

CITY OF PEORIA, ILLINOIS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Year Ended December 31, 2007

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Contents

Introductory Section

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

Financial Section

Independent auditor's report	1 – 2
Management's discussion and analysis	3 – 15
Basic financial statements:	
Government-wide financial statements:	
Statement of net assets	16 – 17
Statement of activities	18 – 19
Fund financial statements:	
Balance sheet - governmental funds	20 – 23
Reconciliation of total governmental fund balances to net assets of governmental activities	24
Statement of revenues, expenditures and changes in fund balances – governmental funds	25 – 26
Reconciliation of the statement of revenues, expenditures and changes in fund balances of governmental funds to the statement of activities	27 – 28
Statement of fiduciary net assets	29
Statement of changes in fiduciary net assets	30
Notes to basic financial statements	31 – 76
Required Supplementary Information:	
Schedule of revenues, expenditures and changes in fund balance - budgetary basis - budget to actual – General Fund, Peoria Public Library Fund and Police and Fire Pension Levy Fund	77 – 78
Note to required supplementary information	79
Illinois Municipal Retirement Plan	80
Police Pension Plan	81
Firemen's Pension Plan	82
Other Post Employment Benefit Plan	83
Supplementary information:	
Nonmajor governmental funds:	
Combining balance sheet	84 – 89
Combining statement of revenues, expenditures and changes in fund balances	90 – 95
Individual fund financial statements:	
Schedule of revenues, expenditures and changes in fund balance – budget and actual – General Fund	96
Special revenue fund:	
Schedule of revenues, expenditures and changes in fund balance – budget and actual – Peoria Public Library Fund	97
Schedule of revenues, expenditures and changes in fund balance – budget and actual – Motor Fuel Tax Fund	98
Schedule of revenues, expenditures and changes in fund balance – Community Development Block Grant Fund	99

Contents

Financial Section (continued)

Schedule of revenues, expenditures and changes in fund balance – budget and actual – State and Local Auto Theft Enforcement Grant Fund	100
Schedule of revenues, expenditures and changes in fund balance – Multi-County MEG Grant Fund	101
Schedule of revenues, expenditures and changes in fund balance – Home Investment Partnership Program Fund	102
Schedule of revenues, expenditures and changes in fund balance – budget and actual – Illinois Municipal Retirement Fund	103
Schedule of revenues, expenditures and changes in fund balance – budget and actual – Solid Waste Fund	104
Schedule of revenues, expenditures and changes in fund balance – Workforce Development Fund	105
Schedule of revenues, expenditures and changes in fund balance – budget and actual – Police and Fire Pension Levy Fund	106
Schedule of revenues, expenditures and changes in fund balance – Peoria Foreign Fire Insurance Board	107
Debt service funds:	
Schedule of revenues, expenditures and changes in fund balance – budget and actual – Downtown Parking Bond Debt Service Fund	108
Schedule of revenues, expenditures and changes in fund balance – budget and actual – 2005A General Obligation Bond Debt Service Fund	109
Schedule of revenues, expenditures and changes in fund balance – budget and actual – WeaverRidge Debt Service Fund	110
Schedule of revenues, expenditures and changes in fund balance – General Obligation Bonds Debt Service Master Fund	111
Schedule of revenues, expenditures and changes in fund balance – budget and actual – 2006 Special Assessment Bond Debt Service Fund	112
Schedule of revenues, expenditures and changes in fund balance – budget and actual – 2007-A Special Assessment Bond Debt Service Fund	113
Capital projects funds:	
Schedules of revenues, expenditures and changes in fund balance:	
Capital Improvements Fund	114
Southtown TIF Project Fund	115
Downtown TIF Project Fund	116
Campustown TIF Project Fund	117
Northside TIF Project Fund	118
Midtown Plaza TIF Project Fund	119
Northside Business Park TIF Project Fund	120
Downtown Stadium TIF Project Fund	121
2004B General Obligation Bond Project Fund	122
2005A General Obligation Bond Project Fund	123
2006 Special Assessment Bond Project Fund	124
City of Peoria Designated Zone Organization	125
2007A Special Assessment Bond Project Fund	126
2007A General Obligation Bond Project Fund	127
Fiduciary funds:	
Combining schedule of fiduciary net assets	128
Combining schedule of changes in fiduciary net assets	129
Agency funds, statement of changes in assets and liabilities	130

Contents

Statistical Section

Statistical section contents	131
Net assets by component	132
Changes in net assets	133 – 134
Fund balances, governmental funds	135
Changes in fund balances, governmental funds	136
Assessed value and estimated actual value of taxable property	137
Direct and overlapping property tax rates	138 – 139
Principal property taxpayers	140
Property tax levies and collections	141
Taxable sales by category	142
Ratios of outstanding debt by type	143 – 144
Ratios of net general bonded debt outstanding	145
Direct and overlapping governmental activities debt	146
Pledged-revenue coverage	147 – 148
Demographic and economic statistics	149
Principal employers	150
Full-time equivalent city government employees by function/program	151
Operating indicators by function/program	152
Capital asset statistics by function/program	153
Glossary of terms used	154 – 156

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June 15, 2008

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

State law requires that all general-purpose, local governments, publish within six months of the close of each fiscal year, a complete set of financial statements presented in conformance with Generally Accepted Accounting Principles (GAAP) and audited in accordance with Generally Accepted Auditing Standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of the City of Peoria, Illinois for the year ended December 31, 2007.

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 & Pullen LLP, a firm of licensed certified public accountants, has audited the City of Peoria, Illinois's financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Peoria for the fiscal year ended December 31, 2007, 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, 2007, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.



The Honorable James E. Ardis III, Mayor
Members of the City Council
The Citizens of the City of Peoria
June 15, 2008

The independent audit of the financial statements of the City of Peoria was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the City of Peoria's separately issued Single Audit Report.

GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with the letter. The City of Peoria, Illinois's MD&A can be found immediately following the report of the independent auditors on page 3.

PROFILE OF THE CITY OF PEORIA

The City of Peoria was chartered on April 12, 1845 and is a home rule unit of government under the 1970 Illinois Constitution. The City is located on the Illinois River, midway between Chicago and St. Louis and is the largest urban area within the Peoria-Pekin Metropolitan Statistical Area. According to the 2000 Census, the City has a population of 112,936, ranking as the fifth largest city in the State of Illinois. In the fall of 2004, a Special Census was conducted by the United States Census Bureau. The Special Census resulted in an increase in population of 5,199, for a total population of 118,135. An additional Special Census was conducted in 2007, resulting in an increase in population of 3,035, for a total population of 121,170.

The City is governed by a City Council elected on a non-partisan basis composed of ten Council members and a Mayor. Five of the Council members are elected from districts, while the other five and the Mayor are elected at large. Council members serve four-year terms with elections staggered every two years. The City Clerk and City Treasurer are also elected at large. A professional City Manager supervises day-to-day operations of the City. The City provides public safety, (police, fire and emergency medical) highway and street maintenance, public improvements, planning and zoning, and general administrative services. The City has no proprietary fund, although its component units; the Peoria Civic Center Authority and the Springdale Cemetery Management Authority are discretely presented component units. The Civic Center operates as a convention, sports, and entertainment facility. The Springdale Cemetery Management Authority operates and maintains the Springdale Cemetery. Additional information on these legally separate entities can be found in Notes 1, 2, 4, 7 and 15 in the notes to the financial statements.

The Honorable James E. Ardis III, Mayor
Members of the City Council
The Citizens of the City of Peoria
June 15, 2008

The annual budget serves as the foundation to the City of Peoria's financial planning and control. All departments of the City are required to submit requests for appropriation to the City Manager in August each year. These are used as the starting point for developing a proposed budget. The Illinois Compiled Statutes require that a public hearing be held prior to adoption and that it be adopted by the last Tuesday in December. The Peoria County Clerk requires that the annual budget and tax levy be filed by the last Tuesday in December. The appropriated budget is prepared by fund and department. The Budget Officer is authorized to make transfers within a department. Transfers between departments or funds, however, require the special approval of the City Council.

Budget-to-actual comparisons are provided in this report for each governmental fund for which an annual appropriated budget has been adopted. For the General Fund, this comparison is presented on page 96 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 97.

FACTORS AFFECTING FINANCIAL CONDITION

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

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

The City continues to be the regional shopping venue of choice with the opening of the Shoppes at Grand Prairie in the spring of 2003 and an eighteen-screen theatre at the Shoppes in the spring of 2004. The Shoppes at Grand Prairie is a 500,000 square-foot retail center anchored by a Bergner's, Borders Books & Music, Dick's Sporting Goods and Linen-N-Things and includes numerous restaurants and specialty shops, as well as out-lots for further development.

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

The Honorable James E. Ardis III, Mayor
Members of the City Council
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June 15, 2008

Long-term financial planning. During 2002, several studies were done to develop a downtown museum. This endeavor also obtained a state grant in the amount of \$1.2 million. In the fall of 2003, the City entered into a redevelopment agreement with the Lakeview Museum of Arts and Sciences to construct a museum on part of a downtown block previously known as the Sears block. In December 2004, the City entered into a new redevelopment agreement with the Lakeview Museum of Arts and Sciences and Caterpillar Inc, for the construction of a museum block. The agreement outlines the development of a 5.3-acre parcel of real estate located in the heart of downtown. This project will be home to the Central Illinois Regional Museum, a \$60 million project, as well as the Caterpillar Visitor Center, a \$35 million private development.

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

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

The State of Illinois completed one of the largest road projects in its history. The project began in 2002 and was completed in 2007. The project encompasses the I-74 corridor from Galesburg to Bloomington, running directly through Peoria. The roadway was completely renovated, including new bridges, ramps and accesses.

Cash management policies and practices. Excess cash during the year was invested in demand deposits, certificates of deposit, the State Treasurer's investment pool, U.S. Treasury obligations and U.S. Agencies obligations. The average yield on investments was 4.89% for 2007 compared to 4.60% for 2006. The 4.89% City yield exceeded the 4.41% 6-month T-bill benchmark but fell below the 5.01% Federal Funds Rate benchmark. Significant guaranteed investment contracts and bond trust accounts, earning under 4.00% annually during 2007, will not be a major factor in future yields due to diminished balances. The City entered into banking and investment services contractual agreements, providing competitive variable interest rates, effective January 1, 2006.

The Honorable James E. Ardis III, Mayor
Members of the City Council
The Citizens of the City of Peoria
June 15, 2008

The City's investment objectives are to minimize credit and market risk and maintain a competitive yield on its portfolio, while complying with the City's investment policy. The Municipal Treasurers' Association of the United States and Canada has certified the City's investment policy.

Risk Management. The City is self-insured for first party property, third party liability and workers compensation claims. The City, however, did purchase an excess policy for General and Automobile Liability and Public Official Liability effective Spring 2006 and renewed this policy with supplemental coverage in June 2008. In addition, the City is self-insured for the provision of health and dental benefits to its employees and retirees and maintains stop loss insurance for specific and aggregate claims.

Pension and other post retirement benefits. The City of Peoria sponsors a single-employer defined benefit pension plan for both police and fire personnel. Each year, an independent actuary engaged by the City and the Pension Plans calculates the amount of the annual contribution that the City of Peoria must make to each pension plan to ensure that the plan will be able to fully meet its obligations to retired employees on a timely basis. As a matter of policy, the City fully funds each year's annual required contribution to the pension plans as determined by the actuary. As a result of the City's conservative funding policy, Peoria has funded 87.7% and 71.1%, respectively, of the present value of the projected benefits earned by employees of the Police and Firefighters Pension Funds. The remaining unfunded amount is being systematically funded over 40 years, which started July 1, 1993 as part of the annual required contribution calculated by the actuary.

The City of Peoria also provides pension benefits to its non-public-safety employees. These benefits are provided through a statewide plan managed by the Illinois Municipal Retirement Board. The City of Peoria has no obligation in connection with the employee benefits offered through this plan beyond its annual contractual payment of 14.96% of payroll for 2007.

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 463 retired employees receiving these benefits, which are financed on a pay-as-you-go basis. Commencing with the current reporting year ending December 31, 2007, GASB 45 requires 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.

The Notes to the Financial Statements provide additional information in Note 11 regarding the City of Peoria's pension benefits and in Note 16 pertaining to other postemployment benefits.

The Honorable James E. Ardis III, Mayor
Members of the City Council
The Citizens of the City of Peoria
June 15, 2008

Awards and Acknowledgements

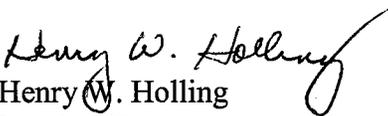
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Peoria, Illinois for its comprehensive annual financial report (CAFR) for the fiscal year ending December 31, 2006. This was the seventh 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.

In addition, the City also received the GFOA's Distinguished Budget Presentation Award for its 2007 annual budget document adopted December 5, 2006. 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. This was the fifteenth consecutive year the City has received the award.

The preparation of this report, on a timely basis, would not have been possible without the efficient and dedicated services of the entire staff of the finance department. We would like to express our appreciation to all members of the department who assisted and contributed in the preparation of the report. Credit must also be given to the Mayor and City Council for their dedication in maintaining the highest standards of professionalism in the management of the City of Peoria's finances.

Respectfully submitted,


Henry W. Holling
Interim City Manager


James R. Scroggins
Finance Director/Comptroller

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, 2006

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.



Charles S. Cox

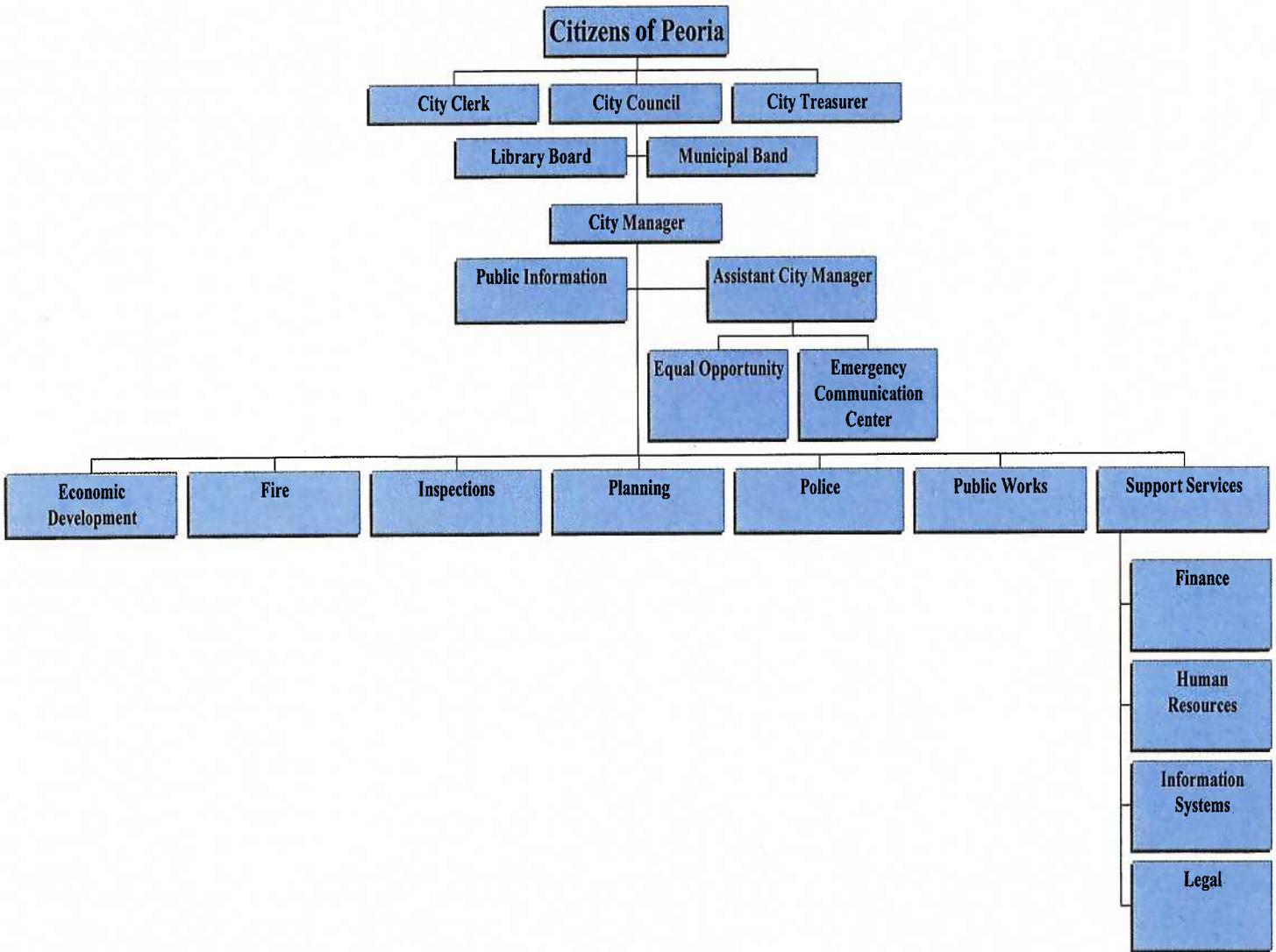
President

Jeffrey R. Emer

Executive Director

Organizational Chart

City of Peoria 2007



City of Peoria, Illinois

Elected Officials

As of January 1, 2007

Mayor

James E. Ardis III

City Council Members

Barbara S. Van Auken
Charles V. Grayeb
Clyde E. Gulley, Jr.
George F. Jacob
Robert D. Manning
John D. Morris
Patrick A. Nichting
Gary V. Sandberg
William R. Spears
W. Eric Turner

City Clerk

Mary L. Haynes

City Treasurer

Reginald A. Willis

As of May 1, 2007

Mayor

James E. Ardis III

City Council Members

Barbara S. Van Auken
Clyde E. Gulley, Jr.
George F. Jacob
Robert D. Manning
Jim Montelongo
Patrick A. Nichting
Gary V. Sandberg
Ryan M. Spain
William R. Spears
W. Eric Turner

City Clerk

Mary L. Haynes

City Treasurer

Reginald A. Willis

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McGladrey & Pullen

Certified Public Accountants

Independent Auditor's Report

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

We have audited the accompanying financial statements of the governmental activities, the 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, 2007, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Peoria, Illinois' management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Peoria Foreign Fire Insurance Board, which represents \$386,982 (0.11 percent) and \$118,583 (0.07 percent), respectively, of the assets and revenues of the total primary government – governmental activities and 1.02 percent and 0.57 percent of the assets and revenues, respectively, of the aggregate remaining other governmental funds. We also did not audit the Police Pension Fund of Peoria and the Firemen's Pension Fund of Peoria, which represents 98.93 percent and 100 percent, respectively, of the assets and additions of the fiduciary assets and additions. We also did not audit the discretely presented component units of the City of Peoria, Illinois, the financial statements of the Springdale Historic Preservation Foundation, a component unit of Springdale Cemetery Management Authority and the Springdale Cemetery Management Authority and the Peoria Civic Center Authority which represents 100 percent of the assets and revenues, respectively, of the discretely presented component units. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinions insofar as they relate to amounts included for the Peoria Foreign Fire Insurance Board, the Police Pension Fund of Peoria, the Firemen's Pension Fund of Peoria, the Springdale Historic Preservation Foundation, a component unit of Springdale Cemetery Management Authority, Springdale Cemetery Management Authority and the Peoria Civic Center Authority of Peoria are based on the reports of other auditors.

As explained in Note 16 to the basic financial statements, the City changed its method of accounting for other postemployment benefits.

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

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Peoria, Illinois, as of December 31, 2007, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 16, 2008 on our consideration of the City of Peoria, Illinois' internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis on pages 3 through 15 and budgetary comparison information on pages 77 through 79 and the Pension Plans Schedule of Funding Progress and Schedule of Employer Contributions on pages 80 through 82 and the Other Postemployment Benefits Plan Schedule of Funding Progress on page 83 are not a required part of the basic financial statements but are supplementary information required by the accounting principles generally accepted in the United States of America. We and the other auditors have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Peoria, Illinois' basic financial statements. The combining and individual nonmajor fund financial statements and other schedules, listed in the table of contents as supplementary information, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information for the year ended December 31, 2007 has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole. The supplementary information for the year ended December 31, 2006, was audited by other auditors whose report dated June 28, 2007, expressed an unqualified opinion on such information in relation to the basic financial statements taken as a whole.

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

McGladrey & Pullen, LLP

Davenport, Iowa
June 16, 2008

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, 2007. 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 through ix 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 \$115.4 million at December 31, 2007.
- The City's total net assets decreased \$0.2 million during 2007; 84.9% of this total net assets decrease is attributable to the combined effects of: a) \$1.5 million increase in corporate personal property replacement tax revenues b) \$1.1 million increase in property tax revenues c) \$0.9 million increase in state income tax revenues d) \$0.7 million increase in hotel/restaurant/amusement sales taxes revenues e) \$0.3 million increase in home rule sales tax revenues f) \$0.2 million increase in state sales tax revenues g) \$0.1 million increase in franchise fees revenues h) \$5.1 million liabilities increase attributable to initial GASB 45 reporting of the net other post-employment benefits obligation.
- As of December 31, 2007, the City of Peoria's governmental funds reported combined fund balances of \$90.0 million, a decrease of \$1.3 million in comparison with the prior year. Approximately 25.4% of this \$90.0 million amount, \$22.8 million, is available for spending at the City's discretion (*undesignated fund balance*).
- The undesignated general fund balance increased \$0.9 million during 2007 to \$9.7 million total as of December 31, 2007; equivalent to 9.8% of total general fund expenditures.
- The City's total outstanding debt increased \$18.1 million during 2007.
- During 2007, the City issued \$18.8 million general obligation bonds for multiple major infrastructure improvements plus \$1.1 million special assessment revenue bonds for North Allen Road intersection improvements.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City of Peoria's basic financial statements. The City of Peoria's basic financial statements are comprised of four primary components: 1) government-wide financial statements 2) fund financial statements 3) notes to the financial statements 4) required supplemental information.

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the City of Peoria's finances, in a manner similar to a private-sector business. The government-wide financial statements can be found on pages 16 -19 of this report.

The *Statement of Net Assets* presents information on all of the City's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City of Peoria is improving or deteriorating.

The *Statement of Activities* presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in future fiscal periods' cash flows(e.g.uncollected taxes, unused accrued vacation leave).

Under GASB 34 reporting requirements, government-wide financial statements distinguish functions of a governmental entity principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The primary governmental activities of the City include general government, public safety, public works and community development. The City of Peoria has no business-type activities.

The government-wide financial statements include not only the City of Peoria (classified as the *primary government*), but also the legally separate Peoria Civic Center Authority and Springdale Cemetery Management Authority for which the City of Peoria is financially accountable. Financial information for these *discretely presented component units* is reported in separate government-wide statement columns from financial data presented for the primary government. Audited, separately issued financial statements are available for all types of component units.

Blended component units, although legally separate entities, are considered part of the City's operations and consequently combined with data of the primary government for government-wide statements presentation. The Designated Zone Organization (DZO) and Foreign Fire Insurance Board are classified as blended component units in the government-wide statements.

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

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Peoria, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The City of Peoria's primary government funds can be categorized as governmental funds.

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike government-wide financial statements, governmental fund financial statements focus on the *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate comparison between *governmental funds* & *governmental activities*.

The City of Peoria has presented thirty-four (34) 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 and Fire Pension Levy Fund and 2007(A) General Obligation Bond Project Fund, all of which are considered to be major funds. The Workforce Development Fund is presented separately as a major fund because this entity is administered by an independent governing board. The remaining governmental funds are combined into a single, aggregated presentation. Individual fund data for each non-major governmental fund is provided in the form of *combining statements* elsewhere in this report. Basic governmental fund financial statements can be found on pages 20 - 28 of this report.

Proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among an entity's various functions. The City has no proprietary funds.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the City of Peoria's own programs. The accounting used for fiduciary funds is similar to accounting for proprietary funds. The Police Pension Trust Fund, Firemen's Pension Trust Fund, Other Post-Employment Benefits Agency Fund and Section 125 Agency Fund, all classified as fiduciary funds, are reported separately from the City's government-wide statements in pages 29 – 30 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 31 – 76 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplemental information concerning the City of Peoria's budgetary comparison schedules for major funds and progress in funding its obligation to provide pension benefits to its employees. Required supplemental information regarding budgetary comparisons and pension funding can be found in pages 77 - 83 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 84 – 156 of this report.

Infrastructure Assets

Per GASB Statement 34 requirements, the City: a) initially reported depreciation expense, accumulated depreciation and infrastructure additions/deletions for the fiscal year ending December 31, 2002 b) included retroactive infrastructure reporting for fiscal years 1980-2001 in annual financial statements commencing with the fiscal year ending December 31, 2006.

Historically, a government's largest group of assets (infrastructure – roads, bridges, traffic signals, street lights, sewers, sidewalks, etc.) has not been reported or depreciated in governmental financial statements. The current GASB 34 standard requires that these assets be valued and reported within the governmental column of the government-wide statements.

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

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

The City currently depreciates capital assets.

Government-Wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. The City primary government's assets exceeded liabilities by \$115.4 million at December 31, 2007. *Restricted net assets* represent resources that are subject to external usage restrictions. The City's (\$132.0) million deficit balance for *unrestricted net assets* represents additional future resources required to fulfill municipal government's obligations to citizens and creditors.

A significant portion of the City's total assets (57.0%) are comprised of capital assets (e.g., land, buildings, equipment and infrastructure). The City of Peoria uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City's investment in its capital assets is reported net of related debt in the Net Assets section below, it should be noted that resources to repay the debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

A summary of the City's Net Assets at December 31, 2007 is presented on the next page.

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

	Governmental Activities 2007	Governmental Activities 2006
Current & Other Assets	\$155.6	\$156.0
Capital Assets	\$206.3	\$188.7
Total Assets	\$361.9	\$344.7
Long-Term Liabilities	\$194.6	\$176.8
Other Liabilities	\$51.9	\$52.3
Total Liabilities	\$246.5	\$229.1
Net Assets:	\$115.4	\$115.6
Invested in Capital Assets, net of related debt	\$185.5	\$171.7
Restricted	\$61.9	\$68.4
Unrestricted	(\$132.0)	(\$124.5)
Total Net assets	\$115.4	\$115.6

Normal Impact Factors: Net Assets

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

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

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

Spending Borrowed Proceeds on New Capital – which will reduce current assets and increase capital assets. There is a second impact, an increase in capital assets and an increase in related net debt which will not change the invested in capital assets, net of debt.

Spending of Non-borrowed Current Assets on New Capital – which will (a) reduce current assets and increase capital assets and (b) will reduce unrestricted net assets and increase invested in capital assets, net of debt.

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

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

Governmental Activities. Significant administrative decisions and major economic fluctuations impacted the City of Peoria's 2007 governmental activities. Highlights included:

- \$8.2 million of 2005(A) General Obligation Bond proceeds were spent during 2007 to finance major, multi-year Peoria Civic Center expansion improvements. These significant Civic Center costs constituted 30.7% of \$26.7 million total 2007 Community Development expenses. This \$8.2 million City expense was not recorded as a capital asset by the City, however. The Peoria Civic Center recorded these expansion improvements as capital assets.
- \$2.3 million increase in total local tax revenues, including property tax, hotel/restaurant/amusement taxes, home rule sales tax, utility taxes, local motor fuel tax, gambling boat proceeds, off-track betting proceeds and franchise fees.
- \$2.6 million increase in total combined state-shared tax revenues including state sales tax, state use tax, state income tax, corporate personal property replacement tax, motor fuel tax allotment, auto lease/rental tax and library per capita allotment.
- \$46.0 million combined total state-shared revenues constituted 26.6% of total 2007 revenues for governmental activities.
- \$75.5 million combined total Police, Fire and Public Safety (Emergency Communications Center, Inspections and Animal Shelter) expenses represented 43.5% of total 2007 governmental activities expenses.
- The City paid \$60.7 million gross wages to City employees during 2007 including \$1.2 million accrual adjustment increases plus the \$59.5 million payroll cash basis gross wages.
- In addition to gross wages, the City incurred \$35.8 million expenses for the net employer portion of employees' benefits costs, including pension plan contributions, healthcare costs, payroll taxes, life insurance costs, workers compensation disability claims, termination pay for accrued leave, unemployment compensation, non-payroll employee allowances and other post-employment benefits.
- \$3.8 million current expenses for future payments of other post-employment benefits, a new GASB 45 financial reporting requirement effective for the City in 2007, constituted 40.3% of the \$9.5 million total increase in the net employer portion of employees' benefits costs.
- \$4.4 million total investment interest income represented a \$0.7 million decrease primarily attributable to a significant decline in bank interest rates during October – December 2007.

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

	Governmental Activities 2007	Governmental Activities 2006
Revenues:		
Program Revenues:		
Charge For Services	\$23.6	\$20.9
Operating Grants & Contributions	\$9.2	\$11.2
Capital Grants & Contributions	\$9.6	\$2.1
General Revenues:		
Property Taxes	\$27.5	\$26.3
Hotel, Restaurant & Amusement Taxes	\$8.1	\$7.4
Other Taxes & Fees	\$81.7	\$78.3
Unrestricted Grants & Contributions	\$3.5	\$4.8
Other Revenues	\$10.0	\$9.5
Total Revenues	\$173.2	\$160.5
Expenses:		
Elected Officials	\$2.2	\$1.9
City Administration	\$7.8	\$7.0
Police	\$37.1	\$30.5
Fire	\$27.8	\$24.4
Public Works	\$27.9	\$27.8
Community Development	\$26.9	\$49.6
Library	\$7.9	\$6.8
Public Safety (excluding Police & Fire)	\$10.5	\$8.4
General Government	\$17.6	\$16.0
Other Expenses	\$7.7	\$8.0
Total Expenses	\$173.4	\$180.4
Increase (Decrease) in Net Assets	(\$0.2)	(\$19.9)
Beginning Net Assets 1/1	\$115.6	\$135.5
Ending Net Assets 12/31	\$115.4	\$115.6

Normal Impacts: Changes in Net Assets

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

Revenues:

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

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

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

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

Expenses:

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

Increase in Authorized Personnel – changes in service demand may cause the Council to increase/decrease authorized staffing. Staffing costs (gross wages plus net employer-paid benefits) represent 67% of the City's operating cost.

Salary Increases (cost of living, merit and market adjustment) – the ability to attract and retain human and intellectual resources requires the City to strive to approach a competitive salary range position in the marketplace.

Inflation – while overall inflation appears to be reasonably modest, the City is a major consumer of certain commodities such as chemicals and supplies, fuels and parts. Some functions may experience unusual commodity specific increases.

Financial Analysis of the Government's Funds

As noted earlier, the City of Peoria uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The focus of the City of Peoria's governmental funds is to provide information on near-term inflows, outflows, and balance of spendable resources. Such information is useful in assessing the City's financial requirements. In particular, undesignated fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City of Peoria's governmental funds reported combined ending fund balances of \$90.0 million. Approximately \$22.8 million constitutes undesignated fund balance available for discretionary spending. The remainder of fund balance is reserved or designated and consequently unavailable for new spending because it has already been committed to: 1) liquidate contracts and purchase orders of prior period 2) pay debt 3) provide for general liability & health insurance 4) provide for other restricted or other designated purposes.

The General Fund is the chief operating fund of the City of Peoria. At the end of the current fiscal year, the undesignated General Fund balance was \$9.7 million while total fund balance reached \$30.2 million. As a measure of the general fund liquidity, it may be useful to compare both undesignated fund balance and total fund balance to total fund expenditures (e.g. 12/31/07 total fund balance in the General Fund represented 30.6% of 2007 general fund expenditures).

The City's total General Fund balance increased \$0.9 million during 2007. Key reasons were:

- The City's 2007 state-shared revenues increases included:
 - a) State of Illinois income tax allocation increased \$0.9 million.
 - b) State of Illinois personal property replacement tax revenues increased \$1.3 million.
- \$1.9 million increase in healthcare benefits expenses due to rising medical claims and prescription drugs costs, substantially offsetting the preceding revenue increases, occurred despite the City's implementation of significant healthcare plan design changes in 2007.

The City's combined Capital Improvements (Capital/Local Motor Fuel Tax/Riverfront) Fund balance decreased \$1.3 million in 2007. This fund balance decrease was primarily due to:

- \$ 0.9 million decrease in revenues from governmental grants and reimbursements.

The City's employer portion of employees' pension benefits costs increased \$0.7 million in 2007 primarily due to:

- \$0.4 million increase in police pension fund contributions.

For payment of future debt service, the City currently maintains \$3.4 million combined fund balances in all bond debt service funds, plus \$13.7 million combined reserved fund balances for debt service in other governmental funds.

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

General Fund Budgetary Highlights

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

During 2007, the \$1.3 million final budget estimated revenues increase over original budget estimated revenues, primarily comprised of budget amendments for the state income tax allocation, governmental grants/reimbursements and fees/service charges, constituted 1.2 % of the total original budget estimated revenues.

The corresponding \$3.0 million final budget increase to original budget appropriations, including increases in Workforce Development's grant spending, workers compensation medical claims, health insurance medical claims and police overtime pay accounts, constituted 3.1% of original budget appropriations.

Other General Fund budgetary highlights included:

- \$7.4 million increase in total final budget estimated revenues in comparison with prior year.
- \$6.5 million increase in total final budget appropriations in comparison with the prior year.

Management's
Discussion
and
Analysis
Continues
On
Next
Page

Capital Asset and Debt Administration

Capital assets. As of December 31, 2007, the City maintained \$206.3 million in capital assets (net of depreciation) representing a 9.3% 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:

- \$13.7 million capital assets additions for infrastructure improvements completed in 2007.
- \$5.6 million work in progress additions for infrastructure improvements to be completed in future years.
- \$1.0 million sale of vacant City property to Cullinan I Medical for major, privately funded construction of a long-term acute healthcare center.

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

	Governmental Activities 2007	Governmental Activities 2006
Land & Land Improvements	\$15.5	\$15.3
Buildings	43.2	44.1
Vehicles & Equipment	4.7	4.8
Library Media	2.6	2.4
Infrastructure	134.0	120.1
Construction in Progress	6.3	2.0
Total	<u>\$206.3</u>	<u>\$188.7</u>

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

Long-term debt. The City of Peoria owed total bonded debt of \$172.1 million at December 31, 2007; \$160.3 million of the preceding total comprised debt backed by the full faith and credit of the government and \$7.5 million comprised revenue bonds secured by specific revenues. The remaining \$4.3 million comprised special service area debt for which the government is liable in the event of default by the property owners subject to the assessment.

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

The City received a Standard & Poor’s upgrade from “AA” to “AA+” rating during 2006 for the previously issued 2004(A) Downtown Parking Revenue Refunding Bonds.

The City issued the \$18.8 million 2007(A) General Obligation Bonds for major infrastructure improvements, including streets, sewer rehabilitation, sidewalks and street lights.

The City’s \$1.1 million 2007-A Special Assessment Bonds for improvements to a major road intersection, classified as private placement bonds, were issued as “unrated.”

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)**

	2007	2006
General Obligation Bonds	\$160.3	\$151.3
Special Service Area Bonds	4.3	4.6
Revenue Bonds	7.5	6.9
 Total	<u>\$172.1</u>	<u>\$162.8</u>

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

Economic Conditions and Next Year's Budgets

The City administration continues to grapple with balancing services with limited resources. The City Council approved the 2008 City budget with provisions for prioritizing essential services, increasing public safety services and increasing service efficiency. In order to efficiently and effectively reduce 2008 service delivery costs, City officials have implemented the "Six Sigma" management approach to solving problems, featuring a disciplined and structured methodology. City officials continued to utilize a five-year operating budget forecasting model and a corresponding ten-year capital budget program.

The City will contribute \$2.0 million toward 2008 construction of a state-of-the art cancer research center administered by the University of Illinois College of Medicine. In addition, the City will complete construction of a \$4.0 million parking deck in 2008 to serve the adjoining University of Illinois College of Medicine Physicians Center (also under construction).

Actuarial consultants continued to coordinate with City officials and the Labor/Management Healthcare Committee to assess the financial impact of annual GASB 45 Other Post-Employment Benefits (OPEB) costs to provide healthcare for future retirees. The City commenced OPEB financial reporting in 2007 in compliance with GASB 45 requirements. In addition, the City anticipates establishment of a GASB 43 trust during 2008 for funding the OPEB annual required contribution liability.

In 2007, the City replaced the 2006 health insurance plan with three new health insurance plans, including a modified version of the 2006 health plan, an HMO plan and a high deductible health plan. The City anticipates the full benefit of these significant healthcare plan design changes in 2008 and future years.

The City's next water utility purchase option will be during 2008 with a similar purchase option every 5 years thereafter.

Contacting the City's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers and investors with a general overview of the City's finances and to demonstrate the City's accountability for the money it receives. If you have questions about this report or need additional financial information, please contact: Finance Department, City of Peoria, 419 Fulton Street, Peoria, Illinois 61602.

City of Peoria, Illinois

Statement of Net Assets
December 31, 2007

	Total Primary Government - Governmental Activities	Component Units	
		Peoria Civic Center Authority	Springdale Cemetery Management Authority
Assets			
Current assets:			
Cash and cash equivalents	\$ 38,548,057	\$ 2,602,835	\$ 316,952
Restricted cash and cash equivalents	-	274,174	250,864
Cash with trustee	4,935,738	-	-
Investments	44,517,901	1,266,087	-
Taxes receivable:			
Property taxes	28,667,600	-	-
Corporate personal property replacement taxes	1,101,846	-	-
State sales and income taxes	8,103,044	-	-
Home rule sales taxes	6,553,262	-	-
Hotel, restaurant and amusement taxes	803,628	-	-
Utility taxes	1,850,121	-	-
Local motor fuel taxes	122,400	-	-
Governmental grants and reimbursements receivable	836,032	-	-
Riverboat gaming revenue receivable	664,015	-	-
Loans receivable, net	377,381	-	-
Pledges receivable	28,333	-	-
Other receivables, net	1,668,325	2,252,369	313,308
Accrued interest receivable, net	547,216	9,978	-
Special assessments receivable	58,038	-	-
Inventory, prepaid items and other	518,441	168,023	101,204
Total current assets	139,901,378	6,573,466	982,328
Noncurrent assets:			
Loans receivable, net	1,214,595	-	-
Other receivable	-	371,830	16,046
Special assessments receivable	552,107	-	-
Unamortized bond issue costs	1,882,361	-	-
Net pension assets	12,061,476	-	-
Capital assets:			
Not depreciated:			
Land	10,171,460	10,247,918	-
Construction-in-progress	6,304,020	2,029,259	11,396
Depreciated:			
Infrastructure	252,326,576	-	-
Buildings and land improvements	80,155,516	146,247,886	1,135,574
Major equipment and vehicles	23,279,444	9,279,113	349,007
Media assets	28,853,623	-	-
Software	-	-	100,971
Accumulated depreciation	(194,781,941)	(62,621,410)	(347,854)
Total capital assets	206,308,698	105,182,766	1,249,094
Total noncurrent assets	222,019,237	105,554,596	1,265,140
Total assets	\$ 361,920,615	\$ 112,128,062	\$ 2,247,468

See Notes to Basic Financial Statements.

Liabilities and Net Assets	Total Primary Government - Governmental Activities	Component Units	
		Peoria Civic Center Authority	Springdale Cemetery Management Authority
Current liabilities:			
Accounts payable	\$ 10,130,120	\$ 1,724,005	\$ 23,988
Accrued payroll	3,920,455	-	-
Accrued interest	576,747	-	-
Employer contribution payable	2,615,623	-	-
Other payables	218,409	222,515	2,614
Advance ticket sales	-	1,192,286	-
Estimated payable for claims and losses incurred but not reported	462,170	-	-
Unearned revenue, property taxes	28,667,600	-	-
Unearned revenue, other	3,311,836	956,532	192,887
Tax rebates payable	4,590	-	-
Accrued compensated absences	553,300	-	-
Bonds and loans payable, current portion	1,456,977	757,395	-
Other long-term obligations, current portion	54,389	-	-
Total current liabilities	51,972,216	4,852,733	219,489
Long-term liabilities:			
Accrued compensation absences	8,374,339	-	-
Bonds and loans payable, noncurrent	173,623,855	1,554,560	-
Other long-term obligations, noncurrent	1,140,159	-	-
Unamortized bond premium	3,474,716	-	-
Deferred amount on bonds refunded	(1,059,079)	-	-
Net other post employment benefits obligation	5,079,585	-	-
Workers compensation claims payable	2,351,221	-	-
General liability claims payable	1,604,544	-	-
Deferred revenue and deposits	-	1,665,713	-
Asset held for Tourism Reserve Fund, payable from restricted assets	-	274,174	-
Total long-term liabilities	194,589,340	3,494,447	-
Total liabilities	246,561,556	8,347,180	219,489
Net assets:			
Investment in capital assets, net of related debt	185,488,430	102,870,811	1,249,094
Restricted for:			
Law enforcement	639,547	-	-
Animal shelter trust	159,810	-	-
Future road projects	7,543,478	-	-
Debt service	3,362,451	-	-
Peoria Public Library	2,744,540	-	-
Revolving loan fund	60,493	-	-
Riverfront development	46,667	-	-
Employees' pension benefits	12,158,030	-	-
Capital projects	35,208,877	-	-
Cemetery	-	-	263,075
Unrestricted	(132,053,264)	910,071	515,810
Total net assets	115,359,059	103,780,882	2,027,979
Total liabilities and net assets	\$ 361,920,615	\$ 112,128,062	\$ 2,247,468

City of Peoria, Illinois

Statement of Activities
Year Ended December 31, 2007

Functions/Programs:	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental activities:				
Elective offices, boards, commissions and agencies	\$ (2,184,194)	\$ -	\$ -	\$ -
City administration	(7,828,057)	-	-	-
Police	(37,110,409)	883,111	1,095,196	-
Fire	(27,816,247)	520,862	191,955	-
Public works	(27,924,254)	5,522,356	-	-
Community development	(26,926,080)	-	7,844,074	13,333
Public safety	(10,534,455)	4,177,942	-	-
General government	(17,584,981)	12,348,131	(12,121)	9,391,351
Library	(7,874,572)	122,818	104,065	151,184
Interest on long-term debt	(7,698,934)	-	-	-
Total primary government	\$ (173,482,183)	\$ 23,575,220	\$ 9,223,169	\$ 9,555,868
Component Units				
Peoria Civic Center Authority	\$ (26,350,861)	\$ 21,194,713	\$ -	\$ 21,047,893
Springdale Cemetery Management Authority	(870,998)	392,771	382,267	49,200
Total component units	\$ (27,221,859)	\$ 21,587,484	\$ 382,267	\$ 21,097,093

General Revenues

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

See Notes to Basic Financial Statements.

Net (Expense) Revenue and Changes in Net Assets			
Total Primary	Component Units		
Governmental Activities	Peoria Civic Center Authority	Springdale Cemetery Management Authority	
\$ (2,184,194)	\$ -	\$ -	
(7,828,057)	-	-	
(35,132,102)	-	-	
(27,103,430)	-	-	
(22,401,898)	-	-	
(19,068,673)	-	-	
(6,356,513)	-	-	
4,142,380	-	-	
(7,496,505)	-	-	
(7,698,934)	-	-	
(131,127,926)			
-	15,891,745	-	
-	-	(46,760)	
-	15,891,745	(46,760)	
27,481,171	-	-	
8,306,487	-	-	
23,514,047	-	-	
10,545,996	-	-	
23,199,949	-	-	
8,120,176	-	-	
893,078	-	-	
4,005,969	-	-	
8,795,630	-	-	
3,508,181	-	-	
-	1,963,049	-	
4,363,118	196,799	21,880	
2,189,184	-	-	
5,916,355	-	1,999	
130,839,341	2,159,848	23,879	
(288,585)	18,051,593	(22,881)	
115,647,644	85,729,289	2,050,860	
\$ 115,359,059	\$ 103,780,882	\$ 2,027,979	

City of Peoria, Illinois

Balance Sheet
 Governmental Funds
 December 31, 2007

Assets	General Fund	Peoria Public Library Fund
Cash and cash equivalents	\$ 481,515	\$ 3,010,234
Cash with trustee	-	-
Investments	22,890,460	-
Property taxes receivable	6,230,800	6,177,100
Corporate personal property replacement taxes	1,101,846	-
State sales and income taxes receivable	8,042,151	-
Home rule sales taxes	6,553,262	-
Hotel, restaurant and amusement taxes	803,628	-
Utility taxes	1,850,121	-
Local motor fuel taxes receivable	-	-
Governmental grants and reimbursements receivable	56,266	-
Riverboat gaming revenue receivable	-	-
Loans receivable, net	-	-
Pledges receivable	-	-
Other receivables, net	1,009,092	-
Accrued interest receivable, net	376,996	-
Special assessments receivable	-	-
Due from other funds	3,786	-
Inventory and prepaid items	478,626	-
Total assets	\$ 49,878,549	\$ 9,187,334

See Notes to Basic Financial Statements.

		2007A					
Workforce	Police and Fire	Capital	General Obligation	Other	Total		
Development Fund	Pension Levy Fund	Improvements Fund	Bond Project Fund	Governmental Funds	Governmental Funds		
\$ 141,312	\$ -	\$ 2,400,408	\$ 18,675,276	\$ 13,839,312	\$ 38,548,057		
-	-	-	-	4,935,738	4,935,738		
192,568	-	13,156,899	-	8,277,974	44,517,901		
-	6,414,000	62,500	-	9,783,200	28,667,600		
-	-	-	-	-	1,101,846		
-	-	-	-	60,893	8,103,044		
-	-	-	-	-	6,553,262		
-	-	-	-	-	803,628		
-	-	-	-	-	1,850,121		
-	-	122,400	-	-	122,400		
343,160	-	161,922	-	274,684	836,032		
-	-	664,015	-	-	664,015		
-	-	1,246,372	-	345,604	1,591,976		
-	-	-	-	28,333	28,333		
295,366	-	333,497	-	30,370	1,668,325		
-	-	70,449	-	99,771	547,216		
-	-	58,038	-	-	58,038		
-	-	5,049,653	-	112,837	5,166,276		
39,815	-	-	-	-	518,441		
<u>\$ 1,012,221</u>	<u>\$ 6,414,000</u>	<u>\$ 23,326,153</u>	<u>\$ 18,675,276</u>	<u>\$ 37,788,716</u>	<u>\$ 146,282,249</u>		

City of Peoria, Illinois

Balance Sheet
 Governmental Funds
 December 31, 2007

Liabilities and Fund Balance	General Fund	Peoria Public Library Fund
Liabilities:		
Accounts payable	\$ 3,832,134	\$ 128,420
Accrued payroll	3,721,861	83,386
Estimated payable for claims and losses incurred but not reported	462,170	-
Employer contribution payable	2,615,623	-
Due to other funds	49,962	-
Unearned revenue, property taxes	6,230,800	6,177,100
Deferred and unearned revenue, other	2,507,688	34,661
Bonds payable	-	-
Tax rebates payable	4,591	-
Other payables	249,438	-
Total liabilities	19,674,267	6,423,567
Fund balance:		
Reserved for:		
Encumbrances	433,835	-
Law enforcement	625,460	-
Animal shelter trust	-	-
Future road projects	-	-
Debt service	6,430,909	-
Working cash, library	-	1,000,279
Endowment activity, library	-	453,662
Revolving loan fund	-	-
Riverfront development	-	-
Employees' pension benefits	-	-
Parking deck construction	-	-
Inventory and prepaid items	478,626	-
Unreserved:		
Designated, reported in:		
General Fund	12,570,433	-
Special revenue funds	-	1,309,826
Capital projects funds	-	-
Undesignated, reported in:		
General Fund	9,665,019	-
Special revenue funds	-	-
Capital projects funds	-	-
Total fund balance	30,204,282	2,763,767
Total liabilities and fund balance	\$ 49,878,549	\$ 9,187,334

		2007A					
Workforce	Police and Fire	Capital	General Obligation	Other	Total		
Development Fund	Pension Levy Fund	Improvements Fund	Bond Project Fund	Governmental Funds	Governmental Funds		
\$ 444,320	\$ -	\$ 1,191,343	\$ 35,692	\$ 4,498,211	\$ 10,130,120		
49,173	-	25,449	3,350	37,236	3,920,455		
-	-	-	-	-	462,170		
-	-	-	-	-	2,615,623		
-	-	93,963	5,017,094	5,257	5,166,276		
-	6,414,000	62,500	-	9,783,200	28,667,600		
-	-	1,643,957	-	864,409	5,050,715		
-	-	6,000	-	-	6,000		
-	-	-	-	-	4,591		
-	-	-	-	-	249,438		
493,493	6,414,000	3,023,212	5,056,136	15,188,313	56,272,988		
-	-	5,498,631	88,474	1,534,759	7,555,699		
-	-	14,087	-	-	639,547		
-	-	159,810	-	-	159,810		
-	-	-	-	6,923,821	6,923,821		
-	-	5,264,673	-	5,360,289	17,055,871		
-	-	-	-	-	1,000,279		
-	-	-	-	-	453,662		
-	-	60,493	-	-	60,493		
-	-	-	-	46,667	46,667		
-	-	-	-	96,554	96,554		
-	-	-	-	1,365,145	1,365,145		
39,815	-	-	-	-	518,441		
-	-	-	-	-	12,570,433		
192,568	-	-	-	-	1,502,394		
-	-	-	13,530,666	3,682,507	17,213,173		
-	-	-	-	-	9,665,019		
286,345	-	-	-	1,381,107	1,667,452		
-	-	9,305,247	-	2,209,554	11,514,801		
518,728	-	20,302,941	13,619,140	22,600,403	90,009,261		
\$ 1,012,221	\$ 6,414,000	\$ 23,326,153	\$ 18,675,276	\$ 37,788,716	\$ 146,282,249		

City of Peoria, Illinois

Reconciliation of Total Governmental Fund Balances to Net Assets of Governmental Activities
December 31, 2007

Total governmental fund balances	\$ 90,009,261
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.	206,308,699
Receivables are deferred in the funds if they are not available for use in the current period.	1,738,879
Special assessments receivable are not available to pay current period expenditures and, therefore, are not recognized in the funds.	552,107
Net pension asset (obligation) is not recorded in the funds.	12,061,476
Long-term liabilities, are not due and payable in the current period and, therefore, are not reported in the funds:	
Bond issuance costs are reported as expenditures in the funds.	1,882,361
Bond premiums are reported as other financing sources in the funds.	(3,474,716)
Deferred amounts on refunding are not recorded in the funds.	1,059,079
Interest payable on debt is not reported in the funds if payments are due subsequent to reporting date.	(576,747)
Other post employment benefits obligation	(5,079,585)
Workers compensation claims payable	(2,351,221)
General liability claims payable	(1,604,544)
Accrued compensated absences	(8,927,639)
Accrued compensated absences included in accounts payable in the Governmental funds	31,029
Bonds and loans payable	(175,074,832)
Other long-term obligations	(1,194,548)
Net assets of governmental activities	\$ 115,359,059

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, 2007**

	General Fund	Peoria Public Library Fund
Revenues:		
Property taxes	\$ 5,985,739	\$ 5,800,142
Corporate personal property replacement taxes	5,681,321	418,067
State sales taxes	23,053,021	-
State income tax allocation	10,545,996	-
Home rule sales taxes	23,199,949	-
Hotel, restaurant and amusement taxes	8,120,176	-
Local motor fuel taxes	-	-
Riverboat gaming revenue	-	-
Utility taxes	8,795,630	-
Governmental grants and reimbursements	439,290	180,840
Licenses and permits	3,373,998	-
Service charges/finest/fees	17,904,543	122,818
Special assessments	-	-
Contributions	-	-
Loan repayment	-	-
Rental	33,488	-
Interest	1,502,513	109,830
Other	2,961,164	148,831
Total revenues	111,596,828	6,780,528
Expenditures:		
Current:		
Elective offices, boards, commissions and agencies	1,690,508	-
City administration	6,313,393	-
Police	29,697,408	-
Fire	20,413,678	-
Public works	20,749,588	-
Community development	6,493,139	-
Public safety	7,342,636	-
General government	5,170,469	-
Library	888,532	4,984,080
Capital outlay	-	657,008
Debt service:		
Principal	-	-
Interest	-	-
Total expenditures	98,759,351	5,641,088
Excess (deficiency) of revenues over expenditures	12,837,477	1,139,440
Other financing sources (uses):		
Issuance of bonds	-	-
Proceeds from sale of capital assets	139,297	-
Bond premium	-	-
Transfers in	314,223	-
Transfers out	(12,363,498)	(683,522)
Total other financing sources (uses)	(11,909,978)	(683,522)
Net change in fund balances	927,499	455,918
Fund balances, beginning of year	29,276,783	2,307,849
Fund balances, end of year	\$ 30,204,282	\$ 2,763,767

See Notes to Basic Financial Statements.

						2007A	
Workforce Development Fund	Police and Fire Pension Levy Fund	Capital Improvements Fund	General Obligation Bond Project Fund	Other Governmental Funds	Total Governmental Funds		
\$ -	\$ 6,357,053	\$ 60,818	\$ -	\$ 9,277,420	\$ 27,481,172		
-	1,232,678	-	-	974,421	8,306,487		
-	-	-	-	461,025	23,514,046		
-	-	-	-	-	10,545,996		
-	-	-	-	-	23,199,949		
-	-	-	-	-	8,120,176		
-	-	893,078	-	-	893,078		
-	-	4,005,969	-	-	4,005,969		
-	-	-	-	-	8,795,630		
4,830,488	-	1,109,423	-	7,379,342	13,939,383		
-	-	4,866	-	-	3,378,864		
-	-	3,854,081	-	504,097	22,385,539		
-	-	272,989	-	-	272,989		
-	-	-	-	437,795	437,795		
-	-	276,989	-	104,892	381,881		
-	-	40,550	-	-	74,038		
-	17,458	965,303	124,771	1,630,758	4,350,633		
254,538	-	487,439	-	94,679	3,946,651		
5,085,026	7,607,189	11,971,505	124,771	20,864,429	164,030,276		
-	-	175,287	-	200,030	2,065,825		
-	-	300,687	-	859,872	7,473,952		
-	3,308,933	729,647	-	1,081,531	34,817,519		
-	4,298,256	173,322	-	325,428	25,210,684		
-	-	1,108,595	3,241	4,850,996	26,712,420		
4,747,269	-	644,594	-	11,502,348	23,387,350		
-	-	150,434	-	1,569,038	9,062,108		
-	-	2,872,343	296,691	1,131,141	9,470,644		
-	-	-	-	677,349	6,549,961		
-	-	9,527,123	5,052,896	8,118,219	23,355,246		
-	-	52,499	-	11,016,440	11,068,939		
-	-	37,673	-	7,512,480	7,550,153		
4,747,269	7,607,189	15,772,204	5,352,828	48,844,872	186,724,801		
337,757	-	(3,800,699)	(5,228,057)	(27,980,443)	(22,694,525)		
-	-	-	18,800,000	1,105,000	19,905,000		
-	-	1,331,661	-	5,000	1,475,958		
-	-	-	47,197	-	47,197		
-	-	6,450,646	-	18,590,174	25,355,043		
-	-	(5,305,825)	-	(7,002,198)	(25,355,043)		
-	-	2,476,482	18,847,197	12,697,976	21,428,155		
337,757	-	(1,324,217)	13,619,140	(15,282,467)	(1,266,370)		
180,971	-	21,627,158	-	37,882,870	91,275,631		
\$ 518,728	\$ -	\$ 20,302,941	\$ 13,619,140	\$ 22,600,403	\$ 90,009,261		

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, 2007**

Net change in fund balances, governmental funds		\$ (1,266,370)
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period:		
Capital outlay	23,355,245	
Depreciation expense	(12,893,662)	
Donated infrastructure assets	<u>7,995,300</u>	18,456,883
The net effect of various miscellaneous transactions involving capital assets is to decrease net assets:		
Proceeds from sale of capital assets	(1,475,958)	
Net gain on sale of capital assets	<u>588,235</u>	(887,723)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds,		
Grants		118,836
Loans made are considered expenditures in the governmental funds. Portions of receivables are not considered current financial resources and, therefore, portions of payments are recognized as revenues for the governmental funds. The net effect of these transactions is as follows:		
Loans receivable repaid	(381,880)	
New loans receivable	542,610	
Increase in interest income for accrued interest	12,485	
Net change in long-term special assessment receivable	96,903	
Bad debt expense	<u>(38,028)</u>	232,090
Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items:		
Debt issued or incurred:		
Issuance of general obligation and revenue bonds	(19,905,000)	
Premium on issued bonds	(47,197)	
Less bond issuance costs	360,297	
Principal repayments:		
General obligation and revenue bonds	10,365,000	
Other debt	703,939	
Increase in compensated absences	(389,592)	
Accrued compensated absences included in accounts payable in the Governmental funds	31,029	
Decrease in landfill, postclosure costs	<u>202,494</u>	(8,679,030)

(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, 2007**

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

Increase in other post employment benefits obligation	(5,079,585)	
Increase in workers compensation payable	(2,351,221)	
Increase in general liability payable	(1,604,544)	
Amortization of bond issue costs	(145,564)	
Increase in accrued interest payable	(409,933)	
Amortization of bond premium	261,151	
Amortization of deferred amount on refunding	(201,947)	(9,531,643)

Increase in net pension assets are not reported in governmental funds

1,268,372

Change in net assets of governmental activities

\$ (288,585)

See Notes to Basic Financial Statements.

City of Peoria, Illinois

Statement of Fiduciary Net Assets
 Fiduciary Funds
 December 31, 2007

	Pension Trust	Agency
Assets		
Cash and short-term investments	\$ 6,001,127	\$ 91,031
Receivables:		
Employer contributions	7,659,951	2,615,623
Plan members' contributions	86,740	-
Accrued interest and dividends	940,783	-
	<u>8,687,474</u>	<u>2,615,623</u>
Investments, at fair value:		
U.S. government obligations	93,980,835	-
Municipal obligations	4,450,600	-
Illinois Public Treasurer's Investment Pool	6,260,446	-
Mutual funds	55,127,690	-
Corporate bonds	3,663,306	-
Stocks	24,826,877	-
Equity investments	48,394,422	-
	<u>236,704,176</u>	<u>-</u>
Total assets	<u>251,392,777</u>	<u>2,706,654</u>
Liabilities		
Accounts payable and accrued payroll	462,873	-
Due to individuals	-	2,706,654
Total liabilities	<u>462,873</u>	<u>2,706,654</u>
Net assets held in trust for pension benefit obligation	<u>\$ 250,929,904</u>	<u>\$ -</u>

See Notes to Basic Financial Statements.

City of Peoria, Illinois

Statement of Changes in Fiduciary Net Assets
Pension Trust Funds
For the Year Ended December 31, 2007

Additions

Contributions:

Plan members' contributions	\$ 2,736,388
Employer contributions	8,265,411
Transfer of creditable service	32,389
Other income	155,574
Total contributions	<u>11,189,762</u>

Investment income:

Net realized and unrealized gains on investments	13,979,882
Dividends	2,538,254
Interest	4,987,295
Total investment income	<u>21,505,431</u>
Less investment expenses	972,162
Net investment income	<u>20,533,269</u>

Total additions 31,723,031

Deductions

Benefits paid	16,562,167
Administrative expenses	268,732
Refunds	58,614
Total deductions	<u>16,889,513</u>

Net increase 14,833,518

Net assets held in trust for pension benefits

Beginning of year	236,096,386
End of year	<u>\$ 250,929,904</u>

See Notes to Basic Financial Statements.

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City of Peoria, Illinois

Notes to Basic Financial Statements

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

Financial reporting entity:

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

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

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

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

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

Blended component units:

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

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

City of Peoria, Illinois

Notes to Basic Financial Statements

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

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

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

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

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

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

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

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

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

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

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

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

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

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

City of Peoria, Illinois

Notes to Basic Financial Statements

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

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

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

Discretely presented component units:

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

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

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

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

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

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

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). Springdale is presented as a special purpose entity in its separately issued financial statements, and financial reporting for the Foundation is in accordance with Statement of Financial Accounting Standards No. 117, *Financial Statements of Not-for-Profit Organizations*. Springdale has been discretely presented.

Complete financial statements of Springdale may be obtained from the following address:

Springdale Cemetery Management Authority
3014 N. Prospect
Peoria, Illinois 61603

Other appointments: The Mayor and City Council make appointments of the governing boards of a number of special districts. Even though the City may appoint a majority of the members of the respective districts, the members do not serve at the discretion of the City Council; that is, they can be removed only for cause. There are no indications that the City Council can impose its will over these districts and, therefore, there is no financial accountability. These units are not considered component units of the City of Peoria, Illinois.

Government-wide and fund financial statements: The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its components units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The City, primary government, does not have any business-type activities. The primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

Notes to Basic Financial Statements

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

Measurement focus, basis of accounting and basis of presentation:

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied for budgetary purposes. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within approximately 90 days of the end of the current fiscal period, except for property taxes, which must be collected within 60 days to be considered available. Other taxes, charges for services, licenses and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

The accounts of the City are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts which comprise its assets, liabilities, fund balance, net assets, revenues and expenditures/expenses.

Governmental Funds are those through which governmental functions of the City are financed. The acquisition, use and balances of the City's expendable resources and the related liabilities are accounted for through governmental funds. The City reports the following major governmental funds:

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

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

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

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

City of Peoria, Illinois

Notes to Basic Financial Statements

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

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.

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

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

Special Revenue Funds: These funds are used to account for City activities which are primarily financed by special revenue sources such as governmental grants or general property taxes levied for specific purposes.

Debt Service Funds: These funds are used to account for principal and interest payments with respect to the general long-term debt of the City.

Capital Projects Funds: These funds are used to account for general construction or renovation projects being carried out by the City. Such projects are financed by proceeds from general obligation bonds, tax increment financing district property taxes, sales taxes, utility taxes, governmental grants and user charges.

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

Pension Trust Funds: The pension trust funds account for the assets of the City's Police and Firemen's pension plans. These funds are accounted for in essentially the same manner as proprietary funds, using the same measurement focus and basis of accounting.

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

Summary of significant accounting policies

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

Investments: Investments are stated at fair value, which is based on quoted market prices, except money market investments and participating interest-earning investment contracts that have a remaining maturity at the time of purchase of one year or less, which are reported at amortized cost. Certificates of deposit are stated at cost, which approximates fair value.

Receivables: All trade and property tax receivables are shown net of an allowance for uncollectible accounts.

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

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

Notes to Basic Financial Statements

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

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

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

Capital assets: Capital assets, which include property, plant, equipment, media, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the City's government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$25,000. The City utilized a capitalization threshold of \$5,000 prior to 2002, and there is no capitalization threshold for media (library) assets. Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair 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.

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

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

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

Long-term liabilities: In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net assets including discretely presented component units. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds. Bond issuance costs are reported as deferred charges and amortized over the term of the related 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)

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures.

Compensated absences - primary government: It is the City's policy to permit employees to accumulate earned but unused vacation and vested sick pay benefits. Sick pay benefits vest based on longevity of the employee. All vacation and sick pay benefits are accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Budgetary data - primary government: The City administration, between May and August of each year, begins preparation of the following year's budget. After internal review and analysis, a proposed budget is presented to the City Council. The City Council must conduct public hearings and adopt the budget and tax levy ordinance by December 31 of that year. The City's budget is prepared on the basis consistent with accounting principles generally accepted in the United States of America for the budgeted funds.

The legal level of control is the fund level. Transfers of budgeted line items within funds can be approved by the Comptroller. Budget increases by means of an emergency or supplemental appropriation require proceedings and approval of the City Council, in the same manner as the original budget. The original budget and the amended budget are both reflected in the fund financial statements.

All unencumbered appropriations lapse at year end.

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

Fund	Budget Deviation
Special Revenue Funds:	
Community Development Block Grant Fund	Budget is for the length of the project not the calendar year.
Home Investment Partnership Program Fund	Budget is for the length of the project not the calendar year.
Multi-County MEG Grant Fund	Budget is for the length of the grant not the calendar year.
Workforce Development Fund	Budget is for the length of the grant not the calendar year.
Peoria Foreign Fire Insurance Board	Formal budget is not adopted by this blended component unit.
Capital projects funds	Budgets adopted on a project-length budget.

Notes to Basic Financial Statements

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

Encumbrances - primary government: An encumbrance system is maintained in the governmental funds to account for commitments resulting from approved purchase orders and contracts. Encumbrances at year end do not constitute expenditures or liabilities. Encumbrances at year end for unfulfilled obligations of the current year's budget were not reappropriated in the succeeding year.

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

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

Net assets restricted by enabling legislation includes \$639,547 for law enforcement, \$7,543,478 for future road projects, \$2,744,540 for Peoria Public Library, \$12,158,030 for Employees Pension Benefits and \$35,208,877 for capital projects.

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

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

Note 2. Deposits and Investments

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

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

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

City of Peoria, Illinois

Notes to Basic Financial Statements

Note 2. Deposits and Investments (Continued)

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

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, 2007, \$143,817 of the City's bank balance of \$9,071,342 was exposed to custodial credit risk.

As of December 31, 2007, the carrying amount of the City's deposits (includes checking, savings, and money market accounts and certificate of deposits) was \$25,056,965 (excludes petty cash in the amount of \$11,941 which is included in the cash balance in the statement of net assets/balance sheet).

As of December 31, 2007, the City had the following investments and maturities:

	Fair Value	Investment Maturities (In Years) Less Than 1
Repurchase agreements	\$ 36,648,815	\$ 36,648,815
Illinois funds	26,375,006	26,375,006
	<u>\$ 63,023,821</u>	<u>\$ 63,023,821</u>

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

Custodial credit risk: For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. For the City's \$36,648,815 investment in repurchase agreements, the underlying securities are held by the investment's counterparty, not in the name of the City.

The Illinois Funds are State-approved, professionally managed investment funds which enable municipalities in Illinois to pool available funds for investment in various state-approved investments. The fair value of the City's position in the pool is the same as the value of the pool shares.

Concentration risk: Concentration risk is the risk associated with having more than 5 percent of investments in any issuer, other than the U.S. Government. With the exception of U.S. Treasury securities and authorized pools, the City's policy requires that not more than 25 percent of the City's total investment portfolio be invested in a single security type or with a single financial institution. None of the City's investments were exposed to concentration of credit risk.

City of Peoria, Illinois

Notes to Basic Financial Statements

Note 2. Deposits and Investments (Continued)

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

- Financial institutions (banks with FDIC insurance) must maintain asset ratio of 3.0 or better with minimum assets of \$5,000,000, verified using the most recent quarterly results at time of purchase.
- Savings and loans (FSLIC insurance) must maintain a capital asset ratio of 5.0 or better with minimum net capital assets of \$5,000,000, verified using the most recent quarterly results at time of purchase.

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

Deposit or Investment Type	Credit Risk Quality Rating (S&P's)	Balance
Illinois Funds	AAAm	\$ 26,375,006

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

Police Pension Fund (Fund)

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

The Fund's cash and cash equivalents as of December 31, 2007 consisted of deposits with a financial institution and the First American Government Obligation Fund Class Y Money Market Fund. Deposits with a financial institution are covered by FDIC insurance. As of December 31, 2007, the Fund had \$113,000 uncollateralized deposits in excess of the FDIC insurance limit. The money market funds have a credit rating of AAAm, by an independent rating agency, indicating a strong capacity to maintain principal stability and to limit exposure to principal losses due to credit, market and liquidity risks. The money market funds have weighted average days to maturity of 34 days.

The money market funds are insured or collateralized with securities held by the Fund, its agent, or by the pledging financial institution's trust department or agent in the name of the Fund as of December 31, 2007.

City of Peoria, Illinois

Notes to Basic Financial Statements

Note 2. Deposits and Investments (Continued)

As of December 31, 2007, 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	\$ 23,004,431	N/A	7.56
Implicitly guaranteed	8,978,572	Aaa	5.12
U.S. Government agencies	15,388,902	Aaa	9.16
Corporate bonds	2,879,083	Aaa	7.50
Mutual funds - bonds	21,110,144	Aaa	3.45
Mutual funds - equities	34,017,546	N/A	N/A
Stocks	24,826,877	N/A	N/A
Total investments	<u><u>\$ 130,205,555</u></u>		

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

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

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

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

As of December 31, 2007, investments are held by the counterparty's trust department in the Fund's name.

Firemen's Pension Fund (Fund)

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

The Fund's cash and cash equivalents as of December 31, 2007 consisted of deposits with multiple financial institutions. Deposits with financial institutions are covered by FDIC insurance.

The Fund's deposits are insured or collateralized with securities held by the Fund, its agent, or by the pledging financial institution's trust department or agent in the name of the Fund as of December 31, 2007.

City of Peoria, Illinois

Notes to Basic Financial Statements

Note 2. Deposits and Investments (Continued)

As of December 31, 2007, 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 obligations	\$ 46,608,930	N/A	11.11
Municipal obligations	4,450,600	Aaa	4.82
Illinois public treasurers investment pool	6,260,446	N/A	N/A
Corporate obligations	784,223	Aaa	4.59
Equity investments	48,394,422	N/A	N/A
Total investments	<u>\$ 106,498,621</u>		

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

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

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

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

As of December 31, 2007, investments are held by the counterparty's trust department in the Fund's name.

There were no individual investments as of December 31, 2007 and 2006 that represent 5 percent or more of the Fund's net assets.

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, 2007, \$284,761 of the Civic Center's bank balance of \$1,699,736 was exposed to custodial credit risk. The balance is made up as follows as of August 31, 2007:

	Bank Balance	Carrying Amount
Demand deposits and money market accounts	\$ 433,649	\$ 508,809
Certificates of deposit	1,266,087	1,266,087
	<u>\$ 1,699,736</u>	<u>\$ 1,774,896</u>

Sweep account: The Civic Center had amounts in a bank sweep account as follows as of August 31, 2007:

Type	Fair Value	Maturities (In Years) Less Than One
Sweep account	<u>\$ 2,348,550</u>	<u>\$ 2,348,550</u>

Interest rate risk: The Civic Center does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, under the terms of the sweep agreement, funds are reinvested daily.

Custodial credit risk on investments: Regarding the Civic Center's investment in the sweep account, all of the underlying securities are held by the financial institution, but not in the name of the Civic Center.

Reconciliation to statement of net assets:

	Carrying Amount
Cash on hand	\$ 19,650
Demand deposits and money market accounts	508,809
Sweep account	<u>2,348,550</u>
	<u>\$ 2,877,009</u>
Cash and cash equivalents	\$ 2,602,835
Restricted assets - cash	274,174
	<u>\$ 2,877,009</u>

Springdale Cemetery Management Authority:

Custodial Credit Risk: As of December 31, 2007, the carrying amount of the Authority's deposits (including checking, savings and money market accounts) was \$136,233 and the bank balance was \$23,874. The Authority also had cash on hand of \$100. None of the bank balance of \$23,874 was exposed to custodial credit risk.

City of Peoria, Illinois

Notes to Basic Financial Statements

Note 2. Deposits and Investments (Continued)

Investments as of December 31, 2007 are comprised of the following at fair value:

	Average of Maturity of Funds in Portfolio	Morningstar Rating	Fair Value/ Carrying Amount
Money market funds	< 1 year	N/A	\$ 32,540
U.S. Treasuries	1.5 years	N/A	101,537
Certificates of deposit	< 1 year	N/A	219,850
			<u>\$ 353,927</u>

Interest rate risk: The Authority does not have an investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit risk: The Authority does not have an investment policy that limits investment ratings as a means of managing its exposure to losses arising from credit risk.

Custodial credit risk: The Authority's entire investment in money market funds is held by a third-party agent in the Authority's agent's name.

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

The cash and cash equivalents of the Springdale Historic Preservation Foundation, component unit of the Springdale Cemetery Management Authority, have not been categorized as that organization does not report in accordance with the American Institute of Certified Public Accountants Industry Audit Guide, *Audits of State and Local Government Units*. Accordingly, risk categorization is not required. Total cash and cash equivalents of the Foundation as of December 31, 2007 were \$77,556.

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 property. However, recognition of the revenue is deferred until the period for which the property taxes are levied. Property tax revenue recorded by the City for the year ended December 31, 2007 represents installments of the 2006 property taxes which were received during 2007.

The amount of the property tax receivable deferred at year end represents the tax levied in the latter portion of 2007, for which an enforceable lien exists as of January 1, but is levied for the 2008 budget and will be collected from taxpayers in June and September 2008.

City of Peoria, Illinois

Notes to Basic Financial Statements

Note 4. Restricted Cash and Cash Equivalents

Restricted cash – primary government: In accordance with the appropriate bond ordinances, as of December 31, 2007, the City has paid to its respective paying agents the following:

The lesser of: (a) 10 percent of the aggregate original principal amount of the 2004 Downtown Redevelopment Parking Revenue Refunding Bonds, Series A (the Bonds); or (b) the maximum annual debt service on the Bonds. \$302,295 of cash in the Downtown Parking Bond Fund, a Debt Service Fund, is held by the paying agent, as trustee, for future debt service.

An amount to fund capitalized interest, less interest paid to date, on the 2005 General Obligation Bonds, Series A. \$2,285,411 of cash in the 2005A General Obligation Bond Fund, a Debt Service Fund, is held by the paying agent, as trustee, for this purpose.

Ten percent of the aggregate original principal amount of the WeaverRidge Special Service Area Bonds along with amount necessary to make interest payments on February 1 and August 1. \$982,887 of cash and investments in the WeaverRidge Debt Service Fund, a Debt Service Fund, is held by the paying agent, as trustee, for future debt service and/or for making any required payments to be rebated to the Federal Government in accordance with provisions of the bond document.

Amounts are not shown specifically restricted in the funds as the respective funds are held for special purposes which comply with the restriction of the trustee.

The City also has \$1,365,145 that is restricted for the design, engineering and construction costs of a parking deck in connection with the Medical School Campus Redevelopment Agreement within the Southtown TIF Project Fund.

As of August 31, 2007, the Civic Center carried \$274,174 in cash restricted for use by the Tourism Reserve Fund established by the 1996 Intergovernmental Agreement between the City of Peoria and the Peoria Civic Center Authority.

An amount equal to the balance of restricted cash has been reflected as an asset held for the Tourism Reserve Fund payable from restricted assets.

The Tourism Reserve Fund is operated by a committee made up of representatives from the Peoria Civic Center Authority, the Peoria City Council, and the Peoria Area Convention and Visitors Bureau. Use of funds is subject to approval by this committee.

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

Contribution corpus - nonexpendable	\$	208,112
Restricted - expendable earnings on contributions		42,752
	\$	<u>250,864</u>

City of Peoria, Illinois

Notes to Basic Financial Statements

Note 5. Designations and Fund Balance Reserves – Primary Government

Reserved for encumbrances: The City reserves a part of fund balance for certain obligations outstanding at year end. Payments made in the subsequent fiscal period, when goods or services are received, are recorded as expenditures in that period. Remaining unused reserves are reinstated to unreserved fund balance in the following fiscal year.

Reserved for law enforcement: The reserve for law enforcement represents amounts statutorily restricted for specific purposes of monies collected.

Reserved for animal shelter trust: The reserve for animal shelter trust represents amounts reserved for the animal shelter as requested by donors.

Reserved for future road projects: The reserve for future road projects represents the balance in the Motor Fuel Tax Fund, a Special Revenue Fund, restricted by law for the purpose of road projects as approved by the State of Illinois.

Reserved for debt service: The reserve for debt service represents the balance which is restricted by the terms of the bond agreements.

Reserved for working cash – library: The reserve for library working cash is statutorily established for the sole purpose of enabling the library board to have in its funds, at all times, sufficient money to meet demands thereon for ordinary and necessary and committed expenditures for library purposes.

Reserved for endowment activity – library: The reserve for endowment activity represents amounts reserved for specific purposes as requested by the donors.

Reserved for revolving loan fund: The reserve for revolving loan fund represents principal and interest received on previous loans required to be used to make future loans.

Reserved for riverfront development: The reserve for riverfront development represents amounts reserved by donors for construction of the Peoria Riverfront Museum.

Reserved for employees' pension benefits: The reserve for employees' pension benefits is the balance in the Illinois Municipal Retirement Fund, a Special Revenue Fund, restricted to pay pension benefits to Illinois Municipal Retirement on behalf of City employees.

Reserved for parking deck construction: The reserve for parking deck construction is the balance held with escrow agent for the design, engineering and construction costs of a parking deck in connection with the Medical School Campus Redevelopment Agreement.

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

City of Peoria, Illinois

Notes to Basic Financial Statements

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

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

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

Designated, reported in Capital Projects Funds: The City has designated funds for capital projects within the Capital Projects Funds.

Council action is necessary to appropriate any of these designated fund balances.

Note 6. Long-Term Debt – Primary Government

General Obligation Bonds: In 1998, the City issued \$1,225,000 and \$3,345,000 (known as 1998C and 1998D, respectively) of general obligation bonds to finance the cost of improvements to an existing parking lot, construction of an elevated plaza in the Riverfront Area, and to pay the cost of issuing the bonds.

In 2000, the City issued \$4,190,000 (known as 2000A) of general obligation bonds to finance public improvements within the Southtown Redevelopment Project Area for redevelopment of the Colonel John Warner Homes, to construct street improvements, and to pay the cost of issuing the bonds. The City also issued \$9,985,000 (known as 2000B) of general obligation bonds to finance various capital improvements and to pay the cost of issuing the bonds. Also in 2000, the City issued \$5,500,000 (known as 2000C) of general obligation bonds to finance improvements within the Midtown Plaza Redevelopment Project Area and to pay the costs of issuing the bonds. All of the outstanding bonds related to the 2000A, 2000B, and 2000C issues, except for \$380,000, \$1,815,000, and \$820,000, respectively, were advance refunded in 2005 with the issuance of the 2005B General Obligation Bonds. Of the amounts not advance refunded, \$105,000, \$495,000 and \$225,000, respectively, is outstanding as of December 31, 2007 and is included in long-term debt.

In 2001, the City issued \$4,175,000 of general obligation bonds (known as 2001A) to finance various City capital improvements, land acquisition, and to pay the cost of issuing the bonds. The City also issued \$21,750,000 of general obligation bonds (known as 2001B) to advance refund a portion of certain Series 1993, Series 1996C and Series 1996D bonds of the City, and to pay the costs of issuing the bonds. Also in 2001, the City issued \$4,170,000 of general obligation bonds (known as 2001 C) to finance various City capital improvements, including public sewer and street rehabilitation, land acquisition, public parking improvements, and to pay the cost of issuing the bonds. The City also issued \$3,280,000 of general obligation bonds (known as 2001D) to pay the cost of purchasing property, demolishing buildings, and environmental cleanup at the site of a proposed stadium within the City, utility relocation in the Southtown area, to fund capitalized interest, and to pay the costs of issuing the bonds.

In 2002, the City issued \$2,060,000 of general obligation bonds (known as 2002A) to finance improvements to the Civic Center and to pay the cost of issuing the bonds. The City also issued \$3,385,000 of general obligation bonds (known as 2002B) to pay the cost of financing various City capital improvements and to pay the cost of issuing the bonds.

City of Peoria, Illinois

Notes to Basic Financial Statements

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

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

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

In 2005, the City issued \$62,605,000 of general obligation bonds (known as 2005A) to pay the costs of constructing an expansion and certain capital improvements to the Peoria Civic Center and to pay the cost of issuing the bonds. The City also issued \$36,880,000 of general obligation bonds (known as 2005B) to refund portions of the City's outstanding general obligation bonds, Series 1997 A and 1997B, and to advance refund portions of the City's general obligation bonds, Series 1998A, 1998B, 1998E, 1998F, 1999A, 2000A, 2000B, and 2000C, and to pay the costs of issuing the bonds.

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

In 2007, the Council abated 2006 property taxes previously levied to pay the interest and a portion of the principal due on these bonds. Accordingly, property tax revenue has not been recognized for the original levy.

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

2004A downtown redevelopment parking revenue refunding bonds: In 2004, the City issued \$2,875,000 of Downtown Redevelopment Parking Revenue Refunding Bonds to refund a portion of the City's outstanding Downtown Redevelopment Parking Revenue Bonds, Series 1996A, due December 1, 2005 through 2009 and its outstanding Downtown Redevelopment Parking Revenue Bonds, Series 1996B, due December 1, 2005 through 2009 and to pay the costs of issuing the 2004A Bonds. Annual principal and interest payments on the bonds are expected to require 100 percent of net revenue. The total principal and interest remaining to be paid on the bonds is \$1,236,350. Principal and interest paid for the current year and total customer net revenues were \$618,138 and \$430,716, respectively.

Sanitary sewer loan: On June 8, 1990, the City signed a loan agreement with the State of Illinois Environmental Protection Agency for \$208,248 with an interest rate of 3.745 percent due in 40 semi-annual payments of \$7,367, which includes interest. The principal and interest on the loan is payable from the collection of revenue derived from sewer charges. Annual principal and interest payments on the bonds are expected to require 100 percent of net revenue. The total principal and interest remaining to be paid on the bonds is \$45,097. Principal and interest paid for the current year and total sewer charges net revenues were \$14,733 and \$3,655, respectively.

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

Winkler promissory note: On March 7, 1995, the City signed a loan agreement with an individual for \$850,000 with an interest rate of 7.00 percent due in monthly installments of \$7,640, including interest, through May 2010. The purpose of the loan was to purchase riverfront property.

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, 2007, the City had been advanced \$2,484,812. The purpose of this loan was to purchase the acquisition site and pay certain relocation costs to the current owners of the acquisition site pursuant to the Peoria, Illinois, Northside Riverfront Redevelopment Area Tax Redevelopment Plan.

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

WeaverRidge Special Service Area Bonds: The City, in 2006, issued \$4,575,000 of Special Tax Bonds to advance refund the City's Special Tax Bonds, Series 1996 in their entirety; fund a Debt Service Reserve Fund; and pay costs associated with the issuance of the bonds. These bonds are limited obligations of the City and carry a pledge of the special tax to be imposed and collected on all the real property within the Special Service Area subject to the special tax and the proceeds of the redemption or sale of property sold as a result of foreclosure of the lien of special tax. Annual principal and interest payments on the bonds are expected to require 100 percent of net revenues. Total principal and interest remaining on the bonds is \$5,512,875, payable through 2017. For the current year, principal and interest paid and total special taxes revenues were \$492,417 and \$100,221, respectively.

City of Peoria, Illinois

Notes to Basic Financial Statements

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

Board of Education of the City of Peoria: The City entered into an agreement, dated October 1983 and amended May 1991, with the Board of Education of the City of Peoria, School District #150 (District #150), requiring the City to provide funds to construct and furnish a new school building. Under the amended agreement, the City agreed to share in the cost of the new building to the extent of \$2,573,192 to be repaid in twenty annual installments with interest at 6.7127 percent.

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

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

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

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

Postclosure costs – landfill: State and federal laws and regulations require the City/County to perform certain postclosure maintenance and monitoring functions at City/County Landfill #1 for thirty 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 and adjustments in the amount of \$202,494 were recognized in 2007. The balance due reported represents the estimate of what it would cost to perform all postclosure care as of December 31, 2007 over thirty years for Landfill #1, which discontinued accepting waste in 1998. Actual cost may be higher or lower due to inflation, changes in technology or changes in regulations.

Landfill #2 was opened during 1998, but the City has no responsibility for closure or postclosure care of this landfill.

Compensated absences: The City's personnel policies allow for the accumulation and vesting of unused vacation and sick days, within certain limits. As of December 31, 2007, the City has accrued an associated liability of \$8,927,639. The liability for compensated absences is funded primarily through the General Fund and the Workforce Development Fund.

City of Peoria, Illinois

Notes to Basic Financial Statements

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

Other special assessment debt: Additionally, the City has Special Assessment Improvement Bonds which are reflected as current obligations of the Capital Projects Funds. These bonds represent bearer bonds which have matured but have not been presented for payment. The additional debt outstanding as of December 31, 2007 is as follows:

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

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

Description of issues:

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

Year ending December 31:	1998C Taxable Riverfront Village General Obligation Bonds		1998D General Obligation Bonds	
	Principal	Interest	Principal	Interest
	2008	\$ -	\$ 44,646	\$ -
2009	35,000	42,921	175,000	100,326
2010	40,000	40,765	185,000	92,450
2011	50,000	38,178	195,000	83,993
2012	55,000	35,159	205,000	74,890
2013 - 2017	435,000	109,051	1,185,000	215,820
2018 - 2022	120,000	3,630	275,000	6,738
2023 - 2027	-	-	-	-
2028	-	-	-	-
	<u>\$ 735,000</u>	<u>\$ 314,350</u>	<u>\$ 2,220,000</u>	<u>\$ 681,938</u>

City of Peoria, Illinois

Notes to Basic Financial Statements

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

Description of issues:

Amount of issue	\$4,190,000	\$9,985,000
Date of issue	April 15, 2000	April 15, 2000
Dates interest payable	January 1 and July 1	January 1 and July 1
Dates principal payable	January 1	January 1
Interest rates	5.125 to 5.50%	5.00 to 5.625%

	2000A		2000B	
	General Obligation Bonds		General Obligation Bonds	
	Principal	Interest	Principal	Interest
<u>Year ending December 31:</u>				
2008	\$ -	\$ 8,138	\$ -	\$ 39,103
2009	105,000	2,756	495,000	13,304
2010	-	-	-	-
2011	-	-	-	-
2012	-	-	-	-
2013 - 2017	-	-	-	-
2018 - 2022	-	-	-	-
2023 - 2027	-	-	-	-
2028	-	-	-	-
	<u>\$ 105,000</u>	<u>\$ 10,894</u>	<u>\$ 495,000</u>	<u>\$ 52,407</u>

Description of issues:

Amount of issue	\$5,500,000	\$4,175,000
Date of issue	November 15, 2000	March 1, 2001
Dates interest payable	January 1 and July 1	January 1 and July 1
Dates principal payable	January 1	January 1
Interest rates	5.10 to 5.50%	4.375 to 5.20%

	2000C		2001A	
	General Obligation Bonds		General Obligation Bonds	
	Principal	Interest	Principal	Interest
<u>Year ending December 31:</u>				
2008	\$ -	\$ 16,913	\$ -	\$ 168,207
2009	225,000	5,766	180,000	154,733
2010	-	-	190,000	146,407
2011	-	-	200,000	137,632
2012	-	-	210,000	128,355
2013 - 2017	-	-	1,240,000	475,851
2018 - 2022	-	-	1,240,000	132,245
2023 - 2027	-	-	-	-
2028	-	-	-	-
	<u>\$ 225,000</u>	<u>\$ 22,679</u>	<u>\$ 3,260,000</u>	<u>\$ 1,343,430</u>

City of Peoria, Illinois

Notes to Basic Financial Statements

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

Description of issues:

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

	2001B		2001C	
	General Obligation Bonds		General Obligation Bonds	
	Principal	Interest	Principal	Interest
<u>Year ending December 31:</u>				
2008	\$ -	\$ 473,875	\$ -	\$ 160,248
2009	1,060,000	382,300	190,000	152,035
2010	760,000	341,350	200,000	143,260
2011	1,635,000	285,419	205,000	134,020
2012	910,000	224,975	220,000	124,191
2013 - 2017	4,115,000	422,931	1,305,000	447,986
2018 - 2022	-	-	1,120,000	147,224
2023 - 2027	-	-	-	-
2028	-	-	-	-
	<u>\$ 8,480,000</u>	<u>\$ 2,130,850</u>	<u>\$ 3,240,000</u>	<u>\$ 1,308,964</u>

Description of issues:

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

	2001D		2002A	
	General Obligation Bonds		General Obligation Bonds	
	Principal	Interest	Principal	Interest
<u>Year ending December 31:</u>				
2008	\$ -	\$ 104,617	\$ -	\$ 51,727
2009	245,000	94,297	210,000	43,959
2010	255,000	83,547	220,000	35,435
2011	270,000	71,989	230,000	26,150
2012	285,000	59,501	240,000	16,160
2013 - 2017	535,000	205,713	250,000	5,500
2018 - 2022	550,000	57,000	-	-
2023 - 2027	-	-	-	-
2028	-	-	-	-
	<u>\$ 2,140,000</u>	<u>\$ 676,664</u>	<u>\$ 1,150,000</u>	<u>\$ 178,931</u>

City of Peoria, Illinois

Notes to Basic Financial Statements

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

Description of issues:

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

	2002B		2003A	
	General Obligation Bonds		General Obligation Bonds	
	Principal	Interest	Principal	Interest
<u>Year ending December 31:</u>				
2008	\$ -	\$ 135,464	\$ -	\$ 149,380
2009	130,000	130,152	175,000	142,480
2010	135,000	124,520	180,000	135,380
2011	140,000	118,677	185,000	128,080
2012	150,000	112,514	190,000	120,580
2013 - 2017	880,000	453,157	1,065,000	479,395
2018 - 2022	1,135,000	213,670	1,290,000	223,458
2023 - 2027	265,000	6,625	290,000	6,887
2028	-	-	-	-
	<u>\$ 2,835,000</u>	<u>\$ 1,294,779</u>	<u>\$ 3,375,000</u>	<u>\$ 1,385,640</u>

Description of issues:

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

	2003B		2004B	
	General Obligation Bonds		General Obligation Bonds	
	Principal	Interest	Principal	Interest
<u>Year ending December 31:</u>				
2008	\$ -	\$ 98,375	\$ -	\$ 209,684
2009	965,000	65,691	190,000	203,896
2010	1,005,000	28,100	200,000	197,409
2011	200,000	4,000	210,000	190,228
2012	-	-	220,000	181,911
2013 - 2017	-	-	1,270,000	761,056
2018 - 2022	-	-	1,610,000	459,925
2023 - 2027	-	-	1,175,000	84,855
2028	-	-	-	-
	<u>\$ 2,170,000</u>	<u>\$ 196,166</u>	<u>\$ 4,875,000</u>	<u>\$ 2,288,964</u>

City of Peoria, Illinois

Notes to Basic Financial Statements

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

Description of issues:

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

	2004C		2005A	
	General Obligation Bonds		General Obligation Bonds	
	Principal	Interest	Principal	Interest
<u>Year ending December 31:</u>				
2008	\$ -	\$ 435,450	\$ -	\$ 2,941,888
2009	850,000	409,263	-	2,941,887
2010	875,000	381,231	100,000	2,939,888
2011	905,000	351,175	100,000	2,935,887
2012	935,000	318,975	100,000	2,931,888
2013 - 2017	5,320,000	927,406	7,240,000	14,145,638
2018 - 2022	1,220,000	24,400	18,870,000	11,331,119
2023 - 2027	-	-	29,195,000	5,569,375
2028	-	-	7,000,000	174,999
	<u>\$ 10,105,000</u>	<u>\$ 2,847,900</u>	<u>\$ 62,605,000</u>	<u>\$ 45,912,569</u>

Description of issues:

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

	2005B		2007A	
	General Obligation Bonds		General Obligation Bonds	
	Principal	Interest	Principal	Interest
<u>Year ending December 31:</u>				
2008	\$ -	\$ 1,658,657	\$ -	\$ 594,520
2009	1,505,000	1,596,083	415,000	784,394
2010	2,445,000	1,520,845	685,000	762,394
2011	2,560,000	1,407,945	715,000	734,394
2012	3,555,000	1,255,070	750,000	705,094
2013 - 2017	14,890,000	3,798,975	4,280,000	3,037,484
2018 - 2022	8,555,000	697,933	5,330,000	2,055,138
2023 - 2027	-	-	6,625,000	768,274
2028	-	-	-	-
	<u>\$ 33,510,000</u>	<u>\$ 11,935,508</u>	<u>\$ 18,800,000</u>	<u>\$ 9,441,692</u>

City of Peoria, Illinois

Notes to Basic Financial Statements

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

Description of issues:	\$2,875,000		\$5,200,000	
Amount of issue	September 1, 2004		December 20, 2006	
Date of issue	June 1 and December 1		March 1 and September 1	
Dates interest payable	December 1		March 1	
Dates principal payable	2.25 to 3.25%		5.00 to 5.65%	
Interest rates	Downtown		2006	
	Redevelopment Parking Revenue Refunding Bonds, Series 2004A		Special Assessment Bond	
	Principal	Interest	Principal	Interest
<u>Year ending December 31:</u>				
2008	\$ 580,000	\$ 37,600	\$ -	\$ 279,370
2009	600,000	18,750	-	279,370
2010	-	-	-	279,370
2011	-	-	-	279,370
2012	-	-	235,000	279,370
2013 - 2017	-	-	1,380,000	1,207,100
2018 - 2022	-	-	1,775,000	809,915
2023 - 2027	-	-	1,810,000	262,725
2028	-	-	-	-
	<u>\$ 1,180,000</u>	<u>\$ 56,350</u>	<u>\$ 5,200,000</u>	<u>\$ 3,676,590</u>

Description of issues:	\$1,105,000		\$208,248	
Amount of issue	September 20, 2007		April 9, 1991	
Date of issue	March 1		January 9 and July 9	
Dates interest payable	March 1		January 9 and July 9	
Dates principal payable	March 1		January 9 and July 9	
Interest rates	5.85%		3.745%	
	2007A			
	Special Assessment Bonds		Sanitary Sewer Loan	
	Principal	Interest	Principal	Interest
<u>Year ending December 31:</u>				
2008				
2009	\$ 110,500	\$ 64,643	\$ 6,591	\$ 1,673
2010	110,500	58,178	13,554	1,180
2011	110,500	51,714	14,066	667
2012	110,500	45,250	7,231	135
2013 - 2017	110,500	38,786	-	-
2018 - 2022	552,500	96,963	-	-
2023 - 2027	-	-	-	-
2028	-	-	-	-
	<u>\$ 1,105,000</u>	<u>\$ 355,534</u>	<u>\$ 41,442</u>	<u>\$ 3,655</u>

City of Peoria, Illinois

Notes to Basic Financial Statements

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

Description of issues:

Amount of issue	\$850,000	\$2,500,000
Date of issue	March 7, 1995	November 21, 1995
Dates interest payable	Monthly	December 1
Dates principal payable	Monthly	December 1
Interest rates	7.00%	7.00%

	Winkler Promissory Note		PMP Promissory Note	
	Principal	Interest	Principal	Interest
<u>Year ending December 31:</u>				
2008	\$ 79,984	\$ 11,697	\$ 143,943	\$ 103,378
2009	85,766	5,914	154,018	93,302
2010	31,086	660	164,799	82,520
2011	-	-	176,335	70,984
2012	-	-	188,679	58,641
2013 - 2017	-	-	649,046	92,913
2018 - 2022	-	-	-	-
2023 - 2027	-	-	-	-
2028	-	-	-	-
	<u>\$ 196,836</u>	<u>\$ 18,271</u>	<u>\$ 1,476,820</u>	<u>\$ 501,738</u>

Description of issues:

Amount of issue	\$4,575,000	\$2,573,192
Date of issue	July 15, 2006	May 20, 1991
Dates interest payable	February 1 and August 1	December 1
Dates principal payable	February 1	December 1
Interest rates	5.00%	6.7127%

	WeaverRidge Special Service Area Bonds		Board of Education City of Peoria	
	Principal	Interest	Principal	Interest
<u>Year ending December 31:</u>				
2008	\$ 300,000	\$ 208,250	\$ 194,097	\$ 41,903
2009	330,000	192,500	207,126	28,874
2010	350,000	175,500	223,013	14,970
2011	385,000	157,125	-	-
2012	420,000	137,000	-	-
2013 - 2017	2,530,000	327,500	-	-
2018 - 2022	-	-	-	-
2023 - 2027	-	-	-	-
2028	-	-	-	-
	<u>\$ 4,315,000</u>	<u>\$ 1,197,875</u>	<u>\$ 624,236</u>	<u>\$ 85,747</u>

City of Peoria, Illinois

Notes to Basic Financial Statements

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

Description of issues:

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

Year ending December 31:	Wal-Mart Promissory Note		Total	
	Principal	Interest	Principal	Interest
2008	\$ 41,862	\$ 33,577	\$ 1,456,977	\$ 8,180,704
2009	44,165	31,275	8,695,129	7,975,586
2010	46,594	28,846	8,415,058	7,607,228
2011	49,156	26,283	8,528,222	7,226,914
2012	51,860	23,580	9,031,039	6,826,640
2013 - 2017	305,354	71,844	49,426,900	27,282,283
2018 - 2022	71,507	3,932	43,161,507	16,166,327
2023 - 2027	-	-	39,360,000	6,698,741
2028	-	-	7,000,000	174,999
	<u>\$ 610,498</u>	<u>\$ 219,337</u>	<u>\$ 175,074,832</u>	<u>\$ 88,139,422</u>

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

	Balance December 31, 2006	Additions	Deletions	Balance December 31, 2007	Current Portion	Long-Term Portion
General obligation bonds	\$ 151,325,000	\$ 18,800,000	\$ 9,800,000	\$ 160,325,000	\$ -	\$ 160,325,000
Revenue/special assessment bonds	6,945,000	1,105,000	565,000	7,485,000	690,500	6,794,500
Special assessment bond - matured	6,000	-	-	6,000	-	6,000
Special service area bonds	4,575,000	-	260,000	4,315,000	300,000	4,015,000
Loans payable	2,587,648	-	262,052	2,325,596	272,380	2,053,216
Board of Education of the City of Peoria obligation	806,123	-	181,887	624,236	194,097	430,139
Landfill closure and postclosure care costs	1,397,042	-	202,494	1,194,548	54,389	1,140,159
Worker's compensation claims	-	5,121,414	2,698,236	2,423,178	71,957	2,351,221
General liability claims	-	2,284,111	589,354	1,694,757	90,213	1,604,544
Net other postemployment benefit obligation	-	9,334,271	4,254,686	5,079,585	-	5,079,585
Compensated absences	8,538,047	5,397,976	5,008,384	8,927,639	553,300	8,374,339
	<u>\$ 176,179,860</u>	<u>\$ 42,042,772</u>	<u>\$ 23,822,093</u>	<u>\$ 194,400,539</u>	<u>\$ 2,226,836</u>	<u>\$ 192,173,703</u>

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

Debt covenants: The various bond indentures contain limitations and restrictions on annual debt service requirements, maintenance of and flow of monies through various restricted accounts, and minimum amounts to be maintained in various funds.

City of Peoria, Illinois

Notes to Basic Financial Statements

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

Advance refunding: In 2001, the City defeased a portion of the 1993, 1996C, and 1996D general obligation bonds with the issuance of the 2001B general obligation bonds. In 2003, the City defeased the remaining 1996C general obligation bonds with the issuance of the 2003B general obligation bonds. In 2004, the City defeased the 1996A & B Downtown Redevelopment Parking Revenue Bonds with the issuance of the 2004A Downtown Redevelopment Parking Revenue Refunding Bonds and a portion of the 1997B general obligation bonds with the issuance of the 2004C general obligation bonds. In 2005, the City defeased a portion of the 1997 A, 1997B, 1998A, 1998B, 1998E, 1998F, 1999A, 2000A, 2000B, and 2000C general obligation bonds with the issuance of the 2005B General Obligation Bonds. In 2006, the City defeased the 1996 WeaverRidge Special Service Area Bonds with the issuance of the 2006 WeaverRidge Special Service Area Bonds. Portions of the proceeds of the new bonds were placed in irrevocable trusts to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the City's financial statements. The balance remaining outstanding on these advance refunded bonds as of December 31, 2007 is \$35,165,000.

Note 7. Capital Assets

A summary of the changes in capital assets follows:

	Cost				Balance December 31, 2007
	Balance December 31, 2006	Additions	Deletions	Balance December 31, 2007	
Not depreciated:					
Land	\$ 10,021,626	\$ 152,020	\$ (2,186)	\$ 10,171,460	
Construction-in-progress	1,993,850	5,592,282	(1,282,112)	6,304,020	
Depreciated:					
Land improvements	6,757,871	422,086	-	7,179,957	
Buildings	72,171,604	1,399,359	(595,404)	72,975,559	
Machinery and equipment	6,548,337	215,558	(37,502)	6,726,393	
Vehicles	15,888,135	1,223,450	(558,534)	16,553,051	
Media	28,497,088	657,008	(300,473)	28,853,623	
Infrastructure	229,793,520	22,970,895	(437,839)	252,326,576	
Total	\$ 371,672,031	\$ 32,632,658	\$ (3,214,050)	\$ 401,090,639	
	Accumulated Depreciation			Balance December 31, 2007	Net Capital Assets as of December 31, 2007
	Balance December 31, 2006	Additions	Deletions		
Not depreciated:					
Land	\$ -	\$ -	\$ -	\$ -	\$ 10,171,460
Construction-in-progress	-	-	-	-	6,304,020
Depreciated:					
Land improvements	1,490,592	382,148	-	1,872,740	5,307,217
Buildings	28,059,692	1,895,118	(140,780)	29,814,030	43,161,529
Machinery and equipment	5,061,914	411,244	(37,502)	5,435,656	1,290,737
Vehicles	12,543,643	1,089,821	(543,568)	13,089,896	3,463,155
Media	26,046,932	539,662	(300,473)	26,286,121	2,567,502
Infrastructure assets	109,729,721	8,575,669	(21,892)	118,283,498	134,043,078
Total	\$ 182,932,494	\$ 12,893,662	\$ (1,044,215)	\$ 194,781,941	\$ 206,308,698

City of Peoria, Illinois

Notes to Basic Financial Statements

Note 7. Capital Assets (Continued)

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

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

Governmental activities:			
Police		\$	12,392
Community development			87,204
Public safety			4,506
General government			12,187,476
Library			602,084
Total depreciation expense		\$	12,893,662

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

	Peoria Civic Center Authority			
	Balance August 31, 2006	Additions	Deletions	Balance August 31, 2007
Historical cost:				
Land	\$ 10,247,918	\$ -	\$ -	\$ 10,247,918
Land improvements	7,277,836	-	-	7,277,836
Building and improvements	85,554,932	53,415,118	-	138,970,050
Furniture, fixtures and equipment	8,323,999	955,114	-	9,279,113
Construction-in-process	32,316,458	23,127,919	(53,415,118)	2,029,259
Total cost	143,721,143	77,498,151	(53,415,118)	167,804,176
Accumulated depreciation:				
Land improvements	3,784,842	329,166	-	4,114,008
Building and improvements	47,320,471	3,757,521	-	51,077,992
Furniture, fixtures and equipment	6,788,187	641,223	-	7,429,410
Total accumulated depreciation	57,893,500	4,727,910	-	62,621,410
Net land, building and equipment	\$ 85,827,643	\$ 72,770,241	\$ (53,415,118)	\$ 105,182,766

City of Peoria, Illinois

Notes to Basic Financial Statements

Note 7. Capital Assets (Continued)

	Springdale Cemetery Management Authority				Balance as of December 31, 2007
	Balance as of December 31, 2006	Additions	Deletions	Transfers	
Cost:					
Assets depreciated:					
Maintenance building	\$ 326,950	\$ -	\$ -	\$ -	\$ 326,950
Building improvements	394,798	11,835	-	2,165	408,798
Land improvements	399,826	-	-	-	399,826
Furniture and equipment	339,848	35,738	(26,579)	-	349,007
Computer software	-	-	-	100,971	100,971
Assets not depreciated, construction-in-progress	103,136	11,396	-	(103,136)	11,396
Total	\$ 1,564,558	\$ 58,969	\$ (26,579)	\$ -	\$ 1,596,948

	Balance as of December 31, 2006	Additions	Deletions	Balance as of December 31, 2007	Net Capital Assets as of December 31, 2007
Accumulated depreciation:					
Maintenance building	\$ 24,967	\$ 8,383	\$ -	\$ 33,350	\$ 293,600
Building improvements	21,400	10,482	-	31,882	376,916
Land improvements	61,230	19,991	-	81,221	318,605
Furniture and equipment	156,352	54,852	(13,169)	198,035	150,972
Computer software	-	3,366	-	3,366	97,605
Construction-in-progress	-	-	-	-	11,396
Total	\$ 263,949	\$ 97,074	\$ (13,169)	\$ 347,854	\$ 1,249,094

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

	Peoria Civic Center Authority	Springdale Cemetery Management Authority
Buildings and improvements	\$ 2,029,259	\$ 11,396

City of Peoria, Illinois

Notes to Basic Financial Statements

Note 8. Receivables

Loans receivable and accrued interest receivable as of December 31, 2007 are net of allowance for uncollectible accounts in the amounts of \$556,678 and \$131,949, respectively.

Other current receivables as of December 31, 2007 consist of the following:

Charges for services and reimbursements	\$	875,725
Franchise fees		333,467
Other fines, fees and taxes		263,128
Other		298,149
		<u>1,770,469</u>
Less allowance for uncollectible accounts		(102,144)
	<u>\$</u>	<u>1,668,325</u>

Note 9. Other Required Individual Fund Disclosures

No funds had deficit fund balances as of December 31, 2007.

The individual fund interfund receivable and payable balances as of December 31, 2007 are as follows:

	Interfund Receivable	Interfund Payable
Major funds:		
General Fund	\$ 3,786	\$ 49,962
Capital Improvements Fund	5,049,653	93,963
2007A General Obligation Bond Project Fund	-	5,017,094
Nonmajor funds	112,837	5,257
	<u>\$ 5,166,276</u>	<u>\$ 5,166,276</u>

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

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

	Transfers In	Transfers Out
Major funds:		
General Fund	\$ 314,223	\$ 12,363,498
Peoria Public Library Fund	-	683,522
Capital Improvements Fund	6,450,646	5,305,825
Nonmajor funds	18,590,174	7,002,198
	<u>\$ 25,355,043</u>	<u>\$ 25,355,043</u>

Note 9. Other Required Individual Fund Disclosures (Continued)

Transfers are used to (1) move revenues from the fund collecting them to the fund that statute or budget reflects to expend them, (2) move receipts restricted to debt service from the funds collecting them to the Debt Service Fund as debt service payments become due, and (3) use unrestricted revenues collected to finance various programs accounted for in other funds in accordance with budgetary authorizations.

Note 10. Self-Insurance – Primary Government

The City is exposed to various risks of loss related to torts, theft of, damages to, and destruction of assets, natural disasters, workmen's compensation and medical and dental claims of its employees and their dependents. The City currently reports all of its risk management activities in its General Fund. Claims expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. These losses include an estimate of claims that have been incurred but not reported. The City is not covered by excess liability insurance for workers' compensation claims. The City has coverage for medical and hospital when individual claims exceed \$185,000 individually and approximately \$10,000,000 in the aggregate for claims paid over an annual liability period.

During 2006, the City obtained a two year contract for major general liability coverage with an insurance carrier.

The City's major liability insurance coverages include:

- \$1,000,000/\$2,000,000 limits for general liability
- \$1,000,000/\$1,000,000 limits for auto, law enforcement, and public officials liability \$5,000,000/\$5,000,000 limits for employment practices liability
- \$4,000,000 primary umbrella liability
- Self-insured retention limits apply to all coverages

Annual appropriation is made for the estimated expenditures of each program and claims are expended as incurred. In addition, the City has designated a portion of the General Fund's fund balance to cover future claims which may exceed appropriated amounts in any given year.

Within the General Fund, \$3,100,000 has been designated for general insurance and \$3,100,000 for health insurance. Governmental Accounting Standards Board Statement No. 10 requires that a liability for claims be reported if information prior to the issuance of financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. As of December 31, 2007, the estimate of health and dental claims incurred but not reported provided by the claims administrator amounted to \$300,000. The unpaid reported claims of \$1,407,848 for health and dental claims are due and are included in accounts payable on the financial statements in the General Fund.

City of Peoria, Illinois

Notes to Basic Financial Statements

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

Changes in the health insurance claims liability which include unpaid reported claims and amounts incurred but not reported in fiscal years 2007 and 2006 were:

Balance, December 31, 2005	\$	1,445,808
Current year claims and changes in estimates		10,744,190
Claims paid		(10,005,699)
Balance, December 31, 2006		<u>2,184,299</u>
Current year claims and changes in estimates		12,020,480
Claims paid		(12,496,931)
Balance, December 31, 2007	\$	<u><u>1,707,848</u></u>

Changes in the workers compensation liability which include unpaid reported claims and amounts incurred but not reported in fiscal years 2007 and 2006 were:

Balance, December 31, 2005	\$	-
Current year claims and changes in estimates		2,670,055
Claims paid		(2,670,055)
Balance, December 31, 2006		<u>-</u>
Current year claims and changes in estimates		5,121,414
Claims paid		(2,698,236)
Balance, December 31, 2007	\$	<u><u>2,423,178</u></u>

Of the \$2,423,178 of worker's compensation liability, \$71,957 is reported in the General Fund as due and \$2,351,221 is reported in governmental activities as noncurrent. Of the \$1,694,757 of general liability, \$90,213 is reported in the General Fund as due and \$1,604,544 is reported in governmental activities as noncurrent.

Changes in the general liability which include unpaid reported claims and amounts incurred but not reported in fiscal years 2007 and 2006 were:

Balance, December 31, 2005	\$	-
Current year claims and changes in estimates		598,209
Claims paid		(598,209)
Balance, December 31, 2006		<u>-</u>
Current year claims and changes in estimates		2,284,111
Claims paid		(589,354)
Balance, December 31, 2007	\$	<u><u>1,694,757</u></u>

Note 11. Pension Plans

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

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

City of Peoria, Illinois

Notes to Basic Financial Statements

Note 11. Pension Plans (Continued)

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

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

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

	Illinois Municipal Retirement Fund (4)	Police Pension Fund of Peoria	Firemen's Pension Fund of Peoria
Contribution rates:			
City	14.96%	(1)	(1)
Plan members	4.50%	9.91%	9.455%
	Illinois Municipal Retirement Fund (4)	Police Pension Fund of Peoria	Firemen's Pension Fund of Peoria
Annual pension cost (3):			
Annual required contributions	\$ 3,792,635	\$ 2,285,435	\$ 4,307,276
Interest on net pension obligation	-	(799,600)	(59,858)
Adjustment to ARC	-	480,866	44,944
Total annual pension cost	3,792,635	1,966,701	4,292,362
Contributions made (3)	3,792,635	3,230,855	4,296,580
Increase (decrease) in net pension obligation (3)	-	(1,264,154)	(4,218)
Net pension obligation (asset) (3):			
Beginning of year	-	(9,995,001)	(798,103)
End of year	<u>\$ -</u>	<u>\$ (11,259,155)</u>	<u>\$ (802,321)</u>

City of Peoria, Illinois

Notes to Basic Financial Statements

Note 11. Pension Plans (Continued)

Actuarial valuation date	December 31, 2005	January 1, 2007	January 1, 2007
Actuarial cost method	Entry age	Entry age	Entry age
Amortization method	Level percent closed	Level percent open	Level percent closed
Remaining amortization period	25 years	26 years	26 years
Asset valuation method	5-year smoothed market	Actuarially smoothed market	4-year smoothed market
Actuarial assumptions:			
Investment rate of return*	7.50%	8.00%	7.50%
Projected salary increases*	4.00% (2)	6.00%	5.00%
*Includes inflation at	4.00%	3.00%	4.00%
Post-retirement benefit increases	3.00%	N/A	N/A

- (1) Proceeds from a tax levy equal to the sum of: (a) annual normal cost plus (b) amortization of unfunded liability as a level percent of pay between now and July 1, 2033 plus (c) interest on (a) and (b) to date of payment.
- (2) Additional salary increases ranging from .4 to 10.0 percent per year depending on age and service, attributable to seniority/merit.
- (3) Data is for the latest actuarial information available which is as of December 31, 2007 for the Illinois Municipal Retirement Fund and as of December 31, 2006 for the Police Pension Fund of Peoria and the Firemen's Pension Fund of Peoria.
- (4) The actuarial assumptions used to determine the actuarial accrued liability for 2007 are based on the 2002-2004 experience study. The principal changes were:
 - a. The 1994 Group Annuity Mortality implemented.
 - b. For regular members, fewer normal and more early retirements are expected to occur.

City of Peoria, Illinois

Notes to Basic Financial Statements

Note 11. Pension Plans (Continued)

Trend information – pension plans:

Fund	Year	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
Illinois Municipal Retirement Fund	2007	\$ 3,792,635	100%	\$ -
	2006	3,645,549	100%	-
	2005	3,355,093	100%	-
Police Pension Fund of Peoria	2007	1,966,701	141.37%	(11,259,155)
	2006	1,582,813	100.0	(9,995,001)
	2005	1,371,070	189.1	(8,771,696)
Firemen's Pension Fund of Peoria	2007	4,292,362	99.75%	(802,321)
	2006	4,143,812	100.0	(798,103)
	2005	3,132,331	99.7	(806,593)

Note 12. Commitments – Primary Government

Peoria Civic Center Authority: The intergovernmental agreement between the City and the Peoria Civic Center Authority (the Civic Center) titled "1996 Intergovernmental Agreement Between the City of Peoria and the Peoria Civic Center Authority" was entered into on January 1, 1996 and replaced the previous 1990 Civic Center Agreement in its entirety. The agreement establishes a consistent mechanism for a flow of funds from the City to the Civic Center in order to provide funding for operations and capital improvements. This is accomplished by allocating Hotel, Restaurant and Amusement (HRA) taxes, levied by the City, to the Civic Center in a stipulated formula after meeting the debt service on bonds issued for the purpose of capital improvements to the Peoria Civic Center. During the year ended December 31, 2007, the City recognized approximately \$2,335,031 as subsidies to the Civic Center, exclusive of the amounts provided from bond proceeds and to cover debt payments for debt issued to fund improvements of the Authority.

Peoria Area Convention and Visitors Bureau, Inc.: Under City Council agreement, an allotted portion of hotel taxes is distributed directly to the Peoria Area Convention and Visitors Bureau, Inc. (Convention Bureau) from the City. During the year ended December 31, 2007, the City recognized approximately \$951,628 as subsidies to the Convention Bureau. These amounts have been reflected as expenditures within the General Fund.

Arts Partners: Per City Council agreement, effective August 2002, 2.5 percent of restaurant taxes are being distributed to the non-profit organization, Arts Partners, through August 2011. During the year ended December 31, 2007, the City recognized approximately \$67,114 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, 2007, the City recognized approximately \$581,739 as subsidies to this fund.

City of Peoria, Illinois

Notes to Basic Financial Statements

Note 12. Commitments – Primary Government (Continued)

Lease commitments: The City leases office space under a noncancelable operating lease expiring in 2009. Future minimum lease payments under this lease are as follows:

2008		\$	308,940
2009			154,470
	Total	\$	463,410

Total rent expense on the above lease was approximately \$309,000 for the year ended December 31, 2007.

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

Purpose	Amount
Planning and growth	\$ 481,920
Police	49,792
Economic development	1,070,366
Roads	458,255
Structural maintenance	506,830
Sewer	4,132,604
	\$ 6,699,767

Note 13. Conduit Debt Obligations

From time to time, the City has issued Industrial Revenue Bonds to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Neither the City, the state, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

As of December 31, 2007, there were four series of Industrial Revenue Bonds outstanding, with an aggregate principal amount payable of approximately \$9,279,000.

Note 14. Contingencies

The City is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, based on information provided by the City's counsel, resolution of these matters will not have a material adverse effect on the financial condition of the City.

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

City of Peoria, Illinois

Notes to Basic Financial Statements

Note 15. Other Component Unit Disclosures

Peoria Civic Center Authority of Peoria, Illinois:

All disclosures for the Civic Center are as of and for the year ended August 31, 2007.

SMG as Agent for the Civic Center: The Civic Center has contracted with SMG whereby SMG will manage the operations of the Civic Center. In August 2006, the Authority executed a contract with SMG to manage the operations of the Authority from September 1, 2006 to August 31, 2011. In accordance with that agreement, SMG is paid a base rate, an incentive rate based on risk management, maintenance of facility, client satisfaction and diversity of programming and a performance fee based on financial performance up to a maximum of \$90,000 if certain benchmarks are met.

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

Compensated absences: Employees are annually granted vacation and sick leave in varying amounts depending upon the length of employment. All employees are 100 percent vested for vacation leave. Certain employees under union contract are paid for unused sick time which exceeds a certain threshold; however, unused sick time is not compensable at termination. Vested accumulated unpaid compensated absences are accrued.

Long-term debt: Long-term debt consists of an unsecured note payable to a bank in the original amount of \$1,575,000, requiring monthly installments of \$22,745, including interest at 5.55 percent per year, with final payment due in November 2007, a secured note payable to a bank in the original amount of \$1,100,000, requiring monthly installments of \$13,722, including interest at 6.85 percent per year, with final payment due in September 2012 and two similar unsecured promissory notes, each in the original amount of \$775,000, both requiring monthly installments of \$5,144, including interest at 5.0 percent per year, with final payments due in November 2023.

Future maturities of long-term debt are as follows:

Year ending August 31:

2008	\$	757,395
2009		211,956
2010		153,544
2011		65,482
2012		68,832
2013 - 2017		400,726
2018 - 2022		514,275
2023 - 2024		139,745
	\$	<u>2,311,955</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 \$30,000 for fiscal year 2007.

Notes to Basic Financial Statements

Note 15. 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. Under the provisions of the plan, 66 percent of the first 5 percent of the employee's contributions to the plan are matched by the employer and 1 percent of the employee's compensation is contributed by the employer. Employer contributions are 100 percent vested after three years of continuous service. The expense for the plan to the Civic Center was approximately \$72,000 in fiscal year 2007.

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.

Commitments: The Civic Center entered into architectural and construction contracts related to potential building improvements. As of August 31, 2007, the amount of the contract for various construction contracts is \$24,668,574. As of August 31, 2007, the services were in the construction phase related to the project and \$23,097,799 of costs related to the contracts had been incurred. The Civic Center is obligated to pay the remainder of the costs under the contracts as the work is completed. Significant portions of such construction are funded by bonds issued by the City.

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:

Assets:	Years
Buildings and improvements	39
Land improvements	20
Furniture and equipment	5-7

Unearned revenue: Unearned revenue as of December 31, 2007 consists of pre-need service revenue that has not yet been earned as the service has not yet been performed.

Restricted net assets: This includes resources that the Authority is legally or contractually obligated to spend in accordance with restrictions imposed by external third parties. When both restricted and unrestricted resources are available for use, it is the Authority's policy to use restricted resources first, then unrestricted resources when they are needed. Restricted net assets as of December 31, 2007 amount to \$263,075 and are comprised of amounts endowed to the Cemetery, earnings on which are designated to be used for purposes specified by the donor, such as purchase and placement of flowers on individual graves.

City of Peoria, Illinois

Notes to Basic Financial Statements

Note 15. Other Component Unit Disclosures (Continued)

In-kind contributions and donated services: In-kind contributions are recorded as revenue and expense (or capitalized, if applicable) in the statement of activities. The Authority received capital assets in the amount of \$23,734, from the Springdale Historic Preservation Foundation during the year ended December 31, 2007. 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.

Restrictions on net assets of the Springdale Historic Preservation Foundation as of December 31, 2007 relate to contributions received from donors with restrictions or designations for specific use of the funds. The restrictions include funding for equipment purchases, repair projects and specific portions of the cemetery. Temporarily restricted net assets are available for the following purposes as of December 31, 2007:

Gate House Project	\$	1,000
Stone family plots		655
Cemetery projects		197
Record retention		50
Soldiers Hill		9,039
Soldier Hill Monument		1,245
Howard Hornbacker Family Plot		25
	\$	<u>12,211</u>

Note 16. Other Postemployment Benefits

Plan Description: The City sponsors a single-employer health care plan that provides self-insured medical, prescription drugs and dental benefits to all active and retired employees and their eligible dependents. Policemen and firefighters must be a minimum of age 50 with 20 or more years of service to be eligible for retiree benefits. All other employees must be a minimum of age 60 with 5 or more years of service to be eligible for retiree benefits. Eligible retirees and their dependents receive health care coverage through a PPO plan. The plan is a pay-as-you-go contributory health insurance program with retiree's contributions making up 80 percent of the funding (less age/service discounts). The City's contributions are established by the Joint Labor/Management Healthcare Committee, which was established in 1994 by various unions representing City employees and representative nonunion City employees. The Committee is made up of 16 voting members appointed by these parties. The provisions of this plan may only be modified upon the unanimous agreement of all of the voting members of the Committee and approval by the City Council.

City of Peoria, Illinois

Notes to Basic Financial Statements

Note 16. Other Postemployment Benefits (Continued)

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

The required contribution is based on projected pay-as-you-go financing. For fiscal year 2007, the City contributed \$4,254,686 which was net of retirees premiums received of \$2,592,959 and included a payment from the library of \$141,428.

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 thirty 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	\$ 9,334,271
Interest on net OPEB obligation	-
Adjustment to annual required contribution	-
Annual OPEB cost (expense)	<u>9,334,271</u>
Contributions and payments made	<u>4,254,686</u>
Increase in net OPEB obligation	<u>5,079,585</u>
Net OPEB obligation - January 1, 2007	-
Net OPEB obligation - December 31, 2007	<u><u>\$ 5,079,585</u></u>

City of Peoria, Illinois

Notes to Basic Financial Statements

Note 16. Other Postemployment Benefits (Continued)

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2007 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, 2005	\$ -	- %	\$ -
December 31, 2006	-	-	-
December 31, 2007	9,334,271	45.58	5,079,585

Funded status and funding progress: As of January 1, 2006, the most recent valuation date, the plan was 0 percent funded. The actuarial accrued liability for benefits was \$111.9 million and the actuarial value of assets is none resulting in an unfunded actuarial accrued liability (UAAL) of \$(111.9) million. The results of the January 1, 2006 valuation was rolled forward to January 1, 2007. The actuarial accrued liability for benefits was \$111.9 million and the actuarial value of assets is none resulting in an unfunded actuarial accrued liability (UAAL) of \$(111.9) million as of January 1, 2007.

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.

In the January 1, 2006 actuarial valuation, projected unit credit method was used. The actuarial assumptions included a 5 percent investment rate of return (net of administrative expenses) which is based on the expected long-term investment return of the employer's own investments used to pay plan benefits and an annual health care cost trend rate of 12 percent pre Medicare and 11 percent post Medicare reduced by decrements of .5 percent annually to an ultimate rate of 6 percent. The UAAL is being amortized as a level percentage of projected payroll on an open basis. The amortization of UAAL is done over a period of 30 years.

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

The City adopted the following statements during the year ended December 31, 2007:

- GASB Statement No. 43, *Financial Reporting For Postemployment Benefit Plans Other Than Pension Plans*. This Statement establishes uniform financial reporting standards for other postemployment benefit plans (OPEB plans) and supersedes existing guidance. A trust has not been legally created; however, the City established an agency fund to accumulate assets and pay benefits.
- GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. This Statement establishes standards for the measurement, recognition and display of other postemployment benefits expenses and related liabilities or assets, note disclosures and, if applicable, required supplementary information in the financial reports. The effect of the adoption of this Statement to the City was to record a liability of \$5,079,585 for the net other postemployment benefit obligation. The actuarial accrued liability is estimated by an actuary to be \$111,894,303 as of December 31, 2007.

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

- GASB Statement No. 48, *Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues*. This Statement establishes accounting and financial reporting standards for transactions in which a government receives, or is entitled to, resources in exchange for future cash flows generated by collecting specific receivables or specific future revenues. It also provides disclosure requirements for a government that pledges or commits future cash flows from a specific revenue source. In addition, this Statement establishes accounting and financial reporting standards for intra-entity transfers of assets and future revenues. The effect of the adoption of this Statement to the City was the addition of note disclosures regarding pledged revenue for long-term obligations.

As of December 31, 2007, the Governmental Accounting Standards Board (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. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*, issued November 2006, will be effective for the City beginning with its year ending December 31, 2008. This Statement addresses accounting and financial reporting standards for pollution (including contamination) remediation obligations, which are obligations to address the current or potential detrimental effects of existing pollution by participating in pollution remediation activities, such as site assessments and cleanups. This standard requires the government to estimate the components of expected pollution remediation outlays and determine whether the outlays for those components should be accrued as a liability or, if appropriate, capitalized when goods and services are acquired.
- GASB Statement No. 50, *Pension Disclosures*, an amendment of GASB Statement Nos. 25 and 27, issued May 2007, will be effective for the City beginning with its year ending December 31, 2008. This Statement more closely aligns the financial reporting requirements for pensions with those for other postemployment benefits (OPEB) and, in doing so, enhances information disclosed in notes to the financial statements or presented as required supplementary information (RSI) by pension plans and by employers that provide pension benefits.
- GASB Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*, issued July 2007, will be effective for the City beginning with its year ending December 31, 2010. This Statement provides guidance regarding how to identify, account for and report intangible assets. The new standard characterizes an intangible asset as an asset that lacks physical substance, is nonfinancial in nature and has an initial useful life extending beyond a single reporting period.
- GASB Statement No. 52, *Land and Other Real Estate Held as Investments by Endowments*, issued November 2007, will be effective for the City beginning with its year ending December 31, 2009. This Statement establishes consistent standards for the reporting of land and other real estate held as investments. Endowments were previously required to report their land and other real estate held for investment purposes at historical cost. However, such investments are reported at fair value by similar entities, such as pension plans. The Statement requires endowments to report land and other real estate investments at fair value. The changes in the fair value are to be reported as investment income.

The City's management has not yet determined the effect Statement Nos. 49, 50, 51 and 52 will have on the City's financial statements.

City of Peoria, Illinois

Notes to Basic Financial Statements

Note 18. Subsequent Events

On February 12, 2008, the City Council approved the issuance of up to \$24,200,000 in General Obligation Refunding Bonds, Series 2008, which have not yet been issued.

On May 13, 2008, the City Council approved a \$4,000,000 increase in the City's umbrella liability coverages thereby reducing the risk of catastrophic losses. Existing coverages were renewed.

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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
Year Ended December 31, 2007**

	General Fund			Variance With Final Budget
	Original Budget	Final Budget	Actual	
Revenues:				
Property taxes	\$ 5,916,056	\$ 5,916,056	\$ 5,985,739	\$ 69,683
Corporate personal property replacement taxes	4,838,734	5,038,734	5,681,321	642,587
State sales taxes	23,155,900	23,155,900	23,053,021	(102,879)
State income tax allocation	9,776,900	10,061,400	10,545,996	484,596
Home rule sales taxes	23,307,600	23,307,600	23,199,949	(107,651)
Hotel, restaurant and amusement taxes	7,395,000	7,395,000	8,120,176	725,176
Utility taxes	8,660,800	8,660,800	8,795,630	134,830
Governmental grants and reimbursements	108,200	513,913	439,290	(74,623)
Licenses and permits	2,237,987	2,237,987	3,373,998	1,136,011
Service charges/fees/fees	18,243,440	18,509,440	17,904,543	(604,897)
Contributions	-	-	-	-
Rental	50,570	50,570	33,488	(17,082)
Interest	1,500,000	1,500,000	1,502,513	2,513
Other	2,395,400	2,570,100	2,961,164	391,064
Total revenues	107,586,587	108,917,500	111,596,828	2,679,328
Expenditures:				
Current:				
Elective offices, boards, commissions and agencies	1,442,321	1,767,749	1,690,508	77,241
City administration	5,894,124	6,574,529	6,313,393	261,136
Benefits	21,818,891	-	-	-
Police	22,363,339	30,007,524	29,697,408	310,116
Fire	16,054,400	20,717,795	20,413,678	304,117
Public works	17,050,326	20,619,515	20,749,588	(130,073)
Community development	4,446,429	5,621,485	6,493,139	(871,654)
Public safety	5,902,605	7,625,912	7,342,636	283,276
General government	91,888	4,470,951	5,170,469	(699,518)
Library	-	649,281	888,532	(239,251)
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	95,064,323	98,054,741	98,759,351	(704,610)
Excess of revenues over expenditures	12,522,264	10,862,759	12,837,477	1,974,718
Other financing sources (uses):				
Proceeds from sale of capital assets	-	140,000	139,297	(703)
Transfers in	221,059	318,559	314,223	(4,336)
Transfers out	(12,326,325)	(12,334,425)	(12,363,498)	(29,073)
Total other financing sources (uses)	(12,105,266)	(11,875,866)	(11,909,978)	(34,112)
Net change in fund balances	\$ 416,998	\$ (1,013,107)	927,499	\$ 1,940,606
Fund balances, beginning of year			29,276,783	
Fund balances, end of year			<u>\$ 30,204,282</u>	

Peoria Public Library Fund				Police and Fire Pension Levy Fund			
Original Budget	Final Budget	Actual	Variance With Final Budget	Original Budget	Final Budget	Actual	Variance With Final Budget
\$ 5,830,635	\$ 5,830,635	\$ 5,800,142	\$ (30,493)	\$ 6,390,562	\$ 6,390,562	\$ 6,357,053	\$ (33,509)
418,067	418,067	418,067	-	1,232,678	1,232,678	1,232,678	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
141,100	210,417	180,840	(29,577)	-	-	-	-
-	-	-	-	-	-	-	-
120,030	120,030	122,818	2,788	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
30,000	30,000	109,830	79,830	-	-	17,458	17,458
-	82,886	148,831	65,945	-	-	-	-
<u>6,539,832</u>	<u>6,692,035</u>	<u>6,780,528</u>	<u>88,493</u>	<u>7,623,240</u>	<u>7,623,240</u>	<u>7,607,189</u>	<u>(16,051)</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	3,315,964	3,315,964	3,308,933	7,031
-	-	-	-	4,307,276	4,307,276	4,298,256	9,020
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
5,176,902	5,324,537	4,984,080	340,457	-	-	-	-
642,696	647,264	657,008	(9,744)	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>5,819,598</u>	<u>5,971,801</u>	<u>5,641,088</u>	<u>330,713</u>	<u>7,623,240</u>	<u>7,623,240</u>	<u>7,607,189</u>	<u>16,051</u>
720,234	720,234	1,139,440	419,206	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
(683,522)	(683,522)	(683,522)	-	-	-	-	-
<u>(683,522)</u>	<u>(683,522)</u>	<u>(683,522)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 36,712</u>	<u>\$ 36,712</u>	455,918	<u>\$ 419,206</u>	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
		2,307,849				-	
		<u>\$ 2,763,767</u>				<u>\$ -</u>	

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	\$ 98,054,741	\$ 98,759,351	\$ 704,610
Illinois Municipal Retirement Fund	6,026,101	6,084,170	58,069
Downtown Parking Bond Fund	618,138	619,438	1,300
2005A General Obligation Bond Debt Service Fund	2,941,888	2,943,388	1,500
2006 Special Assessment Bond Debt Service Fund	-	55,098	55,098

City of Peoria, Illinois

Required Supplementary Information
Illinois Municipal Retirement Plan

SCHEDULE OF FUNDING PROGRESS

Fiscal Year Ended	Actuarial Valuation Date	Actuarial Value of Net Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded (Over-funded) AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
2007	12/31/2006	\$ 59,885,155	\$ 71,031,568	\$ 11,146,413	84.31%	\$ 25,351,842	43.97%
2006	12/31/2005	60,215,014	73,666,247	13,451,233	81.74	23,694,274	56.77
2005	12/31/2004	51,763,284	67,849,024	16,085,740	76.29	22,412,111	71.77
2004	12/31/2003	45,181,442	62,039,008	16,857,566	72.83	21,238,355	79.37

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Actuarial Valuation Date	Annual Required Contributions (ARC) (a)	Total Contributions (b)	Percentage of ARC Contributed (b/a)
12/31/2006	\$ 3,792,635	\$ 3,792,635	100.00%
12/31/2005	3,646,549	3,646,549	100.00
12/31/2004	3,355,093	3,355,093	100.00

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

The required contribution was determined as part of the December 31, 2005 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included (a) 7.50 percent investment rate of return (net of administrative expenses), (b) projected salary increases of 4 percent a year, attributable to inflation, (c) additional projected salary increases ranging from .4 percent to 10.0 percent per year depending on age and service, attributable to seniority/merit and (d) post-retirement benefit increases of 3 percent per year. The actuarial value of IMRF assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period with a 15 percent corridor. IMRF's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The amortization period as of December 31, 2007 was 25 years.

Digest of changes: The actuarial assumptions used to determine the actuarial accrued liability for 2007 are based on the 2002 – 2004 experience study.

The principal changes were:

- The 1994 Group Annuity Mortality implemented.
- For regular members, fewer normal and more early retirements are expected to occur.

City of Peoria, Illinois

Required Supplementary Information
Police Pension Plan

SCHEDULE OF FUNDING PROGRESS

Fiscal Year Ended	Actuarial Valuation Date	Actuarial Value of Net Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded (Over-funded) AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
2007	01/01/2007	\$ 139,610,192	\$ 159,174,379	\$ 19,564,187	87.71%	\$ 15,241,498	128.36%
2006	01/01/2006	132,885,471	150,801,697	17,916,226	88.12	13,826,899	129.58
2005	01/01/2005	126,819,715	145,366,358	18,546,643	87.25	13,144,754	141.10
2004	01/01/2004	121,371,509	136,807,622	15,436,113	88.72	12,250,838	126.00

The information presented in the required supplementary schedules was determined as part of the actuarial valuation as of January 1, 2007. Additional information follows:

1. The cost method used to determine the ARC is the entry age normal cost funding method.
2. The assets are shown at fair value.
3. Economic assumptions are as follows: inflation rate of 3 percent, investment return rate of 8.0 percent and salary increase of 6.0 percent.
4. The amortization method is an open period, level percentage of payroll. The remaining amortization period as of the January 1, 2007 actuarial valuation date was 26 years.

City of Peoria, Illinois

Required Supplementary Information
Firemen's Pension Plan

SCHEDULE OF FUNDING PROGRESS

Fiscal Year Ended	Actuarial Valuation Date	Actuarial Value of Net Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded (Over-funded) AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
2007	01/01/2007	\$ 107,402,393	\$ 151,064,006	\$ 43,661,613	71.10%	\$ 12,643,538	345.33%
2006	01/01/2006	102,605,299	139,904,151	37,298,852	73.34	12,135,431	307.36
2005	01/01/2005	99,177,902	136,552,931	37,375,029	72.63	11,456,975	326.22
2004	01/01/2004	96,453,542	119,297,054	22,843,512	80.85	11,058,525	206.57

The information presented in the required supplementary schedules was determined as part of the actuarial valuation as of January 1, 2007. 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 5.0 percent.
4. The amortization method is a closed period, level percentage of payroll. The remaining amortization period as of the January 1, 2007 actuarial valuation date was 26 years.

City of Peoria, Illinois

Required Supplementary Information
Other Postemployment Benefit Plan

SCHEDULE OF FUNDING PROGRESS

Fiscal Year Ended	Actuarial Valuation Date	Actuarial Value of Net Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded (Over-funded) AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
2007	01/01/2006	\$ -	\$ 111,894,303	\$ 111,894,303	0.00%	\$ 59,547,106	187.91%

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

The information presented in the required supplementary schedule was determined as part of the actuarial valuation as of January 1, 2006. 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 6.0-12.0 percent; discount rate of 8.0 percent.
4. The amortization method is open period, level dollar.

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City of Peoria, Illinois

Nonmajor Governmental Funds
 Combining Balance Sheet
 December 31, 2007

Assets	Special Revenue Funds			
	Motor Fuel Tax Fund	Community Development Block Grant Fund	State and Local Auto Theft Enforcement Grant Fund	Multi-County MEG Grant Fund
Cash and cash equivalents	\$ 866,570	\$ 570,421	\$ 19,024	\$ 24,000
Cash with trustee	-	-	-	-
Investments	6,580,409	-	14,862	-
Property taxes receivable	-	-	-	-
State sales taxes receivable	-	-	-	-
Governmental grants and reimbursements receivable	274,684	-	-	-
Loans receivable, net	69,377	97,923	-	-
Pledges receivable	-	-	-	-
Other receivables, net	1,500	-	21,403	-
Accrued interest receivable	86,470	10,874	-	-
Due from other funds	-	17,403	-	-
Total assets	\$ 7,879,010	\$ 696,621	\$ 55,289	\$ 24,000
Liabilities and Fund Balance				
Liabilities				
Accounts payable	\$ 266,155	\$ 118,584	\$ 46,355	\$ 17,795
Accrued payroll	-	34,725	1,485	-
Due to other funds	-	1,734	-	-
Unearned revenue, property taxes	-	-	-	-
Deferred and unearned revenue, other	69,377	541,578	-	6,205
Total liabilities	335,532	696,621	47,840	24,000
Fund Balance				
Reserved for encumbrances	619,657	-	1,303	-
Reserved for future road projects	6,923,821	-	-	-
Reserved for debt service	-	-	-	-
Reserved for riverfront development	-	-	-	-
Reserved for employees' pension benefits	-	-	-	-
Reserved for parking deck construction	-	-	-	-
Unreserved:				
Designated for capital projects	-	-	-	-
Undesignated	-	-	6,146	-
Total fund balance	7,543,478	-	7,449	-
Total liabilities and fund balance	\$ 7,879,010	\$ 696,621	\$ 55,289	\$ 24,000

(Continued)

Special Revenue Funds				Debt Service Fund	
Home Investment Partnership Program Fund	Illinois Municipal Retirement Fund	Solid Waste Fund	Peoria Foreign Fire Insurance Board	Downtown Parking Bond Debt Service Fund	
\$ 131,143	\$ 695,247	\$ 366,603	\$ 140,077	\$ -	\$ -
-	-	-	-	-	302,295
-	2,022	648,170	245,161	-	-
-	4,496,200	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
128,562	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	1,744	-	-
1,525	-	-	-	-	-
<u>\$ 261,230</u>	<u>\$ 5,193,469</u>	<u>\$ 1,014,773</u>	<u>\$ 386,982</u>	<u>\$ 302,295</u>	
\$ 91,175	\$ 600,715	\$ 6,794	\$ -	\$ -	\$ -
1,026	-	-	-	-	-
-	-	-	-	-	-
-	4,496,200	-	-	-	-
169,029	-	-	-	-	-
<u>261,230</u>	<u>5,096,915</u>	<u>6,794</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	20,000	-	-	-
-	-	-	-	-	-
-	-	-	-	-	302,295
-	-	-	-	-	-
-	96,554	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	987,979	386,982	-	-
-	96,554	1,007,979	386,982	-	302,295
<u>\$ 261,230</u>	<u>\$ 5,193,469</u>	<u>\$ 1,014,773</u>	<u>\$ 386,982</u>	<u>\$ 302,295</u>	

City of Peoria, Illinois

Nonmajor Governmental Funds (Continued)

Combining Balance Sheet

December 31, 2007

	Debt Service Funds			
	2005A General Obligation Bond Debt Service Fund	WeaverRidge Debt Service Fund	General Obligation Bonds Debt Service Master Fund	2006 Special Assessment Bond Debt Service Fund
Assets				
Cash and cash equivalents	\$ -	\$ -	\$ 71,303	\$ 1,170,178
Cash with trustee	2,285,411	982,887	-	-
Investments	-	-	-	-
Property taxes receivable	-	-	-	-
State sales taxes receivable	-	-	-	-
Governmental grants and reimbursements receivable	-	-	-	-
Loans receivable, net	-	-	-	-
Pledges receivable	-	-	-	-
Other receivables, net	-	-	-	-
Accrued interest receivable	-	-	-	-
Due from other funds	-	-	-	-
Total assets	\$ 2,285,411	\$ 982,887	\$ 71,303	\$ 1,170,178
Liabilities and Fund Balance				
Liabilities				
Accounts payable	\$ 1,470,944	\$ -	\$ -	\$ -
Accrued payroll	-	-	-	-
Due to other funds	-	3,523	-	-
Unearned revenue, property taxes	-	-	-	-
Deferred and unearned revenue, other	-	-	-	-
Total liabilities	1,470,944	3,523	-	-
Fund Balance				
Reserved for encumbrances	-	-	-	-
Reserved for future road projects	-	-	-	-
Reserved for debt service	814,467	979,364	71,303	1,170,178
Reserved for riverfront development	-	-	-	-
Reserved fro employees' pension benefits	-	-	-	-
Reserved for parking deck construction	-	-	-	-
Unreserved:				
Designated for capital projects	-	-	-	-
Undesignated	-	-	-	-
Total fund balance	814,467	979,364	71,303	1,170,178
Total liabilities and fund balance	\$ 2,285,411	\$ 982,887	\$ 71,303	\$ 1,170,178

(Continued)

Debt Service Fund		Capital Projects Funds				
2007-A Special Assessment Bond Debt Service Fund		Southtown TIF Project Fund	Downtown TIF Project Fund	Campustown TIF Project Fund	Northside TIF Project Fund	Midtown Plaza TIF Project Fund
\$	24,844	\$ 533,925	\$ 1,987,266	\$ 100,403	\$ 636,241	\$ 5,219
	-	1,365,145	-	-	-	-
	-	52,323	318,028	1,157	357,418	31,355
	-	1,933,500	1,917,200	104,900	601,300	119,000
	-	20,334	-	40,559	-	-
	-	-	-	-	-	-
	-	49,742	-	-	-	-
	-	-	-	-	-	-
	-	7,467	-	-	-	-
	-	683	-	-	-	-
	-	-	-	-	-	-
<u>\$</u>	<u>24,844</u>	<u>\$ 3,963,119</u>	<u>\$ 4,222,494</u>	<u>\$ 247,019</u>	<u>\$ 1,594,959</u>	<u>\$ 155,574</u>
\$	-	\$ 538,064	\$ -	\$ -	\$ -	\$ -
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	1,933,500	1,917,200	104,900	601,300	119,000
	-	49,887	-	-	-	-
	-	2,521,451	1,917,200	104,900	601,300	119,000
	-	16,611	-	-	-	-
	-	-	-	-	-	-
	24,844	59,912	1,376,520	142,119	346,779	36,574
	-	-	-	-	-	-
	-	1,365,145	-	-	-	-
	-	-	-	-	-	-
	-	-	928,774	-	646,880	-
	-	-	-	-	-	-
	24,844	1,441,668	2,305,294	142,119	993,659	36,574
<u>\$</u>	<u>24,844</u>	<u>\$ 3,963,119</u>	<u>\$ 4,222,494</u>	<u>\$ 247,019</u>	<u>\$ 1,594,959</u>	<u>\$ 155,574</u>

City of Peoria, Illinois

Nonmajor Governmental Funds (Continued)

Combining Balance Sheet

December 31, 2007

Assets	Capital Projects Funds			
	Northside			
	Business Park TIF Project Fund	Downtown Stadium TIF Project Fund	Eagle View TIF Fund	Warehouse District TIF Fund
Cash and cash equivalents	\$ 1,913	\$ 35,203	\$ -	\$ -
Cash with trustee	-	-	-	-
Investments	25,035	731	-	-
Property taxes receivable	120,300	410,100	15,400	65,300
State sales taxes receivable	-	-	-	-
Governmental grants and reimbursements receivable	-	-	-	-
Loans receivable, net	-	-	-	-
Pledges receivable	-	-	-	-
Other receivables, net	-	-	-	-
Accrued interest receivable	-	-	-	-
Due from other funds	-	-	-	-
Total assets	\$ 147,248	\$ 446,034	\$ 15,400	\$ 65,300
Liabilities and Fund Balance				
Liabilities				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued payroll	-	-	-	-
Due to other funds	-	-	-	-
Unearned revenue, property taxes	120,300	410,100	15,400	65,300
Deferred and unearned revenue, other	-	-	-	-
Total liabilities	120,300	410,100	15,400	65,300
Fund Balance				
Reserved for encumbrances	-	-	-	-
Reserved for future road projects	-	-	-	-
Reserved for debt service	-	35,934	-	-
Reserved for riverfront development	-	-	-	-
Reserved for employees' pension benefits	-	-	-	-
Reserved for parking deck construction	-	-	-	-
Unreserved:				
Designated for capital projects	-	-	-	-
Undesignated	26,948	-	-	-
Total fund balance	26,948	35,934	-	-
Total liabilities and fund balance	\$ 147,248	\$ 446,034	\$ 15,400	\$ 65,300

Capital Projects Funds						
2004B General Obligation Bond Project Fund	2006 Special Assessment Bond Project Fund	City of Peoria Designated Zone Organization	2005A General Obligation Bond Project Fund	2007A Special Assessment Bond Project Fund	Total Nonmajor Governmental Funds	
\$ 683	\$ 606,269	\$ 47,488	\$ 4,890,085	\$ 915,207	\$ 13,839,312	
-	-	-	-	-	4,935,738	
-	-	1,303	-	-	8,277,974	
-	-	-	-	-	9,783,200	
-	-	-	-	-	60,893	
-	-	-	-	-	274,684	
-	-	-	-	-	345,604	
-	-	28,333	-	-	28,333	
-	-	-	-	-	30,370	
-	-	-	-	-	99,771	
-	-	22,001	-	71,908	112,837	
<u>\$ 683</u>	<u>\$ 606,269</u>	<u>\$ 99,125</u>	<u>\$ 4,890,085</u>	<u>\$ 987,115</u>	<u>\$ 37,788,716</u>	
\$ -	\$ -	\$ 24,125	\$ 1,098,261	\$ 219,244	\$ 4,498,211	
-	-	-	-	-	37,236	
-	-	-	-	-	5,257	
-	-	-	-	-	9,783,200	
-	-	28,333	-	-	864,409	
-	-	52,458	1,098,261	219,244	15,188,313	
-	-	-	109,317	767,871	1,534,759	
-	-	-	-	-	6,923,821	
-	-	-	-	-	5,360,289	
-	-	46,667	-	-	46,667	
-	-	-	-	-	96,554	
-	-	-	-	-	1,365,145	
-	-	-	3,682,507	-	3,682,507	
683	606,269	-	-	-	3,590,661	
<u>683</u>	<u>606,269</u>	<u>46,667</u>	<u>3,791,824</u>	<u>767,871</u>	<u>22,600,403</u>	
<u>\$ 683</u>	<u>\$ 606,269</u>	<u>\$ 99,125</u>	<u>\$ 4,890,085</u>	<u>\$ 987,115</u>	<u>\$ 37,788,716</u>	

City of Peoria, Illinois

**Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Year Ended December 31, 2007**

	Special Revenue Funds			
	Motor Fuel Tax Fund	Community Development Block Grant Fund	State and Local Auto Theft Enforcement Grant Fund	Multi-County MEG Grant Fund
Revenues:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Corporate personal property replacement taxes	-	-	-	-
State sales taxes	-	-	-	-
Governmental grants and reimbursements	4,190,423	2,271,504	-	71,179
Service charges/finest/fees	-	-	-	-
Contributions	-	-	424,462	-
Loan repayment	-	38,679	-	-
Interest	395,237	483	1,305	-
Other	2,953	7,199	1,184	-
Total revenues	4,588,613	2,317,865	426,951	71,179
Expenditures:				
Current:				
Elective offices, boards, commissions and agencies	-	-	-	-
City administration	-	26,531	-	-
Police	-	-	385,803	71,179
Fire	-	-	-	-
Public works	3,127,070	-	-	-
Community development	-	1,720,396	-	-
Public safety	-	425,650	-	-
General government	48,743	-	46,061	-
Library	-	-	-	-
Capital outlay	1,062,636	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	4,238,449	2,172,577	431,864	71,179
Excess (deficiency) of revenues over expenditures	350,164	145,288	(4,913)	-
Other financing sources (uses):				
Issuance of bonds	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	(145,288)	-	-
Total other financing sources (uses)	-	(145,288)	-	-
Net change in fund balances	350,164	-	(4,913)	-
Fund balances, beginning of year	7,193,314	-	12,362	-
Fund balances, end of year	\$ 7,543,478	\$ -	\$ 7,449	\$ -

(Continued)

Special Revenue Funds				Debt Service Fund
Home Investment Partnership Program Fund	Illinois Municipal Retirement Fund	Solid Waste Fund	Peoria Foreign Fire Insurance Board	Downtown Parking Bond Debt Service Fund
\$ -	\$ 4,325,451	\$ -	\$ -	\$ -
-	974,421	-	-	-
-	-	-	-	-
742,082	-	-	104,154	-
-	-	457,030	-	-
-	-	-	-	-
34,946	-	-	-	-
-	36,920	43,222	14,429	13,928
-	132	-	-	-
<u>777,028</u>	<u>5,336,924</u>	<u>500,252</u>	<u>118,583</u>	<u>13,928</u>
-	200,030	-	-	-
-	817,701	-	-	-
-	624,549	-	-	-
-	250,323	-	75,105	-
-	1,644,959	1,110	-	-
777,028	703,071	-	-	-
-	1,143,388	-	-	-
-	22,800	160,546	-	1,300
-	677,349	-	-	-
-	-	-	-	-
-	-	-	-	565,000
-	-	-	-	53,138
<u>777,028</u>	<u>6,084,170</u>	<u>161,656</u>	<u>75,105</u>	<u>619,438</u>
-	(747,246)	338,596	43,478	(605,510)
-	-	-	-	-
-	-	-	-	-
-	683,522	-	-	600,822
-	-	(75,771)	-	-
-	683,522	(75,771)	-	600,822
-	(63,724)	262,825	43,478	(4,688)
-	160,278	745,154	343,504	306,983
<u>\$ -</u>	<u>\$ 96,554</u>	<u>\$ 1,007,979</u>	<u>\$ 386,982</u>	<u>\$ 302,295</u>

City of Peoria, Illinois

Nonmajor Governmental Funds (Continued)
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Year Ended December 31, 2007

	Debt Service Funds			
	2005A General Obligation Bond Debt Service Fund	WeaverRidge Debt Service Fund	General Obligation Bonds Debt Service Master Fund	2006 Special Assessment Bond Debt Service Fund
Revenues:				
Property taxes	\$ -	\$ 100,221	\$ -	\$ -
Corporate personal property replacement taxes	-	-	-	-
State sales taxes	-	-	-	-
Governmental grants and reimbursements	-	-	-	-
Service charges/finest/fees	-	-	-	-
Contributions	-	-	-	-
Loan repayment	-	-	-	-
Interest	142,776	24,606	19,134	46,536
Other	-	-	-	-
Total revenues	142,776	124,827	19,134	46,536
Expenditures:				
Current:				
Elective offices, boards, commissions and agencies	-	-	-	-
City administration	-	-	-	-
Police	-	-	-	-
Fire	-	-	-	-
Public works	-	-	-	-
Community development	-	-	-	-
Public safety	-	-	-	-
General government	1,500	14,495	-	-
Library	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	260,000	9,934,526	-
Interest	2,941,888	232,417	4,159,173	55,098
Total expenditures	2,943,388	506,912	14,093,699	55,098
Excess (deficiency) of revenues over expenditures	(2,800,612)	(382,085)	(14,074,565)	(8,562)
Other financing sources (uses):				
Issuance of bonds	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
Transfers in	-	449,992	14,113,121	1,178,740
Transfers out	-	-	-	-
Total other financing sources (uses)	-	449,992	14,113,121	1,178,740
Net change in fund balances	(2,800,612)	67,907	38,556	1,170,178
Fund balances, beginning of year	3,615,079	911,457	32,747	-
Fund balances, end of year	\$ 814,467	\$ 979,364	\$ 71,303	\$ 1,170,178

(Continued)

Debt Service Fund	Capital Projects Funds				
2007-A Special Assessment Bonds Debt Service Fund	Southtown TIF Project Fund	Downtown TIF Project Fund	Campustown TIF Project Fund	Northside TIF Project Fund	Midtown Plaza TIF Project Fund
\$ -	\$ 1,753,976	\$ 1,781,136	\$ 102,294	\$ 588,465	\$ 110,841
-	-	-	-	-	-
-	177,058	-	283,967	-	-
-	-	-	-	-	-
-	47,067	-	-	-	-
-	-	-	-	-	-
-	31,267	-	-	-	-
163	193,740	132,893	10,441	53,040	4,685
-	11,303	-	-	-	-
163	2,214,411	1,914,029	396,702	641,505	115,526
-	-	-	-	-	-
-	442	432	432	432	432
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	2,474	-	-	-	-
-	-	-	-	-	-
-	-	267,643	-	115,000	-
-	-	-	-	-	-
-	3,152,399	-	-	-	-
-	181,887	-	-	-	-
-	54,113	-	-	-	-
-	3,391,315	268,075	432	115,432	432
163	(1,176,904)	1,645,954	396,270	526,073	115,094
-	-	-	-	-	-
-	5,000	-	-	-	-
24,681	-	-	-	-	-
-	(1,505,540)	(1,325,003)	(366,999)	(344,479)	(130,000)
24,681	(1,500,540)	(1,325,003)	(366,999)	(344,479)	(130,000)
24,844	(2,677,444)	320,951	29,271	181,594	(14,906)
-	4,119,112	1,984,343	112,848	812,065	51,480
\$ 24,844	\$ 1,441,668	\$ 2,305,294	\$ 142,119	\$ 993,659	\$ 36,574

City of Peoria, Illinois

Nonmajor Governmental Funds (Continued)
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Year Ended December 31, 2007

	Capital Projects Funds			
	Northside		2004B General	2006 Special
	Business Park	Downtown Stadium	Obligations	Assessment
	TIF Project Fund	TIF Project Fund	Bond Project Fund	Bond Project Fund
Revenues:				
Property taxes	\$ 117,696	\$ 397,340	\$ -	\$ -
Corporate personal property replacement taxes	-	-	-	-
State sales taxes	-	-	-	-
Governmental grants and reimbursements	-	-	-	-
Service charges/fees/fees	-	-	-	-
Contributions	-	-	-	-
Loan repayment	-	-	-	-
Interest	3,794	6,545	57,786	90,537
Other	-	-	-	-
Total revenues	121,490	403,885	57,786	90,537
Expenditures:				
Current:				
Elective offices, boards, commissions and agencies	-	-	-	-
City administration	432	432	12,606	-
Police	-	-	-	-
Fire	-	-	-	-
Public works	-	-	70,095	7,762
Community development	-	-	-	-
Public safety	-	-	-	-
General government	130,000	258,872	-	-
Library	-	-	-	-
Capital outlay	-	-	1,422,544	2,151,905
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	130,432	259,304	1,505,245	2,159,667
Excess (deficiency) of revenues over expenditures	(8,942)	144,581	(1,447,459)	(2,069,130)
Other financing sources (uses):				
Issuance of bonds	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	(139,974)	(424,691)	(1,178,740)
Total other financing sources (uses)	-	(139,974)	(424,691)	(1,178,740)
Net change in fund balances	(8,942)	4,607	(1,872,150)	(3,247,870)
Fund balances, beginning of year	35,890	31,327	1,872,833	3,854,139
Fund balances, end of year	\$ 26,948	\$ 35,934	\$ 683	\$ 606,269

Capital Projects Funds				
City of Peoria Designated Zone Organization	2005A General Obligation Bond Project Fund	2007A Special Assessment Bond Project Fund	Total Nonmajor Governmental Funds	
\$ -	\$ -	\$ -	\$ 9,277,420	
-	-	-	974,421	
-	-	-	461,025	
-	-	-	7,379,342	
-	-	-	504,097	
13,333	-	-	437,795	
-	-	-	104,892	
1,860	328,213	8,485	1,630,758	
-	-	71,908	94,679	
15,193	328,213	80,393	20,864,429	
-	-	-	200,030	
-	-	-	859,872	
-	-	-	1,081,531	
-	-	-	325,428	
-	-	-	4,850,996	
108,368	8,191,011	-	11,502,348	
-	-	-	1,569,038	
75	-	64,106	1,131,141	
-	-	-	677,349	
-	-	328,735	8,118,219	
75,027	-	-	11,016,440	
16,653	-	-	7,512,480	
200,123	8,191,011	392,841	48,844,872	
(184,930)	(7,862,798)	(312,448)	(27,980,443)	
-	-	1,105,000	1,105,000	
-	-	-	5,000	
1,539,296	-	-	18,590,174	
(1,341,032)	-	(24,681)	(7,002,198)	
198,264	-	1,080,319	12,697,976	
13,334	(7,862,798)	767,871	(15,282,467)	
33,333	11,654,622	-	37,882,870	
\$ 46,667	\$ 3,791,824	\$ 767,871	\$ 22,600,403	

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General Fund

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

City of Peoria, Illinois

General Fund

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

Year Ended December 31, 2007

With Comparative Figures for the Year Ended December 31, 2006

	2007			2006 Actual
	Original Budget	Final Budget	Actual	
Revenues:				
Property taxes	\$ 5,916,056	\$ 5,916,056	\$ 5,985,739	\$ 5,720,355
Corporate personal property replacement taxes	4,838,734	5,038,734	5,681,321	4,348,093
State sales taxes	23,155,900	23,155,900	23,053,021	22,858,382
State income tax allocation	9,776,900	10,061,400	10,545,996	9,679,194
Home rule sales taxes	23,307,600	23,307,600	23,199,949	22,888,067
Hotel, restaurant and amusement taxes	7,395,000	7,395,000	8,120,176	7,449,766
Utility taxes	8,660,800	8,660,800	8,795,630	8,568,744
Governmental grants and reimbursements	108,200	513,913	439,290	813,093
Licenses and permits	2,237,987	2,237,987	3,373,998	1,743,658
Service charges/fines/fees	18,243,440	18,509,440	17,904,543	17,361,153
Rental	50,570	50,570	33,488	261,019
Interest	1,500,000	1,500,000	1,502,513	1,420,313
Other	2,395,400	2,570,100	2,961,164	3,093,511
Total revenues	107,586,587	108,917,500	111,596,828	106,205,348
Expenditures:				
Current:				
Elective offices, boards, commissions and agencies	1,442,321	1,767,749	1,690,508	1,715,055
City administration	5,894,124	6,574,529	6,313,393	5,586,982
Benefits	21,818,891	-	-	-
Police	22,363,339	30,007,524	29,697,408	26,691,022
Fire	16,054,400	20,717,795	20,413,678	18,457,643
Public works	17,050,326	20,619,515	20,749,588	19,102,629
Community development	4,446,429	5,621,485	6,493,139	5,645,665
Public safety	5,902,605	7,625,912	7,342,636	6,583,724
General government	91,888	4,470,951	5,170,469	4,931,665
Library	-	649,281	888,532	682,069
Debt service:				
Principal	-	-	-	37,611
Interest	-	-	-	37,829
Total expenditures	95,064,323	98,054,741	98,759,351	89,471,894
Excess of revenues over expenditures	12,522,264	10,862,759	12,837,477	16,733,454
Other financing sources (uses):				
Proceed from the sale of capital assets	-	140,000	139,297	-
Transfers in	221,059	318,559	314,223	379,589
Transfers out	(12,326,325)	(12,334,425)	(12,363,498)	(13,124,964)
Total other financing (uses)	(12,105,266)	(11,875,866)	(11,909,978)	(12,745,375)
Net change in fund balances	\$ 416,998	\$ (1,013,107)	927,499	3,988,079
Fund balances, beginning of year			29,276,783	25,288,704
Fund balances, end of year			\$ 30,204,282	\$ 29,276,783

Special Revenue Funds

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

Following are the individual Special Revenue Funds:

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

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

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

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

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

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

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

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

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

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

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

City of Peoria, Illinois

Peoria Public Library Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
 Year Ended December 31, 2007
 With Comparative Figures for the Year Ended December 31, 2006

	2007			2006 Actual
	Original Budget	Final Budget	Actual	
Revenues:				
Property taxes	\$ 5,830,635	\$ 5,830,635	\$ 5,800,142	\$ 5,517,325
Corporate personal property replacement taxes	418,067	418,067	418,067	400,335
Governmental grants and reimbursements	141,100	210,417	180,840	121,559
Service charges/finest/fees	120,030	120,030	122,818	132,559
Interest	30,000	30,000	109,830	61,553
Other	-	82,886	148,831	195,161
Total revenues	6,539,832	6,692,035	6,780,528	6,428,492
Expenditures:				
Current:				
Personal services	3,303,874	3,303,874	3,125,245	3,020,928
Contractual services	1,558,552	1,606,554	1,449,853	1,325,870
Supplies and materials	314,476	414,109	408,982	519,205
Capital outlay	642,696	647,264	657,008	605,890
Total expenditures	5,819,598	5,971,801	5,641,088	5,471,893
Excess of revenues over expenditures	720,234	720,234	1,139,440	956,599
Other financing (uses), transfers out	(683,522)	(683,522)	(683,522)	(661,488)
Net change in fund balances	\$ 36,712	\$ 36,712	455,918	295,111
Fund balances, beginning of year			2,307,849	2,012,738
Fund balances, end of year			\$ 2,763,767	\$ 2,307,849

City of Peoria, Illinois

Motor Fuel Tax Fund

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

Year Ended December 31, 2007

With Comparative Figures for the Year Ended December 31, 2006

	2007			2006 Actual
	Original Budget	Final Budget	Actual	
Revenues:				
Governmental grants and reimbursements	\$ 3,378,700	\$ 3,378,700	\$ 4,190,423	\$ 3,662,265
Interest	350,000	350,000	395,237	382,891
Other, miscellaneous	-	-	2,953	4,818
Total revenues	3,728,700	3,728,700	4,588,613	4,049,974
Expenditures:				
Current:				
Public works:				
Road construction and general maintenance	2,680,500	3,303,445	3,127,070	2,737,845
General government	-	-	48,743	50
Capital outlay	1,874,500	2,474,884	1,062,636	1,929,655
Total expenditures	4,555,000	5,778,329	4,238,449	4,667,550
Excess (deficiency) of revenues over expenditures	\$ (826,300)	\$ (2,049,629)	350,164	(617,576)
Fund balances, beginning of year			7,193,314	7,810,890
Fund balances, end of year			\$ 7,543,478	\$ 7,193,314

City of Peoria, Illinois

**Community Development Block Grant Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Year Ended December 31, 2007
 With Comparative Figures for the Year Ended December 31, 2006**

	<u>2007</u>	<u>2006</u>
Revenues:		
Governmental grants and reimbursements	\$ 2,271,504	\$ 1,871,147
Loan repayment	38,679	51,495
Interest	483	674
Other	7,199	81,262
Total revenues	2,317,865	2,004,578
Expenditures:		
Current:		
City administration	26,531	22,503
Community development:		
Administration	175,724	201,924
Project costs	269,858	268,478
Rehabilitation	902,395	568,908
Payments to subrecipients	372,419	375,482
Public safety	425,650	421,995
Total expenditures	2,172,577	1,859,290
Excess of revenues over expenditures	145,288	145,288
Other financing (uses), transfers out	(145,288)	(145,288)
Net change in fund balances	-	-
Fund balances, beginning of year	-	-
Fund balances, end of year	\$ -	\$ -

City of Peoria, Illinois

State and Local Auto Theft Enforcement Grant Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
 Year Ended December 31, 2007
 With Comparative Figures for the Year Ended December 31, 2006

	2007			2006 Actual
	Original Budget	Final Budget	Actual	
Revenues:				
Contributions	\$ -	\$ 442,788	\$ 424,462	\$ 352,718
Interest	-	-	1,305	27
Other	-	-	1,184	85
Total revenues	-	442,788	426,951	352,830
Expenditures:				
Current:				
Police:				
Personnel	-	319,430	317,412	276,211
Contractual	-	52,721	51,371	54,608
Travel	-	3,500	3,390	2,999
Commodities	-	13,808	13,154	2,827
Other	-	475	476	414
General government	-	61,480	46,061	8,482
Total expenditures	-	451,414	431,864	345,541
Excess (deficiency) of revenues over expenditures	\$ -	\$ (8,626)	(4,913)	7,289
Fund balances, beginning of year			12,362	5,073
Fund balances, end of year			\$ 7,449	\$ 12,362

City of Peoria, Illinois

Multi-County MEG Grant Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Year Ended December 31, 2007
With Comparative Figures for the Year Ended December 31, 2006

	<u>2007</u>		<u>2006</u>
Revenues, governmental grants and reimbursements	\$ 71,179	\$	115,302
Expenditures, current, police, narcotics enforcement	<u>71,179</u>		<u>115,302</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

Home Investment Partnership Program Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Year Ended December 31, 2007
 With Comparative Figures for the Year Ended December 31, 2006

	2007	2006
Revenues:		
Governmental grants and reimbursements	\$ 742,082	\$ 2,535,349
Loan repayment	34,946	52,580
Other, miscellaneous	-	14,164
Total revenues	777,028	2,602,093
Expenditures:		
Current:		
Community development:		
Administration	79,294	76,300
Public services	122,030	828,288
Rehabilitation	323,110	1,172,299
Payments to subrecipients	248,559	525,206
Miscellaneous	4,035	-
Total expenditures	777,028	2,602,093
Excess (deficiency) of revenues over expenditures	-	-
Fund balances, beginning of year	-	-
Fund balances, end of year	\$ -	\$ -

City of Peoria, Illinois

Illinois Municipal Retirement Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
 Year Ended December 31, 2007
 With Comparative Figures for the Year Ended December 31, 2006

	2007			2006 Actual
	Original Budget	Final Budget	Actual	
Revenues:				
Property taxes	\$ 4,348,158	\$ 4,348,158	\$ 4,325,451	\$ 4,174,129
Corporate personal property replacement taxes	974,421	974,421	974,421	938,432
Interest	20,000	20,000	36,920	38,316
Other	-	-	132	8,525
Total revenues	5,342,579	5,342,579	5,336,924	5,159,402
Expenditures:				
Current:				
Elective offices, boards, commissions and agencies	-	200,438	200,030	199,647
City administration	-	831,636	817,701	808,590
Police	-	624,474	624,549	606,323
Fire	-	238,828	250,323	240,516
Public works	-	1,655,712	1,644,959	1,501,632
Community development	-	664,397	703,071	691,487
Public safety	-	1,131,572	1,143,388	1,109,533
General government	6,026,101	6,480	22,800	-
Library	-	672,564	677,349	670,296
Total expenditures	6,026,101	6,026,101	6,084,170	5,828,024
(Deficiency) of revenues over expenditures	(683,522)	(683,522)	(747,246)	(668,622)
Other financing sources, transfers in	683,522	683,522	683,522	661,488
Net change in fund balances	\$ -	\$ -	(63,724)	(7,134)
Fund balances, beginning of year			160,278	167,412
Fund balances, end of year			\$ 96,554	\$ 160,278

City of Peoria, Illinois

Solid Waste Fund

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

Year Ended December 31, 2007

With Comparative Figures for the Year Ended December 31, 2006

	2007			2006 Actual
	Original Budget	Final Budget	Actual	
Revenues:				
Service charges/finest/fees	\$ 248,795	\$ 248,795	\$ 457,030	\$ 352,959
Interest	30,000	30,000	43,222	32,464
Total revenues	278,795	278,795	500,252	385,423
Expenditures:				
Current:				
General government	331,571	331,590	160,546	170,585
Public works	-	-	1,110	-
Capital outlay	-	33,357	-	-
Total expenditures	331,571	364,947	161,656	170,585
Excess (deficiency) of revenues over expenditures	(52,776)	(86,152)	338,596	214,838
Other financing (uses), transfers out	(75,771)	(75,771)	(75,771)	(76,801)
Net change in fund balances	\$ (128,547)	\$ (161,923)	262,825	138,037
Fund balances, beginning of year			745,154	607,117
Fund balances, end of year			\$ 1,007,979	\$ 745,154

City of Peoria, Illinois

Workforce Development Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Year Ended December 31, 2007
With Comparative Figures for the Year Ended December 31, 2006

	<u>2007</u>	<u>2006</u>
Revenues:		
Governmental grants and reimbursements	\$ 4,830,488	\$ 5,098,581
Other	254,538	211,818
Total revenues	5,085,026	5,310,399
Expenditures:		
Current, community development	4,747,269	5,195,580
Capital outlay	-	105,778
Total expenditures	4,747,269	5,301,358
Excess of revenues over expenditures	337,757	9,041
Fund balances, beginning of year	180,971	171,930
Fund balances, end of year	\$ 518,728	\$ 180,971

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, 2007

With Comparative Figures for the Year Ended December 31, 2006

	2007			2006 Actual
	Original Budget	Final Budget	Actual	
Revenues:				
Property taxes	\$ 6,390,562	\$ 6,390,562	\$ 6,357,053	\$ 5,866,601
Corporate personal property replacement taxes	1,232,678	1,232,678	1,232,678	1,138,252
Interest	-	-	17,458	16,716
Total revenues	7,623,240	7,623,240	7,607,189	7,021,569
Expenditures:				
Current:				
Police	3,315,964	3,315,964	3,308,933	2,872,192
Fire	4,307,276	4,307,276	4,298,256	4,149,377
Total expenditures	7,623,240	7,623,240	7,607,189	7,021,569
Excess of revenues over expenditures	\$ -	\$ -	-	-
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, 2007
With Comparative Figures for the Year Ended December 31, 2006

	<u>2007</u>		<u>2006</u>
Revenues:			
Governmental grants and reimbursements	\$ 104,154	\$	97,671
Interest	14,429		12,226
Total revenues	118,583		109,897
Expenditures, current, fire	75,105		100,026
Excess of revenues over expenditures	43,478		9,871
Fund balances, beginning of year	343,504		333,633
Fund balances, end of year	\$ 386,982	\$	343,504

Debt Service Funds

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

Following are the individual Debt Service Funds:

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

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

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

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

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

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

City of Peoria, Illinois

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

	2007			2006 Actual
	Original Budget	Final Budget	Actual	
Revenues, interest	\$ 10,000	\$ 10,000	\$ 13,928	\$ 13,160
Expenditures:				
General government	-	-	1,300	1,300
Downtown redevelopment parking bonds:				
Principal	565,000	565,000	565,000	555,000
Interest	53,138	53,138	53,138	65,625
Total expenditures	618,138	618,138	619,438	621,925
(Deficiency) of revenues over expenditures	(608,138)	(608,138)	(605,510)	(608,765)
Other financing sources, transfers in	618,138	618,138	600,822	620,121
Net change in fund balances	\$ 10,000	\$ 10,000	(4,688)	11,356
Fund balances, beginning of year			306,983	295,627
Fund balances, end of year			\$ 302,295	\$ 306,983

City of Peoria, Illinois

2005A General Obligation Bond Fund

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

Year Ended December 31, 2007

With Comparative Figures for the Year Ended December 31, 2006

	2007			2006 Actual
	Original Budget	Final Budget	Actual	
Revenues, interest	\$ -	\$ -	\$ 142,776	\$ 190,734
Expenditures:				
General government	-	-	1,500	1,500
Peoria Civic Center bond issue, interest	2,941,888	2,941,888	2,941,888	2,941,888
Total expenditures	2,941,888	2,941,888	2,943,388	2,943,388
Net change in fund balances	\$ (2,941,888)	\$ (2,941,888)	(2,800,612)	(2,752,654)
Fund balances, beginning of year			3,615,079	6,367,733
Fund balances, end of year			\$ 814,467	\$ 3,615,079

City of Peoria, Illinois

WeaverRidge Debt Service Fund

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

Year Ended December 31, 2007

With Comparative Figures for the Year Ended December 31, 2006

	2007			2006 Actual
	Original Budget	Final Budget	Actual	
Revenues:				
Property taxes	\$ 150,000	\$ 150,000	\$ 100,221	\$ 145,392
Interest	10,000	10,000	24,606	23,550
Total revenues	160,000	160,000	124,827	168,942
Expenditures:				
General government	15,400	15,400	14,495	301,480
WeaverRidge special service area bonds issue:				
Principal	260,000	260,000	260,000	185,000
Interest	232,417	232,417	232,417	337,057
Total expenditures	507,817	507,817	506,912	823,537
(Deficiency) of revenues over expenditures	(347,817)	(347,817)	(382,085)	(654,595)
Other financing sources (uses):				
Issuance of bonds	-	-	-	4,575,000
Premium on issued bonds	-	-	-	121,590
Payment to refunding bond escrow agent	-	-	-	(4,453,083)
Transfers in	370,900	370,900	449,992	417,330
Total other financing sources	370,900	370,900	449,992	660,837
Net change in fund balances	\$ 23,083	\$ 23,083	67,907	6,242
Fund balances, beginning of year			911,457	905,215
Fund balances, end of year			\$ 979,364	\$ 911,457

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, 2007
 With Comparative Figures for the Year Ended December 31, 2006

	2007			2006 Actual
	Original Budget	Final Budget	Actual	
Revenues, interest	\$ 10,000	\$ 10,000	\$ 19,134	\$ 20,646
Expenditures:				
General obligation bond issues:				
Principal	9,934,526	9,934,526	9,934,526	9,510,725
Interest	4,178,993	4,178,993	4,159,173	4,585,556
Total expenditures	14,113,519	14,113,519	14,093,699	14,096,281
(Deficiency) of revenues over expenditures	(14,103,519)	(14,103,519)	(14,074,565)	(14,075,635)
Other financing sources, transfers in	14,113,518	14,113,518	14,113,121	13,927,831
Net change in fund balances	\$ 9,999	\$ 9,999	38,556	(147,804)
Fund balances, beginning of year			32,747	180,551
Fund balances, end of year			\$ 71,303	\$ 32,747

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, 2007
With Comparative Figures for the Year Ended December 31, 2006

	2007			2006 Actual
	Original Budget	Final Budget	Actual	
Revenues, interest	\$ -	\$ -	\$ 46,536	\$ -
Expenditures, special assessment bond issues, interest	-	-	55,098	-
(Deficiency) of revenues over expenditures	-	-	(8,562)	-
Other financing sources, transfers in			1,178,740	-
Net change in fund balances	\$ -	\$ -	1,170,178	-
Fund balances, beginning of year			-	-
Fund balances, end of year			\$ 1,170,178	\$ -

City of Peoria, Illinois

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

	2007			2006 Actual
	Original Budget	Final Budget	Actual	
Revenues, interest	\$ -	\$ -	\$ 163	\$ -
Other financing sources, transfers in	-	-	24,681	-
Net change in fund balances	\$ -	\$ -	24,844	-
Fund balances, beginning of year			-	-
Fund balances, end of year			\$ 24,844	\$ -

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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.

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

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

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

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

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

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

City of Peoria, Illinois

Capital Improvements Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Year Ended December 31, 2007
With Comparative Figures for the Year Ended December 31, 2006

	2007	2006
Revenues:		
Property taxes	\$ 60,818	\$ 57,984
Local motor fuel taxes	893,078	894,898
Riverboat gaming revenue	4,005,969	3,965,791
Governmental grants and reimbursements	1,109,423	1,967,428
Licenses and permits	4,866	-
Service charges/fines/fees	3,854,081	3,345,934
Special assessments	272,989	155,281
Loan repayment	276,989	255,482
Rental	40,550	39,510
Interest	965,303	990,930
Other, miscellaneous	487,439	617,954
Total revenues	11,971,505	12,291,192
Expenditures:		
Current:		
Elective offices, boards, commissions and agencies	175,287	-
City administration	300,687	332,071
Police	729,647	683,083
Fire	173,322	348,111
Public works	1,108,595	1,212,529
Community development	644,594	297,015
Public safety	150,434	174,687
General government	2,872,343	2,584,209
Capital outlay	9,527,123	8,302,897
Debt service:		
Principal	52,499	12,353
Interest	37,673	2,380
Total expenditures	15,772,204	13,949,335
(Deficiency) of revenues over expenditures	(3,800,699)	(1,658,143)
Other financing sources (uses):		
Proceeds from sale of capital assets	1,331,661	465,131
Transfers in	6,450,646	7,268,275
Transfers out	(5,305,825)	(5,716,017)
Total other financing sources	2,476,482	2,017,389
Net change in fund balances	(1,324,217)	359,246
Fund balances, beginning of year	21,627,158	21,267,912
Fund balances, end of year	\$ 20,302,941	\$ 21,627,158

City of Peoria, Illinois

Southtown TIF Project Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Year Ended December 31, 2007
 With Comparative Figures for the Year Ended December 31, 2006

	2007	2006
Revenues:		
Property taxes	\$ 1,753,976	\$ 1,906,464
State sales taxes	177,058	155,501
Service charges/fines/fees	47,067	15,691
Loan repayment	31,267	30,187
Interest	193,740	219,105
Other, miscellaneous	11,303	23,802
Total revenues	2,214,411	2,350,750
Expenditures:		
Current:		
City administration	442	420
Community development	2,474	54,881
General government	-	12,005
Capital outlay	3,152,399	181,642
Debt service:		
Principal	181,887	170,446
Interest	54,113	65,555
Total expenditures	3,391,315	484,949
Excess (deficiency) of revenues over expenditures	(1,176,904)	1,865,801
Other financing sources (uses):		
Proceeds from sale of capital assets	5,000	-
Transfers out	(1,505,540)	(1,427,713)
Total other financing uses	(1,500,540)	(1,427,713)
Net change in fund balances	(2,677,444)	438,088
Fund balances, beginning of year	4,119,112	3,681,024
Fund balances, end of year	\$ 1,441,668	\$ 4,119,112

City of Peoria, Illinois

**Downtown TIF Project Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Year Ended December 31, 2007
 With Comparative Figures for the Year Ended December 31, 2006**

	<u>2007</u>	<u>2006</u>
Revenues:		
Property taxes	\$ 1,781,136	\$ 1,708,794
Interest	132,893	113,936
Total revenues	1,914,029	1,822,730
Expenditures:		
Current:		
City administration	432	420
General government	267,643	254,614
Total expenditures	268,075	255,034
Excess of revenues over expenditures	1,645,954	1,567,696
Other financing (uses), transfers out	<u>(1,325,003)</u>	<u>(1,262,352)</u>
Net change in fund balances	320,951	305,344
Fund balances, beginning of year	1,984,343	1,678,999
Fund balances, end of year	<u><u>\$ 2,305,294</u></u>	<u><u>\$ 1,984,343</u></u>

City of Peoria, Illinois

Campustown TIF Project Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Year Ended December 31, 2007
With Comparative Figures for the Year Ended December 31, 2006

	<u>2007</u>	<u>2006</u>
Revenues:		
Property taxes	\$ 102,294	\$ 96,726
State sales taxes	283,967	260,155
Interest	10,441	9,805
Total revenues	396,702	366,686
Expenditures, current, City administration	432	419
Excess of revenues over expenditures	396,270	366,267
Other financing (uses), transfers out	(366,999)	(391,502)
Net change in fund balances	29,271	(25,235)
Fund balances, beginning of year	112,848	138,083
Fund balances, end of year	\$ 142,119	\$ 112,848

City of Peoria, Illinois

Northside TIF Project Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Year Ended December 31, 2007
 With Comparative Figures for the Year Ended December 31, 2006

	2007	2006
Revenues:		
Property taxes	\$ 588,465	\$ 560,577
Interest	53,040	43,943
Total revenues	641,505	604,520
Expenditures:		
Current:		
City administration	432	419
General government	115,000	101,998
Capital outlay	-	32,644
Total expenditures	115,432	135,061
Excess of revenues over expenditures	526,073	469,459
Other financing (uses), transfers out	(344,479)	(341,954)
Net change in fund balances	181,594	127,505
Fund balances, beginning of year	812,065	684,560
Fund balances, end of year	\$ 993,659	\$ 812,065

City of Peoria, Illinois

Midtown Plaza TIF Project Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Year Ended December 31, 2007
 With Comparative Figures for the Year Ended December 31, 2006

	<u>2007</u>	<u>2006</u>
Revenues:		
Property taxes	\$ 110,841	\$ 105,438
Interest	4,685	3,875
Total revenues	115,526	109,313
Expenditures, current, City administration	<u>432</u>	419
Excess of revenues over expenditures	115,094	108,894
Other financing (uses), transfers out	<u>(130,000)</u>	(95,000)
Net change in fund balances	(14,906)	13,894
Fund balances, beginning of year	<u>51,480</u>	37,586
Fund balances, end of year	<u><u>\$ 36,574</u></u>	<u><u>\$ 51,480</u></u>

City of Peoria, Illinois

Northside Business Park TIF Project Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Year Ended December 31, 2007
With Comparative Figures for the Year Ended December 31, 2006

	<u>2007</u>		<u>2006</u>
Revenues:			
Property taxes	\$ 117,696	\$	94,404
Interest	3,794		3,465
Total revenues	<u>121,490</u>		<u>97,869</u>
Expenditures:			
City administration	432		419
General government	130,000		100,000
Total expenditures	<u>130,432</u>		<u>100,419</u>
(Deficiency) of revenues over expenditures	(8,942)		(2,550)
Fund balances, beginning of year	<u>35,890</u>		<u>38,440</u>
Fund balances, end of year	<u>\$ 26,948</u>	\$	<u>35,890</u>

City of Peoria, Illinois

Downtown Stadium TIF Project Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Year Ended December 31, 2007
With Comparative Figures for the Year Ended December 31, 2006

	<u>2007</u>	<u>2006</u>
Revenues:		
Property taxes	\$ 397,340	\$ 380,299
Interest	6,545	5,468
Total revenues	<u>403,885</u>	<u>385,767</u>
Expenditures:		
City administration	432	419
General government	258,872	243,927
Total expenditures	<u>259,304</u>	<u>244,346</u>
Excess of revenues over expenditures	144,581	141,421
Other financing (uses), transfers out	<u>(139,974)</u>	<u>(137,769)</u>
Net change in fund balances	4,607	3,652
Fund balances, beginning of year	<u>31,327</u>	<u>27,675</u>
Fund balances, end of year	<u>\$ 35,934</u>	<u>\$ 31,327</u>

City of Peoria, Illinois

2004B General Obligation Bond Project Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Year Ended December 31, 2007
With Comparative Figures for the Year Ended December 31, 2006

	<u>2007</u>	<u>2006</u>
Revenues, interest	<u>\$ 57,786</u>	<u>\$ 160,828</u>
Expenditures:		
Current:		
City administration	12,606	-
Public works	70,095	658,457
Capital outlay	1,422,544	1,818,948
Total expenditures	<u>1,505,245</u>	<u>2,477,405</u>
(Deficiency) of revenues over expenditures	(1,447,459)	(2,316,577)
Other financing (uses), transfers out	(424,691)	-
Fund balances, beginning of year	<u>1,872,833</u>	<u>4,189,410</u>
Fund balances, end of year	<u><u>\$ 683</u></u>	<u><u>\$ 1,872,833</u></u>

City of Peoria, Illinois

2005A General Obligation Bond Project Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Year Ended December 31, 2007
With Comparative Figures for the Year Ended December 31, 2006

	<u>2007</u>	<u>2006</u>
Revenues, interest	\$ 328,213	\$ 1,294,672
Expenditures, current, community development	<u>8,191,011</u>	<u>33,581,290</u>
Net change in fund balances	(7,862,798)	(32,286,618)
Fund balances, beginning of year	<u>11,654,622</u>	<u>43,941,240</u>
Fund balances, end of year	<u>\$ 3,791,824</u>	<u>\$ 11,654,622</u>

City of Peoria, Illinois

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

	<u>2007</u>	<u>2006</u>
Revenues, interest	<u>\$ 90,537</u>	<u>\$ -</u>
Expenditures:		
Current:		
General government	-	160,873
Public works	7,762	
Capital outlay	<u>2,151,905</u>	<u>1,184,988</u>
Total expenditures	<u>2,159,667</u>	<u>1,345,861</u>
(Deficiency) of revenues over expenditures	<u>(2,069,130)</u>	<u>(1,345,861)</u>
Other financing sources (uses):		
Issuance of bonds	-	5,200,000
Transfers out	<u>(1,178,740)</u>	<u>-</u>
Total other financing sources (uses)	<u>(1,178,740)</u>	<u>5,200,000</u>
Net change in fund balances	<u>(3,247,870)</u>	<u>3,854,139</u>
Fund balances, beginning of year	<u>3,854,139</u>	-
Fund balances, end of year	<u><u>\$ 606,269</u></u>	<u><u>\$ 3,854,139</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, 2007
 With Comparative Figures for the Year Ended December 31, 2006

	2007	2006
Revenues:		
Contributions	\$ 13,333	\$ 33,333
Interest	1,860	1,703
Total revenues	15,193	35,036
Expenditures:		
Current:		
Community development	108,368	6,669
General government	75	112,653
Debt service:		
Principal	75,027	69,969
Interest	16,653	21,712
Total expenditures	200,123	211,003
(Deficiency) of revenues over expenditures	(184,930)	(175,967)
Other financing sources (uses):		
Transfers in	1,539,296	1,499,443
Transfers out	(1,341,032)	(1,290,604)
Total other financing sources	198,264	208,839
Net change in fund balances	13,334	32,872
Fund balances, beginning of year	33,333	461
Fund balances, end of year	\$ 46,667	\$ 33,333

City of Peoria, Illinois

2007A Special Assessment Bond Project Fund
Year Ended December 31, 2007

Revenues:		
Interest	\$	8,485
Other		71,908
Total revenues		<u>80,393</u>
Expenditures:		
Current, general government		64,106
Capital outlay		328,735
Total expenditures		<u>392,841</u>
(Deficiency) of revenues over expenditures		<u>(312,448)</u>
Other financing sources (uses):		
Issuance of bonds		1,105,000
Transfers out		(24,681)
Total other financing sources (uses)		<u>1,080,319</u>
Net change in fund balance		767,871
Fund balance, beginning of year		-
Fund balance, end of year	\$	<u><u>767,871</u></u>

City of Peoria, Illinois

2007A General Obligation Bond Project Fund
Year Ended December 31, 2007

Revenue, interest	\$ 124,771
Expenditures:	
Current:	
Public works	3,241
General government	296,691
Capital outlay	5,052,896
Total expenditures	<u>5,352,828</u>
(Deficiency) of revenues over expenditures	<u>(5,228,057)</u>
Other financing sources (uses):	
Issuance bonds	18,800,000
Bond premium	47,197
Total other financing sources (uses)	<u>18,847,197</u>
Net change in fund balance	13,619,140
Fund balance, beginning of year	-
Fund balance, end of year	<u>\$ 13,619,140</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.

City of Peoria, Illinois

Combining Schedule of Fiduciary Net Assets
December 31, 2007

	Police Pension Fund of Peoria	Firemen's Pension Fund of Peoria	Total
Assets			
Cash and short-term investments	\$ 5,285,250	\$ 715,877	\$ 6,001,127
Receivables:			
Employer contributions	2,843,467	4,816,484	7,659,951
Plan members' contributions	61,371	25,369	86,740
Accrued interest and dividends	508,394	432,389	940,783
	<u>3,413,232</u>	<u>5,274,242</u>	<u>8,687,474</u>
Investments, at fair value:			
U.S. government obligations	47,371,905	46,608,930	93,980,835
Municipal obligations	-	4,450,600	4,450,600
Illinois Public Treasurer's Investment Pool	-	6,260,446	6,260,446
Mutual funds	55,127,690	-	55,127,690
Corporate bonds	2,879,083	784,223	3,663,306
Stocks	24,826,877	-	24,826,877
Equity investments	-	48,394,422	48,394,422
	<u>130,205,555</u>	<u>106,498,621</u>	<u>236,704,176</u>
Total assets	138,904,037	112,488,740	251,392,777
Liabilities			
Accounts payable and accrued payroll taxes	347,161	115,712	462,873
Net assets held in trust for pension benefit obligation	<u>\$ 138,556,876</u>	<u>\$ 112,373,028</u>	<u>\$ 250,929,904</u>

City of Peoria, Illinois

Combining Schedule of Changes in Fiduciary Net Assets
Year Ended December 31, 2007

	Police Pension Fund of Peoria	Firemen's Pension Fund of Peoria	Total
Additions			
Contributions:			
Plan members' contributions	\$ 1,472,522	\$ 1,263,866	\$ 2,736,388
Employer contributions	3,420,628	4,844,783	8,265,411
Transfer of creditable service	32,389	-	32,389
Other income	9,622	145,952	155,574
Total contributions	4,935,161	6,254,601	11,189,762
Investment income:			
Net realized and unrealized gains on investments	8,409,322	5,570,560	13,979,882
Dividends	940,526	1,597,728	2,538,254
Interest	2,622,250	2,365,045	4,987,295
Total investment income	11,972,098	9,533,333	21,505,431
Less investment expenses	656,373	315,789	972,162
Net investment income	11,315,725	9,217,544	20,533,269
Total additions	16,250,886	15,472,145	31,723,031
Deductions			
Benefits paid	8,770,364	7,791,803	16,562,167
Administrative expenses	153,988	114,744	268,732
Refunds	58,614	-	58,614
Total deductions	8,982,966	7,906,547	16,889,513
Net increase	7,267,920	7,565,598	14,833,518
Net assets held in trust for pension benefits			
Beginning of year	131,288,956	104,807,430	236,096,386
End of year	\$ 138,556,876	\$ 112,373,028	\$ 250,929,904

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Agency Funds

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

Following is the individual Agency Funds:

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

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

City Of Peoria, Illinois

Statement of Changes in Assets and Liabilities

Agency Funds

Year Ended December 31, 2007

	Balance, Beginning	Additions	Deductions	Balance, Ending
Section 125				
Assets , cash and investments	\$ 83,807	\$ 440,143	\$ 432,919	\$ 91,031
Liabilities , due to individuals	\$ 83,807	\$ 440,143	\$ 432,919	\$ 91,031
Other Postemployment Benefits				
Assets , employer contributions receivable	\$ -	\$ 2,615,623	\$ -	\$ 2,615,623
Liabilities , due to individuals	\$ -	\$ 2,615,623	\$ -	\$ 2,615,623
Total				
Assets:				
Cash and investments	\$ 83,807	\$ 440,143	\$ 432,919	\$ 91,031
Employer contributions receivable	-	2,615,623	-	2,615,623
	\$ 83,807	\$ 3,055,766	\$ 432,919	\$ 2,706,654
Liabilities , due to individuals	\$ 83,807	\$ 3,055,766	\$ 432,919	\$ 2,706,654

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	132 - 136
These schedules contain trend information to help the reader understand how the City's financial performance and well being have changed over time.	
Revenue Capacity: Tables V - IX	137 - 142
These schedules contain information to help the reader assess two primary revenue sources for the City: a) property taxes b) taxable sales.	
Debt Capacity: Tables X - XIII	143 - 148
These schedules present information to help the reader assess the affordability of the City's current level of outstanding debt and the City's ability to issue additional debt in the future.	
Demographic and Economic Information: Tables XIV - XV	149 - 150
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	
Operating Information: Tables XVI - XVIII	151 - 153
These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	
Glossary of Terms in Statistical Section	154 - 156

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

GASB Statement No. 34: The City implemented GASB Statement No. 34 in fiscal year 2002; for this report, 6 year government-wide financial schedules for 2002-2007 are presented in Tables I and II.

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

	Fiscal Year					
	2002	2003	2004	2005	2006	2007
	Restated			Restated		
Governmental activities/primary government:						
Invested in capital assets, net of related debt	\$ 57,878,792	\$ 73,349,437	\$ 87,732,295	\$ 171,907,375	\$ 171,655,101	\$ 185,488,430
Restricted	31,164,107	24,774,863	44,694,262	95,081,143	68,518,109	61,923,893
Unrestricted	(63,939,210)	(58,357,001)	(72,389,704)	(131,479,036)	(124,525,566)	(132,053,264)
Total governmental activities/primary government net assets	\$ 25,103,689	\$ 39,767,299	\$ 60,036,853	\$ 135,509,482	\$ 115,647,644	\$ 115,359,059

Source: City of Peoria comprehensive annual financial reports for fiscal years 2002 through 2007.

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

Restatement of 2002 Net Assets:

In 2003, the City recorded prior period adjustments producing a \$8,941,078 increase in December 31, 2002 net assets as restated.
Pre-paid assets increased \$7,585,742 for recognition of negative police and fire net pension obligations.
Fixed assets increased \$1,355,336 for construction in progress and land.

Restatement of 2005 Net Assets:

In 2006, the City recorded prior period adjustments producing a net \$69,635,982 increase in December 31, 2005 net assets as restated:
a) Infrastructure assets increased \$58,781,292 to comply with GASB 34 retroactive infrastructure reporting for fiscal years 1980 through 2001.
b) Infrastructure assets increased \$11,542,478 to recognize growth cells infrastructure annexed to the City from 2002 through 2005.
c) Long-Term Liabilities increased \$687,788 for a promissory note to Wal-Mart; reimbursement for Allen Road construction advances in 2002.

Business-Type Activities:

The City has no business-type activities.

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City of Peoria

Changes In Net Assets

Last Six Fiscal Years

(accrual basis of accounting)

(Unaudited)

	Fiscal Year		Fiscal Year			
	2002	2003	2004	2005	2006	2007
	Restated			Restated		
Expenses						
Governmental activities:						
Elected Offices, Boards, Commissions, and Agencies	\$ 1,621,563	\$ 1,526,209	\$ 1,675,688	\$ 1,705,216	\$ 1,926,997	\$ 2,184,194
City Administration	5,723,307	6,331,442	6,320,691	6,824,431	6,950,987	7,828,057
Police	24,513,185	26,682,830	28,437,820	29,168,640	30,538,723	37,110,409
Fire	19,511,192	20,405,179	21,532,910	22,305,856	24,408,676	27,816,247
Public Works	21,534,543	22,320,835	23,682,707	25,328,323	27,838,925	27,924,254
Community Development	16,016,512	14,304,503	12,941,972	28,639,520	49,626,179	26,926,080
Public Safety	7,061,669	7,062,024	7,755,956	8,046,578	8,412,090	10,534,455
General Government	16,549,793	11,878,015	7,054,084	9,382,074	16,019,134	17,584,981
Library	5,922,173	5,597,368	5,572,748	6,218,324	6,833,270	7,874,572
Interest on Long-Term Debt	7,138,134	6,572,606	5,953,781	7,546,228	7,809,463	7,698,934
Total governmental activities/primary government expenses	\$ 125,592,071	\$ 122,681,011	\$ 120,928,357	\$ 145,165,190	\$ 180,364,444	\$ 173,482,183
Program Revenues						
Governmental activities:						
Charges for services:						
Elected offices, boards, commissions, and agencies	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City administration	-	-	-	-	-	-
Police	212,834	220,805	251,506	475,862	1,020,290	883,111
Fire	533,280	511,470	461,280	412,138	275,658	520,862
Public works	3,531,704	3,382,465	5,482,563	5,822,715	5,635,552	5,522,356
Community development	-	-	-	-	-	-
Public safety	1,949,200	2,071,844	2,366,076	2,331,974	2,373,167	4,177,942
General government	5,593,899	9,477,456	9,384,104	10,654,559	11,442,837	12,348,131
Library	194,268	132,705	139,890	131,886	132,559	122,818
Operating grants and contributions:						
Elected offices, boards, commissions, and agencies	-	-	-	-	-	-
City administration	-	-	-	-	-	-
Police	888,879	1,865,113	1,421,077	2,420,407	1,373,059	1,095,196
Fire	89,802	121,369	116,473	111,953	145,197	191,955
Public works	-	-	-	-	-	-
Community development	7,006,752	7,031,803	6,617,051	7,583,527	9,505,077	7,844,074
Public safety	26,933	24,958	48,056	66,227	39,930	-
General government	5,131	-	80,940	520,184	-	(12,121)
Library	127,675	37,887	12,933	28,707	135,412	104,065
Capital grants and contributions						
Elected offices, boards, commissions, and agencies	-	-	-	-	-	-
City administration	-	-	-	-	-	-
Police	-	-	-	-	-	-
Fire	-	-	-	-	-	-
Public works	-	-	-	-	37,572	-
Community development	-	-	-	-	33,333	13,333
Public safety	-	-	-	-	-	-
General government	16,741,210	1,103,499	1,572,574	1,559,111	1,955,973	9,391,351
Library	-	-	-	149,577	106,364	151,184
Total governmental activities/primary government program revenues	36,901,567	25,981,374	27,954,523	32,268,827	34,211,980	42,354,257
Net (expense) revenue:						
Total governmental activities/primary government net expense	\$ (88,690,504)	\$ (96,699,637)	\$ (92,973,834)	\$ (112,896,363)	\$ (146,152,464)	\$ (131,127,926)

(Continued)

Table II

			Fiscal Year	Fiscal Year		
	2002	2003	2004	2005	2006	2007
	Restated			Restated		
General Revenues and Other Changes in Net Assets:						
Governmental activities/primary government:						
Taxes:						
Property taxes	\$ 20,506,212	\$ 22,463,343	\$ 23,639,496	\$ 24,697,914	\$ 26,334,488	\$ 27,481,171
Corporate personal property replacement taxes	4,029,763	4,348,774	4,694,841	6,515,378	6,825,112	8,306,487
State sales taxes, unrestricted	19,486,600	20,217,291	21,437,038	21,968,951	23,274,038	23,514,047
State income tax allocation, unrestricted	7,458,224	6,939,248	7,228,580	8,888,641	9,679,194	10,545,996
Home rule sales taxes	15,500,845	20,237,394	21,641,571	21,930,700	22,888,067	23,199,949
Hotel, restaurant and amusement taxes	6,376,032	6,588,790	6,890,626	7,067,524	7,449,766	8,120,176
Local motor fuel taxes	872,823	898,319	938,794	936,573	894,898	893,078
Riverboat gaming revenue	4,606,887	4,353,802	4,126,973	4,058,749	3,965,791	4,005,969
Utility taxes	7,843,066	8,671,172	8,421,384	8,455,737	8,568,744	8,795,630
Grants and contributions not restricted to specific programs	7,710,737	9,691,860	3,285,935	6,279,957	4,810,762	3,508,181
Payment from City of Peoria	-	-	-	-	-	-
Interest/Investment Income	1,231,044	666,596	1,026,469	3,953,095	5,077,067	4,363,118
Franchise Fees, based on gross receipts	2,093,477	2,056,055	2,432,185	1,880,087	2,071,893	2,189,184
Other	7,627,733	4,230,603	7,479,496	4,868,646	4,450,806	5,916,355
Total governmental activities/primary government	\$ 105,343,443	\$ 111,363,247	\$ 113,243,388	\$ 121,501,952	\$ 126,290,626	\$ 130,839,341
Change in net assets:						
Total governmental activities/primary government	\$ 16,652,939	\$ 14,663,610	\$ 20,269,554	\$ 8,605,589	\$ (19,861,838)	\$ (288,585)

Source: City of Peoria comprehensive annual financial reports for fiscal years 2002 through 2007.

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

Restatement of 2002 Change in Net Assets:

In 2003, the City recorded prior period adjustments producing a \$1,619,526 increase in the 2002 change in net assets as restated.

Other revenues increased \$389,190 for recognition of 2002 negative police net pension obligations.

Capital outlay increased \$1,230,336 for 2002 road construction.

Restatement of 2005 Change in Net Assets:

In 2006, the City recorded prior period adjustments producing a \$2,768,942 increase in the 2005 change in net assets as restated.

Unrestricted grants & contributions increased \$2,768,942 to record infrastructure annexed to the City during 2005.

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

Business-Type Activities:

The City has no business-type activities.

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

	Fiscal Year					
	2002	2003	2004	2005	2006	2007
General Fund:						
Reserved	\$ 867,750	\$ 1,165,375	\$ 1,408,505	\$ 932,376	\$ 1,848,711	\$ 7,968,830
Unreserved - Designated	16,177,476	15,849,770	16,815,391	17,823,988	18,691,956	12,570,433
Unreserved - Undesignated	2,534,924	3,312,155	4,993,106	6,532,340	8,736,116	9,665,019
Total General Fund	\$ 19,580,150	\$ 20,327,300	\$ 23,217,002	\$ 25,288,704	\$ 29,276,783	\$ 30,204,282
All Other Governmental Funds:						
Reserved	\$ 30,883,072	\$ 15,086,532	\$ 16,647,432	\$ 28,748,887	\$ 28,807,497	\$ 27,907,159
Unreserved - Designated, reported in:						
Special Revenue Funds	-	-	-	-	841,971	1,502,394
Capital Project Funds	7,108,531	21,619,171	19,270,713	58,116,993	25,180,643	17,213,173
Unreserved - Undesignated, reported in:						
Special Revenue Funds	1,547,458	830,485	950,644	1,446,695	1,078,166	1,667,452
Debt Service Funds	2,586,113	2,552,687	2,122,282	-	-	-
Capital Project Funds	5,962,779	3,305,862	8,324,913	6,626,544	6,090,571	11,514,801
Total All Other Government Funds	\$ 48,087,953	\$ 43,394,737	\$ 47,315,984	\$ 94,939,119	\$ 61,998,848	\$ 59,804,979

Source: City of Peoria comprehensive annual financial reports for fiscal years 2002 through 2007.

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

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

Table IV

	Fiscal Year					
	2002	2003	2004	2005	2006	2007
Revenues:						
Taxes	\$ 82,073,565	\$ 90,364,331	\$ 94,892,327	\$ 100,461,418	\$ 105,914,307	\$ 110,856,534
Riverboat gaming revenue	4,606,887	4,353,802	4,126,973	4,058,749	3,965,791	4,005,969
Governmental grants and reimbursements	32,597,119	19,570,991	14,827,219	15,630,680	16,282,395	13,939,383
Licenses and Permits	1,804,406	1,821,102	1,974,066	1,956,622	1,743,658	3,378,864
Charges for services	11,863,996	16,031,698	18,543,539	19,752,599	21,208,296	22,385,539
Special assessments	383,012	289,037	258,861	272,370	155,281	272,989
Loan repayments	774,548	428,464	598,388	314,054	389,744	381,881
Interest	1,225,273	655,967	999,596	3,914,551	5,066,507	4,350,633
Other	10,070,924	3,592,690	3,941,145	5,103,540	4,937,680	4,458,484
Total Revenues	\$ 145,399,730	\$ 137,108,082	\$ 140,162,114	\$ 151,464,583	\$ 159,663,659	\$ 164,030,276
Expenditures:						
Elected offices, boards, commissions, agencies	1,601,763	1,542,604	1,657,983	1,687,969	1,914,702	2,065,825
City administration	5,569,877	6,211,687	6,126,004	6,665,593	6,753,081	7,473,952
Police	24,312,744	26,115,376	28,278,203	29,650,167	31,304,981	34,817,519
Fire	18,296,736	19,463,292	20,667,895	21,500,657	23,295,673	25,210,684
Public works	20,664,141	21,585,819	22,183,503	23,450,167	25,213,092	26,712,420
Community development	16,496,114	14,385,523	12,924,713	28,545,414	49,489,472	23,387,350
Public safety	6,882,155	6,925,331	7,647,920	7,909,693	8,289,939	9,062,108
General government	16,453,677	10,638,632	5,672,053	8,430,306	8,985,341	9,470,644
Library	5,388,193	5,025,646	4,986,497	5,627,239	6,218,368	6,549,961
Capital outlay	15,936,012	18,835,700	13,873,682	14,782,867	14,461,134	23,355,246
Debt service:						
Principal	8,735,555	8,848,765	9,282,235	10,754,953	10,541,104	11,068,939
Interest	6,813,813	6,481,382	6,005,161	7,109,707	8,057,602	7,550,153
Total Expenditures	\$ 147,150,780	\$ 146,059,757	\$ 139,305,849	\$ 166,114,732	\$ 194,524,489	\$ 186,724,801
Excess of Revenues (under) Expenditures	(1,751,050)	(8,951,675)	856,265	(14,650,149)	(34,860,830)	(22,694,525)
Other Financing Sources (Uses):						
Issuance of bonds	5,445,000	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	1,781,872	621,395	36,702	36,662	465,131	1,475,958
New loan proceeds	-	196,755	-	-	-	-
Proceeds from note payable	-	-	265,826	-	-	-
Transfers in	12,857,783	28,389,422	24,812,630	24,254,326	24,774,077	25,355,043
Transfers out	(12,857,783)	(28,389,422)	(24,812,630)	(24,254,326)	(24,774,077)	(25,355,043)
Total Other Financing Sources (Uses)	7,226,872	5,005,609	5,954,684	64,344,986	5,908,638	21,428,155
Net Change in Fund Balances	\$ 5,475,822	\$ (3,946,066)	\$ 6,810,949	\$ 49,694,837	\$ (28,952,192)	\$ (1,266,370)
Debt service as a percentage of noncapital expenditures	11.9%	12.0%	12.2%	11.8%	10.3%	11.4%

Source: City of Peoria comprehensive annual financial reports for fiscal years 2002 through 2007.

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

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

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

Fiscal Year	Property Tax Levy Year	Residential Property	Commercial Property	Industrial Property	Farm Property	Railway Property	Total Taxable Assessed Value	Percent Growth	Total Direct Tax Rate
2008	2007	\$ 1,215,582	\$ 583,533	\$ 46,167	\$ 860	\$ 886	\$ 1,847,028	7.63%	\$1.2707
2007	2006	1,125,204	544,809	44,360	904	841	1,716,118	6.14%	1.2822
2006	2005	1,057,513	514,791	42,847	765	886	1,616,802	5.22%	1.2896
2005	2004	1,000,040	492,297	42,601	737	933	1,536,607	3.62%	1.2723
2004	2003	982,025	456,371	42,778	740	985	1,482,899	5.24%	1.2649
2003	2002	937,228	427,495	42,503	781	997	1,409,003	6.90%	1.2578
2002	2001	879,920	395,166	40,981	995	983	1,318,044	6.59%	1.2479
2001	2000	824,072	371,548	39,081	852	987	1,236,540	5.61%	1.2572
2000	1999	776,350	352,693	39,964	846	1,013	1,170,866	5.82%	1.2649
1999	1998	733,423	332,043	39,449	667	895	1,106,477	7.10%	1.2649

Source: Peoria County Clerk (Tax Computation Reports)**Notes**

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

⁽²⁾ Excludes increased assessed valuation of Redevelopment Areas: Campustown, Central Business District, Downtown Stadium, Eagle View, Midtown Plaza, Northside Business Park, Northside Riverfront, Southtown and the Warehouse District:
 1998 - \$39,638,830; 1999 - \$33,781,970; 2000 - \$36,526,430; 2001 - \$41,810,950; 2002 - \$55,839,360;
 2003 - \$54,516,320; 2004 - \$56,357,000; 2005 - \$57,355,710; 2006 - \$60,044,570; 2007 - \$65,372,705

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

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City of Peoria

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

		City Direct Tax Rate, By Fund					
Fiscal Year	Property Tax Levy Year	Illinois					Total Direct Tax Rate
		General Fund	Municipal Retirement Fund	Library Fund	Firemen's Pension Fund	Police Pension Fund	
2008	2007	\$0.3395	\$0.2450	\$0.3367	\$0.1924	\$0.1571	\$1.2707
2007	2006	0.3167	0.2534	0.3398	0.2104	0.1620	1.2822
2006	2005	0.3217	0.2597	0.3432	0.2157	0.1493	1.2896
2005	2004	0.3586	0.2970	0.3061	0.1719	0.1387	1.2723
2004	2003	0.4349	0.1979	0.2854	0.1789	0.1678	1.2649
2003	2002	0.4929	0.1705	0.3100	0.1449	0.1395	1.2578
2002	2001	0.4648	0.2021	0.3003	0.1577	0.1230	1.2479
2001	2000	0.4408	0.2246	0.3067	0.1659	0.1192	1.2572
2000	1999	0.4118	0.2559	0.3071	0.1497	0.1404	1.2649
1999	1998	0.3941	0.2573	0.3223	0.1552	0.1360	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
\$4.4605	\$0.8158	\$0.1318	\$0.6979	\$0.2324	\$0.4490	\$0.1688	\$8.2270
4.4846	0.8444	0.1366	0.7134	0.2409	0.4841	0.1727	8.3589
4.4915	0.8489	0.1390	0.7089	0.2039	0.4801	0.1746	8.3365
4.3233	0.8543	0.1373	0.6874	0.2021	0.4898	0.1750	8.1415
4.2287	0.8604	0.1324	0.6944	0.1434	0.4771	0.1721	7.9734
4.2048	0.8578	0.1310	0.6927	0.1463	0.4573	0.1723	7.9200
4.1920	0.8832	0.1306	0.6882	0.1517	0.4731	0.1752	7.9419
4.2663	0.8169	0.1310	0.6915	0.1856	0.4324	0.1642	7.9451
4.3007	0.8187	0.1311	0.6937	0.1367	0.4131	0.1900	7.9489
4.3421	0.8189	0.1447	0.6936	0.1389	0.4227	0.1672	7.9930

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

Taxpayer	2007 (Taxable Assessed Valuation \$1,847,028,461)			1998 (Taxable Assessed Valuation \$1,106,477,000)		
	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.	\$ 21,849,080	1	1.18%	\$ 17,850,900	1	1.61%
MCRIL LLC	15,320,370	2	0.83%			
Northwoods Development Co.	9,108,220	3	0.49%	7,785,630	2	0.70%
Willow Knolls Ltd.	7,434,020	4	0.40%	5,117,010	5	0.46%
PMP Fermentation Products	7,407,370	5	0.40%	5,138,040	4	0.46%
Wal-Mart Stores, Inc.	7,399,520	6	0.40%	3,710,150	9	0.34%
Gateway Taylor, Inc.	6,868,200	7	0.37%			
Downtown Stadium, Inc.	5,389,050	8	0.29%			
Lexington House Corporation	5,020,690	9	0.27%			
Millennium Investors (Prairie Vista Condos)	4,930,060	10	0.27%			
Methodist Hospital Services			0.00%	5,231,100	3	0.47%
Archer Daniels Midland			0.00%	4,448,180	6	0.40%
Bradley Real Estate, Inc.			0.00%	4,121,560	7	0.37%
Commerce Bank Trust			0.00%	3,985,440	8	0.36%
Proctor Hospital			0.00%	3,007,830	10	0.27%
	\$ 90,726,580		4.91%	\$ 60,395,840		5.46%

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

Notes:

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

⁽²⁾ Every effort has been made to seek out and report the largest taxpayers.

However, many of the taxpayers listed contain multiple parcels and it is possible that some parcels and their valuations have been overlooked.

**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
2007	2006	\$ 27,214,920	\$ 26,854,818	98.68%	\$ -	\$ 26,854,818	98.68%
2006	2005	25,781,794	25,668,344	99.56%	-	\$ 25,668,344	99.56%
2005	2004	24,276,954	23,984,505	98.80%	-	\$ 23,984,505	98.80%
2004	2003	23,227,384	22,989,719	98.98%	-	\$ 22,989,719	98.98%
2003	2002	21,927,744	21,737,603	99.13%	-	\$ 21,737,603	99.13%
2002	2001	19,954,405	19,779,589	99.12%	-	\$ 19,779,589	99.12%
2001	2000	18,547,666	18,131,737	97.76%	-	\$ 18,131,737	97.76%
2000	1999	17,685,592	17,490,038	98.89%	-	\$ 17,490,038	98.89%
1999	1998	16,394,036	16,093,761	98.17%	-	\$ 16,093,761	98.17%
1998	1997	15,237,384	15,193,547	99.71%	-	\$ 15,193,547	99.71%
1997	1996	14,569,641	14,380,738	98.70%	-	\$ 14,380,738	98.70%

Source: Peoria County Treasurer

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

	Calendar Year									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
General Merchandise	\$ 332,640	\$ 326,685	\$ 290,109	\$ 323,956	\$ 325,955	\$ 355,380	\$ 387,322	\$ 382,260	\$ 404,909	\$ 390,938
Food	188,459	191,617	223,793	229,391	227,888	220,393	210,394	212,221	218,964	221,889
Drinking and Eating Places	165,619	165,638	198,333	180,999	183,126	188,939	198,481	202,459	211,092	226,625
Apparel	62,135	63,247	63,746	61,496	61,735	71,473	90,068	92,811	97,317	100,587
Furniture, H.H., and Radio	136,118	148,057	161,150	152,339	139,327	152,141	162,219	172,214	180,579	177,355
Lumber, Bldg, Hardware	106,488	118,067	116,556	113,681	105,404	121,274	132,902	142,554	146,777	139,757
Automotive and Filling Stations	295,934	336,007	346,452	359,971	349,163	351,254	358,403	364,665	399,927	404,877
Drugs and Miscellaneous Retail	212,376	225,027	228,897	229,957	230,511	240,091	252,930	249,986	252,687	254,004
Agriculture and All Others	274,017	250,248	212,037	195,491	170,689	175,133	185,198	202,831	213,281	228,694
Manufacturers	48,466	38,636	28,865	27,513	27,471	26,177	24,774	26,136	26,874	25,530
Total	\$ 1,822,251	\$ 1,863,228	\$ 1,869,937	\$ 1,874,794	\$ 1,821,269	\$ 1,902,255	\$ 2,002,691	\$ 2,048,137	\$ 2,152,407	\$ 2,170,256
City direct sales tax rate	2.00%	2.00%	2.00%	2.00%	2.00%	2.50%	2.50%	2.50%	2.50%	2.50%
Number of Taxpayers	3,753	3,369	3,281	3,232	3,267	3,186	3,136	3,193	3,115	3,089

Sources: Illinois Department of Revenue (SIC Code Reporting)

Notes:

City direct sales tax rate 1998-2002 includes 1.00% Municipal Sales Tax Rate and 1.00% Home Rule Sales Tax Rate.

City direct sales tax rate 2003-2007 includes 1.00% Municipal Sales Tax Rate and 1.50% Home Rule Sales Tax Rate.

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City of Peoria

Ratios of Outstanding Debt by Type ^{(1) (2) (3) (4)}

Last Ten Fiscal Years

(dollars in thousands, except per capita)

(Unaudited)

Fiscal Year	Governmental Activities								
	General Obligation Bonds	Revenue & Special Assessment Bonds	Special Service Area Bonds	Long-Term Loans & Notes Payable	Landfill Closure & Post-Closure Costs	Accrued Compensated Absences	Workers Compensation	General Liability Insurance	Net Other Post Employment Benefits Obligation
2007	\$ 160,325	\$ 7,491	\$ 4,315	\$ 2,950	\$ 1,195	\$ 8,928	\$ 2,423	\$ 1,695	\$ 5,079
2006	151,325	6,951	4,575	3,394	1,397	8,538	-	-	-
2005	160,710	2,306	4,490	3,122	1,535	8,016	-	-	-
2004	107,835	2,851	4,655	3,483	1,482	7,782	-	-	-
2003	110,600	3,241	4,795	4,463	1,541	7,715	-	-	-
2002	114,035	3,911	4,915	4,615	1,773	7,970	-	-	-
2001	116,360	4,551	4,915	4,505	1,807	7,516	-	-	-
2000	110,945	5,150	4,915	4,810	1,905	10,169	-	-	-
1999	97,350	5,730	4,915	5,115	872	10,075	-	-	-
1998	98,020	6,520	4,915	5,631	872	9,428	-	-	-

Source:

City of Peoria comprehensive annual financial reports for fiscal years 1998 through 2007.

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

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

(2) See Table XIV for population data.

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

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

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

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

Business-Type Activities:

The City has no business-type activities.

Table X

<u>Total Primary Government</u>		
<u>Total Outstanding Debt</u>	<u>% of Taxable Property Value</u>	<u>Debt Per Capita</u>
\$ 194,401	10.53%	\$ 1,604.36
176,180	10.27%	1,491.34
180,179	11.14%	1,525.20
128,088	8.34%	1,084.25
132,355	8.93%	1,171.95
137,219	9.74%	1,215.02
139,654	10.60%	1,236.58
137,894	11.15%	1,220.99
124,057	10.60%	1,040.59
125,386	11.33%	1,051.74

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

Fiscal Year	Population	Assessed Value (Thousands)	General Bonded Debt Outstanding			Percentage of Actual Property Value	Debt Per Capita	Debt Limit	Total Net Debt Applicable to Limit	Legal Debt Margin
			General Obligation Bonds	Less Amount Available in Debt Service	Net General Bonded Debt					
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⁾	1,716,118	151,325	17,796	133,529	7.78%	1,130.31	171,612	0	171,612
2005	118,135 ⁽¹⁾	1,616,802	160,710	21,836	138,874	8.59%	1,175.55	161,680	0	161,680
2004	118,135 ⁽¹⁾	1,536,607	107,835	16,524	91,311	5.94%	772.93	153,661	0	153,661
2003	112,936	1,482,899	110,600	15,687	94,913	6.40%	840.41	148,290	0	148,290
2002	112,936	1,409,003	114,035	13,814	100,221	7.11%	887.42	140,900	0	140,900
2001	112,936	1,318,044	116,360	12,934	103,426	7.85%	915.79	131,804	0	131,804
2000	112,936	1,236,540	110,945	12,773	98,172	7.94%	869.27	123,654	0	123,654
1999	119,218	1,170,866	97,350	7,451	89,899	7.68%	754.07	117,087	0	117,087
1998	119,218	1,106,477	98,020	7,210	90,810	8.21%	761.72	110,648	0	110,648

Notes:

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

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

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

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

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

Legal Debt Margin Calculation for Fiscal Year 2007:

Assessed Value (from County Report)	\$1,847,028
Debt Limit (10% of assessed value)	184,703
Debt Applicable to Limit:	
General Obligation Bonds	160,325
Less: Amount set aside for repayment of GO Debt	(15,944)
Gross Total Debt Applicable to Limit	144,381
Less: Debt With Alternative Repayment Sources	(144,381)
Net Total Debt Applicable to Limit	0
Legal Debt Margin	<u>\$184,703</u>

Direct and Overlapping Governmental Activities Debt ⁽¹⁾
As of December 31, 2007
(Unaudited)

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable To City	City's Estimated Share of Overlapping Debt
County of Peoria	\$ 16,026,000	61.64%	\$ 9,878,426
Greater Peoria Airport Authority	8,295,000	78.87%	6,541,852
Pleasure Driveway and Park District	10,672,500	93.73%	10,003,334
Weaverridge Special Service Area	4,315,000	100.00%	4,315,000
School District No. 62, Pleasant Valley	1,065,000	49.83%	530,690
School District No. 69, Pleasant Hill	70,000	1.24%	868
School District No. 150, City of Peoria	27,735,621	97.60%	27,069,966
School District No. 310, Limestone	2,000,000	7.94%	158,800
School District No. 321, Chillicothe IVC	7,115,000	1.54%	109,571
School District No. 323, Dunlap	33,935,000	86.88%	29,482,728
School District No. 325, Peoria Heights	7,835,000	13.65%	1,069,478
School District No. 514, Illinois Central College	10,055,000	31.14%	3,131,127
Subtotal - Overlapping Debt	129,119,121		92,291,839
City of Peoria Direct Debt	160,325,000	100.00%	160,325,000
Total Direct and Overlapping Debt	\$ 289,444,121		\$ 252,616,839

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

Notes:

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

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

City of Peoria

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

Fiscal Year	Downtown Parking Revenue Bonds							
	Net Parking Revenues	Incremental Property Taxes	UDAG Loan Repayments	Interest Revenue	Net Available Revenue	Debt Service		Coverage
						Principal	Interest	
2007	\$ 431	\$ 589	\$ -	\$ 14	\$ 1,034	\$ 565	\$ 53	1.67
2006	476	563	-	13	1,052	555	66	1.70
2005	438	531	-	7	975	545	78	1.57
2004	411	538	-	6	955	475	167	1.49
2003	444	537	129	5	1,115	670	200	1.28
2002	444	530	129	10	1,113	640	230	1.28
2001	427	513	59	29	1,027	605	259	1.19
2000	449	552	81	42	1,124	580	285	1.30
1999	499	530	48	40	1,116	585	311	1.25
1998	463	471	80	47	1,061	555	347	1.18

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

Table XIII

Special Assessment Bonds						
Special Assessment Collections	Capitalized Interest	Debt Service			Coverage	
		Principal	Interest			
-	\$ 55	\$ -	\$ 55		1.00	
-	-	-	-		-	
-	-	-	-		-	
-	-	-	-		-	
-	-	-	-		-	
-	-	-	-		-	
-	-	-	-		-	
-	-	-	-		-	
-	-	-	-		-	

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

Fiscal Year Ended December 31	Population ⁽¹⁾	Personal Income	Per Capita Income ⁽⁴⁾	Median Age ⁽⁴⁾	School Enrollment ⁽²⁾	Unemployment Rate ⁽³⁾
2007	121,170	N/A	\$ 21,219	36.0	13,961	5.0%
2006	118,135	N/A	19,609	33.8	14,400	4.4%
2005	118,135	N/A	19,609	33.8	14,701	5.2%
2004	118,135	N/A	19,609	33.8	15,056	6.1%
2003	112,936	N/A	20,512	33.8	15,414	6.6%
2002	112,936	N/A	20,512	33.8	15,736	6.1%
2001	112,936	N/A	20,512	33.8	15,721	5.6%
2000	112,936	N/A	20,512	32.6	16,000	4.9%
1999	119,218	N/A	14,039	32.6	15,929	4.5%
1998	119,218	N/A	14,039	32.6	16,018	4.5%

Sources:

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

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

⁽²⁾ Peoria School District # 150 Administration Offices

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

⁽⁴⁾ Per Capita Income and Median Age for 2007 was obtained from the Economic Development Council for Central Illinois via EDC website [edc.centralillinois.org/resource/31]

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

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

Employer	2007			1998		
	Employees	Rank	Percentage of Total City ⁽¹⁾ Employment	Employees	Rank	Percentage of Total City ⁽²⁾ Employment
Caterpillar Tractor Company	17,000	1	14.03%	16,795	1	14.09%
OSF St. Francis Medical Center	5,100	2	4.21%	4,250	2	3.56%
Peoria School District No. 150	3,000	3	2.48%	3,134	3	2.63%
Methodist Medical Center	2,500	4	2.06%	2,250	4	1.89%
Peoria Air Guard 182nd Airlift Wing	1,248	5	1.03%	-		0.00%
Keystone Steel and Wire Company	1,200	6	0.99%	1,675	6	1.40%
County of Peoria	1,033	7	0.85%	1,800	5	1.51%
Bradley University	992	8	0.82%	1,200	9	1.01%
Proctor Hospital	940	9	0.78%	1,050	11	0.88%
Affina, LLC (fka: Ruppman Marketing)	750	10	0.62%	1,000	13	0.84%
Illinois Central College	-		0.00%	1,484	7	1.24%
Central Illinois Light Company	-		0.00%	1,200	8	1.01%
Par-a-Dice Riverboat Casino	-		0.00%	1,078	10	0.90%
City of Peoria	-		0.00%	858	16	0.72%

Sources: City of Peoria Official Bond Statement (1998), Economic Development Council for Central Illinois (2007)

Note: ⁽¹⁾ Based on U.S. Special Census conducted in 2007

⁽²⁾ Based on 1998 United States Census

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

Function/Program	Full-Time Equivalent Employees as of December 31					2007
	2002	2003	2004	2005	2006	
Elected Offices, Boards, Commissions, and Agencies						
City Council	1	1	1	1	1	1
City Clerk	5	5	4	4	4	4
City Treasurer	8	7	6	6	6	6
Election Commission	5	4	4	4	4	4
City Administration						
City Manager	8	6	8	8	7	8
Finance	22	22	19	19	19	19
Human Resources	8	8	6	6	6	6
Information Systems	19	18	18	18	18	18
Legal	10	9	8	8	9	8
Police	298	283	282	282	287	290
Fire	216	213	199	203	210	216
Public Works	132	123	105	103	106	106
Community Development						
Economic Development	8	7	5	6	6	5
Planning and Growth Management	27	21	23	23	20	19
Workforce Development	23	21	22	25	27	25
Public Safety						
Inspection Services	54	47	50	50	50	50
Emergency Services	48	46	41	41	41	41
Library	71	69	72	71	74	72
Total	963	910	873	878	895	898

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

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

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

Function/Program	Fiscal Year					
	2002	2003	2004	2005	2006	2007
Police:						
Total Number of Calls For Service	89,439	84,735	85,937	88,661	86,909	85,249
Total Number of Arrests	11,388	11,420	11,486	12,176	12,651	10,648
--Adult arrest - Misdemeanor and Felony	10,659	10,788	10,839	11,542	11,964	9,752
--Juvenile arrest - Misdemeanor and Felony	729	632	647	634	687	896
Property Crime	8,376	7,642	7,028	7,538	6,597	5,263
Traffic violations	29,059	28,647	29,151	29,595	31,832	31,828
Parking violations	5,084	3,861	6,084	4,751	5,351	7,068
Number of Commissioned Police Officers	246	236	242	242	247	247
Fire:						
Total Number of Alarms	12,250	12,283	12,350	12,985	13,713	14,396
--Fire Calls	439	650	625	692	640	570
--Emergency Medical Services	7,261	7,544	7,950	8,738	8,877	9,346
--Hazardous Materials Calls	61	59	136	447	342	423
--Rescue or Other Calls	3,372	4,030	3,639	3,108	3,898	4,057
Total Number of Inspections	4,398	3,796	3,209	3,243	2,896	3,438
--Fire and Life Safety	3,054	2,396	1,862	2,470	2,500	2,702
--Hazardous Materials	1,344	1,400	1,347	773	396	736
Number of Commissioned Firefighters	205	204	192	193	201	201
Public Works:						
# Parking Decks & Lots Maintained	13	13	11	11	11	11
Street Resurfacing (# Linear Miles)	80	88	85	82	83	73
Storm Sewer Maintenance (# Linear Feet)	921	1,200	600	800	650	450
# Street Signs & Signals Maintenance Calls	9,175	9,300	8,810	8,510	8,800	8,762
Inspections:						
# Construction Permits Issued (1)	521	417	442	431	364	365
Library:						
Number of Materials Loaned	776,955	751,515	774,387	735,122	773,245	778,175
Door Count	549,266	559,317	560,694	539,473	536,014	535,721
Computer Usage	75,101	64,366	76,812	85,199	98,817	95,803

Source: City Departments and Annual Budget Documents

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

Related Supplemental Data:

(1) New Residential & Commercial Construction	Fiscal Year					
	2002	2003	2004	2005	2006	2007
Dollar Value of Construction	\$135,959,320	\$ 100,188,598	\$ 124,170,984	\$ 165,067,612	\$ 122,885,714	\$ 365,660,578

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

Function/Program	Fiscal Year					
	2002	2003	2004	2005	2006	2007
Police:						
Stations	1	1	1	1	1	1
Sub Stations	1	1	1	1	1	1
Marked vehicles	70	70	70	70	70	102
Unmarked Vehicles	39	40	40	41	42	84
Fire:						
Stations	12	12	12	12	12	12
Engine (Pumpers) Companies	17	17	17	17	17	17
Truck Companies	6	6	6	6	6	6
Rescue Squads	3	3	3	3	3	3
Public Works:						
Heavy-Duty Trucks (GVW 27,000-42000)	25	26	27	29	31	43
Trucks (GVW 10,100- 25,000)	20	20	20	20	20	33
Streets (Center Lane Miles)	437	449	449	449	449	458
Street Lights	8,906	9,156	9,429	9,866	10,217	10,231
Traffic Signals	251	251	251	254	269	272
Library:						
Facilities (Main Library, 5 Branches, Bookmobile)	7	7	7	7	7	7

Source: City Departments

Notes:

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

The Fire Department assets include both frontline and reserve vehicles.

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

Water/Wastewater facilities are privately owned.

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

City of Peoria

Statistical Section Glossary of Terms Used

APPROPRIATION

Authorization granted by the City Council to make expenditures and to incur obligations for specific purposes, usually limited in amount.

ASSESSED VALUATION

A valuation set upon real estate or other property by a government entity as a basis for levying taxes.

BOND

A written promise to pay (debt) a specified sum of money (called principal or face value) at a specified future date (called the maturity date(s)) along with a periodic interest paid at a specified percentage of the principal (interest rate). Bonds are typically used for long-term debt.

BUDGET

A plan of financial operation embodying an estimate of proposed expenditures for a given period (typically a fiscal year) and the proposed means of financing them (revenue estimates). The term is also sometimes used to denote the officially approved expenditure ceilings under which a government and its departments operate.

CAPITAL ASSETS

Fixed assets which have a value of \$25,000 or more, and have a useful economic lifetime of more than one year, or assets of any value, if the nature of the item under consideration is such that it must be controlled for custodial purposes as a fixed asset.

CAPITAL OUTLAY

All expenditures for minor and major capital items, which result in the acquisition of or addition of fixed assets.

CHANGE IN NET ASSETS

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

CHARGES FOR SERVICES

Revenue from all charges for current services exclusive of revenues of municipal utilities and other public enterprises.

DEBT SERVICE

The annual payment of principal and interest on the City's bonded indebtedness. Bonded indebtedness may occur directly through a bond issue by the City Council.

DEFICIT

In governmental funds and fiduciary funds, it is the excess of expenditures over revenues.

EQUALIZATION FACTOR

A factor applied by the State of Illinois to local assessments for the purpose of bringing consistency to assessment practices state-wide.

EQUALIZED ASSESSED VALUATION

The assessed value multiplied by the state equalization factor to yield the value of property from which the property tax rate is calculated after deducting exemptions and the value of tax increment financing districts.

EXTENSION

The process by which the County Clerk determines the tax rate which would yield at least the dollar amount levied by City Council.

FEES

A general term used for any charge associated with providing a service or permitting an activity.

FINES

Revenue which includes monies derived from fines and penalties imposed for the commission of statutory offenses, violation of lawful administrative rules and regulations, and for the neglect of official duty.

FISCAL YEAR

An accounting period of 12 months. The City of Peoria's fiscal year is January 1 to December 31.

FRINGE BENEFITS

Expenditures for the Illinois Municipal Retirement Fund, health insurance, longevity bonuses, unemployment and worker's compensation claims, and holiday pay. Holiday, vacation, and sick pay are not calculated separately on the City's records.

FUND

An independent fiscal and accounting entity with a self-balancing set of accounts which are segregated for the purpose of carrying on specific activities.

FUND BALANCE

The excess of the assets of a fund over its liabilities and reserves. A negative fund balance is sometimes called a deficit.

GENERAL OBLIGATION BONDS

Bonds for whose payment the full faith and credit of the issuing body are pledged, commonly considered to be payable from taxes and other general revenues.

INTERGOVERNMENTAL REVENUES

Revenues received from other governments in the form of grants, shared revenues, or payments in lieu of taxes. Examples for City of Peoria include governmental reimbursements for salaries, projects and programs, the state personal property replacement tax, the state income tax, sales taxes, and other state and federal grants.

LEVY

The total amount of taxes imposed by a governmental unit on the basis of property.

LICENSES AND PERMITS

Revenue from businesses and occupations which must be licenses before doing business within the governmental unit and revenue from all non-business licenses and permits levied according to benefits presumably conferred by the license or permit.

LOCAL REVENUES

All income from property taxes, interest, fines, licenses, permits, and sales tax.

MARKET VALUE

The highest price in terms of money which a property would bring in a sale between willing buyers and sellers.

NET ASSETS

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

OVERLAPPING DEBT

The proportionate share of the debts of local governmental units wholly or in part within the limits of the reporting government which must be borne by property within each governmental unit.

POLLUTION PROPERTY

Systems and devices designed to control air and water pollution as defined in statute, assessed separately by the State of Illinois.

PROPERTY TAX RATE

The amount of tax stated in terms of a unit of the tax base. (e.g., One cent per \$100 of taxable assessed valuation is written as 0.0100.)

RAILROAD PROPERTY

The State of Illinois assesses all "operating property" of rail companies, which includes all tracks, right-of-ways, structures on the right-of-ways, and rolling stock and car equipment.

RESERVE

An account which records a portion of a fund balance which must be segregated for some future use and which is not available for further expenditure.

REVENUE

Income received by city government in support of services to the Community. City of Peoria's revenue sources are taxes, licenses and permits, intergovernmental, charges for services, fines, and other miscellaneous revenues.

TAX INCREMENT FINANCING DISTRICT (TIF)

A district established by local government for the purpose of fostering economic development. The original value of the land remains taxable, but the taxes on the value of any improvements go directly to the repayment of bonds used to finance the district.

TAX YEAR

The year in which property taxes are levied. For example, property taxes are levied by the City Council for the 2007 fiscal year in December 2006. Therefore, the property tax year for these levies is 2006. These taxes would be collected in calendar year 2007 during the 2007 fiscal period.

TAXABLE ASSESSED VALUATION

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

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