture and All Others	170,689	175,133	185,198	202,831	213,281	228,694	251,212	193,786	205,011	192,551
Manufacturers	27,471	26,177	24,774	26,136	26,874	25,530	31,985	30,331	37,810	40,946
Total	\$ 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	\$ 2,151,445
City direct sales tax rate	2.00%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Number of Taxpayers	3,267	3,186	3,136	3,193	3,115	3,089	2,582	2,446	2,490	2,452

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) (7)}**Last Ten Fiscal Years***(dollars in thousands, except per capita)***(Unaudited)**

Fiscal Year	Governmental Activities				Total Primary Government	Debt % of Taxable Property Value	Debt % of Personal Income	Debt Per Capita
	General Obligation Bonds	Revenue & Special Assessment Bonds	Special Service Area Bonds	Long-Term Loans & Notes Payable	Total Outstanding Debt			
2011	\$ 203,270	\$ 5,851	\$ 2,950	\$ 1,636	\$ 213,707	10.72%	7.42%	\$ 1,858
2010	207,450	5,961	3,335	5,767	222,513	11.06%	7.88%	1,935
2009	174,115	6,069	3,685	7,385	191,254	9.64%	6.83%	1,578
2008	181,175	6,796	4,015	2,476	194,462	9.99%	6.21%	1,605
2007	160,325	7,491	4,315	2,950	175,081	9.48%	5.88%	1,445
2006	151,325	6,951	4,575	3,394	166,245	9.69%	5.80%	1,407
2005	160,710	2,306	4,490	3,122	170,628	10.55%	6.10%	1,444
2004	107,835	2,851	4,655	3,483	118,824	7.73%	4.36%	1,006
2003	110,600	3,241	4,795	4,463	123,099	8.30%	4.70%	1,090
2002	114,035	3,911	4,915	4,615	127,476	9.05%	5.01%	1,129

Source:

City of Peoria comprehensive annual financial reports for fiscal years 2002 through 2011.

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 personal income and population data.
- (3) In 2006, the City issued \$5,200,000 Series 2006 Special Assessment Bonds for road improvements.
- (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.
- (7) From 2006-2011, the City issued \$55,250,000 aggregate total General Obligation Bonds to refund multiple previously issued bonds.

Business-Type Activities:

The City has no business-type activities.

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

Fiscal Year	Population	Assessed Value (Thousands)	General Bonded Debt Outstanding			Percentage of Actual Property Value	Debt Per Capita	Debt Limit	Total Net Debt Applicable to Limit	Legal Debt Margin
			General Obligation Bonds	Less Amount Available in Debt Service	Net General Bonded Debt					
2011	115,007	\$1,992,981	\$ 203,270	\$ 43,772	\$ 159,498	8.00%	\$1,386.85	\$199,298	\$26,685	\$172,613
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

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 2011:

Assessed Value (from County Report)	\$1,992,981
Debt Limit (10% of assessed value)	199,298
Debt Applicable to Limit:	
General Obligation Bonds	203,270
Less: Amount set aside for repayment of GO Debt	(43,772)
Gross Total Debt Applicable to Limit	159,498
Less: Debt With Alternative Repayment Sources	(132,813)
Net Total Debt Applicable to Limit	26,685
Legal Debt Margin	<u>\$172,613</u>

Direct and Overlapping Governmental Activities Debt ⁽¹⁾
As of December 31, 2011
(Unaudited)

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable To City	City's Estimated Share of Overlapping Debt
County of Peoria	\$ 83,090,000	60.91%	\$ 50,610,119
Greater Peoria Airport Authority	52,395,000	56.12%	29,404,074
Pleasure Driveway and Park District	8,135,000	94.59%	7,694,897
Weaverridge Special Service Area	2,530,000	100.00%	2,530,000
School District No. 62, Pleasant Valley	920,000	47.69%	438,748
School District No. 150, City of Peoria	148,172,685	97.75%	144,838,800
School District No. 310, Limestone	2,450,000	7.18%	175,910
School District No. 321, Chillicothe IVC	7,915,000	1.59%	125,849
School District No. 323, Dunlap	57,300,000	87.09%	49,902,570
School District No. 325, Peoria Heights	5,300,000	11.83%	626,990
School District No. 514, Illinois Central College	31,245,000	30.06%	9,392,247
	<u>399,452,685</u>		<u>295,740,203</u>
Subtotal - Overlapping Debt	399,452,685		295,740,203
City of Peoria Direct Debt	<u>203,270,000</u>	100.00%	<u>203,270,000</u>
Total Direct and Overlapping Debt	<u>\$ 602,722,685</u>		<u>\$ 499,010,203</u>

Sources: City of Peoria Official Bond Statements for Series 2012A Taxable General Obligation Bonds

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		
2011	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		N/A
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

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		
\$ 665	\$ -	\$ 312	\$ 46	\$ 1,023	\$ 111	\$ 324	2.36	
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 (Thousands)	Per Capita Personal Income ⁽⁵⁾	Median Age ⁽⁴⁾	School Enrollment ⁽²⁾	Unemployment Rate ⁽³⁾
2011	115,007	\$ 2,879,545	\$ 25,038	38.8	14,266	9.9%
2010	115,007	2,823,997	24,555	38.1	13,021	11.3%
2009	121,170	2,799,633	23,105	37.7	13,825	11.2%
2008	121,170	3,132,366	25,851	37.6	13,642	6.1%
2007	121,170	2,979,570	24,590	36.0	13,961	5.0%
2006	118,135	2,865,128	24,253	33.8	14,400	4.4%
2005	118,135	2,795,192	23,661	33.8	14,701	5.2%
2004	118,135	2,727,028	23,084	33.8	15,056	6.1%
2003	112,936	2,618,647	23,187	33.8	15,414	6.6%
2002	112,936	2,542,302	22,511	33.8	15,736	6.1%

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⁾ Unemployment Data Per the IL Department of Employment Security [www.ides.illinois.gov]

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

⁽⁵⁾ Per Capita Income from Best Places to Live in Peoria, IL website [www.bestplaces.net/economy/city/illinois.peoria]

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

Employer	2011			2002		
	Employees	Rank	Percentage of Total City ⁽¹⁾ Employment	Employees	Rank	Percentage of Total City ⁽²⁾ Employment
Caterpillar Tractor Company	15,904	1	13.83%	15,200	1	13.46%
Methodist Medical Center	3,000	2	2.61%	3,000	3	2.66%
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%	2,550	4	2.26%
Supply Chain (SC2)	1,500	5	1.30%	-	-	-
Bradley University	1,400	6	1.22%	1,100	9	0.97%
Proctor Hospital	1,200	7	1.04%	-	-	-
Affina, LLC (fka: Ruppman Marketing)	1,014	8	0.88%	-	-	-
County of Peoria	1,000	9	0.87%	1,100	8	0.97%
Keystone Steel and Wire Company	865	10	0.75%	1,300	6	1.15%
Illinois Central College	-	-	-	1,950	5	1.73%
Central Illinois Light Company	-	-	-	1,200	7	1.06%
Par-a-Dice Riverboat Casino	-	-	-	1,050	10	0.93%

Sources: City of Peoria Official Bond Statements (2002A GO Bonds), Economic Development Council for Central Illinois

Note: ⁽¹⁾ Based on 2011 United States Census

⁽²⁾ Based on 2002 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					2011
	2006	2007	2008	2009	2010	
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	3	3	3	3
City Administration						
City Manager	7	9	8	7	11	11
Finance	19	19	19	19	18	17
Human Resources	6	6	6	6	6	6
Information Systems	18	18	18	18	18	17
Legal	9	8	8	8	8	8
Police	287	287	290	290	256	248
Fire	210	210	216	216	214	208
Public Works	106	106	106	105	97	97
Community Development						
Economic Development	6	5	5	5	0	0
Planning and Growth Management	20	19	19	19	18	18
Workforce Development	27	25	14	19	19	19
Public Safety						
Inspection Services	50	50	50	50	43	30
Emergency Services	41	41	41	40	38	38
Library	74	72	74	72	67	74
Total	895	890	888	888	827	805

Sources: City's annual Budget Books, Organizational Summary by Department, Original Budget Data.
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.

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

Function/Program	Fiscal Year					
	2006	2007	2008	2009	2010	2011
Police:						
Total Number of Calls For Service	86,909	85,249	82,656	81,144	78,815	78,619
Total Number of Arrests	12,651	10,648	9,393	8,425	7,463	7,074
--Adult arrest - Misdemeanor and Felony	11,964	9,752	8,686	7,765	6,739	6,505
--Juvenile arrest - Misdemeanor and Felony	687	896	707	660	724	569
Property Crime	6,597	5,263	4,907	5,518	5,286	5,573
Traffic violations	31,832	31,828	30,195	23,480	20,611	20,130
Total Parking Violations	31,468	25,945	22,971	18,460	16,616	16,206
--Peoria Police Department	5,311	4,365	3,518	1,900	1,403	1,247
--Peoria Parking Enforcement	26,157	21,580	19,453	16,560	15,213	14,959
Number of Commissioned Police Officers	247	247	250	250	217	214
Fire:						
Total Number of Alarms	13,713	14,396	14,726	16,159	16,752	17,733
--Fire Calls	640	570	528	646	654	651
--Emergency Medical Services	8,877	9,346	9,737	11,317	12,222	14,013
--Hazardous Materials Calls	342	423	358	422	432	270
--Rescue or Other Calls	3,898	4,057	4,103	3,774	3,444	2,799
Total Number of Inspections	2,896	3,438	3,546	3,397	1,935	3,030
--Fire and Life Safety	2,500	2,702	2,804	2,577	1,125	2,207
--Hazardous Materials	396	736	742	820	810	823
Number of Commissioned Firefighters	201	201	206	205	199	201
Public Works:						
# Parking Decks & Lots Maintained	11	11	13	21	21	21
Street Resurfacing (# Linear Miles)	83	73	82	33	0	0
Storm Sewer Maintenance (# Linear Feet)	650	450	450	250	394	185
# Street Signs & Signals Maintenance Calls	8,800	8,762	8,525	8,605	8,700	8,700
Inspections:						
# Construction Permits Issued (1)	364	365	282	162	176	204
Library:						
Number of Materials Loaned	773,245	778,175	848,604	891,905	819,192	1,070,264
Door Count	536,014	535,721	561,369	589,979	405,712	473,462
Computer Usage	98,817	95,803	97,153	104,031	49,476	89,657

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					
	2006	2007	2008	2009	2010	2011
Dollar Value of Construction	\$ 122,885,714	\$ 365,660,578	\$ 191,448,160	\$ 56,070,700	\$ 89,839,112	\$ 151,096,126

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

Function/Program	Fiscal Year					
	2006	2007	2008	2009	2010	2011
Police:						
Stations	1	1	1	1	1	1
Sub Stations	1	1	1	1	1	1
Marked vehicles	70	102	93	92	90	92
Unmarked Vehicles	42	84	86	88	88	86
Fire:						
Stations	12	12	12	12	12	12
Engine (Pumpers) Companies	17	17	17	17	17	17
Truck Companies	6	6	6	6	6	6
Rescue Squads	3	3	3	3	3	3
Public Works:						
Heavy-Duty Trucks (GVW 27,000-42,000)	31	43	43	44	46	45
Trucks (GVW 10,100- 25,000)	20	33	33	30	27	27
Streets (Center Lane Miles)	449	458	458	463	463	467
Street Lights	10,217	10,231	10,231	10,387	10,712	10,700
Traffic Signals	269	272	279	280	279	256
Library:						
Facilities (Main Library, 5 Branches, Bookmobile)	7	7	7	7	6	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.

ABATEMENT

A complete or partial cancellation of a levy imposed by a government. Abatements usually apply to tax levies, special assessments and service charges.

ACCRUAL BASIS OF ACCOUNTING

A method of accounting that recognizes the financial effect of transactions, events, and interfund activities when they occur, regardless of the timing of related cash flows.

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.

ASSIGNED

A group of accounts constituting a portion of fund balance resources intended for a specific purpose.

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.

COMMITTED

A group of accounts constituting a portion of fund balance resources constrained for a specific purpose by City Council action.

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.

DIRECT DEBT

The debt a government has incurred in its own name or assumed through the annexation of territory or consolidation with another government.

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 (EAV)

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 licensed 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.

MODIFIED ACCRUAL BASIS

The accrual basis of accounting adapted to the governmental fund-type measurement focus.

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.

NONSPENDABLE

Portions of fund balance: a) **not** in spendable form (e.g. inventories) b) contractually or legally required to remain intact.

OFFICIAL STATEMENT

A document published by a government planning to issue bonds that provides information on the proposed bond issue, the purpose of the issue, and the means of servicing the indebtedness, as well as other information about the issuer that may be helpful in evaluation credit worthiness.

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.

RESTRICTED (GOVERNMENTAL FUNDS)

A group of accounts constituting a portion of fund balance resources, intended for a specific purpose, subject to legal restrictions by outside parties such as creditors, grantors, contributors or other governmental entities.

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.

REVENUE BONDS

Bonds whose principal and interest are payable and exclusively for earnings from a dedicated revenue stream other than the general tax levy.

SPENDABLE

Portions of fund balance other than nonspendable fund balance. Spendable fund balance includes restricted, committed, assigned and unassigned fund balance.

SPECIAL ASSESSMENT (SA)

A compulsory levy made against certain properties to defray all or part of the cost of a specific capital improvement or service deemed to benefit primarily those properties.

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 2011 fiscal year in December 2010. Therefore, the property tax year for these levies is 2010. These taxes would be collected in calendar year 2011 during the 2011 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.

UNRESTRICTED (GOVERNMENTAL FUNDS)

- 1) Portion of spendable fund balance in the General Fund **not** restricted, committed or assigned for a specific purpose.
- 2) Negative spendable fund balance in any fund other than the General Fund.