

CITY OF PEORIA, ILLINOIS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Year Ended December 31, 2012

Prepared by:

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Office of the City Manager



August 28, 2013

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

State law requires that all general-purpose, local governments, publish within eight months (per extension) 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, 2012.

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.

McGladrey LLP, a firm of licensed certified public accountants, has audited the City of Peoria, Illinois's financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Peoria for the fiscal year ended December 31, 2012, 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, 2012, 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.

City Hall
419 Fulton Street, Suite 207
Peoria, IL 61602

The Honorable James E. Ardis III, Mayor
Members of the City Council
The Citizens of the City of Peoria
August 28, 2013

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 requires 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 4.

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 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.

The Honorable James E. Ardis III, Mayor
Members of the City Council
The Citizens of the City of Peoria
August 28, 2013

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.

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 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, 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. 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. In the fall of 2012, the Peoria Riverfront Museum, a \$60 million project and the Caterpillar Visitor Center, a \$35 million private development opened to the general public.

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.

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Members of the City Council
The Citizens of the City of Peoria
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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.

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. The Marriott Pere Marquette opened in June of 2013 and the new Marriott Courtyard and remaining improvements currently under construction are scheduled for completion by 2014.

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, opened in 2010, features 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.

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.

The Honorable James E. Ardis III, Mayor
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RELEVANT FINANCIAL POLICIES

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 0.57% average yield on 2012 investments exceeded the 0.15% federal funds rate benchmark and 0.10% 6-month T-bill benchmark. 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 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.

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 61.9% and 58.8%, 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 12.45% of payroll for 2012 and 13.77% for 2013.

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 total of 82 employees elected to participate in the early retirement incentive. The total City cost of this early retirement incentive option will be determined following the November 1, 2012 deadline.

The Honorable James E. Ardis III, Mayor
Members of the City Council
The Citizens of the City of Peoria
August 28, 2013

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 574 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.

MAJOR INITIATIVES

Beginning January 1, 2012, the City increased the garbage fee from \$6 per month to \$13 per month to completely cover the cost of collection and established a Refuse Collection Special Revenue Fund to account for the revenues and expenditures associated with the collection of garbage. Previously the City had subsidized cost of collection through the General Fund. As a result of no longer subsidizing garbage collection, the City reallocated the \$2.6 million to a new program for arterial road reconstruction.

In 2012, the City established an internal service fund to account for the City's self insured health care plan. Previous to 2012, the City accounted for the health care plan in the General Fund. The City's Labor-Management Health Care Committee significantly revised the health care plan, through plan design changes to increase deductibles, out-of-pocket maximums, co-pays, coinsurance and the adoption of a Medicare Advantage plan for post-65 retirees. These changes to the plan saved approximately \$2.7 million.

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, 2012. This was the twelfth 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 twenty-first consecutive year, the City received the GFOA's Distinguished Budget Presentation Award for its 2013 annual budget document adopted October 30, 2012. In order to qualify for the distinguished Budget Presentation Award, the City of Peoria's budget document was judged to be proficient in several categories, including as a policy document, a financial plan, an operations guide and a communication device.

The Honorable James E. Ardis III, Mayor
Members of the City Council
The Citizens of the City of Peoria
August 28, 2013

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,

A handwritten signature in blue ink, appearing to read "F. Patrick Urich".

F. Patrick Urich
City Manager

A handwritten signature in blue ink, appearing to read "James R. Scroggins".

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, 2011

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.



Christopher P. Moynell

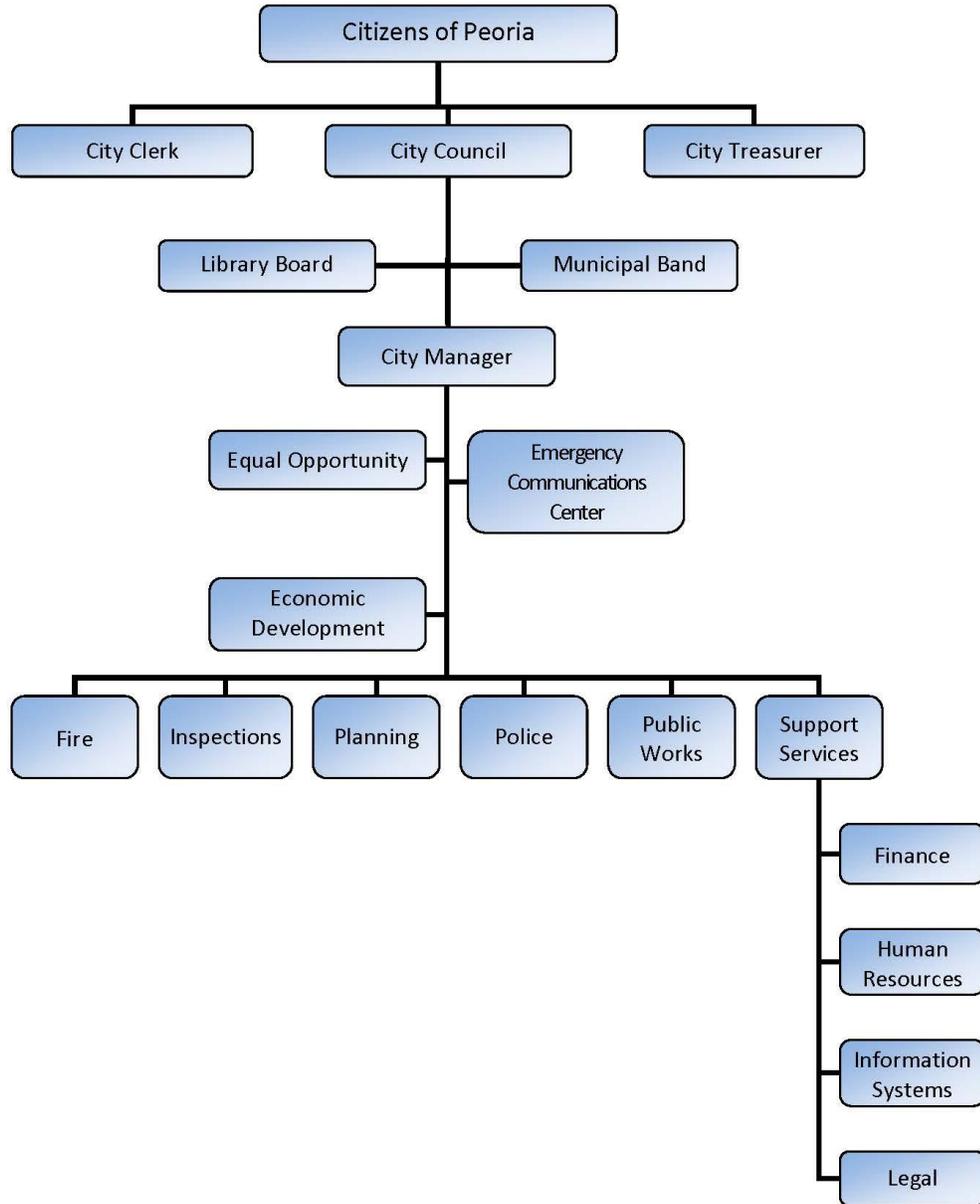
President

Jeffrey R. Emer

Executive Director



City of Peoria 2012



City of Peoria, Illinois

Elected Officials

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

As of May 7, 2012

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

Report on the Financial Statements

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, 2012, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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 0.09 percent, 0.36 percent and 0.09 percent, respectively, of the assets, net position and revenues of the total primary government – governmental activities and 0.13 percent, 0.14 percent and 0.19 percent of the assets, fund balance and revenues, respectively, of the aggregate remaining funds. We did not audit the Police Pension Fund of Peoria and the Firemen's Pension Fund of Peoria, which represent 75.89 percent, 81.32 percent and 48.42 percent, respectively, of the assets, net position and additions of the aggregate remaining funds. We 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 position and revenues, respectively, of the aggregate discretely presented component units. Those statements were audited by other auditors whose reports have been furnished to us, and our opinions, insofar as they relate to the 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 solely on the reports of the 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 from material misstatement. The financial statements of the Peoria Civic Center Authority were not audited in accordance with *Government Auditing Standards*.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall financial statement presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the 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, 2012, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

As explained in Note 18 to the basic financial statements, the City adopted GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, which restated the beginning net position of the Governmental Activities for items previously reported as assets.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 4 through 15, the budgetary comparison information on pages 76 through 78, the Illinois Municipal Retirement Plan on page 79, the Pension Plans Schedule of Funding Progress on pages 80 and 81 and the Other Postemployment Benefits Plan Schedule of Funding Progress on page 82 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board 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 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.

Other Information

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 governmental fund financial statements, combining fiduciary funds financial statements and statements of changes in assets and liabilities for the agency fund, 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 basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic 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, the procedures performed as described above, and the reports of other auditors, the supplementary information is fairly stated in all material respects in relation to the basic 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, 2011, which are not presented with the accompanying financial statements. In our report dated June 25, 2012, 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, the procedures performed as described above, 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, 2011, taken as a whole.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the City of Peoria, Illinois' basic financial statements. 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 has not been subjected to the auditing procedures applied by us and the other auditors in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 27, 2013, on our consideration of the City of Peoria, Illinois' internal control over financial reporting and on 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Peoria, Illinois' internal control over financial reporting and compliance.

McGladrey LLP

Davenport, Iowa
August 27, 2013

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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, 2012. 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 \$126.9 million at December 31, 2012.
- The City's total net position decreased \$7.3 million during 2012; Long-Term Liabilities increased by nearly \$38 million due to the bonds issued for the Hotel Pere Marquette redevelopment project. Assets increased by nearly \$31 million with a large portion being the Hotel Pere Marquette bond proceeds that were still unspent.
- As of December 31, 2012, the City of Peoria's governmental funds reported combined fund balances of \$139.0 million, an increase of \$20.5 million in comparison with the prior year. Approximately 14.0% of this \$139.0 million amount, \$19.5 million, is available for spending at the City's discretion (*unassigned fund balance*).
- The \$20.3 million unassigned general fund balance as of December 31, 2012 was equivalent to 22.9% of total general fund expenditures.
- The City's total outstanding debt increased \$35.1 million during 2012. The City issued the \$31.7 million Series 2012(A) General Obligation Bonds to finance the Pere Marquette Hotel redevelopment project, the \$10.0 million Series 2012(B) General Obligation Refunding Bonds, an "economic" refunding, to refinance portions of bonds issued in prior years, and the \$4.5 million Series 2012(C) Taxable Variable Rate General Obligation Capital Improvement Bonds to fund public capital infrastructure improvement projects.
- The \$10.0 million Series 2012(B) General Obligation Refunding 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..

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 Position* presents information on all of the City's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position 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 position changed during the most recent fiscal year. All changes in net position 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. 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 forty-one (41) individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balance for the General Fund, Peoria Public Library Fund, Capital Improvements Fund, Police/Fire Pension Levy Fund and 2010(D) General Obligation Bond Debt Service Fund, all of which are considered to be major funds. The Workforce Development Fund is presented separately as a major fund because this entity is administered by an independent governing board. The remaining governmental funds are combined into a single, aggregated presentation. Individual fund data for each non-major governmental fund is provided in the form of *combining statements* elsewhere in this report. Basic governmental fund financial statements can be found on pages 20 - 28 of this report.

Proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among an entity's various functions. The City maintains one proprietary fund. The Internal Service Fund statements can be found on pages 29 – 31 of this report.

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 and Firemen's Pension Trust Fund, all classified as fiduciary funds, are reported separately from the City's government-wide statements in pages 32 – 33 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 34 – 75 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 76 - 82 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 83 – 175 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 position may serve over time as a useful indicator of a government's financial position. The City primary government's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$126.9 million at December 31, 2012. *Restricted net position* represent resources that are subject to external usage restrictions. The City's (\$96.6) million deficit balance for *unrestricted net position* represents additional future resources required to fulfill municipal government's obligations to citizens and creditors.

A significant portion of the City's total assets (54.9%) 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 Position 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 Position at December 31, 2012 is presented on the next page.

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

	Governmental Activities 2012	Governmental Activities 2011
Current & Other Assets	\$218.6	\$191.7
Capital Assets	\$266.0	\$260.1
Total Assets	\$484.6	\$451.8
Deferred Outflows of Resources	\$0.2	\$0.0
Long-Term Liabilities	\$303.4	\$265.5
Other Liabilities	\$20.7	\$52.1
Total Liabilities	\$324.1	\$317.6
Deferred Inflows of Resources	\$33.8	\$0.0
Net Position:	\$126.9	\$134.2
Net Investment in Capital Assets	\$191.6	\$186.4
Restricted	\$31.9	\$23.9
Unrestricted	(\$96.6)	(\$76.1)
Total Net Position	\$126.9	\$134.2

Normal Impact Factors: Net Position

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

Net Results of Activities – which will impact (increase/decrease) assets, deferred outflows of resources, liabilities, deferred inflows of resources and net position.

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 net investment in capital assets.

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 position and increase net investment in capital assets.

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

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

Governmental Activities. Significant administrative decisions and major economic fluctuations impacted the City of Peoria's 2012 governmental activities. Highlights included:

- \$0.7 million net decrease 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, licenses/permits and franchise fees.
- \$1.8 million increase in total combined state-shared tax revenues; included state sales tax, state use tax, state income tax, corporate personal property replacement tax, motor fuel tax allotment, auto lease/rental tax and library per capita allotment; \$44.3 million total state-shared revenues constituted 28% of total 2012 revenues for governmental activities.
- Beginning January 1, 2012, the City increased the garbage fee from \$6 per month to \$13 per month to completely cover the cost of collection and established a Refuse Collection Special Revenue Fund to account for the revenues and expenditures associated with the collection of garbage. Previously the City had subsidized cost of collection through the General Fund. As a result of no longer subsidizing garbage collection, the City reallocated the \$2.6 million to a new program for arterial road reconstruction.
- \$18.6 million decrease in total intergovernmental reimbursements. 2012 reimbursements were for major road construction, which included Orange Prairie Road extension from Alta Road to American Prairie Road and Washington Street improvements from Hamilton Street to Macarthur Highway.
- \$76.4 million combined total Police, Fire and Public Safety (Emergency Communications and Inspections) expenses represented 42.2% of total 2012 governmental activities expenses.
- The City paid \$58.6 million gross wages to City employees in 2012 constituting a \$2.1 million decrease versus 2011 gross wages. A significant portion of the City payroll savings were a result of 45 less permanent, full-time employees due to the Early Retirement Incentive that was offered in 2011 - 2012.

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

	Governmental Activities 2012	Governmental Activities 2011
Revenues:		
Program Revenues:		
Charge For Services	\$20.5	\$20.6
Operating Grants & Contributions	\$11.7	\$13.5
Capital Grants & Contributions	\$5.9	\$21.7
General Revenues:		
Property Taxes	\$35.0	\$35.4
Hotel, Restaurant & Amusement Taxes	\$8.7	\$8.5
Other Taxes & Fees	\$82.4	\$79.8
Unrestricted Grants & Contributions	\$0.0	\$3.0
Other Revenues	\$9.4	\$4.6
Total Revenues	<u>\$173.6</u>	<u>\$187.1</u>
Expenses:		
Elected Officials	\$1.9	\$2.0
City Administration	\$6.8	\$3.4
Police	\$38.5	\$38.3
Fire	\$32.1	\$32.4
Public Works	\$31.0	\$24.1
Community Development	\$12.4	\$17.0
Library	\$11.4	\$11.1
Public Safety (excluding Police & Fire)	\$5.8	\$7.8
General Government	\$30.9	\$22.5
Other Expenses	\$10.1	\$9.5
Total Expenses	<u>\$180.9</u>	<u>\$168.1</u>
Increase (Decrease) in Net Position	(\$7.3)	\$19.0
Beginning Net Position 1/1, as restated	<u>\$134.2</u>	<u>\$115.2</u>
Ending Net Position 12/31	<u><u>\$126.9</u></u>	<u><u>\$134.2</u></u>

Normal Impacts: Changes in Net Position

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.

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 \$139.0 million. Approximately \$19.5 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 \$20.3 million while total fund balance reached \$41.1 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. 12/31/12 total fund balance in the General Fund represented 46.3% of 2012 general fund expenditures).

The City's total General Fund balance decreased \$1.3 million overall during 2012.

- Significant General Fund balance increases in 2012 included:
 - a) \$0.8 million increase in governmental grants and reimbursements revenues.
 - b) \$2.3 million decrease in net total healthcare benefits costs.
 - c) \$0.6 million decrease in total disability benefits payments.
 - d) \$1.2 million increase in State of Illinois sales tax revenue
 - e) \$2.0 million increase in State of Illinois income tax allocation revenue.
- Significant General Fund balance decreases in 2012 included:
 - f) \$7.0 million increase in loan subsidy to the Pere Marquette Hotel
 - g) \$1.0 million increase in general liability claims costs.

The City's combined Capital Improvements (Capital/Local Motor Fuel Tax/Riverfront) Fund balance decreased \$5.2 million in 2012. This fund balance decrease was primarily due to:

- \$15.2 million decrease in major road construction reimbursements from the State of Illinois.

The City's 2012 employer portion of total pension benefits costs for permanent City employees decreased \$0.6 million due to the combined effects of:

- \$0.1 million decrease in firemen's pension fund contributions.
- \$0.1 million decrease in police pension fund contributions.
- \$0.3 million decrease in Illinois Municipal Retirement Fund (IMRF) pension contributions.

For payment of future debt service, the City currently maintains \$45.3 million restricted fund balances in all bond debt service funds, \$2.2 million restricted fund balances for debt service in tax increment financing projects funds, \$2.4 million restricted fund balance for debt service in the Sewer Fund and \$5.1 million and \$4.1 million assigned fund balance for debt service in the General Fund and Capital Improvement Fund, respectively.

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.

General Fund budgetary highlights included:

- \$3.1 million decrease in total final budget estimated revenues compared with the prior year.
- \$7.4 million decrease in total final budget appropriations in comparison with the prior year.
- A \$7.0 million dollar loan to a hotel developer, whereas the proceeds of the loan were to be used for the renovation of the Pere Marquette Hotel in downtown Peoria. The loan will be repaid with 7% interest over 23 years in annual installments.

Capital Asset and Debt Administration

Capital assets. As of December 31, 2012, the City maintained \$266.0 million in capital assets (net of depreciation) representing a 2.3% 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:

- \$11.6 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 Pennsylvania Avenue improvements. These improvements are included in construction in progress.

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

	Governmental Activities 2012	Governmental Activities 2011
Land & Land Improvements	\$16.3	\$16.3
Buildings	61.7	66.2
Vehicles & Equipment	5.8	5.6
Library Media	3.5	3.5
Infrastructure	154.9	155.8
Construction in Progress	23.8	12.7
Total	\$266.0	\$260.1

Additional information regarding the City’s capital assets is located in note 6 on pages 59 – 61 of this report.

Long-term debt. The City of Peoria owed total bonded debt of \$247.2 million at December 31, 2012; \$239.2 million of the preceding total comprised debt backed by the full faith and credit of the government plus \$5.5 million comprised revenue bonds secured by specific revenues. The remaining \$2.5 million comprised special service area debt for which the government is liable in the event of default by the property owners subject to the assessment.

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 Series 2012(A) Taxable General Obligation Bonds in the amount of \$31.7 million to finance the Pere Marquette Hotel redevelopment project.

The City issued Series 2012(B) General Obligation Refunding Bonds, in the amount of \$10.0 million, to advance refund a portion of the General Obligation Bonds, Series 2005A and to pay the costs of issuing the bonds. 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 issued Series 2012(C) Taxable Variable Rate General Obligation Capital Improvement Bonds, in the amount of \$4.5 million, to fund public capital infrastructure improvement projects.

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)**

	2012	2011
General Obligation Bonds	\$239.2	\$203.3
Special Service Area Bonds	2.5	2.9
Revenue Bonds	5.5	5.9
Total	\$247.2	\$212.1

Additional information on the City of Peoria’s long-term debt can be found in note 5 on pages 50 - 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 total of 82 employees have accepted early retirement between the City, Workforce Development, and Library.

Staffing levels at the City of Peoria reached a low of 756 full time equivalents in 2012 (includes Workforce Development and Library). This staffing level is down from 888 full time equivalents in 2009. To address specific issues, 8 new full-time positions were budgeted for 2013.

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 \$1.0 million more for 2013 healthcare benefits versus 2012 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.

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City of Peoria, Illinois

Statement of Net Position
December 31, 2012

	Total Primary Government - Governmental Activities	Component Units	
		Peoria Civic Center Authority	Springdale Cemetery Management Authority
Assets			
Current assets:			
Cash and cash equivalents	\$ 43,545,179	\$ 3,664,535	\$ 310,799
Restricted cash and cash equivalents	-	-	126,260
Restricted cash and investments with trustee	2,163,346	-	-
Investments	10,390,202	1,416,940	313,934
Restricted investments	-	-	164,295
Taxes receivable:			
Property taxes	33,809,100	-	-
Corporate personal property replacement taxes	978,409	-	-
State sales and income taxes	9,776,836	-	-
Home rule sales taxes	6,371,197	-	-
Hotel, restaurant and amusement taxes	848,875	-	-
Utility taxes	1,695,637	-	-
Local motor fuel taxes	93,876	-	-
Governmental grants and reimbursements receivable	1,662,726	-	-
Riverboat gaming revenue receivable	598,416	-	-
Loans receivable, net	351,865	-	-
Other receivables, net	2,473,682	947,457	313,477
Receivable, garbage fee	897,453	-	-
Accrued interest receivable, net	904,838	2,814	-
Special assessments receivable	277,254	-	-
Inventory, prepaid items and other	961,854	253,143	42,555
Total current assets	117,800,745	6,284,889	1,271,320
Noncurrent assets:			
Cash, cash equivalents and investments held for capital projects	31,147,148	-	-
Restricted cash and cash equivalents	-	1,040,636	-
Investments	-	-	37,229
Restricted cash and investments with trustee	41,819,174	-	-
Loans receivable, net	7,285,041	-	-
Other receivable	-	431,650	71,257
Special assessments receivable	5,442,888	-	-
Net pension assets	15,132,828	-	-
Capital assets:			
Not depreciated:			
Land	12,967,264	10,247,918	73,079
Construction-in-progress	23,781,576	-	-
Depreciated:			
Infrastructure	321,868,804	-	-
Buildings and land improvements	113,442,236	151,834,299	1,665,373
Major equipment and vehicles	27,262,076	11,917,877	379,353
Media assets	16,581,267	-	-
Software	-	-	127,371
Accumulated depreciation	(249,951,676)	(91,219,071)	(839,861)
Total capital assets	265,951,547	82,781,023	1,405,315
Total noncurrent assets	366,778,626	84,253,309	1,513,801
Total assets	484,579,371	90,538,198	2,785,121
Deferred outflows on resources			
Deferred charge on refunding	186,130	-	-

See Notes to Basic Financial Statements.

	Total Primary Government - Governmental Activities	Component Units	
		Peoria Civic Center Authority	Springdale Cemetery Management Authority
Liabilities			
Current liabilities:			
Accounts payable	\$ 8,258,386	\$ 237,169	\$ 10,454
Accrued payroll	1,957,958	-	-
Accrued interest	326,839	-	-
Other payables	10,262	301,323	9,326
Advance ticket sales	-	1,728,332	-
Estimated payable for claims and losses incurred but not reported	2,241,435	-	-
Unearned revenue, other	2,175,539	659,027	441,150
Tax rebates payable	9,144	-	-
Accrued compensated absences	4,468,501	-	-
Voluntary separation initiative termination benefits	310,000	-	-
Bonds and loans payable, current portion	929,913	326,160	-
Other long-term obligations, current portion	47,500	-	-
Total current liabilities	20,735,477	3,252,011	460,930
Long-term liabilities:			
Accrued compensation absences	4,759,756	-	-
Bonds and loans payable, net bond premium	252,486,700	1,941,268	-
Other long-term obligations, noncurrent	473,370	-	-
Net other postemployment benefits obligation	42,843,434	-	-
IMRF pension obligation	1,522,870	-	-
Workers compensation claims payable	607,816	-	-
General liability claims payable	660,158	-	-
Unearned revenue and deposits	-	881,752	-
Asset held for Tourism Reserve Fund, payable from restricted assets	-	1,040,636	-
Total long-term liabilities	303,354,104	3,863,656	-
Total liabilities	324,089,581	7,115,667	460,930
Deferred inflows of resources			
Unavailable revenue	22,238,800	-	-
Due to fiduciary fund - property taxes	11,570,300	-	-
Total deferred inflows of resources	33,809,100	-	-
Net position			
Net investment in capital assets	191,648,334	80,513,595	1,405,315
Restricted for:			
Debt service	10,019,896	-	-
TIF redevelopment	8,399,409	-	-
Education	200,910	-	-
Recreation	332,603	-	-
Law enforcement	517,547	-	-
Grants and loans	1,095,774	-	-
Library operations	1,019,506	-	-
Riverfront Development	91,743	-	-
Capital improvements and equipment	10,203,008	-	-
Cemetery, \$245,341 nonspendable	-	-	340,034
Unrestricted (deficit)	(96,661,910)	2,908,936	578,842
Total net position	\$ 126,866,820	\$ 83,422,531	\$ 2,324,191

City of Peoria, Illinois

Statement of Activities
Year Ended December 31, 2012

Functions/Programs:	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental activities:				
Elective offices, boards, commissions and agencies	\$ (1,882,152)	\$ -	\$ -	\$ -
City administration	(6,843,305)	-	-	-
Police	(38,516,002)	698,323	3,347,777	-
Fire	(32,080,101)	493,568	1,034,717	-
Public works	(30,999,642)	11,587,937	-	3,642,888
Community development	(12,420,353)	-	6,063,515	-
Public safety	(5,829,511)	2,309,697	-	33,655
General government	(30,812,306)	5,249,428	1,222,559	2,110,191
Library	(11,362,496)	128,276	42,223	117,940
Interest on long-term debt	(10,107,766)	-	-	-
Total primary government	\$ (180,853,634)	\$ 20,467,229	\$ 11,710,791	\$ 5,904,674
Component Units				
Peoria Civic Center Authority	\$ (25,041,358)	\$ 19,098,954	\$ -	\$ 450,000
Springdale Cemetery Management Authority	(755,696)	370,069	276,076	65,073
Total component units	\$ (25,797,054)	\$ 19,469,023	\$ 276,076	\$ 515,073

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
Gain on sale of capital assets
Other
Total general revenues
Change in net position
Net position, beginning of year, as restated
Net position, end of year

See Notes to Basic Financial Statements.

Net (Expense) Revenue and Changes in Net Position			
Total Primary	Component Units		
Government	Peoria	Springdale Cemetery	
Governmental	Civic Center	Management	
Activities	Authority	Authority	
\$ (1,882,152)	\$ -	\$ -	
(6,843,305)	-	-	
(34,469,902)	-	-	
(30,551,816)	-	-	
(15,768,817)	-	-	
(6,356,838)	-	-	
(3,486,159)	-	-	
(22,230,128)	-	-	
(11,074,057)	-	-	
(10,107,766)	-	-	
(142,770,940)	-	-	
-	(5,492,404)	-	
-	-	(44,478)	
-	(5,492,404)	(44,478)	
34,953,410	-	-	
6,438,641	-	-	
24,637,340	-	-	
10,196,314	-	-	
22,898,395	-	-	
8,695,857	-	-	
3,510,234	-	-	
12,269,259	-	-	
12,311	-	-	
-	1,781,482	-	
2,627,602	18,336	11,283	
2,474,896	-	-	
38,300	-	-	
6,724,001	-	11,542	
135,476,560	1,799,818	22,825	
(7,294,380)	(3,692,586)	(21,653)	
134,161,200	87,115,117	2,345,844	
\$ 126,866,820	\$ 83,422,531	\$ 2,324,191	

City of Peoria, Illinois

**Balance Sheet
Governmental Funds
December 31, 2012**

Assets	Peoria Public		
	General Fund	Library Fund	Workforce Development Fund
Cash and cash equivalents	\$ 16,387,607	\$ 2,734,045	\$ 92,178
Cash and investments with trustee	-	-	-
Investments	5,557,237	514	185,580
Taxes receivable:			
Property taxes	3,156,900	6,468,100	-
Corporate personal property replacement taxes	978,409	-	-
State sales and income taxes	9,724,853	-	-
Home rule sales taxes	6,371,197	-	-
Hotel, restaurant and amusement taxes	848,875	-	-
Utility taxes	1,695,637	-	-
Local motor fuel taxes	-	-	-
Governmental grants and reimbursements receivable	922,450	-	386,691
Riverboat gaming revenue receivable	-	-	-
Loans receivable, net	7,000,000	-	-
Interfund loan receivable	1,369,952	-	-
Other receivables, net	1,948,610	3,904	7,407
Receivable, garbage fee	-	-	-
Accrued interest receivable, net	13,879	-	-
Special assessments receivable	-	-	-
Due from other funds	2,003,186	-	-
Inventory and prepaid items	928,685	-	33,169
Total assets	\$ 58,907,477	\$ 9,206,563	\$ 705,025

Police and Fire Pension Levy Fund	Capital Improvements Fund	2010D General Obligation Bond Debt Service Fund	Other Governmental Funds	Total Governmental Funds
\$ -	\$ 8,363,605	\$ 547	\$ 43,201,277	\$ 70,779,259
-	-	26,137,488	17,845,032	43,982,520
-	1,413,322	-	3,233,549	10,390,202
11,570,300	200,900	-	12,412,900	33,809,100
-	-	-	-	978,409
-	-	-	51,983	9,776,836
-	-	-	-	6,371,197
-	-	-	-	848,875
-	-	-	-	1,695,637
-	93,876	-	-	93,876
-	36,107	-	317,478	1,662,726
-	598,416	-	-	598,416
-	531,876	-	105,030	7,636,906
-	-	-	-	1,369,952
-	218,714	-	175,640	2,354,275
-	-	-	897,453	897,453
-	47,063	537,911	305,985	904,838
-	5,720,142	-	-	5,720,142
-	1,217,741	800,625	1,876,848	5,898,400
-	-	-	-	961,854
<u>\$ 11,570,300</u>	<u>\$ 18,441,762</u>	<u>\$ 27,476,571</u>	<u>\$ 80,423,175</u>	<u>\$ 206,730,873</u>

City of Peoria, Illinois

**Balance Sheet (Continued)
Governmental Funds
December 31, 2012**

Liabilities, Deferred Inflows of Resources and Fund Balance	General Fund	Peoria Public Library Fund	Workforce Development Fund
Liabilities:			
Accounts payable	\$ 1,927,977	\$ 159,953	\$ 188,611
Accrued payroll	1,791,134	135,936	17,989
Claims and losses due and payable	360,162	-	-
Due to other funds	1,293,674	-	-
Interfund loan payable	-	-	-
Unearned revenue, other	1,337,909	12,259	-
Bonds payable	-	-	-
Tax rebates payable	9,144	-	-
Other payables	5,641	-	-
Total liabilities	6,725,641	308,148	206,600
Deferred inflows of resources:			
Unavailable revenue - property taxes	3,156,900	6,468,100	-
Unavailable revenue - special assessments	-	-	-
Unavailable revenue - intergovernmental and loans	7,924,331	-	-
Total deferred inflows of resources	11,081,231	6,468,100	-
Fund balance:			
Nonspendable:			
Inventories	928,685	-	-
Prepays	-	-	33,169
Library endowments	-	465,634	-
Restricted:			
Debt service	-	-	-
TIF redevelopment	-	-	-
Education	200,910	-	-
Recreation	332,603	-	-
Law enforcement	382,254	-	-
Grants and loans	-	-	465,256
Library operations	-	1,019,506	-
Landfill operations	-	-	-
Riverfront Development	-	-	-
Capital improvements and equipment	-	945,175	-
Assigned:			
Debt service	5,095,491	-	-
Other postemployment benefits	12,768,423	-	-
Capital projects	-	-	-
Purchases on order	1,075,551	-	-
Unassigned	20,316,688	-	-
Total fund balance	41,100,605	2,430,315	498,425
Total liabilities, deferred inflows of resources and fund balance	\$ 58,907,477	\$ 9,206,563	\$ 705,025

See Notes to Basic Financial Statements.

	Police and Fire Pension Levy Fund	Capital Improvements Fund	2010D General Obligation Bond Debt Service Fund	Other Governmental Funds	Total Governmental Funds
\$	-	\$ 628,018	\$ -	\$ 4,942,835	\$ 7,847,394
	-	630	-	12,269	1,957,958
	-	-	-	-	360,162
	-	70	1,601,250	3,478,532	6,373,526
	-	-	-	1,369,952	1,369,952
	-	248,054	-	398,709	1,996,931
	-	6,000	-	-	6,000
	-	-	-	-	9,144
	-	-	-	4,621	10,262
	-	882,772	1,601,250	10,206,918	19,931,329
	11,570,300	200,900	-	12,412,900	33,809,100
	-	5,442,908	-	-	5,442,908
	-	590,809	-	35,653	8,550,793
	11,570,300	6,234,617	-	12,448,553	47,802,801
	-	-	-	-	928,685
	-	-	-	-	33,169
	-	-	-	-	465,634
	-	-	25,875,321	24,066,414	49,941,735
	-	-	-	8,399,409	8,399,409
	-	-	-	-	200,910
	-	-	-	-	332,603
	-	130,050	-	5,243	517,547
	-	630,518	-	-	1,095,774
	-	-	-	-	1,019,506
	-	-	-	265,672	265,672
	-	91,743	-	-	91,743
	-	-	-	25,801,392	26,746,567
	-	4,146,850	-	-	9,242,341
	-	-	-	-	12,768,423
	-	6,325,212	-	-	6,325,212
	-	-	-	-	1,075,551
	-	-	-	(770,426)	19,546,262
	-	11,324,373	25,875,321	57,767,704	138,996,743
\$	11,570,300	\$ 18,441,762	\$ 27,476,571	\$ 80,423,175	\$ 206,730,873

City of Peoria, Illinois

Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities December 31, 2012

Total governmental fund balances	\$	138,996,743
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.		265,951,547
Receivables are deferred in the funds if they are not available for use in the current period.		8,550,793
Special assessments receivable are deferred in the funds if they are not available for use in the current period.		5,442,908
Net pension asset is not recorded in the funds.		15,132,828
Long-term liabilities and deferred outflows of resources, are not due and payable in the current period and, therefore, are not reported in the funds:		
Bond premiums are reported as other financing sources in the funds.		(4,625,971)
Deferred amounts on refunding are not recorded in the funds.		186,130
Interest payable on debt is not reported in the funds if payments are due subsequent to reporting date.		(326,839)
Other postemployment benefits obligation		(42,843,434)
IMRF pension obligation		(1,522,870)
Workers compensation claims payable		(1,647,865)
General liability claims payable		(1,251,382)
Accrued compensated absences		(9,228,257)
Voluntary separation initiative termination benefits		(310,000)
Bonds and loans payable		(248,784,642)
Other long-term obligations		(520,870)
Internal Service Fund, net position		3,668,001
Net position of governmental activities	\$	126,866,820

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, 2012**

	General Fund	Peoria Public Library Fund	Workforce Development Fund
Revenues:			
Property taxes	\$ 5,712,125	\$ 6,578,063	\$ -
Corporate personal property replacement taxes	3,086,302	479,919	-
State sales taxes	24,339,855	-	-
State income tax allocation	10,701,076	-	-
Home rule sales taxes	22,898,395	-	-
Hotel, restaurant and amusement taxes	8,591,718	-	-
Local motor fuel taxes	-	-	-
Riverboat gaming revenue	-	-	-
Utility taxes	12,269,259	-	-
Governmental grants and reimbursements	2,299,206	138,831	3,641,959
Licenses and permits	2,406,554	-	-
Service charges/fines/fees	9,166,421	128,276	-
Special assessments	-	-	-
Loan repayment	44,176	-	-
Rental	119,795	-	-
Interest	63,560	4,902	-
Other	2,222,041	123,190	78,450
Total revenues	103,920,483	7,453,181	3,720,409
Expenditures:			
Current:			
Elective offices, boards, commissions and agencies	1,854,416	-	-
City administration	5,812,366	-	-
Police	27,122,085	-	-
Fire	20,765,910	-	-
Public works	12,693,141	-	-
Community development	5,321,586	-	3,739,752
Public safety	4,712,515	-	-
General government	9,903,002	-	-
Library	619,565	5,923,610	-
Capital outlay	-	807,355	-
Debt service:			
Principal	-	-	-
Interest	-	-	-
Total expenditures	88,804,586	6,730,965	3,739,752
Excess (deficiency) of revenues over expenditures	15,115,897	722,216	(19,343)
Other financing sources (uses):			
Issuance of bonds	-	-	-
Bond premium	-	-	-
Proceeds from sale of capital assets	-	-	-
Transfers in	212,600	-	-
Transfers out	(16,654,103)	(617,633)	-
Total other financing sources (uses)	(16,441,503)	(617,633)	-
Net change in fund balances	(1,325,606)	104,583	(19,343)
Fund balances, beginning of year	42,426,211	2,325,732	517,768
Fund balances, end of year	\$ 41,100,605	\$ 2,430,315	\$ 498,425

See Notes to Basic Financial Statements.

	Police and Fire Pension Levy Fund	Capital Improvements Fund	2010D General Obligation Bond Debt Service Fund	Other Governmental Funds	Total Governmental Funds
\$	9,655,755	\$ 198,856	\$ -	\$ 12,808,611	\$ 34,953,410
	1,883,710	-	-	988,710	6,438,641
	-	-	-	297,485	24,637,340
	-	-	-	-	10,701,076
	-	-	-	-	22,898,395
	-	-	-	104,139	8,695,857
	-	764,821	-	-	764,821
	-	3,510,234	-	-	3,510,234
	-	-	-	-	12,269,259
	-	2,837,372	-	5,804,285	14,721,653
	-	1,886	-	-	2,408,440
	-	80,804	-	8,963,818	18,339,319
	-	359,132	-	-	359,132
	-	179,316	-	8,767	232,259
	-	43,438	-	-	163,233
	891	201,128	1,543,333	756,145	2,569,959
	-	3,177,515	-	961,858	6,563,054
	11,540,356	11,354,502	1,543,333	30,693,818	170,226,082
	-	-	-	192,601	2,047,017
	-	403,083	-	646,889	6,862,338
	5,068,235	1,704,903	-	1,093,879	34,989,102
	6,472,121	74,172	-	354,236	27,666,439
	-	87,252	-	6,762,833	19,543,226
	-	593,668	-	2,783,971	12,438,977
	-	33,655	-	1,007,054	5,753,224
	-	1,228,244	-	20,946,221	32,077,467
	-	-	-	1,137,702	7,680,877
	-	11,965,832	-	9,865,502	22,638,689
	-	51,860	-	11,020,263	11,072,123
	-	23,580	1,056,513	9,677,518	10,757,611
	11,540,356	16,166,249	1,056,513	65,488,669	193,527,090
	-	(4,811,747)	486,820	(34,794,851)	(23,301,008)
	-	-	-	46,150,000	46,150,000
	-	-	-	283,771	283,771
	-	437,048	-	-	437,048
	-	7,626,317	1,386,250	21,244,427	30,469,594
	-	(8,453,453)	(1,715,988)	(6,128,417)	(33,569,594)
	-	(390,088)	(329,738)	61,549,781	43,770,819
	-	(5,201,835)	157,082	26,754,930	20,469,811
	-	16,526,208	25,718,239	31,012,774	118,526,932
\$	-	\$ 11,324,373	\$ 25,875,321	\$ 57,767,704	\$ 138,996,743

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, 2012**

Net change in fund balances, governmental funds		\$ 20,469,811
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period:		
Capital outlay	\$ 22,658,458	
Depreciation expense	(18,115,247)	
Donated infrastructure assets	<u>1,758,035</u>	6,301,246
The net effect of various miscellaneous transactions involving capital assets is to decrease net position:		
Proceeds from sale of capital assets	(437,048)	
Net gain on sale of capital assets	<u>38,300</u>	(398,748)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds, grants		(483,215)
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	7,000,000	
Loans receivable repaid	(188,083)	
Increase in interest income for accrued interest	7,876	
Net change in long-term special assessment receivable	(469,109)	
Bad debt expense	<u>(10,857)</u>	6,339,827
Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. Also, governmental funds report the effect of 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	(46,150,000)	
Premium on issued bonds	(283,771)	
Principal repayments:		
General obligation and revenue bonds	10,964,000	
Other debt	108,123	
Change in accrued interest payable	25,784	
Amortization of bond premium	652,184	
Amortization of deferred amount on refunding	<u>(28,124)</u>	(34,711,804)

(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, 2012**

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	(813,479)	
Accrued compensated absences included in accrued payroll in the Governmental funds	(597,765)	
Early retirement incentive pay included in accrued payroll in Governmental funds	(160,000)	
Landfill, postclosure costs	394,254	
Other postemployment benefits obligation	(7,454,996)	
IMRF pension obligation	(303,634)	
Workers compensation payable	672,353	
General liability payable	532,527	
Voluntary separation initiative termination benefits	<u>310,000</u>	(7,420,740)

Decrease in net pension assets are not reported in governmental funds (1,058,758)

Internal Service Fund, change in net position 3,668,001

Change in net position of governmental activities \$ (7,294,380)

See Notes to Basic Financial Statements.

City of Peoria, Illinois

Statement of Net Position
Governmental Activities - Internal Service Fund
December 31, 2012

Assets

Cash	\$	3,913,068
Other receivables		119,407
Due from other funds		650,126
Total assets		<u>4,682,601</u>

Liabilities

Accounts payable		410,992
Estimated payable for claims and losses incurred but not reported		250,000
Due to other funds		175,000
Unearned revenue		178,608
Total liabilities		<u>1,014,600</u>

Net position, unrestricted	\$	<u>3,668,001</u>
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See Notes to Basic Financial Statements.

City of Peoria, Illinois

Statement of Revenues, Expenses and Changes in Fund Net Position
Governmental Activities - Internal Service Fund
Year Ended December 31, 2012

Operating revenues:	
Charges for services	\$ 13,096,971
Miscellaneous	32,047
Total operating revenues	<u>13,129,018</u>
Operating expenses, other services and charges	<u>12,566,610</u>
Operating income	562,408
Nonoperating income, investment earnings	<u>5,593</u>
Income before transfers	568,001
Transfers in	<u>3,100,000</u>
Changes in net position	3,668,001
Total net position, beginning	-
Total net position, ending	<u>\$ 3,668,001</u>

See Notes to Basic Financial Statements.

City of Peoria, Illinois

Statement of Cash Flows
Governmental Activities - Internal Service Fund
Year Ended December 31, 2012

Cash flows from operating activities:	
Cash received from employees and employer	\$ 13,156,172
Cash received from other operating revenue	32,047
Cash payments for claims	(11,905,618)
Net cash provided by operating activities	<u>1,282,601</u>
Cash flows used in noncapital financing activities:	
Transfers in	3,100,000
Payments to other funds	(475,126)
Net cash provided by noncapital financing activities	<u>2,624,874</u>
Cash flows from investing activities, investment income	<u>5,593</u>
Net increase in cash and cash equivalents	3,913,068
Cash and cash equivalents:	
Beginning	-
Ending	<u>\$ 3,913,068</u>
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	\$ 562,408
Adjustments to reconcile operating income to net cash provided by operating activities:	
Increase in other receivables	(119,407)
Increase in accounts payable	410,992
Increase in claims payable	250,000
Increase in unearned revenue	178,608
Net cash provided by operating activities	<u>\$ 1,282,601</u>

See Notes to Basic Financial Statements.

City of Peoria, Illinois

**Statement of Fiduciary Net Position
Pension Trust Funds
December 31, 2012**

Assets

Cash and cash equivalents	\$ 832,465
Receivables:	
Employer contributions	13,795,023
Plan members' contributions	42,156
Accrued interest and dividends	793,211
Prepays	5,530
	<u>14,635,920</u>
Investments, at fair value:	
Money market mutual funds	3,542,655
U.S. government obligations	46,332,245
State and local obligations	3,812,808
Illinois Public Treasurer's Investment Pool	533,922
Mutual funds	104,404,440
Corporate bonds	49,994,142
Stocks	43,737,616
	<u>252,357,828</u>
Total assets	<u>267,826,213</u>
Liabilities	
Accounts payable and accrued payroll taxes	<u>393,013</u>
Net position held in trust for pension benefit	<u>\$ 267,433,200</u>

See Notes to Basic Financial Statements.

City of Peoria, Illinois

Statement of Changes in Fiduciary Net Position
Pension Trust Funds
Year Ended December 31, 2012

Additions

Contributions:

Plan members' contributions	\$ 3,204,391
Employer contributions	13,779,608
Transfer of creditable service	97,490
Other income	46,143
Total contributions	<u>17,127,632</u>

Investment income:

Net appreciation in fair value of investments	17,850,897
Dividends	3,123,477
Interest	4,114,692
Total investment income	<u>25,089,066</u>
Less investment expenses	<u>1,078,318</u>
Net investment income	<u>24,010,748</u>

Total additions	<u>41,138,380</u>
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Deductions

Benefits paid	22,680,335
Administrative expenses	346,209
Refunds	72,411
Total deductions	<u>23,098,955</u>

Net increase	18,039,425
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Net position held in trust for pension benefits

Beginning of year	249,393,775
End of year	<u>\$ 267,433,200</u>

See Notes to Basic Financial Statements.

City of Peoria, Illinois

Notes to Basic Financial Statements

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

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* (Section 2100), 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 based on Section 2100 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.

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 position 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.

The City adopted GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, in the current year. The adoption of this Statement changed the presentation of the basic financial statements to a statement of net position format.

Separate financial statements are provided for governmental funds, proprietary 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 proprietary and 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, deferred outflows of resources, liabilities, deferred inflows of resources, fund balance, net position/fund balance, revenues and expenditures/expenses.

Governmental Funds are those through which governmental functions of the City are financed. The acquisition, use and balances of the City's expendable resources and the related liabilities are accounted for through governmental funds. The City has elected to report Workforce Development Fund as a major fund for public interest purposes. The City reports the following major governmental funds:

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

Peoria Public Library Fund: This special revenue fund is used to account for the activities of the Peoria Public Library. Funding is received from property tax, personal property replacement tax, fines and forfeitures and grant revenue.

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

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

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

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

City of Peoria, Illinois

Notes to Basic Financial Statements

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

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

Special Revenue Funds: These funds are used to account for City activities which are primarily financed by special 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.

Proprietary Fund: Proprietary fund reporting focuses on the determination of operating income, changes in net position, financial position and cash flows. The only proprietary fund of the City is classified as an internal service fund.

Internal Service Fund: The Healthcare Fund was established to account for the activities of the City's self insured health plan provided for its employees and retirees. Prior to 2012, the City's health insurance costs were included in the General Fund.

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.

City of Peoria, Illinois

Notes to Basic Financial Statements

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

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

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

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

Deferred outflows of resources: In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City only has one item that qualifies for reporting in this category. It is the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

Notes to Basic Financial Statements

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

Deferred inflows of resources: In addition to liabilities, the statement of net position and balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The governmental funds report unavailable revenues from four sources: property taxes, special assessments, intergovernmental revenue and loans. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. In the City's government-wide statements, only the property tax revenues and property taxes due to fiduciary fund remain under the full accrual basis of accounting and will become an inflow in the year they are levied.

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 position 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 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.

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 schedules of revenue, expenditures and changes in fund balance – budget to actual in the required supplementary information and supplementary information.

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)

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.

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 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 by the City Council 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.

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)

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 position: Represents the difference between assets and liabilities. Net investment in capital assets 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 investment in capital assets excludes unspent debt proceeds. Unspent debt proceeds for the 2010C Taxable General Obligation Bond Project fund was \$1,209,160, the 2008A Library General Obligation Bond Project Fund was \$113,395, the 2012A General Obligation Bonds Project Fund was \$11,789,988 and the 2012C General Obligation Bonds Project Fund was \$3,431,016. Net position is 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 position restricted by enabling legislation includes \$517,547 for law enforcement and \$8,399,409 for TIF redevelopment.

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

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

Note 2. Deposits and Investments

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

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

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

City of Peoria, Illinois

Notes to Basic Financial Statements

Note 2. Deposits and Investments (Continued)

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

As of December 31, 2012, the City had the following cash and investments:

Cash and cash equivalents statement of net position	\$ 74,692,327
Restricted cash and investments held by trustee statement of net position	43,982,520
Investments statement of net position	10,390,202
Cash and cash equivalents fiduciary funds	832,465
Investments fiduciary funds	252,357,828
Total	\$ 382,255,342
Deposits	\$ 30,365,820
Certificates of deposit	8,868,554
Repurchase agreements	45,123,601
Illinois funds	838,124
Money market mutual funds	718,895
Cash held by trustee	13,101
Investments held by trustee	43,969,419
Investments held by fiduciary funds	252,357,828
Total	\$ 382,255,342

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, 2012, the City had the following investment maturities:

	Fair Value	Investment Maturities (In Years)	
		Less than 1	1 - 5
Illinois Funds	\$ 838,124	\$ 838,124	\$ -
Money Market Mutual Fund - Federated Cash Trust	718,895	718,895	-
Investments held by trustee:			
First American Treasury Obligation Fund - Class D Mutual Fund	471,862	471,862	-
U.S. Treasury State & Local Govt Series Time Deposit	3,657	3,657	-
U.S. Treasury Notes	1,511,242	358,370	1,152,872
State of Illinois Municipal Bonds	40,291,174	-	40,291,174
Investors Cash Trust Mutual Fund	1,691,484	1,691,484	-
	\$ 45,526,438	\$ 4,082,392	\$ 41,444,046

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, 2012, none of the City's bank balances, including certificates of deposit and money market accounts of \$84,192,505 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. The City's investment policy requires collateralization on all deposits, certificates of deposits, investments and repurchase agreements with a collateralization level of 105 percent of market value of principal and accrued interest. The collateral must be held by an independent party with whom the City has a custodial agreement. As of December 31, 2012, none of the City's investments were exposed to custodial credit risk.

The Illinois Funds are State-approved, professionally managed investment funds which enable municipalities in Illinois to pool available funds for investment in various state-approved investments. The fair value of the City's position in the pool is 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 89 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	\$ 838,124
Money Market Mutual Fund Federated Cash Trust	Not Rated	Not Rated	718,895
Investments held by trustees:			
First American Treasury Obligation Fund - Class D Mutual Fund	AAAm	Aaa-mf	471,862
State of Illinois Municipal Bonds	A	A2	40,291,174
Investors Cash Trust Mutual Fund	AAAm	Aaa-mf	1,691,484

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

Police Pension Fund (Fund)

The Fund's deposit policy provides that all deposits be guaranteed by the U.S. Government, insured by the Federal Deposit Insurance Corporation (FDIC) or fully collateralized with securities held by the Fund or its agent in the Fund's name or by its counterparty's trust department or agent in the Fund's name.

City of Peoria, Illinois

Notes to Basic Financial Statements

Note 2. Deposits and Investments (Continued)

The Fund's cash and cash equivalents as of December 31, 2012 consisted of deposits with a financial institution. Deposits with a financial institution are covered by FDIC insurance up to \$250,000. As of December 31, 2012, the uninsured cash balance was approximately \$9,000 of the Fund's bank balances with financial institutions of \$258,921.

As of December 31, 2012, 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	\$ 8,851,019	N/A	5.09
U.S. Government agencies	12,565,771	Aaa	13.01
Money market funds	1,312,567	Aaa-mf	0.14
State and Local obligations	439,979	A2	2.00
Corporate bonds	23,701,349	Aaa to Baa3	5.86
Mutual funds - fixed income	13,733,629	Aaa	3.83
Mutual funds - equities	59,209,608	N/A	N/A
Stocks	20,711,911	N/A	N/A
Total investments	\$ 140,525,833		

- (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, 2012, 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.

City of Peoria, Illinois

Notes to Basic Financial Statements

Note 2. Deposits and Investments (Continued)

The Fund's cash and cash equivalents as of December 31, 2012 consisted of deposits with a financial institution. Deposits with financial institutions are covered by FDIC insurance up to \$250,000. At December 31, 2012, all of the bank balances with the financial institution of \$636,534 are covered by FDIC insurance.

As of December 31, 2012, 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	\$ 11,869,084	N/A	8.29
Implicitly Guaranteed	434,252	Aaa	1.62
U.S. Government agencies	12,612,119	Aaa	7.15
Money market funds	2,230,088	Aaa-mf	0.08
State and Local obligations	3,372,829	Aaa to Aaa2	7.59
Illinois Funds	533,922	AAAm	0.08
Corporate bonds	26,292,793	Aaa to Baa3	5.91
Mutual funds - equities	31,461,203	N/A	N/A
Common and preferred stocks	23,025,705	N/A	N/A
Total investments	\$ 111,831,995		

- (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, 2012, 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, 2012, \$452,466 of the Civic Center's bank balance of \$6,102,511 was exposed to custodial credit risk.

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 position:

	Carrying Amount
Cash on hand	\$ 19,600
Demand deposits and money market accounts	4,685,571
Certificates of deposit	1,416,940
	<u>\$ 6,122,111</u>
Cash and cash equivalents	\$ 3,664,535
Restricted assets - cash	1,040,636
Investments	1,416,940
	<u>\$ 6,122,111</u>

Springdale Cemetery Management Authority

Custodial credit risk: The Authority does not have a custodial credit risk policy. As of December 31, 2012, the carrying amount of the Authority's deposits (including checking, savings and certificates of deposit) was \$405,329 and the bank balance was \$416,462. The Authority also had cash on hand of \$175. None of the bank balance of \$416,462 was exposed to custodial credit risk.

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.

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, 2012 were \$195,850.

City of Peoria, Illinois

Notes to Basic Financial Statements

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, 2012 represents installments of the 2011 property taxes which were received during 2012.

The amount of the property tax receivable unavailable at year-end represents the tax levied for 2012, for which an enforceable lien exists as of January 1, but is levied for the 2013 budget and will be collected from taxpayers in June and September 2013 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.

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, 2012, 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. \$1,691,484 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. \$471,862 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 \$26,137,488 of cash and investments in the 2010D General Obligation Bond Debt Service Fund.

The refunding bond escrow agent held \$5,765,252 of cash and investments in the 2011B General Obligation Bond Debt Service Fund.

The refunding bond escrow agent held \$9,916,434 of cash and investments in the 2012B General Obligation Bond Debt Service Fund.

As of August 31, 2012, the Civic Center carried \$1,040,636 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.

City of Peoria, Illinois

Notes to Basic Financial Statements

Note 4. Restricted Cash and Cash and Investments Held by Trustee (Continued)

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 and can only be used for the stipulated purpose as noted by the committee after such respective approval. This fund is continually funded.

Note 5. Long-Term Debt – Primary Government

General obligation bonds currently outstanding for governmental activities are as follows:

Issue	Amount Issued	Outstanding December 31, 2012
1998C Taxable Riverfront Village general obligation bonds issued to finance improvements to an existing parking lot, construction of an elevated plaza in the Riverfront Area, and to pay the cost of issuing the bonds; interest at 5.70% to 6.05%	\$ 1,225,000	\$ 490,000
2003A general obligation bonds issued to finance construction of the Charter Oak Road Extension Project Phases I and II and to pay the cost of issuing the bonds; interest at 4.00% to 4.75%	4,110,000	2,445,000
2004C general obligation bonds issued to advance refund a portion of previously issued bonds and to pay the costs of issuing the bonds; interest at 3.00% to 5.00%	11,985,000	5,565,000
2005A general obligation bonds issued to pay the costs of capital improvements to the Peoria Civic Center and to pay the costs of issuing the bonds; interest at 4.00% to 5.00%	62,605,000	62,090,000
2005B general obligation bonds issued to refund and advance refund portions of previously issued bonds and to pay the costs of issuing the bonds; interest at 3.00% to 5.00%	36,880,000	19,670,000
2007A general obligation bonds issued to finance infrastructure improvements relating to sidewalks and street lighting, and for the continuation of the sewer rehabilitation program; interest at 4.00% to 4.50%	18,800,000	15,455,000
2008A general obligation bonds issued 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; interest at 3.00% to 5.00%	28,000,000	25,845,000
2009A general obligation bonds issued to refund a portion of previously issued bonds; interest at 2.00% to 5.00%	17,645,000	10,210,000

City of Peoria, Illinois

Notes to Basic Financial Statements

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

General obligation bonds (continued)		
2010A general obligation bonds issued to advance refund a portion of previously issued bonds; interest at 2.00% to 4.00%	2,420,000	2,175,000
2010B taxable general obligation refunding bonds issued to refinance previously issued bonds; interest at 1.52% to 3.43%	1,495,000	765,000
2010C taxable general obligation bonds (Build America & Recovery Zone Bonds) issued for capital improvements; interest at 2.00% to 6.40%	15,490,000	14,955,000
2010D general obligation bonds issued to refund a portion of previously issued bonds; interest at 2.00% to 5.00%	24,310,000	24,310,000
2011A general obligation bonds issued to currently refund a portion of previously issued bonds; interest at 2.00% to 3.00%	4,060,000	3,805,000
2011B general obligation bonds issued to advance refund a portion of previously issued bonds; interest at 3.00% to 4.00%	5,290,000	5,290,000
2012A taxable general obligation bonds issued to finance the Pere Marquette Hotel redevelopment project; interest at 2.25% to 4.75%	31,655,000	31,655,000
2012B general obligation refunding bonds issued to advance refund a portion of previously issued bonds; interest at 1.50% to 3.00%	9,995,000	9,995,000
2012C taxable variable rate general obligation capital improvement bonds issued for capital improvement projects; interest rate is equal to the weekly rate determined by the remarketing agency having due regard for the prevailing financial market conditions, but not to exceed the maximum rate of 5%	4,500,000	4,500,000
	<u>\$ 280,465,000</u>	<u>\$ 239,220,000</u>

In 2012, the City issued \$9,995,000 General Obligation Refunding Bonds, Series 2012B, with interest rates ranging from 1.50 percent to 3.00 percent, to advance refund a portion of the General Obligation Bonds, Series 2005A and to pay the costs of issuing the bonds. 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.

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, 2012, 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.

City of Peoria, Illinois

Notes to Basic Financial Statements

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

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 with an interest rate of 5.00 percent 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 \$2,857,500, payable through 2017. For the current year, principal and interest paid and total special taxes revenues were \$557,000 and \$608,243, respectively.

Wal-Mart promissory note: In accordance with the Wal-Mart Super Center Development Agreement, the City agreed to reimburse a total of \$687,788 of costs paid by Wal-Mart Stores, Inc. in December 2002 for construction of improvements to portions of Allen Road adjoining the new Wal-Mart site. The City makes annual payments on January 30 of principal and interest at a rate of 5.5 percent.

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 with interest rates of 5.00 to 5.65 percent 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.

City of Peoria, Illinois

Notes to Basic Financial Statements

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

In 2007, the City issued \$1,105,000 of Special Assessment Bonds (known as 2007A Special Assessment) with an interest rate of 5.85 percent 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 \$394,254 were recognized in 2012. The balance due reported represents the estimate of what it would cost to perform all postclosure care as of December 31, 2012 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.

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, 2012, the City has accrued an associated liability of \$310,000, 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.

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, 2012 is as follows:

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

City of Peoria, Illinois

Notes to Basic Financial Statements

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

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

	Balance December 31,			Balance December 31,		
	2011	Additions	Deletions	2012	Current Portion	Long-Term Portion
General obligation bonds	\$ 203,270,000	\$ 46,150,000	\$ 10,200,000	\$ 239,220,000	\$ -	\$ 239,220,000
Special assessment bonds	5,850,500	-	344,000	5,506,500	359,000	5,147,500
Special service area bonds	2,950,000	-	420,000	2,530,000	450,000	2,080,000
Loans payable	1,636,265	-	108,123	1,528,142	114,913	1,413,229
Subtotal	213,706,765	46,150,000	11,072,123	248,784,642	923,913	247,860,729
Special assessment bond - matured	6,000	-	-	6,000	6,000	-
Bond premium	4,994,384	283,771	652,184	4,625,971	-	4,625,971
Total bonds and loans payable, net	218,707,149	46,433,771	11,724,307	253,416,613	929,913	252,486,700
Landfill closure and postclosure care costs	915,124	92,718	486,972	520,870	47,500	473,370
Voluntary Separation Initiative Termination Benefits	620,000	-	310,000	310,000	310,000	-
Compensated absences	8,414,778	5,912,416	5,098,937	9,228,257	4,468,501	4,759,756
Total long-term liabilities	\$ 228,657,051	\$ 52,438,905	\$ 17,620,216	\$ 263,475,740	\$ 5,755,914	\$ 257,719,826

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. Compensated absences are generally liquidated by the General Fund and Workforce Development Fund. 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.

	1998C Taxable Riverfront Village		2002A	
	General Obligation Bonds		General Obligation Bonds	
	Principal	Interest	Principal	Interest
<u>Year ending December 31:</u>				
2013	\$ -	\$ 31,611	\$ -	\$ 5,500
2014	75,000	27,376	-	-
2015	85,000	22,536	-	-
2016	100,000	16,941	-	-
2017	110,000	10,588	-	-
2018 - 2022	120,000	3,630	-	-
2023 - 2027	-	-	-	-
2028 - 2031	-	-	-	-
	<u>\$ 490,000</u>	<u>\$ 112,682</u>	<u>\$ -</u>	<u>\$ 5,500</u>

	2003A		2004C	
	General Obligation Bonds		General Obligation Bonds	
	Principal	Interest	Principal	Interest
<u>Year ending December 31:</u>				
2013	\$ -	\$ 112,780	\$ -	\$ 284,331
2014	205,000	104,680	1,010,000	240,800
2015	210,000	96,380	1,055,000	189,175
2016	220,000	87,560	1,110,000	135,050
2017	230,000	77,995	1,170,000	78,050
2018 - 2022	1,290,000	223,457	1,220,000	24,400
2023 - 2027	290,000	6,888	-	-
2028 - 2031	-	-	-	-
	<u>\$ 2,445,000</u>	<u>\$ 709,740</u>	<u>\$ 5,565,000</u>	<u>\$ 951,806</u>

	2005A		2005B	
	General Obligation Bonds		General Obligation Bonds	
	Principal	Interest	Principal	Interest
<u>Year ending December 31:</u>				
2013	\$ -	\$ 2,925,588	\$ -	\$ 1,071,820
2014	1,120,000	2,898,888	3,440,000	891,445
2015	1,330,000	2,849,888	2,675,000	738,570
2016	2,015,000	2,782,988	2,425,000	611,070
2017	2,560,000	2,688,288	2,575,000	486,070
2018 - 2022	18,870,000	11,331,116	8,555,000	697,934
2023 - 2027	29,195,000	5,569,375	-	-
2028 - 2031	7,000,000	175,000	-	-
	<u>\$ 62,090,000</u>	<u>\$ 31,221,131</u>	<u>\$ 19,670,000</u>	<u>\$ 4,496,909</u>

City of Peoria, Illinois

Notes to Basic Financial Statements

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

	2007A		2008A	
	General Obligation Bonds		General Obligation Bonds	
	Principal	Interest	Principal	Interest
<u>Year ending December 31:</u>				
2013	\$ -	\$ 674,493	\$ -	\$ 1,228,350
2014	815,000	642,593	980,000	1,187,550
2015	855,000	609,193	1,060,000	1,143,350
2016	895,000	574,194	1,150,000	1,095,550
2017	935,000	537,009	1,240,000	1,037,375
2018 - 2022	5,330,000	1,796,277	7,730,000	4,041,750
2023 - 2027	6,625,000	1,087,955	10,995,000	1,485,750
2028 - 2031	-	-	2,690,000	67,250
	<u>\$ 15,455,000</u>	<u>\$ 5,921,714</u>	<u>\$ 25,845,000</u>	<u>\$ 11,286,925</u>

	2009A		2010A	
	General Obligation Bonds		General Obligation Bonds	
	Principal	Interest	Principal	Interest
<u>Year ending December 31:</u>				
2013	\$ -	\$ 374,938	\$ -	\$ 74,450
2014	1,940,000	322,150	185,000	70,750
2015	2,005,000	262,975	190,000	66,525
2016	2,075,000	201,802	200,000	61,150
2017	980,000	154,725	205,000	55,075
2018 - 2022	3,210,000	320,276	1,140,000	163,350
2023 - 2027	-	-	255,000	5,100
2028 - 2031	-	-	-	-
	<u>\$ 10,210,000</u>	<u>\$ 1,636,866</u>	<u>\$ 2,175,000</u>	<u>\$ 496,400</u>

	2010B Taxable		2010C Taxable	
	General Obligation Bonds		General Obligation Bonds	
	Principal	Interest	Principal	Interest
<u>Year ending December 31:</u>				
2013	\$ -	\$ 29,462	\$ -	\$ 552,226
2014	375,000	19,246	400,000	545,505
2015	390,000	6,689	400,000	537,705
2016	-	-	410,000	528,747
2017	-	-	410,000	518,887
2018 - 2022	-	-	2,215,000	2,401,993
2023 - 2027	-	-	2,960,000	1,961,758
2028 - 2031	-	-	8,160,000	659,745
	<u>\$ 765,000</u>	<u>\$ 55,397</u>	<u>\$ 14,955,000</u>	<u>\$ 7,706,566</u>

City of Peoria, Illinois

Notes to Basic Financial Statements

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

	2010D		2011A	
	General Obligation Bonds		General Obligation Bonds	
	Principal	Interest	Principal	Interest
<u>Year ending December 31:</u>				
2013	\$ -	\$ 1,056,512	\$ -	\$ 106,975
2014	-	1,056,512	265,000	101,775
2015	-	1,056,512	275,000	96,375
2016	70,000	1,055,812	280,000	90,125
2017	2,620,000	1,002,712	290,000	83,000
2018 - 2022	3,400,000	4,055,250	1,595,000	287,788
2023 - 2027	18,220,000	1,383,334	1,100,000	50,250
2028 - 2031	-	-	-	-
	<u>\$ 24,310,000</u>	<u>\$ 10,666,644</u>	<u>\$ 3,805,000</u>	<u>\$ 816,288</u>

	2011B		2012A Taxable	
	General Obligation Bonds		General Obligation Bonds	
	Principal	Interest	Principal	Interest
<u>Year ending December 31:</u>				
2013	\$ -	\$ 204,900	\$ -	\$ 1,299,550
2014	-	204,900	-	1,299,550
2015	-	204,900	125,000	1,298,144
2016	-	204,900	650,000	1,289,425
2017	-	204,900	750,000	1,272,738
2018 - 2022	4,620,000	932,100	5,255,000	5,948,100
2023 - 2027	670,000	30,150	8,300,000	4,736,613
2028 - 2031	-	-	16,575,000	2,286,930
	<u>\$ 5,290,000</u>	<u>\$ 1,986,750</u>	<u>\$ 31,655,000</u>	<u>\$ 19,431,050</u>

	2012B		2012C Taxable Variable Rate	
	General Obligation Bonds		GO Capital Improvement Bonds	
	Principal	Interest	Principal	Interest
<u>Year ending December 31:</u>				
2013	\$ -	\$ 246,061	\$ -	\$ 11,281
2014	60,000	291,900	-	22,500
2015	60,000	291,000	290,000	22,500
2016	60,000	290,100	295,000	21,050
2017	60,000	289,200	305,000	19,575
2018 - 2022	325,000	1,431,075	1,675,000	74,000
2023 - 2027	2,380,000	1,357,800	1,935,000	29,600
2028 - 2031	7,050,000	105,750	-	-
	<u>\$ 9,995,000</u>	<u>\$ 4,302,886</u>	<u>\$ 4,500,000</u>	<u>\$ 200,506</u>

City of Peoria, Illinois

Notes to Basic Financial Statements

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

Year ending December 31:	2006		2007A	
	Special Assessment Bond		Special Assessment Bonds	
	Principal	Interest	Principal	Interest
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	305,000	213,870	105,500	6,172
2018 - 2022	1,775,000	809,915	-	-
2023 - 2027	1,810,000	262,725	-	-
2028 - 2031	-	-	-	-
	<u>\$ 4,965,000</u>	<u>\$ 2,279,740</u>	<u>\$ 541,500</u>	<u>\$ 94,624</u>

Year ending December 31:	PMP Promissory Note		WeaverRidge Special Service Area Bonds	
	Principal	Interest	Principal	Interest
	2013	\$ 60,201	\$ 56,548	\$ 450,000
2014	64,416	52,334	480,000	92,000
2015	104,451	47,825	520,000	67,000
2016	-	43,000	555,000	40,125
2017	-	43,000	525,000	13,125
2018 - 2022	922,214	43,000	-	-
2023 - 2027	-	-	-	-
2028 - 2031	-	-	-	-
	<u>\$ 1,151,282</u>	<u>\$ 285,707</u>	<u>\$ 2,530,000</u>	<u>\$ 327,500</u>

Year ending December 31:	Wal-Mart Promissory Note		Total Long-Term Bonds and Notes Payable	
	Principal	Interest	Principal	Interest
	2013	\$ 54,712	\$ 20,727	\$ 923,913
2014	57,721	17,718	11,841,137	10,370,593
2015	60,896	14,543	12,074,347	9,882,830
2016	64,245	11,194	12,973,245	9,381,701
2017	67,779	7,661	15,443,279	8,800,015
2018 - 2022	71,507	3,933	69,318,721	34,589,344
2023 - 2027	-	-	84,735,000	17,967,298
2028 - 2031	-	-	41,475,000	3,294,675
	<u>\$ 376,860</u>	<u>\$ 75,776</u>	<u>\$ 248,784,642</u>	<u>\$ 105,069,107</u>

City of Peoria, Illinois

Notes to Basic Financial Statements

Note 6. Capital Assets

A summary of the changes in capital assets follows:

	Cost			
	Balance			Balance
	December 31, 2011	Additions	Deletions	December 31, 2012
Not depreciated:				
Land	\$ 12,568,967	\$ 797,045	\$ (398,748)	\$ 12,967,264
Construction-in-progress	12,680,501	11,101,075	-	23,781,576
Depreciated:				
Land improvements	7,228,942	-	-	7,228,942
Buildings	105,786,408	426,886	-	106,213,294
Machinery and equipment	7,731,296	95,031	-	7,826,327
Vehicles	18,109,602	1,733,588	(407,441)	19,435,749
Media	24,531,811	807,355	(8,757,899)	16,581,267
Infrastructure	312,413,291	9,455,513	-	321,868,804
Total	\$ 501,050,818	\$ 24,416,493	\$ (9,564,088)	\$ 515,903,223

	Accumulated Depreciation				Net Capital Assets as of December 31, 2012
	Balance			Balance	
	December 31, 2011	Additions	Deletions	December 31, 2012	
Not depreciated:					
Land	\$ -	\$ -	\$ -	\$ -	\$ 12,967,264
Construction-in-progress	-	-	-	-	23,781,576
Depreciated:					
Land improvements	3,488,465	404,407	-	3,892,872	3,336,070
Buildings	39,587,372	4,960,726	-	44,548,098	61,665,196
Machinery and equipment	6,466,656	288,253	-	6,754,909	1,071,418
Vehicles	13,749,232	1,337,507	(407,441)	14,679,298	4,756,451
Media	21,027,495	828,414	(8,757,899)	13,098,010	3,483,257
Infrastructure assets	156,682,549	10,295,940	-	166,978,489	154,890,315
Total	\$ 241,001,769	\$ 18,115,247	\$ (9,165,340)	\$ 249,951,676	\$ 265,951,547

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

City of Peoria, Illinois

Notes to Basic Financial Statements

Note 6. Capital Assets (Continued)

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

Governmental activities:	
Police	\$ 328,337
Fire	1,056,939
Public works	11,165,650
Community development	71,666
Public safety	32,857
General government	1,972,228
Library	3,474,687
City Administration	12,883
Total depreciation expense	\$ 18,115,247

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

	Peoria Civic Center Authority			
	Balance			Balance
	August 31, 2011	Additions	Deletions	August 31, 2012
Historical cost:				
Not depreciated:				
Land	\$ 10,247,918	\$ -	\$ -	\$ 10,247,918
Construction-in-process	7,426	860,737	(868,163)	-
Depreciated:				
Land improvements	7,650,099	10,149	-	7,660,248
Building and improvements	143,607,675	566,376	-	144,174,051
Furniture, fixtures and equipment	11,626,239	291,638	-	11,917,877
Total cost	173,139,357	1,728,900	(868,163)	174,000,094
Accumulated depreciation:				
Land improvements	5,509,790	355,168	-	5,864,958
Building and improvements	70,441,527	4,935,114	-	75,376,641
Furniture, fixtures and equipment	9,410,708	566,764	-	9,977,472
Total accumulated depreciation	85,362,025	5,857,046	-	91,219,071
Net land, building and equipment	\$ 87,777,332	\$ (4,128,146)	\$ (868,163)	\$ 82,781,023

City of Peoria, Illinois

Notes to Basic Financial Statements

Note 6. Capital Assets (Continued)

Springdale Cemetery Management Authority					
	Balance as of December 31, 2011	Additions	Deletions	Transfers	Balance as of December 31, 2012
Cost:					
Assets depreciated:					
Maintenance building	\$ 406,586	\$ -	\$ -	\$ -	\$ 406,586
Building improvements	361,899	-	-	-	361,899
Land improvements	877,388	19,500	-	-	896,888
Furniture and equipment	357,699	45,068	(23,414)	-	379,353
Computer software	127,371	-	-	-	127,371
Assets not depreciated:					
Land	73,079	-	-	-	73,079
Total	\$ 2,204,022	\$ 64,568	\$ (23,414)	\$ -	\$ 2,245,176
	Balance as of December 31, 2011	Additions	Deletions and Transfers	Balance as of December 31, 2012	Net Capital Assets as of December 31, 2012
Accumulated depreciation:					
Maintenance building	\$ 77,279	\$ 10,820	\$ -	\$ 88,099	\$ 318,487
Building improvements	67,204	10,411	-	77,615	284,284
Land improvements	201,617	37,645	-	239,262	657,626
Furniture and equipment	316,740	23,868	(23,414)	317,194	62,159
Computer software	95,584	22,107	-	117,691	9,680
Land	-	-	-	-	73,079
Total	\$ 758,424	\$ 104,851	\$ (23,414)	\$ 839,861	\$ 1,405,315

Note 7. Receivables

Loans receivable and accrued interest receivable as of December 31, 2012 are net of allowance for uncollectible accounts in the amounts of \$354,994 and \$44,328, respectively.

On April 12, 2012, the City entered into a loan agreement with a Hotel developer for \$7,000,000. The proceeds of the loan were to be used for renovation of Pere Marquette Hotel in downtown Peoria. Terms of the loan required 23 equal annual payments of principal in the amount of \$304,348, plus accrued interest at a rate of 7 percent thereon, commencing on April 12, 2015. The loan matures on April 12, 2037. As of December 31, 2012, The City's loan receivable balance was \$7,000,000.

Other current receivables as of December 31, 2012 consist of the following:

Charges for services and reimbursements	\$ 1,249,931
Franchise fees	316,483
Other fines and fees	990,248
Other	51,331
Total other current receivables (gross)	2,607,993
Less allowance for uncollectible accounts	(134,311)
Total other current receivables (net)	\$ 2,473,682

City of Peoria, Illinois

Notes to Basic Financial Statements

Note 8. Other Required Individual Fund Disclosures

The individual fund interfund receivable and payable balances as of December 31, 2012 are as follows:

	Due From Other Funds	Due to Other Funds
Major funds:		
General Fund	\$ 2,003,186	\$ 1,293,674
Capital Improvements Fund	1,217,741	70
2010D General Obligation Bond Debt Service Fund	800,625	1,601,250
Nonmajor governmental funds	1,876,848	3,478,532
Internal service fund	650,126	175,000
	<u>\$ 6,548,526</u>	<u>\$ 6,548,526</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	\$ 1,369,952	\$ -
Nonmajor governmental fund	-	1,369,952

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.

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	\$ 212,600	\$ 16,654,103
Peoria Public Library Fund	-	617,633
Capital Improvements Fund	7,626,317	8,453,453
2010D General Obligation Bond Debt Service Fund	1,386,250	1,715,988
Nonmajor governmental funds	21,244,427	6,128,417
Internal service fund	3,100,000	-
	<u>\$ 33,569,594</u>	<u>\$ 33,569,594</u>

City of Peoria, Illinois

Notes to Basic Financial Statements

Note 8. Other Required Individual Fund Disclosures (Continued)

Transfers are used to (1) move revenues from the fund collecting them to the fund that statute or budget reflects to expend them, (2) move receipts restricted to debt service from the funds collecting them to the Debt Service Fund as debt service payments become due, (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 position of individual funds.

As of December 31, 2012, the Illinois Municipal Retirement Fund had a deficit fund balance of \$770,426. This deficit will be eliminated through future property taxes and is the result of the upfront payment of an early retirement incentive previously discussed.

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 and Internal Service 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 position. 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 \$11,679,000 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.

City of Peoria, Illinois

Notes to Basic Financial Statements

Note 9. Self-Insurance – Primary Government (Continued)

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, 2012, 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 \$410,875 for health and dental claims are due and are included in accounts payable on the financial statements in the Internal Service Fund.

Changes in the health insurance claims liability which include unpaid reported claims and amounts incurred but not reported in fiscal years 2012 and 2011 were:

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	964,468
Current year claims and changes in estimates	8,138,032
Claims paid	<u>(8,441,625)</u>
Balance, December 31, 2012	<u>\$ 660,875</u>

Changes in the worker's compensation liability which include unpaid reported claims and amounts incurred but not reported in fiscal years 2012 and 2011 were:

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	2,632,018
Current year claims and changes in estimates	1,624,304
Claims paid	<u>(2,314,313)</u>
Balance, December 31, 2012	<u>\$ 1,942,009</u>

Changes in the general liability which include unpaid reported claims and amounts incurred but not reported in fiscal years 2012 and 2011 were:

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	1,908,285
Current year claims and changes in estimates	174,707
Claims paid	<u>(765,592)</u>
Balance, December 31, 2012	<u>\$ 1,317,400</u>

Of the \$1,942,009 of worker's compensation liability, \$294,144 is reported in the General Fund as due and payable and \$1,647,865 is reported only in governmental activities of the government-wide financial statements. Of the \$1,317,400 of general liability, \$66,018 is reported in the General Fund as due and payable and \$1,251,382 is reported only in governmental activities of the government-wide financial statements.

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 or online.

Illinois Municipal Retirement
www.imrf.org

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

Fire Pension Board
City of Peoria
419 Fulton Street
Peoria, Illinois 61602

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

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

	Illinois Municipal Retirement Fund	Police Pension Fund of Peoria	Firemen's Pension Fund of Peoria
Contribution rates:			
City	(1)	(2)	(2)
Plan members	4.50%	9.91%	9.455%

(1) The contribution rate for calendar year 2012 used by the employer was 12.45 percent of annual covered payroll. The employer annual required contribution rate for calendar year 2012 was 13.77 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	\$ 2,898,811	\$ 5,936,531	\$ 6,815,026
Interest on net pension obligation	91,443	(1,161,408)	(51,196)
Adjustment to ARC	(65,364)	1,006,392	38,845
Total annual pension cost	2,924,890	5,781,515	6,802,675
Contributions made	2,621,256	5,061,727	6,463,705
Decrease in net pension (asset) obligation	303,634	719,788	338,970
Net pension (asset) obligation:			
Beginning of year	1,219,236	(15,485,433)	(706,153)
End of year	<u>\$ 1,522,870</u>	<u>\$ (14,765,645)</u>	<u>\$ (367,183)</u>
Actuarial valuation date	December 31, 2012	January 1, 2012	January 1, 2012
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	21.5 years	29 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%	7.20%
Projected salary increases*	4.00% (3)	4.00%	4.50%
*Includes inflation at	4.00%	3.00%	3.00%
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 (Asset)
Illinois Municipal Retirement Fund	2012	\$ 2,924,890	89.62%	\$ 1,522,870
	2011	3,212,011	82.93	1,219,236
	2010	3,230,635	79.23	670,843
Police Pension Fund of Peoria	2012	5,781,515	87.55	(14,765,645)
	2011	4,594,081	113.18	(15,485,433)
	2010	3,858,422	119.47	(14,879,807)
Firemen's Pension Fund of Peoria	2012	6,802,675	95.02	(367,183)
	2011	6,804,788	99.13	(706,153)
	2010	5,670,371	99.48	(765,633)

Funded Status and Funding Progress:

Fund	Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
Illinois Municipal Retirement Fund	12/31/2012	\$ 14,137,832	\$ 54,298,700	\$ 40,160,868	26.04%	\$ 21,042,950	190.85%
Police Pension Fund of Peoria	1/1/2012	144,252,231	221,036,377	76,784,146	65.26%	17,254,113	445.02%
Firemen's Pension Fund of Peoria	1/1/2012	116,534,266	198,200,029	81,665,763	58.80%	14,659,650	557.08%

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, 2012, the City recognized \$2,478,830 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, 2012, the City recognized \$832,692 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. During the year ended December 31, 2012, the City recognized \$54,452 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, 2012, the City recognized \$791,184 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, 2012 was \$1,269,190 and the City recognized \$213,598 as revenue in the current year.

Encumbrances: The City had encumbrances in the General Fund, Capital Improvements Fund and nonmajor governmental funds of \$1,075,551, \$5,106,068 and \$2,047,892, 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
Public works	<u>\$ 6,707,303</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, 2012, there were three series of Industrial Revenue Bonds outstanding, with an aggregate principal amount payable of approximately \$7,840,000.

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, 2012.

SMG as Agent for the Civic Center: The Civic Center has contracted with SMG whereby SMG will manage the operations of the Civic Center. The Authority executed a contract with SMG to manage the operations of the Authority. 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 the contract expires on 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 a secured note payable to a bank in the original amount of \$1,100,000, requiring monthly installments of \$9,167 plus interest at LIBOR plus 1.75 percent per year, which at August 31, 2012 was 1.99 percent with final payment due March 1, 2022.

Future maturities of long-term debt are as follows:

<u>Year ending August 31:</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2013	\$ 399,076	\$ 326,160	\$ 72,916
2014	396,440	336,654	59,786
2015	394,704	347,658	47,046
2016	392,517	359,195	33,322
2017	390,331	371,293	19,038
2018 - 2022	549,938	526,468	23,470
	<u>\$ 2,523,006</u>	<u>\$ 2,267,428</u>	<u>\$ 255,578</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 \$38,000 for fiscal year 2012.

City of Peoria, Illinois

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 \$31,000 in fiscal year 2012.

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	3-7

Unearned revenue: Unearned revenue as of December 31, 2012 consists of pre-need service revenue that has not yet been earned as the service has not yet been performed.

Restricted net position: 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 position as of December 31, 2012 amounted to \$340,034 and is comprised of amounts endowed to the Cemetery, earnings on which are designated to be used for purposes specified by the donor, such as purchase and placement of flowers on individual graves.

In-kind contributions and donated services: In-kind contributions are recorded as revenue and expense (or capitalized, if applicable) in the statement of activities. The Authority receives donated services from volunteer workers who assist the staff in mowing and related services. No monetary value for these services is reflected in the financial statements as they do not require specialized skill.

Risk management: The Authority purchases commercial insurance for worker's compensation, general liability and property loss. Settled claims have not exceeded this commercial coverage during the past three years.

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

City of Peoria, Illinois

Notes to Basic Financial Statements

Note 15. Other 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.

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 Statement No. 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 assigned funds to pay for future OPEB obligations. These assigned 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 2012, the City contributed \$2,077,787 which was net of retirees premiums received of \$1,489,048. The General Fund has assigned fund balance of \$12,768,423 for other postemployment benefits.

City of Peoria, Illinois

Notes to Basic Financial Statements

Note 15. Other Postemployment Benefits (Continued)

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	\$ 9,292,000
Interest on net OPEB obligation	1,592,480
Adjustment to annual required contribution	(1,351,697)
Annual OPEB cost	<u>9,532,783</u>
Contributions and payments made	<u>2,077,787</u>
Increase in net OPEB obligation	7,454,996
Net OPEB obligation - Beginning of year	<u>35,388,438</u>
Net OPEB obligation - End of year	<u><u>\$ 42,843,434</u></u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2012 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, 2012	\$ 9,532,783	21.80%	\$ 42,843,434
December 31, 2011	9,089,366	24.58	35,388,438
December 31, 2010	11,678,204	14.50	28,532,853

Funded status and funding progress: As of December 31, 2012, the most recent valuation date, the plan was 0 percent funded. The actuarial accrued liability for benefits was \$104.7 million and the actuarial value of assets is none resulting in an unfunded actuarial accrued liability (UAAL) of \$104.7 million. The covered payroll (annual payroll of active employees covered by the plan) was \$57.7 million, and the ratio of the UAAL to the covered payroll was 181.39 percent.

City of Peoria, Illinois

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, 2012 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

As of December 31, 2012, 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. 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.

City of Peoria, Illinois

Notes to Basic Financial Statements

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

- 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.
- GASB Statement No. 67, *Financial Reporting for Pension Plans*, issued June 2012, will be effective for the City beginning with its year ending December 31, 2014. This Statement replaces the requirements of GASB Statement No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, and GASB Statement No. 50, *Pension Disclosures*, as they relate to pension plans that are administered through trusts or similar arrangements meeting certain criteria. This Statement builds upon the existing framework for financial reports of defined benefit pension plans, which includes a statement of fiduciary net position (the amount held in a trust for paying retirement benefits) and a statement of changes in fiduciary net position. This Statement enhances note disclosures and required supplementary information for both defined benefit and defined contribution pension plans. This Statement also requires the presentation of new information about annual money-weighted rates of return in the notes to the financial statements and in 10-year required supplementary information schedules.
- GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, issued June 2012, will be effective for the City beginning with its year ending December 31, 2015. This Statement replaces the requirements of GASB Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, and GASB Statement No. 50, *Pension Disclosures*, as they relate to governments that provide pensions through pension plans administered as trusts or similar arrangements that meet certain criteria. This Statement requires governments providing defined benefit pensions to recognize their long-term obligation for pension benefits as a liability for the first time, and to more comprehensively and comparably measure the annual costs of pension benefits. This Statement also enhances accountability and transparency through revised and new note disclosures and required supplementary information.

The City's management has not yet determined the effect of these Statements will have on the City's financial statements.

City of Peoria, Illinois

Notes to Basic Financial Statements

Note 17. Subsequent Event

On March 21, 2013, the City issued \$9,555,000 General Obligation Refunding Bonds, Series 2013A with interest rates of 2.00 percent to 4.00 percent due on January 1, 2014 through 2027 to advance refund a portion of the City's outstanding General Obligation Bonds, Series 2005A, due January 1, 2021, 2024 and 2026-2027, and to pay the costs of issuing the Bonds.

On March 26, 2013, the City issued \$4,860,000 of Taxable General Obligation Refunding Bonds, Series 2013C with interest rates of 0.75 percent to 1.65 percent due on January 1, 2014 through 2018 to advance refund a portion of the City's outstanding General Obligation Bonds, Series 2004C, due January 1, 2015-2018, and to pay the costs of issuing the Bonds.

On April 5, 2013, the City issued \$2,505,000 Taxable Motor Fuel Tax Revenue Refunding Bonds, Series 2013D with interest rates of 1.22 percent to 3.50 percent due on January 1, 2014 through 2023 to current refund a portion of the City's outstanding General Obligation Bonds, Series 2003A due January 1, 2015-2023, to fund a debt service reserve fund, and to pay the costs of issuing the Bonds.

Note 18. Restatement

As a result of the adoption of GASB Statement No. 65, the beginning net position of the governmental activities was restated. The effect on fiscal year 2011 is as follows:

	Governmental Activities
Net position December 31, 2011, as previously reported	\$ 136,403,569
Bond issuance costs previously reported as assets	<u>(2,242,369)</u>
Net position December 31, 2011, as restated	<u><u>\$ 134,161,200</u></u>

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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 and Police and Fire Pension Levy Fund
Required Supplementary Information
Year Ended December 31, 2012**

	General Fund			
	Original	Final		Variance
	Budget	Budget	Actual	With Final Budget
Revenues:				
Property taxes	\$ 5,618,241	\$ 5,618,241	\$ 5,712,125	\$ 93,884
Corporate personal property replacement taxes	3,158,252	3,158,252	3,086,302	(71,950)
State sales taxes	23,717,000	23,717,000	24,339,855	622,855
State income tax allocation	9,225,000	9,225,000	10,701,076	1,476,076
Home rule sales taxes	22,960,000	22,960,000	22,898,395	(61,605)
Hotel, restaurant and amusement taxes	7,834,700	7,834,700	8,591,718	757,018
Utility taxes	12,505,000	12,505,000	12,269,259	(235,741)
Governmental grants and reimbursements	1,803,356	1,871,067	2,299,206	428,139
Licenses and permits	2,641,600	2,641,600	2,406,554	(235,046)
Service charges/fees/fees	9,298,000	9,298,000	9,166,421	(131,579)
Loan repayment	-	44,228	44,176	(52)
Rental	82,800	82,800	119,795	36,995
Interest	182,600	138,372	63,560	(74,812)
Other	5,518,347	2,123,036	2,222,041	99,005
Total revenues	104,544,896	101,217,296	103,920,483	2,703,187
Expenditures:				
Current:				
Elective offices, boards, commissions and agencies	1,740,523	1,875,717	1,854,416	21,301
City administration	5,149,998	9,008,190	5,812,366	3,195,824
Benefits	8,846,097	-	-	-
Police	23,516,386	26,112,871	27,122,085	(1,009,214)
Fire	17,833,376	19,823,734	20,765,910	(942,176)
Public works	12,418,568	13,416,775	12,693,141	723,634
Community development	4,179,468	4,447,170	5,321,586	(874,416)
Public safety	4,261,837	4,815,829	4,712,515	103,314
General government	81,221	2,403,217	9,903,002	(7,499,785)
Library	-	585,134	619,565	(34,431)
Capital outlay	-	-	-	-
Total expenditures	78,027,474	82,488,637	88,804,586	(6,315,949)
Excess (deficiency) of revenues over expenditures	26,517,422	18,728,659	15,115,897	(3,612,762)
Other financing sources (uses):				
Transfers in	360,000	240,000	212,600	(27,400)
Transfers out	(23,170,185)	(15,636,185)	(16,654,103)	(1,017,918)
Total other financing sources (uses)	(22,810,185)	(15,396,185)	(16,441,503)	(1,045,318)
Net change in fund balances	\$ 3,707,237	\$ 3,332,474	(1,325,606)	\$ (4,658,080)
Fund balances, beginning of year			42,426,211	
Fund balances, end of year			<u>\$ 41,100,605</u>	

See Note to Required Supplementary Information.

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	\$ 6,578,063	\$ (73,057)	\$ 9,765,692	\$ 9,765,692	\$ 9,655,755	\$ (109,937)
479,919	479,919	479,919	-	1,883,710	1,883,710	1,883,710	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
100,845	100,845	138,831	37,986	-	-	-	-
-	-	-	-	-	-	-	-
103,358	103,358	128,276	24,918	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
10,000	10,000	4,902	(5,098)	-	-	891	891
15,033	15,033	123,190	108,157	-	-	-	-
7,360,275	7,360,275	7,453,181	92,906	11,649,402	11,649,402	11,540,356	(109,046)
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	5,116,130	5,116,130	5,068,235	47,895
-	-	-	-	6,533,272	6,533,272	6,472,121	61,151
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
5,760,490	5,798,339	5,923,610	(125,271)	-	-	-	-
982,152	944,303	807,355	136,948	-	-	-	-
6,742,642	6,742,642	6,730,965	11,677	11,649,402	11,649,402	11,540,356	109,046
617,633	617,633	722,216	104,583	-	-	-	-
-	-	-	-	-	-	-	-
(617,633)	(617,633)	(617,633)	-	-	-	-	-
(617,633)	(617,633)	(617,633)	-	-	-	-	-
\$ -	\$ -	104,583	\$ 104,583	\$ -	\$ -	-	\$ -
		2,325,732				-	
		<u>\$ 2,430,315</u>				<u>\$ -</u>	

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City of Peoria, Illinois

Note to Required Supplementary Information

Note 1. Budgetary Basis of Accounting

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

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

	Final Budget	Actual	Overage
General Fund	\$ 82,488,637	\$ 88,804,586	\$ 6,315,949
Nonmajor:			
State and Local Auto Theft Enforcement Grant Fund	405,113	406,717	1,604
Solid Waste Fund	428,580	513,639	85,059
2005A General Obligation Bond Debt Service Fund	3,144,888	3,146,388	1,500
WeaverRidge Debt Service Fund	572,400	572,545	145
2007-A Special Assessment Bond Debt Service Fund	147,054	147,555	501
2011B General Obligation Bond Debt Service Fund	-	209,453	209,453
2012A General Obligation Bond Debt Service Fund	-	934,954	934,954
2012B General Obligation Bond Debt Service Fund	-	275,365	275,365
2012C General Obligation Bond Debt Service Fund	-	8,999	8,999

The 2012A General Obligation Bonds, 2012B General Obligation Bonds and 2012C General Obligation Bonds were issued after the City Council had adopted the fiscal year 2012 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 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]
2012	12/31/2012	\$ 14,137,832	\$ 54,298,700	\$ 40,160,868	26.04%	\$ 21,042,950	190.85%
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

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Actuarial Valuation Date	Annual Required Contributions (ARC) (a)	Total Contributions (b)	Percentage of ARC Contributed (b/a)
12/31/2012	\$ 2,898,811	\$ 2,621,256	90.43%
12/31/2011	3,197,663	2,663,618	83.30
12/31/2010	3,230,635	2,559,792	79.23

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, 2010 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, 2010 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, 2012 is \$17,101,937. On a market basis, the funded ratio would be 31.50 percent.

City of Peoria, Illinois

**Required Supplementary Information
Police Pension Plan**

SCHEDULE OF FUNDING PROGRESS

Fiscal Year Ended	Actuarial Valuation Date	Actuarial Value of 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]
2012	01/01/2012	\$ 144,252,231	\$ 221,036,377	\$ 76,784,146	65.26%	\$ 17,254,113	445.02%
2011	01/01/2011	143,289,115	204,062,861	60,773,746	70.22	16,736,677	363.12
2010	01/01/2010	140,316,984	193,493,940	53,176,956	72.52	16,494,393	322.39

The information presented in the required supplementary schedules was determined as part of the actuarial valuation as of January 1, 2012. 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, 2012 actuarial valuation date was 21.5 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 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]
2012	01/01/2012	\$ 116,534,266	\$ 198,200,029	\$ 81,665,763	58.80%	\$ 14,659,650	557.08%
2011	01/01/2011	116,776,441	189,042,373	72,265,932	61.77	14,071,164	513.57
2010	01/01/2010	114,232,171	182,546,122	68,313,951	62.58	13,575,743	503.21

The information presented in the required supplementary schedules was determined as part of the actuarial valuation as of January 1, 2012. 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 3.0 percent, investment return rate of 7.20 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, 2012 actuarial valuation date was 29 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 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]
2012	01/01/2011	\$ -	\$ 104,700,000	\$ 104,700,000	- %	\$ 57,720,940	181.39%
2011	01/01/2011	-	99,500,000	99,500,000	-	60,246,702	165.15
2010	01/01/2010	-	147,400,000	147,400,000	-	59,998,711	245.67

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, 2012**

Assets	Special Revenue Funds			
	Motor Fuel	Community	State and Local Auto	Multi-County MEG
	Tax Fund	Development Block Grant Fund	Theft Enforcement Grant Fund	
Cash and cash equivalents	\$ 4,839,858	\$ 95,103	\$ 592	\$ 23,726
Cash and investments with trustee	-	-	-	-
Investments	3,226,941	-	901	-
Property taxes receivable	-	-	-	-
State sales taxes receivable	-	-	-	-
Governmental grants and reimbursements receivable	238,067	41,864	-	-
Loans receivable, net	69,377	11,186	-	-
Other receivables, net	1,500	-	38,427	-
Receivable, garbage fee	-	-	-	-
Accrued interest receivable	3,599	-	-	-
Due from other funds	-	10,233	-	-
Total assets	\$ 8,379,342	\$ 158,386	\$ 39,920	\$ 23,726
Liabilities, Deferred Inflows of Resources and Fund Balance				
Liabilities				
Accounts payable	\$ 83,965	\$ 33,439	\$ 16,267	\$ 17,795
Accrued payroll	-	11,279	990	-
Due to other funds	-	-	17,420	-
Interfund loan payable	-	-	-	-
Unearned revenue, other	69,377	102,482	-	5,931
Other payables	-	-	-	-
Total liabilities	153,342	147,200	34,677	23,726
Deferred Inflows of Resources				
Unavailable revenue - property taxes	-	-	-	-
Unavailable revenue - intergovernmental and loans	-	11,186	-	-
Total deferred inflows of resources	-	11,186	-	-
Fund Balance (Deficit)				
Restricted:				
Debt service	-	-	-	-
TIF redevelopment	-	-	-	-
Law enforcement	-	-	5,243	-
Landfill operations	-	-	-	-
Capital improvements and equipment	8,226,000	-	-	-
Unassigned	-	-	-	-
Total fund balance (deficit)	8,226,000	-	5,243	-
Total liabilities, deferred inflows of resources and fund balance (deficit)	\$ 8,379,342	\$ 158,386	\$ 39,920	\$ 23,726

(Continued)

Special Revenue Funds

Home Investment Partnership Program Fund	Solid Waste Fund	Refuse Collection Fund	Sewer Fund	Peoria Foreign Fire Insurance Board	Illinois Municipal Retirement Fund
\$ 211,312	\$ 461,928	\$ 74,342	\$ 2,256,786	\$ 458,046	\$ 964,869
-	-	-	-	-	-
-	637	-	-	-	768
-	-	-	-	-	4,136,200
-	-	-	-	-	-
37,547	-	-	-	-	-
24,467	-	-	-	-	-
-	-	28,489	98,060	-	-
-	-	897,453	-	-	-
-	-	-	-	-	-
10,067	-	-	81,424	-	-
<u>\$ 283,393</u>	<u>\$ 462,565</u>	<u>\$ 1,000,284</u>	<u>\$ 2,436,270</u>	<u>\$ 458,046</u>	<u>\$ 5,101,837</u>
\$ 33,574	\$ 61,890	\$ 19,863	\$ -	\$ -	\$ 361,490
-	-	-	-	-	-
4,433	135,003	652,283	-	-	-
-	-	-	-	-	1,369,952
220,919	-	-	-	-	-
-	-	-	-	-	4,621
<u>258,926</u>	<u>196,893</u>	<u>672,146</u>	<u>-</u>	<u>-</u>	<u>1,736,063</u>
-	-	-	-	-	4,136,200
24,467	-	-	-	-	-
<u>24,467</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,136,200</u>
-	-	-	2,384,430	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	265,672	-	-	-	-
-	-	328,138	51,840	458,046	-
-	-	-	-	-	(770,426)
<u>-</u>	<u>265,672</u>	<u>328,138</u>	<u>2,436,270</u>	<u>458,046</u>	<u>(770,426)</u>
<u>\$ 283,393</u>	<u>\$ 462,565</u>	<u>\$ 1,000,284</u>	<u>\$ 2,436,270</u>	<u>\$ 458,046</u>	<u>\$ 5,101,837</u>

City of Peoria, Illinois

Nonmajor Governmental Funds (Continued)
Combining Balance Sheet
December 31, 2012

Assets	Debt Service Funds			
	2005A General		General Obligation	2006 Special
	Obligation Bond Debt	WeaverRidge Debt	Bonds Debt Service	Assessment Bond
	Service Fund	Service Fund	Master Fund	Debt Service Fund
Cash and cash equivalents	\$ -	\$ -	\$ 12,508	\$ 1,214,405
Cash and investments with trustee	1,691,484	471,862	-	-
Investments	-	-	-	-
Property taxes receivable	-	112,000	-	-
State sales taxes receivable	-	-	-	-
Governmental grants and reimbursements receivable	-	-	-	-
Loans receivable, net	-	-	-	-
Other receivables, net	-	-	-	-
Receivable, garbage fee	-	-	-	-
Accrued interest receivable	-	-	-	-
Due from other funds	1,022,999	529,751	-	-
Total assets	\$ 2,714,483	\$ 1,113,613	\$ 12,508	\$ 1,214,405
Liabilities, Deferred Inflows of Resources and Fund Balance				
Liabilities				
Accounts payable	\$ 1,679,944	\$ -	\$ -	\$ -
Accrued payroll	-	-	-	-
Due to other funds	1,022,999	-	-	-
Interfund loan payable	-	-	-	-
Deferred and unearned revenue, other	-	-	-	-
Other payables	-	-	-	-
Total liabilities	2,702,943	-	-	-
Deferred Inflows of Resources				
Unavailable revenue - property taxes	-	112,000	-	-
Unavailable revenue - intergovernmental	-	-	-	-
Total deferred inflows of resources	-	112,000	-	-
Fund Balance (Deficit)				
Restricted:				
Debt service	11,540	1,001,613	12,508	1,214,405
TIF redevelopment	-	-	-	-
Law enforcement	-	-	-	-
Landfill operations	-	-	-	-
Capital improvements and equipment	-	-	-	-
Unassigned	-	-	-	-
Total fund balance (deficit)	11,540	1,001,613	12,508	1,214,405
Total liabilities, deferred inflows of resources and fund balance (deficit)	\$ 2,714,483	\$ 1,113,613	\$ 12,508	\$ 1,214,405

(Continued)

Debt Service Funds						Capital Projects Fund
2007-A Special Assessment Bond Debt Service Fund	2008A Library General Obligation Bond Debt Service Fund	2011B General Obligation Bond Debt Service Fund	2012A General Obligation Bond Debt Service Fund	2012B General Obligation Bond Debt Service Fund	Southtown TIF Project Fund	
\$ 21,192	\$ 343,804	\$ 4,684	\$ 1,063,869	\$ 11,407	\$ 4,716,151	
-	-	5,765,252	-	9,916,434	-	
-	-	-	-	-	520	
-	2,210,800	-	-	-	2,653,600	
-	-	-	-	-	31,522	
-	-	-	-	-	-	
-	-	-	-	-	-	
-	-	-	-	-	7,571	
-	-	-	-	-	-	
-	-	96,703	-	205,683	-	
-	-	122,488	-	99,886	-	
<u>\$ 21,192</u>	<u>\$ 2,554,604</u>	<u>\$ 5,989,127</u>	<u>\$ 1,063,869</u>	<u>\$ 10,233,410</u>	<u>\$ 7,409,364</u>	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
-	-	-	-	-	-	
-	-	244,975	-	199,773	-	
-	-	-	-	-	-	
-	-	-	-	-	-	
-	-	-	-	-	-	
-	-	244,975	-	199,773	-	
-	2,210,800	-	-	-	2,653,600	
-	-	-	-	-	-	
-	2,210,800	-	-	-	2,653,600	
21,192	343,804	5,744,152	1,063,869	10,033,637	1,153,500	
-	-	-	-	-	3,602,264	
-	-	-	-	-	-	
-	-	-	-	-	-	
-	-	-	-	-	-	
<u>21,192</u>	<u>343,804</u>	<u>5,744,152</u>	<u>1,063,869</u>	<u>10,033,637</u>	<u>4,755,764</u>	
<u>\$ 21,192</u>	<u>\$ 2,554,604</u>	<u>\$ 5,989,127</u>	<u>\$ 1,063,869</u>	<u>\$ 10,233,410</u>	<u>\$ 7,409,364</u>	

City of Peoria, Illinois

Nonmajor Governmental Funds (Continued)
Combining Balance Sheet
December 31, 2012

	Capital Projects Funds			
	Downtown TIF Project Fund	Northside TIF Project Fund	Midtown Plaza TIF Project Fund	Northside Business Park TIF Project Fund
Assets				
Cash and cash equivalents	\$ 3,909,974	\$ 694,525	\$ 1,299	\$ 97,132
Cash and investments with trustee	-	-	-	-
Investments	762	673	20	613
Property taxes receivable	2,260,400	123,300	109,300	161,200
State sales taxes receivable	-	-	-	-
Governmental grants and reimbursements receivable	-	-	-	-
Loans receivable, net	-	-	-	-
Other receivables, net	-	-	-	-
Receivable, garbage fee	-	-	-	-
Accrued interest receivable	-	-	-	-
Due from other funds	-	-	-	-
Total assets	\$ 6,171,136	\$ 818,498	\$ 110,619	\$ 258,945
Liabilities, Deferred Inflows of Resources and Fund Balance				
Liabilities				
Accounts payable	\$ 2,000	\$ -	\$ -	\$ -
Accrued payroll	-	-	-	-
Due to other funds	-	-	-	-
Interfund loan payable	-	-	-	-
Deferred and unearned revenue, other	-	-	-	-
Other payables	-	-	-	-
Total liabilities	2,000	-	-	-
Deferred Inflows of Resources				
Unavailable revenue - property taxes	2,260,400	123,300	109,300	161,200
Unavailable revenue - intergovernmental	-	-	-	-
Total deferred inflows of resources	2,260,400	123,300	109,300	161,200
Fund Balance (Deficit)				
Restricted:				
Debt service	744,832	253,593	127	-
TIF redevelopment	3,163,904	441,605	1,192	97,745
Law enforcement	-	-	-	-
Landfill operations	-	-	-	-
Capital improvements and equipment	-	-	-	-
Unassigned	-	-	-	-
Total fund balance (deficit)	3,908,736	695,198	1,319	97,745
Total liabilities, deferred inflows of resources and fund balance (deficit)	\$ 6,171,136	\$ 818,498	\$ 110,619	\$ 258,945

(Continued)

Capital Projects Funds							
Downtown Stadium TIF Project Fund	Eagle View TIF Project Fund	Warehouse District TIF Project Fund	Hospitality Improvement Zone TIF Project Fund	East Village Growth Cell TIF Project Fund	City of Peoria Designated Zone Organization	2008A Library General Obligation Bond Project Fund	
\$ 113,618	\$ 101,423	\$ 464,389	\$ 570,351	\$ 59,105	\$ 396	\$ 116,931	
-	-	-	-	-	-	-	-
749	-	-	-	-	25	940	
298,800	33,300	226,100	21,600	66,300	-	-	
-	-	-	20,461	-	-	-	
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	1,593	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
\$ 413,167	\$ 134,723	\$ 690,489	\$ 614,005	\$ 125,405	\$ 421	\$ 117,871	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,716	
-	-	-	-	-	-	-	-
-	-	155,778	-	-	421	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	155,778	-	-	421	1,716	
298,800	33,300	226,100	21,600	66,300	-	-	
-	-	-	-	-	-	-	-
298,800	33,300	226,100	21,600	66,300	-	-	
83,212	-	-	-	-	-	-	-
31,155	101,423	308,611	592,405	59,105	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	116,155
-	-	-	-	-	-	-	-
114,367	101,423	308,611	592,405	59,105	-	116,155	
\$ 413,167	\$ 134,723	\$ 690,489	\$ 614,005	\$ 125,405	\$ 421	\$ 117,871	

City of Peoria, Illinois

Nonmajor Governmental Funds (Continued)
Combining Balance Sheet
December 31, 2012

	Capital Projects Funds						Total Nonmajor Governmental Funds
	2010C Taxable		2012A		2012C		
	General Obligation		General Obligation		General Obligation		
	Bonds Project Fund	Bonds Project Fund	Bonds Project Fund	Bonds Project Fund	Bonds Project Fund	Bonds Project Fund	
Assets							
Cash and cash equivalents	\$ 1,444,205	\$ 14,470,764	\$ 4,382,583	\$		\$ 43,201,277	
Cash and investments with trustee	-	-	-	-	-	17,845,032	
Investments	-	-	-	-	-	3,233,549	
Property taxes receivable	-	-	-	-	-	12,412,900	
State sales taxes receivable	-	-	-	-	-	51,983	
Governmental grants and reimbursements receivable	-	-	-	-	-	317,478	
Loans receivable, net	-	-	-	-	-	105,030	
Other receivables, net	-	-	-	-	-	175,640	
Receivable, garbage fee	-	-	-	-	-	897,453	
Accrued interest receivable	-	-	-	-	-	305,985	
Due from other funds	-	-	-	-	-	1,876,848	
Total assets	\$ 1,444,205	\$ 14,470,764	\$ 4,382,583	\$	\$	\$ 80,423,175	
Liabilities, Deferred Inflows of Resources and Fund Balance							
Liabilities							
Accounts payable	\$ 58,413	\$ 2,565,660	\$ 6,819	\$		\$ 4,942,835	
Accrued payroll	-	-	-	-	-	12,269	
Due to other funds	102,463	-	942,984			3,478,532	
Interfund loan payable	-	-	-	-	-	1,369,952	
Deferred and unearned revenue, other	-	-	-	-	-	398,709	
Other payables	-	-	-	-	-	4,621	
Total liabilities	160,876	2,565,660	949,803			10,206,918	
Deferred Inflows of Resources							
Unavailable revenue - property taxes	-	-	-	-	-	12,412,900	
Unavailable revenue - intergovernmental	-	-	-	-	-	35,653	
Total deferred inflows of resources	-	-	-	-	-	12,448,553	
Fund Balance (Deficit)							
Restricted:							
Debt service	-	-	-	-	-	24,066,414	
TIF redevelopment	-	-	-	-	-	8,399,409	
Law enforcement	-	-	-	-	-	5,243	
Landfill operations	-	-	-	-	-	265,672	
Capital improvements and equipment	1,283,329	11,905,104	3,432,780			25,801,392	
Unassigned	-	-	-	-	-	(770,426)	
Total fund balance (deficit)	1,283,329	11,905,104	3,432,780			57,767,704	
Total liabilities, deferred inflows of resources and fund balance (deficit)	\$ 1,444,205	\$ 14,470,764	\$ 4,382,583	\$	\$	\$ 80,423,175	

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City of Peoria, Illinois

Nonmajor Governmental Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits)

Year Ended December 31, 2012

	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	3,068,805	1,748,516	-	72,451
Service charges/fines/fees	-	-	-	-
Loan repayment	-	3,291	-	-
Interest	45,007	44	1	-
Other	526,504	8,653	404,424	-
Total revenues	3,640,316	1,760,504	404,425	72,451
Expenditures:				
Current:				
Elective offices, boards, commissions and agencies	-	-	-	-
City administration	-	-	-	-
Police	-	-	406,225	72,451
Fire	-	-	-	-
Public works	2,529	-	-	-
Community development	-	1,404,966	-	-
Public safety	-	257,546	-	-
General government	35,762	-	492	-
Library	-	-	-	-
Capital outlay	2,465,604	17,992	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	2,503,895	1,680,504	406,717	72,451
Excess (deficiency) of revenues over expenditures	1,136,421	80,000	(2,292)	-
Other financing sources (uses):				
Issuance of bonds	-	-	-	-
Bond premium	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	(80,000)	-	-
Total other financing sources (uses)	-	(80,000)	-	-
Net change in fund balances	1,136,421	-	(2,292)	-
Fund balances, beginning of year	7,089,579	-	7,535	-
Fund balances (deficits), end of year	\$ 8,226,000	\$ -	\$ 5,243	\$ -

(Continued)

Special Revenue Funds

Home Investment Partnership Program Fund	Solid Waste Fund	Refuse Collection Fund	Sewer Fund	Peoria Foreign Fire Insurance Board	Illinois Municipal Retirement Fund
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,457,319
-	-	-	-	-	988,710
-	-	-	-	-	-
-	-	-	-	-	-
673,040	-	84,610	-	156,863	-
-	304,043	5,361,987	3,260,070	-	-
5,476	-	-	-	-	-
-	1,359	569	2,286	1,459	2,380
21,577	-	-	-	700	-
700,093	305,402	5,447,166	3,262,356	159,022	5,448,409
-	-	-	-	-	192,601
-	-	-	-	-	643,103
-	-	-	-	-	615,203
-	-	-	-	74,285	279,951
-	-	5,681,153	-	-	1,078,536
700,093	-	-	-	-	447,734
-	-	-	-	-	749,508
-	513,639	-	826,086	-	19,666
-	-	-	-	-	682,695
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	44,326
700,093	513,639	5,681,153	826,086	74,285	4,753,323
-	(208,237)	(233,987)	2,436,270	84,737	695,086
-	-	-	-	-	-
-	-	-	-	-	-
-	-	562,125	-	-	617,633
-	(132,600)	-	-	-	-
-	(132,600)	562,125	-	-	617,633
-	(340,837)	328,138	2,436,270	84,737	1,312,719
-	606,509	-	-	373,309	(2,083,145)
\$ -	\$ 265,672	\$ 328,138	\$ 2,436,270	\$ 458,046	\$ (770,426)

City of Peoria, Illinois

Nonmajor Governmental Funds (Continued)
Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits)
Year Ended December 31, 2012

	Debt Service Funds			
	2005A General	WeaverRidge Debt	General Obligation	2006 Special
	Obligation Bond Debt	Service Fund	Bonds Debt Service	Assessment Bond
	Service Fund	Service Fund	Master Fund	Debt Service Fund
Revenues:				
Property taxes	\$ -	\$ 111,978	\$ -	\$ -
Corporate personal property replacement taxes	-	-	-	-
State sales taxes	-	-	-	-
Hotel, restaurant and amusement taxes	-	-	-	-
Governmental grants and reimbursements	-	-	-	-
Service charges/fines/fees	-	-	-	-
Loan repayment	-	-	-	-
Interest	98	-	1,886	9,448
Other	-	-	-	-
Total revenues	98	111,978	1,886	9,448
Expenditures:				
Current:				
Elective offices, boards, commissions and agencies	-	-	-	-
City administration	-	-	-	-
Police	-	-	-	-
Fire	-	-	-	-
Public works	-	-	-	-
Community development	-	-	-	-
Public safety	-	-	-	-
General government	1,500	15,545	-	-
Library	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	215,000	420,000	9,201,263	235,000
Interest	2,929,888	137,000	3,714,037	279,370
Total expenditures	3,146,388	572,545	12,915,300	514,370
Excess (deficiency) of revenues over expenditures	(3,146,290)	(460,567)	(12,913,414)	(504,922)
Other financing sources (uses):				
Issuance of bonds	-	-	-	-
Bond premium	-	-	-	-
Transfers in	4,875,999	496,266	12,915,300	-
Transfers out	(1,731,111)	-	-	-
Total other financing sources (uses)	3,144,888	496,266	12,915,300	-
Net change in fund balances	(1,402)	35,699	1,886	(504,922)
Fund balances, beginning of year	12,942	965,914	10,622	1,719,327
Fund balances (deficits), end of year	\$ 11,540	\$ 1,001,613	\$ 12,508	\$ 1,214,405

(Continued)

Debt Service Funds						Capital Projects Fund
2007-A Special Assessment Bonds Debt Service Fund	2008A Library General Obligation Bond Debt Service Fund	2011B General Obligation Bond Debt Service Fund	2012A General Obligation Bond Debt Service Fund	2012B General Obligation Bond Debt Service Fund	2012C General Obligation Bond Debt Service Fund	Southtown TIF Project Fund
\$ 147,054	\$ 2,098,404	\$ -	\$ -	\$ -	\$ -	\$ 2,786,450
-	-	-	-	-	-	-
-	-	-	-	-	-	215,993
-	-	-	-	-	-	-
-	-	-	-	-	-	37,718
-	-	-	-	-	-	-
158	6,708	283,787	9,701	144,259	-	30,757
-	-	-	-	-	-	-
147,212	2,105,112	283,787	9,701	144,259	-	3,070,918
-	-	-	-	-	-	-
-	-	-	-	-	-	842
-	-	-	-	-	-	-
-	-	-	-	-	-	615
-	-	-	-	-	-	106,380
-	-	-	-	-	-	-
500	-	-	-	175,479	-	58,665
-	-	-	-	-	-	-
-	-	-	-	-	-	-
109,000	840,000	-	-	-	-	-
38,055	1,281,550	209,453	934,954	99,886	8,999	-
147,555	2,121,550	209,453	934,954	275,365	8,999	166,502
(343)	(16,438)	74,334	(925,253)	(131,106)	(8,999)	2,904,416
-	-	-	1,989,122	9,995,000	-	-
-	-	-	-	169,743	-	-
-	-	244,975	-	99,886	8,999	-
-	-	(280,497)	-	(99,886)	-	(1,145,000)
-	-	(35,522)	1,989,122	10,164,743	8,999	(1,145,000)
(343)	(16,438)	38,812	1,063,869	10,033,637	-	1,759,416
21,535	360,242	5,705,340	-	-	-	2,996,348
\$ 21,192	\$ 343,804	\$ 5,744,152	\$ 1,063,869	\$ 10,033,637	\$ -	\$ 4,755,764

City of Peoria, Illinois

Nonmajor Governmental Funds (Continued)
Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits)
Year Ended December 31, 2012

	Capital Projects Funds			
	Downtown TIF	Northside TIF	Midtown Plaza	Northside
	Project Fund	Project Fund	TIF Project Fund	Business Park TIF Project Fund
Revenues:				
Property taxes	\$ 2,185,660	\$ 138,822	\$ 113,093	\$ 130,260
Corporate personal property replacement taxes	-	-	-	-
State sales taxes	-	-	-	-
Hotel, restaurant and amusement taxes	-	-	-	-
Governmental grants and reimbursements	-	-	-	-
Service charges/finest/fees	-	-	-	-
Loan repayment	-	-	-	-
Interest	27,494	6,205	320	2,716
Other	-	-	-	-
Total revenues	2,213,154	145,027	113,413	132,976
Expenditures:				
Current:				
Elective offices, boards, commissions and agencies	-	-	-	-
City administration	421	421	421	421
Police	-	-	-	-
Fire	-	-	-	-
Public works	-	-	-	-
Community development	-	-	-	-
Public safety	-	-	-	-
General government	414,459	41,850	-	529,120
Library	-	-	-	-
Capital outlay	202,759	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	617,639	42,271	421	529,541
Excess (deficiency) of revenues over expenditures	1,595,515	102,756	112,992	(396,565)
Other financing sources (uses):				
Issuance of bonds	-	-	-	-
Bond premium	-	-	-	-
Transfers in	-	-	-	-
Transfers out	(764,783)	(218,392)	(111,800)	-
Total other financing sources (uses)	(764,783)	(218,392)	(111,800)	-
Net change in fund balances	830,732	(115,636)	1,192	(396,565)
Fund balances, beginning of year	3,078,004	810,834	127	494,310
Fund balances (deficits), end of year	\$ 3,908,736	\$ 695,198	\$ 1,319	\$ 97,745

(Continued)

Capital Projects Funds							
Downtown Stadium TIF Project Fund	Eagle View TIF Project Fund	Warehouse District TIF Project Fund	Hospitality Improvement Zone TIF Project Fund	East Village Growth Cell TIF Project Fund	City of Peoria Designated Zone Organization	2008A Library General Obligation Bond Project Fund	
\$ 301,627	\$ 35,978	\$ 212,450	\$ 30,609	\$ 58,907	\$ -	\$ -	
-	-	-	-	-	-	-	-
-	-	-	81,492	-	-	-	-
-	-	-	104,139	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
889	580	2,614	3,884	198	117	2,486	
-	-	-	-	-	-	-	-
302,516	36,558	215,064	220,124	59,105	117	2,486	
-	-	-	-	-	-	-	-
420	420	420	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	119,372	-	5,426	-	-
-	-	-	-	-	-	-	-
158,992	-	20,000	-	-	-	-	-
-	-	-	-	-	-	-	455,007
-	-	155,778	-	-	-	-	186,631
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
159,412	420	176,198	119,372	-	5,426	641,638	
143,104	36,138	38,866	100,752	59,105	(5,309)	(639,152)	
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	1,423,244	-	-
(146,413)	-	-	-	-	(1,417,935)	-	-
(146,413)	-	-	-	-	5,309	-	-
(3,309)	36,138	38,866	100,752	59,105	-	(639,152)	
117,676	65,285	269,745	491,653	-	-	755,307	
\$ 114,367	\$ 101,423	\$ 308,611	\$ 592,405	\$ 59,105	\$ -	\$ 116,155	

City of Peoria, Illinois

Nonmajor Governmental Funds (Continued)
Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits)
Year Ended December 31, 2012

	Capital Projects Funds			Total Nonmajor Governmental Funds
	2010C Taxable	2012A	2012C	
	General Obligation Bonds Project Fund	General Obligation Bonds Project Fund	General Obligation Bonds Project Fund	
Revenues:				
Property taxes	\$ -	\$ -	\$ -	\$ 12,808,611
Corporate personal property replacement taxes	-	-	-	988,710
State sales taxes	-	-	-	297,485
Hotel, restaurant and amusement taxes	-	-	-	104,139
Governmental grants and reimbursements	-	-	-	5,804,285
Service charges/fines/fees	-	-	-	8,963,818
Loan repayment	-	-	-	8,767
Interest	35,357	115,117	18,261	756,145
Other	-	-	-	961,858
Total revenues	35,357	115,117	18,261	30,693,818
Expenditures:				
Current:				
Elective offices, boards, commissions and agencies	-	-	-	192,601
City administration	-	-	-	646,889
Police	-	-	-	1,093,879
Fire	-	-	-	354,236
Public works	-	-	-	6,762,833
Community development	-	-	-	2,783,971
Public safety	-	-	-	1,007,054
General government	2,050	17,989,919	142,497	20,946,221
Library	-	-	-	1,137,702
Capital outlay	5,893,754	-	942,984	9,865,502
Debt service:				
Principal	-	-	-	11,020,263
Interest	-	-	-	9,677,518
Total expenditures	5,895,804	17,989,919	1,085,481	65,488,669
Excess (deficiency) of revenues over expenditures	(5,860,447)	(17,874,802)	(1,067,220)	(34,794,851)
Other financing sources (uses):				
Issuance of bonds	-	29,665,878	4,500,000	46,150,000
Bond premium	-	114,028	-	283,771
Transfers in	-	-	-	21,244,427
Transfers out	-	-	-	(6,128,417)
Total other financing sources (uses)	-	29,779,906	4,500,000	61,549,781
Net change in fund balances	(5,860,447)	11,905,104	3,432,780	26,754,930
Fund balances, beginning of year	7,143,776	-	-	31,012,774
Fund balances (deficits), end of year	\$ 1,283,329	\$ 11,905,104	\$ 3,432,780	\$ 57,767,704

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, 2012

With Comparative Figures for the Year Ended December 31, 2011

	2012			2011 Actual
	Original Budget	Final Budget	Actual	
Revenues:				
Property taxes	\$ 5,618,241	\$ 5,618,241	\$ 5,712,125	\$ 5,101,952
Corporate personal property replacement taxes	3,158,252	3,158,252	3,086,302	3,193,867
State sales taxes	23,717,000	23,717,000	24,339,855	23,119,876
State income tax allocation	9,225,000	9,225,000	10,701,076	8,655,683
Home rule sales taxes	22,960,000	22,960,000	22,898,395	22,662,416
Hotel, restaurant and amusement taxes	7,834,700	7,834,700	8,591,718	8,408,984
Utility taxes	12,505,000	12,505,000	12,269,259	12,026,499
Governmental grants and reimbursements	1,803,356	1,871,067	2,299,206	1,455,122
Licenses and permits	2,641,600	2,641,600	2,406,554	2,596,529
Service charges/fines/fees	9,298,000	9,298,000	9,166,421	15,971,407
Loan repayment	-	44,228	44,176	-
Rental	82,800	82,800	119,795	110,439
Interest	182,600	138,372	63,560	189,362
Other	5,518,347	2,123,036	2,222,041	2,738,922
Total revenues	104,544,896	101,217,296	103,920,483	106,231,058
Expenditures:				
Current:				
Elective offices, boards, commissions and agencies	1,740,523	1,875,717	1,854,416	1,770,130
City administration	5,149,998	9,008,190	5,812,366	2,496,615
Benefits	8,846,097	-	-	-
Police	23,516,386	26,112,871	27,122,085	28,918,211
Fire	17,833,376	19,823,734	20,765,910	22,453,162
Public works	12,418,568	13,416,775	12,693,141	20,315,854
Community development	4,179,468	4,447,170	5,321,586	6,358,352
Public safety	4,261,837	4,815,829	4,712,515	5,894,588
General government	81,221	2,403,217	9,903,002	5,343,802
Library	-	585,134	619,565	798,132
Total expenditures	78,027,474	82,488,637	88,804,586	94,348,846
Excess of revenues over expenditures	26,517,422	18,728,659	15,115,897	11,882,212
Other financing sources (uses):				
Transfers in	360,000	240,000	212,600	555,977
Transfers out	(23,170,185)	(15,636,185)	(16,654,103)	(7,745,540)
Total other financing (uses)	(22,810,185)	(15,396,185)	(16,441,503)	(7,189,563)
Net change in fund balances	\$ 3,707,237	\$ 3,332,474	(1,325,606)	4,692,649
Fund balances, beginning of year			42,426,211	37,733,562
Fund balances, end of year			\$ 41,100,605	\$ 42,426,211

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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 restricted 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.

Refuse Collection Fund: This fund was established to account for the activities relating to the collection of residential waste. The City increased the fee to \$13 per month in 2012 in order to completely cover the cost of refuse collection, and it will then be increased to \$14 per month in 2014.

Sewer Fund: This fund is used to account for sewer user fees. The collection of these user fees is administered by the Greater Peoria Sanitary District (GPSD). These fees are dedicated for cleaning, televising and rehabilitating sewers.

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, 2012
 With Comparative Figures for the Year Ended December 31, 2011**

	2012			2011 Actual
	Original Budget	Final Budget	Actual	
Revenues:				
Property taxes	\$ 6,651,120	\$ 6,651,120	\$ 6,578,063	\$ 6,572,853
Corporate personal property replacement taxes	479,919	479,919	479,919	479,919
Governmental grants and reimbursements	100,845	100,845	138,831	229,590
Service charges/fees/fees	103,358	103,358	128,276	119,577
Interest	10,000	10,000	4,902	4,919
Other	15,033	15,033	123,190	54,776
Total revenues	7,360,275	7,360,275	7,453,181	7,461,634
Expenditures:				
Current, library:				
Personal services	3,442,768	3,701,515	3,510,027	3,322,196
Contractual services	1,958,955	1,801,346	1,792,792	1,896,229
Supplies and materials	358,767	295,478	620,791	1,497,103
Capital outlay	982,152	944,303	807,355	912,095
Total expenditures	6,742,642	6,742,642	6,730,965	7,627,623
Excess (deficiency) of revenues over expenditures	617,633	617,633	722,216	(165,989)
Other financing (uses), transfers out	(617,633)	(617,633)	(617,633)	(617,633)
Net change in fund balances	\$ -	\$ -	104,583	(783,622)
Fund balances, beginning of year			2,325,732	3,109,354
Fund balances, end of year			\$ 2,430,315	\$ 2,325,732

City of Peoria, Illinois

Motor Fuel Tax Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Year Ended December 31, 2012

With Comparative Figures for the Year Ended December 31, 2011

	2012			2011 Actual
	Original Budget	Final Budget	Actual	
Revenues:				
Governmental grants and reimbursements	\$ 3,100,000	\$ 3,100,000	\$ 3,068,805	\$ 3,271,041
Interest	51,000	51,000	45,007	30,578
Other, miscellaneous	526,203	526,203	526,504	604,103
Total revenues	3,677,203	3,677,203	3,640,316	3,905,722
Expenditures:				
Current:				
Public works, road construction and general maintenance	-	-	2,529	1,466,462
General government	-	-	35,762	51,728
Capital outlay	4,099,155	4,363,807	2,465,604	2,807,159
Total expenditures	4,099,155	4,363,807	2,503,895	4,325,349
Excess (deficiency) of revenues over expenditures	\$ (421,952)	\$ (686,604)	1,136,421	(419,627)
Fund balances, beginning of year			7,089,579	7,509,206
Fund balances, end of year			\$ 8,226,000	\$ 7,089,579

City of Peoria, Illinois

**Community Development Block Grant Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Year Ended December 31, 2012
 With Comparative Figures for the Year Ended December 31, 2011**

	<u>2012</u>	<u>2011</u>
Revenues:		
Governmental grants and reimbursements	\$ 1,748,516	\$ 2,824,175
Loan repayment	3,291	3,830
Interest	44	-
Other	8,653	17,721
Total revenues	1,760,504	2,845,726
Expenditures:		
Current:		
City administration	-	29,623
Community development:		
Administration	272,434	247,430
Project costs	174,447	236,189
Rehabilitation	635,039	1,380,700
Payments to subrecipients	323,046	238,812
Public safety	257,546	416,234
Capital outlay	17,992	96,738
Total expenditures	1,680,504	2,645,726
Excess of revenues over expenditures	80,000	200,000
Other financing (uses), transfers out	(80,000)	(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, 2012
 With Comparative Figures for the Year Ended December 31, 2011

	2012			2011 Actual
	Original Budget	Final Budget	Actual	
Revenues:				
Interest	\$ -	\$ -	\$ 1	\$ -
Other	-	405,113	404,424	388,429
Total revenues	-	405,113	404,425	388,429
Expenditures:				
Current:				
Police:				
Personnel	-	314,228	319,550	312,291
Equipment	-	62,560	47,588	31,848
Contractual	-	15,990	32,515	24,393
Travel	-	4,600	4,382	3,229
Commodities	-	2,100	1,705	14,353
Other	-	1,300	485	668
General government	-	-	492	1,647
Capital outlay	-	4,335	-	-
Total expenditures	-	405,113	406,717	388,429
(Deficiency) of revenues over expenditures	\$ -	\$ -	(2,292)	-
Fund balances, beginning of year			7,535	7,535
Fund balances, end of year			\$ 5,243	\$ 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, 2012

With Comparative Figures for the Year Ended December 31, 2011

	<u>2012</u>	<u>2011</u>
Revenues, governmental grants and reimbursements	\$ 72,451	\$ 72,572
Expenditures, current, police, narcotics enforcement	<u>72,451</u>	<u>71,178</u>
Excess (deficiency) of revenues over expenditures	-	1,394
Fund balances (deficit), beginning of year	-	(1,394)
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>

City of Peoria, Illinois

Home Investment Partnership Program Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Year Ended December 31, 2012
 With Comparative Figures for the Year Ended December 31, 2011

	<u>2012</u>	<u>2011</u>
Revenues:		
Governmental grants and reimbursements	\$ 673,040	\$ 837,732
Loan repayment	5,476	12,186
Other, miscellaneous	21,577	3,252
Total revenues	<u>700,093</u>	<u>853,170</u>
Expenditures:		
Current:		
Community development:		
Administration	39,530	38,277
Public services	314,221	454,980
Rehabilitation	114,050	179,543
Payments to subrecipients	232,292	180,370
Total expenditures	<u>700,093</u>	<u>853,170</u>
Excess (deficiency) of revenues over expenditures	-	-
Fund balances, beginning of year	-	-
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>

City of Peoria, Illinois

**Illinois Municipal Retirement Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balance (Deficit) - Budget and Actual
 Year Ended December 31, 2012
 With Comparative Figures for the Year Ended December 31, 2011**

	2012			2011 Actual
	Original Budget	Final Budget	Actual	
Revenues:				
Property taxes	\$ 4,508,120	\$ 4,508,120	\$ 4,457,319	\$ 4,706,486
Corporate personal property replacement taxes	988,710	988,710	988,710	1,038,339
Interest	-	-	2,380	2,220
Total revenues	5,496,830	5,496,830	5,448,409	5,747,045
Expenditures:				
Current:				
Elective offices, boards, commissions and agencies	-	194,164	192,601	164,902
City administration	-	647,447	643,103	663,031
Police	-	618,041	615,203	604,553
Fire	-	280,723	279,951	274,054
Public works	-	1,086,627	1,078,536	1,238,178
Community development	-	450,878	447,734	545,049
Public safety	-	754,841	749,508	784,980
General government	4,727,343	6,986	19,666	(33,554)
Library	-	687,636	682,695	623,120
Debt service:				
Principal	1,342,893	1,342,893	-	-
Interest	44,227	44,227	44,326	75,274
Total expenditures	6,114,463	6,114,463	4,753,323	4,939,587
Excess (deficiency) of revenues over expenditures	(617,633)	(617,633)	695,086	807,458
Other financing sources, transfers in	617,633	617,633	617,633	617,633
Net change in fund balances	\$ -	\$ -	1,312,719	1,425,091
Fund balances (deficit), beginning of year			(2,083,145)	(3,508,236)
Fund balances (deficit), end of year			\$ (770,426)	\$ (2,083,145)

City of Peoria, Illinois

Solid Waste Fund

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

Year Ended December 31, 2012

With Comparative Figures for the Year Ended December 31, 2011

	2012			2011 Actual
	Original Budget	Final Budget	Actual	
Revenues:				
Service charges/fines/fees	\$ 384,125	\$ 384,125	\$ 304,043	\$ 323,775
Interest	-	-	1,359	1,919
Total revenues	384,125	384,125	305,402	325,694
Expenditures, current, general government	408,580	428,580	513,639	410,902
(Deficiency) of revenues over expenditures	(24,455)	(44,455)	(208,237)	(85,208)
Other financing (uses), transfers out	(135,000)	(135,000)	(132,600)	(132,600)
Net change in fund balances	\$ (159,455)	\$ (179,455)	(340,837)	(217,808)
Fund balances, beginning of year			606,509	824,317
Fund balances, end of year			\$ 265,672	\$ 606,509

City of Peoria, Illinois

Refuse Collection Fund

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

Year Ended December 31, 2012

With Comparative Figures for the Year Ended December 31, 2011

	2012			2011 Actual
	Original Budget	Final Budget	Actual	
Revenues:				
Governmental grants and reimbursements	\$ 103,000	\$ 103,000	\$ 84,610	\$ -
Service charges/finest/fees	6,271,932	6,271,932	5,361,987	-
Interest	-	-	569	-
Total revenues	6,374,932	6,374,932	5,447,166	-
Expenditures, current, public works	5,974,747	5,974,747	5,681,153	-
Excess (deficiency) of revenues over expenditures	400,185	400,185	(233,987)	-
Other financing sources, transfers in	-	-	562,125	-
Net change in fund balances	\$ 400,185	\$ 400,185	328,138	-
Fund balances, beginning of year			-	-
Fund balances, end of year			\$ 328,138	\$ -

City of Peoria, Illinois

Sewer Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Year Ended December 31, 2012

With Comparative Figures for the Year Ended December 31, 2011

	2012			2011 Actual
	Original Budget	Final Budget	Actual	
Revenues:				
Service charges/finest/fees	\$ 3,564,748	\$ 3,564,748	\$ 3,260,070	\$ -
Interest	-	-	2,286	-
Total revenues	3,564,748	3,564,748	3,262,356	-
Expenditures:				
Current:				
Public works	83,471	83,471	-	-
General government	-	-	826,086	-
Capital outlay	1,155,000	1,155,000	-	-
Total expenditures	1,238,471	1,238,471	826,086	-
Excess of revenues over expenditures	2,326,277	2,326,277	2,436,270	-
Other financing (uses), transfers out	(2,433,187)	(2,433,187)	-	-
Net change in fund balances	\$ (106,910)	\$ (106,910)	2,436,270	-
Fund balances, beginning of year			-	-
Fund balances, end of year			\$ 2,436,270	\$ -

City of Peoria, Illinois

Workforce Development Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Year Ended December 31, 2012
With Comparative Figures for the Year Ended December 31, 2011

	<u>2012</u>	<u>2011</u>
Revenues:		
Governmental grants and reimbursements	\$ 3,641,959	\$ 4,987,176
Other	78,450	75,282
Total revenues	3,720,409	5,062,458
Expenditures, current, community development	3,739,752	5,049,525
Net change in fund balances	(19,343)	12,933
Fund balances, beginning of year	517,768	504,835
Fund balances, end of year	\$ 498,425	\$ 517,768

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, 2012
 With Comparative Figures for the Year Ended December 31, 2011**

	2012			2011 Actual
	Original Budget	Final Budget	Actual	
Revenues:				
Property taxes	\$ 9,765,692	\$ 9,765,692	\$ 9,655,755	\$ 9,991,824
Corporate personal property replacement taxes	1,883,710	1,883,710	1,883,710	1,951,485
Interest	-	-	891	606
Total revenues	11,649,402	11,649,402	11,540,356	11,943,915
Expenditures:				
Current:				
Police	5,116,130	5,116,130	5,068,235	5,199,837
Fire	6,533,272	6,533,272	6,472,121	6,744,078
Total expenditures	11,649,402	11,649,402	11,540,356	11,943,915
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, 2012
With Comparative Figures for the Year Ended December 31, 2011

	<u>2012</u>	<u>2011</u>
Revenues:		
Governmental grants and reimbursements	\$ 156,863	\$ 146,595
Interest	1,459	2,637
Other	700	-
Total revenues	159,022	149,232
Expenditures, current, fire	74,285	144,412
Excess of revenues over expenditures	84,737	4,820
Fund balances, beginning of year	373,309	368,489
Fund balances, end of year	\$ 458,046	\$ 373,309

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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.

2012A 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 2012A General Obligation Bonds.

2012B 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 2012B General Obligation Bonds.

2012C 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 2012C 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, 2012
 With Comparative Figures for the Year Ended December 31, 2011**

	2012			2011 Actual
	Original Budget	Final Budget	Actual	
Revenues, interest	\$ -	\$ -	\$ 98	\$ 82
Expenditures:				
General government	-	-	1,500	1,500
Peoria Civic Center bond issue:				
Principal	215,000	215,000	215,000	100,000
Interest	2,929,888	2,929,888	2,929,888	2,933,887
Total expenditures	3,144,888	3,144,888	3,146,388	3,035,387
(Deficiency) of revenues over expenditures	(3,144,888)	(3,144,888)	(3,146,290)	(3,035,305)
Other financing sources (uses):				
Transfers in	1,137,500	1,137,500	4,875,999	4,431,432
Transfers out	-	-	(1,731,111)	(1,397,638)
Total other financing sources	1,137,500	1,137,500	3,144,888	3,033,794
Net change in fund balances	\$ (2,007,388)	\$ (2,007,388)	(1,402)	(1,511)
Fund balances, beginning of year			12,942	14,453
Fund balances, end of year			\$ 11,540	\$ 12,942

City of Peoria, Illinois

WeaverRidge Debt Service Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Year Ended December 31, 2012
With Comparative Figures for the Year Ended December 31, 2011

	2012			2011 Actual
	Original Budget	Final Budget	Actual	
Revenues:				
Property taxes	\$ 112,000	\$ 112,000	\$ 111,978	\$ 111,978
Interest	10,000	10,000	-	-
Total revenues	122,000	122,000	111,978	111,978
Expenditures:				
General government	15,400	15,400	15,545	15,619
WeaverRidge special service area bonds issue:				
Principal	420,000	420,000	420,000	385,000
Interest	137,000	137,000	137,000	157,125
Total expenditures	572,400	572,400	572,545	557,744
(Deficiency) of revenues over expenditures	(450,400)	(450,400)	(460,567)	(445,766)
Other financing sources, transfers in	445,000	445,000	496,266	484,717
Net change in fund balances	\$ (5,400)	\$ (5,400)	35,699	38,951
Fund balances, beginning of year			965,914	926,963
Fund balances, end of year			\$ 1,001,613	\$ 965,914

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, 2012
 With Comparative Figures for the Year Ended December 31, 2011**

	2012			2011 Actual
	Original Budget	Final Budget	Actual	
Revenues:				
Interest	\$ 2,200	\$ 2,200	\$ 1,886	\$ 403
Other	1,386,050	1,386,050	-	-
Total revenues	1,388,250	1,388,250	1,886	-
Expenditures:				
Current, general government	-	-	-	108,565
General obligation bond issues:				
Principal	9,176,263	9,176,263	9,201,263	8,712,582
Interest	3,935,474	3,935,474	3,714,037	4,212,430
Total expenditures	13,111,737	13,111,737	12,915,300	13,033,577
(Deficiency) of revenues over expenditures	(11,723,487)	(11,723,487)	(12,913,414)	(13,033,174)
Other financing sources (uses):				
Issuance of bonds	-	-	-	4,060,000
Bond premium	-	-	-	118,975
Payment to refund debt	-	-	-	(4,064,361)
Transfers in	13,732,869	13,732,869	12,915,300	12,926,275
Total other financing sources	13,732,869	13,732,869	12,915,300	13,040,889
Net change in fund balances	\$ 2,009,382	\$ 2,009,382	1,886	7,715
Fund balances, beginning of year			10,622	2,907
Fund balances, end of year			\$ 12,508	\$ 10,622

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, 2012
 With Comparative Figures for the Year Ended December 31, 2011**

	2012			2011 Actual
	Original Budget	Final Budget	Actual	
Revenues:				
Property taxes	\$ 128,683	\$ 128,683	\$ -	\$ 510,089
Interest	-	-	9,448	45,958
Other	195,000	195,000	-	312,317
Total revenues	323,683	323,683	9,448	868,364
Expenditures:				
Special assessment bond issues:				
Principal	235,000	235,000	235,000	-
Interest	279,370	279,370	279,370	279,370
Total expenditures	514,370	514,370	514,370	279,370
Excess (deficiency) of revenues over expenditures	(190,687)	(190,687)	(504,922)	588,994
Other financing sources, transfers in	190,687	190,687	-	507,897
Net change in fund balances	\$ -	\$ -	(504,922)	1,096,891
Fund balances, beginning of year			1,719,327	622,436
Fund balances, end of year			\$ 1,214,405	\$ 1,719,327

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, 2012
 With Comparative Figures for the Year Ended December 31, 2011**

	2012			2011 Actual
	Original Budget	Final Budget	Actual	
Revenues:				
Property taxes	\$ 147,142	\$ 147,142	\$ 147,054	\$ 155,019
Interest	-	-	158	26
Total revenues	147,142	147,142	147,212	155,045
Expenditures:				
Current, general government	-	-	500	500
Special assessment bond issues:				
Principal	109,000	109,000	109,000	110,500
Interest	38,054	38,054	38,055	44,519
Total expenditures	147,054	147,054	147,555	155,519
Excess (deficiency) of revenues over expenditures	88	88	(343)	(474)
Other financing sources, transfers in	-	-	-	-
Net change in fund balances	\$ 88	\$ 88	(343)	(474)
Fund balances, beginning of year			21,535	22,009
Fund balances, end of year			\$ 21,192	\$ 21,535

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, 2012
 With Comparative Figures for the Year Ended December 31, 2011**

	2012			2011 Actual
	Original Budget	Final Budget	Actual	
Revenues:				
Property taxes	\$ 2,121,550	\$ 2,121,550	\$ 2,098,404	\$ 1,993,637
Interest	-	-	6,708	1,046
Total revenues	2,121,550	2,121,550	2,105,112	1,994,683
Expenditures, general obligation bond issue:				
Principal	840,000	840,000	840,000	715,000
Interest	1,281,550	1,281,550	1,281,550	1,303,000
Total expenditures	2,121,550	2,121,550	2,121,550	2,018,000
(Deficiency) of revenues over expenditures	-	-	(16,438)	(23,317)
Other financing sources, transfers in	-	-	-	362,017
Net change in fund balances	\$ -	\$ -	(16,438)	338,700
Fund balances, beginning of year			360,242	21,542
Fund balances, end of year			\$ 343,804	\$ 360,242

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, 2012
 With Comparative Figures for the Year Ended December 31, 2011**

	2012			2011 Actual
	Original Budget	Final Budget	Actual	
Revenues, interest	\$ -	\$ -	\$ 1,543,333	\$ 1,839,612
Expenditures:				
Current, general government	-	-	-	5,563
General obligation bond issue, interest	1,056,513	1,056,513	1,056,513	1,056,513
Total expenditures	1,056,513	1,056,513	1,056,513	1,062,076
Excess (deficiency) of revenues over expenditures	(1,056,513)	(1,056,513)	486,820	777,536
Other financing sources (uses):				
Transfers in	1,056,512	1,056,512	1,386,250	1,280,612
Transfers out	-	-	(1,715,988)	(1,493,788)
Total other financing sources (uses)	1,056,512	1,056,512	(329,738)	(213,176)
Net change in fund balances	\$ (1)	\$ (1)	157,082	564,360
Fund balances, beginning of year			25,718,239	25,153,879
Fund balances, end of year			\$ 25,875,321	\$ 25,718,239

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, 2012
 With Comparative Figures for the Year Ended December 31, 2011**

	2012			2011 Actual
	Original Budget	Final Budget	Actual	
Revenues, interest	\$ -	\$ -	\$ 283,787	\$ 4,240
Expenditures:				
Current, general government	-	-	-	116,012
General obligation bond issue, interest	-	-	209,453	-
Total expenditures	-	-	209,453	116,012
(Deficiency) of revenues over expenditures	-	-	74,334	(111,772)
Other financing sources (uses):				
Issuance of bonds	-	-	-	5,290,000
Bond premium	-	-	-	527,112
Transfers in	-	-	244,975	122,488
Transfers out	-	-	(280,497)	(122,488)
Total other financing sources (uses)	-	-	(35,522)	5,817,112
Net change in fund balances	\$ -	\$ -	38,812	5,705,340
Fund balances, beginning of year			5,705,340	-
Fund balances, end of year			\$ 5,744,152	\$ 5,705,340

City of Peoria, Illinois

2012A General Obligation Bond Debt Service Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
 Year Ended December 31, 2012
 With Comparative Figures for the Year Ended December 31, 2011

	2012			2011 Actual
	Original Budget	Final Budget	Actual	
Revenues, interest	\$ -	\$ -	\$ 9,701	\$ -
Expenditures, current, general obligation bond issue, interest	-	-	934,954	-
(Deficiency) of revenues over expenditures	-	-	(925,253)	-
Other financing sources, issuance of bonds	-	-	1,989,122	-
Net change in fund balances	\$ -	\$ -	1,063,869	-
Fund balances, beginning of year			-	-
Fund balances, end of year			\$ 1,063,869	\$ -

City of Peoria, Illinois

2012B General Obligation Bond Debt Service Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Year Ended December 31, 2012
With Comparative Figures for the Year Ended December 31, 2011

	2012			2011 Actual
	Original Budget	Final Budget	Actual	
Revenues, interest	\$ -	\$ -	\$ 144,259	\$ -
Expenditures:				
Current, general government	-	-	175,479	-
General obligation bond issue, interest	-	-	99,886	-
Total expenditures	-	-	275,365	-
(Deficiency) of revenues over expenditures	-	-	(131,106)	-
Other financing sources (uses):				
Issuance of bonds	-	-	9,995,000	-
Bond premium	-	-	169,743	-
Transfers in	-	-	99,886	-
Transfers out	-	-	(99,886)	-
Total other financing sources (uses)	-	-	10,164,743	-
Net change in fund balances	\$ -	\$ -	10,033,637	-
Fund balances, beginning of year			-	-
Fund balances, end of year			\$ 10,033,637	\$ -

City of Peoria, Illinois

2012C General Obligation Bond Debt Service Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Year Ended December 31, 2012
With Comparative Figures for the Year Ended December 31, 2011

	2012			2011 Actual
	Original Budget	Final Budget	Actual	
Expenditures, current, general obligation bond issue, interest	\$ -	\$ -	\$ 8,999	\$ -
(Deficiency) of revenues over expenditures	-	-	(8,999)	-
Other financing sources, transfers in	-	-	8,999	-
Net change in fund balances	\$ -	\$ -	-	-
Fund balances, beginning of year			-	-
Fund balances, end of year			\$ -	\$ -

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Capital Projects Funds

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

Following are the individual Capital Projects Funds:

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

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

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

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

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

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

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

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

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

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

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.

East Village Growth Cell TIF Project Fund: This fund is used to account for tax increment financing revenues restricted for improvements with the East Village Growth Cell 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 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.

2012A Taxable General Obligation Bonds (Pere Marquette) Project Fund: This fund is used for revenue and expenditures relating to the Pere Marquette Hotel redevelopment project.

2012C Taxable Variable Rate General Obligation Bonds Project Fund: This fund is used for revenue and expenditures relating to City capital infrastructure improvement projects.

City of Peoria, Illinois

Capital Improvements Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Year Ended December 31, 2012
With Comparative Figures for the Year Ended December 31, 2011

	<u>2012</u>	<u>2011</u>
Revenues:		
Property taxes	\$ 198,856	\$ 186,703
Local motor fuel taxes	764,821	797,703
Riverboat gaming revenue	3,510,234	3,492,315
Governmental grants and reimbursements	2,837,372	19,499,456
Licenses and permits	1,886	1,370
Service charges/fines/fees	80,804	3,088,189
Special assessments	359,132	185,749
Loan repayment	179,316	138,852
Rental	43,438	43,349
Interest	201,128	120,319
Other, miscellaneous	3,177,515	926,351
Total revenues	11,354,502	28,480,356
Expenditures:		
Current:		
Elective offices, boards, commissions and agencies	-	2,229
City administration	403,083	167,565
Police	1,704,903	621,276
Fire	74,172	118,441
Public works	87,252	336,323
Community development	593,668	144,486
Public safety	33,655	665,908
General government	1,228,244	2,464,836
Capital outlay	11,965,832	8,994,415
Debt service:		
Principal	51,860	49,156
Interest	23,580	26,283
Total expenditures	16,166,249	13,590,918
Excess (deficiency) of revenues over expenditures	(4,811,747)	14,889,438
Other financing sources (uses):		
Proceeds from sale of capital assets	437,048	195,925
Transfers in	7,626,317	2,419,269
Transfers out	(8,453,453)	(8,308,158)
Total other financing (uses)	(390,088)	(5,692,964)
Net change in fund balances	(5,201,835)	9,196,474
Fund balances, beginning of year	16,526,208	7,329,734
Fund balances, end of year	\$ 11,324,373	\$ 16,526,208

City of Peoria, Illinois

**Southtown TIF Project Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Year Ended December 31, 2012
 With Comparative Figures for the Year Ended December 31, 2011**

	<u>2012</u>	<u>2011</u>
Revenues:		
Property taxes	\$ 2,786,450	\$ 2,852,151
State sales taxes	215,993	202,722
Service charges/fees/fees	37,718	40,792
Interest	30,757	7,176
Total revenues	3,070,918	3,102,841
Expenditures:		
Current:		
City administration	842	401
Public works	615	-
Community development	106,380	1,620,525
General government	58,665	-
Total expenditures	166,502	1,620,926
Excess of revenues over expenditures	2,904,416	1,481,915
Other financing (uses), transfers out	(1,145,000)	(1,353,000)
Net change in fund balances	1,759,416	128,915
Fund balances, beginning of year	2,996,348	2,867,433
Fund balances, end of year	\$ 4,755,764	\$ 2,996,348

City of Peoria, Illinois

Downtown TIF Project Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Year Ended December 31, 2012
With Comparative Figures for the Year Ended December 31, 2011

	<u>2012</u>	<u>2011</u>
Revenues:		
Property taxes	\$ 2,185,660	\$ 2,252,221
Interest	27,494	6,840
Other	-	136,363
Total revenues	<u>2,213,154</u>	<u>2,395,424</u>
Expenditures:		
Current:		
City administration	421	401
Public works	-	43,010
General government	414,459	330,904
Capital outlay	202,759	333,759
Total expenditures	<u>617,639</u>	<u>708,074</u>
Excess of revenues over expenditures	1,595,515	1,687,350
Other financing (uses), transfers out	<u>(764,783)</u>	<u>(789,182)</u>
Net change in fund balances	830,732	898,168
Fund balances, beginning of year	3,078,004	2,179,836
Fund balances, end of year	<u>\$ 3,908,736</u>	<u>\$ 3,078,004</u>

City of Peoria, Illinois

Campustown TIF Project Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Year Ended December 31, 2012
With Comparative Figures for the Year Ended December 31, 2011

	<u>2012</u>	<u>2011</u>
Revenues:		
Property taxes	\$ -	\$ -
State sales taxes	-	-
Interest	-	1,368
Total revenues	<u>-</u>	<u>1,368</u>
Expenditures:		
Current:		
City administration	-	401
General government	-	465,589
Total expenditures	<u>-</u>	<u>465,990</u>
(Deficiency) of revenues over expenditures	-	(464,622)
Other financing (uses), transfers out	<u>-</u>	<u>(198,376)</u>
Net change in fund balances	-	(662,998)
Fund balances, beginning of year	-	662,998
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>

City of Peoria, Illinois

Northside TIF Project Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance

Year Ended December 31, 2012

With Comparative Figures for the Year Ended December 31, 2011

	<u>2012</u>	<u>2011</u>
Revenues:		
Property taxes	\$ 138,822	\$ 137,918
Interest	6,205	2,039
Other	-	241,708
Total revenues	<u>145,027</u>	<u>381,665</u>
Expenditures, current:		
City administration	421	401
General government	41,850	13,011
Total expenditures	<u>42,271</u>	<u>13,412</u>
Excess of revenues over expenditures	102,756	368,253
Other financing (uses), transfers out	<u>(218,392)</u>	(216,345)
Net change in fund balances	(115,636)	151,908
Fund balances, beginning of year	810,834	658,926
Fund balances, end of year	<u>\$ 695,198</u>	<u>\$ 810,834</u>

City of Peoria, Illinois

Midtown Plaza TIF Project Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Year Ended December 31, 2012
With Comparative Figures for the Year Ended December 31, 2011

	<u>2012</u>	<u>2011</u>
Revenues:		
Property taxes	\$ 113,093	\$ 113,146
Interest	320	107
Total revenues	<u>113,413</u>	<u>113,253</u>
Expenditures, current, City administration	<u>421</u>	401
Excess of revenues over expenditures	112,992	112,852
Other financing (uses), transfers out	<u>(111,800)</u>	<u>(118,800)</u>
Net change in fund balances	1,192	(5,948)
Fund balances, beginning of year	<u>127</u>	6,075
Fund balances, end of year	<u>\$ 1,319</u>	<u>\$ 127</u>

City of Peoria, Illinois

Northside Business Park TIF Project Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Year Ended December 31, 2012
With Comparative Figures for the Year Ended December 31, 2011

	<u>2012</u>	<u>2011</u>
Revenues:		
Property taxes	\$ 130,260	\$ 133,632
Interest	2,716	939
Total revenues	<u>132,976</u>	<u>134,571</u>
Expenditures, current:		
City administration	421	401
General government	529,120	-
Total expenditures	<u>529,541</u>	<u>401</u>
Net change in fund balances	(396,565)	134,170
Fund balances, beginning of year	494,310	360,140
Fund balances, end of year	<u>\$ 97,745</u>	<u>\$ 494,310</u>

City of Peoria, Illinois

Downtown Stadium TIF Project Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Year Ended December 31, 2012
With Comparative Figures for the Year Ended December 31, 2011

	<u>2012</u>	<u>2011</u>
Revenues:		
Property taxes	\$ 301,627	\$ 337,896
Interest	889	354
Total revenues	<u>302,516</u>	<u>338,250</u>
Expenditures:		
City administration	420	400
General government	158,992	185,905
Total expenditures	<u>159,412</u>	<u>186,305</u>
Excess of revenues over expenditures	143,104	151,945
Other financing (uses), transfers out	<u>(146,413)</u>	<u>(148,613)</u>
Net change in fund balances	(3,309)	3,332
Fund balances, beginning of year	<u>117,676</u>	114,344
Fund balances, end of year	<u>\$ 114,367</u>	<u>\$ 117,676</u>

City of Peoria, Illinois

Eagle View TIF Project Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Year Ended December 31, 2012
With Comparative Figures for the Year Ended December 31, 2011

	<u>2012</u>	<u>2011</u>
Revenues:		
Property taxes	\$ 35,978	\$ 36,176
Interest	580	229
Total revenues	36,558	36,405
Expenditures:		
Current, City administration	420	400
Capital outlay	-	56,941
Total expenditures	420	57,341
Net change in fund balances	36,138	(20,936)
Fund balances, beginning of year	65,285	86,221
Fund balances, end of year	\$ 101,423	\$ 65,285

City of Peoria, Illinois

Warehouse District TIF Project Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Year Ended December 31, 2012
With Comparative Figures for the Year Ended December 31, 2011

	<u>2012</u>	<u>2011</u>
Revenues:		
Property taxes	\$ 212,450	\$ 183,851
Interest	2,614	766
Total revenues	<u>215,064</u>	<u>184,617</u>
Expenditures:		
Current:		
City administration	420	400
General government	20,000	10,000
Capital outlay	155,778	289,768
Total expenditures	<u>176,198</u>	<u>300,168</u>
Net change in fund balances	38,866	(115,551)
Fund balances, beginning of year	<u>269,745</u>	<u>385,296</u>
Fund balances, end of year	<u>\$ 308,611</u>	<u>\$ 269,745</u>

City of Peoria, Illinois

Hospitality Improvement Zone TIF Project Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Year Ended December 31, 2012
With Comparative Figures for the Year Ended December 31, 2011

	<u>2012</u>	<u>2011</u>
Revenues:		
Property taxes	\$ 30,609	\$ 34,066
State sales taxes	81,492	103,192
Hotel, restaurant and amusement taxes	104,139	105,763
Interest	3,884	832
Total revenues	220,124	243,853
Expenditures, current, community development	119,372	43,678
Net change in fund balances	100,752	200,175
Fund balances, beginning of year	491,653	291,478
Fund balances, end of year	\$ 592,405	\$ 491,653

City of Peoria, Illinois

East Village Growth Cell TIF Project Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Year Ended December 31, 2012
With Comparative Figures for the Year Ended December 31, 2011

	<u>2012</u>	<u>2011</u>
Revenues:		
Property taxes	\$ 58,907	\$ -
Interest	198	-
Total revenues	<u>59,105</u>	<u>-</u>
Net change in fund balances	59,105	-
Fund balances, beginning of year	-	-
Fund balances, end of year	<u>\$ 59,105</u>	<u>\$ -</u>

City of Peoria, Illinois

2006 Special Assessment Bond Project Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Year Ended December 31, 2012
With Comparative Figures for the Year Ended December 31, 2011

	<u>2012</u>	<u>2011</u>
Revenues, interest	<u>\$ -</u>	<u>\$ 867</u>
Expenditures, current, general government	<u>-</u>	<u>697</u>
Excess of revenues over expenditures	-	170
Other financing (uses), transfers out	<u>-</u>	<u>(507,897)</u>
Net change in fund balances	-	(507,727)
Fund balances, beginning of year	<u>-</u>	<u>507,727</u>
Fund balances, end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

City of Peoria, Illinois

City of Peoria Designated Zone Organization
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Year Ended December 31, 2012
 With Comparative Figures for the Year Ended December 31, 2011

	<u>2012</u>	<u>2011</u>
Revenues:		
Contributions	\$ -	\$ 5,000
Interest	117	148
Total revenues	<u>117</u>	<u>5,148</u>
Expenditures:		
Current:		
Community development	5,426	5,169
General government	-	80,000
Total expenditures	<u>5,426</u>	<u>85,169</u>
(Deficiency) of revenues over expenditures	<u>(5,309)</u>	<u>(80,021)</u>
Other financing sources (uses):		
Transfers in	1,423,244	1,393,098
Transfers out	(1,417,935)	(1,388,077)
Total other financing sources	<u>5,309</u>	<u>5,021</u>
Net change in fund balances	-	(75,000)
Fund balances, beginning of year	-	75,000
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>

City of Peoria, Illinois

2007A General Obligation Bond Project Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Year Ended December 31, 2012
With Comparative Figures for the Year Ended December 31, 2011

	<u>2012</u>	<u>2011</u>
Revenue, interest	<u>\$ -</u>	<u>\$ 72</u>
Expenditures:		
Current, general government	-	10,165
Capital outlay	-	75,708
Total expenditures	<u>-</u>	<u>85,873</u>
(Deficiency) of revenues over expenditures	-	(85,801)
Other financing (uses), transfers out	<u>-</u>	<u>(1,263)</u>
Net change in fund balance	-	(87,064)
Fund balance, beginning of year	-	87,064
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>

City of Peoria, Illinois

2008A Library General Obligation Bond Project Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Year Ended December 31, 2012
With Comparative Figures for the Year Ended December 31, 2011

	<u>2012</u>	<u>2011</u>
Revenue, interest	<u>\$ 2,486</u>	<u>\$ 14,134</u>
Expenditures:		
Current, library	455,007	677,254
Capital outlay	186,631	7,124,258
Total expenditures	<u>641,638</u>	<u>7,801,512</u>
(Deficiency) of revenues over expenditures	(639,152)	(7,787,378)
Other financing (uses), transfers out	<u>-</u>	<u>(362,017)</u>
Net change in fund balance	(639,152)	(8,149,395)
Fund balance, beginning of year	755,307	8,904,702
Fund balance, end of year	<u>\$ 116,155</u>	<u>\$ 755,307</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, 2012
 With Comparative Figures for the Year Ended December 31, 2011**

	<u>2012</u>	<u>2011</u>
Revenue, interest	<u>\$ 35,357</u>	<u>\$ 23,059</u>
Expenditures:		
Current:		
Public works	-	39,734
General government	2,050	891,929
Capital outlay	5,893,754	2,980,804
Total expenditures	<u>5,895,804</u>	<u>3,912,467</u>
Net change in fund balance	(5,860,447)	(3,889,408)
Fund balance, beginning of year	7,143,776	11,033,184
Fund balance, end of year	<u>\$ 1,283,329</u>	<u>\$ 7,143,776</u>

City of Peoria, Illinois

2012A Taxable General Obligation Bonds Project Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Year Ended December 31, 2012
With Comparative Figures for the Year Ended December 31, 2011

	<u>2012</u>	<u>2011</u>
Revenue, interest	\$ 115,117	\$ -
Expenditures, current, general government	<u>17,989,919</u>	-
(Deficiency) of revenues over expenditures	<u>(17,874,802)</u>	-
Other financing sources:		
Issuance of bonds	29,665,878	-
Bond premium	<u>114,028</u>	-
Total other financing sources	<u>29,779,906</u>	-
Net change in fund balance	11,905,104	-
Fund balance, beginning of year	-	-
Fund balance, end of year	<u>\$ 11,905,104</u>	<u>\$ -</u>

City of Peoria, Illinois

**2012C Taxable Variable Rate General Obligation Bonds Project Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Year Ended December 31, 2012
 With Comparative Figures for the Year Ended December 31, 2011**

	<u>2012</u>	<u>2011</u>
Revenue, interest	<u>\$ 18,261</u>	<u>\$ -</u>
Expenditures:		
Current, general government	142,497	-
Capital outlay	<u>942,984</u>	-
Total expenditures	<u>1,085,481</u>	-
(Deficiency) of revenues over expenditures	(1,067,220)	-
Other financing sources, issuance of bonds	<u>4,500,000</u>	-
Net change in fund balance	3,432,780	-
Fund balance, beginning of year	-	-
Fund balance, end of year	<u>\$ 3,432,780</u>	<u>\$ -</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 Position
December 31, 2012**

	Police Pension Fund of Peoria	Firemen's Pension Fund of Peoria	Total
Assets			
Cash and cash equivalents	\$ 258,921	\$ 573,544	\$ 832,465
Receivables:			
Employer contributions	6,478,820	7,316,203	13,795,023
Plan members' contributions	-	42,156	42,156
Accrued interest and dividends	280,037	513,174	793,211
	<u>6,758,857</u>	<u>7,871,533</u>	<u>14,630,390</u>
Other assets, prepaids	-	5,530	5,530
Investments, at fair value:			
Money market mutual funds	1,312,567	2,230,088	3,542,655
U.S. government obligations	21,416,790	24,915,455	46,332,245
State and local obligations	439,979	3,372,829	3,812,808
Illinois Public Treasurer's Investment Pool	-	533,922	533,922
Mutual funds	72,943,237	31,461,203	104,404,440
Corporate bonds	23,701,349	26,292,793	49,994,142
Stocks	20,711,911	23,025,705	43,737,616
	<u>140,525,833</u>	<u>111,831,995</u>	<u>252,357,828</u>
Total assets	147,543,611	120,282,602	267,826,213
Liabilities			
Accounts payable and accrued payroll taxes	301,838	91,175	393,013
Net position held in trust for pension benefit	\$ 147,241,773	\$ 120,191,427	\$ 267,433,200

City of Peoria, Illinois

**Combining Statement of Changes in Fiduciary Net Position
Year Ended December 31, 2012**

	Police Pension Fund of Peoria	Firemen's Pension Fund of Peoria	Total
Additions			
Contributions:			
Plan members' contributions	\$ 1,752,405	\$ 1,451,986	\$ 3,204,391
Employer contributions	6,471,829	7,307,779	13,779,608
Transfer of creditable service	97,490	-	97,490
Other income	36,603	9,540	46,143
Total contributions	8,358,327	8,769,305	17,127,632
Investment income:			
Net appreciation in fair value of investments	11,637,147	6,213,750	17,850,897
Dividends	1,816,327	1,307,150	3,123,477
Interest	1,276,347	2,838,345	4,114,692
Total investment income	14,729,821	10,359,245	25,089,066
Less investment expenses	781,748	296,570	1,078,318
Net investment income	13,948,073	10,062,675	24,010,748
Total additions	22,306,400	18,831,980	41,138,380
Deductions			
Benefits paid	11,990,347	10,689,988	22,680,335
Administrative expenses	216,938	129,271	346,209
Refunds	72,411	-	72,411
Total deductions	12,279,696	10,819,259	23,098,955
Net increase	10,026,704	8,012,721	18,039,425
Net position held in trust for pension benefits			
Beginning of year	137,215,069	112,178,706	249,393,775
End of year	\$ 147,241,773	\$ 120,191,427	\$ 267,433,200

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, 2012

	Balance, Beginning	Additions	Deductions	Balance, Ending
Section 125				
Assets , cash and investments	\$ 112,010	\$ -	\$ 112,010	\$ -
Liabilities , due to individuals	\$ 112,010	\$ -	\$ 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 These schedules contain trend information to help the reader understand how the City's financial performance and well being have changed over time.	145 - 154
Revenue Capacity: Tables V - IX These schedules contain information to help the reader assess two primary revenue sources for the City: a) property taxes b) taxable sales.	155 - 160
Debt Capacity: Tables X - XIII These schedules present information to help the reader assess the affordability of the City's current level of outstanding debt and the City's ability to issue additional debt in the future.	161 - 165
Demographic and Economic Information: Tables XIV - XV These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	166 - 167
Operating Information: Tables XVI - XVIII These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	168 - 171
Glossary of Terms in Statistical Section	172 - 175

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

City of Peoria

Net Position By Component Last Ten Fiscal Years (accrual basis of accounting) (Unaudited)

	Fiscal Year			
	2003	2004	2005	2006
Governmental activities/primary government:				
Net investment in capital assets	\$ 73,349,437	\$ 87,732,295	\$ 171,907,375	\$ 171,655,101
Restricted	24,774,863	44,694,262	95,081,143	68,518,109
Unrestricted	(58,357,001)	(72,389,704)	(131,479,036)	(124,525,566)
Total governmental activities/primary government net position	\$ 39,767,299	\$ 60,036,853	\$ 135,509,482	\$ 115,647,644

Source: City of Peoria comprehensive annual financial reports for fiscal years 2003 through 2012.

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 net investment in capital assets.

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

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

Restatement of 2011 Net Position:

In 2012, the City adopted GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, which restated the beginning net position of the Governmental Activities for items previously report as assets. Unrestricted net position decreased \$2,242,369.

Restatement of 2010 Net Position:

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

Business-Type Activities:

The City has no business-type activities.

Table I

Fiscal Year						
2007	2008	2009	2010	2011	2012	
			Restated	Restated		
\$ 185,488,430	\$ 194,265,042	\$ 177,077,761	\$ 184,710,991	\$ 186,383,801	\$ 191,648,334	
61,923,893	75,633,071	63,707,057	36,374,406	23,938,124	31,880,396	
(132,053,264)	(151,816,167)	(138,035,376)	(103,672,054)	(76,160,725)	(96,661,910)	
\$ 115,359,059	\$ 118,081,946	\$ 102,749,442	\$ 117,413,343	\$ 134,161,200	\$ 126,866,820	

City of Peoria
Changes In Net Position
Last Ten Fiscal Years
(accrual basis of accounting)
(Unaudited)

	Fiscal Year		
	2003	2004	2005
Expenses			
Governmental activities:			
Elected Offices, Boards, Commissions, and Agencies	\$ 1,526,209	\$ 1,675,688	\$ 1,705,216
City Administration	6,331,442	6,320,691	6,824,431
Police	26,682,830	28,437,820	29,168,640
Fire	20,405,179	21,532,910	22,305,856
Public Works	22,320,835	23,682,707	25,328,323
Community Development	14,304,503	12,941,972	28,639,520
Public Safety	7,062,024	7,755,956	8,046,578
General Government	11,878,015	7,054,084	9,382,074
Library	5,597,368	5,572,748	6,218,324
Interest on Long-Term Debt	6,572,606	5,953,781	7,546,228
Total governmental activities/primary government expenses	\$ 122,681,011	\$ 120,928,357	\$ 145,165,190
Program Revenues			
Governmental activities:			
Charges for services:			
Elected offices, boards, commissions, and agencies	\$ -	\$ -	\$ -
City administration	-	-	-
Police	220,805	251,506	475,862
Fire	511,470	461,280	412,138
Public works	3,382,465	5,482,563	5,822,715
Community development	-	-	-
Public safety	2,071,844	2,366,076	2,331,974
General government	9,477,456	9,384,104	10,654,559
Library	132,705	139,890	131,886
Operating grants and contributions:			
Elected offices, boards, commissions, and agencies	-	-	-
City administration	-	-	-
Police	1,865,113	1,421,077	2,420,407
Fire	121,369	116,473	111,953
Public works	-	-	-
Community development	7,031,803	6,617,051	7,583,527
Public safety	24,958	48,056	66,227
General government	-	80,940	520,184
Library	37,887	12,933	28,707
Capital grants and contributions			
Elected offices, boards, commissions, and agencies	-	-	-
City administration	-	-	-
Police	-	-	-
Fire	-	-	-
Public works	-	-	-
Community development	-	-	-
Public safety	-	-	-
General government	1,103,499	1,572,574	1,559,111
Library	-	-	149,577
Total governmental activities/primary government program revenues	25,981,374	27,954,523	32,268,827
Net (expense) revenue:			
Total governmental activities/primary government net expense	\$ (96,699,637)	\$ (92,973,834)	\$ (112,896,363)

(Continued)

Table II

							Fiscal Year
2006	2007	2008	2009	2010	2011	2012	
				Restated			
\$ 1,926,997	\$ 2,184,194	\$ 2,118,174	\$ 2,177,766	\$ 1,807,517	\$ 2,038,876	\$ 1,882,152	
6,950,987	7,828,057	8,185,595	8,197,849	4,649,988	3,389,721	6,843,305	
30,538,723	37,110,409	37,876,713	36,273,295	36,717,097	38,335,139	38,516,002	
24,408,676	27,816,247	28,353,632	31,575,786	31,747,002	32,400,123	32,080,101	
27,838,925	27,924,254	28,535,894	30,208,619	24,460,125	24,073,194	30,999,642	
49,626,179	26,926,080	14,753,676	14,723,262	17,055,003	17,018,270	12,420,353	
8,412,090	10,534,455	10,196,053	10,768,011	10,265,084	7,778,795	5,829,511	
16,019,134	17,584,981	19,793,924	16,545,136	23,810,131	22,512,282	30,812,306	
6,833,270	7,874,572	9,882,250	11,308,891	9,284,492	11,059,026	11,362,496	
7,809,463	7,698,934	7,468,578	8,844,508	8,316,083	9,493,691	10,107,766	
\$ 180,364,444	\$ 173,482,183	\$ 167,164,489	\$ 170,623,123	\$ 168,112,522	\$ 168,099,117	\$ 180,853,634	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
-	-	-	-	-	-	-	
1,020,290	883,111	839,168	558,810	597,217	605,675	698,323	
275,658	520,862	709,022	564,471	511,084	501,192	493,568	
5,635,552	5,522,356	5,546,259	5,229,957	4,970,342	5,060,544	11,587,937	
-	-	-	-	-	-	-	
2,373,167	4,177,942	3,921,530	2,792,610	2,594,265	2,377,782	2,309,697	
11,442,837	12,348,131	11,839,748	11,951,363	15,374,543	11,966,230	5,249,428	
132,559	122,818	128,679	129,540	98,307	119,577	128,276	
-	-	-	-	-	-	-	
-	-	-	-	-	-	-	
1,373,059	1,095,196	805,850	786,354	1,155,061	1,980,971	3,347,777	
145,197	191,955	257,520	186,799	254,738	524,903	1,034,717	
-	-	4,999	-	-	-	-	
9,505,077	7,844,074	6,436,062	8,810,036	10,822,497	8,649,820	6,063,515	
39,930	-	-	-	-	-	-	
-	(12,121)	-	-	-	2,248,247	1,222,559	
135,412	104,065	65,283	51,760	82,199	100,553	42,223	
-	-	-	-	-	-	-	
-	-	-	-	-	-	-	
-	-	-	-	-	-	-	
-	-	-	-	-	98,882	-	
37,572	-	-	186,166	517,220	4,426,709	3,642,888	
33,333	13,333	13,333	10,000	5,000	5,000	-	
-	-	-	124,693	579,939	324,942	33,655	
1,955,973	9,391,351	7,385,886	1,121,888	8,712,785	16,677,425	2,110,191	
106,364	151,184	143,026	160,220	105,477	139,147	117,940	
34,211,980	42,354,257	38,096,365	32,664,667	46,380,674	55,807,599	38,082,694	
\$ (146,152,464)	\$ (131,127,926)	\$ (129,068,124)	\$ (137,958,456)	\$ (121,731,848)	\$ (112,291,518)	\$ (142,770,940)	

City of Peoria

Changes In Net Position - continued

Last Ten Fiscal Years

(accrual basis of accounting)

(Unaudited)

	Fiscal Year			
	2003	2004	2005	2006
General Revenues and Other Changes in Net Position:				
Governmental activities/primary government:				
Taxes:				
Property taxes	\$ 22,463,343	\$ 23,639,496	\$ 24,697,914	\$ 26,334,488
Corporate personal property replacement taxes	4,348,774	4,694,841	6,515,378	6,825,112
State sales taxes, unrestricted	20,217,291	21,437,038	21,968,951	23,274,038
State income tax allocation, unrestricted	6,939,248	7,228,580	8,888,641	9,679,194
Home rule sales taxes	20,237,394	21,641,571	21,930,700	22,888,067
Hotel, restaurant and amusement taxes	6,588,790	6,890,626	7,067,524	7,449,766
Local motor fuel taxes	898,319	938,794	936,573	894,898
Gaming revenue	4,353,802	4,126,973	4,058,749	3,965,791
Utility taxes	8,671,172	8,421,384	8,455,737	8,568,744
Grants and contributions not restricted to specific programs	9,691,860	3,285,935	6,279,957	4,810,762
Interest/Investment Income	666,596	1,026,469	3,953,095	5,077,067
Franchise Fees, based on gross receipts	2,056,055	2,432,185	1,880,087	2,071,893
Other	4,230,603	7,479,496	4,868,646	4,450,806
Total governmental activities/primary government	\$ 111,363,247	\$ 113,243,388	\$ 121,501,952	\$ 126,290,626
Change in net position:				
Total governmental activities/primary government	\$ 14,663,610	\$ 20,269,554	\$ 8,605,589	\$ (19,861,838)

Source: City of Peoria comprehensive annual financial reports for fiscal years 2003 through 2012.

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 position included:

- a) \$4,447,880 decrease in state-shared revenues resulting from national economic recession.
- b) \$4,264,610 increase in total long-term debt.
- c) \$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 position included:

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

Restatement of 2012 Beginning Net Position:

In 2012, the City adopted GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, which restated the beginning net position of the Governmental Activities for items previously report as assets producing a \$2,242,369 decrease in 2012 beginning net position.

Restatement of 2011 Beginning Net Position:

In 2011, the City recorded prior period adjustments producing a \$12,398,865 increase in 2011 beginning net position.

Business-Type Activities:

The City has no business-type activities.

Table II

		Fiscal Year									
		2007	2008	2009	2010	2011	2012				
\$	27,481,171	\$	29,047,046	\$	32,964,520	\$	34,408,536	\$	35,411,598	\$	34,953,410
	8,306,487		7,690,109		6,777,042		7,116,213		6,663,610		6,438,641
	23,514,047		23,807,678		21,951,915		22,983,019		23,425,790		24,637,340
	10,545,996		11,456,986		9,848,758		9,473,829		9,252,638		10,196,314
	23,199,949		23,100,548		21,074,331		21,750,896		22,662,416		22,898,395
	8,120,176		8,253,017		7,640,779		7,913,576		8,514,746		8,695,857
	893,078		855,599		764,720		843,494		-		-
	4,005,969		3,594,362		3,528,968		3,536,729		3,492,315		3,510,234
	8,795,630		8,629,442		8,406,435		9,535,439		12,026,499		12,269,259
	3,508,181		3,350,085		3,163,376		3,141,811		2,968,278		12,311
	4,363,118		2,384,392		1,053,232		1,125,035		2,156,553		2,627,602
	2,189,184		2,306,679		2,249,178		2,178,794		2,290,351		2,474,896
	5,916,355		7,315,068		3,202,698		3,480,454		2,416,950		6,762,301
\$	130,839,341	\$	131,791,011	\$	122,625,952	\$	127,487,825	\$	131,281,744	\$	135,476,560
\$	(288,585)	\$	2,722,887	\$	(15,332,504)	\$	5,755,977	\$	18,990,226	\$	(7,294,380)

City of Peoria

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

	Fiscal Year			
	2003	2004	2005	2006
General Fund:				
Nonspendable	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Reserved	1,165,375	1,408,505	932,376	1,848,711
Unreserved - Designated	15,849,770	16,815,391	17,823,988	18,691,956
Unreserved - Undesignated	3,312,155	4,993,106	6,532,340	8,736,116
Total General Fund	\$ 20,327,300	\$ 23,217,002	\$ 25,288,704	\$ 29,276,783
All Other Governmental Funds:				
Nonspendable	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Reserved	15,086,532	16,647,432	28,748,887	28,807,497
Unreserved - Designated, reported in:				
Special Revenue Funds	-	-	-	841,971
Capital Project Funds	21,619,171	19,270,713	58,116,993	25,180,643
Unreserved - Undesignated, reported in:				
Special Revenue Funds	830,485	950,644	1,446,695	1,078,166
Debt Service Funds	2,552,687	2,122,282	-	-
Capital Project Funds	3,305,862	8,324,913	6,626,544	6,090,571
Total All Other Government Funds	\$ 43,394,737	\$ 47,315,984	\$ 94,939,119	\$ 61,998,848

Source: City of Peoria comprehensive annual financial reports for fiscal years 2003 through 2012.

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:

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

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

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

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

- a) \$6,282,185 increase in total governmental grants and reimbursements
- b) \$3,410,335 decrease in gross payroll wages
- c) \$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.

Table III

		Fiscal Year									
		2007	2008	2009	2010	2011	2012				
\$	-	\$	-	\$	-	\$	672,059	\$	928,685		
	-		-		-		306,681		915,767		
	-		-		-		16,233,211		-		
	-		-		-		7,815,947		18,939,465		
	-		-		-		17,398,313		20,316,688		
	7,968,830		8,704,989		8,371,893		8,103,056		-		
	12,570,433		12,828,231		12,847,709		12,859,791		-		
	9,665,019		11,078,502		4,595,390		4,371,850		-		
\$	30,204,282	\$	32,611,722	\$	25,814,992	\$	25,334,697	\$	42,426,211	\$	41,100,605
\$	-	\$	-	\$	-	\$	439,196	\$	498,803		
	-		-		-		62,094,179		87,695,699		
	-		-		-		-		-		
	-		-		-		15,650,492		10,472,062		
	-		-		-		(2,083,145)		(770,426)		
	27,925,865		26,265,107		25,208,159		47,103,244		-		
							-		-		
	1,502,394		1,665,130		2,002,018		1,961,529		-		
	17,213,173		32,740,696		26,235,774		19,684,749		-		
							-		-		
	1,648,746		1,731,009		1,818,615		1,382,947		-		
	-		-		-		-		-		
	11,514,801		10,948,360		5,390,826		5,025,196		-		
\$	59,804,979	\$	73,350,302	\$	60,655,392	\$	75,157,665	\$	76,100,721	\$	97,896,138

City of Peoria

Changes In Fund Balances, Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

(Unaudited)

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

Source: City of Peoria comprehensive annual financial reports for fiscal years 2003 through 2012.

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.

Table IV

		Fiscal Year				
		2008	2009	2010	2011	2012
\$	112,840,425	\$ 110,789,222	\$ 114,596,444	\$ 118,158,046	\$ 121,358,799	
	3,594,362	764,720	3,536,729	3,492,315	3,510,234	
	12,798,543	13,087,732	21,927,936	33,323,459	14,721,653	
	3,374,273	2,048,933	2,516,900	2,597,899	2,408,440	
	21,916,812	21,426,996	20,069,485	19,543,740	18,339,319	
	359,175	466,684	778,741	185,749	359,132	
	327,345	154,784	150,998	154,868	232,259	
	2,364,386	1,039,034	1,119,080	2,302,857	2,569,959	
	5,764,935	3,164,042	3,255,681	5,658,012	6,726,287	
\$	163,340,256	\$ 152,942,147	\$ 167,951,994	\$ 185,416,945	\$ 170,226,082	
	1,962,117	2,064,338	1,987,560	1,937,261	2,047,017	
	7,682,868	7,758,944	7,657,199	3,360,440	6,862,338	
	35,794,392	35,105,004	34,014,508	35,801,837	34,989,102	
	26,125,716	27,796,965	27,463,584	29,734,147	27,666,439	
	26,812,501	28,156,412	23,090,210	23,439,561	19,543,226	
	13,672,424	13,818,411	15,680,834	16,723,085	12,438,977	
	9,285,483	9,932,649	9,570,742	7,761,710	5,753,224	
	8,549,659	10,286,382	13,624,131	10,475,320	32,077,467	
	7,011,868	7,249,289	6,916,950	8,814,034	7,680,877	
	22,400,879	17,812,988	38,538,261	23,671,645	22,638,689	
	8,618,657	8,676,500	8,724,038	10,072,238	11,072,123	
	8,356,302	9,334,280	8,787,893	10,088,401	10,757,611	
\$	176,272,866	\$ 177,992,162	\$ 196,055,910	\$ 181,879,679	\$ 193,527,090	
	(12,932,610)	(25,050,015)	(28,103,916)	3,537,266	(23,301,008)	
	28,000,000	17,645,000	43,715,000	9,350,000	46,150,000	
	798,013	250,876	2,119,576	646,087	283,771	
	-	(17,665,354)	(3,836,533)	(4,064,361)	-	
	87,360	8,275	127,851	195,925	437,048	
	-	5,319,578	-	-	-	
	-	-	-	-	-	
	28,416,782	21,422,476	26,081,501	25,101,415	30,469,594	
	(28,416,782)	(21,422,476)	(26,081,501)	(25,101,415)	(33,569,594)	
	28,885,373	5,558,375	42,125,894	6,127,651	43,770,819	
\$	15,952,763	\$ (19,491,640)	\$ 14,021,978	\$ 9,664,917	\$ 20,469,811	
	11.0%	11.2%	11.1%	12.7%	12.8%	

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
2013	2012	\$ 1,285,157	\$ 632,766	\$ 47,400	\$ 849	\$ 2,202	\$ 1,968,374	-2.17%	\$ 4.9832	\$ 5,905,712
2012	2011	1,299,455	642,415	48,130	1,028	1,953	1,992,981	0.47%	4.9307	\$ 5,979,540
2011	2010	1,324,615	636,251	48,667	866	1,657	2,012,057	1.43%	4.9307	\$ 6,036,774
2010	2009	1,306,278	627,211	47,966	840	1,360	1,983,655	1.95%	4.8811	\$ 5,951,561
2009	2008	1,276,338	619,746	47,804	809	1,055	1,945,752	5.34%	4.5951	\$ 5,837,839
2008	2007	1,215,582	583,533	46,167	860	886	1,847,028	7.63%	4.4605	\$ 5,541,640
2007	2006	1,125,204	544,809	44,360	904	841	1,716,118	6.14%	4.4846	\$ 5,148,870
2006	2005	1,057,513	514,791	42,847	765	886	1,616,802	5.22%	4.4915	\$ 4,850,890
2005	2004	1,000,040	492,297	42,601	737	933	1,536,607	3.62%	4.3233	\$ 4,610,283
2004	2003	982,025	456,371	42,778	740	985	1,482,899	5.24%	4.2287	\$ 4,449,142

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; 2012 - \$67,193,840⁽³⁾ Incremental and total taxable assessed values above are net of tax-exempt property.

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City of Peoria

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

Fiscal Year	Property Tax Levy Year	City Direct Tax Rate, By Fund						Total Direct Tax Rate
		General Fund	Illinois Municipal Retirement Fund	Library Fund	Library General Obligation Bonds	Firemen's Pension Fund	Police Pension Fund	
2013	2012	\$0.1576	\$0.2118	\$0.3312	\$0.1132	\$0.3142	\$0.2783	\$1.4062
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

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
\$4.9832	\$0.8053	\$0.1420	\$0.7662	\$0.1864	\$0.4634	\$0.2029	\$8.9555
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

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

Taxpayer	2012			2003		
	(Taxable Assessed Valuation \$1,968,373,893)			(Taxable Assessed Valuation \$1,482,898,908)		
	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.	\$ 23,163,950	1	1.18%	\$ 17,032,910	1	1.15%
MCRIL LLC (Shoppes at Grand Prairie)	16,421,260	2	0.83%	6,261,980	5	0.42%
OSF Healthcare System	9,438,972	3	0.48%			
Northwoods Development Co.	9,279,970	4	0.47%	7,309,370	3	0.49%
Gateway Taylor Inc (Sheridan Village & Wardcliffe)	8,169,660	5	0.42%			
Willow Knolls Ltd.	7,688,990	6	0.39%	8,394,860	2	0.57%
Wal-Mart Real Estate Business Trust	7,416,380	7	0.38%			
Lexington House Corporation (Becker)	5,011,920	8	0.25%	4,384,070	9	0.30%
Knoxville Pointe (Apartments off Knoxville)	4,731,910	9	0.24%			
211 Fulton Street LLC	4,653,520	10	0.24%			
Bradley Operating Ltd.				6,449,360	4	0.43%
PMP Fermentation Products				6,084,900	6	0.41%
Peoria Hotel Ltd. Partner (Pere Marquette)				4,786,660	7	0.32%
Downtown Baseball Stadium				4,694,320	8	0.32%
Edward Rose Building Co.				4,114,460	10	0.28%
	\$ 95,976,532		4.88%	\$ 69,512,890		4.69%

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
2012	2011	\$ 34,446,246	\$ 34,256,911	99.45%	\$ -	\$ 34,256,911	99.45%
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%

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									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General Merchandise	\$ 355,380	\$ 387,322	\$ 382,260	\$ 404,909	\$ 390,938	\$ 391,718	\$ 380,143	\$ 378,851	\$ 348,278	\$ 383,073
Food	220,393	210,394	212,221	218,964	221,889	214,735	222,521	229,184	269,468	279,978
Drinking and Eating Places	188,939	198,481	202,459	211,092	226,625	226,676	218,259	225,876	234,314	239,747
Apparel	71,473	90,068	92,811	97,317	100,587	99,906	89,305	92,305	124,771	97,425
Furniture, H.H., and Radio	152,141	162,219	172,214	180,579	177,355	167,054	147,190	144,841	143,882	142,295
Lumber, Bldg, Hardware	121,274	132,902	142,554	146,777	139,757	130,046	117,211	115,644	113,695	116,716
Automotive and Filling Stations	351,254	358,403	364,665	399,927	404,877	411,187	368,643	402,814	399,213	486,041
Drugs and Miscellaneous Retail	240,091	252,930	249,986	252,687	254,004	255,395	253,201	274,731	284,326	287,762
Agriculture and All Others	175,133	185,198	202,831	213,281	228,694	251,212	193,786	205,011	192,551	190,707
Manufacturers	26,177	24,774	26,136	26,874	25,530	31,985	30,331	37,810	40,946	39,726
Total	\$ 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	\$ 2,263,469
City direct sales tax rate	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Number of Taxpayers	3,186	3,136	3,193	3,115	3,089	2,582	2,446	2,490	2,452	2,417

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			
2012	\$ 239,220	\$ 5,507	\$ 2,530	\$ 1,528	\$ 248,785	12.64%	8.23%	\$ 2,163
2011	203,270	5,851	2,950	4,349	216,420	10.86%	7.66%	1,882
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

Source:

City of Peoria comprehensive annual financial reports for fiscal years 2003 through 2012.
 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 Bonded Debt					
2012	115,007	\$1,968,374	\$ 239,220	\$ 55,050	\$ 184,170	9.36%	\$1,601.38	\$196,837	\$25,845	\$170,992
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 ⁽³⁾	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

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
- (3) Includes 6,163 population decrease identified during 2010 United States 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 2012:

Assessed Value (from County Report)	\$1,968,374
Debt Limit (10% of assessed value)	196,837
Debt Applicable to Limit:	
General Obligation Bonds	239,220
Less: Amount set aside for repayment of GO Debt	(55,050)
Gross Total Debt Applicable to Limit	<u>184,170</u>
Less: Debt With Alternative Repayment Sources	(158,325)
Net Total Debt Applicable to Limit	<u>25,845</u>
Legal Debt Margin	<u><u>\$170,992</u></u>

Direct and Overlapping Governmental Activities Debt ⁽¹⁾
As of December 31, 2012
(Unaudited)

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable To City	City's Estimated Share of Overlapping Debt
County of Peoria	\$ 78,880,000	60.82%	\$ 47,974,816
Greater Peoria Airport Authority	53,595,000	55.96%	29,991,762
Pleasure Driveway and Park District	6,785,000	94.61%	6,419,289
Weaverridge Special Service Area	2,530,000	100.00%	2,530,000
School District No. 62, Pleasant Valley	930,000	46.58%	433,194
School District No. 150, City of Peoria	143,060,046	97.60%	139,626,605
School District No. 310, Limestone	1,265,000	6.91%	87,412
School District No. 321, Chillicothe IVC	6,915,000	1.60%	110,640
School District No. 323, Dunlap	54,030,000	87.23%	47,130,369
School District No. 325, Peoria Heights	4,515,000	11.89%	536,834
School District No. 514, Illinois Central College	29,035,000	29.75%	8,637,913
	<u>381,540,046</u>		<u>283,478,832</u>
Subtotal - Overlapping Debt	381,540,046		283,478,832
City of Peoria Direct Debt	<u>253,410,613</u>	100.00%	<u>253,410,613</u>
Total Direct and Overlapping Debt	<u>\$ 634,950,659</u>		<u>\$ 536,889,445</u>

Sources: City of Peoria Official Bond Statements for Series 2013A General Obligation Refunding 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								
	Net Parking Revenues	Incremental Property Taxes	UDAG Loan Repayments	Interest Revenue	Net Available Revenue	Debt Service		Coverage	
						Principal	Interest		
2012	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	N/A	
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	

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		
\$ 314	\$ -	\$ 404	\$ 55	\$ 773	\$ 344	\$ 317	1.17	
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⁾
2012	115,007	\$ 3,022,614	\$ 26,282	38.8	14,042	8.9%
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	11.0%
2009	121,170	2,799,633	23,105	37.7	13,825	11.3%
2008	121,170	3,132,366	25,851	37.6	13,642	6.2%
2007	121,170	2,979,570	24,590	36.0	13,961	5.0%
2006	118,135	2,865,128	24,253	33.8	14,469	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	15,001	6.1%
2003	112,936	2,618,647	23,187	33.8	14,889	6.6%

Sources:

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

⁽²⁾ Peoria School District # 150 Administration Offices

⁽³⁾ 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 the Economic Development Council for Central Illinois website [www.centralillinois.org]

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

Employee Ranges	2012	2003
	Employer	Employer
More Than 15,000 Employees	Caterpillar Tractor Company	Caterpillar Tractor Company
More than 1,500 Employees	Advanced Technology Services Methodist Medical Center OSF St. Francis Medical Center Peoria School District No. 150 Wal-Mart Stores	Illinois Central College Methodist Medical Center OSF St. Francis Medical Center Peoria School District No. 150
1,000 to 1,500 Employees	Affina, LLC (fka: Ruppman Marketing) Bradley University County of Peoria US Postal Service University of Illinois College of Medicine	Bradley University Keystone Steel and Wire Company County of Peoria Proctor Hospital
500 to 1,000 Employees	AmerenCILCO Citizens Equity Federal Credit Union (CEFCU) City of Peoria Illinois Central College Keystone Steel and Wire Company Komatsu Mining Systems Peoria Journal Star Proctor Hospital Supply Chain (SC2)	Affina, LLC (fka: Ruppman Marketing) Advanced Technology Services Citizens Equity Federal Credit Union (CEFCU) City of Peoria Peoria Journal Star Supply Chain (SC2) US Postal Service Wal-Mart Stores

Sources: City of Peoria Official Bond Statements (2004A GO Bonds and 2013D Taxable Motor Fuel Tax Rev Refunding Bonds).

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

Function/Program	Full-Time Equivalent Employees as of December 31									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Elected Offices, Commissions & Agencies										
City Council	1	1	1	1	1	1	1	1	1	1
City Clerk	5	4	4	4	4	4	4	4	4	4
City Treasurer	7	6	6	6	6	6	6	6	6	6
Election Commission	4	4	4	4	4	3	3	3	3	3
City Administration										
City Manager	6	8	8	7	9	8	7	11	5	6
Finance	22	19	19	19	19	19	19	18	17	14
Human Resources	8	6	6	6	6	6	6	6	6	5
Information Systems	18	18	18	18	18	18	18	18	17	13
Legal	9	8	8	9	8	8	8	8	8	7
Police	283	282	282	287	287	290	290	256	247	244
Fire	213	199	203	210	210	216	216	214	207	211
Public Works	123	105	103	106	106	106	105	97	97	79
Community Development										
Economic Development	7	5	6	6	5	5	5	0	0	0
Planning and Growth Management	21	23	23	20	19	19	19	18	18	12
Workforce Development	21	22	25	27	25	14	19	19	19	9
Public Safety										
Inspection Services	47	50	50	50	50	50	50	43	11	20
Emergency Services	46	41	41	41	41	41	40	38	36	36
Library	69	72	71	74	72	74	72	67	74	86
Total	910	873	878	895	890	888	888	827	776	756

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.

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City of Peoria

Operating Indicators By Function/Program

Last Ten Fiscal Years

(Unaudited)

Function/Program	Fiscal Year			
	2003	2004	2005	2006
Police:				
Total Number of Calls For Service	84,735	85,937	88,661	86,909
Total Number of Arrests	11,420	11,486	12,176	12,651
--Adult arrest - Misdemeanor and Felony	10,611	10,674	11,346	11,964
--Juvenile arrest - Misdemeanor and Felony	809	812	830	687
Property Crime	7,642	7,028	7,538	6,597
Traffic Violations	28,647	29,151	29,595	31,832
Total Parking Violations	31,110	40,152	33,258	31,468
--Peoria Police Department	3,833	6,046	4,728	5,311
--Peoria Parking Enforcement	27,277	34,106	28,530	26,157
Number of Commissioned Police Officers	236	242	242	247
Fire:				
Total Number of Alarms	12,283	12,350	12,985	13,713
--Fire Calls	650	625	692	640
--Emergency Medical Services	7,544	7,950	8,738	8,877
--Hazardous Materials Calls	59	136	447	342
--Rescue or Other Calls	4,030	3,639	3,108	3,898
Total Number of Inspections	3,796	3,209	3,243	2,896
--Fire and Life Safety	2,396	1,862	2,470	2,500
--Hazardous Materials	1,400	1,347	773	396
Number of Commissioned Firefighters	204	192	193	201
Public Works:				
# Parking Decks & Lots Maintained	13	11	11	11
Street Resurfacing (# Linear Miles)	88	85	82	83
Storm Sewer Maintenance (# Linear Feet)	1,200	600	800	650
# Street Signs & Signals Maintenance Calls	9,300	8,810	8,510	8,800
Inspections:				
# Construction Permits Issued (1)	417	442	431	364
Library:				
Number of Materials Loaned	751,515	774,387	735,122	773,245
Door Count	559,317	560,694	539,473	536,014
Computer Usage	64,366	76,812	85,199	98,817

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.

Related Supplemental Data:

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

Table XVII

Fiscal Year					
2007	2008	2009	2010	2011	2012
85,249	82,656	81,144	78,815	78,619	76,337
10,648	9,393	8,425	7,463	7,074	7,146
10,070	8,686	7,765	6,739	6,505	6,708
578	707	660	724	569	438
5,263	4,907	5,518	5,286	5,573	5,137
31,828	30,195	23,480	20,611	20,130	17,652
25,945	22,971	18,460	16,616	16,206	15,812
4,365	3,518	1,900	1,403	1,247	1,871
21,580	19,453	16,560	15,213	14,959	13,941
247	250	250	217	214	214
14,396	14,726	16,159	16,752	17,733	18,118
570	528	646	654	651	702
9,346	9,737	11,317	12,222	14,013	14,369
423	358	422	432	270	259
4,057	4,103	3,774	3,444	2,799	2,788
3,438	3,546	3,397	1,935	3,030	2,451
2,702	2,804	2,577	1,125	2,207	1,456
736	742	820	810	823	995
201	206	205	199	201	205
11	13	21	21	21	24
73	82	33	0	0	1
450	450	250	394	185	300
8,762	8,525	8,605	8,700	8,700	13,719
365	282	162	176	204	250
778,175	848,604	891,905	819,192	1,070,264	1,332,637
535,721	561,369	589,979	405,712	473,462	729,668
95,803	97,153	104,031	49,476	89,657	111,907

Fiscal Year					
2007	2008	2009	2010	2011	2012
\$ 191,743,336	\$ 191,448,160	\$ 56,070,700	\$ 89,839,112	\$ 151,096,126	\$ 79,700,283

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

Function/Program	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Sub Stations	1	1	1	1	1	1	1	1	1	1
Marked vehicles	70	70	70	70	102	93	92	90	92	94
Unmarked Vehicles	40	40	41	42	84	86	88	88	86	84
Fire:										
Stations	12	12	12	12	12	12	12	12	12	12
Engine (Pumpers) Companies	17	17	17	17	17	17	17	17	17	17
Truck Companies	6	6	6	6	6	6	6	6	6	6
Rescue Squads	3	3	3	3	3	3	3	3	3	3
Public Works:										
Heavy-Duty Trucks (GVW 27,000-42,000)	26	27	29	31	43	43	44	46	45	45
Trucks (GVW 10,100- 25,000)	20	20	20	20	33	33	30	27	27	26
Streets (Center Lane Miles)	449	449	449	449	458	458	463	463	467	468
Street Lights	9,156	9,429	9,866	10,217	10,231	10,231	10,387	10,712	10,700	10,800
Traffic Signals	251	251	254	269	272	279	280	279	256	256
Library:										
Facilities (including Bookmobile)	7	7	7	7	7	7	7	6	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.

In April 2010, the South Side Library Branch was closed.

City of Peoria

Statistical Section Glossary of Terms

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 2012 fiscal year in December 2011. Therefore, the property tax year for these levies is 2011. These taxes would be collected in calendar year 2012 during the 2012 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.